



## Australian Government

### Department of the Prime Minister and Cabinet Office of Best Practice Regulation

Reference: 15138

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Mr Giles Tanner  
General Manager  
Digital Economy Division  
Australian Communications and Media Authority

Dear Mr Tanner

#### **Final Assessment Regulation Impact Statement – Informed Decisions for Backup Power Supply Arrangements**

Thank you for forwarding the Regulation Impact Statement (RIS) for the above proposal for final assessment on 30 July 2014.

The Office of Best Practice Regulation's (OBPR) final assessment is that the Australian Communications and Media Authority (ACMA) is compliant with the Government's requirements and the RIS meets best practice for decision-making. This assessment is based on:

- the RIS does not contain obvious errors;
- the regulatory costs and offsets having been agreed with the OBPR;
- the ACMA has twice submitted the certified RIS for the OBPR's formal assessment prior to a decision being taken;
- the RIS has been amended to address the concerns raised by the OBPR in my letter of 24 June 2014; and
- the RIS contains a degree of detail and a degree of detail and depth of analysis that is commensurate with the magnitude of the problem and the size of the potential impact of the proposal.

I note the RIS provides a discussion of the broader context of the policy problem. Most notably, all Australian homes will be compulsorily migrated to the National Broadband Network (NBN) and twenty-six per cent of Australian premises will be connected via fibre-to-the-premises (FTTP).

The RIS outlines that fixed-line phones in houses connected via FTTP will not work in the event of a power outage without a backup battery device. The RIS also notes that battery backup devices are provided by Carriage Service Providers (CSPs) on an optional basis. The RIS highlights that fixed-line phone services – including life dependent services such as calls to emergency services – may not continue to operate in a power failure.

Further to this, the RIS discusses in detail how Carriage Service Providers (CSPs) currently lack the incentive to ensure consumers make a fully informed decision regarding battery backup devices.

In this context the RIS considers options to address the problem that consumers may make an inappropriate decision regarding battery backup.

I note the RIS quantifies the net benefit of each option. Benefits to consumers are calculated using the assumption that a Service Provider Determination would reduce the number of inappropriate decisions by 25 – 50 per cent.

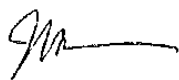
I note that industry consultation began in July 2013, with subsequent workshops held in August 2013 and May 2014. The RIS outlines that submissions received from telecommunications industry participants expressed a preference for no Service Provider Determination while regulatory bodies and NBN CO. were supportive of government action in the form of a Service Provider Determination.

The RIS recommends the principles-based Service Provider Determination, which is the option with the highest net benefit. The RIS notes this option is the most likely to reduce consumer risk while allowing CSPs some flexibility in how they comply with the determination.

The OBPR maintains a RIS website and the Government requires that RISs be posted within five business days of a regulatory decision being publicly announced. We would appreciate you advising us when a decision on this proposal is announced, and forwarding a final copy of the RIS in *Microsoft Word .doc* format in a form meeting the Australian Government's *Web Content Accessibility Guidelines*.

Our reference number for this issue is 15138. If you have any further queries, please do not hesitate to contact me.

Yours sincerely



Jason McNamara  
Executive Director  
Office of Best Practice Regulation  
6 August 2014