

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**

Supplementary Budget Estimates 1 - 2 November 2006

**Question:** sbt 119 (ACCC)  
**Topic:** Advertising of downloading speeds  
**Hansard Page:** E5

**Senator CONROY asked:**

**That is not the first time you raised this issue though, is it? At an ATUG conference on 4 March 2004 you stated:**

It has been alleged that whilst ISPs are advertising broadband services that offer specific download rates, for example, 256 kilobits per second, the download speed when accessing Internet sites is often considerably less than this. Advertising that makes false claims about the standard, quality and value of products and services is a breach of the Trade Practices Act and will not be tolerated by the ACCC.

**And you went on to state:**

Those who fail to take note of this warning will find themselves the target of enforcement action by the ACCC.

**What action did you take after you gave that speech in March 2004?**

**Mr Samuel—I would have to take that on notice, but I think Mr Cosgrave outlined the course of action that we do take.**

**Answer:**

The comments made about concerns with advertising broadband speeds arose from specific concerns which the Australian Competition and Consumer Commission (the ACCC) had, and had already acted upon, prior to the speech in March 2004. During the end of 2003 and start of 2004, the ACCC raised its concerns with a number of larger ISPs, seeking changes to their advertising. These matters were resolved administratively.

In addition, the ACCC wrote to the Internet Industry Association (IIA), explaining its concerns with advertised broadband speeds not reflecting real-world customer experience. The IIA advised the ACCC that it had written to its member ISPs and advised them of the ACCC's concerns.

Following from this activity, the ACCC has continued to monitor representations relating to broadband advertising, as well as reviewing complaints received by its Infocentre staff for complaint trends and identifying possible areas of further inquiry. As a result of this monitoring the ACCC has seen the need to raise specific issues with a small number of ISPs from time to time. For instance, in 2006, the ACCC wrote to a large ISP raising concerns about broadband speed claims which did not include adequate qualifications. The ISP modified its advertising so that consumers would be aware of the real-world limitations of the services being offered.