

21 October 2021

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Dear Mr Riordan

### **ACCC Consultation on Proposed Variations to Telstra's Migration Plan published on 22 September 2021**

Please find below for your consideration, a submission from Telstra's Retail Business Units (**Telstra Retail**) in response to the ACCC's consultation on the proposed variation to the Migration Plan regarding Multi Dwelling Unit (**MDU**) Common Area disconnections.

The variation to Telstra's Migration Plan published on 22 September 2022 introduces a new disconnection milestone and process for disconnecting MDU Common Areas on 18 March 2022 (the **MDUCA Disconnection Date**). This variation to the Migration Plan is based on the MDUCA Disconnection Date and process which was published and notified to Wholesale Customers and Telstra Retail back in January 2021.<sup>1</sup>

Since January 2021, COVID-19 has continued to cause material disruption to the normal operations of retail service providers (**RSPs**) and their customers, including for Telstra Retail and our customers.

Consequently, this submission proposes that consideration is given to the addition of an In Train Order period (**ITO**) for MDU Common Areas, which extends disconnection beyond the MDU Common Area Disconnection Date. We believe this will bring important benefits to end-customers, due to the changed and unstable environment experienced across the nation and the ongoing impacts this has caused to RSP managed disconnection programs.

Since January 2021 when the MDU CA Disconnection Date was set, Australia has experienced ongoing lockdowns across several states, as well as delays due to nbn HFC NTD and chip shortages. Amongst other impacts, this has created an influx of services for Telstra Retail to manage, migrate and disconnect in addition to MDU Common Area disconnections. We elaborate below:

- COVID 19 has seen forced lockdowns in numerous states, which has impacted customers being at site and has meant our field technicians have been unable to attend premises in NSW and VIC from July 2021 to date. This has caused a significant backlog of customer and field appointments required to complete migrations for current managed disconnection waves. The impact is particularly felt for MDU Common Areas as a large percentage of MDU Common Area total services are located in NSW and Victoria, of which both states are (as at the date of this submission), still in some form of, if not total lockdown/restrictions due to COVID-19. Telstra Retail are finding that our customers in NSW and Victoria are still tentative

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<sup>1</sup> See

[https://www.telstrawholesale.com.au/content/dam/tw/nbn/Documents/MDU\\_CA\\_revised\\_disconnection\\_process\\_with\\_dates\\_inserted\\_12\\_Jan\\_2021.pdf](https://www.telstrawholesale.com.au/content/dam/tw/nbn/Documents/MDU_CA_revised_disconnection_process_with_dates_inserted_12_Jan_2021.pdf)

to book appointments (even with lockdown easement dates being announced), due to uncertainties of further lockdowns and/or wanting to engage in trade before being concerned with their telecommunications.

- The nbn HFC NTD and chip shortage has also caused a material volume of eligible copper services tracking as part of the Managed Disconnection program to have their scheduled disconnection date changed, which are now expected to be migrated by February 2022. The timeframe for migrating these services prior to mandatory disconnection overlaps with management of MDU Common Area migrations required to be actioned by RSPs by the MDU CA Disconnection Date. This influx of services requiring management at the same time increases the pressure on customers and RSP field resourcing to be able to complete migrations at all of these locations within the same time period.
- Enterprise and Government customers also typically engage in embargo periods over December and January. This effectively removes 2 months of available time to migrate services prior to the MDU CA Disconnection Date (and noting that there is already a backlog of services to migrate due to COVID-19 impacts delaying other migrations). Enterprise and Government customers are the bulk of those services/locations that make up the MDU Common Area disconnections. Telstra Retail considers that if an ITO period is not introduced, a large number of customers and services could face risks to service continuity due to a lack of time to provision the replacements to their legacy services they have ordered.
- Enterprise and Government customers typically require professional installations. Telstra Retail is concerned our field resources could struggle to meet this demand, at the same time as the HFC disconnection date move and COVID 19 backlog, on top of BAU waves at that same time that MDU Common Area disconnections are to occur.
- In order to support customers to correctly migrate services at MDU Common areas, RSPs need to map the MDU Common Area LOC ID to the Common Area Serviceable Location (CASL) LOC ID where the service is actually required to be submitted and built against. This is not always a simple process, and it takes some time to do. Complexities can also arise where MDU Common Area LOC IDs is currently non-serviceable. Having an ITO period that extends disconnection beyond the MDU CA Disconnection Date will allow important additional time for RSPs to work through these issues.

In summary, Telstra Retail is concerned that, without the introduction of an ITO period for MDU Common Areas, the amalgamation of moved/delayed disconnections into the first few months of 2022 will see insurmountable pressure on field staff and customers to complete migrations and disconnect MDU Common Areas immediately following the MDU Common Area Disconnection Date. This is the result of unforeseeable impacts of COVID-19 which have arisen since the development and publication in January 2021 of the process on which the Migration Plan variation is based

To alleviate this pressure, Telstra Retail is proposing that consideration is given to the introduction of an ITO period for MDU Common Areas, which would extend the period for disconnection of these services beyond the current MDU CA Disconnection Date, in the same way as commonly applies for services at locations which are not MDU Common Areas.