

ANNEXURE 3

Annexure 3 to nbn letter to ACCC – March 2023

Changes to November SAU Variation: Service performance and improvement

This document sets out particular changes to nbn's SAU variation of November 2022 being contemplated by nbn.

These changes are in addition to the changes identified in the separate draft riders related to:

- the ICRA draw down and stand-alone credit rating principles – Annexure 1;
- the replacement module process and pricing regulation provisions – Annexure 2;
- other contemplated changes – Annexure 4; and
- WAPC simplification and clarifications – Annexure 5.

Changes are shown in track / mark-up, relative to the November Variation.

Changes:

Attachment A Dictionary

1 Definitions

[...]

Systemic Service Standard Event means a new event or circumstance:

- arising during a Regulatory Cycle that results in a recurring material adverse impact on Access Seekers' or End Users' access to a Service Standards Product due to a matter for which NBN Co is responsible; and
- in respect of which the ACCC considers, acting reasonably, that NBN Co has not taken reasonable steps to address the recurring material adverse impact on Access Seekers or End Users.

[...]

Schedule 4A Overview of Module 4 and key non-price terms

[...]

4A.3 Benchmark Service Standards

[...]

- For the First Regulatory Cycle, the date by which NBN Co will include in the SFAA published in accordance with clause 8, an obligation to meet or exceed Service Standards which are no less favourable to Access Seekers than the Benchmark Service Standards set out in Attachment I (Benchmark Service Standards for First Regulatory Cycle) is the Price Transition Date.

Commented [A1]: Explanatory note: We have amended the timing of this obligation to allow the Benchmark Service Standards to align with corresponding proposed service standards in WBA5 (including the improved service levels and performance objectives proposed to be delivered under WBA5 such as those proposed in this rider). The Price Transition Date can be no later than 3 months after SAU acceptance (see clause 2B.1.4(a)) and is the date on which WBA5 is expected to commence.

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- ~~(i) for the “Performance Objective for Utilisation Management” and “Utilisation Threshold Reports”, the Price Transition Date; and~~
- ~~(i) for all other Benchmark Service Standards set out in in Attachment I (Benchmark Service Standards for First Regulatory Cycle), 1 July 2023.~~

[...]

4A.4 Service Improvement Plan and service performance review

4A.4.1 Service Improvement Plan

- (a) Subject to clause 4A.4.1(b), NBN Co must, by no later than 20 Business Days after the start of each Financial Year of the First Regulatory Cycle, publish on its website a service improvement plan that includes the following:
 - (i) initiatives that NBN Co is undertaking (or plans to start undertaking) during the relevant Financial Year for the purpose of enhancing the experience of End Users and/or Access Seekers which are forecast in NBN Co’s operating plan to involve material capital expenditure or operating expenditure in that Financial Year;
 - (ii) the benefit that nbn intends such initiatives to deliver for End Users and/or Access Seekers;
 - (iii) planned timeframes for implementing such initiatives;
 - (iv) for each initiative, the related category of forecast Capital Expenditure or forecast Operating Expenditure used in forecasting the Forecast Nominal ABBRR for the Regulatory Cycle;
 - (v) except in the first Financial Year, an update on the progress of initiatives specified the previous Financial Year; and
 - (vi) any other information that NBN Co considers is reasonably necessary about such initiatives.

(Service Improvement Plan).

- (b) If the Second SAU Variation Date is after 1 July 2023, instead of providing a Service Improvement Plan by the timeframe set out in clause 4A.4.1(a), NBN Co will provide a Service Improvement Plan to Access Seekers by no later than 20 Business Days after the Second SAU Variation Date.
- (c) NBN Co will, at the time of publishing a Service Improvement Plan, provide to the ACCC a document signed by an executive of NBN Co which certifies that the Service Improvement Plan complies with clause 4A.4.1(a).

4A.4.2 Service performance review

- (a) By no later than the end of the first and second Financial Years of the First Regulatory Cycle, NBN Co must:
 - (i) conduct a review of Service Standards included in the SFAA published in accordance with clause 8 to evaluate:
 - (A) NBN Co’s performance in respect of each service level and service performance objective in the 12 month period prior to the commencement of the review; and

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(B) the relevance and effectiveness of service levels and service performance objectives to Access Seeker Products supplied to End Users; and

(ii) publish on its website a report that:

(A) describes NBN Co's performance in respect of each service level and service performance objective in the 12 month period prior to the commencement of the review;

(B) in the case of each service performance objective, includes an explanation of any material difference between NBN Co's performance and the service performance objective included in the SFAA published in accordance with clause 8;

(C) considers how initiatives in NBN Co's Service Improvement Plans have contributed to changes in NBN Co's performance in respect of service levels and service performance objectives in the 12 month period prior to the commencement of the review;

(D) summarises any input received from Access Seekers under clause 4A.4.2(b) (subject to any confidentiality requirements of such Access Seekers) regarding the effectiveness, relevance and/or impacts on End User experience of the Service Standards; and

(E) sets out any changes that NBN Co is considering in response to that review, including in response to any submissions by Access Seekers in response to any consultation under clause 4A.4.2(b), including, for example, any changes NBN Co is considering to Service Standards in the SFAA, the Benchmark Service Standards or to NBN Co's processes.

(b) As part of each review under clause 4A.4.2(a)(i), NBN Co must consult with Access Seekers on the matters referred to in clauses 4A.4.2(a)(i)(A) and 4A.4.2(a)(i)(B).

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Attachment I Benchmark Service Standards for First Regulatory Cycle

[...]

1. End User Connections

1.1 Service Levels for End User Connections

(a) The Service Levels for Standard Connections from the time of Order Acknowledgement for **nbn**[®] Ethernet are:

Network	Service Class	Location of Premises and Service Level (Business Days)				
		Urban Area	Major Rural Area or Minor Rural Area	Remote Area	Isolated Area	Limited Access Area
Fibre Network	Service Class 0	N/A	N/A	N/A	N/A	N/A
	Service Class 1	14	19	19	40 N/A	N/A
	Service Class 2	9	14	19	35 N/A	N/A
	Service Class 3	1	1	1	1 N/A	N/A
[...]						

[...]

(b) The Service Levels for Priority Assistance Connections in respect of Service Class 3, 13, 24 and 34 (in respect of which no FTTC-NCD Shortfall applies) Premises and Accelerated Connections in respect of Service Class 1, 2, 11, 12, 21, 22, 23, 31, 32, 33 and 34 (in respect of which an FTTC-NCD Shortfall applies) Premises, from the time of Order Acknowledgement are:

Location of Premises	Priority Assistance Connection (hours) (Service Class 3, 13, 24 and 34 ² Premises only)	Accelerated Connection (Business Days) (Service Class 1, 2, 11, 12, 21, 22, 23, 31, 32 and 33, 34 (FTTC-NCD Shortfall) ³ Premises only)
Urban Area	24	4
Major Rural Area ¹	24	9
Minor Rural Area ¹	24	14
Remote Area ¹	48	N/A
Isolated Area ¹	<u>48</u>	<u>N/A</u>

Notes:

¹ No Premises served by the HFC Network will be located in an area other than an Urban Area.

² Applicable only to a Service Class 34 Premises in respect of which an FTTC-NCD Shortfall does not apply.

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³Applicable only to a Service Class 34 Premises in respect of which an FTTC-NCD Shortfall applies.

[...]

3. Activations

[...]

3.2 Performance Objectives

(a) **nbn** will aim to achieve the following Performance Objectives in connection with the Service Levels set out in this section:

Relevant Service Level	Performance Objective
CVC Activation	90% or more
NNI Group Activation	90 95% or more
NNI Link Activation	90 95% or more
V-NNI Activation	90 95% or more

[...]

7. Trouble Ticket management

[...]

7.2 Performance Objective

(a) **nbn** will aim to achieve the following Performance Objective in connection with the Service Levels set out in this section:

Activity	End User Faults
Trouble Ticket management Activities referred to in section 7.1 performed in accordance with the relevant Service Levels	90 95% or more

[...]

8. Service Fault rectification

8.1 Service Levels for End User Fault rectification

The Service Levels for rectification of End User Faults from the time of Service Fault Trouble Ticket Acceptance (or Trouble Ticket Acknowledgement if section 7.3(c) applies) are:

Location of Premises	End User Fault rectification Service Level by nbn [®] Network	
	Fibre Network, FTTB Network, FTTN Network, FTTC Network, HFC Network ¹ and Wireless Network	Satellite Network
Urban Area and other locations	5:00pm next Business Day	5:00pm next Business Day ²

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Location of Premises	End User Fault rectification Service Level by nbn ® Network	
	Fibre Network, FTTB Network, FTTN Network, FTTC Network, HFC Network ¹ and Wireless Network	Satellite Network
where End User Fault does not require external or internal plant work or nbn attendance at Premises		5:00pm third Business Day ³
Major Rural Area or Minor Rural Area where End User Fault requires external or internal plant work or nbn attendance at Premises	5:00pm second Business Day	5:00pm third Business Day
Remote Area where End User Fault requires external or internal plant work or nbn attendance at Premises	5:00pm third Business Day	5:00pm fourth Business Day
Isolated Area where End User Fault requires external or internal plant work or nbn attendance at Premises	5:00pm tenth Business Day ⁴ N/A	5:00pm tenth Business Day
Limited Access Area where End User Fault requires external or internal plant work or nbn attendance at Premises	N/A	N/A

Notes:

¹ No Premises served by the HFC Network will be located in an area other than an Urban Area.

² Applies to a location (including an Urban Area) where the End User Fault does not require external or internal plant work or **nbn** attendance at Premises.

³ Applies to an Urban Area only where the End User Fault requires external or internal plant work or **nbn** attendance at Premises.

⁴ Applies only to **nbn**® Ethernet (Fibre).

If RSP selects the Self Replacement – FTTC option at the time of submitting a Service Fault Trouble Ticket, the Service Level that will apply to that Service Fault will be the applicable Service Level set out in the table above for an End User Fault that requires internal plant work. For example, for an End User Fault for a Premises located in a Major Rural Area, the applicable Service Level would be 5:00pm the second Business Day. On and from the date notified by **nbn**, the applicable Service Level in these circumstances will be extended by an additional 1 Business Day. For example, for a Premises located in a Major Rural Area, the applicable Service Level will instead be 5:00pm the third Business Day.

Commented [A2]: Explanatory note: This footnote was introduced into WBA4 on 22 November 2022 to account for the introduction of the self-replacement process for FTTC, where RSPs may select for an FTTC NCD to be shipped by **nbn** to the end user rather than require **nbn** technician attendance. The footnote clarifies that if **nbn** ships a self-install kit the relevant service level for the area the premises is in applies, which may need to be extended by 1 BD given the time required to deliver self-install kits.

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[...]

11. Modifications

11.1 Service Levels for Access Component Modifications

[...]

- (b) The Service Levels for Access Component Modifications that require attendance at Premises and Priority Assistance Modifications at Premises where a Power Supply (Standard) is installed, from the time of Order Acknowledgement are:
- (i) in respect of the Fibre Network, FTTB Network, FTTN Network, FTTC Network, HFC Network and Wireless Network:

Location of Premises*	Service Level (Business Days)
Urban Area	9
Major Rural Area or Minor Rural Area	14
Remote Area	19
<u>Isolated Area</u>	<u>35²</u>

***Notes:**

¹No Premises served by the HFC Network will be located in an area other than an Urban Area.

²Applies only to **nbn**® Ethernet (Fibre).

[...]

12. Disconnections

12.1 Service Levels for Access Component Disconnections

The Service Levels for Access Component Disconnections from the time of Order Acknowledgement are:

Activity	Service Level (Business Days)
Order received on a Business Day	Completed by the end of the following Business Day ¹

12.2 Performance Objective

- (a) **nbn** will aim to achieve the following Performance Objective in connection with the Service Level set out in this section:

Relevant Service Level	Performance Objective
Access Component Disconnection	90 99% or more

- (b) The Performance Objective in this section 12.2 is measured based on the total number of all Access Components Disconnections completed in accordance with the relevant Service Level for all of **nbn**'s retail service providers each month.

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[...]

23. Service Fault Commitment

- (a) A circumstance in which an **nbn**[®] Ethernet (FTTN) Ordered Product, **nbn**[®] Ethernet (FTTC) Ordered Product or **nbn**[®] Ethernet (HFC) Ordered Product is subject to more than 7 unexpected dropouts within the day on which a Service Fault Trouble Ticket is raised or any of the 2 previous calendar days, which otherwise meets the definition of a Service Fault, is a Service Fault.
- (b) Section 23(a) does not affect any obligations of the RSP to comply with operational or other obligations, such as the obligation to submit a Service Fault Trouble Ticket.

[...]

Commented [A3]: Explanatory note: As noted above, in response to matters raised in the ACCC's consultation paper and RSP feedback, **nbn** is committing to extend the dropout threshold criteria in this section of the Benchmark Service Standards to FTTC – to be applicable when FTTC is captured under the performance incident framework in WBA5.