

2 December 2019

Scott Harding
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ACCC

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Dear Mr Harding,

ACCC Consultation on NBN Wholesale Service Standard Inquiry Draft Decision

We refer to the ACCC's NBN Wholesale Service Standard Inquiry Draft Decision and accompanying Draft Final Access Determination (draft FAD) published in October 2019. We understand that the ACCC asked for submissions by 1 November 2019 and apologise that our submission is outside this time frame.

Aussie Broadband agrees with the principles that the ACCC has followed and the positions it has reached in the Draft FAD. We consider that the ACCC's inquiry will be helpful in WBA4 negotiations and that it would be useful for the ACCC to host an industry forum on NBN service standards.

Consultation questions

1. Do you agree with the specific principles the ACCC considers should be used to guide the formulation of wholesale terms?

Aussie Broadband agrees with the principles used to guide the ACCC's formulation of wholesale terms. We consider that the ACCC's focus on clear service level commitments, appropriate allocation of risk and responsibility, effective incentives and improved end-user outcomes provides an appropriate mechanism to both reflect the relevant matters set out in s.152BCA of the Competition and Consumer Act (CCA) and to provide incentive for NBN Co to address consumer concerns about the service standards they experience.

2. Do you agree with the terms in the draft FAD instrument and application of the regulatory criteria to these terms?

Yes. We consider that the terms in the draft FAD are appropriate and in accordance with the criteria set out in s.152BCA(1) of the CCA.

3. How do you consider the ACCC should proceed with the inquiry in the context of WBA4 negotiations (e.g. timing for the introduction and expiry of regulated terms)? Would you support the ACCC hosting an industry forum on service standards?

Publication of the ACCC's final decision and FAD will support and feed into discussions between RSPs and NBN Co during 2020's WBA4 negotiations by providing a clear regulatory fallback position that will be taken into account during the negotiations. We consider that it is important for the final decision and FAD to be published in a timely manner in order to meet this objective.

We support the ACCC hosting an industry forum on service standards after publication of the final decision and FAD and early in the WBA4 negotiation process.

Principles described in the draft decision

1. NBN Co should only confirm to the access seeker that a connection is completed, and begin charging for that service, after conducting appropriate testing to ensure installation activities are successful.

Aussie Broadband agrees with this principle. End-users are, quite rightly, reluctant to pay for a service that does not work and are extremely frustrated by such occurrences. NBN Co is best placed to conduct testing and implement immediate rectification steps to avoid unsuccessful installations and resulting delays.

2. Connection rebates should apply to all standard connections and should accrue on a daily basis if the relevant service level is not met.

Aussie Broadband agrees with this principle. We consider that the rebate cap of \$270 is relatively low, for example in comparison to rebates available under the Customer Service Guarantee Standard and question whether it is sufficient incentive to NBN Co to ensure connection time frames are met, particularly once a delay has resulted in the \$270 cap being met.

3. Fault rebates should accrue on a daily basis if the relevant service level is not met.

Aussie Broadband agrees with this principle. The daily accrual of a rebate for the failure to meet fault rectification timeframes is a reasonable incentive to promptly address faults.

4. Missed appointment rebates should take into account the cost and inconvenience to the end-user when an appointment is missed, while at the same time provide a stronger incentive to reduce the rate of missed appointments.

Aussie Broadband agrees with this principle. We agree with the decision to increase the rebate to \$75, though acknowledge that consumers may consider even that amount is insufficient recompense for the inconvenience that they suffer as a result of missed appointments.

5. NBN Co should be responsible for the speed and performance of its wholesale product and not charge for services that it does not provide.

Aussie Broadband agrees with this principle. NBN Co is clearly best placed to ensure that its network operates in accordance with its agreed speed and performance standards. Accordingly, NBN Co should bear the risk for failing to meet those standards.

6. To ensure a robust service level framework, NBN Co should only extend service level timeframes under limited specified circumstances, for example if NBN Co is waiting for customer or RSP action before completing a connection or remediating a fault, or NBN Co's operations are affected by a force majeure event.

Aussie Broadband agrees with this principle. Given that NBN Co has financial and reputational incentives to avoid failure to achieve service levels, its ability to extend service level timeframes should be limited to events that are clearly outside its control.

7. NBN Co should record service specific information about the progress of appointments, connections and faults and make this available to access seekers in a way that is accurate, timely and accessible. This should include whether a relevant service level has been missed and is able to be used by RSPs to inform end-users where appropriate.

Aussie Broadband agrees with this principle. This information will assist RSPs to provide pertinent and accurate information to end-users and assist the industry to assess NBN Co's performance in relation to service standards.

8. NBN Co should provide regular reports to access seekers about the overall performance of its network. This should include its performance meeting service levels by location, service class and network.

Aussie Broadband agrees with this principle. This information will assist the industry to assess NBN Co's performance in relation to service standards and help RSPs identify current or potential problem areas such as locations or technologies with rising congestion or faults.

9. NBN Co should support the delivery of NBN services in line with existing consumer safeguards, where they apply. PA connections and faults should be prioritised over standard connections and faults. NBN Co should commit to updating the WBA service standards to support any changes to the consumer safeguards framework that affect NBN services.

Aussie Broadband agrees with this principle. It is important that consumers supplied services over the NBN have prompt access to consumer safeguards via a regulatory recourse mechanism and appropriate that priority assistance customers are given provisioning and fault rectification priority to ensure that have access to a working service.

Regards

Phillip Britt
Managing Director
Aussie Broadband