

SUBMISSION IN RESPONSE TO ACCC DRAFT DECISION MAY 2, 2003

RE PROPOSED NBN SAU NOVEMBER 2022.

Submission lodged by B Bebbington

DIFFERENT HOURLY RATES

NBN 3-year price roadmap May 2023.

In the price roadmap document reference is made to the hourly rates applicable for services provided. In 9.1, 9.3 and 9.5 it refers to “hourly labour rate” In 9.2 and 9.4 it refers to “Satellite labour rate”.

Why the difference in terminology and what is the difference in those rates and what is the justification provided for a different rate?

SATELLITE CHARGES EXCESSIVE IN COMPARISON TO NON-SATELLITE CHARGES

There have been well publicised situations where customers in areas close to urban areas are on satellite, due to being outside the NBN fibre area and unable to obtain fixed wireless due to terrain. These examples have included the Blue Mountains.

The following issue, therefore, does not just affect regional rural and remote customers.

Comparison of tables 9.5 and 9.6 shows-

Late cancellations (Site visit required)	Fibre and wireless	\$0
	FTTB FTTN FTTC	\$75
	HFC	\$75
	SATELLITE	
	Urban, major rural	\$150
	Minor rural or remote	\$200

In an urban area, the rsp is charged \$150 for satellite customers versus \$0 for fibre or fixed wireless when the properties can be adjoining.

Missed appointment	Fibre and wireless	\$0
	FTTB FTTN FTTC	\$50
	HFC	\$50
	SATELLITE	
	Urban,major rural	\$150
	Minor rural or remote	\$200

In an urban area, the rsp for a satellite customer is charged \$150 versus \$0 for a missed appointment yet can also be adjoining properties.

The figures are not based on the hourly rates and time lost by NBNco (or its contractors).

Fixed wireless customers can be in major rural and minor rural areas, yet the charges are significantly different.

Fibre customers can be in major rural (2,500 to 10,000 people as per the definition in the draft SAU) and minor rural (200 to 2,500 populaiton).

In rural locations, it could be the same technician attending three consecutive jobs, for fibre, wireless and satellite. The fibre customer is not in attendance, the charge is nil. The technician travels 10 minutes to the fixed wireless customer and they are charged nothing for the missed appointment, but the technician travels five minutes to the next-door neighbour whose rsp is charged \$200 for the missed appointment.

SAFEGUARDS NEEDED FOR RSP’S AND END USERS WHERE HOURLY RATES APPLY

Nbnco charges hourly rates for certain functions listed in the 3-year price roadmap.

There are no safeguards for rsp’ s and end users.

Nothing in the SAU required NBNco to have technicians based in regional and rural towns.

If NBNco, as a cost cutting measure, elects not to have technicians based locally, and has centralised depots that could be 100 or more kilometres away, then the hourly rates charges will reflect this and the rsp and end user bear the brunt of the hourly charges.

Similarly, if NBNco outsources (or contracts to service providers) service and installation functions, the rsp’ s and end users should not be exposed to excessive travel times.

In the absence of any legislation such as the customer service guarantee standard 2011 or the universal service obligation, or any customer protection legislation specific to NBNco, then it would be appropriate that as a safeguard to rsp’ s and ultimately end users, conditions be placed on the hourly rates.

If, for example, the SAU (and WBA) stipulated that hourly rates shall be “based up the travel time for the nearest NBN technician location or the Major Rural area”, there would be a protection against excessive travel times and corresponding hourly rate charges.

This would mean, using the definition in the SAU, “Major Rural Area means an urban centre or other recognised community grouping with a population greater than 2,500 but less than 10,000 people” that a benchmark would be established.

The inclusion of the wording “...nearest NBN technician location...” would provide additional protection where technicians are based (ether NBN employees or contractors) in locations that have less than 2,500 people, to service a geographical area.

In our instance, based on the historical location of Telstra technicians, where we are 15 minutes from the nearest town, 25 minutes from the nearest town with technicians based and 1 hour from the nearest major town (over 10,000 people), we would be protected by only being able to be charged a maximum of 50 minutes versus 2 hours.

NO CAP ON NUMBER OF HOURS NBNCO CAN CHARGE IN A DAY

Under the proposed SAU if NBNco do not have any restrictions placed on what they can charge for each ticket, by determining that time shall be taken from the nearest technician location or major rural locations, combined with the lengthy restoration times and installation times; they can bundle jobs in the same area together but still charge each ticket (and consequently each rsp and end user) for the travel time from the base location.

That is, with one hours travel and 10 jobs within the same area with minimal travel, under the current proposal, with no limitations NBNco can charge each of those 10 tickets two hours travel (for the return). That is instead of charging for 10 hours of time (2 hours plus 8 hours across the 10 jobs) it will be permitted by the ACCC to charge 28 hours.

If they were limited to only charge from the nearest location, then the chargeable time for the same tech could be reduced to 1 hours travel across the entire day and NBN would only recover 9 hours.

The rsp’ s and ultimately the end users again will be impacted by the increased costs.

PENALTY FOR NBNCO CANCELLATION AND NON-ATTENDANCE SHOULD BE REFLECTED IN COMPENSATION WHEN NBNCO CANCELS FOR FAILS TO ATTEND AN APPOINTMENT.

As a satellite customer is to be charged penalties for missed appointments and late cancellations where an adjoining property of a fibre or fixed wireless will not be, there should be a commensurate penalty when NBNco does not attend or cancels late for a satellite customer.

NO IMPROVEMENT IN SATELLITE SERVICES

As I outlined in my February 2023 submission, which I acknowledge ACCC has referred to in the draft decision paper, no improvement has been offered in the draft SAU or responses by NBNco in relation to satellite services.

Under the proposed SAU and variations, there is no indication of any intention to improve satellite services.

There is no increase in download and upload speeds envisaged.

There is no increase in data limits or monthly rolling data limits.

Unlike the high-speed products which offer 500-1000mbps, which specify the lowest level of speed and an expectation that it will be at the upper end, there is no specification of any minimum speed or quality of service and reliability for satellite customers.

Yet every other product has allowance for increased speeds, increased or unlimited data and reduced prices through bundling.

With the significantly lower uptake of satellite services than forecast, there should be capacity to increase speed and data limits.

The service standards are appalling with some customers having no repair timeframes at all.

SERVICE STANDARDS AND LACK OF REPORTING ON SERVICE STANDARDS AND RELIABILITY

I note the change of definition of a remote area, as per Annexure 4, in the response from NBNco.

The SAU shows the following definitions-

Isolated Area means any area within the footprint of the NBN Co Network which is defined as a 'Very Remote' or 'Remote' geographical area in the most recent 'Accessibility Remoteness Index of Australia plus (ARIA+)' published by the Australian Population and Migration Research Centre of the University of Adelaide as at 26 April 2016.

Limited Access Area means any area within the footprint of the NBN Co Network that cannot reasonably be accessed by road and would require some element of air or water transportation, including where the area would otherwise be an Urban Area, Major Rural Area, Minor Rural Area, Remote Area or Isolated Area.

The continued use of the ARIA index to define isolated areas, means that for example an end user 20km from Kalgoorlie with skymuster, would be in an isolated area as determined by the map. As such the service standard for attendance 20km from a city with around 30,000 residents, would be 10 business days, or potentially 14 days.

The same customer, 20km from a city, would have to wait 35 business days or 49 days for a modification which requires attendance at the premises.

The service standards should be distance based on locations where technicians are based not purely on the ARIA map.

As can be seen from my February 2023 submission, the questions put to NBNco at the online session and in the emails since October 2021, I have been trying to establish the number of services in the specified areas from the NBN service standards and WBA.

With that information it would be possible to work out how many Australians are affected by each service standard, the actual installation and restoration times, failure rates and work out how to improve the reliability and resilience for the customers with the worst timeframes.

There is no reporting on the reliability of services in those areas, nor is NBN even prepared to say how many services are in those areas.

Without that information, if NBNco are allowed to continue to report as they propose in the SAU, there will be no way of showing if it is meeting the service standards it outlines or the performance standards for all NBN customers.

The sheer number of fibre customers will distort the service repair times of the small number of isolated and limited access customers.

Would the ACCC accept this situation if NBNco were able to hide service standard and benchmark failures if they were affecting residents of capital cities?

These are the customers with no or very extensive service, installation, and modification timeframes and often with no alternative access to internet or phone communications and who rely on the quality of NBNco skymuster as an integral part of their lives.

SERVICE STANDARDS AND REPAIR TIMES NEED TO BE IMPROVED FOR ALL SATELLITE CUSTOMERS.

The SAU which goes to 2040, does not indicate any improvement in service standards and repair timeframes for satellite customers.

The ACCC has acknowledged the points I made in my February 2023 submission regarding satellite users, and I still believe the ACCC should insist upon improved service standards and repair times for satellite customers under the SAU.

I maintain that it is not in the public interest that no improvement of the supply, quality or reliability of broadband services is acceptable over the next 17 years.

The use of the ARIA index rather than actual distance from service centres where technicians are based is unacceptable.

DISPARITY BETWEEN CUSTOMER SERVICE GUARANTEE STANDARD AND NBNCO SERVICE STANDARDS

Whilst the CSG standard only applies to landlines, the parliament accepts and has accepted for decades that there are only 4 categories for service standards for telecommunications.

Under the CSG standard, the timeframes are based entirely upon population areas, consistent with the SAU definitions for urban, minor rural and major rural, it is not consistent when it comes to areas with less than 200 people.

For areas under 200 people, rather than similar timeframes for the CSG, the timeframes blow out to 7 weeks regardless of proximity to a service centre or technician.

If NBNco elects not to employ technicians (including contractors) in rural towns that should not be the problem for the consumer. If for example, Telstra elects not to employ technicians in certain locations, it is at its own risk as it must comply with the CSG legislation timeframes. MSD exemptions

do not apply simply due to a failure to provide sufficient technicians, only due to an even that prevents repair within the timeframe.

NO DOWNLOAD SPEED STANDARD OR MEASUREMENT

Satellite customers have no minimum speed, merely a service “capable of providing 25mpbs” for skymuster.

There is no minimum standard of speed, quality or reliability that end users can base a complaint upon.

There needs to be minimum standards, ongoing testing (as there is for the most competitive services like fibre) and there needs to be improvements in speed offered between now and 2040.

The ACCC, being the competition and consumer commission, should be concerned not only with the most competitive service broadband in urban areas where there are competing alternatives, but should be addressing the needs of all Australians to ensure that the lack of competition in broadband in skymuster only (no mobile broadband coverage) is not detrimental to those consumers.

The fact that there are no proposed speed upgrades from those established over 10 years ago, poor data limits that have not grown with demand, poor or non-existent service standards and no improvement planned in the next 17 years, shows that there is a failure, driven entirely by a lack of competition or desire of regulators to ensure improvement.

SATELLITE CUSTOMER FORUM

As skymuster end users are those who have the lowest speed offerings, data caps, rolling monthly data caps and greatest reliance of service repair times due to often having no other internet access, it would be a significant step for NBNco to include a satellite end use forum.

Many of these end users are also low income or vulnerable customers but have vastly different issues of cost, data availability and speed that the end users targeted in the proposed Low-Income forum.

I also note that there is no indication of download speed or data increases proposed in the SAU for these customers, in an agreement that is designed to last until 2040.

SATELLITE CUSTOMERS NEED AND DESERVE PROTECTION

There are no legislated or enforceable standards for minimum speeds, service reliability, repair times, monitoring of reliability, monitoring of speeds or evidence of actual repair times, steps must be taken to provide protections and safeguards for the worst serviced customers in the country.

Many skymuster customers have no alternative broadband.

Unlike urban mobile broadband and fixed wireless customers where competition is driving improvement, there is no competitive driver to trigger improvements in skymuster.

Measures must be taken to provide protections and safeguards for the worst serviced customers in the country.

The proposed NBN SAU does not provide any improvement or protection.

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30 May 2023

