

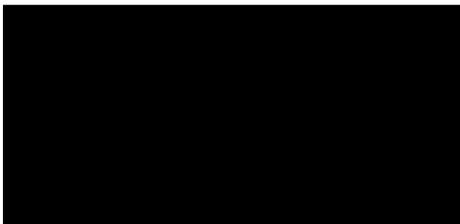
ACCC inquiry

into

NBN wholesale service standards

Submission by

Michael Parker



Introduction

The National Broadband Network ('the network') aims to foster productivity and provide a platform for innovation in order to deliver economic and social benefits for all Australians.

However, there appears to be Systemic problems within NBN Co.

This is a personal submission by Michael Parker and has been generated by the absolute failure of NBN Co to provide the required service and the very poor performance of NBN Co in rectifying faults and understanding the needs of their customers and the needs of the end user. This submission is based on my understanding of the information obtained over the last 18 months from various sources. One major problem with NBN Co is the lack of solid information.

The fundamental problem is having a monopoly position - NBN Co is able to dictate anything it wants to dictate. The problem with monopolies is that when companies have a monopoly, prices are too high and production is too low and there is an inefficient allocation of resources.

NBN Co is a wholesale supplier of internet services and all retailers must purchase services from NBN Co. There are 2 basic services charges, Connectivity Virtual Circuits (CVC) and the connection to the consumer. The CVC provides the "capacity" charge and the connection to the consumer provides the charge based on "Maximum" sync speed.

NBN Co has been given the objective that all Australians have access to very fast broadband as soon as possible, at affordable prices, and at least cost to taxpayers.

Originally, the NBN was proposed to provide Fibre to the Premises for a majority of connections and later this was changed to multi-technology mix as the cost to implement the original plan was shown to be excessive.

Moving to a multi-technology mix including Fibre to the Node and Hybrid Fibre Co-axial has resulted in levels of support not envisaged in the initial roll out.

Using existing copper street cabling exposes NBN Co to supporting an aging and unreliable distribution system.

In addition, using copper wires limits the speed of connection basically dependent on distance from the node.

The following submission highlights significant problems with the current NBN system.

I have attached correspondence to this submission which demonstrates the Systemic Problems within NBN Co.

WHOLESALE

The basic idea is that NBN is a wholesale provider and has nothing to do with consumers. Retail providers sell services to consumers and then buy the relevant services from NBN Co.

In principal that is fine except for 2 factors;

- 1) reliability
- 2) ability to provide services offered.

The NBN system combines both voice and data services so in the event of a failure both voice and data are affected.

In the past telecommunications has been seen as a “luxury” and not an essential service such as electricity or water.

As a wholesale provider the quality of service of the retailer is in their hands.

NBN should be forced to provide the services it offers. Technology is not relevant. NBN should be able to offer by Fibre, Fixed Wireless, Satellite, HFC or even wet string at the speed requested by a consumer.

It is reasonable to have different charges based on technology to be used but it is not reasonable to restrict the speed or capacity alone.

NBN Co needs to change its attitude. NBN Co needs to be consumer focused.

RELIABILITY

NBN Co needs to monitor its infrastructure and be pro-active in rectifying faults.

NBN should not need to be notified of a fault. As a wholesale provider NBN should have complete control over its infrastructure and be aware of when a fault occurs.

The first major problem is NBN understanding that as an infrastructure provider there needs to be a better response time to fixing faults.

RECOMMENDATION 1

NBN BE FORCED TO RECTIFY ALL FAULTS WITHIN 4 HOURS.

This is the expected time frame for Electricity and Water providers.

RECOMENDATION 2

NBN SHOULD MONITOR ITS NETWORK AND BE PRO-ACTIVE IN FIXING ALL FAULTS

INFRASTRUCTURE

The roll out of the NBN is infrastructure and needs to be considered as such. Just like Electricity, Gas, Water services there needs to be 24/7 response to faults.

Telephones and the internet are not just a luxury they are an essential part of everyday living.

Business is dependent on the internet and faults and poor performance have a significant impact on an individual business and on the economy as a whole.

NBN IS A POTENTIAL DISASTER FOR AUSTRALIA

NBN is replacing Telstra as the monopoly for telecommunications services. Unless NBN improves its service and expectations NBN will be a disaster for Australia. Not only will NBN Co not meet the requirement of "The National Broadband Network ('the network') aims to foster productivity and provide a platform for innovation in order to deliver economic and social benefits for all Australians." But also fail to be built "within the constraints of the Equity Funding Agreement".

Unless NBN Co can get back on track to installing a low maintenance, high reliability, high speed broadband network the impact on Australia has the potential to be catastrophic.

Poor internet services will not only affect innovation but also the economy as a whole.

OUR EXPERIENCE WITH NBN

We are in the Fibre to the Node area of the Blue Mountains. We signed up with Exetel for NBN 100 in June 2017. Once we were connected we were getting less than 20Mbps download Speed.

There is a micro-node opposite our premises yet NBN Co chose to connect us to the node 1.2Km away. This is even after we highlighted that the copper cabling in [REDACTED] is highly unreliable.

NBN can simply connect us to the closest node and that would increase reliability, reduce the maintenance costs and provide the speed we are paying for. Furthermore, we are willing to come to the party in regard to costs, including offering to drill under the road to the pit to connect either fibre or copper.

On the 28th December we lost communications. After the failure of NBN to fix the fault by 1st January we wrote a letter to the people and organisations listed below to highlight the systemic problems within NBN.

Please find in the appendices our correspondence with;

- The Minister for Communications
- ACCC
- TIO
- ACMA
- NBN Co
- Exetel
- Radio 2GB
- Susan Templeman MP

On the 8th of January 2018 some 12 days after the loss of all data and 4 phone lines the problem was fixed.

THIS IS A TOTALLY UNACCEPTABLE OUTCOME

We continue to be in dispute with NBN Co via Exetel as we are very concerned regarding the reliability of the copper lines in [REDACTED]. There were 3 faults during 2017 with one fault taking weeks to fix never mind the last fault which took 12 days.

We are keen to upgrade to a gigabit service at an appropriate price (less than \$200 per month would be our approximate price point). We often have to upload audio files in the gigabit size range and some of the uploads can take many hours.

In the mean time, we would be happy just to receive the 100Mbps we are paying for. This current service is slightly better than the ADSL service we moved from and at times the actual download performance is considerably worse than the old ADSL service we moved from.

NBN STATEMENT OF EXPRESSIONS

There are a number of observations in regard to the statement of expectations and reality.

The Government expects the network will provide peak wholesale download data rates (and proportionate upload rates) of at least 25 megabits per second to all premises.

NBN has indicated that it is only required to meet this requirement after the Co-Existing Phase is over.

That is not stated in the Statement of Expectations.

In any case, it uses the term “**peak wholesale**”. There are two interpretations of “peak” that is during peak periods a minimum speed of 25 Mbps is achieved or that at some time a peak speed of 25Mbps can be achieved.

In our case, neither speeds can be achieved as stated by the last email from Exetel.

THEREFORE NBN SHOULD BE INSTRUCTED TO PROVIDE THE MINIMUM SPEED AS PER THE STATEMENT OF EXPRESSIONS FROM THE MINISTER.

“Working with stakeholders: nbn engages with a number of different stakeholder groups across Australia. The Government expects that the company will engage productively and collaboratively with its stakeholders including Members of Parliament, members of the public, local communities, retail service providers, construction partners and relevant industry bodies. In particular, the company should be engaging proactively with those in regional and remote Australia who have historically been at an access disadvantage. nbn is expected to maintain its high standards in working with communities when exercising any carrier powers and immunities. nbn together with retail service providers should work to ensure a high quality end user experience through the migration and ongoing service periods. This includes working closely with retail service providers to proactively manage any complaints.”

Clearly NBN has failed in regard to our service. Switching our node to the micro-node opposite our premises would be such an outcome to meet this requirement.

NBN Co has a very poor track record in regard to **“high quality end user experience”**.

UPGRADE PATHS

The reply from the minister’s offices states **“NBN is designing the network to meet Australia’s broadband needs and ensure that upgrade paths are available as required.”**

Clearly NBN Co has not been informed of that requirement.

NBN MISSING APPOINTMENTS

NBN Co has an extremely bad performance when it comes to meeting appointment times.

There are many times we and other people have had to arrange to be present only to find that the NBN technician not turning up.

There is no communication from NBN Co and we are told by our RSP to call back after NBN Co has missed the appointment.

THIS IS TOTALLY NOT SATISFACTORY

You can track your pizza being delivered but NBN Co has shown a total lack of customer service.

There is even a case I am aware of the NBN Co saying to a customer after so many missed appointments that the one on Friday is categorised as MUST ATTEND and NBN Co even missed that appointment.

We made sure someone was available at the premises on Australia Day even though we suspected that NBN Co would not turn up. As expected no technician turned up and there was no communication from NBN Co.

NBN Co is treating everyone like a joke and it is not surprising as the penalty to NBN is only \$25 and that is only if the percentage of missed appointments is below a certain point.

The penalty for a missed appointment should be at least \$100 and then an increasing amount, say \$100, each 24 hours after that.

In any case, NBN Co should be pro-active and be able to fix all faults to the property boundary within 4 hours, thus not needing to visit the premises unless the fault is within the property.

Our experience over the last 20 years is that all but 1 fault was with the street cabling.

RECOMMENDATION 3

THE PENALTY FOR NBN MISSING AN APPOINTMENT BE SET AT A SUBSTANTIAL AMOUNT TO IMPROVE NBN'S PERFORMANCE

NBN PUBLICATIONS

NBN has now removed all speed information from its website. NBN is trying to avoid public contact. NBN has published an information booklet that on the whole tried to blame everyone else other than NBN for any problem.

NBN was selling NBN 100, NBN 50, and NBN 25 being the maximum sync speeds. This is clearly wrong as the expectation is that this is the minimum speed. It is really good that the ACCC has stepped in to stop this deception.

However, NBN is required to provide a minimum 25 Mbps at peak, as per the minister's statement.

The ACCC must now decide if "Peak" means at peak periods and if that means sync speed or actual data speed.

I put it to the ACCC that the intention of that statement is that users should expect a **MINIMUM 25 MBPS ACTUAL** download speed at **PEAK PERIODS** i.e. that a user should not expect anything less than 25 MBPS at all times.

I also submit that there should be no exception between the co-existing phase and the post co-existing phase on the fibre to the node network.

RECOMMENDATION 4

ACCC INSTRUCT NBN CO THAT THE MINIMUM ACTUAL DOWNLOAD SPEED AT ANY TIME MUST NOT DROP BELOW 25MBPS

TECHNOLOGY CHOICES

This is again an example of the lack of consumer focus of the NBN. Asking for a payment so that NBN can provide a quotation to change to a different technology is just not done in the real world.

But of course NBN is a monopoly so it can do what it wants.

Even Space X in the commercial space industry has its price lists on its website. No that's too difficult for NBN Co!!!!

In any case, it is not the technology that a consumer wants it is the reliability, capacity, speed and low latency.

RECOMMENDATION 5

NBN BE INSTRUCTED TO PROVIDE FIXED COST OPTIONS FOR CONSUMERS TO UPGRADE TO FIBRE TO THE PROPERTY BOUNDARY IN THE FIBRE TO THE NODE OR FIBRE TO THE CURB AREAS

CUTOVER TO NBN

Near the end of June 2017 we were told we could connect to the NBN so we ordered a 100 Mbps service from Exetel.

Exetel sent out a modem and I connected it to the line as the modem could handle ADSL as well as VDSL.

Exetel said it could take up to 48 hours to change the phone lines over. I said that was unacceptable as we are a business and we need our phone lines.

On Thursday 29th June we lost the internet, as expected, when cutting over to VDSL. But it did not return so I drove down the street to see if I could find the technician. I found the technician near the NBN node at the end of [REDACTED] and asked him if he was connecting us to the NBN. He was and according to him we had and he was about to leave. I said we do not have service and requested he investigate. It appears that he had not completed the task correctly so when he properly connected the line the modem worked and we had data services. Of course we now lost our phones.

It took until Tuesday 4th July before we had our phone service restored. Quite frankly that is totally unacceptable and NBN and Telstra along with the ISPs need to fix this quite ludicrous issue.

RECOMMENDATION 6

NBN/TELSTRA AND ISPS MUST BE INSTRUCTED TO CUT OVER PHONE LINES ON THE DAY THE NBN IS CUT OVER.

RECOMMENDATION 7

ALL NODES/MICRO NODES SHOULD BE LOCATED WITHIN 300 METRES OR A DISTANCE SUCH THAT ALL PREMISES CAN GET A 100Mbps SERVICE.

RECOMMENDATION 8

ALL PREMISES SHOULD BE CONNECTED TO THE CLOSEST NODE/MICRONODE

CONCLUSION

The customer experience from NBN Co is extremely poor. There appears to be systemic problems within NBN Co. NBN Co has been secretive which is against the Statement of Expectations "The Government requires a high degree of transparency from nbn in its communication with the public and Parliament". In particular NBN Co has not been transparent with regard to the problems with the fibre to the node rollout, the micro-node installation, sky-muster problems and other problems within and outside the organisation.

It may be appropriate to have an overseeing body that could look into issues such as;

- The design and performance and reliability of the Fibre to the Node System
- Customer experienced Speed
- Fault Handling Procedures
- Cut Over Procedures
- Cutting Off Fixed Line and forcing existing ADSL users on to inferior Satellite Service
- The cause of the delay with commissioning the Micro Nodes
- The cost of the technology choices option
- The timeframe and method for offering Gigabit Services
- The problems with the Hybrid Fibre/Coaxial system
- The issues caused by the NBN not being compatible with Life Saving and Security Equipment
- The management of the NBN
- The management and cost of contractors
- The poor customer experience of the NBN
- How the NBN compares with other countries broadband services
- The need to remove Hybrid Fibre/Coaxial system if and when the power lines go underground
- The impact to the Hybrid Fibre/Coaxial system when power poles are brought down in traffic accidents
- The impact of storms and lighting to the above ground cabling
- The design of the Fibre to the Curb system to ensure reliability and upgradeability
- The marketing and sale of the NBN services by the RSPs
- Issues with the interconnect points and the RSPs
- Issues with the bandwidth amount purchased by RSPs
- The battery backup for phone services
- The responsibility and issues with the modems connected to the NBN
- The ability for the NBN to automatically monitor all services and be pro-active in fixing services without the need for the customer to report a fault
- The performance and reliability of the Sky-Muster satellite service
- The issues and costs with access to junction boxes located on power poles
- Any other issues to do with NBN.