

NBN Wholesale Service Standards Inquiry  
Australian Consumer and Competition Commission

31 October 2019

To Whom It May Concern,

I thank the ACCC for the opportunity to make a submission to the inquiry.

I have included comment on the terms of reference for the inquiry, and also a section providing context for my response, based on our experience of NBN service standards at PivotNine.

## **Service Standards**

PivotNine supports the ACCC hosting an industry forum on service standards. Incentives should be structures so as to promote the continuous improvement of service standards both at the wholesaler-retailer interface, and also those experienced by end customers.

End customers should not need to care about the wholesaler-retailer interface. We are only able to purchase services from retailers, and so the wholesaler should provide a high-quality service to all retailers equally, and then allow retailers to differentiate from themselves with non-commodity services.

NBNco should be in the business of providing a highly efficient, low-cost commodity Internet service.

## **Per-Service Commitments**

PivotNine strongly support NBNco being required to provide per-service commitments. PivotNine actively researched aspects such as uptime SLAs and bandwidth over-subscriptions before choosing our retailer. We found that uptime SLAs were non-existent on any commercially available NBN plans at our location. Coverage areas for non-NBN Internet options (other than fixed wireless) that do provide uptime SLAs do not extend to our location, and the characteristics of fixed wireless options do not suit our business needs, particularly with regard to variability of performance, congestion, and bandwidth quotas.

## **Incentives**

PivotNine believes service level rebates will go some way towards creating better aligned incentives, but caution that this does not adequately compensate for the economic harm to businesses from unmet service levels, such as consequential damages. For a business such as ours, the consequences of failure to deliver due to a failure of Internet infrastructure may well result in an economic cost vastly greater than 12 months of service cost. Businesses would, therefore, have no choice but to maintain multiple, independent services if NBNco cannot be relied upon and we are unable to pursue NBNco for consequential damages as a result of breach of contract.

We are already seeing this mechanism play out with multiple resellers now providing 4G mobile failover as a hedge against NBNco failures. This rather highlights that, unlike grid electricity, businesses in particular do not see NBNco as a sufficiently reliable service. While PivotNine maintains on-site backup electricity supply (uninterruptible power supply, or UPS) designed to guard against the occasional power outage, this was obtained directly. We are not aware of an electricity retailer that offers a UPS as part of their retail electricity offer.

# Background

We recently experienced two multi-day outages due to faulty NBN equipment. Details are provided below.

As a global exporter of information technology services, these outages have directly harmed our ability to serve our customers.

Complete, multi-day outages with an unreliable repair time and no enforceable SLA means we consider that NBNco services are not fit for business purposes, and are forced to supplement them with alternate services at substantially increased cost.

## Outage 1

We experienced a multi-day outage to our Internet service caused by—on available information—works performed improperly by NBN technicians or sub-contractors. Total downtime was approximately 3 days.

We have a small business service at the maximum speed tier available, 100Mb up/40Mb down with no quotas, costing over \$100 a month. By way of comparison, I am regularly informed by my overseas colleagues of their multi-hundred megabit or gigabit services that cost substantially less than this amount.

Work was performed in the cable access pit in front of our premises on Friday 18 October 2019 for reasons that are unclear to us; we did not have an active fault requiring work at that time, but perhaps one of our neighbours did. At approximately 11:35am our NBN connection was lost. After some troubleshooting of our internal network, we determined that internal systems were functioning correctly and logged a fault with our retailer, Aussie Broadband, at 1:38pm.

On Saturday 19 October 2019 at 9:30am I called the retailer to get an update on the status of the fault. I was told that a duplicate fault was inadvertently raised with NBNco somehow, and that NBNco had responded by closing both fault reports. This is apparently common practice, according to our retailer.

It appears our retailer's processes do not immediately notice when this occurs, as the faults were closed some two hours after being lodged on Friday 18 October 2019. I was informed by the retailer that manual processes would have eventually detected the incorrectly closed fault at some point later in the day.

The retailer re-lodged the fault, and informed me that NBNco would usually acknowledge the fault report within 4 hours. I was also informed that I needed to book an appointment with NBNco and that the first available appointment was on Monday morning. I agreed to the booking in the (it appears mistaken) belief that NBNco would not require an appointment to respond to a fault in their network caused by their own works.

At 1:53pm I called my retailer to ask after the fault and during this call it was explained to me that NBNco will not respond to a fault until at least 48 hours have passed. In a later discussion with the retailer (see below), I was informed that this was not correct information. NBNco responds between 4 and 48 hours to confirm a fault, but this does not mean action will begin to remedy a fault. It is unclear if there is a response time SLA for beginning remedial action for a confirmed fault.

The appointment was to ensure that someone would be present at our business premises at the time of the appointment. I assume this was in case some internal troubleshooting would be required by the technician, safeguarding against the retailer raising a fault with NBNco that isn't actually an NBNco fault. Which this is.

A technician attended our premises on Monday 21 October 2019 and connectivity was restored before 9am after the technician performed work in the pit. The technician then performed various diagnostics on the cable to confirm the fault had been repaired, which resulted in further downtime to our connectivity. The technician also performed unspecified work on the connection point at the premises boundary.

During the outage, we were able to perform critical services in a degraded form using a 4G mobile backup service, but we were substantially hampered in our usual activities. Bandwidth was severely restricted compared to our usual service, and the performance was highly variable, at times dropping to H+ connectivity. This was not a sustainable solution long term.

## Outage 2

On 26 October 2019 at approximately 6:52am our NBN service went offline once again.

Using a backup 4G service, I checked the retailer's status website for known outages, and there were none. I used the retailer's self-service diagnostic tools to check our service, and then logged a fault with the retailer.

At 12:54pm I called the retailer to inquire about the fault, and the retailer confirmed that they would raise the fault with NBN.

At 2:10pm I received a text message informing me that NBN had scheduled a technician to attend our site on Tuesday

I called the retailer at 2:17pm to see if any earlier appointments were available. Appointments *were* available first thing on Monday, a full 30 hours earlier than the appointment we were allocated. No explanation was given as to why NBN had not scheduled an earlier appointment to attend the site and fix the fault. The retailer submitted a request for an earlier appointment, between 8am and 12pm on Monday 28 October 2019.

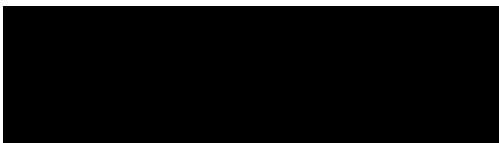
On Sunday 27 October 2019 at 5:25pm I called the retailer to check if the appointment had been confirmed with NBN, as I had not received another text message from the retailer. The retailer confirmed that, yes, an NBNco technician would attend the site on Monday morning.

This highlights the unreliable nature of communications with NBNco and retailers to understand when faults are likely to be repaired. This makes it difficult to plan business activities around their actions. I was travelling interstate and was not able to personally observe the technician's site visit; my assistant provided site access to them.

On Monday 28 October 2019 a technician attended site at approximately 9:33am. Service was restored at 11:15am, making the outage approximately 52 hours in duration.

The technician was on site until approximately 11:50am, and apparently replaced a connector in the junction box at the premises boundary. I subsequently noticed that they had also replaced the Arris cable modem and placed the old modem and accessories in our recycling bin. Electronic components such as this should be disposed of correctly and responsibly, not placed in a customer's recycling.

Yours sincerely,

A large black rectangular redaction box covering the signature area.

Justin Warren