

ACCC NBN wholesale service standards inquiry – draft decision

Introduction

On 1 October 2019, the ACCC released its draft decision and draft final access determination (FAD) in its ongoing NBN wholesale service standards inquiry.

Vocus Group Limited (Vocus) is Australia’s specialist fibre and network solutions provider connecting all mainland capitals with Asia. Regionally, Vocus also operates an extensive and modern network in New Zealand, connecting the country’s capitals and most regional centres. Vocus owns a portfolio of well-recognised brands catering to enterprise, government, wholesale, small business and residential customers across Australia and New Zealand.

The ACCC expects industry to work together under the framework of the draft decision to ensure improved outcomes for consumers. While the WBA4 terms and conditions ultimately agreed to may differ from any regulatory terms made by the ACCC, the ACCC intends they will set a baseline and framework for those negotiations. Vocus is supportive of the ACCC hosting an industry forum on service standards.

Vocus welcomes the opportunity to provide a response to the ACCC’s draft decision.

Proposed regulated terms	Vocus response
<p><i>Failed connections</i></p> <p>NBN Co may only notify a wholesale customer that a connect order is completed, and begin charging for that service, after it has successfully completed installation testing on the Access Virtual Circuit (AVC).</p>	<p>Vocus supports the ACCC’s draft FAD terms concerning failed connections.</p> <p>Vocus also agrees with the ACCC’s principle that 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.</p>
<p><i>Delayed connections</i></p> <p>The draft FAD terms maintain NBN Co’s existing service level timeframes for standard connections, accelerated connections and priority assistance (PA) connections as specified in the WBA. To implement a daily rebate, the draft FAD terms incorporate a connection rebate of \$13.50 per business day for each missed connection service level, up to a cap of 20 business days. This rebate applies to all missed service levels for standard connections, including standard connections where the service level is one business day (i.e. service classes 3, 6, 9, 13, 24 and 34), accelerated connections and PA connections.</p>	<p>Vocus is pleased that the ACCC has proposed moving from a flat rebate structure to a daily rebate in its draft decision. As Vocus submitted, service level rebates need to be structured in a way that provides the appropriate incentive on NBN Co to strive to meet consumer expectations.</p> <p>Vocus is already bearing considerable financial risk and responsibility to manage our customers’ expectations. The service level rebates need to be clearly structured to enable Vocus to manage our customer relationships and expectations:</p> <ul style="list-style-type: none"> - the connection rebate should accrue on a daily basis and not “per business day” if the relevant service level is not met. - the proposed cap of 20 business days is not justified. Such a cap does not appropriately incentivise NBN Co to promptly resolve

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	<p>difficult complaints and does not meet consumer expectations given delays may extend beyond the time of the proposed cap.</p> <p>Vocus reiterates that how it will pass through a benefit to consumers from wholesale rebates will in part depend on NBN Co's processes and information flows. We need real or near real-time notification from NBN Co that we will receive a wholesale service level rebate. In this digital world, our customers expect us to have access to this information. In particular, our small business customers are often time poor and expect timely and reliable updates.</p>
<p>Unresolved faults</p> <p>The draft FAD terms maintain NBN Co's existing service level timeframes for end-user fault rectification and PA fault rectification.</p> <p>To implement a daily rebate, the draft FAD terms incorporate a fault rebate of \$20 per business day, escalating to \$30 per business day after 5 business days, up to a cap of 40 business days. The rebate applies to each missed end user fault rectification and PA fault rectification service level.</p>	<p>Vocus reiterates its position that a daily rebate should accrue on a per day basis, not per business day if the relevant service level concerning unresolved faults is not met. Capping the fault rebate is not aligned with our customers' expectations. NBN Co should continue to pay the rebate until the unresolved fault is rectified.</p>
<p>Missed appointments</p> <p>The draft FAD specifies that NBN Co must attend premises at the appointment time, during the appointment window or within 15 minutes after the appointment time or window, and may only change appointment times or windows in limited circumstances. If NBN Co does not attend the appointment, that appointment is considered to have been missed.</p> <p>The draft FAD provides that NBN Co is required to pay RSPs a \$75 rebate for each missed appointment.</p>	<p>Vocus supports the proposed FAD terms concerning missed appointments including that the missed appointment rebate should be at least \$75. As the ACCC has stated in its draft decision, missed appointment rebates should consider the cost and inconvenience to our customers when an appointment is missed and provide a strong incentive on NBN Co to improve consumer outcomes.</p> <p>Vocus highlights that the proposed FAD terms concerning missed appointments will not have the desired impact if NBN Co technicians log that the customer was "not in attendance" when this is not the case. We have received customer feedback that despite the NBN Co technician not attending their premises at the appointment time, the technician has incorrectly logged a missed appointment in NBN Co's system as "customer not in attendance".</p> <p>Delays and missed appointments are a serious inconvenience for our small business customers. It may be that NBN Co technicians should be geo-tagged so NBN Co and/or our customers can have real-time visibility of their location at the allocated appointment time.</p>

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<p><i>Underperforming service speeds</i></p> <p>For fixed line services, the draft FAD terms will require NBN Co to pay a rebate of \$20 for each month that the maximum attainable downlink information rate for a service is less than the PIR objective.</p> <p>The draft FAD terms would require NBN Co to provide the ‘birth certificate’ maximum attainable speed to the RSP for each fixed wireless service that is installed.</p> <p>The draft FAD terms introduces a \$20 per month fixed wireless rebate.</p>	<p>Vocus agrees with the ACCC’s principle that NBN Co should be responsible for the speed and performance of its wholesale product and not charge for services that it does not provide.</p> <p>Vocus submits that a flat rebate of \$20 for each month that the service’s speed is underperforming is not the right approach. Higher speed tiers should receive a higher rebate to appropriately compensate customers who are not getting what they have paid for.</p> <p>To manage our customer expectations, Vocus highlights that NBN Co needs to provide timely and reliable maximum attainable speed information and in an easy to use manner. We support the ACCC’s observation that “NBN Co should introduce more automated information systems to ensure that key information about the capability of a line or service is available to RSPs at the time they are contracted by an end-user. ... This information should not be regarded as confidential by NBN Co.”</p> <p>Vocus supports the draft FAD terms concerning provision of ‘birth certificate’ maximum attainable speed information for fixed wireless services.</p> <p>Further, Vocus submits in relation to underperforming service speeds that NBN Co should:</p> <ul style="list-style-type: none"> - not be able to charge for higher speed tiers on AVCs that are not capable of providing that higher speed. NBN Co should be required to take proactive steps to ensure unsuitable services are not sold to end users; - be required to upgrade the line, where those lines are not capable of providing the minimum requirements; - be required to undertake remediation, even if the consumer decides to downgrade its speed tier.
<p><i>Stop the clock exclusions & measurement of service levels for faults</i></p> <p>The draft FAD terms provide that NBN Co may only ‘stop the clock’ in its measurement of connection or fault rectification service levels to the extent that these are affected by:</p> <ul style="list-style-type: none"> • an end-user’s request to change the date of an appointment • a ‘pending’ status on a ticket awaiting action from the RSP or end-user • acts of the RSP, downstream providers, or end-users that are not in accordance with the WBA terms or that are unlawful – including refusing NBN Co access to premises 	<p>Vocus supports the ACCC’s proposed FAD terms concerning ‘stop the clock’ exclusions and measurement of service levels for faults.</p> <p>Whether such terms will improve lead to improved customer experience will depend on NBN Co’s reporting practices. For example, NBN Co must not close tickets when matters have not been resolved, which access seekers then need to re-open to rectify faults.</p> <p>NBN Co needs to move away from processes that seem to be tailored to meeting internal reporting</p>

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<ul style="list-style-type: none"> • multi-dwelling unit equipment or in-building wiring issues • issues caused by the network, systems, equipment or facilities of the RPS, downstream provider, or end-user, or force majeure event. <p>Additionally, the draft FAD terms require that NBN Co clearly log when any of these exclusions are relied upon.</p> <p>In respect of the measurement of end-user faults, the draft FAD terms specify that service levels for faults begin from the time of trouble ticket acknowledgement (as opposed to trouble ticket acceptance).</p>	<p>targets rather than working productively with RSPs to promoting improved outcomes for consumers.</p>
<p>Service information</p> <p>The draft FAD terms would require NBN Co to automate the transfer of all regular and ongoing operational information provided to RSPs. Where relevant operational information is not yet automated, the draft FAD terms require NBN Co to maintain a roadmap, including timeframes for consultation with RSPs, and implementation of an automated solution.</p> <p>The draft FAD terms require that operational information must be logged so that the RSP may review the service history, and must include: • the progress of appointments, order status, modify orders, and fault tickets, and • the extent to which a relevant service level has been missed and a wholesale rebate payable.</p>	<p>Vocus supports the ACCC’s proposed FAD terms that NBN Co automate the operational information it provides to RSPs.</p> <p>NBN Co should provide real time reporting of issues or delays in the provisioning of services, including missed appointments to assist RSPs in providing our customers with a good consumer experience.</p> <p>NBN Co needs to improve how it shares service information with RSPs and provide this information in one portal. Currently, Vocus is frustrated by the inefficiency and complexity of having to go to numerous sources to review NBN Co service information.</p>
<p>Service level reporting</p> <p>The draft FAD terms specify that NBN Co will provide monthly reporting to RSPs within 10 business days of the relevant month.</p> <p>The terms specify that NBN Co will report its performance for each service level activity completed for the RSP, as well as NBN Co’s performance across all RSPs, broken down by location, service class and network (where applicable).</p>	<p>Vocus agrees with the ACCC’s principle that NBN Co should provide regular reports to access seekers about the overall performance of its network. To provide appropriate transparency to RSPs, this reporting should include its performance in meeting service levels broken down by location, service class and network.</p> <p>Our experience has been that NBN Co has been meeting the target of providing monthly reporting on its service levels for that month within 10 business days of the relevant month. Vocus supports the current reporting being expanded to cover the matters contemplated in clause 9 of the draft FAD.</p>

Please direct any questions regarding this submission to:

Leanne O'Donnell
Regulatory Affairs Manager
Vocus Group
(03) 9132 8455
Leanne.ODonnell@vocus.com.au
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