

**COMMUNICATIONS
ALLIANCE LTD**



ACCC Consultation on nbn SIO RKR
COMMUNICATIONS ALLIANCE SUBMISSION
JULY 2017

Disclaimer: nbn co has not contributed to the preparation of this response. The views contained herein are attributable only to RSP members of Communications Alliance

INTRODUCTION

Communications Alliance's RSP members welcome the opportunity to provide this submission in response to the ACCC's Consultation Paper: Review of the National Broadband Network Services in Operation Record Keeping Rules and NBN Wholesale Market Indicators Report.

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About Communications Alliance

Communications Alliance is the primary telecommunications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including carriers, carriage and internet service providers, content providers, equipment vendors, IT companies, consultants and business groups.

Its vision is to provide a unified voice for the telecommunications industry and to lead it into the next generation of converging networks, technologies and services. The prime mission of Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance. For more details about Communications Alliance, see <http://www.commsalliance.com.au>.

RESPONSES

Communications Alliance offers these responses on behalf of its RSP members to the questions posed on page 9 of the ACCC's consultation paper.

1. Should the ACCC extend the operation of the NBN SIO RKR?

RSP members are of the view that the RKR should be extended in the interests of transparency and for the reasons advanced in s3.1 of the consultation paper.

2. If so, for how long should the ACCC extend the NBN SIO RKR?

An extension period of three years, as proposed in the consultation paper, seems appropriate, including in light of the anticipated remaining duration of the network roll-out.

3. Should the ACCC vary the NBN SIO RKR and if so, what modifications or additions should be made to the RKR?

See answers to Questions 4 through 7 for further detail.

As the name indicates, the "NBN Services in Operation RKR" provides information about the nature of the NBN rollout and the services that are being established with it. It currently is not a report on the network performance or customer experience. While we welcome considerations for transparent information, we would recommend a more holistic assessment of what are the key metrics for end-to-end customer experience.

Most particularly, it needs to be understood that the NBN is an access network; it is not an end-to-end broadband service. CVC utilisation, while important, does not give a definitive perspective of end-to-end network performance. A number of factors can be more significant determinants of overall network performance. For example:

- Wi-Fi interference;
- Modem quality;
- Backhaul capacity;
- Broadband Network Gateway capacity;
- Core network dimensioning;
- International transit;
- Caching; and
- Data shaping policies.

Hence relying on a limited number of metrics that gauge when NBN utilisation thresholds are reached for an individual link, could lead to erroneous conclusions.

We note that the ACCC's Broadband Performance Monitoring Programme has been established to provide independent information about actual end-to-end broadband speeds to the Australian consumers. This approach will provide a more complete assessment of end-user experience rather than measurement only the access element of a broadband service.

With this in mind, the ACCC could consider extending the reporting requirements to focus on capacity and utilisation of NBN Co network elements that have an impact upon ultimate end user experience/speed performance. For the ACCC to be able to meaningfully understand the performance that end users can expect, it will need to factor in information about how the NBN network elements are performing, not just assess performance at the interface between the RSP and the NBN infrastructure.

4. Should NBN Co provide information under the NBN SIO RKR on CVC capacity including the number of AVCs per CVC link for each access seeker group at each POI?

The number of AVCs per CVC is not a useful indicator of network performance, because it is not related in any meaningful way to the download speed being experienced by the end users in the busy hours. Rather, it is merely an approximate measure of per-customer demand that can vary widely between access seekers. There is a number of AVC management strategies that would result in different outcomes with the same AVC/CVC ratio. For example, separating speed tiers for each speed tier compared to a diversified AVC approach could lead to different outcomes with the same ratio.

5. Should NBN Co report by state rather than by state group?

Yes, reporting by state, rather than by state group, would provide a useful additional degree of granularity. Although it is not expressly covered in the consultation paper, our assumption is that the ACT and Northern Territory would be reported on individually if the ACCC adopted this approach.

6. NBN Co currently reports on CVC utilisation rates over the reporting period as well as during peak periods. Should NBN Co also specifically report on CVC utilisation rates where an access seeker exceeds a specified limit (for example 95 per cent) during particular periods (e.g. hourly, daily, weekly) at each POI?

Access seekers undertake a range of processes and strategies to manage traffic, demand and network configuration on a dynamic basis, designed to optimise the end-user experience within the range of constraints. The 95% utilisation threshold that the ACCC has suggested is arbitrary (as would be any threshold) and not directly related to download speed. More specifically, the suggested measure cannot be used to compare the download speeds experienced by the end users in the busy hours. That is because access seekers using different CVC sizes would need to design widely different utilisation levels in order to achieve the same average download speed to end users.

Using a relatively blunt measure such as a utilisation threshold on a specific link carries the risk of generating simplistic conclusions. Its release would mislead end users (who could not be expected to understand the multi-faceted causes of low speed).

The ACCC has secured \$7m in funds from industry to carry out its planned broadband quality monitoring program. While there are also limitations to that planned program, it does focus on the end-user experience and is a more appropriate avenue to judge the outcomes of network management practices. We recommend the ACCC focus on this comparison tool as it ought to provide an end to end measure of broadband performance.

In seeking to understanding performance, the ACCC should focus on ensuring it defines performance measures such as average busy hour download speed that can be directly sampled by RSPs across their networks and used to support speed claims.

7. Should NBN Co report to the ACCC on a more frequent basis?

Given the heavy demands already placed on nbn co on multiple fronts and the desire to avoid creating additional regulatory burden unless clearly necessary, retention of a quarterly reporting schedule seems most appropriate. Industry would not expect that any additional value would be generated by more frequent reporting.

8. Should the ACCC reissue the Disclosure Direction to NBN Co if the Rules are extended?

Yes, but without additional suggested disclosures for reasons stated in responses to questions 4 and 6.

9. Are there any changes that should be made to the Disclosure Direction?

The existing Disclosure Direction appears to be fit-for-purpose. See question 8.

10. Should the Disclosure Direction require NBN Co to provide information on the average CVC to AVC ratio for each access seeker group (including by POI and by traffic class)?

No, as per answer to question 4.

11. The Disclosure Direction currently does not require NBN Co to provide information on CVC utilisation rates as currently reported under the NBN SIO RKR. Should the Disclosure Direction be amended to require NBN Co to provide CVC utilisation rates?

No, as per answer to question 6.

12. On what basis should information on CVC utilisation be provided and disclosed (for example, on a peak and non-peak basis for each access seeker group, network access technology and POI)?

Detailed technical information that does not represent the end to end customer experience is not useful and will create customer confusion. We would recommend the ACCC focus on the comparison tool provided by the broadband monitoring regime as it ought to provide an end to end measure of broadband performance.

Also refer to answers to questions 6 and 11.

13. Should the threshold for identification of an access seeker group for each network access technology be reduced from 5 per cent to 1 per cent, or by count of SIOs such as 1,000? Should this be applied on a POI basis?

A more granular threshold could be useful, but industry seeks clarity as to whether this would individually capture the wholesale customers of Aggregator Access Seekers.



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