

4 May 2015

Sean Riordan
General Manager – Industry Structure and Compliance
ACCC

Via email: ssu-migration@acc.gov.au

ACCAN thanks the ACCC for the opportunity to submit to its discussion paper on Telstra's revised Migration Plan. Telecommunication services are vitally important and even minor periods of disconnection can cause significant disruptions to customers, particularly if they operate a business from home or are dependent on medical alarm devices. ACCAN will provide an overview of our position and input into selected questions posed.

Consumer experience of initial Migration Plan

The initial experience was very mixed with a variety of issues encountered by consumers. The previous plan did not achieve its goal of service continuity for too many consumers. Consumer experience of the switch off of the Telstra network and the switch on of the NBN network can be seen through the number of complaints registered with the TIO.¹ In the October – December 2014 report there were 1,414 NBN-related new complaints (circa 5% of all complaints are NBN-related). Currently the numbers are low relative to the overall number of complaints to the TIO, but the numbers in switching areas are also low. This is likely to increase as more consumers are switched to the nbn co network.

NBN complaints have proved to be more difficult to resolve. In October 2014 the TIO stated "NBN-related complaints proved difficult to resolve, with 800 conciliations and 98 investigations. More than 18 per cent of all TIO investigations concerned NBN-related complaints"². The fact that 5% of complaints generated 18% of the investigations demonstrates the complexity involved.

Over half of the complaints to the TIO relate to connections, with consumers either being left waiting for significant periods for a connection, being disconnected before their service over nbn co was connected or being left without any services. This demonstrates the types of issues with the process and migration plan. However, there is evidence that nbn co, Telstra, other RSPs and the TIO have learned from the experience in the first switch off areas and developed the process which is having a positive impact on consumers. The quarterly increase in TIO complaints is not increasing as significantly as the number of premises activated on NBN.³ Further work needs to be undertaken to ensure there is continuity of service for all consumers, that there are clear guidelines and timely issues resolution.

Additional challenges from the Multi Technology Mix

The Multi Technology Mix (MTM) will add further complications to the migration process. Previously where nbn co was rolling out FTTP, the network was overbuilt on the copper network. In the MTM

¹ <http://www.tio.com.au/publications/media/tio-complaints-per-provider-decrease-4.5-per-cent>

² <https://www.tio.com.au/publications/blog/tio-reports-on-nbn-related-complaints>

³ <http://www.nbnco.com.au/corporate-information/about-nbn-co/corporate-plan/weekly-progress-report.html#.VH0BKtKUeSo>

model the new NBN services will have an impact on the existing service. New issues will arise that did not arise in the FTTP rollout; many of these may not be foreseeable or predictable. While the migration plan needs to set out the process for Telstra to follow in disconnecting the old service, flexibility is needed when unforeseen issues arise. There should be scope for services to continue while issues are resolved, and process to be sufficiently flexible to evolve as new issues are encountered.

ACCAN input into the discussion questions

Question 6 – retention of legacy telephone services

ACCAN believes that retention of the legacy telephone service could be of value to some consumers as they test out new services. There are concerns among some consumers regarding voice services and the need for battery back-up. Generally there is confusion over the difference between voice services over UNI-V and UNI-D ports. VoIP services are included in many of the bundles to consumers, while UNI-V services generally come at an additional cost. As battery back-up is not supplied as standard, consumers are also fearful that they will not have the service that they need in case of power outages. Consumers may wish to retain their copper phone services while they test out the new services. Also, where there are issues with alarms, consumers could benefit by being able to switch to NBN services while retaining their copper services until all the issues have been resolved.

However, we are cautious about the benefit of this, as consumers may forget that the legacy service needs to be switched before the disconnection date. As they may be running both services, they may not realise that the switch off date applies to them also. Additionally, there is a potential that not all retailers will offer the option to retain the legacy service simultaneously while connected to NBN, which may cause further confusion to consumers.

Question 8 – integrated disconnection

ACCAN is supportive of Telstra disconnecting services on nbn co.'s notification, if a consumer has given the new service provider permission to do so. This would make the process more efficient for consumers and avoid any duplication of services and bills. There is confusion over who to contact in the NBN migration, particularly if issues arise. Eliminating this process for consumers would streamline the process.

However, there needs to be some caution in an integrated disconnection if there is more than one service at a premise (e.g. if it is a rented building with tenants having their own plans). Disconnecting all services based on the connection of one service moving over to the NBN may leave consumers disconnected in error.

Question 10 & 11 – HFC arrangements

ACCAN supports a model, similar to a Standard Industry Process, for the disconnection of HFC services when requested by a gaining RSP. However, Telstra's participation in the arrangement should not be dependent on Optus also participating. For consumers benefit, the process should be the same across the technologies, and we would encourage both Telstra and Optus to adopt such a model. If Telstra will not implement the arrangement without Optus also implementing it, consumers experience will be negatively impacted in such a prisoner's dilemma game.

Question 13-16 – disconnection of in-train orders

ACCAN is concerned that consumers may be disconnected while waiting on their on NBN service to be connected. We have had a number of consumers contact us who were waiting significant periods for new connections to be fulfilled. TIO complaints, as discussed above, mainly relate to connections which indicate that this is a concern and potential issue. Consumers who are disconnected in this circumstance have limited recourse or options for alternative services. This is contradictory to the principle of service continuity and could lead to a re-emergence of the initial problems.

Question 19 – information security

ACCAN does not have any specific information to add in relation to information security protections. However, the information that is shared is important and has an effect on consumers and competition. We are concerned if information flows are anti-competitive. There have been reports⁴ that the information that Telstra has access to is benefiting its supply of services to consumers. It is important that all retailers can place and supply new services in the same time frames to not impact on competition.

Question 20 – additional issues

Change of hands premises

The Migration Plan assumes that consumers are in the premises for the full 18 month migration period. However, this is not always the case and ACCAN is concerned about consumers in situations where premises have a change of hands. The previous tenant/owner may not have wanted services, or decided not to sign up to NBN services knowing that they will be imminently moving, but the new owner or tenant may want services. If the new owner/tenant does not move into the premises until close to or after the disconnection date they, through no fault of their own, may be unable to have any services and have to wait a significantly long period for a service. Previous issues similar to this have been reported by RSPs for their consumers in cease sale areas⁵ and this migration plan does not appear to address these issues. Again, a flexible approach would assist in customising arrangements to cover multiple different circumstances that are likely to arise.

Responsibilities

Matters not within Telstra's responsibility needs to be clearly mapped for consumers to problem solve. Consumers feel frustrated when they are sent between a number of different bodies and many have reported to the TIO of not knowing who to turn to.⁶ ACCAN is concerned over the list of responsibilities falling outside of Telstra's remit, which could leave consumers without information or services. It may also impact on their protections, such as the Telecommunications Consumer Protection Code or Customer Service Guarantee. In particular, ACCAN agrees with the ACCC regarding its concern over Telstra not being responsible for notifying wholesale providers of copper outages when nbn co is upgrading the area. Telstra is provided this information under the Definitive Agreements and can notify its consumers and prepare alternative services. Consumers with other RSPs may not have the same level of service continuity. The Migration Framework should map the

⁴ <http://www.zdnet.com/article/nbn-database-quirk-hitting-broadband-resellers/>

⁵ <http://www.smh.com.au/digital-life/digital-life-news/nbn-fail-telcos-leave-customers-disconnected-20141217-1290kb.html>

⁶ <https://www.tio.com.au/publications/blog/tio-reports-on-nbn-related-complaints>

responsibilities and put in place process for situations that fall outside the remit of Telstra, or nbn co.

Communication with consumers

The switch over, regardless of the technology, should be as smooth as possible for consumers. Clear processes should be established as part of the Migration Framework which maps the responsibilities of all the bodies, so consumers are not passed around. Consumers have reported to us that they are told different things by the different RSPs and nbn co. Information given to consumers should be consistent from all bodies involved and up to date. We are concerned that information given to consumers may not be accurate; particularly if they are told that they cannot connect to nbn services in service continuity areas or are limited in the retailers that can supply services in these areas.

Plans offered to consumers

Furthermore ACCAN is concerned that consumers who are in service continuity regions may be limited in the choice of plans that they are offered. As they are only notified six months prior to disconnection date, they will be reluctant to sign up for lengthy plans. However, this may be to their detriment, as they would previously have been hesitant to sign up for cheaper plans over longer periods due to NBN services being available imminently. They may not know how long they will be waiting to be classified as serviceable and miss out on deals available to other consumers.

We are concerned about RSPs selling 24 month contracts to consumers in areas that are imminently being declared as ready for service. The RSPs are not able to fulfil this product and consumers will be faced with disconnection or early termination fees to break the contract if they do not wish to have services with the same retailer over NBN.

Regards

Rachel Thomas
Policy Officer