

ACCC NBN wholesale service standards inquiry – second discussion paper

Introduction

On 7 December 2018, the ACCC released its second discussion paper in its ongoing NBN wholesale service standards inquiry. This paper seeks further input on matters that have not been fully addressed by the enforceable undertaking from NBN Co, which was accepted by the ACCC in September 2018.

For the purposes of this inquiry, 'NBN wholesale service standards' means NBN Co's service levels as set out in its Wholesale Broadband Agreement, including performance objectives and operational targets, as well as requirements for NBN Co to take corrective action and provide compensation or commercial rebates if service standards are not met. It also refers to other non-price aspects of NBN Co's wholesale arrangements that are likely to influence consumer experience.

Vocus Group Limited (Vocus) is a specialist fibre network services provider operating Australia's second largest inter-capital network as well as back haul fibre connecting most regional centres in Australia. 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 brands catering to enterprise, government, wholesale, small business and residential customers across Australia and New Zealand.

Vocus welcomes the opportunity to provide a response to this inquiry.

Rebates

Issue for comment	Vocus' response
What are the key principles you consider should underpin NBN service level rebates?	<p>Service level rebates should provide strong incentives on NBN Co to ensure our customers' expectations are being met.</p> <p>Rebates should also be structured in a way that provides certainty to RSPs about what to expect when service levels are not achieved.</p>
How should rebates be structured to ensure that they provide the right incentives to NBN Co and RSPs to contribute to good end user experiences?	Rebates must move from a flat rate structure to a daily rebate. This restructure is needed to provide a more meaningful commercial incentive for NBN Co to act in a timely manner to address issues and meet our customers' expectations.
What factors should the ACCC refer to when considering the rebate structure and amount?	<p>We agree with the ACCC's observations that:</p> <ul style="list-style-type: none"> • flexibility in RSPs' use of rebates is important; • rebates play a role in compensating RSPs for costs when NBN Co misses a service level, including the costs of managing customer experience.

	<p>The service level rebates need to be clearly structured to enable us to manage our customer relationships and provide a meaningful and productive response to our customers. For example, a \$25 rebate is too low for a missed scheduled appointment, given the frustration and inconvenience when a technician does not attend during a large appointment window.</p>
<p>Should connection rebates also be available to standard connections where the service level is one business day?</p>	<p>Connection rebates should apply to standard connections where the service level is one business day to provide the appropriate incentive for NBN Co to act promptly.</p>
<p>What processes do RSPs expect to apply to ensure end users affected by service level misses receive a benefit from wholesale rebates?</p>	<p>Vocus already has processes in which it provides credits or rebates to our customers who are impacted by NBN Co not meeting service levels. Vocus is bearing considerable financial risk and responsibility to manage our customers' expectations.</p> <p>We act promptly to manage our customers' experience and expectations. However, we do not have timely visibility if NBN Co will provide us with a wholesale rebate. The \$25 rebate from NBN Co only appears on a bill that Vocus may receive some two months after the relevant customer issue.</p> <p>How Vocus will pass through a benefit to consumers from wholesale rebates is dependent on NBN Co's processes and information flows. We need 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 type of information. For our small business customers, they are often time poor and need timely and reliable information.</p>
<p>Would there be benefit in requiring RSPs to publish how they intend to pass through a benefit?</p>	<p>Flexibility in RSPs' use of rebates and how they choose to manage their customers' relationships is important. Accordingly, RSPs should not be required to publish how they intend to pass through any benefit to relevant end users.</p>

Service speed and performance

Issue for comment	Vocus' response
<p>Does the information NBN Co makes available to RSPs about service speeds appropriately support RSPs advertising and selling of services?</p>	<p>The information NBN Co provides RSPs prior to an order being placed does not appropriately support RSPs' advertising and selling of services.</p> <p>Consumers would have more relevant information to assist their purchasing decision if NBN Co enhanced its Service Qualification tools and (where available) provided RSPs with:</p> <ul style="list-style-type: none"> • Maximum attainable line speed data for FTTN, FTTB, FTTC & Fixed Wireless services

	<ul style="list-style-type: none"> • Technician availability • Congested cell data for Fixed Wireless services <p>If this information was provided by NBN Co in an automated manner, RSPs would be able to improve customer experience by providing clearer and more relevant information to consumers prior to sale. We could continue to innovate and better manage consumer expectations during the sales process by appropriately tailoring the plans displayed to consumers. For example, potential customers would be able to use a RSPs website to perform a check on their address and be provided with a view on speed and time to connect.</p> <p>In this environment of unsustainably high NBN wholesale prices, this information sharing by NBN Co would also reduce operational costs incurred by RSPs and eliminate the need for retrospective compensation post-sale.</p>
<p>What wholesale commitments should apply where service performance consistently falls below what is ordered or reasonably expected?</p>	<p>Where service performance consistently falls below what is ordered or reasonably expected, the following should apply:</p> <ul style="list-style-type: none"> • NBN Co should not be able to charge for higher speed tiers on AVCs that are not capable of providing that higher speed. To support this commitment, NBN Co will need to take proactive steps to ensure unsuitable services are not sold to end users and provide RSPs with more detailed information about an end user's infrastructure. • NBN Co should be required to upgrade the line, where those lines are not capable of providing the minimum requirements. • NBN Co should be required to undertake remediation, even if the consumer decides to downgrade its speed tier.
<p>If a fixed wireless rebate was introduced, how should it be structured to ensure that it provides the right incentives to NBN Co and RSPs and contributes to good end user experiences?</p>	<p>A fixed wireless rebate should be structured in the same way as other wholesale service level rebates.</p>

Retail consumer safeguards

Issue for comment	Vocus' response
<p>Are additional measures required at the wholesale level to support the ACMA's instruments? If so, what measures should be introduced?</p>	<p>NBN Co should be responsible for matters that relate to or are caused by its network. In this context, the regulatory obligations concerning service continuity and line testing should more appropriately be on NBN Co rather than RSPs.</p> <p>To contribute to good end user experiences, NBN Co should be providing information to RSPs about matters such as line speeds in real-time.</p>

Measurement and reporting of operational outcomes

Issue for comment	Vocus' response
<p>Is the categorisation of “new service never worked” installations a concern for stakeholders? If so, how should these cases be dealt with?</p>	<p>The categorisation of “new service never worked” is a concern as we are charged for these services by NBN Co. In contrast, RSPs are unable to charge an end user for a service until it has been successfully connected. NBN Co should not be able to charge RSPs for non-active services.</p> <p>NBN Co should not be able to close a ticket until it sees usage.</p>
<p>Is there any reason why end user fault rectification should not begin from the time a trouble ticket is raised or acknowledged by NBN Co? Are there any other changes that should be made to more closely align wholesale processes with end users' experience of faults?</p>	<p>NBN Co begins measurement of end user faults at the time it accepts the trouble ticket, rather than when it acknowledges a trouble ticket.</p> <p>This process is not justified and does not align with our customers' expectations. The process for our customers starts much earlier than when NBN Co accepts a trouble ticket. When a customer first calls with an issue, Vocus often spends hours trouble-shooting before we lodge a ticket with NBN Co.</p> <p>To provide a good consumer experience, NBN should begin measurement of end user faults at the very latest from when a trouble ticket is raised, if not aligned to the time when an issue is first raised by the end user with the RSP.</p>
<p>What additional wholesale arrangements should be put in place in relation to operational information to facilitate RSPs providing a reasonable level of customer service to end-users?</p>	<p>Having a more timely view of service requests including workforce would greatly help Vocus' service and support teams who rely on NBN Co to perform certain tasks.</p> <p>NBN Co should provide real time reporting of issues or delays in the provisioning of services, including missed appointments. (In December 2018, it was reported that NBN Co technicians missed an average of 430 appointments a day in the year up to 30 June 2018.¹)</p> <p>We have received customer feedback that there have been cases where a technician has not attended, and the missed appointment has been incorrectly marked by the technician in NBN Co's system as “customer not in attendance”. This situation leads to disagreement between customers, RSPs and NBN Co.</p> <p>NBN Co providing timely, accurate and useable operational information would enhance our ability to provide an appropriate level of customer service to our customers.</p>

¹ NBN Co technicians missed 430 appointments a day. | IT News | 12 December 2018

Please direct any questions regarding this submission to:

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