# **Communications Sector Market Study**

# **Consultation Hub Questionnaire Summary**

## Overview

The Communications Sector Market Study Issues Paper consultation included three questionnaires on the ACCC Consultation Hub. Each questionnaire targeted a different stakeholder group – consumers, businesses and smaller service providers.

The questionnaires were accompanied by summary papers highlighting the relevant issues from the Issues Paper for each different stakeholder group.

In total 1148 responses were received through the Consultation Hub, including 37 uploaded written submissions. Of these:

* 1048 respondents identified as consumers
* 93 respondents identified as businesses and
* 7 respondents identified as smaller service providers.

Common themes that were consistent across all the questionnaire responses include:

* The importance of communications services and products for personal, educational and business needs.
* Dissatisfaction about the change from the National Broadband Network (NBN) Fibre to the Premises (FTTP) policy to the multi-technology mix (MTM).
* The vastly different ways Australians use communications services and products, particularly the variety of consumer needs beyond a “standard” residential household.
* The importance of and need for faster, reliable upload speeds for residential consumers and businesses.
* Limited choice of service provider in regional areas, particularly for mobile services.
* Choice of communications products and services in the market but not always options that meet consumer and business needs, particularly service performance.
* Frustration with the time taken for the NBN rollout (fewer than 10% of the consumer respondents currently have NBN services).
* A preference for first-hand information to understand quality of service and use of third-party comparison websites to make purchasing decisions.
* The importance of cost and service performance (speed and reliability) to consumers in making purchasing decisions.

A question-by-question summary of responses to each stakeholder questionnaire is provided below.

# **Consumer Questionnaire Responses**

* 16 free-text questions
* 1048 respondents identified as consumers

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| Q1 | How important are communication services to you? Are any more important than others? (e.g. are any services or devices essential (or not) to your current or future lifestyle) |

Consumer responses identified communications services as being of great importance. No-one said services were not important. More than 400 (40%) said these services were “very important” and a further 279 (28%) mentioned that they were “essential”. Five respondents considered that access to high speed internet should almost be treated as a human right.

A common theme was there should be the same commitment to reliability as for water or electricity:

*“I believe all communication services are both extremely and equally important for various services. I work in IT, and without easy access at home to the internal network via VPN, or access on my mobile phone to be able to communicate and troubleshoot it would be extremely difficult. It's a pity to say that any services right now in Australia just cannot compete with overseas services, including hosting and data centre environments. Cloud based storage in a large data environment is a huge problem from my perspective, with it comes the extremely restrictive upload speeds. Internet access and speed is by far a major aspect of all communications technology right now as we move into a more connected environment with the Internet of Things.”*

*“High speed internet is right up there, obviously you need water, and electricity. [B]ut the next service I really need is internet. I need it for work, the ability to work from home or even just from not in the office, is very important, using ADSL to dial in to is crippling the flexibility of the entire business sector.”*

Many respondents reportedly worked in the IT industry. Others telecommuted or worked from home. Many were students or had multi-person households where access was needed for different reasons. Respondents identified that they needed the internet for entertainment, gaming, working from home and studying.

Responses include:

 *“I work in IT and am very reliant on having a fast and reliable internet connection. I use it to work remotely, or provide a server base for software images to be downloaded from. From an entertainment perspective we also rely on internet delivery systems. If I need to work, I cannot share the bandwidth to my house between streaming services and what I'm trying to achieve work wise.”*

*“Very Essential. I am retired and need it for communication, banking, Centrelink, Taxation, email, social media, media download and IPTV all sorts of Digital functions. The Cloud is fast becoming essential for backups, file share and offline Programs. Even MS office now.”*

*“As a student, a young Aussie, mum and full time employee the internet and a fast connection is vital. I'm not able to get better than adsl+. Having travelled to other countries, our internet services are disgustingly slow and unreliable.”*

A small number of people with disabilities explained their reliance on the internet, such as to manage government services and make contact with friends and family they would not be able to see otherwise, for example:

*“As a disabled Australian, communication services, in particular internet services, are a huge necessity for me. I use an internet connection to manage everything whether it's MyGov, paying bills, emailing doctors/therapists etc. and my job. My disability makes in-person arrangements or even phone calls a huge drain of energy and time, and the internet is basically the only way I can manage to remain independent. “*

Broadband or internet access were identified as essential with more frequency than mobile phones although, when mentioned, mobile services were also considered important.

*“High speed internet and mobile phone services are the most important to me and my family. We have over 22 devices connected to our network at home at any given time. We are a family of 2 adults and 1 infant.* “

In contrast, a small number of respondents identified the ongoing need for reliable landline services in areas where mobile coverage is not available.

*“We live on a farm, with no mobile coverage, satellite internet (NBN Sky Muster) and unreliable landline. We do not travel to a town or area with mobile coverage for work, so are totally reliant on landline for voice and Sky Muster for internet…. Reliable landline is imperative for medical, fire-fighting response and reporting, accessing local products and services (as many local businesses are not online and purchases cannot be made online). It is also essential for communication with family members, some of who are not on the internet…. Mobile is of little use to us, as we cannot access it and with not attending work or a place where mobile access is possible, operate on a nine year old mobile phone, as due to our circumstances, it is merely a tool to make or receive calls when travelling.*”

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| Q2 | What communications products and services do you currently use? |

Respondents reported using an assortment of communications products and services. The diverse responses also reflected the variety of ways consumers interpreted the question and what they consider communications products and services to be.

Some respondents provided extraordinarily detailed lists, for example:

*“Modem via Optusnet to ADSL2Computer - iMac 27, MacBook AirTablet - iPadPhone - iPhone 6Apple WatchApple TVSecurity System by ADT - own simFax - copper wireTelephone - copper wireServices: Stan, Netflix, ApplePay, Internet banking, iView, SBS on Demand, Internet Channel 7, iCloud Service, Dropbox Service, iTunes, EyeTV from Computer when away from premises. Installing Solar energy with Tesla Powerpack in prep for Tesla Model 3 car on order 2017 - internet connectivity important for these services”*

*“I use a personal computer, tablet devices, smartphone, and smart TV. I am subscribed to Stan, Netflix, and Apple Music I regularly use Youtube and Reddit which are both content heavy. I back up my devices and media to a cloud service also have games on Steam.”*

*“… I currently have a 4G mobile phone with a data plan, a naked DSL internet connection and a variety of subscriptions/accounts and so on as part of that. More specifically, I use Signal for sms which transmits via data rather than traditional sms. Facebook for general communications etc. Steam and PSN for gaming. Youtube for video. Droxbox and spideroak for backup purposes. Twitter for news and so on.”*

OTT streaming services mentioned included Stan, Netflix, Presto, Spotify, Foxtel.

OTT communications apps mentioned included Skype (mentioned by 72 respondents), Whatsapp, Facebook Messenger, iMessage and Facetime (each mentioned by fewer than 20 respondents).

There were many other gaming sites and social media sites mentioned but this level of detail was not provided by most respondents.

* Of those respondents who noted their communications services: 155 respondents (15%) mentioned the NBN, but only about 100 reportedly had access. The remaining respondents commented that they would like access. Only 22 consumer respondents reported using FTTP and 21 had FTTN.
* ADSL was mentioned by 322 respondents (32%) and 12 respondents reported using HFC broadband.
* The majority of respondents mentioned phones, either mobile, cell phone smartphone, with “mobile” and “cell” phones mentioned by 645 respondents. There is some overlap with the use of “phones” which is mentioned by 594 respondents.
* Landlines were mentioned by fewer than 100 respondents and several of these reported that they did not have a phone connected.

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| Q3 | Do you think the communications products and services you use will change over the next five years? (e.g. will you only use mobile for calls and/or internet use, text and/or messaging applications more than voice calls). |

Respondents noted that communications products and services were changing and it was hard to predict trends five years into the future, given the scale of changes in the last five years.

Many responses noted the possibilities of technological developments but the risk of not having adequate infrastructure in place to take advantage of these developments:

*“Absolutely. 12 months ago we started a test trial of Slack with my team, and now we use that almost exclusively for internal communication. Slack has almost nearly replaced email. I hardly ever find the need for voice calls anymore. With the advent of VR and other technologies, I can't even imagine what we'll have in 5 years for communication.”*

*“Yes. They will undoubtedly change, however, with the path this current government is taking with regards to the NBN, the many communications products and services offerings that will become standard will slip farther out of reach with the restricted broadband, bandwidth options available. Communications products and services will increasingly be pushed into the cloud and with this comes a bandwidth requirement that will not be met with the current NBN MTM technologies on offer. The only way to future proof the future of viable communications products and services is to go fibre. Anything else is regressing into the past.”*

*“If you look back over the past five years, the change has been phenomenal. Casting one's mind forward the potential changes are almost incomprehensible. The 'internet of things' will become a reality and once again, relative disparities in access and download speed likely relegate people out of reach of the NBN to substandard lives.”*

*“In 1995 had a computer with 120MB hard disk and 5Kb/s connection. I now have a computer with 1.2Tb disk (1,200,000MB) and 5-30Mb/s (5000-30000Kb/s) Connection.”*

A common theme was the declining use of voice telephony which is being replaced by apps. One respondent noted:

*“I've removed the phone symbol from the apps drawer on my phone, voice/messaging apps have replaced typical phone and sms for me.”*

Others discussed the move to VOIP rather than traditional telephony and many looked forward to increased mobile data speeds. Many expected to use more data in the future.

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| Q4 | Are the current communication services offered by service providers suitable for your communication activities/lifestyle? Why/Why not? |

Approximately 80% of respondents did not think the current communication services offered by service providers were suitable for their communication activities/lifestyle. Approximately 10% of respondents did think they were suitable.

Responses to this question primarily focused on broadband services, particularly the lack of availability of NBN services to them and the change in NBN design from FTTP to MTM. Many respondents noted that they needed faster upload speeds and quoted their current speeds achieved (up and down).

In their responses, over 40% mentioned speed and over 15% mentioned upload speed, highlighting the importance of this factor to consumers in determining suitability of services:

 “*My connections at home and on the go are "fine", but they aren't ideal. 2Mpbs upload is nowhere near enough throughput for my work. I upload large files (PDFs, UI Photoshop documents, and videos). These are painfully slow now.”*

*“When the NBN arrives, I would prefer to have a "slow" symmetrical plan e.g. 20/20 instead of a faster asymmetrical one e.g. 50/5. No one seems to offer these. If the speeds are only what NBN Co offers, then NBN Co should offer a range of (less than 100/100) symmetrical plans also.”*

Many responses also noted that their service was negatively impacted by rain and this was largely disregarded by their provider:

*“… Also, copper is affected by weather, this is a big issue, currently my internet experiences outages after every storm, because the water from the storm affects the copper lines, even worse is it will happen every storm since the copper won't get replaced and even if it does, the problem will occur in the future...”*

Respondents with NBN FTTP services were generally positive about their service and many were using 100/40 speed services:

*“They're suitable for me, but I'm part of a lucky few who have FTTP. It makes me sad that the rest of Australia will not get to experience and utilise the benefit of at least 100Mbit internet at home.”*

Of those respondents who answered “Yes” many made disclaimers and expressed concerns that while services were suitable for their needs today, they did not expect them to meet their future needs:

*“Yes, for now. Our internet allows us access to what we need without limitations. However I can foresee it not being enough in future and the need to upgrade the ability to obtain more access may cost more.”*

Many respondents mentioned their use of streaming services, particularly 4K or HD content, uploading photos, videos, documents, gaming – all of which were impeded or not possible on current broadband services (hindered by speeds):

*“The current communication services do not meet my needs. I often create 3D graphical renderings which creates large files. My internet connections' upload speed is 0.8Mb/s. If the recipient of my rendering is located in my city it's faster to copy my file to an external device and physically drive to their location than to upload the file to the internet.”*

*“Facetime and Skype calls are seriously hampered by low upload speed throughput, cable internet in its current state does not have the upload bandwidth to serve my needs adequately at present, in the future it will definitely not be adequate especially with increasing file sizes and quality of many services that rely on uploading (video chat, file transfer). The upload speed is also inadequate for online backup services such as dropbox to be effective for me.”*

Respondents also referred to their experiences living overseas where broadband services were faster and cheaper - particularly in Japan, USA, Singapore and the UK.

Only about 18% of respondents mentioned mobile services in their response with most indicating satisfaction with their services. Of those that expressed dissatisfaction, comments focussed on issues such as expensive data, insufficient data quotas and poor coverage.

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| Q5 | Do you have enough choice of communications services? (e.g. is there enough variety of different services/different inclusions, such as data quotas, speeds, coverage, performance, reliability, cost). |

Approximately three quarters of respondents said they did not have enough choice of communications services.

Responses to this question largely focused on broadband services with only about 15% mentioning mobile services. Concerns about broadband services were about the inability to access high quality ADSL or NBN services.

Many respondents noted that there were a lot of options but none that fully suited their needs. They also noted that while there was enough choice, they were not good choices as service, reliability and performance were poor and that services were expensive and not value for money:

*“I don't think there is enough variance in the different types of plans for different users.
I would pay for a more reliable, faster and high quota internet but no one is offering it.”*

*“There's lots of choice, so much so it is hard to get exactly what you want. So many bundles throw in things I don't want or need that could be removed for a cheaper price.”*

*“Yes, though the services are overpriced and don't always deliver.”*

Respondents who mentioned they were from a regional or rural area noted they only had one choice of service provider. Respondents who were using HFC services also noted they did not have any choice of service provider.

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| Q6 | What do you think about when deciding what communication service to buy? (e.g. cost, service quality/performance, speed, reputation of service provider, coverage, flexibility-contract/no contract). |

In their responses, over half of respondents mentioned thinking about cost when deciding what communication services to buy. Quality of service was also very important to respondents.

In particular, respondents mentioned:

* Speed (over 60%)
* Quality (about 30%)
* Reliability (about 20%)
* Reputation of the service provider (about 20%)
* Coverage (nearly 20%)
* Flexibility (no contract) (about 10%)

Some respondents also mentioned value for money, customer service (including location of call/support centres) and a few mentioned contention ratios as being considerations when making purchasing decisions for communications services.

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| Q7 | What types of information do you currently use when comparing communications products/services and deciding what to buy? Is information accurate, easy to understand and readily available? |

Respondents mentioned they used a number of third-party websites to find information to compare communications products and services including:

* Whirlpool.com.au (nearly 20% of respondents)
* Reddit.com.au
* Whistleout.com.au
* Finder.com.au
* Broadbandguide.com.au
* Mybroadband.com.au

Respondents favoured first-hand experience and information to understand the quality of service they could expect from a service provider in their particular area. Some respondents also used Critical Information Summary information and information from service provider websites.

Many respondents mentioned that they had technical knowledge, either working as engineers or in the IT industry, so they were able to digest or source relevant information that might be less accessible to the general public. Several noted it might be difficult for the average consumer to understand available information from service providers.

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| Q8 | Is there any other information that you think would be useful to help you make decisions about what communications service/product you need or want to buy?  |

Nearly 30% of respondents mentioned that more information about speed would be useful to help them make purchasing decisions.

Only 2% of respondents indicated that they did not think there was any other useful information that would help them make purchasing decisions.

Respondents mentioned various types of information that they would like to know, including:

* CVC levels per service provider at each POI
* Minimum or average achievable speeds – at premises and/or postcode level
* Expected speeds by distance from a node
* More updates from NBN Co about when their NBN service will arrive
* Planned upgrades to networks
* Standard presentation of information with key metrics by all service providers
* National service outages

Respondents also made suggestions such as:

*“We should get a scorecard by the government that rates the company on performance, speed, reliability, after care service, speed of resolving issues and etc.”*

*“An official government/watchdog comparison of the providers, as then we would know it is trustworthy and unbiased. (For example, https://compare.switchon.vic.gov.au/ for electricity does a relatively good job)”*

*“I think a broadband performance monitoring tool by the ACCC would be a fantastic industry initiative.”*

*“If they're a MVNO, clearly state which bands of which service provider they currently provide.”*

*“It would be extremely helpful if the ACCC enforced a national database where various consumers could subscribe and submit speed tests and provide feedback so if I chose to move to a new area that I could access the database to get statistics on what the average speeds were for that neighbourhood and also what the reliability of the providers were.”*

*“Making a detailed network map publicly available would be instrumental in letting consumers decide on communication products and services. A detailed map which shows the wireless towers and their signal strength and use - as well as a wired network map of what street has what running down it.”*

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| Q9 | Do you have a bundle package for your communications products/services? If so, what is included in the bundle? Do you want/need all the products/services in the bundle? |

Of the responses to this question where it could be established whether or not they had a bundle or not:

* 54% had a bundle
* 44% did not have a bundle

The most common bundle reported was internet and home phone with others including mobiles and various pay TV or OTT streaming services.

Many respondents reported that they have a home phone as part of a bundle but they do not need it. They included the home phone because a bundle is cheaper this way or they have been told it is compulsory to have one as part of an ADSL service or an NBN service. A number of respondents (81) noted that that they needed a fixed line voice service but 202 (20%) stated that the landline is not used. (This part of the question was not answered by 702 respondents (70%)).

Where the landline is reported as being required this was often because other household members needed it for emergencies or mobile reception was unreliable. Some respondents complained about being forced to acquire a telephone line in order to obtain an ADSL service:

 *“Yes, I am forced to bundle a telephone line in order to get fixed line ADSL. I no longer use a land line, do not have a phone connected to it, and honestly I don't even know the number for it. I would be happy to be without the telephone line. The NBN has allowed for it; however the prices have not followed suit. For example, TPG will bundle a telephone line and unlimited ADSL 2+ for $60/month, while their NBN Tier-1 speed plan is $60/month, even if it does not come with a telephone service.I hope from this review, one of the outcomes would be to remove the mandatory need for a phone line to have internet access.”*

A few respondents noted that they did not need a VOIP service or FETCH TV or Foxtel.

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| Q10 | How do you compare bundle packages? (e.g. use comparator sites, research service provider websites, talk to friends). Do you think this comparison could be made easier? If so, how? |

There is some overlap with responses to question 7.

Respondents were highly critical of the comparability of information about bundles and the quality and currency of the information.

*“I find it impossible to compare bundles, they are constantly changing and any online research I do usually throws up old bundles that don't exist anymore… I would love to be able to request your own type of bundle online from any service provider and have them quote you so as to compare the exact details”*

Many said they researched plans on provider websites. 65 respondents mentioned Whirlpool forums while others referred to iSelect:

*“As noted, I research each service provider website and see what they are actually saying and then compare it with user feedback from sites like whirlpool. Again, it would be easier if service providers were made to provide information in a consistent format that allows you to compare easier (such as listed minutes included rather than $ value included). Also again, it would be great if networks had to publish real world performance based on either actual or typical usage scenarios.”*

Respondents identified an independent or government website would be helpful, similar to the Victorian government’s energy plan comparator tool.

*“Some government or neutral comparison platform like compare.switchon.vic.gov.au, so smaller providers with less marketing budget can still attract customers simply based on their offering.”*

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| Q11 | What leads you to change service providers? Are there any costs involved in switching service providers?  |

Approximately 10% of respondents included “yes” in their response, presumably in reference to the costs involved in switching service providers. Costs mentioned included breaking contracts and the potential length of time without a service or losing email addresses or phone numbers.

 *“Yes, there are usually costs involved, especially with broadband. Broadband providers almost always want to lock you into a contract of some sort. However, I have been extremely happy with my current provider (aside from speed and congestion which are unavoidable due to the shoddiness of the backbone) so far. Because of the costs associated I would only change if an especially good deal was available. However, as discussed, most broadband deals are effectively the same. With regard to mobile, I have changed a few times as I am usually on a month to month contract and sometimes companies will offer bonus data, which is enough to convince me to switch, provided I don't have to pay for a sim. Some of the smaller companies offer better deals but charge $20 for a sim. The savings usually don't offset this cost for at least 4 months so I haven't bothered to try them as yet.”*

Respondents also noted factors that led them to switch such as:

* Poor service
* Lack of coverage
* Highly contended broadband.

 *“When quality of service drops and/or performance drops. Any increased change in contractual monthly cost will also lead me to change providers. Another important factor is when a company undergoes acquisition and the level of general service starts to decrease, that also leads me to start researching for a change of service providers. There is usually cost with switching providers but I am willing to pay the switch to ensure I get what I am paying for.”*

One respondent noted that there is a lack of churn in the migration of services to the FTTN NBN and an inability to afford downtime is a disincentive to switching.

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| Q12 | What do you think about when deciding whether to switch service providers? |

There was overlap with answers to question 11 with respondents noting that coverage, reliability, speed, service and costs were factors considered when deciding whether to switch.

Respondents mentioned the following factors (in descending order of frequency):

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| Cost and/or price | 408 mentions | 39% |
| Speed | 248 mentions | 24% |
| Reliability | 129 mentions | 11% |
| Coverage | 40 mentions | 4% |

Other factors identified were upload speeds and unlimited data or high data caps and the reputation of the ISP.

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| Q13 | How likely are you to use different service providers for different services? (e.g. different service providers for landline/broadband at home compared to mobile) |

Almost 40% (367 respondents) answered “very”, “very likely” or “extremely likely”. In addition many more also identified as using different providers.

Only about 6% of respondents said they were “unlikely” to use different service providers.

This high level of willingness to use different providers was attributed to the different strengths companies have in particular markets:

 *“Very - some providers have better mobile coverage or service than others. CVC provisioning may see me move RSP on NBN”*

*“I am very likely. I used to be quite loyal until I realised switching provides better options such as more inclusions. I'll keep trying to switch back and forth unless my current provider is willing to compete with the alternative, so long as the alternative provides me the minimum quality I require.*

*I'm less likely to switch internet as I am mobile though due to the inconvenience going from cable to ADSL for example (e.g. requiring a different modem).”*

On the other hand, a lack of reliable services in regional areas, other than Telstra, limited this choice for some:

*“Likely … Telstra is the only real option for mobile unfortunately.”*

Others were concerned about the longevity of some smaller providers:

*“Only services now with Telstra are one year "investment" in SIM for iPad as by paying before the year expires the data accumulates - that means that when away we have a good amount of data (cumulative is about 25GB now with 3 year old SIM) and if in the country then Telstra may have coverage where Optus doesn't so we can use the iPad as a hotspot for mobile phones and portable computers. Otherwise all services are now moving to Optus. I have asked if LIGHTENING is available in Williamstown but it is not. I am a bit reluctant to try many of the other service providers in the NBN list because the longevity of these companies is dubious. We were very stung by the sale of Ozemail to a US company in the 90s when we lost our business email addresses with only 2 weeks notice. So I will go only for established service providers.”*

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| Q14 | Do you have any expectations about the service you will receive on fixed-line next-generation networks, such as the NBN, that can provide superfast broadband services?(e.g. do you expect faster speeds, less buffering, improved reliability, cheaper prices with more inclusions, more choice of products/services/service providers). |

Overall, the responses to this question were very negative and largely reflected dissatisfaction with the change in NBN policy from FTTP to MTM.

More than half of respondents mentioned speed, particularly faster speed, in their response. Many respondents mentioned they expected and wanted 1gigabyte per second upload and download speeds.

Around 15% of respondents also mentioned that they expected a cheaper service and 20% wanted a higher data allowance.

Respondents generally agreed that they expected and wanted all the examples listed in the question, but were not optimistic that they would be achieved.

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| Q15 | Do you have any expectations about developments in mobile services, such as greater coverage/availability of 4G and future introduction of 5G? (e.g. faster services, larger data allowances, cheaper mobile services).  |

Respondents were generally positive about mobile services. They expected current issues to be resolved in the future, such as:

* Poor coverage (particularly indoors)
* Low data allowances
* Expensive services (particularly data costs).

Some respondents also mentioned continuing issues with mobile black-spots.

*“I suspect we'll see much better data rates in years to come but the outback will continue to suffer and networks will struggle with demand.”*

Some respondents noted they did not think mobile would become a substitute for fixed-line services given the costs, particularly for data. Some respondents mentioned that they were pleased with the speed of 4G which was better than their ADSL service.

Those respondents who mentioned 5G were positive about its developments, but this was not mentioned by many (around 20%).

Nearly 40% of respondents mentioned data in their response, around 20% mentioned coverage and over 10% mentioned they expected cheaper services.

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| Q16 | Are there any other comments or issues you would like to provide to the ACCC as part of its consultation on competition in evolving communications markets.  |

Responses to this question were largely negative commentary about the Government’s decision to move to an NBN MTM policy and support for returning to an FTTP design. In particular, respondents were concerned about:

* the different levels of service quality and performance of various NBN technologies (such as FTTN compared to FTTP) and
* paying the same price for different services/underlying technologies.

Several noted their appreciation that the ACCC was conducting the questionnaire and others made suggestions about how it could be improved.

Many respondents also repeated comments they had previously made in answer to other questions in the questionnaire.

## Business Questionnaire Responses

* 14 free-text questions
* 93 respondents identified as businesses

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| Q1 | What communications products/services do you need to support your business operations?  |

Respondents used a variety of different communications and products and services to support their business operations, such as:

* Telephone
* Fibre optic cable internet
* Fast, stable internet connection
* FTTP 100/100 connection
* High-speed internet and mobile internet for redundancy
* Mobile phones
* Cloud data and document storage (drop box, google drive)
* High speed large data transfer (Aspera, Pix, Digital Pigeon, SFTP)
* Point to point dark fibre (between head office and primary data centre)
* Video calling
* Video conferencing
* Secure messaging
* VoIP

Respondents commonly mentioned the following when describing their communications needs:

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|  | Percentage |
| Speed | 50.0% |
| Upload | 23.9% |
| Video | 21.7% |
| Reliable | 21.7% |
| Cloud | 10.9% |

The diversity in businesses communications needs were reflected in many of the responses:

*“We are a multi-state retail and tourism business. We rely on all our offices and staff being connected on our logistics, communications and safety and risk management platform as well as handling short customer video production of their experience. We need reliable fast internet with both fast upload and download to also allow video and file transfers as well as large volumes of customer file and document archiving involving tens of thousands of customers.”*

 *“Our business is entirely dependent on the internet - we work with enterprises here in Australia, in China and the United States to sell our skills and products online. To support our small business we need:
1) affordable, reliable internet access to support our distributed work environment - colleagues in Sydney, Melbourne and Brisbane.

2) high speed simultaneous data transfer both downstream \*AND\* upstream

3) cloud-based file sharing solution to support development in our distributed work environment

4) media-rich international video conferencing for internal and external business communications

5) a cloud-based digital content delivery solution to serve the 1,000,000+ daily active users of our products.”*

*“We are a digital development house and rely heavily on internet access. We had a Telstra outage a few months back that caused us to close for 3 days, which costs us $30,000 in lost productivity. We have found buying 4 G dongles to be more reliable but not cost effective as a business…”*

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| Q2 | Are there suitable communications products/services available in the market to meet these needs?  |

The majority of respondents (about 70%) did not think there were suitable communications products and services available in the market to meet their business needs. The responses focused on broadband services.

A key issue was a lack of speed, particularly upload speeds and reliability of broadband connection:

*“No. The fastest I can get here in Newtown, Sydney is Telstra BigPond cable. While the 100mbit down is useable the max upload is 2mbit which makes uploading HD video files too slow. I end up driving or couriering them across town / interstate which also necessitates purchasing hardware to transfer the files on which is a waste of time, money and resources.”*

*“For a consumer there are some services that will handle demand most of the time, but for a business that relies on the internet it needs to be much more stable, available, cheaper, faster. Having your connection drop or drastically slow down when you desperately need to upload or download a large package is an incredible pain and can have large financial repercussions”*

A common issue raised by respondents was that while products and services were available they were too expensive to be a viable option:

*“Yes, but they are prohibitively expensive. Decent business fibre internet would cost us $5000+ per month which our small business simply can't afford. “*

*“There are no cost-effective services currently available that would meet our needs.
Being in the CBD, private fibre networks are available, but it would be upwards of $4,000 per month to connect and run, plus a substantial setup fee and contract.”*

 *“There are, but they're largely inaccessible whether through cost or geolocation. At the moment, to access those services, I either need to move business into an NBN area at great expense or access slower but still useful 4G data services which are also expensive...”*

*“As 4G wireless broadband is stratospherically expensive for the amount of data we use per month (approximately 1TB would cost around $4500 from Telstra), the other option is business grade DSL or Fibre solutions. Again, these are designed for large businesses who can afford thousands of dollars a month for internet services.”*

*“No. Some of my offices reside in regional/rural areas. The only way for me to achieve a stable VPN link to these offices is using some legacy infrastructure (e.g. Frame Relay). The speed of these links are grossly overpriced compared to other products available to the market but however are not rolled out in these areas”.*

Some respondents also noted moving office locations or being restricted to specific locations to ensure they had adequate communications services and products to support their business needs:

“*The only suitable products are the current FTTH NBN connections available in limited locations. We have had to relocate our office and stuff to the north side of the city in order to do business.”*

*“No. Two years ago we realised that our business was hamstrung by a lack of internet connectivity and rented an office in town primarily for a better internet connection. Prior to this we were restricted to mobile broadband with 15GB per month costing $105 which restricted online training opportunities. We were using local businesses in town with Wi-Fi regularly to run our business which was not efficient. Now we pay additional rent primarily for internet.”*

*“Yes, in my current location (Ballarat) as FTTP has been installed here. However, reliance on these services means that I am restricted as to where the business can be located. There would be benefits from moving to Melbourne as that is where potential employees with skills in my area are likely to be found, however losing the high speed internet would be a problem.”*

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| Q3 | What communications products/services do you currently use? |

The majority of respondents (about 57%) currently use ADSL services, while approximately 13% have NBN services.

Some respondents noted that they use mobile data as a back-up option when fixed-line broadband fails or is too slow. However, they also note that this is an expensive option and not a viable solution:

*“We currently use Telstra ADSL and occasionally wireless 4g internet (although this is a very expensive option). We have a booster antenna due to poor coverage in our area.”*

*“An ADSL2+ service that due to the broken nature of the copper in this suburb provides connection speed close slower than ADSL1. For time critical jobs, we're using Telstra 4G data and taking the financial hit of $10 per Gigabyte.”*

Some respondents noted they move locations to upload files, while others have multiple broadband connections or have installed private connections:

*“ADSL2+ internet connection. Mobile phone package with Telstra as no other provider has coverage on my area that works (I have tried them). I currently run my own server at great expense because of the limited internet speeds and coverage in my area - I'm within the metropolitan area as well.”*

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| Q4 | Do you think your communications needs will change over the next five years? (e.g. will you need more flexibility/mobility in products/services, more video conferencing/data intensive activities). |

Respondents had a variety of expectations about their future communications needs including:

* Increasing file sizes
* More video conferencing
* More mobile coverage
* Reliable, fast broadband connections
* Increasing bandwidth use
* Higher upload speeds to use cloud storage and cloud based services

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| Q5 | Do you expect any communications products/services will become increasingly important or critical to business operations over the next five years?  |

The responses were overwhelming in the affirmative with only one respondent thinking no new services would become more important in the future.

Several respondents noted that upload speeds needed to increase or expressed concern about the capability of communications infrastructure:

*“Any business dealing with any form of digitally created content delivery (i.e. Graphic Design, CAD Modelling, Film Production, CGI Special Effects) where it will be critical to their operations in delivering higher quality (4k Ready or Higher in the foreseeable future) content within a timely manner to their clients or working remotely will fail unless a framework is in place to be able to transfer such large data items.”*

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| Q6 | Do you have any expectations about new fixed-line next generation network services, such as the NBN and other superfast broadband networks and how they could impact business operations? |

Responses ranged from optimism about the potential benefits of these networks to transform businesses to disappointment at the speeds available under the current NBN roll-out plans:

*“We expect it will dramatically improve our ability to send and receive files, which means we can be more efficient with our use of time. It will also facilitate better communication with our overseas customers.”*

*“{F}ast reliable NBN is critical to the future of business in Australia. Rolling out outdated slow NBN over copper or fixed wireless is crippling business being able to expand and evolve.”*

A repeated theme was the need for businesses to have high upload speeds and symmetrical services and the importance of these being much greater than for residential customers:

*“Symmetrical (and fast) speeds are vitally important for small and large businesses to be able to access the increasingly cloud-based business technology world. This is not something Australia can sit by and ignore.”*

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| Q7 | Do you have any expectations about developments in mobile services and how they could impact business operations? (e.g. faster services, larger data allowances, cheaper mobile services, greater use of services and devices).  |

Respondents commented on high prices for mobile phone data and gaps in coverage particularly in regional areas:

*“Telecommunications companies have the ability to offer wireless internet that meets the requirements of modern business, but they exorbitantly charge for it because the government has no effective regulations on its pricing.”*

Others did not consider mobile would replace fixed line services:

*“Mobile is great but no substitute for a reliable fixed line connection for business needs. It works (mostly) out of the office, but when it doesn't work, no one does. We've seen larger data allowances recently which is good. We rely on mobile data every day for business and personal needs but the heavy lifting is done via fixed line.”*

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| Q8 | What types of information do you currently use when comparing communications products/services and deciding what to buy? Is information accurate, easy to understand and readily available?  |

Responses identified upload and download speeds, cost, data allowance, service and support as key factors that they considered.

While some thought this information was available through online searches, others found it hard to find consistent and comparable information from companies. Several identified peer reviews and Whirlpool discussion forums as important sources:

*“Mostly the information is easy to find and generally very inaccurate when coming from the service provider. Alternatively forums for current users are better indications of the operations of their network and whether is has been over-subscribed reducing the quality of the service.”*

A common theme is that service providers advertise speeds of “up to” rather than guaranteed speeds:

*“The information is not accurate they do not guarantee the advertised speeds. The speed is "up to" XMbps -- So how can you advertise it as a XMbps service when you can't guarantee that you will deliver that to the property? It should be advertised as a MINIMUM speed as is done in the UK.”*

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| Q9 | Do you have access to bundle packages for communications services/products? If so, do these meet your needs and are they easily comparable across different service providers?  |

More than 60% responded that bundles were available but it was not always clear whether they were being used. Around 13% of respondents said they did not use bundles.

Several respondents noted that they had access to bundles but they were not interested as they did not meet their needs. Only 7 responses (8%) clearly suggested bundles met business needs and 11 of the 14 responses addressing the final part of the question did not consider bundles to be comparable:

*“There is an ability to bundle, but as a business there are often a lot of 'extras' you forego so it works out better to sign up as a personal user. The 'full picture' is not easily comparable between providers, especially with the NBN being rolled out.As a business, there is often a promise that if you pay a higher rate on a "business plan" you'll get better support, when in practice you're usually getting the same service that an individual would get.”*

Countervailing this view, another responded:

*“I have a business bundle with Telstra which is good. Other companies offer cheaper products but in the region I work these products are inferior.”*

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| Q10 | Do you experience any barriers or impediments to accessing suitable communications products or services, such as insufficient choice, unaffordable products or services, complex or ambiguous information?  |

More than 85% of responses said there were barriers to accessing suitable communications products or services. The main issues identified were information gaps about services availability and the NBN migration process, high prices, inability to get the data speeds required and lack of coverage. One respondent commented:

*“[B]uying airline tickets and paint is easier than choosing internet and telecoms services in this country. I believe the incumbents make it appear as difficult as possible so that people "give up" trying to understand and just put up with it. With near monopolies in place in many areas there is no choice for many people. The contracts are usually 24 months which is an eternity in the tech world, and usually do not contain any benchmarking or automatic price reductions when the market drops. Almost none of the information is easy to understand, starting with the most simple of requests - does the house I’m looking at moving to have internet connected?”*

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| Q11 | Do you currently experience/anticipate experiencing any compatibility issues that could limit your choice of provider or service, for example, in regards to hardware, software, operating systems and/or network systems?  |

More than 75% of respondents did not consider there were any compatibility issues that could limit the choice of provider or services. Where respondents did consider there were issues, these were generally about the availability of NBN services or choice of ISP in their location. Some identified the need for new modems when changing to the NBN. One response was concerned about losing access to email addresses when changing ISPs.

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| Q12 | Are there any compatibility or other issues that could restrict you from switching service providers?  |

The majority of respondents (about 66%) did not have any compatibility or other issues restricting them from switching service providers.

Those respondents who did experience issues noted the lack of choice of service provider was a restriction to switching service providers and some noted a loss of service from delays in switching over services being an issue:

*“The delay for 'churn' between providers of 5-10 working days is unacceptable for my business… As a result, switching providers is a major issue.”*

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| Q13 | What leads you to change service providers? Are there any costs involved in switching service providers?  |

Respondents noted the following features led them to change service providers – reliability, cost, speed, data limit and service – both customer service and performance of the service:

*“Reliability and value for money has driven us to change providers”.*

Respondents also noted costs involved in switching providers including, cancellation fees, new set-up fees and costs of purchasing new equipment compatible with the new service:

*“Having recently changed network providers to reduce overall costs we have observed a 40% reduction in network and voice spending. This however was offset as we had to go and purchase new routers/switches/handsets to go over our 60 offices. The cost of that equipment adds up considerably.”*

*“…Costs of changing service providers mainly relates to reconfiguring phone systems and network security. Typically these costs are measured in thousands of dollars. Usually $1000-$3000 depending on the service being switched*.”

Some respondents also noted a loss of productivity and time when switching providers:

*“Generally too hard to switch once locked into a provider as you risk downtime or 'mistakes' being made that mean you're without internet for a long period of time.”*

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| Q14 | Are there any other comments or issues you would like to provide to the ACCC as part of its consultation on competition in evolving communications markets?  |

Overall, the responses largely focused on the NBN MTM policy and related issues. Other issues raised included rural communications and limited choices of communications services and products to suit business needs:

*“Rural communications are very poor and satellite is too unreliable for any stable business operations.”*

*“FTTP and 100mbit+ symmetrical speed is critical for technology businesses.”*

 *“Currently there are too few choices amongst plans for data usage & line speed. Not everyone will need an unlimited amount of data, or unlimited calls, yet many of the current packages & plans make that their main offering. There should be more differentiation for those who require smaller data allowances & call costs. There should be clear differentiation between line speeds available - a wider choice and advertised figures that match real-world experience.”*

*“Competition should not merely be an issue of keener pricing, though that's important. Competitors should offer differences in reliability, quality of service, network coverage and data allowances.”*

## Smaller Service Providers Questionnaire

* 19 free-text questions
* 7 respondents identified as smaller service providers

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| Q1 | Do you have any problems meeting the growing consumer (residential and business) demand for data and maintaining service quality on your network (fixed-line and or mobile)?  |

Most respondents noted having problems meeting the growing consumer demand for data and maintaining service quality:

*“The rollout is slow, when cutover occurs consumers can be left for days with no service. And the customer end of the rollout is happening before the supply/exchange and backhauls are increased. This creates more problems than it solves.”*

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| Q2 | How do you think the trend of consumers substituting fixed-line services for mobile services is impacting competition in these markets?  |

Respondents did not think mobile services could be a complete substitute for fixed-line services given the high cost of data. However, several noted the complementarity of services, using mobile services to supplement fixed-line services when faster speeds and more reliable services were needed temporarily.

One respondent noted*:*

*“No. It is driving more wireless technology solutions. It is also more convenient for consumers who move around. As even good fixed line ADSL speeds are appalling.”*

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| Q3 | Do you think there are any changes needed in regulatory arrangements to address this trend?  |

A couple of respondents commented on the current NBN MTM policy and performance of non-FTTP NBN services. One respondent noted:

*“Yes. The maintenance of critical exchange equipment is very poor for existing hardware. Where is the documentation for the NBN infrastructure that has been built/commissioned?”*

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| Q4 | Do you think that bundling of content with broadband access and other communications services creates any competition concerns? If so, please provide examples.  |

Overall, respondents did not think bundling of content created competition concerns. However, some noted that exclusivity arrangements could potentially be a concern and that new entrants should not be locked out of the market.

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| Q5 | Do you provide cloud services, data centre services and/or software defined networking services? If not, do you think that you can still compete effectively, particular for business customers, without offering these services? Do you think that bundling of content with broadband access and other communications services creates any competition concerns? If so, please provide examples.  |

Three respondents noted they provide cloud services.

Some respondents noted the lack of NBN availability hampered their services and ability to compete.

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| Q6 | Are there any barriers to entry or other obstacles you face in supplying these types of services? Do you think that bundling of content with broadband access and other communications services creates any competition concerns? If so, please provide examples.  |

One respondent noted poor upload speeds and another noted their lack of NBN connection as being barriers to entry. Another respondent noted:

 *“Customers fed Incorrect information / lies from bigger providers who are trying to protect their bottom line. Cooperation from other carriers to migrate/ integrate services.”*

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| Q7 | Do you think the migration to the NBN is providing sufficient opportunities for smaller fixed-line service providers to retain existing and attract new subscribers?  |

Overall, responses to this question were not really relevant, however one respondent noted:

*“I believe small ISPs are now locked out of the market due to the extraordinary expense of become an NBN service provider (CVC, POI, etc). It's not worth the trouble. Those that wish to remain in the market will merely resell bigger providers. The days of the small ISP are over.”*

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| Q8 | Are there any barriers to entry for smaller service providers supplying fixed-line voice and broadband services on the NBN and other next generation networks?  |

Overall, responses to this question were not really relevant. However, one respondent noted:

 *“Integration / migration from existing providers.”*

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| Q9 | Are there any other factors affecting the competitive supply of these services?  |

One respondent noted cost and another noted geographic location of providers and potential customers as being factors affecting the competitive supply of services.

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| Q10 | Do you think there are any refinements to pricing for the NBN that could improve competition?  |

Two respondents said “Yes” but did not offer a suggestion for refinement. Another respondent noted: *“The pricing seems fair.”*

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| Q11 | Are you using wholesale aggregation services for the NBN? If so, are these services readily available and competitively priced?  |

No respondents are using wholesale aggregation services for the NBN**.**

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| Q12 | Do the costs and/or availability of wholesale transmission services impact your ability to compete in downstream markets? If so, how?  |

For questions 12 to 15, respondents answered “No” or did not provide a relevant answer to the question.

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| Q13 | Do the costs and/or availability of internet interconnection options impact your ability to compete in downstream markets? If so, how? |
| Q14 | **What, if any, alternatives do you have to exchange internet traffic or obtain access to larger networks?**  |
| Q15 | **Do the costs and/or availability of other key wholesale input impact your ability to compete in downstream markets? If so, how?** |
| Q16 | **Are there any obstacles for mobile virtual network operators to provide competitive mobile voice and broadband services?** |

One respondent answered *“pricing”* and another answered *“available spectrum … and access to fixed line services where required.*

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| Q17 | Does the development of Wi-Fi networks have any impacts on competition? If so, what are they?  |

Overall, respondents did not provide relevant answers to this question.

However, one respondent noted:*“Total congestion / contention of the Wi-Fi band/s.”*

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| Q18 | Do you think this will lead to further industry consolidation?  |

Overall, respondents did not provide relevant answers to this question. One respondent did not think further consolidation was very likely.

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| Q19 | Are there any other comments or issues you would like to provide to the ACCC as part of its consultation on competition in evolving communications markets?  |

A few respondents commented on the NBN design and services.

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| ConsumerQuestion | Number of Responses *(Total Responses: 1048)* | BusinessQuestion | Number of Responses*(Total Responses: 93)* | Smaller Service Provider Question | Number of Responses*(Total Responses: 7)* | Question | Number of Responses |
| 1 | 1038 | **1** | 92 | **1** | 6 | **17** | 4 |
| 2 | 1036 | **2** | 92 | **2** | 6 | **18** | 4 |
| 3 | 1032 | **3** | 92 | **3** | 5 | **19** | 4 |
| 4 | 1037 | **4** | 92 | **4** | 5 |  |  |
| 5 | 1038 | **5** | 91 | **5** | 5 |  |  |
| 6 | 1033 | **6** | 92 | **6** | 5 |  |  |
| 7 | 1017 | **7** | 92 | **7** | 6 |  |  |
| 8 | 908 | **8** | 92 | **8** | 5 |  |  |
| 9 | 1003 | **9** | 91 | **9** | 5 |  |  |
| 10 | 937 | **10** | 90 | **10** | 5 |  |  |
| 11 | 1003 | **11** | 90 | **11** | 5 |  |  |
| 12 | 976 | **12** | 88 | **12** | 5 |  |  |
| 13 | 998 | **13** | 89 | **13** | 5 |  |  |
| 14 | 1029 | **14** | 86 | **14** | 5 |  |  |
| 15 | 1005 |  |  | **15** | 4 |  |  |
| 16 | 923 |  |  | **16** | 4 |  |  |