



## **TELSTRA GROUP LIMITED**

### **Response to ACCC Draft Record Keeping Rule – NBN service quality and network performance**

**12 February 2024**



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## 1 Executive Summary

Telstra welcomes the opportunity to respond to the ACCC's Draft Record Keeping Rule for NBN service quality and network performance (Draft RKR), which sets out the information that NBN Co will be required to provide to the ACCC to assist with key regulatory functions.

Telstra is generally supportive of what the ACCC has proposed in the Draft RKR and agrees in principle with the intention of each metric. We acknowledge and appreciate that many of the recommendations made in our previous submissions have been implemented in to the draft RKR.

However, there are still some key improvements that Telstra believe are necessary to ensure the RKR best promotes the LTIE on the nbn network. Our recommendations fall in to four main categories:

- Adding higher time intervals to reporting metrics to enhance visibility and enable RSPs to identify the full extent of poor customer experience
- Clarifying wording/definitions and ensuring the right level of detail for both RSPs and NBN Co
- Additional information that should be collected within the existing metrics
- Additional metrics that Telstra recommends including in the RKR

It is our position that all improvements proposed throughout this submission are achievable and not overly burdensome on NBN Co. We recommend that the ACCC adopt these changes in its final RKR to ensure that reporting is clear, provides sufficient transparency to industry and optimally reflects the end user experience.



## 2 Acronyms and terms referred to in this submission

ACCC: Australian Competition and Consumer Commission

ASIP: nbn Annual Service Improvement Plan

BD's: Business Days

COAT: Change of Access Technology

FTTP: Fibre to the Premises

LTIE: long term interests of end users

NBN: National Broadband Network

NBN CO: NBN Co Limited

PA: Priority Assist

PO: Performance Objective

PI's: Performance Incidents

RKR: Record Keeping Rule

RSP: Retail Service Provider

SL's: Service Levels

SLA: Service Level Agreement

STC: stop the clock

WBA: Wholesale Broadband Agreement



### 3 Introduction

The ACCC has published a draft RKR for nbn service quality and network performance, setting out the proposed metrics and data required for NBN Co to retain and report to the ACCC. The purpose of publishing this draft is to provide industry with an opportunity to review a more practical, finalised version of the RKR structure and its inclusions.

Telstra has provided feedback in prior consultations about our concerns with the adequacy of NBN Co's reporting on service quality and network performance. We have also raised concerns that NBN Co's effective monopoly status in the fixed broadband market means that it does not always have sufficient competitive incentives to improve service quality. It is therefore critical to have a strong framework around NBN Co service quality performance that promotes transparency, accountability and thereby the LTIE.

The introduction of the RKR will have the following key benefits for the LTIE, from the perspective of RSP's:

- bring added oversight and public scrutiny over nbn service quality performance, which will help drive better outcomes for consumers on the nbn.
- give RSPs a clearer picture of the negative areas of end user experience, allowing us to be more targeted when advocating for customers.
- help RSPs catch service and network issues early before they become systemic and difficult to manage.
- complement other NBN Co led initiatives like the ASIP, to ensure stronger RSP engagement on service quality.

We therefore welcome the ACCC listening to industry and exercising its power under section 151BU of the CCA to develop an RKR for nbn service quality and network performance.



## 4 General Feedback

- i. Time Intervals: Telstra strongly recommends that the ACCC increase time intervals for all fault and connection metrics in the RKR. Currently the reporting intervals for these metrics do not go higher than WBA SLAs. This has the effect of consolidating all service volumes that exceed WBA SLAs, preventing visibility over the extent to which metrics were exceeded. It's obvious that those customers who have extended connection or fault rectification timeframes have a poor experience, so having additional intervals that go above WBA SLA's will help identify those worst cases and enable RSPs to hold NBN Co accountable. Telstra notes that NBN Co's payment of rebates for connection and fault rectification delays is capped at 30 BDs and 60 BDs respectively. This means that the financial incentive for NBN Co to address the 'long tail' is capped and Telstra believes that requiring NBN Co to report on those long tails will provide an alternative incentive to address these services. Telstra also recommends including a mechanism in the RKR that gives the ACCC discretion to update and expand time intervals at the end of a reporting period, to ensure metrics can adapt to changes in NBN Co performance. This is particularly important if NBN Co is consistently and significantly exceeding the highest time intervals.
  
- ii. Held Orders: Telstra would like to see additional reporting for all connection and fault rectification metrics (metrics 1-4, and metrics 7-8) that NBN Co have placed into the Held category, along with the average time to resolve. While Telstra supports measuring stop the clock (**STC**) events, we note that these primarily reflect RSP/end user driven delays. On the other hand, time in held mostly represents delays attributed to NBN Co. Having both 'STC' and 'Held' reporting will provide a more balanced view of where delays are occurring. 'Held' reporting will also show RSPs the number of 'clean' customer installs and fault rectification (i.e., those not subject to delay).
  
- iii. Trend Graphs: Telstra also recommends that NBN Co publish graphs each reporting period (for each metric), that track performance over past periods and show historical trends. This will help RSP's identify changes in performance and remove the manual work of tracking each metric separately (e.g., has performance improved or worsened over the last year).



## 5 Matters for Consultation

### 5.1 Connections and Transfers

Telstra is generally supportive of the proposed metrics for connections and transfers set out in the draft RKR. We agree that proposed disaggregation of these metrics is appropriate and are pleased to see that reporting time intervals correspond with WBA 5 SLA's. This will help to enable a whole of market view of nbn service quality/network performance and comparability across industry. With the service transfer metric, we are also pleased to see disaggregation by service transfer type, in line with Telstra's feedback (i.e., service transfers, service transfer - connect outstanding and service transfer - reversal).

However, Telstra still has several recommendations for metrics 1-5 (connections and transfers), to ensure they best reflect the customer experience and operational processes:

- Time Intervals: As per 4 (i) above, Telstra would like to see additional reporting time intervals above WBA SLAs for all connection metrics (Standard Connections, Accelerated Connections, PA Connect, Right Time First Connections). For example, in metric 2 - Priority Assist Connections (urban area), the highest time interval is 48 hours+. Due to the vulnerable nature of these customers, it is critical to have proper oversight over this cohort, particularly in cases where NBN Co is missing required timeframes. For Priority Assist we recommend adding another time interval for +7 days.
- Right Time First Connections: Telstra strongly supports this metric and as such, we recommend the ACCC include an additional reporting metric for 'right-first-time' faults. This will capture the arguably more detrimental customer experience where initial fault resolution was not performed correctly, and customers are left without a working service. We also suggest clearly defining 'additional work' to ensure it captures all situations where the initial installation was unsuccessful, and a customer requires a follow up connection.
- Held Orders: As per 4 (ii.) above, Telstra would like to see held reporting for all connection metrics.

### 5.2 Appointment keeping – Connections and Fault Rectification

Telstra is generally supportive of Metric 6 in the Draft RKR and welcomes the alignment with WBA 5 SLAs. However, we recommend making the following changes to ensure the reporting best reflects NBN Co appointment punctuality:

- Separation of Accelerated Connections and Standard Connections: Telstra recommends further disaggregating connection appointments between accelerated connections and standard connections, given that they have separate and distinct SLAs and POs.
- RSP reschedule v NBN Co reschedule: We also recommend clearly differentiating between instances where an appointment is rescheduled "due to



end user/RSP” and rescheduled “due to NBN Co.” The latter should expressly include all cases where NBN Co initiates the reschedule. Otherwise, certain instances of negative customer experience will be incorrectly captured as driven by RSP’s/end users, rather than caused by NBN Co. For example, in Telstra’s experience cases where NBN Co obtains consent from the end user to reschedule to a later time within 24 hours of the original appointment are typically done on the day when NBN Co realise they will not make the appointment.

- STC event breakdown: Telstra also recommends having a breakdown of the STC count by STC event (e.g. number caused by weather, customer not in attendance etc).

### 5.3 End-user faults, performance incidents and network faults

Telstra welcomes the ACCC aligning metrics 7-11 with WBA SLAs and Performance Objectives. We are generally satisfied with the proposed disaggregation for these metrics, with the exception of network faults.

Telstra recommends several key changes to fault rectification and performance incident metrics, to ensure they best reflect the customer experience and provide optimal scrutiny over NBN Co performance:

- Time Intervals: as per our response in 4 (i), we strongly recommend including additional time intervals for Fault Rectification of +10 BD’s and +30 BD’s. For Priority Assist Fault Rectification, we recommend including one additional time interval of +7 BD’s.
- Fault Rectification: Telstra recommends including additional reporting in both metric 7 and 8 that show faults that have been designated for network activity (like in metric 9- PI’s). Additionally, as per 4 (ii) in this submission, we would also like to see reporting on held faults for fault rectification.

Performance Incidents: As per our previous submission and as initially proposed by the ACCC, Telstra recommends including an additional metric for ‘recurring performance incidents.’ It would be beneficial for RSPs to understand how many of these incidents are recurring even after NBN Co’s post incident review and monitoring.

- Disaggregation of Network Faults: Telstra suggest further disaggregating Metric 10 by geographic region for each state, for example Victorian urban, major rural etc. This will help RSPs further identify patterns and trends in performance across different areas of the network.





## 5.4 Dropouts and outages

While Telstra is supportive in principle of metrics 12 and 13, we strongly recommend making the following alterations to ensure that they are both effective and fit for purpose.

### **Dropouts- Metric 12:**

- Metric should measure over consecutive days: With the current drafting, Metric 12 will capture every nbn service that has had a single dropout on any given day over the reporting period. This is going to be a considerable number of end users, many of whom have no issues with their service, given dropouts can be caused by numerous different reasons external to service quality. This will have the effect of overstating the extent of NBN Co poor performance and obscuring useful information for RSPs. To properly quantify and identify negative end user experience, the reporting should only capture services experiencing dropouts over consecutive days. We suggest measuring services that have experienced dropouts consecutively over 3+ days and +5 days (as per our first submission).
- Measurement timeframe not specified: although we presume this metric intends to measure services experiencing drops over a 24-hour period, this needs to be expressly set out for clarity.

### **Outages- Metric 13:**

- Customers experiencing multiple outages: expand metric 13 to also report on customers that have been impacted by multiple outages over the reporting period. We suggest an additional measurement of the number of customers impacted by +2 outages over the reporting period (for both planned and emergency outages).
- Measure outage volumes instead of percentages: We also recommend showing the volumes of planned outages and outage notifications, instead of only showing percentages. RSPs can easily calculate percentages if needed. It is more important to be able see the actual volumes to understand scale and impact.
- Inclusion of NPA/NAT: Telstra also recommend including NPA (network performance advice)/NAT (Network Activity Ticket) as a separate measurement under outages, as these are network performance fixes and therefore don't fall under either planned or emergency outage time. These are important to measure as RSPs are not able to log any customer faults on services affected by these performance tickets. We recommend using a similar structure to performance incident metric 9.

Cancelled Outages: Telstra suggests measuring the percentage of outages that are cancelled by nbn. We would like these to be tracked at an industry level, as they drive unnecessary communication between RSPs and end users that can cause customer confusion.



## 5.5 Network speed, traffic performance and utilisation

Telstra is satisfied with metrics 16 and 17 and supports the proposed RKR reporting. We are also pleased to see the inclusion of FTTP in speed reporting categories in metric 14.

Overall, Telstra agrees in principle with what metric 14 is trying to achieve. However, we strongly recommend some drafting changes to this metric, to ensure that its clear and best reflects nbn speed performance:

- Set speed ranges to applicable speed tier: Instead of the proposed PIR ranges set in metric 14, we suggest that it would be far more helpful to measure the number of services that receive the speeds they are actually paying for. To reflect this, we recommend changing this metric to measure the proportion of services on each speed tier capable of reaching maximum uplink and downlink transfer rates aligned to their speed tier.
- Define 'capable of achieving maximum PIR': Telstra is concerned that the wording 'capable of achieving' speeds in metric 14 may be open to confusion between NBN Co and RSP's. For example, we are concerned that a copper technology service that is unable to meet the max PIR will be deemed 'capable of achieving' these speeds because they are eligible for a fibre upgrade. This will have the effect of misrepresenting many customers' negative experiences with NBN Co speed performance. Therefore, Telstra recommends limiting the meaning of what an end user is 'capable of achieving' to what is achievable on their current infrastructure and technology.

## 5.6 Fibre Upgrades

Telstra is satisfied with metric 19 and support the ACCC's proposed reporting and disaggregation.

## 5.7 Rebates and corrective action

Telstra is satisfied with metric 20 and 21 for the purposes of RKR reporting and this consultation. However, we reiterate concerns raised in our first submission regarding the lack of NBN Co reporting on rebate exemptions. Telstra would like to see further transparency relating to the number, rebate category and reason, where a rebate was not paid that was otherwise eligible (e.g., exemptions, force majeure). However, we recognise this may be best pursued through a WBA 5 context.



## 5.8 Additional Metrics

### Network Activity

Telstra in principle strongly supports the inclusion of network activity reporting in the Draft RKR.

However, Telstra have some concerns around the lack of clarity in network activity reporting. One limitation of this metric is that it doesn't capture cases where the network activity is still unresolved (not completed), but the SLA has been exceeded. As the ACCC has rightly pointed out, there is potential for immense detriment for consumers that have waited over 375 BDs to have their service repaired. It is therefore crucial to have adequate visibility and sufficient industry pressure on NBN Co to resolve these cases efficiently. Telstra recommends adding another row in to this metric that reports on the 'number of services designated for network activity that have exceeded SLA.'

Finally, as mentioned in 5.3 'fault rectification', we would like the ACCC to also measure the 'number of services designated for network activity' (currently for PIs only) for fault metrics 7 and 8.

### Network Availability

Telstra is pleased to see that the ACCC has taken on board industry feedback and included a metric for network availability.

However, as per our first submission, Telstra strongly recommends excluding from 'available time' any planned outages where the notification provided did not meet the required service level. From an end user perspective this is effectively unavailable time, as RSPs will not have adequate time to prepare and inform customers of the outage. Therefore, the metric as it stands does not reflect the customer experience. We also note that the information provided by metric 22 is already available on the NBN Co website.



## 6 Questions for stakeholders

### 1. Are the aspects on service quality and network performance, the service level metrics and proposed data, including levels of disaggregation, set out in the draft RKR appropriate for an RKR for NBN Co?

Telstra largely agrees that the data the ACCC proposes to collect is appropriate. We believe these metrics are a big step towards better transparency and accountability for nbn service quality.

However, throughout our response above in section 5, Telstra have recommended implementing several changes across the different RKR metrics to further enhance transparency and clarity. These changes can be categorised as follows:

- i. **Time Intervals:** areas where Telstra strongly recommend expanding the time intervals above WBA SLs (all faults and connection metrics). We also recommend that the ACCC leaves time intervals open to be reviewed or updated in line with changing NBN Co performance and results.
- ii. **Clarify Drafting:** areas where Telstra recommend the ACCC clarify or expand on wording in the drafting to prevent error or misinterpretation.
- iii. **Additions to Existing Metrics:** areas where Telstra want to see further additions or detail within the proposed metrics, to ensure reporting is effective and reflective of the customer experience. For example, our suggestions to improve the structure of dropout and speed reporting.
- iv. **Additional/New Metrics:** additional metrics that Telstra have suggested which may not neatly fall under one of the proposed 22 metrics. For example, recurring PIs, customers affected by recurring/multiple outages and right time first fault rectification.

### 2. Should metrics for network activity and network availability be included in the RKR?

Telstra is strongly supportive of the ACCC including the additional metrics of network availability and network activity.

However, given the importance of these metrics, Telstra want to ensure that they provide meaningful and effective insights. To achieve this, we have recommended (above in section 5) several enhancements to both proposed metrics as summarised below.

#### Network Activity:

- As we discussed in 5.3, adding reporting for fault categories that show the number of service faults that are designated for network activity.
- As discussed in 5.8, reporting on the number of services currently designated for network activity which have exceeded the SLA.

#### Network Availability:

- Expand the definition of network availability to exclude the duration of a planned outage that did not meet required notification timeframes.



**3. Should any other metrics be included and if so what aspects of service quality and network performance should they cover?**

In addition to the recommendations made to improve and clarify the proposed RKR metrics, Telstra has outlined (section 5 of this submission) additional service quality and network performance metrics that we recommend adding to the RKR, specifically:

- recurring PI's (see 5.3)
- right-first-time metric for faults (see 5.1 and 5.2)

**4. In the RKR we are generally using the definitions of key terms used by NBN Co in current Wholesale Broadband Agreements and/or NBN Co's Special Access Undertaking. Are there any issues in adopting this approach?**

Telstra supports the ACCC's approach to using definitions and key terms used by NBN Co in WBA 5 and the SAU. This is necessary to ensure consistency between the regulatory framework and the RKR.

However, Telstra has concerns with some of the terms used in this RKR process. We have called these out throughout section 5.1- 5.8 above, and they can be summarised as below:

- **Appointments:** "re-scheduled due to RSP/end user" vs "re-scheduled due to NBN Co" (see our response in 5.2).
- **Speed Performance:** "capable of achieving" (see 5.5).
- **Network Availability definition:** see 5.8.

**5. Is quarterly reporting appropriate?**

Telstra is supportive of NBN Co reporting to the ACCC on a quarterly basis. We agree that quarterly reporting will enable timelier identification of key service quality issues, which will help RSPs mitigate and target issues for customers, including via meaningful participation in the NBN Co ASIP process. Regular industry level reporting will allow RSPs and NBN Co to identify and target areas that require improvement.

**6. We are proposing that the RKR expire 5 years after commencement and that at or before that time the RKR may be reviewed by the ACCC. Is an expiration date of 5 years appropriate**

Telstra supports an expiration date of 5 years as proposed. However, we emphasise our commentary above in 4 (i) of this submission, that we recommend keeping reporting time intervals open for re-evaluation and updating as performance changes.