Submission to the Productivity Commission on the Draft report regarding the Telecommunications Universal Service Obligation

by

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Introduction.

I am an elderly individual, a pensioner, living alone on the edge of the Goonoo Forest in Central West NSW. I am only about six kilometres from the nearest village, and sixty from the nearest large town, so by no stretch of the imagination do I live in a remote area. I have a good quality fixed telephone line which has been quite reliable.

There is no reliable mobile coverage at my house, or, indeed over most of the property, although there is coverage at the top of the hill near the house. There is no mobile coverage anywhere near my nearest neighbour's house, nor on most of the property. Driving to town, there is no mobile coverage except for isolated spots except for the last ten kilometres.

With this lack of availability, I have not considered it useful to get a smart phone. It would only be useful when in town once a week or when travelling.

I have used the internet regularly since the early nineties, at first on dialup, but then on ABG satellite, followed by NBN ISS where I was one of the trial customers, and since May 2nd 2016, NBN Sky Muster. As can be seen, I would have to be one of the more experienced users of the NBN satellite services. Having used computer applications in my working career since the early seventies, I suspect I could be described as computer literate, as well as having a good understanding of the foundations of telecommunications services through my career and education as a scientist.

I will consider under separate headings, matters regarding this draft report, either points not adequately considered or those not even mentioned.

Mobile Availability

My experience suggests that the published mobile coverage maps are in many cases quite misleading, with coverage in many cases shown over vast areas where it is certainly not available. Certainly, reception varies with the handset used, although mine is a 'blue tick' one, and seems to perform at least as well as any other. The implication of this is that the actual coverage of premises by mobile may be somewhat overestimated.

Mobile Competition.

The draft report makes much of the role of competition in the supply of mobile services. It needs to be pointed out that outside of major population centres, once a mobile service is established, nobody is going to set up in competition, as the market is simply to small considering the entry cost, even for spectrum bandwidth, let alone hardware. This means that over the vast majority of the area of Australia, there is no effective mobile competition. If allowing roaming were made a service obligation, some competition would ensue, but this would reduce the monopoly profit (largely enjoyed by Telstra today) and the incentive to provide or upgrade in the future services outside major centres – hardly a desirable outcome. One of the outcomes of this lack of competition is covered under Payphones.

Experience with Sky Muster

After seven months with Sky Muster, I should have a reasonable idea of what to expect it to achieve through its life. The reliability has proven to be very unimpressive, especially compared to the previous ISS, which was virtually faultless. While I have not kept detailed records of availability, it is telling that the specialist satellite RSPs have been snowed under by support requests during most of these seven months, and there is little indication that it is improving. As an example, there was an unexpected “Expedited Scheduled Maintenance” outage 0100-0600 this morning (7/12/16), that was notified at the time it began. According to information posted on whirlpool.net.au, some customers have been offline for months at a time.

It is perhaps noteworthy that none of the major RSPs such as Telstra, Optus, TPG, Vodaphone are prepared to touch Sky Muster with a bargepole.

For several reasons, covered more fully in other sections, I have not even considered using the service for voice communications, although others report it performs quite well.

The reliability of the service means that I have had to be careful not to commit to doing anything online where it can possibly be done offline. This applies, for example to banking, where I use telephone banking rather than internet banking, although for security as well reasons I avoid having any of my financial details on any internet connected device.

Sky Muster limitations

Apart from the inescapable lag associated with the use of geostationary satellites, which are covered to some extent in the draft, there are several limitations associated with the Sky Muster service. These are those relating to the “Fair Use Policy”, and those relating to power consumption, and to a lesser extent to weather interference and NBN policy.

Fair Use Policy

The NBN has implemented what they refer to as their “Fair Use Policy” to restrict the amount of data that their customers (the RSPs!) can sell to end users. The actual policy is quite complex, and is enforced on RSPs by draconian financial penalties and by cutting off services. Effectively, it limits end users to about 75GB/28day rolling period except for their off peak, defined as 0100 -0600, which is useless for most purposes. With this absolute limit already well below the Australian average data use, which as the draft report states is increasing at 50%/annum. The probability of an individual customer exceeding these limits and having to be cut off by their RSP is clearly quite high, meaning that it cannot be relied on as, for example, an emergency communications channel. And it seems that in some circumstances, a group of an RSP's customers can be disconnected because one has gone over the limit.

And it is easy to go over the limit. A family with half a dozen Windows or Apple devices could easily use most of their monthly data allowance just with automatic updates. The BIRR site and whirlpool are full of cases of major unexplained data use. What will the situation be in a few years when it is not only your laptops, tablets and phones calling home, but your header, tractor, car(s), power meter or power system etc etc as well?

And the “FUP” allowance, while extra is allowed for distance education students in some circumstances, this does not apply to tertiary students, nor to students who travel to school but are still expected to use the internet for homework (and they can't stay in town to do it as they have to catch the bus!).

Sky Muster Power Consumption

The power consumption of the Sky Muster S-NTD is 30-40W, which does not sound very high, but it is for a device to be left on 24/7, especially for those such as myself on stand alone power, and worth noting that those without mobile coverage are, where they have grid power, usually paying a lot for it compared to those in major centres. This means that it simply cannot be left on all the time, making it useless for incoming calls. This situation would apply to many in the no mobile coverage area, again making the use of Sky Muster as a default voice connection useless.

Weather

While I have never encountered any loss of service related to weather, others report this, and it has to be considered that loss of service may occur as a result of heavy rain at either the end user's ground station or the NBN ground station.

NBN Policy

In their Sky Muster User guide, NBN's policy is clearly stated " This service does **NOT** replace your normal telephone landline and should not be relied on for emergency calls".

Obviously this means that before the USO is altered in a way that allows Telstra to disconnect landlines, a suitable alternative, not Sky Muster, must be provided. Unless a suitable service obligation can be provided by NBN.

Future Proofing

As the draft report indicates, Australians are doing more and more online, and using a rapidly increasing amount of data in doing so. There is no suggestion that this trend will change. This first shows up serious limitations in the Sky Muster service. But it also has implications for all services that rely on wireless connections, as there is a limited amount of wireless spectrum. It is clear that ultimately most digital services will have to go to fibre, with only limited services, including voice, using wireless. This needs to be kept in mind when designing a replacement for the USO.

Conclusions

I have to agree that the basic premise that the current USO is outdated, but the argument that it needs to be replaced by something that more suits the digital future must not be used to leave those in so-called 'remote' areas with a service that leaves them even further behind than the rest of the country. Thirty years or so ago Australia celebrated the closure of the last manual telephone exchange in the country, bringing everyone to the same telecommunications level (well, more or less!). We should avoid widening the city-country gap – telling people in the country that Sky Muster is better than anything they had before (doubtful!) does little to cover the fact that the gap between ABG and ADSL is far less than the gap between NBN Sky Muster and any NBN fixed or even wireless service. Taking their fixed line away will only rub their noses in it, and the end result of this sort of policy is seen in the recent USA presidential election.