

TELECOMMUNICATIONS UNIVERSAL SERVICE OBLIGATION PUBLIC INQUIRY

DRAFT REPORT

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JANUARY 20 2017

Our situation is that we rely entirely on the copper landline network for our voice communications and satellite (now through NBN skymuster) for internet. Our farm is in a valley 15km from the nearest town. We live and work on the farm, do not have access to mobile coverage on the farm or at work.

I support a review of the USO, however would prefer to see the USO extended to provide

- a) Minimum reliability and service standards for voice communications on the copper landline network,
- b) Minimum reliability and service standards for voice communications on the known mobile phone network,
- c) Minimum reliability and service standard for the NBN network for broadband across all NBN technologies (fibre, fixed wireless, satellite, etc.),

As well as a review of the

- a) Telecommunications Customer service guarantee standard 2011,
- b) Network reliability framework reporting and compliance
- c) Mass service disruption exemption
- d) Local service disruption exemptions
- e) Critical information summary provision and compliance, and
- f) The role of ACMA, ACCC and TIO in enforcing and regulating the telecommunications industry, legislation and standards.

INFORMATION REQUEST 6.1 Participants are invited to provide evidence on the adequacy of NBN's satellite voice services in relation to defining an acceptable baseline for a universal service. Information on practical and cost effective alternatives to NBN's satellite voice services in areas that currently have no mobile coverage, and their relative merits and costs is also sought.

How reliable is the NBN skymuster satellite?

We have been on satellite for internet since August 2007. We were on the Australian Broadband Guarantee service from August 2007 until May 2013 and the Interim Satellite Service from May 2013 until June 2016 when we switched to the NBN skymuster service.

Over 9 years of satellite internet at the same address should show whether there are reliability issues.

With the ABG and ISS, dropouts were practically unheard of. It would be extremely rare and unusual if we had to reset the modem, wifi router or even ring our supplier because of a dropout.

From September 2016, we started experiencing dropouts of the skymuster service and by December we had started to log these. In one six-day period, we recorded eight failures for which the modem had to be reset, sometimes on multiple occasions. This does not include the failures that were detected but for which the service returned without a reset, and only relates to the times we were using the computers.

As we saw with the ISS, overloading of the satellites resulted in speed reductions and data limitations,

If there are reliability issues already with the current number of users on Skymuster, what is going to happen when over 400,000 premises and businesses are connected to the service?

Will we see speed drop offs again?

Will we see data restrictions below the 150gb per rolling month, currently set?

The increase in internet data shown in the draft report, both worldwide and in Australia will continue and is likely to increase.

As more people get access to higher speeds (12.5mbps, 25mbps) they will start to do more on the internet, things which were not possible on the ABG, ISS and NSS.

As more people get access to NBN skymuster and can be released from the 2gb, 5gb and 10gb per month limits that have been imposed on customers, their usage will rise significantly, far more than that is likely to be for those who have had high speed broadband for years.

There is no data provided on what the expected demand for data will be for skymuster.

There is no data provided on whether the skymuster satellites and related infrastructure will be able to cope with the data demand once there are over 400,000 premises installed.

Likewise, there is no data on the ability of the skymuster satellites to be able to maintain the 25mbps speeds once the 400,000 premises are installed, even with current data requirements.

Yet a lot of the draft report revolves around the suitability that the skymuster service will be able to provide an acceptable baseline voice communications service, without any substantiation of whether this will be possible.

MOBILE PHONE COVERAGE DOES NOT COVER THE POPULATION USED IN THE REPORT

As at January 20 2017, the Australian Bureau of Statistics estimates the Australian Population to be 24,335,000.

On Page 3 of the draft report the statement is made that

“ With 99.3 per cent of the population covered by at least one mobile network, almost one third of Australian adults now rely solely on mobile phones for voice services.”

This would indicate 170,345 people without mobile coverage.

On page 12, of the draft report it states

“Of the 400 000 premises within the NBN satellite footprint, at least 310 000 premises are estimated to be able to use their mobile phones, thus providing a low-latency alternative to the NBN satellite service.

There are thus up to 90 000 premises in the NBN satellite footprint that do not have mobile phone coverage. “

On pages 175 and 176 of the draft report

“What are the alternatives to nbn’s Sky Muster satellites?

The majority of Sky Muster satellite users will be able to access an alternative voice service (table 6.3), with mobile services likely to be preferred where it is available (chapter 2). Based on Telstra’s stated mobile coverage and nbn forecasts, the Commission conservatively estimates that, at the completion of the NBN rollout, at least 320 000 premises in the satellite footprint will be able to receive a mobile service, leaving a maximum of around 90 000 premises reliant on satellite for the provision of voice services.”

The Australian Bureau of statistics estimates there are 9,268,700 households in Australia. Therefore 90,000 premises would equate to almost 1% (0.971) of households.

The average household has 2.6 residents which, based on the 90,000 households referred to, would 234,000 people without mobile coverage.

Whilst the NBN skymuster program of 412,000 installations covers Norfolk Island, Lord Howe Island, Cocos Keeling, Christmas Island plus other locations that may not be part of the Telstra copper network, Telstra Mobile network or covered by the USO, there is no distinction made in the draft report on this.

WHY IS NBN PROVIDING SATELLITE SERVICES IF MOBILE IS AVAILABLE

On October 13 2015, the Bureau of Communications Research released its Final report on NBN Non-commercial services funding options.

This paper outlined the \$9 billion npv loss to 2040 of these services.

The calculation was based on in 2015 terms the monthly loss to provide NBN fixed wireless services was \$100 and for satellite it was \$120.

Accordingly, there is a \$20 per month cost to NBNco and either the Australian Government, taxpayers or users of the services, to provide satellite rather than fixed wireless.

Therefore, if the figures being used in the Productivity Commission report that 322,000 (estimated) satellite services provided by NBNco are within areas of existing, known, proven mobile coverage, then those 322,000 services could be replaced already by mobile.

322,000 services at \$20 per month is \$6,440,000 per month.

That is \$77,280,000 per year.

In the 25 years of the BRC report, the unnecessary loss would be \$1,932,000.

That is almost **2 billion dollars in 2015 terms**.

\$77 MILLION A YEAR WILL PAY FOR A LOT OF MOBILE COVERAGE

If the mobile coverage figures used in the Productivity Commission are correct, that only 90,000 premises do not have mobile coverage, then the remaining 322,000 premises already have infrastructure in place to provide mobile voice.

Those 322,000 premises theoretically have the mobile coverage infrastructure in place so that the NBN could utilise the existing towers, cabling and transmission and relay infrastructure and provide fixed wireless rather than satellite.

How can the Australian Government and NBNco have miscalculated the need for satellite so badly that over 78% of all users of the service are able to be serviced by existing mobile phone infrastructure?

This funding could go toward NBN installation of collocated fixed wireless infrastructure with existing mobile phone towers.

INQUIRY ASSUMPTIONS AND FINDINGS NEED TO BE BASED ON ACTUAL NOT THEORETICAL COVERAGE

The comment on page 175 of the report "...Based on Telstra's stated mobile coverage "sums up the problem with the report.

It is Telstra's stated mobile coverage, not a known fact.

This report is critical of the requirements of the USO in that there is no known data on the actual number of or extent of, non-commercial or non-viable services in both the copper landline network and the payphone network, yet accepts Telstra's claim that it covers 99.3% of the Australian population.

Before any decision can be made on whether the USO should be changed based on the ability of skymuster customers to receive mobile voice phone coverage and the ability of skymuster to provide voice at an acceptable level, the true number of premises, business and people who cannot receive mobile must be established.

RELIABILITY OF VOICE COMMUNICATIONS ESSENTIAL

In addition to the comments and concerns raised in the draft report and submissions, including those of NBNco, about the ability to conduct voice communications via Skymuster, now and in the future when all 412,000 premises are connected, the fundamental problem remains that satellite is reliant upon electricity.

In an urban environment, where you have landlines and mobile coverage, if there is a failure of your landline, mobile is available.

For a satellite customer, if you do not have your copper landline network, you have no communications at all in the event of a skymuster failure, modem failure or power failure.

There is no backup and no safeguard.

In the instance of fires, electricity is often lost, either by the fire itself impacting infrastructure, or because of the power being turned off for the safety of firefighters working near power lines.

If you are one of the “90,000 premises” who do not have the alleged mobile coverage, and are denied access to the copper landline network by changes proposed in this inquiry, you will have no communications at all once the power goes off in a fire.

No internet to check on the progress of the fire.

No phones to find out on the progress of the fire.

No means of communication to evacuate.

No way of finding out if evacuation routes are open or closed.

Is this what Australian's can expect?

In the case of major flooding as was experienced in NSW and Queensland, the satellite would be of no use without electricity. Copper landline infrastructure may have been damaged but in many cases, was still operational. Mobile, where available, could be kept working.

For large parts of Australia, weather events such as cyclones are a real occurrence.

The skymuster has not yet been proven during a cyclone.

The service has not been tested during the conditions of a cyclone, will those residents have internet, let alone voice communication ability?

If the copper landline network is removed because it is decided they should have a voice capable skymuster service, how would these people communicate before, during and after an event like a cyclone.

Simple damage to the satellite dish, either by the force of wind or an object hitting the dish or LNB would render the facility unusable, with no means to contact via landline.

Relief and rescue would be delayed or not occur if the residents could not communicate the situation or be checked on.

This would result in relief parties or rescuers having to go to properties to check as nothing had been heard, wasting valuable time, resources and increasing the risk to those relief, search and rescue crews.

All Australians should be able to elect to retain or disconnect their copper landline networks, where no alternative to skymuster voice exists, not be forced by the removal of the protections provided for in the USO, to have no option.

MOBILE BLACK SPOT PROGRAM REVIEW

I support the proposal that there should be a review of the mobile black spot programme including an audit of the program and there should also be an audit of actual coverage.

In our area, there have been mobile phone towers installed on South Western Highway (Highway 1) which are purely orientated in the direction of the highway, rather than 360-degree coverage.

I raised this with Telstra, in September 2016. The response from Telstra stated-

“Yornup mobile tower was designed to provide mobile access along the South-Western Highway between Bridgetown and Manjimup. At this stage, there are no current plans to augment mobile coverage in the Yornup area...” 22 December 2016.

Yet within 3 kilometres of the same highway, 360 degree towers have just been approved under Round 2, primarily due to the fire prone nature of the area.

I am unsure whether the towers on the highway were approved under the National Black Spot program or under the separate program conducted by the Western Australian government.

This may highlight further issues with the black spot programme if it gives a preference for new installations at locations where there is a black spot rather than improving coverage where an existing tower and infrastructure already exists, by changing it from limited direction to omni directional.

I have contacted the mobile black spot program to see if it possible to ascertain the number of new versus upgraded installations under Rounds 1 and 2.

Option 2: Remove the standard telephone service USO in all areas once the NBN rollout is complete. This option would see the standard telephone service USO removed (both the contractual and legislative mechanisms) once NBN infrastructure is deployed. This option acknowledges the role that nbn would play as the statutory infrastructure provider, and would neatly tie the timing of reforms to the NBN rollout. • Option 3: Commence a staged wind-back of the standard telephone service USO in NBN-connected areas as soon as practicable. While this option would also tie the timing of reforms to the NBN rollout, it would be more complex to execute as it would see the gradual winding back of the standard telephone service USO in NBN-served areas. This rollout progress could then be reflected in a gradual reduction of the payments to Telstra under the TUSOP Agreement. Page 17

I oppose Option 2 as there is no evidence that the NBN skymuster service will be able to provide a suitable and acceptable voice communications facility now or in the future, once it is fully utilised to an unknown number of Australian residents, who have no other voice communication facilities.

It would also require that for those residents who do not have mobile coverage and have no need or desire to have the internet, their only option will be to install NBN skymuster purely to have a voice phone line, with no consideration of the costs of the equipment needed by the residents.

DRAFT FINDING 4.1 A number of consumer safeguards apply to the provision of the standard telephone service. These safeguards do not apply consistently across all providers and all telecommunications services. The declining reliance on the standard telephone service and the increasing proportion of consumers agreeing to waive these safeguards (in particular, the Customer Service Guarantee) make the relevance of these safeguards questionable.

The CSG standard should apply to all Telecommunication providers of landline services and should be extended to provide standards for mobile voice and broadband services across all technologies.

The temporary exemptions allowable under the CSG standard 2011 should be reviewed.

Regarding the comment in the report regarding “consumers agreeing to waive these safeguards”, can you clarify if this statement refers to the specified waivers under Part 5 of the Customer Service Guarantee Standard 2011, or whether it refers to the effect of a customer waiving their rights if they refuse or are deemed to refuse an offer of an interim or alternative service?

Most customers would be unaware of the provisions of Part 5 of the standard, so it would seem surprising that this would represent a significant and increasing proportion of consumers.

For those who rely solely on the standard telephone service, either due to there being no mobile coverage or because they do not have a mobile phone, the CSG standard remains relevant and should be retained.

DRAFT RECOMMENDATION 9.3 The Australian Government should proceed with its intended review of the telecommunications consumer safeguards framework as a matter of priority. The review should include an assessment of: • what, if any, future safeguards are necessary • what changes should be made to Telstra’s carrier licence conditions • the future role of accessibility and affordability measures, including the Telephone Allowance, the National Relay Service and relevant elements of the National Disability Insurance Scheme • the consumer protection roles of various bodies including: the Australian Competition and Consumer Commission; the Australian Communications and Media Authority; and the Telecommunications Industry Ombudsman • the delineation of responsibilities for service quality (including fault repair) on the NBN.

I agree that the review of the Telecommunications consumer safeguards framework is necessary and should be given a priority.

The safeguards should be extended to mobile and broadband services but must remain in place for standard telephone services, which appear to be forgotten by legislators and regulators.

The roles of the ACCC, ACMA, TIO and consumer affairs departments should also be reviewed and the current practice of turning a blind eye to breaches of the TCP code and customer service guarantee standard 2011 and passing the buck to the other parties (between ACCC, ACMA and TIO) rather than taking responsibility for failures, to the detriment of consumers shall cease.

NETWORK RELIABILITY FRAMEWORK

The Network Reliability Framework currently only applies to Telstra and should be extended to all carriers and to the NBN.

Currently only Telstra must report instances where a consumer has-

- a) Reported three faults in a rolling 60-day period,
- b) Reported four faults in a rolling 365-day period,

And must report this to ACMA.

The reporting must also show what Telstra's estimated rectification fault is for the 4 in 365 fault and the intended course of action.

ACMA is then required to assess this and act if the timeframes are not appropriate.

Consumers however are not privy to their private information (phone number, address) being provided to ACMA by Telstra and are prohibited from finding out if their service has been reported under the NRF.

ACMA has refused to answer requests from consumers who are aware of the NRF requirement,

- a) if their service has been reported,
- b) to ensure that compliance is occurring,
- c) that the rectification date is consistent with what Telstra has advised the customer (and TIO),
- d) That all faults reported to Telstra have been recorded and the trigger for NRF has been met.

The TIO cannot ask for the information from ACMA who claim it is commercial in confidence.

In our case with over 60 faults reported in a 381-day period, of which Telstra failed to record over 60%, we sought to find out if the NRF reporting had occurred, when it had occurred and what rectification date had been given to ACMA under NRF.

This would have allowed the TIO to verify that the rectification date given to them by Telstra matched that given by Telstra to ACMA.

After much negotiation between TIO, ACMA, Telstra and ourselves, Telstra agreed that ACMA could tell the TIO that NRF reporting had occurred, but not the dates of the reports or the rectification period.

ACMA admitted that no check is made by them of the NRF data with the affected consumer, as to whether the report is made in a timely manner or if the rectification occurred on or around the date specified.

PUBLIC NOTIFICATION TO REMOVE OR RELOCATE A PAYPHONE

I have only ever seen public notices where there is a proposal to remove a payphone or bank of payphones completely.

Does this occur when there is a proposal to reduce the number of payphones at the same location, eg from four to two?

MASS SERVICE DISRUPTION EXEMPTIONS

Exemptions under the Customer Service Guarantee are not being applied correctly.

Exemptions are claimed for extreme weather events that do not qualify under the defined events in the standard.

Exemptions are claimed for extreme weather events that did not occur.

Exemptions are claimed for extreme weather events that are forecast, whilst the standard requires evidence that the event has occurred and met the specified criteria.

Exemptions are required to be advertised in a newspaper in circulation in that state or area, yet repeatedly this does not occur. For example an exemption for WA that appears in the Darwin newspapers but not the West Australian, and exemptions in NSW that are advertised in the Melbourne Herald Sun, but not NSW papers.

Exemptions that have different dates advertised online those in the newspaper advert, or with different dates on the online notice once opened.

Exemptions other than public notification, which do not comply with the 10 day notification requirement.

The TIO stated it would not challenge a mass service disruption notice, as they are approved by ACMA. This is despite ACMA and the ACMA website confirming they do not approved mass service disruption notices.

The TIO did not allow a consumer to challenge an exemption, when the TIO had ruled that there had been an administrative error by the provider, in not recording the fault report, despite the position statement saying that administrative errors could be challenged by consumers.

I have been unable to get ACMA, TIO or ACCC to act on mass service disruption exemptions that do not comply with the Telecommunications Customer Service Guarantee Standard 2011.

Submission by

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January 20 2017.

