

5 April 2012

Committee Secretary
Joint Committee on the National Broadband Network
Parliament House
CANBERRA ACT 2600

Via email: jcnbn@aph.gov.au

ACCAN thanks the Joint Committee for the opportunity to contribute to its review. We would like to update the Committee on our engagement with the NBN and emerging issues.

Quarterly Consumer Reference Group

ACCAN understands that our proposal for a quarterly high-level consumer roundtable that was mentioned in our evidence to the Joint Committee in 2011, will be implemented by NBN Co with a first meeting due to be held in June 2012. Our understanding is that the various community peak bodies suggested by us are in the process of being contacted with a view to involvement in this ongoing roundtable or 'Consumer Reference Group'.

ACCAN believes it is critical that NBN Co's information activities are conducted properly with suitable strategies for specific community sectors. An effective example has been the community information campaign for the Digital TV switch-over. Accordingly, the purpose of the Consumer Reference Group will be to bring relevant issues and questions that arise in the community to NBN Co's attention, and also to ensure NBN Co's public education activities are done in the best possible way. Having input from a cross-section of peak bodies on a regular basis we hope will help to make sure the information on the NBN rollout, and transition from copper to the NBN, reaches all parts of the Australian community that it needs to reach.

Consultation on Consumer Matters

ACCAN has been consulted on several NBN-related matters in recent months and we expect to continue to provide feedback.

Backup batteries

In February 2012, the DBCDE invited ACCAN's views on the issue of backup battery provision for the NBN rollout. ACCAN's submission stated that we have not been able to find clear data and evidence on some of the key factors that would be relevant to deciding on the best implementation model. Some of these key factors are:

- The number of people who already don't have fixed-line backup capability – i.e. they have cordless handsets. This choice would indicate an acceptance of mobiles as the backup communications method in the event of a blackout.

- The number of people who are of the view that the backup unit is bulky or otherwise unattractive and do not want it for aesthetic and space considerations.
- The extent of the environmental impact arising from the disposal and replacement of millions of backup batteries.

If an optional (opt-in) deployment is chosen, there would need to be certain minimum steps taken to ensure sufficient and clear information for consumers to make an informed choice. We also suggested that if it were optional, a checklist of key questions be used to determine at-risk categories of consumers who would automatically receive the backup battery unless they specifically opted out.

NBN in-home equipment

We have been consulted by NBN Co staff on the website re-design that is being planned, as well as on the design of in-home equipment such as the NBN box.

In relation to in-home equipment, ACCAN recommended that universal design principles be adopted.

Universal design is “the design of products and environments to be usable by all people, to the greatest extent possible, without adaptation or specialized design”¹.

We submitted to NBN Co that if NBN end-user devices are designed to be usable by all people to the greatest extent possible, then ‘retro-fitting’ or special adaptations should not be required. For example, tactile interfaces and iconography should be included on all equipment. Appropriate iconography will lessen the need for language to be used at all.

Similarly, manuals and information brochures can be produced using very limited language, and using clear pictures. For consumers with vision impairment, a CD with spoken instructions will be most useful.

NBN Co Special Access Undertaking

In March 2012 we submitted our comments to the ACCC’s supplementary consultation on NBN Co’s Special Access Undertaking (SAU). In that submission we urged the ACCC to be cautious in approving any pricing matters which would give wide discretion to NBN Co without possibility for variations to be made.

Emerging issues requiring attention

Ensuring tenants are not disadvantaged

ACCAN has been involved in ongoing discussions with tenants’ advocacy bodies about issues related to the NBN rollout. The general principle we have agreed upon is that tenants should not be in a position of missing out on free initial NBN installation due to uncertainty, delays or obstacles in relation to obtaining landlord approval, and then have to pay for installation at a later date.

¹ <http://www.universaldesign.org/universaldesign1.htm>

We are concerned to ensure that every possible step is taken to facilitate tenants' ability to take up NBN-based services if they wish to do so. It is advisable that the Government and NBN Co work together with strata managers, real estate agents and State and Territory rental bond offices to contact the maximum number of landlords. Such contact should inform and educate landlords about the NBN rollout so that disagreements between landlords and tenants are minimised and consent to NBN installations is streamlined.

It may also be advisable for some form of standard amendment to leases to be suggested by the Government to agents. Such an amendment could state that connecting an NBN cable to a property does not constitute an addition or alteration, but rather is a maintenance of fixed-line capability. This would provide the necessary certainty for tenants to consent to NBN installation if they wish to do so.

Public awareness of interim satellite services

The NSW Farmers Association, a member organisation of ACCAN, has brought to our attention that many people who are eligible for an NBN interim satellite service are not aware of the services being available. There appears to be a need to step up information dissemination on the availability of these services. ISP marketing of these services has not been as visible as we had hoped. There is survey evidence from the NSW Farmers Association of consumers with existing satellite internet plans who would be very keen to migrate onto the superior NBN-based satellite offerings.

Customer Service Guarantee in the NBN environment

ACCAN is concerned to ensure that legislated consumer protection arrangements such as the maximum timeframes for new phone connections and fault repairs (the Customer Service Guarantee (CSG)) can continue in the NBN environment. The CSG is important because consumers can receive compensation if there is a failure to meet the timeframes (see table below).

The CSG obligations on telco retailers may therefore need to be an element in, for example, NBN Co's wholesale broadband agreements with telcos. ACCAN believes that some form of appropriate service guarantee from NBN Co as wholesaler is needed to allow the CSG to remain a viable consumer protection measure. If such guarantees are not available to retailers, there exists a risk that retail service providers will have no choice but to seek exemptions from the CSG regulatory obligations.

Customer Service Guarantee compensation levels²

Customer type	Services delayed	Compensation for first 5 working days (per working day)	Compensation after first 5 working days (per working day)
Residential	Connection or repair of standard telephone service	\$14.52	\$48.40
	Connection or repair	\$7.26	\$24.20

² http://www.acma.gov.au/scripts/nc.dll?WEB/STANDARD/1001/pc=PC_1712

	of enhanced call handling features to an existing service		
	Connection or repair of two or more enhanced call handling features to an existing service	\$14.52	\$48.40
	Not keeping an appointment	\$14.52 for each missed appointment	\$14.52 for each missed appointment
Business	Connection or repair of the standard telephone service	\$24.20	\$48.40
	Connection or repair of enhanced call handling features to an existing service	\$12.10	\$24.20
	Connection or repair of two or more enhanced call handling features to an existing service	\$24.20	\$48.40
	Not keeping an appointment	\$24.20 for each missed appointment	\$24.20 for each missed appointment

Copper line service bundled with NBN

ACCAN has some concern about the consumer inconvenience and expense arising as a consequence of Telstra's announcement in February that its first NBN-based offers will have consumers keeping a copper line for their phone until an unspecified later date – rather than having their phone service delivered through the NBN box (“Network Termination Device”).³

This on the whole is likely to inflate the price of a service because consumers would continue to pay a line rental fee to Telstra, when both phone and internet services could potentially be operating through the NBN box. It also means customers who take up these offers will have the inconvenience of doing a ‘switch-over’ twice – once when the NBN box is installed for their internet, and again at a later date when they need to connect their phones to the NBN box.

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³ <http://telstra.com.au/bigpond-internet/national-broadband-network/our-plans/>