



Australian
**Small Business and
Family Enterprise**
Ombudsman

21 January 2020

Mr Tony Pasin MP
Chair of Joint Standing Committee on the National Broadband Network
PO Box 6100
Parliament House
Canberra ACT 2600

via email: nbn.joint@aph.gov.au

Tony
Dear Mr Pasin

Inquiry into the business case for the NBN and the experiences of small businesses.

We welcome the opportunity to contribute to the inquiry into the rollout of the National Broadband Network (NBN) and its performance. It is important that the objective of the NBN, that 'it aims to foster productivity and provide a platform for innovation in order to deliver economic and social benefits for all Australians'¹, is being met for the benefit of small and family businesses. Over the course of the last year there have been fewer NBN related issues coming through our Assistance function. However, there are still some key issues that need to be addressed in the rollout and performance of the NBN.

Technology has a unique ability to level the playing field for small business. The NBN is crucial in achieving this as small businesses that invest in technology grow more quickly². Xero Small Business Insights reveal that firms with the highest level of internet spending growth year on year also grew revenue 5.7 percentage points more than those in the bottom quartile of spend³. This reflects the importance of fast, reliable broadband services that meet the needs of small businesses.

Ensuring small businesses have the capacity to boost productivity through technology requires infrastructure services such as the NBN to be affordable, transparent, and reliable.

Reliability

In order to properly realise the benefits of the NBN, reliable connectivity to the network is paramount for small businesses. This is particularly crucial in regional areas where there are low levels of trust in the infrastructure and connectivity. Connection drop outs have significant impacts for business. A regional NSW business reported needing to take an EFTPOS machine outside of the shop to process transactions, impacting not only the operational efficiency of the business, but also the customer experience.

Transparency

There is an information deficit for small businesses as to the distinctive role of Retail Service Providers (RSP) and NBN Co. This office sees many issues where a service interruption occurs and small businesses are unsure who to approach. Further, we encourage greater education around network coverage issues as this would allow small businesses to be better prepared to respond to network issues that arise. We support the investment NBN Co has made to address the identified

¹ NBN Co Ltd, (2016), 'Statement of Expectations'

² NBN Co Ltd (2019), 'Connecting Australia: the big future of small business'

³ Xero Small Business Insights (2019)

fixed wireless service congestion issues. However, there should be greater transparency, detailed reporting and communication of any planned or unplanned outages.

Affordability

NBN services must be affordable for small and family businesses and the sector should be supported to fully understand what type of broadband service is appropriate for their needs. The implementation of the NBN Solution Finder tool is a great step, but education on the underlying points that contribute to selecting an appropriate package is needed. Further, the NBN must offer the same commercial terms to different RSPs for supply of upgraded NBN infrastructure as this directly impacts the cost and reliability of services that can be offered to small businesses⁴.

We acknowledge and support the work that the NBN Local team do to support small business and greatly value their engagement with our Office. We have worked constructively on a number of assistance cases our office has received and note the team's provision of appropriate contacts, and valuable insights into the operation and rollout of the NBN to produce solutions for small businesses.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Bryan Smith

Yours sincerely

Kate Carnell AO

Australian Small Business and Family Enterprise Ombudsman

⁴ ACCC, 9 October 2019, 'NBN Co given formal warning'