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17th January 2020

To The Committee Secretariat
P.O. Box 6100
CANBERRA ACT 2600

Ref: Submission for the Inquiry into the business case for the NBN and the experiences of small businesses

Dear committee members,

I hereby submit to you a list of concerns in line with the terms of reference regarding performance of NBN roll out to us, the citizens of Australia, and in particular how it affects those of us that rely on this internet technology for our line of business and source of income.

The terms of reference from the Parliament of Australia website:

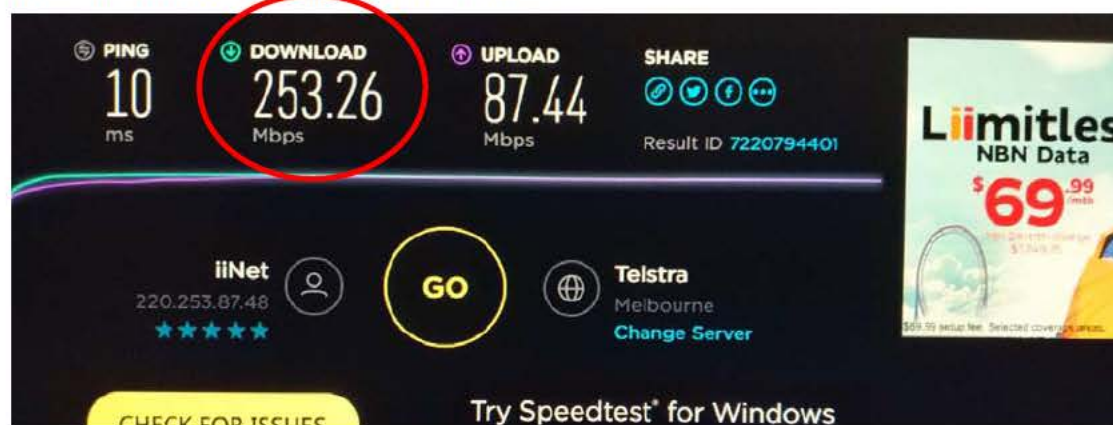
- a. the economics of the NBN, including key operational and financial performance forecasts in the Corporate Plan 2020-23;
- b. current pricing structures, including wholesale pricing, affordability and take-up, particularly as they relate to low-income and rural and regional customers;
- c. network coverage issues; including reporting of outages planned and unplanned
- d. the delivery of the business segment strategy, including to enterprise and government customers, and small to medium businesses;
- e. the experiences of small and medium business in relation to the utilisation, accessibility, customer service and affordability of the NBN;
- f. compliance with the NBN Statement of Expectations and adequacy of that Statement; and
- g. any other related matters.

My following comments in accordance with the published term of reference are as follows:

- a) NBN broadband speed delivery fails to meet world class standard of Optical Fibre-broadband. I cannot comment on the economics of NBN's operational and financial model as it is purely in the realms of NBN Co. However, from the customer's point of view, NBN is a cost ineffective service in its data speed delivery when comparing it with what can be delivered with HFC cable, which is actually yesterday technology and yet this yesterday's technology can deliver faster download and

upload speeds by at least 5x and at a cost of at least 30% less than a NBN 50 plan.
See example.

iiNet HFC (Ultra) cable speed tested in Lara



Typical NBN Speed test



Even a small town in the south Island of New Zealand with a small population size has far superior internet speeds. (<https://www.odt.co.nz/business/dunedin-tops-broadband-speed-rankings>) at well over several hundred percent better upload and download speeds than the top NBN plan publically available.

- b) NBN's Optical fibre broadband again fails to meet cost effectiveness in comparison with the fact that it is one fifth(1/5) the speed of yesterday's technology provided by HFC cable that is available through iiNet HFC cable and the recently compulsory discontinued Optus cable and Foxtel cable that was available in major capital cities. Pricing structure, due to its monopoly structure, NBN is more costly than free market HFC cable provided by iiNet and previously Optus and Foxtel cable.
- NBN costs more for slower speeds. Totally illogical and out of step with the fact that optical fibre is supposed to be the technology of today and yet delivers data speeds of yesteryear. It appears to demonstrate symptoms of monopolistic market arrogances and dominance (by NBN Co).

- c) Since the force migration from Telstra ADSL to NBN on the 17th November, as with our experience, there are daily issues with internet and telephone connections. Telstra is my service provider and the Telstra NBN technical support is in Manila, Philippines. While they are patient and try to be helpful, the problem was never resolved. I have to repeatedly call for their help to resolve the down time. Luckily I have Telstra as my ISP provider who provided a Mobile broadband back up when the wired NBN failed which is almost daily since 17th November 2019. This as you can imagine is a great interruption to business. This Telstra mobile broadband works and is used in place of the NBN wired connection. This clearly confirms issues are purely with the NBN part of the service and not part of the retail side.

This is a NBN failure on a daily basis. As a business operator I cannot spend 2 hrs per day calling the Telstra's NBN Technical support which is a distraction away from business activity equating to loss of income or loss of revenue for a business operator.

- d) The delivery of the strategy...??? What is that? Sounds like management speak. Simply, NBN has failed to deliver stable internet service since the day of migration to NBN from Telstra ADSL service. Internet drop outs are daily occurrences with no internet connection which requires subsequent calls to the help desk which diverts us to Manila for tech support, they just follow a standard script and the problems with this NBN service performance are so complex that all they do is waste both our time and theirs with no positive outcome. We would have been better off with old ADSL service. Even if the data speed is slow at least we have connection and data flow without any outage interruption.

Today (3rd Jan 2020), after having had a Telstra on site to help identify and rectify the problem, we thought it was resolved. However, after 3 hrs, the internet has dropped out three times. And I suspect there will be more before midnight tonight.

- e) Utilisation = poor due to frequent data connection dropouts. Today (3rd Jan 2020) there were three drop outs in a space of 3 hrs.

Accessibility = yes, we have access to NBN, but the performance is useless as it fails repeatedly. We were better off without access to NBN. At least with ADSL it worked. And has worked continuously for the last 12 or 13 years at this address.

Customer service = No customer service experienced with NBN Co. All our customer interaction is with ISP provider, Telstra and they have been as helpful as they can but the problem still persist.

Affordability = Cost is high when comparing speed. Superior speed that can be experienced if one had access to iiNet Ultra cable (HFC) or when compared with legacy Foxtel and Optus cable, both running yesteryear's HFC technology. NBN cost at least 30% more for 1/5 data speed using NBN 50 plan as a comparison.

- f) In regards to NBN statement of expectations

(<https://www.nbnco.com.au/content/dam/nbnco/documents/statement-of-expectations.pdf>)

FAILED.

From page one of statement of expectations:

"The Government expects that NBN Co will design, build and operate a new NBN to provide access to high speed broadband to all Australian premises. The Government's objective for NBN Co is to connect 93 per cent of Australian homes, schools and businesses with fibre-to-the-premises technology providing broadband speeds of up to 100 megabits per second, with a minimum fibre coverage obligation of 90 per cent of.....":

FAILED = I have only 47mbps on a 50 NBN plan for download and a slow 17mbps upload. I only can obtain fibre to the node so fibre to the premises is not available.

"Premises NBN Co is required to offer a connection to meet its coverage objective"

FAILED = Have connection but pointless if it drops out several times each business day.

"Fibre in new developments"

Not experienced in our business! Does not apply to our business. But, again this setup is monopolistic. The framework requires competition otherwise, NBN Co does not have to pull their socks up. If you think Regulations will ensure competitive quality, think again. Regulations are made up of law professionals, what do they know about the technical performance of a telecommunication infrastructure or its quality installation? New developments should ensure at least two or more fibre operators/provider are able to operate and install the service. This way, the competition forces the supplier of fibre broadband to ensure quality of service delivery or customers change over to the other. With the current structure, if NBN Co delivery is poor, customers are trapped with no other alternative.

"Structuring the National Broadband Network in the long term interest of end users and the telecommunications industry"

FAILED = The structure built quality being experienced is poor and has inherent unreliability. Pricing is monopolistic and there are no free market element checks to ensure the NBN Co delivers on market competitive reliability of service. Simple test is that the service has to work reliably and consistently at a price that is comparative to another reliable service like ADSL or HFC. But it is not.

"Designing the right network and service offerings"

FAILED = High cost, low quality installation and service unreliability. Use of NBN sub-contractors that are effectively unconcerned with installation quality and devoid of any attention to detail.

Overall comments:

Our NBN service is

- Unreliable
- Mostly unavailable
- High cost for today technology(Fibre optic) at yesteryear's internet speeds, double digit mbps instead of being triple digit mbps.
- Consumes many hours of consumer time to achieve any kind of internet connection at all on a daily basis.

Definitely not world class infrastructure. More like third world infrastructure. But costing us, the Australian Tax payer, first world cost expenditure.

Yours sincerely

Bernard Chen
Director