

JOINT STANDING COMMITTEE
ON THE NATIONAL BROADBAND NETWORK

Inquiry into the rollout of the NBN in rural and regional areas

Submission by Australian Private Networks P/L (trading as Activ8me)

29 March 2018

Australian Private Networks (APN) is an NBN Retail Service Provider (RSP). Some relevant background re APN;

- APN is a privately-owned Australian company
- All APN staff are based in Melbourne
- We have been retailing broadband satellite services in rural and regional areas for around 12 years
- We currently have 30,000 customers using NBN's broadband satellite system and are NBN's largest satellite RSP with around one-third of the total market
- APN has current Federal Government contracts to supply, operate and maintain broadband satellite services in 311 indigenous communities across Australia
- APN also has a little over 7000 retail customers for NBN's Fixed Wireless broadband service.

APN has the following brief comments that address the Committee's Terms of Reference and may be of interest:

- NBN's Skymuster service has significantly improved broadband access for people in the regional areas of Australia. In early days when there was mass migration from the older satellite or other technologies, it was very common for customers to comment positively about the speed and performance of the new system (& then to quickly use their monthly data allowance as they explored the internet with a decent service).
- The most common complaint from the customers is the limited data allowance compared to the other NBN technologies. The most popular Plan for APN's satellite customers is \$49.95/mo which has a monthly data allowance of 60GB peak (7am to 1am next day). By contrast, the most popular Plan for APN's Fixed Wireless customers is the Unlimited Plan costing \$59.95/mo. The customers are, of course, well aware of this difference and do complain. However, NBN's wholesale pricing and the Fair Usage Policy (FUP) restrict the RSPs from offering better Plans.
- NBN's FUP for the satellite service is tightly specified and monitored with the potential to "fine" RSPs who exceed the limits. In October 2017, NBN increased the FUP limits by 50% and complaints did reduce significantly. But there is still

dissatisfaction with the restriction and APN believes that NBN should regularly consider increasing the FUP limits. APN fully understands the need for NBN to be cautious about any relaxation of the limits but questions why the “busiest” beams should determine limits for all.

- APN believe that more work is needed between the RSP, NBN & their Delivery Partners to improve the quality and timeliness of a service calls for customers in rural and regional areas. NBN’s current business model means that APN has no real control of any service call although it has responsibility for the dealing with the customer (& can be blamed for any poor outcome). It’s very frustrating for our staff to deal with significant & justified complaints from customers but have minimal influence on the repair process. APN can become sceptical of claims of technician sickness, vehicle breakdowns, etc, but have no visibility of the reality of the situation. We believe a more inclusive process with the RSP being able to influence priorities and resources would result in a better outcome for the customers.
- When NBN’s satellite service commenced there were concerns raised that heavy rain would unduly degrade the service. Although this is technically possible. and it does occur, it is very rare for APN to receive a complaint that is due to rain. The most significant event due to weather occurred when the antenna for the gateway earth station located in Tasmania became covered in snow and all customers in 3 or 4 beams across Australia were completely without service.
- Concerns were also raised about the satellite “delay” or latency due to the time the radio signal takes to travel via the satellite to the gateway earth station & back. This latency is of the order of half a second. This delay has virtually no effect on usual internet usage such as browsing and streaming but is a real problem for “gamers” competing against others. The latency can also affect telephone services using the VOIP protocol (Voice Over Internet Protocol) and discourages customers from taking up this option. For example, 10.4% of customers with the Fixed Wireless service also have a VOIP phone service but only 4.1% of the satellite customers.
- As noted above, NBN’s Fixed Wireless service is much preferred to the satellite service by the people living in regional areas. Some will install their own “relay” between a location that can receive the Fixed Wireless service and their residence so as to obtain better data allowances and speeds. They will also argue that they should receive fixed wireless rather than satellite (“their neighbours have the fixed wireless service”, or “the fixed wireless tower is close enough”).
- However, the Fixed Wireless service does have its problems mainly due to congestion in the wireless towers and also in the links to these towers. NBN have an ongoing program to upgrade virtually all towers, but there can be a delay before a certain tower can be upgraded and, in that period, customers can experience reduced speeds.

- Recently, NBN have started sharing information with RSPs on congested Fixed Wireless towers to help RSPs to troubleshoot problems and to also as a guide for sales strategies. However, we have no clear vision of the longer-term picture of the network capacity. NBN publish roll-out information for the Fixed Wireless service complete with coverage maps, but there is no information of the capacity of the service in a particular area – (ie the Gbit/s capacity of the towers). There is much general discussion about the speed of NBN’s service with the ACCC encouraging RSPs to report their speed performance. So far, the Fixed Wireless service has not been included in reporting requirements, but we believe that it’s inevitable (& reasonable) that some reporting will be required. As an RSP, APN has responsibility to purchase sufficient NBN bandwidth (CVC) per customer and also other associated bandwidth to ensure good service speeds, but the bandwidth of the Fixed Wireless towers and also the links to them is unknown and out of our control.

APN’s main points:

- The policies involved with setting the Fair Usage Policies limits for NBN’s Satellite service should be regularly reviewed
- APN believes that a closer involvement by the RSP in managing repairs for NBN services in the rural & regional areas would improve the quality and timeliness of these services
- APN believes that NBN should be more aggressive in upgrading the capacity of the Fixed Wireless service. APN also would like more details of capacity shortfalls and the upgrade plans and timetable.

APN appreciates the opportunity to provide some comments to the Committee and hope they are of interest. We would be happy to provide more information and detail if requested.

Tony Bundrock
Chairman
Australian Private Networks