



**Small Business
Development Corporation**

Our ref: D20/296

Committee Secretary
Joint Standing Committee on the National Broadband Network
PO Box 6100
Parliament House
Canberra ACT 2600

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

Dear Committee Members

INQUIRY INTO THE BUSINESS CASE FOR THE NBN AND THE EXPERIENCES OF SMALL BUSINESSES

The Western Australian Small Business Development Corporation (SBDC) welcomes the opportunity to provide a submission to the Federal Parliament's *Inquiry into the business case for the NBN and the experiences of small businesses* (NBN Inquiry).

The SBDC is an independent statutory authority of the Government of Western Australia established to support and facilitate the growth and development of small businesses in the State¹. One of the agency's key strategic objectives is to advocate for small businesses through influencing the policy and regulatory environment in which they operate.

Ensuring that there is access to telecommunication services is essential in commerce and unreliability of service delivery and provision can significantly impact on small business operators. In this regard, the SBDC wishes to share our submission made in January 2019 to the Department of Communications and the Arts Consumer Safeguards Review, Part B – Reliability of Services (**Attachment 1**).² The SBDC's views as expressed in that submission remain and we request that the Committee consider them as part of the NBN Inquiry, with particular regard to term of reference e (the experiences of small and medium business in relation to the utilisation, accessibility, customer service and affordability of the NBN).

If you would like to discuss this submission in more detail, please contact Nikki Forrest, Policy and Advocacy Officer

Yours sincerely

Jacky Fintayson
A/SMALL BUSINESS COMMISSIONER

16 January 2020

¹ The views presented here are those of the SBDC and not necessarily those of the Western Australian Government.

² See <https://www.communications.gov.au/policy/policy-listing/consumer-safeguards> for additional information.



**Small Business
Development Corporation**

Our ref: 19/198

Consumer Safeguards Review
Department of Communications and the Arts
GPO Box 2154
CANBERRA ACT 2601

Email to: consumersafeguardsreview@communications.gov.au

Dear Reviewers

TELECOMMUNICATIONS INDUSTRY - CONSUMER SAFEGUARDS REVIEW

The Small Business Development Corporation (SBDC) welcomes the opportunity to make a submission to the Department of Communications and the Arts' Consumer Safeguards Review. The following comments are in response to the "Part B / Reliability of Services Consultation Paper" (Consultation Paper).

Background

The SBDC is an independent statutory authority of the Government of Western Australia established to support and facilitate the growth and development of small businesses in the State. A key role of the agency is to influence the policy and regulatory environment affecting the small business sector in Western Australia. In this regard, the SBDC regularly contributes to policy and legislative reviews and inquiries undertaken across all tiers of government.

The SBDC commented on the "Part A / Redress and Complaints Handling Consultation Paper" in August 2018. In that submission, we strongly supported retaining the role of the Telecommunications Industry Ombudsman (TIO) and were happy to see the recommendations to the Minister agreed that the TIO performed an essential role as the external dispute resolution provider and should be preserved with additional enhancements to their role.

The SBDC is now pleased to see the Consumer Safeguards Review progressing to consider the reliability of services. As indicated in the Consultation Paper, access to telecommunication services is essential in commerce and unreliability of service can significantly impact on small business operators. In this context, the SBDC¹ supports the

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proposed changes to ensure reliability of services and the proposed safeguards to better protect small businesses.

Reliability of services and small businesses

Having access to reliable telecommunication services is a fundamental requirement for being able to do business. The ability to order stock, access online databases, communicate with customers, and utilise payment platforms such as EFTPOS are just some examples of how telecommunication services play an essential role in effectively operating a business. Small businesses are impacted significantly from disruption and often when the delays are extensive (i.e. losses of telephone and/or internet for a number of days) the impact extends beyond the financial cost of being disconnected to affecting relationships with their customers and reputational damage.

Through our advisory and dispute resolution services, the SBDC has received numerous complaints from small businesses about disruptions to their telecommunication services. Particularly since the roll out of the NBN, we have seen an increase in complaints being made about delays in connections and lengthy service drop-outs, which have had a detrimental effect on how businesses are able to operate.

To illustrate, at the end of 2018 the SBDC received a concerning complaint from a small business operator as detailed in the following case study.

Small Business Case Study

A small business operator who runs a surgical clinic in the Perth metro area contacted the SBDC in late December 2018 seeking advice on issues they are experiencing with their telecommunications service. The small business has been with their Registered Service Provider (RSP) for a number of years and all payments were up to date.

Throughout December 2018, the business experienced significant service disruption. The first disconnection was for 5 days and the second was, at last communication with the SBDC, unresolved as at 16 January 2019 (35 days). Both the internet and telephone were rendered unavailable during these periods making it impossible for clients to reach the clinic, with some clients resorting to Facebook to communicate with the business. In addition to this, doctors and staff were unable to access patient records which are kept on a secure online database rendering them unable to conduct any meaningful work.

In raising the service disruption with their RSP, the business was told to purchase (out of their own pocket) a dongle for temporary access to the internet. The RSP was unclear on when their services would be reinstated and what, if any compensation, would be offered.

Given the significant financial and reputational damage this service disruption has caused this small business, the SBDC suggested the business seek legal advice and provided them with the details of the TIO who can assist them with seeking redress for their small business.

Mandatory safeguards for small businesses

The SBDC supports the introduction of mandatory service reliability standards, enforceable by the Australian Communications and Media Authority (ACMA), as set out in Proposal 1 of the Consultation Paper. As outlined above, it is essential that telecommunication companies ensure that their services can be relied upon, and in the event of a fault with

their service, consumers and businesses are aware that there are service standards that companies must adhere too.

In a recent report completed by the ACMA, *NBN consumer experience: Households and businesses – the end-to-end journey*, findings were presented on the experience of both residential households and small and medium-sized businesses connecting to and using services delivered over the NBN.² A key theme throughout the findings identified that disruption to their service, particularly loss of connection, had a major impact on business.³ It is particularly concerning that, 71% of businesses surveyed experienced at least one type of issue or fault after connection (frequent drop-outs or service outages) and that two in five businesses had made a complaint to their service provider because of connection issues.⁴

The report presented by the ACMA is an important insight into customer experience. Telecommunications is an essential service and ensuring customers are connected and getting a return for what they pay should be of paramount importance. It is clear that the telecommunications industry has failed some businesses in ensuring that they have reliable access to the telephone and internet.

In this light, the SBDC supports the proposals in the Consultation Paper that will not only make telecommunication companies more accountable for their actions but also provide businesses with a clear understanding of the standards they should accept from their service provider.

Concluding comments

Finally the SBDC wishes to comment on the statement that the proposals in the Consultation Paper will not commence until the completion of the NBN rollout in 2020. As highlighted in this submission, the reliability of services is a significant current and ongoing issue facing small businesses. We urge you to consider whether implementing the 'General Service Reliability Standards' prior to completion of the NBN rollout may be suitable to address persistent problems consumers and businesses are presently experiencing.

If you would like to discuss this submission in more detail, please contact Nikki Forrest, Policy and Advocacy Officer

Yours sincerely

David Eaton
SMALL BUSINESS COMMISSIONER

16 January 2019

² Australian Communications and Media Authority, *NBN consumer experience: Households and businesses – the end-to-end journey*, available at <https://www.acma.gov.au/theACMA/nbn-consumer-experience-households-and-businesses-the-end-to-end-journey> [15 January 2019].

³ Ibid, pg 48-49.

⁴ Ibid, pg 50-54.