



24 August 2015

By email: migration@communications.gov.au

Dear Sir/Madam

NBN Migration Assurance Policy

This letter provides brief comments on the MAP Framework.

The MAP framework sets out the overarching principles to achieve the efficient migration of migration of end-users to the NBN; it also outlines the key roles and responsibilities of the major stakeholders. A key objective of the MAP is to promote active involvement from industry to implement an effective end-to-end migration process that:

- *supports service continuity for end users as the network is rolled out;*
- *drives early migration by end users ahead of the mandatory disconnection of services on Telstra's fixed networks; and*
- *ensures that end users, particularly those who are vulnerable, are given the opportunity to make a smooth transition to services over the NBN, with minimal risk of unexpected or inappropriate interruption to their services.¹*

Optus supports these objectives. We also believe that the proposed four-pillar structure and high-level principles regarding the functional role of stakeholders provide a useful articulation of existing arrangements. However, beyond stating these well-meaning objectives it is unclear how the MAP framework will fundamentally facilitate and achieve the timely and effective transition of end-users to the NBN.

Optus' observation is that the MAP appears to place a significant degree of accountability on RSPs, ASPs and end-users. Whilst Optus recognises that each of these has an important role to play this is a policy and process that is being applied to them and is not driven by them; they have had little direct role in developing the migration process and no role in developing the MAP.

The roll-out of the NBN is driven by government policy; the migration and disconnection processes which give effect to that policy are largely dictated by agreements between NBN Co and Telstra. RSPs, ASPs and end-users have largely been observers in the development of these arrangements. The success of the migration process will, therefore, largely depend on actions taken by NBN Co and Telstra to make the migration experience as seamless and smooth as possible, not on shifting accountability to third parties. Whilst it is useful to identify the role of RSP, ASPs and end-users the MAP should not be used as a basis to impose obligations on these third parties.

¹ DOC, 2015, Migration Assurance Policy Statement, Draft for consultation, July, p.2

In terms of the content of the MAP, Optus considers that it should go further than merely setting down high-level principles; it should aim to drive some important policy changes:

- Optus considers that the MAP should take a stronger position on serviceability. Serviceability has been correctly identified as an important pillar. In fact it is the foundation stone of migration; if a premise is not serviceable there can be no end-user migration. To elevate the achievement of this principle, the MAP should require that a region is not declared as Ready for Service (RFS) until all premises have been classified as service class 1 or higher.
- Optus agrees that service continuity would benefit from encouraging the early engagement and migration of end users to the NBN. However, the incentives for early migration remain limited. NBN Co should, therefore, consider opportunities it has to encourage earlier migration of end-users.
- Optus agrees that consistent and timely messaging from all parties should be made available to end users to educate them on the need (as well as steps required to be undertaken) to migrate to the NBN. These communications would also benefit from being more focused and detailed to assist different types of customers.

These points are discussed in more detail below.

Serviceability

The MAP has identified serviceability as one of the key pillars for the migration process. Optus agrees with this since the ability to acquire an NBN service cannot be achieved without the premise being NBN serviceable.

All installation and activation activities will ultimately be determined by serviceability. It also triggers a ramp up of end user awareness activities. For example, many RSPs provide information to customers regarding the availability of the NBN Co product offerings and the need to migrate to the NBN from the date an area is declared RFS, as well as at regular intervals during the migration window. This is in addition to communications to end users sent from NBN Co, and in some cases other ASPs or relevant organisations.

Whilst the MAP acknowledges the importance of serviceability, it is concerning that it accepts as a given that at RFS not all premises will be serviceable. Currently, a roll-out region is declared RFS when around 90% of premises are passed; but a substantial proportion of those premises passed may be service class 0 and as such cannot be connected to the NBN. Absence of serviceability at RFS is one of the key factors that has driven complexity, uncertainty and ultimately delay into the migration process necessitating material changes to those processes.

The MAP recognises this issue and identifies actions to be taken by NBN Co to reduce the number of non-serviceable premises. However, the fact remains that even with these further initiatives, the MAP contemplates that at RFS not all premises will be serviceable. This is a major failing that undermines the objective and purpose of the MAP.

Absence of full serviceability at RFS will undermine the other key pillars in the MAP. As an example, end-user incentives to engage and migrate early will hardly be promoted if a substantial number of premises are unserviceable at RFS.

For the MAP to be meaningful Optus considers that serviceability must be guaranteed at RFS. That is, all premises within a rollout region need to be service class 1 or higher at RFS.

A further issue relating to serviceability is the current lack of robustness within the classification and identification of premises in current rollout areas. Experience to date has indicated that a number of premises are incorrectly being classified as serviceable by NBN Co when they are not. This problem is compounded by the fact that errors are typically only identified once a NBN order has been placed by the RSP and it then becomes apparent at the time of installation that either more construction is required for a service to be connected or an incorrect Location Identifier was allocated to the address. This results in unnecessary delays to the installation and a sub-standard activation experience for end users. The MAP should place a clearer expectation on NBN Co to achieve accurate classification of serviceability.

Consistent with the principle of serviceability, Optus considers that the current exceptions related to In Train Order (ITO) premises (e.g. the provision of ITO list at DD-3 months) in Telstra's revised Migration Plan² should be extended beyond the 2015 calendar year, and instead made permanent. Removal of these exceptions should be made conditional on the ACCC accepting that the disconnection processes have been proven to be effective and promote the seamless transition to NBN.

End-user awareness and early migration of end-users

The MAP framework seeks to promote service continuity by encouraging the early migration of end users from legacy networks to the NBN. Whilst Optus understands this objective, the practical reality is that end users face limited incentives to migrate early in the migration window. For example, their willingness to migrate will vary depending upon whether they perceive the NBN offers a superior retail product compared to their existing legacy service (e.g. speeds available, monthly data allowance, more attractive price points) and the ease of transitioning to the NBN retail product.

In some cases, where the NBN retail product offers little variation to the existing legacy product, or where there are existing OTT services that require a change to the equipment and/or re-wiring, then end user inertia is likely to prevail. This issue is further conflated where end users may face additional costs as a consequence of migration (such as replacing legacy equipment). The MAP should recognise that early migration of customers will ultimately hinge on activities undertaken by NBN Co to create the necessary incentives for customers to move early. It should not place obligations on RSPs to encourage early migration and neither should it seek to interfere with existing contractual arrangements between RSPs and their customers.

In addition, the MAP identifies the PIM as having an important role in promoting migration to the NBN by increasing end-user awareness of the NBN. Whilst Optus agrees with this observation, Optus

² See: Telstra's Migration Plan as varied 26 June 2015

considers that the PIM needs to be better targeted to assist the different types of end users, including consumers, business customers, and special groups such as building owners or body corporates, to become more aware of what specific actions they need to take. The specific actions will differ for different customer types and/or situations.

For example, different consumers may have different requirements in relation to how they may use the services provided over the NBN. This will lead to a different set of specific steps to be undertaken by different market segments. Understanding and recognising the different market segments will also better enable the effectiveness of communication channels being utilised to educate end users on the availability of the NBN and the need to migrate or face disconnection.

Whilst RSPs have a role to play in promoting consumer awareness, this is necessarily limited to information within their own control or that provided by NBN Co. For example, RSPs are unlikely to have visibility of third party devices or services running over the current broadband connection. RSPs cannot, therefore, be expected to be accountable for collating information on these devices nor ensuring continuity for those services.

Other comments

The MAP framework also canvasses the development of further processes in relation the migration of other special services and migration of non-premises. At present these service types remain exempt from disconnection from the Telstra copper network, however as these circumstances change it would be in the interest of all affected stakeholders (including RSPs and end users) to be provided with early notification and robust industry consultation before any changes come into effect.

Please feel free to contact me if you have any questions on the above comments.

Yours sincerely

A handwritten signature in black ink, appearing to read 'AS', with a long horizontal flourish extending to the right.

Andrew Sheridan
Head of Interconnect and Economic Regulation