
REPORT: THE NBN CRISIS

A damning report on
the Bendigo
electorate
experience

Prepared by Lisa Chesters MP
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Ms CHESTERS (Bendigo) (14:37): My question is to the Prime Minister. Nola is a 77-year-old who lives in my electorate and recently connected to the Prime Minister's copper NBN. NBN has run a copper cable across her yard, through the bushes and under her bedroom window. Nola was told to be careful when mowing to avoid cutting the cable. When the Prime Minister has a premium-speed NBN connection, why should people like Nola have to suffer with his inept copper NBN?

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Introduction

Bendigo business owner

Australia is so far behind in its telecoms, it's embarrassing and damaging small businesses including my own. How do we take restaurant bookings without a functioning phone line or internet connection?

White Hills resident

We had a perfect internet and phone line before the NBN was installed but now all we get is constant dropouts and slow internet service, we have gone 10 steps back to slower internet.

The National Broadband Network (NBN) roll out across the Bendigo electorate has been disastrous and could possibly be the biggest broken promise that Malcolm Turnbull and the Liberal Party made to the Bendigo electorate.

During the 2013 election campaign, Malcolm Turnbull said at a forum held in Bendigo that the Bendigo electorate would have the NBN by 2016 and that he could deliver it faster and cheaper. On all three commitments he failed.

Just like water and electricity, access to the internet has become an essential service for everyday living. Whether it is people trying to run a business, children trying to do their homework or even simply trying to communicate with friends and family, so much of our lives is now dependent on access to the internet.

For years, Central Victorians have experienced significant problems with connectivity and unreliable internet. Bendigo constituents are not getting the reliable, affordable internet service they need and were promised.

The initial Labor Government plan was to have a fibre to the premises (FTTP) internet connection available to 90 per cent of Australian households by 2021. It was to be the single largest nation building infrastructure project in Australia's history.

However, the plan for an ambitious country-wide digital revolution has become one of our nation's biggest infrastructure failures. The Coalition's controversial Multi-Technology Mix initiated by Malcolm Turnbull as Communications Minister, has seen the NBN Co switch to a Fibre to the Node rollout across much of the Bendigo electorate.

Continuous failures from the chaotic Abbott-Turnbull Liberal Governments have led to disastrous rollout results across the country including:

- Repeated connection delays
- Slow and unusable internet speeds
- Constant drop outs throughout the day
- Connection confusion, especially for older customers
- Bungled installations
- Slow remediation for businesses
- Confusion with the allocation of technology
- Poor service from internet service providers

Bendigo's struggle with slow and unreliable internet speeds reflects the national problem. Today, Australia has an average internet speed that lags well behind many advanced economy countries. Australia is 50th in the global ranking.

During 2017, NBN and telecommunications complaints from across the electorate were reported on a daily basis to the Bendigo Electorate office, prompting the launch of an electorate-wide NBN and telecommunications survey in late 2017.

3258 Central Victorians responded to the survey outlining their experiences with the NBN and telecommunications. The results of this survey are presented in this report.

Overall, the findings are damning and highlight the Liberal Government's complete failure to deliver the internet speed and reliability Central Victorians need and were promised.

For example, 3 in 4 people who responded to the survey have experienced inferior internet connectivity, speed or reliability issues. This is a telecommunications crisis that needs to be addressed now.

SUMMARY OF THE KEY FINDINGS:

- In the NBN survey, 3 out of 4 people had complaints about their internet connection.
- 73% of those already connected to the NBN network have experienced unreliable service, slow or unusable speeds and constant drop outs.
- 27% of the electorate are still connected to ADSL
- 80% of Sky Muster customers have experienced slow or unusable speeds
- 25% have experienced increases to their bills
- Only 5% of the Bendigo electorate has been connected to Fibre to the Premises

2. Background

2.1 The history of the NBN in Bendigo

The Bendigo electorate encompasses 6255 square kilometres in Central Victoria. The city of Bendigo (population 108,437) is the commercial, cultural and educational centre for central and northern Victoria.

The electorate of Bendigo has pockets of deep, entrenched disadvantage. While some areas, particularly the east and south of Bendigo rank well on the ABS Socio-Economic Indexes for Areas (ABS 2011), there are also areas which rank among the most impoverished in Victoria.

Much of the Bendigo electorate dates back to the 1850s gold rush with some neighbourhoods existing before the invention of the telephone. Complaints about the existing Telstra copper network were common prior to the rollout of the NBN fibre to the node technology.

Whilst manufacturing is Bendigo's largest industry by economic output there has been substantial growth in all business sectors. Bendigo is home to the Bendigo and Adeliade Bank. Bendigo's business and manufacturing sectors all of whom need high quality internet connections to continue to grow.

The original NBN rollout in the Bendigo region started under the former Labor Federal Government. New housing estates in areas like Huntly and Strathfieldsaye were serviced with fibre to the premises (FTTP). A number of fixed wireless towers were built to service smaller townships and hamlets like Guildford, Taradale and Axedale.

In 2014, the rollout to established premises and brown fields, which constitute 90% of the Bendigo electorate, was put on hold until 2016 by the Liberal Federal Government. The then Communications Minister, Malcolm Turnbull, scrapped the rollout of fibre to the premises in favour of their controversial Multi-Technology Mix and Fibre to the Node (FTTN).

This survey of 3258 Central Victorians uncovered a wide range of complaints. Local residents and businesses are having problems connecting to the NBN, there are problems with drop outs, there are problems with speeds and there are complaints about paying for a service they are not receiving.

2.2 What this means for the Bendigo electorate

The digital divide between city and country; young and old; and Australia and the rest of the world is growing larger every day. It is imperative rural and regional Australians are given the same technology as their city counterparts.

Bendigo is a city that is growing. The lack of access to high-speed broadband connections is limiting potential to improve regional communities on many social and economic measures. Slow and unreliable internet is limiting access to local, national and global markets and is a handbrake on the capabilities and competitiveness of local businesses.

In an increasingly globalised economy, Central Victoria is being left behind and consumers know it.

3. Key Findings

This section of the report provides a summary of the data captured from the 3258 constituents in the Bendigo electorate who completed the NBN and telecommunication survey.

3.1 How connected is Bendigo?

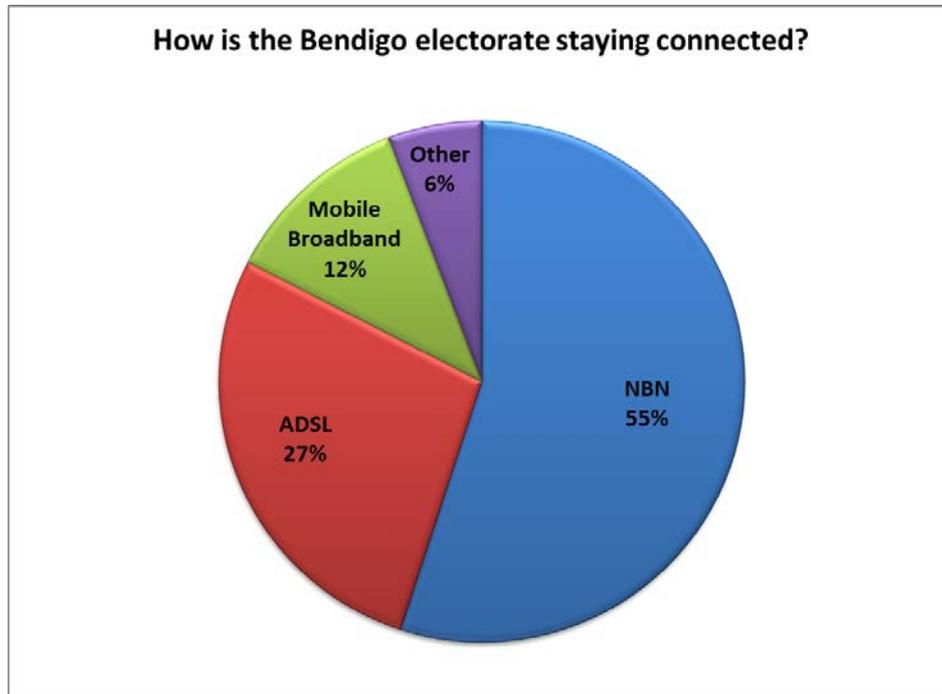


Fig 3.1

Just over half (55%) of the respondents had made the switch from other services to the NBN. The remaining 45 per cent are either still waiting for the NBN rollout to reach their household or are holding off from connecting to the NBN.

Many of the comments received from those who have not switched to the NBN network said they had been very hesitant to switch over due to the constant negative reviews about the rollout. From hearing horror stories about delayed installations, NBN internet speeds being slower than ADSL, being left without any service for weeks, it can be clearly seen that these ongoing issues have had a flow on effect. Over one-quarter (27%) of respondents have yet to transfer from ADSL to the NBN in areas where NBN is available.

Chewton resident

I have declined to take up NBN as I have only heard negative news and stories from family and friends. I am quite happy with my ADSL connection and will wait until the cut-off date to move across, I do not trust the service will be any better.

Homes and businesses have 18 months to migrate to the NBN from the date a connection is made available. After this time, traditional copper and cable-based phone and Internet services will be severed. In other words, switching to the NBN will be compulsory.

Many respondents are pushing out the date they choose to switch over to the NBN for as long as possible in order to avoid slower connection speeds. Others simply do not want to be a part of the failed rollout until the initial problems have been resolved.

Bendigo business owners, like Nicholas Bate at Bendigo Foot Clinic, are being advised by their IT managers not to connect to the NBN.

This business began the process of migrating to NBN, but their IT team raised concerns regarding speed and drop out issues. The EFTPOS payment facility needs a stable internet connection to process client payments and Medicare rebates. The clinic also uses the internet to access x-rays and other diagnostic information. Any problems with connectivity would significantly impact patients.

This business cancelled their connection to the NBN and is remaining on ADSL for as long as possible to avoid disruption to phone lines and patients. Essentially, to ensure their business can continue to function.

Residents who have been allocated to Fixed Wireless or Satellite services have the option to maintain their current copper lines and not switch over to the NBN network.

Residents in areas that have been allocated a fixed wireless connection are even less likely to have transferred to the NBN network. Many constituents living in fire prone areas reported that they are extremely worried that the connection will not work and they will be left with no form of communication in the event of an emergency.

It is also alarming that 12 per cent of respondents still only have access to Mobile Broadband/Wireless Dongle. NBN rollout delays are continuing to “knock” suburbs off the rollout map.

3.2 What type of NBN technology are people connected to?

| NBN Technology Allocation | Total Users % |
|------------------------------|---------------|
| Fibre to the Premises (FTTP) | 5.1 |
| Fibre to the Node (FTTN) | 46.5 |
| Fixed Wireless | 20.1 |
| Satellite | 5.5 |
| Not sure | 22.8 |
| Total | 100 |

Initially, the NBN rollout planned to have the majority of Australian households connected to the Fibre to the Premises (FTTP). However, once the change of government occurred in 2013, these original plans were scrapped by the newly elected Liberal Federal Government. Subsequently, Malcom Turnbull’s inferior form Fibre to the Node (FTTN) technology was used for the rest of the rollout.

Many constituents and business owners have complained that the further they are from the node the slower and more unreliable the internet speed. Many are also saying that the NBN is slower than their former ADSL service.

From the above table, it shows that 46.5 per cent of NBN users are connected to Fibre to the Node (FTTN) technology. Two-thirds of those with Fibre to the Node connections have experienced disappointing internet performance including drop outs, slow or unusable speeds and unreliability.

But the poor user experience of the FTTN pales in comparison to the reports from those who have been allocated satellite technology. Nearly 80% of those who have been connected via the Sky Muster network report having bad experiences with the service.

Strathfieldsaye resident

I live 6kms from the Bendigo CBD and my property has been allocated to Sky Muster? This is a joke.

Since 2013 the NBN rollout has been a long and arduous process for the constituents of Bendigo. At the time of writing this report, 23 percent of the electorate were still waiting for their NBN connection.

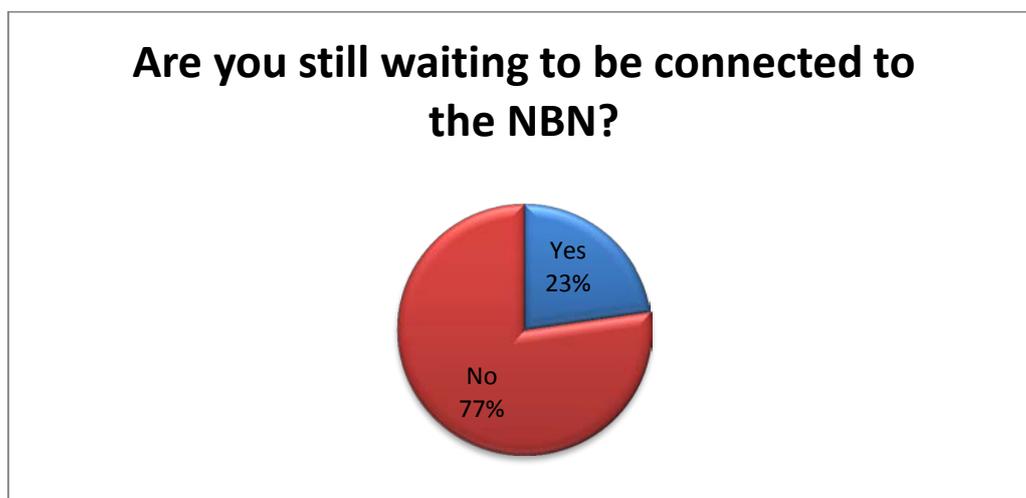


Fig 3.3.1

3.4 Connection Problems

Many constituents across the electorate reported experiencing problems with the initial installation of their NBN service. Some constituents reported safety issues and many others reported having multiple technician visits without their problems being resolved.

Below are some case studies from individuals and businesses that illustrate how this failed NBN rollout has proceeded across the electorate.

Castlemaine Resident

A Castlemaine resident provided photographic evidence of how NBN technicians left their house after they carried out the initial installation. Following the connection, the house was left in disarray with cables lying on the bedroom floor, dangling out of a window and across the front lawn.

This resident was told by the NBN technician that "the lawn mower man will have to be careful not to cut the cord out the front". These exposed wires are a clear trip hazard and a prime example of how dangerous some installations are.

Figures 3.4.1 shows the NBN wires left in a mess in the bedroom. Figure 3.4.2 shows the NBN wires dangling out the window. Figure 3.4.3 shows the exposed NBN wires over the front lawn and over the fence.



Fig 3.4.1



Fig 3.4.2

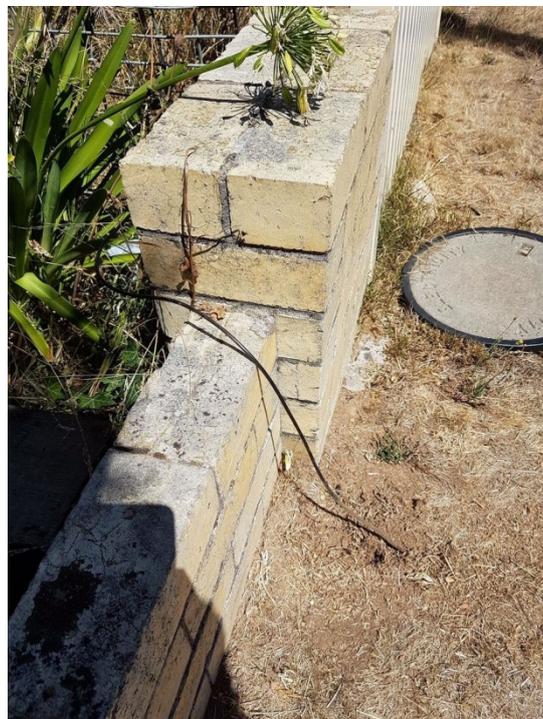


Fig 3.4.3

3.5 Unreliability, drop outs and slow speeds

Everyday across the electorate people are having unsatisfactory internet experiences, from having unreliable connections, slow or unusable speeds and constant drop outs. Many constituents are continuing to be billed for services they are simply not receiving.

It is an outrage that Bendigo constituents are spending their hard-earned money on inferior internet services and have not been given any guarantees that the service will improve in the future or that their problems will be resolved.

Bendigo resident

We will not move across to NBN until all the bugs are removed, costs go down and know we will receive a reliable service. With increasing costs to every bill we will only pay for a service we know we will receive, no point in moving across to something that does not even work. We need reliable affordable internet ASAP.

Nearly 70 per cent of those surveyed who are already connected to the NBN network have experienced unreliable service, slow or unusable speeds or constant drop outs. 70 per cent of those still on ADSL have experience the same substandard unusable service and 71 per cent of those using Mobile Broadband services have experienced poor internet connection.

Overall, around 3 in 4 people have experienced substandard internet connectivity service in the area. This is unacceptable and clear evidence of how the Liberal Federal Government has failed to deliver on its promises.

3.6 Failing our small businesses

Apart from failing individual consumers, this NBN rollout has failed many businesses. In their responses to the survey, many small businesses alluded to the fact that they have been losing vital income due to their inadequate NBN connections.

Lockwood resident

Our NBN connection dies at 3:30pm every weekday. My wife runs a counselling service from this house and uses skype to contact distant clients. It then becomes unusable after 4:30pm. This dramatically limits our business opportunities.

Industrial Conveying Australia (ICA), located just 7.6km from the Bendigo CBD, is a victim of the failed NBN rollout, subsequently losing out on income that, as a small business, they cannot afford to lose.

ICA design and build equipment for manufacturers to move materials and products. Their custom built designs can be found in Australia's biggest companies and in multinationals around the world including Arnotts, Schweppes, Coco-Cola Amatil, QANTAS, Western Mining and Australia Post.

The Head Office and manufacturing facilities of ICA are located in Bendigo. ICA employs around 90 staff, pays \$6 million a year in wages and has an annual turnover of \$20 million.

High speed broadband is essential for this business because the preparation and sharing of 3D design files requires a significant amount of data and therefore, consistent, fast internet speeds. It is also necessary for this business to communicate via video conferencing with their clients during critical stages of the custom design process.

Incredibly, this thriving business has been allocated to the Satellite NBN service even though a Fibre to the Node connection is to be located just 650 metres down the road.

This advanced manufacturing business that is giving local Bendigo residents jobs is now competing with companies that have Fibre to the Premises. They are worried they will have to move their business to be able to access an adequate NBN connection and may have to consider taking their business offshore.

These small businesses cannot afford to lose income and Bendigo and equally, Central Victoria cannot afford to lose local jobs for its constituents. There is a clear digital divide between metropolitan cities and regional areas. This crisis must be alleviated before Bendigo loses all valuable talent and jobs.

3.7 Cost of the NBN

Many residents reported being worried and confused about the cost of switching to the NBN network. The charges involved in the initial set up can include fees for installation, call outs, hardware and technicians.

Survey respondents reported their frustrations with having to pay more for a service that is inferior to their previous reliable ADSL connection. Over 25 per cent of respondents reported increases in the cost of their service.

Many elderly respondents also mentioned that they are very confused with the new NBN contracts and feel like they are being pressured by sales people to buy into a service they do not completely understand.

Golden Square resident

I had a very reliable ADSL connection but now I have moved across to the NBN and have ended up paying more for a very unreliable service, no value for money whatsoever.

3.8 Issues with internet service providers and technicians

When constituents have issues with their NBN connections, their first point of call is their internet service provider (ISP). Constituents frequently reported that it was difficult to resolve issues with their service providers. After numerous phone calls and technician visits, many customers could not get their problems resolved and, in some cases, their problems became worse. Furthermore, 40 per cent of respondents are still experiencing problems with their services.

Bendigo Business Owner

I had a technician come out to 'upgrade' my speeds, he ended up cutting off my service entirely and we had no internet and phone lines available during our busiest months. I don't want to know how much money I lost thanks to the inexperienced NBN technicians.

Almost one-third (30%) of respondents found it difficult to get their problem rectified and only 30 per cent of those surveyed reported that their telcos had been helpful and had been able to quickly resolve their initial problem.

Golden Square Resident

If you do have problems you need to accept that you will be on the phone for hours, and then again the next day.

4. Recommendations & Conclusion

Malcolm Turnbull's existing plan to press ahead with a majority fibre to the node (FTTN) network across the Bendigo electorate is unacceptable. Residents and businesses need, and were promised, fast and reliable internet.

Step one is to immediately begin the rollout of superior fibre to the curb (FTTC) technology to the remaining unconnected homes and businesses across Central Victoria.

The fixed wireless and fibre foot print should be expanded to reduce the number of customers who only have connection via the satellite as an option. The more premises connected to other forms of infrastructure will reduce congestion on the Sky Muster network.

Solutions like Ag Cloud may help regional properties connect to NBN via mini towers installed on neighbouring properties.

The Liberal Government should also immediately implement the pragmatic pathway recommended by the NBN Joint Parliamentary Standing Committee to deliver more fibre and less copper. It's incredibly disappointing that Malcolm Turnbull and his Liberal Government have arrogantly dismissed the bipartisan committee report and its recommendations.

In fact, report after report has recommended that Malcolm Turnbull immediately halt the rollout of FTTN and rollout FTTC or FTTP. As the report has outlined, FTTN connection using fibre to the nearest neighbourhood node and then using copper wire to consumer's premises is failing.

Consumers who have fibre to their premises (FTTP), fibre to their building (FTTB) or fibre running down their street to the curb (FTTC) are expected to be able to utilise the top speed plans.

NBN Co.'s recent admissions that three in four FTTN customers won't get top speeds is not a surprise to Central Victorian households and businesses. Thousands of Bendigo electorate constituents responded to this NBN and internet survey outlining their frustration with slow, unreliable internet.

Many of the constituents and business owners who completed the survey reported that the further they were from the node, the slower and more unreliable the internet speed. Many also reported that the NBN is slower than their former ADSL service.

The findings outlined in this report are damning. Malcolm Turnbull's broken promise of "sooner, faster and cheaper" NBN is costing local households, businesses and industry. Malcolm Turnbull's second rate NBN is a failure and his refusal to implement practical suggestions to upgrade NBN and telecommunications infrastructure will leave regional towns like Bendigo further behind in the digital age.