



# 2019 Small Business Advisory Forum (SBAF) Meeting Report

---

## Australian Communications Consumer Action Network

Wednesday, 8 May 2019, 11.00am – 3.00pm

<b>PRESENT:</b>	Peter Strong	Council of Small Business Australia
	Ben Holland	Analyst, Advocacy, ASBFEO
	Rowan Murphy	Analyst, Advocacy, ASBFEO
	Chris Lamont	NSW Business Chamber
	Blane Simpson	Office of NSW Small Business Commissioner
<b>ACCAN:</b>	Victoria Rubensohn	SBAF Chairperson (ACCAN Board)
	Teresa Corbin	CEO
	Una Lawrence	Director of Policy
	Tara D'Souza	Senior Policy Advisor

The purpose of ACCAN's Small Business Advisory Forum (SBAF) is to identify the most important telecommunications consumer issues from the perspectives of key representatives in the small business community, with a view to using this information to inform ACCAN's future small business policy priorities.

The following meeting report provides an overview of the main issues raised and discussed.

### 1. Welcome

The Chair opened the session with a welcome to country. The CEO provided opening comments which discussed the importance of consulting with small businesses but the challenges we face reaching out. The issues facing small business aren't new – reliability is important. ACCAN wants its policy priorities to address the issues facing small businesses.

## 2. Overview of current communications context and ACCAN activities

The CEO gave a brief outline of several major consumer issues and a summary of ACCAN's outcomes in the last 12 months:

### NBN

- New complaint handling standard means regulators have more tools, issuing fines as well as warning. Complaints are going up
- Many small businesses don't complain. There is an issue of how small business is defined
  - Have had movement with the TCP Code, with small businesses with an annual spend of \$40,000 covered by the Code
  - The TIO definition is a bit more lenient, but it is unclear how this works in practice.
- We continue to focus on NBN issues – there has been success with new rules for migration to NBN, but we want ongoing protections for continuity of supply
- A promising development has been smart modems for service continuity
- We are also concerned about NBN pricing. We are getting more information from NBN, but the NBN Product Development Forum is confidential, which limits our ability to consult with members on our submissions.

### Mobile Premium Services (MPS)

- These are services charged to phone bills, that are for paid content such as games, voting lines. Both Optus and Telstra have been fined for misleading conduct after ACCC action. There is a concerning small business impact, when a business is paying for multiple mobile services. If MPS charges are incurred by employees, it can be very time consuming for the business to follow up on these.
- ACCAN is advocating for changes in the MPS Code to switch MPS to an opt-in basis, plus low default spending limits.

### Rural and Regional communications issues

- Big issues for rural and regional areas are service reliability and mobile blackspots
- Labor is committed to matching the Coalition's funding of mobile blackspots
- We understand that the recently announced rounds of the Mobile Blackspots Program (Rounds 5 and 6) and Regional Communications package will be more flexible in permitting funding for backhaul and repeaters.

### Consumer Safeguards

- ACCAN's view is that the market can't solve reliability issues as people choose products mainly based on price. This means reliability needs to be regulated.
- NBN is now giving compensation (to RSPs) for missed appointments.

### 3. Feedback and ideas from Forum participants

The documents circulated prior to the meeting aimed to capture the issues ACCAN is currently working on in the small business area.

#### Definition of small business

Attendees were first asked for their organisation's definition of a small business. The discussion revealed the complexity of this issue:

- NSW Business Chamber works across areas in tax, information, energy, telecommunications which all use different definitions
- ASBFEO uses a definition of less than 100 full time employees, or \$5m annual revenue
- Office of NSW Small Business Commissioner had its establishing legislation reviewed and it doesn't include a definition in order to provide discretion. However, functionally they use 19 full time employees.
- Across sectors there are 30 different definitions and this makes it difficult to advise small business about where to go for assistance due to different eligibility requirements.
- The ASBFEO has two functions:
  - Assistance – referrals to state/industry ombudsman services
  - Advocacy – this is issues based, and ASBFEO is not bound by definitions of small business in this work.
- The group discussed the difficulty multiple eligibility criteria has for small businesses, as they will assess themselves as in or out of entitlements and can miss out as a result.
- It was noted that some businesses will avoid being classified as small business, (for example, home-based businesses) in order to avoid high costs of electricity (in Sydney, business electricity rates can be 4x the residential rate).
- COSBOA noted that a small business is where everyone knows each other, but in general works with a definition of under 20 full time staff, and an annual revenue of \$10m, but there is further complexity in the definition of an employee.
- Definitions may affect TIO statistics or even discourage small businesses going to the TIO if they need to establish eligibility, because time delays for assistance are frustrating and costly for small businesses.

#### Consumer safeguards

- Participants discussed how continuity of supply is critical for small businesses, particularly in regional areas where mobile coverage is limited or lacks capacity to handle peak periods. For example, automation on farms means that without the internet they can't harvest. Additional demands are placed on networks from automation, as well as additional workers at peak periods can create congestion and affect harvest capability.
- There are real concerns that the telecommunications industry and NBN do not understand the perspective and needs of small businesses. The harm of being without service is not sufficiently addressed or understood currently.
- The migration to the NBN has caused many businesses to fail due to lack of supply. For example, one business in NSW was without EFTPOS for 8 weeks and forced to close. The

NSW Business Chamber surveyed 1,100 organisations regarding out of pocket expenses for NBN migration – the average loss was \$11,000.

- It was suggested that regulation should focus on protecting supply (as in the energy sector), as compensation will never fully compensate for losses. Service guarantees for supply and benchmarks for service delivery are required to prevent loss of service from arising.
- A key issue with the NBN is that businesses spend a lot of time back and forth with providers, and there appears to be a lack of clear communications between NBN and RSPs. Co-ordination between the different levels of the industry is deficient. Finding who to deal with to fix a problem is a huge issue for small businesses.
- Participants suggested that for compensation to adequately repair damage, there should be an independent assessment, using the model developed by Coles for supplier disputes using former Victorian premier Jeff Kennett. Potential issues to work through would be:
  - May be confidential information that small businesses may be unwilling to provide to establish business loss
  - Telco service should be free for periods of no supply
  - Suggested option is to have access to the independent valuer if expected damage due to loss of connection/poor connection is higher than an agreed default level.

### Cyber security

- Participants briefly discussed cyber security issues and stated that small businesses are hit hard when attacked. None of the participants knew if members or clients notified ACORN<sup>1</sup> or how that may help.
  - Also noted was that once a server's data is accessed it's too late, small businesses need to be proactive rather than reactive.
- Small businesses take data security seriously. Some feedback suggested this not really an issue for many small businesses, although pharmacies hold copious amounts of personal information.
- Concern with data centres around government contracts and intellectual property ownership.
- It is important for information/education be available for small businesses.

### Regional small businesses

- Participants discussed the NBN migration and impact in the regions. Addressing all problems in the NSW Illawarra took 4.5 years
- ACCAN staff discussed concern regarding the future of the legacy network and ADSL services outside the NBN fixed footprint. Participants responded that there is panic in the regions regarding ADSL services and their future availability.
- Feedback regarding greenfield areas and non-NBN providers is that the quality of the installation and customer service is better.

---

<sup>1</sup> Australian Cybercrime Online Reporting Network (<https://www.acorn.gov.au/>)

## Mobile issues

- Issues experienced by small wireless internet service providers (WISPs) were discussed, due to the reallocation of 3.5GHZ spectrum used by WISPs to deliver regional services for 5G usage. The ACMA is looking at 8 year transition.
  - ASBFEO has been working on this, and has spoken to ACMA, raised the issue with the TIO.
  - Management of the transition is reasonable – technology degrades within 8 years so will need to replace regardless, and the extended timeframe allows for planning to invest in new technology
  - There are currently only 22 WISPs
- WISP services are attractive to small and remote businesses, and perform a useful function.

## NBN Products

- The Chair asked participants if there were product gaps in the market to meet the needs of small businesses
- Participants suggested that data analysis of locations and service usage by start-ups could be useful. Many have high revenue but small employee numbers. Support could be collective purchasing capacity/flexibility with telco contracts, and start up hubs for high speed services delivered over NBN.

## Customer service and complaints

- Una Lawrence, ACCAN Director of Policy, provided an overview of small business complaint statistics to the TIO
- Participants discussed feedback from members/clients about experiences using the TIO. This included:
  - Case managers/staff appear disinterested at times, small businesses are told what they already know by TIO staff so not a very satisfactory experience;
  - Some feedback that resolution only progressed when the client made a complaint about the TIO, and that otherwise it is hard to get action;
  - Concern that the TIO is funded by industry so there is a degree of suspicion and mistrust about its effectiveness. By comparison, Government has a high degree of trust.
  - There is also lack of awareness amongst small businesses of the TIO and what it can do.

## 4. Research focus 2019-2020

Tara D'Souza, ACCAN Senior Policy Advisor, provided an overview of two recent ACCAN commissioned research projects: *Spotlight on Telco Commissions and Targets*; and *Time Forgone* (the latter not completed at date of Forum).

Participants discussed the importance of incentive models in shaping sales practices.

Suggestions for reaching small businesses for future research to quantify *Time Forgone* included:

- reach out to industry associations
- use the ATO newsletter – this is widely circulated and has resulted in good response rates to surveys
- engage further with ASBFEO.

## 5. ACCAN future policy direction

Participants were asked what ACCAN should focus on for the coming year. Feedback included:

- Telco industry: better transparency for small businesses from NBN and telco retailer providers is needed. Information should be in plain English for customers to improve understanding. The emphasis should be on customer needs, rather than what works for the telco business.
- Getting legislators to understand small businesses so that policy reflects their needs
- Useful information ACCAN can develop for small businesses is:
  - What's cheap
  - How to solve a problem quickly
  - How to be ready to deal with outages
- Try to make business.gov.au a one stop shop
- Build dealing with telecommunications into existing vocational training for businesses
- Communications to small businesses should include case studies
  - any videos targeted at small businesses need to be to the point and less than 10 seconds in length
  - social media can be a good avenue of communication – for example, the Hairdressers Association uses Facebook
  - use existing and trusted avenues such as industry associations, companies like Xero (small business accounting software provider/developer) that has [a small business advocate](#)
- Track trends and include data in our material/submissions to take to government and regulators to get change. Useful resources can be research conducted by [llion](#)/Dun and Bradstreet.

## 6. Conclusion

The feedback and suggestions made at the Small Business Advisory Forum will be used to inform ACCAN's future policy priorities, policy focus, operations plan and research activity plan. These will be circulated to members of the Forum when finalised.

ACCAN CEO, Teresa Corbin, thanked the SBAF participants for their time and valuable contributions.