



# Small Business Advisory Forum

## Meeting report

28 April 2021

### Attendees:

Simon Moore	Business NSW
Sally Rodgers	Digital Gold
Paul Brooks	Internet Australia
Mike Darby	National Farmers Federation
Erin Lukey	National Farmers Federation
Renee Austin	NSW Farmers

### ACCAN:

Keith Besgrove	ACCAN Board (Chair)
Teresa Corbin	Chief Executive Officer
Una Lawrence	Director of Policy
Andrew Williams	Director of Operations
Megan Ward	Economic Adviser
Kelly Lindsay	Consumer Engagement and Membership Officer

### Apologies:

Mark McKenzie	2508 + Disconnected (& COSBOA)
Rebekah Godbold	Department of Employment, Small Business and Training QLD
Kathy Rankin	NSW Farmers
Deb Barwick	NSW Indigenous Chamber of Commerce
Helen Nezeritis	Office of NSW Small Business Commissioners Office

The purpose of the Small Business Advisory Forum is to help ACCAN give members an update on the things that have been occurring in the last year and get a sense of what ACCAN's priorities going forward should be. The report provides an overview of the main issues discussed.

ACCAN distributed several documents prior to the meeting to provide background for the discussions: ACCAN's Environment Scan 2021, Policy Priorities for 2020-2021, the joint letter to Minister Fletcher concerning small business communications issues, Minister Fletcher's response and a document containing the outstanding items from the letter.

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

Key issues relating to small business:

- **Complaints update:** There has been a decrease in complaints overall to the TIO, but small business complaints have increased. The increase in complaints was across all issues, and complaints are taking longer to resolve, with the issues going to TIO becoming more complex.
- **Impact of COVID:** The additional capacity of bandwidth that NBN provided last year has now been removed, additionally nbn Co's support for small businesses applying for telco hardship programs was not picked up by retailers to support small businesses despite increased need.
- **Cyber-safety:** lots of measures to prevent scams have been put in place, however there are still issues of mobile porting and ransomware attacks.
- **Regional broadband scheme (RBS):** The RBS began this year, which ensures funding goes towards provision of regional telecommunications services by nbn Co.
- **Statutory Infrastructure scheme:** performance benchmarks and standards are being set for wholesale broadband infrastructure providers
- **NBN Pricing:** Nbn Co is going reviewing the way in which they charge via a Special Access Undertaking variation with the ACCC. In the short term, they are reducing prices for faster speed products. The 'soft cap' on CVC charges proposed by nbn Co is considered to be ineffectual.

NBN Roll-out update – Business related announcements:

At the end of 2020, the Government declared the NBN built and fully operational, there are approximately 12 million premises able to connect to the NBN. About 10,000 premises not yet ready to connect, comprising of complex builds and newly built premises.

Business related announcements include:

- **NBN Fibre Zones** – NBN is investing \$700 million into 240 business fibre zones, all businesses within these zones will have access to Enterprise Ethernet (nbn's business grade offering) at reduced wholesale prices, covering 700,000 premises. \$50 million has been allocated to working with local councils, states and territory governments to identify opportunities to extend business grade services outside the designated fibre zones.
- **Business satellite service** – Nbn Co is extending its satellite beams for business satellite service to cover 100% of mainland Australia and surrounding large islands.
- **Regional Connectivity Program** – The Government is funding \$90.3 million towards 81 telecommunications infrastructure projects in regional, rural and remote Australia. The

projects provide a range of connectivity solutions with the majority of projects citing businesses cases for the investment.

- **NBN Pricing Consultation 2021** – Speed tiers of 250, 500 and 1000Mbps will now be available as business bundles with enhanced service levels included.

There was positive feedback based on the announcements, particularly the Regional Connectivity Program. 60 projects funded are non-NBN infrastructure projects, enabling solutions which are built by telcos and service providers who are staffed and operating in regional areas. They have the expertise for building infrastructure and providing services in these areas, that will effectively replace NBN satellite. This in turn will take the pressure of NBN satellite, potentially reducing congestion. The projects could be up and running within a year.

However, there will continue to be the digital divide between the fast adopters and people who are less skilled in using technology.

## Reliability:

The Federal Government has consulted on a draft regulation for statutory infrastructure providers (wholesale communication networks) on issues such as timeframes for connection, appointment keeping, fault rectification as well as speed standards. ACCAN welcomes this initiative, because without regulation, these performance benchmarks will be left to commercial agreements between networks and telco retailers. There is a need for regulated uniform reliability standards across the country.

ACCAN has identified concerns with the draft regulation as proposed by the Department of Infrastructure, Transport, Regional Development and Communications. These are:

- the timeframes are simply a reiteration of nbn's commercial timeframes which are too generous
- speed performance standards need to be lifted considerably, because the draft regulation requires network providers to achieve peak speed only once during a 24-hour period
- the omission of rebates for missed service standards as customers should be compensated automatically if timeframes are missed.
- the omission of arrangements for customers who have life threatening conditions, and therefore require constant connectivity.

Discussion flagged the potential to look at how rebates are provided in other utilities as a model for telecommunications.

## 2. COVID-19 Impacts

### Response from Minister to letter and outstanding issues

ACCAN provided an update on the small business group's requests in the 2020 letter to Minister:

- **Financial hardship relief measures provided by NBN to be extended** – during the national Covid lockdown last year, nbn Co was offering a relief package worth \$50 million to small

and medium businesses which involved a discounted business service for new connections. Funds also were made available for customers entering into financial hardship arrangements, however both these supports ended in September. ACCAN carried out a survey of small businesses to gain an understanding of their experiences of telecommunications financial hardship during the first 6 months of the pandemic.

- **A slow, staged, transition away from NBN's 40% CVC boost** - As part of its response to Covid, nbn Co provided additional capacity to the network at no extra charge. ACCAN and small business signatories to the letter were concerned that prices would increase, or services would be congested, if this capacity were removed abruptly. Over a three-month process NBN reduced the capacity, which ended in February 2021.
- **The telecommunications hardship principles to be reviewed and strengthened** – In April 2020, the Government and the industry agreed on telecommunications hardship principles to keep customers connected. When this was reviewed the principles were weaker as the option to hibernate services during lockdowns had been removed.
- **Funding to support small businesses' digital transformation** – The Minister pointed us to a range of resources available for helping businesses digital transform:
  - The *Empowering Business To Go Digital* program provided a grant to Digital Coaching International, a non-government organisation to create a [website](#) to drive digital capability among small businesses.
  - The Government and the Australian Internet Industry Association have created a [website](#) with free service offerings, advice and tools designed to support Australian business continuity through the use of technology.
  - The government's [digital readiness tool](#).
- **Implementation of arrangements to support greater network reliability.** As mentioned above, the Government is currently consulting on Statutory Infrastructure Provider standards aimed at improving reliability of service.
- **Improved information resources to guide better service choice:** We previously proposed the funding of an independent resource targeted towards small businesses that provides information regarding their telecommunication needs and service choice.
- **Consideration of an automatically applied small business internet subsidy.**

What communications arrangements do small businesses need to get 'back to business' post COVID-19? What other assistance needs implementation, and what is required from the telcos?

### *Connectivity*

For small businesses in regional Australia, the main issues raised were around connectivity, reliability, and basic skills for getting businesses online. Without connectivity businesses are not able to do the basics. Reliability of access to emergency services is also a major issue. Each town has unique needs, so a one size fits all approach is often not suitable – for example, in Milawa only half the town has mobile coverage. Some people can afford the equipment needed to boost coverage (for example, \$2000 for a mobile booster) but not everyone, and these communities are not sure how to fix it. Concerningly, members reported that they had noticed coverage getting worse, potentially due to the move from 3G to 4G.

Another key issue will be seeing how well nbn's business fibre zones play out, as the deployment and access to these fibre zones will dictate how effective the initiative is.

### *Skills and digital capabilities*

Feedback received on skills workshops was that they are often beyond what people are capable of, that it's difficult to know where to begin when there's such a range of skills in small business communities. Recorded training works better for businesses because business owners do not always have the time, and they appreciate the flexibility. The Regional Tech Hub as they move forward and get more financing are looking at extending the information they provide to businesses as well as providing information to local shires to be able to increase connectivity at the local level.

### *Affordability*

The funding provided through the bushfire recovery has really helped businesses, with local councils giving businesses the opportunity to create online stores via local economic recovery grants.

## **3. AuDA – Guest speakers Bruce Tonkin COO and Steph Viljoen, Compliance Manager on new domain name rules commencing 12 April 2021**

AuDA representatives outlined AuDA's background and role, and explained the new domain name rules.

- AuDA was created by the Australian internet community to set licencing rules through a multistakeholder process. Its core function is to secure stable and reliable operation of .au, based on principles of competition, and to build confidence in the .au namespace.
- The new rules consolidate 30+ policies. They outline the criteria under which a person can hold the licences for *Com.au*, *net.au*, *org.au*, *asn.au*, and state and territory websites. They also introduce *.au* (a second level registration) in late 2021. There will be no allocation rules except for reserved names.
- Australia is one of the last countries in the OECD to introduce second level registrations. AuDA believes companies will welcome this change, because it simplifies domain names by shortening them. They acknowledge that there will need to be measures in place to prevent impersonation of businesses, there could also be confusion amongst consumers accessing *com.au* and *.au* websites.
- AuDA have developed information to explain the changes via blog post, social media posts and communication with member organisations to minimise risk of scams. AuDA will share these resources with SBAF members so they are able to send the information to small businesses regarding the change as it's important that there are ground level resources for local business groups to share and inform the community.

Questions focused on identifying the benefits of direct registration (attractive because shorter; following international trends); what trends had been observed overseas when second level registration was introduced overseas (new registrants using it, not much change amongst existing domain name holders); pricing of second level registrations and the cost of having to register in multiple domains due to its introduction (pricing the same, amounting to \$10-15 for each level of domain). The education of small businesses about these changes is important, and ground level resources will play an important role.

## 4. Impact of Natural Disasters – floods and bushfires

ACCAN gave an update on recent developments. Any kind of infrastructure can be affected by natural disasters; generally, when there are issues with telecommunication infrastructure during a disaster, there is an issue with power supply. Telcos are seeking to resolve this issue and have established on going work in relation to this. There is work looking at how to extend battery life of mobile tower / base station generators and mobile network operators are experimenting with ways to reduce power usage in order to extend the battery life. Whilst the industry is aware of these issues, there is a continuing need to keep the pressure up.

Issues flagged by attendees were:

- Concerns that EFTPOS cannot work over Sky Muster and whether it will provide a long-term solution for connectivity in emergency situations. There should be connectivity solutions at community halls that small local producers can access and use Square One to sell produce during an emergency.
- There is currently a project underway to connect fire sheds to communications technology, so they are not isolated during emergencies
- Nbn Co's program of installing wifi hotspots using SkyMuster backhaul was noted, and more information requested.

## 5. Other communications issues

### Digital Platforms Issues

ACCAN briefly updated on the following:

- **News bargaining code:** In response to the ACCC's digital platforms inquiry, Facebook placed a ban on news, which resulted in small business other community organisations being blocked from the social media platform.
- **Search engine choice:** The ACCC are looking at whether there should be greater choice around which search engines consumers are able to use. It is an unfair practice that businesses are able to pay google to get their advert higher up in the .
- **Media reform:** the Federal Government is looking at proposals to consolidate spectrum used by free to air broadcasters, and to reallocate this to the telco sector. There are concerns this could affect people's access to regional media.

### Scams and impact on small businesses

A code has been developed to co-ordinate efforts by the telco try to reduce the number of scam calls coming from abroad, however attendees noted the following ongoing concerns:

- Small businesses are continuing to receive large numbers of phone scam calls on fixed line services and mobiles.
- A slightly reduced number of scam calls were noted, but an increased number of random text messages with links that when activated allow for viruses to be installed.

- Businesses need information on how to reduce spam via phone and email, such as removing contact details from websites. Where a business has its number listed online, this can be harvested, and they are more likely to be spammed and scanned than the average consumer.
- Cyber security issues, ransomware and malware are also a high priority but poorly understood amongst businesses. Interventions to date have not been adequate.

## Internet of Things consumer/small business policy position:

ACCAN will shortly be publishing a consumer policy position which states that IOT devices need to be accessible, supported by proper regulatory enforcement.

## 6. What should ACCAN prioritise in 2021-22?

Attendees identified the following issues as priority areas:

- Basic connectivity remains a key issue in regional areas, there are still lots of gaps in mobile coverage, and lack of accurate mapping of coverage.
- Skills and capability amongst community members and the small business community is needed, starting with the basics, and increasing capacity at the local level. For farms, the next stage once they have connectivity will be education around what that connectivity can deliver.
- In urban areas, reliability is the key issue. Visibility and awareness of enhanced service levels and NBN business grade services is lacking, and there is scepticism about the value for money of these services because they don't work as expected.
- There is a need for suitable nbn businesses packages, currently there is jump in levels between basic and high level, with a gap in between that may suit small business needs.
- The effectiveness of business fibre zones as well as satellite broadband provision via Starlink and Sky Muster is an important issue.
- There remains considerable concern about network resilience and recovery when natural disasters strike, needs ongoing attention.

## 7. Research focus 2021-22

There is a need for transparency on whether enhance service levels arrangements are reaching the agreed timeframes, if these agreements are providing value for money for small business. This could be a project area ACCAN could focus on in 2021-22.

## 8. Sum up and next steps

ACCAN thanked attendees for their participation and will follow up with AuDA to get information and resources for distribution to small businesses regarding the recent changes to .au.