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The NBN ? more lies leading us from bad to worse



Submitted by Paul Budde on Tue, 25/08/2015 - 00:00

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I am sure that I am just as frustrated as most Australians ? especially as month after month, year after year, it becomes clearer that what I, along with others, have been saying since 2011 ? that a cheaper and faster NBN such as the Coalition Government is trying to install by retrofitting ageing copper networks is not delivering.

First of all the minister promised a quick six-month turnaround for the policy change; but now, two years later, apart from pilots, none of the so-called multi-mix technology (basically a retrofit of the old copper and coax cables) has eventuated. Now the government has also admitted that this retrofit might cost up to \$15 billion more than expected.

It becomes clear that this government didn't have a clue about its proposed ?cheaper and faster option?. It was nothing more than political rhetoric.

Aside from the delay, the government has now also been forced to admit that its second-rate version of the NBN could cost as much as \$56 billion. If it was not so sad it would be funny.

When this government was in opposition it claimed that an FttH rollout would cost \$90 billion. We now know that it was plucking a number out of the air simply to scare people and at the time I was angry about that, as most of the media use those statements without doing their own proper investigation. Every statement a politician makes is regurgitated by most of the public media, with no fact checking. (Having learnt their lesson from lying politicians some of the media have since started to implement fact checking in their reporting.)

Once it was in government the Coalition then had to admit that the \$90 billion figure was perhaps a bit too high; but at the same time it warned that an FttH-based NBN would still have cost Australia a shocking \$56 billion. Fast forward to today and the government now states that, due to the many unknown costs linked to its retrofit policy, its second-rate version of the NBN would now also cost \$56 billion.

This makes me despair. We mentioned that the Coalition's policy turnaround for the NBN would take two to three years and that retrofitting could be far more costly than predicted, because the quality of the ageing networks that need to be retrofitted is largely unknown. All of this is now confirmed. Perhaps some of you might recall that at the time Malcolm Turnbull specifically suggested that journalists should not just listen to Paul Budde.

So now we have a significantly delayed and far more costly NBN. However the real problem is that it will still only deliver a second-rate network ? and this at a time when other countries are rolling out FttH. In Singapore 75% of users are already connected to FttH; and countries such as South Korea, Japan, Sweden, the Gulf States, Estonia and others are not far behind them.

My real problem is not the delay and the higher costs, but the fact that for all of that we get a network that will not deliver us the capacity and quality needed to build a modern economy and society.

It appears to me that the Communications Minister, Malcolm Turnbull, has totally under-estimated the consequences of changing the fundamentals of such a large national infrastructure building project midway through the process. In my opinion he simply didn't have a clue what he was doing.

It also seems that he has under-estimated the rapid growth of the digital economy. His aim remains to deliver a network that provides 25Mb/s services to all Australians. Admittedly, those on FttH (20% of the population) will have much more, but if your aim is to provide equal opportunity to all (for example, those in outer metro suburbs, regional and rural Australia), as well as delivering ubiquitous services in the areas of telehealth and e-education, then everybody in the country needs to have access to a network that can deliver such services.

For instance, some people have extremely slow access to the MyGov website because many don't have the broadband capacity needed to make effective use of this site. This is a clear indication that for such national services you need a network with ubiquitous quality.

But, aside from the social and economic requirements, many people in rural and regional Australia also have problems getting good quality access to entertainment services such as iView and Netflix. The minister seems to have under-estimated the incredible uptake of such services, as well as the use of smartphones and tablets, all of which require more capacity and better quality. In its latest report NBN Co also indicated it was surprised by the effect that Netflix has on its network ? this despite the fact that people like me have warned about it for a long time.

I had always thought that the minister had an excellent understanding of these developments. When the then Opposition leader Tony Abbott wanted to kill the NBN Malcolm Turnbull secured its survival, and I thought that after their election win he would slowly move the national broadband network towards its final destination of FttH. As we suggested on many occasions, he could, for example, simply have had the rollout of the FttH NBN delayed in certain areas in order to spread the cost over more years, using the existing HCF and ADL2+ networks to extend the rollout, without any serious overall negative effect. At that time (2013) I thought that he would come back with some sort of plan that would, without too much political damage to the government, somehow see FttH reinstated, at least as the end solution. But when he kept going on about 25Mb/s services being more than enough for Australians it became clear to me that a more visionary approach to the NBN would not be forthcoming, and I started to question his understanding of what was happening in the digital economy.

The fact that he hardly ever links the NBN to the digital economy is really disappointing. For what reason, other than the national interest, would the government invest such a lot of money in an NBN? My reading of this is that he knows very well that his second-rate NBN will not be able to provide that digital backbone for the Australian economy.

Based on current growth in broadband requirement I think that the Farmers? Federation was not far off the mark when it stated that the capacity on the new satellites would have started to run out by 2020. For more than a decade now rural Australia has been starved of any form of quality broadband. The pent-up demand there is enormous and high-quality broadband will finally allow these people to join the rest of the country.

They don?t have cinemas around the corner and will be heavy users of video entertainment. Imagine what this will mean for the network! And if one looks at the Smart Farm applications used in Armidale it is easy to see that the business use of the NBN for farmers will be equally spectacular. And with teleconferencing and cloud computing rapidly becoming the norm the latency problems associated with satellites will become real issues for those who depend on satellite-based broadband. Rural Australia will be by far the largest users of telehealth and e-education, and the latency problem will hamper these developments.

What value, then, do we put on the Minister?s statement on ABC TV: *There is nothing more important to me as minister than ensuring people in rural and remote Australia have absolute first-class telecommunication.*

This became very clear to the people of Birdsville when, during his visit to the region, they personally negotiated with the Prime Minister a \$7 million fibre optic link to deliver that first-class service ? only to have Tony Abbott dishonour the deal a few months later, leaving the people of Birdsville with a second-class solution. Who can you trust?

There is no doubt in my mind that far more fibre will be needed in rural Australia to sustain the farming and mining communities, and satellite will simply not cut it.

The minister now promises nine million NBN connections by 2018, but based on his current track record few will trust him this time around. I honestly hope that I am proved wrong. I had the same hope when I made my predictions about delays and higher costs back in the 2011-2013 period but, unfortunately for Australia, the minister has proved me right.

Paul Budde

NBN

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