

Inquiry: The business case for the National Broadband Network

Intro:

We are a national Internet Service Provider and Hosting Service Provider. We offer personalised service, we actually care. And the NBN is a complimentary product for the Hosting services we originally grew our company with.

- i. revenue generation;

Issue:

Promising everyone the same price NBN. Someone in a 100 Unit apartment block versus someone on a sheep station.

Solution:

Target the concentrated areas first and make money off “relatively” quick to install areas rather than focusing on regional.

- ii. the competitive risks facing the multi-technology mix;

Issue:

Touching people’s premises.

From the beginning it should have ONLY been Fibre to the Curb (FTTC), nothing else. Don’t touch private property and therefore no litigation as per the failed roofing insulation project and the school’s halls project.

Solution:

FTTC with a last mile rollout over the next 5 to 10 years. Anyone wanting to upgrade that last bit of copper sooner, can simply pay for the upgrade and the NBN Co could have made good revenue from this last mile instead of the reverse which is what has happened.

- iii. the impact of alternate pricing structures on the economics of the NBN; and

Issue:

Telstra directors getting involved in the NBN organisation. Telstra getting involved at all. This will keep Australian internet expensive and monopolised.

Telstra may be good for tax contributions to the government, but Telstra is toxic for the Australian internet.

Solution:

Form a proper independent private NBN company that only does wholesale and does it in the best way possible with as much automation in their systems as possible, just like a startup. Run it lean and drop pricing.

The model is already stuffed, so rather than trying to recover that cost from the new entity, help it thrive. The government will ultimately make good tax money if it does well.

- iv. other matters relevant to the commercial viability of NBN, the Commonwealth's accounting treatment of government debt/investment in NBN, and the prospect of future sale, in whole or part, of NBN.

Issue:

A typical way to try and deal with this problem. It will only fail and eventually be written off as a bad debt anyway.

Solution:

Try a different approach. Try to actually make the NBN thrive by standing behind it now, let someone else take over and do it properly. Rather than trying to recover costs from a terrible plan by both governments. If you go down the usual path, the only people who win are the accountants, the lawyers and the report writing companies like the one's you have engaged to run this inquiry. Spend money on tangible infrastructure and systems to automate that process as much as possible.

Move on, write-off the bad decisions and the bad debt and focus on making Australian internet great!

Just like the US .com boom in the late 90's was over-funded by mostly venture capitalists and share traders. Many lost money, but the US gained an online super highway and have never looked back as far as internet infrastructure goes.

On a positive note, we now have fibre in the ground.