

Organisation: North Coast NBN Tower Action Group
Response to Cost-Benefit Analysis and Review of Regulation

The Review document(s) are premised on a idealistic overview of how to improve the functioning of an NBN Co uncertain of how it is to behave, what duties it has to the public, investors or the government and unaware of the regulatory objectives it is supposed to adhere to.

With a few nuanced references to some difficulties, the document blissfully refuses to even acknowledge the severity and the imminent catastrophes NBN Co is embarked on.

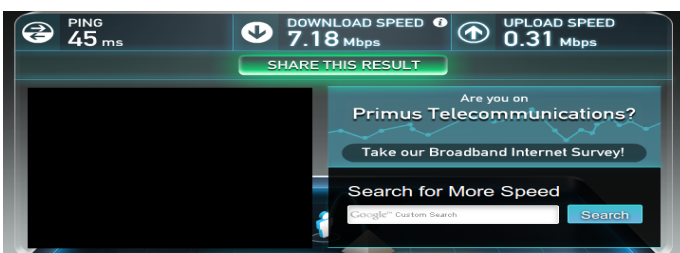
[If we cannot now end our differences, at least we can help make the world safe for diversity.](#)
[John F. Kennedy](#)

The public is now coming to understand what NBN Co was designed to be: a monopoly to unseat Telstra as the pre-eminent supplier of communications in Australia, relegate it to a retailer, like all other providers, of NBN Co wholesale products.

There is nothing wrong with either NBN Co or Telstra that a robust, mutually beneficial set of rules cannot repair. However, what we currently have is:

- NBN Co empowered with limitless taxpayer money & debt to become a monopoly
- Telstra a listed company quite used to being the biggest player in the game
- Australian Public caught in the middle of inevitable hostility

Here is one instance where it all went terribly wrong. Ericsson, contracted to deploy over 2,400 Fixed Wireless Towers across Australia came to a small village called Woombah, NSW.

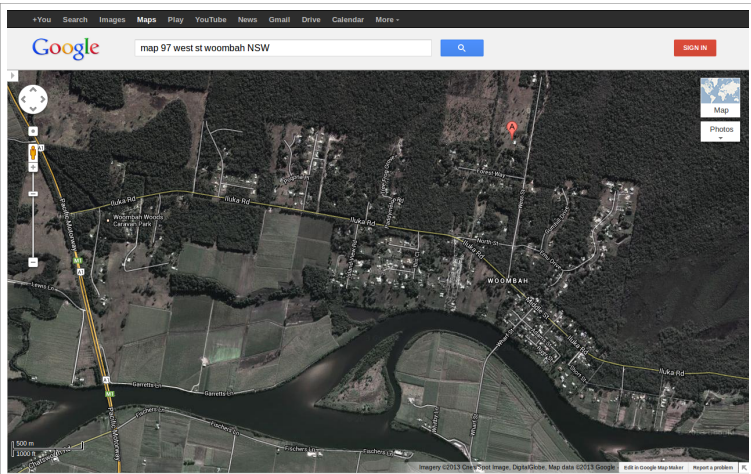


- Woombah already has ADSL
- Already has fibre-optic
- Already has 3G Wireless coverage

Woombah now also has a new 100ft Ericsson Fixed Wireless Tower. Pictured here:



Woombah Tower, 97 West St



Red marker indicates tower

Woombah, 3G Coverage



Is it hard to believe that just 200 meters away from the tower, is unused Fibre-optic cable that could have been used to deliver FTTN (up to 50Mbps) to these residents?

96% of residents signed a petition against the tower- to provide the incoming government an opportunity to deliver FTTN using the existing Fibre-optic that connects

Iluka, Woombah, Maclean & Yamba – with the exception of Woombah, ALL LOCATIONS WERE PREVIOUSLY DESTINED FOR FTTP or FTTN.

The Woombah Tower is back-hauled with a Microwave link to the Maclean tower +- 20kms away (microwave links are subject to weather, birds and other interference)

The Federal Member for Page, Janelle Saffin was misled by NBN Co: partial letter reproduced here:

	<h1>Janelle Saffin MP</h1> 
<p>FEDERAL MEMBER FOR PAGE</p> <p>Phone: (02) 6621 9908 Fax: (02) 6621 9958 Email: janelle.saffin.mp@aph.gov.au 63 Molesworth Street, Lismore NSW 2480 PO Box 609, Grafton NSW 2460</p>	
<p>Friday, July 26, 2013.</p>	
<p>REF: PE.26.07.13.</p>	
<p>Mr Tony Gibbs Fixed Wireless Community Relations Adviser Corporate Affairs Level 18, 100 Arthur Street NORTH SYDNEY NSW 2060.</p>	
<p>Dear Tony,</p>	
<p>Further to previous emailed correspondence between my office and NBN Co Limited, I write to formally request the following:</p>	
<ol style="list-style-type: none">1. Detailed maps showing all proposed sites for fixed wireless towers in my electorate of Page, and their proximity to residences of towns, villages or rural residential subdivisions. I am led to believe that there are up to 149 such sites in Page. I have asked NBN Co for this information previously, but to date have not received it.2. An immediate halt to any preliminary or substantive work on proposed towers at Woombah, near Iluka, and at Wyrallah and McLeans Ridges, near Lismore. I repeat my request, which previously went unanswered, because while NBN Co may be satisfied with its pro-forma style of community consultation, affected communities feel that they are not	
<p><i>All relevant authorities have this letter, but continue to refuse to investigate what has occurred here – a sequence of events that was NOT in the taxpayers interests.</i></p>	

Meetings between (known then as the Woombah Tower Action Group prior to merging with the North Coast NBN Tower Action Group) WTAG and the State Member Chris Gulaptis, NSW Department of Infrastructure , Federal Member for Page, Mr Kevin Hogan, all objected to the tower at 97 West Street Woombah.

Prior to construction by Ericsson | Visionstream | NBN Co, the owner of the Leased Property to NBN Co died. It is understood that NBN Co lawyers did not allow the widow

to exist the Lease Agreement and may still be a subject of legal dispute.

The response to the North Coast NBN TAG from the department of communications was alarming.

Department of Communications (Joseph Sheehan - Acting Assistant Secretary, Telecommunications Regulation)

"In relation to the placement of the tower and whether residents will have direct line of sight, placement of NBN towers is an operational matter for NBN Co. The Government is not involved in such decisions and expects NBN Co to build and operate the network in an efficient and effective manner."

The matter of community objection, legal advice, petitions and representations to Government (councils, State and Federal) is just one matter.

The cost of these Towers is often touted as cheap and effective. They are anything but cost-effective and **starting with the fact the copper network cannot be shutdown where a tower is present.**

1. **Fixed Wireless yields unreliable results for Voice.** Migrating to Wireless due to a shutdown of localised ADSL services for broadband, is one thing. Shutting down copper Voice is another. The Australian country can be inhospitable: landlines have significant benefits over mobile telephony not readily understood by office-bound bureaucrats.

2. **Fixed Wireless requires a rooftop antenna installation** currently budgeted at \$2,400 per premises. End points are not required for FTTN solutions.

3. **Fixed Wireless requires an annual Lease payment to landowner.** (it is not immediately obvious why Towers are located under contract to private landowners and not located on Crown Land – Public Liability is one possible factor not readily explained by NBN Co)

4. **Fixed Wireless yields unreliable results for Data.** Govt policy is to provide a MINIMUM of 25Mbps download speed. Fixed Wireless by definition can only ever suggest UP TO 25Mbps (terrain, weather, obstructions, distance and back-haul affect performance INLCUDING the retailer and how they choose to distribute their available purchased Bandwidth... this is not promising).

This had all been advised to Ericsson NBN Co six months prior to construction:

24/06/2013

"Please find attached our response to your recent inquiry dated 21 June 2013.

With regard to your further email dated 23 June 2013 regarding the merits of VDSL2 instead of Wireless, we are delivering a national broadband network in keeping with national network design parameters, and more broadly in keeping with government policy. The Fixed Wireless project team does not enter into debates about the merits of hypothetical, alternative technology designs that are outside the technical parameters of the network that we are charged with the task of delivering."

Regards

Basic Cost-Benefit

Fixed Wireless Tower (500 @ <25Mbps)		Fibre-to-the-Node (500 @ <50Mbps)	
Lease (6-12K pa)x20 y	180,000		
Rooftop Ant +	1,200,000		
Installation	300,000		
		Node x2	100,000
		Lease/buy/rent fibre-optic	?
Total (20 years)	\$1,680,000		\$100,000 +

If we must have all data going via NBN Co, then we citizens deserve a better outcome than outlined above. The response from Visionstream is perhaps what is wrong with NBN Co and it's attitude.

ALL TELECOMMUNICATIONS COMPANIES MUST BE INCENTIVISED NOT TO DUPLICATE UNNECESSARY INFRASTRUCTURE AND THAT PROVIDING THE CONSUMER THE BEST POSSIBLE SPEED/VALUE FOR MONEY USING WHAT IS AVAILABLE.

We must also stop this level of waste that is outlined above and that the Ericsson contract be halted immediately because Macleans Ridges, Whyrallah, Rosebank are next on the list to get Towers – to name a few.

Show a willingness to fix Woombah and many NBN Co problems disappear hold specific individuals to account and the companies also by ensuring the COMPANY and not the TAXPAYER pays for the removal of the Tower and specific individuals held to account:

Ericsson	NBN Co	Visionstream
Jacqueline Crompton	Tony Gibb	Greg Aitken
	Deb Lusty	
	Michael Bengay	

What we have is an unmitigated disaster fuelled by an ideological fissure spewing a geyser of unlimited taxpayer money into the corporate coffers of multinational companies (construction, technology, management) willing and actively ensuring the status quo is maintained.

NBN Co is the metaphorical equivalent of a car accident. A head on collision with another vehicle whose occupants are the Australian Public - left dazed and confused and suffering

many critical injuries that the NBN Co vehicle had inflicted upon them. The NBN Co vehicle; the occupants are dead and the scene is to be screened off. Attention must be re-directed away from drunk, under-age, unlicensed driver in the NBN Co wreck and directed to the Australian Public in the other vehicle: they are the innocent victims.

1. What is the direct and indirect value, in economic and social terms, of increased broadband speeds, and to what extent should broadband be supported by the government?
 - a. This should consider the economic and social benefits of bringing forward improvements in broadband speed and the respective benefits of alternative / potential technologies.
 - b. It should also consider the extent to which market pricing mechanisms can capture the value of benefits (including benefits to Australian governments).

Answer:

There is no value whatsoever of increased broadband speeds beyond what is reasonably expected for daily use for the majority of users unless the basic infrastructure to provide an increased speed is substantially available.

Every Australian must be able to access the Internet that has enough speed and quality that basic functions of banking and bill payments might be made and the streaming of a reasonable quality video or TV program should be the objectives. To go beyond that basic objective is tantamount to providing subsidies to companies wishing to sell their HD, free-to-air competitive products to the consumer.

The consumer, or the company or the ISP is responsible to embark on the delivery of such services to it's customers, not the Australian Taxpayer.

There is currently no known essential service that requires any Internet connection to be greater than 7-10 Mbs which is reliable and of good consistent quality.

This level and type of Internet can be delivered to every rural and regional Australian by using Digital Exchanges/DSLAMS on existing or upgraded infrastructure.

Speeds in excess of that provided by ADSL 2+ , if fibre-optic is available, should be considered and a general overall increase in National Infrastructure. Today, there no-known service that requires 50Mbs permanent connection and the trend is services that requires less bandwidth, not more. Quality of connection, not speed is the deciding factor in Internet services and applications of the future.

Market pricing mechanisms cannot be dictated by Governments nor should they include \$11.3 Bn and \$200 Mn payments to Telstra and OPTUS respectively to SHUTDOWN perfectly good infrastructure for the purposes of building a monopoly – the largest government interference in free markets in a lifetime.

To install infrastructure (Fixed Wireless Towers) with the cynical purpose of sub-leasing the towers as part of a Smart Grid system without the general public's knowledge but ostensibly benefits the Telco's and Utilities company's, extends well beyond the remit of Government and their Public Departments.

Attempting to re-coup costs unnecessarily expended in the first place to create NBN Co should cease immediately. There will be NO NET VALUE to the public or the government is a person without Internet access in 2009 is still without it in 2014, but some locations with fibre-optic cable laid, already have ADSL broadband – are provided a Wireless Tower instead.

The economic benefit has been lost during that 5 year period for 2 million Australians still without Internet access.

Market pricing mechanisms must be free-market driven with healthy competition. Artificial pricing structures sufficiently distort value and cost-benefit to such an extent that always imposed longer term costs onto the consumer – as is already anticipated with price INCREASES for NBN Co charges, not price decreases as would be expected in a competitive market.

The same is true with the large priced contracts to deliver the NBN Co Wholesale infrastructure. Governments around the world are limiting contracts to \$100 million each to ensure transparency and cost efficiency. Ericsson contracted for well over \$1.3 billion loses any oversight and expected efficiencies from such a large temptation to become inefficient.

2. What are the optimal long-term ownership and regulatory arrangements for NBN Co?

- a. This should include coverage of the requirements of the statutory review of the telecommunication industry access arrangements required under the *Competition and Consumer Act 2010*.

Answer:

NBN Co should not exist at all and if it is to continue to exist then it should become an independent facilitator of telecommunications that has a single objective:

To ensure Australians have access to a minimum standard and to incentivise all telecommunications companies to share infrastructure in the provision of broadband services. Long term goal should be to improve cabled Internet provision by 25% year on year and to LIMIT WIRELESS INFRASTRUCTURE by co-locating shared cost, multi-tenanted deployment strategies.

NBN Co should not be 'owned' by anyone other than the public with strict oversight as it would be a target for corrupt practices and the possibility must be entertained, that it already has been targeted.

Any legislation leading up to the National Broadband Company Act 2011 including Competition and Consumer Act 2010 require skilful re-assessment to ensure that such legislation is in fact to the benefit of the Australian Public and no other interested or vested parties.

To highlight this legislative framework, consider the NSW Telecommunication Facilities Guidelines including Broadband 2010 amendment to ISEPP – and it's reading within the House as recorded in Hansard, of Kristina Keneally.

4th June 2009

Ms KRISTINA KENEALLY: Today I advise the House that the New South Wales Government will ensure timely planning approval of this infrastructure through the SEPP, the State Environmental Planning Policy (Infrastructure). We will amend the infrastructure SEPP to expand the types of telecommunications facilities which do not need a development application or which can be approved through a checklist style of complying development code. The proposed amendments to the infrastructure SEPP and the draft New South Wales telecommunications facilities code, including broadband, are on public exhibition from today. Today the Government is calling on the people of New South Wales, including community groups, councils and the property industry, to make known their views and suggestions on the proposed amendment and the code.

...resulted in this: <http://www.northernstar.com.au/news/trouble-towers-above-nbn/1952502/#comments>

<http://www.northernstar.com.au/news/wyrallah-residents-strongly-opposed-to-nbn-tower/1974211/>

<http://www.northernstar.com.au/news/residents-win-tower-battle/1961881/>

<http://www.northernstar.com.au/news/towers-not-wanted-in-backyards/1659372/>

<http://www.northernstar.com.au/news/nationals-would-stop-the-towers/1972495/>

Serious questions need to be asked about the on-going ownership of NBN Co and whom exactly created it.



3. How should the activities of NBN Co be constrained given its mandate to efficiently build, operate and maintain a wholesale-only access network?
 - a. This should include consideration of the issues associated with infrastructure based competition and the economic benefit of alternatives.
 - b. Recommendations should be made on the structure of the Australian wholesale broadband market, including regulatory arrangements.

Answer:

NBN Co has failed it's mandate. Rampant violation of residents rights and community consultation, \$7Bn (and additional funds since 15th Feb 2014 Bond Issue) to cover just 3% of the population is a dismal failure.

- a) economic benefits to competition with incentives has been overlooked
- b) forced consultation with communities, with options available would yield astounding results. NBN Co must facilitate this process, without mandate, to deliver A SOLUTION to the community, not a hammer – or a nail.

To a hammer, the solution to all problems is a nail.

4. How should NBN Co's capital investment, products and pricing be reviewed and regulated?
 - a. This should consider advice on how products should be structured to promote efficiency, consumer choice and competition.
 - b. This should also consider, in the context of NBN Co's proposed pricing structure, the extent to which retail price controls should be continued.

Answer:

This question has already been answered. It is a fabrication from the inception of NBN Co that Telstra needs to be structurally separated, by force and with payment to do so.

Current negotiations with Telstra are unknown and therefore, reasonable and specific responses to b. cannot be given.

However, if a Telstra 3G/4G Internet is available and this suits a users needs, then this might be cross subsidised with an access arrangement elsewhere if necessary. NBN Co should facilitate such open and transparent 'access arrangements' for consideration of access in more difficult areas of coverage.

ie. Telstra activation of fibre-optic with a Node and priced to suit a community might be compensated for with a FTTB arrangement in a capital city.

At least, until infrastructure is in place across Australia.

[If we cannot now end our differences, at least we can help make the world safe for diversity.](#)

[John F. Kennedy](#)