

NBN CO: Kate Cornick returns to Melbourne University

OPTUS: Build its own fibre access tails?

NZ POLICY: New coalition lobbies against Chorus

COMMENT

Kevin Morgan says that Malcolm Turnbull needs to take a look at the ACCC

COMMUNICATIONS DAY

13 SEPTEMBER 2013

What's happening today in telecom business, policy & technology

ISSUE 4522

Optus bags A\$530m regional deal for ANZ Bank

Optus has pulled off one of its biggest managed service deals to date, announcing that it has signed a five-year, A\$530 million agreement to provide a range of telecommunications services to the ANZ bank both in Australia and throughout the region. The deal renews and expands upon an existing arrangement.

Despite ANZ being an existing customer, Optus Business MD John Paitaridis said the deal was hard won in a “cut-throat and competitive environment,” while the backing of parent company SingTel was a key factor for the bank's regional expansion ambitions.

“One of our advantages with ANZ is that we had a track record of service delivery and performance,” Paitaridis told CommsDay. “SingTel's scale and reach also plays a big part,” he added.

Paitaridis said the ANZ deal coupled with other recent wins – including a \$29 million deal announced last week with the Federal Department of Agriculture, Fisheries and Forestry – had reinforced Optus’ ability to deliver end-to-end managed services across Australia and the Asia Pacific region. Under the ANZ agreement, Optus will provide both domestic and international data network services as well as mobility, collaboration and contact centre services to support the bank's business operations.

Paitaridis said the coverage was extensive across Australia but would expand increasingly across the region, potentially into 30 countries. He said its ability to expand the service portfolio in the region as ANZ grows its presence had been a critical factor in the win.

SingTel Group CEO Chua Sock Koong also noted that the announcement demonstrates the ability of SingTel and Optus Business to support customer growth ambitions not just locally, but globally.

“SingTel and Optus Business are at the forefront of driving market leading enterprise services and we are proud to partner with ANZ as it continues to expand domestically and internationally. This agreement again shows SingTel as a leading ICT service provider in the region,” Chua said.

The agreement was the ANZ group's largest managed services relationship, while for Optus it was “one of our biggest”, although other deals such as the one it has with the Australian Tax Office are of a similar scale, he suggested.

It also caps off a successful period of growth in the managed services space for Optus business. Last week it won a consolidated contract from the Department of Agriculture, Fisheries and Forestry that had previously been provided by a number of different carriers, while overall Paitaridis said managed services was experiencing double-digit growth for the company.

Paitaridis also foreshadowed a number of new wins to be announced in the coming weeks, with the retail, finance and insurance sectors performing strongly.

Geoff Long

CVC charges already starting to bite, says CCC

NBN Co's contentious connectivity virtual circuit charge model is already starting to impact wholesale customers, according to the Competitive Carriers Coalition – which as a result has redoubled its push to have NBN prices reviewed more regularly than currently planned.

The CCC's latest foray forms part of a broader debate around NBN Co's Special Access Undertaking, which is on the cusp of signoff by the Australian Competition and Consumer Commission; one of the

key sticking points in the discussion has been how frequently the Commission should review the prices set by NBN Co. Meanwhile, the CVC model has been a long-held point of concern for key industry players like Internode founder Simon Hackett, who has argued that as consumer data consumption volumes continue to increase, the volume-based CVC costs must necessarily also keep ramping up – eventually becoming unsustainable.

According to the CCC that's already starting to happen, with the first NBN subscribers using a surprisingly large amount of data. "The early adopters are using significantly higher data volumes than, perhaps, initially thought," CCC chairman Matt Healy told CommsDay. "So therefore initial projections around the relativities between the access component charge and the usage component aren't marrying up with initial expectations."

"This is a manifestation of the unknown world that we're moving to with wide-scale availability of high-speed broadband, so it's a good problem to have. But what it does throw back is the need – with unintended outcomes and uncertainties emerging, and the unpredictable nature of the services and how they're actually going to be used by punters – [for] ongoing regulatory oversight by the Commission. Such that, at the end of the day, if consumers are missing out on appropriate pricing, then the regulator needs to be able to make a call on that."

At present, CommsDay understands that operators are largely absorbing the CVC charges, but if data consumption continues to ramp up at the current rate, those CVC charges will rise – and, assuming operators won't wear the increasing costs indefinitely, will likely be passed onto consumers.

"We think it's quite reasonable for NBN Co to lock some arrangements in so they have some certainty – but they can't lock everything in, because they'll be things that occur that we weren't expecting and that don't necessarily promote the long-term interests of the consumers," concluded Healy. "And in those situations you need a regulator to step in to make the call."

Petroc Wilton

Kate Cornick departs NBN Co

Telco industry figure Kate Cornick has left her most recent posting, at NBN Co, after less than a year – returning to the University of Melbourne from 1 October.

Cornick, who originally received her PhD, BE and BSc from the university, served as the executive director for the university's Institute for a Broadband-Enabled Society for three years from late 2009 to late 2012. She moved to NBN Co early in 2013 as GM of enterprise and strategy, but has now departed to

CROSSTALK PODCAST: Cutting the Red Tape

Phil Dobbie with Chris Chapman, Teresa Corbin, Steve Dalby and Damian Kay

The incoming federal government has promised to cut back on red tape, to boost productivity and reduce regulation. Interestingly, the Coalition's policy paper, released in July, doesn't mention telecommunications – yet the industry undergoes more regulatory oversight than most.

In this week's CrossTalk podcast, Steve Dalby (iiNet) and Damian Kay (Inabox Group) explain why overly prescriptive regulation runs counter to effective competition.

ACCAN chief executive Teresa Corbin agrees there is scope for improvement, but defends the need to protect the consumer in an industry which, she says, has "until recently been in a race to the bottom." ACMA chair Chris Chapman says that when it comes to onerous reporting, outdated legislation is part of the issue. That means fixing the problem isn't simply a case of going through a few operational processes – it involves revisiting the basics of telecommunications legislation. A big job for somebody – but who is best placed to drive it?



Listen here: <http://soundcloud.com/crosstalkcommsday>

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**Optus MD Customer
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TUESDAY 8 OCTOBER

SESSION 1: 9am-10.40AM

- ⇒ Optus MD Customer Vicki Brady
- ⇒ ACMA deputy chair Richard Bean
- ⇒ Alcatel Lucent Australia MD Sean O'Halloran
- ⇒ Incoming communications minister TBC

SESSION 2: 11AM-1PM

- ⇒ Comms Alliance CEO John Stanton
- ⇒ Cisco Australia CTO Kevin Bloch
- ⇒ Australian Mobile Telecommunications Association CEO Chris Althaus
- ⇒ iiNET CTO John Lindsay
- ⇒ Ciena CTO Asia Pacific Karl Horne

LUNCH DAY 1 sponsored by Cisco

AFTERNOON SESSION 1 2PM-3.20PM OSS, BSS AND THE CUSTOMER EXPERIENCE

- ⇒ CSGI product marketing manager Siobhan Ryley *on making the most of LTE and what it means for BSS*
- ⇒ Market Clarity MD Shara Evans *on how US state and local government organisations are measuring mobile network performance*
- ⇒ Australian Communications Consumer Action Network CEO Teresa Corbin

AFTERNOON SESSION 2 3.40PM-5.10PM HOW OTT & APPS ARE SHAPING TELECOM

- ⇒ Symbio Networks CEO Rene Sugo *on how OTT is impacting the telecom ecosystem*
- ⇒ Australian Subscription Television and Radio Association CEO Andrew Maiden *on the pay TV industry's view of NBN and telco futures*

COCKTAILS sponsored by Ciena

WEDNESDAY 9 OCTOBER

SESSION 1: 9am-10.40am

- ⇒ Ovum Asia Pacific research director David Kennedy
- ⇒ Alcatel-Lucent APAC Strategy Director Ric Clark
- ⇒ Shadow communications minister TBC
- ⇒ Juniper Networks WW Solution Chief Architect Richard Bayliss

REFRESHMENTS sponsored by Overture Networks

SESSION 2: 11AM-1PM

- ⇒ elintelgo Networks CEO Skeeve Stevens *on RSP models under the new NBN environment*
- ⇒ Macquarie Telecom national executive, industry & policy Matt Healy *on mobile market futures*
- ⇒ Australian Industry Group CEO Innes Willox *on what business wants from high speed broadband*

LUNCH DAY 2 sponsored by Juniper Networks

AFTERNOON SESSION 1 2PM-3.20PM NBN FUTURES WORKSHOP

- ⇒ Adtran director, product management Robert Conger
- ⇒ GQI Consulting director Cliff Gibson *on the use of VDSL in an NBN environment*
- ⇒ Vertel CEO Andrew Findlay *on making the most of non-fibre infrastructure*

AFTERNOON SESSION 2 3.40PM-5PM

- ⇒ **CLOSING KEYNOTE** Telstra executive director, networks and access technologies Mike Wright
- ⇒ **THE GREAT DEBATE** with Overture Networks CEO Graeme Bellis, CommsDay founder Grahame Lynch, consultant Kevin Morgan + more

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head back to her alma mater.

Just a few weeks previously, IBES itself lost founding director Rod Tucker, who left to take long-service leave. However, Tucker will return next year as an honorary researcher with the Centre for Energy Efficient Telecommunications, a partnership between Alcatel-Lucent, Bell Labs, the Victorian government and the University of Melbourne. Cornick served as GM for CEET from September 2010 to December 2012.

Petroc Wilton

Optus stays mum on NBN fibre funding claims

Optus has declined to comment on recent reports around how it could be planning to fund the costs of laying last-mile fibre to households under the Coalition's NBN plan. The reports describe a plan very similar to one that the telco had discussed some time previously.

In June, Optus boss Kevin Russell confirmed to the ABC that, in the event that an FTTN NBN went ahead, the telco was considering building out last-mile fibre to those that wanted it and amortising those costs across a two-year bundled contract, similar to how postpaid mobile phone plans are billed. The plan would see Optus bundle the last-mile fibre connection as an add-on to its broadband plans.

The Australian reported that Optus will be able to offer plans that lock customers in on long-term contracts. However, it quoted Informa analyst Tony Brown's view that for this to eventuate, Optus would require the Coalition to begin installing and activating nodes, a process that is "probably about 18 months away at least."

The Coalition is yet to reveal exactly how many nodes will be required for its national FTTN NBN rollout; however, Malcolm Turnbull told CommsDay in August that it would be between 37,000 and 50,000.

David Edwards

Telstra taps Tony Warren to strike new NBN deal

Telstra is reportedly banking on a central figure from its original team of NBN negotiators, Tony Warren, to lead new talks with the Coalition over its A\$11 billion deal.

The Australian reported that the corporate affairs GMD will take charge as chief negotiator when Telstra revises its migration deal onto the new FTTN-heavy NBN. Warren originally battled alongside former CFO John Stanhope, Labor MP Tim Watts and Telstra exec Geoff Booth to secure a deal with Labor and NBN Co; however, those three will not be returning to the form.

Telstra also confirmed to CommsDay that it has reappointed Macquarie Capital as its broadband adviser ahead of the negotiations.

Telstra's current NBN deal involves a A\$5 billion payment for leasing its fixed-line infrastructure; A\$4 billion as it migrates customers onto the NBN; and A\$2 billion for providing universal service obligations and government incentives.

David Edwards

Cloud videoconferencing challenger comes to ANZ

Silicon Valley-based video collaboration challenger Blue Jeans is ramping up its ANZ presence with new staff, a hunt for new partners, and a local point of presence planned around the end of the year. Chief commercial officer Stu Aaron casts the move as a response to existing demand – with Australia already the rapidly growing company's sixth largest market.

Blue Jeans was founded in 2011, contending with large established players like Cisco and Polycom, in response to the massive gap between the amount of audio conferencing and video conferencing that actually takes place. "It's actually quite staggering," Aaron told CommsDay. "Every year, there's about 100 billion minutes of audio conferencing services sold worldwide – but there's only about 200 million minutes of videoconferencing."

The three key obstacles, suggested Aaron, were complexity; cost; and compatibility issues between different platforms. "Our hypothesis was that if we could make video collaboration as easy, as open and as

affordable as an audio call, there's no reason not to do more video," he said. "What we built was the video equivalent of the audio conferencing bridge; a service in the cloud. To build it, we borrowed best-of-breed principles from what Akamai did with content delivery networks, what Amazon did with cloud computing and elasticity, and what Google did with building distributed software on top of industry-standard server platforms. We basically built the world's largest video router in the cloud on a global scale."

The firm's business model has clients paying a monthly subscription to host meetings, each with up to twenty-five guests who don't have to install any software or buy any hardware. Subscribers get a virtual meeting room in the Blue Jeans cloud, which they and their guests can then access via a single click from any browser on any device; the simple browser interface will also detect and allow conferencing via a diverse range of software endpoints from Skype to Google video.

"We allow you to [connect into] meetings from a diverse range of devices - from rooms, to desktops, to laptops, to mobile devices, across multiple vendors" said Aaron. "You can bring your Cisco, or Polycom, or Huawei or LifeSize room into the same meeting with your colleagues on Skype, Google Video or Microsoft Lync - or just a browser and a camera."

So far, the strategy seems to be paying off. "We launched the service about two years ago... and we've gone from nothing to about a 75-80 million minute run rate. The whole market for video conferencing services is about 200 million minutes a year - so we've gone from nothing to about 30% of the market!" said Aaron.

And he added that the firm is getting traction across multiple verticals and sizes of company, from enterprise down to tiny SMBs. It's exactly the sea-change in videoconferencing adoption that Blue Jeans was built to achieve, as reflected in its name. "Videoconferencing has historically been stiff, stodgy and for the elite. It's been for CEOs, celebrities, and heads of state! And what we're trying to do is democratise it."

ANZ PENETRATION: Even without a presence in Australia, Blue Jeans has seen considerable local takeup; according to Aaron, about a million minutes of video conferencing have come out of Australia, from about sixty thousand participants. "It's currently our sixth biggest market," he said. "The ANZ market is very well suited for video collaboration... it's a collaborative culture, [and] the cities are geographically distributed. And a lot of other countries are timezone-challenged, with respect to [ANZ]."

In response, the firm is building its local presence under Sydney-based executive Tom Longhurst. Blue Jeans is looking to build an ANZ point of presence by the end of this year or the start of the next, and is also on the lookout for partners - including, potentially, service providers - with whom to expand locally.

Petroc Wilton



NSA project aims to extend emergency service reach

The National Safety Agency will soon run a pilot project that aims to allow emergency services workers to communicate through both mobile and private radio networks.

A trial of the Emergency Services Integrated Communications project will begin in the next few months, with the official launch of the concept in Melbourne yesterday. It aims to provide an integrated voice, text, email, video and location services application for smartphones that will allow emergency service workers and volunteers to communicate across a common radio channel.

NSA president Des Bahr said the project had so far attracted over \$4 million in funding in total. The Victorian state government provided a grant of \$533,400 through the second round of its Broadband-Enabled Innovation Program.

Bahr said the project had the potential to provide significant export opportunities in future. Some other NSA products have been commercially launched both in Australia and overseas and the agency has an on-going partnership with the Los Angeles Police Department.

Speaking at the official launch yesterday, Victorian technology minister Gordon Rich-Phillips said it provided an ideal test platform to showcase the potential of new communication technologies.

"As the disaster management environment becomes more complex we must harness the latest broadband technology to improve the coordination of, and communications between, emergency services per-

sonnel,” he said at the launch in Melbourne.

Geoff Long

NZ coalition calls to ‘axe the copper tax’

A coalition made up of businesses, industry associations and consumer advocate groups has called on the New Zealand government to axe its “copper tax.”

The Coalition for Fair Internet Pricing was founded by Consumer NZ, Internet NZ and the Telecommunications Users Association of NZ, with support from a number of companies, including CallPlus and Slingshot. It is vehemently opposed to the government’s decision to charge users of existing copper technology the same as fibre, as outlined in a discussion document released last month by comms minister Amy Adams.

The coalition cited a Covec report estimating that the policy will introduce a NZ\$600 million tax on Kiwi broadband users, with that money going directly to Chorus. It stressed that it is wrong to force consumers to pay the same amount for older technology as new technology, given that more than 70% of households will not be using the new UFB in 2020 – and that 25% will never have access to fibre.

Consumer NZ CEO and coalition spokeswoman Sue Chetwin said that the government’s proposal to set prices itself – effectively overruling the Commerce Commission – is wrong. “Under this funding proposal, there would only be one winner: shareholders of an already profitable monopoly. The losers would be every household, every small business, every big business, every farmer, every school and every student with broadband,” she said.

The coalition said it will focus this week on completing submissions to Adams’ consultation process before running a public campaign against the proposals.

Meanwhile, Labour comms spokesperson Clare Curran backed the anti-copper tax campaign, again calling on the government to “back down and let the Commerce Commission do its job.” “The government is riding roughshod over consumers. It is effectively overruling the Commerce Commission’s intention to lower the price of copper broadband by NZ\$12.50 a month,” she added.

David Edwards

Vanuatu int’l cable on track for early 2014 launch

Interchange, the Vanuatu firm building a cable between the island nation and Suva, Fiji to link up with the Southern Cross cable, has announced the new system is on schedule for its January 2014 Ready for Service date.

The company, along with its financier ANZ Bank New Zealand, has also appointed Pioneer Consulting to the role of Lenders’ Technical and Commercial Advisor and to complete a technical and commercial due diligence of the project.

The US\$30 million 1,224km submarine fibre optic cable will connect Port Vila in Vanuatu to Suva in Fiji, and then onwards to internationally over Southern Cross. The cable will initially light up 20Gbps of capacity with a total design capacity of 128Gbps, Interchange said.

“Upon completion of this cable project in January 2014, Vanuatu will join Fiji, PNG, Samoa, American Samoa, New Caledonia and French Polynesia, each of which already have submarine cable connections,” the company said.

According to Interchange, Alcatel-Lucent ships with the cables are now en route from France, while all civil works for the landing site at Port Vila has been completed. The company added that it expects to receive a prefabricated Cable Landing Station and data centre facility this week.

Interchange’s Vanuatu cable will become the second such regional link to connect to Southern Cross in the South Pacific after a cable from Tonga was launched earlier this year.

Tony Chan

AT&T’s US\$1.9bn spectrum buy to boost 700MHz LTE

AT&T said it has closed its acquisition of wireless spectrum in the lower 700MHz band B block from Verizon Wireless in a deal valued at US\$1.9 billion. The spectrum licenses cover 42 million people in 18 states, according to AT&T.

The operator says the spectrum will support its deployment of 4G LTE as part of the company's ambition to boost its network coverage from 225 million people to 270 million people by the end of 2013. As part of the deal, AT&T will also transfer Advanced Wireless Services spectrum licenses in four cities to Verizon.

The deal comes a day after the industry agreed to resolve previous deployment issues on the 700MHz band.

Remarking on the agreement, Acting FCC chairwoman Mignon Clyburn said: "After many frustrating years, wireless carriers have finally reached a voluntary industry solution that will resolve the lack of interoperability in the lower 700 MHz band in the most efficient manner. This is a big win for consumers, especially in rural areas, who will see more competition and more choices."

AT&T vice president of federal regulatory affairs Joan Marsh also commented on the industry's work on the 700MHz band.

"Challenges in the lower 700 MHz band have left the 700 MHz A Block vulnerable to interference and largely undeployed. Now, under the leadership of chairwoman Clyburn and her staff, an industry consensus has emerged that offers a path to achieving interoperability in the band," Marsh wrote on the AT&T blog. "AT&T, for its part, has committed to investing considerable time and resources to the modification of its 700 MHz LTE network through the implementation of a newly-standardized software feature. That effort will allow AT&T's network to support Band 12 capable devices."

The backing of AT&T and the projected investment it will make to roll out LTE, is expected to stimulate support for the 700MHz band, which has so far been snubbed by handset vendors such as Apple due to the lack of scale, according to a report by FierceWireless. Despite supporting up to 13 LTE spectrum bands, Apple's new iPhone 5s and 5c models do not support 700MHz bands.

As such, having a tier 1 operator like AT&T on the band could benefit smaller operators such as C Spire Wireless and US Cellular, the report added.

Tony Chan

EU proposing to end roaming fees by 2016

The European Union's digital commissioner Neelie Kroes has put forth a formal proposal that would end cross-border roaming fees by 2016 within the organisation's 28 member countries.

Under the proposed legislation, incoming call charges when roaming within the EU would disappear by July 2014 while all roaming charges would end by the summer of 2016.

While operators won't be able to charge extra for roaming, they would be allowed to offer pan-EU service packages to their customers - presumably at a premium to their domestic offerings. At the same time, operators would also have to allow their subscribers to select other providers for cross-border service without the need to purchase a new SIM card. Kroes' proposal also calls for all cross border mobile calls within the EU to be capped at €0.19 per minute.

In addition to roaming, Kroes proposal also aims to address net neutrality within the EU, and mandates a ban on internet content throttling and blocking.

"Around 200 million Europeans are blocked from using the full internet today," Kroes said, according to the Mobile World Live site. "Everyone in Europe deserves the same right to full internet - today 96% lack this protection. We want all Europeans to have guaranteed the right to full and open internet." As part of her proposal, users will have the right to terminate their contract with ISPs if they find they are not getting the speed they are paying for.

Kroes also touched upon the need to have a single regulatory body across the EU for processes like licensing in order to facilitate a pan-European operator, as well as more coordinated spectrum use in the region.

The GSMA, which represents the global mobile industry, issued a reserved response to Kroes' proposal with GSMA director general Anne Bouverot stating "the package needs to do much more," and calling for "a more thorough and comprehensive approach."

"Reform today will set the context for investment and innovation in Europe's digital economy for the next ten years," Bouverot added. "It is essential that we get it right and this process should include a com-

prehensive review of the increasingly outdated regulatory framework for telecoms in Europe.”

Tony Chan

Tata and PCCW Global interconnect IPX, target HD voice

Tata Communications and PCCW Global have signed an agreement to interconnect their IPX platforms, targeting in particular the growth of high definition voice and high definition video over mobile networks.

The interconnection between Tata Communications and PCCW Global is based on Tata Communications' IPX+ connectivity platform, which in turn is supported by Tata's global fibre optic assets.

According to the two operators, the deployment of 4G and upgrades of 3G networks have spurred growth in next generation mobile IP communications services such as HD Voice, which is now being offered by 83 mobile networks across 61 countries.

“As we see more mobile operators introducing next generation IP-based communication services, global IP interconnectivity between networks is vital to delivering the highest quality end-to-end service experience,” said Tata Communications SVP of product and business strategy for global voice solutions Christian Michaud. “Through our latest IPX peering agreement with PCCW Global, we continue to expand our global community of interconnected mobile operators across Asia and Africa, providing the broadest global reach across emerging markets.”

Tony Chan

NEXTDC SYDNEY FACILITY GETS TIER III RATING

National data centre operator NEXTDC has received the Uptime Institute's Tier III certification for the design and construction of its S1 data centre in Sydney. Tier III certification focuses on the facility's capability to provide concurrent maintainability and is seen as an endorsement that the facility's design will support extremely high levels of service availability. NEXTDC also announced that the S1 facility remains on track for its commercial launch and official opening at the end of this month.

ON THIS DAY 10 YEARS AGO: FROM THE COMMSDAY 2003 ARCHIVES

ISP Pacific Internet and national switchless telecommunications firm Southern Cross Telco penned a strategic bundling alliance to target the SME market... Telstra's global satellite joint venture Xantic was reportedly in for a windfall of up to US\$80 million should it choose to participate in the likely sale of Inmarsat to a venture capital buyer... The CDMA Development Group said that about one-third of all worldwide CDMA services are now using 3G CDMA2000 handsets... The Communications Electrical Plumbing Union slammed Telstra's A\$281 million expenditure to sack thousands of skilled workers over the previous 12 months.

COMMENT BY KEVIN MORGAN

Time for a long hard look at the ACCC

No incoming government has the freedom to enact their ideal policy. They will always be limited by the former government's ambitions and actions. Nowhere is this more true than in the communications sector, where Malcolm Turnbull has had to craft a national broadband policy amidst the wreckage of Labor's all-fibre NBN.

With over \$6 billion in equity already injected and with NBN Co's direct headcount having soared to 2500, it was never a question of being able to start afresh.

This is especially so given the expectations created by Labor that the government would and could deliver very high speed broadband to all at prices little different to those for ADSL2+. Some \$200 million in PR, whether through government promotion of the NBN or NBN Co's own spruiking of the network, created an utterly distorted perception of what could be realistically achieved.

The campaign was so successful that up to the dying hours of the campaign a delusional Kevin Rudd maintained Labor was rolling out the NBN. An even more hyped Anthony Albanese had already declared the election a referendum on the NBN. If so, the all fibre lobby has lost and it's time for rationality—

something Turnbull promises to deliver in spades.

Though the task confronting Turnbull is closer to salvaging the Italian cruise ship the Costa Concordia than merely turning a very large ship around, his policy should meet consumer needs and expectations because it is achievable – unlike an all fibre NBN.

It is still a considerable challenge, but a technical and logistical one, and therefore perhaps more easily addressed than the other pressing challenge in the sector, ending the cult of welfare dependency that has emerged among key industry players.

Large sections of the industry are now content to sit back waiting for government largesse whether it is delivered directly through an NBN or the anti investment, redistributive policies of the Australian Competition and Consumer Commission.

At one level, the rent seekers can hardly be blamed for their conduct given they've been encouraged by the ACCC which has utterly distorted investment in the sector over the last eight years. The rent seekers don't need to be named.

They are readily identifiable because they are languishing in the market while truly entrepreneurial outfits like Jason Ashton's BigAir and Bevan Slattery's NextDC, which have never hand their hand out, have gone from strength to strength.

Even companies which have benefitted from unbundling such as iiNet and TPG, but have focused on investing rather than complaining, are doing far better than the inveterate whingers who have dominated what has passed for a policy debate over the last six years.

Hopefully those voices will now be muted, but the ACCC also needs to be reined in.

Since 2005 it has far exceeded its mandate and become the de facto source of policy advice. The Commission, which seems not to understand that its pro competitive zeal may not always translate into beneficial outcomes for consumers, must bear much of the responsibility for the debacle over investment in fixed line broadband.

In 2007 it blocked any attempt by the Howard government to do a deal with Telstra over FTTN, deeming it anti competitive. The cost benefit equation of that action was never considered. But since the ACCC began its covert but energetic campaign for the competitive nirvana of a wholesale-only FTTH network in 2006 and the separation of Telstra, the bill for consumers has mounted.

Having earlier limited Telstra ADSL2 deployment by not giving regulatory certainty, the ACCC ensured there would be no national broadband upgrade as it encouraged the Labor government in its FTTH dream.

Despite the fact carriers had the obvious financial capacity to invest, millions of homes have been left without decent broadband, damaging national productivity. Now finally the bill is to be picked up by government.

Even the Commission's holy war on Telstra separation has backfired. The ersatz separation they finally agreed to threatens to cement, not lessen, Telstra's dominance. The arithmetic that underpins the deal is frightening for its competitors. Had the FTTH plan run its course it would have left Telstra nearly \$40 billion better off in cash terms. The \$18 billion cash value of the deal was supplemented by the fact Telstra did not have to undertake the \$10-\$15 billion investment it planned for FTTN and in a pure delight for Telstra it was to keep its copper margins until the lines were actually decommissioned. That must have promised an additional \$10 billion over the planned copper fibre migration period.

The structural separation undertaking Telstra has entered into cannot conceivably offset the imbalance that this bag of cash, much of it taxpayer guaranteed, has created. All Telstra has agreed to is some margin reduction in a declining segment of the market whilst being freed of two real constraints that do burden and limit a network monopolist – the need to invest and the responsibility to pay for the costs of universal service.

With the government that created this curious take on a more competitive market now in opposition perhaps it's also time to take a long hard look at the regulator. One can only trust that Mr Turnbull has some time left over for the task once he's dealt with the NBN – because frankly, the country cannot afford the ACCC.

Kevin Morgan