

NBN faces irrelevance in cities as competitors build faster, cheaper alternatives

Written by Allan Asher, Visitor, Regulatory Institutions Network (RegNet) & Chair of Foundation for Effective Markets and Governance, Australian National University

Malcolm Turnbull is now connected to the National Broadband Network (NBN) at his Point Piper home on a 100 megabits per second (Mbps) plan, [it was revealed](#) in Senate Estimates yesterday. But only because his department intervened to avoid [delays affecting other customers](#)

.

And while the Prime Minister might be happy with his NBN connection, that's not the case for the 2.5 million customers waiting on a connection through their pay TV or cable service who have been [left in limbo](#).

Lauded in the 2009 Commonwealth Budget as the [single largest nation building infrastructure project in Australian history](#), the NBN is at risk of becoming an expensive white elephant in our cities. Years of political interference, poor technology decisions and a monopoly business attitude have damaged the brand.

Rather than meeting its [objective](#) of connecting 90% of homes and workplaces with broadband speeds of up to 100 Mbps, the NBN is looking more like a giant sponge. It soaks up public infrastructure dollars and returns high prices, long delays, unacceptably slow data speeds and service standards that are now the subject of an [ACCC investigation](#)

.

As a result, a growing number of competitors are bypassing the NBN by undercutting prices and beating performance standards.

Read more: [**The ACCC investigation into the NBN will be useful. But it's too little, too late**](#)

Adelaide bypasses the NBN

NBN faces irrelevance in cities as competitors build faster, cheaper alternatives

Written by Allan Asher, Visitor, Regulatory Institutions Network (RegNet) & Chair of Foundation for Effective Markets and Governance, Australian National University

The latest challenge to the NBN came after South Australian Premier Jay Weatherill denounced the “[very poor NBN outcome](#)” and last week announced [A\\$35 million in funding](#) for an Adelaide fibre network alternative if he is reelected in March 2018.

The plan was warmly welcomed by Mighty Kingdom, an app and games developer who told the [ABC](#), “I don’t have what I need to get me to the rest of the world.”

This follows news [announced last year](#) that Adelaide City Council is working with TPG to deliver an NBN-alternative broadband service to local businesses. The service promises fibre internet up to 100 times faster than the NBN, at lower prices, and with no installation costs for city businesses or organisations.

Lord Mayor Martin Haese [said](#) :

This technology will be a game changer for the city of Adelaide. It will be a boom for local businesses and other organisations, but will also attract business from interstate and across the globe.

Read more: [**The NBN: how a national infrastructure dream fell short**](#)

NBN alternatives for Melbourne homes and businesses

Meanwhile two aggressive startups in the Melbourne market are hoping to take a serious bite from NBN’s lunch.

Lightening Broadband is connecting homes and businesses using microwave links capable of

NBN faces irrelevance in cities as competitors build faster, cheaper alternatives

Written by Allan Asher, Visitor, Regulatory Institutions Network (RegNet) & Chair of Foundation for Effective Markets and Governance, Australian National University

[delivering both 100 Mbps download and upload speeds](#)

. That's better than the comparable NBN Tier 100, which offers

[90 Mbps download and 30 Mbps upload speeds](#)

.
The company is [constructing microwave transmitters on tall buildings](#), connected to the telco's core network using microwave links. Customers within a two-kilometre radius share a microwave transmitter, requiring a dish on their roof.

Another telco start-up, DGtek is offering its customers a full fibre alternative service.

Upon its launch in 2016, DGtek's founder David Klizhov [said](#) :

"Ideally the NBN would have worked if it was fibre to the home, but it's taken quite a lot of time and we thought that we could have a go at the Australian market using technology that's been implemented already overseas."

DGtek uses Gigabit Passive Optical Networks (GPON) and runs it directly into tightly packed homes with the dense population of inner Melbourne. As a sweetener, DGtek offers [free internet service to government organisations](#) – such as schools and hospitals – in areas they service.

The threat from 5G and other new technologies

New entrant competition is not the only threat to NBN Co. Optus and Telstra are both launching 5G services in 2019. This represents a quantum leap in wireless technology that could win away millions of current and potential NBN customers.

While Vodafone CEO Inaki Berroeta [has said](#) that 5G is unlikely to replace the NBN in Australian homes, Optus Managing Director of Networks Dennis Wong recently [told](#)

NBN faces irrelevance in cities as competitors build faster, cheaper alternatives

Written by Allan Asher, Visitor, Regulatory Institutions Network (RegNet) & Chair of Foundation for Effective Markets and Governance, Australian National University

BIT Magazine:

Everyone has heard of concepts like self-driving cars, smart homes, AI and virtual reality, however their full potential will require a fast and reliable network to deliver. Seeing 5G data speeds through our trial that are up to 15 times faster than current technologies allows us to show the potential of this transformative technology to support a new eco-system of connected devices in the home, the office, the paddock and in the wider community.

Read more: [**5G will be a convenient but expensive alternative to the NBN**](#)

5G is not the only technological game changer facing the NBN. iiNet in Canberra has launched its [Very-high-bit-rate Digital Subscriber Line \(VDSL2\)](#) as its own superfast network.

According to iiNet, it is made up of fibre and copper and provides a faster connection than ADSL and most NBN plans. The network is independent from Telstra and differs to NBN in that iiNet's VDSL2 network uses its own copper lines.

Levelling the field for smaller players

The huge capital requirements of rolling out telecoms infrastructure has always acted to deter more competition in the Australian market. But following a [regulatory decision of the ACCC](#) in 2017, smaller entrants can now enjoy cost-based access to some of the largest networks – including Telstra, TPG and Opticom – allowing them to better compete both with the big telcos, and with the NBN.

By providing access to superfast broadband access service (SBAS) and the local bitstream access service (LBAS), new entrants will be able to sell NBN-like fixed line superfast broadband wholesale.

NBN faces irrelevance in cities as competitors build faster, cheaper alternatives

Written by Allan Asher, Visitor, Regulatory Institutions Network (RegNet) & Chair of Foundation for Effective Markets and Governance, Australian National University

So where to for the NBN?

Today the government released a [working paper](#) forecasting that demand for bandwidth will double for households with high internet usage over the next decade. The report also suggests that the NBN is equipped to meet those needs.

However, cost, technology and customer service problems continue to threaten the commercial success of the NBN. Without a radical rethink, it is doomed to fail its initial mission.

Allan Asher is affiliated with ACCESS2 Effective Markets and Governance and REGNET

Authors: Allan Asher, Visitor, Regulatory Institutions Network (RegNet) & Chair of Foundation for Effective Markets and Governance, Australian National University

Read more <http://theconversation.com/nbn-faces-irrelevance-in-cities-as-competitors-build-faster-cheaper-alternatives-92275>