



# Australia's Broadband Drought

## Bridging the Digital Divide to Achieve Sustainable Development

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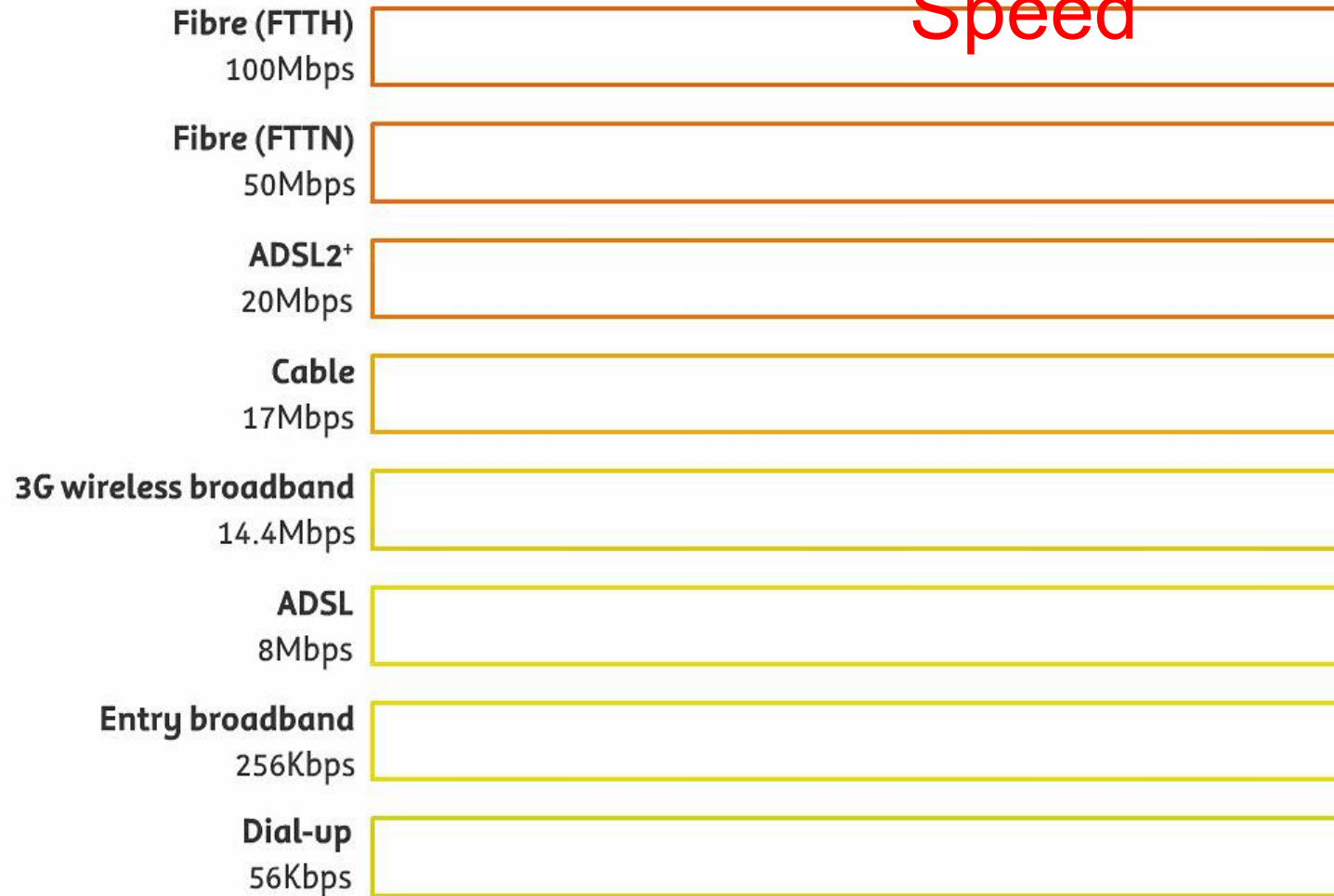
2 May, 2007

Public Relations & Corporate Communications Summit 2007





# Need for Speed



All speeds are maximum advertised speeds except "Entry broadband"

Comparison based on transmission of 10 megabytes at peak network speeds, except "Entry broadband". Actual customer download speeds will depend on a range of factors, including customer device, plan, number of customers and distance.





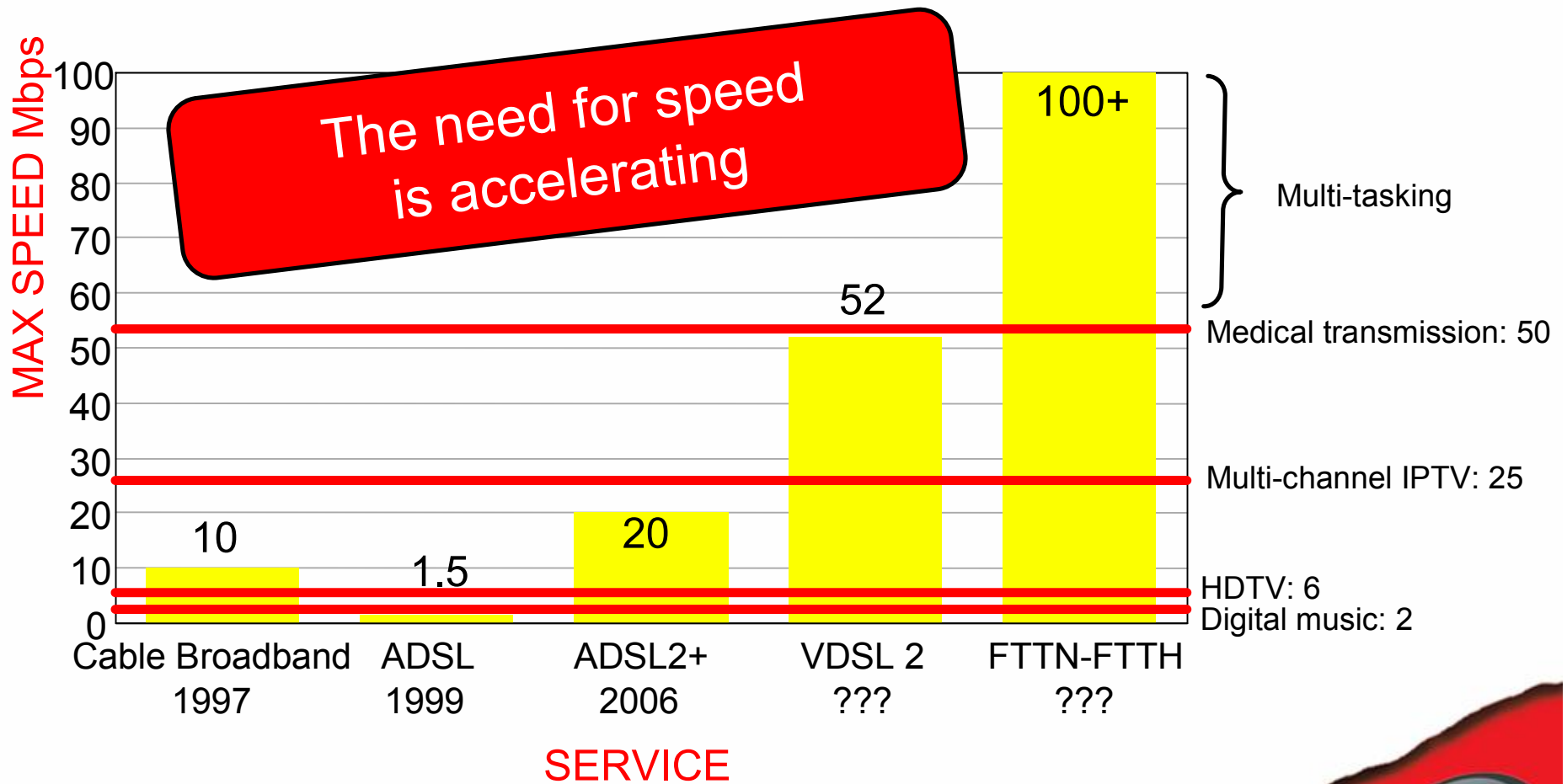
## History of speed in Australia

Service	Max. Speed	Launch
Morse Code	10bps	1870s
Telegrams	50bps	1940s
Telex	50bps	1950s
Fax	9.6Kbps	1985
ISDN	128Kbps	1989
Dial-up Internet	56Kbps	1993
Cable Broadband	10Mbps	1997
ADSL	1.5Mbps	1999
ADSL2+	20Mbps	2005
FTTN – FTTH	100Mbps	???





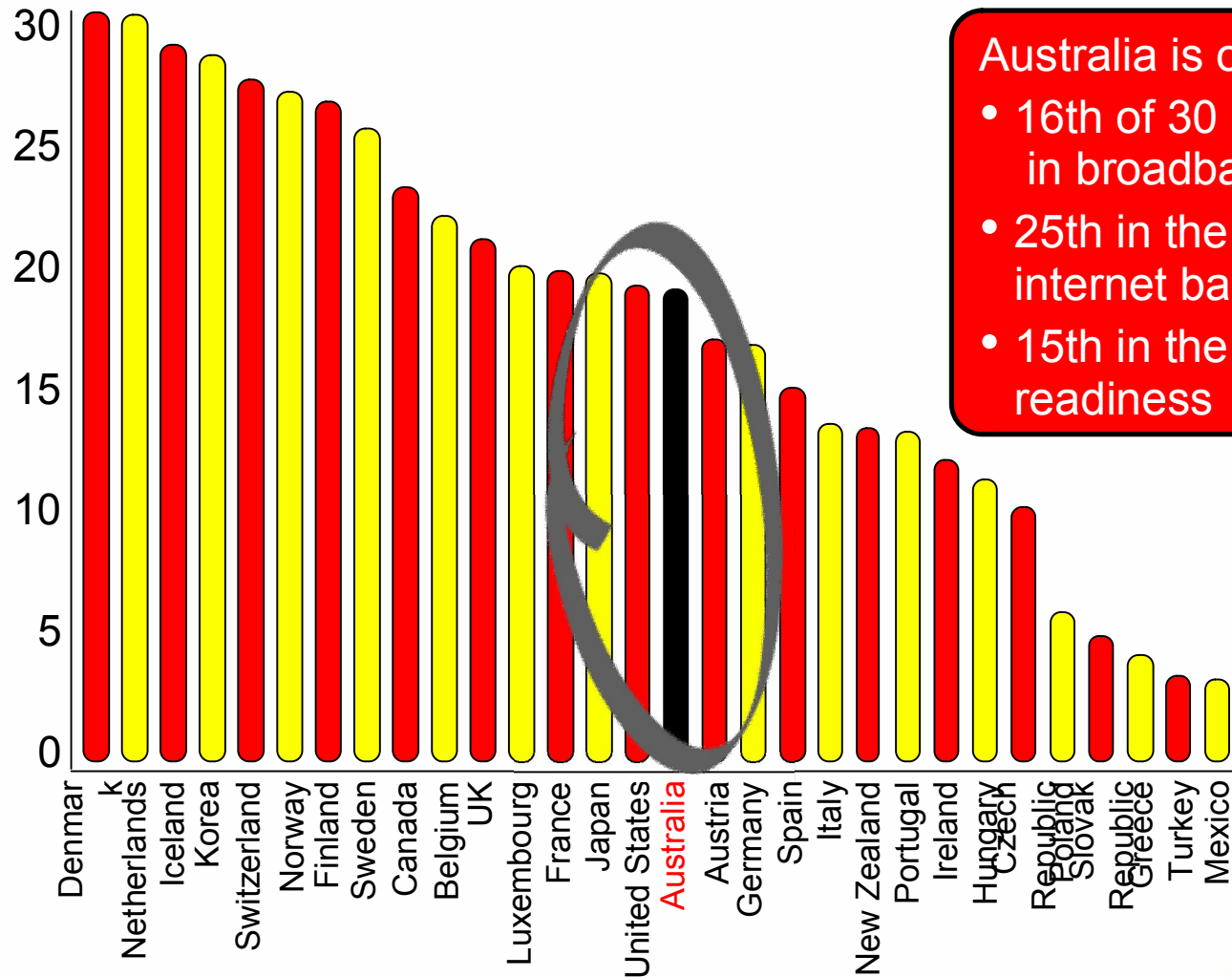
# Australia's broadband drought





# Lagging in broadband penetration

Broadband subscribers per 100 inhabitants, December 2006



Australia is only 16th!

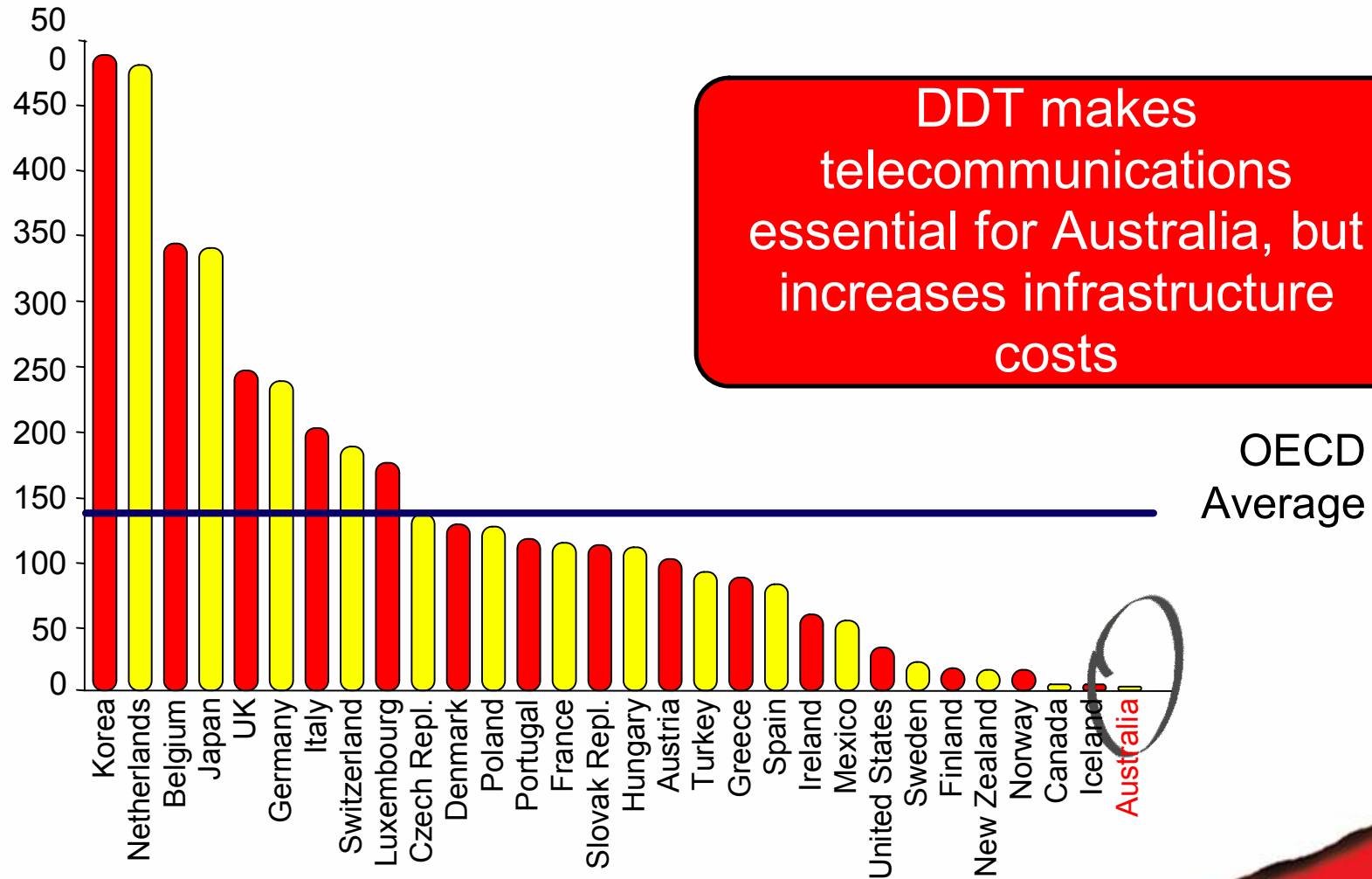
- 16th of 30 developed countries in broadband penetration
- 25th in the world in available internet bandwidth
- 15th in the world in networked readiness





# Distance, Density and Terrain (DDT)

Persons per square kilometre





# Competitive ADSL coverage

	% Metro competitor coverage	% Rural competitor coverage
Queensland	67%	6%
New South Wales	11%	1%
Victoria	3%	3%
South Australia	1%	1%
Western Australia	0%	0%
ACT	n/a	72%
Tasmania	n/a	4%

Other than Telstra, most competitive DSL investment is localised to low cost, high population areas

82% metro over-build

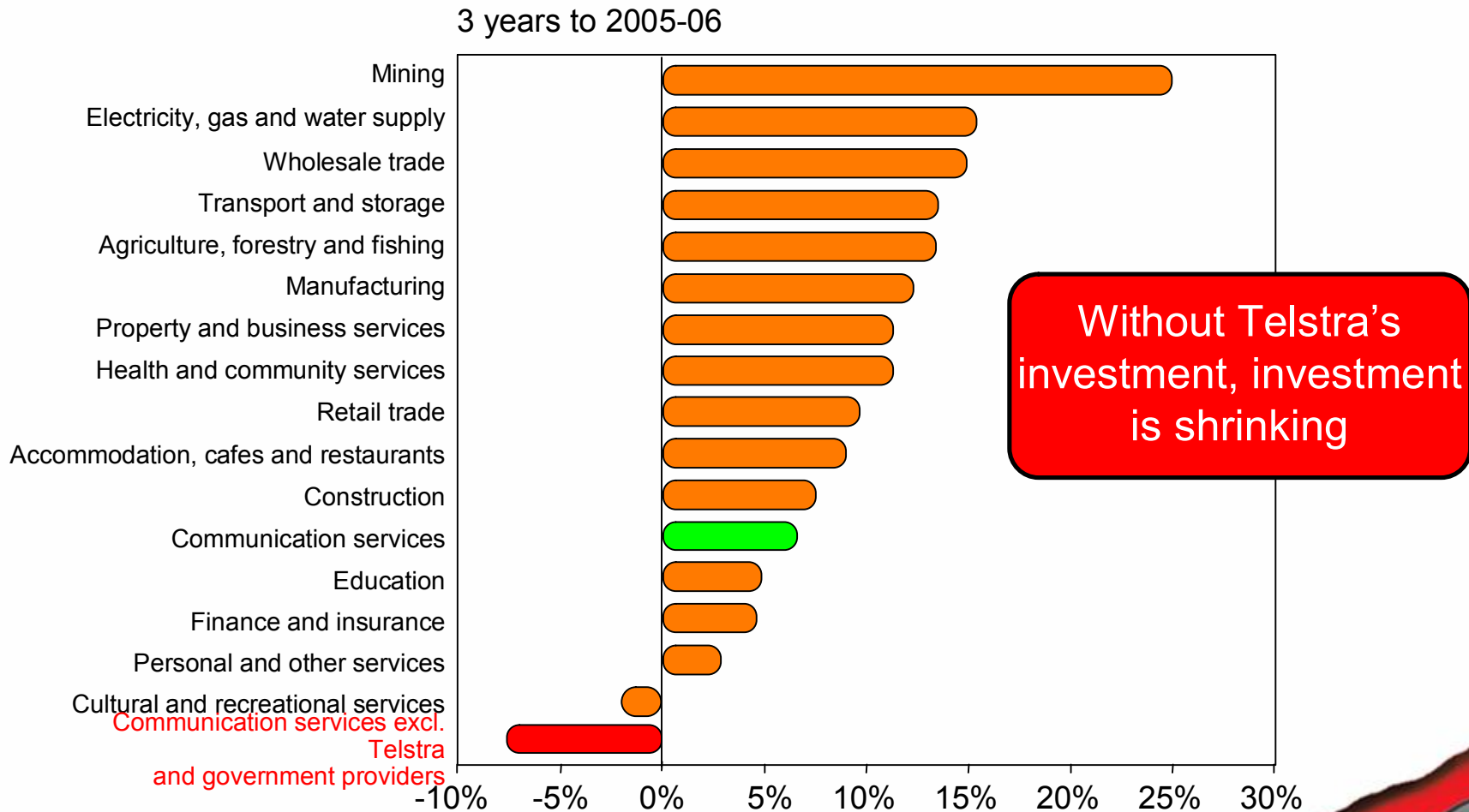
Only 4% competitor infrastructure coverage in the bush





# Investment growth by industry

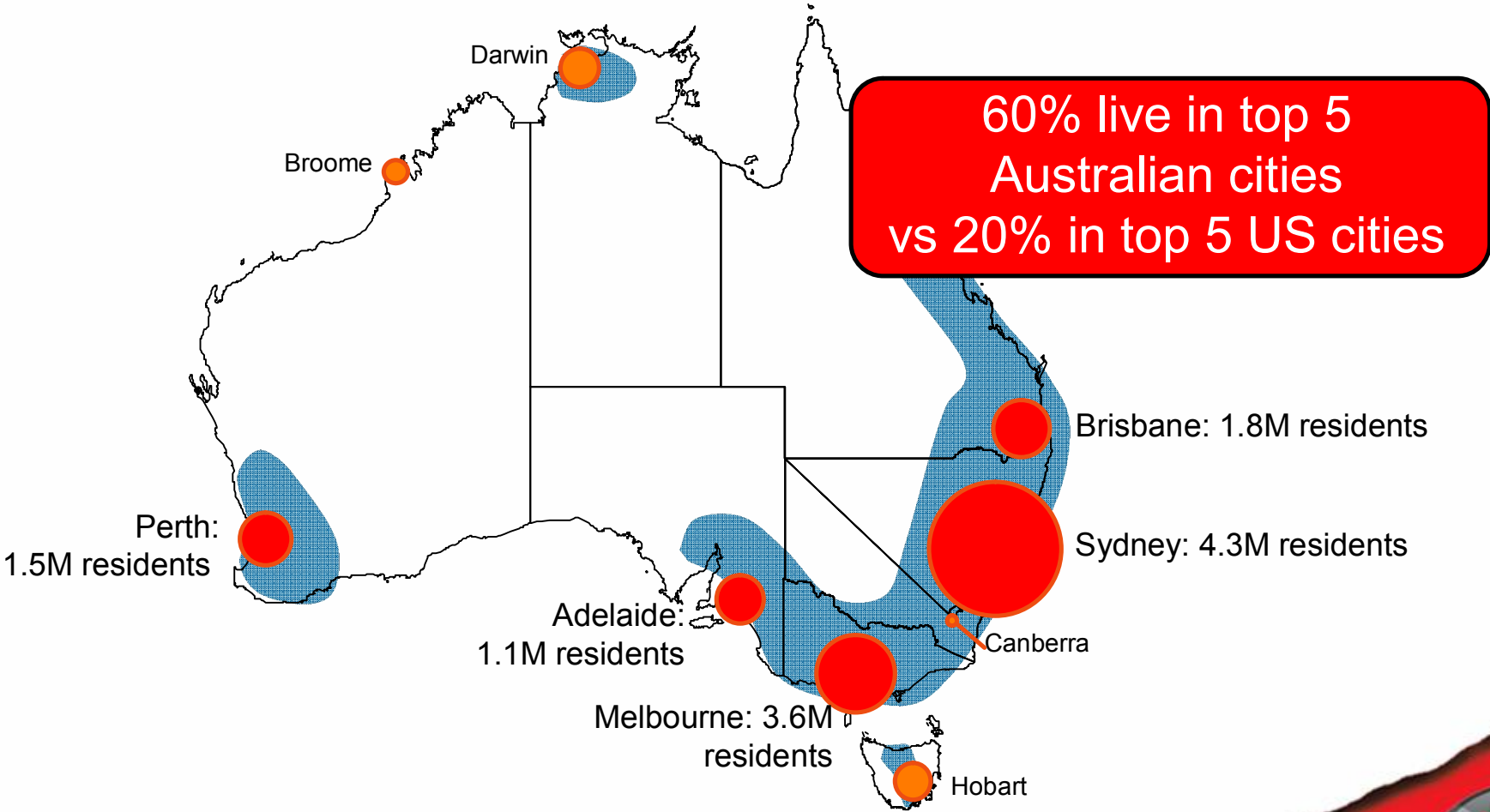
## “The ACCC hockey stick”





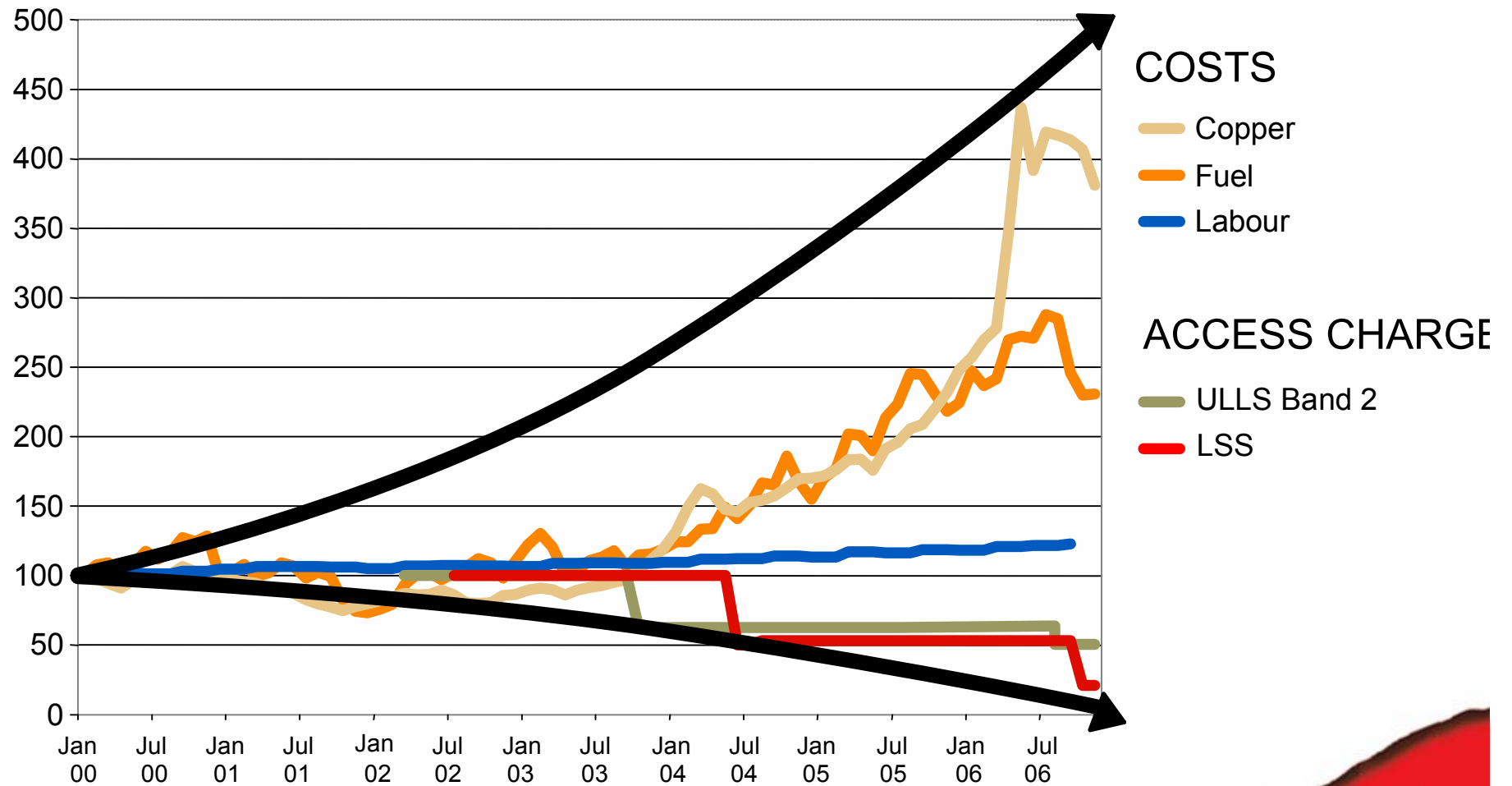
# Population is concentrated in 5 cities

20.7M residents





# Australia: falling access charges vs rising costs

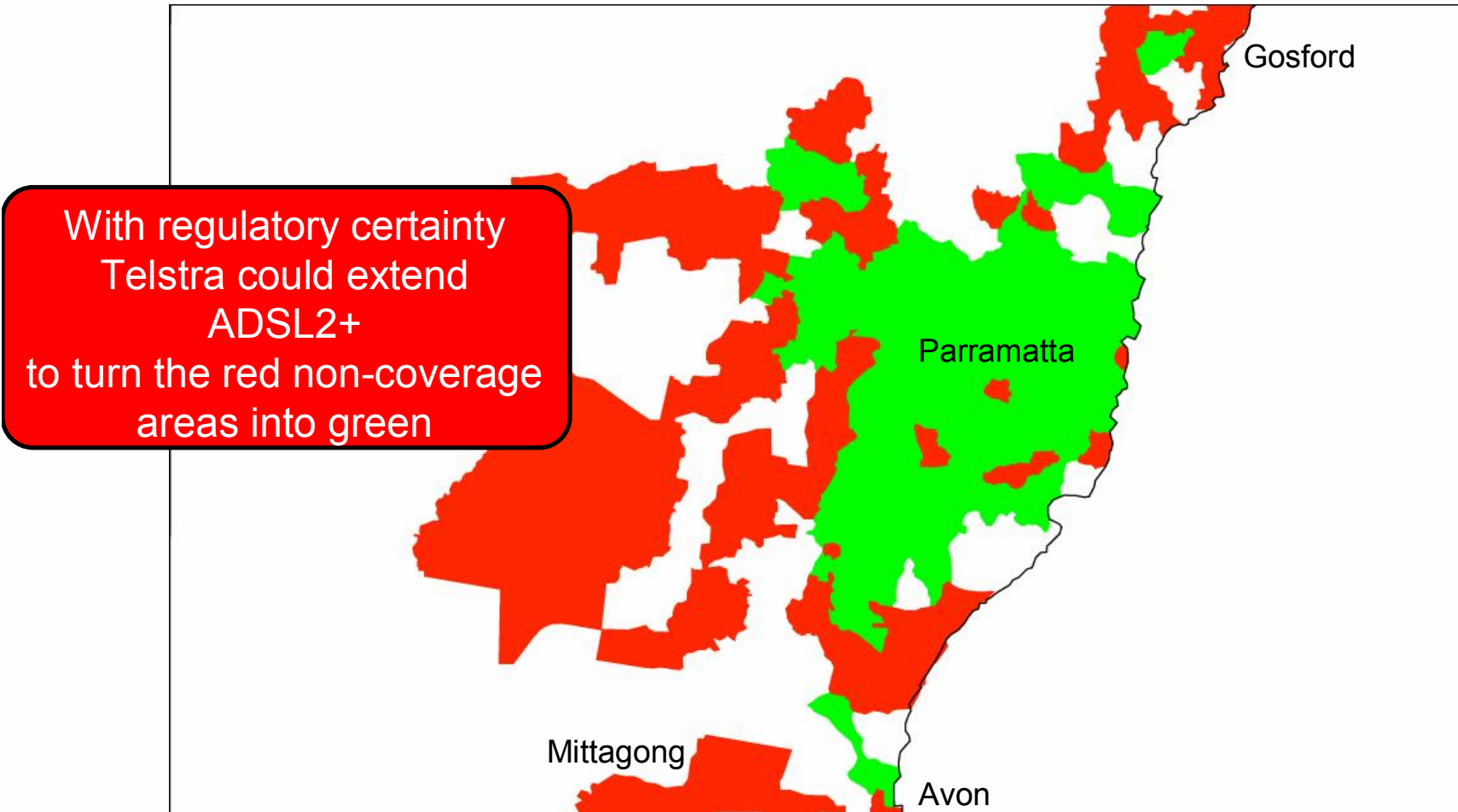


Note: Data standardised to earliest period, set at 100



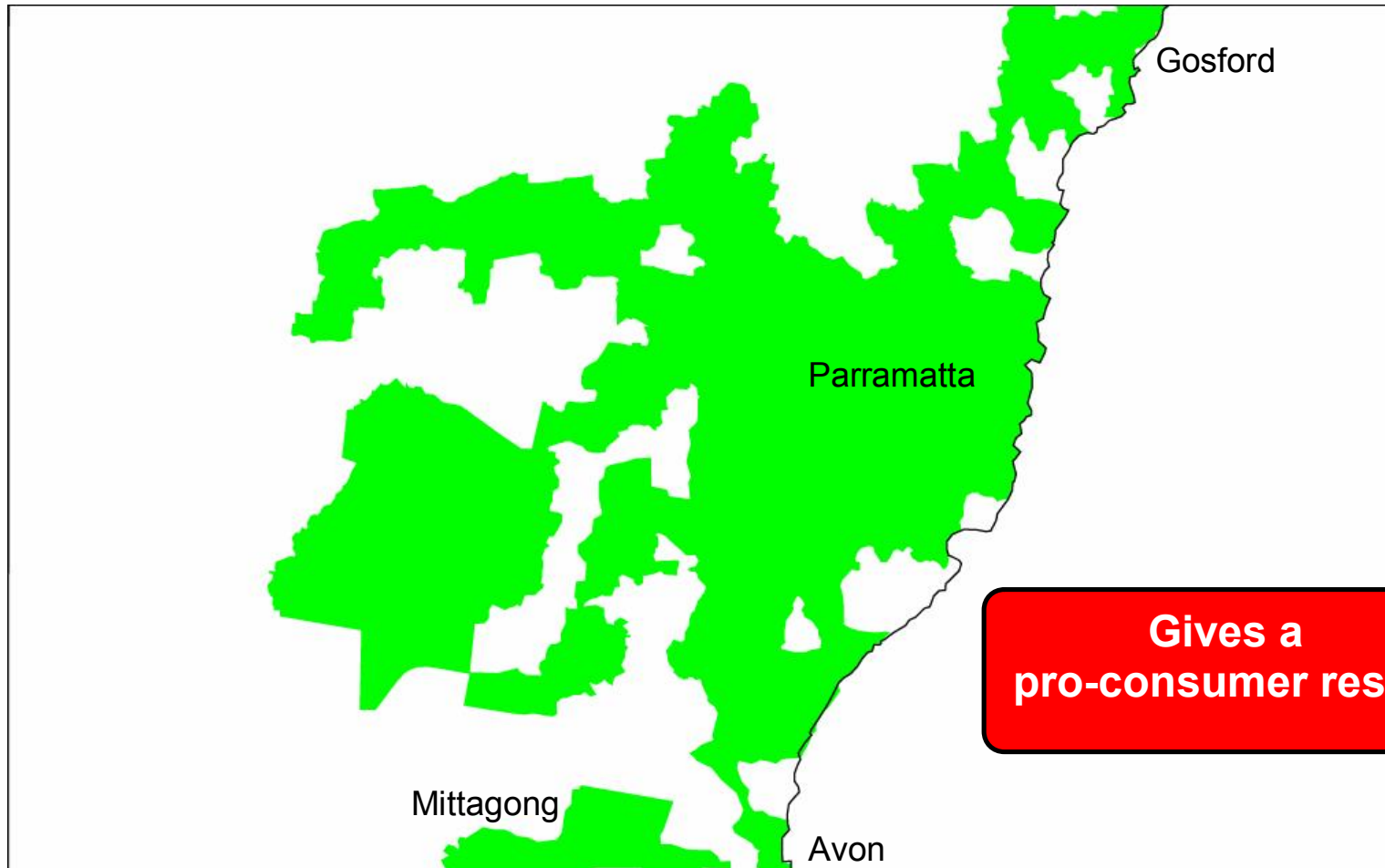


## Removing regulatory barriers to ADSL2+ - Sydney



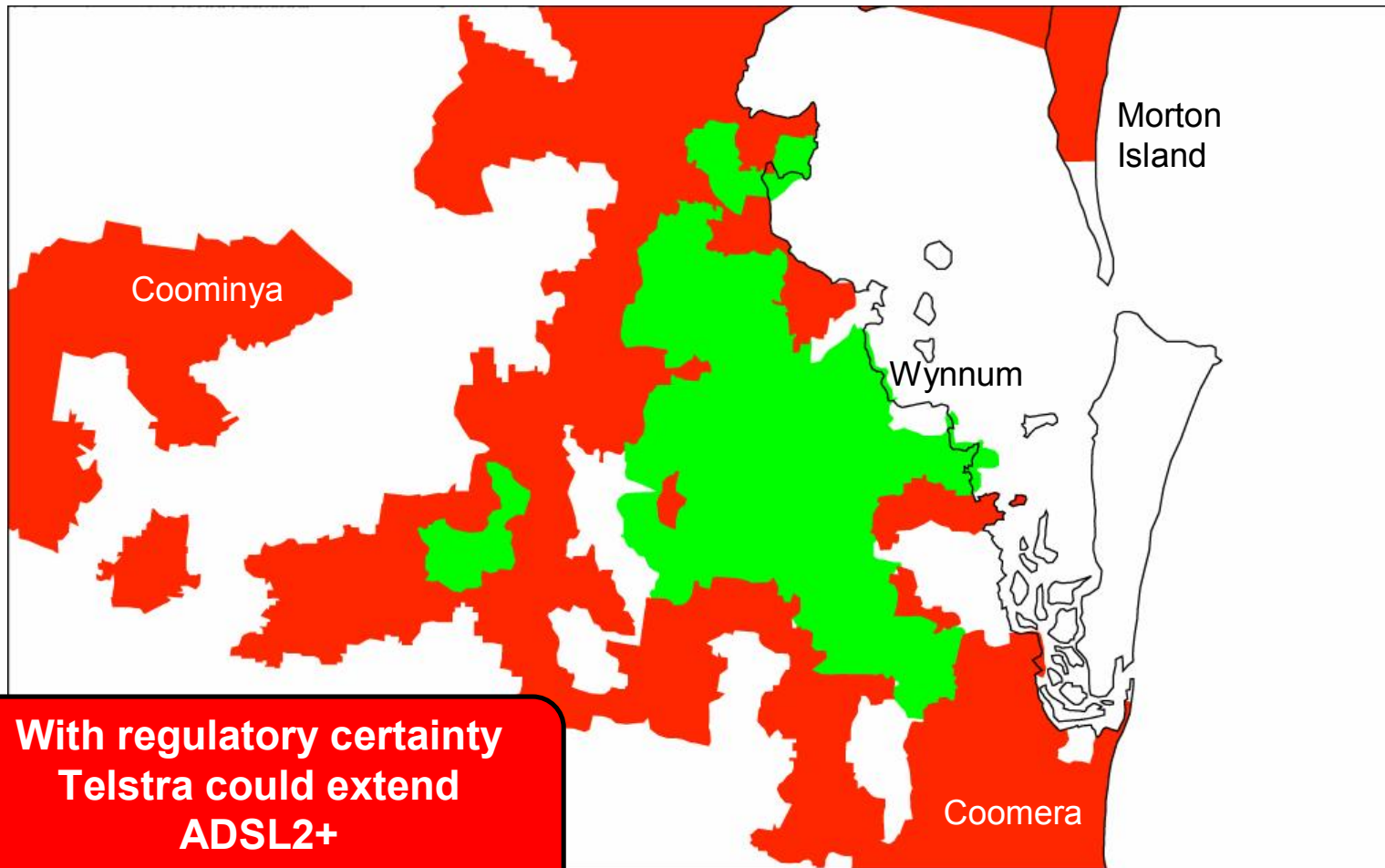


## Removing regulatory barriers to ADSL2+ - Sydney





## Removing regulatory barriers to ADSL2+ - Brisbane

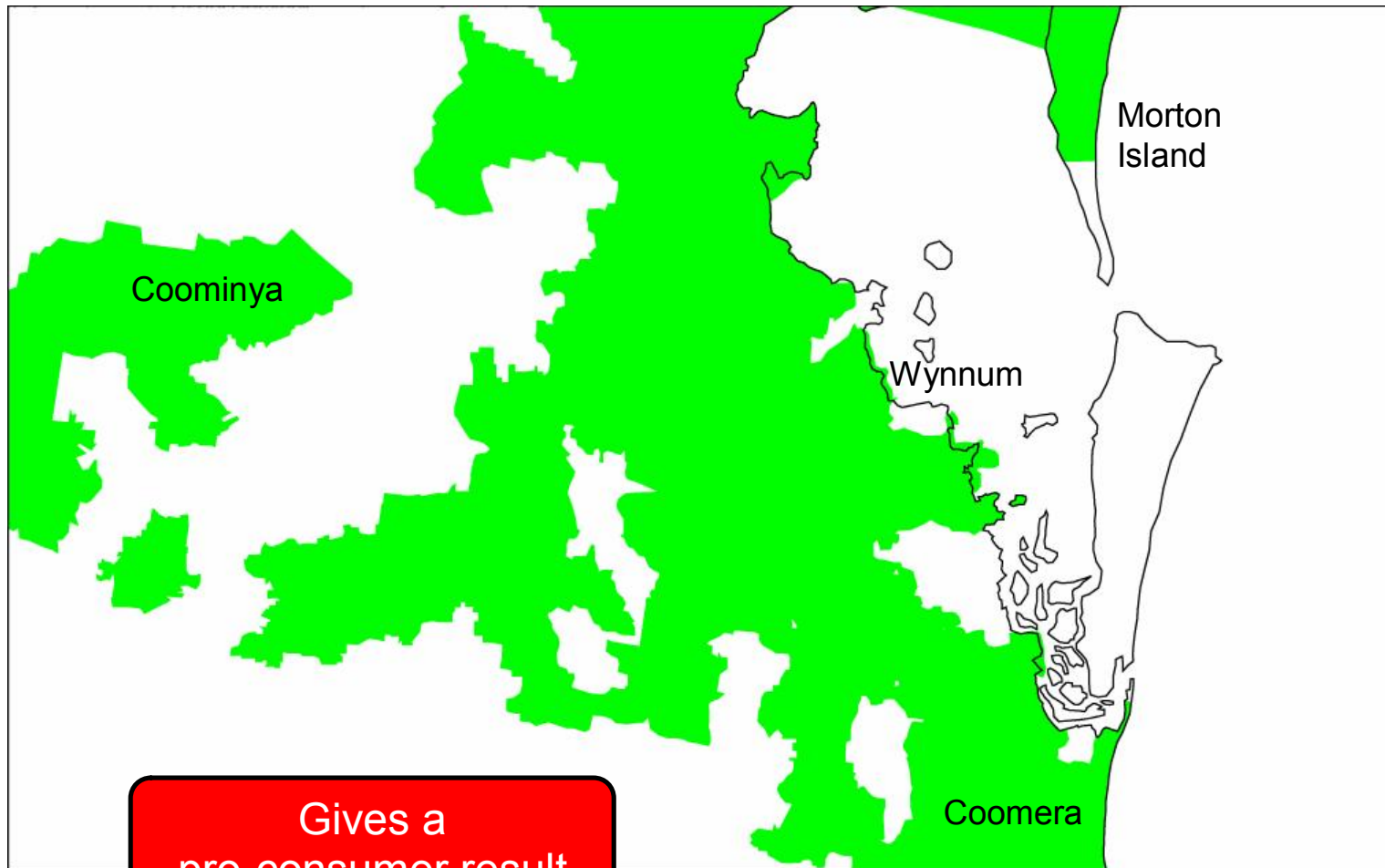


**With regulatory certainty  
Telstra could extend  
ADSL2+  
to turn the red non-coverage  
areas into green**



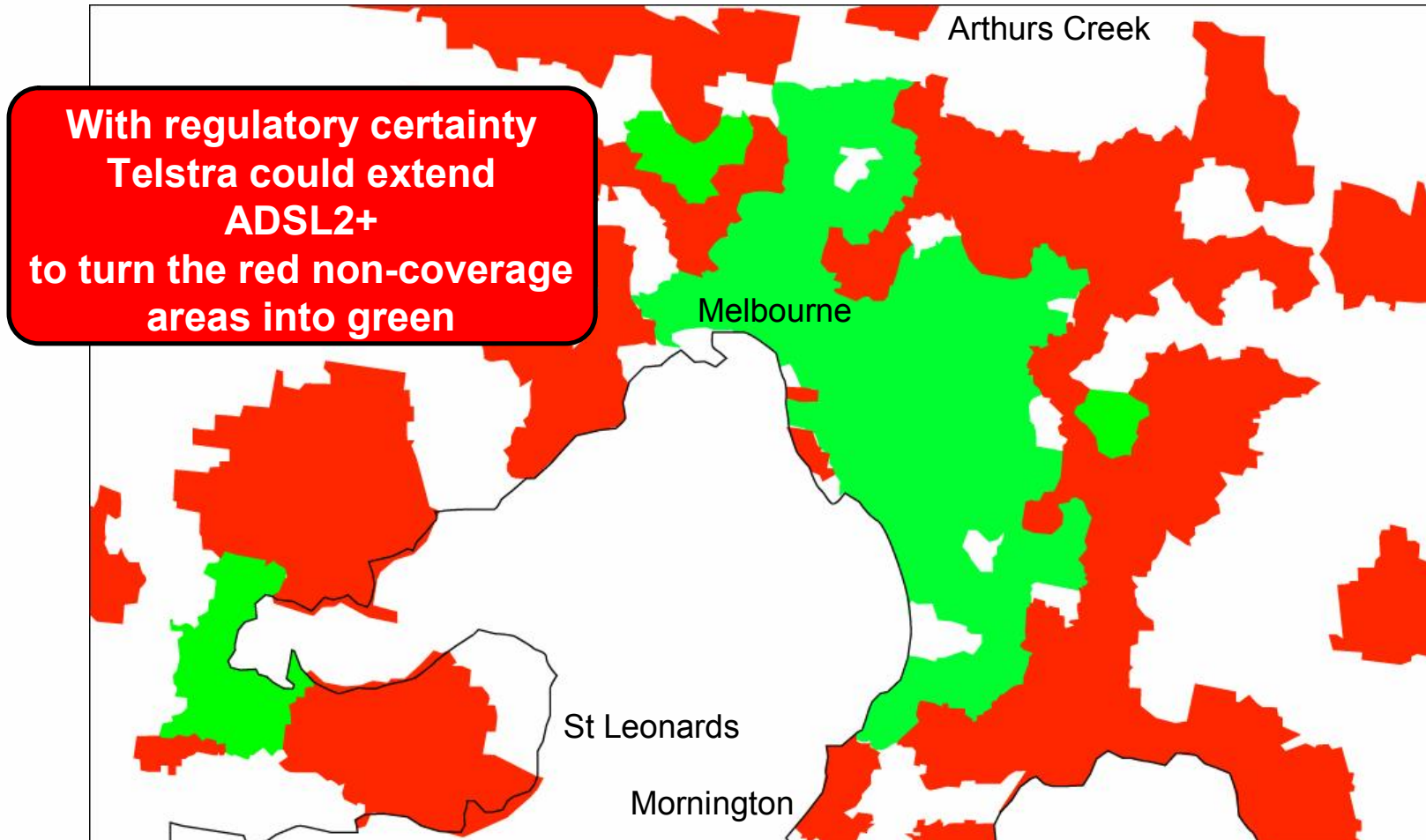


## Removing regulatory barriers to ADSL2+ - Brisbane



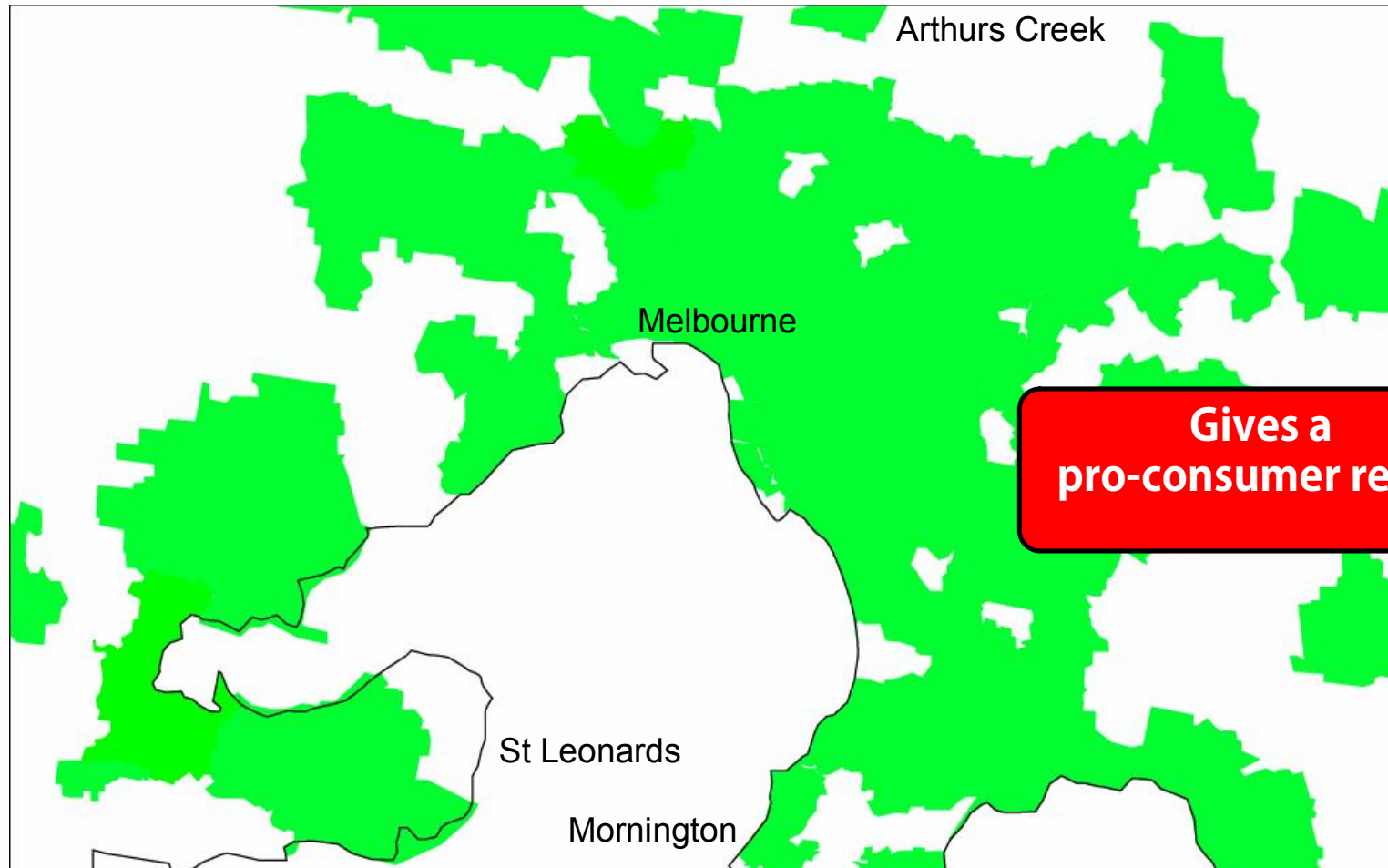


## Removing regulatory barriers to ADSL2+ - Melbourne





## Removing regulatory barriers to ADSL2+ - Melbourne





## Broadband use increasing - need for speed

Total broadband connections up 117% in 18 months

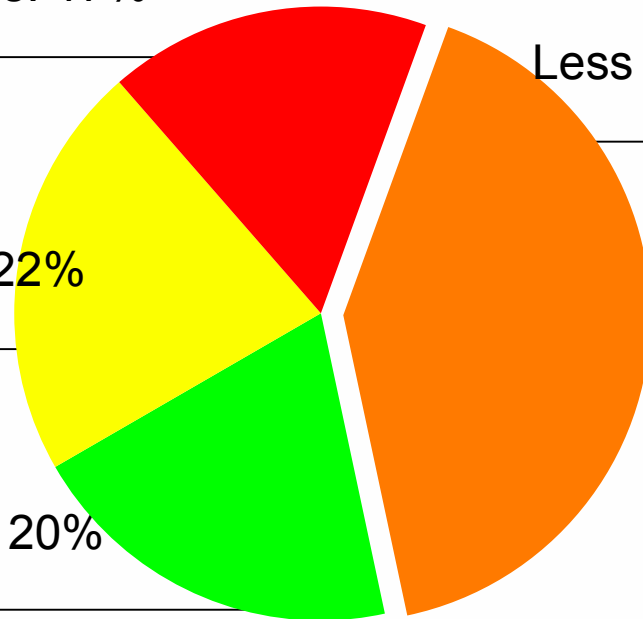
Total connections using speeds greater than 1.5Mbps up from 10% to 17%

Greater than 1.5Mbps: 17%  
1.1 million connections

Less than 256Kbps (dial up): 41%  
2.8 million connections

512Kbps - 1.5Mbps: 22%  
1.5 million connections

256Kbps - 512Kbps: 20%  
1.3 million connections



Total broadband  
connections =  
3.9M





# Anatomy of Australian business

## Medium sized businesses

20-199 employees: **4%**  
78,000 businesses

## Large businesses

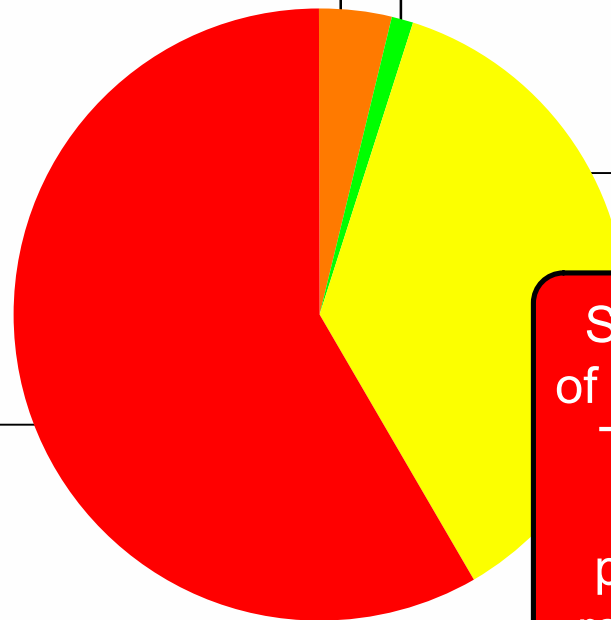
200+ employees: **less than 1%**  
570 businesses

## Small businesses

1-19 employees: **37%**  
700,000 businesses

## Sole traders:

0 employees: **59%**  
1.2M businesses



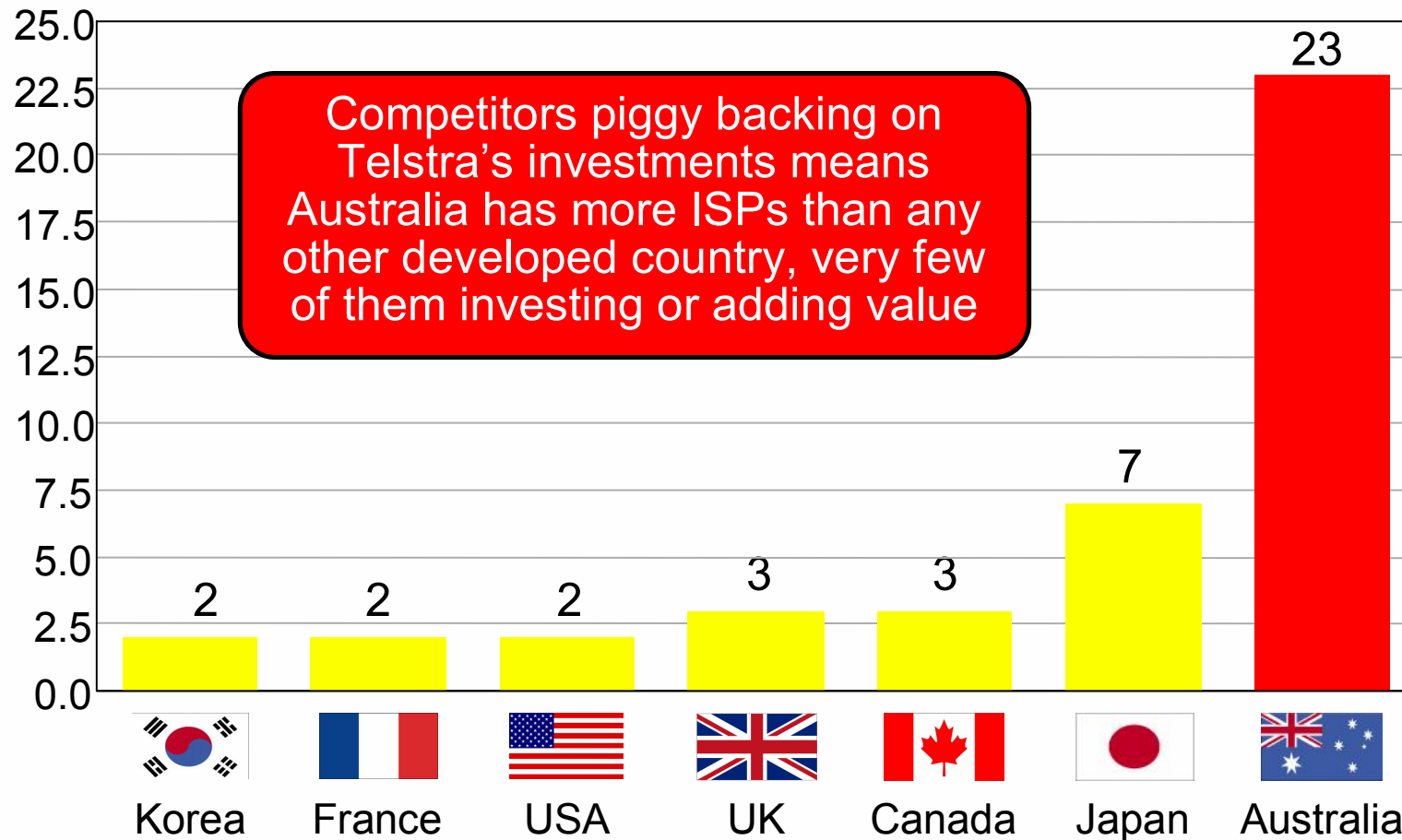
SMEs are the backbone of the Australian economy. They depend on public infrastructure. Their productivity and growth requires fast and reliable telecommunications services

Total businesses = approx. 1.9M





# Internet Service Providers per million people





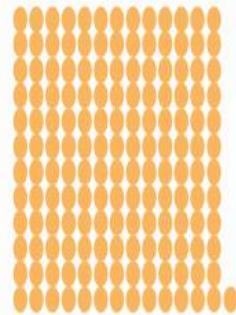
# Competition is alive and well

1992

●● 2 carriers

●●● 3 mobile operators

2006



157 carriers



4 mobile operators



23 mobile resellers



467 Internet Service Providers





# Broadband Australia Campaign BACK Telstra

## YOU CAN . . .

Help by doing any of the following:

1. Register as a Telstra Active Supporter at [www.nowweareretalking.com.au](http://www.nowweareretalking.com.au)
2. Talk to family, friends and colleagues
3. Contact your local Federal MP
4. Contact the ACCC
5. Organise a community meeting
6. Set up a local supporters group
7. Write letters to the editor of newspapers
8. Ring talkback radio
9. Involve influential community members
10. Visit

[nowweareretalking.com.au](http://nowweareretalking.com.au)

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Get active

**BACK Telstra**  
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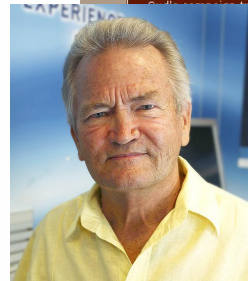
19 February 2007 NEWSLETTER No.1

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- [Get online with Telstra Active Supporters](#)
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- [Reads of the week](#)

**It starts here**

Thanks for signing up as a Telstra Active Supporter.





# SPEED MATTERS FOR AUSTRALIA!



**So GET ACTIVE!**  
To find out more, visit:

**[www.nowwearetalking.com.au](http://www.nowwearetalking.com.au)**

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