

# Infrastructure, Innovation and Investment

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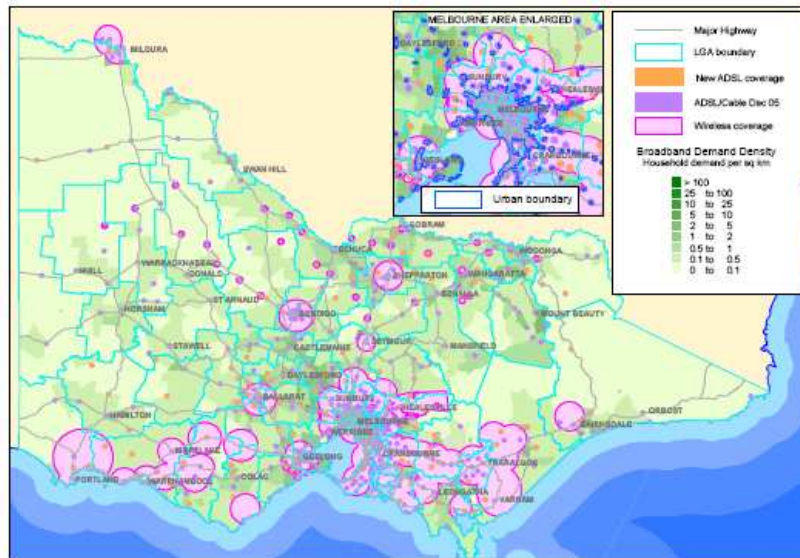


# Introduction

- Broadband state of play – and the recent history (with a focus on Victoria)
- Next Generation Networks
- Infrastructure investment challenges
- Potential and emerging responses

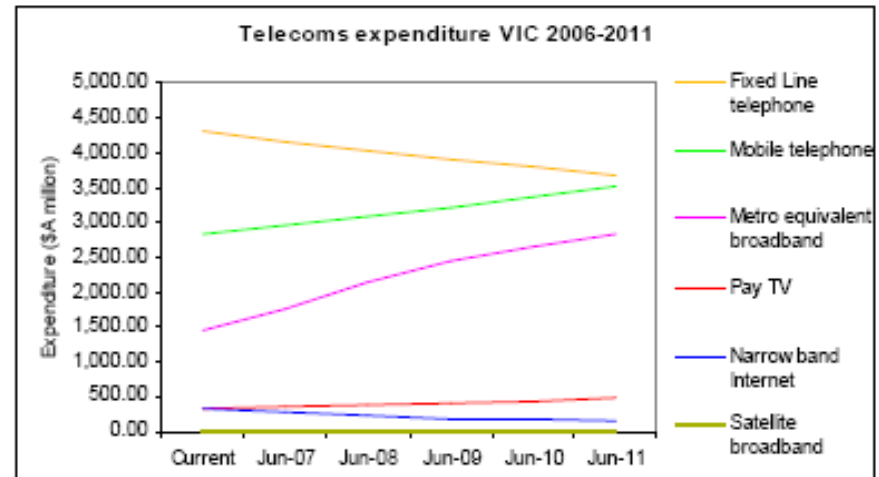
# Entry level broadband - access and expenditure in Victoria

Access to ADSL/cable Broadband



94% access to terrestrial ADSL or cable/wireless equivalent broadband (83% regionally)

Telecoms Expenditure VIC 2006-2011



Broadband expenditure is predicted to increase almost 100% from 2006 -2011

# Next Generation Networks

- Next Generation Networks (NGNs) vision:
- high quality (symmetric) high speed (such as Fibre to the Premises)
- ubiquitous
- converged, Internet protocol (IP)
- open access

## Problems in the broadband market: The NGN policy challenge

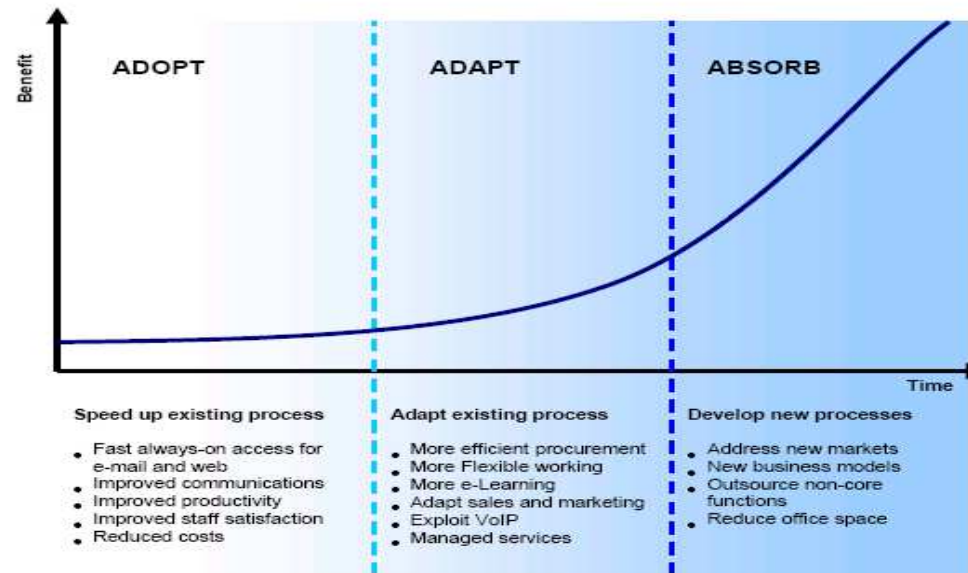
- Despite strong residential broadband uptake we are lagging international peers in service offerings – Australia ranks 26<sup>th</sup> in the OECD for average broadband speed.
- The problems in our broadband marketplace:
  - Capital accumulation around new fixed fibre infrastructure: fibre to the node (FTTN) and or premises (FTTP) given the copper legacy
  - The lack of established business models
  - Tension between investment and competition
  - Regulation focussed on PSTN, not NGN
  - Infrastructure gaps in regional areas

# Potential and emerging responses

- Aurora FTTH project
- International FTTH initiatives - Singapore, Amsterdam
- Australian examples – The National Broadband Network, OPEL, Project Vista

# Last thing: Realising the benefits...beyond access to NGN, absorption is a key issue!

Phases in Adoption



- Moving from adaptation to absorption
  - Discovering the most effective ways to use broadband
  - Connectivity is only one of the '10 bags of money'