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Speech notes

Western Region Telecommunications Forum, Taylors Lakes

*****Check against delivery*****

Thank you for inviting me to speak this morning.

May I start by congratulating LeadWest for its advocacy on behalf of the western suburbs of Melbourne.

- This is the fastest growing region in Melbourne (650,000 to 850,000 in 2030) and one of the fastest growing in Australia (Melton and Wyndham Shires)
- It is a region that historically has not received the recognition or the services it needs and deserves
 - Traditional reliance on jobs in inner Melb
 - Lower tertiary education levels
 - Manufacturing rather than knowledge based economy
- Infrastructure is critical and rightly at the heart of LeadWest's agenda (transport, education, communications)
- LeadWest is a truly representative, local organisation
 - The five local western suburbs councils are represented
 - Local businesses and academics are represented
 - It is a real coup to snare Ralph Willis as Chairman – and congratulations Ralph on your commitment to this area
 - I know that LeadWest's CEO Anton Mayer has a wealth of experience in economic, social and environmental issuesand
 - One could not find a region so strongly represented at the Federal and State political level, with names like Gillard, Roxon, Shorten, Brumby, Hulls, Pallas and Madden.....and a fact I only found out recently
 - When Stephen Conroy moved to Victoria in 1987, he mainly lived in the western suburbs of Melbourne. He was elected to the Footscray Council in 1993, just before Jeff Kennett abolished local councils
- Telstra has a longstanding commitment to Western Melbourne
 - Today we are represented by Pat O'Beirne (GM of our Melbourne team) and Paul Crisp (our Vic CAM)
 - Last financial year, we invested \$22m in new infrastructure in the region, doubling the investment of the previous year
 - 28 of the 30 local exchanges have ADSL and 26 of 30 have ADSL2+
 - There are over 100 Next G™ base stations in the west of Melbourne, providing wireless broadband coverage

- And last week, we announced new BigPond Wireless Broadband plans, including a \$29.95 entry level plan (200Megabytes), increased download limits and shaping of data once the limits are reached to guard against unexpected high bills
- I am keenly aware that the citizens and businesses who are in ADSL blackspots want better broadband
 - Next G wireless broadband is an option
 - And where there is a business case, we are further improving fixed broadband services
 - In September, we upgraded over 200 households across Point Cook, Werribee, Manor Lakes, Sunshine, St Albans, Hillside, Somerton and Melton
 - In Jan, we added 270 ports at Point Cook exchange
 - In March, we added 96 ports at Caroline Springs
 - And in April, 96 additional ports at Melton
- In new building estates, fibre to the home is also an option
 - Telstra Velocity is an FTTH commercial solution that is being offered to developers
 - At Eynesbury in Melton Shire – our first Velocity project in western Melbourne will ultimately have 3,000 connections
 - At Saltwater Coast at Point Cook – we are installing 3,000 Velocity lots over the next 10 years (including 300 lots by Aug 09)
 - At Sanctuary Lakes, we have agreement with Links Living to upgrade the copper to deliver ADSL to 1,000 residents and provide FTTH for the remaining 850 residents
- And the lasting solution is a world-class National Broadband Network, which will render obsolete the distance and capacity limitations of ADSL

Today's Western Region Telecommunications Forum is very timely

- Broadband has finally become a mainstream issue and is seen as critical infrastructure
 - As the flyer for today's Forum accurately states:
 - *“LeadWest firmly believes that broadband infrastructure is critical to the future prosperity not only of our western region but of Australia as a whole. This infrastructure underpins efficiencies, improvement and successes in all sectors including health, education, security, transport, tourism, finance, community development as well as being crucial for large, small and home businesses.”*
 - And as Prime Minister Rudd has said, broadband is the great enabling technology
 - Broadband is an economic enabler; a social enabler; a community enabler; and an environmental enabler
 - Broadband is the also great “levelling” technology – it “levels the playing field”, particularly for communities that have not traditionally been seen as places to do business.

- It provides a level playing field between:
 - large and small businesses;
 - between traditional business hubs and growing regions;
 - between sandstone universities and their regional counterparts;
 - between city and country schools; and
 - in providing truly universal health care
- For too long, telecommunications has not been seen as critical infrastructure, like roads, rail lines, ports, electricity grids and gas pipelines
 - Report after report on Australia's infrastructure needs under the previous federal government did not even recognise that there was such a beast as broadband
- Thankfully, this has changed
 - Telstra led this push with its Broadband Australia Campaign in 2006 and 2007
 - But broadband was given its biggest kick-along in April 2007 when the now Minister Conroy committed the ALP to a National Broadband Network providing speeds of at least 12Mbps to 98% of the population
 - This promise became an election centrepiece and a major political differentiator between the major parties
- In reality, both Telstra and the politicians were playing catch-up:
 - In the last 7 years, there has been a 90-fold or 9,000% increase in internet traffic
 - You Tube serves 3 billion videos a month eating up more bandwidth than the entire Internet used in 2000
 - More than 1 in 2 Australians have joined an online social network, and
 - About 90% of businesses use the internet
- These trends are undeniable and unstoppable.
- Now for a minute, imagine a world where:
 - Our homes simultaneously use broadband to run home-based businesses, for e-learning, health-care, security and recreation
 - Our small businesses have multi-site, high definition videoconferencing
 - We are watching high definition and multichannel TV over the internet
 - We are searching 3D websites for real estate
 - We are using all our senses to interact with computers - what Bill Gates calls the Natural User Interface – we can touch and feel and even smell as well as see virtual objects
 - We are providing high resolution, virtual health diagnosis to the most remote communities in Australia
 - We are using remote video and sensory devices to monitor the aged and the infirmed in their homes

- Students are uploading and downloading high quality video education materials, collaborating in real time and accessing the world's best educational institutions
- Companies are running world scale mine sites remotely
- We are helping the environment by reducing the need for travel through tele-commuting, tele-working and HD video conferencing, through intelligent transport systems, through network enabled logistics, and through highly efficient energy and water monitoring and management
- All these applications exist today. They are just the tip of the iceberg in terms of the future.
 - A future limited only by mankind's ingenuity and, critically, the availability of the necessary bandwidth to deliver them
- With current distance-limited, copper based systems like ADSL and ADSL2+, only about half of the potential users are close enough to the exchange to get the maximum speeds on offer
 - ADSL is a "best endeavours" technology
 - The small print in the contract always says "up to 8Megabits or up to 20 Megabits"
- They are simply incapable of delivering the broadband speeds and enabling the applications that we will be needed for Australia to compete in the 21st century
- Over the next decade, we will think of broadband as we do electricity today
 - It will be taken for granted, as being ubiquitously available in abundant supply to perform a multitude of everyday tasks
- But if we are to move from where we are now to where we need to be
 - then a world-class, upgradable National Broadband Network is essential
- I need to be a tad careful what I say about the National Broadband Network given Telstra is in the middle of a government process and the Minister, who is the ultimate decision-maker is here this morning
 - But I am sure Senator Conroy would agree that a National Broadband Network is essential
 - I am sure he would also agree that Australia needs a lasting, long-term broadband solution rather than more of the temporary band-aids of the last decade
 - And I am sure everyone here this morning would agree that, if Australia is to realise the \$200 million a month economic benefits of high speed broadband
 - Then the National Broadband Network is not only essential but absolutely urgent
 - In fact, I would say that the National Broadband Network is Australia's most important and urgent infrastructure project

- No other project has such a geographic reach
 - No other project has so many and such wide-ranging impacts
 - No other project is as important to Australia's future competitiveness;
 - And no other project can overcome entrenched economic, social and geographic disadvantages like the National Broadband Network
- As I said, I need to be careful what I say about the National Broadband Network
 - However, let me assure you that if it is in the interests of our shareholders, Telstra stands ready to build a world-class National Broadband Network
 - We have done the detailed planning
 - We have secured the financing
 - We have the world's leading Prime vendor
 - We have the skilled workforce
 - We have the proven record, and
 - This is an upgrade of the network that Telstra has built and operated for over a century
- In conclusion, let me congratulate LeadWest again for its leadership in representing the interests of western Melbourne
 - I commend you for picking up the cudgel and making broadband a "front and centre" infrastructure issue
 - I reiterate that Telstra has a strong, ongoing commitment to your region
 - We have a strong presence on the ground
 - We are doing our best to listen to and understand your concerns and to address your issues
 - We continue to invest in your community, and
 - We stand ready to enhance that investment
 - Including by building a world-class National Broadband Network
 - A National Broadband Network that will enable the businesses and families of western Melbourne to fulfil their great potential and to drive forward one of Australia's fastest growing regions
- Thank you for having me.