

**COMPARISON OF AUSTRALIA / INTERNATIONAL
Mobile / Fixed Broadband
PRICES PER GB / MTH
2005 - 2008**

Does Australian Mobile Broadband offer good value?

Date	Price type	Company	Type	Type	Price/Mth	Price/Gb
Feb-05	Low Rate	Optus	Phone b'berry		99	2000
Feb-05	Low Rate	Optus	Phone b'berry	Excess	99	5500
Apr-05	Low Price	Telstra	Phone imode		17	4000
Apr-05	Nil Price	Telstra	Phone imode		0	22000
Sep-06	Nil Price	3	Cas mobile web		0	4000
Nov-06	Low Price	3	mobile web		5	500
Nov-06	Low Price	3	mobile web	Excess	5	100
Nov-06	Low Price	3	mobile web	Roam	5	1650
Nov-06	Low Rate	3	Mobile bb		69	35
Nov-06	Low Rate	3	Mobile bb	Excess	69	100
Nov-06	Low Rate	3	Mobile bb	Roam	69	1650
Jan-07	Low Rate	Unwire	Home bb		90	8
Jan-07	Low Rate	Unwire	Home bb		90	unlimited
Jan-07	Nil Price	Telstra	Cas Mobile bb		0	15000
Oct-07	Low Price	3	mobile web		12	120
Oct-07	Low Price	3	mobile web	Excess	12	100
Oct-07	Low Price	3	mobile web	Roam	12	1650
Jul-08	Low Price	3	mobile web	Excess	5	250
Jul-08	Low Price	3	mobile web		5	100
Jul-08	Low Price	3	mobile web	Roam	5	1650
Jul-08	Low Rate	3	Mobile bb		39	7
Jul-08	Low Rate	3	Mobile bb	Excess	39	100
Jul-08	Low Rate	3	Mobile bb	Roam	39	1650

Note: Lines show price offers over time. | Full data available on request.
Note: Data only included that gives best price per month or per Gb each year.
Note: bb = USB 3G modem, web = internet on mobile phone
Note: All mobile broadband is 3G, except Unwired Wimax.

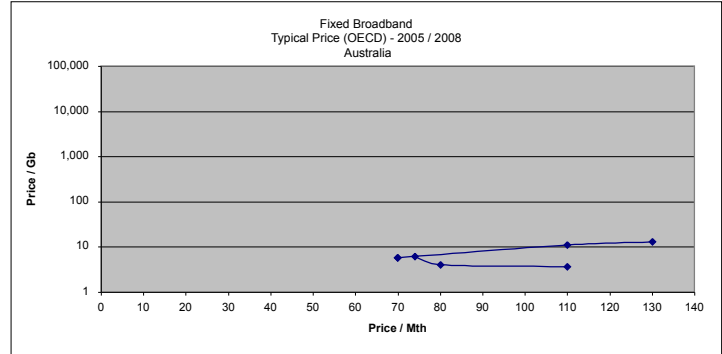
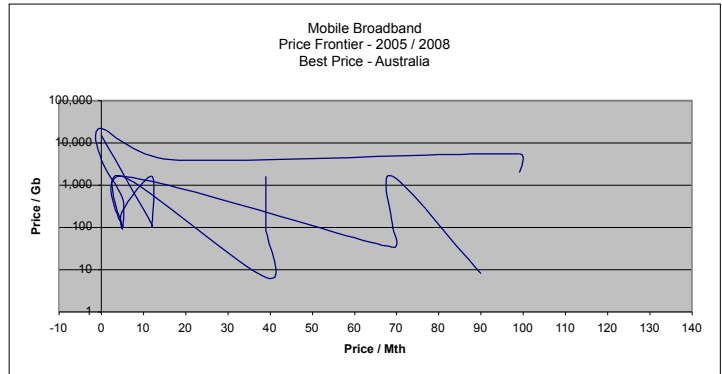
Fixed Broadband - Australia 2005 - 2008

Year	Type	Company	Price/Mth	Price/Gb	MB
2005	ADSL	Bigpond	130	13.00	10000
2006	ADSL	Bigpond	110	11.00	10000
2007	ADSL	Bigpond	70	5.83	12000
2008	ADSL	Bigpond	70	5.83	12000
2005	Cable	Optus			
2006	Cable	Optus	74	6.17	12000
2007	Cable	Optus	80	4.00	20000
2008	Cable	Optus	110	3.67	30000

Source: [OECD Broadband statistics](http://www.oecd.org/sti/ict/broadband) [oecd.org/sti/ict/broadband]

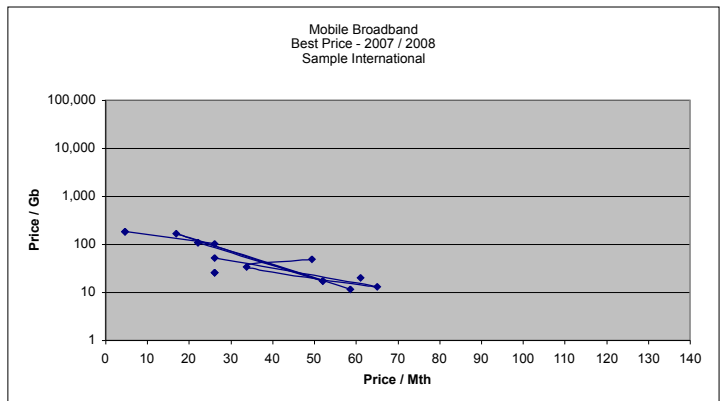
4k. Evolution of a representative broadband subscription over time (2005-2007)

Note: Any excess prices not included in OECD report.



International Mobile Broadband comparison 2007/2008

Date	Price Type	International Type	USD PPP	Price/Mth Est AUD	Price/Gb	MB
1/12/07	Low Price	Netherland Mobile bb	38	49	49	1000
1/12/07	Low Price	Netherland Mobile bb	26	34	34	1000
1/12/07	Low Rate	Spain Mobile bb	50	65	13	5000
1/10/08	Low Price	Canada Mobile bb	20	26	52	500
1/10/08	Low Price	Canada Mobile web	4	5	0	unlimited
1/10/08	Low Rate	Canada Mobile bb	47	61	20	3000
1/10/08	Low Rate	Canada Mobile web	4	5	0	unlimited
1/10/08	Low Price	Finland Mobile bb	8	10	0	unlimited
1/10/08	Low Price	Finland Mobile web	3.5	5	182	25
1/10/08	Low Rate	Finland Mobile bb	8	10	0	unlimited
1/10/08	Low Rate	Finland Mobile web	3.5	5	182	25
1/10/08	Low Price	Netherland Mobile bb	20	26	104	250
1/10/08	Low Price	Netherland Mobile web	10	13	0	unlimited
1/10/08	Low Price	Netherland Mobile bb	20	26	26	1000
1/10/08	Low Price	Netherland Mobile bb	20	26	26	1000
1/10/08	Low Rate	Netherland Mobile bb	64	83	0	unlimited
1/10/08	Low Rate	Netherland Mobile web	10	13	0	unlimited
1/10/08	Low Price	NZ Mobile bb	17	22	111	200
1/10/08	Low Price	NZ Mobile web	17	22	111	200
1/10/08	Low Rate	NZ Mobile bb	40	52	17	3000
1/10/08	Low Rate	NZ Mobile web	40	52	17	3000
1/10/08	Low Price	Spain Mobile web	13	17	169	100
1/10/08	Low Rate	Spain Mobile bb	45	59	12	5000



Source: 2008 OECD Mobile Broadband: Pricing and Services Jun-09 ref JT03267481
Source: 2007 Anacom, Lisbon International comparison of broadband prices (Dec-07)
Online at : <http://www.anacom.pt/template12.jsp?categoryId=260102>

Note: Unlimited plans do not show on Price/Gb scale, since scale does not go to zero.

Conclusion:

Broadband Value is (partly) a combination of price per month, and price per Gb. While the tradeoff between the two is not comparable, the improvement of both improves value. Therefore, movement towards the origin increases value, and the opposite way decreases value. Movement towards the left reduces price / mth, while movement down reduces price / Gb.

On this basis, except for one data point, all international comparisons show better value than Australia.

Fixed broadband shows a different combination to mobile broadband, showing higher prices, but cheaper price / Gb.

Australia has much opportunity to move prices towards the \$10 - \$100 band of Price / Gb, where most international prices currently are. This price/Gb has been reached in the top monthly price of \$60 - 90.

Broadband pricing is complex with 15 dimensions of Mobile broadband pricing found. The most important seven dimensions are modelled here - price / mth, price / Gb, date, Provider, web/usb, excess rate, fixed comparison, international comparison. Other dimensions not modelled, include speed, coverage, handset prices, prepaid vs postpaid, non data pricing, such as included calls, text messages, free extras such as phones, data services, wifi, shaping, rather than excess.

Australia has an opportunity to catch up with Mobile broadband prices internationally, and the high prices, I predict are delaying greater usage of mobile broadband. The complex pricing is also a significant detractor to value. Complex pricing is used to prevent customers comparing companies offerings, and to reduce company risk.

Broadband will create more value for Australian consumers when prices become more simple.

Value has many other dimensions, besides price, function (ie Gb) and simplicity, including service/reliability (ie coverage), time (ie convenience), Value is a complex tradeoff between many dimensions, of which I have found 12 in my thesis - universal (price, time, service/reliability, function), individual (simplicity, beauty, emotion, newness), and social (duty, power, need, and community).

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