



# Media release

Monday 5 February 2024

## Accenture economic modelling reveals GDP benefits of faster, stronger NBN

New economic research from Accenture<sup>1</sup> estimates that a faster, higher capacity **nbn**<sup>®</sup> network will improve Australia's Gross Domestic Product (GDP) by a total of around \$400 billion over the eight years from 2023 to 2030.

For the first time in Australia a new longitudinal data set has been used to model the relationship between increases in average Australian broadband download speed over time and its impact on key economic indicators including GDP, employment and new business starts.

It found that for every one megabit per second (Mbps) increase in average broadband speed, Australia's productivity-driven GDP increased by 0.04 per cent, on average, in the period from 2012 to 2022. The cumulative GDP uplift during this ten-year period was estimated at \$122 billion.

The research also found that the economic impact derived from increases in average broadband speeds were 16 times greater in remote areas of Australia and twice as profound in regional areas relative to the impact in major cities. Accenture research analysts suggest that the outsized productivity impact of faster broadband speeds in more isolated regions relates to the fact that regional and remote areas of Australia started from a much lower base in terms of average broadband speeds. More ubiquitous access to better broadband has expanded the customer reach of e-commerce entrepreneurialism and provided better online access to work and education.

The timeframe coincides with the rollout of the National Broadband Network, which has been the largest contributor to increasing average download speeds across Australia from 9 Mbps to 53 Mbps between 2012 and 2022.

NBN Co's current network upgrade program has so far enabled more than 8.4 million residential and business premises, or 75 per cent of the **nbn** fixed line network, to access the **nbn** Home Ultrafast wholesale speed tier, which is capable of delivering access wholesale download speeds to 500 Mbps to close to 1 Gbps<sup>2,3</sup>. NBN Co is on target to enable 10.2 million premises, or up to 90 per cent of the **nbn** fixed line network, to access the **nbn** Home Ultrafast wholesale speed tier by the end of 2025.

In November 2023, NBN Co announced a proposal to increase the potential maximum information rate for the existing **nbn** Fixed Wireless Plus wholesale plan from up to 75/10 Mbps to up to 100/20 Mbps<sup>2,4,5</sup>. This change is planned for implementation in early to mid-2024 and would apply to all Fixed Wireless Plus services across the **nbn** Fixed Wireless network footprint.

The company is proposing to launch two additional fixed wireless wholesale high-speed tiers. Fixed Wireless Home Fast is planned to increase from a potential peak speed of 130/20 Mbps to 250/20 Mbps<sup>2,4,5</sup> and it is estimated that this product will be available to around 90 per cent of the **nbn** fixed wireless coverage area.

Fixed Wireless Superfast would increase from a potential peak speed of 325/20 Mbps to 400/40 Mbps<sup>2,4,5</sup> and it is estimated that this product will be available to around 80 per cent of the **nbn** fixed wireless coverage area.

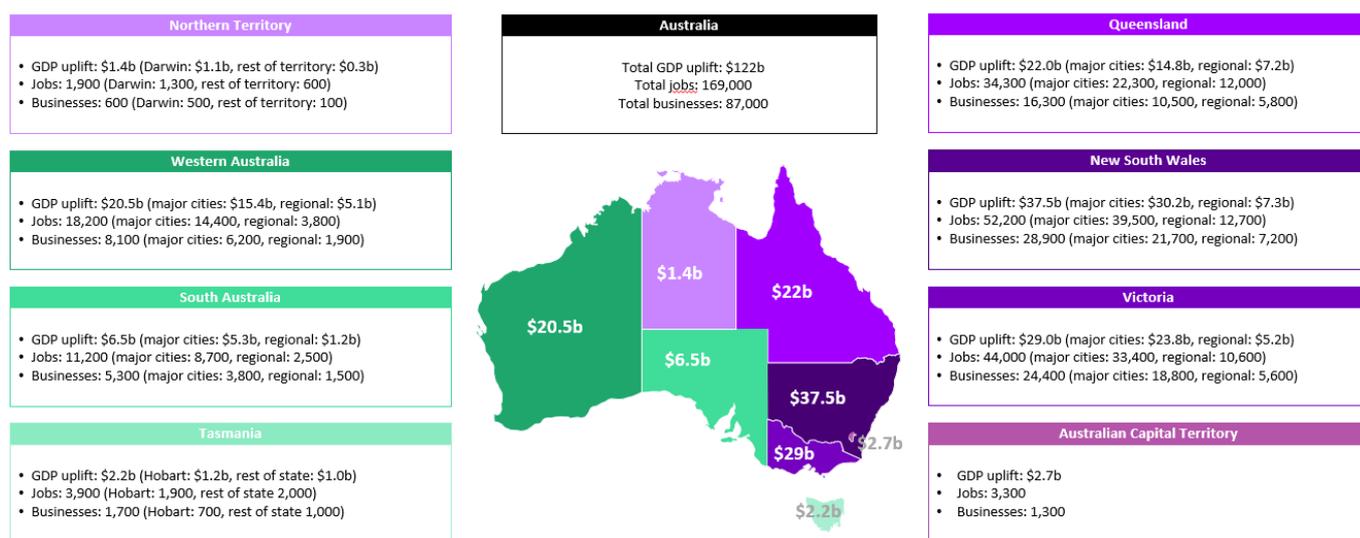
Subject to industry consultation, the company plans to start making these two enhanced speed tiers available from mid-2024.

In December 2023, the company also provided customers in regional and remote Australia access to uncapped internet data use<sup>5</sup> with the launch of new **nbn**® Sky Muster® Plus Premium satellite plans.

Accenture estimates that the **nbn** network’s provision of higher average broadband speeds has supported the creation of 169,000 additional jobs and 87,000 new businesses between 2012 and 2022. Accenture also estimates that improving access to faster, higher capacity **nbn** broadband services generated a GDP uplift of approximately \$31 billion in 2022 alone.

The productivity benefits are expected to rise to approximately \$68 billion per annum by 2030 and support the creation of a further 113,000 new jobs and support the creation of an additional 55,000 new businesses between 2024 and 2030.

It is estimated that more ubiquitous access to high-speed broadband delivered the following economic benefits to Australian states and territories between 2012 and 2022:



**Stephen Rue, Chief Executive Officer at NBN Co, said:**

“Australia has a once-in-a-generation opportunity to rebase the economy – and the future is undoubtedly digital.

“We have built a world-leading National Broadband Network covering 7.7 million square kilometres. The **nbn** network is Australia’s digital backbone that will support economic prosperity and social inclusion for decades and generations to come.

“By rolling out new fibre and simplifying our wholesale pricing, we are giving internet retailers greater price certainty and providing a pathway for more customers to enjoy the many benefits of our highest speed tiers.

“We are well-progressed with fibre network upgrades and are on track to deliver access to **nbn**® Home Ultrafast, to up to 10.2 million homes and businesses across Australia by the end of 2025.

“So far, we have made more than 8.4 million premises eligible to upgrade to our highest speed tiers via participating retailers, and around 7,000 premises, per week on average, are upgrading to full fibre and higher speed tiers.”

**ENDS**

## Notes to Editors

1. Research commissioned by **nbn**. The analysis was specifically focused on broadband delivered to premises (both **nbn** and non-**nbn** broadband) and did not seek to measure or take into account the economic or social impact that may have come from mobile broadband. Although mobile networks account for only 13 per cent of downloads across retail **nbn**, non-**nbn** fixed and mobile networks in the June quarter of 2023 (ACCC Internet Activity Report for period ending 30 June 2023), the pattern of economic and social benefits set out in this report may change if mobile broadband was able to be explicitly included in the analysis.
2. An end customer's experience, including the speeds actually achieved over the **nbn**<sup>®</sup> network, depends on some factors outside **nbn**'s control (like equipment quality, software, and how a retail service provider designs its network) and the **nbn** technology used for the connection. Speeds may be impacted by network congestion on **nbn**'s Fixed Wireless network, including during busy periods. Satellite users may experience latency.
3. Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered by **nbn**'s highest wholesale speed tiers of 500 to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. In addition, the HFC Home Ultrafast bandwidth profile downstream service provided to retail providers is a ranged profile with a maximum sustained information rate of 750 Mbps. References to speeds are not end customer speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. NBN Co provides wholesale services to phone and internet providers. **nbn**<sup>®</sup> wholesale speed tiers available to providers vary depending on the access technology in an end users' area.
4. These are **nbn** wholesale speed tiers, which **nbn** provides to retail phone and internet providers. Attainable wholesale speeds are subject to the rollout of network upgrades and some premises will require **nbn** to complete upgrades to the equipment at the premises.
5. Your experience, including the speeds actually achieved over the **nbn** network, depends on the **nbn** network technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside our control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by the number of concurrent users on **nbn**'s Fixed Wireless network, including during busy periods.

## Media enquiries

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## Resources

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