

## New Telstra BigPond™ plans to stimulate greater demand for internet access

22 January 2002

**Telstra today announced the introduction of a suite of new plans for its dial-up and ADSL and Cable broadband customers, including new low entry prices for both broadband and dial up.**

These changes should help more Australians gain access to the Internet, with less than 50 percent of households currently online, the barrier often being the entry price point. Customers will be able to move online for as little as \$5.95 per month for dial-up and for less than \$60 per month for broadband.

Mr Greg Willis, Executive Director, Broadband and Online Services, said the changes were also about making high speed internet access costs more equitable – with the continued move towards a "pay for what you need" system.

### **Telstra BigPond broadband**

Telstra's new broadband plan structure provides the majority of its customers with the opportunity to save on their monthly bills and customers to take up the Telstra service at a lower entry price than ever before. Customers can take up broadband for as little as \$54.95 for cable and \$59.95 for eligible ADSL customers once connected.

"Most of our broadband customers use less than 1 Gigabyte (GB) of data per month. From a usage perspective, 1 GB of data is the approximate equivalent of visiting 1000 web pages, receiving 1000 personal or business e-mails, 50 MP3 files, 100 documents, 10 software programs, 100 family photos, 10 movie trailers, 10 hours of streaming audio AND playing 10 hours of online games (see [www.bigpond.com/home/support/tools/usagecalc](http://www.bigpond.com/home/support/tools/usagecalc)).

"So with the introduction a 1GB plan at a lower price than ADSL and Cable plans currently offered by Telstra, plus the introduction of some of the lowest entry level prices available in the broadband market, this is great news for customers," Mr Willis said.

Mr Willis said that the new broadband plan structure continues Telstra's moving to a more equitable "pay for what you need" principle for customers. The previous model of offering fixed rate plans was not commercially viable, given that Telstra's cost of providing the service is variable with the volume of data usage.

"Telstra's cost basis varies directly according to customer usage. With some customers being very heavy users, offering fixed rate plans was not commercially sustainable for us. So, Telstra decided the most equitable approach to pricing was to offer plans with different download levels at different prices, rather than simply increasing the fixed rate for all customers.

It is intended that these new plans will available for new customers from 1 February and for existing customers from 1 March. We will be communicating with our customers shortly to inform them about the details of the changes so they can choose the plan which best suits their needs or can cancel their existing arrangements without penalty during a specified time frame."

### **Telstra BigPond Home: Dial Up**

In the first major change since the introduction of Telstra BigPond dial-up services in 1996, Telstra will simplify its range of offerings into four new targeted plans: – two limited hour user plans starting at a highly competitive rate of \$5.95 per month and two user plans with unlimited hours and a generous megabyte download allowance.

Mr Willis said that the new plans are highly competitive and are designed to meet the needs of the full spectrum of customers, from experienced users to those who are going on line for the first time.

"All Telstra customers will continue to benefit from the peace of mind of dealing with Australia's largest and consistently highly rated Internet Service Provider," he said.

The most popular current dial up plan, the 'Essential' plan, which provides unlimited hours for \$24.95 per month will be available as a new plan at the same price to customers who enter a 12 month contract for the service. Telstra will offer these customers a lower monthly price than those choosing not to enter a contract, who will pay \$4 more per month.

Mr Willis pointed out that an exit fee will apply to customers wishing to terminate their service mid way through a contract but this fee would be no more than the advantage they have received under the contract i.e. \$4 per month. Charging a fee for customers exiting contracts mid-term is prudent business practice because those customers are getting certain benefits under the contract that others don't. The exit fee puts all customers on the same footing.

The lowest price (\$5.95) plan does not include free access to the helpdesk after the first month or where the enquiry does not relate to a problem caused by Telstra.

It is intended that these new plans will be available from 29 January. We will be communicating with our customers shortly to inform them about the details of the changes so they can choose the plan which best suits their needs or can cancel their existing arrangements without penalty.

**For further information, please contact:**

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