ACCC

AUSTRALIAN COMPETITION
& CONSUMER COMMISSION

Internet activity report

For the period ending 30 June 2021

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Australian Competition and Consumer Commission
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Introduction

The ACCC's Internet Activity Report reports bi-annually on the number of retail services in operation (SIOs) and the volume of data downloaded across NBN, non-NBN broadband internet and mobile services.

Previously, internet activity information was collected by the Australian Bureau of Statistics (ABS) under the Internet Activity Survey (IAS).

The 13 retail service providers (RSPs) currently reporting under this Record Keeping Rule (RKR) are Aussie Broadband, Australian Private Networks, Dodo, Harbour ISP, iiNet, IP Star Australia, MyRepublic, Primus, Singtel Optus, SkyMesh, Telstra, TPG Corporation and TPG Telecom.

Key statistics – as at June 2021

- NBN services make up 92% of total residential broadband internet SIOs reported under this RKR and account for 93% of the data downloaded over these services.
- The total number of NBN services reported increased by 274,000 (4%) over the last 6 months.
- The total volume of residential (NBN and non-NBN) broadband downloads stabilised, increasing by just 3% compared to the December 2020 period. However, this is also a record high and represents an increase of 20% from the June 2020 period.
- 76% of NBN SIOs are acquired on wholesale download speeds of 50 Mbps and above.
- NBN services average 361GB per month of downloads (up from 322 GB in June 2020), while Non-NBN fixed services download on average 298 GB per month (up from 264 GB in June 2020).
- NBN services in the 25 Mbps tier have decreased for the first time during the June quarter, by around 24%.
- Despite the total number of mobile services decreasing by 579,000, the total volume of data downloaded over mobile networks increased by 29% over the last year.
- The average monthly volume of data downloaded per mobile service increased by over 3 GB (or 32%) in the year since June 2020.

Background

The Internet Activity Report data is collected directly from the RSPs, not NBN Co. The underlying data tables are available here.

The following should be taken into account when comparing the range of publicly available information on the NBN and that provided in the Internet Activity Report:

- The Internet Activity Report collects retail SIO information from 13 retail service provider groups only.
- The Internet Activity Report also collects retail SIOs information regarding non-NBN networks and mobile services.
- In contrast, the NBN Wholesale Market Indicators Report reports NBN wholesale SIOs directly acquired by RSPs from NBN Co. This includes information from RSPs not subject to reporting under the Internet Activity RKR.
- An RSP may purchase NBN services from another RSP which could mean that the purchaser's retail SIO information may exceed its number of wholesale SIOs.
- Conversely, an RSP can resell NBN services to another RSP, which may mean the reseller's wholesale SIO information exceeds its number of retail SIOs.
- In relation to the listing of speed tiers, an RSP may acquire a wholesale NBN service at a specific NBN speed tier but it may, through shaping or 'throttling' customer speeds on its network, market and sell this service to retail end users at a lower headline speed tier.
- Taking into account the above factors, there may be a significant divergence between the number of wholesale services reported under the NBN Wholesale Market Indicators Report and the number of retail services reported under this RKR.

Developments in broadband markets

Download Data

Data download volumes over the NBN and mobile services continue to increase

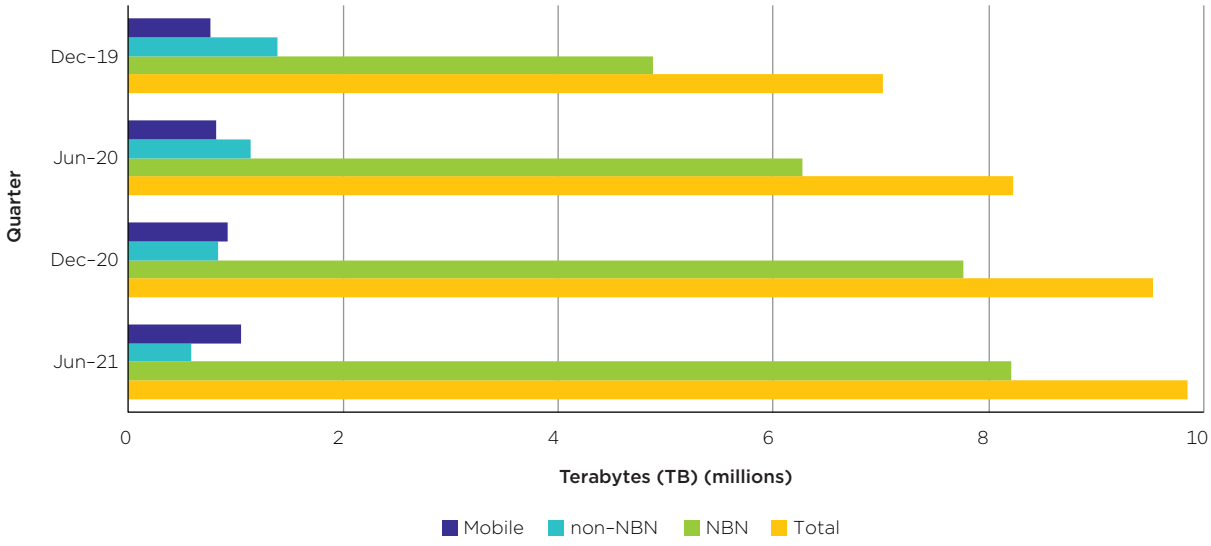
The COVID-19 pandemic continued to influence data download volumes as many consumers continued to work and learn from home during the first half of 2021.

The volume of data downloaded over mobile networks and the NBN continues to rise. However, data downloaded over non-NBN networks has declined. This is largely due to legacy ADSL services migrating to the NBN. The NBN accounts for most of the data downloaded over the internet.

Figure 1 shows there were 9.8 million Terabytes (TB) of data downloaded across retail broadband internet and mobile services in the three months from 1 April 2021 to 30 June 2021, with 83% downloaded via NBN services, 11% via mobile services, and 6% on non-NBN broadband services. The total volume of data downloaded over the NBN increased from 6.3 million TB to 8.2 million TB between June 2020 and June 2021 (an increase of 31%).

The total volume of data downloaded over non-NBN services continued to fall as services migrate to the NBN network. The total volume of data over non-NBN networks declined from 1.1 million TB to 0.6 million TB between June 2020 and June 2021 (a decrease of 48%). Downloads over mobile services increased by 29% compared to June 2020.

Figure 1: Total volume of data downloaded for retail NBN, retail non-NBN fixed and mobile services



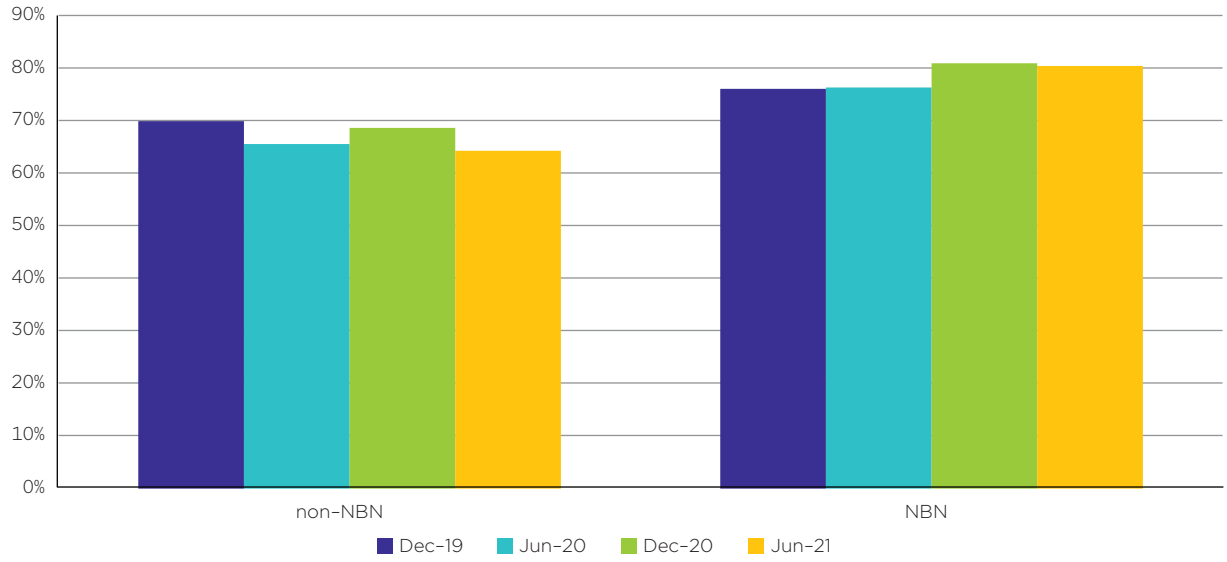
Proportion of NBN services with no data limits stabilises

Services available on the NBN can generally be grouped into two categories, those with a monthly data download limit and those which allow for unlimited downloads. Given the household network is the primary location for streaming services and work from home data usage, services provided over the NBN have a higher proportion of services on plans with no data limits.

Figure 2 shows the proportion of retail NBN services with no data limit has stabilised at 80%. In the period from December 2020 to June 2021, the proportion of retail NBN plans provided with no data limit decreased marginally from 81% to 80%.

For non-NBN fixed services, the proportion of retail non-NBN services with no data limit decreased by 5% to 64% compared to December 2020.

Figure 2: Proportion of retail non-NBN and retail NBN fixed services with no data limit



Average amount of data downloaded on high speed NBN services continues to climb

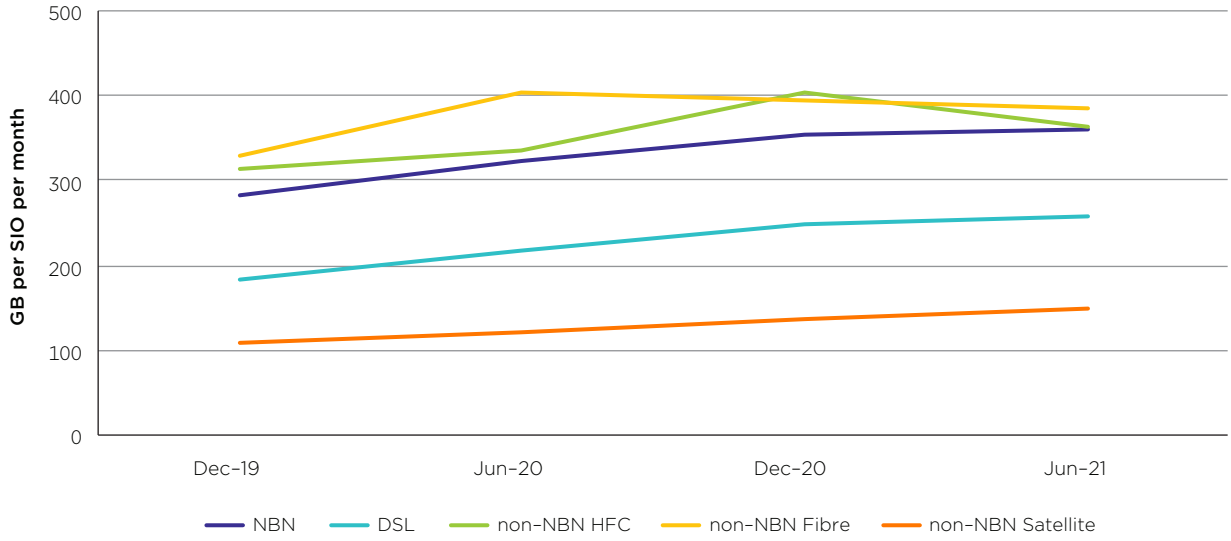
The amount of data downloaded is very dependent on the type of network and technology type. Consumers on the NBN, non-NBN HFC and non-NBN fibre networks download much higher volumes of data compared to those on DSL, mobile and satellite. While NBN consumers are more likely to have plans with no data limits, NBN consumers on higher speed tiers also download over twice as much data as those on lower speed tiers. On average, NBN consumers downloaded 361 Gigabytes (GB) per user per month, with services on the 100 Mbps or above speed tier downloading the most, at 573 GB per month. This is in contrast to those on the lowest 12 Mbps speed tier who downloaded just 149 GB per month.

Figure 3 shows the average monthly download per service for each non-NBN technology type. Consumers on non-NBN networks downloaded on average 298 GB per user per month. This included users on HFC and fibre services downloading 364 and 385 GB per month respectively, DSL services downloading 259 GB per month and users on satellite only downloading 149 GB per month.

There was a substantive decrease in the average download rate for services using HFC networks. This is likely due to higher data use customers on HFC prioritising their transition to the NBN and lower data use customers remaining on the existing HFC network. The number of services using non-NBN HFC technology has decreased by 45% since December 2020 and this appears to have changed the average customer profile of those using HFC services to lower data users.

Given the limitation on satellite download capability, overall, the volume downloaded over satellite is substantially below that of other technologies. However, the average volume of data downloaded over non-NBN satellite continues to grow.

Figure 3: NBN and non-NBN retail broadband internet - downloads per SIO per month by technology type



Broadband services in operation

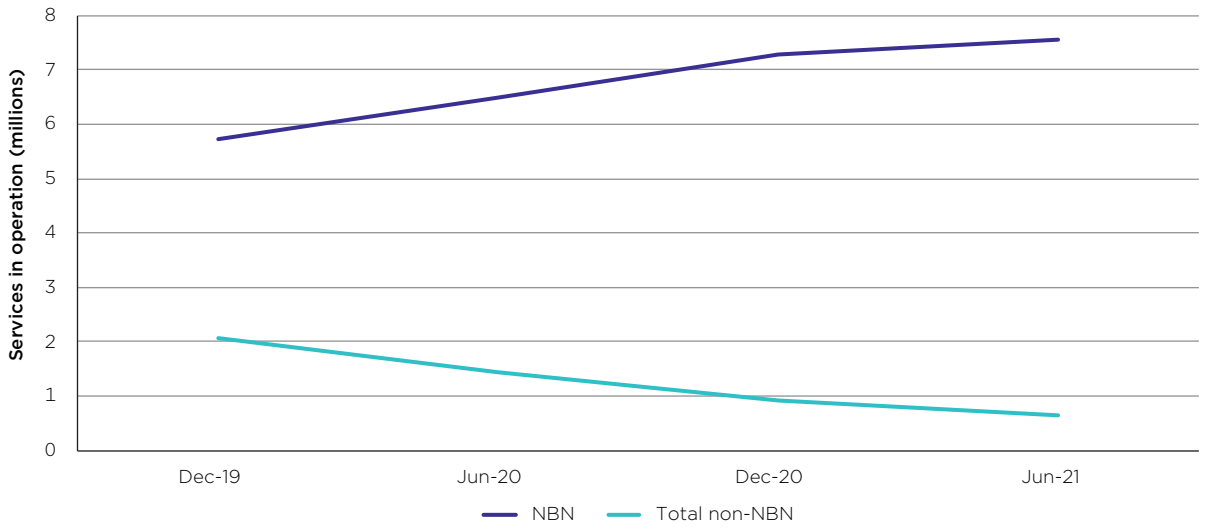
NBN retail broadband internet services in operation increase

The number of broadband services in operation continue to grow as the uptake of the NBN continues. However, the rate of growth is slowing. Much of this slowdown is due to a slowing in the rate of migration of services to the NBN, largely influenced by the cessation of the provision of new NBN services provided over HFC. Figure 4 shows that as at 30 June 2021, there were 8.2 million retail broadband internet services, roughly equal with the December 2020 quarter. Of these, 7.6 million were NBN services (92% of the total), an increase of 274,000 services since December 2020.

NonNBN fixed services continued to decline and fell by 29% since the December 2020 report to approximately 658,000. Of the non-NBN services in the market, 54% were DSL, followed by fibre (28%), HFC (14%) and satellite (5%).

This decline in non-NBN services shown in Figure 4 will continue as consumers migrate off legacy DSL and HFC and onto the NBN and other alternative networks. However, it will eventually stabilise, as the number of services on non-NBN fibre and satellite connections have held steady over the past two years. This is beginning to become apparent, with the 274,000 decrease in nonNBN services considerably less than the decline in the number of SIOs in the previous reporting period.

Figure 4: NBN and non-NBN retail broadband internet – total services in operation



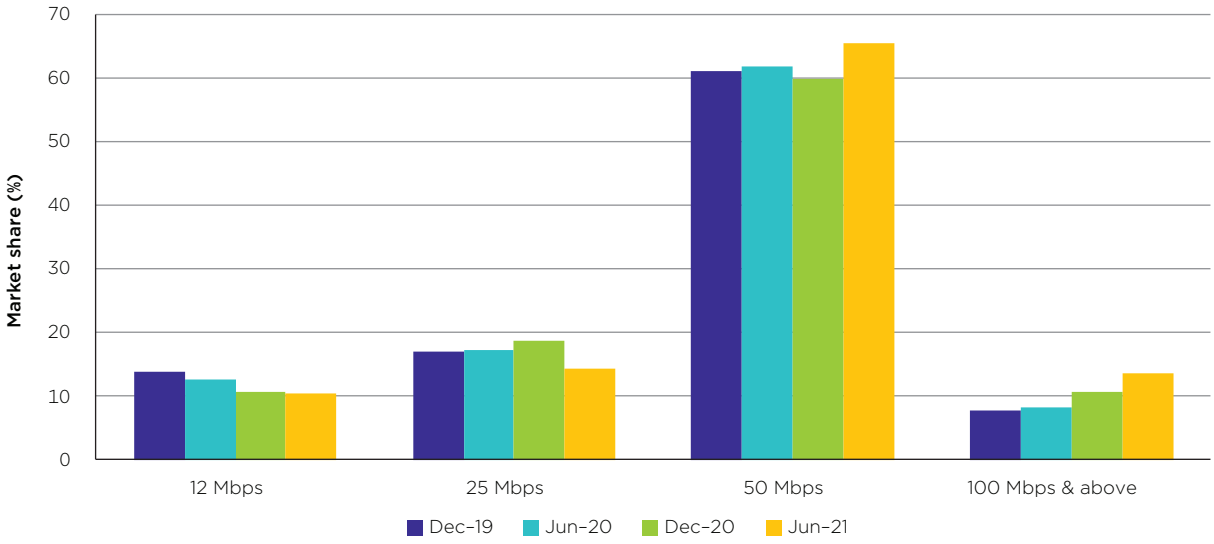
NBN 50Mbps speed tier increasing in popularity

During the reporting period, NBN Co's promotional campaigns have focused on providing discounts and rebates for RSPs that get customers to upgrade to high and very high speed tiers. Figure 5 shows that NBN services in both the 50 Mbps and 100 Mbps or greater speed tiers have continued to grow significantly during the last period. The 100 Mbps speed tier increased by 201,000 SIOs, or by around 26%.

This shift is beginning to impact the lower speed plans too. Figure 5 also shows that, for the first time, there has been a decrease in the number of SIOs using a 25 Mbps service. These decreased by 24% since the last reporting period. The number of 12 Mbps plans only declined by 2% over the same period, however, a significant number of consumers (761,000) choose to remain on the entry level speed tier.

As at 30 June 2021, around 63% of reported NBN retail services were acquired on 50 Mbps speed plans, up from 60% in December 2020. The next most popular speed was 25 Mbps (14%), followed by 100 Mbps or greater plans (13%) and 12 Mbps plans (10%).

Figure 5: NBN retail broadband internet by speed tier – market share [1]



1 Retail service are reported on the basis of the wholesale speed tier which the retail service is acquired at.

Mobile services

The number of retail mobile phone services remains stable but mobile broadband downloads continue to increase

As at 30 June 2021, there were approximately 27 million mobile handset services, with nearly two-thirds of consumers on post-paid plans and just over one-third using prepaid plans. In addition, there were around 4.6 million mobile broadband services.

Figure 6 shows the change in the number of mobile services (prepaid and post-paid) and the total number of mobile broadband services over the last three periods.

The number of mobile services in operation has declined slightly over the last two years. Several factors are likely contributing to this trend, including consumers no longer using two separate mobiles for work and personal use, and the decrease in the number of international students (who often use prepaid mobile services) during the COVID-19 pandemic.

Figure 7 shows the total number of mobile services in each period by the type of service. In the June 2021 prepaid and post-paid services increased by approximately 42,000 (0.4%) and 35,000 (0.2%) services respectively. The number of mobile broadband services (for example, mobile dongles) declined by approximately 80,000 (1.7%).

Figure 8 shows the average monthly volume of data downloaded on mobile devices has increased steadily over the last two years despite the decline in the total number of mobile services reported under this RKR. The average monthly volume of data downloaded per SIO on mobile services has increased by just over 3 GB (or 32%) in the year since the June 2020 reporting period. This is still significantly below the amount of data downloaded over fixed line networks indicating that mobile data and broadband is largely a secondary means of accessing the internet, particularly for services with high data volumes such has high resolution video streaming services.

Figure 6: Mobile services – change in the number of services in operation

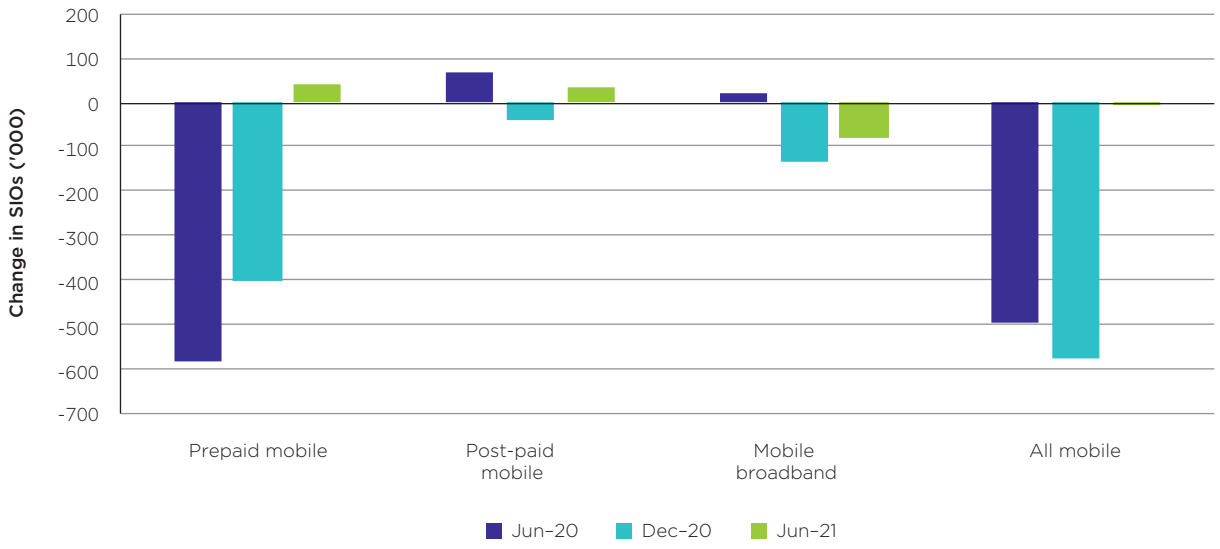


Figure 7: Mobile prepaid, post-paid and mobile broadband – total services in operation

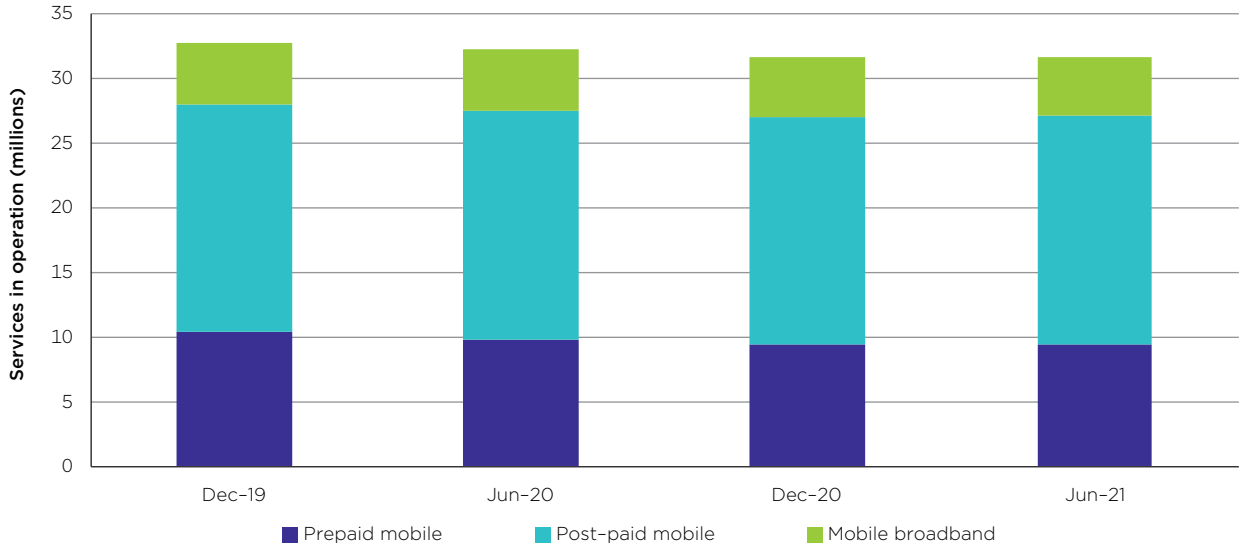
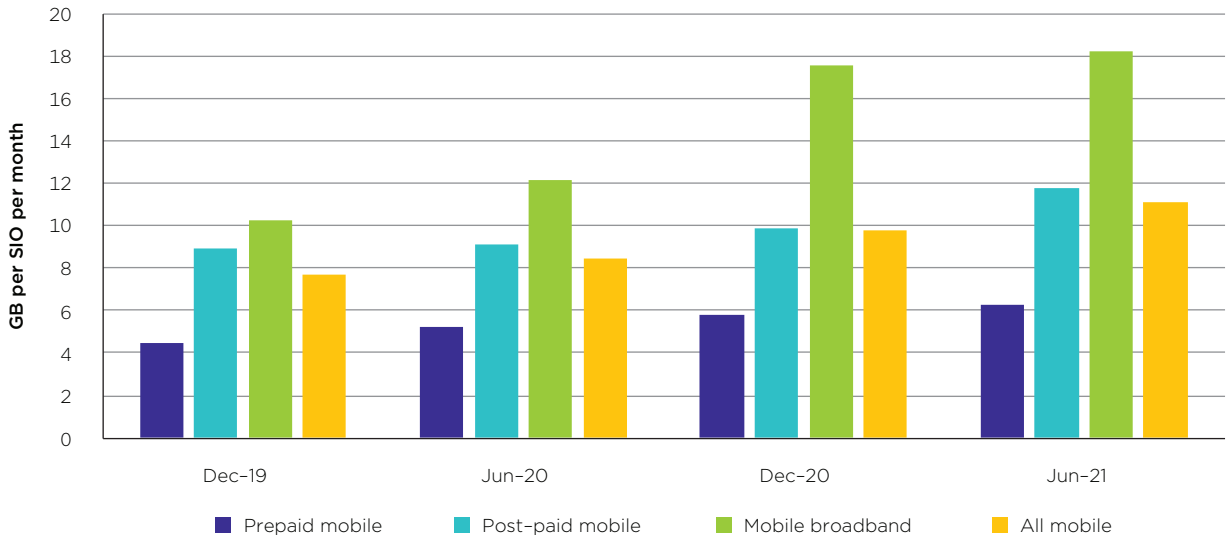


Figure 8: Average monthly volume of data downloaded per SIO by type of mobile service

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