AUSTRALIAN COMPETITION & CONSUMER COMMISSION

Internet activity report

For the period ending 30 June 2022

December 2022

Australian Competition and Consumer Commission
23 Marcus Clarke Street, Canberra, Australian Capital Territory, 2601

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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 2022

- NBN services made up 94% of total residential broadband internet SIOs reported under this RKR, and accounted for 95% of the data downloaded over these services.
- The total number of NBN services reported increased by 85,000 (1%) over the last 6 months to reach 7.5 million services.
- The total volume of residential (NBN and non-NBN) broadband data downloaded grew by 8% compared to the December 2021 period.
- 62% of NBN SIOs were acquired on wholesale download speeds of 50 Mbps.
- NBN services downloaded on average 436 GB per month (up from 404 GB in December 2021), while non-NBN fixed services downloaded on average 399 GB per month (up from 355GB in December 2021).
- NBN services in the 25 Mbps tier stabilised, making up 14% of NBN services.
- There was a 0.7 million (3%) increase in the number of mobile services this period, the largest since the implementation of the RKR.
- The average monthly volume of data downloaded per mobile service increased by 7% since December 2021 to 10.3 GB.

Background

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

The following should be considered 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.

Considering 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

Data downloaded

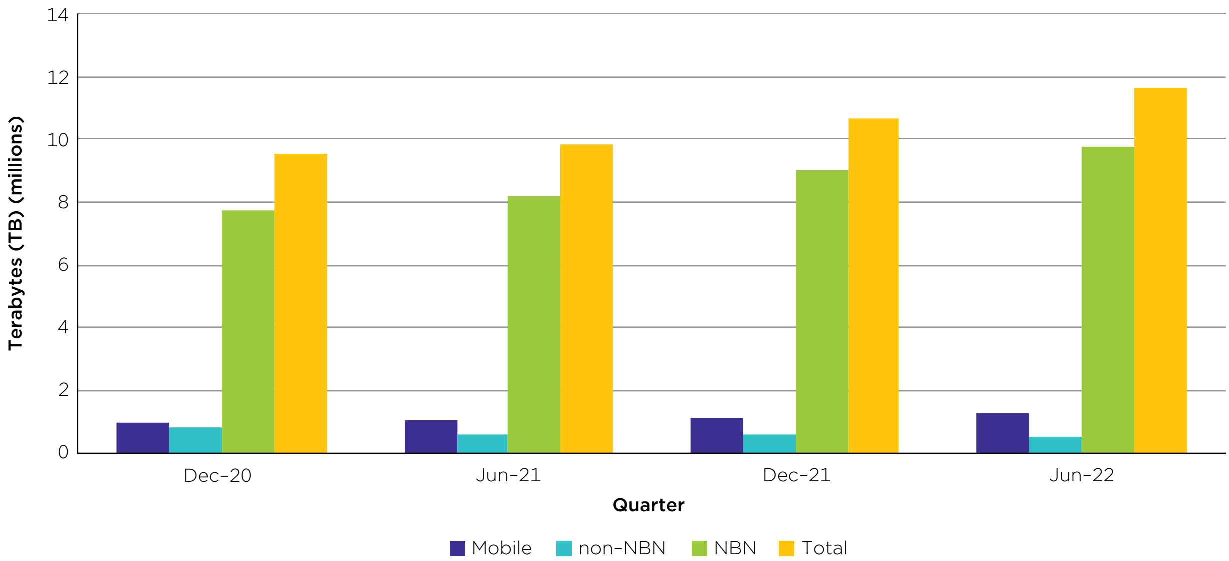
Data download volumes over the NBN continue to increase

The volume of data downloaded over the NBN continued to rise and downloads over mobile services also increased this period. However, data downloaded over non-NBN broadband networks has remained steady. The NBN accounted for most of the data downloaded over the internet.

Figure 1 shows there were 11.6 million Terabytes (TB) of data downloaded across retail broadband internet and mobile services in the 3 months from 1 April 2022 to 30 June 2022. This is made up of 84% downloaded via NBN services, 11% via mobile services, and 5% on non-NBN broadband services. The total volume of data downloaded increased from 9.8 million TB to 11.6 million TB between June 2021 and June 2022 (an increase of 18%).

The total volume of data downloaded over non-NBN services stabilised as consumers completed their migration to the NBN network. The total volume of data over non-NBN networks remained steady at just over 0.5 million TB since June 2021. Downloads over mobile services increased in June 2022, continuing the ongoing long-term trend. Total mobile downloads increased to 1.3 million TB from 1.1 million TB in December 2021.

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

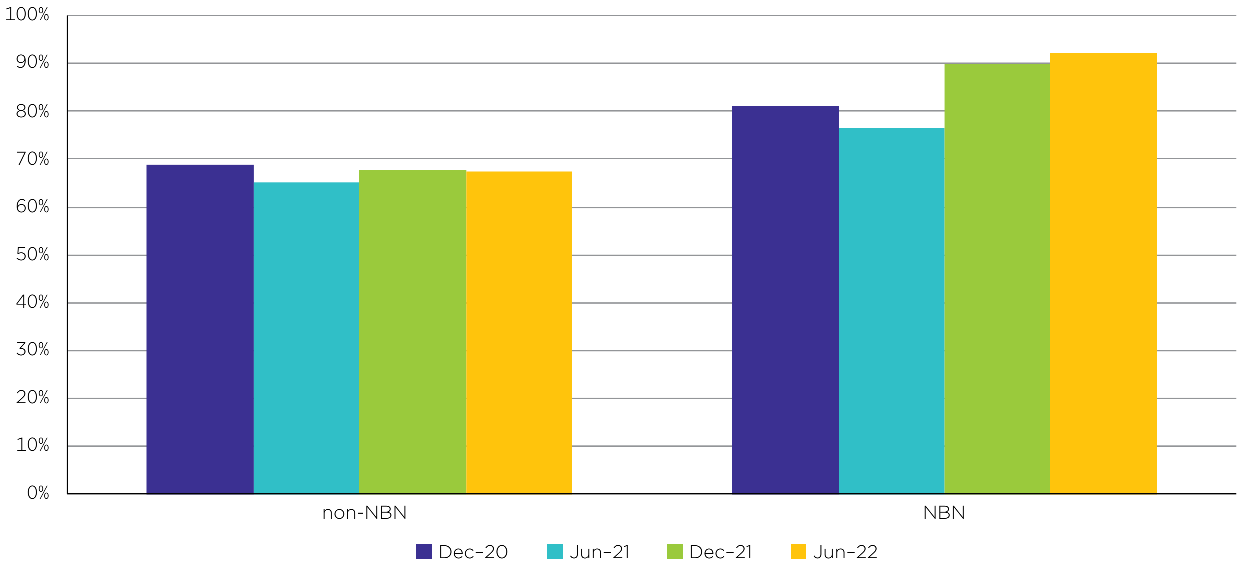


Proportion of NBN services with no data limits continues to grow

Services available on the NBN can generally be grouped into 2 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 increased to 92%, an increase of 2% from the previous period and continuing the long-term trend towards no data limit plans. For non-NBN fixed services, the proportion of retail non-NBN services with no data limit stayed steady at 68%.

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



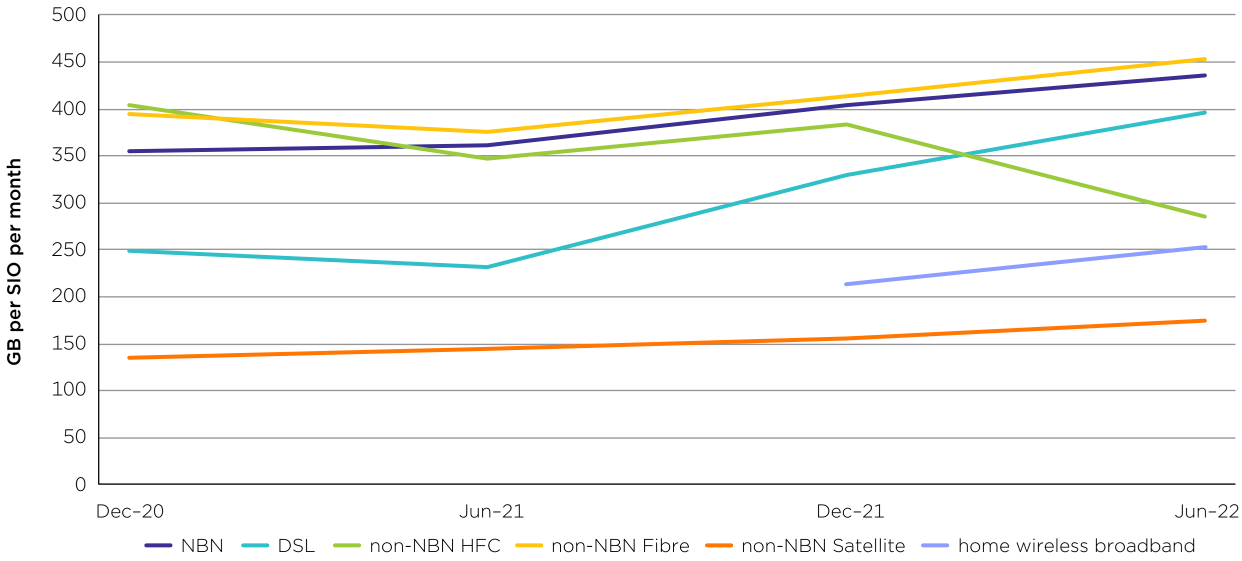
Average amount of data downloaded on high speed NBN services continues to increase

The amount of data downloaded per consumer is dependent on the type of network and technology type. Consumers on the NBN, non-NBN HFC and non-NBN fibre networks downloaded much higher volumes of data compared to those on DSL, mobile and satellite. While NBN consumers were more likely to have plans with no data limits, NBN consumers on higher speed tiers also downloaded over twice as much data as those on lower speed tiers. On average across the range of NBN services and technology types, NBN consumers downloaded 409 Gigabytes (GB) per user per month, up from 355 GB per month in December 2021.

Figure 3 shows the average monthly download per service for each non-NBN technology type. Consumers on non-NBN networks downloaded on average 436 GB per user per month. This included users on HFC and fibre services downloading 285 and 453 GB per month respectively, and users on satellite downloading only 175 GB per month. Average downloads on DSL networks reached a record high this period, averaging 397 GB per month, up 21% from December 2021. The number of DSL and HFC services decreased by 30% this period, with only 217,000 services remaining across both types of networks. The low number of services is resulting in volatile shifts in the average download rates on these technologies.

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

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



There were less than 1,000 non-NBN fixed wireless services, and due to the low number of services they are not shown in Figure 3. Importantly, fixed wireless means a point-to-point microwave or radio link. This is a different type of service to home wireless broadband, which provides home broadband over a 4G or 5G connection.[1] Home wireless broadband data was collected for the first time in 2021–22. The average downloads per service over home wireless broadband was 253 GB per month, up 18% since December 2021. There were 345,000 home wireless broadband services in June 2022, up from 294,000 in December 2021. There was a substantive revision to the number of home wireless broadband services in December 2021, with 165,000 services and their corresponding volume of data downloads now being allocated to home wireless broadband instead of mobile broadband.

Broadband services in operation

NBN retail broadband internet services in operation remains steady

The number of broadband services in operation increased this period, reversing the observed decrease in December 2021 and continuing the long-term growth in NBN services.[2] Figure 4 shows that as at 30 June 2022, there were 8 million retail broadband internet services reported by the 13 retailers covered under this report, 120,000 more than the December 2021 quarter. Of these, 7.5 million were NBN services (94% of the total), an increase of 85,000 services since December 2021.

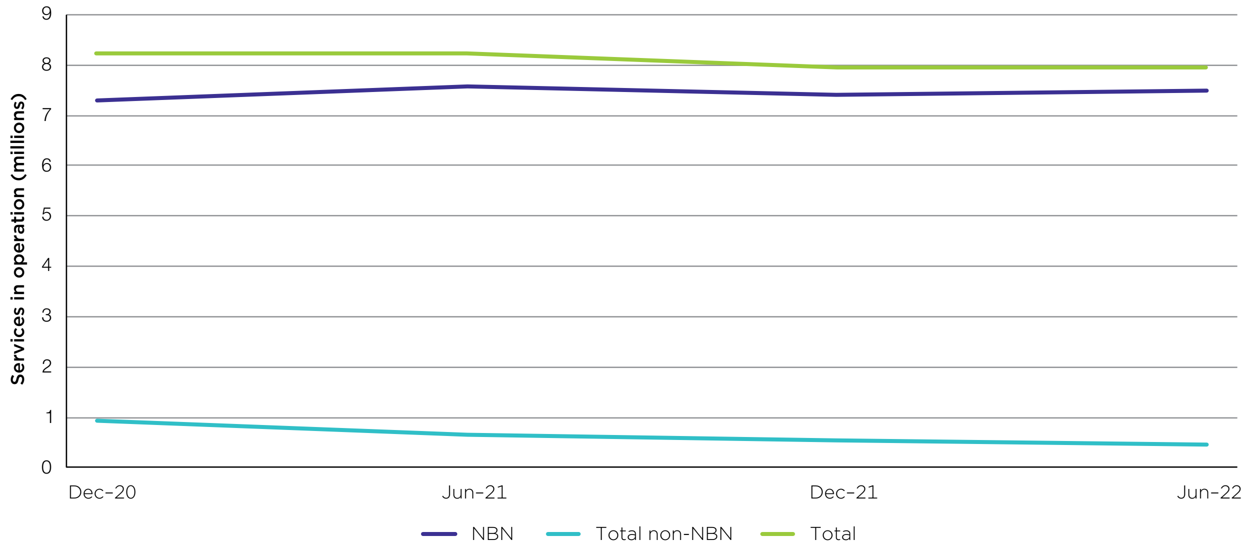
Non-NBN fixed services continued to decrease, falling by 13% since the December 2021 report to approximately 459,000. Of the total non-NBN services in the market, 46% were fibre, followed by DSL (40%), HFC (7%), and satellite (7%).

The ACCC expects this decrease in non-NBN services shown in Figure 4 will continue as consumers migrate from using DSL services on Telstra's copper network and HFC services on the Optus or Telstra networks onto the NBN and other alternative networks. However, as the number of services on non-NBN fibre and satellite connections have grown slowly and steadily over the past 2 years, the total number of non-NBN services will continue to stabilise.

1 Home wireless broadband is an internet connection which provides short broadband range, high data rate connections between a fixed modem and access points connected to a mobile network.

2 In December 2021, one provider changed the methodology used to calculate their NBN services. This resulted in a decrease in the number of services compared to it previously reported figures.

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



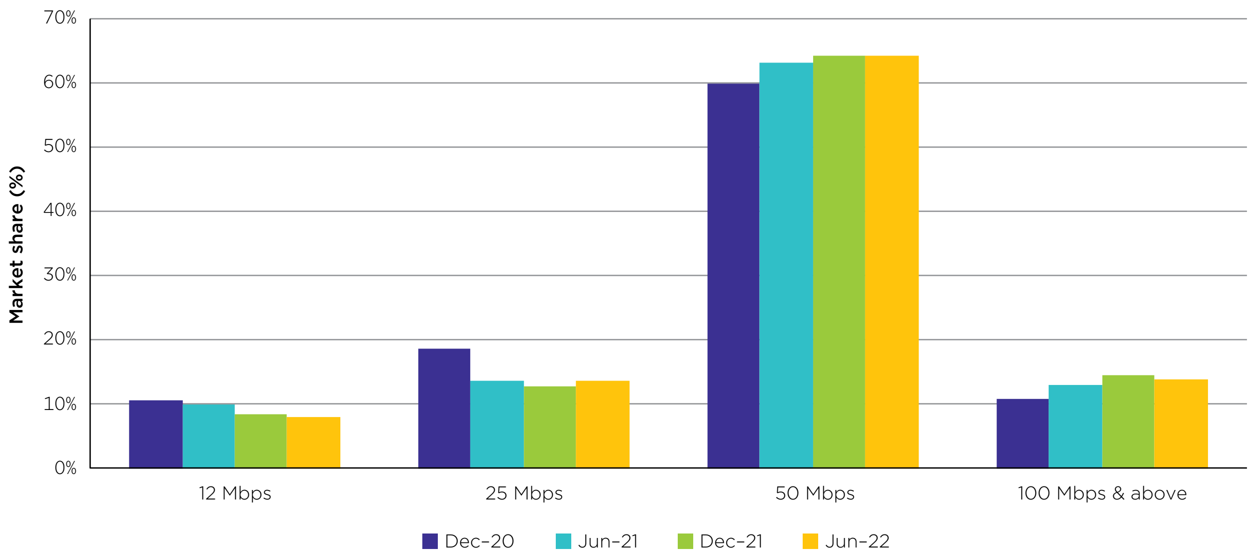
NBN high speed tiers no longer as popular

Services at 100 Mbps or above made up 14% of NBN retail services, a decrease of 1%, or 25,000 since December 2021. Services at 250 Mbps or above made up just 2% of all NBN services, down from 4% in December 2021. This is likely the result of the NBN Co's 'Superfast Plus' rebate expiring in January 2022. This rebate reduced the wholesale price of 250 Mbps services over the previous 6 months.

Figure 5 shows that growth in NBN services in the 50 Mbps speed tier stabilised during the last period. This is likely due to the new speed tier reporting methodology noted above reducing the number of services in this bracket. Services in the 50 Mbps tier made up 62% of all NBN services.

Figure 5 also shows a change in the trend observed in the previous period of decreasing 25 Mbps SIOs. They increased by 2% since December 2021. The number of 12 Mbps plans decreased by 2% over the same period.

Figure 5: NBN retail broadband internet by speed tier – market share[3]



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

Mobile services

High growth in number of mobile services and downloads

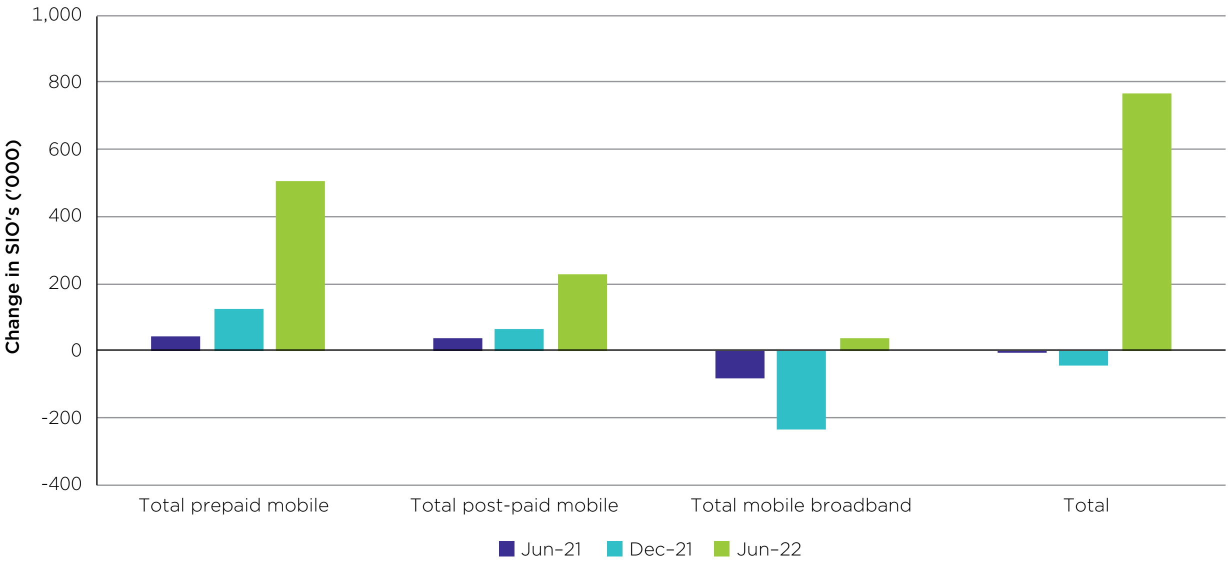
As at 30 June 2022, there were approximately 28 million mobile handset services, with 64% of consumers on post-paid plans and 36% using prepaid plans. In addition, there were around 4.4 million mobile broadband services.

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 3 periods. The number of mobile services in operation had been steady with only small increases and decreases between periods over the last 2 years. However, the change in mobile services this period was the largest since the implementation of this RKR in 2018. There was a 3% increase in the number of mobile services this period representing an increase of approximately 0.7 million services.

Figure 7 shows the total number of mobile services in each period by the type of service. In the December 2021 prepaid and post-paid services increased by approximately 504,000 (5.3%) and 229,000 (1.3%) services respectively. The number of mobile broadband services (for example, mobile dongles) increased by approximately 35,000 (0.8%). Data on machine-to-machine[4] (M2M) services was collected for the first time in the December 2021 period and is shown in Figure 7. There were 5.7 million M2M services in June 2022, up 11% from 5.2 million services in December 2021.

Figure 8 shows the average monthly volume of data downloaded on mobile devices increased in June 2022. The average monthly volume of data downloaded per SIO on mobile services increased by 1.4 GB (or 7%) to 10.3 GB since the December 2021 reporting period. There was a substantial change to the average data rate of mobile broadband services observed between December 2020 and June 2021 as a result of the updated RKR splitting home wireless broadband off into its own category. Previously some providers had merged the 2 categories.

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



4 Machine-to-machine or M2M is a direct communication between devices using any communication channel, including fixed/wired and wireless.

Figure 7: Mobile services – total services in operation

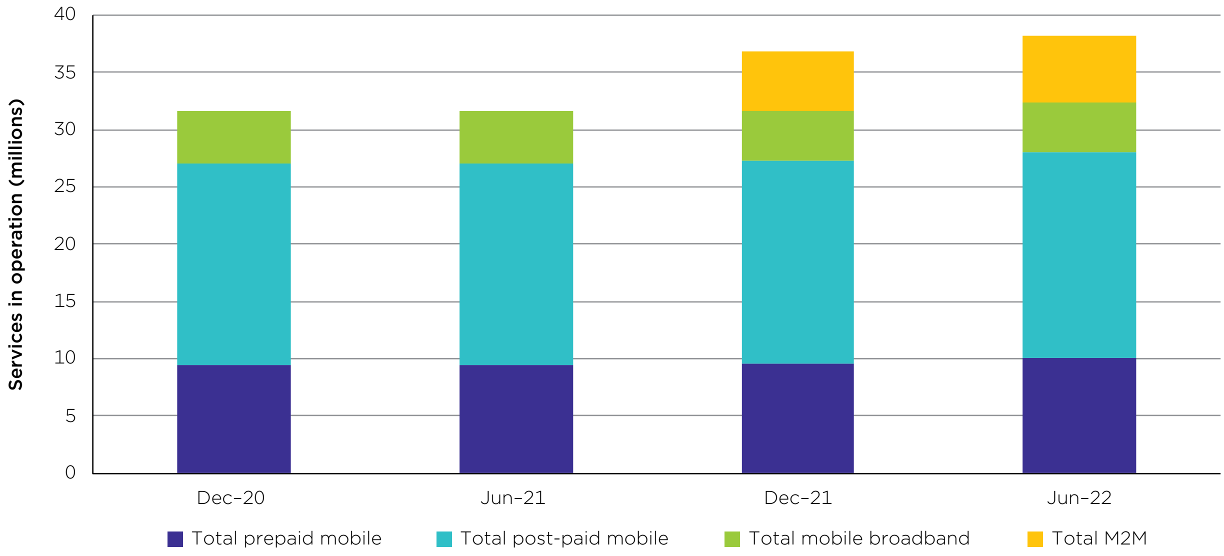
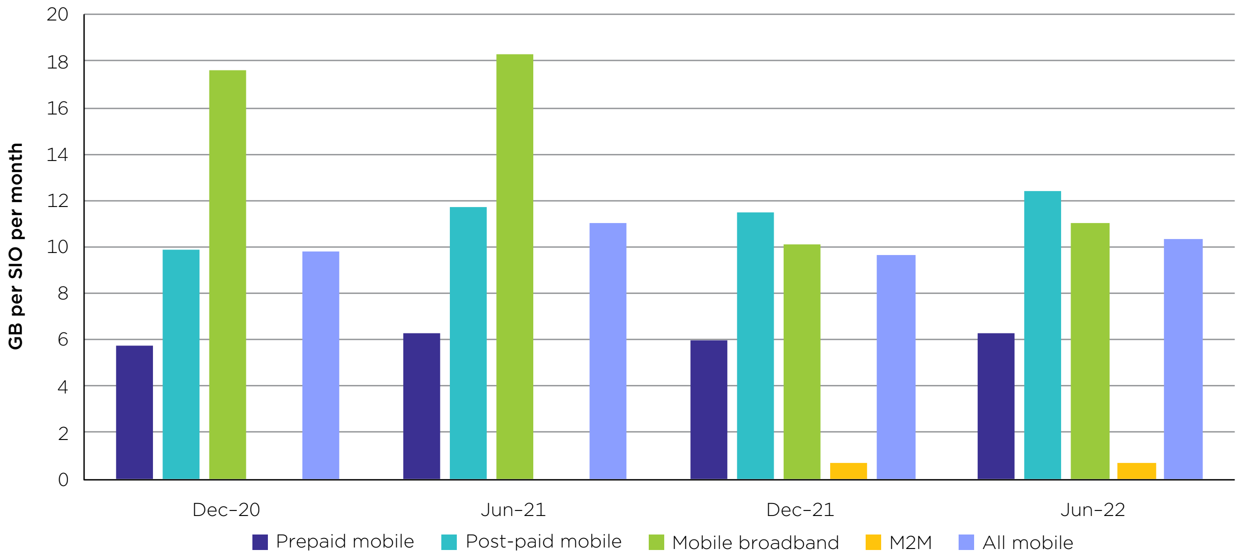


Figure 8: Average monthly volume of data downloaded per SIO by type of mobile service



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