Internet activity report

December 2019

April 2020

Introduction

The Internet Activity Report provides information on the number of services in operation (SIO) and the volume of data downloaded across retail NBN, retail non-NBN fixed and mobile services.

The 13 carriage service providers currently required to report under this RKR on a biannual basis are Aussie Broadband, Australian Private Networks, Dodo, Harbour ISP, iiNet, IPStar Australia, MyRepublic, Primus, Singtel Optus, SkyMesh, Telstra, TPG and Vodafone Hutchison Australia.

The retail NBN SIO information contained within this report is collected from the 13 carriage service providers subject to the RKR, not NBN Co directly. Therefore, it differs to wholesale SIO information released by the ACCC under its NBN Wholesale Market Indicators Report and wholesale SIO information published by NBN Co.

The following should also be considered before directly comparing these information sources with this report:

- A carriage service provider can purchase NBN services from another carriage service provider, which could mean that the purchaser's retail SIO may exceed its wholesale SIO information.
- Conversely, a carriage service provider can also resell NBN services to another carriage service provider, which may mean the reseller's wholesale SIO information exceeds its retail SIO information.
- The Internet Activity Report collects retail SIO information and usually reflects individual Access Seeker/carriage service provider information. Under the ACCC's NBN Wholesale Market Indicators Report, SIO information is often set out by NBN Access Seeker Groups[1], which may include information from individual Access Seekers not subject to the RKR.
- A service provider may also purchase a wholesale NBN service with a certain wholesale speed tier from NBN Co but may, through shaping, sell this service to retail end users at a lower speed tier.

Note that this December 2019 report covers data collected in the period October—December 2019 inclusive. The effects of the COVID-19 pandemic and associated data usage changes are not reflected in this report.

[1] 'NBN Access Seeker Group' means two or more Access Seekers which are acquiring Network Access Services and that are related to each other at the end of the relevant calendar quarter.

Key statistics

Total volume of data downloaded increased by 23 per cent

The total volume of data downloaded for retail NBN and retail non-NBN fixed and mobile services (post-paid mobile, prepaid mobile and mobile broadband) in the three months ended 31 December 2019 was 6.9 million Terabytes (TB) (figure 1). This reflects a 23 per cent increase from the June 2019 reporting period (6 million TB).

Across the three service types (retail NBN, retail non-NBN fixed and mobile), retail NBN services showed the greatest increase in data downloaded, up 37 per cent from the June 2019 reporting period. Mobiles services experienced a modest increase of 10 per cent over the same period, while data downloaded on retail non-NBN fixed services declined by 24 per cent. This retail non-NBN fixed figure is expected to decrease further as the NBN build phase approaches its conclusion and end users migrate off legacy networks such as DSL and cable.

Despite the increase in data downloaded through mobile services, fixed line services, particularly those over the NBN, dominated the total volume of data downloaded. For the three months ended 31 December 2019, retail NBN services contributed to 69 per cent of total volume of data downloaded up from 58 per cent in the June 2019 reporting period (figure 2).

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

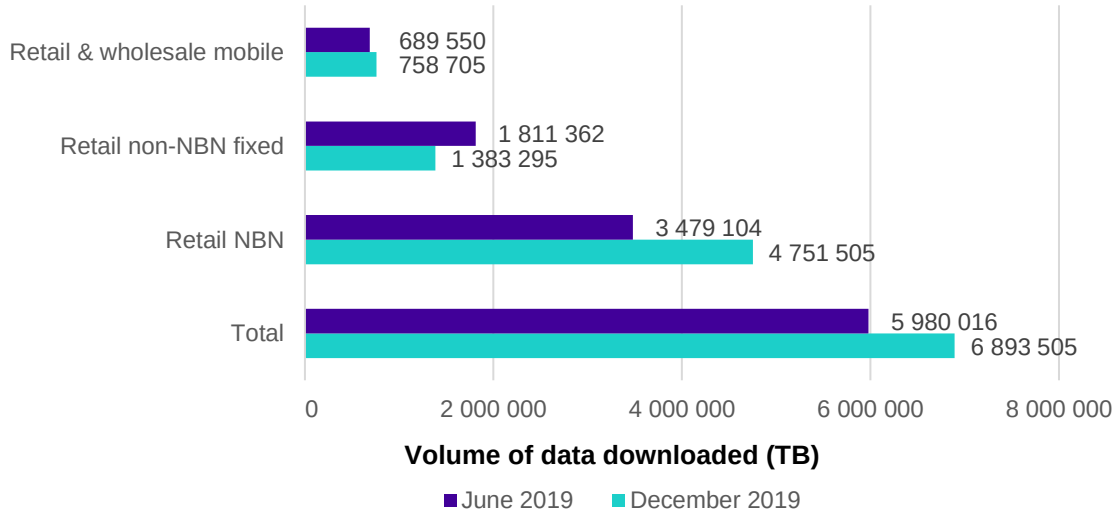
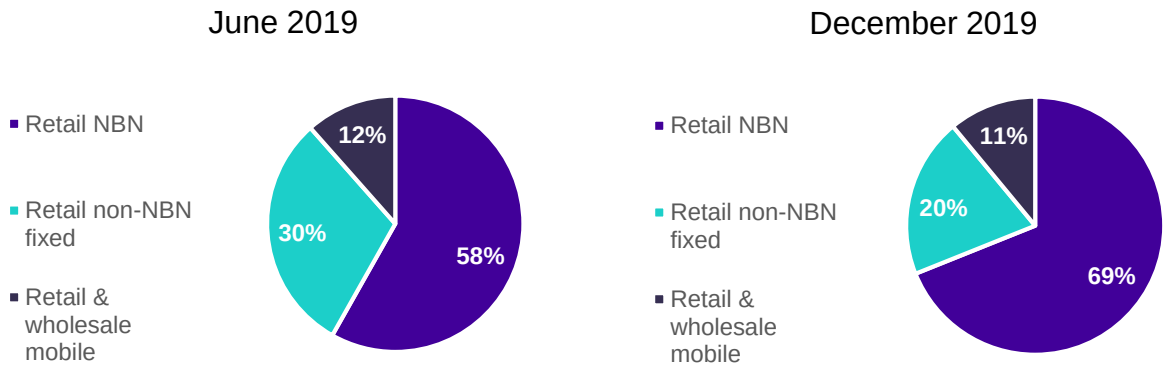


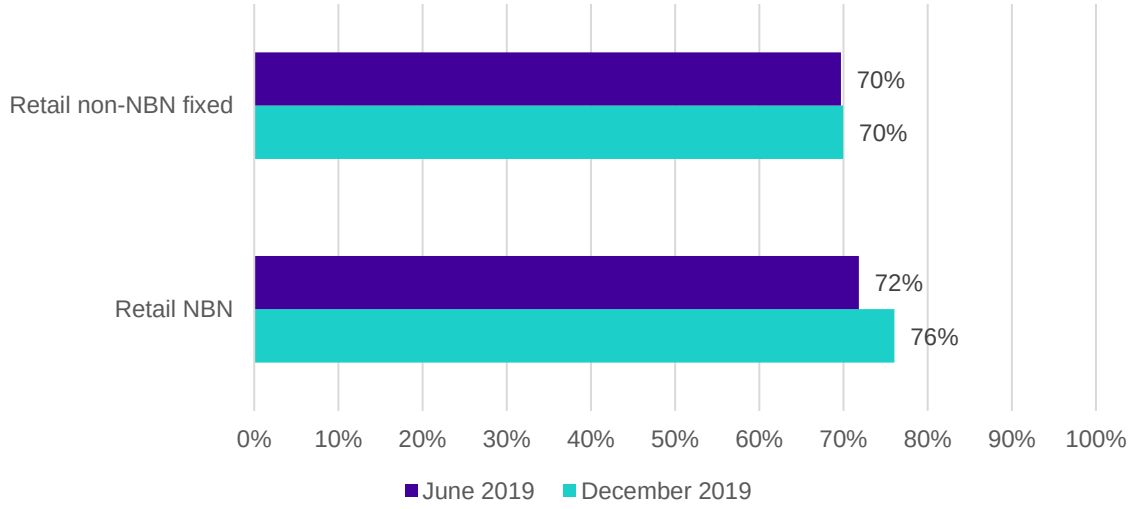
Figure 2: Proportion of total volume of data downloaded for retail NBN, retail non-NBN fixed and mobile services



3 out of 4 retail NBN services had no data limit

As at 31 December 2019, 76 per cent of retail NBN SIO had no data limit, this is an increase from 72 per cent of services in June 2019. Conversely, 70 per cent of retail non-NBN fixed services had no data limit, a figure unchanged from June 2019 (figure 3).

Figure 3: Proportion of retail NBN and retail non-NBN fixed services with no data limit



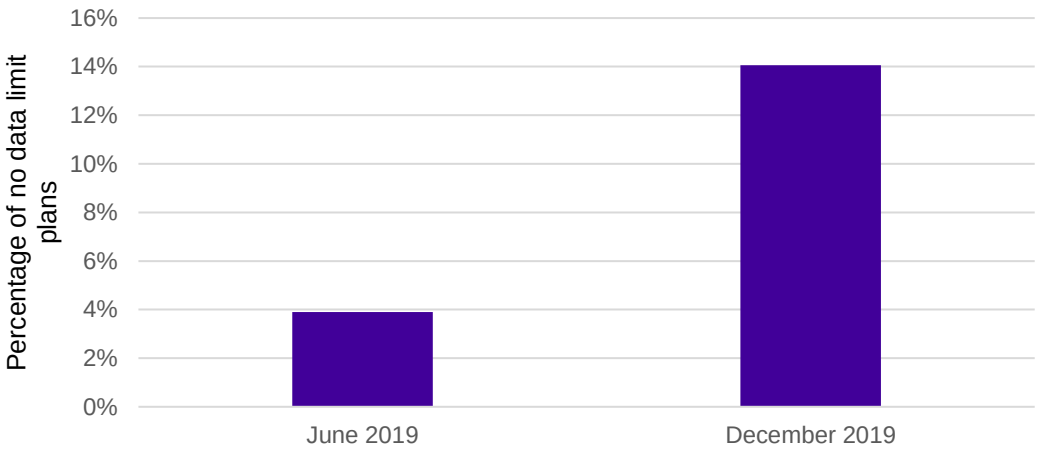
14 per cent of retail mobile services had no excess data charges

The number of retail no data limit mobile services (i.e. plans with no excess data charges that are instead shaped) experienced significant growth between June 2019 and December 2019. As at 31 December 2019, 14 per cent of all retail mobile services (prepaid, post-paid and mobile broadband) had no data limit, up from 4 per cent in June 2019 (figure 4). Retail mobile services information under the RKR is collected from Optus, Telstra and Vodafone.

This increase in retail no data limit mobile services reflects the growing impact of decisions made by Telstra and Vodafone to move away from excess data charges for their mobile subscribers who exceed their data limit. Instead they offer a particular data allowance at full speed capability before shaping or throttling this speed (usually down to 1.5 Mbps), until the

next billing period. This change is intended to provide mobile subscribers with greater certainty on their mobile bill cost.

Figure 4: Proportion of retail mobile services with no data limit

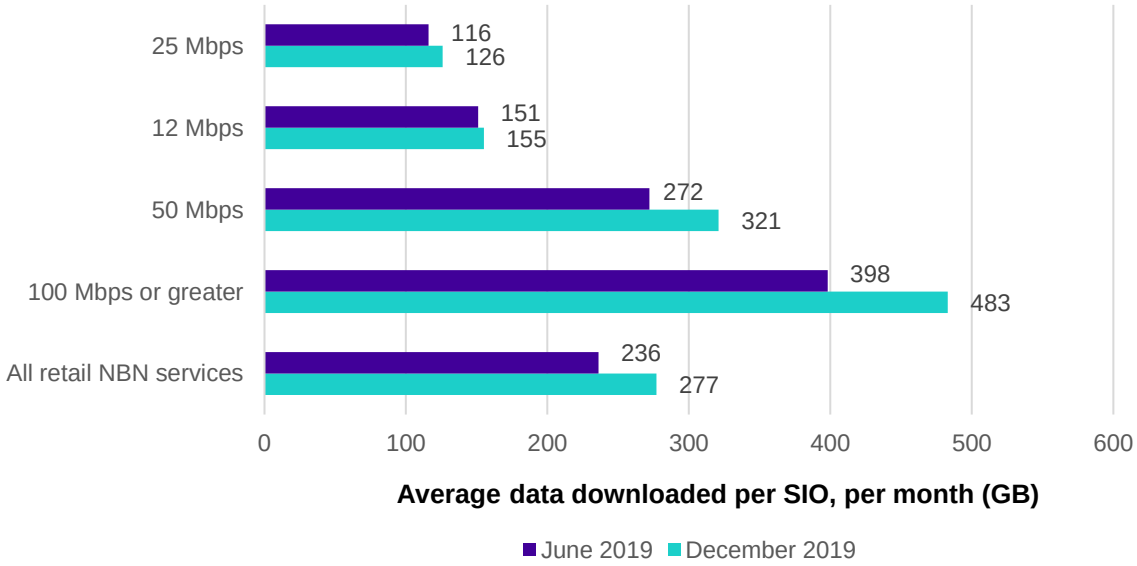


Monthly average data downloaded increased across all NBN speed tiers

The average volume of data downloaded for retail NBN services in the three months ended 31 December 2019 was 277 Gigabytes (GB) per SIO, per month, a 17 per cent increase from the June 2019 reporting period (236 GB). Retail end users with wholesale speeds of 100 Mbps downloaded the most data, 483 GB (up 21 per cent from June 2019) (figure 5).

Retail end users with wholesale speeds of 25 Mbps downloaded, on average, the least amount of data per month (126 GB, up 9 per cent from June 2019). This trend in data usage is in part reflective of the 'Focus on 50' campaign where price discounting resulted in many high end data users, previously on 25 Mbps and 12 Mbps plans, moving up to 50 Mbps plans.

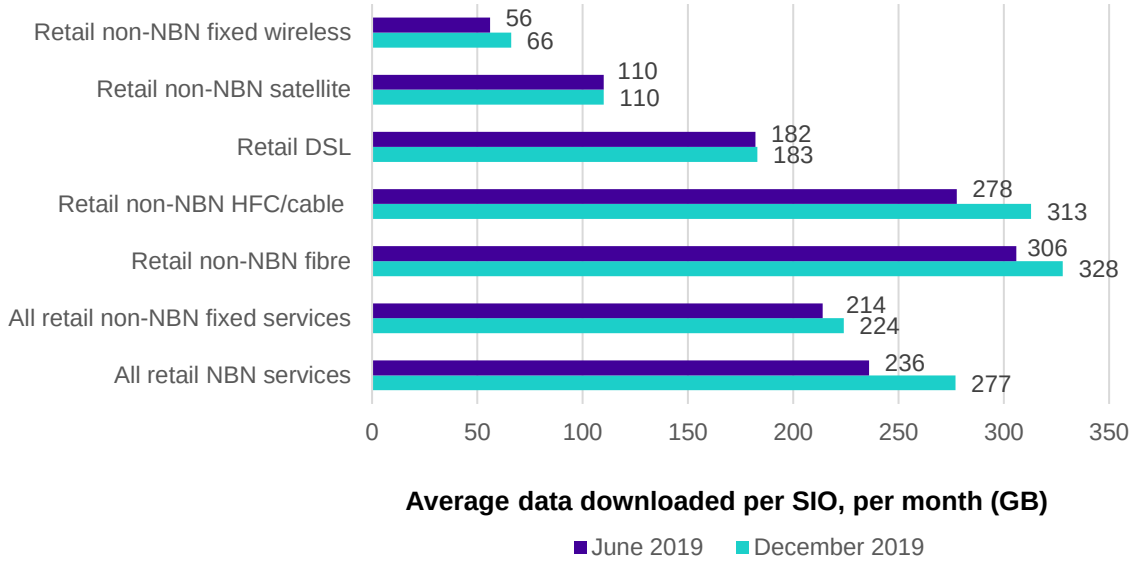
Figure 5: Average volume of data downloaded by retail NBN wholesale speed tier



End users with retail non-NBN fixed services on average downloaded 224 GB per month

The average volume of data downloaded for retail non-NBN fixed services in the three months ended 31 December 2019 was 224 GB per SIO, per month, below the average for retail NBN services (277 GB) but up 5 per cent from June 2019 reporting period (214 GB). Retail end users with non-NBN fibre services downloaded the most data (328 GB), while retail end users with non-NBN fixed wireless services downloaded, on average, the least amount of data per month (66 GB) (figure 6).

Figure 6: Average volume of data downloaded by retail non-NBN fixed access technology

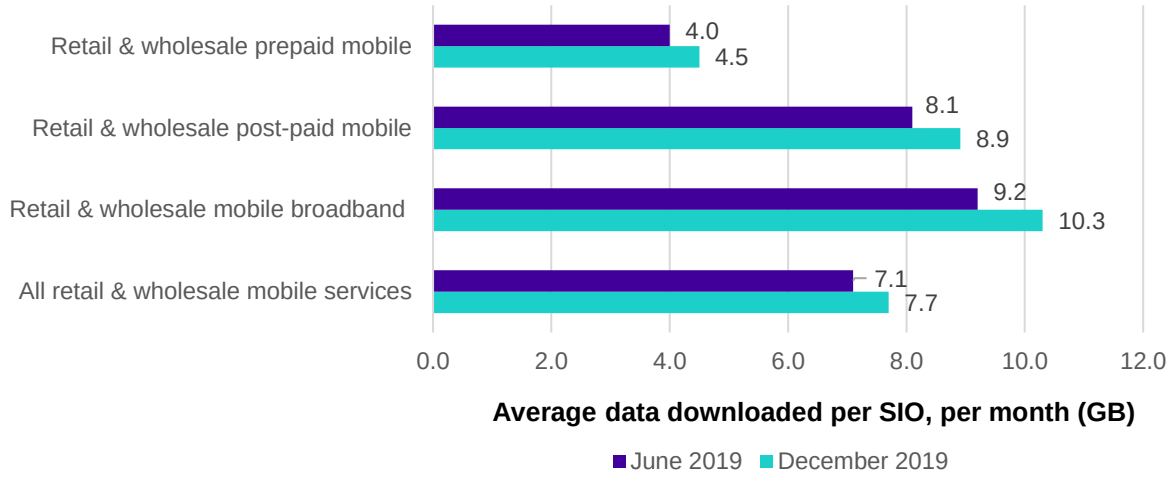


Monthly average data downloaded across all mobile services increased to 7.7 GB

The average volume of data downloaded for all mobiles services (wholesale and retail for post-paid mobile, prepaid mobile and mobile broadband) in the three months ended 31 December 2019 was 7.7 GB per SIO, per month, up from 7.1 GB in the June 2019 reporting period, an 8 per cent increase over the period. Mobile broadband services had the highest average download volume at 10.3 GB, while pre-paid mobile services had the lowest (4.5 GB) (figure 7).

Despite having the lowest average data volume, pre-paid mobile services showed the largest percentage increase between the June 2019 and December 2019 reporting periods, up 13 per cent.

Figure 7: Average volume of data downloaded by type of mobile service



Retail non-NBN fibre services increased as DSL and cable services declined

Fibre was the only retail non-NBN fixed service to experience growth between June 2019 and December 2019, up 5000 SIO to increase its share of retail non-NBN fixed services from 5 to 8 per cent over the same period (figure 8).

Retail DSL SIO made up the majority (67 per cent or 1.4 million SIO) of all retail non-NBN fixed SIO as at 31 December 2019, up from 66 per cent since June 2019 despite a decline in retail DSL SIO (490 000 or 26 per cent) during this period.

Retail non-NBN HFC/cable services also experienced large decreases. HFC/cable made up 24 per cent of all retail non-NBN fixed SIO as at 31 December 2019, down 36 per cent or 279 000 SIO since June 2019.

As the NBN build phase approaches its conclusion, end users are migrating off legacy networks such as DSL and cable.

Figure 8: Proportion of retail non-NBN fixed SIOs by access technology