AUSTRALIAN COMPETITION & CONSUMER COMMISSION

Internet activity report

For the period ending 30 June 2023

December 2023

Acknowledgment of country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission
Land of the Ngunnawal people
23 Marcus Clarke Street, Canberra, Australian Capital Territory, 2601

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ACCC 12/23_23-80

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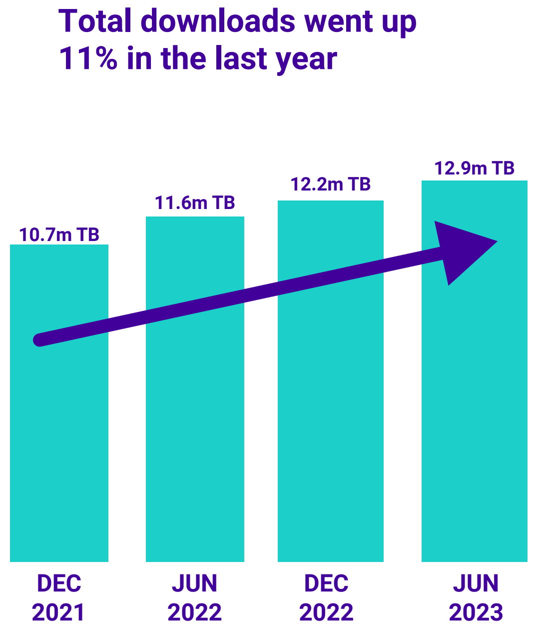
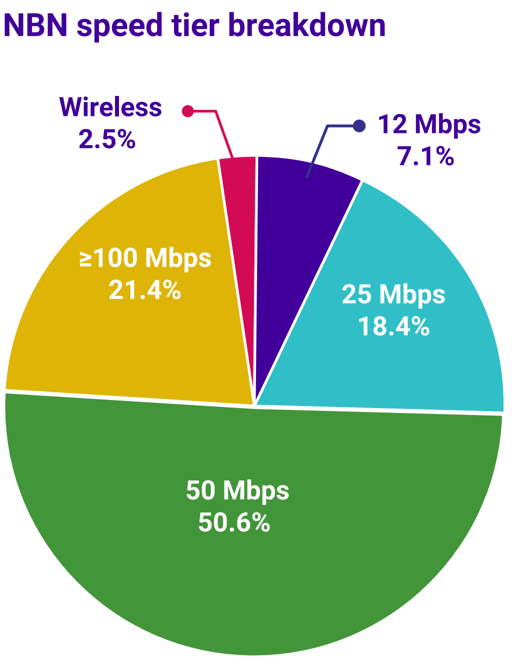
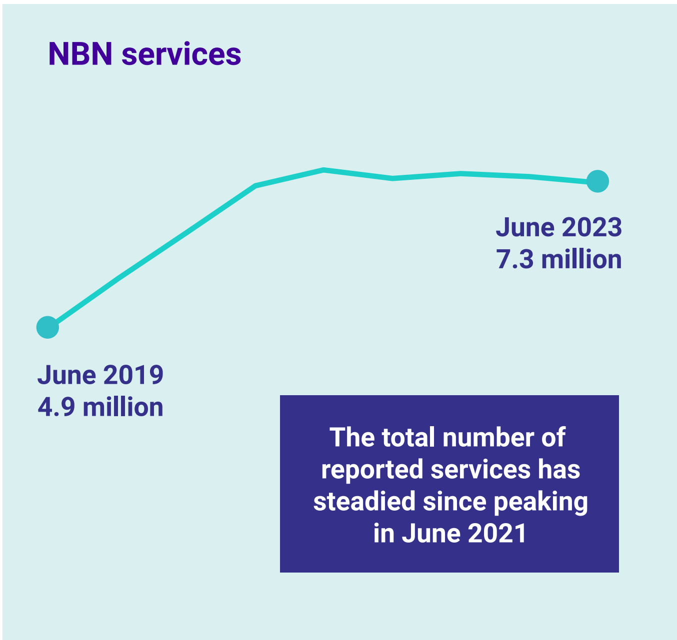






Data usage – GB per SIO per month

	Dec–22	Jun–23	% change
NBN	452	481	▲6%
DSL	435	516	▲19%
non-NBN fibre	478	499	▲5%
Home wireless broadband	283	315	▲12%
Pre-paid mobile	7.2	7.5	▲4%
Post-paid mobile	14.8	15.9	▲8%
Mobile broadband	11.5	12.3	▲7%

Background

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 fixed internet and mobile services.[1]

Previously, the Australian Bureau of Statistics collected internet activity information under the Internet Activity Survey (IAS). The ACCC took responsibility for this function and has been producing reports since 2018.

The 13 retailers currently reporting under the Internet Activity 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. The ACCC is proposing to vary the RKR list of specified record keepers following changes in the market. The consultation paper and draft instrument are available on the ACCC website.

We collect the Internet Activity Report data directly from the RSPs and not NBN Co.

Readers should consider the following when comparing the range of publicly available information on the NBN and that provided in the Internet Activity Report:

- The Internet Activity Report reports retail NBN SIO information from 13 retail service provider groups only.
- The Internet Activity Report also reports retail SIO information on non-NBN networks and mobile services.
- In contrast, the ACCC's NBN Wholesale Market Indicators Report reports NBN wholesale services directly acquired by service providers from NBN Co. This includes information from retailers not subject to reporting under the Internet Activity RKR.
- A service provider may purchase NBN services from another provider, which could mean that the purchaser's retail services information may exceed its number of wholesale services.
- Conversely, a retailer can resell NBN services, which may mean the reseller's wholesale services information exceeds its number of retail services.
- In relation to NBN speed tiers, a retailer may buy 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.

Given the above, there may be a divergence between the number of wholesale services reported under the NBN Wholesale Market Indicators Report and the number of retail services reported under the Internet Activity Report.

Record keepers report information for both the current and previous reporting periods. Figures in the previous reporting period may be revised by respondents in later reports. For the most up to date data refer to the most recent report.

1 Information is collected for the June and December reporting periods. Number of services reported is at 30 June for June reporting periods and as at 31 December for December reporting periods. Volume of data downloaded is for the 3 months preceding the end of the reporting period. For the June reporting periods this is April, May and June. For December reporting periods this is October, November and December.

Developments in broadband markets

Downloaded data

Volume of data downloaded over the NBN continues to increase

The volume of data downloaded over both the NBN and mobile services continued to rise in June 2023. There was a slight decrease in data downloaded over non-NBN fixed networks as the number of services on DSL legacy networks continues to decline.

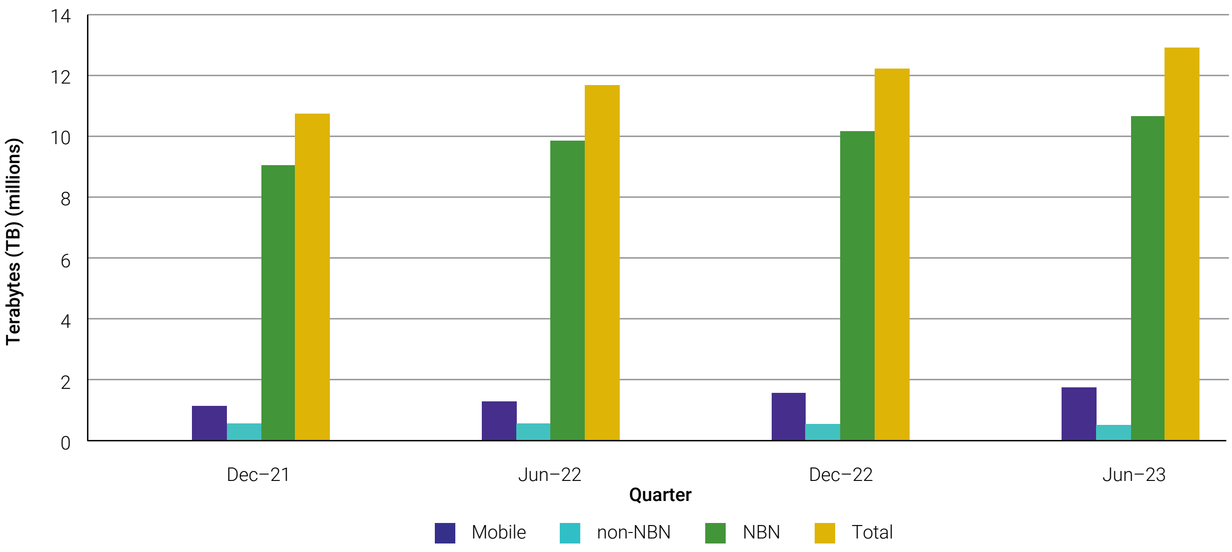
Figure 1 below shows there were 12.9 million Terabytes (TB) of data downloaded across retail broadband and mobile services in the 3 months from 1 April 2023 to 30 June 2023. This is an increase of 5.6% from December 2022 (12.2 million TB), and an increase of 10.7% from the 11.6 million TB reported in June 2022.

The volume of data downloaded over the NBN in the 3 months (1 April 2023 to 30 June 2023) was 10.6 million TB. This is a 5.0% increase from the previous reporting period and an annual increase of 8.2%. Data downloaded over NBN services make up 83% of total data volumes reported this period.

Data downloaded over mobile networks accounted for 13% of the reported data downloads. The total volume of data downloaded over mobile networks was 1.7 million TB, up 11.7% from December 2022 (1.5 million TB) and 35.6% from the 1.3 million TB reported in June 2022.

Conversely, the volume of data downloaded over non-NBN networks, which accounts for 4% of the total, slightly decreased by 1.8% from December 2022 and remained steady at 0.5 million TB in June 2023.

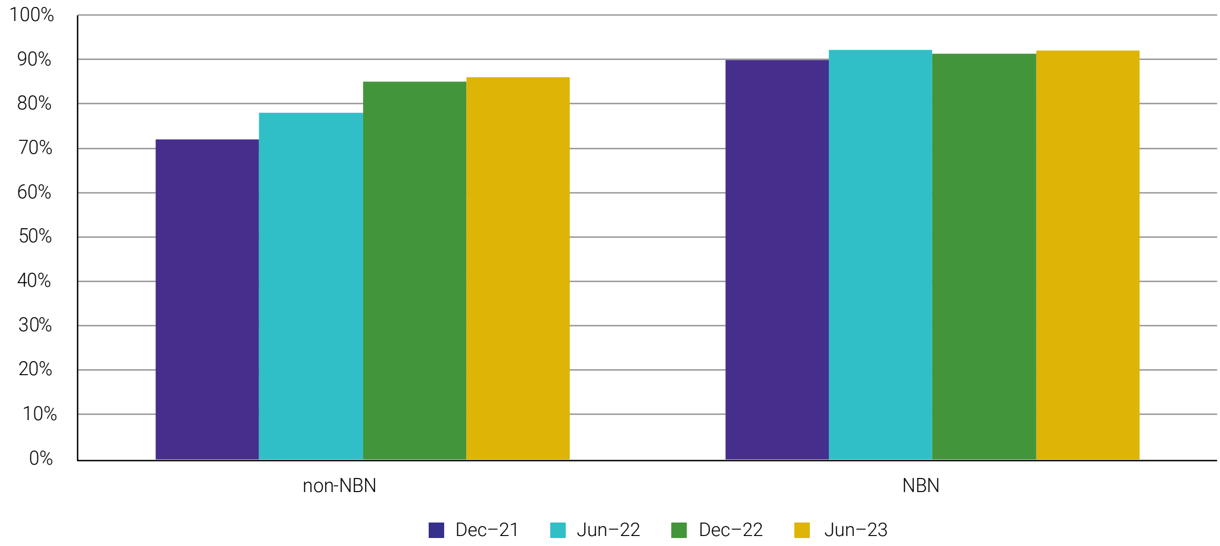
Figure 1: Total volume of data downloaded for retail NBN, non-NBN fixed and mobile networks



Proportion of services with no data limits continue to increase

Figure 2 below shows that non-NBN plans with no data limits increased between December 2022 and June 2023. NBN plans with no data limits remained relatively stable, increasing 1 percentage point from the December 2022 period. For non-NBN fixed services, the proportion of services with no data limit continued to increase and rose to 86% (up from 85% in December 2022 and 78% in June 2022).

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



The average amount of data downloaded continues to increase

NBN customers on higher speed tiers are more likely to download more data than those on lower speed tiers. Figure 3 below shows the average monthly download per service for each NBN speed tier across the preceding 3-month period. The average monthly data downloaded per user across all NBN speed tiers was 481 GB, an increase of 6.5% from the December 2022 period. This is an annual increase of 10.5%.

The largest increases in average data downloaded per month per user reported in the June 2023 period were in the 12 Mbps and 50 Mbps speed tiers. Average monthly downloads per user for the Wireless Plus speed tier also increased. Conversely there were small decreases for both the 25 Mbps and ≥100 Mbps speed tiers.

Figure 3: NBN retail broadband internet – average monthly downloads per SIO per period by speed tier

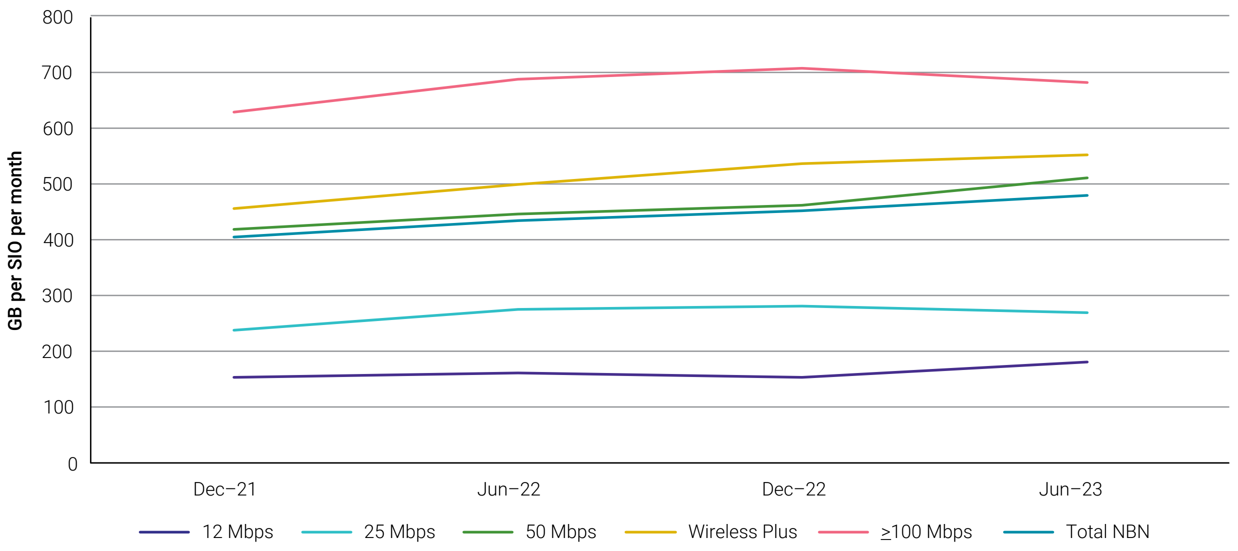
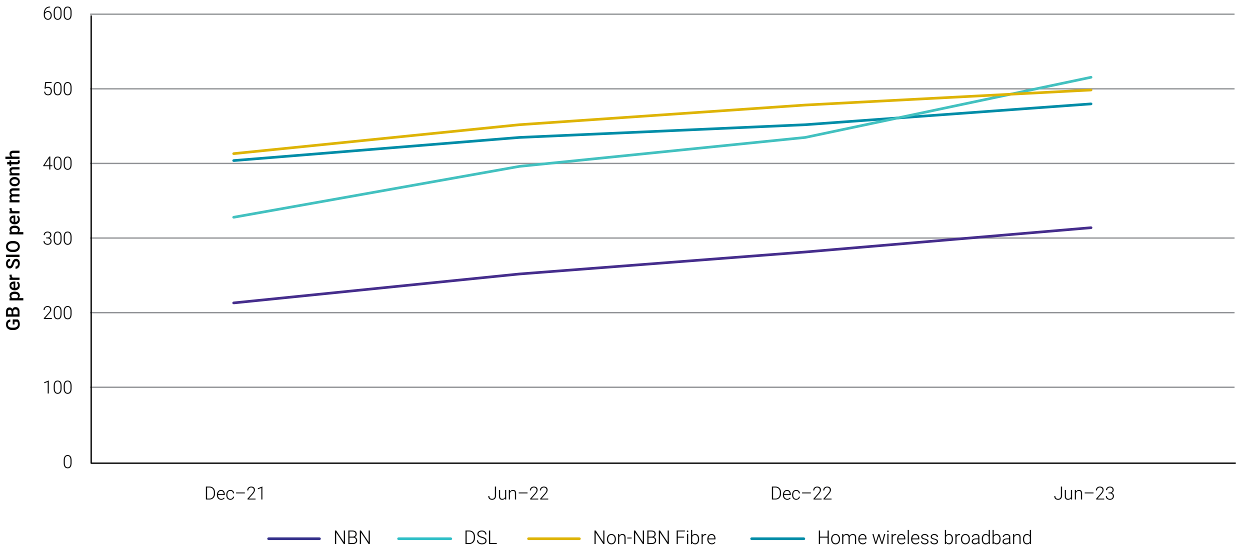


Figure 4 below shows that average monthly downloads per service per period increased across all technology types.[2]

Figure 4: NBN and non-NBN retail broadband internet – average monthly downloads per SIO per period by technology type



There can be volatility in comparing average monthly downloads between different technology types and across reporting periods. The Internet Activity Report publishes reported retail services in operation as of 30 June 2023, while the reported data volumes are for the 3-month period between 1 April to 30 June 2023. The number of services may fluctuate over those 3 months. Figure 4 above shows a substantial increase in the average monthly data downloaded per service over the DSL networks. This is because the number of services decreased 14% (a fall of 21,700 services) between 31 December 2022 and 30 June 2023, while data volumes downloaded slightly increased by 2.1% (up 0.4 million TB).

2 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 4G or 5G mobile network. They are different to fixed wireless services which are point-to-point microwave or radio link.

Services in operation

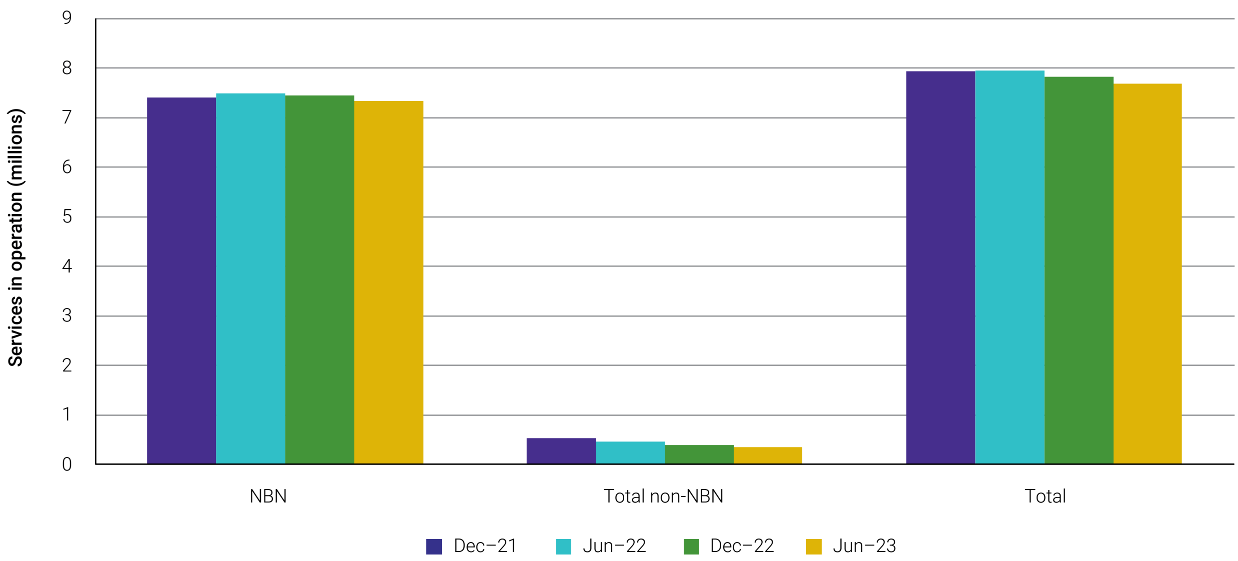
Total NBN retail broadband internet services remain steady while non-NBN services continue to decrease

The total number of NBN and non-NBN fixed services decreased this period. Figure 5 below shows that, as of 30 June 2023, there were 7.7 million retail broadband internet services reported by the 13 retailers covered under this report.

Of these, 95.5% were NBN services. After peaking at 7.6 million services in June 2021, the number of reported NBN retail services was 7.3 million on 30 June 2023. This was a decrease of around 100,700 services (-1.4%) since 31 December 2022.

Non-NBN fixed services continue to decrease. The number of DSL and HFC services in operation continued to decline as consumers continue to migrate from legacy networks onto alternate networks.

Figure 5: NBN and non-NBN retail broadband internet – total SIOs



Changes in the NBN wholesale market speed tiers affected retail SIOs

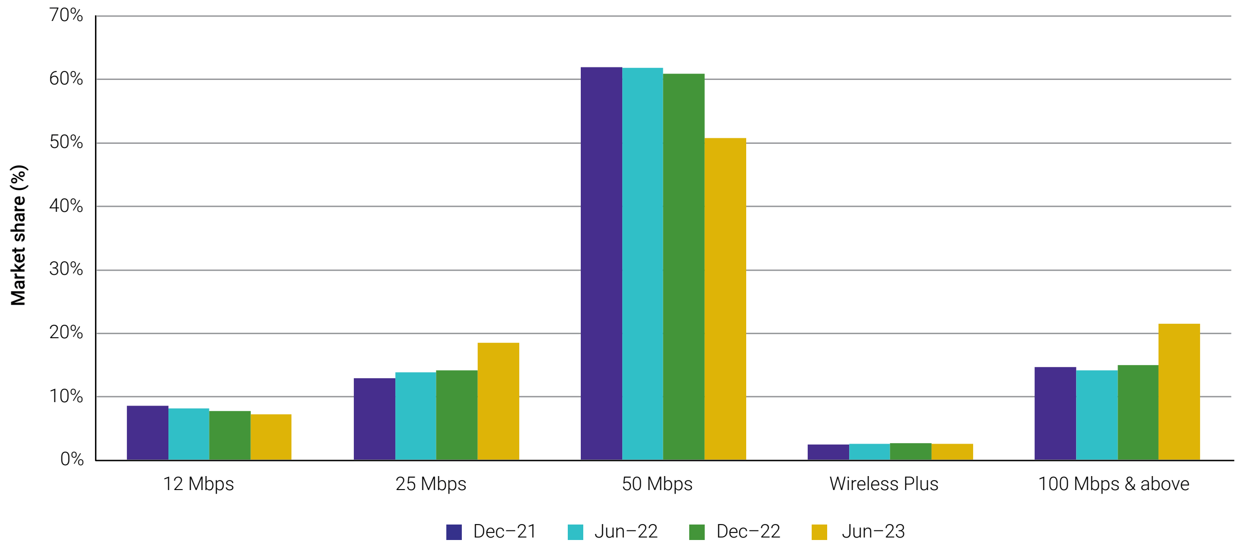
The Internet Activity Report publishes information on the number of retail services by NBN wholesale speed tier, which is the speed tier that service providers purchased from the NBN. This may differ from the retail speed tier that service providers sell to consumers.

The ACCC also collects NBN information under the NBN Wholesale Market Indicators Report.[3] Both reports show a decline in the 50 Mbps speed tier, along with increases in the number of services for both the 25 Mbps and ≥100 Mbps speed tiers. This change in speed tiers was likely driven by the expiry of short-term wholesale discounts to the 50 Mbps and service providers seeking out more cost-effective ways to deliver their services.

3 ACCC, NBN Wholesale Market Indicators Report, June quarter 2023 report, 15 September 2023. Accessed 15 November 2023.

Figure 6 below shows that retail services at the 50 Mbps speed tier made up just over half of NBN retail services at 30 June 2023, despite recording a decrease of around 817,600 services in the June 2023 reporting period.

Figure 6: NBN retail broadband internet by speed tier – market share



In August 2023 the ACCC approved NBN Co's proposed variation to its Special Access Undertaking. The Special Access Undertaking includes measures designed to protect consumers from sharp price rises, promote competition, and encourage more efficient use of the NBN.[4]

Mobile services

High growth in number of mobile services

As of 30 June 2023, there were approximately 29.1 million pre-paid and post-paid mobile services; an increase of 464,500 services over the previous period, and an annual increase of 1.1 million services (4%) since 30 June 2022. This compares to the Australian population of 26.5 million.[5] Figure 7 below shows that most of the half year increase can be attributed to pre-paid services which increased by over 400,000 services.

The number of mobile broadband services continued to decline, falling to 4.3 million services in June 2023; an annual decrease of -1.6%.

4 ACCC, New NBN regulation will promote competition and long-term interests of Australians, 17 October 2023. Accessed 15 November 2023.

5 Australian Bureau of Statistics, National, state and territory population, March 2023, 14 September 2023. Accessed 15 November 2023.

Figure 7: Mobile services - change in the number of SIOs

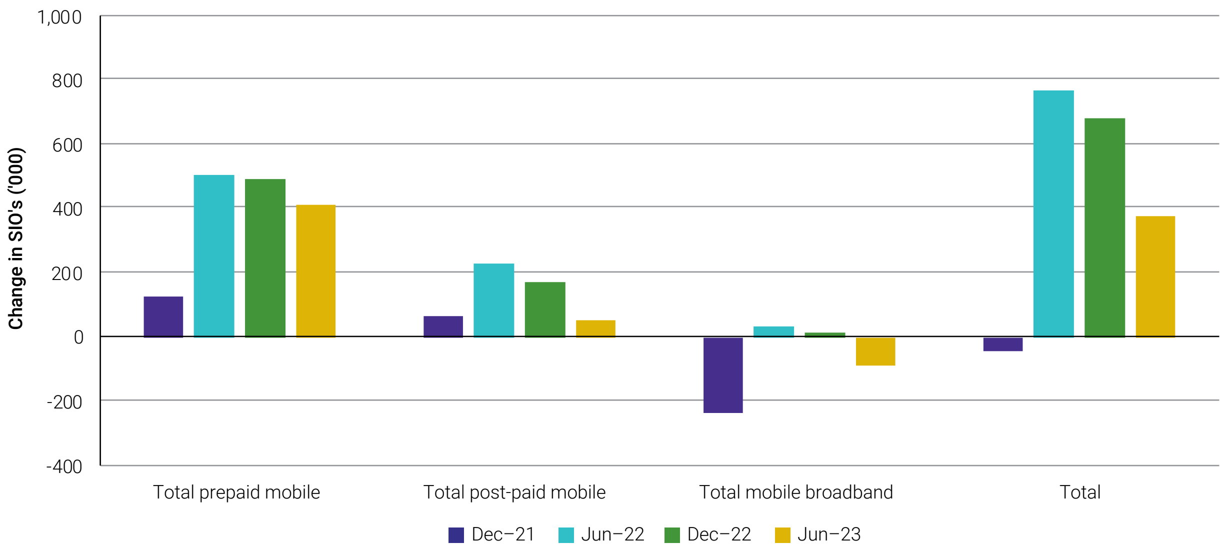
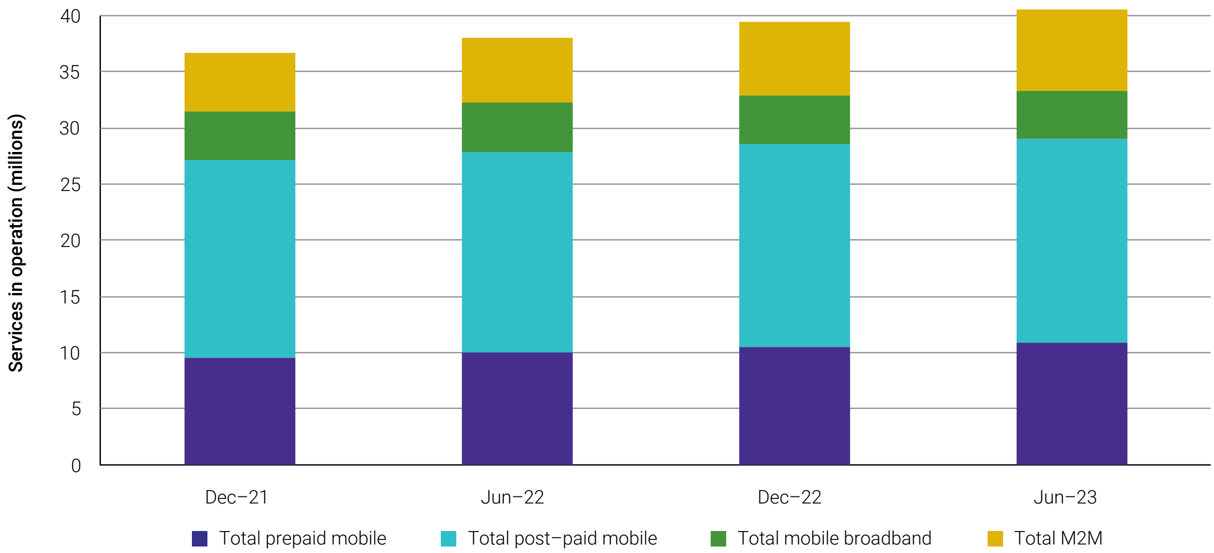


Figure 8 shows the total number of mobile services in each period by the type of service.[6] Despite the larger percentage increase in pre-paid mobile services, post-paid mobile services still accounted for almost two-thirds (62.3%) of the combined total of pre-paid and post-paid mobile services in operation.

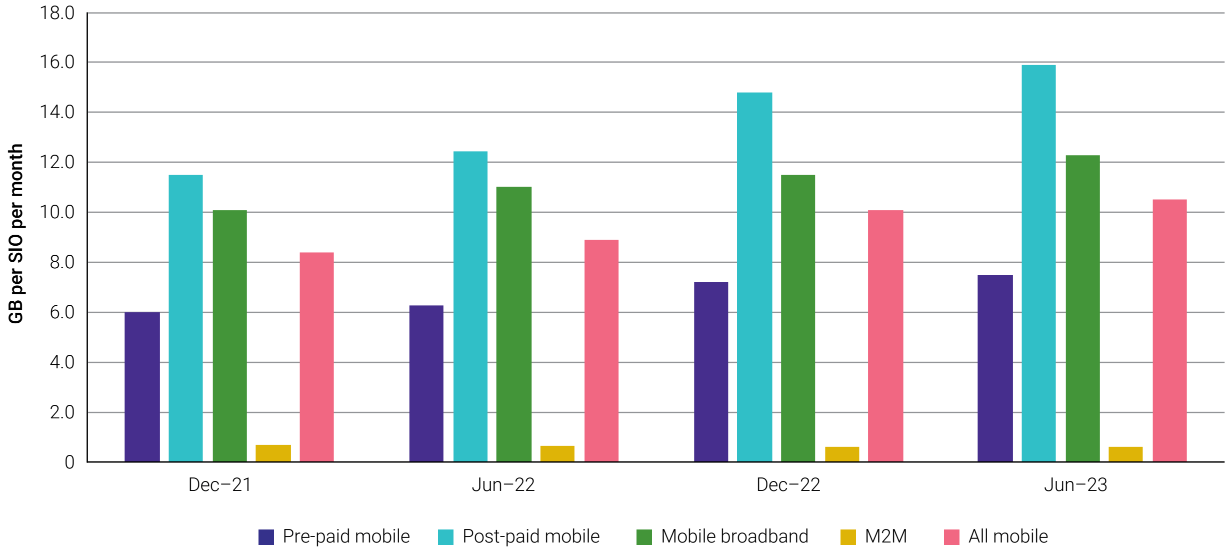
Figure 8: Mobile services – total SIOs by type



Consistent with the trend seen for NBN services, average monthly data downloads for mobile services continued to increase. Figure 9 shows that the average volume of data downloaded per mobile service increased by 0.4 GB (or 4.6%) to 10.5 GB in June 2023. The average volume of data downloaded over post-paid and pre-paid mobile services both increased from the December 2022 period, recording increases of 1.1 GB (from 14.8 GB to 15.9 GB) and 0.3 GB (7.2 GB to 7.5 GB) respectively.

6 Machine-to-machine or M2M is a direct communication between devices using any communication channel, including fixed/wired and wireless. Examples of products using M2M services include smart electricity meters, alarm systems, medical alert alarms, and asset tracking systems.

Figure 9: Average monthly volume of data downloaded per SIO by type



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