

## ISPs tipped to offer unlimited downloads after AAPT announces uncapped plan

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The telecommunications industry will see a wave of operators offering unlimited download plans as a result of AAPT's decision to offer uncapped downloads for \$100 per month, the first plan of its kind in Australia, a leading telco industry expert has said.

But some analysts have expressed concerns that the industry could continue to resist the plans due to a lack of infrastructure.

AAPT announced last week it would introduce an unlimited plan with ADSL2+ speeds for \$100 per month. While such plans are popular in countries such as the US, in Australia most internet packages are "capped" after a certain amount of content has been downloaded.

Caps range from as low as 1GB to 120GB, but providers either charge users once their limit has been reached or "shape" speeds, causing them to be agonisingly slow.

But with the release of AAPT's new unlimited plan, Telsyte research director Warren Chaisatien believes other providers such as Telstra, iiNet and Optus will eventually follow suit.

"I think this will set a new trend. It of course remains subject to policy development, but we've seen these plans dramatically changed in the last few months. TPG now offers 120GB for \$49, and that is huge for a normal household considering they use less than 10GB or so."

"But there are still those who want more, and I think that will set a new trend that larger carriers, particularly Telstra and Optus, will have to respond to. I'm expecting these companies not to be as generous straight away, but it will force them to do something."

But David Kennedy, research director at Ovum, disagrees. He points to statements from Telstra and Optus, companies which have already said they have no plan to introduce "unlimited" concepts any time soon.

"I think what will happen is that a lot of operators will watch what happens to AAPT, but then again the company does have some advantages. They have a lot of corporate clients and have built capacity to support them, infrastructure which is underutilised outside of business hours."

"They have a lot of extra infrastructure as a result, and other companies in the market won't necessarily have that."

Kennedy says the move won't necessarily spark a wave of imitators, and instead he believes any change in the industry will happen over time.

"AAPT have obviously thought this through and set the offer at a level where they're not going to be swamped. There is an element of risk... and it's going to be interesting to see how it works out."

Chaisatien agrees that rival ISPs won't necessarily be able to respond with comprehensive plans straight away, but they will be forced to pay attention.

"In the near-term, of course, they won't be in a position to respond rapidly. But look at what's happened in the broadband space recently, with Telstra dropping its prices and allowing higher download limits for less. They will have to respond eventually."

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