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Market reports

AUSTRALIAN BROADBAND & FIXED TELECOMMUNICATIONS MARKET, 2008 REVIEW & 2009-2013 FORECAST

July 2009

The National Broadband Network (NBN) has been the centre of much activity and discussions, with industry participants having different views on the matter. However, one thing is common amongst the different opinions and beliefs – Australians will have access to a high-speed broadband service that will change the dynamics of the telecommunications industry.

Produced annually as the flagship report in Telsyte's *Market Analysis and Forecast Series*, this study provides a detailed investigation and comprehensive analysis of the Australian telecommunications market in 2008 and forecast for 2009 to 2013. Key findings from this study include:

- In the 12 months to December 2008, the Australian broadband telecommunications market (excluding business private data and private network products), had a total of 5.94 million subscribers generating total service revenue of \$3.57 billion;
- Naked DSL allows the ADSL service to run over copper without the need for a fixed line telephone service, hence providing end users with an alternative to disconnect an under utilised fixed telephone service, and achieve cost savings in the process;
- Decline in PSTN subscribers is mainly due to Australians replacing PSTN services with mobile phones (fixed to mobile substitution – FMS), coupled with the introduction of Naked DSL, where the PSTN service is no longer required to have broadband connectivity;
- The number of residential/SME VoIP subscribers grew to over 377,000 by the end of December 2008, representing year-on-year growth of just over 35%;
- In 2008, the Australian retail data communications market was worth \$2.99 billion, an increase of 1.8% from 2007. Telsyte has observed that the rate of migration to IP and the increased in bandwidth demand were able to marginally offset the decline in service pricing since 2007;
- Telsyte expects post 2011, the emergence of SIP trunking and increase in bandwidth demand will drive the data services market to grow at close to 4% per annum. However post 2013, with the increased availability of bandwidth as part of the NBN rollout, prices are expected to come under pressure;
- The offering of premium content on a subscription-based model on top of telecom service access can generate an additional revenue stream for ISPs, increasing monthly ARPU in the process; and
- Telsyte believes that mobile broadband is a complementary access technology in the business market. However, Telsyte has observed substitution effects in the consumer market, with certain segments of the market replacing the fixed broadband connection.

Published simultaneously with this study are two other Market Analysis and Forecast Series reports, namely:

- *Australian Enterprise Telephony Market, 2008 Review & 2009-2013 Forecast*, (Publication Number: 80586); and
- *Australian Mobile Services Market, 2008 Review & 2009-2013 Forecast*, (Publication Number: 80577).

Australian Broadband & Fixed Telecommunications Market, 2008 Review & 2009-2013 Forecast is a 33-page report costing \$3,995 (excluding GST) and includes 13 Figures and 10 Tables.

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