

Tips for picking a good value NBN internet plan

With the NBN rollout picking up some momentum and about to reach 500,000 premises, it's time to check out the best value plans on the market. We've had a running debate around the ACCAN office about what good value actually means in a telco product – is it the cheapest? What about quality? Good value means different things to different people, for most people it's probably the best quality you can afford.

1. Check ISP quality

For the occasional user, who just gets online for email and a little web browsing, most NBN products will easily perform to your needs. But to get the most out of the extra NBN speed you'll want to start pulling down high definition video. Whether it is for overseas video chatting, entertainment, tele-health or work, video performance is the main measure of a good quality internet service provider (ISP).

Previously you might have gone with a tried and tested provider, like Telstra or Optus, or taken a stab in the dark with another provider. Now there are a couple of tools to help you compare ISP performance quality. First, there is the Google Video Quality Report which shows the average YouTube video performance over a 24-hour period for most providers in your area. Second, Netflix has ranked the ISPs based on the average speed each delivered its video content. Both have their limitations, like not distinguishing between NBN and non-NBN services, but they provide a good rule of thumb.

2. Get enough data

With all of these new services comes much higher data downloads. NBN released statistics at the end of 2014 which found the average NBN account downloaded 83GB per month – which is 43 per cent more than the national average (58GB).¹ This is set to grow with the launch of streaming services like Netflix. iiNet reported a 25 per cent jump in network traffic in the month of the Netflix launch. Given this demand for data we'd advise an average user who wants to use streaming services to look at offers with at least 100GB of data per month.

3. Compare cost

Anyone who has looked at a mobile phone contract knows you need an accounting degree to figure them out. Internet contracts aren't much easier – terms like, peak and off-peak, shaping, speed tiers, set-up fees, monthly fees and early termination fees are overwhelming.

Some general rules are to:

¹ <http://www.nbnco.com.au/corporate-information/media-centre/media-releases/internet-downloads-increase-by-33-per-cent-abs.html>

- Avoid offers that split data into “peak and off-peak”. We analysed a range of plans and found only one with this split which was still good value.
- Balance big set-up costs against the monthly fee; we found some telcos with no set-up cost and low monthly fees, so it pays to shop around.
- Make sure you’re comparing like with like. NBN products allow you to pay for the speed you want; most providers have four different tiers of speed.

4. Added extras

At ACCAN we’re pretty sceptical about bundled extras – while they may be advertised as free, you usually end up paying for them through higher overall prices. Extras can also make it difficult to compare offers because you don’t always know the cost of the individual components.

Voice – Even basic NBN plans tend to be bundled with a voice service. This is either Voice over Internet Protocol (VoIP) or a standard telephone service. VoIP services tend to be a lot cheaper because they run over the top of the internet rather than the dedicated line of the standard telephone service. This means they can be subject to slow downs or “lag”, but the technology is improving all the time and it is getting harder to tell the difference in quality between the two technologies. Although if you have medical and/or security alarms it’s best to stick with a standard telephone service

Entertainment – One of the big advantages of the NBN is its ability to stream high definition video. This means you can take advantage of the plethora of streaming services like Stan, Presto, Netflix and Quickflix. Some ISPs will throw in a few months free subscription to a streaming service or zero rate any data you use on these applications. This means any data you use watching content on a streaming service won’t be counted towards your monthly data limit.

5. This is still too hard, what are the best value plans?

We’ve attempted to take our own advice and come up with a list of good value plans. These are all NBN fibre products in the speed tier 12/1Mbps, which should be fast enough for HD video and at least 100GB of data.

Top three:

1. Activ8me – 100GB \$49.95/month
2. Skymesh – 120GB (plus 240GB off-peak) \$59.95/month
3. TPG – Unlimited data \$59.99/month

The full list – see table below.

NBN plan comparison table

Company	Cost	Data Inclusion	Setup Cost	Phone	HD streams	Star Rating
activ8me	\$49.95	100GB (\$0.5 per GB)	\$99 (No modem included)	Additional extra (Choice of VoIP or Phone)	94%	5 stars
Skymesh	\$59.95	120GB (\$0.5 Per GB)	No setup cost (No modem included)	Additional extra (Choice of VoIP or Phone)	87%	4.5 stars
TPG	\$59.99	unlimited	\$129.95 (Modem included)	Phone included	78%	4 stars
iiNet	\$69.90	250GB (\$0.28 per GB)	\$79.95 (Modem included)	VoIP included	75%	3 stars
Internode	\$69.95	300GB (\$0.23 per GB)	\$99 (No modem included)	Additional Extra (Choice of VoIP or phone)	75%	3 stars
Belong (powered by Telstra)	\$55.00	100GB (\$0.55 Per GB)	\$60 (Modem included)	No	74%	3 stars

More info on comparison table:

- Data inclusions: The average NBN subscriber uses 83GB a month. Only the cheapest 12/1mbps plans, from each provider, with at least this amount of data (excluding off-peak data) were compared in the table.
- Setup costs: Some providers waive setup costs if you sign on to a long term contract. For ease of comparison we only compared costs of month-to-month plans.
- HD Streams: This is based on peak hour performance as per Google's Video Quality Report in the Sydney area on 27/5/15. A higher score means a greater proportion of HD video delivered to subscribers.
- Star rating: This comparison does not represent the full market, only those providers which met the basic requirements outlined above.