



Fact Sheet:

Broadbanding Brunswick: Householders' early impressions of the NBN

This study of the household adoption of the National Broadband Network (NBN) in the first-release site of Brunswick, Victoria, examined the take-up, use and implications of high-speed broadband for some of its earliest adopters.

The research examined what and why households adopted the NBN, how people understand broadband services, and how people view the NBN. It also examined whether the adoption of the NBN affected household communications costs, use of the internet, and devices in the home.

The study used mixed methods and a longitudinal approach, surveying households in Brunswick in late 2011 (n=282); interviewing a selected sub-set of 20 households in mid-2012; and following up with a survey of the same cohort in late 2012 (N=102 households).

The study was carried out by an interdisciplinary team of researchers from the University of Melbourne and Swinburne University, and was supported by a research grant from the Australian Communications Consumer Action Network (ACCAN).

Brunswick is an inner city area of Melbourne and one of the first areas NBN Co selected to pilot approaches to service delivery and as such a number of things have changed since the study was conducted. The population of Brunswick is also distinctive, with: 38.9% born overseas, 36.4% NESB (high); 14.2% shared households (high); 46.3% rent (high); 27.3% aged 25 to 34 years old; 35.8% hold a Bachelor Degree or higher; 45.2% couples without children.

Findings

NBN adopters

Between 2011 and 2012 the number of households in the Brunswick site that had an active NBN connection rose from 20% to 36%. Early adopters of the NBN were much more likely to be home-owners (63%) rather than renters; and households with children (59%) rather than couples, shared or single households.

The initial low-rate rate of take-up was influenced by households lack of awareness of the NBN and its availability, having to deal with an unfamiliar broadband technology and 'opt-in' installation process that was still in an early stage of development, and having to wait for retail service plans to be made available. The longitudinal data did, however, reveal an increase in household adoption of the NBN, suggesting many of these earlier awareness and installation issues had been worked through. NBN Co no longer uses an opt-in approach.

NBN decision making

NBN households were more likely to be guided by Internet speed in their decision-making about retail/Internet service plans (29% compared to 10% of non-NBN connected homes), whereas non-NBN connected households emphasised the importance of price (24%, compared to 9% of NBN-connected households).

Decision making in household uptake of the NBN appeared to be guided by an active rather than passive response to Internet options in the communications marketplace.

Despite this difference, the perception of Internet service value was a significant factor in decision-making across all household connection types (24% NBN households and 29% of non-NBN households nominating value as the main reason). For non-NBN connected households, the value proposition of their current Internet service was based on perceived cost, satisfaction with ADSL/cable performance, or satisfaction with their current bundled plan. For NBN connected households the value proposition related to personal benefits in terms of data volume and speed, as well as broader community and economic benefits such as productivity and inclusion.

Broadband literacy

This research shows that households have a good understanding and are aware of their monthly ISP data allowance (72% know their data amount), but are much less knowledgeable about the data speed possible or advertised as part of their service plan (68% unsure of Internet speed).

Internet speed among all types of broadband users is often understood in intuitive or experiential ways rather than quantitatively, however, NBN users tend to be more knowledgeable about quantifiable measures (49% knew their advertised data speed, compared with only 23% of non-NBN connected households). It appears that consumer knowledge about Internet plans remains dominated by past retail pricing options and measures based on volume rather than speed.

Views of the NBN

82% of surveyed households either agreed or strongly agreed that the NBN is a good idea.

Our research suggests that the personal value proposition of the NBN is its speed and its data capacity, which is perceived to be associated with increased participation in the digital economy for both work and leisure. People also believe the NBN is of national value and can help to play an important role in building the productivity and competitiveness of the national economy, and in providing for universal digital inclusion.

Reasons for support of NBN: an infrastructure for all Australians (14%), beneficial for the future (11%), improve national productivity (8%), help us maintain global competitiveness (6%), connecting rural Australia (5%), keeping up to date with developments in technology and innovation (5%). In contrast, a few thought it was too costly and misdirected use of government funding (6%), or too complex and suffering delays (2%).

NBN costs

Comparisons between the household Internet connection type and monthly amount spent on home Internet (excluding mobile phones) shows that in 2012 households on the NBN were more likely to spend more, with 70% of NBN connected households reported spending more than \$50 per month, compared to 56% of non-NBN connected households.

The data suggests, however, that adopting high-speed broadband services on the NBN does not necessarily increase the cost of household Internet. Instead, for 49% of the households in this study, the NBN had no real impact on Internet cost. For those whose costs did increase somewhat (26%), this was often accompanied by increased Internet speeds – and sense of value – whilst for those whose costs decreased somewhat (11%) this was often associated with a substitution of landline telephone for a VoIP telephone service, in which the cost of data and voice were bundled in a single service plan.

NBN usage

62% of households that had taken up plans on the NBN reported that the volume of home Internet use had either increased somewhat or a lot.

NBN connected homes are more likely to make greater use of the Internet, and are more likely to engage in more sophisticated online activities, but the association is not necessarily causal. NBN connected households are almost twice as likely to be used as places of telework (30%) than other households (15%).

Devices in the home

The NBN is contributing to ongoing shifts in household device accumulation and Internet access, which is moving from singular, wired and fixed to multiple, wireless and mobile.

When asked whether the type of Internet connection had affected the number of household devices that connect to the Internet, 30% of households that had taken up plans on the NBN reported that it had either increased somewhat or a lot, compared to 20% of other homes.

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The report is available at www.accan.org.au/files/Broadbanding_Brunswick.pdf

For more information, contact **Annie Rahilly (Media office): 9035 5380/0432 758 734**
arahilly@unimelb.edu.au