



## VoIP in Australia: Awareness and interest high, but take-up low

**ACMA research has found that Australian consumers are generally aware of voice over internet protocol (VoIP) services and are interested in using them. However, take-up remains comparatively low. ACMA's ongoing examination of the use and provision of telecommunications services in Australia has found that 81 per cent of internet households were aware of VoIP but only 15 per cent of respondents (people 18 years and over) and 13 per cent of small and medium enterprises (SMEs) had used a VoIP service.**

The findings are included in the report *The Australian VoIP Market*, which presents the results of research into the supply and demand of VoIP services in Australia.

Consistent with other research into the take-up and use of new communications services, VoIP usage is higher in the younger age groups and in households with high income levels. VoIP users are also more likely to be on the cusp of emerging communications trends, such as substitution of mobiles for fixed services as the main form of communication.

The report estimates that there were 269 VoIP providers in Australia as of September 2007.

The study used qualitative (consumer focus groups) and quantitative (consumer and SME surveys) research to examine how consumers and SMEs perceive and use VoIP services.

The objectives of this report were to:

- provide an overview of VoIP services
- identify the size of the VoIP market, both in terms of overall take-up and the suppliers of the service
- explore how factors such as age, gender and income (in the case of consumers), and industry and business size (in the case of SMEs) influence take-up and interest in VoIP.

VoIP is a service that has the potential to change the fixed-voice market. The low pricing and additional functions offered by VoIP services create strong competition for traditional public switched telephone network (PSTN) fixed-voice services. Industry forecasts predict that VoIP will comprise 21 per cent of fixed-voice revenues in Australia by the end of 2011.

The Australian VoIP market is growing rapidly. Between April and September 2007, the number of VoIP providers increased by 27 to 269. It is more difficult to obtain reliable estimates of current levels of VoIP subscribers because many VoIP providers do not release their subscriber numbers. One estimate from Market Clarity forecasts a 237 per cent increase in internet-based VoIP subscribers between June 2007 (1.4 million) and June 2008 (4.8 million).

ACMA's first report on the supply and demand of VoIP in Australia was undertaken in response to the increasing need for regulatory decisions to be based on solid evidence. Research into community attitudes and understanding of how new services are being delivered to

Australian households and businesses also informs debate about internet and communications use and participation in the digital economy.

In addition to this report, ACMA will be publishing reports that examine:

- consumer satisfaction with their communication services
- consumer attitudes to service substitution.

*The Australian VoIP Market* report is available on the ACMA website at [www.acma.gov.au](http://www.acma.gov.au) (go to About ACMA: Publications & research > Telecommunications publications > Industry and community reports).

