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## Net telephony set to boom

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INTERNET telephony is booming in the US and is catching on in corporate Australia.

Consumer voice over internet protocol service revenue will be about \$1 million this year, IDC telecommunications research director Landry Fevre says.

He expects this to increase to about \$50 million by 2008.

"However, this forecast is likely to change when the big players such as Telstra and Optus are forced to enter in reaction to Swiftel, and possibly iiNet and Primus," Fevre says.

"Competition will not be so intense as in the US, where cable companies are pushing these services hard as a value-add. In Australia the two biggest telcos also own the two main cable infrastructures."

Many popular broadband plans offer 64Kbps data upload rates, and at least 64Kbps is needed for uncompressed voice, but compression technology can get this down to as low as 15Kbps. It is in uncapped broadband that early adopters can now make the most of the technology.

"The low-end all-you-can-eat capped broadband plans are not suitable for VoIP," Fevre says.

Although an hour's worth of voice data will eat up to 288Mb uncompressed or 60Mb compressed – well within the limits of users on capped plans – caution is needed, Cisco Systems Australia and New Zealand managing director Ross Fowler says. The data cost of keeping a VoIP connection "alive" – connected to the network – could be as much as 4Mb in a 24-hour period. "That in itself may not seem significant, but over time it could add up and be a problem for users on capped broadband plans," he says.

Australia has 1.3 million broadband connections.

"Domestic VoIP will happen, but it will require a big player to do it," Fevre says.

Broadband plans costing less than \$40 a month mostly offer 256/64 (256Kbps down and 64Kbps up), using digital subscriber line technology, modified to offer faster download than upload. This is known as Asymmetric DSL. For \$50 monthly, metropolitan users can get plans offering 512/128Kbps, but these have download limits as low as 3GB monthly with the download speed being pulled back, or choked, to dial-up speeds when that cap is reached.

Voice can eat into download limits and challenge the viability of virtual phone calls if they cause the account to breach its limits.

The only cost for making a computer-to-computer call, or peer-to-peer (P2P) in industry shorthand, is the bandwidth.

P2P pioneers Niklas Zennstrom and Janus Friis, founded and then flogged the popular music download program KaZaA, before they set up Skype, a free program offering voice calls over the internet.

Now they offer SkypeOut, a pre-paid service that allows calls to be made to landlines and mobile phones.

Calls cost 3c a minute.

An Australian service, BroadBand Phone, offers overseas calls from 5c a minute and interstate calls from 10c a minute, but its handset is \$249. A subscription is \$15.95 monthly.

## **RELATED LINKS**

[www.skype.com](http://www.skype.com)

[www.broadbandphone.com.au](http://www.broadbandphone.com.au)

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