What you need to know: How the ACCC’s domestic mobile roaming inquiry affect you

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The ACCC helps to keep mobile phone services competitive for all consumers, regardless of where they live. This factsheet explains what domestic mobile roaming is, the issues for consumers and how they can contribute to the inquiry.

What contracts are covered?

What is domestic mobile roaming?

In Australia, a domestic mobile roaming service is where a mobile network operator uses (or roams onto) the mobile network of another mobile network operator (the host mobile network) so that the first operator can provide mobile services to consumers outside of its own network coverage area.

For example, a domestic mobile roaming service allows a customer of Vodafone’s to access Optus’ mobile network when travelling to a location outside Vodafone’s mobile network coverage. Vodafone would pay Optus for receiving access to the Optus network in the visited area.

Currently, mobile network operators are not required to provide roaming services to each other and it is up to the mobile network operators to negotiate roaming services on commercial terms. Some domestic mobile roaming agreements are currently in place. For example, Vodafone customers are able to roam onto the Optus network in some areas where Vodafone does not have its own network.
Why should mobile roaming declaration matter to me?

Mobile network coverage and choice of service provider are important issues for consumers, particularly consumers living in regional, rural and remote areas. Mobile network coverage is also used as a selling feature to distinguish mobile network operators. All of the mobile operators have extended their networks to provide services to the vast majority of Australia’s population. However while the difference in population coverage between the operators is small, the difference in geographic coverage is significantly greater. This means that consumers who live in areas with a low population may only have one choice of operator in the areas where they live, work and travel.

The ACCC is undertaking a declaration inquiry in order to determine whether the difference in geographic coverage provided by Telstra, Optus and Vodafone is having a negative effect on competition for mobile services, and whether requiring mobile roaming would be in the long-term interests of consumers.

If a mobile roaming service is declared, a mobile network operator (the host network) would be required to provide mobile roaming to another mobile network operator (the roaming network) on request. This may promote competition by leading to an increase in the choice of mobile service provider and retail plans available to consumers in some areas, particularly consumers in regional, rural and remote areas of Australia.

On the other hand, if a domestic mobile roaming service is declared, mobile network operators may lose a selling feature by being required to share their network with their competitors. This may reduce incentives for the host network to make further investments in maintaining, upgrading and extending their mobile networks. It may also reduce incentives for the roaming network to invest in their network, as they may seek to rely on the ability to roam onto another network to provide services, rather than extending their own network.

For these reasons, it is unclear at this stage whether declaration of a mobile roaming service would promote the long-term interests of consumers and businesses. The ACCC is therefore inviting submissions and seeking information to assist it in making its decision.

What is the ACCC looking at in this inquiry?

The ACCC has released a discussion paper as part of its mobile roaming declaration inquiry. The discussion paper sets out the range of issues the ACCC is looking at, including:

- the current state of competition for mobile services in Australia and whether there are barriers to extending mobile networks in regional Australia
- the effect that declaring a mobile roaming service may have upon competition
- the effect that declaration may have on mobile network operators’ incentives to invest in extending and improving their networks, and
- the importance of geographic coverage for consumers and mobile service providers’ ability to compete.

We would like to hear from all interested stakeholders, including individual consumers, businesses, industry and relevant representative bodies about their views on issues raised in the discussion paper and other matters they consider relevant to the declaration inquiry.

You can provide your submission by sending your submission to MobileRoamingInquiry@accc.gov.au or via the consultation hub on the ACCC website. We have also prepared some online questions which you can use to provide your views. The online questions can be accessed via the consultation hub.

Submissions are requested by 25 November 2016.