

Secretariat
Domestic Mobile Roaming
Australian Competition and Consumer Commission
Electronically via: mobileroaminginquiry@acc.gov.au

16th June 2017

Dear Sir / Madam,

Re: Australian Competition and Consumer Commission's (ACCC) Inquiry into a Domestic Mobile Roaming Declaration – Draft Decision

Cotton Australia welcomes the opportunity to comment on the ACCC's draft decision on domestic roaming. Cotton Australia represents up to 1,500 cotton growers, as well as representing the interests of cotton service providers including consultants and ginning organisations. These groups are our active members which we engage with on a biannual basis to assess their issues and concerns.

Cotton Australia wishes to endorse the National Farmers Federation submission to the ACCC's draft decision on domestic roaming. Where there is any deviance of policy positions, the direction taken in this paper is to be considered as Cotton Australia's policy position and response.

As detailed in our submission to the discussion paper the availability, reliability and affordability of telecommunications services are of major concern to Cotton Australia members. Of these, coverage is the primary concern. Continued investment in the expansion and improvement of existing telecommunications infrastructure in regional areas is the priority of Cotton Australia members.

Telecommunications services was identified by our members as their most significant policy priority at our recent General Meeting in May 2017. This is a reflection of the impact that poor mobile and data services have on our grower's productivity and competitiveness due to an inability to uptake improved technology. These services are also essential to drive efficiency gains for long term sustainability outcomes of the cotton industry and agriculture more broadly. The inability to convey data can impact farm decision making through issues downloading data from instrumentation or, even more critically, leads to significant health and safety concerns, through poor mobile coverage impacting the ability to make critical calls in the event of an emergency.

As anticipated prior to the release of the draft declaration, the ACCC received a considerable volume of information deemed to be commercial-in-confidence. Therefore the ability for Cotton Australia to express sentiments on the relative effectiveness of competition within the telecommunications industry is severely impacted by the level of transparency of information and data provided.

Given the lack of transparency of information, and the launching of the Judicial Review by Vodafone, we will defer all commentary on the relative merits of competition to the ACCC subject to the following points:

- We note that the draft decision on the mobile roaming declaration acknowledges that there is limited evidence to support further expansion of mobile network coverage given the current extent of the network, which as at 2016 now covers 99.3% of the population on the Telstra network, 98.5% on the Optus network and 95.6% on the Vodafone network. However the coverage levels alone which are being quoted by the mobile network operators (MNO's) are not currently sufficient to meet the need of our members. Therefore we would like to indicate our support for all incentives that encourage expansion and upgrading of existing network coverage.
- We note that the decision not to declare mobile roaming appears has been based on the basis of a nationally operating mobile services market.
- We stress the importance of the ACCC's role in balancing the interest of new entrants to the market, existing mobile network operators and consumers. The Regional Telecommunications Review indicated the importance of the mobile network, which now forms the primary means of communication in regional areas. Therefore it is vital that coverage reflects the increasing shift on to mobile services and the upgrades that are required on these networks in order to appropriately cater for the infrastructure pressures placed on these mobile services in regional areas.

Cotton Australia understands that the ACCC is seeking specific comment on the areas of improving transparency around MNO's investment plans and commitments in regional Australia; providing consumers with information about network quality; improving the effectiveness of infrastructure sharing; and ensuring that given spectrum is essential input into mobile markets, the spectrum regulatory framework promotes competition. We have outlined our brief responses in these areas immediately below.

Improving transparency around MNO's investment plans and commitments in regional Australia:

As highlighted in the draft decision Optus and Telstra have both made significant announcements regarding network investment whilst the potential for a mobile roaming declaration has been investigated. However, whilst significant investment announcements have been made there is limited transparency around where funding will be allocated, especially in regards to expanding existing mobile network coverage versus upgrading the existing network.

We note that given the increasing use of the mobile network for transfer of data, upgrading of existing infrastructure to cope with the changes to transfer of information is important.

Improved transparency of information around investment plans may have the additional benefit of avoiding allocation of Government funding via the mobile blackspot program where an investment in infrastructure is already planned. It may also assist in co-location discussions between mobile network operators.

We wish to reiterate our support of the mobile blackspot program which is providing crucial upgrades to mobile networks where investment was not being made by the existing mobile network operators. However we wish to raise our concerns regarding how 'coverage level' information is collected, as the information reported by the mobile network operators is often not reflective of what consumers experience on the ground. Cotton Australia would therefore like to see greater transparency around the provision of this information to avoid the need for communities to collect their own information of mobile coverage to facilitate a grant under the mobile blackspot program.

Cotton Australia recommends that the ACCC could act as the centralised organisation for information around coverage claims which is currently provided to the ACCC, Federal and State Government sources in a disparate fashion.

Providing information about network quality:

We see that the ACCC could concurrently collect information on both mobile network coverage and mobile network quality. Cotton Australia supports transparency of this information to inform consumer choice, encourage competition and improve investment.

Improving the effectiveness of infrastructure sharing:

As highlighted within the ACCC draft decision, there are ongoing issues associated with co-location notably Telstra indicated that co-location reduces upfront costs but increases ongoing maintenance costs and Vodafone indicated issues in negotiating co-location agreements. Given Cotton Australia is not party to the commercial-in-confidence information under which these claims are made it is difficult to determine the validity of these claims.

However, given the mobile black spot program represents expenditure of public funds we are highly supportive of mechanisms under this program that incentivise co-location arrangements. We support the ACCC's finding that: '*open access requirements for these types of programs, over the longer term, will deliver more benefits to those regional consumers who are seeking improved coverage and a better return for the public money expended (pg79).*'

Ensuring that spectrum regulatory framework promotes competition:

Cotton Australia wishes to express its in principal support for ACCC oversight of the spectrum regulatory oversight to provide improved outcomes for end-users.



Advancing Australian Cotton

Should you have any questions regarding our submission please do not hesitate to contact me on 02 9669 5222 or felicitym@cotton.org.au

Kind regards,

Felicity Muller
Policy Officer