

Mobile roaming inquiry

ACCC,

Dear Sir/Madam,

Delta Ag is a privately owned and dynamic agribusiness in regional New South Wales, employing over 200 people. The business has a diverse offering to its rural clients, providing the full spectrum of services such as Rural Merchandise, Agricultural Chemicals, Cotton and Summer Crop services, Animal Health, Seed and Fertilizer, Grain Marketing, Livestock Marketing, Real Estate, Insurance and Finance, Horticulture and Viticulture services and Packaging. Delta Ag has a footprint of 25 regional business locations across the highly productive South West Slopes, Riverina, The Macquarie, Central West, Orana, Namoi and Gwydir Valleys in Northern New South Wales.

On behalf of Delta Ag and our significant network of agricultural partners and customers in regional NSW, I would like to provide feedback on your draft determination to not declare mobile roaming.

We are at the leading edge of working with agricultural customers on the use of technology to gain efficiencies in their businesses and assist in maximising yields. Continued investment in the development of new technology is critical to regional Australia. Further to this, having the real time connectivity is essential to be able to get the most out of technology and make sound decisions that have a positive impact on business outcomes. The opportunities for geographic expansion of the Delta Ag business over the last 11 years has been enabled through opportunities created as the mobile footprint has expanded across regional NSW.

The economic prosperity of the agricultural sector will increasingly rely on the Internet of Things. In order to effectively leverage these things, we see that continued investment in further expanding the mobile coverage in regional areas, as well as continuing to upgrade the existing footprint with the latest technologies to provide fast voice and data connectivity, is the most important consideration to any decisions that might influence the competitive environment with respect to telecommunications. Whilst we acknowledge that a market that offers competition in terms of choice would be of benefit, coverage and reliability is paramount.

In consideration of the information provided in your inquiry, we believe that a declaration of domestic roaming would dilute any incentives for carriers to continue to invest in expanding coverage in regional Australia. In our view, an environment where each carrier effectively has equivalence of coverage will eliminate a willingness to invest in areas that will be uneconomic. Delta Ag operate in many small and remote but productive regional communities, (areas that would be deemed uneconomic in a declared domestic roaming environment). Investment in coverage and traction in reliability in these regions, which involves millions of Ha's in NSW alone, is absolutely paramount, particularly with the evolving IOT technologies that we as a company are investing in to further enhance and develop farm management and remote sensing systems, which is critical for further yield and overall productivity gains.

It's important to note that this required technology investment is not just limited to cropping systems, but is as equally important and beneficial to grazing and livestock management right across the tablelands, and broader pastoral regions of Australia, which is clearly very remote but hugely productive. Leveraging our future productivity potential, farm sustainability, and export growth from the rural sector hinges on ensuring government policy maintains appropriate structures that incentivise further much needed investment in mobile coverage, speed and data transfer and reliability, and not less investment and performance, which we believe is an outcome that we would see from a declared domestic mobile roaming determination.

The other prime concern of a declared mobile roaming position to our business, and to those of our 8000 rural clients, is the inevitable increases in costs that would have to be passed on to regional consumers to underpin any future investment in a declared roaming environment. Farm incomes are cyclical, margins are historically tight, and we and our clients continually face the challenges of drought and volatile earnings profiles. We desperately need reduced costs in this space and increased coverage and reliability, something we see as not achievable under a declared domestic roaming environment.

In summary, we would certainly support any model that encourages further investment in regional Australia to enable the agricultural industry to grow and thrive. In this light we support your draft decision to not declare domestic mobile roaming.

Regards

Gerard

Gerard Hines
Managing Director
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