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To whom it may concern

I read with interest the Domestic Roaming Mobile Inquiry draft decision. I am an ex Telstra employee with broad experience in the provision of telecommunications services in rural and remote areas. I have not worked for Telstra or in the telecommunications sector since 2008. The views expressed below are entirely my own.

Whilst the question of mobile roaming is complex, it appears to me that there are some simple considerations. For regional and remote services to continue to improve and keep pace with technological change and consumer demand it is essential that carriers continue to invest in infrastructure. However, regulated roaming would eliminate any competitive advantage to be gained from provision of superior coverage. If the regulated price is set too low, carriers are unlikely to continue to invest. This is exactly what happened to investment in ADSL in the PSTN a decade ago. It was one of the factors that led to the need for Government to fund the NBN.

The roaming price cannot be set too low, but it will directly affect the charges levied by carriers on end users. At present, customers of all carriers experience national uniform prices though it is clear that the cost of providing services at the thinly populated, low traffic edges of the network is considerably higher than at the densely populated high traffic core. This cross subsidy of the bush by the city has always been a feature of Australian telecommunications pricing. If the regulated price for roaming is too high it is not difficult to envisage a scenario where carriers choose to pass on these costs in the form of tiered charging based on geographical location. This would clearly not be in the best interest of regional and rural telecommunications users but would be an entirely rational approach by carriers.

It seems to me that if mobile roaming were to be declared, setting of an appropriate regulated price becomes a key issue. Too low and investment is stifled. Too high and it potentially triggers price increases for rural and remote users. Is there a Goldilocks price that will avoid both of these scenarios? In my view it is more likely that a compromise price could trigger both outcomes.

I applaud the draft decision to not declare domestic roaming and urge you to formalise this decision.

Lawrie Mortimer