

**Australian Competition and Consumer Commission (ACCC) –  
Domestic mobile roaming declaration inquiry**

**Response by the  
Northern Territory Government  
to the  
ACCC Draft Decision**

**May 2017**

## **Summary**

The Northern Territory Government supports the Australian Competition and Consumer Commission's draft decision to not declare a domestic mobile roaming service.

A national focus on mobile service and coverage expansion through infrastructure investment will generate greater social and economic benefit for Australia into the future. Premature application of mechanisms to enhance competition would likely inhibit or stop infrastructure investment and damage the interests of residents in some of the most remote communities in Australia.

### **Northern Territory Government position**

In the view of the Northern Territory a policy position focusing on competition in areas where the most significant limiting factor is the lack of terrestrial telecommunications infrastructure is unsuitable at this time. The lack of appropriate telecommunications infrastructure, unprofitable markets and problematic environments makes it difficult to identify areas where competition could be successfully and sustainability encouraged.

As stated in the Northern Territory's submission to the discussion paper, addressing the lack of infrastructure to deliver mobile and broadband services is the highest priority of the Northern Territory Government.

In today's remote communities, mobile phones are the product of choice and telecommunications infrastructure is an essential enabler for residents to bridge the digital divide and participate in the global economy.

The Northern Territory Government has now funded a number of co-investment programs with Telstra to expand both broadband and mobile phone services throughout the Territory. These highly successful programs have highlighted the high cost and difficulties of telecommunications service delivery to some of the most remote communities in Australia.

These environments do not attract commercially based telecommunications infrastructure investment. High cost, low returns and difficult environments for maintenance combine to provide a commercial disincentive to invest. Without government contribution, further telecommunications infrastructure investment is unlikely to be made in remote areas of the Northern Territory.

This position appears to be reflected in recent national programs to expand the mobile service footprint. The priority focus on infrastructure expansion, rather than programs to encourage competition, is not unique to the Northern Territory.

The risks that the predominant mobile network operator (MNO) in the Northern Territory will discontinue telecommunications infrastructure roll outs to remote areas because of a mobile roaming services declaration are significant. This is not acceptable for those remote areas and communities where infrastructure remains the single biggest limiting factor to quality telecommunications services and the substantial benefits that this brings.

With a mobile services declaration, as the draft decision identifies, a declaration of pricing will be required. This will put at risk the national uniform pricing implemented by the MNOs. The draft decision also notes that the benefits of competition in non-regional areas that flow through to remote areas, would be placed at risk with a declaration. There would be no incentive to maintain this cross subsidisation but rather to recover costs related to regional and remote service provision – further disadvantaging remote residents.

It is the view of the Northern Territory that policies and programs to promote new investment in infrastructure and the expansion of the mobile network should be the highest priority. The draft decision by the ACCC to refrain from a domestic mobile declaration will allow the telecommunications co-investment programs to benefit residents in the remote areas of the Northern Territory, which are some of the most disadvantaged Australians, and should be confirmed.