

25 November 2016

Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Re: Submission to the ACCC domestic mobile roaming declaration inquiry

Regional Development Australia (RDA) Central West is pleased to provide the attached submission in relation to the ACCC domestic mobile roaming declaration inquiry.

RDA Central West is heavily invested in progressing the development of telecommunications infrastructure across the region, including through the 2016 publication of a 'Telecommunications Infrastructure Support Guide', a submission to the 2016 ACCC market study of competition in evolving communications markets, a submission to the 2016 Productivity Commission's Inquiry into the Telecommunications Universal Service Obligation and a submission to the 2015 Regional Telecommunications Review.

We trust that our feedback will be of assistance to the Commission and welcome any further opportunities for input to the inquiry or regional engagement in Central West NSW.

Yours faithfully,



Peter McMillan

Executive Officer

encl.



Regional Development Australia (RDA) Central West

**Submission to the ACCC domestic mobile roaming
declaration inquiry Discussion Paper**

November 2016

ACCC domestic mobile roaming declaration inquiry - Response from RDA Central West to the Discussion Paper

Background and Introduction

Regional Development Australia Central West (RDA Central West) is a not-for-profit organisation, funded by the Commonwealth and State Governments, responsible for the economic development and long term sustainability of the NSW Central West region.

Approximately 174,000 people live in the region, which comprises the Local Government Areas of Lithgow, Oberon, Bathurst, Blayney, Orange, Cabonne, Cowra, Parkes, Forbes, Weddin and Lachlan.



The future of the NSW Central West economy is promising but a lack of telecommunications connectivity is a headwind for increased productivity, new business development and economic growth.

Challenges remain in ensuring that the telecommunications infrastructure planned for the Central Western NSW region is able to meet the needs of businesses and community members now and into the future.

These challenges are compounded by projected growth of the region. Central West NSW has been identified as the sixth largest 'fast growing' and 'high potential regional hub' in Australia capable of contributing \$17.4 billion GRP by 2031.¹

Investment in telecommunications infrastructure in the region is essential in order to support the digitalisation, professionalisation and increased connectivity of the workforce across all sectors of the economy.

¹ Infrastructure Australia, 2016, 'Australian Infrastructure Plan', pp. 60-61,
http://infrastructureaustralia.gov.au/policy-publications/publications/files/Australian_Infrastructure_Plan.pdf

RDA Central West considers telecommunications to be a key enabler of regional development and a significant issue for the region.

This has resulted in extensive research and consultation throughout 2016 as part of a regional telecommunications priorities project.² This work has involved the release of the 'Telecommunications Infrastructure Support Guide'³, as well as submissions by the organisation to the 2015 Regional Telecommunications Review⁴, the 2016 Productivity Commission's Inquiry into the Telecommunications Universal Service Obligation⁵, and the 2016 ACCC market study of competition in evolving communications markets.

Terms of Reference

RDA Central West does not have sufficient information, including access to the commercial considerations of MNO's, in order to make a conclusive recommendation on whether declaring a domestic mobile roaming service would be in the long-term interests of end-users (LTIE) or the effect this may have on incentives to invest in regional areas. We do however offer the following regional perspectives on the terms of reference.

The importance of geographic coverage for consumers

From the evidence gathered across the region to date, it is clear that geographic coverage is of high importance to consumers in Central West NSW.

RDA Central West and regional firm Adloyalty conducted a survey⁶ in 2015 with 50 businesses in the Central West NSW region, and found that the most important telecommunications requirements for business consumers were (in order of importance):

1. Reliability
2. Speed
3. Access
4. Cost

² RDA Central West, 2016, 'Telecommunications', <http://www.rdacentralwest.org.au/initiatives/telecommunications/>

³ RDA Central West, 2016, Telecommunications Infrastructure Support Guide, <http://www.rdacentralwest.org.au/wp-content/uploads/2013/05/RDACW-Telecomms-Infrastructure-Guide-web.pdf>

⁴ RDA Central West, 2015, submission to the 'Regional Telecommunications Review 2015 Issues Paper – Submission from RDA Central West', <http://www.rtrc.gov.au/submissions/>

⁵ RDA Central West, 2016, submission to the 'Productivity Commission Inquiry into the Telecommunications Universal Service Obligation 2016', http://www.pc.gov.au/_data/assets/pdf_file/0012/202422/sub042-telecommunications.pdf

⁶ RDA Central West & AdLoyalty, 2015, business survey research.

5. Data Size
6. Mobility

These results indicate that geographic coverage (through ‘reliability’ and ‘access’) of mobile network services is a higher priority for businesses in the region than price (or ‘cost’).

The reliance on mobile coverage from a business perspective is highlighted in the following comments:

“No satisfactory mobile phone coverage is available in most of the shire, with no coverage in at least ½ of the shire....this makes it impossible to carry out a business (on farm) other than from within the town limits” (respondent A).

“In rural areas we are very reliant on coverage and data speeds” (respondent B).

“It again goes back to the mobile network coverage..... as mobiles have limited coverage in a good deal of areas.” (respondent C).

Qualitative responses from businesses in the same survey⁷ showed that issues relating to coverage of mobile services were raised twice as many times as issues relating to speed and quality, and six times more than issues relating to price of services. However this is not to say that the latter issues are not also important.

When speed, quality, and price of services were raised these were nearly all entirely in reference to wireless broadband and internet services (as alternatives to ADSL or the NBN services). This is supported by our stakeholder engagement across the region which has found that consumers are often paying high prices for wireless broadband and internet services with low data limits.

RDA Central West recognises the high importance of geographic coverage to consumers in the region and would be concerned if declaring domestic mobile roaming affected existing or planned coverage negatively across the Central West.

Whether through roaming or otherwise, it is essential that Mobile Network Operators (MNO’s) continue to extend their networks into rural and regional areas, including to rectify the 369⁸ reported mobile black spots in Central West NSW alone. In these black spot areas there is no MNO competition at all.

⁷ RDA Central West & AdLoyalty, 2015, business survey research.

⁸ This figure is based on the number of Mobile Black Spots nominated by community members prior to the announcement of Round 1 MBSP funded mobile base stations, accessed through [data.gov.au](https://data.gov.au/dataset/community-reports-of-poor-or-no-mobile-coverage) <https://data.gov.au/dataset/community-reports-of-poor-or-no-mobile-coverage> This figure does not include

The Federal Government's Mobile Black Spot Program (MBSP) has gone some way towards rectifying this, however the need for expanded mobile network coverage remains as only 25 of these sites were awarded funding under Round 1 MBSP⁹.

Competition in regional areas

Competition is also important to encourage network expansion beyond coverage 'islands'. It has been reported that there are consumers within the region working with two different phones from two different MNO's, in order to achieve continuous coverage¹⁰.

Other comments

Without sufficient independent information, we are not able to comment on the effect of roaming on efficient investment in infrastructure, including how it may affect access providers and access seekers' incentives to invest in regional Australia.

However it is our view that promoting competition through domestic mobile roaming cannot come at the expense of incentives to invest in increased mobile coverage across regional areas such as Central West NSW; is necessary is that increased competition and coverage together continue to be encouraged in regional areas in order to satisfy the long-term interests of end-users.

We believe there is also scope to examine a full range of additional innovative solutions to increase competition and coverage, including increased incentives for co-location and infrastructure-sharing, providing backhaul contributions or the effect of technology upgrades that may extend the reach of mobile services (e.g. 5G).

the number of MBS's that are planned to be rectified after upgrades to mobile base stations allocated funding under Round 1 MBSP (25 in the RDA Central West NSW area).

⁹ RDA Central West, 2016, Telecommunications Infrastructure Support Guide, p. 7,

<http://www.rdacentralwest.org.au/wp-content/uploads/2013/05/RDACW-Telecomms-Infrastructure-Guide-web.pdf>

¹⁰ RDA Central West regional stakeholder engagement, 2016.