



TASMANIAN FARMERS & GRAZIERS ASSOCIATION

Domestic mobile roaming declaration inquiry
Australian Competition and Consumer Commission

By email: MobileRoamingInquiry@accc.gov.au

TFGA Perspective

The Regional Telecommunications Review (2015) tells us that “telecommunications have and will continue to shape the lives and improve the economic opportunities of people in regional Australia”. The very same document states that the “extent and quality of mobile coverage was (/is) a major concern of people in regional Australia”, this is no different in regional Tasmania. The aforementioned review also states that “regional Australians have a higher dependence on mobiles than their urban counterparts because of the broader geographic range within which many conduct their working and everyday lives”.

This is nothing new, or unexpected in regional areas with regards to mobile networks, and is most definitely not news to the TFGA’s membership. In a digital age many regional Tasmanians are being left behind, with little to no mobile service, this inhibits their ability to participate in the digital economy, culture and basic communication. This is not to imply that this is the norm across Tasmania, in many instances many of the TFGA’s members are more than adequately serviced by a provider, in most of their mobile requirements.

The major mobile provider in Tasmania for TFGA members is Telstra, while Telstra provide a quality service at a price, little competition exists. Optus does in some regional centres provide a service, it is largely limited, and in many cases is lacking outside of these centres.

Competition in regional Tasmania is limited at best. While there has been some improvement in competition over the 18 years since the first inquiry into mobile roaming in 1998, regional areas still lack adequate competition and service in many areas. Both the inquiry in 1998 and 2005 found that competition was lacking in regional Australia and that improvements could be made; again this inquiry asks the same question. Maybe the wrong question is being asked? Maybe the question is how can these services be made more competitive, efficient and available? Not do you want domestic mobile roaming to be declared or not? While competition is a major issue for primary producers, coverage and access are the key issue for most, both for business, safety and for general communication.

The nature of the network has changed over the past 18 years, it would be overly harsh to suggest that providers hadn’t invested heavily in technology and infrastructure, but large gaps do still exist. Many of these gap exist for economic reasons; the economic argument made by providers are understood by the TFGA and many of its members. Unfortunately understanding doesn’t allow to you work in the digital

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age. The TFGA's members expect that they are afforded the same opportunities as others in the community.

The TFGA supports and understands that towers and infrastructure are and can be developed in the context of commercial agreements, and that any infrastructure developed must be a sustainable investment for those making the investment. This is the preferred mechanism by which improvement to the mobile network should and have been made, this position has been supported by two Telecommunication Reviews. Technological advances in the ensuing 18 years after the first Regional Telecommunications review have greatly benefited regional Tasmania, the implementation of this technology has not only improved access to the network but enabled technology to play an increasing role in regional life. These investments would need to, and would be expected to continue, with or without the declaration of the wholesale domestic mobile roaming service, and must remain economically viable for providers and consumers.

Domestic mobile roaming declaration in a Tasmanian context.

Over a third of Tasmania's land mass is managed by the Tasmanian Agricultural sector, the small through to large businesses that operate in this area make financial decisions on a daily basis that not only affect the individual business but the community at large. Telecommunications is a business necessity and cost, one which for many lacks choice and competition. Be this through the economics of provision, or through geographical misfortune, the major and most reliable provider in these areas is usually Telstra.

Domestic mobile roaming declaration could, technically increase competition in these areas, but as purported by providers, potentially would decrease the incentive for future investment, which could have detrimental effects. While increased competition in the sector should increase the benefits both financial and social in rural and region areas. The potential for loss of continued investment in infrastructure and expansion of the network is of far greater concern to TFGA members.

Future investment in infrastructure and an increased service area is a major priority for primary producers in Tasmania, if indeed the domestic mobile roaming declaration did have the negative effect described by telecommunications companies, the effect on Tasmania's rural communities could have long term social, cultural and financial implications.

If as the ACCC discussion paper suggests, a domestic mobile roaming declaration would not be applied across the entirety of an operator's network, and only be in areas where service was declared, the potential benefit for rural Tasmanians could measurably be there. The TFGA would assume that such a declaration would only be made where there was sufficient scope for economic viability and financial remuneration, based on use and upkeep of infrastructure; no one should expect a free lunch. The TFGA would also assume that such economic opportunities already exist in such areas, and the potential for co-investment between companies already exist, which reduces duplication and cost and increasing competition. The TFGA would also suggest that a marked increase in these types of investments would ward off any future ACCC inquiries into this subject, and be more financially viable for telecommunications companies.

Opportunities for efficient and sustainable expansion, also capacity building of the greater network is in everyone's interest, and if that means that the government needs to intervene by imposing the domestic mobile roaming declaration, or some other incarnation to push these issues, the TFGA and its members would most definitely consider it. Domestic mobile roaming declaration may have its issues, but discarding it in lieu of dealing with the problems in a proactive manner has, it could be said been less than productive; market pressures do not appear to be keeping pace with the communities' requirements and expectations. That said at this point in time the TFGA's view is that the current declaration arrangement should remain in place.

TFGA proposal.

The TFGA recommends that: and/or

- If the same outcome is reached by this inquiry as the 1998 and 2005 inquiries that the direction of any future inquiries be assessed.
- That independent economic impacts of such proposals be made, and made available.
- The ACCC assess current services for and providers for anti-competitive behaviour and unrealistic pricing structures. This is not to suggest that this occurs but to ensure that the most value can be obtained by all stakeholders.
- If domestic mobile roaming declaration does occur, that the federal government ensures that there is incentive enough for continued expansion of networks.
 - This could be through the government building infrastructure rather than the private sector, and leasing space through a government owned business.
 - Or the development of a government owned regional telecommunications company to either facilitate competitive behaviour or compete in the regional telecommunication space.
- State and federal governments regulate the construction of towers to better facilitate equitable telecommunications for their constituents and increase efficiency and sustainability.

Key outcomes.

The TFGA advocates for:

- An equitable, sustainable and affordable mobile network.
- That telecommunication companies are profitable and provide a high quality service for all Australians.
- That all TFGA members have the opportunity to have access to high quality service, internet and mobile at a viable and equitable price.
- That expansion of the mobile network be increased to accommodate all Tasmanians where and however possible.

Please contact the TFGA if you require any further information.

Yours sincerely,



Peter Skillern
Chief Executive Officer
30th November 2016