

Submission to the Australian Competition and Consumer Commission Domestic Mobile Roaming Service Declaration Inquiry

November 2016

Opening

Local Government NSW (LGNSW) is the peak body for the local government sector in NSW, representing NSW general-purpose councils, associate members including special-purpose county councils, and the NSW Aboriginal Land Council. LGNSW facilitates the development of an effective community based system of local government in the State.

LGNSW thanks the Australian Competition and Consumer Commission (ACCC) for the opportunity to make a submission to its domestic mobile roaming service declaration inquiry. LGNSW understands that the ACCC is conducting the inquiry to determine whether to declare a wholesale domestic mobile roaming service (mobile roaming service). This would allow mobile subscribers of one network to use their mobile phones for calls, text messages and to access data services by means of another network in Australia when outside the coverage area of the network to which they subscribe. LGNSW also understands that the ACCC is conducting this inquiry to determine whether this existing geographic coverage is affecting competitive and efficient outcomes in mobile markets, and whether declaring a mobile roaming service would be in the long-term interests of end-users.

Comments

Local government has a keen interest in the broader issues of telecommunications policy including access, pricing and service levels as an advocate for regional communities. This submission outlines the local government sector's key telecommunications priorities and, consistent with our expertise, does not comment in detail about the pricing structures, commercial arrangements and business models of the existing mobile network operators (MNOs). Councils generally have no direct responsibility for the provision of the telecommunication and/or mobile phone services, other than as a co-contributor (both financially and in-kind) in the mobile black spot program and through planning and road corridor related interests in the location of mobile phone and internet related infrastructure.

LGNSW's position over many years has been that that people in regional, rural and remote areas should have access to the same level of telecommunications services as their urban counterparts, including equity in competition and pricing for services.

The 2016 Local Government NSW Conference made the following resolution regarding mobile phone services:

That Local Government NSW:

- a. Lobbies for increased funding to rural and regional areas for more reliable mobile and internet services;*
- b. Lobby the federal government to make it mandatory for carriers to support other carriers' networks.*

While mobile phone black spots receive attention from both Federal and State Governments, more funding needs to be allocated to eliminate the black spots in regional NSW. Councils have advised us that there are hundreds of kilometres along our main roads with no reliable mobile coverage. This is an issue of critical importance to economic development, sustainability, health and safety of all regional communities. Councils also advise that access to broadband internet is also severely limited and this is impacting on business and residential users throughout the rural areas of NSW. The recent road closures due to flood waters in many areas of NSW has exacerbated this issue by emphasising access and network shortcomings in a period when the community was especially reliant on mobile telecommunications.

LGNSW therefore broadly supports the concept of a domestic mobile roaming service. Increased levels of competition between MNOs should result in reduced costs and greater levels of choice for rural and regional consumers, and may provide incentives for increased investment to extend geographical coverage. This could benefit both rural and regional communities, and people more generally travelling in regional areas.

Notwithstanding this position, LGNSW is cognisant of the extensive investment that Telstra in particular has made for many years in mobile phone infrastructure in regional areas of Australia, often in areas where its major competitors have elected not to invest, and we therefore recommend that the ACCC takes account of this investment in regional infrastructure in its recommendations. Any competition advantages provided through roaming should not present barriers to future network investment and extensions to coverage. Appropriate network access arrangements, prices or other compensatory measures should be put in place to retain or encourage incentives for ongoing infrastructure investment by existing infrastructure owners.

If this does not occur, there is a risk that the proposed mobile roaming arrangements may provide a disincentive for investment which, in the longer term, could actually reduce the investment in new infrastructure and new technology, potentially resulting in reduced levels of service for regional communities. In this context, LGNSW believes that the ACCC must therefore ensure mobile roaming is not detrimental to the long term interests of end-users, especially those in rural and regional areas.

Conclusion

LGNSW hopes its comments are of assistance and looks forward to continuing to contribute to achieving equity in access, competition and pricing for mobile services for our regional and rural communities in NSW.

For further information on LGNSW's submission, please contact, Richard Connors, Senior Policy Officer on 9242 4000 or richard.connors@lgnsw.org.au.