



16 June 2017

Secretariat  
Domestic Mobile Roaming  
Australian Competition and Consumer Commission

**RE: Australian Competition and Consumer Commission's (ACCC) Inquiry into a Domestic Mobile Roaming Declaration – Draft Decision**

The National Farmers' Federation (NFF) is of the view that greater competition in mobile services would be of immense benefit to regional, rural and remote consumers. At the same time, in rural and remote areas there is a lack of reliable mobile coverage, or no coverage at all. Increasing overall coverage footprint must be a priority.

We welcome the focus on the issues of coverage in regional, rural and remote areas referenced in your draft decision, and we note the recognition that there is often little choice of effective network operator for consumers, like our members, who also value geographic coverage. We also note the ACCC's finding in its draft report that there is a lack of evidence incumbent operators will expand their coverage footprint without co-investment or continued government subsidies.

In its initial submission the NFF contended that the ideal outcome of this inquiry would be a determination that creates the appropriate competition settings for an increase in the number of Mobile Network Operators (MNOs) operating within the existing mobile coverage footprint, while at the same time creating the incentives for the coverage footprint to be expanded.

Following the release of the draft decision, the NFF sought the reaction of the three major MNOs (Telstra, Optus and Vodafone) and noted that the draft decision was welcomed by both Telstra and Optus, but judicial review proceedings have been initiated by Vodafone.

Given the ACCC's draft decision was reached with significant commercial in confidence information that NFF is not privy to, and that the ACCC's process is now subject to a judicial review, this short submission will instead focus on the issues for further consideration identified in the draft decision.

Regardless of the outcome, it is critical that coverage in in regional rural and remote Australia is increased and this demands continued investment from all MNOs and Government.

Therefore, the NFF supports greater transparency in reporting of network coverage as well as future investment in new sites and upgrades. Increased transparency creates accountability on MNOs in regard to coverage claims and will ultimately inform communities and policymakers about areas that have poor coverage or no coverage at all.

In the NFF's original submission we recommended that the ACCC collect data on the rates of investment by MNOs and the degree to which they increase coverage. This information could be published in aggregate to show how coverage is improving without distorting investment decision or incentives. We note the ACCC's observation that it already has record keeping powers that are used in other aspects of the telecommunications market, and considers that it could promote competition in regional markets. What is important is that this information is granular enough to inform the ACCC about increased coverage in different market segments.

The NFF supports the current Mobile Black Spot Program administered by the Australian Government as a measure for increasing mobile coverage and competition in rural and remote areas. Without an ongoing commitment by governments to programs such as the Mobile Black Spots Program, there is likely to be little significant expansion of the mobile footprint in regional Australia. One of the key policy proposals of the Regional, Rural and Remote Communications Coalition, of which NFF is a member, is for an ongoing public funding commitment for mobile network expansion in rural and regional Australia. This should prioritise community identified areas and promote competition to the maximum extent possible.

The co-investment model adopted by the program should increase the coverage footprint by extending the threshold of commercial investment. Given the infrastructure investment uses public funds, as a principle this infrastructure should be built as efficiently as possible and be open access – this in turn would incentivise competition.

It should also be acknowledged that at a point in the near future, the threshold of commercial investment will be reached under the current co-investment balance. At that point, the investment balance will need to be adjusted in order for the rural economy to be fully connected. In this regard, the NFF has been advocating for reform of the current Universal Service Obligation scheme to help fund the expansion of the existing mobile coverage footprint on an open-access basis.

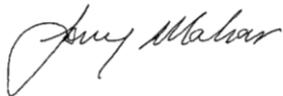
As a principle we support infrastructure sharing and agree that the National Broadband Network (NBN) infrastructure should be leveraged, but agree with the ACCC's assertion that this will not necessarily assist existing MNOs to extend coverage given fixed wireless towers largely fall within the existing mobile coverage footprint. In line with this principle, the NFF also considers that strengthening the Facilities Access Regime would be an effective mechanism for encouraging competitive expansion and could include non-MNO infrastructure such as NBN towers. While the Telecommunications Facilities Access Regime requires that telecommunications facilities are made available, the terms of co-location are left to commercial agreement.

The ACCC has sought views on the effectiveness of the Facilities Access Regime. The simplest method of determining the effectiveness of the regime is the current level of site sharing – information that is considered commercial-in-confidence. This makes it difficult to comment on its effectiveness. However, we support mechanisms for incentivising such

arrangements. Presumably measures that increase transparency of network coverage and quality could also encourage such arrangements.

The NFF also acknowledges the ACCC's concerns about its ability to effectively ensure competition in the retail mobile market without the ability to provide advice on the spectrum regulatory regime. On the face of it, the NFF supports the ACCC continuing to provide advice on competition limits. This support is on the basis that effective competition regulation requires visibility of the entire market, which in this instance also includes spectrum.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Tony Mahar', written in black ink.

**TONY MAHAR**  
**Chief Executive Officer**