**Submission: Australian Competition and Consumer Commission Mobile roaming inquiry**

**Introduction**

The ACCC is undertaking an inquiry to determine whether the difference in geographic coverage provided by the three mobile networks is having a detrimental impact on competition in the market for mobile services, and whether regulated mobile roaming would be in the long-term interests of consumers. The ACCC has released a discussion paper in relation to this inquiry.

The ACCC has invited input from all interested stakeholders, including individual consumers, businesses, industry and relevant representative bodies about their views on issues raised in the discussion paper and other matters they consider relevant to the declaration inquiry.

The Terry family has prepared this submission to

* Highlight the current status of mobile coverage in our region
* Highlight the importance of viable, reliable and cost effective mobile coverage in our region
* Identify potential issues, risks and advantages of mobile roaming regulation in our region

**Background**

The Terry family have lived and worked in the Etheridge Shire, Far North Queensland since 1964 when the late Cob Terry purchased the 1284 square kilometre “Robin Hood” cattle station. We continue to operate a cattle-grazing business in addition to two tourism businesses, the Goldfields Hotel in Forsayth and Cobbold Gorge Tours. We have invested heavily in our community and are passionate about keeping it alive and vibrant for future generations. Our two older children work alongside us in our businesses. Our youngest child is at boarding school in Townsville, North Queensland.

**Goldfields Hotel**

The Terry family have owned and operated the Goldfields Hotel in Forsayth since December 2014. The hotel trades as a “one stop shop” providing multiple services including bar and beer garden, accommodation, dining area and coffee shop, convenience store, Postal Agency and fuel outlet in the town of Forsayth (population 70). The hotel won the Gold Award for Best Outback Pub at the Outback Queensland Tourism Awards in 2016.

**Cobbold Gorge Tours**

Cobbold Gorge Tours is a family owned and operated outback tourism venture on “Robin Hood” station. It is located 40 kms south of Forsayth. The venture was established in 1994 and operates as part of the working cattle station welcoming guests from all over Australia and Internationally, from 1 April – 31 October each year, however bookings and business development are continued between Nov-Mar when the resort is closed. In 2016, Cobbold Gorge Tours attracted 10,000 visitors. Cobbold Gorge Tours won the Gold Awards for Tourist Attraction and Hosted Accommodation at both the 2016 Outback Queensland Tourism Awards and the 2016 Queensland Tourism Industry Council’s Queensland Tourism Awards.

**Current status of telecommunications**

Significant advancements have been made since 1964 when two-way radio was the sole mode of telecommunications in this region. However, progress has lagged considerably behind that of our urban neighbours. Up until December 2015 the Forsayth area was reliant solely on land-line telecommunications. Telstra remains the only service provider in our region.

In mid 2015 Forsayth was identified as a beneficiary of Round 1 of the Australian Government’s Mobile Black Spot funding. As a result, on 24/12/2015 mobile connectivity became available within the town through the Telstra 4G network.

We subsequently installed a Telstra approved mobile phone booster at our own expense ($1276) to facilitate connectivity to a wider area. The mobile phone booster links with the base station in Forsayth to provide mobile network connectivity at the station homestead and inside a 20m radius at Cobbold Gorge Village 45 kms away. This enables more effective communication between our three business operations. It also provides limited internet connectivity via mobile data for tourists and visitors to Cobbold Gorge, a much cheaper and more convenient option than via the satellite. Much of the cattle station and many areas of the Etheridge Shire including road corridors remain without mobile connectivity.

***Key issues:***

* ***Mobile connectivity in the Etheridge Shire is limited to some towns, sections of road corridors and a boosted spot at Cobbold Gorge Village.***
* ***Telstra remains the sole Mobile Network Operator (MNO) in the area.***
* ***There is no choice of mobile service providers***
* ***Infrastructure based competition does not exist***

**Our telecommunication needs**

As outlined above, mobilecoverage and connectivity in our region is clearly not equitable with that of the majority of urban areas in Australia. In order to preserve and enhance our lifestyle and business outcomes it is essential that there is continued investment in extending and improving the service. The reasons are outlined below:

**Business/economic**

* Continual enhancements in mobile connectivity and coverage are essential to support economic growth through improved business opportunities, efficiencies and effectiveness. Mobile technologies are driving labour efficiencies and are necessary particularly as we work across three businesses in a large and remote geographic area.
* Reliance on land line/intermittent mobile connectivity reduces our responsiveness and the effectiveness of our business operations, particularly in the context of managing the three business operations that are located over a wide geographic area.
* Recent developments in digital technology in both the agricultural and tourism sectors enable operators to work smarter and engage with the global economy. These technologies rely on effective, viable mobile and data services. Examples include stock water monitoring systems in the grazing industry, and on line reservation systems in tourism.

**Safety/security**

* Effective mobile connectivity provides a safety net for people living, working and/or travelling in this remote area. Drivers are required to travel on long stretches of isolated rural roads, many of which are unsealed. Many travelers lack experience and confidence driving to these conditions and have concerns regarding access to emergency assistance due to lack of mobile connectivity in the event of mechanical failure, accident or health issues.
* Cattle grazing is a major industry in the Etheridge Shire. This is a high-risk industry. Employees and owner/operators often work alone in remote locations utilizing 4WD vehicles, motor bikes, quad bikes and horses as their tools of trade. Mobile connectivity greatly enhances access to emergency services in the event of an accident.
* Natural disasters such as bushfires are a regular occurrence in the region. Reliable mobile connection enables effective community emergency response.

**Education**

* Technology has been widely adopted in the primary and secondary education system. In our region Distance Education is a necessity for many residents due to their remote location. Mobile technologies are essential if students are to keep pace and have access to equitable, quality education.
* Our daughter is studying a Bachelor Degree externally through University of New England while working for the family business. Effective voice, data and SMS services that are taken for granted by city based students will greatly enhance her experience and outcomes in tertiary education.

**Social/psychological**

* Mobile technology is the dominant form of telecommunications in today’s society yet is not available in many areas of the region in which we live.
* In addition to providing social connectivity through phone calls and SMS, digital experiences through photos, music and other applications provide lifestyle enhancements.
* The Gulf Savannah Tourism Research Report 2013[[1]](#footnote-1) found that while the Gulf Savannah has one of the highest satisfaction ratings of any region in Australia, with 74% of respondents ‘Very Satisfied’ with their trip, two factors causing most dissatisfaction with their trip were mobile phone coverage and internet access.

**Health**

* The rate of suicide in remote and very remote Australia is almost double the rate in major cities.[[2]](#footnote-2)
* Rates of smoking, risky drinking and illicit drug use are also

higher in rural and remote areas of Australia.[[3]](#footnote-3)

* A number of mobile applications are available to enhance mental health and wellbeing. Phone and web-based support services enable access to expertise without the costs of travel, and reducing concerns associated with stigma and confidentiality.
* Tele-health is a growing technology providing access to specialised health care in remote areas. Access to this technology provides longer-term benefits and savings in health outcomes in addition to the psycho-social benefits of accessing treatment locally.

**Issues, risks and advantages of mobile roaming regulation**

**Issues**

* Mobile technology is increasingly becoming the preferred telecommunication option.[[4]](#footnote-4)
* Inequitable mobile connectivity and coverage exists in many areas of rural and remote Australia including in the Etheridge Shire
* Geographical coverage as distinct from population coverage is a key issue due to the low population density in our region
* The quality and extent of mobile coverage is a major concern of people in regional Australia. Regional Australians have a higher dependency on mobiles than their urban counterparts because of the broader geographic range within which many conduct their working and everyday lives. [[5]](#footnote-5) This is true for the region in which we live.
* Safeguards must be implemented to ensure that mobile services to rural and regional customers are maintained and enhanced at the same rate as other customers in Australia particularly if competition is introduced through mobile roaming regulation. These protections are particularly relevant in regional Australia where communication services are vital, but where market conditions make some services uneconomic. This is line with the recommendations of the 2015 Regional Telecommunications Review.[[6]](#footnote-6)
* Current consumer safeguards are increasingly irrelevantas mobile technology becomes the preferred primary means of communication
* Barriers to ongoing investment in mobile infrastructure and services in rural and regional areas should be taken into account in the consideration of mobile roaming regulation
* Vested interests of MNOs have made it challenging for consumers to formulate an informed viewpoint on the issue of mobile roaming regulation

**Advantages**

* Choice of mobile service operators through regulated mobile roaming may drive competition in retail plans with resultant enhanced data options and savings for rural consumers.
* Mobile roaming access would provide safety and peace of mind for consumers who are travelling outside the coverage area of their mobile service provider
* Access to roaming and the resultant provision of choice for consumers may result in a perception of equity thus enhancing the “liveability” of the region

**Risks**

* Regulation of mobile roaming may provide a disincentive for the existing sole MNO (Telstra) to invest in mobile infrastructure and services in rural and regional areas resulting in reduction/loss of service
* Mobile roaming regulation may force prices higher to offset the cost to MNOs accessing the roaming services

**Summary**

Our family lives and works in the Etheridge Shire, Far North Queensland, operating a cattle-grazing business, the Goldfields Hotel in Forsayth and Cobbold Gorge Tours, also in the Forsayth area.

We have had access to mobile connectivity for less than 12 months following Mobile Black Spot funding and our own personal investment in a mobile phone booster. Access to mobile services has had dramatic positive impacts on our lifestyles and the effectiveness of our business operations.

Quality and extent of mobile coverage is of major concern to us, and there is scope for further significant improvements. An additional concern is that implementation of mobile roaming regulation may inadvertently jeopardise existing telecommunication standards through providing a disincentive for infrastructure development and maintenance.

Decisions relating to the potential impacts of mobile roaming regulation should be made in the context of the recommendations of the 2015 Regional Telecommunications Independent Review, in particular those relating to consumer safeguards and the Universal Service Offer. [[7]](#footnote-7)

This submission seeks to highlight the current status of our mobile service access, our need for continued investment and development of mobile connectivity and services and our understanding of potential impacts of mobile roaming regulation.

1. Gulf Savannah Tourism Research Report, February 2013 [↑](#footnote-ref-1)
2. National Rural Health Alliance – Fact Sheet, October 2016 [↑](#footnote-ref-2)
3. National Rural Health Alliance – Fact Sheet, October 2016 [↑](#footnote-ref-3)
4. Australian Government, Regional Telecommunications Independent Review Committee 2015 [↑](#footnote-ref-4)
5. Australian Government, Regional Telecommunications Independent Review Committee Report 2015 [↑](#footnote-ref-5)
6. Australian Government, Regional Telecommunications Independent Review Committee 2015 [↑](#footnote-ref-6)
7. Australian Government, Regional Telecommunications Independent Review Committee Report 2015, Chapter 4, Recommendation 8. [↑](#footnote-ref-7)