Dear Sir / Madam,

I am writing on behalf of Indigenous Remote Communications Australia in response to the domestic mobile roaming inquiry.

IRCA sees expansion of reliable and affordable mobile telecommunications services as a critical enabler to the social and economic development of remote and regional Australia. Mobile services provide an important means of improving access to necessary communications services for people living in remote Indigenous communities.

IRCA sees connectivity and digital citizenship as a basic right in a growing information economy.  This is increasingly important to enable online and voice access to government services, banking, and information for employment, health, education and relevant content. While NBN is address some of this gap, it does not provide voice services to remote Australia where there is still a huge unmet demand for basic telephony services.

The main issue is that there are very limited markets in remote Australia due to small dispersed populations and diverse economic conditions, as compared with the lucrative markets in cities and larger population areas.  The only way to ensure ongoing affordable and reliable services is to structurally a cross-subisidation model to balance out viable markets against less viable markets.

We are aware that mobile infrastructure is  expensive, including backhaul, base stations, operations and maintenance.  The challenges of meeting the telecommunications needs in remote Australia will not be addressed by a competitive market approach but by targeted strategies.  Capital costs have been addressed by Mobile Black Spots Program investment and co-investment arrangements (such as with WA and NT Governments), a recognition of the need for government investment to expand services.  Backhaul infrastructure has also been rolled out through the Universal Service Obligation contracts as well as previous government investment programs, including as the Coordinated Communications Infrastructure Fund and the Networking the Nation program. Further innovative technologies for backhaul, base stations (including micro-cells) and network management are being implemented by telcos to reduce the capex and opex of mobile delivery.

IRCA sees the expansion of mobile coverage as a greater priority than increased competition in remote Australia. It is important that the incentive for telecommunication organisations to invest in mobile infrastructure is maintained. It is unrealistic to expect any commercial provider to take on the risk of rolling out infrastructure and providing services if there is not a reliable business case or ongoing non-market revenue stream (eg Government subsidy) for return on investment.

IRCA is aware that the matter of mobile expansion and affordability would be part of the considerations of a future Universal Service delivery model.  It would be appropriate to consider remote mobile roaming as part of the review of the USO.

Further, the issue of ongoing maintenance of infrastructure in remote Australia is a key consideration. Increasing competition in remote areas may lead to reduced reliability of critical services. A move to mobile roaming, along with the gradual reduction in fixed line, public phone and Telstra satellite services, risks a further reduction in technicians servicing remote Australia.  The benefits of a monopoly provider in remote Australia is that there is greater likelihood of continuity of services, installation of new services and timely maintenance.

There needs to be a national approach that considers commercial investment and service delivery along with government investment and regulation to ensure communications services in remote Australia remain affordable.  The only way to achieve a level playing field for all mobile service providers to access equivalent wholesale rates would be to have a wholesale network provider for all services in remote Australia (i.e. within the NBN satellite footprint zone). This could possibly be an expanded role for NBN as an existing wholesale provider with a mandate to deliver equitable pricing across markets.

However, given the fact that Telstra currently owns and maintains the bulk of the backhaul infrastructure in this zone, this would require purchasing or leasing of that infrastructure (unlikely given current policy) or Telstra becoming the wholesale provider.  Telstra provide wholesale access to ADSL services in remote areas, however the wholesale rate is set by Telstra.  This may be an option for mobile services but may not be at a comparable rate for other providers.  If the objective is to enable people with non-Telstra mobile phones to access services during brief visits to remote areas, the higher rates may be acceptable.

We understand that domestic roaming may be viable in larger population areas where there are commercial markets and several telcos investing in infrastructure.  However, a move to mobile roaming in remote Australia carries significant risk of reducing the likelihood of further telco investment in infrastructure as well as affordability and reliability of mobile services.  We urge careful consideration of the implications of such a move.

We would be happy to discuss these matters in more detail if required.

Kind regards

Daniel Featherstone

General Manager



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