

31 October 2016

Secretariat  
*Inquiry into Competition in Evolving Communications Markets*  
Australian Competition and Consumer Commission  
commsmarketstudy@acc.gov.au

## Re: Competition in Evolving Communications Markets

The NFF thanks the Australian Competition and Consumer Commission for the opportunity to provide a submission to its inquiry into *Competition in Evolving Communications Markets*.

The NFF is the peak national body representing farmers and, more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities. Australian agriculture makes an important contribution to Australia's social, economic and environmental sustainability. The gross value of Australian farm production in 2013-14 was \$56 billion – a 9 percent increase from the previous year.

Our vision for Australian agriculture is to become a \$100 billion industry by 2030. The sector is a source of strength in the Australian economy, positioned to capitalise on growing global demand for safe, high quality food and fibre over coming decades.

To achieve our vision, the sector needs regulatory and public policy settings that foster growth and productivity; innovation and ambition. This includes adequate connectivity in order to capture the next generation of farming.

The Executive Summary of the Commission Issues Paper for the Market Study states:

*“Rapidly evolving technological developments, structural change within the sector, product innovation and changing consumer preferences are all contributing to a changing communications environment. The purpose of the study is to inform ourselves and others about how these changes are affecting competition in communications markets and whether this has implications for the way or extent to which we regulate.”*

It is paramount that the findings of this study acknowledge that this evolution is not simply urban based and that rural and regional telecommunications users face the same changing landscape.

Just as telecommunications technology is evolving rapidly, so too is farming technology. Australia's farmers need to become more efficient in order to remain competitive in a complex global market place. Agribusiness has been flagged in Deloitte's 2014 report *Building the Lucky Country* to be one of Australia's future growth industries. However, at present a lack of access to reliable, affordable and sufficient telecommunications is hampering the adoption of innovative technologies that are so crucial to enabling agriculture to grow.

The Rural Industries Research and Development Corporation (RIRDC) recently conducted a 'cross-industry innovation scan' to establish which transformative technologies will shape agriculture in the future. According to this report:

*“Digital disruption is said to be behind the next agricultural ‘revolution’, following the mechanical and scientific revolutions of the previous century. Agriculture can be*

*characterised as having a ‘long-fuse’, but a ‘big bang’ when it comes to digital innovation, which could contribute to a 25-30% change in business metrics in the next few years.”*

It is, however, not just the on-farm application of technology that is evolving. So too is the manner in which rural businesses conduct their affairs. Access to reliable telecommunications services are essential for all Australians living and running a business in rural and remote locations. Quality telecommunications underpin not only basic communications such as emergency calls; they are the foundation for everyday activities such as online banking, weather information, trading crops and livestock, online learning, webinars and the maintenance of livestock traceability systems.

The NFF notes that the scope of this study will not consider matters subject to other inquiries such as Universal Service Obligation, consumer safeguards, spectrum allocation and wholesale roaming. Nonetheless, in distinguishing these issues the study potentially narrows its focus drastically. The above mentioned inquiries investigate key issues that shape the telecommunications market for farmers and must form part of the discussion for a true, holistic examination of the market place.

Indeed, the NFF is concerned that continuing to consider key issues through a range of inquiries and forums will not only lead to a patchwork approach to policy consideration, but will also result in a patchwork of outcomes that will continue to perpetuate the rural/urban divide in telecommunications.

As NFF, we believe there are five fundamental outcomes that must be addressed to ensure equitable connectivity for regional and remote consumers. These are:

1. A universal service obligation that is technologically neutral and provides access to both voice and data;
2. Appropriate and transparent consumer safeguards for rural and regional users;
3. Quality mobile coverage that is reflective of the business needs of rural and regional Australia;
4. Appropriate capacity building and support for regional and remote consumers; and
5. The preservation of services for consumers that do not have other options. (For example, preserving Sky muster satellite for consumers that do not have access to other services).

The Service Charter of the ACCC states; “We promote competition and fair trading and regulate national infrastructure to make markets work for *everyone*.” While current competition settings may be appropriate for the majority of the community, ethically they must be appropriate for the entire community. Otherwise, a tiered system of access and therefore a tiered system of consumer rights will continue to perpetuate.

In determining the outcomes of this study, it is imperative that the ACCC turn their mind to the need to create the appropriate competition settings that facilitate these desired policy outcomes.

We acknowledge that the outcomes listed above are ambitious. However, they provide the key to unlocking a key proportion of the economy which can drive future growth and prosperity - agriculture.

For further information please contact:

MARK HARVEY-SUTTON  
Manager Rural Affairs  
National Farmers’ Federation  
Phone: 02 6269 5666