



**LAUNCESTON**  
**CHAMBER of COMMERCE**

*The Voice of Business*

## **Submission to Domestic Mobile Roaming Service Declaration Inquiry**

### **November 2016**

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Access to telecommunications and the reliability of telecommunications services are a fundamental issue for all Australians. These services are not a nice-to-have, but a necessity.

Efficient and cost-effective telecommunications services are essential for anyone running a business, they keep families and communities in touch, and they provide a lifeline in times of emergencies such as natural disasters and medical situations.

It is thus imperative to ensure that all Australians have secure and reliable access to telecommunication services, as well as upgrades to these services; and that people living in regional, rural, and remote areas are not disadvantaged. It is also important that services are delivered to Australians outside the city areas at metro-comparable prices – meaning they are equitable and affordable.

Clearly, mobile network coverage and choice of service provider are important issues for consumers, particularly consumers living in regional, rural, and remote areas -- which includes much of Tasmania.

Modern orthodoxy would have us believe that competition brings greater efficiencies and wider choice. Recent experience in the mobile phone provider industry have shown that this is true – as a general rule.

Over recent years, most mobile service operators have extended their networks to provide services to the clear majority of Australia's population; and the range of plans and other service available is expanding exponentially – in some areas.

However, while the difference in population coverage between the operators may be small, the difference in geographic coverage is significantly greater. This means that consumers who live in areas with a low population may only have one choice of operator in the areas where they live, work and travel.

In reality, this means Telstra is the only provider covering more than 1 million kilometres of Australia – an area in which less than 1 per cent of the Australian population lives. Hence factors affecting Telstra's business model are of great concern to customers who live in those areas.

The Chamber encourages economically efficient use of, and economically efficient investment in, the infrastructure by which telecommunications services are supplied.

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Our focus is therefore on ensuring that people in regional and rural communities have access to affordable quality telecommunications services, delivered in a competitive marketplace, rather than on the precise mechanism through which this is achieved or how the service is delivered.

Having said that, patchiness and quality of mobile phone coverage and adequate delivery and service of landline telecommunications remain as touch-point issues for many people living outside the capital cities of Australia.

Even where there is little direct competition, customers outside capital cities have gained some benefit from competition between mobile network operators because, nationally, prices are falling and data inclusions are rising. We know how important the latest technology is to rural communities.

Competition between mobile network operators will drive investment in expanding mobile networks.

The Chamber believes the most effective way to increase regional mobile coverage is not through more regulation, but by maintaining strong incentives for businesses to compete against one another.

It is therefore important for mobile companies to invest in the latest mobile technology and in expanding their network coverage. It is also vital that the current strong competitive incentives to continued investment are preserved by investing to increase their own coverage.

In our view, regulated roaming would destroy incentives for Telstra and other providers to keep investing in networks; and would jeopardise future upgrades in coverage or technology.

People who live in regional and rural Australia are yet to enjoy the full benefits of true competition.

Any interference in the marketplace which creates barriers to investment are not in the interests of these customers.

All Australians deserve equal access to reliable and efficient mobile telephonic services – no matter where they live - so that they too can use their phones and other devices to do more things in more places.