

MEDIA RELEASE



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ACCC PROPOSES TO NOT DECLARE WHOLESALE DOMESTIC MOBILE ROAMING

The Australian Competition and Consumer Commission has released its draft decision proposing to not declare a wholesale domestic mobile roaming service.

“The ACCC has insufficient evidence that declaration will improve the current state of competition overall,” ACCC Chairman Rod Sims said.

“We are extremely conscious of the fact that in regional, rural and remote areas, mobile coverage and choice of service provider are vital issues. However, the effect declaration would have on competition in regional, rural and remote areas is uncertain. While declaration may deliver choice for more consumers, declaration has the potential to make some consumers worse off.”

“Currently, regional consumers benefit to some extent from price competition in metropolitan areas because operators price their services consistently across Australia, despite the higher costs in servicing regional areas. They also benefit from competition between operators on network investment.”

“There is insufficient evidence to suggest that declaration of a mobile roaming service in regional and rural areas would further lower prices or improve services, given the higher costs in servicing these areas,” Mr Sims said.

The ACCC’s draft decision states that declaration in regional, rural and remote areas may not reduce Telstra’s retail mobile prices to a significant extent and could well result in overall higher prices if other service providers raise their retail prices to reflect the cost of roaming access prices, for example.

“The ACCC has examined the incentives for mobile network operators to upgrade their networks or invest in expanding coverage both with and without declaration. We heard from many regional groups concerned about coverage. We consider there is evidence that declaration could damage some incentives for operators to invest such that overall coverage is not likely to improve with declaration,” Mr Sims said.

“Many regional consumers do not have a choice of provider either because they only have one network offering coverage in their region or because they need continuous coverage.”

“While we do not think that mandated roaming is the answer to these problems in regional and rural areas, we are seeking comment on other regulatory and policy measures that could improve coverage and competitive outcomes.”

“We are very keen to get comments from a broad range of stakeholders on our draft decision announced today, including on these measures. We will carefully consider all feedback before making our final decision in mid-2017,” Mr Sims said.

The ACCC invites submissions on the draft decision until 2 June 2017.

The draft decision is available here: [Domestic Mobile Roaming Declaration Inquiry 2016](#)

Background

On 5 September 2016, [the ACCC commenced an inquiry](#) into whether to declare a wholesale domestic mobile roaming service. In considering whether a service should be declared, section 152AB(2) of the *Competition and Consumer Act 2010* (Cth) requires the ACCC to have regard to whether declaration would promote competition in relevant markets, achieve any-to-any connectivity and encourage the efficient use of, and investment in, infrastructure.

On 26 October 2016, [the ACCC commenced public consultation](#) by releasing a discussion paper seeking views on whether the ACCC should declare a domestic mobile roaming service.

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