## **MEDIA RELEASE**



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## ACCC NOT TO DECLARE MOBILE ROAMING BUT IDENTIFIES MEASURES TO IMPROVE REGIONAL MOBILE COVERAGE

The ACCC has decided not to declare domestic mobile roaming. However, it has identified a range of regulatory and policy measures that could improve inadequate mobile phone coverage and poor quality of service in regional Australia.

In deciding whether to declare a service, the ACCC must be satisfied that declaration would promote the long-term interests of end-users.

"The ACCC's inquiry found that declaration would likely not lead to lower prices or better coverage or quality of services for regional Australians," ACCC Chairman Rod Sims said.

However, the ACCC heard from many regional consumers and businesses that inadequate mobile coverage in regional areas affects the social and economic well-being of regional communities.

"We identified a number of issues where we think improvements could be made that would deliver better outcomes for regional consumers," Mr Sims said.

"Better transparency about network coverage and quality, more accountability about network investments and better information for regulatory and policy decision makers are all important."

"We will shortly commence a review of the Facilities Access Code to identify barriers to colocation or infrastructure deployment and a review of the ACCC's Infrastructure RKR to improve the information that we collect about mobile networks. We will also actively engage with industry and federal and state governments about the issues this Inquiry has identified."

In its inquiry, the ACCC carefully examined competition in the mobile services market, and the incentives of the mobile operators to make investments to expand coverage and improve their networks, particularly in regional areas.

"Declaration could actually harm the interests of consumers by undermining the incentives of mobile operators to make investments to compete with each other in regional areas," Mr Sims said.

"While geographic coverage is important to many consumers, it is not the only factor people consider when choosing their provider. Many Australians actually prefer Telstra in areas where there is competing coverage due to the quality of the network."

"Many regional areas currently have a limited choice as in some areas only Telstra has coverage. While declaring roaming may increase choice, consumers could pay more as the costs of accessing roaming in regional areas will likely be passed onto consumers," Mr Sims said.

Measures to address regional mobile issues is available at www.accc.gov.au

Final report for the mobile roaming declaration inquiry is available at www.accc.gov.au

## Background

The ACCC's inquiry into whether to declare a domestic mobile roaming service involved an extensive consultation process, including 145 submissions to the discussion paper and 81 submissions to the draft decision.

On 5 September 2016, the ACCC <u>announced its intention</u> to conduct a domestic mobile roaming declaration inquiry. On 26 October 2016, the ACCC <u>commenced public consultation</u> by releasing a discussion paper seeking views on whether the ACCC should declare a domestic mobile roaming service. The ACCC received 145 submissions in response to the discussion paper.

On 5 May 2017, the ACCC <u>released a draft decision</u> as part of its declaration inquiry proposing not to declare a mobile roaming service. The ACCC's preliminary view was that declaration would not promote the long-term interests of end-users. The ACCC received 81 submissions in response to the draft decision.

On 2 June 2017, Vodafone Hutchison Australia (VHA) applied to the Federal Court seeking judicial review of the ACCC's conduct in holding the public inquiry. VHA sought court orders to quash the ACCC's draft decision and restrain the ACCC from proceeding with the inquiry on the basis of the draft decision.

The ACCC decided to proceed with the public inquiry while responding to VHA's application for judicial review. Telstra joined as second respondent and Optus joined as intervener at the judicial review proceedings. The hearing took place on 27 and 28 September 2017. The judgment is reserved.

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