

Ian James  
Manager, Mobile Phone Initiatives Section  
DCITA  
Via email: [ian.james@dcita.gov.au](mailto:ian.james@dcita.gov.au)

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Re: Mobile Connect Discussion Paper

Dear Ian,

Thank you for the opportunity to comment on the above discussion paper.

**About CTN**

The Consumers' Telecommunications Network (CTN) is a national peak body of consumer and community organisations, and of individuals representing community interests, who participate in developing national telecommunications policy. CTN advocates policies for better access, quality of service and affordability of telecommunications facilities for all residential consumers.

CTN's members are national and state organisations representing consumers from non-English speaking backgrounds, deaf consumers, indigenous people, low income consumers, people with disabilities, young people including children, pensioners and superannuants, rural and remote consumers, women and consumers in general.

The majority of questions posed in the discussion paper appear to be aimed at carriers and potential program partners, such as local and state governments. The following comments pertain broadly to the objectives of the program and how they will be achieved, and do not correspond directly to the numbered questions set out in the discussion paper.

### **Commercial Viability**

The discussion paper indicates that the projects to be undertaken under the umbrella of Mobile Connect will only be approved subject to the service having ongoing commercial viability. Yet at the same time, another objective is to meet the social and economic needs of regional Australia in relation to mobile phone coverage. There is an inherent tension that is unacknowledged in the paper, yet is central to the reason government intervention in the roll out of additional mobile phone coverage. If an area did provide sufficient long-term commercial incentives, large government subsidies would not be necessary- carriers would make their own investments in such infrastructure.

Terrestrial mobile phone coverage barely exists, if at all, in areas that are not likely to create profit for the carriers, who are driven by business realities rather than the benefit universal availability provides end users of mobile services. The reality of this situation should not be glossed over. Question 3 asked what plans the carriers had for future roll out in regional Australia- we think the department will find that carrier plans- should any actually be submitted- are driven by commercial motives.

### **Program Principles**

The program principles outlined in the paper are generally sound. One principle stands out as confusing: that communities must want the services and be prepared to support the construction of the infrastructure. What does this require of local communities, and how can it be demonstrated? How does a community demonstrate it wants mobile phone services when the potential carrier has no presence? There seems to be an underlying need for a well-resourced and co-ordinated community campaign to be eligible under this principle, which may be unrealistic for many, particularly smaller communities and those with little social capital.

We note that funding will only be provided for capital works programs, rather than any ongoing costs. The rationale behind this approach is not entirely clear. The program is structured to provide incentives to carriers, and this parameter would seem to have the effect of potentially inhibiting the way carriers chose to utilise the grant money. We see little benefit in stipulating that the grant money to be spent on capital works- the test should be the end gain of maximum additional mobile phone coverage, rather than what the money was spent on. The Mobile Connect program will effectively subsidise the costs associated with developing infrastructure that becomes an asset of the carrier, (despite being funded with public monies). The carrier will gain the asset, whereas the consumers will gain access to a service.

### **Funding Priorities**

It is difficult to rank what funding priorities should exist for this program, when *any* improvements to mobile coverage are eagerly sought. Many of CTN's regional and remote members don't have any coverage, or have very poor coverage, and/or the choice of only one carrier. Those who reside in rural and

remote areas are continually frustrated at that improvements to existing services is metropolitan areas and multiple carriers installing infrastructure where services are already available, when there is little expanded coverage to new areas. CTN supports the expansion of coverage across regional highways and the roll out of services to new areas as key outcomes of this project. Whilst it's important that coverage across highways improves, it is equally important that Australians who live permanently in outlying areas gain access to terrestrial mobile services. This is particularly important because often repairs to services take far longer for those in regional and remote areas compared with metropolitan Australia.

We think DCITA may have trouble enforcing the funding principle that the program won't fund sites for which carriers have already assessed as being financially viable and where plans exist to construct new facilities. This comes back to the inherent tension in what this program is trying to achieve- getting mobile services into areas that won't get them without government intervention.

### **Roaming is Key**

CTN believes the key to the success of this program will be a requirement that carriers are required to provide roaming services for any infrastructure created with funding under this program. Consumers have endured for years call drop-outs and poor coverage. The practical solution is to require carriers to have calls roam between available networks. This requirement will mean that consumer choice can exist and best use of available networks instead of multiple networks to service one area. The principle that carriers must only offer to negotiate inter-carrier roaming arrangements is insufficient.

### **Technology**

We assume that given Telstra's recent decision to switch off it's CDMA network, we need not ask that grants will not be given for the extension of the present CDMA network. An important issue is raised here- the need to ensure grants ensure carriers will deliver services on networks that are compatible with handsets available in the marketplace.

### **Conclusion**

We'd like to see government policy look strategically at the future and offer incentives to carriers who invest in areas that will cover areas of growing population and areas identified as most in need. We suggest that DCITA solicit the views of local councils for this type of information. If the project does aim to benefit the community, it will be necessary to place the needs to the community at the core of the decision to offer grants under this program. DCITA may not have the information to make these decisions itself, but CTN's view is that efforts could be made based on existing information- not just on the where the carriers prefer to expand to.

We hope these comments are of use to you. Should you wish to discuss this response in more detail please contact myself or Sarah Wilson at the Consumers' Telecommunications Network on 02 9572 6007 or at [ctn@ctn.org.au](mailto:ctn@ctn.org.au).

Yours sincerely,



Teresa Corbin  
CTN Executive Director

This submission was prepared by Teresa Corbin, CTN Executive Director, and Sarah Wilson, CTN Policy Officer. It has been approved out of session by the CTN Council.