



15 November 2022

Standing Committee on Communications and the Arts
House of Representatives
PO Box 6021
Parliament House
CANBERRA
Canberra ACT 2600

Dear Secretariat,

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the House of Representatives Standing Committee on Communications and the Arts – *Inquiry into co-investment in multi-carrier regional mobile infrastructure* (herein the Inquiry).

The NFF is the voice of Australian farmers. The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the supply chain. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF has a target of reaching \$100 billion in farm gate output by 2030. This target forms part of our ambitious 2030 Roadmap – our plan to grow and advance our sector in the coming decade. A key element to achieving this target will be ongoing improvements to telecommunications and connectivity services in regional Australia. The NFF is committed to advocating for regional communities to have **accessible, reliable, quality and affordable** telecommunications and connectivity services.

The NFF provided an extensive submission to the Australian Competition and Consumer Commission (ACCC) *Regional Mobile Infrastructure Inquiry: Consultation Paper* in August this year. Many of the elements of the submission to this inquiry draw from that process. This submission will seek to outline:

- the importance of mobile connectivity to regional, rural and remote communities;
- the NFF's positions on regional network infrastructure investment programs and multi-carrier infrastructure; and
- the value in exploring the experiences of multi-carrier infrastructure in comparable international telecommunications markets.

The importance of mobile connectivity to regional Australians

Regional Australians, like their metropolitan counterparts, place significant importance on the coverage, reliability and resilience of mobile communications. Mobile connectivity plays a vital role in supporting the everyday business, education, social and health outcomes of regional Australians. As the 2021 Regional Telecommunications Review (RTIRC) noted:

‘Reliable access to mobile connectivity continues to be of critical importance to people living, working and travelling in regional, rural and remote Australia. Indeed, the vast majority of individual submissions to this Review have highlighted both the role that mobile coverage plays in the economic productivity and social wellbeing of regional consumers, and conversely, the serious impacts that a lack of mobile reception can have when people need it most.’¹

That said the importance placed on mobile connectivity by regional Australians is simply reflective of what is expected by the broader community. A recent national survey by the Australian Communications Consumer Action Network (ACCAN) asked respondents whether they considered landline, mobile internet, mobile phone or home internet services to be essential – that is, services that no one in Australia should have to go without today. Mobile phone services were considered the most important, with 84% of respondents identifying it as essential.

While programs to support mobile infrastructure expansion have seen increased coverage in recent years (though largely concentrated in regional and rural, rather than remote, areas), connectivity and service quality issues remain. An oft-described issue is that of "salt and pepper connectivity" referring to the localised connectivity gaps on, across and between farms. This can impact online administration tasks, the digital functionality of equipment, and the ability to adopt new technology.

The NFF undertakes a triennial telecommunications survey of its members to support its submission to the RTIRC reviews. The key mobile-related findings of the 2021 edition supported the assertion that regional Australians rely heavily on mobile services but continue to face coverage and service quality issues. The key results were:

- Approximately 50% of the respondents rely on mobile data for connectivity and less than 5% use satellite technology to connect;
- 32% of respondents only have constant or reliable mobile network coverage on 1-24% of their property and over 10% have no connectivity at all;
- Approximately 45% of respondents believed the quality of the mobile network coverage at the main residence had declined in the past 12 months; and
- 50% of respondents reported the reliability of mobile network coverage had declined.

More broadly, the sector is facing an extreme labour shortage, with regional businesses struggling to attract workers. One element of this challenge is the need for adequate connectivity, such as mobile access, to assist in the attraction and retention of workers. Modern businesses require baseline connectivity to ensure appropriate employment, health and safety outcomes can be delivered to

¹ 2021 Regional Telecommunications Review – A step change in demand. Final report (p43).

staff. Beyond this, people working in rural and remote Australia rightly require adequate connectivity to support their social, education and health aspirations, a need often exacerbated when living outside of metropolitan areas.

Given the clear importance regional communities place on mobile connectivity and the ongoing perception of coverage and service quality issues, the NFF believes this inquiry is pertinent. Mobile communications infrastructure, and the regulatory and commercial settings surrounding it, need to meet these reasonable service expectations and best support ongoing improvements to overcome the challenges being faced.

Regional mobile infrastructure

Investment support programs

Given the importance placed by regional users on mobile connectivity outlined in the previous section, the NFF has long supported infrastructure investment programs aimed at improving and expanding mobile coverage. The Mobile Black Spots Program (MBSP) has delivered material increases to regional mobile infrastructure, particularly in the earlier rounds of investment.

Though as is now frequently noted, the commercial incentives for network operators have reduced as investments are being made in areas with fewer customers. While the MBSP provides for co-location of network infrastructure, to date only 8% of funded sites have more than one Mobile Network Operator (MNO) located on them. The NFF has previously called for investigation into incentives for MNOs to co-locate equipment on new towers funded by the MBSP as well as to those who grant full network access to Virtual MNO in regional areas. To this end, we supported recommendation 10 from the 2021 RTIRC review that preference is given to Government funded mobile infrastructure which provides shared network access.²

We have also supported the implementation of more innovative and flexible program guidelines. For example, Round 5A of the MBSP funded a trial for a neutral host radio access network.

More broadly, the NFF has advocated for the establishment of a significant (multi-billion dollar) fund to provide certainty for regional and remote mobile network infrastructure rollout into the future. Not only do we see this as critical in addressing the connectivity challenges that remain, but the provision of funding certainly – that is being beyond budget appropriations – may provide confidence to additional carriers that public support for network expansion into regional areas will persist, such that it would help them achieve appropriate scale in their regional networks.

Multi-carrier regional mobile infrastructure

The NFF supports the consideration of multi-carrier infrastructure as a means of supporting the principles of delivering accessible, reliable, quality and affordable telecommunications and connectivity services in regional Australia. The NFF does however recognise that there is a range of multi-carrier infrastructure types, each with relevant technical and operating features, opportunities and challenges. Hence, our commentary pertains more broadly to multi-carrier mobile infrastructure in general.

² 2021 Regional Telecommunications Review – A step change in demand. Final report (p13).


The NFF believes one potential advantage of multi-carrier infrastructure may be the minimisation of the duplicative cost of multiple providers installing equipment in similar locations. While appreciating that coverage competition forms a key element of the current competitive landscape, it's the NFF view that improved investment efficiencies may represent an opportunity to support ongoing investment, and hence coverage extension. This may be especially so in areas presenting diminishing returns under a sole assets owner/network operator model.

Further, the NFF notes recent developments in the regional mobile infrastructure market, such as tower divestments by carriers to wholesale asset owners/managers. The NFF would encourage the Committee to consider the impacts of such changes as they relate to multi-operator regional infrastructure. These developments may support opportunities for new and expanded models of multi-carrier infrastructure in regional Australia.

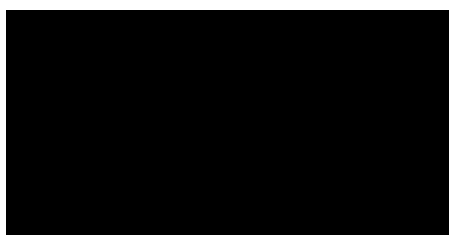
The NFF also recognises current market-led infrastructure-sharing arrangements, such as that between Telstra and TPG which is currently being reviewed by the ACCC. The NFF was encouraged by the apparent immediate outcomes of this proposal, in particular the potential for increased competition in regional markets. We did however encourage the ACCC in its review to ensure the agreement provides medium and longer-term benefits to regional consumers. We would encourage the Committee to consider the role, benefits or otherwise of such market-led infrastructure sharing.

Investigating experiences from comparable international markets

While the NFF itself is not in a position to make specific comments, we see significant merit in the Committee investigating overseas market examples as they relate to his inquiry. While appreciating there will be country-specific issues, there would be value in seeking insight from comparable markets as to the approach, challenges and benefits of multi-carrier regional mobile infrastructure.

Should you seek any further information please do not hesitate to contact Mr. Christopher Young, General Manager, Rural Affairs. 

Yours sincerely,



WARWICK RAGG

Acting Chief Executive Officer