

14 July 2015

2015 Regional Telecommunications Review Secretariat  
Department of Communications  
GPO Box 2154  
CANBERRA ACT 2601

## **2015 Regional Telecommunications Review**

We refer to the 2015 Regional Telecommunications Review and make the following submission on behalf of Southern Phone Company (Southern Phone).

### **Background**

The Terms of Reference for the Review Committee (the Committee) include *“whether people in regional, rural and remote parts of Australia have equitable access to telecommunications services that are significant to them, and are currently available in one or more parts of urban Australia.”*<sup>1</sup>

The terms of reference indicate that amongst other matters the committee will consider *“the impact of infrastructure and service improvements including what will be delivered by the rollout of the Mobile Black Spot Program.”*<sup>2</sup>

The discussion paper released by the Committee states that the committee is *“interested in locations where fewer retail providers have entered the telecommunications market and consumer choice is limited.”*<sup>3</sup>

This submission specifically addresses the issue of the implications of the Mobile Black Spot Program (MBSP) in terms of competitive neutrality and equitable access to improved services by customers.

### **About Southern Phone**

Southern Phone was formed in 2002 to deliver more affordable telecommunications services to the community and now serves a national customer base. We provide fixed line and mobile telephone services, fixed line and mobile internet services and NBN internet services.

Southern Phone is the second largest provider of fixed line services (after Telstra) and the fourth largest mobile phone provider (after Telstra, Optus and Vodafone) in regional Australia.

Southern Phone currently has over 77500 mobile phone subscribers located in all states of Australia and mainly in regional, rural and remote parts of Australia.

Southern Phone is an unlisted Public Company (A.C.N. 100 901 184) and only local councils can be shareholders. This means all profits are returned to the community through the councils. Because it is a local government-owned enterprise, Southern Phone is a State/Territory Body (STB) pursuant to Section 24AM of the ITAA 1936. No individuals may own shares in the Company.

Southern Phone is a retail provider of telecommunications services and is a wholesale purchaser of services from Telstra, Optus and Vodafone.

### **Mobile Black Spot Program**

The Commonwealth Government recently announced the outcome of the first round of funding under the MBSP. Under this round some 500 base stations will be built or upgraded to provide mobile coverage for locations identified as being “Black Spots” with limited or no mobile coverage. Southern Phone provides services to customers in and around these black spots.

While the new or upgraded base stations will be built by Telstra and Vodafone, a feature of the upgrade is that rival mobile operators must be given an opportunity to co-locate at each base station. This requirement is designed to ensure that customers in black spot locations can choose from a number of competitors. The Government’s announcement states that -

*“This Programme aims to stimulate competition in mobile services in regional and remote Australia, and it is pleasing that two of the three mobile network operators secured significant funding. In addition, under the Programme rules the mobile network operator selected to build a base station must give the other mobile network operators the opportunity to co-locate on that base station, in advance of the design for the base station being settled.”<sup>4</sup>*

Southern Phone welcomes the roll out of this program and the intention to ensure customers in regional, rural and remote locations have access to mobile services. We also endorse the requirement that access be provided to all carriers to ensure real choice in telecommunication delivery in these areas.

However we are concerned that the roll out does not ensure that retail providers such as Southern Phone who rely on purchasing wholesale network access from carriers, have guaranteed access to the enhanced network coverage. This is due to the technological and commercial limitations that may be placed on access to the full services by one or more carriers.

## Summary

In summary we welcome the roll out of enhanced mobile accessibility through the Mobile Black Spot Program and the stated intention to ensure competition for mobile customers in these areas. However further safeguards are required to ensure enhanced coverage is not restricted by technological, commercial or other mechanisms.

We would welcome the opportunity to discuss our submission with the Committee.



MARK WARREN  
MANAGING DIRECTOR  
SOUTHERN PHONE COMPANY LTD.

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<sup>1</sup> Regional Telecommunications Review 2015 Issues Paper, 1

<sup>2</sup> Regional Telecommunications Review 2015 Issues Paper, 1

<sup>3</sup> Regional Telecommunications Review 2015 Issues Paper, 4

<sup>4</sup> Joint Press Release, Government of Australia, 25 June 2015