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www.accc.gov.au

Regional Connectivity Program
Department of Communications and the Arts
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To whom it may concern

Re: Regional Connectivity Program – Discussion Paper

The Australian Competition and Consumer Commission (ACCC) welcomes the opportunity to provide a submission to the design of the Regional Connectivity Program. The ACCC supports the intended focus of the Program on key regional connectivity issues, where Australians living outside metropolitan areas face problems of staying reliably connected. As demand for data is growing rapidly and the movement of essential government, industry and education services are migrating online, reliable internet connectivity must be made available to all.

As the economic regulator of the telecommunications sector, the ACCC assists in lowering the economic barriers of access to digital connectivity by regulating competition in the sector, thus ensuring that prices do not increase artificially and so that markets can deliver better services and lower prices to consumers. Where markets do not deliver these services, government intervention and investment is necessary to deliver the same outcomes.

We note that the Australian Government's response to the relevant recommendation of the Regional Telecommunications Inquiry was to commit to a place-based approach to target investment to provide economic opportunities and allow full participation in the digital economy for regional communities and businesses.

The ACCC notes that open fund criteria can potentially encourage applicants to propose innovative technologies to improve telecommunications services to regions in need, such as wireless broadband connectivity at sites of resource, agricultural or tourist activity. The Program's intended outcomes, which are the use of bespoke, "place-based" solutions to regional digital connectivity issues through a range of mobile and broadband services, and complementing the existing National Broadband Network, the Mobile Black Spot Program (MBSP), and the telecommunications industry's commercial investment plans, aligns well with this open fund criteria.

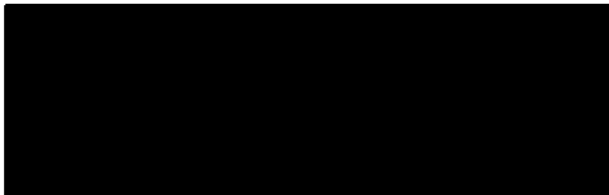
However, the emphasis on place-based plans may place some localities at a disadvantage. While many local governments may have regional digital plans or similar strategies in place, many may not. We note that it will be important to enable local communities to develop these capabilities in order to be competitive in a merit process. This may require earlier, targeted assistance to enable capability building ahead of, or as part of the application process.

In addition, smaller carriers may be better placed to deliver the targeted “bespoke” infrastructure solutions suitable for smaller communities that the Program envisages. Given this, the Program design, including application criteria and potential to negotiate co-contributions, will need to account for smaller carriers and communities and their potential lack of resources relative to larger carriers.

The ACCC notes that the proposed assessment criteria includes consideration of both the economic and social benefits of a project. We support this approach. We consider that it is important to consider both potential increases in economic activity arising from a funded solution and the social benefits that can arise from community-appropriate connectivity solutions in areas where commercial services are unlikely to be rolled out.

Finally, the ACCC recognises that while the nature of projects likely to be funded under the Program are unlikely to have significant impact on retail competition, they may provide valuable infrastructure competition in defined geographic areas. The ACCC requests that, where relevant, any impact on retail competition be considered in assessing competing projects with priority given to those that deliver better competitive outcomes in the interests of regional Australians.

Yours sincerely

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