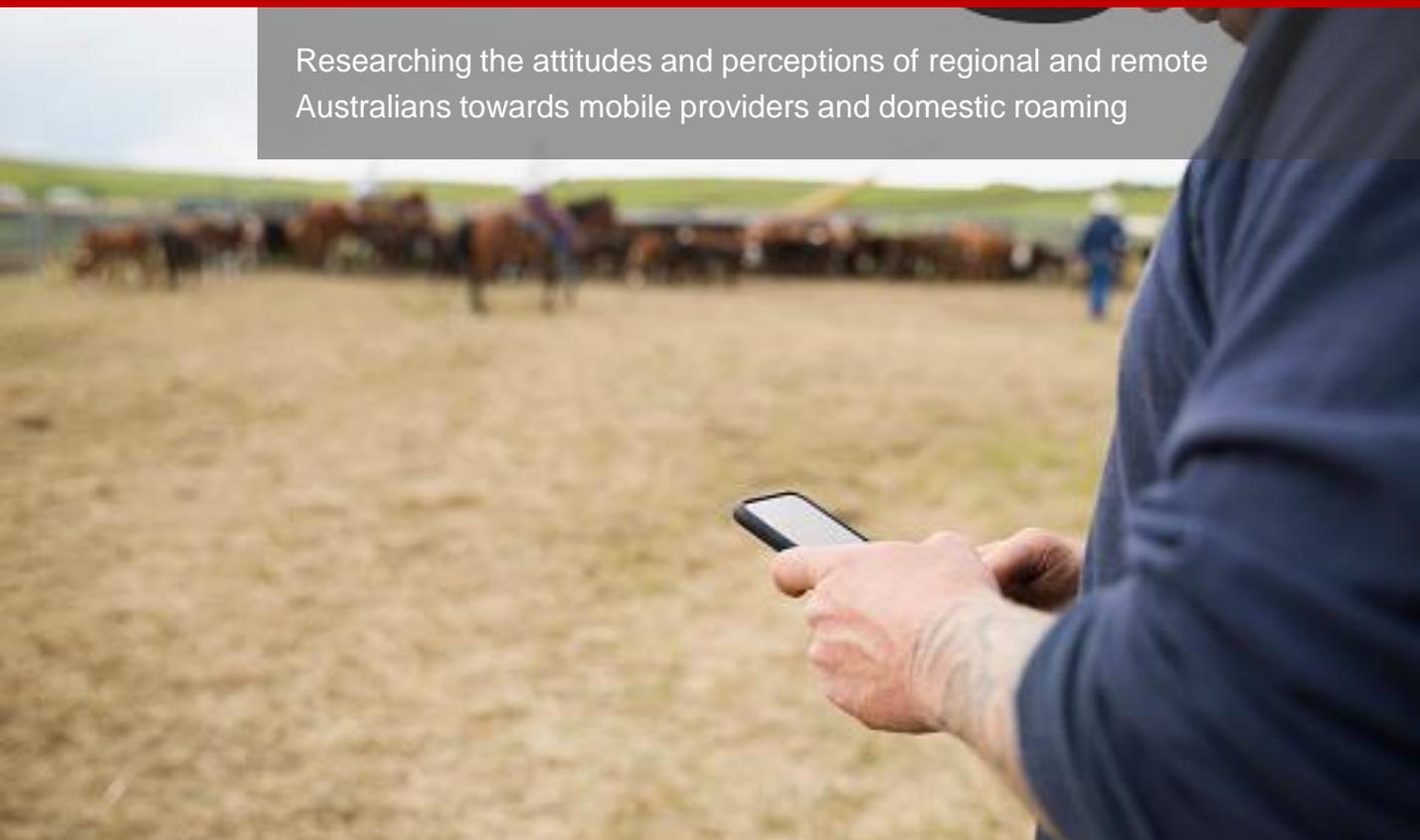


REGULATED DOMESTIC ROAMING RESEARCH REPORT 2017

Researching the attitudes and perceptions of regional and remote
Australians towards mobile providers and domestic roaming



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Research background

"Consumers are increasingly relying on mobile services and the issue of coverage and a lack of choice in some regional areas is a particular issue that has been raised by a number of groups."

Rod Sims, ACCC chairman (5 September, 2016)

The ACCC has launched an inquiry into domestic mobile roaming to decide whether it's something that should be regulated in Australia.

Currently, Telstra holds a monopoly in many areas of regional Australia and does not engage in any significant domestic agreement with any other mobile provider. If the ACCC decides to regulate domestic roaming, it would mean mobile service providers, such as Vodafone, would be allowed to pay for access to Telstra's existing network infrastructure, thereby immediately delivering substantial benefits to all Australians, especially choice to those in regional Australia for the first time.

Through domestic roaming, the cost of regional mobile infrastructure would be shared between two or more network operators, enabling all operators to invest in new sites, bringing coverage and competition to more Australians.

Vodafone has commissioned a project with Empirica Research to explore the experience and opinions of regional Australians with respect to their mobile service and domestic roaming. This report outlines the key results of this research.

Research objectives

Regional choice and coverage

- Explore the perceptions of regional Australians around coverage issues – what sort of mobile coverage do they have where they live? Are they limited in the number of providers available to their area? Does this seem fair (and does this seem fair compared with city coverage/choice)?

Regional mobile use

- How are regional Australians using their mobiles (e.g. calls, texting, email, internet, apps)? Can they do everything they need to do with the coverage they have?

Regional mobile benefits

- What benefits would regional Australians have from better mobile coverage (e.g., better choice/cost, improved safety by not dropping out, better social connectivity, etc.)?
- What are the reactions of regional Australians to various policy positions on domestic roaming?



Methodology



To ensure that the experiences and opinions of the full range of regional Australians was captured, this research utilised a mixed methodology:

- 729 surveys conducted online between Wednesday, 7 December 2016 and Monday, 12 December 2016
- 300 surveys conducted by telephone (CATI) between Wednesday, 14 December 2016 and Sunday, 15 January 2017 (CATI fieldwork was interrupted by the Christmas/New Year period)

The CATI component of the research was considered essential to capturing the views of those regional and remote Australians whose Internet access might preclude them from participating in online survey research.

For the purposes of this research, “regional” was defined as any regional or rural centre/are of Australia with a population of 99,000 or fewer.

1,029 Regional Australians – by state

	Online	CATI
New South Wales	170	60
Victoria	167	60
Queensland	174	60
Western Australia	75	60
Northern Territory/South Australia /Tasmania	143	60
TOTAL	729	300

1,029 Regional Australians – by location

	Online	CATI
Large regional centre (population 25,000-99,000)	263	31
Small regional centre (population 10,000-24,999)	186	81
Other regional centre (population <10,000)	129	63
Remote centre (population ≥5,000)	57	34
Remote area (population <5,000)	94	91
TOTAL	729	300





The story

Support for regulated domestic roaming

Overall, respondents indicated support for the idea of regulated domestic roaming, and if not support, then the desire to know more before forming an opinion. They placed the highest importance on potential improvements in coverage, costs, service access, and safety improvements and regional investment.

Despite the differences in experience of mobile phone service in different areas, support for regulated domestic roaming and opinions about its outcomes and their importance, were largely consistent regardless of region – however, provider impacted level of support, with Telstra customers less supportive than customers of other providers.

As with many things in Australia, there's significant variance between what's available in metropolitan areas versus what's available in regional and rural areas – mobile networks are one such area where the divide is real and significant. For example, people living in major cities have access to three major mobile carriers – Optus, Telstra, and Vodafone – and a host of smaller carriers. However, once you go outside the metropolitan areas, those offerings start to reduce, until you end up in some regional areas where only one network might be operating – that is, Telstra. That means that unless you're a Telstra customer, you generally do not have mobile coverage in these areas.

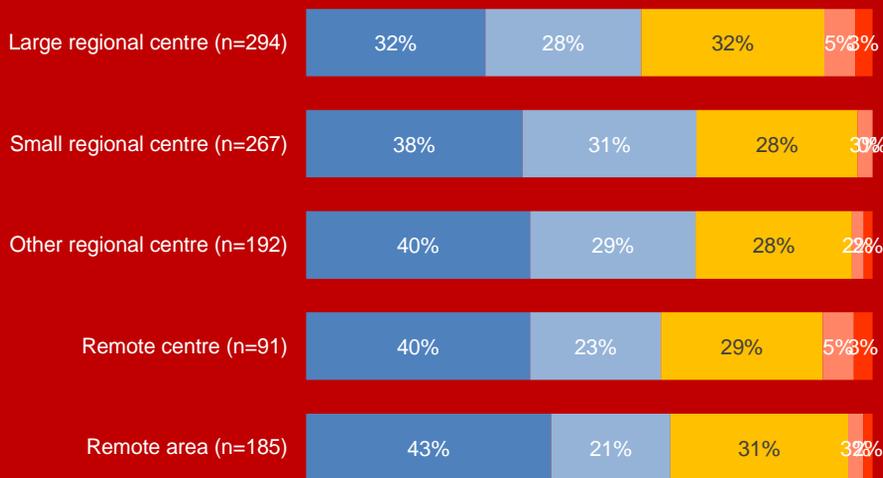
Regulated domestic roaming would mean that mobile carriers other than Telstra would have access to mobile coverage in these areas. What this means is regardless of your provider, you would always have access to the nearest tower (regardless of what phone company owns the tower). Therefore, you don't have to choose your provider based on who has coverage in certain areas, you can just choose your provider based on who you want and you would always have access to the strongest signal.

This type of arrangement would involve mobile providers paying each other for access so that their customers can use each other's networks. Through these payments, further investment in regional mobile networks can be undertaken.

The potential benefits arising from regulated roaming that respondents thought most important:

1. Better coverage (83% rated very/extremely important)
2. Lower costs (77%)
3. Improved access to services (74%)
4. Improved safety (72%)
5. Increased investment in regional coverage (72%)
6. Better customer service (63%)
7. Improved productivity (58%)

Support or opposition to regulated domestic roaming

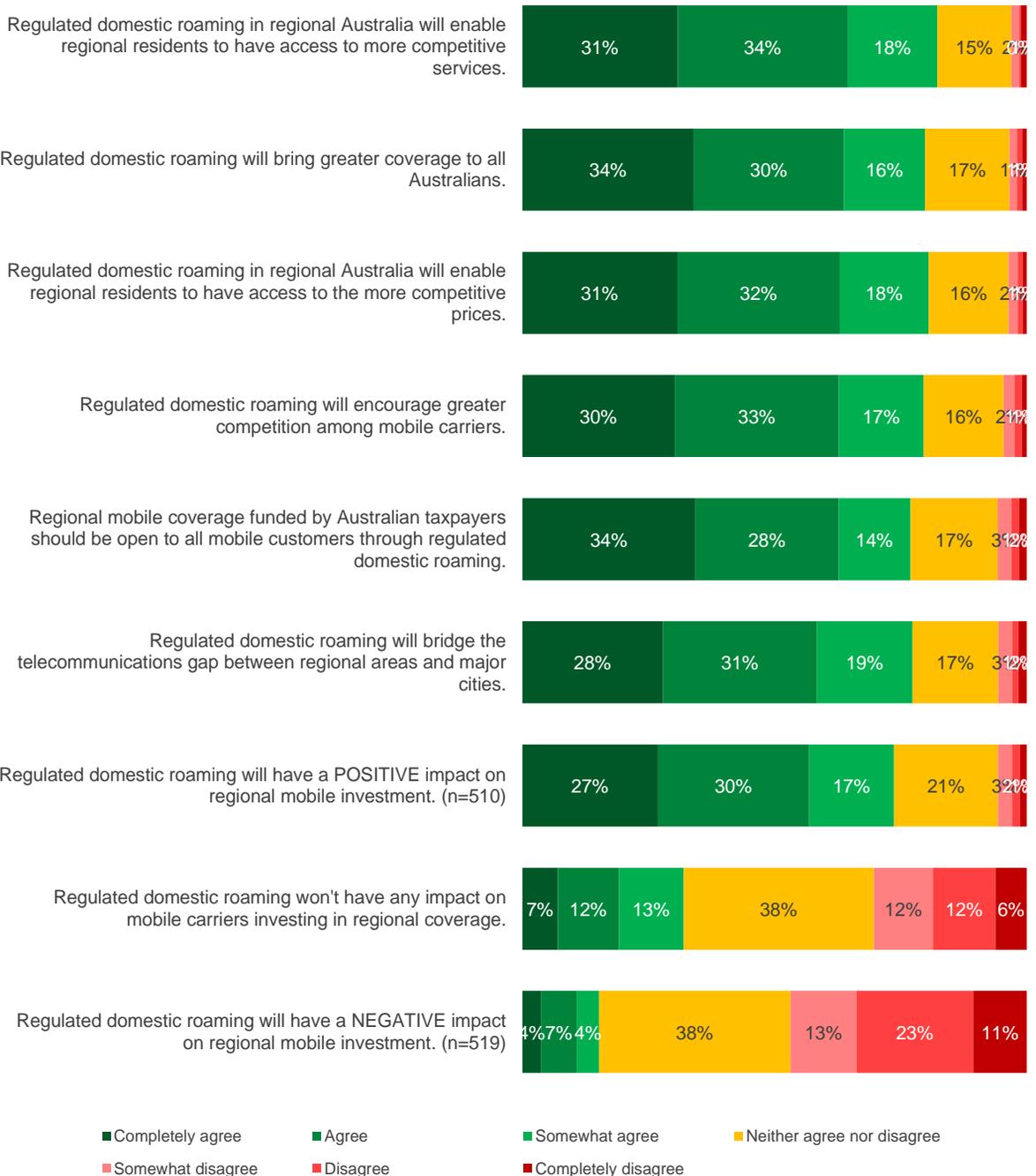


■ Strongly support ■ Somewhat support ■ I'm not sure – I need more information ■ Somewhat oppose ■ Strongly oppose

65%
of respondents support or strongly support regulated domestic roaming based on this description

Support for regulated domestic roaming (continued)

Opinions on possible outcomes of regulated domestic roaming



Life outside the major cities

There was a consistent perception among respondents of a disparity between options for mobile service between the major cities and other parts of Australia. Coverage, choice, and internet speed in particular are overwhelmingly believed to be much better for residents of Australia's major cities than in regional and rural areas.

Respondents indicated their belief that increased choice of mobile providers would result in their receiving better deals, lower costs, and an improved sense of fair play. They made a less strong association between increased choice and improved internet speeds, coverage, and customer service.

% OF RESPONDENTS WHO THINK THE FOLLOWING ARE BETTER IN THE MAJOR CITIES THAN IN REGIONAL/RURAL AREAS... (all respondents)

87%

Mobile coverage



61%
of respondents said that the difference in the number of mobile network providers available to city residents compared to regional/rural residents was unfair.

“As long as people get a fair coverage across Australia as at present the city people get all the coverage and the country people do not get coverage.”
SA, remote area

85%

Choice of mobile providers



“Hopefully it can make a change. We are isolated enough as it is by distance without having the services like the city gets.”
SA, remote area

81%

Internet speed of mobile service



“If there was more competition in rural areas and everyone had access to the infrastructure in place, it would make it better for everyone, although my friends on Telstra still have issues. I think in the 21st century, everyone should have access to everything they have, not just capital cities, especially in Australia where a lot of people live outside big cities.”
TAS, small regional centre

The regional-remote divide

There were stark differences through the survey in terms of mobile experience between Australians in regional compared to remote areas. Significantly lower proportions of remote Australians (compared to regional) rated their mobile coverage or internet strength as good, could do everything they need to do with their current levels of coverage, or had reliable access to 4G networks.

Australians in both regions, however, felt the same about the perceived discrepancy in mobile service and choice between regional/rural and city residents, and were consistent in their level of support for regulated domestic roaming.

	Regional (n=753)	Remote (n=276)
% who rate own mobile phone coverage as good/very good	67%	43%
% who rate own mobile internet strength as good/very good	58%	37%
% who experience coverage issues	67%	78%
% who say they receive good customer service from their current mobile phone provider	62%	58%
% who say coverage is the most important issue to them as a mobile phone user	83%	87%
% who have access to 4G networks most or all of the time	37%	24%
% who think the difference in number of mobile providers available to people living in major cities compared to those living in regional and rural areas is unfair	61%	60%
% who support the idea of regulated domestic roaming	65%	64%

Mobile phone ownership and use

The level of smartphone penetration among respondents was high, with 84% owning some kind of internet/app enabled mobile phone. This is an increase from 2014 when smartphone penetration levels among respondents was 71%.

Despite their notable characteristic being their internet/app capabilities, standard mobile services were the most common uses to which these devices were put by respondents with smartphones:

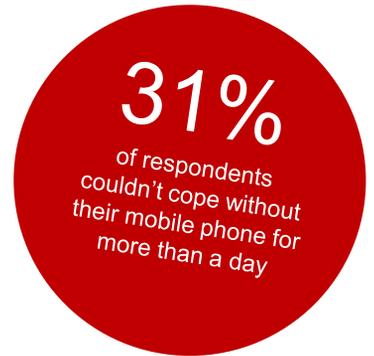
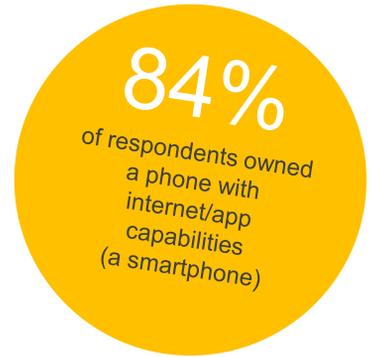
- 90% used their smartphones for making calls
- 86% used their smartphones for sending/receiving texts.

These two features were also rated as the most important to smartphone users.

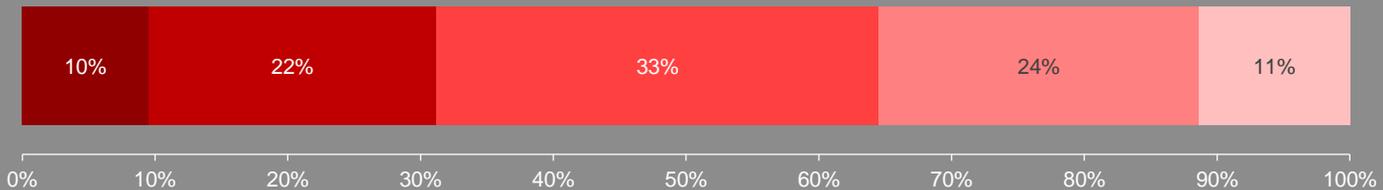
The most common *other* uses for smartphones by respondents were:

- Taking photos (74% of respondents)
- Accessing the Internet (57%)
- Checking the weather (56%)
- Email (55%).

Internet access, internet banking, and work-related apps were the non-mobile standard features of a smartphone rated as **most important** by respondents who used them (note that although work-related apps were extremely important, they were only used by a relatively small number of people).

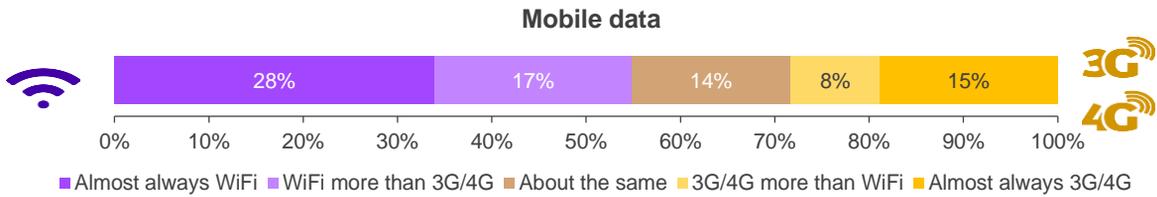


Extent of reliance on mobile phone



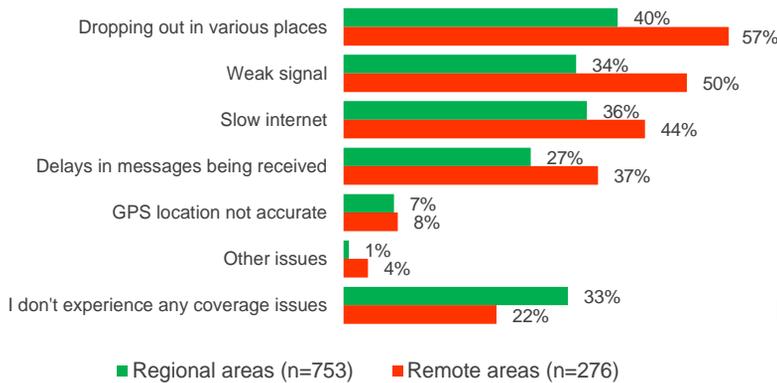
- I couldn't be without it even for a few hours
- I could cope for a few hours without it, but not for more than a day
- It would be a major inconvenience not to have it, but I could cope for a few days without it
- It would be a minor inconvenience not to have it
- I wouldn't even notice if I didn't have my mobile

Mobile internet coverage



- Among respondents who were able to answer, a higher proportion used WiFi for accessing the Internet with their mobile phone than used a 3G or 4G network. In general, only a third of respondents said that they had access to 4G networks most or all of the time, with remote respondents least likely to have regular access to 4G.
- Only 60% of respondents overall rated mobile coverage in their area as good or excellent; 52% of respondents gave the same rating to the strength of the internet through their mobile in their area.
- In both these instances, positive ratings of each of these attributes declined with increasing remoteness of respondents.
- 67% of regional residents and 78% of remote residents reported experiencing some coverage issues. Drop outs were the most common issue experienced, followed by weak signals and slow internet. All types of issues, as well as experiencing issues in general, were reported more frequently by those in remote compared to regional areas.

What coverage issues (if any) do you experience?



70%
of respondents reported experiencing at least some type of issue with their coverage

“It is very important for us to connect. Living in a regional area means we miss out on a lot. If we had domestic roaming it will help us connect with our work and other important places. The features of the domestic roaming in the rural areas would definitely benefit us because we are involved with the elderly and isolated from our children who don't have access to colleges and so by having this domestic service it would make it easier for regional students to be better educated and have more opportunities.”

NSW, remote centre

“They need to do something about the coverage. They need to put up more towers. This is disgraceful. I live in a town of 90,000 people, I don't live in the middle of nowhere. I can't get a network in my own home”

QLD, large regional centre

Telstra customers compared to customers of other providers

Comparing respondents who had their mobile phone service with Telstra to those with other providers, there was a significant discrepancy between them in satisfaction with respect to costs, quality, and customer service, with Telstra customers markedly less happy. In contrast, all customers appeared similarly satisfied with the *practical* aspects of their mobile service (coverage, internet strength, experience of coverage issues, etc.).

A fairly equal proportion of Telstra customers and customers of other providers said they don't have access to 4G networks most or all the time, and expressed their support for regulated domestic roaming.

	Telstra customers (n=657)	Customers of other providers (n=372)
% who experience coverage issues	70%	30%
% who are not happy with the prices of their current mobile phone provider	49%	26%
% who say they don't receive good customer service from their current mobile phone provider	45%	28%
% who say coverage is the most important issue to them as a mobile phone user	88%	77%
% who don't have access to 4G networks most or all of the time	66%	67%
% who support the idea of regulated domestic roaming	61%	70%



Thank you