Our Digital Mobile Future
By Bill Morrow, CEO Vodafone

For the telecommunications industry to deliver the best outcome for the digital economy we need to continue to improve both fixed and mobile telecommunications and rework the policy playbook to meet the new needs of the Australian consumer.

The digital revolution is transforming the way we work, live and play. Traditional forms of commercial and social interaction have changed, presenting new ways to improve productivity, drive innovation and enhance our lives.

As a nation we have set ambitious targets and have high expectations about how the digital economy will shape our future. The way we manage the transition will partly determine if Australia can maintain its enviable position in the world economy. We need to shape the economy of the future and enhance policy settings to bolster competition, productivity and growth.

It is important to recognise that telecommunications is the primary enabler of the digital revolution. Both sides of politics understand that we need to continue to build better fixed line infrastructure. This is welcome. However, we need a broader telecommunications agenda on how to enhance both fixed and mobile services to maximise the benefits of the digital economy.

In a new NBN environment, traditional fixed, mobile and stationary wireless technologies are not competing options and must be viewed as complementary with equal importance. The world has moved on from the fixed line being the dominant form of telecommunications. Both wireless and fixed line networks have a concurrent role to play in delivering digital solutions for consumers and business.

Recently the OECD found 64 per cent of all communications paths’ (in OECD memberstates) are mobile. Consumers now consider their mobile phone as the essential service thatthe fixed phone once was. It is therefore appropriate to consider what changes must occur to support this profound shift to a mobile enabled society.

Industry must re-evaluate how we deliver mobile services, build infrastructure and fund coverage expansions in a unique market, while Governments must review the outdated policy constructs that inhibit growth and stifle innovation. The NBN should embrace the need to foster innovation for all telecom solutions.

Australia benefits from an environment that fosters high smartphone adoption and relatively low mobile prices. In contrast, Australia’s fixed line phone services languish as some of the most expensive in the world, and for many years have been shielded from effective competition.

If mobility and competition are fostered in the new converged NBN world only then will we have the best foundation stone for the twenty-first century digital economy. We must be mindful that old policy paradigms won’t necessarily fit the new economy. Fortelecommunications to continue to deliver and drive the digital economy the policy focus must have two primary objectives; deliver a more competitive market and increase choice for consumers.

Over the last ten years telecommunications companies have paid more than $660million to a Universal Service Scheme that subsidises the fixed line phone network because the fixed phone was viewed as an essential service. As mobile becomes the more versatile and preferred service, we should revisit this fixed line focused policy.

When revising this policy it is important that any new arrangements optimise competitive outcomes. In the past, Governments have funded individual mobile carriers to increase their mobile coverage. This has restricted consumers of other networks benefiting from taxpayer-funded projects. Industry and Government need to find new ways to work together to deliver better mobile services and facilitate the growth of the economy. This is particularly importantfor consumers in regional Australia who are at risk of suffering at the hands of a digital divide and could be denied the economic benefits of a competitive digital economy.

A competitive market benefits all Australians and good competition brings consumer choice which in turn drives a healthier economy.