

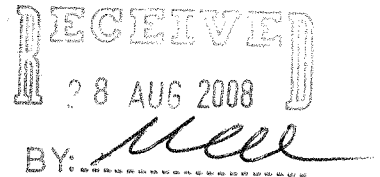


Submission No.15

Standing Committee on Communications
Parliament of Australia
House of Representatives
PO Box 6021
Parliament House
Canberra ACT 2600

Via email: coms.reps@aph.gov.au

August 2008



Re: Inquiry into International Mobile Roaming

Thank you for the opportunity to provide input to the Inquiry into International Mobile Roaming. This submission focuses on the need to have fair pricing and adequate information for Australian consumers when roaming internationally on their mobile phone.

About CTN

The Consumers' Telecommunications Network (CTN) is a national peak body of consumer and community organisations, and of individuals representing community interests, who participate in developing national telecommunications policy. CTN's members are national and state organisations representing consumers from non-English speaking backgrounds, deaf consumers, indigenous people, low income consumers, people with disabilities, young people including children, pensioners and superannuants, rural and remote consumers, women and consumers in general.

Usage Patterns

Australian consumers increasingly rely on the mobile phone as a means to communicate for both personal and business use with usage patterns suggesting a strong market for international mobile roaming. Recent research by the Australian Mobile and Telecommunications Authority (AMTA) shows that more than 85% of individuals have at least one mobile phone in regular use¹. Compounding this, Australians made nearly 5.5 million trips overseas in

¹Judy, Wajcman et al., *The Impact of the Mobile Phone on the Work/Life Balance*, AMTA, 2008, p 15.
http://polsc.anu.edu.au/staff/wajcman/pubs/Mobile_phone_final%20survey%20report_27Mar08.pdf (accessed 12/08/2008)



2007, and in just four years, the number of Australians taking overseas holidays has almost doubled, from 1.4 million to 2.7 million².

The current option for Australians is to stop using their service when they go overseas or brace themselves for a huge bill when they get home³. This is not an acceptable option for consumers and can be hardly considered a choice. Consumers need to be provided with adequate information to make such decisions and be given options for containing costs as much as possible.

International experience

The continual high cost for international voice and internet roaming must be reconsidered in light of emerging details from Europe about the actual terminating costs for carriers⁴. Furthermore lessons can be learned from the European unions proactive approach to regulating prices⁵. Concern over pricing variability for international mobile roaming had been an issue for many years overseas. The European Commission has taken the lead in addressing this problem and in 2007, introduced a Roaming Regulation. This put a capped price on the cost of sending and receiving calls, placed a cap on the wholesale charges, and provided transparency by making it compulsory that customers receive an SMS when they are crossing borders within the EU to inform them of the price they are expected to pay for making and receiving calls. The EU is again reviewing this legislation, considering ways to reduce prices for sending text messages while roaming. The Commission is also proposing measures to increase transparency in roaming charges and put an end to 'bill shocks' experienced by roaming customers using the internet. Given the regulatory response was designed to address identical issues, we support an equivalent approach in the Australian context.

Pricing

Bill shock is a common problem for Australian users. The Australian Telecommunications Users Group (ATUG) have been documenting cases where consumers have been hit with huge bills upon return from overseas travel. CTN supports the end users stories emerging from ATUG'S research that illustrate how current rates for international roaming are unfair and unjustifiable. The pricing of international data roaming charges is of increasing concern to CTN, given the recent popularity of internet enabled mobile

²Tim Colebatch, *Australia takes a holiday on strong dollar*, The Age, March 2008.
<http://www.theage.com.au/news/national/australia-takes-a-holiday-on-strong-dollar/2008/03/06/1204779967899.html> (accessed 19/08/2008)

³ATUG, *Campaign Issues for 2008*, 2008.
<http://www.atug.com.au/ATUGThisWeek/ATW270608/RFC08.pdf> (accessed 15/08/2008)

⁴Europa Press Release, *Roaming: High Prices of SMS and Data Services*, 2008.
<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/505> (accessed 19/08/2008)

⁵European Commission, *Roaming: the roaming regulation*,
http://ec.europa.eu/information_society/activities/roaming/regulation/index_en.htm (accessed 19/08/2008)



devices such as the i-Phone and other smartphones coming into the marketplace. There are already reports of credit management issues and bill shock associated with the i-phone⁶, so far, this is only in the context of domestic use. The potential for huge bills from mobile roaming charges can be addressed through a combination of fairer charging that reflects the actual cost of providing the service, and effective credit management practices by service providers to alert customers when high bills are accruing.

Provision of Information

Consumers are forced to trawl through complex and confusing websites when trying to ascertain the costs of international roaming. Making comparisons between providers is difficult for even basic services. Comparing rates, deals and pricing for access overseas, makes the process almost impossible. In undertaking to research how easy it was to find pricing, CTN tried to compare costs across several providers. We found that some were reticent to provide information without our researcher being an existing customer. It is difficult to see how a consumer could use their right to shop around and get the best deal when information is not forthcoming even when specifically requested.

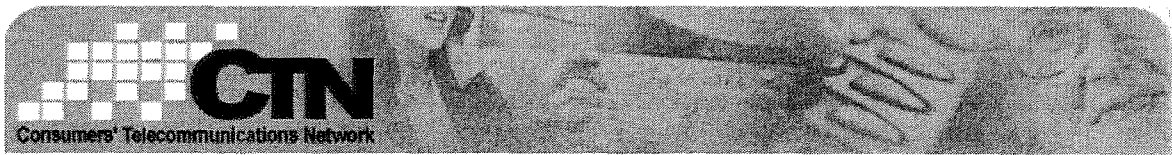
Call costs for customer service lines when overseas are not always clearly outlined on providers web sites, with more than one number displayed for different customers across post paid, prepaid, contract etc. Of further concern in some instances, a cheaper option is available but these numbers are not widely publicised across a range of services. CTN believes that operators should provide a customer service line for international roaming customers, that has a flat rate for the call.

Providing customers with ways to reduce costs is an important way to stem bill shock and credit management issues, for example set an unconditional diversion to your message service before departing, which means that calls from Australia go straight to messaging rather than to your mobile phone. This unconditional diversion means that you will not receive any calls even if your phone is turned on in a coverage area. The advantage is that you won't pay international call charges when calls you can't take divert to your Australian based messaging service. You can then check your message service periodically and return important calls⁷. Providers must also be responsible for keeping consumers up to date with charges associated with new products and services, such as clearly stating international roaming costs for data usage when surfing the net via a mobile phone whilst overseas.

Consumers need to be provided with the necessary tools to make informed choice about the costs of international roaming. Call charges often do not appear on the bill until several months after returning to Australia; whilst we

⁶ Daniella Miletic, *Debt fears for users of i-phones*, SMH, August 14, 2008.
<http://www.smh.com.au/news/articles/debt-fears-for-users-of-webphones/2008/08/14/1218307066391.html>

⁷ ACMA, *International Mobile Roaming Fact Sheet*, March 2008
http://www.acma.gov.au/WEB/STANDARD/pc=PC_1715 (accessed 12/08/2008)



understand there is a delay in that information being provided in order to be billed, there are any number of innovative ways industry could be empowering consumers to estimate their costs. For example, a call rate estimating calculation tool could be provided on websites to allow customers to roughly predict what the charges are going to be based on per minute pricing and a flag fall. It would also allow for comparisons between different products and use in different countries.

Conclusion

CTN believes that the pricing of mobile roaming and provision of information needs to be fairer and more transparent for end users, so consumers can make better choices and savings for their telecommunications services.

Should you wish to discuss this submission in more detail, please contact myself or Danielle Notara at the Consumers' Telecommunications Network on 02 9572 6007 or at ctn@ctn.org.au.

Yours sincerely,

A handwritten signature in cursive script that reads 'Teresa Corbin'.

Teresa Corbin
CTN Chief Executive Officer

This submission was prepared by Teresa Corbin, CTN Chief Executive Officer, and Danielle Notara, CTN Policy Advisor. It has been approved out of session by the CTN Board.