

## Regulation of international mobile roaming

- 4.1 In the previous chapter the Committee concluded that the international mobile roaming market in Australia is not functioning effectively because the relatively small domestic population prevents Australian providers from negotiating a competitive wholesale price with providers overseas. This chapter considers the regulatory options available to deal with this problem.
- 4.2 As discussed in the previous chapter, the end user price for roaming has a wholesale and retail component. The wholesale component is a result of negotiations between providers in Australia and in other countries. The retail component is the mark up applied by the Australian operator.
- 4.3 The Department of Broadband, Communications and the Digital Economy (DBCDE) argued that there are two possible regulatory options available:
- regulate retail prices (called retail price control); or
  - regulate wholesale prices.<sup>1</sup>
- 4.4 This chapter will consider these options and whether the price information provided to travellers is adequate for them to be aware of the costs involved in roaming.

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<sup>1</sup> DBCDE, *Submission No. 10*, p. 2.

## Retail price control

- 4.5 Retail price control involves placing a cap on the retail cost of calls. In other words, consumers cannot be charged more than the cap for a call.
- 4.6 Retail price control would involve the Australian Government legislating to implement price caps. Retail price controls for mobile telephony have been used in the past. Specifically, domestic mobile to mobile price control arrangements existed between July 1992 and June 2002. Roamed calls were not included in this price control.<sup>2</sup>
- 4.7 Retail price controls have, on the face of it, a big advantage for consumers. In a market where the price of a service is high, retail price controls can be used to reduce the price of the service by capping its price. In the telephony market, retail price controls have been used principally to ameliorate the effect of having a single provider with close to a monopoly in the market.<sup>3</sup>
- 4.8 However, the nature of the roaming market means that retail price control is not necessarily the best regulatory tool to employ. While retail prices for roaming are high, this is not due to one provider holding a monopoly in the market, rather it is due to the fact that the wholesale cost of the product may make up to 75 percent of the end user charge.
- 4.9 The wholesale cost is negotiated between Australian providers and overseas providers. As the Australian Government can only impose retail price controls on Australian providers, overseas providers would not be subject to the price control. Australian providers will be forced to negotiate for a charge that allowed them to price roaming services below the cap. If the overseas provider they are negotiating with is not prepared to meet that price, then no roaming agreement will be reached, and roaming will not be available from that provider.<sup>4</sup>
- 4.10 In the Australian Competition and Consumer Commission's (ACCC's) 2005 *Mobile services review: International inter-carrier roaming*, it reached the conclusion that retail price controls are not the appropriate regulatory response to consumer concerns about the high price of roaming services.<sup>5</sup> The Australian Mobile Telecommunications Association (AMTA) agreed

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2 ACCC, *Mobile services review: International inter-carrier roaming*, 2005, p. 45.

3 ACCC, *Mobile services review: International inter-carrier roaming*, 2005, p. 45.

4 DBCDE, *Submission No. 10*, p. 9.

5 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 45.

with this assessment, arguing that retail price controls 'would come at a huge cost to Australian mobile network providers.'<sup>6</sup>

- 4.11 In AMTA's view, any price controls imposed on Australian providers to reduce the end user price of roaming would unfairly penalise Australian providers for an issue outside their control.<sup>7</sup>
- 4.12 The Committee believes that the ACCC's and AMTA's arguments against retail price controls on roaming are sound. Retail price controls would reduce the end user price, but would not deal with the underlying market distortion in the wholesale cost. Australian providers would be left with the double burden of coping with the underlying distortion while carrying the cost of retail price controls. In the long run, it might even mean Australians are not offered the option of roaming in some countries at all.
- 4.13 However, the Committee notes that an alternative to retail price control may be to regulate the percentage of the retail mark up charged within an agreed wholesale pricing framework.

## International regulation of costs

- 4.14 The alternative to retail price control is regulation of wholesale costs. Regulation of wholesale costs has the advantage of targeting the distortion that is causing high roaming costs, but, because wholesale costs involve an international negotiations, regulating these costs is much more complicated.
- 4.15 The Committee considers the following regulatory mechanisms for dealing with the wholesale cost of roaming:
- declaring international roaming under Part XIC of the *Trade Practices Act 1974*;
  - regulation similar to the European Commission (EC) Roaming Regulation; and
  - regulation through international cooperation.

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6 AMTA, *Submission No. 9*, p. 4.

7 AMTA, *Submission No. 9*, p. 4.

## Declaring international roaming

- 4.16 The ACCC noted in its 2005 Review that participants in that inquiry had suggested the ACCC use its powers under Part XIC of the *Trade Practices Act 1974* to declare wholesale roaming charges.<sup>8</sup> To 'declare' a product or service means to create a legislative instrument that permits the ACCC to regulate that product or service.
- 4.17 In assessing whether to declare the wholesale roaming charge, the ACCC must be satisfied declaration will promote the long-term interests of end users of the service. The ACCC indicated that to do so, it must first be satisfied that it has the jurisdiction to regulate roaming charges set by providers in overseas jurisdictions.<sup>9</sup>
- 4.18 The ACCC believes it is unlikely that it has jurisdiction over the setting of wholesale prices by overseas providers, or over telecommunications services established outside Australia. The Committee also believes it is unlikely that the ACCC has these powers. Further, the ACCC is concerned that, even if it did have jurisdiction over the wholesale cost setting behaviour of overseas mobile network providers, it would be impractical to regulate the wholesale costs set by the large number of overseas mobile network providers on whose networks Australian consumers could potentially roam while travelling overseas.<sup>10</sup>

## The EU example

- 4.19 Roaming has been under review by the European Commission (EC) since 2005. In 2007, the EC introduced a Roaming Regulation, with the view to reducing voice roaming costs across the EU (European Union). The Roaming Regulation includes the following:
- a Eurotariff, which was a tariff providers in the EU were required to offer their customers who wished to roam within the EU;
  - a cap on wholesale charges between EU providers for roaming until 2010; and
  - a requirement that customers be sent an SMS when they crossed a border to inform them of the mobile roaming rate they were going to be charged.<sup>11</sup>

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8 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 43.

9 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 43.

10 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 43.

11 ACCC, *Submission No. 3*, p. 6.

- 4.20 The EC Roaming Regulation was reviewed by the European Regulators' Group (ERG) in 2008 with the intention of assessing the effectiveness of the regulation and whether SMS and data roaming should be included in the regulatory regime. The ERG found that:
- the price of voice roaming had fallen significantly to the level of the Eurotariff or just below, and had remained there;
  - the price of SMS roaming had not decreased for some time and was high compared to the actual cost of sending an SMS on a roamed phone; and
  - the price of downloading data while roaming had steadily decreased.<sup>12</sup>
- 4.21 The ERG review recommended that the EC Roaming Regulation be extended beyond 2010, and that SMS roaming be included. In relation to data roaming, the ERG considered that monitoring costs would be sufficient at this stage.<sup>13</sup>
- 4.22 The Australian Telecommunications Users' Group (ATUG) expressed support for international regulation through development of a single market mechanism similar to the EU regulations. ATUG recommends using mechanisms such as free trade agreements to negotiate EU type regulatory arrangements.<sup>14</sup>
- 4.23 Alternatively, AMTA argued that the introduction of price regulation in the EU is no reason to consider similar price regulation in Australia. According to AMTA, Australian and European conditions, such as the size of the market, the structure of the market, and the fact that the EU encompasses a number of countries, makes the situation very different.<sup>15</sup>
- 4.24 Outside of the EU, regulation of roaming costs is virtually non-existent. This is primarily because the advantages to roaming regulation offered by the structural arrangement of the EU are not replicated elsewhere. The close proximity, both geographically and in regulatory terms, makes negotiating and implementing roaming regulation much easier in the EU. Other regions (including the Asia Pacific) do not exhibit the strong economic ties and commonality of cultural and political institutions that characterise the EU.<sup>16</sup>

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12 ACCC, *Submission No. 3*, p. 6.

13 ACCC, *Submission No. 3*, p. 6.

14 ATUG, *Submission No. 6*, p. 18.

15 AMTA, *Submission No. 9*, p. 4.

16 ACCC, *Submission No. 3*, p. 7.

## International cooperation

- 4.25 The DBCDE described three approaches to international cooperation to regulate wholesale costs:
- bilateral discussions between countries;
  - multilateral discussions at forums such as the Asia Pacific Economic Cooperation group of nations (APEC) and the Organisation for Economic Cooperation and Development (OECD); and
  - negotiations at international rule making bodies, such as the International Telecommunications Union (ITU).<sup>17</sup>
- 4.26 Bilateral discussions can cover mutually beneficial arrangements between like minded countries. The ACCC considered that the most productive bilateral partners for Australia would be with telecommunications regulatory counterparts, in particular, the New Zealand Commerce Commission, Ofcom (UK), and the Federal Communications Commission (USA).<sup>18</sup> In addition, the DBCDE suggested discussions with the EU.<sup>19</sup>
- 4.27 In fact, the ACCC is already in discussion with the New Zealand Commerce Commission, primarily with a view to determining which regulatory arrangements, if any, might assist improving international mobile roaming outcomes for Australian and New Zealand residents.<sup>20</sup>
- 4.28 A key issue in relation to bilateral regulatory cooperation is that the nations Australia enters into bilateral arrangements with must, to have any beneficial effect, be nations which Australians visit in some numbers. The ACCC advised that the top four destinations for Australians in 2007 were:
- Asia (47 percent of Australians travelling);
  - Europe, including the UK (25 percent);
  - New Zealand (19 percent); and
  - North America (12 percent).<sup>21</sup>
- 4.29 As is clear from these statistics, New Zealand is the largest single nation destination.

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17 DBCDE, *Submission No. 10*, p. 9.

18 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 52.

19 DBCDE, *Submission No. 10*, p. 9.

20 ACCC, *Submission No. 3*, p. 7.

21 ACCC, *Submission No. 3*, p. 8.

- 4.30 International collaboration can be developed to provide better information on costs and charges, and to share best practices in forums such as APEC, the OECD, the ERG, and International Competition Network (ICN).<sup>22</sup> Although the outcome of this work is usually non binding, it can be influential in encouraging action towards a common purpose and establish baselines for good regulatory practice.<sup>23</sup>
- 4.31 Each of the bodies above has functions in relation to competition policy or regulation involving telecommunications. The ACCC advised that it will explore ways to co-ordinate a regulatory response with these bodies in order to find feasible measures to address the issue of high wholesale costs.<sup>24</sup>
- 4.32 In particular, the ACCC considers that dialogue and collaboration with overseas regulators in relation wholesale roaming services may assist in identifying a range of regulatory and enforcement actions that will promote wholesale price competition in the supply of these services.<sup>25</sup>
- 4.33 International rule making can be explored through the ITU. The ITU is the global forum where international telecommunications accounting methods are discussed. However, exploring international rulemaking through the ITU takes a great deal of time, as the agreement of many nations is required.<sup>26</sup>
- 4.34 The DBCDE advised that the Minister for Broadband, Communications and the Digital Economy has already initiated discussions within APEC and bilaterally with the EU and others to explore options. This work is being followed up by the DBCDE.<sup>27</sup>
- 4.35 The Committee believes that the only effective regulatory response to roaming prices is to establish an agreed regulatory framework for setting the wholesale cost. It is clear from the discussion above that this is likely to be a difficult and long term solution. Nevertheless, the other possible solutions do not address the underlying distortion in the roaming market.
- 4.36 Both bilateral and multilateral possibilities are being, and should continue to be, explored. In both cases, the Australian Government should continue to make countries with large numbers of Australian travellers, such as New Zealand, the priority.

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22 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 52.

23 DBCDE, *Submission No. 10*, p. 9.

24 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 52.

25 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 52.

26 DBCDE, *Submission No. 10*, p. 9.

27 DBCDE, *Submission No. 10*, p. 9.

- 4.37 The Committee recommends that the Australian Government pursue a policy of regulating the wholesale cost of roaming through bilateral and multilateral negotiations with other countries.

### Recommendation 1

**The Committee recommends that the Australian Government pursue a policy of regulating the framework for the wholesale cost of roaming through bilateral and multilateral negotiations with other countries, ensuring that countries with the largest number of Australian visitors are given priority.**

## Choosing the best value service

- 4.38 In the absence of an immediate regulatory solution to the cost of roaming, the Committee now discusses what can be done in the short term to assist consumers deal with high roaming prices. Three issues are considered here:
- price monitoring by the ACCC;
  - standardisation of published pricing information; and
  - provision of advice on large bills.

## Price monitoring

- 4.39 Periodic monitoring of prices by the ACCC might improve consumer awareness and assist in formulating any future regulatory response.<sup>28</sup>
- 4.40 The ACCC is required, under Division 12 of Part XIB of the *Trade Practices Act 1974*, to report each financial year to the Minister for Broadband, Communications and the Digital Economy on prices paid by Australian consumers for telecommunications services. Providers are required to provide the relevant information to the ACCC. Roaming is not currently covered in this report.<sup>29</sup>
- 4.41 When the ACCC considered whether to include roaming in this report in 2005, it found that the monitoring and publication of changes in average

28 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 50.

29 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 50.



prices paid by Australian consumers for international roaming services could help in improving consumer awareness and information, and may assist regulators in considering any further regulatory responses if international roaming prices do not decrease over time.<sup>30</sup>

- 4.42 In September 2008, the ACCC released a discussion paper that included proposals to introduce reporting requirements for international mobile roaming services, in particular, cost, revenue and service usage information.<sup>31</sup>
- 4.43 Providers have responded to the ACCC's discussion paper. All have opposed the proposals, with some advising that the cost of collecting the information would result in an administrative burden.<sup>32</sup>
- 4.44 AMTA acknowledges that information about providers' roaming costs and revenues might be useful for regulatory reasons, but notes that this information is sensitive, and may not be able to be used without disclosing sensitive commercial information about a provider.<sup>33</sup>
- 4.45 Given that AMTA concedes that this information may be useful for regulatory reasons, the Committee supports the ACCC obtaining this information from providers. While providers may object to providing this information, the Committee believes it will be in their best interests in the long run. At the very least, it will enable the Australian Government to confirm that Australian providers are not responsible for high roaming costs, and it may even prove a useful tool in international negotiations over regulation of wholesale costs.
- 4.46 The Committee encourages Australian carriers to agree to provide the relevant information to the ACCC. In support of the ACCC's actions, the Committee recommends that the ACCC introduce mandatory reporting requirements for international mobile roaming services, in particular, cost, revenue and service usage information.

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30 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 51.

31 ACCC, *Submission No. 3.1*, p. 1.

32 ACCC, *Submission No. 3.1*, p. 1.

33 AMTA, *Submission No. 9*, p. 20.

## Recommendation 2

**The Committee recommends that the ACCC introduce reporting requirements for international mobile roaming services on Australian providers. In particular, the Committee recommends that cost, revenue and service usage information should be provided.**

### Standardisation of information on costs

4.47 The DBCDE considered that one of the following options might assist consumers in selecting a roaming service:

- establishing mechanisms for pricing to be easily understood by consumers through standardised reporting mechanisms; and
- encouraging or mandating industry codes on such matters as informing consumers about excessive bills.<sup>34</sup>

4.48 The ACCC, in its 2005 review, examined three of ways of standardising cost information:

- Enforcement action under section 52 of the *Trade Practices Act 1974* (which prohibits misleading or deceptive conduct) or other similar provisions in Part V of the *Trade Practices Act 1974*. The ACCC indicated that it had received a number of complaints alleging that a mobile network operator's conduct breached section 52 of the Act. However, the ACCC could not reach a view because of the disclaimers commonly provided by mobile providers in relation to, for example, fluctuations in exchange rates.<sup>35</sup> The ACCC also believes that section 52 of the Act was not a specific regulatory tool to address, in a pre-emptive manner, broad-based concerns about the provision of consumer information on roaming services.<sup>36</sup>
- Provision of consumer information under section 28 of the *Trade Practices Act 1974*. Section 28 of the Act provides that the ACCC can develop consumer information campaigns and price information accreditation systems as possible measures for improving consumer information about services.<sup>37</sup> In relation to the provision of consumer information, the ACCC pointed out that the Australian Communications and Media Authority (ACMA) has specific

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34 DBCDE, *Submission 10*, p. 8.

35 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 47.

36 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 47.

37 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 47.

responsibility for public information and education about telecommunications matters under section 6 of the *Australian Communications Authority Act 1997* and had published a consumer fact sheet on roaming. ACMA's fact sheet provides consumers with basic information about what roaming is, when roaming is available, how roaming services can be activated, the types of roaming services that may be available, and the prices associated with roaming services.<sup>38</sup>

- Development of an industry code setting out the information to be provided to consumers about international roaming services.<sup>39</sup> Industry codes of practice are encouraged in Australia through industry self regulation. Under Part 6 of the *Telecommunications Act 1997*, telecommunications industry bodies (such as the Communications Alliance, a body of industry and consumer representatives) can develop and register industry codes to be registered by ACMA.<sup>40</sup>

4.49 A key point when considering the standardisation of information is the quality of information already available to the public. In 2005, the ACCC judged that information provided by Australian providers was consistent with the requirements in the European International Roaming Code.<sup>41</sup> On this basis, the ACCC did not consider that the development of an industry code dealing with the information provided to consumers on roaming services would significantly improve the information currently available.<sup>42</sup>

4.50 AMTA argued that all Australian providers include the following information about roaming on their websites already:

- countries where the service is available;
- indicative prices in Australian dollars for each service and the components of the service;
- how to activate international roaming; and
- subscriber eligibility for international roaming.<sup>43</sup>

4.51 Where an Australian operator has a roaming agreement with more than one operator in a country, the operator also provides cost information for each overseas provider so that the traveller can select a provider of their

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38 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 47.

39 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 47.

40 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 48.

41 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 49.

42 ACCC, *Mobile Services Review: International inter-carrier roaming*, 2005, p. 49.

43 AMTA, *Submission 9*, p. 28.

choice in the country they are visiting.<sup>44</sup> In addition there are ancillary sources of information available to travellers, such as the fact sheets provided by ACMA and AMTA.<sup>45</sup>

- 4.52 The Committee considers that prescriptive requirements for publishing pricing information are not warranted at the moment in the roaming market because information on roaming is reasonably widely available. However, the Committee believes it is worth establishing a minimum standard for information on roaming provided to travellers. The minimum should include:
- countries where the service is available;
  - the choice of providers in each country;
  - indicative prices in Australian dollars for each service and the components of the service;
  - how to activate international roaming and any charges this will incur; and
  - basic information on how the pricing of international roaming differs from the pricing of local calls, including:
    - ⇒ the fact that the traveller pays an international charge to receive calls;
    - ⇒ the fact that the traveller pays an international charge when a caller leaves them a voicemail message; and
    - ⇒ the fact that exchange rate fluctuations means the exact cost of a roamed call cannot be determined in advance.
- 4.53 This minimum standard of information should be available from providers' websites, in hard copy on request by a customer, from shop fronts where customers subscribe to roaming services, and verbally on request by a customer.
- 4.54 The Committee cannot make a recommendation binding on the private sector, but the Committee suggests that AMTA and the Australian providers of roaming services agree amongst themselves to introduce this basic information standard.
- 4.55 Nothing in this suggested minimum should limit providers from providing more information in other ways. In addition, nothing in this standard should restrict the creation of innovative (and cost effective) pricing models by providers.

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44 AMTA, *Submission 9*, p. 28.

45 AMTA, *Submission 9*, p. 28.

- 4.56 To encourage the development of such a standard, the Committee recommends that ACMA facilitate a meeting of the Communications Alliance to develop such a minimum standard.

### Recommendation 3

The Committee recommends that the:

- **Australian Communications and Media Authority facilitate a meeting of the Communications Alliance to discuss the development of a minimum standard for consumer information and awareness of roaming and potential costs; and**
- **Australian Government explore opportunities to collaborate with the Australian Telecommunications Users Group's 'Roam Fair' campaign.**

### Temporary mobile number portability for roaming

- 4.57 Mobile number portability has been available to Australian consumers since 2001. Mobile number portability allows consumers to retain their mobile phone number when they change provider. Portability is administered under the *Code on mobile number portability* developed by the Australian Communication Industry Forum, now known as the Communications Alliance.<sup>46</sup>
- 4.58 The technical mechanisms involved in mobile number portability vary depending on whether the customer is using a pre-paid or post-paid plan, and the suite of services, such a messaging and fax services, included in the customer's mobile plan. Generally, 'porting' a number involves the customer buying out the remaining plan with the provider they are leaving, and entering into a new plan with the provider they are moving to. There may also be a fee to cover the administration of the 'port'.<sup>47</sup>
- 4.59 Mobile number portability was introduced to improve competition between providers. Prior to the introduction of portability, a customer wishing to retain their mobile number had to remain with the provider from whom they had obtained the number, even if another provider was offering a plan more suitable to the customer's needs. Portability enables

<sup>46</sup> ACCC, *News release: Mobile number portability a reality*, 25 September 2001.

<sup>47</sup> ACCC, *Pricing principles for mobile number portability*, 2001, p. 5.

the customer to take their mobile number to another provider, thus enhancing competition.<sup>48</sup>

- 4.60 The Committee believes that a similar arrangement in relation to roaming might reduce the retail mark up through enhanced competition. The Committee's proposal involves allowing temporary number portability between Australian operators for the time a customer uses roaming services overseas. This would allow the customer to select the roaming plan offered by an Australian provider that most suited their travel arrangements, and for the duration of their trip, have access to that provider's plan using their regular phone number. Temporary number portability would be limited to roaming services only.
- 4.61 As all the administrative and technical arrangements are in place to support portability, arranging temporary portability for roaming purposes should not be an insurmountable task.

#### **Recommendation 4**

**The Committee recommends that the Australian Communications and Media Authority develop, through the Communications Alliance, an amendment to the *Code on mobile number portability* to allow temporary mobile number portability for roaming services.**

### **Providing advice on high bills**

- 4.62 At the public hearing on 3 December 2008, the Committee spent some time discussing with AMTA the possibility of advising customers when they are incurring excessive charges while roaming to avoid them experiencing 'bill shock'.
- 4.63 AMTA's representatives advised the Committee that the industry's strategy for dealing with large bills was a preventative one. Providers make every effort to ensure that customers know beforehand that they will experience higher charges using roaming. AMTA pointed out that large bills that cannot be paid by the customers are rarely recovered, and turn into bad debts for the provider, so the provider has some incentive to warn travellers about the costs of roaming.<sup>49</sup>

48 ACCC, *Pricing principles for mobile number portability*, 2001, p. 5.

49 Dr Tony Warren, *Transcript of Evidence*, 3 December 2008, p. 5.

- 4.64 Telstra provided further information on the possibility of advising customers of large bills in a submission to the inquiry. Telstra does not have a protocol for contacting customers who are incurring higher than usual charges while roaming. There are a number of reasons for this, including that Telstra advises travellers using its roaming service to expect higher bills, and that it does credit checks to ensure travellers will be able to pay for roaming.
- 4.65 However, there is a technical barrier to being able to advise customers of excessive charges. When customers are roaming overseas, there is a delay in receiving billing information from the overseas carriers.<sup>50</sup> Telstra advised the Committee that this problem only arises for post-paid customers. Pre-paid phones operate on a different arrangement that allows immediate information about the cost of a roamed call. Another advantage of pre-paid phones is that there is a specific limit on the amount of money that can be spent on roamed calls.<sup>51</sup>
- 4.66 The Committee understands that the possibility for near real time costing information to be available for post-paid roaming customers is at least two years away. Given that real time cost information is available to pre-paid phone customers, it would appear to the Committee that the technological infrastructure for providing real time cost information to post-paid customers is already available.
- 4.67 The Committee encourages providers to utilise this technology for post paid users to ensure customers receive billing information in a timely manner and to reduce the risk of bill shock.
- 4.68 There is no simple solution to the problem of the cost of roaming. Australia's small population means that Australian providers cannot offer the large client base needed to negotiate a cheap wholesale price for roaming services.
- 4.69 As the wholesale price is negotiated with an overseas provider, it is effectively beyond the reach of Australian regulators. Further, Australia is not part of an active economic region that could develop a regulatory response that would be binding on its members, such as the EU. Australia will have to work bilaterally and multilaterally with single countries and trade groups.

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50 Telstra, *Submission 17*, p. 2

51 Telstra, *Submission 17*, p. 2.

- 4.70 Users of roaming services hoping for costs to fall should not be in any doubt that regulatory action will take time and is likely to only be periodically successful.
- 4.71 Roaming users wishing to reduce the cost of staying in touch while travelling may wish to consider some of the alternatives to roaming. These alternatives are examined by the Committee in the next chapter.