

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON COMMUNICATIONS

International Mobile Roaming Inquiry

Anybody who has travelled overseas and used their mobile phone knows how useful it can be to reach loved ones and conduct business using international mobile roaming. They also know the significant cost they pay for this privilege.

The House of Representatives Communications Committee is inquiring into whether international mobile roaming charges are fair. The Committee will look at:

- whether retail international mobile roaming charges reflect the underlying costs;
- whether the information available on international mobile roaming costs are adequate;
- whether new technologies and commercial initiatives will reduce international mobile roaming charges; and
- whether consumer information on international roaming is adequate.

In its 2005 examination of international mobile roaming costs, the Australian Competition and Consumer Commission found that "the prices of international roaming services may exceed their underlying costs of provision by a significant amount".

The cost of international mobile roaming includes a wholesale cost governed by an agreement between the traveller's home network and the network the traveller uses in another country; and the retail mark-up by the home network.

The way mobile phone costs are billed is also different – the traveller is billed for the international part of all calls, even those they receive.

The ACCC identified a number of anti-competitive factors increasing the cost of international roaming, such as the structure of the market, a lack of consumer information, and a lack of practical alternatives.

However, in a technology driven environment such as mobile telephony, a lot can change in three years.

The Committee will examine whether the factors limiting competition and driving up costs for international roaming services identified by the ACCC still hold true, and if not, whether this has resulted in more competitive pricing for consumers.

Further information: contact the Inquiry Secretary (02) 6277 4601, email <u>coms.reps@aph.gov.au</u> or visit the Committee's webpage at <u>http://www.aph.gov.au/house/committee/coms/</u>

Or ACCC media on report: <u>http://www.accc.gov.au/content/index.phtml/itemId/708237</u> and the final report: <u>http://www.accc.gov.au/content/index.phtml/itemId/333898</u>