



Amanda Rishworth MP

Member for Kingston

Communications Committee Report

25 May 2009

Ms Rishworth: (Kingston) (6:09 PM) —I too rise to commend to the House the recommendations of report of the Standing Committee on Environment, Communications and the Arts on its inquiry into the costs of international roaming, titled *Phoning home*. The inquiry was undertaken as a result of concerns associated with the cost of international roaming. The terms of reference for the inquiry were specifically aimed at finding out the basis for the costs associated with international roaming, the transparency of these costs to both regulators and consumers, and whether emerging technology could reduce the impact of such costs.

The use of international roaming on one's mobile phone when travelling has become commonly accepted. This reflects the world we live in today—a world where people legitimately expect to be able to be contacted, even if they are overseas. Despite this, the costs of using international roaming are still high. It became evident during our inquiry that the cost of international roaming is much greater than normal mobile phone use. While we have seen mobile phone costs decrease here in Australia, we have not seen such a decrease in the cost of international roaming.

The committee heard evidence that many travellers were shocked at the cost of their phone bills upon returning to Australia. As the previous speaker indicated, sometimes these costs did not become evident for many months. This includes shock associated with voice calls but also, increasingly, shock associated with data downloads—now that the technology is getting quite sophisticated, data downloads were also billed at a very expensive rate and this was a matter of concern for many travellers.

The high cost of roaming is a result of both the complex technical treatment required to route roaming calls and the fact that the costs of roaming are determined by agreements between two network operators—the Australian network and the host network in the other country. So there are really two causes of the high cost of roaming. Firstly, there is the wholesale cost—that is, the amount charged by the foreign networks to the Australian providers. Secondly, there is the retail cost—the amount that Australian telco companies charge their customers. To address the first cost—the wholesale cost—the committee recommends that the government pursue bilateral and multilateral agreements with other countries to regulate the cost of roaming. The committee also suggests that the priority should be given to countries that large numbers of Australians visit.

An example of such a framework comes from the European Union, where the European Commission introduced roaming regulations in 2007. Its review in 2008 showed that the price of roaming has fallen significantly. I appreciate that the EU is a unique international institution and a very different community of interests than is present in our region. However, the European experience shows that international agreements could be possible and could be effective.

In the last century, the international community established the Universal Postal Union, which sets standards and duties for all international mail. It is surely not beyond us to conclude that a similar form of agreement for things such as roaming is possible in the 21st century. I accept that a global agreement on roaming charges and standards is an ambitious objective, so in the short term we can look at taking other action to reduce the costs of phoning home while overseas. One that comes to mind is a bilateral agreement with New Zealand, a destination to which 19 per cent of all Australians travelled in 2007.

A further problem for Australian consumers is that Australia's market is not very large on an international scale. That means, as I just mentioned, that without internationally agreed rules Australian networks are generally price takers rather than price setters and they have limited alternatives to accepting existing pricing arrangements.

But addressing the wholesale cost of roaming is not the only story. The Australian Competition and Consumer Commission has determined that the mark-up component of roaming charges is not governed by any unifying set of principles. To address this, the committee has made recommendations that the ACCC introduce reporting requirements for Australian providers in relation to their international roaming services so that the public can know how the price of their roaming calls is being constructed.

This reporting ought to be complemented by the Australian Communications and Media Authority developing a minimum standard for consumer information on potential costs and could collaborate with the Australian Telecommunication Users Group's Roam Fair campaign. I also believe that while it would not be fruitful to set price controls directly on roaming charges, it may be viable to introduce regulation to control, perhaps, the percentage mark-up that Australian firms are able to pass on to customers.

Finally, the committee spent considerable time and energy exploring other communication options for Australians overseas, including international calling cards, short message services, the use of local phone networks, voice over the internet protocol, email and hotel and public phones. All of these options should be promoted by the government when they provide information on roaming so that consumers realise that there are choices when they are phoning home. In this globalised world Australians travel for a whole range of reasons, but whatever the reason and wherever they go, they should be able to stay in touch. Phoning home should not be an ordeal and keeping in touch with the office or with friends or family should not be difficult. Global mobile roaming services have become a key way for Australians overseas to contact home but for too many the cost is neither productive nor expected. In our report there have been some simple recommendations and simple steps that we can take in the short term to make sure that roaming prices are fairer

and that information is available. I look forward to working towards a long-term international agreement on roaming standards and prices.

I would like to conclude by taking this opportunity to thank the committee, particularly the chair, the member for Robertson, and also thank the secretariat for their work on the inquiry—they did a lot of work in putting together the report—and also thank the witnesses that appeared. They provided some invaluable information to the committee. It was a complex area and their information was vital in ensuring that we got our heads around the content. I commend the report to the House.

Debate (on motion by **Mr Schultz**) adjourned.