

Roaming— an unaffordable luxury



International mobile phone roaming remains an expensive option that most travellers go out of their way to avoid, according to the findings of an inquiry by the House of Representatives Standing Committee on Communications.

The committee report, released in March, noted that despite increasing competition, phone users continue to seek out alternatives to roaming, which involves using an Australian mobile phone on another network overseas. Popular alternatives include international calling cards, locally purchased SIM cards, calls made over the internet and email or short message services. Business travellers are most likely to rely on roaming services.

International roaming was also found to be a difficult industry to regulate, further complicated by additional roaming charges for data as well as voice services. The inquiry was told of customers who had returned from overseas travel to discover bills for roaming services in the tens of thousands of dollars.

The report noted that Australian providers do not appear to have the customer base to negotiate competitive prices for roaming services. It recommended that the Australian Government pursue bilateral and multilateral negotiations with other countries to offer better rates to Australian travellers.

In its submission to the inquiry, the ACCC noted that the market for international roaming remains largely unchanged since its last major review of mobile services in 2005.

Customers continue to pay far more for the service than it actually costs phone companies to provide it. However, the high charges are mostly a result of high wholesale charges overseas network operators impose on foreign users.

Since 2008 the European Union remains one of the few regions to have successfully regulated a maximum call charge for roaming services. The lack of a common currency and jurisdictional issues in other areas makes achieving similar caps difficult to achieve.

However, the ACCC has been working with the New Zealand Commerce Commission to determine whether regulatory cooperation between Australia and New Zealand might provide a better deal for users of roaming services in both countries.

Interestingly, many mobile phone users seem well aware of the potential for large bills from mobile services, with the ACCC receiving very few complaints about the issue each year.

While these are not perfect substitutes for using their own mobile number overseas, travellers are taking advantage of more reasonably priced alternatives, including hiring mobile phones locally, using fixed phone services or international calling cards.

The Australian Communications and Media Authority fact sheet on international mobile roaming is available on its website, www.acma.gov.au.

“The report noted that Australian providers do not appear to have the customer base to negotiate competitive prices for roaming services.”

