

# ECONOMUSE

## Data roaming – Let's roam like at home

*The OECD's new report on international data roaming shows more needs to be done.*

Today, the OECD released its [report](#) on progress towards its 2012 recommendations on achieving “a fair price level in international data roaming”. It is time for Australia to legislate.

The current report does not update the price comparison chart of [May 2011](#) when Australia was found to have the 8th most expensive data roaming price. But, the red bars situations show where

some “roam-like-at-home” (RLAH) offers have reduced the price to zero since then.



Sources: Figure 2 [OECD \(2011\)](#) and Table 3 OECD (April 2016)

At February 2012, no mobile operator included a RLAH service as an integral part of its offer. Since then, the first offers to include international mobile roaming (IMR) as an integral part of bundles have been made almost entirely in Members with four or more operators. While some offers are still restricted to on-net roaming

(e.g. in Sweden), others represent a fundamental change in the market. They include the first off-net offers for IMR from operators based in France, Israel, Luxembourg, the United Kingdom and the United States. Moreover, these offers include not only off-net IMR but also roaming in some countries where these operators do not have a network with shared ownership.

In mid-2013 Vodafone Australia launched \$5/day flat rate roaming which meant you could draw on your domestic data allowance when roaming in over 50 countries affiliated with Vodafone. And, when Telstra CEO, Andy Penn, [reversed](#) the increase in excess international data charges from 3 to 10 cents per MB in December 2015, Vodafone rubbed salt into the wound by waiving the \$5/day fee to provide true RLAH roaming to NZ from February 2016 to 31 January 2017 (as shown above).

In 2013, after the Australian and New Zealand governments proposed legislation to reduce IMR prices across the Tasman, the Australian mobile industry reduced some prices for Australians travelling to New Zealand. But, that progress has stalled.

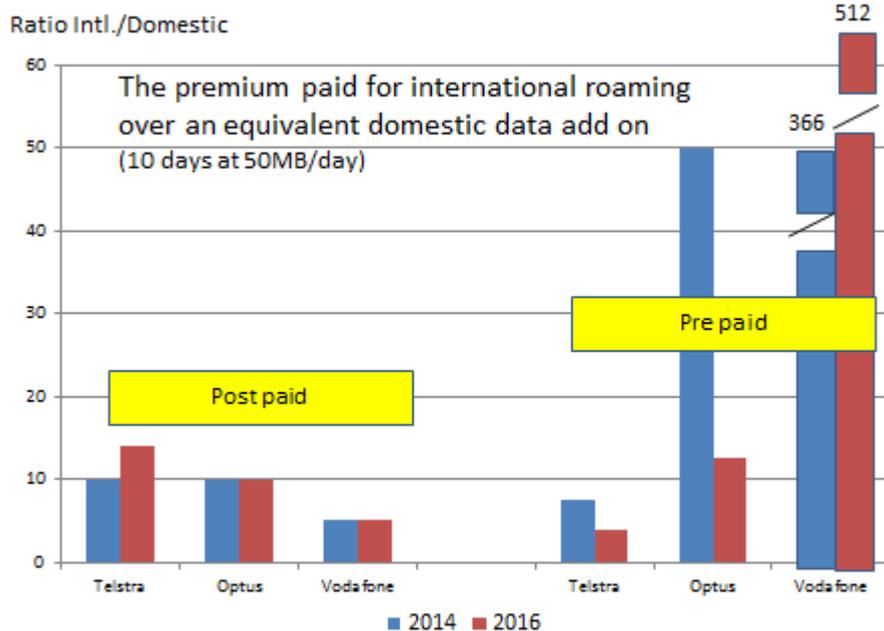
The January 2014 data in the following table from the Australian Government's February 2014 [Regulation Impact Statement](#) (RIS) has been updated from company web sites at February 2016. Note little or no change in the last two years.

Note that the Vodafone's \$0/day into NZ has been ignored as a special and that no pre-paid packs are available Vodafone pre-paid users.

Prices for IMR services have generally not moved downwards in line with domestic pricing patterns, resulting in

an increasing gap between charges for domestic and IMR services. The price per MB has fallen around 80% over the last two years for domestic post and pre-paid add on packs in Australia.

		Jan-14	Feb-16
<b>Cost of data roaming into NZ for 10 days at 50MB/day</b>			
<b>Telstra</b>	<b>PAYG</b>	\$1,500	\$1,500
<b>Optus</b>		\$250	\$250
<b>Vodafone</b>		\$5,120	\$5,120
<b>Post-Paid Travel</b>			
<b>Telstra</b>		\$150	\$140
<b>Optus</b>		\$100	\$100
<b>Vodafone</b>		\$50	\$50
<b>Pre-Paid Travel</b>			
<b>Telstra</b>		\$150	\$160
<b>Optus</b>		\$250	\$250
<b>Vodafone</b>		\$5,120	\$5,120



The relativity of the prices shown in the table above to equivalent domestic data top-ups in Australia is shown in this chart.

It is now clear that progress depends upon regulatory intervention.

The OECD report suggests that "The national regulator can intervene to reduce the retail prices charged by its national MNOs for IMR services provided in a visited country. This could provide

an incentive for the national MNOs to try and negotiate better wholesale prices, in particular because lowering retail rates may subject them, as the Recommendation warns, to a price squeeze". Sounds like a good idea. In February 2016, some changes to the ACMA codes were [announced](#) but there is still no sign of the draft bill that would give the ACCC and its NZ cousin the teeth they need. Let's act on that now.

*John de Ridder*