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Vodafone calls on ACCC to scrap mobile services regulation

- Regulation of mobile services unnecessary due to healthy competition
- Continued regulation of termination charges unjustifiable
- Call to focus on fixed line-to-mobile charges

Vodafone today called on the Australian Competition and Consumer Commission to remove mobile services from its list of declared services, arguing regulation of mobile services can no longer be justified on economic grounds. In its submission to the ACCC's Mobile Markets Review, Vodafone stated that regulation of termination charges is no longer necessary.

Vodafone Australia's Managing Director, Grahame Maher said the mobile services industry is one of the most open and competitive industries in Australia. "Prices have fallen across the board, which is great news for consumers.

"There are now four separate mobile carriers and six separate mobile networks, delivering commercially negotiated and efficient wholesale prices, value for money, and incentives to innovation and investment. Developments in the rapidly evolving mobile market have been driven by competition, not regulation.

"As outlined by the ACCC, what hasn't changed is the cost of fixed-to-mobile calls for most consumers. Why? Telstra has a virtual monopoly on fixed line charges. We call on the ACCC to focus its regulatory attention on this area of the market and remove regulation from the wholesale mobile market," Mr Maher said.

"There's no point forcing mobile operators to cut margins further when there's a government-owned monopoly controlling fixed-to-mobile charges. Forcing mobile operators to cut charges will hurt mobile-only operators, while Telstra will continue to make money on fixed to mobile charges."

In its submission, Vodafone said the interests of Australian mobile consumers are sufficiently protected by the healthy level of competition in the industry and the ACCC should consider ways to loosen the regulatory controls.

Vodafone will continue to push for regulation only in areas where there are real problems in the market. Removing regulation on mobile services now will provide greater investment certainty to the industry that future services, such as 3G and data services, can be developed without the risk of unwarranted regulatory intervention.

The success of mobile services over the last 10 years is testament to the value of competition. To ensure that the future development of the market continues at pace, we believe that regulation should be confined to areas of the market where problems actually exist.

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About Vodafone

Vodafone Group Plc is a leading mobile communications company with 25 per cent of the world's mobile phone users connected to Vodafone. Vodafone has equity interests in 28 countries, and partner networks in a further seven countries - leaving an unmatched network footprint. Vodafone's revenue is nearly double the size of other global companies such as Microsoft or Coke and is more than the combined revenue of the entire music industry.

The company provides quality services to 2.56 million Australian customers, 1.29 million New Zealand customers and 91,000 Fijian customers. Vodafone has more than 119.7 million proportionate customers worldwide.

Note: Vodafone is a trademark spelt with an 'f' and not a 'ph'.