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Telcos answer call for deals

Jennifer Dudley

AUSTRALIAN telephone companies had begun catching up to the rest of the world in offering discount deals but many consumers were still paying more than they should to reach out and touch somebody, experts warned yesterday.

Savings were now available in cutting off home phones, adopting capped mobile phone plans, bundled deals, international calling cards, or using the Internet to make telephone calls, but the best solution depended on a consumer's individual needs.

Many young Internet users, for example, could benefit from discount packages with one provider, BuddeComm telecommunications analyst Paul Budde said.

Meanwhile, elderly telephone users could save money by ditching their home telephone for a mobile phone on a capped plan.

Mr Budde said competition in the market increased after several telephone providers introduced capped mobile phone plans last year.

"You really have to do your homework to figure out if you're going to save money though, because if you don't spend that \$39 in calls it will still cost you \$39 for that month," he said.

Vodafone Queensland general manager Michael Smith said a "large number of competitors" had followed the company's lead after it introduced capped plans in Australia, but competition really intensified after the launch of its \$49 cap.

"Heaps of people have reduced their bills from hundreds of dollars to just \$49 a month, and there's an avalanche of people dropping off their landline (telephones) and just going to mobiles," he said.

Under the Vodafone \$49 price cap, customers can get \$230 worth of calls, text messages and voicemail, and its price has been matched by Optus and by Telstra's 3G service.

Virgin Mobile, meanwhile, offered capped deals as low as \$19 with up to \$50 worth of value, and also sparked a raft of SMS price cutting with its 5¢ Virgin 2 Virgin rates.

But Mr Budde said consumers who relied on a home telephone line for a dial-up or ADSL Internet connection could be better off seeking a bundled discount as "mobile Internet is still very expensive at the moment".

Telstra, for example, offered free calls or SMS messages, and Optus gave extra Internet downloads and price discounts for combining home and mobile phone, Internet and pay-TV services.