



Not relevant



618 OPTUS MOBILE TELEPHONE SERVICE AGREEMENT (Patrick Conlon) - NOTED

Not relevant



618

TO: PREMIER FOR CABINET TO NOTE

RE: OPTUS MOBILE TELEPHONE SERVICE AGREEMENT

## 1. PROPOSAL

- 1.1. To inform Cabinet of possible cost savings that could be made on the Whole of Government mobile telephone service if non-Optus users transitioned to Optus services. Savings could be in the order of \$1 million per year. There are over 2,800 State mobile phone users contracted to service providers other than Optus.

## 2. BACKGROUND

- 2.1. The State established the Optus Mobile Telephone Services agreement in July 2000. Following an extension under Ministerial approval it will expire on 7 July 2007 when the new TCRS agreements will be signed.
- 2.2. Through periodic pricing reviews and the January 2006 Extension negotiations the State has achieved mobile telephone services for State users at below market median prices.

## 3. DISCUSSION

- 3.1. The Optus Mobile Telephone Service Agreement provides State users with the following range of cost saving services. These services are not fully utilised.
  - 3.1.1. Optus GSM service at preferential pricing using the Optus GSM network which currently covers 97% of the population. Telstra claims the same coverage for Telstra GSM.
  - 3.1.2. Corporate discount of 45% on Optus services. The mobile services provided by Telstra, Globalstar and AAPT are Fleet Managed by Optus and are not subject to the 45% Optus Corporate discount.
  - 3.1.3. Business Network Elite (BNE) abbreviated dialling Mobile to Fixed Line. BNE abbreviated dialling allow calls to fixed phones within the State PABX network from State mobile phones by using only the last five digits of a fixed line telephone number. Enabling these calls to stay within the PABX system saves around a further 50% of the price for dialling the full number.
  - 3.1.4. Optus CDMA service at preferential pricing. There is only one CDMA network in operation, which is owned by Telstra. Optus resells the Telstra CDMA network service to the State at lower prices than can be purchased directly from Telstra.
  - 3.1.5. Optus Satellite Service at preferential pricing where Optus resells the Globalstar Satellite service.
- 3.2. As at October 2006 the State had 16,710 mobile telephone services billed under the Optus Mobile Telephone Services Agreement with 2,864 mobile telephone services provided in total by Telstra, Globalstar and AAPT. Note

there are an additional 4,925 inactive Optus mobile services that are being maintained but not billed.

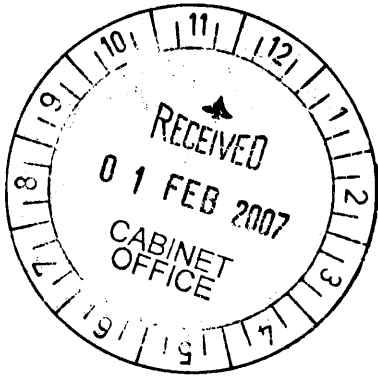
**4. RECOMMENDATION**

4.1. That Cabinet note this matter with their Chief Executives with a view of their staff working with Optus to ensure the benefits of the Optus Mobile Telephone Service Agreement are being fully utilised and cost saving achieved.



**HON PATRICK CONLON MP  
MINISTER FOR INFRASTRUCTURE**

29 January 2007



***In Cabinet***

- 5 FEB 2007

