



Record of oral submission to the ACCC

Matter name:	Telstra/TPG proposed spectrum sharing		
ACCC parties:	Merger Investigations: Sophie Mitchell, Eado Varon, Caylie McDonald Mobiles & Consumer Engagement: Paul Dempster		
Other parties:	National Farmers' Federation & Regional, Rural and Remote Communications Coalition <ul style="list-style-type: none">• Alkira Remaj (Rural Affairs Policy Officer)• Chris Young (General Manager Rural Affairs)		
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Phone to <input type="checkbox"/>	Phone from <input type="checkbox"/>	Meeting <input type="checkbox"/>	Other <input checked="" type="checkbox"/>

The ACCC met with the National Farmers' Federation (**NFF**) and the Regional, Rural and Remote Communications Coalition (**RRRCC**) to discuss their written submission in relation to the Telstra/TPG merger authorisation application. The following issues were discussed.

Background

1. The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.
2. The RRRCC is an alliance of volunteer and advocacy organisations with a shared interest in improving telecommunications in the bush. The Coalition was formed in 2016 to raise awareness of the important role of connectivity for regional, rural and remote Australians and to advocate for continued improvements. The NFF provides the secretariat services to the RRRCC.

General comments

3. Telstra is major player in the regional market and TPG and Optus have a presence. The NFF and RRRCC noted that the ACCC's regional mobile infrastructure inquiry outlines the network asset infrastructure of all three MNOs which is helpful for understanding. It is important to note there is a distinction between regional, rural and remote.

4. The NFF and RRRCC consider that coverage, reliability, equity and service are the most important factors to customers when choosing a provider. 5G is also important as there are a lot of highly technological agricultural products that utilise it. NFF members are also concerned that the discontinuation of earlier generation offerings (e.g. 3G and 4G) may cause them issues.
5. The NFF supports the investigation of opportunities where network infrastructure sharing can bring about efficiencies in capital allocation in the sector.

Comments about proposed transaction

6. The NFF and RRRCC consider that it is important customers are aware of variances in Telstra's and TPG's offerings under the proposed transaction, such as the (up-to) 6-month delay in TPG having access to 5G at particular sites, so they can make informed choices.
7. It is difficult to comment on customer behaviour in respect of whether NFF or RRRCC members would switch to TPG as a result of the proposed transaction. If competition works in the regional market, then TPG's addition to the regional market should lead to more consumer choice.
8. The NFF and RRRCC consider there are opportunities in the current mobile infrastructure market for greater efficiencies. If there is evidence that Telstra's additional spectrum allocation would allow for congestion reduction, the NFF and RRRCC are supportive of that so long as long-term access to spectrum is pro-competitive. The NFF and RRRCC are not aware of the specifics as to how the spectrum will reduce congestion beyond that utilising an otherwise unutilised resource would ensure greater efficiencies generally.
9. The NFF and RRRCC would not want Optus to cease investment in regional areas. Under the proposed transaction, the NFF and RRRCC acknowledge there could be an increase in competition in the short term, but query whether mobile network operators would still be competing as strongly with each other in the long term.