



Record of oral submission to the ACCC

Matter name:	Telstra/TPG proposed spectrum sharing		
ACCC parties:	Merger Investigations: Sophie Mitchell, Eado Varon, Caylie McDonald Regional Mobile Infrastructure Inquiry: Grahame O'Leary		
Other parties:	NSW Farmers' Association • Kathy Rankin (Policy Director)		
File Number:	MA1000021		
Date:	11 August 2022		
Time:	1:00 pm AEST		
Phone to <input type="checkbox"/>	Phone from <input type="checkbox"/>	Meeting <input type="checkbox"/>	Other <input checked="" type="checkbox"/>

The ACCC met with the NSW Farmers' Association to discuss its written submission in relation to the Telstra/TPG merger authorisation application. The following issues were discussed.

Broad concerns

1. NSW Farmers explained it regularly engages with Telstra about telecommunications in regional NSW including about the proposed merger authorisation. NSW Farmers also received correspondence from Optus regarding its concerns about the transaction.
2. NSW Farmers considers there is not a lot of choice for telecommunications services in outer regional areas of NSW, estimating that more than 90% of its members are with Telstra. This is likely because Telstra has historically had the best infrastructure and signal. There is some improvement with new retail providers entering the region. Customers are not unwilling to switch providers; but they do have concerns about whether they will be guaranteed quality of service. Over the last 2 years, NSW Farmers has observed more customers working out what they need from a telecommunications provider and who will give them good coverage.
3. NSW Farmers noted a common complaint from customers in regional areas is the price of their telecommunications bills. Many have installed booster systems on their cars and houses to improve coverage. A lot of users are switching to other providers like Starlink or taking up NBN offerings through smaller retailers.
4. NSW Farmers elaborated on a survey it conducted in 2021 referred to in its written submission. Some of the factors that contributed to respondents reporting a slight to significant decline in mobile network coverage are an assumption that there are more people using their mobile to access the internet and increased electrical outages in

the area impacting services. NSW Farmers understands that, as Telstra has highlighted, congestion issues contribute to the increased time taken to connect. There may also be a misperception about mobile towers – that is, a customer is not necessarily connected to a mobile tower just because they can see it from their property.

Comments about proposed transaction

5. NSW Farmers considers there are some benefits that would be likely to arise from the proposed transaction, including:
 - Potential benefits for current TPG customers, in the short term;
 - Improved access to high quality and reliable communications, primarily in central regional areas, but this may extend out to the rural/fringe regions;
 - Entry of new providers could result in more choice for consumers;
 - More telecommunications providers in the region may lead to greater price transparency;
 - Potential to attract smaller and more viable competitors to the market; and
 - Unlocking spectrum that is not fully utilised will have an overall benefit to customers in regional NSW.
6. NSW Farmers expressed concerns in relation to:
 - a lack of transparency around which TPG sites will be decommissioned, when they will be decommissioned and whether lease arrangements will be available for co-host competitors, and
 - a suggestion in some submissions that prices may increase.
7. If the proposed transaction was not to go ahead, NSW Farmers speculated that some of the smaller providers may exit the market and noted that sustainability and longevity are really important factors in bringing about improved connectivity to the area.
8. NSW Farmers believes the proposed transaction could incentivise Optus to upgrade and build infrastructure in the region. Optus already have a large footprint in regional centres and large regional towns.