
From: Jim Carew [REDACTED]
Sent: Tuesday, 14 June 2022 12:41 PM
To: Merger Authorisations
Subject: Suntel Communications Pty Ltd: MA1000021 - Telstra TPG Spectrum Transaction - Submission

Attn: Merger Investigations

My name is James Carew and I am a director and joint owner of Suntel Communications Pty Ltd. I write this submission on behalf of myself and my business partner, Melonie Johnson.

Suntel Communications Pty Ltd has operated in regional Australia for 24 years since being incorporated on June 30, 1998. Under separate franchise and license agreements, we own and operate 21 Optus branded stores throughout regional Queensland and the Northern Territory. We employ a team of 150 people and have an annual turnover exceeding \$75M. Our retail stores are located in Toowoomba (2), Maryborough, Newstead, Hervey Bay, Bundaberg, Gladstone, Rockhampton, Yeppoon, Mackay (2), Airlie Beach, Townsville (2), Mt Isa, Cairns (4) and Darwin (2).

We operate in a dynamic market that is extremely competitive with Telstra being our single major competitor. Telstra's current mobile network where we have distribution is significantly superior to the Optus network once we get outside of the regional towns and cities themselves but we remain competitive because we offer parity speed and coverage within those regional towns and cities and our customer service and value propositions balance out our appeal to the market.

If the proposed Telstra/TPG merger should proceed, we greatly fear that our business would be irreversibly damaged to the point where we would be forced to close most if not all of our stores. Specifically, we believe the merger would lead to a sequence of events as follows:

- With the combination of Telstra's current spectrum and TPG's current spectrum, Telstra will control a huge slice of the total available spectrum.
- This spectrum imbalance will allow Telstra to provide speeds to their customers that Optus would be unable to match (or even come close to).
- Once this imbalance becomes public knowledge, a significant proportion of our existing regional customers will inevitably choose to churn across to the superior network.
- This will inevitably lead to store closures and without distribution, we believe Optus will be unable to continue to invest in their mobile network in regional Australia.
- Telstra will be able to charge a price differential for this superior speed and if (or once) Optus pulls out of regional Australia, Telstra will again be able to control and dictate pricing as they used to prior to Optus entering the market back in 1991.

We firmly believe the whole concept whereby the regulator would allow a dominant number one player in a market to team up with the number three player in a three player market to be beyond comprehension. Whilst we can only speculate at the Telstra strategy, nevertheless the inevitable effect will be to significantly damage the number two player and the reduction of true competition in the market.

We strongly urge the ACCC to see this submission for what it is and to reject it in its entirety.

Yours sincerely,

James Carew & Melonie Johnson
Directors

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