



Media Release

Commpete says Telstra and TPG Merger is not in the Strategic Interests of the Australian Public

Sydney – Commpete, Australia’s leading alliance of challenger telecommunication companies, has come out in opposition of proposed merger of Telstra and TPG’s regional and rural mobile networks, calling on the Australian Competition and Consumer Commission (ACCC) to do the same.

On Tuesday the ACCC commenced its two-week consultation into the proposed merger, which, if granted, will see Telstra access TPG’s spectrum assets across 4G and 5G for a 10-year period. Chair of Commpete Michelle Lim said that if approved, the merger would be a step backwards for competition in the sector.

“Current policy design is predicated on Australia having sufficient competition in our mobile sector. This couldn’t be further from the truth, and this deal would just further entrench Telstra’s dominance,” Lim said.

“Mobile communications has never been more important, with mobile devices dominating our personal and business life in a way that was barely imagined when the current regulatory arrangements were put in place around 25 years ago.

“This proposed merger begs the question about whether we’re heading straight back to a monopoly arrangement for mobile infrastructure in an environment where mobile regulation – or lack thereof – already unduly favours scale and incumbency. “We need to ensure competition is not stymied and there is a healthy diversity in the retail and wholesale service providers serving regional Australia.

Lim continued that the timing of the merger comes at a time of major growth for regional Australia, which requires a level playing field for telecommunications providers to capitalise on the opportunity and to ensure fair costs and access for the Australian public.

“We must look beyond claimed short term incentives which may be promoted by the deal parties, and instead take a strategic view for all Australians and where market competition will help fuel digital growth,” Lim said.

“This means all steps should be taken to encourage a market structure which supports the best competition outcomes, one that provides the best flexibility, choice and value for regional Australia in the future.

“Commpete urges the ACCC to apply utmost scrutiny in this inquiry. Concentrated control over national spectrum resources risks foreclosing mobile market opportunities for other competitors, so this merger simply cannot be ushered through.”

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About Commpete

Commpete is Australia's leading alliance proudly representing non-dominant providers of digital communications for retail and wholesale customers. When combined, Commpete members represent 1,575 Australian staff, approximately \$1 billion in annual turnover and more than \$250 million combined investments in FY 20/21.

Commpete advocates for pro-competition policies and regulation in telecommunications markets. Our vision is to encourage an open access regime with equal, timely access to consumers and business. Our goals are to ensure a market framework where strong independent challengers grow to occupy 30% market share and where new entrants can enter and thrive.

We believe a diversity of both smaller and larger industry participants will deliver the best flexibility, value and choice for consumers and businesses in Australia.