



Media Release

Commpete Welcomes ACCC Inquiry into Telecom Competition

Sydney, 31 March 2022 – Commpete, Australia’s leading alliance of challenger telecommunication companies, has welcomed the announcement of an ACCC inquiry into telecommunications competition issues as part of the Government’s response to the 2021 Regional Telecommunications Independent Committee Report.

The announcement follows repeated calls from Commpete for the ACCC to conduct an urgent and wide-ranging review of the mobile market, with a particular focus on the actions required to produce a dynamic and competitive market for wholesale mobile services.

On Tuesday the Government heeded these calls by instructing the ACCC to formally look into these issues, particularly in relation to mobile tower access fees and making network roaming available in emergency circumstances.

Chair of Commpete Michelle Lim said: “Commpete strongly welcomes this announcement, as the inquiry focuses on an important area impacting competition. However, the ACCC should now go further and use this inquiry to examine how mobile competition is being affected by recent and proposed changes to the structure of the industry.

“Because MVNOs rely on unregulated access to MNOs’ infrastructure, MNOs are in an unduly strong bargaining position and are largely able to dictate the terms of service agreements.

“With the proposed Telstra/TPG network sharing deal, despite what is being said before it formally proceeds, there is logical and genuine risk it will become even more difficult for MVNOs and smaller competitive infrastructure players to negotiate reasonable terms that enable them to compete effectively in the market. The reality is the future of mobile access for end users is beholden on terms which ultimately are within the four corners of a bi-lateral commercial 10-year agreement.

“In other words, the agreement between two parties has long term effects on the structure of the whole industry. This is a profound risk to both competition and the long-term interests of the Australian public.”

Lim continued that the recent TowerCo sales, which included towers funded under Government Blackspot programs, with others dating back to Postmaster General, demonstrated that the ACCC inquiry in seeking to prevent bottleneck pricing for co-location should not be underestimated.

“This should also be considered given recent developments where TPG’s access to sharing network capabilities was conditional on TPG decommissioning parts of its physical network tenanted with TowerCo businesses,” she said.

“With the development of new technologies such as 5G, there are unparalleled opportunities for innovation and diversity in the mobile sector, which will benefit all in the economy. But outcomes will be sub-optimal if left to the incumbent MNO club, and MVNOs are not given the opportunity to actively participate and challenge the cosy status quo, driving change through innovation.



“This is the same dynamic that has undermined the effectiveness of Government funded mobile infrastructure and the prompted the new emphasis on active neutral host networks.

“The major MNOs have pocketed government subsidies to build out or upgrade their own networks, and doing so has frustrated the achievement of open access. Commpete believes that any telecoms infrastructure constructed or upgraded using government grants or subsidies should require active network sharing with MVNOs as well as MNOs, in order to drive choice and competition in the sector.”

Lim continued that to this end, Commpete welcomes the Government’s announcement that the new CRA program will provide funding for neutral host models and the development of 8,000 kilometres of mobile coverage under an open access arrangement. The requirements of the new open access regime need careful policy and planning consideration to set out a permanent and effective arrangement for future use of all Australians living, working and travelling to these regions.

“Doing this will deliver flexibility, value and choice and is in the long-term best interests of end users as open access creates a more timely, dynamic and competitive market for both retail and wholesale,” she said.

Commpete members include Circles.Life, Field Solutions Group, Macquarie Telecom Group, MyRepublic, Southern Phone, Superloop, Symbio Holdings and TasmaNet. 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.

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For further information or interview requests please visit www.commpete.org.au or contact us via media@commpete.org.au

About Commpete

Commpete is Australia’s leading alliance representing challenger providers of digital communications for retail and wholesale customers. Commpete’s member organisations combined represent 1,575 Australian staff, approximately \$1 billion in annual turnover and over \$250 million investments in FY 20/21.