



# Record of oral submission to the ACCC

<b>Matter name:</b>	Telstra/TPG proposed spectrum sharing		
<b>ACCC parties</b>	Janet Li (JL)		
<b>Merger authorisation no.:</b>	MA1000021		
<b>Other parties</b>	Raz Ion (RI), Director of Regional Development Australia, Goldfields Esperance (RDAGE)		
		<b>Date:</b>	Wednesday, 15 June 2022
		<b>Time:</b>	11:29 am
<b>Phone to</b> <input type="checkbox"/>	<b>Phone from</b> <input type="checkbox"/>	<b>Meeting</b> <input type="checkbox"/>	<b>Other</b> <input checked="" type="checkbox"/>

## RDAGE

- RI explained that RDAGE is a government funded initiative. There are around 53 regional development committees all over Australia that makes up RDA. RDAGE looks specifically at the Goldfields Esperance (**GE**) region in WA.
- He considers RDAGE as a conduit between the region and various governments. It works with local industry and communities and try to broker initiatives and programs for the economics of the region, with a strong approach towards regionalisation and economic development. For example, it would speak with telecommunication service providers to broker a better deal and outcome for region. Its key aim is to enhance the liability of region and be attractive as a place to live.

## Comments about the proposed transaction

- RI explained that he hasn't been briefed on this proposed transaction but has received a letter from Telstra explaining that it has entered into an agreement with TPG to provide TPG with 4G and 5G network in fringe areas of Australia, but that each operator will own its own core network and manage independently the products they supply and the pricing of such products.
- RI noted that the ACCC's market inquiries letter is framed more in the nature that Telstra will have access to TPG's network and that the proposed transaction would provide mutual benefits. He thinks this position is slightly different to Telstra's explanation to RDAGE that TPG will be the key beneficiary of the proposed transaction.
- RI nonetheless thinks the proposed transaction is a sound arrangement.
- Some of the key benefits that would impact the GE Region resulting from the proposed transaction, including:
  - Increased coverage.

- Increased options of telecommunication providers in regional areas. From RI's point of view, there has been limited telecommunication service provider options until now. Telstra has been the fundamental regional mobile operator with Optus posing a bit more competition in recent years. While TPG is also a provider, he understands that TPG utilises the Optus network by way of roaming in the regional areas. Telstra has stated that the MOCN between Telstra and TPG would allow each of them to support their own products, so RI is of the opinion that the proposed transaction would provide more options of service providers in the regional areas.
- Provide more robust services to the agriculture sector. It was explained to him that the MOCN would allow TPG to provide IoT, which would in turn allow for the transition to smart agriculture. RI recognises that if the merger can indeed provide such offerings, then there could be massive benefits to the agricultural community in the region.
- However, RI also has concerns or perceives potential constraints in relation to the proposed transaction, including:
  - The lack of visibility as to what's being proposed and what will be directly impacted (besides increased coverage).
  - The lack of qualitative or quantitative evidence to support Telstra's assertions, so it would be hard to tell the extent of the increased options available to the regional communities.
  - The benefits asserted by Telstra to the agricultural communication has not been quantified, so RI would be wary to agree that there will definitely be benefits (especially to the agriculture community) resulting from the proposed transaction as he doesn't know enough.
  - How the current TPG and Optus arrangement would be impacted by the proposed transaction and any flow-on effects.
  - That the proposed transaction is not a permanent solution given it's only a 10-year agreement with a 2 x 5-year option. It seems to RI that it's a bit of a patchwork solution, rather than a significant enhancement of new infrastructure.
- RI explained that he would like to see more targeted outcomes from this proposed transaction, especially to remote Aboriginal communities. He would like to see new infrastructure developed to target the mobile black spots in regional areas.
- As a general comment, RI stated that he would like to understand how the proposed transaction would address some of the high-level goals set out in the Regional Telecommunications Review (2021), especially to regional areas.
- Based on the information provided to him by Telstra, RI concluded that while there are potential constraints/concerns, he is of the opinion that there are net benefits for regional areas resulting from the proposed transaction.