

MEDIA RELEASE



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ACCC will not oppose Optus and TPG regional mobile network and spectrum sharing

The ACCC will not oppose the proposed regional mobile network and spectrum sharing agreements between Optus Mobile Pty Ltd and TPG Telecom Limited (ASX:TPG).

Optus and TPG have entered into three agreements that relate to the provision of mobile services in certain regional coverage areas.

In the regional coverage areas, Optus will use certain TPG spectrum to supply mobile services and Optus will in turn provide TPG with network services. TPG will decommission most of its sites in the coverage area, while some will be transferred to Optus.

TPG and Optus will continue to operate their own mobile networks in metropolitan areas where 81.6 per cent of Australia's population live.

The ACCC considered the effects of the agreements on competition for retail and wholesale mobile services in Australia. The ACCC found that the agreements are unlikely to substantially lessen competition.

"The ACCC carefully considered the arrangement proposed by Optus and TPG, as it represents a structural change to the mobile services landscape," ACCC Commissioner Dr Philip Williams said.

"The agreements will allow TPG to provide better coverage in regional areas, which will likely enhance its ability to compete during the term of the agreements, improving choice for regional consumers."

"The agreements are also likely to support Optus' regional 5G rollout, particularly through access to TPG's spectrum," Dr Williams said.

The ACCC found that the proposed agreements are unlikely to substantially reduce infrastructure competition from TPG. The competition impacts of the agreements are likely to be limited to geographic areas where TPG is not currently a significant competitor and is unlikely to become one in the future.

"TPG currently has significantly less infrastructure and coverage in regional areas compared to Telstra and to a lesser extent Optus. The improvement in TPG's services during the term of this arrangement is likely to be greater than what TPG could have achieved on its own," Dr Williams said.

During the review, market participants proposed a range of measures for improving mobile services in regional areas. Market participants proposed that Optus and TPG should provide open wholesale access to their networks, divest certain spectrum, and make obligations to undertake certain regional investments.

"Policies and regulations which promote competition for mobile services in regional areas can help deliver higher quality mobile services and lower prices for consumers," Dr Williams said.

“However, in the absence of particular competition concerns about the proposed arrangement, these proposals are better considered through other policy and regulatory processes.”

While the ACCC has found that the proposed arrangement is unlikely to substantially lessen competition, it does represent a significant change in the structure of the mobiles market, and we will continue to monitor this as part of our telecommunications functions.

Background

Optus and TPG entered into three interrelated agreements in respect of a Multi-Operator Core Network (MOCN) commercial arrangement: a MOCN Services Agreement, a Spectrum Authorisation Agreement and a Site Transfer Agreement.

The agreements are for an initial term of 11 years. TPG has an option to extend by five years.

The agreements involve:

- TPG authorising Optus to use certain TPG spectrum in defined regional areas in the 700 MHz, 1800 MHz, 3600 MHz and 3700 MHz bands.
- Optus providing TPG with network services by way of active mobile network infrastructure sharing in certain regional areas, in which around 17 per cent of the Australia population reside.
- TPG will also transfer to Optus or decommission a number of its existing mobile sites in the Coverage Area.

The ACCC previously considered proposed regional mobile network arrangements between [Telstra and TPG](#). On 23 May 2022, Telstra and TPG applied to the ACCC for merger authorisation. The ACCC denied authorisation on 22 December 2022. Telstra and TPG appealed the ACCC’s decision to the Australian Competition Tribunal. On 21 June 2023, Tribunal affirmed the ACCC’s decision.

The legal test which the ACCC applies is in section 50 of the Competition and Consumer Act (CCA), which prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Spectrum authorisation agreements are deemed by sections 68A and 114A of the Radiocommunications Act to be an acquisition for the purposes of section 50 of the CCA.

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