



Australian  
Competition &  
Consumer  
Commission

GPO Box 3131 Canberra ACT 2601  
23 Marcus Clarke Street Canberra ACT  
tel: (02) 6243 1111 fax: (02) 6243 1199  
www.accc.gov.au

# NEWS RELEASE

## ACCC TO NOT OPPOSE ACQUISITION OF IINET BY TPG

The Australian Competition and Consumer Commission has announced that it will not oppose TPG Telecom Limited's (ASX:TPM) (TPG) proposed acquisition of iiNet Limited (ASX:IIN) (iiNet). TPG and iiNet are two of the five largest suppliers of fixed broadband in Australia.

"While the ACCC was concerned that the acquisition of iiNet by TPG may lessen competition in the retail fixed broadband market, particularly in the short term, the ACCC concluded that this would not reach the threshold of a 'substantial' lessening of competition as required under section 50 of the Competition and Consumer Act," ACCC Chairman Rod Sims said.

The ACCC received a large number of submissions from interested parties, including consumers, regarding iiNet's competitive influence and its high standard of customer service. Many of these parties expressed concern that TPG would not maintain iiNet's competitive offerings after the acquisition.

In this instance the ACCC found that the combined competitive constraint from the other major retail fixed broadband suppliers, Telstra, Optus, and M2 (which operates brands including Dodo and iPrimus) would be likely sufficient to limit the harm to competition from this merger. This constraint would provide sufficient incentive for TPG to maintain the iiNet service if there is consumer demand for it and for other suppliers to meet that demand if they fail to do so.

"However, the ACCC has noted the growing consolidation in what will now become a relatively concentrated broadband market. Any future merger between two of the remaining four large suppliers of fixed broadband is likely to raise serious competition concerns," Mr Sims said.

The ACCC also concluded that the acquisition of iiNet by TPG will not substantially lessen competition in the market for wholesale transmission services.

The ACCC took into account the important role of non-vertically integrated suppliers of wholesale transmission services. These suppliers assist in promoting a more competitive wholesale transmission market, and can also help to facilitate competition in the supply of retail broadband services. Independent suppliers have the incentive to encourage entry and expansion by smaller players who, unlike Telstra, Optus, and TPG, have little or no transmission infrastructure of their own.

"Any future acquisition that would remove an important independent supplier in the wholesale transmission market will therefore also face very close scrutiny," Mr Sims said.

Further information, including the Public Competition Assessment setting out the reasons for the ACCC's decision in more detail, will be available on the [public register](#).

### Media inquiries

ACCC Media 1300 138 917

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