

From: Brian Mollet <bmollet@clublinks.com.au>
Sent: Tuesday, 21 October 2014 12:19 PM
To: Infrastructure And Access
Cc: Sue Quill; Cameron Davidson; Anthony Lawrence
Subject: RE: Notification of Commencement of Consultation on Carrier Licence Condition [DLM=For-Official-Use-Only]

To: The Hon. Malcolm Turnbull MP, Minister for Communications
Mr. Daniel Tangri, Infrastructure and Access
Subject: Submission regarding proposed Carrier Licence Conditions (networks supplying Superfast Carriage Services to Residential Customers) Declaration 2014.

The purpose of this document is to advise the Minister of the unintended effect that the implementation of the proposed Draft Carrier Licence Conditions would have on the ability of Clublinks Telecommunication Pty Ltd (Carrier Licence 201) to continue to provide services to their retail customers and to request either permanent or temporary exemption to the proposed changes.

Background

Clublinks Telecommunications Pty Ltd is a Micro Telco operating a private Fibre Optic Network on two Golf Course Estates in Victoria (Sandhurst VIC 3977 and Sanctuary Lakes VIC 3030).

These networks were initialised 10 Years ago and expanded as additional homes have been built.

Current Residential Customers: 1,500 (Likely to expand to 2,250 to 2,500 when the estates are fully occupied).

Approximately 70% of our retail customers have no other fixed line service available, due to Telstra making a decision when the NBN was implemented not to continue to provide copper services into Sandhurst and Sanctuary Lakes estates.

Services provided: TV, Internet and Telephone.

Total revenue: \$1,500,000

Employees

Full Time: 6 (1 x Manager, 1x Admin, 4 x Technical)

Part Time: Accounting

Legal

Directors

Owners

Note: The staff and Directors who provide various Management, Legal, Secretarial and Marketing services to Clublinks Telco are also involved in the Management and operation of the other companies in the Clublinks group.

Clublinks Telco financial commitment to our customers.

To allow us to provide a superfast Internet Service to our retail customers Clublinks have invested in long term (mainly 3 year binding contracts) for the provision of 1Gb Fibre or high speed Microwave links to aggregation points at Eureka Tower and NextDC in the Melbourne CBD.

The cost of these backhaul services (under contract to various dates in 2016 and 2017 is approximately \$45,000 Per Month (\$540,000 Per Annum).

Reasons for Requested Exemption.

The draft Licence Conditions would require Clublinks Telco to set up a wholesale company as at the 1st January 2015 (in 2 months).

No other service providers have ever requested access to our network (I think because the opportunity for them to provide services compared to the setup costs to access our networks does not provide a good business case – total available customers 1500 already serviced by onsite tech support).

In order to move to a wholesale environment Clublinks would need to:

1. Seek cooperation from the NBN to provide a connect point into our network. This is the only practical way that other providers could access our private network because our existing links to the Melbourne CBD are

required to service our retail customers. When we have requested information on this type of connection from the NBN in the past we were told that it was not on the Government priority list. Obviously a connection can be provided, however it will take time to implement.

2. Because of the technical issues required to organise an NBN connection to our network (NBN is GPON we are GEAPON) and the need for Clublinks to provide a continued high standard of service to our customers, we request an exemption to the Draft Licence Conditions to allow Clublinks to continue to conduct a "retail only" network at least during the time that it will take for our existing commercial contracts to expire (3 years).

Other considerations:

3. If Clublinks Telco were to operate a retail, as well as a wholesale service company, it would be very difficult at our size and revenue to maintain the staff separation rules required by the proposed draft Licence conditions.
4. We understand the need for our customers to be delivered a service that is comparable in price and service quality to offerings on the NBN. In return for the temporary exemptions requested Clublinks Telco are prepared make an undertaking that we will provide plans and pricing comparable to other quality offerings on the NBN.

Questions

Is there a formal template that Clublinks need to submit before the 14th November to request a Ministerial Exemption?

If not what additional information would we need to submit to support our request.

Thank you for the information provided during our recent telephone discussion.

Please copy Cameron Davidson email: cdavidson@clublinks.com.au on any reply as I will be on holiday for the next two weeks.

Yours sincerely,



Brian Mollet
Manager
Clublinks Telecommunications Pty Ltd

From: Infrastructure And Access [mailto:InfrastructureAndAccess@communications.gov.au]

Sent: Tuesday, 14 October 2014 5:19 PM

To: Brian Mollet

Subject: Notification of Commencement of Consultation on Carrier Licence Condition [DLM=For-Official-Use-Only]

Dear Sir/Madam

Please find **attached** important correspondence from the Minister for Communications, the Hon Malcolm Turnbull MP, about a proposed class carrier licence condition.

The material is provided on a confidential basis until such time as it is otherwise published by the Minister.

The Department of Communications, on behalf of the Minister, is writing to you in your capacity as the contact person nominated with the ACMA for one or more carriers.

I would be grateful if you could confirm receipt of this correspondence and advise any alternative contact details if you are not the appropriate contact person.

Yours sincerely

Infrastructure and Access Team

Market Structure Branch

infrastructureandaccess@communications.gov.au

www.communications.gov.au

Department of Communications

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