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Dear Minister,

It is with total dismay that I am submitting this response to your proposed Carrier Licence condition

Can I first state that any requirement on business in general and telecommunications providers in this particular case should pass the first test. The first test should be applied to all decisions where any party may or will suffer material loss. This is where this proposal should have originated and exited.

The **first test** should be to apply the **principle** of “**do unto others as you would have them do unto you.**” Or more pointedly if you as minister were the owner of a Telco and you had made long term investment decisions would you consider it both fair and appropriate for the government to render that investment decision worthless without compensation.

In the situation that you are trying to address you are taking away from TPG its shareholders and investors the right to leverage their asset and no where does it mention compensating TPG or any other company for that loss. This is being done not only to TPG but other companies like mine that have effectively had our asset devalued because of some misguided attempt to prop up the NBN. Why is it ok to prevent TPG, Telstra or any other company from realising the full potential of there assets. In the Telstra and Optus case the previous government has compensated them for the loss of there investment in their HFC and copper networks but they did not compensate TPG or my company. As a result both TPG and my company should be free to realise the full value of our assets with out carrier license conditions. And we should be free to expand them based on our long term decisions made prior to 2011, or we should be compensated.

Further, why is the government penalising those customers that could get a value product from enjoying a more affordable telecommunications experience. As this very experience demonstrates it is competition not regulation that will bring new products and



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services and cheaper prices not government regulation. This is both good for consumers and the economy as a whole.

If the NBN believes they are going to have trouble competing then doesn't that demonstrate that you have backed the wrong horse with the NBN rollout and or the people chosen to complete that rollout.

As some one that has built fibre to the home I am dismayed at the absolute waste that is being undertaken by the NBN. I have personal experience with the NBN rollout both on the infrastructure external plant side and the internal plant customer premises deployment. In 2 of the many cases I could provide I can only say that deployment is a cause for major concern. In one case there was around 100 man hours wasted on a 35 meter deployment that would have taken me 8 hours max. In the other case the NBN contractors entered a unit complex and defaced the brick walls with 50 meters of white pipe and grey boxes which took them around 9 hours. They were instructed to remove it and did, which wasted another 4 hours. Then they came back and did it properly and under my direction and completed the task in 2 hours. This is being repeated regularly. Hence there rollout schedules are behind and they are over budget. The only solution is to stop the rollout and let companies that have some competitive advantage fill the space with private investor monies not taxpayers borrowed money.

I have heard the argument that no one will look after the less profitable areas, but that is rubbish. Where there is a need and the right regulatory environment then the need will get met. My company is evidence of that. We started rolling out fibre to the home years ago. What put our deployments on hold was DBCDE staff that clearly had no understanding of the industry. When I approached the former minister for some regulatory relief what we got was a NBN proposal and the silly regulations that prevent us from deploying more than 1 km from the network that existed in 2011. So it is clear that it is not the market that failed but rather the regulatory environment. Competition on a level playing field is the best way to get innovation and services to customers. Those of us that are old enough to remember that disaster called the PMG and Telecom Australia remember the lack of choice and high prices. Those that forget the past are bound to repeat it. The NBN will just be a more advance PMG with high costs and poor service. To serve customers needs the best the government could do would be to encourage competition and innovation not discourage it. Competition does away with the need for



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excessive regulation. Things like COMCOMM should be dismantled immediately. The best consumer protection is an alternative not more regulation. Customers should be free to vote with their feet and move suppliers not for some bunch of rent seekers to determine what is best for them.

In relation to the proposed licence condition section 6 (2) b through to 6 (2) (1) will force me to close my fibre business and withdraw the NCDs to NCD holders or be in breach, as I am a small business and have a company that holds the carrier licence of which I am the sole director as well as a retail company that I am also a director of. The other complication is that the retail company paid for and built the assets which on completion of the build it transferred ownership to the carrier company on the basis that it had use of those assets. This was done to comply with the carrier licensing regulations at the time. Oziplex is a carrier that provides nominated carrier declarations for wireless providers. It is not a carrier that supplies any wholesale services.

If you decide to go ahead with this carrier licence condition than please arrange compensation for TPG and my companies. Oziplex and HaleNET.

SIGNED by **Tim McCullagh**

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For and on behalf of
Oziplex Pty Ltd