

1. How would businesses be affected by increasing the class exemption limit from 2,000 to 12,000 customers? Please outline the nature of your business and how your customer base may be impacted.

We are primarily a retail service provider of both business and consumer services. We are in the process of delivering our own carrier infrastructure to several developments and have additional opportunities over the coming years. Increasing the class exemption limit to 12,000 would lead to better economies of scale for our business, allowing us to offer competitive pricing and infrastructure at both a wholesale and retail level.

2. If your business could agree a functional separation undertaking that did not require separate business systems and employees, would it reduce the costs of functionally separating? If so, to what extent?

Yes, this would significantly reduce the costs of functionally separating. There would be a lot of duplication of server infrastructure, carrier network costs, co-location, software licencing, branding, office space et al. We have not completed a financial plan for functional separation so we cannot put an exact figure on it, but the required capex and on-going Opex would be significant and would impact the price we can offer at wholesale and retail.

3. If you provided a submission to the ACCC's consultation processes on the deemed functional separation undertaking, do the ACCC's revisions affect your views on the costs of functional separation? If so, how?

N/A

4. Would a change in the class exemption limit allow smaller networks to obtain a stronger foothold in the market?

Yes I believe that it would allow smaller networks to gain a foothold in the market. Without the class exemption it would be too expensive for a company to enter the market as a wholesale only provider.

5. Would a change in the class exemption limit affect service quality and promote unsustainable entrants?

No I don't believe increasing the class exemption would promote unsustainable businesses. It makes it much more sustainable for smaller providers that want to provide a service at wholesale and retail. The goal of our wholesale provider business is to grow it to a point that it has to be functionally separated, which means that the profitability of the wholesale business has to be considered based on compliance with all regulatory requirements of the bigger providers.

6. Are potential concerns about service quality mitigated by the ACCC SBAS and LBAS declarations and the new Statutory Infrastructure Provider obligations?

Yes I believe that the SBAS and LBAS declarations as well as SIP obligations mitigate these concerns.

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Regards,



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