Competitive Supply Options for Fibre Access in Australia

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OptiComm - Introduction

- OptiComm - now in our 10th year of operation
- Compliant with Government’s NBN legislation
- Largest independent FTTP infrastructure provider
- Contracted for over 250,000 lots/premises
- Networks deployed to over 130 estates nationally
- Close to 60,000 lots passed to date.
- Customer Care Centre & NOC in Melbourne
- Over 50 Retail Brands / Providers on the network
- New Residential and Small Business Developments
- ICN division for commercial sector

OptiComm - Award Winning Projects

- $6 Billion Barangaroo South development – **Sydney**
- $4.5 Billion Victoria Harbour – **Melbourne**
- $2 Billion One Central Park – **Sydney**
- $1 Billion Waterbank Apartments – **Perth**
- Greater Springfield – 30,000 dwellings – **QLD**
- $575million Eastland Shopping Centre – **Melbourne**
- $2.5 Billion RNA Showgrounds – **Brisbane**
- $4 Billion Yarrabilba 15,000 dwellings – **Brisbane**
- $1 Billion Harpley 4,000 dwellings – **Melbourne**
- $1.5 Billion Darling Harbour Live – **Sydney**
- $4 Billion Rocky Springs 15,000 dwellings – **Townsville**
- Marriott – Westin & Aloft Hotels - **Perth**
- Oran Park Town – Master planned township of 25,000 residents – **NSW**

Issues

1. Government Regulation and Compliance
2. Getting the larger RSPs on-board
3. Wholesaler/Retailer/End User Relationship
4. NBN Co Overbuilding
5. Public perception and understanding
6. Competition

Government Regulation and Compliance

- Legislation in 2011 on New Developments – Local Bitstream Access Service (LBAS)
  - Part 7 and Part 8 – wholesale only
  - Developer has choice of provider
- Adequately Served – networks pre 1st Jan 2012
- SBAS Vs LBAS – not level playing field
- ACCC Declared Service – 25/5 – considering all services
- BCR – Discussion Paper on Non-Commercial NBN Co funding

Getting the larger RSPs on-board

1. Size matters
2. Cost of building multiple interfaces
3. Product Management
4. Service Assurance
5. Common B2B with NBN Co
6. Wholesaler of Wholesalers

Wholesaler/Retailer/End User Relationship

- Wholesaler has no direct relationship with End User
- End User perspective that every issue is the Wholesaler’s problem
- RSP will blame Wholesaler if they can and often do especially with the smaller players

NBN Co Overbuilding

1. Adequately Served Estates
2. Estates since 1st Jan 2012
3. Developers reneging on agreements
4. Trespass in pit and pipe
5. Contractor bad behaviour
6. “Monopoly” thinking

Public perception and understanding

1. Government Regulation and Compliance
2. Getting the larger RSPs on-board
3. Wholesaler/Retailer/End User Relationship
4. NBN Co Overbuilding
5. Public perception and understanding

Competition

1. NBN Co
2. TPG under SBAS
3. Other Providers
    1. OpeNetworks
    2. Red Train
    3. LBN Co
    4. Others

Risks

1. Legislation and policy changes
   1. Non-Commercial funding model (USO?)
   2. B2B and/or Wholesaler of Wholesalers
2. Regulation and compliance burden
   1. ACCC Declared services
   2. Differences between NBN Co, LBAS and SBAS
3. Competition especially from larger, better funded, players
4. Takeover once established

Pros and Cons

1. Cons:
   1. Long term play
   2. Slow revenue and profit growth
   3. Network maintenance
   4. Network Renewal
2. Pros:
   1. Solid revenues/profit once established
   2. Asset growth

Thank you for listening

Any questions?