



15 June 2018

Committee Secretary
Parliamentary Joint Committee on Intelligence and Security
PO Box 6021
Parliament House
Canberra ACT 2600

via email

Dear Secretary

**Review of the Foreign Influence Transparency Scheme Bill 2017:
Submission on proposed amendments**

Thank you for the opportunity to provide a submission to the Committee on behalf of Optus on the proposed Government amendments circulated on the *Foreign Influence Transparency Scheme Bill 2017* ("the Bill").

Optus supports the intention of the Bill, as well as the proposed amendments which have been circulated by the Attorney-General. We believe that the amendments are well-intentioned and are designed to provide security and transparency to Australians on matters of potential foreign influence in Australia.

We would like to bring to the Committee's attention, however, some potential, unforeseen consequences of these amendments, which we believe could have detrimental impact within the telecommunications sector.

As you may be aware, Optus is a wholly owned subsidiary of Singtel, which is majority owned by the investment arm of the Government of Singapore. We are concerned that our ownership structure will capture Optus in the proposed scope concerning foreign government ownership.

The inevitable registration and compliance measures that Government would require should these measures be brought in, unamended, will result in a significant, increased regulatory burden. We would highlight that the telecommunications sector is one of the most closely regulated sectors in Australia.

We would ask that the Committee consider possible exemptions being granted to these restrictions where a relationship makes a positive contribution to Australia's national interest. This could be applied to companies which have a strong, established, positive relationship in Australia. I believe that there are significant grounds for an appropriate exemption to be granted to Optus on such a basis.

Optus has led the way in creating competition in the telecommunications sector since gaining the second carrier licence in 1991. Since Optus was acquired by Singtel in 2001, Optus has invested over \$15 billion in Australia and we have continued our focus of expanding our mobile network in rural and regional areas. We directly employ around 8,500 employees across all states and territories. Additionally, we continue to expand our investment in innovation and cyber security, as well as our partnerships within the higher education and small business sectors.

Alternatively, we ask the committee to consider the appropriateness of extending to licenced telecommunications carriers the same guidelines as the Attorney-General has proposed for media organisations and publishers, as noted in the Attorney's letter to the Committee accompanying the amendments:

Media organisations and publishers will not be required to register if the identity of the principal is already transparent.

We believe that the ownership of Optus is highly transparent, which is evident by the name in which our ABN is registered (Singtel-Optus), and that Optus' role as a member of the Singtel Group is clearly outlined in publicly available information on our website.

As a further example of this transparency, when Singtel acquired Optus in 2001, there was an (appropriate) extensive process involving the Foreign Investment Review Board. Optus is still bound by certain conditions laid down in the FIRB approval regarding sensitive aspects of our business. It is very clear that Government has a clear and transparent view over Optus' ownership.

Optus reiterates that we support the intention of the Bill and the proposed amendments; however, we do ask the Committee to consider the possible ramifications of the registration framework extending into sectors which may not have been first intended. Increasing Optus' regulatory burden would not be consistent with the Government's aims of driving further investment in technology, network infrastructure, and competition in the communications marketplace.

Should the Committee require any other details or information, please do not hesitate to contact us.

Yours sincerely

Andrew Sheridan
Vice President, Regulatory and Public Affairs
Optus