

Funding of Universal Telecommunications Services(UTS) Uniti Group submission

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1 Introduction and Executive Summary

1.1 Introduction

Uniti Group Limited (**Uniti**) welcomes the opportunity to make this submission to provide input to the Department of Infrastructure, Transport, Regional Development, Communication and the Arts (**DITRDCA**) in response to the "Funding of universal telecommunications services (incorporating public consultation for s102ZFA Reivew of RBS legislation)" Discussion Paper dated April 2024 (**Discussion Paper**).

1.2 Overview of Uniti Group

Uniti is an Australian public company with the key shareholders (interests being held through controlled entities) being Morrison & Co, Brookfield Asset Management and Commonwealth Superannuation Corporation. The Uniti Group includes a number of licensed carriers whom, in aggregate, operate under the Opticomm brand, and build, own and operate broadband networks over multiple technologies (including FTTP, HFC, FTTN) providing superfast broadband services, including SBAS. Opticomm is a direct competitor to the National Broadband Network company (NBN), and in recent times has achieved significant growth in all network and business metrics and is a viable and efficient competitor to NBN principally in greenfields property markets.

The Uniti Group also includes Uniti Retail, a retail service provider of telecommunications services to consumers and businesses across Australia using the OptiComm network.

Opticomm and Uniti Retail are party to an ACCC approved Functional Separation Undertaking (FSU) for the supply of local access lines (LAL) to residential premises.

Uniti Group also operates a CPaaS business under several enterprise brands which deliver intelligent voice, SMS and communication solutions.

1.3 Development of a Universal Telecommunications Service funding regime

Uniti recognises the public policy position that all Australians should have access to a universal telcommunications service (UTS), which covers voice, broadband and data connectivity, and that funding is required where supply of a UTS to a particular region or community is non-commercial.

This submission is focused on the matters that Uniti Group considers most important to be considered in developing a best practice UTS funding regime.

Matters addressed in this paper are:

- A review of the Regional Broadband Scheme Levy (RBSL). This will provide input into the RBSL review incorporated within the broader discussion of UTS requested through the Discussion Paper.
- A view on the Universal Service Obligation (USO) and Telecommunications Industry Levy (**TIL**) mainly supporting other industry participants.
- A comparison of the RBSL to the TIL.
- Taking the learnings from the above, Uniti Group suggests a possible future structure of UTS funding for an expanded UTS including voice, broadband and data connectivity.
- Uniti Group's responses to the specific questions posed throughout the Discussion Paper.



1.4 Executive Summary

Uniti Group is pleased and encouraged by the opportunity to respond to the Discussion Paper and the consideration of a review and potential rationalisation of the USO and the TIL funding as well as the RBSL. This is undoubtedly well overdue.

Uniti Group submits and concludes in this paper that:

- 1. The Regional Broadband Scheme is not fit for purpose to fund a broadband and data connectivity UTS as contemplated in the Discussion Paper. This is because the RBSL:
 - was created for a purpose which has not arisen.
 - is complex to measure and administer, and in addition is systemically flawed in its methodology. The complexity of measurement of RBSL results in inaccuracies in calculation of the actual RBSL paid by all carriers and the amount of concessions if any.
 - as a tax on non-NBN fixed line networks, it is no longer relevant or equitable due to NBN equivalent services being available on alternative technologies.

In addition:

- The quantum of the RBSL is excessive at >14% of Uniti revenue from the premise taxed compared to a TIL at 0.9%. The method of calculating the quantum is flawed. Adopting 30 year forecasts of future costs and losses of NBN networks (particularly where many of these losses have now been written off by NBN Co) is not reflective of the changes in technology and markets diminishing the need to fund non-commercial UTS over time.
- Adopting forecasts produced by NBN to determine the costs and losses, which have not been approved by NBN management and board, when NBN is the beneficiary of the RBSL raised from non-NBN fixed line operators who compete with NBN is highly questionable.
- 2. The USO and TIL have worked since inception in 1991 in assuring delivery of then deemed essential services. They have been proven not to be flawed in methodology. The criticism of the USO & TIL is not about the methodology it is evolution in alternative technology, competition and the arrival of NBN that has made it not fit for purpose. The services funded and quantum of funding under the USO & TIL is now redundant. Just like the RBSL. But the RBSL has a flawed methodology producing inequitable, inefficient and non-sustainable outcomes.
- 3. The USO and TIL, together with the SIP regime can be consolidated into one UTS funding regime adopting the current USO/TIL/SIP structure but incorporating broadband and data connectivity into an expanded UTS. We should leverage these regimes that have successfully worked for some time and which have sound methodologies.

4. The expanded UTS should:

- a. cover both voice, broadband and data connectivity. Voice is a UTS which should continue to be funded albeit be more flexible to embrace all technologies. Broadband is an essential utility for consumers, business, government & enterprise and should be funded where non-commercial or service is inadequate. Convergence of voice on broadband & data networks means an expanded UTS can be implemented adopting the TIL regime on a technology neutral basis.
- b. Cover only those areas where it is not commercial to supply the UTS. The NBN fixed wireless and satellite network areas are not representative of non-commercial



regions. These areas have direct competition from NBN equivalents both fixed line, cellular, wireless and satellite. In fact, 99.5% of Australian premises have access to three broadband services and two voice services today.

- c. Be technology neutral and defined by service standards, levels and quality of service. This would recognise all the current substitutes that exist for NBN fixed broadband and voice services and retain flexibility for the technology advances in the future. Competition to NBN fixed line services has arrived from actual substitutes not just close substitutes including 4G/5G cellular, fixed wireless across many variants and LEO satellites providing comparable speeds, unlimited data and even adopting same CPE.
- d. be funded by the TIL, as a broad based tax not discriminating by technology.
- e. Leverage the existing SIP regime:
 - The UTS definition identifies regions/ communities which may be subject to UTS funding subject to the number of SIP.
 - The SIP regime continues and any carrier providing the expanded UTS to the region/community must register as a SIP. Today there are multiple SIP's in some communities and this can continue.
 - The UTS funding is provided to the SIP who supplies the expanded UTS to the end user in the region/community. As the number of SIP's in a region/community increase the funding decreases or ceases at a threshold.
 - Increased SIP representation indicates non-commercial becomes commercial. At a particular threshold of SIP registration for the defined and expended UTS the requirement for funding ceases as commerciality and contestability has determined so.
 - NBN remains the default SIP for the regions/ communities until they become declared as commercial. This will ensure sustainability in the event of market failures.
 - NBN avoidable costs and losses of being the default SIP forecast over short time periods will be funded through the TIL. This funding should decrease as technology advances, new market participants increase, urbanisation proceeds as planned and contestability and commerciality has arrived.
 - NBN fixed wireless and satellite networks which are today voice capable must become truly voice enabled to fulfill the default SIP functionality.

This new regime can be implemented quickly by combining the TIL and RBSL funding provided today under the TIL. The total TIL raised would then be reduced as existing carriers register as SIP's and the regions/communities forming part of the UTS start to reduce by multiple SIP representation.



The *Telecommunications* (*Regional Broadband Scheme*) Charge Bill 2019 Explanatory Memorandum (**RBS EM**) identified six objectives in developing a funding regime for non-commercial services which are also commonly adopted globally.

- 1. **Transparency** The design, implementation and costs of a non-commercial funding mechanism should facilitate scrutiny and evaluation. Transparency allows stakeholders and the Government to monitor performance of funding arrangement outcomes, and cost information supports decisions to improve arrangements as appropriate.
- 2. **Contestability** The arrangements should minimise barriers to entry or other impediments for all participants. The arrangements should be equitable to all segments of market participants.
- 3. **Competitive neutrality** The arrangements should address advantages (or disadvantages) that some participants would otherwise have over others.
- 4. **Sustainability** The mechanism used to fund the provision of the non-commercial service should be viable for the anticipated period the non-commercial obligation will be in effect. The mechanism should be secure and reasonable in the face of changing social, political, technological and economic circumstances to fund fixed wireless and satellite net costs over the longer term. The mechanism should provide certainty to industry stakeholders of any obligations. The design of the arrangements should not conflict with or undermine other regulatory objectives. The funding schemes should be simple. The more complex the scheme is to administer, monitor and implement, the less likely it is that its objective will be achieved and the more costly it will be to administer.
- 5. **Economic efficiency (allocative/productive and dynamic)**Non-commercial funding models should be assessed by whether they support or constrain productive, allocative or dynamic efficiency. Allocative efficiency includes consideration of the distortionary impact of taxes and levies on demand for goods and services. Productive efficiency is minimising the cost of providing a particular service. Dynamic efficiency is ensuring that allocative and productive efficiency improve through time.
- 6. **Equity** The funding models should consider how any funding arrangement will fall across society. Equitable outcomes for beneficiaries and funders of fixed wireless and satellite services should also be considered.



2 The Regional Broadband Scheme is not fit for purpose

2.1 Original premise of the RBSL is now redundant

The RBSL was originally introduced to "establish an ongoing funding arrangement for fixed wireless and satellite infrastructure through the imposition of a charge..."

1.

The RBSL EM², stated:

The Telecommunications (Regional Broadband Scheme) Charge Bill 2019 (the Bill) will establish an ongoing funding arrangement for fixed wireless and satellite infrastructure though the imposition of a charge. The funding arrangement is called the Regional Broadband Scheme (the Scheme). The Bill is a taxation measure.

NBN Co Limited's (NBN Co) fixed wireless and satellite networks are essential to address the broadband access disadvantage historically experienced by regional Australia. These networks improve social, education and health outcomes for regional Australians and better enable them to participate in the digital economy.

These substantial benefits come at a high cost. Fixed wireless and satellite technologies are the quickest and most cost effective way of providing broadband services to regional Australia. However, these networks are expected to incur a net loss of \$9.8 billion (in net present value terms) over thirty years. NBN Co currently funds these net costs through an internal cross subsidy from its fixed-line networks. This cross subsidy is not sustainable and ongoing funding for essential regional broadband services is at risk. The Bill will establish a sustainable funding mechanism to ensure NBN Co can continue to deliver the benefits of high-speed broadband to regional Australia

The Discussion Paper explains further: "The RBS was designed to make this subsidy transparent and spread it across all non-NBN-comparable fixed-line networks."

Today there are numerous NBN comparable networks adopting technologies other than fixed line competing in communities covered by the NBN fixed wireless and satellite networks. These communities now enjoy contestability lessening the need for any cross subsidy and providing sustainability.

There is no dispute broadband is an essential utility for consumers, business, government and enterprise and should be a UTS which should be funded in communities or regions where there is no or limited supply and/or inadequate service and the nature of the disadvantaged community makes it non-commercial to attract carriers and service providers to provide a comparable service to advantaged communities.

The RBSL was implemented on the proposition the communities NBN supplied fixed wireless and satellite broadband services to were non-commercial and would be disadvantaged if NBN did not operate these networks. The services were determined to be loss making and therefore the assumption was that alternate carriers and service providers would not provide comparable services.

This is no longer occurring in a large proportion of the NBN fixed wireless and satellite network footprints. Is the continuation of the RBSL to fund a UTS or is it actually to compensate NBN for the costs and losses of operating. If it is the former it is no longer required in the current total amount of funding sought. If it is the latter the premise of the RBSL no longer exists. It is redundant.

¹ Explanatory Memoranum to the Telecommunications (Regional Broadband Scheme) Charge Bill 2019

² Explanatory Memoranum to the Telecommunications (Regional Broadband Scheme) Charge Bill 2019



The background to the RBS is outlined in the Bureau of Communications Research's report "NBN non-commercial services funding options Final report" dated March 2016 (**BCR Final Report**):

"In December 2014, the Australian Government asked the Bureau of Communications Research (BCR) to consider economically efficient and transparent ways to fund the rollout of the national broadband network (NBN) to regional Australia, while promoting a more level playing field in the provision of wholesale fixed-line broadband services.

In addressing these requirements, the BCR assessed the non-commercial losses expected from building and operating satellite and fixed wireless services, and considered options for funding these losses via industry contributions."

The Charge Bill was passed in 2019 following the release of the BCR Final Report in 2016.

The timing of these studies and decisions is material in any review of the RBSL.

The BCR Final Report also concluded:

The losses and funding amounts in this report are estimates based on the BCR's financial modelling. This modelling has used NBN Co Limited (nbn) Corporate Plan 2016 data to 30 June 2018 and where available, nbn financial estimates to 2022. The BCR has projected costs and revenues forward to financial year ending (FY) 2040, and is responsible for the cost outputs and projections.

The BCR also acknowledges the report includes long-term assumptions that could be impacted by future developments, which would result in different estimates. An important starting point for this study is defining NBN non-commercial services.

...

While both an NBN equivalent and broader industry funding approach would achieve level playing field contestability objectives, with nbn and competing network operators equally sharing the burden of funding non-commercial services, the BCR considers an 'NBN equivalent' funding arrangement best achieves the Government's requirements when it comes to economic efficiency.

An NBN equivalent funding approach treats close substitutes equally, without imposing an unwarranted burden on operators of networks not considered to be close substitutes

Market trends such as the introduction of 4G home broadband modems and downward movement in mobile broadband pricing suggest fixed to mobile substitution may increase beyond current levels. The introduction of an NBN equivalent funding arrangement may stimulate further mobile substitution

On balance, the BCR considers that based on current information, it is not clear mobile is a more than partial substitute for fixed-line services given the ever-increasing download volumes demanded by broadband customers. Future examination is recommended, particularly before or when 5G services start in Australia.

The presumptions of the BCR Final Report in 2016 which supported the Charge Bill in 2019 include amongst others:

- The NBN fixed wireless and satellite networks footprint fairly represented the disadvantaged and non-commercial communities for broadband and should be funded.
- Only non-NBN fixed line networks were close substitutes for NBN services
- Providers of NBN equivalent services should fund NBN non-commercial services



- The amount of the funding should be NBN net costs and losses of operating fixed wireless and satellite services measured on an avoidable cost basis (including future capital costs) measured out to 2040.
- NBN forecasts over this period would be used to determine the actual funding provided subject to regular ACCC review adopting certain BCR methodology.
- The NBN cross subsidy is not sustainable and ongoing funding for essential regional broadband services is at risk.
- Both an NBN equivalent and broader industry funding approach would achieve level playing field contestability objectives, with nbn and competing network operators equally sharing the burden of funding non-commercial services
- Market trends such as the introduction of 4G home broadband modems and downward movement in mobile broadband pricing suggest fixed to mobile substitution may increase beyond current levels. The introduction of an NBN equivalent funding arrangement may stimulate further mobile substitution. Future examination is recommended, particularly before or when 5G services start in Australia.

These presumptions amongst others were made by BCR in 2016. Some were questionable at the time but the passage of time has resulted in changes in markets and communities, greater urbanization in previous regional communities, advancements in technology and products and services to make these presumptions to support the RBSL redundant.

The NBN fixed wireless and satellite networks are no longer representative of the disadvantaged and non-commercial communities for broadband. There is now substantial competition and choice to these networks. Because the total costs and losses are measured over a 30 year period they are not adjusted for communities ceasing to be non-commercial due to choice emerging. If the total losses and capital costs of these networks are to continue to be funded it is for an alternate purpose, such as preservation of a default broadband SIP. Considering the convergence of voice and data on the same network should this not be a TIL not a tax on a specific technology but not it's substitute.

There are NBN equivalent products and services delivered over many technologies competing directly with NBN in advantaged communities but also competing with NBN in NBN's fixed wireless and satellite areas. These include cellular networks, LEO satellite, various wireless alternates including microwave, mmWave, LTE, DAS, WiMax and WiFi. These are not close substitutes, they are equivalent. Substitution is occurring. Non-commercial communities are decreasing with multiple NBN equivalents which are not fixed line networks.

The BCR acknowledged technology evolution including 4G, 5G and LEO satellites would become NBN equivalent networks delivering comparable products and services therefore being substitutes to whom the RBSL should apply. What the BCR did not state explicitly is this technology evolution would make previous non-commercial markets, defined by NBN fixed wireless and satellite coverage, contestable and commercially relevant.

In addition there are non-NBN fixed line networks competing with NBN including in areas where NBN operates fixed wireless and satellite networks.

As a result of this evolution, the use of 30 year forecasts of NBN loss making to determine a present day RBSL is no longer relevant. It is not transparent, equitable, sustainable, has no flexibility and is not competitive neutral. It does not reflect changes in technology, new market entrants, emerging competition and changes in markets. Even if these are reviewed every 5



years, making a 30 year forecast for the telecommunications industry in determining a tax for a select group of industry participants is flawed.

An often supported view for the premise of the RBSL was as the "TPG Tax" to minimize competition with NBN in commercial markets by placing a tax on non-NBN fixed line providers of equivalent services.3

If this was also a premise it was unfounded and not required. This is evidenced today by the proportion of the RBSL paid by NBN in the last 2 years 96.8% and 96.9% up from 96.6% in FY21. This indicates the need for any protectionism in the fixed line market was not required. . What has occurred is that new market entrants with alternative technology not subject to the RBSL have introduced competition and alternatives. This is further evidence that the RBSL is not fit for purpose.

The net effect of the RBSL is arguably the consumer or recipient of NBN services are funding the cost and losses of the NBN fixed wireless and satellites by virtue of NBN paying nearly 97% of the RBSL. As alternative technology innovation and evolution continues to increase market presence the NBN proportion of fixed line only increases. Meanwhile alternative technologies providing NBN equivalent services are not funding the costs and losses, past and future, of NBN being the default SIP where determined to be necessary.

Uniti's view is that if the intent of the RBSL is preserve a default broadband SIP in NBN through funding NBN loss making fixed wireless and satellite networks irrespective of communities serviced this UTS funding should be calculated under a revised methodology and be a broad based taxation measure. All carriers and technologies should contribute to this UTS and maintenance of a SIP in the same manner the USO has successfully achieved a voice SIP since 1991.

2.2 Technological advancements require change to Charge Base

The Charge Base for the RBSL was originally developed on the premise that competitive tension would force NBN Co to reduce its prices and not be able to fund the cross subsidy. It was explained as follows:

- The charge base is set out in Division 4 of Schedule 4. In summary, carriers will have to pay the charge on premises to which a CSP provides a broadband service during the whole or part of a month using a local access line that is technically capable of providing download speeds of normally 25 megabits per second (Mbps)..4
- The Government's policy is to support infrastructure competition and there are a number of non-NBN fixed-line broadband providers operating in the market. However, the current method of funding non-commercial services is not aligned with the reality of greater competition for high-speed fixed-line infrastructure provision. As currently structured, if competition intensifies, there is a risk that NBN Co will be less able to support its internal cross subsidy. While NBN Co is able to reduce its prices in commercially viable areas to respond to competition, if it does so, it will be less capable of funding cross subsidies to fixed wireless and satellite services.5

³ For example, the RBS EM stated: "Competition is occurring in the high-speed broadband infrastructure market. For example, the rollout of TPG's fibre-to-the-basement network now covers almost 1,000 high value apartment blocks. There are also a number of smaller carriers, including OPENetworks, Comverge Networks, Service Element and Pivit, that collectively have passed over 400,000 homes and businesses in new developments."

⁴ Explanatory memorandum for the Telecommunications Legislation Amendment (Competition and Consumer) Bill 2019

⁵ RBS EM



This competition did not arise. NBN Co has consistently paid, and continues to pay, greater than 96% of the RBSL. What is the logic of a tax where the tax payer pays nearly 97% of the tax and is then the recipient of the tax raised less ACMA administrative costs?

Competition has arisen from the alternative technologies providing NBN equivalent services but not subject to the RBSL or any form of UTS funding to support either the loss making NBN services or the continuation of NBN as a default SIP where the fixed wireless and satellite networks operate.

Or to put in another way, what would change if there was no RBSL? Uniti would argue nothing. Non-NBN fixed line networks market share reflected by the RBSL would remain the same as would NBN wholesale pricing as NBN would still fund the fixed wireless and satellite losses and capital costs. NBN Co would not pay 97% of the tax and would not receive a net benefit of 3% of the tax being \sim \$25M today. This is not material to change any of the market economics of operating the NBN.

The RBSL applies to chargeable premises and the RBSL EM states:

Chargeable premises are premises where a carriage service provider (CSP) (i.e. a provider of retail broadband services) provides a designated broadband service. A designated broadband service is a carriage service provided over a fixed-line that is technically capable of providing download transmission speeds of 25 megabits per second (Mbps) or more.

The extension of the funding arrangement across the whole of the telecommunications market was considered as part of the BCAR's final report.

Under an industry wide contribution option, the number of firms contributing to the funding mechanism would increase, reducing the industry amount on a per line basis. It may be the case that consumers treat non-fixed-line services (chiefly mobile broadband) as close substitutes to high-speed fixed-line broadband services.

However, the evidence to date suggests that this is not the case, and that mobile broadband and high-speed fixed-line broadband services are not directly substitutable, mainly due to the high cost of data usage. For example, the cost of data on a per gigabyte basis is often around five times more expensive on mobile networks than on fixed-line networks. The Government has committed to reviewing the Scheme on a regular basis. In the event that mobile broadband services become substitutable for fixed-line services, the Government would consider changing the funding base.

At the time of contemplating the RBSL the alternative technology NBN equivalents were limited or not in existence, so the Charge Base was limited to fixed line networks including NBN. This is not the case today as there are direct substitutes.

The BCR report stated:

The BCR recommends an NBN equivalent approach, with eligibility applying to nbn and industry participants that resemble nbn.

Under this approach, eligibility is based on network operators of high-speed fixed-line broadband access networks capable of delivering download speeds of at least 25 Mbps to residential and small business customers. The government could consider extending eligibility to all high-speed networks serving addressable premises, to also encompass fixed-wireless networks in the fixed-line footprint.

The BCR also acknowledged (in 2014) the emergence of 5G networks and LEO satellites could potentially challenge the technology bias in the RBSL Charge Base.

In commenting on whether alternative technologies are substitutes to NBN fixed line networks it was stated in the RBS EM:



As part of its 2015 Superfast Broadband Access Service (SBAS) declaration inquiry, the ACCC found in its final report that while mobile broadband may be a substitute for high-speed broadband services for some customers, this is not generally the case because of the functional differences between the services. For example, mobile networks may not support data intensive applications and that there appears to be a substantial difference in the data allowances and per gigabyte pricing between mobile and fixed-line broadband services.

For example, the ACCC found that high-speed fixed-line broadband services are typically around the 25/5 Mbps level with monthly download limits of around 100GB. One such offer from Exetel costs \$50 per month on a 12-months contract. In contrast, one of the latest large mobile offerings from Optus with a month download limit of 50 GB costs \$70 per month on a 24-months contract.

At the time of policy construction, the BCR determined that mobile data connections were not captured in the Charge Base, and as a result did not attract the RBSL. As we all know, technology has moved in a considerable direction since that point, and it is clear that mobile data connections are now not only substitutable but are also substituting for fixed line connections.

While we understand the viewpoint being put forward that mobile data connections are complementary rather than substitutable, it is our view that this is a false distinction. The question of whether a service is substitutable is a technical question, namely, can one service be substituted for another. From a technical perspective, this is clearly the case. Whether a service is being used in a complementary way to another service is a subsequent question, which cannot be true unless the first, technical question is true. A 3G service could not have substituted for a fixed line broadband connection, and therefore it is impossible for it to be complementary. A complementary service is, by its nature, a substitute service.

LEO (and MEO, GEO) satellites as well as 4G/5G are substitutes for NBN fixed line, wireless and satellite services. 4G/5G is complementary to satellite particularly LEO as much as they are for NBN services. 4G/5G is able to be delivered across a vast array of devices and NTU's to provide an NBN equivalent service and can even adopt the same CPE as fixed line networks.

As technology has advanced, substitutes have emerged which has exposed issues with the original policy position on the Charge Base behind the RBSL. In Appendix A are some current examples of products in market.

- It is very clear cellular technology in particular 4G and 5G networks are substitutes for NBN fixed line networks. Appendix A highlights the cellular broadband offers today are at NBN comparable speeds and greater than 100Mbps. They include CPE which is interchangeable between cellular or fixed line networks that is the same CPE for both technologies. The offers include unlimited data. Overall plan costs are less than comparable RSP services reselling NBN networks. Today there are a vast array of devices which can connect to cellular networks to receive data connectivity to enable broadband delivered products and services over the cellular network the same as the products and services delivered over fixed line networks.
- In contrast to the position at the time the RBSL was introduced, NBN Co's fixed wireless and satellite networks are now not the only networks able to supply services to regional and remote Australia. Starlink's low-earth orbit (LEO) satellite internet services are now in operation and provided on a commercial basis across 100% of Australia, and several other LEO satellite operators expected to come online very soon. Collecting a levy to support ongoing provision of technology which is becoming outdated, particularly where other alternative commercial services are available, should not continue.



- There are other alternate operators, technologies and emerging technologies which are also substitutes for fixed line technology including fixed wireless, Wimax, mmWave, LTE, DAS and broadband on power networks.
- The RBSL should be technology neutral. The RBSL should be a broad based taxation measure.
- While it is fixed-line network operators paying the RBSL levy, they are no longer the only entities providing services which are comparable to NBN fixed-line networks. This leaves fixed-line operators bearing this burden and therefore restricting their available funds to expand their networks. At the same time NBN equivalents on alternative technologies have a competitive advantage in providing those alternative services to customers by not bearing the RBSL and also being able to be vertically integrated.
- The consideration of the RBSL started in 2014. A scheme constructed in 2014 for a fast moving technology industry is not relevant today.
- The concept of using chargeable premises to measure the Charge Base is flawed. It is not only difficult to determine when a service is delivered to a premise or premises but it also ignores the ability to deliver NBN equivalent services over an array of devices not necessarily attached to a premise but consumed within a premise.

2.3 The RBS is complex and difficult to measure and administer

Significant complexity and effort is required by fixed line operators (carriers) to comply with the reporting requirements necessary to calculate the levy under the RBSL.⁶ In addition, because this needs to be completed at the wholesale level (as well as the retail level), there are added complexities given wholesalers have limited, if any, information about the service being provided by the RSP and the identity of the end user. The complexity in measuring the RBSL is highlighted in the table below by the need to determine:

Requirement⁷

1. Chargeable premises associated with a local access line (chargeable premises)

Carriers will be liable to pay the charge for each chargeable premises on their networks during the whole or a part of each month in a financial year. Chargeable premises are 'potentially chargeable premises' that are not exempt premises.

Premises is given its ordinary meaning but the Minister has the power to determine specified conditions that would deem a location to be or not to be a premises. Some examples of specified conditions that may cause a location to not be a premises include where there was a public mobile telecommunications tower, traffic control equipment, bus stop, metering point or public alarm or security system at the location.

Practical implications for carriers

The carrier needs to determine whether a service is delivered to a premise, make an assumption if it qualifies as a premise and whether the use or user of the service at the premise is a consumer, small business or business / enterprise. The type of user at the premise is important in calculating concessions. There is significant difficulty in assessing whether it is a premise, who is the user if any, classification of the user and what is the purpose of the service.

⁶ See the ACMA RBS Decision Tree which outlines some of that complexity - https://www.acma.gov.au/sites/default/files/2024-01/RBS%20Decision%20Tree%20-%20June%20201.pdf

⁷ From the Explanatory Memorandum for the Telecommunications Legislation Amendment (Competition and Consumer) Bill 2019



Requirement⁷ Practical implications for carriers 2. Potentially chargeable premises The carrier needs to determine if the LAL is used for a designated If a person is a carrier and either owns a local access broadband service or for another line or is the nominated carrier in relation to a local purpose. Wholesale carriers will access line, and a CSP supplies a designated normally not know this. Carriers broadband service to a premises in Australia using the cannot always determine use of a line during the whole or part of a month, then the service. premises is a potentially chargeable premises. This does not apply to exempt lines. 3. Designated broadband service The carrier needs to determine use of LAL. Because voice and A designated broadband service is defined as a television services are exempt carriage service supplied using a local access line in carriers need to identify this use. Australia that enables end-users to download Voice over broadband networks is communications and is technically capable of being common. Broadcast television over used to supply a superfast carriage service. Voice-only broadband is common today on telephone services and television services are most residential LAL and has been excluded from the definition because it is intended deployed in greenfield that the charge apply only to broadband services. developments since before the RBSL. A carrier is not able to It is important to note that it is the speed that the line determine these uses accurately or is technically capable of providing rather than the any other use which may not be speed that the consumer experiences that is relevant broadband and there are a vast to determining whether the line is capable of being array including servicing used to supply a superfast carriage service. technologies which are not subject to the RBSL but delivering a designated broadband service. And there can be multiple LAL to a premise for this myriad of uses. 4. Superfast carriage service A carrier needs to measure the actual transmission speed to the A superfast carriage service is a carriage service that premise however the RSP or end enables end-users to download communications where user may influence this measure the download transmission speed is normally 25 Mbps and the carrier may not be able to or more. The word "normally" is akin to "usually"; it measure when this occurs. recognises that circumstances may arise that

temporarily displace usual download transmission

speeds.

The carrier needs to determine if

the premise is occupied or used. This will not always be known.



Requirement⁷ Practical implications for carriers The carriage service must be supplied using a line to This is a complete contradiction. premises occupied or used by an end-user. The line Intent is not to capture mobile, does not need to be physically connected to the wireless or satellite unless a short premises because 'using' means use in isolation or in distance. It means a wireless conjunction with one or more other things. While the service (including satellite we provisions are not intended to capture mobile assume as it is wire-less) is subject broadband services, fixed wireless broadband services, to the RBSL based on an imprecise or satellite broadband services, it is intended to distance measurement. Is this the capture a line that runs most of the way to the normal propagation of the wireless premises but is then connected to the premises over a technology or something different? short distance using wireless or mobile technology

The ACMA advice on determining premises states⁸:

Each of the premises in a multi-unit building that are supplied with a designated broadband service using a local access line of a carrier will be 'chargeable premises' of that carrier. This is the case regardless of whether the services are provided by the carrier or by another carriage service provider using the carrier's local access line.

There may be more than one local access line used to supply services to premises within a multi-unit building. This is because both lead-in cables and lines on the customer side of the telecommunications network may be taken to be local access lines for the purpose of the scheme.

The carrier who owns, or is the nominated carrier in relation to, the local access line nearest to the premises being supplied with the service will be required to report that premises as a 'chargeable premises associated with a local access line'.

This advice adds complexity in premise measurement. The CSP may extend or alter LAL within a building to multiple premises (such as units, offices, devices etc) without the knowledge of the carrier. And then the carrier needs to determine the use of the LAL and whether it is being used for exempt purposes such as voice or television services.

The above is intended to capture apartment buildings but it should be assumed it also applies to office buildings increasing the complexity.

Uniti questions whether this complexity and level of effort is warranted in a scenario where the recipient of the RBS Levy contributes more than 96% of that levy.

The above requirements lead to many perverse outcomes due to the difficulty of measuring the Charge Base. Identifying premises, nature of premises, use of premises, whether premises are occupied, identifying the LAL, extensions of LAL, use of LAL, is the premise occupied, when does a wireless network become a fixed line network for RBSL purposes and nature/identity of the end user. This is absurd particularly when NBN pays and receives >96% of the taxation raised from this measurement process. This also is difficult for fixed line carriers as all of this measurement needs to occur monthly, including for services only delivered for part of a month.

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⁸ https://www.acma.gov.au/about-regional-broadband-scheme-rbs



2.4 RBSL - Not Equitable, Economically Efficient, Transparent or Sustainable

The complexity of the RBSL scheme and measurement is highlighted by the RBSL Decision Tree (set out in Appendix B) distributed by ACMA to assist in the administration of the RBSL.

The foundation for this inefficient taxation measure, where >96% of the tax is paid by one party, is the inequitable proposition there are no substitutes for fixed line networks.

The complexity also produces a lack of transparency. This is highlighted by the amount of the RBSL collected and from whom as set out in Table 1 below. Non-NBN fixed line networks are less than 4% of the total. This is before removal of concessions allowed under the first 5 years of the RBSL. When concessions cease (based on ACCC modelling) the amount of non-NBN premises will increase by only $\sim 200,000$ below.

Table 1

\$M		6 Mths End Jun-21	Year End Jun-22	Year End Jun-23
RBSL paid by non NBN Carriers		\$11.5	\$23.1	\$25.3
RBSL Charge Offset (Certificates	\$327.7	\$714.3	\$777.6
Total RBSL		\$339.2	\$737.4	\$802.9
NBN as a %		96.6%	96.9%	96.8%
RBSL		\$7.10	\$7.45	\$7.97
Average premises /	NBN	7,692,488	7,989,933	8,127,226
month	Others	269,953	258,389	264,427

The ACCC Report on modelling of the Regional Broadband Scheme levy initial base component from October 2020⁹, stated:

Section 20 of the Charge Act provides for the number of chargeable premises to be reduced depending on the number of premises that meet certain conditions.

The ACCC has incorporated concessional premises into its estimates of chargeable premises during the first four and a half years of the levy being collected.

The two categories of concessions are: lines for supplying residential or small business premises (up to the first 25,000 such premises); and recently connected greenfields premises (up to the first 55,000 such premises).

When adjusted for maximum concessional premises under the legislation, by category, for each carrier (see also discussion below), the concessional premises data totals are estimated for the 2021–22 year as follows:

Category	Total
Concessional premises (adjusted for max. per carrier)	105,079
Concessional greenfields premises (adjusted for max. per carrier)	90,318

Even when adjusting for the \sim 200,000 concessional premises estimated by ACCC the amount of RBSL applicable to non-NBN carriers is \sim 5.5% at June 2023. This highlights a lack of transparency, inequity and the complexity of the RBSL. Not only are the concessional premises not disclosed neither are the chargeable premises.

⁹ Report is available here -

https://www.accc.gov.au/system/files/Report%20on%20modelling%20of%20the%20Regional%20Broadband%20Scheme %20Levy%20initial%20base%20component%20-%20October%202020.pdf



The BCR stated in their 2016 Report that medium and large businesses as well as government should be excluded from the premises definition in the Charge Base.

The RBSL EM removed this exclusion and stated:

Since the BCAR's final report a number of other issues have come to light. In particular:

- NBN Co has increasingly sought to expand its network to service medium and large businesses and is actively pursuing these commercial opportunities
- it is reasonable to include networks serving medium and large businesses as they are also consumers of high-speed broadband, and
- there are compliance costs for networks to determine whether the customers on their networks are small or medium businesses. For example—it may be difficult for a wholesale network provider to determine how many employees the customers of its retailers have. This is particularly difficult if staffing numbers fluctuate from month to month.

On this basis, it is proposed that networks servicing medium and large businesses be included in the charge base.

Notwithstanding the above, the ACCC notes the concession applies to residential and small business premises, not all premises, meaning the complexity of measuring small business still continues.

ACMA also considers all premises are included in the Charge Base and states:

Carriers and nominated carriers that own, or are responsible for, local access lines that are capable of providing NBN comparable designated broadband services are required to track the number of premises that are connected to each local access line. This applies to all premises that are connected to the local access line and are able to access designated broadband services, whether through the carrier or another carriage service provider.¹⁰

The ACMA statement also highlight the complexity and lack of transparency and certainty in the application of the RBSL. ACMA introduces a new concept to measurement of services subject to the RBSL being "NBN comparable designated broadband services" rather than designated broadband services as defined in legislation. What if a service is a designated broadband service but not comparable to NBN.

The indecision on whether business and enterprise premises are included in the Charge Base also helps to explain why NBN is nearly 97% of total Chargeable Premises. It appears the Chargeable Premises forming part of the RBSL collected today (and the ACCC modelling) excludes certain premises of business, office buildings, enterprise and government.

Even if adjusted for concessional premises at ACCC estimates the NBN proportion is \sim 94.5% of all Chargeable Premises. Does this mean meaning offices, business, government and enterprise premises are not being included in the Charge Base? This is an important metric in determining the RBSL – the number of Chargeable Premises and how these are firstly defined and secondly how do you measure.

The explanation for this inequality and lacy of transparency could be explained by the definition of concessional premises. The ACCC states:

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¹⁰ https://www.acma.gov.au/regional-broadband-scheme-rbs-overview



The two categories of concessions are: lines for supplying residential or small business premises (up to the first 25,000 such premises); and recently connected greenfields premises (up to the first 55,000 such premises).¹¹

The ACCC states concessional premises are limited to residential and small business only and recently connected greenfield premises are limited to residential. This once again highlights the inadequacy, confusion and complexity with measurement of the RBSL tax. The concessional premises is residential and small business yet the RBSL applies to all premises. Once again, another measurement is introduced into the calculation, that of the small business.

The assumption on number of Chargeable premises is material to the amount of the RBSL per premise this being the denominator of the forecast costs and losses of NBN fixed wireless and satellite networks over 30 years (plus the past costs and losses) in determining the levy.

Uniti contends Chargeable Premises cannot be measured accurately based on the permutations in determining premises, potentially chargeable premises, designated broadband services, superfast carriage services and LAL as defined or guided as part of the RBSL administration.

But Chargeable Premises is a material metric in determining the RBSL tax per service.

Once again it raises the question why adopt such complexity as compared to a very simplistic, equitable and economically efficient TIL is in existence to fund non-commercial UTS in an equitable broad based manner which is technology neutral.

2.5 The RBS Levy is excessive for non-NBN carriers and questionable in amount

The quantum of the RBSL is currently excessive, and the ongoing application of CPI will only reinforce this position. As set out in Table 2 below, the cost to Uniti as a percentage of revenue for each new premise connected is very significant.

The RBS Levy was originally set by reference to the analysis from the BCAR estimates ... "that the total net loss incurred by NBN Co's satellite and fixed wireless networks will be approximately \$9.8 billion (net present value) between financial years 2010–11 and 2039–40."12

The ACCC is required to review the quantum of the RBSL periodically. The first review occurred in October 2020¹³ and stated:

In providing this report, the ACCC is required to use the financial model and methodology used by the former Department of Communications and the Arts' then Bureau of Communications Research (BCR) for its 2016 report on the proposed levy. We were also required to update the inputs and assumptions adopted by the BCR for its model to reflect changes that have occurred since the publication of that report.

...

The ACCC is also required to estimate two levy amounts, also set out below: one offsetting past and future (i.e. total) losses of NBN Co's fixed wireless and satellite services, and the other amount offsetting only future losses. These estimates are in 2020 dollars, including the ACCC's estimated monthly levy base component to offset total losses of \$7.03. If adjusted for six months' inflation, the 2021 figure would be \$7.11.

...

ACCC estimates

¹¹ See ACCC report referenced in footnote 8.

¹² RBS EM

¹³ https://www.accc.gov.au/by-industry/telecommunications-and-internet/national-broadband-network-nbn-access-regulation/regional-broadband-scheme-levy-report/accc-report-on-modelling-of-the-regional-broadband-scheme-levy-initial-base-component



Estimated net present value (NPV) of past losses of NBN Co's fixed wireless and satellite networks (i.e. losses between 1 July 2009 and 30 June 2020)	\$7.526 billion
Estimated NPV of total expected losses of NBN Co's fixed wireless and satellite networks (i.e. losses between 1 July 2009 and 30 June 2040)	\$12.949 billion
Estimated NPV of total expected forward facing losses of NBN Co's fixed wireless and satellite networks (i.e. losses between 1 July 2020 and 30 June 2040)	\$5.424 billion
Estimated initial base component of RBS levy required to offset total expected net losses	\$7.03 per chargeable premises, per month
Estimated initial base component of RBS levy required to offset total expected forward facing net losses	\$2.94 per chargeable premises, per month

...

The number of chargeable premises is a key metric for calculating the RBS levy, as losses incurred and forecast for fixed wireless and satellite services are recovered through the levy based on the number of chargeable premises over the 2021–40 period. The ACCC has updated the model to include the data reported by carriers on the number of chargeable premises in 2020.

...

3.2.1 Totals reported by carriers

The following is premises data reported by NBN Co and other carriers for the month of April 2020, in accordance with the legislative reporting requirement.

Category	Total
Chargeable premises	7,080,249
Potentially concessional premises*	6,000,978
Potentially concessional greenfields premises*	93,530

Fundamental to the calculation of the RBSL is an estimate or forecast of future costs and losses of NBN over a very long term – 30 years. The need to adopt such a term is questionable and leads to an excessive RBSL as detailed below.

The ACCC noted in its 2020 report¹⁴ when estimating the future costs and losses that:

The ACCC has updated the BCR's estimates of expenditure and revenue for NBN Co's fixed wireless and satellite networks, engaging directly with NBN Co to obtain data on:

- past capital and operational expenditure, as well as revenue received for fixed wireless and satellite services over the 2010–20 period
- forecast capital and operational expenditure, as well as forecast revenue for fixed wireless and satellite services over the 2020–40 period.

 $^{14}\ https://www.accc.gov.au/by-industry/telecommunications-and-internet/national-broadband-network-nbn-access-regulation/regional-broadband-scheme-levy-report/accc-report-on-modelling-of-the-regional-broadband-scheme-levy-initial-base-component$



Not only is the use of 30 year forecasts in a fast moving technology sector flawed, the forecast data obtained from NBN Co and used by the ACCC was not approved or reviewed by NBN Co executive or Board. 15

The use of a 30 year forecast period should not be adopted. It introduces unnecessary inaccuracy particularly when the ACCC is required to review the RBSL Charge Base every 5 years. Why would you not forecast over this time period only? It leads to inequity and inaccuracy as highlighted in Figures 4.1 and 4.2 from the 2020 ACCC Report, which are extracted below.¹⁶

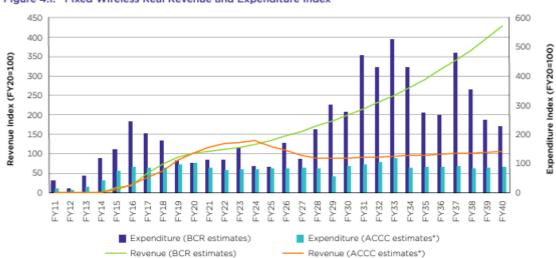


Figure 4.1: Fixed Wireless Real Revenue and Expenditure Index

*Note: ACCC estimates are based on cost and revenue data provided by NBN Co with updated cost allocation based on the avoidable cost methodology.

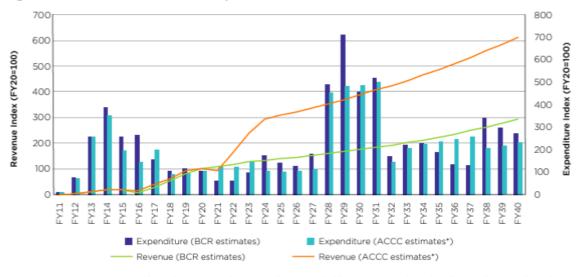


Figure 4.2: Satellite Real Revenue and Expenditure Index

*Note: ACCC estimates are based on cost and revenue data provided by NBN Co with updated cost allocation based on the avoidable cost methodology.

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¹⁵ See footnote 20 in ACCC report located here - https://www.accc.gov.au/by-industry/telecommunications-and-internet/national-broadband-network-nbn-access-regulation/regional-broadband-scheme-levy-report/accc-report-on-modelling-of-the-regional-broadband-scheme-levy-initial-base-component

¹⁶ See footnote 14 above



These tables highlight there are large movements or increases in outer years for the metrics determining the RBSL quantum today. The further you go out in time the lower the accuracy and these forecasts are not subject to any review or audit. The forecasts supplied by NBN were not approved by NBN executive or board. This is contrary to any of the objectives of a UTS funding regime.

Uniti does not believe NBN should be able to recover past costs and losses of the fixed wireless and satellite networks particularly when this amount has subsequently been written off in pricing setting NBN services under the recent SAU to achieve certain economic benchmarks including investment grade credit rating. We note the following explanation which was part of the NBN SAU process¹⁷:

As a result, under the Variation, the SAU will:

cap the total amount of the ICRA that nbn will be allowed to recover over the SAU period. This represents a significant reduction in the ICRA amount from approximately \$44 billion (as estimated at the end of the 2022-23 financial year) down to \$12.5 billion. Any future losses will no longer be added to the ICRA, and the ICRA will only be indexed to inflation over the period to 2040.

By capping the total amount of ICRA that nbn has the opportunity to recover over the period to 2040, in accordance with principles set out in the SAU, the Variation will ensure that the recovery of the ICRA will be predictable, constrained, transparent and subject to ACCC oversight. Together with the post-2032 ACCC powers, this will address RSPs' calls for greater certainty regarding the extent and timing of nbn's recovery of its historical losses and any corresponding uncertainty on future pricing, while providing nbn with a meaningful opportunity to achieve and maintain a standalone investment-grade credit rating.

Does the continued recovery of past costs and losses through the current RBSL amount to profiteering? When you consider this against the fact that the NBN fixed wireless and satellite networks which are being funded as a whole are not solving a deficient or non-commercial broadband UTS in existence across all of those networks it would seem a financial benefit is being received. The consolation is NBN provides itself most of the benefit (>96%) which highlights the perverse nature of the RBSL. If it were not such a huge cost as a percentage of the much smaller non-NBN competitors' revenue and profits (subject to the RBSL) it could be dismissed. However, this is not the case. This is a tax potentially greater than company income tax for some non-NBN fixed line competitors.

Uniti has a number of concerns about the RBS levy calculation methodology which it would like to see addressed, including:

- Clarity over how the amount collected corresponds to the net losses on NBN Co's satellite and fixed wireless networks. In NPV terms the total net loss of \$9.8B noted above translates to \$326M p.a. This is significantly less than the \$803M in RBS Levy which was collected in June 2023. This is because of the use of 30 year forecasts and estimates of network upgrades which are questionable due to technology advancements and emergence of NBN equivalents to reduce non-commercial market sizes.
- The ACCC assessed the same NPV measure at October 2020 as \$12.949B over 30 years or \$432M p.a. If past costs and losses are not included this reduces further to a NPV of

¹⁷ NBN Co's supporting submission for the SAU Variation submitted in November 2022 – see https://www.accc.gov.au/system/files/SAU%20supporting%20submission%20%28executive%20summary%20and%20ke y%20narratives%29.pdf?ref=0&download=y



\$5.424M or $\sim \$181M$ p.a. Once again this is at odds with the RBSL collected in 2023 of \$803M.

- The ACCC relied upon forecasts which were not reviewed or signed off by NBN executive or board and NBN is the beneficiary of the funding from the competing non-NBN fixed line carriers. How can a tax imposed upon a competitor be influenced or determined by another competitor without proper oversight of the forecast input to determine the tax?
- The RBSL monthly cost to Uniti is nearly 15% of monthly revenue per new premise connected in FY23. The RBSL has increased by >12% since June 2021 due to CPI. This is despite the estimated future losses and costs for NBN fixed wireless and satellite networks for the next 30 years in NPV terms not changing and more than likely decreasing due to Federal & State Government funding over the last 3 years. This is despite past costs and losses having been written off.
- In comparison the TIL cost for Uniti (and all other carriers) is ~0.9% of revenue and has not increased over the same period. And like the RBSL scheme the determined funding required for the UTS is not changing.
- The rationale for ongoing CPI increases when a significant component of the RBS Levy is to recover past losses of NBN which have been written off as part of the recent implementation of the new NBN SAU and NBN still achieves an investment grade credit rating.
- A CPI increase on past or sunk operating losses and capital expenditure is also inequitable. The rationale to recover past losses and costs is questionable. To apply a CPI to these sunk costs compounds the matter. And to then recover these losses and costs when written off!
- The fact that the RBS Levy amount does not take into account any additional funding that has been or may be in the future provided by the Federal or State Governments to upgrade the fixed wireless or satellite networks. Recently the Federal Government granted NBN \$480M in funds to upgrade the fixed wireless network. To what extent was this future capital upgrade costs included in the 30 year forecasts produced by either BCR or the ACCC?
- If the correct number of Chargeable Premises (as noted above) were included in the calculation of the RBSL the amount charged per premise would reduce. There is no transparency on what are the correct Chargeable Premises and how are Concessional Premises calculated. Uniti contends that as this important metric cannot be measured, this does not provide an equitable outcome.
- As the ACCC states, if past costs and losses are not sought to be recovered the RBSL would be nearly two thirds lower than it is today. Even lower if correct chargeable premises are used and lower again if 30 year forecasts are not adopted.

Table 2

	RBS Levy	Uniti ARPU	RBS Levy as a % of ARPU	TIL as a % of Eligible Revenue
1 Jan'21 - 30 June'21	\$7.10	\$50	14.2%	0.93%
1 July'21 - 30 June'22	\$7.45	\$52	14.3%	0.81%
1 July'22 - 30 June'23	\$7.97	\$54	14.8%	0.84%



It is Uniti's position that the RBS should be replaced by a UTS regime funded by all industry participants. In calculating the amount of any funding required for a broadband UTS there needs to be great transparency and accuracy in calculating the costs and losses which are required to be funded.

2.6 The RBS Levy does not create a level playing field

The RBSL is not a broad based form of taxation but rather a tax aimed at operators of one specific technology which competes with comparable technologies which are not subject to this tax. This creates an uneven playing field in the market, particularly in the market for residential and small business internet connectivity.

The RBSL is fundamentally discriminatory against fixed line network carriers and then further discriminatory against the non-NBN fixed line network carriers. This is contrary to the stated objective.

The RBSL EM states:

In bringing its broadband policy reforms forward, the Government has adopted the following overarching principles:

- · regulation should allow competition at both the retail and wholesale infrastructure levels
- to the greatest extent possible, industry players should be treated consistently under the regulatory framework, and
- new high-speed broadband access networks (which control 'last mile' connections to consumers) should be vertically separated.

A tax on a technology which competes with another technology which is not taxed and also able to trade vertically integrated does not achieve this objective. The RBSL does this.

The current form of the RBS Levy is value destructive because it:

- Propagates a regulatory 'arbitrage', where carriers and resellers are able to position their fixed wireless and cellular services as NBN substitutes but are offering these to consumers more cheaply because they are not liable to the RBSL and can behave as a vertically integrated operator to achieve better returns. All fixed operators cannot.
- Locks in a very high share paid by NBN to the total collected by the RBSL, rather than spreading this equitably among those competing with NBN in the supply of designated broadband services. NBN would also benefit from a broad based taxation regime which did not discriminate by technology.



3 Universal Service Obligation (USO) and the Telecommunications Industry Levy (TIL)

The TIL and USO regime has operated since its inception in 1991 in assuring delivery of voice services across Australia. This has involved Telstra fulfilling its USO obligations and the Government providing support over and above the TIL collected from the telecommunications industry.

The TIL and USO has been successful as a UTS funding scheme since 1991. The method of funding the purpose has worked and is a broad based levy or taxation measure.

Like the RBSL, the passage of time, technological advancements and changes in markets mean that the TIL is now funding a service which is only part of the essential telecommunications services that end users have come to expect. However, Uniti maintains that the mechanism and methodology for the TIL and USO is sound, it is just the services that it supports and the recipient of that funding that are no longer fit for purpose in 2024.

Both the USO/TIL and the RBSL are not fit for purpose for the same reason:

- Technology advancement has made the UTS supported not adequate. There are multiple alternatives which have emerged to provide allocative and productive efficiency as well as contestability to support equitable outcomes.
- The provider of the UTS is no longer mandatory. There are many technologies and carriers who can provide the UTS
- The recipient of the funding can be many.
- The requirement for funding will continue to diminish over time as technology continues to evolve and competition continues.

They differ in one fundamental area. The method of measuring the respective carrier contribution to funding the UTS.

The RBSL was created as a complex measurement attempting to achieve multiple purposes resulting in a targeted inequitable material tax on a specific technology in certain situations. It was also required to be measured monthly!

In comparison the TIL is a broad based levy easily measured once a year applicable to all market participants irrespective of technology and as such not burdensome.

Similar regimes globally to the TIL have also been successful. It is considered best practice for a UTS funding regime. ¹⁸

The Department's recent discussion paper "Better delivery of universal services" 19, elicited numerous responses from across the industry, which included commentary on the USO/TIL regime. Appendix C sets out a selection of those responses, generally supporting Uniti's position on the USO regime as outlined above.

¹⁹ https://www.infrastructure.gov.au/have-your-say/better-delivery-universal-services

¹⁸ Add reference to Discussion Paper section.



4 Comparison between RBSL and TIL

Table 3 sets out a detailed comparison of the key features of the RBS and the TIL, which supports our position that any UTS funding regime should be based on the TIL/USO model and that the RBSL is not the right mechanism.

Table 3 - Comparison between RBSL and TIL

	Regional Broadband Scheme	Telecommunications Industry Levy
Tenet	RBS Levy	TIL supporting the USO
Purpose	Fund loss making Fixed Wireless and Satellite broadband services supplied by NBN irrespective of alternatives and commerciality in regional geographies	Fund loss making voice services delivered over copper networks and public pay phones supplied by Telstra in nominated regional geographies.
Nature	The RBSL is a taxation measure	The TIL is a taxation measure
A broad based Tax	No	Yes
Supporting an Essential Service	Questionable. Funds NBN loss making broadband services delivered on specific technology assumed to be a proxy for non-commercial locations.	Yes, provision of voice services
Funding Source	Licensed Telecommunications Carriers who own certain fixed line networks classed as chargeable premises subject to definition.	Licensed Telecommunications Carriers & Federal Government
Method	A fixed cost per fixed line to a premise providing a service where line is capable of 25Mbps and is not used to provide a voice service or a broadcast television stream and is a chargeable premise, not an exempt premise. Subject to complex definitions and measurements.	A percentage of carrier revenue.
Relative Cost as a % Revenue	~14% for Uniti Group	~0.8% for Uniti Group
Administrative Ease	No Complex calculations which requires fixed line carriers to prepare bespoke reporting of a range of metrics for incl premises, end users, use of service amongst others. Measured monthly.	Yes Simple calculation of revenue, leveraging information the businesses already have to measure. Measured annually not monthly.
Subject to CPI increases	Yes	No
Charge Base Transparent	No – this is due to a combination of the complexity of the calculation (including the various exemptions) and lack of transparent reporting	Yes - Total Carrier Revenue



	Regional Broadband Scheme	Telecommunications Industry Levy	
Evidence of Substitutability	Yes Cellular, FWA (incl variants), LEO Satellites all provide NBN equivalent.	Yes NBN as default SIP on FWA & Satellite can provide voice. Cellular, FWA (incl variants), LEO Satellites can also provide voice	
Substitutes Pay Levy	No	Yes	
Transparency on Funding Secured	No Total funding today is greater than average forecast NPV of costs & losses estimated by BCR & ACCC measured over 30 years using the tax recipients' forecasts and not subject to audit. Chargeable premises questionable on accuracy.	Yes Funding has been relatively fixed since 2012 and likely through to 2032 (absent a significant change to the USO regime).	
Equitable	No Fixed line network operators fund the broadband UTS Funding cost for Uniti is materially significant at ~14% of revenue . NBN provides forecast data into RBSL calc without audit to determine a tax on a competitor.	Yes All carriers fund the UTS proportionally based on carrier revenue Funding cost equal for all at ~0.8% of revenue.	
Double Recovery	Yes NBN receives >96% of RBSL & government grants such as \$480M upgrade to FWA. Governments state & federal funding mobile black spots and FWA deployments as substitutes to NBN FWA & satellite	Yes Telstra receives funding for USO & mobile black spots. Substitutes supply the voice UTS and Telstra receives funding. NBN networks can deliver voice over broadband.	
Competition	No Substitutes do not pay RBSL and also can be vertically integrated	Yes All substitutes pay the same relative TIL	
Flexibility	No The RBSL cannot be adapted to other UTS. The RBSL is not adjustable to evolution by funding NBN costs and losses of a whole network not a noncommercial UTS.	Yes The TIL can be adapted to other UTS.	



5 Funding model for universal telecommunications services

Uniti considers that to support the concept of an expanded UTS, a funding model should be implemented involving both the Federal Government and industry contributions, as the TIL/USO does today.

The concept of the UTS will need to be clearly defined. We note the numerous responses to the Department's 'Better Delivery of universal services' discussion paper²⁰ evidencing significant industry interest in rationalisation of USO/TIL structure to recognise new technologies and the convergence of voice and broadband on data networks delivered by an increasing number of technologies and carriers.

Uniti does not support criticism of the TIL. The TIL has worked since 1991 in supporting the delivery of the then deemed essential services, voice and payphones. Since this time the Federal Government and industry have funded a UTS in nominated disadvantaged communities or regions where it was determined non-commercial. The UTS was defined as voice and payphones and the technology was the existing or upgraded copper network owned by Telstra. Telstra was in effect the SIP for this UTS well before the SIP regime emerged. Telstra fulfilled their obligation as a SIP. The Federal Government and the telecommunications industry (defined by licensed carriers) supported the defined UTS through funding. Telstra also contributed notwithstanding being the SIP. The USO and the TIL worked!

This structure is still considered best practice globally for the support of a UTS in areas which are non-commercial.

It is Uniti's view that the change or rationalisation of the USO and consequently the TIL combined with the RBSL should not be about the methodology applied in funding a UTS. It is about a better definition of the UTS to include voice services (with the exclusion of payphones), as voice services should remain as part of a UTS. It is about an expanded UTS to include broadband and data connectivity. The technology used to deliver the UTS should be irrelevant. The UTS should be defined by service levels and quality not a specific network or technology. It is about who should be funded to ensure the UTS is available in nominated non-commercial communities. It is about the quantum of funding and the need to fund at all.

Technology evolution and innovation has meant the technology funded, the quantum of funding and the recipient of the funding has made the current USO redundant. But a TIL to fund a newly defined UTS is still a sound methodology. Uniti considers that the UTS needs to expand to add a new service, being broadband and data connectivity.

The current USO structure and TIL funding regime satisfies all the major criteria of a best practice UTS funding regime including Sustainability, Simplicity, Transparency, and it is Equitable being a broad based levy or tax.

Uniti's proposition is that changes to the definition of a UTS to include broadband and data connectivity and changes to the recipients of funding being the supplier of the UTS (where applicable) will support Contestability, Flexibility and Economic Efficiency.

In addition, changes to the timing of funding contributions will also support efficient economic outcomes in particular Allocative and Productive Economic Efficiency. The requirement to assess required funding for the UTS over shorter time periods than the current RBSL 30 year term and the proposition the funding decreases as SIP registrations increase will achieve this efficiency.

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²⁰ https://www.infrastructure.gov.au/have-your-say/better-delivery-universal-services



As SIP's increase the market moves from non-commercial to commercial. Contestability drives the Allocative and Productive Economic Efficiency.

The current USO legislation and regulations could be amended relatively easily to add broadband into the USO, and define the minimum service standards. This will then allow the TIL to fund outcomes where deemed appropriate. Uniti does not propose to repeal the USO & TIL, but rather to expand the application to an expanded UTS including broadband and data connectivity and enable the distribution of funding to the SIP provider of choice of the end user.

Uniti's view is that a UTS should cover both voice services and high speed broadband and data connectivity, and should be funded where required in areas where it is not commercial to otherwise supply such services.

To ensure longevity and sustainability, and address the rapid pace of technological change, the UTS should be defined by the quality of service and not by a particular technology.

Industry contributions to funding a UTS should:

- 1. be provided via one mechanism (and not a combination as we have today) and the existing TIL can achieve this;
- 2. be a broad based tax, that doesn't discriminate against particular technologies or providers but applies to the telecommunications industry as a whole;
- 3. have a transparent, objective simple calculation methodology, adopting a transparent easily measured charge base, which will give certainty to the industry and Government. The current percentage of revenue methodology behind the TIL is an example of a charge base and methodology which is not complex, well understood, equitable and meets these requirements; and
- 4. be reported transparently back to industry, and measured annually and not monthly as the RBSL is today.

So, Uniti's view is we already have a sound well accepted regime for delivery of UTS through the existing USO which can be modified to adapt to an expanded UTS of voice, broadband and data connectivity. We already have a funding regime through the TIL. We have no dispute on the essential services to be included in the UTS definition.

What remains to be resolved is the quantum of funding, the recipient of funding and when, the mechanism to distribute funding and how do we ensure sustainability of an expanded funded UTS.

What is indisputable today is there are many carriers operating networks to enable provision of the expanded UTS (both wholesale and directly) across Australia including in regions or communities where it is considered non-commercial to provide the expanded UTS. The carriers adopt many different technologies including fibre, cellular wireless, fixed wireless, satellites and derivations of these technologies such as FTTN, FTTC, mmWave, LTE, WiFi, LEO, GEO and so on.

The expanded UTS can now be delivered or converged over all of these technologies. The voice UTS can be delivered over the same network delivering the broadband and data connectivity and at the same time. Voice over broadband or VOIP is now a well proven product. The NBN fixed wireless and satellite networks are able to deliver voice as well as broadband to satisfy a UTS. But there are many new providers who have emerged (or are likely in the future) to provide an expanded UTS in communities or regions previously considered non-commercial.



We note the recent comments by Luke Coleman, Vocus Head of Government and Corporate Affairs in relation to the current overlapping coverage across more than 99% of premises in Australia:

"100% of premises have access to at least one broadband service via the NBN, 100% of premises now have access to at least two broadband services and one voice service, when you add Starlink. 99.5% of premises have access to at least three broadband services and two voice services, when you add Telstra's mobile coverage. 98.4% of premises have access to at least four providers when you add Optus' mobile coverage, and if Optus and TPG's network sharing arrangements are approved, it'll be five providers to 98.4% of the population. So that's the overlapping coverage.

According to NBN, there are 12.3 million premises in Australia. Telstra says that its mobile network covers to 99.5% of them, that leaves just over 61,000 premises without mobile coverage.

And this is the magic number. 61,000 premises.

Out of 12.3 million, just 61,000 premises don't have access of mobile coverage. But they do have access to LEOs, and they do have access to Sky Muster. So even without mobile coverage, these 61,000 premises still have access to two networks "21"

In addition to this overlapping coverage of mobile and satellite there is also other competitors to the NBN fixed wireless and satellite networks continuing to emerge. This is being caused by increasing and continued urbanisation as greenfield residential and business premises and communities are being built to meet housing shortages. This increases the FTTP, cellular and wireless network coverage and contestability with NBN previously considered non-commercial broadband and voice networks. There are new market entrants expanding coverage including multiple cellular and fixed wireless carriers. It is contributed to by government funding of mobile black spots, fixed wireless where NBN satellite only exists and FTTP network construction. It is also commercial decisions by carriers to expand network coverage to regions previously considered non-commercial including new LEO market entrants, cellular MOCN expansion and adjacent market expansion by fixed network carriers such as Uniti.

All of this means the quantum of the UTS funding should decrease over time as contestability or overlap increases. The regions where an expanded non-commercial UTS needs to be funded is shrinking. Accordingly, the UTS funding should be measured in a more dynamic manner as opposed to the 30 year long range forecasts which now apply to the RBSL or an inflexible fixed cost for the current USO funded by the TIL. This dynamic efficiency is essential for a best practice UTS.

The current USO envisages Telstra as a default SIP for voice services funded by the TIL. Technology evolution, overlapping coverage and other changes noted above has meant the actual services delivered have diminished and will increasingly over time. The current USO identifies regions or communities where a voice UTS is non-commercial. Today this is potentially non-commercial not actually non-commercial.

The current RBSL prescribes NBN as a default SIP for broadband services funded by the RBSL. Technology evolution, overlapping coverage and other changes noted above has meant the actual services delivered by NBN have diminished and will increasingly over time. The current RBSL identifies regions or communities where a broadband UTS is non-commercial being the NBN fixed wireless and satellite footprint. Today this is potentially non-commercial not actually non-commercial as a whole.

²¹ https://files.vocus.com.au/www/documents/Speeches/240501-Luke-Coleman-CommsDay-Speech_FINAL.pdf



The above are identical in nature. Increasingly regions and communities addressed by the USO or the RBSL have transitioned to being potentially non-commercial not actually non-commercial as a whole.

It is the future potentially non-commercial areas that may arise should circumstances change, which may have the greater need for UTS funding. Any regime should provide for future flexibility to address this.

Due to the issues above being identical in nature the Uniti proposition is to combine the USO and RBSL into one expanded UTS for nominated regions or communities adopting the current TIL regime with the following features:

- Any carrier operating a network capable of providing an expanded UTS for a nominated UTS region/community must register as a SIP for that region;
- There can be multiple SIP's for a UTS region/community. This occurs today;
- The current SIP regulations can be applied to this arrangement;
- Overbuilding or overlapping networks as is occurring today will create multiple SIP's;
- The SIP provider providing the UTS receives a TIL for the UTS delivered to the end user;
- The amount of TIL paid to a SIP will be adjusted downwards as the amount of registered SIP's increases for the nominated region/community. As a result the TIL decreases in line with contestability;
- To be a SIP the carrier must enable voice services over the network delivering the UTS.
 NBN must make all their network voice ready rather than continuing with the current gaps;
- NBN would remain the default SIP for the expanded UTS in regions/ communities
 considered high risk which can be defined by the number of SIP's operating in the
 region/community. The voice default UTS (or SIP) transfers to NBN by making their fixed
 wireless and satellite networks totally voice enabled. There will remain other contestable
 voice SIP's alongside the broadband and data connectivity;
- NBN would be funded through the TIL for the avoidable costs of maintaining a default SIP network in the identified high risk regions/communities. These regions/communities may decline with technology and NBN equivalent SIP growth;
- ACCC to assess default SIP fixed cost base for minimum funding support. This
 assessment should be undertaken over short time periods to continue to adjust total TIL
 to reflect changes in technology, market participants and urbanisation;
- The default SIP provides sustainability should there be a failure of another SIP. As the
 amount of SIP's increase the cost of funding the alternate SIP declines. Similarly, the
 amount of funding to the default SIP declines as regions/communities move from being
 defined as non-commercial to commercial for example, this would occur due to the
 number of registered SIP's with minimal or without individual UTS funding operating in
 that region/community.



6 Uniti Group's response to the specific questions posed in the Discussion Paper

1. What characteristics would ensure adequate certainty to providers delivering funded services?

Uniti proposes an expanded UTS to include broadband and data connectivity alongside voice more than likely delivered over the same network with multiple SIP in nominated non-commercial regions/communities with a default SIP being NBN. The SIP may or may not receiving funding determined by contestability. A SIP will provide services based on normal commercial considerations to enter the market combined with availability of UTS funding if any. Certainty would be enhanced by clearly defining services and service levels/QoS to entitle funding receipts. Certainty should be provided on the amount of funding and preferably be provided on per service basis to the SIP until a threshold number of SIP's is reached to make the market no longer non-commercial.

2. What characteristics would provide adequate certainty to those parties from whom funds would be collected?

Adequate certainty would be provided by well defined regions/communities where it is determined the expanded UTS would be non-commercial. The calculation of the funding to provide the default SIP capability needs to be transparent and certain. The previous use of 30 year forecasts should not apply.

3. How can the funding arrangements best support provision of noncommercial services but also support flexibility in adapting to market changes and the types of services supported?

Uniti proposes the registration of multiple SIP's for nominated non-commercial expanded UTS regions/communities. A default SIP would also exist. As the number of SIP's increase the region/community will move from a non-commercial to commercial and individual and aggregate funding will decline as will funding for the default SIP. This enables adaption to market and technology changes.

4. How should arrangements ensure affordable services will be available across Australia but not crowd out investment by commercial operations?

To be registered as a SIP the UTS offered by the SIP must be identical to the base service provided in markets not supported by TIL funding. In the case of some premises, the existing non-discrimination obligations (NDO) rules applying to fixed line carriers would also require this to occur. The NDO could be extended to all SIP, all UTS and all premises in markets supported by TIL funding.

5. What are the characteristics of services that should be receiving subsidies? How should these be determined on an ongoing basis?

The UTS supplied by the SIP should be of the same characteristic, service level and quality as the SIP would supply in markets not supported by TIL funding.



6. Is it appropriate to still consider entire networks when determining funding support or should the evaluation of commerciality occur at a more granular level?

The funding of TIL should be at a granular level being each region/community considered non-commercial. The default SIP funding would be equally granular as funding will cease where the amount of SIP's mean the region/community is now commercial. The funding to the SIP would be on a per service supplied basis.

7. There is ongoing interest in network resilience particularly in relation to service availability after natural disasters. Is this something that should be supported through funding for non commercial services or should all network providers be equally required to provide a specified level of resilience in their own networks?

All SIP's should be required to meet minimum service standards, service levels and service quality to become a SIP and receive funding. Due to there being multiple SIP's in place immediately there will be redundancy and diversity including technology diversity.

8. Which elements of the telecommunications industry should be contributing to non commercial services? This can include commentary on those entities that should be considered part of the telecommunications industry.

The current TIL structure should continue meaning carriers will continue to support the funding of non-commercial services. Regulators need to be more diligent to ensure CSP's are licensed carriers where they own network units including NTU's. There should be no exemptions based on a threshold revenue. The amount of the TIL as a percentage of revenue will not be a barrier for start-ups and the expected ever declining total TIL funding will ensure this.

9. Should funding for non-commercial services provided to individuals be collected from different contributors than should provide funding for other types of public interest services such as Emergency Calls?

No

10. Are there any particular competition issues that need to be considered? How can the design of funding arrangements promote competition and contestability?

As outlined in this paper there is competition and contestability today in perceived non-commercial regions. This will only increase over time under a multiple SIP funding structure proposed in this paper.

11. Should there be any threshold on the requirement to make contributions and if so what kind of methodology would be suitable for determining the threshold?

There should be no threshold.



12. Are there any characteristics that would provide additional efficiency or ease of administration for the contributors and the administrators of universal service funding?

The RBSL is systemically flawed, complex and near impossible to measure the Charge Base. It creates perverse outcomes and is often incorrectly applied. Furthermore, it is an excessive taxation measure by any comparison at nearly 15 times the cost of the TIL to Uniti. Adoption of the TIL for all UTS solves these problems and also means the tax recipient is not funding >96% of the tax. The broad based nature of the TIL and ease of measurement is a proven solution to fund a UTS.

13. Do you agree with the positions set out above with respect to key principles and characteristics of future funding arrangements?

See Section 5 above.

14. Are there any principles or characteristics that should be added to the above list?

See Section 5 above.

15. Are there are other issues or considerations the Government should take account of in considering the effectiveness of funding arrangements for universal telecommunications services?

See Section 5 above.

16. Are there any particular funding models you think the Government should consider?

Uniti has suggested a funding model in this paper which minimises disruption by adapting the TIL to an expanded UTS supported by multiple SIP's with a default SIP protection also funded. Overall this should lead to less funding compared to the ~\$1B raised across the TIL and RBSL today due to increasing overlap of networks, contestability and increased number of SIP's.

See Section 5 above.

17. Based on current market conditions, which participants in the telecommunications industry should be contributing towards the net losses of NBN Co's non-commercial fixed wireless and satellite services?

As noted in this paper, funding for a UTS should involve both Government and industry contributions. Uniti Group's position is that a broad based tax, recovered at a minimum from the carriers who contribute to the TIL, would be appropriate.

18. What is the most appropriate charge base unit for the RBS?

The TIL regime is the appropriate methodology for a broadband UTS. See section 2.2 for an outline of the issues with the charge base for the RBS.



19. Is the 2,000 chargeable premises per month concession appropriate for small networks? Is there a case for variation of this exemption, for example by aligning it with the current 12,000 premises exemption from the structural separation requirements in Part 8 of the Tel Act?

The Charge Base for the RBSL is flawed and cannot be measured accurately. The adoption of the model identified in this paper and consolidation of RBSL and TIL will negate any need for a badly defined concept of a premise.

20. The transitional concessions were put in place to support carriers as the RBS began operation. Are there any lessons or observations related to the transitional concessions that the Government should consider?

The RBSL as whole is not fit for purpose and is flawed. The concessions are poorly defined. Recently connected greenfield is not well defined and what is greenfield is a vague notion. Concessional premises are defined as residential and small business premises. It is not possible to measure what is or is not a residential premise, when is a business a small business but even more difficult is the fact the party required to measure is a wholesaler and does not know who the user is or the nature of the use of the service to determine whether it is part of a Charge Base. An added complexity is that this measurement is required to take place monthly.

21. Are there any lessons or observations related to the transparency or administration arrangements for the RBS that the Government should consider?

Consolidate the RBSL with the TIL as outlined in this paper.

- 22. Stakeholders are invited to provide views on the following matters:
- a) The operation of Part 3 of the TCPSS Act
- b) The operation of the remaining provisions of the TCPSS Act to the extent to which they relate to Part 3 of the TCPSS Act
- c) The operation of the Tel Act to the extent to which that Act relates to Part 3 of the TCPSS Act
- d) The operation of the Charge Act
- e) Whether Part 3 of the TCPSS Act should be amended
- f) Whether the remaining provisions of the TCPSS Act, to the extent to which they relate to Part 3 of the TCPSS Act, should be amended
- g) Whether the Tel Act, to the extent to which that Act relates to Part 3 of the TCPSS Act, should be amended
- h) Whether the Charge Act should be amended.

As outlined in this submission, Uniti considers that the RBS is not fit for purpose and that any funding for UTS going forward should be technology agnostic. Uniti considers that any funding for a UTS should come from a broad based tax along the lines of the TIL, and as a result Part 3 of the TCPSS Act and the Charge Act should be repealed.

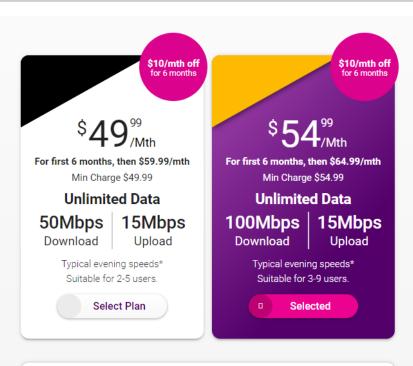
23. Are there any lessons or observations from the operation and administration of the TIL that would be useful for the Government to understand in considering long-term funding arrangements?

The operation of the TIL has been successful over a very long period of time. The structure of the TIL remains globally best practice for administering and funding a UTS. What needs to change is the definition of the UTS, it needs to be technology neutral and the recipient of the funding to be the provider of the UTS until the amount of contestability makes the region or community no longer non-commercial.



Appendix A Examples of current offers in market

5G Broadband Plans



Why TPG 5G Home Broadband?

Outstanding value (\$)

Save \$60 and get 5G Home Broadband from just \$49.99/mth for the first six months.

Quick setup

Connect as soon as your modem arrives - no technician needed.

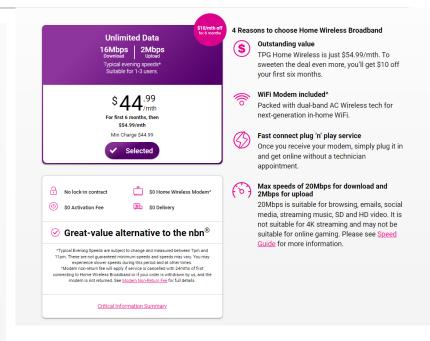
Premium WiFi Modem included

Premium WiFi modem packed with the latest tech like Wi-Fi 6 for next-generation in-home WiFi.

Choice of speeds

Max speeds (download/upload) for the Premium Plan are 100Mbps/20Mbps and 50Mbps/20Mbps for the Plus Plan. Perfect for browsing, emails, social media, HD and 4K streaming

Actual speeds may vary due to factors such as the time and place you are using your data, the number of devices connected to the modem and subject to network traffic priority. Please see Speed Guide for more information.





TPG 5G Home Broadband | From \$49.99/mth for 6 Months

Business identity verified — Then \$49.99/mth. Switch to great value 5G broadband with \$0 setup & delivery. New...

No lock-in contract \$0 Activation Fee



\$0 Premium 5G Modem[^]



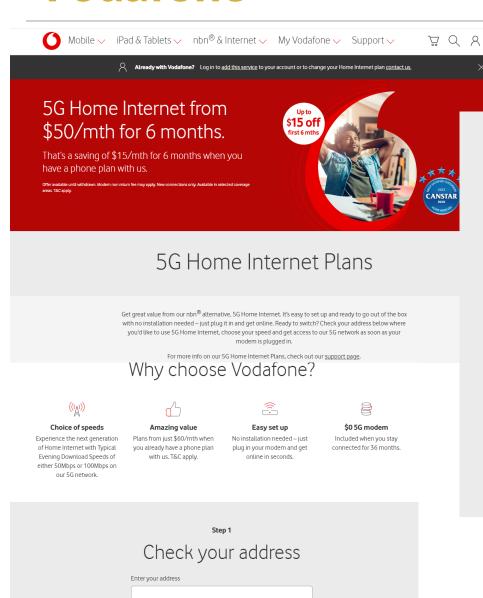
\$0 Delivery

*Typical Evening Speeds are subject to change and measured between 7pm and 11pm. These are not guaranteed minimum speeds and speeds may vary. You may experience slower speeds during this period and at other times.

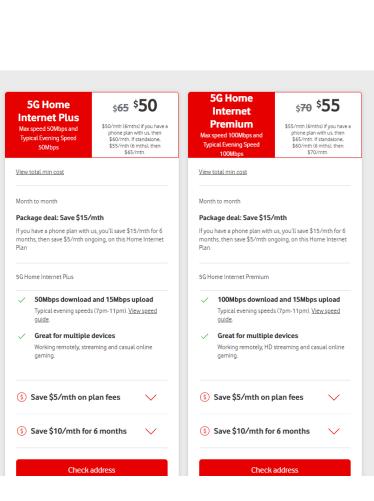
^Modem non-return fee will apply if service is cancelled within 36 mths of first connecting to 5G Home Broadband or if your order is withdrawn by us, and the modem is not returned. See Modem Non-Return Fee for full details.

Critical Information Summary

Vodafone

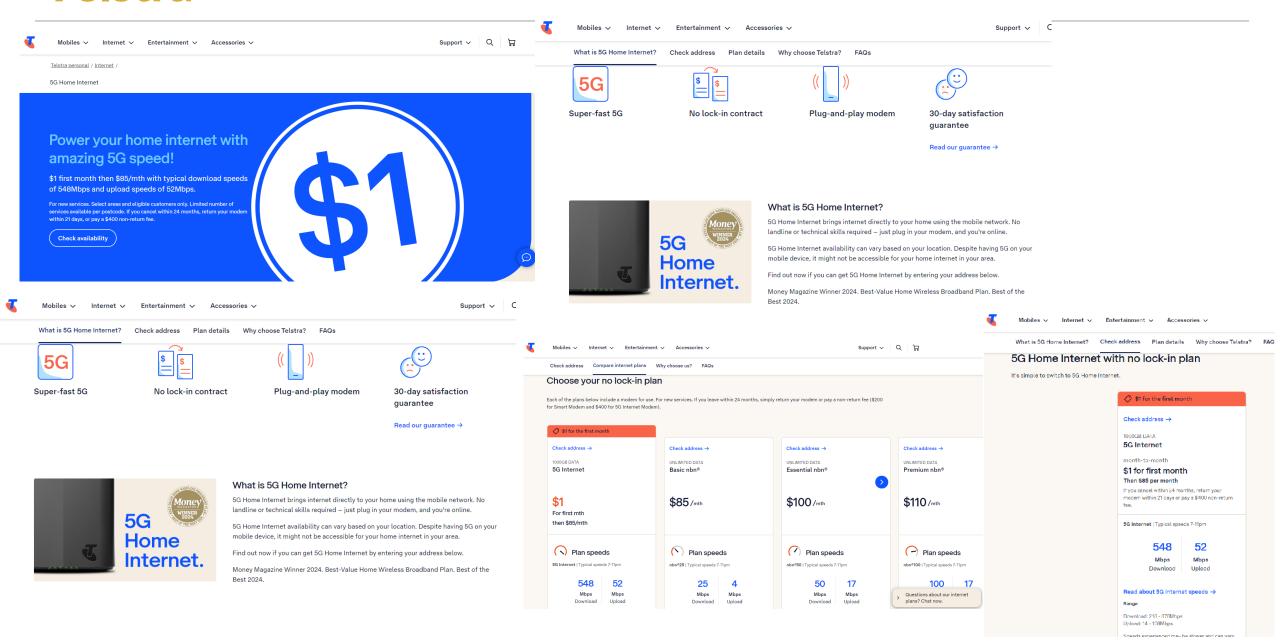


Enter address manually

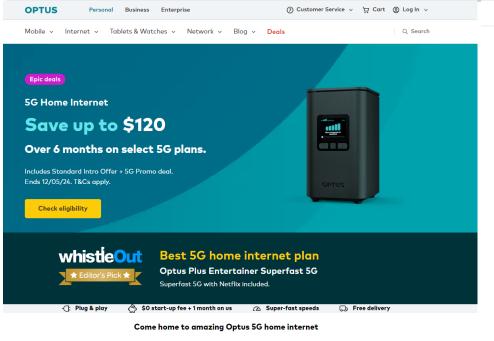




Telstra



Optus



Enjoy seriously fast WiFi, unlimited data and world-class entertainment from Netflix on select plans.

Enjoy \$0 start-up fee, 1 month plan fee on us, our latest plug & play WiFi modem and access to the Living Network.

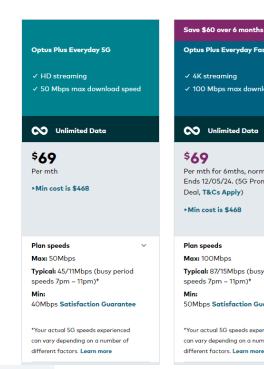
Plans include our new Optus Ultra WiFi 5G Modem

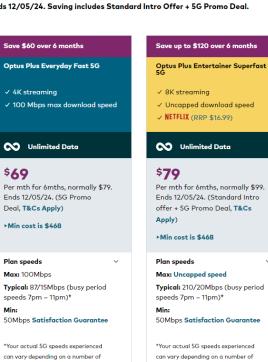


Month to month 5G plans, set & forget hassle-free auto-payments.

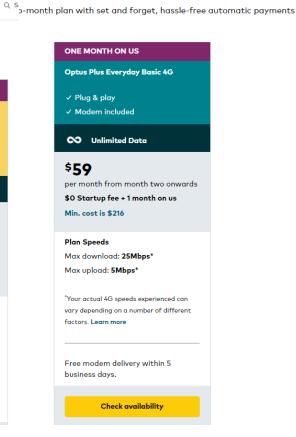
Epic deals on select plans. Ends 12/05/24. Saving includes Standard Intro Offer + 5G Promo Deal.

Mobile v Internet v Tablets & Watches v Network v Blog v Deals





different factors. Learn more



iiNet 5G



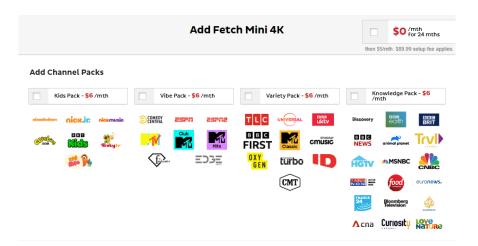
5G Home Broadband

Power your home with next gen internet on our 5G network, rolling out to select parts of major cities. iiNet 5G Home Broadband is a great-value alternative to the NBN.

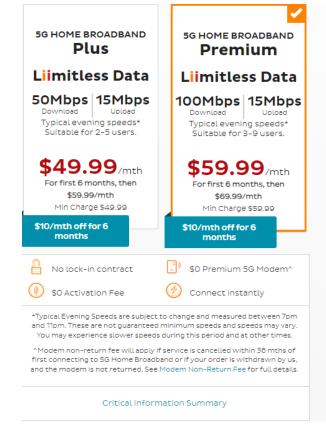


Ultimate Channel Pack - \$20 /mth





Add all channels



Why choose iiNet 5G Home Broadband?



Save \$10/mth for 6 months

Try 5G Home Broadband for yourself for just \$49.99/mth for 6 months.



Connect instantly

Just plug in the modem and be connected without the need for technicians or appointments.



Premium WiFi Modem included

Premium WiFi modem packed with the latest tech like Wi-Fi 6 for next-generation in-home WiFi.



Choice of speeds

Max speeds (download/upload) for the Premium Plan are 100Mbps/20Mbps and 50Mbps/20Mbps for the Plus Plan. Perfect for browsing, emails, social media, HD and 4K streaming

Actual speeds may vary due to factors such as the time and place you are using your data, the number of devices connected to the modem and subject to network traffic priority. Please see Speed Guide for more information.



iiNet

https://www.iinet.net.au > internet-product > 5g-home-br...

5G Home Broadband Plans

Connect to fast and reliable 5G home internet. Explore our plans with unlimited data to experience fast speeds and great connectivity. Find out more.

SpinTel

1. Choose your plan

4G Unlimited

\$49.95 /mth Typical busy period download speed of 25Mbps

Selected

5G Unlimited

\$59.00 /mth Typical busy period download speed of 50Mbps

SPECIAL

5G Unlimited

\$69.00 /mth Typical busy period download speed of 87Mbps

SPECIAL

For 3 months, then \$79 ongoing*

5G Unlimited

\$79.00 /mth Typical busy period download speed of 240Mbps

SPECIAL

For 3 months, then \$89 ongoing*

AWARD-WINNING 5G HOME INTERNET PLANS FROM SPINTEL

fired of paying for the nbn™? Go wireless with our 4G or 5G internet service and enjoy fast, instant connectivity around the house.



PRODUCT REVIEW 2022-24 AWARDS

SPINTEL INTERNET

2. Choose your modem



http://www.internode.on.net > 5g-home-broadband ‡

Netgear AC800S



\$10.00 per month

Great for home and on the move, Wireless, Portable

WIRELESS HOME INTERNET

NBN down? Waiting too long to get connected? No cable? Wireless Internet is the alternative you're looking for. Get beamed directly to your home from a dedicated network that is independent of phone lines, cable, and mobile networks. Powered by our super-fast 5G or 4G nationwide network and gives you the freedom to roam within your home without the need for phone lines and cable.

A Few More Things Our Customers love



14 day trial

High-speed data



Easy termination

Cancel the service if you are not happy with the coverage/speeds.

Our national network is state-of-the-art and delivers high data speeds.

On a monthly plan, cancel anytime with no fees.

5G Home Broadband

The 5G Home Broadband Modern connects to nearby mobile towers to deliver internet to your home. WiFi is a method to connect devices to your modern. The 5G Home ...

Satellite Plans

Telstra - Satellite



Mobiles ∨

Internet ∨

Entertainment ∨

Accessories ~

Support ∨

Select Satellite Internet plan

Add Starlink Kit

Features

Why choose us

New customer offers

Accessories

Available

UNLIMITED DATA

Satellite Home Internet

Powered by Starlink

\$125_{Monthly}

Plus the cost of the Standard Starlink Kit

Critical Information Summary

Next



Plan speeds

Estimated typical speeds 7pm-11 pm

50 业

10 1

Mbps download

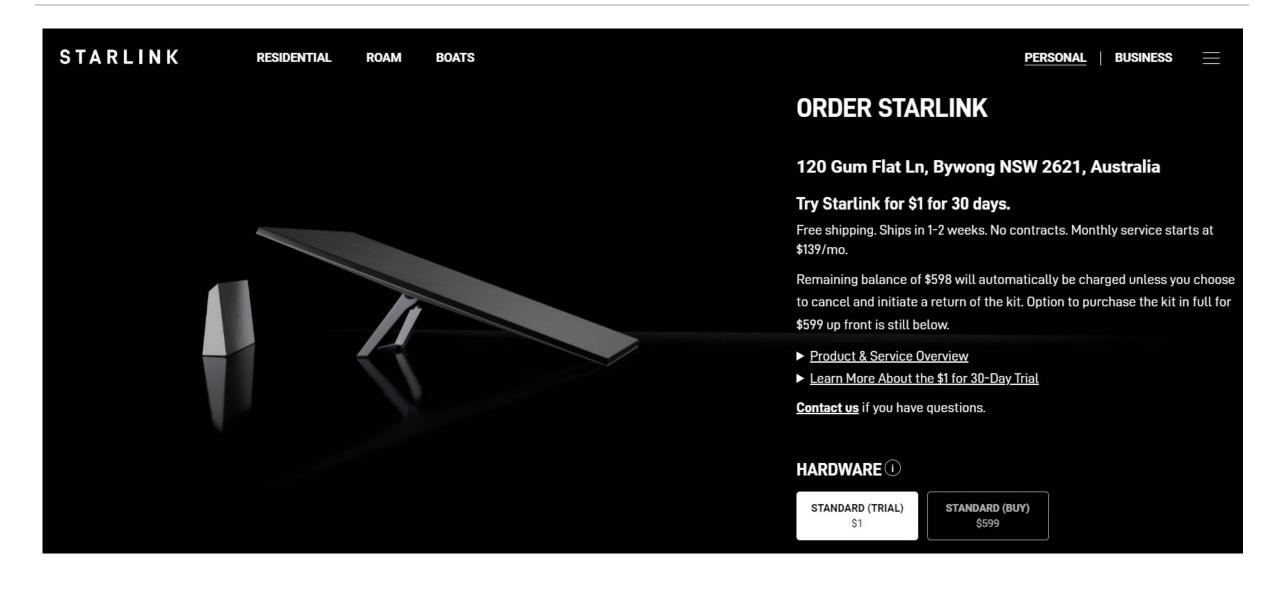
Mbps upload

Important: We're still calculating typical speeds on this plan - the information here is an estimate only based on limited preliminary testing. Actual speeds are yet to be confirmed. Download speeds are capped at most times, during which they will not exceed 50Mbps.

Typical speeds may vary due to factors including Starlink kit location, weather conditions, satellite congestion, sky visibility and the precedence Starlink gives your data on its network.



Starlink



NBN Plans

Aussie Broadband



Home nbn® plans

NBN® THE ACTUAL AUSSIE WAY.

With ultra-fast plans and our 100% Aussie-based support, switch in minutes to a connection you can trust.

HOME NBN® PLANS

Super-Fast 250/25Mbps unlimited internet made for the whole family, for \$119/month.

Switch in minutes!

Additional charges may apply for a new property development and subsequent installations. Not available at all premises. All prices subject to change without notice. Actual speeds may vary due to external factors including in-building wiring. Super-Fast only available for FTTP and select HFC connection types. Typical evening speeds (7pm and 11pm) based on ACCC MBA results from March 2024. Pricing based on 250/25Mbps plan. T&Cs apply.





BASIC PLUS

\$75 /month

NBN® 25/10

Typical evening speeds (7pm-11pm):

8Mbps 24Mbps DOWNLOAD UPLOAD

UNLIMITED DATA

DESIGNED FOR:

- ✓ 1-2 people online at the same time using multiple devices
- ✓ Making phone calls (home VoIP)
- Browsing the internet and sending

& POPULAR

✓ HD video streamina

(2)

VALUE

\$85 (month

NBN® 50/20

Typical evening speeds (7pm-11pm):

16Mbps 49Mbps DOWNLOAD UPLOAD

UNLIMITED DATA

DESIGNED FOR:

- ✓ 2-3 people online at the same time using multiple devices
- ✓ Making phone calls (home VoIP)
- ✓ Browsing the internet and sending
- ✓ HD and UHD video streamina
- ✓ Playing games online

(2) (A)

VALUE PLUS

\$89 /month

NBN® 75/20

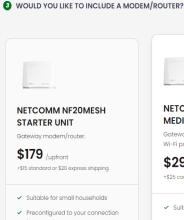
Typical evening speeds (7pm-11pm):

73Mbps 16Mbps DOWNLOAD UPLOAD

UNLIMITED DATA

DESIGNED FOR:

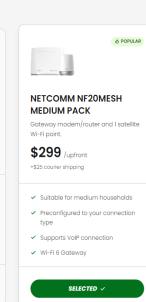
- ✓ 4-6 people online at the same time using multiple devices
- ✓ Making phone calls (home VoIP)
- Browsing the internet and sending
- ✓ HD and UHD video streamina
- ✓ Playing games online

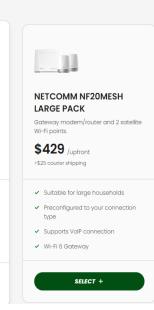


✓ Supports VoIP connection

SELECT +

✓ Wi-Fi 6 Gateway







FAST

\$95 month

NBN® 100/20

Typical evening speeds (7pm-11pm):

98Mbps 16Mbps DOWNLOAD UPLOAD

UNLIMITED DATA

DESIGNED FOR:

- using multiple devices
- ✓ Smooth video calls even if others are online
- ✓ Downloading large files
- ✓ UHD video streaming
- ✓ Playing games online



FAST PLUS

\$105 /month

NBN® 100/40

Typical evening speeds (7pm-11pm):

98Mbps 33Mbps LIPLOAD DOWNLOAD

UNLIMITED DATA

DESIGNED FOR:

- ✓ 5-6 people online at the same time using multiple devices
- Smooth video calls even if others are online
- ✓ Downloading and uploading large
- ✓ UHD video streaming
- ✓ Playing games online

(F) =

SUPER-FAST

\$119 /month

NBN® 250/25

Typical evening speeds (7pm-11pm):

245Mbps 21Mbps UPLOAD DOWNLOAD

UNLIMITED DATA

DESIGNED FOR:

- → 7+ people online at the same time using multiple devices
- Consistent video calls even if others are online
- Downloading very large files
- ✓ UHD video streaming
- Consistent online gaming, even when others are online

(S)

ULTRA-FAST

\$129 /month

NBN® 1000/50

Typical evening speeds (7pm-11pm):

600Mbps 42Mbps

UNLIMITED DATA

DESIGNED FOR:

- using multiple devices
- ✓ Uninterrupted video calls even if others are online
- ✓ Downloading and uploading very large files
- ✓ UHD video streaming
- ✓ Uninterrupted online gaming, even when others are online

Aussie Broadband

Aussie Broadband

Connect To The nbn® — Connect to the nbn® With Australia's Most Trusted Telco*. Get Australian-based Support. Sign Up To Aussie Broadband With Plans Starting From \$65 P/M. T&C's Apply.

iPrimus



Features

All our plans include



(∞)

Free Wi-Fi 6 modem

All our plans include a Wi-Fi 6 modem with free delivery when you stay for 12 months.



Unlimited data

Enjoy more of what you love with unlimited data on all our plans.



No set-up fees on nbn® plans

Set-up fees apply for Opticomm and RedTrain plans only. <u>Find out more</u>.



Month-to-month plans

Enjoy the flexibility to tailor your internet to your needs and change your plan anytime.



You're in control with My Account

Change your plan, update your details and view your usage easily in My Account.



Home Phone included

Keep your existing phone number with a PAYG home phone included or add a call pack from +\$10/mth.

Save \$10/month for first 6 months

Standard Plus

\$80_{/month}





- ✓ Smaller Households
- ✓ HD video streaming
- Online game play
- Video conferencing

Select plan

More info

Total Minimum Cost \$200, Terms and conditions apply - <u>Learn more</u>

Premium

Was \$90/month







- Medium & Larger Households
- ✓ 4K video streaming
- Online game play
- √ Video conferencing

Select plan

More info

Total Minimum Cost \$210, Terms and conditions apply - <u>Learn more</u>

Save \$20/month for first 6 months

Home Superfast

Was \$110/month







245Mbps download & 21Mbps upload typical evening speeds

- ✓ Larger Households
- 8K video streaming
- Online game play (multiplayer)
- ✓ Video conferencing

Select plan

More info

Total Minimum Cost \$230, Terms and conditions apply - <u>Learn more</u>

Save \$20/month for first 6 months

Home Ultrafast

Was \$130/month







650Mbps download & 42Mbps upload typical evening speeds

- ✓ Multiple Heavy Internet Users
- 8K video streaming
- Online game play (multiplayer)
- ✓ Video conferencing

Select plan

More info

Total Minimum Cost \$250, Terms and conditions apply - <u>Learn more</u>



iPrimus

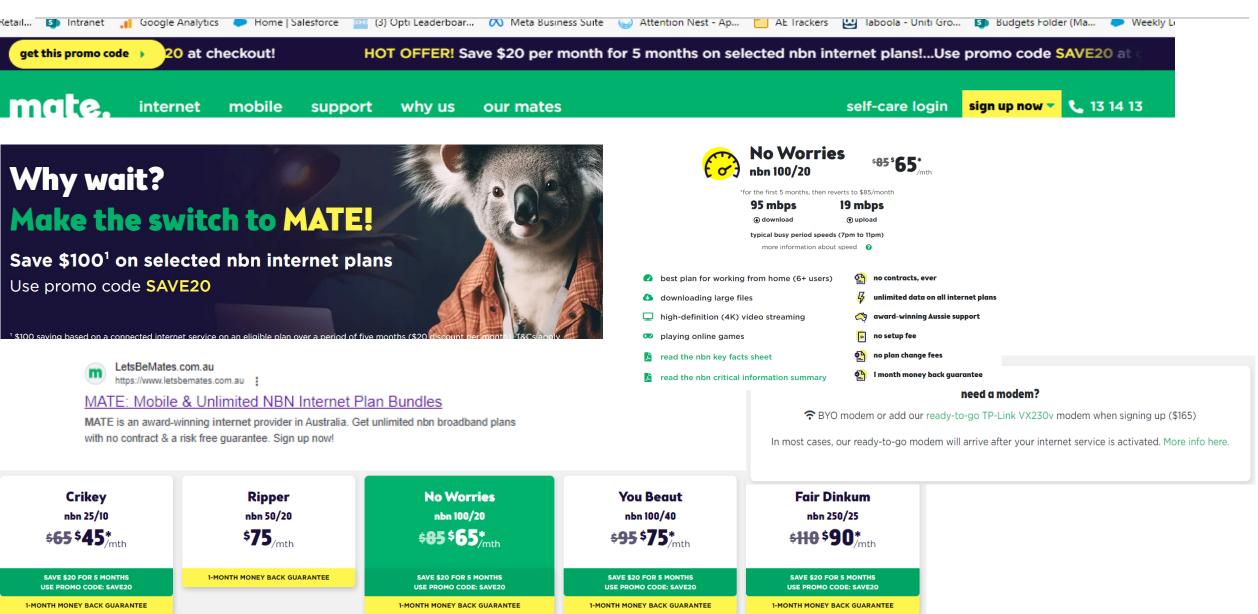
https://www.iprimus.com.au > nbn-plans 1

Great Value Fast and Unlimited Internet Plans

iPrimus operates on the nbn, Opticomm and RedTrain networks which all use a mix of different technologies to deliver the internet to households. The network and ...

Critical Information Summary · Nbn® Fibre Connect · Opticomm Upgrade · Our Story

mate. Internet

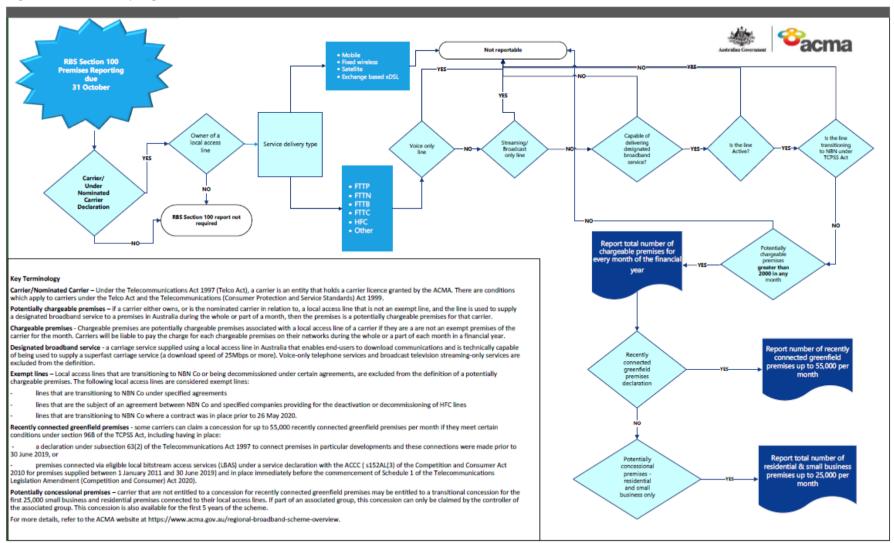




Appendix B ACMA RBS Decision Tree

This decision tree is located on the ACMA website - https://www.acma.gov.au/about-regional-broadband-scheme-rbs

Regional Broadband Scheme (Reporting)





Appendix C USO commentary in the *Better Delivery of Universal Services* discussion paper responses

Uniti considers that the USO/TIL regime has operated effectively since 1991, but that reform is now necessary given technological advancements and the need to streamline the various regimes (SIP, USO) and levies (RBS, TIL). This is supported by several responses to the Government discussion paper on Better delivery of universal services as referenced below. Uniti supports these propositions.

• Optus²²:

Telecommunications is now considered an essential service. The Universal Service Obligation (USO) has played a role in ensuring that all Australians, regardless of location, can access a STS on request. This has been particularly important for parts of Australia where there have been no alternatives to Telstra's copper network. However, the need for regulatory driven delivery of basic voice services, is now, and has been for some time, the exception rather than a universal rule. Optus submit that while there are clear circumstances where regulation may be needed to deliver universal service policy outcomes of "accessibility, affordability and availability", these may be better realised via targeted responses to specific use cases. Rather than re-regulating the provision of voice services, USO reform should be approached from the perspective of whether the market may achieve the desired outcomes.

...

...Optus consider that USO reform should be guided by the following principles:

- (a) Contestability there should be no USO where there are at least three (3) retail service providers capable of providing a VoIP service to an end-user accordingly there should be no further funding allocated to Telstra's supply of voice services within the NBN fixed (line and wireless) footprint.
- (b) Availability, accessibility and affordability Delivery of baseline telecommunications services at a competitive market price and of sufficient quality to enable an individual to participate in Australia's digital economy from a fixed location. For clarity, there should be no mobile USO.
- (c) Existing regulatory safeguards provide a sufficient safety net Australia's consumer protection laws and extensive telecommunications codes and regulations are robust enough to provide a safety net for consumers, with respect to quality of voice services and service level assurance.

• Telstra²³:

The Universal Service Obligation (USO) has for decades ensured that all Australians can be connected regardless of who they are or where they live and work. To ensure it remains relevant into the future, the USO should be reformed to take advantage of the new technologies that have recently become available.

•••

The fundamental outcome of a modern universal service framework should be that all Australians have access to reliable fixed connectivity at consistent and affordable prices. Consistent national pricing of USO telephone services (same price for the same service no matter where you live) should continue, with prices constituting a reasonably share of wallet for most customers.

²² Optus submission to the Government discussion paper on *Better delivery of universal services* - https://www.infrastructure.gov.au/sites/default/files/documents/bdus2024-optus.pdf

²³ Telstra submission to the Government discussion paper on *Better delivery of universal services* - https://www.infrastructure.gov.au/sites/default/files/documents/bdus2024-telstra.pdf



...

Government also has a role to play in supporting customers that otherwise cannot afford to stay connected.

TPG²⁴:

TPG Telecom believes this is an ideal time to modernise the USO. This submission does not revisit matters thoroughly examined in previous inquiries. Rather, this submission puts forward five recommendations to reform and modernise the USO. These recommendations will support a more level playing field and sustainable telecommunications sector, reflecting technological advances and changing consumer preferences along with the opportunities presented by the completion of the NBN rollout.

...

In modernising the USO, the Department must take up the opportunity afforded by the completion of the NBN rollout and the establishment of the SIP regime. The SIP regime removes the need for the USO, as voice services must be available if the SIP operates a fixed line or fixed wireless network.

...

With regard to the SIP regime, any residual concerns regarding consumer safeguards can be dealt with by imposing obligations on NBN Co, as the default SIP for all of Australia. Transferring obligations to the wholesale level through NBN would consequently maximise competition at the retail level (through retailers using NBN), which would in turn drive affordability and choice for consumers.

Communications Alliance²⁵:

Key points from the Communications Alliance (CA) submission are:

- Industry supports target outcomes of technology neutrality, cost effectiveness, reliable service, clear eligibility criteria and being available in non-commercial locations
- The existing Statutory Infrastructure Provider (SIP) obligations, network capability and competitive supply of retail voice services suggest a universal voice service obligation may not be required within the NBN fixed line and fixed wireless footprints.
- To the extent that there is an ongoing need for safety net voice service obligations in the modern telecommunications environment, CA expects these will be focussed on areas where reliable voice services cannot be accessed via SIP obligations.
- The delivery of the existing voice services components of the Universal Service Guarantee (USG) via copper twisted pairs is based on outdated technology.
- CA supports the Government undertaking trials of emerging technologies to determine whether these technologies can now be relied upon to provide voice services. Learnings from these trials and anticipated advances in service availability could see new options for the delivery of services that meet universal service policy objectives emerge in a relatively short-term timeframe

²⁴ TPG submission to the Government discussion paper on *Better delivery of universal services* - https://www.infrastructure.gov.au/sites/default/files/documents/bdus2024-tpg-telecom.pdf

²⁵ Communications Alliance submission to the Government discussion paper on *Better delivery of universal services* - https://www.infrastructure.gov.au/sites/default/files/documents/bdus2024-comms-alliance.pdf





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