

14 May 2024

Department of Infrastructure, Transport, Regional Development, Communications and the Arts (**Department**)

By email: usb@infrastructure.gov.au

Funding of universal telecommunications services (RBS Review)

Superloop (**'Superloop'**, **'We'**) welcomes the opportunity to provide a submission in response to the Department's April 2024 Funding of universal telecommunications services (**RBS Review**) discussion paper.

Noting the broad range of issues raised in the discussion paper, Superloop would like to respond to the following Regional Broadband Scheme (**RBS**) key discussion points.

Substitutability (charge base)

Question 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

Superloop supports the inclusion of 5G home broadband operators as contributors to the RBS. The Bureau of Communication, Arts and Regional Research 2016 paper on NBN non-commercial services funding options noted 'NBN equivalent' services to be the most appropriate charge base for the levy.

With 5G home broadband now a legitimate NBN equivalent/substitute broadband service, we recommend the addition of 5G home broadband operators as contributors of the RBS. The addition of 5G home broadband operators mitigates the current inequity in funding incurred by superfast broadband service providers, particularly for smaller operators.

Exemptions

Question 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?

We recommend, as noted in the discussion paper, the exemption be increased from the current 2,000 chargeable premises to 12,000 chargeable premises. This in turn will:

- Support small operators to be more competitive;
- Create more simplicity and clarity for these smaller operators; and
- Simplify and align regulatory administration of both the RBS and functional separation.

Any shortfall in funding as a result of this change will be absorbed through the inclusion of funding by 5G broadband operators (refer above).

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?

We recommend that the Department permanently entrench the 25,000 premises concession after 30 June 2025.

Maintaining the 25,000 premises concession permanently will promote competition by supporting operators to maintain a reasonable revenue base to support the high fixed costs of running a wholesale network. The RBS would then only apply to incremental services/revenue above this level.

Charge base unit

Whilst not specifically addressed in the discussion paper, the Department should consider revising down the per premises RBS base component. This revision would be supported by:

- Inclusion of 5G home broadband operators: By incorporating 5G home broadband operators as contributors to the RBS, an increased number of chargeable premises will be included in the RBS funding; and
- Increased competition: This will create a more competitive landscape for smaller operators by allowing them to utilise these extra funds on investment, innovation and/or passing on savings to consumers through more competitive pricing.

We welcome further feedback or comments from the Department.

Yours sincerely



Head of Compliance, Risk and Regulatory