



21 June 2024

Department of Infrastructure,  
Transport, Regional Development,  
Communications and the Arts

*Re: Funding of telecommunications services – Discussion paper*

## **About Waveconn**

Waveconn is a wireless infrastructure provider, owning and operating roughly 1,400 tower and rooftop sites nationwide. As one of three major mobile network infrastructure providers (MNIPs), we deploy and manage digital infrastructure for national mobile network operators (MNOs), government radio networks (GRNs), and wireless internet service providers (WISPs).

Established in 2022 following OMERS' acquisitions of TPG's tower portfolio and Stilmark Holdings, Waveconn operates independently, without any direct or indirect MNO ownership. While our infrastructure is primarily in metro areas, we are actively expanding into regional and remote Australia.

## **Executive summary**

Waveconn is at the forefront of infrastructure and network sharing in Australia. Our approach focuses on efficient deployment and shared usage of telecommunications infrastructure, which is key to delivering reliable digital connectivity to Australian consumers. We advocate for well-designed government policies and targeted funding to ensure consumer choice in accessing cost-effective digital services.

Our submission emphasises the need for policy interventions that facilitate competition, foster innovation, and support technologies meeting all Australians' needs. We propose recommendations for the Regional Broadband Scheme, Telecommunications Industry Levy, regional connectivity programs, and long-term funding mechanisms to enhance competition, reduce costs, and improve nationwide connectivity.

## **Regional Broadband Scheme (RBS)**

The RBS charge base should be reduced, reflecting the write-off of legacy costs and decreased service costs due to new, commercial technologies including low earth orbit (LEO) satellites.

The charge base unit should be re-evaluated using technology-agnostic global best practices, rather than relying solely on NBN's costs. This approach will discourage non-commercial behaviour and promote efficiency.

We strongly advocate against extending the RBS to wireless services. Such an extension would increase consumer costs, particularly affecting lower-cost broadband options and disadvantaged communities. MNOs already face significant financial pressures and low returns on invested capital, making it impossible to absorb the RBS levy without passing costs to consumers.

To maintain flexibility, the RBS should account for the growing number of commercially viable, non-subsidised competing products. This would result in a decreasing RBS funding pool as subsidised services reduce, ensuring the scheme remains responsive to market changes.

### **Telecommunications Industry Levy (TIL)**

Current TIL mechanisms don't align with the MNIP infrastructure sharing model. We recommend:

- Clarifying the definition of eligible revenue to include only carriage service revenue
- Excluding revenue unrelated to carriage services from contribution calculations

This revision will foster a more equitable and sustainable TIL assessment, encouraging shared infrastructure growth and ultimately reducing digital connectivity costs for consumers. The current broad definition of eligible revenue creates a substantial economic deterrent for MNIPs to extend their shared infrastructure model beyond passive wireless infrastructure. By refining the definition to focus solely on carriage service revenue, unintended barriers to infrastructure sharing would be removed. This change would encourage MNIPs to expand into areas such as optical fibre or active equipment sharing, promoting efficiency and enhancing the commercial viability of new network deployments and upgrades.

### **Regional Connectivity Grant Programs**

While these programs aim to promote coverage and competition, historically, coverage has been prioritised at the expense of competition. We recommend:

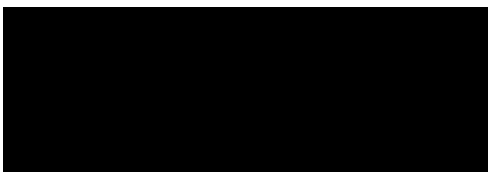
- Prioritising sharable technology and infrastructure
- Funding contiguous expansion from existing networks of multiple MNOs
- Increasing focus on peri-urban programs to support competition and network expansion

This approach will stimulate competition, improve services, and enhance digital connectivity for regional Australians. By focusing on areas where multiple MNOs can provide contiguous coverage with their existing networks, services can be expanded and improved while facilitating consumer choice. This strategy represents a shift from the traditional Mobile Black Spots Program approach, aiming to balance coverage expansion with increased competition.

These recommendations aim to enhance competition, reduce consumer costs, and improve connectivity across Australia. They reflect the evolving telecommunications landscape and the need for policies that support efficient, shared infrastructure models.

We appreciate your consideration of our submission and welcome further discussion.

Yours sincerely,



Grant Stevenson  
Chief Executive Officer  
Waveconn