22/05/2026

Universal Services Branch, Communications and Markets Division
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (Department)
GPO Box 594
Canberra, ACT 2601

To Whom it May Concern,

Vocus Submission - *Telecommunications Universal Service Obligation (Standard Telephone Service—Requirements and Circumstances) Determination 2023*

Vocus welcomes the opportunity to provide feedback on the Department's consultation on the proposed extension of the *Telecommunications Universal Service Obligation (Standard Telephone Service – Requirements and Circumstances) Determination 2023* (the Determination).

Vocus supports the Department's proposal to extend the Determination for a further three years with minor amendments to improve consumer information. However, we urge the Department not to assess the extension of the Determination and Standard Telephone Service (STS) requirements in isolation.

With the *Telecommunications Legislation Amendment (Universal Outdoor Mobile Obligation) Bill 2025* (UOMO Bill) before Parliament, it is critical to review the broader universal services framework and associated public funding settings. Vocus submits that these arrangements need urgent reform to ensure public funding enables national policy objectives.

The current universal service framework

The first layer of the universal services framework is the Universal Service Obligation (USO). Telstra, as the designated provider, receives approximately $270 million per annum (excluding GST) through the Telecommunications Industry Levy (TIL) and taxpayer contributions to deliver baseline access to Standard Telephone Services (STS) and payphones.[1]

The second layer is delivered through the Statutory Infrastructure Provider (SIP) regime. The SIP framework, supported by the Regional Broadband Scheme (RBS), designates NBN Co as the default provider for most premises and requires the supply of baseline wholesale broadband services nationwide.

Misalignment between national ambition and funding: A system at a crossroads

While NBN Co has played a critical role in addressing the digital divide, current funding settings continue to direct public investment toward legacy service models, rather than more effective modern alternatives. Australia is at a pivotal point in the evolution of its digital infrastructure, with legacy funding settings increasingly at a crossroads with the Government's policy ambitions.

The Government has articulated an ambitious vision to deliver equitable access to essential communications services through the Universal Outdoor Mobile Obligation (UOMO). This represents an opportunity to establish an enduring legacy for the universal service framework – one that moves beyond outdated technology and realigns public investment with the capabilities of modern networks and emerging technologies.

[1] Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts, '*Telecommunications (Overall Levy Target Amount) Statement 2025* (29 October 2025) <https://www.acma.gov.au/sites/default/files/2025-10/telecommunications_overall_levy_target_amount_statement_2025_and_explanatory_note.pdf>.

However, achieving this vision requires a fundamental reset of public investment settings. The Senate Environment and Communications Legislation Committee's recent report on the UOMO Bill acknowledged 'broad support from stakeholders for the modernisation of the universal service obligations by using a technology neutral approach to better reflect the evolving needs of rural Australia and the development of new telecommunications technologies.'[2]

Similarly, the 2024 Regional Telecommunications Independent Review Committee (RTIRC) Report recommended 'that rigorous evaluations of the Australian Government's current rounds of telecommunications investment programs be conducted to ensure public investment is well targeted and delivered effectively.'[3]

Against this backdrop, there is a clear need to modernise existing funding arrangements and ensure investment is directed toward the most efficient delivery of infrastructure required to support next-generation technologies. Without reform, existing funding structures will entrench legacy technologies and constrain the efficient investment and deployment of the digital infrastructure needed to connect more Australians with modern technologies.

Reform is urgent to deliver on the Universal Outdoor Mobile Obligation

The current use of the USO is outdated and increasingly misaligned with national ambition to deliver the UOMO to provide better coverage for Australians nationwide. The delivery of the UOMO at scale depends as much on the ground segment and terrestrial fibre as it does on satellites and spectrum. Unlocking more satellite ground stations, and connecting them with secure, high-capacity terrestrial fibre and backhaul into mobile core networks, is critical to expanding coverage quickly, efficiently and resiliently. Therefore, it is essential to consider reforming the USO to enable ground infrastructure and terrestrial fibre funding in regional areas.

Notably, funds should extend beyond Mobile Network Operators and address the entire 'network stack' to ensure that the benefits under the UOMO Bill are fully realised. Failure to consider terrestrial fibre and backhaul may result in inefficient allocations of resources. A shared model will also reduce duplicative capital spend across providers, thus avoiding multiple near-identical ground builds and parallel fibre routes to serve the same geography.

While the UOMO Bill contemplates the use of funds from the Public Interest Telco Services Special Account, delivery of the UOMO will require greater funding clarity and a fundamental reset of existing arrangements. Critically, the emergence of new technologies does not remove the need for underlying infrastructure - LEO satellite services, for example, remain dependent on terrestrial networks including ground stations connected to fibre networks. High-capacity, scalable networks will therefore continue to underpin any universal service objective.

The next generation of digital infrastructure to deliver UOMO should be subsidised via transparent and targeted budget measures rather than direct equity injections, industry levies or internal cross subsidies.

While Vocus supports the extension of the Determination, it should not be viewed as a substitute for broader reform. The current consultation presents an opportunity for Government to consider how the universal service framework - and the way it is funded - can be modernised to reflect the realities of today's telecommunications environment. Without reform, there is a risk that Australia's public investment will continue to lag behind technological developments and national policy ambitions.

Vocus appreciates the Department's efforts in conducting this consultation and looks forward to continued engagement on modernising the universal services framework.

Yours sincerely

Hema Berggren
Regulatory Affairs Manager

[2] Senate Environment and Communications Legislation Committee, '*Telecommunications Legislation Amendment (Universal Outdoor Mobile Obligation) Bill 2025*' (14 May 2026), para 2.5.
[3] Australian Government, '*2024 Regional Telecommunications Review*' (December 2024) <https://www.infrastructure.gov.au/sites/default/files/documents/2024-regional-telecommunications-review.pdf>.