



Amplitel's submission in response to the National RRAMP Consultation Paper released March 2025

30 May 2025

1. Introduction

- 1.1 This submission is made by Amplitel Pty Ltd (**Amplitel**) in response to the National Regional Roads Australia Mobile Program (**RRAMP**) Consultation Paper released by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) in March 2025 (**Consultation Paper**).
- 1.2 In this Submission, we make preliminary comments about government co-funding programs and the role of the Commonwealth and respond to the questions relevant to Amplitel raised in the Consultation Paper.
- 1.3 This submission contains information that is commercially sensitive and confidential. Confidential information is marked between the [c-i-c] notations and is shaded in grey and Amplitel requests that it is not published as disclosure of such information would be adverse to Amplitel's business interests.

2. Executive Summary

Amplitel submits that:

- 2.1 The RRAMP should be technology neutral and not dictate or inherently favour any particular technology solution. Rather, program participants should be given the opportunity to explore the best possible solution for a particular location, taking into account all relevant technical, economic and site factors as well as the desired program outcomes;
- 2.2 To ensure optimal investment and participation decisions by prospective participants, any RRAMP funding model must reflect a "full life of solution cost" irrespective of the solution or infrastructure ownership model. The funding framework and assessment model must be capable of assessing the total cost of solution delivery adopting a pure economic view of the total cost over time and should not favour capital expenditure over operating expenditure;
- 2.3 The outcomes of the program be clearly prioritised in the program guidelines and be reflected in the funding model and bid assessment and program scoring and
- 2.4 Program participants should have a positive obligation to assess the presence of existing infrastructure, and not just coverage, as part of bid considerations and this should be reflected in bid assessment and program scoring.

3. About Amplitel

- 3.1 Amplitel was established on 1 September 2021 following the transfer of the towers business of Telstra Corporation Ltd to Amplitel and sale of a 49% interest in that business to a consortium of investors. This consortium includes the Future Fund, Australian Retirement Trust, Commonwealth Superannuation

Corporation and Morrison & Co Infrastructure Partners. The Telstra group continues to hold 51% of Amplitel.

3.2 Amplitel is a mobile network infrastructure provider (**MNIP**) and provides most of the passive infrastructure assets at a communications site required to establish and operate a telecommunications tower. These include land, security fencing, access tracks, the tower and connection to the power network (where available). The active assets (those that require power to operate or can transmit data) are provided and operated by Amplitel's customers. In addition, some passive assets (such as equipment huts) which are unique to a customer's equipment will be provided by the customer.

3.3 Amplitel is the largest provider of towers infrastructure across Australia. We operate over 8,000 towers, masts, poles, and other structures¹. Amplitel also has access to Telstra's equipment building rooftops and street side poles. Amplitel is not a mobile network operator (**MNO**) nor a carrier and we do not supply carriage services. Our customers include MNOs, public emergency network and private radio and wireless network operators, major corporations, government and not-for-profits.

4. **Co-location on mobile infrastructure**

4.1 Amplitel is committed to maximising utilisation of its existing and future network infrastructure assets, in line with its mission to be Australia's leading provider of towers infrastructure, to support customers to deliver wireless communications. This means that Amplitel, where possible, builds new towers to support more than one customer and explores co-location options with its customers on new and existing towers. We are investing in innovative technology to support efficiencies in the delivery of our infrastructure including digital twin technology to support infrastructure management, a customer portal which streamlines customer access to our assets and advancement of the use of AI systems to detect and predict corrosion and asset maintenance requirements.

4.2 Co-location through passive mobile infrastructure sharing can offer a number of benefits to MNIPs, MNOs and the public and as a result, it is critical that government policy encourage co-location. The benefits of mobile infrastructure co-location include a more efficient use of land and increased access to favourable locations, economic efficiencies which enable further investment in the sector; minimisation of visual impact and increased choice for end users, with the corresponding benefits that increased competition brings.

4.3 Over recent years, the Australian telecommunications industry has undergone structural changes under which carriers have divested mobile infrastructure businesses. This includes the creation of Amplitel, as described above and other MNIPs such as Indara² and Waveconn³. MNIPs are run as separate businesses to the carriers, with core businesses of building and providing access to towers through co-locations. The pursuit by MNIPs of profitable tenancy growth and co-location as a way of increasing asset utilisation and generating returns for investors has resulted in a competitive mobile infrastructure access market. We have observed effective competitive forces for both new infrastructure builds and co-locations.

5. **Government continues to play a key role in funding infrastructure**

5.1 The decision to develop a new tower site ultimately comes down to an assessment of the relevant business case. For example, where there is a new tower request by a customer, Amplitel considers whether the customer is willing to pay a charge that will recover Amplitel's costs plus a reasonable return having regard to the risks. Amplitel's costs will include the cost of ground lease, the build costs and the forecast operational expenditure.

¹ Amplitel's tower locations are available at <https://www.amplitel.com.au/tower-locations>

² [About Indara | Australian Tower Network | Axicom | Our Digital Future](#)

³ [Waveconn – an independent Australian digital infrastructure leader](#)

5.2 Importantly, the construction of telecommunications towers in regional Australia and along roads and highways is often not commercially viable. The costs of building networks are high and direct returns are generally low in such areas. This can make the commercial case for extending terrestrial networks in sparsely populated very difficult make absent some form of government funding support and we welcome the Commonwealth's proposed RRAMP. We note that the Commonwealth recognises these challenges as set on page 6 of the Consultation Paper.

6. **Amplitel's response to questions set out in the Consultation Paper**

7. **Section 3: Design features of the National RRAMP**

THRESHOLD QUESTIONS:

- ? What is the need for terrestrial mobile coverage on regional and remote highways and major roads in the medium- and long-term?
- ? To what extent will Low-Earth-Orbit Satellites (LEOSats) and direct-to-device (D2D) technology meet this need over the medium- and long-term?
- ? To what extent will coverage at locations proposed under the National RRAMP support existing customers, or attract new customers, for MNOs?
- ? Is there merit in the National RRAMP also funding Wi-Fi hotspots at strategic locations along highways and major roads (as per Recommendation 2 of the *2024 Regional Telecommunications Review Report*)?
- ? How can the Government best preference and prioritise active sharing through the design of the National RRAMP?

7.1 Highways and other regional roads play a critical and ongoing role in connecting and supporting residents, businesses and communities across the nation. We recognise that while many highways and roads have terrestrial mobile coverage, there are many others which do not and areas where scope for improved coverage exists. Due to the uncommercial nature of terrestrial mobile investment in sparsely populated regional and rural areas (including highways and roads), we support a government program to consider opportunities for improving terrestrial mobile coverage in these locations

7.2 Amplitel's MNO customers are best placed to assess coverage requirements, site specific technology solutions and end user customer take up at the locations proposed under the RRAMP. Our priority is to support our customers' network deployment needs as identified by them, driving an economically efficient outcome.

7.3 Amplitel acknowledges the Commonwealth's Universal Outdoor Mobile Obligation announcement. Low Earth Orbit Satellites (**LEOSats**) Direct to Device (**D2D**) services are complementary to terrestrial mobile services and we believe that any technology that can support widespread availability of text and voice services across the nation is a positive outcome. D2D will play an important role for customers in remote areas and based on public announcements, we expect consumers of all MNOs to start benefiting from these services within the next 12-24 months.

7.4 The Commonwealth will need to clearly define the public benefit objectives of the RRAMP before assessing whether D2D will meet the required outcomes. Amplitel anticipates that D2D will meet basic communication requirements and will reduce the need to invest in terrestrial mobile coverage in sparsely populated areas. However, should higher capacity or lower latency communication outcomes be required, then it is unlikely that D2D meet these requirements.

7.5 Amplitel expects that consumer needs on regional and remote highways are unlikely to extend to high capacity or low latency use cases. Therefore, needs could potentially be met by LEOSats. However, if the Commonwealth determines that higher quality services are required, these are not likely to be economically viable for MNOs to provide. Amplitel also expects that due to the relative remoteness of locations and the transient nature of travellers on these routes, additional coverage will be not economic for MNOs without the support of government funding.

- 7.6 In the last threshold question above “*How can the Government best preference and prioritise active sharing through the design of the National RRAMP?*”, the Commonwealth appears to be preferring active sharing solutions under the program.
- 7.7 We agree with the recommendation⁴ of the 2024 Regional Telecommunications Independent Review Committee (**RTIRC**) and are strongly of the view that government co-funding programs must be subject to rigorous evaluations to ensure public investment is well targeted and delivered effectively. In our view, this means that programs must be flexible and remain fit for purpose and importantly, that government funding initiatives should be technology neutral and not dictate or inherently favour any particular technology solution. Rather, program participants should be given the opportunity to explore the best possible solution for the needs of a particular community or location, taking into account all relevant technical, economic and site factors as well as the desired program outcomes, whether that be coverage, competition, capacity, resilience or a combination of these factors.
- 7.8 Rather than prescribing specific technical requirements or solutions, the RRAMP should focus on the desired outcomes for end users and allow industry, through the bid response process, to help government identify the most viable and cost-effective solution to meet the desired program outcomes with appropriate fit-for-purpose solutions. This approach fosters innovation through healthy competition and ensures that solutions are tailored to the unique challenges of each location and not pre-empted or constrained by program guidelines and funding frameworks.
- 7.9 It is for this reason that it is critical that the Commonwealth carefully considers its preferred outcomes of the RRAMP and be aware that multiple program objectives may challenge the reaching the ultimate outcome of the program. For example, prioritising multi carrier outcomes may come at the cost of increased mobile coverage or enhancing safety, due to MNOs having different existing coverage and as a result, having different network deployment approaches to providing coverage in the target areas.
- 7.10 We recommend that the outcomes of the program be clearly prioritised in the program guidelines and be reflected in the funding model and bid assessment and scoring.
- 7.11 We also recognise that competition, return on investment and opportunity cost decisions are made by MNOs as part of program participation decision-making.

New base stations or upgrades

The Government is considering funding upgrades to mobile coverage infrastructure, including radio equipment, installation costs, strengthening towers, increasing power capacity, or integration projects associated with active sharing.

? Would these upgrades provide sufficient incentive for national MNOs to share existing infrastructure?

? What other kinds activities, infrastructure and costs support active sharing, and may be considered for funding?

? Should proposals for new infrastructure providing services from Optus and TPG, that leverage Optus and TPG’s MOCN deal, be considered eligible?

? Are there market or technical issues that may impact the construction of new mobile coverage infrastructure, or infrastructure upgrades, on highways and major roads in regional and remote areas? If so, what are the impacts?

- 7.12 Amplitel supports the inclusion of infrastructure upgrade costs under the program and believes that the utilisation of existing infrastructure is a key factor to ensure public investment is well targeted and delivered effectively and efficiently. Coverage of these costs will form an important element of MNO

⁴ [2024 Regional Telecommunications Review](#) Recommendation 8 Modernising government programs

decision making to participate in the program and should extend to the upgrade of any infrastructure that would support the desired program outcomes.

- 7.13 In terms of utilisation of existing infrastructure, in previous programs we have seen examples of some parties choosing to overbuild existing tower infrastructure as that party has been awarded funds mandated to be spent on deploying new infrastructure. This is not an economically efficient outcome for government and may result in government and the private sector investing twice in infrastructure in the same location. To realise efficiencies, both operational expenditure and capital expenditure should be covered under the RRAMP equitably across both MNO and MNIP infrastructure. Further comment on the funding framework is below in paragraphs 7.30 to 7.32.
- 7.14 In addition, program participants should have a positive obligation to assess the presence of existing infrastructure, and not just coverage as part of bid considerations and this should be reflected in the program scoring. This is another mechanism to avoid infrastructure overbuild and encourage the best value for money through government funding.
- 7.15 As multi carrier coverage is a focus of the program, **new** coverage locations under the Optus TPG MOCN deal should be included under the program subject to the same assessment criteria as any other solution.
- 7.16 We also encourage the Commonwealth to not prescribe specific backhaul technologies, enabling MNOs to determine the appropriate technical solution to support any site specific requirements that are eligible for program funding.

Multi Carrier Coverage

? How can the Government best facilitate cooperation between national MNOs during the application stage to ensure multi-carrier outcomes are proposed and delivered?
? What alternatives are there for applicants to demonstrate, to Government, that multi-carrier outcomes will be delivered (as an alternative to sharing commercial agreements)? Any alternative would need to be robust and demonstrate intent.
? Are there other market or technical issues that may impact the delivery of multi-carrier outcomes?

- 7.17 The sequencing and timing of the RRAMP can help to support efficient investment outcomes through multi-carrier participation. The Peri-Urban Mobile Program Round 2 and Mobile Black Spot Round 8 are good examples of programs with staged processes which allowed carriers to express interest in co-location on sites to be developed by another party early in the development process, while protecting commercially sensitive information.
- 7.18 We recommend that the design of the RRAMP include staged processes to allow carriers to express early interest in co-location on sites to be developed by another party, while protecting the right of parties nominating sites locations to lead them.
- 7.19 We also recommend ongoing:
- co-ordination between governments (Commonwealth, State, and potentially local) to ensure preferred sites are identified for best community outcomes and that programs are timed in a way that avoids unnecessary overlap in terms of bid deadlines and conflicting requirements; and
 - Government should provide industry with early warning of anticipated future programs and reasonable windows for responding to tenders. This will assist with providing internal resourcing to respond to tenders, particularly where multi-carrier outcomes are preferred which can require extended negotiations. This also fosters a greater capacity to leverage co-contributions from a range

of relevant stakeholders (both public and private). A long-term planning framework would assist with this recommendation.

- 7.20 We support the inclusion of MNIPs in the program as an MNIP such as Amplitel is well placed to facilitate co-operation between the MNOs and address concerns regarding the sharing of competitive information.
- 7.21 By way of our process, once a co-funding program opens, we commence discussions with our MNO customers. Program participation is driven by MNO assessment of identified sites and we work with our customers to identify opportunities to utilise our existing infrastructure in eligible areas and identify locations for new sites aligned with program objectives.
- 7.22 The barriers to co-location on Amplitel's towers are low and we have existing commercial arrangements in place with the MNOs to facilitate co-location. [REDACTED] In terms of confirmation of MNO co-location at a site under the program without the need to share commercial agreements, we recommend written confirmation by participants of the relevant agreement.
- 7.23 In terms of program participation more generally, we refer to ATO Ruling [TR 2006/3 | Legal database](#) that could have an impact on the effectiveness of government funding in enabling the deployment of new infrastructure, which may in turn impact on program participation and decisions regarding specific sites. The Ruling:
- 1) applies to recipients of government payments, which include payments to fund the building or construction of depreciating assets; and
 - 2) states that "a Government Payment to Industry (GPI) that assists a business to carry on its activities and is ... a bounty or a subsidy; capital in nature; and received in relation to carrying on a business, is assessable under section 15-10 in the income year in which it is received".
- 7.24 The ruling includes a number of examples, including the example of the construction of a renewable energy plant. While not exact, the example contains a similar fact pattern to funding under mobile co-funding programs, and the example stipulates that GPI is assessable in the year it is received.
- 7.25 The treatment of grant payments is also recognised in previous co-funding program guidelines. For example, under MBSP8, the guidelines states that "*Grants are assessable income for taxation purposes, unless exempted by a taxation law. The department recommends that Grantees seek independent professional advice on their taxation obligations or seek assistance from the Australian Taxation Office. The department does not provide advice on an applicant's particular taxation circumstances.*"
- 7.26 Depending on each potential participant's specific position, payments made under the mobile co-funding programs could fall under this ATO Ruling and if that is the case, will therefore amount to assessable income in the year the funding is received.
- 7.27 In terms of other barriers to MNO participation, we recognise the capital expenditure constrained environment in the industry at present and that as referred to above in paragraph 7.11 above, competition, return on investment and opportunity cost decisions are made by MNOs as part of program participation decision-making.

Eligible Roads and Strategic Locations

- ? The National RRAMP aims to provide multi-carrier mobile coverage where currently there is no coverage, or coverage from only one provider. With this in mind:
- are there any particular roads the Government should consider for eligibility;
 - are there any roads that are not considered viable for investment?

? Should applicants be permitted to propose solutions on roads that are not on the list of eligible roads, provided a good case can be made (for example, using published data from the National Audit of Mobile Coverage)?

? In addition to the types of locations listed above, are there any other Strategic Locations which could be considered?

? Are there any other indicators which can be used to identify a Strategic Location, noting the policy intent of the National RRAMP (for example, distance from a population centre, tourism data, or correspondence from local residents / institutions)?

7.28 Amplitel's MNO customers are best placed to assess coverage requirements, site specific technology solutions and end user customer take up at the locations proposed under the RRAMP, particularly with respect to interactions with their existing coverage. Our priority is to support our customers' needs as identified by them, driving an economically efficient outcome.

7.29 Program guidelines with clear outcome focused objectives that enable flexibility under the program with industry led solutions will lead to the best case delivery of program objectives.

Grant Funding

? We are interested in your thoughts on the potential funding models:

- To what extent will they incentivise multi-carrier solutions?
- To what extent will they deliver the policy intent of the National RRAMP?
- Are there any further costs which should be eligible for funding?
- Would a grant of 50% of eligible operational expenses for five years incentivise national MNOs to allow other national MNOs onto their infrastructure?
- Does the market incentivise use of MNIP's infrastructure?

? Are there any risks or potential unintended outcomes associated with the proposed grant funding structures?

7.30 We do not believe that funding models that prefer any one type of solution or infrastructure over another will achieve the best and most efficient use of public funds and optimum industry participation in the program. As set out in paragraphs 7.7 and 7.8 above, the RRAMP should be technology neutral and not dictate nor inherently favour any particular technology solution. A technology neutral approach fosters innovation through healthy competition and ensures that solutions are tailored to the unique challenges of each location and should therefore not pre-empted or potentially constrained by the funding framework.

7.31 Importantly, to ensure optimal investment and participation decisions by prospective participants, any funding model must reflect a "full life of solution cost" irrespective of the solution or infrastructure ownership model. The funding framework and assessment model must be capable of assessing the total cost of solution delivery adopting a pure economic view of the total cost over time and should not favour capital expenditure over operating expenditure. MNIPs provide access to high-cost infrastructure through an opex model. Ensuring the cost-benefit analysis of each potential option does not either favour or disadvantage solutions which involve MNIPs will be essential to deliver the optimal program outcome.

- 7.32 Any model that prefers funding of capital expenditure over operational expenditure risks the overbuild of existing infrastructure, as operational cost coverage is typically a larger portion of an MNO's cost when accessing existing infrastructure owned by another party. We refer to paragraphs 7.13 and 7.14 regarding the need to avoid infrastructure overbuild. To realise efficiencies, both operational expenditure and capital expenditure should be covered under the RRAMP equitably across both MNO and MNIP infrastructure.
- 7.33 Further to our comments in paragraphs 7.9 and 7.10 on program outcomes, identified prioritised program outcomes should be reflected in the funding model and bid assessment and scoring.

Operating Requirements

- ? What should the minimum resilience requirements be for mobile infrastructure under the RRAMP?**
- ? Are there additional operating requirements that should be considered?**

- 7.34 Amplitel agrees that minimum resilience and operating requirements should be defined under the program guidelines. MNOs are best placed to make recommendations on the balance between effective requirements to meet community needs while efficiently utilising government funding.