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Submission Regarding the Telecommunications (Consumer Protection and Service Standards) (Non- Participating Persons) Determination 2025

5 September 2025

About Waveconn

Waveconn is an Australian developer, owner, and neutral host operator of digital infrastructure, and one of the three major mobile network infrastructure providers (MNIPs) in the country. Established in 2022 following the Ontario Municipal Employees' Retirement System's (OMERS) acquisitions of TPG's tower and rooftop portfolio and Stilmark Holdings Pty Ltd (Stilmark), Waveconn owns approximately 1,400 tower and rooftop sites nationwide, with additional sites under active development.

As an MNIP, Waveconn's core business involves deploying and managing digital infrastructure for a diverse range of clients, including all three national mobile network operators (MNOs), Government radio networks (GRNs), and wireless internet service providers (WISPs).

While our existing infrastructure is predominantly located in metropolitan areas, we are actively supporting our customers' plans to expand coverage in regional and remote parts of Australia. We are also focused on delivering wireless infrastructure to new residential developments, ensuring digital connectivity keeps pace with demand.

Waveconn operates independently, with no direct or in MNO ownership or funding. This autonomy allows us to provide access to all our customers without any incentives aligning us to a specific MNO.

1. Executive Summary

Waveconn supports the continuation of a minimum eligible revenue threshold of \$25 million for a person to be considered a "participating person" for an eligible revenue period. The continuation of the minimum eligible threshold, as outlined in the Telecommunications (Consumer Protection and Service Standards) (Non-Participating Persons) Determination 2025, is a positive step toward ensuring that the Annual Carrier Licence Charge (ACLC) and the Telecommunications Industry Levy (TIL) is applied in an equitable and sustainable manner, while encouraging the participation of new market entrants in the telecommunications sector, driving innovation and competition.

However, the broader regulatory framework governing the ACLC and TIL assessment (Telecommunications (Eligible Revenue) Determination 2015) has not kept pace with recent and significant structural change that has occurred in the Australian telecommunications sector. We contend that the proposed Telecommunications (Eligible Revenue) Determination 2025, in its current form, does not adequately account for the recent and significant structural transformation that has occurred in the Australian telecommunications sector, specifically the divestment of passive mobile network infrastructure by Mobile Network Operators (MNOs) to Mobile Network Infrastructure Providers (MNIPs).

The existing and proposed definitions of 'eligible revenue' and 'eligible deductions' under the proposed Telecommunications (Eligible Revenue) Determination 2025 require all revenue generated from leases and licences by an MNIP that holds a carrier licence to be included as eligible revenue for the purpose of the Annual Carrier Licence Charge (ACLC) and the Telecommunications Industry Levy (TIL). This approach does not differentiate between revenue from active telecommunications services and revenue from site tenancy licensing to tower users.

While an MNIP does not require a carrier licence to operate its core business, a licence is necessary for an MNIP to expand its business model to include active mobile network equipment and mobile backhaul. Through grant programs such as Peri Urban Mobile Program (PUMP), Remote Roads Australia Mobile Program (RRAMP) and Mobile Black Spots Program (MBSP), this expansion is actively encouraged by the Commonwealth and State Governments to expedite infrastructure deployment, minimise costs, expand network coverage, and enhance consumer choice. The current framework creates a material disincentive for MNIPs to pursue this strategic alignment with government objectives, as it would subject their existing lease and licence revenues to the ACLC and TIL.

2. The \$25 Million Eligible Threshold

We welcome the determination that a person with an initial sales revenue, gross telecommunications sales revenue, or eligible revenue of less than \$25 million will not be considered a "participating person". This threshold appropriately focuses the obligations on larger industry participants, reflecting a more balanced approach to funding telecommunications services. This policy intervention is well-designed to support competition and innovation by not unduly burdening smaller entities and new market entrants.

3. Clarification of Eligible Revenue

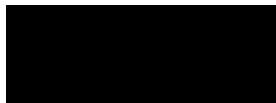
To remove the financial disincentive created by the proposed Telecommunications (Eligible Revenue) Determination 2025 and support government policy objectives, we propose a clarification of the definitions within the Determination. We recommend either of the following two options:

- a) **Eligible Revenue:** The definition of eligible revenue should be explicitly limited to revenue derived exclusively from carriage services. This would align the levy base with the costs of regulating active telecommunications services, ensuring a fair and proportional contribution from all market participants.
- b) **Deductible Revenue:** All revenue generated from the leasing and/or licensing of ground tenure or passive infrastructure site tenancy should be explicitly included in the definition of deductible revenue for the purposes of calculating the ACLC and the TIL. This approach would achieve the same outcome as option (a) by ensuring that this specific revenue stream does not contribute to the final levy assessment.

The current broad definition of 'eligible revenue' represents a substantial economic barrier for MNIPs to extend their shared infrastructure model beyond passive wireless infrastructure. The recommended changes would encourage MNIPs to invest in and expand into areas such as mobile backhaul and active equipment sharing, thereby directly contributing to the government's objectives of faster mobile infrastructure deployment, reduced costs, and improved consumer outcomes.

The \$25 million eligible revenue threshold for 'participating persons' is a valuable mechanism that promotes market entry and innovation. However, the proposed Telecommunications (Eligible Revenue) Determination 2025, in its present form, discourages a specific form of innovation from MNIPs by creating a significant financial disincentive to expand their infrastructure sharing model. Our proposed amendments are designed to rectify this unintended consequence.

Sincerely



Grant Stevenson

CEO