Momentum building for expansion of RBS levy, says Uniti Group CEO

Uniti Group said momentum was building for a government review into expanding the Regional Broadband Scheme $7 a month levy to cover wireless superfast broadband.

As one of the few direct superfast fixed broadband rivals to NBN Co, Uniti is one of only a handful of private operators currently required to fund the levy. But with election season around the corner and political pressures to invest more heavily in broadband infrastructure, there is growing sympathy to the notion of expanding the levy to potentially cover fixed wireless and perhaps even mobile services so as to simultaneously increase its revenue take while reducing or equalising its impost on fixed users.

Speaking at the company’s AGM on Friday, Uniti Group MD and CEO Mick Simmons (pictured) said “The debate emerging around the future of the RBS levy…in particular this has occurred in Parliament’s review of the regional communications or subsidies for regional communications…the debate’s now lifted to the RBS levy extending across all technologies, not just fixed networks and the momentum is building for a review.”

“That review I anticipate will provide shareholders in the future, upside in earnings if it was to progress as the debate is indicating, at this point in time,” he added.

CommsDay understands that the push to expand the reach of the RBS levy is finding a receptive audience among federal National politicians.

With Nationals deputy leader Bridget McKenzie listing regional communications as one of her portfolios, there are now effectively two senior cabinet ministers with dominion in the area. Added to this is the emergence of another Nationals cabinet minister David Littleproud as a key critic of telecom industry practice, along with Liberal backbencher Julian Leeser, who’s draft private member’s bill effectively proposes an alternative regulatory regime for the telecom industry.

The net effect is to create a wider audience for telecommunications sector lobbying of government, with even the Prime Minister involved in some discussions with the sector around regional fibre investment, as reported in CommsDay recently.

As CommsDay reported on 11 November, major telcos have used the latest Regional Telecommunications Review to critique what they see as the vast subsidy schemes supporting regional telecommunications such as the near $300m directed to Telstra’s universal service obligation to provide voice services in regional Australia and the $700m collected by the Regional Broadband Scheme to fund NBN’s regional broad-
band losses. In addition to this is hundreds of millions dollars more for projects such as the mobile blackspots program and regional telecommunications funds.

In its submission to the review, NBN Co talks of the constraints it faces from its “current funding envelope” and how its wireless platform could be used to “deliver even greater benefit with further funding and investment outside the company’s current budget constraints.”

It has also been quite open in calling for NBN fixed wireless competitors to be subject to “regulatory symmetry” despite their “technology choices.”

CommsDay sources also tell us that Uniti has been active in pushing the case for RBS expansion directly with federal politicians.

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**Uniti to bring Telstra on a reseller in April**

Uniti said it expects Telstra to resell the company’s fibre network as an RSP from April, and has brought forward the planned migration of services acquired with the purchase of Telstra’s Velocity estates and South Brisbane Exchange FTTP footprint.

As previously reported in CommsDay, Uniti purchased the fibre assets in December in a deal worth a total of $140m. The agreement included a commitment from Telstra to become an RSP across Uniti’s fibre footprint.

Uniti chair Graeme Barclay (pictured) said the company is well advanced with planning for the transition. “We expect Telstra to be connected as an RSP in April 2022. We will commence the migration of current services, the upgrade of the Velocity network to 10Gbps and marketing to unconnected premises in May 2022,” he said.

The telco had previously outlined plans to commence the migration in July, and complete the process over a period of 12 months.

Barclay added that although the company had paid more than it initially expected for OptiComm earlier in 2020 due to the bidding war with Aware Super, “I don’t believe that we would have been in a position to be successful to secure the Velocity acquisition without having secured that first step” of merging with OptiComm.

“We continue to see really good value for shareholders, even at the higher price that we paid. And I think our FY211 and FY22 results to date validate what transpired,” he said.

Barclay said Uniti has had a strong start to FY22, and remains on track to meet or exceed the full year market consensus forecast of $144.5m in EBITDA, which would represent a 54% growth over the prior year.

The ongoing trend towards adoption of higher speed tier services will have a positive impact on ARPU, Barclay predicted.

For the financial year, the company will maintain its focus on increasing market share, building more FTTP infrastructure and new customer acquisition. Meanwhile the company will “consider acquisitions of selected assets or businesses that are aligned with Uniti’s strategy of expanding and activating its national network of super-fast broadband networks,” he added.

By contrast, the company has not pursued any M&A activity during calendar 2021. But CEO Mick Simmons said the company’s main focus will remain organic growth.
“We have a wonderful business with fantastic earnings and great margins and cash flow. So other businesses operating in our sector that may appear attractive don’t necessarily have the returns that we have. We therefore saw greater returns for shareholders in organic growth,” he said.

“However, importantly, we have not ruled out asset acquisitions domestically, or acquisitions that are core to our business [and] have the exact same competencies [as] what we have today. There are some assets that are attractive [but] there’s nothing imminent.”

Dylan Bushell-Embling and Simon Dux

Axicom sues ACMA over $1.9m telco levy bill

Axicom has launched Federal Court action seeking to quash an Australian Communications and Media Authority decision that slugged it with a $1.9m telecom industry levy bill. Both Axicom and ACMA have declined to comment on the legal stoush, which comes as mobile operators move to spin out towerco businesses and business outside of traditional telcos explore bringing neutral hosting offerings to Australia.

At the heart of the dispute is what counts as telecommunications sales revenue when the regulator calculates the industry levy charge, which helps fund the Universal Service Obligation on Telstra.

Any entity holding a carrier licence during at least part of a financial year is required to report its telco revenue to the ACMA, which feeds it into the levy calculation. The levy only kicks in at a “telecommunications sales revenue” threshold of $25m, but ACMA’s threshold calculation can include related parties.

Axicom Land Pty Ltd obtained a carrier licence during FY21 that was subsequently surrendered on 28 June 2021. In October it lodged a return with the regulator that said its eligible revenue for the purposes of the levy was less than $25m and thus did not consider itself what ACMA dubs a “participating person.”

However, following an exchange of correspondence between the two parties, ACMA determined that its assessment of the eligible revenue for the purposes of the levy — which included revenue from the related entity Axicom Pty Ltd — was around $200.6m.

A court filing by Axicom said the regulator made its determination on the basis that the company’s revenue is “not earned from an activity outside the telecommunications industry...This is because, according to ACMA, the revenue of Axicom is derived from an activity in the telecommunications industry, namely operating or providing access to a facility used to supply a listed carriage service...”

Axicom has told the court that ACMA made an error of law with how it characterised its revenue. Among the errors cited by the tower company is that the regulator “failed to take account of Axicom Land’s business and the purpose for which it obtained a carrier licence” and also “failed to take account of the fact that Axicom was not a direct beneficiary of the universal telecommunications services.”

It said ACMA did not consider that “Axicom had a pre-existing history of earning revenue of the kind in question” without it being considered eligible revenue for the purposes of the levy.

Axicom also said there was “no suggestion” that it had tried to avoid payment of the
levy by shifting revenue between members of the same corporate group.

A key aspect of the case according to the company’s court filing is that ACMA made a mistake by characterising revenue obtained from “the provision of access to passive infrastructure” as revenue “from installing, maintaining, operating or providing access to a facility used to supply a listed carriage service.”

Carriers which use the Axicom towers to supply carriage services already pay the levy.

Axicom is seeking to have the court set aside the ACMA decision or declare that it was made unlawfully, as well as its legal costs.

A case management hearing has been scheduled for 8 December.

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Optus confirms tie-up with LEO provider OneWeb in ANZ

Optus has confirmed it is in “deep discussions” with OneWeb in Australia and New Zealand, suggesting the low Earth orbit constellation operator could help it grow the overall satellite market in the region.

Speaking at Avia’s Satellite Industry Forum, Optus head of satellite and space systems Nick Leake (pictured) said “LEO will complement HTS GEO and will help grow the market for the whole industry...They can assist with the lower latency mobile backhaul. [OneWeb] can obviously help Optus expand its network and its customer base outside the traditional GEO footprint.”

“Every satellite operator needs to have a multi-orbit strategy,” he added.

Optus currently operates five spacecraft including its C1 spacecraft, which hosts a sovereign defence payload, plus two NBN Sky Muster satellites.

The core satellite business has long been the delivery of linear video services for pay TV and free to air TV, both in Australia and New Zealand, plus some consumer broadband in New Zealand. In Australia it is focused on enterprise services, education and in-flight connectivity for Virgin Australia Airlines. Its footprint extends to McMurdo [Station] in Antarctica, where it provides data services to the US Weather Service.

Leake said LEOs would complement the telco’s new software-defined Optus 11 bird.

“Our growth strategy is really different, he said. “We’ve decided instead of continuing with traditional bent pipe broadcast satellites, to introduce Optus 11 into our fleet, which will...enable us not only to provide a broadcast beam and broadcast services, but also to configure that spacecraft to provide high throughput capacity to increase data services for our corporate, government and consumer customers...If my broadcast video channels reduce, I can reconfigure that spacecraft to attack the new markets.”

He said despite the plethora of streaming services in Australia the requirement for linear video services will continue for at least another decade.

In terms of the satellite mobility market for things like car, aircraft, ship connectivity LEOs won’t take over. “Particularly in say comms on the move, in emergency services, I think that GEO spacecraft can guarantee a higher service level than a LEO. I
think that over time after the ground technology improves, that they might start to get greater access to those mobility markets,” he said.

**SATELLITE TALENT SHORTFALL:** Leake said that despite “a requirement across all government departments to ensure that they’ve got satellite communications at their fingertips [and] that it’s sovereign owned and controlled” and advocacy from the Australian Space Agency, Australia faces a satellite skillset shortage. “My main challenge...is resource. It's satellite space trained people that we need to be able to operate these new systems.”

“[The ASA] was to create 20,000 new jobs in our industry and yet we haven’t got the university, the technical courses, the pathways to actually help sustain that growth that the [federal] government is looking for,” he said. “Now that’s a great position to be in and Optus is looking forward to being heavily involved in all the government programmes. We just got to think about the people skillsets and resources behind it that can help us maintain and grow our businesses in this region.”

**LEO SCALE ISSUES:** Another panellist AsiaSat CEO Roger Tong suggested the bandwidth explosion in satellites creates new reliability challenges for the satellite industry. It also points to where government subsidies could make the most difference.

“When you put 100 gigs up in space, how do you plan to provide redundancy to your customers?” he said. “It is no longer the same as a GEO satellite. So when we're looking at whether GEO or LEO can compete, I believe they should be complementary. But on the other hand the ground system is the determining factor. If you’re trying to serve an underserved region, which by definition [has] lower income, how can they afford a more expensive terminal?”

“The other thing is if you start to serve 500,000 customers in your GEO satellite, what redundancy can you provide them in case of an outage,” he said. “It is no longer the same as moving 10-30,000 dishes...moving 500,000 dishes. Look, before we can say which market it will address, I think we need to look at it in totality and be a responsible operator, not just for the fast money.” “That’s one of the reasons why we’ve been holding back and saying if we have HTS what market segment do we really want to achieve and how can we serve it well?” he said. “Not just that we have capacity to sell now. The only big difference between LEO and GEO is latency.”

Simon Dux

**Macquarie targets multinationals, hyperscalers with IC3 Super West**

Macquarie Telecom’s planned IC3 Super West datacentre campus will be designed to attract both multinationals and hyperscalers, according to CEO David Tudehope. “The [IC3 Super West] project is designed to make the campus of global scale to attract investment from multinationals looking to expand into the Asia Pacific region and appealing to both hyperscale and SaaS customers,” Tudehope said during the company’s AGM on Friday.

The expansion of the company’s Macquarie Park Data Centre Campus in Sydney to 50MW of IT load, first announced in August, is
in the planning and approval process, he said.

Meanwhile, following a strong FY21 Macquarie Government now delivers services to 42% of federal government agencies, and Macquarie Telecom is the top SD-WAN provider in Asia-Pacific, Tudehope added.

Chair Peter James added that the company expects continued EBITDA growth in FY22, but said this will be in the second half of the year due to investments in the data-centres, cloud services and government businesses.

“We see strong demand for cybersecurity in our Government and Cloud Services businesses and will be making significant investments in FY22 to realise this opportunity. Macquarie Data Centres is investing in new staffing and technology ahead of revenue from our leading corporation contract win. Billing is due to start shortly after completion in the first half of FY22,” he said.

“Telecom revenue and EBITDA will continue to be affected by COVID lockdowns, which reduce the office-based higher margin voice usage and access lines. This is partially offset by demand for new technologies including SD-WAN.”

CRITICAL INFRASTRUCTURE BILL: Tudehope said he welcomed last week’s passage of the new Critical Infrastructure Bill, but argued that the legislation should be further expanded to safeguard Australia’s data sovereignty.

He said Macquarie is “very aware” of the evolving risk environment for Australia’s digital infrastructure. “These risks are significant and underscore the importance of a comprehensive approach to securing these systems and infrastructure. Additional legislative amendments expected in the next year should ensure that boards incorporate them into their risk management frameworks,” he said. “However, I still firmly believe these reforms do not go far enough when it comes to data sovereignty. If Australia’s laws and authorities are to help secure and defend Australia’s critical data assets, that data must first be brought within the remit of this new security regime.”

Dylan Bushell-Embling

OTW plans international network play

Over the Wire managing director Michael Omeros has flagged as a strategic priority for FY22 the launch of an international network offering to its wholesale and partner ecosystem, along with the rollout of its Digital Sense cloud platform in Melbourne and Sydney.

Omeros (pictured) also said the company is “well and truly” on its way to expand active numbers on its NetSIP voice network from around 600k at the end of FY21 to more than 1m by the end of the current financial year.

“We have also been working on a white-labelled voice and cloud PBX offering for the wholesale and partner markets and we will be launching this within the coming weeks, along with a refreshed NetSIP brand,” Omeros told OTW’s AGM.

Omeros said that OTW’s completion of its carrier interconnect project was a highlight of the previous financial year.

“We see a range of opportunities to ramp up the growth of our customer base and revenues in the voice space and begin to challenge the incumbent Tier 1 providers through better solutions and better service,” he told the meeting.

He said the company remains confident of meeting its target of 15% growth in or-
ACCAN calls for establishment of digital platform users’ lobby

The Australian Communications Consumers Action Network has called for government and industry support for the establishment of an organisation that represents the interests of users of digital platforms.

ACCAN acting CEO Andrew Williams said a survey commissioned by the consumer body found that consumers of platforms such as social media companies, online service providers and messaging providers often feel hamstrung by an inability to make a complaint if they encounter a problem.

Only 27% of Australian digital platform users believe the government is doing enough to ensure digital platforms are doing the right thing, according to the survey of 1,000 digital platform users, conducted by Ipsos.

Trust in digital platforms - including social media and online services as well as messaging apps - is also low, the results suggest. Asked whether they trust digital platforms to act in their best interests, only 32% of respondents agreed, with 47% disagreeing. Meanwhile 79% believe digital platforms should be held responsible for the content on their sites.

Consumers overwhelmingly believe that digital platform providers should make it easier for people to submit a complaint (74%) and have their issues resolved (78%), with a similar proportion (79%) believing more needs to be done to protect peoples’ safety and privacy online. Yet 60% of respondents feel that there is not much they can do when something goes wrong online.

A separate survey question found that depending on the type of digital platform, between 31% and 48% of consumers are unsure who they would contact if they needed to make a complaint.

“Digital platforms are now a part of our everyday lives, from online marketplaces and job search sites to social media sites and dating apps. But the fact is that when things go wrong, making a complaint or having an issue resolved with the tech giants can feel like shouting into a void,” Williams said.

“If you experience an issue on a digital platform, you shouldn’t have to navigate through the maze of ‘providing feedback’, only to hear nothing back from the platform. Making a complaint should be a straightforward process and the digital platforms should follow up with users who have made a report to explain what actions were taken.”

Williams added that while the government’s collaboration with industry to develop codes to regulate harmful online content under the Online Safety Act 2021 is a step in the right direction, ACCAN believes that the users of the platforms need to be brought into the conversation.

“This can be best achieved by the government and digital platform industry working together to support an organisation that represents community interests on digital platform issues,” Williams said.

“Importantly, we need to consider the broad perspectives of people with disability, culturally and linguistically diverse communities, First Nations peoples, young people,
Global roaming traffic to surge
56% above pre-Covid levels by 2023

Consumer roaming traffic globally is expected to return to growth and exceed pre-Covid levels by 2023, says new research by UK-based researchers Kaleido Intelligence.

According to the researchers, the latest data from roaming vendors, operators and trends highlighted by a global consumer survey in the third quarter of 2021 now points to a rapid recovery of global roaming.

While active outbound roaming trips dropped 58% in 2020 to 310 Petabytes, the same level as 2017, Kaleido expects a 93% rebound in 2021 to 600PB.

“As travel recovers, operators will innovate to launch new cheaper roaming plans, day passes and extend ‘roam like at home’ to newer markets and travel corridors in order to drive usage,” the researchers said. “Kaleido forecasts that data traffic will match pre-COVID-19 levels in 2022 and will see an average annual growth of 40% over the next five years...to exceed pre-COVID levels as early as 2023, representing a 56% increase over 2019 levels. Kaleido forecasts over 3,500 Petabytes of data roaming traffic to be generated by consumer mobile devices in 2026.”

IOT ROAMING: Meanwhile, Kaleido also charts rapid growth for global cellular Internet of Things traffic roaming, which is expected to grow 30% annually between 2020 and 2026.

“While cellular IoT module shipments saw a relatively tepid 2020, this year has seen strong demand for modules, with several vendors reporting demand in smart metering, industrial and healthcare applications. Although Kaleido expects that this growth will likely be constrained over the next 3 years due to the ongoing chipset crisis, overall cellular IoT roaming connections will reach over 850 million in 2025,” the researchers said. “This growth will exceed the overall cellular IoT market and result in IoT roaming traffic reaching nearly 650 Petabytes in 2026, up from 174 Petabytes in 2021.”

Despite the massive surge in traffic, the amount of traffic from each connection is expected to remain very limited.

By 2026, Kaleido expects over 80% of the installed base of permanently roaming IoT connections to be serving devices consuming less than 10MB per month, with technologies like NB-IoT and LTE-M as the underlying network.

“Even as demand for OTA programmable SIMs grows to support deployment flexibility, roaming remains a critical tool to support global IoT connectivity,” said Kaleido Intelligence research lead Steffen Sorrell. “The major challenge for the industry moving ahead will be monetisation. Service providers must adapt to support non-traffic-based billing in a manner that proves a win-win for wholesale suppliers and retail customers.”

Tony Chan

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Vodafone to debut self-powering mobile towers in the UK

Vodafone UK has unveiled self-powering mobile masts that can be deployed in remote areas without power grids.

The new solution, dubbed Eco-Towers, will enable the expansion of mobile networks to off grid locations while advancing the operator’s target of achieving net zero carbon emissions for its UK operations by 2027.

According to Vodafone, the towers were developed in collaboration with Crossflow Energy and leverages the latter’s wind turbine technology combined with the latest in solar and battery technologies.

The solution makes it possible to use locally-generated renewable power to reduce the environmental impact of the site and eliminates the need for diesel generators for backup, Vodafone asserted. Further, the sites are “quiet” and “bird-friendly,” the operator added.

Vodafone is working with network partner Cornerstone to install Crossflow’s turbine technology on rural mobile sites starting later this year.

“We are committed to improving rural connectivity, but this comes with some very significant challenges. Connecting masts to the energy grid can be a major barrier to delivering this objective, so making these sites self-sufficient is a huge step forward for us and for the mobile industry,” said Vodafone UK chief network officer Andrea Dona.

“Our approach to managing our network as responsibly as possible is very simple: we put sustainability at the heart of every decision. There is no silver bullet to reducing energy consumption, but each of these steps forward takes us closer to achieving net zero for our UK operations by 2027.”

As part of its continual environmental drive, Vodafone said in September it would deploy a new 5G radio unit that is 43% more energy efficient than legacy equivalents.

Tony Chan

OPTUS CEO RECOGNISED AS TOP INNOVATOR

Optus CEO Kelly Bayer Rosmarin has been elected as a Fellow of the Australian Academy of Technological Sciences and Engineering. The academy said that Bayer Rosmarin was “behind the evolution of Optus as a technology company, with the industry-leading launch of the ‘Living Network’ to empower and enrich customer experiences and interactions with their mobile network.” ATSE president Hugh Bradlow said that ATSE Fellows “are elected by their peers for outstanding contributions to advancing engineering, technology and applied science: they are shaping Australia’s future.”

Bradlow said: “They are shaping Australia’s digital future by equipping children with computing skills urgently needed for their careers, transforming our telecommunications landscape, and using artificial intelligence to counter electronic warfare.”

OPTUS TRIALS MMWAVE 5G IN SYDNEY AND MELBOURNE

Optus has connected its first 5G Max fixed wireless trialist sports and entertainment business Oakleigh Indoor Sports & Inflatable World in Huntingdale Melbourne. The company said it was seeing initial average download speeds of 2.5Gbps. “It’s fantastic to be the first business in Australia equipped with Optus’ fixed wireless mmWave product,” said Zac Kimmel, owner of Oakleigh. “We get hundreds of visitors to the ven-
ue across the weekends so the extra capacity and high speed that this solution is providing our customers has been a real game changer. Being able to automate different aspects of our business through mmWave technology is also something that I'm really looking forward to exploring.” Optus plans to extend this trial to a limited number of participants over the coming weeks via a closed invitation.

ACMA ADDS ARPANSA PROTECTION STANDARD INTO REGULATORY ARRANGEMENTS
The Australian Communications and Media Authority has made: the Radiocommunications Equipment (General) Amendment Rules 2021 (No.1) and the Radiocommunications (Electromagnetic Energy) Amendment Instrument 2021 (No.1). These instruments amend its electromagnetic energy regulatory arrangements. They incorporate references to the new Australian Radiation Protection and Nuclear Safety (ARPANSA) Standard – Radiation Protection Standard for Limiting Exposure to Radiofrequency Fields – 100kHz to 300GHz (2021) – and its equipment supply regulation relating to EME into the Radiocommunications Equipment (General) Rules 2021. This means the supply of certain radiocommunications equipment and operation of radiocommunications transmitters must comply with the EME exposure levels specified in the new ARPANSA Standard. The final instruments include some minor amendments after consultation.

TELSTRA PART OF ERICSSON’S WINNING IOT ACCELERATOR PROJECT TEAM
At the Global Telecoms Awards 2021, the Ericsson IoT Accelerator (Telstra/Axon/Deutsche Telekom project) won the 2021 category for “Industrial IoT Initiative of the Year”. The award recognises the initiative and innovation that the three telco businesses deployed with the customer Axon and their body camera for law enforcement in ANZ (and with Deutsche Telekom in Europe). Telstra group owner, industry solutions, IoT and UC Mark Chapman said “We’re thrilled to be recognised for the role our connectivity and partnership with Ericsson plays in enabling the Axon solution for our mutual customers. Our network ensures that the data captured is quickly, securely and reliably streamed over our 4G and 5G networks to the cloud, all powered by the Ericsson IoT Accelerator platform.”

ORANGE CEO RESIGNS AFTER CONVICTION FOR MISUSE OF PUBLIC FUNDS IN PRIOR ROLE
Orange announced that its chairman and CEO Stephane Richard has resigned following his conviction for “complicity in the misuse of public funds” by the Paris Court of Appeal. Richard was found guilty of actions while he was serving at the French Finance Ministry some 13 years earlier and handed a one-year suspended sentence and a €50,000 fine. Richard’s resignation takes effect on 31 January 2022 when Orange implements a new governance structure.
The federal government and wireless carriers are poised for a final round of talks to hammer out remaining details on 15-year spectrum license renewals aiming to bring long-awaited certainty to the industry by the end of 2011.

Telstra’s move into the network-centric applications and services business is starting to pay off but its biggest challenge could be in building and managing the ecosystem of partners required to succeed, according to Ovum senior analyst Claudio Castelli.

The federal government has announced an $8 million telemonitoring trial on the NBN, aimed at chronically ill veterans.

Telstra has unveiled a new hosted video conferencing offering aimed at everyone from enterprise and government clients to small businesses.

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The International Telecommunications Union and the Global e-Sustainability Initiative will converge on the UN COP-17 climate change conference in Durban to promote the use of ICT in combating global warming.