



AUSTRALIAN TELECOMMUNICATIONS ALLIANCE SUBMISSION

To: The Senate Environment and Communications
Legislation Committee

Re: Telecommunications Legislation Amendment (Universal
Outdoor Mobile Obligation) Bill 2025





THE AUSTRALIAN TELECOMMUNICATIONS ALLIANCE (ATA)

The Australian Telecommunications Alliance is the peak body of the Australian telecommunications industry. We are the trusted voice at the intersection of industry, government, regulators, and consumers.

Through collaboration and leadership, we shape initiatives that grow the Australian telecommunications industry, enhance connectivity for all Australians, and foster the highest standards of business behaviour.

For more details, visit www.austelco.org.au. For any questions on this submission, please contact ATA CEO Luke Coleman [REDACTED]

1.1 EXECUTIVE SUMMARY

- 1.1.1 The Australian Telecommunications Alliance is the peak body representing more than 60 members across the telecoms industry. This submission represents the views of Mobile Network Operator (MNO) members. The ATA Satellite Service Working Group has not participated in the development of this submission.
- 1.1.2 The development of Low Earth Orbit (LEO) satellites and direct-to-device (D2D) technology (sometimes called satellite-to-mobile, direct-to-handset, or direct-to-cell) provides promising opportunities to make universal outdoor mobile coverage available in the future. While terrestrial mobile networks provide coverage to up to 99.7% of Australia's population, this equates to around one-third of Australia's landmass.
- 1.1.3 The telecommunications sector supports Government's ambition to deliver improved mobile coverage, particularly in regional and remote locations where terrestrial mobile coverage is economically unviable. However, D2D is still a nascent technology, and the *Telecommunications Legislation Amendment (Universal Outdoor Mobile Obligation) Bill 2025* (UOMO Bill) seeks to legislate a requirement on MNOs to provide services which have not been tested let alone deployed at scale in a commercial environment.
- 1.1.4 The ATA submits that the UOMO Bill be amended to:
1. Remove the default commencement date (the 'default day') of 1 December 2027 and instead, determine the commencement of the UOMO based on the availability of the technology and compatible devices, which should be no earlier than 1 January 2030;
 2. Provide certainty over the nature and amount of public funding available for the delivery of UOMO services; and
 3. Address obligations and expectations on LEO satellite providers, as the UOMO Bill currently places all commercial, operational and legal risks on MNOs – which do not own or operate LEO networks.
- 1.1.5 The ATA also submits that there is a need for broader reforms of the universal services framework. As it stands, the UOMO Bill would introduce a third universal service framework on Australian telecommunications network operators before much-needed reforms to existing frameworks and funding mechanisms have been completed. The ATA would welcome the opportunity for industry to work with the Government on these reforms between the anticipated passage of the UOMO Bill and the commencement of the obligations.

1.2 REMOVE THE DEFAULT DATE

- 1.2.1 The proposed start date of 1 December 2027 presents a range of significant challenges and a very high degree of technical, operational, and commercial risk for MNOs.
- 1.2.2 Technical risk: the UOMO Bill seeks to legislate a requirement to provide a service that does not yet exist in the real world. Australian MNOs have trialled various aspects of D2D technology and even launched live services, however these services are in their infancy and have been limited to low-bandwidth applications (i.e. text messaging).¹
- 1.2.3 There are two different technologies used to deliver D2D services: first, standard mobile handsets can connect to LEO networks using existing terrestrial mobile spectrum bands using 4G (LTE) protocols, requiring close coordination with the MNOs that own this spectrum. Second, newer, premium mobile handsets using 5G (New Radio) Non-Terrestrial Networks² capabilities can use dedicated Mobile Satellite System (MSS) spectrum bands to connect to satellite networks without requiring access to terrestrial MNO spectrum or networks.
- 1.2.4 However, 4G (LTE) standards were closed many years ago, and cannot be updated to make the changes necessary to operate voice services reliably over NTN. 5G NR-NTN standards are in their early stages of maturity and are dependent on the various technical capabilities of mobile handsets, satellite networks, and terrestrial mobile networks, as well as access to adequate and appropriate spectrum.
- 1.2.5 D2D voice and short message services have not been commercially launched at scale anywhere in the world. The delivery of such services is dependent on technical developments in satellite and handset technologies and will require the launch of next-generation LEO fleets to be operationalised at scale.
- 1.2.6 Uncertainty over the timeline for the launch of these next-generation satellites presents significant risks to the introduction of UOMO services by the proposed start date of 1 December 2027.
- 1.2.7 ATA recommends the default commencement date (the ‘default day’) of 1 December 2027 is removed from the Bill, and instead, the commencement of the UOMO should be based on the availability of the technology and compatible devices (which will only be known some considerable time after 1 December 2027). This can be achieved, for example, by the Minister having powers to determine the default day once these conditions are met. If a ‘default day’ remains necessary in the Bill, it should be no earlier than 1 January 2030.
- 1.2.8 Operational risk: Even if a global fleet (or fleets) of next-generation LEO satellites has been launched and are operational by the proposed start date, there is still significant operational risk for Australian MNOs. Australian terrestrial networks will require significant investment to integrate, test, and operationalise D2D services – which may not even be available at the time the obligation is currently due to come into effect.
- 1.2.9 Commercial risk: Even if voice- and short message-capable LEO satellites are operational by the proposed start date, Australian MNOs are likely to be subject to commercial negotiations with an overseas-based provider – and likely a monopoly provider for the foreseeable future. Competition in the LEO satellite market is extremely limited, and competitive LEO networks are still in their very

¹ <https://www.telstra.com.au/coverage-networks/mobile-technology/satellite-to-mobile#how-it-works>

² 5G, also known as “New Radio” (NR) from 3GPP Release 18 onwards, includes capabilities for communicating with Non-Terrestrial Networks. These capabilities are known as NR-NTN standards. More information can be found in TS 38.101-5, User Equipment (UE) radio transmission and reception; Part 5: Satellite access Radio Frequency (RF) and performance requirements. Ver 18.5.0, May 2024. Available at: https://www.etsi.org/deliver/etsi_ts/138100_138199/13810105/18.05.00_60/ts_13810105v180500p.pdf

early stages of deployment and operation. To comply with UOMO requirements, Australian MNOs will be at a significant commercial disadvantage in negotiations with overseas-based LEO providers.

- 1.2.10 Additionally, the requirement to enter a commercial agreement with an overseas network provider raises concerns about the sovereignty of telecommunications services provided to Australians (including access to the Triple Zero emergency call service). The LEO network provider may not be subject to the same legal and regulatory requirements as Australian MNOs – effectively putting the bulk of compliance burden and legal risks on MNOs.

1.3 FUNDING

- 1.3.1 The UOMO Bill does not provide sufficient certainty over the nature and amount of public funding available for the delivery of UOMO services. Despite the statement in the Explanatory Memorandum (EM), no cost benefit analysis has been undertaken to assess the financial implications to MNOs of meeting the obligations. Absent such an analysis it will be important for the legislation to include some clear principles around cost recovery to ensure the UOMO is sustainable and able to meet community expectations.
- 1.3.2 As it stands, the EM to the UOMO Bill notes the Bill enables funds in the *Public Interest Telecommunications Services Special Account* (PITSSA) to be used to fund contracts or grants relating to the UOMO “where this is important to assist in the provision of reasonable or equitable services.”³
- 1.3.3 Rather than initially focusing on identifying funding mechanisms to compensate for potential future loss-making services, we strongly recommend Government focus on creating the environment for competitive service delivery by satellite network operators, which fosters a sustainable market that does not require financial compensation.
- 1.3.4 This can be achieved by ensuring consistent obligations on satellite network providers, relating to standards, pricing, consumer protections and performance requirements, as we set out next.
- 1.3.5 To the extent that MNOs are required by Government policy and regulation to price services below cost or undertake additional upfront loss-making investments, then Government should commit to funding those losses directly on behalf of all taxpayers.

1.4 OBLIGATIONS ON SATELLITE NETWORK PROVIDERS

- 1.4.1 The UOMO Bill currently puts all legal, regulatory, and compliance obligations on Australian MNOs, when the underlying network to support the provision of UOMO services will inevitably be owned and operated by a LEO satellite provider – all of which are currently based overseas.
- 1.4.2 LEO providers are under no obligation to supply services that meet UOMO standards, pricing, consumer protections or performance requirements, creating significant bargaining asymmetries and exposing MNOs to legal risk if wholesale D2D services fail to meet required service standards, or if services available change over time.
- 1.4.3 The ATA recommends an amendment to ensure that any obligations imposed on Australian MNOs equally apply to LEO network providers.

³ [Explanatory Memoranda](#), page 28



1.5 BROADER REGULATORY REFORM

- 1.5.1 The UOMO Bill should not be considered in isolation – it effectively establishes a third universal service framework for mobile connectivity, while two existing (and ageing) universal service frameworks for fixed-line services are in desperate need of reform.
- 1.5.2 The first universal service framework already in operation is the Universal Service Obligation (USO), paid for by a combination of the Telecommunications Industry Levy (TIL) and taxpayer contributions. This sees Telstra receive \$230 million to provide standard telephone services and \$40m for payphones (excluding GST), noting that Telstra itself is the largest contributor to the TIL.
- 1.5.3 The second universal service framework already in operation is the Statutory Infrastructure Provider or SIP regime, and the accompanying Regional Broadband Scheme levy. The SIP regime establishes minimum requirements for voice and broadband speeds, with NBN Co designated as the default SIP. The exception to the SIP obligation is NBN’s current satellite service, which is considered inappropriate for voice services and today connects some 70,000 premises.
- 1.5.4 The third universal service framework is the UOMO, which would provide D2D mobile coverage to the same group of users already served by the existing universal service frameworks.
- 1.5.5 The telecommunications industry supports the objective of providing universal coverage to Australians, no matter where they live. The ATA would welcome the opportunity for industry to work with the Government on broader regulatory reform between the anticipated passage of the UOMO Bill and the commencement of the obligations – to modernise, remove duplication and create efficiencies for government and industry within the universal service framework.

ENDS

