



6 February 2020

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

ec.sen@aph.gov.au

Dear Secretary

Timeframe for implementing the Regional Broadband Scheme (RBS)

Telstra makes this submission in addition to the submission made on 17 January 2020 to the Committee's inquiry into the *Telecommunications Legislation Amendment (Competition and Consumer) Bill 2019* and the *Telecommunications (Regional Broadband Scheme) Charge Bill 2019*.

If the Government decides to proceed with the legislation unchanged or substantially unchanged despite our concerns with the RBS elements of the current draft legislation, industry should be allowed a reasonable lead time to implement the systems and processes required to administer the RBS.

Telstra does not collect information about its services in the form required by the RBS legislation; to date, it has not had a business reason to do so. In addition, Telstra might be required to source some information from third parties, including broadband customers, in order to comply with the RBS.

Telstra expects that it would need to make significant IT changes so that it could periodically run reports to prepare its RBS assessments. IT projects of this nature typically involve a series of steps to identify the affected systems, define the business need, design the changes, and code, test and commission IT changes into the IT schedule.

To allow a reasonable time for these changes to be made in a robust and reliable way, as befits an exercise in tax compliance, Telstra proposes a commencement date of 1 July 2021. In any event we do not consider it feasible to implement the RBS by the current commencement date of 1 July 2020, which will be barely four months following passage of the legislation at best.

When this Committee considered the Bills in 2017, it acknowledged the need for additional time to prepare for the introduction of the RBS. It made the following statement in its report:

"The committee, however, is sympathetic to the argument that industry may need additional time to prepare for the introduction of the RBS. In the committee's view, whether the commencement of the RBS would need to be delayed largely depends on how quickly the bills progress through the remaining stages of the legislative process. To provide industry with certainty, the committee urges prompt consideration of the bills with final consideration of the bills to occur as early as possible during the 2017 spring sitting period. Should this not be possible, however, the government should consider a short delay in the commencement of the



RBS regime. The committee notes that the RBS charge could be subject to minor adjustment to ensure that a delay would be revenue neutral.”¹

The Committee’s reasoning remains just as valid now as it was in 2017 and supports our proposal for the start date to be moved to 1 July 2021. We note the Committee’s previous report was completed in September 2017, nine months before the RBS was due to commence in July 2018. In the current circumstances we have less than five months before the RBS is due to commence.

Please let me know if you require any further information in order to consider this request.

Your sincerely,

Ivan Cook
Regulatory Principal
Telstra

¹ Senate Environment and Communications Legislation Committee, Report regarding *Telecommunications Legislation Amendment (Competition and Consumer) Bill 2017* and *Telecommunications (Regional Broadband Scheme) Charge Bill 2017*, September 2017, paragraph 2.81.