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The Manager Revenue,  
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Australian Communications and Media Authority

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By submission: <https://www.acma.gov.au/consultations/2025-05/remaking-eligible-revenue-determination>

### **RE: Draft Telecommunications (Eligible Revenue) Determination 2025**

The Internet Association of Australia Ltd (**IAA**) thanks the Australian Communications and Media Authority (**ACMA**) for the opportunity to respond to the consultation on the draft *Telecommunications (Eligible Revenue) Determination 2025 (2025 Determination)* that is proposed to be introduced to replace the *Telecommunications (Eligible Revenue) Determination 2015 (2015 Determination)* due to sunset on 1 October 2025.

IAA is a member-based association representing Australia's Internet community. Our membership is largely comprised of small to medium sized Internet service providers (**ISPs**). We anticipate that while most of our members are likely 'non-participating persons' in accordance with the *Telecommunications (Consumer Protection and Service Standards) Act 1999 (TCPSS Act)*, there are some members that are subject to the 2015 Determination and will continue to be captured by the 2025 Determination. In addition, there are likely members that may no longer be exempted as non-participating persons in the future as their business grows and expands. As such, we provide our below feedback in representation of our members who are or would be affected by the 2025 Determination, as well as for the overall benefit of the telecommunications industry which IAA and our members are a part. For completeness, we also note that IAA is itself a licenced carrier, although a non-participating person.

As set out in the accompanying 'Remaking the Eligible Revenue Determination' Consultation Paper, we understand that most of the substantive proposed changes relate to the removal of provisions that set out when the ACMA may declare certain amounts are or are not a part of the eligible revenue. While we understand the ACMA's reasoning behind this decision, we are concerned that this has potential to cause issues in the future by removing the flexibility that allows the ACMA to address ambiguities. While we understand that these provisions were intended to provide clarity during the transition from the preceding legislative instruments, we believe that they still can serve a useful purpose in giving the ACMA discretion in complex or novel circumstances.

We considered this is particularly the case in relation to section 9(2)-(3) which gives the ACMA discretion where certain revenue may not clearly fall within the 'telecommunications industry'. As the telecommunications industry grows and develops, and as technology continues to rapidly

evolve, we consider there may be opportunities for telecommunications providers to make revenue that may be considered borderline to telecommunications revenue but should not necessarily be included when calculating an entity's Telecommunications Industry Levy.

This is similar in relation to the provisions allowing ACMA discretion in relation to determining 'inter-person input payment' (section 10(3)), 'bundling' calculations (sections 13(4)-(7)), and calculation of 'initial sales revenue' (sections 15(5)-(6)). These provisions serve as a mechanism for the ACMA to make nuanced case-specific decisions where the complexity of transactions, or group structures makes it difficult to correctly calculate revenue, and therefore prevents over-contribution. We believe this is, in turn, significant for regulatory efficiency and trust in the telecommunications industry's funding model as it allows for more accurate reporting and revenue calculations.

We therefore recommend that the ACMA reconsiders its proposed removal of sections 9(2)-(3), 10(3), 13(4)-(7), and 15(5)-(6). As follows, the proposed removal of sections 17(3)-(6), 20, 30, 32, 33, 36(3) should also be reconsidered as it similarly provides the ACMA discretion where there are amounts that should indeed be included as part of the eligible revenue calculation. Sections 38 and 39 should then also be retained to ensure better transparency and trust surrounding any declarations made by the ACMA.

We also consider it unnecessary to remove section 12(5). For the purposes of transparency and utmost clarity, providing written notice that sets out the appropriate period to calculate an entity's revenue will reduce uncertainty for industry.

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Once again, IAA appreciates the opportunity to contribute to the draft Telecommunications (Eligible Revenue) Determination 2025. We are committed to ensuring a robust and thriving telecommunications sector and understand the importance of industry contributions to fund public interest telecommunications services. We are therefore committed to working with the ACMA to ensure the legislative framework surrounding the Telecommunications Industry Levy is appropriate and fit for purpose.

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## **ABOUT THE INTERNET ASSOCIATION OF AUSTRALIA**

The Internet Association of Australia (IAA) is a not-for-profit member-based association representing the Internet community. Founded in 1995, as the Western Australian Internet Association (WAIA), the Association changed its name in early 2016 to better reflect our national membership and growth.

Our members comprise industry professionals, corporations, and affiliate organisations. IAA provides a range of services and resources for members and supports the development of the Internet industry both within Australia and internationally. public interest telecommunications services Providing technical services as well as social and professional development events, IAA aims to provide services and resources that our members need.

IAA is also a licenced telecommunications carrier and provides the IX-Australia service to Corporate and Affiliate members on a not-for-profit basis. It is the longest running carrier neutral Internet Exchange in Australia. Spanning seven states and territories, IAA operates over 30 points of presence and operates the New Zealand Internet Exchange on behalf of NZIX Inc in New Zealand.

Yours faithfully,  
Internet Association of Australia