



TELSTRA GROUP LIMITED

Remaking the Eligible Revenue Determination

Submission to ACMA consultation paper – public version

8 July 2025



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01 Executive Summary

Telstra welcomes the opportunity to respond to the ACMA's consultation paper on the remaking of the draft Telecommunications (Eligible Revenue) Determination (**ER Determination**). The draft 2025 ER Determination proposes a revised framework for calculating eligible revenue under the Telecommunications (Consumer Protection and Service Standards) Act 1999. The draft instrument retains the core structure of the 2015 ER Determination but introduces a number of refinements intended to improve clarity, consistency, and administrative efficiency.

As noted in the ACMA's consultation paper, the eligible revenue of participating persons, as determined in accordance with the draft 2025 ER Determination, is used to calculate the amount of Telecommunications Industry Levy (**TIL**). The TIL helps to fund universal service obligations (USO) for standard telephone service and payphones, emergency call services and the National Relay Service.

The proposed changes within the draft 2025 ER Determination include the removal of several discretionary powers previously held by the ACMA, which are no longer considered necessary, such as the ability to declare revenue types or bundled revenue treatments. These changes appear to support a more predictable and standardised application of the framework across industry participants. The draft 2025 ER Determination also introduces clearer definitions and formulas for related party revenue attribution, updates group accounting provisions, and simplifies the treatment of non-telecommunications and bundled revenue.

While the reforms do not represent a fundamental departure from the existing approach (i.e. no noticeable change to determining what is the eligible revenue of a participating person), they appear to reflect a considered effort to modernise the instrument and reduce interpretive uncertainty. The shift toward a framework with less ambiguity should assist in improving compliance certainty and reducing administrative burden, particularly for entities with complex corporate structures.

Accordingly we are broadly supportive of the remaking of the draft 2025 ER Determination and acknowledge the intent to streamline and clarify the regulatory framework.

02 Telstra's assessment of the proposed changes

Our assessment of the identified changes contained within the draft 2025 ER Determination is listed below. Importantly Telstra considers (and our understanding of the intention) of the draft 2025 ER Determination is that these changes should not result in any noticeable change in the calculation of what is initial sales revenue, gross telecommunications sales revenue or eligible revenue. Further, we note that draft 2025 ER Determination will initially apply in respect of the 2025-26 eligible revenue period.

2.1 Clearer Definitions and Revenue Attribution

The draft 2025 ER Determination introduces more precise definitions for terms such as "declared related party," "declared related party factor," and "inter-person input payment," which we consider should assist with reducing ambiguity and improve consistency in revenue attribution, including for within complex corporate structures.



2.2 Removal of ACMA Discretionary Powers

The draft 2025 ER Determination removes several discretionary powers previously held by the ACMA, such as the ability to declare revenue types (including non-telecommunications sales revenue), bundled revenue, and input payments. Additionally, the ACMA's discretionary power is removed in relation to revenue accounted for on a group basis. This shift supports a more predictable and transparent regulatory environment.

The consultation clarifies that these legacy provisions still included within the 2015 ER Determination were historically inserted to allow for the fine-tuning of the definition of 'eligible revenue' in light of practical experience, but in association with the draft 2025 ER Determination, are now deemed as redundant.

2.3 Elimination of Redundant or Underused Provisions

Provisions such as "Other input amounts," "Suspension of deduction entitlements," and "Declarations about deductible revenue" have been removed from the draft 2025 ER Determination, reducing complexity and focusing the instrument on core principles.

2.4 Modernised Structure and Language

The draft improves readability and logical flow, with clearer section headings, consistent terminology, and better alignment with legislative drafting practices.

2.5 Recognition of Specified Participating Persons

The draft introduces and defines the term "specified participating person" in alignment with paragraph 44(1)(c) of the TCPSS Act. This ensures the Determination captures all relevant classes of contributors, including those specified by regulation, and improves consistency with the Act. It also ensures these entities are treated consistently throughout the revenue calculation and deduction framework.

2.6 Lodgement Period

Whilst no change is being proposed, we consider that the permitted timeframe of 4 months after end of eligible revenue period continues to be appropriate.

03 Other matters for consideration

Below we wish to highlight and reiterate our position on two matters, for consideration, that we have previously raised in relation to the TIL and are therefore relevant in the context of this consultation



paper. Both matters were raised within our submission to the Department's discussion paper on the funding of the Universal Telecommunications Services, as follows¹ :

- The telephone USO is funded by a combination of Commonwealth funding and industry funding collected from all carriers in proportion to their eligible revenue via the TIL. The TIL also helps to fund other public interest telecommunications services including the Triple Zero service, which will need to be funded into the future. The Triple Zero service should be funded out of consolidated revenue rather than the TIL.
- We understand that other contributors to this consultation may be recommending to Government that it consider broadening the levy funding base to operators who provide services over the infrastructure subsidised by the TIL. Telstra is open to a discussion about whether there is an appropriate means to extend the levy to other industry participants.

¹ Telstra submission in response to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts on Universal Telecommunications Services ([Funding of universal telecommunications services \(RBS Review\) | Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts](#))