

BRIEF: Time to Abolish the Regional Broadband Scheme?

27 November 2025



DAVID KENNEDY

david.kennedy@ventureinsights.com.au

Abstract

News has emerged today that the Minister for Communications has approved an ACCC recommendation to reduce the Regional Broadband Levy from \$8.46 to only \$2.17 per month per broadband line for 2025-26.

Despite its name, the Levy is actually paid by nbn Co's urban fibre infrastructure competitors. In FY24, these competitors paid \$25.5 million in levies under the Regional Broadband Scheme (RBS) that were transferred to nbn Co to support its regional fixed wireless and satellite networks, all in the name of competitive neutrality.

The revised levy will bring down that amount considerably. At the same time, some exemptions to the levy expired at the end of FY25 that will bring the total up. But even taking that into account, we think that the new level will be around \$13 million.

This amount is a rounding error in nbn Co's accounts. Yet the Scheme requires the involvement of the Department of Infrastructure, the ACCC and the ACMA, not to mention regulatory staff at every significant fixed broadband infrastructure provider in the country. This is a great example of a 'nuisance tax'.

If the Government were minded to heed industry calls for streamlined regulation, then the removal of the RBS and the associated levy would be an excellent place to start.

How the RBS works

The Regional Broadband Scheme (RBS) was established to address the significant financial losses that NBN Co's Fixed Wireless and Satellite networks were generating a decade ago. The 2013 Vertigan Review found that these losses were being funded by an opaque internal cross-subsidy from nbn Co's profitable metropolitan markets.

The Government's 2014 response set out new overarching principles for the sector, including the promotion of infrastructure-level competition and consistent regulatory treatment for all industry players. If competing fibre providers could "cherry-pick" NBN's most profitable metropolitan customers, NBN's ability to fund its regional obligations would be undermined.

The government replaced the "opaque" subsidy with a formal, transparent industry charge. The explicit purpose of the RBS is to ensure "long-term transparent and sustainable funding arrangements" are in place for these essential regional services. The scheme was designed to be "competitively-neutral," ensuring that all players in the profitable fixed-line market contribute to the cost of regional services, regardless of who owns the networks.

The levy is not a tax on profits, but a charge per customer. A carrier must pay a monthly charge for each "chargeable premise" on its network. In FY24, this levy was set at \$8.46 per month per premise served.

However, the scheme's first five years (FY21-FY25) included significant transitional concessions. Small networks of under 2,000 premises were also exempted permanently, but the RBS also exempted the first 25,000 premises (or 55,000 for greenfield networks) for each carrier. Large networks like Uniti's and Vision's (Vocus) benefitted from this exemption until recently.

A new levy and a new industry charge

Today, industry news source CommsDay reported that the Minister for Communications has signed a Determination re-setting the levy from \$8.46 to only \$2.17 per month per premise in FY26.

We can roughly calculate roughly the effect that this change (and the removal of exemptions) will have. We know that around 250,000 services were levied in FY24, just by dividing the total amount collected (\$25.5 million) by the charge per premise (\$8.46).

Venture Insights estimates that there were around 400,000 non-nbn fibre services in operation at that time, which means around 150,000 were exempted in FY24.

If the new levy had applied in FY24, the amount collected would have been as little as \$6.5 million. Removing all exemptions, this would have been boosted to \$10.5m (a slight overestimate, because the exemption for small networks under 2,000 premises is permanent).

Looking forward to FY26, we estimate that around 100,000 new services have been added in the intervening two years, so our rough estimate for the FY26 levy is \$13.0 million, around half of the FY24 amount.

A nuisance tax

At this level, the levy is a rounding error in nbn Co's accounts. Yet the determination of the levy amount, the collection of monies, and their disbursement to the nbn Co involve:

- An ACCC evaluation
- A Departmental decision to recommend a Determination and the Minister's decision.
- Administration by the ACMA
- Uncounted hours spent in fibre operator businesses collecting data and making submissions to the process.

Is the game worth the candle?

Why this matters - cutting red tape

The Australian Telecommunications Association (ATA) has [documented](#) obstacles to investment in digital infrastructure in Australia. A key obstacle is the growing complexity of

telecommunications infrastructure regulation, including overlapping regulation of customer privacy, infrastructure security, and national security by multiple regulators.

In the case of the RBS, the principle of competitive neutrality is a good one to uphold, but we also think that regulation should pass a cost-benefit test. The RBS is the kind of nuisance regulation increasingly holding the sector back. Given the meagre impact of the Scheme on its intended beneficiary (the nbn Co), it is very hard to justify the costs that it imposes on government and industry alike.

Our view is that the Scheme has served its purpose, and its abolition would help, not hinder, further investment in our country's digital infrastructure.

About Venture Insights

Venture Insights is an independent company providing research services to companies across the media, telco and tech sectors in Australia and New Zealand.

For more information go to ventureinsights.com.au or contact us at contact@ventureinsights.com.au.

Important notice: By accepting this research note, the recipient agrees to be bound by the following terms of use. This research note has been prepared by Venture Insights Pty Ltd and published solely for guidance and general informational purposes to authorised users under the terms of a licence agreement between Venture Insights Pty Ltd and its subscriber. You need to be expressly authorised to use it, and it may only be used for your internal business purposes and no part of this note may be reproduced or distributed in any manner including, but not limited to, via the internet, without the prior permission of Venture Insights Pty Ltd. If you have not received this note directly from Venture Insights Pty Ltd, your receipt is unauthorised. If so, or you have any doubt as to your authority to use it, please return this note to Venture Insights immediately.

This research note may contain the personal opinions of research analysts based on research undertaken. This note has no regard to any specific recipient, including but not limited to any specific investment objectives, and should not be relied on by any recipient for investment or any other purposes. Venture Insights Pty Ltd gives no undertaking to provide the recipient with access to any additional information or to update or keep current any information or opinions contained herein. The information and any opinions contained herein are based on sources believed to be reliable, but the information relied on has not been independently verified. Neither Venture Insights Pty Ltd nor its officers, employees and agents make any warranties or representations, express or implied, as to the accuracy or completeness of information and opinions contained herein and exclude all liability to the fullest extent permitted by law for any direct or indirect loss or damage or any other costs or expenses of any kind which may arise directly or indirectly out of the use of this note, including but not limited to anything caused by any viruses or any failures in computer transmission.

Any trade marks, copyright works, logos or devices used in this report are the property of their respective owners and are used for illustrative purposes only. Unless otherwise disclosed, Venture Insights has no affiliation or connection with any organisations mentioned in this report. However, the information contained in this report has been obtained from a variety of sources, including in some cases the organisations themselves. In addition, organisations mentioned in this report may be clients of Venture Insights.

The recipient hereby indemnifies Venture Insights Pty Ltd and its officers, employees and agents and their related entities against any direct or indirect loss or damage or any other costs or expenses of any kind which they may incur directly or indirectly as a result of the recipient's use of this note.

© 2025 Venture Insights Pty Ltd. All rights reserved.

David Kennedy, Managing Director
david.kennedy@ventureinsights.com.au

Venture Insights
Level 3, 461 Bourke Street, Melbourne, VIC 3000