



Regional Internet Standards	
Party:	Independent Member for Indi
Summary of proposal: The proposal would legislate higher standards, rules, and benchmarks for statutory infrastructure providers (SIPs) concerning timeframes for internet connections, peak speeds and repairs. These standards would be incorporated into the <i>Telecommunications Act 1997</i> . The proposal does not involve any changes to the penalties imposed on SIPs for non-compliance. The proposal would have effect from 1 October 2022.	

Costing overview

The proposal would be likely to increase both expenses and revenue, but the overall magnitude and direction of the financial impact is highly uncertain. The Parliamentary Budget Office (PBO) has determined that the financial impact of this proposal is unquantifiable due to the significant level of uncertainty around how SIPs (including the NBN Co) would respond to the new legislation and how this would affect the revenue the government would receive from penalties.

The proposal would be expected to have financial implications that extend beyond the 2022-23 Budget forward estimates period which are unquantifiable. The unquantifiable financial implications (including separate PDI tables) over the period to 2032-33 are provided at Attachment A.

Table 1: Financial implications (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

* Unquantifiable.

Uncertainties

As changes to legislation do not have any financial impacts, the incorporation of higher standards, rules and benchmarks for SIPs into legislation has no financial implications. Any costs associated with meeting the changes to standards, rules and benchmarks would be incurred by the SIPs.

Revenue from penalties incurred by non-compliant SIPs was not able to be quantified as it is unclear how SIPs would respond to the proposed standards. For instance, some SIPs would be likely to

upgrade their infrastructure to avoid paying penalties, while others may decide it is more cost effective to pay the penalties.¹

For this same reason, expenses incurred by the Australian Communications and Media Authority taking non-compliant SIPs to court were not able to be quantified.

The government-owned NBN Co is a SIP, which means there would be financial implications if it were to upgrade its infrastructure to meet the changes to standards, rules and benchmarks. However, there is significant uncertainty around how NBN Co would respond, how any upgrades would be funded and what impact changes would have on the Government's return on its NBN Co investment.

¹ The PBO does not generally take into account second-round effects when costing proposals, such as changes to tax revenue resulting from companies investing more in their infrastructure

Attachment A – Regional Internet Standards – financial implications

Table A1: Regional Internet Standards – Unquantifiable – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
<i>Regional Internet Standards</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses													
<i>Regional Internet Standards</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) PDI impacts are not included in this table.

* Unquantifiable.

Table A2: Regional Internet Standards – Unquantifiable – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<i>Fiscal balance</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Underlying cash balance</i>	*	*	*	*	*	*	*	*	*	*	*	*	*

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals of any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.¹
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- * Unquantifiable.

¹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)