

# Utilities Network Facilities Tax (UNFT) FAQs

# What is the Utilities Network Facilities Tax?

The Utilities Network Facilities Tax (UNFT), introduced by the <u>ACT Government</u> and effective from 1 Januaris a charge on owners of utility network facilities, including electricity, water and wastewater, gas and telecommunications.

It is charged at a rate per kilometre of infrastructure. All telecommunications providers in the ACT are sub the tax. It is the decision of the network provider to either absorb the tax or to recover it from its customer TransACT has decided to recover the tax from its customers starting from 1 July 2007 in the form of a mon charge, per account.

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## How did TransACT determine the amount of UNFT to recover from customers?

The UNFT that TransACT has to pay the ACT Government is calculated on the total length of cable used for infrastructure. Thorough pricing analysis has been completed to calculate the costs required for each custor order to recover the tax paid by us to the ACT Government.

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## Who is subject to pay the UNFT?

The following table outlines which customers will have the tax applied to them. If you have any products c the three network types then you will have the tax applied to your account.

| Customer type            | Cable | ADSL2+ | F |
|--------------------------|-------|--------|---|
| Residential              | YES   | YES    | , |
| Small business           | YES   | YES    | , |
| Medium business          | YES   | YES    | , |
| Corporate and Government | YES   | YES    |   |
| Wholesale                | YES   | NO     |   |

Customers on the networks listed below are NOT subject to the tax

- Skydata this is a wireless network which is not subject to the tax.
- LCS this is delivered via a third-party network therefore they are liable to pay the tax, not TransACT.
- Mobile there is no cable infrastructure in the ground and therefore is not subject for the tax.

# How does TransACT determine customer types?

The rate of UNFT charged will be determined by the customer type.

- Residential any customer that takes residential products only.
- Small business a company that has fewer than 10 commercial access products (combination of TransBITV) OR up to four TransBIZ2 services.
- Medium business a company that has10 or more commercial access services (combination of TransBIZ1 TV) OR four or more TransBIZ2 services or TransBIZ 10/20/30

- Corporate flagged manually by Commercial Sales Business Unit and Account Managers
- Government flagged manually by Commercial Sales Business Unit and Account Managers

# What are the charges for UNFT?

The table below outlines the products and the associated charges. The tax is applied per month, per accou

| Customer type               | Listing on invoice   | Price per<br>month<br>(exc GST) | Price  <br>month<br>(inc G: |
|-----------------------------|--|---------------------------------|-----------------------------|
| Residential                 | Recovery of ACT Government Utilities Network<br>Facilities Tax | \$3.00                          | \$3                         |
| Small business              | Recovery of ACT Government Utilities Network<br>Facilities Tax | \$8.00                          | \$8                         |
| Medium business             | Recovery of ACT Government Utilities Network<br>Facilities Tax | \$15.00                         | \$1                         |
| Corporate and<br>Government | Recovery of ACT Government Utilities Network<br>Facilities Tax | \$130.00                        | \$14                        |
| Wholesale                   | Recovery of ACT Government Utilities Network<br>Facilities Tax | \$130.00                        | \$14                        |

# What if I have multiple packages on my account?

If you have multiple packages on one account (for example a Home Pack and an additional TransTALK AllTiphone service) you will only be charged for UNFT once. The charge is applied per account, not per service package that you have with TransACT.

# Can I cancel my service without paying a cancellation fee?

No.If you are still in contract with TransACT and decide to cancel your service you will be subject to a can fee. The addition of a charge for UNFT is not considered a price increase by TransACT. Instead, the charge applying is for recovery of a tax that was imposed upon us by the ACT Government. Telecommunications L our agreement with you, allows TransACT to add on the fee for UNFT because it is a direct result of a tax i on TransACT by law.

We will continue to charge and advertise the current prices for all of our products and the UNFT will be lis separate, additional monthly cost.

# Will Queanbeyan customers be subject to the UNFT?

Yes. While Queanbeyan is in NSW, the infrastructure used to supply their services is mostly located in the *i* therefore subject to the tax. Other customers in NSW will not be subject to the UNFT.

# When will the UNFT charge be applied?

The charge will be applied as a monthly recurring charge starting from 1 July 2007.

### Is the UNFT subject to GST?

Yes. As usual, all prices quoted for UNFT will be GST inclusive.

The tax is imposed on TransACT by the ACT Government. TransACT has in turn calculated the amount to cl each customer to recover this tax and it is applied as a monthly fee, per account. Therefore, because it is monthly fee to customers (not a tax) it is subject to GST.

# Where can I find out find more information about the UNFT?

Enquiries related to how the UNFT is recovered by TransACT should be directed to TransACT on 13 30 61 or out an <u>online enquiry form</u>.

For all other information, or to make an enquiry, please refer to the <u>ACT Revenue Office's website</u>.

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