



DIGICEL (PNG) LIMITED

Submission to NICTA

Universal Access & Services (UAS) Project Consultation Paper – 2027

Consultation Paper Number: UAS CP No.01/2027

Issued on 7 August 2026

1 September 2026

***This submission is provided to NICTA for the purpose of the current public inquiry
only and may not be used for any other purpose***

A. Introduction

1. This submission sets out Digicel (PNG) Limited's ("**Digicel PNG**") initial comments in relation to the NICTA Consultation Paper titled *Universal Access & Services (UAS) Project Consultation Paper – 2027 Consultation Paper Number: UAS CP No.01/2027* ("**Consultation Paper**") that was provided by NICTA to Digicel PNG on 7 August 2026.
2. Digicel PNG welcomes the opportunity to provide its feedback on the Consultation Paper.
3. As NICTA will be aware, Digicel PNG has established, operates and maintains Papua New Guinea's most extensive telecommunications network. This has been achieved through the investment of well over PGK 2 Billion in network infrastructure and services in Papua New Guinea since our launch in 2007.
4. Notwithstanding Digicel PNG's ongoing investments, we acknowledge that a number of locations remain where the deployment of traditional mobile networks is unlikely to ever be commercially viable without some form of subsidy and that, in at least some cases, alternative technologies are likely to provide the most efficient and effective means of establishing communications services.
5. Digicel PNG has engaged constructively with NICTA to deliver solutions for prior years' UAS Projects and is the only operator licensee to have entered into an agreement with NICTA to deliver UAS Greenfield sites for the provision of new mobile broadband services.
6. We also acknowledge the continuing difficulties that have been faced in terms of UAS Project deployment. These difficulties have resulted in protracted processes around UAS Project tendering and a range of other issues that have previously been brought to NICTA's attention. In our submission, those continuing difficulties are unlikely to be resolved unless there is a change in approach to meeting the communications needs of people who live in regional and remote areas of Papua New Guinea.
7. As for the Consultation Paper, we understand that NICTA is seeking stakeholder feedback to help to inform the final determination of the 2027 UAS Programme and the associated UAS Levy.
8. Digicel PNG is broadly supportive of the stated objectives of the proposed programme, which NICTA notes is expected to extend mobile broadband services to approximately 866,827 people, significantly improving access to communications, digital government, education, health, financial services, and economic opportunities in rural and remote communities.
9. However, as further detailed in these submissions, Digicel PNG's view is that the proposed program for 2027 – which would entail the implementation of 322 new mobile broadband infrastructure sites, requiring an estimated investment of PGK 344 million – is a proposal that:

- a. would be unable to be deployed within a year or, given the time required for pre-deployment steps, including project procurement activities, closer to half of a year; and
 - b. would not be able to be reasonably funded within the year from a levy of licensed operators that was even broadly consistent with previous years, and within the regulatory framework for such levies. We note that, in respect of FY26, NICTA previously levied Digicel PNG PGK22,429,466.77. Even assuming that NICTA were to levy Digicel PNG a broadly similar amount for 2027, this would mean that it would somehow envisage being able to source from the other licensed operators an amount of PGK321,570,533.23 to cover the further costs of the proposed 2027 projects, assuming that it did not intend to otherwise exhaust funds already available within the UAS fund for the purposes of these projects, in addition to any newly levied funds.
10. Digicel PNG further submits that, in order to be considered as a prospective candidate for a UAS project, a site must not be one that falls within the mandatory coverage areas specified in Schedule 10 of the *Standard and Special Conditions of Individual Licences Rule, 2025* – as licensed operators would be subject to pre-existing obligations in respect of the deployment of network coverage in such areas, which should prevail here.
11. Although Digicel PNG believes that the proposed 322 site list might be a useful starting point for a multi-year plan to bring connectivity to otherwise underserved communities, it does not believe that it presents a credible plan that would be capable of deployment within the stated timeframe, nor a reasonable basis on which NICTA might seek to arrive at a final determination as to a suitable UAS Levy amount for 2027.
12. Further, we believe UAS objectives can be most effectively achieved by the adoption of a collaborative arrangement under which licensees are offered the opportunity to make voluntary investments in network and service deployments to an agreed value that in turn would obviate the need for UAS Levies to be imposed.
13. In our submission the adoption of such an approach is likely to provide the most effective and expeditious means to make meaningful progress in new network service deployments and to meet identified UAS objectives.

B. Responses to Consultation Questions

ICT Access Gaps

- a. Do you agree that the ICT access gap assessment accurately identifies the priority underserved and unserved areas requiring public intervention?*
- b. Are there additional communities or locations that should be considered for inclusion in the proposed UAS Programme? Please provide supporting information where available.*
- c. Are there any inaccuracies or omissions in the access gap analysis that should be addressed?*

14. Digicel PNG notes the following Prioritisation Principles set out in section 6.2 of the Consultation Paper:

- “• Equity – prioritising underserved and unserved communities.*
- Public Value – maximising socio-economic benefits from UAS investments.*
- Efficiency – promoting infrastructure sharing and cost-effective delivery.*
- Transparency – applying consistent and evidence-based assessment criteria.*
- Sustainability – supporting long-term operation and maintenance of infrastructure.”*

15. However, it is not clear how these Prioritisation Principles have been applied by NICTA, as no details have been provided of the site assessments that have been undertaken *“to ensure that investments are directed to areas where they will achieve the greatest public value”*¹.

16. The Consultation Paper does not provide any indication given of what priority has been assigned to any of the sites identified in Annex 1 of the Consultation Paper, which are simply listed in alphabetical Province order.

17. While Digicel PNG agrees that, on the face of it, the sites identified in Annex 1 do not appear to be covered by existing mobile networks, no analysis has been provided in terms of a detailed cost benefit analysis for any of the sites, with the “estimated project cost” for each site apparently having been provided solely on the basis of whether the site is considered to be a “Macro” site or a “Rural Star” site. Unfortunately, neither of these terms is defined and there has been no apparent attempt to reconcile the two

¹ Consultation Paper, section 6.1

technology choices with the “technology-neutral approach” described in section 7.2 of the Consultation Paper.

18. Accordingly, it is not possible, based on the information provided in the Consultation Paper, to make any reasonable assessment of whether it “*accurately identifies the priority underserved and unserved areas requiring public intervention*”.

Proposed UAS Programme

- a. *Do you agree that mobile broadband infrastructure should be the priority investment under the proposed 2027 UAS Programme?*
- b. *Are the proposed project locations appropriate to achieve the objectives of improving digital connectivity and reducing ICT access gaps?*
- c. *Are there alternative project priorities or implementation approaches that NICTA should consider?*

19. While Digicel PNG supports the ongoing deployment of network infrastructure to improve digital connectivity and reduce ICT access gaps, for the reasons stated above we are not in a position at this time to comment on whether the specific proposed project locations best represent the locations that should be treated as a priority or which of those locations should be tackled first. Nevertheless, we are of the view that the locations described in Annex 1 would form a useful basis of dialogue between NICTA and relevant operator licensees.
20. This is particularly relevant in the context of this consultation, as we note that the locations in the *Access Gap site list*² appear to fall within the mandatory coverage areas specified in Schedule 10 of the *Standard and Special Conditions of Individual Licences Rule, 2025*. Digicel PNG submits that, in order to be considered as a prospective candidate for a UAS project, a site must not be one that falls within the mandatory coverage areas specified in Schedule 10 of the *Standard and Special Conditions of Individual Licences Rule, 2025* – as licensed operators would be subject to pre-existing obligations in respect of the deployment of network coverage in such areas, which should prevail here.
21. As to the questions regarding whether the proposed project locations are appropriate to achieving the objectives of improving digital connectivity and reducing ICT access gaps, or whether there might be alternative project priorities or implementation approaches that NICTA should consider, Digicel PNG notes that it supports a technology neutral approach to delivering sustainable broadband infrastructure in regional and remote areas that would not normally be considered as commercially sustainable to serve.
22. Such an approach should be outcome focused rather than technology specific and could incorporate a range of approaches depending on the location and the needs of the community to be served.

² Consultation Paper, Annex 1

23. It appears to Digicel PNG that the Consultation Paper, and the projects proposed in the consultation paper, appear to be focused on traditional cellular technology as the primary means of *achieving the objective of improving digital connectivity and reducing ICT access gaps*.
24. The Consultation Paper does not appear to have considered the full range of options that might be available either now or in the near future. For example, NTN may well be the most cost-effective mechanism for delivering broadband services in some locations where terrestrial backhaul costs are prohibitive, or it is too difficult to deploy.
25. In Digicel PNG's submission, the current consultation process does not lend itself well to exploring such alternative approaches. In our respectful view, there would be value in NICTA engaging with relevant stakeholders, including operator licensees, to consider alternative means of enabling ICT access objectives, especially in remote and hard to serve locations, prior to finalising its plans for potential UAS Projects for 2027 and beyond.

Technical Framework

- a. *Is the proposed technology-neutral approach appropriate for delivering sustainable broadband infrastructure across Papua New Guinea?*
- b. *Are the proposed infrastructure sharing arrangements suitable for promoting competition, improving investment efficiency, and reducing infrastructure duplication?*
- c. *What additional technical considerations should be incorporated into the programme design?*

26. Digicel PNG supports a technology neutral approach to delivering sustainable broadband infrastructure in regional and remote areas that would not normally be considered as commercially sustainable to serve. Such an approach would be outcome-focused rather than technology specific and could incorporate a range of approaches depending on the location and the needs of the community to be served.
27. However, we are concerned that the Consultation Paper appears to be focused on traditional cellular technology and has not considered the full range of options that might be available either now or in the near future. For example, NTN may well be the most cost-effective mechanism for delivering broadband services in some locations where terrestrial backhaul costs are prohibitive, or it is too difficult to deploy.
28. Digicel PNG also generally supports the principles underpinning infrastructure sharing and notes that, pursuant to section 131 of the *National Information and Communication Technology Act 2009* ("NICT Act") "*all facilities access services that may be supplied by means of any facility constructed under a Project Agreement for the life of that facility*" are deemed to be "declared services". As such, access seekers have rights under the NICT Act to access the facilities of access providers.

29. Digicel PNG's first preference is for any such access arrangements to be the subject of commercial negotiation.
30. However, Digicel PNG notes that the issue of infrastructure sharing is only of relevance where more than one licensee seeks to make use of deployed infrastructure to provide services in a particular region. Given the costs associated with the deployment and maintenance of cellular network coverage, even where this is done through the use of shared tower infrastructure, it seems to Digicel PNG that it would be unlikely that other operators would, unless required to do so under mandatory coverage obligations, seek to collocate on any of the sites proposed under the Consultation Paper; the costs and complexity of doing so would be unlikely to be justified by the commercial returns from even the most populous of the proposed site locations. For site locations in the least populous regions, with sites supporting as few as 100 people, an operator licensee would be unlikely to make any meaningful commercial return from the deployment of the tower, meaning that all ongoing costs of operation would need to be subsidised in order for it to be viable for an operator to continue to maintain that infrastructure in operation beyond the bare minimum amount of time that was necessary in order for it to satisfy the terms on which it agreed to deploy that site under the UAS.

Financial and Funding Framework

- a. Are the proposed programme cost estimates and funding assumptions reasonable?*
- b. Are there alternative funding or co-investment models that could improve programme sustainability?*
- c. How can NICTA maximise value for money while maintaining quality and long-term sustainability?*

31. It is Digicel PNG's submission that further work is required to properly specify and cost the provision of services at each of the locations specified in Annex 1. We note in this regard that the cost estimates in the Consultation Paper (PGK 1,502,397.52 for each "Macro site" and PGK 502,816.17 for each "Rural Star" site) are unlikely to reflect the actual costs of deployment for any particular site or be useful as an average cost spread across all sites.
32. We are also of the view that any cost consideration needs to take into account the ongoing operating costs for a site, including access to backhaul and a reliable electricity supply, and the likely revenue that each site will generate. Such costs and revenues are likely to vary considerably depending on location, availability of supporting infrastructure and likely demand levels.
33. Accordingly, in our respectful view, the proposed programme costs estimates cannot be considered to be reasonable or a fair reflection of the likely cost of deploying services to all of the sites listed in Annex 1 of the Consultation Paper.

34. Digicel PNG also notes that the proposed projects as set out in the Consultation Paper could not reasonably be funded within the year from a levy of licensed operators that was even broadly consistent with previous years, and with the regulatory framework for such levies. We note that, in respect of FY26, NICTA previously levied Digicel PNG PGK22,429,466.77. Even assuming that NICTA were to levy Digicel PNG a broadly similar amount for 2027, this would mean that it would somehow envisage being able to source from the other licensed operators an amount of PGK321,570,533.23 to cover the further costs of the proposed 2027 projects, assuming that it did not intend to otherwise exhaust funds already available within the UAS fund for the purposes of these projects, in addition to any newly levied funds.

Procurement and Implementation

- a. Which procurement approach would best support efficient, transparent, and competitive project delivery?*
- b. What implementation risks should NICTA consider, and what mitigation measures would you recommend?*
- c. How can partnerships with industry, provincial governments, development partners, and local communities be strengthened to improve programme outcomes?*

35. In Digicel PNG's submission a collaborative approach would significantly reduce the risk of delay that is inherent in the current administrative processes (including tendering) that exist for implementing UAS Projects and which are demonstrably not capable of delivering successful outcomes in a timely way. This very serious issue continues to undermine confidence in the UAS framework and means that valuable resources of both NICTA and operator licensees are wasted.
36. Digicel PNG believes that the best way to address these challenges is to adopt a collaborative arrangement under which licensees are offered the opportunity to make voluntary investments in network and service deployments to an agreed value that in turn would obviate the need for UAS Levies to be imposed.
37. Digicel PNG also strongly supports a collaborative approach to the realisation of universal access objectives in Papua New Guinea. In particular, we encourage NICTA to work with stakeholders to drive collaboration in the following areas:
- a. Public-Private Partnerships (PPP)
 - Telecom Operators: Collaboration on infrastructure sharing, spectrum use, and rural network expansion.
 - Energy Providers: Partner to deploy solar-powered ICT infrastructure in off-grid areas.

- Educational Institutions: Co-develop digital literacy programs and ICT curriculum for rural schools.

b. Technology Companies

- Cloud and AI Providers (for instance AWS, Microsoft): Offer cloud services, digital tools, and training for rural SMEs and schools.
- Device Manufacturers: Partner on affordable device distribution and maintenance programs.

c. NGOs and Civil Society

- Support community ICT hubs, local content creation, and digital literacy outreach.
- Engage in participatory planning and monitoring of UAS projects.

END