Managing spectrum in the 400 MHz band—Further steps

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| Consultation paper |

NOVEMBER 2016

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# Overview

Licensees using spectrum in the 403–520 MHz frequency range (the 400 MHz band) include a range of industry and government organisations providing predominantly land mobile applications (such as CB radio, law enforcement/public safety, dispatch (taxi/courier) but also fixed (point-to-point and point-to-multipoint), radiolocation and amateur services.

There has been high demand for licences in the high density areas (HDAs) of Sydney/Wollongong, Melbourne/Geelong and Brisbane/Gold Coast.[[1]](#footnote-1) Recognising this, the Australian Communications and Media Authority (the ACMA) introduced reforms designed to enable more efficient use of this spectrum, including:

* a regulatory requirement to reduce channel bandwidth from 25 kHz to 12.5 kHz or less (narrow-banding)[[2]](#footnote-2)
* harmonisation of government spectrum use (including the establishment of a consolidated state-wide government licensing arrangement)

a more flexible technical framework.

The application of opportunity cost (OC) principles in licence tax rates complements these reforms. The OC of a part of the radiofrequency spectrum is the highest-value alternative use that is denied by granting access to one spectrum user rather than to another.

The ACMA is progressively implementing OC-based licence tax rates; staged over five increases each of 15 per cent. Two increases have been implemented, in August 2012 and April 2016, and the ACMA is now considering whether to introduce the third increment. As part of its consideration, the ACMA is utilising a monitoring framework for demand for spectrum in the 400 MHz band. The framework takes into account the feedback provided by stakeholders as part of earlier considerations related to the second price increment.

## OC pricing initiatives in the 400 MHz band over time

In August 2012, the ACMA implemented licence tax rates based on OC principles. This was one of a suite of initiatives designed to address congestion and encourage long-term efficient use of spectrum in the HDAs of the 400 MHz band.

OC-based licence tax rates ensure that all industry participants—including current licensees, that may be required to invest in new equipment[[3]](#footnote-3) and potential licensees that may enter the spectrum market in the near-term—make informed decisions around ongoing spectrum use and investment in both spectrum and spectrum-complementary inputs/assets. In addition, the ACMA is mindful of feedback from industry about the difficulty created by rising spectrum costs in the context of long term managed contracts with limited scope to pass-on higher spectrum costs to their end-user clients. Given this, long-term signals about OC may provide stakeholders with an opportunity to consider how best to manage access to spectrum.

The consultation process provides an opportunity for the ACMA to share the findings from our latest monitoring analysis and to signal expectations around future planned increases in licence tax rates. This is intended to provide longer-term certainty for licensees, and assists informed decision-making about the use of both spectrum and complementary network or other inputs.

The ACMA commissioned Plum Consulting in 2011 to provide advice and specific estimates of OC in this context. In its supporting analysis, Plum Consulting applied a least cost approach to estimate that the OC in the HDAs of the 400 MHz band was $199/kHz.[[4]](#footnote-4) At the time, the ACMA proposed to introduce OC principles via a series of five increases to transition licence tax rates towards levels consistent with this estimate of OC in real terms (that is, annual adjustment by the Consumer Price Index (CPI) would also occur). The higher targeted licence tax rates also reflected a strong expectation that demand would continue to grow.

The staged introduction of an OC-based licence tax rate ensures that increases do not unduly disrupt licensees’ business plans or cause an unexpected contraction in demand for the spectrum. Each subsequent increase towards OC would only be made after monitoring the impact on licensees and the demand for spectrum.

In considering whether to introduce the second price increment, in June 2014 the ACMA released a discussion paper entitled [*Progressing opportunity cost pricing in the 400 MHz band*](http://www.acma.gov.au/Industry/Spectrum/Spectrum-projects/400-MHz-band/progressing-opportunity-cost-pricing-in-the-400-mhz-band). That discussion paper detailed the rationale and monitoring program behind the ACMA’s intention to apply OC principles and proposed changes to the apparatus licence tax rates applicable to spectrum in the HDAs and remote density areas (RDAs) in the 400 MHz band.

The ACMA received seven submissions to the discussion paper, which are available on the [ACMA website](http://www.acma.gov.au/Industry/Spectrum/Spectrum-projects/400-MHz-band/progressing-opportunity-cost-pricing-in-the-400-mhz-band).

Reflecting on the feedback provided in submissions, the ACMA made significant adjustments to the monitoring framework to assess the impacts of higher licence tax rates in HDAs. These changes to the monitoring framework included:

* The exclusion of the Harmonised Government Segment (HGS) spectrum on the supply side and the associated public sector demand. The monitoring framework is now based on private sector demand and the spectrum available to satisfy it.
* Capturing the effect of narrow-banding[[5]](#footnote-5) on supply (effectively increasing spectrum supply)

Extending the analysis period to ensure that decisions are based on long-term rather than transitory impacts.

As a result of the above modifications, the monitoring framework shifted from one focussed predominantly on rotation—low-value users out and high-value users in—to a stronger focus on assessing the risk of congestion re-emerging in the short to medium-term.

The revisions to the framework and the analysis around the need for a second increase in licence tax rates were detailed in the ACMA’s response to consultation paper, [*Managing spectrum in the 400 MHz band—Next steps*](http://www.acma.gov.au/Industry/Spectrum/Spectrum-projects/400-MHz-band/progressing-opportunity-cost-pricing-in-the-400-mhz-band) released in January 2016.

Reflecting the revised monitoring framework, the ACMA examined closely the likely future supply of spectrum and the current and emerging demand for spectrum in the HDAs of the 400 MHz band.

In the absence of any additional licence tax rate increase, demand for spectrum in the band was expected to continue to grow, and all new, as well as existing users, would continue to have difficulty in acquiring spectrum and deploying new technologies in the band.

Combining the above revised monitoring framework and extrapolating the uptrend in demand, indicated a risk of congestion re-emerging in the short-term (projected demand moving across the medium-term close to increased supply after allowing for narrow-banding).

Reflecting this heightening risk of congestion, the ACMA decided to introduce the second increase in licence tax rates in the HDA’s of the 400 MHz band. This second increase was introduced in April 2016, along with the normal annual increase to reflect CPI movements.

## Proposal concerning the third increment

The ACMA is now considering the need to implement the next increase in licence tax rates towards the OC level quantified by Plum Consulting. A critical aspect of this consideration is an update to the monitoring framework to enable informed assessments of the impact on demand and likely future congestion risk. The updated monitoring analysis is summarised in Figure 2 in section 3.3.

The reduction in channel bandwidth (narrow-banding) that has occurred over recent years increases the number of licences that can be accommodated for a given spectrum segment. Without increasing the amount of spectrum, the increase in the number of licences that can be issued in a particular spectrum segment effectively increases supply. This effect has been reflected in Figure 2, which shows spectrum supply rising across recent years as narrow-banding has been progressively implemented. The augmentation of supply from narrow-banding is now effectively complete, given that narrow-banding is near universal in the HDAs of the 400 MHz band and resulting in the flattening of the supply curve.

In summary, the updated analysis shows a persistent increase in demand for spectrum in the HDAs of the 400 MHz band. Spectrum demand grew by around 14 per cent over the last year and has increased by around 34 per cent since its low-point in January 2014. More detail on trends in demand is provided at Section 3.1.

The indicative projections developed suggest congestion at levels similar to that previously experienced (adjusted for the effect of narrow-banding) is likely to emerge across 2017–18. More detail on the risk of congestion is provided at Section 3.3.

Based on this monitoring analysis, the ACMA’s preliminary view is that the continuing strong increase in demand strongly indicates that:

* licence tax rates are not so high as to cause an undesirable sharp contraction in demand

continued growth would risk demand and congestion rising to the problematic levels experienced prior to the introduction of the reforms.

Based on this material risk of re-emerging congestion, the ACMA considers that a further increase in licence tax rates is prudent to ensure licensees encounter the long-term OC of their spectrum use and therefore use spectrum efficiently. More detail on the ACMA’s pre-consultation disposition is provided at Section 3.5.

If the ACMA proceeds with this proposed increase towards OC, it is intending to coordinate the increase with the normal escalation of licence tax rates for the CPI. On that basis, any new licence tax rates would become effective in April 2017. More detail on the resultant licence tax rates and consequent changes to the licence tax determinations is provided at Section 4.

# Issues for comment

The ACMA now invites feedback on the issues detailed in this consultation paper or on other matters related to the introduction of OC principles in the HDAs of the 400 MHz band.

Specific questions are featured in the relevant sections of this paper and collated below. Details on making a submission can be found at [*Invitation to comment*](#Invite)at the end of this document*.*

Areas for feedback

The ACMA is especially interested in:

* whether there exists more useful data for measuring demand and trends
* whether the ACMA preliminary view on recent and possible future demand accords with industry experience and views
* whether there is a better approach and/or more useful data for measuring congestion risk
* whether the ACMA’s preliminary view on congestion risk accords with industry experience and views

feedback on the proposed amendments to the Transmitter Licence Tax Determination and the Receiver Licence Tax Determination.

The closing date for submissions is COB, Thursday 22 December 2016.

# Updating the revised monitoring framework

The ACMA is progressively implementing OC pricing principles in the licence taxes applicable to the HDAs of the 400 MHz band. So far, two OC-based licence tax rate increases, each of 15 per cent, have been implemented.

The ACMA is now considering whether to implement a further increase in licence tax rates towards the OC level quantified by Plum Consulting. A critical aspect of this consideration is an update to the monitoring framework to inform two considerations:

1. Have earlier increases in licence tax rates had an undesirable impact on demand such that further increase would not be consistent with maximising the public interest associated with spectrum use? This in turn has two considerations:
2. whether there has been a sharp contraction in demand
3. whether the trend in licence numbers is inconsistent with timely utilisation of the extra supply occasioned by narrow-banding.
4. Whether continued growth risks demand and congestion rising to the problematic levels experienced prior to the introduction of the reforms, even allowing for the supply-enhancing effect of narrow-banding?

These issues are considered in turn below.

## Impact on demand

One of the key objects of the *Radiocommunications Act 1992* is to maximise, by ensuring the efficient allocation and use of the spectrum, the overall public benefit derived from using the radiofrequency spectrum.[[6]](#footnote-6) Reflecting this, the ACMA is concerned that any increase in licence tax rates (already implemented and projected) does not lead to:

* an absolute reduction in demand for spectrum; or

reduced growth in demand that prevents, or substantially delays, use of the additional capacity created in the 400 MHz band.

Such outcomes may indicate that the combination of increases already implemented and the signalled intention for further increases towards OC would result in licence tax rates that were too high and that unnecessarily curtailed demand.

Figure 1 provides an updated perspective on demand up to and including September 2016. The analysis now includes 11 extra months of data on licence numbers (green line in Figure 1) relative to the update included in ACMA’s response to consultation paper, [*Managing spectrum in the 400 MHz band—Next steps*](http://www.acma.gov.au/Industry/Spectrum/Spectrum-projects/400-MHz-band/progressing-opportunity-cost-pricing-in-the-400-mhz-band), released in January 2016 (that included data on licence numbers up to and including October 2015).

1. Updated demand profile

Chart is explained in surrounding text.

*Source: ACMA analysis.*

It is clear from the green line in Figure 1 that a persistent increase in demand for spectrum in the HDAs of the 400 MHz band has been underway since early 2014. This overall uptrend follows an initial downtrend through calendar years 2012 and 2013. Demand has continued to grow strongly despite the signalling around the long-term intended licence tax rate (that is, the staged move towards OC) and has continued even with the increase in licence tax rates implemented in April 2016.

The ACMA notes that licensees have had limited time to respond specifically to the April 2016 increase in the licence tax rate (especially given the long useful life of spectrum-complementary investment). However, licensees are in part responding to the signal about the long-term licence tax rate, and the persistent increase in demand implies that demand has not been unnecessarily curtailed by the actual and prospective increases in licence tax rates.

For all three HDAs combined, spectrum demand grew by around 13 per cent over the year to September 2016 (blue line in Figure 1), and has increased by nearly 40 per cent since its low-point in January 2014. Annual growth has slowed since the second increase in licence tax rates was implemented but remains at ‘double-digit’ annual rates.

The following section develops a framework to consider the likelihood of congestion re-emerging, which is based on a forward view of likely demand and supply (see Figure 2). The recent trend in demand to September 2016 (green line in Figure 2) appears consistent, with demand growing quite strongly and towards augmented supply, despite the application of higher licence tax rates. This suggests there is limited risk that the extra capacity facilitated by narrow-banding will remain unused for a considerable period of time.

From the evidence available, it is clear that the increase in licence tax rates has not had any excessive negative impact on demand. On this basis, there is currently no case to suggest that higher licence tax rates are unduly constraining demand and that the further increases towards OC flagged since 2012 should be discontinued.

## Feedback

The ACMA now seeks feedback on its analysis of spectrum demand in the HDAs of the 400 MHz band. The ACMA is especially interested in whether there exists more useful data for measuring demand and trends. Also the ACMA is interested in whether its preliminary view on recent and possible future demand accords with industry experience and views.

**Consultation questions:**

1: Is there more useful data available for analysing both the level of and trends in demand for spectrum in the 400 MHz band?

2: Do you have other evidence about recent and possible future demand in the HDAs of the 400 MHz band?

## Impact on forward congestion risk

The monitoring framework has been modified to reflect respondent feedback from the consultation conducted in 2014. The revisions to the framework and the logic around a second increase in licence tax rates were detailed in the ACMA’s response to the consultation paper, [*Managing spectrum in the 400 MHz band—Next steps*](http://www.acma.gov.au/Industry/Spectrum/Spectrum-projects/400-MHz-band/progressing-opportunity-cost-pricing-in-the-400-mhz-band), released in January 2016.

The ACMA’s analysis in this consultation paper is based on the modified monitoring framework.

The monitoring framework has shifted from one focussed predominantly on rotation (low-value users out and high-value users in)—although that still remains a focus—to a focus on the likely re-emergence of congestion. This shift reflects ongoing concerns around the potential for congestion to re-emerge, despite the regulatory and pricing interventions.

Since modifying the monitoring framework in 2015, the ACMA has also updated the forward projection of potential demand based on actual outcomes up to and including September 2016. The purpose of these projections is to provide information about the materiality of risks around the re-emergence of congestion (that is, where demand is too close to augmented supply) across the medium-term, rather than attempting to provide a forecast of medium-term spectrum demand.

Accurately forecasting demand for spectrum is difficult. This reflects that spectrum demand is a derived demand and dependent in part on the demand for the relevant final product that uses spectrum as an input; and also partly because there are substitutes to spectrum as an input to the provision of end-services.

Noting these constraints on the forward-looking analysis, the ACMA has adopted a simple extrapolation approach to project the forward profile of relevant spectrum demand (proxied by the number of licences) across the medium term (to end-2018).

Linear extrapolation is inherently conservative relative to other projection approaches, which (given the initial downturn in licence numbers followed by a sustained uptrend) would typically imply a faster projection of future growth in licence numbers. Linear extrapolation, therefore, may understate the materiality of forward congestion risk, while the upper scenario projection may overstate congestion risk. On balance, the trends identified are expected to represent the upper and lower bounds of likely demand and therefore of congestion risk.

Quantifying spectrum supply can also be quite complex. The ACMA has developed a simplified approach to the forward evolution of supply. The approach initialises spectrum supply (number of potential licences) at the level of demand in late-2012 when demand was close to supply (that is, there was congestion). Indicative supply then evolves with the pace of adoption of narrow-banding, which effectively enables two (or more) licences where previously only one was possible. On this basis, spectrum supply (the number of potential licences) grows as existing licensees adopt narrower bandwidth channels. The constructed supply effectively stabilises from around early-2016, as virtually all relevant licensees have adopted narrowband channels.

This analysis has been quarantined to the non-HGS spectrum to ensure the analysis is not compromised by government licensee movements associated with the establishment of the HGS. This constructed evolution of supply is represented by the light blue band in Figure 2.

Figure 2 overlays the evolution of both aggregate demand and supply out to 2018. This enables a simultaneous comparison of the projected evolution in both demand and supply across that period. This assists with an analysis of the risk that demand will, over the medium-term, return to levels previously experienced and result in congestion again being experienced in the band.

1. Augmented supply versus actual and potential spectrum demand

Chart is explained in surrounding text.

*Source: ACMA analysis.*

Based on this analysis, congestion approaching that previously experienced (before the regulatory interventions) appears likely to re-emerge:

* around August 2017, based on the upper scenario projection
* around March 2018, based on a simple linear extrapolation

around December 2017, based solely on the growth experienced over the last 12 months (to September 2016).

This analysis suggests there remains material risk that spectrum demand is growing at a rate consistent with the re-emergence of congestion over a relatively short horizon. OC-based pricing principles focus on providing long-term price signals, which incent efficient investment decisions by licensees. The ACMA recognises that current licensees will respond progressively, and typically, as their complementary equipment needs replacement. The appropriate horizon for considering impacts on demand and congestion is therefore matched to the expected useful life of complementary equipment .Given this, it is problematic that congestion is likely to re-emerge in a time frame much shorter than the typical equipment investment cycle.

## Feedback

The ACMA is especially interested in whether there exists a better approach and/or more useful data for measuring congestion risk. The ACMA is also interested in whether its preliminary view on congestion risk accords with industry experience and views.

**Consultation questions:**

3: Is there a better approach and/or more useful data for analysing congestion risk in the HDAs of the 400 MHz band?

4: Does the ACMA’s preliminary view on congestion risk in the HDAs of the 400 MHz band align with industry views, or do you have other information on congestion?

## Conclusion

The ACMA preliminary view is that the pre-conditions for ceasing the staged transition towards licence tax rates based on OC principles have not been met. Specifically:

* there has been no sharp contraction in demand in response to earlier and/or prospective increases in licence tax rates
* demand is rising strongly consistent with timely utilisation of the extra supply occasioned by narrow-banding

the continuing trend growth implies a material risk that demand and congestion will rise to the problematic levels experienced prior to the reforms.

In this context, the ACMA’s preliminary view is that it is appropriate to continue to increase licence tax rates towards OC. This will ensure market participants (including existing licensees and new entrants) consider apparatus licence tax rates at (or at least trending towards) OC and therefore:

* will cause licensees to encounter the long-term OC imposed on society by their spectrum use
* promote efficient long-term use of spectrum by licensees

facilitate efficient investment in both spectrum and complementary non-spectrum inputs.

# Revising apparatus licence tax rates

It is proposed that updated OC-based tax rates will apply to all licences in the high-density areas of the 400 MHz band, including licences for general use, point-to-point services, point-to-multipoint services and land mobile services. The main exception is for amateur licences.

The ACMA proposes to amend the following determinations to reflect the intended increases described above:

* Radiocommunications (Transmitter Licence Tax) Determination 2015 *(*Transmitter Licence Tax Determination*)*
* Radiocommunications (Receiver Licence Tax) Determination 2015 *(*Receiver Licence Tax Determination*).*

Taxes per kHz for the high density areas of the 400 MHz band in tables 202, 302, 402 and 502 in Schedule 2 to the Transmitter Licence Tax Determination and tables 202 and 302 in Schedule 2 to the Receiver Licence Tax Determination will change.

After considering the feedback to this paper, should the ACMA decide to introduce the next increment, it is likely to do so around the same time of the normal annual CPI adjustment to apparatus licence taxes in April 2017. The proposed CPI adjustment for 2016–17 is an increase in apparatus licence taxes of 1.0% (the CPI increase over the year to June 2016). The proposed changes are detailed below with the effects of the CPI update and OC-based increment shown separately.

1. Radiocommunications (Transmitter Licence Tax) Determination 2015—High density areas annual licence tax rate ($/KHz)

| 403–520 MHz | Currently effective from 5 April 2016 | After update for CPI escalation | After third OC increment |
| --- | --- | --- | --- |
| Table 202 | $1.9801 | $1.9999 | $2.2999 |
| Table 302 | $146.3980 | $147.8620 | $170.0413 |
| Table 402 | $36.5995 | $36.9655 | $42.5103 |
| Table 502 | $146.3980 | $147.8620 | $170.0413 |

1. Radiocommunications (Receiver Licence Tax) Determination 2015—High density areas annual licence tax rate ($/KHz)

| 403–520 MHz | Currently effective from 5 April 2016 | After update for CPI escalation | After third OC increment |
| --- | --- | --- | --- |
| Table 202 | $1.9801 | $1.9999 | $2.2999 |
| Table 302 | $36.5995 | $36.9655 | $42.5103 |

The relevant parts of these proposed changes in the Transmitter Licence Tax Determination and the Receiver Licence Tax Determination will be replicated in the Apparatus Licence Fee Schedule, which is normally updated in April each year (available at <http://acma.gov.au/theACMA/About/Making-payments/Apparatus-licence-fees/apparatus-licence-fees-acma)>.

## Feedback

The ACMA seeks feedback from stakeholders on the proposed amendments to the Transmitter Licence Tax Determination and the Receiver Licence Tax Determination.

**Consultation questions:**

5: The ACMA seeks feedback on the proposed amendments to the Tax Determinations outlined above.

# Invitation to comment

## Making a submission

The ACMA invites comments on the issues set out in this consultation paper or any other issues relevant to the introduction of OC principles in the HDAs of the 400 MHz band.

* [**Online submissions**](http://www.acma.gov.au/theACMA/Consultations/Consultations)—submissions can be made via the comment function or by uploading a document. The online consultation page provides details.
* **Submissions by post**—can be sent to:

Manager

Economics Advisory Section

Strategy and Research Branch

Australian Communications and Media Authority

PO Box 13112

Melbourne VIC 8010

**The closing time for submissions is COB, Thursday 22 December 2016.**

Electronic submissions in Microsoft Word or Rich Text Format are preferred.

Enquiries

* Consultation enquiries can be emailed to [spectrumpricing@acma.gov.au](mailto:xxx@acma.gov.au).

Media enquiries can be directed to Emma Rossi on 02 9334 7719 or by email to [media@acma.gov.au](mailto:media@acma.gov.au).

Effective consultation

The ACMA is working to enhance the effectiveness of its stakeholder consultation processes, which are an important source of evidence for its regulatory development activities. To assist stakeholders in formulating submissions to its formal, written consultation processes, it has developed [*Effective consultation—a guide to making a submission*](http://www.acma.gov.au/theACMA/About/Corporate/Responsibilities/acma-evidenceinformed-regulation-and-effective-consultation). This guide provides information about the ACMA’s formal written public consultation processes and practical guidance on how to make a submission.

Publication of submissions

In general, the ACMA publishes all submissions it receives. The ACMA prefers to receive submissions that are not claimed to be confidential. However, the ACMA accepts that a submitter may sometimes wish to provide information in confidence. In these circumstances, submitters are asked to identify the material over which confidentiality is claimed and provide a written explanation for the claim.

The ACMA will consider each confidentiality claim on a case-by-case basis. If the ACMA accepts a claim, it will not publish the confidential information unless authorised or required by law to do so.

Release of submissions where authorised or required by law

Any submissions provided to the ACMA may be released under the [*Freedom of Information Act 1982*](https://www.comlaw.gov.au/Series/C2004A02562) (unless an exemption applies) or shared with various other government agencies and certain other parties under Part 7A of the [*Australian Communications and Media Authority Act 2005*](https://www.comlaw.gov.au/Series/C2005A00044). The ACMA may also be required to release submissions for other reasons including for the purpose of parliamentary processes or where otherwise required by law (for example, under a court subpoena). While the ACMA seeks to consult submitters of confidential information before that information is provided to another party, the ACMA cannot guarantee that confidential information will not be released through these or other legal means.

Privacy

The [*Privacy Act 1988*](http://www.comlaw.gov.au/Series/C2004A03712) imposes obligations on the ACMA in relation to the collection, security, quality, access, use and disclosure of personal information. These obligations are detailed in the [*Australian Privacy Principles*](http://www.oaic.gov.au/privacy/privacy-resources/privacy-fact-sheets/other/privacy-fact-sheet-17-australian-privacy-principles).

The ACMA may only collect personal information if it is reasonably necessary for, or directly related to, one or more of its functions or activities.

The purposes for which personal information is being collected (such as the names and contact details of submitters) are to:

* contribute to the transparency of the consultation process by clarifying, where appropriate, whose views are represented by a submission

enable the ACMA to contact submitters where follow-up is required or to notify them of related matters (except where submitters indicate they do not wish to be notified of such matters).

The ACMA will not use the personal information collected for any other purpose, unless the submitter has provided their consent or the ACMA is otherwise permitted to do so under the Privacy Act.

Submissions in response to this paper are voluntary. As mentioned above, the ACMA generally publishes all submissions it receives, including any personal information in the submissions. If a submitter has made a confidentiality claim over personal information that the ACMA has accepted, the submission will be published without that information. The ACMA will not release the personal information unless authorised or required by law to do so.

If a submitter wishes to make a submission anonymously or use a pseudonym, they are asked to contact the ACMA to see whether it is practicable to do so in light of the subject matter of the consultation. If it is practicable, the ACMA will notify the submitter of any procedures that need to be followed and whether there are any other consequences of making a submission in that way.

Further information on the Privacy Act and the ACMA’s privacy policy is available at [www.acma.gov.au/privacypolicy](http://www.acma.gov.au/privacypolicy). The privacy policy contains details about how an individual may access personal information about them that is held by the ACMA, and seek the correction of such information. It also explains how an individual may complain about a breach of the Privacy Act and how the ACMA will deal with such a complaint.

1. The detail of the geographic area covered by each of the three high density areas is provided in the Apparatus Licence Fee Schedule, April 2016, pages 43-45, available at <http://acma.gov.au/theACMA/About/Making-payments/Apparatus-licence-fees/apparatus-licence-fees-acma>. [↑](#footnote-ref-1)
2. Narrow-banding was a requirement implemented by the ACMA as part of its broader response to congestion in this band and effectively mandates licensees to migrate from systems that operate at 25 kHz to 12.5 kHz or less. Such narrow-banding improves the efficiency of spectrum use. In general, narrow-banding effectively increases supply by enabling two (or more) licences where only one was possible previously. [↑](#footnote-ref-2)
3. As a consequence of the regulatory reforms or for other business reasons. [↑](#footnote-ref-3)
4. ACMA, *Adoption of opportunity cost pricing for apparatus licences in the 400 MHz band,* discussion paper, April 2012. [↑](#footnote-ref-4)
5. The non-government sector has effectively completed narrow-banding, which effectively results in a flattening of the constructed indicative supply curve in Figure 2. [↑](#footnote-ref-5)
6. Section 3 of the *Radiocommunications Act 1992*. [↑](#footnote-ref-6)