

24 August 2023

Via email: [spectrumpricing@acma.gov.au](mailto:spectrumpricing@acma.gov.au)

**AMTA submission - Spectrum licence taxes: indexing the EME component and other charges**

AMTA welcomes the opportunity to respond to the Australian Communications and Media Authority (ACMA) consultation paper on *Spectrum licence taxes: indexing the EME component and other changes*.

The *Radiocommunications (Spectrum Licence Tax) Act 1997* imposes a spectrum licence tax on spectrum licensees. The spectrum licence tax is imposed annually on 11 October and the amount of the tax payable is determined in accordance with the Spectrum Licence Tax Determination (the Determination). The tax is intended to enable the ACMA to recover costs relating to its spectrum management activities (the Main Component) and the Government's electromagnetic energy program (the EME Component).

The Consultation Paper sets out proposals to amend the Radiocommunications (Spectrum Licence Tax) Determination 2021 (the Determination) to:

- Apply the 2023–24 indexation of the EME component to the nominal \$1.9 million amount. This was previously capped at \$2.6 million during each of the first three years of introduction; and
- Introduce proposed changes to the base amounts for the 3700-3800 MHz band ahead of the 3.4/3.7 GHz band auction.

As the spectrum licence tax is only levied on spectrum licences that have been issued, AMTA does not have any concerns about the proposal to update the Determination to reflect the upcoming 3.4/3.7 GHz band auction, including the change to the base amount from \$166,032 to \$221,376 to reflect the change in the frequency range that will result from the 3.4/3.7 GHz auction scheduled for later this year.

*Changes to the EME component*

AMTA understands that there is no proposed change to the methodology used to apportion the EME Component and that the proposed EME levy to be recovered in 2023-24 is calculated based on the CPI for the June period (that is, 6.0%). Accordingly, the EME Component to be recovered in 2023-2024 is therefore \$2.014 million.

When the EME component of the annual spectrum licence tax was introduced pursuant to the *ACMA (Modifications to Apparatus and Spectrum Licence Taxes) Direction 2020* (the Direction)

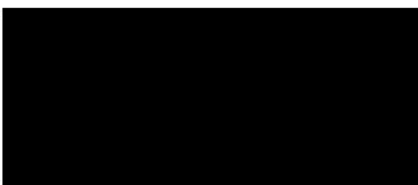
issued by the then Minister for Communications, Cyber Safety and the Arts, it was noted that the changes to the Determination made as a result of the Direction are intended to be ongoing, but may be amended or revoked in the future depending on future decisions by the Government concerning funding for the Enhanced Electromagnetic Energy Program.<sup>1</sup>

AMTA continues to support the need for the EME component as necessary to support the activities of the Government's EME Program and welcomes the decline in the quantum of the EME Component, notwithstanding the relatively high (6%) CPI rate of indexation. However, AMTA notes that further transparency over the manner in which the EME Component funding is allocated to cover the costs of the Government's EME Program would be welcome. This will help ensure that the spectrum licence tax rate is proportionate to the costs of administering the EME program.

AMTA also notes that the EME Component is not levied on all spectrum licence holders,<sup>2</sup> or apparatus licence holders that may operate transmitters or receivers that emit EME. Indeed, recovery of the EME Component from "the majority" of spectrum licence holders was deemed administratively efficient at the time of its introduction in 2020, on the basis that "Carriers' commercial deployments of new and emerging technologies are causing the need for the Government to respond to community concerns about 5G and EME".<sup>3</sup>

At the time the Direction was issued, some stakeholders expressed a preference for the proposed new EME component of the spectrum licence tax to be paid by a broader group of licence holders.<sup>4</sup> As 5G devices continue to proliferate, including potentially via new apparatus licensing and class licensing arrangements, community concerns about EME are no longer reasonably confined to spectrum licensed networks. The ACMA's own approach to allocating Area Wide Licences (AWLs) speaks to a potential expansion of the operators and use cases that will deploy 5G services. As a result, AMTA suggest that the ACMA review the range of licence holders responsible for cost recovery of the EME component of the spectrum licence tax.

Kind regards,



Chris Coughlan  
Head of Spectrum and Network Infrastructure

---

<sup>1</sup> Explanatory Statement to the Ministerial Direction, p.1

<sup>2</sup> 'Designated Spectrum Licences' remain exempt from EME component on the basis that they are not used to supply a PTS for commercial purposes or are used for the provision of a television outside broadcast service

<sup>3</sup> Australian Communications and Media Authority (Modifications to Apparatus and Spectrum Licences Taxes) Direction 2020, Explanatory Statement, pp. 1-2

<sup>4</sup> Explanatory Statement to the Ministerial Direction, p.4