



nbn's submission on ACMA's Response to the implementation of the Spectrum Pricing Review (part 2)

13 December 2021



Thank you for the opportunity to comment on the issues set out in the 'Response to the implementation of the Spectrum Pricing Review (part 2), Consultation on the second tranche of reform proposals, October 2021'.

We set out our response to your questions below and would be happy to provide further information.

1 Introduction

nbn's spectrum requirements are developed, and refined, to enable it to meet the Government's Statements of Expectations and our new obligations as Statutory Infrastructure Provider (**SIP**). This includes the Federal Government's expectation that **nbn** will assist to reliably and affordably meet the current and future broadband needs of households and businesses, including in regional and remote Australia, and continue to upgrade the network technologies to support retailers to meet demand from end users and improve customer experience.¹

The critical role that **nbn**'s fixed wireless and satellite network services play in the community generally and the value of connectedness has been highlighted during the COVID-19 crisis. As at 9 December 2021, there were approximately 370,000 and 110,000 active fixed wireless and satellite services respectively.²

nbn is required by legislation to operate as a wholesale only, open access, non-discriminatory operator. In doing so, **nbn** has developed wholesale products that Retail Service Providers (**RSPs**) use as inputs to their own retail products. This is intended to level the playing field in the Australian telecommunications industry, enhancing competition and innovation, and providing greater choice for customers across the country.

Having completed the initial build of the network last year, **nbn** announced a number of key initiatives that we believe will have a significant impact on lifting the digital capability of Australia. In particular, we wish to highlight the following:

- Network upgrades to make **nbn**'s highest wholesale speed plans available, as demand arises, to up to 75 per cent of households and businesses in the fixed-line network by 2023 (and up to 68 per cent in the total network)
- The creation of a dedicated \$300 million fund to co-invest with governments or local councils to continue to enhance broadband services for Australia's regional and remote communities. The primary focus of the fund is to uplift digital capability in regional and remote areas, outside capital cities, that are served by **nbn**'s Fixed Wireless or Satellite infrastructure, by increasing the number of premises that can access technologies that support higher speeds.³

2 Questions

1. *Do you have any comments on the proposal to amalgamate the >30 to 403 MHz range for the tax formula?*

nbn has no comments on the proposal based on the available information.

¹ See NBN Co Ltd Statement of Expectations 26 August 2021 at <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/policies/soe-shareholder-minister-letter-2021.pdf>

² <https://www.nbnco.com.au/corporate-information/about-nbn-co/corporate-plan/weekly-progress-report>

³ <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/corporate-plan/nbn-co-corporate-plan-2022.pdf>

2. *Do you have any comments on the proposal to increase location weightings for the high and medium-density areas in the >2,690 to 5,000 MHz range?*

nbn has no comments on the proposal based on the available information.

3. *Do you have any comments on the appropriateness of the proposed spectrum location weighting for frequencies above 100 GHz?*

nbn has no comments on the proposal based on the available information.

4. *The minimum tax in the proposed band above 100 GHz is intended for services exhibiting limited interference potential to other services. Should the ACMA restrict the minimum tax above 100 GHz to services, such as optical communications, with known limited spectrum denial?*

nbn has no comments on the proposal based on the available information.

5. *Do you have any comments on the proposed method to update taxes by reference to population change, rather than annual adjustments based on the consumer price index?*

nbn supports the proposed method to update taxes by reference to population change based on the available information. We note that **nbn** is required under the satellite class licensing regime to acquire Australia-wide licences for our space stations given the need to generally ensure coverage to Australians where other **nbn** technologies are not available. Additionally, our role as default SIP for all of Australia means we need to have a network available to service any premises in Australia on request.

6. *Do you have any comments on the density area framework, proposed density area definitions, or proposed changes to the Perth and Adelaide medium-density areas?*

nbn supports the proposed density area framework, density area definitions and changes to the Perth and Adelaide medium-density areas based on the available information. We note that **nbn**'s fixed wireless network coverage areas fall within the existing geographic boundaries for Perth and Adelaide and also the adjacent areas proposed to be included in the larger geographic boundaries for Perth and Adelaide.

7. *Do you have any comments on the tax reform proposals for HPON licences?*

nbn has no comments on the proposal based on the information available.

8. *Do you have any comments on the proposed adjustments to the tranche one reforms?*

nbn supports the proposed adjustment to the earth station systems price to enable collocated earth stations operating within the licenced bandwidth but on different centre frequencies to also obtain the discount offered by way of the 'systems' price. **nbn** agrees that the proposed change will allow for more flexibility with earth station system configurations.

9. *Do you have suggestions for any additional pricing measures the ACMA could consider to encourage spectrally efficient technology deployments?*

nbn has no suggestions currently based on the information available.

10. *Are there any other comments that you would like to give relating to the proposals in this paper or other aspects of the apparatus licence tax regime?*

nbn has no comments based on the information available.