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Mr Mark McGregor  
Manager  
Spectrum Pricing Section  
Radiocommunications Policy Branch  
Australian Communications and Media Authority  
PO Box 13112  
Law Courts  
Melbourne VIC 8010

Dear Mr McGregor,

### **Review of spectrum licence tax arrangements**

Free TV appreciates the opportunity to respond to the Consultation Paper on *Automatic sunseting of legislative instruments – Review of spectrum licence tax arrangements*.

Free TV members are concerned with the proposed arrangements for the spectrum licence tax applicable to the 2.5GHz (mid-band gap) band.

Our understanding was that these mid-band gap spectrum licences would be equivalent to the cost of the previous apparatus licence. The ACMA's proposal does not take this into account.

### **Limitations on spectrum**

Free TV notes that the ACMA has applied the calculation of the applicable base rate for the spectrum licence tax across the board to all spectrum licences that are to be covered by the proposed determination.

This approach by the ACMA does not recognise or reflect the fact that these mid-band gap licences are used solely for television outside broadcasts (TOB), which deliver quality news, sport and information to the Australian public for free.

In contrast, the other spectrum licences that are subject to this calculation are licences which are not subject to any restrictions on their use and are generally used for commercial services which operate at a profit for the licensee. These include the "digital dividend" bands, which will be used to provide broadcasting-like services that compete with commercial free-to-air television (and are not subject to all of the regulations faced by Free TV members).

It is not reasonable to tax the 2.5 GHz mid-band gap licences in the same way as these unbounded licences.

The spectrum licence tax for the 2.5 GHz mid-band gap should be a nominal amount only, to reflect the limited use of the spectrum, the public benefits it delivers and the cost of the previous apparatus licence.

### **Usable spectrum**

Free TV appreciates the recognition from the ACMA that not all of the spectrum in the 2.5GHz mid-band gap is useable. We agree that the amount of the spectrum licence tax payable must reflect the inclusion of guard bands.

**Contact**

Please contact me on (02) 8968 7100 if you would like to discuss any of the issues raised in this submission.

Yours sincerely



**Julie Flynn**  
**CEO**