

The Manager  
Economics and Market Analysis  
Australian Communications and Media Authority  
PO Box 13112 Law Courts  
Melbourne Vic 8010

Dear Madam / Sir,

This 4-page document contains Goonhilly Earth Station Ltd.'s response to the 16 questions posed in the ACMA document IFC-07-2020-Consultation-paper-Spectrum-Pricing-Review\_4.docx.

Six questions (in red) have been responded to, with the responses in blue.

Please don't hesitate to contact me should you have any questions or require further clarification.

Yours faithfully,

*Bob Gough*

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Issues for comment

The ACMA invites comments on the issues set out in this consultation paper:

**Question 1**

Do stakeholders have any views about the status of the ACMA's role in implementing the recommendations of the Spectrum Pricing Review?

**Question 2**

Do stakeholders have any views on the legislative and policy environment that may be relevant to the pricing issues outlined in this paper?

**Question 3**

Do stakeholders have comments on the ACMA's draft spectrum pricing guidelines including the relevant spectrum pricing decisions, guiding principles and process for changing prices?

**Question 4**

Does the tax formula generally provide a solid base for incentivising the efficient use of spectrum?

**Question 5**

Do stakeholders have views on:

- > prioritising the features of the tax formula and other taxes by considering different focus areas
- > the criteria for prioritising the focus areas
- > other matters or focus areas that should be considered as part of the ACMA's work program.

**Question 6**

What are the relevant price points to undertake an opportunity cost analysis of taxes for services above 5 GHz? Examples of relevant information may include:

- > how prices for products and services have changed over time
- > how prices of radiocommunications equipment have changed over time relative to spectrum prices
- > comparisons with international auctions results or administrative spectrum prices.

**Question 7**

How can taxes be designed to account for multiple devices? Under what circumstances do stakeholders believe that one tax should relate to many devices and/or there should be 'discounts' for multiple devices authorised under one licence?

*Goonhilly's deep space antenna destined for Australia and other locations around the globe will use a phased array comprising one large antenna (Tx/Rx for NASA ARTEMIS and Gateway compatibility) plus up to say 10 x smaller diameter receive antennas. This rather than a single 35 metre or larger antenna. Operation will be at S-, X- and K/Ka-band. The smaller antennas might also be equipped with transmit capability.*

*Would companies using this next-generation technology be charged for each individual dish?*

**Question 8**

While the current low power discount provides for a significant reduction in taxes of 90 per cent, the ACMA is interested in considering further incentives to promote the greater sharing of spectrum.

Do the lower potential denial areas of different services provide a case for considering different or additional low power discounts? In responding, please provide:

- > examples of these services and the denial characteristics of these services
- > the information that may be required for the ACMA to be able to apply a discount
- > views on whether such approaches can be applied across different licence types and bands.

#### **Question 9**

Do stakeholders have comments on:

- > the proposal to monitor bands for potential changes in taxes and the balance and precision required in monitoring and pricing spectrum?
- > the use of inflation to keep apparatus licence taxes contemporary and whether there are alternative approaches?

#### **Question 10**

Do current spectrum locations or frequency ranges remain appropriate? If not, what changes should be made and why?

#### **Question 11**

What factors should the ACMA consider in determining new spectrum locations or frequency ranges?

*To permit industries such as the Space Sector to flourish and grow.  
See also the response to Question 13.*

#### **Question 12**

Do the different tax rates associated with different spectrum locations or frequency ranges influence decisions about deploying radiocommunications equipment?

*Yes, definitely. It's a major factor.*

#### **Question 13**

How does the value of spectrum change across geographic locations?

*The impact of 5G spectrum auctions around urban areas – e.g. Embargo 69 – has a major negative influence on satellite communications for LEO, MEO, GEO and deep space. The cost recovery framework imposed on smaller companies is prohibitive for the smaller companies, but at a national level the costs that are recovered may be insignificant. The cost recovery framework is having a crippling effect on the Australian Space Industry.*

*The Space Industry is set to generate many hi-tech and other jobs into the future and produce very large Australian export revenues. A micro level cost recovery at national level is having devastating effects at macro level on smaller companies.*

#### **Question 14**

The ACMA also seeks views from stakeholders about:

- > should density areas be refined for different services/bands?
- > rather than having density areas, do models of congestion (like that used in the 400 MHz work) potentially better reflect demand for services and the value of spectrum? If so, what features would such a model have?

- > whether different pricing constructs, such as \$/MHz/Pop for different licence types should be considered?
- > whether there should be parity in pricing arrangements between services like commercial broadcasting taxes and open narrowcasting taxes?
- > whether there are other services where the ACMA should be considering providing greater parity in pricing?

**Question 15**

Do stakeholders have views on:

- > the current pricing arrangements for scientific-assigned licences for new technologies?
- > the proposal for new short-term scientific-assigned licence trials and alternative pricing proposals?

*Yes. See the response to Question 11. Encourage the trial of new satcom technologies and services.*

**Question 16**

Do these proposals promote transparency and ease in calculating taxes?

*The transparency of calculating taxes could be a cost recovery in itself if abolished – the overheads of highly skilled ACMA staff calculating taxes and subsequent invoicing in some instances may be as significant as the tax itself.*

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