



Submission in response to
ACMA consultation paper

**Radiocommunications
pricing consultation paper**

2.69 GHz to 5 GHz band pricing
review and proposed 2026
updates to apparatus licence
taxes

Public Version

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OPTUS FEEDBACK

Optus welcomes the opportunity to provide comment to the Australian Communications and Media Authority (ACMA) Radiocommunications pricing consultation paper on *2.69 GHz to 5 GHz band pricing review and proposed 2026 updates to apparatus licence taxes* (the Consultation Paper).

The Consultation Paper focuses on two key proposals with respect to the administrative pricing of spectrum assets. In summary,

- Optus welcomes the ACMA's preliminary decision to not impose any pricing reforms in the 2.69 GHz to 5 GHz band at this stage. We also acknowledge that a more holistic review, to allow for consideration of demand relativities in adjacent bands, could be taken in as part of a wider 520 MHz to 5 GHz band pricing review process.
- Optus supports continued application of the ACMA's population-based methodology when applying annual updates to apparatus licence tax rates.

The remainder of this submission sets out Optus' comments on the ACMA's revised approach to demand analysis and proposed annual adjustments to apparatus licence tax rates.

ACMA approach to demand analysis

1. Do you have any comments regarding our total bandwidth metric and approach to demand analysis?
2. Do you consider measures of total bandwidth consumption and spare bandwidth to be useful for informing price settings for apparatus licence tax?

Taxes levied on apparatus licences are intended to create efficient economic incentives for the use of spectrum. They encourage licensees to use the minimum amount of bandwidth for their needs, to move to less congested bands, and to surrender licences that are no longer needed.

Demand analysis is one approach for the measurement of spectrum efficiency and demand across specific bands to assess potential congestion and inform pricing decisions.

However, traditional demand metrics such as "total number of assignments, total number of licences and total bandwidth consumed"¹ have potential limitations when aligned with opportunity cost principles and used as inputs to identify congestion in a given area/band. This is largely driven by the nature of the spectrum assignments and non-uniformity in terms of technical parameters and geographic dimensions.

In, and of itself, this may mean it is difficult to identify congestion and the potential need for price adjustments and ensuring that the applicable tax will better reflect demand for spectrum in a specific area, which ultimately should promote the efficient use of spectrum in affected areas.

To address these limitations, the ACMA has proposed to move to refined demand metrics where they first measure total bandwidth consumption (taking the average bandwidth used by each transmitter licence in a given density area) and then measuring "spare bandwidth", which

¹ ACMA, 2025, Radiocommunications pricing consultation paper: 2.69 GHz to 5 GHz band pricing review and proposed 2026 updates to apparatus licence taxes, October, p.8

considers the amount of unoccupied bandwidth in the most congested location within each density area.

Optus does not oppose this refined approach. However, we note that potential limitations can still arise in this instance – particularly where the spectrum can be used for more than one technology/service type. For example, in the case of 520 MHz to 5 GHz, consider a potential scenario in the 1800 MHz FDD whereby, although there is “spare” downlink (DL) bandwidth present, this does not mean it is functional for Mobile broadband as fixed PTP links have different DL/UL simultaneous paired spectrum compared to Mobile broadband services. A “spare” DL frequency range available for Mobile broadband may not have its corresponding paired UL frequency range available as that is being occupied by a fixed PTP link. This risks inefficient signals for both pricing and market demand, which would not align with opportunity cost principles.

While measures of total bandwidth consumption and spare bandwidth may be useful for informing price settings with respect to the administrative pricing of spectrum assets, we agree with the ACMA’s recognition that “band pricing review processes must account for matters beyond demand analysis, such that spare bandwidth is not the only input.”²

2.69 GHz to 5 GHz band pricing review and proposal to broaden review 520 MHz to 5 GHz

3. Do you have any feedback on our preliminary demand analysis in the 2.69 GHz to 5 GHz band?

4. Do you have any feedback on our proposal to broaden the band pricing review to the 520 MHz to 5 GHz range for the purposes of assessing and potentially adjusting relative prices for apparatus licences?

Optus notes that the preliminary demand analysis provided by the ACMA is very high level and only provides a partial view of demand largely based on traditional metrics such as bandwidth use and total bandwidth consumption.

Despite the refined demand approach providing some useful insights into the relative levels of congestion in the band, the ACMA acknowledged challenges with analysing congestion across the whole 2.69 GHz to 5 GHz band because:

- the band is portioned into smaller segments for different planned uses, and
- utility in the different segments vary.

Consequently, the ACMA decided not to publish their initial analysis but committed to refine their approach further with smaller segments in their future review for the 520 MHz to 5 GHz.

Recognising that the most in-demand frequency range in the 2.69 GHz to 5 GHz band is 3.4 GHz to 4.0 GHz, which is largely spectrum-licensed, and out of scope of this band pricing review process, Optus welcomes the ACMA’s preliminary decision to not impose any pricing reforms in the 2.69 GHz to 5 GHz band at this stage.

We also welcome a more holistic review, which will allow for consideration of demand relativities in adjacent bands. This could be done as part of a wider 520 MHz to 5 GHz band pricing review process. In doing so, we also consider the ACMA’s initial analysis for 2.69 GHz to 5 GHz band

² Ibid, p.9

should be made available for consideration as part of the broadened future review of the bands below 5 GHz.

Based on the available information, and lack of further information on the pricing proposals, we are unable to offer further comment on potential adjustments to pricing relativities for apparatus licences in the target bands.

Proposed annual adjustments to apparatus licence tax rates

5. Do you have any comments on the proposed population-based tax updates?

Optus supports continued application of the ACMA's population-based methodology when applying annual updates to apparatus licence tax rates.

We also welcome the updated apparatus licence tax rates to take effect when ACMA publishes its annual Apparatus Licence Tax schedule around April each year.