



Submission in response to
ACMA Consultation Paper

**Updating tax
determinations with new
census population data**

Public Version

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1. Optus welcomes the opportunity to provide a submission in response to the Australian Communications and Media Authority (ACMA) consultation paper on *Updating tax determinations with new census population data*, August 2022. Optus understands that the focus of the consultation is on proposed changes to the *Radiocommunications (Spectrum Licence Tax) Determination 2021*, the *Radiocommunications (Transmitter Licence Tax) Determination 2015* and the *Apparatus Licence Fee Schedule*. Optus understands that the determinations are being updated to refer to population information from the 2021 Census of Population and Housing (2021 census), which was 25,362,351 people, rather than the 2016 census, which was 23,347,848 people.
2. Accordingly, all licence taxes that are calculated on the basis of population (\$/MHz/pop”) will be affected. However, Optus also understands that the ACMA has proposed a new base rate of \$0.133/MHz (paired)/pop in response to feedback to the consultation on draft instruments for the 850/900 MHz band auction – consultation 16/2021. Optus considers the proposal to be welcome measure to help encourage early access to the 850/900 MHz band in the transition to the commencement of spectrum licences on 1 July 2024.
3. However, Optus notes that the proposed changes will impose further costs on Optus, particularly in relation to our 2100 MHz PTS licences, which we estimate will increase by approximately 6.4%. Given the significant current licence tax payable by Optus, this increase will of course add to the overall cost of providing services via this licence. Similarly, the increase to the tax payable on Optus 26 GHz AWL will be approximately 5.5% which will also result in a not insignificant increase to the actual amount of tax payable per year.
4. That said, Optus does appreciate that certain licences, such as the 1800 MHz and 2100 MHz PTS licences, have not been subject to significant change for some time and that some increases in taxes may be necessary to recover increased costs of spectrum management. Of course, all such increases should be proportionate to the administrative costs to be recovered rather than designed to raise revenue.
5. In the circumstances, Optus does not oppose the proposed changes and generally supports the ACMA approach of calculating applicable taxes by reference to population and the ASMG/HCS cells. However, Optus has previously raised concerns that many of the assumptions underpinning the calculation of licence taxes remain complex, unclear and non-transparent. Optus submit that the tax applicable to a licence should be transparent and calculable by a licensee with sufficient certainty to promote investment and network planning. To this end, we welcome the ACMA’s recent commitment to consult, in Q1 2023, on the “Pricing arrangements considering opportunities for different levels of interference protection and other machinery changes to allow for the updates to taxes”¹ which we understand, among other matters, to be the proposed new normalisation factors and the exact mechanism by which annual tax adjustments that were the subject of the ACMA’s most recent consultation on the implementation of the Spectrum Pricing Review.²

¹ [ACMA Five Year Spectrum Outlook 2022-27](#), p.67

² [Response to the Implementation of the Spectrum Pricing Review \(part 2\)](#) – consultation 38/2021