



nbn's submission: Proposed Changes to Apparatus Licence Pricing Structures

9 May 2023



Introduction

Thank you for the opportunity to comment on the Australian Communications and Media Authority's (ACMA) Consultation Paper on Proposed Changes to Apparatus Licence Pricing Structures, March 2023.

nbn was established in 2009 as a Government Business Enterprise, to provide fast, reliable and affordable connectivity, to enable Australia to seize the economic opportunities before it and service the best interests of consumers. It remains the principal responsibility of **nbn** to operate and continue to build and upgrade the **nbn**® network in accordance with the expectations of the Government.

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.

Under the *Telecommunications Act 1997 (Cth)* **nbn** is the default Statutory Infrastructure Provider (**SIP**) across all of Australia. This means **nbn** has an obligation to connect all premises to broadband services that meet specified requirements (except in areas where another carrier is the nominated SIP). Under the SIP regime, where it is not reasonable for the SIP to connect premises to a fixed-line network, it must provide fixed-wireless or satellite technology at minimum prescribed upload and download speeds.

In addition to meeting its obligations under the SIP regime, **nbn**'s objectives are set by the Shareholder Minister's Statement of Expectations (**SoE**), which is supplemented from time to time by policy directives and correspondence. The Government issued NBN Co with a revised SoE on 19 December 2022.

Response to Issues for Comment

As set out in **nbn**'s previous submissions to the ACMA on the Implementation of the Spectrum Pricing Review (Part 2) (December 2021), **nbn** supports the ACMA's proposal to move from a framework of updating apparatus licence taxes annually based on changes in the CPI, to a framework based on changes in geography-specific population data.

nbn does not have any specific feedback on the proposed usage of the ABS dataset 'Estimated resident population, Significant Urban Areas' as the basis for the framework to update apparatus licence taxes annually using changes in geography-specific population.

However, further consideration of satellite licence taxes is needed. **nbn** is required to acquire Australia-wide licences for our space stations under the satellite class licensing regime, 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.

Satellite licence taxes were recently reduced as part of the 2020 reforms, but they remain several times higher than the taxes of comparable nations. We support the views of the Communications Alliance Satellite Services Working Group that the cost of Australia-wide licensing should be discounted, to align with international benchmarks and in line with the ACMA's stated intent to take into account the Government's policies and priorities. Specifically, by-supporting opportunities for better telecommunications services in regional and remote



Australia through the ACMA's spectrum and licensing allocation processes and supporting innovations to improve service delivery¹.

At this time, **nbn** does not have any comment on the matters set out in Questions 2 – 10.

¹ <https://www.acma.gov.au/sites/default/files/2023-03/ACMA-Statement-of-Intent.pdf>