

**Senate Standing Committee on Environment and Communications –
Radiocommunications Bills 2020
ANSWERS TO INQUIRY QUESTIONS ON NOTICE
Department of Infrastructure, Transport, Regional Development and Communications**

IQ47

Division: Spectrum and Telecommunications Deployment Policy

Inquiry Name: Radiocommunications Bills 2020

Inquiry Date: 12 October 2020

Topic: Transition Costs to a single licensing system

Question Type: Hansard Ref: Page 26, 12/10/2020

Senator Green asked:

Senator GREEN: In terms of transition costs, what are we talking about? How is that cost incurred? Do you have a case study you could provide to the committee on how much that will cost?

Ms Blackwood: I would probably need to take that on notice; it's not something I've got to hand.

Senator GREEN: Are we talking about a couple of thousands of dollars or millions of dollars? It would be good to understand the quantitative nature of those transition costs. And I'm sure we can put that question on notice to some of our industry providers as well. There is some cost involved and some substantial reform needed. I'm sure the departmental officials at the table and our fantastic parliamentary drafters are quite capable of drafting complex legislative reform. Do you know when this will be pursued, if at all?

Ms Blackwood: There is no plan to pursue a single licensing system at this time. The decision has been taken to instead pursue this more targeted sets of reforms to achieve the benefits as outlined.

Ms Brown: I will take that question on notice. I'm happy to provide the committee with that extra information. I think the transition costs also relate to the length of licenses. There are quite long licenses issued in spectrum, so a transition period would be extended over the life of some of those long licenses, which means that you are running two systems for an extended period of time. We will take that on notice and elaborate on those costs, but I think the length of licenses in spectrum would be quite material to the way in which you transition and what that means for how you manage, in essence, two systems at the one time.

Answer:

The 2015 Spectrum Review recommended introducing a single licensing system for authorising radiocommunications, replacing the spectrum licence and apparatus licence systems currently set out in the *Radiocommunications Act 1992*. In 2017, the Government released an exposure draft of a new Radiocommunications Act that included some aspects of a single licensing system, but did not address how existing licences would transition to the single licensing system, particularly long term spectrum licences and licences for broadcasting transmitters.

After considering the responses to the 2017 consultation process, as well as views received through subsequent additional stakeholder engagement, the Department undertook further work to identify a possible transition pathway to a single licensing system.

The transition to a single licensing system would involve the transitioning of over 167,000 apparatus licences (with over 60 licensing options) to the new system. The transition of spectrum licences would have, in effect, required two regimes to operate in parallel for an extended period, likely to be in the order of six years, with complex arrangements necessary to manage the transition from a spectrum licence to the single licensing system to protect the rights of licensees.

Maintaining this two-regime approach for a number of years would have introduced inefficiencies during the transition period, requiring the resources of spectrum users and ACMA to be dedicated to supporting the transition, and maintenance of two sets of systems and processes for an extended period.

The Radiocommunications Legislation Amendment (Reform and Modernisation) Bill 2020 makes targeted amendments to the Radiocommunications Act to improve the efficiency of spectrum management, including through increasing flexibility and reducing regulatory barriers in licence issue and renewal arrangements.

These reforms achieve many of the benefits of a single licensing system while avoiding transition costs, by aligning licence duration and renewal processes and permitting ACMA to issue a combination of spectrum and apparatus licences within specified geographic and spectral boundaries, where this will best meet the needs of spectrum users.