

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Spill-over hearing March 2017

Communications Portfolio

Department of Communications and the Arts

Question No: 325

Program 1.1

Hansard Ref: Written, 31/03/2017

Topic: Spectrum Review – unutilised bands

Senator Urquhart, Anne asked:

1. What bands of moderate to high value spectrum are currently unallocated or unused?
2. For how long have they been unallocated?
3. When does the Government expect they will be allocated?
4. What is the most recent historical valuation of these bands in \$/MHz/Pop?

Answer:

Generally, spectrum in lower frequency bands (mainly below 3 GHz) is in greater demand and considered of moderate to high value. Spectrum in the lower frequency bands has already been allocated by the ACMA, especially in areas of high population. These bands are readily available for use and licences have been issued by the ACMA. It is a matter for industry where and when to bring that spectrum into use.

The ACMA may re-farm bands to accommodate the changing use of spectrum over time. There is some residual spectrum that is not currently licensed as a result of the recent re-issue process for expiring spectrum licences in the 2.3 and 3.4 GHz bands in 2015 and the regional 1800 MHz auction in 2016. The 2.3 and 3.4 GHz bands were offered for re-issue to the incumbent licensees but not all spectrum was re-issued. There remained 6 lots unsold (of the 147 lots offered) from the regional 1800 MHz band auction. In addition, there is residual spectrum in the 2 GHz band from the initial auction held in 2001.

The Minister has recently designated the residual spectrum in the 2 GHz and 3.4 GHz bands for spectrum licensing. The residual spectrum in 2.3 GHz and 1800 MHz bands has previously been designated and is available for spectrum licensing. It is anticipated that the ACMA will undertake a price based allocation of this residual spectrum.

The most recent historical valuation of the 2 GHz, 2.3 GHz and 3.4 GHz spectrum has been obtained from the *Radiocommunications (Spectrum Access Charges) Direction 2012*.

Spectrum band	\$/MHz/Pop
2 GHz	0.625
2.3 GHz	0.03
3.4 GHz	0.03

The regional 1800 MHz sold for approximately \$544 million. The reserve price was approximately \$65 million. It is difficult to estimate the current value of spectrum as there are many variables that can affect the price paid. Prices represent a snapshot in time and do not account for changing technology and the market situation, which may increase or decrease the value of the spectrum.