

Responses to questions taken on notice from 6 December 2019

Question: Can you outline to the committee now or provide to us in writing, in answer to a question on notice, a time frame as to when the auction will occur and what the notable milestones would be after that, given I think the auction is expected to be opened in 2021. How long does it take the auction to close and how long will 5G be available to consumers? (Hansard proof, page 34)

The conduct of the 26 GHz auction, and the issue of spectrum licences following the auction, are predominantly matters for the Australian Communications and Media Authority (ACMA). The Department has liaised with ACMA on the preparation of this response.

The ACMA is planning to commence the 26 GHz auction in early 2021. It is difficult to predict when the auction will conclude, as this will be affected by levels of demand and the auction methodology which is chosen by ACMA. ACMA's allocation instruments will set out the processes to be followed following the conclusion of the auction. In its consultation paper on a draft spectrum reallocation recommendation for the 26 GHz band, ACMA indicated its preliminary views that:

- the auction should be conducted using a two-stage Enhanced Simultaneous Multi-Round Ascending format (involving a first round with frequency-generic lots for each area, followed by an assignment stage to determine which frequencies are allocated to each bidder); and
- licences should commence as soon as possible after the conclusion of the auction, and have a duration of 15 years.

Once licences have commenced, it will be a matter for licensees to determine when and how they use the spectrum to provide 5G services.

Question: Is there scope for the government to bring forward the auction from 2021? (Hansard proof, page 35)

The proposed auction timing was determined by ACMA, and the Department has liaised with ACMA on the preparation of this response. In its *Five Year Spectrum Outlook 2019-23 (FYSO)*, ACMA noted that:

- stakeholders had different views about the relative priority of different spectrum allocations and the timing of those allocations
- the 26 GHz and 28 GHz bands are both included in international consideration of possible 5G wireless broadband spectrum, as well as currently or potentially supporting a range of other services. Both the planning, and the timing and sequencing, of the allocation of licences in these bands, needs to be considered together as much as possible
- the timing of the proposed 26 GHz auction (adjusted from quarter 3 or 4 of 2020 in the draft FYSO to quarter 1 of 2021 in the final FYSO) arose from industry's preference to have greater clarity about planned arrangements in the 28 GHz band to assist in informing considerations about participation in any 26 GHz allocation, and the need for careful consideration of the details of the allocation arrangements for both spectrum and apparatus licences in both the 26 GHz and 28 GHz bands.

Following the reallocation declaration issued by the Minister for Communications, Cyber Safety and the Arts (the Minister) on 18 October 2019, the main steps required to facilitate the auction, in accordance with the *Radiocommunications Act 1992*, are:

- the Minister to consider whether he will issue ACMA with a direction on allocation limits, and the Minister has sought advice from the Australian Competition and Consumer Commission to inform this decision
- the ACMA will consult on draft allocation instruments, which set out the details of how the auction will occur
- the ACMA will make the allocation instruments
- the ACMA will open the auction to applications
- the auction will commence.