



Australian Government

Department of Communications

Mr Jason McNamara
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

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Dear Mr McNamara

Certification of independent review: Review of the Radiofrequency Spectrum Management Framework

I am writing to certify that the independent review of Australia's spectrum management framework (the review) has undertaken a process and analysis equivalent to a Regulatory Impact Statement (RIS).

The review was undertaken by the Department of Communications, in conjunction with the Australian Communications and Media Authority, and report of the review was released publicly by the Minister for Communications in May 2015.

I certify that the review has adequately addressed all seven RIS questions, and is submitted to the Office of Best Practice Regulation for the purposes of Government consideration of the review's recommendation and proposed Government response.

Consistent with the Government's deregulation agenda, the review's recommendations streamline the current spectrum management framework reducing compliance costs for licence holders. The review's recommendations remove unnecessary process and prescriptive detail in the current legislation. A more flexible and fit-for purpose spectrum management framework is better placed to cater to market and consumer preferences.

I also note that the regulatory burden to business, community organisations or individuals has been quantified and offsets identified using the Australian Government's Regulatory Burden Measurement framework. These have been agreed with your office and are provided below.

I consider that this captures only a small proportion of the overall benefits of this proposal which is a significant deregulatory initiative. The establishment of a single licensing system and the associated streamlining of allocation and real location procedures is expected to generate significant productivity benefits. The Centre for International Economics has estimated that making it easier for spectrum to move to more valuable uses could unlock productivity benefits for the economy of up to \$3.9 billion over 10 years.

Further, spectrum is unique in that it is instantly renewable and has an infinite asset life, any period left unused reduces real consumption possibilities in the economy. It is estimated that over the 15 year horizon of the spectrum lifecycle the proposed reforms will generate an additional \$96 million in benefits to the Australian economy by enabling faster access to spectrum that has been sitting unallocated and unused.

| <u>Regulatory burden and cost offset estimate table</u> | | | | |
|---|----------|-------------------------|-------------|----------------------|
| Average annual regulatory cost (from business as usual) | | | | |
| Change in costs (\$million) | Business | Community Organisations | Individuals | Total change in cost |
| Total, by sector | \$0.446 | \$ | \$ | \$0.446 |
| | | | | |
| Cost offset (\$ million) | Business | Community organisations | Individuals | Total, by source |
| Agency | \$0.446 | \$ | \$ | \$0.446 |
| Are all new costs offset? | | | | |
| <input type="checkbox"/> Yes, costs are offset <input type="checkbox"/> No, costs are not offset <input checked="" type="checkbox"/> Deregulatory-no offsets required | | | | |
| Total (Change incosts – Cost offset) (\$million) = \$0.446 | | | | |

Accordingly, I am satisfied that the attached review now meets best practice consistent with the *Australian Government Guide to Regulation*.

Yours sincerely



Ian Robinson
 Deputy Secretary, Infrastructure
 28 July 2015