

21 June 2023

Mr Jason Lange
Executive Director
Office of Impact Analysis
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Our ref: ACMA2022/68-2

Dear Mr Lange

Certification of impact analysis equivalent: allocation limits for the 3.4/3.7 GHz spectrum auction

I am writing to certify that the attached review has undertaken a process and analysis equivalent to a policy impact analysis. This review included the publication of the following papers, each of which advanced the considerations towards allocation limits for the 3.4/3.7 GHz spectrum auction:

- [Consultation paper: Draft allocation and technical instruments for 3.4–3.7 GHz bands auction](#) (February 2023)
- Outcomes paper: Allocation and technical instruments for the 3.4/3.7 GHz bands allocation process (expected release in late June 2023; attached)
- ACCC advice to ACMA on allocation limits for 3.4 and 3.7 GHz spectrum allocation (August 2022).

I certify that these documents adequately address all seven impact analysis questions (as outlined at the Annexure) and is submitted to the Office of Impact Analysis for the purposes of a final policy decision.

I am satisfied that the scope of the problem and the recommendations identified in the certified review are substantially the same as the identified problem and recommendations in the policy proposal.

Prior policy analysis¹ shows that the replanning of the 3700–4200 MHz band is estimated to yield net benefits in the order of \$560m.

¹ ACMA, [Certification of independent review: Planning the 3700–4200 MHz band](#), 11 December 2020

The ACMA acknowledges that the implementation of an allocation limit—when compared with not implementing a limit—imposes compliance costs on bidders, including the administrative cost of the affiliation process for participating bidders. These costs are not amenable to quantification, as the ACMA is not privy to information regarding the participating bidders' processes.

To determine the impacts of each proposed allocation limit option, the ACMA qualitatively assessed the three options against the objectives for the allocation:

1. supporting the efficient planning, allocation and use of the spectrum
2. supporting digital connectivity and investment in regional Australia
3. promoting competitive markets for the long-term benefit of consumers.

In addition to these objectives, the application of allocation limits should be practical and avoid imposing undue complexity on the allocation.

From the three options explored, the ACMA's preferred option is to set a 140 MHz limit in metropolitan areas and a 160 MHz limit in regional areas in the cross-band frequency range of 3.4–3.8 GHz. These allocation limits aim to support the efficient allocation of the spectrum on offer at auction, while concurrently promoting competition in related downstream markets and supporting digital connectivity and investment in regional Australia.

Accordingly, I am satisfied that the attached report is consistent with the *Australian Government Guide to Policy Impact Analysis*.

Yours sincerely

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ANNEXURE

Question	Document used to address question	Evidence
1. What is the policy problem you are trying to solve and what data is available?	ACCC advice	Rationale for intervention (p. 5)
	Consultation paper	Legislative context and policy environment (p. 15) Case for action (p. 49-50)
2. What are the objectives, why is government intervention needed to achieve them, and how will success be measured?	ACCC advice	Rationale for intervention (p. 5-6) Allocation limits are required (p. 17)
	Consultation paper	Case for action (p. 49-50)
3. What policy options are you considering?	Consultation paper	Options for allocation limits (p. 51-52)
	Outcomes paper	Allocation limits (p. 22-23)
4. What is the likely net benefit of each option?	Consultation paper	Options for allocation limits (p. 53-54)
	Outcomes paper	Quantum of the allocation limits (p. 25-29)
5. Who will you consult and how will you consult them?	Consultation paper	Invitation to comment
	Communications materials	<ul style="list-style-type: none"> ACMA e-bulletin directed to previous 3.4/3.7 GHz bands consultation respondents and subscribers to radiocommunications and 3.4-4.0 GHz e-bulletins. ACMA 'tune-up' with stakeholders held on 24 February 2023. Written and verbal discussions with stakeholders.
	Outcomes paper	Responses to issues for comment – Allocation limits (p. 22-25)
6. What is the best option from those you have considered and how will it be implemented?	Outcomes paper	ACMA view (p. 29)
7. How you will evaluate your chosen option against the success metrics?	Outcomes paper	Evaluation of the allocation limits (p. 30)