

23 September 2016

The Manager
Economic Advisory Section
Strategy and Research Branch
Australian Communications and Media Authority
PO Box 13112
Law Courts PO
Melbourne Vic 8010

Dear Sir/Madam

Thank you for the opportunity to comment on the ACMA's Review of taxation arrangements for satellite services consultation paper.

ASTRA's members make use of satellite and space-based services for the delivery of its services to subscribers (uplink on the Optus satellite using the 14 GHz and 17 GHz bands; and direct-to-home satellite services on the Optus satellite using the Ku-Band) and to receive programming from overseas (C-Band 3.7 GHz to 4.2 GHz).

This submission focuses solely on the ACMA's Regulatory Proposal 3, relating to a proposal for an earth station spectrum-sharing tax incentive. ASTRA does not provide comment on other proposals given its members do not make use of the relevant spectrum bands affected by those proposals.

ASTRA supports a 30% reduction in tax for Earth stations when two or more co-frequency terminals are located. At this stage, we consider the saving would not be sufficient to warrant the relocation of an earth station, but would certainly encourage the co-location of new earth stations.

However, ASTRA submits that rather than the 500 metre radius proposed by the ACMA as the co-location distance required to qualify for the reduction, a more appropriate radius would be 2 kilometres (particularly in rural areas). The proposed radius of 500 metres is considered insufficient to encourage collocation in a practical environment, because a single operator's site may reach that radius. A radius of 2 kms would provide more flexibility in co-siting, whilst still operating as a sufficient incentive.

If you have any queries or would like to discuss the issues raised in this submission, please contact Holly Brimble, Policy and Regulatory Manager (holly.brimble@astra.org.au).

Yours sincerely



Andrew Maiden
CEO