

12 April 2024



Submission to the Department of
Infrastructure, Transport, Regional
Development, Communications and the Arts

Ministerial Policy Statement – Expiring Spectrum Licences

Via portal: Have your Say



12 April 2024

The Australian Mobile Telecommunications Association (AMTA) welcomes the opportunity to provide this submission in response to the Department's consultation on a proposed Ministerial Policy Statement – Expiring Spectrum Licences.

If you have any queries or comments in relation to the content of our submission, please contact Chris Coughlan, Head of Spectrum and Network Infrastructure on 0401 988 322 or by email chris.coughlan@amta.org.au.

About AMTA

The AMTA is the peak industry body of Australia's mobile telecommunications industry. Our purpose is to be the trusted voice of industry, promoting the adoption, monetisation and sustainability of mobile telecommunications technology for the benefit of all Australians.

AMTA members include the mobile network service providers, handset manufacturers, network equipment suppliers, retail outlets and other suppliers to the industry.

Introduction

AMTA welcomes the opportunity to comment on the draft Ministerial Policy Statement (MPS). Every day, Australians rely on access to fast, reliable mobile services, including conducting business, connecting with family and friends, and importantly, making a call in an emergency. With ever increasing demand for higher bandwidth and coverage, mobile services underpin the digital economy and are considered national critical infrastructure.

As stated in our submission to the ACMA's Stage 1 ESL consultation, economic modelling undertaken by Deloitte Access Economics¹ for AMTA estimates that 5G will increase Australia's GDP by \$67 billion in 2022 dollars by 2030, and that this could be increased by a further \$27 billion (to \$94 billion) if appropriate policy initiatives are implemented. AMTA therefore underscores the significance of the expiring spectrum licence process in ensuring the continuity of the benefits of mobile services to all Australians. We support any measures that increase predictability and transparency in the expiring spectrum licence process, and overall, we support the draft MPS.

Our brief submission quickly addresses each individual policy in the MPS and concludes with our thoughts on the importance of providing guidance in the MPS on early certainty and process transparency.

¹ Deloitte Access Economics [5G Unleashed Report](#)

Supporting service continuity for end users, particularly where no alternative service is available

AMTA welcomes and strongly supports this policy objective. Mobile networks provide access to essential services to Australians across the country, including access to emergency services, education, health, social and government services. We are pleased to see this made a priority in the MPS.

We welcome the inclusion of the need to support service continuity and consider that it should be a priority consideration in all ESL decision-making.

The importance of connectivity, and therefore, service continuity, is clear in Government initiatives such as the Better Connectivity Plan for Regional and Rural Australia, where \$656 million is being provided over 5 years to improve mobile and broadband connectivity and resilience in rural and regional Australia.

In this context, it is paramount service continuity has primacy as a Government policy objective, and it should be a discretionary matter for the ACMA to balance service continuity against a list of other goals. A decision to not renew or partially renew the expiring spectrum licences would run contrary to existing Government initiatives and programs.

Moreover, a decision to not renew or partially renew the expiring spectrum licences will impact the quality-of-service to consumers. This is because the process relates to spectrum that is currently being used to deliver over 29 million mobile services to businesses and consumers. Any decision that leads to a reduction in a critical input needed to deliver mobile services will lead to Australians receiving inferior quality telecommunications services.

We observe there is no ranking or prioritisation of the policy objectives, and given the importance of service continuity, we recommend the Minister should set this first policy objective as a priority, to ensure continuity of service for all Australians.

Facilitating opportunities for new entrants and use cases, including low earth orbit satellites

In principle, we have no objection to this policy position, and hasten to add that outside the ESL process, there are many opportunities for new entrants and use cases to acquire spectrum, including directly acquiring it through the purchase of apparatus licences, area-wide licences and auctions, or indirectly through secondary trading and third-party leases.

We recognise and agree with the draft MPS that the *“expiring spectrum licence process represents a unique [some would say, once-in-a-generation] opportunity to re-examine current arrangements to ensure they promote the long-term public interest”*, and we welcome the opportunity to demonstrate how mobile networks are fulfilling the public interest.

AMTA strongly recommend that new entry should not come at the expense of existing services that are being used by the Australian community. As we noted in our introduction, mobile services today underpin economic, social and critical emergency needs, and while innovative new use cases can be appealing, it is important to recognise the value of existing mobile networks, ensure the continuity of service (as per Policy 1), and avoid any unintended consequences for coverage and performance of existing services.

We consider LEO satellites to be a complement to terrestrial mobile services. We consider the most expeditious way satellite direct-to-mobile (DTM) services will be introduced in Australia is through inter-operator agreements between satellite operators and terrestrial mobile network operators. In this regard, we recommend policy objectives should not target particular technologies. Setting policy

objectives based on the desired outcome provides guidance to regulators on matters the government considers to be important (e.g., providing service to remote Australians), while leaving the delivery and fulfilment of those objectives to technology experts who can manage matters such as radio interference and handover between networks.

Connectivity and investment in regional areas to deliver improved services to end users

We support this policy objective. Mobile network operators are well placed to continue investing in regional and remote locations. As the AMTA/Deloitte 5G Unleashed report² observes, the industry has the highest investment rate of all industries in the Australian economy, investing significantly in improvements to existing infrastructure, research and development and the deployment of new technology. In 2019-20, the telecommunications industry re-invested 65.8% of total value industry added to the Australian economy (approximately \$19.5 billion).

Ultimately, investment, whether in regional, remote or metro areas, is underpinned by ongoing certainty of access to spectrum. It is only this certainty that will support long term investment and innovation in mobile networks and services.

Promote competition

We support this policy objective. Mobile markets in Australian are already competitive. There have been a number of occasions where non-MNOs have acquired spectrum, and they have not used it to compete or deploy new services (e.g. Dense Air). Promoting competition should not mean favouring new entry over the existing services being provided to community.

Capacity for sustained investment and innovation

We support this policy objective. Mobile network operators are responsible custodians, and good stewards of mobile spectrum. Approximately every decade, mobile operators deploy a new generation of technology at significant cost. These new technologies deliver greater spectral efficiency, and are able to serve more customers and devices with more data. Each new generation provides the ability to support new use cases and improve the productivity of Australian businesses.

The mobile industry also undertakes the difficult task of retiring older technology, such as the 3G closures, now underway. An alternate approach would be to retain the legacy network and simply ask for more (new) spectrum to accommodate new mobile generations, however, the responsible stewardship approach is to retire the older generation to make way for new mobile generations. Mobile operators recognise the benefits and innovation, including the environmental benefits of lower power consumption, that are accrued by moving to newer generation technology.

The continued investment in new mobile technology by the mobile spectrum licence holders represents proven sustained investment in innovation, with significant national economic and environmental returns. This investment in innovation is underpinned by the continued access to spectrum licences, which has provided the certainty to enable the billions in long-term mobile network investments made by

² AMTA / Deloitte Access Economics report, 5G Unleashed, March 2022. The AMTA/Deloitte Access Economics report in turn draws on Australian Bureau of Statistics data, as per Footnote XV (15). The 5G Unleashed report is available at: https://amta.org.au/wp-content/uploads/2022/03/5G-Unleashed-Final-Report_combined-v2.pdf

AMTA members to date. Similarly, future investment plans require sufficient certainty as to the respective tenure of spectrum licences.

Early certainty, and transparency should be included in the MPS

Since before the commencement of the ESL process by the ACMA in May 2023, mobile network operators have been consistent in their advocacy for early *certainty* [on the ACMA's views]. Uncertainty, in and of itself, has a chilling effect on investment. Corporations are unwilling to sustain investment in technology where a necessary input required to operate that technology could be taken away.

Also, to the best of our knowledge, there is no global precedent where a national regulator is called on to decide whether to renew such a large number of licences (representing the majority of spectrum issued under spectrum licences) in such a short space of time. Adding to the difficulty, the ACMA is being asked to take into consideration: 1) the public interest criteria (comprising five criteria); 2) the MPS (comprising five objectives, some of which refer to additional Government policies); 3) correspondence from the Minister to the ACMA (14 December, 2023); and 4) other materials such as the ACMA Statement of Expectations and mid-band MPS (to be repealed, but the date has not been set).

We recommend, and would appreciate, guidance in the MPS to the ACMA seeking for the ESL process to be conducted as expeditiously as possible to provide the early certainty MNOs are seeking. We also recommend the MPS contain guidance to the ACMA to provide information in outcome decisions as to which of the many guidance criteria (e.g., public interest test, MPS, Statement of Expectations, etc) has been the dominant factor in each decision.

