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**Pivotel Response to ACMA - 'Proposed Changes to Apparatus Licence
Pricing Structures'**

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Pivotel welcomes the opportunity to comment on the ACMA's consultation paper 'Proposed Changes to Apparatus Licence Pricing Structures'.

CONTEXTUAL STATEMENT

- Providers such as Pivotel are well placed to play a unique and relevant role in improving coverage and bringing innovation to parts of regional and remote Australia. This is however predicated on access to suitable spectrum at a cost that enables a reasonable return on investment.
- Pivotel has consistently advocated for a combination of spectrum licence for more populous and high traffic areas, combined with Area Wide Licences (AWLs) or Apparatus Licences (ALs), for regional and remote parts of Australia, as opposed to a blanket national spectrum licence approach.
- As a mobile operator already delivering 4G/5G services to regional and remote parts of Australia, and with plans to deliver 5G place based services to campuses, ports, utilities, and manufacturing facilities in metro areas, Pivotel is keen to see appropriate spectrum allocation and pricing that enable these markets to be served in new and innovative ways, now and into the future.
- Apparatus Licence fees need careful consideration with place-based networks typically targeting very specific populations, often with very low density and high natural operating costs that reduce the potential for operators to receive a commercial return on investment.
- It is pleasing to see that ACMA is proposing reform on the apparatus licence pricing structure.

Pivotel Response

Pivotel generally agrees with reforms proposed by ACMA and the answers to the specific consultation questions are provided as follows:

Question 1

Do you have any comments on the proposed usage of the ABS dataset 'Estimated resident population, Significant Urban Areas' as the basis for the framework to update apparatus licence taxes annually using changes in geography-specific population?

Pivotel supports the use of SUA based pricing given the assurance from ACMA that generally this method is likely to result in lower license tax increase per year as compared to the current CPI based method.

Question 2

Do you have any comments on the indicative timing of annual updates to apparatus licence taxes using changes in geography-specific population?

Pivotel has no objection on ACMA's proposal to annually update pricing with the new method from Q4 2023.

Question 3

Do you have any comments on the proposal to update the annual licence tax amount for television outside broadcast network licences and the proposed amendment to the Determination?

Pivotel is unable to comment as we don't offer TOB services.

Question 4

Do you have any suggestions on how the ACMA could introduce additional measures to further the pricing of licences for varying levels of interference or examples of mechanisms that you think the ACMA should consider for implementation?

There is some merit in discussing the possibility of introducing interference protection-based pricing. Pivotel is happy to take part in any ACMA coordinated further discussion on the topic.

Question 5

Do you have any suggestions on which licence types and sub-types should be considered by the ACMA for implementation of mechanisms that price for varying levels of interference?

PTS and PTP licences could be considered within scope of pricing based on varying levels of interference.

Question 6

Do you have any comments on the potential extension of the low-power and micro-power discounts to additional services?

There is enough self-pressure on MNOs and service providers to reduce cost of equipment and power consumption, which implies setting radio output power efficiently. Therefore, Pivotel does not see ACMA apparatus tax discounts acting as the primary driver to achieve the purpose.

Question 7

Do you have any suggestions on how and where the ACMA could introduce interference protection pricing mechanisms to the apparatus licencing framework?

Pivotel does not believe ACMA apparatus tax pricing based on interference protection will make a huge impact on efficient use of spectrum. However, Pivotel is happy to take part in any technical discussions to support the idea.

Question 8

Do you have any suggestions for additional pricing measures the ACMA could consider encouraging spectrally efficient technology deployments?

Pivotel would like to see a mechanism put in place where penalties are imposed on apparatus licensees who have not deployed any services within a reasonable period (spectrum squatting).

Question 9

Are there any other comments that you would like to give relating to the proposals in this paper or other aspects of the apparatus licence tax regime?

Spectrum squatting should be heavily discouraged. Mechanisms should be put in place where a licensee within 36 months of registration should submit a statement of deployment which has resulted in an active service otherwise the licence should be reviewed and revoked by the ACMA. New registrations that attempt to achieve the same purpose (blocking opportunity for others) should be rejected. For example, a time limited ban of 24 months could be placed on a licensee to apply for new apparatus licence within (say) 50km where its registration was cancelled by the ACMA due to the lack of deployment.

For any questions in relation to this response please contact:

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