

SPECTRUM COMMITTEE

Meeting date: 12 July 2024

Agenda Number:

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Current issues

Submissions to stage 2 and to reply to comment process

7. We have conducted a high-level review of submissions received to the stage 2 process, and provided a summary at the June Spectrum Committee. Since then, we have updated the summary of submissions to include all submissions received to the stage 2 process, including those received as part of the “reply to comment” process (**Attachment E**).
8. While there are a few exceptions, the submissions—particularly those of the MNOs—are large and multifaceted, and it will take us some time to work through them in

¹ We identified broad services like wireless broadband, without indicating whether specific “sub services” (i.e. fixed or mobile wireless broadband) or implementations (e.g. mobile networks, private networks etc.) or a mix of these were in furtherance of the public interest.

detail. However, the submissions either exposed or reinforced some of the more complex issues with which we will need to deal:

a. **The TPG/Optus MOCN will have immediate and flow-on implications.**

The MOCN presents a series of up-front considerations and, assuming it is approved by the ACCC, will be an ongoing consideration over the preliminary and preferred views stages of the process, and is likely to add an extra layer of complexity to licence-by-licence considerations of renewal applications.

- i. Relevant considerations include how each operator is using their spectrum and the spectrum of the other operator, service impacts on customers flowing from refusal or partial renewal; whether the MOCN is a net benefit for efficiency, impact on ability to compete with Telstra's dominance in regional areas, etc.

- b. [REDACTED]

- c. **Certain stakeholders see alternative licence conditions as a means to achieving access to <1 GHz spectrum.** Prospective alternative licensees³ were focussed on outcomes that would see greater use (through UIOLI/UIOSI conditions or re-allocation exercises) of what they assert to be unused/underutilised sub 1 GHz spectrum that is licensed on an Australia-wide basis to the MNOs. There are in-principle efficiency arguments in favour of these outcomes, but in practice, there are no straightforward options: the actual capacity and market demand for alternative users/use needs to be weighed against incumbent investments and future plans (including LEOSat services), the functioning of the secondary market and the pros/cons and costs of alternative spectrum, and the propagation characteristics of those bands (which typically favour use for MNO network

² [REDACTED]

³ Prospective alternative licensees included stakeholders such as the aviation industry who are interested in acquiring spectrum for increased drone capability, and private network providers such as Pivotal who are seeking spectrum in regional and rural areas.

coverage). ESL staff are working through legal paths for UIOLI/UIOSI-like outcomes, but they are not straightforward.

- d. **Pricing.** Representations about the need for affordable spectrum are to be expected, but the overall financial prospects for the MNOs is emerging as a theme, as are the implications for competition and prospective alternative users. In mid-2023, we received analysis from Ian Martin Advisory considering capital requirements of major spectrum licensees for ESL and other spectrum, and on their capacity to pay.
- e. **Role/impact of LEOSats.** Emerging LEOSats technologies and use cases (particularly as a solution for regional coverage) are an area of focus for industry and for the Ministerial policy statement. All 3 MNOs cited current and future intentions involving LEOSats services, but submissions and the market more widely still considers the use cases as emerging. We will need to monitor developments over the course of the ESL process and, potentially, adjust preferred options and decisions as necessary.

9. In reviewing submissions, staff intend to request 1-1 briefings from some submitters, such as Connected Farms, Omnitouch, OneWiFi and Pivotel, to get a better understanding of their experiences of ACMA allocation processes and secondary spectrum market, and to ask other questions of their submissions.⁴ [REDACTED]

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