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The Project Manager
Spectrum Review
Department of Communications
GPO Box 2154
CANBERRA ACT 2601

SPECTRUM REVIEW: POTENTIAL REFORM DIRECTIONS

The Space Industry Association of Australia (SIAA) welcomes the opportunity to provide comment on the recently released Consultation Paper that discusses the potential directions for reform of Australia's spectrum management arrangements.

As an industry association, the SIAA welcomes the general thrust of the reform directions which emphasise principles of transparency, efficiency, flexibility, certainty and simplicity. The SIAA does however have serious concerns about the impact that possible changes in spectrum management principles will have on some of our members, particularly in relation to large sunk cost investments in ground infrastructure and services.

As with all complex systems, the devil will be in the detail and in the ways in which necessary balances will be achieved especially between economic and social drivers. The inescapable fact is that some economic benefit (which translates to revenue) may need to be foregone by governments in pursuit of higher order objectives, including national security, and scientific inquiry (the latter by explicitly protecting a number of frequencies that some call the "fingerprints of nature").

The SIAA in particular endorses the sentiments expressed in the section of the Consultation Paper that discusses the international context and the value attached to international harmonisation and the specific reference to the importance of satellite frequency coordination. A more general point is that Australian companies, seeking to offer niche products and services that have some dependence on or relevance to spectrum, must look to exports in order to have access to markets of sufficient size to be profitable and sustainable.

With respect to the questions on which ACMA is seeking particular advice from stakeholders, the SIAA offers the following comments.

What changes should be made to the proposals outlined in the paper?

The SIAA acknowledges and supports the thrust of the paper which is to make the spectrum allocation and licensing process more business friendly. However, we would like to see increased and more explicit reference to the importance of social drivers (such as the needs of the national security, research, and Earth observation communities), perhaps with some relevant examples being cited. Innovation, new industries and long term productivity depend on access to basic data which, in astronomy and the physical sciences can only be obtained if a small number of frequencies are expressly protected.

What additional proposals should be considered?

The SIAA would like to see explicit acknowledgment that sunk cost investments in existing infrastructure will be taken into account when decisions are being made about spectrum reallocation. The Inquiry will be well aware of the significant campaigns underway in advance of WRC-15 to protect and preserve the existing spectrum allocations that are essential to satellite communications operators and users. Globally these investments amount to billions of dollars. The Australian share is many tens, possibly hundreds, of millions of dollars. The key point is that economic benefits have a return-on-investment and amortisation component to them as well as a forward looking, new opportunities element. The two must be balanced and the default position should not be that the new opportunities should always prevail.

What timeframes should apply to the implementation of the reform proposals?

While the reform process should be initiated as quickly as can be arranged, we believe it is important to note that not everything can or should happen at once. The useful economic lifespan of space-related infrastructure is usually 15 years or greater. Investors require certainty in relation to planned spectrum allocation and usage in order to ensure a proper return on investment. We would be strongly opposed to changes that might adversely affect such investments. We argue strongly in favour of the principle that spectrum allocation should be managed in a time frame that facilitates future investments in critical space-related infrastructure.

What transitional arrangements should be put in place?

Existing spectrum usage should be protected for the life of any infrastructure investment. This may be supported through transitional arrangements in the short to medium term. For transition to be successful, a good deal of pragmatism, based on principles of flexibility, will be needed by all stakeholders. This will only be possible if a culture of cooperation and collaboration is established between ACMA and other stakeholders. Success will depend as much on attitude as it does on process. With respect to process, however, there will be many instances where most effective resolution of problems will be through tailored situation-specific approaches. A one-size-fits-all approach is not likely to lead to the outcomes that are sought.

The SIAA is happy to provide further detail on the points we have made in this response.

Yours sincerely

A handwritten signature in blue ink that reads "Michael Davis". The signature is written in a cursive style with a small dot above the 'i' in "Davis".

MICHAEL DAVIS

CHAIR

SPACE INDUSTRY ASSOCIATION OF AUSTRALIA

MDAVIS@DELTA.COM.AU