



# AMTA

Australian Mobile  
Telecommunications  
Association

27 FEBRUARY 2026

Submission to the ACMA consultation

## Expiring Spectrum Licences (stage 4) - Application Process



## AMTA – ESL Application Process Submission

The Australian Mobile Telecommunications Association (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.

AMTA welcomes the opportunity to provide this submission in response to the ACMA consultation ESL (stage 4) – application process.



## Contents

<b>1. Executive Summary</b> .....	<b>3</b>
<b>2. Payment terms</b> .....	<b>4</b>
<b>2.1 ACMA has not recognised the unique circumstances of the ESL renewal</b> .....	<b>5</b>
<b>2.2 Payment by instalment is in the public interest</b> .....	<b>5</b>
<b>2.3 Regulators are increasingly adopting this approach</b> .....	<b>6</b>
<b>2.4 Payment in advance</b> .....	<b>6</b>
<b>3. Recommendation</b> .....	<b>7</b>
<b>4. Three-Year Forecast Requirement</b> .....	<b>7</b>

## 1. Executive Summary

In its response to the ACMA’s ESL pricing paper, AMTA has expressed strong concerns that the level of pricing proposed by the ACMA is unreasonable and inconsistent with the long-term public interest.

These concerns are compounded by aspects of the renewal process proposed by the ACMA. In particular, the ACMA’s insistence that payments for spectrum must be made up to 19 months ahead of the renewed licence commencing and through a single lump sum payment. Whilst this approach is consistent with the ACMA’s historic preferences for licence fees to be paid upfront, it fails to



acknowledge the MNOs' reasonable request for payment by instalment and the unique circumstances the industry faces. On current pricing the industry will face having to fund several billion dollars of payments over a short period of time in addition to meeting its ongoing commercial investment needs.

This will create a substantial financial burden on the industry, meaning MNOs may face the unenviable choice of having to incur additional debt and financing costs to make the payments or to defer other capital expenditure plans. It also increases the risk that some spectrum may not be renewed.

Each of these outcomes would have negative consequences for consumers. Since instalment payments will yield equivalent revenue for the government, insisting on upfront payments offers no discernible public advantage and poses a genuine risk of public harm.

AMTA recommends that the ACMA provides MNOs with the option to pay either by instalment or upfront.

AMTA is also concerned with the information burden that will be placed on the MNOs under the ACMA's renewal application process. In particular, AMTA challenges the need for MNOs to provide detailed three-year forecasts of its proposed use of the spectrum at a site level, given that the spectrum is already extensively in use and ACMA has ready access to information on the use of that spectrum. AMTA has proposed a more practical approach that should still enable the ACMA to fulfill its statutory duties around the future use of spectrum.

## 2. Payment terms

In response to each of the rounds of consultation the MNOs have consistently argued for the ACMA to give careful consideration not only to price levels but also the structure of payments. They have each separately put forward the case for the option of payments to be made by instalment over the term of the licence.

The ACMA has not only ignored this request by insisting on a lump sum payment, it has also compounded the negative impact of its proposal to increase prices up to \$2 Billion by requiring that the upfront payments be made up to 19 months before the new licence term commences. This is inconsistent with the ACMA's usual practice of requiring payments between one month and six months in advance.

This approach cannot be justified on public interest grounds and will not have been contemplated by the MNOs when planning their forward capital allocation plans. Should the ACMA's proposal be adopted these capital plans will need to be adjusted, which will inevitably push investments into later years.

The combined impact of the significant increase in spectrum prices together with the requirement to pay upfront up to 19 months ahead of the licence commencement date will significantly increase the risk that some spectrum will not be renewed.



## 2.1 ACMA has not recognised the unique circumstances of the ESL renewal

AMTA notes that the ACMA has not adequately addressed the MNOs' request for payment by instalment. It indicates that it will maintain its historic preference for *“upfront lump-sum payments because it protects against the risk of payment default, reduces complexity and increases certainty of outcomes”*<sup>1</sup>. It also notes that upfront payments have been used for previous spectrum renewal processes and that instalments have only been allowed in exceptional cases under ministerial direction.

Maintaining the status quo is not suggestive of a dynamic forward-thinking approach that is aimed at maximising the overall public interest in the allocation of spectrum. The circumstances of this ESL renewal are completely different to those that have applied in previous renewals or when spectrum is auctioned.

The current ESL process will involve the renewal of a huge amount of spectrum over a short period and at a very significant cost to the sector. Under the ACMA's current pricing this could equate to \$7 Billion over a four-year period. This would increase the annual capital requirement during each year of this period by around a third<sup>2</sup>. This comes at a challenging time for the sector, with historically low profitability and huge investment requirements to complete the 5G rollout, plan and commence the 6G rollout, and meet new regulatory obligations. The ACMA's proposal increases some of the risk it seeks to avoid.

The ACMA's very limited consideration of MNOs' request for instalment options in its updated position papers, is to note that payment by instalment is a matter for the Minister. Whilst AMTA accepts that the Minister has powers under section 294 of the Radcomms Act to direct the ACMA regarding matters such as payment terms, the ACMA can also determine appropriate payment terms. Subsection 294(1) of the Radcomms Act permits the ACMA to determine both spectrum access charges and the times when the charges are payable.

## 2.2 Payment by instalment is in the public interest

The adoption of a payment by instalment schedule will not impact the total revenue to be collected by government. Neither should it impact the value of that revenue as the government can apply a modest interest charge to reflect the time value of money.

However, such a change will positively impact MNOs by providing them with the optionality to determine how best to manage their capital investment, fund the spectrum renewals and to efficiently run their businesses. It will likely maximise MNOs' ability to fund the payments out of their operating cashflow and reduce or avoid the finance costs of having to take on debt to make the large upfront payments.

A payment by instalment option would almost certainly help to smooth MNOs' cashflows thereby maximising the capital funding MNOs are able to invest in infrastructure and services during this period. This is particularly relevant as the MNOs are already likely to face significant funding requirements during this period, to complete their 5G rollouts, meet the anticipated growth in data demands driven by the growth of AI and other data rich applications and meet new regulatory

---

<sup>1</sup> [ESL stage 4 - application and decision-making process consultation paper.pdf](#)

<sup>2</sup> 31% based on the FY25 reported combined capex of \$5.66 Bn



requirements. These regulatory requirements include the new obligations that will be imposed under the Universal Outdoor Mobile Obligations (UOMO), the cost implications of which are unknown but are unlikely to be trivial. They also face the prospect of having to plan for and commence the next technology upgrade with the advent of 6G on the horizon.

Of further consideration is that additional spectrum is likely to be auctioned during the renewal period. The 2025 FYSO work plan identifies several new allocations under consideration in the next 5 years to 2030, including spectrum in the 600 MHz, 1.5 GHz, and 6 GHz bands. MNOs' ability to bid for such spectrum is likely to be constrained if they must make large upfront payments for ESL at the same time as any new spectrum is auctioned. This would risk new spectrum not being fully allocated, which would not be in the public interest. Alternatively, some of the ESL spectrum could not be taken up if an MNO is forced to prioritise the new bands.

## 2.3 Regulators are increasingly adopting this approach

There is clear evidence that telecom regulators are increasingly opting for instalment payment arrangements to spread operators' spectrum costs over the licence duration. This approach has been adopted in spectrum auctions and other renewal processes globally. In its report for TPG in response to the April 2025 consultation paper, Analysys Mason provided several examples of countries that have enabled some form of annual instalment payment for spectrum. Analysys Mason also observed that around half of the European auctions for 5G pioneer bands (700MHz, 3.5GHz, and 26GHz) provided for annual payments<sup>3</sup>.

The rationale for this approach is that spreading licence payments across several years enables operators to manage their cash flow and helps them to invest in infrastructure and affordable services<sup>4</sup>.

AMTA notes that certain previous spectrum awards in Australia have included payment by instalment. This includes the payment for the residual 700 MHz spectrum auctioned in 2017 and for the award of the 26 GHz spectrum where operators had the option to make five successive annual payments of 20.32% of the licence fee instead of a 100% upfront fee. In explaining its decision to allow payment by instalment for the 26 GHz band the government noted that, *"reducing the upfront capital costs required for spectrum licences in this band will release capital that bidders can direct towards investments to build Australia's 5G networks and stimulate the wider Australian economy"*. AMTA submits that the same logic should apply to the spectrum renewal which will involve a very substantial capital outlay by the industry.

## 2.4 Payment in advance

The impact of upfront lump sum payments is compounded by the fact that the ACMA's proposal that payments could be required by the ACMA up to 19 months before licence expiry. The ACMA has indicated that it expects that a licence should be paid for before it is renewed as this reduces risk.

---

<sup>3</sup> [TPG \(incl. consultant report\).pdf](#)

<sup>4</sup> [Europe's 5G spectrum auctions: buy now, pay later - PolicyTracker: spectrum management news, research and training](#)



However, this does not justify payment so far in advance of the new licence coming into effect. The ACMA's position is both unreasonable and raises procedural fairness concerns. Any risk should largely be mitigated by the fact that these ESL licences are currently being used to support commercial services, so the risk of a default or of an MNO cancelling the licence after having it renewed are negligible.

### 3. Recommendation

AMTA recommends that the ACMA reconsider its position on this matter and provides the option for payment by instalment in addition to the upfront lump sum payment option. Payments should be required to be made no more than 30 days prior to the licence coming into effect.

If the ACMA requires earlier certainty about payment it could require MNOs to provide a suitable Bank Guarantee, a process that has been used previously in connection with spectrum auctions.

### 4. Three-Year Forecast Requirement

The ACMA has indicated that applicants will be expected to provide detailed information about sites where spectrum across the frequency band relevant to the application has been deployed or is planned to be deployed over the following three-year period. It also notes that it is likely to use its powers under subsections 77A (6) and 77A (7) of the Radcomms Act to obtain such information.

The information that MNOs will be required to provide includes:

- Geographical information about service coverage provided and planned to be provided over the following three years using spectrum across the relevant frequency band: and
- Geographical information about any third-party authorisations or spectrum agreements that are in place to facilitate shared networks.

Information supplied as part of the application process will be required to be accompanied by a signed document acknowledging that it is a serious offence to provide misleading information.

The ACMA has indicated that the purpose of collecting this information is to help inform consideration of whether the spectrum is likely to continue to be used for a particular use-case.

Whilst AMTA accepts that the ACMA must undertake due diligence in respect of the likely future use of spectrum, AMTA is concerned with the burden that will be placed on the MNOs to collect and supply this forward-looking information, which the ACMA has acknowledged will be subject to change. Of particular concern is the requirement to provide granular cell by cell and by band data on forecasted use and investment.

Given that the spectrum is in current use the ACMA has access to extensive information about the current deployment and use of the spectrum. It also has the opportunity to access information provided annually to the ACCC in connection with its reporting of mobile infrastructure. The ACCC report and accompanying analysis provides detailed information on the mobile sites associated with each MNO's mobile network and historical coverage maps as of 31 January each year.



The ACMA could gain satisfaction as to the likely future use of the spectrum through a less burdensome process. For example, MNOs could provide details of current use of the spectrum band together with non-binding practical, high-level information on the likely future use, including changes in overall site deployment, coverage and capacity. This information could be signed by a Senior Executive. It would always be open to the ACMA to request further details or clarification, should this be required.

PO Box 1057, North Sydney NSW 2059 | + 61 2 8920 3555  
amta.org.au | ABN 98 065 814 315

