



TELSTRA GROUP LIMITED

Productivity Commission: Five Pillars of Productivity Inquiry

Telstra public submission

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1 Introduction

Telstra welcomes the opportunity to make this submission to the Productivity Commission's (**Commission**) consultation exploring reforms for its Five Pillars of Productivity Inquiry¹ (**Inquiry**). This is an important Inquiry, and it is exactly the right time for Government to be reflecting on the changing nature of our economy and our global environment to identify priority reforms to improve our productivity growth.

Telecommunications and energy networks are general-purpose technologies that are fundamental to modern economies and daily life. The interdependency between these sectors can be seen with telecommunications networks relying on the resilience of our energy networks and services and vice versa. In a similar vein, AI has the potential to become a general-purpose technology with transformative potential for modern economies. However, its rate of diffusion throughout the economy will rely in part on the availability of the underlying infrastructure to support it, both from a connectivity and energy standpoint.

As Australia's largest telecommunications provider, we recognise the transformative potential of technology and AI to enhance productivity, improve service delivery, and support national digital capability. If Australia is going to be a leader in the adoption of tech and AI, it also needs to be a leader in encouraging investment in connectivity. This goes far beyond data centres and cloud - it goes to the core underlying connectivity that provides the foundation for the entire digital economy.

Our submission focusses on two key pillars in the Inquiry: 'Harnessing data and digital technology' and 'Creating a more dynamic and resilient economy'.² It is structured as follows:

- **Section 2** highlights the crucial role Australia's telecommunications operators play in providing the connectivity needed to enable the productivity benefits for Australia's economy of digital technology, including AI. We also share some of Telstra's experiences regarding the immense power we see in the responsible use of digital technology, including AI, to improve productivity.
- **Section 3** includes our initial reflections on some important changes to the way in which regulation is approached in the telecommunications sector, that we believe are seminal to incentivising future industry investment and making the business environment more productive.
- **Section 4** explains why we believe the primary lesson the Commission should take from the mandatory Consumer Data Right regime is that the market is better placed than regulators to find and operationalise opportunities to enable consumers to benefit from data about themselves and facilitate its use to drive innovation and productivity growth.

¹ [Terms of reference - Creating a dynamic and resilient economy - Productivity Commission](#)

² Regard should also be had to Telstra's earlier submission to the Productivity Commission's data and digital dividend inquiry - [Submission 174 - Telstra Corporation - Productivity - Public inquiry](#)

2 Unlocking the benefits of new technology and AI

2.1 Introduction

This pillar of the Inquiry rightly recognises that there's no version of Australia's future that does not rely on technology. Technologies like AI are changing how we work and operate as a country. The link between AI adoption and productivity growth is undeniable. By way of just a few examples:

- CSIRO has reported more than \$361,000 in average revenue growth by Australian businesses after adopting a single AI-enabled solution.³
- McKinsey has found that 1.1pp could be added to Australian labour productivity annually by 2030 through generative AI, nearly doubling the average growth rate of the past decade.⁴
- Research for AFIA has found that in Australia's finance industry alone, \$48.9 billion could be added to Australia's GDP by 2035 from generative AI adoption – representing an increase of \$690 in GDP per capita annually.⁵

A common theme across these and other studies is that the ability to harness the benefits of AI will depend on a range of factors including: the rate of AI adoption, speed of redeployment of labour back into the economy, the quality of data, integration of existing systems and processes, social and regulatory dynamics, and trust in governance frameworks.

Typically receiving less attention is the fact that realising the productivity benefits of transformative technologies like AI also requires Australia to have *a foundation of secure and reliable telecommunications connectivity*. That translates to increased demand for digital infrastructure assets and requires significant ongoing investment and planning.

In this part of our submission, we elaborate on:

- The crucial role Australia's telecommunications operators play in providing the connectivity required to enable the productivity benefits of digital technology, including AI;
- Some of Telstra's experiences regarding the immense opportunity we see in responsible use of digital technology including AI to unleash productivity benefits for Australia's economy; and
- The importance of the responsible use of AI in enabling this technology to reach its full productive potential.

2.2 Investment in connectivity infrastructure is key to enabling new tech and AI

An often-overlooked but fundamental underpinning for maximising the benefits of AI will be ensuring Australia has a foundation of future-ready, secure and reliable connectivity. Quite simply, AI technology doesn't work if it's not connected, and Australian businesses and consumers can't benefit from it if they aren't also connected. That means any productivity growth from AI requires Australia to have in place fit for purpose telecommunications infrastructure and services that connect our cities, suburbs, towns, households, businesses, and people, to each other and the wider world.

This will not be a set and forget exercise. Mobile data usage has tripled over the last five years. Telcos will need to continue to invest in spectrum⁶, connectivity infrastructure and services to meet growing

³ National AI Centre (2023), [New report from National AI Centre explores AI adoption by businesses - CSIRO](#)

⁴ McKinsey (2025), [Generative AI and the future of work in Australia | McKinsey](#)

⁵ King & Wood Mallesons and Sapere (2025), The impact of AI on the Australian Finance Industry, [20250522+The+Impact+of+AI+on+the+Australian+Finance+Industry+-+Final.pdf](#)

⁶ While subject to consultation and further change, the ACMA's preliminary views (April 2025) on the pricing for the renewal of our expiring spectrum licences indicate we could be facing a potential cash outflow of \$0.6-0.98b in FY28, \$0.8-1.0b in FY30, \$0.3-0.4b in FY31 and \$0.1-0.2b in FY33, assuming full prices are to be paid upfront at the expiry of the current licences - [Connected Future 30 Strategy - Investor Presentation](#), p54.

demand for data and new technologies⁷, respond to changing needs, meet rising consumer expectations and underpin more secure and resilient networks.

For example, Telstra is investing \$1.6 billion into several key fibre initiatives: the intercity fibre network project, expanding the fibre footprint in the Pilbara, and partnering with Viasat for the Viasat-3 ground network.⁸ The high-speed intercity fibre network is a large-scale terrestrial build capable of supporting the data requirements of the future, and the first build of this scale since the 1980s. The first route – Sydney to Canberra – is set to go live on 25 June 2025, and is a step towards opening the path from Sydney to Melbourne. Telstra has also announced plans to invest a further \$800 million in its mobile network over the next four years to improve the capacity and coverage of its 5G and future 5G advanced network as mobile data demand ramps up.

These are big and complex projects. They are characterised by large upfront capex costs, long lead times, and often complex approval processes.

At the same time, the telco sector is also at an important inflection point with several trends transforming the eco-system, including technology innovation and entry by global tech companies, rising costs, geopolitical uncertainty, increasing cyber threats, and a complex regulatory landscape.

The Government has an important role to play in creating the right policy environment and use of policy levers to encourage continued private sector investment. Policy decisions taken in the next few years have the potential to positively shape the sustainability and competitiveness of the telecommunications sector, and in turn ensure Australians' ability to access high-quality, reliable, and secure services. There needs to be a clear national vision for the sector encompassing the approach to sector regulation, co-investment program design, infrastructure deployment reform, Government take-up of new digital infrastructure and services and most critically, decisions on spectrum as a key input to improve mobile coverage and capacity.

2.3 The enormous productivity potential in AI

AI has the attributes to be as much of a transformative general-purpose technology as electricity.⁹ To begin to understand how AI can improve the productivity of how we work and operate in Australia, our businesses (and Government) need to be using it. At Telstra, we have already taken important steps towards harnessing the potential AI has to offer, including the announcement of several new initiatives to significantly advance our own AI roadmap, and enhance our AI capability.

We are taking steps to put in place the right architecture, build the skills and capability of our people, develop use cases to test and understand AI functionality, and we are partnering with experts, like Accenture, to bring forward our AI roadmap. Data quality is another foundational issue, as AI is only as effective as the data it relies on. Telstra has invested significantly in cleaning and modernising its data architecture to support scalable AI solutions. We are doing this because Telstra views AI not just as a tool to boost productivity and efficiency, but as a catalyst for reinvention.

Telstra has also redefined how it measures value from AI, recognising that traditional business case models don't fully capture the benefits of experimental technologies. We have implemented a value assessment framework that guides investment decisions, prioritises initiatives, and tracks realised benefits. This framework ensures AI projects are continuously evaluated, adjusted, or decommissioned based on performance, enabling us to scale what works and refine what doesn't.

To this end, Telstra has entered several joint ventures to significantly advance our AI roadmap. Our joint venture with Quantum is enabling us to accelerate innovation and deliver tangible outcomes for our

⁷ For example, Teleography (2025) estimates ~25% compound annual growth rate for backhaul applications over the next four years. [Executive Summary](#). On forecast global trends see further the ABI research at: [Increased Demand for Bandwidth-Intensive Services Cause Mobile Data Traffic to Surge Threefold by 2030](#)

⁸ [Our big build to connect Australia's future](#)

⁹ See e.g. [Unleashing Artificial Intelligence As A General-Purpose Technology | Reimagining the Future](#)

customers like reducing scams.¹⁰ Our partnership with Accenture¹¹ provides our entire workforce with access to global training and expertise, and enables us to scale AI capability across the organisation, ensuring our people are equipped to work smarter, faster, and more safely in an AI-enabled environment.

In May 2025, Telstra and Accenture launched a first-of-its-kind AI Silicon Valley hub. This innovation facility connects teams in Sydney, Melbourne, and Bangalore through Accenture's Connected Innovation Centres. It serves as a secure, collaborative environment where global experts and Telstra teams can ideate, build, and test AI solutions aligned with our AI-first ambitions. The hub will deliver foundational architecture and scalable solutions that support both enterprise transformation and national digital priorities.

Already, our approach is reaping rewards. By way of just a few examples of how we are using AI:

- **Ask Telstra:** A GenAI tool deployed to 8,000 frontline staff that provides quick access to over 2,000 internal knowledge resources. It has reduced hold times by over a minute, with over 1 million questions asked by May 2025.
- **CoPilot:** 18,000 Microsoft 365 Copilot licenses have been rolled out, saving 1–2 hours per employee per week. It supports tasks like drafting content, summarising documents, and transcribing notes.
- **One Sentence Summary:** Telstra's One Sentence Summary AI tool, now available to all 8,000 retail and contact centre agents, helps quickly identify customer issues in stores and call centres—cutting handling time by over a minute and reducing repeat contacts by nearly 10%.

But the future potential of AI offers Telstra and our customers will not just be shaped by how we use it today and the current productivity benefits of these applications. As AI technology continues to rapidly advance so too do the potential applications. For example, agentic AI technology¹² has exposed deeper value pools that two to three years ago we didn't think would be accessible.

Accordingly, with the release of Telstra's Connected Future 30 strategy¹³, we expect AI to be a foundational enabler to the attainment of Telstra's strategic and business outcomes, driven by our partnerships exposing cutting edge technology advancement. More broadly, AI has the potential to diffuse into all sectors of Australia's economy and significantly progress Australia's productivity agenda. To achieve this outcome, Australia not only needs to build trust and confidence in AI, building and utilising the technology, but also ensure the underlying digital infrastructure is in place to connect and support the advancement of AI across the economy.

2.4 The importance of responsible use of AI

In the complex and rapidly evolving AI landscape, the pace of technological advancement demands agile and robust responses to ensure security, ethical integrity, and public trust. Accordingly, while harnessing the opportunities of AI, Telstra has also put in place key safeguards to ensure our use of AI is safe, ethical and maintains public trust and confidence.

Robust ethical and governance frameworks are critical to securing public trust and ensuring the long-term success of AI. Equally, AI governance frameworks must evolve swiftly to keep pace with technological development. Moving beyond guardrails means embedding responsibility throughout AI's creation and lifecycle, supported by technical and non-technical training and AI Assurance tools.

Telstra has implemented a governance model requiring all AI systems to undergo impact assessments and, for high-risk systems, independent review by a multidisciplinary committee that includes experts in privacy, legal, data, and cybersecurity.

¹⁰ [Expanded anti-scam technology helping protect elderly customers from phone call scams](#)

¹¹ [Telstra and Accenture announce global AI joint venture](#)

¹² See e.g. - [What Is Agentic AI? | NVIDIA Blog](#)

¹³ [Connected Future 30: our strategy for the next five years](#)

Additionally, Telstra places a significant focus on learning and training, with over 21,000 employees having already completed our Responsible AI training. This has helped embed not only AI fluency across the organisation, but cement ethical and responsible practices into our use of AI. Additionally, this training highlights the importance of data protection and sensitivity labelling to the ongoing success of AI within the business, and these efforts have been critical in allowing us to progress, in particular with copilot.

While Telstra has implemented strong internal risk and oversight mechanisms, the broader regulatory environment must also evolve to support safe and scalable AI deployment. As a leader in responsible AI, Telstra has accordingly also contributed to frameworks like UNESCO's ethical AI council, as well as contributing to and adopting the GSMA's Responsible AI Maturity Roadmap.

There is also a general consensus that Australians want more regulatory protections for high-risk AI settings, but that this must be balanced by the need to support innovation. As identified by the Commission¹⁴, it is therefore important that the regulatory settings in Australia strike the right balance between protecting consumers and creating an environment that drives continued innovation and investment – to allow Australians to benefit from AI's full productive potential.¹⁵

3 Reduce the impact of regulation on telco dynamism

3.1 Australia must not miss the current global “pro-growth” regulatory inflection point

The Commission has acknowledged that, while well targeted and proportionate regulation can help to achieve important economic and social objectives, excessive or inappropriate regulation can also stifle business dynamism, resilience and productivity.¹⁶ This is particularly true in Australia's heavily regulated telecommunications sector,¹⁷ in that:

- the burden of government regulation has steadily increased over the past decade; and
- there is an opportunity to shift regulatory focus towards growth outcomes.¹⁸

The telecommunications sector underpins our modern daily lives. With 244 million internet connected devices in Australian households, and an average of 30 connected devices per household, every message, call and online service depends on the connectivity provided by telco infrastructure. The sector is also a critical enabler of economic and social activity and will be key to supporting more critical digital services in the future such as digital banking, smart grids, AI applications, and healthcare.

It is integral to Australia's productivity growth ambitions that the telecommunications sector keeps investing in high quality, secure, and globally competitive digital infrastructure and services. However, the policy and regulatory settings for the sector can be a barrier to this. These settings have increasingly become focused on social and consumer regulation and narrowly defined competition outcomes, without a broader view to national economic growth and productivity goals. This in turn is impacting the sector's sustained capacity for investment, growth and dynamic adjustments to the rapidly shifting global market and technology environment.

There is a role for government at all levels to support Australia's telecommunications carriers and carriage service providers to devote less time and fewer resources overcoming regulatory hurdles to investing to improve connectivity; be freer to focus on growth and innovation; and more able to flexibly and readily adapt to rapidly changing market conditions.

¹⁴ [Making the most of the AI opportunity: productivity, regulation and data access - Commission Research Paper - Productivity Commission](#)

¹⁵ See further details on Telstra's position on mandatory guardrails for AI at: [Make a submission - Introducing mandatory guardrails for AI in high-risk settings: proposals paper - Department of Industry, Science and Resources](#)

¹⁶ [Reduce the impact of regulation on business dynamism | Creating a more dynamic and resilient economy | Engage - Productivity Commission](#)

¹⁷ An illustration indicating the vast array of obligations the telecoms sector operates under can be seen at: https://www.patrickfair.com/files/ugd/ce391e_ec7592f1fc9a40b5b8ce0ea5df5fd30c.pdf

¹⁸ [Reduce the impact of regulation on business dynamism | Creating a more dynamic and resilient economy | Engage - Productivity Commission](#)

The need for change and a pivot to a pro-growth regulatory mentality is being recognised in the UK, the EU, and in New Zealand. Australia cannot afford to be left behind as the telecommunications regulatory environment in these major trading partners shifts gears.

In the UK, “*growth is the number one mission*” expressed for Government¹⁹, and has ensued in an express request by the UK Government for the telecommunication regulator Ofcom to identify how it “*is contributing to economic growth across the UK*”.²⁰ In the EU, regulatory simplification is viewed as essential to underpinning EU competitiveness across all sectors, with the EU’s new Competitiveness Compass framework setting a target of cutting the administrative burden by at least 25% for firms and by at least 35% for SMEs.²¹ This target recognises that, despite the EU’s better regulation policies, for two out of three companies in the EU regulatory burden is still the key obstacle to long-term investment.²²

Similarly in New Zealand, the Government has launched a regulatory review into telecommunications, with Minister for Regulation David Seymour observing that “*...when regulation falls behind, innovation slows and costs rise. In a high-cost economy like ours, regulation isn’t neutral—it’s a tax on growth. That’s why it’s time to take a fresh look*”.²³

Australia too needs a mindset shift towards a shared and coordinated government, regulatory and industry objective of a technology-driven transformation in our nation’s productivity. This means going much further than before in cutting legacy regulatory burden and complexity. It also requires an approach to future regulation that is proportionate, stable, coherent, technology neutral and above all anchored towards promoting economic growth and productivity.

3.2 A need for streamlining and harmonisation of telco regulation

A key problem facing Australia’s telecommunications carriers and carriage service providers is that each of the many different institutions involved in regulating the sector²⁴ is approaching that task in a siloed manner on its own terms (e.g., competition, licensing, development approvals, etc) without any obligation to coordinate to achieve broader national policy objectives. Accordingly, despite the positive intentions of, for example, enhancing consumer protection, safeguarding national security, promoting competition and protecting the environment; the current regulatory landscape has created overlapping and at times conflicting responsibilities and objectives between different Government Departments and regulatory agencies.

Each institution is naturally inclined to focus on their existing powers, budgets and regulations, and how these might be made more ‘effective’ from their own individual lens – rather than on how they might be able to deliver positive overall change in terms of the economic and social benefits the telecommunications industry generates.²⁵

A good illustration of this is the Federally funded Mobile Black Spot Program. Despite the clear and pressing need for improved community connectivity at co-funded locations, many sites are stuck in ongoing loops of local and State planning approvals – including seven sites still unable to progress due to planning issues stretching all the way back to 2019. Others make it through planning but are then held up by the process to connect power to the sites – which can take up to two and a half years.²⁶ Although Telstra works closely with the relevant power companies to expedite these connections, presently there

¹⁹ [Invest 2035: the UK’s modern industrial strategy - GOV.UK](#)

²⁰ [Open letter How Ofcom contributes to UK growth](#)

²¹ [EU Compass to regain competitiveness](#)

²² Competitiveness Compass, p 16 - [10017eb1-4722-4333-add2-e0ed18105a34_en](#).

²³ [Government launches regulatory review into telecommunications | Beehive.govt.nz](#)

²⁴ See illustration of the breadth of these at: [Map of Australia Tech Policy Stakeholders – Tech Policy Design Institute](#)

²⁵ See also concerns recently raised by the Australian Strategic Policy Institute in this regard - [Recognising the economic potential of digital infrastructure resilience - ASPI](#)

²⁶ Amplitel has experienced many cases where power connection delays have materially impacted and continue to impact the initial delivery and transmission of telecommunications services – see e.g. [https://www.parliament.wa.gov.au/Parliament/commit_nsf/lulnquiryPublicSubmissions/53B7CD88254768D348258B180008E410/\\$file/pc.tel.030.240426.sub.Amplitel_Redacted.pdf](https://www.parliament.wa.gov.au/Parliament/commit_nsf/lulnquiryPublicSubmissions/53B7CD88254768D348258B180008E410/$file/pc.tel.030.240426.sub.Amplitel_Redacted.pdf), p 6

are at least four co-funded sites that have been built but we are unable to put “on air” because we are awaiting power connection.

Another good illustration is the planning obstructions Telstra has experienced as we look to roll out our new national Intercity Fibre Network.²⁷ On just one fibre route, Telstra has issued over 3,000 land access activity notices and 1,128 construction certificates, completed 1,723 land access surveys, and conducted 171 cultural heritage and environment surveys. While the considerations underpinning these requirements are all important matters, a lack of collaboration between regulators and approval bodies in planning processes has caused significant delays and costs that disincentivise the infrastructure investment required to boost productivity and support technological advancement.

Carriers and carriage service providers in Australia are subject to more than 500 pieces of legislation and regulation. In 2024 alone, around 20 new sector specific regulatory requirements were introduced or in development.²⁸ Compliance costs of new regulation quickly add up – taking away from much needed capital to invest in digital infrastructure. Looking at just two recent examples: the *Telecommunications (Customer Communications for Outages) Industry Standard* is expected to cost the telco industry at least \$117 million over ten years for major outages alone²⁹; and the *Scams Prevention Framework Act* a further \$149 million over the same period.³⁰

There are expected to be benefits for Australian telecommunications consumers from these new regulations. However, decisions such as those involved in the two examples above to remove some \$266 million of capital available to industry to invest in new and improved telecommunications infrastructure over the next decade are not ones that should be taken lightly. Especially when you consider the total Federal Government funding commitment of just under \$300 million over rounds 1 to 5A of the MBSP resulted in partnerships with industry to build more than 1,270 mobile base stations across Australia. As observed by the 2021 RTIRC, these new base stations have already delivered well over “162,000 square kilometres of new and upgraded handheld coverage and 245,000 square kilometres of new external antenna coverage. This coverage footprint includes more than 109,700 premises and 8,600 kilometres of major transportation routes in regional areas”.³¹ We believe more express regard needs to be had to these kinds of trade-offs, with a sharper focus on the likely net impact of new regulatory burden in our sector on Australia’s digital growth and productivity ambitions.

Part of the problem is that, as technology continues to evolve and there is a greater shift toward digitisation, our industry is becoming increasingly constrained by the need to comply with outdated legacy regulation. Since the *Telecommunications Act* came into force in 1997, investment in connectivity technologies by our industry has seen them have advance in ways that could scarcely be imagined by the original drafters. Mobile technologies have moved from 2G to 3G to highly sophisticated and capable 4G, 5G and 5G advanced networks. We have high-capacity optical fibre delivering greater bandwidth, lower latency, and improved resilience. And most recently, we are seeing the potential of LEO satellite technology to efficiently complement terrestrial mobile coverage in regional and remote Australia. At the same time, the leveraging of this connectivity infrastructure by global hyperscalers has seen consumer and business demand for sophisticated, data-intensive services grow rapidly.

Australian telecommunications regulatory frameworks have struggled to keep pace with technological change and it has been challenging to remove any existing protections – no matter how disproportionate the negative impact of maintaining the regulation is to the remaining social and consumer benefit. A prime example of this is the Universal Service Obligation (USO) in relation to which Telstra is required to maintain outdated copper infrastructure, even as more capable and reliable fibre, satellite and wireless

²⁷ [The first leg of Telstra’s Intercity Fibre Network is about to go live](#)

²⁸ New regulatory or legislative interventions introduced in the last term of parliament including: The Financial Hardship Standard; Updated Customer Complaints Handling Standard; Updated Emergency Call Service Determination; Telecommunications Customer Communications for Outages Standard; Domestic, Family and Sexual Violence Standard; New online safety Codes, New Security of Critical Infrastructure rules; The Cyber Security Act; Scams Prevention Framework Act; SMS Sender ID Act, The Enhancing Consumer Safeguards Bill.

²⁹ [Impact Analysis_0.pdf](#)

³⁰ [Microsoft Word - Impact Analysis](#) (note the costs to the banking sector and to digital platforms of this new framework are additional to these costs)

³¹ [2021 Regional Telecommunications Review A step change in demand](#), p 44.

networks expand. Other important examples are canvassed in the Government's Consumer Safeguards Review Part C – which was never progressed after initial explorations in 2020.³² These outdated legacy regulations impose a growing opportunity cost that risks undermining Australia's long-term digital competitiveness.

3.3 Proposals for regulatory reform

We set out below several areas where we believe reforms to regulation and related policies have the potential to materially improve the productivity of Australia's digital economy. We would be happy to elaborate on these suggestions, as the Commission proceeds to the next stages of its Inquiry.

3.3.1 Approach to spectrum policy

Decisions on the allocation of radio frequency spectrum directly influences the ability of mobile operators to invest to improve service quality and coverage for consumers and businesses. A more proactive policy approach is required to free up new spectrum (and renew existing spectrum licences) for mobile use on terms that enable the required investment in infrastructure to meet the ongoing growth in demand for more capacity and coverage. The approach should also recognise that mobile operators take a long term and whole of spectrum portfolio perspective in deciding which spectrum to use for different technologies (including LEO satellite direct to mobile services) and will be required to make technical or commercial trade-offs, including potentially in service quality, if future spectrum availability is constrained or the cost of it prohibits further investment.

3.3.2 Make it more efficient to extend and improve connectivity

We encourage the Commission to have regard to Telstra's recent submission to the 2024 Regional Telecommunications Review Committee (**RTIRC**), which contains a number of important reform recommendations regarding the streamlining of planning and environmental approvals and reduction in charges for Crown Land.³³ If implemented, we believe these reforms would make it more efficient to deploy and upgrade telecommunications infrastructure in Australia, so that more consumers and businesses can more readily engage in Australia's digital economy.

In terms of "low hanging fruit", some key areas where priority reforms are recommended support the efficient rollout of vital modern fibre infrastructure such as Telstra's intercity fibre network needed for Australia to fully benefit from AI technology include:

- Schedule 3 of the *Telecommunications Act 1997* (or the *Telecommunications Regulations 2021*) to clarify that a carrier can install an additional facility within an existing facility, without limitation and regardless of whether it is related to an existing facility.
- clause 7(5)(c)(ii) of Schedule 3 of the *Telecommunications Act 1997* to clarify that the volume of the replacement facility is the visual apparent volume. This would allow the laying of underground cable solutions that are larger in size than the original cable but with no visual impact as they are buried underground.
- Clause 7(3)(d) of Schedule 3 of the *Telecommunications Act 1997* to permit a replacement facility that cannot be located in precisely the same location of the original facility, if it is located as close as practicable to the original facility.

Telstra's RTIRC 2024 submission also includes important recommendations about prioritisation of connection and restoration of power for critical telecommunications infrastructure, to which we encourage the Commission to have regard.³⁴

³² See Telstra's reform suggestions to this important Review at: <https://www.infrastructure.gov.au/sites/default/files/submissions/csr-part-c-telstra.pdf>

³³ See [rtirc-2024-telstra-submission.pdf](#), section 2.4.5.

³⁴ See [rtirc-2024-telstra-submission.pdf](#), recommendation 7 and section 3.1.3.

3.3.3 Removal of outdated legacy regulation

The removal of the requirement for Telstra to use the outdated copper network to deliver USO telephone services in much of regional Australia is a reform that is long overdue. We believe removing Telstra's obligations to continue to use our aging copper network to provide USO services will yield important social and economic productivity benefits by enabling customers in regional areas to be migrated over time to newer wireless or satellite technology that is more reliable and more capable. Further details on Telstra's position are set out in our response to the Government's recent consultation on this matter.³⁵

Telstra also suggests the Commission might explore the potential productivity benefits of a review into other legacy telco obligations – building on the groundwork laid in the 2020 Consumer Safeguards Part C review and anchored firmly to a lift in Australia's digital productivity as the core goal.³⁶

3.3.4 A unified modern regulatory regime that will grow digital productivity

As noted above, Australian telecommunications providers must currently navigate a complex and uncoordinated regulatory landscape involving many hundreds of overlapping and at times conflicting responsibilities and objectives between different Government Departments and regulatory agencies none of whom are held accountable to broader Government policy objectives for the sector or coordination.

What is needed is a more coordinated and considered approach in Australia to the imposition of future regulation impacting the telecommunications sector. This includes, but is not limited to, regulation aimed at protecting consumer privacy, online safety, data security, protection from scams and service access and affordability. As a first step, we recommend the key regulatory bodies (including the ACCC, ACMA, OAIC, e-Safety Commissioner, DITRDCSA, Treasury and Department of Home Affairs) co-ordinate to publish a Regulatory Initiatives Grid³⁷ – as is now done for the financial services sector. This would entail a rolling, 24-month forward program of all regulatory initiatives that will materially affect the telecommunications sector, updated twice a year. As has been the case with the financial sector Regulatory Initiatives Grid, we would expect benefits to include enhanced transparency of upcoming changes to the sector regulatory landscape, a more efficient allocation of regulatory resources, and strengthened engagement between the sector, Government and regulators.

3.3.5 Tech neutral legislation and regulation

The Commonwealth has already undertaken substantial work to update legislation and regulation to make it technology neutral – such as reforms to allow electronic signatures and virtual AGMs. However, there remain important opportunities for further updates in legislation and regulation to reflect advances in technology – both at the State and Territory level and in Commonwealth legislation.

While the changes so far are substantial and positive legislative changes, they only capture a slice of the body of Commonwealth legislation which could be updated to make it tech-agnostic. We recommend the Office of Impact Analysis be tasked to identify where existing legislation and regulation contains technology specific obligations that could be made tech-agnostic. Given the vast scope of this work, this could be underpinned by analysis from the Commission that identifies the highest value areas for reform. Processes and design principles should also be established to avoid continuation of these issues in new legislation.

It will no doubt be uncovered that some of this technology specific regulation, for example the *Telecommunications (Fax Marketing) Industry Standard 2021*³⁸ remains in place because specific technology is still relied upon in certain cases - such as the continuing use of fax machines by healthcare providers in Australia.³⁹ This exercise may reveal further productivity gains to be yielded from technology modernisation in these sectors of the economy.

³⁵ <https://www.infrastructure.gov.au/sites/default/files/documents/bdus2024-telstra.pdf>

³⁶ See Telstra's reform suggestions to this important Review at: <https://www.infrastructure.gov.au/sites/default/files/submissions/csr-part-c-telstra.pdf>

³⁷ [Regulatory Initiatives Grid | Treasury.gov.au](https://www.infrastructure.gov.au/sites/default/files/submissions/csr-part-c-telstra.pdf)

³⁸ See [Do Not Call Register - Industry Standards](#)

³⁹ [Calls to 'axe the fax' machine from Australia's 'outdated' medical referrals system - ABC News](#)

4 Caution advised on regulatory approach to consumer data access and sharing

Businesses in Australia are increasingly recognising the value of sharing consumer-facing data. They are doing this not because they are required to by regulation, but because embedding data-sharing practices which benefit customers into products and services are a means to enhance transparency, build trust, and differentiate in competitive markets.

In the telecommunications industry, for example, many providers are leveraging data-sharing as a strategic tool to improve customer experience and build trust. Notwithstanding the vast and ever-changing array of highly customised and non-standardised service offerings available to customers reflective of Australia's highly competitive telecommunications sector and other complexities such as "one-to-many" account models supporting multiple users with differing levels of authority; dashboards and tools have been developed to present usage metrics, billing history, and service performance to help customers make informed decisions, troubleshoot issues or optimise their service plans. This approach provides a bidirectional benefit which not only improves customer satisfaction and service delivery but also reduces reliance on support channels, contributing to operational efficiency.

It also needs to be recognised that, although data-sharing unlocks benefits from consumer access to data, these practices entail significant costs for data holders. These include upfront investments in secure APIs, user-facing dashboards and robust data governance frameworks. Ongoing compliance costs related to privacy, cybersecurity, and accreditation add to the burden, as do operational expenses tied to customer support, dispute resolution, and system maintenance.

While the Consumer Data Rights (CDR) regime is at the top end of complex regulatory structures and onerous compliance requirements – the review of compliance costs for this regime has found levels of expense that would cripple many Australian businesses – with indicative implementation expenses for Data Holders ranging from under \$1 million to well over \$100 million each, depending on the scale and complexity of the organisation.⁴⁰ Take-up has also been negligible – for example with only 0.31 per cent of Australian bank customers having actively used the CDR as of 2023.⁴¹

We agree with the observations by the Commission in its consultation that:

"the CDR has not met expectations. Consumer uptake appears to be low, implementation costs for businesses have been high, and the CDR has a complex regulatory structure and onerous compliance requirements".

We would exercise strong caution when it comes to mandated consumer data access and sharing regimes, noting the experience with the current CDR regime. We believe the key lesson from this exercise is not to explore how new mandatory data access and sharing obligations might be imposed on Australian businesses that may, potentially, be more effective and less burdensome. Rather, it is to appreciate that the market is best placed in most cases to determine the relevant cost benefit trade-offs of relevant data access and sharing use cases to unlock genuine net productivity gains for Australian consumers and businesses and our economy, by finding and operationalising opportunities to:

- better enable consumers to benefit from data about themselves and facilitate its use to drive innovation and productivity growth; and
- look at where consumer data remains underused and the types of access that consumers need to get value from it.

The main regulatory support required for these initiatives to succeed in Australia is to have in place overarching, economy-wide, principles-based protections (such as under the Privacy Act) to ensure consumers can be confident in the safety and security of their data when used for any given purpose.

⁴⁰ Better Regulation Advisory (2023) [Consumer Data Right Compliance Costs Review](#)

⁴¹ ABA (2024) [Release of Strategic Review into roll-out of the Consumer Data Right - Australian Banking Association](#)