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AMTA
Australian Mobile Telecommunications Association

Communications Alliance and AMTA
Joint Submission

Department of Prime Minister and Cabinet

Developing a Digital Australia Strategy

About AMTA

The Australian Mobile Telecommunications Association (AMTA) is the peak industry body representing Australia's mobile telecommunications industry. Its mission is to promote an environmentally, socially and economically responsible, successful and sustainable mobile telecommunications industry in Australia, with members including the mobile network operators and service providers, handset manufacturers, network equipment suppliers, retail outlets and other suppliers to the industry. For more details about AMTA, see http://www.amta.org.au.

About Communications Alliance

Communications Alliance is the primary telecommunications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including carriers, carriage and internet service providers, content providers, equipment vendors, IT companies, consultants and business groups. Its vision is to provide a unified voice for the telecommunications industry and to lead it into the next generation of converging networks, technologies and services. The prime mission of Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance. For more details about Communications Alliance, see www.commsalliance.com.au.

Introduction

The Associations support the establishment of the Digital Technology Taskforce (the Taskforce) within the portfolio of the Prime Minister and Cabinet and note that this reflects the Government's commitment to working to ensure Australia is a leading digital economy by 2030.

We welcome the opportunity to provide input as the Taskforce engages with stakeholders to inform the next stage of Australia's digital future.

The Associations urge that the Taskforce should not underestimate the potential influence of Government leadership through the setting of a clear strategy and relevant targets and benchmarks to regularly check progress against.

Government also plays an instrumental role in building citizen trust in, use of, and appreciation of the benefits digital technology has to offer, through delivery of easy-to-use digital government services and through public education and awareness initiatives. The Government's direct investment into digital infrastructure and technologies, including through collaboration with industry, for example the 5G Innovation Initiative, also has a critical role in supporting the transition to a digital economy.

The Associations believe that the approach taken by Government to digital policy and regulation has the potential either to support and supercharge our telecommunications industry to enable Australia's digital transformation, or to hold Australia back from reaching its full potential.

We have provided responses to some of the questions from the Taskforce consultation below. In considering these issues, and more broadly in framing the Digital Australia Strategy, the Associations urge the Taskforce to recognise the importance of the role played by the telecommunications industry in enabling Australia's future digital aspirations - including the impact of investments made by telecommunications providers in the customer experience, services and infrastructure.

Responses to questions

What investments in telecommunications or supporting infrastructure is required to support the development and rollout of advanced technologies?

Private investment in advanced national 5G networks will continue to be the main enabler of the digitalisation of the Australian businesses and economy. Despite the impacts of the COVID-19 global pandemic, strong and continued demand for advanced technologies, such as 5G, drive investment in telecommunications and supporting infrastructure, including radio-frequency spectrum.

Ericsson reported that mobile traffic increased during lockdowns due to COVID-19, with mobile traffic patterns reflecting the shift away from working in urban centres to working from home in suburban areas.[1] Consumer behaviour also shifted remarkably during the pandemic with the sudden and widespread uptake up of video calls with nearly 85% of consumers using video calling to stay in touch with family and colleagues.[2]

This aligns with Ericsson's most recent global Mobility Report[3] that found, despite uncertainties caused by the COVID-19 pandemic, the pace of introducing new 5G functionality increased in 2020 in both the network and device ecosystems. Ericsson reported that by the end of 2020:

- Mobile network data traffic grew 50 percent between Q3 2019 and Q3 2020.
- more than 100 operators had announced commercial 5G service launches and the first 5G standalone networks were launched.
- 200 service providers had launched FWA services, with an estimated 60 million FWA connections and FWA data traffic representing an estimated 15 percent of global mobile network data traffic.[4]

By 2026, Ericsson forecast:

- 5G networks will carry more than half of the world's mobile data traffic.

[1] Ericsson Mobility Report, June 2020, page 5
[2] Ibid

[3] Ericsson Mobility Report, Nov 2020

[4] Ibid

- In South East Asia and Oceania, 5G subscriptions will account for more than 30 percent of all mobile subscriptions, compared with 40 percent of all mobile subscriptions worldwide.

- FWA connections will reach more than 180 million and account for a quarter of all mobile network data traffic globally. (Out of these, 5G FWA connections are expected to grow to more than 70 million by 2026, representing around 40 percent of total FWA connections.)

- Over the long term, traffic growth will be driven by both the rising number of smartphone subscriptions and an increasing average data volume per subscription, fueled primarily by more viewing of video content.

- Video traffic currently accounts for 66 percent of all mobile data traffic and is forecast to account for 77 percent of all mobile data traffic by 2026.[5]

It is therefore critical that Government policy supports continued investment in the Australian infrastructure (both physical infrastructure and spectrum) required for Australian consumers and businesses to be able to continue to benefit from access to world leading advanced telecommunications technologies, including 5G. The Associations welcome the reformed Radcomms legislation that will take effect from June 2021 and support further reforms to deployment regulations to enable continued investment by telecommunications network operators.

Reforms such as those giving carriers more flexibility to deploy mobile facilities under low impact facility arrangements will assist this, to ensure that the legislation keeps pace with advancements in communications technologies. But more works needs to be done. Australians and governments are increasingly seeing communications as an essential service, with often increasing expectations and obligations placed upon communications carriers. Yet there has been no corresponding change in the ability to deploy communications assets. There continues to be a wide and material gap in the ability of other essential utilities (such as water, gas and electricity) to access land and to deploy their infrastructure. Our Members continue to experience difficulties with public authorities in deploying essential assets. The Associations calls for a national consistent approach to the treatment of essential service infrastructure across all the essential utilities.

Further work on regulatory reform needs to be prioritised. The communications industry continues to be levied with an ever-increasing number of statutory instruments and obligations. Further, the industry is subject to the multiple overlapping policy departments and regulators – each with their own approach to similar policy options. This growing list of obligations combined with over-lapping administration continues to drive material costs into the industry. It is not

[5] Ibid

always clear to our members that these multiple policies and administrators are pulling in the same direction and act with a common goal in mind.

The Associations also note that ensuring Australia's cybersecurity is increasingly critical and that Government has a key leadership role to play here in partnership with industry, particularly the telecommunications industry in relation to the security of communication networks. The Associations also note that alongside fostering private sector investment, there are circumstances where Government should consider directing public investment to benefit the community as a whole. The Government's laudable Strengthening Telecommunications Against Natural Disasters (**STAND**) package, announced in 2020 after the disastrous 20/21 bushfire season, is a good example. Industry has proposed that Government make a relatively modest direct investment in a new digital technology framework – Emergency Cell Broadcast (**ECB**) – which would help ensure that individuals under threat from natural disasters can receive a disaster alert message on their mobile device, even if they are not within range of their own provider's network coverage. Industry commends this proposal for consideration for inclusion in the 2021/22 Federal Budget, as part of the broader Digital Australia strategy to improve the resilience of the Australian communications facilities that are so vital to a leading digital economy and society.

How should Governments implement agile regulation and policy-design for new and emerging technologies? What actions will help promote a 'digital-first' approach to the regulation of technology?

Industry sees it as vital that Government 'walk-the-talk' of its own Best Practice Regulation' (**BPR**) principles and policy. BPR is soundly based on the notion that Government should seek to directly regulate only where co-regulation or self-regulation are not viable options and where there is evidence of market failure and/or consumer detriment. It is also founded on the principle that the costs of proposed regulation should be rigorously weighed against the anticipated benefits.

Agile regulation and policy design for new and emerging technologies must be holistic and based on a framework that is technology and physical-presence agnostic. Legacy obligations should not be automatically be carried forward to new technologies and service offerings.

The telecommunications sector is presently engaged in a constructive examination, with the ACMA, on how consumer protection obligations need to be adapted to work effectively in the rapidly emerging environment of digital-only provision of telecommunications services. In this environment, digital offerings that deliver customer service and customer care through new media such as web-chats, bots, chat-mail and other techniques – rather than through traditional telephone call centres – need fit-for-purpose obligations which remain consumer-sensitive but that also do not impair the inherent strengths and broader consumer benefits of the delivery platform.

The Government's Digital Australia strategy also needs to recognise that the digital marketplace is more global in nature than any of its predecessors. This means that Australia's international competitiveness is crucial, in the absence of the ability to shield a domestic market that does not

have access to competitive inputs. The Digital Australia strategy should also recognise the pivotal role data sovereignty laws and international trade laws can have on the cost of doing business in a global society, and should advocate for such laws to be structured to minimise cost to Australian businesses wherever possible.

The current review of the pricing of licensed access to electromagnetic spectrum, for example, has highlighted that certain categories of licence in Australia are considerably higher (often by orders of magnitude) than those in comparable countries. The ACMA recommendations are moving in the right direction – to reduce these prices and remove barriers to investment in Australia – but more decisive action may be needed in this area and others. We therefore recommend that the Digital Australia strategy includes an action to monitor the international competitiveness of key input costs to the Australian telecommunications sector within Government's control, such as spectrum pricing, with an openness to making adjustments where needed.

How can the Australian Public Service provide whole of Government advice on digital issues in a more joined-up way?

First, we note that the importance of developing digital skills and literacy in the public sector so that the sector can in turn, champion the implementation of digitisation in the private sector.

An aspect of this, discussed above, is to ensure that this advice is provided within a holistic, technology neutral regulatory and policy design framework. As noted above, the communications sector is regulated across multiple departments and multiple regulatory agencies – often covering the same or related issues. In our Members' experience, this has led to inconsistent approaches to policy and regulatory actions which often results in policy pulling in different directions. That is, while some parts of government may be adopting policy to encourage deployment of assets; actions by other departments or agencies may adopt policies that deter deployment. Some departments may adopt policies to encourage the uptake of digital services; while others have the effect of deterring investment in digital services.

The Associations also suggest that Government adopt clear polices and timeframes aimed at addressing specific outcomes that are important to Australia becoming a leading digital economy. The Associations welcome this taskforce set up in PMC which should be able to provide the necessary guidance and oversight to ensure a consistent whole of Government approach to digital issues, including regulatory policy and administration.

How can digital technology and regulatory settings be used to encourage smart infrastructure development and use?

The Associations agree with the Taskforce that the Digital Australia Strategy should seek to promote smart infrastructure development and use. Having a 'digital layer' enables more efficient usage, investment, and maintenance, and will become of increasing importance for a large range of built infrastructure in a variety of different fields over the coming decade. Government has particular influence in this area when the infrastructure is being publicly funded. We recommend the Taskforce consider a requirement for major future publicly funded infrastructure projects to

be embedded with smart technology and provide the passive assets required for the deployment of the communications assets required for digital services. We also recommend that the planning stage for such projects provides for future connectivity requirements (e.g., mobile coverage), and allocates funding for this as part of the project scope (and on condition that provisions are made).

How can digital technology and regulatory settings be used to encourage more jobs to be based outside of major cities?

The Associations note that one of the many impacts of the COVID-19 pandemic has been a shift to more flexible and remote working arrangements, enabling many employees to work from anywhere. The telecommunications industry has not only been a leader in encouraging its own employees to take advantage of the ability to work from anywhere during this time; but also provides the underlying network infrastructure that enables this for the Australian workforce. This trend is predicted to continue[6] as Australia's economy recovers from the impacts of the global pandemic and some areas of regulation will likely need adjustment to support this.[7] The Associations suggest that the Digital Australia Strategy should consider how regulatory settings can support this welcome shift in Australia's workforce participation.

For example, the economics of extending mobile coverage to remote areas of Australia remains challenging and this translates to a lack of access to adequate digital technologies which has a substantial social and economic impact, for example the ability to access digital health and education and smart farming solutions, are limited due to the lack of connectivity.

Private LTE and Fixed Wireless operators are geared to address the remote market by deploying low-cost bespoke infrastructure to the target communities by providing both FWA and mobile coverage. However, this depends on having access to adequate radiofrequency spectrum and appropriate licensing arrangements. A fit for purpose spectrum management and licensing framework as well as adequate allocations of spectrum for 5G and mobile technologies is critical in encouraging more jobs in remote Australia.

[6] Deloitte TMT Predictions 2021, The COVID-19 Catalyst, the Australian edition

[7] 'Work-from-home trend to create health and safety issues, expert warns' - ABC News, 8 Feb 2021

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