

SPEECH – COMMSDAY POLICY SUMMIT – SYDNEY – TUESDAY 30 APRIL 2024

****CHECK AGAINST DELIVERY****

“Accelerating 5G Adoption for Economic Growth and Innovation”

Introduction

Good afternoon, everyone. I am Louise Hyland, the CEO of the Australian Mobile Telecommunications Association (AMTA). AMTA is the peak industry body representing Australia’s mobile telecommunications industry. AMTA members include mobile network operators and service providers, mobile phone and device manufacturers, network equipment suppliers and other suppliers to the industry.

I am fortunate this afternoon to follow Shadow Minister David Coleman's comments and to precede Minister Michelle Rowland's perspectives. When Grahame first asked me to speak late in the afternoon session, and just before evening drinks, I joked that I had been given me the “graveyard session”! However, Grahame reassured me that in fact I was to speak in between the Shadow Minister and the Minister herself. So, thank you Grahame for the privilege of being the proverbial “meat” in the political sandwich!

When considering my topic for today’s speech, I questioned whether I should speak about 5G again, as it sometimes feels that’s all I talk about. I am reminded that former NSW premier Neville Wran called it the “vomit principle” – that is, say the same thing over and over again until you want to vomit, and only then will you get cut through with your audience. I am not yet at that point, so with Premier Wran’s advice in mind, I would like to begin by sharing a compelling statistic to set the stage for my topic today:

By 2035, 5G could underpin up to US\$13.2 trillion worth of goods and services across industries globally, as reported by an IHS Markit 2020 study¹. In the Australian context, by 2030, 5G will increase Australia's GDP by \$67 billion². With the right policy settings, 5G has the potential to increase our GDP by a further \$27 billion. That is a \$94 billion benefit to our economy if we can get this right.

These numbers underscore the critical role of 5G in driving our next wave of economic growth and innovation. Today, I want to talk about the current state of 5G adoption in Australia, its economic impacts, the necessity for a National Mobile Tech Strategy and our supporting policy priorities.

Closure of the 3G Networks

But before I talk about 5G in more detail, I want to touch briefly on 3G and the closure of the networks in Australia.

We bid farewell to 3G in very different circumstances to when it was first introduced in the early 2000s. At that time, our primary uses for mobile phones were calls, texts, and basic internet services. Now video traffic is around 73% of all mobile data traffic³, and mobile network data traffic grew 28% between 2022 and 2023⁴. It is clear that our needs have outgrown the capabilities of 3G.

If we think of spectrum like lanes on a highway, 3G is like an old bus that takes up a lane - it's not as fast, and it can't carry too many passengers. 5G is like a fleet of express buses that use the same lane but are much faster and can carry

¹ <https://omdia.tech.informa.com/om005180/5g-technology-will-enable-132-trillion-of-global-economic-output-by-2035>

² *5G Unleashed: Realising the potential of the next generation of mobile technology*. Australian Mobile Telecommunications 2022. Deloitte Access Economics. <https://amta.org.au/5g-unleashed-deloitte-access-economics/#:~:text=The%20report's%20economic%20modelling%20estimates,uplift%20in%20economic%20benefit%20over>

³ <https://www.ericsson.com/en/reports-and-papers/mobility-report/dataforecasts/mobile-traffic-forecast>

⁴ <https://www.ericsson.com/en/reports-and-papers/mobility-report>

many more passengers at once. By retiring the old bus, we make room for the express buses to use that lane, moving more people more quickly.

Decommissioning the 3G networks means that valuable spectrum that is essential for 5G's high-speed, low-latency connections that will support everything from smart cities to telemedicine is being made available. This transition isn't simply a matter of replacing one technology with another; it's a strategic shift that maximises scarce spectrum resources.

Of course, change is always difficult, and I acknowledge that network closures can be disruptive – 3G in particular, given how many devices have historically relied on these networks. And like all major upgrades, there are some lessons from the closure of 3G that will be applied when 4G closes.

In preparation for this transition, the mobile operators have been communicating with their customers for over a year [and in some cases, over two years]. AMTA communicated the change to its stakeholders and to consumers through the media in November last year. We recently established a dedicated working group, launched a comprehensive information website, and industry has been working closely with government agencies to ensure a structured and timely transition for all Australians, and will continue to do so.

I know many of you in this room have been involved in the transition of your respective 3G networks, and I want to take this opportunity to please encourage your friends and family who might have older devices to visit **www.3Gclosure.com.au** to check they are ready for the shutdown.

And if you do have devices that need upgrading, please recycle your old devices in a sustainable manner through our flagship recycling program, **MobileMuster (www.mobilemuster.com.au)**.

Current State of 5G Adoption in Australia

Now back to 5G - Australia was one of the first countries to adopt 5G, which demonstrated our nation's commitment to staying at the forefront of technological advancements. While the early rollout translated into global leadership in 5G adoption, take-up and usage of the technology has subsequently plateaued, resulting in Australia slipping from fifth place globally in 2020 and 2021 to twentieth place in 2023.⁵

5G is now available to 85 percent of the Australian population⁶ but a large share of the population is yet to switch to 5G, with a 5G mobile subscriber penetration of only 30 percent by the end of 2022⁷. By mid-next year, it is expected that 95 per cent of Australians will have 5G coverage.

Despite the rapid adoption of 5G across Australian households, industry adoption is still emerging. In fact, 73 per cent of businesses in Australia have yet to realise the full potential of 5G⁸. Our current position in the 5G race does not just put us at risk of falling behind technologically but also economically. The reluctance by Australian businesses to embrace 5G fully could dampen our innovation landscape and compromise our competitive edge, leading to a ripple effect across sectors—from manufacturing to healthcare, from agriculture to digital services. The implications are wide-ranging and include job creation, GDP growth, and Australia's status as a technology leader.

⁵ According to GSMA Intelligence reports, Australia was ranked fifth of 113 countries in 2020 and 2021 for percentage of the population with 5G capable devices (6.54% and 18.51% penetration respectively) but slipped to eleventh place in 2022 (29.48% penetration) and twentieth place in 2023 (37.84% penetration).

⁶ <https://www.telstra.com.au/5g>

⁷ <https://www.ericsson.com/en/reports-and-papers/mobility-report/closer-look/south-east-asia-and-oceania>

⁸ https://amta.org.au/wp-content/uploads/2022/03/5G-Unleashed-Final-Report_combined-v2.pdf

Economic benefit and improved productivity will be realised through business adoption of 5G, so it makes sense that a concerted push for 5G adoption by businesses will help Australia regain its competitive edge and global standing in the 5G race, as well as foster a technologically advanced and digitally connected society.

To encourage greater adoption, AMTA is seeking to work with the Australian Government to highlight the benefits and applications of 5G across various industries. 5G is not merely about faster internet; it's a transformative force for sectors like security, energy, transportation, utilities, healthcare, and more.

These are all sectors where productivity can be improved using 5G, and that matters because in the decade to 2020, Australia's productivity growth was the slowest in 60-years. The slowdown in our labour productivity growth is not unique and is broadly consistent with the experience of most other advanced economies.

One might reasonably ask, if other countries are experiencing this, why should it be a focus for Australia? Quite simply because we live in an increasingly competitive world. To maintain our living standards and social fabric requires us to be productive economically. Revitalising productivity growth will require investing in Australians' skills, improving business efficiency and boosting digital adoption.

The advent of 5G technology is not merely a next step in mobile connectivity; it's a foundational shift with the power to redefine entire industries. Put simply, 5G is a key enabler to unlock Australia's lagging productivity.

Call to Action: Implementing a National Mobile Tech Strategy

Technologies like AI and machine learning are poised to redefine our industries and daily lives. For them to flourish, they require the support of advanced networks like 5G and the emerging 6G, which are integral to our national strategy.

AMTA welcomes the Albanese Government's acknowledgment of 5G and 6G among seven critical technologies for our future, but this is only the first step. Australia does not have a national policy or strategy for the utilisation of 5G and 6G, and without a well-defined plan, the full potential of these critical enabling technologies may not be realised. 5G and 6G should form part of a broader national strategic framework through a comprehensive, whole-of-government strategy. This approach would enable Australia to address our strategic gap in relation to a strategy for mobile technology.

AMTA's submission to the forthcoming Budget asked the Albanese Government to consider the development and implementation of such a whole-of-government strategy – the National Mobile Tech Strategy. We see there is an opportunity for the mobile telecommunications sector to work more closely with the Government to ensure we have co-ordinated policy across government which leverages the benefits of 5G and plans for future mobile technologies.

A National Mobile Tech Strategy would also address practical needs such as sufficient mobile spectrum and streamlined infrastructure deployment. These are crucial for meeting consumers' insatiable demand for data and ensuring that the networks we build today are safe and efficient and can deliver a sustainable return on investment.

A National Mobile Tech Strategy would also involve coordination and collaboration across different government departments and agencies, working together to maximise the benefits of 5G and other technologies, as well as planning for 6G. The Strategy would also require consideration of 5G and future generations of mobile technology in the delivery of Government services.

By implementing a comprehensive National Mobile Tech Strategy, supported by forward-thinking policies and investments, we can ensure that 5G becomes a catalyst for economic growth, social progress, and environmental sustainability.

Research and development and the South Korean case study

A key component is government investment in research and development, aiming to promote 5G innovation across sectors. There is a role for public-private partnerships and for incentives for businesses to adopt 5G, based on the principle that 'visibility inspires action' – or put another way, 'you can't be what you can't see'. For 5G to reach its full potential, particularly for Australian businesses, supportive policies are essential. These policies should address the challenges of 5G infrastructure deployment and encourage its adoption across all sectors of the economy.

South Korea is a good example of what can be achieved when government and industry work together. Early in their 5G rollout, South Korea committed to spend 86.3 billion won – the equivalent of \$117 million Australian dollars – on 5G research and development. The government also offered an investment tax credit to encourage service providers to build new base stations⁹.

⁹ <https://thediplomat.com/2019/03/south-korea-joins-the-5g-race/>

As a result of the South Korean government's substantial investments in R&D, some of the world's most sophisticated 5G networks have been constructed. This has given South Korean companies a competitive edge in the global market. Australia can learn from South Korea's model, particularly its focus on nationwide coverage and investment in 5G-based innovation.

AMTA is not the only industry body advocating for more action on 5G. The pre-budget submission from the Tech Council of Australia recommends further investment in the digital infrastructure that underpins our modern economy, including in initiatives that enable 5G adoption and development.

The Tech Council's submission makes the point that 5G was designed to enable business transformation, but that the gap between enterprise awareness of 5G's benefits and current levels of adoption suggests there are notable barriers to implementation, which may include ecosystem availability, education, awareness, cost and complexity, and security concerns. Like AMTA, the Tech Council argues there is an opportunity for the Government to consider championing enterprise digitalisation enabled by 5G, including allocating funding for R&D and demonstration projects through a competitive funding process.

Recognition of government action: A 5G-ready workforce

Let us also turn our attention to the human element of this technological evolution. Our networks need skilled hands and minds to build and maintain them. It is crucial that Australia's workforce is adequately equipped with the skills and training needed to harness the full potential of 5G. Having talked about what AMTA would like to see from government in the forthcoming Budget, I would now like to

acknowledge the work that the Albanese Government is doing to skill up Australia's workforce through the Jobs and Skills Councils.

These Councils will play an important role in addressing the pressing need for upskilling and reskilling the Australian workforce, ensuring that our labour market remains competitive and adaptive. AMTA is an active participant in the Future Skills Organisation, which aims to improve digital skills training in the VET system and provide an innovative and world leading approach to training and employing people in digital skills in Australia.

In particular, AMTA is advocating for agreement on a national standard on curriculum, cross border/institution recognition and accreditation, as well as a mechanism for ongoing industry input to keep the content/quality of any accreditation relevant and contemporary with changing technology.

Fostering a skilled workforce ready for the digital economy is critical, and upskilling and reskilling initiatives are essential to ensure Australians can fully benefit from 5G advancements. This includes not only technical skills for the telecom and tech industries but also digital literacy for all Australians to enable them to thrive in a 5G-enabled economy.

Success with driving adoption means the industry then needs to deliver, including continued investment in infrastructure. Delivery requires the right regulatory and policy settings. To that end, AMTA recently welcomed the Minister's decision to include mobile infrastructure into the Government's Telecommunications in New Developments Policy (TIND). Siting of new towers in large emerging residential growth areas can be a challenge when there's no sites for this infrastructure in

strategic town plans and no ability to secure a lease. AMTA commends this kind of forward thinking, but more reform is needed from all levels of government to ensure people can access reliable mobile service in a timely manner.

Late last year AMTA released '*Deployment of Mobile Telecommunications Infrastructure - The need for consistency and best practice planning rules and regulations across Australia's States & Territories*'. This model framework encapsulates AMTA's thought leadership in relation to regulation of development approval for mobile telecommunications infrastructure. It is essentially the 'playbook' for Australia's 8 States & Territory Governments to streamline development approvals and if adopted will greatly assist in improving provision of mobile service for business and the community.

We welcome the Government's commitment to engage through the Mobile Telecommunications Working Group, and AMTA will monitor and contribute to implementation of State, Territory and Local reforms to clear the way for mobile infrastructure investment.

Conclusion

The adoption of 5G technology is a launchpad for Australia's future growth and prosperity. The benefits of 5G – a connected, innovative, and prosperous Australia - are within our grasp. We should be building a future that leverages the full potential of 5G for the benefit of all Australians. The benefits of 5G, be it in enhanced productivity, job creation, or innovation, are too significant to overlook. Collaborative efforts between government, industry, and academia are paramount in driving 5G adoption.

It's imperative that we, as a nation, prioritise and invest in 5G, and the technologies that it enables, to secure our position as a leader in the global digital economy. Let's seize this opportunity to shape a future that leverages the full potential of 5G for all Australians. Thank you.