June 2025

AMTA
Australian Mobile Telecommunications Association

Submission to Productivity Commission 5 Pillars Review

Pillar 1 - Creating a more dynamic and resilient economy:

Reduce the impact of regulation on business dynamism

Section 3. Reduce the impact of regulation on business dynamism

4. What areas of regulation do you see as enhancing business dynamism and resilience? What are the reasons for your answer?

Regulatory frameworks which provide clarity and predictability around the regulatory landscape serve to provide certainty around compliance costs and better promote business dynamism and resilience.

In a recent decision advocated by AMTA and our members, the ACMA confirmed that International Mobile Telecommunications (IMT)-based satellite direct-to-device (D2D) services can be operated under Australia-wide spectrum licences without the need for further approval from the ACMA. This has cleared the regulatory path for D2D operation, enabling the recent launch of a satellite texting service by Telstra. It has set the industry on a path to deliver this next innovation and eventually voice and low speed data services via low earth orbit satellite.

Generally, the *Radiocommunications Legislation Amendment (Reform and Modernisation) Bill 2020,* commonly referred to as the Modernisation Act, has resulted in more efficient and effective regulation of radio spectrum, as it provides more autonomy with the subject experts within the ACMA to make decisions related to the assignment and management of radio spectrum. Spectrum is the largely unseen but critical enabler of mobile connectivity and a key determinant of the financial sustainability of the sector. The process of ACMA decisions being guided by policy statements from the current Government provides the ACMA with guard-rails on their decision processes.

However, Telecommunications carriers and carriage service providers in Australia subject to more than 500 pieces of legislation and regulation and in 2024 alone, around 20 new sector specific regulatory requirements were introduced or in development. The cumulative impact of regulatory burden is not one of enhanced business dynamism.

For policy and regulatory development, better coordination, visibility and sequencing across different levels of government and multiple regulators is required so that the financial impact may be considered and quantified in a more holistic way. Transparency around the regulatory landscape, particularly for spectrum allocation, spectrum pricing, and telecommunications infrastructure deployment is critical for the ongoing financial sustainability of the sector. An initial step could be for key regulatory bodies (ACMA, ACCC, DITRDCSA, etc) to be required to articulate a forward-looking program of all regulatory initiatives that would materially affect the telecommunications sector, updated bi-annually. A working example of a similar such initiative is found in the Australian banking sector. This enhanced transparency of forthcoming changes to the telco regulatory landscape would enable a more efficient allocation of regulatory resources, minimise duplication and have a joint focus on outcomes between the sector, Government and regulators.

While introducing better processes for future policy making and regulatory development are critical, this needs to be supported by a program to identify and dismantle regulatory

barriers, and duplicative and redundant legislation. The Assistant Minister for Competition, Charities and Treasury, The Hon Dr Andrew Leigh and Minister for Housing, The Hon Clair O'Neil have each separately called for the slashing of the "thickets of regulation" and the dismantling of red tape and regulatory barriers. This is long overdue in the telecommunications industry.

5. How has your regulatory burden changed over time?

As noted above, carriers and carriage service providers in Australia are subject to more than 500 pieces of legislation and regulation, with around 20 new sector specific regulatory requirements introduced or in development in 2024. While protecting consumers and safeguarding harms is an important and essential role for regulation, compliance costs of new regulations are cumulative (without a process to review and reconsider existing regulation) and in aggregate act to divert much needed capital to invest in digital infrastructure and digital applications. For example, the *Telecommunications Customer Communications for Outages Standard* alone is expected to cost the telco industry an estimated $117 million over ten years[1] and this is independent of the cumulative costs of other regulations.

Absent from this labyrinth of new regulations is a focus and a process for identifying and assessing collective regulatory burden across the telecommunications industry. While the current Policy Impact Analysis process is promoted as a key mechanism for assessing proposed Government policy in terms of impacts, costs and benefits, this process (by design) does not have regard to the cumulative impact of regulatory burden imposed on a sector by multiple legislating jurisdictions. This lack of focus on the cumulative regulatory burden across government agencies leads to fragmentation, inconsistency, duplication, increased costs, and acts as a handbrake on productivity.

The mobile industry delivers significant value to consumers in terms of cost and price, despite experiencing long term declines in returns on invested capital. A 2023 report by Venture Insights found that the Return on Invested Capital (ROIC) for the second and third placed mobile operator market participants is less than the Weighted Average Cost of Capital (WACC)[2]. It noted that for telecommunications ROIC is a major driver of long-term profitability and the decline in ROIC is therefore an indicator of reduced capacity to invest in the infrastructure that delivers better services.

Consumer Price Index (CPI) data from the Australian Bureau of Statistics (ABS) shows that Telecommunications Equipment and Services is the only economic sector where the CPI has declined. When compared to other sectors, telecommunications declined by 23% between 2011 and 2024, compared to increases of 70% and 60% for electricity and utilities (refer table below). Mobile sector capital expenditure remained constant at around $5.4 billion

[1] : Impact Analysis_0.pdf – ACMA,

[2] Venture Insights – State of the Australian Telecommunications Industry – June 2023.

each year for the years 2019-2023, despite operating profits decreasing by 24% over the same period[3]. With long term declines in revenue, industry return on invested capital is below the cost of capital, creating the real prospect of a "digital investment gap". For sustained investment, especially in areas of questionable profitability, the regulatory burden costs to the sector need to be eased to improve service.

CPI Category (Australia, 8 capitals)	Dec 2011 CPI Index	Dec 2024 CPI Index	Total Change 2011–2024
Insurance & Financial Services	100.0	119.5	**+19.5%**
Transport	100.0	137.0	**+37.0%**
Medical, Dental, and Hospital Services	100.0	140.0	**+40.0%**
Gas and other Household Fuels	100.0	130.0	**+30.0%**
Electricity	100.0	170.0	**+70.0%**
Water and Sewerage	100.0	140.0	**+40.0%**
Housing	100.0	130.0	**+30.0%**
Food and Non-Alcoholic Beverages	100.0	135.0	**+35.0%**
Utilities	100.0	160.0	**+60.0%**
Telecommunication Equipment and Services	100.0	77.0	**–23.0%**

Source: ABS CPI data.

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6. What regulations do you find time-consuming, overly complex or otherwise constraining business dynamism and resilience? What are the reasons for your answer?

Mobile network digital infrastructure is a key enabler of productivity growth and a key element of Australia's digital economy. For Australia to realise the productivity benefits of transformative technologies like AI, we require a foundation of secure and reliable telecommunications connectivity which in turn requires ongoing investment. Digital applications and new technologies do not work without the underlying connectivity and Australian businesses and consumers cannot benefit from it without connectivity. There are also opportunities for AI to introduce cost and efficiency gains into network operations. To enable this, Australia needs fit for purpose telecommunications and a supportive regulatory framework.

A key area constraining efficient network deployment and introducing costs and delays is infrastructure planning and the lack of harmonisation across federal, state and local governments. Current highly discretionary planning regulations create unnecessary roadblocks for deployment and hinder the ability of mobile network operators to meet the growing connectivity demands of our population. There is an important productivity link between local and state government planning, and deployment of mobile infrastructure in Australia.

[3] JPMorgan Australian Telecommunications Analyst note, 4 Oct 2023.

Successive inquiries and reviews have recommended urgent reform, including:

- The ACCC Regional Mobile Infrastructure Inquiry (2022)
- The House of Representatives Inquiry into co-investment in multi-carrier regional mobile infrastructure (2023)
- The Mobile Telecommunications Working Group (MTWG) Report (2024)
- The 2024 Regional Telecommunications Review Report which called for the expedition of planning approvals.

Streamlined and harmonised planning

Regulation of telecommunications has traditionally been a Commonwealth responsibility, but Australia's State and Territory governments also play a significant role when it comes to telecommunications infrastructure. At present there is a labyrinth of planning regulation in Australia that is an impediment to the efficient, equitable and effective deployment of mobile infrastructure. This introduces fragmentation, inconsistency, duplication and most importantly, delay to delivering networks and services to consumers.

With eight State and Territory Governments and 537 Councils in Australia, there is a patchwork of rules in planning schemes and processes that are wholly inconsistent and require significant time and financial resources to navigate.

The purpose of state and territory planning systems for telecommunications network deployment is two-fold: promoting network infrastructure development for social and economic benefits and minimising the negative impact on amenity from infrastructure like towers. Governments assess and balance these aspects to determine if a net-community benefit is achieved.

In some states, territories, and councils, governments have codified clear planning rules that balance service benefits with amenity impacts. These rules include objective criteria—such as height limits, setbacks, and view-line protections—reducing the need for subjective assessments. This approach promotes clarity and consistency in achieving planning objectives.

Development approval for new towers or poles in Australia takes an average of 207 days—often exceeding statutory timeframes. In Western Australia, eight discretionary applications took between 3 to 10 months, frequently breaching the WA Planning Regulations4. Proponents rarely seek deemed refusal due to the lengthy State Administrative Tribunal process, and post-approval delays for secondary consents are common.

By contrast, the New South Wales 'complying development' pathway allows approval within 60 days, including mandatory industry Code consultation. This streamlined, objective process encourages mobile network operators (MNOs) to deploy infrastructure without formal approval when siting and design standards are met. Similar policies in NSW, the Northern Territory, and Victoria have proven effective. However, Queensland, Western

[4] the WA Planning and Development (Local Planning Schemes) Regulations 2015

Australia, and Tasmania have not implemented equivalent reforms, resulting in fragmented planning, higher costs, and reduced certainty—delaying infrastructure rollout and service improvements.

Digital infrastructure is often cited as critical infrastructure, particularly in times of natural disaster. However, importantly, the industry is not provided with the same access rights and exemptions from planning as other utilities. This creates an asymmetrical regulatory burden on the mobile network operators compared with other utility providers.

7. Can you share any specific examples of where you think a regulator has done a good or bad job of understanding and reducing regulatory burden on businesses and why?

Infrastructure planning and deployment regulation can be streamlined and better aligned to achieve expedited approvals, more certain outcomes for the mobile telecommunications industry and end users of mobile technology, together with addressing community concerns. This involves states, territorities and councils codifying their requirements [in a consistent manner] so that mobile infrastructure can be approved based upon clear rules, rather than an entirely subjective assessment of a council planning officer or elected council. As noted above, the difference in timeframes for these two approaches is approximately 207 days on average for a subjective full DA assessment versus 60 days for a 'complying development' type assessment against clear rules.

Over the last 5 years, AMTA has highlighted specific examples of regulatory best practice in Australia's State and Territory Planning systems that have reduced the regulatory burden for our industry, and that have ultimately delivered improved service.

This information can be found in the 2021 AMTA 5G State and Territory Readiness Assessment, and AMTA's Model Framework for State and Territory reform. These reports highlight existing best practice regulation including improved development assessment pathways for telecommunications infrastructure that leads to both faster approvals but also better siting and visual outcomes. Highlighting best practice and encouraging adoption of regulations that work will ultimately improve consistency across the jurisdictions.

In July 2024, AMTA welcomed the release of a report from the Mobile Telecommunications Working Group (MTWG) which was established as a result of the 2023 Planning Ministers' Meeting (PMM). The Communique of the PMM identified the need for improvements to planning for mobile telecommunications in new developments and growth areas. The MTWG Report includes principles that, when applied by the jurisdictions, will consistently streamline and facilitate the rollout of telecommunications infrastructure in greenfield developments and urban fringe areas.

AMTA is working with all government jurisdictions across federal, state and territory to deliver the MTWG Report reforms, but only three jurisdictions have acted:

- **NSW** has led since 2010: rural and industrial towers that meet simple height and setback rules are approved as *Complying Development*—no council sign-off, 60-day certainty.
- **Victoria** has streamlined some planning approvals, offering a narrower *Exempt Development* path for smaller sites.
- **Northern Territory** has now adopted the NSW model.

Twelve months after the MTWG report, progress has been slow in Queensland and Western Australia, with discretionary processes that also tie up mobile black-spot projects. AMTA has written to each planning minister seeking commitment to honour the PMM communiqué and adopt the proven NSW approach that has accelerated roll-outs for 15 years.

In relation to radio spectrum regulation, the ACMA has worked proactively and productively with industry to deliver good outcomes in two key areas:

- the outcome of the ACMA Expiring Spectrum Licence (ESL) Stage 2 consultation (which explored whether the public interest would be best served by the renewal of ESLs), which concluded that renewal of ESLs held by MNOs best serves the public interest. This is of critical importance of MNOs for service continuity as spectrum licences are required to es to operate the networks that serve Australians every day.

- Confirmation by the ACMA that International Mobile Telecommunications (IMT)-based satellite direct-to-device (D2D) services can be operated under Australia-wide spectrum licences without the need for further approval from the ACMA. This has cleared the regulatory path for D2D operation, enabling the recent launch of a satellite texting service by Telstra. It has set the industry on a path to deliver this next innovation and eventually voice and low speed data services via low earth orbit satellite.

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