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Australian Mobile Telecommunications Association

AMTA submission

Productivity Commission: Interim Report

Creating a more dynamic and resilient economy

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Introduction

The Australian Mobile Telecommunications Association (AMTA) is the peak industry body of Australia's mobile telecommunications industry. Our purpose is to be the trusted voice of industry, promoting the adoption, monetisation and sustainability of mobile telecommunications technology for the benefit of all Australians. AMTA members include the mobile network service providers, handset manufacturers, network equipment suppliers, retail outlets and other suppliers to the industry.

Mobile network digital infrastructure is a key enabler of productivity growth and vital to Australia's digital economy. For Australia to realise the productivity benefits of transformative technologies like AI, we require a foundation of secure, high capacity and reliable telecommunications connectivity which in turn requires ongoing investment. Digital applications and new technologies such as AI and cloud computing do not work effectively without the latest upgrades to the underlying mobile technology and Australian businesses and consumers cannot benefit from these without connectivity. Digital infrastructure provides the superhighway over which digital applications like AI can operate. For this reason, telecommunications needs to be a key sector included for consideration of immediate and concrete reduction in regulatory burden.

It its Interim Report *Harnessing data and digital technology*, the Productivity Commission noted that "investing in digital infrastructure … [and] high-speed internet is a prerequisite to fully utilising AI[1]." In her speech to the National Press Club, PC Chair Danielle Wood noted that "harnessing digital and data technology will shift the dial on Australian productivity performance[2]". AMTA supports this statement but notes that this can only occur if the underlying mobile digital infrastructure is the focus of strategic oversight and deep regulatory reform.

Our submission focuses on the *Creating a more dynamic and resilient economy* interim report[3] (hereafter, "Interim Report"). AMTA strongly urges the government and PC to consider the inclusion of telecommunications in the list of sectors that would benefit from strategic, sectoral-based, independent regulatory reviews to improve the impact of cumulative regulatory burden which have resulted in a complex and costly maze of regulation across multiple regulatory agencies.

AMTA is pleased to see reflected in the Interim Report, many of the key themes contained in our submission to the 5 Pillars Review. This includes:

- A clear agenda for regulatory reform which is framed around broader economy wide goals, together with a clear and transparent regulatory roadmap
- Better scrutiny of existing regulations and stronger expectations on regulators and policymakers to deliver growth and dynamism. Augmentation of the current process undertaken by the Office of Impact Analysis
- Stronger focus on the cumulative impact of regulation. AMTA considers that telecommunications is a key industry that would benefit from sector-based reviews. We welcome the PC's recognition that the cumulative regulatory burden of multiple overlapping or conflicting regulations is often overlooked when assessing individual regulations in isolation (as is the current process)
- Articulation of immediate and concrete reduction in regulatory burden. AMTA considers that telecommunications is a sector which should be included as an area of focus for this.
- Costs of regulatory activities should be assessed across multiple agencies and not in a siloed manner

[1] https://www.pc.gov.au/inquiries/current/data-digital/interim, p.11
[2] https://www.pc.gov.au/media-speeches/speeches/growth-mindset/growth-mindset.pdf
[3] https://www.pc.gov.au/inquiries/current/resilient-economy/interim

Response to requests for information

This section of our submission responds to three of the information requests in the Interim Report.

Information Request 2.1

> The taxonomy proposed above represents regulatory failures that have been raised regularly with the PC during consultation. We have heard of a number of broad examples that align with these categories – for example, duplicate and inconsistent regulations emerge when regulators are unable to adopt standards from comparable regulators from other states, or from overseas.
>
> We would like to hear specific examples of regulations that you think align with the categories above, and that could easily be fixed by government.

Regulation of telecommunications **infrastructure planning and deployment** is a key area which aligns to the categories outlined in this report. 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, and the lack of consistency across jurisdictions, create unnecessary roadblocks for deployment and hinders the ability of mobile network operators (MNOs) 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.

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.

A national strategic plan which recognises and plans for the importance of digital infrastructure as a key enabler of mobile connectivity and digital applications is urgently required. Investing in digital infrastructure and high-speed internet is a prerequisite to fully utilising AI, while harnessing digital and data technology is a key factor in improving Australia's productivity performance. Regulatory failure exists in the telecommunications planning sector across state and federal jurisdictions and this requires urgent attention.

We have detailed two specific examples below for consideration.

<u>1. Overly risk-averse regulation that pushes too hard to address all harms or eliminate all risk, creating a disproportionate regulatory burden</u>

There are two bookends on a continuum of policies and codes that regulate the assessment of development involving mobile network infrastructure:

1. Councils that use policies, rules and assessment pathways in a manner that assumes any visibility of mobile telecommunications infrastructure (like a new pole or tower) is unacceptable; or,
2. Councils that have developed policies, rules and assessment pathways that seek to strike a balance between provision of critical infrastructure delivering reliable mobile service, whilst seeking to mitigate any unreasonable visual impact.

Unfortunately, there are too many State, Territory and council jurisdictions that still use the first approach, despite there being some very good examples of the second approach that have operated for many years. AMTA has consistently highlighted best practice planning regulation that focuses on the second approach in those jurisdictions that apply the first approach. AMTA has developed a best practice blueprint with our 2023 AMTA **Model Framework for State and Territory reform.** The Model Framework identifies best practice for streamlined and consistent planning across the various jurisdictions. AMTA has also created a State and Territory 5G Infrastructure Readiness Assessment, which contains 21 specific recommendations for the States and Territories and highlights best practice.

Whilst there is a myriad of examples, the mobile telecommunications industry is currently participating in a consultation process for a new Sunshine Coast Planning Scheme. In the draft proposed Sunshine Coast Planning Scheme, the Telecommunications Code does not recognise the importance of mobile network connectivity for residents, businesses, and public safety. This is perplexing in the context that Council is also working toward a 'Smart Economy' and have specifically called out the importance of digital infrastructure networks in its Vision.

Both the current and draft Planning Scheme focus solely on amenity impacts, without balancing these against public benefit or the very real technical requirements of telecommunications users. In the proposed draft Scheme, Council has expanded its 'buffer zone' in what is deemed to be 'acceptable solutions' (which places a distance between residential type land uses and mobile infrastructure) to encompass a much greater number of community-based uses. This provides for a highly discretionary process to assess mobile infrastructure to be used by Council. It is our experience that this regularly leads to Sunshine Coast Council refusing development applications for mobile telecommunications infrastructure in places where it is needed.

We note that many other jurisdictions recognise the importance of mobile connectivity for community wellbeing and have policies which specifically encourage deployment of digital infrastructure. For example, the Ipswich Planning Scheme 2025 has a relatively strict Telecommunications Code, but balances this by considering new telecommunications infrastructure Accepted Development in many zones where it meets the requirements. The new Sunshine Coast planning scheme makes no similar concessions. This lack of consistency and harmonisation leads to costly inefficiencies and deployment delays.

We recognise that telecommunications infrastructure deployment can at times be contentious, and by its nature will always have some degree of visual impact. But partial visibility of a proposed tower does not equate to unacceptability. We also note that sometimes the locations available for a new facility can be limited because of land availability or technical requirements. The reality is that mobile infrastructure is now a normal feature in urban environments, and the demand for such facilities will only grow over time with the development of AI and adoption of digital applications.

Should the Sunshine Coast Planning Scheme proceed as currently drafted, we anticipate an increased number of sites will need to be contested through the Queensland Planning & Environment Court. This s a costly outcome that is not ideal for either proponents or for Council (and by extension ratepayers of the Sunshine Coast).

2. Overly prescriptive or rigid regulation that leaves little room for adaptation

In the pursuit of providing critical infrastructure for connectivity, the mobile industry is often confronted with rigid regulation that leads to unintended consequences. For example, when navigating through the Western Australian planning system during 2024, one of AMTA's tower provider members, Indara, was seeking to deploy a new telecommunications tower for early provision of mobile service in the Southern River growth area in the City of Gosnells in Western Australia. The best available site for the tower was zoned as 'rural" but was designated within a structure plan to accommodate future residential uses.

A pre-application inquiry determined that council was seeking to charge Indara $186,137.63 as a development contribution should it proceed with the tower. It is our understand that this is a charge that is designed to contribute towards the provision of 'common infrastructure works', to service a new community. These works are typically to cover the cost of new roads or road widenings, traffic signals, round abouts etc. It seems that regardless of the type of development, telecommunications infrastructure on a modest site of 10 metres x 14 metres is captured by this requirement. Council seems to be applying the charge for the whole lot of 10,259m² even though Indara is using just a fraction of the lot[4]. In response to a request for the contribution to be reduced or waived, Council advised that the DCP does not provide for exemptions[5].

Such an arrangement is unprecedented and seems to have been devised based upon Western Australia's State Planning Policy 3.6 Infrastructure Contributions (April 2021). The intent of this policy acknowledges the essential nature of provision of telecommunications but does not exempt it from paying a contribution. Indara has decided not to proceed and so there will be no early provision of mobile service in this area – to the detriment of this emerging community.

Information Request 2.2

> Which quantitative economywide measures of the quality of regulation and the regulatory burden should the Australian Government track? How should it set targets for these?

To achieve meaningly reductions in regulatory burden and costs associated with compliance, targets should not be based on the reduction in the dollar value of compliance budget alone (although we acknowledge that the cost of compliance is also an important metric). Other measure to consider include:

- reducing outdated regulation, such as industry codes that are no longer required; and
- reduction in the prevalence of overlapping regulation (i.e., where there are different standards, legislation or industry codes that deal with the same topic, such as notification of network outages to consumers.

We recommend against setting a specific number as a target for reductions of the type described above. In scenarios such as these, numeric targets are likely arbitrary, and as such, may not provide the deep strategic reform thinking and relief that is required. Instead of a numeric target, we propose setting a plan with a set completion date that systemically works through a prioritised list (informed by a range of common indicators) of various regulatory themes/areas (phases), with milestones (targets) for the completion of each phase.

Consultation with sectoral participants should be built-in by design to any process which seeks to review and reduce regulatory burden. Directly involving the sector will elicit the "pain points" the industry experiences across a range of measures, while consumer advocates for the sector can highlight areas where regulation, protections and accountability are required. Without strong sectoral participation, there is the risk of regulators identifying 'low hanging fruit' for regulatory relief without engaging in the deep and systemic rethinking of regulatory design and practice that is needed to change both the current regulatory architecture and culture.

Information Request 2.3

> In which sectors or regulatory systems is immediate regulatory review most warranted, and why?

As noted above, mobile network digital infrastructure is a key enabler of productivity growth and vital to Australia's digital economy. For Australia to realise the productivity benefits of transformative technologies like AI, we require a foundation of secure, high capacity and reliable telecommunications

[4] 'Any development on the site would trigger a contribution obligation under Town Planning Scheme 6 for the Southern River Precinct 3 Developer Contribution Plan
(DCP) and Report (DCPR), a current cost estimate is as follows: Common Infrastructure Works (CIW): Net Contribution Area = 10,259m² x $181,438.38/ha = **$186,137.63'.**

[5] Council advised that the DCP does not provide for exemptions and hence the full contribution is payable. Any development approval will be conditioned to require this contribution. Payment is essentially required for the whole lot. The subject lot comprises an indicative developable area, Local Open Space (buffer) and wetland'.

connectivity which in turn requires ongoing investment. Digital applications and new technologies such as AI and cloud computing are unable to be optimised without the latest upgrades to the underlying mobile technology. Australian businesses and consumers will experience reduced benefit from these advanced technologies without upgrades to connectivity networks, including deployment of new infrastructure such as small cells to increase cell density and overall network capacity.

Immediate review of the complex and costly maze of telecommunications regulation across multiple agencies and the associated cumulative burden is required. AMTA strongly urges the PC to include the telecommunications sector in the list of sectors that would benefit from strategic sectoral based independent regulatory reviews. An immediate focus could take the form of the regulatory burden associated with network deployment and augmentation, including regulation that applies to provision of backhaul capacity. More efficient network deployment regulation will provide a better environment for investment, innovation and realising productivity benefits.