

AUSTRALIAN TELECOMMUNICATIONS ALLIANCE SUBMISSION

To: Select Committee on Productivity in Australia
Re: Response to discussion paper

27 March 2026



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THE AUSTRALIAN TELECOMMUNICATIONS ALLIANCE

The Australian Telecommunications Alliance (ATA) is the peak body of the Australian telecommunications industry. We are the trusted voice at the intersection of industry, government, regulators, and consumers.

Through collaboration and leadership, we shape initiatives that grow the Australian telecommunications industry, enhance connectivity for all Australians, and foster the highest standards of business behaviour.

For more details, visit www.austelco.org.au. For any questions on this submission, please contact ATA CEO Luke Coleman l.coleman@austelco.org.au

1. EXECUTIVE SUMMARY

Digital infrastructure is the foundation of the modern economy, underpinning virtually every aspect of economic activity. Every sector in the Australian economy is dependent on access to digital infrastructure, and the services it enables, for productivity growth.

At a time when Australia's productivity rate is decelerating and we are slipping down global ranks, barriers to investment in digital infrastructure present a significant risk to Australia's economic performance.

The telecommunications sector – and the connectivity it invests in – plays a key enabling role for Australia's digital economy, including the technology sector.

As recently identified by the independent review commissioned by the Federal Government into the challenges and opportunities facing Australia's R&D system¹, the technology sector is Australia's third-largest industry by value. Ensuring Australia is investing in our technology industries, including building future generations of enabling technologies, is fundamental to our future. The technology industry needs to be elevated in the national industrial landscape.²

In 2021, the Australian tech sector contributed \$167 billion to GDP, growing rapidly by 79% in the preceding 4 years.³ By 2025, this contribution grew to an estimated \$248.5 billion, equivalent to 8.9% of national GDP. The tech sector is now the second-largest contributor to GDP behind only mining, and growing 50% faster than the whole of the economy. It is also the most significant contributor to economic productivity gains over past decade – through the embedding of technology across all industries including finance, healthcare, construction and retail.⁴

Within the broader technology sector, the telecommunications sector has historically delivered outsized multifactor productivity (MFP) gains relative to its economic size. Government data confirms that telecommunications services contributed an estimated 14.7 per cent of total economy-wide MFP growth over the decade to 2019–20 – a remarkable contribution from a comparatively small sector.

Telecommunications is the one and only sector in the Australian economy where service levels (data allowances and broadband speeds) have increased while the telecommunications Consumer Price Index has decreased by more than 20% relative to 2016.

Despite this positive track record, three structural barriers are actively limiting the telecoms sector's capacity to further improve productivity across the economy:

¹ [Ambitious Australia: Strategic Examination of Research and Development final report | Department of Industry Science and Resources](#), published 17 March 2026

² *Ibid*, p 30.

³ [TCA-Tech-sectors-economic-contribution-full-res.pdf](#)

⁴ [Technology as Australia's Productivity Engine Updated](#)

1. Access to key inputs, particularly spectrum,
2. Excessive regulatory cost and complexity, and
3. Multi-jurisdictional deployment roadblocks.

The cumulative effect of these barriers is diverting capital away from productive network investment, reducing Australia's global competitiveness in telecommunications infrastructure and constraining access to the connectivity that all other sectors of the economy depend upon to improve productivity.

Australia urgently needs a digital infrastructure strategy that delivers coordinated, forward-looking regulation; harmonised and efficient infrastructure deployment frameworks; and spectrum policy calibrated to support investment and economy-wide productivity. This should help to incentivise investment in fibre and mobile networks in alignment with the National AI Plan's third action item, 'Attract Investment'.

The ATA calls on the Committee to recognise the telecommunications sector as a priority for national productivity reform, and to recommend the development of a comprehensive digital infrastructure strategy encompassing regulatory reform, streamlined deployment frameworks, and a pro-investment spectrum policy.

2. PRODUCTIVITY GROWTH CONSIDERATIONS ACROSS THE ECONOMY

2.1 INDUSTRY CONTRIBUTIONS TO PRODUCTIVITY

- 2.1.1 The telecommunications sector's contribution to Australia's multifactor productivity is substantial and well-documented. In 2023, the Bureau of Communications, Arts and Regional Research (BCARR)⁵ concluded:

"The productivity performance of IMT [Information, Media and Telecommunications] has been mixed since the start of the century. Growth was more subdued than the market sector more broadly up until around 2007–08. Since then, IMT has grown more strongly and has outperformed the market sector. This has been particularly noticeable since 2013, with IMT's MFP growing around 3 times faster than the market average.

For the Telecommunications Services subdivision, BCARR has estimated MFP by assuming that movements in capital services at the IMT divisional level are a reasonable proxy for the subdivision level, given Telecommunications Services was by far the biggest contributor to capital services in IMT.¹

The results show MFP increased noticeably from around 2013, growing four times faster than the market sector overall. Telecommunications Services drove the relatively strong IMT performance during this period; no other IMT subdivisions grew as strongly.

[...]

The results for individual MFP indicators show that firms operating in industries where telecommunications-related activity is significant have made a positive contribution to the economy more broadly over the previous decade. BCARR estimates that from 2009–10 to 2019–20, total MFP growth for the period was 3.3 percentage points, with IMT contributing around 0.6 percentage points, or 18 per cent of MFP growth over that time – about 2.2 per cent of GDP.¹

⁵ Department of Infrastructure, Transport, Regional Development and Communications. 2023. [Telecommunications Services and productivity](#)

Over the same period, Telecommunications Services contributed an estimated 0.5 percentage points of economy-wide MFP growth, or around 14.7 per cent of total MFP growth. This is a strong contribution from a relatively small sector of the economy and these results should be considered indicative.”

- 2.1.2 These figures are striking. Telecommunications – a comparatively small sector – contributed nearly 15 cents in every dollar of economy-wide MFP growth over the decade to 2019-20. This reflects the pervasive role that connectivity plays in enabling productivity gains across the Australian economy.
- 2.1.3 Studies have also shown that the GDP benefit of the National Broadband Network (NBN) between 2012 and 2022 (\$122 billion) equates to 4% of all growth in GDP, and one quarter of annual MFP growth in the period⁶. While the initial rollout of the NBN is complete and upgrades are ongoing, these figures highlight the clear correlation between high-speed, ubiquitous, and reliable connectivity and MFP. This relationship will continue to grow in future for fixed-line, mobile, and satellite connectivity alike.
- 2.1.4 The pervasiveness of digital connectivity and its criticality for the productivity of Australia’s economy result in a multiplier effect of capital invested in digital infrastructure that will be hard to match by investment in other areas. As digital systems become more secure, scalable and intelligent – through AI, cybersecurity, advanced analytics and distributed technologies – adoption across non-tech sectors has intensified. This dynamic is the engine of Australia’s tech-enabled growth story and the tech enablement of other sectors now creating growth at a Compound Annual Growth Rate (CAGR) of 4.4%, double that of its growth a decade ago.⁷
- 2.1.5 The Committee’s discussion paper raises important questions about the challenges of measuring productivity. These are acutely relevant to the telecommunications sector. The BCARR has noted that the positive effects on MFP from the telecommunications sector rest on the assumption of a relatively constant share of investment and capital income share of telecommunications within the IMT division. Current returns on invested capital put these assumptions at risk.
- 2.1.6 This is a significant warning. The sector’s historic MFP contribution has been underpinned by sustained private investment in network infrastructure. If returns on invested capital (ROIC) fall below the weighted average cost of capital (WACC) – as is increasingly the case for many network operators⁸ – the conditions that generated this contribution will erode, and future MFP measurements will reflect these consequences.
- 2.1.7 The telecommunications sector also presents broader measurement challenges. Prices for telecommunications services have reduced by 23% over the past decade in inflation-adjusted terms⁹, and the share of disposable household spending on telecommunications services has fallen¹⁰. Over the same period, prices of many other essential services have increased, often substantially.
- 2.1.8 Conventional productivity measurement may therefore understate the sector’s true contribution to the economy, since the gains from improved connectivity are largely captured not by network operators themselves but by consumers, businesses, and Government alike.

⁶ Accenture 2024 (p.10), [The economic and social impact of investment in the nbn network](#)

⁷ TCA, [Technology as Australia’s Productivity Engine Updated](#), p 2.

⁸ David Kennedy, [State of the Australian Telecommunications Industry – Telco at a Crossroads](#) 16 Oct 2025

⁹ Australian Bureau of Statistics, Consumer Price Index, 2015-2025

¹⁰ Department of Infrastructure, Transport, Regional Development, Communications and the Arts. 2023 (p.5, p.9). [Australian households and the affordability of telecommunications. Evidence from Household Income and Labour Dynamics in Australia \(HILDA\) data. Working paper](#)

2.2 AUSTRALIA'S REGULATORY BURDENS THAT LIMIT PRODUCTIVITY

- 2.2.1 Advanced information and communication technologies are rightly on the Federal Government's List of Critical Technologies in the National Interest.¹¹ Artificial intelligence is widely anticipated to deliver significant productivity improvements across all sectors of the Australian economy. Yet, as recognised in the Government's National AI Plan, AI is ultimately dependent on two key elements: telecommunications networks (fibre-optic and mobile connections) and data centres. Currently prohibitive planning laws actively disincentivise network deployment — which could ultimately prove to be a handbrake on productivity enabled by AI.
- 2.2.2 Mobile towers can be constructed in can be constructed and commissioned within 4 to 6 weeks, but can take an average of 211 days to obtain planning approvals¹² – and longer if connection to the power grid is frustrated. Similar bottlenecks – often worse – are encountered in the rollout of fibre networks.
- 2.2.3 The Telecommunications Act 1997 was originally intended to facilitate the efficient deployment of telecoms infrastructure. However, its effectiveness is being constrained by varying State-based land access regimes, environmental and heritage approval processes, which are applied inconsistently across various jurisdictions. It has also failed to keep pace with the growing criticality of this infrastructure to the modern Australian economy.
- 2.2.4 Instead, vital inputs to successful infrastructure deployments such as land access arrangements are complicated by unclear and inconsistent legislation, often resulting in open-ended consultation processes which lack established timeframes to conclude agreements.
- 2.2.5 A prominent example of the impact of planning laws on network deployments is the Commonwealth-funded Mobile Black Spot Program (MBSP). Despite the urgent need to improve mobile coverage in regional and remote communities, slow planning approvals were largely to blame for delays to 176 sites under the program.¹³
- 2.2.6 One mobile site funded under the MBSP was stuck in planning for a decade, seven further sites have been in planning since 2019, and the process to connect power to sites can take more than two and a half years.
- 2.2.7 Intercapital fibre networks – a critical requirement for connectivity between data centres – face even more extreme planning approval hurdles.
- 2.2.8 One carrier reported that on a single intercapital fibre route, over 3,000 land access activity notices were issued, alongside 1,128 construction certificates, 1,723 land access surveys, and 171 cultural heritage and environmental assessments.
- 2.2.9 Similarly, another carrier reported that during a project to build 2,000km of terrestrial fibre through the Pilbara in Western Australia, lengthy delays were experienced in land access approvals, as well as inconsistencies between the Department of Planning, Lands and Heritage, Main Roads Western Australia, including multiple levels of approvals with differing requirements.
- 2.2.10 The project required engagement with more than 200 different entities along the route, including State government, local government, native title holders, tenement title holders (miners) and land title holders (private). Construction through a small 30km segment required 16 different approvals across four government departments, one native title holder, and 11 land and

¹¹ [Advanced information and communication technologies | List of Critical Technologies in the National Interest | Department of Industry Science and Resources](#)

¹² [AMTA 'Future of Mobile' Report](#), March 2026

¹³ [Future-of-Mobile-Reforms-to-modernise-Australias-telecommunications-6-March-2026.pdf](#)

tenement title holders. These roadblocks resulted in significant delays to the project of approximately 12–18 months.

- 2.2.11 The absence of coordination across approval bodies has generated excessive delays and costs – ultimately deterring, or significantly delaying, infrastructure investment which is vital for Australia’s productivity.
- 2.2.12 Digital infrastructure is established in law as critical infrastructure, yet network deployments are not granted the same exemptions from planning rules as other utilities (which are typically subject to State legislation rather than Commonwealth). Telecommunications networks are treated as critical when they are impacted by outages – but not when they need to be built.
- 2.2.13 Recognising the vital role played by modern digital infrastructure and advanced communications technologies in Australia’s economic productivity, the ATA recommends that the Australian Government pursue reforms to establish a harmonised land access, planning, and deployment framework that appropriately reflects the critical nature of telecommunications infrastructure – hence the need for it to be both deployed and maintained expeditiously.
- 2.2.14 This should include an overhaul of the Powers and Immunities regime (Schedule 3 of the *Telecommunications Act 1997*) and associated regulations, and prioritisation of digital infrastructure for connection to the power grid.
- 2.2.15 Beyond planning and deployment regulations and improvements to industry powers to rectify infrastructure impacted by outages, the telecommunications sector is in urgent need of regulatory reform more broadly.
- 2.2.16 The Productivity Commission’s *Creating a more dynamic and resilient economy* report named telecommunications as one of three sectors in the Australian economy in need of urgent regulatory reform, calling on Government to undertake a “substantial regulatory review” of the sector.
- 2.2.17 Telcos are subject to more than 200 are sector-specific legislative and regulatory requirements. Around 20 new sector-specific obligations were introduced or were in development in 2025 alone.
- 2.2.18 A coordinated, strategic, and forward-looking regulatory approach is required to improve productivity.
- 2.2.19 As a starting point, the ATA submits that key regulators and departments develop and maintain a Regulatory Initiatives Grid, similar to the model adopted in the financial services sector¹⁴. This would involve a continuously updated, biannual publication outlining a 24-month forward schedule of all regulatory initiatives with material implications for the digital infrastructure sector.
- 2.2.20 A Regulatory Initiatives Grid would deliver significant benefits including improved transparency around forthcoming regulatory changes, more effective and efficient deployment of regulatory resources, and enhanced collaboration between industry stakeholders, departments, and regulators.
- 2.2.21 Uncoordinated planning from numerous regulators and Departments regularly leads to multiple major projects occurring simultaneously, presenting significant challenges for resource allocation.
- 2.2.22 For example, there are at least five major new regulatory imposts occurring simultaneously at the end of this financial year (implementation on either 30 June or 1 July), each involving substantial changes to staff training, processes, and technology platforms:

¹⁴ Treasury. 2024 [Regulatory Initiatives Grid](#)

1. *Telecommunications (Customer Communications for Outages) Industry Standard*, updated to include a public outage register,
2. *Telecommunications (Mobile Network Coverage Maps) Standard 2026*,
3. Scam Prevention Framework (SPF) Industry Codes,
4. SPF Internal Resolution Dispute scheme, and
5. the SMS Sender ID Register.

2.2.23 These five items are expected to occur at the same time that industry is responding to the Triple Zero Review, as well as potential changes to other regulations currently being considered by the regulator and Department.

2.2.24 There are overlapping and dependant requirements across each of these new regulations, driving up costs and regulatory burden alike.

2.2.25 To complement a Regulatory Initiatives Grid, the ATA supports specific infrastructure-focused policy initiatives that would improve national coordination and strategic national oversight of digital infrastructure. There are several potential mechanisms that could help achieve this, including the development of a National Digital Infrastructure Plan, which ATA would be happy to discuss further with the Committee. Key to success is Federal, State and local government and regulators working in partnership to better align investment settings, planning frameworks and regulatory priorities in support of Australia's long-term productivity objectives.

2.3 INVESTMENT AND PRODUCTIVITY

2.3.1 One of the most significant financial factors impacting investment in connectivity is the cost of access to spectrum – a key input required for mobile, fixed wireless, and satellite networks.

2.3.2 85% percent of spectrum licences used by Mobile Network Operators (MNOs) are due to expire between 2028-2030. MNOs originally paid \$8.2 billion in total for these spectrum licences, a significant amount of capital which could have been invested in greater network coverage, capacity, and resilience.

2.3.3 Every dollar invested in a spectrum is a dollar that can't be invested in mobile network infrastructure. Analysis by the Global System for Mobile Communications Association (GSMA) found that higher spectrum costs lead to lower download speeds and less coverage.¹⁵

2.3.4 Globally, between 2014 and 2023, increases in mobile network operator spectrum asset holdings have seen revenue per licenced MHz decline by 67%, and the ratio of spectrum costs to revenue increase by 63%.¹⁶ In other words, network operators are paying more for spectrum – but are not seeing an appropriate increase in returns as a result.

2.3.5 Continued access to this spectrum is critical to ensure ongoing access to world-class mobile connectivity at sustainable prices. Australia's mobile networks rank 10th in the world for network excellence, based on 4G/5G availability, download speeds, and consistent service quality¹⁷. Outside of Europe, Australia ranks 2nd in the world after South Korea – outranking Singapore, the USA, and Japan. This high global ranking did not come by accident – it came as the result of significant and sustained private investment, which is only possible if spectrum is accessible at

¹⁵ GSMA. 2025 (p.10). [Global Spectrum Prices](#)

¹⁶ GSMA. 2025 (p.26). [Global Spectrum Prices](#)

¹⁷ OpenSignal [Global Network Excellence Index Q4 2025](#)

affordable prices.

2.4 PRODUCTIVITY IN REGIONAL AUSTRALIA

- 2.4.1 The telecommunications sector's contribution to regional productivity is direct and substantial. High-speed connectivity is a critical enabler of regional economic activity, allowing businesses to access markets, workers to access skills development and employment opportunities, and communities to access essential services including health, education, and emergency management.
- 2.4.2 The MBSP example cited above illustrates how regional productivity is being restrained and there are deployment roadblocks to better mobile coverage. Outcomes from Government co-funding programs designed to deliver connectivity to underserved regional communities are being delayed – sometimes for years – by planning approval bottlenecks. The result is that regional communities who most depend on improved connectivity are the ones most disadvantaged by regulatory roadblocks.
- 2.4.3 The discussion paper asks how strategies that encourage increased settlement in regional areas support growth, development, and improved productivity. High-quality digital connectivity is a prerequisite for such strategies: remote work, digital business models, access to government services, and participation in the digital economy all depend on reliable, high-speed networks. Without continued investment in regional telecommunications infrastructure, the aspiration of productive and growing regional communities will not be fully realised.
- 2.4.4 Low-latency, high-bandwidth 5G connectivity can enable enhanced monitoring, forecasting, and warning systems for natural disasters — which are predicted to occur with increased frequency in regional Australia. Any roadblocks to network investment in regional areas will impact the resilience of these communities.
- 2.4.5 The Committee should consider the productivity value of connectivity not only in terms of economic output, but also in terms of the safety and resilience of regional communities, and the requirements for effective emergency response.

ENDS

