

AI can stop phones dropping out, Telstra boss says

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Telstra chief executive Vicki Brady justified the hundreds of millions of dollars she is pouring into artificial intelligence as essential because AI stands to solve one of the biggest frustrations of telco customers: outages.

“If there’s the one customer expectation that only goes one direction, that is: ‘I am always connected.’ There is no appetite for outage or downtime,” Ms Brady told *The Australian Financial Review* after confirming a \$700 million joint venture with Accenture. [<https://www.afr.com/companies/telecommunications/telstra-pins-hopes-on-massive-ai-rollout-with-700m-accenture-deal-20250114-p5l470>]



Accenture global CEO Julie Sweet (left) has struck a joint venture with Telstra boss Vicki Brady **Telstra**

“The more and more we can build resilience through applying this [AI] technology into our network, the better our competitive advantage is,” she said on Wednesday.

Telstra already uses AI in its telecommunications networks to find alternative routes when connections are disrupted and take proactive action to avoid outages.

A national network outage at rival Optus in late 2023 cost the Singaporean-owned company about \$60 million and culminated in the resignation of its former CEO Kelly Bayer-Rosmarin. It also severely damaged Optus' reputation with policymakers [<https://www.afr.com/companies/telecommunications/optus-communications-manifestly-inadequate-in-2023-phone-outage-20240927-p5ke2l>] and customers.

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Ms Brady said Telstra could not afford to be complacent and believed the new venture, which will be 60 per cent owned by Accenture and last for at least seven years, will help it deliver “the best possible customer experiences”.

“We absolutely have to be at the forefront of applying AI inside our business, we’ve seen how fast it’s moving globally ... it is about competitive advantage and, yes, it is also about doing it in the most effective and efficient way.”

Telstra wants to reduce the number of data systems it uses from 30 to about three, Ms Brady said. It has also been simplifying other parts of its business, including reducing its software and IT partners down from 400 to two.

Some 726 people working in Telstra’s AI and data teams in Australia and India will get an offer to join the joint venture, and 30 people working in other countries. Accenture will add consultants as needed and people in the venture will work with Telstra staff to deploy AI in customer centres as well as back offices.

Accenture global chairman and CEO Julie Sweet said the joint venture was the consultancy’s biggest AI partnership to date in Australia, and “probably the biggest in the world” at this point.

“Telstra is being incredibly bold,” Ms Sweet said. “They have seen the value.” Accenture brings investment, talent, partnerships with big global data companies

and the ability to train hundreds of thousands of people annually on AI, she added.

Accenture has been working with Telstra for more than two decades, with Ms Sweet personally working with the telco group for the past five years. Ms Brady also linked with Accenture to upgrade Telstra's software systems in her previous role as chief financial officer.

Creating a joint venture instead of simply hiring Accenture was a faster means of embedding AI at Telstra, and would enable the company to get the most out of Accenture's expertise, Ms Brady said.

The number of people working in the joint venture is expected to fall as Telstra becomes more efficient, and the remainder will be offered a return to Telstra at the end of the seven-year period.

However, Ms Brady said Telstra wouldn't remove humans entirely, and they will be a mainstay of its company-owned stores and customer service centres as it adopts more AI.

"There are lots of customers that would love a world where it's fully automated and they don't have to deal with a human," the CEO said.

"But there will always be customers that want some human interaction."

Telstra will consult its employees over the next three weeks, and people who choose to move to the joint venture will receive the same salary packages overall as they previously earned, Ms Brady said.

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