

AI Governance  
**Lighthouse  
Case Study**



# Key Governance Insights

## AI is not a standalone strategy; it is part of business strategy

Having successfully enhanced or improved all key business processes using AI under its previous *T25* strategy, Telstra does not have a standalone strategy for AI. Under its current *Connected Future 30* strategy, AI is embedded throughout Telstra as an enabler of every business unit's goals.

## Focus governance on the AI delta, not what other functions already cover

When Telstra redesigned its AI governance council processes, it removed some overlapping question and checks with existing privacy and cyber security controls, enabling the council to solely focus on AI-specific risks.

## Design governance for the people who use it

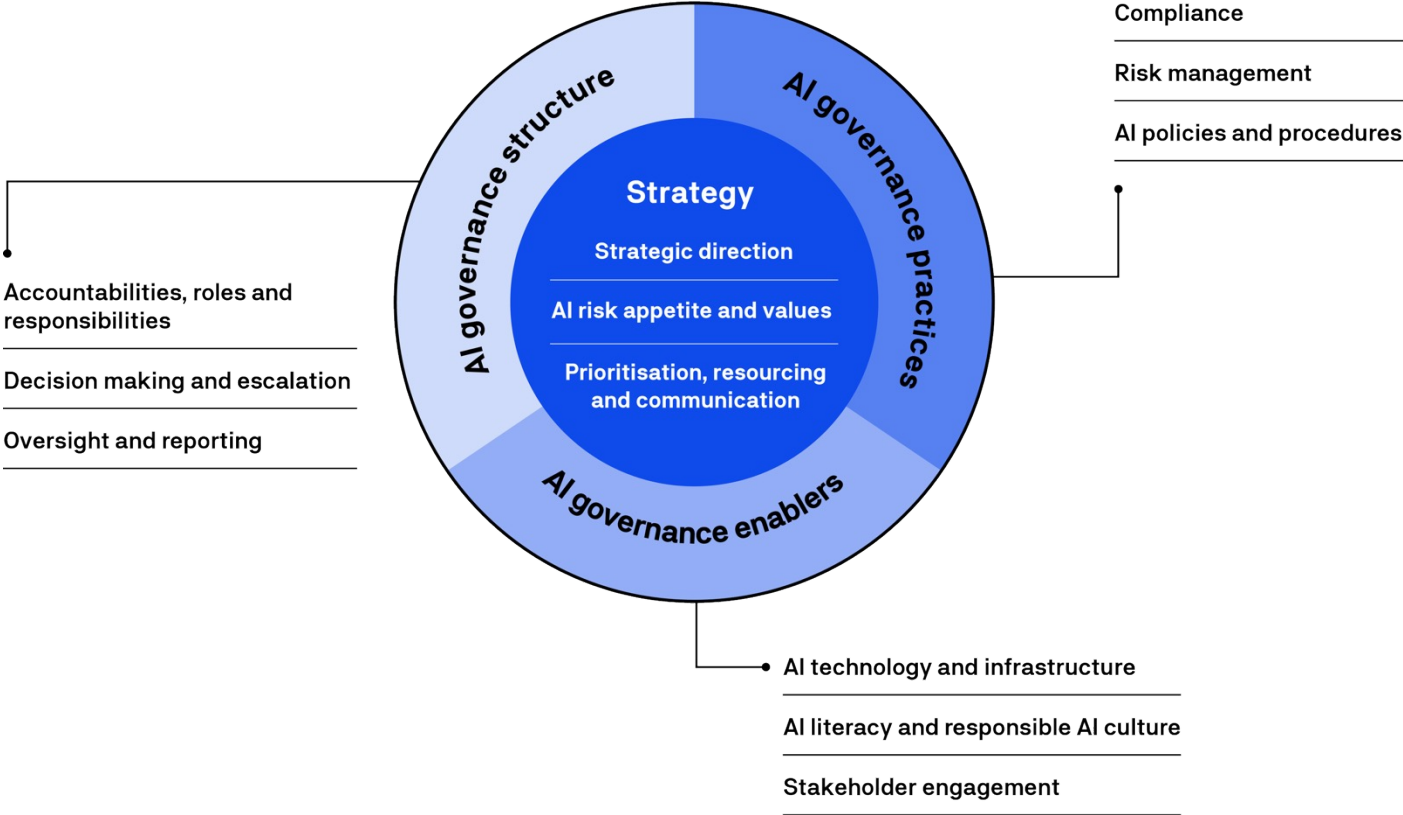
As AI spread throughout the business, Telstra simplified the language in its policy, templates, and processes to cater for a non-technical audience. It removed ambiguous terms, rewrote templates in plain English, and created a single platform and workflow to guide staff through AI use case approval from end to end.

## Uptake of responsible AI training driven by linking it to access

By making completion of its Copilot training and Responsible AI module a prerequisite for Microsoft 365 Copilot access, Telstra achieved over 18,000 completions, building responsible AI capability across the organisation.

# HTI's AI Governance Operating Model

This case study explores Telstra's approach to the four components of HTI's AI Governance Operating Model:



# AI Strategy





## How is Telstra aligning business strategy and AI investment?

Telstra's approach to AI is not guided by a standalone AI strategy separated from the rest of the business. Instead, AI is treated as a core enabler of the organisation's corporate strategy, shaping how it serves customers, operates its networks and digital infrastructure, and delivers on its long-term commercial goals.

Under Telstra's previous T25 strategy, the organisation set a goal to enhance or improve all key business processes using AI by 2025. This goal was successfully met. Importantly, the T25 goal functioned as a call to action, not a call just to strategise. Business units quickly identified and implemented AI applications that would add value or otherwise meaningfully improve their processes. This generated momentum and drove activity towards outcomes that built AI into the everyday operational fabric of the organisation.

That momentum has carried through into Telstra's current five-year strategy, Connected Future 30. While AI is not positioned as a standalone initiative, it is embedded across the strategy to support Telstra's overarching aim of meeting its customers' connectivity needs.



**Every business unit, every function is doing AI stuff—not because we told them to 'do AI', but because they're asking: what are our business goals and how do we best achieve them?**

Chris Dolman, Data and AI Risk and Ethics Principal



While there is a strategic drive to adopt AI, it is never 'AI for AI's sake'. AI initiatives are evaluated through Telstra's value management and risk frameworks. Business units must articulate the value of the proposed initiative, the cost and complexity of delivery, the risks involved, and whether AI is the right tool for the problem. This ensures AI remains a means to achieve Telstra's strategic goals, not an end in itself.

# AI Governance Structures

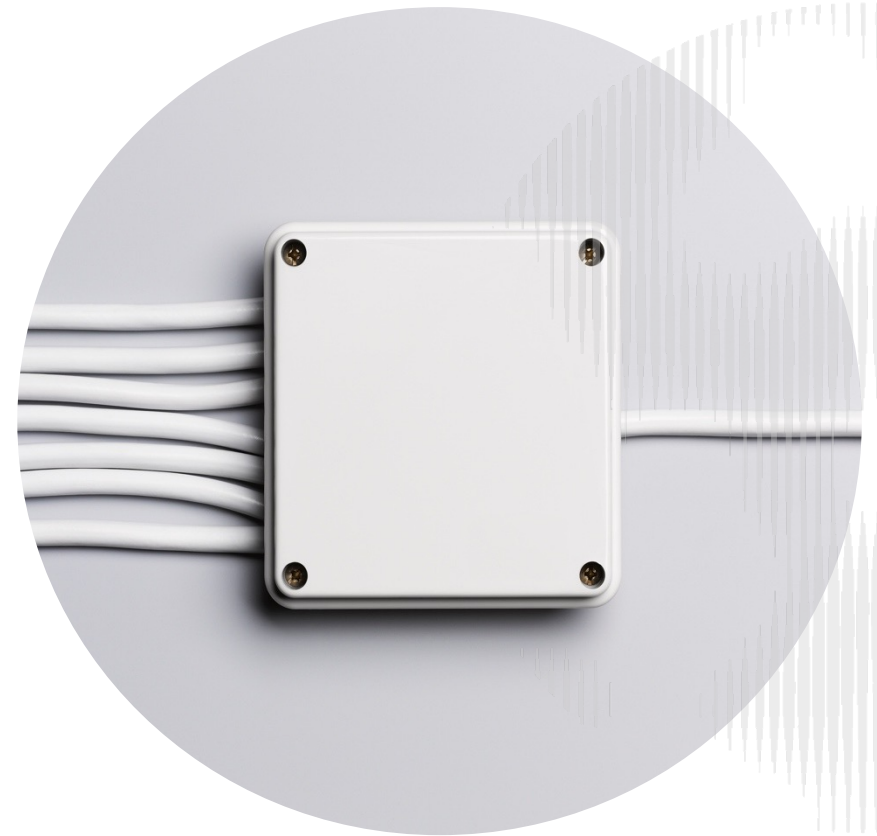




## How have Telstra's AI governance structures evolved?

As Telstra embedded AI across its key business processes, its governance structures<sup>1</sup> needed to evolve in response to a growing volume of use cases while remaining effective and proportionate.

Telstra's Risk Council for Data and AI (RCAID) was a dedicated, cross-functional governance body responsible for approving high-impact AI use cases.<sup>2</sup> Over time, however, concerns emerged regarding RCAID's overlap with existing functions and its scalability, given the speed and consistency of its processes.





In response, RCAID was redesigned as the AI Risk Oversight Council (AIROC), with a sharper focus, expanded membership, and simplified and faster processes:



### AI focus removes duplication

AIROC concentrates on AI-specific risks, avoiding duplication with other domains. In particular, privacy and cyber security issues are addressed by those teams through their separate assessment processes. AIROC confirms that those reviews have been completed but does not re-examine the same issues.



### Expanded membership covers all AI impacts

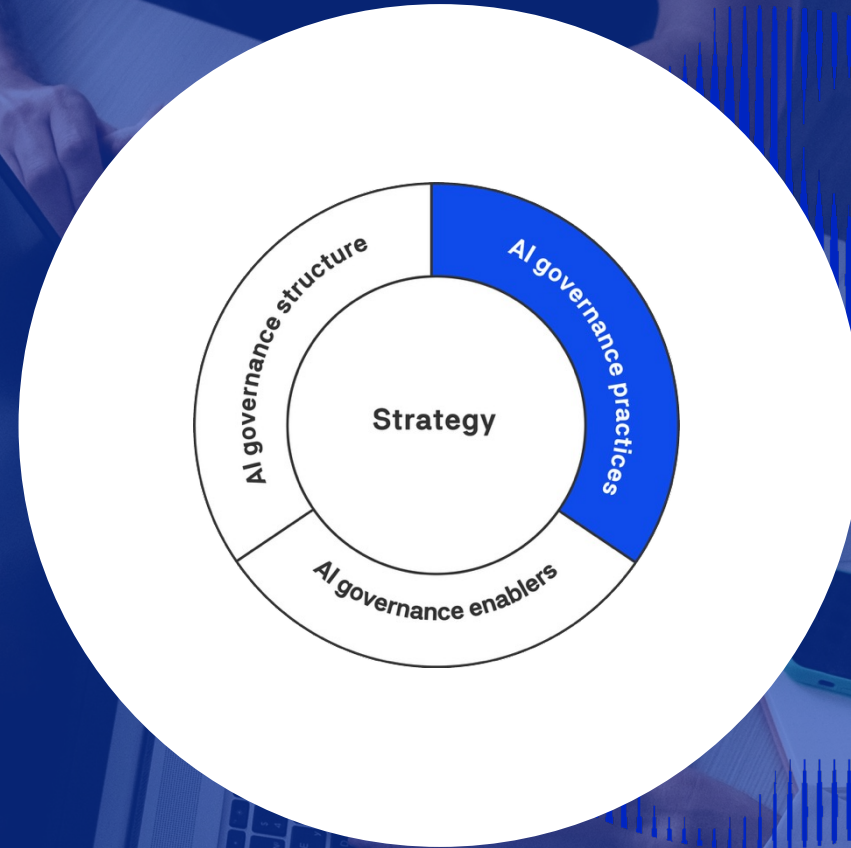
RCAID included experts from Telstra's legal, data, cyber security, privacy, risk, digital inclusion and communications teams. AIROC strengthened this cross-functional approach by adding People & Culture and Consumer Design/Experience representatives, reflecting the direct employee and customer impacts that AI use cases can have.



### Review process is now clearer and faster

RCAID received both early-stage ideas and near-final proposals for approval. On occasions, the former led to broad discussions without clear decisions or next steps. AIROC has separated these discussions into a two-step process. First, there are informal advisory discussions held for early ideation. Second, there are formal endorsement meetings for projects ready for sign-off. The result has been greater efficiency and predictability, essential as AI use cases scale, as well as more meaningful engagement earlier in the process. AIROC also now meets weekly rather than fortnightly, further improving turnaround times.

# AI Governance Practices





## How has Telstra designed its governance practices to fit the scale of its AI adoption?

Telstra has focused on embedding governance into everyday practices: updating its AI policy to be role-based, improving accessibility of its triage and impact assessment processes, and using a central AI register as a single point of entry to its AI governance processes.

### AI policy speaks directly to roles

Telstra updated its AI policy to be more role-based, making it clear who is responsible for each part of the governance process. It sets out distinct expectations for AI system users, owners, and providers. Both the previous and updated policies begin with principles aligned with the Australian Government's AI Ethics Principles. However, the focus of the current policy is on the practical requirements for specific roles. It sets out the different actions and responsibilities for AI users, AI system owners, and AI developers.

The policy and related guidance materials have also been simplified and shortened. The policy is short (around two pages), with each obligation linking to separate, more detailed guidance material that explains the 'how' and the 'why'. For example, the requirement to register an AI system links directly to instructions on how to do so and a short, plain-English explanation of why this process is important. This tiered approach using plain language supports staff adherence to the policy without making it seem long and overwhelming.



## Impact assessment processes have been simplified for non-technical staff

Recognising that many AI initiatives now come from non-AI specialists, Telstra simplified its triage process and templates for impact assessments. The 'medium impact' category was removed to avoid ambiguity in the processes, with systems now classified as either high or low impact. All high-impact systems must be reviewed by AIROC. Triage templates have been redrafted into plain English using yes/no questions, recognising that they are increasingly completed by non-technical staff. Helper text and examples support users through the impact assessment processes. These streamlined processes make governance more accessible, support consistent decision-making, and ensure only genuinely high-impact use cases are escalated to AIROC.



**You've got to ask questions in a way that people can answer confidently. That means you've got to make the language simple, easy to understand, non-technical.**

Chris Dolman, Data and AI Risk and Ethics Principal



## AI governance processes have been centralised with a single point of entry

Telstra merged what were previously separate components into one integrated workflow on a centralised platform. When someone wants to introduce a new AI system, a single platform guides them through the processes of triage, impact assessment, and AIROC approval (if required). Use cases are registered in the AI register, which is easily accessible to all staff and helps teams avoid duplicative efforts and to identify related initiatives. Each month, low-impact entries are reviewed by the AI risk team to ensure accuracy. A regular report of use cases is provided to the AI leadership team, maintaining visibility across all AI activity.

# AI Governance Enablers





## How is Telstra enabling safe and responsible AI use?

With AI capability spreading across Telstra, the organisation has strengthened the enablers that support responsible AI at scale, including training, staff engagement and culture:



### **Mandatory training linked to Copilot licences**

Telstra significantly expanded the uptake of its responsible AI training by making it a mandatory prerequisite for obtaining a Microsoft 365 Copilot licence. Staff were unable to access Copilot until they completed both the Copilot training and the Responsible AI module. Over 18,000 employees completed the training, resulting in organisation wide uplift in responsible AI knowledge.



### **Learning and community initiatives drive broad staff engagement**

Beyond organisation-wide training, Telstra has encouraged staff engagement and experimentation with AI tools. Teams run learning, strategy and ideation sessions around AI use cases. They share lessons through initiatives like 'prompt of the week', where staff are invited to try new prompts and share what worked or didn't. This informal, community-led learning builds confidence and capability and reinforces responsible AI practices in everyday work.



### **Responsible AI culture<sup>3</sup> is supported by leadership**

Leadership commitment has been a strong cultural enabler. Telstra's senior executives have shown strong support for responsible AI, giving governance teams the authority to reinforce expectations across the business. This visible sponsorship, reinforced by both internal and public communications from Telstra's leadership, emphasises the importance of effective AI governance for its business operations. Scorecard metrics also help to drive this general expectation into specific activity.

# What's next for Telstra?

As AI use cases multiply across the business, Telstra is continuing to refine and strengthen its governance under its *Connected Future 30* strategy, with a focus on scale, simplicity, and emerging opportunities and risks.


A key priority is standardising and industrialising its governance processes. Telstra is developing consistent risk and control taxonomies and moving towards a new platform that will make assessments easier to navigate, a shift that will help Telstra manage AI at scale as the volume of use cases continues to grow.

Telstra is also adapting its governance approach for low-code and user-built AI tools, such as those developed through Copilot Studio. Rather than reviewing every new use case from scratch, Telstra is working on approved use-case types, patterns, and guardrails so that staff can safely build and experiment with AI without overwhelming formal governance processes.

Looking further ahead, Telstra is preparing for the risks associated with AI agents and multi-agent systems, with internal work progressing on how to govern these technologies responsibly.

Evolving in step with the technology it oversees, Telstra's governance model is becoming more standardised, more scalable, and more future-focused.





## Human Technology Institute

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