Opening Statement

Introduction

Good evening senators.

Chair, before I start, I'd like to take a moment to acknowledge the recent passing of Senator Kimberley Kitching. Senator Kitching took a great interest in this committee, and in **NBN** Co. It saddened us all to hear of Senator Kitching's passing. On behalf of **NBN** Co I would like to pass on my deepest condolences to both the Senator's family, and to her colleagues.

Joining me tonight are Kathrine Dyer, our Chief Operating Officer, Brad Whitcomb, Chief Customer Officer, and Gavin Williams, Chief Development Officer, Regional and Remote.

Chair, we appeared before you recently in February, where we tabled an Opening Statement, so I will only be brief in my remarks now.

There are a number of recent announcements that demonstrate the progress **NBN** Co is making towards lifting the digital capability of Australia and which I would like to draw the Committee's attention to.

Fibre upgrade launch

Firstly, we recently announced that 50,000 Fibre to the Node (FTTN) premises had become eligible to upgrade to Fibre to the Premises (FTTP) by ordering an eligible wholesale speed tier, enabling access to **nbn** Home Ultrafast, on demand.

This is a key milestone in a process the Company mapped out in 2020 when we released our FY21 Corporate Plan and outlined a $4.5 billion network upgrade program to deliver ultra-fast broadband to 75 per cent of fixed line premises across Australia by 2023.

To be clear, **NBN** Co has so far announced the suburbs and towns across Australia where up to 1.6 million premises currently served by FTTN will become eligible for FTTP

upgrades. What we announced last week is that the first 50,000 of those FTTN premises are now able to order an eligible speed tier, and be upgraded.

The Company is planning to enable around 60,000 FTTN premises to be made ready to order higher speed services per month, on average, throughout this year. That will mean that 230,000 FTTN premises will become eligible for FTTP upgrades by mid-year, and approximately 600,000 premises by the end of 2022.

This means that **NBN** Co is on track to enable up to 8 million premises across Australia to access **nbn** Home Ultrafast, with speeds of between 500 Mbps to close to 1 Gbps, by the end of 2023.

Victorian Government Agreement

Earlier this week, **NBN** Co and the Victorian Government announced the second stage of a landmark co-investment agreement, first reached in August last year, that will provide around 40,000 eligible homes and business on FTTN in 50 suburbs and towns across the state with the ability to upgrade to FTTP.

The co-investment agreement also includes a commitment to establish an additional five **nbn** Business Fibre Zones, taking the total number of Business Fibre Zones delivered under this agreement across Victoria to 16.

I have spoken to the Committee in the past about the importance of co-investment agreements between **NBN** Co and different levels of government to help drive fibre deeper into communities and provide more homes and businesses with the opportunity to access higher speed broadband.

This agreement with the Victorian Government does exactly that. It is a fantastic model for how State Governments and the Company can work together to co-invest.

We continue to explore the possibility of similar co-investment opportunities with other States and Local Governments through **NBN** Co's $300m Regional Co-investment Fund, or RCIF.

Regional

This brings me to a third major update since we last met – regional Australia.

The Committee has heard me say many times before that access to fast and reliable broadband plays a vital role in the lives of people across Australia and is critical for the Australian economy. Regional and rural Australia is no exception.

Broadband demand in regional and remote Australia has been growing rapidly in recent years.

This is in response to both natural growth in data demand, which we forecast, but also the impact of COVID-19 bringing forward digitisation, which is seeing more and more people across the country working, running their businesses and learning from home. This has been harder to forecast.

It was noted in the recent report by the Regional Telecommunications Independent Review Committee that there had been a step-change in demand for data and broadband capacity in rural and regional areas. The growing trend of people leaving the cities for a tree change in regional areas has also been widely noted. People can continue to do their jobs from home using widely available video conferencing and cloud services tools.

As Australia's digital backbone, these trends and growing demand require continued investment in the network.

That is why **NBN** Co welcomes the $480 million investment in the **nbn** Fixed Wireless network announced by the Federal Government. This contribution from the Government comes in addition to $270 million that will be invested by **NBN** Co, as well as ongoing investment in the Fixed Wireless network.

I won't take you through all the nuts and bolts of the upgrades now, other than to say that these investments are a clear and significant step in the right direction when it comes to evolving the digital backbone across Australia.

Customers on the Fixed Wireless network are expected to see considerable increases in their broadband speeds, more than one hundred thousand premises currently in the Satellite footprint will be capable of being moved across to Fixed Wireless, and those customers who stay on the Satellite network will see an uplift in their data allowances on Sky Muster, and a longer off-peak period and more unmetered data on Sky Muster Plus.

This is a gamechanger for **nbn** customers in rural and regional Australia.

Flood response

Lastly Chair, I would like to mention **NBN** Co's response to the recent flooding emergencies in Queensland and northern NSW.

The scale of these floods and the devastation for local communities has been truly shocking. Scenes of double story buildings almost entirely underwater in towns like Lismore were broadcast around Australia and around the world.

And the emergency is not over. Parts of Lismore were subject to evacuation orders again earlier this week.

For **NBN** Co, this has been one of the largest responses to a disaster or emergency in our history. Teams across the Company have worked constantly since February to provide emergency communications services to affected communities as well as restoring access to the network for affected homes and businesses.

Across the East Coast of Australia **NBN** Co has now restored services to about 285,000 customers. The majority of these premises lost access to the network through a loss of

commercial power and significant damage to power networks that caused long power outages.

Where possible we have kept the network online, which has involved deploying generators to restore power to core **nbn** infrastructure once immediate flood waters have passed and where it is safe to do so.

We quickly developed and introduced a total of $6 million in relief funding, via service providers, for the benefit of both residential and business customers who experienced a network service outage as a result of the floods.

As I mentioned, this emergency is still ongoing, and so is our response. The **NBN** Emergency Management Team is continuing to coordinate and assess recovery across Queensland and New South Wales. **nbn** Local, our regional communities stakeholder engagement team, remains at selected locations assisting customers and helping to identify areas and services that require priority restoration.

Finally, I would note that these devastating floods are a crucial reminder of the role the network plays as the nation's digital backbone.

Be it floods or fire, when you are forced to flee your home, access to communications services becomes a critical lifeline. Telecommunications are essential for contacting loved ones or accessing critical information from emergency and Government services.

This is a priority for **NBN** Co, and we dedicate significant resources towards our emergency preparedness and disaster response.

Chair, my team and I are now ready to take your questions.

ENDS