

Opening Statement

Introduction

Good evening senators.

For those who haven't met me, I am the Chief Executive Officer of **NBN** Co, a role I have held for more than four years.

I would also like to introduce you to Kathrine Dyer, our Chief Operating Officer; Gavin Williams, Chief Development Officer for Regional and Remote and also our acting Chief Customer Officer; and Will Irving, our Chief of Strategy and Transformation.

Time is short tonight, so I will be brief.

I would firstly like to provide a quick update on the flooding situation across eastern Australia and NBN's response.

As you will be aware, in recent weeks storms across Victoria, New South Wales, Tasmania and Queensland have led to widespread heavy rain, damaging winds, and flash flooding.

It has been devastating to see the impact on many of these communities, especially those that have only recently recovered from earlier flooding events.

Over the duration of the flood events, more than 130 network sites have been impacted, affecting more than 51,000 customers. From an **nbn** perspective though, the network has held up well.

In Victoria, our emergency satellite services provided connectivity to 9 local evacuation and recovery centres across 7 communities, including Shepparton, Echuca and Bendigo.

We also deployed two mobile satellite Muster trucks to provide connectivity to temporary evacuation and recovery centres in Rochester after the Community Hub, where our emergency satellite service equipment was located, was flooded. Further, we also deployed a multi-tech trailer to Briar Hill to temporarily reestablish services to 259 customers until power was restored.

Our Emergency Management Team is fully focused on these extreme weather events and ensuring that access to the network is maintained in affected areas and restored as quickly as possible when directly impacted.

Mr Williams and Ms Dyer can provide the Committee further information on our flood recovery efforts if needed.

Operational updates

Fibre Connect

Last month, the Government announced a \$2.4 billion investment so an additional 1.5 million homes and businesses across Australia can upgrade to Fibre-to-the-Premise on-demand.

This means that by the end of 2025, 3.5m premises in the FTTN footprint will be able to make this upgrade by ordering a higher speed tier.

There are now more than 1 million FTTC and FTTN premises that can order an on-demand upgrade to an FTTP service and we are seeing a steady flow of orders for these fibre upgrades.

Progress to 75% and 90%

Thanks to this progress, we remain on track to make **nbn**'s highest wholesale speed tiers available to 75% of the fixed-line network by the end of 2023, and to 90% by the end of 2025.

Fixed Wireless and Satellite

We are making good progress on the \$750m investment with the Government into the Fixed Wireless network, which will deliver significantly faster speeds for regional Australia.

We are adding 5G and other cutting-edge technology to our existing 4G network to enhance both speeds and coverage areas.

Up to 120,000 premises in the satellite footprint will be able to move to Fixed Wireless while those who remain on our Satellite network will benefit from an uplift in data allowances and improved off-peak times.

As I've said many times before, **nbn** is Australia's digital backbone and a key plank in our nation's global competitiveness and economic future.

Growing the capacity and capability of the **nbn** is vital to staying ahead of the nation's digital demands.

Again, Mr Williams and Ms Dyer can provide the Committee further information as it relates to our network upgrade programs.

Repayment of Commonwealth Loan

On the finance front, the company has been heavily engaged with the debt markets, enabling repayment of \$14 billion dollars of the Commonwealth loan, leaving an outstanding balance of \$5.5 billion dollars as at September 2022.

The remaining \$5.5 billion dollars of the Commonwealth Loan needs to be refinanced by 30 June 2024, and I will keep the Committee updated on this.

SAU

Finally, I want to update the Committee on our ongoing work with the ACCC and industry on the Special Access Undertaking, or SAU.

nbn is developing a revised SAU Variation that seeks to address the feedback we have heard from industry, the ACCC and other interested parties. We understand the importance of getting this right for all stakeholders involved, including customers.

We believe, for example, that our SAU variation will address a long-standing concern of retailers around pricing certainty.

We have also been mindful to ensure NBN Co retains the opportunity – subject to market conditions – to meet our financial commitments, sustain our business and ensure we can continue to invest in the network to uplift the digital capability of Australia.

As for next steps, we anticipate lodging our revised SAU proposal as soon as possible and we are committed to working with the ACCC and industry to achieve an accepted SAU variation in the first half of 2023, with an implementation date of 01 July 2023.

Tomorrow we will also be releasing our latest Wholesale Broadband Agreement (WBA5) Consultation Paper. This is an important step to ensure a contractual offer can be presented to RSPs for negotiation and agreement in time for the implementation of a new SAU by July 2023.

My Chief of Strategy and Transformation, Mr Irving, can address any questions the Committee may have on our SAU variation.

Chair, thank you for allowing me the time to make my opening remarks. My team and I are now happy to take your questions.