

Good morning and thanks for inviting me to speak today, to celebrate the 10-year anniversary of ACCAN and the important work it's done over the past decade to bring the voices of consumers direct to the telco industry.

This year's ACCANect theme, "Communications + Consumers: the next ten years", is a particularly relevant one for nbn – and not just because we are sharing our ten-year anniversary together.

It's particularly relevant because we recently released our latest Corporate Plan and unveiled our new purpose: to lift the digital capability of Australia.

This new purpose is all about making the customer the centre of all we do, so we can be better positioned to help deliver the benefits of broadband to the homes and businesses of this vast continent. Today I'll be speaking to three topics in relation to this.

The first is a brief update on our build progress, where we've been and where we are heading.

The second is our relentless focus on improving the customer experience.

And finally, how we intend to work with the industry to help connect the unconnected.

But before we look to the future, I think it's worthwhile to look to the past and the incredible journey that NBN has been on over the last decade.

In just ten years the nbn network has been rolled out to more than ten million homes and businesses, helping to bring competition to the telco sector and the social and economic benefits of fast broadband to millions of Australians.

This of course, has not been any ordinary infrastructure project.

It has been one of the most complex, and ambitious, in the nation's history.

And in less than 10 months, the nbn rollout as we know it will be complete, on time and on budget as more than 11.5 million homes and businesses are made ready to connect by the end of June next year.

The formation of this network has completely recast the competitive landscape of the telecoms sector, to boost competition, improve telco services and fundamentally change the way Australians live and work by offering broadband access across the continent.

Over the last decade nbn has scaled mountains, bored under rivers, laid submarine cables to connect islands, and hauled through some of the busiest city centres of this nation to bring broadband to the nation's homes and businesses.

Putting this into numbers... we grew our ready to connect footprint by 3 million last year...

To put the scale of that achievement in perspective, it's worth remembering that it wasn't until the end of 2015 that the first three million homes and businesses were able to connect to the nbn access network.

In the last financial year, we connected 1.5m homes and business... which is almost the number of homes and businesses in the whole of Sydney.

And we delivered nearly \$3B of revenue which would make us the 4<sup>th</sup> largest player in Australian Telecommunications and on track to become 3<sup>rd</sup> largest over the coming year; subject to any industry consolidation of course!

But more than overall size and money, nbn has focused its rollout on serving the underserved regions in Australia.

In rural and regional Australia, the nbn has made a major difference by allowing new retail entrants to compete; by improving how people connect with each other; by providing the digital platforms that businesses need to thrive in the bush; and by laying the infrastructure platforms that allow distance education and better healthcare to be delivered to Australians.

We now cover 1.5m premises that were previously identified as being underserved with low availability and/or quality.

That focus on serving those who need the nbn most has seen us complete 91% of the regional coverage vs. 83% of the overall coverage. And if you're thinking that's all Sky Muster satellite coverage, you may be a little surprised that 78% of the regional footprint is covered with fixed-line technologies.

In talking about the rollout, it's also important to remember that the nbn is shifting most customers from an average of 7Mbps capability of ADSL2+ to 50Meg plus... in many of these areas it has been the difference between no broadband and having access to this essential capability.

Now that the build is fast approaching completion, our focus is shifting from finishing the build, to ensuring that we deliver the best possible experience for customers once they are on the nbn network

This is a critical inflection point in nbn's story and marks our transition to become a full-scale, service delivery organisation, centred on the customer experience.

This transition of course involves a lot more than just signalling our intent in this area.

For us to truly be a customer-centric business, we need to transform our thinking

We need to think less about nbn being just an infrastructure provider and more about how it can be the fulcrum that balances a good customer experience while also promoting the competitive, social and economic benefits that this network can deliver

There are many things that nbn as a wholesaler and the telco industry can do to improve customer service.

Between us, we already know where CX can be better and we know where it suffers most.

We are acutely aware that a gap exists, and we need to work closer to ensure customers aren't caught in limbo when things go wrong, particularly when the ownership of CX issues is blurry or ill-defined.

This not just about working together, it's about making sure we are in lock-step with the industry so that when problems occur, customers know who to go to, to get their issues resolved as quickly as possible.

We are already well advanced in our planning to address some of the more common issues that customers come up against.

For example, we have been working closely with the industry to get visibility of in-home Wi-Fi and poor internal wiring issues – which we know can be the difference between a great broadband experience and a bad one for a customer.

We've introduced programs to tackle this issue head-on and recently launched a subsidised pilot program to provide FTTN customers with solutions for internal wiring problems that limit broadband performance.

Under this program, and upon a retailer's request, a qualified nbn technician will visit premises that have been identified as suffering from internal wiring issues and install a splitter to isolate poor wiring and help improve the service's speed and stability.

This is a great initiative for homes in the FTTN footprint that are known to be impacted by poor internal wiring. In trials earlier this year, homes that had splitters installed received significant speed boosts, with average gains of 11Mbps on the downlink.

While we know some retailers have very robust programmes to address these in-home setups, not all of them do. Which is why this program, and others in development, will form an important part of our work to collaborate with the industry on fixes that we know can make a difference.

But what about the customers who aren't yet connected? As important as it is to lift customer experience where we can, it's also vital that we continue to deliver products that meet the needs of all Australians – from basic broadband customers to business enterprises.

Once we complete the network our job does not end there. It's not enough to simply complete the roll out of this network, to dust off our hands and declare it as finished.

Our job as builder and operator of this network, continues beyond 2020.

What we would like to see change though, is the number of Australians embracing the positive impacts that fast broadband can bring to their personal and professional lives.

We have always forecast in our annual Corporate Plans that take-up of nbn services in the fixed line footprint would be between 73-75 per cent, post-disconnection.

These forecasts have not changed, but our thinking about how we go about increasing it has.

As we near the completion on the build, we want to push ourselves and understand why there remains a portion of the market, roughly 25 per cent, that when the nbn rolls through their town or suburb, they don't sign up.

Afterall, every additional home and business that connects to the network, adds to the number of Australians receiving the social and economic benefits that fast broadband can unlock for people's health, connectivity, and livelihoods.

Earlier this year we commissioned economics firm Alpha Beta to investigate the underlying reasons for those not migrating across to the nbn, and what we found was very insightful.

The research indicated there were three distinct, unconnected groups.

The first were those who had no internet at home. This group makes up half of that unconnected cohort. Of those with no internet, 65 per cent were deemed as low income; and almost 50 per cent were above the age of 60.

The second group were those who have chosen mobile-only. This group, which makes up about a third of the unconnected, are also heavily skewed towards low income; almost half are renters; and the average age across the group is 50 years.

Finally, the third group was made up of those who had non-nbn broadband at home.

Across all three of these unconnected groups there were some common threads: affordability, elderly, living alone and renters.

These are very interesting insights, not just for nbn, but the broader telecoms market as it shows there exists a real gap in the market that needs to be addressed when it comes to accessing broadband.

We have also looked at the Australian Digital Inclusion Index to get a deeper understanding of the socio-demographics of unconnected Australians.

For those unfamiliar with the ADII, it provides the most comprehensive picture of Australia's online participation.

But what it also shows is the gap between Australians who are digitally included and those who are not.

In general, it found Australians with low levels of income, education, and employment are significantly less digitally included.

By combining the findings of this ADII research, together with our own research from Alpha Beta, we have initially settled on three core groups that we believe can be better served by NBN and the industry.

They include:

- Low income Australians
- Australians over the age of 65
- Australians with more transient lifestyles such as renters

Our research has found that within these groups, the most common barriers to connection include:

- The affordability factor – lacking the financial means or capacity to pay for a connection.

- The understanding factor – lacking the knowledge of the benefits a broadband connection can provide.
- The hassle factor – the perception that moving to the nbn network can be bit daunting and confusing.
- And the flexibility factor – which is about the need for a solution that is simple to turn on and off to adjust to a transient lifestyle.

We continue to engage with industry and communities on a range of issues that are important to these groups, to understand and help them overcome barriers to connection.

In June this year we engaged with industry with the Wholesale Pricing Review Consultation Paper. This paper sought input into balancing industry economics with affordability and choice for customers, focusing on making nbn more accessible for low income earners and older Australians.

We will shortly be issuing the next round of consultation on this front, thank you to you and indeed Teresa and team here at ACCAN for your valuable insights during the initial consultation phase which is helping to shape a way forward.

Through our nbn local team we continue to engage communities both at the local and peak industry body level.

And we are working hard, both within nbn and more broadly with the telco industry, to find ways to overcome the barriers to connection for these groups.

The kinds of programs we are currently looking at include:

**Affordability** – which will involve the creation of wholesale plans and programs at the network level to support subsidisation of the costs of a broadband connection to those customers that genuinely lack the capacity to pay for their broadband connection. As many of you are aware, we are currently canvassing a whole range of options to address the low income segment in our pricing consultations with industry. We plan on updating the market on those consultation outcomes in the coming weeks.

We know that for some segments of the community, connecting in-home equipment like modems and routers can sometimes be a daunting and frustrating process, so we want to do what we can to improve that experience. So we are also looking at developing a range of **Easy On-boarding** programs where we will work with industry to co-design programs

specifically for Senior Australians to provide in-home assistance with getting connected to nbn.

We are also working on what we call **Enlightenment** programs – which will be focused on working with community groups helping Australians who do not have the digital education, skills or training, to better understand how a broadband connection can improve their lifestyle, social and economic opportunities.

For example, we have signed on as major sponsors for Get Online Week (which is managed by The Good Things Foundation) and the Council on the Aging's Zestfest – two important events that aim to get more people online by educating and upskilling those with minimal or no internet experience.

There will be around 1000 of these events running across Australia to bring together partners, volunteers and communities to ensure everyone can take part in our increasingly digital world. Both events kick off on October 14th.

Together, we hope this roster of programs will help ensure even more Australians - not just those who know how, or those who have the economic means to do so - are given the best opportunity to get the most out of connecting to the nbn.

The **nbn**'s aim is to connect Australians across the country to help ensure they have the same opportunities to the economic and social good that access to fast broadband can unlock.

Together as an industry, I believe we can achieve this.

Completion of the network is already within sight. And we are immensely proud of that.

But our work on lifting customer experience and ensuring that this piece of vital communications infrastructure can be accessed by Australians will continue.

Thank you.