

NT Business Luncheon – hosted by the NBN Co Board

How connectivity can contribute to the growth of the Northern Territory economy

Stephen Rue Speech, Monday 26 September 2022

Opening and acknowledgements

Good afternoon and welcome. Thank you for attending this luncheon with **nbn**'s Board members.

I'd like to start by acknowledging the Traditional Custodians of the lands on which we meet today, the Larrakia People, and the First Nations Peoples participating¹ in this meeting.

We pay our respects to their Elders past, present and emerging, and recognise and celebrate the diversity of First Nations Peoples and their ongoing cultures and connections to the lands, skies and waters across Australia.

This time last year, I enjoyed engaging with organisations from across the Territory in what was a series of virtual round tables. And I'm very proud of the way the **nbn** network has played a critical role in maintaining the continuity of such events.

But of course today, I'm even more delighted to actually be with you in person.

Everyone in this room, and the organisations you represent, play a key role in helping grow the Northern Territory's prosperity - and you are all also important stakeholders for **nbn**.

I would like to talk to you about how connectivity can contribute to the continued growth of the Northern Territory economy, outline some of the key initiatives that **nbn** is rolling out to support growth, productivity and innovation, and explain how we are helping Territorians in their everyday lives.

There is no doubt that the Northern Territory is a unique place.

It has a population of almost 250,000 people – around one per cent of Australia's total population – yet its land mass makes it the third largest state or territory.

The Territory is home to many of the world's significant resources and is renowned for its traditional industry sectors including defence, space, mining, manufacturing, tourism and international education - making it a globally significant destination.

As Australia's most northern capital city, Darwin is the international digital hub connecting our nation with major commercial and population centres in South East Asia.

It is also the only mainland capital city in Australia with fibre to every premises in the CBD and surrounding suburbs. We put boots on the ground very early in our national rollout - so Darwin is a place of great significance to our company.

This means the majority of the Territory's population already have access to close to gigabit capability, if they want it.

While this is important, the technology experience of people living outside major centres is also a priority focus for **nbn**.

Approximately 97,000 premises in the Northern Territory are Ready to Connect, with 62,000 premises activated.

Currently 72 per cent of activated premises are served by Fibre-to-the-Premises, 14 per cent by Fibre-to-the-Node and 13 per cent by Fixed Wireless and Satellite.

Earlier this year, the Territory Government released its Infrastructure Strategy for 2022 to 2030, with a vision to create a \$40 billion economy by 2030.

It is crucially important to **nbn** that we support all levels of government, industry and businesses across the Territory in achieving their strategies and objectives, which are designed to support economic development.

Fast broadband will help provide positive outcomes for the Territory, including the creation of new jobs, improved connectivity for households - and enabling local businesses to access speeds to be competitive and grow.

Greenfields projects have a crucial role to play in the Territory Government's plan to create 35,000 new jobs, diversify the Territory's economic base and boost the population by 50,000 people by 2030.

nbn's New Development's Team has a strong focus on supporting the growing digital needs of residential, business and new developments.

We are committed to supporting the needs of small, medium and large businesses through our higher speed tiers, which have become essential in enabling enterprises of all sizes to compete more effectively on the national and international stage.

We aim to continually upgrade our network and seek to further expand our Business Fibre Zone areas, which give businesses access to our premium grade business service, called Enterprise Ethernet.

We have 305 Business Fibre Zones across the country, with 128 in regional areas across Australia, including in Casuarina, Darwin and Palmerston.

And there have been 179 Enterprise Ethernet orders in the Territory.

Pleasingly, 32 of those have taken place in the past 12 weeks. We're delighted that momentum is growing.

We will continue to work in partnership with phone and internet providers to help supply more Australian businesses, regardless of location, with access to reliable, scalable and secure broadband.¹

A key component is our investment to make on-request upgrades to business-grade fibre services available to more premises.

We recently enhanced our Enterprise Ethernet service, enabling eligible business customers to order broadband based on wholesale speed tiers of close to 10 Gigabits per second — up to ten-times faster than our close to one Gigabit speed tier.

¹ Your experience, including the speeds actually achieved over the **nbn**[™] network, depends on the **nbn**[™] access network technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside **nbn**'s control (like your equipment quality, software, broadband plan, signal reception and how your service provider designs its network). Speeds may also be impacted by the number of concurrent users on the **nbn**[™] Fixed Wireless network, including during busy periods. Satellite end customers may also experience latency.

At **nbn** we have an important responsibility to enable the social and economic opportunities made possible by fast broadband are accessible to everyone across the nation.

Our focus is on how we can support the most remote and disadvantaged Territorians as well as some of the most remote industries, which are also major contributors to the economy.

This is in line with the Territory Government's Digital Territory Action Plan, which aims to enable accessibility so that communities can get the most out of online services.

The Territory faces significant demographic and geographic challenges – with approximately 90,000 of the close to 250,000 population located in remote areas - which are a significant distance from Darwin.

nbn recognises that service delivery in the Territory requires a different approach.

We are committed to working with the Territory Government on addressing these challenges and finding solutions to ensure more Territorians can access better connectivity.

We will continue to support the Territory Government's digital objectives - and are rolling out the next evolution of our network - to further open up our higher speed tiers.

By enabling access to fast, reliable and secure broadband, we will help support the Territory Government's efforts to grow the economy, create more jobs, diversify industry sectors and increase the population.

The importance of fast broadband in health, education, access to essential services and economic participation that supports people's livelihoods has never been more apparent than it is today.

Through digitisation, access to healthcare and education and delivery of government services is greatly enhanced.

This is particularly the case in the Northern Territory where many communities are in very remote locations.

I would now like to talk about connectivity upgrades and improvements to support the Territory Government's digital objectives that are now underway.

Our purpose is to **lift the digital capability of Australia**, and we are committed to supporting households, businesses and communities across the Territory to access digital technologies no matter where they are located, enabled by **nbn's** fast, reliable and secure backbone network.

Approximately 11,000 premises in Alice Springs and surrounding areas, including Araluen (pronounce Ara-lewen), Braitling, Ciccone (Si-coney), Desert Springs, East Side, Gillen, Ilparpa (Il-par-pa), Larapinta, Ross, Sadadeen, and The Gap will be able to access a Fibre-to-the-Node to Fibre-to-the-Premises upgrade through their preferred phone and internet provider, when they order an eligible plan.²

Once an eligible plan is ordered, **nbn** will work with its delivery partners to install a fibre lead-in to the premises. This means you will have a dedicated fibre line connected to your home.

This roll-out covers 14 suburbs, and our design team have had to work around 500 locations with cultural significance – in partnership with the Aboriginal Areas Protection Authority - or AAPA - to meet Cultural Heritage requirements.

We are also working closely with Alice Springs Town Council on this project, which involves the construction of around 220 kilometres of new fibre. Work has begun, and we hope to have customer connections available in 2023.

Through our \$300 million regional co-investment fund, we will continue to further enhance broadband services for households, businesses and communities by working with the Commonwealth, states, territories, and local councils.

2 Conditions, eligibility and costs will apply – speak with your preferred provider. Eligibility criteria includes among other things, being designated by nbn as a simple premises and placing an order for an nbn® powered plan based on an eligible wholesale speed tier. Additional costs may apply to providers, who may choose to pass this charge onto their customers.

nbn continues to work collaboratively in supporting efforts to tackle the unique challenges of remote First Nations communities in the Territory.

Work is close to complete on our project to upgrade satellite services in Jabiru to Fibre to the Premises.

This project is being enabled through the investment of \$4.5 million from the Territory Government and will enable premises within the Jabiru township to access close to gigabit speeds.

Greater access to fibre will help cement Jabiru’s position as a central tourism hub in the heart of Kakadu National Park and will also enable social and economic benefits for the local community and businesses.

This important project is targeted for completion by the end of this calendar year.

We will also upgrade approximately 170 premises in the East Arnhem-land community of Yirrkala, from Satellite to Fibre-to-the-Premises.

This \$3.7 million technology change is being funded through the Federal Government's Regional Connectivity Program, which was established to improve digital connectivity across regional, rural and remote Australia.

It is designed to support economic diversification opportunities in cultural tourism, creative industries and the health sector, as well as helping improve access to telehealth and online education.

I'd now like to spend a few moments talking about how our nation has faced climate-related challenges in recent times.

These have included devastating floods and storms - which along with self-isolation imposed by the COVID-19 pandemic - served to underline the importance of the **nbn** network.

nbn is working to make our network more resilient because we know that communication is never more important than when disaster strikes.

The Australian Government's Strengthening Telecommunications Against Natural Disasters (STAND) program is assisting **nbn** in making our networks more resistant to extreme weather events.

We have installed 53 **nbn** Disaster Satellite Service units at fire service depots and evacuation centres across the Territory through grant funding provided through the STAND program.

These help improve safety at evacuation centres during an emergency through a free public Wi-Fi connection - powered by nbn Sky Muster satellite - which includes applications like Wi-Fi calling and video streaming.

This support is designed to help impacted communities stay informed and in-touch with friends and family during disaster events.

I'd now like to talk about how we are growing the network.

nbn makes ongoing investments to evolve the next phase of our network with the aim of meeting the future data demands of households, businesses and communities across Australia.

There are currently more than 8.5 million premises connected to the **nbn** network, which equates to almost 20 million people relying on the network every day.

The total number of Ready to Connect homes and business premises rose to more than 12.1 million as at 30 June 2022.

nbn is on track to make 8 million premises across Australia - or 75 per cent of the fixed line network - capable of accessing the **nbn** Home Ultrafast wholesale speed tier, offering wholesale download speeds of 500 Mbps to close to 1 Gbps, by the end of 2023.³

The Australian Government recently announced we would extend our Fibre Connect upgrade program to an additional 1.5 million premises, and we are well advanced in preparing for this additional investment.

This will enable over 9.7 million premises - or approximately 90 per cent of the fixed line network - to access **nbn** Home Ultrafast by the end of 2025.

In partnership with the Government, we are also investing a further \$750 million in our Fixed Wireless network, to deliver faster speeds for regional Australia - benefitting customers in thousands of homes and businesses.

The Company secured a grant of \$480 million from the Commonwealth to upgrade the Fixed Wireless network, with NBN Co contributing \$270 million of investment into the program.

3 Regardless of the retail service you purchase, the actual wholesale speeds delivered to RSPs will be less than 1Gbps due to nbn equipment and network limitations. In addition, HFC Home Ultrafast speeds will fall anywhere in the range of 500 to close to 1Gbps and operate with a maximum sustained information rate of 750Mbps

nbn will be replacing many older antennas and radio equipment with the latest technology, which will uplift the Fixed Wireless network of 2,200 infrastructure sites across regional and remote areas.

This will also help **nbn** deliver a new measure to indicate the network's capability to achieve a typical wholesale busy period download speed of at least 50 Mbps.⁴

We will add the latest 5G technology to our existing 4G network to expand the coverage area of existing sites by 50 per cent - enabling approximately 120,000 former satellite-only premises to access **nbn** Fixed Wireless services.

This will help people in semi-rural and regional areas to more easily run their businesses, work from home and enjoy better access to health, education and other essential services.

Following consultation and launch, we propose that homes and businesses in the expanded **nbn** Fixed Wireless footprint will be able to order retail services through their service provider over our wholesale tiers, offering potential maximum wholesale download speeds of up to 100 Mbps.

⁴ This measure will be an estimate based on a sample of nbn Fixed Wireless wholesale services and will measure the average speed at certain points in each hour of the busy period between 7-11pm to identify a 'typical busy period speed', in line with the methodology outlined in the ACCC's Broadband Speed Claims Industry Guidance Paper (October 2020). For each sample measured it will take into account factors outside of nbn's control such as environmental impact on radio signal strength, but will not take into account retail level, in-premises or user factors that could impact the end user service. Actual end user speeds will differ as a number of factors influence this, including the particular end user applications in use at the time, end user equipment and software, and the number of concurrent users on the **nbn**® Fixed Wireless service. This means that this measure is not the same as, but is likely to be similar to, the connection's capability (if retail level and end user influences are minimal). Currently nbn publicly reports on a network design metric that influences its cell upgrade program (which prioritises cells for upgrades to ensure a minimum 30 day average busy hour wholesale download speed of 6Mbps on at least 99% of cells), but which is not referable to end user experience.

And our intention is that up to 85 per cent of the expanded Fixed Wireless footprint will be able to order services with maximum wholesale download speeds of up to 250 Mbps - which is up to three times faster than currently available on **nbn** Fixed Wireless services.⁵

Households across the Darwin suburbs of Howard Springs and Humpty Doo will experience the benefits of the upgrade program.

For our Satellite customers, we recently enhanced **nbn** Sky Muster Plus services, with unmetered data increasing to 16 hours per day.

These changes mean that people connected to the **nbn** Sky Muster Plus satellite service can now access Virtual Private Networks (VPN) and video streaming between midnight and 4pm, without it counting towards their monthly data allowance.

For many Australians nowadays – access to work, education, shopping, entertainment and essential services such as healthcare - has become less about the physical location of those activities and more about the speed and reliability of their internet connection.

5 **nbn** is a wholesaler and end customers should contact their preferred service provider to ask about availability. Any new speed tiers or changes to Fixed Wireless products is subject to consultation with industry which may alter the design, contractual terms, product specifications and/or go-to-market approach. The planned wholesale download speeds for Fixed Wireless Home Fast and Fixed Wireless Home Superfast are potential maximum Information Rates. They are not Peak Information Rates or Committed Information Rates. **nbn** expects it will operate similarly to how the Fixed Wireless Plus product operates today but with potential maximum wholesale speeds up to 100 Mbps for Fixed Wireless Home Fast and up to 250 Mbps Fixed Wireless Home Superfast.

I'm proud that our technology is supporting those business and lifestyle shifts through **nbn's** provision to internet providers of a fast, reliable and secure broadband network.

We know we have an important role to play in supporting the nation's social wellbeing and economic productivity and prosperity. In essence, this is about making positive difference in people's lives.

nbn continues to dedicate significant resources to helping remote and regional areas of Australia to stay connected.

Our dedicated, regionally focussed team - known as **nbn** Local - is engaged with a number of local councils across the Territory to discuss the growing connectivity needs of remote First Nations Peoples communities in areas such as East Arnhem and Central Australia.

Discussions with peak bodies including the National Indigenous Australians Agency, or NIAA, are progressing.

Our Community Wi-Fi program was established to connect remote First Nations communities - as a response to the COVID pandemic - through a single wireless access point at key locations, such as healthcare centres or community halls.

Through this program, Community Wi-Fi services are being provided - at no cost - to 20 First Nations Communities across the Territory.

Of these communities - 18 services are already installed - with two underway.

Community members have reported great benefits from these installations including staying in touch with family, improved access to government services - including digital health consultations - and social media...

... and even being able to enjoy live AFL matches!

We are also undertaking a communitywide Wi-Fi proof of concept which has connected four remote Indigenous communities through a meshed Wi-Fi solution - and this is being used extensively. Services will remain in operation for an initial three-year period.

nbn Local has also been in discussion with the Territory Government's Department of Corporate and Digital Development about possible expansion of the Indigenous Wi-Fi Mesh solution, including possible priority communities.

Our Community Wi-Fi solution may even have a role to play in encouraging young people to stay within their communities rather than travelling to major towns where free Wi-Fi is a drawcard.

nbn's vision for reconciliation includes deepening relationships with First Nations communities, creating opportunity and helping to lift digital capability.

In May 2021 we announced our three-year collaboration with Jawun, a not-for-profit dedicated to improving the capacity of Indigenous leaders, organisations and communities, to achieve their own development goals.

The collaboration has seen 12 NBN Co employees temporarily seconded into Indigenous organisations across Australia, using their expertise to help communities enhance their digital capability.

The experience - either on country or virtual, working with Indigenous organisations, and then coming back to continue their own reconciliation journey - offers our secondees both a personal and professional development opportunity.

Closing remarks

nbn enjoys close partnerships with a wide variety of key stakeholder groups in the

Territory including:

- the NT Farmers Association
- Council of the Ageing NT
- NT Cattlemen's Association
- the Chamber of Commerce NT
- Urban Development Institute Australia NT
- NT Indigenous Business Network
- Jabiru Triathlon
- the Alice Springs, Katherine and Barunga libraries and their respective councils.

At my own table today, I'm very pleased to join with Darwin Lord Mayor Kon Vatskalis (Vats-kalis).

I'd like to thank each and every one of you for your collaboration and support and look forward to working closely with you in future in furthering the Territory's economy.

Before I conclude, I would like to talk about how **nbn**'s people are committed to meeting the current and future broadband needs of households and businesses across the Territory.

We do this in a way that meets the particular needs and aspirations of different communities.

Based at Winnellie (win-elly), our planning, design, engineering, deployment and engagement teams are responsible for keeping Territorians connected.

This includes routine network maintenance and troubleshooting of network incidents to ensure minimal service impacts to our customers.

This team is extremely dedicated and recently carried out remote network maintenance on a road trip across Arnhem land to Nhulunbuy (Null-un-boy) – which involved then having to sleep in swags.

This maintenance work takes place annually during the dry season, as in the wet you typically can't drive to Nhulunbuy (Null-un-boy).

We will continue to evolve the network to ensure we meet Australia's growing data demands and ensure the positive social and economic benefits enabled by fast broadband are accessible to everyone.

By rolling fibre deeper into communities - and expanding our Fixed Wireless coverage and capabilities - we aim to further help digitally connect regional communities.

We look forward to implementing these programs, which reflect the Australian Government's commitment to deliver broadband services to people right across Australia.

Thank you. We will now take questions.

ENDS