

## NBN Co chief executive Stephen Rue address to Commsday Summit 2020

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Good morning and thanks for taking the time to join me during this incredibly challenging time for everyone - not just because of the impacts on our family and work lives, but also for the implications to the economy and the nation which is still doing its best to adapt to this new normal we find ourselves in.

I'd like to start by extending my thanks to Grahame and the Commsday team for going ahead with this conference. And to give some sense of normality, here I am, presenting to you from a podium!

In times of such uncertainty and economic disruption, it's critically important that we don't let the wide-ranging impacts of COVID-19 take over our lives any more than it already has.

Yes, it's disruptive, and yes, it will create serious economic shocks that will reverberate through families, industries and lives - likely for many years to come.

But while COVID-19 may disrupt our way of life, we must work together – as a nation and as an industry - to ensure it doesn't destroy our way of life.

As important as it is to respond to the crisis facing us, I believe it is just as important to continue normal business operations where possible. So, again I would like to commend Commsday for forging ahead with this.

This whole industry is working incredibly hard right now to ensure that all Australians stay connected with their friends and loves ones, that businesses continue to operate as best they can, and that school children continue to access the vital tools, resources and lessons that they need to further their education.

While we may not be on the frontline fighting this virus and helping to save lives as Australia's selfless healthcare workers are, there is no question that telecommunications is playing an absolutely vital role in keeping the nation connected through these difficult times.

This is a point we should not understate.

Never before has the nation needed the telecommunications industry as it does today.

And never before has the nation needed nbn as it does today.

Many countries around the world will be facing this crisis without the secure, resilient and fast broadband that nbn brings to homes, businesses and schools.

Indeed, had this crisis struck ten years ago, when the vast majority of the nation was stuck on a blend of old ADSL and dial-up connections, we as a nation would have been in an unthinkable position right now.

Instead, thanks in large part to the foresight of past and present governments, we have an nbn network that is more than 95 per cent complete; a network that has helped lift the digital capability of the nation and given millions of homes and businesses access to fast and reliable broadband services. I have never been as proud as I am now, of the teams that have worked tirelessly over many years to build out a network to the whole nation by 2020.

To put into perspective how far we've come, it's worth looking back ten years ago when only 61 per cent of households had a broadband connection. Of those connected back then, some 58 per cent were on speeds of less than 8 megabits per second, and just 9 per cent were on speeds of 24 megabits per second or faster.

Today, thanks to nbn, broadband is almost universally available across our whole nation, a massive continent with almost seven million homes and businesses connected.

And of those connected, more than two thirds of our customers are on 50 megabits per second or faster. Indeed, over the last five years – as the rollout picked up pace - we have

seen average Australian broadband download speeds more than double, from 16 megabits per second in 2014 to more than 40 megabits per second today.

Ten years ago, Australian broadband users downloaded less than 15 gigabytes a month, on average. That's data enough for about four high definition movies.

Now we are seeing nbn customers download more than 300 gigabytes a month, on average. That's 20 times more than ten years ago.

It's this access to speed and capacity on the nbn that is enabling families today to continue functioning in these surreal times. It's allowing mums and dads to work online, from home, while their children stream the latest lesson from school, or relax with a movie when the time comes to unwind.

Ten years ago, comparable internet plans, in real terms, cost more, not less than what they do today.

In the past five years alone, we have seen continued drops in the cost of telco services. According to the ACCC's broadband price index, average nbn prices have fallen 12 per cent between 2015 and 2019. For non-nbn fixed-line broadband the fall has been half that.

In the same period we have seen prices for electricity and healthcare services more than double. While every other utility continues to climb in costs, we are seeing real decreases for these essential communication services.

And, a point I have made several times before, when you look at broadband prices in Australia compared to prices overseas, and importantly look at share of wallet for these services, not just a simple foreign exchange conversion which is misleading, you will see that broadband prices in Australia stack up really well on an international scale.

So, by the measures that matter most when it comes to bringing broadband to people – speed, ubiquity, and price – the nbn has risen to the challenge and I believe surpassed it.

But now we rise to meet a new challenge, as indeed does the whole nation.

For nbn, our challenge is to ensure that all Australians, no matter where they live or their circumstances, can connect to high-speed, secure broadband and continue to have access to the employment, education and entertainment opportunities that this technology enables.

I can assure you we are using all of our resources and drawing on local and overseas expertise, to help keep the nation connected, productive, educated and entertained through this crisis.

This includes keeping in close contact with our European and US counterparts to fully understand network impacts as large portions of the population migrate online for business and personal needs.

For instance, Telecom Italia's network experienced a 26 per cent increase following widespread social distancing measures, but that jumped to 40 per cent when more stringent lockdowns were put in place.

Both Telecom Italia and Openreach have been particularly helpful in sharing information, and I would like to take this moment to thank them for their cooperation and valuable insights. It was due to these insights that we took the decision to boost CVC capacity by 40 per cent, at no charge to our retail partners, and then proceeded to rally the industry around engineering our networks to lift capacity to that level.

We have already seen significant changes to our network profile as more people work and study from home and as they increasingly turn to the internet for entertainment and education.

Since social distancing measures were introduced, we have seen data demand across our network increase by more than 70 per cent during the daytime business hours. But even

as we continue to see large increases in daily data consumption, we are not expecting daytime data consumption to surpass the evening peak period.

In the evening busy hours, when network usage peaks at around 9pm, we have seen network traffic increase by as much as 25 per cent.

While these increases are significant they remain well within the capacity headroom we have built into the network.

Importantly - even though we are seeing large increases in usage across the network - congestion, network faults and outages have remained at very low levels with no material increase compared to previous months.

It's a remarkable effort and a great testament to all our people at nbn that the network continues to operate so well in these unprecedented times.

To me, it shows that nbn is well-prepared to handle the Australia's growing data needs at the time when the nation most needs it.

We continue to plan for and expect that much will change in the near future as the social and economic impacts of this pandemic continue to reverberate through the nation.

But the one thing that doesn't change for us is our purpose.

Purpose defines who and what a business is, and why it exists.

And for us, our purpose - to lift the digital capability of the nation - has become more important than ever.

That's why we are doing all we can to ensure the network remains secure, resilient and reliable through this time.

When it comes to the build, we are doing all we can continue the rollout and meet Australia's demand for broadband.

And that demand is growing.

Recently we have seen a large increase in activation orders with more than 40,000 come in each week, as more Australians shift their work and educational needs to their home broadband service.

It's worth pointing out that as people put these orders in, they are not just signing up to basic services. We have seen a significant increase in high speed orders.

Plans on 50 megabit per second or faster continue to make up the vast bulk of orders, but recently we have seen an increase in 100 megabit per second plans which are currently accounting for more than 10 per cent of all orders.

Indeed, it is fair to say that people at this time are increasingly putting their faith in nbn.

To ensure we can continue connecting customers, we were recently classified as National Critical Infrastructure. This means that the continued connection, operation and maintenance of the nbn network is essential for Australians during the COVID-19 pandemic.

We have also obtained the necessary entitlements to allow Essential Travel to those who need to continue work in the field or across State and Territory borders.

So while many parts of the economy have been forced to slow down, we are working our hardest to keep going as fast as we can when it comes to the rollout.

This is critical not just for nbn and our goals to complete this build, but more importantly for the nation.

Each new connection we make means there are more Australians and Australian businesses successfully working from home, remaining productive and providing valuable employment opportunities for the nation.

It means school children can study from home. Their connection to the online world of education is the difference between studies continuing and a whole school year being lost.

It means doctors, with the aid of telehealth services, are treating countless patients without risking themselves with exposure to this insidious virus. This will have a real impact on saving lives, flattening the curve, and helping our health care system reduce strains on its people and systems.

It means more Australians can access the platform and technologies that keep us in touch with our friends and family. It means that those most at risk to COVID-19 can still order their groceries online, it means they can still communicate with their loved ones.

And it means we as a nation are keeping informed and entertained through online media, movies, games and audiobooks.

Ultimately it means that, while our lives might be temporarily isolated to the confines of our homes, we can stay connected and productive.

Of course – and in spite of the evidence of Australia’s improving broadband position thanks to nbn - there will remain murmurings from some corners of the media and academia who say we won’t be up to the task, that nbn as it is today cannot handle the load that has be unleashed upon us.

My message to them is that this is not the time to talk down the nbn. It’s not the time for point scoring or to gnash over decisions of the past.

Because every time you talk down nbn, every time you say the nbn can’t handle this – you are talking down Australia, and you are talking down the social and economic opportunities that access to fast broadband can bring.

Now is the time to focus on how we can realise the full capability of this network that serves more than 6.8 million Australians and more than one million business services with high-speed broadband.

Now is the time to focus on how nbn can help deliver better health, better education, better equality, better business, better social connectiveness, better opportunities for regional and rural areas.

Now is the time to focus on how nbn can help deliver a better Australia.

Of course, there will be many challenges as we look into the future, and there will be times when we get it wrong.

But, as one of my senior executives said on TV recently, echoed by some in the industry, now is the moment for nbn to shine.

Now is the time for nbn to demonstrate clearly to the community why we were created in the first place, why we have been supported by successive governments, and why we live the purpose we do, every day.

We are proud to support Australia through these uncertain times but to live up to the expectations of the nation's homes and businesses we must ensure the continuity of nbn's operations and rollout.

We have already made a series of significant changes to our operations to achieve that.

We have enacted the highest level of crisis management to maintain business continuity and deal with all the challenges that come with COVID-19.

As I said earlier, we have offered 40 per cent extra capacity to all retailers at no additional cost for at least three months, to help ensure the nation can experience internet services with minimal congestion.

We have unveiled new measures to support nbn customers in rural and regional Australia by significantly increasing data download limits and unmetering content for our Sky Muster customers.

We continue to inform and educate customers about the importance of their in-home WiFi set up, the impacts of in-home wiring, as well as tips on the best times of the day to upload files, so the busy hours remain congestion free.

And we've done all this with more than 5000 nbn employees working from home and thousands more in the field, who have all been working around the clock and through their weekends to ensure we continue to serve the Australian public in this time of need.

Of course, we can't do this alone.

We have the industry to thank for making much of this possible, for being nimble enough to push through these changes and for continuing to educate customers about how to get the best out of their broadband services.

I'm proud work in an industry that has so readily, and quickly put the nation's needs above its own.

We've seen work force changes put on hold, we've seen investments brought forward, and we've seen amazing responses from many of our retail partners who have made immediate changes to support their customers through extra broadband capacity and pricing relief measures.

Now, more than ever, it is absolutely critical we work together – not as competitors – but as an industry to help the nation stay connected. I have never seen the industry work with so much collaboration.

So my message to us all today is to reinforce the absolute importance of working together, not just now, but into the future, when this crisis fades away and we have new opportunities to grow together, and new opportunities to help the nation recover.

There's no doubt that this crisis presents us all with our biggest test, but I believe it also presents our biggest opportunity.

We know that nbn and the industry will face challenges over the next months as so many people, confined to their homes, push network use to record levels.

This will only compound the importance of the nbn and the telco sector to the nation.

But it's in these times of crises that I believe people are at their best, when incredible empathy, creativity and resilience become our defining features.

We've of course seen this absolute willingness to help, to collaborate for the benefit of the nation, play out before.

It was on display during the bushfires, it happened during floods, indeed it happens whenever disaster strikes.

By working together, I have no doubt that our industry will rise to this challenge and help the nation when it needs us most.

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