

Thank you Senator, I would like to make a short opening statement.

I am joined tonight by Karina Keisler, our Chief Corporate Affairs Officer and Peter Ryan, our Chief Engineering Officer. Bill Morrow is traveling overseas and is not available to attend this evening.

I'll start with a quick overview of where the rollout is up to.

It's important to remember that we are on track to complete the build in 2020 within our \$49b peak funding envelope.

In fact, 6.3 million Australian homes and businesses are now ready to connect to the nbn, and 3.6 million are using it today.

We continue to build and connect at a rapid pace, but of course, at this unprecedented scale, there will be issues to identify and address quickly, while also building processes that predict and prevent them.

For the last few years, nbn has followed a program of Business Process Excellence, which drives continuous improvement through the business.

As a result, technologies tend to have fewer issues the longer they have been in operation.

We have seen this trend on all technologies, with the exception of HFC.

That's why we decided to pause activations on the network until incremental field work is undertaken to raise the quality of service for customers.

We have just completed a series of trials that refined remediation processes and address the issues we were seeing in the HFC network.

I am pleased to say these trials have been successful and we are now rolling improvements out in the RFS areas and at the same time baking them into the construction processes in areas not yet RFS. I can assure the committee we are progressing quickly and remain confident we will begin releasing areas before the end of the financial year.

This is also a very important point: while we have temporarily paused all new activations on the HFC network, we continued construction in HFC areas. That is why we will be able to add new areas to the footprint quite quickly.

I can also provide an update on changes to our wholesale pricing. Again, this change was in the name of customer experience. We noticed that some retail providers were focussed almost exclusively on market share and were therefore competing on price.

We saw many new customers moved onto retail plans over nbn's lowest wholesale speed tier, 12 mbps, regardless of what speed they had previously or what their usage demands may be.

We also noticed that some RSPs were not purchasing the capacity needed in the busiest hours of the day.

We made the decision to offer retailers a discount on the 50 mbps wholesale product as well as allowing retailers to boost their CVC dimensioning by 50%.

These offers were designed to fit with the long-term bundles we plan to introduce next quarter.

Since this change, we have seen a large increase in customers coming onto retail plans over the 50 mbps wholesale speed tier and we have seen congestion drop significantly.

Just yesterday, Telstra said they will move 850,000 premises up from 25 to 50 mbps.

And this morning Vodafone reported that 80% of their nbn customers are on 50Mbps plans.

This is very good news. Last year, less than 5% of premises were on our 50 mbps product.

We are now seeing around one third of RSP weekly orders being for the 50 tier.

All of this is very positive and we are monitoring both the HFC improvements and the pricing changes very carefully.

As I have already said, our overriding concern is to make sure people are having a great experience on the nbn.

This is a challenge for the entire industry, and we are continually working with our retail stakeholders to address this.

On our end, we're improving the customer experience across all the stages of an end user's interaction with nbn.

That means increasing our endeavour to connect end-user right first time.

It means playing our part in lifting people's broadband experience, where possible, up to the standards they expect – which is why the impact of our pricing change is so positive.

And it means that if there is a problem with someone's service, we endeavour to get out and fix it right first time, without having to go back multiple times.

Together this forms a significant programme of activity, which is already leading to positive changes in customer experience.

In the coming weeks we'll speak more about how we plan to share our progress, report more detail and keep track of these initiatives.

I'd like to make a couple more points.

There has been a lot of discussion about 5G in terms of competitive threat to nbn.

nbn has always been aware of the threat of wireless substitution. We built these assumptions into our take-up models and continue to monitor developments; we see no reason to change these assumptions at this stage.

Fundamentally, nbn's best defence against any form of competition is to have a network that is built and providing excellent service.

This is another reason to build quickly and provide great customer experience.

Turning to Fixed Wireless, as we have said before the network was originally dimensioned to provide 3 mbps in a fully loaded cell at the busy hour.

That was before Netflix, Stan and other streaming services become an everyday part of the Australian entertainment diet.

Usage patterns on the network have changed a lot and we are seeing greater load being placed on the network.

That is why we have initiated a substantial upgrade program to lift cells to a higher performance threshold.

The Committee will also be pleased to know that we are on track to launch our FTTC product this financial year. Again, we will have more to say about this in the coming months.

Finally, we recently announced that we are about to embark on a trial to assist with the cost of updating unmonitored medical alarms when connecting to the nbn network.

I know this is an issue many on this committee have followed closely and one we take extremely seriously.

Over the next few months, we will work with leading manufacturers and a trial group of medical alarms users before announcing full details of a new assistance program.

The trial will help identify specific alarm suppliers and devices eligible to participate in the scheme as well as confirming the eligibility criteria for participants.

This is important, because we know people use these devices for many different purposes. We want to make sure we are targeting the scheme correctly and meeting the needs of this important group of users.

With that, Karina, Peter and I will hand back to the chair and answer any questions you might have.