

## Senate opening statement 24 May, 2018

Thank you Senator. With me today is [Stephen Rue](#), our Chief Financial Officer.

I want to make four key points before we get into questions today:

1. The **nbn** is creating jobs, opportunities and growth in the communities that have it
2. I cannot think of a faster way to roll out these benefits than using the MTM model
3. While most people are very happy with their **nbn** enabled broadband experience, we are doing our part to improve the experience for everyone, and
4. We are seeing customer experience and satisfaction improve

In summary, the **nbn** is changing lives, we are rolling out quickly, and we are improving the **nbn** experience every day.

Last month, we shared research carried out by AlphaBeta that demonstrates the economic and social benefits the **nbn**<sup>™</sup> network is delivering to Australians. The research shows the creation of new jobs, higher GDP growth and the establishment of new businesses, all made possible because of the **nbn** transformation.

One of the stand-out statistics from this research was that the number of self-employed women in **nbn** regions grew 20 times faster compared with non-**nbn** areas. If this trend continues, more than 50,000 additional Australian women will be self-employed by the end of the rollout due to the "**nbn** effect".

The findings of this research must be considered in the long standing debate on which technology should be used in building the **nbn**.

A question often put to us is whether it is better to have more fibre even if it delays these benefits and requires one-off tax payer subsidies.

For me, this research strongly reinforces the benefit of doing this as fast as possible and at the least possible cost... with the condition that the network is capable of meeting the mass market data demand.

On this last point, it is important to note that the people surveyed were almost all on 12 and 25 Mbps services.

Every extra year that a community has to wait for the **nbn** is a year of lost opportunity.

Lost opportunities for women, for children, for everyone who just needs to operate in the modern digital world.

More than 6.6m premises can now order a service and more than 3.9m are now connected. 98 per cent of the nation is now in design, construction or already able to connect. The network rollout has reached the scale necessary to complete the nation by 2020 and we are confident this will happen.

So, progress across this industry wide transformation has been very strong, but it has not been without challenges for some end users.

As I have said many times, our focus is firmly on improving the customer experience in those areas that we can control. A comprehensive program of work was implemented mid last year to improve customer satisfaction.

The Committee will be familiar with some of these, including the HFC pause, the pricing changes, and the improvements in our installation processes. Our team has also worked closely with our service delivery partners to improve our handover processes when attending an end-user's premises, whether that be to connect them or to fix a service fault. We know that getting a technician out there as quickly as possible, and getting the job done on the first visit are important to the end user.

Our improvement initiatives have had solid results thus far. Our field techs are now completing their work within agreed timeframes and doing it right on the first go more than 9 out of 10 times. This is a huge improvement when compared to 12 months ago and this will further improve with the work we have underway. It's important for the committee to understand, this is **nbn**'s portion of the installation and repairs. The end-user experience is determined by both NBN Co and their retail service provider.

We have also worked closely with our retail partners to improve the experience once the end user is connected and using the network. We know 80 per cent of the weighting on end-user satisfaction has to do with being congestion free. The impact of our Focus on 50 promotion, and the take-up of our new bundled 50 and 100 products, has led to the RSP-controlled CVC congestion dropping from 7 hours a week, down to 18 minutes and some big brands are even CVC congestion free.

All of this work has led to a dramatic shift in end-user satisfaction. Across the base of customers, the industry satisfaction weighted average has moved from 5.9 to 6.5. Further, customers who have connected since the pricing changes and have not experienced the prior CVC congestion, are much more satisfied, with a weighted average of more than 7.0. When you combine this with those customers who are aware of their upgraded to the 50 Mbps speed tier, the overall satisfaction improved to 7.3.

In the last nine months, an incremental 800,000 end users have joined the highly satisfied. That means that roughly 1.9 million end users now rate their **satisfaction** at either 8, 9, or 10. Again, I need to reinforce this is a measure of the total experience, not just **nbn**'s service and the range among RSPs vary widely. RSPs give different levels of service and this impacts the end-user satisfaction rating.

We know we play an important role in getting people connected and having our portion of the network delivering a highly reliable service. Late last year, we paused our HFC end-user activations to allow us to further refine the network.

We've recently started opening this network up to the RSPs for new service activations. The further remediated footprint is now of a much higher quality and will provide a better experience for both existing and new end users. The ramp up of the HFC network will begin slowly for us to monitor the changes we've made and ensure the service is of the quality our customers expect.

We are taking a similar approach with our recently launched FTTC technology. Early results are good, but it's important to remember that **nbn** is one of the first network operators in the world deploying FTTC at this level of scale.

We are also increasing the capacity of our Fixed Wireless network. People using this network have consistently rated their experience highly, but this success has driven higher take-up, more data consumption and a greater concurrency of use. The capacity design we started with needs to be lifted and we have already completed upgrade work on a number of congested sites to help alleviate the pressure.

We know technology over the existing and newly constructed infrastructure is evolving quickly. We are technology agnostic and we are always looking to leverage this evolution for the benefit of all Australians.

Thank you, and with that, we would be glad to answer your questions.