

## **Opening Statement - Singtel**

Thank you, Senator.

First, Singtel is deeply sorry for the Optus Triple zero outage in September, where hundreds of callers could not get help and tragically two people lost their lives. Triple Zero is a life-saving emergency service, and Optus recognising and upholding that is central to our ongoing commitment to Australia.

That commitment has extended over a quarter of a century, through profound changes in technology, economic fluctuations, the pandemic, and a fundamental shift in how Australians use their devices and what they expect from them.

This level of Singtel commitment to Optus supports what Mrs Kelly and I know to be true: that Singtel regards Optus as an important long-term asset, providing real choice to Australians.

Together, the Singtel and Optus Boards are tightly aligned and share this purpose: that Optus succeeds for its customers and for the communities it serves.

Singtel's role is that of a long-term, strategic shareholder, providing stewardship, overarching governance, and the financial support Optus needs to fulfil its obligations to Australians.

Since 2001, Singtel has supported the investment of more than A\$33 billion in Optus, including A\$9.3 billion over the past five years.

Over those five years, Singtel has not taken any dividend from Optus, and more than 18 per cent of total Optus revenue has been invested in capital expenditure. This investment ratio is both consistent with global telecommunications norms, and as high or higher than Optus' Australian peers.

Despite the scale of this investment, Optus simply cannot be successful if its network is not seen as safe and reliable by the people it serves.

That is why Singtel fully supports Stephen Rue, and the work he and his team have been doing since he joined Optus in late November 2024, to invest in people, systems and processes, to make the network more reliable, and to rebuild trust in its performance.

As well as confirming known challenges at Optus, the Independent Review from Dr Kerry Schott also identified issues that needed immediate attention. It highlighted that the pace of broader change underway since before last September, especially in the area of risk management in the networks division, needed to accelerate.

The Optus Board and management have accepted this and are fast-tracking the transformation program.

Dr Schott also noted that important and appropriate changes to Optus Board governance structures were in place before last September, but were still quite recent.

Optus has always had a Board, however in recent years Singtel has responded to the growing complexity of its businesses by adopting a stronger 'op-co' model, where Boards of component businesses are far more empowered. This is a matter where Mrs Kelly was closely involved.

The transition to the 'op-co' model started at Optus in 2023 and has progressed since then to the point where Optus' operational authority and governance are concentrated in Australia.

This means day-to-day operational decisions, including network management, are made in Australia. Board governance oversight of those matters happens in Australia.

Following the outage in September, the Optus Board also established two further committees to assist in the oversight of the response to the outage, and to fast-track approval of changes Optus is accelerating in its program of transformation.

This is how a large, complex Australian business should be governed, and it is how Optus is governed.

We know there are also questions around foreign ownership of critical infrastructure.

That is, of course, a matter of Australian Government policy, and clearly has implications beyond our industry. When Singtel acquired Optus in 2001, it complied with all relevant laws and obtained all necessary approvals. Singtel will continue to comply with all applicable Australian laws in this regard.

Let me close with the commitments Singtel is making.

First, we fully support Optus as it complies with all its regulatory requirements, responds to the issues arising from this outage, and implements all of Dr Schott's recommendations.

Secondly, Singtel fully supports its long-term investment in Optus, including in network upgrades and the Optus transformation program more generally.

Thirdly, Singtel is strongly committed to the governance model in place, where decision-making authority, accountability, and leadership of Optus are concentrated in Australia.

That is how it should be, and that is how it will remain.

Thank you, Senators, and we are happy to take your questions.