



**COMMSDAY SUMMIT SPEECH**  
**Trent Czinner**  
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Good morning everyone.

I'm Trent Czinner, Group Executive Legal and External Affairs and Company Secretary at TPG Telecom.

I'm delighted to be here today to explore the transformational impacts technology has on our lives and the critical role our industry plays in delivering communications technology to Australians.

In March, at TPG Telecom we launched our new purpose: To build meaningful relationships and support vibrant, connected communities.

For us, this captures the essence of how we believe we will succeed as a business, and probably as an industry.

Through our products, services and operations we strive to connect - and connect *with* - our customers and our communities.

When I started in the telecommunications industry as a young lawyer 23 years ago, I was working for Hutchison Telecoms.

Hutchison was a reseller and a paging network operator who had just bought spectrum and was about to embark on a program of infrastructure investment by building Australia's third mobile network – the Orange network.

Many of us will recall that in those days, home phones and dial-up internet were the norm.



And the cutting edge of mobile technology was being able to play Snake on a Nokia 6110. I had a Motorola pager and texting on phones was a new thing

Since then our industry has evolved significantly.

At Hutchison, we believed strongly in the transformative effects of mobile technology and invested in its future.

We launched 3 mobile in March 2003 – Australia’s first 3G network.

This was a year before Facebook and Google maps existed and 4 years before the iPhone and Android were launched.

The first video call I ever made was in 2003 from my 3 mobile phone in Sydney to a 3 customer in the UK.

I remember when we developed the first Cap Plan at 3 mobile.

It was a huge pricing innovation with capped price voice and text and hundreds of megabytes of 3G data.

The \$99 Cap Plan would be the equivalent of paying around \$146 a month today.

So - in 2003, our customers paid the equivalent of \$146 a month for a phone plan with virtually no apps and could watch grainy video if they were lucky to find content they wanted to watch.

Compare that to today - you can now get our flex mobile plan with UNLIMITED data at 20 Mbps and unlimited talk and text - for \$35 a month.

Today’s mobile data experience is 100 times better - allowing you to stream the world’s movies in 4K on the train. And for around a dollar a day - a quarter of the cost of your daily flat white.



I can't think of an industry that has achieved that.

## **Connectivity**

Connectivity has helped shape just about everything we do today.

It's how we consume news, how we listen to music, how we connect with each other and how we choose to access entertainment.

So, it's no surprise we've seen exponential growth in data usage.

According to our own customer information, over the last 10 years, average monthly mobile data usage has grown by more than 60 times – from 0.2 GB in 2011 to nearly 13 GB today.

A combination of ABS data and our own customer information shows that over the past 10 years, average monthly fixed broadband data usage has grown by more than 14 times – from 25 GB in 2011 to 358 GB in 2020.

I think it's fair to say that if COVID happened a decade ago, businesses may have struggled to cope.

And productivity has not diminished as people move efficiently between tasks and video conferences enabled by the rapid adoption of remote working technology and collaboration tools.

COVID was the catalyst for a marked acceleration in the digitisation of our society and national economy over the past year.

And the associated growth in demand for data is being met by the collective investment of tens of billions of dollars by our industry.



## **5G**

5G will continue to dominate the industry for years - probably until we get to the next G.

TPG Telecom's 5G network is now available in around 450 suburbs in metro areas and we currently have around 1,600 sites in the planning and design phase.

Our plan is to cover 85% of the population in Sydney, Melbourne, Brisbane, Adelaide, Perth and Canberra with our 5G network by the end of this year.

We now have half a million customers on our network using 5G handsets and 75% of new handset sales are 5G handsets.

And as we roll out 5G, we're pleased that our mobile network is as strong as ever.

Open Signal has just ranked our network equal winner on all key experience metrics of 5G video experience, 5G games experience and 5G voice app experience.

I'm sure everyone in this room is excited with anticipation about what 5G will bring. But the true power of 5G will be in a few years' time when the ecosystem of devices, applications and our imaginations bring 5G's opportunities to life.

New industries will be created on the back of 5G just like with the first generations of mobile data in 3G and 4G.

## **mmWave**

In addition to 5G network deployment, our industry just invested nearly \$650 million in millimetre wave spectrum at the recent auction.



TPG Telecom secured holdings in all available licence areas in the 26 GHz band.

This new spectrum will triple our total spectrum holdings and will provide significantly increased capacity to deliver 5G fixed wireless and mobile services, especially in high foot-traffic areas such as CBDs, as well as transport hubs and at major events.

As part of our mission to drive competition and choice for consumers and businesses, we will soon commence delivering 5G fixed wireless services as a compelling NBN alternative.

### **Regulatory environment**

While the telecommunications industry has a bright future, we still need to find ways around some of the hurdles that threaten to hold us back.

5G, cloud, IoT, Edge Computing and AI technologies are driving change and opening up a whole new realm of opportunities for many industries.

These services rely on high-quality telecommunications networks.

But, to keep pace with demand, these networks will require many billions of dollars of investment over the next decade.

We are at the point where we need to be asking ourselves what are the key issues in our industry today that threaten competition and investment over the next decade?

Do the current regulatory and policy settings work now and are they fit for Australia's future?

It would be fair to say that the regulation surrounding our industry today is mind-boggling.



At TPG Telecom, we have teams of lawyers and policy and regulatory experts to keep across the complex and ever-changing layers of regulatory requirements - laws, regulations, codes and guidance.

I know this is also the case for many of you listening today.

We all agree that some regulation is needed to protect consumers and ensure there is an even set of rules to play by. We are aligned with regulators that protecting customers from poor outcomes is paramount.

And on that point, I am sure I speak for many providers here when I say that if we know our customers are having a poor experience or are unhappy, we want to be the first to fix it.

It is clear, however, that some of the current regulations and policies are a handbrake on investment and on our industry's ability to compete effectively.

The huge investments of Hutchison, Vodafone and TPG over the last 25 years, that are now combined in the merged TPG Telecom, were made with the faith that industry and competition regulation would give them a fair go. And that is what we will continue to fight for.

### **NBN protectionism**

With that in mind, a key issue that I'd like to put under the spotlight today is the ongoing protectionism of the monopoly NBN - which is holding back private sector investment in fixed and mobile networks.

The NBN has no doubt been an impressive infrastructure project, but at what cost to private sector investment and innovation?

Most of us would agree that private investment is good - because consumers ultimately benefit through the competition created by efficient investments.



So, we need regulation and policies that encourage - not discourage - this investment.

The existing regulatory framework already places NBN in a privileged position, with a monopoly over the supply of wholesale fixed broadband services.

A position reinforced by NBN's artificially low cost of capital by virtue of its government ownership and an extensive web of protections granted to it.

Now that the Minister has declared the NBN is fully built and operational, it is crucial for our national economy and for consumers, that the regulations designed to restrict rival investment in high-speed fixed broadband networks during the NBN's rollout are dismantled.

Starting with the repeal of the 'superfast network rules', which are contained in the Telco Act.

We are also urging the ACCC to stop regulating competition to the NBN via the 'Superfast Broadband Access Service' or SBAS.

We need *genuine* collaboration between NBN and industry so that taxpayers don't fund the duplication of existing fibre infrastructure for enterprise customers in well-served metropolitan areas.

More than a year ago, NBN announced that it would commence industry consultations to explore possible approaches for the procurement of additional dark fibre services from network carriers in customer locations already serviced by existing fibre.

Unfortunately, this has gone nowhere with NBN deciding it was more cost-effective for NBN to build rather than to buy third party dark fibre.

There are also distortionary impacts on the mobile market.



NBN continues to gain access to prime spectrum resources on highly preferential terms, which restricts private investment in 5G.

Only 125 MHz of 5G spectrum was put to auction in 2018 because 75 MHz had been reserved for NBN, at artificially low prices, even in major metro areas where NBN has no wireless networks and has confirmed no plans for wireless networks.

At TPG, we consider that 5G spectrum should be returned to the market.

The impacts of these distortions on our industry cannot be under-estimated.

### **NBN pricing**

Of course, no discussion about the current state of the telco industry can avoid the long running issue of NBN's pricing model.

As the second biggest NBN retail service provider across 7 brands it should be no surprise why this remains a focus for TPG.

NBN pricing is a bugbear for many across our industry and TPG - along with other major RSPs - have already had a lot to say on this topic.

While retailers mostly sell NBN unlimited broadband, they have to manage the complexity of NBN's *variable* charging model for bandwidth – the infamous CVC.

Most retailers are calling for the CVC to be scrapped. Indeed, it's not clear why we ever had the CVC.

NBN's costs are largely fixed costs of establishing a connection to premises. The variable costs such as IP transit are all already borne by the retailers.

Retailers buy a wholesale usage-based service, which is then on-sold as a flat fee access service.



Removing the administrative burden on retailers of managing the CVC and its unpredictability will provide a more sustainable outcome for our industry, the NBN itself, and for consumers.

We very much look forward to the ACCC running an open and consultative process on NBN's wholesale pricing and the Special Access Undertaking variation.

### **Our merger**

Let me change tack now to touch briefly on our own company merger progress.

You will recall that in July 2020, TPG Telecom was created following the merger of Vodafone Hutchison Australia and TPG.

The merger was delayed for so long by the regulatory process that a global pandemic developed before we would receive the Federal Court judgment that resoundingly supported our competition case.

TPG, across our many well-known mobile and internet brands, serves more than five million mobile customers and more than two million fixed line broadband customers.

The merger has given us the scale and financial strength to compete more effectively.

During the merger process we said we would continue to invest and innovate and be a competitive force.

I am not sure why there was any doubt about that.

And we have proven it already with new products and investment in spectrum and our network.



## **Sustainability**

With TPG Telecom's scale, comes greater accountability to act as a responsible and sustainable business.

Sustainability covers many aspects of how companies operate.

Our 2020 sustainability report sets out our initiatives and describes how we intend to meet the needs and expectations of all of our stakeholders – including our customers, employees, shareholders, regulators, and our wider society.

I'd like to highlight two recent initiatives that I am particularly proud of.

Firstly, as a major user of electricity, we have an important role to play in reducing greenhouse gas emissions to address the threat of climate change.

At TPG we recently announced plans to power our entire operations across Australia with 100% renewable electricity by 2025.

This will include all our nationwide fixed and mobile network infrastructure, office buildings and our retail network.

This is on top of our energy reduction initiatives already underway in our base stations and data centres.

And before this company-wide commitment, we had already raised the bar last October with the launch of felix - Australia's first telco brand powered by 100% renewable electricity.

A second example I want to talk about is customer security.



Mobile porting and SIM swap fraud have been claiming victims for at least the last 10 years – ever since banks started using text messages for their second factor authentication.

At Vodafone we started to see an increase in fraud victims – some of them with thousands of dollars taken from their bank accounts.

Our fraud and customer security team tracked these cases for our customers and worked with the banks and the NSW Police.

Our reports to the police resulted in the creation of a designated NSW fraud strike force that after more than a year led to the arrest and successful prosecution of several syndicate ring leaders.

But this was an industry wide issue and lack of action by the other operators impacted our customers - and vice versa. An industry wide problem needed an industry wide response.

At Vodafone - the biggest mobile brand of TPG - we championed a significant but very simple process change. A pre-port verification where all gaining carriers must phone or text the mobile number being ported and receive a positive response before initiating the port.

In the first few months after these changes were finally implemented by all carriers in 2020, we witnessed a more than 80% drop in the number of victims of porting fraud.

I want to thank the Minister and the ACMA for their support in issuing an industry standard enshrining this pre-port verification process.

I am proud that we fought hard for that change for the benefit of all Australian mobile users - not just our own. And, by embracing the change, the mobile operators have built a more sustainable future for us all.



## Summary

Pulling this all together then, we know that:

- 1) Advances in technology are shaping the way we work and do business, and this is only going to accelerate.
- 2) COVID has been a catalyst for enormous change in the way our society and businesses embrace technology.
- 3) Through great connectivity and service, our industry will continue to ensure Australia is resilient in the face of future challenges.

As the saying goes “never waste a crisis”. That has certainly been the case in our industry, and I’m proud of how well we all stood up in keeping Australia connected when it was needed most.

As new technologies emerge and continue to open up new opportunities, Australians’ reliance on high-quality telecommunications networks will only increase.

And this will require many billions of dollars of private sector investment.

However, this can only occur within a regulatory and policy environment that supports competition and encourages that investment for the benefit of all Australians.

It’s been my pleasure speaking to you today.