JULIE McCROSSIN: Good morning, ladies and gentlemen. Has anyone not got a new lucky number? It's black today.

Good morning. Our first speaker is close and, on the way,, so we'll be starting shortly.

Ladies and gentlemen, if I could ask you to take your seats and it's my great pleasure... just stare at me, I fall into that small category of people who like eye contact with large groups of people. Welcome to day two, and a special welcome to those of you coming for the first time. If you could put your mobiles into a silent mode but be constantly active on them at all times. The Twitter feed yesterday was really interesting, so #ACCANect2019 is our Twitter handle and obviously use every platform you can, and if it is your first day, we're, of course, at the ACCAN National Conference. There was a big celebration last night to mark the last 10 and the focus very much today to look to the future, including a panel we'll have later in the day looking forward to the next 30 years and what developments. Yesterday, Uncle Allen Madden welcomed us to country, and I'd like to acknowledge we're on the Gadigal lands of the Eora Nation and pay respect to Elders past and present and emerging elders. I am I to be introducing Andrew Penn, the CEO of Telstra. Andrew has over 40 years' experience of a chief executive across South-East Asia in telecommunications, including as Telstra's Chief Financial Officer and group executive international. You've got his full bio in your program and I thought I'd just focus, given the social justice focus of many people here on his activities outside of business. So, Andrew's contributed widely to not-for-profit and community organisations. He currently holds voluntary positions with very special kids which is a hospice and palliative care for children in Victoria. The Diabetes Research Foundation and the Amy Gillet Foundation, which is all about road safety for cyclists. Telstra's also a major supporter of the visual arts, and Andrew does paint himself. So, would you please welcome, Andrew Penn. (APPLAUSE)

ANDREW PENN: Well, good morning everybody and thank you for that very kind introduction. Thank you particularly for inviting me here today. I'm delighted to be part of marking this very special milestone of our very long partnership. I'd like to start by acknowledging a few people, so Teresa, ACCAN CEO and long-time member of both the telecommunications network and ACCAN. Teresa, I know the responsibilities of being the CEO, so I empathise with you and I want to say that we're really pleased by how much work you do and the vital work you do, do so thank you very much. To Deidre O'Donnell, ACCAN chair and previously Telecommunications Industry Ombudsman, to Chris Dodds, ACCAN deputy chair and chair of the Low-Income Measures Assessment Committee since 2002, Una Lawrence ACCAN Director of Policy and Joanna Plante former ACCAN chair, alliance CEO and, of course, Telstra engineer which we are very pleased about. Can I also acknowledge Robert Morsillo; indeed, I know that ACCAN did last night. Telstra's senior digital inclusion specialist who's done so much over so many years working with consumer organisation and advocating the needs for low-income and vulnerable customers, particularly within Telstra. He plays an incredibly important role advocating amongst my team on behalf of many of the communities and cohorts of customers that you represent. This year, we're marking 30 years of history of customer advocacy and telecommunications both through the CTN and now ACCAN. Over these years, both of our organisations have, of course, undergone very significant change in shape, in size and in style. And while much has changed, however, some of the fundamentals remain the same, a shared understanding of the critical importance of telecommunications, the huge desire of Australians to be connected and the social good that connectivity can create in our communities. And whilst we have both broadly shared this view over the years, our organisations, of course, have obviously come at it from very different perspectives. There have been times and issues particularly in the early days where we didn't see eye to eye, however, I believe in recent times we've worked closely and constructively together to ensure customer issues remain front in mind and I hope you feel that, too. It's against this background of this long and shared history that I wanted to comment on three things this morning. Firstly, I want to look at how the needs of Australians telecommunications customers have changed over the last 30 years. Customer expectations have understandably evolved in conjunction with the rapid innovation across our sector. What constitutes good customer service today is very different to that which was available 30 years ago. Secondly, I want to look at how these changing customer needs and expectations are reshaping Telstra. The Telstra we're endeavouring to create today would be unrecognisable for our customers only five years ago, let alone 30 years ago. We're yet to complete this journey and we have more to do, but we are committed to do so. Finally, I want to look forward and offer some thoughts on why our relationship with ACCAN is so important and highlight some of the challenges I believe that we jointly face. None of us have a crystal ball and the future is unknown, but I'm convinced that our relationship while already strong, will become even more important in the future. So, let me start with how customer needs and expectations have changed over the past three decades. Back when our now vibrant and intensity-competitive telecommunications sector was only just starting to flourish in the late 1890s the needs and expectations of customers were fundamentally different to that which they are today. Indeed, the whole nature of telecommunication services was in a different paradigm. I think it's fair to say the bar for what constituted good service was comparatively low, as indeed it was in many sectors. The number of service offerings available were few and for many customers provided you were able to pick up your phone at home and get a dial tone you were more or less happy. However, by the time ACCAN was founded in 2009, customers had an entirely different idea of what good looked like. A dial tone of rudimentary dial-up Internet access certainly no longer cut it and quite reasonably so. Those rising expectations translated into a huge spike in the number of complaints as customers expressed their growing dissatisfaction and satisfaction with the services they were getting from providers. In 2009, the telecommunication industry ombudsman received 230,000 complaints. That was a staggering 54 per cent increase on the year before. Mobile complaints for that year more than doubled, overtaking complaints about landlines for the first time in history and providing a glimpse into how mobility and connectivity were about to change our lives. The causes of those complaints were many and varied but, of course, not unfamiliar. Failures in service, failures in billing, failures in communication. The overall message was loud and clear, as an industry we were fundamentally failing our customers. As we moved into the 20-teens another issue emerged as a leading cause of customer complaints -bill shock. The advent of the first Smartphones along with complex pricing structures and charges for premium services and data use meant customers had little or no idea of the costs or charges they were signing up for. Little idea that was, of course, until their bill arrived. Ten years on, and I believe it's becoming a different story. Recently, the Telecommunications Industry Ombudsman described consumer complaints as "having turned a corner". In fact, whilst the number of customers and services continues to rise, the number of industry complaints this year was actually lower than it was a decade ago. Whilst we still have a very long way to go as an industry, that is no small achievement. So, let me turn now to how Telstra is endeavouring to play its role in this and supporting the industry in turning a corner on customer service and experience. Launched in June of last year, our strategy which we call T22, is built around the core idea of radically simplifying our products and services, delivering them on new digital technology and removing as many customer pain points as we K it's about improving the experience for our customers and our people, reducing costs and restructuring the business to maximise the value of our assets. What makes this possible for Telstra is a multi-billion dollar investment program that we commenced in 2016 to digitalise and automate our IT systems and deliver the networks of the future, including laying the foundation for 5G. In 2018, we had over 1,800 plans for our consumer and small business customers. Each of these had its own complexities, its own unique service charges and its own unique plan rules. In June of this year, we made good on our promise to reduce this complexity and today instead of 1,800 new plans for new services we have just 20. This year, Telstra also became the first major telecommunications company in Australia to introduce no lock-in plans across both fixed and mobile services. Also, pain points such as excess mobile data usage, the dreaded bill shock also is now a thing of the past across all of our new domestic services. And more than 820,000 customers are already enjoying these plans. We also launched the idea of build your own mobile plans. These give our customers freedom and flexibility. They can add their choice of a range of Internet options, add-on, BYO mobile plans, pick from an extended range of accessories and devices, with no upfront charges and add innovative technology solutions such as Smart Home on to their core mobile or home plans. The important point being, though, that customers only take and pay for the services that they want. We've also introduced Australia's fastest growing loyalty program Telstra Plus with more than 800,000 customers already signed up in less than 6 months, because ultimately, we want our customers to stay with us, because we provide great value and reward, not because they are contracted to. For our business customers, we're working towards providing modular curated self-service and simplified products as well. Our support for small business customers now includes no excess data charges in Australia on new mobile plans and a host of dedicated support services, including 24-7 tech support and dedicated technology business centres. Simpler products and services and processes and more ways for customers to self-serve have helped reduce the requirement for our customers to call our consumer and small business call centres. In 2019, we received nearly 7.7 million or 22 per cent fewer calls than we did in 2018. Also calls to our enterprise customers call centres fell by 9 per cent over the year. However, this is just the beginning of what we have planned in terms of our product experience and improvements for our customers, as we move into the second year of our 3-year program for T22. By the end of this financial year, we plan to have moved 3 million customers on to these new plans. In the next 12 months we will also migrate further to the new digital systems that we have been building where customers can expect simplified billing, digital services and real-time delivery and appointment updates among other improvements. We've come a long way since 2009, when ACCAN was formed in the face of a groundswell of customer dissatisfaction. Whilst we've come a long way, we have not lost sight of the special responsibility that we also have to our customers, including customers facing disadvantage and those living with disability. To achieve this, we depend on working closely with key partners, particularly ACCAN. In the final part of my remarks today, therefore, I would like to make some comments on why I expect our relationship will evolve as our industry continues to undergo change. Earlier this year, we launched a Telstra's new purpose, the purpose is the why in what companies do. The reason we do what we do. For Telstra, it gives our work and more importantly, our people, meaning and it guides our strategy and future direction. Ultimately, we believe that it's people who give purpose to our technology and that is why we're committed to staying close to our customers and providing them the best experience, delivering the best technology on the best network, because ultimately our purpose is to build a connected future so everyone can thrive. Now, it's the word "everyone" in our purpose statement that is very powerful and important and it's a very deliberate part of our statement which we discussed for many days. It goes right to the heart of the fact that as an organisation, we are alive to the need to hold ourselves accountable to deliver the opportunities connectivity creates for the whole of our community. Our purpose is especially important at a time when 5G is launching another other key technologies are converging or maturing. Cloud, machine learning or artificial intelligence, edge compute and software define networks are all driving change on a scale so profound that many are calling this the fourth industrial revolution. And as we move into the 2020s from which we're only 4 months away, it is a combination of these technologies that is going to propel the world forward in automation and robotics. Autonomous cars and trucks will ply our roads; driverless tractors, augmented and virtual reality will be commonplace. Robotic surgery will bring world-class health care to even remote parts of our communities. Customer experiences along with economic and productivity gains will be extraordinary. While many of us feel like we're in a world of incredible change, the reality is we are rapidly approaching a tidal wave of technology innovation where the rate of change will never be as slow again as it is today. A consequence of these incredible advancements is that it will become increasingly more difficult for people to function in the modern world without connectivity. Indeed, arguably, it already is. That is why the word "everyone" in our purpose and the responsibility that sits behind it is brought into sharp focus when you consider the number of Australians who are doing without connectivity today that most of us take for granted. As we at Telstra seek to move away from paper bills to simplify our customer experience, it is sobering to consider there are 800,000 Australians who do not have an email address. As we seek to offer more digital products and services for the extraordinary experiences they enable, it is sobering to consider that around 1.3 million Australian households are not connected to the Internet and many that are can ill-afford the cost and as we seek to lead the market by rolling out 5G network it is sobering to consider one in ten Australians have no Smartphone at all. What do I think, therefore, when I consider these challenges in light of our purpose? I think that we will only be successful at Telstra as a company whether that be commercially, culturally or by reputation when we can make sure the benefits of today's modern telecommunications are there for everyone. That will require significant focus, ongoing investment, partnerships with forward-thinking organisations across government, education, industry and of course community and consumer groups such as ACCAN. Advances in communications technology have created a situation where for the first time there is a direct link between access to telecommunication services, social and economic participation and social economic disadvantage. It is often the case in periods of rapid change, particularly technological change that those that are left behind are the communities and the individuals that can least afford to be. For the last four years, we have been providing a rich source of data on exactly this topic for the industry and for policymakers. The latest addition of the Telstra Digital Inclusion Index will be made public next week. This report measures the availability of connectivity, the affordability of connectivity and the digital skills that Australians need to take full advantage of that connectivity and the technology that it provides. The report considers these dimensions across different cohorts within our society, including gender, Indigenous, ethnicity, income, regional, remote and Metro. Now, I do not want to pre-empt next week's announcement of the latest results of this research but suffice to say it continues to show that across the nation, digital inclusion follows some clear economic and social thought lines. The bottom line is and remains that Australians with low levels of income, education and employment are significantly less digitally included. There is substantial gap between richer and poor Australians and finally, the digital divide is particularly acute in regional and remote areas. The broad point is that too many Australians and particularly regional and low-income Australians are simply missing out on the opportunities of the digital age. As a community we must continue to recognise these divides and look to close them. The future is for everyone and we cannot have a situation where some Australians are missing out. It is for this reason our nbn pricing submission, as well as advocating for lower wholesale prices for all included a recommendation for a wholesale price specifically targeted to vulnerable and low income customers in need. And it is also for this reason that we continue to invest in a range of programs to build inclusion and digital literacy, where last year we provided face-to-face training to more than 36,000 people. We look forward to continuing to work with ACCAN and others to close these divides. Another important issue to make sure we are only providing customers the services that are best suited for their needs and those that they can afford. Responsible business is a key mentor at Telstra and many initiatives we are implementing today are aimed at ensuring we eliminate the risk of customers ending up with the wrong services. Eliminating contracts means that customers can switch plans on a monthly basis to suit their needs. Introducing no excess data charges across both fixed and mobile plans reduces the risk of bill shock, and new plan designs also allow customers to pick and pay for only the services that they want and changes to install processes are designed to ensure customers do not end up with unnecessary devices and accessories. Finally, there are also new challenges to consider. Whilst technology is bringing many new opportunities it is also introducing new threats and there are increasing issues in the areas of privacy. As regulators strengthen privacy and data protection laws around the world, we continue to bolster our already robust processes and operational guidelines to ensure that we comply with all relevant privacy regulations. This includes the notifiable data breach reporting, the general data protection regime and lawful information requests from government and agencies regarding interception. Protecting our customers personal information and networks from unauthorised access depends on a combination of technical solutions, security controls and internal processes. Those things change as the nature of the threat changes, but in the end, we know customers rightly expect that their data is handled with the utmost care and consideration. Another emerging issue and challenge is the increase in the number of scams targeting Australian consumers. In many ways it feels like Whac-A-Mole -you thwart one scam and another pops up. Many involve a customer getting a call from an overseas country that dials once and hangs up. I get them all the time. If the customer calls back, they are unwittingly dialling into a premium number and will incur significant call costs and the profits, of course, go directly to the scammers. This year alone this type of activity is expected to defraud more than 500 million dollars away from Australian consumers and there's nothing isolated about these scams either. In July alone at Telstra, we blocked 2.9 million scam calls and yet they still come. I cannot disclose everything that we're doing or the measures and countermeasures we're employing in the fight against scammers for obvious reasons. What I can say, however, is they include working with the ACCC to check our calling records against their complaint data to identify scams and begin to trace the origins of the calls. It also includes preventing any of our customers spoofing other customers numbers, another key prevention measure. We're also working with other carriers to identify the origins of calls and whilst we have had some success here there is still more to be done and an industry-wide solution would be helpful. We continue to work closely with the ACCC and ACMA. This is an industry issue of broad community concern and we need industry, government and regulators to work together to address it. For all of this, though, perhaps the most effective response is informed and empowered customers. Customers that are alive to the risks are a major part of the response and in developing this, we would welcome the opportunity to work closely with ACCAN to explore ways to build and broaden community awareness of this insidious practice. I've covered a lot of ground this morning so let me conclude. As we mark 30 years of customer advocacy, first through CTN and then ACCAN, it is impossible not to think about the next 30 years. The next 30 years will see a revolution built on connectivity, on rapidly changing digitally enabled customer experiences and expectations and a complete overhaul in the way companies like Telstra go to market with their products and services. Through all of this, it is important that Telstra continues to carry a special responsibility that could be summarised as building a connected future so everyone can thrive. It's a responsibility we take incredibly seriously. I acknowledge that we do not always get it right and we, like everyone here, is on a journey together. What I can say, though, is that everybody at Telstra is 100 per cent committed to delivering on this vision. Thank you for the long partnership and we look forward to working with you closely in the exciting years ahead. Thank you. (APPLAUSE)

JULIE McCROSSIN: Thank you very much. Would anyone like to ask a question or make a comment?

>> Ian Binnie, former Telstra engineer and executive. In my time at Telstra, I spent a lot of time working on looking at network robustness and the recent outages in the Emergency Services where a single point of failure caused the Emergency Services to go down would have been totally unthinkable in those days. Where you had not just duplicated but quadruple back-ups.

ANDREW PENN: It wasn't a single point that caused the event, there were a number of events that happened at the same time, but it caused us to absolutely look our resilience and our redundancy and back-up and make further changes and improvements. I think one of the things that it demonstrates to all of us is just how important connectivity is today and as an engineer you would also appreciate how challenging it is to give effectively a guaranteed resiliency and redundancy, because even with the best will in the world there are certain things that happen that are completely outside of your control and you can actually design redundancy in every single circumstance. In the circumstance you are talking about, there were multiple things that actually happened in terms of software failures. There was a fire occurrence which was the original thing that created a fibre cut. Another failure of a card in another part of the network which happened basically all at the same time to cause that particular event. As I say, as a consequence we've invested heavily in continuing to improve resiliency and redundancy. It also actually gave us the opportunity to do a thorough review with all of the emergency response services, because of course, the availability of E000 and connectivity is part of that whole process and system and how all of the response agencies work together is an important element as well and there's been a number of recommendations for improvements coming out of that, too. But I do take your point and I think it's incredibly important we continue to do everything that we possibly can to support E000.

>> Malcolm Moore, another engineer ex-Telstra. I'm also concerned about the network robustness. The issue is that most of the network -the golden boomerang Sydney, Melbourne, Adelaide, Brisbane -what really concerns me is the regional and remote areas. You need to have in the future, if you take out Sydney or Melbourne or Newcastle or Canberra, the whole network will go down. We need to have an inland back structure that probably runs from something like Ballarat up to Mount Isa with spurs going towards the cities on the coast so that you've got this grid as opposed to what you've got now and that would provide the future that Telstra needs for Australia and if you have regional main switches instead of just Sydney, Melbourne, civic it may make a huge difference for Australia's future.

ANDREW PENN: I think it's a very important observation. In fact, one of the things historically that's been the case is the way in which telecommunication networks have been built is very much in these large pillars and large centres which have been the hubs for then broadcasting the communication around the country, where as the sort of more contemporary approach which is exactly what you're talking about is on a much more distributed basis. I mean the reality is that networks are complex arrangements of physical assets and increasing, of course, software assets as well and they are subject to damage. We had an incident in Broome about 100 kilometres east of Port Hedland three weeks ago where a farmer dug up fire on a spur and literally it's very remote so you don't necessarily have a separate spur, in the same way you don't necessarily have two roads going to the one place when one gets taken out by a flood. Increasingly, we are distributing the coverage. The other thing that's coming around is, of course, new technologies that also potentially offer emergency back-up solutions, as well. So, as we on the one hand continue to extend our mobile coverage by about 100,000 square kilometres per annum, there's also new technologies in satellite which are providing solutions as well as some broadband solutions.

JULIE McCROSSIN: I wish I could keep going through the Telstra engineers who are with us today -will I take one more question?

ANDREW PENN: Of course.

JULIE McCROSSIN: When the hand goes up, I have trouble not responding.

>> It's Jennifer Duke from the 'Herald'. Thank you for your speech this morning. I was wondering whether you thought the TPG Vodafone merger would create more competition for consumers or not?

ANDREW PENN: I don't comment on my competitors and I think particularly as this is the subject of a court matter at the moment, it would be particularly inappropriate for me to comment on it. I acknowledge your question, but I'll decline to comment if that's okay today.

JULIE McCROSSIN: I'm sorry to the other questioners, I need to move on. Can I ask you to thank Andrew for his presentation and fearless leader is just going to make a presentation to you.

TERESA CORBIN: Those of you here yesterday will know that we're acknowledging some industry champions as a result of our 10-year celebration, so Deidre our chair wants to provide you with the award of the digital inclusion champion and this is to acknowledge the work done with the Australian Digital Inclusion Index, but also the amazing work that you do to reduce inequality with access communication, in InDigMOB, there's an enormous list Tech Savvy Seniors and we want to encourage more of that, because we really like it.

JULIE McCROSSIN: Can you make funny faces? Squish in guys. You need unnatural intimacy, if you can squash in even closer. This is a key CEO skill. Thank you very much. Could you give another round of (APPLAUSE) to the inclusion team and our CEO? (APPLAUSE)