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Good afternoon everyone and thank you Grahame [*Lynch, CommsDay CEO*] for having me here.

Today I'd like to speak to you about three things:

First, how digitisation is driving data demand to a greater degree than I've ever seen in my two decades in this industry, with the COVID pandemic being a key driver.

Second, this massive increase in demand has created a 'Pandemic Paradox' for telcos – because this surge in bandwidth hasn't necessarily translated into a surge in revenues.

And finally, how Vocus is making the most significant investments in in our company's history to massively increase the capacity and reach of our network infrastructure, to meet demand for years to come.

So, let's begin with how digitisation is driving data demand.

This Saturday marks two years to the day since Australia closed its borders to international travellers on the 19th of March 2020.

And looking back, that announcement was a tipping point for the COVID outbreak in Australia.

It was the moment we went from watching the news about COVID in China, Italy, and Iran, and started experiencing it first-hand here in Australia.

It's hard to imagine that moment was just two years ago, because in my 20-plus-years working in the media and telecommunications industry I have never seen such rapid change as I have over the past 24 months.

In the weeks that followed that first wave of COVID lockdowns, we processed service changes for hundreds upon hundreds of customers.

We worked off verbal requests and ensured customers got what they needed before they had filed any paperwork, which we later followed up after the services were online.

Service delivery timeframes were reduced from weeks to days, sometimes even minutes.

We saw the customers make the switch from other providers because we were able to deliver the bandwidth they needed when their entire workforce shifted to working-from-home overnight.

Those first few weeks provided a snapshot of how customer expectations had changed instantly, and the past two years have been a continuation of that story.

Prior to the COVID outbreak we were already seeing a trend in major enterprise and government customers investing heavily in digitisation. That trend has accelerated rapidly over the past two years, driving up demand for data connectivity as a result.

In a recent survey conducted by Gartner, almost two-thirds of Board Directors said they had altered the overall economic structure of their operations to a more digital architecture.

And of that number, close to two-thirds had increased their digital focus with the key goal of improving customer loyalty¹.

¹ Gartner Roadmap to Renewal: Insights From the 2022 Board of Directors Survey

That same survey found the top strategic business priority identified by Board Directors was digital technology initiatives.

Looking back at that immediate boom in data demand, it would have been easy to think that COVID would provide a surge in revenues for telcos – but this hasn't necessarily been the case.

Which brings me to my second point: the past two years have created what I call a "Pandemic Paradox" for many telcos.

The rapid uptake of digitisation and the increase in data demand hasn't directly translated into increased revenues for some operators.

Rather, it put a blowtorch to telcos that had lost focus on the things that really mattered to their customers.

Having lots of fibre in the ground or plenty of capacity on your network wasn't enough to solve customers' problems.

What we did see throughout that boom in bandwidth demand was the growth of other players in the ecosystem – hyperscalers, cloud service providers, Over The Top players, Systems Integrators and the like – capitalising on the digitisation surge while many telcos were caught flat-footed.

Customers didn't only need more bandwidth when the pandemic hit.

They needed their telco provider to move fast – faster than most were capable of, or thought they needed to be.

I remember Andrew Wildblood taking a call from one customer soon after the initial outbreak, who urgently needed additional services when his other provider told him he'd be waiting for six months.

In the time it took Andrew to make a couple of phone calls, we had the services up and running. It wasn't just the bandwidth they needed, they needed it now.

We also quickly learned that customers needed a frictionless digital experience to get that fast access.

Old bureaucratic processes – which were always cumbersome and annoying – suddenly became deal-breakers for customers who couldn't afford to wait.

This period also revealed a much stronger expectation on asset owners around security and resilience of infrastructure.

Bandwidth alone isn't enough when customers expect networks that can survive floods, fires, and even – as we've seen recently – war.

The terrible outbreak of war in Ukraine has provided a stark reminder that the networks we operate really are critical infrastructure.

We saw how telecoms infrastructure was one of the first things targeted when hostilities commenced.

We also saw Starlink rapidly deploy the equipment required to get Ukrainians back online using Low Earth Orbit satellites, which couldn't be targeted like mobile towers or cables.

So while bandwidth is important, security and resilience of infrastructure are critical.

And an important thing that many of us tend to forget at a technology-focussed conference – telcos needed good people to make all of this happen.

The reality is that telecoms is an aging industry, and we're competing for talent against companies like Google, Amazon and Facebook.

Having the best people is as much of a challenge as having the best network and the best processes in this new environment.

The 'Pandemic Paradox' – where telcos weren't able to capitalise on surging demand for bandwidth – continues to play out today.

A Gartner report on Cloud and Edge services from December last year predicted that by 2023, more than 70% of enterprise network traffic will shift from private MPLS networks to connectivity with cloud service providers – up from 30% today.²

The report went on to say that “Enterprises are buying more networking services from a wide array of non-[telco] players for cloud connectivity”, and that those players “are primarily cloud-based providers.”

I’m happy to say that Vocus was not a victim of the Pandemic Paradox.

Our business continued to grow because we sharpened our focus on where we had a right to play: high-capacity data networks with the right security, the right products, and the right people to deliver what our customers needed.

And this brings me to my third point: While for some operators the pandemic created a paradox, for Vocus it created a platform – a platform to invest in the fibre infrastructure and services to meet demand for many years to come.

So let me talk to you about our investment plans.

TeleGeography is forecasting international data traffic growth between 30 to 40% per annum.

And around the globe, the highest forecast annual growth is expected to occur right here in our region – with Asia and Oceania expected to see 43% annual growth each year over the next five years.

This surge in bandwidth demand has fired the starting gun in a race to make generational investments in fibre infrastructure around Australia.

² Gartner Cloud Creates New Opportunities in Composable Connectivity and Edge-Based Services, 10/12/21

And Vocus has a solid head-start in this race.

Vocus already operates Australia's second-largest fibre infrastructure asset: more than 19,000 kilometres of high-capacity, highly-secure intercapital and regional fibre.

On top of this, we own and operate the 4,600 kilometre Australia-Singapore Cable with 60 Terabits of capacity between Perth, Jakarta and Singapore; and the 2,100 kilometre North West Cable System from Darwin to Port Hedland.

So while we've already got a head start in the rollout race, there's much, much more to come.

Vocus has now commenced two of the largest infrastructure projects in our history – and in the years ahead, we will add more capacity to our existing network than ever before.

At last year's CommsDay Summit, our chief operating officer Ellie Sweeney announced Project Horizon: a new 2,000km fibre line from Perth to Port Hedland via the Pilbara.

This will be the first competitive fibre backbone connection through Australia's largest mining and resources region, and will close the final gap to complete a 'figure-8' ring in Vocus' national network.

Soon after that announcement, Vocus was acquired by a consortium of Macquarie Asset Management and Aware Super, which provides an entirely new platform for investment in our network.

Macquarie and Aware were clear when they made their bid for Vocus that they see us as an infrastructure asset – and they share our vision for investing in fibre to meet that market demand.

Within weeks of de-listing from the ASX, we announced the second major project: the Darwin-Jakarta-Singapore Cable, the final link of a \$500 million system of cables connecting Darwin, Port Hedland and Perth to South-East Asia.

This \$100 million investment will establish a new 1,000 kilometre submarine connection from the North West Cable System in Port Hedland to the Australia Singapore Cable in the Indian Ocean – unlocking Darwin as a major new data hub for the Asia-Pacific, and opening up the Pilbara to low-latency connectivity into Singapore.

On top of these two major projects, our generational investment in upgrading capacity on our existing fibre infrastructure is already well underway.

Late last year we completed the ‘Terabit Territory’ project: a 25-times increase in capacity on our fibre backbone from Darwin to Adelaide, Brisbane and Townsville.

Terabit Territory has seen these fibre routes upgraded from 10 Gigabit to 200 Gigabit technology – with a clear upgrade path to double this capacity again to 400 Gigabits in the near future.

And we are in the final stages of our first wave of major backbone upgrades.

Starting in FY22 we are:

- Delivering 20-times more capacity on our Sydney to Brisbane regional fibre routes, offering 100Gig services
- Delivering 5-times more capacity on our Sydney-Melbourne-Adelaide intercapital fibre routes, offering 400Gig services
- Commissioning an additional 4 Terabits of capacity on our Australia Singapore Cable

And it’s not only our regional and intercapital routes being upgraded. We’ve already massively upgraded capacity on our Sydney and Melbourne metro lit fibre capacity, with Perth next on this list to be completed by the end of FY22.

And the next two years will see Vocus invest in staggering amounts of new capacity to our national network.

By the end of FY23, we plan to have:

- Completed Project Horizon with capacity starting at 38 Terabits per fibre pair.
- This will provide another layer of redundancy as well as geographically diverse backhaul out of Darwin.
- We'll have completed the submarine connection from Port Hedland to ASC, the final link in the Darwin-Jakarta-Singapore Cable system.
- This will add yet another network ring for additional redundancy in Australia's North-West.
- We'll have delivered 8-times more capacity from Perth to Geraldton, offering 100Gig services
- We'll have delivered over 13-times more capacity on our Inland Sydney to Melbourne regional fibre route, offering 100Gig services

And by the end of FY24, we will have:

- Doubled the capacity on our Adelaide to Perth fibre, offering 400Gig services
- Quadrupled capacity on our Sydney to Brisbane intercapital fibre, offering 400Gig services
- Delivered over 13-times more capacity on our Melbourne to Adelaide regional fibre, offering 100Gig services
- Significantly uplifted our Sydney to Melbourne Coastal regional fibre, offering 100Gig services.

Vocus is investing in our network to make 400Gig services the new normal on our intercapital fibre – up from 10 and 100Gig – and 100Gig services the new normal on our regional fibre – up from 1 and 10 Gig.

But as I mentioned in my previous section about the 'Pandemic Paradox', we aren't just investing in more bandwidth.

We're investing in ensuring our network continues to meet the highest security standards in the industry.

Earlier in my speech I touched on how customers have increasing expectations around security and resilience of their networks.

They need a provider who keeps them online through fires, floods, and even war.

Building networks to meet these expectations takes more than just building more bandwidth.

Geopolitical risk is a factor for more and more customers as they assess their network requirements, both in Australia and globally.

In the current environment of heightened geopolitical instability, Australia is increasingly seen as a safe route for international data.

Vocus is unique in that we own and operate our own submarine cable from Singapore to Jakarta and onto Perth, allowing us to carry traffic on our own network from South East Asia onto all Australian capitals.

From Sydney, this traffic can then be carried on a number of international cables on to Guam, Hawaii, and the US.

We call it the 'Great Australian route', and this demand for a secure route is another key reason we're investing in our fibre infrastructure.

Once we've completed Project Horizon and the new submarine link from Port Hedland to the Australia Singapore Cable, we will have established two new international landing points in Australia connected directly to our national backbone.

With TeleGeography predicting 43% annual growth in data traffic in the Asia/Oceania region over the next five years, Australia has a great opportunity to provide a safe route for secure data.

Darwin and Port Hedland will have a direct route to Jakarta and Singapore, and when combined with Project Horizon this will establish two new fibre rings – one offshore and one terrestrial – for even greater security and redundancy.

There's another key trend driving our fibre investments closely connected to network resilience: Vocus aims to be the leading infrastructure partner for LEO Satellite operators in Australia.

LEO Satellites are game-changers, not only when it comes to reaching new geographic areas, but also for providing fast and reliable connectivity when it is desperately needed.

We've seen how Starlink could rapidly deliver connectivity in Ukraine when terrestrial networks were deliberately targeted in war.

We've also seen how Starlink was able to rapidly mobilise to deliver connectivity to Tonga after it was hit by a volcanic eruption and tsunami.

Late last year Vocus signed an agreement with OneWeb to become their first distribution partner in Australia.

Behind the scenes we're hard at work with a number of LEO and MEO players who are moving rapidly to turn on services in the Australian market.

While LEO satellites offer amazing broadband speeds thanks to new technology in the sky, this is only made possible by appropriately scaled backhaul on the ground.

A typical LEO satellite's coverage and capacity is determined by access to high backhaul – meaning in a country as vast as Australia, there will be a requirement for a great number of ground stations with high-capacity fibre backhaul to support these constellations.

Vocus has deployed more LEO ground infrastructure than any other telco in Australia today, and we're investing in more capacity in our

network to support the huge demand for bandwidth that LEOs will require.

And this brings me to another key driver for investing in our network – the increasing prominence of Edge datacentres.

Like LEO infrastructure, Edge Datacentres will be dependent on high-capacity fibre in regional areas.

Since we upgraded our fibre capacity into Darwin and announced the Darwin-Jakarta-Singapore Cable, we've already seen NextDC announce plans to establish a datacentre there.

Other datacentre operators have also announced similar plans.

We're making 100 Gig services the new normal on our regional routes, and that generational upgrade to our fibre backbone is going to enable even more Edge datacentre operators to compete.

I've spent a lot of time talking about how we're investing in adding capacity on our network, but we're also investing in the products that will bring this new capacity to life.

Our network is a dynamic asset – not only in the abundance of bandwidth, but how it is served, how it is secured, and how it is consumed.

We're now delivering the first products on our 'Future State' technology stack, delivering a seamless digital experience for our customers and automating key network functions.

We're enabling customers and partners to transact with our products the way they want to.

We're adding more products to our SD-WAN portfolio, more apps to make it easier to connect to Cloud Services, and more products on our specialised secure network that we call VAS, for Vocus Advanced Services.

Over the next two years we'll add more and more products to our Future State technology stack, making it easier than ever for customers to access services through a seamless digital portal that gives them complete control over what they buy, and how they buy it.

Bandwidth will be on demand. Service features can be switched on and off. Service provision will be automated. APIs will make integration easy.

The Future State platform will consolidate and simplify our networks, enable best-in-breed solutions from an ecosystem of leading partners, and provide a true end-to-end digital experience for our customers.

Vocus has a long history as a pioneer, as a nation-builder, and as a challenger.

Over the past two years we've seen announcements of more national fibre infrastructure projects than at any other point in the past two decades.

what others have promised, we are already delivering.

Where others are making announcements, we are making investments.

Because the great fibre rollout race is on – and Vocus is well and truly in the lead.

And over the next two years, we will have delivered more capacity on our existing fibre network than at any point in our history – and there's still plenty more to come.

So I'll conclude by recapping that COVID has led to an era of unprecedented bandwidth demand.

But this has also created a 'Pandemic Paradox', where growing demand hasn't necessarily led to growing revenues for operators because of changing customer needs.

And for Vocus, the increase in demand has led us to make generational investments in our infrastructure and our products.

Vocus has a solid head start, and will continue to make investments to meet the increasing demand.

Thank you, and I thank CommsDay again for bringing this wonderful industry together again for this important conference.