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The last mile is solved.

Australia's opportunity is now to lead in society-wide digital infrastructure.

Good morning, and thank you to Grahame Lynch and the Commsday team for putting together another excellent Commsday Summit.

Both the Australian telco industry, and Australia itself are going through a significant transformation right now.

Five years ago, digital transformation was an aspiration. Today, it's survival. The question isn't whether businesses will digitise – it's whether they'll exist if they don't.

This shift has profound implications. Connectivity no longer just links people. It's the foundation of how we function as an economy and society.

Australia presents a fascinating paradox. We're a continent the size of the United States with a population smaller than Shanghai. Much of our money comes from extracting resources from the ground but we also identify as a nation of tech early adopters.

We demand metro quality connectivity even in the most remote parts of Australia, and complain loudly if we don't get it.

And we should – the industries that operate in our regions, mining and agriculture, which contribute so significantly to our national GDP are also in some of the most remote areas.

Australia opted to build the NBN to fix a market failure in broadband. However, over the past decade, the technology industry has undergone a massive change of landscape.

Our neighbours such as Singapore and Indonesia have recognised that broad digital infrastructure – not just last mile – determines economic relevance and have been building a competitive market environment.

They have attracted massive global technology investment.

Today, Singapore's digital economy contributes over 17 per cent of GDP. Technology employment has increased 23%.

Singapore has become indispensable to global data flows despite having no particular natural advantages beyond good policy and strategic vision.

Their approach was deliberate and strategic. They didn't just build infrastructure – they created an ecosystem.

Tax incentives for data centres. Streamlined approvals for submarine cables. Investment in digital skills.

The result? Singapore processes more data than countries ten times its size.

Indonesia presents an equally compelling story.

They've set an ambitious target to lift their GDP growth rate from 5% annually to 8% by 2045, aiming to rise from the 16th to the 5th largest economy globally.

To achieve this transformation, Indonesia is actively courting foreign direct investment and restructuring government departments to become more investment friendly.

This year, they launched Danantara – a sovereign wealth fund similar to Singapore's Temasek.

With total assets under management of \$900 billion, Danantara will consolidate key state enterprises including Telkom Indonesia.

The fund has earmarked \$20 billion for strategic investments in digital infrastructure, AI development, and telecommunications.

When a nation of 270 million people commits to digital transformation at this scale, the region takes notice.

Australia has the same or better fundamentals – ample space, abundant renewable energy, strong institutions, deep capital markets. But we lack a coherent national strategy to leverage these advantages.

The delayering challenge

Meanwhile, we're witnessing the great delayering of the traditional telco business model at a time when the country needs infrastructure investment more than ever before.

For decades, telcos operated as vertically integrated utilities. We built networks, signed up customers, delivered services, and captured value across the entire chain.

Today, the industry is peeling apart with everyone getting a thinner slice of the pie.

Infrastructure providers like us focus on coverage, capacity and resilience. Service providers compete on price and service quality. But it's over-the-top applications that people interact directly with and value the most.

Consider voice services. Once our industry's foundation revenue stream, they've been replaced by WhatsApp, Teams, and Zoom. Now unlimited telephony is table stakes for telcos. These over-the-top providers captured the value while we maintain the infrastructure.

But let me be clear about our position on this evolution.

We're enthusiastic partners of hyperscalers and OTT providers, not adversaries.

The more customers consume services from over the top providers, the more they need our data carriage services. They pay us for that consumption.

The OTTs themselves are pushing vast quantities of data around. They're some of our largest and most valued customers. We actively collaborate with these global players.

Our partnership with Google on the Australia Connect and Pacific Connect cable systems demonstrates this – one of the world's longest submarine cables connecting the US and Asia via multiple Australian landings.

Hyperscalers are building where economics justify it, and we welcome that investment. It strengthens Australia's connectivity and creates opportunities for partnership.

When Amazon Web Services opens a new availability zone, when Microsoft expands Azure capacity – these investments validate our market and create demand for the connectivity we provide.

However, at the macro level, the economics face new pressures.

As connectivity becomes integral to society, customers expect flawless network reliability.

Building that high quality, robust infrastructure requires serious engineering and heavy investment.

We're seeing revenue streams being peeled away from telcos. Enterprise networking shifts to software-defined alternatives.

Cloud providers build direct connections bypassing traditional networks.

This specialisation drives efficiency and innovation.

But it does fundamentally change how telcos can earn the revenue needed to invest in high-quality infrastructure, especially in remote areas that aren't commercially attractive.

The regulatory reality

Adding to this challenge is an increasingly complex regulatory environment. We're not complaining – this is our reality and we're ready to meet it.

The Security of Critical Infrastructure Act (SOCIA) represents necessary evolution in protecting national assets. We support these measures wholeheartedly. But let's acknowledge what this means practically.

Permitting to install infrastructure has become significantly more complex. Where we once could deploy fibre with council approvals, now state and federal agencies are involved; security implications have to be assessed. A process that once took three to six months can now take eighteen.

Compliance requirements have multiplied exponentially. We need dedicated security teams, regular audits, extensive documentation, background checks and clearances for personnel. Supply chain verification. Incident reporting protocols.

What we can and can't do with critical infrastructure is heavily prescribed – for good reason, but with real operational impacts.

These aren't bad things in themselves. They reflect the critical nature of what we build and operate.

When a single fibre cut can disrupt hospitals and banks across entire regions, strong security measures are essential.

However, there are more expectations on infrastructure providers than ever before.

Compliance costs have increased dramatically – often adding 20-30% to project costs. Decision timelines have extended. Security clearances can take months.

This is precisely why investment needs to be worthwhile. The business case must stack up not just for the infrastructure itself, but for the entire compliance framework around it.

When deploying a new route takes twice as long due to regulatory requirements, the returns must justify the complexity.

The investment imperative

Against this backdrop, Australia faces critical decisions about its digital future. The infrastructure we need won't build itself, and the investment required is massive.

Globally, the International Telecommunications Union has estimated that 1.6 trillion US dollars are required to build the necessary infrastructure to deliver a 100 percent connected world by 2030. This means Australia will still need tens of billions in underpinning telecommunications investment over the next decade to maintain our competitiveness.

The scale is staggering. A single intercity fibre route costs hundreds of millions. A submarine cable project potentially requires billions.

Data centres demand ongoing investment in power infrastructure. A hyperscale facility can cost \$1 billion and require 100 megawatts of power. 5G networks need thousands of new sites, each costing hundreds of thousands.

The demand accelerates with emerging technologies. AI workloads require unprecedented bandwidth between data centres. Edge computing pushes infrastructure closer to users. Quantum computing will break current security models and demand entirely new levels of security complexity.

Yet revenue growth in telecommunications lags well behind traffic growth. Data consumption doubles every two to three years, but revenues grow in single digits.

This investment gap has real consequences. Businesses locate where digital infrastructure enables their ambitions.

If we don't build it, they **won't** come.

Singapore understood this early. They transformed from consumer to producer of digital services through deliberate policy choices. Today, they host regional headquarters for major technology companies, hyperscale data centres, and critical submarine cable infrastructure.

Vocus is not leaving this opportunity on the table. Together with the Northern Territory government, we're establishing Darwin as a data hub for Asia, within 50 milliseconds of 600 million people. As a nation of 29 million people, that's a huge potential market.

Building tomorrow's backbone

Our recent agreement to acquire TPG's enterprise, government and wholesale business and fibre assets – still subject to regulatory approval – for \$5.25 billion represents more than a transaction. It's a huge investment in Australia's digital potential.

This acquisition will create one of Australia's largest telecommunications providers, positioning us as a leading critical infrastructure provider at national scale. The combined entity will operate over 50,000 kilometres of fibre infrastructure and employ more than 2,000 skilled professionals.

Project Horizon, our upcoming 2000-kilometre cable system from Perth to Port Hedland, exemplifies this ambition. It's creating a new digital backbone for Western Australia, providing metro-grade connectivity to industries that power our economy.

Port Hedland alone handles 500 million tonnes of iron ore annually – more than any other port globally. This translates to regional export revenues approaching \$200 billion. But until now, this economic powerhouse has relied on ageing connectivity infrastructure.

Our partnership with Google on submarine cables demonstrates another dimension.

The Australia Connect and Pacific Connect cable systems will provide diverse connectivity between Australia, the United States, and Asia. This isn't just about capacity – it's about ensuring Australia remains connected even if other cables fail.

Vocus has been investing more than \$1.5 billion in digital infrastructure across Australia and globally. This is active investment building the networks Australia urgently needs today.

We're not alone. Telstra has been building out its interstate network alongside ours. NEXTDC is developing metro grade data centres both in cities and regional areas. AirTrunk and Equinix are building new regional facilities. SUB.CO is deploying international cables. The private sector is stepping up.

But private investment alone can't close the gap. The economics don't support building into many areas Australia needs connected. The returns don't justify the resiliency and redundancy levels that critical infrastructure requires.

Beyond monopoly thinking

This brings us to public funding allocations. Since inception, NBN Co has played an important role in addressing the digital divide.

However, today's evolving technology landscape demands a different approach to encourage both private and public funding allocations.

The NBN was declared "built and fully operational" by then Minister Paul Fletcher in 2020.

Yet government funding continues flowing through direct equity injections, creating market distortions that discourage private investment and innovation.

Consider regional connectivity. Traditional models extend coverage outward from population centres, with costs escalating exponentially with distance.

Alternative approaches do exist. Combining wireless technologies, private mobile networks and modern LEO satellite connectivity could deliver better outcomes at lower cost.

Government funding should be contestable. The best solution for each challenge should win support, regardless of provider. This would drive innovation, improve efficiency, and stretch public investment further.

The regional blackspots program demonstrated what's possible with competitive funding. Multiple providers competed to deliver solutions. Innovation flourished. Coverage expanded. Communities gained connectivity through the most appropriate technology.

We're not seeking handouts. Vocus and others are investing billions of our own capital. But when public funds are available, they should be allocated through competitive processes that maximise outcomes.

The connectivity ecosystem

Modern digital infrastructure encompasses more than fibre. While fibre remains the medium delivering incredible scalability, tomorrow's connectivity ecosystem requires diverse technologies to reach every corner of the country.

Consider precision agriculture. Sensors monitoring soil moisture and tracking equipment require connectivity across vast properties.

Combining wireless sensors on private mobile networks with satellite backhaul provides cost-effective solutions that transform productivity.

Modern farms are data factories. Soil sensors report continuously. GPS-guided tractors log position data. Drones capture imaging.

Data drives decisions on planting, fertilising, and harvesting. Without connectivity, these vital data points remain stranded.

Mining operations similarly depend on connectivity. Autonomous vehicles. Remote operation centres. Real-time equipment monitoring. These technologies improve safety and efficiency dramatically, but only with robust connectivity infrastructure.

Australia positions itself as Asia's food bowl. Our agricultural exports feed hundreds of millions. Yet many farming regions lack connectivity to deploy modern agricultural technologies. This isn't just about farmer profitability – it's about national productivity and food security.

The sovereignty imperative

Which brings me to my last point. Australia is a small island nation. Our market size means we need international investment and technology. But our strategic position means we need appropriate control.

Our economic ambitions mean we can't afford to be isolationist, and yet we must be able to operate on our own footing.

The answer isn't digital protectionism. Closing our market would strand assets and ambitions.

But neither can we be naive about foreign control over critical infrastructure or geopolitical tensions threatening international infrastructure.

We need sophisticated approaches welcoming investment while ensuring Australian interests.

This might mean local partnership requirements for critical assets. Data localisation for sensitive applications. Diversity requirements ensuring no single provider controls essential services.

The recent global supply chain disruptions highlighted our vulnerabilities. When submarine cables are cut, entire nations can lose connectivity. When equipment comes from a single source, we're exposed to supply risks. When data is processed offshore, we lose control over sovereign information.

Telcos provide unique value. We hold carrier licences and have deep experience building locally. We serve public benefit obligations, covering regional areas and look after the long-term interest of end users.

We navigate the complexity of terrestrial builds. We maintain infrastructure through natural disasters, ensuring emergency services stay connected when communities need them most.

Three essential reforms

Transforming Australia's digital infrastructure requires three fundamental reforms.

First, regulatory modernisation. Our framework must recognise changed competitive dynamics, enable innovation, and focus on outcomes rather than prescriptive rules.

This means streamlining approval processes that currently add years to projects.

It means recognising carrier powers exist for good reason – enabling efficient network deployment.

It means updating regulations written for copper networks to accommodate fibre, wireless, satellite, and whatever comes next.

Second, competitive funding allocation. When public money supports infrastructure, it should flow to the best solutions regardless of provider.

Every dollar of public investment should face competitive tension, ensuring maximum benefit for Australian communities and businesses.

Open tenders should be the norm, not the exception. This isn't about favouring private over public providers – it's about ensuring the best outcome wins.

Third, national strategy. Australia needs a coherent vision for its digital future coordinating federal, state, and local initiatives.

It must align public and private investment toward common goals. It must create conditions where building in Australia makes commercial sense. It must recognise digital infrastructure enables every other sector and plan accordingly.

Most importantly, it must be bipartisan and survive political cycles.

The call to action

Here's where we stand: other nations are building their digital futures while we debate ours. Singapore transformed itself through strategic policy. Indonesia is mobilising sovereign wealth for digital infrastructure. South Korea achieved world-leading connectivity through competition. The European Union invests through contestable funding models.

Australia has better fundamentals than any of them – space, renewable energy, skilled workers, and strategic location. What we need is to update our approach to match today's realities.

The good news is momentum is building. The government's recognition of digital infrastructure as critical national infrastructure marks an important shift. Private sector investment has never been higher.

But private investment has limits. The economics don't work for many regional areas. That's where smart public policy makes the difference.

We're not asking for handouts. We're asking for the ability to compete for funds already earmarked for infrastructure. We're asking for regulatory frameworks recognising how the industry has evolved. We're asking for a national strategy coordinating efforts across all levels of government and industry.

To policymakers: the private sector stands ready to partner. Open up funding to competition and watch innovation flourish.

To industry colleagues: Australia's digital future requires all of us. Let's move beyond protecting yesterday's models to building tomorrow's networks.

To everyone who depends on digital infrastructure: make your voice heard. The decisions made today will shape Australia's competitiveness for decades.

The infrastructure we build in the next five years determines our relevance for the next fifty. We can choose to lead, follow, or fall behind.

At Vocus, we've made our choice. We're building. We want to build more.

The question is: will Australia's digital infrastructure policy settings help us succeed as a nation or hold us back?

Thank you.