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The Manager

Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Office of the Company Secretary

Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

General Enquiries 03 8647 4838
Facsimile 03 9650 0989
companysecretary@team.telstra.com

Investor Relations
Tel: 1800 880 679
investor.relations@team.telstra.com

ELECTRONIC LODGEMENT

Dear Sir or Madam

Update on Telstra's proposed legal corporate restructure – briefing transcript

I attach a copy of the transcript from the analyst and media briefing held today in relation to Telstra's proposed legal corporate restructure, for release to the market.

Authorised for lodgement by:

Sue Laver
Company Secretary

Update on Telstra's proposed legal corporate restructure, 22 March 2021 – Transcript

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Introduction

Nathan Burley: Good morning, and welcome to this Telstra market update to discuss Telstra's proposed legal corporate restructure. My name's Nathan Burley, Head of Investor Relations. I respectfully acknowledge that I am joining today from the lands of the Kulin Nation, and on behalf of Telstra I would like to acknowledge and pay my respects to the traditional custodians of country throughout Australia, and recognise their continuing connection to land, waters and culture. We pay our respects to Elders past, present and emerging.

This morning our CEO Andy Penn will discuss our ASX announcement, and we will then be taking questions from analysts and investors, and then media. For debt holders we've also organised two separate calls, one with the banking syndicate and one with our bond holders. Both calls will be held tomorrow, with the bond call at 7:30am GMT to ensure European holders can join. Call details will be available on our website. I'll now hand over to Andy Penn.

Presentation from Andy Penn

Andrew Penn: Well, thanks very much Nathan, and thank you everybody for joining us today. For those of you that are in New South Wales, I hope you're staying safe and not impacted too much by the very concerning floods there.

Now, you will recall at our Half Year Results in February we committed to updating the market on the progress that we're making on our proposed legal restructure. And that's really the purpose of the announcement that we made this morning, and I just want to spend a few moments going through that for you, and then Vicki and I would be happy to take any questions that you might have.

I should also acknowledge and say that we are joined by Lyndall Stoyles, our Group General Counsel and GE of Sustainability, External Affairs and Legal, and also Guy Wylie, our Head of Corporate Finance. As you can imagine, they are both intimately involved in leading this important work and important project for Telstra.

As you know, also, that the proposed restructure, it's a very important part of our T22 strategy, and part of what we announced going all the way back into 2018, when we said we would set up [Telstra] InfraCo as a standalone business unit within Telstra. This is taking us to the next stage, and it will enable us to better realise the value of our infrastructure assets, it will take advantage of potential monetisation opportunities and create additional value for shareholders.

So a quick reminder on the parameters of the restructure. We're creating firstly InfraCo Fixed. InfraCo Fixed would own and operate Telstra's passive or physical infrastructure assets that support our fixed line telecommunications network. So they're things such as ducts, fibre, data centres and exchanges. The establishment of InfraCo Fixed will provide the important optionality to create additional value from these very expensive assets in the future.

Secondly we're establishing InfraCo Towers. This will own and operate Telstra's passive or physical mobile tower assets. In relation to these assets, we're also looking to monetise them, given the very strong demand and compelling valuations of this type of high quality infrastructure, and that's something that we've previously stated we will be looking to do in the second half of the calendar year.

Then thirdly the establishment of ServeCo, which will continue to focus on creating innovative products and services, and supporting our customers in delivering the best possible customer experience. ServeCo will also own the active parts of the network, remembering InfraCo Fixed and InfraCo Towers are both passive asset holders. So the active parts of the network such as the radio access network on mobile, spectrum assets et cetera, to ensure that Telstra continues to maintain its industry leading mobile coverage and network superiority will be within ServeCo.

We've also announced today our intent to establish a fourth subsidiary, our international business, within the Telstra Group as well, to keep that part of the business, including subsea cables, together as one entity. The international assets within our international business will be transferred to this new subsidiary over time, subject to relevant approvals and engagement with appropriate stakeholders, albeit that's not part of the scheme that I'm going to talk about in a moment, because it requires us to go through international jurisdictions to seek the appropriate approvals.

So that really the key point of today's announcement is to set out the process that does enable this legal restructure, and it includes the establishment ultimately of a new holding company for the Telstra Group, and the creation of separate subsidiaries, including InfraCo Fixed, which I've mentioned, which will in fact be the existing Telstra Corporation, InfraCo Towers, ServeCo, and Telstra International. And so we will be retaining the fixed infrastructure assets within the existing Telstra Corporation, and transferring out the other relevant assets into InfraCo Towers and ServeCo, and then over time into Telstra International as well.

It's proposed that the establishment of the new holding company and the transfer out of the relevant assets into ServeCo and into Towers will be done by a scheme of arrangement, and Telstra intends to seek shareholder approval for these schemes at this year's AGM, which is scheduled to occur in October. Following the restructure therefore, Telstra shareholders will own shares in the new holding company on a like for like basis, to those which they hold in Telstra Corporation today, and no change to their ownership levels.

In addition to shareholder and court approval, there are a number of other steps to work through including taxation, stamp duty rulings, discussions with government regulators, and other key stakeholders. We will provide detailed information on these steps to our shareholders, and a recommendation from an independent expert in a scheme booklet, which we expect to be released to the market in early September 2021.

In terms of the next step on Towers specifically, as we previously communicated, and as I just mentioned, we do plan to commence the process for looking for external strategic investment into InfraCo Towers early in FY22, or in other words in the second half of this calendar year, with binding offers to be submitted before the end of the calendar year, and we currently remain on track for that work.

Now before I move to questions, just a couple of extra final comments. Firstly, the new legal structure comes at a significant inflection point in our industry. The end of the impact of the NBN rollout on our financials is with insight, as we spoke about in conjunct with our February announcement of our Half Year Results, and the COVID pandemic has demonstrated the critical importance and value of telecommunications infrastructure around the world.

What has happened since we started setting up [Telstra] InfraCo almost three years ago, has therefore only been reinforced, and the importance of these strategic decisions only reinforced, by everything that's happened since. We've chosen this approach because we believe it delivers the optimal long term portfolio structure for the Telstra Group of businesses. It will maximise our flexibility and value realisation of the assets. And just as importantly, deliver optimal outcomes to the Telstra Group as a whole.

So with those introductory comments, thanks everybody for hooking in today, and I'm happy to open up for questions. I might hand back to the operator who will facilitate that. Thank you.

<u>Q&A</u>

Operator: Thank you. We will now begin the question and answer session. Should you wish to ask a question during the question and answer session, please register by pressing star and then one on your telephone keypad. If you would like to cancel your registration, please press star and then two, and if you are on speakerphone, please pick up your handset to ask your question. Our first question comes from Mr Kane Hannan with Goldman Sachs. Please go ahead.

Kane Hannan: Morning guys. Just two from me, please. Firstly, I suppose on the timing of InfraCo Fixed monetisation, and I know we spoke about this in the past, if these agreements are fully in place by December, does that mean we could hypothetically see something happen in January if there was a compelling enough offer? Or are we waiting for the completion of T22, NBN privatisation, for example, before making that decision?

And then secondly, I know Andy you said you'd give us more information in the booklets, but just through our understanding in terms of the taxation and stamp duty rulings, just talk about the range of potential outcomes we could see there, and whether that's likely to have a meaningful impact on TowerCo? Cheers.

Andrew Penn: Thanks very much Kane. Look, firstly, in relation to potential monetisation of InfraCo Fixed, I don't have anything more to add than what we previously said today. Obviously – and we'll come to Towers in a second and your question there – we've made it clear that our intention is to monetise Towers in the second half of this year. Putting in place the fixed infrastructure is quite a bit more complicated. There's a lot of work involved in that. And so we want to focus on getting that done first, before turning our minds to monetisation.

So I think it would be unrealistic to expect there to be a monetisation in January, as you as you put it. I think, more likely, that's something we're going to turn our minds to once we've completed the T22 program, albeit that's what, only 15 months away also. And it doesn't necessarily require us to wait on the NBN privatisation, which as you've heard me say previously, whilst I had no particular insight onto anybody's plans on NBN privatisation, just in terms of my best judgement and knowledge of what's involved in an exercise like that, I think that is many years away. So it's something that we can I think certainly contemplate as we conclude the T22 program.

On the point around stamp duty and rulings, this applies both to InfraCo Fixed as well as InfraCo Towers, with tax rulings, it's really about ensuring that the cost bases are appropriately allocated to the various new subsidiaries. And that's something obviously we'll be consulting with the ATO on. And as regards stamp duty, there are some stamp duty elements, there are exemptions and time waivers and those sorts of things. But they're not, they're material in nominal terms, but not in the scale of the, I would suggest not in the scale of the overall transaction.

Kane Hannan: Perfect, thanks, Andy.

Operator: Thank you. Your next question comes from Mr Entcho Raykovski with Credit Suisse. Please go ahead.

Entcho Raykovski: Morning, Andy, Vicki and team. So I've got a couple of questions. The first one is just after taking these steps, would any subsequent monetisation, of InfraCo Fixed require shareholder approval, or you're in a position where you can press go pretty quickly?

And then secondly, a slightly longer question, just interested in the rationale for putting the subsea cables within international and not within InfraCo. That seems to be somewhat of a change from the previous approach to InfraCo that you outlined at last year's Investor Day. And I don't know if you're able to give us any guide on this, but should we expect some of the active InfraCo business earnings that you spoke about that Investor Day last year to now sit within Telstra International? Any sort of guide on that would be useful. Thank you.

Andrew Penn: Thanks Entcho. In relation to monetiseation, I would not envisage that further shareholder approval would be required beyond the shareholder approval we're seeking at the AGM through the scheme of arrangement for a monetisation. It may be required for a more substantial sort of NBN type of transaction, if that were to be contemplated.

But I just want to make the point clear again on the NBN. Often, every time we tend to talk about the establishment of [Telstra] InfraCo, we get lots of newspaper articles about how we're planning to buy the NBN. That's not necessarily our endgame here. It's always been a case of creating optionality, creating transparency around the assets, and managing them more optimally. And that optionality includes a range of different things such as the monetisation arrangements that we're talking about.

And as I've said before, I envisage that the NBN privatisation, to the extent that occurs at some future point of time, is a good number of years down the track. And I only say that, because we would be doing this in any event, regardless of whether that does or doesn't occur. But were we to contemplate business combination with NBN at a future point of time, it would probably require a more substantive de-linking of InfraCo Fixed from the rest of the Telstra Group, because we would need to be, not be vertically integrated. And that may require further shareholder approval at a later point of time. But I think in terms of other monetisation, I don't think that would be required, and I'll let Lyndall reflect on my answer there, as I go to your second point of about International, just if she could correct me or advise me differently if that's the case.

On the International point, look, I think that as we spent more time on this and delved into this in more detail, ultimately, I think there's a couple of things that are really influencing us deciding to not have the submarine cables within InfraCo Fixed. The first is our international business is very much a wholesale business. And InfraCo Fixed is looking after passive infrastructure assets. And as you look at the practicalities of separating the active part and the passive part of the infrastructure, sorry, the international assets, it becomes almost a bit of a moot point, or it's not as obvious as a delineation between our domestic retail business. And so therefore, pulling those apart feels like it's a process, which is not really going to add as much value as we are looking at in relation to the domestic business.

So the first point is, is we feel it's just generally more efficient, to keep the business together between the passive and the active, so that's the first point. Then I think the second point is that if we look at the nature of our international assets and submarine cable networks, they're quite different in a sense to our domestic terrestrial network. I mean, it's obviously all telecommunications network. But were we to consider monetisation, as an example with InfraCo Fixed, it doesn't necessarily follow that the sorts of investors in the InfraCo Fixed domestically would necessarily be as interested in the international. I mean, there could be, but I think the assets are sufficiently different to actually justify us putting them into a separate structure, which I think gives us more flexibility and more optionality.

And so they're the two main reasons. It will have an impact on the numbers a little bit, Nathan, in the sense of there will be some earnings from the international business that will go into that subsidiary, and not where it's previously been guided to today, but I don't think we're providing an update on that today, are we, in any respect?

Nathan Burley: No, no update on that Andy.

Andrew Penn: Okay. And then, Lyndall, you're comfortable with everything I've said in relation to shareholder approval going forward?

Lyndall Stoyles:	Yes, you've captured everything. Thanks, Andy.
Andrew Penn:	Okay, thanks very much Entcho.
Entcho Raykovski:	Okay, thanks Andy.
Operator:	Thank you. Your next question comes from Mr Tom Beadle with UBS. Please go ahead.
Tom Beadle:	Hey, Andy, thanks for the questions. I just had three if that was okay. You've said that there'll be no change to Group debt levels as a result of the restructure, but just looking at that structure, is the door still open to gear up a portion of the business if a deal is done? Or alternatively, if you are to do some sort of transaction or deal, could you use some of the proceeds from any potential transaction to pay down debt? Just a second question on the debt refi[nance] itself. Could you just comment on how that might impact your –
Andrew Penn:	Did we lose it?
Operator:	It does seem like he has been disconnected.
Andrew Penn:	It wasn't me, I promise.
Nathan Burley:	Let's take his first question, and then we can see whether –
Andrew Penn:	Well, actually, why don't we, because if he's disconnected, he's probably not hearing. Why don't we go to the next person, and in the meantime, hopefully Tom will redial back in, if there is another question there, operator. And then if not, I'll come back to Tom's question and talk about debt anyway for the others.
Operator:	Okay, thank you. Your next question comes from Mr Roger Samuel with Jefferies.
Roger Samuel:	Hi, morning. Morning. Two questions for me, please. First one, just wondering about the structure of the InfraCo either Towers or Fixed? Do you intend to structure this, like a trust, you know, like a real estate investment trust, as in you will pay 100% of your income to investors in a trust, and just tax on the corporate earnings? And then my second question is you mentioned about some of these reduction costs, like stamp duty. But with this legal restructure, do you foresee an increase in corporate overheads? Because I imagine you to put in a new management layer for each of these subsidiaries. Thank you.
Andrew Penn:	Thanks very much, Roger. Firstly, in relation to the question around trust, no, we don't intend to set it up as a trust with that sort of income commitment that you're referring to there. These will be operating subsidiaries within the business. That's

not a comment, by the way, of any change to our dividend policy, but just a direct response to your question.

And then do we expect to see an increase in corporate overheads? I mean, I guess yes, there's obviously going to be additional costs or different costs, if you like, of structuring the Group and managing the Group this way, than there would have been in terms of how we're currently structured. But we believe that they'll be more than offset by the benefits of doing this. And you should assume that we're still going to hit our $2.7 billion T22 cost out target. So to the extent there's new costs associated with this, they will be offset elsewhere, and we will hit our $2.7 billion, and given that we'll have this in place before the end of the T22 program, essentially, that will be the cost base going forward.

Roger Samuel: Okay, that's clear. Thank you.

Andrew Penn: Thanks, Roger.

Operator: Thank you. Your next question comes from Mr Sameer Chopra with Bank of America. Please go ahead.

Sameer Chopra: Morning. Morning. I just had two questions. And both relate to sort of maybe initial soundings that you've that you've conducted Andy. Could you maybe give us some feedback, is the NBN happy with the structure? Because a couple of years ago, there was a potential issue with the securitisation of NBN receipts. So I was just wondering are they kind of comfortable based on your initial soundings? And similar, if you can give us some feedback from the rating agencies as well, this is the credit rating agencies. Thank you.

Andrew Penn: Thanks very much, Sameer. Obviously NBN is a very important stakeholder. And we have had very detailed and intensive discussions with them on this. Intensive, I mean, in the sense of a lot of them as opposed to difficult. And I think we understand where their hot buttons are, and we believe we can address any concerns that they might otherwise have. But I mean, I think suffice to say that the relationship is constructive, they know what it is that we're seeking to achieve. And I believe they are looking to see that they can support that whilst making sure they obviously protect their own position at the same time.

The other thing I should say as well, is that I think today they're in a very different position to that which they were a couple of years ago. They're at a point where essentially they've declared completion of the rollout. By the end of this calendar year, we'll see the last of the customers that haven't yet connected to the NBN be connected to the NBN. And they're looking forward into the future about what their own plans may be.

And regardless of what happens with either of us in the future, there's a very symbiotic relationship and important relationship between the two organisations, and both Stephen [Rue] and I understand that and appreciate that. And we both want to work together as constructively as possible to support each other's long-term strategies and plans, because there's a high degree of co-dependency between us, so I think that's in good shape.

I think just on the rating agencies, I might ask our Group Treasurer and Head of Corporate, if Guy's on the line, maybe he can comment briefly on the rating agencies, and then maybe he can comment on the debt situation. Hopefully, in the meantime, Tom's jumped back on the call, and so can hear the comments in relation to debt. So you're happy to take that Guy?

Guy Wylie: I can do that Andy, and good morning everyone from my side. So firstly, we did pre-brief two rating agencies, both Moody's and S&P last week. But obviously, in terms of their opinions, that's their own. We believe that they may publish today, but again, that is up to them.

I think in terms of the debt side, we are, and to answer the question about leverage and gearing, we will turn everyone back to the statement that we make in the releases on our capital management framework. And so our intention here, or our current intention, is not to use this as an ability to do any leveraged recapitalisation. We're very comfortable with our strong balance sheet. And in fact, our shareholders have always told us that one of the key things is to maintain that strong balance sheet.

So we set a target leverage for the Group of approximately two times net debt to EBITDA. We're pleased that we're there or thereabouts that number at the moment, and it's not our intention moving forward to deviate from our capital management framework. And hence, if any of these, for example, on the Tower sale, it did create additional gearing, then we would obviously try and rebalance that through the proceeds to ensure that we maintain a strong balance sheet.

Sameer Chopra: Great. Look, I realise a lot of work has gone into it. So great to get this done. Thank you.

Andrew Penn: Thanks, Guy.

Operator: Thank you. Your next question comes from Mr Ian Martin, with New Street Research. Please go ahead.

Ian Martin: Thank you. Andy, can you just talk through some of the management arrangements between the three or four entities and the Group, particularly the management incentive arrangements? I think in the past, you've made the point that they're still predominantly related to Group performance rather than the individual entities. So I just wonder is that still basically the case? And secondly, transfer pricing. Is the nature of the interaction between the firms through transfer pricing, or is it a cost allocation model?

Andrew Penn: No, thanks very much, Ian. The first thing I would say is that this is a legal restructure, not a management restructure, so that we're not announcing today any changes to our management structure, to the way in which we're organised, to our ways of working, and we're not anticipating doing that. As you know, we have set up [Telstra] InfraCo as a standalone business unit within the company. And so therefore, essentially, that means that Brendon Riley as the CEO of [Telstra] InfraCo is responsible for the InfraCo Fixed and InfraCo Towers part of the business, and he's got in place a management structure that looks after all of that. International currently reports through to my Head of Enterprise, David Burns, and there's no sort of plan changes there either. And then the rest of the team is responsible, obviously, for the broader delivery of our products and services.

And so like any big company, your legal structure and your management structure, are not necessarily one and the same, with a lot of complexity, obviously, I say complexity, there's a lot of entities within the Telstra Group, but we're setting it up in this way to give us that optionality going forward.

In terms from a remuneration point of view, essentially, the way for the senior people within the organisation, remuneration works is that we have a series of company objectives, which we disclose quite transparently what the measures are for through EVP, variable – I can't remember what EVP stands for. Executive variable pay or something like that. We disclose that, and how much therefore incentive available there is, is a function of how the company performs overall. And then how people participate in that is a function of their individual performance, which is a function of how they perform against their individual targets. That's the way the mechanism works.

There's proposed to be no change to that at the current point of time, and I think that's a good thing, because it basically means that everybody is incented to give the maximum outcome to Telstra shareholders overall, rather than particularly by from one part of the organisation to the other part of the organisation. And I think that works well.

On transfer pricing, there's an enormous amount of work that's been done to put in place intercompany, detailed intercompany agreements, between ServeCo and InfraCo Fixed and in InfraCo Towers. It isn't a cost allocation, it's a transfer pricing, it's by reference to best practice and commercial benchmarks. And in fact, we've been working very closely with Delta Partners, which are consultants who have done an enormous amount of work in this area to put in place those intercompany agreements, to make sure that they're efficient and reflect the appropriate allocation of the economics between the different parts of the organisation.

And just on that, by the way, I appointed them reporting to me as the CEO, rather than them acting for TowerCo or for ServeCo, so that we got, again, absolutely that right balance between how the transfer pricing works as I say by reference to third party benchmarks, but also ensuring that the InfraCo part of the business is treating the ServeCo part of the business as its number one customer and very strategic customer, because it's a very significant company, but also similarly as with NBN, which is our second largest customer from an InfraCo perspective. So that's how the arrangements are in place. It's not a cost allocation model, Ian, it's a commercial transfer pricing model.

Ian Martin: Thanks, Andy.

Operator: Thank you. Your next question comes from Mr Tom Beadle with UBS. Please go ahead.

Tom Beadle: Hey Andy, and apologies before for being cut off. I think you might have answered my first question. But I had a couple more. Just on the debt refi[nance], could you just comment on how that might impact your overall cost of debt and your maturity profile, and what types of one-offs we should expect? And then I had a follow up question from Entcho's, just on the international assets. Do you see them as core, or do you think there are parts of that business you could monetise? For example, the subsea cables? Thanks.

Andrew Penn: Thanks, Tom. Well, pleased that we covered off the first part of the question. Just on the debt refinance, I mean, essentially, our debt is currently in Telstra Corporation. And we don't propose to repay that early in any way. We've, I think, in our previous communications to market, we've given a reasonably good indication of what the maturity profile of that debt is. I mean, I think interest rates continue to remain low. So I don't think that that's an issue for us in terms of refinancing. And we will just refinance at the whole co level as that debt falls due over time. So I'm not envisaging any material or significant one-off debt costs as a consequence of the transaction, and the structure we're putting in place.

On the international assets, I think that, well, firstly, they are strategically very important assets, just in terms of how the world is evolving, and the impact of COVID and continued connectivity. And also from a security point of view, they're critically important, and so the intention is not necessarily to monetise them. But you know, if there are strategic deals that we can do that continue to enable us to grow that business and leverage the capability that we've got, this gives us the flexibility to do so. But we don't have any particular plans in that regard. But it's conceivable that the sort of people that might want to partner or invest, are not necessarily going to be the same that want to invest in InfraCo Fixed as an example, which is why we've already set it up that way. But we don't have any particular plans to. I think the reason for setting up in this way was for the reasons I mentioned earlier.

Tom Beadle: Okay, great, thanks. Thanks, Andy.

Operator: Thank you. Your next question comes from Mr Brian Han with Morningstar. Please go ahead

Brian Han: Andy or Vicki, do you mind clarifying something on the new international vehicle, as in would that vehicle be basically the current global division under the current disclosure, then plus the subsea cable? Or is it more complicated than that?

Andrew Penn: I don't think it's more complicated than that but I might, point that question to Vicki, if that's okay, Brian. Thank you.

Vicki Brady: Yeah, thanks, Brian, for your question. But the way you're thinking about it is right, so you're right in our current disclosures, where you do disclose global. And you may have seen in our half year reporting, as we reported on [Telstra] InfraCo, there was also the passive element reflected in InfraCo. So there'll be no changes in our FY21 reporting to market. However, as we look to '22, you're right. That's how we would think about the international subsidiary that will be created, and assets move to it over time.

Brian Han: Fantastic. Thank you.

Operator: Thank you. Your next question comes from Mr Lucas Baird with Australian Financial Review. Please go ahead.

Lucas Baird: Hey, guys. I was just wondering, on the second slide attached to the ASX announcement, it says there's a new debt raising for the new Telstra HoldCo. I was just wondering when do you expect that to take place, how much are you going to look to raise, and if you've tapped anybody to help you out with that yet? And then a second one, if you could allow me to go a bit off pasture; do you guys regret signing up to the Greensill financing schemes, given what has now been revealed about its precarious business model and subsequent collapse?

Andrew Penn: Thanks, Lucas. On the debt regime, as you described it, there's no change to capital management framework, as you heard from Guy earlier. So in terms of our debt and gearing parameters, EBITDA and debt parameters, there are no changes there. I think the simple point is, is that the way in which we're giving effect to the structure is we're creating a new holding company that will sit above the current Telstra Corporation. And Telstra Corporation is where our existing Group's debt sits. And then we're transferring out the relevant assets from Telstra Corporation to give effect to these other subsidiaries.

And so what that means is that over time, as the debt that we currently have at the Group level, which is sitting in Telstra Corporation, falls due for repayment, we will repay it, and we will refinance it at the new HoldCo level. That's the most efficient way of just replacing that debt and moving it to the holding company, the new holding company over time. But there's no change to the regime as such or our capital management framework.

On the Greensill question, and Vicki may want to comment as well, our arrangements weren't with Greensill, they were with a third party platform that provided some of our suppliers to get access to financing on an attractive basis. We made a decision, I'm trying to remember what it was, Vicki, a long time ago to exit that due to concerns with supply chain financing. Actually, from our suppliers point of view, it offered them a great facility, which they weren't obliged to accept if they didn't want to. I mean, it was just something that we made available to them if they wanted to. But we've pretty much I think, wound that down in any event, Vicki, I'm not sure if there's anything else you want to add?

Vicki Brady: I'd just add a couple of points, Andy. You're spot on with exactly what you said. We did have the intention of completely exiting that this financial year. And in fact, that's complete, it was complete a few weeks ago. And I think just importantly, we have no suppliers that have been left out of pocket in any way. And we carry absolutely no credit risk in relation to that program. So we have exited. And as you mentioned, we announced last year that we moved more than

	85% of our suppliers, in fact, to 20 day terms. So no impact in terms of what's happening with the Greensill situation for us.
Andrew Penn:	Thanks Vicki.
Lucas Baird:	Thanks, guys.
Andrew Penn:	Thanks Lucas.
Operator:	Thank you. Your next question comes from Ms Zoe Samios with Sydney Morning Herald. Please go ahead.
Zoe Samios:	Hi, guys, just two for me. One of them, Andy, I know you mentioned to Ian, when he asked about the executive, what it meant for executives that there wouldn't be any changes there. But I'm just wondering if there's going to be any sort of impact on headcount or staff count outside of the already planned job cuts in T22? And then just sort of separate to that, the NBN's price consultation paper submissions are due this week. And I'm just wondering if there's anything you can say around how Telstra is thinking about the proposals that have been put on the table?
Andrew Penn:	Thanks, Zoe. On the impact of the structure on people, I can confirm that there is no impact on people or jobs as a consequence of this restructure. It is a legal restructure only, it doesn't, we're not changing the way in which we are currently operating, or it doesn't impact any particular jobs. As you rightly point out, we are still going through our T22 program. And so there will be role reductions as a consequence of that until we complete that whole exercise. And as you can imagine, a company of Telstra's size, I've no doubt they'll be ongoing changes over time as we just have to adapt to the various different market conditions, et cetera. But there are no job impacts as a consequence of today's announcement, and the putting in place of this structure. On the other point, which was – sorry, your other point Zoe? Oh, sorry, comment on NBN pricing. My apologies.
Zoe Samios:	Yeah, the pricing.
Andrew Penn:	Sorry.
Zoe Samios:	It's all good.
Andrew Penn:	Yeah, no, no. No, well, look, I just think, as you know, I mean, my views on NBN pricing are well known. And I just think it's very encouraging that the ACCC and NBN are going to start that pricing review now. I think, if anything, COVID has just confirmed that the current structure, particularly the CVCs, is a model of the past not a model of the future. It acts a bit like an excess data charge, and overall, wholesale prices are too high. And that's one of the main contributory factors, and it's only going to drive it higher in the future unless that's addressed. So we're looking forward to providing our input to that review, and look forward to what the outcome is.

Zoe Samios: Great, thank you.

Operator: Thank you. There are no further questions at this time. I will now hand the conference back to Andrew Penn.

Andrew Penn: Well, thanks, everybody for hooking in, really appreciate that. Important milestone for us today in terms of announcing the next steps, but nothing really new, just consistent with what we have previously been communicating. But we're just keen to show you that we're making progress, and the process that we need to go through to give effect to this restructure, and we look forward to providing you a further update in conjunction with our results in August, and then issuing the scheme booklet with all of that additional information around about early September for the AGM in October. So thank you.

Operator: That does conclude our conference. Thank you for participating. You may now disconnect.

[End]