Brent Luetjens: Good morning. Welcome to the 2022 Telstra Retail Shareholder meeting. My name is Brent Luetjens and I'm with Investor Relations at Telstra. I'm joining you today from Naarm, also known as Melbourne, on the traditional lands of the Kulin Nation. Before we commence, Telstra would like to acknowledge the rich and diverse stories, cultures and traditions of all First Nations people across Country. Today, I'll start with a brief acknowledgement – a brief Welcome to Country video, and then I'll introduce today's speakers.

Video message: We acknowledge the lands of the traditional custodians across Country. From the Noongar peoples in the west, to the Kulin and Kurnai nations of the south, and the clans of Nipaluna. To the Ngunnawal peoples and the Sunrise peoples of the Gadigal and Worimi of the east. To the Jagera, Turrbul and Bindal peoples of the north. And we pay our deep respects to them, to the wisdom keepers of the past, to the knowledge holders and seekers of today, and our future custodians. Our lands nurture us as we continue the connection and our spirituality with Country.

Brent Luetjens: Today you'll be hearing presentations from our CEO Vicki Brady, and CFO Michael Ackland, then we'll be taking questions. We've already received questions in the lead-up to today's event, but you can also ask your question today in the meeting by typing to the right of this media player. We will endeavour to answer as many questions as we can, but if time does not permit, please email us at investor.relations@team.telstra.com. I'd also like to remind everyone that our AGM and Scheme meeting will be held on Tuesday the 11th of October. To find out more, head to our website at telstra.com/AGM. If you're looking for results and other shareholder information, it is available on our investor website at telstra.com/investor. With that, let me now hand over to Vicki.

Vicki Brady: Thank you, Brent. Welcome everyone and thank you for joining us. We're very excited to be again holding this event and welcome the opportunity to update you on our progress, answer your questions and also to thank you for your continued support. I'm particularly excited as while I have spoken to you as CFO in recent years, today is my first Retail Shareholder meeting as CEO. FY22 was a particularly important year for Telstra. We successfully closed out our T22 strategy, and the transition to the NBN is largely behind us. It also saw us increase the dividend for the first time since 2015. At the same time, the world around us is more turbulent than I can recall in my working life, with rapid changes such as climate change, geopolitics, supply chain disruptions, economic pressure and, of course, the ongoing impacts of COVID.

These things are reshaping our future and will continue to throw up different opportunities and challenges. To really prosper through this, I believe we will need to think differently and boldly, individually as businesses and collectively as a country. One thing I am sure of is that connectivity and technology will play a key role in helping us and the world meet and respond to these challenges. As a result, I believe this next decade will be one of profound opportunity for Telstra. Demand for our products and services has never been higher. And what we do and deliver has never been more important to our customers. When we launched our T22 strategy four years ago, we were responding to the operational and financial headwinds created by the rollout of the NBN, along with the technology innovation we could see around us, and the growing rate of digital adoption.

Through the last four years we transformed Telstra, and we are now a very different company. And this is important because, as I said, the world is also a very different place. COVID has completely changed the way we live, and while many things are starting to return to normal, clearly some things will never be the same. COVID showed us the convenience of doing things online, and that we can study and work from home very effectively. This is great news for us because through T22 we are well-positioned to grasp the opportunities it presents. Our investments in the digitisation of the business, our clear leadership in 5G, the partnerships we have announced with technology leaders such as Microsoft, OneWeb, Quantium, Viasat, and our equity and cutting edge technologies through Telstra Ventures, and directly in Silicon Quantum Computing, will all be important assets for the future.

Of course, we are also seeing increasing cyber threats, and a recent attack on one of our competitors puts into stark focus just how real these threats are. We have taken important steps to protect our networks and customers, but ongoing vigilance is required and the job is never done. We are also blocking unprecedented levels of malicious activity from reaching our customers, including calls and SMS, while at the same time helping our customers to protect themselves and their businesses. Let me now turn to our T22 achievements and to T25. T22 was hugely successful. Overall, we delivered around 80 percent of our T22 scorecard metrics, we made significance progress on another five measures, and we missed on four.

While we don't spend long looking backwards or patting ourselves on the back, it is worth reflecting on just how much we have achieved for our customers through T22. We radically simplified our business, reducing the number of consumer and small business in market plans from 1,800 to 20. We led the market and removed lock-in contracts, excess data charges and unbundled services. We have 4.5 million customers signed up to our rewards programme Telstra Plus. And our engagement with members is high with product redemptions growing 80 percent in FY22. Almost half of all sales interactions with our consumer and small business customers are now digital, as well as more than three-quarters of all service interactions.

The number of calls coming into our consumer and small business contact centres has fallen by more than 70 percent. And these calls are now an answered by someone in Australia. We brought our licensee stores back in-house, and all Telstra stores are now owned and operated by us. We rationalised the number of active products in Enterprise by more than 50 percent. And similar to our digitisation progress in consumer and small business, more than 40 percent of all Enterprise service interactions are now through the digital channel. The combined impact of all these positive improvements to customer experience is reflected in our stronger than ever episode MPS results, which are up 18 points since the beginning of the programme.

Our 5G network is around twice the size of our nearest competitor. We cover 80 percent of the Australian population, with 3.5 million 5G capable devices already connected to the Telstra mobile network. Our infrastructure business is operating as a standalone business unit, with increased transparency and a successful sale of the 49 percent non-controlling interest in our Towers business demonstrates the value opportunities this has created. Factoring in the Tower sale, we have monetised almost 5 billion of assets against our original target of 2 billion for the programme. Lastly, we are on track to finalise our legal restructure. We have published a Scheme booklet which will give you, our shareholders, the information you need to vote at the Scheme meeting to be held on the same day as our AGM in October.

So what comes after T22? The answer to that question is T25: our strategy to accelerate growth from our core and to scale our new businesses, our strategy to further enhance customer experience, and to respond to the permanent shifts we are seeing in how people work and live, and our strategy to realise the benefits of setting up our infrastructure assets as standalone InfraCo businesses. If T22 was a strategy of necessity, T25 is a strategy for growth. And in its implementation, we will be using the same disciplines and governance that we used for T22: the metrics and the milestones, the roadmaps and the scorecard. And this is why I am confident it will be a success. And when we have delivered it, we will be a vastly different company again.

Before I conclude, given this is my first time talking to you as CEO, I wanted to end by giving you some insight into my key priorities, which are strongly grounded in our T25 strategy and ambitions. It starts with the customer. We must continue to radically change the experience for our customers. We have taken some great strides through T22, but it remains an absolute focus for us. Delivering exceptional customer experiences and being known as a leader in customer excellence, isn't just the right thing to do, it is critical to unlocking future opportunities; opportunities to fuel our growth. And that growth is my second priority. Growth will come from customers trusting us to play a lead role in delivering the technology that can make a real difference for them and their organisations.

Connectivity is at the heart of so much of our lives, and Telstra is in an extraordinary position, with the team that can bring together our market leading networks, products, services and solutions for consumers and enterprises. I'm excited by this shift from transforming the legacy, where we still have more to do, to increasing our focus on innovation and growing our business. These opportunities to grow extend right across our business. With that, let me summarise. Our T22 programme has been a clear success. We are delivering better customer experience, and continuing to transform that experience is at the heart of T25. Our mobile network remains Australia's biggest and best.

Agile is transforming how we work. And combined with our hybrid working model, it is helping our people to feel supported and perform at their best. Our employee engagement has never been higher. And we are a fundamentally different company, with an incredibly bright future as we deliver on T25; our strategy for growth. Thank you. and with that, I will hand over to Michael before we open for Q&A.

Michael Ackland: Thanks, Vicki. This morning I'm delighted to provide details of our FY22 results, our FY23 guidance which demonstrates our ongoing financial momentum and underlying growth. FY22 was a pivotal year for us. As well as marking the end of the T22 programme, we've now absorbed the overwhelming majority of the financial effects of the rollout of the NBN, and the growing momentum in our underlying performance is showing through. Those final financial NBN impacts saw reported total income declines of around 700 million in one-off NBN receipts, and 300 million in commercial works. Total income for the year therefore decreased 4.7 percent to 22 billion on a reported basis. While NPAT decreased 4.6 percent to 1.8 billion and earnings per share was down 7.7 percent to 14.4 cents per share on a reported basis. The declines reflect both the impact of the NBN and one-off gains from asset sales last year.

In contrast, underlying EBITDA on a guidance basis increased by 8.4 percent to 7.3 billion, driven significantly by outstanding performance in the year from our mobiles business. Underlying EBITDA included an in-year NBN headwind of 340 million. This is the last year of our in-year NBN headwinds and brings the total cumulative impact of NBN on Telstra's EBITDA to 3.6 billion per annum. Encouragingly, underlying EPS was up 48.5 percent to 14.4 cents per share, and the Board has resolved to pay a fully-franked finally dividend of 8.5 cents per share, bringing the total dividend for the year to 16.5 cents per share. This includes an increase in the ordinary dividend from 10 to 13.5 cents per share, and 3 cents per share special dividend. Now, this will be the last special dividend in relation to the one-off NBN payments.

This represents the first increase in total Telstra dividends since 2015. The increase recognises the Board's confidence following the success of our T22 strategy, the ambition in our T25 strategy of high-teens EPS growth from FY21 through to FY25, the strength of our balance sheet, and the recognition of the Board of the importance of dividend to shareholders. I will now turn to the operating highlights for the year. Mobiles performed strongly. We added 155,000 net retail postpaid mobile services, including 121,000 branded, with a strong contribution from Enterprise, demonstrating the benefits of our clear 5G leadership. Retail prepaid unique users were up 215,000, and prepaid revenue grew 14.2 percent. In wholesale, we added 218,000 services, and we added over 1 million IOT services.

Our performance in fixed for consumer and small business customers has been more challenged, particularly as we are now at the tail-end of NBN migration. Net new bundles were negative 87,000, although bundle and standalone data ARPU increased by 2.4 percent. Notwithstanding the disappointing fixed side performance, we are confident of restoring financial momentum by leveraging the many value added home broadband features Telstra offers. In Enterprise, and in line with our previously communicated aspiration, we returned to growth at both the income and EBITDA level. Fixed Enterprise EBITDA grew by 2.3 percent with NAS EBITDA growing by 152 million to offset weakness in data and connectivity.

InfraCo Fixed income was 2.4 billion with core access revenues including NBN recurring receipts up 3.1 percent. InfraCo Fixed growth will be further supported by our Intercity Fibre Project announced in February. This will provide ultrafast connectivity between capital cities, and improved regional connectivity. Telstra Health had a strong year, both operationally and strategically as it continues to scale. Telstra Health revenue for the year was up 13 percent, or 51 percent to 243 million after including Medical Director and Power Health acquisitions. Finally on our operating highlights, underlying fixed costs were down 454 million, and total operating expenses were down 906 million, or 5.8 percent. In summary, FY22 has seen our core business perform strongly, our mobiles results was outstanding, consumer and small business fixed grew in the second half, Enterprise returned to growth at both the top line and the bottom line, and we've started to realise the benefits of setting up our infrastructure assets as standalone InfraCo businesses.

So it is clear we have good financial momentum. The left hand side of this slide shows the growth we have achieved in underlying EBITDA in the last three halves. The chart on the right shows the evolution of our full year underlying EBITDA, including 7.3 billion in FY22, and our guidance of 7.8 to 8 billion in FY23, and our T25 ambition of mid-single digit CAGR through to FY25. Now this is a statement for FY25, it's not guidance. It's an aspiration. It means there are greater risks and uncertainties associated with it, compared to our guidance statements. However, the chart clearly demonstrates the financial momentum we have achieved, and our ambition for further growth.

Now, turning to FY23 guidance. The ranges and the basis on which the guidance is provided can be seen on slide 11. Guidance across all measures includes our Digicel Pacific acquisition that completed in July. Our underlying EBITDA guidance is consistent with our previous FY23 ambition, plus a contribution from Digicel Pacific. We expect FY23 restructuring costs to be less than 100 million, and mostly in the first half. Restructuring costs are excluded from our underlying EBITDA, and include one-off costs associated with the legal corporate restructure and the Digicel Pacific transaction costs. Our Capex guidance includes an uplift in mobile investment, around 150 million for Digicel Pacific, and around 350 million of strategic investment, outside of BAU, for the Inner City Fibre and Viasat Infrastructure Projects.

Finally on guidance, we expect to continue to achieve strong cashflow, enabling us to invest for growth and deliver returns for shareholders. FY23 free cashflow is expected to be around 1.1 billion lower at the midpoint of guidance than FY22. Increased EBITDA in FY23 contributes positively, but this is more than offset by increased Capex as well as working capital and other benefits in FY22 not repeating. To summarise, our results clearly demonstrate the financial momentum we've achieved, and we expect growth in our underlying business will continue. We remain disciplined and focused on creating value. We are well-placed in the current environment with earnings growth, strong cash generation and a strong balance sheet.

We have the right strategy and the clearest signals of success will be growing our business, improving our customer experience in MPS, enhancing our reputation, and retaining and attracting the best talent. If we get these things right, we are absolutely confident our financial ambitions will follow. I'll now hand back to Brent who'll take us through Q&A. Thank you.

Brent Luetjens: Thanks, Michael. We'll now move to shareholder questions. Firstly, thank you to everyone who has submitted a question prior to today. Remember, if you'd like to submit a question during the meeting, please type your question on the right of the screen. For today I will attempt to organise questions into categories and read them out verbatim. The first category of questions is on our overall strategy, so let's get started. First to Vicki, you've now been in the CEO role for a month, what are your priorities? Are you committed to the T25 strategy or will you announce a new strategy?

Vicki Brady: Thanks, Brent, and it's a really good question. And I appreciate our shareholders today joining and submitting your questions. So yes, it's just coming up to a month since I stepped into the CEO role, and can I just say it has been such an energising month engaging with our teams and our broader stakeholders. In terms of my focus areas as I step into the role, the first thing I would say is I think the point of me transitioning into the role, it comes at a really good point with T22 having been completed and we're in the early stages of T25. And I'm sure for some people listening, may be a question on your mind am I committed to T25? I just think it's important to pause for a minute and just reflect. So T25 is a strategy that was put together by the CEO Leadership Team. I was absolutely in the thick of that at that time, as CFO and leading our Corporate Strategy Team. So, for me, T25 absolutely is the number one priority. And inside that, the things I'm really focused on.

So firstly, it has to start with our customers. We've definitely made some good steps forward under T22, and we can see that reflected in our MPS. But I am absolutely committed; we must continue to radically transform that experience. And so that is front and centre in my priorities, and certainly for us as a team across Telstra. And, for me, that is absolutely not just the right thing to do – and it absolutely is, we must deliver for our customers – it's also important because it's key to unlocking future growth and potential of Telstra. And the second thing I'm really focused on is absolutely that growth. I do think we're well-positioned, connectivity and technology have never been more important, and I think we all saw that and felt it through COVID just how important it was to be connected and how reliant we were on technology to support that. So growth is the second thing on my mind.

And I think through this period, we really have an opportunity; Telstra is such a well-known brand and company here in Australia, and we've got the ability. One of my ambitions is absolutely to redefine how Australians see Telstra. And so I am very excited by what's ahead of us. I don't underestimate, of course there will be challenges we'll need to navigate. But it is an incredible privilege and honour really, to get to serve as Telstra's CEO and get to lead the team here at Telstra, and deliver for our shareholders.

Brent Luetjens: Thank you, Vicki, that's super clear: customer and growth. Maybe, Michael, a similar question for yourself, where are your strategic focus areas?

Michael Ackland: Yes thanks, Brent. And I, as many of you may know, started in the CFO role at exactly the same time as Vicki started in the CEO role, and I'm absolutely committed to our T25 strategy, and I was there as part of that Leadership Team developing it. And my priorities are, unsurprisingly, very consistent with Vicki's. But I think it's worth saying that your delivery for customers underpins the delivery of all commercial results. So customer needs to be our first, second and third priority, and working out how we deliver value for customers is an absolute priority. On growth, as Vicki said, growth is a priority. And growth requires absolute discipline. And we are going to continue with that same discipline and focus that we had through T22 into T25. And in fact, in many ways, as we look to grow, being disciplined how we make sure that we're delivering value and getting value from our investments in terms of how we drive growth, is incredibly important.

And then lastly, when we think about the financials and how we go forward, the thing that gives us permission to deliver value for customers is that we're delivering underlying earnings growth, that we're improving our return on investor capital, and that's what puts us in a position to continue to deliver sustainable, fully-franked dividends to our shareholders as well.

Brent Luetjens: Thank you, Michael. Maybe a follow-up on that one. So the next couple of questions are on dividends and our share price, which is a popular topic among shareholders. So maybe two questions, Michael, and I'll read them out sort of verbatim. So first, what are your expectations for the share price going forward? And second, it was great to see the lift in the dividend to 16-and-a-half cents in FY22, what can we expect for dividends going forward?

Michael Ackland: Yes thanks, Brent, and I think they're questions on many, many people's minds. So, look, there's lots of things that impact our share price and impact equity markets both locally and around the world. And I think when you look at the share market indexes, they have been volatile. If you look at over the last year, I think the Telstra shareholder has received total shareholder returns above the ASX 200. The thing that we're focused on is the things that we can control, which is delivering underlying earnings growth, and delivering our trajectory on improving our return on investor capital, and making sure that we are making the best use of the funds that we have. So underlying earnings growth is absolutely the focus for how we're going to deliver for shareholders and into the share price.

From a dividend perspective, it is fantastic that we've seen dividend growth for the first time since 2015, as we said earlier. The Board of course, when they look at dividends, they want to make sure that the delivery of those dividends is sustainable, and we remain committed to maximising the delivery of fully-franked dividends to our shareholders.

Brent Luetjens: Thank you, Michael, very clear. The next couple of questions are on future earnings and growth. Maybe to you first, Vicki. So you have outlined that you will expect earnings to continue to grow within T25, what makes you so sure that Telstra's earnings will grow?

Vicki Brady: Thanks, Brent, another good question. And so the first thing I'd start with at a very macro level, in my mind it's very clear over the next decade as we navigate lots of opportunities, and yes some challenges as well, I think as individuals, as businesses, connectivity and technology is going to be at the heart of helping us grab those opportunities and respond to challenges. So that puts us, as Telstra, in a good position because we're absolutely in the thick of helping enable that for our customers. If I get a bit more specific and I think about our product portfolio, as Telstra, and if I look at FY22 and then how that sets us up with confidence for FY23, so Michael just spoke to some pretty extraordinary numbers.

If I look at mobile, the single biggest product contributor in our business, we saw mobile EBITDA grow in FY22 by $700 million, around 21 percent growth. It is an outstanding result and so mobile will continue to be an important driver of growth for the business. Consumer and small business fixed, we saw it in FY22 bottom at the end of the first half, and we saw in the second half it return to some growth, and importantly ARPU for our consumer and small fixed business grew in the second half, a little over 2 percent. So that's important as we look at that growth continuing. Our Enterprise business, we saw it return to growth at the top line and the bottom line in FY22, and as I look forward, I think the opportunity in the B2B space – so business-to-business opportunities, how we can enable companies to really make the most of technology and digitisation of their industries, I think is a great opportunity for us.

If I look at our InfraCo business, our InfraCo Fixed business, it's a significant part of our business. And we saw those core access revenues in that business grow at around 3.1 percent in FY22, and it's a business where we would look for long term sustainable growth from it. So we've certainly got a portfolio of core products where I feel confident and encouraged around those trends continuing in FY23. Outside of that, we've got a couple of new growth areas to scale. So we recently acquired Digicel Pacific, so it will be a contributor to our growth into FY23 and beyond. And we have our Telstra Health business, which again we've got ambitions there to get that to be a $500 million revenue business by FY25. So you put those pieces together, and you've just heard Michael speak to our guidance for FY23; we are guiding for underlying EBITDA growth to be in that range of 7.8 to 8 billion, and that's coming off FY22 where we delivered 7.3 billion. So they're some of the factors that I think about and gives me confidence as I look at growth continuing in the business.

Brent Luetjens: Thank you, Vicki. And we will return to some of those product trends in a moment. But first, a hot topic at the moment is around inflation. So maybe, Michael, so what are the impacts of inflation on your business? What is your view on the economic outlook? And what are you doing to help customers combat increasing cost of living pressures?

Michael Ackland: Yes thanks, Brent, there's a lot in that question so thank you. Firstly, if we look at inflation impacts on our business, clearly we are seeing inflationary pressure across a range of our costs. One of the obvious ones is energy, and we are seeing our costs increase there. We do have a large degree of protection both from hedging, but also our commitments to Power Purchase Agreements that we've been entering into in renewables, over a long period of time actually. Our biggest fixed cost is labour, and we've recently signed an Enterprise Agreement across a big part of our labour pool which also gives us some protection. The other thing on the inflation side is we are passing through some inflation linked increases into pricing in a number of our products as well, which obviously will counteract the impact through to earnings.

From a cost of living point of view with our customers, and that's something that we think deeply about, it's why we've worked so hard to limit the inflation impacts on our costs, so that we can minimise what we need to pass through to our customers. But I would point to a few things. We've made a very big commitment, as Vicki talked about, over the last few years around having no lock-in contracts, to give our customers the opportunity to move between plans and to move to the plan that best suits their needs and best suits their budget. We also have a fantastic prepaid product range which offers amazing value for customers. As well as the work we do with our wholesale partners that provide access to our network, as well as our Belong products. So I think there's a range of options for consumers, and we're very focused – we know how important our product is, and we can all feel the cost of living pressures as they hit consumers and hit hip pockets.

In terms of the economy more broadly, I think the best we can say is there's more uncertainty than I think many of us have seen for a very long time, both in the equity markets, in the debt markets, and also in consumer confidence and business confidence, and that's something that we're very conscious of. Thanks.

Brent Luetjens: Thank you, Michael. Just a reminder for shareholders online today, if you do have a question, please type it into the right of the screen and press that "Submit" button. So, look, I will stay with you, Michael, just for a couple of questions. Vicki mentioned mobiles earlier, so how were you able to achieve such strong mobile growth in FY22? And are you confident that this can continue?

Michael Ackland: Yes thanks, Brent. We've been working on transforming our mobile business throughout the T22 programme, and that's really what has set us up for success in terms of simplifying our products, moving to no lock-in contracts, the unbundling of hardware and the service contracts, the move towards no back book, so everyone's always on the latest plan, has given us a lot more flexibility, and our customers a lot more flexibility. But really underlying what drives and has driven the growth in our mobiles business, is our continued leadership in having Australia's best network. Our clear leadership in 5G is coming through. And we saw that particularly in our Enterprise business as well which contributed significantly to our growth in FY22, and will continue to.

As we look forward, the mobile product is one that continues to provide outstanding value for customers, and it's more and more important tool in people's lives. We think our multi brand strategy gives us a fantastic position, and we will continue to lead in having Australia's best network. And I think that is what is going to underpin our growth is our ability to deliver a great value product to our customers, and continue to be at, really, the leading edge of mobile experiences in Australia and, frankly, around the world.

Brent Luetjens: Thanks, Michael. I think I'll stick with you for a couple more questions on products. So one is on NBN. So the question is, Telstra is making very low margins reselling NBN, what is Telstra doing to improve margins and profitability reselling NBN?

Michael Ackland: Yes thanks, Brent. So as Vicki just mentioned in her last answer, we have seen some momentum in our NBN returns. So our EBITDA margin in the first half of FY22 was at about 4 percent, we lifted that to 8 percent in the second half which got us to 5 percent EBITDA margin for FY22. Our ambition is to get to 8 percent in FY23 and then mid-teens beyond that. And we remain committed to that strategy of improving returns. We have seen a lift in ARPU of 2.4 percent in FY22, and will continue to see some further lifts in ARPU based on underlying price changes we made in the second half of FY22. The other area we're focused on is continuing to lift our mix in the higher speed plans. We're at about 9 percent of our base are on the 100 speed plans. The market's about 20, so we think there's further opportunity there.

And then, of course, continuing to sell our value-added services around Wi-Fi guarantee, around security and around our range of media products that we provide for our customers. So that's on the revenue side for NBN. On the cost side, we are continuing to move more and more of our activities with our customers onto our new digital stack. And in fact, we finished FY22 with around 70 percent of all of our NBN transactions through the new stack, which has seen significant cost improvements, but it's also seen a significant uplift in MPS, so around 20 points. So a better experience at lower cost. And that will continue to flow through. And then, of course, our commitment of 500 million in fixed cost out through to FY25 will also contribute to profitability in NBN.

Brent Luetjens: Excellent thank you, Michael. Maybe one final question on products – and this is the question I sometimes get at barbecues now – partly related but, Michael, could satellite services like Starlink disrupt your mobile and fixed profitability into the future?

Michael Ackland: No thanks, Brent. And I think satellites will play, and are already playing, an important role in the connectivity solutions, and providing the connectivity solutions that people need. So there's a little bit of physics in the sense that they're a long way away, and so they will always have some constraints compared to a terrestrial solution – whether that's mobile or whether that's fibre in the ground – in terms of latency. So they'll always be part of a solution and not the total solution. We are deeply engaged in bringing satellite solutions to Australian consumers in our partnership with Viasat for geo – so geostationary satellites which are quite a bit higher – and also with OneWeb which is a low earth orbit solution satellite, which is a fair bit lower. And we're working with both of those partners towards satellite solutions for the Australian consumer.

You would have also heard with recent announcements from Apple and also T-Mobile in the US around satellite solutions in the mobile handset. So there's still quite a way to go for those solutions to be a significant part of the connectivity solutions in mobility. And what you're seeing at the moment is very simple messaging emergency services. But we will be at the forefront of what happens in Australia; we are committed to being the technology leader in bringing the best connectivity experiences to all Australians.

Brent Luetjens: Thanks, Michael. The next category of questions are on legal restructure and InfraCo, and we've had a few questions on this topic. So, Michael, I'll give you a little rest. But, Vicki, can you provide more details on the legal restructure and the scheme of arrangement?

Vicki Brady: Absolutely. I thought Michael was doing a great job, Brent, but yes, back to my turn. So I know it's top of mind for a lot of our shareholders and you would be aware that on the day of our AGM we will hold a Scheme meeting as well, and it's a chance for our shareholders to vote. And so the legal restructure: if I take a step back, right at the start of T22 four years ago, part of our strategy was to ensure that our infrastructure assets were set up as standalone business units inside of Telstra. And why did we do that? There were a few reasons. Firstly, it was to increase the transparency of those assets and businesses because they are unique and very valuable in their own right.

The second thing was we absolutely wanted to set them up and have a management team really focused on running them as businesses. And it is a little different to those assets just being a core part of our network and delivering for customers – so running them as infrastructure businesses – to make sure we were creating the most value that we could from those businesses. And then the third piece of it was absolutely to increase our optionality down the track in terms of the right way to create and grow value from those businesses. So that's an important context piece. So the legal restructure, it is a key part of T25. And what it's about is putting in place a legal structure so that we have a new Telstra Corp sitting at the top as the holding company, and we will broadly have four subsidiaries sitting underneath: our InfraCo Fixed business, our Towers business Amplitel, our Telstra International businesses, and then the rest of Telstra; our big, obviously, domestic business here across consumer and small business, Enterprise, our active networks etc.

So the legal restructure, it is a legal restructure and so it is an important point for our shareholders just to be well-informed and be ready to vote at the Scheme meeting. It's important to remember it is a step in the process, it won't mean that there's some sort of transaction or something about to happen; it is a legal structure and it's an important step for us to put in place to have that optionality down the track. So an important piece. And, again, I'd just encourage our shareholders to really take a look at the Scheme booklet and look forward to engaging more at the Scheme meeting on the same day as our AGM in October.

Brent Luetjens: Thank you, Vicki. You mentioned optionality a few times in that response, and we do have a question around that. So reading it out, there has been discussion in the media around what Telstra could do with its InfraCo Fixed assets. What is your strategy; is a transaction involving InfraCo Fixed likely, and could it boost Telstra share price?

Vicki Brady: Thank you. And I know it is – those questions are top of mind, I know, for a lot of our shareholders, and certainly the investors that I've engaged with recently; it is a topic of conversation. And so there are a few things I think are really important here. So firstly, as I said, it is an important step to have that increased optionality over time. The thing I would say is these assets, absolutely they are unique here in Australia, and they are very valuable assets; we know that. And our focus right now – the number one focus of the team leading our InfraCo business – is absolutely, the strategy around how do we make sure that we're maximising the access to those assets, that we're maximising the utilisation, and we're continuing to scale them. Because undoubtedly, setting that business up so that it's got really sustainable growth over a long time, is incredibly important. And so that's where the team are focused and that's number one priority.

Second is, as I said, it is getting the legal restructure put in place. It is important as we think about options down the track. Now what I would say is we have not made any decisions on any transactions when it comes to InfraCo Fixed at this stage. And as you would have seen with the transaction that we undertook with our Towers business, where we sold a 49 percent non-controlling interest in that business, absolutely where we see opportunities to unlock value, they are things we will consider and absolutely look at. But we will be – we need to be very considered and deliberate as we look at our InfraCo Fixed business. It is about six to seven times the size of our Towers business. And so through the course of 2023, we will consider those options. But, as I said, at this stage there are no decisions made.

There are many different transactions that are potentially available to us. And to give you some examples – what are those potential transactions – it is things like a sale, a partial sale of InfraCo Fixed, demerger, initial public offering; there are a range of options. And I would encourage our shareholders, in the Scheme booklet you will find a section in there that talks about under the variations we've made to our agreement with NBN, we have got in there some options where we don't need NBN approval if we were to move forward. As I said, none of those decisions are made, but it gives you a sense of the sorts of range of options that could potentially be there for us to look at in the future.

And so the final piece I wanted to just reinforce too, Brent, is with the legal restructure – assuming that all goes ahead as we're planning – when that's finally put in place for our shareholders, today you own a share in Telstra Corporation, under the new legal structure – assuming it gets put in place – you will hold an equivalent one share in the new Telstra Corporation. So there's no change in what you own of Telstra; it will be a change of legal entity. And I did just want to reinforce that, because it's another question I do get occasionally.

Brent Luetjens: Thank you, Vicki, that's super clear. So I have a final question for you on a different topic – on customer experience – and it's almost sort of finishing where we started. So, Vicki, what initiatives do you have in place to improve customer experience, and can you improve Telstra's poor reputation in this space?

Vicki Brady: Thanks, Brent, for that, and what a good question to roundup on. It is where we started. As I said, continuing to transform that customer experience is absolutely at the heart of T25 and the top of our priority list. So what are some of the things, what are we doing to do, what can we leverage to really keep transforming that experience? So firstly, under T22 we took some big steps, including, as I spoke to a little earlier, for our consumer and small business customers today when they call us, all of those calls are now taken here in Australia. We've also brought back our Telstra stores. So they are now owned and operated by us. We also have really large field teams across the country, who are on the ground there to support our customers. And so I think we have a really big opportunity in terms of leveraging those capabilities and those teams, setting them up so we can really deliver in a very localised way for our customers; being there day-to-day, on the ground, understanding the context and really delivering. So that's a great opportunity for us.

The other piece we're very focused on is we've invested a lot in digitising our business and building the new digital stacks where we serve our customers through. And so really making sure from digital, through to in-store, through to when you call in and speak to us, making sure it is a seamless and consistent experience for our customers. There is a lot of opportunity there for us. And that also goes for our Enterprise customers, so that ability to leverage the investment in the digital stacks we've built, to again continue to make that experience for those customers as efficient and as effective as possible, is absolutely a focus. And then I think the final piece is personalisation. So through those technologies, making sure for our customers, we know it, customers want things done seamlessly, efficiently, it needs to be low effort. And so our ability to leverage the capabilities that we've built combined with setting our teams up with the tools so they can absolutely deliver those outstanding experiences that we aspire to; that's where we're really focused, Brent.

And a little earlier Michael spoke about our leading mobile network. There is no doubt the investment we make in our networks, the technology we deliver, it does set us apart – we know how important that is for our customers – so continuing that investment. So, yes, we continue to deliver Australia's leading mobile network, and it is one of the world's leading networks, that's absolutely at the forefront of our T25 strategy because we know just how important that is for our customers.

Brent Luetjens: Thank you, Vicki, and thank you, Michael. That's all for the questions today, and brings us to the end of the meeting. Thank you to the shareholders. If we didn't get to your question today, please write to me at investor.relations@team.telstra.com and I'll get back to you. Before we wrap, Vicki, any closing comments?

Vicki Brady: Yes, absolutely. Can I first just say and reinforce I am incredibly excited and energised almost a month in to stepping into the CEO role for Telstra. It is a huge privilege and honour, and I also know it comes with a massive responsibility and I am feeling that responsibility very deeply when it comes to leading our extraordinary teams across Telstra, when it comes to delivering for our customers, for the communities we operate in. And, of course, very importantly, continuing to deliver for your, our shareholders. I do think there is an exciting period ahead for Telstra, and I want to thank you for your support of us, and I'm really looking forward to getting the chance to engage further on 11 October at our AGM and our Scheme meeting. So, again, thanks again for joining us today, and thanks for your ongoing support of Telstra.

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