



blenheim partners

no limitations

The Blenheim Report

CONFIDENTIAL INTELLIGENCE REPORT

TELECOMMUNICATIONS SECTOR

September 2014



blenheim partners

no limitations

Blenheim Partners is an elite international Executive Search and Board Advisory firm. We specialise in senior level Executive Search, Non-Executive Director Search, Board Consulting, Management and Team Appraisals and Leadership Development.

We were founded in 2012 by leading figures in Executive Search and Consultancy. Members of the team have advised in Leadership and Succession Planning to over 45 of the ASX 100, 9 FTSE 100, Multinational, Private Family and Mutually Owned Companies.

Our philosophy is to develop deep and committed relationships with a small number of clients and help them deliver a superior performance by optimising the composition of their executive teams.

- We only partner with one to two companies per sector to ensure our clients receive sector expertise and have access to the very best candidates.
- We do not have “Conflicts of Interest” or “Off Limits” restrictions as a result of our partnering model.
- We operate as one firm. We staff each assignment with the best people.
- We support our client’s long term planning capability with Strategic Succession Planning.
- We provide global reach. Over 90% of our searches are international.
- We provide an end to end search process, including Assessment and a 90 day On Boarding Programme.
- We provide a fixed fee of which the final 25% is only payable if our client assesses that expectations have been exceeded.
- We have “no limitations” in the pursuit of excellence.

Confidentiality

This report and the information contained in it are confidential and proprietary information belonging to Blenheim Partners. The report contains confidential and proprietary information based on data from public and private sources, including Blenheim Partners’ proprietary database of information. **The recipient will not use or disclose, or permit the use or disclosure of, this Report by any other person or for any other purpose.** The information contained in this report is preliminary in nature and subject to verification by Blenheim Partners. Blenheim Partners does not guarantee its accuracy or completeness.

CONTENTS

Introduction..... 4

iiNet Ltd 5

Macquarie Telecom Group Ltd 14

NBN Co Ltd..... 24

SingTel Optus Pty Ltd 36

Telstra Ltd 57

Market Intelligence 77

Movements..... 83

Conclusion: Themes 85

Telecommunications Sector Overview

Telecommunications companies are engaged primarily in operating, maintaining or providing access to facilities for the transmission of voice, data, text, sound and video using wire, cable, wireless and satellite networks. Some participants also own and operate their own infrastructure. Retail Service Providers (RSP's) are resellers who purchase network capacity and then retail to businesses and consumers. The pace of change in the telecommunications industry is being driven by technological changes, innovation and consumer enthusiasm for embracing new devices and services. The emergence of data security as an issue, partially as a result of whistleblower's, such as Edward Snowden's leak of classified information from the National Security Agency, has led to an increase in consumers' interest in and awareness of the potential misuse of information and how their details can be safeguarded.

Telecommunications in Australia: Australian postal and Telco services were originally controlled by the Postmaster-General's Department formed as a result of Federation in 1901. In 1975 the PMG was split and domestic telecommunications services transferred to the Australian Telecommunications Commission, trading as Telecom Australia, and after various name changes it became Telstra Corporation Ltd in 1993. Telstra remained without competition until the industry became deregulated in 1992, and the early 1990s saw Optus and a number of small providers enter the market. The industry was formally opened to full competition in July 1997 when restrictions on the number of licensed operators and anti-competition mechanisms were removed. By the end of 1998 there were 20 licensed carriers in Australia, and by May 2002 there were 99 licensed carriers. Since the industry was opened to competition, consumers now pay 47% less for fixed voice services and 52% less for mobile services, and there have been significant increases in investment to improve infrastructure and meet growing demand¹.

Customer Service

The Telecommunications Industry Ombudsman (TIO) is the dispute resolution service for small business and residential customers regarding telephone or Internet services. An independent body established in 1993 and provided for under a Federal Act of Parliament, it is independent of industry, the government and consumer organisations. It is able to investigate complaints, and has the authority to make Binding Decisions the industry is legally obliged to implement. The TIO applies to all Carriage Service Providers in Australia, and provides community safeguards in the areas of sales, service and contracts, billing, credit and debt management, changing suppliers, and complaint handling. According to its latest figures², the TIO received 36,256 new complaints in January-March 2014, 8.7% more than the October-December 2013 quarter, however 9.4% less than the January-March 2013 quarter. Complaints about mobile phones dropped 19.4% compared to the January-March 2013 quarter, however complaints regarding excess data usage charges for mobiles have emerged as a growing issue, with disputes increasing 30% year on year. Internet disputes increased 20.6% for the quarter, and 4.8% year on year. Landline complaints rose 2.9% year on year.

The Net promoter Score (NPS) is a globally recognised metric used to gauge the loyalty of a firm's customer relationships, and is in common use in the Australian telecommunications industry. NPS can be as low as -100, where all respondents are detractors, and as high as +100, where everyone is a promoter. A positive NPS is considered a good result, and a +50 result is considered to be excellent.

¹ https://www.accc.gov.au/system/files/814_ACCC%20Telecommunications%20reports%202012%C2%AD13%20Div%2011%20and%20Div%2012.pdf

² <https://www.tio.com.au/publications/media/mobile-coverage-complaints-drop-as-excess-data-charges-rise>

NBN CO LTD

Parent company: Commonwealth Government | **Employees:** ~3,000 | **Operations:** Australia | **Head office:** Sydney, NSW

NBN Co Ltd was established on 9 April 2009 to design, build and operate the Australian Government's policy initiative of providing a National Broadband Network (NBN), an Australia wide project to upgrade existing fixed line phone and internet network infrastructure. NBN Co is a Government Business Enterprise (GBE), and is represented by Shareholder Ministers, the Minister for Communications and Minister of Finance. NBN Co's aim is to deliver a national wholesale only open access data network, where broadband connections would be sold to retail service providers who would then sell internet access and other services to consumers. The initial planned rollout of fibre to the premises (FTTP), providing wholesale speeds of up to 100Mbps, was estimated to reach 93% of premises in Australia by 2021.

Changes to the NBN since the Coalition government was elected in the September 2013 Federal Election: Significant changes within NBN Co have taken place as a result of changes to the infrastructure technology mix of the NBN implemented under the new government. Under the previous government, the NBN Co's corporate plan stated construction was estimated to require total funding of \$40.9b up to FY2021. A subsequent strategic review undertaken to investigate the best infrastructure technology mix, and reported on in December 2013, found \$73b total funding would be required for the original plan. This has resulted in a new Optimised Multi-Technology Mix (OMTM) being announced, incorporating fibre to the node (FTTN) and Hybrid Fibre Coaxial (HFC), alongside FTTP, fixed wireless, satellite as well as future advances in Telco technology. The redesigned network is now estimated to save taxpayers more than \$31b compared to the FTTP-only rollout, and as per the April 2014 reviewed version of the Statement of Expectations (SoE) set by the Shareholder Ministers, will be constructed within the constraints of a public equity capital limit of \$29.5m. The OMTM aims to achieve the Government's policy objectives of providing download rates of a minimum of 25Mbps to all premises and 50Mbps to 90% of all fixed line premises.

Changes to leadership since early 2013: NBN Co has undergone significant leadership restructure since early 2013 when a Joint Committee on the NBN was formed to oversee the rollout. Changes commenced with the replacement of inaugural Chairman Harrison Young by Siobhan McKenna, a Director since August 2009, in March 2013. Then in September 2013, Deputy Chairman Diane Smith-Gander and NED Rick Turchini resigned. In October 2013, Chairman Siobhan McKenna, NED's Terry Francis and Brad Orgill, and CEO Mike Quigley resigned. Mr Quigley was replaced by Dr Ziggy Switkowski as Executive Chairman and Interim CEO. Patrick Flannigan, Justin Milne and Simon Hackett were appointed NED's in November 2013. Dr Switkowski assumed the role of Chairman when Bill Morrow, former Vodafone CEO, was announced as CEO in December 2013. Mr Morrow commenced as CEO in April 2014, and as part of the restructure he was brought in to lead immediately announced that CTO Gary McLaren, head of corporate Kevin Brown, and CFO Robin Payne would be leaving, and that a new Executive structure would commence as of 1 May 2014 focusing on Finance, Culture & Transformation, Legal, Regulatory, and Investor & Media Relations. The Chief Technology Office now reports into the COO, Bradley Whitcomb (ex Vodafone) has been appointed inaugural Chief Culture & Transformation Officer, and Stephen Rue appointed CFO. Dr Kerry Schott and Alison Lansley are the only remaining NED's who were with NBN Co at the beginning of 2013.

Customer service – Stakeholder Charter: As a wholesale only business, NBN Co's customers consist of retail and wholesale service providers. The Stakeholder Charter, issued in 2013, identifies a wide range of stakeholders to which they are committed. To that end their customer service model has been established to also consider others within the industry as customers, including consumer advocacy groups, local communities, end users and construction contractors. "NBN Co is committed to establishing an on-going dialogue with our customers (and potential customers) to better understand their views, experience and needs across a broad spectrum of topics." NBN Co has established the 'Product Development Forum' which aims to give service providers, existing and prospective and relevant consumer advocacy groups the opportunity to suggest and provide feedback on future product ideas. NBN Co has previously undertaken consultations on a wide range of topics, including in the areas of product consultation, Wholesale

blenheim partners

Broadband Agreement (WBA) consultation, and satellite development consultation. The Customer Experience Metric (CEM) rating was implemented during the second half of FY2014 to track performance.

Source: <http://www.nbnco.com.au/corporate-information/about-nbn-co.html#.VBOtGkuOXTQ>
<http://www.nbnco.com.au/content/dam/nbnco2/documents/nbnco-annual-report-2014.pdf>
<http://www.nbnco.com.au/corporate-information/media-centre/media-releases/strategic-review.html#.VBUFqkuOXTQ>

2014 RESULTS

Financial Results	FY14	FY13	Metrics	FY14	FY13	Comments
Telecommunication revenue	\$60m	\$16.4m	Premises connected	8m	1.1m	<ul style="list-style-type: none"> FY2014 targets achieved – doubled premises ready for service, tripled services activated, quadrupled revenue. Premises serviceable aim 100% by 2020. Call centre – 187,246 contacts resulted in 99,074 cases, all enquiries responded to on same day, complex enquiries took average of 6.5 days to resolve, formal complaints average 5.4 days to resolve, complex complaints average 26.6 days to resolve. FY2013 saw a period of enormous change and transformation for NBN Co, pace of rollout of NBN significantly accelerated. NBN Co reached non-binding framework with Telstra for renegotiation of Definitive Agreements including progressive acquisition of some of Telstra’s copper & HFC assets; commenced negotiations with SingTel Group for progressive purchase of some of Optus HFC assets. Construction of FTTN for trials has commenced in NSW & QLD, anticipated 1st of ~250,000 premises will become serviceable by mid-FY2015. NBN on target to reach one in 10 Australians in FY15.
EBITDA	(\$1,004.1m)	(\$732m)	Premises activated	210,628	70,100	
NPAT	(\$1,643.8)	(\$931.7m)	CEM rating (out of 10)	6.4	-	
Total assets	\$9,467.5m	\$5,518.7m	Premises serviceable	552,618	227,075	
Capex	\$2,479.5m	\$1,1767.4m	Ave. speed fibre end-users	36Mbps	39Mbps	
ARPU* per month	\$37	\$37				
Total government funding	\$8,418.4m	\$5,228.4m				
*ARPU: Average Revenue Per User						

blenheim partners

EXECUTIVE TEAM				
Name	Title	Background	Location	Comments
<p>Bill Morrow</p> 	<p>Chief Executive Officer (Apr2014-Present)</p>	<p>Bill was appointed CEO of NBN Co in December 2013, and joined the company in April 2014 with a remit to ensure all homes, businesses and communities across Australia can have access to high speed broadband as soon as possible, at affordable prices and at least cost to taxpayers.</p> <p>He is well known for his global experience in leading complex turnarounds and capital intensive start-ups. His industry experience spans Fixed Line Broadband Services, Fixed Wireless, Mobile Wireless, and Gas and Electric Utilities.</p> <p>Prior to his present role, he served as CEO of Vodafone Hutchison Australia in Sydney, CEO of Clearwire Corporation in Seattle, and CEO of Pacific Gas & Electric Co. in San Francisco. Previously, he was CEO of Vodafone's Europe region through Vodafone Group PLC and ran the group's businesses in Japan and the UK.</p> <p>Education – Associate of Science degree in Electrical Engineering, Condie College; BA (Business Admin), National University in San Diego.</p>	<p>Sydney</p>	
<p>Greg Adcock</p> 	<p>Chief Operating Officer (Nov2013-Present)</p>	<p>Greg was appointed to NBN Co as COO on 7 November 2013. He was previously Executive Director of NBN and Commercial Operations at Telstra. He has spent the past 20 years at Telstra and was a key member of the Telstra team that negotiated the Definitive Agreements between Telstra and NBN Co. His previous roles at Telstra were in strategy and business planning, capital management, contract establishment, operational process optimisation, regulatory compliance, and strategic projects.</p> <p>Prior to Telstra, Greg worked in and around major projects in IT services with various roles at Lindemans Wines, GE and Aristocrat including the computerisation of manufacturing and accounting systems. He was also involved in the project to build the New Parliament House in Canberra.</p>	<p>Sydney</p>	

blenheim partners

<p>Stephen Rue</p> 	<p>Chief Financial Officer (Jul2014-Present)</p>	<p>Stephen joined NBN Co in July 2014 as CFO and a member of the Executive Committee. He is responsible for the financial management of business activities, business planning, financial reporting, financial control, management reporting, taxation and treasury, as well as procurement and supply.</p> <p>Prior to joining NBN Co, he spent 17 years in various leadership roles at News Corp Australia including a decade as CFO. He also served as a Director on a number of associated boards including Foxtel, Fox Sports, REA Group and Australian Associated Press, as well as Chairman of the Communication Newspaper Group in Perth and Melbourne Storm Rugby League Club.</p> <p>Education – FAICD; CA; BBS, Trinity College, Dublin; Dip Professional Accounting.</p>	<p>Sydney</p>	
<p>Justin Forsell</p> 	<p>Chief Legal Counsel (Mar2010-Present)</p>	<p>Justin commenced his current role in March 2010, and is responsible for all NBN Co’s legal services and its company secretariat and FOI functions. His responsibilities include all major transactions, dispute management and litigation, legal analysis and advice work, plus governance support.</p> <p>An experienced legal practitioner with over 18 years’ in-house experience, prior to joining NBN Co he was General Counsel, Company Secretary and Head of Governance at Vodafone Australia. He was responsible for legal, regulatory, government relations, company secretariat, inter-carrier relationships and corporate social responsibility across the company.</p> <p>He has previously held senior legal counsel roles at BT Group Japan and British Telecom in the UK. He commenced his career in telecommunications law at Hutchison Telecom in Hong Kong after several years in private practice.</p> <p>Education – MBA, MGSM; LLB, Victoria University Wellington.</p>	<p>Sydney</p>	

blenheim partners

<p>JB Rousselot</p> 	<p>Chief Strategy Officer (Oct2013-Present)</p>	<p>JB joined the company in October 2013. He oversees NBN Co’s strategy and corporate planning functions and is responsible for the management of the strategic relationships with Telstra and Optus. He is also responsible for NBN Co’s regulatory strategy, engagement with industry regulators on the formulation and implementation of the regulatory regime, and NBN Co’s wholesale supply arrangements.</p> <p>He has previously held senior roles at Telstra including the Executive Director of Voice, BigPond and Media. He was the CEO of IP telephony start up, Interline, an Executive Director of the Australasian Media and Communications Fund, and has worked in consulting and investment banking.</p> <p>Education – MBA, MIT Sloan School of Management; ME, Ecole Nationale des Ponts et Chaussees.</p>	<p>Sydney</p>	
<p>John Simon</p> 	<p>Chief Customer Officer (Jan2013-Present)</p>	<p>John commenced his current role in January 2013, and is responsible for all aspects of product management and sales. His accountabilities include developing and managing the life cycle of the NBN’s product portfolio, and ensuring that it is aligned with industry needs and underpins the NBN Co corporate plan. Within his portfolio, he is also accountable for delivering NBN Co’s revenue targets and customer experience goals of its key channels to market, the Retail Service Provider community.</p> <p>John spent the last 11 years working for SingTel-Optus in various roles including MD of its Corporate, Government and Key Account Division (Optus Business). He also had responsibility for Optus’ SMB division and prior to moving to NBN Co was the MD of Strategy, Transformation & Customer Experience for Optus.</p> <p>Prior to SingTel-Optus he worked in the ICT industry for a range of companies including Telstra Multimedia and General Electric in various Executive leadership roles.</p> <p>Education – MBA, AGSM.</p>	<p>Sydney</p>	

blenheim partners

<p>Brad Whitcomb</p> 	<p>Chief Culture & Transformation Officer (May2014-Present)</p>	<p>Brad joined NBN Co in May 2014 and is a member of the Executive Committee reporting directly to the CEO. He is responsible for ensuring the essential elements of NBN Co’s culture all work together.</p> <p>He is a global telecommunications, technology and energy Executive with experience in leading business operation and transforming business cultures. Prior to joining NBN Co, he was the Chief Strategy & Business Transformation Officer at Vodafone Hutchinson Australia, responsible for business operations turnaround including diagnosis, strategy, planning, execution and governance.</p> <p>Education – MBA, Saint Mary’s College of California; BEc, University of California, Santa Barbara.</p>	<p>Sydney</p>	
--	---	--	---------------	--

OTHER KEY PERSONNEL

Name	Title	Background	Location	Comments
<p>Caroline Lovell</p> 	<p>Head of Regulatory Affairs & Industry Analysis (Jan2013-Present)</p>	<p>Caroline commenced her current role in January 2013 and is a direct report to the CEO. She has previously held the roles of Principal Regulatory Affairs & Industry Engagement, and prior to that Principal Regulatory Affairs. Since joining NBN Co she has been heavily involved in the development of the long-term regulatory framework governing access to the NBN. The document known as the Special Access Undertaking, which outlines the prices NBN Co, as a wholesale access open telecommunications network, can charge for the services it supplies to retail telco companies and was accepted by the ACCC in December 2013.</p> <p>Before joining NBN Co in 2010, she was a senior partner with Clayton Utz.</p> <p>Education – BA/LLB, University of Sydney.</p>	<p>Sydney</p>	
<p>Karina Keisler</p>	<p>Executive General Manager, Corporate Affairs (Jun2014-Present)</p>	<p>Karina commenced the role of EGM Corporate Affairs in June 2014. She possesses more than a decade’s experience in telecommunications media relations, most recently with Vodafone Australia where she was brought in as GM Corporate Affairs in 2012 to restore the reputation of Australia’s number three telco. She has experience managing all elements of the</p>	<p>Sydney</p>	

blenheim partners

		<p>corporate affairs function at a senior level, and has long-standing relationships with the Australian media.</p> <p>She has previously been an advisor for some of Australia’s highest profile CEOs and Executives. After a stint in local government, she took up a role in Telstra Corporate Affairs overseeing the establishment of Telstra Country Wide in Victoria and Tasmania before stepping into a senior advisory role at Sensis, where she quickly moved into the lead role for external communications. She was appointed principal media adviser at Telstra in 2010, and in 2012 she joined Vodafone Australia.</p> <p>Education – MA, Deakin University.</p>		
<p>John McInerney</p> 	<p>Chief Information Officer (Nov2012-Present)</p>	<p>John joined NBN Co in his current role in November 2012, and is responsible for all IT functions across the company. He was previously VP Infrastructure Technology Outsourcing for HP based in Singapore.</p> <p>Prior, he was with Telstra for almost seven years, most latterly as CIO. Earlier, he was CEO of Datum, a division of high-speed network encryption company Senetas.</p>	<p>Melbourne</p>	
<p>Claire Awramenko</p> 	<p>General Manager, Marketing & Community (2014-Present)</p>	<p>Claire commenced her current role in 2014, having previously been GM Marketing, and before was Manager of Local & Direct Marketing. Before joining NBN Co in 2012 she spent a year with Save the Children as Global Partnership Manager, based in the UK.</p> <p>Earlier, she was with Vodafone UK for three years as Head of Proposition and Marketing Planning, and also with Vodafone in Australia where she held Product Management roles, and was Partner Manager for the Vodafone Australia Foundation.</p> <p>Education – BCom, UNSW.</p>	<p>Sydney</p>	

blenheim partners

<p>Trent Williams</p> 	<p>General Manager, External Affairs (Feb2010-Present)</p>	<p>Trent joined NBN Co in February 2010, and is responsible for the national community engagement program which entails providing communities and stakeholders with relevant information about when NBN Co is coming, what to expect during the rollout, what the NBN means to a community, and how best to make the most out of the NBN when construction of the network is finished.</p> <p>He has over 12 years' experience in the telecoms field having worked with most of the major telcos and the construction companies both here and in Europe. Prior to NBN Co, Trent was a Management Consultant specialising in strategy, marketing and organisational design.</p> <p>Education – MBA, Ecole de Management de Lyon; BA(Hons), University of Melbourne.</p>	<p>Melbourne</p>	
<p>Kathrine Dyer</p>	<p>General Manager, Engagement Planning & Stakeholder Management, Engineering & Deployment Standards (Jul2014-Present)</p>	<p>Kathrine commenced her current role in July 2014, having previously been GM Engagement Planning, and before was GM Southern Region, New Developments.</p> <p>Before joining NBN Co in 2010, she was with Telstra for over sixteen years, most latterly as National Manager of the Urban Development Group. In this role she led the deployment of telecommunications to new residential estates and business parks, including fibre to the home and fibre to the business.</p> <p>Education – BBA, RMIT University.</p>	<p>Melbourne</p>	
<p>Rob Hacker</p> 	<p>Sales Director (May2013-Present)</p>	<p>Rob joined NBN Co in May 2013, and is responsible for strategic account management, customer solutions management, and customer delivery management. Prior, he was VP Transformation at SingTel Optus, where he led the program to implement strategic change throughout Optus Business. Earlier roles with Optus include VP of Enterprise Sales, Director of Customer Solutions & Services for Optus Business, and Sales Director for Consumer & Multimedia.</p>	<p>Sydney</p>	

blenheim partners

		<p>Before Optus, he was with Ericsson for seven years, most latterly as Director for Business Development Ericsson Australia, and earlier Director of Customer Service for Ericsson USA, responsible for mobile customer services for global and USA/Canada customers.</p> <p>Education – BE, University of Queensland.</p>		
BOARD MEMBERS				
Name	Title	Background	Location	Comments
<p>Dr Ziggy Switkowski, AO</p> 	<p>Chairman (Oct2013-Present)</p>	<p>Ziggy was appointed Chairman of NBN Co on 3 October 2013.</p> <p>Ziggy is the Chairman of the Suncorp Group and a Director of listed companies Tabcorp Holdings and Oil Search Ltd. He is Chancellor of RMIT University.</p> <p>Ziggy is a former Chairman of the Australian Nuclear Science and Technology Organisation and of Opera Australia. He has previously held positions as CEO of Telstra Corporation Ltd and Optus Communications Ltd and is a former Chairman and MD of Kodak Australasia Pty Ltd.</p> <p>Ziggy is a Fellow of both the Australian Academy of Technological Sciences, and the Australian Institute of Company Directors. His current term will expire on 2 October 2016.</p> <p>Education – FAICD; BSc(Hons) & PhD (Nuclear Physics), University of Melbourne; AMP, Harvard Business School.</p>		
<p>Patrick Flannigan</p> 	<p>Non-Executive Director (Nov2013-Present)</p>	<p>Patrick was appointed as a Director on 11 November 2013. He possesses over 25 years' experience in infrastructure services and has held senior roles in both private and publicly listed companies. He founded Utility Services Group in 2011 serving as the CEO & MD. He is currently also a Director of the Australian Grand Prix Corporation.</p> <p>Patrick established his own business, Integrated Maintenance Services in 2000 and was the founding MD & CEO of Service Stream Ltd for six years</p>	Melbourne	

blenheim partners

		<p>from 2003. He managed network construction as NBN Co's Head of Construction establishing major contractor relationships from 2009 to early 2011. His current term will expire on 10 November 2016.</p> <p>Education – GAICD; BBus, Victoria University.</p>		
<p>Simon Hackett</p> 	<p>Non-Executive Director (Nov2013-Present)</p>	<p>Simon was appointed as a Director on 11 November 2013.</p> <p>Simon has over 20 years' Internet industry experience. While working as a Systems Programmer at the University of Adelaide from 1987 he became a part of the team that created the Australian Academic and Research Network (AARNet), the first emergence of the internet in Australia.</p> <p>Simon founded an ISP, Internode in 1991 and licensed carrier Agile in 1997. The group grew to be a national provider of Internet services using ADSL2+, optical fibre and fixed wireless infrastructure. Internode was one of the first companies to connect to the NBN in 2010. The company was sold to iiNet Ltd in early 2012. His current term with NBN Co will expire on 10 November 2016.</p> <p>Education – BSc, University of Adelaide; FAICD; FACS.</p>	<p>Adelaide</p>	
<p>Alison Lansley</p> 	<p>Non-Executive Director (Dec2012-Present)</p>	<p>Alison was appointed as a Director on 7 December 2012. She is an experienced corporate lawyer and business leader, with extensive exposure to the Australian telecommunications industry. She was a partner in the M&A practice of Mallesons Stephen Jaques for over 16 years.</p> <p>Alison is currently a Non-Executive Director of Schools Connect Australia Ltd, Port Fairy Spring Music Festival Inc and Community Food Marketplace Ltd.</p> <p>Alison previously served on a number of boards and authorities, including the Melbourne 2006 Commonwealth Games Corporation, the Takeovers Panel, the Financial Services Institute of Australasia, and the national listing committee of the Australian Stock Exchange, and she headed the Victorian</p>	<p>Melbourne</p>	

blenheim partners

		<p>Regional Council of the Australian charity, Redkite, for several years. Her current term will expire on 6 December 2015.</p> <p>Education – LLB, ANU; BJuris (Law), UNSW</p>		
<p>Justin Milne</p> 	<p>Non-Executive Director (Nov2013-Present)</p>	<p>Justin was appointed as a Director on 11 November 2013. His career combines experience in telecommunications, marketing and media. He has run three of Australia’s largest ISPs, and as CEO of OzEmail, MSN and BigPond he built significant media businesses in the online and mobile phone worlds. He also helped Telstra to become active in Social Networks.</p> <p>Justin has been responsible for many successful marketing campaigns and has been honoured with a number of awards. He is a Non-Executive Director of Tabcorp, Members Equity Bank, NetComm Wireless, Basketball Australia and most recently SMS Management & Technology Ltd. His current term will expire on 10 November 2016.</p> <p>Education – BA, Flinders University; MAICD.</p>	<p>Sydney</p>	
<p>Dr Kerry Schott</p> 	<p>Non-Executive Director (Sep2012-Present)</p>	<p>Kerry was appointed as a Director on 28 September 2012. She is the Project Director of the proposed sale of the New South Wales government owned electricity generating plants.</p> <p>Kerry completed her role as CEO of the Commission of Audit for the NSW Government in early 2012, was MD & CEO of Sydney Water from 2006 to 2011 and before was Deputy Secretary of NSW Treasury.</p> <p>Kerry spent 15 years as an investment banker, including as MD of Deutsche Bank and Executive VP of Bankers Trust Australia. During this time she specialised in privatisation, restructuring, and infrastructure provision. Early in her career she worked as an economic policy adviser with the Reserve Bank of Australia, the Commonwealth Government and as an academic at University College London and at Oxford University. She has also been a visiting Professor at Princeton University.</p>		

blenheim partners

		<p>Kerry is Chairman of Moorebank Intermodal Company, a Member of the TCorp Board in NSW and a member of the Infrastructure Australia Board, a Patron and Board member of Infrastructure Partnerships Australia, and a member of the Whitlam Institute Board. Her current term will expire on 27 September 2015.</p> <p>Education – Doctorate, Oxford University; MA, University of British Columbia; BA(Hons), UNE.</p>		
--	--	---	--	--

MARKET INTELLIGENCE

22 SEPTEMBER 2014

Australian Financial Review

Harper puts Telstra terms, pricing under scrutiny; Near-monopoly deregulation in sight

The competition regulator should be stripped of its control over pricing and access to Telstra's network, the Harper review says. Telstra's fixed-line phone and internet services are strictly regulated by the Australian Competition and Consumer Commission because the telco giant has a near-monopoly over the copper-line networks that rivals depend on.

An ACCC review of Telstra's fixed-line services could impact the price of phone, mobile and internet services across all carriers.

The Harper review says the ACCC should be stripped of its access and pricing regulation. This would in turn be given to a new Access and Pricing Regulator, which would cover the issue across several industries.

Competitive Carrier's Coalition spokesman David Forman says any new body had to have the resources and expertise to manage telco issues.

"Access to SMS and mobile phone termination is a world of difference from access to a gas pipeline," he says. "It's really important that the knowledge that's been gained over the past decades not be lost."

A Telstra spokeswoman says it was pleased the review had identified the benefits of cutting regulatory burdens.

Source: <http://www.afr.com/Page/Uuid/79aa1008-4200-11e4-a6d2-4967a6e46426>

22 SEPTEMBER 2014

Australian Financial Review

Telstra expected to dump its T-Box

Telstra is expected to scrap its T-Box personal video recorder and internet television device, which has been a major driver of Foxtel's recent subscriber growth, with 760,000 units now in the market.

Dropping the T-Box is part of a strategic rethink of its bundled broadband, telephony and entertainment strategy. Its new approach could include several devices which target different customer and pricing segments.

blenheim partners

Telstra chief Executive David Thodey and Foxtel chief Richard Freudenstein have both pointed to lower-priced pay TV packages as a key growth area for Foxtel subscriptions, which are under pressure due to cheaper competition. “We continue to be leaders in IPTV [internet-based television],” Mr Thodey told an investor briefing in August. “The number of customers using Foxtel through T-Box grew by 111,000 to 185,000 subscribers in total. And we’ve now sold 761,000 T-Boxes.” T-Boxes come with a “PayLite” Foxtel option.

Source: http://www.afr.com/p/business/marketing_media/telstra_expected_to_dump_its_box_9ot96MFUwAWrp1QDpbRw4K

12 SEPTEMBER 2014

brisbanetimes.com.au / Fairfax Media

Optus names Allen Lew as its new CEO

SingTel-Optus’ new chief Executive Allen Lew says his job will be to “reinvigorate” the Australian company and help it grow in the face of tough competition from rivals such as Telstra and analysts’ forecasts that its revenues will shrink.

Mr Lew was long seen as the heir-apparent at Optus’ parent company SingTel. But in a surprise move on Friday the Singaporean telco Executive announced he would take on the role of running its Australian division.

The move sees SingTel’s senior management taking far more direct control of its local operations than ever before. The company has a market capitalisation of \$53.4 billion and 48 per cent of revenue in financial year 2014 came from Australia.

The change comes more than 12 months after Optus’ previous chief Executive Kevin Russell told the company he wanted to quit and follows an extensive global headhunting process that struggled to attract suitable external candidates.

Optus acting chief country officer Paul O’Sullivan will step down from all Executive positions to become the company’s chairman after 10 years of running and overseeing the company in various roles.

Mr Lew said SingTel believed Optus could grow faster than the rest of the telecommunications market.

“[The] Australian consumer is a huge part of SingTel and if we look at it by groups [it is] by far the largest,” he said. “I’ve always had a fondness for Australia ... I did my undergraduate degree in Perth at the University of Western Australia.

Source: <http://www.brisbanetimes.com.au/business/optus-names-allen-lew-as-its-new-ceo-20140912-10fu7e.html>

12 SEPTEMBER 2014

Australian Financial Review

Telstra mulls competing with NBN

Telstra is investigating whether it should copy TPG Telecom's plan to compete with the national broadband network, in a move that could break NBN Co's business case and add billions of dollars in expenses to the federal budget.

The Australian Competition and Consumer Commission (ACCC) on Thursday allowed TPG Telecom to continue connecting urban apartments to its network, which competes with the national broadband network.

TPG launched a plan in September 2013 to connect 500,000 urban apartments and businesses to a fibre-to-the-basement (FTTB) network that provided internet speeds similar to those offered by the NBN.

The company used a clause that allowed networks built before 2011 to be extended by 1 kilometre to go around laws designed to stop NBN Co from having any competition.

Communications Minister Malcolm Turnbull will push to force the functional separation of TPG Telecom's wholesale and retail divisions as part of a new licence arrangement.

NBN Co opposes TPG's plan and warned that its business model will be severely undermined if TPG and other telcos are allowed to compete with it.

This is because it has been ordered to build broadband services to unprofitable rural and regional areas, and must use lucrative city homes and businesses to help pay for the construction.

But the ACCC ruled it was legal and allowed it to proceed. Telstra CEO David Thodey has previously said he was ready to offer FTTB services if TPG was given the green light. Telstra chief operations officer Kate McKenzie said the decision was being digested.

Source: http://www.afr.com/p/technology/telstra_mulls_competing_with_nbn_JNgdBQ8FryWSkrmIkhG070

1 SEPTEMBER 2014

Australian Financial Review

iiNet: the little telco that could

iiNet is the little Perth internet company that could. Born from the garage of founder Michael Malone's parents in 1993, it has fought off global titans like Telstra and SingTel-Optus to earn its reputation as a leading national provider of broadband services. But its senior leadership team dream bigger and internally the informal goal of the company's top brass is to make iiNet Australia's second-largest telecommunications provider over the next five years.

It's a goal that will force the company to transform. To either buy big or be bought. To launch mobile phone services or acquire a mobile service provider and use its strong customer service reputation to beat back a surging Telstra, cut-price rivals like TPG Telecom and Optus, who will refuse to sail dimly unto the night.

It's a goal that could break the back of this \$1.3 billion company if poorly executed. And billionaire and TPG Telecom Executive chairman David Teoh will be watching, with a large bank balance in one hand and a 6.32 per cent stake in iiNet on the other.

iiNet's business model is deceptively simple. It has risen through the telco ranks by standing on the shoulders of fallen rivals, who have been acquired and then integrated by an effective management team. Since 2011 alone it has spent \$225 million buying competitors like Adam Internet in 2013 and Internode and TransACT in 2011.

It also provides some of the best customer service in the market by using call centres in Australia, New Zealand and South Africa.

Source: http://www.afr.com/p/business/companies/iinet_the_little_telco_that_could_POyQb4orRjkEtLYoThPTeN

25 AUGUST 2014

The Australian

Optus tipped to use Singtel exec to fill CEO void

THE global hunt for a new chief Executive to lead the nation's No 2 telco, Optus, has drawn to a close after nine months of searching.

It is understood that while no definitive decision has been made on who the next chief will be, the telco's parent SingTel is confident it will have a permanent replacement within the next two months.

Sources told The Australian that Optus ceased its international search for a CEO last month, with insiders now signalling the telco would most likely appoint an Executive from SingTel to oversee the Australian operations. One possible candidate could be Kuan Moon Yuen, who leads SingTel's consumer arm.

The search for a new chief to lead Optus has been ongoing since October last year, when former boss Kevin Russell told SingTel of his intentions to leave.

blenheim partners

SingTel's global head of consumer and former Australian boss, Paul O'Sullivan, has been holding the reins while the search was under way.

SingTel has held a shortlist of CEO hopefuls since April, but it is understood the telco has not been able to sign any of the external candidates on its list.

Source: <http://www.theaustralian.com.au/business/optus-tipped-to-use-singtel-exec-to-fill-ceo-void/story-e6frg8zx-1227035119047?nk=c0167dcbf8e8d9e3ccb44966996660e8>

22 JULY 2014

Australian Financial Review

NBN panel falls short of deadline

The government-appointed panel tasked with reviewing the national broadband network is set to miss its July deadline, leaving crucial telecommunications company plans up in the air.

The Australian Financial Review understands the two main reports from the panel led by Michael Vertigan have not been delivered to the government and are unlikely to be released to the public until August.

Macquarie Telecom national Executive Matt Healy said the delay was problematic for telecommunications companies trying to prepare for the national broadband network.

"It just adds to the overall level of uncertainty that we're finding in the sector," he said. "The Telstra and NBN Co deal is being done behind closed doors and [Dr] Vertigan's advice to government is delayed and uncertain.

"These things all taken together make it difficult for operators to plan, invest and get going on broadband rollouts."

Source: http://www.afr.com/p/technology/nbn_panel_falls_short_of_deadline_71HRBUMluBGviX2vgULoUI

3 JULY 2014

Australian Financial Review

Macquarie Telecom drags Telstra to ACCC

Listed technology services provider Macquarie Telecom has taken Telstra to the competition watchdog over claims the telecommunications giant is being anti-competitive in rural and regional Australia.

According to a complaint lodged with the Australian Competition and Consumer Commission by Macquarie Telecom, Telstra is misusing its dominance of the telco market in country areas.

“Telstra has misused its market power to lock regional consumers and businesses into sub-standard services and unfairly limited their choice of mobile providers,” Macquarie Telecom said in a statement.

“Telstra was supplying wholesale mobile services only in locations where its mobile competitors were already operating, denying regional consumers any choice at all in other locations.

“Macquarie hopes the ACCC moves quickly and decisively to end this monopolistic behaviour.”

Macquarie Telecom linked Telstra’s alleged behaviour to a federal government plan to spend \$100 million improving mobile blackspots and services in the bush.

Source: http://www.afr.com/p/business/companies/macquarie_telecom_drag_telstra_sxj3ihbHMGKeE4G26VcuWK

MOVEMENTS

There have been a number of movements in the telecommunications sector this year, some include:

- David Buckingham – Appointed Chief Executive Officer of iiNet Ltd, July 2014 (upon resignation of Michael Malone, founder & MD)
- Mark Dioguardi – Appointed Chief Technology Officer of iiNet Ltd, July 2014 (upon resignation of John Lindsay, now consulting)
- Maryna Fewster – Appointed Chief Operating Officer of iiNet Ltd, March 2014
- Allan Byrne – Appointed Customer Advocacy Manager of iiNet Ltd, July 2014
- Paul McCarney – Appointed NED of iiNet Ltd, April 2014
- Patrick O’Sullivan – Appointed NED of iiNet Ltd, April 2014
- Heather Tropman – Appointed Group Executive, Telco & Carrier of Macquarie Telecom Group Ltd, July 2014
- Fionán McDonnell – Appointed Client Delivery Executive, Outsourcing of Macquarie Telecom Group Ltd, March 2014
- David Flanagan – Appointed General Manager, Telco Operations of Macquarie Telecom Group Ltd, January 2014
- Victoria Casey – Appointed Head of People & Culture of Macquarie Telecom Group Ltd, July 2014 (Eric Dimitroff, Group Executive HR left in December 2013)
- Peter James – Appointed Chairman of Macquarie Telecom Group Ltd, July 2014 (upon retirement of Robert Kaye)
- Bart Vogel – Appointed NED of Macquarie Telecom Group Ltd, July 2014 (upon appointment of Peter James, existing NED, as Chairman)
- Bill Morrow – Appointed Chief Executive Officer of NBN Co Ltd, April 2014 (Mike Quigley retired in October 2013, Dr Ziggy Switkowski appointed Interim CEO until Bill’s appointment to the role)
- Stephen Rue – Appointed Chief Financial Officer of NBN Co Ltd, July 2014 (replaced Robin Payne, replaced as a part of leadership restructure)
- Gary McLaren – was Chief Technology Officer of NBN Co Ltd, April 2014 (made redundant as a result of leadership restructure)
- Kevin Brown – was Head of Corporate & Commercial Affairs of NBN Co Ltd, April 2014 (made redundant as a result of leadership restructure)
- Bradley Whitcomb – Appointed Chief Culture & Transformation Officer of NBN Co Ltd, May 2014 (new leadership structure, new role)
- Karina Keisler – Appointed Executive General Manager, Corporate Affairs of NBN Co Ltd, June 2014
- Claire Awramenko – Appointed General Manager, Marketing & Community of NBN Co Ltd, 2014
- Kathrine Dyer – Appointed General Manager, Engagement Planning & Stakeholder Management, Engineering & Deployment Standards of NBN Co Ltd, July 2014
- Paul O’Sullivan – Appointed Chairman, Optus of Singapore Telecommunications Ltd, October 2014 (was CEO Group Consumer & Acting Country Chief Officer Australia)
- Allen Lew – Appointed Chief Executive Officer, Consumer Australia and Chief Executive Officer, Optus of Singapore Telecommunications Ltd, October 2014 (upon resignation of Kevin Russell as CEO of Optus in February 2014, Paul O’Sullivan was Interim Acting CEO)
- Amanda Choy – Appointed Director, Transformation Customer Operations of SingTel Optus Pty Ltd, January 2014

blenheim partners

- Mark Buckman – Appointed Group Managing Director, Media & Marketing of Telstra Corporation Ltd, March 2014 (Rick Ellis was Group Executive Telstra Media Group, left March 2014)
- Mike Wright – Appointed Group Managing Director, Networks of Telstra Corporation Ltd, March 2014
- Rob Brown – Appointed Director, Consumer Advocacy of Telstra Corporation Ltd, May 2014
- Peter Hearl – Appointed NED of Telstra Corporation Ltd, August 2014

CONCLUSION: THEMES

“Like the rest of industry, the opportunity to apply a comprehensive digital strategy most effectively will be key to the success. Digital is not limited to marketing, it is not apps, it is breaking down the customer and our own internal business silos and behaviours. We have to think differently. Our competitor is not always the big guys.”

Head of Information Technology, Telecom Company

“Managing our costs is obvious, but this coupled with understanding our customer is our focus. Customer service, the customer experience, the ability to upsell is not being capitalised. We fail to upsell enough.”

Chairman, Telecom Company

“Understanding Big Data, capturing the opportunity is critical. The market is so competitive and having the mindset to maximise the big data will be defining business.”

Chief Financial Officer, Telecom Company

“Attracting the right people, appreciate it is a basic statement but cutting through the tape and taking on risk to achieve growth requires the highest calibre people.”

Head of Human Resources, Telecom Company



blenheim partners

no limitations

ABN 21 160 009 236

Level 5, 17-19 Bridge Street, Sydney NSW Australia

p +61 2 9253 0950

w blenheimpartners.com