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ELECTRONIC LODGEMENT

Dear Sir or Madam

TELSTRA STRUCTURAL SEPARATION UNDERTAKING AND MIGRATION PLAN

I attach a copy of the following documents which have been submitted to the ACCC under sections 577A and 577BDA of the Telecommunications Act 1997(Cth):

- Structural Separation Undertaking;
- Draft Migration Plan.

I also attach a submission which has been submitted in support of these instruments.

Regards



Carmel Mulhern
Company Secretary

Structural Separation Undertaking

given by Telstra Corporation Limited to the
Australian Competition and Consumer
Commission on 29 July 2011 under section 577A
of the Telecommunications Act 1997

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Attachment A - Conditions Precedent	

This Undertaking is given by Telstra Corporation Limited (ABN 33 051 775 556) to the Australian Competition and Consumer Commission on 29 July 2011 under section 577A of the *Telecommunications Act 1997 (Cth)*.

Background

- A The Commonwealth Government is proposing to deploy the NBN Co Fibre Network to pass 93% of Australian premises. The Commonwealth Government established NBN Co to construct, own and operate the NBN Co Fibre Network.
- B Under section 577A of the Act, Telstra may give an undertaking to the ACCC that:
- (i) at all times after the Designated Day:
 - (A) it will cease supplying fixed line carriage services to retail customers in Australia using telecommunications networks over which Telstra is in a position to exercise control; and
 - (B) it will not be in a position to exercise control of a company that supplies fixed line carriage services to retail customers in Australia using telecommunications networks over which Telstra is in a position to control;
 - (ii) establishes and maintains appropriate and effective measures to provide transparency and equivalence in the supply of Regulated Services during the period up to the start of the Designated Day; and
 - (iii) provides for appropriate and effective systems, procedures and processes to facilitate monitoring of Telstra's compliance with this Undertaking by the ACCC.
- C On 23 June 2011, the Minister made an instrument under sections 577A(20) and (21) of the Act exempting from the scope of section 577A(1) and the associated provisions certain networks and services.
- D On 23 June 2011, the Minister also made an instrument under section 577A(7) of the Act setting out certain matters that the ACCC is required to have regard to in deciding whether to accept this Undertaking.
- E Telstra gives this Undertaking to the ACCC in accordance with section 577A(1) of the Act in respect of those fixed line carriage services supplied over those telecommunications networks it controls which are not the subject of the Networks and Services Exemption Instrument.
- F On 23 June 2011, Telstra entered into the Definitive Agreements with NBN Co in which Telstra agreed that, as the NBN Co Fibre Network is progressively rolled out in areas, Telstra will disconnect its Copper Network in those areas and disconnect and deactivate the HFC Network, other than in respect of pay TV services, in those areas. These commercial arrangements will allow Telstra to achieve its commitment in this Undertaking to structural separation by the Designated Day.
- G As part of this Undertaking, in accordance with section 577BC of the Act Telstra has also given a draft migration plan to the ACCC.
- H The document attached to this Undertaking as Attachment A (**Conditions Precedent**) nominates events under subsection 577AA(1) of the Act which must

occur before this Undertaking comes into force and is the document which accompanies this Undertaking for the purposes of that subsection.

- I This Undertaking comes into force at the time specified in clause 2.

Part A Definitions and interpretation

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Plan, but is not defined in the Dictionary, has the meaning given to it in the Plan; and
- (c) which is defined in the Act, but is not defined in the Dictionary or the Plan, has the meaning given to it in the Act.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this Undertaking.

1.3 Order of precedence

- (a) If there is any conflict or inconsistency between any of the provisions of the Plan and this Undertaking, the provisions of this Undertaking prevail to the extent of the conflict or inconsistency.
- (b) If there is any conflict or inconsistency between any of the provisions of Part C of this Undertaking and any other part of this Undertaking, the provisions of Part C prevail to the extent of the conflict or inconsistency.

Part B Scope and application

2 When this Undertaking comes into force

This Undertaking comes into force when both of the following are satisfied:

- (a) the ACCC accepts this Undertaking and the ACCC's decision to accept this Undertaking is expressed to be subject to the occurrence of each of the events specified in Attachment A (**Conditions Precedent**); and
 - (b) each of the events specified in Attachment A have occurred within the period specified by the ACCC in its decision to accept this Undertaking.
-

3 Withdrawal of this Undertaking

- (a) Telstra may withdraw this Undertaking at any time prior to the time that it is accepted by the ACCC.
 - (b) The following events are non-exhaustive examples of when Telstra may elect to withdraw this Undertaking prior to the time that it is accepted by the ACCC:
 - (i) if the Minister varies or revokes an instrument made under section 577A(7) of the Act which is in force at the time this Undertaking is given to the ACCC;
 - (ii) if the Minister varies or revokes the Networks and Services Exemption Instrument;
 - (iii) if the Minister varies or revokes an instrument made under section 577BB(1) of the Act which is in force at the time this Undertaking is given to the ACCC;
 - (iv) if the ACCC rejects a draft migration plan given by Telstra under section 577BC of the Act;
 - (v) if Telstra withdraws a draft migration plan given under section 577BC of the Act prior to the time that it is approved by the ACCC; or
 - (vi) the Minister makes a determination under section 577GA of the Act.
-

4 Application of this Undertaking

Except and to the extent otherwise stated, the provisions of this Undertaking apply only to Non-Exempt Networks and Non-Exempt Services in Australia.

Part C Structural separation

5 Commitment to structural separation

- (a) Telstra undertakes that, at all times after the Designated Day:
 - (i) Telstra will not supply Non-Exempt Services to retail customers in Australia using a Non-Exempt Network over which Telstra is in a position to exercise control; and
 - (ii) Telstra will not be in a position to exercise control of a company that supplies Non-Exempt Services to retail customers in Australia using a Non-Exempt Network over which Telstra is in a position to exercise control.
- (b) Telstra undertakes that, in connection with clause 5(a), it will:
 - (i) take the actions and/or refrain from taking the actions specified in this Undertaking in accordance with, and on the terms specified in, this Undertaking; and
 - (ii) give the ACCC a draft migration plan.
- (c) For the purposes of this Undertaking (including the Plan):
 - (i) the question of whether Telstra is in a position to exercise control of a telecommunications network is to be determined in accordance with section 577Q of the Act; and
 - (ii) the question of whether Telstra is in a position to exercise control of a company is to be determined in accordance with section 577P of the Act.

Part D Interim Equivalence and Transparency

6 Objective

- (a) The objective of this Part D is to establish appropriate and effective measures to ensure that there is equivalence and transparency in the supply by Telstra of Regulated Services supplied to Wholesale Customers and Comparable Retail Services supplied to Telstra's Retail Business Units.
- (b) Telstra will satisfy the objective of this Part D by means of:
 - (i) complying with the organisational structure, information security, operational and service quality and information equivalence commitments set out in this Part D;
 - (ii) complying with the commitments regarding wholesale customer facing systems set out in this Part D;
 - (iii) complying with the commitments regarding price equivalence and transparency set out in this Part D;
 - (iv) reporting on service activation, fault rectification and other service quality measures, in the form of Equivalence and Transparency Metrics;
 - (v) committing to enforcement measures in relation to the Equivalence and Transparency Metrics, including in the form of offering Service Level Rebates;
 - (vi) establishing the Accelerated Investigation Process and responding to Equivalence Complaints; and
 - (vii) establishing and participating in the ITA Process as an independent, fast track mechanism for resolving equivalence issues and complaints,in accordance with, and subject to, the terms of this Undertaking.

7 Operation of this Part D

7.1 Commencement

- (a) This Part D commences on the Commencement Date.
- (b) However, the Implementation Schedule in clause 20 may specify that a provision of this Part D, or a Schedule that is associated with the provisions of this Part D, takes effect on a date that is later than the Commencement Date.

7.2 Part D ceases on Designated Day

This Part D and the Schedules referred to in clause 20 will cease to have effect at the start of the Designated Day.

7.3 No application to NBN services, non Regulated Services or Migration activities

Without limitation to clause 4, the provisions of this Part D do not apply to:

- (a) any supply of services or facilities by Telstra to an NBN Corporation;
- (b) any supply of services by Telstra over the HFC Network, international networks or wireless networks;
- (c) except as expressly provided in this Undertaking (or the Plan), any activities undertaken by Telstra in connection with Migration, including any processes or activities associated with disconnection of Copper Services or HFC Services in Rollout Regions; or
- (d) the supply of services, including any Regulated Services or Comparable Retail Services, by Telstra to Wholesale Customers or Retail Customers, respectively, using the NBN; or
- (e) any supply of services or facilities by Telstra which are not Regulated Services or Comparable Retail Services.

7.4 Part D cannot be directly enforced by Wholesale Customers

Without limitation, the provisions of this Part D cannot be directly enforced against Telstra by Wholesale Customers.

8 Telstra organisational structure

8.1 Business Units for Wholesale, Retail and Network Services

- (a) Telstra will maintain the following Separated Business Units:
 - (i) one or more Wholesale Business Units;
 - (ii) one or more Retail Business Units; and
 - (iii) one or more Network Services Business Units.
- (b) Telstra will maintain:
 - (i) one or more Retail Business Units that are separate from the Wholesale Business Units and Network Services Business Units;
 - (ii) one or more Wholesale Business Units that are separate from the Retail Business Units; and
 - (iii) one or more Network Services Business Units that are separate from the Retail Business Units,

including through complying with clauses 8.2 and 8.3.
- (c) The Required Functions of the Separated Business Units are as follows:
 - (i) the Wholesale Business Units will have principal control over and responsibility for the following in relation to the supply of Regulated Services:
 - (A) sales to Wholesale Customers;
 - (B) managing Service Delivery for Wholesale Customers; and

- (C) negotiating access agreements with Wholesale Customers;
- (ii) the Retail Business Units will have principal control over and responsibility for the following in relation to the supply of Comparable Retail Services:
 - (A) sales to Retail Customers; and
 - (B) negotiating supply contracts with Retail Customers,
- (iii) the Network Services Business Units will have principal control over and responsibility for the following in relation to the supply of Regulated Services and Comparable Retail Services:
 - (A) Fault Detection, Handling and Rectification; and
 - (B) Service Activation and Provisioning.
- (d) Except as expressly provided in clauses 8.4 and 8.5:
 - (i) a Retail Business Unit cannot perform a Required Function of a Wholesale Business Unit or a Network Services Business Unit;
 - (ii) a Wholesale Business Unit cannot perform a Required Function of a Retail Business Unit; and
 - (iii) a Network Services Business Unit cannot perform a Required Function of a Retail Business Unit.
- (e) Subject to clause 8.1(f), nothing in this Undertaking:
 - (i) requires a Retail Business Unit, a Wholesale Business Unit and a Network Services Business Unit (as the case may be) to perform a function which is not a Required Function of that kind of Business Unit under clause 8.1(c);
 - (ii) prevents a Retail Business Unit, a Wholesale Business Unit or a Network Services Business Unit (as the case may be) undertaking any function or responsibility which is not a Required Function of another kind of Separated Business Unit; or
 - (iii) restricts or prevents a Wholesale Customer from choosing to be, with the agreement of a Retail Business Unit, a Retail Customer in respect of a retail service (including a Comparable Retail Service) and, in that event, the Retail Business Unit dealing with that Wholesale Customer as a Retail Customer in relation to the supply of the relevant service.
- (f) Except as expressly provided in clauses 8.4, a Retail Business Unit will not perform any of the following functions:
 - (i) network planning functions;
 - (ii) pricing functions for pricing of wholesale products;
 - (iii) processing and implementing requests to churn or for local number portability in accordance with industry codes, except where the function relates to account validation for inbound numbers to be ported and is already performed by a Retail Business Unit as at the date this Undertaking comes into force;

- (iv) functions which Telstra currently performs for and on behalf of industry under any legislative instrument, industry standard or industry code as at the date this Undertaking comes into force, except where a Retail Business Unit already performs that industry function as at that date or where otherwise approved by the ACCC in accordance with clause 8.5; and
- (v) functions to be performed by Telstra for and on behalf of industry under any legislative instrument, industry standard or industry code that takes effect after the date this Undertaking comes into force, except where approved by the ACCC in accordance with clause 8.5.

8.2 Staffing of Separated Business Units

- (a) Subject to the remaining provisions of this clause 8.2 and clauses 8.4 and 8.5, Telstra will ensure that:
 - (i) an Employee who is engaged to work for a Wholesale Business Unit:
 - (A) works principally for a Wholesale Business Unit; and
 - (B) is prohibited from undertaking any work for a Retail Business Unit;
 - (ii) an Employee who is engaged to work for a Retail Business Unit:
 - (A) works principally for a Retail Business Unit;
 - (B) is prohibited from undertaking any work for a Wholesale Business Unit; and
 - (C) is prohibited from undertaking any work for Network Services Business Unit; and
 - (iii) an Employee who is engaged to work for a Network Services Business Unit:
 - (A) works principally for a Network Services Business Unit; and
 - (B) is prohibited from undertaking any work for a Retail Business Unit.
- (b) Where a Network Services Business Unit has been requested by a Retail Business Unit to undertake any of the following kinds of work:
 - (i) Fault Detection, Handling and Rectification;
 - (ii) Service Activation and Provisioning; and
 - (iii) work of a kind, and conducted in the circumstances, described in paragraph 2 of Schedule 2,

nothing in this clause 8.2 restricts or prevents an Employee of a Network Services Business Unit from, in the course of that Employee's work, undertaking such work.
- (c) Nothing in this Undertaking restricts or prevents:
 - (i) short-term secondments or transfers of Employees, as required from time to time;
 - (ii) an Employee undertaking any function or activity:

- (A) in the course of responding to a natural disaster, an emergency or a mass service disruption;
 - (B) to meet the requirements of a national security or law enforcement agency;
 - (C) to fulfil requirements under employment or workplace safety legislation;
 - (D) to fulfil requirements under a legislative instrument, industry standard or industry code; or
 - (E) which relates to Telstra's participation in industry forums, including in relation to the consultation, development, maintenance and implementation of industry codes or standards;
- (iii) an Employee who works for a Separated Business Unit from ceasing to work for that Separated Business Unit and commencing to work for another Separated Business Unit; or
 - (iv) an Employee who works for a Separated Business Unit undertaking any function or activity which cannot reasonably be considered to be work that has been undertaken for another Separated Business Unit, including for the avoidance of doubt, and without limitation, the functions and activities described in paragraph 1 of Schedule 2.
- (d) Telstra will ensure that if an Employee who works for a Separated Business Unit has previously worked for another Separated Business Unit (including as part of a secondment to that other Separated Business Unit), that Employee complies with the information security requirements in clause 9 of this Undertaking in relation to any Protected Information which is known to that Employee because he or she previously worked for that other Separated Business Unit.

8.3 Wholesale Business Unit

Without limitation to clause 9, Telstra will ensure that:

- (a) the Wholesale Business Unit(s) are adequately resourced for Telstra to meet the requirements of this Part D;
- (b) the position of the person who has direct responsibility for the management of a Wholesale Business Unit is of the same level of seniority in Telstra's management structure as the position of the person who has direct responsibility for the management of a Retail Business Unit (or where there is more than one Retail Business Unit, is of the same level of seniority in Telstra's management structure as that of the most senior position having direct responsibility for the management of a Retail Business Unit);
- (c) the Employees engaged to work for a Wholesale Business Unit are located in premises that:
 - (i) are physically separate from any premises occupied by Employees engaged to work for a Retail Business Unit (although this does not mean that the Employees need to be located in a separate building);

- (ii) have security measures in place that prevent an Employee engaged who is to work for a Retail Business Unit from gaining access to the premises where the Employees working for that Wholesale Business Unit are located unless:
- (A) the Employee who is engaged to work for a Retail Business Unit enters the premises for the purposes of meeting with an Employee who is engaged to work for that Wholesale Business Unit; and
 - (B) the entry to the premises by the Employee who is engaged to work for a Retail Business Unit is authorised by an Employee who is engaged to work for that Wholesale Business Unit; and
 - (C) the Employee who is engaged to work for a Retail Business Unit is accompanied, to the extent practicable, while in the premises by an Employee who is engaged to work for that Wholesale Business Unit.

8.4 Work undertaken by a Separated Business Unit for another Separated Business Unit

Nothing in this clause 8 restricts or prevents Employees engaged to work for:

- (a) Telstra's Wholesale Business Units undertaking work for, or with Employees who are engaged to work for, a Retail Business Unit or Network Business Unit;
- (b) Telstra's Retail Business Units undertaking work for, or with Employees who are engaged to work for, a Wholesale Business Unit or Network Business Unit; or
- (c) Telstra's Network Business Units undertaking work for, or with Employees who are engaged to work for, a Wholesale Business Units or Retail Business Unit;

in relation to the supply of the following types of services:

- (d) services supplied outside of Australia;
- (e) services supplied in Australia to customers outside of Australia;
- (f) the integration of the supply of and provision of associated services in relation to disability products;
- (g) the provision of emergency call services;
- (h) payphones and payphone carriage services;
- (i) any other services which are described in paragraph 3 of Schedule 2 as services that are not technically or operationally efficient to supply across separate Business Units (and which Telstra will therefore perform as a single shared function), provided that Telstra will ensure that the corresponding safeguards set out in paragraph 3 of Schedule 2, or those approved by the ACCC, are adopted in relation to those services; and
- (j) any other services approved by the ACCC in accordance with clause 8.5.

8.5 ACCC approval of further exempted services

- (a) Telstra may, from time to time, request the ACCC to approve, in addition to the functions specified in Schedule 2, other functions which are not technically or operationally efficient for Telstra to perform across separate Business Units (and

which Telstra will therefore perform as a single shared function). In doing so Telstra must identify:

- (i) the function being performed;
 - (ii) the Separated Business Unit performing the function (the **first Separated Business Unit**);
 - (iii) the Separated Business Unit for which the function is being performed (the **second Separated Business Unit**);
 - (iv) the reasons why it is technically or operationally efficient for the service to be supplied by the first Separated Business Unit for the second Separated Business Unit; and
 - (v) the corresponding safeguards that will apply to ensure that Telstra does not gain an unfair competitive advantage from the service being supplied by the first Separated Business Unit for the second Separated Business Unit.
- (b) Within 30 Business Days after the date Telstra provided the information referred to in clause 8.5(a), the ACCC may:
- (i) approve the request;
 - (ii) reject the request; or
 - (iii) notify Telstra of the ACCC's concerns, in which case the period under this clause 8.5(b) will be extended by a further 30 Business Days from the date of Telstra's response to the ACCC's concerns.
- (c) If the ACCC does not accept or reject a request within the time prescribed by clause 8.5(b) the ACCC will be deemed to have rejected the specific service identified in the request for the purposes of clause 8.4(j), provided that nothing in this clause prevents Telstra submitting another request in relation to that specific service.

8.6 Incentives and employee benefits

- (a) All incentive remuneration for Employees working for:
- (i) a Wholesale Business Unit will reflect solely the objectives and performance of the Wholesale Business Unit and, if Telstra wishes, any other Business Unit (which is not a Separated Business Unit of a different kind); and
 - (ii) a Network Services Business Unit will reflect solely the objectives and performance of the Network Services Business Unit and, if Telstra wishes, any other Business Unit (not a Separated Business Unit of a different kind);
- (b) Notwithstanding clause 8.6(a), the reward, incentive or payment associated with any incentive or remuneration scheme for Employees working for a Network Services Business Unit or the Telstra Wholesale Business Unit may include giving Telstra shares to an Employee provided the Employee's entitlement to receive the shares is not subject to a pre-condition that attaches to the performance of Telstra's share price.
- (c) Nothing in this Undertaking prevents:

- (i) Employees working for a Wholesale Business Unit or a Network Services Business Unit from participating in Telstra's group-wide Employee benefit arrangements that are not directly or indirectly linked to Telstra's overall performance;
- (ii) Employees working for a Wholesale Business Unit or a Network Services Business Unit who have previously worked for another part of Telstra (including a Separated Business Unit of another kind) from retaining any incentive remuneration or entitlement received as a result of his or her work for the other part of Telstra; or
- (iii) an Employee incentive remuneration scheme that exists as at the date this Undertaking comes into force from continuing to operate on its terms until its expiry (including in respect of Employees who commence work with Telstra prior to the expiry of the relevant scheme).

8.7 Compliance processes

In order to ensure compliance with this clause 8, and without limitation to clause 9, Telstra will:

- (a) maintain systems and processes to record functional movements of Employees between Wholesale Business Units, Retail Business Units and Network Services Business Units;
- (b) maintain systems and processes to record and track the incentive remuneration provided to Employees who work for Wholesale Business Units and Network Services Business Units, and engage a consultant with remuneration expertise annually to verify that the incentive remuneration complies with the requirements of clause 8.6; and
- (c) pursuant to its obligations in clause 21.3, undertake mandatory training for Employees engaged to work for each Retail Business Unit, Wholesale Business Unit and Network Services Business Unit in relation to Telstra's obligations set out in this clause 8 (including that Employees must continue to comply with the information security requirements in clause 9 if they have previously worked for another Separated Business Unit). This training will be provided both as part of the induction of new Employees and regularly for all other affected Employees.

8.8 Consequences of a failure to comply

A failure to comply with the requirements of this clause 8 will not constitute a breach of this Undertaking that is capable of being directly enforced by the ACCC unless the failure:

- (a) is material and is not an isolated incident; and
- (b) forms part of a demonstrable pattern of repeated non-compliance by Telstra,

8.9 Customer excellence

- (a) Nothing in Part D of this Undertaking:
- (i) is intended to be a disincentive to Telstra management's efforts to encourage the growth of a customer-orientated, problem solving service culture within Telstra to the benefit of Retail Customers and Wholesale Customers alike; and

- (ii) should be applied in a manner which unreasonably stifles or penalises initiative shown by individual Employees to resolve service issues faced by individual Telstra Retail Customers or Wholesale Customers whom the Employee deals with in the course of his or her work.
- (b) Telstra will not be regarded as having breached this Undertaking if the bona fide efforts of an Employee to resolve a customer issue raised by a particular Retail Customer or Wholesale Customer (whether or not the issue was raised directly with that Employee) or which came to the attention of the Employee in the course of providing services to an end user would otherwise be in breach of this Part D, provided that:
- (i) no breach of the rules about use of and access to Protected Information was involved; and
- (ii) any reward provided to the Employee for his or her conduct is provided as part of a Telstra policy of rewarding Employees who show similar initiative and excellence in customer service across Retail Customers and Wholesale Customers.
- (c) For clarity, if an Employee who works for a Network Services Business Unit attends the premises of an end user that is a customer of a Wholesale Customer or another RSP:
- (i) if the end user is not also a Retail Customer, the Employee must not undertake any Marketing Activity to the end user; and
- (ii) if the end user is also a Retail Customer, the Employee must not undertake any "win back" or other Marketing Activity related to alternative Telstra products to the product or products supplied by that Wholesale Customer or other RSP to the end user.

8.10 Senior management

- (a) Where an Employee has management responsibilities in relation to a Separated Business Unit that Employee is not required to work principally for that Separated Business Unit and may perform other management functions within Telstra's business, provided the performance of those functions complies with this clause 8.
- (b) Clause 8.6 will not apply to an Employee where the management responsibilities of the Employee in relation to the relevant Wholesale Business Unit or Network Services Business Unit (as applicable) do not comprise a substantial part of the overall management responsibilities of that Employee.

9 Information Security

9.1 Meaning of Protected Information

In this Undertaking, '**Protected Information**' means:

- (a) confidential information identifying a Wholesale Customer or a customer of that Wholesale Customer, which was supplied by that Wholesale Customer and obtained by Telstra for the purpose of, or in the course of, supplying Regulated Services to that Wholesale Customer;

- (b) information that is commercially sensitive to a Wholesale Customer which was supplied by that Wholesale Customer and obtained by Telstra for the purpose of, or in the course of, supplying Regulated Services to that Wholesale Customer; and
- (c) confidential information and commercially sensitive information which is derived from information of the kind described in clause 9.1(a) and 9.1(b), whether or not in an aggregate form, that:
 - (i) would enable the identity of that Wholesale Customer to be ascertained; or
 - (ii) would enable the identity of a customer of that Wholesale Customer to be ascertained;
- (d) confidential information and commercially sensitive information of the kind described in clause 9.1(a) and 9.1(b) which relates to a Wholesale Customer but which does not enable the identity of the Wholesale Customer to be ascertained only by reason of the name of the Wholesale Customer not being identified;

but does not include:

- (e) information of the kind described in clause 9.1(c)(i) where the information is aggregated on a national basis; or
- (f) information which is already public.

9.2 Examples of Protected Information

- (a) The following are examples of information which, if provided to Telstra by a Wholesale Customer in the circumstances set out in clause 9.1, would constitute Protected Information related to that Wholesale Customer:
 - (i) forecasts about that Wholesale Customer's likely future requirements for Regulated Services;
 - (ii) the Wholesale Customer's ordering and provisioning details (including details of when and where orders are submitted);
 - (iii) information regarding confirmed plans to purchase a Regulated Service in particular geographical areas;
 - (iv) details of customers of the Wholesale Customer, such as name, address, contact details, account and service numbers;
 - (v) contractual terms which are specific to that Wholesale Customer (including price terms) related to the supply and acquisition of Regulated Services;
 - (vi) any 'service assurance' arrangements between Telstra and that Wholesale Customer in respect of Regulated Services;
 - (vii) information about that Wholesale Customer's network or facilities; and
 - (viii) information disclosed about that Wholesale Customer's business pricing, product development or other commercial strategies.
- (b) Without limitation to clause 9.1, information will not be Protected Information if it is information that is:

- (i) obtained by, or disclosed to, Telstra other than by the relevant Wholesale Customer;
- (ii) provided by a customer of the relevant Wholesale Customer directly to Telstra (for example, where an end user is also a Retail Customer or enquires about services provided by a Retail Business Unit);
- (iii) any information provided by the relevant Wholesale Customer directly to a Business Unit other than the Wholesale Business Unit or other than in connection with the supply of Regulated Services (for example, product orders where the Wholesale Customer is also a customer of the Retail Business Unit and is therefore a Retail Customer).

9.3 Telstra will not use or disclose Protected Information to give Retail Business Units an unfair advantage

Subject to clause 9.4, Telstra will not use or disclose Protected Information relating to a Wholesale Customer in a manner which would be likely to enable a Retail Business Unit to gain or exploit an unfair commercial advantage over that Wholesale Customer in any market.

9.4 Information security measures

- (a) Telstra will ensure that, subject to clause 9.4(c):
 - (i) Wholesale Business Units do not disclose Protected Information relating to a Wholesale Customer to:
 - (A) any Retail Business Unit unless authorised to do so by that Wholesale Customer; or
 - (B) any Network Services Business Unit otherwise than on a 'need-to-know' basis or where authorised to do so by that Wholesale Customer; and
 - (ii) Network Services Business Units do not disclose Protected Information relating to a Wholesale Customer to any Retail Business Unit unless authorised to do so by that Wholesale Customer.
- (b) The default position under Telstra's processes and systems will be that an Employee who is engaged to work for a Network Services Business Unit has 'no access' and accordingly must establish that they 'need-to-know' Protected Information relating to a Wholesale Customer either for the purposes of performing an agreement with that Wholesale Customer or otherwise as is necessary for that Employee to perform his or her duties effectively, before such Protected Information will be disclosed to that Employee and can be used by that Employee.
- (c) Nothing in this clause 9 prevents the use or disclosure of Protected Information:
 - (i) in the course of undertaking work of the kind referred to in clause 8.2(c) and 8.4, provided that work is undertaken in accordance with the terms of clause 8.2(c) and 8.4; or
 - (ii) to the Adjudicator where Telstra is required to provide that information under the ITA Process.

- (d) Telstra will comply with its obligations under this clause 9.4 in respect of Protected Information, including by establishing, and complying with, the information security measures set out in paragraph 4 of Schedule 2.

9.5 Further restrictions on other information

- (a) Telstra undertakes that where a Retail Business Unit requests access to information that:
- (i) is derived from information of the kind described in clause 9.1(a) and 9.1(b); but
 - (ii) is not Protected Information because it has been aggregated (other than on a national basis) and the identity of Wholesale Customers or their customers cannot be ascertained,

Telstra will not disclose that information to the Retail Business Unit unless, with the approval of the ACCC, it makes the information available to Wholesale Customers at the same time:

- (b) For the avoidance of doubt, information of the kind described in clause 9.1(e), 9.1(f) or 9.2(b) is not subject to clause 9.5(a).

10 Service quality and operational equivalence

10.1 Tickets of work for field staff

As provided in this clause 10, Telstra will maintain systems and processes for issuing tickets of work to field staff so that tickets of work in relation to Regulated Services supplied to a Wholesale Customer and Comparable Retail Services supplied to a Retail Customer using the Copper Network are:

- (a) issued and processed with Telstra's systems using equivalent order management; and
- (b) managed and performed by Telstra field staff in an equivalent manner.

10.2 Basic Telephone Service

- (a) Telstra will use equivalent order management to process BTS service activation orders received from:
- (i) a Retail Business Unit; and
 - (ii) Wholesale Customers,
- so that Service Activate and Provision of BTS can occur in an equivalent manner, regardless of whether the BTS service activation order was received from a Retail Business Unit or a Wholesale Customer.
- (b) Telstra will rectify Faults relating to BTS which are reported to Telstra by Wholesale Customers and Retail Customers using equivalent order management.
- (c) Clause 10.2 does not prevent Telstra using separate business support systems or customer interfaces or processes appropriate to the different requirements of Wholesale Customers and Retail Customers to receive orders from them or to log

Faults relating to BTS, which are then to be passed into and processed within Telstra's operational support systems in accordance with clause 10.2(a).

10.3 Wholesale ADSL Layer 2

- (a) Telstra will use equivalent order management to process all ADSL service activation orders received from:
 - (i) a Retail Business Unit; and
 - (ii) Wholesale Customers,so that Service Activate and Provision of all ADSL services can occur in an equivalent manner, regardless of whether the ADSL service activation order is received from a Retail Business Unit or a Wholesale Customer.
- (b) Telstra will rectify Faults which are reported to Telstra by Wholesale Customers or Retail Customers in relation to ADSL Layer 2 services using equivalent order management and otherwise in an equivalent manner.
- (c) Clause 10.3(a) does not prevent Telstra using separate business support system or customer interfaces or processes appropriate to the different requirements of Wholesale Customers and Retail Customers to receive orders from them or to log Faults relating to ADSL services, which are then to be passed into and processed within Telstra's operational support systems in accordance with clause 10.3(a).

10.4 LSS and ULLS

Telstra will establish order management systems and other measures in relation to:

- (a) completing activations of LSS;
- (b) completing ULL Individual Cutovers; and
- (c) rectifying Faults relating to the LSS and the ULL service,

in order for Telstra to meet the Equivalence and Transparency Metrics applicable to those services.

10.5 Domestic Transmission Capacity Service

Telstra will establish order management and other measures in relation to service provision orders for, and rectifying Faults relating to, the Domestic Transmission Capacity Service in order for Telstra to meet the Equivalence and Transparency Metrics applicable to that service.

10.6 Wholesale billing

Telstra will establish billing systems and other measures to provide for wholesale charges for Regulated Services supplied using the Copper Network to be generated and billed to Wholesale Customers accurately and in accordance with the timeframes set out in paragraph 7 of Schedule 3.

10.7 Non-compliance

- (a) A failure to meet the requirements of this clause 10 will be addressed through:

- (i) payment to Wholesale Customers of a Service Level Rebate in accordance with clause 16 and Schedule 7;
 - (ii) Telstra's obligations in clause 15 to report on its performance against the Equivalence and Transparency Metrics and to explain, investigate and/or rectify any Reporting Variance that has been identified;
 - (iii) the handling of Equivalence Complaints through the Accelerated Investigation Process under clause 18 and, where applicable, the Adjudicator under clause 19; and/or
 - (iv) referrals by the ACCC to the Adjudicator under clause 11 of Schedule 5.
- (b) Subject to clause 10.7(c), a failure to meet the requirements of this clause 10 will not constitute a breach of this Undertaking if Telstra complies with the requirements of the provisions referred to in clauses 10.7(a)(i), 10.7(a)(ii), 10.7(a)(iii) and 10.7(a)(iv) (as the case requires) in relation to that failure.
- (c) In circumstances where:
- (i) a failure to meet the requirements of this clause 10 is material and is not an isolated incident; and
 - (ii) that failure forms part of a demonstrable pattern of repeated non-compliance by Telstra,
- that failure will constitute a breach of this Undertaking which is capable of being directly enforced by the ACCC.

11 Access to Telstra Exchange Buildings and External Interconnect Facilities

11.1 Telstra reservations of Exchange Capacity

Telstra may reserve Exchange Capacity in Telstra Exchange Buildings for the purposes of supplying its own retail and wholesale services (other than TEBA) where it has bona fide documented plans to use the Exchange Capacity within 36 months from the date of the reservation.

11.2 Management of Exchange Building orders and queues

- (a) Except where it involves utilisation by Telstra of reserved Exchange Capacity, Telstra will:
- (i) process requests for TEBA received from Wholesale Customers in an equivalent manner to internal requests for access to the same Exchange Building for the purpose of supplying Telstra's own retail and wholesale services (other than TEBA); and
 - (ii) otherwise manage queues for Exchange Capacity in Exchange Buildings on a non-discriminatory basis and applying the same queue management principles to TEBA orders and internal requests for Exchange Capacity related to the supply of Telstra's retail and wholesale services (other than TEBA).

- (b) Telstra will provide information to Wholesale Customers on reasonable request in relation to an Exchange Building, setting out:
 - (i) the progress of queued TEBA requests at the relevant location;
 - (ii) any extensions of time granted to Wholesale Customers undertaking work at the relevant location; and
 - (iii) a brief description of any relevant works being undertaken by Telstra at the relevant location and the anticipated construction completion date of those works.
- (c) It is acknowledged that Wholesale Customers submit TEBA requests using different ordering processes to that which Telstra uses to request Exchange Capacity for its own retail or wholesale purposes. Nothing in this clause 11.2 requires Telstra to establish a common ordering process to apply to TEBA requests and such internal retail or wholesale requests.

11.3 On site audit prior to Capping an Exchange Building

Telstra will not regard an Exchange Building as a Capped Exchange or reject a TEBA order submitted by a Wholesale Customer to Telstra on the basis of a lack of Exchange Capacity unless:

- (a) Telstra has undertaken an on-site audit of the relevant Exchange Building within 30 days prior to the rejection or the Exchange Building becoming a Capped Exchange; and
- (b) the capping of an exchange or rejection of a TEBA order on the basis of a lack of Exchange Capacity has been approved by the TEBA Governance Committee.

11.4 Access to External Interconnect Facilities

- (a) Telstra may reserve space for supply of its own retail or wholesale services (other than supply of External Interconnect Facilities) in respect of particular External Interconnect Facilities where it has bona fide documented plans to use the External Interconnect Facilities within 36 months from the date of the reservation (**Telstra reserved capacity**).
- (b) All requests for access to External Interconnect Facilities and Telstra reserved capacity will be placed in a single queue, such that Telstra will:
 - (i) process requests for access to External Interconnect Facilities received from Wholesale Customers in an equivalent manner to internal requests for access to the same External Interconnect Facilities for the purposes of supply of Telstra's own retail or wholesale services (other than supply of External Interconnect Facilities); and
 - (ii) where there are already requests in place from one or more Wholesale Customers for access to an External Interconnect Facility, any Telstra reservation in respect of the same External Interconnect Facility will be placed in the queue behind those existing requests;
 - (iii) otherwise manage queues for requests for access to External Interconnect Facilities on a non-discriminatory basis and applying the same queue management principles to requests received from Wholesale Customers and

internal requests for the purposes of supply of Telstra's own retail or wholesale services (other than supply of External Interconnect Facilities).

- (c) If a request from a Wholesale Customer is withdrawn, or rejected in accordance with a Wholesale Customer's supply terms, and resubmitted by a Wholesale Customer, then the request will be placed at the end of the queue as if it were a new request.
- (d) Telstra is entitled to reject an order from a Wholesale Customer where that External Interconnect Access capacity has been reserved.

11.5 Governance arrangements for Exchange Building Facilities and External Interconnect Facilities

Telstra will maintain a TEBA Governance Committee comprising not less than 5 senior managers with appropriate experience in facilities access issues and processes within Telstra to oversee and manage:

- (a) compliance by Telstra with its standard TEBA processes, including the ordering and queue management requirements set out in this clause 11;
- (b) the provision of any information requested from time to time by the ACCC or Adjudicator in relation to TEBA;
- (c) any proposal or request to Cap an Exchange Building;
- (d) material amendments which may be required from time to time to Telstra Technical Specifications and Procedures related to TEBA; and
- (e) any complex decisions related to TEBA orders which require escalation, including any proposal by an individual planner to reject a TEBA order on the basis of a lack of Exchange Capacity.

12 Wholesale Customer Facing Systems

12.1 LOLO and Wholesale B2B Interface

Telstra will establish and maintain a LinxOnline Ordering web services (**LOLO**) and a business to business interface (**Wholesale B2B Interface**), which will be an online interface fit for the purpose of allowing Wholesale Customers to undertake the following interactions with the relevant Telstra systems:

- (a) lodging new orders for Regulated Services including, where relevant, requesting an appointment time for service activation of a Regulated Service;
- (b) modifying or cancelling an existing order for Regulated Services;
- (c) monitoring and tracking an existing order for Regulated Services;
- (d) where a Regulated Service relates to a DSL service:
 - (i) placing transfer orders to transfer a DSL service; and
 - (ii) undertaking line testing to monitor and manage Faults (subject to daily quotas);

- (e) viewing and downloading invoices in respect of Regulated Services; and
- (f) performing Service Qualification (subject to daily quotas, if any, which are reasonable).

12.2 Wholesale Customer Portal

Telstra will establish and maintain an online portal for Wholesale Customers (**Wholesale Customer Portal**) which will be fit for the purpose of allowing Wholesale Customers to undertake the following functions:

- (a) viewing planned and unplanned outage notifications in relation to Regulated Services;
- (b) where a Regulated Service relates to a DSL service, undertaking line testing to monitor and manage Faults (subject to daily quotas);
- (c) referring queries, complaints or disputes to Telstra related to the standard of Service Delivery of Regulated Services;
- (d) accessing transactional reporting functionality and metrics; and
- (e) accessing LOLO.

12.3 Application assurance

- (a) Telstra will establish and maintain an automated system to monitor the availability and reliability of applications used to support LOLO, the Wholesale B2B Interface and the Wholesale Customer Portal (**Application Monitoring System**).
- (b) Telstra will use the Application Monitoring System to identify, to the extent practicable, a potential fault in applications used to support LOLO, the Wholesale B2B Interface and the Wholesale Customer Portal before the fault occurs or before it has a material impact on Wholesale Customers and to promptly take preventative or corrective action so as to maximise the availability and reliability of such applications.

12.4 Availability of LOLO

A Service Level will apply to the availability of LOLO as set out in Schedule 3.

13 Information Equivalence

13.1 Objective of Information Equivalence

- (a) The objective of this clause 13.1 is to establish measures which demonstrate that the quality and timeliness of information provided by Telstra to Wholesale Customers in respect of network activities, circumstances or events that are likely to affect the delivery or operational quality of Regulated Services, is equivalent to the quality and timeliness of information provided by Telstra to Retail Business Units in respect of Comparable Retail Services (**information equivalence objective**).
- (b) Without limitation, the following activities, circumstances or events would be likely to affect the delivery or operational quality of Regulated Services for the purpose of clause 13.1(a):

- (i) a relevant network or system upgrade or enhancement, including any upgrade to operational support systems (such as a billing or ordering system);
 - (ii) a relevant network closure or withdrawal of system functionality;
 - (iii) a planned outage to relevant networks or systems, including where required in order for Telstra to undertake planned maintenance or repair work; and
 - (iv) information about unplanned network events, such as information relating to disaster recovery planning.
- (c) Telstra will satisfy the information equivalence objective by establishing and maintaining customer engagement arrangements with Wholesale Customers, under section 13.2, that enable Telstra to:
- (i) keep each Wholesale Customer informed on a regular periodic basis about the matters set out in clause 13.1(b) to the extent relevant to that customer;
 - (ii) provide a forum for Telstra to consult in good faith about the likely impacts of those matters on Wholesale Customers, including answering questions or responding to reasonable concerns; and
 - (iii) issue a series of network notifications as set out in clause 13.3, which provide Wholesale Customers with periodic information and updates about the matters set out in clause 13.1(b) relevant to the Regulated Services they are acquiring.

13.2 Wholesale Customer Engagement

- (a) Telstra will appoint a manager or customer team, as applicable, in respect of each Wholesale Customer, which is appropriately resourced to enable Telstra to deal with and respond to that Wholesale Customer in a timely and effective manner about the matters set out in clause 13.1(b).
- (b) Telstra will determine whether it will conduct a monthly customer review with a Wholesale Customer having regard to:
 - (i) the volume of Regulated Services acquired by the Wholesale Customer;
 - (ii) the nature of the Regulated Services acquired by the Wholesale Customer;
 - (iii) the complexity of the Regulated Services acquired by the Wholesale Customer; and
 - (iv) any other factor that Telstra reasonably considers relevant.
- (c) Without limitation, and subject to agreement between Telstra and a Wholesale Customer, each monthly customer review conducted under this clause 13.2 with that Wholesale Customer will address the following matters (to the extent applicable):
 - (i) any of the matters set out in clause 13.1(b);
 - (ii) relevant product, pricing or other commercial information or updates of relevance to that Wholesale Customer;

- (iii) complaints or concerns raised by that Wholesale Customer in respect of Telstra's wholesale performance;
 - (iv) the outcome of any accelerated investigations undertaken by Telstra under clause 18 in response to Equivalence Complaints made by that Wholesale Customer, including any update on rectification activities associated with such complaints;
 - (v) any construction activities being undertaken by that Wholesale Customer in Exchange Buildings, including any extensions of time granted to the Wholesale Customer;
 - (vi) any billing or credit management issues; and
 - (vii) the progress of any TEBA or External Interconnect Access queues which affect that Wholesale Customer.
- (d) Telstra will use monthly customer reviews as a vehicle for consulting in good faith with Wholesale Customers in relation to the supply of Regulated Services, including as a means of:
- (i) updating those Wholesale Customers in relation to relevant network, system or product upgrades or developments;
 - (ii) proactively responding to issues or concerns, without the need for the parties to refer issues to formal complaint or dispute processes; and
 - (iii) reviewing Telstra's compliance with obligations of equivalence and transparency under this Part D.

13.3 Network Notifications

- (a) Without limitation to the information provided to Wholesale Customers through the processes required by clause 13.2, Telstra will keep Wholesale Customers informed of the matters set out in paragraph 13.1(b) by means of:
- (i) publishing Network Notifications, in accordance with Schedule 4; and
 - (ii) providing notice of any Major Network Modernisation or Upgrade, in accordance with Schedule 4.
- (b) Any notification published by Telstra under this clause 13.3 is for information purposes only and represents Telstra's reasonably anticipated view of upcoming operational developments. For the avoidance of doubt, a notification under this clause 13.3:
- (i) does not confer any enforceable rights on any person, including any Wholesale Customer; and
 - (ii) does not constitute a representation that Telstra will act or refrain from acting in any particular way.

14 DSL upgrades

- (a) Telstra undertakes that if it develops a DSL Upgrade it will make an equivalent upgrade to the relevant comparable wholesale DSL service (**Wholesale DSL Upgrade**).
- (b) Telstra undertakes that if it develops a mass market consumer product that allows end users to acquire a Bigpond retail DSL service without having to also acquire a PSTN voice service supplied by Telstra over the same line (**Naked DSL Product**) it will offer the relevant comparable wholesale DSL service to Wholesale Customers on the basis that the end user of the wholesale DSL service is not required to acquire a PSTN voice service over the same line (**Wholesale Naked DSL Product**).
- (c) Telstra undertakes that:
 - (i) it will provide simultaneous commercial launch dates for:
 - (A) the DSL Upgrade and the Wholesale DSL Upgrade; and
 - (B) the Naked DSL Product and the Wholesale Naked DSL Product; and
 - (ii) no less than 28 days prior to the launch date for the Wholesale DSL Upgrade or Wholesale Naked DSL Product (as applicable), Telstra will provide Wholesale Customers with information about the following matters in relation to the Wholesale DSL Upgrade or Wholesale Naked DSL Product (as applicable):
 - (A) the scheduled product launch date;
 - (B) technical specifications;
 - (C) price and non-price terms;
 - (D) geographic availability; and
 - (iii) if requested by a Wholesale Customer after the time that notice is given under clause 14(c)(ii), it will negotiate the terms of the commercial supply of the Wholesale DSL Upgrade or Wholesale Naked DSL Product (as applicable) in good faith.
- (d) Nothing in this Undertaking prevents Telstra undertaking bona fide product testing which:
 - (i) makes the DSL Upgrade or Naked DSL Product (as applicable) available to Retail Business Units for the purpose of product trials before the comparable Wholesale DSL Upgrade or Wholesale Naked DSL Product (as applicable) is made available to Wholesale Customers on a commercial basis;
 - (ii) makes a Wholesale DSL Upgrade or Wholesale Naked DSL Product (as applicable) available to one or more Wholesale Customers for the purpose of product trials before the Wholesale DSL Upgrade or Wholesale Naked DSL Product (as applicable) is made available to Wholesale Customers on a commercial basis; or

- (iii) conducting separate and differently designed product trails for the DSL Upgrade and Wholesale DSL Upgrade with Wholesale Customers to reflect the differences between retail and wholesale supply; or
- (iv) conducting separate and differently designed product trails for the Naked DSL Product and Wholesale Naked DSL Product with Wholesale Customers to reflect the differences between retail and wholesale supply.

15 Equivalence and Transparency Metrics

15.1 Equivalence and Transparency Metrics

- (a) Telstra has identified Equivalence and Transparency Metrics relevant to:
 - (i) the operational quality and delivery standard of relevant Regulated Services and Comparable Retail Services supplied using the Copper Network; and
 - (ii) the standard of delivery, in relation to Regulated Services, of:
 - (A) Fault Detection, Handling and Rectification;
 - (B) Service Activation and Provisioning; and
 - (C) availability of LOLO,
 which are set out in Schedule 3.
- (b) The Equivalence and Transparency Metrics:
 - (i) provide a basis for Telstra to identify system or process issues that have caused non compliance with the requirements of this Part D and, if necessary, remediate any such system or process issues, in accordance with clause 15.3; and
 - (ii) provide a basis for the payment of Service Level Rebates in accordance with, and subject to the terms set out in, clause 16.
- (c) Subject to the conditions set out paragraphs 10 (**Specific Conditions**) and 11 (**General Conditions**) of Schedule 3, on a Quarterly basis Telstra will measure the Variance (if any) between:
 - (i) its performance against the Equivalence and Transparency Metrics in relation to Wholesale Customers; and
 - (ii) its performance against the Equivalence and Transparency Metrics in relation to the Retail Business Units,

(E&T Performance Result) except in relation to Metrics 12, 13, 14, 15, 16, 17, 19 and 20, where performance figures will be provided against specified targets.
- (d) For clarity:
 - (i) Metrics 1 to 11 (inclusive) and 18 compare the performance of Comparable Retail Services supplied using the Copper Network to Retail Customers with the performance of Regulated Services supplied using the Copper Network to Wholesale Customers; and

- (ii) the other Metrics are measures of the performance of Regulated Services supplied using the Copper Network to Wholesale Customers and the availability of LOLO against the fixed service level specified.
- (e) To ensure the reliability of the Metrics, if the volume of services orders placed by Wholesale Customers in a Quarter which relate to a Metric (other than Metrics 12 to 15 inclusive and Metrics 19 and 20):
 - (i) is less than 1,500 orders in aggregate for that Quarter; or
 - (ii) is less than 10% of the volume of orders placed for Telstra's Retail Customers for that Metric in that Quarter,

Telstra's performance in relation to that Metric for that Quarter will be disregarded for the purposes of this Undertaking (including in calculating a Reporting Variance) and Telstra will not be required to measure, report, or pay Service Level Rebates in relation to that Metric for that Quarter.

15.2 Operational Equivalence Report

- (a) Telstra will provide the ACCC and Adjudicator with a report (**Operational Equivalence Report**) for each Quarter that sets out:
 - (i) the E&T Performance Result for each Metric for that Quarter;
 - (ii) the result that would have been the E&T Performance Result for each Metric for that Quarter if the conditions set out in paragraphs 10 and 11 of Schedule 3 were not applied; and
 - (iii) an explanation of how Telstra has applied the conditions set out in paragraphs 10 and 11 of Schedule 3 when calculating the E&T Performance Result for each Metric for that Quarter.
- (b) The Operational Equivalence Report will be provided to the ACCC and Adjudicator by no later than the two months after the end of the Quarter to which it relates.
- (c) Telstra will also publish a copy of each Operational Equivalence Report on its website within 5 Business Days after the date that the report was provided to the ACCC and the Adjudicator in accordance with clause 15.2(b).

15.3 Telstra will report on Equivalence and Transparency Metrics to the Adjudicator

- (a) Subject to the conditions set out in paragraphs 10 (**Specific Conditions**) or 11 (**General Conditions**) of Schedule 3, if the E&T Performance Result calculated under clause 15.1(c) in respect of a Metric demonstrates a Reporting Variance, Telstra will:
 - (i) promptly investigate the cause or causes of the non-compliant result;
 - (ii) at the same time as Telstra provides an Operational Equivalence Report for the Quarter under clause 15.2, it will separately provide to the Adjudicator and the ACCC an accompanying confidential report setting out for each non-compliant result:
 - (A) a reasonably detailed explanation of the reason(s) for the Reporting Variance; and

- (B) if Telstra determines that the result is due, in whole or in part, to any non-compliance by Telstra with this Part D, it will set out any steps being taken to further investigate and/or rectify non compliance, including an estimated timeframe for rectification; and
- (iii) if a notice is given by Telstra under clause 15.3(a)(ii)(B), take the steps identified in that notice as the steps that Telstra will take to further investigate and/or rectify non compliance.

15.4 Calculation of Variances

For the purposes of clauses 15.2 and 15.3:

- (a) in respect of Metrics 1 to 12 (inclusive) and 20, the Variance threshold is applied to business and residential data separately; and
- (b) in respect of the other Metrics, the Variance threshold is applied to combined business and residential data.

16 Service Level Rebates

16.1 Objective

- (a) The objective of this clause 16 is to establish a scheme for the payment of service level rebates to Wholesale Customers in the event that Telstra does not meet a Service Level for an Equivalence and Transparency Metric as set out in Schedule 3.
- (b) Wholesale Customers are not required to participate in the scheme and may:
- (i) continue with any existing service level arrangements agreed with Telstra;
 - (ii) seek to agree alternative service level arrangements with Telstra; or
 - (iii) continue to rely on other entitlements that may be available to the Wholesale Customer, such as under section 118A of the Consumer Protection Act (or its equivalent from time to time).
- (c) Wholesale Customers that do elect to participate in the scheme (by making a request under clause 16.2) must waive any previously agreed service level arrangement with Telstra and there are also arrangements to ensure that Wholesale Customers may elect whether to continue to claim a right of a contribution under section 118A of the Consumer Protection Act.

16.2 Telstra will enter into Regulated Services SLA Agreement on request

As soon as reasonably practicable after receiving a request to do so by a Wholesale Customer, Telstra will enter into a Regulated Services SLA Agreement with that Wholesale Customer on the terms set out in Schedule 7, so that the Wholesale Customer can participate in the service level rebate scheme.

17 Price Equivalence and Transparency

17.1 Price Equivalence and Transparency Measures

Telstra undertakes to maintain equivalence and transparency in relation to the supply of Regulated Services by means of:

- (a) making available a Rate Card with reference prices for each of ULLS, LSS, WLR, LCS, PSTN OA, PSTN TA, DTCS, MTAS and the Wholesale ADSL Reference Service (the **Reference Services**);
- (b) establishing and updating the reference offer for Wholesale ADSL Reference Service, from time to time, in accordance with Schedule 8; and
- (c) providing for transparency of Internal Wholesale Prices and External Wholesale Prices for Regulated Services based on fully-allocated internal costs and revenues for those services in accordance with clause 17.3.

17.2 Wholesale Rate Card with Reference Prices

- (a) Telstra will publish and maintain a Rate Card with Reference Prices for each of the Reference Services.
- (b) A Reference Price for each Reference Service will be calculated and updated from time to time in accordance with Schedule 8.
- (c) Telstra undertakes that it will supply each of the Reference Services only on the price terms:
 - (i) set out in a Reference Price; or
 - (ii) as otherwise agreed with a Wholesale Customer.
- (d) For clarity, nothing in this clause 17:
 - (i) amends or overrides any existing contracts, including any agreed pricing, which exists as at the Commencement Date; or
 - (ii) prevents Telstra and a Wholesale Customer from agreeing a price (or price structure) for any Reference Service that is different from the current Reference Price for that Reference Service.
- (e) Telstra undertakes to include in the standard form of its wholesale contracts for Reference Services offered to Wholesale Customers after the Commencement Date that, if alternative prices for a Reference Service are not able to be agreed, the Reference Prices set out in this Undertaking (as amended from time to time) will apply.
- (f) The Reference Prices set out from time to time in a Rate Card in respect of a Reference Service that is Regulated Service, apply to the same extent as any pricing set out in a final access determination or interim access determination made by the ACCC under Division 4 of Part XIC of the CCA in respect of that Regulated Service. For example, any exemptions or exclusions applying to pricing for a Regulated Service in particular geographic areas made in a final access determination or interim access determination also apply in respect of the availability of Reference Prices for that Regulated Service.

17.3 TEM Reporting and Wholesale Price Equivalence

- (a) Telstra will provide to the ACCC for each Reporting Period a TEM Report that sets out in respect of each Reporting Period, the fully-allocated costs, revenues and economic return associated with Reportable Wholesale Products and Reportable Retail Products.
- (b) Telstra will:
 - (i) prepare the TEM Report; and
 - (ii) calculate as part of each TEM Report a separate per service External Wholesale Price and Internal Wholesale Price for each of the equivalent Reportable Wholesale Products and Reportable Product Bundles; and
 - (iii) provide Substantiation Reports to the ACCC from time to time in order to explain any differences between the Internal Wholesale Prices and External Wholesale Prices,applying the methodology and otherwise on the terms specified in Schedule 9.
- (c) Telstra undertakes that the TEM Financial Management Reporting System, from which the TEM Reports will be derived, is the internal accounting system that Telstra uses as its primary source of financial data for the preparation of internal management reports in respect of business costs and revenues, including in respect of non-regulated products and services.
- (d) Telstra undertakes to develop and maintain the TEM Financial Management Reporting System so that it is a reliable and fit for purpose management accounting system, including for the purpose of:
 - (i) producing TEM Reports; and
 - (ii) determining the Internal Wholesale Prices,by no later than the date on which the first TEM Report is submitted to the ACCC under Schedule 9.

17.4 TEM Reports and Substantiation Reports are not determinative

The information set out in TEM Reports and any Substantiation Reports or other information provided to the ACCC under Schedule 8 or Schedule 9 are to assist Telstra and the ACCC to assess and anticipate the competitive implications of Telstra's pricing conduct and will not:

- (a) be determinative of whether Telstra has or has not acted inconsistently with the CCA in respect of its pricing of any wholesale or retail product; or
- (b) restrict the ACCC in any way in its exercise of its functions under the CCA (including Parts XIB and XIC).

17.5 Operation of Price Equivalence and Transparency Framework

Each of the price equivalence and transparency measures set out in this clause 17, Schedule 8 and Schedule 9 will cease to operate as at the Designated Day.

18 Telstra Accelerated Investigation Process

18.1 Establishment and object

- (a) Telstra will establish and maintain an Accelerated Investigation Process to expeditiously investigate any Equivalence Complaints received from Wholesale Customers.
- (b) The object of the Accelerated Investigation Process is to provide an internal process by which Telstra can quickly and flexibly respond to, and resolve, Equivalence Complaints to the reasonable satisfaction of the Wholesale Customer.

18.2 Equivalence Complaints

- (a) For the purposes of this Undertaking, an Equivalence Complaint is:
 - (i) a non-price complaint or issue that relates to or is likely to have been caused by a system or process issue affecting Telstra's compliance with obligations set out in Part D of this Undertaking; or
 - (ii) a non-price complaint in connection with a TEBA order or process,(each an **Equivalence Complaint**).
- (b) For the avoidance of doubt, the following are not Equivalence Complaints:
 - (i) a dispute referred to the Adjudicator under clause 31 of the Plan;
 - (ii) any reference of a matter to the Adjudicator by the ACCC under the Plan; and
 - (iii) a complaint or dispute which arises under or in relation to the terms of supply of Regulated Services and which does not relate to system or process issues (for example, a complaint related to the timely supply of an individual order or the late payment of an amount due).

18.3 The Accelerated Investigation Process

- (a) As soon as reasonably practicable after receiving an Equivalence Complaint in writing from a Wholesale Customer (**Equivalence Complaint Notice**), Telstra will:
 - (i) determine (acting reasonably) if that matter is an Equivalence Complaint or whether it would be more appropriately dealt with using an alternative complaint or dispute process, and notify that Wholesale Customer accordingly;
 - (ii) if the matter is to be dealt with using the Accelerated Investigation Process, investigate the matters raised in the Equivalence Complaint Notice with a view to resolving the Equivalence Complaint as soon as reasonably practicable;
 - (iii) if Telstra reasonably requires additional information in order to investigate the matters raised in the Equivalence Complaint Notice, provide written notice to the Wholesale Customer requesting the additional information;

- For personal use only
- (iv) subject to clause 18.3(b), within 5 Business Days of the date of receipt by Telstra of an Equivalence Complaint Notice, issue a report (**Rectification Plan**) to the relevant Wholesale Customer setting out:
 - (A) the steps that Telstra has taken to investigate and/or resolve the Equivalence Complaint;
 - (B) any explanation or justification for the circumstances giving rise to the Equivalence Complaint;
 - (C) if Telstra has been unable to complete its investigation by the time it issues the Rectification Plan, an estimate of the likely timeframe within which it will have completed its investigation and be in a position to issue its Rectification Plan to that Wholesale Customer; and
 - (D) if applicable, the steps that Telstra will take to resolve the issues giving rise to the Equivalence Complaint, including the timeframe in which those steps will be taken.
 - (b) If Telstra has provided a written notice to a Wholesale Customer under clause 18.3(a)(iii), the time referred to in clause 18.3(a)(iv) will be extended by a period equal to the number of days from the date on which the written notice was provided by Telstra and the date on which the information requested in the written notice was received by Telstra.
 - (c) The relevant Wholesale Customer may propose amendments to the Rectification Plan in writing to Telstra within 5 Business Days of the date the Wholesale Customer is provided with the Rectification Plan by Telstra under clause 18.3(a)(iii). If Telstra receives any proposed amendments from the Wholesale Customer within the required time it will give reasonable consideration to them, and:
 - (i) if it accepts any or all of the proposed amendments, Telstra will then revise and re-issue the Rectification Plan to that Wholesale Customer as soon as reasonably practicable, but in any event within 5 Business Days of receiving the proposed amendments; and
 - (ii) if it rejects any or all of the proposed amendments, promptly notify that Wholesale Customer of the proposed amendments which it rejects and provide an explanation.
 - (d) The relevant Wholesale Customer must notify Telstra within 5 Business Days of the date it receives a Rectification Plan under clause 18.3(a)(iii) or an amended Rectification Plan under clause 18.3(c), whether the Wholesale Customer accepts or rejects the Rectification Plan.
 - (e) If the relevant Wholesale Customer does not notify Telstra that it accepts or rejects a Rectification Plan (or, if applicable, amended Rectification Plan) within 5 Business Days under clause 18.3(d), the Wholesale Customer will be deemed to have accepted it.
 - (f) Telstra will carry out each of the tasks identified in an accepted Rectification Plan in accordance with the terms of that Rectification Plan.
 - (g) If Telstra reasonably determines that it is necessary to vary or amend an accepted Rectification Plan, it will as soon as reasonably practicable:

- (i) notify the relevant Wholesale Customer of the proposed amendments, including explaining the reasons for the proposed amendment and the date on which such amendments will take effect; and
- (ii) consult in good faith with that Wholesale Customer, including giving reasonable consideration to any suggestions received from the Wholesale Customer in relation to the proposed amendment.
- (h) If the relevant Wholesale Customer does not notify Telstra that it accepts or rejects any proposed amendment(s) to an accepted Rectification Plan suggested by Telstra under clause 18.3(g), within 5 Business Days of the date the Wholesale Customer received notice of the proposed amendment(s), it will be deemed to have accepted those proposed amendments.
- (i) The relevant Wholesale Customer may not refer to the ITA Process an Equivalence Complaint that is the subject of an accepted Rectification Plan, unless:
- (i) there has been a material failure by Telstra to comply with the Rectification Plan; or
- (ii) Telstra has notified that Wholesale Customer of proposed amendments to the Rectification Plan in accordance with clause 18.3(g), which proposed amendments that Wholesale Customer does not accept.
- (j) A Wholesale Customer's right to refer any failure by Telstra to comply with a Rectification Plan to the ITA Process is that Wholesale Customer's sole and exclusive remedy for such failure.
- (k) Nothing in this clause 18 restricts or prevents a Wholesale Customer and Telstra from agreeing, on a case by case basis, to deal with or attempt to resolve any matter, dispute or complaint which would otherwise be an Equivalence Complaint without referring it to the Accelerated Investigation Process or the ITA Process.

19 Independent Telecommunications Adjudicator

19.1 The establishment of the office of the Independent Telecommunications Adjudicator

- (a) Telstra will establish the Office of the Independent Telecommunications Adjudicator as a company limited by guarantee in accordance with Schedule 5.
- (b) Telstra will establish the ITA Process in accordance with, and subject to, the terms specified in Schedule 5.
- (c) The ITA Process will not apply until the Adjudicator is appointed in accordance with Schedule 5 and agrees to be bound by the ITA Process and the terms set out in Schedule 5.

19.2 Referral of Equivalence Complaints to the Adjudicator

A Wholesale Customer may only refer an Equivalence Complaint to the Adjudicator if one of the following applies:

- (a) the Equivalence Complaint has previously been referred to Telstra for investigation under the Accelerated Investigation Process and Telstra did not accept the Equivalence Complaint under the Accelerated Investigation Process;

- (b) the Equivalence Complaint was referred to Telstra for investigation under the Accelerated Investigation Process and:
 - (i) a Rectification Plan was issued by Telstra to that Wholesale Customer under clause 18.3(a)(iii) setting out Telstra's proposed approach to resolving the Equivalence Complaint; and
 - (ii) the Wholesale Customer has notified Telstra that it rejects the Rectification Plan within 5 Business Days of the date it received the Rectification Plan;
- (c) there has been a material failure by Telstra to comply with an accepted Rectification Plan, including any material failure to meet a timeframe set out in that Rectification Plan; or
- (d) Telstra has notified that Wholesale Customer of proposed amendment(s) to an accepted Rectification Plan in accordance with clause 18.3(g) and the Wholesale Customer rejects those proposed amendment(s) within 5 Business Days of the date it received the proposed amendment(s).

19.3 Referral to the Adjudicator of disputes under the Plan

A Wholesale Customer may refer a dispute to the Adjudicator in accordance with clause 31 of the Plan.

19.4 Telstra to enter into ITA Agreements and comply with ITA orders

- (a) As soon as reasonably practicable after receiving a request to do so by a Wholesale Customer, Telstra will enter into an ITA Agreement with that Wholesale Customer on the terms set out in Schedule 6, so that the Wholesale Customer can participate in the ITA Process.
- (b) Telstra will:
 - (i) act consistently with the Charter of Independence;
 - (ii) cooperate with and assist the Adjudicator in good faith with each investigation, in accordance with Schedule 5;
 - (iii) be bound by and comply with the processes set out in Schedule 5; and
 - (iv) subject to paragraphs 8.5, 12 and 13 of Schedule 5, comply with any determination issued by the Adjudicator, including any determination made in respect of:
 - (A) payment of the Adjudicator's costs; or
 - (B) repayment of the ITA Referral Fee to a Wholesale Customer, in the event that the relevant ITA Dispute is upheld.

20 Implementation

20.1 When provisions of Part D take effect

Unless otherwise approved by the ACCC in accordance with clause 20.2, the following provisions of Part D of this Undertaking and the associated Schedules below will take effect as follows:

Provision	Date on and from which the provisions take effect
Organisational Structure (clause 8 and Schedule 2)	<p>For all provisions other than clause 8.6, the Commencement Date.</p> <p>For clause 8.6, the later of:</p> <ul style="list-style-type: none"> • 2 months after the Commencement Date; and • the DA Commencement Date.
Information Security (clause 9)	Commencement Date
Service quality and operational equivalence (clause 10)	Commencement Date
Telstra Exchange and Building Access (clause 11)	<p>The later of:</p> <ul style="list-style-type: none"> • 2 months after the Commencement Date; and • the DA Commencement Date
Wholesale Customer Facing Systems (clause 12)	<p>The later of:</p> <ul style="list-style-type: none"> • 2 months after the Commencement Date; and • the DA Commencement Date
Information Equivalence (clause 13 and Schedule 4)	Commencement Date
Equivalence and Transparency Metrics (clause 15 and Schedule 3)	The start of the first Quarter which commences after the Commencement Date
Service Level Rebates (clause 16 and Schedule 7)	<p>The later of:</p> <ul style="list-style-type: none"> • 2 months after the Commencement Date; and • the DA Commencement Date
Price Equivalence and Transparency (clause 17, Schedule 8 and Schedule 9)	<p>The later of:</p> <ul style="list-style-type: none"> • 2 months after the Commencement Date; and

	<ul style="list-style-type: none"> the DA Commencement Date
Telstra Accelerated Investigation Process (clause 18)	<p>The later of:</p> <ul style="list-style-type: none"> 2 months after the Commencement Date; and the DA Commencement Date
Independent Telecommunications Adjudicator Process (clause 19 and Schedule 5 and Schedule 6)	<p>The later of:</p> <ul style="list-style-type: none"> 2 months after the Commencement Date; and the DA Commencement Date
All other provisions of Part D	Commencement Date

20.2 ACCC may approve extensions

- (a) If the ACCC receives a request from Telstra to vary a date that is specified in clause 20.1 as the date on which one or more provisions of Part D of this Undertaking and their associated Schedules will take effect the ACCC may:
 - (i) approve that request; or
 - (ii) reject the request.
- (b) In deciding whether to approve or reject a request given under clause 20.2(a) the ACCC must have regard to:
 - (i) whether Telstra has acted in an effective, timely and reasonable manner to implement changes to its organisational structures, processes and/or systems which are necessary to ensure compliance with the applicable provisions;
 - (ii) whether any event or circumstance which is beyond Telstra's reasonable control has delayed the implementation of any such changes;
 - (iii) the other changes that Telstra is making to its organisational structures, processes and systems in order to comply with its obligations under the Definitive Agreements, the Plan and this Undertaking;
 - (iv) reasonable timeframes for implementing changes to organisational structures, processes and systems;
 - (v) the principle that Telstra should not have to incur costs which are unreasonable or disproportionate; and
 - (vi) the matters set out in subsection 577A(6) of the Act.

Part E Compliance and Reporting

21 Compliance processes and management

21.1 Telstra Audit Committee and Director of Equivalence

- (a) The Audit Committee of the Telstra Board (**Audit Committee**) will be responsible for appointing and overseeing the activities of the Director of Equivalence.
- (b) As soon as practicable after this Undertaking comes into force, the Audit Committee will appoint a Director of Equivalence who will:
 - (i) be an executive with responsibilities and duties of the Director of Equivalence as set out in this Undertaking;
 - (ii) be in a role which is independent, in relation to day to day operational management and reporting, from those parts of Telstra's business and relevant activities which are subject to the obligations set out in this Part D, and which the Director of Equivalence is required to oversee; and
 - (iii) be sufficiently senior in Telstra's management structure to permit the person occupying that position to perform the duties of the Director of Equivalence as set out in this Undertaking.
- (c) Without limitation to the other responsibilities of the Director of Equivalence set out in this Undertaking or as otherwise directed by the Audit Committee, he or she will have responsibility for:
 - (i) putting in place effective and appropriate mechanisms for monitoring compliance with Part D and Part E of this Undertaking, including ensuring timely reporting to the ACCC in accordance with clause 22.1;
 - (ii) reporting to the CEO and the Audit Committee from time to time;
 - (iii) increasing awareness within Telstra of the requirements of Part D of this Undertaking;
 - (iv) accepting, facilitating and responding to any requests for information received from the ACCC in relation to this Undertaking;
 - (v) developing and overseeing an ongoing internal education and compliance training program directed towards ensuring Telstra's compliance with this Part D of this Undertaking;
 - (vi) monitoring implementation of measures to respond to any identified non-compliance by Telstra with Part D;
 - (vii) overseeing the operation of the Accelerated Investigation Process, including assessing all Equivalence Complaints received by Wholesale Customers in accordance with clause 18.2; and
 - (viii) monitoring implementation of measures to respond to, and comply with, any order of the Adjudicator.

21.2 Equivalence Compliance Statement

- (a) Telstra will, within 90 days of this Undertaking coming into force, issue a policy statement outlining Telstra's commitment to compliance with the requirements of this Part D (**the Equivalence Compliance Statement**).
- (b) Telstra will ensure that the Equivalence Compliance Statement:
 - (i) is written in plain language;
 - (ii) contains a statement of commitment to compliance with this Part D;
 - (iii) contains a strategic outline of how commitment to compliance with this Part D will be realised within Telstra;
 - (iv) contains a guarantee that whistleblowers will not be prosecuted or disadvantaged in any way and that their reports will be kept confidential and secure; and
 - (v) contains a clear statement that Telstra will take action internally against any persons who are knowingly or recklessly concerned in a contravention of this Part D and will not indemnify them.

21.3 Compliance Training

- (a) Telstra will ensure that regular (at least once a year) and practical training is undertaken for all relevant Telstra Employees, whose duties could result in them being concerned with conduct that may contravene this Part D.
- (b) Telstra must ensure that the training is conducted:
 - (i) through online training courses; and/or
 - (ii) by a suitably qualified compliance professional or legal practitioner.
- (c) Telstra will ensure that the Equivalence Compliance Statement includes a requirement that awareness of issues relating to compliance with Part D forms part of the induction of all new Telstra directors and Employees whose duties could result in them being concerned with conduct that may contravene Part D.

21.4 Supply of Compliance Program Documents to the ACCC

- (a) Within 6 months after the date that this Undertaking comes into force, Telstra will:
 - (i) develop the Equivalence Compliance Statement, compliance training materials to be used under clause 21.3 and any other documents constituting its compliance program with this Part D (**Equivalence Compliance Program**); and
 - (ii) provide a briefing to the ACCC in relation to the Equivalence Compliance Program.
- (b) Telstra will consult with the ACCC on any recommendations of the ACCC about the Equivalence Compliance Program.
- (c) Telstra will provide the ACCC annually with any updated documents forming part of its Equivalence Compliance Program and consult with the ACCC on any

recommendations of the ACCC about changes in its Equivalence Compliance Program.

21.5 Director of Equivalence to prepare Annual Equivalence Report for Audit Committee

- (a) The Director of Equivalence will coordinate and oversee the preparation of an annual report (**Annual Equivalence Report**), which will be submitted to the Audit Committee not more than 90 Business Days after the last Business Day of each Financial Year, in respect of that Financial Year.
- (b) The Annual Equivalence Report will include for the relevant Financial Year, a summary of (to the extent applicable):
 - (i) any steps taken by Telstra to rectify any non-compliance with Part D identified in the course of investigating non-compliance with Part D;
 - (ii) Equivalence Complaint(s) referred to the Accelerated Investigation Process and/or the Adjudicator during that Financial Year;
 - (iii) compliance by Telstra with any directions or orders made by the Adjudicator during that Financial Year;
 - (iv) compliance by Telstra with its price equivalence obligations under clause 17 during that Financial Year;
 - (v) the findings on the independent consultant's review of whether Telstra's Employee incentive remuneration schemes comply with the requirements of clause 8.6;
 - (vi) compliance training undertaken by Telstra in accordance with clause 21.3;
 - (vii) any investigation or enforcement action by the ACCC undertaken during that Financial Year in respect of Telstra's compliance with Part D;
 - (viii) any areas where the Director of Equivalence has concerns with regard to future breaches of Part D, and whether the Director of Equivalence considers such concerns have not been adequately addressed by Telstra; and
 - (ix) any new steps taken during that Financial Year to promote or facilitate Telstra's compliance with Part D. For example, the Annual Equivalence Report may report on compliance training initiatives undertaken during that Financial Year.

21.6 Disclosure of equivalence performance in annual reports

Telstra will include in Telstra's annual report a summary of the findings of the relevant Annual Equivalence Report(s) which cover the period of the annual report where those findings have been finalised in time for inclusion in the annual report.

21.7 Disclosure to the ACCC of the Definitive Agreements and all contracts, arrangements and understandings

- (a) Telstra has provided the ACCC with a copy of each of the Definitive Agreements for the purpose of the application of section 577BA(3) prior to the date on which it lodged this Undertaking with the ACCC under section 577A.

- (b) Telstra will give to the ACCC written copies of all contracts, arrangements or understandings entered into by Telstra after the Commencement Date in order to comply with this Undertaking.

22 Compliance Reporting

22.1 Reporting to the ACCC

Telstra will promote and facilitate the ACCC's monitoring of Telstra's compliance with this Undertaking by, amongst other things, providing the following periodic reporting to the ACCC:

- (a) the Operational Equivalence Report to be prepared in accordance with clause 15.2;
- (b) the Annual Compliance Report to be prepared in accordance with clause 22.2; and
- (c) the TEM Report in accordance with the requirements of Schedule 9.

22.2 Annual Compliance Report

- (a) Telstra will prepare an annual report (**Annual Compliance Report**) not more than 90 Business Days after the last Business Day of each Financial Year, in respect of that Financial Year.
- (b) The Annual Compliance Report will include for the relevant Financial Year, a summary of (to the extent applicable):
 - (i) the results of the findings of the remuneration consultant that has been engaged for that Financial Year under clause 8.7(b);
 - (ii) compliance by Telstra with the provisions of this Undertaking during that Financial Year, including compliance training in accordance with clause 21.3;
 - (iii) steps Telstra has taken to rectify any identified non-compliance in the current or previous years;
 - (iv) Equivalence Complaint(s) referred to the Accelerated Investigation Process and/or the Adjudicator during that Financial Year;
 - (v) Service Level Rebates paid by Telstra during that Financial Year; and
 - (vi) compliance by Telstra with any directions or orders made by the Adjudicator during that Financial Year.
- (c) Telstra will provide a copy of each Annual Compliance Report to the ACCC on a confidential basis as soon as reasonable practicable after the relevant report has been finalised.

22.3 ACCC consultation

- (a) The ACCC may consult with Wholesale Customers and other stakeholders on Telstra's compliance with this Undertaking.

- (b) For the purposes of consultation, the ACCC may disclose the content of reports that it receives under clause 21.1, except where that content has been identified by Telstra as confidential or commercially sensitive.

22.4 ACCC information requests

Telstra will use all reasonable endeavours to respond in an effective, timely and complete manner to any request received from the ACCC for information and documents which it reasonably requires for the purpose of monitoring compliance by Telstra with this Undertaking.

Schedule 1 — Dictionary

1 Dictionary

In this Undertaking:

ACCC	means the Australian Competition and Consumer Commission.
Accelerated Investigation Process	means the investigation process described in clause 18.2.
Act	means <i>Telecommunications Act 1997</i> (Cth).
ADSL	means an Asymmetric Digital Subscriber Line.
ADSL Availability Notification	has the meaning given in paragraph 3 of Schedule 4.
Adjudicator	means the person appointed from time to time by the ITA to exercise the functions of the independent telecommunications adjudicator.
Annual Equivalence Report	has the meaning given in clause 21.5.
Application Date	has the meaning given in paragraph 2 of Schedule 3
Audit Committee	has the meaning given in clause 21.1.
Available	in relation to LOLO, is to be determined in accordance with paragraph 9(b)(iv) of Schedule 3.
Band 1	means each of the following central business districts: (a) NSW (City South, Dalley, Haymarket, Pitt, Kent); (b) QLD (Charlotte, Edison, Roma Street, Spring Hill); (c) South Australia (Flinders, Waymouth); (d) Victoria (Batman, Exhibition, Lonsdale); and (e) WA (Bulwer, Pier, Wellington).
Band 2	means an area with 108.4 or more services in operation in a

	square kilometre area, which is not a Band 1 area.
Band 3	means an area with 6.56 or more services, but less than 108.4 services, in operation in a square kilometre area, which is not a Band 1 area.
Band 4	means an area with 6.55 or less services in operation in a square kilometre area, which is not a Band 1 area.
Basic Telephone Service or BTS	means the basic telephone service as described in Telstra's standard forms of agreement formulated by Telstra for the purposes of Part 23 of the Act as varied by Telstra from time to time.
Bill	means a bill for charges which meet the requirements for a tax invoice.
Business Day	means a day other than a Saturday, a Sunday or a public holiday in New South Wales or Victoria.
Business Unit	means a part of Telstra.
Call Date	has the meaning given in paragraph 3 of Schedule 3.
Capped Exchange	means a Telstra Exchange Building (excluding the Pitt Street Exchange Building) which the Governance Committee has determined unavailable for Wholesale Customers, including but not limited to the list that Telstra publishes from time to time for the purposes of informing Wholesale Customers and/or other parties about those Exchange Buildings that Telstra regards as Capped Exchanges.
Carriage Service Provider	has the same meaning as in the Act.
Carrier	has the same meaning as in section 7 of the Act.
CCA	means the <i>Competition and Consumer Act 2010</i> (Cth).
CEO	means the person holding the title "Chief Executive Officer" in Telstra from time to time.
Chief Financial Officer	means the person holding that title in Telstra from time to time.
CMUX	means customer multiplexer.
Commencement	means the date on which this Undertaking comes into force in

Date	accordance with clause 2.
Comparable Retail Services	<p>means, in a respect of a Regulated Service, a retail service supplied by Telstra that is comparable to that Regulated Service, including for each of the following wholesale services the retail service identified below as comparable:</p> <ul style="list-style-type: none"> (b) Wholesale Line Rental – the comparable retail service is retail line rental; (c) Domestic PSTN Originating Access Service – the comparable retail service is the local exchange access component of the Basic Telephone Service; (d) Domestic PSTN Terminating Access Service - the comparable retail service is the local exchange access component of the Basic Telephone Service; (e) Local Carriage Service – the local calls component of the Basic Telephone Service; (f) Domestic Transmission Capacity Service – the comparable retail service is the Megalink 2 Mbit/s service; (g) Line Sharing Service – the comparable retail service is Bigpond ADSL Layer 2 Service; (h) Wholesale ADSL Layer 2 Service – the comparable retail service is Bigpond ADSL Layer 2 Service; (i) ULLS – for the purpose of Fault Detection, Handling and Rectification only, the comparable retail service is the component of the Basic Telephone Service comprising a continuous metallic twisted pair between a Telstra local exchange MDF and the network boundary point at an end user premises .
Consumer Protection Act	means the <i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i> (Cth).
Coordinated Capital Works Program	means a planned Major Network Modernisation and Upgrade with respect to the Wholesale ADSL Layer 2 Service that extends across more than one exchange service area but does not include an Emergency Network Modernisation and Upgrade.
Coordinated Capital Works Program Forecast	has the meaning given in paragraph 11.1 of Schedule 4
Coordinated Capital Works Program	has the meaning given in paragraph 11.2(a) of Schedule 4

Schedule

Copper Network

means a network in Australia over which Telstra is in a position to exercise control comprising copper or aluminium wire based lines:

- (a) from the network boundary point at each Premises up to and including the first electronic remote access multiplexer (for example, a CMUX or RIM) immediately upstream of each such Premises; or
- (b) from the network boundary point at each Premises up to and including the MDF in a Telstra exchange (or similar location) immediately upstream of each such Premises; or
- (c) from the first electronic remote access multiplexer immediately upstream of each Premises up to and including the MDF in a Telstra exchange (or similar location) immediately upstream of each such electronic remote access multiplexer,

which is, or has been at any time, used to provide fixed-line carriage services, and includes each such electronic remote access multiplexer and MDF.

Copper Network Notification

has the meaning given in paragraph 3 of Schedule 4.

Copper Service

means a carriage service provided using a Copper Path.

CPE

means customer premises equipment.

Creation Date

has the meaning given in paragraph 4 of Schedule 4.

Customer Requested Date or CRD

means, in respect of a Metric, the date on which the relevant customer requests Telstra to perform the tasks that are to be measured by that Metric.

DA Commencement Date

means the date that all of the conditions precedent specified in Schedule 1 of the Implementation and Interpretation Deed dated 23 June 2011 between Telstra and NBN Co have been waived or satisfied in accordance with the terms of that deed.

Definitive Agreements

has the meaning given in the Plan.

Designated Day

has the same meaning as in section 577A of the Act.

Director of Equivalence

means the person appointed by the Audit Committee for the purposes of clause 21.1(b).

Distribution Area or DA	has the same meaning as in the Network Deployment Rules.
DISPLAN	means disaster recovery plan.
DISPLAN Notification	has the meaning given in paragraph 3 of Schedule 4.
Domestic PSTN Originating Access Service	means the Regulated Service, domestic PSTN originating access service.
Domestic PSTN Terminating Access Service	means the Regulated Service, domestic PSTN terminating access service.
Domestic Transmission Capacity Service or DTCS	means the Regulated Service, Domestic Transmission Capacity Service.
DSL Upgrade	means new network capability within the Copper Network which is delivered as a Layer 2 connection service and is used to support new or enhanced product features and/or functionality of a Telstra retail DSL service, but for clarification does not include those enhanced product features or functionally.
DSLAM	means a digital subscriber line access multiplexer used to provide broadband services (including for wholesale line rental services as described in the ACCC's Wholesale Line Rental Service – Extension of Declaration (2009)).
E&T Performance Result	has the meaning given in clause 15.1(c).
Eligible Service	has the same meaning as in section 152AL of the <i>Competition and Consumer Act 2010</i> (Cth).
Emergency	<p>means a national security alert or an emergency due to an actual or potential occurrence (such as fire, flood, storm, earthquake, explosion, accident, epidemic, vandalism, theft or war-like action) which:</p> <ul style="list-style-type: none"> (a) endangers or threatens to endanger the safety or health of persons; or (b) destroys or damages, or threatens to destroy or damage property; and (c) for the purposes of Schedule 4, being an emergency which requires a significant and coordinated response.

Emergency Network Modernisation and Upgrade	means a Major Network Modernisation and Upgrade that is required and is reasonably necessary and a proportionate response to address an Emergency.
Employee	includes a natural person who is acting as Telstra's agent, or is engaged by Telstra as a consultant or contractor acting in an equivalent role to an employee or carrying out the role of an employee.
Equivalence and Transparency Metrics	<p>means the metrics for:</p> <ul style="list-style-type: none">(a) Domestic PSTN Originating Access Service, Domestic PSTN Terminating Service and Local Carriage Service, as set out in paragraph 2 of Schedule 3;(b) Wholesale ADSL Layer 2 Service, as set out in paragraph 3 of Schedule 3;(c) LLS, as set out in paragraph 4 of Schedule 3;(d) ULLS, as set out in paragraph 5 of Schedule 3;(e) Domestic Transmission Capacity Service, as set out in paragraph 6 of Schedule 3; and(f) Bills, as set out in paragraph 7 of Schedule 3;(g) TEBA, as set out in paragraph 8 of Schedule 3; and(h) the availability of LOLO, as set out in paragraph 9 of Schedule 3.
Equivalence Complaint	has the meaning given in clause 18.2.
Equivalence Complaint Notice	has the meaning given in clause 18.3(a).
ESA Information Notification	has the meaning given in paragraph 3 of Schedule 4.
Exchange Building	<p>means:</p> <ul style="list-style-type: none">(a) an Exchange Building Facility; and(b) any External Interconnect Facility associated with the same Exchange Building Facility.
Exchange Building Facility	an exchange building operated by or on behalf of Telstra and any facility which is physically located in an exchange building operated by or on behalf of Telstra, including:

- (a) internal floor space;
- (b) a main distribution space;
- (c) a security system;
- (d) a power system;
- (e) an air conditioning system;
- (f) a rack;
- (g) a cable tray; and
- (h) an interconnection cable.

Exchange Capacity	in relation to an Exchange Building Facility means: <ul style="list-style-type: none"> (a) floor space at that Exchange Building for installation of equipment; and (b) block position on the main distribution frame in that Exchange Building.
Exchange Serving Area or ESA	means the area served by an Exchange Building.
Exempt Network	means a network which is exempt from section 577A(1) and the associated provisions of the Act by the Networks and Services Exemption Instrument.
Exempt Service	means a fixed-line carriage service which is exempt from section 577A(1) and the associated provisions of the Act by the Networks and Services Exemption Instrument.
External Interconnect Duct	means a duct that is used, or for use, in connection with an External Interconnection Cable.
External Interconnect Facilities	means the following, to the extent operated by or on behalf of Telstra: <ul style="list-style-type: none"> (a) an External Interconnection Cable; and (b) an External Interconnect Duct; and (c) a pit that is associated with an External Interconnect Duct.
External Interconnection Cable	means an Interconnection Cable that runs from a point within an Exchange Building to a point external to that Exchange Building.
External Wholesale	means a metric for a Reportable Wholesale Product or Reportable Product Bundle calculated in accordance with

Price	paragraph 4.2 of Schedule 9 and included in a TEM Report.
Fault	means any service difficulty reported to Telstra by a wholesale or retail customer and accepted by the Network Services Business Unit as being Telstra's responsibility to resolve.
Fault Detection, Handling and Rectification	means the process taken by the Network Services Business Unit to resolve Faults (and does not include any commercial terms, rebates, compensation or other commercial arrangements which may be offered by a Business Unit in relation to any Fault or delay). This process commences with the Fault being recorded by the Network Services Business Unit and will involve fault sectionalisation (where facilities of another Carrier's or Carrier Service Provider's network is involved), testing and fault rectification and clearance.
Fault Rectification	in relation to a Fault means the rectification of that Fault.
Financial Year	means a one-year period commencing on 1 July of any year and ending on 30 June of the following year.
General Conditions	has the meaning given in paragraph 11 of Schedule 3.
General Notification	has the meaning given in paragraph 10.1(a)(i) of Schedule 4.
Governance Committee	means the committee or group within Telstra who has the function of determining whether a Telstra Exchange Building is a Capped Exchange, Potentially Capped Exchange or Uncapped Exchange.
Independence Direction	has the meaning given in paragraph 4.2(xiii) of Schedule 5.
Individual Notification	has the meaning given in paragraph 10.1(a)(i) of Schedule 4.
In-place Connection	means a connection of a Basic Telephone Service at a site where a previous working service has been cancelled by the previous account holder and is available for automatic reconnection or reactivation without the need for Telstra to do any other connection work at the customer Premises, the Exchange Building, or any places in between.
Interim Order	means a request by a customer for the installation of a non-permanent working solution.
Interim Service	means a service: <ul style="list-style-type: none"> (a) that provides a customer with a service for voice telephony (or a Service Equivalent to this for a customer with a disability) which may or may not include (at

Telstra's discretion) a data capability or any enhanced call handling feature; and

- (b) for which that customer is, or may be, charged an amount for the ongoing supply of that service at the location requested by the customer that does not exceed the amount that the customer would have been charged if the customer were supplied with the Basic Telephone Service on request; and
- (c) that is supplied to a customer for a period that does not exceed 6 months from the time of the customer's request for the connection of a Basic Telephone Service or a longer period as agreed with the customer.

Interconnection Cable	means a cable connecting one or more twisted metallic pairs between a main distribution frame at an Exchange Building and a Wholesale Customer's equipment installed in, or in close proximity to, that Exchange Building.
Internal Wholesale Price	means a metric for a Reportable Wholesale Product or Reportable Product Bundle calculated in accordance with paragraph 4.1 of Schedule 9 and included in a TEM Report.
ITA	means the limited by guarantee company established to develop and manage the ITA Process.
ITA Agreement	means the agreement entitled "ITA Agreement", the form of which is set out in Schedule 6.
ITA Dispute	has the meaning given in paragraph 7.1 in Schedule 5.
ITA Process	means the independent telecommunications adjudicator process described in Schedule 5.
ITA Process Fee	means the annual administration fee set by the Adjudicator on an annual basis in respect of its administrative and incidental costs, and which is to be levied equally on all participants that have entered into an ITA Agreement.
ITA Referral Fee	means the fee set by the Adjudicator from time to time in respect of the relevant Equivalence Complaint referred to the ITA Process.
Layer 2	means Layer 2 in the Open Systems Interconnection reference model.
Local Carriage Service	means the Regulated Service, local carriage service.

LOLO	means LinxOnline Ordering.
Line Sharing Service or LSS	means the Regulated Service, Line Sharing Service.
Local Carriage Service or LCS	means the Regulated Service, Local Carriage Service.
Major Network Incident Notification	has the meaning given in paragraph 3 of Schedule 4.
Major Network Modernisation and Upgrades	<p>means a modernisation or upgrade that:</p> <ul style="list-style-type: none"> (a) involves the installation of Telstra customer access modules closer to end-users than a Telstra exchange building; (b) requires the removal/relocation of the Wholesale ADSL Layer 2 Service provided from Telstra exchange buildings and the establishment of a new POI (or relocation of an existing POI) for the Wholesale ADSL Layer 2 Service, or alteration of deployment classes of equipment used on the Wholesale ADSL Layer 2 Service; or (c) results in a Wholesale ADSL Layer 2 Service no longer being supplied or adversely affects the quality of that Wholesale ADSL Layer 2 Service (or any services supplied by an Wholesale Customer to their end-users using the Wholesale ADSL Layer 2 Service), but does not mean, or include, an Emergency Network Modernisation Upgrade or an national broadband network (NBN) related upgrade.
Major Rural	means a township or community group of more than 2,500 people but less than 10,000 people.
Marketing Activity	has the same meaning as in the Plan.
MapInfo	means Pitney Bowes Software Pty Limited (ABN 93 070 492 410).
MDF	means main distribution frame.
Metric	means an Equivalence and Transparency Metric.
Migration	has the same meaning as in the Plan.
Minister	means the minister responsible for administering the relevant legislative provision or legislation.

Minor Rural	means a township or community group of 201 people or more but not more than 2,500 people within a 'standard zone' (as defined under the Consumer Protection Act).
MTAS	has the meaning given in paragraph 1.1(h) of Schedule 8.
Naked DSL Product	has the meaning given in clause 14(b).
National Broadband Network or NBN	has the same meaning as in section 5 of the National Broadband Network Companies Act.
National Broadband Network Companies Act	means the <i>National Broadband Network Companies Act 2011</i> (Cth).
NBN Co	has the same meaning as in section 5 of the National Broadband Network Companies Act.
NBN Corporation	has the meaning as in section 5 of the National Broadband Network Companies Act.
NBN Co Fibre Network	has the same meaning as in the Plan.
Network Deployment Rules	means the industry code entitled 'ACIF C559:2005 Unconditioned Local Loop Service – Network Deployment Rules' registered by the Australian Communications and Media Authority under section 117 of the Act and as amended from time to time.
Network Services Business Unit	means a Business Unit that has principal control over and responsibility for the Required Functions specified in clause 8.1(c)(iii).
Networks and Services Exemption Instrument	means the <i>Telecommunications (Structural Separation – Networks and Services Exemption) Instrument (No. 1) 2011</i> in the form as at the date this Undertaking is given to the ACCC under section 577A of the Act.
Non-Exempt Network	means a telecommunications network other than an Exempt Network over which Telstra is in a position to exercise control.
Non-Exempt Service	means a fixed-line carriage service other than an Exempt Service which is supplied by Telstra to retail customers in Australia.
Notification Process	means the notification process set out in Schedule 4, as described in paragraph 3.1(a) of Schedule 4.

Operational Equivalence Report	means the Quarterly report referred to in clause 15.2(a).
OSS Announcements	has the meaning given in paragraph 3 of Schedule 4.
Part	means a part to this Agreement, being Part A, Part B, Part C, Part D or Part E (as applicable).
Plan	means a final migration plan as defined in section 577BE of the Act.
Planned Event Notification	has the meaning given in paragraph 3 of Schedule 4.
POI	means point of interconnection. A point of interconnection is a physical point of interconnection in Australia between a network operated by a carrier or carriage service provider and another network operated by a service provider.
Potentially Capped Exchange	means a Telstra Exchange Building in which the Governance Committee has determined that Access Seekers may be granted access after out-of-the-ordinary works have been completed.
Pre-determination Conference	has the meaning given in paragraph 8.3 of Schedule 5.
Pre-tax WACC	means a reasonable pre-tax weighted average cost of capital, as determined and applied by Telstra from time to time.
Preliminary Conference	has the meaning given in paragraph 8.2 of Schedule 5.
Premises	has the same meaning as in the Plan. <ul style="list-style-type: none"> (a) an addressable location currently used on an on-going basis for residential, business (whether for profit or not), government, health or educational purposes; (b) a school as defined by the Department of Education, Employment and Workplace Relations; (c) a location within a new development at an addressable location for which NBN Co is the wholesale provider of last resort; (d) an addressable location for a standard telephone service which is activated in compliance with the universal service obligation; (e) a payphone at a location at which Telstra is required to

install or maintain a payphone in accordance with an instrument made under section 12EF of the Consumer Protection Act;

- (f) a location which NBN Co is directed by the Minister to connect to the NBN Co Fibre Network.

Protected Information

has the meaning given in clause 9.1.

PSTN

means a public switched telephone network.

PSTN OA

means the Regulated Service, Domestic PSTN Originating Access Service.

PSTN TA

means the Regulated Service, Domestic PSTN Terminating Access Service.

Quarter

means the each 3 month period starting from 1 January, 1 April, 1 July or 1 October of any year.

Rate Card

has the same meaning as in paragraph 1.1 of Schedule 8.

Rectification Plan

has the meaning given in clause 18.3(a)(iii).

Reference Service

means a service listed in paragraph 1.1 of Schedule 8.

Reference Price

means a price for a Reference Service determined in accordance with clause 1.2 of Schedule 8.

Regulated Service

has the same meaning as in clause 71 of Schedule 1 to the Act but does not include a service to the extent that an access determination in force in respect of that service provides that the standard access obligations do not apply to Telstra in respect that service.

Remote

means a township or community group of less than or equal to 200 people or township or community group located outside a 'standard zone' (as defined under the Consumer Protection Act).

Reportable Product Bundle

means a bundle of Reportable Wholesale Products listed in paragraph 4.1(a)(vii) of Schedule 9.

Reportable Retail Product

means a product listed in paragraph 3.1(b) of Schedule 9.

Reportable Wholesale Product

means a product listed in paragraph 3.1(a) of Schedule 9.

Reporting Variance	means, in respect of a relevant Metric, a Variance of 2% or more (in negative terms).
Required Function	means a function or responsibility for which a Retail Business Unit, a Wholesale Business Unit or a Network Services Business Unit is to have responsibility as provided in clause 8.1.
Retail Customer	means a retail customer of Telstra.
Retail Business Unit	means a Business Unit that has principal control over and responsibility for the Required Functions specified in clause 8.1(c)(ii).
Revised Customer Required Date or RCRD	means, where a CRD already applies but the relevant customer requests Telstra to perform the tasks to be measured by the relevant Metric on a later date, that later date.
RIM	means remote integrated multiplexer.
Rollout Region	has the same meaning as in the Plan.
Separated Business Unit	means a Retail Business Unit, a Wholesale Business Unit or a Network Services Business Unit.
Service Activation and Provision	means the process to provision a service undertaken by the Network Services Business Unit (and does not include any commercial terms, rebates, compensation or other commercial arrangements which may be offered by a Business Unit in relation to any service activation or provisioning). This process commences on acceptance or verification of an order by the Network Services Business Unit, may involve the making of appointments and ends on service activation. Service Activation and Provisioning has the corresponding meaning.
Service Delivery	means undertaking the first contact points and other interactions between the Wholesale Business Unit and a Wholesale Customer in relation to service delivery of Regulated Services which the Wholesale Customer acquires from Telstra, but does not include Service Activation and Provisioning or Fault Detection, Handling and Rectification.
Service Level	has the meaning given in paragraph 10 of Schedule 7.
Service Qualification	means the analysis carried out by Telstra in accordance with, and subject to, the service terms applicable to a Regulated Service to confirm whether the Regulated Service can be provided on a particular copper line or to a particular service address.

Specific Conditions	has the meaning given in paragraph 10 of Schedule 3.
SS service	means the Regulated Service, spectrum sharing.
Substantiation Report	means a report prepared by Telstra and submitted to the ACCC in accordance with paragraph 4.4 of Schedule 9.
TEBA	means access to floor space and other facilities such as security, electricity, cable trays and interconnection cables in Telstra Exchange Buildings.
TEBA Governance Committee	has the meaning given in clause 11.5.
TEM Guidelines	means a set of guidelines for preparing TEM Reports, prepared in accordance with paragraph 5 of Schedule 9.
TEM Report	means a report prepared by Telstra and submitted to the ACCC in accordance with paragraph 2.1 of Schedule 9.
Telecard	means a Telecard service as described in Telstra's Our Customer Terms.
Telstra	means Telstra Corporation Limited (ABN 33 051 775 556).
Telstra Economic Model or TEM	means the internal managerial accounting system developed and used by Telstra from time to time to prepare management reports in respect of fully-allocated business costs and revenues for internal business planning purposes, including in respect of non-regulated products and services.
Uncapped Exchange	means an Exchange Building that was a Capped Exchange or Potentially Capped Exchange which the Governance Committee has determined is no longer a Capped Exchange or Potentially Capped Exchange.
Undertaking	means this Structural Separation Undertaking.
ULL Individual Cutover	means the action taken by Telstra to complete a firm request for the provision of ULLS.
ULL service or ULLS	means the Regulated Service, Unconditional Local Loop Service.
Urban	means a township or community group of 10,000 people or more.
Variance	means, when comparing one numerical value with another numerical value, the extent to which there is a difference

between them, expressed as a percentage.

Wholesale ADSL Layer 2 Service	means the Regulated Service, wholesale ADSL layer 2 service.
Wholesale ADSL Reference Price	means a Reference Price for the Wholesale ADSL Reference Service, determined in accordance with paragraph 2 of Schedule 8.
Wholesale ADSL Reference Service	means the meaning given in paragraph 1.1(i) of Schedule 8.
Wholesale B2B Interface	has the meaning given in clause 12.1.
Wholesale Business Unit	means a Business Unit that has principal control over and responsibility for the Required Functions specified in clause 8.1(c)(iii).
Wholesale Customer	<p>a person that receives a Regulated Service from:</p> <p>(a) Telstra; or</p> <p>(b) a Related Entity of Telstra,</p> <p>and which Regulated Service the person uses to provide a Carriage Service to a third party.</p>
Wholesale DSL Upgrade	has the meaning given in clause 14.
Wholesale Naked DSL Product	has the meaning given in clause 14(b).
Wholesale Customer Portal	has the meaning given in clause 12.2.
Withdrawn Order	means an order that has been withdrawn by the customer.
WLR	means the Regulated Service, Wholesale Line Rental.
Working Day	<p>means a day other than:</p> <p>(a) a Saturday or Sunday; or</p> <p>(b) a day which is a public holiday in the place where the relevant transaction or work is to be performed.</p>

2 Interpretation

In this Undertaking the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this Undertaking;
- (b) the singular includes the plural and vice versa;
- (c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (d) the words 'such as', 'including', 'particularly' and similar expressions are not used as nor are intended to be interpreted as words of limitation;
- (e) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including but not limited to a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, paragraph, term, party, schedule or attachment is a reference to a clause, paragraph or term of, or party, schedule or attachment to this Undertaking;
 - (vi) this Undertaking includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (viii) a day is a reference to the 24 hour period commencing at 12:00am on that day;
 - (ix) an agreement includes an undertaking, or legally enforceable arrangement or understanding whether or not in writing; and
 - (x) a monetary amount is in Australian dollars;
- (f) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day; and
- (g) in determining the time of day where relevant to this Undertaking, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or

- (ii) for any other purpose under this Undertaking, the time of day in the place where the party required to perform an obligation is located.

Schedule 2 — Organisational structure, information security and related measures

1 Examples of functions and activities which do not constitute ‘work for’ another Separated Business Unit

- (a) Functions and activities undertaken by an Employee who works for a Network Services Business Unit which relate to:
 - (i) network construction, rehabilitation, asset management, maintenance or repair (regardless of whether such work will directly or indirectly benefit another Separated Business Unit or its customers); or
 - (ii) network repair where there is a cable cut or cable damage, including any action that is taken to recover the cost of the repair work from the party responsible for the cable cut or damage.
- (b) Dealings between an Employee who works for a Separated Business Unit and an Employee who works for another Separated Business Unit to the extent necessary to:
 - (i) ensure that an end user’s issue or complaint is properly identified and referred to the appropriate Business Unit to resolve the issue or complaint;
 - (ii) handover work to the appropriate Separated Business Unit to perform its appropriate functions;
 - (iii) processing and implementing requests to churn or for local number portability in accordance with industry codes; or
 - (iv) enable the proper planning, construction, management and operation of Telstra’s networks, systems and resources.

2 Description of work performed by a Network Services Business Unit for a Retail Business Unit

- (a) The following functions and activities undertaken in circumstances where an Employee who works for a Network Services Business Unit attends a premises of an end user:
 - (i) any function or activity on the customer side of the network boundary that is undertaken in response to any work order issued prior to the Employee arriving at the premises;
 - (ii) any function or activity which is permitted to be undertaken under clause 8.9 of this Undertaking;
 - (iii) Marketing Activity and sales of Telstra products and/or services if the end user is a Retail Customer.

- (b) For clarity, if an Employee who works for a Network Services Business Unit attends the premises of an end user that is a customer of a Wholesale Customer or another RSP:
- (i) if the end user is not also a Retail Customer, the Employee must not undertake any Marketing Activity to the end user; and
 - (ii) if the end user is also a Retail Customer, the Employee must not undertake any “win back” or other Marketing Activity related to alternative Telstra products to the product or products supplied by that Wholesale Customer or other RSP to the end user.
- (c) In circumstances where an Employee who works for a Network Services Business Unit is responding to a request from a Retail Customer (whether or not the request was directly received by the Employee), functions and activities which relate to the installation, configuration, testing and troubleshooting of customer premises equipment and cabling or which relate to other ancillary services that may be requested by the Retail Customer or offered by Telstra from time to time in relation to the installation, configuration, operation and maintenance of customer premises equipment and cabling.
- (d) The following functions and activities in circumstances where Telstra is considering a complex or sophisticated request of a Retail Customer or is otherwise supplying, or proposes to supply, services to a Retail Customer which involve complex or sophisticated requirements;
- (i) network design, planning and provisioning;
 - (ii) technical assistance.
- (e) In all circumstances, functions and activities which relate to IT systems procurement, management and maintenance including provisions of IT support services.

3 Description of work that is not technically and operationally efficient to perform across separate Business Units

3.1 Work performed by a Wholesale Business Unit

To the extent that any of the following functions or activities constitute work that is undertaken by an Employee of a Wholesale Business Unit for a Retail Business Unit, the Employee of the Wholesale Business Unit may perform that function or activity:

- (a) IPND uploads and error management in accordance with applicable industry codes;
- (b) carrier verification requests for end users who may be Retail Customers or customers of Wholesale Customers;
- (c) supplying billing name and address information to Retail Business Units where an end user has used an override code to access retail services and the Retail Business Unit requires this information to bill the end user for those retail services;
- (d) processes associated with processing and implementing requests to churn or for local number portability including by:

- (i) identifying delays or actions by the Retail Business Unit which may be hindering the completion of the churn and requesting that the Retail Business Unit rectify the delay;
- (ii) removing or changing diversion fault codes associated with customer lines as appropriate to facilitate customer churn;
- (iii) correcting groups of auxiliary services or service extensions which may cause errors in the churn process.

3.2 Clerical functions and activities

If an Employee of a Separated Business Unit (other than a Retail Business Unit) performs a function or activity which:

- (a) is predominately of a process-orientated, functional or clerical nature;
- (b) does not require the Employee to exercise discretion which would have a material impact on the relative treatment of Regulated Services and Comparable Retail Services; and
- (c) can reasonably be considered to be work that is undertaken by the Employee for another Separated Business Unit of a different kind,

the Employee may perform that function or activity.

3.3 Applicable safeguards

If an Employee who works for a Separated Business Unit performs work of the kind described in this paragraph 3 for another Separated Business Unit of a different kind, Telstra will ensure that the Employee complies with the information security requirements in clause 9 of this Undertaking at all times, including the compliance measures set out in paragraph 4 of this Schedule 2.

4 Information security compliance measures

- (a) Telstra will establish and maintain effective measures to be used to monitor compliance with the information security requirements in clause 9 of this Undertaking, including the means by which Telstra logs requests made by Employees to be authorised for access to Protected Information.
- (b) These measures will specify the programs and policies that Telstra will use to:
 - (i) educate relevant Employees about the information security requirements in clause 9 of this Undertaking; and
 - (ii) ensure compliance by Employees with the information security requirements in clause 9 of this Undertaking.
- (c) For clarity, these measures, and associated training policies and practices, will reflect that any breaches by Employees of the information security arrangements in clause 9 of this Undertaking will be regarded as a serious matter, with the possibility of performance management in appropriate cases.

Schedule 3 — Equivalence and Transparency Metrics

1 Background

The object of the Equivalence and Transparency Metrics set out in this Schedule 3 is to assist Telstra and Wholesale Customers to assess over time:

- (a) the operational quality of relevant Regulated Services supplied over the Copper Network;
- (b) the standard of delivery, in relation to relevant Regulated Services, of:
 - (i) Service Activation and Provisioning;
 - (ii) Fault Detection, Handling and Rectification; and
 - (iii) availability of LOLO; and
- (c) the adequacy and timeliness of wholesale processes, including billing accuracy.

For the avoidance of doubt, Telstra's reported performance in respect of the Equivalence and Transparency Metrics set out in this Schedule 3 is not, and is not intended to be, determinative of any failure by Telstra to comply with the provisions of this Undertaking or the CCA.

2 Basic Telephone Service

The metrics in Table 1 are applicable to the Domestic PSTN Originating Access Service, Domestic PSTN Terminating Access Service and Local Carriage Service.

The Equivalence and Transparency Metrics for business and residential customers are to be reported separately.

The measurement and metrics in Table 1 are subject to the conditions set out in this paragraph 2 of this Schedule 3 and otherwise as set out in paragraphs 10 and 11 of this Schedule 3.

Table 1: Basic Telephone Service – Equivalence and Transparency Metrics

Metric	Measure	Service level [#] (where applicable)
1	The percentage of Basic Telephone Service customer installation orders provisioned in the relevant Quarter on or by the service level - previous service available for automatic connection (i.e. an In-place Connection).	Urban - 2 Working Days* [^] Major Rural - 2 Working Days* [^] Minor Rural - 2 Working Days* [^] Remote - 2 Working Days* [^]
2	The percentage of Basic Telephone Service customer installation orders provisioned in the relevant Quarter on or by the service level - new service with available cabling and capacity.	Urban - 5 Working Days* [^] Major Rural - 10 Working Days* [^] Minor Rural - 10 Working Days* [^] Remote - 15 Working Days* [^]

Metric	Measure	Service level [#] (where applicable)
3	The percentage of Basic Telephone Service orders provisioned in the relevant Quarter, on or by the service level - new service which requires additional cable or network capacity.	Urban - 20 Working Days ^{*^} Major Rural - 20 Working Days ^{*^} Minor Rural - 20 Working Days ^{*^} Remote - 20 Working Days ^{*^}
4	The percentage of Basic Telephone Service order appointments that are met in the relevant Quarter.	All locations – appointment between two particular times less than or equal to a 4 hour period - must be at the customer's Premises no later than 15 minutes after the end time of the appointment Urban/Major Rural – appointment window between two particular times greater than a 4 hour period but less than or equal to a 5 hour period – must be at the customer's Premises no later than the end time of the appointment Minor Rural/Remote - appointment window between two particular times greater than a 4 hour period but less than or equal to a 5 hour period and the technician is required to travel a long distance - must be at the customer's Premises no later than 45 minutes after the end time of the appointment Note - Response time is the end time of the calculation. It represents the time that the technician arrived of the appointment and is dependent on Telstra workforce registering their arrival time on their handhelds.
5	The percentage of Basic Telephone Service Faults that are rectified in the relevant Quarter, on or by the service level.	Urban - 1 full Working Day after report of Fault ^{^*} Major Rural and Minor Rural - 2 full Working Days after report of Fault ^{^*} Remote - 3 full Working Days after report of Fault ^{^*}
6	The percentage of Basic Telephone Service Fault appointments that are met in the relevant Quarter.	All locations – appointment between two particular times less than or equal to a 4 hour period - must be at the customer's Premises no later than 15 minutes after the end time of the appointment Urban/Major Rural – appointment window between two particular times greater than a 4 hour period but less than or equal to a 5 hour period – must be at the customer's Premises no later than the end time of the appointment Minor Rural/Remote – appointment window between two particular times greater than a 4 hour period but less than or equal to a 5 hour period and the technician is required to travel a long distance - must be at the customer's Premises no later than 45 minutes after the end time of the

Metric	Measure	Service level [#] (where applicable)
		appointment Note - Response time is the end time of the calculation. It represents the time that the technician arrived of the appointment and is dependent on Telstra workforce registering their arrival time on their handhelds
7	The percentage difference in non-recurring Fault ratio.	Percentage of basic telephone service Faults that are not re-reported within 60 calendar days

[#] Excludes Interim Orders and Withdrawn Orders and only applies to Basic Telephone Services supplied over the Copper Network.

* Measured from the Application Date which is the date Telstra receives a correct and valid application from the customer to the Completion Date which is the date recorded in Telstra's relevant provisioning system as the date when all of the relevant stages for that service through which an order can pass are completed or the clearance date if there was a Fault on the connected service.

[^] Where the CRD or RCRD is longer than the service level, then the CRD or RCRD will be the service level (or Telstra commitment date).

3 Wholesale ADSL Layer 2 Service

The metrics in Table 2 are applicable to the Wholesale ADSL Layer 2 Service.

The Equivalence and Transparency Metrics for business and residential customers are to be reported separately.

The measurement and metrics in Table 2 are subject to the conditions set out in this paragraph 3 of this Schedule 3 and otherwise as set out in paragraphs 10 and 11 of this Schedule 3.

Table 2: Wholesale ADSL Layer 2 Service – Equivalence and Transparency Metrics

Metric	Measure	Service level [#] (where applicable)
8	The percentage of services provisioned within service level - where the customer or end-user has an existing and functioning basic telephone service capable of supporting ADSL services.	3 Working Days
9	The percentage of services provisioned within service level - held orders.	20 Working Days
10	The percentage of Faults rectified within service level.	Urban - by the end of the first full Working Day after the Fault report is received* Major Rural and Minor Rural - by the end of 2 full Working Days after the Fault report is received* Remote - by the end of 3 full Working Days after the Fault report is received*

Metric	Measure	Service level [#] (where applicable)
11	The percentage of appointments kept. [#]	Appointment between two particular times less than or equal to a 4 hour period – must be at the customer's Premises no later than 15 minutes after the end time of the appointment Appointment window between two particular times greater than a 4 hour period but less than or equal to a 5 hour period – must be at the customer's Premises no later than the end time of the appointment Appointment window between two particular times greater than a 4 hour period but less than or equal to a 5 hour period and the technician is required to travel a long distance - must be at the customer's Premises no later than 45 minutes after the end time of the appointment

[^] Where the CRD or RCRD is longer than the service level, then the CRD or RCRD will be the service level (or Telstra commitment date).

* Measured from the "Call Date" which is the date the Fault call is received to the earlier of:

- the date and time that the tester enters an actual restore against the order; or
- the date and time the field technician enters as the restore time.

4 Line Sharing Service

The measurement and metrics in Table 3 are applicable to the Line Sharing Service.

Equivalence and Transparency Metric 12 is to be reported separately for business and residential customers.

The measurement and metrics in Table 3 are subject to the conditions set out in this paragraph 4 of this Schedule 3 and otherwise as set out in paragraphs 10 and 11 of this Schedule 3.

Table 3: Line Sharing Service – Equivalence and Transparency Metrics

Metric	Measure	Service level [#] (where applicable)
12	The percentage of LSS completed within target time.*	3 Working Days
13	The percentage of Faults rectified within target time.**	Urban - by the end of the first full Working Day after the Fault report is received Major Rural and Minor Rural - by the end of 2 full Working Days after the Fault report is received Remote - by the end of 3 full Working Days after the Fault report is received

^ Where the CRD or RCRD is longer than the service level, then the CRD or RCRD will be the service level (or Telstra commitment date).

* Measured from the Creation Date which is the date Telstra enters the order into the relevant provisioning system to the Completion Date which is the last date recorded against the following stages (where applicable) through which an order can pass:

- Plant assignment;
- Exchange Building activation.

** Measured from the “call date and time” which is the date and time the Fault call was logged by Telstra (in Telstra’s information technology systems) to the date and time the technician records that the Fault is repaired. If the call date and time is after 5pm, the baseline for calculating the service level moves to 9am the next Working Day. For example, if a Band 1 Fault is lodged at 5:30 pm on Monday to meet the service level the Fault must be resolved by the end of the Working Day on Wednesday.

5 Unconditioned Local Loop Service

The metrics in Table 4 are applicable to the Unconditioned Local Loop Service.

The measurement and metrics in Table 4 are subject to the conditions set out in this paragraph 5 of this Schedule 3 and otherwise as set out in paragraphs 10 and 11 of this Schedule 3.

Table 4: Unconditioned Local Loop Service – Equivalence and Transparency Metrics

Metric	Measure	Service level [#] (where applicable)
14	The percentage of ULL Individual Cutovers completed on the Customer Requested Date (as defined below)*	90%
15	The percentage of Faults rectified within the target timeframe. **	Band 1 and 2 - by the end of the first full Working Day after the Fault report is received Band 3 - by the end of 2 full Working Days after the Fault report is received Band 4 - by the end of 3 full Working Days after the Fault report is received

* The Customer Requested Date for the purpose of metric 14 is:

- if an appointment on the date requested by the Wholesale Customer for completion of the Individual Cutover is available in Telstra’s scheduling system for field work (which system is used to schedule field work appointments for both Retail Customers and Wholesale Customers), that date; or
- if an appointment on the date requested is not available, the next available appointment date in Telstra’s scheduling system for field work; or
- if the next appointment date is not acceptable for the Wholesale Customer, the next date that is requested by the Wholesale Customer where an appointment on that date is available in Telstra’s scheduling system.

** Measured from the “call date and time” which is the date and time the Fault call was logged by Telstra (in Telstra’s information technology systems) to the date and time the technician records that the Fault is repaired. If the call date and time is after 5pm, the baseline for calculating the service level moves to 9am the next Working Day.

6 Domestic Transmission Capacity Service

The measurement and metrics in Table 5 are applicable to the Domestic Transmission Capacity Service.

The measurement and metrics in Table 5 are subject to the conditions set out in this paragraph 6 of this Schedule 3 and otherwise as set out in paragraphs 10 and 11 of this Schedule 3.

Table 5: Domestic Transmission Capacity Service – Equivalence and Transparency Metrics

Metric	Measure	Service level [#] (where applicable)
16	The percentage of Domestic Transmission Capacity Service orders provisioned on or by the target timeframe ^{*^} .	Category 1 Order: Metro – 9 Working Days Country – 19 Working Days Category 2 Order: Metro – 19 Working Days Country – 39 Working Days Category 3 Order: Metro only – 24 Working Days
17	The percentage of Faults rectified within the target timeframe ^{**#} .	Urban – 1 Working Day Rural – 2 Working Days Remote – 3 Working Days

* Measured from the Application Date which is the date that Telstra received a correct and valid application from the customer to the Completion Date which is the date recorded in Telstra’s IT systems that identifies the date when all of the relevant stages through which the order can pass are completed.

^ Where the CRD or RCRD is longer than the service level, then the CRD or RCRD will be the service level (or Telstra commitment date).

** Measured from the “call date and time” which is the date and time the Fault call is logged by Telstra (in Telstra’s IT Systems) to the earlier of:

- the date and time that the tester enters an actual restore against the order; or
- the date and time the field technician enters as the restore time.

If the call date and time is after 5pm, the baseline for calculating the service level moves to 9am the next Working Day.

The applicable service level is dependent on the location of the Fault, and not the location of the terminating points of the service.

7 Billing Timeliness

The metrics in Table 6 are applicable to the provision of Bills by Telstra.

Table 6: Billing Timeliness – Equivalence and Transparency Metric

Metric	Measure	Service level [#] (where applicable)
18	Billing Timeliness - Current charges generated in Telstra's systems presented on bill.	Wholesale charges - not older than 95 days Retail charges - not older than 190 days

8 Access to Exchange Building Facilities

The measurement and metrics in Table 7 are applicable to access by Wholesale Customers to Telstra Exchange Building Facilities. The measurement and metrics in Table 7 are subject to the conditions set out below as well as the conditions otherwise set out in paragraph 11.

Table 7: TEBA – Equivalence and Transparency Metrics

Metric	Measure	Service level [#] (where applicable)
19	The percentage of Joint Completion Inspections (JCIs) completed on the Telstra Committed Date (TCD).*	90%

* The TCD for each JCI is the date agreed by Telstra and the Wholesale Customer, at which time representatives of both Telstra and the Wholesale Customer (or its agent or contractor) are able to attend at the Exchange Building. Telstra will offer each Wholesale Customer a JCI appointment time which is not more than 15 Business Days after the date Telstra receives the JCI request. Where this date is not suitable for the Wholesale Customer, the TCD will be the next mutually suitable and agreed date (which date may also subsequently be varied by agreement).

A JCI will be completed on a date, irrespective of whether the works which are the subject of the JCI are approved, rejected or made subject to conditional approval (i.e. where final JCI approval is conditional on further minor works being completed by the Wholesale Customer during the period immediately following the inspection).

9 Wholesale systems availability

The measurement and metrics in Table 8 are applicable to the availability of LOLO. The measurement and metrics in Table 8 are subject to the conditions set out in this paragraph 9 and in paragraph 11.

Table 8: Wholesale systems availability – Equivalence and Transparency Metrics

Metric	Measure	Service level* (where applicable)
20	Availability of LOLO (as determined below)	98% (as determined below)

- (a) Telstra will ensure that the availability of LOLO during a Quarter, as calculated in accordance the formula set out in paragraph 9(b), is not less than 0.98.

- (b) For the purposes of paragraph 9(a), the formula is:

$$(\text{Total Time} - \text{Outage Time}) / \text{Total Time}$$

where:

- (i) **Total Time** means the total time in minutes in a Quarter during which LOLO is required to be Available (as determined in accordance with paragraph 9(b)(iii)).
- (ii) **Outage Time** means the total time in minutes in a Quarter during which LOLO is not Available, but does not include:
 - (A) any time that LOLO cannot be accessed because the Wholesale B2B Interface is not Available if LOLO can be accessed in that time using the Wholesale Customer Portal or if LOLO is Available in that time to receive orders directly;
 - (B) any time that LOLO cannot be accessed because the Wholesale Customer Portal is not Available if LOLO can be accessed in that time using the Wholesale B2B Interface or if LOLO is Available in that time to receive orders directly;
 - (C) any time that LOLO is not Available as a result of any unlawful, fraudulent or negligent act or omission of a Wholesale Customer or its employees, agents or contractors;
 - (D) planned outages, being any outage for a period of time where Telstra has given at least 24 hours notice of the outage;
 - (E) outages that occur due to an event or circumstance which is beyond Telstra's reasonable control and which Telstra could not reasonably have avoided or overcome; and
 - (F) where the Wholesale Customer agrees for orders to be processed manually.
- (iii) The Total Time and Outage Time will be calculated to only include the time in which Telstra is contractually obliged to make LOLO Available. For illustration only, at the time of this Undertaking, Telstra is contractually obliged to make LOLO available between 6:00am and 10:00pm Monday to Saturday for a total of 1248 hours per Quarter and this figure may change in accordance with operational needs.
- (iv) LOLO, the Wholesale B2B Interface and the Wholesale Customer Portal are 'Available' when an order requesting the provisioning of a new Regulated Service is capable of being received.

10 Specific Conditions

10.1 Activation metrics

- (a) The Basic Telephone Service – activation metric (Metric 2) only applies to a new service and does not apply to orders that have been identified by front of house staff as requiring some pre-provisioning work.
- (b) The Basic Telephone Service – activation metric (Metric 4) does not apply:
 - (i) where the customer unreasonably withholds their agreement to an appointment offered by Telstra;

- (ii) where the customer unreasonably refuses Telstra access to the customer's Premises; or
 - (iii) to commitments where the technician does not need to have customer contact.
- (c) The Wholesale ADSL Layer 2 Service – activation metric (Metric 8) does not apply where some field work outside of the exchange or customer premises work is required to fulfil the activation order.
- (d) LSS and ULLS activation metrics (Metric 12 and Metric 14) do not apply:
- (i) where any field work or exchange work required to fulfil the activation is not part of a standard LSS or ULLS (as applicable) activation order;
 - (ii) if the customer fails to take reasonable steps in a timely manner to cooperate with Telstra in relation to the activation of the service.

10.2 Fault and maintenance metrics

- (a) Faults and maintenance metrics (Metrics 5 to 7, Metrics 10 and 11, Metric 13 and Metric 15) do not apply to:
- (i) a customer caused Fault;
 - (ii) all workable Faults (that is where the service is considered to be capable of receiving and originating calls);
 - (iii) Faults associated with equipment or wiring on the customer side of the network boundary point (and therefore not associated with the network);
 - (iv) consultant or tester fixes (i.e. Faults fixed by front of house operators);
 - (v) tickets of work where no Fault is found to exist; or
 - (vi) if the customer fails to take reasonable steps in a timely manner to cooperate with Telstra in relation to the Fault rectification of the service.
- (b) Faults and maintenance appointment metrics (Metric 6 and Metric 11) do not apply to:
- (i) where the customer unreasonably withholds their agreement to an appointment offered by Telstra; or
 - (ii) where the customer unreasonably refuses Telstra access to the customer's Premises.

10.3 Domestic Transmission Capacity Service

- (a) The Domestic Transmission Capacity Service – activation metric (Metric 16) does not apply to orders (known as held orders) where the installation or provisioning of additional infrastructure is required before the order can be fulfilled. Telstra agrees service levels for such orders on a case by case basis once the scope of work required for an order is determined.

- (b) The Domestic Transmission Capacity Service – Fault and maintenance metric (Metric 17) does not apply to Faults which are subsequently proven to be in the customer's or end user's cabling or equipment.

11 General conditions

When calculating the performance of Telstra in relation to Equivalence and Transparency Metrics during a Quarter, Telstra is not required to take into account:

- (a) any Rollout Region which was in the course of being Migrated to the NBN at any time during that Quarter or any other area that is affected by activities being undertaken by NBN Co or Telstra in connection with the rollout of the NBN;
- (b) a failure to meet a Service Level which is caused by activities undertaken by Telstra in order to comply with the Plan;
- (c) a failure to meet a Service Level due to circumstances outside of Telstra's control, including:
 - (i) damage to a Telstra facility by a third party;
 - (ii) natural disaster or extreme weather conditions, including bushfire, flood and cyclone that cause a mass outage of the specified services, or restricts connection or rectification of the specified service or any other form of mass service disruption. (Any services affected by a mass service disruption will still be included in the calculation of the performance against the Equivalence and Transparency Metrics but the relevant timeframe for performance of the particular Metrics will be adjusted to take account of the effect that the mass service disruption has had on Telstra's ability to perform the metric);
 - (iii) Telstra being requested by a public authority to provide emergency communications services to assist in emergency action, and the provision of those services restricts connection to a specified service or rectification of a Fault or service difficulty; or
 - (iv) Telstra being prevented from connecting a specified Copper Service, or rectifying a Fault or service difficulty, because the Wholesale Customer is unable to obtain lawful access to land or a facility;
- (d) a failure to meet a Service Level due to the need for Telstra to redeploy staff or equipment from one or more areas to another area that has been affected by circumstances beyond the control of Telstra, such as an area that has been affected by a natural disaster;
- (e) the supply of Interim Services (including Interim Orders) or other wireless local loops;
- (f) circumstances where the Retail Customer or end user of a Wholesale Customer causes delay or fails to keep an appointment with Telstra without giving at least 24 hours notice;
- (g) any order or Fault repair request which is incomplete, inaccurate or otherwise invalid;

- For personal use only
- (h) circumstances where Telstra has reasonable grounds for believing that the Retail Customer or end user of a Wholesale Customer is not creditworthy in respect of charges for connection or use of the service ;
 - (i) circumstances where the Retail Customer or end user of a Wholesale Customer unreasonably withholds their agreement to an arrangement offered by Telstra;
 - (j) a failure to meet a Service Level which the Wholesale Customer has waived in writing;
 - (k) any temporary planned outage or withdrawal of services necessary in order to maintain or upgrade a facility, service or network, and where Telstra has given reasonable notice to the Wholesale Customer of the temporary planned outage or withdrawal; or
 - (l) orders which are unable to be processed after they have been received due to the unavailability of LOLO (which will be assessed under Metric 20).

Schedule 4 — Network Notifications

1 Confidentiality

Any information provided by Telstra under this Schedule 4 is information that is of a confidential nature and that is subject to obligations of confidentiality.

2 Network Notifications do not apply to NBN activities

- (a) The Copper Network Notifications set out in this Schedule 4 do not apply to require Telstra to notify events, incidents (including any outages), information or activities caused by, or associated with, the Migration.
 - (b) Telstra's requirement to provide notifications related to events, incidents (including any outages), information or activities caused by, or associated with, the Migration are set out in the Plan.
-

3 Copper Network Notifications

3.1 Types of Notifications

- (a) The Notification Process set out in this Schedule 4 consists of a series of short term operational notifications that will be made to Wholesale Customers in relation to:
 - (i) planned events ("**Planned Event Notification**");
 - (ii) availability of ADSL capability ("**ADSL Availability Notification**");
 - (iii) exchange service area information ("**ESA Information Notification**");
 - (iv) major service impacting network incidents ("**Major Network Incident Notification**");
 - (v) other general service or provisioning impacting matters relating to operational support systems ("**OSS Announcements**"); and
 - (vi) disaster recovery plan information ("**DISPLAN Notification**").
 - (b) In each case related only to the Copper Network as more fully described below (together, the **Copper Network Notifications**).
 - (c) In addition to the Network Notifications described in paragraph 3.1(a) of this Schedule 4, Telstra will, on reasonable request from a Wholesale Customer, provide information on the geographic availability of certain Eligible Services that are provided to that Wholesale Customer.
-

4 Planned Event Notifications

- (a) Telstra will provide a Wholesale Customer with a Planned Event Notification in relation to any planned maintenance or repair work that Telstra is intending to

undertake in relation to the Copper Network and that will affect any Regulated Service being supplied by Telstra to that Wholesale Customer.

- (b) To determine when a Planned Event Notification is to be provided to a Wholesale Customer, Telstra will compare the Wholesale Customer's service details with Telstra's maintenance schedule to determine which Wholesale Customers (if any) will be impacted by any planned maintenance or repair work that Telstra is intending to undertake in relation to the Copper Network.
- (c) The terms and conditions that govern the supply of Regulated Services by Telstra to Wholesale Customers will include specific provisions governing the Planned Event Notifications that Telstra will provide for any maintenance or repair work that affects those Regulated Services. The factors taken into account in establishing the appropriate notice periods and other elements of Planned Event Notifications for an Eligible Service will include:
 - (i) whether the planned outage will affect individual wholesale customer services (such as a public switched telephone service (PSTS) or a DSL service) or an underlying carriage service (such as a transmission service), with the latter generally requiring longer notice and more detailed information about the outage;
 - (ii) whether the work is being done during business hours only, or also after hours and on weekends;
 - (iii) the most practical method of informing customers of outages, e.g. electronic mail, letterbox drops or mobile SMS; and
 - (iv) the anticipated length of the planned outage.

5 ADSL Availability Notification

- (a) Telstra will provide information to Wholesale Customers on the availability of ADSL network functionality via the www.telstrawholesale.com.au website ("**ADSL Availability Notification**").
- (b) Telstra will inform Wholesale Customers from time to time as to what information is to be included in the ADSL Availability Notification. The ADSL Availability Notification currently includes information on the following (to the extent applicable):
 - (i) ADSL-enabled ESAs;
 - (ii) proposed ADSL-enabled ESAs;
 - (iii) DAs that are the subject of an ADSL-enablement project that involves installing a DSLAM in remote housing;
 - (iv) DAs that are the subject of a proposed ADSL-enablement project that involves installing a DSLAM in remote housing; and
 - (v) wholesale business DSL-enabled ESAs.

6 Exchange Service Area (ESA) Information Notifications

- (a) Telstra will provide updated ESA and DA boundary information to MapInfo.
- (b) Telstra provides the following information to MapInfo:
 - (i) details of ESA and DA boundaries;
 - (ii) number ranges within the ESA;
 - (iii) ADSL-enabled ESAs;
 - (iv) an indication of which DAs are served by large pair-gain systems and the type of large pair-gain system in those DAs; and
 - (v) the location of exchange buildings.
- (c) Telstra notes that ESA Information Notifications provided under this paragraph 6 of this Schedule 4:
 - (i) only cover historic information and do not provide future planning details; and
 - (ii) are provided to MapInfo on a Quarterly basis on www.mapinfo.com and are available to Wholesale Customers who are paid subscribers of MapInfo.

7 Major Network Incident Notifications

In accordance with the terms governing the supply of the relevant Regulated Service, Telstra will provide information to affected Wholesale Customers in circumstances where the provision of an Eligible Service is affected by major service impacting network incidents, such as emergencies, acts of nature, unexpected or inappropriate use of or damage to the network by other customers or other parties.

8 Operational Support System (OSS) Announcements

Where Telstra makes a relevant change to an operational support system (such as a billing or ordering system), Telstra will notify affected Wholesale Customers in accordance with its procedures for making OSS Announcements that exist from time to time.

9 Disaster Recovery Plan Information (DISPLAN Notification)

- (a) Telstra will provide information upon request to Wholesale Customers on its disaster recovery plan principles. These principles are to guide how and under what circumstances Telstra and the Wholesale Customer will assist each other to recover or provide communications services in the event of an emergency or crisis, including:
 - (i) the sharing of access to generator sets for the provision of power;
 - (ii) the sharing of “cell on wheels” and other resources and facilities;

- (iii) the sharing of transmission bandwidth; and
- (iv) the building of temporary infrastructure.
- (b) In addition to arrangements with Wholesale Customers, Telstra will have in place internal policies that will be applied (as far as practicable given the nature of the emergency) and communicated to Wholesale Customers as required in the event of an emergency or crisis, governing the following:
- (i) participation in emergency management planning for the provision of communications facilities and services in emergency situations;
 - (ii) provision of consultancy and/or fast track facilitation of requests from designated emergency service organisations;
 - (iii) maintenance of a website providing access to Telstra documents regarding DISPLAN support and access to national contact information;
 - (iv) nomination and provision of appropriate personnel at national, State/Territory and police region/district levels to manage the urgent provision or facilitation of Telstra products and services during emergency situations;
 - (v) provision of a single national point of backup contact; and
 - (vi) provision during emergency situations of certain services.

10 Notice to be provided where Telstra undertakes a Major Network Modernisation and Upgrade

10.1 Major Network Modernisation and Upgrade notices

- (a) Except were the parties agree otherwise, Telstra undertakes that it will make a Major Network Modernisation and Upgrade by:
- (i) providing the Wholesale Customer with notices in writing in accordance with paragraphs 10.1(b) and 10.2(a) of this Schedule 4 (**General Notification**) and paragraphs 10.1(c) and 10.2(b) of this Schedule 4 (**Individual Notification**); and
 - (ii) consulting with the Wholesale Customer, and negotiating in good faith, any reasonable concerns of the Wholesale Customer, in relation to the Major Network Modernisation and Upgrade.

This paragraph 10.1 of this Schedule 4 does not apply to an Emergency Network Modernisation and Upgrade.

- (b) The period of notices given under a General Notification provided by Telstra to the Wholesale Customer:
- (i) must be an Equivalent Period of Notice; and
 - (ii) in any event, must not be less than 30 weeks before the Major Network Modernisation and Upgrade is scheduled to take effect.

- (c) An Individual Notification must be provided by Telstra to the Wholesale Customer as soon as practicable after the General Notification, but, in any event, not less than 26 weeks prior to the anticipated commencement date of the Major Network Modernisation and Upgrade.

10.2 Information to be provided in the notices

- (a) A General Notification must include information on:
- (i) the ESA affected by the proposed Major Network Modernisation and Upgrade;
 - (ii) the distribution area affected by the proposed Major Network Modernisation and Upgrade; and
 - (iii) a general description of the proposed Major Network Modernisation and Upgrade, including the indicative timing for the implementation of the Major Network Modernisation and Upgrade.
- (b) An Individual Notification must include the following information in addition to the information provided in the relevant General Notification:
- (i) the anticipated commencement date for implementing the Major Network Modernisation and Upgrade;
 - (ii) details of the Wholesale Customer's activated Wholesale ADSL Layer 2 Services, or Wholesale ADSL Layer 2 Services in the process of being activated at the date of the notice, that are likely to be affected by the Major Network Modernisation and Upgrade;
 - (iii) the likely action required by the Wholesale Customer as a result of the Major Network Modernisation and Upgrade (including the possible impact of the Major Network Modernisation and Upgrade upon the Wholesale Customer's Wholesale ADSL Layer 2 Services); and
 - (iv) details of who the Wholesale Customer may contact to obtain further information about the Major Network Modernisation and Upgrade.
- (c) An Individual Notification only needs to be given where a Wholesale ADSL Layer 2 Service has been activated or Telstra is in the process of activating that service as at the date of the Individual Notification, and:
- (i) the Major Network Modernisation and Upgrade will require the Wholesale Customer to take particular action in order to continue to use the Wholesale ADSL Layer 2 Service; or
 - (ii) the Major Network Modernisation and Upgrade will result in the Wholesale ADSL Layer 2 Service no longer being supplied.
- (d) Where Telstra has provided the Wholesale Customer with an Individual Notification, Telstra must provide the Wholesale Customer with updates about the Major Network Modernisation and Upgrade covered by the notice, including:
- (i) any update or change to the information provided in the Individual Notification;
 - (ii) any new information available at the time of the update about:

- (A) Wholesale ADSL Layer 2 Service provided by Telstra in the relevant ESA that may be available to the Wholesale Customer;
 - (B) how the Wholesale Customer may be impacted by the Major Network Modernisation and Upgrade; and
 - (C) what steps the Wholesale Customer will be required to take to facilitate the Major Network Modernisation and Upgrade; and
- (iii) weekly reports about the anticipated cutover dates for the Wholesale Customer's affected Wholesale ADSL Layer 2 Service, beginning no less than five weeks prior to the anticipated commencement date for the Major Network Modernisation and Upgrade.
- (e) The updates referred to in paragraph 10.1(a) of this Schedule 4 are to be provided regularly (which is not required to be any more frequently than Monthly) after the Individual Notification.

10.3 Emergency Network Modernisation and Upgrade

In the event of an Emergency, Telstra may conduct an Emergency Network Modernisation and Upgrade, and

- (a) will use its best endeavours to provide the Wholesale Customer with an Individual Notification prior to the Emergency Network Modernisation and Upgrade being implemented; or
- (b) where it is not practicable for prior notice to be given, Telstra will provide the Wholesale Customer with an Individual Notification as soon as reasonably practicable after the Emergency Network Modernisation and Upgrade is implemented.

11 Coordinated Capital Works Program

11.1 Coordinated Capital Works Program Forecast

- (a) Telstra must provide the Wholesale Customer with a written three year Coordinated Capital Works Program forecast in accordance with paragraph 11.1(b) of this Schedule 4 14 Calendar Days from the date this Schedule 4 takes effect (**Coordinated Capital Works Program Forecast**).
- (b) The Coordinated Capital Works Program Forecast will:
 - (i) be for the three year period commencing on the date the forecast is provided;
 - (ii) describe generally Telstra's indicative investment plans (as at the date of the forecast) for its Coordinated Capital Works Program over the next three years;
 - (iii) include an evaluation of the impact that Telstra's indicative investment plans may have on individual ESAs areas and distribution areas; and
 - (iv) specify anticipated timeframes for implementation.

- (c) Telstra must update the Coordinated Capital Works Program Forecast (and provided the update forecasts in writing to the Wholesale Customer) regularly, at not less than six month intervals.
- (d) At the same time as Telstra provides a Coordinated Capital Works Program Forecast under paragraph 11.1 of this Schedule 4, Telstra must provide a copy of the Coordinated Capital Works Program Forecast to the ACCC.

11.2 Coordinated Capital Works Program Schedule

- (a) Telstra must provide a written Coordinated Capital Works Program schedule to the Wholesale Customer by giving notice not less than 12 Months before the anticipated commencement date of the Coordinated Capital Works Program in accordance with paragraph 11.2(b) of this Schedule 4 (**Coordinated Capital Works Program Schedule**).
- (b) Telstra must provide the Coordinated Capital Works Program Schedule and make its best endeavours to identify:
- (i) the ESAs and distribution areas affected;
 - (ii) Telstra's plan for the Coordinated Capital Works Program for each ESA;
 - (iii) the Wholesale Customer's Wholesale ADSL Layer 2 Service(s) in that Exchange that will be affected and the expected impact of the Coordinated Capital Works Program on the Wholesale Customer's Wholesale ADSL Layer 2 Service(s); and
 - (iv) the anticipated timeframe for the implementation of the Coordinated Capital Works Program.
- (c) At the same time as Telstra provides a Coordinated Capital Works Program Schedule under paragraph 11.2(a) of this Schedule 4, Telstra must provide a copy of the Coordinated Capital Works Program Schedule to the ACCC.
- (d) For the avoidance of doubt, Telstra must also comply with paragraphs 10 and 10.2 of this Schedule 4 when complying with paragraphs 11.1 to 11.2(c) of this Schedule 4.

12 Negotiations in good faith

- (a) Except where the parties agree otherwise, Telstra undertakes that it will not commence implementation of a Major Network Modernisation and Upgrade unless:
- (i) it complies with paragraphs 10.1 to 10.2(e) of this Schedule 4; and
 - (ii) it has consulted with the Wholesale Customer and has negotiated in good faith, and addressed the reasonable concerns of the Wholesale Customer in relation to the Major Network Modernisation and Upgrade.
- (b) Except where the parties agree otherwise, Telstra undertakes that it will not commence the implementation of a Coordinated Capital Works Program unless:
- (i) it complies with paragraphs 12(a) to 12(b)(ii) of this Schedule 4; and

- (ii) it has consulted with the Wholesale Customer and has negotiated in good faith, and addressed the reasonable concerns of the Wholesale Customer in relation to the Major Network Modernisation and Upgrade.
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13 Dispute Resolution

- (a) If a dispute arises in relation to a Major Network Modernisation and Upgrade, or otherwise in relation to any matter under clauses 10, 11 or 12 of this Schedule, then the dispute must be referred to the same dispute resolution process as is used to resolve similar disputes under the Major Network Modernisation and Upgrade provisions, if any, included in a final access determination made by the ACCC.
- (b) For clarity, a dispute in relation to a Major Network Modernisation and Upgrade, or otherwise in relation to any matter under clauses 10, 11, or 12 of this Schedule, is not an Equivalence Complaint and may not be referred to the Adjudicator.

Schedule 5 — Independent Telecommunications Adjudicator

1 Background

This Schedule 5 establishes a 'fast track' dispute resolution process under which an independent Adjudicator approved by the ACCC will investigate and resolve ITA Disputes.

2 Independence of the Adjudicator

- (a) The individual that is appointed as the Adjudicator will be independent from Telstra, the Board of the ITA and Wholesale Customers.
 - (b) The following measures will ensure the independence of the Adjudicator:
 - (i) the individual to be appointed as the Adjudicator must be approved by the ACCC in accordance with the appointment process set out in paragraph 5;
 - (ii) the independence of the Adjudicator will be enshrined in a Charter of Independence that must be approved by the ACCC in accordance with paragraph 4.2;
 - (iii) the Adjudicator will have the powers conferred by this Schedule 5, the Charter of Independence and the constitution of the ITA;
 - (iv) the constitution of the ITA must be approved by the ACCC in accordance with paragraph 4.1; and
 - (v) funding for the office of the Adjudicator will be provided in accordance with the arrangements set out in paragraph 5.2.
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3 ITA Objectives

- (a) The objective of the ITA Process is to provide:
 - (i) a 'fast track' dispute resolution process that will investigate and resolve ITA Disputes involving Wholesale Customers in a manner that:
 - (A) is independent, fast, flexible, pragmatic, efficient and cost effective for all parties;
 - (B) ensures ITA Disputes are managed by an independent expert with extensive relevant practical and technical experience;
 - (C) is directed at undertaking a root cause analysis of each ITA Dispute as a means of achieving, wherever possible, permanent resolution through improvements in relevant processes and arrangements of or between Telstra and the Wholesale Customer; and
 - (D) where possible, achieves an agreed or mediated outcome to any ITA Dispute; and

- (ii) independent expert technical advice to the ACCC, including by responding to matters referred to it by the ACCC under the Plan.
- (b) To ensure that the process is a 'fast track' dispute resolution process, for most disputes, the ITA Process should not ordinarily take longer than five weeks to complete. However, for more complex ITA Disputes, or those which involve a number of parties, the timeline may be longer than five weeks.
- (c) For the avoidance of doubt, the ITA Process does not investigate or resolve price-related disputes.

4 The establishment of the office of the Independent Telecommunications Adjudicator

4.1 Establishment of the ITA

- (a) Telstra will establish the ITA in accordance with clause 19 of this Undertaking as soon as reasonably practicable following the Commencement Date.
- (b) The directors of the ITA will be appointed by Telstra and Telstra will be the sole member of the ITA, unless otherwise decided by Telstra.
- (c) Within 90 Business Days after this Undertaking comes into force Telstra will provide the ACCC with a copy of the ITA's draft constitution for approval by the ACCC.
- (d) Before any amendment to the constitution of the ITA is made Telstra must provide the ACCC with a copy of the proposed amendment for approval by the ACCC.
- (e) If the ACCC receives from Telstra a draft constitution of the ITA, or a proposed amendment to the constitution of the ITA, the ACCC may:
- (i) approve the draft constitution, or the propose amendment; or
 - (ii) otherwise:
 - (A) refuse to approve the draft constitution, or the proposed amendment; and
 - (B) by written notice given to Telstra, give reasons for its refusal and direct Telstra to give to the ACCC, no less than 30 days after the notice is given, a replacement draft constitution or proposed amendment (as the case may be) which complies with the principles in clause 4.1(f) and is otherwise consistent with clause 19 and this Schedule 5.
- (f) The ACCC must approve a draft constitution of the ITA, or any amendment to the constitution of the ITA, if the constitution, after any proposed amendment is made:
- (i) provides for the appointment process of the Adjudicator set out in clause 5.1 of this Schedule 5;
 - (ii) vests in the Adjudicator the power to resolve ITA Disputes;

- (iii) provides for the Adjudicator to receive, investigate, and facilitate the resolution of ITA Disputes;
- (iv) requires the Adjudicator to have regard to the law, good industry practice and what is fair and reasonable in the circumstances;
- (v) requires the Adjudicator to pursue the objective of fair, just, economical and expeditious resolution of ITA Disputes;
- (vi) requires Telstra to provide full access to the Adjudicator to its records, systems and personnel to facilitate expeditious resolution of ITA Disputes, including confidential information of Telstra but excluding confidential information of another person (unless that person has given consent to the disclosure of the information to the Adjudicator);
- (vii) provides for the Adjudicator to report to the ACCC in relation to any matter;
- (viii) provides for the Adjudicator to perform functions given to it under the Plan, including vesting in the Adjudicator the power to investigate, consult and provide expert advice in respect of matters referred by the ACCC to the Adjudicator under the Plan;
- (ix) provides for the Adjudicator to prepare and propose an annual budget to the Board setting out the resources and funding the Adjudicator considers necessary to meet his or her functions;
- (x) to the extent permitted by the Corporations Act, limits the functions, powers and role of the Board and the members to matters relating to the establishment, maintenance and administration of the ITA as a corporate entity;
- (xi) to the extent permitted by the Corporations Act, provides that to the extent of any inconsistency between a provision of the Charter of Independence and a provision of the constitution, that the Charter of Independence prevails to the extent of the inconsistency;
- (xii) requires the Board to:
 - (A) create a Charter of Independence which guarantees the independence of the Adjudicator that is to be approved by the ACCC;
 - (B) once approved, to deal with the Adjudicator and otherwise administer the ITA Process strictly in accordance with the Charter of Independence; and
 - (C) requires that any amendment to the Charter of Independence be approved by the ACCC before that amendment is made;
- (xiii) requires the Board to engage a suitably qualified probity adviser approved by the ACCC who is to provide the Board with advice on the operation and administration of the ITA Process in accordance with its objectives and the Charter of Independence;
- (xiv) requires the Board to publish an annual report signed by the directors on the compliance with the Charter of Independence, which is to include the report prepared by the Adjudicator referred to in clause 3.2(c)(xiii) only with

redactions of information which is confidential to a party to a dispute handled by the ITA Process; and

- (xv) provides for the Adjudicator to provide information and reports to the ACCC in respect of:
 - (A) the general operation and effectiveness of the ITA Process; and
 - (B) general or specific information about those ITA Disputes it has received.
- (g) Before deciding to approve or reject a draft constitution of the ITA or a proposed amendment to the constitution of the ITA (as the case may be) the ACCC may:
 - (i) undertake public or other consultation which it reasonably considers is necessary or expedient in relation to the constitution of the ITA; and
 - (ii) if an individual has already been appointed as the Adjudicator, seek his or her views about whether the draft constitution or any proposed amendment to the constitution will impact his or her independence.
- (h) If the ACCC rejects the draft constitution of the ITA, or a proposed amendment to the constitution of the ITA, Telstra may submit another constitution or proposed amendment to the constitution (as the case may be) to the ACCC.

4.2 Charter of Independence

- (a) Telstra will request the ITA to provide a Charter of Independence to the ACCC as soon as reasonably practicable after the ITA is established and its constitution has been approved by the ACCC.
- (b) If the ACCC receives from the ITA a draft Charter of Independence, or a proposed amendment to the Charter of Independence, the ACCC may:
 - (i) approve the draft Charter of Independence, or the propose amendment; or
 - (ii) otherwise:
 - (A) refuse to approve the draft Charter of Independence, or the proposed amendment; and
 - (B) by written notice given to Telstra, give reasons for its refusal and direct Telstra to give to the ACCC, within no less than 30 days after the notice is given, a replacement draft Charter of Independence or proposed amendment (as the case may be) which complies with the principles in clause 4.2(c) and is otherwise consistent with clause 19 and this Schedule 5.
- (c) The ACCC must approve a draft Charter of Independence, or any amendment to the Charter of Independence if the Charter of Independence, after any proposed amendment is made:
 - (i) provides for the Adjudicator to act independently from Telstra, Wholesale Customers, NBN Co, the ACCC and government (whether federal, state or territory);

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- (ii) provides for the Adjudicator to serve a term of two years from the date of appointment, at which point his or her appointment will expire, unless Telstra and the ACCC agree to extend or otherwise vary the term of appointment;
 - (iii) requires that the Adjudicator is not employed by or does not act as consultant to Telstra or a carriage service provider within the period of at least six months immediately after ceasing for any reason to hold office as the Adjudicator, without the ACCC's prior written consent;
 - (iv) requires that the Adjudicator not disclose any information to the Board about a dispute being handled by the Adjudicator other than to the extent strictly necessary for the Board to fulfil its role under the constitution;
 - (v) requires that the Adjudicator not formally or informally consult with or seek guidance from the Board or any member of the Board about a dispute being handled by the Adjudicator;
 - (vi) provides that the Adjudicator will only cease to hold office as the Adjudicator only in the following circumstances:
 - (A) death or expiry of the term of engagement or employment;
 - (B) performance of any act of fraud, dishonesty or gross misconduct;
 - (C) extended absence without leave of the Board, illness or other failure which substantially impairs the Adjudicator's capacity to fulfil the function of the Adjudicator;
 - (D) breach of the Charter of Independence or of an Independence Direction (as defined in paragraph 3.2(c)(viii) of this Schedule 5);
 - (E) misuse of confidential information of a party received in the course of the performance of the function of Adjudicator;
 - (F) cessation of the ITA Process;
 - (G) with the prior approval of the ACCC; or
 - (H) on any other grounds specified in the Charter of Independence approved by the ACCC;
 - (vii) provides a methodology in accordance with which the Board is to determine the remuneration and other benefits provided to the Adjudicator;
 - (viii) provides a right for the Adjudicator to report to and deal with the ACCC independently of the Board, including to notify the ACCC of any matter relating to the operation of the ITA Process which in the Adjudicator's opinion threatens or may threaten the independence of the role of Adjudicator;
 - (ix) gives the Adjudicator the ability to seek independent legal or other advice when necessary or appropriate at reasonable cost and without prior approval of the Board (a maximum cap may be specified in the Charter);
 - (x) provides a process to identify and resolve conflicts of interest on the part of the Adjudicator and for the ACCC to resolve any dispute about whether there

is a conflict of interest involving the Adjudicator in relation to a particular dispute being handled by the ITA Process;

- (xi) requires the Adjudicator to inform the ACCC of any complaint made by a party to a dispute about the independence of the Adjudicator as soon as practicable after that complaint is made;
 - (xii) requires the Adjudicator to provide any information requested by the ACCC for the purposes of investigating a complaint about the independence of the Adjudicator, without a requirement to seek Board consent to provide the information;
 - (xiii) requires the Adjudicator to comply with a direction from the ACCC to take or not take specified action in relation to the Adjudicator's performance of his or her functions in accordance with the Charter or Independence which the ACCC considers is reasonably necessary to ensure that the independence of the Adjudicator (**Independence Direction**); and
 - (xiv) requires the Adjudicator to report annually to the Board and the ACCC on the operation of the ITA Process, including the administration and operation of the ITA Process in compliance with the Charter of Independence.
- (d) Before deciding to approve or reject a draft Charter of Independence or a proposed amendment to the Charter of Independence (as the case may be) the ACCC may:
- (i) undertake public or other consultation which it reasonably considers is necessary or expedient in relation to the Charter of Independence; and
 - (ii) if an individual has already been appointed as the Adjudicator, seek his or her views about whether a draft Charter of Independence or any proposed amendment to the Charter of Independence will impact his or her independence.
- (e) If the ACCC rejects the draft Charter of Independence, or a proposed amendment to the Charter of Independence, the ITA may submit another Charter of Independence or proposed amendment to the Charter of Independence (as the case may be) to the ACCC.

5 Appointment process for the Adjudicator

5.1 Nomination and appointment of the Adjudicator

- (a) Telstra will request the ITA to nominate an individual to the ACCC as the Adjudicator as soon as reasonably practicable after the ITA is established and its constitution has been approved by the ACCC.
- (b) The ITA will not nominate an individual as the Adjudicator unless it is satisfied that the individual:
 - (i) has extensive practical and technical experience in telecommunications services, systems and processes and appropriate experience, knowledge and skills to act as the Adjudicator in accordance with the ITA Process in this Schedule 5;
 - (ii) has not been employed by or provided consultancy services to Telstra within two years prior to being appointed as the Adjudicator;

- (iii) does not have any direct financial interest in Telstra;
 - (iv) declares to the ACCC and Telstra any indirect or other interest in Telstra of which the Adjudicator is aware; and
 - (v) is not employed by or does not act as consultant to Telstra or a carriage service provider within the period of at least six months immediately after ceasing for any reason to hold office as the Adjudicator, without the ACCC's prior written consent.
- (c) If the ACCC receives a nomination from the ITA the ACCC may:
- (i) approve the nominated individual as the Adjudicator; or
 - (ii) reject the nominated individual as the Adjudicator.
- (d) Before deciding to approve or reject a nominated individual as the Adjudicator the ACCC must undertake public or other consultation which it reasonably considers is necessary or expedient in relation to the appointment of the Adjudicator, taking into account the need for the relevant individual to:
- (i) be accepted by Wholesale Customers as genuinely independent of Telstra; and
 - (ii) hold sufficient practical and technical experience to perform the role as a technical expert.
- (e) If the ACCC rejects the appointment of the nominated individual as the Adjudicator the ITA may nominate another individual to the ACCC.
- (f) If the Adjudicator has not been appointed within 90 Business Days after the ITA is established and its constitution has been approved by the ACCC, the ITA or the ACCC may request the Chairman of the ACMA to appoint an individual as the Adjudicator.

5.2 Establishment and operating costs of the Adjudicator

- (a) Pursuant to section 152EQ of the CCA, the ACCC will provide administrative and secretariat support for the office of the Adjudicator.
- (b) During the first year of the ITA Process, Telstra will contribute up to a maximum of \$1,000,000 towards the reasonable establishment costs of the office of the Adjudicator.
- (c) The ongoing costs of the office of the Adjudicator will be borne by:
 - (i) an annual ITA Process Fee levied on all participants which have entered into an ITA Agreement;
 - (ii) ITA Referral Fees; and
 - (iii) costs orders issued by the Adjudicator from time to time.

5.3 Public information document

Telstra may publish a document, which is approved by the ACCC, to assist Wholesale Customers setting out the objectives and explaining the general operation of the ITA Process.

6 ITA Procedure

6.1 Exercise of the Adjudicator's powers and functions

- (a) The Adjudicator must undertake investigations and exercise its functions and powers in a manner that is independent, fast, flexible, pragmatic, efficient and cost effective for all parties to the relevant ITA Dispute.
- (b) Without limitation to paragraph 6.1(a) of this Schedule 5, in undertaking functions and exercising powers under this Schedule 5, the Adjudicator must ensure that:
 - (i) the requirements of procedural fairness are met. This includes but is not limited to making decisions on the basis of the information before it and by having specific criteria upon which its decisions are based, having regard to law, good industry practice and what is fair and reasonable in all the circumstances;
 - (ii) the ITA Process and any decisions of the Adjudicator are objective and unbiased and are seen to be objective and unbiased; and
 - (iii) confidential information of a party (the **disclosing party**) will not be disclosed:
 - (A) to any other party involved in an ITA Dispute; or
 - (B) to any third party,unless the Adjudicator obtains prior written consent from the disclosing party or where disclosure is otherwise required by law.
- (c) The Adjudicator may, at its discretion, join more than one application or investigation where the Adjudicator reasonably considers that the ITA Disputes which are the subject of such applications or investigations are able to be more efficiently and expeditiously dealt with together.

6.2 The Adjudicator acts as an expert and not an arbitrator

In exercising its functions and powers under this Schedule 5, the Adjudicator is acting as an expert and not as an arbitrator.

6.3 Limitation of liability

The Adjudicator is not liable to any party for, or in respect of, any act or omission in the discharge or purported discharge of its functions or powers under this Schedule 5 unless such act or omission is shown to have been fraudulent.

7 Application to the ITA Process

7.1 ITA Disputes

- (a) Telstra or a Wholesale Customer may apply in writing to the Adjudicator to investigate and resolve:
 - (i) an Equivalence Complaint; or
 - (ii) any dispute referred to the Adjudicator by a Wholesale Customer under clause 31 of the Plan,

(ITA Dispute).
- (b) Any application to the Adjudicator under paragraph 7.1(a) must be in writing and include:
 - (i) details of the applicant;
 - (ii) a description of the subject matter of the ITA Dispute; and
 - (iii) any other evidence or material in support of the application.
- (c) For clarity, the Adjudicator must only accept an application under paragraph 7.1(a) if it is satisfied that the complaint relates to an ITA Dispute.

7.2 Requirements for applications to the ITA Process

- (a) Before accepting an application in respect of an ITA Dispute under paragraph 7.1(a) of this Schedule 5, the Adjudicator must be satisfied that:
 - (i) the ITA Dispute is either:
 - (A) an Equivalence Complaint in relation to which one of the circumstances set out in clause 19.2(b) of this Undertaking applies; or
 - (B) a dispute referred to the Adjudicator by a Wholesale Customer under clause 31 of the Plan.
 - (ii) Telstra or the relevant Wholesale Customer can demonstrate that it has been materially and detrimentally affected by the issue the subject of the ITA Dispute;
 - (iii) there is in force an ITA Agreement between the relevant Wholesale Customer and Telstra;
 - (iv) Telstra and the Wholesale Customer have each paid the annual ITA Process Fee;
 - (v) Telstra or the relevant Wholesale Customer has paid the ITA Referral Fee (whichever is the referring party);
 - (vi) the ACCC, Telstra or the relevant Wholesale Customer has not already taken action in relation to the relevant event or matter to which the ITA Dispute relates, including any action to notify the event or matter as a complaint or dispute under another dispute resolution process;

- (vii) the relevant event or matter to which the ITA Dispute relates is not the subject of a dispute or difference of any kind between Telstra and NBN Co; and
- (viii) the Adjudicator will not be required to make an assessment of a third party's involvement in the events or matters to which the ITA Dispute relates or any conduct, systems or processes of a third party, unless the third party has agreed to be joined as a party to the proceedings to be conducted by the Adjudicator in relation to that ITA Dispute and has agreed with Telstra to be bound by the ITA Process on terms which are substantially in the form of the ITA Agreement in Schedule 6.
- (b) The Adjudicator must notify the parties in writing within 2 Business Days of receiving an application under paragraph 7.1(a) of this Schedule 5 whether it accepts the application and whether it will investigate the ITA Dispute under the ITA Process.
- (c) The Adjudicator's decision whether to accept an application is final and binding upon the parties.

8 Investigation process and timeframe

8.1 Telstra to cooperate in good faith and provide reasonable assistance

- (a) Telstra will cooperate in good faith with the Adjudicator, including by providing any information or assistance reasonably requested by the Adjudicator in the course of undertaking an investigation under this Schedule 5.
- (b) Without limitation to paragraph 8.1(a) of this Schedule 5, Telstra will as soon as practicable after receiving notification under paragraph 7.2(b) of this Schedule 5 provide to the Adjudicator:
- (i) where relevant, the file prepared in the course of reviewing the relevant ITA Dispute under the Accelerated Investigation Process;
 - (ii) a copy of any correspondence related to the relevant ITA Dispute between Telstra and the relevant Wholesale Customer; and
 - (iii) a copy of any decision reached by Telstra following the Accelerated Investigation Process, such as any explanation provided or Rectification Plan offered to the Wholesale Customer.
- (c) If Telstra informs the Adjudicator that it has provided, for the purposes of the ITA Process, any confidential information that cannot be provided to any other parties to the investigation, the Adjudicator may not disclose the information to any other person without the consent of Telstra and will take all reasonable steps to ensure that it does not do so inadvertently.

8.2 Preliminary Conference

- (a) Not more than two Business Days after the Adjudicator gives notice to the parties under paragraph 7.2(b) of this Schedule 5, the Adjudicator and representatives of each of Telstra and the relevant Wholesale Customer will meet to:
- (i) clarify the scope of the ITA Dispute and any other matters in the application;

- (ii) provide feedback to both parties following the Adjudicator's preliminary review of the application;
- (iii) identify and request from the parties any further material or information which the Adjudicator considers is necessary or expedient to help to resolve the ITA Dispute; and
- (iv) agree a timetable and process for managing the application,
- (the **Preliminary Conference**).
- (b) The parties must provide any further material requested by the Adjudicator at the Preliminary Conference within 5 Business Days after the date of the Preliminary Conference or such other reasonable time as the Adjudicator may direct.
- (c) The Adjudicator may request further information or assistance from Telstra or the relevant Wholesale Customer during the course of the investigation, in accordance with paragraph 9 of this Schedule 5.

8.3 Draft determination and Pre-determination conference

- (a) The Adjudicator will use all reasonable endeavours to complete its investigation within 15 Business Days after the date of the Preliminary Conference.
- (b) Upon completing its investigation, the Adjudicator will promptly provide all parties with a draft determination setting out:
- (i) the Adjudicator's findings of fact;
- (ii) any process or systemic issues identified by the Adjudicator in respect of either Telstra or the relevant Wholesale Customer; and
- (iii) the Adjudicator's proposed directions, including as to costs.
- (c) Not more than two Business Days after the Adjudicator has provided its draft determination to the parties under paragraph 8.3(b) of this Schedule 5, the Adjudicator will convene a conference between the parties for the purpose of:
- (i) explaining the draft determination to the parties and allowing the parties an opportunity to discuss the draft determination; and
- (ii) providing the parties with a reasonable opportunity to agree in good faith a mediated outcome to the ITA Dispute without the need for the Adjudicator to issue any final determination,
- (the **Pre-determination Conference**).

8.4 Final Determination

- (a) In the event that the parties do not reach an agreed or mediated outcome at the Pre-determination Conference, the parties must within three Business Days following the Pre-determination Conference provide written submissions of no more than 10 pages to the Adjudicator responding to the Adjudicator's draft determination.
- (b) As soon as reasonably practicable after the parties have provided their written submissions under paragraph 8.4(a) of this Schedule 5 or, in any event, no later

than five Business Days after the Pre-determination Conference, the Adjudicator will issue its final determination.

- (c) A final determination may include any direction that the Adjudicator considers necessary or expedient in order to achieve a permanent resolution of the relevant ITA Dispute, including without limitation:
- (i) for an Equivalence Complaint arising out of a 'one off' failure by Telstra to comply with systems or processes with which it is otherwise generally compliant – direct Telstra to perform a service request by a particular deadline;
 - (ii) for an Equivalence Complaint arising from a pattern of failure by Telstra staff to comply with systems and processes with which they are otherwise generally compliant – require Telstra to undertake a compliance program or other compliance activities, such as specified employee training;
 - (iii) for an Equivalence Complaint arising from a systemic failure in Telstra's systems and processes – direct Telstra to provide the Adjudicator with a proposal for the modification of the non-compliant processes or systems to ensure future compliance and the required timeframe, estimated cost and process for implementing such proposal;
 - (iv) for an Equivalence Complaint arising from a failure of any kind by a wholesale customer – direct the relevant Wholesale Customer to take action, including without limitation, requiring it to:
 - (A) undertake a compliance program or other compliance activities, such as specified employee training; and/or
 - (B) provide the Adjudicator with a proposal for modification to that Wholesale Customer's processes or systems to avoid future failures of the same kind and the required timeframe, estimated cost and process for implementing such proposal;
 - (v) for a dispute referred to the Adjudicator under clause 31 of the Plan:
 - (A) direct Telstra to modify its Order Stability Period or to consult in good faith with Wholesale Customers in respect of a modification to the Order Stability Period; and
 - (B) direct Telstra to implement a Modification Proposal under clause 28.5 of the Plan.
- (d) If a direction of the kind referred to in paragraph 8.4(c)(iii) is given by the Adjudicator to a party:
- (i) that party must provide the Adjudicator with a proposal that complies with the direction within the time specified by the direction, or if no time is specified, within a reasonable period after receiving the direction; and
 - (ii) if the Adjudicator is satisfied that the proposal complies with the direction, that party must implement the proposal in accordance with its terms.
- (e) For the avoidance of doubt, the Adjudicator may make a final determination which does not require any action to be taken by the parties, including without limitation where:

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- (i) the Adjudicator's investigation does not identify a system or process failure;
 - (ii) any issue has already been corrected; or
 - (iii) the costs associated with taking action (or further action) would be likely to outweigh any associated benefit(s).
 - (f) A final determination may include a direction in relation to the payment of the Adjudicator's costs.
 - (g) The parties to the ITA Process will meet their own costs of, associated with and incidental to the ITA Process.
 - (h) The parties may agree with each other and the Adjudicator to amend the terms of any directions or orders proposed by the Adjudicator, in order to give effect to the final determination.
 - (i) Any directions or orders made by the Adjudicator are subject to monetary caps as follows:
 - (i) for one or more ITA Disputes arising from the same conduct by a party (such as failures resulting from substantially the same or related processes or systems) – that party is not required to incur total costs of more than \$1,000,000 in implementing any modification to the relevant systems or processes or otherwise in complying with any other direction of the Adjudicator unless the Adjudicator demonstrates in writing that:
 - (A) the modification, and any other matter which must be undertaken to comply with the direction, is necessary to resolve the cause of the ITA Dispute;
 - (B) the modification, and any other matter which must be undertaken to comply with the direction, will be effective in resolving the cause of the ITA Dispute;
 - (C) the modification, and any other matter which must be undertaken to comply with the direction, is the least cost solution to resolve the cause of the ITA Dispute; and
 - (D) the cost of implementing the modification, and any other matter which must be undertaken to comply with the direction, is outweighed by the relative benefits, including the materiality of the consequences of continuing to rely on existing processes or systems; and
 - (ii) any party to the ITA Process is not required to incur total costs of more than \$10,000,000 in any calendar year in implementing modifications to relevant systems or processes or otherwise in complying with directions issued by the Adjudicator.
 - (j) For clarity, the capacity for the Adjudicator to exceed the monetary cap in paragraph 8.4(i)(i) in relation to one or more ITA Disputes arising from the same conduct by a party remains subject to the annual monetary cap that applies in clause 8.4(i)(ii).
 - (k) If a party determines that it will not implement a process or system modification because to do so would exceed the monetary caps in paragraph 8.4(i) of this Schedule 5, the other party to the relevant ITA Dispute, or the Adjudicator, may

refer the ITA Dispute to the ACCC for consideration under Part XIB and/or Part XIC of the CCA.

8.5 Limitations on the Adjudicator's power to make directions

- (a) In investigating and resolving ITA Disputes under this ITA Process, the Adjudicator's role is to be focussed on quickly and pragmatically identifying outcomes that need to be improved or corrected and allowing the parties to identify how best to achieve the identified outcome, including through new or modified systems and processes.
- (b) A direction or final determination issued by the Adjudicator under this Schedule 5 has no effect to the extent (if any) to which compliance with the direction is likely to have the effect, whether direct or indirect, of:
 - (i) prescribing or proscribing that Telstra or a Wholesale Customer implement a specific system or process design or technology;
 - (ii) requiring Telstra to develop or supply any product or service;
 - (iii) requiring any system or process of Telstra or a Wholesale Customer to have particular design features;
 - (iv) requiring a party to act inconsistently with any legal or regulatory requirement, including this Undertaking, the Plan or any relevant industry standard or code (whether or not registered), except where the applicable legal or regulatory requirement expressly permits this;
 - (v) imposing a penalty or an award of compensation; or
 - (vi) requiring a party to change its systems or processes in order to compensate for inadequacies in, or consequences caused by:
 - (A) the systems and/or processes of NBN Co;
 - (B) the process of connecting to the NBN; or
 - (C) Pull Through Activities.

8.6 Determinations which affect contractual terms

- (a) Subject to paragraph 8.6(b), a direction or final determination issued by the Adjudicator under this Schedule 5 may not impose or vary any contractual terms or conditions.
- (b) A direction or final determination may require that Telstra offers to vary the non-price terms of the wholesale contract under which it supplies Regulated Services to one or more Wholesale Customers, but only to the extent the Adjudicator considers the variation is necessary to achieve a permanent resolution of the relevant ITA Dispute. For clarity, the power to make a direction or final determination of this kind is subject to clause 8.5.

9 The Adjudicator's investigatory powers

9.1 Adjudicator may request information and other assistance from the parties

- (a) Subject to paragraph 9.1(b) of this Schedule 5, at any time during the ITA Process, the Adjudicator may direct a party to an ITA Dispute to provide the Adjudicator with:
 - (i) copies of relevant documents;
 - (ii) information about, or an explanation of, Telstra's operational support systems or business support systems;
 - (iii) access to Employees or contractors involved in processing an order or orders or who may otherwise be able to assist the Adjudicator with the investigation;
 - (iv) copies of any relevant internal process manuals, system design documentation, staff procedures, performance data or compliance monitoring and reports; and
 - (v) physical access to Telstra Exchange Buildings and other facilities in which collocation occurs (for inspection purposes).
- (b) The Adjudicator cannot compel a party to provide:
 - (i) information or documents that are subject to legal professional privilege; or
 - (ii) information or documents that are the subject of confidentiality obligations owed in respect of a third party.

9.2 Appoint an independent engineer or auditor

- (a) The Adjudicator may appoint an independent engineer to assess technical issues at any point during the ITA Process provided the appointment is made in accordance with the Charter of Independence.
- (b) Without limitation, an independent auditor may audit a Capped Exchange or Potentially Capped Exchange, including to review:
 - (i) whether there is any currently unused and unreserved capacity;
 - (ii) the reasonableness of any forecasts or reservations made by Telstra; and
 - (iii) any options for making available new or additional capacity.
- (c) If an independent auditor is appointed:
 - (i) the Adjudicator has the power to order Telstra or the relevant Wholesale Customer to pay the costs of the independent auditor; and
 - (ii) the report that is prepared by the independent auditor will also be made available to Telstra and the relevant Wholesale Customer, subject to the protection of any confidential information in accordance with paragraph 6.1 of this Schedule 5.

10 Referral of an ITA Dispute to the ACCC

- (a) Where the Adjudicator considers that an ITA Dispute would be more appropriately dealt with by the ACCC, it may at any time prior to the release of the final determination refer the matter to the ACCC.
- (b) The Adjudicator must immediately close any investigation in respect of a matter which has been referred to the ACCC under paragraph 10(a) of this Schedule 5 and must promptly notify the parties in writing to an investigation that the matter has been referred to the ACCC.
- (c) The Adjudicator may not refer a matter to the ACCC which is the subject of a final determination.

11 Referral of an ITA Dispute to the Adjudicator

Where the ACCC has had a matter referred to it under paragraph 10(a) of this Schedule 5 and considers that a complaint which would be an ITA Dispute would be more appropriately dealt with by the Adjudicator, it may at any time prior to the release of the final determination refer the matter to the Adjudicator.

12 Status of the Final Determination

- (a) Except in the case of manifest error on the face of the document, a final determination of the Adjudicator is final and binding on the parties.
- (b) No party is entitled to appeal from or seek or obtain a review of the Adjudicator's final determination in any court.
- (c) Nothing in this Schedule 5 prevents any party from seeking an interlocutory injunction from a court.
- (d) Any finding of fact made by the Adjudicator in or for the purpose of a final determination must not be tendered or relied upon by the ACCC or any other party in any court proceedings or other dispute resolution process as evidence of those facts.

13 Inconsistency with the Plan

A direction issued by the Adjudicator has no effect to the extent to which it would have the effect of:

- (a) requiring Telstra to seek a variation to the Plan; or
- (b) preventing Telstra from complying with the Plan.

Schedule 6 — ITA Agreement

Parties

Telstra Corporation Limited of 242 Exhibition Street, Melbourne, Victoria 3000 (**Telstra**)
[insert name] of [insert address] (**Wholesale Customer**)

Background

- (a) On 29 July 2011 Telstra gave to the ACCC an Undertaking pursuant to section 577A of the *Telecommunications Act 1997* (Cth) (**SSU**) and the ACCC accepted the Undertaking on [date].
- (b) Telstra established the Independent Telecommunications Adjudicator Process (**ITA Process**) in accordance with the Undertaking for the independent and expedited resolution of ITA Disputes.
- (c) Telstra and the Wholesale Customer agree that either party may refer an ITA Dispute to the Adjudicator for resolution on the terms set out in this deed and the Undertaking.

The parties agree

1 Defined terms and interpretation

Capitalised terms which are not defined in this deed have the same meaning as in the Undertaking.

2 ITA Process

2.1 Reference to the ITA Process

- (a) Telstra and the Wholesale Customer agree that either party to this deed may refer an Equivalence Complaint for resolution in accordance with:
 - (i) the Accelerated Investigation Process set out in clause 18 of the Undertaking; and
 - (ii) if the Equivalence Complaint is not resolved by Telstra using the Accelerated Investigation Process, then the ITA Process in accordance with clause 19 and Schedule 5 of the Undertaking.
- (b) Telstra and the Wholesale Customer agree that either party to this deed may refer a dispute of the kind referred to in clause 31 of the Plan for resolution in accordance with the ITA Process, in accordance with clause 19 and Schedule 5 of the Undertaking.

(c) Each party agrees that that it will comply with, and be bound by, the terms of the ITA Process set out in Schedule 5 of the Undertaking, in respect of any ITA Dispute referred to the ITA Process.

(d) Without limiting the power of the Adjudicator to refer any ITA Dispute or investigation to the ACCC prior to it making a final determination, a party to this deed must not:

(i) commence any arbitration or court proceedings or any other dispute resolution process (including but not limited to any process of the Telecommunications Industry Ombudsman); or

(ii) lodge a complaint with the ACCC under Part XIB or XIC of the *Competition and Consumer Act 2010* (Cth),

in relation to an event or matter if that event or matter is the subject of an ITA Dispute that has been referred to the Accelerated Investigation Process or the ITA Process, except where:

(iii) a party seeks urgent interlocutory or injunctive relief; or

(iv) the dispute relates to compliance with this deed.

(e) If a party to this deed has:

(i) commenced any arbitration or court proceedings or any other dispute resolution process (including but not limited to any process of the Telecommunications Industry Ombudsman); or

(ii) lodged a complaint with the ACCC under Part XIB or XIC of the *Competition and Consumer Act 2010* (Cth),

in relation to a particular event or matter, each party must not refer an ITA Dispute to the Accelerated Investigation Process or the ITA Process in relation to that event or matter.

2.2 Both parties to cooperate in good faith and provide reasonable assistance

(a) Each party will cooperate in good faith with the Adjudicator, including by providing any information or assistance reasonably requested by the Adjudicator in the course of undertaking an investigation.

(b) The Wholesale Customer consents to Telstra disclosing to the Adjudicator information that is confidential to the Wholesale Customer, where such disclosure is for the purpose of facilitating:

(i) Telstra's compliance with its obligations in respect of the ITA Process; or

(ii) the Adjudicator to otherwise undertake a timely investigation and resolution of the ITA Dispute.

(c) Telstra and the Wholesale Customer agree that they will engage in the ITA Process in good faith and that they will provide all reasonable assistance and information to the Adjudicator.

2.3 Decision of the Adjudicator is final and binding

- (a) Telstra and the Wholesale Customer agree that, subject to paragraphs 8.5, 12 and 13 of Schedule 5 of the SSU:
 - (i) any final determination of the Adjudicator is final and binding on each of them; and
 - (ii) each of them undertakes to comply with any directions or orders made by the ITA (including as amended by agreement between each party and the Adjudicator) in order to give effect to its final determination.
- (b) Any finding of fact made by the Adjudicator in or for the purpose of a final determination must not be tendered or relied upon by either party in any court proceedings or other dispute resolution process as evidence of those facts.

2.4 Confidentiality of ITA Process

Telstra and the Wholesale Customer agree that:

- (a) their participation in the ITA Process; and
- (b) all information in connection with the ITA Process, including but not limited to a determination or direction of the Adjudicator,

is confidential and must not be disclosed without the written consent of the other party unless disclosure is required by law or the rules of the Australian Stock Exchange.

2.5 ITA Referral Fee

The referring party agrees to pay the ITA Referral Fee set by the Adjudicator from time to time in respect of any ITA Dispute referred to the ITA Process.

2.6 Annual ITA Process Fee

Telstra and the Wholesale Customer agree to pay an annual administration fee to the Adjudicator (**ITA Process Fee**), in an amount notified by the Adjudicator on an annual basis, in respect of its administrative and incidental costs.

2.7 Costs

In the event the Adjudicator makes a direction in a final determination in relation to the payment of the costs of the ITA Process, including any repayment by Telstra of the ITA Referral Fee to the Wholesale Customer, Telstra and the Wholesale Customer agree that they will pay any costs they are directed to pay under such final determination.

3 General

- (a) This deed is governed by the laws of Victoria.
- (b) Each party to this deed submits to the non-exclusive jurisdiction of the courts of Victoria.
- (c) This deed may be executed in any number of counterparts.
- (d) This deed will terminate automatically on the earlier of:

- (i) the start of the Designated Day; or
- (ii) the date on which Part D of the Undertaking otherwise ceases to apply to Telstra for any reason.

Schedule 7 — Regulated Services SLA Agreement

Parties

Telstra Corporation Limited of 242 Exhibition Street, Melbourne, Victoria 3000 (**Telstra**)

[insert name] of [insert address] (**Wholesale Customer**)

☐ Yes, the Wholesale Customer will continue to claim a right of contribution under section 118A of the Consumer Protection Act (or its equivalent from time to time) [tick the box to choose this option]

Background

- (a) On 29 July 2011 Telstra gave to the ACCC an Undertaking pursuant to section 577A of the *Telecommunications Act 1997* (Cth) (**Undertaking** or **SSU**) and the ACCC accepted the Undertaking on [date].
- (b) As part of the Undertaking, Telstra undertook to enter into this deed with the Wholesale Customer on request.

The parties agree

1 Defined terms and interpretation

1.1 Dictionary

- (a) Capitalised terms used in this deed have the meaning given in clause 10.
- (b) Capitalised terms used in this deed which are not defined clause 10 have the same meaning as in the Undertaking.

1.2 Interpretation

- (a) The rules of interpretation contained in the Undertaking are incorporated into and apply to the terms of this deed.
- (b) For the purposes of this deed a reference to a **claim** includes any claim, assertion of rights, action, demand or proceeding whether arising in contract, equity, statute or otherwise and whether it is present or future, fixed or unascertained, actual or contingent.

1.3 Operation of this deed

The provisions of this deed do not apply to any supply of services or facilities by Telstra to the Wholesale Customer which are not Regulated Services.

2 Telstra will pay Service Level Rebates

- (a) Service Level Rebates will apply in relation to all Equivalence and Transparency Metrics other than Metrics 7 and 18.

- (b) If Telstra does not meet a Service Level for an applicable Equivalence and Transparency Metric as set out in Schedule 3 of the Undertaking it will provide the Wholesale Customers with a Service Level Rebate in accordance with, and subject to, the terms of this deed.
- (c) If the Wholesale Customer has indicated that it will continue to claim a right of contribution under section 118A of the Consumer Protection Act (or its equivalent from time to time) by ticking the box which appears underneath the party details of the Wholesale Customer:
- (i) Service Level Rebates will not be paid to the Wholesale Customer under this deed in relation to any service in respect of which the Wholesale Customer has a right of contribution under section 118A of the Consumer Protection Act (or its equivalent from time to time); and
 - (ii) nothing in clause 5 will preclude the Wholesale Customer claiming a right of contribution under section 118A of the Consumer Protection Act (or its equivalent from time to time) in relation to the services referred to in clause 2(c)(i).

3 Service Level Rebates do not apply if there is no Reporting Variance

If there is no Reporting Variance in an Equivalence and Transparency Metric for a Quarter then Service Level Rebates will not apply in relation to that Metric for that Quarter.

4 Payment of Service Level Rebates

- (a) Service Level Rebates will be paid by applying a credit against the amount that is to be paid by the Wholesale Customer for the supply of the applicable Regulated Service.
- (b) Telstra will determine the Service Level Rebates that are payable to the Wholesale Customer for each Quarter within 10 Business Days after the Operational Equivalence Report for that Quarter has been published by Telstra.
- (c) If Telstra determines that Service Level Rebates are payable for a Quarter they will be credited to the Wholesale Customer as part of the next Available Billing Cycle for that Wholesale Customer without the need for the Wholesale Customer to submit a claim.
- (d) A Service Level Rebate will not apply, and is not payable by Telstra, in relation to a failure to meet a Service Level if:
 - (i) the failure to meet the Service Level was due to:
 - (A) any of the matters or events set out in the Specific Conditions or General Conditions in paragraph 10 and 11 of Schedule 3 of the Undertaking; or
 - (B) an act or omission of the Wholesale Customer; or
 - (C) an event or circumstance which is beyond Telstra's reasonable control and which Telstra could not reasonably have avoided or overcome; or

- (ii) the applicable Regulated Service to which the Service Level relates is used by the Wholesale Customer to supply a service to another service provider that is entitled to make a claim against Telstra in relation to the same set of events, such as a right of contribution under the provisions of section 118A of the Consumer Protection Act (or its equivalent from time to time);
- (iii) the Wholesale Customer has elected in writing to opt out of the payment of that Service Level Rebate (which may include an election to opt out of payment of all Service Level Rebates of a particular class or kind);
- (iv) the Wholesale Customer makes another claim against Telstra for any payment, credit, offset, contribution or other form of compensation in relation to the matters which the Service Level relates.
- (e) Where the Wholesale Customer is in breach of the terms of a wholesale contract under which Telstra supplies a Regulated Service to the Wholesale Customer or the terms on which the Wholesale Customer accesses or uses LOLO, Telstra may withhold payment of all Service Level Rebates to the Wholesale Customer until that breach has been rectified in accordance the applicable terms.
- (f) If a Service Level Rebate is paid to a Wholesale Customer in error, Telstra may recover the amount of that Service Level Rebate from the Wholesale Customer (including by applying a set-off against other Service Level Rebates to be paid to that Wholesale Customer).
- (g) For the avoidance of doubt:
- (i) Service Level Rebates will not be paid where an order is unable to be processed after it has been received due to the unavailability of LOLO (which will be assessed under Metric 20);
- (ii) a Service Level Rebate that applies in respect of the supply of a Regulated Service will only be credited against the amount that is to be paid by the Wholesale Customer in respect of that Regulated Service and will not be credited against any other amount that is to be paid by the Wholesale Customer to Telstra, including in respect of other services (including other Regulated Services) that are supplied to that Wholesale Customer;
- (iii) Service Level Rebates constitute a liability to apply a credit against amounts owing by the Wholesale Customer only and do not constitute a liability to pay cash amounts to the Wholesale Customer; and
- (iv) the Wholesale Customer must not set-off the amount of any Service Level Rebate it has claimed against amounts that it owes to Telstra.

5 Sole remedy

- (a) The right to payment of Service Level Rebates by Telstra under this deed constitutes the Wholesale Customer's sole and exclusive remedy in relation to the matters to be measured by the Equivalence and Transparency Metrics.
- (b) The Wholesale Customer agrees that:
- (i) the Wholesale Customer must not make a claim against Telstra for any payment, credit, offset, contribution or other form of compensation in relation

to the matters to be measured by the Equivalence and Transparency Metrics under:

- (A) the terms of any wholesale contract under which Telstra supplies the relevant Regulated Service(s); or
- (B) the provisions of section 118A of the Consumer Protection Act (or its equivalent from time to time);
- (ii) all rights of the Wholesale Customer to make claims of the kind referred to in clause 5(b)(i) cease to have effect on commencement of this deed; and
- (iii) the Wholesale Customer releases Telstra from all liability (whether current, future or contingent) in relation to claims of the kind referred to in clause 5(b)(i) claims.

6 Term and termination

- (a) This deed commences at the beginning of the first Quarter after this deed is executed by the parties.
- (b) This deed will terminate automatically on the earlier of:
 - (i) the date that the wholesale contract under which Telstra supplies the relevant Regulated Services(s) to the Wholesale Customer terminates, expires or otherwise cease to have effect;
 - (ii) the start of the Designated Day; and
 - (iii) the date on which Part D of the Undertaking otherwise ceases to apply to Telstra for any reason.
- (c) Telstra may terminate this deed by giving written notice to the Wholesale Customer if:
 - (i) the Undertaking is amended such that:
 - (A) Telstra is no longer required to offer to enter into a Regulated Services Agreement with Wholesale Customers which are substantially in the form of the terms of this deed; or
 - (B) the Undertaking permits Telstra to terminate this deed; or
 - (ii) the Wholesale Customer commits a breach of clause 5.

7 Dispute resolution

The dispute resolution provisions of the wholesale contract under which Telstra supplies the relevant Regulated Service(s) to the Wholesale Customer are incorporated into, and form part of, this deed as if those provisions were set out in full in this deed (with such changes as are necessary to give those provisions effect in this deed) and will apply in relation to any dispute or difference of any kind between the parties which relates to the subject matter of this deed.

8 Schedule of rebates

- (a) The amount of the Service Level Rebates that are to be paid by Telstra under this deed will be determined in accordance with the following table:

Metric	Service Level Rebate
1	1 x List Price
2	1 x List Price
3	1 x List Price
4	1 x List Price
5	1 x List Price
6	1 x List Price
8	1 x List Price
9	1 x List Price
10	1 x List Price
11	1 x List Price
12	1 x List Price
13	1 x List Price
14	1 x List Price
15	1 x List Price
16	1 x List Price
17	1 x List Price
19	1 x List Price
20	List Price x Average Hourly Order Rate

9 General

- (a) The GST and other tax related provisions of the wholesale contract under which Telstra supplies the relevant Regulated Service(s) to the Wholesale Customer are incorporated into, and form part of, this deed as if those provisions were set out in full in this deed (with such changes as are necessary to give those provisions effect in this deed).

- (b) The confidentiality provisions of the wholesale contract under which Telstra supplies the relevant Regulated Service(s) to the Wholesale Customer are incorporated into, and form part of, this deed as if those provisions were set out in full in this deed (with such changes as are necessary to give those provisions effect in this deed). For this purpose, the amount of any Service Level Rebates paid to the Wholesale Customer and any information that is disclosed to the Wholesale Customer under or relating to the subject matter of this deed will be deemed to be confidential.
- (c) This deed is governed by the laws of Victoria.
- (d) Each party to this deed submits to the non-exclusive jurisdiction of the courts of Victoria.
- (e) This deed may be executed in any number of counterparts.
- (f) If:
- (i) the terms of the Regulated Services Agreement set out in Schedule 7 of this Undertaking are varied; and
 - (ii) Telstra notifies the Wholesale Customer that the variation is to be incorporated into the terms of this deed,
- the terms of this deed will be automatically amended to incorporate that variation.

10 Dictionary

For the purpose of this deed:

- (a) **Available Billing Cycle** means the billing cycle which next commences immediately after Telstra makes the determination required by clause 4(b) above;
- (b) **Average Hourly Order Rate** means, in respect of a Quarter, the average number of firm orders to provision a Regulated Service placed by the Wholesale Customer per hour during the previous Quarter (other than where the order relates to the relocation of a Wholesale ADSL Layer 2 Service, LSS or ULLS);
- (c) **List Price** means:
- (i) in respect of Metrics 1 to 7 (inclusive), an amount equal to the monthly access price for the supply of the WLR service in the relevant area that is prescribed by the ACCC in an access determination under Division 4 of Part XIC of the CCA from time to time. Where there is no access determination in force the monthly access price for the supply of the WLR service in the relevant area in previous access determination will prevail until a new interim or final access determination is published by the ACCC;
 - (ii) in respect of Metrics 12 and 13, an amount equal to the monthly access price for the supply of LSS in the relevant area prescribed by the ACCC in an access determination under Division 4 of Part XIC of the CCA from time to time. Where there is no access determination in force the monthly access price for the supply of LSS in the relevant area in previous access determination will prevail until a new interim or final access determination is published by the ACCC;

- For personal use only
- (iii) in respect of Metrics 14 and 15, an amount equal to the monthly access price for the supply of ULLS in the relevant area prescribed by the ACCC in an access determination under Division 4 of Part XIC of the CCA from time to time;
 - (iv) in respect of Metrics 8 to 11 (inclusive), an amount equal to the monthly Wholesale ADSL Reference Price in the relevant area as determined in accordance with Schedule 8;
 - (v) in respect of Metrics 16 and 17, an amount equal to \$100;
 - (vi) in respect of Metric 19, an amount equal to the annual charge payable by the Wholesale Customer for a single rack space in the relevant exchange, divided by 12; and
 - (vii) in respect of Metric 20, an amount equal to \$5.00.
- (d) **Service Level** means, in respect of a Metric, the applicable service level for that Metric as set out in Schedule 3 of the Undertaking.

Schedule 8 — Telstra Reference Prices

1 Telstra to publish a Rate Card with Reference Prices

1.1 Rate Cards

Telstra will publish and maintain a Rate Card with Reference Prices for each of the following Reference Services:

- (a) ULLS;
- (b) LSS;
- (c) PSTN OA
- (d) PSTN TA
- (e) LCS
- (f) WLR
- (g) DTCS
- (h) Mobile Terminating Access Service (**MTAS**); and
- (i) wholesale ADSL2+ services (**Wholesale ADSL Reference Service**).

1.2 Determination of Reference Prices

- (a) The Reference Prices for each of ULLS, LSS, PSTN OA, PSTN TA, LCS, WLR, MTAS and DTCS will be those prices specified for each Reference Service in any:
 - (i) final access determination made by the ACCC and in force under section 152BC of the CCA;
 - (ii) interim access determination made by the ACCC and in force under section 152BCG of the CCA; or
 - (iii) binding rule of conduct made by the ACCC and in force under section 152BD of the CCA.
- (b) Telstra is not required to publish a Reference Price in respect of any of ULLS, LSS, PSTN OA, PSTN TA, LCS, WLR, MTAS or DTCS if and for the period that there is no final access determination or interim access determination in force specifying price terms for the relevant service.
- (c) The Reference Prices which will apply from time to time for the Wholesale ADSL Reference Service (**Wholesale ADSL Reference Price**) will be determined in accordance with paragraph 2 of this Schedule 8.

2 Wholesale ADSL Reference Price

2.1 Structure of the Wholesale ADSL Reference Price

- (a) Telstra will publish a separate Wholesale ADSL Reference Price in respect of each of Zone 1 and Zone 2, where:
 - (i) Zone 1 refers to those geographic areas designated 'Metropolitan' from time to time for the purpose of Telstra's standard pricing of wholesale products and services; and
 - (ii) Zone 2 refers to those geographic areas designated 'Rural' or 'Regional' from time to time for the purpose of Telstra's standard pricing of other wholesale products and services.
- (b) Telstra will update the ACCC within 5 Business Days of the date of any change which is made by Telstra to the boundaries of Zone 1 or Zone 2, including by virtue of any change in the defined geographic scope of any of the 'Metropolitan', 'Rural' or 'Regional' regions.
- (c) The Wholesale ADSL Reference Price will take the form of a multi-part tariff which separately identifies that part of the Wholesale ADSL Reference Price referable to the following elements of the service:
 - (i) connection charge;
 - (ii) AGVC Charge (per Mbps per month); and
 - (iii) Port Charge (per SIO per month).
- (d) Notwithstanding that Telstra will separately identify the component parts of the Wholesale ADSL Reference Price, it will operate as a single price for a fixed bundle of elements. For clarity, Telstra is not required to supply individual elements of the bundle at the price specified in the Rate Card for that element unless all of the service elements are supplied to the Wholesale Customer in accordance with the Wholesale ADSL Reference Price.
- (e) The Wholesale ADSL Reference Price will apply only in respect of a Wholesale ADSL Reference Service that reflects from time to time the average speed and data usage characteristics of Telstra's retail BigPond high speed ADSL2+ products, being (as at the Commencement Date):
 - (i) an ADSL2+ service with a download speed of up to a maximum of 20 Mbps; and
 - (ii) average AGVC usage as set out in Schedule 10,and as subsequently agreed with the ACCC or amended from time to time in accordance with the process set out in Schedule 10.
- (f) In determining and updating the characteristics in paragraph 2.1(e) from time to time, under Schedule 10, Telstra does not intend to reflect (and will remove from the relevant calculations) any data usage or proportion of the retail yield not directly associated with the provision of broadband services, including any usage or revenues derived from applications or content which Telstra charges for separately to the rental or usage charge for the underlying broadband connection.

- (g) The Wholesale ADSL Reference Price does not apply in respect of a wholesale ADSL service which is substantially different from the Wholesale ADSL Reference Service.

2.2 The Wholesale ADSL Reference Price calculation

- (a) The Zone 1 Wholesale ADSL Reference Price for the Wholesale ADSL Reference Service will be determined as follows:

Wholesale ADSL Reference Price = Retail Price – SRMARC – Fixed ARC_1

Where:

Retail Price is the retail yield per SIO for Telstra's retail BigPond high speed ADSL2+ products, determined in accordance with paragraph 2.3;

SRMARC is the short run marginal component of Avoidable Retail Costs incurred in supplying Telstra's retail ADSL products, determined in accordance with paragraph 2.4;

Fixed ARC_1 is the fixed component of Avoidable Retail Costs incurred in supplying Telstra's retail ADSL products determined in accordance with paragraph 2.4 and that Telstra in its discretion elects to include in the calculation of the Zone 1 Wholesale ADSL Reference Price.

- (b) The Zone 2 Wholesale ADSL Reference Price for the Wholesale ADSL Reference Service will be determined as follows:

Wholesale ADSL Reference Price = Retail Price – SRMARC – Fixed ARC_2

Where:

Retail Price is the retail yield per SIO for Telstra's retail BigPond high speed ADSL2+ products, determined in accordance with paragraph 2.3;

SRMARC is the averaged short run marginal component of Avoidable Retail Costs incurred in supplying Telstra's retail ADSL products, determined in accordance with paragraph 2.4;

Fixed ARC_2 is the averaged fixed component of Avoidable Retail Costs incurred in supplying Telstra's retail ADSL products determined in accordance with paragraph 2.4 and that Telstra in its discretion elects to include in the calculation of the Zone 2 Wholesale ADSL Reference Price.

- (c) Telstra may choose to allocate any proportion of Fixed ARC include in the calculation of either of the Zone 1 and Zone 2 Wholesale ADSL Reference Prices, provided that:
- (i) the entire Fixed ARC is allocated across the Wholesale ADSL Reference Prices for both Zone 1 and Zone 2; and
 - (ii) there is no double allocation of Fixed ARC.
- (d) Unless otherwise agreed with the ACCC, all cost information used in the calculation will be taken directly from the TEM.

2.3 Determination of the Retail Price

- (a) When applying the Wholesale ADSL Reference Price calculation, from time to time, Telstra will adopt a Retail Price which reflects a reasonable and appropriate forward looking view of the likely impact of any current or proposed price changes on the retail yield, taking into account forecast demand for Telstra's retail BigPond high speed ADSL2+ products.
- (b) As soon as reasonably practicable after Telstra submits this Undertaking to the ACCC for approval, but before the Undertaking is accepted by the ACCC, Telstra and the ACCC will agree a methodology to be applied by Telstra in determining the retail yield for the purpose of calculating the Retail Price.
- (c) The methodology agreed by Telstra and the ACCC under sub-paragraph (b) may be varied:
 - (i) at any time by agreement between Telstra and the ACCC; and
 - (ii) otherwise in the course of any review of the operation of this Schedule 8, as contemplated by paragraph 4.
- (d) In accordance with paragraph 2.1(f), Telstra will remove from the retail yield any revenues associated with applications or content which Telstra charges for separately to the rental or usage charge for the underlying broadband connection.

2.4 Determination of Avoidable Retail Costs

- (a) Avoidable Retail Costs are those retailing costs that would be avoided by Telstra over the long run if Telstra ceased to supply any ADSL services to Retail Customers and instead supplied the same number of ADSL services to Wholesale Customers. Examples of Avoidable Retail Costs include:
 - (i) retail specific billing or administrative functions;
 - (ii) retail marketing; and
 - (iii) retail customer management and support functions (e.g. retail 'front of house').

However it does not include overhead or corporate costs that would be likely to continue to be required to be incurred by Telstra, notwithstanding that the services were being supplied to Wholesale Customers and no longer to Retail Customers.
- (b) Avoidable Retail Costs for retail ADSL products are reported as part of the 'Retail ADSL' product in each TEM Report.
- (c) As soon as reasonably practicable after Telstra submits this Undertaking to the ACCC for approval, Telstra and the ACCC will agree those individual cost items (or the relevant proportion of cost items) in the TEM Report, which will constitute total Avoidable Retail Costs for the purpose of calculating the Wholesale ADSL Reference Price.
- (d) Telstra will specify the agreed cost items in the TEM Guidelines published in accordance with paragraph 5 in Schedule 9.
- (e) The allocation of line items agreed by Telstra and the ACCC under sub-paragraph (c) may be varied:

- (i) at any time by agreement between Telstra and the ACCC; and
- (ii) otherwise in the course of any review of the operation of this Schedule, as contemplated by paragraph 4.

2.5 Determination of SRMARC and Fixed ARC

- (a) SRMARC will be calculated as the incremental retail costs that Telstra incurs for each incremental unit of demand.
- (b) Fixed ARC will be calculated as that amount of Avoidable Retail Costs that are not SRMARC.
- (c) As soon as reasonably practicable after Telstra submits this Undertaking to the ACCC for approval, Telstra and the ACCC will agree:
 - (i) those individual cost items (or the relevant proportion of cost items) in the TEM Report, which will constitute SRMARC; and
 - (ii) the proportion of total Fixed ARC, which will be allocated by Telstra to each of Zone 1 and Zone 2,

for the purpose of calculating the Wholesale ADSL Reference Price.
- (d) Telstra will specify the agreed cost items which constitute SRMARC in the TEM Guidelines published in accordance with paragraph 5 in Schedule 9.
- (e) The allocation of line items and proportion of Fixed ARC allocated between Zones which is agreed by Telstra and the ACCC under sub-paragraph (c) may be varied:
 - (i) at any time by agreement between Telstra and the ACCC; and
 - (ii) otherwise in the course of any review of the operation of this Schedule, as contemplated by paragraph 4.

2.6 Principles for allocation of the Wholesale ADSL Reference Price between individual service elements

- (a) The Wholesale ADSL Reference Price for the Wholesale ADSL Reference Service will be allocated between port, AGVC and connection charges in the following manner:
 - (i) the port charge will be calculated as the Wholesale ADSL Reference Price:
 - (A) less the connection charge amortised over 24 months; and
 - (B) less the AGVC charge multiplied by the average AGVC usage referred to in paragraph 2.1(e) and as updated from time to time in accordance with Schedule 10.
 - (ii) the connection charge will be the standard connection charge applied, from time to time;
 - (iii) the AGVC charge will be the standard AGVC charge applied by Telstra from time to time.

3 Updating the Wholesale ADSL Reference Price

3.1 Initial Wholesale ADSL Reference Price

- (a) The initial Wholesale ADSL Reference Price will be published by Telstra within 3 months of the Commencement Date, and will have effect from the date of publication until varied in accordance with this paragraph 3.
- (b) The Wholesale ADSL Reference Price will be published in the following form:

Element	Zone 1	Zone 2
Connection charge		
AGVC		
Port charge		
Wholesale ADSL Reference Price		

3.2 Updating the Wholesale ADSL Reference Price

- (a) Subject to paragraph 3. 4, Telstra undertakes to perform the calculation set out in paragraph 2.2 to determine whether a change is required to the Wholesale ADSL Reference Price for the Wholesale ADSL Reference Service:
 - (i) as soon as reasonably practicable after a TEM Report is submitted to the ACCC for a Reporting Period ending on either 31 December or 30 June of any year in accordance with Schedule 9, provided that any change in the Retail Price or Avoidable Retail Costs during the relevant Reporting Period would lead to a change in the Wholesale ADSL Reference Price of more than +/-3%; and
 - (ii) before Telstra introduces any material price change for a retail BigPond high-speed ADSL product.
- (b) If, having undertaken the Wholesale ADSL Reference Price calculation for a half financial year under paragraph 3.2(a)(i), Telstra determines that a change in the Wholesale ADSL Reference Price is required to be implemented, it will as soon as reasonably practicable and in any event within 10 Business Days:
 - (i) update the published Rate Card to include any necessary change to the Wholesale ADSL Reference Price for the Wholesale ADSL Reference Service;
 - (ii) notify Wholesale Customers of the Wholesale ADSL Reference Price change, including for example by including a general notice on the Wholesale Portal; and
 - (iii) notify the ACCC of the change in the Wholesale ADSL Reference Price.

- (c) If Telstra determines that a proposed material retail ADSL price change under paragraph 3.2(a)(ii) would require a change in the Wholesale ADSL Reference Price, Telstra will not make available the service at the new retail price unless and until it has:
- (i) updated the published Rate Card to include any necessary change to the Wholesale ADSL Reference Price;
 - (ii) notified Wholesale Customers of the Wholesale ADSL Reference Price change, including for example by including a general notice on the Wholesale Portal; and
 - (iii) notified the ACCC of the change in the Reference Price and the material retail ADSL price change to which it relates.
- (d) The following price changes will not be subject to this paragraph 3.2:
- (i) A retail ADSL price change which is immaterial, in that it constitutes:
 - (A) a permanent change of 5% or less in the headline monthly charge; or
 - (B) any other permanent reduction in applicable charges which if amortised over the minimum contract period for the relevant plan, would constitute a change of 5% or less of the headline monthly charge for that plan,
 - (ii) a retail ADSL price change which relates to products or plans targeted at Government and Enterprise customers;
 - (iii) any customised or other specialised pricing which is not promoted to the mass market, including any trial pricing which is only made available to a small group of customers.
 - (iv) any bona fide short term discount or promotional offer and provided that:
 - (A) from the date of the first release of the discount or promotional offer into the market, it does not continue for more than 6 months; and
 - (B) Telstra has not previously had any substantially similar discount or promotional offer in the market in respect of a retail ADSL broadband plan at any time within 6 months prior to the date of the first release of the discount or promotional offer into the market.

3.3 Telstra to provide copies of all Wholesale ADSL Reference Price calculations and respond to ACCC requests for information about an updated Wholesale ADSL Reference Price

- (a) At the same time as Telstra notifies the ACCC of any change to the Wholesale ADSL Reference Price, it will provide the ACCC with a full confidential version of the calculations used to determine the new Wholesale ADSL Reference Price.
- (b) Without limitation to paragraph 3.3(a), Telstra will promptly respond to any request received from the ACCC for more information in relation to a Wholesale ADSL Reference Price change made under this paragraph 3, including providing information to the ACCC in respect of:
 - (i) the material retail ADSL price change; and

- (ii) the Wholesale ADSL Reference Price calculation that was undertaken as the basis for the Wholesale ADSL Reference Price change.

3.4 Wholesale ADSL Reference Price may be suspended if it would lead to sustained below cost prices

- (a) Where Telstra determines that the relationship between Telstra's retail ADSL pricing and the Wholesale ADSL Reference Price set out in this Schedule 8 is being manipulated by one or more Wholesale Customers such that Telstra is not able to lower its retail ADSL prices in order to compete with lower competitive offers already widely available in the market, without leading to a Wholesale ADSL Reference Price being set which:
 - (i) is inconsistent with pricing which would be made available by an efficient supplier in a workably competitive market; or
 - (ii) would be likely to require Telstra to set the Wholesale ADSL Reference Price for a sustained period at a level below a relevant measure of Telstra's cost of supply,

then Telstra may, prior to undertaking the Wholesale ADSL Reference Price calculation, refer the matter to the ACCC and request that the Wholesale ADSL Reference Price be suspended.

- (b) If the ACCC accepts that the circumstances contemplated in paragraph 3.4(a) have occurred, or would be likely to occur if Telstra was required to undertake the Wholesale ADSL Reference Price calculation, it must permit Telstra to lower retail ADSL prices in order to meet the competitive pricing, without being required to undertake the Wholesale ADSL Reference Price calculation or to update the Wholesale ADSL Reference Price. For clarity, nothing in this paragraph 3 restricts or prevents any of the ACCC's powers under Part IV or XIB of the CCA in respect of any such retail pricing offer.
- (c) If the ACCC does not accept that the circumstances contemplated in paragraph 3.4(a) have occurred, or would be likely to occur if Telstra was required to undertake the Wholesale ADSL Reference Price calculation, Telstra will not be permitted to lower retail ADSL prices without being required to undertake the Wholesale ADSL Reference Price calculation and to update the Wholesale ADSL Reference Price as appropriate.
- (d) Telstra will not make the Wholesale ADSL Reference Price available to, and will not respond to any competitive pricing of, any Related Entity.

4 Review of Wholesale ADSL Reference Price calculation

4.1 ACCC review

- (a) At any time after the third anniversary of the Commencement Date, where the ACCC reasonably considers that the Wholesale ADSL Reference Price calculation, or the manner of its operation, no longer complies with
 - (i) the SSU Guidance; and
 - (ii) generally accepted economic principles or practice,

it may notify Telstra that it is commencing a review of the operation of this Schedule.

- (b) A notification under paragraph 4.1(a) must specify either:
- (i) amendments which the ACCC considers may be required to be made to the Wholesale ADSL Reference Price calculation or the manner of its operation; or
 - (ii) that the ACCC considers the operation of the Wholesale ADSL Reference Price should be suspended due to a fundamental change in the operation or competitive dynamics of the market which makes it inappropriate to link the retail and wholesale prices of ADSL as a standalone product, in the manner contemplated by the Wholesale ADSL Reference Price calculation. For example, where a significant proportion of ADSL services supplied in the market are promoted at below cost prices as are not priced as a standalone service but form part of bundled “triple play” content or other offers.
- (c) As soon as reasonably practicable after the ACCC gives notice to Telstra under paragraph 4.1(a), both parties must meet to seek to agree any amendments to, or suspension of, the Wholesale ADSL Reference Price calculation, in order to ensure it complies with the SSU Guidance and generally accepted economic principles or practice.
- (d) If Telstra and the ACCC are not able to agree on the steps to take in response to the notice, the parties must within 20 Business Days of the ACCC giving notice to Telstra under paragraph 4.1(a), each notify the other party of a person (the **Appointer**) that will be its representative in jointly appointing an independent economic expert to review the operation of the Wholesale ADSL Reference Price calculation.
- (e) As soon as reasonably practicable, the Appointers must consult in good faith and agree a suitably skilled and experienced economist to undertake the review, being an economist who is:
- (i) independent of both parties;
 - (ii) has suitable experience dealing with economic and market issues in the telecommunications sector; and
 - (iii) reasonably available to review the request and respond within a reasonable period.
- (f) Telstra will pay the reasonable costs of the independent economic expert, provided that the ACCC does not commence any more than one review in any consecutive 18 month period (if more than one review is commenced within an 18 month period the ACCC will bear the costs of any such additional reviews).
- (g) The independent economic expert must review the notice issued by the ACCC, including taking into account any further or additional information provided by Telstra or Wholesale Customers.
- (h) As soon as reasonably practicable, and in any event within 60 Business Days of being appointed, the independent economic expert must submit a report to the ACCC and Telstra which sets out the expert's view of whether:

- (i) the Wholesale ADSL Reference Price calculation or the manner of its operation continues to be consistent with the SSU Guidance and generally accepted economic principles or practice; and
 - (ii) any amendments or changes which the independent economic experts recommends be made to the Wholesale ADSL Reference Price calculation.
- (i) The ACCC may publish the independent economic expert's report (subject to any confidential information identified by Telstra) and seek views on the expert's findings and recommended response.
 - (j) As soon as reasonably practicable after the ACCC has completed any consultation under paragraph 4.1(i), Telstra and the ACCC will meet to seek to agree any changes to the Wholesale ADSL Reference Price calculation, or the manner of its operation, that they agree would improve its consistency with the SSU Guidance or with generally accepted economic principles or practice.

4.2 Telstra request for review

- (a) At any time after the third anniversary of the Commencement Date, where Telstra reasonably considers that the Wholesale ADSL Reference Price calculation, or the manner of its operation, no longer complies with:
 - (i) the SSU Guidance; or
 - (ii) generally accepted economic principles or practice,
 it may submit a request to the ACCC for a review of the operation of this Schedule.
- (b) A request under paragraph 4.2(a) must specify either:
 - (i) amendments which Telstra considers may be required to be made to the Wholesale ADSL Reference Price calculation or the manner of its operation; or
 - (ii) that Telstra considers the Wholesale ADSL Reference Price for the Wholesale ADSL Reference Service should be suspended entirely due to a fundamental change in the operation or competitive dynamics of the market which makes it inappropriate to link the retail and wholesale prices of ADSL as a standalone product, in the manner contemplated by the Wholesale ADSL Reference Price calculation. For example, where a significant proportion of ADSL services supplied in the market are promoted at below cost prices as are not priced as a standalone service but form part of bundled content or other offers.
- (c) As soon as reasonably practicable after Telstra submits a request under paragraph 4.2(a), both parties must meet to seek to agree any amendments to, or suspension of, the Wholesale ADSL Reference Price calculation, in order to ensure it complies with the SSU Guidance and generally accepted economic principles or practice.
- (d) If Telstra and the ACCC are not able to agree on the steps to take in response to a request by Telstra, the parties must within 20 Business Days of Telstra lodging a request under this paragraph 4.2, each notify the other party of a person (the **Appointer**) that will be its representative in jointly appointing an independent economic expert to assess Telstra's request.

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- (e) As soon as reasonably practicable, the Appointers must consult in good faith and agree a suitably skilled and experienced economist to assess Telstra's request, being an economist who is:
 - (i) independent of both parties;
 - (ii) has suitable experience dealing with economic and market issues in the telecommunications sector; and
 - (iii) reasonably available to review the request and respond within a reasonable period.
 - (f) Telstra will pay the reasonable costs of the independent economic expert.
 - (g) The independent economic expert must review the request lodged by Telstra, including taking into account any further or additional information provided by Telstra, the ACCC or Wholesale Customers.
 - (h) As soon as reasonably practicable, and in any event within 60 Business Days of being appointed, the independent economic expert must submit a report to the ACCC and Telstra which sets out the expert's view of whether the Wholesale ADSL Reference Price calculation or the manner of its operation would be likely to be more consistent with the SSU Guidance and generally accepted economic principles or practice, if Telstra's request was accepted than if it was rejected.
 - (i) The ACCC may publish the independent economic expert's report (subject to any confidential information identified by Telstra) and seek views on the expert's findings and recommended response.
 - (j) Within 60 Business Days of receiving a report from the independent economic expert, the ACCC must issue a final determination supported by reasons, which states whether it accepts or rejects Telstra's request, and having regard to the report and recommendation of the independent economic expert.

Schedule 9 — TEM Reporting and Internal Wholesale Prices

1 Background

- (a) The TEM financial management reporting system is the internal accounting system that Telstra uses for business management purposes. It is derived independently from, and may deliver different outputs to other accounting systems used by Telstra for regulatory purposes such as the Regulatory Accounting Framework.
- (b) The TEM financial management reporting system relies on the same financial accounts as are used for public reporting purposes, which are prepared in accordance with generally accepted accounting principles and standards as are applicable in Australia. Without limitation, revenue, expense, depreciation and capital will be attributed to products and may be attributed to segments in accordance with the same standard attribution methods and practices used in the Telstra Economic Model when applied for internal business purposes, and as varied from time to time.
- (c) The TEM financial management reporting system is and will remain a primary source of cost, revenue and profitability information used by Telstra as an input for business management decisions, including:
 - (i) product development and pricing decisions; and
 - (ii) remuneration and other management incentives, to the extent that the determination of those incentives relates to cost, revenue or profitability levels.
- (d) Telstra will keep the ACCC informed of any changes or developments in the TEM financial management reporting system that affects the TEM Report by preparing and maintaining a set of reporting guidelines in accordance with paragraph 5.

2 Reporting Period

2.1 TEM Reports

- (a) A TEM Report will be prepared for:
 - (i) the period commencing 1 January 2012 and ending 31 March 2012; and
 - (ii) subsequently, for each three month period commencing on 1 April 2012, (each, a **Reporting Period**).
- (b) The TEM Report for the first Reporting Period will be provided to the ACCC by no later than 31 August 2012.
- (c) The TEM Report for each subsequent Reporting Period will be provided to the ACCC within 60 days after the end of the Reporting Period to which it relates.

2.2 Public TEM Reporting

Telstra will provide the following non-confidential information and reports to the ACCC under this Schedule for publication:

- (a) the list of Internal Wholesale Prices and External Wholesale Prices specified in paragraph 4;
- (b) a non confidential version of the TEM Report, which will be provided to the ACCC every 6-months (on the half year and the full year periods), at the same time as the primary and confidential TEM Report is submitted.

3 Reporting Requirements

3.1 Reportable Products

- (a) The TEM Report will cover the following wholesale products (together, the **Reportable Wholesale Products**):
 - (i) Unconditioned Local Loop Service;
 - (ii) Line Sharing Service;
 - (iii) Wholesale Line Rental;
 - (iv) Local Carriage Service;
 - (v) PSTN Originating and Terminating Access (**PSTN OTA**); and
 - (vi) Wholesale ADSL products.
- (b) The TEM Report will also cover the following retail products supplied by Telstra over the Copper Network (together, the **Reportable Retail Products**):
 - (i) Line rental and subscription;
 - (ii) Local calls;
 - (iii) National long distance calls;
 - (iv) International direct calls;
 - (v) Fixed to mobile calls;
 - (vi) 13 and 18 calls; and
 - (vii) Retail ADSL products.
- (c) The TEM Report will also separately include as a cost item for applicable Reportable Retail Products:
 - (i) MTAS (fixed to mobile); and
 - (ii) Transmission,but only to the extent that these costs can be identified.

3.2 Elements for TEM Reports

- (a) The TEM Report will include, for the relevant Reporting Period to which it relates and for each of the Reportable Products:
 - (i) Demand measure;
 - (ii) Revenue;
 - (iii) Expenses;
 - (iv) Depreciation and amortisation;
 - (v) Average of opening and closing book value based on historic cost; and
 - (vi) Pre-tax WACC.
- (b) The TEM Report will also include, for the relevant Reporting Period to which it relates and for each of the Reportable Products:
 - (i) Earnings before interest, taxation, depreciation and amortisation (**EBITDA**), calculated in accordance with the following formula:

$$\text{EBITDA} = \text{Revenue} - \text{Expenses};$$

- (ii) EBITDA as a percentage of Sales Revenue;
- (iii) Earnings before interest and taxation (**EBIT**), calculated in accordance with the following formula:

$$\text{EBIT} = \text{EBITDA} - \text{Depreciation and amortisation};$$

- (iv) EBIT as a percentage of Sales Revenue;
- (v) Economic return, calculated in accordance with the following formula:

$$\text{Economic return} = \text{EBIT} - (\text{Pre-tax WACC} \times \text{Average book value}); \text{ and}$$

- (vi) Economic return as a percentage of average book value.

4 Internal and External Wholesale Prices

4.1 Internal Wholesale Prices

- (a) Each TEM Report will include the internal wholesale price (**IWP**) for each of the following Reportable Wholesale Products and Reportable Product Bundles for the Reporting Period:
 - (i) WLR – specifying a different IWP for in-place and new connection;
 - (ii) ADSL – specifying a different IWP for:
 - (A) in-place and new connection; and
 - (B) Zone 1 and Zone 2.

- (iii) ULLS;
- (iv) LSS;
- (v) LCS;
- (vi) PSTN OTA;
- (vii) MTAS;
- (viii) the following Reportable Product Bundles:
 - (A) the Voice Bundle (comprising WLR, LCS, and PSTN OTA);
 - (B) the Voice and ADSL Bundle (comprising WLR, LCS, PSTN OTA and ADSL); and
 - (C) all of the Reportable Wholesale Products in sub-paragraphs (i) to (vi).
- (b) The IWP for each Reportable Wholesale Product (except MTAS) and Reportable Product Bundle will be calculated as:

$$\text{IWP} = (\text{Expenses} + \text{Depreciation and Amortisation} + (\text{Pre-tax WACC} \times \text{Average book value})) / \text{Demand}$$
- (c) The IWP and EWP for MTAS will both be the current regulated price for MTAS specified from time to time in an applicable final access determination or interim access determination.

4.2 External Wholesale Prices

- (a) Each TEM Report will include the external wholesale price (**EWP**) for each of the Reportable Wholesale Products and Reportable Product Bundles set out in paragraph 4.1 for the Reporting Period.
- (b) The EWP for each Reportable Wholesale Product and Reportable Product Bundle will be calculated as:

$$\text{EWP} = \text{Revenue} / \text{Demand}$$

4.3 Further reporting on charge types and product variants

- (a) In addition to the Internal Wholesale Price, for each Reportable Wholesale Product listed in column 1 of Table 1, Telstra will also separately specify the individual charge types listed in column 2.

Table 1

Reportable Wholesale Product	Charge types to be specified
WLR	Connection charge
	Rental charges

ADSL	Connection charge
	AGVC charge
	Rental charges
ULLS	Connection charge
	Rental charges
LSS	Connection charge
	Rental charges
Local calls	Usage charges
PSTN OTA	Usage charges
MTAS	Usage charges

- (b) Telstra will include in the TEM Guidelines information about the allocation methodology used by Telstra to allocate reported costs as set out in Table 1:
- (i) to individual charge types; and
 - (ii) between the relevant Reportable Wholesale Products.

4.4 Substantiation Reports

- (a) Where the TEM Report shows that the EWP for a Reportable Product Bundle is not within +/- 5% of the IWP for that Reportable Product Bundle over the Reporting Period, Telstra will submit a Substantiation Report to the ACCC at the same time as it provides the TEM Report for that Reporting Period.
- (b) A Substantiation Report will include an explanation for the difference between the IWP and the EWP for the Reportable Product Bundle.
- (c) Where a Substantiation Report has been submitted for any Reportable Product Bundle, Telstra will have regard to the reasons set out in that Substantiation Report and the underlying TEM Report when contributing to any subsequent ACCC regulated pricing process, where a decision by the ACCC in that process could be used to align the IWP and EWP for that bundle.

5 TEM Guidelines

5.1 Telstra to maintain TEM Guidelines

- (a) Telstra will prepare and maintain a set of guidelines for preparing TEM Reports (**TEM Guidelines**).
- (b) The TEM Guidelines will include:

- (i) a description of the form in which TEM Reports will be provided;
- (ii) the process for deriving each of the items listed in paragraph 3.2 of this Schedule 9 from the Telstra Economic Model; and
- (iii) the process and methodology used for allocating revenue and cost amounts to products and segments in the Telstra Economic Model;
- (iv) those agreed cost items forming part of the Avoidable Retail Cost of the Reference Wholesale ADSL Service under paragraph 2.4 of Schedule 8;
- (v) those agreed cost items that constitute SRMARC in respect of the Reference Wholesale ADSL Service under paragraph 2.5 of Schedule 8; and
- (vi) information in respect of the allocation of reported costs to individual charge types and between Reportable Wholesale Products under paragraph 4.3 of Schedule 9.

5.2 Allocation methodology in TEM Guidelines

Telstra will ensure that the process and methodology used for allocating revenue and cost amounts (including expenses and cost of capital) to the reportable products and segments in the TEM Report, as set out in the TEM Guidelines from time to time, will ensure that:

- (a) it applies allocation factors to allocate the value of each revenue or cost to products and segments, such that:
 - (i) each revenue or cost is allocated to only the products or segments that the revenue or cost (or any proportion of the revenue or cost) relate to;
 - (ii) any revenue or cost is not allocated more than once to any product or segment;
 - (iii) with respect to each revenue or cost, the sum of the amounts allocated to all products and services is equal to the total value of that revenue or cost; and
 - (iv) with respect to costs, the total amount, regardless of excess capacity, will be allocated to products and segments based on the applicable allocation factor.
- (b) to the extent that it is reasonable and practicable to do so, the allocation factors must:
 - (i) reflect causal relationships between the revenue or cost and the products or segments using the revenue or cost; and
 - (ii) be based on a common measure of usage by the products or segments being allocated to.
- (c) to the extent that it is not reasonable or practicable to determine allocation factors consistent with paragraph 5.2(b):
 - (i) revenue or cost amounts should be divided into sub revenue and cost pools, which should then be allocated to products and segments using allocation factors consistent with paragraph 5.2(b); otherwise,

- (ii) the allocation factors must reflect a common measure that reflects a general proxy for usage between the revenue or cost and products or segments using the revenue or cost.

5.3 Provision of TEM Guidelines to ACCC

- (a) The first version of the TEM Reporting Guidelines will be provided to the ACCC no later than 31 August 2011 and will apply to TEM Reports prepared for the 2011/12 Financial Year and for each subsequent Financial Year until the TEM Reporting Guidelines are updated in accordance with paragraph 5.3(b) of this Schedule 9.
- (b) The TEM Guidelines will be reviewed annually by Telstra and where material amendments are made an updated version will be provided to the ACCC no later than 31 January of each year after 2012, during the operation of Part D of this Undertaking.

6 Certification and compliance reporting

6.1 Certification by Chief Financial Officer

Each TEM Report must include certification by the Chief Financial Officer or delegate that the TEM Report has been prepared in compliance with this Schedule 9.

6.2 Annual Compliance Report

- (a) Telstra will submit to the ACCC an internal report under this paragraph 6 for each Financial Year during the operation of Part D of this Undertaking commencing from the 2011-12 Financial Year (**Annual Compliance Report**).
- (b) The Annual Compliance Report submitted under paragraph 6.2(a) will report on the extent to which Telstra has complied with this Schedule 9 in preparing the TEM Reports prepared and submitted in respect of the previous Financial Year.
- (c) Telstra will submit each Annual Compliance Report to the ACCC within 120 days after the end of the Financial Year to which it relates.

6.3 Independent defined procedures review of TEM Reports and the Annual Compliance Report

- (a) Telstra will retain an independent auditor to conduct a defined procedures review of its preparation of:
- (i) the TEM Reports; and
 - (ii) the Annual Compliance Report,
- for the relevant reporting year.
- (b) The independent auditor's report will be provided to the ACCC at the same time as the Annual Compliance Report.

6.4 Confidentiality

Except where otherwise specified, each TEM Report, Substantiation Report, Annual Compliance Report and independent auditor's report will be provided to the ACCC on a confidential basis.

Schedule 10 – Average AGVC usage and review process

1 Average AGVC usage as at the Commencement Date

Telstra will, as soon as reasonably practicable after it lodges this Undertaking, and in any event prior to the acceptance of this Undertaking, agree with the ACCC:

- (c) the average AGVC usage to apply for the purposes of paragraph 2.1(e)(ii) of Schedule 8 as at the Commencement Date; and
- (d) the initial Usage Trigger to apply on and from the Commencement Date, for the purpose of clause 2.2; and
- (a) an appropriate and effective confidentiality regime under which Wholesale Customers may request, and Telstra will then specify on a confidential basis, the average AGVC usage and initial Usage Trigger as determined and updated from time to time under this Schedule 10.

2 Updating the average AGVC usage

2.1 Telstra to calculate current average data usage as part of each Wholesale ADSL Reference Price calculation

- (a) Each time Telstra undertakes the Wholesale ADSL Reference Price calculation under paragraph 2.2 of Schedule 8, Telstra will at the same time calculate the then current average data usage characteristics of Telstra's retail BigPond high speed ADSL2+ products.
- (b) In accordance with paragraph 2.1(f) of Schedule 8, Telstra will remove from the average data usage calculation any data usage not associated with the provision of retail BigPond high speed ADSL2+ products, including any usage associated with applications or content which Telstra charges for separately to the rental or usage charge for the underlying broadband connection. For clarity, Telstra will not remove from the calculation any data associated with 'unmetered' content which is bundled as part of a BigPond high speed ADSL2+ product.

2.2 Telstra to update the average data level when Usage Trigger is reached

- (a) To reduce the potential for undesirable volatility in the Wholesale ADSL Reference Price, Telstra will update the average AGVC usage specified in paragraph 1 only where:
 - (i) Telstra identifies that the average usage determined in accordance with paragraph 2.1 has exceeded a Usage Trigger; or
 - (ii) as part of any review of the overall Wholesale ADSL Reference Price calculation as contemplated by paragraph 4 of Schedule 8.
- (b) In the event that a usage calculation undertaken by Telstra under paragraph 2.1 shows that the initial Usage Trigger has been exceeded:
 - (i) the average usage amount to apply for the purpose of paragraph 2.1(e)(ii) of Schedule 8 will be revised to reflect a new level of average use; and

- (ii) Telstra will determine a new Usage Trigger amount.
- (c) The new average usage amount and Usage Trigger amount will be determined by Telstra on the basis of data growth rates and reasonable forecasts at the time the calculation is undertaken, and to a level that would mean the Usage Trigger will be unlikely to be exceeded again within 2 years.
- (d) Telstra will immediately notify the ACCC in the event that it changes either:
 - (i) the average data usage amount; or
 - (ii) the Usage Trigger amount,including providing the ACCC with full confidential versions of all calculations.
- (e) Without limitation to paragraph 2.2(e), Telstra will promptly respond to any request received from the ACCC for more information in relation to a change made under this Schedule 10, including providing information to the ACCC in respect of any data growth rates or reasonable forecasts used to set the new Usage Trigger amount.

Attachment A — Conditions Precedent

- (a) This Attachment A is a document which accompanies this Undertaking given by Telstra under section 577A of the *Telecommunications Act 1997* (Cth) (**Act**) and is given under section 577AA of the Act.
- (b) Each of the events specified in clause (c) are events which are nominated by Telstra under subsection 577AA(1) of the Act.
- (c) The events specified in this clause (c) are:
 - (i) the approval of the draft migration plan by the Commission under section 577BDA or 577BDC of the Act;
 - (ii) the making of a declaration under section 577J(3) of the Act;
 - (iii) the making of a declaration under section 577J(5) of the Act; and
 - (iv) pursuant to subsection 577AA(1)(c)(iii) of the Act, the passage of an ordinary resolution by Telstra's members (within the meaning of the *Corporations Act 2001*) who are entitled to vote on the resolution which approves, or has the effect of approving, Telstra taking action to co-operate with NBN Co and the Commonwealth through implementing its obligations under the Definitive Agreements (subject to the satisfaction or waiver of conditions precedent).

Migration Plan

given by Telstra Corporation Limited to the
Australian Competition and Consumer
Commission on 29 July 2011 under section
577BDA of the Telecommunications Act 1997

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Background

- A The Commonwealth is proposing to deploy the NBN Co Fibre Network to pass 93% of Australian premises.
- B The Commonwealth established NBN Co to construct, own and operate the NBN Co Fibre Network.
- C Telstra has given the ACCC an Undertaking under subsection 577A(1) of the Act which, if it comes into force, will require that Telstra must (among other things) ensure that, by the Designated Day, it does not supply fixed-line carriage services to retail customers over a telecommunications network Telstra controls, other than as provided in the Networks and Services Exemption.
- D Subject to certain conditions being satisfied (including the coming into force of this Plan and the Undertaking), Telstra and NBN Co have agreed that Telstra will progressively disconnect fixed line carriage services (other than Exempt Services) that are supplied by Telstra to Premises within the Fibre Footprint using the Copper Network and HFC Network as the NBN Co Fibre Network is deployed.
- E This Plan sets out certain actions that Telstra will take, and those processes which it will apply to:
 - (a) cease to supply fixed line carriage services (other than Exempt Services) using the Copper Network and HFC Network; and
 - (b) commence to supply fixed line carriage services using the NBN Co Fibre Network.
- F This Plan is given by Telstra to the ACCC under subsection 577BC(1) and in accordance with section 577BDA of the Act and is the draft migration plan nominated as such by Telstra in the Undertaking.
- G In a document accompanying the Undertaking, Telstra nominated for the purpose of sub section 577AA(1)(c)(vi) of the Act that the ACCC's acceptance of the Undertaking was to be subject to the ACCC approving this Plan.

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 9 (**Dictionary**) to this Plan, has the meaning given to it in the Dictionary;
- (b) which is not defined in the Dictionary, has the meaning given to it in the Undertaking; and
- (c) which is defined in the Act, but is not defined in the Dictionary or the Undertaking, has the meaning given to it in the Act.

1.2 Interpretation

- (a) Subject to clauses (b) and (c), the Dictionary sets out rules of interpretation for this Plan.
- (b) For the purposes of this Plan:
 - (i) Telstra disconnects a Premises from a Separating Network when that Premises is Passed and Telstra ceases to supply all Copper Services or HFC Services (other than Special Services and Special Service Inputs) to that Premises using that Separating Network;
 - (ii) Telstra disconnects a Separating Network in a Rollout Region when it ceases to supply Copper Services or HFC Services (other than Special Services and Special Service Inputs) using that Separating Network to any Premises in that Rollout Region that is Passed, other than Premises to which one of the circumstances in clause 16 applies;
 - (iii) Telstra disconnects a Copper Service or HFC Service supplied to a Premises in a Rollout Region that is Passed when it ceases to supply that service to that Premises using the Copper Network or HFC Network, respectively;
 - (iv) Telstra disconnects a Soft Dial Tone service from a Premises that is Passed when Telstra ceases to supply the Soft Dial Tone service to that Premises;
 - (v) a Copper Path connecting a Premises that is Passed is permanently disconnected when and for so long as the conditions specified in Schedule 5 apply in respect of that Copper Path;
 - (vi) an HFC Line connecting a Premises that is Passed is permanently disconnected when and for so long as the conditions specified in Schedule 5 apply in respect of the relevant Premises;
 - (vii) a Premises is Passed if the Premises is included in a list of Premises notified by NBN Co to Telstra from time to time, under and in accordance with the Definitive Agreements, of Premises that both have been passed by the NBN Co Fibre Network and are capable of being physically connected to the NBN Co Fibre Network, irrespective of whether or not the Premises is NBN Serviceable;
- (c) In accordance with subsection 577BE(5) of the Act, when this Plan comes into force the Undertaking will have effect as if the provisions of this Plan were provisions of the Undertaking.
- (d) Explanatory notes included in this Plan may be taken into account when interpreting it.

1.3 Types of Rollout Regions and the Fibre Footprint within each Rollout Region

- (a) Telstra's disconnection of Premises under this Plan will occur on a region by region basis and as NBN Co rolls out the NBN Co Fibre Network and Premises are Passed.
- (b) The types of regions that will be the basis of deployment of the NBN Co Fibre Network are:

- (i) an FSA Module;
 - (ii) an Initial Release Rollout Region;
 - (iii) an Acquired Network Rollout Region;
 - (iv) an In-fill Rollout Region,
- (each referred to as a **Rollout Region**).
- (c) The Fibre Footprint in each Rollout Region is:
- (i) before the Disconnection Date:
 - (A) the set of Premises notified by NBN Co to Telstra, under and in accordance with the Definitive Agreements, as having been Passed or which NBN Co intends will be Passed in that Rollout Region; and
 - (B) may change at any time, as notified by NBN Co to Telstra, under and in accordance with the Definitive Agreements; and
 - (ii) on the Disconnection Date, is the set of Premises notified by NBN Co to Telstra, under and in accordance with the Definitive Agreements, as having been Passed in that Rollout Region.

1.4 Order of precedence

If there is any conflict or inconsistency between any of the provisions of this Plan and the Undertaking (other than this Plan), the provisions of the Undertaking prevail to the extent of the conflict or inconsistency.

2 Objective and scope of this Plan

The objectives of this Plan are to provide for the disconnection of carriage services supplied to Premises within a Rollout Region that are Passed, in a way that:

- (a) provides for the efficient and timely disconnection of wholesale and retail Non-Exempt Services from a Separating Network as the NBN Co Fibre Network is deployed;
- (b) to the extent that it is in Telstra's control, minimises disruption to the supply of Non-Exempt Services;
- (c) to the greatest extent practicable, gives Wholesale Customers autonomy over decisions about the timing of disconnection of their Copper Services (to the extent they are Non-Exempt Services) from the Copper Network and sequencing of that disconnection with connection to the NBN Co Fibre Network requested by a Wholesale Customer from NBN Co to enable them to minimise disruption to the supply of services to end users, when connecting to the NBN Co Fibre Network;
- (d) to the greatest extent practicable, provides for Wholesale Services supplied to Premises within the Fibre Footprint in a Rollout Region to be disconnected in an equivalent manner to the disconnection of corresponding Retail Copper Services supplied to those Premises; and

- (e) provides for the equivalent treatment of Wholesale Customers and Retail Business Units in the implementation of the processes for disconnecting Copper Services supplied to Premises within the Fibre Footprint in the same Rollout Region;
- (f) provides for Telstra to have in place reasonable policies and business practices relating to disconnection from a Separating Network and which policies and business practices provide for Telstra to facilitate, to the extent it is reasonably in Telstra's control to do so, the management by Wholesale Customers of the migration of their customers in a way that:
 - (i) minimises the period of any service outage; and
 - (ii) the time taken to complete local number portability processes and other ancillary procedures; and
- (g) provides for these objectives to be met in a way which gives reasonable regulatory certainty for Telstra in connection with activities it is required to undertake in the course of Migration.

3 Application to Telstra and Telstra subsidiaries

This Migration Plan applies to Telstra and any Related Entity of Telstra which is in a position to exercise control of a Separating Network or any part of a Separating Network over which Non-Exempt Services are supplied to Premises within the Fibre Footprint in any Rollout Region.

4 Commencement and term

4.1 Commencement

- (a) This Plan commences at the start of the day immediately following the day on which both of the following become satisfied:
 - (i) the Undertaking is accepted by the ACCC and comes into force; and
 - (ii) this Plan is approved by the ACCC.
- (b) If the DA Commencement Date occurs after the Plan Commencement Date, then:
 - (i) the following provisions of this Plan will come into force on the Plan Commencement Date:
 - (A) clause 5;
 - (B) clause 23;
 - (C) clause 24;
 - (D) clause 27;
 - (E) clause 30;
 - (F) clause 32; and

- (ii) all remaining provisions of this Plan come into force only on the DA Commencement Date.

4.2 Operation

- (a) Subject to clause 4.2(b), this Plan will continue in force until the date that Telstra completes disconnection of all Separating Networks in all Rollout Regions, at which time it will cease to have effect.
- (b) The following provisions of this Plan continue to apply indefinitely, notwithstanding that this Plan has otherwise ceased to have effect in accordance with clause 4.2(a):
 - (i) clauses 17 and 18;
 - (ii) clause 24.2(a).

4.3 Telstra's existing non-Migration related activities and rights are unaffected by this Plan

- (a) Except as provided for in this Plan nothing in this Plan restricts or prevents Telstra from engaging in business as usual conduct to manage its business and products within the Fibre Footprint. For example, nothing in clauses 9, 14 or 21 restricts or prevents Telstra from applying its ordinary business practices or exercising contractual rights in respect of:
 - (i) disconnection of a Copper Service or HFC Service for a purpose which is unrelated to Migration (for example, when a service is terminated by Telstra for non-payment of an account or through the exercise by Telstra of standard contractual rights to terminate a contract with a Wholesale Customer or Retail Customer);
 - (ii) any refusal to supply, or continue to supply, a particular Wholesale Service or Retail Service (including at a particular Premises) due to business rules that also apply on a similar basis outside the Fibre Footprint, such as:
 - (A) service qualification issues;
 - (B) standard technical requirements; or
 - (C) due to a failure by a customer to meet minimum standard financial requirements; and
 - (iii) undertaking product exits involving any Copper Service or HFC Service, from time to time, including to exit a particular Telstra product which is a Special Service before a White Paper Disconnection Date for that SS Class has been determined under clause 21.

4.4 Telstra's performance affected by a Force Majeure Event

- (a) Telstra will not contravene this Plan, or be liable for any delay or failure to perform any obligation under this Plan, to the extent that the delay or failure to perform is caused by a Force Majeure Event.
- (b) Telstra will take all reasonably available steps to address or overcome the effects of a Force Majeure Event and until the effects of that Force Majeure

Event are addressed or have been overcome, take all reasonably available steps to mitigate the effects of the Force Majeure Event. This clause 4.4 does not require Telstra to give preference in its response to a natural disaster or other emergency to the need to overcome the effects of a Force Majeure Event over any other ordinary business or network priorities which it applies in responding to such events.

- (c) If Telstra determines that it needs to rely on this clause 4.4 in respect of any delay or failure to perform an obligation under this Plan, it will:
 - (i) as soon as reasonably practicable after it becomes aware that a Force Majeure Event has affected its performance under this Plan, notify the ACCC of the Force Majeure Event and any steps which Telstra will undertake under clause 4.4(b) to address, overcome or mitigate that effect;
 - (ii) notify the ACCC as soon as reasonably practicable after Telstra becomes aware that the Force Majeure Event has ceased to affect its obligations under this Plan.

5 Required Measures

5.1 Scope of Required Measures

- (a) At the date of lodging this Plan with the ACCC for approval, Telstra is not in a position to establish or specify the measures, processes, business practices, systems, interfaces and other matters contemplated by the Migration Plan Principles Determination set out in Schedule 7 (**Required Measures**).
- (b) For clarity,
 - (i) the list of Required Measures set out in Schedule 7 is exhaustive and the addition of any further new matters to this Plan would require Telstra to lodge a variation to this Plan; and
 - (ii) Telstra will ensure that Required Measures are consistent with and do not limit or restrict any obligation owed by Telstra to NBN Co under a Definitive Agreement, including in respect of any disconnection timeframes.
- (c) Telstra will develop the Required Measures set out in Schedule 7 and lodge each Required Measure with the ACCC for approval not later than the date that is:
 - (i) 6 months after the Plan Commencement Date; or
 - (ii) such later date as the ACCC allows in respect of any one or more of the Required Measures (or any part of a Required Measure).

5.2 Roadmap for development of Required Measures

- (a) Within not more than 30 Business Days of the ACCC's approval of the Plan, Telstra will provide the ACCC with a high level roadmap for the development of all of the Required Measures, which will set out:

- (i) the intended order in which Telstra anticipates developing each of the Required Measures; and
 - (ii) an indicative and non-binding timeframe for the development of each Required Measure, including a high level description of any related activities that are being undertaken by Telstra or NBN Co under the Definitive Agreements which could impact the development of the Required Measure (for example, where Telstra intends to align the development of systems or processes under both the Definitive Agreements and a Required Measure under this Plan).
- (b) Telstra will publish a copy of the development roadmap on its web site as soon as practicable after providing the roadmap to the ACCC under clause 5.2(a).
 - (c) Telstra will keep the ACCC reasonably informed about its progress in respect of the development roadmap for Required Measures and, if Telstra becomes aware that there is a material change or variation required, it will promptly lodge an amended development roadmap with the ACCC.

5.3 Individual work plans

- (a) In accordance with the roadmap provided to the ACCC under clause 5.2, Telstra will for each Required Measure:
 - (i) develop a work plan which meets the requirements of clause 5.3(b);
 - (ii) provide a copy of the work plan to the ACCC and publish the work plan on the Telstra website;
 - (iii) keep the ACCC regularly informed of Telstra's progress in developing each Required Measure, including:
 - (A) responding to any request for an update or information received from the ACCC in respect of a work plan; and
 - (B) taking into account any matters raised by the ACCC in relation to the development of the Required Measure.
- (b) Each work plan for development of a Required Measure will comprise:
 - (i) a high level description of the Required Measure;
 - (ii) where relevant, a high level description of any technical or system functionality that needs to be developed, including any modifications (if known) to Telstra's ordering, provisioning or other systems or interfaces to implement the Required Measure (for example, any new order type or billing process which needs to be introduced into Telstra's systems);
 - (iii) a timeline for development of the Required Measure to meet the date by which the documentation of the Required Measure must be provided to the ACCC;
 - (iv) if relevant, a timeline for implementation of the Required Measure following approval by the ACCC pursuant to clause 5.4; and

- (v) an engagement strategy for consulting with industry groups and Wholesale Customers (as relevant) where the Required Measure:
 - (A) needs to be consistent with an existing Standard Industry Process; or
 - (B) will be likely to involve any system or process modifications by Wholesale Customers; or
 - (C) will establish a process which Wholesale Customers will need to use for the purposes of this Plan.
- (c) Telstra will develop each Required Measure under this clause 5 in accordance with the work plan provided to the ACCC.
- (d) Telstra may vary a work plan at any time, provided that it:
 - (i) updates the ACCC within 5 Business Days in respect of the variation; and
 - (ii) complies with any subsequent direction from the ACCC in relation to such variation.

5.4 ACCC approval of a Required Measure

- (a) Once Telstra has developed or established a draft Required Measure, it will submit it to the ACCC for approval.
- (b) The ACCC may undertake a public consultation in respect of the draft Required Measure, provided that the ACCC may not publish any confidential information identified by Telstra in the Required Measure (or associated documentation) without the prior consent of Telstra.
- (c) The ACCC may request the Adjudicator to provide the ACCC with advice in respect of the draft Required Measure and if it does so, the ACCC must provide Telstra with a full copy of the Adjudicator's advice as soon as practicable after receiving it.
- (d) The ACCC must within 60 Business Days of Telstra lodging a Required Measure:
 - (i) approve a draft Required Measure if the ACCC is satisfied that it complies with the Migration Plan Principles; or
 - (ii) otherwise refuse to approve the draft Required Measure if it does not comply with the Migration Plan Principles, and direct Telstra to resubmit the draft Required Measure, amended to take into account the concerns raised by the ACCC.
- (e) Within 40 Business Days of receiving a direction under sub-clause (d)(ii), Telstra will resubmit an amended draft Required Measure to the ACCC for approval, in respect of which clauses 5.4(b) to (d) will then apply recursively.
- (f) If the ACCC seeks advice from the Adjudicator under clause 5.4(c), the 60 Business Day period applicable under clause 5.4(d) will be extended by a period equal to the time between the date that the ACCC submits a request to

the Adjudicator and the date the ACCC receives the advice from the Adjudicator.

- (g) Once approved by the ACCC, a Required Measure will be deemed to form part of this Plan.

6 Telstra to use Existing Processes

6.1 Telstra will use Existing Processes

- (a) As a general principle, as a means of ensuring the efficient and timely disconnection of Copper Services, Telstra will use Existing Processes for managing and implementing the disconnection of Copper Services at Premises that are Passed:
 - (i) to the maximum extent that it is reasonable and practicable for Telstra to do so; and
 - (ii) except and to the extent that the ACCC or the Adjudicator requires a variation of an Existing Process or a new or modified Disconnection Measure in accordance with clause 28.
- (b) Telstra will use the Existing Processes specified in Schedule 1 for managing and implementing the disconnection of Premises in a Rollout Region during the Migration Window.
- (c) Telstra will develop the Required Measures in accordance with the general principle in clause 6.1(a).

6.2 Telstra will use standard operating systems and interfaces

- (a) As a general principle, as a means of minimising the extent of IT and system changes required to be made by Telstra and Wholesale Customers to implement this Plan, Telstra will use existing Telstra wholesale systems and interfaces, including both business support systems and operational support systems to receive and process orders received by Telstra from Wholesale Customers for the disconnection of Wholesale Services:
 - (i) to the maximum extent that it is reasonable and practicable to do so; and
 - (ii) except and to the extent that the ACCC or the Adjudicator requires variation of a standard operating system or interface or an Existing Process in accordance with clause 28.
- (b) Telstra will use the existing Telstra wholesale systems and interfaces, including both business support systems and operational support systems, as specified in Schedule 1 to allow each Wholesale Customer to lodge, and for Telstra to accept, process and execute, orders for the disconnection of Wholesale Services during the Migration Window in each Rollout Region.
- (c) Where Telstra is reasonably required to develop new or modified wholesale systems or interfaces in order to support a new Required Measure, Telstra will do so in accordance with the general principle in clause 6.2(a).

6.3 Telstra will use Standard Industry Processes

- (a) Telstra will seek to ensure that this Plan, and each Existing Process for disconnecting Copper Services at Premises that are Passed in Rollout Regions remains substantially aligned with Standard Industry Processes:
 - (i) to the maximum extent that it is reasonable and practicable for Telstra to do so; and
 - (ii) except and to the extent that the ACCC or the Adjudicator requires variation of a standard operating system or interface or an Existing Process or Disconnection Measure in accordance with clause 28.
- (b) Subject to any variation made under clause 28, Telstra will use the Standard Industry Processes, including in relation to local number portability, set out as part of the Existing Processes specified in Schedule 1.
- (c) If a new or modified industry standard or process is developed by industry groups from time to time in order to facilitate disconnection and other related activities, Telstra will consider whether that new standard or process may reasonably require a variation to this Plan and for that purpose, Telstra will consult in good faith with Wholesale Customers about whether a variation to this Plan (including any Existing Process) is required.
- (d) Where Telstra proposes:
 - (i) a variation to this Plan to give effect to a variation of an Existing Process; or
 - (ii) a new or modified Disconnection Measure,

in order to keep this Plan aligned with a Standard Industry Process, then notwithstanding that the ACCC or the Adjudicator has accepted the relevant variation, Disconnection Measure or Required Measure, it will not take effect under this Plan unless and until the relevant Standard Industry Process comes into force, including by virtue of:

 - (i) a registered industry code or industry standard established under Part 6 of the Act;
 - (ii) a service provider rule; or
 - (iii) any other binding legal or regulatory requirement.
- (e) Where there is no Standard Industry Process dealing with RSPs' ability to lodge disconnection orders on behalf of an end user, Telstra will not implement its own policy in this regard unless the ACCC has approved a variation to this Plan that provides for this policy to be used. For clarity, this clause 6.3(e) does not apply, and so does not require Telstra to seek approval from the ACCC, prior to Telstra participating in and complying with any Standard Industry Process which is developed to deal with RSPs' ability to lodge disconnection orders on behalf of an end user.

6.4 Telstra not responsible for coordination or management of the connection process

- (a) Except as provided for under clause 10 in respect of Pull Through Activities, including the obligation to provide Easycall call diversion functionality in respect of Wholesale Line Rental services under clause 10.3, nothing in this Plan makes Telstra responsible, directly or indirectly, for coordinating or managing with NBN Co, the Wholesale Customer or any third party (other than a Telstra Retail Customer on the NBN Co Fibre Network) any aspect of the connection process for Wholesale Customers except at Telstra's discretion and where it occurs on commercially agreed terms. For clarity, Telstra is not required to:
 - (i) redesign or modify any of its systems, interfaces or processes in order to provide access to Copper Services information required for NBN Connection, including in respect of installation;
 - (ii) supply any other technical or network information, data, system access or expertise in connection with NBN Connection; or
 - (iii) provide any interim carriage service. .

7 Telstra's timetable for disconnection of Premises will be determined by reference to NBN Co's rollout schedule

7.1 A Disconnection Schedule to be published

- (a) Telstra will establish a schedule of Disconnection Dates (**Disconnection Schedule**), which will set out the Disconnection Dates for all of those Rollout Regions for which a Ready for Service Date has been published by NBN Co.
- (b) Telstra will publish the Disconnection Schedule at the same time to Retail Customers and Wholesale Customers and in a manner which is prominent and appropriate (although it may not be the same communications method for all Wholesale Customers and Retail Customers) including, for example, on a Telstra website or, in the case of Wholesale Customers, as a web link on the Wholesale Portal.
- (c) Telstra will update the Disconnection Schedule as soon as reasonably practicable and in any event within 5 Business Days of:
 - (i) NBN Co publishing or updating a Ready for Service Date for a Rollout Region on its website;
 - (ii) any other update or modification to a Disconnection Date, including any extension of a Disconnection Date for a Rollout Region under clause 7.3.
- (d) Telstra will ensure that all Wholesale Customers are notified that Telstra will or has commenced publishing the Disconnection Schedule on the Wholesale Portal (or any other Telstra website). For clarity, once Telstra has given notice under this clause 7.1(d), Telstra is not required to notify individual Wholesale Customers of subsequent changes in the Disconnection Schedule as they are published.

7.2 Disconnection Dates for different types of Rollout Regions

- (a) Subject to clause 7.3, the Disconnection Dates for different types of Rollout Regions will be set by reference to the NBN Co Fibre Network rollout schedule published by NBN Co, as follows:
 - (i) in the case of an Initial Release Rollout Region or an Acquired Network Rollout Region, the Disconnection Date will be:
 - (A) where the Disconnection Commencement Date for that Initial Release Rollout Region or Acquired Network Rollout Region is before the Disconnection Trigger Date, the date which is 18 months after the Disconnection Trigger Date; or
 - (B) where the Disconnection Commencement Date for that Initial Release Rollout Region or Acquired Network Rollout Region is on or after the Disconnection Trigger Date, the date which is 18 months after the Disconnection Commencement Date for that Initial Release Rollout Region; or
 - (ii) in the case of any other Rollout Region the Disconnection Date will be:
 - (A) where the Ready For Service Date for that Rollout Region is before the Disconnection Trigger Date, the date which is 18 months after the Disconnection Trigger Date; or
 - (B) where the Ready For Service Date for that Rollout Region is on or after the Disconnection Trigger Date, the date which is 18 months after the Region Ready For Service Date for that Rollout Region,
- or as those dates are modified or extended as referred to in clause 7.3.
- (b) For the purpose of this clause 7.2, the Disconnection Commencement Date or Ready for Service Date for a Rollout Region will be the relevant date specified for that Rollout Region published by NBN Co from time to time as part of the schedule for the rollout of the NBN Co Fibre Network by NBN Co on its website.

7.3 Extension of a Disconnection Date

Telstra will update the Disconnection Schedule as soon as practicable and in any event within 5 Business Days after the Disconnection Date for a Rollout Region has been extended by NBN Co and Telstra in accordance with the Definitive Agreements.

Explanatory note: Possible causes of an extension to the Disconnection Date

There are a limited number of circumstances which may give rise to an extension of the Disconnection Date, as determined under the Definitive Agreements. These include where the level or volume of end user complaints associated with the NBN rollout in a particular Rollout Region leads to a joint NBN-Telstra Operational Review Committee determining that there has been a 'Material Adverse Customer Impact' in a particular Rollout Region that requires an extension of the Disconnection Date for that Rollout Region.

7.4 First and last date on orders for disconnection can be lodged

Retail Customers and Wholesale Customers may lodge orders for the disconnection of Copper Services at Premises that are Passed within a Rollout Region:

- (a) commencing at any time, in accordance with Telstra's Existing Processes for managing the disconnection of Copper Services before the Ready for Service Date for that Rollout Region; and
- (b) up until the last date on which Telstra will accept disconnection orders for Copper Services in respect of Premises in the Rollout Region (which are not Special Services), being the Disconnection Date for that Rollout Region; and
- (c) for a Special Service or Special Service Input, up to the Disconnection Date for that type (and, if applicable, SS Class) of Special Service or Special Service Input, as determined under clause 21.

8 Provision by Telstra of information about disconnection and Disconnection Dates

8.1 Telstra communication with Wholesale Customers about impending Disconnection Dates

- (a) Without limitation to clause 7.1, Telstra will use all reasonable endeavours to communicate in a timely and effective manner with its Wholesale Customers about the Disconnection Schedule.
- (b) Telstra has a significant number and diversity of Wholesale Customers, and consequently Telstra has in place a number of communication policies and business practices which it uses to keep its Wholesale Customers informed about relevant developments and Telstra activities, including:
 - (i) the Telstra Wholesale website and/or the Wholesale Portal;
 - (ii) wholesale helpdesk facilities;
 - (iii) individualised communications through account managers;
 - (iv) engagement by Telstra in industry groups and publications;
 - (v) periodic customer reviews between relevant managers of Telstra and the Wholesale Customer;
 - (vi) various marketing and promotional activities;
 - (vii) period events such as wholesale product launches and technical briefings; and
 - (viii) other regular communications, notifications, and materials distributed generally to Wholesale Customers.
- (c) Taking into account the number and diversity of Wholesale Customers, Telstra will use all reasonable endeavours, including adopting appropriate and effective communication approaches for different types of Wholesale Customer, to ensure that Wholesale Customers are made aware in a timely manner of impending Disconnection Dates for Rollout Regions. For example, without limitation, Telstra will ensure that:
 - (i) all wholesale account managers are instructed and trained to discuss the Disconnection Schedule with Wholesale Customers;

- (ii) the Disconnection Schedule, and discussion of any impending Disconnection Dates, is included as a standing item on periodic customer reviews;
 - (iii) a hyper link to the Disconnection Schedule is placed prominently on the Telstra Wholesale website and/or the Wholesale Portal.
- (d) For the avoidance of doubt, nothing in this clause 8.1 requires Telstra to notify end users of a Wholesale Customer of any impending Disconnection Dates applicable to those end users.

8.2 Telstra communication with Retail Customers about impending Disconnection Dates

- (a) Telstra will use all reasonable endeavours to communicate in a timely and effective manner with its Retail Customers of Retail Copper Services and HFC Services about the Disconnection Schedule.
- (b) Telstra has a significant number of and diverse Retail Customers of Retail Copper Services and HFC Services, and consequently Telstra has in place a number of communication policies and business practices which it uses to keep its Retail Customers informed about relevant developments and Telstra activities, including:
 - (i) mass marketing and promotions for retail residential and business customers;
 - (ii) websites and online resources;
 - (iii) individualised communications through dedicated account managers for some government and commercial customers;
 - (iv) Telstra outbound call centres and inbound help desk facilities; and
 - (v) information and updates included for Retail Customers with or as part of their periodic billing process.
- (c) Taking into account the number and diversity of Retail Customers of Retail Copper Services and HFC Services, Telstra will use all reasonable endeavours, including adopting appropriate and effective communication approaches for different types of Retail Customer, to ensure that Retail Customers in a Rollout Region are made aware in a timely manner of impending Disconnection Dates for that Rollout Region.
- (d) Without limitation to clause 8.2(c), where Telstra continues to supply Retail Copper Services or HFC Services to a Retail Customer at Premises in a Rollout Region four months before the Disconnection Date for that Rollout Region, Telstra will notify the Retail Customer no less than three months before the Disconnection Date of the impending disconnection of their Premises from the Separating Network, irrespective of whether or not Telstra had already provided any earlier notification of disconnection to that Retail Customer.

Explanatory Note: The Public Information Campaign

The communications requirements under this Plan are limited to disconnection measures undertaken by Telstra. However, prior to the Disconnection Date in each Rollout Region, there will be a broader information campaign (**Public Information Campaign**) which will be undertaken by NBN Co that will, amongst other things, inform end users in that Rollout Region about:

- the benefits of disconnecting their Copper Services and using alternative Fibre Services over the NBN;
- what will occur in respect of any Copper Services and HFC Services that have not been disconnected by the Disconnection Date;
- any actions end users may be required to take in order to Connect to the NBN, including any likely replacement or upgrade of customer premises equipment, in-premises wiring or new or upgraded applications;
- the possibility of Copper Services being disconnected by NBN Co in the course of Connecting a Premises to the NBN; and
- any special arrangements that have been put in place to assist particular types of end users, such as medical priority assistance customers, and information about how those arrangements can be accessed.

Each service provider, including Telstra, may develop and undertake its own communications strategy for customers about migration and its impacts on existing services, unrelated to the Public Information Campaign.

9 Disconnection of Copper Services during the Migration Window

9.1 Existing Processes for disconnection of Retail Services during the Migration Window

- (a) During the Migration Window for a Rollout Region, Telstra will disconnect a Retail Copper Service at each Premises which is Passed in that Rollout Region:
 - (i) where requested to do so directly by the relevant Retail Customer;
 - (ii) where it receives a number portability request in relation to the relevant Retail Copper Service;
 - (iii) where the Retail Customer has agreed to acquire Fibre Services from Telstra and Telstra is disconnecting the Retail Copper Service in the course of Migrating that Retail Customer;
 - (iv) where a Retail Service which is a broadband service is disconnected following disconnection of any other Standard Telephone Service supplied using the same Copper Path; or
 - (v) if a Standard Industry Process is in place dealing with notifications by gaining RSPs in relation to Migrating end users, by an RSP acting on behalf of a Retail Customer in accordance with that Standard Industry Process.

- (b) Telstra will implement and manage disconnection of Retail Services using the Existing Processes for Copper Services set out in Schedule 1.

9.2 Existing Process for disconnection of HFC Services during the Migration Window

- (a) During the Migration Window for a Rollout Region, Telstra will disconnect an HFC Service at each Premises that is Passed in that Rollout Region, either:
- (i) where requested to do so directly by the Retail Customer; or
 - (ii) where the Retail Customer has agreed to acquire Fibre Services from Telstra and Telstra is disconnecting the HFC Service in the course of Migrating that Retail Customer.
- (b) Telstra will implement and manage the disconnection of HFC Services using the Existing Process set out for HFC Services in Schedule 2.

9.3 Wholesale Customers to retain autonomy over disconnection decisions, including control over the timing of disconnection

- (a) Subject to clause 9.3(b), during the Migration Window, Telstra will ensure that each Wholesale Customer retains autonomy and control over the timing of disconnection by Telstra of that Wholesale Customer's Copper Service at a Premises in a Rollout Region which is Passed by:
- (i) only disconnecting that Wholesale Customer's Copper Service in accordance with a disconnection order received from the Wholesale Customer; and
 - (ii) using Existing Processes, to the maximum extent that it is reasonable and practicable to do so, in accordance with clauses 6.1 and 6.2.
- (b) During the Migration Window for a Rollout Region, a Wholesale Service supplied to Premises in that Rollout Region which is Passed may be disconnected without a disconnection order or prior notice to the Wholesale Customer in the event that:
- (i) the Wholesale Service is an LSS or Wholesale ADSL Layer 2 service and a Standard Telephone Service which is provided using the same Copper Path is disconnected;
 - (ii) the Wholesale Service is otherwise disconnected in accordance with the ordinary operation of a Standard Industry Process that does not require a Wholesale Order for disconnection (for example, where Telstra receives a number portability request the processing of which gives rise to an automatic cancellation of any other Wholesale Copper Services supplied using the same Copper Path).
- (c) Subject to clause 4.3, the circumstances set out in clauses 9.3(b)(i) and (ii) are the only circumstances in which a Wholesale Customer may not control the timing of disconnection of its Wholesale Services, prior to the Disconnection Date.
- (d) The standard operating systems and interfaces and Existing Processes referred to in clauses 6.1 and 6.2 facilitate, to the extent that it is reasonably in Telstra's

control to do so, management by Wholesale Customers of the Migration of their customers in a way that:

- (i) minimises the period of any service outage and the time taken to complete local number portability processes and any ancillary processes; and
- (ii) allows Wholesale Customers autonomy to:
 - (A) control the timing of the disconnection of Wholesale Services by setting and re-setting, if required, the requested date for disconnection of each Copper Service (subject to clause 9.3(b)); and
 - (B) coordinate with NBN Co to minimise the period of any service outage between the disconnection of Wholesale Services at a Premises and the connection at the same Premises of Fibre Services.

10 Pull Through Activities

10.1 Consents for Pull Through Activities

- (a) In the course of connecting a Premises to the NBN Co Fibre Network, it may be necessary or expedient for NBN Co or its installing contractor to physically remove one or more Copper Lines or HFC Lines from a lead-in conduit at that Premises in order to 'pull through' the fibre optic cable which will be used to connect the Premises to the NBN Co Fibre Network (**Pull Through Activities**).
- (b) For clarity, Pull Through Activities will be undertaken by NBN Co or its agents or contractors. Telstra is not required to undertake any Pull Through Activities, Cable Rectification or installation of any Temporary Cable by NBN Co at a Premises.
- (c) In respect of Premises to which Wholesale Services are supplied, Telstra will inform NBN Co that a lead-in conduit is not suitable for Pull Through Activities where:
 - (i) a Copper Line located in the lead-in conduit is used to supply a Wholesale Service, and the Wholesale Customer has not given prior consent to Pull Through Activities in respect of a Copper Line over which that Wholesale Customer is supplied with Wholesale Services; and
 - (ii) where there is more than one Copper Line in the lead-in conduit over which Wholesale Services are being supplied and not all affected Wholesale Customers have given prior consent to Pull Through Activities in respect of Copper Lines over which those Wholesale Customers are supplied with Wholesale Services.
- (d) As soon as reasonably practicable following the Plan Commencement Date, Telstra will develop a Required Measure which establishes a standardised process that enables it to:
 - (i) use reasonable endeavours to obtain a consent from the Wholesale Customer to NBN Co (or its Personnel) undertaking Pull Through

Activities using Copper Lines over which that Wholesale Customer is supplied with Wholesale Services; and

- (ii) use reasonable endeavours to obtain a release from the Wholesale Customer in favour of an NBN Co Benefited Person for certain Losses or Claims arising out of or in relation to the Pull Through Activities, Cable Rectification or installation of a Temporary Cable in relation to Pull Through Activities;
 - (iii) use reasonable endeavours to obtain a consent from the Wholesale Customer for NBN Co or its Personnel to use and disclose confidential information of the Wholesale Customer which is provided to NBN Co or its Personnel by Telstra or directly by the Wholesale Customer for the purposes of NBN Co performing Pull Through Activities, Cable Rectification and installing any Temporary Cable; and
 - (iv) use reasonable endeavours to obtain an undertaking by the Wholesale Customer, for the purposes of NBN Co (or its Personnel) performing Pull Through Activities, to provide information directly to NBN Co (if so requested) as to whether there is a priority assistance service, medical alert service, alarm service, or service with substantially similar service levels to the foregoing being supplied over a Copper Line by a person other than Telstra.
- (e) Telstra is obtaining the consents and releases set out in clause 10.1(d) for and on behalf of NBN Co.
- (f) For the avoidance of doubt, nothing in this clause 10:
- (i) permits or requires Telstra to seek or obtain the consent of an end user of a Wholesale Customer in relation to Pull Through Activities at a Premises; and
 - (ii) makes Telstra responsible, directly or indirectly, for providing NBN Co with notice as to whether there is a priority assistance service, medical alert service, alarm service, or service with substantially similar service levels to the foregoing being supplied over a Copper Line by a person other than Telstra.

10.2 Notification of a Pull Through Exception Event

- (a) If NBN Co notifies Telstra that:
- (i) NBN Co is prevented by a Pull Through Exception Event from completing Pull Through Activities, Cable Rectification or the installation of a Temporary Cable at a Premises and which relates to a Copper Line used to supply a Wholesale Service; or
 - (ii) NBN Co has installed a Temporary Cable, which is being used to supply a Wholesale Service,

Telstra will promptly give notice to the affected Wholesale Customer of any matter notified to Telstra by NBN Co (other than to the extent that the information is confidential).

- (b) As soon as reasonably practicable following the Plan Commencement Date, Telstra will develop a Required Measure which establishes a standardised

process that enables it to provide notices to Wholesale Customers of the matters set out in this clause 10.2.

Explanatory Note: Pull Through Activities

The Pull Through Activity process will be undertaken by NBN Co and its installing contractors on a case by case basis, after attending a Premises and determining if the conduit is suitable for use for this purpose. NBN Co will put in place more detailed technical manuals and specifications governing Pull Through Activities, including the rectification processes (including any temporary measures) to be used in the event that NBN connection is not immediately successful.

Where the Copper Lines which are used for the purpose of Pull Through Activities are used to supply ULLS or LSS, Telstra anticipates that Wholesale Customers will primarily interact with NBN Co directly in relation to any remote testing of Cable Rectification or installed Temporary Cables.

10.3 Interim call diversion arrangements

- (a) Telstra will maintain call diversion as a standard feature of Wholesale Line Rental services supplied to Premises in Rollout Regions during the Migration Window so that this feature is available to end users of Wholesale Customers where NBN Co proposes to undertake Pull Through Activities at a Premises supplied with Wholesale Services.
- (b) For clarity, nothing in this clause 10.3 requires Telstra to inform end users of Wholesale Customers of the call diversion feature or how to activate it.

10.4 Any temporary disconnection during Pull Through will not affect call diversion or local number portability

Telstra undertakes that any outage period or temporary disconnection associated with NBN Co undertaking Pull Through Activities will not:

- (a) affect the operation (including any future cancellation) of any call diversion functionality which has been activated on the relevant Copper Path; or
- (b) prevent or restrict the porting of any telephone number associated with the Copper Path,

following completion of the Pull Through Activities and NBN Connection by NBN Co (or its Personnel).

11 Telstra staff and contractors attending on site

- (a) To the greatest extent practicable, Telstra will use processes for disconnection which do not require any Personnel of Telstra to attend at end user Premises that are Passed to disconnect those Premises from a Separating Network.
- (b) Subject to clause 11(c), in the exceptional case where Personnel of Telstra are required to attend on site at a Premises in the Fibre Footprint within a Rollout Region for the purpose of:
 - (i) connecting an end user to a Fibre Service who is not a Retail Customer for that service; or

- (ii) disconnecting a Wholesale Service,

the Personnel will be prohibited from undertaking any Marketing Activity while attending on site for that purpose.

- (c) Nothing in clause 11(b) will be taken to limit or prevent Personnel of Telstra from engaging in Marketing Activity if and to the extent that:
 - (i) the Marketing Activity relates to the provision of services by Telstra under the USO;
 - (ii) the Commonwealth Government has requested or required Telstra to conduct the Marketing Activity; and
 - (iii) the Telstra Personnel are attending on site at Premises in order to disconnect a Retail Service supplied by Telstra, except where the Personnel are doing so for or on behalf of NBN Co (in which case, clause 11(d) applies).
- (d) Where Personnel of Telstra are required to attend on site at a Premises for or on behalf of NBN Co, the Personnel will be prohibited from undertaking any Marketing Activity while attending on site for that purpose.
- (e) For clarity, subject to clause 11(f), Telstra Personnel may attend on site at the Premises of Retail Customers in order to perform work for and on behalf of NBN Co as well as in connection with the installation or supply of Telstra retail services, during the same visit. In those circumstances, nothing in clause 11(d) restricts or prevents those Telstra Personnel from undertaking any Marketing Activity while performing work in connection with the installation or supply of the Telstra retail service and which is therefore unrelated to the work undertaken for or on behalf of NBN Co.
- (f) Where Personnel of Telstra are required to attend for or on behalf of NBN Co on site at the Premises of a Retail Customer that is also a customer of a Wholesale Customer or another RSP, the Telstra Personnel must not undertake any "win back" or other Marketing Activity related to alternative Telstra products to the product or products supplied by that Wholesale Customer or other RSP to the end user.
- (g) Without limitation to this clause 11, Telstra will provide mandatory training for all Personnel who are engaged in attending on site at Premises in the circumstances contemplated by clause 11(b), in order to ensure that such Personnel are aware of the restrictions placed on their activities under this Plan.

12 Telstra activities in the lead up to the Disconnection Date for each Rollout Region

12.1 Notification to disconnecting Telstra voice only Retail Customers of the automatic disconnection of related services

Where, in respect of a Premises which is Passed in a Rollout Region, Telstra supplies only a Standard Telephone Service to a Retail Customer at that Premises using the Copper Network, Telstra will notify the Retail Customer that if Telstra disconnects that Standard Telephone Service in response to a request from that Retail Customer, any other fixed line carriage service supplied using the same Copper Path, whether by Telstra or a Wholesale Customer, will also be disconnected without further notice.

12.2 Notification to Wholesale Customers when Wholesale Services are automatically disconnected

- (a) Where Telstra disconnects a Retail Copper Service supplied to a Premises within the Fibre Footprint in a Rollout Region in response to a request received from a Retail Customer and that disconnection affects a Wholesale Service supplied to that Premises using the same Copper Path, Telstra will notify the relevant Wholesale Customer of the disconnection, in accordance with the Existing Process for such notifications set out in Schedule 1.
- (b) Where Telstra disconnects a Copper Service supplied to a Premises within the Fibre Footprint in a Rollout Region in response to a disconnection order received from a Wholesale Customer and that disconnection affects a Wholesale Service supplied to a second Wholesale Customer at that Premises using the same Copper Path, Telstra will notify the second Wholesale Customer of the disconnection, in accordance with the Existing Process for such notifications set out in Schedule 1.

13 Order Stability Period prior to the Disconnection Date

13.1 Order Stability Period leading up to the Disconnection Date

- (a) Telstra may apply an Order Stability Period in each Rollout Region immediately prior to the Disconnection Date for that Rollout Region for the purpose of facilitating Migration in an orderly and robust manner and to allow Telstra time to clear any remaining pending orders (or modifications) before the Managed Disconnection process commences.
- (b) The duration of the Order Stability Period that will apply under this Plan, unless or until amended in accordance with clause 13.2, is 20 Business Days.
- (c) During the Order Stability Period in each Rollout Region, Telstra will not process any order types in respect of the supply of Copper Services and HFC Services to Premises within the Fibre Footprint in a Rollout Region, except orders for disconnection of Copper Services and HFC Services (including orders for number portability or other service requests which result in or are associated with disconnection).
- (d) Telstra will ensure that the length of the Order Stability Period applied in a Rollout Region and any restrictions imposed during the Order Stability Period, as varied from time to time under clause 13.2:
 - (i) are in accordance with General Principles 8 and 21;
 - (ii) to the greatest extent practicable, apply to Wholesale Orders to the same extent and in the same way as they apply to Retail Orders of the same type; and
 - (iii) are imposed for the shortest period reasonably required.

Explanatory Note: Order Stability Period

The Order Stability Period under this clause 13 only relates to services supplied by Telstra on the Copper Network. The Order Stability Period will not prevent either Retail Customers or Wholesale Customers from lodging disconnection orders (and those orders being processed by Telstra) up to the Disconnection Date, including as part of migration of a Premises to the NBN Fibre Network. The Order Stability Period also does not affect the ordering or provisioning systems of NBN Co – so does not impact on the ability of RSPs to lodge connection orders with NBN Co during this period.

Telstra is still identifying what order restrictions (e.g. specific order types) may be required in the lead up to the Disconnection Date (and the subsequent managed disconnection of all remaining Copper Services in a Rollout Region) to allow it to stabilise its service database. While Telstra will continue to handle disconnection orders up to the Disconnection Date, it is not yet aware of what other order types will be able to be managed during this period.

13.2 Review and modification of the Order Stability Period and associated restrictions

- (a) Telstra will review the Order Stability Period from time to time to assess whether the duration and nature of restrictions set out in clauses 13.1(b) and 13.1(c) require adjustment with the benefit of operational experience, and taking into account the Plan Objectives and the Migration Plan Principles, including in each of the following circumstances:
 - (i) where Telstra is requested to do so by the ACCC;
 - (ii) where Telstra is requested to do so by the Adjudicator; and
 - (iii) where Telstra is reasonably requested to do so by a Wholesale Customer.
- (b) In undertaking any review of the Order Stability Period, Telstra will consult with Wholesale Customers, NBN Co and any relevant NBN working group of Communications Alliance.
- (c) Where Telstra undertakes a review of the Order Stability Period, unless otherwise agreed with a party requesting the review, Telstra will complete its review within 20 Business Days of the date that Telstra receives the relevant request.
- (d) As soon as reasonably practicable and in any event within 10 Business Days of completing its review of the Order Stability Period, Telstra will:
 - (i) notify the ACCC or the Adjudicator (as applicable) of any proposal to introduce a different Order Stability Period or to modify the number or type of orders which are subject to the relevant restrictions (**Order Stability Proposal**) – where Telstra is reviewing its Order Stability Period at the request of a Wholesale Customer, it will notify the ACCC;
 - (ii) publish a description of the Order Stability Proposal on the Wholesale Portal, together with the reasons for and likely costs and benefits of the Order Stability Proposal; and

- (iii) consult in good faith with the ACCC and Adjudicator (as applicable), and Wholesale Customers, including providing them with a reasonable prior opportunity to comment on the Order Stability Proposal.
- (e) The ACCC or Adjudicator (as applicable) may:
 - (i) accept the Order Stability Proposal;
 - (ii) reject the Order Stability Proposal provided that in doing so the ACCC or Adjudicator (as applicable) provide reasons for rejection.
- (f) If an Order Stability Proposal is accepted under clause 13.2(e), then:
 - (i) this clause 13 will be taken to be varied to reflect the new or modified restrictions on order processing or the modified Order Stability Period specified in the Order Stability Proposal; and
 - (ii) Telstra will notify Wholesale Customers of the new Order Stability Period, including publishing a notice on the Telstra Wholesale website.
- (g) A Wholesale Customer may refer any of the following matters as a dispute under clause 31 of this Plan:
 - (i) any complaint that the operation of the Order Stability Period does not provide for equivalent treatment of orders received by Telstra from Wholesale Customers and Retail Customers (in respect of comparable services), or that the operation of the Order Stability Period is otherwise inconsistent with General Principles 8 or 21; or
 - (ii) a failure by Telstra to consult in good faith or to provide Wholesale Customers with a reasonable prior opportunity to comment on the Order Stability Proposal.

14 Managed Disconnection commencing at the Disconnection Date

14.1 Managed Disconnection to commence on the Disconnection Date

- (a) On the Disconnection Date for a Rollout Region, Telstra will commence to disconnect all remaining Copper Services and HFC Services which are still active at Premises within the Fibre Footprint in that Rollout Region and for which no disconnection order has been received by Telstra from a Retail Customer or a Wholesale Customer at that Premises before the Disconnection Date (**Managed Disconnection**).
- (b) Subject to clause 14.3, Telstra will complete Managed Disconnection of all Premises within the Fibre Footprint in a Rollout Region by the date which is 10 Business Days after the Disconnection Date, except for the following types of Premises and Copper Services:
 - (i) In-Train Order Premises, which will be disconnected in accordance with clause 15.1;
 - (ii) Added Premises, which may be disconnected in accordance with clause 15.2;

- (iii) Affected Premises which Telstra is prohibited by law from disconnecting, in accordance with clause 15.3;
 - (iv) any Premises or Copper Services that are Reconnected in accordance with clause 18; and
 - (v) all Special Services, which will be disconnected in accordance with the process and principles set out in clause 21 in this Plan.
- (c) The period commencing on the Disconnection Date and ending on the latest date permitted for disconnection of a Premises under this clause 14.1 is the **'Disconnection Window'** for that Premises.

14.2 Processes to be used by Telstra for undertaking Managed Disconnection

- (a) Telstra will develop a Required Measure under clause 5 to specify the process or processes that it will use to undertake Managed Disconnection during the Disconnection Window.
- (b) The high level process steps set out in Schedule 3 are indicative of the Managed Disconnection process that Telstra anticipates will be required.

14.3 Network Management Services

Telstra is permitted to provide, and there is no obligation under this Plan requiring it to disconnect, any Network Management Services, including where provided in a Rollout Region after the Disconnection Date for that Rollout Region.

14.4 Telstra to notify Wholesale Customers before final disconnection

On or as soon as reasonably practicable after the Disconnection Date, Telstra will notify Wholesale Customers of any Wholesale Services which Telstra supplies to that Wholesale Customer at Premises which are Passed in the Rollout Region and which will be disconnected as part of the Managed Disconnection, including by notifying those Wholesale Customers of the impending disconnection on the Wholesale Portal.

15 Types of Premises and related Disconnection Windows

15.1 Disconnection of In-Train Order Premises

- (a) On or before the Disconnection Date for each Rollout Region, Telstra will procure that NBN Co will provide Telstra with a list of NBN In-Train Order Premises that are Passed within that Rollout Region.
- (b) In respect of a Premises that is Passed, if NBN Co determines that:
 - (i) a completed, valid and serviceable order for the provision to an NBN Customer of a Fibre Service to that Premises has been accepted by NBN Co before the relevant Disconnection Date;
 - (ii) the installation work or provision of Fibre Services for the order is scheduled to commence before the date which is 30 Business Days after that Disconnection Date (unless otherwise extended by NBN Co); and
 - (iii) NBN Co believes that Premises will not be NBN Connected as at the Disconnection Date,

that Premises is an **In-Train Order Premises**.

- (c) On and after the Disconnection Date for a Rollout Region, Telstra will continue to supply each Copper Service or HFC Service which it supplied as at the Disconnection Date to a Premises notified by NBN Co as an In-Train Order Premises, until the earliest of the following dates, on which date Telstra will then disconnect the Premises:
 - (i) the date that a Copper Service or HFC Service is disconnected in accordance with a standard disconnection order or Existing Process;
 - (ii) the date that is 30 Business Days after the date that:
 - (A) Telstra is notified by NBN Co that the In-Train Order Premises has been NBN Connected; or
 - (B) Telstra cancels or revokes an order for the provision to an NBN Customer of NBN Services for an In-Train Order Premises before NBN Connection of that In-Train Order Premises; or
 - (C) NBN Co informs Telstra that an order for the provision to an NBN Customer of NBN Services for an In-Train Order Premises has been revoked or cancelled before NBN Connection of that In-Train Order Premises; and
 - (iii) the date which is 90 Business Days after that Disconnection Date.

15.2 Disconnection of Added Premises

- (a) If:
 - (i) a Premises is added to the Fibre Footprint in a Rollout Region after the Ready For Service Date or Disconnection Commencement Date for that Rollout Region but before the date that is six months prior to the Disconnection Date for that Rollout Region (an **Added Premises**); and
 - (ii) Telstra has a contractual obligation to the Retail Customer or the Wholesale Customer in respect of that Premises to provide a notice period prior to disconnecting that Premises, and that notice period is longer than the period between the date that NBN Co notifies Telstra of the addition of the Premises to the Fibre Footprint and the Disconnection Date for the Rollout Region; and
 - (iii) prior to the Disconnection Date for that Rollout Region, that Retail Customer or Wholesale Customer objects to Telstra in writing to the disconnection of that Premises by the Disconnection Date,
- then:
- (iv) Telstra may continue to provide those Copper Services or HFC Services that Telstra provided to that Premises as at that Disconnection Date between that Disconnection Date and the earlier of:
 - (A) the date that those Copper Services or HFC Services are disconnected in accordance with a standard disconnection order or Existing Process;

- (B) the end of the notice period referred to in clause 15.2(a)(ii) (calculated on the basis that the notice period begins on the date which is 20 Business Days after the date that NBN Co notifies Telstra of the addition of the Premises to the Fibre Footprint); and
- (C) the date which is 18 months after the date that Telstra is notified that the Premises is added to the Fibre Footprint;
- (v) or such later date determined under clause 15.2(b).
- (b) Clauses 15.1 will apply to extend the date until which Telstra may continue to supply Copper Services and HFC Services under clause 15.2(a)(iv), and will establish the later date on which Telstra will disconnect the Premises, as if all references in clause 15.1 to the Disconnection Date for a Rollout Region in which a Premises is located are references to the date until which Telstra may provide carriage services under clause 15.2(a)(iv) (but for this clause 15.2(b)).

15.3 Premises where disconnection is prohibited by law

- (a) Telstra may continue to supply Copper Services and HFC Services to any Premises in a Rollout Region which is Passed on or after the Disconnection Date for that Rollout Region (**Affected Premises**) to the extent that Telstra is prevented by law from:
 - (i) ceasing the provision of those services to that Affected Premises; and
 - (ii) disconnecting the Affected Premises.
- (b) Telstra will disconnect an Affected Premises no later than 5 Business Days after the date that Telstra ceases to be prevented by law from:
 - (i) ceasing the provision of those services to that Affected Premises; and
 - (ii) disconnecting the Affected Premises.

16 Disconnection of all Premises to be completed by the Designated Day

As at the Designated Day, Telstra will have permanently disconnected all Premises that are Passed from all Separating Networks, except:

- (a) Premises in any Rollout Region in which NBN Co is still in the process of undertaking a rollout as at the Designated Day, in which case Telstra will complete disconnection of that Rollout Region in accordance with this Plan, including undertaking a Managed Disconnection process following the later Disconnection Date for that Rollout Region, in accordance with clauses 14 and 15;
- (b) Premises to which Telstra or a Wholesale Customer are supplying a Special Service or a Special Service Input, and in respect of which a Disconnection Date has not occurred for the applicable SS Class in accordance with clause 21; and
- (c) Premises that have had Copper Paths or HFC Lines built or Reconnected in accordance with clause 18.

17 No supply of new Copper Services and HFC Services after a Premises becomes NBN Serviceable

17.1 No supply of Copper Services

Subject to clause 21, Telstra will not supply any new Copper Service to a Retail Customer or to a Wholesale Customer using a Separating Network after the Ready for Service Date for a Rollout Region at a Premises within the Fibre Footprint in that Rollout Region which is Passed and:

- (a) is NBN Serviceable; or
- (b) is not NBN Serviceable but would require the installation of new copper or other infrastructure (i.e. there is not an 'in place' copper connection at the Premises) except and to the extent that Telstra in its discretion supplies a new Copper Service to the Premises in order to fulfil a USO requirement.

17.2 No supply of HFC Services

Telstra will not supply any new HFC Service to a Premises using a Separating Network after the Ready for Service Date for a Rollout Region at a Premises within the Fibre Footprint in that Rollout Region which is Passed and NBN Serviceable.

18 Temporary Reconnection

18.1 Reconnection for Material NBN Unavailability

- (a) Except as otherwise specified in this clause 18, and subject to clause 21, Telstra will not build new Copper Paths or Reconnect Copper Paths or HFC Lines at Premises which have been Passed and that have been permanently disconnected and will reject any request from an end user or a Wholesale Customer to do so.
- (b) While not required to do so, Telstra may (at its discretion) as a measure of last resort build new Copper Paths or Reconnect Copper Paths or HFC Lines in order to provide Copper Services or HFC Services, respectively, in the event of Material NBN Unavailability.
- (c) If Telstra elects to build new Copper Paths or to Reconnect Copper Paths in order to provide Copper Services to Retail Customers under this clause 18.1, Telstra will:
 - (i) also make available Wholesale Services on an equivalent basis over those Copper Paths;
 - (ii) consult in good faith with Wholesale Customers and the ACCC in relation to the nature and timing of any Wholesale Services supplied, taking into account that such Copper Services will need to be put in place quickly and will only be provided as an interim measure; and
 - (iii) permanently disconnect any new or Reconnected Copper Paths or HFC Lines as soon as is reasonably practicable after receiving notice from NBN Co that the Material NBN Unavailability has ceased, and in any event will complete such permanent disconnection by the date 30 calendar days after the date such notice was received from NBN Co.

18.2 Reconnection in the event of Permanent Cessation of Operations

- (a) Telstra may at its discretion Reconnect Copper Paths or HFC Lines on and from the date that any Permanent Cessation of Operations or Insolvency Event occurs in relation to NBN Co.
- (b) If Telstra elects to build new Copper Paths or to Reconnect Copper Paths in order to provide Copper Services to Retail Customers under this clause 18.2, Telstra will:
 - (i) also make available Wholesale Services on an equivalent basis over those Copper Paths; and
 - (ii) consult in good faith with Wholesale Customers and the ACCC in relation to the nature and timing of any Wholesale Services supplied.

19 Telstra's commencing to provide services using the NBN

Telstra will commence to supply carriage services using the NBN Co Fibre Network:

- (a) by following the connection protocols set out in the NBN Co's wholesale broadband agreement or any other connection arrangements agreed from time to time by Telstra and NBN Co; and
- (b) in accordance with a timetable that, to the greatest extent reasonably practicable, is consistent with the requirements of Telstra's Retail Customers within the Fibre Footprint.

20 Soft Dial Tone

20.1 Telstra to provide Soft Dial Tone after the Disconnection Date for voice only customers supplied using Wholesale Line Rental

If:

- (a) Telstra disconnected a Wholesale Line Rental service at a Premises as part of a Managed Disconnection process undertaken in accordance with clause 14; and
- (b) Telstra is not supplying any carriage service to that Premises over the NBN Co Fibre Network; and
- (c) NBN Co has not notified Telstra that the Premises is an In-Train Order Premises,

then Telstra will:

- (d) as far as practicable, continue to supply Soft Dial Tone to the Premises until the date (the **relevant date**) which is the earliest of:
 - (i) 20 Business Days after the Disconnection Date for the relevant Rollout Region; or

- (ii) the date that Telstra is informed by NBN Co or the Wholesale Customer that the Premises is otherwise connected to the NBN Co Fibre Network; and

- (e) disconnect the Soft Dial Tone service from the Premises on the relevant date.

20.2 Telstra to provide Soft Dial Tone after the Disconnection Date for voice only Retail Customers

If:

- (a) Telstra has disconnected a Premises as part of a Managed Disconnection process undertaken in accordance with clause 14; and
- (b) Telstra was supplying a Standard Telephone Service to a Retail Customer at that Premises over a Copper Path immediately prior to the disconnection; and
- (c) Telstra is not supplying any carriage service to a Retail Customer at that Premises over the NBN Co Fibre Network; and
- (d) NBN Co has not notified Telstra that the Premises is an In-Train Order Premises;

then Telstra will:

- (e) as far as practicable, continue to supply a Soft Dial Tone service until the date (the **relevant date**) which is the earliest of:
 - (i) 20 Business Days after the Disconnection Date for the relevant Rollout Region; or
 - (ii) the date that the Premises is otherwise connected to the NBN Co Fibre Network; and
- (f) disconnect the Soft Dial Tone service from the Premises on the relevant date.

21 Special Services

21.1 Direct Special Services will continue to be supplied up to the Disconnection Date for each SS Class

- (a) Telstra will continue to accept new orders for, and will continue to supply, each SS Class of Direct Special Service and each Special Service Input certified by a Wholesale Customer under clauses 21.6 or 21.7 as being used to supply a carriage service which is Service Equivalent to that SS Class, in respect of a Premises which is Passed in a Rollout Region:
 - (i) that has otherwise been permanently disconnected; and
 - (ii) after the Disconnection Date for that Rollout Region,up until the Disconnection Date for that SS Class, determined in accordance with clause 21.1(b),

(SS Supply Period).

- (b) Subject to clause 21.11, the Disconnection Date for each SS Class of Direct Special Services (and which will also be the Disconnection Date for any Special Service Inputs certified by a Wholesale Customer under clauses 21.6 or 21.7 as being used to supply a carriage service which is Service Equivalent to that SS Class) will be the date which is the earlier of:
 - (i) the date that the SS Class is no longer supplied by Telstra or any earlier cease supply date applicable to Telstra's acceptance of new orders as determined in accordance with a standard Telstra product exit process as contemplated by clause 4.3; and
 - (ii) the White Paper Disconnection Date, if any, applicable to that SS Class, as determined in accordance with clause 21.4 (in the case of new orders, subject also to any prior Order Stability Period).
- (c) Telstra will continue to disconnect Special Services and Special Service Inputs, from time to time during the SS Supply Period applicable to the relevant SS Class, in accordance with any disconnection orders received from a Retail Customer or Wholesale Customer.

Explanatory Note: Disconnection of Direct Special Services

There are a number of specific types of Copper Services for which appropriate NBN-based alternatives may not be available during the early period of the NBN rollout. As at the commencement of the Migration Plan, this list is set out in Schedule 4, for both retail and wholesale 'Direct Special Services'.

Direct Special Services will be disconnected during the course of the NBN rollout on a different timetable to the 'region by region' disconnection process used for standard voice and broadband services. This will occur either following the release by NBN Co of new NBN product functionality using a new 'White Paper' process (see clause 21.4) or in accordance with Telstra's business as usual product withdrawal process.

At the same time as Telstra disconnects (and stops accepting new orders for) a SS Class of Direct Special Services, it will also disconnect (and stop accepting new orders for) any ULLS or LSS that have been certified by Wholesale Customers as being used to supply services that are service equivalent to that SS Class (i.e. Special Service Inputs). From the Disconnection Date for a SS Class of Direct Special Services, any ULLS or LSS used by Wholesale Customers to provide equivalent services will be treated as standard ULLS and LSS, and not as Special Service Inputs, meaning they will be disconnected in accordance with the standard rollout schedule and Telstra will not supply new ULLS and LSS of this kind to Premises that have already become NBN Serviceable (see clause 17).

Telstra intends to keep the current list of active Direct Special Services (i.e. those which are still being supplied by Telstra) published on its Telstra Wholesale website, and to provide information about upcoming product exits, NBN Co White Papers and the associated disconnection arrangements and timeframes for each SS Class of Direct Special Services and Special Service Inputs.

21.2 Copper Paths will be built at permanently disconnected Premises in order to enable supply of Direct Special Services and Special Service Inputs

- (a) Subject to clauses 21.8 and 21.9, where Telstra receives an order for the supply of a new Direct Special Service or Special Service Input during the SS Supply Period for the applicable SS Class, in respect of a Premises that has

been permanently disconnected, Telstra will use all reasonable endeavours to build a Copper Path at the Premises in order to enable the supply of the ordered Direct Special Service or Special Service Input.

- (b) Telstra will prepare a Required Measure that sets out the processes contemplated by this clause 21.2 for Telstra to build Copper Paths at Premises which had previously been permanently disconnected, in order to supply Special Services and Special Service Inputs to that Premises.

21.3 Equivalent notice to Wholesale Customers about product exits for Direct Special Services

- (a) Where Telstra supplies Copper Services of the same SS Class to both Retail Customers and Wholesale Customers (i.e. where an Access Service or a Product Bundle of the same name is listed in both Tables 1 and 2 of Schedule 4), Telstra will ensure that any Disconnection Date set for that SS Class under a product exit process is:
 - (i) the same in respect of Retail Customers and Wholesale Customers; and
 - (ii) in any event, ensures that affected Wholesale Customers are provided not less than 18 months prior notice of the Disconnection Date for the SS Class (unless Telstra agrees a shorter notice period with a Wholesale Customer).
- (b) Where Telstra supplies Copper Services of an SS Class to Wholesale Customers only (i.e. where an Access Service or a Product Bundle is listed in Tables 2 of Schedule 4 only), Telstra will ensure that any Disconnection Date set for that SS Class under a product exit process ensures that affected Wholesale Customers are provided not less than 18 months prior notice of the Disconnection Date for the SS Class (unless Telstra agrees a shorter notice period with a Wholesale Customer).
- (c) Where Telstra reaches a final decision to exit an SS Class as contemplated in clause 4.3, it will provide Wholesale Customers which acquire Special Service Inputs that are certified under clause 21.7 as being used to provide a carriage service which is Service Equivalent to that SS Class with:
 - (i) at least the same period of notice of the product exit as:
 - (A) if the exiting SS Class is supplied to Retail Customers – the period of notice that Telstra's Retail Business Unit provides to relevant customers; and
 - (B) if the exiting SS Class is supplied to Wholesale Customers – the period of notice that Telstra's Wholesale Business Unit provides to relevant Wholesale Customers; and
 - (ii) in any event, not less than 18 months prior notice of the Disconnection Date for the SS Class (unless Telstra agrees a shorter notice period with a Wholesale Customer).

21.4 NBN Co Product Releases and the White Paper Disconnection Date

Explanatory Note: The NBN Co White Paper process

From time to time, NBN Co may issue a commercial release of additional product functionality relevant to a particular SS Class (**SS Product Release**). Where NBN Co makes an SS Product Release, it will publish a public white paper which outlines how the NBN can be used to provide the SS Equivalent Services (**White Paper**).

The White Paper process will be undertaken by NBN Co and Telstra expects that NBN Co's product development process will involve an industry consultation process, managed by NBN Co, in which service providers can engage directly with NBN Co in relation to product development issues or questions.

The Subscriber Agreement provides a process for Telstra to dispute whether a proposed NBN services described in a White Paper does permit Telstra to support services on the NBN Co Fibre Network which are equivalent to the Special Service class on the Copper Network. The dispute is to be resolved by an Independent Assessor. If the Independent Assessor decides that the proposed NBN Co service will support equivalent services on the NBN Co Fibre Network, disconnection of the class of Special Services is to proceed. If the Independent Assessor determines that the proposed NBN Co service does not permit equivalent services to be offered on the NBN Co Fibre Network, the required disconnection of that class of Special Services is not triggered by the White Paper (although NBN Co may develop a further White Paper for that service class).

If NBN Co does not publish a White Paper for a particular SS Class before the fifth anniversary of the date of commencement of the Definitive Agreements, then NBN Co may, by giving Telstra not less than three months notice, elect that Telstra is not required to permanently disconnect any Special Services in that SS Class, in which case there will not be a White Paper Disconnection Date for that SS Class, and any Disconnection Date for that SS Class may only occur through an ordinary product exit process, as contemplated by clause 4.3 of the Plan.

- (a) The White Paper Disconnection Date for a SS Class will be either:
 - (i) if sub-clause (a)(ii) does not apply, 36 months from the date the White Paper for that SS Class was published by NBN Co; or
 - (ii) the date which is 35 months after an Independent Assessor has determined under the Subscriber Agreement that the SS Product Release would enable Telstra (acting reasonably, including taking all reasonable steps and incurring reasonable costs to develop products that use (among other things) the additional product functionality) to provide SS Equivalent Services for that SS Class.
- (b) Where Telstra supplies Direct Special Services of the same SS Class to both Retail Customers and Wholesale Customers (i.e. where an Access Service or a Product Bundle of the same name is listed in both Tables 1 and 2 of Schedule 4), Telstra will ensure that any Disconnection Date set for that SS Class under this clause 21.4 is the same in respect of Retail Customers and Wholesale Customers.

21.5 Disconnection processes for each SS Class

- (a) Telstra will develop and submit for approval under clause 5 a Required Measure setting out the process which Telstra will use to manage and implement disconnection of Copper Services of an SS Class, and all Special Service Inputs used to provide carriage services that are Service Equivalent to that SS Class, at the earlier of the date which is:
 - (i) no more than 6 months after Telstra publicly announces a product exit in respect of the SS Class, in the course of a standard Telstra product exit process as contemplated by clause 4.3; and
 - (ii) no more than 6 months after a White Paper Disconnection Date for that SS Class has been determined,or such later date as the ACCC permits.
- (b) For clarity, the Required Measure which is developed under clause 21.5(a) will address the disconnection of all relevant Direct Special Services and Special Service Inputs, including those which are in Rollout Regions for which the Disconnection Date has otherwise already occurred.

21.6 Certification of Special Service Inputs prior to the Ready for Service Date and Disconnection Date in a Rollout Region

- (a) Telstra will use the processes set out in Schedule 4 to confirm with each Wholesale Customer, on or before both the Ready for Service Date and Disconnection Date for a Rollout Region:
 - (i) those ULLS or LSS supplied to the Wholesale Customer at Premises within the Fibre Footprint in that Rollout Region which are Special Service Inputs; and
 - (ii) the carriage services provided by that Wholesale Customer over those Special Service Inputs are Service Equivalent to Direct Special Services (and if so, which SS Class of Direct Special Service, in each case).
- (b) Telstra will, as soon as reasonably practicable after receiving a request to do so from the ACCC or the Commonwealth, supply the requesting party with a list of the Special Service Inputs certified by Wholesale Customers in the Rollout Region(s) identified in the request, specifying:
 - (i) the number and type of Special Service Inputs certified;
 - (ii) the Wholesale Customer that certified each Special Service Input; and
 - (iii) such other information as the ACCC or Commonwealth reasonably request in respect of the certification(s).
- (c) Telstra will disconnect each ULLS or LSS supplied to a Wholesale Customer in a Rollout Region in accordance with the standard Managed Disconnection process for that Rollout Region, applying the disconnection processes and timeframes for disconnection of Premises set out in clauses 14 and 15, unless that Wholesale Customer has, before the Disconnection Date, certified to Telstra under this clause 21.6 that the Wholesale Customer uses the relevant ULLS or LSS as a Special Service Input.

21.7 Certification of New Special Service Inputs after the Disconnection Date

- (a) Telstra will not accept an order to supply a new ULLS or LSS to a Premises within the Fibre Footprint in a Rollout Region after the Disconnection Date for that Rollout Region, unless:
 - (i) the Wholesale Customer provides a certification under clauses 2.4(a) and 2.4(b) of Schedule 4, to the extent applicable, in respect of the relevant Premises and ULLS or LSS; and
 - (ii) the certification provides that the ULLS or LSS is to be used to supply a carriage service which is Service Equivalent to an SS Class for which the Disconnection Date has not yet occurred (and identifies the relevant SS Class).
- (b) Nothing in this clause 21.7 prevents Telstra from refusing to accept an order for a new ULLS or LSS in respect of a Premises which is Passed in a Rollout Region prior to the Disconnection Date for that Rollout Region in accordance with clause 17, where the ULLS or LSS which is the subject of the order is certified as being for the purpose of supplying a carriage service which is Service Equivalent to an SS Class of Direct Special Service after the Disconnection Date for that SS Class of Direct Special Service.

21.8 Disconnection of Direct Special Services

- (a) If the Disconnection Date for a Rollout Region is on or before the Disconnection Date for an SS Class of Direct Special Services, Telstra will disconnect and will cease to accept any new orders for Copper Services in that SS Class at Premises in that Rollout Region on or immediately following the Disconnection Date for that SS Class of Direct Special Services, in accordance with the Required Measure established under clause 21.5.
- (b) If the Disconnection Date for a Rollout Region is after the Disconnection Date for an SS Class of Direct Special Services, then:
 - (i) where Telstra has undertaken a product exit in relation to that SS Class as contemplated by clause 4.3, Telstra will disconnect any existing Copper Services of that SS Class, and will cease to accept any new orders for Copper Services of that SS Class, in accordance with the relevant product exit arrangements, including disconnecting or ceasing to accept orders to supply those Copper Services before the Disconnection Date for that Rollout Region;
 - (ii) where there has not been any product exit by Telstra of that SS Class as contemplated by 4.3, but a White Paper Disconnection Date has elapsed in respect of the SS Class, Telstra will:
 - (A) continue to supply, and accept new orders for, Copper Services in that SS Class at Premises that have not been Passed;
 - (B) not accept orders for the supply of new Copper Services in that SS Class at Premises that have been Passed; and
 - (C) disconnect any existing Copper Services in that SS Class immediately following the Disconnection Date for that Rollout Region in accordance with the standard Managed Disconnection process and applying the disconnection processes and timeframes

for disconnection of Premises set out in clauses 14 and 15 (i.e. in the same manner as if the Copper Services in that SS Class were not Special Services).

21.9 Disconnection of Special Service Inputs

- (a) If the Disconnection Date for a Rollout Region is on or before the Disconnection Date for an SS Class of Direct Special Services, Telstra will disconnect, and will cease accepting any new orders for, Special Service Inputs certified by a Wholesale Customer under clause 21.6 as being used to supply a carriage service which is Service Equivalent to that SS Class at Premises within the Fibre Footprint in the Rollout Region:
 - (i) immediately following the Disconnection Date for that SS Class of Direct Special Services (or, in the case of new orders, any earlier Order Stability Period); and
 - (ii) in accordance with the Required Measure established under clause 21.5.
- (b) If the Disconnection Date for a Rollout Region is after the Disconnection Date for an SS Class, then from the Disconnection Date for that SS Class any new or existing ULLS or LSS that are certified by a Wholesale Customer under clause 21.6 as Special Service Inputs used to supply a carriage service which is Service Equivalent to that SS Class at Premises within the Fibre Footprint in the Rollout Region, will no longer be treated as Special Service Inputs, but will be treated as ordinary ULLS or LSS, meaning that:
 - (i) immediately following the Disconnection Date for that Rollout Region (or, in the case of new orders, at any earlier Order Stability Period), Telstra will disconnect all such ULLS and LSS in accordance with the standard Managed Disconnection process and applying the disconnection processes and timeframes for disconnection of other Premises in that Rollout Region as set out in clauses 14 and 15; and
 - (ii) before the Disconnection Date for that Rollout Region, Telstra will not accept any new orders for such ULLS or LSS at Premises in respect of which clause 17 applies.

21.10 Telstra will publish up to date information about disconnection of Direct Special Services and Special Service Inputs

Telstra will establish and maintain a website for Wholesale Customers which provides up to date information in relation to product exits and disconnection arrangements affecting Direct Special Services and Special Service Inputs, including in respect of each SS Class of Direct Special Services:

- (a) whether a Disconnection Date has been determined for that SS Class and, if so, that date;
- (b) if a White Paper Disconnection Date has been determined for that SS Class, a link to further information made available by NBN Co in respect of the SS Product Release which is intended to provide alternative or replacement functionality using Fibre Services; and
- (c) if Telstra is undertaking any product exit in respect of that SS Class, a link to further information or notifications issued by Telstra in relation to the product exit.

21.11 Disconnection arrangements for Double-Ended service addresses

- (a) Where a Direct Special Service is Double-Ended and the Premises that is the A end and the Premises that is the B end of that Direct Special Service are in different Rollout Regions, Telstra will continue to provide that Double-Ended Special Service to both of those Premises until the date which is:
 - (i) determined in accordance with a standard disconnection order in respect of the Double-Ended Special Service; and
 - (ii) the later of the dates, if any, by which Telstra would otherwise be required to disconnect the A end Premises or B end Premises under clause 21.8.
- (b) If one end of a Double-Ended Special Service never becomes part of the Fibre Footprint, Telstra has no obligation to disconnect the Direct Special Service at either end.

21.12 Disconnection Date for Contracted Special Services

- (a) Telstra may continue to supply Copper Services (**Contracted Special Services**) in accordance with a limited number of retail contracts that were entered into by Telstra before 23 June 2011.
- (b) Telstra may build a Copper Path at Premises in a Rollout Region:
 - (i) that has otherwise been permanently disconnected; and
 - (ii) after the Disconnection Date for that Rollout Region,
 if Telstra considers that the Copper Path is necessary in order to supply a Contracted Special Service.
- (c) Telstra will disconnect Contracted Special Services which are supplied to a Premises in a Rollout Region by the later of:
 - (i) one month after the date that Telstra is no longer required to continue to provide that Contracted Special Service under the relevant retail contract;
 - (ii) to the extent that the relevant Copper Service is a Direct Special Service, the applicable Disconnection Date for that Direct Special Service determined in accordance with this clause 21; and
 - (iii) the Disconnection Date for that Rollout Region.

22 Removal of Wholesale Customer equipment from Telstra facilities

22.1 Telstra will keep TEBA and duct access processes under review and may apply to vary them as NBN Co access arrangements are developed

- (a) Telstra will process requests received from Wholesale Customers to remove equipment from Exchange Building Facilities and Telstra ducts serving Premises within the Fibre Footprint in a Rollout Region, using existing Telstra standard processes.

- (b) Telstra will keep the Existing Processes under review and will promptly seek approval for a variation of this Plan from the ACCC under section 577BF of the Act if Telstra reasonably considers that new or modified processes for equipment removal are necessary in order to align the processes under this Plan with any changes being made by Telstra to other facilities management and planning processes to facilitate access by NBN Co to Telstra facilities.

22.2 Telstra will handle requests from Wholesale Customers for permission to remove equipment from an Exchange Building Facility using the standard process

- (a) On and from the Plan Commencement Date, Telstra will accept requests for the removal of equipment from Exchange Building Facilities serving Premises within the Fibre Footprint in a Rollout Region in the form of Preliminary Study Requests (PSRs) and in accordance with standard TEBA ordering and provisioning processes, as varied from time to time.
- (b) Removal of equipment from Exchange Building Facilities will be governed by the standard processes and practices set out in:
- (i) the arrangements between Telstra and the relevant Wholesale Customer under the relevant TEBA schedule of the contract between Telstra and the Wholesale Customer; and
 - (ii) Telstra Technical Specifications and Procedures.
- (c) The procedures governing physical access to ducts for the removal of equipment will be as set out in Telstra's TEBA Physical Access Procedures, as varied from time to time.
- (d) Any activities associated with access to duct and removal of cables must be undertaken by Telstra or a Telstra approved contractor. A list of approved contractors for this purpose will be made available by Telstra from time to time on the Telstra Wholesale website.

22.3 Telstra will process requests received from Wholesale Customers for permission to remove cables from a Telstra duct using the standard process

- (a) On and from the Plan Commencement Date, Telstra will accept orders for the removal of cables from ducts serving Premises within the Fibre Footprint in a Rollout Region in the form of duct study requests and in accordance with standard duct access ordering and provisioning processes, as varied from time to time.
- (b) Removal of cables from ducts will be governed by the standard processes and practices set out in:
- (i) the arrangements between Telstra and the relevant Wholesale Customer under the contract between Telstra and the Wholesale Customer; and
 - (ii) Telstra Technical Specifications and Procedures.
- (c) The procedures governing physical access to ducts for the removal of equipment will be as set out in Telstra's TEBA Physical Access Procedures, as varied from time to time.

- (d) Any activities associated with access to duct and removal of cables must be undertaken by Telstra or a Telstra approved contractor. A list of approved contractors for this purpose will be made available by Telstra from time to time on the Telstra Wholesale Business Unit website.

22.4 Disputes may be referred to the Adjudicator

A Wholesale Customer may refer any complaint or dispute in respect of Telstra's application of the TEBA processes referred to in this clause 22, including any timeframes allowed by Telstra for the removal of the Wholesale Customer's equipment from an Exchange Building Facility, to the Adjudicator under clause 31 of this Plan.

22.5 Other terms relating to removal of equipment from Exchange Building Facilities

Nothing in this clause 22.2 or 22.3 will prevent or restrict Telstra from being required to comply with any obligations that apply between a Wholesale Customer and Telstra under either:

- (a) an access agreement in place between Telstra and that Wholesale Customer in respect of the relevant Copper Services; or
- (b) any applicable final access determination,

in respect of the terms and conditions governing removal of equipment by Wholesale Customers from Telstra Exchange Building Facilities.

23 Information supplied to NBN Co

- (a) Those kinds of information which Telstra contemplates providing to NBN Co for the purposes of:
 - (i) facilitating the connection of Premises to the NBN and the commencement of supply of Fibre Services; and
 - (ii) the disconnection by Telstra of carriage services from a Separating Network at Premises in a Rollout Region,from the Plan Commencement Date are set out in Schedule 8.
- (b) As soon as reasonably practicable after Telstra becomes aware of any modification to the kind of information which it will be providing to NBN Co or that Telstra will be supplying any additional kind of information to NBN Co for either of the purposes set out clause 23(a), Telstra will notify the ACCC in writing of:
 - (i) the additional or modified kinds of information provided, or to be provided, to NBN Co; and
 - (ii) the circumstances in which it will supply those kinds of information to NBN Co.

24 Information security

Explanatory Note: NBN Co information

Telstra anticipates that most, if not all, of the information which NBN Co provides to Telstra under the Definitive Agreements will be published by NBN Co to the rest of industry at the same time. Any information which cannot be disclosed publicly (or to other service providers) will be the subject of specific ring fencing obligations set out in this clause 24.

24.1 NBN Co Migration Information

For the purpose of this clause 24, **NBN Co Migration Information** means any document, materials, data, or tangible item, or any information in some other form, which is disclosed by or on behalf of NBN Co to Telstra under the Definitive Agreements for the purposes of:

- (a) the connection by NBN Co or its Personnel of Premises and commencement of supply of Fibre Services using the NBN Co Fibre Network; or
- (b) disconnecting carriage services from a Separating Network at Premises within the Fibre Footprint in a Rollout Region,

but does not include:

- (c) any information which is, or comes into, the public domain other than through an act or omission of Telstra or any of its Related Entities or Personnel;
- (d) any information which NBN Co has made available to service providers or infrastructure providers generally;
- (e) any information which has been made available to Telstra by NBN Co under an agreement which is not a Definitive Agreement;
- (f) any information which was made available to Telstra by a person (other than NBN Co) who is not or was not then under an obligation of confidence to NBN Co in relation to that information;
- (g) any information which is or was developed by Telstra independently of NBN Co;
- (h) any information to the extent that Telstra is required by law to disclose that information (and then only to the extent it is required to do so);
- (i) any information received from or on behalf of NBN Co in relation to any payment by NBN Co of any amount to Telstra in connection with the disconnection of a Separating Network;
- (j) any information received from or on behalf of NBN Co in relation to any payment to Telstra for access to Telstra infrastructure or related services in connection with the build of the NBN Co Fibre Network; or
- (k) any other information or type of information that NBN Co and Telstra agree in writing is not NBN Co Migration Information.

24.2 Information security for NBN Co Migration Information

- (a) Telstra will ensure that any NBN Co Migration Information is not used or disclosed by Telstra to gain or exploit an unfair commercial advantage over Telstra's Wholesale Customers.
- (b) For the term specified for this Plan in clause 4.2(a), Telstra will comply with clause 24.2(a) by means of establishing and complying with the NBN Information Security Plan, and associated policies and processes.
- (c) Nothing in this Plan, including the NBN Information Security Plan, authorises Telstra to use or disclose confidential information of NBN Co in a manner which breaches or is inconsistent with any contractual or equitable duty of confidence owed by Telstra to NBN Co.
- (d) Any use or disclosure of confidential information which is required by this Plan, including the NBN Information Security Plan, will not be taken to be a use or disclosure required by law, for the purposes of the Definitive Agreements.

24.3 Development of NBN Information Security Plan

- (a) No later than 6 months after the Plan Commencement Date, or such later date as permitted by the ACCC, Telstra will develop a draft NBN Information Security Plan and submit the draft NBN Information Security Plan to the ACCC for approval:
 - (i) as a Required Measure in accordance with clause 5; and
 - (ii) incorporating the principles set out in Schedule 6.
- (b) Telstra will consult NBN Co in the development of the draft NBN Information Security Plan.
- (c) Until the NBN Information Security Plan is approved by the ACCC under clause 5 and comes into effect, Telstra will:
 - (i) comply with the notification regime in respect of its use and disclosure of NBN Co Migration Information under clause 24.4;
 - (ii) act in a manner consistent with the principles set out in Schedule 6; and
 - (iii) otherwise comply with any other obligations of confidence placed on Telstra in relation to NBN Co Migration Information set out in the Definitive Agreements.

24.4 Notification regime prior to the establishment of the NBN Information Security Plan

- (a) Telstra acknowledges that before the NBN Information Security Plan comes into effect, there may be circumstances where:
 - (i) Telstra has a legitimate reason to use or disclose NBN Co Migration Information other than as contemplated in, or permitted under, the principles set out in Schedule 6; and
 - (ii) it is not or may not be reasonably practical (given time and other practical constraints) for Telstra to seek the ACCC's approval to amend the

principles set out in Schedule 6 (as applicable) in relation to such use or disclosure.

- (b) In these circumstances, Telstra will provide the ACCC with at least 5 Business Days notice specifying:
 - (i) the NBN Co Migration Information that Telstra wishes to use or disclose (subject to any obligations of confidence placed on Telstra, including under the Definitive Agreements);
 - (ii) the identity of the proposed recipient of such information;
 - (iii) the purpose of the use or disclosure; and
 - (iv) any measures that Telstra will take to ensure that the use or disclosure does not allow Telstra to gain or exploit any unfair commercial advantage over any Wholesale Customer or Wholesale Customers.
- (c) Telstra will not provide a notice to the ACCC under clause 24.4(b), unless it has obtained the prior consent of NBN Co.
- (d) If the ACCC, within 5 Business Days of receipt of notice from Telstra:
 - (i) does not object to the use or disclosure referred to in clause 24.4(b); or
 - (ii) notifies Telstra that it approves such use or disclosure subject to the imposition of specified conditions, and Telstra agrees to implement those conditions in connection with the proposed use or disclosure,

then Telstra may proceed with the use or disclosure on the terms so specified.

24.5 Use or disclosure of NBN Co information which is made publicly available

Nothing in this Plan restricts or prevents Telstra from using or disclosing, including for retail and wholesale commercial planning and business purposes, any information which NBN Co makes available publicly or to other service providers or infrastructure providers, subject to any restrictions that NBN Co places on the use or disclosure of that information at the time it is released.

24.6 Information security for Wholesale Customer information

- (a) Where:
 - (i) a Wholesale Customer provides information to Telstra under or in connection with a disconnection of Copper Services or Premises in a Rollout Region, or
 - (ii) Telstra otherwise obtains Confidential Information in respect of a Wholesale Customer in the course of performing any functions or processes which Telstra is required to undertake pursuant to this Plan,

Telstra will use and disclose that information, including any Confidential Information, in accordance with the information security provisions in Part D and Schedule 2 of the Undertaking.

- (b) Without limitation to clause 24.6(a), Telstra will comply with any confidentiality obligations that apply between the Wholesale Customer and Telstra under either:
- (i) an access agreement in place between Telstra and that Wholesale Customer in respect of the relevant Copper Services; or
 - (ii) any final access determination in place in respect of the relevant Copper Services,

so as to ensure that Telstra does not use or disclose information referred to in clause 24.6(a) to gain or exploit an unfair commercial advantage over that Wholesale Customer or any other Wholesale Customers in a market.

25 Reporting framework

25.1 Establishment of performance standards

- (a) Telstra will establish internal compliance processes which enable it to collect and report on the following measures in each reporting period under clause 25.2 for each Rollout Region on and from the Disconnection Trigger Date:
 - (i) the total volume of disconnection orders processed during the relevant period in respect of Premises within the Fibre Footprint in each Rollout Region;
 - (ii) the total proportion of disconnection orders received from Wholesale Customers in respect of Premises within the Fibre Footprint in a Rollout Region which were completed on the Telstra Committed Date;
 - (iii) for each Rollout Region in which the Disconnection Date occurred during the reporting period, the number of Copper Services disconnected as part of Managed Disconnections; and
 - (iv) the respective numbers and types of retail orders and Wholesale Customer orders, if any, processed by Telstra during an Order Stability Period in respect of Premises within the Fibre Footprint in a Rollout Region in which the Disconnection Date occurred within the reporting period.
- (b) At the same time that Telstra develops a Required Measure under clause 5, it will include in the relevant measure a proposed approach to monitoring compliance by Telstra with the Required Measure including, wherever possible, an appropriate metric or metrics capable of forming part of the Migration Plan Compliance Report.
- (c) Telstra will include the results of the performance measures established under this clause 25.1 as part of the Migration Plan Compliance Report, provided to the ACCC under clause 25.2.

25.2 Director of Equivalence to oversee preparation of a Migration Plan Compliance Report

- (a) For each Quarter, the Director of Equivalence will prepare and provide to the ACCC on a confidential basis a report (**Migration Plan Compliance Report**) setting out:

- (i) results for the performance measures under clause 25.1;
 - (ii) any information in respect of certified Special Services Inputs requested by the ACCC under clause 21.6; and
 - (iii) a summary of any disputes commenced by a Wholesale Customer during the Quarter under clause 31.
- (b) Telstra will cooperate with the ACCC, in good faith, to identify any additional information (including metrics) which should be developed or included in the Migration Plan Compliance Report and that the parties agree would improve the effectiveness of compliance processes under this Plan, including monitoring the continued consistency of this Plan with the General Principles.
 - (c) The ACCC may consult with Wholesale Customers and other stakeholders from time to time in respect of Telstra's compliance with this Plan, including publishing any parts of a Migration Plan Compliance Report that are not commercially confidential.
 - (d) Telstra will give each Migration Plan Compliance Report to the ACCC not more than 20 Business Days after the end of the Quarter to which it relates. Where requested by the Commonwealth, Telstra will also provide the Minister with a copy of the Migration Plan Compliance Report.

25.3 ACCC information requests

Without limitation to clause 25.2, Telstra will use all reasonable endeavours to respond in an effective, timely and complete manner to any request received from the ACCC for information which it reasonably requires for the purpose of monitoring compliance by Telstra with this Plan.

26 Rectification of the Plan

- (a) If based on a Migration Plan Compliance Report or any other information provided to the ACCC under this Plan and in light of subsequent operational experience with the application of the provisions of this Plan, the ACCC determines that the provisions of this Plan do not comply with the General Principles, then the ACCC may issue a direction to Telstra under clause 26(b), requiring Telstra to lodge a draft variation to this Plan in accordance with section 577BF of the Act, which variation is intended to ensure that the Plan is brought back into compliance with the General Principles.
- (b) A direction from the ACCC under this clause 26 must set out:
 - (i) those provisions of this Plan, and where applicable the manner of their operation, that in the ACCC's view no longer comply with the General Principles;
 - (ii) its reasons for holding that view; and
 - (iii) any steps which the ACCC reasonably considers Telstra should take, including any necessary variation to this Plan, in order to rectify the non-compliance.
- (c) Telstra will as soon as reasonably practicable and in any event within 40 Business Days of receiving a direction (or such longer period as permitted by

the ACCC), give the ACCC a draft variation to this Plan in accordance with section 577BF of the Act, and being one that:

- (i) takes into account the matters specified by the ACCC in its direction as well as such other matters as Telstra considers are relevant (for example, any alternative steps which Telstra has identified might be adopted in order to ensure compliance); and
 - (ii) ensures that the provisions of this Plan comply with the General Principles.
- (d) In assessing any draft variation submitted by Telstra under this clause 26, the ACCC may seek advice from the Adjudicator on the draft variation.
- (e) The ACCC will provide to Telstra a copy of any advice provided by the Adjudicator under clause 26(d) and will give Telstra a reasonable opportunity to comment on that advice.
- (f) If the ACCC in accordance with section 577BF of the Act refuses to approve a variation submitted by Telstra under clause 26(c), the ACCC will issue a final direction to Telstra which specifies:
- (i) any changes to the draft variation which Telstra is required to make in order for it to be approved; and
 - (ii) the reasons why those changes are required.
- (g) Within not less than 20 Business Days of the date which it receives a draft direction, or such longer period as the ACCC allows, Telstra will submit a variation under section 577BF of the Act that complies with the final direction.
- (h) For clarity nothing in this Plan operates to make any inconsistency or non-compliance which develops between a provision of this Plan or the manner of its operation and the General Principles a contravention by Telstra of this Plan.

27 Compliance

- (a) The duties of the Director of Equivalence will include responsibility for overseeing compliance by Telstra with the obligations set out in this Plan.
- (b) Telstra's compliance with this Plan will form part of the same compliance monitoring and reporting processes as apply in respect of the Undertaking, as set out in Part E of the Undertaking.

28 Variation of an Existing Process or development of new or modified Disconnection Measures

28.1 ACCC or the Adjudicator to consider compliance of Existing Processes with General Principles 8 and 21

- (a) Where the ACCC or Adjudicator (**Relevant Decision Maker**) reasonably considers that use by Telstra of:

- (i) an Existing Process to implement and manage disconnection of Copper Services (including existing local number portability processes) at Premises within the Fibre Footprint; or
- (ii) a standard operating system, interface or an Existing Process to receive and process disconnection orders from Wholesale Customers in respect of Copper Services at Premises within the Fibre Footprint,

is inconsistent with General Principles 8 and 21, the Relevant Decision Maker may issue a direction to Telstra, setting out the nature of the inconsistency and directing Telstra to submit a proposal under this clause 28 to resolve the inconsistency.

- (b) If the ACCC is the Relevant Decision Maker, in determining whether or not to issue a direction under clause 28.1(a) the ACCC may consult with, and seek the views of, the Adjudicator.
- (c) The ACCC will provide to Telstra a copy of any advice provided by the Adjudicator under clause 28.1(b) and will give Telstra a reasonable opportunity to comment on that advice.
- (d) Within 20 Business Days of the date it receives a direction under clause 28.1(a), or as otherwise agreed with the Relevant Decision Maker, Telstra will provide a response to the Relevant Decision Maker that either:
 - (i) it does not accept that there is an inconsistency of the kind identified by the Relevant Decision Maker in the direction; or
 - (ii) it accepts that there is, or may be, an inconsistency of the kind identified in the direction, in which case Telstra will provide a proposal (**Variation Proposal**) setting out:
 - (A) where the inconsistency involves an Existing Process used to implement and manage disconnection of Copper Services:
 - (1) a modification to the Existing Process (to the extent to which the Existing Process is within Telstra's control); or
 - (2) any new process, measure or action that Telstra uses to implement and manage disconnection of Copper Services (**Disconnection Measure**);
 - (3) a modification to an existing Disconnection Measure; and
 - (B) where the inconsistency involves a standard operating system, interface or an Existing Process used to receive and process disconnection orders – by modifying the standard operating system, interface or Existing Process.
- (e) The Relevant Decision Maker may, but is not required to, publish for public consultation its direction and any non confidential parts of Telstra's response.
- (f) If the ACCC is the Relevant Decision Maker, in assessing any response submitted by Telstra under this clause 28.1(d), including any Variation Proposal, the ACCC may seek advice from the Adjudicator.

- (g) The ACCC will provide to Telstra a copy of any advice provided by the Adjudicator under clause 28.1(f) and will give Telstra a reasonable opportunity to comment on that advice.
- (h) Within 60 Business Days of receiving a response from Telstra under clause 28.1(c), the Relevant Decision Maker will issue a final determination to Telstra that states whether it considers there is an inconsistency of the kind identified under clause 28.1(a), including providing reasons for reaching its conclusion.
- (i) If the Relevant Decision Maker considers that there is an inconsistency of the kind identified under clause 28.1(a), the final determination must either:
- (i) require Telstra to implement its Variation Proposal; or
 - (ii) if the Relevant Decision Maker does not accept that the Variation Proposal would resolve the inconsistency, require Telstra to submit an amended Variation Proposal that does so. The final determination may identify specific amendments which the Relevant Decision Maker considers could be made by Telstra to the Variation Proposal to resolve the inconsistency.
- (j) If a final determination requires Telstra to implement a Variation Proposal, under clause 28.1(i)(i), Telstra must implement the Variation Proposal in accordance with its terms.
- (k) If a final determination requires Telstra to resubmit an amended Variation Proposal under clause 28.1(i)(ii), Telstra will within 60 Business Days of the date of the final determination, or such longer period as the Relevant Decision Maker permits lodge with the Relevant Decision Maker an amended Variation Proposal that resolves the inconsistency of the kind identified under clause 28.1(a).
- (l) Telstra will implement any amended Variation Proposal which is lodged with a Relevant Decision Maker under clause 28.1(k) in accordance with its terms..

28.2 Limits on ACCC and Adjudicator determinations

- (a) The ACCC and Adjudicator must not exercise any power or perform any function under this Plan or the Undertaking, including in respect of any direction or determination made or issued under this clause 28, if or to the extent that doing so has the effect or likely effect of:
- (i) preventing Telstra from disconnecting Soft Dial Tone to a Premises at the date that is the relevant date for that Premises under clause 20; or
 - (ii) preventing Telstra from disconnecting Premises which are Passed in each Rollout Region as part of the Managed Disconnection process under clause 14 within the period of the applicable Disconnection Window under clause 14 or 15; or
 - (iii) preventing Telstra from disconnecting each SS Class of Direct Special Services and Special Service Inputs on and from a Disconnection Date applicable to the relevant Direct Special Services and Special Service Inputs as determined in accordance with clause 21; or
 - (iv) preventing Telstra from disconnecting any other fixed line carriage services supplied using a Copper Path without notice when, as requested

by a Retail Customer, Telstra disconnects a Standard Telephone Service supplied using that Copper Path; or

- (v) preventing Telstra from disconnecting any other fixed-line carriage services supplied using a Copper Path without notice when, as requested by a Wholesale Customer, Telstra disconnects a Wholesale Line Rental service supplied using that Copper Path.
- (b) In making or issuing any determination, direction or order under this Plan (including without limitation in making a determination under any of clauses 5, 13, 24, 26, 28, 29 or 31), the Relevant Decision Maker must have regard to:
 - (i) the costs to Telstra involved in taking the action specified. In assessing those costs, the Relevant Decision Maker must have regard to costs of Telstra modifying or replacing any Existing Process or establishing any new or modified Disconnection Measure within and outside the Fibre Footprint where it would be inefficient for Telstra to operate different processes within the Fibre Footprint and outside the Fibre Footprint;
 - (ii) the effectiveness of the action; and
 - (iii) the relative costs and benefits of not taking that action, including the materiality of the consequences of continuing to rely on the Existing Processes.
- (c) Any directions, determinations or orders by a Relevant Decision Maker under this Plan are subject to monetary caps as follows:
 - (i) Telstra is not required to incur total costs of more than \$1,000,000 in implementing any determination which requires it to:
 - (A) modify an Existing Process;
 - (B) modify any standard operating system or interface;
 - (C) develop a new Required Measure or modify an existing Required Measure; or
 - (D) develop a new or modified Disconnection Measure,unless the Relevant Decision Maker demonstrates in its determination that:
 - (E) the steps required to be undertaken by Telstra to comply with the determination are the least cost solution to resolve the concern which is the subject of the determination; and
 - (F) the cost to Telstra of complying with the determination is outweighed by the relative benefits, including the materiality of the consequences of continuing to rely on Existing Processes or systems; and
 - (ii) Telstra is not required to incur total costs of more than \$10,000,000 in any calendar year in implementing determinations made by a Relevant Decision Maker under this Plan.

- (iii) For clarity, the capacity for the Adjudicator to exceed the monetary cap in clause 28.2(c)(i) in relation to one or more determinations remains subject to the annual monetary cap that applies in sub-clause 28.2(c)(ii).

28.3 Wholesale Customer Modification Proposals

- (a) A Wholesale Customer may itself, or jointly with one or more other Wholesale Customers, at any time submit to Telstra a request in writing for:
 - (i) a modification of any of the existing standard Telstra processes set out in Schedule 1; or
 - (ii) a modification to a Disconnection Measure,
(Modification Proposal).
- (b) Each Modification Proposal must specify the reasons for the requested variation to an Existing Processes or a Disconnection Measure, including the implications for the Migration process if the Modification Proposal is not adopted.
- (c) As soon as practicable after the date it receives a Modification Proposal from a Wholesale Customer, Telstra will:
 - (i) provide the Adjudicator and ACCC with a copy of the Modification Proposal; and
 - (ii) make it publicly available for comment, for example by publishing a copy of the Modification Proposal on the Telstra Wholesale web site.
- (d) Telstra will consult in good faith with the relevant Wholesale Customer(s), and such other persons as Telstra considers appropriate, on the Modification Proposal in order to understand and reasonably assess:
 - (i) the benefits and costs associated with the Modification Request;
 - (ii) any alternatives which may offer a more effective or proportionate means of achieving similar or comparable benefits;
 - (iii) where a Modification Proposal involves the replacement or modification of an Existing Process, interface or system – any legacy processes, interfaces or systems that Telstra would shut down as part of any implementation of the Modification Proposal; and
 - (iv) whether the Modification Proposal, or implementation of any alternative process variation or modified Disconnection Measure, is reasonably necessary in order to ensure the continued compliance of this Plan with the Plan Objectives and General Principles 8 and 21.
- (e) As soon as reasonably practicable, and in any event within 60 Business Days of the date that Telstra receives a Modification Proposal (or such longer period as Telstra and the relevant Wholesale Customer(s) agree or, if they cannot agree, the Adjudicator determines), Telstra will respond in writing to the Wholesale Customer(s), setting out:
 - (i) in circumstances where Telstra proposes to make a modification to the Existing Process or Disconnection Measure:

- (A) a description of the modification which Telstra proposes to make;
 - (B) modifications which Telstra reasonably considers will be required in the processes, practices or systems of Wholesale Customers in order to implement the modification;
 - (C) the proposed timetable for implementing the modification; and
 - (D) details of any engagement process which Telstra intends to establish with Wholesale Customers or relevant industry bodies in order to manage the development and/or implementation of the modification; or
- (ii) in circumstances where Telstra does not intend to make any modification to the Existing Process or Disconnection Measure:
 - (A) the reasons for rejecting the Modification Request;
 - (B) a brief description of alternatives, if any, which Telstra considered and the reasons for rejecting those alternatives; and
 - (C) where applicable, details of any further engagement process which Telstra intends to establish with Wholesale Customers in order to address the concern raised in the Modification Proposal.
- (f) As soon as reasonably practicable after Telstra provides a response to the Wholesale Customer(s) under clause 28.3(e), it will:
 - (i) provide a copy of the Modification Proposal and its response to the ACCC and the Adjudicator; and
 - (ii) publish a copy of the Modification Proposal and its response on the Wholesale Business Unit web site.
- (g) If a Wholesale Customer (whether or not the Wholesale Customer is that which originally lodged the Modification Proposal with Telstra) does not accept Telstra's proposed response under clause 28.3(e), the Wholesale Customer may within 10 Business Days after the date the response was published, refer the matter as a dispute to the Adjudicator under clause 31. If there has been no such referral within that time the Modification Proposal is deemed to have been accepted by all Wholesale Customers. Where more than one Wholesale Customer refers issues or concerns related to the same Modification Proposal response, the Adjudicator must deal with those issues or concerns in a coordinated and efficient manner, including wherever possible by making only one final determination in respect of each proposed Modification Proposal response.
- (h) Telstra will:
 - (i) implement any Modification Proposal which is accepted or which is deemed accepted by all Wholesale Customers under this clause 28.3; and
 - (ii) if a variation to this Plan is required, promptly submit a variation of this Plan to the ACCC under section 577BF of the Act in order to give effect to the agreed modification to the Existing Process or Disconnection Measure.

- (i) If a Modification Proposal is not accepted or deemed to be accepted by all Wholesale Customers under this clause 28.3, Telstra will implement the Modification Proposal in accordance with any final determination made by the Adjudicator in relation to the matter under clause 30.
- (j) Subject to any determination of the Adjudicator under clause 31, nothing in this clause 28.3 requires Telstra to accept or implement a Modification Proposal.

29 Testing of new or modified disconnection processes

29.1 Telstra may undertake tests of new or modified processes, systems and interfaces and systems

- (a) Where this Plan otherwise requires Telstra to use a standard Existing Process, interface or system, it may use an alternative or modified process, system of interface, provided that it does so as part of a bona fide test undertaken in accordance with this clause 29.
- (b) In the course of developing or implementing under this Plan:
 - (i) a Required Measure;
 - (ii) a new or modified Disconnection Measure; or
 - (iii) any modification to a standard disconnection process, interface or system,

Telstra may notify the ACCC that Telstra intends to undertake testing of one or more new or modified processes, systems or interfaces (**Process Test Notice**).

- (c) A Process Test Notice must specify:
 - (i) the process, system or interface that is being tested;
 - (ii) the date on which testing will commence and the intended duration of the testing;
 - (iii) the participants involved in the test (including confirmation that any participants have consented to being involved); and
 - (iv) any other matters which Telstra reasonably considers may assist the ACCC to assess the appropriateness of Telstra's proposed test.
- (d) Subject to clause 29.1(e), Telstra may undertake any testing which has been notified to the ACCC under a Process Test Notice, in accordance with that Process Test Notice.
- (e) At any time after it receives a Process Test Notice, the ACCC may issue a notice to Telstra indicating that the ACCC has concerns about testing proposed under the Process Test Notice and which specifies:
 - (i) the nature of the concerns which the ACCC has in relation to the testing;
 - (ii) any further information or evidence which the ACCC reasonably requires Telstra to provide in order to satisfy itself of the appropriateness of the testing; and

- (iii) any amendment to the Process Test Notice, including any modification to the test plan required in order to resolve the ACCC's concerns.
- (f) Where Telstra receives an ACCC notice under clause 29.1(e), in respect of proposed testing, Telstra will:
 - (i) if testing has not yet commenced – not proceed with the test; or
 - (ii) if testing has commenced – as soon as practicable, suspend or cease the testing,

in each case unless and until the ACCC's concerns have been resolved in accordance with clause 29.1(e).
- (g) Telstra may (at its discretion) at any time after receiving a notice from the ACCC under clause 29.1(e), issue a modified Process Test Notice to the ACCC which is amended to seek to resolve the ACCC's concerns. An amended Process Test Notice issued by Telstra under this clause 29.1(g) will take effect as if it were issued under clause 29.1(b).

29.2 No requirement for duplication of processes, interfaces or systems

- (a) Where Telstra develops a new or modified process, interface or system under this Plan, it may identify as part of the related implementation arrangements any legacy processes, interfaces or systems that will be replaced by the new or modified process, interface or system and which Telstra will shut down, partly or wholly, once the new or modified process, interface or system has been implemented.
- (b) For clarity, nothing in this Plan requires Telstra to continue to use or make available any process, interface or system which has been replaced by a new or modified one, approved and implemented in accordance with clause 4.3 or clause 28.
- (c) Subject to any contractual requirement to notify Wholesale Customers of changes in systems or processes, where a Required Measure, a new or varied Disconnection Measure or any other variation to this Plan requires a Wholesale Customer to implement a modification to its own systems or its interface with Telstra's systems, Telstra is not required under this Plan to:
 - (i) implement the existing standard process or new or varied Disconnection Measure in respect of that Wholesale Customer unless and until the necessary modification(s) have been made; or
 - (ii) bear any costs incurred by a Wholesale Customer in making any such modification to its systems or interfaces.

30 Telstra will consult with NBN Co about relevant matters under this Plan

Telstra will consult in good faith with NBN Co in respect of the following matters under this Plan:

- (a) before proposing any amendment, variation or modification of an existing standard process;

- For personal use only
- (b) in the course of developing a new Disconnection Measure or modifying any existing Disconnection Measure;
 - (c) in the course of developing Required Measures, including before submitting a proposed Required Measure to the ACCC under clause 5 and in the course of responding to any feedback received from the ACCC in relation to a proposed Required Measure;
 - (d) in the course of any process for rectification of this Plan under clause 26;
 - (e) prior to notifying the ACCC of the information Telstra provides to NBN Co, in accordance with clause 23; and
 - (f) prior to providing written notice to the ACCC about a test procedure in accordance with clause 29.
-

31 Dispute resolution process

- (a) A Wholesale Customer may refer any complaint or dispute under this Plan to the Adjudicator for resolution under and in accordance with the ITA Process set out in Schedule 5 to the Undertaking.
 - (b) For clarity, any dispute under this Plan be referred directly to the Adjudicator and is not required to be first referred to or dealt with by Telstra under the Accelerated Investigation Process.
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32 Functions and powers of the ACCC under the Plan

In accordance with section 577A(18) of the Act, this Plan provides for the ACCC to perform the following functions and exercise the following powers in respect of and subject to the requirements set out in this Plan:

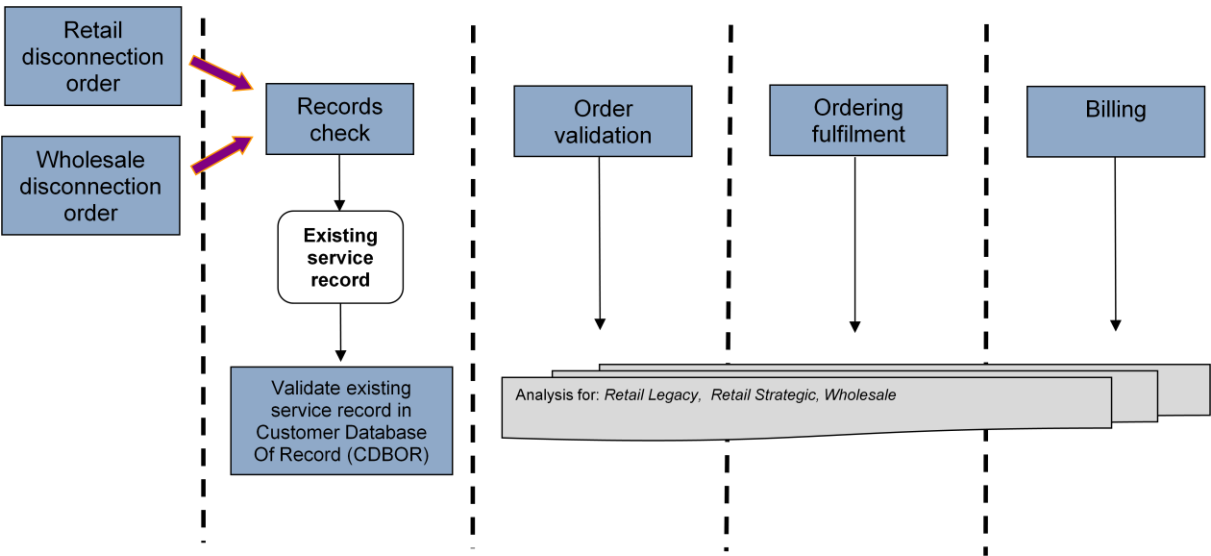
- (a) approve or reject a Required Measure under clauses 5, 21.5 and 24.3;
- (b) accept or reject an Order Stability Proposal under clause 13.2;
- (c) accept or reject the use or disclosure of NBN Co Migration Information notified by Telstra under clause 24.4;
- (d) request information from Telstra under clause 25.3;
- (e) require Telstra to rectify the provisions of this Plan under clause 26;
- (f) require Telstra to vary an Existing Process or develop a new or modified Disconnection Measure under clause 28; and
- (g) respond to a Process Test Notice as contemplated by clause 29.

Schedule 1 — Telstra existing standard processes for disconnection of Copper Services (other than Special Services)

1 Overview

Telstra’s existing standard processes for disconnection of retail and wholesale services comprise the following high level process steps: order capture (including records check, order validation and order modification); order fulfilment and billing.

These processes are depicted below. This diagram is provided for illustrative purposes only and should not be used as a basis for interpreting, construing or extrapolating the intended meaning of any statement in this Schedule.



Equivalence between retail and wholesale customers in disconnection orders is delivered through the use of one OSS platform for both wholesale and retail Business Units (made up of a number of individual system components). The single OSS platform accepts, prioritises, manages and fulfills disconnection orders from wholesale and retail customers in an equivalent manner based on the Telstra Commitment Date for disconnection. An illustration of the current IT systems used by Telstra to give effect to the existing standard processes for disconnection at the date of this Plan are set out in Annexure A to this Schedule. This diagram is provided for illustrative purposes only and should not be used as a basis for interpreting, construing or extrapolating the intended meaning of any statement in this Schedule.

Differences may naturally exist between the wholesale and retail systems and data flows. This is due to the degree of autonomy requested by and afforded to wholesale customers in order origination formats, the preference of wholesale customers to interact with Telstra’s BSS through their own systems and environments and the mediation layer required between the OSS and the retail and wholesale BSS built to the business requirements of retail and wholesale supply.

2 Disconnection of a Telstra retail voice service or wholesale voice service supplied using WLR (where the telephone number is not being ported)

2.1 Order capture (including records check and order modification)

(a) Order Capture - Retail STS Disconnection Order

Telstra will accept a disconnection order from a retail end user for a retail standard telephony service (**STS**) in a variety of forms and through a variety of originating processes through which the Telstra Retail Business Units deal with their customers (including by different customer segment). A retail customer may currently contact Telstra by telephone, in person or via correspondence either directly or via one of Telstra's indirect retail sales channels.

The order is typically handled by a customer service representative who will directly manually key the order into the appropriate order capture system within Telstra's retail BSS (eg EMPTOR / STS / Siebel) and conduct a records check to verify the customer's identity, confirm the customer record exists in the Customer Database of Record (**CDBOR**) and that the person contacting Telstra is authorised to disconnect the service.

The retail customer can nominate the day and time (morning or afternoon) on which they would like the disconnection to take effect (**Customer Requested Date** or **CRD**).

Telstra's consumer Retail Business Unit has set an additional business rule for their customers that limits the CRD to a maximum of 12 months after the disconnection order is received by Telstra.

Telstra will set a Telstra Commitment Date (**TCD**) for disconnection for the purposes of the internal work flow orders that are passed to the OSS which is the same as the CRD except in the following circumstances.

- If the CRD is a Sunday or a public holiday (based on service location), the TCD will be the next day which is not a Sunday or a public holiday (based on service location).
- If the CRD is the date on which the disconnection order is received by Telstra and the order is received later than 5:00 pm (local time based on service location) on that day, the TCD will be the next day which is not a Sunday or public holiday (based on service location), unless the relevant exchange calendar is open at the time the order is created. Where an exchange calendar is open, it is open for both wholesale and retail disconnection orders.
- If the CRD is before the end of any minimum disconnection notice period contractually agreed between Telstra and the customer¹, the TCD will be the

¹ Some of Telstra's contractual arrangements with customers contain minimum notice periods for service cancellation. For example, "the customer may cancel a service under this agreement by giving Telstra 30 days' written notice".

next day which is not a Sunday or a public holiday (based on service location) after the end of the minimum disconnection notice period.

The circumstances in which Telstra will not meet the customer's CRD for disconnection are substantially the same as between retail and wholesale.

In exceptional circumstances (eg where the recovery of customer premises equipment is required) the disconnection of an STS may require a site visit from a communications technician. In these circumstances, the TCD will be the next day on which an appointment slot with a communications technician is available (or some later day agreed with the retail customer).

Where Telstra sets a TCD for disconnection which is different to the customer's CRD for disconnection, the retail customer is informed of the TCD for disconnection (either over the telephone, in person or in writing depending on how the retail customer placed the disconnection order). If the TCD is not convenient for the retail customer, the retail customer can modify their disconnection order in accordance with the order modification process described below.

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control).

(b) Order Capture – Wholesale WLR Disconnection Order

Wholesale customers accept disconnection orders from wholesale end users for a wholesale voice service supplied using WLR in a variety of forms and through a variety of originating processes.

The order is typically handled by a customer service representative who will directly manually key the order into an order capture system within the wholesale customer's BSS and conduct a records check to verify the customer's identity, confirm the customer record exists in the wholesale customer's CDBOR and that the person contacting the wholesale customer is authorised to disconnect the service.

Telstra will accept a disconnection order for a wholesale voice service supplied using WLR from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes LinxOnline Ordering (**LOLO**) and the newer B2B-enabled LinxOnline Interaction Gateway (**LOLIG**)). Telstra's Wholesale BSS layer is highly automated and provides system to system level delivery of service orders into Telstra's OSS with capacity to handle high order volumes. Telstra currently receives substantially most of disconnection orders from wholesale customers through these B2B systems.²

Where a wholesale customer is unable to, or chooses not to, interface with LOLO or LOLIG, Telstra will accept a disconnection order for a WLR Service via Telstra's wholesale customer service representatives.

² Telstra has given enforceable commitments in relation to the service availability of those BSS systems available to Wholesale Customers to access LOLO and LOLIG, either through a B2B interface or the Wholesale Portal, in clause 12 of the Undertaking.

In addition, if a WLR Service disconnection order is received from a wholesale customer via Telstra's wholesale BSS layer and either the WLR Service has associations or associated services or the LOLO or LOLIG interface otherwise fails to submit the order for any reason, the order will proceed down a manual path and be processed by Telstra's wholesale customer service representatives.

Where a disconnection order is processed manually by a wholesale customer service representative, the wholesale customer service representative enters the disconnection order data directly into Telstra's OSS (currently via an interface to the AXIS system).

The wholesale customer can nominate the day and time (morning or afternoon) on which they would like the disconnection to take effect (**Customer Requested Date or CRD**).

Telstra will set a Telstra Commitment Date (**TCD**) for disconnection for the purposes of the internal work flow orders that are passed to the OSS which is the same as the CRD except in the following circumstances:

- if the CRD is a Sunday or a public holiday (based on service location);
- if the CRD is the date on which the disconnection order is received by Telstra and the order is received later than 5:00 pm (local time based on service location) on that day, unless the order is processed directly through the LOLO or LOLIG interface and the relevant exchange calendar is open at the time the order is created. Where an exchange calendar is open, it is open for both wholesale and retail disconnection orders; or
- if the CRD is before the end of any minimum disconnection notice period contractually agreed between Telstra and the customer.³

The circumstances in which Telstra will not meet the customer's CRD for disconnection are substantially the same as between retail and wholesale.

Where a wholesale customer nominates a CRD which Telstra is unable to meet, the wholesale customer is informed (either through Telstra's Wholesale BSS Layer or via Telstra's wholesale customer service representatives depending on how the wholesale customer placed the disconnection order) and prompted to nominate an alternative CRD. Telstra will not set a TCD for disconnection until the wholesale customer nominates an alternative CRD which Telstra can meet.

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control).

³ Some of Telstra's contractual arrangements with customers contain minimum notice periods for service cancellation. For example, "the customer may cancel a service under this agreement by giving Telstra 30 days' written notice".

(c) Order validation - Retail STS Disconnection Order

The disconnection order is validated by a combination of retail BSS system enforced rules and Telstra retail business processes prior to being submitted to OSS for fulfillment. These rules of validation are a service qualification check to determine whether a commitment is required and, if so, to ensure that a CRD has been nominated and a TCD has been scheduled. This also tests that the CRD is not prior to the date of application (i.e. it has not already passed).

Once the disconnection order is validated, it flows into Telstra's OSS (currently via an interface to the AXIS system).

(d) Order validation - Wholesale WLR Disconnection Order

For disconnections, the wholesale customer submits a FNN and a CRD for disconnection, and validation is required to establish whether the service for that FNN is owned by the submitting wholesale customer, and the CRD is today or in the future.

Once the disconnection order is validated, it flows into Telstra's OSS (currently via an interface to the AXIS system).

(e) Order Modification - Retail STS Disconnection Order

A retail customer can modify its retail STS disconnection order at any time prior to the point at which the OSS Activation Manager (currently Autocat) executes the disconnection tasks in the network. Modifications may include withdrawing the disconnection order or changing the CRD for the order which, in accordance with the rules above, will translate to a new TCD for disconnection.

Telstra will accept an order modification request from a retail customer in a variety of forms and through a variety of originating processes. For example, a retail customer may contact Telstra by telephone, in person or via correspondence either directly or via one of Telstra's indirect retail sales channels. The order modification is typically handled by a customer service representative who will directly manually key the order modification into the appropriate order capture system (eg EMPTOR / STS / Siebel) which comprises part of the retail BSS.

(f) Order Modification – Wholesale WLR Disconnection Order

A wholesale customer can modify its WLR disconnection order at any time prior to the point at which the OSS Activation Manager (currently Autocat) executes the disconnection tasks in the network. Modifications may include withdrawing the disconnection order or changing the CRD for the order which, in accordance with the rules above, will translate to a new TCD for disconnection.

Telstra will accept a disconnection order modification request via Telstra's wholesale front of house (the Wholesale Service Centre). In the Wholesale Service Centre the order modification is handled by a customer service representative who will directly manually key the order modification into Telstra's OSS (currently via an interface to the AXIS system).

In addition, Telstra will accept a WLR disconnection order modification request from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes LinxOnline Ordering (**LOLO**) and the newer B2B-enabled LinxOnline Interaction Gateway (**LOLIG**)). A wholesale customer can modify its WLR disconnection order via LOLO or LOLIG at any date prior to the TCD.

2.2 Order fulfilment

(a) Receiving orders in the OSS

Once a disconnection order is captured and validated in the relevant BSS it is passed to a system within the OSS (currently *AXIS*) which deconstructs and orchestrates the various order components, determining the network-related and other manual tasks required to complete the order. The various task components are then delivered to another system within the OSS (currently *NPAMS*), which performs automatic and manual network plant assignment tasks and confirms completion back to *AXIS*.

If any tasks are required to be completed at an exchange, *AXIS* delegates those tasks to a separate system (currently 'Service Order Manager Back End' (*SOMBE*)). *SOMBE* determines and manages those tasks necessary within an exchange. If required, *SOMBE* also deconstructs the order components further and initiates the systems responsible for creating manual work orders and returns any requirement for field work to Telstra's field workforce management system (currently *CONNECT*) (eg where retrieval of customer premises equipment is required).

(b) Prioritising and Processing Orders

Once wholesale and retail disconnection orders enter the OSS, they are processed by the relevant systems based solely on the relevant TCD for disconnection.

Following completion of a wholesale disconnection, Telstra will notify the relevant wholesale customer through its daily event file supplied through Telstra's eBill system (or through its monthly invoice in the exceptional circumstance that the wholesale customer does not use Telstra's eBill system).

Telstra does not typically⁴ notify the relevant retail customer following completion of a retail disconnection (other than through its final Bill for the relevant service).

(c) Cessation of Charging and Final Billing

Telstra will discontinue charging a retail customer on and from the date of disconnection of the STS. If the date of disconnection is later than the TCD for disconnection for any reason charges will apply until the relevant retail order capture system notifies order completion to the relevant retail billing system.

Telstra's retail Business and Enterprise and Government Business Units will apply business rules to manually credit customers in the event that the TCD for disconnection is set at the end of a contractually agreed minimum notice period for service cancellation, but disconnection actually occurs after the TCD for some reason.

Telstra will discontinue charging a wholesale customer on and from the date of disconnection of the WLR service. If the date of disconnection is later than the TCD for disconnection for any reason, charges will apply until the disconnection order completion is notified to the relevant wholesale billing system. However, Telstra's

⁴ Telstra has individualised customer notification processes with some of its larger account managed customers.

Wholesale Business Unit will apply business rules to manually credit the wholesale customer for the proportion of the WLR access charges billed by Telstra reflecting the period between the date of disconnection and the TCD for disconnection (calculated on a pro rata basis). Telstra will calculate and apply this credit to wholesale customers on a quarterly basis.

Telstra will finalise and submit any final Bill to the retail customer for the STS and the wholesale customer for the WLR Service in accordance with the billing arrangements contractually agreed between Telstra and that customer.

3 Disconnection of a copper broadband service (retail copper broadband or Wholesale ADSL Layer 2) or LSS due to the disconnection of the voice service (STS or WLR) using the same Copper Path (where the phone number is not being ported)

3.1 Overview

Where a retail or wholesale customer orders the disconnection of their copper voice service (STS or WLR), any retail copper broadband service or Wholesale ADSL Layer 2 Service or LSS using the same Copper Path will also be disconnected, whether supplied by the same provider to the end user or by a different provider. This same rule applies to services supplied by a Telstra Retail Business Unit and a service supplied by a wholesale customer.

The disconnection of the retail copper broadband service or Wholesale ADSL Layer 2 Service or LSS is driven by the voice disconnection order itself through system enforced rules, rather than as separate disconnection orders in their own right.

3.2 Order capture (including records check and order modification)

(a) Order Capture - Retail

Telstra will accept a disconnection order from a retail end user for a retail standard telephony service (**STS**) in a variety of forms and through a variety of originating processes through which the Telstra Retail Business Units deal with their customers (including by different customer segment). For example, a retail customer may currently contact Telstra by telephone, in person or via correspondence either directly or via one of Telstra's indirect retail sales channels.

The order is typically handled by a customer service representative who will directly manually key the order into the appropriate order capture system within Telstra's retail BSS (eg EMPTOR / STS / Siebel) and conduct a records check to verify the customer's identity, confirm the customer record exists in the CDBOR and that the person contacting Telstra is authorised to disconnect the service.

The retail customer can nominate the day and time (morning or afternoon) on which they would like the disconnection to take effect (**Customer Requested Date** or **CRD**).

Telstra's consumer Retail Business Unit has set an additional business rule for their customers that limits the CRD to a maximum of 12 months after the disconnection order is received by Telstra.

Telstra will set a Telstra Commitment Date (**TCD**) for disconnection for the purposes of the internal work flow orders that are passed to the OSS which is the same as the CRD except in the following circumstances.

- If the CRD is a Sunday or a public holiday (based on service location), the TCD will be the next day which is not a Sunday or a public holiday (based on service location).
- If the CRD is the date on which the disconnection order is received by Telstra and the order is received later than 5:00 pm (local time based on service location) on that day, the TCD will be the next day which is not a Sunday or public holiday (based on service location), unless the relevant exchange calendar is open at the time the order is created. Where an exchange calendar is open, it is open for both wholesale and retail disconnection orders.
- If the CRD is before the end of any minimum disconnection notice period contractually agreed between Telstra and the customer, the TCD will be the next day which is not a Sunday or a public holiday (based on service location) after the end of the minimum disconnection notice period.⁵

These circumstances are substantially the same as between retail and wholesale.

In exceptional circumstances (eg where the recovery of customer premises equipment is required) the disconnection of an STS may require a site visit from a communications technician. In these circumstances, the TCD will be the next day on which an appointment with a communications technician is available (or some later day agreed with the retail customer).

Where Telstra sets a TCD for disconnection which is different to the customer's CRD for disconnection, the retail customer is informed of the TCD for disconnection (either over the telephone, in person or in writing depending on how the retail customer placed the disconnection order). If the TCD is not convenient for the retail customer, the retail customer can modify their disconnection order in accordance with the order modification process described below.

Although manual exchange work (ie jumper removal) will always be required for disconnection of a LSS, this does not affect the TCD as the TCD is driven by the STS disconnection order. The manual exchange work will typically be performed after the TCD at a time that is convenient for Telstra.

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control).

(b) Order Capture – Wholesale

⁵ Some of Telstra's contractual arrangements with customers contain minimum notice periods for service cancellation. For example, "the customer may cancel a service under this agreement by giving Telstra 30 days' written notice".

Wholesale customers accept disconnection orders from wholesale end users for a wholesale voice service supplied using WLR in a variety of forms and through a variety of originating processes.

The order is typically handled by a customer service representative who will directly manually key the order into an order capture system within the wholesale customer's BSS and conduct a records check to verify the customer's identity, confirm the customer record exists in the wholesale customer's CDBOR and that the person contacting the wholesale customer is authorised to disconnect the service.

Telstra will accept a disconnection order for a wholesale voice service supplied using WLR from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes LinxOnline Ordering (**LOLO**) and the newer B2B-enabled LinxOnline Interaction Gateway (**LOLIG**)). Telstra's Wholesale BSS layer is highly automated and provides system to system level delivery of service orders into Telstra's OSS with capacity to handle high order volumes.

Where a whole customer is unable to, or chooses not to, interface with LOLO or LOLIG), Telstra will accept a disconnection order for a WLR Service via Telstra's wholesale customer service representatives.

In addition, if a WLR Service disconnection order is received from a wholesale customer via Telstra's wholesale BSS layer and either the WLR Service has associations or associated services or the LOLO or LOLIG interface otherwise fails to submit the order for any reason, the order will proceed down a manual path and be processed by Telstra's wholesale customer service representatives.

Where a disconnection order is processed manually by a wholesale customer service representative, the wholesale customer service representative enters the disconnection order data directly into Telstra's OSS (currently via an interface to the AXIS system comprising part of the OSS).

The wholesale customer can nominate the day and time (morning or afternoon) on which they would like the disconnection to take effect (**Customer Requested Date or CRD**).

Telstra will set a Telstra Commitment Date (**TCD**) for disconnection for the purposes of the internal work flow orders that are passed to the OSS which is the same as the CRD except in the following circumstances:

- if the CRD is a Sunday or a public holiday (based on service location);
- if the CRD is the date on which the disconnection order is received by Telstra and the order is received later than 5:00 pm (local time based on service location) on that day, unless the order is processed directly through the LOLO or LOLIG interface and the relevant exchange calendar is open at the time the order is created. Where an exchange calendar is open, it is open for both wholesale and retail disconnection orders; or

- if the CRD is before the end of any minimum disconnection notice period contractually agreed between Telstra and the customer.⁶

The circumstances in which Telstra will not meet the customer's CRD for disconnection are substantially the same as between retail and wholesale.

Where a wholesale customer nominates a CRD which Telstra is unable to meet, the wholesale customer is informed (either through Telstra's Wholesale BSS Layer or via Telstra's wholesale customer service representatives depending on how the wholesale customer placed the disconnection order) and prompted to nominate an alternative CRD. Telstra will not set a TCD for disconnection until the wholesale customer nominates an alternative CRD which Telstra can meet.

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control).

Manual exchange work (ie jumper removal) will always be required for disconnection of a LSS, however this does not affect the TCD as the TCD is driven by the WLR disconnection order. The manual exchange work will typically be performed after the TCD at a time that is convenient for Telstra.

(c) Order validation - Retail

The disconnection order is validated by a combination of retail BSS system enforced rules and Telstra retail business processes prior to being submitted to OSS for fulfillment. These rules of validation are a service qualification check to determine whether a commitment is required and, if so, to ensure that a CRD has been nominated and a TCD has been scheduled. This also tests that the CRD is not prior to the date of application (i.e. it has not already passed).

The disconnection of any copper broadband service (retail copper broadband or Wholesale ADSL Layer 2) or LSS using the same Copper Path as the STS is system driven in the OSS and is therefore not separately validated.

Once the disconnection order is validated, it flows into Telstra's OSS (currently via an interface to the AXIS system).

(d) Order validation - Wholesale

For disconnections, the wholesale customer submits a FNN and a CRD for disconnection, and validation is required to establish whether the service for that FNN is owned by the submitting wholesale customer, and the CRD is today or in the future.

The disconnection of any copper broadband service (retail copper broadband or Wholesale ADSL Layer 2) or LSS using the same Copper Path as the WLR Service is system driven in the OSS and is therefore not separately validated.

⁶ Some of Telstra's contractual arrangements with customers contain minimum notice periods for service cancellation. For example, "the customer may cancel a service under this agreement by giving Telstra 30 days' written notice".

Once the disconnection order is validated, it flows into Telstra's OSS (currently via an interface to the AXIS system).

(e) Order Modification - Retail STS Disconnection Order

A retail customer can modify its retail STS disconnection order at any time prior to the point at which the OSS Activation Managers (currently Autocat (for voice) or XDM (for retail copper broadband or Wholesale ADSL Layer 2) executes the disconnection tasks in the network. Modifications may include withdrawing the disconnection order or changing the CRD for the order which, in accordance with the rules above, will translate to a new TCD for disconnection.

Telstra will accept an order modification request from a retail customer in a variety of forms and through a variety of originating processes through which the Telstra Retail Business Units deal with their customers (including by different customer segment). For example, a retail customer may currently contact Telstra by telephone, in person or via correspondence either directly or via one of Telstra's indirect retail sales channels. The order modification is typically handled by a customer service representative who will directly manually key the order modification into the appropriate order capture system (eg EMPTOR / STS / Siebel) which comprise part of the retail BSS.

(f) Order Modification – Wholesale WLR Disconnection Order

A wholesale customer can modify its WLR disconnection order at any time prior to the point at which the OSS Activation Manager (currently Autocat) executes the disconnection tasks in the network. Modifications may include withdrawing the disconnection order or changing the CRD for the order which, in accordance with the rules above, will translate to a new TCD for disconnection.

Telstra will accept a disconnection order modification request via Telstra's wholesale front of house (the Wholesale Service Centre). In the Wholesale Service Centre the order modification is handled by a customer service representative who will directly manually key the order modification into Telstra's OSS (currently via an interface to the AXIS system).

In addition, Telstra will accept a WLR disconnection order modification request from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes LinxOnline Ordering (**LOLO**) and the newer B2B-enabled LinxOnline Interaction Gateway (**LOLIG**)).

A wholesale customer can modify its WLR disconnection order via LOLO or LOLIG at any date prior to the TCD.

3.3 Order fulfilment

(a) Receiving orders in the OSS

Once a voice disconnection order is captured and validated in the relevant BSS, it is passed to a system within the OSS (currently *AXIS*) which deconstructs and orchestrates the various order components, determining the network-related and other manual tasks required to complete the order.

If there is a retail copper broadband services or Wholesale ADSL Layer 2 service or LSS which uses the same Copper Path as the relevant STS or WLR Service, *AXIS* includes system enforced rules to automatically disconnect the retail copper broadband services or Wholesale ADSL Layer 2 service or LSS.

The various task components are then delivered to another system within the OSS (currently *NPAMS*), which performs automatic and manual network plant assignment tasks and confirms completion back to *AXIS*.

If any tasks are required to be completed at an exchange or in the network, *AXIS* delegates those tasks to a separate system (currently 'Service Order Manager Back End' (*SOMBE*)). *SOMBE* determines and manages those tasks necessary within an exchange or in the network to the appropriate OSS Activation Manager system (currently Autocat for STS/WLR and XDM for retail copper broadband/Wholesale ADSL Layer 2). If required, *SOMBE* also deconstructs the order components further and initiates the systems responsible for creating manual work orders and returns any requirement for field work to Telstra's field workforce management system (currently *CONNECT*) (eg where retrieval of customer premises equipment is required).

(b) Prioritising and Processing Orders

Once wholesale and retail disconnection orders enter the OSS, they are processed by the relevant systems solely based on the TCD for disconnection of the relevant voice service.

Following completion of a WLR Service disconnection, Telstra will notify the relevant wholesale customer through its daily event file supplied through Telstra's eBill system (or through its monthly invoice in the exceptional circumstance that the wholesale customer does not use Telstra's eBill system).

Telstra does not typically⁷ notify the relevant retail customer following completion of a retail STS disconnection (other than through its final Bill for the relevant service).

If the disconnection of an STS or WLR Service results in the disconnection of a Wholesale ADSL Layer 2 service or LSS provided using the same Copper Path, Telstra will notify the relevant wholesale customer after the disconnection of the Wholesale ADSL Layer 2 service or LSS through the relevant wholesale customer's daily event file supplied through Telstra's eBill system (or through its monthly invoice in the exceptional circumstance that the wholesale customer does not use Telstra's eBill system). This is the notification referred to in clause 12.2.

Any manual exchange work (ie jumper removal) required for disconnection of a LSS will typically be performed by Telstra after the TCD for disconnection of the relevant voice service at a time that is convenient for Telstra.

If the disconnection of an STS or WLR Service results in the disconnection of a retail copper broadband service provided using the same Copper Path, Telstra does not typically⁸ notify the relevant retail customer after disconnection of the retail copper broadband service (other than through its final Bill for the relevant service).

⁷ Telstra has individualised customer notification processes with some of its larger account managed customers.

⁸ Telstra has individualised customer notification processes with some of its larger account managed customers.

3.4 Cessation of Charging and Final Billing

(a) Cessation of charging for STS and WLR

Telstra will discontinue charging a retail customer for the STS on and from the date of disconnection of the STS service. If the date of disconnection is later than the TCD for disconnection for any reason charges will apply until the retail order capture system notifies order completion to the relevant retail billing system.

Telstra's retail Business and Enterprise and Government Business Units will apply business rules to manually credit customers in the event that the TCD for disconnection of the STS is set at the end of a contractually agreed minimum notice period for service cancellation, but disconnection actually occurs after the TCD for some reason.

Telstra will discontinue charging a wholesale customer for a WLR service on and from the date of disconnection of the WLR service. If the date of disconnection is later than the TCD for disconnection for any reason, charges will apply until the disconnection order completion is notified to the relevant wholesale billing system. However, Telstra's Wholesale Business Unit will apply business rules to manually credit the wholesale customer for the proportion of the WLR access charges billed by Telstra reflecting the period between the date of disconnection and the TCD for disconnection (calculated on a pro rata basis). Telstra will calculate and apply this credit to wholesale customers on a quarterly basis.

(b) Cessation of charging for broadband services or LSS using the same Copper Paths

Telstra will discontinue charging a retail customer for any retail copper broadband service which used the same Copper Path as the relevant voice service on and from the date of disconnection of the copper broadband service. If the date of disconnection is later than the TCD for disconnection of the relevant voice service for any reason charges will apply until the relevant retail order capture system notifies order completion to the relevant retail billing system.

Telstra will discontinue charging a wholesale customer for a Wholesale ADSL Layer 2 service or a wholesale LSS which used the same Copper Path as the relevant voice service on and from the date of disconnection of the relevant service. If the date of disconnection (excluding any manual exchange work) is later than the TCD for disconnection of the relevant voice service for any reason charges will apply until the disconnection order completion is notified to the relevant wholesale billing system. However, Telstra's Wholesale Business Unit will apply business rules to manually credit the wholesale customer for the proportion of the Wholesale ADSL Layer 2 or wholesale LSS access charges billed by Telstra reflecting the period between the date of disconnection and the TCD for disconnection (calculated on a pro rata basis). Telstra will calculate and apply this credit to wholesale customers on a quarterly basis.

(c) Final Billing

Telstra will finalise and submit any final Bill to the retail customer and/or the wholesale customer (as applicable) in accordance with the billing arrangements contractually agreed between Telstra and that customer.

4 Disconnection of a voice service (STS or WLR) and/or a copper broadband service (retail copper broadband,

Wholesale ADSL Layer 2 or LSS) (where the telephone number is being ported)

4.1 Order capture (including records check and order modification)

(a) Order Capture

Telstra will accept and process Local Number Porting (**LNP**) requests submitted from a Gaining Carrier/Carriage Service Provider (**CSP**) in accordance with the LNP Code.

The Gaining Carrier/CSP may elect for an LNP Request to be processed by Telstra using either the Category A Porting Process or the Category C Porting Process as outlined in the LNP Code depending on the nature of the services supplied in connection with the telephone number or numbers to be ported and in accordance with the LNP Code.

Telstra will accept and process LNP Requests (including associated Simple Notification Advices (**SNAs**), Electronic Cutover Advices (**ECAs**), Complex Notification Advices (**CNAs**) and Complex Cutover Advices (**CCAs**) each as defined in the code) via Telstra's Local Number Portability Carrier Interface System (**LNPCIS**) using the standard wholesale file transfer process for LNP requests, set out in the LNP IT Standard.

Telstra will generate a disconnection order for a copper voice service (STS or WLR Service) or copper broadband service (retail copper broadband, Wholesale ADSL Layer 2 or LSS) in accordance with the LNP Code, where Telstra receives a valid LNP request via LNPCIS in relation to the telephone number associated with that service.

(b) Order validation

Telstra will perform each validation and confirmation stage of either the Category A Porting Process or the Category C Porting Process (as applicable) in accordance with the LNP Code via Telstra's LNPCIS.

For the Category A Porting Process this includes (without limitation) each SNA validation, SNA confirmation/rejection advice, SNA retarget validation, SNA retarget confirmation/rejection advice, ECA validation and ECA confirmation/rejection advice.

For the Category C Porting Process this includes (without limitation) each CNA receipt advice, CNA validation, CNA confirmation/rejection advice, CNA withdrawal validation, CNA withdrawal confirmation/rejection advice, CCA receipt advice, CCA validation, CCA confirmation/rejection advice, CCA retarget receipt advice, CCA retarget validation, CCA retarget confirmation/rejection advice, CCA withdrawal validation and CCA withdrawal confirmation/rejection advice.

(c) Order Modification

Telstra will accept and process SNA retarget requests and SNA withdrawal requests submitted from a Gaining Carrier/CSP via Telstra's LNPCIS in accordance with the Category A Porting Process under the LNP Code.

Telstra will also accept and process a reversal of a porting request in accordance with the Category A Porting Process under the LNP Code. Where a customer rescinds or cancels an agreement in accordance with the applicable fair trading legislation during

the relevant Reversal Period (as defined under the LNP code), Telstra will only accept and process a reversal initiated by the Gaining Carrier/CSP via LNPCIS.

Telstra will accept and process CCA retarget requests and CCA or CNA withdrawal requests at a batch level via Telstra's LNPCIS in accordance with the Category C Porting Process under the LNP Code.

In accordance with the LNP Code, Telstra will not accept a reversal of a porting request under the Category C Porting Process, instead the Gaining Carrier/CSP must use the Emergency Return process outlined in the LNP Code.

4.2 Order fulfilment

(a) Receiving orders in the OSS

Once an LNP request has been accepted and validated by Telstra in accordance with the LNP Code, Telstra creates disconnection orders via Telstra's LNPCIS for any services associated with the relevant telephone number (including any copper voice service (STS or WLR) or copper broadband service (retail copper broadband, Wholesale ADSL Layer 2 or LSS) with a Telstra Commitment Date (**TCD**) for disconnection equal to the ECA submission date (for Cat A) or CCA porting date (for Cat C) as applicable. LNPCIS then passes the disconnection orders directly into Telstra's OSS Platform (currently via AXIS).

AXIS deconstructs and orchestrates the various order components, determining the network-related and other manual tasks required to complete the order. The various task components are then delivered to another system within the OSS (currently *NPAMS*), which performs automatic and manual network plant assignment tasks and confirms completion back to *AXIS*.

If any tasks are required to be completed at an exchange (eg jumper removal), *AXIS* delegates those tasks to a separate system (currently 'Service Order Manager Back End' (*SOMBE*)). *SOMBE* determines and manages those tasks necessary within an exchange.

(b) Prioritising and Processing Orders

Within the OSS, wholesale and retail disconnection orders are processed by the relevant systems based solely on the relevant TCD for disconnection.

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control). Telstra will complete the port (including all relevant service disconnections) in accordance with the LNP Code.

Telstra will notify each Losing Wholesale Customer of the disconnection of the relevant WLR Service, Wholesale ADSL Layer 2 Service or LSS in accordance with the LNP Code through the Wholesale Customer's daily event file supplied through

Telstra's eBill system (or through its monthly invoice in the exceptional circumstance that the wholesale customer does not use Telstra's eBill system).

Telstra does not typically⁹ notify a Losing Retail Customer of the disconnection of the relevant retail STS or retail copper broadband service (other than through its final Bill for the relevant service).

4.3 Cessation of Charging and Final Billing

(a) Cessation of charging

Telstra will cease to charge a retail customer for an STS or a retail copper broadband service on and from the date of disconnection of the relevant service. If the date of disconnection is later than the TCD for any reason, Telstra will cease to charge the retail customer on and from the point at which the relevant retail order capture system notifies disconnection order completion to the relevant retail billing system.

Telstra will cease to charge a wholesale customer for a WLR Service, a Wholesale ADSL Layer 2 Service or a LSS on and from the date of disconnection of the relevant service. If the date of disconnection (excluding any manual exchange work) is later than the TCD for any reason, charges will apply until the disconnection order completion is notified to the relevant wholesale billing system. However, Telstra's Wholesale Business Unit will apply business rules to manually credit the wholesale customer for the proportion of the access charges billed by Telstra reflecting the period between the date of disconnection and the TCD for disconnection (calculated on a pro rata basis). Telstra will calculate and apply this credit to wholesale customers on a quarterly basis.

(b) Final Billing

Telstra will finalise and submit any final Bill to each relevant retail customer and/or wholesale customer in accordance with the billing arrangements contractually agreed between Telstra and that customer.

5 Disconnection of a retail broadband service supplied over copper or a Wholesale ADSL Layer 2 Service in circumstances where a voice service using the same Copper Path is not disconnected.

5.1 Order capture (including records check and order modification)

(a) Order Capture - Retail Copper Broadband Service Disconnection Order

Telstra will accept a disconnection order from a retail end user for a retail copper broadband service in a variety of forms and through a variety of originating processes through which the Telstra Retail Business Units deal with their customers (including by

⁹ Telstra has individualised customer notification processes with some of its larger account managed customers.

different customer segment). For example, a retail customer may currently contact Telstra by telephone, in person or via correspondence either directly or via one of Telstra's indirect retail sales channels.

For simple disconnection orders, the order is typically handled by a customer service representative who will directly manually key the order into the appropriate order capture system within Telstra's retail BSS (eg Moby / EMPTOR / STS / Siebel) and conduct a records check to verify the customer's identity, confirm the customer record exists in the CDBOR and that the person contacting Telstra is authorised to disconnect the service.

The retail customer can nominate the day and time (morning or afternoon) on which they would like the disconnection to take effect (**Customer Requested Date or CRD**).

Telstra's consumer Retail Business Unit has set an additional business rule for their customers that limits the CRD up to a maximum of 30 calendar days after the disconnection order is received by Telstra.

Telstra will set a Telstra Commitment Date (TCD) for disconnection for the purposes of the internal work flow orders that are passed to the OSS which is the same as the CRD except in the following circumstances.

- If the CRD is a Sunday or a public holiday (based on service location), the TCD will be the next day which is not a Sunday or a public holiday (based on service location).
- If the CRD is the date on which the disconnection order is received by Telstra and the order is received later than 5:00 pm (local time based on service location) on that day, the TCD will be the next day which is not a Sunday or public holiday (based on service location), unless the relevant exchange calendar is open at the time the order is created. Where an exchange calendar is open, it is open for both wholesale and retail disconnection orders.
- If the CRD is before the end of any minimum disconnection notice period contractually agreed between Telstra and the customer, the TCD will be the next day which is not a Sunday or a public holiday (based on service location) after the end of the minimum disconnection notice period.¹⁰

The circumstances in which Telstra will not meet the customer's CRD for disconnection are substantially the same as between retail and wholesale.

Where Telstra sets a TCD for disconnection which is different to the customer's CRD for disconnection, the retail customer is informed of the TCD for disconnection (either over the telephone, in person or in writing depending on how the retail customer placed the disconnection order). If the TCD is not convenient for the retail customer, the retail customer can modify their disconnection order in accordance with the order modification process described below.

¹⁰ Some of Telstra's contractual arrangements with customers contain minimum notice periods for service cancellation. For example, "the customer may cancel a service under this agreement by giving Telstra 30 days' written notice".

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control).

(b) Order Capture – Wholesale ADSL Layer 2 Service Disconnection Order

Wholesale customers accept disconnection orders from wholesale end users for a Wholesale ADSL Layer 2 Service in a variety of forms and through a variety of originating processes.

The order is typically handled by a customer service representative who will directly manually key the order into an order capture system within the wholesale customer's BSS and conduct a records check to verify the customer's identity, confirm the customer record exists in the wholesale customer's CDBOR and that the person contacting the wholesale customer is authorised to disconnect the service.

Telstra will accept a disconnection order for a **Wholesale ADSL Layer 2 Service** from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes LinxOnline Ordering (**LOLO**) and the newer B2B-enabled LinxOnline Interaction Gateway (**LOLIG**)). Telstra's Wholesale BSS layer is highly automated and provides system to system level delivery of service orders into Telstra's OSS with capacity to handle high order volumes. Telstra currently receives substantially most of disconnection orders from wholesale customers through these B2B systems.

Where a wholesale customer is unable to, or chooses not to, interface with LOLO or LOLIG), Telstra will accept a disconnection order for a Wholesale ADSL Layer 2 Service via Telstra's wholesale customer service representatives.

In addition, if a Wholesale ADSL Layer 2 Service disconnection order is received from a wholesale customer via Telstra's wholesale BSS layer and the LOLO or LOLIG interface otherwise fails to submit the order for any reason, the order will proceed down a manual path and be processed by Telstra's wholesale customer service representatives.

Where a disconnection order is processed manually by a wholesale customer service representative, the wholesale customer service representative enters the disconnection order data directly into Telstra's OSS (currently via an interface to the AXIS system comprising part of the OSS).

The wholesale customer can nominate the day and time (morning or afternoon) on which they would like the disconnection to take effect (**Customer Requested Date or CRD**).

Telstra's Wholesale Business Unit has set an additional business rule for their customers that limits the CRD up to a maximum of 30 calendar days after the disconnection order is received by Telstra.

Telstra will set a Telstra Commitment Date (TCD) for disconnection for the purposes of the internal work flow orders that are passed to the OSS which is the same as the CRD except in the following circumstances:

- if the CRD is a Sunday or a public holiday (based on service location);
- if the CRD is the date on which the disconnection order is received by Telstra and the order is received later than 5:00 pm (local time based on service location) on that day, unless the order is processed directly through the LOLO or LOLIG interface and the relevant exchange calendar is open at the time the

order is created. Where an exchange calendar is open, it is open for both wholesale and retail disconnection orders; or

- if the CRD is before the end of any minimum disconnection notice period contractually agreed between Telstra and the customer.¹¹

The circumstances in which Telstra will not meet the customer's CRD for disconnection are substantially the same as between retail and wholesale.

Where a wholesale customer nominates a CRD which Telstra is unable to meet, the wholesale customer is informed (either through Telstra's Wholesale BSS Layer or via Telstra's wholesale customer service representatives depending on how the wholesale customer placed the disconnection order) and prompted to nominate an alternative CRD. Telstra will not set a TCD for disconnection until the wholesale customer nominates an alternative CRD which Telstra can meet.

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control).

(c) Order validation - Retail Copper Broadband Service Disconnection Order

The disconnection order is validated by a combination of retail BSS system enforced rules and Telstra retail business processes prior to being submitted to OSS for fulfillment. These rules of validation are a service qualification check to determine whether a commitment is required and, if so, to ensure that a CRD has been nominated and a TCD has been scheduled. This also tests that the CRD is not prior to the date of application (i.e. it has not already passed).

Once the disconnection order is validated, it flows into Telstra's OSS (currently via an interface to the AXIS system).

(d) Order validation - Wholesale ADSL Layer 2 Disconnection Order

For disconnections, the wholesale customer submits a FNN and a CRD for disconnection, and validation is required to establish whether the service for that FNN is owned by the submitting wholesale customer, and the CRD is no more than 30 calendar days in the future.

Once the disconnection order is validated, it flows into Telstra's OSS (currently via an interface to the AXIS system).

(e) Order Modification - Retail Copper Broadband Service Disconnection Order

A retail customer can modify its retail copper broadband service disconnection order at any time prior to the point at which the OSS Activation Manager (currently XDM) executes the disconnection tasks in the network. Modifications may include

¹¹ Some of Telstra's contractual arrangements with customers contain minimum notice periods for service cancellation. For example, "the customer may cancel a service under this agreement by giving Telstra 30 days' written notice".

withdrawing the disconnection order or changing the CRD for the order which, in accordance with the rules above, will translate to a new TCD for disconnection.

Telstra will accept an order modification request from a retail customer in a variety of forms and through a variety of originating processes through which the Telstra Retail Business Units deal with their customers (including by different customer segment). For example, a retail customer may currently contact Telstra by telephone, in person or via correspondence either directly or via one of Telstra's indirect retail sales channels. The order modification is typically handled by a customer service representative who will directly manually key the order modification into the appropriate order capture system (eg Moby / EMPTOR / STS / Siebel) which comprises part of the retail BSS.

(f) Order Modification – Wholesale ADSL Layer 2 Disconnection Order

A wholesale customer can modify its Wholesale ADSL Layer 2 service disconnection order at any time prior to the point at which the OSS Activation Manager (currently XDM) executes the disconnection tasks in the network. Modifications may include withdrawing the disconnection order or changing the CRD for the order which, in accordance with the rules above, will translate to a new TCD for disconnection.

Telstra will accept a disconnection order modification request via Telstra's wholesale front of house (the Wholesale Service Centre). In the Wholesale Service Centre the order modification is handled by a customer service representative who will directly manually key the order modification into Telstra's OSS (currently via an interface to the AXIS system).

In addition, Telstra will accept a Wholesale ADSL Layer 2 disconnection request from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes LinxOnline Ordering (LOLO) and the newer B2B-enabled LinxOnline Interaction Gateway (LOLIG)).¹²

A wholesale customer can modify its DSL disconnection order via LOLO or LOLIG at any date prior to the TCD.

5.2 Order fulfilment

(a) Receiving orders in the OSS

Once a disconnection order is captured and validated in the relevant BSS it is passed to a system within the OSS (currently AXIS) which deconstructs and orchestrates the various order components, determining the network-related and other manual tasks required to complete the order. The various task components are then delivered to another system within the OSS (currently NPAMS), which performs automatic and manual network plant assignment tasks and confirms completion back to AXIS.

¹² Telstra has given enforceable commitments in relation to the service availability of those BSS systems available to Wholesale Customers to access LOLO and LOLIG, either through a B2B interface or the Wholesale Portal, in clause 12 of the Undertaking.

Network tasks to be completed are delegated by *AXIS* to a separate system (currently 'Service Order Manager Back End' (*SOMBE*)). *SOMBE* determines and manages those tasks necessary within the network.

(b) Prioritising and Processing Orders

Once wholesale and retail disconnection orders enter the OSS, they are processed by the relevant systems based solely on the relevant TCD for disconnection.

Following completion of a wholesale disconnection, Telstra will notify the relevant wholesale customer through its daily event file supplied through Telstra's eBill system (or through its monthly invoice in the exceptional circumstance that the wholesale customer does not use Telstra's eBill system).

Telstra does not typically¹³ notify the relevant retail customer following completion of a retail disconnection (other than through its final Bill for the relevant service).

5.3 Cessation of charging and Final Billing

(a) Cessation of Charging

Telstra will discontinue charging a retail customer on and from the date of disconnection of the retail copper broadband service. If the date of disconnection is later than the TCD for disconnection for any reason charges will apply until the retail order capture system notifies order completion to the relevant retail billing system.

Telstra's retail Business and Enterprise and Government Business Units will apply business rules to manually credit customers in the event that the TCD for disconnection are set at the end of a contractually agreed minimum notice period for service cancellation, but disconnection actually occurs after the TCD for some reason.

Telstra will discontinue charging a wholesale customer on and from the date of disconnection of the Wholesale ADSL Layer 2 service. If the date of disconnection is later than the TCD for disconnection for any reason charges will apply until the disconnection order completion is notified to the relevant wholesale billing system. However, Telstra's Wholesale Business Unit will apply business rules to manually credit the wholesale customer for the proportion of the Wholesale ADSL Layer 2 access charges reflecting the period between the date of disconnection and the TCD for disconnection (calculated on a pro rata basis). Telstra will calculate and pay this credit to wholesale customers on a quarterly basis.

(b) Final Billing

Telstra will finalise and submit any final Bill to the retail customer or wholesale customer in accordance with the billing arrangements contractually agreed between Telstra and that customer.

¹³ Telstra has individualised customer notification processes with some of its larger account managed customers.

6 Disconnection of a wholesale ULL service.

6.1 Order capture (including records check and order modification)

(a) Order Capture

Telstra will accept a disconnection order for a wholesale ULL Service from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes ULLCIS). Wholesale customers can currently submit up to 4 files per day via FTP into ULLCIS.

Where a whole customer is unable to, or chooses not to, interface with ULLCIS), Telstra will accept a disconnection order for a wholesale ULL Service via Telstra's wholesale customer service representatives.

In addition, if a ULL Service disconnection order is received from a wholesale customer via Telstra's wholesale BSS layer and ULLCIS fails to submit the order into the OSS for any reason, the order will proceed down a manual path and be processed by Telstra's wholesale customer service representatives.

Where a disconnection order is processed manually by a wholesale customer service representative, the wholesale customer service representative enters the disconnection order data directly into Telstra's OSS (currently via an interface to the AXIS system comprising part of the OSS).

The wholesale customer can currently choose between a same day disconnection or a pending disconnection (**Customer Requested Date** or **CRD**). If the wholesale customer chooses a pending disconnection, it currently means that the customer has elected for the disconnection to take place 5 business days after the order is placed. Telstra will set a Telstra Commitment Date (**TCD**) for disconnection for the purposes of the internal work flow orders that are passed to the OSS which is the same as the CRD.

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control).

(b) Order validation

Telstra confirms its receipt of a ULL disconnection order to the relevant wholesale customer via ULLCIS.

The only validation performed is to confirm whether the service for the ULL service number submitted by the wholesale customer as part of its order is supplied to the submitting wholesale customer and that the customer has either selected a same day (immediate) disconnection order or a pending disconnection order.

If the disconnection order is not valid, Telstra sends a rejection advice to the relevant wholesale customer via ULLCIS.

(c) Order Modification

Same day ULL disconnection orders cannot be modified or withdrawn. Pending ULL disconnection orders can be withdrawn at any date prior to the TCD but cannot otherwise be modified.

Telstra will accept a pending ULL disconnection order withdrawal request via Telstra's Wholesale BSS layer (which currently includes ULLCIS) at any time prior to the point at which the order passed from Telstra's Wholesale BSS layer (which currently includes ULLCIS) to Telstra's OSS (currently via AXIS).

6.2 Order fulfilment

(a) Receiving orders in the OSS

Once a disconnection order is captured and validated it is passed to a system within the OSS (currently *AXIS*) which deconstructs and orchestrates the various order components, determining the network-related and other manual tasks required to complete the order. The various task components are then delivered to another system within the OSS (currently *NPAMS*), which performs automatic and manual network plant assignment tasks and confirms completion back to *AXIS*.

AXIS then delegates the tasks required to be completed at an exchange to a separate system (currently 'Service Order Manager Back End' (*SOMBE*)). *SOMBE* also deconstructs the order components further and initiates the systems responsible for creating manual work orders (currently *CONNECT*).

Telstra will recover the ULL jumper at the exchange at a time that is efficient for Telstra, this may be several days later than the TCD.

(b) Prioritising and Processing Orders

Once ULL disconnection orders enter the OSS, they are processed by the relevant systems based solely on the relevant TCD for disconnection.

Following completion of a ULL disconnection, Telstra will notify the relevant wholesale customer through its daily event file supplied through Telstra's eBill system (or through its monthly invoice in the exceptional circumstance that the wholesale customer does not use Telstra's eBill system).

6.3 Cessation of charging and Final Billing

(a) Cessation of Charging

Telstra will discontinue charging a wholesale customer on and from the date of disconnection of the wholesale ULL Service. If the date of disconnection (excluding any manual exchange work) is later than the TCD for disconnection for any reason charges will apply until the disconnection order completion is notified to the relevant wholesale billing system. However, Telstra's Wholesale Business Unit will apply business rules to manually credit the wholesale customer for the proportion of the ULL access charges reflecting the period between the date of disconnection and the TCD for disconnection (calculated on a pro rata basis). Telstra will calculate and pay this credit to wholesale customers on a quarterly basis.

(b) Final Billing

Telstra will finalise and submit any final Bill to the wholesale customer in accordance with the billing arrangements contractually agreed between Telstra and that customer.

7 Disconnection of a wholesale LSS.

7.1 Order capture (including records check and order modification)

(a) Order Capture

Telstra will accept a disconnection order for a LSS from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes LinxOnline Ordering (**LOLO**) and the newer B2B-enabled LinxOnline Interaction Gateway (**LOLIG**)). Telstra's Wholesale BSS layer is highly automated and provides system to system level delivery of service orders into Telstra's OSS with capacity to handle high order volumes.¹⁴

Where a whole customer is unable to, or chooses not to, interface with LOLO or LOLIG), Telstra will accept a disconnection order for a LSS via Telstra's wholesale customer service representatives.

In addition, if a LSS disconnection order is received from a wholesale customer via Telstra's wholesale BSS layer and the LOLO or LOLIG interface otherwise fails to submit the order for any reason, the order will proceed down a manual path and be processed by Telstra's wholesale customer service representatives.

Where a disconnection order is processed manually by a wholesale customer service representative, the wholesale customer service representative enters the disconnection order data directly into Telstra's OSS (currently via an interface to the AXIS system comprising part of the OSS).

The wholesale customer can nominate the day and time (morning or afternoon) on which they would like the disconnection to take effect (**Customer Requested Date or CRD**).

Telstra's Wholesale Business Unit has set an additional business rule for their customers that limits the CRD up to a maximum of 30 calendar days after the disconnection order is received by Telstra.

Telstra will set a Telstra Commitment Date (**TCD**) for disconnection for the purposes of the internal work flow orders that are passed to the OSS which is the same as the CRD except in the following circumstances:

- if the CRD is before the expiry of the 3 day minimum lead time;
- if the CRD is a Sunday or a public holiday (based on service location);
- if the CRD is the date on which the disconnection order is received by Telstra and the order is received later than 5:00 pm (local time based on service

¹⁴ Telstra has given enforceable commitments in relation to the service availability of those BSS systems available to Wholesale Customers to access LOLO and LOLIG, either through a B2B interface or the Wholesale Portal, in clause 12 of the Undertaking.

location) on that day, unless the order is processed directly through the LOLO or LOLIG interface and the relevant exchange calendar is open at the time the order is created. Where an exchange calendar is open, it is open for both wholesale and retail disconnection orders; or

- if the CRD is before the end of any minimum disconnection notice period contractually agreed between Telstra and the customer.¹⁵

Where a wholesale customer nominates a CRD which Telstra is unable to meet, the wholesale customer is informed (either through Telstra's Wholesale BSS Layer or via Telstra's wholesale customer service representatives depending on how the wholesale customer placed the disconnection order) and prompted to nominate an alternative CRD. Telstra will not set a TCD for disconnection until the wholesale customer nominates an alternative CRD which Telstra can meet.

Telstra will process the disconnection order in accordance with the TCD for disconnection in all but exceptional circumstances (eg system failures or events beyond Telstra's reasonable control).

(b) Order validation

For disconnections, the wholesale customer submits a FNN and a CRD for disconnection, and validation is required to establish whether the service for that FNN is owned by the submitting wholesale customer, and the CRD is no more than 30 calendar days in the future.

(c) Order Modification

A wholesale customer can modify its wholesale LSS disconnection order at any time prior to the point at which the order completes in the OSS. Modifications may include withdrawing the disconnection order or changing the CRD for the order which, in accordance with the rules above, will translate to a new TCD for disconnection.

Telstra will accept a disconnection order modification request via Telstra's wholesale front of house (the Wholesale Service Centre). In the Wholesale Service Centre the order modification is handled by a customer service representative who will directly manually key the order modification into Telstra's OSS (currently via an interface to the AXIS system).

In addition, Telstra will accept a wholesale LSS disconnection modification from a wholesale customer via Telstra's Wholesale BSS layer (which currently includes LinxOnline Ordering (**LOLO**) and the newer B2B-enabled LinxOnline Interaction Gateway (**LOLIG**)).

A wholesale customer can modify its LSS disconnection order via LOLO or LOLIG at any date prior to the TCD.

¹⁵ Some of Telstra's contractual arrangements with customers contain minimum notice periods for service cancellation. For example, "the customer may cancel a service under this agreement by giving Telstra 30 days' written notice".

7.2 Order fulfilment

(a) Receiving orders in the OSS

Once a disconnection order is captured it is passed to a system within the OSS (currently *AXIS*) which deconstructs and orchestrates the various order components, determining the network-related and other manual tasks required to complete the order. The various task components are then delivered to another system within the OSS (currently *NPAMS*), which performs automatic and manual network plant assignment tasks and confirms completion back to *AXIS*.

If any tasks are required to be completed at an exchange (eg jumper removal), *AXIS* delegates those tasks to a separate system (currently 'Service Order Manager Back End' (*SOMBE*)). *SOMBE* determines and manages those tasks necessary within an exchange. *SOMBE* also deconstructs the order components further and initiates the systems responsible for creating manual work orders (currently *CONNECT*).

(b) Prioritising and Processing Orders

Once wholesale LSS disconnection orders enter the OSS, they are processed by the relevant systems solely based on the relevant TCD for disconnection.

Following completion of a wholesale LSS disconnection, Telstra will notify the relevant wholesale customer through its daily event file supplied through Telstra's eBill system (or through its monthly invoice in the exceptional circumstance that the wholesale customer does not use Telstra's eBill system). This is the notification referred to in clause 12.2.

7.3 Cessation of charging and Final Billing

(a) Cessation of Charging

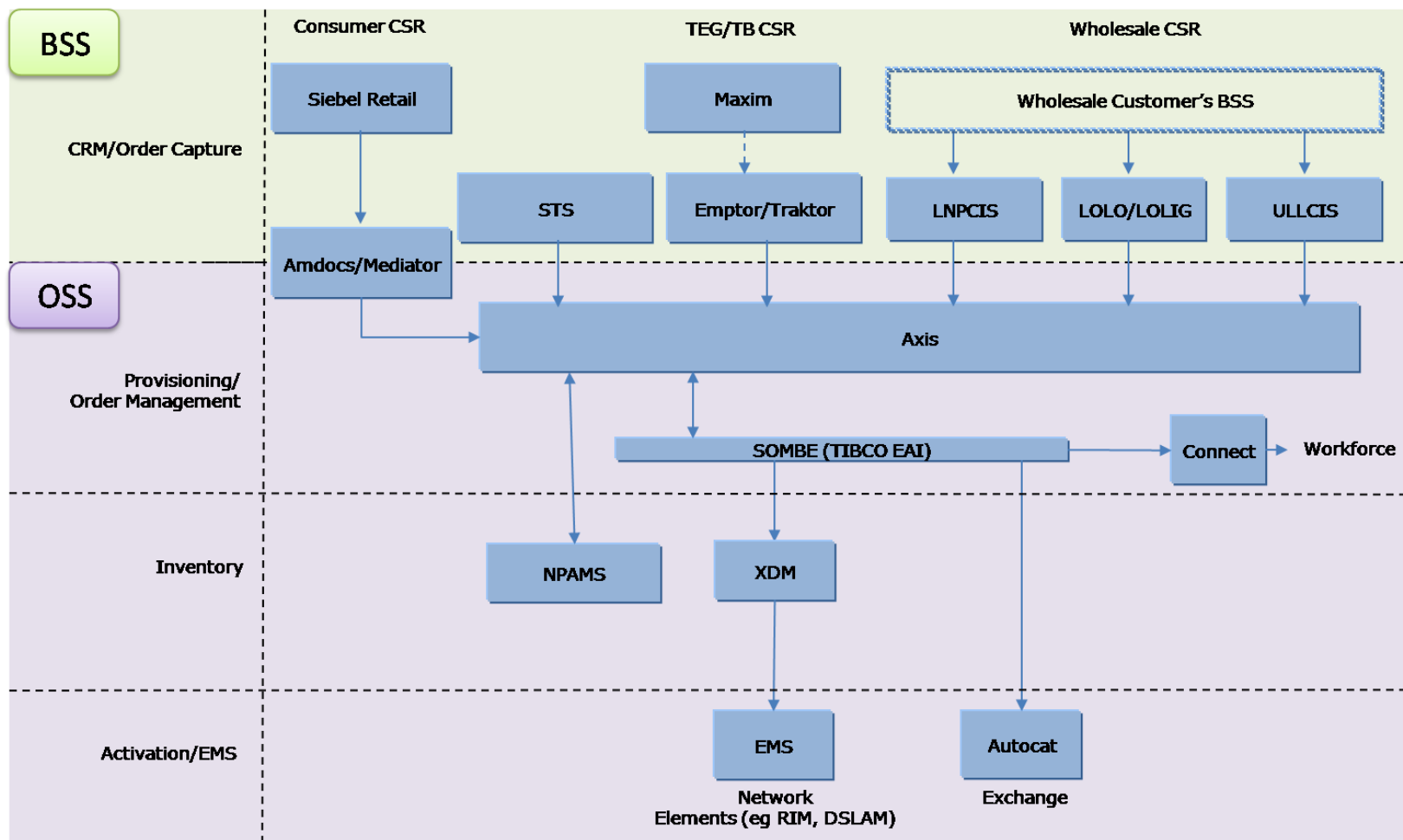
Telstra will discontinue charging a wholesale customer on and from the date of disconnection of the wholesale LSS. If the date of disconnection (excluding manual exchange work) is later than the TCD for disconnection for any reason charges will apply until the disconnection order completion is notified to the relevant wholesale billing system. However, Telstra's Wholesale Business Unit will apply business rules to manually credit the wholesale customer for the proportion of the wholesale LSS access charges reflecting the period between the date of disconnection and the TCD for disconnection (calculated on a pro rata basis). Telstra will calculate and pay this credit to wholesale customers on a quarterly basis.

(b) Final Billing

Telstra will finalise and submit any final Bill to the wholesale customer in accordance with the billing arrangements contractually agreed between Telstra and that customer.

The following is an illustrative representation of the current IT systems used by Telstra for the processes described in this document. This diagram is provided for illustrative purposes only and should not be used as a basis for interpreting, construing or extrapolating the intended meaning of any statement in this document.

Current State for Copper Network IT Systems



Schedule 2 — Telstra existing standard processes for disconnection of HFC Services

1 Disconnection of a HFC broadband service

1.1 Order capture (including records check and order modification)

(a) Order Capture

Telstra will accept a disconnection order for a HFC broadband service in a variety of forms and through a variety of originating processes through which the Telstra Retail Business Units deal with their customers (including by different customer segment). For example, a retail customer may currently contact Telstra by telephone, in person or via correspondence either directly or via one of Telstra's indirect retail sales channels.

For simple disconnection orders, the order is typically handled by a customer service representative who will directly manually key the order into the appropriate order capture system within Telstra's retail BSS (eg Siebel) and conduct a records check to verify the customer's identity, confirm the customer record exists in the CDBOR and that the person contacting Telstra is authorised to disconnect the service.

The retail customer can nominate the day (excluding Sundays and public holidays based on service location) and time (morning or afternoon) on which they would like the disconnection to take effect (**Customer Requested Date** or **CRD**).

Telstra's consumer Retail Business Unit has set an additional business rule for their customers that limits the CRD up to a maximum of 30 calendar days after the disconnection order is received by Telstra.

(b) Order Validation

The disconnection order is validated by a combination of BSS system enforced rules and Telstra retail business processes prior to being submitted to OSS for fulfillment.

(c) Order Modification

A retail customer can modify its HFC broadband service disconnection order at any time prior to the point at which the OSS Order Manager (currently BigPond Ring Fence) requests the disconnection tasks in the network. Modifications may include withdrawing the disconnection order or changing the customer requested date for the order.

Telstra will accept an order modification request from a retail customer in a variety of forms and through a variety of originating processes through which the Telstra Retail Business Units deal with their customers (including by different customer segment). For example, a retail customer may currently contact Telstra by telephone, in person or via correspondence either directly or via one of Telstra's indirect retail sales channels. The order modification is typically handled by a customer service representative who will directly manually key the order modification into the appropriate order capture system (eg Siebel).

1.2 Order fulfilment

(a) Receiving orders in the OSS

Once a disconnection order is captured it is passed to a system within the OSS (currently BigPond Ring Fence) which deconstructs and orchestrates the various order components, determining the network-related tasks required to complete the order.

(b) Prioritising and Processing Orders

Within the OSS disconnection orders are processed by the relevant systems based solely on the customer requested date for disconnection.

Telstra does not typically¹⁶ notify the relevant retail customer following completion of a retail disconnection (other than through its final Bill for the relevant service).

1.3 Cessation of Charging and Final Billing

(a) Cessation of Charging

Telstra will discontinue charging a retail customer on and from the date of disconnection of the HFC broadband service. If the date of disconnection is later than the TCD for disconnection for any reason charges will apply until the relevant retail order capture system notifies order completion to the relevant retail billing system.

(b) Final Billing

Telstra will finalise and submit any final Bill to the retail customer for the HFC broadband service in accordance with the billing arrangements contractually agreed between Telstra and that customer.

¹⁶ Telstra has individualised customer notification processes with some of its larger account managed customers.

Schedule 3 — Principles for Managed Disconnection immediately following the Disconnection Date

For information purposes, this Schedule sets out the high level (non binding) process steps which Telstra anticipates it will take when undertaking Managed Disconnection of all remaining active Copper Services (other than Special Services) within the Fibre Footprint in a Rollout Region during the period immediately following the Disconnection Date in that Rollout Region.

Telstra will develop a Required Measure that provides more detail for this process.

Process Step	Description
1. Fibre Footprint is finalised by NBN Co	<p>At the Disconnection Date, NBN Co will advise Telstra of any addresses previously within the Fibre Footprint that NBN Co determines will not be Passed at the Disconnection Date.</p> <p>Those Premises will be removed from the Fibre Footprint and Telstra will remove them also from the list of service addresses for Managed Disconnection.</p>
2. Telstra identifies the list of service addresses, which are candidates for Managed Disconnection	<p>Telstra will settle the list of service addresses which will form the basis for Managed Disconnection. This list will include all Premises within the Fibre Footprint where there are still active Copper Services including:</p> <ul style="list-style-type: none">(a) Premises where there is a disconnection order in Telstra's system, but it is future-dated more than 10 Business Days after the Disconnection Date; and(b) any orders for the new connection of a Copper Service at a Premises which is still pending in Telstra's systems at the Disconnection Date.
3. Special Services, Network Management Services and any Affected Premises are removed	<p>Telstra will remove from the service address list any:</p> <ul style="list-style-type: none">(a) Premises which are supplied only active Special Services or Special Service Inputs (in relation to those TSS Classes for which a disconnection date has not yet occurred under clause 21);(b) Network Management Service included in the service address list; and(c) any other Premises that Telstra is not permitted by law or is prevented by a Force Majeure Event from disconnecting.
4. In-Train Order Premises are removed	<p>On the Disconnection Date, NBN Co will provide Telstra with a list of In-Train Order Premises – and Telstra will remove those Premises from the service address list.</p>

Process Step	Description
5. All remaining services that are Standard Telephone Services are disconnected	Telstra will identify from the remaining candidate service addresses within the Fibre Footprint, those Copper Services that are Standard Telephone Services or Wholesale Line Rental services and will disconnect them (leaving Soft Dial Tone).
6. Telstra will permanently disconnect remaining non-STS Premises	<p>By the date that is 10 Business Days after the Disconnection Date, Telstra will have disconnected all Premises on the service list.</p> <p>Telstra may continue to provide those Premises identified in Step 5 with Soft Dial Tone.</p>
7. Telstra will permanently disconnect STS Premises	By the date that is 20 Business Days after the Disconnection Date, Telstra will cease providing Soft Dial Tone to those Premises identified under Step 5.
8. Telstra will permanently disconnect In-Train Order Premises	<p>Telstra will permanently disconnect any In-Train Order Premises, within 30 Business Days of being notified by NBN Co that the Premises has been NBN Connected (or that an order for NBN Connection at the Premises has been cancelled or revoked).</p> <p>If Telstra does not receive a notice from NBN Co, Telstra will permanently disconnect all remaining In-Train Order Premises on the date which is 90 Business Days after the Disconnection Date.</p>
9. Affected Premises may be permanently disconnected if this is later permitted	Telstra will permanently disconnect any Affected Premises in the Rollout Region at a later date, which is no later than 5 Business Days after the date that Telstra is no longer prevented by law from disconnecting the Premises.

Schedule 4 — Special Services

1 Direct Special Services

- (a) Subject to any condition specified in column 3 for that item, each of the carriage services that is specified in an item of column 1 of Table 1 is a Direct Special Service, including:
- (i) any of the products and Product Bundles provided by means of those carriage services which are specified in column 2 of Table 1; and
 - (ii) with the exception of the carriage services specified at item 10 of Table 1 — any other products or Product Bundles which are subsequently provided by means of those Access Services.
- (b) Each of the carriage services that is specified in an item of column 1 of Table 2 is a Direct Special Service, including:
- (i) any of the products and Product Bundles provided by means of those carriage services which are specified in column 2 of Table 2; and
 - (ii) any other products or product bundles which are subsequently provided by means of those Access Services.

Table 1 – Direct Special Services (Retail)

Item	Column 1 Access Service	Column 2 Product Bundles	Column 3 Condition
1	DDS Fastway	<ul style="list-style-type: none">• DDS Fastway• DDS Flexnet• DDS Local Area Service (LAS)	
2	Frame Relay	<ul style="list-style-type: none">• Frame Relay• Business IP Frame Relay• Connect IP Frame Relay• GBIP (proxy)	
3	Megalink	<ul style="list-style-type: none">• Megalink	
4	CustomNet Spectrum	<ul style="list-style-type: none">• CustomNet Spectrum	
5	Ethernet Lite BDSL	<ul style="list-style-type: none">• Ethernet Lite• Business IP Ethernet Lite• Connect IP Ethernet Lite• GBIP (Government Broadband IP)• 1 touch video	
6	ISDN10/20/30	<ul style="list-style-type: none">• ISDN10/20/30 Businessline• ISDN Dual Node	

Item	Column 1 Access Service	Column 2 Product Bundles	Column 3 Condition
7	ISDN2	<ul style="list-style-type: none"> • ISDN Diverse Access • Business Connect /2 • Business Options Connect • Business Premium Connect Corporate Connect • All-4-Biz • ISDN2 Businessline • ISDN2 Enhanced BusinessLine • ISDN Xpress • Business Connect / 2 • Business Options Connect • Business Premium Connect Corporate Connect • All-4-Biz (newly released) 	
8	DDS Low Speed	<ul style="list-style-type: none"> • DDS Low Speed • DDS BIN (bank interchange network) 	
9	VGDL	<ul style="list-style-type: none"> • PAPL • Tie Lines • Voice Links 	
10	STS / ADSL / ADSL 2+	<ul style="list-style-type: none"> • Remote Telemetry • Telstra Secure 	The service is only a Direct Special Service if supplied for Remote Telemetry or Telstra Secure
11	ATM (over copper)	<ul style="list-style-type: none"> • N/A 	
12	Payphones	<ul style="list-style-type: none"> • N/A 	

Table 2 – Direct Special Services (Wholesale)

Item	Access Service	Product Bundles
1	DDS Fastway	<ul style="list-style-type: none"> • DDS Fastway • DDS Flexnet • DDS Local Area Service (LAS)
2	Data Access Radial	<ul style="list-style-type: none"> • N/A
3	Frame Relay	<ul style="list-style-type: none"> • Frame Relay

Item	Access Service	Product Bundles
4	Megalink	<ul style="list-style-type: none">• N/A
5	Wholesale Transmission – CRA163 – Telstra domestic tail transmission capacity service	<ul style="list-style-type: none">• CRA163 – Telstra domestic tail transmission capacity service
6	CustomNet Spectrum	<ul style="list-style-type: none">• CustomNet Spectrum
7	Wholesale Business DSL (W-BDSL)	<ul style="list-style-type: none">• Business Data Access Service
8	ISDN10/20/30	<ul style="list-style-type: none">• ISDN10/20/30 Businessline• ISDN Dual Node
9	ISDN2	<ul style="list-style-type: none">• ISDN2 Businessline• ISDN2 Enhanced BusinessLine – Currently CNRs for call rates. Basic Access as per OCT.
10	DDS Low Speed	<ul style="list-style-type: none">• DDS Low Speed• DDS BIN
11	VGDL	<ul style="list-style-type: none">• N/A
12	Telstra Traffic Light Service	<ul style="list-style-type: none">• N/A
13	Wholesale ATM (over copper)	<ul style="list-style-type: none">• N/A
14	ATM (Rebill) (over copper)	<ul style="list-style-type: none">• N/A
15	Customer-operated payphones	<ul style="list-style-type: none">• N/A

2 Certification process for Special Service Inputs

This Schedule sets out the process Telstra will use to obtain certification from each Wholesale Customer as to the Special Service Inputs used by that Wholesale Customer in a Rollout Region.

2.1 Verification of ULLS certifications

- (a) Telstra can, with a high degree of confidence, verify the number of ULLS-based services that are Service Equivalent to Direct Special Services by reference to:
 - (i) the number of ULLS services as were originated through category D port (less those for which there has been a Full National Number (**FNN**) hand back as set out below); and
 - (ii) the deployment class information for new (as opposed to ported) ULLS services.
- (b) The majority of ULLS services acquired by Wholesale Customers have been ported away from Telstra. Services which originated through a category D port are not Service Equivalent to Special Services. The exception will be those ULLS services which, after a category D port occurs, are subsequently used by the Wholesale Customers to supply services that are Service Equivalent to Special Services to an end user. For these ULLS services, the Wholesale Customer is required to hand back to Telstra the FNN associated with the ULLS service, as the FNN is not required in order to supply a service that is Service Equivalent to the Special Service. By analysing the number of FNN hand backs, Telstra will be able to determine when a category D port ULLS service has subsequently been used to supply services that are Service Equivalent to Special Services.
- (c) Wholesale Customers may also acquire a new (i.e. non-port) ULLS service from Telstra in some instances. Where a new Copper Service is ordered for ULLS and there is no working Telstra number for the service, the Wholesale Customer will typically issue a number from its own number range. In this circumstance, no port will occur and the category D port verification process cannot be used.
- (d) However, the deployment class information can be used in most circumstances to ascertain the types of services being provided over the new ULLS service.
- (e) The deployment class information is provided by the Wholesale Customer at the time the service is ordered. While there are no penalties for listing the wrong deployment class, Wholesale Customers have an incentive to list the correct information, as listing the wrong deployment class can lead to operational issues.
- (f) Normally deployment classes 6a (typically voice) and 6h (typically ADSL 2 and 2+) identify standard services, however these deployment classes are also used by a Wholesale Customer if it provides a service that is Service Equivalent to Telstra retail Remote Telemetry or Telstra Secure services - which are Direct Special Services.
- (g) This process does not allow Telstra to verify the accuracy of claims by a Wholesale Customer about the Direct Special Service to which a particular service supplied by that Wholesale Customer using a Special Service Input is Service Equivalent.

2.2 Summary Process for verifying ULLS certifications

- (a) The process described in this worked example (using entirely random subscribers in operation (**SIO**) numbers) can be used to identify for each Wholesale Customer the number of ULLS services which are being used by the Wholesale Customer to supply services that are Service Equivalent to Direct Special Services.

	Step	SIOs
1	Number of ULLS SIOs	1000
2	Deduct all ULLS services which were category D port (less those for which there has been an FNN hand back)	(650)
3	Deduct all non-port ULLS services for which there are deployment classes 6a and 6h (less those services equivalent to Telstra's Remote Telemetry or Telstra Secure)	(100)
4	Total number of ULLS SIOs which are used to provide services that are Service Equivalent to Direct Special Services	250

- (b) From the worked example, if the Wholesale Customer's certified number of services that are Service Equivalent to Direct Special Services exceeds 250 by more than 10% Telstra will require the Wholesale Customer to reassess its certification, pointing out the apparent inconsistency.

2.3 Certification of Special Service Inputs prior to the Ready for Service Date for a Rollout Region

- (a) For each Rollout Region, Telstra will notify Wholesale Customers of a date (**first certification date**) by which all Wholesale Customers must provide Telstra in writing with a list of the Premises within the Fibre Footprint (referencing the NBN Co Location ID) within that Rollout Region in respect of which the Wholesale Customer is using a Special Services Input to supply a carriage service that is Service Equivalent to a Direct Special Service.
- (b) The first certification date will be:
- (i) 3 months prior to the forecast Ready for Service Date for the relevant Rollout Region; or
 - (ii) such later date as Telstra determines, taking into account the time required for it and NBN Co to complete service address matching activities in respect of the relevant Rollout Region.

2.4 Further certification prior to the Disconnection Date for a Rollout Region

- (a) Prior to the Disconnection Date of a Rollout Region, Telstra will notify Wholesale Customers of the requirement to provide Telstra by the Disconnection Date with a certified list of any Premises (referencing the NBN Co Location ID) within the Fibre Footprint in that Rollout Region in respect of which the Wholesale Customer is using a Special Service Input to provide a carriage service that is Service Equivalent to a Special Service.

- (b) In addition, the Wholesale Customer will be requested to certify:
- (i) the number of those carriage services being used to provide a service that is Service Equivalent to Telstra's Remote Telemetry or Telstra Secure services; and
 - (ii) for each ULLS or LSS:
 - (A) the service FNN for the relevant Premises;
 - (B) the Direct Special Service in respect of which the carriage service provided over that ULLS or LSS is considered by the Wholesale Customer to be Service Equivalent; and
 - (C) the SS Class of that Direct Special Service.
- (c) If the Wholesale Customer's certified number of Special Service Inputs exceeds the number verified by Telstra (in the manner set out above) by more than 10%, Telstra will respond to the Wholesale Customer, pointing out the inconsistency and requiring the Wholesale Customer to reconsider its certification (which may include providing to Telstra other information relevant to the usage of the ULLS or LSS services).

2.5 Verification of LSS certifications

Wholesale Customers may also use LSS to provide carriage services that are Service Equivalent to Direct Special Services, but this is far less prevalent. So, whilst those LSS will be included as Special Service Inputs and Wholesale Customers will (in accordance with clauses 2.3(a), 2.4(a) and 2.4(b) of this Schedule) be asked to certify the number of carriage services that are Service Equivalent to Direct Special Services so supplied, Telstra will not verify an LSS certification in the manner contemplated for ULLS based services under clause 2.1.

Schedule 5 — Technical conditions constituting permanent disconnection

1 Permanent disconnection of a Copper Path

- (a) A Copper Path is permanently disconnected if:
- (i) the status of each carriage service that was provided over that Copper Path prior to permanent disconnection, and that Copper Path is marked as "V" in NPAMS which:
 - (A) is identifiable to a person using NPAMS as "V";
 - (B) reflects a state of the Copper Path and has the following effects and consequences:
 - it ensures the Copper Path cannot be associated in any Telstra system or database with any DSLAM or carriage service;
 - it ensures the provisioning of any Copper Service over the Copper Path is not possible; and
 - it ensures the Copper Path cannot be available to Telstra to enable Telstra to (or permit third parties to) deliver any Communications to or from the Premises; and
 - (C) cannot be varied or changed except with authorisation of appropriate Personnel of Telstra that are employed at the level of director or higher;
 - (ii) in respect of Copper Paths over which ULLS or LSS were provisioned, there is no jumper for the Copper Path;
 - (iii) there is no Dial Tone over that Copper Path;
 - (iv) there is no active DSL port at the DSLAM for that Copper Path;
 - (v) the Configuration Data is configured so as to prevent that Copper Path carrying Communications to any Premises over the Copper Network;
 - (vi) any Premises to which that Copper Path is connected is Delinked from that Copper Path; and
 - (vii) without limiting any of the foregoing:
 - (A) no carriage service or Content Service is provided over that Copper Path; and
 - (B) no Communications can be delivered over the Copper Path to any Premises.
- (b) A Copper Path is permanently disconnected only for so long as each of the conditions specified in this Schedule continue to be satisfied in relation to that Copper Path.

2 Permanent disconnection of an HFC Line

- (a) Subject to 2(b), an HFC Line is permanently disconnected if and for so long as each of the following conditions is and remains satisfied for any and all HFC Lines to a Premises:
- (i) there is no HFC Service provided over that HFC Line;
 - (ii) the serviceability record for the HFC Line in CRAMER is marked as "non-serviceable" which:
 - (A) is identifiable to a person using CRAMER as "non-serviceable";
 - (B) reflects a state of the HFC Line and has the following effects and consequences:
 - it ensures the HFC Line cannot be associated with a Premises except in respect of Permitted Services; and
 - it ensures the HFC Line cannot be available to Telstra to enable Telstra to (or permit third parties to) deliver any Communications to or from a Premises other than Permitted Services; and
 - (C) cannot be varied or changed except with authorisation of appropriate Personnel of Telstra that are employed at the level of director or higher;
 - (iii) the service record for each HFC Service that was provided over that HFC Line prior to the date of permanent disconnection is marked as "disconnected" in AMDOCS, which:
 - (A) is identifiable by a person using AMDOCS as "disconnected";
 - (B) prevents the provision of the HFC Service over the HFC Line; and
 - (C) cannot be varied or changed except with authorisation of Personnel of Telstra that are employed at the level of director or within the Telstra Business Unit responsible for network management activities or higher;
 - (iv) no end user account in AMDOCS in relation to any Premises to which that HFC Line is connected is associated with any modem MAC ID; and
 - (v) without limiting any of the foregoing:
 - (A) no carriage service or Content Service is provided over that HFC Line except for a Permitted Service; and
 - (B) no HFC Services can be delivered over that HFC Line to any Premises.
- (b) If:
- (i) a Subscriber moves from a Premises (the **First Premises**) within an HFC Deactivation Region to another Premises within that HFC Deactivation

Region that has been permanently disconnected (the **Second Premises**);
and

(ii) the Subscriber has not informed Telstra that they have moved address,

the Subscriber may be able to reconnect their modem to an HFC Line at the Second Premises without revalidating their address. Telstra cannot and will not prevent this.

- (c) Telstra will ensure that if a Subscriber moves a modem from a Premises in one HFC Deactivation Region to another Premises and attempts to use that modem over an HFC Line in a Premises that has been permanently disconnected in another HFC Deactivation Region, the use of that modem will cause Telstra's systems to perform a service qualification check and prevent the provision of carriage services over that HFC Line.

Schedule 6 — Information security principles for development of NBN Co Migration Information security measures

1 Objective of the NBN Information Security Plan

- (a) The objective of the NBN Information Security Plan is to set out effective and appropriate measures to ensure that any NBN Co Migration Information:
 - (i) is only disclosed to, and made available for use by, authorised Personnel for a purpose permitted or required by the Definitive Agreements; and
 - (ii) cannot be used or disclosed by Telstra to gain or exploit an unfair commercial advantage over Telstra's Wholesale Customers.
- (b) The NBN Information Security Plan will set out the processes and procedures to be implemented by Telstra which are based on, and give effect to, the principles set out in this Schedule 6.

2 NBN Information Security Plan must detail information security measures and processes

- (a) The NBN Information Security Plan will detail the measures and processes to be implemented by Telstra in order achieve the objective referred to in clause 1 of this Schedule.
- (b) Without limiting clause 2(a), the NBN Information Security Plan will contain the following:
 - (i) a description of the type of NBN Co Migration Information which Telstra receives from NBN Co and which is therefore subject to the NBN Information Security Plan;
 - (ii) the security measures to be implemented on Telstra's information storage systems and data systems that will contain NBN Co Migration Information to ensure that there is no unauthorised disclosure of that information, including:
 - (A) the process for pre-approving specific members of Telstra Personnel or members of specific groups or teams of Telstra Personnel as authorised recipients of NBN Co Migration Information;
 - (B) the mechanisms used to restrict access to systems containing NBN Co Migration Information to those authorised Personnel only;
 - (C) the system monitoring and compliance activities to be undertaken by Telstra, including a usage audit on at least an annual basis;
 - (D) the practices, policies and procedures to be implemented by Telstra regarding collection, storage and archiving security of NBN Co Migration Information, including as required to comply with any applicable laws;

- (E) the training to be undertaken by Telstra for authorised Personnel in relation to the requirements of the NBN Information Security Plan, including the serious potential consequences of non-compliance.

3 Permitted use and disclosure

3.1 NBN Information Security Plan will provide for disclosure strictly on a 'need-to-know' basis

- (a) The underlying principle which the NBN Information Security Plan will apply is that NBN Co Migration Information will only be disclosed to, and be made available within Telstra's information and data systems for use or disclosure:
 - (i) by authorised Personnel; and
 - (ii) strictly on a 'need to know' basis.
- (b) The 'need-to-know' principle means that the default position under Telstra's information and data systems will be that Telstra Personnel will not be authorised and will have no access to NBN Co Migration Information unless they establish (either directly or as a consequence of their role or a group which they are a member of being pre-approved) that they 'need-to-know' such information for the purposes of:
 - (i) Telstra performing an agreement with NBN Co; and
 - (ii) either:
 - (A) facilitating the connection by NBN Co or its agents of Premises and commencement of supply of Fibre Services using the NBN Co Fibre Network; or
 - (B) disconnecting carriage services from a Separating Network at Premises in a Rollout Region.
- (c) The NBN Information Security Plan will establish the appropriate and effective processes which Telstra will put in place to:
 - (i) identify and authorise Personnel under clause 3.1(a), who need to know NBN Co Migration Information; and
 - (ii) ensure that Personnel or pre-approved roles or groups use and disclose NBN Co Migration Information for the purposes and in the circumstances contemplated under clause 3.1(b) and otherwise in accordance with the NBN Information Security Plan.

3.2 Pre-approval of roles and groups

- (a) The NBN Information Security Plan will establish and document the roles and/or teams within Telstra that will use and disclose particular categories of NBN Co Migration Information, including specifying how that list of roles and teams can be varied from time to time (with the consent of NBN Co and the ACCC).
- (b) For clarity, the NBN Information Security Plan may provide that particular categories of NBN Co Migration Information may be used by or disclosed to a

particular Business Unit or part of a Business Unit, for specified purposes, in accordance with the NBN Information Security Plan.

3.3 NBN Co Migration Information will not be made available to Retail Business Units

- (a) The NBN Information Security Plan will specify that NBN Co Migration Information will not be disclosed to, or made available for use by, Personnel in a Retail Business Unit except:
 - (i) with the prior consent of NBN Co (such consent being received by Telstra only after Commencement); or
 - (ii) in accordance with any purpose specified in the NBN Information Security Plan and approved by the ACCC.

4 Compliance and reporting on NBN Co information security

- (a) The NBN Information Security Plan will specify:
 - (i) effective mechanisms to be used by Telstra to monitor compliance with the NBN Information Security Plan, including the means by which Telstra logs requests made by Personnel to be authorised for access to NBN Co Migration Information; and
 - (ii) appropriate periodic reporting to the ACCC in respect of any updated processes or procedures described in the NBN Information Security Plan.
- (b) The NBN Information Security Plan will specify the programs and policies that Telstra will use to:
 - (i) educate relevant Personnel about the requirements of the NBN Information Security Plan; and
 - (ii) ensure compliance by Telstra Personnel with the requirements of the NBN Information Security Plan.
- (c) For clarity, the NBN Information Security Plan, and associated training policies and practices, will reflect that any breaches by Telstra Personnel of the NBN Information Security Plan will be regarded as a serious matter, with the possibility of performance management in appropriate cases.

Schedule 7 — Required Measures

As at the date that this Plan is submitted to the ACCC for approval, Telstra has identified the following Required Measures as needing to be subsequently developed and approved by the ACCC after the date that this Plan is accepted, in accordance with clause 5:

Required Measure	Migration Plan Reference
1. Processes for Telstra to obtain relevant consents and releases from Wholesale Customers associated with Pull Through Activities by NBN Co.	Clause 10.1
2. Process for Managed Disconnection of Copper Services (which are not Special Services) on the Disconnection Date. <i>A high level (non binding) overview of the process steps which Telstra anticipates will be involved in Managed Disconnection is set out for information purposes in Schedule 3.</i>	Clause 14.2
3. Process for Managed Disconnection of HFC Services.	Clause 14.2
4. Processes for Telstra to build Copper Paths at Premises which had previously been permanently disconnected, in order to supply Special Services and Special Service Inputs to that Premises.	Clause 21.2
5. Processes which will be used to manage and implement disconnection of Copper Services of each SS Class (to be developed only after the White Paper process is completed and a Disconnection Date has been determined for that SS Class).	Clause 21.5
6. The NBN Information Security Plan.	Clause 24.3

Schedule 8 — Information exchanges under the Definitive Agreements

The information set out in this table does not include standard notices or notifications required under the Definitive Agreements (for example, notice of a Force Majeure Event). Telstra will update this list, in consultation with NBN Co, once the information arrangements between Telstra and NBN Co are more fully developed and then from time to time.

Table 1 Types of information to be provided by Telstra to NBN Co

Type of information	Circumstances when information disclosed
Street address information about Premises in a Rollout Region	Once Migration has commenced in a Rollout Region (i.e. after the Ready for Service Date).
Notification of changes to Telstra databases or systems	If a Telstra database or system is modified or replaced that is relevant to NBN Co's interactions with Telstra, Telstra will notify NBN Co before the modification or replacement.
A quarterly report on each Rollout Region	Every quarter Telstra must report on a Rollout Region by Rollout Region basis, the following information: (a) the identity of the Rollout Region, rollout ready date, the type of Rollout Region, the Disconnection Date for the Rollout Region; and (b) Premises-specific information if the Disconnection Date or rollout Ready Date has occurred (identification information, disconnection status, USO Soft Dial Tone status, type of service provided).
Notifications and information associated with Pull Through Activities	If NBN Co has requested access to a LIC and intends to take Pull Through Activities Telstra must notify NBN Co about what cables are in the LIC and whether it is suitable for Pull Through Activities (e.g. whether relevant consents are in place). Telstra may also notify NBN Co's Contractors of any information relevant to the performance of Pull Through Activities. Telstra may also notify NBN Co of the results of any reinstatement or remote testing undertaken after NBN Co has completed Pull Through Activities.
Information about LICs	Telstra may notify NBN Co when it needs to do emergency work, repair or maintenance to a LIC, or if it becomes aware that a third party has damaged or disrupted active services in a LIC.

Table 2 Information which is provided both from NBN Co to Telstra and Telstra to NBN Co

Type of information	Circumstances when information disclosed
Service address information	Telstra will provide address information to NBN Co where the address identifiers provided to Telstra do not match with Telstra's internal records.
Technical information	Telstra may provide technical or other information to NBN Co in the course of providing all reasonable technical assistance to NBN Co when it is developing product functionality required to migrate special services.
Information which Telstra has about any LICs which are not owned by Telstra	If, after the Ready for Service Date, Telstra is aware of non-Telstra owned LICs in a Rollout Region Telstra must notify NBN Co.

Schedule 9 — Dictionary

In this Plan, the following terms have the meanings set out below unless the context otherwise requires:

Access Service	means the Copper Services specified in the "Access Service" column in Schedule 4;
Acquired Network	means an optical fibre telecommunications network where NBN Co or a Related Entity of NBN Co has entered into an agreement, arrangement or understanding to acquire the ownership, control or operation of that network from a person (other than NBN Co or a Related Entity of NBN Co);
Acquired Network Rollout Region	means a geographic region determined by NBN Co that is or will be serviced using an Acquired Network;
Act	means the Telecommunications Act 1997;
Added Premises	has the meaning given in clause 15.2(a);
Adjudicator	has the meaning given in the Undertaking;
Adversely Impacted	in relation to an end user, means that the end user made a bona fide complaint to Telstra relating to Migration or the supply of services over the NBN (but only including complaints regarding that end user's actual Migration or receipt of services over the NBN, and excluding complaints solely in relation to the fact that a Copper Service or a Premises will be or has been disconnected) and which is logged by Telstra in its systems as a Level Zero Complaint;
ADSL	means asymmetric digital subscriber line;
Affected Premises	has the meaning given in clause 15.3(a);
AMDOCS	means the service database system or systems used by Telstra for HFC Services known as "AMDOCS" or any replacement or modification of it (and any related systems);
Board	means the board of Telstra;
BSS	means business support systems;
Cable Rectification	means reinstating or replacing a Copper Line or HFC Line which was removed for the sole purpose of Pull Through Activities undertaken by NBN Co (or its wholly-owned subsidiary), which includes through the use of a temporary or replacement Copper Line;
CDBOR	means Telstra's customer database of record;
Claim	means any claim, allegation, cause of action, proceeding, suit or demand made however it arises and whether it is present or future, fixed or unascertained, actual or contingent;

Communications	<p>means:</p> <ul style="list-style-type: none">(a) any communication whether:<ul style="list-style-type: none">(i) between persons and persons, things and things or persons and things; or(ii) in the form of speech, music or other sounds, data, text, visual images (animated or otherwise), signals, or other form or combination of forms;(b) communications which are a “communication” as defined in the Act if that definition differs from paragraph (a); and(c) any other service of a similar nature to any one or more of the services under paragraphs (a) or (b). <p>For the avoidance of doubt, “Communications” does not include any electrical current which exists or is available for use irrespective of any act by Telstra or any other party that is not used to provide a communication;</p>
Communications Alliance	means the peak industry body Communications Alliance Ltd;
Configuration Data	means data relating to a Copper Service which is used to associate that service to a Copper Path;
Content Service	<p>means:</p> <ul style="list-style-type: none">(a) a broadcasting service;(b) an on line information service (for example, a dial up information service);(c) an on line entertainment service (for example, a video on demand service or an interactive computer game service);(d) any other on line service (for example, an education service provided by a State or Territory government);(e) a service of a kind specified in a determination made by the Minister for the purposes of section 15(1) of the Act;(f) a service which is a “content service” as defined in the Act if that definition differs from paragraphs (a) – (e); or(g) any other service of a similar nature to any one or more of the services under paragraphs (a) – (f);
Contracted Special Services	has the meaning given in clause 21.12;
Copper Line	means a Line or series of Lines that is part of the Copper Network that, together with any customer wiring, forms a connection to Premises;
Copper Network	means a network in Australia over which Telstra is in a position to exercise control comprising copper or aluminium wire-based lines;

- (a) from the network boundary point at each Premises up to and including the first electronic remote access multiplexer (for example, a CMUX or RIM) immediately upstream of each such Premises; or
- (b) from the network boundary point at each Premises up to and including the MDF in a Telstra exchange (or similar location) immediately upstream of each such Premises; or
- (c) from the first electronic remote access multiplexer immediately upstream of each Premises up to and including the MDF in a Telstra exchange (or similar location) immediately upstream of each such electronic remote access multiplexer,

which is, or has been at any time, used to provide fixed line carriage services, and includes each such electronic remote access multiplexer and MDF;

Copper Path

means a logical path built over a Copper Line or series of Copper Lines to provide a Copper Service. Where that Copper Service is provided over multiple Copper Lines, all Copper Lines over which that Copper Service is provided are taken to form part of the same Copper Path. Where a Copper Line is used to provide a Copper Service to more than one Premises, the Copper Path is the Copper Line to the extent that it is used to provide Copper Services to each such Premises;

Copper Service

in this Plan, means a carriage service provided using a Copper Path, but does not include:

- (a) Soft Dial Tone; or
- (b) a Network Management Service;

Corporations Act

means the *Corporations Act 2001* (Cth);

CRAMER

means the network database system or systems used by Telstra for HFC Services known as "CRAMER" or any replacement or modification of it (and any related systems);

Customer Requested Date

in this Plan, means the customer requested date for disconnection as determined in accordance with an Existing Process;

Definitive Agreements

means each of:

- (a) the Implementation and Interpretation Deed dated 23 June 2011 and made between Telstra and NBN Co;
- (b) the Subscriber Agreement dated 23 June 2011 and made between Telstra and NBN Co;
- (c) the Infrastructure Services Agreement dated 23 June 2011 and made between Telstra and NBN Co;
- (d) the Access Deed dated 23 June 2011 and made between Telstra and NBN Co; and
- (e) any other documents agreed by NBN Co and Telstra to

be Definitive Agreements;

Delinked

in relation to a Premises, means:

- (a) there is no logical association, connection or link between the Premises and the Copper Network in TPNI; and
- (b) NPAMS is unable to assign a Copper Path to a Premises other than via a process pursuant to which relevant Telstra Personnel will be authorised to manually build such paths to enable the provision of carriage services (as contemplated in clause 21.2 to provide for the provision of a Special Service to a permanently disconnected Premises, prior to the relevant Disconnection Date for that SS Class);

Dial Tone

means an audible signal used to indicate that a Copper Path, is capable of being used for a voice service including:

- (a) making telephone calls to emergency numbers;
- (b) making telephone calls to customer service or fault reporting telephone numbers;
- (c) receiving telephone calls; or
- (d) any capability provided by the Telstra product known as “In-Contact Service” or any replacement of that service, or any service that provides similar functionality or has a similar market placement as that service;

Dictionary

means this Schedule 9 Dictionary;

Direct Special Services

are those carriage services set out in the ‘Access Service’ column of Table 1 and 2 in Schedule 4, including:

- (a) any Product Bundles specified Schedule 4 that are provided over the corresponding category of Access Service; and
- (b) any Product Bundles subsequently provided over such Access Services;

Disconnection Commencement Date

means the date determined by NBN Co at its discretion for an Initial Release Rollout Region or Acquired Network Rollout Region and notified by NBN Co to Telstra;

Disconnection Date

means:

- (a) in respect of a Rollout Region, the date specified as the disconnection date for that Rollout Region in the Disconnection Schedule;
- (b) in respect of all Copper Services in the Fibre Footprint within a Rollout Region that are not Special Services or Added Premises, the date published by Telstra as the disconnection date for that Rollout Region in the Disconnection Schedule;
- (c) in respect of Added Premises, the date determined as the disconnection date in accordance with clause 15.2;

	<p>(d) in respect of a Direct Special Service or Special Service Input, the disconnection date for the applicable SS Class determined in accordance with clause 21.1; and</p> <p>(e) in respect of a Contracted Special Service, the date determined as the disconnection date under clause 21.12;</p>
Disconnection Measure	has the meaning given in clause 28.1(d);
Disconnection Protocols	means Schedule 1 of the Subscriber Agreement;
Disconnection Schedule	means the schedule of Disconnection Dates referred to in clause 7.1(a) as published by Telstra from time to time;
Disconnection Trigger Date	means the first day of the calendar month following the date on which the last Upfront Disconnection Trigger is satisfied, provided that the earliest possible Disconnection Trigger Date is 1 July 2012;
Disconnection Window	has the meaning given in clause 14.1;
Double-Ended	<p>in relation to a Direct Special Service, means:</p> <p>(a) the Direct Special Service is provided to an A end Premises and a B end Premises using a Copper Path as the connection to each of those Premises; and</p> <p>(b) Telstra is unable to provide an alternative carriage service or modify that Direct Special Service, such that the service required by the customer can be provided using:</p> <p>(i) the NBN Co Fibre Network as the connection to either of the A end Premises or the B end Premises; and</p> <p>(ii) a Copper Path or other non-NBN Co Fibre Network medium as the connection to the other, without Telstra or a Wholesale Customer or Retail Customer incurring unreasonable costs;</p>
Exchange Building Facility	has the meaning given in the Telecommunications (Regulated Services) Determination (No. 1) 2011;
Exempt Body	means any of the authorities or bodies referred to in sections 10 to 16 (inclusive) of the <i>National Broadband Network Companies Act 2011</i> (Cth);
Existing Process	<p>means the existing processes used by Telstra for:</p> <p>(a) implementing and managing disconnection; and</p> <p>(b) receiving disconnection orders,</p> <p>as set out in Schedule 1 for Copper Services and Schedule 2 for HFC Services;</p>

Fibre Footprint	has the meaning given to it in clause 1.3;
Fibre Service	means the carriage services which are, or are to be, supplied by NBN Co over the NBN Co Fibre Network;
FNN	means full national number;
Force Majeure Event	means: <ul style="list-style-type: none">(a) natural disaster;(b) failure of a supplier or public utility other than Telstra, beyond the reasonable control of Telstra or NBN Co;(c) industrial action or labour disturbance (excluding industrial action or labour disturbance only of the employees of Telstra or NBN Co, its subcontractors or any of its Related Entities);(d) an act of war (whether declared or not) or terrorism;(e) lightning, fire, earthquake, storm, flood or any other weather conditions which would be expected to place at risk the health or safety of the employees of the Telstra or NBN Co or any other person;(f) currency restriction or embargo beyond the reasonable control of Telstra; or(g) any act or omission (including laws, regulations, disapprovals or failures to approve or accept) of any government or government agency;
Foxtel	means Foxtel Management Pty Limited (ACN 068 671 938) (for and on behalf of the Foxtel Partnership);
Foxtel Entity	means each of Foxtel Cable Television Pty Limited (ACN 069 008 797), Customer Services Pty Limited (ACN 069 272 117) and Foxtel;
Foxtel Partnership	means the partnership known as “Foxtel Partnership” between Telstra Media Pty Limited (ABN 72 069 279 027) and Sky Cable Pty Limited (ABN 14 069 799 640);
Foxtel Television Services	means carriage services which are used to enable the broadcast by Foxtel, using the HFC Network, of any or all of subscription television or audio broadcasting services or on-demand analogue or digital cable television or audio services, but which does not include internet protocol based services;
FSA Module or FSAM	means an area selected by NBN Co as an FSA Module;
General Principles	means those principles identified as general principles in the Migration Plan Principles Determination;
HFC Deactivation Region	means a geographical area served by the same cable modem termination system universal broadband router;

HFC Line	means a Line that is part of the HFC Network that forms the connection to a Premises;
HFC Network	<p>means a hybrid fibre-coaxial telecommunications network:</p> <ul style="list-style-type: none">(a) that is used for the transmission of broadcasting services; and(b) the line component of which consists of optical fibre to connecting nodes, supplemented by coaxial cable connections from the nodes to the premises of end-user, <p>whether or not the network is also capable of being used to supply an internet carriage service;</p>
HFC Service	means a carriage service provided using an HFC Line, other than a Permitted Service;
HFC User Services	<p>means carriage services which Telstra Multimedia is required to provide to certain subscription television providers or broadcasters using the HFC Network as at 20 June 2010, and which are to enable those subscription television providers or broadcasters to provide services, other than:</p> <ul style="list-style-type: none">(a) internet protocol based services;(b) voice services;(c) broadband services; or(d) services requiring a return path transmission over the HFC Network from the end user <p>For clarity, HFC User Services do not include the Foxtel Television Services;</p>
Implementation and Interpretation Deed	means the document entitled "Implementation and Interpretation Deed" between NBN Co and Telstra;
Independent Assessor	means a person appointed by Telstra and NBN Co for the purposes of determining the matters set out in clause 21.4;
In-fill Rollout Region	means a group of one or more Premises in respect of which NBN Co has notified Telstra that, due to a change in the Fibre Footprint after the date which is 6 months prior to the Disconnection Date of that Rollout Region, become part of the Fibre Footprint (other than as part of an Acquired Network Rollout Region);
Initial Release Rollout Region	means a geographic region determined by NBN Co and notified to Telstra within which the Rollout has commenced prior to the commencement of the Definitive Agreements;
Insolvency Event	means an insolvency event, for the purpose of the Implementation and Interpretation Deed and as defined under the Implementation and Interpretation Deed;
In-Train Order Premises	has the meaning given in clause 15.1(b);

Level One Complaint	means a complaint to the Telecommunications Industry Ombudsman which is classified by the Telecommunications Industry Ombudsman as a Level One Complaint;
Level Zero Complaint	means any complaint logged by Telstra in its complaints handling system but that has not been recorded or logged by the Telecommunications Industry Ombudsman. For the avoidance of doubt, a complaint does not include a mere order for work that is recorded in the course of normal customer activation and assurance activities;
LIC	means a lead in conduit;
Line	means: <ul style="list-style-type: none">(a) a wire, cable, optical fibre, tube, conduit, waveguide or other physical medium used, or for use, as a continuous artificial guide for or in connection with carrying communications by means of guided electromagnetic energy;(b) a “line” as defined in the Act if that definition differs from paragraph (a); or(c) any other media of a similar nature to any one or more of the media under paragraphs (a) or (b);
LNP Request	means a local number portability request;
Loss	means any loss, damage, liability, compensation, fine, penalty, charge, payment, cost or expense (including any legal cost and expense) however it arises and whether it is present or future, fixed or unascertained, actual or contingent;
Managed Disconnection	has the meaning given to it in clause 14.1(a);
Marketing Activity	means promotion or marketing of Telstra retail products, but does not include answering any unprompted technical or other questions raised by a Retail Customer in respect of Telstra’s retail products;
Material Adverse Customer Impact or MACI	means: <ul style="list-style-type: none">(a) at least 10% of end users in a Rollout Region have been Severely Impacted on or after Migration to the NBN; or(b) at least 20% of end users in a Rollout Region have been Adversely Impacted on or after Migration to the NBN;
Material NBN Unavailability	in respect of a Rollout Region means the NBN Co Fibre Network is unable to be used to provide any NBN Based Services in the entirety of that Rollout Region for at least 5 consecutive calendar days;
MDF	means a main distribution frame;

Migration	means the disconnection of Copper Services or HFC Services at a Premises and NBN Connection at the same Premises;
Migration Plan Compliance Report	means the report required under clause 25.2;
Migration Plan Principles Determination	means the Telecommunications (Migration Plan Principles) Determination 2011 as made by the Minister on 23 June 2011;
Migration Window	for a Rollout Region, means the period commencing on the Ready for Service Date and ending on the Disconnection Date for that Rollout Region;
Modification Proposal	has the meaning given in clause 28.3(a);
MPP Determination Date	means the date that the Migration Plan Principles are made by the Minister;
National Broadband Network or NBN	has the same meaning as in the Undertaking;
NBN Based Services	means a carriage service provided using an NBN Service;
NBN Co Benefitted Person	means NBN Co and its Related Entities, and each of their respective Personnel;
NBN Co Database	means the database used by NBN Co from time to time to record Premises address and NBN Co Location ID information and from which the Proposed Fibre Footprint List is extracted;
NBN Co Fibre Network	means the optical fibre telecommunications network of Verified fibre that is owned or controlled by, or operated by or on behalf of, NBN Co or a Related Entity of NBN Co;
NBN Co Location ID	means the primary identification reference for each Premises in the NBN Co Database as notified by NBN Co to Telstra from time to time (whether or not the data field of that identifier is named "NBN Location ID");
NBN Co Migration Information	has the meaning given in clause 24.1;
NBN Co-Telstra Operational Review Committee	means the committee established by Telstra and NBN Co under the Subscriber Agreement;
NBN Connection (NBN Connected)	in respect of Premises, means a commercial wholesale NBN Service is provided in respect of those Premises that is not provided in connection with the Development Program or as part of any pilot, trial or test provision of services;
NBN Customer	means a carrier, carriage service provider or content service provider or an Exempt Body that acquires, or seeks to or can acquire, an NBN Service from NBN Co;

NBN Information Security Plan	means the plan to be developed and implemented by Telstra in accordance with clause 24.2 and the principles set out in Schedule 6;
NBN Service	means any service provided by NBN Co or a Related Entity of NBN Co over the NBN Co Fibre Network;
NBN Serviceable	means a Premises within the Fibre Footprint that NBN Co has determined is serviceable by the NBN Co Fibre Network, under and in accordance with the Definitive Agreements, and as shown in the NBN Co service qualification system;
Network Management Services	<p>means Copper Services used only by Telstra exclusively for Copper Network management purposes such as network alarm management, cable pressurisation alarms and network synchronisation, but does not include any carriage services used for:</p> <ul style="list-style-type: none">(a) voice communications; or(b) the carriage of data not exclusively required for the management of Telstra's networks;
Non Exempt Network	has the meaning given in the Undertaking;
NPAMS	means the Telstra network and service system or systems for Copper Services known as "NPAMS" and any replacement or modification of it (and any related systems);
NTU	means network termination unit;
Order Stability Period	has the meaning given in clause 13.1;
Order Stability Proposal	has the meaning given in sub-clause 13.2(d);
OSS	means operational support system;
Passed	has the meaning given in sub-clause 1.2(b)(vii);
Permanent Cessation of Operations	means termination on a permanent basis of the operation of the entire NBN Co Fibre Network;
Permitted Service	means Foxtel Television Services and HFC User Services;
Personnel	<p>in relation to a person, means:</p> <ul style="list-style-type: none">(a) all employees and officers of that person; and(b) all agents, contractors and suppliers of that person in their capacity as agents, contractors or suppliers of that person; and(c) all subcontractors of a contractor referred to in paragraph (b) in their capacity as subcontractors of that person;

Plan	means this Migration Plan;
Plan Commencement Date	means the date on which this Plan comes into force in accordance with clause 4.1;
Plan Objectives	means the objectives set out in clause 2;
Preliminary Study Requests or PSRs	has the meaning given in clause 22.2(a);
Premises	<p>means each of the following:</p> <ul style="list-style-type: none">(a) an addressable location currently used on an on-going basis for residential, business (whether for profit or not), government, health or educational purposes;(b) a school as defined by the Department of Education, Employment and Workplace Relations;(c) a location within a new development at an addressable location for which NBN Co is the wholesale provider of last resort;(d) an addressable location for a Standard Telephone Service which is activated in compliance with the universal service obligation;(e) a payphone at a location at which Telstra is required to install or maintain a payphone in accordance with an instrument made under section 12EF of the Consumer Protection Act;(f) a location which NBN Co is directed by the Minister to connect to the NBN Co Fibre Network;
Process Test Notice	has the meaning given in clause 29.1(b);
Product Bundles	means one or more services that are provided over an Access Service, offered as a package to end users;
Proposed Fibre Footprint List	means, for a Rollout Region, the list of Premises notified by NBN Co to Telstra as being Passed or intended to be Passed, as updated from time to time by NBN Co;
Pull Through Activities	has the meaning given in clause 10.1(a);
Pull Through Exception Event	a circumstance that prevents Personnel from being able to complete Pull Through Activities or Cable Rectification;
Ready for Service Date	<p>means:</p> <ul style="list-style-type: none">(a) in relation to an Initial Release Rollout Region or Acquired Rollout Region, the date notified by NBN Co as the Disconnection Commencement Date for that Rollout Region; and(b) in relation to any other Rollout Region, the date advised by NBN Co in a notice published on its website that

Fibre Services will be able to commence to be supplied in the Rollout Region;

Reconnect	means to take such steps as are necessary so that a Copper Path or HFC Line that has been permanently disconnected by Telstra is no longer permanently disconnected, to the extent required to provide Copper Services or HFC Services over that Copper Path or HFC Line as contemplated by clause 18;
Regulated Service	has the same meaning as in clause 71 of Schedule 1 to the Act;
Relevant Decision Maker	has the meaning given in clause 28.1;
Related Entity	means, for a person, each related body corporate of that person and any entity which is controlled by that person (as defined in section 50AA of the Corporations Act), but in the case of Telstra does not include a Foxtel Entity or the Foxtel Partnership;
Required Measures	has the meaning given in clause 5;
Retail Customer	has the same meaning as in the Undertaking;
Retail Orders	means an order received by Telstra from a Retail Customer for a Copper Service or HFC Service;
Retail Copper Services	means a Copper Service supplied by Telstra to a Retail Customer;
Rollout Region	has the meaning given in clause 1.3;
RSP	means a retail service provider over the NBN Co Fibre Network;
Separating Network	means a Non Exempt Network over which Telstra is in a position to exercise control;
Service Equivalent	in relation to two carriage services, means that those carriage services are substantially similar in terms of bandwidth, availability, service level agreements, UNI characteristics and features an encapsulation protocol;
Severely Impacted	in relation to an end user, means that the end user made a bona fide complaint to the Telecommunications Industry Ombudsman relating to Migration to the NBN or the supply of services over the NBN (but only including complaints regarding that end user's actual Migration or receipt of services over the NBN, and excluding complaints solely in relation to the fact that a Copper Service, HFC Service or Interim Service or a Premises will be or has been disconnected) and which is a Level One Complaint or higher;
SIO	means service in operation;

Soft Dial Tone	means: <ul style="list-style-type: none"> (a) a service that allows an end user at a Premises in a Rollout Region connected by a Copper Path over which Telstra supplied a Copper Service which is either a retail Standard Telephone Service or a wholesale line rental service at the Disconnection Date for that Rollout Region, after the disconnection of that Copper Service, to call Telstra's customer service and fault centre numbers and to make emergency calls, but does not otherwise allow end users to make or receive other calls, or to receive other Copper Services; and (b) that service is taken not to be a carriage service or a Copper Service, for the purpose of this Plan;
Special Services	means Direct Special Services and Contracted Special Services;
Special Service Inputs	means ULLS or LSS certified by a Wholesale Customer as being used to provide carriage services which are Service Equivalent to Direct Special Services;
SS Class	means each type of Direct Special Service identified in the "Access Service" column of Table 2 in Schedule 4 and each such SS Class will include each Special Service Input that is certified by a Wholesale Customer to be Service Equivalent to that type of Direct Special Service;
SS Equivalent Services	means, in relation to an SS Class, products and services that are the same or better than the products and services that Telstra supplies to its customers by means of that SS Class at the same or better pricing as at the Plan Commencement Date;
SS Product Release	means a commercial release of additional product functionality by NBN Co relevant to a particular SS Class;
Standard Industry Processes	means an industry process established under a registered code or other binding industry process or practice;
Subscriber Agreement	means the document entitled "Subscriber Agreement" between NBN Co and Telstra executed on or about the date of execution of the Implementation and Interpretation Deed;
TEBA	means the Telstra Equipment and Buildings Access product;
TEBA Physical Access Procedures	means the TEBA physical access procedures published from time to time by Telstra on the Telstra Wholesale website;
Telstra Committed Date (TCD)	in respect of disconnection of a Wholesale Service or a Premises, means the later of: <ul style="list-style-type: none"> (a) the date requested for disconnection by the Wholesale Customer; or (b) if disconnection requires manual activity by Telstra and no technician appointments are available on the

	customer requested date, the next available appointment date; or
	(c) such later date as Telstra and the Wholesale Customer agree in respect of the disconnection;
Telstra Technical Specifications and Procedures	has the meaning given in the applicable service schedule for Facilities Access to Equipment Buildings of Telstra's standard customer relationship agreement, as varied from time to time;
Temporary Cable	means a temporary cable installed by NBN Co or its installer at a Premises in the course of undertaking Pull Through Activities;
TPNI	means the network database system or systems used by Telstra for Copper Services known as "TPNI" or any replacement or modification of it (and any related systems);
Upfront Disconnection Trigger	means the disconnection triggers specified in clause 1 of Annexure 1A of the Disconnection Protocols;
Undertaking	means the Structural Separation Undertaking accepted by the ACCC under s.577A(1) of the Act;
USO	means universal service obligation, which has the meaning given in section 9 of the <i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i> (Cth);
Verified	in relation to fibre, means that fibre has been identified by NBN Co or a Related Entity of NBN Co as accepted into operation and ready for the provision of NBN Services as part of a bona fide commercial arrangement to provide those NBN Services, and not as part of any pilot, trial or test provision of services (whether or not that commercial arrangement has been entered into and whether or not that fibre is used for the provision of NBN Services;
White Paper	means the white paper published from time to time by NBN Co setting out a proposal for a new SS Product Release;
Wholesale Business Unit	has the meaning given to it in the Undertaking;
Wholesale Customer	means a person that acquires a Wholesale Service from the Wholesale Business Unit;
Wholesale Order	means an order for a Wholesale Service;
Wholesale Service	means a Copper Service supplied by Telstra to a Wholesale Customer which is used to provide a carriage service to a third party.



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TELSTRA'S STRUCTURAL SEPARATION UNDERTAKING AND MIGRATION PLAN

SUMMARY: This document explains the key features of Telstra's Structural Separation Undertaking and Migration Plan

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Summary

Telstra's Structural Separation Undertaking (SSU) and Migration Plan will form the regulatory foundation for the most significant restructure of the Australian telecommunications industry since competition was first introduced in the early 1990s. It will also constitute one of the most significant structural reforms of a telecommunications industry driven by a Government anywhere in the world.

The SSU will:

- commit Telstra to structural separation by the "Designated Day";¹ and
- apply a series of robust, effective and appropriate Interim Equivalence and Transparency measures to Telstra's supply of regulated services during the period up to the "Designated Day".

The Migration Plan sets out the process by which retail and wholesale services on Telstra's copper network and broadband services on Telstra's HFC network will be disconnected as the NBN fibre network is rolled out. The Migration Plan also contains the restrictions on future reconnection of premises within the NBN fibre footprint.²

Under the new Interim Equivalence and Transparency regime, Telstra is committing to a range of binding and directly enforceable commitments to address concerns expressed by both the industry and the ACCC about the current Operational Separation regime.

Highlights include:

- New price equivalence commitments:
 - a commitment to use management accounts in Telstra's day-to-day decision making to provide transparency that costs are equivalent between retail and wholesale for the same inputs;
 - a commitment to supply wholesale ADSL2+ services at a wholesale price that is determined by taking retailing costs from the BigPond ADSL2+ retail price and updating this wholesale price as Telstra's linked retail prices change; and
 - a commitment to publish reference prices for key wholesale products and to make these prices available to wholesale customers as a standard feature of wholesale contracts.
- A commitment to offer all network level (layer 2) DSL upgrades to wholesale customers at the same time as they are made available to Telstra's retail business units.
- Commitments to equivalence in relation to Telstra's order management and fault rectification processes, including converting the current measurement metrics into service level commitments with automatic payment of rebates for non-performance against those standards.
- Commitments to provide wholesale business support systems that are fit for purpose and reliable (at least 98% uptime), also backed by automatic rebates for non-performance.
- Strict rules about how retail, wholesale and network services business units deal with each other, including controls on retail marketing activities by field staff who support retail and wholesale services.
- Tight information security rules to protect wholesale customer information, including strict protocols on use of individual customer data and limits on the distribution of aggregated wholesale customer information.
- New rules targeting issues that have historically proven problematic, such as access to Telstra's exchange buildings and facilities.

¹ Currently the Designated Day is 1 July 2018 but it can be extended by the Minister, in which case the SSU commitments will automatically roll forward (see below).

² While the Migration Plan's main focus is the copper network, because of its current competitive significance for wholesale customers, the Migration Plan also covers disconnection of Telstra retail services from its HFC network and Telstra's connection of services to the NBN fibre network (see section 4 below).

- Expanding quarterly performance equivalence reporting with new commitments to explain, investigate and resolve the cause of any adverse non-equivalence result (beyond any minimal allowed tolerance).
- A new 'fast track' dispute resolution process to deal with complaints regarding operational equivalence. This includes appointing an ACCC approved independent telecommunications adjudicator (**Adjudicator**) who will have the power to quickly and conclusively resolve non-price equivalence complaints by undertaking 'root cause' analysis of these complaints and to direct Telstra to implement process and system changes.

Telstra's SSU will deliver during the NBN rollout **both** the structural separation of Telstra and robust, effective and appropriate equivalence and transparency:

- **robust** because there are now directly court-enforceable commitments to equivalent processes and ring fencing of functions, staff and information, backed-up by extensive transparency and compliance measures;
- **effective** because wholesale customers will benefit from new commitments on reference pricing, including for wholesale ADSL2+, on DSL upgrade equivalence, payment of automatic rebates for non-equivalence and an expedited, independent dispute resolution process to get non-equivalence processes fixed;
- **appropriate** because these new commitments address the known industry and ACCC concerns with the existing operational separation regime without the huge costs and complexity that functional separation would cause from the bigger picture of successfully implementing structural separation. The Government has repeatedly made clear, as recently as in the Explanatory Memorandum to the SSU Guidance, that Interim Equivalence and Transparency measures are not intended to implement functional separation under a different name.

The Definitive Agreements signed by Telstra and NBN Co, the SSU and Migration Plan will deliver fundamental change in the Australian telecommunications industry. The supply of regulated services on the legacy copper network progressively will be of less significance as the NBN fibre rollout quickly gathers pace and customers (both wholesale and retail) begin to migrate. By facilitating fair and effective competition in the lead-up to NBN migration, the Interim Equivalence and Transparency measures can be a bridge to that transformed environment.

OVERVIEW

On 29 July 2011, Telstra lodged its draft Structural Separation Undertaking and the companion draft Migration Plan with the ACCC. The ACCC will undertake public consultation on both draft instruments and Telstra understands that any ACCC approval will relate to both instruments as a package.

Part 1 of this submission explains the SSU including:

- the commitments Telstra is making to structural separation;
- Telstra's equivalence and transparency commitments during the interim period leading up to structural separation; and
- how these commitments address the matters which the ACCC is required to take into account in considering whether to approve the SSU.

Annex 1 describes the limited exemptions from the staff ring fencing rules which Telstra is seeking from the ACCC in accordance with the SSU Guidance.

Annex 2 provides a detailed analysis of the SSU against the considerations specified in the SSU Guidance.

Part 2 of this submission explains the draft Migration Plan, including:

- Telstra's limited role in its capacity as a wholesale provider on its copper network in the process of customer migration to the NBN fibre network;
- the commitments Telstra is making in its draft Migration Plan; and
- how these commitments satisfy the matters which the ACCC is required to take into account in considering whether to approve the Migration Plan.

Part 1: Telstra's Structural Separation Undertaking

1. TELSTRA'S COMMITMENT TO STRUCTURALLY SEPARATE

One of the Government's stated policy objectives for the NBN is to use the migration of customers from the legacy copper network to the NBN as a means of structurally separating Telstra. After the NBN migration is completed all service providers, including Telstra, will primarily use the same underlying structurally separated "wholesale only" fibre network.

Under the legislative regime put in place to facilitate the NBN, the SSU fulfils two roles:

- First, it gives effect to Telstra's legally enforceable undertaking to be structurally separated by the "Designated Day"; and
- Second, it sets out the various measures which Telstra will put in place over the course of the migration process to provide for transparency and equivalence in Telstra's supply of regulated services.

In addition, Telstra has also lodged a draft Migration Plan, which is a binding instrument setting out the steps Telstra will take to disconnect services (on both its copper and HFC networks) as part of the migration process. Once accepted by the ACCC, the Migration Plan takes effect as if it were part of the SSU. This means the Migration Plan is subject to the same enforcement mechanism as the SSU, which allows the ACCC to bring proceedings in the Federal Court and for the court to impose significant remedies if Telstra is found to be in breach.

1.1. THE SCOPE OF STRUCTURAL SEPARATION

At the heart of the SSU is clause 5, which sets out Telstra's enforceable undertaking to structurally separate by the Designated Day (see box 1).

The structural separation commitment is a commitment to cease supplying fixed line carriage services over any networks that Telstra controls, other than those services or networks which have been exempted by the Minister. On 23 June 2011, the Minister for Broadband, Communications and the Digital Economy issued the *Telecommunications (Structural Separation – Networks and Services Exemption) Instrument (No. 1) 2011 (Networks and Services Exemption)*. That exemption requires Telstra to structurally separate in respect of its copper network and its HFC network (other than for Pay TV services), to the extent that these networks are within the NBN fibre footprint as it stands at the Designated Day and are "disconnected" (as is required under Telstra's agreement with NBN Co).

Box 1: Telstra's structural separation commitment (clause 5)

- (a) Telstra undertakes that, at all times after the Designated Day:
 - (i) Telstra will not supply Non-Exempt Services to retail customers in Australia using a Non-Exempt Network over which Telstra is in a position to exercise control; and
 - (ii) Telstra will not be in a position to exercise control of a company that supplies Non-Exempt Services to retail customers in Australia using a Non-Exempt Network over which Telstra is in a position to exercise control.

Telstra's vertical integration on the copper network and its horizontal integration across copper and HFC access networks have been the long term focus of ACCC and industry concerns. The Explanatory Memorandum to the *Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Act 2010* (Cth) (**CCS Act**) (which introduced the SSU amendments) stated

that by giving separation commitments in relation to the copper and HFC networks, Telstra would meet the Government's structural separation objectives (at page 2):

"On 20 June 2010 Telstra and NBN Co announced that they had entered into a Financial Heads of Agreement. The implementation of that Agreement will provide for the progressive migration of customer services from Telstra's copper and subscription television cable networks to the new wholesale-only fibre network to be built and operated by NBN Co and would deliver the envisaged structural reform of the telecommunications sector."

Telstra has a number of network assets and services that are not related to its legacy position including for example its mobile networks, satellite services, Pay TV services (over HFC) and a number of fibre services. Under the Networks and Services Exemption, Telstra will continue to own and operate these networks and services.³ This also means these networks and services will continue to be subject to any new or existing regulatory regime.

Telstra will also continue to own and operate its copper network outside the NBN fibre footprint. Telstra has entered into an agreement with the Commonwealth Government which requires Telstra to continue to operate and use this residual copper network for a period of 20 years to meet the universal service obligation (**the TUSMA Agreement**). While most of this network will be in rural and remote areas, there may be some premises located within NBN Co fibre serving areas which are not passed by the NBN fibre network and copper will continue to be available at these premises (unless Telstra's agreement with the Commonwealth Government expressly permits Telstra to disconnect those premises, for example, where the copper line is damaged by a natural disaster).⁴ Access regulation also will continue to apply to this residual copper network.

1.2. THE DESIGNATED DAY

Under the SSU, the extent of the NBN fibre rollout as at the Designated Day dictates the scope of Telstra's structural separation. This is because Telstra will be obliged to separate to the extent it has not disconnected its copper and HFC networks.

The designated day specified in the CCS Act is 1 July 2018.⁵ However, the Minister has power under subsection 577A(10)(b) to specify a later date (and to make one or more further instruments specifying other later dates).

This allows the date to be delayed if NBN Co requires more time to complete its rollout. The Interim Equivalence and Transparency rules (except for the price equivalence provisions, which cannot be otherwise extended beyond 2018 without both Telstra's and the ACCC's agreement) will also be automatically extended to this new date.

While the Migration Plan Principles require the Migration Plan to specify the network which Telstra will have disconnected by the Designated Day, the Migration Plan also continues beyond the Designated Day if NBN Co continues its network rollout beyond that date. A limited number of clauses in the Migration Plan also continue to apply indefinitely (specifically, those dealing with NBN information security and the restrictions on Telstra reactivating its copper and HFC networks).

³ As described in Telstra's public announcement of 23 June 2011 about having executed the Definitive Agreements, Telstra has made commitments to NBN Co in those agreements to disconnect certain networks (which are exempt networks) and to give preference to connecting customers to NBN fibre.

⁴ See the summary of the TUSMA Agreement included at page 13 of the summaries of the Definitive Agreements provided by Telstra with its media release in relation to signing the Definitive Agreements on 23 June 2011.

⁵ Section 577A(10) of the Telecommunications Act 1997 (Cth).

2. TELSTRA'S COMMITMENTS ON INTERIM EQUIVALENCE AND TRANSPARENCY

2.1. OVERVIEW

The Interim Equivalence and Transparency regime replaces Operational Separation with a regime that provides:

- new commitments to price equivalence – including transparency around the price of internal transfer inputs that are common across retail and wholesale services and at an equivalent cost;
- new commitments on equivalence for wholesale broadband services – for the first time, Wholesale ADSL2+ will be directly controlled and wholesale pricing will align to changes in retail BigPond ADSL2+ prices and wholesale functionality will incorporate any new network level (layer 2) DSL upgrades (e.g. new speeds) offered to retail business units;
- stricter commitments on keeping confidential and commercially sensitive wholesale information from being accessed by Telstra's retail personnel – including that retail personnel will not be given access to aggregated wholesale information at a sub-national level unless the ACCC allows equivalent access to this information in future;
- new equivalence commitments on systems and processes to manage orders – backed by automatic rebates for failures to comply with standards of equivalence;
- clear and extensive commitments about how the retail, wholesale and network services business units are to deal with each other – including clear restrictions around marketing activities of field staff to reinforce the 'customer agnostic' focus of their work;
- increased transparency for the ACCC, particularly on price related issues; and
- fast-tracked and independent dispute resolution processes – allowing any wholesale customer's equivalence complaints to be quickly and conclusively resolved, potentially with Telstra being required to make changes in its systems and processes required to address systemic non-price equivalence problems.

Diagram 1 below highlights the range of commitments that Telstra is making under the Interim Equivalence and Transparency regime and the central role given to the ACCC in directly enforcing the SSU.

Importantly, unlike the existing operational equivalence rules (with their indirect rectification notice regime for enforcement) the provisions of the SSU are directly enforceable by the ACCC in the Federal Court. If the Federal Court finds that Telstra has breached the SSU, it may impose substantial remedies, including:

- financial penalties of up to \$10 million per contravention;
- orders directing the disposal of shares or parts of Telstra's network or other assets;
- orders to compensate anyone who has suffered loss as a result of the contravention.

Telstra's SSU commitments are outlined in more detail below.

Diagram 1. Overview of Interim Equivalence and Transparency measures



2.2. COMMITMENTS ON PRICE EQUIVALENCE

The SSU will include new commitments by Telstra to ensure equivalence in pricing across wholesale customers and Telstra's retail business and improved transparency in relation to Telstra's internal costs.

The SSU will include two substantial price equivalence and transparency commitments:

2.2.1. RATE CARD OF WHOLESALE PRICES, INCLUDING NEW RETAIL MINUS PRICING COMMITMENT FOR WHOLESALE ADSL:

- A commitment to publish a rate card with reference prices for key regulated wholesale services, including for the ULLS, LSS, WLR, LCS, PSTN OTA and wholesale ADSL2+ services. These reference prices will be made available to all wholesale customers after their existing contracts expire (although they still have the option to enter into new bespoke arrangements). For the declared services, the reference prices will be as determined by the ACCC under the existing access regime. For wholesale ADSL2+ (which is not a declared service), reference prices will be calculated on a 'retail-minus' basis and will be adjusted whenever Telstra materially changes its pricing for BigPond retail ADSL2+ services. In addition, the new wholesale reference ADSL2+ price will be reviewed every 6 months to make sure that it also reflects any changes in Telstra's retail costs. This means that for the first time, wholesale ADSL 2+ pricing will be directly

regulated. However, Telstra will not be required to change the reference price for wholesale ADSL to the extent that such a change would require Telstra to supply it below cost.

- While Telstra wholesale customers have the option of taking the reference prices, they can continue to negotiate alternative prices or an alternative price structure with Telstra. Telstra undertakes to amend its standard wholesale contract terms for the relevant set of wholesale products so that the reference prices, as updated from time to time, will apply automatically in the absence of alternatively agreed prices.
- The commitment to publish reference prices will be subject to review after three years, to ensure that it is continuing to achieve its objectives.

2.2.2. REPORTING OF EQUIVALENCE BETWEEN INTERNAL WHOLESALE PRICES AND EXTERNAL WHOLESALE PRICES:

- Telstra will periodically publish reports based on the Telstra Economic Model (TEM) that makes the revenue and cost information that Telstra itself uses to run the business transparent to the ACCC. Telstra has committed to use the TEM as the primary management accounting system for Telstra's own business planning purposes – including to set out its revenues and costs on a per unit basis for the regulated services (ULLS, LSS, WLR, LCS, PSTN OTA and wholesale ADSL), and for comparable retail products. Reported costs will include operating costs, depreciation and a return on capital. The TEM report also will show EBIT for each product and "economic return" (revenue less all costs, including a return on capital). This report will show the extent to which wholesale pricing for wholesale customers (represented by Telstra wholesale revenue for each product) is equivalent to the effective internal wholesale price faced by Telstra's retail business for comparable services (represented by Telstra's internal costs for the same network requirements).
- Where a TEM report shows that a wholesale price faced by wholesale customers is not within +/-5% of the effective internal wholesale price faced by Telstra for certain wholesale service bundles, Telstra will be required to submit to the ACCC a "substantiation report" providing an explanation for this result. These results and any substantiation reports will be made available to the ACCC for any future ACCC regulated pricing reviews if there is a need to better align Telstra's internal wholesale prices with wholesale prices charged to wholesale customers.

Collectively, these commitments will provide transparency to the ACCC and wholesale customers around the equivalence of Telstra's internal and external wholesale pricing. These commitments will also promote transparency around the basis for pricing of key wholesale inputs. The ACCC will have available its enhanced powers under Part XIB and Part XIC (including binding rules of conduct) to act quickly to deal with any competitive pricing concerns revealed by this greater transparency.

2.3. COMMITMENTS ON NON-PRICE EQUIVALENCE

2.3.1. SHIFT FROM THE CURRENT APPROACH OF "MEASURING EQUIVALENCE" TO "ENFORCING EQUIVALENCE"

The current Operational Separation regime has been criticised because it measures whether there has been equivalence in the past, without necessarily triggering direct consequences if non-equivalence issues are seen to arise.

The SSU addresses this criticism through specific, binding commitments by Telstra to use systems and processes to manage orders, fulfill service requests and deal with faults equivalently. Telstra's performance against these commitments will be assessed against clear performance metrics based on those in place under Operational Separation, but modified to sharpen their impact). If equivalence is not delivered, Telstra faces direct 'pay and fix' consequences:

- **'pay':** if Telstra's performance in a quarter for wholesale service when compared to a required service level metric is worse than for comparable retail services by more than an allowed margin (generally 2%), Telstra is required to provide wholesale customers with a rebate for

each affected service, generally equal to one month's recurrent charge. The rebate applies automatically - wholesale customers do not need to make a claim. The SSU rebate commitment is binding on Telstra but not on wholesale customers. They can choose not to participate in the rebate regime and instead to commercially negotiate SLAs with Telstra or rely on other entitlements, such as a wholesale Customer Service Guarantee, but if a wholesale customer does participate, the SSU rebate will be the sole performance remedy; and

- **'fix':** Telstra is required to publish quarterly performance reports as well as provide these reports directly to the ACCC and the Adjudicator. If an adverse non-equivalence issue outside the allowed minimal margin is reported, Telstra must provide a further report to the ACCC and the Adjudicator which explains why this is the case and how Telstra is going to correct the problem. Wholesale customers can also make non-price equivalence complaints through an expedited Telstra process and if not resolved, on to the Adjudicator (see below).

The metrics that will be used to determine if a rebate applies are subject to some general conditions, which predominantly reflect the approach used in the calculation of metrics under Operational Separation. In addition, Telstra is not required to count failures which occur in regions where NBN Co is undertaking installation or connection activities for the purposes of determining whether rebates are required. This is because as part of the migration process both Telstra and NBN Co will be undertaking a range of activities that are not 'business as usual' (for example, Telstra may need to clean out ducts or access equipment in order to prepare them for NBN Co's installation program). These migration-specific issues are not the intended focus of the operational metrics, which are intended to demonstrate equivalence of operational activities by Telstra in its day-to-day operations, as between wholesale and retail customers and services during the interim period prior to the NBN roll-out.

If the performance metrics are to automatically trigger rebates, it is important that the metrics should be robust and reliable. Therefore, Telstra has included a statistical significance threshold for metrics which involve a comparison between retail and wholesale performance, below which the numbers involved are so small in either absolute or comparative terms that any statistical variation is likely to be too unreliable to trigger automatic consequences. Telstra's performance will be disregarded where wholesale orders are:

- less than 1500 orders in aggregate for the relevant quarter ⁶; or
- less than 10% of the volume of orders placed for Telstra's retail customers for the same metric in the same quarter.⁷

Finally, Telstra notes that the SSU provides that, as well as these binding commitments and remedies, in cases of a systemic failure to provide equivalent systems, the ACCC also has power to go directly to the Federal Court to enforce the commitments to equivalent processes and systems.

2.3.2. BROADBAND PRODUCT EQUIVALENCE COMMITMENTS

Telstra's new commitments on wholesale DSL effectively will give wholesale customers the key price and non-price benefits of service declaration. These commitments should help address industry concerns that, before the migration to the NBN begins, Telstra could attempt to 'lock in' retail customers by offering superior retail broadband access on its legacy copper network.

ULLS and LSS-based providers, of course, already have the ability to build their own DSL products on copper, which they can offer in retail and wholesale markets. However, Telstra is also making commitments on broadband DSL product equivalence to ensure that wholesale customers who rely

⁶ Telstra has concluded that the threshold of at least 1500 orders is relevant and appropriate by analysing combinations of volume and performance levels at which metric results produce robust data which is statistically significant (as opposed to reporting chance random variations). Depending on the volume of events (in this case, orders) reported on, the probability of the allowable tolerance of 2% being exceeded purely by chance, rather than by meaningful non-performance, alters. By convention, if the probability of a variation occurring is less than 5% (or, in other words, the confidence level is 95%), the notion of a chance variation is rejected and the variation is interpreted as 'real' variation from the underlying level of performance. On Telstra's calculation, a volume of at least 1500 events (or orders) is required before there is a variation of 2% which is statistically significant to a confidence level of 95% - making it a 'real' 2% variation as opposed to a variation purely by chance.

⁷ The 10% wholesale orders compared to retail order volume threshold is also important because, when wholesale order volumes are much smaller than retail order volumes, negative results outside the minimum allowable 2% tolerance may be produced by immaterial volumes of non-performance against the service levels applicable to the comparative metrics. With such disproportionate volumes, the metric allowable tolerance of 2% may be exceeded even though there is no issue of non-equivalence.

on resale services acquired from Telstra are not technologically left behind in the run-up to the NBN (including ULLS and LSS builders that consider it is more feasible to use resale wholesale services in certain areas or for certain customer groups).

Under this new commitment, if Telstra develops new network capability (delivered at Layer 2) which is used to support enhanced product features and/or functions for retail DSL services, Telstra will simultaneously provide an equivalent wholesale version of the network level upgrade to wholesale customer. The types of upgrades Telstra would have to make available equivalently to retail and wholesale would include new line speeds.

This commitment to DSL product equivalence applies across Telstra's full DSL product range, including not only the ADSL services which must be included in the Interim Equivalence and Transparency regime, but also to other forms of DSL that may be offered by Telstra at retail.

The other significant broadband-related commitment which should facilitate broadband competition in the run-up to the NBN is the link between wholesale prices for Wholesale ADSL and changes in retail BigPond prices, outlined above.

2.3.3. ADDITIONAL NON-PRICE EQUIVALENCE COMMITMENTS

Telstra is also making new binding commitments for other regulated services that reach beyond their treatment under the current Operational Separation regime:

- Telstra will commit to process requests for exchange space (TEBA) and external interconnection duct space received from wholesale customers in an equivalent manner to internal requests for access to the same exchange building for the purpose of supplying Telstra's own retail and wholesale services. Queuing for space is to be managed in a non-discriminatory and transparent manner. There are also rules about designating exchanges as capped exchanges and a governance structure for exchange space;
- Telstra is making service quality commitments on transmission capacity (DCTS), backed by the automatic rebate commitment; and
- Telstra will be required to ensure that specified wholesale business support systems are fit for the purpose of performing a specified set of functions. These systems are to have a high degree of reliability (at least 98% uptime), otherwise a rebate will be automatically paid to wholesale customers that opt into the service level rebate regime described above.

2.4. CLEAR RULES ON DEALINGS BETWEEN SEPARATED BUSINESS UNITS

The SSU commits Telstra to clearer rules about how Telstra's retail, wholesale and network services business units are to be organised and how they are to deal with each other. The main focus of the ring fencing arrangements is on dealings between the retail business units and the other separated business units (wholesale business units and, to a lesser extent, the network services business units). This approach is consistent with the concerns about vertical integration.

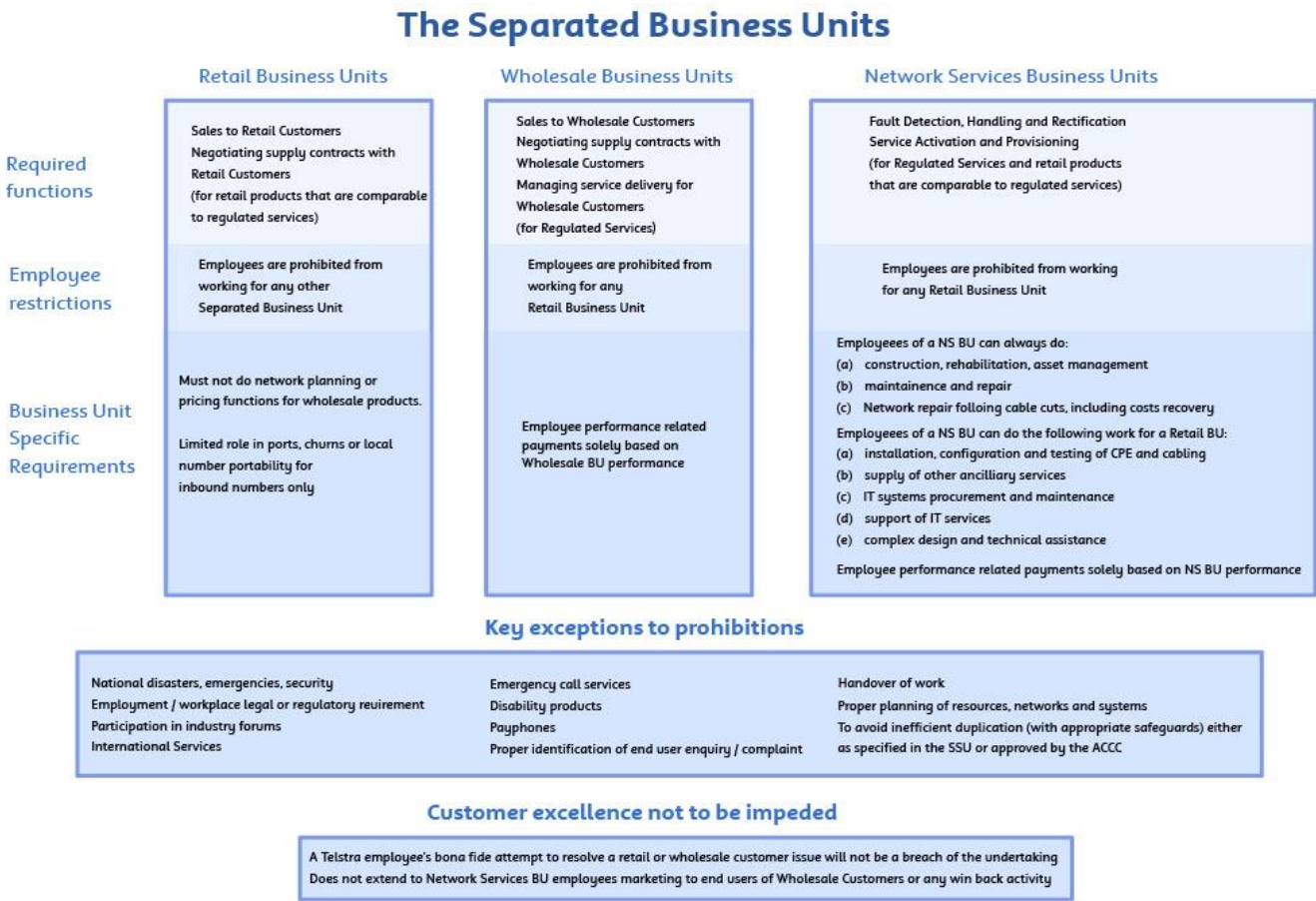
These new commitments include:

- Retail business units are prohibited from undertaking a series of specified functions because they could impact both retail and wholesale services. These functions include network planning, strategic decisions about wholesale pricing, and functions which Telstra undertakes for or on behalf of the industry, such as processing and implementing churns and number portability requests (although the retail business unit can receive and lodge service requests like wholesale customers and continue its current function of account validation for inbound number portability).
- Employees that work for a retail business unit will be prohibited from undertaking any work for a wholesale business unit or network services business unit (and vice versa), with limited specified exemptions. International services, payphone services and emergency call services are exempt (as they are under Operational Separation) and temporary exemptions apply during an emergency or natural disaster. Exceptions are also permitted for functions that have been approved by the ACCC (either as part of the SSU or at a later time) where it is technically or

operationally efficient for that function to be shared. The SSU also sets out some examples of functions which involve interactions between employees of separated business units but will not be subject to the ring fencing arrangements – these include dealings between employees to enable the referral of end user issues or complaints to the correct business unit for resolution and interactions between employees which enable the proper planning, construction, management and operation of Telstra's networks, systems and resources. However, safeguards still apply to ensure Telstra cannot take unfair competitive advantage of the shared function, such as maintaining information security for wholesale customer information (see the more detailed discussion in Annex 1).

- There are measures to reinforce the 'customer agnostic' focus of the network services business unit. The performance-related element of remuneration for employees of the network services business unit is to be based solely on the performance of the business unit (including their performance in providing equivalence). There is limited grandfathering of remuneration schemes which were on foot before the SSU was lodged. Field staff who attend end user premises (retail and wholesale) are also subject to clearer restrictions on undertaking marketing activities where an end user is a customer of wholesale customer – including if the end user is also a Telstra retail customer.
- There are information security rules to protect wholesale customer information. These rules cover not only confidential information which explicitly identifies a wholesale customer or its customers, but also information which, although the wholesale customer's name is redacted, would allow a retail business unit to work out the identity of the wholesale customer. The information security rules have also been extended to prevent Telstra retail business units from having access to aggregated wholesale information on a region by region basis unless the ACCC agrees in the future that the same information should be available to all wholesale customers.
- There are measures to ensure the wholesale business unit will function on its own terms, including location in secure premises, the head of wholesale being at an equivalent level in Telstra's organisation as the head of retail and the wholesale business unit having the resources and personnel to meet its obligations under the SSU. Like in the network services business unit, the performance-related element of remuneration for employees of the wholesale business unit must be based solely on the performance of that business unit (with the same limited grandfathering).
- Telstra is required to maintain systems and processes for recording employee physical movement between separated business units and systems and processes for recording incentive remuneration practices. The incentive remuneration practices will be subject to annual independent verification by an external consultant. Telstra is also required to provide employees of the separated business units with mandatory training about the prohibitions on work and information security and other aspects of the organisational arrangements under the SSU (see below).

Diagram 2. Overview of new ring fencing arrangements



2.5. IMPROVED TRANSPARENCY AND COMPLIANCE

One of the criticisms of the current Operational Separation regime is that it is difficult for the ACCC and wholesale customers to verify Telstra's equivalence claims. The SSU commits Telstra to significantly greater transparency:

- Telstra will regularly provide the ACCC with reports from its management accounts tracking its use of internal wholesale prices for regulated services and comparable retail services (as discussed above);
- Telstra will publish a quarterly non-price equivalence performance report for regulated services and comparable retail services and, where an adverse non-equivalence result detrimental to wholesale customers outside the allowed minimal margin is reported, Telstra is to provide a further report to the ACCC and the Adjudicator (on a confidential basis) which explains why this is the case and how Telstra is going to correct the problem (as discussed above);
- Telstra will provide the ACCC with an annual compliance report which, amongst other things, must provide a summary of Telstra's compliance with the SSU and the steps it has taken to resolve instances of non-compliance; and
- Telstra will prepare a compliance program, including training for employees, in consultation with the ACCC.

2.6. IMPROVED DISPUTE RESOLUTION AND ENFORCEMENT

The SSU will put in place a completely new process to resolve non-price equivalence disputes between Telstra and wholesale customers which combines expedition in the internal review process with external resolution where needed:

- **an accelerated 'first-line' response to complaints:** Telstra believes that the best way to resolve disputes is to attempt to first find a solution between Telstra and the wholesale customer, but without locking wholesale customers into that process if it is leading nowhere quickly. Telstra will introduce a new, accelerated internal investigation process which it will use to investigate all non-price equivalence complaints from wholesale customers. The SSU sets out a structured process with clearly defined stages and timelines for the process. There are also various points in the process where the wholesale customer can directly escalate the complaint to the Adjudicator if the wholesale customer is not satisfied with the outcome. If the wholesale customer agrees to Telstra's proposed solution to a complaint, Telstra must then implement it, in accordance with the proposed rectification plan; and
- **independent, knowledgeable and practical external dispute resolution:** Telstra commits to establish the Adjudicator, modeled on the successful industry adjudicator operating in the United Kingdom, to provide 'root cause' analysis of non-price equivalence issues. The Adjudicator will be an independent technical expert with the power to issue binding directions on all parties to a complaint, including Telstra. There are also defined stages and timelines for the process to ensure the proceedings cannot be unnecessarily delayed.

To participate, wholesale customers need to sign up to the Adjudicator scheme, which takes the form of an agreement with Telstra, under which both parties commit to comply with any directions made by the Adjudicator. This also ensures that Telstra is contractually committed to wholesale customers to participate in good faith and comply with the process (and so wholesale customers are not solely reliant on ACCC enforcement under the SSU).

The entity that is established as the Adjudicator scheme will be a company limited by guarantee (which is a requirement of legislation – see section 152EQ of the Competition and Consumer Act 2010 (Cth)). However, the company itself will not be performing the role of the independent adjudicator that is responsible for hearing equivalence complaints and giving directions. The role of the Adjudicator will be performed by a person that is appointed by the company's board with the approval of the ACCC and there are numerous measures which ensure the independence of this person from Telstra and the board. For corporate governance and organisational purposes, the corporate entity will be a Telstra subsidiary.

In response to the draft SSU Guidance, many industry players expressed concern about the independence of the Adjudicator. To address those concerns, the SSU provides a number of measures to guarantee the independence of the person appointed as Adjudicator, including:

- the ACCC is to approve the person nominated as the Adjudicator;
- the ACCC is to approve a Charter of Independence which will govern the employment/consultancy relationship between the board and the person appointed as the Adjudicator. This Charter is to provide the Adjudicator with security of tenure, the right to consult directly with the ACCC without the board's prior approval and powers for the ACCC to resolve alleged conflicts of interest and issue independence directions;
- the ACCC is to approve the company constitution of the company (and any future changes). The SSU specifies matters to be included in the constitution, including the principle that, to the extent permitted by the Corporations Law, the person employed as the Adjudicator is to operate independently of Telstra and the directors and their role is to be confined to the legal and administrative functions required by that law; and
- the ACCC can consult with the industry on any of the above.

The Adjudicator will have powers to investigate and resolve complaints under both the SSU as well as disputes related to disconnection-related processes used or developed by Telstra as part of the migration processes under the Migration Plan. The Adjudicator process requires Telstra (and any other parties to a complaint) to comply with any direction made by the Adjudicator to develop a proposal that solves any identified problems. Having the Adjudicator resolve disputes through specifically defining the 'outcomes' and then requiring Telstra to develop a proposal to achieve the required outcome recognises that Telstra's systems and processes are often complex and operate across a range of products (both regulated and unregulated) and so Telstra will usually be best

placed to design the specific process and systems changes that are needed. However, the Adjudicator has the final say over the acceptability of Telstra's proposal – including making specific directions as to how the proposal should be amended.

In Telstra's view, the Adjudicator scheme will be most successful if the scheme focuses on non-price issues and disputes capable of quickly implemented, practical solutions. Should major differences over the requirements of equivalence or regulated access generally arise between Telstra and its wholesale customers, these can be more effectively addressed by the ACCC – which has considerably enhanced powers at its disposal, including powers to enforce the SSU commitments on equivalence and its Part XIB and Part XIC powers.

To this end, Telstra's belief is that the most clear-cut way of delineating the Adjudicator's jurisdiction is to place an annual monetary cap on the cost of the system or process changes Telstra can be required to implement by the Adjudicator. Telstra has provided for a soft per dispute cap of \$1 million, beyond which the Adjudicator is required to weigh the costs of system changes against the benefits of making those changes, and an aggregate annual cap of \$10 million.

3. MATTERS THE ACCC MUST TAKE INTO ACCOUNT WHEN DECIDING WHETHER TO ACCEPT TELSTRA'S DRAFT SSU

Section 577A requires that in deciding whether to approve the SSU, the ACCC is required to have regard to the following issues:

- the national interest in structural reform of the telecommunications industry, including its impact on consumers and competition;
- that the SSU puts in place appropriate and effective measures during the migration period to ensure transparency and equivalence in the supply by Telstra of regulated services to its wholesale customer and retail business units;
- that there are appropriate and effective mechanisms in place to enable the ACCC to monitor Telstra's compliance with the SSU; and
- any other issues which the ACCC considers relevant.

The SSU Guidance also specifies a list of matters which the ACCC must take into account. The matters specified in the SSU Guidance, in effect, are a more detailed statement of the statutory criteria. The table in Annex 2 sets out how the SSU meets each of the criteria in the SSU Guidance.

The SSU commitments to structural separation (Part C) reflect, and will be driven by, the incremental process of deployment of the NBN and the disconnection of the Telstra copper networks and HFC networks in accordance with the Definitive Agreements. The Explanatory Memorandum to the SSU Guidance makes clear that the approach taken by the Definitive Agreements is consistent with the Government's policy⁸:

In accordance with the definitive agreements with NBN Co, Telstra will elect to structurally separate by migrating its customer services to the NBN Co fibre network as that network is progressively rolled out. Most of the copper network would be disconnected and use of Telstra's HFC network would be limited to pay TV services (the scope of Telstra's SSU is discussed in the Explanatory Statement accompanying the Telecommunications (Structural Separation Undertaking—Networks and Services Exemption) Instrument 2011). This method of structural separation is supported by the government as it delivers the government's structural reform objectives of a wholesale-only network operating across the country which is not controlled by any retail provider.

In determining the appropriate scope and character of the Interim Equivalence and Transparency measures, three factors need to be kept in mind:

- Structural separation and functional separation are alternatives in the legislative scheme introduced by the CCS Act. It was not intended that Interim Equivalence and Transparency would amount to another version of functional separation. This is made clear by the Explanatory Memorandum to the SSU Guidance that provides⁹:

The measures set out under [the E&T Guidance] are aimed at providing meaningful improvements to the current transparency and equivalence measures and are planned to complement the recent changes to the telecommunications access regime. They are not intended to require Telstra to implement functional separation. In accordance with the Act, if Telstra chooses not to voluntarily structurally separate it will be required to implement functional separation.

- Consistent with the roll out schedule detailed in NBN Co's Corporate Plan, NBN Co's entry to the market as a wholesale-only provider and the progressive disconnection of the Telstra copper and HFC networks will have a substantial impact on market dynamics well in advance of the completion of the NBN and Telstra's complete structural separation at the Designated Day – so

⁸ Explanatory Memorandum, Telecommunications (Acceptance of an Undertaking about Structural Separation – Matters) Instrument 2011, at page 4.

⁹ Explanatory Memorandum, Telecommunications (Acceptance of an Undertaking about Structural Separation – Matters) Instrument 2011, at page 5.

that equivalence and competition concerns will become increasingly marginal as the rollout progresses.

- Significant re-development of industry's legacy systems would be unnecessarily wasteful and disruptive. Migration to the NBN will involve Telstra, and wholesale customers as well, substantially rethinking, rebuilding, and replacing current systems, processes, and work practices. Telstra itself needs to be able to internally reorganise, rebuild systems and processes and readjust its business to cope with its transformation to being a network based operator on copper and HFC to being services-based competitor using the NBN. Network decommissioning and migration has never been attempted anywhere on this scale before. The Interim Equivalence and Transparency framework should not require substantial investment and effort in changing systems and processes which will then be quickly rendered redundant or progressively retired as the NBN is deployed, nor side track Telstra (and the industry) from the bigger picture of getting NBN migration right.

Changes in Telstra legacy systems also are likely to flow onto changes and disruption for retail and wholesale customers, who themselves also face changes to migrate to and use the NBN. Within this framework, the Interim Equivalence and Transparency measures meet the statutory requirement of "appropriate and effective measures during the migration period to ensure transparency and equivalence in the supply by Telstra of regulated services to its wholesale customer and retail business units", for the following reasons:

- *transparency and equivalence of pricing for key wholesale inputs:* Telstra commits to report on costs and revenues for key wholesale inputs across regulated wholesale and comparable retail services. This will allow for comparison of effective internal wholesale prices with prices charged to wholesale customers for equivalent inputs. Telstra will also publish "reference prices" for these wholesale inputs, which will be made available to wholesale customers;
- *clear commitments to non-price equivalence, with economic incentives to deliver and tangible consequences if Telstra does not:* Telstra's failure to deliver non-price equivalence will have direct, meaningful consequences (the threat of which will, in turn, drive compliance). The staff of the network services business unit, whose primary 'Required Function' is to deliver equivalent order management and service implementation for retail and wholesale services, will have powerful economic incentives to ensure equivalence because their performance-based pay will be based on whether they achieved equivalence. If equivalence is not delivered (beyond a minimal tolerance level), Telstra also will automatically face the payment of rebates (which itself provides an economic incentive to deliver on equivalence). In addition, if Telstra still does not agree there is a problem, or does not take the right action to fix it, the Adjudicator can direct Telstra to change its systems and processes to achieve equivalent outcomes where this is lacking. In more serious cases, Telstra also faces the risk of enforcement proceedings by the ACCC, with the risk of substantial sanctions and penalties in the Federal Court;
- *expanded reach of equivalence:* The SSU contains new and significant commitments to equivalence over and above the core commitments on ordering, provisioning and fault repair. Telstra has committed to product equivalence at layer 2 across the full range of its DSL products. As well, Telstra has committed to a retail-minus pricing approach to wholesale ADSL 2+, with lock step adjustments as Telstra changes its retail prices. In effect, the commitments on Wholesale DSL largely mimic service declaration. These broadband related commitments are amongst the most significant in the SSU because, together with the ACCC's decision on ULLS and LSS pricing, they can be expected to stimulate further competition in broadband services in the lead-up to migration to the NBN. Other new commitments include a commitment on fit-for-purpose wholesale business support systems and on equivalence in supply of TEBA;
- *measures to address concerns about vertical integration:* Telstra has made commitments to address concerns that, in a vertically integrated business, retail predominates over wholesale. There are strengthened commitments to ring fence staff, functions and information of the wholesale business unit from the retail business unit, with limited exceptions. The retail business unit is prohibited from undertaking particular functions which are key to wholesaling or competition generally, such as network planning, decisions on wholesale pricing, and

implementation of churn and local number portability requests. The information security rules will prevent the retail business unit having access to masked information about individual wholesale customers and to aggregated wholesale information at any level of meaningful granularity. There are commitments to maintain the customer agnostic focus of the network and services business unit by limiting what it can do for retail business units beyond its primary functions and restricting marketing activities by field staff; and

- *stronger compliance and enforcement:* Regular reporting on price and non-price performance, as required by the SSU, provides the ACCC with a much greater level of transparency than currently applies under Operational Separation. Telstra's reporting obligations requires it to call out instances of non-compliance and detail the action it has taken or is proposing to take to rectify. There are direct and immediate consequences for poor performance through the payment of rebates and the establishment of the Adjudicator increases the level of independent external accountability for day to day equivalence problems which otherwise might not be so appropriate or readily addressable by full scale enforcement proceedings.

The combined package of Interim Equivalence and Transparency measures and progressive structural separation – backed-up by the SSU mechanisms and the ACCC's other enhanced powers under Parts XIB and XIC - should provide the ACCC and industry with confidence that the SSU represents a genuine effort by Telstra to come to grips with the concerns about the ineffectiveness of the current Operational Separation regime in dealing with vertical integration.

Part 2: Telstra's draft Migration Plan

The Migration Plan is a document which the *Telecommunications Act 1997* (the Act) permits Telstra to lodge for approval by the ACCC and which specifies the various actions Telstra will take as part of the migration process. In effect, while the SSU specifies the 'what' of structural separation, Telstra can use the Migration Plan to explain the 'how'.

4. TELSTRA'S LIMITED ROLE IN MIGRATION TO THE NBN FIBRE NETWORK

4.1. CONNECTION AND DISCONNECTION ARE SEPARATE PROCESSES

Telstra understands that NBN Co will publish an information guide which describes how the end to end process of migration will work. The following discussion focuses on Telstra's role in disconnecting retail and wholesale services on its copper network as context for the discussion of Telstra's commitments in the draft Migration Plan in this section 2.

Migration to the NBN fibre network will operate differently to the way in which customers often transfer ('churn') between service providers on Telstra's network today, such as between Telstra Retail and a ULLS-based service provider. NBN migration involves two different networks and two network operators. There is, therefore, no single 'end to end' network level process nor a single 'owner' of the processes used in migration. NBN Co will be responsible for connection of new fibre services on the NBN and Telstra will be responsible for disconnection of services on its copper network and the HFC network. Using these connection and disconnection process tools, each service provider will be responsible for managing its own customer base to ensure individual customers are migrated before the mandatory disconnection of Telstra retail and wholesale services in each area.

The disconnection of Telstra services on Telstra's network will occur equivalently between Telstra and other service providers. Similarly, Telstra, as a service provider on the NBN fibre network, will be required to use the same connection processes on the NBN as any other service provider. Further, as the network operator of the main fixed telecommunications infrastructure to be replaced by the NBN fibre network, Telstra must use equivalent processes to disconnect retail and wholesale services on its copper network.

4.2. RELATIONSHIP BETWEEN THE MIGRATION PLAN AND NBN ROLLOUT

Telstra's disconnection obligations arise under the Definitive Agreements, as reflected in the draft Migration Plan, where and when NBN Co deploys the NBN fibre network. There are two key concepts in this process:

- The rollout of the NBN fibre network will occur on a region by region basis, typically based on individual NBN Fibre Serving Area Modules (each referred to as a Rollout Region).¹⁰
- The fibre footprint in respect of a Rollout Region comprises the premises within that Rollout Region that are passed or are intended to be passed by the NBN fibre network (**Pass**). The Government's rollout objective for the NBN Co fibre network is that it Pass 93% of premises in Australia. The 93 per cent that will be Passed and the 7 per cent that will not be Passed are not neatly segmented into separate geographic areas. Therefore, not all of the premises within a Rollout Region necessarily will be within the fibre footprint. Nor will all of the premises passed by the NBN necessarily be NBN serviceable (i.e. be capable of being connected to the NBN).

¹⁰ There are different types of rollout regions which will be described in more detail in the Information Paper, but broadly the process of migration will occur in the same way across rollout regions.

4.3. MIGRATION TIMETABLE IN A ROLLOUT REGION

Telstra understands that for standard Rollout Regions NBN Co generally will give at least 12 months notice of the forecasted Region Ready for Service Date to all service providers (including Telstra).

Once the NBN fibre network has been constructed to the point that it has passed at least 90 per cent of premises in the proposed fibre footprint within a Rollout Region, NBN Co may notify all service providers (including Telstra) of the date from which that Rollout Region will become Region Ready for Service.

From the Region Ready for Service Date, NBN Co will begin to process orders from service providers for the connection of premises in the fibre footprint in the Rollout Region (although NBN Co may start accepting orders from service providers prior to the Region Ready for Service Date, so that it is ready to start activating services on 'day one').

During the 18-month period from the Ready for Service Date to the final Disconnection Date for a Rollout Region (the **Migration Window**), cancellation of the Telstra retail or wholesale copper services does not follow automatically from the relevant premises being NBN Connected. For example, NBN Co will not notify Telstra:

- when NBN Co has received a connection order from another service provider for a premises currently connected to the Telstra copper network or the Telstra HFC network;
- of the scheduled time when NBN Co's contractor will be attending at that premises to install NBN infrastructure; or
- that the NBN fibre network has been successfully connected at the premises.

As a result, Telstra may not become aware of the need to disconnect the existing services following connection of premises to the NBN fibre network until Telstra receives a service cancellation order from the retail or wholesale customer (even then, Telstra will not necessarily know that disconnection is associated with NBN migration rather for some other reason, such as the end user moving house). For this reason, it will be up to Telstra's wholesale customers to separately submit service cancellation orders to Telstra for services on Telstra's network.

Telstra is required to disconnect all remaining copper and HFC services (with limited exceptions such as special services) at the end of the Migration Window.

4.4. PULL THROUGH

At some premises, it may be necessary to use an existing copper line to pull through the new NBN fibre in order to connect a service on the NBN at that premises. This will result in a disruption to the Telstra retail or wholesale services provided over that copper line, usually for no more than a few hours.

Telstra expects that, at many premises, the 'pull through' process will not be needed because there should already be enough spare room in the conduit for the fibre optic line to be pushed through by the NBN Co installer without the need to disconnect or use any copper line.

In summary, where pull through activities are required:

- as pull through is associated with the connection of premises to the NBN, NBN Co (not Telstra) makes the decision about whether pull through is required. However, as pull through will result in the use of the Telstra copper line (which will cause a temporary outage of a service), the draft Migration Plan deals with the relevant parts of the pull through process;
- pull through is not a 'deemed disconnection' of the Telstra copper service. NBN Co is required, except in very limited circumstances, to reconnect the Telstra copper line. This means that the service provider for the current Telstra service will still need to lodge a disconnection request to cancel the Telstra wholesale service; and
- there will be safeguards in place if connection to the NBN cannot be completed on the same day as pull through. NBN Co is required, except in limited circumstances, to remain on site at the

premises until the Telstra lines have been successfully reconnected or a temporary cable is installed and tested to restore the Telstra retail or wholesale service.

4.5. SPECIAL SERVICES

While the processes described above will be relevant for customers with a standard voice or broadband connection, the existing copper network is also used to supply a wide range of more sophisticated telecommunications services (**Special Services**). For example, Telstra's copper network is used (including by means of ULLS and LSS services) to provide Special Services as varied as:

- high speed broadband links used by businesses to establish 'virtual private networks';
- dedicated EFTPOS networks that are used to handle and transmit in-store debit and credit card transactions;
- communications between networks and public utility equipment or other automatic equipment such as traffic lights, metering equipment, automatic teller machines, alarm systems and medical equipment; and
- ISDN services that allow a single copper line to be used to support two digital channels (e.g. voice and fax or multiple voice lines).

Special Services will have their own disconnection timeline and process, triggered either by NBN Co's development of fibre-based product which can support a particular class of Special Service or by Telstra's own product exit arrangements. In the meantime, Telstra and other service providers can continue to use the Telstra copper network to supply Special Services, including beyond the Disconnection Date in a Rollout Region. This includes using ULLS and LSS to provide services that are equivalent to those Special Services.

On the Special Services Disconnection Date for a class of Special Services, all Special Services of that class must be disconnected in any Rollout Regions that have already been migrated to the NBN (including all ULLS and LSS used to supply services equivalent to Special Services of that class). Going forward, any Special Services within that class must be disconnected at the Disconnection Date in the same way as standard services in any future Rollout Regions that are migrated (including disconnection of ULLS and LSS used to supply services which are equivalent to Special Services of that class).

5. TELSTRA'S COMMITMENTS IN THE DRAFT MIGRATION PLAN

The draft Migration Plan implements the incremental disconnection process outlined above. The following summarises the key provisions of the draft Migration Plan.

5.1. USE OF BUSINESS AS USUAL DISCONNECTION PROCESSES

Telstra has well established retail and wholesale processes (including business to business systems used by most wholesale customers) for cancelling services. These systems are scalable and well understood – and are now also supported by minimum system availability commitments under Telstra's Interim Equivalence and Transparency measures.

The draft Migration Plan Principles commits Telstra to the general principle that it should to the extent that it is reasonable and practicable to do so, using these existing "business as usual" processes, systems and interfaces.

Consistent with this general principle, the draft Migration Plan:

- specifies the current disconnection processes for retail and wholesale services as the processes which Telstra will use during the Migration Window (see Schedule 1 of the draft Plan); and
- commits Telstra to use of existing Local Number Portability code and industry processes to facilitate the migration of services to the NBN.

The draft Migration Plan also provides that disconnection processes which are yet to be developed (see Required Measures below) also should to the extent practicable use existing business as usual processes.

The draft Migration Plan also provides that Telstra's business as usual processes will apply to disconnections within the fibre footprint which are unrelated to NBN migration, such as disconnection where a customer fails to pay due charges or where Telstra undertakes a product exit.

5.2. SERVICE PROVIDER CONTROL OVER THE TIMING OF DISCONNECTION

The draft Migration Plan gives wholesale customers autonomy over decisions about when to disconnect services in two ways during the Migration Window:

- wholesale customers can choose when to lodge a disconnection order with Telstra up to the Disconnection Date; and
- when lodging a disconnection order, the wholesale customer can nominate a date on which the disconnection is to take place (a Customer Requested Date or CRD). The CRD will either become the date on which Telstra commits to disconnect the service (Telstra Committed Date or TCD) or if the wholesale customer's CRD is not available, the wholesale customer will be informed (through Telstra's electronic interfaces) and it can choose another CRD which will be processed in the same way until an agreed TCD is reached, up to the Disconnection Date (by contrast, retail customers are assigned the next available date if their CRD is not available).

This enables wholesale customers to themselves coordinate connection of services to the NBN and the disconnection of services from Telstra's network in a way that maximises service continuity for end users, including by 'future dating' disconnection orders to follow the NBN Co scheduled connection date. Wholesale customers can also use the same process to change the TCD by nominating a later CRD, which allows them to adjust disconnection timing to deal with any delays or changes in the NBN Co connection date.

The draft Migration Plan specifies a limited number of circumstances where a wholesale service may be disconnected automatically without the consent of the wholesale customer, consistent with current industry practice, including:

- where the end user has signed up with another service provider and a request to port the end user's number to the new service provider has been lodged. Under current industry porting

arrangements, number portability requests are treated as 'deemed cancellation' of the existing service; and

- where the Telstra customer cancels a Telstra retail or wholesale telephone service, any retail or wholesale broadband service or the LSS provided on the same line will be cancelled at the same time.

Telstra can only accept service cancellation orders from the existing customer of the copper service. If an end user is currently being supplied with a service on the copper network by one service provider (including Telstra Retail) and decides to migrate to the NBN fibre network with another service provider, the service cancellation can only be lodged with Telstra by the end user in the case of a Telstra retail service or the 'losing' service provider in the case of wholesale service.

The draft Migration Plan provides that if the industry develops a process for 'gaining service providers' to obtain disconnect requests on behalf of end users, Telstra will implement such a process. Telstra cannot unilaterally implement an authority/agency model for its own retail services, except by seeking a variation to the Migration Plan (which requires ACCC approval).

5.3. TELSTRA TO PUBLISH A SCHEDULE OF DISCONNECTION DATES

While NBN Co is primarily responsible for information about the migration process (through the public information campaign), the draft Migration Plan commits Telstra to:

- publishing and keeping up to date a schedule of 'disconnection dates' for rollout regions; and
- providing notifications to retail and wholesale customers who have not disconnected 3 months before the disconnection date in each rollout region.

5.4. MANDATORY DISCONNECTION AT THE DISCONNECTION DATE

The draft Migration Plan provides that on the Disconnection Date for a Rollout Region, Telstra must start disconnecting all premises from the Telstra copper network and HFC Network (for services other than pay TV) Passed by the NBN fibre network in that Rollout Region, with the limited exceptions discussed below. Telstra has 10 business days in which to complete disconnection of all relevant lines. The requirement applies to all premises within a Rollout Region that are Passed by the NBN as at the Disconnection Date, irrespective of whether those premises are currently connected to the NBN or whether the NBN service qualification process shows that it is capable of being connected to the NBN (NBN Serviceable).

The draft Migration Plan sets out the limited exceptions where copper or HFC lines connecting premises in a Rollout Region can continue to be used to provide services after the Disconnection Date:

- NBN Co will notify Telstra of NBN Connection orders which as at the Disconnection Date have not yet been fulfilled. Telstra is to hold off disconnection at those premises to enable NBN Co to clear the backlog (In-Train Orders) for a period of up to 90 business day; and
- a range of retail and wholesale Special Services, for which there will be different Disconnection Dates set by NBN Co depending on the timeframe within which a suitable fibre alternative product becomes available on the NBN (see discussion below).

Consistent with both the MPPs and the TUSMA Agreement, the draft Migration Plan requires that if a copper line over which Telstra is only supplying retail telephone services or wholesale line rental is disconnected at the Disconnection Date but is not yet to be connected to a Telstra NBN service, Telstra must continue to provide 'soft dial tone' for 20 business days, until the premises is connected to the NBN fibre network or until pull through occurs (whichever is earlier). Soft dial tone allows an end user to contact emergency services, the '1100 Dial before you Dig' service, Telstra customer service, and fault reporting phone numbers, but prevents the service from being used to make any chargeable outbound calls or receive any inbound calls.

5.5. SPECIAL SERVICES

The draft Migration Plan sets out the Special Services disconnection process discussed above. Consistent with the definition in the MPPs, a list of Special Services categories is set out in annex to the draft Migration Plan and includes:

- both retail and wholesale Special Services supplied by Telstra; and
- LSS and ULLS services to the extent they are used by other service providers to supply services which are equivalent to the listed Special Services.

Telstra will continue to provide these Special Services in Rollout Regions after all of the other copper services in that region have been disconnected, up until a later date which will be either:

- 36 months after NBN Co develops and publishes a “white paper” specifying an acceptable NBN substitute for a particular class of special services¹¹; or
- the date that Telstra otherwise exits the Special Service using its standard product exit processes.

Where a type of Special Service is supplied to both retail and wholesale customers, Telstra must set the same disconnection date for both.

Telstra will not usually know what services are being supplied to premises by a wholesale customer using LSS or ULLS. As such, the draft Migration Plan provides that three months prior to the Disconnection Date in a Rollout Region and then at a time closer to the Disconnection Date for the region, Telstra will require each wholesale customer in the Rollout Region to provide it with a certified list of the premises within the fibre footprint in that Rollout Region where the wholesale customer is using ULLS or LSS services to provide a Special Service and what category the Special Service falls into. This information will be quarantined within Telstra in accordance with the ring fencing requirements which the draft Migration Plan provides are to be developed by Telstra in consultation with the industry and NBN Co and approved by the ACCC.

The draft Migration Plan provides that following the Disconnection Date in a Rollout Region Telstra can re-connect copper lines for the purposes of Telstra or a wholesale customer supplying a Special Service in a class for which the Special Services Disconnection Date has not passed (including where the wholesale customer will be using ULLS and LSS to supply its own services that are equivalent to a Special Service and has certified to that effect). The reconnection process must be equivalent between retail and wholesale services. The copper path has to be rebuilt, which Telstra anticipates will be a mainly manual process. Telstra currently does not have a suitable process to do this and the draft Migration Plan requires Telstra to develop such a process as one of the required Measures for ACCC approval.

5.6. PULL THROUGH REQUIRES WHOLESALE CUSTOMER CONSENT

NBN Co usually will not be able to determine whether pull through will be required prior to its personnel or contractor inspecting the lead-in conduit at each premise when undertaking the connection work. The DAs provide for a process for NBN Co field staff and contractors to check with Telstra the suitability of using copper lines for pull through. The draft Migration Plan provides that when Telstra receives a pull through inquiry, Telstra must inform NBN Co personnel or contractors that if a line used to provide wholesale services is not suitable for pull through if Telstra has not been able to obtain in advance the relevant wholesale customer's consent to pull through. If more than one line in a lead-in conduit is used to provide wholesale services to more than one wholesale customer, Telstra is to inform NBN Co and its contractors that none of the lines is suitable for pull through unless all of the wholesale customers have given their consent.

If the NBN connection cannot be completed on the same day as any pull through occurs, NBN Co is required, except in limited circumstances, to remain on site at the premises until the Telstra service is successfully restored (and Telstra must co-operate with NBN Co to test the service).

¹¹ The DAs contain a process where Telstra can notify NBN Co that in its reasonable opinion, the additional functionality proposed by NBN Co would not enable the Special Services to be migrated to the NBN Co Fibre Network, in which case the matter will be referred to an independent assessor for determination. The outcome of the determination will affect the disconnection date for the relevant class of special service).

The draft Migration Plan provides that where NBN Co informs Telstra of a circumstance that prevents NBN Co from being able to complete pull through activities or rectification of the Telstra copper line, Telstra will inform the relevant wholesale customer. As NBN Co and Telstra have not developed the notification process between each other, the draft Migration Plan provides for the notification process between Telstra and wholesale customers to be developed as a Required Measure.

End users can mitigate the effects of service interruption caused by pull through by diverting their telephone services to another telephone service, such as a mobile. The draft Migration Plan provides that Telstra is to make available Easycall call diversion functionality on its copper network on an equivalent basis between retail call services and wholesale line rental and ensure that pull through does not disturb any call forwarding which has been activated on the line or processing any number portability request (for example, related to the newly connected NBN-based service). However, the draft Migration Plan also makes clear that wholesale customers bear the responsibility of explaining the availability of call forward to their own customers.

5.7. USE OF ORDER STABILITY PERIOD

Telstra is concerned that, in the lead-up to the Disconnection Date, Telstra's ability to handle and process retail and wholesale disconnection requests could be jeopardised if Telstra also simultaneously receives other kinds of order requests within the fibre footprint in the same Rollout Region (for example, new orders to move or add new features to existing services). Consistently with the MPPs, the draft Migration Plan therefore allows Telstra to apply a limited period of time in which only orders for disconnection and number portability will be processed for premises within the fibre footprint in the relevant Rollout Region (**Order Stability Period**).

There are a number of safeguards for customers included in the draft Migration Plan:

- the Order Stability Period must be applied equivalently between retail and wholesale services;
- it must be applied for the shortest period reasonably required and in no event be longer than 20 business days prior to the Disconnection Date unless otherwise approved by the ACCC or the Adjudicator;
- Telstra must periodically review the Order Stability Period, including where requested by the Adjudicator, ACCC or a wholesale customer;
- any proposal to change how the Order Stability Period works must be subject to ACCC or Adjudicator approval; and
- wholesale customers can make complaints about the Order Stability Period not being applied equivalently to the Adjudicator.

5.8. LIMITED RIGHT TO USE COPPER AND HFC LINES AFTER DISCONNECTION DATE

The draft Migration Plan requires Telstra not to supply a new copper service to premises where the NBN service qualification process shows that it is capable of being connected to the NBN (it is 'NBN Serviceable'). This means that once premises can be serviced by the NBN, connection to the NBN will always take precedence over the copper network (except in the case of Special Services which cannot yet be supported by the NBN fibre network).

Telstra will also not supply a new copper service to a premises which has been included in a list provided by NBN Co of premises that are passed by the NBN (even if not identified as 'serviceable') and where providing the copper service would require new infrastructure to be built.

5.9. OTHER RECONNECTION EVENTS

There are very few circumstances in which the Migration Plan permits Telstra to reactivate its copper or HFC networks following the Disconnection Date of a rollout region. These are:

- where there is a mass outage on the NBN (which affects a whole region); or

- where NBN Co is subject to an insolvency event or otherwise permanently ceases to operate prior to the Designated Day.

The draft Migration Plan provides that if Telstra reactivates its copper network and commences to re-supply services, it must do so on an equivalent basis for retail and wholesale customers.

5.10. COMPLETION OF PERMANENT DISCONNECTION OF ALL PREMISES BY THE 'DESIGNATED DAY'

Subject to limited exceptions, the draft Migration Plan requires Telstra to have completed permanent disconnection of all of the premises within the NBN network footprint by the Designated Day. This aligns the final Migration Plan outcome with the commitment to final structural separation given in the SSU and as agreed commercially by Telstra with NBN Co under the Definitive Agreements. The concept of 'permanent disconnection' goes beyond ordinary service disconnection and aligns with the final and permanent disconnection of copper lines which is the basis of Telstra's commercial agreement with NBN Co under the Definitive Agreements and the structural separation requirement under the Networks and Services Exemption.

5.11. INFORMATION SECURITY IN RELATION TO NBN CO INFORMATION

In practice, Telstra expects most of the information which it receives from NBN Co under the Definitive Agreements will be the same information which NBN Co makes available to all service providers. This should operate to substantially reduce the risks associated with information provided to Telstra by NBN Co.

Nonetheless, the draft Migration Plan requires Telstra to develop detailed confidentiality/information ring fencing procedures to be approved by the ACCC within 6 months of the Migration Plan being approved. Telstra is already working on these arrangements and expects to be in a position to submit them to the ACCC for approval shortly after acceptance of the Migration Plan (if not before).

5.12. RESTRICTIONS ON TELSTRA FIELD STAFF UNDERTAKING MARKETING ACTIVITIES

The disconnection process does not require Telstra to attend at end user premises to remove copper cabling. The permanent disconnection required to achieve structural separation can be done for active services within Telstra's systems and for ULLS and LSS by de-jumpering cables at the Telstra exchange.

Nonetheless, the draft Migration Plan imposes restrictions on Telstra field staff marketing Telstra retail services, either when attending at end user premises to disconnect wholesale services or to connect NBN services on behalf of NBN Co. Where Telstra attends at premises both to do work on behalf of NBN Co and to install equipment or premises cabling for its own retail customer (i.e. an NBN Co installation model which avoids two truck rolls), Telstra is not restricted from marketing to its retail customer during the course of the Telstra-related work. However, if the customer is also the customer of another service provider, Telstra is not permitted to engage in "win back" activities.

5.13. MAINTAINING CONSISTENCY BETWEEN THE MIGRATION PLAN AND THE MPPS

As required by the MPPs, the draft Migration Plan sets out a number of mechanisms by which the Migration Plan processes or the Migration Plan itself may be changed to maintain consistency with the MPPs, including the general principle of equivalence between disconnection of retail and wholesale processes.

First, if either the ACCC or the Adjudicator, based on the performance record, consider that any processes or systems used by Telstra under the Migration Plan are no longer consistent with the general principles of the MPPs, including equivalence, it may issue a direction requiring Telstra to

prepare a proposal to make changes to bring the process or system back into line. The draft Migration Plan sets out a process for consideration of the Telstra proposal, including industry consultation.

Second, if the ACCC considers that, based on the performance record, a provision of the Migration Plan is no longer consistent with the general principles of the MPPs, including equivalence, it may issue a direction to Telstra requiring to prepare and lodge a variation to the Plan to bring it back into line with the MPPs, which would be then be addressed through the statutory processes, including the ACCC undertaking public consultation.

Third, a wholesale customer may request variation of a process or measure under the Migration Plan. The draft Migration Plan sets out a process for Telstra to consider the wholesale customer's request and if a resolution cannot be reached, the wholesale customer can refer the dispute to the Adjudicator, which will address the dispute through the Adjudicator mechanisms set out in the SSU.

Consistently with the MPPs, the draft Migration Plan provides that neither the ACCC nor the Adjudicator may exercise its powers in a way which shifts any of the key 'goal posts' which form the basis of the disconnection process agreed in the DAs, such as changing the mandatory disconnection date.

The inclusion of these goalposts reflects one of the key purposes of the Migration Plan, which is to provide Telstra with regulatory certainty. As the Explanatory Memorandum to the CCS Bill stated:¹²

"The migration plan is a document that Telstra will separately lodge with the ACCC, which will be considered and approved by the ACCC separately from the structural separation undertaking, and that will deal with matters concerning the timing of, and processes involved in, the migration of customers from Telstra's own fixed-line network to the national broadband network.

Given that a migration plan would deal with steps to be taken in migrating customers to the national broadband network, it is expected that Telstra would consult closely with NBN Co in the preparation of any migration plan.

Once a migration plan is approved by the ACCC, the provisions of that plan will be treated as provisions of the in-force structural separation undertaking."

Telstra will be required to build, re-configure and run large scale systems which can handle the large volume of orders which have to be disconnected over the course of the NBN rollout. NBN Co and Telstra also will need to build compatible systems, and changes in Telstra's systems will have a knock on effect on NBN Co systems.

Consistent with this objective of the Migration Plan, Telstra considers that there should be reasonable boundaries on the power of the ACCC or Adjudicator to require large scale changes in Telstra systems and processes that have been signed off (either as part of the original Migration Plan or as a Required Measure). The draft Migration Plan therefore applies the same approach of annual monetary caps which applies to the Adjudicator process under the SSU: \$1 million per matter as a soft cap beyond which a balancing of costs and benefits is required and an overall cap of \$10 million in any year (separate caps apply under the SSU for non-migration related complaints).

5.14. FUTURE DEVELOPMENT OF DISCONNECTION PROCESSES

The disconnection process will involve a number of new processes which have not yet been developed by Telstra. The draft Migration Plan therefore provides a process for Telstra to develop a set of 'Required Measures' within 6 months of the Migration Plan being approved (or longer, if agreed by the ACCC). The Required Measures must themselves comply with the MPPs, must be approved by the ACCC and will be subject to consultation with NBN Co and wholesale customers.

¹² CCS Bill Explanatory Memorandum at page 103.

The set of Required Measures in the draft Migration Plan address the following issues:

- The processes which Telstra will use to notify (and receive notifications from) wholesale customers, where their services are going to be affected by 'pull through' activities.
- The processes Telstra will use to mass disconnect all remaining ordinary services (both copper and HFC-based), that have not migrated in a region by the disconnection date.
- How Telstra will build new copper 'paths' to premises after they have been permanently disconnected, where it needs to do so in order to provide Special Services to that premises.
- The processes Telstra will use to disconnect Special Services, from time to time, as new products are developed for the NBN that enable these copper services to be migrated.
- The information ring fencing arrangements that Telstra will put in place to ensure that any information it receives from NBN Co (that is not made generally available) cannot be commercially exploited by Telstra to give its retail business units an unfair advantage.

6. MATTERS THE ACCC MUST TAKE INTO ACCOUNT IN DECIDING WHETHER TO APPROVE THE DRAFT MIGRATION PLAN

The Minister published a set of 'Migration Plan Principles' on 23 June 2011 to direct Telstra and the ACCC about the specific issues and matters that must be addressed in any draft Migration Plan in order for it to be acceptable. The ACCC must accept Telstra's draft Migration Plan if it complies with the Migration Plan Principles, and must reject the draft Migration Plan if it fails to do so.

The objects of the Migration Plan Principles are to establish principles that provide for:

- timely and efficient disconnection of wholesale and retail services by Telstra as part of the migration process (i.e. as the NBN fibre network is deployed); and
- provide for equivalence in the disconnection processes that Telstra will implement for its wholesale customers and retail business units.

The following table describes how the draft Migration Plan addresses the general principles set out in the MPPs.

General Principle	How addressed in draft Migration Plan
General Principles in Clause 8	
<p>1. The migration plan must provide for disconnection of fixed-line carriage services supplied to premises in a fibre rollout region to occur in a way that:</p> <p>(a) ensures the efficient and timely disconnection of wholesale carriage services and retail fixed-line carriage services from a separating network; and</p>	<ul style="list-style-type: none"> Telstra is committing to use its Business as Usual disconnection processes for disconnection during the Migration Window. These processes, which are already well-established within the industry, and work well, allow the customer to nominate the disconnection date that best suits them. Therefore, with the limited exceptions discussed below, decisions about the timeliness of disconnection before the Disconnection Date within each Rollout Region will be made by the retail or wholesale customer. During the Migration Window, Telstra generally will disconnect services in accordance with the timetable selected by the retail or wholesale customer. If the Telstra wholesale service is disconnected after the date to which Telstra has committed (which, as discussed below, will generally be the date chosen by the retail or wholesale customer for disconnection), the wholesale customer is entitled to claim a rebate of any rental/access charges. The rebate also provides Telstra with an economic incentive to disconnect in a timely manner. Telstra has 10 business days to disconnect services which have not already been disconnected as at the Disconnection Date in a Rollout Region. This Disconnection Window is consistent with the period of time for disconnection to which NBN Co agreed in the Definitive Agreements. This is a reasonable period of time for Telstra to complete the disconnection of the remaining services. An NBN Co Rollout Region may cover one or more Telstra Exchange Serving Areas (or parts thereof) and the disconnection process could involve thousands of lines. While it is anticipated

General Principle	How addressed in draft Migration Plan
	<p>the efforts of service providers (including funded through the TUSMA Agreement) should have achieved migration of most or a substantial proportion of end users in a Rollout Region, Telstra may still face a significant task in disconnecting the remaining lines. Telstra will need time, as set out in the draft Migration Plan, to “wash” In-train Premises and wholesale customer certifications of ULLS and LSS lines over which relevant Special Services are provided against the remaining base of connected services to identify those premises to which copper services can continue to be provided. Once having identified the population of lines to be disconnected, Telstra can then proceed with disconnection of active services within Telstra’s systems, which should be a relatively straightforward task. However, ULLS and LSS lines will require attendance by Telstra personnel at the relevant exchange(s) in the Rollout Region to undertake de-jumpering work.</p>

General Principle	How addressed in draft Migration Plan
(b) to the extent it is in Telstra's control, minimises disruption to the supply of fixed-line carriage services; and	<ul style="list-style-type: none"> Minimising disruption to the supply of fixed-line carriage services is stated to be an object of the Migration Plan in accordance with which Telstra, to the extent within its control, is to implement and manage disconnection related to Migration. The draft Migration Plan extends the same objective to Telstra's management of local number portability associated with Migration; The draft Migration Plan provides wholesale customers with the tools to manage the sequencing and timing of disconnection with the NBN Co connection processes to minimise disruption: wholesale customers can choose when to lodge disconnection requests during the Migration Window and can choose a preferred disconnection date (see below). Retail customers can also choose when to disconnect their Telstra retail services relative to the timing of NBN connection; There will be service disruptions during pull through. However, reflecting the DAs, it is up to the end user (Telstra retail customer or retail customer of a Telstra wholesale customer) whether to allow pull through as a means of connecting them to the NBN and therefore whether to face service interruption in their copper service during the act of pull through. Wholesale customers have a second layer of protection against service interruption in that the draft Migration Plan provides pull through cannot occur unless they have consented (including where another wholesale line is to be used for pull through). If a wholesale customer has consented to pull through, there will be safeguards to deal with longer than anticipated NBN connection due to problems with pull through. NBN Co is subject to requirements under the DAs to take steps to provide temporary or reconnected services on the same day as pull through occurs if the NBN connection cannot be established.

General Principle	How addressed in draft Migration Plan
	<p>These NBN Co responsibilities cannot be addressed in the Telstra Migration Plan as only Telstra is bound by the Plan. However, the draft Migration Plan requires Telstra to inform wholesale customers when an event which has prevented NBN Co completing the connection or reinstatement of the Telstra cabling (Pull through Exception Event) has occurred, which will allow wholesale customers to manage longer service interruptions with their end users.</p> <ul style="list-style-type: none"> End users can use call forwarding on their Telstra services (retail or wholesale standard telephone services) to redirect calls to mobiles or other lines during the period of the service interruption caused by pull through. The draft Migration Plan commits Telstra to make that facility available to wholesale customers of the voice wholesale line rental service.
(c) to the greatest extent practicable, gives wholesale customers autonomy over decisions about the timing of	<ul style="list-style-type: none"> The draft Migration Plan provides that, during the Migration Window, wholesale customers can choose when to lodge

General Principle	How addressed in draft Migration Plan
<p>disconnection from a separating network and sequencing of that disconnection with connection to the NBN Co fibre network to enable them to minimise disruption to the supply of carriage services when connecting to the NBN Co fibre network; and</p>	<p>disconnection requests during the Migration Window.</p> <ul style="list-style-type: none"> • The draft Migration Plan provides that when lodging a disconnection request, the wholesale customer can nominate a date on which the disconnection is to take place (a Customer Requested Date). If the wholesale customer's CRD is not available, the wholesale customer will be informed (through Telstra's electronic interfaces) and it can choose another CRD which will be processed in the same way (by contrast, retail customers are assigned the next available date if their CRD is not available). Most of the wholesale customer CRDs accepted first time around under the current process. • This process ensures that, even in the few cases where the wholesale customer's first preference is not available, the wholesale customer retains control over the disconnection date and is in a position, depending on the NBN Co processes, to adjust the NBN connection date of the first preference date for Telstra disconnection is not available. • The situations specified in the Migration Plan where wholesale customers do not control disconnection are either consistent with current industry requirements and practice – the dependency of retail and wholesale DSL services and LSS on a voice line connection and deemed disconnection with local number portability – or with the MPPs – the mandatory disconnection at the 18 month mark in each Rollout Region.
<p>(d) to the greatest extent practicable, provides for wholesale carriage services supplied by Telstra over a separating network to be disconnected from that network in an equivalent manner to the disconnection of corresponding fixed-line carriage services supplied by Telstra to itself over</p>	<ul style="list-style-type: none"> • Equivalence between disconnection of retail and wholesale services is an object of the draft Migration Plan. • The Business as Usual disconnection processes specified in Schedule 1 of the draft Migration Plan for use during the Migration Window provide for equivalent treatment of service

General Principle	How addressed in draft Migration Plan
that network in that rollout region.	<p>requests for disconnection of retail and wholesale services, with limited exceptions which reflect the different channels or interfaces through which retail and wholesale customers lodge requests (e.g. the vast majority of wholesale requests are lodged electronically and flow directly in to the Telstra operational support systems whereas most retail requests are received manually have to be keyed into the Telstra systems before flowing into the Telstra OSS). Once retail and wholesale disconnection requests pass into the Telstra OSS, then, as specified in Schedule 1, they are processed on a customer agnostic basis.</p> <ul style="list-style-type: none"> • There are a number of disconnection-related requirements for the NBN Migration for which Telstra has no current processes because they are unique to the NBN environment (Required Measures). The draft Migration Plan provides that Required Measures must be developed in accordance with the MPPs, including equivalence. Compliance with the equivalence principle will be achieved through two means: first, Telstra, as specified in development plans to be lodged with the ACCC, will be consulting with wholesale customers in developing these processes, and second, Telstra is to lodge the final processes for approval by the ACCC. • Any Order Stability Period which is applied must be applied in an equivalent manner between retail and wholesale services. • The Special Services provisions of the draft Migration Plan permit that as long as Telstra continues to use its copper network to provide Special Services (retail and wholesale) wholesale customers can also continue to use ULLS and LSS to provide services that are equivalent to those Special Services. Wholesale customers will be required to certify to Telstra the relevant class of Special Service for which the ULLS and LSS will be used.

General Principle	How addressed in draft Migration Plan
	<p>Information security rules will apply to this information to prevent its disclosure to and use by retail personnel. As provided in the MPPs, the draft Migration Plan includes an exemption for Contracted Special Services which will allow Telstra to use its copper network in respect of existing retail contracts under which Telstra could face significant liability for disconnection. There are only a limited number of such contracts with not more than 100,000 services in operation. Telstra has no capacity to expand the class of Contracted Special Services. Telstra is also not able to extend the period of its contractual obligations without the consent of NBN Co, which ensures that Telstra as a retail service provider will not have any advantage as a result of these Contracted Special Services. Given the contract term of Telstra's current wholesale contracts and the timing of disconnection for Special Services, access seekers should not face similar issues with their downstream retail contracts.</p> <ul style="list-style-type: none"> • The draft Migration Plan also provides that where Telstra is permitted to reconnect copper services beyond the Disconnection Date (e.g. a mass service outage on the NBN), Telstra will do so on an equivalent basis between retail and wholesale. • Finally, if a wholesale customer considers a process is not or is no longer consistent with equivalence, the wholesale customer can make an equivalence complaint. If not resolved with Telstra, the complaint can be escalated to the Adjudicator. The ACCC also has power to act where it considers that a disconnection process does not or no longer complies with the general principles, including equivalence. Within certain parameters specified in the draft Migration Plan, the Adjudicator or the ACCC can require Telstra to make specified changes to its processes to achieve equivalence. There is also a separate process by which the ACCC may require Telstra to lodge a variation to the Migration Plan to

General Principle	How addressed in draft Migration Plan
	rectify any non-conformity between the Plan and the MPPs.
<p>(2) For the purposes of paragraphs (1)(b), (c) and (d), the migration plan must require Telstra to have in place reasonable policies and business practices relating to disconnection from a separating network.</p>	<ul style="list-style-type: none"> • The draft Migration Plan provides for Telstra to use the current Business as Usual disconnection processes to process requests for disconnection from retail and wholesale customers during the Migration Window. These processes are well established between Telstra and wholesale customers and, as the Explanatory Memorandum to the MPPs notes, use of Business as Usual processes will limit the extent of system and processes changes and costs which Telstra and wholesale customers will face. • Many of the other processes required for the Migration Plan are specific to the NBN Migration and will need to be developed by Telstra as Required Measures. The draft Migration Plan provides that the Required Measures must comply with this principle and the ACCC will be able to make that assessment when it is considering whether to approve the Required Measure. • Consistent with the MPPs, the draft Migration Plan provides that existing processes are subject to directions from the ACCC or the Adjudicator requiring changes where they are no longer considered to be consistent with the general principles. These principles set out considerations which would go to whether practices and business policies could be considered as reasonable, including efficiency and equivalence.
<p>(3) The policies and business practices referred to in subsection (2) must provide for Telstra to facilitate, to the extent it is reasonably in Telstra's control to do so, the management by wholesale customers of the migration of their customers in a way that minimises:</p> <p>(a) the period of any service outage; and</p>	<ul style="list-style-type: none"> • See comments above on the wholesale customer's ability to select the CRD for disconnection and therefore to co-ordinate with the NBN Co connection date. • The draft Migration Plan includes minimising the time taken by Telstra to process local number portability requests as an object of the Plan. The draft Plan also provides for number portability

General Principle	How addressed in draft Migration Plan
(b) the time taken to complete local number portability processes and any ancillary procedures.	requests to be processed in accordance with the existing industry code and arrangements for number portability, including the current timeframes for processing of porting requests.
General Principles in Clause 23	
<p>The migration plan must provide for the equivalent treatment of wholesale customers and retail business units in the implementation of the processes for disconnecting carriage services from a separating network at premises in each fibre rollout region.</p>	<ul style="list-style-type: none"> • As noted above, the draft Migration Plan provides for: <ul style="list-style-type: none"> – retail and wholesale disconnection requests made during the Migration Window to be processed using the equivalent Business as Usual processes specified in Schedule 1 of the draft Migration Plan; – by using Business and Usual processes, wholesale customer will have flexibility to select the 'requested date' for disconnecting their services, providing them with an equivalent ability to coordinate the timing of connection and disconnection; – Required Measures to be developed by Telstra and approved by the ACCC consistent with this general principle; – the ACCC and the Adjudicator have the power to require changes to processes under the Migration Plan if they consider a process not to be or to no longer be consistent with this principle; – wholesale customers to make complaints about non-equivalent application of the order Stability period to the Adjudicator; – wholesale customers to request changes in the Migration Plan processes, including if they consider processes are not equivalent, and to escalate disputes to the Adjudicator; and – the ACCC to require Telstra to vary the Migration Plan when

General Principle	How addressed in draft Migration Plan
	<p>the ACCC forms the view that a provision of the Plan is no longer consistent with this principle.</p> <ul style="list-style-type: none">• Telstra is also required to develop information security rules to ensure Telstra retail business units do not have privileged access to NBN Co confidential information compared to other suppliers which would give them an unfair competitive advantage in the process of moving customers from the Telstra copper network and HFC network to the NBN fibre network.

Annex 1: Telstra's organisational arrangements under the SSU – Separation of the business units

The purpose of this Annex is to explain the basis of the exemptions to the staff ring fencing requirements which Telstra has specified in the SSU and the safeguards which will apply in respect of those exemption functions to ensure Telstra does not gain an unfair competitive advantage over wholesale customers.

Exceptions to the prohibitions on work for other separated business units.

Under the core prohibitions in the SSU:

- employees who work for a wholesale business unit are prohibited from undertaking any work for a retail business unit;
- employees who work for a retail business unit are prohibited from undertaking any work for either a wholesale business unit or a network services business unit; and
- employees who work for a network services business unit are prohibited from undertaking any work for a retail business unit.

The exceptions in the SSU to these staff ring fencing rules fall into the following categories:

- **clarifying the scope of the prohibition:** clarifying in particular that a separated business unit is not performing work for another business unit merely by handing over work to the other business unit so that the other business unit can perform its proper function. For example:
 - *Handover of customer complaints:* Telstra business units receive customer complaints and queries from various sources and end customers cannot be expected to be able to identify the source of the issue that has given rise to their complaint or query. If, for example, a retail business unit receives a complaint and is able to determine that the issue should properly be resolved by another business unit, then the retail business unit employee is not performing work for that other business unit by merely handing that complaint or issue over to the appropriate business unit for resolution;
 - *Proper resource planning:* An example of this exemption may occur if a retail business unit experiences an IT system problem, this can cause a backlog of service activation orders. Currently there is a process by which the retail business unit can provide the network services business unit with advanced notice of the fact that orders will be erratic or delayed or that there will be a spike in orders at some future time after the IT system issues are resolved, which will in turn impact upon the network services business unit's resourcing to fulfill those orders. Information falling within this exemption may flow the other way also (i.e. from a network services business unit to, for example, a retail business unit). This exemption is justified on the basis that communication between the separated business units should be permitted where an issue in one business unit will have a flow on effect on the budget and resourcing decisions that another separated business unit will need to make. As mentioned above, in circumstances where commitments such as information security and information equivalence become relevant, they will apply notwithstanding this exemption from the application of the ring fencing arrangements;
- **exceptional events:** Coordination between the separated business units is always permitted if the work involves responding to natural disasters, emergencies and mass service disruptions, or if the work is required for reasons

of national security or to meet the requirements of a law enforcement agency. Similarly, separated business units are permitted to work together in supplying services in relation to disability products, emergency call services, payphones and payphone carriage services;

- **preserving Telstra's ability to comply with existing legislation:** Separated business units are permitted to coordinate with each other to meet the requirements under employment or workplace safety legislation or to fulfill requirements under legislative instruments, industry standards or industry codes;
- **avoiding duplication and unnecessary technical or operational inefficiencies where Telstra gains no unfair competitive advantage from retaining the integration:** The SSU names the following existing examples in which it is accepted that Telstra gains no unfair competitive advantage from the function being housed in the one business unit rather than being duplicated across separated business units:
 - *Integrated Public Number Database (IPND) uploads and error management:* When a wholesale customer wishes to have a service number uploaded to the IPND, the wholesale business unit initiates the process. However, a retail business unit receives all error messages relating to IPND uploads. Human intervention is required because the system itself cannot distinguish between wholesale and retail errors. The retail business unit identifies which errors relate to wholesale processes and directs these error messages to a generic Telstra wholesale mailbox for resolution. There is no transfer of information which is confidential to the other separated business unit, but it would be inefficient for error reports to be sent to both retail and wholesale and for retail and wholesale to have to duplicate the sorting process;
 - *Carrier verification requests for end users:* Telstra receives a low volume of calls to retail business units from end users who have enquiries about who their other service providers may be, because they can't remember, were not aware their service has been legitimately changed to another provider (for example, by someone else in their household) or because they are seeking to verify their provider details where they suspect they may have been slammed. When this occurs, a Telstra retail business unit employee will contact a Telstra wholesale business unit employee and will hand the end customer over to the Telstra wholesale business unit employee to obtain the relevant information. When this occurs the only information exchanged between the separated business units is the limited information required to properly identify the customer;
 - *Billing name and address information:* A wholesale business unit may supply billing name and address information to a retail business unit upon request where an end user has used an override code to access retail services and (because the end user is not a Telstra retail customer for the underlying service) the retail business unit requires this information in order to bill the end user for those retail services; and
 - *Churn and LNP related processes:* A level of co-operation is required between retail and wholesale business units to ensure customers can transition from being retail to wholesale customers without unnecessary delays. For example wholesale may identify wholesale work orders which have remained un-actioned for an unusually long period of time or which may contain errors and which may be hindering the completion of the churn. When these are identified, the wholesale business unit will alert the retail business unit to the issue and request that the retail business unit rectifies the error in order to cease the delay.

To prevent any of the above scenarios leading to a situation where information is shared inappropriately between separated business units, the information security measures set out in the SSU apply to information passed between the separated business units in these circumstances. In addition to these detailed exemptions, the SSU also includes a mechanism for the ACCC to approve further exemptions in future where Telstra can demonstrate that it is not technically or operationally efficient for the functions to be performed independently by separated business units. This is provided Telstra identifies the safeguards that would apply to ensure that Telstra receives no unfair competitive advantage from one separated business unit performing the work for the other separated business unit:

- **Purely administrative or functional tasks:** In keeping with the principle that separation of the business units should not introduce unnecessary inefficiencies in the way that Telstra provides services, the SSU contains an exemption which permits employees of the network services business unit and employees of the wholesale business units (but not employees of the retail business units) to perform tasks for the other separated business units where the tasks are predominately of a process-orientated, functional or clerical nature. This exemption is aimed at recognising that if the task involves no exercise of discretion on the part of the employee and would not have any material impact on the way retail provides services to its customers relative to the way wholesale provides services to its customers (in other words the equivalence of outputs of retail versus wholesale) then the business unit should be permitted to perform the task. This exemption will cover examples such as that described in the IPND uploads scenario above, where a system output requires human intervention to assimilate the facts and redirect an error file to the appropriate business unit, but the employee completing the process is performing a merely administrative task of sorting through error files and redirecting them as appropriate.
- **Customer Excellence:** One of the main pitfalls of the international experience of structural or functional separation is that, particularly in the transitional stages of separation, separation can have a detrimental effect on customer service and the overall customer experience. To avoid the same pitfalls the SSU contains a specific customer excellence exception which clarifies that it will not be a breach of the undertaking if an employee makes a bona fide effort to resolve an issue for a customer. In practice this means that if a Telstra customer has approached a Telstra employee and asked for resolution of a particular issue, the Telstra employee will be permitted to resolve the issue or ensure that the customer is directed to the appropriate other part of Telstra to have the issue resolved without breaching the SSU. Safeguards around this exemption are that service technicians cannot market to end users of wholesale customers who also are not Telstra retail customers or in respect of 'dual customers', undertake any proactive win back or other marketing activity to promote alternative Telstra products to the wholesale customer's service.

Annex 2: Detailed Assessment of SSU against SSU Guidance Criteria

SSU Guidance criteria	Telstra's view on how the SSU meets the criteria
<p>The Government's policy objective of improving the accessibility and quality of broadband services for consumers in Australia, including those in regional, rural and remote areas</p>	<ul style="list-style-type: none"> • In the longer term, Telstra's commitment to structurally separate applies across the NBN fibre footprint, which the Statement of Expectations requires to cover 93 per cent of Australian premises, will place Telstra and its competitors on the same footing as service providers across Australia. NBN Co is also to offer nationally averaged prices on its network which should provide other service providers with the opportunity and incentive to compete in regional and rural areas where Telstra is currently the only or main provider. • In the interim, Telstra's commitment on equivalence and transparency will provide service providers with the opportunity to compete across Telstra's network, including particularly: <ul style="list-style-type: none"> ◦ the commitment to a retail minus approach to pricing of ADSL 2+ services, which will be adjusted in line with shifts in Telstra retail prices and costs of retail sales; and ◦ the commitment to wholesale any DSL upgrades.
<p>The Government's support for a form of structural separation whereby Telstra will progressively migrate fixed-line carriage services that it supplies to retail customers to the national broadband network as that network is rolled out</p>	<p>The SSU and the Migration Plan are designed to implement and be consistent with the Definitive Agreements between Telstra and NBN Co which provide for the incremental disconnection of the Telstra Copper Network and broadband capability on the HFC network as the NBN fibre network is rolled out. The Interim Equivalence and Transparency measures will remain in place until the Designated Day, which is intended as the date by which all or most of the NBN fibre network will be deployed. The Minister can extend the Designated Day of the NBN rollout takes longer, in which case the Interim Equivalence and Transparency measures will be automatically extended. The Migration Plan continues until the last Rollout Region is completed and the Migration Window for it expires, whether or not the Designated Day is extended by the Minister.</p>
<p>The expected distribution of the long-term economic benefits for different types of consumers in different geographic areas that would occur as a result of the undertaking coming into force</p>	<p>The Government has identified the long term economic benefits of a fibre to the premises as being superior to those realised through other technologies and as a major justification for the NBN.</p> <p><i>The Government's central NBN objectives are to deliver significant improvement in broadband service quality to all Australians, address the lack of high speed broadband in Australia, particularly outside of metropolitan areas, and reshape the telecommunications sector. The Government recognises that access to affordable, high speed broadband is essential to the way Australians communicate and do business. It will drive productivity, improve education</i></p>

SSU Guidance criteria	Telstra's view on how the SSU meets the criteria
	<p><i>and health service delivery and better connect our cities, regional, rural and remote communities.¹³</i></p> <p>Telstra's commitment in the SSU to structurally separate across the NBN fibre footprint will help facilitate the rollout of the NBN and therefore delivery of the Government's anticipated benefits of fibre to the premises technology can be realised across the 93 per cent of premises which the Government requires the NBN fibre footprint to cover.</p> <p>The Government also anticipates that:</p> <ul style="list-style-type: none"> • the wholesale-only model of the NBN; • the statutory requirements of non-discrimination which apply to NBN Co's supply of services; • the Government's policy that NBN Co will be principally confined to layer 2 services; • NBN Co's approach of nationally averaged pricing, <p>should promote vigorous competition and product innovation across the NBN fibre network in different geographic areas and between different customer groups, such as residential and business customers.</p> <p>Telstra and the industry await further details of NBN Co's pricing and products, which will influence the scope, extent and shape of competition, but as NBN Co is subject to non-discrimination obligations, Telstra will be in an equivalent position to other service providers competing on the NBN.</p> <p>Telstra's commitments to Interim Equivalence and Transparency measures provides the opportunity for competition between Telstra and its competitors in the lead up to the commissioning of the NBN in each area, which then should 'roll onto' the NBN fibre network.</p>
The conduct that would be authorised under section 577BA of the Act as a consequence of the ACCC's acceptance of the undertaking	This has been addressed by a separate paper to be provided to the ACCC.

¹³ Government Statement of Expectations: www.dbcde.gov.au/_data/assets/pdf.../Statement_of_Expectations.pdf, at page 1.

SSU Guidance criteria	Telstra's view on how the SSU meets the criteria
or the undertaking coming into force	
Whether the undertaking provides for the ACCC to be given written copies of all contracts, arrangements or understandings entered into by Telstra in order for it to comply with the undertaking.	<p>Telstra has included a clause to this effect which deals with any agreements which are entered into after the date of lodgment of the SSU.</p> <p>Telstra notes that, separately from this provision, it has provided the ACCC with the Definitive Agreements in accordance with section 577BA(3).</p>
<p>Whether the undertaking requires Telstra to implement a governance framework that:</p> <ul style="list-style-type: none"> ensures appropriate oversight by Telstra of its compliance with the undertaking; and requires regular reporting by Telstra to the ACCC on Telstra's compliance with the undertaking; and provides that the ACCC may consult with wholesale customers and other stakeholders about Telstra's compliance with the undertaking; and provides that the ACCC 	<ul style="list-style-type: none"> Telstra is required to publish a quarterly report based on the Telstra Economic Model (TEM). Telstra has committed to use TEM as the primary management accounting system for Telstra's own business planning purposes – including to set out its revenues and costs on a per unit basis for the regulated services (ULLS, LSS, WLR, LCS, PSTN OTA and wholesale ADSL), and for comparable retail products. Reported costs will include operating costs, depreciation and a return on capital. The TEM report also will show EBIT for each product and "economic return" (revenue less all costs, including a return on capital). This report will show the extent to which wholesale pricing for wholesale customers (represented by Telstra wholesale revenue for each product) is equivalent to the effective internal wholesale price faced by Telstra's retail business (represented by Telstra's internal costs for the same network requirements). Telstra is required to provide a quarterly report on performance against the Equivalence and Transparency Metrics, including to identify variances greater than the minimum allowable amount adverse to wholesale customers, in which case Telstra is to provide a confidential report which explains the variation and sets out any rectification measures Telstra proposes to undertake. This reporting will allow the ACCC to assess Telstra's compliance with the non-price equivalence commitments on a quarter by quarter basis; Telstra is required to provide the ACCC with a copy of the annual compliance report provided to the Audit Committee of the Board by the Director of Equivalence. This report is required, amongst other things provide the ACCC with information relevant to this criteria, including: <ul style="list-style-type: none"> compliance by Telstra with the provisions of the SSU during the reporting year; and steps Telstra has taken to rectify any identified non-compliance in the current or previous

SSU Guidance criteria	Telstra's view on how the SSU meets the criteria
<p>may, for the purpose of such consultation, disclose information provided to it by Telstra [in regular compliance reports] (other than information that is commercially confidential); and</p> <ul style="list-style-type: none"> provides assurance to wholesale customers that Telstra is meeting its obligations under the undertaking; 	<p>years.</p> <ul style="list-style-type: none"> The SSU provides for more extensive reporting on compliance with the SSU in Telstra's annual report. The SSU provides that the ACCC may release non-confidential versions of both the quarterly performance reports and the annual reports and consult about them. The SSU provides wholesale customers with assurance that Telstra is meeting its obligations under the undertaking because: <ul style="list-style-type: none"> the above measures provide the ACCC with extensive transparency into Telstra's internal operations, which is substantially greater than under current Operational Separation, and will require that Telstra disclose and explain to the ACCC instances of non-compliance; subject to legitimate confidentiality restrictions, the ACCC can consult wholesale customers on Telstra's compliance reporting.
<p>Whether the undertaking provides for the following matters relating to transparency and equivalence in relation to the supply by Telstra of regulated services:</p> <ul style="list-style-type: none"> Measures to provide sufficient transparency to enable the ACCC to provide assurance to stakeholders that the undertaking provides for equivalence in relation to terms and conditions relating to price or a 	<ul style="list-style-type: none"> Telstra is required periodically publish a report based on the Telstra Economic Model (TEM). Telstra has committed to use TEM as the primary management accounting system for Telstra's own business planning purposes – including to set out its revenues and costs on a per unit basis for the regulated services (ULLS, LSS, WLR, LCS, PSTN OTA and wholesale ADSL), and for comparable retail products. Reported costs will include operating costs, depreciation and a return on capital. The TEM report also will show EBIT for each product and "economic return" (revenue less all costs, including a return on capital). This report will show the extent to which wholesale pricing for wholesale customers (represented by Telstra wholesale revenue for each product) is equivalent to the effective internal wholesale price faced by Telstra's retail business

SSU Guidance criteria	Telstra's view on how the SSU meets the criteria
method of ascertaining price	<p>(represented by Telstra's internal costs for the same network requirements).</p> <ul style="list-style-type: none"> Where a TEM report shows that a wholesale price faced by wholesale customers is not within +/-5% of the effective internal wholesale price faced by Telstra for certain wholesale service bundles, Telstra will be required to submit to the ACCC a "substantiation report" setting out an explanation for this. Future ACCC regulated pricing reviews also could be used to better align Telstra's internal wholesale prices with wholesale prices charged to wholesale customers.
<ul style="list-style-type: none"> Organisational arrangements within Telstra that promote interim equivalence and transparency, including arrangements and measures set out in Schedule 1 	<p>The SSU sets out organisational commitments, including measures which comply with Schedule 1 of the SSU Guidance, which will promote interim equivalence and transparency by:</p> <ul style="list-style-type: none"> clearly delineating the Required Functions of the retail business units, the wholesale business units and the network services business units and providing that one kind of business unit cannot undertake a function which is the Required Function of another kind of business unit. In particular, the SSU requires a separation between, on the one hand, the staff and functions of a retail business unit and, on the other hand, the staff and functions of a wholesale business unit and a network services business unit; providing that retail business units cannot perform functions which are key to the operation of the wholesale business unit, such as wholesale pricing, or which are key to the supply of retail and wholesale services on an equivalent basis, such as network planning and functions Telstra performs for the industry, such as churn and portability; protecting the 'customer agnostic' character of the services provided by the network services business unit by: <ul style="list-style-type: none"> specifying the work and circumstances in which it can do that work for a retail business unit beyond the Required Functions of service activation and fault repair (which are to be provided on an equivalent basis in accordance with the Interim Equivalence and Transparency measures); and restricting field staff from undertaking marketing activities when the end user is a customer of a wholesale customer (whether also a customer of a Telstra retail service); providing for employees of the wholesale business unit and the network services business unit to be rewarded for performance only on the performance of their business unit, which in turn is

SSU Guidance criteria	Telstra's view on how the SSU meets the criteria
	<p>or involves performance against the Interim Equivalence and Transparency measures; and</p> <ul style="list-style-type: none"> • requiring Telstra to maintain records of employees moving between separated business units, which can be inspected by the ACCC; • requiring the location of the wholesale business unit within physically secure facilities, the head of wholesale to be organisationally equivalent to the head of the retail business units and the wholesale business unit to be adequately resourced to meet its obligations under the SSU.
<ul style="list-style-type: none"> • Measurable standards for the equivalent supply of regulated services to Telstra's wholesale customers and retail business units and enforcement of those standards, including through service level guarantee payments 	<p>The SSU sets out Interim Equivalence and Transparency measures for each Regulated Service and certain other performance requirements, including availability of the specific wholesale BSS interfaces. Specified rebates are payable automatically in the event of a performance level adverse to wholesale customers outside the permitted variance level (in general 2%). Wholesale customers are free not to participate in the SLA rebate scheme under the SSU and instead to rely on other contractual or statutory remedies, in which case a rebate would not be payable under the SSU. If a wholesale customer does participate in the SLA rebate scheme, the rebate under the SSU is the sole remedy in respect of performance matters. A wholesale customer participates in the SSU rebate scheme by signing a form of agreement which is annexed to the SSU.</p>
<ul style="list-style-type: none"> • Effective measures to protect from unauthorised disclosure or use confidential information and commercially sensitive information that Telstra holds in relation to Telstra's wholesale customers, or in relation to customers of those wholesale customers or other end-users of services supplied by those wholesale customers, which Telstra obtains for the purposes of, or in the 	<ul style="list-style-type: none"> • The SSU commits Telstra to implement information security rules which prohibit the disclosure of Protected Information by the wholesale business unit to a retail business unit and restricts the disclosure of Protected Information to the network services business unit on a 'need to know' basis; • The definition of Protected Information includes not only information which would be routinely treated as confidential information (e.g. information provided by the wholesale customer about its end users) but also information derived from information supplied by a wholesale customer or otherwise obtained by Telstra in the course of Telstra supplying wholesale information which, while not explicitly identifying the wholesale customer, would allow the wholesale customer to be identified; • Telstra has committed to compliance measures in relation to Protected Information, including implementing access controls in its information systems, ensuring that employees who transfer to a different separating business unit comply with their obligations in respect of Protected Information, the application of the Protected Information requirements as a safeguard where

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<p>course of, supplying wholesale carriage services to those wholesale customers</p>	<p>the SSU authorises separated business units share functions and compliance training of Employees on the Protected Information measures.</p> <ul style="list-style-type: none"> In addition to restrictions on Protected Information, the retail business unit is not permitted to have access to aggregated wholesale information at a sub-national level unless the ACCC approves and the same information is made available to wholesale customer.
<ul style="list-style-type: none"> Equivalent notification to Telstra's wholesale customers and Telstra's retail business units of matters relating to Telstra's networks which affect the delivery or operational quality of regulated services 	<p>The SSU commits Telstra to provide notifications to Wholesale Customers in relation to:</p> <ul style="list-style-type: none"> planned events ("Planned Event Notification"); availability of ADSL capability ("ADSL Availability Notification"); exchange service area information ("ESA Information Notification"); major service impacting network incidents ("Major Network Incident Notification"); other general service or provisioning impacting matters relating to operational support systems ("OSS Announcements"); and disaster recovery plan information ("DISPLAN Notification"). <p>Schedule 4 sets out the process for notifications, including timeframes.</p>
<ul style="list-style-type: none"> Effective mechanisms for the resolution of equivalence disputes between Telstra and its wholesale customers 	<p>The dispute resolution measures which the SSU requires Telstra to establish will be effective because:</p> <ul style="list-style-type: none"> the accelerated investigation process establishes an internal 'first line' dispute process with defined stages and tightly specified timeframes in which Telstra must comply. Wholesale customers also have a unilateral right to escalate to the external dispute process if they are not satisfied by the outcome of the internal process; and Adjudicator scheme provides wholesale customers with access to an independent, technically operationally experienced person to definitively resolve disputes over equivalence.

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<ul style="list-style-type: none"> Measures to ensure that systems used for wholesale customers in relation to billing information, ordering, provisioning, fault reporting and fault rectification provide outcomes and functionality that are equivalent to the outcomes and functionality provided by systems used for those matters by Telstra's retail business units 	<p>Telstra makes specific commitments to utilise systems and processes which will deliver equivalence in order management for Regulated Services and Comparable Retail Services and in respect of services without a Comparable Regulated Service, to meet the relevant Equivalence and Transparency Metrics. These commitments will be enforceable through the SLA rebate scheme and/or by the Adjudicator directing remedial action to be taken. In addition, the ACCC make take action to directly enforce these obligations in cases of systemic breaches of these commitments.</p>
<p>If, as part of the mechanisms for the resolution of equivalence disputes set out in the undertaking, the undertaking provides for the establishment of the independent telecommunications adjudicator—whether the undertaking requires the independent telecommunications to have the organisational and governance arrangements set out in Schedule 2</p>	<p>The SSU requires Telstra to establish the independent telecommunications adjudicator and the requirements specified in the SSU comply with the organisational and governance arrangements set out in Schedule 2 of the SSU Guidance, including:</p> <ul style="list-style-type: none"> the Adjudicator being established as a company limited by guarantee with a constitution to include the matters specified in Schedule 2 and to be approved by the ACCC; a Charter of Independence to include the matters specified in Schedule 2 and to be approved by the ACCC; the appointment of the person selected as the Adjudicator to be approved by the ACCC. <p>In addition to the matters required by Schedule 2, the SSU provides for the following additional safeguards to ensure the independence of the Adjudicator and the effectiveness of the dispute resolution process:</p> <ul style="list-style-type: none"> appointment of a probity advisor to the board of directors of the company; a requirement that the constitution, to the extent permitted by the Corporations Law, limit the functions, powers and role of the board and Telstra as member of the sole company to matters

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	<p>relating to the establishment, maintenance and administration of the Adjudicator scheme as a corporate entity;</p> <ul style="list-style-type: none"> • a requirement that the constitution, to the extent permitted by the Corporations Law, provide for the Charter of Independence to prevail over the constitution; • provision in the Charter of Independence for the ACCC to issue directions to address any threats to the independence of the Adjudicator; • provision in the Charter of Independence for the ACCC to rule on any alleged conflicts of interest faced by the Adjudicator; • a requirement in the Charter of Independence for the Adjudicator not to provide the Board (or any Board member) with information about a dispute or to formally or informally consult with or seek guidance from the Board (or any member of the Board) about a dispute.
The Government's statement of expectations given to NBN Co dated 17 December 2010	The Government's clear preference for structural separation to be achieved by way of the Definitive Agreements between NBN Co and Telstra reflects its view and the view of NBN Co that this approach best achieves the objectives of the Statement of Expectations by maximising the migration of customers to the NBN fibre network, through Telstra's disconnection obligations supported by restrictions on Telstra's use and disposal of its copper or HFC network, and network preference commitments.
NBN Co's Corporate Plan 2011-2013 dated 17 December 2010	In developing the Corporate Plan, NBN Co made key assumption "that the Telstra Definitive Agreements will be completed in accordance with the terms of the Financial Heads of Agreement and result in clarity of the decommissioning of existing networks and migration of existing Telstra End Users onto the NBN Co platform". This assumption went to assumptions about costs, revenues and risks in the NBN Co business case. Approval of the SSU and Migration Plan are conditions precedent to the DAs.
The governance and operating framework for NBN Co, established by the <i>National Broadband Network Companies</i>	The governance and operating framework is relevant to the extent that the wholesale-only model adopted by the Government for the NBN will promote competition across the NBN as Telstra incrementally disconnects its copper network and HFC Network in accordance with the SSU and the Migration Plan, in particular:

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<i>Act 2011 and the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Act 2011.</i>	<ul style="list-style-type: none">• the obligation on NBN Co to provide wholesale services on a non-discriminatory basis between service providers, including between Telstra and other service providers;• the scope for NBN Co to cross subsidise services in order to offer prices on a nationally averaged basis, allowing service providers to compete in rural and regional areas;• the power of the Minister to limit the services which NBN Co is permitted to supply, which the Government has said it will use to principally limit NBN Co to layer 2 services, allowing service providers to innovate at layer 3.