

Our ref: 48650  
Your ref  
Contact officer: Jane McGinnes  
Contact phone: (03) 9290 1493



**Australian  
Competition &  
Consumer  
Commission**

27 September 2012

Ms Jane van Beelen  
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Dear Ms van Beelen

**Re: Wholesale ADSL FAD inquiry—Further request for information**

Thank you for your initial response to the ACCC's information request on 10 September 2012 and your submission of the TEM reports on 31 August 2012.

We are currently analysing that information and submissions in response to the ACCC's Wholesale ADSL FAD Issues Paper of July 2012 (**Issues Paper**). Further information is necessary for us to reconcile this information with information provided by Telstra in its retail minus retail cost model on 17 November 2011 (**the 17 November 2011 RMRC model**). A list of questions is attached to this letter seeking updates and clarification of some of the data in the 17 November 2011 RMRC model. Many of these questions relate to the assumptions used by Telstra to calculate the retail costs in the 17 November 2011 RMRC model. We are also seeking further information in relation to aspects of Telstra's submission of 24 August 2012 to the ACCC's Issues Paper.

I note that in your letter of 22 August 2012, you proposed to provide the remaining information in response to the ACCC's information request within 4 to 6 weeks after 7 September 2012. I would appreciate your response to the additional questions attached to this letter at that time.

A version of this further request for information redacted for the commercial-in-confidence information identified will be posted on the ACCC website.

Please contact Jane McGinnes on (03) 9290 1493 if you have any queries in relation to this matter.

Yours sincerely

A handwritten signature in blue ink that reads "R. Wright".

Robert Wright  
General Manager  
Access Operations and Pricing Branch, Communications Group

## ATTACHMENT 1: REQUESTED INFORMATION

1. With reference to question 3 in the ACCC's information request of 10 August 2012, please ensure that your response contains all the same columns as 'ADSL2+ Reference Price Documentation - Appendix A 2011 09 09 v2.xlsx' provided to the ACCC on 9 September 2011. However, this information should be provided for 'total retail costs', rather than 'avoidable retail costs'. For clarity, please ensure: (a) that 'Retail Cost Within Scope' and 'SRMTRC' columns are included in the data; and (b) that the data is for the 2011–12 financial year.
2. Please update 'Table 4.3: TEM Retail Costs', from the 17 November 2011 RMRC model, with data for the 2011–12 financial year. Please provide this information in the same format, and using the same assumptions, as the 17 November 2011 RMRC model.
3. Please explain the assumptions, data and methodology used by Telstra to calculate the value of [c-i-c] [c-i-c] for Capital Employed in Table 4.3 of the 17 November 2011 RMRC model. Please explain any different assumptions or other factors to account for the difference between this value and the value of [c-i-c] [c-i-c] in the retail minus avoidable cost model provided to the ACCC on 9 September 2011.
4. Please explain the assumptions, data and methodology used by Telstra to calculate the value of [c-i-c] [c-i-c] for Network Platform Delivery in Table 4.3 of the 17 November 2011 RMRC model. Please explain any different assumptions used in calculating this value relative to the value of [c-i-c] [c-i-c] in the retail minus avoidable cost model provided to the ACCC on 9 September 2011.
5. Please explain the assumptions, data and methodology used by Telstra to calculate the value of [c-i-c] [c-i-c] for 'Depreciation/Amortisation' in Table 4.3 of the 17 November 2011 RMRC model. Cell B41 on that worksheet states that 'Depreciation/Amortisation includes IT assets only'. Please explain the source of the depreciation/amortisation data and any calculations used to establish the amount, or proportion, of depreciation/amortisation that is applicable to IT assets.
6. For the 2011–12 financial year, please provide the number of wholesale ADSL connections that were: new ports; 'Type A Transfer standard Transfer Request via LOLO/LOLIG'; and 'Type B Transfer standard Transfer Request via LOLO/LOLIG'.
7. Please provide the aggregate revenue earned from connection of new retail and wholesale ADSL SIOs for the 2011–12 financial year. Please also provide: the number of new retail ADSL and wholesale ADSL connections over the 2011–12 financial year; and the total number of retail ADSL SIOs and wholesale ADSL SIOs as at 31 December 2011. Please provide all this data separately for retail ADSL and for wholesale ADSL.
8. Please provide an updated figure for the 2011–12 financial year of 'ETC (Average)' from cell D8 on worksheet '2. Retail Price' of the 17 November 2011 RMRC model. Please explain the assumptions, data and methodology used by Telstra to calculate this value.
9. Please provide an updated figure for the 2011–12 financial year of 'ETC (Average)' from cell D16 on worksheet '1. Reference Price' of the 17 November 2011 RMRC model. Please explain the assumptions, data and methodology used by Telstra to calculate this value.
10. Please provide an updated figure for the 2011–12 financial year of '% of fixed costs allocated to zone 1' from cell E23 on worksheet '1. Reference Price' of the 17 November 2011 RMRC model. If this figure has changed from the figure of [c-i-c] [c-i-c] per cent in

the 17 November 2011 RMRC model, please explain why it has changed. Please explain the assumptions, data and methodology used by Telstra to calculate this value.

11. Please explain why the 'Total SIOs' figure in cell C15 of worksheet '4. Avoidable Retail Cost' ([c-i-c] [c-i-c]) is different to any of the figures for SIOs in worksheet '3. Retail Plans' of the 17 November 2011 RMRC model.
12. In Telstra's submission of 24 August 2012 to the ACCC's wholesale ADSL issues paper of July 2012, Telstra states that it has [c-i-c] [c-i-c] (p. 17). Please provide more details on this pricing scheme:
  - a. [c-i-c]
  - b.
  - c.
  - d. [c-i-c]
13. Please describe any changes made by Telstra to billing and other systems needed to implement and monitor this pricing scheme (include costs incurred to make these changes).
14. How much would it cost Telstra to implement this pricing scheme [c-i-c] [c-i-c]? What changes would need to be made to Telstra's systems?
15. Is Telstra aware of any changes made [c-i-c] [c-i-c] in response to this scheme ([c-i-c] [c-i-c])?