



**Australian
Competition &
Consumer
Commission**

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21 December 2010

Jane van Beelen
Executive Director, Regulatory Affairs
Public Policy & Communication
Level 11, 400 George Street
SYDNEY NSW 2000

By email: Jane.vanBeelen@team.telstra.com

Dear Ms van Beelen

Closure of South Brisbane (QLD) exchange

I refer to previous correspondence in relation to Telstra's intentions to close the South Brisbane exchange and migrate services onto a fibre access network.

The closure of this exchange and network migration has obvious implications for access seekers and the clear potential to disrupt competition. As previously advised, the ACCC considers it is important that the migration be undertaken in a manner that ensures the equivalent supply of information and operational support to access seekers as will be provided to Telstra's own business units.

It is disappointing that Telstra has not yet been able to confirm to access seekers full specifications and price terms for the replacement products access to be supplied on the fibre network, and has recently deferred the date by which Telstra had indicated it would supply this information. Consequently, access seekers do not appear to be in a position to make any commitment to their end-users regarding the services and prices which will be offered post-migration.

I note that Telstra has advised access seekers that it will provide further information about the replacement product set and migration on or before 1 February 2011. The ACCC considers that this communication should occur as soon as possible, and include complete product specifications, pricing information and other operational specifications necessary to allow services to be ordered, and respond to all specific concerns that have been raised by access seekers to date.

I also note that Telstra has developed public messaging regarding the South Brisbane closure including a telephone hotline script that suggests that consumers contact their existing service provider with queries about their future retail services. The ACCC considers that Telstra should revise its hotline scripts until access seekers have sufficient information to formulate their replacement retail product sets. The ACCC considers that this public messaging should be amended as a matter of urgency.

Finally, while Telstra has advised that the migration of wholesale services will be deferred until 1 August 2011 to allow access seekers to plan their future operations, Telstra has not made clear its intentions regarding the migration of its retail services. In this regard, please advise by **19 January 2011**:

- whether Telstra still intends to commence migrating its own retail customers from 1 March 2011, as previously indicated, or if not, the new commencement date
- an indicative timetable for 2011 for the migration of services by distribution area (DA), which includes the commencement date, conclusion date and estimated number of retail customers to be migrated.

Given the level of interest that the ACCC has received in respect of this matter, a copy of this letter will be placed on the ACCC's website. If you have any questions in relation to this letter, please contact Sean Riordan on (03) 9290 1889.

Yours sincerely



P.p. Michael Cosgrave
Group General Manager
Communications Group