

Our ref: 48477
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**Australian
Competition &
Consumer
Commission**

29 November 2012

Ms Jane van Beelen
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Dear Ms van Beelen

Extension of time for lodgement of TEM Reports for first quarter FY2012/13

I refer to your letter of today requesting an extension to the lodgement date for Telstra's TEM reports for 1 July to 30 September 2012 by 15 days to 14 December 2012.

In your letter you advise that Telstra has discovered an issue with the calculation of the Internal Wholesale Price (IWP) for the wholesale products that it is to report on in the TEM Reports for the first quarter FY2012/13. As a result, these TEM reports do not accurately reflect the recent costs associated with the delivery of these products.

The ACCC considers that the TEM Reports are an important mechanism for assessing whether Telstra is meeting its price equivalence commitments under its Structural Separation Undertaking (SSU). It is therefore essential that the TEM Reports accurately account for the costs and revenue calculations that go into Telstra's reportable products.

In light of this, the ACCC does not object to the extended timeframe for lodgement of the TEM Reports. However, Telstra should review the timeliness of its processes in relation to the preparation of subsequent TEM reports so as to ensure that Telstra meets its reporting commitments under the SSU.

Should you have any questions, please contact Ed Seymour on (03) 9290 1886.

Yours sincerely
A handwritten signature in black ink, appearing to read 'Michael Cosgrave'.

Michael Cosgrave
Group General Manager
Communications Branch