



**Australian
Competition &
Consumer
Commission**

Proposed Variation to the Building Block Model RKR

ACCC Discussion Paper

May 2013



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Glossary

ACCC	Australian Competition and Consumer Commission
Access Seeker	Has the same meaning as in section 152AG of the CCA
ADSL	Asymmetric digital subscriber line
AGVC	Aggregating Virtual Circuit.
BBM	Building block model
BBM RKR	Building block model record keeping and reporting rule
CCA	<i>Competition and Consumer Act 2010</i>
FAD	Final access determination
Fixed Line Services	Each of the fixed line services last declared in 2009 under Part XIC of the CCA. These are the ULLS, LCS, LSS, PSTN OTA and WLR services. ‘Fixed Line Services’ in this document does not include the Wholesale ADSL Service
FLSM	Fixed line services model
FLSM Asset Class	A class of asset, as listed in Appendix A, which appears in the FLSM and forms part of the CAN or Core network.
LCS	Local carriage service
LSS	Line sharing service
Mbps	Megabits per second
Pricing Review	The process by which the ACCC will set regulated prices to apply to the Fixed Line Services and/or the Wholesale ADSL Service in a subsequent Regulatory Period.
PSTN	Public switched telephone network
PSTN OTA	PSTN originating and terminating access
RAB	Regulatory asset base
Regulatory Period	The period during which the FADs for the Fixed Line Services are in force.
Retail ADSL Service	An asymmetric digital subscriber line service supplied by Telstra to an End-User.
RKR	Record keeping and reporting rule
SIOs	Services in operation
VLAN	Virtual Local Area Network.
ULLS	Unconditioned local loop service

WACC	Weighted average cost of capital
Wholesale ADSL Service	Wholesale asymmetric digital subscriber line service
WLR	Wholesale line rental
Zone	The zone of the Exchange Serving Area as determined in the 'List of ADSL ESAs by zone' published on the ACCC's website.

1 Executive Summary

The Australian Competition and Consumer Commission (ACCC) may make access determinations for declared services under Part XIC of the *Competition and Consumer Act 2010* (CCA). In July 2011, the ACCC made Final Access Determinations (FADs) for the declared Fixed Line Services¹ which expire on 30 June 2014.² The ACCC used a Building Block Model (BBM), being the Fixed Line Services Model (FLSM), to determine the prices in the FADs.

To effectively implement the FLSM, the ACCC requires forecast and actual data from Telstra relating to operating expenditure, capital expenditure, depreciation and demand. On 24 August 2012, the ACCC made the BBM Record Keeping Rule (RKR) which requires Telstra to provide this information for the purpose of estimating prices in future Pricing Reviews.

On 29 May 2013, the ACCC made an FAD for the Wholesale ADSL Service, which was declared on 14 February 2012. The ACCC used the FLSM (which was revised to include new asset classes required to supply the Wholesale ADSL Service) to set the prices. The ACCC is now proposing to vary the BBM RKR to require Telstra to provide additional data necessary for the ACCC to set prices for the Wholesale ADSL Service in future Pricing Reviews. This variation formalises the process by which the ACCC will collect this data; Telstra provided information voluntarily during the recent Pricing Review. The ACCC proposes to make the amendment pursuant to section 151BU of the CCA.

This Discussion Paper will explain the need for this additional data and assesses the likely regulatory impact of the RKR on Telstra.

1.1 Previous consultation

In its Draft Decision into making an FAD for the Wholesale ADSL Service, the ACCC announced its intention to consult on varying the existing BBM RKR, after the release of the FAD for wholesale ADSL. The ACCC stated that the variation would require Telstra to provide data for the Wholesale ADSL service for future regulatory periods. The ACCC invited submissions on the issue.³

Macquarie Telecom submitted that it supported the ACCC's draft decision to amend the BBM RKR to capture relevant information for the wholesale ADSL service, and noted that it had raised this matter during consultation on the BBM RKR in 2012.⁴ Macquarie submitted that a BBM RKR is 'particularly important given that Telstra has evidently ignored the ACCC's requests for forecast data' relating to a number of model inputs for wholesale ADSL.⁵

¹ In this paper, 'Fixed Line Services' refers to those fixed line services last declared in 2009 under Part XIC of the CCA. These are the ULLS, LCS, LSS, PSTN OTA and WLR services. It does not include the Wholesale ADSL service.

² ACCC, *Inquiry to make final access determinations for the declared fixed line services – final report*, July 2011.

³ ACCC, *Inquiry into make a final access determination for the Wholesale ADSL Service – Draft report*, March 2013, p. 55-57.

⁴ Macquarie Telecom, April 2013 submission, p. 5.

⁵ Macquarie Telecom, April 2013 submission, p. 5.

Telstra submitted that it was prepared to cooperate in providing the information the ACCC requires.⁶

Optus submitted that it supported the ACCC's proposal to adopt the BBM RKR for wholesale ADSL; however, it noted that the forecast data would not be available for the purposes of the wholesale ADSL FAD inquiry.⁷ Optus submitted that the ACCC had announced an intention to obtain forecasts for expenditure data in 2010 but it had 'failed to implement such changes' to date.⁸

1.2 Reference to 'Fixed Line Services'

The ACCC notes that the term *Fixed Line Services* has previously referred to those fixed line services last declared in 2009 under Part XIC of the CCA. These are the ULLS, LCS, LSS, PSTN OTA and WLR services.

The ACCC acknowledges that the Wholesale ADSL Service is technically a 'fixed line' service. However, for the purposes of the BBM RKR, the ACCC does not propose to include the Wholesale ADSL Service within the definition of 'Fixed Line Services.'

1.3 Making submissions

Given the ACCC has previously indicated its plans to vary the BBM RKR to incorporate information required in respect of the Wholesale ADSL service, the ACCC considers a short consultation period is appropriate.

The ACCC therefore seeks written submissions on this Discussion Paper by **no later than 5.00 pm on 14 June 2013**.

To foster an open, informed and consultative process, all submissions will be considered as public submissions and will be posted on the ACCC's website. If interested parties wish to submit commercial-in-confidence material as part of their submission to the ACCC, parties should submit both a public and a confidential version of their submission. The public version of the submission should clearly identify the confidential material by replacing the confidential material with 'c-i-c'.

The ACCC prefers to receive electronic copies of submissions. Electronic submissions should be in either PDF or Microsoft Word format and allow for searchable text.

Please forward submissions and inquiries by email to the Contact Officer, Jessica Wicks at jessica.wicks@acc.gov.au and copy correspondence to bbmrkr@acc.gov.au.

⁶ Telstra, April 2013 submission, p. 19.

⁷ Optus, April 2013 submission, p. 16.

⁸ Optus, April 2013 submission, p. 16.

2 Building Block Model data collection for assets relating to the Wholesale ADSL Service

The BBM RKR was first made in August 2012 to facilitate the collection of data required by the ACCC to make FADs for Fixed Line Services. Since this time, the ACCC has also made an FAD for the Wholesale ADSL Service, using a revised FLSM.

As the BBM RKR was made prior to the Wholesale ADSL FAD, it does not provide the ACCC with the information necessary for it to set prices for the Wholesale ADSL Service using the FLSM.

The ACCC proposes that the existing BBM RKR be amended so as to extend it to obtain information required to estimate prices for the Wholesale ADSL service.

The ACCC has aligned the expiry date of the Wholesale ADSL Service FAD to that of the Fixed Line Services FAD (currently 30 June 2014). The ACCC intends to combine the FAD inquiries for both the Wholesale ADSL Service and the relevant Fixed Line Services to ensure consistency in the estimation of prices for these services.

2.1 What the ACCC is proposing to amend

The key changes the ACCC proposes to make include:

- Amending clause 4 to include definitions for AGVC, Retail ADSL, VLAN, Wholesale ADSL Service and Zone;
- Amending clause 6 to include additional actual usage data related to the Wholesale ADSL Service;
- Amending clause 8 to include forecast annual Demand related to the Wholesale ADSL Service;
- Amending Attachments A and B to apply these changes to the reporting requirements; and
- Amending Attachments B and C to collect data relating to the ‘data equipment’ asset class, including historic cost by vintage, written down values by vintage, capital expenditure, operating expenditure and asset lives, .

2.2 Why the ACCC is proposing the variation

The ACCC considers that there are a number of advantages to amending the BBM RKR to include information relating to the Wholesale ADSL Service:

- **Consistency with other regulatory processes**

The proposed variation would ensure the mechanism for the ACCC to request data for the Wholesale ADSL Service is identical to the manner in which it requests data for Fixed Line Services. The ACCC considers this promotes consistency in the pricing of regulated fixed line services.

- **Creates regulatory certainty**

The proposed variation sets the process, including timing, by which the ACCC can request data relating to the Wholesale ADSL Service. The ACCC considers this provides access providers and access seekers with a degree of regulatory certainty.

- **Minimise the regulatory burden on Telstra**

The current BBM RKR already provides for the collection of some of the information required by the ACCC to set prices for the Wholesale ADSL Service. The ACCC considers that modifying the existing BBM RKR will reduce the regulatory burden on Telstra in providing the additional information required in respect of the Wholesale ADSL Service.

2.3 What additional data is required

In order to set prices that will apply over a given regulatory period, the ACCC requires forecast operating expenditure, capital expenditure and demand. Forecast operating and capital expenditure are used to determine the revenue requirement in each year of the regulatory period. The revenue requirement is then allocated to each service and divided by forecast demand for that service to determine regulated prices.

The ACCC requires additional actual usage figures for the Wholesale ADSL Service in order to assess the accuracy of previous forecasts and inform its assessment of future forecasts. This forecast and actual usage data is necessary to effectively implement the FLSM, which will in turn increase industry certainty and improve the quality of decisions relating to price regulation in the telecommunications industry.

2.3.1 Actual Usage Data

The ACCC proposes to vary clause 6 of the BBM RKR to require actual data for the Wholesale ADSL Service for each financial year until the financial year ending 2021. Telstra is required to record:

- the total number of Wholesale ADSL SIOs used by Access Seekers as at 30 June, in each of the three Zones;
- the total amount of Peak Usage, in Megabits per second (Mbps), by Access Seekers for the Wholesale ADSL service as at 30 June;
- the total number of Retail ADSL SIOs supplied by Telstra as at 30 June; and
- the total amount of Peak Usage, in Mbps, used by Telstra to supply Retail ADSL services as at 30 June.

2.3.2 Forecast Annual Demand

The ACCC proposes to vary clause 8 to require Telstra to provide forecast annual Demand for ADSL services. Telstra is required to provide forecasts for:

- the total number of Wholesale ADSL SIOs used by Access Seekers as at 30 June, in each of the three Zones;
- the total amount of Peak Usage, in Mbps, by Access Seekers for the Wholesale ADSL service as at 30 June;
- the total number of Retail ADSL SIOs supplied by Telstra as at 30 June; and
- the total amount of Peak Usage, in Mbps, used by Telstra to supply Retail ADSL services as at 30 June.

The ACCC proposes to assess the validity of Telstra' Demand forecasts as part of the FAD process. To facilitate the ACCC's assessment, the varied BBM RKR requires that Telstra provide an explanatory statement containing:

- the method used to determine the forecasts

- the assumptions used to determine the forecasts, and
- the basis for the assumptions.

To ensure that the requirements above are adequately addressed, the ACCC proposes that Telstra include:

- key demand drivers taken into account
- the data sources used, and
- a report comparing forecasts for the previous Regulatory Period with the actual usage data for that period, and an explanation of any differences, trends and drivers.

2.3.3 Expenditure, asset life and asset values for data equipment'

The ACCC has added a new asset class, 'data equipment', to the FLSM in order to estimate prices for the Wholesale ADSL Service. The ACCC proposes to amend the BBM RKR to request the same information on expenditure, asset lives and asset values for this asset class as for all other asset classes in the FLSM. Under the proposed amendment, Telstra would be required to provide the following data for the 'data equipment' asset class:

- Historic cost by vintage
- Written down values by vintage
- Forecast operating expenditure
- Forecast capital expenditure
- Total asset lives

Proposed variation to the Building Block Model
Record Keeping and Reporting Rule (mark up for public
consultation)

Section 151BU

Part XIB Competition and Consumer Act 2010

Australian Competition and Consumer Commission

May 2013

TITLE

- (1) These rules made by the Australian Competition and Consumer Commission (ACCC) pursuant to section 151BU of the *Competition and Consumer Act 2010* (CCA) may be referred to as the Building Block Model Record Keeping and Reporting Rule (Rule).

COMMENCEMENT

- (2) The Rule takes effect from ~~24^{xx} August~~ 201~~32~~ until 30 June 2021. The ACCC will commence a review of the Rule prior to it ceasing to have effect.

APPLICATION

- (3) The Rule applies to Telstra Corporation Limited (ACN 051 775 556) (Telstra).

INTERPRETATION

- (4) The following terms have the meaning set out in this clause.
 - (a) ‘**Access Seeker**’ has the same meaning as in section 152AG of the CCA.
 - ~~(b)~~ ‘**ACCC**’ means the Australian Competition and Consumer Commission.
 - ~~(b)~~~~(c)~~ ‘**AGVC**’ means Aggregating Virtual Circuit.
 - ~~(e)~~~~(d)~~ ‘**Asset Lives**’ means the period over which regulatory depreciation is applied.
 - ~~(d)~~~~(e)~~ ‘**ASIC**’ means the Australian Securities and Investments Commission.
 - ~~(e)~~~~(f)~~ ‘**Band**’ means the ULLS banding of the Exchange Serving Area.
 - ~~(f)~~~~(g)~~ ‘**Building Block Model approach**’ means the approach used to determine prices by the ACCC according to the *2011 inquiry to make final access determinations for the declared fixed line services – final report*.
 - ~~(g)~~~~(h)~~ ‘**Capital Expenditure**’ means the amount spent by Telstra to acquire or upgrade any asset or part of an asset included in the FLSM Asset Classes.

- (i) **‘CCA’** means the *Competition and Consumer Act 2010* (Cth).
- (h)(j) **‘Demand’** means the forecast quantity of each of the Fixed Line Services and the Wholesale ADSL service that will be acquired by Access Seekers.
- (h)(k) **‘DSL Service’** means digital subscriber line service and refers to a carriage service for the provision of DSL services along a metallic line using access technology which allows the transmission of data from a modem at an End-User’s premises to an exchange and using the non-voice spectrum of the communications wire.
- (j)(l) **‘DSL-only SIOs’** means the total number of Telstra retail and wholesale digital subscriber line services in operation where the End-User only takes DSL provided by a Telstra DSLAM and no Voice Service is provided on that line by any carrier.
- (k)(m) **‘DSLAM’** refers to a digital subscriber line access multiplexer used to provide DSL Services.
- (h)(n) **‘End-User’** means consumers of communications carriage services and other services supplied using communications carriage services, rather than the suppliers of these services.
- (m)(o) **‘Exchange Serving Area’** means the area served from a traditional local exchange building in accordance with Australian Communications Industry Forum Limited definition C559:2005 Part 1.
- (h)(p) **‘FAD’** means Final Access Determination, as defined under section 152AC of the CCA.
- (h)(q) **‘Financial Asset Register’** means Telstra’s financial asset register which records Telstra’s historic cost and accumulated depreciation of assets that have not been fully depreciated from its accounts.
- (h)(r) **‘Fixed Line Services’** means each of the fixed line services declared under Part XIC of the CCA. These services are the unconditioned local loop service (ULLS), wholesale line rental (WLR), line sharing service (LSS), public switched telephone network originating and terminating access (PSTN OTA) and local carriage service (LCS).
- (h)(s) **‘Fixed Line Services Model’** the pricing model developed to estimate prices for the declared fixed line services used in the *2011 inquiry to make final access determinations for the declared fixed line services – final report*, or a variation or replacement of this model.
- (h)(t) **‘FLSM Asset Class’** means each class of asset as listed in tables B1, B2, C1, C2 and C3 annexed at Attachments B and C of the Rule.
- (h)(u) **‘LCS’** means the local carriage service declared under Part XIC of the CCA and maintained on the register of declared services under section 152AQ of the CCA as varied from time to time.

~~(t)~~(v) **‘LSS’** means the line sharing service declared under Part XIC of the CCA and maintained on the register of declared services under section 152AQ of the CCA as varied from time to time.

~~(w)~~ **‘Operating Expenditure’** means all ongoing direct and indirect operating expenditure relating to Fixed Line Services and the Wholesale ADSL service provided by Telstra.

~~(x)~~ **‘Peak Usage’** means the sum of:

i. where Access Seekers pay a separate charge for AGVC/VLAN: AGVC/VLAN capacity, calculated on the specified date; and

ii. where there is no separate charge for AGVC/VLAN: peak busy hour throughput, calculated as the average over the month up to and including the specified date.

~~(tt)~~(y) **‘PSTN’** means the public switched telephone network and is a telephone network accessible by the public providing switching and transmission facilities utilising analogue and digital technologies.

~~(vv)~~(z) **‘PSTN OTA’** means the domestic PSTN originating access and the domestic PSTN terminating access services declared under Part XIC of the CCA and maintained on the register of declared services under section 152AQ of the CCA as varied from time to time.

~~(ww)~~(aa) **‘Pricing Review’** means the process by which the ACCC will set regulated prices to apply to the Fixed Line Services and the Wholesale ADSL service for any regulatory period after the current Regulatory Period.

~~(xx)~~(bb) **‘Regulatory Period’** means the period during which the FADs for the Fixed Line Services or Wholesale ADSL are in force.

(cc) **‘Retail ADSL’** means an asymmetric digital subscriber line service supplied by Telstra to an End-User.

~~(yy)~~(dd) **‘Rule’** means the *Building Block Model Record Keeping and Reporting Rule*.

(ee) **‘SIO’** refers to an active telecommunications service between Telstra and an End-User.

~~(zz)~~(ff) **‘Total SIOs’** means the sum of: Voice-only SIOs; DSL-only SIOs; and Voice and DSL bundle SIOs.

(aa)(gg) **‘Vintage’** means the financial year in which the assets were purchased.

~~(bb)~~(hh) **‘Voice and DSL bundle SIOs’** means the total number of Telstra retail and wholesale DSL and Voice Services provided as part of the same Service in Operation where the End-User takes both voice

provided by a Telstra PSTN switch and DSL provided by a Telstra DSLAM.

~~(ee)~~(ii) **‘Voice Service’** means a service provided by use of a PSTN using a Telstra PSTN switch by means of the 3.1 kilohertz frequency spectrum of a metallic line.

~~(dd)~~(jj) **‘Voice-only SIOs’** means the total number of Telstra retail and wholesale Voice Services in Operation where the End-User takes only voice provided by a Telstra PSTN switch and no DSL Service is provided on that line by any carrier.

~~(kk)~~ **‘ULLS’** means the unconditioned local loop service declared under Part XIC of the CCA and maintained on the register of declared services under section 152AQ of the CCA as varied from time to time.

~~(ll)~~ **‘VLAN’** means Virtual Local Area Network.

~~(ee)~~(mm) **‘Wholesale ADSL’** means the wholesale asymmetric digital subscriber line service declared under Part XIC of the CCA and maintained on the register of declared services under section 152AQ of the CCA as varied from time to time.

~~(nn)~~ **‘WLR’** means the wholesale line rental service declared under Part XIC of the CCA and maintained on the register of declared services under section 152AQ of the CCA as varied from time to time.

~~(ff)~~(oo) **‘Zone’** means the zone of the Exchange Serving Area as determined in the ‘List of ADSL ESAs by zone’ published on the ACCC’s website.

- (5) Unless the contrary intention appears, an expression used in this Rule that is also used in the CCA has the same meaning in these Rules as it does in the CCA.

RECORD KEEPING RULES

Record keeping rules for actual usage data

- (6) Telstra must establish and maintain an electronic record containing the following actual usage data for the WLR, ~~and~~ LCS, Wholesale ADSL and Retail ADSL services for each financial year until the financial year ending 30 June 2021 (inclusive):
- (a) The total number of WLR SIOs used by Access Seekers as at 30 June, in each of the four geographic Bands.
 - (b) The total number of LCS call minutes used by Access Seekers over the financial year to 30 June.

- (c) The average call duration for the LCS used by Access Seekers, in minutes, over the financial year to 30 June.
- (d) The total number of Wholesale ADSL SIOs used by Access Seekers as at 30 June, in each of the three Zones.
- (e) The total amount of Peak Usage, in Megabits per second (Mbps), by Access Seekers for the Wholesale ADSL service as at 30 June.
- (f) The total number of Retail ADSL SIOs supplied by Telstra as at 30 June.
- (e)(g) The total amount of Peak Usage, in Mbps, used by Telstra to supply Retail ADSL services as at 30 June.

Record keeping rules for historic cost data

- (7) Telstra must establish and maintain an electronic record containing the following historic data, prepared in a manner consistent with Telstra's Financial Asset Register:
 - (a) Historic cost by Vintage for each FLSM Asset Class.
 - (b) Written down values by Vintage for each FLSM Asset Class.

Record keeping rules for forecast data

- (8) Telstra must establish and maintain an electronic record containing the following forecasts and supporting information for each financial year requested by the ACCC under Rule 15:
 - (a) Forecast total annual Operating Expenditure specified for each FLSM Asset Class, expressed in nominal terms.
 - (b) Forecast total annual Capital Expenditure specified for each FLSM Asset Class, expressed in nominal terms.
 - (c) Forecast annual Demand for the following Fixed Line Services:
 - i. ULLS SIOs, by geographic Band
 - ii. WLR SIOs, by geographic Band
 - iii. Total SIOs, by geographic Band
 - iv. PSTN OTA minutes
 - v. LCS minutes
 - vi. LCS average call duration
 - vii. LSS SIOs.

(d) Forecast annual Demand for:

- i. The total number of Wholesale ADSL SIOs used by Access Seekers as at 30 June, in each of the three Zones
- ii. The total amount of Peak Usage, in Mbps, by Access Seekers for the Wholesale ADSL service as at 30 June
- iii. The total number of Retail ADSL SIOs supplied by Telstra as at 30 June
- iii.iv. The total amount of Peak Usage, in Mbps, used by Telstra to supply Retail ADSL services as at 30 June.

~~(d)~~(e) Total Asset Lives for forecast Capital Expenditure for each FLSM Asset Class.

Explanatory statement accompanying forecast information

- (9) When it provides the forecast data requested under Rule 8, Telstra must provide an explanatory statement containing the following information:
- (a) Telstra's annual inflation assumptions used in its forecasts of Operating Expenditure and Capital Expenditure.
 - (b) The method used to determine the forecasts in Rules 8(a)–~~(e)~~.
 - (c) The assumptions used to determine the forecasts in Rules 8(a)–~~(e)~~.
 - (d) The basis for the assumptions in Rule 9(c).
 - (e) Any internal guidelines used by Telstra for either of the following purposes:
 - i. to assess the prudence of forecast Capital Expenditure
 - ii. tendering or contracting out Capital Expenditure projects.
- (10) To ensure that the requirements of Rule 8 and Rule 9 relating to Forecast Operating Expenditure are adequately addressed, Telstra must include in its explanatory statement:
- (a) The cost drivers used for each expenditure class
 - (b) The cost allocations (and underlying methodology behind the allocations) with respect to any common or joint costs related to shared facilities or network elements, and an explanation of how these accord with the Fixed Line Services Model; and
 - (c) A report comparing forecasts for the previous Regulatory Period with actual Operating Expenditure for that period, and an explanation of any differences, trends and drivers.

- (11) To ensure that the requirements of Rule 8 and Rule 9 relating to Forecast Capital Expenditure are adequately addressed, Telstra must include in its explanatory statement:
- (a) An explanation of the investment program detailing:
 - i. How non-discretionary projects relate to the drivers of investment, such as population growth and replacement of assets nearing the end of their asset lives
 - ii. For discretionary projects, a broad description of the type of investments being undertaken and the drivers of those investments
 - (b) A report comparing forecasts for the previous Regulatory Period with the actual Capital Expenditure for that period, and an explanation of any differences, trends and drivers
 - (c) For discretionary projects, an explanation of any major differences in the types of investment undertaken compared to the forecasts; and
 - (d) Evidence that a review of Capital Expenditure projects was undertaken in accordance with any investment guidelines.
- (12) To ensure that the requirements of Rule 8 and Rule 9 relating to Forecast Demand are adequately addressed, Telstra must include in its explanatory statement:
- (a) Key demand drivers taken into account
 - (b) The data sources used; and
 - (c) A report comparing forecasts for the previous Regulatory Period with the actual usage data for that period, and an explanation of any differences, trends and drivers.

REPORTING REQUIREMENTS

Reporting requirements for actual usage data

- (13) For each financial year until the financial year ending 30 June 2021 (inclusive), Telstra must provide the ACCC with a report containing the information required in Rule 6 of this Rule. The report must be:
- (a) lodged with the ACCC within 4 weeks of the date upon which Telstra is required to lodge its annual report with ASIC pursuant to section 319 of the *Corporations Act 2001* (Cth); and
 - (b) prepared and submitted electronically in Microsoft Excel in the format prescribed by the ACCC and annexed at Attachment A.

Reporting requirements for historic cost data and forecast data

- (14) The ACCC will announce the commencement of a Pricing Review at least 12 months prior to the commencement of the next Regulatory Period.
- (15) When the ACCC announces the commencement of a Pricing Review, Telstra must within 8 weeks of the date on which it receives a written request from the ACCC:
 - (a) provide the ACCC with a report containing the information required in Rule 7 and Rule 8 of the Rule;
 - (b) prepare and submit the report electronically in Microsoft Excel in the format prescribed by the ACCC and annexed at Attachment B and Attachment C; and
 - (c) include an explanatory statement addressing the requirements of Rules 9 to 12 (inclusive) and submit it electronically as a Microsoft Word or PDF document that allows for searchable text.

Submission of reports

- (16) The reports specified under Rule 13 and Rule 15 must be provided to the ACCC by email to both of the following addresses:
 - (a) rkrinbox@acc.gov.au; and
 - (b) Comms.Admin@acc.gov.au.
- (17) The ACCC may delegate to a member of the ACCC or authorise a member of the ACCC staff, to exercise its power to amend the format referred to in Rule 13(b), 15(b) and 15(c).
- (18) The ACCC must provide Telstra with adequate notice of any such amendment.

RECORD-KEEPING DECLARATIONS

- (19) At the time that a carrier or carriage service provider submits information to the ~~Commission~~ ACCC under Rule 13 or Rule 15, the carrier or carriage service provider must submit a Record-Keeping Declaration signed by its Chief Executive Officer (CEO) or Chief Financial Officer (CFO) or delegated authority in accordance with **Attachment D**.

ATTACHMENT A: TEMPLATE FOR ACTUAL USAGE DATA

Table A1: WLR, ~~and~~ LCS, Wholesale ADSL and Retail ADSL Usage for the financial year ending 30 June xxxx [insert year]

Service	Unit	Total Usage data
Wholesale Line Rental (WLR)	Band 1 SIOs Band 2 SIOs Band 3 SIOs Band 4 SIOs	
Local Carriage Service (LCS)	Minutes	
LCS average call duration	Minutes	
<u>Wholesale ADSL</u>	<u>Zone 1 SIOs</u> <u>Zone 2 SIOs</u> <u>Zone 3 SIOs</u>	
<u>Peak Usage for Wholesale ADSL</u>	<u>Mbps</u>	
<u>Retail ADSL</u>	<u>SIOs</u>	
<u>Peak Usage for Retail ADSL</u>	<u>Mbps</u>	

ATTACHMENT B: TEMPLATE FOR HISTORIC COST DATA

Table B1: Historic cost by Vintage

FLSM Asset Classes	Units	XXXX-XX	XXXX-XX	XXXX-XX	XXXX-XX	XXXX-XX
CAN						
Ducts and pipes	\$ as at					
Copper cables	\$ as at					
Other cables	\$ as at					
Pair gain systems	\$ as at					
CAN radio bearer equipment	\$ as at					
Other CAN assets	\$ as at					
Other communications plant and equipment	\$ as at					
Network land	\$ as at					
Network buildings/support	\$ as at					
Indirect capital assets	\$ as at					
Core						
Switching equipment – Local	\$ as at					
Switching equipment – Trunk	\$ as at					
Switching equipment – Other	\$ as at					
Inter-exchange cables	\$ as at					

Transmission equipment	\$ as at					
Core radio bearer equipment	\$ as at					
Other communications plant and equipment	\$ as at					
Network land	\$ as at					
Network buildings/support	\$ as at					
Indirect capital assets	\$ as at					
LSS equipment	\$ as at					
Data equipment	\$ as at					

Table B2: Written down values by Vintage

FLSM Asset Classes	Units	XXXX-XX	XXXX-XX	XXXX-XX	XXXX-XX	XXXX-XX
CAN						
Ducts and pipes	\$ as at					
Copper cables	\$ as at					
Other cables	\$ as at					
Pair gain systems	\$ as at					
CAN radio bearer equipment	\$ as at					
Other CAN assets	\$ as at					
Other communications plant and equipment	\$ as at					
Network land	\$ as at					
Network buildings/support	\$ as at					
Indirect capital assets	\$ as at					
Core						
Switching equipment – Local	\$ as at					
Switching equipment – Trunk	\$ as at					
Switching equipment – Other	\$ as at					
Inter-exchange cables	\$ as at					
Transmission equipment	\$ as at					

Core radio bearer equipment	\$ as at					
Other communications plant and equipment	\$ as at					
Network land	\$ as at					
Network buildings/support	\$ as at					
Indirect capital assets	\$ as at					
LSS equipment	\$ as at					
Data equipment	\$ as at					

ATTACHMENT C: TEMPLATE FOR FORECAST DATA

Table C1: Forecast Operating Expenditure for the Regulatory Period

FLSM Asset Classes	Units	20XX-XX	20XX-XX	20XX-XX	20XX-XX	20XX-XX
CAN						
Ducts and pipes	\$m as at					
Copper cables	\$m as at					
Other cables	\$m as at					
Pair gain systems	\$m as at					
CAN radio bearer equipment	\$m as at					
Other CAN assets	\$m as at					
Other communications plant and equipment	\$m as at					
Network land	\$m as at					
Network buildings/support	\$m as at					
Indirect capital assets	\$m as at					
Total CAN Operating Expenditure	\$m as at					
Core						
Switching equipment – Local	\$m as at					
Switching equipment – Trunk	\$m as at					

Switching equipment – Other	\$m as at					
Inter-exchange cables	\$m as at					
Transmission equipment	\$m as at					
Core radio bearer equipment	\$m as at					
Other communications plant and equipment	\$m as at					
Network land	\$m as at					
Network buildings/support	\$m as at					
Indirect capital assets	\$m as at					
LSS equipment	\$m as at					
Data equipment	\$m as at					
Total Core Operating Expenditure	\$m as at					
Indirect operating expenditure						
Indirect operating expenditure	\$m as at					
Inflation assumptions						
Inflation	per cent					

Table C2: Forecast Capital Expenditure for the Regulatory Period

FLSM Asset Classes	Units	20XX-XX	20XX-XX	20XX-XX	20XX-XX	20XX-XX
CAN						
Ducts and pipes	\$m as at					
Copper cables	\$m as at					
Other cables	\$m as at					
Pair gain systems	\$m as at					
CAN radio bearer equipment	\$m as at					
Other CAN assets	\$m as at					
Other communications plant and equipment	\$m as at					
Network land	\$m as at					
Network buildings/support	\$m as at					
Indirect capital assets	\$m as at					
Total CAN Capital Expenditure	\$m as at					
Core						
Switching equipment – Local	\$m as at					
Switching equipment – Trunk	\$m as at					
Switching equipment – Other	\$m as at					

Inter-exchange cables	\$m as at					
Transmission equipment	\$m as at					
Core radio bearer equipment	\$m as at					
Other communications plant and equipment	\$m as at					
Network land	\$m as at					
Network buildings/support	\$m as at					
Indirect capital assets	\$m as at					
LSS equipment	\$m as at					
Data equipment	\$m as at					
Total Core Capital Expenditure	\$m as at					
Inflation assumptions						
Inflation	per cent					

Table C3: Total asset lives for forecast Capital Expenditure during the Regulatory Period

FLSM Asset Classes	Units	20XX-XX	20XX-XX	20XX-XX	20XX-XX	20XX-XX
CAN						
Ducts and pipes	years					
Copper cables	years					
Other cables	years					
Pair gain systems	years					
CAN radio bearer equipment	years					
Other CAN assets	years					
Other communications plant and equipment	years					
Network land	years					
Network buildings/support	years					
Indirect capital assets	years					
Core						
Switching equipment – Local	years					
Switching equipment – Trunk	years					
Switching equipment – Other	years					
Inter-exchange cables	years					
Transmission equipment	years					

Core radio bearer equipment	years					
Other communications plant and equipment	years					
Network land	years					
Network buildings/support	years					
Indirect capital assets	years					
LSS equipment	years					
Data equipment	years					

Table C4: Forecast Demand for the Regulatory Period

Service	Units	20XX-XX	20XX-XX	20XX-XX	20XX-XX	20XX-XX
Unconditioned Local Loop Service (ULLS)	Band 1 SIOs Band 2 SIOs Band 3 SIOs Band 4 SIOs					
Wholesale Line Rental (WLR)	Band 1 SIOs Band 2 SIOs Band 3 SIOs Band 4 SIOs					
Total SIOs	Band 1 SIOs Band 2 SIOs Band 3 SIOs Band 4 SIOs					
PSTN Originating and Terminating Access (PSTN OTA)	Minutes					
Local Carriage Service (LCS)	Minutes					
LCS average call duration	Minutes					
Line Sharing Service (LSS)	SIOs					
Wholesale ADSL	Zone 1 SIOs Zone 2 SIOs Zone 3 SIOs					
Peak Usage for Wholesale ADSL	Mbps					
Retail ADSL	SIOs					

<u>Peak Usage for Retail ADSL</u>	<u>Mbps</u>					
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ATTACHMENT D: RECORD-KEEPING DECLARATION

Record-Keeping Declaration – Statement by CEO or CFO

(Date)
Group General Manager
Communications Group
Australian Competition and Consumer Commission

Statement by CARRIER’S or CARRIAGE SERVICE PROVIDER’S Chief Executive Officer or Chief Financial Officer

I declare that:

- (a) the reports are prepared in accordance with the requirements of the Rules;
- (b) the reports are accurate in all material respects; and
- (c) the reports are consistent with the internal reporting procedures of (Company Name)

Dated at this day of 20

Chief Executive Officer/ Chief Financial Officer
(or delegated authority)