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14 May 2012

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Ms Jane van Beelen Executive Director, Regulatory Affairs Telstra Corporation Limited Level 11, 400 George St SYDNEY, NSW 2000

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

Dear Ms van Beelen

Telstra's Structural Separation Undertaking – Extension of implementation period for the Independent Telecommunications Adjudicator Process

I refer to your letter of 7 May 2012 requesting an extension of time for the implementation of the Independent Telecommunications Adjudicator (ITA) Process set out in clause 20 and Schedules 5 and 6 of Telstra's structural separation undertaking (SSU).

Under clause 21.3(a) of the SSU, the ACCC may approve or reject a request for a variation to the implementation period. In deciding whether to approve or reject any such request, the ACCC must have regard to the matters listed in clause 21.3(b) of the SSU.

The ACCC has considered Telstra's letter, the action taken by Telstra to implement the ITA Process since the Commencement Date and the matters listed in clause 21.3(b). In having regard to these matters, the ACCC has decided to approve Telstra's request for an extension of time to implement the ITA Process so that the relevant provisions of the SSU commence on the date on which the ITA Adjudicator:

- is appointed by the ITA company (as contemplated in Schedule 5); and
- agrees to be bound by the ITA Process and the terms set out in Schedule 5.

In making this decision, the ACCC is satisfied that Telstra has made reasonable efforts to comply with the implementation requirements of clause 21. The ACCC also acknowledges that implementation of the ITA Process involves ACCC approval and consultation processes that are beyond Telstra's reasonable control, including in relation to the appointment of the ITA Adjudicator.

I note that a copy of this letter, and your letter dated 7 May 2012, will be made available on the ACCC's website. If you have any questions please contact Ed Seymour on (03) 9290 1886 or myself on 03 9290 1914.

Yours sincerely

Alder.

Michael Cosgrave

Group General Manager

Communications Group