



**TELECOMMUNICATIONS INDUSTRY
REGULATORY ACCOUNTING
FRAMEWORK
(Record-keeping rules)**

**Issued under section 151BU
of the *Trade Practices Act 1974***

May 2001

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Part 1 – Introduction, interpretation and objects

1. Title

- (1) These Rules, made by the Australian Competition and Consumer Commission under section 151BU of the *Trade Practices Act 1974*, may be referred to as:
 - (a) the Telecommunications Industry Regulatory Accounting Framework; or
 - (b) record-keeping rules.

2. Commencement

- (1) These Rules shall take effect on the date the Rules are issued by the Commission.

Note: The Commission will issue the Rules by making a public announcement and placing the Rules on its website.

- (2) These Rules replace the reporting requirements set out in the Chart of Accounts and Cost Allocation Manual implemented by AUSTEL under the *Telecommunications Act 1991*.

3. Interpretation

- (1) In these Rules, unless the contrary intention appears:

access provider	has the same meaning as in subsection 152AR(2) of the <i>Trade Practices Act 1974</i> .
ASIC	means the Australian Securities and Investments Commission.
Auditor	has the same meaning as in the <i>Corporations Law</i> .
CAN	means the Customer Access Network, which enables the connection of telephones and other customer premises equipment to switching technology.
carriage service provider	has the same meaning as in the <i>Telecommunications Act 1997</i> .

Carrier	has the same meaning as in the <i>Telecommunications Act 1997</i> .
Commission	means the Australian Competition and Consumer Commission.
CDMA	means Code Division Multiple Access and is an access technique for digital wireless communications, including mobile phone and satellite services.
declared service	has the same meaning given by section 152AL of the <i>Trade Practices Act 1974</i> .
End User Access	means provision of access to the PSTN from the customer premises. The term end user means consumers of communications carriage services and other services supplied using communications carriage services, rather than suppliers of these services.
external wholesale service	means a service listed in Schedule 4(c).
financial year	has the same meaning as in the <i>Corporations Law</i> .
GSM	means Global System for Mobile communications and is a digital cellular network for mobile telecommunications.
half-year	has the same meaning as in the <i>Corporations Law</i> .
intercapital	means services between Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney.
Internal wholesale service	means a service listed in Schedule 4(b).
ISDN	means Integrated Services Digital Network and has the same meaning as in the <i>Telecommunications Act 1997</i> .
Manual	means the Regulatory Accounting Procedures Manual.
Manual Guidelines	means guidelines for the Regulatory Accounting Procedures Manual in Schedule 11.
POI	means Point Of Interconnection and has the same meaning as specified in Deeming of Telecommunications Services under section 39 of the <i>Telecommunications (Transitional Provisions</i>

and Consequential Amendments) Act 1997.

PSTN	means Public Switched Telephone Network and has the same meaning as specified in Deeming of Telecommunications Services under section 39 of the <i>Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997.</i>
related carrier or carriage service provider	Describes the relationship between two or more carriers or carriage service providers where one (or more) is subsidiary of the other.
reporting carrier or carriage service provider	means a carrier or carriage service provider to which these Rules apply, to the extent it is required to report.
retail service	means a service listed in Schedule 4(a).
WACC	means the weighted average cost of capital as calculated in rule 12.

- (2) In these Rules a carrier or carriage service provider is a subsidiary of a company if:
- (a) that company:
 - i) controls the composition of the board of directors of the carrier or carriage service provider;
 - ii) is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the carrier or carriage service provider; or
 - iii) holds more than one-half of the allotted share capital of the carrier or carriage service provider (excluding any part of that allotted share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
 - (b) where the company is a subsidiary of a second company, the carrier or carriage service provider is also a subsidiary of that second company (including by recursive application of this subrule).
- (3) The composition of a carrier or carriage service provider's board of directors shall be deemed to be controlled by another company if that other company, by the exercise of some power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors.

- (4) For the purpose of the previous subrule that other company shall be deemed to have power to make such an appointment if:
- (a) a person cannot be appointed as a director without the exercise in his or her favour by that other company of such a power; or
 - (b) a person's appointment as a director follows necessarily from his or her being a director or other officer of that other company.

4. Object of these Rules

- (1) The object of these Rules is to provide:
- a comprehensive regulatory reporting architecture specifying the services which reporting carriers and carriage service providers are required to report against;
 - details of the information and financial reports to be provided for each service, particularly the revenues, costs and capital associated with each service;
 - principles to be applied by reporting carriers and carriage service providers in developing detailed allocation methodologies in compliance with the Rules;
 - details of specific reports on service usage;
 - rules that reporting carriers and carriage service providers must follow in developing their Manuals;
 - specific reporting cycles; and
 - the audit and compliance framework for ensuring the integrity of the information provided to the Commission.

Part 2 – Application of these Rules

5. Application

- (1) Subject to rule 7 (which relates to exemptions), these Rules apply to a carrier or carriage service provider that supplies or uses any declared service and has been notified in writing by the Commission that the Rules apply to that carrier or carriage service provider.
- (2) These Rules also apply to any carrier or carriage service provider that:
 - (a) supplies or uses any declared service; and
 - (b) is a subsidiary of a carrier or carriage service provider notified pursuant to subrule (1), unless the Commission notifies otherwise.
- (3) Subject to subrule (4), the first report a carrier or carriage service provider to whom these Rules apply is required to lodge in accordance with rule 14 relates to the first complete reporting period starting after these Rules commence application to that carrier or carriage service provider.

Note: For example, if a carrier is notified that the Rules apply to them in May 2001, and that carrier reports on a July to June financial year, then its first six monthly reports would cover July to December 2001.

- (4) The Commission may alter the first reporting period by notification in writing.
- (5) When notifying a carrier or carriage service provider, the Commission may require that the carrier or carriage service provider only comply with part of the Rules.

6. Consolidated reports

- (1) Subject to this rule, if these Rules apply to a carrier or carriage service provider, and that carrier or carriage service provider is a subsidiary of a company, the former is not required to prepare and submit reports in accordance with these Rules if the latter has prepared and submitted consolidated reports complying with these Rules.

Note: Subsidiary is defined in subrules 3(2)-(4).

- (2) Subject to this rule, if these Rules apply to a carrier or carriage service provider, and that carrier or carriage service provider is a company and is a subsidiary of a second company, the former is not required to engage an external auditor to audit its compliance with these Rules, if the latter has engaged an auditor to audit the consolidated reports of the former.

- (3) Subject to this rule, if these Rules apply to a carrier or carriage service provider and that carrier or carriage service provider is a subsidiary of a second company, the former is not required to prepare a Manual in accordance with Part 4 of these Rules if the latter has prepared a Manual complying with these Rules that will apply to the former.
- (4) Consolidated reports are a single set of aggregated accounts combining the reports required under these Rules of carriers and carriage service providers to whom this rule applies prepared by a consolidated entity (as defined in the Corporations Law) that is consistent with the Australian Accounting Standards and this rule.
- (5) A carrier or carriage service provider that is a subsidiary of a second company is not:
 - (a) excused from preparing and submitting a report in accordance with the Rules [pursuant to subrule (1)];
 - (b) excused from engaging an external auditor to audit compliance with the Rules [pursuant to subrule (2)]; or
 - (c) excused from preparing a Manual complying with these Rules [pursuant to subrule (3)];

as the case may be unless:

- (d) the second company has advised the Commission before 2 months prior to the end of a six-month reporting period of its intention to:
 - i) prepare and submit consolidated reports that will cover the former company;
 - ii) engage an external auditor of the consolidated reports that cover the former company; or
 - iii) prepare a Manual that will apply to the former company;in that period or that and future periods; and
 - (e) the Commission has advised the second company that it has no objections to the relevant proposed course, or courses, of action.
- (6) A second company can continue to report in the manner advised pursuant to subrule (5), unless the Commission subsequently objects to the action.

7. Exemptions

- (1) A reporting carrier or carriage service provider may apply to the Commission for:

- (a) an exemption from complying with these Rules;
- (b) an exemption from complying with certain provisions of these Rules; or
- (c) a variation of an existing exemption;

in relation to one service, more than one service, or all services.

- (2) A reporting company (whether or not a carrier or carriage service provider) may apply to the Commission for:

- (a) an exemption from complying with these Rules;
- (b) an exemption from complying with certain provisions of these Rules; or
- (c) a variation of an existing exemption;

in relation to one service, more than one service, or all services on behalf of any one or more of its subsidiaries.

- (3) An application for an exemption must:

- (a) be in writing; and
- (b) address the matters set out in subrule (13) or (14) as relevant).

- (4) The Commission must decide whether to grant the exemption requested and must inform the carrier, carriage service provider or company in writing of its decision.

- (5) The Commission may grant the exemption subject to conditions, such as:

- (a) that the exemption cease at a certain time;
- (b) that the exemption cease on the happening of a certain event; or
- (c) that the carrier, carriage service provider or company provide certain information to the Commission from time to time.

- (6) The Commission may notify a carrier, carriage service provider or company in relation to whom an exemption applies that it is of the opinion that circumstances relevant to the granting of the exemption may have changed.

- (7) A notification under subrule (6) must be in writing.

- (8) Upon receipt of such a notice, the carrier, carriage service provider or company must within 28 days, or such longer period notified by the Commission:

- (a) notify the Commission that it no longer seeks to be exempted from complying with the Rules in whole or in part in relation to one service, more than one service or all services;

- (b) notify the Commission that it seeks to have the existing exemption retained; or
 - (c) notify the Commission that it seeks to have the existing exemption varied (and if so, what variations are sought).
- (9) If the Commission receives no notification under subrule (10) the carrier, carriage service provider or company is deemed to have given the Commission a notice under subrule (8)(a).
- (10) Upon receipt of notification under subrule (8) the Commission may by notice in writing:
 - (a) revoke the existing exemption;
 - (b) vary the existing exemption (including by introducing new conditions or varying existing conditions); or
 - (c) determine that the existing exemption should continue to operate.
- (11) Any revocation, variation or amendment of the terms and conditions of an exemption will operate from the date notified by the Commission.
- (12) If an exemption applies to a carrier or carriage service provider that is a subsidiary of a second company, the Commission may notify the second company under subrule (8). The second company may, in any event, respond to the Commission's notification under subrule (10).
- (13) In deciding whether or not to grant an exemption, to vary an exemption or revoke an exemption, in relation to one or more services, the Commission must have regard to the following matters:
 - (a) whether or not the service has generated significant revenues or costs for the applicant;
 - (b) whether information about the service is likely to be of limited value having regard to subsection 151BU(4) of the *Trade Practices Act 1974*; and
 - (c) any other relevant matter.
- (14) In deciding whether or not to grant an exemption, to vary an exemption or revoke an exemption in relation to the application of the Rules to a carrier or carriage service provider, the Commission must have regard to the following matters:
 - (a) whether or not the carrier or carriage service provider has generated significant revenues or costs;

- (b) whether information about the carrier or carriage service provider is likely to be of limited value having regard to subsection 151BU(4) of the *Trade Practices Act 1974*; and
- (c) any other relevant matter.

Part 3 – Reporting Requirements

8. Capital Adjusted Profit and Loss Statements

- (1) For the purpose of this rule:
 - (a) Schedule 4(a) lists each retail service covered by this rule;
 - (b) Schedule 4(b) lists each internal wholesale service covered by this rule;
and
 - (c) Schedule 4(c) lists each external wholesale service covered by this rule.
- (2) A reporting carrier or carriage service provider must provide to the Commission separate Capital Adjusted Profit and Loss Statements in relation to:
 - (a) retail services (in accordance with Schedule 5(a));
 - (b) internal wholesale services (in accordance with Schedule 5(b)); and
 - (c) external wholesale services (in accordance with Schedule 5(c)).
- (3) A reporting carrier or carriage service provider must report in relation to each individual retail service, internal wholesale service and external wholesale service it provides to itself or another person (including a related carrier or carriage service provider).
- (4) The reporting carrier or carriage service provider must report against each revenue and cost item, employed in the provision of each service.
- (5) For the purpose of the Capital Adjusted Profit and Loss Statements:
 - (a) the sources of revenues including revenues from retail, wholesale and other revenues are set out in Schedule 2;
 - (b) the cost items including organisation costs, product and customer costs and network expenses are set out in Schedules 3(a)-(c); and
 - (c) the cost of capital is obtained from the relevant Capital Employed Statement.

Note: For example, the cost of capital for the retail service Capital Adjusted Profit and Loss Statement will be obtained from the retail service Capital Employed Statement.

9. Capital Employed Statements

- (1) For the purpose of this rule:
 - (a) Schedule 4(a) lists each retail service covered by this rule;
 - (b) Schedule 4(b) lists each internal wholesale service covered by this rule;
and
 - (c) Schedule 4(c) lists each external wholesale service covered by this rule.
- (2) A reporting carrier or carriage service provider must provide to the Commission separate Capital Employed Statements in relation to:
 - (a) retail services (in accordance with Schedule 6(a)); and
 - (b) internal wholesale services (in accordance with Schedule 6(b)); and
 - (c) external wholesale services (in accordance with Schedule 6(c)).
- (3) A reporting carrier or carriage service provider must report in relation to each individual retail service, internal wholesale service and external wholesale service it provides to itself or another person (including a related body corporate).
- (4) The reporting carrier or carriage service provider must report against each asset (other than cash and short term investments), listed in Schedule 1(a)-(d), employed in the provision of each service.
- (5) Asset values are to be reported as at the end of the relevant reporting period.
- (6) The Capital Employed Statements must report the written down value of each asset on the basis that:
 - (a) the written down value is the difference between the historical/revalued value and the accumulated depreciation;
 - (b) the historical/revalued value is the cost of bringing the asset to its current position and usage and/or the revalued amount thereof; and
 - (c) the accumulated depreciation is the amount of total depreciation since the installation of the asset based on the historical cost or revalued amount as appropriate.

Note: There is no accumulated depreciation on land.

10. Fixed Asset Statements

- (1) For the purpose of this rule:
 - (a) Schedule 4(a) lists each retail service covered by this rule;
 - (b) Schedule 4(b) lists each internal wholesale service covered by this rule;
and
 - (c) Schedule 4(c) lists each external wholesale service covered by this rule.
- (2) A reporting carrier or carriage service provider must provide to the Commission separate Fixed Asset Statements in relation to:
 - (a) retail internal business (in accordance with Schedule 7(a));
 - (b) wholesale internal business (in accordance with Schedule 7(b)); and
 - (c) wholesale external business (in accordance with Schedule 7(c)).
- (3) The Fixed Asset Statements must report on all assets listed in Schedules 1(b)-(d).
- (4) Asset values are to be reported as at the end of the relevant reporting period.
- (5) The Fixed Asset Statements must report the historical/revalued value, accumulated depreciation and written down value of the asset on the following basis:
 - (a) the historical/revalued value is the cost of bringing the asset to its current position and usage and/or the revalued amount thereof;
 - (b) the accumulated depreciation is the amount of total depreciation since the installation of the asset based on the historical cost or revalued amount as appropriate; and
 - (c) the written down value is the difference between the historical/revalued value and the accumulated depreciation.

Note: There is no accumulated depreciation on land.

11. Allocation of Costs, Revenues and Capital Employed

- (1) The Capital Adjusted Profit and Loss Statements shall use the allocation method detailed in column 4 in relation to each line item in Schedules 2 and 3.
- (2) The Capital Employed Statements shall use the allocation method detailed in column 4 in relation to each line item in Schedule 1.

- (3) For the purposes of the Capital Adjusted Profit and Loss Statements, Capital Employed Statements and Fixed Asset Statements, all costs, revenues and capital employed must be allocated fully to the specified services.

Note: This subrule is subject to the rules applying to part application in rule 6 and exemptions in rule 7.

- (4) Any general allocation rules that apply to all line items in a Schedule are at the start of that Schedule.
- (5) The costs and revenues of End User Access must be distributed across the non-access services of the internal and external wholesale business that rely on End User Access, on the following basis:
 - (a) Cost of End User Access must be allocated on the following basis:
 - i) a unit cost factor must be developed for End User Access that incorporates its expenses and cost of capital and is divided by the total business customer end minutes that pass through it;
 - ii) the unit cost factor is to be used to allocate the End User Access costs to internal and external wholesale services, based on their usage of these customer end minutes;
 - (b) End User Access revenue must be allocated across the other internal and external wholesale services on the following basis:
 - i) the retail specific costs, including both expenses and a cost of capital, must be subtracted from the revenue prior to allocation;
 - ii) the revenue adjustment must be captured as a negative cost rather than a revenue; and
 - iii) the net revenue adjustment must be allocated based on the customer end minutes of use of all access infrastructure both internally and externally.
- (6) Each cost (including expenses and cost of capital) and revenue included in a report in relation to a particular service must be reported as either:
 - (a) a direct cost or revenue;
 - (b) an attributable cost or revenue; or
 - (c) an unattributable cost or revenue.
- (7) A direct cost or revenue is solely generated by the particular service.
- (8) An attributable cost or revenue is part of a pool of common costs or revenues that are identifiable to a particular service by a cause and effect relationship.

- (9) An unattributable cost or revenue is part of a pool of common costs or revenues but is not identifiably related to a particular service by a cause and effect relationship.
- (10) Where possible a cost or revenue must be reported as a direct cost or revenue.
- (11) Costs relating to excess capacity of communications plant and equipment are to be incorporated as part of the total costs for reporting purposes and allocated in proportion to their existing level of usage of plant and equipment.
- (12) If total unattributable costs prior to capital adjustment (across all services) are greater than 10 per cent of a reporting carrier's or carriage service provider's aggregate costs (across all services) the relevant carrier or the carriage service provider must provide reasons for this to the Commission.

12. Weighted Average Cost of Capital Report

- (1) A reporting carrier or carriage service provider shall report on the weighted average cost of capital (WACC) associated with each service.
- (2) A reporting carrier or carriage service provider must provide the Commission with a statement identifying the value and source of all variables used in calculating the WACC associated with each service.
- (3) The statement must also detail any assumptions made.
- (4) Each reporting carrier or carriage service provider has discretion in selecting a format for its WACC calculations provided that the WACC is pre-tax nominal.
- (5) The pre-tax nominal formula is:

$$WACC = \frac{r_e}{(1 - (T_e(1 - \gamma)))} \cdot \frac{E}{V} + r_d \cdot \frac{D}{V}$$

where:

- (a) D is the reporting carrier's or carriage service provider's market value of total capital financed out of debt;
- (b) E is the reporting carrier's or carriage service provider's market value of total capital financed out of equity;
- (c) V is the reporting carrier's or carriage service provider's market value of total capital including debt and equity;
- (d) γ is the imputation factor;
- (e) T_e is the effective tax rate;

- (f) r_e is the rate of return on equity; and
 - (g) r_d is the rate of return on debt.
- (6) For the purpose of the WACC in subrule (5):
- (a) the rate of return on equity (r_e) is determined according to the following formula:

$$r_e = r_f + \beta e (r_m - r_f)$$

where:

- i) r_f is the risk-free rate-of-return, which is the rate on government bonds;
- ii) βe is the equity beta, which is the degree of correlation between a particular asset's earnings and those of the market in general and is determined using the following formula:

$$\beta e = \beta a + (\beta a - \beta d) \{ 1 - [r_d / (1 + r_d)] (1 - \gamma) T_e \}. D/E$$

where:

βe is the equity beta;
 βa is the asset beta;
 βd is the debt beta;
 γ is the imputation factor;
 T_e is the effective tax rate;
 r_d is the return on debt; and
 D/E is the debt to equity ratio.

- iii) r_m is the market rate of return; and
 - iv) $r_m - r_f$ is the market risk premium, which is the rate of return the investors need to earn over and above that offered on government bonds.
- (b) the return on debt is the rate of return the reporting carrier must earn to pay for the cost of debt.
 - (c) the effective tax rate is the tax rate calculated as an average over time as:

$$T_e = \frac{\text{Actual tax paid}}{(\text{Revenue} - \text{Operating expenses} - \text{Net interest paid} - \text{Depreciation})}$$

- (d) the imputation factor is the value of franking credits to the extent which shareholders in the company can reduce their tax liability. The value of the imputation factor can range between zero and one.

- (7) Related carriers or carriage service providers who provide consolidated reports can calculate a single WACC for each service.

13. Service Usage Reports

- (1) A reporting carrier or carriage service provider must provide to the Commission two Service Usage Reports, where it reports on:
 - (a) the usage of retail services; and
 - (b) the usage of external wholesale services.
- (2) For the purpose of this rule, Schedules 8(a) and 8(b) list each retail service and external wholesale service covered by these rules and the information required for each service.
- (3) A reporting carrier or carriage service provider must report in relation to each individual retail service and external wholesale service.
- (4) A reporting carrier or carriage service provider has discretion in selecting a format for its Service Usage Reports.

14. Lodgement of Reports

- (1) A reporting carrier or carriage service provider must lodge with the Commission:
 - (a) all reports covering a 6 month period for the first 6 months and second 6 months of the financial year; and
 - (b) all reports covering a full year report for each financial year.
- (2) A report required to be prepared in respect of a financial year and report for the second 6 months of the financial year must be lodged with the Commission within 4 weeks of the date upon which the reporting carrier or carrier service provider is required to lodge its annual report with ASIC pursuant to section 319 of the *Corporations Law*.
- (3) A 6 month report for the first half-year of the financial year must be lodged with the Commission within 2 weeks of the date upon which the reporting carrier or carriage service provider is required to lodge its half yearly reports with ASIC pursuant to section 320 of the *Corporations Law*.
- (4) If a reporting carrier or carriage service provider does not have an obligation to lodge half year and full year annual reports under Part 2M.3 of the *Corporations Law*, subrules (2) and (3) operate as if the reporting carrier or carriage service provider does have such an obligation.

15. Format of Reports

- (1) A reporting carrier or carriage service provider must provide to the Commission a hard copy and an electronic copy of all reports prepared under these Rules.
- (2) The Commission can further stipulate that reports must be provided in a particular format.
- (3) If the Commission provides to the reporting carrier or carriage service provider a copy of that format for a report or an electronic template of a report, that carrier or carriage service provider must prepare the report using that format or template, unless otherwise notified in writing by the Commission.

16. The Record-Keeping Declarations

- (1) At the time the financial year reports and each 6 monthly report are lodged with the Commission, the reporting carrier or carriage service provider must submit a Record-Keeping Declaration signed by its Chief Executive Officer and Chief Financial Officer in accordance with Schedule 9.

Part 4 – Regulatory Accounting Procedures Manual

17. Regulatory Accounting Procedures Manual

- (1) Each reporting carrier or carriage service provider must establish and maintain a Manual for the purposes of these Rules.
- (2) A Manual must comply with these Rules.
- (3) The Manual must identify, for each RAF line item used by the carrier, the following information:
 - (a) General Ledger Account Number;
 - (b) General Ledger Description;
 - (c) Allocation Principle;
 - (d) Allocation Method; and
 - (e) Allocation Driver;
- (4) For the purpose of the information required under subrule (3), the format must be consistent with Schedule 11.
- (5) A Manual must include:
 - (a) an explanation of how the reporting carrier or carriage service provider will comply with these Rules, or how each reporting carrier or carriage service provider will comply, where the Manual is being provided for related carriers or carriage service providers;
 - (b) a list of all related companies to which the Manual applies, where the Manual is being provided for related carriers or carriage service providers;
 - (c) details of all studies, surveys and models that are used for allocation purposes;
 - (d) worked examples of all the allocation methods that are to be or have been undertaken, such that it is clear to the reader the exact manner in which the information collected has been used to calculate the level of revenues or costs associated with a particular service; and
 - (e) details of financial accounting and operational packages that are to be used for the capture and generation of information used in the computation of the reports required under these Rules.

- (6) The Manual must include an organisational chart of the reporting carrier or carriage service provider and any related body corporate the carrier or carriage service provider may report on behalf of.
- (7) The organisational chart must include key business units and persons responsible for each business unit.
- (8) Each page of the Manual should identify the date it was last amended and the financial year to which it relates.
- (9) The Manual must be consistent with the Manual Guidelines set out in Schedule 11 of these Rules.
- (10) A reporting carrier or carriage service provider must provide a draft of the Manual to the Commission two months before submitting the reports for each financial year.
- (11) A reporting carrier or carriage service provider must submit a final copy of the Manual to the Commission at the time of submitting the reports for each financial year.
- (12) A copy of the final Manual must be provided in an electronic and hard copy version to the Commission.
- (13) The Commission may require an update or amendment to the Manual, or that further information be provided in the Manual, providing that:
 - (a) the request by the Commission is consistent with these Rules; and
 - (b) the request is in writing setting out the Commission's reasons for requiring the update or amendment to the Manual.
- (14) The Commission may require the updated or amended Manual be provided to it by a certain date.
- (15) The reporting carrier or carriage service provider must designate a person who will be the contact officer for the purposes of these Rules.
- (16) For the purposes of subrule (15), the contact person may be designated as a position within the company, the occupant of which may vary from time to time.

Part 5 – Auditing of reports and Manual

18. Auditing of reports and Manual

- (1) A reporting carrier or carriage service provider must engage, at its own cost, an external auditor to audit the compliance of the reporting carrier or carriage service provider with these Rules.

Note: Subrule 6(2) provides that companies reporting on a consolidated basis need only provide one audit report.

- (2) The audit must be conducted in accordance with the Australian Auditing Standards.
- (3) The audit must be conducted annually based on the carrier's or carriage service provider's full year report.

19. Audit terms of reference

- (1) Within one month of the end of a financial year in which a carrier or carriage service provider is required to prepare reports under these Rules, that reporting carrier or carriage service provider must provide terms of reference to the external auditor.
- (2) If, on a date before the seventh day after the end of a financial year, the Commission has notified the reporting carrier or carriage service provider in writing that it requires certain terms of reference to be given to the auditor, the carrier or carriage service provider must submit those terms of reference to the auditor.
- (3) If the Commission has not so notified the carrier or carriage service provider, the reporting carrier or carriage service provider must submit draft terms of reference to the Commission on or before the fourteenth day after the end of a financial year.
- (4) The Commission may, by notice in writing, require changes to the draft terms of reference on or before the twenty-first day after the end of a financial year.
- (5) The terms of reference of such an audit may include:
 - (a) the objectives of the audit;
 - (b) format of the auditor's opinion;
 - (c) the audit reporting requirements; and
 - (d) a timetable for the audit reporting requirements.

- (6) The objectives of the audit may include determining whether:
- (a) the reports required under these Rules are prepared in accordance with the requirements of the Rules;
 - (b) the Manual is established and maintained in accordance with these Rules;
 - (c) the Manual has been appropriately updated to reflect changes in the business or structure of the reporting carrier or carriage service provider and the requirements of the Rules; and
 - (d) the reports required under these Rules are reconciled with the audited statutory reports lodged with ASIC, or equivalent reports if the reporting carrier or carriage service provider does not provide audited statutory reports to ASIC.

20. Content of audit

- (1) The audit report must include:
- (a) an audit plan outlining the scope and coverage of the audit;
 - (b) an audit memorandum stating how the audit scope and objectives have been applied; and
 - (c) an expression of opinion as to whether the carrier has complied with the Rules.
- (2) The carrier or carriage service provider must take all necessary steps to ensure that the external auditor:
- (a) complies with any terms of reference issued pursuant to rule 19;
 - (b) provides an audit report consistent with subrule (1); and
 - (c) is able to form an opinion in relation to the achievement of the audit objectives.

21. Audit reporting requirements to the Commission

- (1) The reporting carrier or carriage service provider must provide a copy of the documents complying with the audit reporting requirements pursuant to rule 20 to the Commission.

22. Reserve audit powers of the Commission

- (1) The Commission may require that the reporting carrier or carriage service provider:
 - (a) undertake, at its own cost, an ad hoc audit of the reports and/or the Manual, with terms of reference specified by the Commission;
 - (b) undertake, at its own cost, a re-audit, where the Commission considers the initial audit to be inadequate; and
 - (c) contract with a specific auditor or group of auditors for the auditing of the reporting carrier's or carriage service provider's compliance with these Rules or to undertake an ad hoc audit pursuant to paragraph (1)(a) and/or a re-audit pursuant to paragraph (1)(b).

- (2) The Commission must provide reasons to the reporting carrier or carriage service provider on why the Commission:
 - (a) requires an ad hoc audit under paragraph (1)(a); or
 - (b) considers the initial audit to be inadequate, if it requires a re-audit pursuant to paragraph (1)(b); or
 - (c) requires the carrier or carriage service provider to contract a specific auditor or group of auditors for the purposes of paragraphs (1)(c).

Schedule 1: List of Line Items for Asset Values

Schedule 1(a): List of Line Items for Current Assets and Free Funds

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
1	Current Assets and Free Funds		
1-1-01	Net Receivables	Balances due from customers and other persons within the next twelve months net of any doubtful debt amount	Where possible these should be identified directly with particular product groups or divisions. Thereafter they should normally be allocated using a revenue based allocator
1-1-10	Other Current Assets (excluding cash and short term investments) and related receivables	All other current assets held for conversion within the next twelve months and not already included except for cash and short term investments	Where possible these should be identified directly with particular product groups or divisions. Thereafter they should be allocated using an appropriate general allocator
1-1-20	Trade Creditors	Amounts owing to trade creditors where no interest is to be paid. In arriving at the trade creditor figure for each period, any unusual purchases of significant fixed asset items that are not paid for at the relevant period end should be excluded	Where possible these should be identified directly with particular product groups or divisions. Thereafter they should normally be allocated using a cost based allocator
1-1-30	Provisions	Provisions such as employee entitlements, but excluding provisions for dividends or income tax	Provisions should be identified with appropriate divisions or product groups to the extent possible and allocated using an appropriate general allocator eg pension provisions should be allocated based on payroll expenses

Schedule 1(b): List of Line Items for Non-Current Assets – Communications Plant and Equipment

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-1	<p><i>Communications Plant and Equipment</i></p> <p>Each asset class is to have a separate statement of asset value based on historical/revalued value, accumulated depreciation and written down as for <i>CAN Ducts and Pipes</i></p>	<p><i>Asset value of owned in-service and work in progress plant and equipment directly involved in providing and maintaining the telecommunications network</i></p>	<p>General rules applying to all line items starting with Account Code 2-1</p> <p>Primary Asset</p> <ol style="list-style-type: none"> 1. Historical/Revalued Value: Allocate based on the method provided for the specific asset. 2. Accumulated Depreciation: Allocate based on the method provided for the specific asset. <p>Other Asset related to primary asset (for example CAN Ducts and Pipes – Other Assets):</p> <ol style="list-style-type: none"> 1. Where possible these assets should be directly related to the relevant primary assets being supported. If the secondary plant is being used to support a number of primary assets they should be allocated to the relevant primary network assets based on an appropriate allocator which should, as far as possible, be a function of usage or, failing this, relative net cost base. This may require a multi-stage allocation process. 2. Once allocated to the primary network assets these secondary assets should be allocated to product using the same allocation method as the relevant primary asset. Where it is not possible to relate the secondary assets to specific primary assets or a pool of such assets the secondary assets should be allocated on the basis of the minutes usage within the core network. <p>Assets unable to be directly identified with particular products</p> <p>Where assets cannot be directly identified to particular products, the basic principle is that asset values and accumulated depreciation should be allocated to products on the same basis as the costs that derive from those assets. For example, the value of the assets of a Call Centre should be allocated to products on the same basis as the Product Sales costs.</p>
2-1-01-y	CAN Ducts & Pipes – Primary Asset	Ducts and pipes used for conveying telecommunication cables between termination points at customer premises and the local exchange	

Schedule 1(b): List of Line Items for Non-Current Assets – Communications Plant and Equipment (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-1-01-1	Historical/Revalued Value	The cost of bringing the asset to its current position and usage and/or the revalued amount thereof	Direct to product, otherwise allocate based on access line usage
2-1-01-2	Accumulated Depreciation	The accumulated depreciation amount based on the historical cost or revalued amount as appropriate	Direct to product, otherwise allocate based on access line usage
2-1-02-y	CAN Ducts & Pipes – Other Assets	Other network assets that are directly associated with the operation of the CAN Ducts and Pipes (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on access line usage
2-1-05-y	CAN Copper Cables – Primary Asset	Copper wires and cables between customer premises and the Main Distribution Frame of the local exchange	Direct to product, otherwise allocate based on access line usage
2-1-06-y	CAN Copper Cables – Other Assets	Other network assets that are directly associated with the operation of the CAN Copper Cables (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on access line usage
2-1-10-y	CAN Other Cables – Primary Asset	Non copper cables between the customer premises and the Main Distribution Frame of the local exchange	Direct to product, otherwise allocate based on the relative proportion of product cable costs to total cable costs
2-1-11-y	CAN Other Cables – Other Assets	Other network assets that are directly associated with the operation of the CAN Other Cables (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on the relative proportion of product cable costs to total cable costs

Schedule 1(b): List of Line Items for Non-Current Assets – Communications Plant and Equipment (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-1-15-y	CAN Pair Gain Systems – Primary Asset	Pair gain systems operating between the customer premises and a local exchange	Direct to product, otherwise allocate based on access line usage
2-1-16-y	CAN Pair Gain Systems – Other Assets	Other network assets that are directly associated with the operation of the CAN Pair Gain Systems (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on access line usage
2-1-20-y	CAN Radio Bearer Equipment – Primary Asset	Radio bearer equipment operating between the customer premises and a local exchange	Direct to product, otherwise allocate based on the number of radio circuit assignments per product
2-1-21-y	CAN Radio Bearer Equipment – Other Assets	Other network assets that are directly associated with the operation of the CAN Radio Bearer Equipment (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on the number of radio circuit assignments per product
2-1-25-y	Other CAN – Primary Asset	Other assets existing between the customer premises and the local exchange not already included	Direct to product, otherwise allocate based on the relative proportion of product CAN costs to total CAN costs
2-1-26-y	Other CAN – Other Assets	Other network assets that are directly associated with the operation of the Other CAN (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on the relative proportion of product CAN costs to total CAN costs
2-1-30-y	Switching Equipment – Local – Primary Asset	All local automatic exchange and network operating centre switching equipment up to but excluding the terminal point of the external cables on the Main Distribution Frame. Included are associated relays and racks, pads, amplifiers and terminating sets	Direct to product, otherwise allocate based on seconds of use of switching plant

Schedule 1(b): List of Line Items for Non-Current Assets – Communications Plant and Equipment (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-1-31-y	Switching Equipment – Local – Other Assets	Other network assets that are directly associated with the operation of the Switching Equipment – Local (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on seconds of use of switching plant
2-1-35-y	Switching Equipment – Trunk – Primary Asset	Trunk switching equipment includes all apparatus provided for establishing, switching, supervising and charging for trunk telephone calls. This includes selector switching, common control equipment, call charging apparatus, test access and performance monitoring in 4 wire automatic exchanges and 4 wire trunk switch boards. Also included are associated relays and racks, transformers, pads, amplifier and terminating sets, alarm transmission and associated equipment	Direct to product, otherwise allocate based on seconds of use of switching plant
2-1-36-y	Switching Equipment – Trunk – Other Assets	Other network assets that are directly associated with the operation of the Switching Equipment – Trunk (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on seconds of use of switching plant
2-1-40-y	Switching Equipment – Other – Primary Asset	All ancillary switching equipment including Exchange Communication Controller equipment, Networks Call Distributor, Business Performance Analyser, stand-alone alarm equipment. Does not include international switching equipment	Direct to product, otherwise allocate based on the proportion of switching plant allocated to products above
2-1-41-y	Switching Equipment – Other – Other Assets	Other network assets that are directly associated with the operation of the Switching Equipment – Other (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on the proportion of switching plant allocated to products above

Schedule 1(b): List of Line Items for Non-Current Assets – Communications Plant and Equipment (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-1-45-y	Inter-exchange Cables – Primary Asset	Cabling between the local exchanges, and cabling between local and trunk exchanges and between trunk exchanges. Includes all copper pairs, coaxial and optical fibre cables for trunk and junction	Direct to product, otherwise allocate based on the number of pairs, tubes or fibre circuits assigned per product
2-1-46-y	Inter-exchange Cables – Other Assets	Other network assets that are directly associated with the operation of the Inter-exchange Cables (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on the number of pairs, tubes or fibre circuits assigned per product
2-1-50-y	Transmission Equipment – Primary Asset	Trunk and junction line transmission and multiplex equipment including carrier terminal repeater equipment, filters, line terminal equipment, equalisers and regenerators for coaxial and optical fibre links, all associated power plant wiring and cabling (excluding battery, rectifier and discharge cubicle interconnections), but not including any exchange service line or switchboard equipment. Also includes transmission huts and shelters. Excludes exchange equipment, cables and ducts	Direct to product, otherwise allocate based on the number of circuits or channels in use for each product
2-1-51-y	Transmission Equipment – Other Assets	Other network assets that are directly associated with the operation of the Transmission Equipment (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on the number of circuits or channels in use for each product
2-1-55-y	Radio Bearer Equipment – Primary Asset	All HF, VHF and UHF radio bearer equipment, protection bearer equipment, racks, feeders and their pressurising systems, aerials, radio towers and masts, and customer radio services	Direct to product, otherwise based on the number of radio circuit assignments per product

Schedule 1(b): List of Line Items for Non-Current Assets – Communications Plant and Equipment (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-1-56-y	Radio Bearer Equipment – Other Assets	Other network assets that are directly associated with the operation of the Radio Bearer Equipment (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise based on the number of radio circuit assignments per product
2-1-60-y	Data Equipment – Primary Asset	Equipment used in the network including modem and network terminating units to enable transmission of different data services such as Text, Data Communication Packet Switching, Digital Data Network, Electronic Funds Transfer Network and other data services network equipment	Direct to product, otherwise based on the number of circuits in use for each product
2-1-61-y	Data Equipment – Other Assets	Other network assets that are directly associated with the operation of the Data Equipment (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise based on the number of circuits in use for each product
2-1-65-y	Mobile Network and Terminal Equipment – Primary Asset	Manual mobile radio equipment, public automatic mobile telephone equipment, cellular mobile telephone equipment, paging equipment and other radio/non public equipment	Direct to product
2-1-66-y	Mobile Network and Terminal Equipment – Other Assets	Other network assets that are directly associated with the operation of the Mobile Network and Terminal Equipment eg. power plant, and/or indirectly associated such as network management, platform delivery assets etc	Direct to product
2-1-70-y	Customer Equipment – Primary Asset	Equipment located at the customer premises and connected directly or indirectly to the network including telephones, small business systems, payphones, teleconferencing and videoconferencing equipment and other terminal equipment	Direct to product

Schedule 1(b): List of Line Items for Non-Current Assets – Communications Plant and Equipment (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-1-71-y	Customer Equipment – Other Assets	Other network assets that are directly associated with the operation of the Customer Equipment (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product
2-1-75-y	Satellite Equipment – Primary Asset	All satellite equipment, including satellite earth stations, antennae and other communications equipment. Covers both international and domestic satellites	Direct to product, otherwise allocate based on the number of channels in use for each product.
2-1-76-y	Satellite Equipment – Other Assets	Other network assets that are directly associated with the operation of the Satellite Equipment (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Direct to product, otherwise allocate based on the number of channels in use
2-1-80-y	International Network Cables – Primary Asset	Submarine cables and associated equipment including cable terminals used for international network operations	Base on the number of pair, tube or fibre circuits attributed to each service
2-1-81-y	International Network Cables – Other Assets	Other network assets that are directly associated with the operation of the International Network (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Base on the number of pair, tube or fibre circuits attributed to each service
2-1-85-y	International Network – Other Systems – Primary Asset	All other international network equipment excluding satellite equipment and submarine cables. Includes telephone switching equipment, international radio stations, facility support and network management equipment	Base on the seconds of use of switching plant
2-1-86-y	International Network – Other Systems – Other Assets	Other network assets that are directly associated with the operation of the International Network – Other Systems (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Base on the seconds of use of switching plant

Schedule 1(b): List of Line Items for Non-Current Assets – Communications Plant and Equipment (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-1-90-y	Other Communications Plant and Equipment – Primary Asset	Other communications plant and equipment not already included	Relate the plant to the asset classes established above and allocate on the basis of the principles for each. Otherwise allocate on the basis of communications plant employed to product
2-1-91-y	Other Communications Plant and Equipment – Other Assets	Other network assets that are directly associated with the operation of the Other Communications Plant and Equipment (for example, power plant, and/or indirectly associated such as network management, platform delivery assets etc)	Relate the plant to the asset classes established above and allocate on the basis of the principles for each. Otherwise allocate on the basis of communications plant employed to product

Schedule 1(c): List of Line Items for Non-Current Assets – Non-Communications Plant and Equipment

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-2	<i>Non-Communications Plant and Equipment</i>	<i>Asset value of owned in-service or work in progress plant and equipment not included within Communications Plant and Equipment.</i>	
2-2-01-y	Information Technology	All computer and related equipment not associated with the operation or management of the telecommunications network	Allocate direct to product for dedicated systems, otherwise allocate to product based on an appropriate measure of systems usage, such as dollars billed, orders issued, faults reported etc
2-2-03-y	Buildings and Improvements	All buildings including those under construction, owned by the company and the associated building alterations, extensions, structural attachments, improvements; and building plant and equipment such as electric light and power equipment, lifts and air conditioning which are considered an integral part of the building. Included are improvements on leased buildings	Where possible these should be identified directly with particular product groups, division, support unit or organisational cost grouping. Thereafter they should be allocated using a suitable allocator. The choice of allocator will normally mirror the primary allocator used within the corresponding cost item
2-2-05-y	Other	All other plant and equipment not already included	These should be allocated based on an appropriate general allocator

Schedule 1(d): List of Line Items for Non-Current Assets – Other Non-Current Assets

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-3	<i>Other Non-Current Assets</i>	<i>Non-current assets which are not plant and equipment.</i>	
2-3-01-4	Long term receivables	Balances owed by customers or other persons (for example, directors, officers, employees) not due within the next twelve months, net of any doubtful amount	Where possible these should be identified directly with particular product groups or divisions. Thereafter they should be allocated using a suitable allocator. For employee related items this would either be headcount or employee costs. For customer related items this would normally be based on relative relevant revenue levels
2-3-05-4	Long term investment	Shares, options and other financial instruments intended to be held for more than twelve months	These should be allocated directly to “Other Non-Telecommunication Costs” to match with the dividend income flow being shown under that heading
2-3-10-4	Intangibles	Identifiable assets having no physical existence, their value being limited by the rights and anticipative benefits that possession confers upon the owner, such as goodwill, trade marks, copyrights, patents, licenses and other assets of a similar nature	Where possible these should be identified directly with particular product groups or divisions. Thereafter they should be allocated using a suitable allocator. This would normally be a revenue based allocator
2-3-20-4	Land	All land (including freehold and perpetually renewable leasehold land) owned by the company. Includes land improvements but excludes buildings or other limited life structures	Where possible these should be identified directly with particular product groups, division, support unit or organisational cost grouping. Thereafter they should be allocated using a suitable allocator. The choice of allocator will normally mirror the primary allocator used within the corresponding cost item

Schedule 1(d): List of Line Items for Non-Current Assets – Other Non-Current Assets (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
2-3-25-4	Other	Other assets not expected to be developed, utilised or received within the next twelve months and which have not already been included ie. net long term inventories and provisions future income tax benefit and deferred research and development expenditure	Where possible these should be identified directly with particular product groups, division, support unit or organisational cost grouping. Thereafter they should be allocated using a suitable allocator. The choice of allocator will normally mirror the primary allocator used within the corresponding cost item

Schedule 2: List of Line Items for Revenues

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
3	Revenue		General rules applying to all line items starting with 3 Revenue collected in advance is to be accrued and applied over the term of the agreement
3-1	<i>Retail</i>	<i>Revenue earned from final end consumers of telecommunications services</i>	
3-1-01	Call Revenue	All call revenue earned including phone cards	Direct to product where possible. Otherwise allocate to products on the basis of estimated usage as defined by the carrier's or carriage service provider's procedures. For bundled products, disaggregate and directly attribute to each individual product
3-1-10	Rental Revenue	All rental income including equipment rental, services charges, leased capacity income and other special plan fees such as membership of discount schemes	Direct to product or otherwise allocate on the basis of the relative proportion of the relevant product revenue
3-1-20	Customer Connection Revenue	All revenue earned from connecting customers including installation charges	Direct to product
3-1-30	Equipment Sales	All equipment sales revenue, including customer premise and other terminal equipment	Direct to product

Schedule 2: List of Line Items for Revenues (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
3-2	<i>Wholesale</i>	<i>Revenue earned from other telecommunications companies or overseas administrations</i>	
3-2-01	Carrier Interconnection Revenue	Interconnection and usage revenue earned from other national carriers	Direct to product
3-2-10	Service Provider Interconnection Revenue	Interconnection and usage revenue earned from carriage service providers	Direct to product
3-2-20	International In-Payments	In-payments earned from overseas carriers for call termination on domestic networks	Direct to product
3-3	<i>Other</i>		
3-3-01	Universal Service Obligation Levy Receipts	Amounts received from the Government based on loss per net cost area for providing standard telephone and payphone services to all community groups, regardless of the cost of supplying them, and on an equitable basis	Assign to Public Switched Network products on the basis of relevant weighted revenues for each standard telephone service category
3-3-10	Other Telecommunications Revenue	All other telecommunications revenue not included above	Direct to product or otherwise allocate to telecommunications product based on the relative proportion of product revenue to total telecommunications revenue
3-3-20	Non-Telecommunications Revenue	All other non-telecommunications revenue not included above	Direct to product or otherwise allocate to non-telecommunications products based on the relative proportion of product revenue to total non-telecommunications revenue

Schedule 3: List of Line Items for Cost

Schedule 3(a): List of Line Items for Cost – Organisation

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4	Costs		
4-1	<i>Organisation</i>	<i>Relates to those activities supporting the network and product related aspects of the business</i>	
4-1-01	General Administration	General corporate type costs including, corporate centre, legal, regulatory, accounting and finance, human resources and personnel, and non- product specific research and development	<p>Certain organisation costs can be specifically identified with products and where possible this should be done. Where this is not possible they should be allocated using an appropriate divisional specific general allocator. Any remaining unattributable costs to be assigned by a general allocator</p> <ul style="list-style-type: none"> - Accounting services – base on total dollar spending (including capital) for particular products (this may be adjusted in the case of products which have a few very large transactions which would distort this allocation basis) - Human Resources – base on full time equivalent employees - Legal – base on head count working directly for divisions, but thereafter based on a general allocator such as total dollar spend - Regulatory, management, CEO and associated costs – base on a general allocator such as total dollar spending

Schedule 3(a): List of Line Items for Cost – Organisation (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4-1-10	Information Technology	All non-network information system asset costs (including depreciation) and operational costs such as data entry, information technology support etc	Allocate costs direct to product for dedicated systems, otherwise allocate to product based on an appropriate measure of systems usage, such as dollars billed, orders issued, faults reported etc
4-1-20	Accommodation and Property	Costs (including depreciation) for non-network related accommodation and property including their maintenance, upgrade and the supply of basic services (ie. power, water etc)	Apportion costs to the type of use of the property (eg administration etc). Relate use to another cost line item and allocate on that basis (ie. Call Centre costs on the same basis as Product Sales costs)
4-1-30	Other Non-Communications Asset Costs	Depreciation, amortisation and other costs related to non-communications assets not already captured including intangibles	Base on an appropriate general allocator which can be cost based
4-1-40	Other Organisational Costs	All other organisational costs not already captured	Base on an appropriate general allocator which can be cost based

Schedule 3(b): List of Line Items for Cost – Product and Customer

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4-2	<i>Product and Customer</i>	<i>Non-network costs closely associated with providing products and services to wholesale or retail customers</i>	
4-2-01	Installation	Costs associated with the installation, facility removal or connection of equipment in relation to customer premise equipment. Excludes costs of major installation works at the main network	Direct to product where possible, otherwise allocate to products based on labour time spent on various products or assets
4-2-10	Marketing	Costs arising from market and product research, promotions and advertising (both directly related to products and general) including mail outs	Direct to product where possible. For those expenditures where multiple products are being marketed and or promoted, labour costs are to be allocated on the basis of labour time. For other generic expenditure, such as corporate advertising, a spread of costs to products based on a general promotion and marketing allocator such as value of products sold would be appropriate
4-2-15	Sales	Costs of direct and non-direct sales related activities including telemarketing, negotiations, technical information and support, account management	Direct to product where possible. For labour related costs allocate to products on the basis of labour time. Other sales and sales administration costs are to be allocated on the basis of labour costs, or other usage factors such as the weighted average selling time for each product, or sales volumes
4-2-20	Operator Services	Costs arising from the provision of services requiring operator assistance (for example directory services, operator connected calls etc)	Direct to product where possible, otherwise allocate residual costs based on operator labour utilisation

Schedule 3(b): List of Line Items for Cost – Product and Customer (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4-2-25	Customer Support	Costs of managing customer inquiries, complaints and disputes and credit management	Direct to product where possible. For labour costs allocate to products on the basis of labour time. Other costs are to be allocated on the basis of labour costs, or usage factors
4-2-30	Billing	Invoice and receipt processing and dispatch	Direct to product where possible, based on the number of bills produced. When multiple products are included in the same bill, the costs to be allocated equally amongst the products
4-2-31	Bad Debt Expenses	Debts written off or not expected to be collected. Debts written off but subsequently recovered are treated as Other Non-telecommunications revenue	Direct to product where possible, otherwise allocate on the basis of revenue (appropriately adjusted for relevant risk history)
4-2-40	Interconnection Costs	Interconnection and usage expenses incurred to other national carriers for use of their networks	Direct to product where possible, otherwise apportion based on charge agreements and volume of activity
4-2-50	International Settlement Costs	Out-payment expenses incurred to overseas carriers for call termination on their network	Allocate to products on the basis of product usage as measured, for example, on the basis of the number of product circuits
4-2-60	Universal Service Obligation Payments	Payments to the government with respect to losses in net cost areas in accordance with Universal Service Obligation arrangements	Direct to product where possible, otherwise attributable to all products using a revenue based general allocator
4-2-70	Other Product Expenses	Other product activities not already included such as printing of directories, materials management, product retirement costs, product specific research and development etc	Direct to product where possible, otherwise use a appropriate general allocator which is likely to be revenue based

Schedule 3(c): List of Line Items for Cost – Network Expenses

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4-3	<i>Network Expenses</i>	<i>Costs associated with the assets, maintenance and operation of communications plant and equipment</i>	<p>General rules applying to all line items starting with 4-3</p> <p>The allocation method for these line items are:</p> <ol style="list-style-type: none"> 1. Depreciation: Use the allocator defined for the network asset identified, for example, number of call ends for CAN ducts and pipes 2. Maintenance: Where possible these costs should be assigned to the items of communication plant being maintained. Allocate these costs on the basis of the principles outlined for the specific assets. For the remaining costs allocate on the basis of the minutes of usage within the core network 3. Other Expenses: Where possible these costs should be assigned to the items of communication plant being supported. Allocate these costs on the basis of the principles outlined for the specific assets. For the remaining costs allocate on the basis of the minutes of usage within the core network or on the basis of total cost base for the network

Schedule 3(c): List of Line Items for Cost – Network Expenses (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4-3-01-x	CAN Ducts and Pipes	Ducts and pipes used for conveying telecommunication cables between termination points at customer premises and the local exchange	
4-3-01-1	Depreciation	A periodic allocation of the historical cost of plant and equipment over the useful life of the asset	Base on CAN pair counts
4-3-01-2	Maintenance	Cost of reactive and pro-active maintenance, maintenance planning including all labour and materials	Where possible these costs should be assigned to the items of communication plant being maintained. Allocate these costs on the basis of the principles outlined for the specific assets. For the remaining costs allocate on the basis of the minutes usage within the core network
4-3-01-3	Other Expenses	Other costs associated with the operation of the particular asset including power, property and accommodation costs and activities such as network management, planning and design	Where possible these costs should be assigned to the items of communication plant being supported. Allocate these costs on the basis of the principles outlined for the specific assets. For the remaining costs allocate on the basis of the minutes of usage within the core network or on the basis of total cost base for the core network
4-3-05-x	CAN Copper Cables	Copper wires and cables between customer premises and the Main Distribution Frame of the local exchange	Base on CAN pair count
4-3-10-x	CAN Other Cables	Non copper cables between the customer premises and the Main Distribution Frame of the local exchange	Base on CAN pair count

Schedule 3(c): List of Line Items for Cost – Network Expenses (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4-3-15-x	CAN Pair Gain Systems	Pair gain systems operating between the customer premises and a local exchange	Base on CAN pair count
4-3-20-x	CAN Radio Bearer Equipment	Radio bearer equipment operating between the customer premises and a local exchange	Base on the number of radio circuit assignments per service
4-3-25-x	Other CAN	Other assets existing between the customer premises and the local exchange not already included	Base on CAN pair count
4-3-30-x	Switching Equipment – Local	All local automatic exchange and network operating centre switching equipment up to but excluding the terminal point of the external cables on the Main Distribution Frame. Included are associated relays and racks, pads, amplifiers and terminating sets	Base on seconds of use of switching plant
4-3-35-x	Switching Equipment – Trunk	Trunk switching equipment includes all apparatus provided for establishing, switching, supervising and charging for trunk telephone calls. This includes selector switching, common control equipment, call charging apparatus, test access and performance monitoring in 4 wire automatic exchanges and 4 wire trunk switch boards. Also included are associated relays and racks, transformers, pads, amplifier and terminating sets, alarm transmission and associated equipment	Base on seconds of use of switching plant
4-3-40-x	Switching Equipment – Other	All ancillary switching equipment including Exchange Communication Controller equipment, Networks Call Distributor, Business Performance Analyser, stand-alone alarm equipment. Does not include international switching equipment	Base on allocation of service switching plant to total switching plant identified above

Schedule 3(c): List of Line Items for Cost – Network Expenses (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4-3-45-x	Inter-exchange Cables	Cabling between the local exchanges, and cabling between local and trunk exchanges and between trunk exchanges. Includes all copper pairs, coaxial and optical fibre cables for trunk and junction	Base on the number of pairs, tubes or fibre circuits assigned per service
4-3-50-x	Transmission Equipment	Trunk and junction line transmission and multiplex equipment including carrier terminal repeater equipment, filters, line terminal equipment, equalisers and regenerators for coaxial and optical fibre links, all associated power plant wiring and cabling (excluding battery, rectifier and discharge cubicle interconnections), but not including any exchange service line or switchboard equipment. Also includes transmission huts and shelters. Excludes exchange equipment, cables and ducts	Base on the number of circuits or channels in use for each service
4-3-55-x	Radio Bearer Equipment	All HF, VHF and UHF radio bearer equipment, protection bearer equipment, racks, feeders and their pressurising systems, aerials, radio towers and masts, and customer radio services	Base on the number of radio circuit assignments per service
4-3-60-x	Data Equipment	Equipment used in the network including modem and network terminating units to enable transmission of different data services such as Text, Data Communication Packet Switching, Digital Data Network, Electronic Funds Transfer Network and other data services network equipment	Base on the number of circuits in use for each service
4-3-65-x	Mobile Network and Terminal Equipment	Manual mobile radio equipment, public automatic mobile telephone equipment, cellular mobile telephone equipment, paging equipment and other radio/non public equipment	Direct to product, otherwise base on number of radio circuit assignments for each service

Schedule 3(c): List of Line Items for Cost – Network Expenses (continued)

Column 1: Account Code	Column 2: Line Item	Column 3: Description	Column 4: Allocation Method
4-3-70-x	Customer Equipment	Equipment located at the customer premises and connected directly or indirectly to the network including telephones, small business systems, payphones, PABX's, teleconferencing and videoconferencing equipment and other terminal equipment	Direct to product
4-3-75-x	Satellite Equipment	All satellite equipment, including satellite earth stations, antennae and other communications equipment. Covers both international and domestic satellites	Base on the number of channels in use
4-3-80-x	International Network Cables	Submarine cables and associated equipment including cable terminals used for international network operations	Base on the number of pair, tube or fibre circuits attributed to each service
4-3-85-x	International Network – Other Systems	All other international network equipment excluding satellite equipment and submarine cables. Includes telephone switching equipment, international radio stations, facility support and network management equipment	Base on the seconds of use of switching plant
4-3-90-x	Other Communications Plant and Equipment	Other communications plant and equipment not already included	Relate the plant to the asset classes established above and allocate on the basis of the principles for each. Otherwise allocate on the basis of communications plant costs to product

Schedule 4: List of Services

Schedule 4(a): Retail Service Descriptions

Service	Description
1. End User Access	Provision of access to the switched telecommunications network from the customer premises
2. Local Calls	Provision of fixed network to fixed network calls within the carrier defined local call area
3. Domestic Long Distance	Provision of fixed network to fixed network domestic calls beyond the local call area, including pastoral, community and operator assisted calls, but excluding international calls
4. International Long Distance	Provision of international calls originating either within or outside Australia including operator assisted calls.
5. International Leased Lines	Provision of all non-switched leased capacity to/from a point outside Australia's territorial boundary
6. Domestic Leased Lines	Provision of all non-switched leased capacity solely within Australia, including dedicated private circuits and virtual private networks
7. Digital Data Service	Provision of services on a Digital Data Network
8. ISDN	Provision of ISDN voice and data services
9. Packet Switched Data	Packet switched services designed for data communication between computers and data terminals which splits data into segments called packets
10. Fixed to Mobiles	Provision of fixed network to mobile network calls terminating on domestically and internationally located mobile terminals
11. GSM Mobiles	Provision of services, including access, originating on GSM networks
12. CDMA Mobiles	Provision of services, including access, originating on CDMA networks

Schedule 4(a): Retail Service Descriptions (continued)

Service	Description
13. Payphone Services	Provision of telephone calls from a carrier controlled pay telephone, whether owned, operated or leased. All other calls from non-carrier controlled payphones are captured under either the Local, Domestic Long Distance, Fixed to Mobiles or International services
14. Internet Services	Provision of Internet and related services including web hosting, web page design, SMTP and other e-mail services, electronic commerce and domain name administration services. Does not include local or domestic long distance calls for access to the Internet or carriage of Internet traffic
15. Information Services	Provision of recorded message and other information sharing services, including community service calls, home shopping, chat services and Electronic Funds Transfer, or as otherwise specified by the Commission
16. Specialised Call Services	The provision of call services which involve subscriber customised functions in the handling, routing or charging of calls, including toll free, charge card, freephone services, alternate and credit card-billing services, call waiting, call distribution and forwarding, call screening, UPT or as otherwise determined by the Commission
17. Directory Services	Provision of directory services including printed alphabetical or classified listings, electronic listing, through connect services, community, business, maritime, telex and facsimile directories
18. Asymmetric DSL	Provision of services using asymmetric Digital Subscriber Lines over the CAN
19. Symmetric DSL	Provision of services using symmetric Digital Subscriber Lines over the CAN
20. Other Retail Services	Provision of other retail services not already identified

Schedule 4(b): Internal Wholesale Service Descriptions

Service	Description
1. Wholesale Broadcast	A service for the supply of a broadcasting service by means of line links that deliver signals for end users eg. Pay TV carriage
2. Wholesale End User Access	Provision of access to the PSTN network not including retail specific costs
3. Wholesale Local Calls	Non retail specific costs for providing fixed network to fixed network calls within the carrier defined local call area
4. Wholesale Local Number Portability	Provision of a service to allow PSTN customers number portability when changing carriers
5. Wholesale Domestic Long Distance	Non retail specific costs for providing fixed network to fixed network domestic calls beyond the local call area, excluding international calls
6. Wholesale International Long Distance	Non retail specific costs for providing international calls originating either within or outside Australia
7. Wholesale International Leased lines	Non retail specific costs for providing all non-switched leased capacity to/from a point outside Australia's territorial boundary
8. Wholesale Domestic Leased lines	Non retail specific costs for providing all non-switched leased capacity solely within Australia including virtual private network and dedicated private circuits
9. Wholesale Digital Data Carriage	Non retail specific costs for providing access and carriage on a Digital Data Network
10. Wholesale ISDN Carriage	Non retail specific costs for providing access and carriage voice and data on an ISDN network
11. Wholesale Packet Switched Service	Non retail specific costs for providing packet switched services designed for data communication between computers and data terminals which splits data into segments called packets
12. Wholesale Fixed-Mobile	Non retail specific costs for providing fixed network to mobile network calls terminating on domestically and internationally located mobile terminals
13. Wholesale GSM Carriage	Non retail specific costs for providing services, including access, originating on GSM networks
14. Wholesale CDMA Carriage	Non retail specific costs for providing fixed services including access originating on CDMA networks

Schedule 4 (b): Internal Wholesale Service Descriptions (continued)

Service	Description
15. Wholesale Mobile Number Portability	Provision of a service to allow mobile customers number portability when changing carriers
16. Wholesale Payphone Services	Non retail specific costs for providing telephone calls from a carrier controlled pay telephone, whether owned, operated or leased. All other calls from non-carrier controlled payphones are captured under either Local, Domestic Long Distance, Fixed to Mobiles or International cost objects
17. Wholesale Internet Services	Non retail specific costs for providing Internet and related services including web hosting, web page design, SMTP and other e-mail services, electronic commerce and domain name administration services. Does not include local or domestic long distance calls for access to the Internet or carriage of internet traffic
18. Wholesale Information Services	Non retail specific costs for providing recorded message and other information sharing services, including community service calls, home shopping, chat services and Electronic Funds Transfer, or as otherwise specified by the Commission
19. Wholesale Specialised Call Services	Non retail specific costs for providing call services which involve subscriber customised functions in the handling, routing or changing of calls, including toll free, charge card, Freephone services, alternate and credit card-billing services, call waiting, call distribution and forwarding, call screening, UPT and virtual private network services, or as otherwise determined by the Commission
20. Wholesale Freephone and Local Rate Number Portability	Provision of a service to allow Freephone and Local rate customers number portability when changing carriers
21. Wholesale Directory Services	Non retail specific costs for providing directory services including Printed Alphabetical or Classified Listings, electronic listing, through connect services, community, business, maritime, telex and facsimile directories
22. Other Internal Wholesale Costs	Other non retail specific costs which are used for the provision of services to the carriers' retail customers

Schedule 4(c): External Wholesale Service Descriptions

Service	Description
1. Broadcasting Access Services (declared and non-declared)	A service necessary for the purposes of enabling the supply of a broadcasting service by means of line links that deliver signals to end-users. This is an access service which provides a basic carriage and distribution access function. Includes service used for the purposes of transmitting a subscription television service from a facility owned, controlled or operated by a carrier or carriage service
2. Conditioned Local Loop (declared)	A service for the supply of media independent unswitched transmission capacity of voice band width, being a leased conditioned two-wire (twisted copper pair) analogue based service
3. Unconditioned Local Loop Service (declared)	A service is the use of unconditioned communications wire between the boundary of a telecommunications network at an end-user's premises and a point on a telecommunications network that is a potential point of interconnection located at or associated with a customer access module and located on the end-user side of the customer access module
4. Domestic PSTN Originating/Terminating (declared)	An access service for the carriage of telephone (ie. PSTN and PSTN equivalent such as voice from ISDN) calls (ie. voice, data over the voice band) to a POI from end-customers' assigned numbers from the geographic numbers ranges of the Australian Numbering Plan and directly connected to the access provider's network
5. Local PSTN Originating/Terminating Service (declared)	A service for the carriage of telephone calls from customer equipment at an end-user's premises to a point of interconnection, or potential point of interconnection, located at or associated with a local switch and located on the outgoing trunk side of the switch

Schedule 4(c): External Wholesale Service Descriptions (continued)

Service	Description
6. Local Carriage Service (declared)	A service for the carriage of telephone calls from customer equipment at an end-user's premises to separately located customer equipment of an end-user in the same standard zone
7. ISDN Originating/Terminating (declared)	Provision of a service by way of an Integrated Services Digital Network from customer equipment at an end user's premises in Australia to an exchange that acts as a POI
8. GSM Originating/Terminating (declared and non-declared)	An access service for the carriage of telephone calls (ie. voice, data over the voice frequency band) to a POI from end-customers to B parties, assigned numbers from the GSM number ranges of the Australian Numbering Plan and directly connected to the access provider's GSM network. This captures all wholesale provision of these services, both declared and non-declared
9. Digital Data Access (declared)	An access service for the domestic carriage of data between a digital data Interconnect Terminal Point located at the access seeker's exchange or network facility and a network terminating unit or unimux or modem located at the customer's premises where the customer is directly connected to the access provider's network
10. Transmission (declared and non-declared)	A service for the carriage of certain communications from one transmission point to another transmission point via network interfaces at a designed rate on a permanent basis by means of guided and/or unguided electromagnetic energy. This captures all wholesale provision of this service, both declared and non-declared.
12. Local Number Portability	Provision of number portability for retail PSTN customers wishing to maintain existing contact numbers while changing carriers
13. Freephone and Local Rate Number Portability	Provision of number portability of retail Freephone and Local Rate customers wishing to maintain existing contact numbers while changing carriers
14. Mobile Number Portability	Provision of number portability for retail mobile customers wishing to maintain existing contact numbers while changing carriers
15. Other External Wholesale Services	Other wholesale costs associated with providing services to external third parties

Schedule 5: Capital Adjusted Profit and Loss Statements

Schedule 5(a): Capital Adjusted Profit and Loss Statement – Retail

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. Retail Revenue Line items as per Schedule 2												
2. Retail Costs Line items as per Schedules 3(a)-(c)												
3. Retail Cost of Capital From Retail Capital Employed Statement												
4. Gross Retail Profit 1 minus (2 plus 3)												
5. Wholesale Capital Adjusted Cost												
6. Retail Capital Adjusted Profit 5 minus 4												
7. Access Adjusted Wholesale Cost Cost of wholesale services including access costs												
8. Retail Access Adjusted Profit 6 minus 5												

Schedule 5(b): Capital Adjusted Profit and Loss Statement – Internal Wholesale

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. Internal Wholesale Costs Line items as per Schedules 3(a)-(c)												
2. Internal Wholesale Cost of Capital From Internal Wholesale Capital Employed Statement												
3. Internal Wholesale Capital Adjusted Costs 1 plus 2												
4. Access Cost Adjustment Allocation of End User Access costs												
5. Access Revenue Adjustment Allocation of access revenue minus retail specific costs												
6. Access Adjusted Internal Wholesale Costs 3 plus 4 minus 5												

Schedule 5(c): Capital Adjusted Profit and Loss Statement – External Wholesale

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. External Wholesale Revenue Line items as per Schedule 2												
2. External Wholesale Costs Line items as per Schedules 3(a)-(c)												
3. Gross External Wholesale Profit 1 minus 2												
4. External Wholesale Cost of Capital From External Wholesale Capital Employed Statement												
5. Access Cost Adjustment Allocation of End User Access costs												
6. Access Revenue Adjustment Allocation of access revenue minus retail specific costs												
7. External Wholesale Adjusted Profit 3 minus (4 plus 5) plus 6												

Schedule 6: Capital Employed Statements

Schedule 6(a): Capital Employed Statement – Retail

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. Retail Assets Line items as per Schedules 1(a)-(d)												
2. WACC As per WACC report												
3. Retail Cost of Capital 1 multiplied by 2												

Schedule 6(b): Capital Employed Statement – Internal Wholesale

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. Internal Wholesale Assets Line items as per Schedules 1(a)-(d)												
2. WACC As per WACC report												
3. Internal Wholesale Cost of Capital 1 multiplied by 2												

Schedule 6(c): Capital Employed Statement – External Wholesale

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. External Wholesale Assets Line items as per Schedules 1(a)-(d)												
2. WACC As per WACC report												
3. External Wholesale Cost of Capital 1 multiplied by 2												

Schedule 7: Fixed Asset Statements

Schedule 7(a): Fixed Asset Statement – Retail

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. Retail Fixed Assets												
Line items as per Schedules 1(b)-(d)												
2. Total Retail Fixed Assets												

Schedule 7(b): Fixed Asset Statement – Internal Wholesale

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. Internal Wholesale Fixed Assets Line items as per Schedules 1(b)-(d)												
2. Total Internal Wholesale Fixed Assets												

Schedule 7(c): Fixed Asset Statement – External Wholesale

	Service 1 As per Schedule 4(c)				Services 2, 3.....n As per Schedule 4(c)				Totals			
	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total	Direct	Attributable	Unattributable	Total
1. External Wholesale Fixed Assets Line items as per Schedules 1(b)-(d)												
2. Total External Wholesale Fixed Assets												

Schedule 8: Service Usage Reports

Schedule 8(a): Service Usage Report – Retail

Service	Usage factors to be reported to the Commission
1. End User Access	Number of lines
2. Local Calls	Number of call attempts Number of connected calls Number of call minutes
3. Domestic Long Distance	Number of call attempts Number of connected calls Number of call minutes
4. International Long Distance	Number of call attempts Number of connected calls Number of call minutes
5. Domestic Leased Lines	Number of intercapital leased lines Number of other leased lines Total capacity of bandwidth leased in each category above
6. International Leased Lines	Number of intercapital leased lines Number of other leased lines Total capacity of bandwidth leased in each category above
7. ISDN	Number of services in operation Number of connected calls Number of call minutes Number of 64kbps channels
7. Fixed to Mobile	Number of call attempts Number of connected calls Number of call minutes
8. GSM	Number of services in operation (customers) Number of call attempts Number of connected calls Number of call minutes
9. CDMA	Number of services in operation (customers) Number of call attempts Number of connected calls Number of call minutes
10. xDSL	Number of asymmetric DSL lines Number of symmetric DSL lines
11. Packet switched data	Number of mbps

Schedule 8(b): Service Usage Report – External Wholesale

Service	Usage Factors to be reported to the Commission
1. Conditioned Local Loop	Number of lines
2. Unconditioned Local Loop	Number of lines
3. Domestic PSTN Originating	Number of call attempts Number of connected calls Number of call minutes
4. Domestic PSTN Terminating	Number of call attempts Number of connected calls Number of call minutes
5. GSM Originating	Number of call attempts Number of connected calls Number of call minutes
6. GSM Terminating	Number of call attempts Number of connected calls Number of call minutes
7. CDMA Originating	Number of call attempts Number of connected calls Number of call minutes
8. CDMA Terminating	Number of call attempts Number of connected calls Number of call minutes
9. Transmission	Number of links of particular bandwidth
10. Domestic Leased Lines	Number of intercapital leased lines Number of other leased lines Total capacity of bandwidth leased in each category above
11. International Leased Lines	Number of intercapital leased lines Number of other leased lines Total capacity of bandwidth leased in each category above
12. ISDN	Number of services in operation Number of 64kbps channels

Schedule 9: Record-Keeping Declaration – Statement by CEO and CFO

(Date)

General Manager
Telecommunications
Australian Competition and Consumer Commission

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

We declare that:

- (a) the reports are prepared in accordance with the requirements of the Rules;
- (b) the Manual is established and maintained in accordance with the Rules;
- (c) the Manual has been appropriately updated to reflect changes in the business or structure of the carrier and the requirements of the Rules; and
- (d) all reports are reconciled with the audited statutory financial statements.

Dated at this day of 20

Chief Executive Officer
(or delegated authority)

Chief Financial Officer
(or delegated authority)

Schedule 10: General Ledger – Account Mapping

RAF Account Code	GL Account	GL Description	Allocation Principle	Allocation Method	Allocation Prime Driver
RAF Account Code	<u>XXXXXXXX</u>	As per GL, with further elaboration if required	Direct, Attributable or Unattributable	For example, Study Ref A1	Headcount, revenue, cost etc

Schedule 11: Regulatory Accounting Procedures Manual Guidelines

The following sets out a sample of how the structure of the Manual and describes the key features of major sections. This should be regarded as providing the minimum information, which the Commission requires. Reporting carriers or carriage service providers may choose to alter the format of the Manual if it accomplishes the same general purpose.

1.0 Introduction

1.1 Purpose of Manual

1.2 Structure of Manual

1.3 Required reports and timetable for presentation and audit

1.4 Confidentiality

1.5 Amendments to the Manual

2.0 Organisation Structure and Systems

2.1 Roles and Responsibilities

This should identify the roles and responsibilities of different groups and positions within the carrier in respect of the following:

- update and maintenance of the Manual; and
- gathering of the underlying data and model inputs required for preparation of the reports.

2.2 Accounting and System Environments

This should provide details of the various financial, accounting and operational packages that are utilised to gather and process the information required for the preparation of the reports. It should pay particular attention to the regulatory reporting systems and the way in which they extract information from the day-to-day financial, accounting and operational packages.

2.3 Organisation Structure

This should contain details of the organisation of the business and operating units within the carrier, with particular reference to the operational support units and how they relate to the main business streams. Current versions of the organisational charts should be included in the Manual.

2.4 Maintenance of the Cost Allocation Procedures

This should contain details of specific individuals who are responsible for the maintenance of the Manual, as well as the policies and procedures required to

ensure that all changes to products, general ledger accounts, record keeping or any other matters which would affect the reporting carrier's or carriage service provider's ability to conform with the Rules.

2.5 Controls and Procedures

These include the necessary controls and procedures to ensure the Manual is updated on a timely basis to reflect changes in the reporting carrier's or carriage service provider's service offerings and internal structure, and Commission requirements.

It should clearly articulate the responsibility of business units to report appropriate changes in operations and business activities to the appropriate responsible person to enable updates to the Manual to be made on a timely basis.

3.0 Reporting Requirements

This will identify all of the specific reports as well as narrative explaining the purpose of each report and the guiding principles to be applied in developing the necessary information for the reports.

4.0 Product/Service Definitions

This should include details of the carrier's services and how these map to the product and service definitions that are used in the Rules.

5.0 Allocation Principles and Guidelines

Largely drawn from the Rules, these are required to ensure that this is a stand-alone document capable of use by carrier or carriage service provider personnel.

6.0 Revenue Allocation Procedures

6.1 Overview

This will contain the basic principles to be followed.

6.2 Allocation Processes

This will contain the basis for allocation used for each of the revenue streams, including reference to the appropriate section within the Manual which explains in more detail the methodology and practices used for that particular allocation.

6.3 Allocation Studies

This should include details of the methodology of the various studies or calculations used to undertake the allocations.

7.0 Cost Allocation Procedures

7.1 Overview

This will contain the basic principles to be followed, together with an overview of the procedures undertaken to gather the necessary information and allocate costs.

7.2 Allocation Processes

This will include, for each cost item, the basis for allocation used as set out in the Rules. It will include an explanation of how this is implemented in the particular circumstances of the carrier. This will also include, as necessary, reference to the appropriate section within the Manual that explains in more detail the methodology and practices used for that particular allocation.

It will include a summary of the general allocators used, describing the cost lines to which they are applied (whether directly or indirectly) as well as the studies used to support these allocators.

Specific flowcharts should be drawn up to show any allocation process that involves more than one step in the allocation process ie. for support unit costs.

7.3 Allocation Studies

This should include details of the methodology of the various studies or calculations used to undertake the allocations.

8.0 End User Access Adjustments

8.1 Overview

This will contain an overview to, and explanation of, the principles behind the End User Access Adjustments.

8.2 Example calculations

This section will contain an example, based on the carriers specific circumstances of how to calculate the necessary adjustments. This will include a step-by-step guide as to where to obtain the appropriate information, whether or not this is from the general ledger or other studies.

8.3 Allocation Studies

Any allocation studies utilised for the calculation of the End User Access Adjustments should be explained in detail in this section.

9.0 Glossary

This should contain definitions of common or technical terms used in the Manual, or in the reporting carrier or carriage service provider's business.