



TELSTRA GROUP LIMITED

Variation Proposal to Telstra's Structural Separation Undertaking and Migration Plan

Supplementary Submission in support

17 June 2025



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01 Executive Summary

On 14 February 2025, Telstra lodged its proposal to vary the Structural Separation Undertaking (**SSU**) Migration Plan (the **Plan**) with the Australian Competition and Consumer Commission (**ACCC**). The ACCC released the proposed variations to the SSU and Plan for public consultation on 16 April 2025, which concluded on 14 May 2025.

The proposed amendments to the SSU and the Plan sought to streamline and simplify the current reporting requirements, to better reflect the residual risk associated with these regulatory instruments. An additional amendment was included in the Plan that proposed to continue the disconnection arrangements for In-Train Order (**ITO**) Premises that have been in operation since 2016.

The ACCC has now brought to Telstra's attention several relatively minor matters in its consideration of the proposal. This supplementary submission and proposed updated amendments to the SSU and Plan, seek to positively address these matters to enable the ACCC to grant its approval. The updated amendments relate to:

- Changing the timeframe for which the various proposed amendments to reporting and related obligations in both the SSU and Plan would take effect, together with the removal of the role of the Director of Equivalence. Our supplementary proposal removes the need for the ACCC's approval to have the effect of backdating the commencement of these changes.
- Including a proposed amendment for an additional obligation in respect of our SSU Part D obligations (clause 23.4 Compliance Training) to also be end-dated, reflecting that this obligation is no longer operational.
- Removing an amendment we previously included in our February 2025 proposal, to end-date an SSU obligation (clause 23.8(d)) related to the provision to the ACCC on an annual basis of any updated documents forming part of our Separation Compliance Plan.

Telstra submits that that these updated amendments to the Plan comply with the *Telecommunications (Migration Plan Principles) Determination 2015 (MPPs)* and that the updated modified reporting requirements under the SSU and Plan continue to support the ACCC's obligations under section 105C *Telecommunications 1997 (Cth) (Telecommunications Act)* to monitor, and report each financial year to the Minister on, breaches of the SSU.

There is no change to the proposed operational amendments that Telstra previously submitted in February 2025 in respect of an extension of the ITO arrangements within the Plan, that have been in operation since 2016. This operational change to the Plan promotes the objectives of minimising disruption to end users and promoting service continuity, to the extent this is in Telstra's control. It also aligns with the current commercial agreements in place with nbn co under the Definitive Agreements.



02 Updated reporting & disclosure amendments to the SSU

The following table summarises the proposed updated reporting and governance related amendments within the marked-up version of the SSU:

Relevant Section of SSU	Description of update to proposed amendment:
Clause 23.1 – Telstra Audit Committee and Director of Equivalence	<ul style="list-style-type: none"> Revising the timeframe for when the proposed end-dating amendments will take effect, so they apply on, and from, the later of 1 July 2025 and the beginning of the Financial Year in which the ACCC approves the amendment to the SSU. Our February 2025 proposal had sought for the changes to take effect from 1 January 2025. The rationale why Telstra is seeking to end-date these existing obligations was set out in our February 2025 submission in support document that the ACCC published in April 2025.
Clause 23.3 - Monthly compliance report in relation to equivalence issues	
Clause 23.5 - Supply of Equivalence Compliance Program to the ACCC	
Clause 23.6 - Director of Equivalence to prepare Annual Equivalence Report for Audit Committee	
Clause 23.7 - Disclosure of equivalence performance in annual reports	
Clause 24.2 - Annual Compliance Report	<ul style="list-style-type: none"> We are also revising the timeframe that the proposed amendment to the Annual Compliance Report obligation will take effect, for the Financial Year commencing 1 July 2025 (or, if later, the beginning of the Financial Year in which the ACCC approves the amendment to this Undertaking that introduces this clause). Our February 2025 proposal had sought for the change to the format of the Annual Compliance Report to take effect from 1 July 2024. The rationale why Telstra is seeking to amend this existing obligation was set out in our February 2025 submission in support document that the ACCC published in April 2025.
Clause 23.4 – Compliance Training	<ul style="list-style-type: none"> Inclusion of a new amendment to the training obligation in respect of Part D of the SSU, to clarify that this obligation should also be end-dated from the date that the ACCC approves the amendments to the SSU. This new amendment is included as a clarification, given that the obligations forming Part D of the SSU ceased to have effect since the Designated Day on 1 July 2020. According, this obligation has not been operational since the Designated Day.
Clause 23.8 - Separation Compliance Program	<ul style="list-style-type: none"> Removal of the proposed amendment to an obligation submitted in February 2025 to end-date the requirement to supply updated documents about the Separation Compliance Program. Telstra will provide the ACCC with visibility of any updates to the Separation Compliance Program, should they arise.

2.1. Consistency with the Telecommunications Act

Consistent with the explanation contained in our February 2025 submission in support that the ACCC has previously published, we consider that the updated proposed amendments will continue to allow the



ACCC to fulfil its monitoring and reporting requirements under section 105C of the Telecommunications Act.

03 Updated reporting amendments to the Plan

The following table summarises the proposed updated reporting and governance related amendments within the marked-up version of the Plan:

Relevant Section of Plan	Description of update to proposed amendment:
Clause 26.1 – Establishment of performance standards	<ul style="list-style-type: none"> • Similar to the SSU obligations immediately above, we are revising our previously proposed amendments to various obligations in the Plan related to ongoing role of the Director of Equivalence and the Migration Plan Compliance Report. • We now propose that these changes will take effect on, and from, the later of 1 July 2025 and the beginning of the: <ul style="list-style-type: none"> ○ Quarter in which the ACCC approves the amendment in relation to end-dating Quarterly reporting arrangements and the role of the Director of Equivalence: ○ Financial Year in which the ACCC approves the amendment in relation to commencing Annual compliance reporting arrangements. • Our February 2025 proposal had sought for these changes to take effect from 1 January 2025. • The rationale why Telstra is seeking to amend these existing obligations was set out in our February 2025 submission in support document that the ACCC published in April 2025.
Clause 26.2 – Director of Equivalence to oversee preparation of a Migration Plan Compliance Report	
Clause 28 – Compliance	
Schedule 3, Required Measure (RM) 2, clause 8 – Reporting	
Schedule 3, RM 3, clause 7 – Reporting	
Schedule 7, RM 1(a), clause 5 – Reporting	
Schedule 7, RM 1(b), clause 6 – Reporting	
Schedule 7, RM 4, clause 4 – Reporting	
Schedule 7, RM 5A, clause 12 – Reporting	
Schedule 7, RM 5C, clause 12 - Reporting	

3.1. Consistency with the MPPs

Consistent with the explanations contained in our February 2025 submission in support that the ACCC has previously published, we consider the updated amendments proposed for the Plan are a logical evolution that better reflect the residual risk, having regard to the current status of disconnections of in-scope services, and still align with the relevant procedural principle 38.

04 Operational amendments to the Plan maintained

The following table lists the proposed operational amendments within the marked-up version of the Plan to continue managing ITO arrangements until 30 June 2026 consistent with the arrangements first implemented in 2016. The rationale for the proposed amendments to the existing arrangements in the Plan was contained in our February 2025 submission in support that the ACCC has previously published. Given there are no additional changes to the amendments we proposed in February 2025, the impacted obligations are listed for completeness only:



Relevant Section of the Plan:
Clause 15.1A – Disconnection of In-Train Order Premises in Rollout Regions
Clause 15.1 – Disconnection of In-Train Order Premises in Rollout Regions
Schedule 3, RM 2, Clause 6 – Disconnection of In-Train Order Premises
Schedule 3, RM 3, Clause 5 – Disconnection of In-Train Order Premises
Schedule 10 – Dictionary (in relation to ITO Period)

4.1. Consistency with the MPPs

Refer to the explanations contained in our February 2025 submission in support that the ACCC has previously published as to why these proposals align with the MPPs.