

Deed of Undertaking

**- Dial up Internet data speed on pair gain systems -
Strategy for improvement**

Telstra Corporation Limited ("Telstra")
and
The Commonwealth of Australia ("the Australian Government")

Dated: 7 July 2004

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Deed Of Undertaking

Between TELSTRA CORPORATION LIMITED (ABN 33 051 775 556) having its registered office at 242 Exhibition Street, Melbourne, Victoria 3000 ("Telstra")

And THE COMMONWEALTH OF AUSTRALIA ("the Australian Government") represented by the DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

BACKGROUND:

- A. The Regional Telecommunications Inquiry has reported to the Australian Government on the adequacy of telecommunications services in regional, rural and remote Australia and arrangements that should be put in place to ensure that Australians in regional, rural and remote areas continue to share in the benefits of further service improvements and developments in technology.
- B. The Inquiry's overall assessment was that the Australian Government has responded positively and comprehensively to the earlier Telecommunications Services Inquiry findings, and that the arrangements that have been put in place are addressing the community concerns identified by the Telecommunications Services Inquiry.
- C. The Inquiry reviewed the data speeds on pair gain systems used to support dial-up Internet services and found that where properly installed, a pair gain connection meets all Standard Telephone Service requirements and, in many cases, these systems do not affect the dial-up Internet data speed at all. New pair gain systems have alarms to identify potential poor performance which may affect dial-up Internet access speeds. Alarms are monitored constantly and actively managed in a way that maintains service quality using standard Telstra fault restoration processes.
- D. The Inquiry also noted that Telstra has put in place service improvement initiatives to address poorly performing pair gain systems in a systematic way. Telstra has put in place processes to ensure that pair gain systems operate to their design level of performance. Key aspects of these processes are:
- (a) Pair gain systems are installed to the manufacturer's specifications and provide dial-up Internet access speeds in the expected range for the technology;
 - (b) All new pair gain systems have alarms to identify poor performance or potential poor performance which might degrade dial-up Internet access speeds;

-
- (c) Alarms are actively managed in a way which will restore service quality using standard Telstra fault restoration processes;
 - (d) Telstra automatically extracts digital bearer performance data from all of its digital pair gain systems over a 2 week cycle to generate reports which are used to identify poorly performing pair gain systems and restore service quality to those systems using standard Telstra fault restoration processes. This allows proactive maintenance of individual systems which could potentially impact dial rates;
 - (e) Telstra provides round-the-clock technical support to all field staff installing or repairing pair gain systems; and
 - (f) Telstra provides ongoing analysis of fault rates on a technology basis allowing comparison between pair gain technologies and detection of any trends in performance.
- E. Telstra's strategic approach to dial up Internet issues for customers whose services are provided by pair gain systems includes:
- (a) ensuring that the infrastructure and supporting activation processes are in place to make ISDN services available to at least 96% of the population, and moving customers from pair gain systems in some circumstances to an ISDN service;
 - (b) providing a targeted replacement of some types of pair gain systems which do not provide the Minimum Equivalent Throughput without data compression; and
 - (c) introducing new technology pair gain systems which in general provide higher dial up speeds.
- F. Telstra has agreed to give the Australian Government a formal legally binding undertaking to:
- (a) maintain a strategy for addressing dial-up Internet data speed issues arising from poorly performing pair gain systems;
 - (b) carry out additional network activities that enable customers of the Internet Assistance Program ("IAP") to achieve a Minimum Equivalent Throughput of 19.2 kilobits per second line rate capability; and
 - (c) assist those customers to achieve the maximum data speeds possible on their existing connections, modems and computer configurations,
- in accordance with the terms of this Deed.
- G. The obligations in this Deed are in addition to Telstra's obligations under Telstra's Licence Conditions.

OPERATIVE PROVISIONS:

1 Interpretation

1.1 In this Deed, unless the contrary intention appears:

'ACA' means the Australian Communications Authority.

'Activity' means the activities described in the Schedule, which Telstra has undertaken to perform and complete by the Completion Date.

'Australian Government' and 'Australian Government's' means the Commonwealth of Australia and includes the Commonwealth's officers, delegates, employees and agents, and the Commonwealth's successors;

'Business Day' means in relation to the doing of any action in a place, any day other than a Saturday, Sunday, or public holiday in that place.

'Completion Date' means 31 December 2006.

'Date of this Deed' means the date written on the execution page of this Deed, and if no date or more than one date is written there, then the date on which this Deed is signed by the last Party to do so.

'Deed' means this document and includes any schedules and annexures.

'Electronic Communication' has the same meaning as in the *Electronic Transactions Act 1999 (Cth)*.

"Force Majeure Event" means any event or circumstance (whether by itself or in combination with a number of other events or circumstances, or the cumulative effect of the events or circumstances over time) that is outside the reasonable control of Telstra and which could not have been prevented or avoided by Telstra taking all reasonable steps and that adversely affects, or is likely to adversely affect, the ability of Telstra to perform an obligation under the Deed and includes events or circumstances such as:

- (a) adverse weather conditions that prevent vehicle and machinery access;
- (b) act of God, earthquake, cyclone, fire, explosion, flood, landslide, lightning, storm, tempest or drought;
- (c) inability to obtain access to any land, site or facility by reason of any Law or action taken by any person or by reason of any occupational health or safety requirements;
- (d) embargo, power or water shortage;
- (e) a change in Law that affects the time taken to obtain access to a land, site or facility, or that results in significant changes in design and construction practices;

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- (f) any action of a Government agency or department, including refusal or revocation or a licence or consent, or a fire ban that prevents the use of vehicles or equipment;
 - (g) the discovery of a latent condition (including any underground obstruction such as rock or facility not correctly marked on plans) that is not reasonably ascertainable;
 - (h) war (declared or undeclared), invasion, act of a foreign enemy, hostilities between nations, civil insurrection or militarily usurped power;
 - (i) act of public enemy, sabotage, malicious damage, terrorism or civil unrest;
 - (j) ionising radiation or contamination by radioactivity from any nuclear waste or from combustion of nuclear fuel;
 - (k) confiscation, nationalisation, requisition, expropriation, prohibition, embargo, restraint or damage to property by or under the order of any government or government authority; or
 - (l) strikes, blockades, lock out or other industrial disputes.

'Information System' has the same meaning as in the *Electronic Transactions Act 1999* (Cth).

'Item' means an item in the Schedule.

'Law' includes rules of common law, principles of equity, statutes, regulations, proclamations, ordinances, by-laws, rules, mandatory codes of conduct, writs, orders, injunctions or judgements.

'Licence Conditions' means the *Carrier Licence Conditions (Telstra Corporation Limited) Declaration 1997* as amended from time to time.

'Party' means a party to this Deed.

'Regional Telecommunications Inquiry' means the inquiry of that name (also known as the Estens Inquiry) established by the Australian Government in August 2002 and which reported on 8 November 2002.

'Report' means progress reports and evaluations of the Activity or obligations of this Deed, as stipulated in the Schedule.

'Schedule' refers to the schedule to this Deed.

'Standard Telephone Service' has the meaning given to it in the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (Cth).

'Term of this Deed' refers to the period described in clause 3.

'Telstra' and **'Telstra's'** includes, where the context admits, Telstra's officers, employees, agents and subcontractors, and Telstra's successors.

‘Telstra Confidential Information’ means all information of a confidential nature provided by Telstra to the Australian Government for the purposes of this Deed which Telstra has specified is confidential to Telstra unless the information is in or becomes part of the public domain (otherwise than through breach of this Deed or an obligation of confidence owed to Telstra).

1.2 In this Deed, unless the contrary intention appears:

- (a) words in the singular number include the plural and words in the plural number include the singular;
- (b) words importing a gender include any other gender;
- (c) words importing persons include a partnership and a body whether corporate or otherwise;
- (d) all references to clauses are clauses in this Deed;
- (e) reference to any statute or other legislation (whether primary or subordinate) is to a statute or other legislation of the Commonwealth and, if it has been or is amended, is a reference to that statute or other legislation as amended;
- (f) an uncertainty or ambiguity in the meaning of a provision of this Deed will not be interpreted against a Party just because that Party prepared the provision; and
- (g) where any word or phrase is given a defined meaning, any other part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

1.3 The Schedule (and annexures and documents incorporated by reference, if any) form part of this Deed. In the event of any conflict or inconsistency between any part of:

- (a) the terms and conditions contained in the clauses of this Deed;
- (b) the Schedule;
- (c) the annexures, if any;
- (d) documents incorporated by reference, if any;

then the material mentioned in any one of paragraphs (a) to (d) of this subclause 1.3 has precedence over material mentioned in a subsequent paragraph, to the extent of any conflict or inconsistency.

2 Undertaking

2.1 Telstra undertakes to perform and complete the Activity for the term of this Deed.

2.2 The undertaking referred to in subclause 2.1 is made solely to, and for the benefit of, the Australian Government. For the avoidance of doubt, the only parties to

this Deed are the Australian Government and Telstra. This Deed does not create any legal or equitable rights or obligations as between Telstra and any person who is not a party to this Deed.

- 2.3 The undertaking referred to in subclause 2.1 is in addition to, and does not detract from, Telstra's obligations under its Licence Conditions. Nothing in this Deed should be read as limiting Telstra's obligations under its Licence Conditions.

3 Term Of This Deed

- 3.1 This Deed commences on the Date of this Deed and expires on the Completion Date.

4 Reporting

- 4.1 Telstra must provide the Reports to the ACA at the times and in the manner stated in the Schedule.

5 Liaison and Monitoring

- 5.1 Telstra must:
- (a) liaise with and provide information to the Australian Government as reasonably required by the Australian Government; and
 - (b) comply with all the Australian Government's reasonable requests, directions, or monitoring requirements.
- 5.2 Telstra may nominate, from time to time, a person who has authority to receive and sign notices and written communications for Telstra under this Deed and accept any request or direction in relation to the Activity.

6 Change Management

- 6.1 Except as otherwise expressly stated, this Deed cannot be varied unless the variation is in writing and executed by both parties.
- 6.2 Either Party may propose variations to this Deed (including the Schedule). The parties must discuss any proposed variation to the Deed in good faith.
- 6.3 Unless a proposed variation is manifestly unreasonable, a Party must not reject a proposed variation without giving the Party's written reasons for not accepting the variation.

7 Force Majeure

- 7.1 If Telstra is unable to perform or is delayed from performing an obligation under this Deed which inability or delay is caused by or which arises or results from a

Force Majeure Event, that obligation is suspended but only so far and for so long as it is affected by the Force Majeure Event.

- 7.2 Telstra must take all reasonable steps to avoid, remove or limit the effects of the Force Majeure Event on its performance of the suspended obligations as quickly as possible and promptly re-commence performing the suspended obligations as soon as reasonably possible.

8 Notification of Force Majeure Event

- 8.1 If Telstra is unable to perform or is delayed from performing the Activity (or any part of the Activity) by reason of or arising or resulting from a Force Majeure Event, Telstra must notify the ACA as soon as practicable of Telstra's inability to perform or the delay in performing the Activity (or any part of the Activity), including:
- (a) details of the nature of the Force Majeure Event;
 - (b) the day on which the Force Majeure Event commenced to have an effect on Telstra's performance of the Activity (or any part of the Activity) and the earliest day on which Telstra anticipates that Force Majeure Event will cease to have an effect on Telstra's performance of the Activity (or part of the Activity); and
 - (c) what actions, if any, Telstra proposes to take to recommence the performance of the Activity (or any part of the Activity).
- 8.2 If the period for which Telstra anticipates the Force Majeure Event will affect Telstra's performance of the Activity exceeds one month, Telstra must brief the ACA at regular intervals on when it expects to recommence the Activity.
- 8.3 Unless otherwise agreed by Telstra and the ACA, briefings under subclause 8.2 should be at least on a monthly basis.
- 8.4 Telstra must notify the ACA as soon as practicable of the day on which the Force Majeure Event ceases to have an effect on Telstra's ability to perform the Activity (or part of the Activity) or ceases to cause a delay in Telstra's performance of the Activity (or part of the Activity).

9 Remedies

- 9.1 The Australian Government acknowledges that Telstra has entered into this Deed on a voluntary basis. Any rights that the Australian Government has under this Deed are limited to specific performance of this Deed by Telstra. Nothing in this Deed gives the Australian Government any rights to seek compensation from Telstra for damages or loss, whether on the Australian Government's own behalf or on behalf of another party.

10 Notices

- 10.1 A Party giving notice or notifying under this Deed must do so in writing or by Electronic Communication:
- (a) directed to the recipient's address, as varied by any notice; and
 - (b) hand delivered or sent by pre-paid post or Electronic Communication to that address.
- 10.2 The parties' address details are:
- | | |
|---------------------------|--|
| The Australian Government | Manager - Internet Broadband and Convergence
Department of Communications, Information Technology and the Arts
Level 1, 38 Sydney Avenue
Forrest ACT 2603
GPO Box 2154
Canberra ACT 2601
Fax: (02) 6271 1850 |
| Telstra | General Counsel - Telstra Country Wide
Level 14, 231 Elizabeth Street
Sydney NSW 2000
Locked Bag 6794
Sydney NSW 1100
Fax: (02) 9267 0343. |
- 10.3 A notice given in accordance with this clause 10 is taken to be received:
- (a) if hand delivered, on delivery;
 - (b) if sent by pre-paid post, 5 Business Days after the date of posting unless it has been received earlier;
 - (c) if sent by Electronic Communication, at the time that would be the time of receipt under the *Electronic Transactions Act 1999* (Cth) if a notice was being given under a Law of the Commonwealth, which is currently when the Electronic Communication enters the addressee's Information System.

11 Confidentiality

- 11.1 The Australian Government must not, and must ensure that any of its departments or agencies do not, use or disclose Telstra Confidential Information unless the use or disclosure is:
- (a) in accordance with, or contemplated by, this Deed; or
 - (b) required by Law; or

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- (c) required by a court or tribunal or regulatory agency; or
 - (d) requested or required in the course of proceedings in Parliament (within the meaning of the *Parliamentary Privileges Act 1987* (Cth)); or
 - (e) otherwise authorised by Telstra.

11.2 This clause survives termination (for whatever reason) of this Deed.

12 Entire Agreement

12.1 This Deed constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

13 Counterparts

13.1 This Deed may be executed in any number of counterparts. Each counterpart is an original, but the counterparts are one and the same Deed.

14 Governing Law


14.1 This Deed is governed by the Law in force in New South Wales. Each Party submits to the non-exclusive jurisdiction of the courts of that place.

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IN WITNESS WHEREOF the Parties have EXECUTED THIS DEED

This ¹² day of July 2004

SIGNED, SEALED AND DELIVERED
by DOUGLAS C CAMPBELL as attorney
for TELSTRA CORPORATION
LIMITED (ABN 33 051 775 556) under
power of attorney dated 4 June 1998

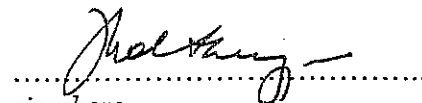

.....
sign here

In the presence of:

CHERYL CHAPMAN
.....
print name of witness



.....
witness sign here

SIGNED, SEALED AND DELIVERED
for and on behalf of the
COMMONWEALTH OF AUSTRALIA
represented by and acting through the
Department of Communications,
Information Technology and the Arts,
(ABN 51 491 646 726) by
FAY HOLTHUYZEN


.....
sign here

In the presence of:

CHRISTINE ANDISON
.....
print name of witness


.....
witness sign here

SCHEDULE ACTIVITY AND REPORTS (clauses 2 and 4)

1 Activity

1.1 The Activity for this Deed is as set out in this paragraph 1.

1.2 **Strategy for addressing dial-up Internet data speed issues arising from poorly performing pair gain systems**

Telstra will maintain a strategy for addressing dial-up Internet data speed issues arising from poorly performing pair gain systems that includes Telstra using reasonable commercial endeavours to:

- (a) ensure that new pair gain systems:
 - (i) are installed to the manufacturer's specifications; and
 - (ii) are operated and maintained to provide dial-up Internet access speeds in the expected range for the pair gain systems;
- (b) monitor the performance of pair gain systems within Telstra's network by:
 - (i) installing pair gain systems that have alarms to identify poor performance or potential poor performance which might reduce dial-up Internet access speeds;
 - (ii) monitoring the alarms to identify poor performance or potential poor performance which might reduce dial-up Internet access speeds;
 - (iii) reviewing Customer complaints relating to the dial-up Internet access speeds of Standard Telephone Services provided on pair gain systems; and
 - (iv) reviewing feedback from Customers who access the IAP.
- (c) rectify difficulties that Customers with Standard Telephone Services provided on pair gain systems may have in achieving the Minimum Equivalent Throughput when dialling up to access the Internet by:
 - (i) allocating funding up to the Annual Expenditure Cap for Network Based Activities to help Customers achieve the Minimum Equivalent Throughput on their Standard Telephone Service Access Line;
 - (ii) using Telstra's standard Telstra fault restoration processes to restore a Customer's Standard Telephone Service Access Line; and

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- (iii) providing round-the-clock technical support to all field staff installing or repairing pair gain systems; and
 - (d) assess the performance of the strategy by:
 - (i) providing written reports to the ACA under clause 2 of this Schedule; and
 - (ii) holding annual discussions with the ACA about the performance of the strategy.

1.3 Network Based Activities for achieving the Minimum Equivalent Throughput:

- (a) In the course of Telstra complying with its obligations under the Licence Conditions to provide the Internet Assistance Program, if:
 - (i) a Customer who is eligible for assistance under the Internet Assistance Program reports to Telstra difficulties in achieving the Minimum Equivalent Throughput over a Standard Telephone Service Access Line; and
 - (ii) the On-line Help Service and the Technical Support Service (excluding software solutions such as a Data Compression Solution) does not achieve the Minimum Equivalent Throughput for the Customer,

Telstra will as part of the Internet Assistance Program and in addition to its obligations under the Licence Conditions:

- (iii) investigate what the most cost effective solution is to enable the Customer to achieve the Minimum Equivalent Throughput, other than a Data Compression Solution; and
- (iv) implement:
 - (A) a Network Service Solution - if that is feasible and is the most cost-effective solution from (iii); or
 - (B) a Network Construction Solution - if that is feasible and the most cost effective solution from (iii),

as soon as practicable (notwithstanding that a software solution or an alternative access solution may also provide the Minimum Equivalent Throughput), subject to:

- (C) the Customer co-operating in any reasonable implementation of the solution; and
 - (D) the Annual Expenditure Cap and the Network Construction Expenditure Cap (see paragraph 1.4).
- (b) If Telstra does not implement a Network Service Solution or a Network Construction Solution under paragraph 1.3(a) (for example, because the

expenditure on these solutions exceed the Annual Expenditure Cap or the Network Construction Cap), Telstra will offer the Customer a Data Compression Solution in accordance with the Internet Assistance Program.

- (c) Telstra is not required to implement a solution that is not the most cost effective solution under the circumstances. However, for the purposes of this subparagraph 1.3(c), the most cost effective solution is to be assessed without considering a Data Compression Solution as a cost effective solution.

1.4 Caps on expenditure on Network Based Activities

- (a) In any given Financial Year, Telstra is not required to implement a Network Service Solution or a Network Construction Solution if, by doing so, Telstra's total expenditure on Network Based Activities would exceed \$1.8 million. This is called the **Annual Expenditure Cap**.

- (aa) The parties acknowledge that:

- (i) Telstra has commenced the performance of the part of the Activity described in paragraph 1.3; and
- (ii) for the purposes of subparagraph 1.4(a), Telstra's total expenditure on Network Based Activities for the Financial Year ending 30 June 2004 shall include Telstra's expenditure on Network Based Activities between 1 July 2003 and the Date of this Deed.

- (ab) Telstra must notify the amount of its expenditure on Network Based Activities between 1 July 2003 and the Date of this Deed to the ACA as soon as practicable after the Date of this Deed.

- (b) Telstra is not required to implement a Network Construction Solution if Telstra's expenditure on implementing the Network Construction Solution would exceed \$10,000. This is called the **Network Construction Expenditure Cap**.

- (c) In subparagraph 1.4(b), a Network Construction Solution may be a solution for achieving the minimum equivalent throughput:

- (i) on two or more Standard Telephone Service Access Lines; or
- (ii) for the benefit of two or more Customers,

and the Network Construction Expenditure Cap applies to the entire Network Construction Solution and not to each individual Standard Telephone Service Access Line or each individual Customer. The scope of a Network Construction Solution is at Telstra's discretion.

1.5 Assistance for achieving optimal dial up data performance

- (a) In addition to its obligations under the IAP (as extended in paragraph 1.3 above) Telstra will provide a Technical Support Service to assist

Customers who have achieved the Minimum Equivalent Throughput but who are not achieving optimal dial up data performance or maximum data speeds available on their Standard Telephone Service Access Lines using their existing connections, computer configurations and modems.

- (b) The assistance provided under paragraph 1.5(a) may involve:
 - (i) providing advice to Customers on how to configure their telephone service, computer and modem to assist in achieving optimal performance from their Standard Telephone Service Access Line;
 - (ii) further investigation including a line test and subsequent rectification of any physical problems identified; or
 - (iii) further assistance, such as more complex analysis of the Customer's Standard Telephone Service Access Line, to achieve optimal performance of the Customer's dial up data service. This includes informing the Customer how to configure their computer and modem to achieve optimal performance from their Standard Telephone Service Access Line.
- (c) The assistance provided under paragraph 1.5(a) does not include Network Based Activities.

2 Reporting

- 2.1 Telstra will provide written Reports to the ACA in the format, and with the frequency, indicated in Appendix 1.
- 2.2 Within 90 days from the Date of this Deed, Telstra will provide the ACA a briefing on the inter-operation of the processes to fulfil its obligations under this Deed and the IAP.
- 2.3 During the Term of this Deed, Telstra will give the ACA annual qualitative Reports on the performance of pair gain systems in Telstra's network, including:
 - (a) the nature and extent of performance issues with respect to poorly performing pair gain systems;
 - (b) the measures Telstra has taken to address poorly performing pair gain systems (including the measures Telstra has taken pursuant to its obligations under paragraph 1.2); and
 - (c) the effectiveness of those measures.
- 2.4 Subject to clause 11 ("**Confidentiality**") of the Deed and the restrictions indicated in Appendix 1, the Australian Government and the ACA may publish the Reports provided to the ACA under this paragraph 2 or include any information provided in such Reports in media releases, general announcements about the Deed and in annual and other reports.

3 Definitions

3.1 In this Schedule:

Annual Expenditure Cap has the meaning given to it in paragraph 1.4(a).

Customer has the meaning given by clause 31 of the Licence Conditions.

Financial Year means any one year period ending on 30 June of each calendar year.

Data Compression Solution means a solution for achieving the Minimum Equivalent Throughput on a Customer's Standard Telephone Service Access Line that is implemented by the use of data compression software.

Internet Assistance Program or IAP means the program of that name that Telstra is required to provide to Customers under the Licence Conditions.

Minimum Equivalent Throughput has the meaning given to it in clause 31 of the Licence Conditions.

Network Based Activity means an activity involving a Network Service Solution or a Network Construction Solution.

Network Construction Expenditure Cap has the meaning given to it in paragraph 1.4(b).

Network Construction Solution means a solution for achieving the Minimum Equivalent Throughput on a Customer's Standard Telephone Service Access Line that may include:

- (a) the construction of additional copper cable; or
- (b) installation of a newer technology pair gain system.

Network Service Solution means a solution for achieving the Minimum Equivalent Throughput on a Customer's Standard Telephone Service Access Line that does not require the construction of new assets but may involve network reconfiguration such as:

- (a) transferring a Customer to a spare existing copper pair; or
- (b) reconfiguring a pair gain system.

On-Line Help Service has the meaning given to it in clause 31 of the Licence Conditions.

Quarter means a 3 month period ending on 31 March, 30 June, 30 September and 31 December of each Financial Year during the Term of this Deed.

Standard Telephone Service Access Line means an access line that is:

- (a) part of Telstra's public switched telephone network; and

(b) used to provide a Standard Telephone Service.

Technical Support Service has the meaning given to it in clause 31 of the Licence Conditions.

Appendix 1 - Reporting

Telstra will give the Australian Government and the ACA a Report in respect of each Quarter on the following matters:

- (a) the information indicated in Table 1:

	Number of SIO cases ¹	
	Previous Quarter	Current Quarter
(i) Balance brought forward from previous Quarter		
(ii) New SIOs cases reported during the Quarter		
(iii) Network Construction Solution implemented		
(iv) Network Service Solution implemented		
(v) Solution offered under the IAP		
(vi) Other actions taken (e.g., other solution implemented, SIO case withdrawn)		
(vii) = (i) + (ii) - ((iii)+(iv)+(v) + (vi))	Balance carried forward to the next Quarter	

Table 1: Volume of SIO cases

- (b) the information indicated in Table 2:

Types of Network Construction Solutions	Number of SIO cases	Expenditure
Total		
Expenditure on Network Service Solution		
Total expenditure on Network Based Activities		[reconcile to the relevant Quarter in Table 3]

Table 2: Description of Network Construction Solutions implemented and expenditure on Network Based Activities

¹ An SIO case (or service-in-operation case) refers to a Standard Telephone Service Access Line that a preliminary investigation by Telstra indicates may require a Network Service Solution or a Network Construction Solution to achieve the Minimum Equivalent Throughput.

(c) the information indicated in Table 3:

Expenditure on Network Based Activities	\$
Quarter ending 30 September [2004]	
Quarter ending 31 December [2004]	
Quarter ending 31 March [2005]	
Quarter ending 30 June [2005]	
Total for Financial Year ending 30 June [2005]	<i>[less than \$1.8 million]</i>

Table 3: Expenditure on Network Based Activities incurred during each Financial Year during the Term of this Deed

Unless otherwise agreed, the information contained in Item (b) and (c) is considered to be Telstra Confidential Information.