



28 April 2010

Telstra Corporation Limited
Public Policy and Communications

Mr Stephen Palethorpe
Secretary
Senate Standing Committee on the Environment,
Communications and the Arts
Parliament House
CANBERRA ACT 2600

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Telecommunications Legislation Amendment (Fibre Deployment Bill) 2010 ("Bill")

Dear Mr Palethorpe

I refer to your email of 22 April 2010 regarding Telstra's appearance before the Committee as part of its inquiry into the above Bill and your request that we respond to questions taken on notice.

Attached are responses to two of the three questions identified in your email. These are the questions regarding the extent to which Telstra has currently deployed fibre in Greenfield estates and our treatment of customers seeking an ADSL service.

The third question (from Senator MacDonald) requested that we provide the Committee with an assessment of the position paper issued on 16 April 2010 by the Department of Broadband, Communications and the Digital Economy on subordinate instruments necessary to give effect to the policy of deploying fibre in Greenfield estates.

The Department's position paper raises a number of important issues and Telstra is giving the paper careful consideration. The Department is running a formal consultation process on the paper and has requested that stakeholders respond with comments by 3 May 2010. Telstra was originally working to the Department's deadline, but in view of the request of the Committee we have accelerated our work with a view to getting comments to the Committee as soon as possible. At this point in time we have not finalised our consideration of the position paper but anticipate doing so in the next few days.

I regret that we cannot meet the Committee's deadline for the third question, however the issues raised in the position paper are important and Telstra is keen to ensure we give them proper consideration. I will ensure the Committee receives a copy of our response to the Department's position paper as soon as it is available.

Yours sincerely

James Shaw
Director Government Relations
Telstra Corporation Limited

Questions On Notice ECA 19 April 2010 Telstra

ECA 2-3

CHAIR—All right. Has Telstra already rolled out fibre in new developments? ...

CHAIR—Can you give us some examples of where you have done that? ...

Mr Shaw—Senator, we could provide you with a list, if you like, of areas where we have deployed fibre to the home.

CHAIR—Yes, that would be useful for us.

Answer

List of Areas where Telstra has deployed fibre to the home

| State | Developer | Development |
|-------|--|---------------------------------|
| NSW | CARLITO PTY LIMITED | Calala Village FTTP |
| NSW | DANDALOO PTY LTD | HARRINGTON GROVE |
| NSW | Delphin Lend Lease WILTON PTY LTD | Bingara Gorge |
| NSW | Heritage on Peel Pty Ltd | Heritage on Peel 1 Development |
| NSW | Inghams Enterprises | Freeman's Ridge |
| NSW | LEND LEASE DEVELOPMENT PTY LIMITED | Jacksons Landing - Stonecutters |
| NSW | LEND LEASE GPT (ROUSE HILL PTY LTD) | ROUSE HILL |
| NSW | Marloelle Pty Ltd | Windmill Hill |
| NSW | Medalist Golf Holdings | Stonecutters Ridge |
| NSW | Stockland Development Pty Ltd | Bayswood |
| NSW | Stockland Development Pty Ltd | Hundred Hills |
| NSW | Tamworthh Land Company Pty Ltd | Moore Creek |
| NT | Lyons Developement Corporations Pty LTd | Lyons Estate |
| QLD | Ausbuid Plus Pty Ltd | Ecopoint |
| QLD | DRIFTSAIL PTY LTD | Big Sky |
| QLD | FKP RESIDENTIAL DEVELOPMENTS DUPLICATE | Peregian Springs |
| QLD | FKP RESIDENTIAL DEVELOPMENTS PTY LTD the ridges | The Ridges |
| QLD | GEO Development Pty Ltd this | THIS |
| QLD | GEO Developments PTY LTD (Mt Cotton) | Mount Cotton |
| QLD | Glen Eden Land Pty Ltd | Stoneybrook |
| QLD | HATIA PROPERTY CORPORATION PTY LTD huntington | Huntington Downs |
| QLD | HATIA PROPERTY CORPORATION PTY LTD pioneer valley | Pioneer Valley |
| QLD | Heritage Properties Pty Ltd | RiverBend |

| | | |
|-----|--|--|
| QLD | Hotels & Developments Pty Ltd | Cascade Gardens |
| QLD | Indigo (Novotel Palm Cove) Land Owner Pty Ltd | Ocean's Edge (Palm Cove) |
| QLD | M2 Property Group Pty Ltd as Trustee for the M2 Development Trust No.8 | Eight Mile Plains - Centrus |
| QLD | Medallist (FTTP Infrastructure Only) | Brookwater |
| QLD | Mirvac Queensland Pty. Ltd. | The Fairways - Brookwater |
| QLD | Multiplex Bluewater Pty Ltd | Bluewater |
| QLD | Nifsan Developments Pty Ltd | Emerald Lakes |
| Qld | Parkside Development Pty Ltd | Liberty Rise Estate |
| QLD | Plantation Palms Properties Pty LTD | Plantation Palms |
| Qld | PLATINUM DEVELOPMENTS (QLD)PTY LTD | SANCTUM ESTATE |
| QLD | PRA Developments Pty Ltd | Doolandella |
| QLD | QM Properties | Pacific Harbour Golf & Country Club |
| QLD | RIVERSIDE RIDGE PTY LTD | Riverside Ridge/Glen Alpine |
| QLD | Satterley Property Group Pty Ltd | Smithfield Village (new Stage 5&6 Onwards) |
| QLD | Scottsdale Homes Pty Ltd | Highbury Park Estate |
| QLD | SHD UNIT TRUST PTY LTD | Kerrisdale |
| QLD | Stockland Development Pty Ltd observatory | The Observatory |
| QLD | Stockland Development Pty Ltd riverstone | Riverstone Crossing |
| QLD | The Trustee for K & V Enterprises | Canopy's Edge |
| QLD | TRALEE PROPERTIES | Boonaroo Views |
| SA | Kabaro Pty Ltd | The Marina Hindmarsh Island |
| SA | Mount Barker Dvelopments no.1 Pty Ltd | Bluestone Mount Barker |
| VIC | C/ Geo Developments Pty Ltd Eynesbury Development Joint Venture | Eynesbury |
| VIC | DLL LAURIMAR PARK PTY LTD | LAURIMAR |
| VIC | GEO DEVELOPMENT PTY LTD Cascades On Clyde | Cascades on Clyde |
| VIC | GEO development PTY LTD cornells hill | Cornells Hill |
| Vic | Hunt Club Pty Ltd | The Hunt Club |
| VIC | Kew Development Corporation Pty LTd | Kew Cottages (Main Drive) |
| VIC | Martha Cove Management Pty Ltd | Martha Cove |
| WA | Ardross group of companies Beachridge Copper | Beachridge Velocity |

| | | |
|----|--|--------------------------------|
| WA | Baldivis North Unit Trust | Baldivis North |
| WA | BALWYN MARGARET RIVER PTY LTD | Rapids Landing |
| WA | Dalyellup Beach Pty Ltd trustee for the Dalyellup Beach Estate | Dalyellup Beach |
| WA | Ellenbrook Management Pty | Ellenbrook |
| WA | FRASER MANDURAH PTY LTD | FRASERS LANDING |
| WA | HERON PARK WA PTY LTD AS TRUSTEE FOR THE HERON PARK JOINT VENTURE | Heron Park |
| WA | IRONBRIDGE PTY LTD broadwater park | Broadwater Park Private Estate |
| WA | Ironbridge Pty Ltd The Tuarts | The Tuarts Dalyallup |
| WA | Landcorp champion lakes | Champion Lakes/Champion Drive |
| WA | Lowe Pty Ltd & the department of Housing and Works WA T/A Oyster Harbour Joint V | Clydesdale Estate |
| WA | Lowe Pty Ltd & the department of Housing and Works WA T/A Oyster Harbour Joint V | Bayonet Head |
| WA | LWP BYFORD SYNDICATE PTY LTD | The Glades Byford |
| WA | Mac Cormick Property Group | Yalyelup |
| WA | OCEAN SPRINGS PTY LTD | Brighton |
| WA | Richwood Holdings PTY LTD / As Trustee for Kalbarri Land Unit Trust | Capital Hill |
| WA | Satterley (JV with Lowe) | Ibis Gardens |
| WA | SATTERLEY PROPERTY GROUP PTY LTD austin cove | Austin Cove |
| WA | Satterly East Busselton Estate | Provence |
| WA | Seaport Pty Ltd port geograph | Port Geographe |
| WA | Seaport Pty Ltd vasse newton | Vasse Newtown |
| WA | Western Australian Land Authority T/A Landcorp | EVERMORE HEIGHTS |
| WA | YANCHEP SUN CITY PTY LTD&CAPRICORN INVESTMENT GROUP PTY LTD | Capricorn Village |

ECA 9-10

Senator LUNDY—Does Telstra disclose to customers, new and old but particularly in new estates coming online, the exact details of the provision of ADSL, including the qualifying statement that would be necessary if a RIM or pair gain was in place, which is, 'You may not be able to get an ADSL connection in this estate'? Do you disclose that anywhere in your product listing or advertising material?

Mr Shaw—I would rather take that on notice and give you a specific answer.

Senator LUNDY—I suspect the answer is no. The final issue for me, chair, is where ADSL is not able to reach an area. I have recently received a complaint where Telstra once again,

according to this complaint, have attempted to say to a customer, 'If you use Telstra's ISP services, BigPond, then you will be able to circumvent a pair gain system or have new copper installed.' I continually get these allegations, and I will be pursuing this one with the ACCC as well. I would like you to state on the record what Telstra's policy is towards people who request an ADSL connection via one of Telstra's service level competitors, an ISP, and what your treatment of that request is, both front of house and back of house. I am happy for Telstra to take that on notice.

Answer

1. Disclosure of ADSL availability

When engaging with our customers, Telstra qualifies its offerings with a disclaimer that a requested service may or may not be available in all areas. Telstra uses a number of means of ensuring a customer is aware that a service such as ADSL and ADSL+ is or is not available in their particular case. As set out below, Telstra undertakes a number of service checks (depending on the service) to readily identify if a particular service(s) is available to that customer, in that area, at that time.

There are several contexts in which we may make disclosures about limitations on the availability of ADSL services to our retail customers and prospective retail customers. Below are the contexts and details of how we make this disclosure. This response does not go into the inner workings of the various automated Service Qualification tools for checking availability of ADSL and ADSL 2+ services in our various systems

Customers calling Telstra or BigPond Front of House, visiting Telstra owned or licensed retail stores or Telstra dealers

Our processes and training for consultants require them to perform a Service Qualification check as the first step when a customer enquires about ADSL or asks to place an order for ADSL. The Consultant informs the customer that they need to obtain the customer's phone number and/or address in order to perform some initial checks to ascertain if ADSL and/or ADSL 2+ service is available to them. Consultants use automated Service Qualification tools to check the availability of ADSL and/or ADSL 2+. Results from these checks are either:

- Available;
- Unavailable;
- Maybe available or available but with field work.

Depending on the result/s obtained from the above Service Qualification checks our processes require that consultants inform customers as follows:

- **Available:** inform customer accordingly;
- **Unavailable:** inform customer that there is unfortunately no availability and offer an alternative internet solution e.g. wireless, cable. Service qualification checks returning an "unavailable" result also include details (e.g. "no available ADSL paths" or "excessive transmission loss") which are sometimes used to further explain the lack of availability to customers requesting further details. For example, customers may be told that there are no available ports or that they are too far from the exchange.

- **Maybe available or available but with field work:** customer is to be advised *“A check I have just made indicates that ADSL may be available at your address. Telstra BigPond will need to conduct some further checks to verify availability. You will be advised if the outcome is Unavailable within the next 7 days, otherwise if the checks are successful, your order will provision as normal.”* The customer is also advised at this point that an appointment cannot be booked until the service can be confirmed. An order for ADSL can be submitted without requiring an appointment but our systems generate a task for remediation by the Data Activation Centre who perform further checks and contact BigPond to advise whether the order will proceed.

We note that when a Service Qualification check is conducted, the result of that check only applies at that point in time. Following the submission of an ADSL order, what was an ‘available’ service may change to ‘unavailable’ when the order reaches the stage of assignment of a DSLAM port, as plant is only reserved after an order is received. This is to ensure that ADSL orders, whether they are retail or wholesale, are fulfilled in the order of receipt. Ports cannot be reserved as part of the Service Qualification process as customers may make enquiries regarding availability with a number of providers or not proceed with an order at all.

Customers outbound telemarketed or visited by a door-to-door representative from one of Telstra’s contractors

Telstra’s outbound telemarketing contractors cannot perform the same Service Qualification checks as outlined above (due to lack of access to the same systems). However, for customers or prospective customers enquiring about ADSL, they firstly perform a check using the BigPond availability tool (see (1) under “BigPond” below). If an available result is returned, consultants indicate to customers that ADSL is not available to customers in all areas and follow a script that includes the following statement:

“Telstra will do some tests on your service before your order can be finalised and will let you know if there are any problems.”

Telstra’s door to door representatives are required to call in to a verification call centre to complete customer orders. That verification centre uses the same process and scripting as outlined above for outbound telemarketing contractors. Door to door representatives are additionally trained to inform customers of the fact that ADSL is not available in all areas.

Disclosure on BigPond and telstra.com sites

BigPond

1. The BigPond ADSL Home Page has a clear disclaimer that ADSL and ADSL 2+ are *“Not available to all customers in all areas”*. There is also a prominent *“Check Broadband Availability”* link at the top right of the page which takes the customer or prospective customer to an availability tool allowing them to check for themselves whether either ADSL or ADSL 2+ is available in their area after entering their phone number. The availability tool can be accessed directly at:

<https://my.bigpond.com/check-availability/default.do>. If any ADSL or ADSL 2+ availability is shown for the customer the following prominent disclaimer appears:

"1. Not available to all customers or in all areas. Speeds based on Telstra tests. Your actual speeds may be slower due to factors eg. network configuration, line quality & length, your exchange, your location, internet traffic, your equipment/software. About 50% of members on the 20Mbps plan can access speeds around 10Mbps or more. About 70% of members on the 8Mbps plan can access speeds around 6Mbps or more. With a Home Network Gateway, actual download speeds are slower than our top speed."

2. The BigPond ADSL "What Is it", "Plans and Offers" and "Rapid Transfer" pages also have links to a FAQ "Can I Get ADSL or ADSL 2+ in my area?". This FAQ in turn links to the above availability tool. This FAQ clearly states how to complete the service availability check and says that "ADSL and ADSL 2+ are not available to all customers in all areas. Please use this availability tool to check availability in your area."

3. If a customer proceeds to the order page to order ADSL or ADSL 2+ the first thing the system does is a further more detailed service availability check, this time requiring the customer to enter their full address and phone number.

4. The BigPond ADSL Home Page additionally contains a link to a FAQ "What Should I do if ADSL is not available in my area". This FAQ contains a link allowing prospective ADSL customers to register their interest. This register can be accessed directly at: http://bigpond.custhelp.com/cgi-bin/bigpond.cfg/php/enduser/std_adp.php?p_faqid=11757

Telstra.com

Like the BigPond Home Page, the telstra.com ADSL Home Page has a prominent "Not available to all customers in all areas" disclaimer. It also contains the same speed disclaimer as that referred to in (1) above. The links on the telstra.com Home Page including "Can I Get It", "Plans and Offers" and "Buy Online" all link to the relevant BigPond pages. The "Can I Get It" link takes the customer or prospective customer to the availability tool on bigpond.com which is referred to in (1) above.

Direct mail promoting take up of BigPond

We do Service Qualification checks to ensure that direct mail of this type only goes to customers in areas that have ADSL available. All direct mail of this type additionally contains a prominent disclaimer that "ADSL/Cable not available in all areas or to all homes" or "Service not available in all areas".

Above the line advertising

All our above the line advertising on ADSL or BigPond contains a prominent disclaimer that "ADSL/Cable not available in all areas [or to all homes]" or "Service not available in all areas".

2. Treatment of ADSL Orders

All ISPs (who are customers of Telstra Wholesale) must use Telstra Wholesale's online channel (LOLO/LOLIG) to place ADSL requests for their end customers. These connection requests must pass a service qualification check.

If service qualification:

1. fails because of a pair gain system or other technical inhibitor - Telstra Wholesale will automatically submit the request to the Data Activation Centre for an alternate path check; or
2. indicates no ports are available at the time of request- the order is sent to the Data Activation Centre to conduct further checks.

If sent to the Data Activation Centre, then determine that there are no ports available:

1. in DSLAMs not located at the exchange but within the broader network such as at a RIM - the order will be rejected; or
2. in an exchange based DSLAM - the order will be held until the exchange is augmented or a port becomes free at which stage the ports will be assigned in order receipt.

For all orders, including Telstra retail orders, the Data Activation Centre assign ADSL ports on a first come first served basis.