

16 November 2005

Office of the Company Secretary

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra Technology briefing

In accordance with the listing rules, I attach a copy of a presentation to be made today, for release to the market.

Yours sincerely



Douglas Gration
Company Secretary

Technology Briefing

16 November 2005

Disclaimer

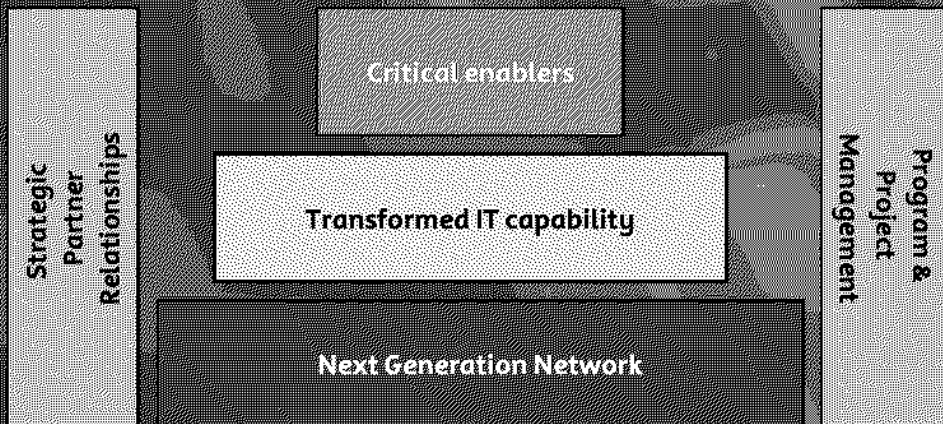
These presentations include certain forward-looking statements that are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause actual results to differ materially from those expressed in the statements contained in these presentations. For example, the factors that are likely to affect the results of Telstra include general economic conditions in Australia; exchange rates; competition in the markets in which Telstra will operate; the inherent regulatory risks in the businesses of Telstra; the substantial technological changes taking place in the telecommunications industry; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. A number of these factors are described in Telstra's Annual Report and Form 20-F.

All forward-looking figures in this presentation are unaudited and based on AGAAP. Certain figures may be subject to rounding differences. All market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated.

Greg Winn

Chief Operations Officer

Major Elements of the Change Effort



The Build will be Guided by Four Principles



Principle #1: Do it once

- Right first time, every time
- Simplify, standardise, focus
- Less of everything – fewer products, platforms, applications, processes, vendors
- Capture the benefits of scale through focus

Principle #2: Do it right for the customer

- Invest against the things customers value

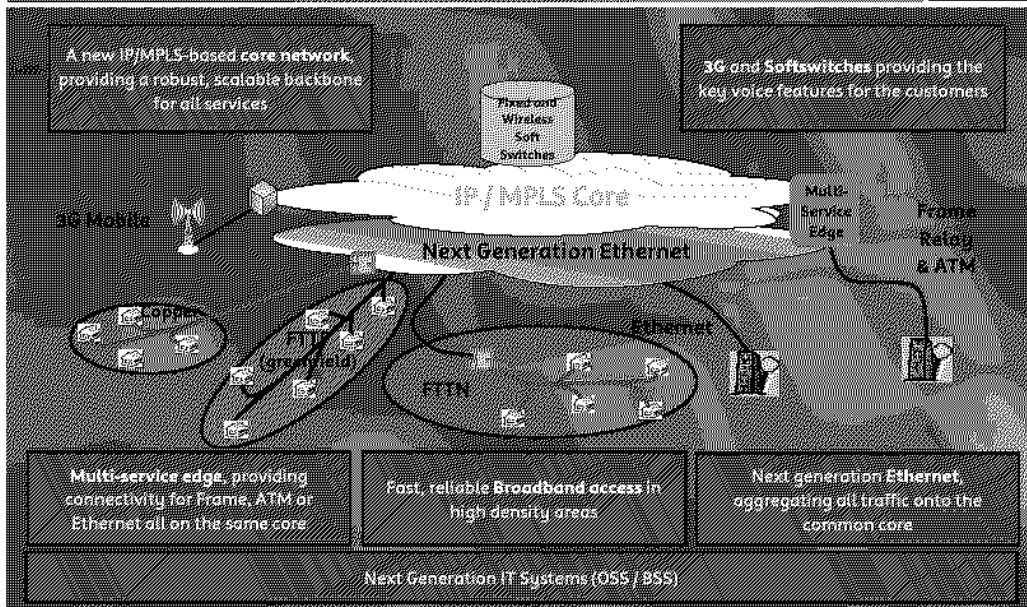
Principle #3: Do it in an integrated way

- One Factory
- End to end approach
- Whole greater than the parts

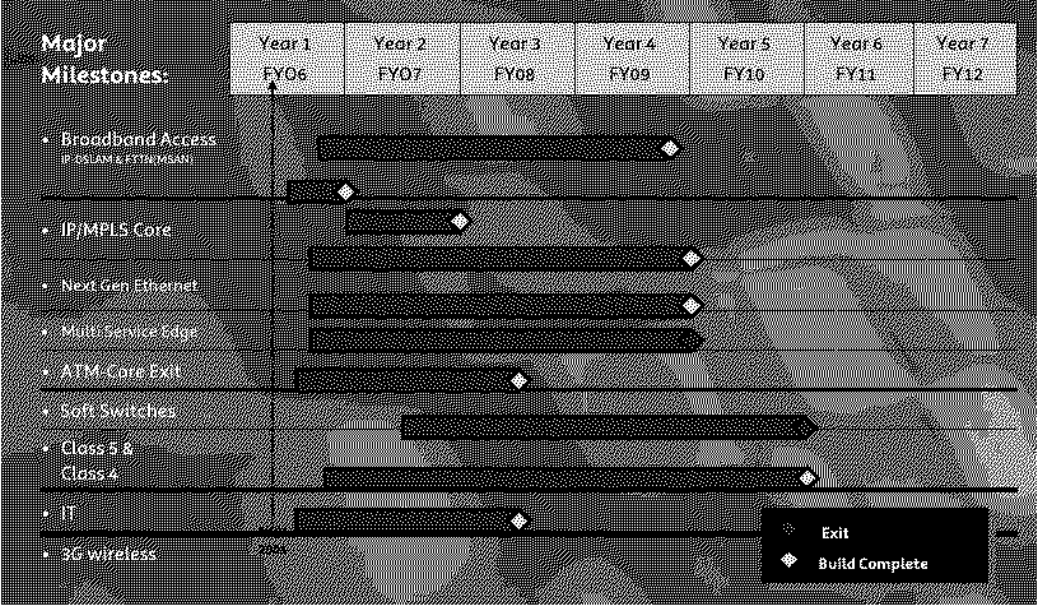
Principle #4: Do it at the lowest unit cost

- Scalable
- Costs grow slower than revenues and volumes
- Limited manual intervention

We will Implement a Next Generation Network



Timeline for NGN Build (5 Major Cities)



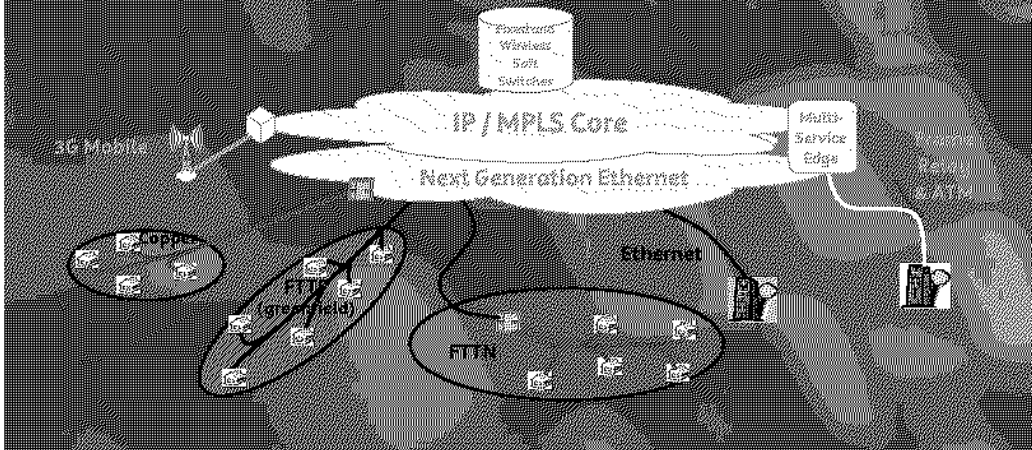
Jim More

General Manager
Access Infrastructure

We will Implement a Next Generation Network



Broadband Access



Delivering Multi-service capability over an IP Network

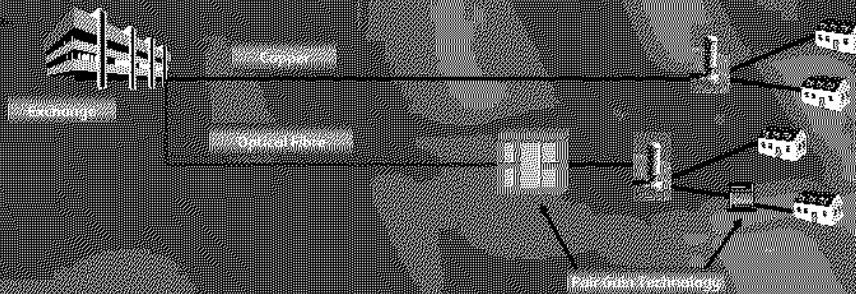


Capable of delivering integrated triple-play of voice, data and video services



Where we are Today

Celstra

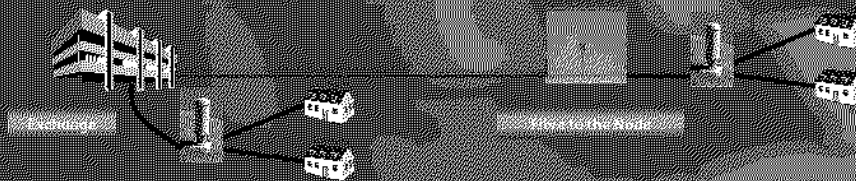


5 Major Cities:

5.4M	PSTN/ISDN Services
1.1M	Broadband services
1.5Mbps	Data speeds
97%	Broadband coverage

Transforming Access to High Speed Broadband

Celstra



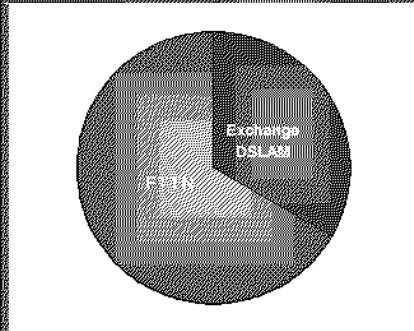
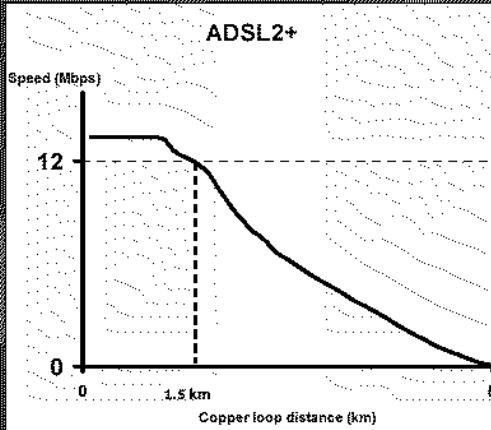
- DSL equipment installed within 1.5 kms of customers
- 12Mbps data speeds to 4M service addresses using ADSL2+
- Fully provisioned for fast connection
- All broadband blockers removed

Delivering at Least 12 Mbps



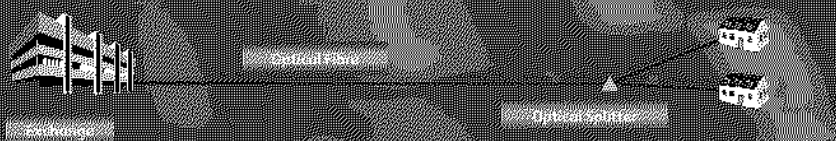
Maximising speed from ADSL

100% customer coverage with ADSL2+ for the 5 Major Cities footprint



Two thirds of customers will be served by FTTN, and one third by exchange based DSLAMs

Transforming Access to High Speed Broadband



FTTP (Fibre To The Premises):

Deployed in greenfield new estates

Voice & high speed data

Video on RF overlay, or over IP

Technology evolving from Broadband Passive Optical Network (BPON) to Gigabit Passive Optical Network (GPON)

A Faster, More Convenient Customer Experience



Pre-provisioning customers for high-speed broadband access allows rapid activation and saves cost

Before

Without pre-provisioning



Order Entry & Dispatch



Travel Time



Connection Time



Next Job



Customer wait

After

With pre-provisioning



Order Entry



Customer calling

Doing it right for the customer is better for them and Telstra

Deployment



Upgrading 450 exchanges

Installing 20,000 Nodes (FTTN)

Conditioning the copper network to enable 12Mbps service

- Removing 7,500 Pair Gain Systems
- Removal of loading coils
- Removal of bridge taps

3 year program

Fully provisioned high-speed broadband to 4 million service addresses

All PSTN services in the footprint area will be migrated to a Multi-Service Access Network with an IP core

Major Milestones:

- Broadband Access

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
FY06	FY07	FY08	FY09	FY10	FY11	FY12

NOV 2005

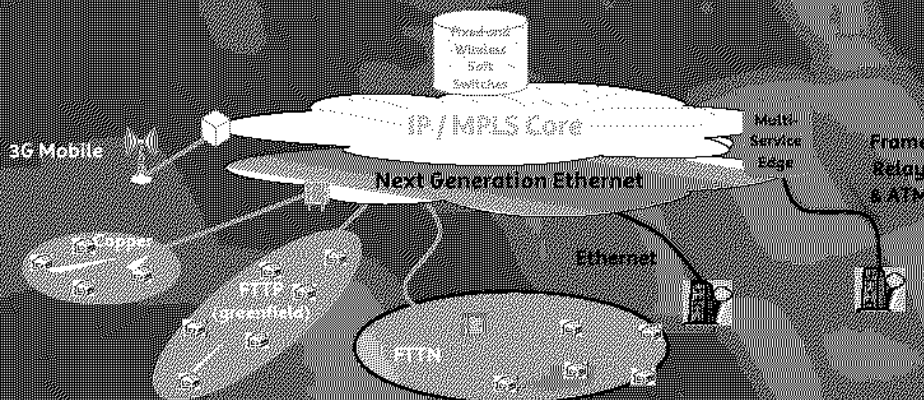
Build Complete

Bill Felix

General Manager
Core Networks

We will Implement a Next Generation Network

Backbone Network



Delivering Multi-service capability over an IP Network

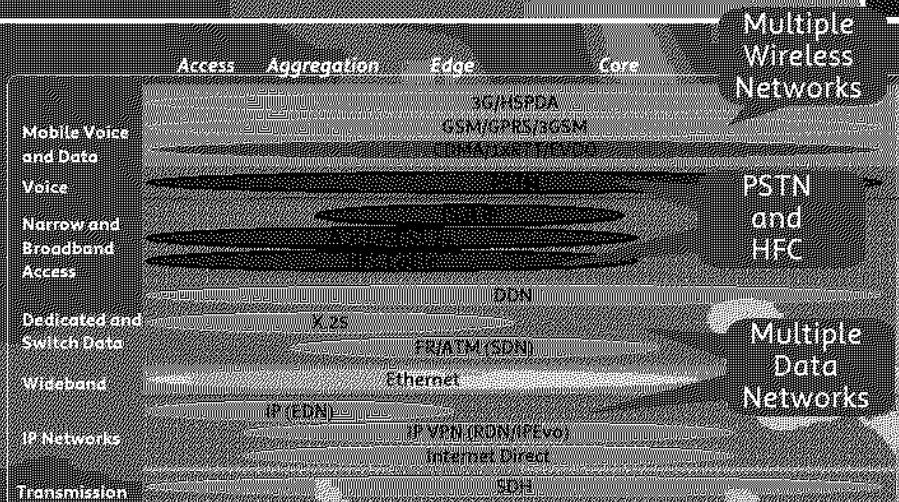
Celstra

Capable of delivering integrated triple-play of voice, data and video services



Where we are Today: Separate Networks

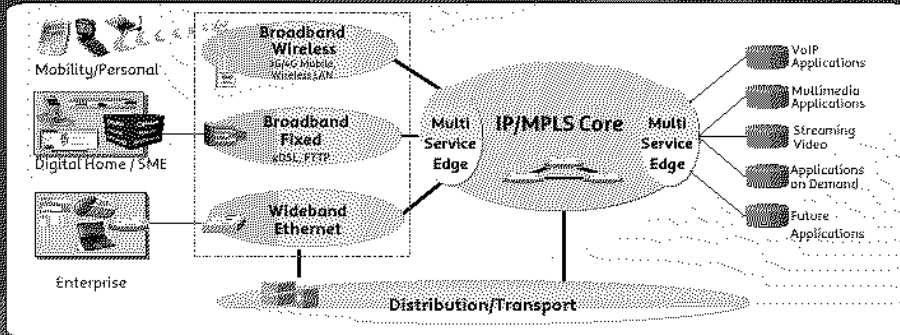
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Services & applications tightly coupled with disparate networks & access types
 Systems custom-built & vertical for each network & access type
 Not aligned with future product direction

We will Implement a Next Generation Network

Celstra



Services & applications seamlessly available over any network or access type

Common & reusable architecture lowers incremental product costs and time to market

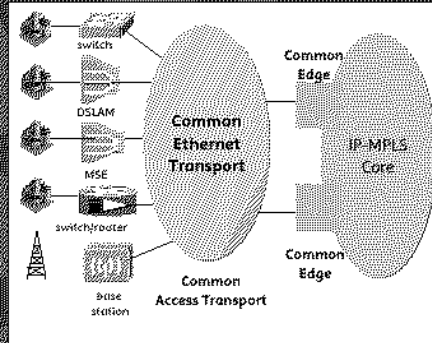
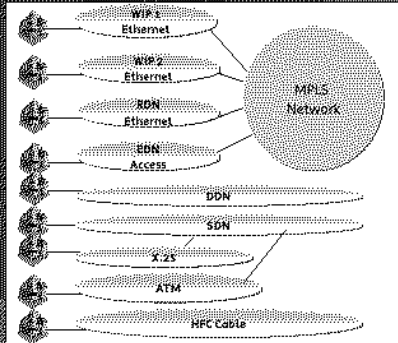
Single & simpler operational model with horizontal, re-usable systems

Celstra

Kerby Lyons

Group Manager
Data Networks

Ethernet Aggregation



TODAY: 40Gbps per node

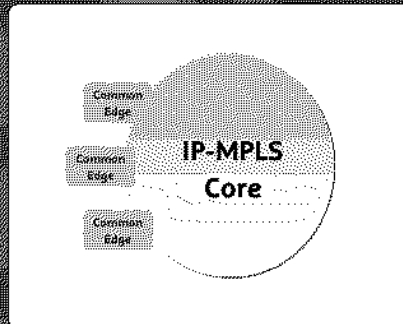
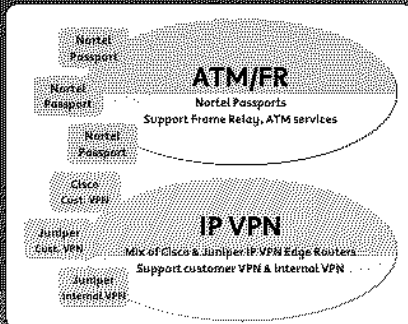
Multiple separate access networks & multiple technologies

Separate OSS, BSS & Architecture

FUTURE: ~160Gbps per node

Reduction of 750 Ethernet platforms
Common Ethernet transport network
4 times increase in platform capacity

Multi-Service Edge



TODAY: ~60Gbps per node

Separate Edge and Core for ATM/FR & IP VPN services

Separate OSS, BSS, & Architecture


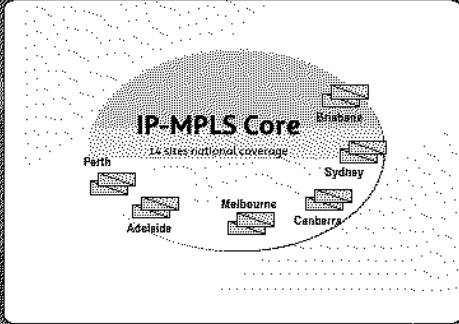
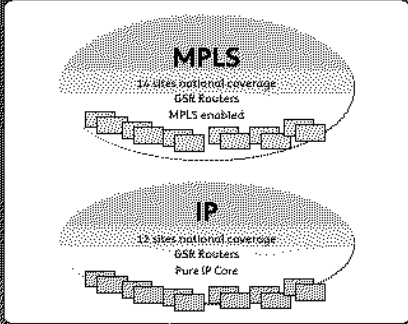
FUTURE: ~400Gbps per node

Reduction of 1,000 Edge platforms

Single OSS, BSS & Architecture

6-8 times increase in platform capacity

IP-MPLS Core


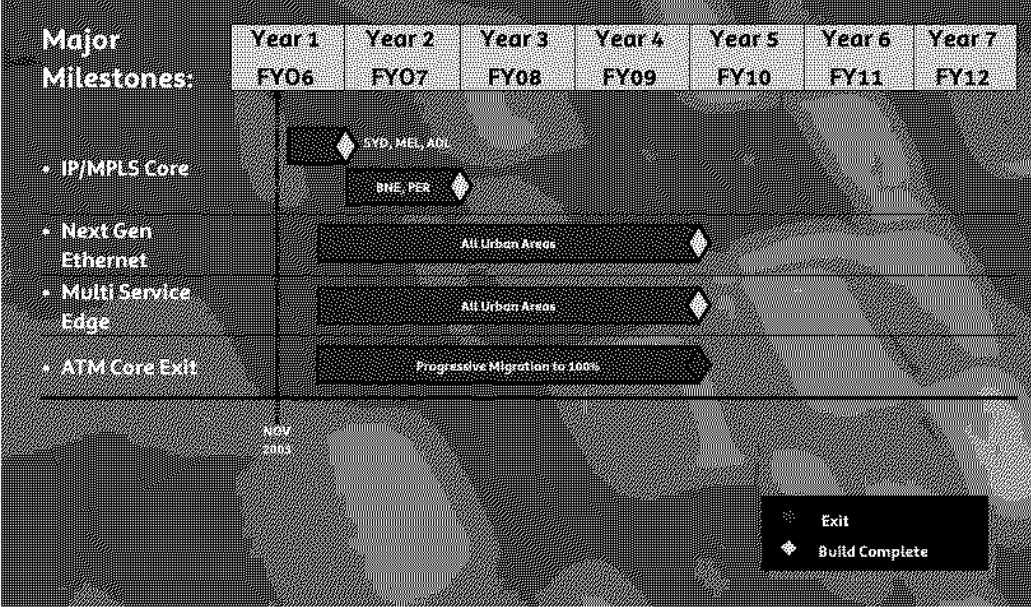
TODAY: 1.2 Tbps per node

- Separate Core for Internet & Business
- 52 Core routers
- Separate OSS, BSS & Architecture

FUTURE: 92Tbps per node

- Single core for Internet & Business
- Reduction of 24 Core routers
- Single OSS, BSS, & Architecture
- 77 times increase in platform capacity

Timeline for NGN Build (5 Major Cities)

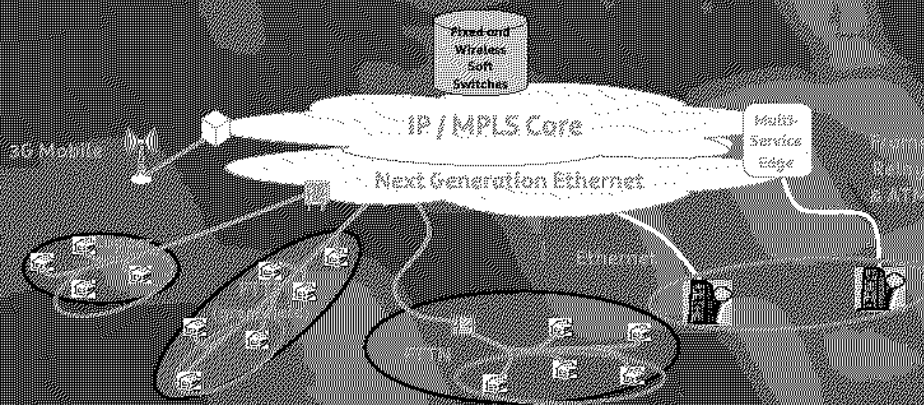
Jamie Chard

Group Manager

Digital Home & Voice Strategy

We will Implement a Next Generation Network

Softswitches & Home Gateways



Delivering Multi-service Capability Over an IP Network

Celstra

Capable of delivering integrated triple-play of voice, data and video services



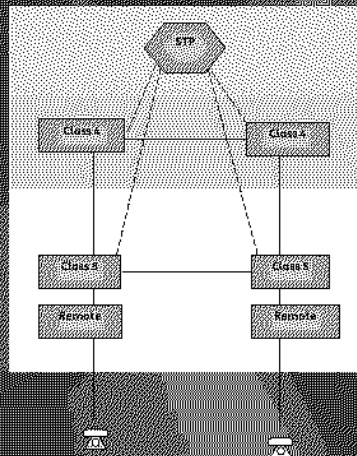
Today's Fixed Voice Network

Celstra

SIGNALLING

TRANSIT

ACCESS



5 Major Cities:

5.4M PSTN/ISDN Services

• Currently serviced by 116 Class 5 switches

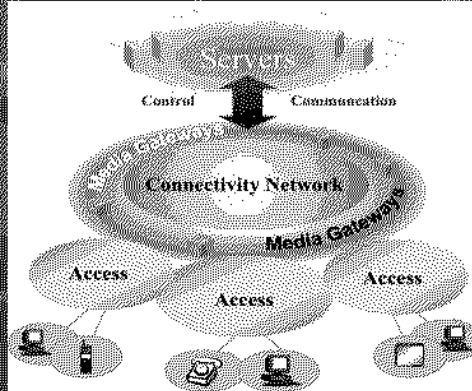
The Transformed Network

- Evolution to telephony over a common IP core

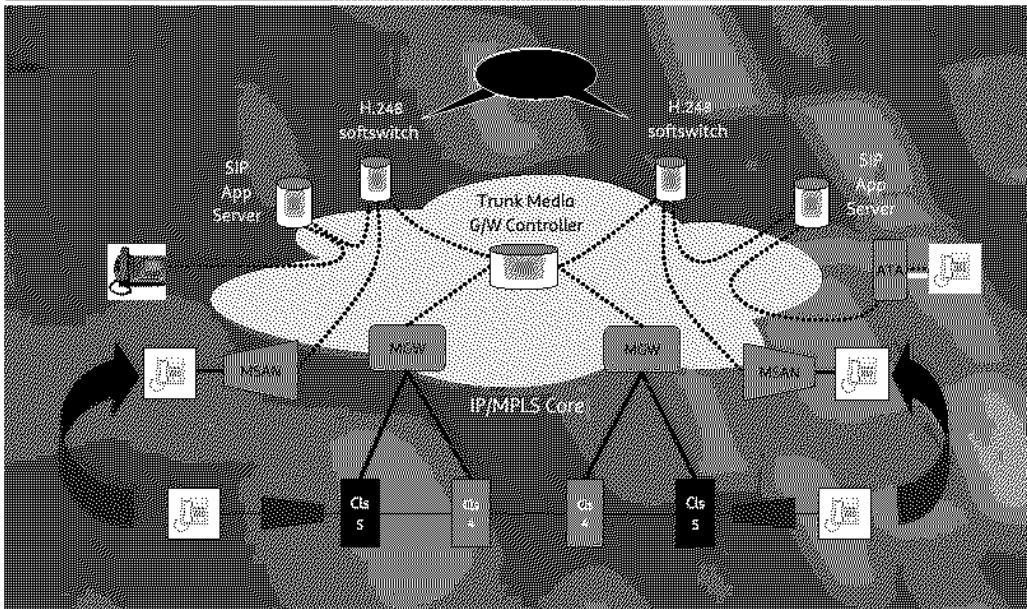
- A converged packet transport core connecting users and devices to a range of service provider and platforms

- Continued support of Plain Old Telephony Services

- New Voice/Video-on-Broadband enhanced voice services



Transformation of the PSTN



Softswitch Introduction

Telstra

Softswitches will be installed to service the 5 major cities

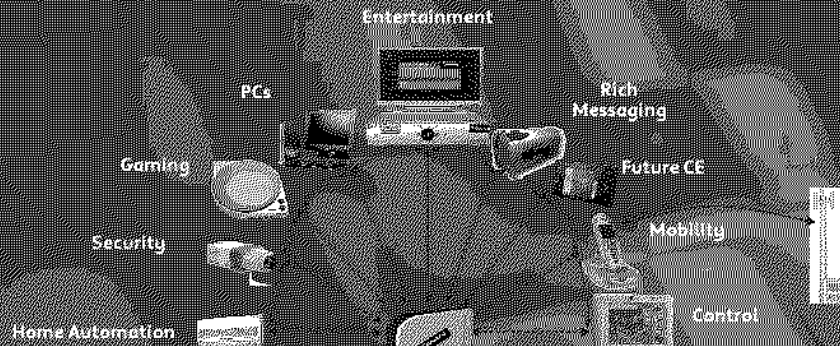
Approximately half of all Telstra's PSTN customer lines will then be serviced from softswitches

10 softswitches replacing 116 Class 5 switches



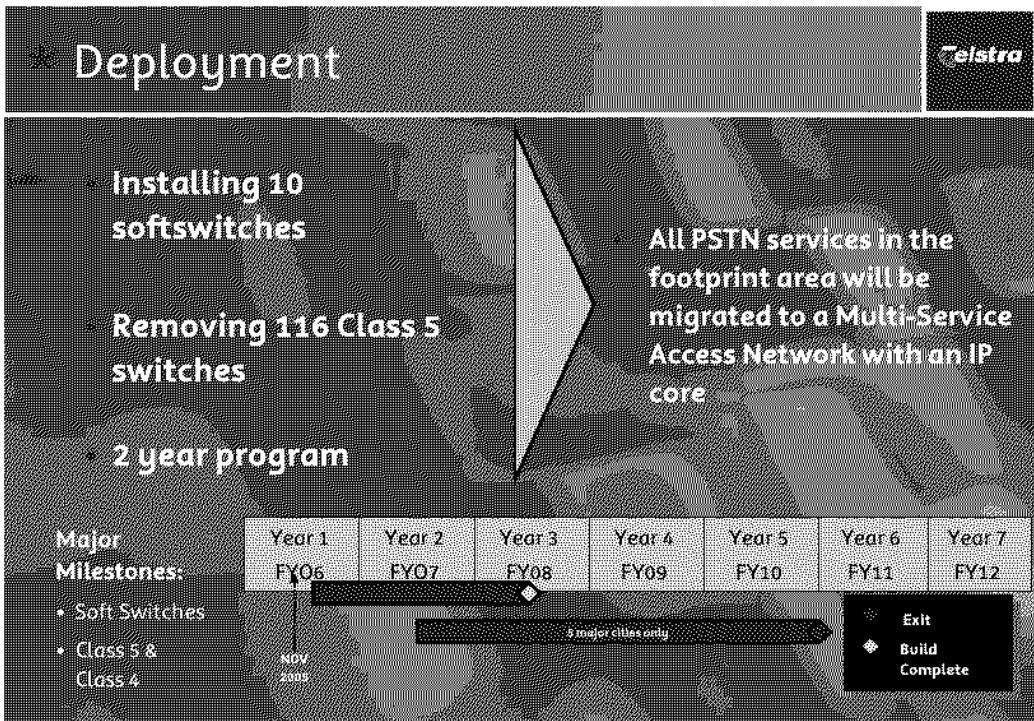
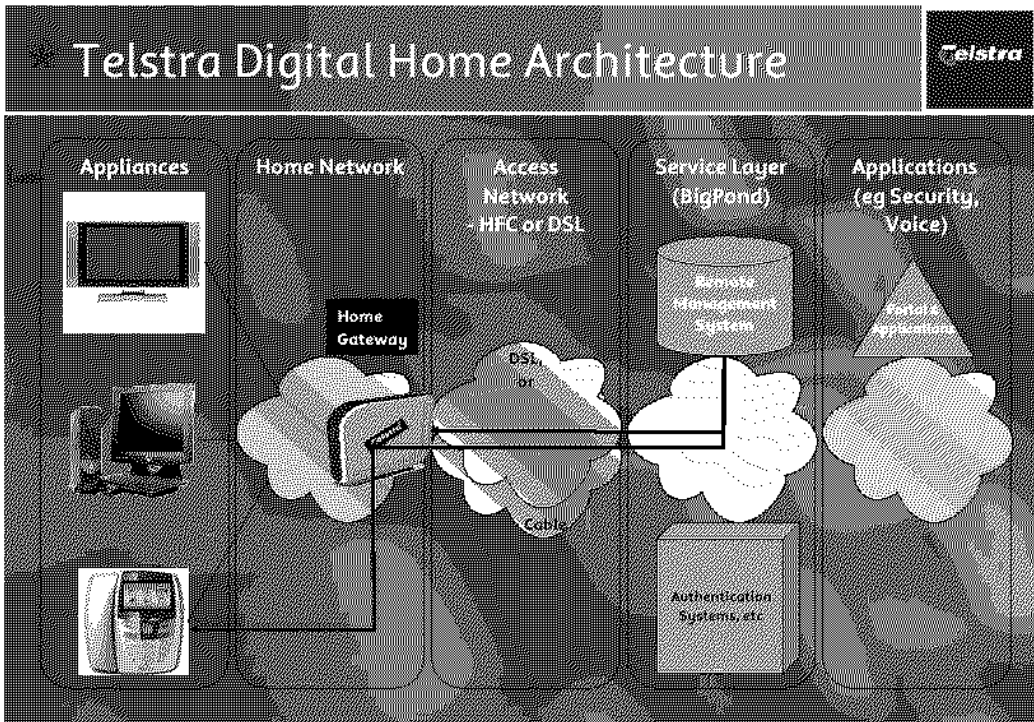
What is the Digital Home for Our Customers?

Telstra



Telstra removes the complexity:

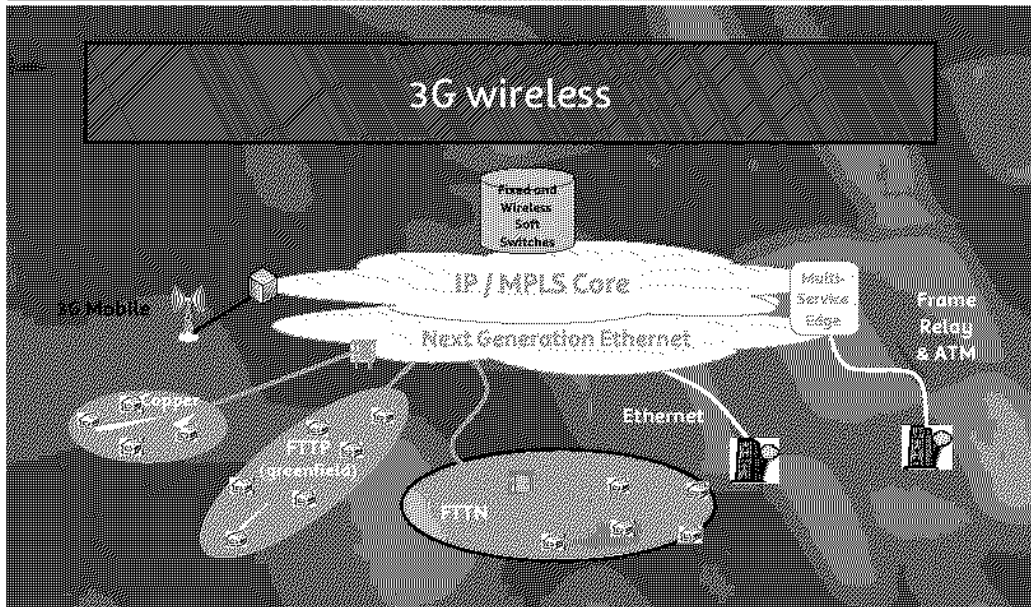
- Single provider
- Integrated services
- Telstra gateway & management



Mike Wright

General Manager
Mobile Networks

We will Implement a Next Generation Network



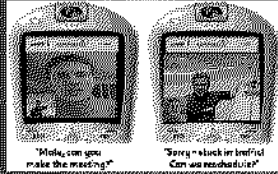
Delivering Multi-service Capability Over a Single National Mobile Technology Platform



Capable of delivering integrated voice, video, content and wireless broadband



Voice Calling



Video Calling



Mobile Content

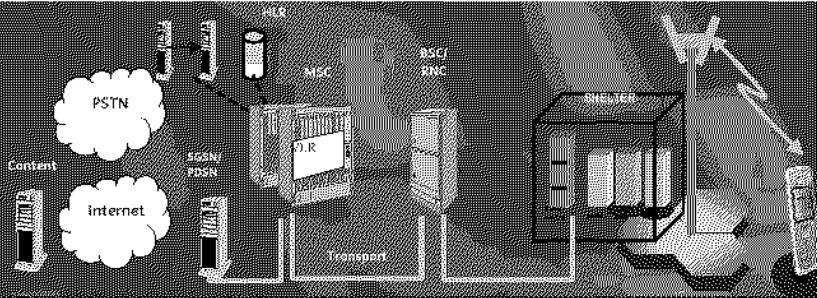


Video Messaging



Wireless Internet

Where we are Today



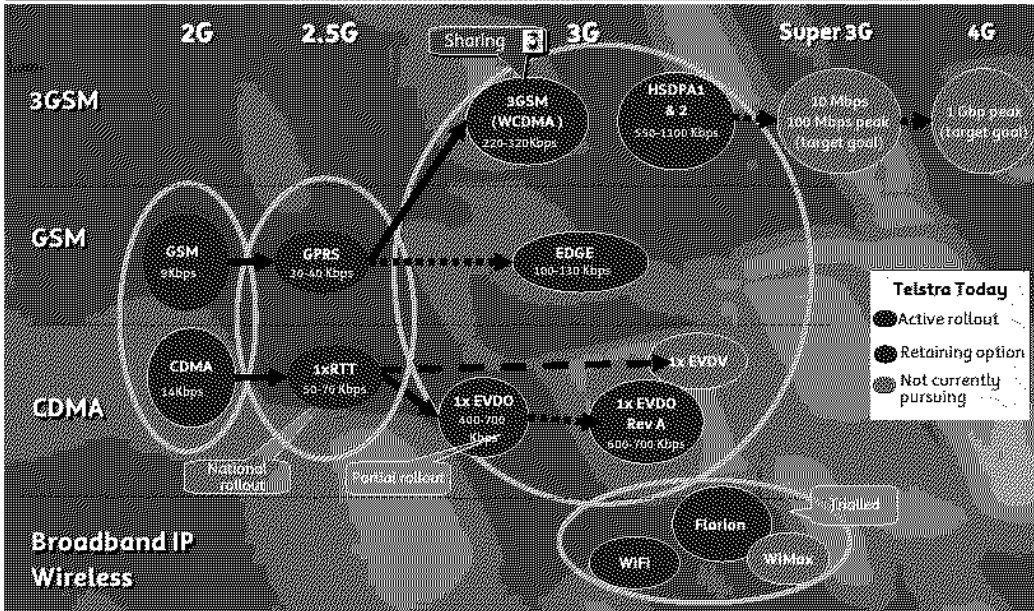
3 Mobile Networks:

- Over 8.3m Mobile Services
- > 4,900 GSM Towers
- > 2,100 3GSM Towers
- > 3,480 CDMA Towers
- 3 Core Switching Systems

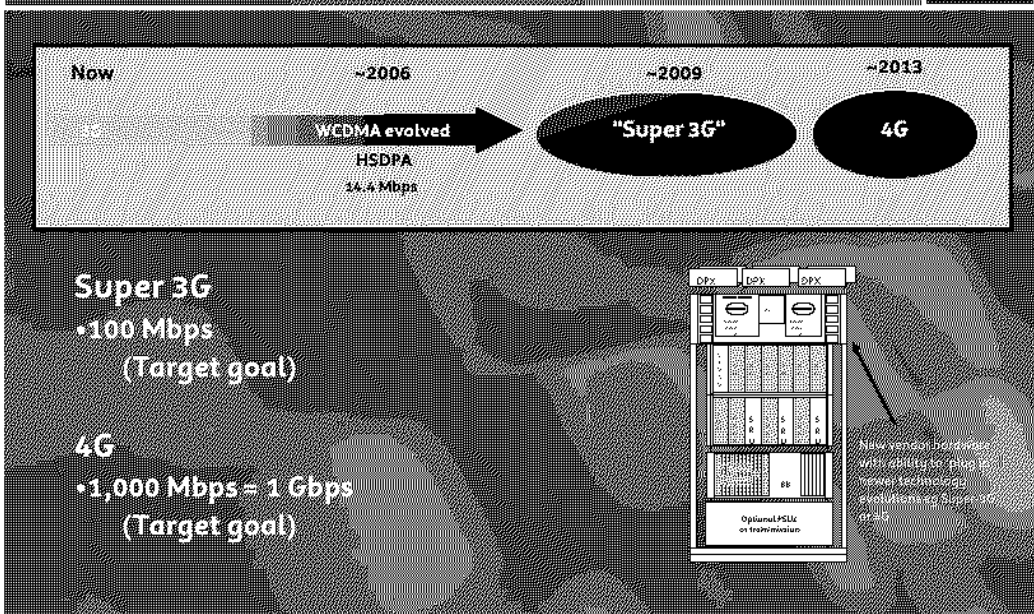
Duplication

4,930	
Metro - unique	Rural - unique
Rural - unique	Metro - overlap
Metro - overlap	Rural - overlap
7,480	
GSM	CDMA

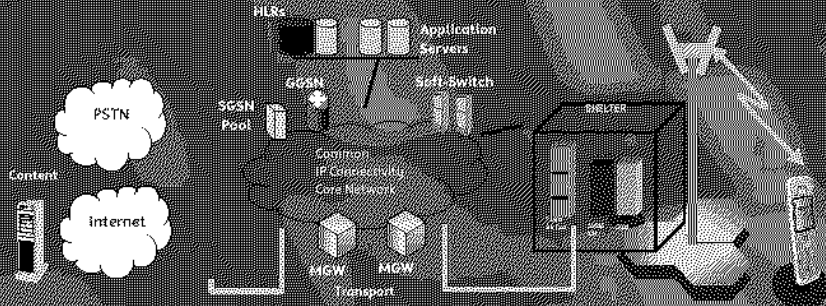
Telstra has Continued to Invest in Multiple Technologies Across Multiple Wireless Platforms



3GSM Lays the Foundation for Super 3G & 4G

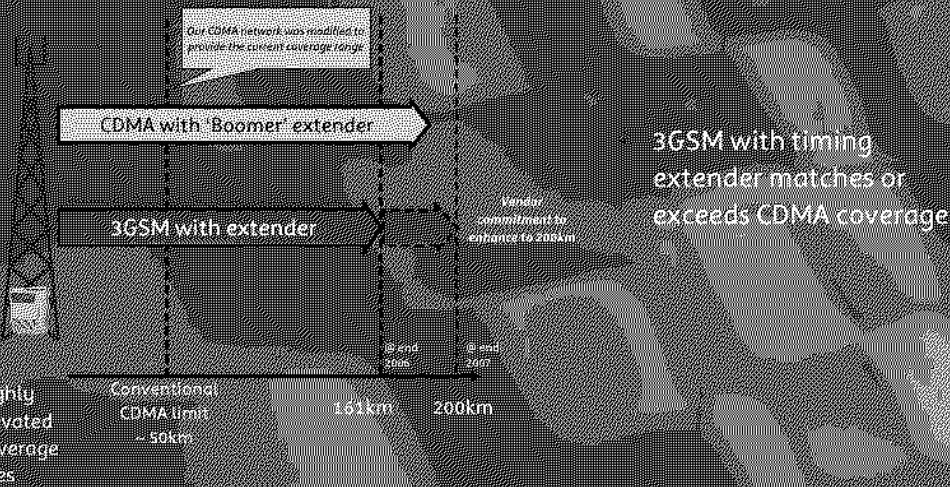


Transforming Access to 3GSM 850 Everywhere



3GSM Equipment installed into over 5,000 base stations
Upgrade and migration to a single, Soft-Switch based core
Upgrade of all legacy 2G hardware and enabling of EDGE
1.6m sq kms of 3GSM coverage equivalent to CDMA
Voice, Video, high speed data & fixed wireless broadband over a single network

3GSM (WCDMA) Based on the Same Technology and has Same Coverage Capability as CDMA



Deployment



Upgrading >5,000 sites to 3GSM-850

Transforming to a single soft-switch based core

Improving coverage by installation of additional sites to:

- improve metropolitan coverage depth & breadth
- improving coverage along key highways
- in-building coverage

2 year program

3GSM-850 into existing sites by H2-2006

Major Milestones:

- 3G wireless

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
FY06	FY07	FY08	FY09	FY10	FY11	FY12

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Build Complete

John McInerney

General Manager

OSS Transformation (Program Office)



We will Implement a Next Generation Network



IT Transformation

- Business Support Systems include
 - CRM
 - Sales and Marketing
 - Billing
- Operational Support Systems include
 - Assurance
 - Fulfilment
 - Inventory

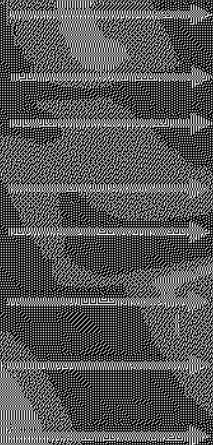
IT Systems – Representative Capability Delivery



Current Capability

- Fragmented, siloed view of the customer
- Limited product bundling
- Cross-sell and up-sell only within a "Product Silo"
- Limited customer self service
- Customers endure long lead times for product activation
- Customers are unable to control their costs
- Business customers are unable to analyse their bills
- Network fault management

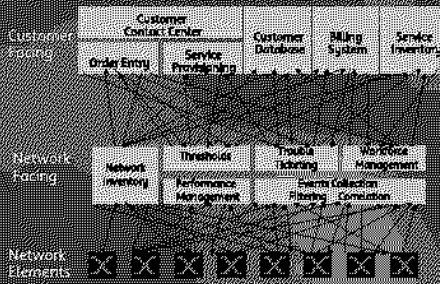
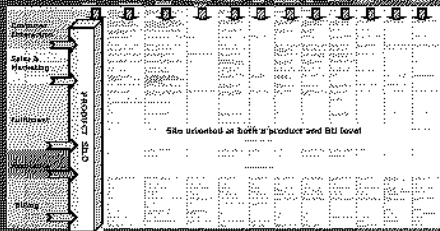
3-5 Years
(Multiple Drops)



Breakaway Capability

- Single, holistic view of the customer
- Open Play product bundling
- Cross-product up-sell and cross-sell based on customer needs
- Customer self service
- Real-time activation of products/services
- Real-time cost control & business management
- Flexible bill reporting and analytics
- Proactive customer problem management, including SLA and contract management

Current IT Systems Environment



Product / Network "silo" based

Product / network specific legacy portfolio, very high complexity to get single customer view and have flexibility with product and billing

Large Portfolio with high complexity

High number of fragmented systems, interfaces, duplicated data

Extensive custom code and vendors

Mix of legacy custom code and older vendor packages that are not integrated

Technology based implementations

Limited attention to "whole of customer" and converged services

IT Systems – Key Drivers



Support the "Velocity of Change" needed to compete in the new marketplace

Reduce over 1200 BSS / OSS systems by 75% in three years (to ~ 250) and 80% in five years (to ~ 200)

Reduce total cost of ownership and simplify business process through use of COTS (commercial off the shelf solutions)

Change in architectural model to support business requirements in a variable cost model

Migrate to customer and IP technology focused platforms

Consolidate and transform the IT processing and storage infrastructure

Reduce total cost of ownership through migration to a single CRM and Billing Platform across the entire company

Major Milestones:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
FY06	FY07	FY08	FY09	FY10	FY11	FY12

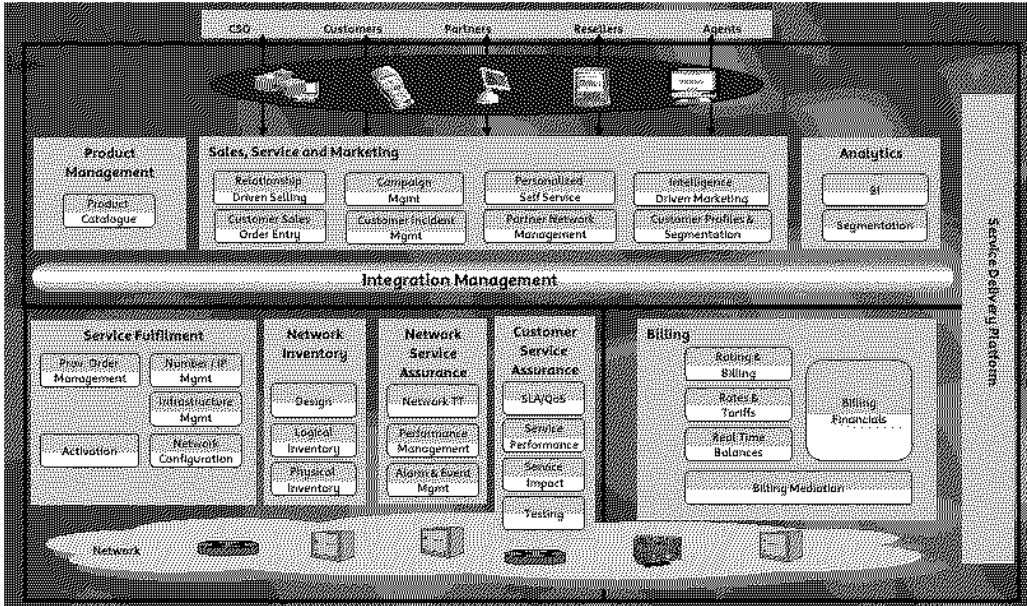
• IT

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◆ Build Complete

Transformation Blueprint

Telstra



Telstra

Greg Winn

Chief Operations Officer

Q & A