

Commonwealth of Australia

Telecommunications (Consumer Protection and Service Standards) Act 1999

**Telstra Carrier Charges—Price Control Arrangements,
Notification and Disallowance Determination No. 1 of
2005 (Amendment No. 1 of 2006)**

I, HELEN LLOYD COONAN, Minister for Communications, Information Technology and the Arts, make the following Determination under subsections 154(1) and 155(1) of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

Dated: 27 February 2006.

HELEN COONAN

Minister for Communications, Information Technology and the Arts

1 Name of Determination

This Determination is the *Telstra Carrier Charges—Price Control Arrangements, Notification and Disallowance Determination No. 1 of 2005 (Amendment No. 1 of 2006)*.

2 Commencement

This Determination commences on the day after it is registered on the Federal Register of Legislative Instruments.

3 Variation

The *Telstra Carrier Charges—Price Control Arrangements, Notification and Disallowance Determination No. 1 of 2005* is varied as set out in the Schedule to this Determination.

Schedule Amendments
(clause 3)

[1] clause 5 – definition of *basic line rental service*

substitute

basic line rental service means a line rental supplied in conjunction with a service supplied to a customer in order to comply with the requirement to provide pre-selection under a determination made by the Australian Communications and Media Authority under Part 17 of the *Telecommunications Act 1997*, other than a line rental in respect of which the customer contractually agrees not to exercise the right to pre-select in favour of a carriage service provider other than Telstra.

Note At the date on which this Determination is registered on the Federal Register of Legislative Instruments, Telstra's basic line rental services are those supplied under Telstra's Homeline Part and Businessline Part products.

[2] clause 5 – after definition of '*business customer*'

insert

calling card means a retail calling card that enables the making of calls from a public payphone, facsimile, modem or most telephone services, and the charges for such calls are debited from the stored value on the card or billed to a credit record maintained, or an account nominated, in respect of that card.

[3] clause 5 – after definition of '*residential rate*'

insert

satellite service has the same meaning as in section 106 of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*

[4] clause 5 – paragraph (f) definition of *subscription pricing package*

substitute

(f) subject to an arrangement under which a customer pays a single fixed price, and as a result, receives an entitlement to make local and/or trunk calls charged at a common price; or

[5] Subclause 13(1)

substitute

- (1) A price movement for:
- (a) the first basket of services; or
 - (b) the third basket of services; or
 - (c) the fourth basket of services;

is taken to be the sum of the movements in the average price for each component product of the services in the relevant basket in the price-cap period from:

- (i) for the first price-cap period, the average price for that product in the six months immediately preceding the first price-cap period (where subject to subclause (8), the movement in price of each product is weighted by the revenue derived from that product in the six months immediately preceding the price-cap period against the revenue derived from the relevant basket in that period);
- (ii) for each subsequent price-cap period, the average price for that product in the financial year immediately preceding the price-cap period (where subject to subclause (8), the movement in price of each product is weighted by the revenue derived from that product in the financial year immediately preceding the price-cap period against the revenue derived from the relevant basket in that period).

[6] After subclause 13(1)

insert

13(1A) A price movement for the second basket of services is taken to be the sum of the movements in the average price for the services in this basket in the price-cap period from:

- (i) for the first price-cap period, the price of \$31.95;
- (ii) for each subsequent price-cap period, the average price for that service in the financial year immediately preceding the price-cap period (where subject to subclause (8), the movement in price of the service is weighted by the revenue derived from that service in the financial year immediately preceding the price-cap period against the revenue derived from the relevant basket in that period).

[7] Subclause 13(2)

omit

subclause (1)

substitute

subclauses (1) and (1A)

[8] After subclause 13(3)

insert

(3A) For the purpose of calculating the average price for the service in subclause (1A), where the service is supplied as part of a bundle of services consisting of any or all of the services specified in clause 11 (whether or not services other than those specified in clause 11 are also included in the bundle) the following principles are to apply:

- (a) where the benefit derived from the bundle of services is a reduced price or no charge for one or more services (or for a specified amount of a service), the value of the benefit is to be deducted from each service in the bundle to which the discount applies or for which no charge applies;
- (b) where there is a single fixed price charged for the bundle of services, the value of the benefit of a single fixed price is to be deducted proportionately across all the services in the bundle;
- (c) if the principles in paragraphs (a) or (b) do not apply, the value of the benefit is to be calculated and deducted from the services in the bundle in accordance with the methodology as set out in subclause (5).

[9] Subclause 16(2)

substitute

(2) Subject to subclauses (3) and (4) Telstra must not charge a price of more than 22 cents for each untimed local call (other than a local call made from a public payphone, or a local call made using a calling card).

[10] Subclause 16(3)

omit

Subclause (2)

substitute

Subject to subclause (3A), subclause (2)

[11] After subclause 16(3)

insert

(3A) Subclause (3) does not apply to a local call offered as part of a product or arrangement offered in combination with a basic line rental service.

[12] After subclause 16(8)

insert

(9) For the purposes of this clause, a call made to an Internet service provider using a data network access number commencing with the numerals 0198 is not an untimed local call.

[13] Subclause 17(1)

omit

Telstra

substitute

Subject to subclauses (2), (3) and (4), Telstra

[14] Subclause 17(2)

substitute

(2) Subclause (1) does not apply to:

- (a) a call made from a public mobile telecommunications service (except where the service is supplied in fulfilment of the universal service obligation);
- (b) a call made from an ISDN service;
- (c) a call made from a satellite service (except where the service is supplied in fulfilment of the universal service obligation);
- (d) a call made using a calling card.

(3) Subclause (1) does not apply to a call which Telstra offers as a joint product in combination with a line rental that is lower than the standard line rental for residential customers and charity customers.

(4) Subclause (1) does not apply to a call which Telstra offers as part of a subscription pricing package, provided that when offering the package Telstra advises customers to whom the package is offered, that, depending upon the number of calls the customer makes in a particular period, the effective average price which they pay for a call may exceed the cap referred to in subclause (1).

[15] After clause 19

insert

19A Basic line rental services

- (1) Telstra must offer basic line rental services to residential and charity customers, in non-metropolitan areas, at the same or a lower price and on the same price-related terms as it offers to residential and charity customers in metropolitan areas.
- (2) Telstra must offer basic line rental services to business customers, in non-metropolitan areas, at the same or a lower price and on the same price-related terms as it offers to business customers in metropolitan areas.
- (3) Telstra must offer basic line rental services within a bundle in all non-metropolitan areas at the same or a lower price and on the same price-related terms as it offers basic line rental services in a comparable bundle in metropolitan areas.
- (4) In this clause:

metropolitan area means the inter-carrier charge area for Sydney, Melbourne, Brisbane, Perth or Adelaide.

non-metropolitan area means any area of Australia other than a metropolitan area.

price-related terms means terms relating to price or a method of ascertaining price.

[16] Schedule 1, item 2, column 3

substitute

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