

19 June 2003

Office of the Company Secretary

The Manager

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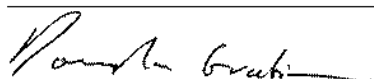
ELECTRONIC LODGEMENT

Dear Sir or Madam

Analyst briefing - ACCC Draft Determination on Model terms and Conditions

In accordance with the listing rules, I attach an announcement for release to the market.

Yours sincerely

A handwritten signature in black ink, appearing to read "Douglas Gration", written over a horizontal line.

Douglas Gration
Company Secretary

Telstra Corporation Limited
ACN 051 775 556
ABN 33 051 775 556

Telstra briefing

ACCC Draft Determination on Model terms and Conditions

June 2003

ACCC Draft Determination and Telstra Undertakings

- The ACCC draft Determination of the Model T&Cs meets a requirement set down in regulatory changes enacted in December 2002 which are intended to simplify the regulatory regime, increase accounting transparency and place greater emphasis on industry undertakings rather than dispute arbitrations.
 - Under the new regulations the ACCC is required draft Model T&Cs by 19 June 2003
- Telstra submitted a set of undertaking prices covering PSTN, LCS and ULL in January 2003.
 - The ACCC has not yet responded to the Telstra undertakings
- The ACCC draft Determination of the Model T&Cs includes indicative prices, and non-price terms and conditions of access to the network.
- The draft determination begins a process for industry comment before the ACCC makes a FINAL Model T&Cs determination.
 - We expect approximately 4 weeks for public comment
 - A further 4 weeks for the ACCC to consider submissions
 - FINAL determination by late August.
- The indicative prices in the Model T&Cs are a preliminary indication of the ACCC's ultimate view of Telstra's undertaking prices. It remains open to Telstra to pursue its undertakings and any potential appeal to the ACT, or to resubmit new undertakings.
- Telstra does not control this process which was established by legislation in December 2002

ACCC draft PSTN and ULL compared with Telstra Undertakings

Service	2003/04	2004/05	2005/06
PSTN OTA	1.2 to 1.25 per min	1.1 to 1.15 per min	0.9 -1.0per min *
Telstra Undertaking #	1.7per min	1.7per min	

* PSTN O/T charges would be equal to conveyance cost after 2005-06

ULL	ACCC price *	Previous ACCC prices	Telstra Undertaking #
Band 1	\$11 -14	\$13	\$20
Band 2	\$19-22	\$35	\$40
Band 3	\$35-40	\$39	\$40
Band 4	\$80-100	\$59	\$40

Telstra's undertakings represent the "rack rate" but subject to commercial negotiations. Generally discounts apply based on volume, term and credit issues.

* Subject to change each year depending on demand

ACCC draft LCS Prices and Telstra Undertakings

ACCC Draft Prices 2002-03 and 2003-04

	Lower bound	Lower bound	Upper bound	Upper bound
	Residential	Business	Residential	Business
Prices <u>with</u> retail discount on line rental	17.95 cents \$201.05	17.95 cents \$325.96	18.23 cents \$206.66	18.23 cents \$331.57
Prices <u>without</u> retail discount on line rental	12.81 cents \$256.36	12.81 cents \$381.27	13.61 cents \$256.36	13.61 cents \$381.27

Telstra LCS Undertakings

Service	2003/04	2004/05
Telstra Undertaking #	14.5 c/call	14.5 c/call

Telstra's undertakings represent the "rack rate" but subject to commercial negotiations. Generally discounts apply based on volume, term and credit issues.

