

CONSULTATION DRAFT



**Australian Government**

**Commonwealth of Australia**

*Trade Practices Act 1974*

**Australian Competition and Consumer Commission  
(Accounting Separation—Telstra Corporation Limited)  
Direction (No. 1) 2003 (Amendment No. 1 of 2007)**

I, HELEN LLOYD COONAN, Minister for Communications, Information Technology and the Arts, make the following Direction under subsections 151BUAA(1), 151BUAA(1B) and 151CMA(1) of the *Trade Practices Act 1974*.

Dated 2007

**[DRAFT ONLY – NOT FOR SIGNATURE]**

Minister for Communications, Information Technology and the Arts

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**1 Name of Direction**

This Direction is the *Australian Competition and Consumer Commission (Accounting Separation—Telstra Corporation Limited) Direction (No. 1) 2003 (Amendment No. 1 of 2007)*.

**2 Commencement**

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

**3 Variation**

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The *Australian Competition and Consumer Commission (Accounting Separation—Telstra Corporation Limited) Direction (No. 1) 2003* is varied as set out in the Schedule to this Direction.

Schedule	Amendment (clause 3)
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[1] **Clause 3, definition of *non-price terms and conditions***

*omit the definition*

[2] **Clause 4**

*substitute*

**4 Records and reports in relation to historic costs of services to which the RAF applies**

- (1) In the exercise of its powers under section 151BU of the Act, the ACCC must, as soon as practicable, make rules (in this clause called the *record-keeping rules on historic costs*) requiring Telstra:
- (a) to keep and retain records that enable the preparation of separate financial statements:
    - (i) in relation to each of the services of Telstra to which the RAF applies; and
    - (ii) that are prepared on an historic cost basis in accordance with a methodology (if any) determined by the ACCC in writing; and
  - (b) to prepare separate reports that include the relevant financial statements mentioned in paragraph (a) and that:
    - (i) relate to each of the services of Telstra to which the RAF applies; and
    - (ii) are consistent with the reports that Telstra is required to prepare and provide to the ACCC under the RAF; and

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- (iii) are prepared on an historic cost basis in accordance with a methodology (if any) determined by the ACCC in writing.
- (2) The record-keeping rules on historic costs must require the reports of the type referred to in paragraph (1)(b) to cover:
- (a) the 6 month period beginning on 1 July 2007 and ending on 31 December 2007; and
  - (b) the 6 month period beginning on each subsequent 1 July and ending on each subsequent 31 December; and
  - (c) the 6 month period beginning on 1 January 2008 and ending on 30 June 2008; and
  - (d) the 6 month period beginning on each subsequent 1 January and ending on each subsequent 30 June; and
  - (e) the 12 month period beginning on 1 July 2007 and ending on 30 June 2008; and
  - (f) the 12 month period beginning on each subsequent 1 July and ending on each subsequent 30 June.
- (3) The record-keeping rules on historic costs must require the reports mentioned in paragraph (2)(a) and (b) to be provided to the ACCC by 2 weeks after the date on which Telstra is required to lodge its half yearly reports with ASIC under section 320 of the *Corporations Act 2001*.
- (4) The record-keeping rules on historic costs must require the reports mentioned in paragraphs (2)(b), (c), (d) and (f) to be provided to the ACCC by 4 weeks after the date on which Telstra is required to lodge its annual report with ASIC under section 319 of the *Corporations Act 2001*.
- (5) In the exercise of its powers under section 151BUDA of the Act, the ACCC must make available to the public copies of the reports of the type referred to in paragraph (1)(b) or copies of the financial statements mentioned in paragraph (1)(a) in respect of the core services as soon as practicable but in any event by 1 month from the date on which the ACCC receives the reports.

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- (6) The copies of the reports of the type referred to in paragraph (1)(b) or copies of the financial statements mentioned in paragraph (1)(a) must be accompanied by a statement by the ACCC (including such qualifications, if any, as the ACCC considers necessary) as to:
- (a) the accuracy of the reports; and
  - (b) the extent to which the reports comply with:
    - (i) the RAF; and
    - (ii) any other relevant record-keeping rules made by the ACCC (whether for the purposes of this Direction or otherwise); and
    - (iii) any direction given by the ACCC under clause 8.

### [3] Clause 6

*omit the clause*

### [4] Clause 7

*substitute*

#### **7 Manner and form of reports**

In specifying the manner and form in which the reports mentioned in clauses 4 and 5 are to be prepared, the record-keeping rules mentioned in clauses 4 and 5 must contain such auditing and certification requirements that the ACCC considers necessary to ensure that the reports:

- (a) are accurate; and
- (b) comply with:
  - (i) the RAF; and
  - (ii) any other relevant record-keeping rules made by the ACCC (whether for the purposes of this Direction or otherwise); and
  - (iii) any direction given by the ACCC under clause 8.

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**[5] Clause 8**

*omit*

clauses 4, 5 and 6

*substitute*

clauses 4 and 5

**[6] Clause 9**

*omit the clause*