



Telstra

New Developments Policy

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1. Background

The Federal Government's National Broadband Network (NBN) policy fundamentally changes the way fixed line telecommunications services are provided to Australian residential and small business properties. A central tenet of the policy is competition in the supply of infrastructure with NBN Co to become the underlying network provider for most premises. This has implications for how competing telecommunications infrastructure is provided in new developments.

As part of the overall NBN policy, the Government has released the Telecommunications Infrastructure in New Developments Policy¹, replacing the 2011 "Fibre in New Developments" (**FIND**) policy. The new policy provides direction on how telecommunications will be delivered in new developments.

A major objective of the new policy is to promote the competitive provision of infrastructure to new developments that will increase choice for developers. The policy requires developers to make a financial contribution for the provision of telecommunications infrastructure related to their development and will allow developers to pick and choose providers based on price and service delivery.

Amongst other things, the new policy will require developers to:

- Be directly involved in the provision of telecommunications for their development;
- Contribute to the cost of telecommunications infrastructure, including where the network infrastructure is being provided by NBN Co or Telstra in its capacity as the Infrastructure Provider of Last Resort (**IPOLR**), including where Telstra is deploying copper access infrastructure;
- Recognise that where it applies, Telstra's IPOLR obligation is to offer a commercial solution to a developer; and
- Recognise that where the developer chooses a party other than Telstra or NBN Co to build infrastructure in their development (**alternative provider**), the alternative provider becomes responsible for providing infrastructure and services to all premises in the development and Telstra is not required to install fixed line infrastructure or use alternative provider infrastructure to offer its retail services.

This document has been prepared to assist developers to understand how Telstra will implement its obligations in accordance with the new policy. Telstra reserves its rights to modify its approach from time to time.

2. Infrastructure Provider of Last Resort

The IPOLR obligation ensures that, regardless of where the developer chooses to locate their development, at least one party must provide the developer a commercial offer for telecommunications services. The policy establishes two IPOLR providers, Telstra and NBN Co. These are discussed in detail later in this document.

To promote a level playing field in the provision of telecommunications infrastructure the policy supports the IPOLR operating on a commercial basis. As a result, Telstra, like other infrastructure providers, will charge developers for the provision of infrastructure.

¹ <https://www.communications.gov.au/policy/policy-listing/telecommunications-new-developments>

Installation of network and/or provision of service will be subject to a commercial agreement being reached between the developer and the IPOLR. Telstra, as an IPOLR, will endeavour to reach commercial agreement with developers on reasonable terms. When negotiating these terms with Telstra, developers need to understand that Telstra has legitimate commercial interests that inform its requirements. For example, in order to ensure compliance with obligations around installation of cable in its network and supplying services, Telstra will only use its own cable infrastructure to provide a service.

The scope of Telstra’s IPOLR obligation relates to the provision of a Standard Telephone Service. While end users in some developments may be able to gain access to existing broadband infrastructure (ADSL) as a by-product of Telstra extending its copper network, availability of broadband cannot be guaranteed. Depending on the circumstances, Telstra may be able to provide infrastructure supporting broadband services in some areas. Telstra can also charge for the additional capability and infrastructure required to support broadband services. Options for your development can form part of your discussions with Telstra.


If the commercial terms of Telstra’s offer of infrastructure are unacceptable to the developer, they may choose to approach either NBN Co or another carrier for infrastructure.

3. Circumstances where Telstra is the IPOLR

The policy sets out rules to delineate IPOLR responsibility between Telstra and NBN Co.

Telstra will be IPOLR supporting voice services:

- within the long term NBN Co fixed line footprint for new developments of less than 100 lots/premises where NBN Co has not established its network (i.e. declared its network ‘ready for service’) nor publically identified the area as a rollout region.
- outside the NBN Co long term fixed line footprint (i.e. the wireless and satellite areas), regardless of the development size.²

nbn™ Long Term Fixed Footprint				nbn™ Wireless Footprint	
100+	< 100			100+	< 100
nbn™	Area is RFS	In a publicly identified rollout region prior to RFS.	Not in a publicly identified rollout region.		

Telstra will generally decline to provide a quote on an application when the development characteristics indicate NBN Co has the IPOLR obligation. However, in some situations, Telstra will be open to discussing arrangements for the installation of infrastructure if the developer has entered into an agreement with NBN Co but the delivery timing is delayed.

Over time, as the NBN Co fixed line rollout expands, Telstra’s IPOLR responsibilities will reduce to only cover developments in the NBN Co wireless and satellite areas.

² Note that Telstra is also IPOLR for new developments which received planning approval before 1 January 2011 other than developments which are now being serviced by NBN Co or which were ‘land banked’—that is, developments that had been approved before 1 January 2011 but which have not proceeded by that date. Given the elapsed time, Telstra expects very few new developments that haven’t already been serviced will meet this condition.

3.1. Notification

Telstra processes requests for infrastructure through Applications for Reticulation (**AFR**). Further detail on this process is on the [Telstra Smart Community website](https://www.telstra.com.au/smart-community) (<https://www.telstra.com.au/smart-community>).

Telstra's network does not always reach new developments, or have sufficient capacity to cater for the extra demand some developments will create. Accordingly, the provision of infrastructure requires careful planning, design, contracting and construction. In order to best meet the developers' schedule, it is critical that developers seeking infrastructure provide advance notice to Telstra.

Consistent with the government policy, Telstra requires 6 months notice prior to the expected first occupancy date before it will commit to providing network infrastructure to the development to meet this date.

In addition:

- if Telstra is requested to quote on pit and pipe installation it requires 3 months notice prior to the date suitable trenching will be available. This may result in the initial notification being significantly more than 6 months before the expected first occupancy date³; and
- for developments where Telstra is not supplying the pit and pipe infrastructure, developers should plan to have this infrastructure installed at least 4 months before the expected first occupancy. This is to allow sufficient time for inspection by Telstra and any remediation by the developer that may be required before cable installation can occur.

Telstra's ability to efficiently install appropriate pit and pipe is dependent on the development type. If the development is a single building (i.e. apartment building, commercial building, shopping complex) intended to be serviced by a Main Distribution Frame (**MDF**) it will generally be more efficient for lead in pipes to be installed as part of general building and site works. As such, Telstra will no longer routinely provide the lead-in pipe to these developments. Where the appropriate Telstra connection point is not clear, developers should seek advice from Telstra to minimise any additional costs they may need to pay to extend the Telstra network to their lead-in location.

As part of our commercial terms to provide infrastructure, where appropriate notice has not been provided, or the developer is responsible for other delays, Telstra may seek compensation from a developer for the additional cost of providing interim services (mobile or satellite) to end users prior to the deployment of Telstra's fixed network.

Where Telstra is responsible for delays, Telstra will meet the cost of supplying interim services to provide voice services.

³ Telstra's agreements with NBN Co include a requirement to transfer ownership of certain network elements as NBN Co's areas become Ready for Service. Any required transfer of Telstra's network (or part thereof) prior to, or part way through Telstra's provision of infrastructure, would create complexities for all parties involved. As a result, to minimise the risk of this situation occurring, Telstra may need to defer any request to quote for, or commitment to provide, infrastructure to a particular development in certain circumstances e.g. if the time from project notification to expected project completion exceeds 6 months. For these developments, designs should always allow for NBN Co to become the telecommunications infrastructure provider part way through development construction.

3.2. Charges

Telstra will implement a charging regime dependent on various factors such as the type and size of the development, location, services required by the developer, network type and the relative proximity of Telstra's network with spare capacity.

3.2.1. 'Fibre Ready' facilities⁴ - Pit and pipe infrastructure

The developer is responsible for the cost and delivery of 'fibre ready' pit and pipe infrastructure. Telstra will continue to provide quotes (if requested with sufficient notice) for the installation of pit and pipe reticulation within new developments, other than building lead-in pipes where an MDF will be used.

As per current arrangements, developers may arrange for the installation of pit and pipe by other competent suppliers, however if the installation does not meet the 'fibre ready' requirements, Telstra will not install cable until the developer has arranged for the required remediation.

3.2.2. Transfer of infrastructure

In Telstra's experience pit and pipe infrastructure is best owned by a carrier. This is because a carrier can more readily facilitate access by other carriers via existing processes, can provide an identifiable entity for maintenance and location services (i.e. Dial Before You Dig) and co-ordinate relocation should it be necessary in the future.

Where Telstra is requested to service a development with cable, and the developer has not paid Telstra to install pit and pipe infrastructure (i.e. the developer has arranged for the installation of pit and pipe infrastructure from a third party), Telstra would normally expect pit and pipe ownership to be transferred to Telstra as part of a commercial arrangement to service the development. This includes where Telstra is installing infrastructure as the IPOLR.

It is Telstra's policy to use its own network cabling when reticulating a development. This does not include customer cabling that is installed on the customer side of the Telstra Network Boundary (e.g. a building MDF).

3.2.3. 'Lot splits' and small subdivisions fronting existing roads

Telstra expects to be requested to service a number of developments where Telstra has sufficient capacity passing across the frontage of the proposed new lots / units. In some of these cases Telstra may not have sufficient pits to provide connection(s). In such instances the developer will be required to cover the cost of installing of additional pit(s) and starter pipe(s) at the subdivision stage in order for Telstra to service the development.⁵

Where there is not sufficient capacity to service the development location, additional costs will be involved.

⁴ Developers should also check on the requirement to provide in-building 'fibre ready' pathways that would allow the efficient installation of fibre at a later time.

⁵ Third party providers are not permitted to interfere with existing Telstra infrastructure. This includes the installation of a new pit over an existing Telstra route.

3.2.4. Head works / backhaul

Telstra has invested significant amounts on its network over a long period of time, and will not seek to recover costs for investments made prior to the start date of the new policy.

Where a development does not adjoin Telstra's existing network with sufficient spare capacity to service the expected demands of the development, Telstra will levy a charge (or will include an amount in the overall charge for the infrastructure in the development) on the developer to extend or upgrade its network from the development, back to the nearest point on Telstra's network with sufficient capacity.

This charge will cover the installation of new infrastructure required to provide service to the development (e.g. conduit, cable - copper, coax or fibre as required) and will include the provision of any new pit(s), pipe and other relevant facilities required to intercept the existing network and provide an access point to service the development or specific lots or units in the development.

4. Introduction and transitional arrangements

To assist developers in determining the potential financial impact on their projects, Telstra will introduce, as soon as possible, the option for developers to request a non binding, indicative estimate of the infrastructure charges when lodging an AFR. During the introductory phase, priority for these estimates may be given to projects with an expected completion date after March 2016 where it is more likely charges will apply.

Telstra's transitional arrangements for AFRs are set out below in sections 4.1 and 4.2.⁶ In summary:

When was the AFR Lodged	How Telstra will treat the AFR
Prior to 30 September 2015	No charges will apply if: <ul style="list-style-type: none">• Telstra accepts IPOLR• Suitable 'fibre ready' pit and pipe is made available to Telstra before 1 March 2016 (and any remediation conducted within one month) Charges will otherwise apply.
On or after 1 October 2015	Charges will apply

⁶ Telstra has revised its transitional arrangements in this version of the policy following consideration of feedback received from industry.

4.1. New Applications

Except as outlined in this section 4.1, any AFR received by Telstra from 1 July 2015 may be subject to Telstra infrastructure charges in line with the new policy.

New AFRs received between **1 July and 30 September 2015** will not be subject to infrastructure charges⁷ if:

- (i) Telstra accepts IPOLR responsibility; and
- (ii) appropriate pit and pipe is made available to Telstra prior to 1 March 2016.⁸

Where pit and pipe has been made available for Telstra's inspection by 1 March 2016 but remediation is required, remediation must occur within one month of Telstra's notification of required remediation.

If the appropriate pit and pipe has not been made available by 1 March 2016 or required remediation does not occur within the one month timeframe, Telstra will generally consider the original application to have lapsed and may seek to terminate any contractual arrangement with the developer. In such instances, developers would be required to reapply under the new policy arrangements or seek infrastructure from an alternative provider.

From **1 October 2015**, Telstra will begin actively charging for all new AFRs received.

4.2. Existing Applications

Developments registered with Telstra via lodgement of an AFR prior to 30 June 2015 will be progressed without infrastructure charges⁹ if:

- (i) Telstra accepts IPOLR responsibility; and
- (ii) appropriate pit and pipe is made available to Telstra prior to 1 March 2016.¹⁰

Where pit and pipe has been made available for Telstra's inspection by 1 March 2016 but remediation is required, remediation must occur within one month of Telstra's notification of required remediation.

If the appropriate pit and pipe has not been made available by 1 March 2016 or required remediation does not occur within the one month timeframe, Telstra will generally consider the original application to have lapsed and may seek to terminate any contractual arrangement with the developer. In such instances, developers would be required to reapply under the new policy arrangements or seek infrastructure from an alternative provider.

4.3. NBN Rollout Impacts

Irrespective of when an AFR was submitted, the NBN rollout and the transfer of parts of Telstra's network to NBN Co ownership may also impact Telstra's ability to service developments in some areas, including those where appropriate pit and pipe has already been, or will be provided. Where developments in such circumstances are identified, a Telstra representative will contact the developer to discuss options.

⁷ Excludes fibre networks, and existing commercial agreements with Telstra.

⁸ i.e. where pit and pipe is being provided by a third party rather than by Telstra as part of a commercial arrangement.

⁹ Excludes any existing commercial agreement with Telstra.

¹⁰ Refer to note [8] above.

4.4. Developer does not enter into an agreement with Telstra or another carrier

Where a developer does not agree to Telstra's commercial offer, Telstra will be unable to issue a provisioning advice with respect to Telecommunications infrastructure and/or services. The developer is free to approach NBN Co or an alternative provider for infrastructure.

Telstra retains its obligation to offer end-users a Standard Telephone Service under the Universal Service Obligation. Consistent with the new policy Telstra may satisfy this obligation via a range of infrastructure, including wireless.

5. Telstra to work with the development industry

Telstra acknowledges that implementing the 2015 policy changes may be challenging for both the telecommunications and development industries. Telstra is committed to continue to work with industry groups to ensure the transition is relatively smooth, and causes minimal impact on our customers.

For additional information, or to register a development:

<https://www.telstra.com.au/smart-community>

GLOSSARY

ADSL	Asymmetric Digital Subscriber Line - technology that allows combinations of voice and data to be delivered over twisted pair (copper) cables.
AFR	Application for Reticulation – the form an applicant populates to register a new development with Telstra.
HFC	Hybrid fibre coaxial cable – an access technology built to carry pay TV and data.
IPOLR	Infrastructure provider of last resort – a carrier obliged to provide a commercial offer to a developer in particular circumstances, or connect premises in an area they have serviced.
MDF	Main Distribution Frame - The device situated at the Customer's Premises that provides the termination point for the Lead-in Cabling and Customer Premises Cabling and facilities for cross jumpering between the two.
NBN	The National Broadband Network – a high-speed broadband network being constructed by the Australian Government
NBN	NBN Co Limited – the Government-owned company building and managing the NBN
RFS	Ready for Service – an NBN area identified as network available to be connected.
TSC	Telstra Smart Community - the website to lodge new developments with Telstra.
USO	Universal Service Obligation – the obligation to ensure that all people in Australia, wherever they reside or carry on business, have reasonable access, on an equitable basis, to a Standard Telephone Service.

For general guidance only.