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COMMONWEALTH OF AUSTRALIA

SENATE

ENVIRONMENT, RECREATION, COMMUNICATIONS AND THE ARTS
LEGISLATION COMMITTEE

Reference: Matters arising from Telstra annual report 1995-96

CANBERRA

Tuesday, 24 June 1997

PROOF HANSARD REPORT

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CANBERRA

Senator O'CHEE—And what were you told in that induction briefing about the group's role?

Mr White—In the first induction—and I was one of the early ones, and probably the earliest in the Freehill's area—there were five complainants. They were Garms, Gill and Smith, and Dawson and Schorer. My induction briefing was that we—we being Telecom—had to stop these people to stop the floodgates being opened.

Senator O'CHEE—What, stop them reasonably or stop them at all costs—or what?

Mr White—The words used to me in the early days were that we had to stop these people at all costs.

Senator O'CHEE—So when you were told to do a document better, that meant to do a better job of stopping them at all costs?

Mr White—I would say explaining the information available to the best of my ability. That is the best way I can explain it.

Senator O'CHEE—To the satisfaction of—

Mr White—The team leader.

CHAIR—Mr White, were you ever expected to fabricate information or to misinterpret the evidence?

Mr White—No.

CHAIR—So you were asked to explain to the best of your ability, if this could be explained not as Telstra's mishandling of it but as an error that could be explained?

Mr White—I was never ever coerced to do something that was immoral or illegal.

Senator O'CHEE—Mr Pinnock, you just heard evidence of this group being established after the fast-track arbitration process was set up.

Mr Pinnock—I am not sure whether the evidence was that it was after it was set up. I understood it was to be at the same time. But in the event, I take your point on that, Senator.

Senator O'CHEE—You have just heard evidence about the activities of this group. Do you think that Telstra's conduct in this is consistent with a simple, fast, non-legalistic approach to resolving the problem?

CHAIR—What I am saying is that you said that you were told to do your best. The implication could be to do better, to show that these people who were making a claim and they had a legitimate claim, but 'Let's try and find our way around it.' I think you clearly said that that was not the case but I just want to make sure, because this is vital and a very important fact. My opinion is that, if a public company is charging me for telephone bills and all those bills add to the CPI and the cost of everything in Australia, you just cannot have people making illegitimate claims. What the company would be doing is saying, 'We want you to make sure that these are legitimate claims, and we want you to do your very best to make sure that the claim is a genuine claim.' Is that what you were being asked to do?

Mr White—I was being asked to interpret the data available and explain it in the best possible way, accurately. That is the best way I can—

CHAIR—Not just to the advantage of Telstra, but the best possible way you could, irrespective of what the outcome was?

Mr White—As a member of Telecom at the time, I believe it was in my interest to interpret the data as accurately as possible to represent Telecom in the best possible light.

CHAIR—But never were you asked to interpret it in any way that would disadvantage the client by your saying something that was stretching the truth?

Mr White—No. For example, Mr Schorer's flexitel system was prone to having power problems, overloads. I would have spoken to probably every service technician that ever went there, and asked why it happened. Some of them said that the place was dirty; some of them said there were things stacked on top of the unit which caused an overheating problem. The fact is that there were consistent problems.

Senator SCHACHT—Mr White, you said earlier, in an answer to Senator O'Chee about some sort of induction thing when you joined the unit, that you were given an outline that these five cases, if they were not dealt with and so on, could lead to a lot more claims against Telstra. I presume you were, in a sense, paraphrasing that process of induction, or was it specifically put in front of you that your job was, 'Get these cases dealt with as quickly as possible and out of the way, so that we get no more in the future'? Is that the impression you were left with?

Mr White—There was never any reference to time, 'as quickly as possible', but the induction process was, as I said before, that the first five had to be stopped at all costs.

Senator SCHACHT—'Stopped at all costs'—that was the phrase. Can you tell me who, at that induction briefing, said 'stopped at all costs'? 

Mr White—Mr Peter Gamble, Peter Riddle.