

Mr [redacted] —You may be referring there to a meeting that took place of Senator Boswell, Mr Blount and other parties. I am not sure who else might have been there. I was not a party to that meeting.

Senator CARR—That brings me to: to what extent does Telstra's action cost the public purse rather than save its money? To what extent were you motivated by concerns about the prospect of a Senate inquiry? Given what we have heard tonight, I am wondering whether or not you think that a more flexible approach on the negotiations might have actually resolved these issues a lot more quickly.

—Are you suggesting that in respect of the CoTs that have been and gone because, as we have pointed out, 11 of those have had awards?

Senator CARR—I will come to those in a minute.

Senator SCHACHT—You have spent \$18.8 million and have paid out to defend these cases and argue over them. In total, the people have got settlements totalling \$1.3 million. Is that right?

Mr [redacted] —It is \$1.74 million.

Senator SCHACHT—It is \$1.7 million. So \$17 million was spent to pay—

Mr [redacted] —About \$18½ million.

Mr [redacted] —The claims were larger than that.

Senator CARR—Yes, I understand people make claims against the public purse all the time and there is an argument in government that says you have to protect the public purse. The point I put to you is: we have had this experience behind us. To what extent do you think you could have saved money by actually resolving these matters with a less legalistic approach?

Mr [redacted] —I believe that we have learnt from our experiences. The whole process was innovative. It was new. People were not certain where the process might lead. There was perhaps more caution taken than would be the case now. We have had two claims in 2½ years under the standard rules of arbitration. They have been solved, negotiated within a reasonable period of time. As we become more experienced in respect of handling these types of claims, we would handle them with more expedition.

Senator CARR—I just quote you the case for Mr Alan Smith from Portland. He has been through the arbitration process and, from the documentation that I have in front of me, he is a highly dissatisfied customer. It actually has not resolved much at all. The matter has not been completed, has it, because he is continuing his claims in various

forms?

TELSTRA

Mr. [redacted]—He keeps raising issues that he raised in the arbitration and he does write to many people making that complaint. The complaints that he makes, from memory, would have been raised before the arbitrator. He certainly brought them to the attention of the TIO. We do not accept the complaints as valid, but the opportunity is there for people to whom he writes to take the issue up, if they believe that is warranted.

Senator CARR—In terms of the cases outstanding, do you still treat people the way that Mr Smith appears to have been treated? Mr Smith claims that, amongst documents returned to him after an FOI request, a discovery was a newspaper clipping reporting upon prosecution in the local magistrate's court against him for assault. I just wonder what relevance that has. I am sure you would be familiar with the documentation that he has distributed far and wide. He makes the claim that a newspaper clipping relating to events in the Portland magistrate's court was part of your files on him.

Mr. TELSTRA—I am not aware of the document that you have there. I have not seen that document. I am not aware of any such article being any part of our files.

Senator CARR—I draw it to your attention. Yes, that is fine. I will give you a photocopy of that.

Senator SCHACHT—It does seem odd if someone is collecting files. That is a matter that has nothing to do with his telecommunications business. It seems that someone thinks this is a useful thing to keep in a file that maybe at some stage can be used against him. If it is true, I do not know why you would be collecting that information.

Mr. TELSTRA—I know of no-one who is collecting that information.

Senator CARR—Mr Ward, we have been through this before in regard to the intelligence networks that Telstra has established. Do you use your internal intelligence networks in these CoT cases?

TELSTRA—I think the issue that we were talking about at the estimates committee was in relation to market intelligence around the market and general competition forces, et cetera, not in relation to any such act.

Senator CARR—Would you not use them in regard to your customers?

TELSTRA—Certainly not. Senator, can I just say that the process that has resolved 11 out of the 16 was—

Senator SCHACHT—Eleven out of the 16?

When my life was at low ebb in 1994 a foolish, but stress-related, incident lead to my appearance in the Portland Magistrates' Court. I subsequently appealed against the Magistrate's decision and was granted a good behaviour bond. How did this newspaper report find its way into Telstra's archives? It had absolutely nothing to do with my telephone faults but was found in FOI documents supplied to me much later.

K01407

Assault fine

A CAPE Bridgewater man who assaulted a Department of Justice sheriff was fined \$400 in the Portland Magistrates' Court on Tuesday.

Forty-four-year-old Alan Smith did not appear in court for the hearing after he was charged with assault on August 24.

Kenneth Brand a sheriff for the Justice Department testified he went to Smith's property with a civil warrant to deliver.

Mr Brand said he asked Smith what he was going to do in relation to the warrant which required payment or goods to be seized in lieu of.

He said Smith became aggressive and abusive pushing him backwards onto a table towards a window and feared he was going to be pushed

through.

After asking Smith again what he wanted to do, Mr Brand said Smith told him no goods could be taken because they were under indenture with the Commonwealth Bank.

Mr Brand said Smith then grabbed him by the shirt collar and pushed him out the door.

He said he suffered bruising and abrasions in the assault and his shirt was ripped.

Magistrate Jim Hanrahan found the charge proven and Smith was convicted and fined \$400 and ordered to pay \$23 compensation for the shirt to the Justice Department.