

**The Hon Malcolm Turnbull,
Prime Minister of Australia**

**The Hon Barnaby Joyce
Deputy Prime Minister**

Mr Dan Tehan, Federal Member for Wannon

Ms Sue Laver, Telstra General Counsel

Mr John P Mullen, Telstra Board Chair

**Cape Bridgewater Holiday Camp
Service Verification Tests (Report)
Collision, Deception, Misleading and Deceptive Conduct**

Exhibits 23-H to 30-A

**Alan Smith
Seal Cove
1703 Bridgewater Road
Portland (Victoria) 3305**

IN THE MATTER OF an arbitration pursuant
to the Fast Track Arbitration Procedure date
April 1994

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Between

ALAN SMITH

Claimant

and

TELSTRA CORPORATION LTD trading as
TELECOM AUSTRALIA

Telecom

STATUTORY DECLARATION OF STEPHEN FOSTER BLACK

I Stephen Foster Black of 242 Exhibition Street, Melbourne solemnly and sincerely declare and affirm as follows:-

1. I am employed by Telstra Corporation Limited ("Telecom") in the position of Group General Manager, Customer Affairs and am authorised to make this Declaration on behalf of Telecom. I make this Declaration having made all due enquiries of employees, agents, consultants and contractors of Telecom.
2. I have been employed in my present position at Telecom since 1993. I am responsible for customer service policy.
3. The attached report dated 12 December 1994 (the "Report") has been prepared for the purposes of Telecom's defence to a claim made by the Claimant which is to be resolved by means of the Fast Track Arbitration Procedure.
4. The Report was prepared jointly by Telecom engineering and technical staff, Telecom's legal and accounting consultants and Telecom engineering and technical contractors (the "authors").
5. The Report has been prepared using contemporaneous documentary records produced in the usual course of Telecom's business and statements made by present and former Telecom staff which are recorded in statutory declarations.
6. I do not have personal knowledge of the facts set out in the Report or the facts upon which any statement contained in the Report is based. However, I have reviewed the Report and I am informed by each of the authors that the Report accurately states the facts stated in the Report.

AND I MAKE this solemn declaration conscientiously believing the same to be true and correct.

DECLARED at Melbourne)

in the State of Victoria)

this 12th day of December 1994.)

Steve Black

Before me:

P. M. Patten
.....
Solicitor,
Melbourne.

23H

properly mastered the technology that he or his callers are using and that this is the cause of many of Smith's complaints which he attributes to being caused by Telecom's network. A summary of the potential impact of CPE misuse or misinterpretation is contained in Document REF 1 under the heading "Customer Dialling Behaviour".

Attached to this report are the following:

- Appendix 1, is a summary of CBHC's incoming answered calls using the call data collected by ELMI SMART 10 during the period 27 May 1993 to 30 September 1994. It shows that Smith's incoming calling pattern is relatively uniform between approximately 8am and 9pm on most days.
- Appendix 2 defines words, acronyms and abbreviations used on this document. Other more general abbreviations are defined in the Glossary REF 3 and are described in the reference documents REF 1 and REF 2.
- Appendix 3 summarises events associated with the Goldphone service operated by CBHC for the use of its guests which is not integral to the operation of the CBHC business.
- Appendix 4 is a detailed summary of complaints relating to the CBHC service and responses by Telecom during Part B.
- Appendix 5 is an interpretation of the LEOPARD complaint history codes for CBHC.

During the period from 17 September 1994 to 29 September 1994, Telecom undertook a Service Verification Test on the services provided to CBHC. These tests are recognised by AUSTEL as an appropriate measure of service performance. Tests undertaken on the CBHC service were successful on all lines (reference document 4.40).

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Senator ALSTON—So Bell Canada made a contribution to that, presumably, but you are able to go further, are you?

Mr Davey—Yes.

Senator ALSTON—Is that proposition something that you have taken directly into account? I presume you have seen the minute, have you?

Mr Davey—Quite frankly, I cannot recall seeing that precise minute.

Senator ALSTON—Perhaps you might come back to me on any action that has been taken in response to this, if you have indeed previously seen it. If not, you might indicate what action you think should be taken as a result of seeing it. Can you do that?

Mr Davey—Certainly.

Senator ALSTON—You said that you hoped to be able to complete and presumably release your report in March.

Mr Davey—Mid-March, we are aiming for at this point.

Senator ALSTON—At that time, could you also include the total cost to Austel of the investigation; in other words, the amount of resources, human and financial, that has been absorbed by this exercise?

Mr Davey—I see no reason not to. I do not know whether we can give an accurate estimate—we have not until more recently kept it. It has been absorbed in our usual functions. We have not set aside specific resources until more recently.

Senator ALSTON—But it has been a major project.

Mr Davey—Yes. There is no doubt about it.

Senator ALSTON—It ought to be desirable to try to quantify the cost?

Mr Davey—Yes.

Senator ALSTON—Are you developing indicative performance standards to ensure that carriers provide an adequate phone service?

Mr Davey—Yes, indeed. In the context of the COT cases we are working specifically to get an agreement on a standard upon which we can sign off that the complainants, if they

settle with Telecom, are receiving an adequate standard of telephone service at the time.

Senator ALSTON—Will that be backed up by direction?

Mr Davey—If necessary, yes.

Senator ALSTON—What about in relation to others, apart from the top eight?

Mr Davey—It would apply in relation to all of them. What we are aiming to do is to get an across-the-board standard that people can sign off and know these sorts of things.

Senator ALSTON—Meaning both carriers or the three carriers?

Mr Davey—It will apply principally to Telecom as the provider of the local loop.

Senator ALSTON—Very well. Have you issued any directives to Telecom in relation to COT matters?

Mr Davey—Yes. They are published in the 1992-93 annual report, I think.

Senator ALSTON—In relation to COT?

Mr Davey—I think it is. Do not hold me to it but we do publish our directions in the annual report.

Senator ALSTON—Have any directions been issued since that time?

Mr Davey—It has not been necessary to issue further directions.

Senator ALSTON—Of the 257 consumer complaints that Austel received in 1992-93, approximately 91, according to the report, were referred to other agencies. Does that sound right?

Mr Davey—It sounds right.

Senator ALSTON—Why did not Austel immediately refer COT's allegations of voice recording to the federal police instead of waiting for the minister to refer the matter to the Attorney-General and then on to the federal police?

Mr Davey—That is a question that I think I need some further detail on.

CHAIRMAN—Minister, we might confirm that you have accepted the questions from Senator Alston and Senator Tierney.

Senator McMullan—Yes, I accept.

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AUSTEL
AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

99/0067

20 January 1994

Mr A Humrich
General Manager, Central Region
Network Operations
Telecom Australia

Facsimile 657 3529

Dear Mr Humrich,

VERIFICATION TESTS FOR DIFFICULT NETWORK FAULT CASES

As discussed late last year with Mr J Gisham, the following comments are offered on your draft set of verification tests for public switched telephone services with recurring service difficulties.

General Comment

The tests would be applicable to a very small percentage of customers, and the emphasis should be on going to great lengths to ensure the absence of any type of fault condition rather than on minimising the amount of effort involved for the carrier.

The purpose of such tests would be to ensure that a particular service has every possible likelihood of working correctly. Prior to a service complaint being escalated to this level, Telecom's normal testing and maintenance activities would have failed to remedy the situation from the customer viewpoint. With this in mind, the verification testing should eliminate all potential sources of service difficulties. Therefore, the draft set of tests proposed are not seen to be sufficiently rigorous or extensive enough for application to these types of services.

In keeping with this approach, the use of the term "Desirable Outcome" for test results is inappropriate and should be changed to "Essential Outcome".

Specific Matters for Consideration

The customer specific line tests nominate outcomes for insulation resistance and foreign battery which are considered to be at the margins of acceptable performance for any customer, much less a customer with a demonstrated history of service difficulties. The essential outcome of these tests must be to eliminate poor insulation resistance or foreign battery as potential sources of service difficulties. Performance less than that expected of new plant should be thoroughly investigated and the causes removed.

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Tests of outgoing call functions should also be performed, as well as checks of transmission quality. Tests involving the customer's equipment should be conducted to ensure that there is no fault in that equipment.

The customer specific exchange tests should also examine aspects of the local exchange which have the potential to affect the customer. For example,

- processor performance and loading in computer controlled exchanges should be checked, and marker, register and other common equipment operation in crossbar exchanges should be checked

- alarm and exchange performance records should be examined for any possible service affecting conditions

- customer originating and terminating classifications should be checked

- customer specific transmission systems, such as those involved with RGMs, should be checked thoroughly.

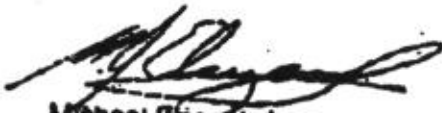
The public network call delivery tests are seen to be adequate in scope, but the number of call attempts from each location would need to be considerably greater to produce results with any statistical significance (hundreds rather than tens). Calling periods must include significant periods of time when the customer would expect high traffic volumes. The essential outcomes must be much tighter than the 90% levels suggested in the draft. Sample results would need to be equal to or better than Telecom's target performance for the traffic type involved.

Where test results do not meet the essential outcome, remedial action should be taken and the relevant tests repeated to confirm correct network operation.

I trust the above comments provide you with AUSTEL's view of what would represent a firm basis for further development of the verification test program.

Yours sincerely


GPH Mathieson
Specialist Advisor
Networks


Michael Elsegood
Manager
International Standards Section

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A10232

include the regulator, I believe it is in the interests that these matters are exposed and correctly addressed in the public interest. And my involvement in the current assignment has been assisted by obtaining legal assistance by parties who can identify what is or is not a criminal offence. The documents and reports that Alan is preparing I then give to other parties to vet, and those reports are then refined to make sure that we are only dealing with what we call substance. As part of this exercise, it has been necessary to turn around and have a look at the actual content of the document. So when we talk about what Alan is doing, Alan actually, to my surprise and also to the other person that is helping us, could be best described as an analyst. And while he got very excited here today, he is very good and very patient in looking at a document and analysing it to the point where we can get two documents – allegedly one a copy of the other – and identify the fact that one copy has been interfered with. Now that can mean removing certain words, removing a paragraph or if there has been certain deletions to it, we can identify the fact that the document has really been tampered with because even the type font has been changed. When we talk about interfering with a legal process, because my involvement started with the interference in a legal process in the Federal Court. My original complaint was not only did I have the fault, the problem, it was the denial of the problem and the falsely claiming of legal professional privilege and the falsely claiming of commercial in-confidence. None of it which was factual. Now when we talk about the root of, or the foundation of, our legal system being interfered with and being perpetrated by, not one organisation, but a group of people and that – to have dismissed that as not being in the public interest I find that a government regulator who has had their privilege in the past of having in depth discussions with myself because I was approached by the regulator, Robyn Davey, who was the gentleman who was the major architect of draftsman of the Trades Practices Act and I was referred to him by Mr Alan Fells. I was told by Mr Alan Fells that Robyn Davey wrote most of the Trade Practices Act and to go to him because the matters that we raised with him in '92 and '93, he said, can be addressed by the regulator because Robyn Davey and Austel has the, not only the Telecommunication Act they also have the Trade Practices Act attached to their charter to be able to address these issues. So when I got the phone call from Robyn Davey on 4 August 1973 and he demanded I come down and see him immediately and the subsequent many meetings that took place with him and then I was very fortunate I met a gentleman who I consider a very sincere, genuine, gentleman by the name of Ian Campbell of Telstra, a lot of meaningful discussions took place. But as has been demonstrated here today everybody seems to feel as though, because these matters are a long time ago, that there is no public interest. What I am saying is that the public interest, and I believe that I have become a very good advocate of what is in the public interest as the spokesperson, is that these crimes that have been committed under the veils of secrecy and confidentiality are of public interest and no secret veil of confidentiality covers a criminal offence. So not only are we looking at the technical aspects we are looking at all the parties involved and what role they played to deceive the individual claimants and the public at large. Now my situation of 2007 is dealing with one of those other very interesting issues of how do you prove a point? How do you prove you have got a phone problem when the phone company says you don't have it? How do you prove when they say to you, but we rang you, you didn't

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Don, spent last Friday morning attempting to measure line resistances at Rockbank - but it was abortive because no-one was at the premises, and can't do measurements without someone at the premises. Aim to do the Fish Farm on Wednesday, all being well. Some measurements have been done on the Voice-link cables and they show a slightly higher resistance than theory.

After travelling the cable run, I can understand why! The measurements on Friday morning did, however, show that there are significant cable problems between Rockbank exchange and Dawson's premises. Ideal solution is to plow in new cable by shorter route - I will be talking to John McCoy (CAN) about this.

The measurements are being done by the Power Co-ordination people and they do have other work to do and are short staffed.

I am not aware how Alan H's ringer measurements are progressing, but I suspect they should have been finished by now.

The theoretical analysis is currently being refined to take into account the quirks in ringer installations that keep turning up - refer to earlier message about non-standard ringer at Jindabyne South! Parameters for Cape Bridgewater RCM have been obtained, but I don't believe them - I am attempting to check them. Some of the people supplying this information live in "old Telecom"!

Discuss

Peter.

From: Pinal, Don
To: Gamble, Peter
Cc: Blake, Ed
Subject: RE: CAN Testing
Date: Monday, 15 November 1993 5:19PM

Peter

I need this more and more every day. When can I get it and which customers will it cover. We need to extend this to all customers covered by the Austel direction and get it completed by the end of this week.

Don

From: Gamble, Peter
To: Pinal, Don
Cc: Blake, Ed
Subject: RE: CAN Testing
Date: Wednesday, November 10, 1993 10:08AM

Don, I will put some words around it today and summarize the results in a table and then forward it to you. By then I should have resolved the Fish Farm cable details!

Peter.

From: Pinal, Don
To: Gamble, Peter
Cc: Blake, Ed
Subject: RE: CAN Testing