

**CAV
CHRONOLOGY
LGE**

Exhibit 89 to 154(b)

- i) matters which may involve anti-competitive behaviour or restrictive practices potentially in breach of the Trade Practices Act 1974; and
- ii) complaints which are specifically under consideration by AUSTEL, the Trade Practices Commission or any court or tribunal, or which have been considered by any of those bodies previously.

Appendix B

Council Attendance

22/06/93	•	•	•	•	•	•	•
30/06/93	•	•	•	•	•	•	•
21/07/93	•	•	•	•	•	•	•
26/07/93	•	•	•	•	•	•	•
03/09/93	•	•	•	•	•	•	•
12/10/93	•	•	•	•	•	•	•
30/11/93	•	•	•	•	•	•	•
10/02/94	•	▲	•	•	•	•	•
21/04/94	•	•	•	•	•	•	•
10/06/94	•	•	•	•	•	•	•
27/07/94	•	•	•	•	•	•	•
28/09/94	•	■	•	•	•	•	•

Hon. L. Bowen	↑	↑	↑	↑	↑	↑	↑
Andrew Bailey	—	—	—	—	—	—	—
Ted Benjamin	—	—	—	—	—	—	—
John Rohan	—	—	—	—	—	—	—
Elizabeth Morley	—	—	—	—	—	—	—
Ewan Brown	—	—	—	—	—	—	—
Robert Morsillo	—	—	—	—	—	—	—

▲ Represented by David Foster
 ■ Represented by Andrew Bedogni

Board Attendance

16/06/93	•	•	•	•	•	•
19/07/93	•	•	•	•	•	•
06/08/93	•	•	•	•	•	•
12/10/93	•	•	•	•	•	•
30/11/93	•	•	•	•	•	•
15/02/94	•	•	•	•	•	•
24/05/94	•	•	•	•	•	•
23/08/94	•	•	•	•	•	•

Ross Ramsey	↑	↑	↑	↑	↑	↑
Rod Simpson	—	—	—	—	—	—
Jim Holmes (resigned 6/10/94)	—	—	—	—	—	—
John Rohan (resigned 5/10/93)	—	—	—	—	—	—
John Files (appointed 5/10/93)	—	—	—	—	—	—
Chris Vonwiller (resigned 4/8/94)	—	—	—	—	—	—
Graeme Ward (appointed 6/10/94 replacing Jim Holmes)	—	—	—	—	—	—
Gillian Welshe (appointed 4/8/94 replacing Chris Vonwiller)	—	—	—	—	—	—

- 1 SEP 1993

Pittard, Rosanne

From: Pinel, Don
To: Pittard, Rosanne; Marshall, Ross
Subject: Technical Options
Date: Wednesday, 1 September 1993 9:33AM
Priority: High

Ross, Rosanne,

Ian has asked me to put together a small team urgently to look at imaginative technical options for the COT customers to address their concerns. An example would be a fixed mobilenet service with appropriate call diversion facilities, diversions to PAS on busy or no answer, radio options out of area service with call diversions etc. I think we need a good network engineer, a top cc and a good lateral thinker. Can you nominate someone please?

Ian's time on this is to have some options by next Monday and a speedy implementation.

Don

COT
—

Marshall, Ross

From: Pinel, Don
To: Marshall, Ross
Subject: FW: RVA ON CALLS TO CONNECTED NUMBERS
Date: Wednesday, September 08, 1993 10:06AM
Priority: High

Ross,

There seems to be an opinion that calls from ARE or ARF to AXE have a protocol problem that results in significant call failures. Do you have any info on this? //

Don

From: [REDACTED]
To: Pinel, Don
Subject: FW: RVA ON CALLS TO CONNECTED NUMBERS
Date: Wednesday, 8 September 1993 9:28AM
Priority: High

don

Here is the first of the info. The forwarded message show an example of the RVA problem.

As i mentioned in the messagebank last night my test produced a 7.5% fail to connect (blackhole) I will forward copy of the test as soon as I get xtree to view it

Regards

From: [REDACTED]
To: [REDACTED]ryl
Subject: FW: RVA ON CALLS TO CONNECTED NUMBERS
Date: Wednesday, September 08, 1993 9:18AM

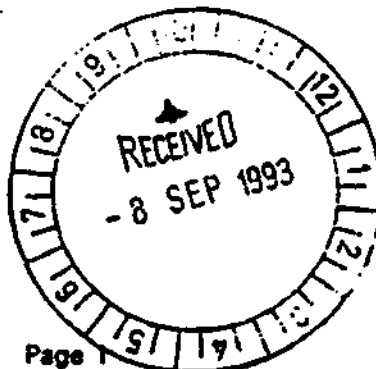
From: [REDACTED]
To: [REDACTED]
Subject: RVA ON CALLS TO CONNECTED NUMBERS
Date: Tuesday, 7 September 1993 5:06PM

Here is an example of an rva on a call to a connected number, the exchange types may give you a clue as to what the incompatibility may be.

076 615 790 ARF calling 076 617 200 AXE

1st attempt	RVA NUMBER NOT CONNECTED
2nd attempt	BUSY
3rd attempt	RVA NUMBER NOT CONNECTED
4th attempt	Connected ok, was not busy previously.

regards



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A02303

TELECOM IN CONFIDENCE



Facsimile

To Ross Marshall
GM Network Operations

From Trevor Hill
Manager Co-ordination &
Performance Reporting

Corporate Strategy
Regulatory

Level 18 Bag No. 4390
Melbourne Vic 3000

Australia

Telephone (03) 634 8800
Message Bank
Facsimile (03) 634 8842

Facsimile Speed Dial

File HRH 293

Company

Date 10 September, 1993

Location

Total Pages 2

Dist. to: Jim Holmes
Ian Campbell
Don Pines
Duncan Wallace Fax: 654 4601

Cot Cases

Ross,

The attached letter refers.

I have briefly discussed with Duncan Wallace/David Stockdale.

I have verbally advised John MacMahon today that:

- Connection of monitoring equipment at Schorer's premises requires AT&T attendance as they hold site maintenance contract. [Likely to be Wednesday as per David S.]
- Dawson was not able to make someone available on-site at Rockbank today. Therefore, monitoring equipment will be installed next Monday.

MacMahon embarrassed, apologetic etc re stuff-up at Schorer's. I indicated Telecom's intention to formally confirm with Austel that Schorer's telephone services 329 7255 and 329 7355 were now "out of play". He agreed. I will progress via Jim Holmes.

Trevor Hill
Trevor Hill

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CONFIDENTIAL

FREEHILL
HOLLINGDALE
& PAGE

CONFIDENTIAL

Melbourne Office

To:	Ian Row Corporate Solicitor Telecom Australia	From:	Denise McBurnie
At:		Direct line:	(03) 288 1383
		Switch:	(03) 288 1234
To fax:	634 8832	From fax:	(03) 288 1567
Phone:	634 3300	Date:	10 September 1993
Page 1 of		Matter No:	1660521 Pin No: 274
		Approval:	<i>Denise McBurnie</i>

The information in this facsimile is privileged and confidential, intended only for the use of the individual or entity named above. If you are not the intended recipient, any dissemination, copying or use of the information is strictly prohibited. If you have received this communication in error, please immediately telephone us (we will accept reverse charges) on:

(03) 288 1341 Fax (03) 288 1567 (International phone codes + (61 3)) or Telex AA33004
and return the original facsimile to
Level 43, 101 Collins Street, Melbourne Vic 3000 Australia

Dear Ian

N00749

"COT" Case Strategy

* As requested I now attach the issues paper which we have prepared in relation to Telecom's management of "COT" cases and customer complaints of that kind.

* The paper has been prepared by us, together with input from Duesburys, drawing on our experience with a number of "COT" cases. If there are any aspects of the issues paper which you would like us to expand upon or if there are any other issues you would like us to consider please don't hesitate to contact us. Both Freehills and Duesburys would be happy to assist you should any further presentations to Telecom management be required on any of the matters raised in the issues paper or with regard to any other matters concerning management of "COT" cases and customer complaints.

Yours sincerely
FREEHILLS HOLLINGDALE & PAGE
per:

Denise McBurnie

Denise McBurnie

Enc

copy to: Deanne Weir

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LEGAL PROFESSIONAL PRIVILEGECONFIDENTIAL/COMMERCIAL IN CONFIDENCE

The contents of this document are privileged and confidential and no part thereof shall be disseminated, copied or used without the express permission of the Telecom Corporate Solicitor.

A. PROFILE OF A "COT" CASE

Set out below are some of the common characteristics attributed to "COT" cases. The particulars are drawn from FHP's experience with the following "COT" cases:

- Golden Messengers/Graham Schorer
- Tivoli Theatre Restaurant/Ann Garms
- Japanese Spare Parts/Ann Gillan
- Cape Bridgewater Holiday Camp/Alan Smith

It should be recognised, however, that this list is neither definitive nor exhaustive of those characteristics.

Common Characteristics

1. Single operators of small businesses generally operating in service industries. If partnerships are involved it is usually a husband/wife partnership.
2. Questionable business stability or viability regardless of alleged telecommunications problems.
3. Common distrust of Telecom's network performance and distrust of Telecom's claims that network performance accords with "acceptable standards".
4. Claims of dissatisfaction by the claimant as to the handling of the case by Telecom.
5. Distrust of Telecom's testing procedures. N00750
6. Numerous faults alleged and claimed to be supported by documentary evidence collected by the claimant, but which do not match Telecom's fault reporting records.
7. A high level of understanding (acquired by experience) with FOI procedures and the procedures involved in accessing Telecom documentary information. However, this level of understanding is not necessarily matched with the ability to accurately or correctly interpret the information obtained.
8. There is usually a reluctance to pursue a claim through court action. Apparent or claimed reasons being:
 - cost
 - difficulty of proof
 - claim has a component relating back to when Telecom's statutory immunities applied
 - Telecom's size and ability to defend action proves to be oppressive.

9. With their strong prejudices against Telecom and notwithstanding the merits of their case, claimants may still attempt to have the claim heard through the media where the claimant is encouraged to present a "sensationalised" story to a sympathetic reporter.
10. A "divide and conquer" approach is used by the claimant when dealing with Telecom during the course of the claim. This can involve approaches made to:
- Technicians
 - Sales Representatives
 - Area Managers/General Managers
 - Company Secretary/CEO
 - AUSTEL

The claimant will attempt to obtain statements or admissions from various Telecom personnel. Those statements or admissions which may well have been harmless when made in the correct context may then be used by the claimant out of context and used to justify their claim against Telecom. In addition, the claimant may exploit Telecom's managerial structure in an attempt to undermine the credibility of those within Telecom and have their claim escalated within that hierarchy.

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B. PROBLEMS AND DIFFICULTIES WITH "COT" CASES

1. Although various divisions within Telecom may have already established a procedure for the handling of and accountability for "COT" cases, there does not appear to be any consistent corporate policy for the handling of "COT" cases and customer claims of their kind.

2. There appears to be a lack of understanding at the customer interface level of the potential for customer claims or disputes to escalate into "COT" case situations.

3. From a liability viewpoint, Telecom's customer relations policy and approach can in certain cases act to the detriment of Telecom where Telecom fails to control the making of admissions (express or implied) to the claimant.

4. Certain claims or parts of claims date back pre 1991 when Telecom enjoyed a statutory immunity against suit in particular circumstances. Whenever this issue is raised against a claim it is viewed by the claimant as unfair or immoral for Telecom to raise such a defence.

5. Telecom's size is not conducive to the handling of "COT" claims. Quite often by the time the claim comes to the attention of senior management the ability to resolve the problem as a customer relations exercise has long since passed.

In this regard many of the "COT" cases have been treated as customer relations exercises without adequate review or consideration at the initial stage of Telecom's legal liability.

N00752

6. "Divide and conquer" approach does not engender a workable settlement environment.

7. Telecom has experienced difficulties in presenting evidence to disprove a claim. This has been complicated by claimants' general distrust of Telecom's testing procedures and record keeping practices. In certain cases, Telecom has not been confident itself with the testing equipment used or available. This situation can result in a claim being neither proven or disproved, but it can create sufficient uncertainty for presumptions of guilt to be made by the claimant, AUSTEL and/or the media.

8. The drain on Telecom resources. Anyone at Telecom who has been involved in a "COT" case is aware of the enormous drain which such cases have on Telecom's resources. Executive attention and the level of involvement required by Telecom technicians devoted to finding or resolving the alleged problem is debilitating and costly for Telecom. Such cases can also create a detrimental effect on the morale of staff and executives.

9. The increasing number of "COT" cases and the publicity co-ordinated by the "COT" case organisation is providing the media with a case history of Telecom "negligence/incompetence". This situation is compounded each time a claimant takes his/her story to the media.

10. In instances where the dispute is longstanding the eventual claim for compensation sought by the claimant often bears no resemblance to the modest claim for compensation which the claimant may have originally sought. Delay in resolving the claim, frustration with Telecom's approach

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claimant of independent advice (lawyers, accountants) knowledge of what other "COT" claimants have received in the past and the usually ailing business of the claimant are factors which appear to escalate the size of the claimant's claim.

11. The claimant will generally avoid (for as long as possible) specifying his or her claim in any detail in an attempt to test the limits of Telecom's goodwill and to exploit its customer relations policy. As a result, settlement payments may be made in order to resolve a dispute, notwithstanding the absence of any provable liability.
12. Public profile generated by these cases can and has incurred government criticism of Telecom's senior management. Particular "COT" case claimants have enjoyed a degree of political influence and have used this influence to invoke the support of members of the Senate and make calls for a senatorial enquiry into the handling by Telecom of the "COT" cases. Senatorial involvement has also increased the media profile given to these cases.
13. Involves intrusion of AUSTEL (and potentially the Trade Practices Commission) in the day to day operations of Telecom.
- ⑭ These cases become test cases for other potential claims and raise questions as to the adequacy of Telecom's Network, products and services in the competitive environment created by Optus and Vodaphone.
15. Certain of the "COT" cases claimants who have agreed to settlement of their claim continue to pursue media coverage of their claim despite confidentiality undertakings. Further, such claimants and/or the media misrepresent the nature of the payment which they receive from Telecom claiming such payments to be compensation payments made by Telecom in recognition of Telecom's liability. In fact all such payments have been either ex gratia payments or payments into court, both kinds being accompanied with a denial of liability.

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C. RECOMMENDATIONS FOR THE MANAGEMENT OF "COT" CASES

① Awareness Program

An initial priority should be to put in place a legal awareness program to assist personnel to determine whether a customer problem, claim or dispute:

① should be or can continue to be dealt with as a customer relations exercise and the proper manner for doing so; or

② exposes Telecom to potential liability and which should be handled by referral to a dedicated management area ("DMA") within Telecom.

2. Customer Relations Approaches

It is difficult to set guidelines or directions as to what customer situations will or will not give rise to exposure to liability. In adopting a customer relations approach to fix a customer complaint, management needs to always keep in mind that such an approach may not resolve the complaint to the customer's satisfaction and this complaint could become a "COT" case situation.

Management must always be careful at this stage (and instruct their staff accordingly) not to directly or indirectly admit liability or fault on the part of Telecom or convey information concerning the complaint which could prejudice Telecom's position.

There will also be certain stages of a complaint at which the complaint should be immediately referred to the DMA. These include:

- receipt of a letter of demand from the claimant or his/her representatives.
 - a claim for compensation which exceeds Telecom's service guarantee undertakings.
 - Telecom's service guarantee undertakings or procedures are considered unsatisfactory by the claimant.
 - Recognition of possible fault on the part of Telecom.
 - No fault or problem is found by Telecom, but the claimant continues to complain.
 - Complaint not resolved or settled within a period of 6 months.
- ③ Instances of multiple complaints received in respect of a single exchange area.

This list is not exhaustive.

N00754

3. Establishment of a Dedicated Management Area

Establishment of a system whereby upon recognition of potential exposure to liability or receipt of a formal claim, the matter is referred to a DMA within Telecom.

The reasons behind the need for establishment of the DMA are:

(a) to avoid Telecom becoming subject to a "divide and conquer" approach by the claimant;

(b) decrease responsibility of the

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- (c) ensure swift resolution of the claim;
- (d) avoidance of those problems and difficulties set out above in Section B.

In conjunction with this referral, the manager in charge of the issue at Business Unit level must reduce Telecom contact with the claimant to as few individuals as possible.

It is also vital that in the act of referring the matter to the DMA, the manager responsible must exercise caution as to the contents of the referral and to whom it is directed. The relevance of this is dealt with in more detail below.

In recommending isolation of the management of "COT" cases to a particular area in Telecom, the intention is not to denigrate from the role and importance of Telecom's customer relationship focus but to ensure that the importance of this relationship is not compromised. In fact, this approach should be seen as an integral part of that focus in that it is designed to encourage a final resolution of a customer dispute while limiting the risk to Telecom of exposure to liability.

4 Constitution of the DMA

The make-up of the DMA will be of critical importance to the success of this management plan. In the current environment for the provision of telecommunications products and services, Telecom now faces exposure to liability for failure to provide such products and services in accordance with its contractual obligations with each and every customer. Any alleged failure to comply with these obligations will obviously involve potential exposure to legal liability and should be treated accordingly.

Of critical importance in the constitution and function of the DMA is the direction of the first referral of the claim by Business Unit management. The initial point of referral should always be to the Corporate Solicitors Office. This is in order to bring into operation the potential protection of legal professional privilege for documentation and other reporting procedures. It may also be appropriate for the Corporate Solicitors Office to continue as the point of referral and control in order to maintain legal professional privilege (where possible) over information and documentation created during the handling of the "COT" case.

Any area dedicated to the management of a "COT" case claim should be under the control of the Corporate Solicitors Office and involve the input and cooperation of:

- Business unit management.
- Technical/Network advisors.
- Regulatory.

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5. Procedures to be followed by the DMA in managing a claim

Once a "COT" case has been referred to the DMA for future management, the DMA should take the following steps within Telecom:

- (a) Ensure with the assistance of Business Unit management that Telecom contact with the claimant is managed by informed personnel.

- (b) Request from the claimant, if not already provided, a detailed claim in writing setting out the circumstances which he/she alleges give rise to the claim and the extent of the compensation which is sought.
- (c) Collect all information, documentation and files including general information where available about the claimant and his/her line of business.
- (d) Begin the process of obtaining witness statements or affidavits. A common problem in the handling of recent "COT" cases has been the tracing of employees who have had dealings with the claimant and who have either left Telecom or moved to different positions. As early as possible the current relationship with Telecom of potential witnesses must be ascertained together with their possible movements and contact details. This information should then be factored into the timing and manner of gathering evidence. The typical "COT" case claimant is certainly not adverse to approaching past employees of Telecom to assist or support the claimant's case against Telecom.
- (e) An analysis of the complaint(s) being made should be undertaken and such recording or monitoring equipment as Telecom has should be put in place. Given the distrust of Telecom's testing proceedings conveyed by most "COT" cases claimants, Telecom must also seriously evaluate its testing procedures (both in terms of reliability and costs) and factor such analysis into its overall customer complaint procedures.



(f)

If reports are needed i.e. technical, fault reports, and have not already been obtained these should be commissioned by the Corporate Solicitors Office and provided only to the Corporate Solicitors Office for the purpose of obtaining legal advice. This is in an attempt to create the initial protection of legal professional privilege for such reports.

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- (g) Determine if independent legal and other expert assistance is required.

When a dispute situation arises, facing up to its implications early can make the management of the dispute much easier and less costly than attempting to resolve the dispute at a later stage. Pinpointing the true nature of a dispute and the possible approaches to be taken to bring about its resolution will give Telecom a proper basis for proceeding with the management of a dispute or claim. The earlier that independent legal advisors and other expert assistance become involved in a claim or dispute, the more likely it is that such a claim or dispute will proceed to a speedy resolution. Obtaining independent legal advice at this stage will provide the following benefits:

- (i) An overview of possible outcomes and options and the initiation of a stringent due diligence process on the merits of the claim.
- (ii) Prevention of prejudicial phone calls being made or a damaging internal note being written by imposing a disciplined handling of the dispute or claim.
- (iii) Guidelines or estimates can be prepared and the necessary funds allocated as to the likely legal costs involved in pursuing the

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resolution of the dispute or claim, and any likely exposure to liability.

- (iv) Management are able to provide assurances to the Telecom Board that the dispute or claim is under a controlled dispute management process and that an independent and objective assessment of Telecom's position and options with respect to the claim has been made.

For the Telecom independent advisor relationship to operate properly it is essential that there is a two way flow of information and a team approach in the management of the dispute or claim. In order to facilitate this approach, monthly meetings would be held between the DMA and its independent advisors to review the status of cases referred and to monitor the dispute resolution process. There cannot be a synergy of commercial objectives and available legal options without close and co-operative planning between Telecom and its independent legal advisors (see Part D below).

6. Conduct not to be undertaken without referral to the DMA

There are certain courses of conduct which should not be undertaken without first referring the matter to the DMA. These are:

- (a) Making an ex gratia offer/payment of money which exceeds the level applicable under Telecom's service guarantees.

- (b) Make an offer of alternative products or services ("contra"). For example, a customer complains about the continued non-performance of a product over a period of 2 years and Telecom offers to replace it with a new one or new model together with an admission that the old product was faulty. The customer's immediate problem may be fixed, but by admitting the fault of the old one Telecom may expose itself to a damages claim for the preceding 2 year period.

- (c) No admissions of fault should be made.

- (d) No public comment should be made.

- (e) No written opinions, statements, reports or exchange of internal correspondence which contain admissions of fault should be made.

- (f) When in doubt, the whole matter should be referred to the DMA.

Referral of the matter to the DMA in these circumstances is necessary to ensure that Telecom obtains the appropriate release and/or indemnity where it is making any settlement payment or contra offer and to minimise the creation and spread of inflammatory and commercially damaging material. It is also necessary to ensure a speedy resolution of the claim.

7. Alternative Dispute Resolution Options

Where all internal procedures and options have been exhausted or are unlikely to generate a favourable outcome, the DMA should, in conjunction with Telecom's independent legal advisors, give strong consideration to the alternative dispute resolution ("ADR") options which may be available for the particular claim. In recent experience with "COT" cases there has been only one (Golden Messenger) which has

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resolve certain other "COT" cases through arbitration by an independent third party. This attempt was unsuccessful due to the withdrawal of acceptance by the claimants concerned of the terms of reference upon which the arbitration was to proceed.

The attractiveness of particular ADR options will of course depend upon each parties agenda and the expected or desired outcome of the claimant. What is important is to consider each case in accordance with such matters and avoid preconceived notions as to what the ADR options entail which may hamper Telecom's strategy and planning process.

The particular ADR options of relevance to "COT" cases and cases of this kind are:

- (a) Arbitration by an Independent Third Party - this option involves the Telecom and the claimant(s) agreeing on an independent third party who would resolve the issues in conflict. On this basis, the parties would agree to terms of reference and agree to abide by the decision of the independent third party.

The advantage of this option is that the hearing of the case would not take place in a public environment and could also be made subject to confidentiality undertakings. The difficulties experienced with this option are generally faced at the initial stage of agreeing on the independent third party and the terms of reference. It may also be against a claimant's desire to receive a public review of its case.

- (b) Mediation - the difference between an independent third party adjudicating on the claim and mediation is that a mediator's task is to merely attempt to make the parties reach a consensus on all issues. The mediator cannot otherwise impose a decision upon the parties.

The advantage of mediation is that like the independent third party arbitration option, the matter is not discussed or considered in a public forum. A further advantage is that since there is not a focus upon a decision being made as to fault of one party the obligations to put evidence before a court or independent arbitrator in order to prove or disprove any allegations against Telecom is diminished. The difficulties with this option is that it may not be acceptable to a claimant's publicity agenda will not be conducive to settlement where a claimant has developed an irreparable distrust of Telecom.

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- (c) Court Proceedings - as noted above the "COT" case claimants have been reluctant for various reasons to progress their claims by instigating court proceedings against Telecom. However, should a claimant bring court proceedings against Telecom there are obvious advantages and disadvantages in such an approach to dispute resolution. The advantages include:

- requirement on the part of the claimant to meet a particular standard of proof in its case against Telecom

- final judgement as to the dispute can be obtained

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- can be costly to defend
- exposes Telecom documentation and processes to public scrutiny
- can be a very lengthy process and involve significant corporate attention and time
- could have the potential to set a precedent or encourage further claims.
- a bad decision of the court could involve a precedent being set as to the status of Telecom's network.

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11.

D. REFERRAL OF "COT" CASES TO INDEPENDENT ADVISORS AND EXPERTS

The involvement of independent advisors and experts does not need to be seen as a final resort where all efforts of Telecom have failed to resolve a claim. There are numerous advantages to involving independent legal advisors and other experts at an early stage of a claim. These include:

1. Independent assessment of exposure to liability and assessment of the merits of the claim.
2. Decrease in executive downtime spent dealing with the claim and negotiating its resolution.
3. Distancing of Telecom from a claimant's attempts to divide and conquer and placing of the claim in the hands of those with experience in the handling of such disputes. The DMA will be assisted in preventing enquiries and action by others if they are able to say they have retained independent experts.
4. Increasing potential for legal professional privilege protection.
5. The imposition of a disciplined and dedicated handling of negotiations and procedures to facilitate a resolution while protecting the interests of Telecom.
6. Can create an environment which forces substantiation of a claim to a level of legal proof.
7. It has proven most useful to engage independent accountants, in conjunction with independent legal advisors, for the purpose of evaluation and assessing the validity and quantum of any claim.
8. The giving of credibility to Telecom's assessment of the claim and ensuring that any settlement offer represents a reasonable commercial resolution to the claimant's claim.
9. The distancing of Telecom personnel from conduct of negotiations and allegations of unconscionable conduct in bringing about settlement of the claim.
10. Ensuring adequate and complete release and indemnity undertakings are obtained from the claimant and any other interested parties.
11. Assisting Telecom's internal legal advisors in the handling and management of Telecom's legal exposure to claims of this kind.

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**Following is page 17 of 21 pages from
the legal advice given to the COT
Cases, by Associate, Professor,
Suzanne McNicol, in June 2000.**

MEMORANDUM OF ADVICE: PRIVILEGED AND CONFIDENTIAL - Advice on Legal Professional Privilege - re CoTs

- (i) The cases of *NCA v S* and *Esso*, referred to above, make it clear that a claim to privilege must expose sufficient facts to justify the claim. A vague or bald assertion of the privilege is seen as no claim at all.
- (ii) The definition of privilege indicates that only communications between a lawyer and a client for the dominant purpose of providing or receiving legal advice or for litigation (and communications between a lawyer or client and a third party for the dominant purpose of litigation) will be protected by privilege (see *Baker v Campbell* and *Esso's* case referred to above).

It is difficult to see how a document, or documents, merely described as "Network Data" would fall within the definition of a communication between a lawyer and client for the dominant purpose of advice or for litigation, or communication between a lawyer or client and a third party for the dominant purpose of litigation.

There appear to be 39 claims to legal professional privilege, which are merely listed as LPP in *Attachment 1*, being further detailed in *Attachment 2*. Further, there appear to be 74 claims to legal professional privilege listed in *Attachment 2* (it is not clear why there is such a variation between these two amounts of claims). A perusal of the file descriptions in *Attachment 2* indicates not only incomplete and inadequate claims to privilege but also claims which appear to be erroneously made.

For example, it is difficult to see, without further information being supplied, how a "Chart - Call analysis with handwritten annotations", a "Map - Bova Enterprises Call per exchange", a "Table - Bova's directory listings" or a "Fax confirmation report" could be covered by legal professional privilege.

(3) made defective or erroneous claims to privilege, and/or

There is also some evidence of (3) i.e. making defective or erroneous claims to privilege.

For example, in the letter from Mr John Armstrong of Telstra to Mr Ross Plowman dated 28 September 1998, Telstra concedes that it has erroneously classified some documents as privileged.

(4) knowingly made false or spurious claims to privilege?

There is also some potential prima facie evidence of (4) i.e. knowingly making false or spurious claims to privilege. For example, there is a potential structure set up for the possible abuse of the doctrine of legal professional privilege in the faxed document entitled "COT" Case Strategy, marked "Confidential" dated 10 September 1993 from Ms Denise McBurnie of Freehill Hollingdale and Page, Melbourne Office to Mr Ian Row, Corporate Solicitor, Telecom Australia.

I refer in particular to section 4 on page 6, which states:

"Of critical importance in the constitution and function of the DMA (Dedicated Management Area) is the direction of the first referral of the claim by Business Unit Management. The initial point of referral should always be to the Corporate Solicitors Office. This is in order to bring into operation the potential protection of legal professional privilege for documentation and other reporting procedures. It may also be appropriate for the Corporate Solicitors Office to continue as the point of referral and control in order to maintain legal professional privilege (where possible). Over information and documentation created during the handling of the 'COT' case."

LEGAL
OPINION

TELECOM CONFIDENTIAL

Facsimile



To Cot Case Project Team.

From Trevor Hill
Manager Co-ordination &
Performance Reporting

Corporate Strategy
Regulatory

Locked Bag No. 4950
Melbourne Vic 3100

Facsimile Speed Dial

Company

File HRH 203

Australia

Location

Date 13 September, 1993

Telephone (03) 634 8888
Message Bank
Facsimile (03) 634 8842

Distrib.

Total Pages 13

Freehill's Issues Paper re Cot Case Strategy.

The attached paper has been supplied by Freehill's, via Ian Row.

I don't believe that Jim Holmes was able to circulate a copy prior to his departure today to attend the Austel/Cot Case public meeting in Brisbane.

Referred for information.

Trevor Hill

Trevor Hill.

The information contained in this facsimile message may be confidential information. If you are not the intended recipient, any use, disclosure or copying of this document is unauthorised. If you have received this document in error, please telephone (03) 634 8870.

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Telstra Corporation Limited
ACN 081 775 558

A10683

Pittard, Rosanne

To: Paton, Steve
Cc: Denholm, Paula
Subject: North Melbourne Exchange survey

Steve.

Thanks for your E-mail- sorry for replying late, my mail system was not fully efficient.

North Melbourne is a combination of AXE and ARE.

It would be best to avoid COT case member, Mr Graham Schorer of Golden (Messenger) to avoid embarrassment as you say. His main numbers are 03 329 7355 and 03 329 7255, but he has several rotary groups and about 40 lines in total. I do not have all the details but shall get as much by Monday midday as I can.

Please prepare the results for the Corporate lawyers under legal professional privilege and limit distribution of the results.

Please go ahead as soon as possible.

Rosanne Pittard

K24548

K34866

14 September 1993

Corporate Centre
Office of the Corporate Secretary
41/242 Exhibition Street
MELBOURNE VIC 3000

Australia

Telephone 03 634 6431
Facsimile 03 632 3215

Mr J McMahon
General Manager Consumer Affairs
Austel

Dear Mr McMahon

Telecom has taken action to implement the monitoring arrangements described under paragraph 16 of the Austel letter of 12 August 1993.

With regard to the program of monitoring at customers premises, Telecom does not have equipment specially made for this purpose and has used equipment designed for exchange end monitoring supplemented by special power supply units. In most cases this appears to have been successful. However in two cases viz:

Lovey's Restaurant

Dawson Pest Control at Rockbank

the customer lines are subject to some low frequency mains power induction to which the equipment is sensitive. This is causing large volumes of erroneous information to be recorded and the results are therefore meaningless.

The power induction does not affect telephone service to these customers. The problem has been referred to the manufacturer but no solution has yet been provided. Exchange end monitoring is in place for both of these customers.

A further problem has arisen with the monitoring of Golden Messenger, for whom as you are aware, connection of monitoring was delayed due to the numbers initially advised by Austel not being the right ones. On Friday 10 September staff attempted to connect the new numbers but found that the terminal blocks provided at the Golden Messenger PABX do not allow for the parallel connection of additional wires. There is therefore no obvious access point to allow monitoring at the customer's premises. Further approaches are being explored in conjunction with the PABX supplier but at this stage no solution has been found.

Your advise is sought as to how to proceed on these issues.

Yours sincerely

Jim Holmes
Corporate Secretary

97

Internal Memo



To General Manager
Network Operations

K34881

From David Shepherd
Manager

Network Performance
Networks & Interconnect

7/30 Pirie Street
ADELAIDE SA 5000
GPO Box 2426 SA 5001
Australia

Subject G Schorer - "Tear Down" Signal

Telephone 08 230 6306
Facsimile 08 410 4038

Date 15 September 1993

File

Attention

Mr Schorer of Golden Messenger has been advised by the representative of his PABX supplier (AT&T) that his lines could be held up after a call due to the absence of a "tear down" signal from the terminating exchange to the PABX.

The Golden Messenger PABX exchange lines use the same signalling between the PABX and exchange as a normal telephone service. Clear down works as follows:

1. Incoming Call to PABX from the network
 - a) If only the distant A party restores the line is cleared forward to the PABX exchange line appearance at the terminating exchange. The PABX exchange line goes to line lock-out condition and the PABX extension receives busy tone until the PABX extension clears.
 - b) If only the B Party clears (PABX extension clears) the PABX will open the loop to the exchange. The exchange circuit goes into time supervision. After 90 seconds a Force Release signal is sent to the A parties originating exchange. The PABX exchange line is held for a 90 second time-out supervision period and then cleared down.
2. Outgoing Call from PABX extension to the network.
 - a) If only the A party (PBX extension) clears the loop is opened to the exchange and the connection cleared forwarded.
 - b) If only the B party (distant called party) clears, the distant exchange circuit goes into a 90 sec time supervision period. After 90 seconds a Force Release signal is returned to the originating exchange. This clears the connection forward and sends the PABX exchange line circuit to line lock-out and the PABX extension receives busy tone until it clears.

The above assumes normal categories apply. Malicious Call Trace category changes the above to give control of release to the B party. The issues relevant to Mr Schorer's concerns are:

K34882

1. In case 1(b) - for 90 secs after PABX extension hangs up on an incoming call the exchange line is held in the line lock-out ^{due} condition and cannot be reused.
2. The Forced Release signals within the Telecom network are not passed to the PABX on ring down circuits.
3. In-dial PABXs have different signalling arrangements and would normally receive clear down signals from the Telecom exchange.

Case 1(b) does not explain Mr Schorer's service difficulties as while the exchange line is held in the line lock-out condition, new incoming calls would be offered to other exchange lines in the PBX group.



David Shepherd
Manager
Networks & Interconnect

15/1/93

Domzal, Nora

→ T. ~~29/9/93~~

From: Row, Ian
To: Harvie, Roma
Cc: Sayer, Janet; Vonwiller, Chris; Beattie, Ken; Campbell, Desmond; Campbell, Ian; Pittard, Rosanne; Gilbert, Warwick; Campbell, Doug; Parker, Harvey; Holmes, Jim; Scott, Sue; Hambleton, Dennis V; Grace, Warren; Deam, John; Marshall, Ross
Subject: RE: ACCESS TO FILES.
Date: Wednesday, 15 September 1993 4:54PM

DA 17/9

Your message of 13 September refers. The Corporate Solicitor's Office has two files in relation to the COT cases.

1. A general COT case file and
2. The litigation file relating to Golden Messengers

All material on these files ought be claimed as legal professional privileged.

Row
CORPORATE SOLICITOR

From: Harvie, Roma
To: Sayer, Janet; Vonwiller, Chris; Beattie, Ken; Campbell, Ian; Pittard, Rosanne; Gilbert, Warwick; Row, Ian; Campbell, Doug; Parker, Harvey; Holmes, Jim; Scott, Sue; Hambleton, Dennis V; Grace, Warren; Deam, John; Marshall, Ross
Subject: ACCESS TO FILES.
Date: Monday, 13 September 1993 12:36PM

Attached please find letter from Don Pinel.

<<File Attachment: DPACCES.DOC>>

Roma Harvie

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Holmes, Jim

From: Holmes, Jim
To: Pinel, Don
Cc: Row, Ian
Subject: RE: CoT Project Team
Date: Friday, 17 September, 1993 1:06PM

Don,

No protocols. We have an arrangement with Freehills. No separate contract is needed. Go straight to Andrew Moyle. Keep Ian Row and I informed.

Jim

From: Pinel, Don
To: Holmes, Jim
Cc: Row, Ian
Subject: CoT Project Team
Date: Friday, 17 September, 1993 9:26AM

Jim,

As discussed yesterday I intend to use Freehills as my legal agents in matters relating to CoT. This is likely to be a fairly heavy involvement and I would obviously like to have ready access to Andrew Moyle.

What are the protocols that I need to follow? Are they on retainer? Do I need a separate contract? Can I go straight to Andrew?

Don

est

Holmes, Jim

From: Pinel, Don
To: Holmes, Jim
Subject: Legal Resource
Date: Tuesday, 21 September, 1993 12:39PM

ACC075

Jim,

Met at length with Freehills this morning (Ian Row was there). I have arranged for Denise McBurnie to provide legal input to the project and suggested that she come to tomorrow's meeting to meet the players and pick up the threads. She will also spend some time here tomorrow morning reviewing recent correspondence. I want her to be the focus for dialogue with the customers. Would like to talk to you about this, preferably before I see Harvey this afternoon.

Don

101

→ Jim Holmes

Domzal, Nora

From: Pinel, Don
To: Sayer, Janet; Beattie, Ken; Pittard, Rosanne
Cc: Brabazon, Paul; Holmes, Jim; Hambleton, Dennis V; Hill, Trevor; Halliday, Trevor
Subject: Customer correspondence
Date: Thursday, 23 September 1993 6:58PM

EA 2519

In the current climate Telecom needs to be particularly careful with its correspondence to the CoT customers. I have engaged Denise McBurnie from Freehills to participate on an "as required" basis in this matter and it is appropriate that all correspondence from the CoT (and near CoT) customers should be channeled through Denise for either drafting of a reply from Telecom or for reply direct from Freehills as our agent. The particular approach will vary from customer to customer and circumstance to circumstance but the general philosophy should be followed.

The merit of this approach is:

It relieves the Regions of onerous correspondence

It applies a rigorous legal regime to the dialogue

It provides a consistent approach to these matters

Would you please ensure that with all customers that are, (or have the potential to become) serious complaints, correspondence is processed through Freehills with initial acknowledgement by the Region.

Ultimately, the response to customer correspondence is a matter for Regional decision but I would encourage serious consideration of Freehills advice and discussion with either myself or Jim Holmes if an alternative approach is preferred.

Don

F03022

102

FAX Transmission

A (transmission) CALLER'S (NUMBER) BY LTD A.C.N. 005 046 046
 The sender disclaims liability for any loss or damage caused by the use of this service or any delay in delivery of the message.

To:	Mr. Robin Davy	From:	GOLDEN
Company:	Chairman AUSTEL		P.O. Box 313 493-495 Queensberry Street NORTH MELBOURNE VIC 3081
Fax No:	(03) 828 7384		A.C.N. 005 905 046
			Phone: (03) 329 7385
Date:	27 September 1993		Fax: (03) 328 4462
			Pages: (4) Incl. Fax Header
Mailed?	YES () NO (X)	Contact:	Graham Schorer



Message:

Dear Mr. Davy,

Sorry you were unable to take my telephone call this evening. I appreciate your staff telling me you had to leave as you were unwell.

The reason I rang you was because around approximately 6.15P.M a rude and arrogant man, calling himself Andrew Moyle - Solicitor acting on behalf of Telecom, wanted to be put through to me immediately and the only identification he gave to my staff was his name was Andrew Moyle.

Mr. Moyle informed me that any future communicate with Telecom had to be placed in writing and sent directly to him to enable the information to be acted upon immediately.

I responded with "Who are you?" and he replied " I have already told you I am Andrew Moyle from Freshill, Hollingdale and Page acting on behalf of Telecom and I have been instructed on behalf of Telecom to inform you that all future communications with Telecom will be placed in writing and sent to me which will guarantee you that Telecom will immediately respond to you in an expedient manner."

My response was "And who did you get your instructions from?"

103

A10001

Answer: "Mr. Harvey Parker and I understand you are waiting a response this afternoon from Mr. Jim Holmes to the material you sent him last week which we have been working on this afternoon."

My response to Mr. Moyle was "Mr. Parker has made it very clear he has no intention of returning my telephone calls and as far as I'm concerned Mr. Parker can ring me direct of which he has no intention of doing, as previously stated by messenger, I will deal with it in my own way as I have already been personally informed by Mr. Blount that Mr. Parker is ultimately in charge and Mr. Ian Campbell who reports to Mr. Parker is directly in charge and has no other duties" With Mr. Campbell overseas, I have a telephone service problem, supported by an Austel letter dated the 24th of September, contradicting what Telecom has said to me which I want Telecom to address immediately and as a result I have rung Mr. Parker who refuses to take or return telephone my calls and he has made this point known to me on numerous occasions.

I have rung Mr. Blount's office as Mr. Parker leaves me no alternative and I have no intention responding to your telephone call: You can get stuffed: I have a serious telephone problem and I intend to deal with Telecom direct as what you are proposing is farcical, however, put your verbal request and Telecom instructions in writing by immediate return fax. My fax number is (03) 328-4482.

After getting of the telephone from Mr. Moyle, Mr. Davey, I rang your personal telephone line to report to you the absurdity of the current instructions of how Telecom intend to deal with the C.O.T. Case Members and I understand you were in a meeting and left a message with your secretary.

I then rang Mr. Blount's office in Sydney and was informed by Mr. Blount's secretary, a Ms. Sue Scott, that all my personal telephone calls were to be directed to a Miss Denise McBirnie, secretary of Freshill, Hollingdale and Page and she stated she was instructed to tell me that by her employer. When I asked her who her employer was she said Telecom. I then asked her who precisely within Telecom told her to state that and she said Mr. Harvey Parker. I replied Mr. Parker is not your employer and she stated yes he was as he is Telecom and I responded by asking who is your boss and she said Mr. Blount. I then asked the question "Have you made contact with Mr. Blount who was last in his car?" to which she replied "No" to which I suggested that she did so as I refused to report my telephone difficulties to a solicitor nor did I have any intention in discussing a commercial resolution with a solicitor. I had already reported the matter to Austel and intended to notify the appropriate Senators. I apologised for my abrupt manner and said to her I respected, in the absence of talking to Mr. Blount, she was only following orders.

At 5.56P.M. I received a fax from Mr. Moyle of which the contents I find insulting and it adds to many Telecom examples where Telecom say one thing and report in writing another.

103

A10331

In a rush of blood, I rang up Mr. Moyie and accurately told him he was a liar for that is exactly what he is.

The contents of Mr. Moyie's previous telephone referred to Telecom matters and he was very sincinct in saying any communique with Mr. Parker required myself to place it in writing to which he stated would get an immediate response from Telecom.

I note the delay in time it took Mr. Moyie to compose such a letter before he faxed the contents to me and as he stated in the first telephone call, he and other members of Telecom were still working on the subject matter before Telecom were in a position to respond in writing.

Mr Davey, you have been informed by Telecom that Mr. Jim Holmes is off the case and it is my understanding that Senator Alston has requested in writing to Telecom that Mr Don Pinnell be immediately taken off the case yet Mr. Andrew Moyie implies the opposite.

This is farical, just what is going on, who is going to stand up for the Telecom consumer and when.

All I rang Mr. Parker about today was in response to your fax dated the 24th September, 1993 and Telecom's intent to address my I.S.D.N. connection matter, still outstanding, as my business is still now badly haammoraging as a result of Telecom's conduct.

GRAHAM SCHORER.
A TELECOM CUSTOMER.

P.S. I have a commitment that cannot be broken with Westpac in Sydney at 10.00A.M. on the morning of September the 28th. I will ring prior to the meeting, if unsuccessful in contacting you direct, will ring you immediately after the meeting but the time delay at this stage is unknown.

C.C. Senator Alston
Senator Beawell
Minister of Communications

Included with this fax is the sanitised Freehill, Hollongdale and Page fax confirming the contents of Mr. Moyie's telephone call and instructions from Telecom.

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A10655



AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

92/596(6)

28 September 1993

Mr Frank Blount
Chief Executive Officer
Telstra Corporation Ltd

Fax 632 3336

Dear Mr Blount

COT CASES

It appears to me quite reasonable for the *COT Cases* Spokesperson, Mr Schorer, to express the frustration that he does in his attached letter, dated 27 September 1993, at possibly having to deal with Telecom's solicitors rather than with Telecom personnel direct.

As I understood it, "*Telecom has given Ian Campbell personal accountability, as a very senior executive, to manage all aspects of the COT Cases*" (letter, dated 24 August 1993, JR Holmes, Telecom's Corporate Secretary, to me).

Telecom now appears to have done a "back flip" by instructing its solicitors, Freehill Hollingdale & Page, to inform Mr Schorer that he must "... address any concerns of a legal nature involving our client and your business, direct ..." to their office. While Freehill's letter of 27 September 1993 (copy attached) to Mr Schorer states that "... does not in any way preclude ... [him] ... from addressing non legal matters through the normal channels of communications previously agreed ..." between him and Telecom, it places Mr Schorer in the impossible position as a layman of having to distinguish between "concerns of a legal nature" on the one hand, and "non legal matters" on the other.

My empathy with Mr Schorer's frustration is reinforced by Telecom seemingly ignoring an exhortation in my letter to Mr Campbell of 24 September 1993 that he should consider suggestions put on behalf of the *COT Cases* "... on their merits, not on a legalistic basis or on the basis that they may set some "floodgate" precedent, but in the spirit that the suggestions are made, namely, in providing some form of address and some form of resolution to what have been long standing concerns and issues."

As I indicated in my letter to Mr Campbell, there is a strong feeling among the *COT Cases* of a lack of good faith on Telecom's part. If Freehill's letter correctly reflects Telecom's instructions it can only serve to reinforce that feeling.

5 QUEENS ROAD, MELBOURNE, VICTORIA
POSTAL: P.O. BOX 7443, ST KILDA RD, MELBOURNE, VICTORIA, 3004
TELEPHONE: (03) 828 7300 FACSIMILE: (03) 820 3021

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While having regard to the amounts involved in the "*commercial resolution*" proposal put by Mr Schorer and three of the *COT Cases* I can understand Telecom wanting to get legal advice on the issues, the matter is more likely to come to a speedy resolution if direct lines of communication are kept open, if Telecom continues to talk direct to the *COT Cases* and hears their concerns first hand.

AUSTEL for its part is prepared to facilitate such communications and, if necessary, mediate on what I understand to be the next step in the "*commercial resolution*" proposal, namely, the parties agreeing on the terms of the proposal before its consideration at the "*Executive Council*" level within Telecom.

Mr Schorer has indicated his willingness for AUSTEL to adopt such a role if it is necessary. I await your advice whether Telecom is also willing for AUSTEL to adopt such a role if it is necessary.

What I am proposing should in no way be taken as prejudging the outcome of AUSTEL's investigation/report of the concerns expressed and issues raised by the *COT Cases* and others who have expressed similar concerns and raised like issues. I make the suggestion of AUSTEL facilitating advancement of Telecom's consideration of the *COT Cases* "*commercial resolution*" proposal now because the *COT Cases* are in dire financial straits and because, as I have said before, AUSTEL's investigation/report does not preclude Telecom from moving now to take steps to address concerns or resolve issues raised by individual complainants, or for that matter, those concerns and issues generally.

As Mr Schorer has sent a copy of the attached letter to the Minister for Communications and to Senators Alston and Boswell I am sending a copy of this letter to them.

Yours sincerely



Robin C Davey
Chairman

Holmes, Jim

From: Newbold, Greg
To: Beattie, Ken; Adermann, Gregory C; Pinel, Don; Blake, Ed; Campbell, Ian; Pittard, Rosanne; Benjamin, Ted; Holmes, Jim; Hambleton, Dennis V; Marshall, Ross
Cc: Vonwiller, Chris; Anderson, Keith
Subject: COT media latest
Date: Tuesday, 28 September, 1993 6:30PM

Steve Lewis is following up on his own yarn NOT with the Davey letter to the minister but with the Davey letter to the CEO raising concerns about our use of Freehills. I have told Lewis that its is utterly inappropriate for us to comment on the private correspondence between the industry regulator and Telecom and have drawn his attention to the release on the C&L appointment.

Ben Potter also has a letter. His is from Davey to Ian Campbell wherein Davey calls on Telecom to look favourably on interim payments to some of the COTs. Same drill for Potter including the C&L release.

Given the amount of paper flowing around on this matter, it is hardly surprising that some should fall into the hands of the fourth estate. I tried to get a feel for Potter's source but my only surmise is that Davey is giving a strong feed to Schorer and Schorer is passing the paper on. I say this because Potter also raised the Freehills matter after being told by Schorer of a letter from Davey to WFB.

Greg.

~~103258~~
C02840

Telecom rapped again on disputes

By BEN POTTER,
communications writer,
Sydney

Telecom has again displeased the telecommunications regulator Austel over its handling of disputes with small business customers.

Austel's chairman, Mr Robin Davey, has written to Telecom suggesting it try to resolve disputes with four members of Casualties of Telecom (COT) while Austel investigates their complaints. Telecom says it is already seeking solutions.

Austel also wrote yesterday to Telecom's chief executive, Mr Frank Blount, criticising Telecom's treatment of a COT spokesman, the North Melbourne businessman Mr Graham Schorer.

The correspondence came as Telecom announced it had engaged the accounting firm Coopers & Lybrand to audit its dispute resolution procedures, which have been criticised by COT, Austel, and the Opposition communications spokesman, Senator Alston.

Coopers will bring two experts from Britain. Telecom also expects to name a European expert soon to review its network.

COT has cost Telecom more than \$600,000 in settlements.

Senator Alston said a Senate inquiry could be the way to resolve the issues. He said he was not impressed by the progress of Telecom or Austel, while the Federal Government was not concerned about the quality of Telecom's network.

Complaints from "hundreds" of small business people had "all the hallmarks of local exchange overload," he said, yet Austel was leaving technical assessment to Telecom, and he was not satisfied Telecom wanted "to do anything other than sweep the problems under the carpet and pay people off".

In a letter last week, Austel's chairman, Mr Robin Davey, told Mr Ian Campbell, the senior Telecom executive in charge of handling COT complaints, that many COT members were in financial straits and Telecom would be

demonstrating good faith if it tried to resolve their complaints.

In yesterday's letter to Mr Blount, Mr Davey said Telecom's decision that Mr Schorer had to address any legal concerns directly to its lawyers, Freehill Hollingdale & Page, appeared to be a "backflip" from its previous statement that Mr Campbell had personal responsibility for COT complaints.

"It places Mr Schorer in the impossible position as a layman of having to distinguish between concerns of a legal nature ... and non-legal matters," he said.

"My empathy with Mr Schorer's frustration is reinforced by Telecom seemingly ignoring an exhortation in my letter to Mr Campbell of 24 September that he should consider suggestions put on behalf of COT cases ... on their merits, not on a legalistic basis or on the basis they they may set some floodgate precedent, but in the spirit that the suggestions are made, namely, providing some form of ... resolution to ... long-standing concerns."



Mr Reynolds: aiming for 10 p

AUCTION FRIDAY 8TH OCTOBER
AT 3PM ON SITE.

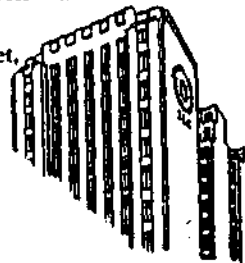
INVESTMENT SPECIAL
Malaya Restaurant
1-22 Cross Street, City

FOR SALE

Plug into the CBD
residential market.

'Clements House'
238-240 Flinders Street,
Melbourne.

• Class
•



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AUCTION

Tues 5th Oct. 1993 at 3pm
OFFICE BUILDING.
CBD FRINGE.



314 - 318 DRUMMOND ST
CARLTON.

1st floor office 250sqm approx
2nd floor car parking

By ANN,
Sydney
Australia
to show t
gress alo
they rule
But som
others l
Three
books
hippin
Na:
w

DRAFT - IN CONFIDENCE

Consumer will undertake an immediate inspection of all elements of the CAN and certify that the service is constructed in a manner that complies with standard practice. Any defects/abnormalities will be noted and corrected. Pairs will be "clean" between the exchange and the customer's premises with any common pairs cut away. Consumer will formally certify that the inspection has been carried out and record the results of their investigation.

Commercial will test the customer's service and record the test results. This test will be repeated at regular intervals (at least weekly) to ensure stability and consistency. Where appropriate, CPE will be tested. On occasions it may be desirable to install recording equipment at the customer's premises.

All technical reports that relate to the customer's service are to be headed "Legal Professional Privilege", addressed to the Corporate Solicitor and forwarded through the dispute manager.

The only contact with the customer will be by the dispute manager or the Regional Manger unless the MD Commercial chooses to become personally involved. All contacts with other individuals will be referred back to the dispute manager.

The Regional General Manager will ensure that all other elements of Telecom are advised of the declaration of a Category A dispute. The managers of these other elements will ensure that all parts of their organisation are aware of the existence of a dispute and that staff are advised that they are not to comment on the customer's service. On all occasions only staff with exceptional "intelligence" and who have been fully briefed on the dispute are to be assigned to any dealings with the customer or related activities.

It is important that operational systems (including DCRIS, LEOPARD, Service*Plus) should be made capable of displaying an appropriate warning mark against the customer's record indicating that a sensitive customer dispute is in progress and identifying the dispute manager. Local instructions should be issued to advise staff to refrain from commenting on service performance issues but to refer these to the dispute manager.

SEP/-

Holmes, Jim

From: Pinal, Don
To: Holmes, Jim
Cc: Parker, Harvey
Subject: Letter to Schorer
Date: Tuesday, 28 September, 1993 7:39PM

Jim,

Your proposed reply to Schorer is good although I assume it is more legalistic than I would like. I do not know of any way to soften it without raising expectations.

One point not covered that you may like to consider is the question of "duress". This has been raised in a number of places and requires rebuttal.

Similarly the question of Telecom's regulatory and contractual protections from suit don't get a mention (it may not be necessary to raise these at this stage as they are certain to be provocative provided we don't allow expectations to form that we will relinquish such protection)

I also think that your section 2 sends conflicting messages. In one para you correctly identify the constraints on discussing a particular case with other than the specific customer. You do imply, however, that the customers could give Schorer some form of authority to act on their behalf. I am not sure that these two messages are consistent. Would a power of attorney, for example, allow disclosure to Schorer of settlement details covered by our form of release? I don't think so.

Perhaps I am getting too legalistic and defensive but we can't afford to let anything get away. However, our best option is still to force these cases down a legal, structured path.

Don

FREEHILL
HOLLINGDALE
& PAGE

Melbourne Office

To:	Mr Don Piniel	From:	Denise McBurnie
At:	Telecom Australia	Direct line:	(03) 288 1383
		Switch:	(03) 288 1234
To fax:	07 221 7274	From fax:	(03) 288 1567
		Date:	01 October 1993
Phone:	07 837 6072	Matter No:	001660539
		Pin No:	274
Page:	1 of	Approval:	<i>Denise McBurnie</i>

The information in this facsimile is privileged and confidential, intended only for the use of the individual or entity named above. If you are not the intended recipient, any dissemination, copying or use of the information is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone (we will accept reverse charges) on:

(03) 288 1341 Fax (03) 288 1567 (International phone codes + (61 3)) or Telex AA33004
 and return the original facsimile to
 Level 43, 101 Collins Street, Melbourne Vic 3000 Australia

Mr Alan Smith

Dear Don

I enclose a copy of the letter sent to Mr Alan Smith at 1.16pm today. I also confirm that I telephoned Mr Smith on phone number 055 267 267 and spoke to Mr Smith who confirmed that he had received the facsimile.

Yours faithfully

FREEHILL HOLLINGDALE & PAGE

Per:

Denise McBurnie

Denise McBurnie
Solicitor

COT.

A10630

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AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

93/596(6)

5 October 1993

Mr Ian Campbell
Managing Director, Commercial
Telecom

Fax 634 3876

Dear Mr Campbell

COT CASES SETTLEMENT PROPOSAL

AUSTEL has been asked by the *COT Cases* to facilitate their agreeing with Telecom the terms of the proposal they have put to it on how their claims against it may be settled.

2. I understand from the terms of the letter, dated 29 September 1993, from your Corporate Secretary, Mr Holmes, to Mr Schorer, Spokesperson for the *COT Cases*, that Telecom agrees with AUSTEL's intervention as a facilitator.

Starting point

3. I am taking as my starting point the "*Settlement Proposal*" at Attachment 'A' which was prepared by Telecom for the purposes of clarifying its understanding of the nature of the proposal put by the *COT Cases*.

The *Settlement Proposal* in context

4. The *Settlement Proposal* is to apply to the following four *COT Cases* -

- G Schorer: Golden Messenger (Spokesperson)
- A Garms: Tivoli Restaurant
- M Gillan: Japanese Spare Parts
- A Smith: Cape Bridgewater Holiday Camp.

5. The *COT Cases* put their proposal against a background of -

- long standing disputes between each of the *COT Cases* and Telecom involving, amongst other things, allegations of poor quality of service provided by Telecom and shortcomings in customer equipment supplied by it
- the effect of the matters in dispute on their businesses

- dissatisfaction with Telecom's responses to their complaints
- prior payments made by Telecom to each of the *COT Cases* in connection with their disputes.

6. When there is agreement between Telecom and the *COT Cases* as to the nature of their proposal, Telecom's Executive Council will consider it and Telecom will inform the *COT Cases* whether Telecom will adopt it.

Comments by the *COT Cases* on the *Settlement Proposal* at Attachment 'A'

7. The *COT Cases* have indicated to AUSTEL that the *Settlement Proposal* at Attachment 'A' does not accurately reflect their proposal because it does not include an opportunity for Telecom to proceed without reference to the proposed Circuit Breaker. That is, the Circuit Breaker is seen by the *COT Cases* as a last resort mechanism that would operate only if -

- a direct offer by Telecom were unacceptable
- Telecom chose not to make an offer.

8. While there may be merit in an opportunity for Telecom in the first instance to negotiate directly with the *COT Cases* and to have the Circuit Breaker as a fall back position, the history of the matter suggest to me that direct negotiations between Telecom and the *COT Cases* would not provide a resolution of the matters more quickly than an immediate move to a Circuit Breaker and I understand that the *COT Cases* do not press for that part of their proposal to be recorded in the *Settlement Proposal*.

Clauses 1-4

- "1. Both Telecom and the four remaining active *COT Cases* are seeking a final settlement of the outstanding matters between them if that is possible.
2. A final settlement is one that will be absolutely binding and, once entered into, has no chance of becoming unstuck.
3. The settlement process envisaged requires a "Circuit Breaker" that is a person accepted by all parties as an honest broker who will investigate the claims of the *COT members* and propose terms for commercial settlement.
4. The "Circuit Breaker" will be a person of clear independence and integrity who will have had experience in commercial assessment, mediation and arbitration."

9. I understand that the *COT Cases* agree with Clauses 1-4 of the *Settlement Proposal*.

Clause 5

"5. *The person nominated as "Circuit Breaker" is Mr Barrie O'Sullivan of Freeman, Plumber & Pullinger, Loss Assessors of Brisbane.*"

10. My understanding is that Mr O'Sullivan is the *COT Cases'* first preference but that if it were necessary for the *Settlement Proposal* to proceed, the *COT Cases* would be prepared to accept another person.

11. One suggestion that they have made in that regard is Mr Gordon Hughes. I understand that Mr Hughes is an immediate past President of the Victorian Law Society and is the Managing Partner of Hunt & Hunt, Solicitors of Melbourne. I further understand that Mr Hughes' personal expertise is one of information and communications technology law and the resolution of disputes in those areas. I also understand that if he were to be chosen he would undertake the task personally.

12. Another suggestion is a person nominated by the President of the Queensland Law Society.

13. Alternatively, I understand that a person nominated by AUSTEL skilled in alternative dispute resolution with a mandate to call upon others of his or her choice with professional skills (for example, accounting skills) relevant to the task would be acceptable to the *COT Cases*.

14. Would you please let me know which of the alternatives you would want to follow.

Clause 6 (a)

"6. *The proposed procedure for settlement is -*

(a) *Each COT member will provide the "Circuit Breaker" with details of their claim and whatever supporting material they have available."*

15. The *COT Cases* agree with Clause 6 (a).

Clause 6 (b)

"(b) *The "Circuit Breaker" will check the circumstances of the business and industry of each COT member."*

16. I understand that the *COT Cases* intend that the Circuit Breaker should compare the performance of each of the *COT Cases'* businesses with the performances of other like businesses over a relevant period so that the Circuit Breaker may draw conclusions on how the *COT Cases* might have performed but for the matters in dispute between them and Telecom.

17. I suggest that Clause 6 (b) be amended to reflect that understanding as followings -

"The "Circuit Breaker" will check the circumstances of the business and industry of each COT member and compare the performance of COT members' businesses with the performances of other like businesses over a relevant period so that the "Circuit Breaker" may draw conclusions on how the COT members' businesses might have performed but for the matters in dispute between them and Telecom."

Clause 6 (c)

"(c) The "Circuit Breaker" will verify the claim of each COT member, and will make adjustments to claimed amounts as seem justified by the investigation. Call losses need not be proved to be causally linked with amounts claimed."

18. I understand that the COT Cases have in mind that the Circuit Breaker will, amongst other things; be looking at the circumstances of the COT Cases both individually and as a whole and at how Telecom responded not only to individual cases but also to the COT Cases as a whole.

19. I further understand that the COT Cases are not seeking to deny that there should be some causal link between Telecom's quality of service and their claims but that because not all call losses and other problems experienced by them have been recorded they should not have to be put to strict proof of each and every call loss or other problem.

20. Having regard to my above understandings, I suggest that the Clause 6 (c) be amended as follows -

"The "Circuit Breaker" will verify the claim of each COT members and will make adjustments to claimed amounts as seem justified by the investigation. In carrying out the investigation, the "Circuit Breaker" will, amongst other things, look at the circumstances of the COT members both individually and as a whole and how Telecom responded not only to individual cases but also the COT members as a whole. As not all call losses or other problems experienced by the COT members have been recorded, the "Circuit Breaker" will not require strict proof of a causal link between each and every call loss or other problem experienced by the COT members but may draw from the available information and material reasonable conclusions about the extent of the call losses and problems and their impact on the performance of the COT members' businesses."

Clause 6 (d)

"(d) Each COT member will be bound to accept the evaluation of the "Circuit Breaker" in advance, including an evaluation that is less than the total amount of the member's claim, or less than the payments already made by Telecom to date."

21. The COT Cases agree to Clause 6 (d) as stated above.

22. The *Settlement Proposal* would be enhanced if Clause 6 (d) were also to include words to the effect that the Circuit Breaker may not assess a sum greater than the amount claimed by any COT Case and what those sums are in respect of each COT Case. That is a matter of detail that can be addressed if Telecom agrees to adopt the proposal.

Clause 6 (e)

"(e) Telecom will also be bound to accept the evaluation of each claim in advance."

23. The COT Cases agree to Clause 6 (e).

Clause 6 (f) (i) and (ii)

"(f) COT members will be bound in advance by the outcome of the evaluation of one or more of the following arrangements:

- (i) by signing an irrevocable power of attorney authorising the "Circuit Breaker" to accept settlement on their behalf.*
- (ii) by agreeing that no payout need be made by Telecom to any COT member until all have agreed to the evaluation of their respective claims."*

24. While the COT Cases agree that Clause 6 (f) (i) and (ii) as expressed above accurately reflects their proposal as they put it to Telecom, they have accepted my advice that further down the track Clause 6 (ii) may give individual COT Cases cause for concern and could lead to delays and real difficulties in individual COT Cases achieving a satisfactory settlement. Also, the clause seems to me to be unnecessary if Telecom is to commit itself to the Circuit Breaker's determination. Accordingly, I suggest that Clause 6 (f) (ii) be deleted.

Clause 6 (f) (iii)

"(iii) by withholding a portion of the payout for up to two years to ensure public acceptance by each COT member in practice."

25. I think that it might be useful to specify in this clause that the "... portion of the payout ..." is to be determined by the Circuit Breaker having regard to the financial circumstances of individual COT Cases. I suggest that the clause be recast as follows -

"by withholding a proportion, to be determined by the "Circuit Breaker" having regard to the financial circumstances of each COT member, of the payout for up to two years to ensure public acceptance by each COT member in practice."

Clause 6 (f) (iv)

"(iv) each COT member will sign in advance letters to the Minister and to AUSTEL publicly acknowledging the fairness of the process and that it is a model for reconciliation of commercial differences."

26. The COT Cases agree to Clause 6 (f) (iv).

Clause 6 (g)

"(g) Telecom would be bound to accept the outcome of the process by entering into a bank guarantee to the maximum of each claim."

27. As I understand what is intended by this clause, it might be better expressed as follows -

"Telecom is to provide to the "Circuit Breaker" a guarantee that it will meet any claim as assessed by the "Circuit Breaker" to the maximum of the claim."

Clause 7

"7. Timing: The whole process would be expeditiously handled, and would take about ten-fifteen working days comprising -

- one-two days spent with each COT member to verify each claim, examine the basis of claim and documentation*
- a few days to report on each case and to seek agreement (if possible) to the evaluation*
- a few days to reconcile not only between Telecom and each COT member but across all four members (see 6 (f) (ii) above)."*

28. While the COT Cases agree that Clause 7 accurately reflects the proposal as they put it to Telecom, they recognise that the timing of the implementation of the *Settlement Proposal* will need to be reviewed having regard to -

- the history of the matters*
- the need for the Circuit Breaker to become familiar with the cases*
- the nature of the investigations to be conducted by the Circuit Breaker*
- the travel involved*
- the need for the Circuit Breaker to consult with third parties.*

29. Accordingly, I suggest that the clause as it stands be deleted and replaced with a clause to the following effect -

"Timing: Speed is of the essence. The "Circuit Breaker" will be instructed accordingly and to give priority to preparing a mutually acceptable timetable for consideration by the parties."

Other matters

30. I consider that it would be desirable for the *Settlement Proposal* to address the issues of -

- who will bear the costs of the Circuit Breaker - as I understand it the *COT Cases* would have Telecom bear the costs
- an indemnity for the Circuit Breaker - as I understand it the *COT Cases* would have Telecom indemnify the Circuit Breaker.

31. For ease of reference I have recast the *Settlement Proposal* at Attachment 'A' to reflect the above amendments - see Attachment 'B': *COT Cases - Settlement Proposal Mark II*.

32. The *Settlement Proposal Mark II* is acceptable to the *COT Cases*. As I understand it, the *Settlement Proposal Mark II* would also remove most of Telecom's difficulties with the earlier version as listed on page 3 of Mr Holmes' letter of 29 September 1993 to Mr Schorer. I deal separately below with what I understand to be Telecom's difficulties with old claims versus new claims.

33. I should also add that Mr Schorer has addressed point 2 in Mr Holmes' letter and has obtained from the other three *COT Cases* written acknowledgments (Attachment 'C') that he is authorised to act as their Spokesperson.

Old v new claims

34. I understand from Mr Holmes' letter of 29 September 1993 to Mr Schorer that Telecom takes the position that -

"... all matters in issue up to the dates of individual settlements have been formally resolved, and that no outstanding (as opposed to possibly new) claims will be made."

35. Mr Holmes' states in that regard -

"If there are, indeed, any new claims which, in the view of COT members, have arisen since settlement, details should be provided to Telecom or our solicitors, Freehill, Hollingdale & Page."

36. While in normal circumstances that might be a reasonable position for Telecom to adopt, the circumstances of the *COT Cases* are beyond the norm - if Telecom is satisfied that from its perspective the prior "... *individual settlements* ..." it affected with the *COT Cases* were reasonable, it should not be concerned that an independent third party (the Circuit Breaker) might look at them anew. The terms of the *Settlement Proposal Mark II* enable the Circuit Breaker to make a finding to the effect that the prior "... *individual settlements* ..." were reasonable and, if so, the *COT Cases* would be bound by such a finding.

37. Also, as I understand it, the *COT Cases* claim, in effect, that when the prior "... *individual settlements* ..." were arrived at -

- not all relevant facts were taken into account
- they were under duress by virtue of their financial circumstances and forced to accept the settlements.

39. As a model corporate citizen Telecom would, no doubt, want all relevant facts to have been taken into account. The terms of the *Settlement Proposal Mark II* provide an opportunity to clear the air - they would enable the Circuit Breaker to test whether, as claimed by the *COT Cases*, all relevant facts were not taken into account and, to the extent they were not, to take them into account. Alternatively, the Circuit Breaker's investigation may confirm Telecom's position and from that perspective should be welcomed by Telecom.

40. Finally, if the attached letter (Attachment 'D') dated 7 July 1993 from Freehill, Hollingdale & Page to one of the *COT Cases*' solicitors is indicative of the way that Freehill, Hollingdale & Page have approached the *COT Cases* in the past, I would be more than a little concerned if they were to have a continuing role. I say that because in the context of the letter their selective quotation of what were then Telecom's general conditions of trading misleadingly omit critical qualifications in the clauses they were relying on to deny liability.

41. This is not the first occasion that I have had to take Telecom to task for misleading statements of its liability in the context of the *COT Cases* generally - see my letters of 30 August and 9 September 1993 re Dawson's Pest & Weed Control and my letter of 20 September 1993 re The Gourmet Revolution. While I am addressing those occasions separately from my consideration of the *Settlement Proposal*, combined with Freehill, Hollingdale & Page's letter they do reinforce my view that there would be merit in Telecom adopting the *Settlement Proposal Mark II*.

42. I am further reinforced in my view that Telecom should not resile from the Circuit Breaker looking anew at the claims by the four COT Cases by -

- the admission in your letter of 16 September 1993 to Senator Alston that -

"We are also concerned (and can't deny) that, on occasions, Telecom officers may have made statements which were inaccurate or rude, such as:

"You are the only one in the area with the problem"

"Telecom has no liability"

Such statements are typical of those claimed by the COT Cases to justify their allegations of misleading and deceptive conduct by Telecom.

- the statement in Mr Holmes' letter of 13 September 1993 to the Minister for Communications that Telecom's -

"... responses to these customers have at times not been everything, which, in hindsight, we would have wished them to be."

43. Again, I stress the urgency of the matters and look forward to your early advice that the *Settlement Proposal Mark II* has received favourable consideration by Telecom's Executive Council.

44. I am available at your convenience or at the convenience of Telecom's Executive Council to elaborate on any of the above points.

Yours sincerely



Robin C Davey
Chairman

Hill, Trevor

From: Hill, Trevor
To: Henville, Jenny
Cc: Pinel, Don; Hambleton, Dennis V
Subject: Austel Submission - Comments.
Date: Thursday, 14 October 1993 10:58AM
Priority: High

Graham Powles,

I regret that other Austel bush -fires this week have not allowed me to devote the time to review your submission to the extent that I would have preferred nor that your efforts deserved.

Initial comments are:

1. Exec Summary.

Background.

↘ We need to focus Austel's attention as much as possible on the current rather than the past level of service delivered to Cot Cases.

Para 8. - Instead of "was not as high as desired" change to "did not meet customer's expectations" ↙
After "1993" insert new para. A number of these settlements were only resolved after many meetings between the parties and were often enhanced by Austel's presence in its now stated role as "honest broker"

At the end of the 3 dot points insert:

"It is these claims that are the basis for and focus of Austel's investigation into the current level of service quality experienced by these customers."

Para 14 - "pressures" rather than "limitations"

Para 16 - because...".of their perceived lack of independence."?

Para20 - "influence" rather than "support or not"

Para 25 - After "suggestion is proposed" insert "Telecom seeks Austel's comments on this suggestion. Actual implementation of the suggestion would need to take into account comments received and any other organisational initiatives and imperatives that may impact on the suggestion.

Para 26 - Please note that, as stated at previous meetings, I have strong reservations re our response to this issue. There is a big difference between making the allegation of misleading and deceptive behaviour and proving an actual breach of S52 of the TPA. This response removes any hurdles by providing an admission on behalf of the company. If senior management of C&C truly believe that this illegal behaviour has occurred then it is incumbent upon those same managers to take immediate action against the staff involved.

My view is that Telecom's response to this issue should reflect the advice from Denise McBurnie, Freehill, Hollingdale & Page, Solicitors.

I will continue to work thru' the doc. and feed my comments to you asap.

Trevor Hill



**HOLLINGDALE
& PAGE**

Melbourne Office

To: Don Pinal
Copy to: Jim Holmes
Greg Newbold

From: Danise McBurnie

At: Telecom Australia

Direct line: (03) 288 1383
Switch: (03) 288 1234

To fax: 834 8444

From fax: (03) 288 1567

Date: 19 October 1983

Phone: 834 5736

Matter No: 1890521 Pin No: 274

Page 1 of

Approval:

The information in this facsimile is privileged and confidential, intended only for the use of the individual or entity named above. If you are not the intended recipient, any dissemination, copying or use of the information is strictly prohibited. If you have received this communication in error, please immediately telephone us (we will accept reverse charges) on:

(03) 288 1341 Fax (03) 288 1567 (International phone codes + [61 3]) or Telex AA33004
and return the original facsimile to
Level 43, 201 Collins Street, Melbourne Vic 3000 Australia

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**LEGAL PROFESSIONAL PRIVILEGED
CONFIDENTIAL/COMMERCIAL IN CONFIDENCE**

Current status:

- * Duesburys & FHP continuing process of evaluating ~~telecom's~~ claims - final report to Telecom will be privileged and will not be made available to ~~telecom~~.
- * Telecom preparing report for FHP analysing data available on ~~telecom's~~ services (ie. CCAS, Leopard, CABS and file notes) - this report will be privileged and will not be made available to ~~telecom~~.
- * ~~telecom~~ has requested Duesburys to return all documentation which he has provided to Duesburys. This request is being complied with.
- * ~~telecom~~ sent a fax to Cheryl Prins this morning (copy enclosed). ~~telecom~~ has been provided with information today. (see copy of covering letter enclosed).
- * ~~telecom~~ told Peter Crofts at Duesburys that he will be taking the TV, press etc. to Telecom tomorrow. Given ~~telecom's~~ past conduct it is not clear whether he intends to carry out this threat.

19 October 1993

Please contact Denise McBurnie if you have any further queries about this matter.

Yours sincerely

FREEMAN, HOLLINGDALE & PAGE

Per

Denise McBurnie

Denise McBurnie
Solicitor

cel.

Holmes, Jim

Sent

From: Holmes, Jim
To: Pickering, Michael
Cc: Hill, Gayle; Pinel, Don
Subject: FW: Recording of Customers Calls
Date: Monday, 25 October, 1993 9:58AM

Michael,

Given Ian's absence could you send a clarifying message back to Don, cc to me. Involve Gayle as necessary.

Jim

From: Pinel, Don
To: Row, Ian
Cc: Holmes, Jim
Subject: Recording of Customers Calls
Date: Wednesday, 20 October, 1993 9:16AM

Ian,

I understand that the Telecom has authority under the act to monitor (listen to and/or record) customer telephone conversations as part of the fault management process. It is my further understanding that the content of the conversation so monitored cannot be used but that the observation of call progress using this method is legitimate.

Would you please confirm the above and expand as necessary on the legal position.

Don

A06541

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→ file: COT Cases

Holmes, Jim

From: Pickering, Michael
To: Pinel, Don
Cc: Hill, Gayle; Holmes, Jim
Subject: Recording of Customers Calls
Date: Friday, 29 October, 1993 9:48AM
Priority: High

Don,

I refer to the above and to your message to Jim Holmes.

I can confirm your understanding that Telecom may listen and record telecommunucations for carrier operational purposes which includes installation, the operation and maintenance of the network and for the tracing of, for example, malicious calls. Otherwise it is illegal to listen to or record a telephone conversation without the knowledge of the parties to that conversation.

If the content of the conversation was to be recorded and used at least two issues would arise. To satisfy the requirements of the Telecommunications(Interception) Act, parties to the conversation would have to be informed that listening or recording was taking place. The usual method of informing parties to a conversation, that the conversation is being listened to or recorded, is by the inclusion of pip-tone or by a verbal message at the commencement of the conversation.

Privacy principles and policy would need to be considered, particularly the requirement for individuals to be aware of the purpose for which information is being collected.

Michael Pickering



AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

92/596 (8)

10 November 1993

Mr Ian Campbell
 Managing Director - Commercial Business
 Telecom

Fax 634 3876

Dear Mr Campbell

COT CASES SETTLEMENT PROPOSAL

As discussed with you this morning, I confirm that I am prepared to recommend to the four *COT Cases* named in the *Fast Track Settlement Proposal* that they accept the proposal.

I also confirm that insofar as it is able, AUSTEL will ensure that the settlements reached as a result of this process will be binding on all the parties.

Having regard to the matters put in your letter of 9 November 1993 concerning -

- the time it will take Telecom to establish administrative arrangements and assign staff to handle claims from other customers under its new dispute resolution process being developed in consultation with AUSTEL
- the inclusion of additional customers in the *Fast Track Settlement Proposal* defeating the intention to achieve a speedy outcome and obtain experience to assist in establishing a new process.

AUSTEL agrees that the *Fast Track Settlement Proposal* will be confined to the four *COT Cases* named in the proposal. That agreement is on the basis that other persons that are known to AUSTEL and Telecom to have claims *in the pipeline* will be first cabs off the rank under the *Proposed Arbitration Procedure* once it is settled, provided that, if appropriate, Telecom is prepared to waive the upper limit under the *Proposed Arbitration Procedure*.

I have asked Cliff Mathieson, AUSTEL's Special Advisor Networks, to liaise directly with you for the purpose of establishing for the four *COT Cases* named in the *Fast Track Settlement Proposal* a defined status for their telephone service for the purpose of obtaining agreement on the operational performance of their telephone service when a financial settlement is established.

Yours sincerely

Robin C Davey
 Chairman

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A09676

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WTL

Holmes, Jim

From: Vonwiller, Chris
To: Campbell, Ian; Parker, Harvey; Holmes, Jim
Cc: Stanton, John; Blount, Frank; Rizzo, Paul
Subject: Warwick Smith - COT Cases
Date: Wednesday, 10 November, 1993 6:58PM

CONFIDENTIAL

Gentlemen:

Warwick Smith contacted me in confidence to brief me on discussions he has had in the last two days with a senior member of the parliamentary National Party in relation to Senator Boswell's call for a Senate Inquiry into COT Cases.

Advice from Warwick is:

- > Boswell has not yet taken the trouble to raise the COT Cases issue in the Party Room.
- > Any proposal to call for a Senate Inquiry would require, firstly, endorsement in the Party Room and, secondly, approval by the Shadow Cabinet.
- > This would appear highly unlikely at this stage, given Boswell's apparent lack of interest of raising it within the Party Room.
- > The intermediary will raise the matter with Boswell, and suggest that Boswell discuss the issue with Warwick Smith. Warwick sees no merit in a Senate Inquiry.

He has undertaken to keep me informed, and confirmed his view that Senator Alston will not be pressing a Senate Inquiry, at least until after the AUSTEL report is tabled.

Could you please protect this information as confidential.

Chris Vonwiller

FREEHILL
HOLLINGDALE
& PAGE

11 November 1993

Mr Don Pinel
Telecom Australia
Level 10
242 Exhibition Street
MELBOURNE VIC 3000

By facsimile

Dear Don

Draft Austel Submission
Legal Professional Privileged
Confidential/Commercial in Confidence

We refer to the penultimate draft of the Austel submission which was provided to us on 10 November 1993 for our final comments.

To facilitate incorporation of our suggested amendments into the final draft we have already provided to Grahame Powels a copy of the draft submission upon which we have made a few hand written amendments. Given the urgency of this matter, these amendments have been handwritten and highlighted for ease and speed of incorporation into the final document.

We have also been requested to provide a "sign off" on the Submission from a legal perspective. In this regard, we make the following comments:

1. We understand that in preparing the Submission, Telecom has decided to take the approach of conceding certain deficiencies in its processes and procedures for handling what is referred to in the Submission as "difficult" faults and for its handling of certain customer dispute situations.

We understand that this approach has been taken by Telecom on the basis that it is anticipated that Austel's report on its investigation will contain criticisms of Telecom's processes and procedures in these areas and Telecom wishes to anticipate Austel's criticisms with suggestions as to how Telecom's approach to such areas may be improved.

In light of this approach, we emphasise that, while we have endeavoured to minimise any "dangerous" admissions of liability which may have appeared in the draft

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A10476

FREEHILL
HOLLINGDALE
& PAGE

Telecom Australia
 11 November 1993

Page 2

Submission, the general approach adopted by Telecom in preparing the submission does expose Telecom to the possibility that admissions or concessions which do consistently appear in the Submission may be used against Telecom to prove that Telecom, in the provision of telecommunication service and dealing with "difficult faults", has breached certain warranties implied into consumer contracts under the Trade Practices Act 1974 during applicable time frames.

The particular warranties in issue are first, a warranty to supply services, such as telecommunications services with due care and skill and secondly, that the services would be reasonably fit for the purpose for which Telecom's customers have expressed to Telecom that such services are required.

Of course, for such a claim of breach of warranty to be made out, the total evidence must show that Telecom has failed to meet these non excludable warranties. The purpose of our caveat here is to raise the possibility that the concessionary approach taken in preparing and submitting the Submission may be used as an element of such evidence against Telecom's interest.

2. Telecom has decided to present the Submission to Austel as a non-confidential document. Further, Telecom intends to provide a presentation to Austel of the Submission followed by similar presentations to be given to the stake holders and the Telecom customers involved in the Austel investigation. Consequently, to the extent that the submission contains any admissions of fault or admissions against interest, Telecom may, by virtue of the contents of the Submission, expose itself to the risk of any actions (whether legal or political) that may be taken in respect of such admissions. We have endeavoured to review the Submission from the perspective that the Submission would, regardless of the manner in which it was presented to Austel, find its way to either the customers or some other public forum.

Please do not hesitate to contact Denise McBurnie if you have any queries regarding the amendments which we have made to the latest draft Submission or if you wish to further discuss any elements of the Submission.

Yours sincerely
 FREEHILL HOLLINGDALE & PAGE
 per:

Denise McBurnie

Denise McBurnie
 Solicitor

c.c. Mr Ian Campbell,
 Mr Jim Holmes

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FREEHILL
HOLLINGDALE
& PAGE

Our Ref: BEB:RAB (FHPMELCF93)13087.1)

12 November 1993

Mr I Row
Corporate Solicitor
Telstra Corporation Limited
41st Floor, 242 Exhibition Street
MELBOURNE VIC 3000

Confidential

Dear Ian

**Telstra Corporation Limited
Secondment - Simon Chalmers**

The firm is delighted to be able to again participate in the secondment of one of our staff members; this time, Simon Chalmers, to Telstra Commercial and Consumer Business Unit. We suggest that the following terms would apply to Simon's secondment.

1. Whilst remaining an employee of Freehill Hollingdale & Page, Simon will commence a six month secondment with your company on Monday, 15 November 1993 returning to our office on 16 May 1994. This six month period is renewable for a further six months, subject to the agreement of both Telstra and our firm. The secondment period is able to be varied if the need arises, however, no change will occur without agreement of all parties involved.
2. Our firm will continue to pay Simon at his current salary including all associated on-costs. We will render an account for Simon's services in arrears on a monthly basis for \$5247.00 (being based on the payment of Simon's salary and the firm's costs of WorkCare, Superannuation etc).
3. As an employee of our firm, Simon is entitled to four weeks annual leave and eight days sick leave in each twelve month period. Any leave actually taken during secondment with Telstra will need to be recorded in our payroll records and therefore we will require Simon to inform our payroll department of any actual entitlements taken during the secondment period. Any leave which Simon would like to take during the secondment period should be by agreement between Simon and Telstra.
4. We request that a Performance Assessment be completed for Simon prior to the end of his secondment with your company on the same basis that you assessed the performance of Denise McBurnie while seconded to Telstra.

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Mr I Row, Corporate Solicitor
12 November 1993

Page 2

5. During secondment, Simon will be subject to the supervision and control of Telstra and not of this firm. Accordingly, Simon will not have the benefit of the FHP professional indemnity cover. In these circumstances Telstra agrees to accept all liability in respect of any advice given by, actions or omissions of Simon Chalmers, whilst acting in or arising out of his role on secondment with Telstra (notwithstanding that Simon will remain an employee of our firm for the full term of the secondment). Telstra agrees that it will not make any claim against the firm in respect of the advice, actions or omissions made by Simon during the term of his secondment to Telstra. Telstra further agrees that it will indemnify the firm against any claim which may be made against the firm relating to that advice, action or omission.

We would be pleased if you would sign the attached copy of this letter and return that signed copy to us as confirmation of the secondment agreement.

Yours faithfully
FREEHILL HOLLINGDALE & PAGE



Russell A. Berry
Partner

Copy to : Maurice Broom
Paul Montgomery

On behalf of Telstra Corporation Limited, I confirm the terms and conditions as outlined above for the secondment of Simon Chalmers.


.....

Date 12 November 1993.....

Ian Row
Corporate Solicitor

Name.....

Date.....

SUMMARY
GRAHAM SCHORER
LPP

SCHORER FOI DATA BASE

3 11 17 194:32

Applicant	File number	Document number	Document date	Description	Table	Exemption Claimed
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04265	15.3.93	Letter to Freehill Hollingdale & Page from Telecom Australia	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04266	16.3.93	Photocopy of Cheque and Remittance Advice	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04267	15.3.93	Photocopy of Invoice	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04268 - C04270	15.3.93	Fax to Telecom Australia from Freehill Hollingdale & Page	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04271	16.3.93	Notice of Deposit	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04272	9.9.99	Federal Court Rules	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04273 - C04274	15.3.93	Letter to Hunts from Freehill Hollingdale & Page	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04275 - C04277	23.3.93	Fax to Telecom Australia from Freehill Hollingdale & Page	A	LPP

SCHORER FOI DATA BASE

Applicant	File number	Document number	Document date	Description	Table	Exemption Claimed
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04235	5.3.93	Internal Fax	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04236 - C04247	4.3.93	GM (Melbourne) Holdings Pty Limited v AOTC - Chronology	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04248 - C04249	4.3.93	GM (Melbourne) Holdings Pty Ltd v ATC - Duesburys Initial Report : Further Documents Required	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04250 - C04252	9.3.93	AOTC ats GM (Melbourne) Holdings Pty Limited - Confidential, Solicitor Client Privileged - Action List	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04253 - C04256	10.3.93	Fax to Telecom Australia from Freehill Hollingdale & Page	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04257 - C04259	10.3.93	Letter to Duesburys from Freehill Hollingdale & Page	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04260 - C04262	10.3.93	GM (Melbourne) Holdings Pty Ltd v AOTC - List of Relevant People	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04263 - C04264	10.3.93	Internal Fax	A	LPP

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SCHORER FOI DATA BASE

Applicant	File number	Document number	Document date	Description	Table	Exemption Claimed
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04185 - C04186	23.3.93	Papers Withdrawn from Files	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04187 - C04188	9.9.99	Notes Prepared with a View to Obtaining Legal Advice. Client/Solicitor Privilege	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04189	28.6.93	Internal Fax Cover Sheet	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04190	28.6.93	Internal Fax Cover Sheet	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04191 - C04192	28.6.93	Letter to Austel from Telecom Australia	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04193 - C04194	25.6.93	Notes Prepared with a View to Obtaining Legal Advice. Client/Solicitor Privilege	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04195 - C04197	29.3.93	Fax to Telecom Australia from Freehill Hollingdale & Page	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04198	29.3.93	Notice of Acceptance	A	LPP

SCHORER FOI DATA BASE

Applicant	File number	Document number	Document date	Description	Table	Exemption Claimed
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04199 - C04208	26.3.93	Letter to Freehill Hollingdale & Page from Duesburys	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04208 - C04209	9.9.99	Attachment to letter of 26.3.93	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04210	26.11.92	Internal Fax	A	LPP T
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04211 - C04212	25.11.92	Credit Reference Association of Australia Ltd. Searches	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04213	4.3.93	Internal Fax	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04214 - C04216	2.3.93	Fax to Duesburys from Freehill Hollingdale & Page	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04217 - C04219	3.3.93	Letter to Freehill Hollingdale & Page from Duesburys	A	LPP
Schorer	Golden Messengers C04185 - C04278 (Processed)	C04220 - C04234	3.3.93	Initial and Preliminary Report AOTC - als - GM (Melbourne) Holdings Pty Ltd from Duesburys	A	LPP

SCHORER FOI DATA BASE

32157/94:21

Applicant	File number	Document number	Document date	Description	Table	Exemption Claimed
Schorer	GM (Melbourne) Holdings P/L -v- Telecom Part 5 R20084-R20434	R20084	8.4.93	Telecom Minute.	A	LPP
Schorer	GM (Melbourne) Holdings P/L -v- Telecom Part 5 R20084-R20434	R20085	8.4.93	Telecom Corporate Solicitor fax cover sheet.	A	LPP
Schorer	GM (Melbourne) Holdings P/L -v- Telecom Part 5 R20084-R20434	R20086	8.4.93	Telecom letter to AGS.	A	LPP
Schorer	GM (Melbourne) Holdings P/L -v- Telecom Part 5 R20084-R20434	R20087	5.4.93	Telecom file note.	A	LPP
Schorer	GM (Melbourne) Holdings P/L -v- Telecom Part 5 R20084-R20434	R20088	31.3.93	AGS letter to AOTC.	A	LPP
Schorer	GM (Melbourne) Holdings P/L -v- Telecom Part 5 R20084-R20434	R20089	29.3.93	AGS memorandum of fees.	A	LPP
Schorer	GM (Melbourne) Holdings P/L -v- Telecom Part 5 R20084-R20434	R20090	25.3.93	Freehill Hollingdale & Page letter to Telecom.	A	LPP
Schorer	GM (Melbourne) Holdings P/L -v- Telecom Part 5 R20084-R20434	R20091 - 095	25.3.93	Freehill Hollingdale & Page invoice.	A	LPP

Holmes, Jim

From: Newbold, Greg
To: Beattie, Ken; Humrich, Alan; Pinel, Don; Blake, Ed; Campbell, Ian; Law, Ann; Pittard, Rosanne; Mcburnie, Denise; Benjamin, Ted; Holmes, Jim; Hambleton, Dennis V; Hill, Trevor; Marshall, Ross; Long, Bernadette
Cc: Vonwiller, Chris; Anderson, Keith
Subject: Today's meeting
Date: Wednesday, 17 November, 1993 8:33AM

Peter Sekules and I have prepared a draft news release, a one-page media aide for Ian Campbell plus the pre-emptive media strategy itself.

Am now raising with Sekules the merits/demerits of holding back the BCI info for a "cleansing" program immediately after the mess of Coopers. My thinking is that it would draw the focus away from the Coopers stuff and on to our network that works.

Greg. =

A05254

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**COT CASES
FAST TRACK SETTLEMENT PROPOSAL**

(1) This "Fast Track" Settlement Proposal:

(a) applies in respect of the following four *COT Cases*:

- (i) G. Schorer: Golden Messenger
- (ii) A. Garms: Tivoli Restaurant
- (iii) M. Gillan: Japanese Spare Parts
- (iv) A. Smith: Cape Bridgewater Holiday Camp

(b) provides the basis for a process (copy attached) being developed in consultation with AUSTEL that may be applied as a dispute resolution process additional to the Telecommunications Industry Ombudsman scheme. (Telecom acknowledges that the *COT Cases*' proposal has assisted Telecom to clarify its views about dispute resolution processes suitable for small business in the future.)

(2) Telecom and the four *COT Cases* agree:

(a) to a review of:

- (i) the adequacy of the amounts paid by Telecom to the four *COT Cases* under earlier settlements
- (ii) claims since the earlier settlements to a date of the assessor's findings.

(b) that the review be conducted by an assessor nominated by the Telecommunications Industry Ombudsman after consultation with Telecom and the *COT Case* involved to the assessment.

The TIO's nomination shall be a person who is impartial and independent, with appropriate experience and high standing.

(c) that the review will focus on losses alleged to have been incurred by the *COT Cases* due to faults or problems in his or her telephone service and will review the following matters that are the subject of a separate inquiry by AUSTEL:

- (i) the manner in which Telecom handled each of the *COT Cases*' complaints; or
- (ii) the manner in which the earlier settlements were handled or the reasons the *COT Cases* entered into those earlier settlements.

except insofar as they are relevant to the losses that are alleged to have been incurred by the *COT Cases* due to faults or problems in his or her telephone service. (Telecom will make available to the assessor copies of both the Coopers & Lybrand and Bell Canada International reports and its responses to those reports.)

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C 1975 Settlement

- (d) That in respect of Mr Schorer the matters covered by the earlier settlement between his company and Telecom are specifically excluded, because that settlement was via a payment in court and was confined in relation to the matters it covered, none of which need or should be re-opened.

It is assumed for the purposes of this proposal that Mr Schorer and Telecom have made a previous settlement regarding Mr Schorer's claims in respect of alleged faults or problems with his telephone service, and Telecom paid nothing in respect of those claims.

- (e) that the review will be primarily based on documents and written submissions. Each party will have access to the other parties' submissions and have the opportunity to respond.

The assessor may, however, call for oral presentations by either party. Such presentations will not include cross-examination, and would not be open to the public or third parties. Representation of the parties will be at the assessor's discretion.

- (f) that in conducting the review the assessor will make a finding on reasonable grounds as to the causal link between each of the COT Case's claims and alleged faults or problems in his or her telephone service and, as appropriate, may make reasonable inferences based upon such material as is presented by each of the COT Cases and by Telecom, i.e. unless the assessor is able to conclude that Telecom caused the loss claimed, there will exist no basis for a claim against Telecom.

- (g) that in respect of some period or periods of the time covered by the COT Cases' claims Telecom may not be strictly liable, or have any legal obligation, to pay any amount to them and for that reason in making the findings the assessor will in respect of each of the COT Cases:

- (i) determine for the time covered by his or her claim, the period or periods for which Telecom is not strictly liable or has no obligation to pay and the period or periods for which Telecom is liable and has an obligation to pay
- (ii) determine in respect of each such period the amount of loss, if any, incurred by the COT Case
- (iii) recommend whether, notwithstanding that in respect of a period or periods that Telecom is not strictly liable or has no obligation to pay, Telecom should, having regard to all the circumstances relevant to the COT Case's claim, pay an amount in respect of such a period or periods and, if so, what amount.

In the four COT Cases covered by this Proposal, Telecom, acting in good faith, commits in advance to implementing any recommendation made by the assessor pursuant to clause (2)(g)(iii).

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- (h) that before the assessor commences the review, to inform AUSTEL in writing that the assessor's finding will be final and binding upon each of the COT Cases, and that no claims will be pursued or considered for those services for the period reviewed for any reason in any forum.
 - (i) that if the assessor determines in respect of a COT Case an amount less than that paid under an earlier settlement, Telecom will not recover the difference.
 - (j) that speed is of the essence, and that the assessor will be instructed accordingly and to give priority to preparing a mutually acceptable timetable for consideration by the parties.
 - (k) that Telecom will pay the assessor's reasonable costs.
 - (l) that the amounts paid by Telecom under this agreement will be maintained confidential by the parties.
- (3) Telecom does not accept the COT Cases' grounds for reviewing the earlier settlements. However, on the basis of a denial of liability and without any legal obligation to do so and purely as a matter of good faith and business expediency, Telecom is prepared to agree to the above mentioned review.
- (4) This proposal constitutes an offer open to all or any of the COT Cases referred to in Clause (1)(a), which will lapse at 5pm on Tuesday 23 November 1993. This offer may be accepted by signature below and sending advice of such signature to AUSTEL or the Telstra Corporate Secretary before that time.

.....*J.R. Holmes*..... Date 18. 11. 93.....
 J.R. Holmes
 Corporate Secretary
 Telstra Corporation Ltd

Accepted Date

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COT CASES FAST TRACK SETTLEMENT PROPOSAL

(1) This "Fast Track" Settlement Proposal:

(a) applies in respect of the following four *COT Cases*:

- (i) G. Schorer: Golden Messenger
- (ii) A. Garms: Tivoli Restaurant
- (iii) M. Gillan: Japanese Spare Parts
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(b) provides the basis for a process (copy attached) being developed in consultation with AUSTEL that may be applied as a dispute resolution process additional to the Telecommunications Industry Ombudsman scheme. (Telecom acknowledges that the *COT Cases*' proposal has assisted Telecom to clarify its views about dispute resolution processes suitable for small business in the future.)

(2) Telecom and the four *COT Cases* agree:

(a) to a review of:

- (i) the adequacy of the amounts paid by Telecom to the four *COT Cases* under earlier settlements
- (ii) claims since the earlier settlements to a date of the assessor's findings.

(b) that the review be conducted by an assessor nominated by the Telecommunications Industry Ombudsman after consultation with Telecom and the *COT Case* involved to the assessment.

The TIO's nomination shall be a person who is impartial and independent, with appropriate experience and high standing.

That the review will focus on losses alleged to have been incurred by the *COT Cases* due to faults or problems in his or her telephone service and will not review the following matters that are the subject of a separate inquiry by AUSTEL:

- (i) the manner in which Telecom handled each of the *COT Cases*' complaints, or
- (ii) the manner in which the earlier settlements were handled or the reasons the *COT Cases* entered into those earlier settlements.

except insofar as they are relevant to the losses that are alleged to have been incurred by the *COT Cases* due to faults or problems in his or her telephone service. (Telecom will make available to the assessor copies of both the Gagniers & Lybrand and Bell Canada International reports and responses to these reports.)

- (d) That in respect of Mr Schorer the matters covered by the earlier settlement between his company and Telecom are specifically excluded, because that settlement was via a payment in court and was confined in relation to the matters it covered, none of which need or should be re-opened.

It is assumed for the purposes of this proposal that Mr Schorer and Telecom have made a previous settlement regarding Mr Schorer's claims in respect of alleged faults or problems with his telephone service, and Telecom paid nothing in respect of those claims.

- (e) that the review will be primarily based on documents and written submissions. Each party will have access to the other parties' submissions and have the opportunity to respond.

The assessor may, however, call for oral presentations by either party. Such presentations will not include cross-examination, and would not be open to the public or third parties. Representation of the parties will be at the assessor's discretion.

- (f) that in conducting the review the assessor will make a finding on reasonable grounds as to the causal link between each of the *COT Case's* claims and alleged faults or problems in his or her telephone service and, as appropriate, may make reasonable inferences based upon such material as is presented by each of the *COT Cases* and by Telecom, i.e. unless the assessor is able to conclude that Telecom caused the loss claimed, there will exist no basis for a claim against Telecom.

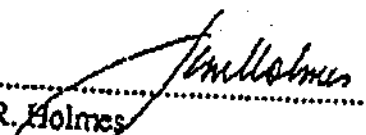
that in respect of some period or periods of the time covered by the *COT Cases'* claims Telecom may not be strictly liable, or have any legal obligation, to pay any amount to them and for that reason in making the findings the assessor will in respect of each of the *COT Cases*:

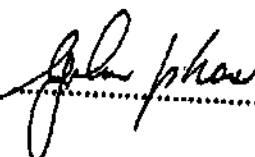
- (i) determine for the time covered by his or her claim, the period or periods for which Telecom is not strictly liable or has no obligation to pay and the period or periods for which Telecom is liable and has an obligation to pay
- (ii) determine in respect of each such period the amount of loss, if any, incurred by the *COT Case*
- (iii) recommend whether, notwithstanding that in respect of a period or periods that Telecom is not strictly liable or has no obligation to pay, Telecom should, having regard to all the circumstances relevant to the *COT Case's* claim, pay an amount in respect of such a period or periods and, if so, what amount.

In the four *COT Cases* covered by this Proposal, Telecom, acting in good faith, commits in advance to implementing any recommendation made by the assessor pursuant to clause (2)(b).

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- (b) that before the assessor commences the review, to inform AUSTEL in writing that the assessor's finding will be final and binding upon each of the COT Cases, and that no claims will be pursued or considered for those services for the period reviewed for any reason in any forum.
- (i) that if the assessor determines in respect of a COT Case an amount less than that paid under an earlier settlement, Telecom will not recover the difference.
- (j) that speed is of the essence, and that the assessor will be instructed accordingly and to give priority to preparing a mutually acceptable timetable for consideration by the parties.
- (k) that Telecom will pay the assessor's reasonable costs.
- (l) that the amounts paid by Telecom under this agreement will be maintained confidential by the parties.
- (3) Telecom does not accept the COT Cases' grounds for reviewing the earlier settlements. However, on the basis of a denial of liability and without any legal obligation to do so and purely as a matter of good faith and business expediency, Telecom is prepared to agree to the above mentioned review.
- (4) This proposal constitutes an offer open to all or any of the COT Cases referred to in Clause (1)(a), which will lapse at 5pm on Tuesday 23 November 1993. This offer may be accepted by signature below and sending advice of such signature to AUSTEL or the Telstra Corporate Secretary before that time.


..... Date 18.11.93
J.R. Holmes
Corporate Secretary
Telstra Corporation Ltd

Accepted 
..... Date 23.11.93
Graham Schoese

Holmes, Jim

From: Pinel, Don
To: Campbell, Ian
Cc: Holmes, Jim
Subject: Arbitration- Case Preparation
Date: Tuesday, 30 November, 1993 5:25PM

Ian,

I have invited Russel Berry and Denise to meet with me tomorrow to discuss Freehills involvement in the preparation of submissions to the arbitrator. They will join me at 11am in my office. If you wish to be part of this discussion please let me know. We may need a bigger office.

Don

*1/12
cc. Ian Row
Ian P. 1/12/93*

A02034

123

30/11/93



Internal Memo

To Mr I Campbell
Customer Projects
Executive Office - C&C

From E. J. BENJAMIN

Commercial & Consumer
Customer Affairs

Locked Bag 4960
Melbourne Vic 3100

Subject TIO AND COT

File

Telephone (03) 634 2977
Facsimile (03) 632 3241

Date 30 November, 1993

At today's Council Meeting the TIO reported on his involvement with the COT settlement processes - it was agreed that any financial contributions made by Telecom to the COT arbitration process was not a matter for Council but was a private matter between Telecom, AUSTEL and the TIO.

I hope you agree with this.

Ted Benjamin
GROUP MANAGER - CUSTOMER AFFAIRS

DON PINER

FAXED
2/12/93

Don

seems OK to me.
when I spoke to Darwin's I
suggested that at least for his
first group he develops a
separate budget, seems with
us, approves bills for payment
until we pay agreed.
when we have had experience with
this can decide to continue for
Group 2 and future

124A

001248

Telecom Corporation Limited
ACN 051 775 558

Mr Armstrong—Yes. The basis upon which it was put that the report was fabricated was an apparent clash of dates, as I recall, with two sets of testing. This goes back a couple of years. I believe that claimants raised the matter with the TIO. Telstra went to Bell Canada and raised the clash of dates with it. As I recall, Bell Canada provided a letter saying that there was an error in the report. ✓

Senator SCHACHT—Can you please provide us with a copy of that letter from Bell Canada?

Mr Armstrong—I do not have it with me. ✓

Senator SCHACHT—Can you get it for us?

Mr Armstrong—Yes. ✓

Senator SCHACHT—I will put that question on notice. As to the complaints to Telstra from the CoT cases—Mr Benjamin, you may think that you have drawn the short straw in Telstra, because you have been designated to handle the CoT cases and so on. Are you also a member of the TIO board?

Mr Benjamin—I am a member of the TIO council.

Senator SCHACHT—Were any CoT complaints or issues discussed at the council while you were present?

Mr Benjamin—There are regular reports from the TIO on the progress of the CoT claims.

Senator SCHACHT—Did the council make any decisions about CoT cases or express any opinion?

Mr Benjamin—I might be assisted by Mr Pinnock.

Mr Pinnock—Yes.

Senator SCHACHT—Did it? Mr Benjamin, did you declare your potential conflict of interest at the council meeting, given that as a Telstra employee you were dealing with CoT cases?

Mr Benjamin—My involvement in CoT cases, I believe, was known to the TIO council.

Senator SCHACHT—No, did you declare your interest?

Mr Benjamin—There was no formal declaration, but my involvement was known to the other members of the council. ✓

Senator SCHACHT—You did not put it on the record at the council meeting that you were dealing specifically with CoT cases and trying to beat them down in their complaints, or reduce their position; is that correct?

Mr Benjamin—I did not make a formal declaration to the TIO. ✓

Senator SCHACHT—I have to say that I think that is poor. Mr Pinnock, in the future you ought to get the process right. People should make declarations on the record—in the minutes—and then withdraw from the discussion. ✓

Mr Pinnock—You are making certain assumptions, Senator.

Senator SCHACHT—Mr Benjamin—

Mr Pinnock—Senator, you directed your comment to me. I would like to answer it. Firstly, no discussions were held within the TIO council at any meeting that I went to since I have been ombudsman. My recollection is that I have been to every meeting of council bar one. As to any issue relating to any individual CoT—the issues that were discussed in my status reports to council were simply where each claim was at a particular point in time and how much time I spent personally in relation to those matters. The only discussions that were ever held in council with the TIO when I was present—and as I say, I was present on all but one occasion—were discussions as to the amount of time that I was spending as the administrator of the process as opposed to my other work as ombudsman. Mr Benjamin is correct. In my presence—and I do not know what happened before I became ombudsman—there was no formal declaration. Every member of the council knows, and knew, that Mr Benjamin was involved in the CoT process. For that very reason there was never any discussion as to any of the details of any of the claims, Telstra's attitudes to them, the claimant's attitudes, or any matters that were discussed with me in my role as administrator.

Senator SCHACHT—Mr Pinnock, you said that you gave the status report to the council on the various cases being dealt with. Without belabouring the point, it seems to me that Mr Benjamin's involvement—and he was dealing specifically on behalf of Telstra with those cases—should have been declared in the minutes. You should take that on board. There has been so much heat about these issues. These are the sorts of things that lead to a perception that there might well be an advantage to Telstra. It has someone on the council who is dealing with these complaints on behalf of Telstra and who might inadvertently have inside information into what the process is. That is why I think it is more important. The council ought to have a look at that and obtain legal advice about what is appropriate in relation to the declaration of a conflict of interest or association. This is something that you have to get cleared up and absolutely right. ✓

Senator SCHACHT—That was one that was successfully negotiable—a conclusion was reached between the parties?

Dr. Hipkins—Yes.

Senator SCHACHT—Thank you.

Mr Armstrong—I am a solicitor with Telstra. I am generally involved in claims by customers for loss. I was made Telstra's representative on the working party until December of last year and I have had ongoing involvement in the working party process ever since.

Senator SCHACHT—How long have you been involved in CoT cases?

Mr Armstrong—Since late 1994 in the CoT arbitrations.

Senator SCHACHT—So you were actually directly involved in some CoT arbitrations?

Mr Armstrong—Yes.

Senator SCHACHT—Ones that were successful or some that were not?

Mr Armstrong—Yes.

Senator SCHACHT—Mr Benjamin, when did you first get involved in dealing with CoT cases?

Mr Benjamin—In 1994.

Senator SCHACHT—What position did you hold in 1994 when you got involved—the one that you now have?

Mr Benjamin—No. I was group manager of the Office of Customer Affairs. I worked to the group general manager of that office, who was Steve Black.

Senator SCHACHT—Mr Binns.

Mr Binns—I have been managing the search process of the final sweep research that we have been conducting for the claimants. My prior involvement was for a period in late 1995 to early 1996.

Senator SCHACHT—What was your involvement in 1995-96?

Mr Binns—Managing the analysis and documentation of the CoT cases.

Senator SCHACHT—Were you involved in any direct negotiations in the arbitrations of the cases—sitting across the table from individual CoT representatives?

Mr Binns—No, I was not.

Senator SCHACHT—Before 1994, did you have any previous involvement or discussion with CoT?

Mr Binns—No.

Senator SCHACHT—Since you were appointed in 1994, you have been in charge of documentation?

Mr Binns—No. I was involved for approximately 12 months and I returned to that group in the last six months.

Senator SCHACHT—Were you asked to return to the group?

Mr Binns—Yes.

Senator SCHACHT—On what basis—because of your previous experience?

Mr Binns—I would believe so.

Senator SCHACHT—Thank you.

Mr Levy—I am the manager of the group that is preparing the service histories and case histories for all of the high level claimants and determining basically what happened with regard to the services of the particular claimants. I have been involved since November 1994.

Senator SCHACHT—Have you been involved all of that time?

Mr Levy—Yes, I have.

Senator SCHACHT—You have got the longest institutional memory. It might be an advantage or disadvantage; I am not sure. For some of us it is insanity, I know.

* CHAIR—Senator Schacht, just before you go any further, I want to remind members that this committee hearing is in camera and that means that what is said inside this committee should not be repeated outside. The Senate would see as serious any information that went from this committee to outside. *

Senator SCHACHT—Now that we have got on the record what positions people are in, I would like to ask each member from Telstra the following question, beginning with Mr Samarq. Mr Samarq, have you

Holmes, Jim

From: Holmes, Jim
To: Pinel, Don
Subject: RE: AUSTEL/TIO
Date: Friday, 03 December, 1993 4:24PM

Don,

In our later phone discussion you said you would take this up with John MacMahon of AUSTEL. Any outcome?

Jim

From: Pinel, Don
To: Campbell, Ian
Cc: Holmes, Jim
Subject: AUSTEL/TIO
Date: Thursday, 02 December, 1993 7:34AM

Ian,

Now that the TIO has been officially "launched" it would be appropriate for Austel to change its approach to customer complaints and start referring them to the TIO rather than dealing with them in AUSTEL.

This should be appealing to Davey as he would get rid of a messy problem and we would hopefully get into a more structured approach to complaints.

Rather than writing to Davey on this it might be better handled either by a phone call or alternatively a phone call or letter from the TIO to Davey.

It is desirable that the growing stream of complaint to AUSTEL, followed by request for files and other records is stopped.

What do you think?

Don

Don

Blake, Ed

From: DPinel
To: JSayer; RPittard; KBeattie
Cc: DPinel; PGamble; ICAMPBEL; EBlake
Subject: Customer CAN
Date: Sat, Dec 4, 1993 7:23AM

An incident was reported to me late on Friday by John MacMahon regarding a common pair found on one of our most difficult customer's lines. The details of this are not yet known but if it proves to be true it will be seriously embarrassing.

Would you please confirm that your Region's investigation and work with the major customers has included requests to the appropriate area for a thorough "special inspection" of all network elements including CAN. Peter Gamble should be informed of details.

Don

To: Mr H Parker
Group Managing Director
Commercial & Consumer

From: E. J. BENJAMIN

Subject: Telecom-Austel COT Research

Date: 6 December, 1993

Commercial & Consumer
Customer Affairs

Locked Bag 4960
Melbourne Vic 3100

Telephone (03) 634 2977
Facsimile (03) 632 3201

Initial results of the joint Telecom-Austel market research survey managed by TELCATS Branch were discussed with Austel last Friday (3 December, 1993). Austel were given a draft copy of the results and after discussion some minor amendments are to be made this week. A copy of the report given to Austel is attached for your information.

Austel has said they would respect the confidentiality of the document and would check back with us if they intended to publicly release any information. However, this information may appear in their COT CASES Report whenever that is released. Therefore at some future stage we may have to deal with any public fall-out from the survey results. This matter is being addressed.

The survey found that 4% of the 2644 small business (ie. Commercial) customers surveyed perceive that they have experienced incoming call problems over the past month which they regard as Significantly or Very significantly affecting their business.

Of these 4% (105) of small business customers who perceive an adverse effect on their business, 84% (88) agreed to have follow up of their problems by Telecom and they will form the basis of a second, diagnostic stage of this study to determine the underlying cause(s) of the problems they believe to exist with incoming calls.

All survey respondents were asked if their business had experienced difficulties with incoming calls in the last month and 16% indicated that they had. All survey respondents (even those who had not experienced difficulties) were then asked a second question, if they had received comments from callers regarding experiencing difficulties in getting through to the business in the last month, and 13% of the respondents indicated that they had received comments. Combining the results of these two questions showed that 21% of all respondents had experienced some level of difficulties with incoming calls.

The results showed no significant difference in the selected exchanges and the control areas included in the survey. The nature of the business of those customers who perceive an adverse affect on their business and the general business population showed no apparent differences. However they did have more lines, more handsets directly connected if they did not have a small business system, and a higher incidence of other equipment attached to the lines.

Seventeen percent of customers said they had experienced some other problem (other than related to incoming calls) over the last few months. These will also be followed up by Telecom but not for the purpose of this study and do not form part of the discussions with Austel.

Ted Benjamin
GROUP MANAGER - CUSTOMER AFFAIRS

101201

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7/12/93

Telecom
AUSTRALIA
Commercial & Consumer

7 December 1993

FAXED
7/12/93

Level 5
242 Exhibition Street,
MELBOURNE VIC 3000
Australia

Telephone (03) 634 6671
Facsimile (03) 634 3876

Mr W.L. Smith
Telecommunications Industry Ombudsman
Box 18098
Collins Street East
MELBOURNE, Vic. 3000

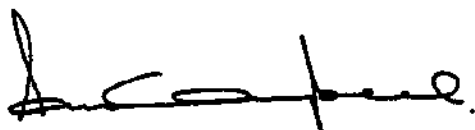
Dear Warwick,

Thank you for your letter of 3 December 1993 advising me of your intentions with the "Fast Track" settlement procedure for the four CoT complainants.

The person within Telecom responsible for final decisions on resourcing procedural arrangements, assessor/s and access to material is myself (phone 634 6671). However, any discussions of detail you may wish your staff to progress can be with Steve Black, Group - Customer Affairs any time after 14 December (phone 634 2977).

I will arrange a discussion between yourself and Coopers & Lybrand within the next few days if it is convenient for you.

Yours sincerely,



Ian Campbell

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Telecom Corporation Limited

DEC 16 '93 11:54 FREEHILLS MELB. 03 2881567

P.2

FREEHILL
HOLLINGDALE
& PAGE

23.6.94.

16 December 1993

Mr Alan Smith
Cape Bridgewater Holiday Camp
RMB 4408
CAPE BRIDGEWATER VIC

By facsimile

Dear Mr Smith

Cape Bridgewater Holiday Camp
Our Ref: RAB:DLM:1660539

I refer to your letter of 6 December 1993 and to our subsequent telephone conversation. In your letter you asked for information concerning recent testing of your 008 number undertaken by Bell Canada International (BCI) at the request of our client, Telecom Australia.

With respect to your first question, our client has informed us that BCI's testing of your 008 service was conducted from the central database. A 008 services works by providing a translation of the 008 number to an ordinary telephone number. When a call is made to a 008 number, that call is switched through to the central database system. At this point, the 008 number called is checked in the database and the appropriate number that it translates to is determined. From this point the call is then switched to the translated number.

With respect to your second question, BCI did not test your 008 number from locations other than the central database system.

With respect to your comment concerning a customer from Mount Gambier, South Australia who has reported to you that he had difficulty contacting you on your 008 service, if you are able to provide our client with more details (such as the caller's telephone number) our client may be able to investigate and comment further on the problem which this customer has reported to you.

Yours faithfully
FREEHILL HOLLINGDALE & PAGE

per:

Denise M. Burnie

Denise McBurnie
Solicitor

BARRISTERS & SOLICITORS
101 COLLINS STREET
MELBOURNE 3000 AUSTRALIA
GPO BOX 128A MELBOURNE 3001
TELEPHONE (03) 288 1234 FACSIMILE (03) 288 1547

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6 JAN 94 9 2 49



CAPE BRIDGEWATER Holiday Camp

Host - Alan Smith
Ph. 055 267 267
To 008 216 522 Fx. 055 267 230

*Country
Get - Aways
Historical Portland
Victoria's first permanent settlement*

4th January 1994

Ms D MacBurnie,
Freehill Hollingdale & Page,
Collins Street,
MELBOURNE 3000

Dear Ms. MacBurnie,

I am writing this letter to confer with you or your Associate, seemingly you are on holidays, regarding the many letters and conversations I have had with you in reference to the faults and requests of these faults re Telecom

I am in point form again to ask for your help, Freehill Hollingdale & Page, again for the information which has not been supplied either by yourself or from Telecom to yourself.

- 1 Person or persons who supposedly contacted me on the 18th August 1993 at 9.16 a.m. having a conversation with me at Cape Bridgewater 055 267267 for 6 mins and 52 seconds, and again on the same day in the afternoon at 2.15 p.m. for 11 mins and 14 seconds. I have repeatedly asked for this request. The fact that we not got this information is hindering my claim under the best back proposal we have mutually accepted, both Telecom and C.O.T. (Liabilities of Telecom).
- 2 Confirmation by Telecom that we have had faults on our line as late as August 1993. I ask or request for this confirmation.

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- 3 Written confirmation by Telecom that the testing equipment that they had monitoring my lines (not the equipment I had on my premises) registering telecommunication faults. I would like clarification of the faults registered. Up to date, Telecom have not supplied this information
- 4 I have not had to date any correspondence regarding the sample of bills to which I sent to your office re letter Denise MacBurnie dated the 12th November 1993. I still have not received any information regarding these questions ascertaining to the overcharges and short duration of calls. My own phone bills show similar discrepancies, so therefore this information I am seeking is part of my claim re settlement proposal
5. Re letter sent to Denise MacBurnie 18th October 1993. I did not ask for only the originals and locations re paragraph 3. What I asked for is a clarification that the sort duration calls (test calls) were actually made to my premises. Those test calls came in, 6 in all, 5 registered engaged from Horsham exchange. I have already spoken to Mr Peter Penny from the Horsham exchange on that evening. He has confirmed that each 5 calls came in as busy. The first call registered O.K. by which we had a conversation. I ask again of Telecom for confirmation of these 5 busy tone calls that did not reach this premises in letter form.
6. As you are aware Austel have in their possession documentation regarding the Cape Bridgewater Holiday Camp. They have information regarding my communication faults over a certain duration. This briefcase having been inadvertently left by the Melbourne Network Support Group (Telecom)

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(i) I would also like Telecom to be pro-active in forwarding their opinion of the tape which clearly shows short incoming registered calls. This Elmi tape has monitored calls from the 13th, 14th, 15th, 18th, 19th and 20th May 1993. Telecom has at the side of these incoming calls, their own tick marks as to the assumption that these calls were not received at the destination intended. We also have outgoing unanswered registered discrepancies. Would Telecom please supply me with their own interpretation of this tape and discrepancies (if any). I might add, I have had this tape independently viewed by a Technical Communication Consultant and would like to marry up Telecoms opinions with those of the Communications Consultant.

(ii) Re letter addressed to David Hawker MP Federal Member for Wannan, signed Mr. Ian Campbell, Managing Director, Commercial Business, dated 23rd August 1993. Re paragraph 7. Mr. Campbell has written stating that several letters from the Cape Bridgewater Holiday Camp clients had supported my claims of an inadequate telecommunications service. I quote "Mr. Smith has provided several letters from his clients supporting his claims. Each of which have been investigated without a fault being found" I would like now for Mr Campbell to forward me or perhaps to Mr. Hawker MP the number of persons Mr. Campbell checked by way of this paragraph.

(iii) Re paragraph 8 Does Mr. Campbell still maintain that I have had no known communication faults as mentioned in this paragraph and I quote "no network fault has been found over the last few months".

With reference to paragraph 8, no network fault has been found over the last few months although 2 problems with Mr Smith's private equipment have been identified including misoperation of his answering machine. I would like to add to Mr. Campbell's statement of 2 problems with Mr. Smith's private equipment.

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- 4 -

On purchasing a hand set from Retravision a Telecom model 2000, hand held, this equipment and its faults was experienced by 2 Telecom Technical personell, Mr. Ray Morris from Melbourne and Mr. Gordon Stokes from Portland. This hand set would not switch off when completing telephone conversations. Both Telecom employees found this fault to be prevalent on many occasions while testing this equipment. The fault was that the off button would not activate sometimes on the first try. Sometimes it took the operator of this equipment as many as 5 or 6 times before the set switched off. This would have allowed the line to be free for other incoming calls. This equipment was ONE week old. I then re-purchased another. A new hand set on the advice of Ray Morris, Melbourne Commercial Division, Telecom. This same equipment did the same thing again, here at Cape Bridgewater. I then contacted Telecom Commercial Suppliers of this equipment and told them of the malfunction. I then took the equipment back to my supplier. I have not been game to buy a third (this equipment is supplied by Telecom and GUARANTEED by Austel!!!)

On answering the second reference of my private equipment, ...my answering machine. While in Melbourne, which was not a common occurrence, Telecom's Mr. Ray Morris rang a Margaret Reefman who was working and staying at my premises, looking after my camp. As she was living on the premises, she did not have the answering machine connected. While having a shower and attending to her normal daily toiletries, she activated the answering machine with the incoming call from Mr. Ray Morris, Telecom, believing this non-answered call was a fault. FACT.

In summary I would like Freehill Holingdale & Page to send me answers to the above questions, namely paragraphs 1 through 7

This request will enable me to gain the information that is required to further my claim re the fast track proposal.

In closing however, I would like to ask again of Mr. Campbell, does he really believe or expect me to believe that in paragraph 9 of his letter, that I have been kept fully informed of all matters and conditions of his service? I would appreciate his reply in writing

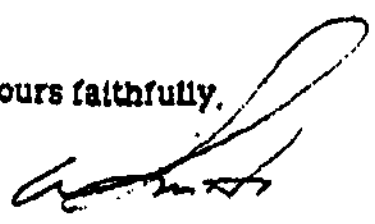
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- 5 -

Your respect and attention to this URGENT matter would be appreciated and I await your early response

Yours faithfully,



ALAN SMITH

C.C. JOHN MACMAHON,
CONSUMER AFFAIRS, AUSTEL.
MR IAN CAMPBELL,
TELECOM, GENERAL MANAGER COMMERCIAL.

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FREEHILL
HOLLINGDALE
& PAGE

19

COPY

28 January, 1994

K01160

Mr Alan Smith
Cape Bridgewater Holiday Camp

By facsimile
No. 055 267 230

Dear Mr Smith

Cape Bridgewater Holiday Camp
DLM:001660539

We refer to your letter dated 4 January 1994 to Denise McBurnie.

We also refer to your telephone conversation with Denise McBurnie on 25 January 1994 and confirm that Telecom wishes to establish Mr Steve Black and Mr Paul Rumble of Telecom, as your point of contact for requests for information from our client. Any further requests for information which you have for our client should therefore be directed to Mr Black or Mr Rumble.

In response to your request for information we provide below our client's responses to the questions raised in paragraphs 1-6 of your letter. In your letter you requested answers to the questions raised in paragraph 1-7. Your letter did not contain a paragraph 7 and we were unable to ascertain any further questions from your letter. Our client has instructed us to respond to the questions raised in paragraphs 1-6 of your letter as follows:

(1) Paragraph 1

Telecom has previously advised both yourself and AUSTEL that it did locate the names of two employees who made the calls referred to in this paragraph. These employees are involved in investigating reported faults and testing customer services by making a number of calls each day. Given the elapse of time between the making of the two test calls in question and the time you requested release of the caller's name, it would be difficult to determine any detailed information regarding the discussions which took place during those test calls. It is Telecom's position that it will not release the names of employees unless Telecom considers the release of such information to be reasonable and proper in all the circumstances.

BARRISTERS & SOLICITORS
101 COLLINS STREET
MELBOURNE 3000 AUSTRALIA
GPO BOX 128A MELBOURNE 3001
TELEPHONE (05) 288 1234 FACSIMILE (05) 288 1567
TELEX AA53004 DX 240 MELBOURNE

SYDNEY MELBOURNE PERTH CANBERRA BRISBANE LONDON SINGAPORE
REPRESENTED IN BANGKOK AND JAKARTA

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Mr Alan Smith
28 January, 1994

Page 2

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(2) Paragraph 2

An examination of the fault history for telephone number 055 267 267 indicates that you made a total of nine reports to Telecom's Fault Report Services during the period 1 January 1993 until 9 August 1993. As a result of testing conducted into these reports the following results were obtained:

- In January 1993 two reports resulted in:
 - (i) on 6 January 1993, a handset was replaced at your premises.
 - (ii) on 13 January 1993, a printed circuit board at the Portland Telephone Exchange associated with your telephone equipment was replaced.
- On 18 February 1993 your report was referred to the Customer Operations Group in Ballarat. This report involved the repair of a fault that was found on another customer's PABX located in Ballarat.
- Testing associated with the remaining six reports occurred between 20 May 1993 until 9 August 1993 and resulted in the fault reports being cleared as "No Fault Found" or "No Fault Found, but additional network testing to be undertaken". This additional testing found no evidence of any network faults.

(3) Paragraph 3

Telecom has recently had in place equipment to monitor your service at the Portland Exchange. This equipment is involved in passive line potential monitoring and does not "register" fault conditions as such, but provides a report on the line status experienced, for example, incoming call, outgoing call, time of call. Interpretation of the output of this monitoring is required in conjunction with other information and testing to allow Telecom to determine the overall performance of a customer's service.

Other forms of service monitoring which can be used by Telecom are AXE Test System and Common Channel Signalling Monitoring. Again, these systems both produce data that requires analysis and cross referencing with other materials. It is therefore not possible to provide the information as requested in paragraph 3 of your letter. A detailed analysis of your service occurs as an ongoing process and any anomalies detected during that time are acted upon directly.

(4) Paragraph 4

As the information provided originally in your letter dated 12 November 1993 was of a limited nature, no specific response was possible to your allegations concerning over charging and short duration of calls. However, Telecom does have clearly defined policies and principles for call charging and billing. These principles are:

- customers will be charged only for calls which are answered.
- unanswered calls are not charged.

Mr Alan Smith
28 January, 1994

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Page 3

- unanswered calls include calls encountering engaged numbers (busy), various Telecom tones and Recorded Voice Announcements as well as calls that "ring out" or are terminated before or during ringing.

(5) Paragraph 5

As Telecom has previously advised to you, the incident referred to in this paragraph relates to the use of Malicious Call Trace (MCT) that was placed on your line as part of the testing of your service. MCT resulted in the line being "held busy" for 90 seconds after the actual call was terminated. Consequently, the first call was made, answered and terminated, and the following five calls, all made within the 90 second period received a busy tone. Subsequent to this incident, MCT was removed.

(6) Paragraph 6

- (i) As you have noted in your letter the Elmi Tape which was retained by you from a brief case inadvertently left at your premises by a Telecom employee was apparently returned by you to AUSTEL. Telecom has been unable to locate that tape and has instructed us that it received a different tape from AUSTEL than the one to which you refer in paragraph 6(i) of your letter.

Consequently, Telecom is unable to comment or provide any opinion of the tape to which you refer at this stage. Telecom is currently endeavouring to confirm with AUSTEL the location of the tape to which you refer. It is also Telecom's opinion that it is not appropriate for Telecom to comment on this piece of material at this time and it would be more appropriate for Telecom's comment to be conveyed during the Fast-Track arbitration procedure.

- (ii) Prior to receipt of the letters provided by you to Telecom, Telecom had had reason to investigate the matters referred to in those letters and had completed those investigations without a fault being found. Telecom did not consider it necessary to conduct such investigations again when they had already been completed Mr Campbell's statement of "each of which have been investigated without fault" in his letter to Mr Hawker was therefore correct.

- (iii) As noted above in Telecom's response to the questions raised in your paragraph 2, Telecom has not found any evidence of network faults applicable to and which could affect your service during the period to which you refer.

Yours faithfully
FREEHILL HOLLINGDALE & PAGE
per:

Denise M Burnie

Denise McBurnie
Solicitor

Internal Memo



To Harvey Parker
GMD - C&C

From Len Budge
Manager TELCATS

Subject COT MARKET RESEARCH

OFFICE OF CUSTOMER AFFAIRS
TELCATS Branch

Locked Bag 4960
37/242 Exhibition St.,
Melbourne Vic. 8100
Australia

Telephone (03) 634 5573
Facsimile

Date 17 December 1993

File

Attention Ian Campbell
Doug Campbell
Steve Black
Don Pinel
Ted Benjamin
Paul Rumble
John Vaz

For your information please find enclosed the final COT market research report which was delivered to Austel this week. As indicated in the draft report, 4% of the small business customers surveyed indicated that they were experiencing incoming call difficulties which they judged as significantly, adversely affecting their businesses. An Executive Summary is on pages four to six of the report.

The report carries a warning that the research does not discriminate as to the causes of the difficulties experienced by the customers, which can include factors determined by the customer. Stage two of the study is underway which is to investigate the causes of the difficulties mentioned by the customers. Ed Blake is managing stage two.

Please do not hesitate to contact me if you have any questions in regard to the research.

Len Budge
Manager TELCATS
Office Of Customer Affairs

D01023

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21 December 1993

Commercial & Consumer

Level 5
242 Exhibition Street,
MELBOURNE VIC 3000
AustraliaTelephone (03) 634 6671
Facsimile (03) 634 3876

A00356

Mr W. Smith
Telecommunications Industry Ombudsman
Ground Floor, 321 Exhibition Street
MELBOURNE, Vic. 3000

Dear Mr Smith,

RE: FAST TRACK SETTLEMENT PROCEDURE

Thank you for your letter of 16 December 1993 advising of your preliminary view about arrangements for the above process.

Telecom's response to these arrangements, using the same headings as your letter, is as follows:

1. ASSESSOR

Generally agreed with the following additional comment.

Because the procedure is a "flexible, quasi-judicial process" and could lead to significant precedents for the new, similar future dispute resolution process based on arbitration, Telecom's view is that the priority requirement is for legal and financial experience in common law assessment of commercial claims for losses.

Telecom is aware of a small number of people who do not have a legal background, but would be suitable - for example, Mr Fergus Ryan of Arthur Andersen. However, there are few such people, and care should be taken if a non legal person is being considered.

2. RESOURCE UNIT

Agreed with two additional comments:

- (a) "Independence. No conflicts are permissible."

Agreed.

You may receive arguments from others that because Telecom uses (Price Waterhouse, Arthur Andersen, KPMG, Coopers & Lybrand, etc) from time to time, and indeed may be using them now, they are not independent because of possible conflict.

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Telecom does not accept this argument and nor, in our view, would most reasonable businesses. What would be reasonable is that if the firm providing the Resources Unit is also doing work for Telecom, that firm provides the TIO with arrangements it proposes to ensure independence with no conflict.

- (b) Capacity in small business and communications issues is vital.

Agreed.

It is suggested a high level of financial and accounting expertise is needed as well as project management.

3. STRUCTURE

Agreed, with two additional comments:

- (a) It is understood that the TIO, in addition to appointing the assessor and administering the process, will:

- make any necessary directions on the conduct of the process
- approve and issue the final report and recommendations.

- (b) It is assumed that, while the Legal Advisor reports to the TIO, the Legal Advisor would also be available to advise and assist the Assessor.

4. FUNDING ARRANGEMENTS

Agreed.

Early advice, when available, would be appreciated of the budgetary cost estimates for the process - Assessor, Legal Advisor and the Resource Unit.

5. TIMING

The indicative timetable is agreed.

Your intention to push for an earlier resolution where possible is supported.

In view of the nature of the complaints and the previous history, compliance to the final timetable should be required of the parties. A particular issue that Telecom would like to discuss with you is the time allowed for Telecom to respond to the four "Statements of Claim". Apart from volume, it would be expected that a significant part of these statements may be new to Telecom.

It is noted that outstanding issues on the assessor's procedure are scheduled to be finalised by 30 January 1994. Telecom will be making some suggestions before

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- 3 -

25 December 1993 for your consideration about items not covered by the "Fast Track" Agreement.

Please phone me if you wish to discuss any of the above matters further.

Yours sincerely,

Ian Campbell
MANAGING DIRECTOR
CUSTOMER PROJECTS

c.c.: S. Black
P. Rumble
D. Pinci

COPY



MEMORANDUM

TO: Graham Schorer
FROM: Warwick L. Smith
DATE: 7th January, 1994
SUBJECT: Assessor

Telecommunications
Industry
Ombudsman

Warwick L. Smith LLB
Ombudsman

Warren Pengilley

- Currently Professor of Commercial Law University of Newcastle.
- 7 years on Trade Practices Commission as Commissioner
- Key lecturer and course provider at Commercial Disputes Centre
- Consultant to national legal firm Sly & Weigall
- No work personally for Telecom
- Apolitical, practical well regarded and national figure.

His practical commercial and legal experience could be very helpful combination. As yet, I have not put this to Telecom who wish to continue with Rogers Q.C.

Discussion with the business Council confirms my view that availability and inclination of individuals is a problem - most are too busy and not available. One may be Peter Wade ex CEO North Broken Hill but no approach has been made.

Your proposal for former Law Society clients concerns me in that neither have national reputation and two appointees not one would prove unworkable.

I suggest either to reconsider Rogers Q.C. or try for Pengilley.

Thank you for keeping me abreast of monitoring issues this week.

Yours sincerely,

Warwick L. Smith
Ombudsman

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10/1/94

Telecom
AUSTRALIA

Commercial
37th Floor
242 Exhibition Street
Melbourne Vic 3000

Australis

Telephone (03) 632 7700
Message Bank
Facsimile (03) 632 3241

10 January, 1994

Mr W Smith
Telecommunications Industry Ombudsman
Ground Floor
321 Exhibition Street
MELBOURNE VIC 3000

Dear Mr Smith

"Fast Track" Arbitration Procedure

I refer to your recent correspondence with Ian Campbell concerning the procedures and timing to apply to the "Fast Track" dispute reviews.

Originally, there was attached to the "Fast Track" agreement a set of detailed draft rules which were being developed for general use in relation to the arbitration of telephone-related disputes. Those draft "standard" rules are referred to in clause 1(b) of the "Fast Track" agreements. The "standard" rules are still being finalised, but they are now relatively close to finalisation.

Telecom has modified a copy of the current draft "standard" rules so as to be specifically suitable for use in relation to the arbitration of the "Fast Track" disputes. The modifications take into account the following:

- the provisions of the "Fast Track" agreements.
- some relevant comments which Austel has recently made concerning the draft "standard" rules, and
- our further views on the rules which should apply to these cases.

A copy of those modified rules is enclosed for your consideration for use in relation to the arbitration of the "Fast Track" disputes.

You no doubt appreciate that there is a need for such rules and procedures to be set before any "Fast Track" review is commenced. That is because the "Fast Track" agreements signed by Mr Schorcr, Mrs Garms, Mrs Gillan and Mr Smith, only constitute agreements to enter into an arbitration process. As such, they do not fully document the rules and procedures to be applied to that arbitration process.

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In the absence of agreed rules and procedures, the following problems could arise:

- the reviews could be seen to be unfair if rules or procedures are applied without prior agreement;
- the reviews could be constantly delayed if agreement is sought to set rules or procedures part way through a review; and/or
- the reviews could fail to achieve resolutions which are legally binding if rules which have not been agreed to, are applied.

It is important that the process to agree and adopt a set of rules and procedures be implemented quickly in the light of your planned timetable for the review of the "Fast-Track" disputes. Please be assured that Telecom will provide every assistance in this regard.

I would appreciate being kept informed of any decision made concerning any rules and procedures to be adopted for these reviews.

Yours faithfully



Steve Black
GROUP GENERAL MANAGER
CUSTOMER AFFAIRS

D01186

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Fax from : 61 3 6323241

JAN 11 '94 08:53AM CUSTOMER AFFAIRS 632 3241

R4-7A4 11/01/94 09:32 Pg: 2

9:50 BRISBANE TIME

11/01/94 08:57 Pg: 2

P.2/2

Telecom
AUSTRALIA

Commercial & Consumer
Customer Affairs

Locked Bag 4980
Melbourne Vic 3100

Telephone (03) 632 7700
Facsimile (03) 632 3241

11 January, 1994

Mr Warwick Smith
Telecommunications Industry Ombudsman
Ground Floor
321 Exhibition Street
MELBOURNE VIC 3000

Dear Warwick,

I refer to your suggestion re. Mr Pengilly as an alternative assessor. Telecom's position is still as per my original letter to you of 24 December 1993. Telecom's view is that your nominee, Mr Rogers QC, is a suitable person who will provide an independent and impartial view. In respect of Mr Pengilly I do not have a detailed CV, but my enquiries have revealed that his primary expertise is Trade Practices Law and this background is not of direct relevance to this arbitration. An assessor with a greater level of direct commercial expertise and judicial background such as Mr Rogers QC is seen as necessary.

I have received your facsimile of 11 January 1994 and the attached letter from Mrs Garme. Mr Rumble's contact with Mrs Garme was in direct response to the voice monitoring issue and was also intended to deal with the supply of information under her FOI request. At no stage did Paul Rumble raise the issue of alternative assessors. Please be assured that Telecom will only consider assessors nominated by yourself and has not, and has no intention of, entering into discussions with the other parties to the arbitration in respect of potential assessors.

I have asked the Corporate Solicitor to comment on Mrs Garme's statement that Telecom had previously accepted the appointment of Mr Fox as suitable to themselves. Apparently, the name of Mr Fox was included on a list of names which was discussed with Mrs Garme some time ago. My understanding is that this matter never progressed and does not appear relevant to the current deliberations.

My personal view is that the appropriate way forward is to appoint one assessor to ensure the consistent application of legal principles in these cases. In addition, the assessor needs to be a person of some eminence in legal and commercial negotiations as the outcome of these cases is likely to establish a precedent for future complaint handling.

However, it does appear to me that the claimants are losing sight of an important factor and that is the fact that the TIO is the person with the responsibility for arbitrating on this matter, and that the assessor that is now under discussion is in fact making a recommendation to the TIO. Under these circumstances it appears to me that far too much weight is being placed on the appointment of the assessor. The primary requirement is that this person is definitively impartial and has the necessary professional standing and legal and commercial qualifications.

Please contact me directly (6327700) if I can be of any further assistance in obtaining a speedy resolution of this matter.

Yours sincerely,

Steve Black
GROUP GENERAL MANAGER - CUSTOMER AFFAIRS

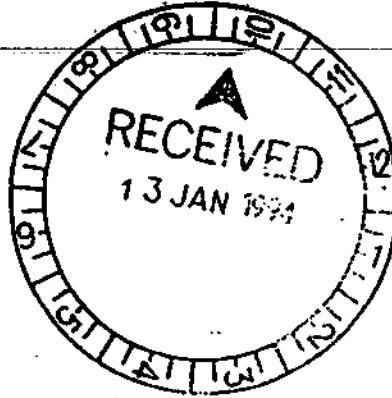
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Telecom
AUSTRALIA

Commercial & Consumer
Customer Affairs 128

Locked Bag 4960
Melbourne Vic 8100

Telephone (03) 632 7700
Facsimile (03) 632 3241



11 January, 1994

Mr Warwick Smith
Telecommunications Industry Ombudsman
Ground Floor
321 Exhibition Street
MELBOURNE VIC 3000

Dear Warwick,

I have attached for your information a copy of a letter sent to AUSTEL providing the results of two additional studies undertaken by Telecom to test the Rotary Hunting Groups and to provide supplementary inter-exchange network tests and the details of the tests. The additional testing was undertaken to provide further information on the reliability of the telecommunications services provided to those customers complaining of difficult network faults.

As you will see from the attached letter, the documents are rated "Commercial in Confidence" and are provided for the information of the TIO and not for release or disclosure to third parties without the permission of Telecom Australia. I would ask that this rating of the documents be respected.

It is anticipated that the release of these documents to the four customers currently proposed for the fast track arbitration process will be agreed at an appropriate time in consultation with yourself. The timing of the release can be finalised once the assessor has been appointed and the procedures for the arbitration have been agreed.

I also wish to confirm to you my previous advice regarding arrangements made with AUSTEL for the release of documents obtained from Telecom to the four customers currently proposed for the Fast Track arbitration process.

It was agreed at a meeting between Mr. Graeme Ward and Mr. Steve Black of Telecom and Dr Bob Horton and Mr Neil Tuckwell of AUSTEL on 7 January 1994 that:

- Information obtained from Telecom, in the course of AUSTEL's regulatory functions, and relevant to any parties involved in a formal arbitration process with Telecom under the control of the Telecommunications Industry Ombudsman (TIO) will only be released after consultation with the TIO and Telecom.
- The AUSTEL draft report will be expedited to ensure that it is available at an early stage of the arbitration process.
- The AUSTEL draft report will be released to the parties involved in the fast track arbitration process for comment in accordance with a process agreed with the TIO, and only after each party has signed a formal document committing to keeping the contents of the report confidential and giving an undertaking not to comment either privately or publicly on the report until after it has been released publicly by AUSTEL.

Yours sincerely,

Steve Black
GROUP GENERAL MANAGER - CUSTOMER AFFAIRS

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ATTACH 4

Paul J Rizzo
 Group Managing Director
 Policy and Administration
 242 Exhibition Street
 Melbourne Vic 3000 Australia
 Telephone 03) 264 9301
 Sydney 02) 264 9301
 Facsimile 03) 264 6410

11 January, 1994

Dr R Horton
 Acting Chairman
 AUSTEL
 PO Box 7442 St Kilda Road
 Melbourne Vic 3004

Dear Dr Horton

VOICE MONITORING

As you would be aware, there has been substantial media comment on Telecom's action in recording the telephone calls on the services of Mrs Gillan and Mrs Garza in the context of a detailed fault investigation. Information was received at about 4.30 pm on 5 January 1994 from the Australian Financial Review that the AFR was in possession of documents from AUSTEL which advised that this monitoring had taken place and these documents formed the basis of the AFR's question and subsequent public comment on the matter.

I have now received a letter from Mr MacMahon (copy attached) confirming that he advised both Mrs Garza and Mrs Gillan that Telecom had undertaken recording on their services. These letters were based on information provided by Telecom on the 24th December 1993.

Telecom's primary concern is that the information was released to a party that is currently involved with a dispute with Telecom, and who has entered into a formal arbitration process to resolve that dispute. The action taken has inflamed the dispute, aggravated the parties, led the parties to actively seek to raise the dispute to public comment and has put at risk the arbitration process.

The release of the information in these circumstances raises issues of principle which need to be resolved. Under the circumstances it was inappropriate for this information to be released in this way. Once a quasi judicial process such as the agreed arbitration

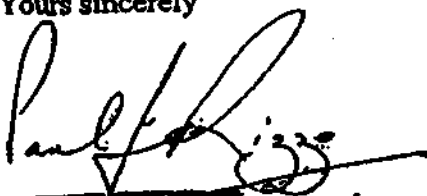
A10235

process has been entered into, information which may be material to that process should only be released through that process. As AUSTEL participated with Telecom in the establishment of that process it is clear that AUSTEL was fully aware of the existence of the process and the formal agreement between the parties.

It is Telecom's view that arrangements should be put in place to ensure that information gained from Telecom in the course of AUSTEL's regulatory functions is only released in an appropriate way. To this end I wish to confirm the agreement reached between [redacted] and [redacted] in a meeting with you and Mr Neil Tuokwell today that:

- Information obtained from Telecom, in the course of AUSTEL's regulatory functions, and relevant to any parties involved in a formal arbitration process with Telecom under the control of the Telecommunications Industry Ombudsman (TIO) will only be released after consultation with the TIO and Telecom.
- The AUSTEL draft report will be expedited to ensure that it is available at an early stage of the arbitration process.
- The AUSTEL draft report will be released to the parties involved in the fast track arbitration process for comment in accordance with a process agreed with the TIO, and only after each party has signed a formal document committing to keeping the contents of the report confidential and giving an undertaking not to comment either privately or publicly on the report until after it has been released publicly by AUSTEL.

Yours sincerely



**GROUP MANAGING DIRECTOR
FINANCE & ADMINISTRATION**

AVO 236

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95 / 0595 - 0



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Commercial & Consumer
Customer Affairs

Locked Bag 4960
Melbourne Vic 8100

Telephone (03) 632 7700
Facsimile (03) 632 3241

12 January, 1994

Mr John MacMahon
General Manager, Consumer Affairs
AUSTEL
PO Box 7443 St Kilda Road
MELBOURNE VIC 3004

Dear Mr MacMahon,

I refer to your letter of 31 December 1993 regarding COT cases. I have already responded to paragraphs two to five of that letter. This letter deals solely with the status of Telecom's response to the C&L and Bell Canada reports.

In accordance with our agreement reached in the meeting with yourself and your Chairman, these documents will be released through the TIO at the appropriate stage of the arbitration process.

It is my view that the appropriate time for release is after the assessor is appointed and the procedural rules for the arbitration process have been agreed by all parties.

However, as indicated in our agreement, this decision will be taken in consultation with the TIO.

Yours sincerely,

Steve Black
GROUP GENERAL MANAGER - CUSTOMER AFFAIRS

ACTION COPY

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FILE NOTE

K00269

**File: VSC/42
Date: 12 January, 1994**

Files relating to Golden

Ted Benjamin called. He wants us to collect information together for Golden Messengers in a similar fashion to what is being done for Cape Bridgewater under FOI. The assumption is that either the arbitrator or Mr Schorer will be looking for the information soon as a result of the fast track arbitration process.

Trevor Hindson

*Started action with
Net Ops & NN1
12/1/94
Jadler*

FACSIMILE TRANSMISSION

ATTENTION GRAHAM SCHORER

DATE 12/1/94

FROM John & Anne Rundell

FAX 287-7001

95 Dendy Street, Brighton

PAGES 24 ONLY

IF YOU DO NOT RECEIVE ALL PAGES TELEPHONE ON 993 1800 OR FAX ON (03) 592 3162 IMMEDIATELY

MESSAGE

Professional resumes as promised

1. Paul Howell - DMR (Detailed)

2. Bill Diamond - DMR (Detailed)
(He handles our Telecom problems & communications issues on FH jobs.)

3. Jan Blahy (4 Pages)

4. A. C. Hodgson (")

5. J W Rundell (")

I will develop proposal letter & include relevant resumes for issuance today to T10

John R.

MATERIAL IN THIS TRANSMISSION IS CONFIDENTIAL
NO CONFIDENTIALITY IS WAIVED, LOST, STOLEN OR DESTROYED BY REASON THAT THIS FAX HAS BEEN MISTAKENLY TRANSMITTED.

PAUL C HOWELL

PROFILE

Mr Howell has planned the organising, financing and operation of large enterprises, major time-critical projects, and advanced computer-communications utilities.

In his 25 year business and consulting career, he has been instrumental in important successes in the securities industry, telecommunications, computers, transportation, banking and electricity. He is one of the world's leading planners, implementors and controllers of Olympic Games.

He was Director of Computers and Communications Planning for Canadian Pacific Limited, one of Canada's largest companies, from 1978 to 1988, and Vice President, Planning and Marketing at System Development Corporation from 1969 to 1977. He has consulted in English, German and French in North America, Europe, Asia and Australia. He has held executive and technical positions in New York City and Montreal, where his strategies, architectures and organisational structures have maximised the financial benefits from information technology. He is also a writer and leads symposia and conferences.

EXPERIENCE SUMMARY

1988

to

Present

DMR GROUP INC. - CORPORATE, MONTREAL

Director

- Performed the technical due diligence investigation and advised on the merger of Immedia and MPACT, the world's major TANDEM EDI supplier, forming a new company which is positioned to be the leading EDI product and third party VAN services in the TANDEM environment in North America, Europe and Asia. This included an evaluation of the technical reliability and competitiveness of MPACT's product for both transmission of EDI messages and translation of all EDIFACT, ANSI X.12 and TDCC standard messages, as well as a survey of MPACT's customers worldwide: these include Motorola, National Data Corporation, Dell Computers, Burlington Northern Railroad, Logica, SG2, Lorean Computer Inc., and others.
- Developed the "Voice of the Customer" in a House of Quality Assessment of DMR's trademarked Strategy Plus.

- Consulted to the ANZ Banking Group, a \$100 billion Australian bank which operates world-wide. He defined the organisational position of Information Technology (I.T.) Planning and advised the CEO on the overall approach to I.T. and its organisation. He led a team of DMR, IBM, Tandem and ANZ professionals to create the ANZ's I.T. architecture using DMR's A-Plus. It is stored in computer form to make it easy to use and update, and it covers six architectural dimension in three time-frames. The time-frames are now, when current approved projects are completed, and five years from now. The dimensions are (1) the business, (2) the concept (how the bank functions and how it is organised), (3) computer applications and data and how they support the business, (4) computer hardware, software and networks and how the applications are operated, (5) policies and standards and who has authority to enunciate, implement and enforce them, and (6) the cost of I.T. The cost model, in fact, allocates and distributes the \$2 billion in I.T. costs over the next five years by application or function, by years, and by configuration item (hardware, software and network component); it shows the cost implications of any architectural adjustment and will be used in costing business functions, budgeting I.T., negotiating with suppliers, managing benefits, optimising the architecture and controlling costs. He coached ANZ-Australia's I.T. Planning Department on writing business systems plans and on how to project and manage future usage volumes and physical capacity.
- Consulted extensively to the State Electricity Commission (SECV) in Victoria, Australia a \$3 billion a year state-run business and Australian's leading electricity company. He developed the strategic plan, using DMR's S-Plus. The principal requirement was to review the management and control mechanisms for the management of I.T. in the SECV. This included understanding the business, identifying the SECV's strategic drivers, developing a vision for the transformed organisation, establishing policies and principles, selecting opportunities, analysing costs in comparison with many similar organisations, developing an approach to unit costing, and planning the transition. The strategy was implemented and yielded more than the projected benefits of \$80 million net. As a result of this assignment, the SECV made computers and communications a "business within the business", strengthened line management accountability for investment, created commercially-oriented competitive service units, and dramatically improved the delivery of information technology (including telecommunications) benefits, while at the same time reducing I.T. costs. The SECV's annual report gives extensive credit to these accomplishments. He has separately advised the SECV on process control, network evolution and charge back for the Information Systems Utility. In December, 1992, he consulted on the desegregation of the SECV, as mandated by the new Victoria government; this may lead to outsourcing of the SECV's development and computer operations to DMR.

- Coached the DMR Managing Director responsible for developing the Information Technology strategy for the Electricity Trust of South Australia. This resulted in the successful implementation of the strategy and a management integration contract for DMR.
- Prepared the business plan for investors in value added services which led to the creation of Immedia (which offers network based services worldwide) as well as a successful public offering of Immedia's stock.
- Developed the business case for CANTEL and Ericsson to proceed with a \$50 million system for network evolution, management and maintenance (CNEST).
- Worked with the Simkin Family in creating Transportation Data Network International (TDNI), a new third party EDI network. He contributed to the definition of the offering, the marketing plan and pricing.
- Developed DMR's approach and signed up partners for the Quebec Government's RICIB 30,000 terminal network and RIR, Quebec's wireless network.
- Coached executives on strategic planning at Air Canada, the ANZ Banking Group, CANTEL (a cellular phone company), the Electricity Trust of South Australia, the State Electricity Commission of Victoria, Australia and DMR.
- Conducted executive briefings on planning, on telecommunications and on technology, spoken at international meetings, publishes articles and is regularly interviewed by business journals, such as the Toronto Globe and Mail.
- Led EDICOM executives in preparation of the economic benefits and effect analysis of EDI to the port of Montreal; this covered EDI standards, the regulatory and telecommunications environment, the local economy, transport via rail, truck, barge, ship and air, and macro-level materials management, J.I.T., and warehousing.
- Paul also directed business development - telecommunications for DMR worldwide. He developed the strategy for DMR's growing telecommunications consulting practice, marketing to the telecommunications industry and consulting on value-added networks. Revenue has doubled in three years. He installed the global DMR network and chaired the CIO's advisory committee, responsible for office technology and administration, which includes hardware, software, network, information policy and quality.

- As chairman of ITAC's Telecommunications Policy Committee, on behalf of the information technology industry in Canada, he influenced competition policies in Canada, the international trade discussions (GATT) and the World Administrative Radio Conference (WARC), as well as the regulatory environment, the Cable TV and Telephone companies, the new Canadian telecommunications law and the evolution of wireless communications technology.

1978
to
1988

CANADIAN PACIFIC LTD - MONTREAL

Executive

- Director technology planning of CP's \$100 million a year computers and communications network (C&C) to gain competitive advantage for all CP companies. This included the planning and budgeting of information technology for all CP companies. He created CP's ten year strategic technology plan. It predicts technology trends, emphasises technology for competitive advantage and restructuring, enunciates policies (a VAN architecture, protocols, PCs and facilities), forecasts costs, benefits and capacity, structures Computers & Communications, creating a new corporate vice-presidency, and itemises the portfolio of major applications. CP is recognised in the leader in the transportation industry for its innovative and beneficial use of Information Technology. He was instrumental in restructuring CP. He served on the Position Evaluation Committee and the Steering Committee on Human Rights.

- Designed and managed the annual project planning and budgeting process to implement that strategy for CP Ltd. and its more than 200 subsidiaries (eg. CP Rail in Montreal, SOO Line in Minneapolis, Trucks in Toronto, Ships in London, Hotels in Toronto, Enterprises in Calgary, Air in Vancouver, etc.).

This included identifying and negotiating automation targets, defining the offerings to meet the targets as projects with benefits, costs, capacity, security and backup, and scheduling resources (hardware, software, physical plant, voice and data communications, professionals, etc.) to ensure that the most beneficial applications were proposed, authorised and delivered first. It also involved negotiating clients' willingness to drop non-beneficial demands, consolidating some subsidiaries' networks with CP Ltd.'s and keeping up to date on emerging technologies.

- Controlled the delivery of benefits.
- Billed (chargeback) clients for all Computers and Communications efforts (\$100 million a year), showing an increasing profit, and positioning Computers and Communications either to be an outsourcing supplier or to be outsourced.

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- Proposed in 1985 the creation of "CP Technologies", a \$100 million a year, for profit VAN, which would offer network-based information services and outsourcing to freight transporters.
- Championed key applications, such as MERLIN, CP's office automation utility, PIP, materials handling; HRIS, the human resource information system, and ATCS the advanced train control system, the \$100 million "process control" of the railway, in which CP Rail is leading the industry.
- Conceived and planned ATCS, the "process control" of rail operations, which is now becoming the standard in North American railroads. His plan described the approach, specified the hardware and software to be used, showed benefits and costs, and scheduled the work. ATCS uses mobile data radio, transponders/interrogators, and on board devices linked to land based computers to monitor and control consist, speed, throttle, dynamic and air brakes, engine temperature, oil pressure, and wheel slippage. The objective of ATCS is to improve the management of resources, dramatically improve operational efficiency, help the railway meet competition from trucks, increase reliability and profitability, and enhance safety. This \$100 million project at CP Rail equips some 1,000 locomotives and 30,000 switches over 17,000 km of tracks.
- Published Technology Lookout -- illustrated brochures on biotechnology, computer-aided design, continuously variable transmission, composites, fiber optics, flat panel displays, flexible manufacturing, fuel cells, gallium arsenide, global positioning, high power integrated circuits, integrated circuits, high temperature materials, robots, ion implantation, non destructive testing, optical storage, PBXs, remote sensing, solar cells, storage batteries, telecommunications satellites, and transponders.

1971
to
1976

OLYMPIC GAMES

Director General, Planning and Operations Control, Montreal Olympic Games

- Planned and controlled Olympic operations, a \$200 million (1975 dollars) project, integrating systems from a wide variety of suppliers. Based on Munich 1972, he defined the 128 projects and the organisation (COJO) Board of Directors, international and national sports governing bodies, the federal, provincial and national sports governing bodies, the federal, provincial and municipal governments, and unions, and he fine tuned and reorganised, as needed. He testified before the Malouf Commission and showed that the construction of the stadium was separate from the operation of the Games.

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The Montreal Games cost 5% less than the Munich Games. Major keys to the success of this immense and complex project: zero base budgeting, venue management, results system, and creating an organisational context conducive to co-operation among project leaders. He was hailed as the single individual who did the most to ensure the Games' success. The Montreal approach was adopted by Moscow, L.A., and Seoul.

- Also planned financing and operations of the Olympic Games in Munich (1971 - 1972), Moscow (1976), Lake Placid (1977), Seoul (1981), Los Angeles and Calgary (1983).

1969
to
1978

SYSTEM DEVELOPMENT CORPORATION

Vice President, Planning and Marketing

- Managed marketing, handled technology transfer for SDC, and planned Olympics.
- Sold and delivered SJO, the Olympic Games results system, to Moscow, the largest Canadian software sale up to that time to the Soviet Union.
- Reorganised and sold the McLean Computer Graphics Division.
- Planned a network utility for Wall Street and Canadian securities dealers.
- In 1968 in New York, he was a key member of NBC's US presidential election coverage team.
- In 1967, he became a systems programmer in IBM's Operating System and Access Methods.
- He was President of the Canadian Information Processing Society (CIPS) in Montreal.
- Before entering the computer field he taught German literature at the University of New York.
- He is known as a business man whose plans yield the expected benefits and as a writer.
- His other interests include music, tennis and sailing.

EDUCATION

Dartmouth College, Hanover, H.H., BA (1963) with honors

Columbia University, New York, (1965), PhD program

University of Munich, Germany, PhD (1967, abandoned)

LECTURING

MCGILL UNIVERSITY

Instructor, Faculty of Management, 1985 to 1989

In addition to this work at CP, he taught second year MBA candidates "Corporate Information Systems". Topics covered: defining and achieving objectives, architecture, HW/SW selection and procurement, applications portfolio, data modelling, telecommunications, capacity planning, project planning, systems analysis, managing applications development, operations, cost analysis, cost recovery, international information systems, security, future, computer audit, and specific applications or techniques such as office automation, process control, CAD, graphics, PCs, LANs, AI, expert systems, robots, etc.

ASSOCIATIONS AND COMMITTEES

Chairman, Information Technology Association of Canada (ITAC) Telecommunications Policy Committee.

Member, Position Evaluation Committee (1985 - 1986), Using Hay points, graded management positions at CP Rail.

President, CIPS Montreal (1985 - 1986), Excellent program, budgetary result and seminar on "artificial intelligence".

Member, Steering Committee on Human Rights (1984), Advised CP on human resources policy, ensuring legality, benefit to CP and fairness.

Member, American Association for the Advancement of Science.

Member, Ivy League Association.

OTHER INTERESTS

He lives in Montreal with his wife Betty. His children Matthias and Cornelia also live in Montreal.

Paul has written books about the 1968 US election and Soviet spying on US technology. He is currently working on a book about planning for CEO's.

Recent publications include:

"Its Time For the Wake-Up Call" in CANADIAN TELECOMMUNICATIONS, April, 1992.

"The Telecommunications Revolution" in the ITAC NETWORK, May, 1992

Canada's New Telecom Legislation : "Let's have a Second Reading Seriously" in the ITAC NETWORK, May, 1992.

"Out of Touch No More" in ENCOUNTER, 1991, University of Ontario.

"EDI Architecture." in Ports Canada Proceedings, November, 1991.

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JAN BLAHA

• Bachelor of Commerce - University of South Africa

Jan Blaha has had over 20 years experience in the data processing industry. Since 1980 he has specialised in managing and supporting retail payment systems for a number of Australian and European financial organisations. His major task over the past five years has been the conception, implementation and management of banking product strategies, as well as development of organisation and information requirements to measure the effectiveness of product mix.

Mr Blaha is a consulting principal and director of DMR Group Australia Pty Ltd. Mr Blaha has worked on a number of projects with Ferrier Hodgson and also specifically has been involved on the IT restructuring at the TAB as the consulting principal.

Jan Blaha has been with the DMR Group in Melbourne since 1990 and was consulting principal and project director of the joint DMR/Ferrier Hodgson Corporate Advisory team responsible for assisting the Victorian Workcover Authority in its divestiture of the business information systems division. This project is close to completion with transfer of ownership and divestiture to continue in Australia.

Other recent assignments include consulting in the development of the business and technology architecture to transform South Australia's multi-function polls for a consortium of telecommunications and multi-national vendors to create an information utility in South Australia.

Jan Blaha also acted as the principal adviser to Ferrier Hodgson on the IT restructuring of the Pyramid Group of Building Societies (in liquidation). This was a major project role commencing in May 1990 through to June 1993. During this period the mainframe computer operations were relocated to a new site, the mainframe operations were outsourced by a facilities management agreement to Fernree, a new software system was developed to manage the problem loan portfolio and liquidation wind-down of the Pyramid Group of Building Societies.

Mr Blaha was a consulting principal with DMR in the United Kingdom from June 1988 to January 1990 and was involved in a number of financial institution restructurings and reviews of credit card operations. Clients included Eurocheck, the Bank of Northern Ireland, a major United Kingdom shared building society network, (the management and co-ordination of a debit card and Estpos), the development of technical plans for a major United Kingdom merchant clearing product, a strategic review of a future delivery system development in conjunction with a team of joint credit card companies, the preparation of a series of electronic card strategies for several major building societies.

From 1984 to 1988, Mr Blaha was Manager Brisbane Office for DMR Group Australia. Major clients included Caltex Oil Australia, Visa Card, regional Banks and Queensland Building Societies, as well as the Queensland Department of Health and Expo '88. Mr Blaha had responsibility for a consulting staff of 19.

From 1982 to March 1984, Mr Blaha was a Senior Manager with Tandem Australia in Brisbane, dealing in the banking and finance client area. From 1980 to 1982, Mr Blaha was with Datec in Sydney following his immigration from South Africa. From January 1975 to January 1980, Mr Blaha was a Director with Automated Business Systems in South Africa and was involved in the design, implementation and development of several major Burroughs mainframe applications including plastic card systems (credit card system, Fleet Card Management system) for a major bank, banking systems, including development of the systems for Standard Chartered Bank and the bureau with intention to transfer in-house as it became available. He also worked on financial systems development, including a major bureau with 60 retail stores as clients.



Telecommunications
Industry
Ombudsman

January 14, 1994

Warwick L. Smith LLB
Ombudsman

STRICTLY CONFIDENTIAL

Mr. Graham Schorer
Golden Messenger
493-495 Queensberry Street
NORTH MELBOURNE VIC. 3051

By Facsimile: (03) 287 7001

Dear *Graham*,

I am pleased to advise that following lengthy discussions with all the participants in this matter that I am now in a position to indicate the appointment of the Assessor and additional provision of resources required.

1. Dr. Gordon Hughes has accepted the position of Assessor. His background and CV are known to you.
2. Resources required by Dr. Hughes will be provided by Ferrier Hodgson in combination with D.M.R. Inc. an internationally renowned consulting firm with specialisation in information technology and telecommunications. The Project Manager of that Group will be Mr. John Rundle of Ferrier Hodgson who will work to Dr. Hughes. In the event that Dr. Hughes needs additional legal assistance it will be provided on an adhoc basis at his request and discretion probably from Hunt & Hunt. In addition Mr. Peter Bartlett as you know has been formally appointed as special counsel to assist myself in any matters that need to be addressed.

Enclosed is a copy of the press release proposed to be issued on Monday announcing the appointment.

I would be pleased if you could keep the matter confidential until such time as it has been announced and in the terms of the "Fast Track" Agreement, this matter should be accorded every opportunity to work and I would implore all to refrain from any unnecessary public comment at this time as the process proceeds.

Dr. Hughes will overview the currently available public information to familiarise himself with the issues and also make determination about any other matters of

"... providing independent, just, informal, speedy resolution of complaints."

TIO LTD ACN 057 634 787
National Headquarters
321 Exhibition Street
Melbourne Victoria

Box 18098
Collins Street East
Melbourne 3001

Telephone (03) 277 8777
Facsimile (03) 277 8797
Mobile 018 591 208

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process that he believes need to be settled. He will address these matters directly to the parties involved and to myself.

I have stressed to him that this proposal is a "Fast Track" arrangement and he is prepared to commit time and resources to address the matters in a very timely fashion.

In addition I have indicated to him that subject to exceptional matters arising it is my view that as Assessor he will have an ongoing role in further arbitration matters given however that they may take a different form to this initial "Fast Track" proposal.

On settlement of any matters of process and procedure that Dr. Hughes believes to be necessary, it is expected that the matters will proceed within the next two weeks. I hope that all parties can now attend to the preliminary preparation of matters that will need to be placed before the Assessor.

I thank all parties for their consideration in being able to finalise this appointment process to the mutual satisfaction of all.

Yours sincerely,


Warwick L. Smith
Ombudsman

Enc.

MEDIA Release



Telecommunications
Industry
Ombudsman

RELEASE: IMMEDIATE

DATE: 17TH JANUARY, 1994

"Settlement Resolution Procedure
For Claims Against Telecom"

Under a proposal for Fast Track Settlement of the claims of four customers against Telecom (COT cases) developed in consultation with AUSTEL, it was determined that the Telecommunications Industry Ombudsman would appoint an Assessor to resolve the claims.

I have appointed Dr. Gordon Hughes as Assessor. He is an immediate past President of The Law Institute of Victoria and currently Managing Partner of the Melbourne office of national law firm Hunt & Hunt. Dr. Hughes is a leading expert in information technology law and is on the Executive of the Law Council of Australia.

In addition I have appointed Ferrier Hodgson, a major Australian Chartered Accounting practice and DMR Group Australia, an international consulting group with specialist expertise in information technology and telecommunications to act as an expert resource unit to the Assessor.

In addition Mr. Peter Bartlett a senior Partner with Minter Ellison Morris Fletcher a national legal firm, and currently Chair of the Law Council's Business Law Committee on Telecommunications and Media has accepted the position as special counsel to the Telecommunications Industry Ombudsman for the purposes of the "Fast Track" Settlement process.

The process will commence immediately.

For further information:

Mr. Warwick Smith
Telecommunications Industry Ombudsman
Phone: (03) 277 8777

"... providing independent, just, informal, speedy resolution of complaints."

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Internal Memo



To ~~Simon Chalmers~~

Networks & Interconnect
National Network Investigation

From David Stockdale
P.T.T.O.1

7/35 Collins Street
Melbourne, Victoria 3000

Subject Concerns regarding information supplied

Australia

Telephone (03) 657 3411
Facsimile (03) 654 4601

Date ~~January 1994~~

File

Pager 016 315 515

Attention

Simon,

I feel obliged to voice concerns I have regarding the information being provided regarding the investigations of Cape Bridgewater Holiday Camp and Golden Messengers courier service.

Much of the information provided contains A party number details which should under no circumstances be made available to the recipients of these files. We have been instructed that we cannot remove this information ourselves so the responsibility of ensuring that this private information is not inadvertently included rests with you.

I also have some concern that the working notes that have been included may be mis construed if taken out of context. There is a great quantity of technical information contained therein, some of it relates to testing procedures and equipment recently developed and therefore little understood by those outside our company. If there is anything within the files provide that raises questions in your mind, please feel free to contact me and I will endeavour to help you in anyway I can.

Please call me if I can help in anyway.

Regards,
David Stockdale.
PTTO1 - National Network Investigations, Melbourne.

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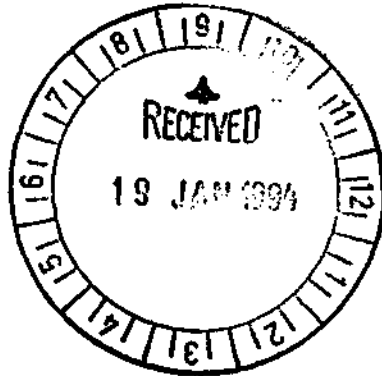


AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

18 January, 1994

Mr Graham Schorer
Spokesperson
COT Cases Australia

Fax: 287 7001



Dear Mr Schorer

COMMUNICATION ISSUES

Reference A: Your letter of 14/1/94.
Reference B: Your facsimile of 14/1/94

References A and B and our discussion on 13 January, 1994 demonstrate that you have some concerns regarding information transfer and access to information between the parties associated with the "COT" dispute. I offer the following points in response and as an outcome of our undertaking verbally at the meeting held with you and Mrs Garms on 13 January, 1994 to identify information processes:

- AUSTEL does not have the authority to pass to a third party information obtained under section 400 of the *Telecommunications Act 1991*, without the permission of the provider of that information. Furthermore, AUSTEL does not have the power to direct Telecom to supply information to a third party. AUSTEL can acquire information from a carrier for the purposes of an investigation it is pursuing, and this ties into the process of review which AUSTEL and the other parties have voluntarily agreed to. The report ensuing from that review will be a neutral appreciation and opinion given the facts presented to AUSTEL, and AUSTEL intends to complete the review by early February, as we have indicated previously.
- The COT case members can seek information from Telecom under Freedom of Information. Whilst I appreciate that you are earnestly seeking information to assist your preparations for the assessment under the Fast Track Settlement approach, AUSTEL does not offer a back door alternative to FOI legislation and it would be illogical to expect the Telecommunications Act to provide such an inconsistency in law.
- Given AUSTEL's desire to reach a timely outcome to this issue, the meeting of 7 January, 1994 provided the opportunity to provide the same above clarification on information transfers. It was also recognised that the parallel processes of AUSTEL's review and the Fast Track Settlement would involve overlapping information of material interest. On these clarifications, AUSTEL and Telecom were in agreement.

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- As the TIO Fast Track concept does not challenge nor change any of the parties' rights and responsibilities, the implication that there has been a deal done between Telecom and AUSTEL to the detriment of the COT case members or that Telecom has imposed "an instruction" on AUSTEL is clearly nonsense.
 - In the interests of achieving a fair and timely outcome to this issue, AUSTEL has made its resources and staff available to discuss relevant matters in a verbal and relatively informal way with the parties concerned. There is, however, a risk involved that either of those parties may misunderstand or misinterpret what has been conveyed verbally. Furthermore, in light of your action with regard to the Commonwealth Ombudsman, I suggest that any matters of material significance should be conveyed in writing, and AUSTEL will respond similarly, thus avoiding any potential for ambiguity or misinterpretation.
 - I would once again stress to you that AUSTEL will be of most valuable assistance to you and to Telecom if the staff of AUSTEL were allowed to get on with the job of completing the review without too many interruptions.

Under separate cover, Mr MacMahon will address the questions attached to your letter of 14 January, 1994.

Yours sincerely

R. Horton

Dr Bob Horton
Acting Chairman

c.c: Telecommunications Industry Ombudsman
(Att: Mr W Smith)
Commonwealth Ombudsman
(Att: Ms J Cardiff)

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Hunt & Hunt LAWYERS

Partners
 Edward S. Boyce
 James G.F. Harrowell
 Christine A. Galley
 Gordon L. Hughes
 Mark T. Knapman
 Ian S. Craig
 Peter J. Ewin
 Wayne S. Cahill
 Neville G.H. Debnay
 Lindsay L. Morgan
 Grant D. Seaton
 Charles Vassers
 Andrew Lodge-Smith

Consultants
 Kenneth M. Mardn
 Richard J. Kellaway

Associates
 Peter A. Cornish
 Shane G. Hill
 John S. Meier
 Melissa A. Henderson
 Francis V. Galichio
 Roy Selt

18 January 1994

Our Ref: GLH

Matter No:

Your Ref:

BY FAX: 287 7001

Mr Graham Schorer
PO Box 318
North Melbourne VIC 3051

Dear Sir

"COT CASES"

I confirm I have been appointed by the Telecommunications Industry Ombudsman (TIO) as assessor under the terms of the agreement entitled "Fast Track Settlement Proposal".

I will be assisted by a project team under the direction of John Rundell of Ferrer Hodgson. The project team will include Mr Jan Blaha of DMR Group Australia Pty Ltd.

I am aware the parties are anxious for early resolution. My first priority will be to establish the process and procedure for conducting the assessment. In this regard I note paragraph 2(e) of the "Fast Track Settlement Proposal" provides that:

"The review will be primarily based on documents and written submissions. Each party will have access to the other party's submissions and have the opportunity to respond.

The assessor may, however, call for oral presentations by either party. Such presentations will not include cross-examination, and would not be open to the public or third parties. Representations of the parties will be at the assessor's discretion."

I have been provided by the TIO with a document entitled "Telstra Corporation Limited - 'Fast Track' Proposed Rules of Arbitration". I have not yet formed a view as to the suitability of this proposal. I would be happy to receive an alternative submission on behalf of the COT Cases but it might be more practical to await my comments on the Telecom proposal. Naturally I am anxious to establish a procedure which is acceptable to all parties.

Melbourne

Sydney

Sydney West

Brisbane

Canberra

Newcastle

Perth

Adelaide

Darwin

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11189278_GLH/RS

Level 21, 459 Collins Street, Melbourne 3000, Australia. Telephone: (61-3) 614 8711.

Facsimile: (61-3) 614 8730. G.P.O. Box 1539N, Melbourne 3001. DX 252, Melbourne.

2

When I have formulated my views as to the appropriate procedure for conducting the assessment, I intend to meet formally with a representative of Telecom and a single representative of the four nominated COT Cases in order to finalise arrangements.

In the meantime I shall meet as soon as possible with Mr Rundell and Mr Blaha to discuss the roles of their respective organisations.

I consider it to be inappropriate for me to discuss the merits of the four actions with any involved party except in accordance with the agreed assessment procedure. I nevertheless wish to remain as accessible to the parties as possible. It may be necessary for a party to contact me personally from time to time for reasons unconnected with the merits of the actions. In such circumstances, I nevertheless reserve the right to provide any other party with a memorandum regarding the contact and the issues discussed.

At this stage I have no information at all regarding any of the claims. While the assessment procedure will of course provide for the formal presentation of material, it may be useful if the parties could informally provide me with any material which they jointly agree might be of assistance to me and the project team by way of background.

Yours sincerely



GORDON HUGHES

CC. S Black
J Rundell
J Blaha
W Smith
P Bartlett



AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

92/0596(8)

19 January 1994

**Mr S Black
Group General Manager -
Customer Affairs
TELECOM.**

Facsimile No: (03) 682 3241

Dear Mr Black

Voice Monitoring Tapes

Your letter of 17 January asked AUSTEL to seek in formal terms Telecom's provision of all voice monitoring tapes in its possession relating to the *COT Cases*.

AUSTEL's direction of 12 August 1993 sought, pursuant to Section 400 of the *Telecommunications Act 1991*, to be supplied with information relating to any of the eight persons referred to in the Attachment to the direction.

Any voice monitoring tapes are seen as falling within the terms of the direction outlined above.

Any associated transcripts would fall within the requirement to provide all documentation relating to the eight persons referred to in the Attachment.

Please ensure that all relevant tapes are provided to AUSTEL as a matter of urgency, as we believe they may be of relevance to AUSTEL's review which is proceeding apace, as we have previously indicated.

Yours sincerely

R. Horton

**Dr Bob Horton
A/g Chairman**

A10233

F A X E D

*...3...1...2...1...9...
to Mr Blewett*

**5 QUEENS ROAD, MELBOURNE, VICTORIA
POSTAL: P.O. BOX 7449, ST KELDA RD, MELBOURNE, VICTORIA, 3004
TELEPHONE: (03) 828 7300 FACSIMILE: (03) 820 3021**

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19 January 1994

Ms. E. Jill Cardiff
Office of the Commonwealth Ombudsman
6th Floor,
405 Collins Street,
MELBOURNE. 3000.

Dear Ms. Cardiff,

COMPLAINT AGAINST AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

On Thursday 13th January, Mrs. Ann Garms and I attended a meeting with two officers of Austel, Mr. John MacMahon and Mr. Bruce Matthews.

In order to save time and misunderstandings, Mrs. Garms and I took to that meeting a written list of questions. We believed that those questions could and should have been answered by Austel without reference to a third party. A list of those questions is attached.

Mr. MacMahon refused to answer the questions because, he said, he had been informed by a Mr. Black of Telecom that Telecom and the Telecommunications Industry Ombudsman (T.I.O.) had come to an agreement whereby all requests from the C.O.T. Case Members would be passed to the T.I.O. and the T.I.O. would decide whether the information should be made available.

This seemed to be to us an extraordinary state of affairs and at our request, the acting Chairman of Austel (Dr. Horton) joined the meeting. I told him I had just spoken to the T.I.O. who had said no such agreement had been reached.

Dr. Horton said he knew nothing of any such arrangement and instructed Mr. MacMahon to check with the T.I.O. the following day.

We left the meeting, still with the questions unanswered.

Our subsequent enquiries revealed the following:

- ♦ A meeting had been held at Austel on 7th January attended by:

Dr. Robert Horton (Acting Chairman, Austel)
Mr. Neil Tuckwell (Member, Austel)
Mr. John MacMahon (General Manager, Consumer Affairs)
Mr. Steve Black (Telecom)
Mr. Graeme Ward (Telecom)

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Apparently the matters raised at that meeting included an agreement between Telecom and Austel that all requests for information be sent to the T.I.O. for a decision on whether the information should be made available.

A telephone call was placed by Mr. Black, to the T.I.O. during that meeting. The loud speaker function was used, so that all meeting participants, including Dr. Horton, could hear both sides of the conversation.

The T.I.O.'s recollection of that call is set out in his letter of 14th January 1994 to Dr. Horton and I attach a copy of that letter.

We believe that Austel's behaviour in this matter is reprehensible and warrants investigation by your office.

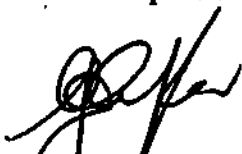
If no such agreement existed, we were lied to by senior management of Austel.

Even if such an agreement had existed, or Austel had purported to reach such an agreement with Telecom, Austel has sought to abrogate its duties and powers in relation to its consumer protection function.

↓
We view this as an extremely serious matter and ask that you

- (a) intervene on our behalf to encourage Austel to provide the information requested.
- (b) investigate the propriety of the actions of Austel's staff, in particular Dr. Horton's disclaimer at the meeting of 13th January.

Yours respectfully,



Graham Schorer
Spokesperson,
C.O.T. CASES AUSTRALIA

encl (2)

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Internal Memo

ATTACH (2)

Telecom
AUSTRALIA

To -Alan Humrich
Manager - Central Region

From Trevor Hill

Subject Summary statement on PBX groups for
BCI report 'Rotary Hunting Group Study'

Network Operations
Operations Switching Support
(Melb)

9 / 35 Collins St
Melb 3000

Australia

Telephone 03 657 2594
Facsimile 03 650 3785

Date 20 January 1994

File

Attention cc. Kevin Dwyer, OSS

In response to your minute of 20 December 1993, OSS (Melb) would like to summarise its response in terms of the three points put forward as follows:-

Generally the DPR's received, and the subsequent investigations have found that the cause of some wrong number / busy when free complaints were caused by the non-operation of particular rack RAM relays due to the "sticking" of the armature in the un-operated position. Since the first reports of sticking RAM relays, an enormous amount of effort has been put into discovering the reason(s).

The resultant investigations revealed that relay armatures were sticking due to a phenomena termed "wear frit" or "fretting" where airborne oil and dust and/or ferric oxide particles combined with moisture are attracted to the magnetic zone. This paste type material tends to build up around the armature backstop which co incidentally has a burr (produced during the manufacturing process). This paste tends to grasp the armature backstop as an anchoring point, the relay armature being held un-operated by the paste.

During the mid 80's a comprehensive study into relay wear was done by OSS (Melb) and one of many findings was that busy when free problems associated with RAM relays sticking were reported to have been detected by 41% of exchanges that were responding to the survey.

In any thousand line number range, when the sticking armature(s) problem starts to reach the stage of affecting service, the first 3 or 4 calls each day to the ten lines affected by the sticking armature will fail. (Reports have generally shown that after 3 or more failed attempts the affected relay(s) will operate normally.

Calling customer complaints will quickly lead to a fault pattern indicating relay operation (perhaps over a 2 to 4 week period), and local action such as cleaning all the RAM relays in the affected thousand line number range and/or installing the appropriate wear shims will remove the cause of the problem.

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Based on the evidence of manual testing and as indicated above, the test calls conducted by NNI, the problems highlighted in Work Specification T 9023 were not seen to be affecting the above mentioned customer. It should be noted that five (5) of the 9 PBX lines including the directory line were within SLA/B racks that used later version RAM relays which are designed in such a way that the sticking armature problem mentioned in T 9023 will not occur. Three (3) of the auxiliaries in these SLA/B racks were in the first four (4) lines. Therefore if a problem of sticking RAM relays in the SLA/B racks existed its effect would be minimal. As the SLB/PBX rack also contained the later version of RAM relays they also could not be considered a factor in causing the problems complained of. Other Work Specifications relating to PBX equipment were completed on the 318/6xxx group in 1984.

The general exchange customer complaint rate both before and after the cleaning operation did not alter significantly, and nor did the complaint incidence from Dawson's Pest & Weed Control. The customer moved work operations from Maidstone to Rockbank in July 1993.

General Comments - Effects of Sticking RAM Relays

The "sticking RAM relay" appears to result from a build-up of a black deposit between the heel of the armature and its non-magnetic metal back-stop strip. This deposit appears to hold the relay in the un-operated position or to slow down the operation of the relay sufficiently to cause terminating calls to be incorrectly set up.

In circuit terms the digit store relays in the CD-SM operate rack relays 1-2DS1-10 & 1-2US1-10 (RAM relays) according to the tens & units digits stored (DS = tens digit, US = units digit). The non-operation of the 2DS1-10 & 2US1-10 relays due to sticking;

- affects SLA by-path testing by limiting the available paths for selection. This could lead to internal congestion.
- their non-operation also prevents the operation of the 1-2D & U relays in the SLM/S. The non-operation of the 1D and/or 1U relays prevent the operation of SLB horizontals (1-10).
- the non-operation of the 2DS1-10 and/or 2US1-10 relays also prevents the operation of the appropriate SLA horizontal (1-10) and vertical.
- The non-operation of the 1DS1-10 or 1US1-10 relays open circuits the testing path to the customers "c" wire, causing a false busy result.

The failure of SLA/B horizontals and verticals to operate prevents the a-d wires being through switched in the subscriber switching stage, giving rise to not receiving ring complaints from own exchange customers. The SR would provide ring current & ring tone, but the ring current path would be opened as described above. Calls from outside the exchange, that is, incoming junction calls via an FIR, result in no tones as the FIR cannot be switched into the ring state ("c" wire open circuit because of the non-operation of SLA or SLB horizontals.

With respect to the SLB/PBX rack, the 1-3M1-5 relays (RAM) set up the transfer of the directory number to the PBX equipment. If one or more of these relays do not operate then the PBX equipment will release through normal time supervision and the directory line will be selected. Busy may result if the directory line is in use.

The 4-6M1-5 RAM relays and SD1-0 RAM relays operate to transfer the selected auxiliary line to the CD-SM. If an auxiliary is selected in the PBX equipment, but either 4 or 6M1-5 or SD1-10 do not operate, then no progress occurs and the caller is switched to congestion after the CD-KMR time releases with line lockout occurring after a short delay. If 5M1-5 does not operate then busy is returned to the caller immediately. Both types of events occur because of the incomplete transfer of the selected auxiliary

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From the customer's perspective, a sticking RAM relay in an SLA/B rack would cause calls to any customer in the 200 line number range served by that rack and having the same tens or units digit as the affected relay to receive a busy signal when lines to the called customer were free and available for seizure. It is also possible that a sticking RAM relay could cause calls to the customer in question to ring out, that is, calling party receives ring tone but called party's phone does not ring. These effects of the "Sticking Relay" condition would be seen by the first ten affected lines in the thousand line number range for the first few (about 4) calls to that group after an extended period of inactivity. The symptoms would persist until a fault pattern is detected or normal cleaning routines are due and armatures cleaned. With respect to the exchange PBX equipment, sticking RAM relays on the SLB/PBX rack could cause busy tone and no progress to the caller.

If the RAM relays in the Group Switching Stage, for example GIV, experience sticking problems, calling customers could find calls to the thousand line number range fail in a "no progress" condition, receiving congestion after the GV-KMR time releases with line lockout occurring after a short delay.

MANAGER - NATIONAL NETWORK INVESTIGATION

B00425

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DAWSONS PEST & WEED CONTROL

TEST PBX			WORKING PBX		
RELAY	LINE	NUMBER	RELAY	LINE	NUMBER
PBX 25	DIR	318 6622	PBX 21	DIR	318 6666
	AUX 1	318 6828		AUX 1	318 6855
	AUX 2	318 6705		AUX 2	318 6755
	AUX 3	318 6421		AUX 3	318 6455
PBX 65	AUX 4	318 6165	PBX 62	AUX 4	318 6134
	AUX 5	318 6236		AUX 5	318 6266
	AUX 6	318 6325		AUX 6	318 6966
	AUX 7	318 6522		AUX 7	318 6364
PBX 67	AUX 8	318 6621	PBX 69	AUX 8	318 6054

GOLDEN MESSENGER

TEST PBX			WORKING PBX		
RELAY	LINE	NUMBER	RELAY	LINE	NUMBER
PBX 7	DIR	329 0955	PBX 2/11	DIR	329 0055
	AUX 1	329 0094		AUX 1	329 0674
	AUX 2	329 0514		AUX 2	329 0331
	AUX 3	329 0894		AUX 3	329 0731
PBX 43	AUX 4	329 0071	PBX 2/41	AUX 4	329 0065
	AUX 5	329 0291		AUX 5	329 0675
	AUX 6	329 0631		AUX 6	329 0605
	AUX 7	329 0891		AUX 7	329 0525
PBX 52	AUX 8	329 0047	PBX 2/57	AUX 8	329 0430
	AUX 9	329 0327		AUX 9	329 0590
	AUX 10	329 0407		AUX 10	329 0238
	AUX 11	329 0927		AUX 11	329 0460
PBX 63	AUX 12	329 0562	PBX 2/66	AUX 12	329 0221
	AUX 13	329 0642		AUX 13	329 0088
	AUX 14	329 0862		AUX 14	329 0545

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TEST PBX			WORKING PBX's					
RELAY	LINE	NUMBER	RELAY	LINE	NUMBER	RELAY	LINE	NUMBER
PBX 25	DIR	329 7444	PBX 1/17	DIR	329 7355	PBX 1/13	DIR	329 7133
	AUX 1	329 7081		AUX 1	329 7752		AUX 1	329 7367
	AUX 2	329 7401		AUX 2	329 7957		AUX 2	329 7457
	AUX 3	329 7741		AUX 3	329 7042		AUX 3	329 7867
PBX 27	AUX 4	329 7749	PBX 1/2	AUX 4	329 7443	PBX 1/22	AUX 4	329 7734
	AUX 5	329 7969		AUX 5	329 7663		AUX 5	329 7254

←

TEST PBX			WORKING PBX		
RELAY	LINE	NUMBER	RELAY	LINE	NUMBER
PBX 1	DIR	329 7822	PBX 1/3	DIR	329 7255
	AUX 1	329 7158		AUX 1	329 7009

←

Figure 7.3

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COMMONWEALTH & DEFENCE FORCE
OMBUDSMAN

6th Floor, Aldersgate House, 405 Collins Street
Melbourne Vic. 3000
Telephone: (03) 614 3911
Facsimile: (03) 629 3138
008 133 057

20 January 1994

C 94/677

Mr G Schorer
Spokesperson
C.O.T. Cases Australia
P O Box 318
NORTH MELBOURNE VIC 3015

Dear Mr Schorer

I am in receipt of your letter of 19 January 1994, received by facsimile today, in which you complain about the actions of the Australian Telecommunications Authority (Austel).

I am seeking Austel's comments on the substance of your complaint and I shall contact you again as soon as we have considered its response.

Yours sincerely


Jill Cardiff
Senior Assistant Ombudsman

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ATTACHMENT 0

16

COMMONWEALTH & DEFENCE FORCE
OMBUDSMAN

Postal & Mailing: Commonwealth Ombudsman, Canberra City
PO Box 222, Canberra ACT 2601 Australia
Telephone: (06) 252 3100 Fax: (06) 252 3122

January 1994

C/94/195.C/94/225:JW

Mr J R Holmes
Corporate Secretary
Telstra Corporation Ltd.
38th Floor, 242 Exhibition Street
MELBOURNE VIC 3000

Dear Mr Holmes

I received complaints from three of the 'COT Cases', Mr Graham Schorer, Mr Alan Smith and Ms Ann Garms, concerning TELECOM's handling of their applications under the Freedom of Information Act (FOI Act) of 24 November 1993 and 21 December 1993 respectively.

I have summarised Mr Smith's complaint as alleging that TELECOM unreasonably has decided to apply charges to his FOI request and that the charges will be considerable.

Mr Schorer's complaint is that TELECOM unreasonably refused to remit the application fee and is proposing to impose processing charges.

Ms Garms also has complained that TELECOM unreasonably is imposing charges.

All three assert that they require the information to support their submissions to the imminent review in accordance with the Fast Track Settlement Proposal (FTSP) agreed between TELECOM and AUSTEL, and endorsed by the then relevant Minister.

I understand that the FTSP provides a basis for a Proposed Arbitration Procedure that may be applied as a dispute resolution process additional to the Telecommunications Industry Ombudsman scheme. I also understand that TELECOM acknowledges that the COT Cases proposal has assisted TELECOM to clarify its views about dispute resolution processes suitable for small business in the future.

Clearly it is important that the FTSP be given every opportunity to achieve its objectives. As clause 2(e) stipulates that the review will be primarily based on documents and written submissions and that each party will have access to the other party's submissions and have the opportunity to respond, TELECOM should facilitate access by the parties to relevant information. Furthermore, it is important that TELECOM be seen to be co-operating as far as is reasonable.

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In the circumstances, the giving of access to information required by the applicants to present their cases to the assessor appointed under the FTSP is in the general public interest, in the context of s 29(5) and s30A(1)(b)(iii) of the FOI Act. Accordingly, it is my view that TELECOM should waive payment of the application fees in respect of the FOI applications. Also, TELECOM should waive that part of the charges which relates to the information requested which is required to enable the applicants to present their cases under the FTSP.

I should also draw your attention to section 14 of the FOI Act which states:
Nothing in this Act is intended to prevent or discourage Ministers and agencies from publishing or giving access to documents (including exempt documents), otherwise than as required by this Act, where they can properly do so or are required by law to do so.

In view of the importance of the FTSP, I think that TELECOM should release to the applicants all of the information required by them in connection with presentation of their cases to the assessor, outside the provisions of the FOI Act. TELECOM could invite the applicants to make an application under the FOI Act if they require further information which TELECOM is not prepared to release without considering an application under the FOI Act. Should you decide to withhold some documents, it would be helpful to the applicants if you would describe them so that they may make an informed judgement as to whether to pursue access through the FOI Act.

I should be grateful for your early comments on my views.

Should your officers wish to discuss any of the foregoing they could contact John Wynack on 06 2760153.

Yours sincerely

PS

Philippa Smith
Commonwealth Ombudsman.



AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

93/0507

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. Giltsham, 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. (1)

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. (2)

In keeping with this approach, the use of the term "Desirable Outcome" for test results is inappropriate and should be changed to "Essential Outcome" (3)

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. (4)

R04321

5 QUEENS ROAD, MELBOURNE, VICTORIA
POSTAL: P.O. BOX 7443, ST KILDA RD, MELBOURNE, VICTORIA, 3004
TELEPHONE: (03) 828 7300 FACSIMILE: (03) 820 3021

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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 in RCMs, 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 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

Cliff Mathieson
Specialist Advisor
Networks

Michael Elsegood
Manager
International Standards Section

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AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

95/0595-
234. 143

93/0596(8)

21 January 1994

Mr Paul J Rizzo
Group Managing Director
Finance and Administration

FAX: 634 6410

Dear Mr Rizzo

In my letter of 13 January 1994, I questioned the existence of an integral formal agreement on the distribution of material relevant to the COT cases. The purported existence of such an agreement was brought to my attention by Mr Black at our meeting on 7 January, 1994 as a mechanism by which documentation could be released, where it was relevant to the arbitration process associated with the TIO.

Mr Black has not been forthcoming in evidencing any such agreement, and in a written statement from the TIO, dated 14 January 1994 (and copied to Mr Black), Mr Smith clearly rejected the notion of any such prior agreement.

I can only conclude that any such formal agreement was only a developing idea on the part of Mr Black.

As a consequence, and unless I am furnished with formal evidence to the contrary, AUSTEL will not be seeking to release information by the mechanism of consultation with the TIO and, where relevant Telecom in the manner proposed by Mr Black.

Yours sincerely

R. Horton

Dr Bob Horton
Acting Chairman



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Internal Memo



To As listed

From Alan Humrich
General Manager

Subject REQUEST FOR TELECOM RECORDS

Date 21 January 1994

Network Operations
Central Area

6th Floor East Tower
Transit Centre 151 Roma St
Brisbane Q 4000
Australia

Telephone 07 837 3212

Facsimile 07 236 4247

Attention

- Ross Marshall - National General Manager, Network Operations
- Rick Barry - A/General Manager, Network Operations Eastern Area
- John Seamons - National Manager, Network Performance
- Ian Comport - National Manager, Operations Processes & Support
- Les Chamberlain - Network Operations Manager, Metro Brisbane
- Greg Bannister - Chief Engineer, Multiplex & Transmission Technology

The attached request is referred for your action. The author of the request, Simon Chalmers, is from Freshill Hollingdale & Page, Telecom's solicitors. I suggest that you action this request not just for the two customers mentioned but also for Mr G Schorer and Mr A Smith. Information that has previously been sent to the Viewing Room will be accessed from there. It is important to note that material that is not produced for this request cannot be used in Telecom's defence.

Alan Humrich

Alan Humrich
GENERAL MANAGER
NETWORK OPERATIONS
CENTRAL AREA

*Changes - Difficult Network Faults (M.C. Dwyer list/22)
M.P. Jones Melbourne*

Referred for your attention RD

[Handwritten signature]

R15696

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Special Case Invest. Comm. Vic

Bruce
Can you organise please?
Juan Fernandez
25/1/94

From: [Redacted]
To: Special Case Invest. Comm. Vic
Subject: CCAS Connections
Date: Friday, 21 January 1994 5:06PM

K00094

Trevor,

I would like to put two numbers on CCAS in relation to Difficult Network Faults.

> [Redacted] an employee of [Redacted] and calls in to [Redacted] regularly.
(several faults have been reported as originating from this number.)

o/c — *CCAS A/FROM 27/1*
C 20813.

> 312 3796 is the Operations Manager for Golden Messengers they have reported difficulties in getting thru to G.M. frequently.

Do we require Customer permission in these cases?

ALREADY ON CCAS
C 95996.

If this is possible would you please arrange with the appropriate people to have this done. I assume they would be Consumer customers.

[Redacted]	<i>o/c</i>	[Redacted]
<i>1 MONTH</i>		<i>1 MONTH</i>
<i>310</i>		<i>CCAS.</i>
<i>CCAS</i>		<i>27 C20813</i>
<i>27. Already C95996</i>		

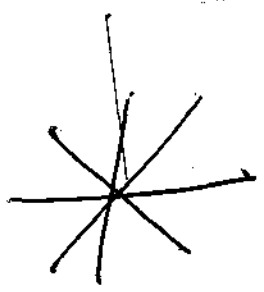
Thanks

Phil.

Your thoughts
Juan Fernandez

PS I will be in a meeting
first thing Monday. (Finance Sector Union)
(Long).

Trevor:



Customer permission is not req'd to connect CCAS.

Upstairs may be able to do both for you.

I don't believe CCAS should be connected indefinitely

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Cheryl

25 January 1994

Commercial & Consumer Business

Level 5
242 Exhibition Street,
MELBOURNE VIC 3000
AustraliaTelephone (03) 634 6671
Facsimile (03) 634 3676**VIA FACSIMILE**
SERVICE NO. (03) 287 7001**Mr G. Schorer**
Managing Director
Golden Messenger
P.O. Box 313
NORTH MELBOURNE, Vic. 3051

Dear Mr Schorer,

I refer to your facsimile of 20 January 1994.

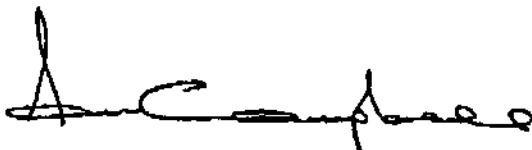
Mr Rizzo is the Group Managing Director - Finance and Administration, and his responsibilities include those of the Corporate Secretary and Corporate Solicitor, both of whom have interests in the difficult faults issue and with Mr Rizzo are consulted when Telecom is considering its position on this matter.

Regarding Telecom's management now authorised to deal with CoT members, the position is as described in my facsimile of 19 January.

I have noted your concern about Freehill Hollingdale & Page, and confirm that Mr Smith should now deal directly with Mr Rumble or Mr Black rather than through Freehill Hollingdale & Page.

Mr Chalmers, for the time being, has been seconded to the Telecom Customer Response Unit team, and will from time to time be necessarily asking for information. However he does so as a member of the team under the administrative direction of Mr Black.

Yours sincerely,

**Ian Campbell**
MANAGING DIRECTOR
COMMERCIAL BUSINESS

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MINTER ELLISON MORRIS FLETCHER

BARRISTERS & SOLICITORS

MELBOURNE
 EDWIN W. ANDERSON
 GALEN C. AYLING
 OLIVER J. BARRITT
 PETER L. BARTLETT
 SCOTT C. CHESTERMAN
 DON CLARKE
 PETER D. S. COATS
 JANE DAVIS
 KERRY C. H. DEACON
 MARK E. ELLIOTT
 DAVID A. EYEBROOK
 JEREMY A. FAIRIE
 WILLIAM L. FAZIO
 ELIZABETH M. FLYNN
 OLIVIA A. FRASER
 PULLIP C. GREENHAM
 DAVID G. HIGGS
 RUSSELL D. KEEN
 IAN G. LEWIS
 RONALD J. MACCALLUM
 RICHARD F. McQUEEN
 PETER MORGAN
 RICHARD D. MURPHY
 MICHAEL H. O'BRYEN
 BART F. OUSE-VERHEIJM
 MRS. PASCAREL
 DAVID S. POULTON
 PETER MURRAY C. PRYLES
 DAVID V. SHARPE

FRANCIS J. SHELTON
 JOHN J. STEVEN
 ROBERT J. STEWART
 MICHAEL W. TENAN
 PETER J. THOMAS
 IAN L. WALKER
 RICHARD A. WEST
 JANE H. WHITE
 CONSULTANT
 JOHN D. MORGAN
 SENIOR ASSOCIATES
 SAE BASTIAN
 LINDA GOFF BERRY
 MICHAEL C. BRYDNE
 ROSS S. BUNNEY
 EUGENE P. CLESTER
 LUK INDA M. CHRISTIAN
 JENNIFER G. COX
 MYLES F. DALL OGLIO
 ANTHONY M. DEAR
 JUSTIN F. FAMEY
 ANDREW M. GAFFNEY
 PETER A. GEORGE
 KATHARINE L. GUNTER
 DAVID A. GRANT
 STEPHEN F. GRANT
 JAMANDA C. JONES
 PHILIP A. E. JONES

ROBERT A. KAYE
 MICHAEL J. MACDONALD
 ELIZABETH G. MAYNARD
 PETER G. MURPHY
 WILLIAM P. O'SHEA
 DAVID I. REDMOND
 ANDREW J. SULLIVAN
 MICHELLE M. UNSWORTH
 SYDNEY
 CHARLES D. S. ALEXANDER
 ROBERT F. ALSTIN
 GARRY F. BEATH
 ANTHONY J. BERRYMAN
 PAUL V. H. BLANCH
 LEIGH R. BROWN
 GOURREY L. CONNOR
 WARREN J. COLMAN
 GRAHAM A. COOPER
 DAVID I. CRANE
 DAVID A. E. PERCOURN
 JOHN R. FRIDAY
 PATRICK T. GEORGE
 ODETTE M. GOURLEY
 ALEX J. HALLIDAY
 BRUCE E. HAMBRETT
 M. LOUISE S. HARRISON
 DAVID I. HILL
 ROBERT A. HOLTSBAUM
 A. ABBAS ROWE

MICHAEL R. NICHES
 CRAIG KELLY
 DAVID P. KENNEDY
 PETER W. KING
 ALAN L. LEMERY
 JAMES H. LINTON
 DAVID E. MALDON
 PAMELA A. MADAFOLIO
 PAUL E. MAZDUMER
 ROBERT C. MINTER
 JAMES W. MORSON
 JOHN C. MULLALLY
 JOHN F. GABLES
 GLENDON D. O'CONNOR
 JAMES D. R. PHILIPS
 LEONARD M. POWERS
 MICHELLE D. SHILLER
 JULIAN G. SMALLE
 MARK L. STANDEN
 RUSSELL A. F. STEWART
 GARY S. USMAN
 DAVID L. WATSON
 BRUCE A. WELSHAM
 CONSULTANTS
 WYNWOOD HOWARD
 CHARLES HADZARA KOYAMA
 JOHN MCKELLOP
 DENIS H. ROUAST

BRISBANE
 RONALD S. ASHTON
 RUSSELL S. BOWIE
 IAN W. BRADLEY
 MARK L. CARKEET
 RICHARD P. CLARKE
 BRUCE C. COWLEY
 DENIS J. GATSBY
 ANDREW P. GREENWOOD
 GARRY J. HAMILTON
 HAROLD F. HYPE
 PAUL A. KASNER
 ROSS F. LANDSBERG
 PAUL W. LEE
 BRIAN F. MCCAFFERTY
 KENNY MCCORMACK
 DAVID T. O'BRIEN
 MEL S. ROBERTS
 MARION V. SHAND
 SUZANNE C. SHERIDAN
 DAVID G. THOMAS
 PETER J. THOMAS
 WILLIAM D. THOMPSON
 ALAN E. THORPE
 ANTHONY W. WATT
 NIKOLE WITTHALL
 CONSULTANT
 EDWIN L. LEE

GOLD COAST
 LLOYD G. A. BAGOOTT
 CAMERON B. CHARLTON
 CANBERRA
 ROBERT F. CLYNE
 DENIS P. O'BRIEN
 CONSULTANT
 TERENCE J. BRIGGS
 HONG KONG
 RICHARD H. EARL
 OLIVER B. A. HALEY
 LONDON
 MICHAEL D. WHALLEY

40 MARKET STREET
 MELBOURNE VICTORIA

TELEPHONE (03) 617 4617
 INTERNATIONAL +61 3 617 4617

FACSIMILE (03) 617 4666

DX 204 MELBOURNE

POSTAL ADDRESS
 GPO BOX 769G
 MELBOURNE VIC 3001
 AUSTRALIA

DIRECT LINE
 (03) 617 4651

24 January 1994

BY COURIER

OUR REFERENCE

PLB 928549 FJS

YOUR REFERENCE

DIRECT LINE

Dr G Hughes
 Hunt & Hunt
 Solicitors
 21st floor
 459 Collins Street
 MELBOURNE 3000

Dear Gordon

COT matters

Following our meeting on Thursday last, I now enclose revised Procedure for your consideration.

I make the following comments upon it:-

1. The underlying aim of the Procedure is for it to be workable and fair to both parties as well as being generally in accordance with the Fast Track Agreements previously entered into.
2. We discussed whether or not the Procedure should come within the ambit of the Victorian Commercial Arbitration Act 1984. We decided that it should. Relevant considerations were that under the Commercial Arbitration Act:

you are entitled to administer oaths and affirmations (S19 (2));

subpoenas can be issued to compel the production of documents (S17);

if a party or witness fails to comply with your directions, application can be made to the Supreme Court (S18).

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1/fjs402401

Further considerations are:

- . some of the procedures adopted are somewhat novel in the arbitration context e.g. the use to be made of the Resource Unit. However, arbitration procedures are meant to be flexible and, provided the parties agree, as they will have by signing the Request for Arbitration, this does not concern me;
- . under Section 38 of the Commercial Arbitration Act, with the leave of the Court, there is the right to appeal on a question of law arising out of an award. This right of appeal can be excluded under Section 40 by having the parties enter into an "exclusion agreement". Such an exclusion agreement can only be entered into after the arbitration proceedings have "commenced" (Section 40 (6)). Pursuant to Section 3 (5) the arbitration is deemed to have "commenced" once the Request for Arbitration has been signed by both parties. The possibility of having an exclusion agreement could be discussed at your initial meeting with the parties;
- . it is provided in Clause 6 that legal representation is to be at your discretion. This is in line with Clause 2 (e) of the "Fast Track" agreement. Section 20 however states the circumstances in which an arbitrator is required to grant legal representation. This regime cannot be amended by the agreement of the parties. In practice, the issue of legal representation will only arise if you require oral submissions and even then there is to be no cross-examination. I would not anticipate the issue of legal representation being of great moment.

~~On balance, it was decided that it would be preferable to have the Procedure operating under the Commercial Arbitration Act.~~

3. You will note that I have amended the Procedure so that it is clear that you are conducting four separate arbitrations and will hand down four separate awards although you may combine some aspects of the four hearings. I have also provided that all four claimants must agree to the Procedure before there is a binding arbitration agreement with respect to any of them. I would be interested in your thoughts upon this.
4. As you would be aware, Section 14 of the Commercial Arbitration Act allows you, subject to the Act and to the Procedure, to conduct the proceedings in such manner as you see fit. This gives you a high degree of flexibility. However otherwise, the Procedure must be conducted in accordance with the rules of natural justice.
5. I will be interested in your thoughts on Clause 8 which relates to the Resource Unit. I thought it best to define the Resource Unit in fairly general terms.
6. In paragraph 1 on page 8, you will note that I have provided for any loss suffered by Telecom as a result of breach of the confidentiality provisions to be determined by arbitration in

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accordance with Section 22 (2) ~~is not according to law but by~~
~~reference to considerations of general justice and fairness.~~
Following our discussion, I thought this might be a workable
manner of dealing with this difficult situation.

7. Once you are happy with the suggested Procedure, I suggest you convene a preliminary conference with the parties to discuss the Procedure and also to discuss the possibility of exclusion agreements. At this conference you could also inform the parties that you will be informing AUSTEL in accordance with Clause 2 (h) of the "Fast Track" Agreement.

I look forward to discussing the suggested Procedure with you after you have considered it.

Yours sincerely,



F. J. SHELTON

enclosure

Humrich, Alan

From: Gamble, Peter
To: Humrich, Alan; Lean, Maurie
Subject: FW: Golden Messenger - CAN Measurements
Date: 25 January 1994 15:18

Alan, Maurie, this is interesting following on from our discussions yesterday. The customer concerned has 6 directory numbers and a total of 30 auxilliary numbers.
Peter.

From: Gamble, Peter
To: Pendlebury, Bruce
Cc: Rumble, Paul; Blake, Ed; Special Case Invest. Comm. Vic; Pannell, Mick
Subject: Golden Messenger - CAN Measurements
Date: Tuesday, 25 January 1994 3:14PM *

Bruce,

Following the measurements taken on the CAN for Golden Messenger today, two potential problems have been located.

They are:

- 1) 329 7009 has a probable high resistance joint or similar problem.
- 2) 329 7734 has a double jumper on the main frame cable pair side (cable 6 pair 1666).

Would you please arrange for these to be followed up urgently.

There are also three errors in FACS - the cable pairs listed are incorrect - as follows:

- 1) 329 0331
- 2) 329 0731
- 3) 329 0065

An attempt to locate the correct data was made, but without success. Accordingly, measurements were not taken on these three pairs. If the correct cable pair information is able to be obtained, then measurements on these pairs will be arranged.

Should you have any queries, please contact Mick Pannell, Power Co-ordination directly.

Peter.

TONY WATSON
:BNU - BUSY NOT IN USE
: - DOES NOT EXIST
:CUS - CUSTOMER

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = 56672678 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051

CALLLED IN = 20/01/94 10.38
CLOSED = 20/01/94 11.10
DESCRIPTION = CALLER RECEIVED RVA FROM STH YARRA TO 2860055 19/01/94
NARRATIVE = 20/01/94 10:30 SE767
CALLER RECEIVED RVA FORM STH YARRA AREA TO 2860055 ON 190194
AT 11:27, RVA-THIS NO. IS NO LONGER AVAILABLE...
ANOTHER CALLER REPORTED SAME FROM SUNSHINE SEE S6672714
ALSO A CALLER FROM NTH MELB SAID THEY RECEIVED NO ANSWER
WHEN RINGING 2860055... SEE S6672723
:RVA - RECORDED VOICE ANNOUNCEMENT
:NRR - NOT RECEIVING RING
:CUS - CUSTOMER
TREVOR HINDSON WILL CONTACT PHIL COLENZO..
TONY WATSON 20/01/94

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = 56672714 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051

CALLLED IN = 20/01/94 10.54
CLOSED = 20/01/94 11.10
DESCRIPTION = RVA INCOMING TO 2860055 ON 19/01/94
NARRATIVE = 20/01/94 10:50 SE767
CALLER FROM SUNSHINE RECEIVED RVA ON 19/01/94 CALLING
2860055. REPORTED VIA TREVOR HINDSON.
:RVA - RECORDED VOICE ANNOUNCEMENT
: - DOES NOT EXIST
:CUS - CUSTOMER
TREVOR HINDSON WILL PASS TO PHIL COLENZO..
TONY WATSON 20/01/94
RVA-UNKNOWN, CALLING NO. WAS 3123796. GRAHAM SCHORER SENT
A FAX INDICATING THAT THIS PROBLEM HAS OCCURRED 3-5 TIMES
PER WEEK BETWEEN 15:30-16:00..
TONY WATSON 21/01/94

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = 56672723 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051

CALLLED IN = 20/01/94 10.59
CLOSED = 20/01/94 11.10
DESCRIPTION = NOT RECEIVING RING ON 2860055 FROM NTH MELB.
NARRATIVE = 20/01/94 10:56 SE767
CUSTOMER CALLING 2860055 ON 19/01/94 SAID CALL RANG OUT.
REPORTED VIA TREVOR HINDSON
:NRR - NOT RECEIVING RING
: - DOES NOT EXIST
:CUS - CUSTOMER
TREVOR HINDSON WILL PASS TO PHIL COLENZO..
TONY WATSON 20/01/94
MR SCHORER SENT A FAX WHICH INDICATES THAT THE CALLER

154B

WAS RINGING 3290055 AND RECEIVING ENGAGED...NOT AS ABOVE.
 THE CALLER RANG BETWEEN 8:45-9:00, 10:30-11:00 & 13:00-14:00
 ON MON,TUES & WED AND CONSTANTLY RECEIVED ENGAGED SIGNAL.

NARRATIVE = TONY WATSON 21/01/94
 ***** NO WIP DETAIL *****
 ***** NO PART DETAIL *****

 ORDER = S6666680 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NTH MELB VIC 3051 ↙
 CALLED IN = 06/01/94 09.00
 CLOSED = 11/01/94 13.47
 DESCRIPTION = AUDIT MDF AS REQUESTED BY PETER CIRILLO...
 NARRATIVE = 11/01/94 13:34 SE767
 06/01/94
 :NSF - NON STANDARD FAULT
 :NSF - NON STANDARD FAULT
 :QNA - NETWORK ANALYSIS
 AUDIT OF MDF TO BE DONE BY RAY MORRIS AND TONY WATSON ON
 060194
 SOLUTION = 6/07/94 15:24 ZV333
 ***** NO WIP DETAIL *****
 ***** NO PART DETAIL *****

 ORDER = S6652123 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM
 493 QUEENSBERRY ST
 NTH MELB VIC 3051
 CALLED IN = 07/12/93 12.00
 CLOSED = 13/12/93 08.41
 DESCRIPTION = TEST CALLS AS REQUESTED BY CUSTOMER
 NARRATIVE = 13/12/93 8:08 SE993
 TEST CALLS TO PREMISES AS REQUESTED BU GRAHAM SCHORER
 FROM SUNSHINE EXCHANGE
 :NRR - NOT RECEIVING RING
 : - DOES NOT EXIST
 :CUS - CUSTOMER
 SOLUTION = 13/12/93 CSR: SE993FIELD EMPLOYEE: E993 ALAN MILES
 PLACED 410 CALLS FROM SUNSHINE EXCHANGE WHICH I ANSWERD
 IN HIS OPERATIONAL AREA ALONG WITH HIS OPERATORS.
 ON HIS PABX EXTENSIONS. ALL CALLS WERE ANSWERED AT THE
 PREMISES WITH NO FAILURES. 1 CALL DID NOT RING ON THE
 OPERATIONAL EXTENSIONS BUT WENT STRAIGHT THRU TO THE
 FRONT OFFICE AS AN INTERNAL CALL, BUT IT WAS NOT TRANSFERED
 BY MYSELF OR ANY OF THE OPERATORS. THIS WAS POINTED OUT TO
 GRAHAM SCHORER, WHO WAS GOING TO TAKE IT UP WITH HIS
 PRIVATE SUPPLIER.
 DATE START END SYMPT CAUSE ACT'N EMP
 08/12/93 13.00 18.00 NF N K E993
 ***** NO PART DETAIL *****

 ORDER = S6648023 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD RMORRIS
 493 QUEENSBERRY ST
 NTH MELB VIC 3051
 CALLED IN = 06/12/93 14.35
 CLOSED = 06/12/93 15.21
 DESCRIPTION = FOR CALL REBATE ONLY.....
 NARRATIVE = 6/12/93 14:32 VXH02
 ORGANISED REBATE OF CALLS MADE BY B LOPES TO CAPEBRIDGEWATER
 TO TEST FAX FAULT. BILL LOWRES OF FOOTSCRAY TO ORGANISE.
 CALLS MADE BETWEEN 11AM AND 1PM 29/11/93
 :NSF - NON STANDARD FAULT
 :RCF - RECURRING FAULT
 :QNA - NETWORK ANALYSIS

154B

R37899

DATE START END SYMPT CAUSE ACT'N EMP
22/03/94 11.37 12.29 NF WJ YT E633

***** NO PART DETAIL *****

ORDER = S6676293 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM
493 QUEENSBERRY ST
NTH MELB VIC 3051

CALLLED IN = 07/02/94 15.22
CLOSED = 07/02/94 15.32
DESCRIPTION = 07/02/94 NDT ON 3292896
NARRATIVE = 7/02/94 14:59 SE767

07/02/94 NO DIAL TONE ON 3292896, HAS BEEN TESTED AND APPEARS TO BE OPEN ONE SIDE IN THE EXCHANGE..
TONY WATSON
:NDT - NO DIAL TONE
: - DOES NOT EXIST
:CUS - CUSTOMER

SOLUTION = FAULT WAS LOCATED IN A PLUG AND JACK CONNECTION ON TOP OF EXCHANGE EQUIPMENT ASSOCIATED WITH THIS NUMBER. CONSTRUCTION STAFF HAD BEEN WORKING NEAR THIS AREA EARLIER IN THE DAY AND MAY HAVE UNKNOWNINGLY CAUSED THIS FAULT. CLEARED AT 1700, CUSTOMER NOTIFIED BY EXCHANGE STAFF WHEN CLEARED.
TONY WATSON.....

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = S6676301 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051

CALLLED IN = 07/02/94 15.29
CLOSED = 07/02/94 15.32
DESCRIPTION = 07/02/94 2877099 NRR FROM 2733333.....
NARRATIVE = 7/02/94 15:24 SE767

CALLER FROM THE BANK REPORTED NO ANSWER TWICE WHEN RINGING 2877099 BETWEEN 9:30-11:30 . CALLING NUMBER WAS 273 3333 AND THE PERSON WAS ZOE.
PHIL COLENZO HAS BEEN NOTIFIED, TONY WATSON 070294.....
:NRR - NOT RECEIVING RING
: - DOES NOT EXIST
:CUS - CUSTOMER

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = S6675327 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051

CALLLED IN = 03/02/94 08.47
CLOSED = 03/02/94 09.36
DESCRIPTION = 01/02/94 FAX TRANSMISSION TEST...
NARRATIVE = 3/02/94 8:44 SE767

FAX MACHINE TEST AS REQUESTED BY STEVE BLACK, TEST WAS CARRIED OUT ON 01/02/94.
:NSF - NON STANDARD FAULT
: - DOES NOT EXIST
:OTH - OTHER

SOLUTION = FAX test was conducted, fax was sent and received o.k.. S/N ratio is too high according to our test equipment. The fax uses an ISFDN line for incoming calls and a choice of 4 PSTN lines for outgoing. Mr Schorer didn't know the numbers of the four lines.
Whilst testing the fax I simulated a second fax call, the call rang out. I tested this a second time with the same result.

154B R37894

I asked Mr Schorer what happens when a second call comes in on his fax line if the fax is busy. Mr Schorer said his PABX 'puts the call on hold'. I asked how does it do that, as I was not aware of any fax machines that would know they had been put on hold; and the likely result was that the sending machine would time out or fail depending on what it heard whilst on hold.

Mr Schorer was concerned, I said I would like to talk to his PABX tech (Peter Hancock 670 7077) about the calls on hold and to obtain the 4 o/g numbers so we could test them for the S/N ratio problem.

During the conversation with Mr Schorer he mentioned Management hiding things and taping of conversations. He said we may be being taped now.

I informed Mr Schorer that the fax reception looked 100% but our equipment showed a S/N ratio problem. Mr Schorer said all his lines were checked last week, how could one be noisy now. I tried to explain that there was more involved than only his lines....

* The fax machine itself (Mr Schorer insisted his fax had been checked and was ok)

*The PABX port may be incompatible with the fax.

*Our own line could be at fault (Tested o.k. later)

Mr Schorer offered to plug the fax into a dedicated socket so we could test again, preferably the old fax no. 3284462. Mr Schorer was unable to do this as it seems the socket had been jumpered or programmed to the PABX.

We tested the fax again with the same result, high s/n ratio

= Whilst testing I called the old fax number and this rang out also, Mr Schorer was not concerned, he said the fax is not used for business purposes. I found out later the line would be open at the PABX since it was not used any more.

I told Mr Schorer I would contact Peter Hancock for the O/G numbers and we would test the lines.

01/02/94 Left message for Peter Hancock

02/02/94 Left message again for Peter Hancock

08/02/94 11:45, called Peter Hancock, he was in this time. the numbers are 3290675,0605,0525,0430. PABX port is prog. for analogue only. The old number is open. Calls can't be placed on hold, should return busy.

= 11:52 tested that 2877001 wouldn't return busy before Peter had time to check. The second call rang out again, I didn't contact GOLDEN about these calls.

Peter Hancock moved the fax from the old line to the PABX, the fax was not altered, so the settings would be the same as when connected to the exchange direct. Mike Kyvall believes the problem would be the fax not being matched to the PABX.

16:00 Tested all 4 lines. One was busy, but tested later. All tested o.k. with one testing slightly lower to GND than the rest (3290430 was the one).

= 10/02/94 N-Contacted Peter Hancock to see what he found when checking the fax line. He said the number is a single line and does not hunt or search if busy. It will return busy. He said he moved the fax line himself and it appeared to be o.k.

17/02/94 12:14, I simulated 2 incoming fax calls again. The second call rang, I dropped the first call off, releasing the fax. The fax then took the second call after about 30 seconds.

No further action has been taken, lines tested o.k, faxes are clear, Mr Schorer insisted his fax was o.k, Peter Hancock was made aware of 2877001 appearing to queue calls, he said he has checked program. Tony Watson.....

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

= S6675328
= 259294

STATUS = CL
TELEPHONE = 03 3290055

154 B

R37895

GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051

CALLER IN = 03/02/94 08.51
CLOSED = 03/02/94 09.36
DESCRIPTION = 31/01/94 09:09, FALSE BUSY I/C FROM 055267230
NARRATIVE = 3/02/94 8:49 SE767
ALLAN SMITH FROM CAPE BRIDGEWATER REPORTED GETTING BUSY TONE
CALLING 2877099.
:BNU - BUSY NOT IN USE
: - DOES NOT EXIST
:OTH - OTHER
SOLUTION = ALLAN SMITH DIALLED WRONG NUMBER 2877009 ILO 2877099.
***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = S6675334 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051

CALLER IN = 03/02/94 09.32
CLOSED = 03/02/94 09.37
DESCRIPTION = 02/02/94 CONVERSATION WITH MR SCHORER ABOUT 1100 RECORDS...
NARRATIVE = 3/02/94 9:31 SE767
:NSF - NON STANDARD FAULT
: - DOES NOT EXIST
:EMP - EMPLOYEE

02/02/94 ABOUT 12:00 MR SCHORER RANG ME TO ASK IF I HAD TOLD
ALAN SMITH OF "CAPE BRIDGEWATER" THAT 2877099 SHOWS TO BE
AN INVALID NUMBER IN TELECOMS DATABASE. I REPLIED THAT THE
NUMBER DID STAT AS AN INVALID NUMBER IN ONE OF OUR SYSTEMS.
MR SCHORER ASKED WHICH SYSTEM, I REPLIED LEOPARD.

NARRATIVE = WHILE I WAS TALKING TO MR SMITH HE TOLD ME HE HAD SENT A
STAT DECLARATION TO MR SCHORER ALREADY INFORMING HIM THAT
1100 HAD SAID 2877099 WAS AN INVALID NUMBER ON 31/01/94...
I SAID IF MR SMITH HAD REPORTED THE PROBLEM TO 132999
THE PROBLEM WOULD NOT HAVE OCCURRED BUT ACKNOWLEDGED THAT
AS IT HAD OCCURRED I WOULD ENSURE THAT THE DATABASE BE
UPDATED AS SOON AS POSSIBLE TO INCLUDE 2877099.

NARRATIVE = MR. SCHORER ARGUED THAT HE WAS OF THE OPINION THAT THE
CORRECT PROCEDURE WAS TO REPORT FAULTS TO 1100. I SAID THAT
PROCEDURE HAD CHANGED SOME TIME AGO AND THE 132999 NUMBER
WAS IN THE FRONT OF PHONE DIRECTORIES UNDER FAULTS AND
SERVICE DIFFICULTIES. (I CHECKED THE DIRECTORY LATER AND
MR SMITH MAY HAVE BEEN TECHNICALLY CORRECT AS 1100 IS LISTED
FOR "CALLING DIFICULTIES") MAYBE MR SMITH & SCHORER NEED
TO BE REMINDED WHO THEY SHOULD REPORT TO.

NARRATIVE = MR. SCHORER ASKED ME IF I WOULD WRITE A REPORT AND SEND
HIM DETAILS OF THIS INVALID NUMBER. I SAID I WOULD WRITE THE
REPORT BUT HE WOULD HAVE TO REQUEST IT THROUGH ROSANNE, HE
SAID SHE WOULD PROBABLY NOT FORWARD IT TO HIM AND HE USUALLY
DEALT WITH STEVE BLACK.

MR. SCHORER THEN WENT ON ABOUT SOME UNRELATED SUBJECTS :-
*TELECOM PROTECTIVE SERVICES TAPING EMPLOYEES PHONE CALLS
*FINANCIAL REVIEW ARTICLE ON TELECOM TODAY
*UPPER MANAGEMENT HIDING INFORMATION
*FEAR THAT TELECOM MAY COLLAPSE AND BE BROKEN UP

NARRATIVE = MR. SCHORER MENTIONED SOME OTHER PREVIOUS FAULTS LIKE
PEOPLE GETTING BUSY AND THAT SOME FAX'S HAVE BEEN
DISAPPEARING. HE THEN WENT ON TO SAY IF TELECOM CAN MONITOR
PHONE CALLS THEN THEY COULD ALSO INTERCEPT FAX'S AND REMOVE
CERTAIN PAGES. I ASKED WHAT WOULD BE THE POINT OF REMOVING
A COUPLE PAGES, WHEN THE CALLER AND THE CALLED PARTY WOULD
KNOW PAGES WERE MISSING. MR SCHORER SAID SOME DOCUMENTS SENT
BETWEEN HIMSELF AND SOLICITORS CONTAIN SENSITIVE INFORMATION
INFERRING THEY MAY BE OF VALUE TO TELECOM (I WOULD HAVE LIKED
TO SUGGEST A COURIER COMPANY LIKE SECURITY EXPRESS FOR HIS
SENSITIVE DOCUMENTS BUT I DONT'T KNOW HIS HUMOUR)

MR SCHORER THEN CAME BACK TO THE 1100 PROBLEM AND ASKED ABOUT FAULT OPERATORS INTERSTATE, I SAID THE SYSTEM IS NATIONAL AND WHEN FIXED IT WILL BE COMMON NATIONALLY.

NARRATIVE = MR SCHORER SAID THE INCIDENT WAS ANOTHER CASE OF TELECOM NOT PROVIDING SERVICE FIT FOR PURPOSE. I COMMENTED THAT MR SMITH WASN'T ABANDONED BY 1100; AND IN FACT THEY RANG DIRECTORY ASSISTANCE TO OBTAIN ANOTHER NUMBER FOR GOLDEN. MR SCHORER SAID THEY WOULDN'T DO THAT FOR ANY OTHER PERSON, JUST THAT MR SMITH AND HIMSELF ARE PERSISTANT BASTARDS AND WOULD PUSH FOR MORE INFORMATION THAN THE AVERAGE CUSTOMER. AFTER ALL THIS I DON'T THINK I HAD THE PLEASURE OF SAYING THE THE WHOLE INCIDENT WAS CAUSED BY MR. SMITH DIALLING THE INCORRECT NUMBER. MR SCHORER WAS ONLY INTERESTED IN 2877099 STATTING AS INVALID, MAYBE MR SMITH HAD ALREADY TOLD HIM OF THE WRONG NUMBER.....TONY WATSON.....

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = S6675313 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051
CALLED IN = 31/01/94 12.00
CLOSED = 02/02/94 17.05
DESCRIPTION = 27/01/94 09:55, NRR FROM 2834599
NARRATIVE = 2/02/94 16:26 SE767

FACSIMILE SENT TO GOLDEN INDICATING THAT CSR CALLED 2860055 AT 9:55 27/01/94 AND HEARD 3 RINGS THEN A CLICK AS IF ANSWERED; THE CALLER WAITED 70 SECONDS LISTENING TO SILENCE THEN HUNG UP. CALLER RANG BACK IN 20 SECONDS AND GOT THROUGH FAULT REPORT ENTERED IN RASS...
TONY WATSON.
:NRR - NOT RECEIVING RING
: - DOES NOT EXIST
:CUS - CUSTOMER

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = S6675317 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051
CALLED IN = 28/01/94 12.00
CLOSED = 02/02/94 17.05
DESCRIPTION = 28/01/94 9:00-9:35, BNU ON 2860055,2877099 FROM 6705694
NARRATIVE = 2/02/94 16:45 SE767

28/01/94 09:00-09:35 CALLER RECEIVED FALSE BUSY CALLING 2877099 & 2860055 FROM 6705694.
TONY WATSON
:BNU - BUSY NOT IN USE
: - DOES NOT EXIST
:CUS - CUSTOMER

***** NO WIP DETAIL *****
***** NO PART DETAIL *****

ORDER = S6675307 STATUS = CL
CUSTOMER = 259294 TELEPHONE = 03 3290055
GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
493 QUEENSBERRY ST
NTH MELB VIC 3051
CALLED IN = 21/01/94 12.00
CLOSED = 02/02/94 17.04
DESCRIPTION = 20/01/94 10:15, 4176566 RECEIVED FALSE BUSY ON 3297788...
NARRATIVE = 2/02/94 16:18 SE767

AT APPROX 10:15 20/01/94, A CLIENT IN FITZROY (417 6566) RANG 3297788, TO CONSTANTLY RECEIVE ENGAGED SIGNAL. HE WAS ABLE TO SUCCESSFULLY REACH GOLDEN ON 3297355..

LINE ORDER SOLUTION TEXT
PRESS ESCI TO LEAVE THIS FUNCTION

Order No.: 56699328 Call Types: Call Date: 30/04/94
Account : GOLDEN MEMBERS PTY LTD Sys: SINGLE LINE TELEPHON
Contact : Phone: (018) 356-827
Descr : NOT, NRE ALL LINES
Solution :

Page 1 of 1

- 1) 2/05/94 CSRE ZV333 FIELD EMPLOYEE: E767 TONY WATSON
- 2) Reported at 13:18 on 30/04/94. Testing proved fault to be in
- 3) the CPE. Equipment is privately maintained, customer was
- 4) notified.
- 5) 30/04/94 18:18 Mr Schorer rang to say all 68 lines are out;
- 6) has to be TELECOM. Exchange tested again and proved to be in
- 7) the CPE.
- 8) 30/04/94 19:32 Ian Broad recalled to go to premises, Ian
- 9) said the PABX had a "major alarm" but the Flexitel was still
- 10) operating with PSTN lines. AT & T rang while Ian was there.
- 11) Ian left the premises as he could do nothing.
- 12) 02/05/94 08:45, I called Mr Schorer to if everything was OK.

154 B

K00028

19/04/94 (10/94)

WATSON

SVC07A

2.4.2 t

SERVICE ORDER MODIFICATION
PRESS [ESC] TO LEAVE THIS FUNCTION

Order No.: S6692753 Call Type: C90 Serial#: _____
Customer : GOLDEN MESSENGERS PTY LTD SINGLE LINE TELEPHON
Contact : ALLAN SMITH Phone: (033) 290-055 Terr: M2-2G-211-NME
Desc: REC ENG SIGNAL WHEN RINGING 2860256 & 2877098 1530 1904 Commit: 19/04/94
Narrative: Page 1 of 1

- 1) 19/04/94 15:33 ZV179 *etc*
- 2) REPORTED BY [REDACTED] WHO PRETENDED HE WAS A CUSTOMER
- 3) TRYING TO GET THROUGH... RANG 2860256 AND 2877098 AND REC
- 4) ENGAGED SIGNAL... [REDACTED] REQUESTED ME TO RING BOTH NUMBERS
- 5) WHICH I DID AT 1530 AND ALSO RECIEVED ENG SIGNAL
- 6) :NRR - NOT RECEIVING RING
- 7) :ALL - ALL:APPLIES TO ALL CALLS
- 8) :CUS - CUSTOMER
- 9)
- 10)
- 11)
- 12)

**** DO YOU WANT TO MODIFY THIS INFORMATION [Y/N] ****

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

154B

K00043

S6682400

COMMERCIAL C.E.D. VIC/TAS
WILLIAMS

29/03/94 (09/94)
SVC41 2.4.7

FAULT MANAGMENT DISPATCH QUEUE
PRESS [ESC] TO LEAVE THIS FUNCTION

FE :E619 DAVID WILLIAMS
 Cust:259294 -0001 GOLDEN MESSENGERS PTY LTD Sys:SLT Dispatch : S6682400
 493 QUEENSBERRY ST City:NTH MELB 7) Con Tp:
 Ph #:(03)329-0055 State:VIC Zip:3051
 Territory: M2-26-Z11-NME Remote Flag: Restore :
 Call In : 29/03/94 16:09
 1) Site Remarks 1 :CUSTOMER CREATED FOR "SPECIAL CASE" INVESTERGATIONS ONLY
 2) Site Remarks 2 :ON FLT CALL.. ALWAYS CONTACT BRUCE PENDLEBERRY ON 550 7690
 3) Contact:DAWN Phone:(033)290-059 Hours:
 Commit : 30/03/94 15:09 4) Appointment :30/03/94 15:09 15:09 5) Pr :1
 6) Description :E619:EXCH CONGEST DN TEST BUSY TO NETWORK & CUST EXCH TO CHK

Narrative: 29/03/94 16:08 SWMS9
 NDT ON RQT LINE 3297752
 :NDT - NO DIAL TONE
 : - DOES NOT EXIST
 :CUS - CUSTOMER

ORDER NUMBER: S6682400 TELCO CIRCUIT NUMBER: E 3297752 XHU
 F1: Field Eng F2: Telco F3: PBX F4: Sp Prod F7: Transfer F8: Tacque(FMD)

154 B

DATE START END SYMPT CAUSE ACT'N EMP
 22/03/94 11.37 12.29 NF WJ YT E633
 ***** NO PART DETAIL *****

 ORDER = S6676293 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM
 493 QUEENSBERRY ST
 NTH MELB VIC 3051
 CALLED IN = 07/02/94 15.22
 CLOSED = 07/02/94 15.32
 DESCRIPTION = 07/02/94 NDT ON 3292896
 NARRATIVE = 7/02/94 14:59 SE767
 07/02/94 NO DIAL TONE ON 3292896, HAS BEEN TESTED AND
 APPEARS TO BE OPEN ONE SIDE IN THE EXCHANGE..
 TONY WATSON
 :NDT - NO DIAL TONE
 : - DOES NOT EXIST
 :CUS - CUSTOMER
 SOLUTION = FAULT WAS LOCATED IN A PLUG AND JACK CONNECTION ON TOP OF
 EXCHANGE EQUIPMENT ASSOCIATED WITH THIS NUMBER. CONSTRUCTION
 STAFF HAD BEEN WORKING NEAR THIS AREA EARLIER IN THE DAY AND
 MAY HAVE UNKNOWNLY CAUSED THIS FAULT. CLEARED AT 1700,
 CUSTOMER NOTIFIED BY EXCHANGE STAFF WHEN CLEARED.
 TONY WATSON.....

***** NO WIP DETAIL *****
 ***** NO PART DETAIL *****

 ORDER = S6676301 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NTH MELB VIC 3051
 CALLED IN = 07/02/94 15.29
 CLOSED = 07/02/94 15.32
 DESCRIPTION = 07/02/94 2877099 NRR FROM 2733333.....
 NARRATIVE = 7/02/94 15:24 SE767
 CALLER FROM THE BANK REPORTED NO ANSWER TWICE WHEN RINGING
 2877099 BETWEEN 9:30-11:30 . CALLING NUMBER WAS [REDACTED] OC
 AND THE PERSON WAS [REDACTED] OC
 PHIL COLENZO HAS BEEN NOTIFIED, TONY WATSON 070294.....
 :NRR - NOT RECEIVING RING
 : - DOES NOT EXIST
 :CUS - CUSTOMER

***** NO WIP DETAIL *****
 ***** NO PART DETAIL *****

 ORDER = S6675327 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NTH MELB VIC 3051
 CALLED IN = 03/02/94 08.47
 CLOSED = 03/02/94 09.36
 DESCRIPTION = 01/02/94 FAX TRANSMISSION TEST...
 NARRATIVE = 3/02/94 8:44 SE767
 FAX MACHINE TEST AS REQUESTED BY STEVE BLACK, TEST WAS
 CARRIED OUT ON 01/02/94.
 :NSF - NON STANDARD FAULT
 : - DOES NOT EXIST
 :OTH - OTHER
 SOLUTION = FAX test was conducted, fax was sent and received o.k..
 S/N ratio is too high according to our test equipment. The
 fax uses an ISFDN line for incoming calls and a choice of 4
 PSTN lines for outgoing. Mr Schorer didn't know the numbers
 of the four lines.
 Whilst testing the fax I simulated a second fax call, the
 call rang out. I tested this a second time with the same
 result.

154 B

PLTNO: 17159 REPORTED:220394 0956HRS ST:UA FNN:A032860055U1001
 PR:00 D/D:391281 WS SF/BW:20E NET:
 A END:GM HOLDINGS P/L B END:GM HOLDINGS
 :493-495 QUEENSBERRY ST NTH MELB :NMEX EXCHANGE NTH MELBOURN
 EQP: EQP:DIP-NMEXLSS111 T
 : DTB:3FT :DEV-3552-3583 T DTB:3FT
 :
 COMM:DIP-M2GMH01.30CH BW. INDIAL 2860000-99,2860200-99,2877000-99,2870700-99
 SYSTEM NAME:- M NMEX NMES M205 CRSG: ONLY CELL LEADER TO TALK TO CUSTOMER
 FAULT:INT NRR ON 2877099
 CONTACT:CHARLIE VAN BAKEL (COMM.) PHONE:008819104 RS:C FRM:A INIT:CVI
 RESPONSE TGT: 22/1156 CUST NOTIFD: / AH:Y APPOINTMENT: /
 RESTORE TGT: 22/2156 PRIORITY:3 CSS:430 FFS: DELAY:
 FIXR: TEC: LOCALE: DISPATCHED: / SEQ:
K00047

Report from Network Management received by Charlie Van Bakel at Waverley BSC at approx 1100, 22/3/94.

1. With ISDN calls, the originating caller will not receive ring tone from the network until the network receives a 'call-confirmation' or 'call-alert message' from the PABX. If this tone/message is not received then the caller would receive either RVA or Bsy tone.
2. As the caller had received 'ring-tone', then the network would have received the "call alert message", and the call would then be connected. Once the connection is made it then depends on the receiving ends queing system; diversion or call-forward facilities as to where the audible ring is sent. As there was no answer for that time it is assumed the phones ~~was~~ were unattended or fault.

154 B

should have been successful.

Tony Watson.....

DATE START END SYMPT CAUSE ACT'N EMP
 19/04/94 16.26 16.27 NF WJ YT E767
 ***** NO PART DETAIL *****

ORDER = S6682400 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD DAWN
 493 QUEENSBERRY ST
 NTH MELB VIC 3051

CALLED IN = 29/03/94 16.09
 CLOSED = 30/03/94 10.25
 DESCRIPTION = 29/03/94 16:09 NDT ON 3297752
 NARRATIVE = 29/03/94 16:08 SWM59

NDT ON ROT LINE 3297752
 :NDT - NO DIAL TONE
 : - DOES NOT EXIST
 :CUS - CUSTOMER

SOLUTION = 30/03/94 CSR: ZV998CALL REQUEUED : FROM TELCO TELCO QUEUE
 290394 NDT CUS XHU E619 X9NNN NMEL 300394
 31/03/94 09:27 DD:THIS REPORT HANDLED BY E619.HE REPORTS
 THAT AT THE TIME OF TEST(B/W 16:10 & 16:30 29/3/94)THE LINE
 APPEARED TO BE HELD UP.SULTAN ACCESS WAS UNAVAILABLE DUE TO
 EXCHANGE CONGESTION.A REPORT WAS RAISED IN LEOPARD & THE CP
 DAWN ADVISED OF THE ACTION BEING TAKEN & THE 'S' NUMBER.THE
 EXCHANGE FOUND NO FAULT BUT SUSPECT AN OFF-HOOK TEL AS THE
 CAUSE AS THE LINE WAS IDLE ON TEST.FURTHER TESTS BY MYSELF
 AT 09:00 31/3/94 FOUND NO FAULT.E633
 11/04/94 09:06: EMG TEST/REPORT ON EQUIPMENT..NO FAULT FOUND *
 REF:GOLDNC31.DOC.

SOLUTION = 11/04/94 9:07 ZV323
 DATE START END SYMPT CAUSE ACT'N EMP
 30/03/94 00.00 00.00 Y 00 Y E640
 ***** NO PART DETAIL *****

ORDER = S6681275 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NTH MELB VIC 3051

CALLED IN = 22/03/94 11.37
 CLOSED = 22/03/94 12.29
 DESCRIPTION = 21/03/94 19:15 NRR INT CUS.
 NARRATIVE = 22/03/94 11:06 SE633

21/03 94 19:15 NRR INT.CALLS RANG OUT,CUSTOMER TRIED AT 1902
 & 1904 RECEIVING RING TONE BUT DID NOT ANSWER.
 :NRR - NOT RECEIVING RING
 :INT - INTERMITTANT
 :CUS - CUSTOMER

CUSTOMER REPORTING FAULT:MR ALAN SMITH(CAPE BRIDGEWATER) ON
 055-267267.
 REPORT IN LEOPARD CLEARED BY D.DUFF 22/3/94 AT APPROX 1100.
 FAULT ENTERED INTO RASS AT 09:56 22/03/94.

SOLUTION = 22/3/94 11:42.NRR INT 19:02 & 19:04 21/3/94.RASS FLTNO 17159
 REPORT RECEIVED BY CHARLIE VAN BAKEL(WAV'BSC)FROM NETWORK
 MANAGEMENT 22/3/94 (APPROX 11:00).

1:RING TONE WILL NOT BE SENT TO CALLER UNLESS THE NETWORK
 RECEIVES 'CALL ALERT TONE' FROM THE RECIEVING EQUIPMENT(PABX
 OR COMM D).THIS IS SIMILAR TO A "READY TO RECEIVE" SIGNAL
 TELLING THE NETWORK IT IS IDLE & THE CALL CAN BE PROCESSED.
 CALLERS WOULD RECEIVE RVA OR BSY IF THIS ISN'T RECEIVED.

2:RING-TONE WAS HEARD.THEREFORE THE NETWORK HAD RECEIVED THE
 'CALL ALERT'SIGNAL & THE CALL IS PROCESSED.AUDIBLE RING IS
 THEN CONTROLLED BY THE CPE EQUIPMENT.IF THERE WAS NO ANSWER
 THEN EITHER THE TELS WERE UNATTENDED OR FAULTY AT THE TIME.

SOLUTION = 22/03/94 CSR: SE633FIELD EMPLOYEE: E633 DAMIAN DUFF
 NO FAULT FOUND.FURTHER TESTS STILL BEING CARRIED OUT BY NMI
 ON THE ISDN LINES.

 ORDER = 56738452 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD Mr Schorer
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

· CALLED IN = 29/06/94 16.40
 CLOSED = 29/06/94 16.41
 DESCRIPTION = 28/06/94 ISDN I/C calls cut off on answer.
 NARRATIVE = 29/06/94 15:53 ZV333

28/06/94 Mr Schorer reported calls dropping out on answer. He said this was brought to his attention by a new employee. This new employee seemed particularly important to Mr Schorer's cause because he wasn't aware of all the phone problems and has detected the cut off on answer himself. I asked Mr Schorer if this was on ISDN or PSTN and did any callers report problems when they did get through. Mr Schorer said nobody calls back and reports getting cut off and he has no idea where the calls originate from, the problem occurs on the ISDN.

NARRATIVE = The ISDN receives most of his incoming calls now, only people with old stationery would ring on the PSTN and people who have difficulty getting through on the ISDN.

The report was entered in RASS. Mr Schorer also mentioned a pit in Levason St which had a damaged lid and wondered if water could be getting in to his cable. I said I had seen pits full of water and the joints had been perfectly OK as they are watertight. I will follow up the report anyway.

NARRATIVE = Mr Schorer said he had conducted his own telephone survey and people in Nth Melbourne were having the same problems as himself, regardless of what Telecom tells him. These problems are PSTN and range through calls ringing out, RVA, BNU and dropping on answer and during conversation.

He believes that Nth Melbourne is being decommissioned because of problems, complaints and service. I said I have not heard of this and exchanges don't get upgraded or built overnight. I have since spoken to Exchange Installation people and whilst it will be replaced eventually, no date was available.

NARRATIVE = Mr Schorer asked about ISDN command centre being able to see when his PABX was experiencing problems and should alert him or his maintenance people that a problem has occurred. I had not heard of this function and told Mr Schorer the same. Mr Schorer assured me he was told this was the case by Telecom.

The last thing Mr Schorer asked about was his entries in the white pages and if those numbers were in Leopard. The one I checked whilst on the phone to Mr Schorer was in Leopard but I have checked some others since and they are not in Leopard. I have since followed this up and apparently Mr Schorer has been written to and told he will have to notify us of what numbers he is using and what he wants in our database. Mr Schorer briefly mentioned processes and getting things right the first time and being able to reproduce processes without stuffing up.

NARRATIVE = Tony Watson.....
 :COS - CUT OFF SPEAKING
 : - DOES NOT EXIST
 :CUS - CUSTOMER

30/06/94 Peter Gamble called me about Mr Schorer claiming I had arranged monitoring for his ISDN and given him a number to report direct to ISDN. This was not the case, but Mr Schorer could reasonably have believed this to be the case as Mawaheb (ISDN) arranged this when I reported the fault in RASS. The monitoring was to take place on 01/07/94. 01/07/94 I called Mr Schorer at 08:45 and he told me the monitoring had been stopped by Paul Rumble. I called Mawaheb and he had received the same message from Mr Schorer. I thought Mr Schorer may have initiated this confusion for

NARRATIVE = some reason although he has always been direct and reliable previously. I was unable to contact Mr Rumble (He was in a meeting). I spoke to Peter Gamble later in the morning and he was able to confirm that the monitoring had been suspended until exact procedures were set up in writing. Mawaheb contacted me because Mr Schorer rang him to say he had incidents that could have been investigated if we had been monitoring, Mawaheb was to get back to Mr Schorer. I told Mawaheb that I would call Mr Schorer on his behalf. I then called Mr Schorer about Mid afternoon and said the monitoring had been suspended until further notice. Mr Schorer mentioned that he had AT & T people at his premises

NARRATIVE = ready to monitor as well.

Tony Watson.....
 SOLUTION = 29/06/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 See narrative

DATE	START	END	SYMPT	CAUSE	ACT'N	EMP
29/06/94	16.40	16.41	NF	WJ	YT	E767
***** NO PART DETAIL *****						

ORDER = S6730343 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD q
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLLED IN = 16/06/94 16.46
 CLOSED = 17/06/94 08.15
 DESCRIPTION = PASS TO TONY WATSON IN AM FRIDAY..
 NARRATIVE = 16/06/94 16:38 ZV330

Mr Schorer stated his business is down so there must be a fault with the system. No problem actually reported by any customer.

:NSF - NON STANDARD FAULT
 :RCF - RECURRING FAULT
 :QNA - NETWORK ANALYSIS

17/06/94 11:00 I called Mr Schorer in answer to his message at 10:15 to return his call. Mr Schorer said he now has a report for yesterday that a caller from a City PSTN called GOLDEN on ISDN number and received " Network congested "RVA, Mr Schorer would not pass on the callers number at this time

NARRATIVE = Tony Watson.....
 SOLUTION = 17/06/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 In hand NOCN and RASS.

21/06/94 13:30, I called Mr Schorer to ask for more info. on the caller that received " Network congested " RVA on 16/06/94. Mr Schorer was able to tell me the call was just before 12:00, the caller was from 670 XXXX and they were calling 287 XXXX.

Mr Schorer mentioned verification tests to me and said he had a Telecom document from Peter Gamble that indicated that if 85% of calls were successful, Telecom would say the service was acceptable. I hadn't seen this document, so Mr Schorer sent me a copy. (It would be nice to receive this

SOLUTION = 22/06/94 9:49 ZV333
 information before the Customer asks questions about it).
 21/06/94 ISDN NPMG (Claude 02 396 6412) called and said complete numbers would make testing more accurate, and the person experiencing the problem should have reported it on the day to Telecom; not the next day via the customer. Anyway, test calls were made from LONE to NMEX on each individual device, all OK. No alarms reported on the day. Claude said that some PABX's will tell the network to issue the RVA under certain circumstances.

Tony Watson.....

DATE	START	END	SYMPT	CAUSE	ACT'N	EMP
17/06/94	08.13	08.15	NF	WJ	YT	E767
***** NO PART DETAIL *****						

ORDER = S6727588 STATUS = CL

CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD graham scorcr
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLER IN = 13/06/94 18.59
 CLOSED = 14/06/94 08.29

DESCRIPTION = CUS REC MESSAGE LINE IS BSY WHEN DIALING 03 6343241
 NARRATIVE = 13/06/94 18:56 ZV104
 CUS REC LINE IS BSY MESSAGE WHEN USING FAX TO DIAL 03 634324
 1 & CALL RINGS OUT BY PHN
 :NOP - NO PROGRESS
 : - DOES NOT EXIST
 :CUS - CUSTOMER

SOLUTION = 14/06/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 In hand Tony Watson.
 15/06/94 The number 634 3241 was a typing error on the fax
 sent to GOLDEN. The number should have been 632 3241
 according to Sylvia Gill at Steve Blacks' office. Mr Schorer
 was notified of this error at 13:45 on 15/06/94.
 Tony Watson.....

DATE	START	END	SYMPT	CAUSE	ACT'N	EMP
14/06/94	08.27	08.29	NF	WJ	YT	E767
***** NO PART DETAIL *****						

ORDER = S6722719 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD DAMIAN ZITO
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLER IN = 04/06/94 14.38
 CLOSED = 06/06/94 11.49
 DESCRIPTION = SEE NARR
 NARRATIVE = 4/06/94 12:34 ZV326
 DZ.ROSEANNE PITTARD CALLED IN AM.RESPONDING TO REPORT YESTER
 DAY,WANTED LINES TO BE TESTED.I PUT FAULT INTO RASS IT WAS T
 HEN PASSED TO WALLY WAWRZNIAK RASS SEQ.30914.WALLY CALLED ME
 BACK SAID ISDN LINKS OKAY,CALLS FROM MOBILENET,PSTN AND FROM
 EXIB ISDN TEST NODE ALL OK.DZ
 :NRR - NOT RECEIVING RING
 :INT - INTERMITTENT
 :EMP - EMPLOYEE

SOLUTION = 6/06/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 In hand Tony Watson

DATE	START	END	SYMPT	CAUSE	ACT'N	EMP
06/06/94	11.49	11.49	NF	WJ	YT	E767
***** NO PART DETAIL *****						

ORDER = S6722087 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 2877099
 GOLDEN MESSENGERS PTY LTD GRAHAM
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLER IN = 03/06/94 10.38
 CLOSED = 03/06/94 12.01
 DESCRIPTION = CUS CLAIMS NRR SEE NARRA
 NARRATIVE = 3/06/94 10:37 ZV118
 CUS CLAIMS NRR SAID AT 1009AM A TESTER NAMED AUBREY RANG AND
 SAID ARE THAY HAVING TROUBLE AS CALLERS ARE GETTING BSY
 CUS SAID THAT THERE ARE 30 LINES HERE AND THEY ARE SITTING A
 AROUND DOING NOTHING AND THIS REPORT HAS BEEN INITIATED BY
 TELECOM AND HE HAS BEEN TRYING TO TELL US FOR AGES THAT HE H
 HAS A FAULT AND WE KEEP SAYING NO

SOLUTION = 3/06/94 11:30 dd:CSC SHARON RECEIVED A CALL FROM DAWN OF
 GOLDEN MESSENGER AT 10:25.SHE HAD RECEIVED A CALL FROM AN
 "ALBURY",A TELECOM EMPLOYEE AT 10:06 3/6/94.ALBURY HAD SAID
 HE WAS RINGING TO CHECK AS HE HAD RECEIVED A REPORT FROM A
 CALLER OF DIFFICULTIES GETTING THROUGH TO GOLDEN MESSENGER
 AS THEY WERE SO BUSY.DAWN REQUESTED ALBURY RING HER BACK.
 LES CHURCHER RANG DAWN AT 10:40 FOR ADDITIONAL DETAILS.SHE

HAD NO FURTHER INFORMATION RECORDED AND WAS TOLD BY LES THAT CHANCES OF TRACKING ALBURY WERE REMOTE. LES CHURCHER HAS CONTACTED RESIDENTIAL OFFICES IN CROYDON, FOOTSCRAY & BENDIGO BUT WAS UNABLE TO GET ANY SPECIFIC INFORMATION OF WHO THE CALLER WAS OR WHAT NUMBER HE CALLED. DD.

SOLUTION = 3/06/94 CSR: ZV323FIELD EMPLOYEE: E633 DAMIAN DUFF
 IN HAND NOCM
 3/06/94 13:55 DD:LES CHURCHER RECEIVED CONFIRMATION FROM NOCM PHIL COLENZO THAT ALL CORPORATE DIRECTORIES HAD BEEN CHECKED & THAT ONLY ONE LISTING SHOWED AN 'ALBURY', THAT BEING A LINESMAN IN BANGALORE QUEENSLAND. SEARCH OF TESTING & FAULT MANAGEMENT STAFF LISTS ALSO SHOW NO LISTING OF THE NAME PROVIDED (INCLUDING NAMES SIMILAR TO ALBURY, IE AUBURY). D

DATE START END SYMPT CAUSE ACT'N EMP
 03/06/94 11.30 12.01 NF WJ YT E633
 ***** NO PART DETAIL *****

ORDER = 56716296 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 2877099
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLED IN = 25/05/94 19.40
 CLOSED = 26/05/94 08.20
 DESCRIPTION = SEE NARRATIVE
 NARRATIVE = 25/05/94 19:35 ZV161

287 7099 CUS RANG 5 TIMES ON 4 DIFFERENT LINES BEFORE BEING CONNECTED TO RECEIVE RVA CALLING 055267230, 267267, 008 816522.
 2860055 GET THROUGH
 :RVA - RECORDED VOICE ANNOUNCEMENT
 :INT - INTERMITTENT
 :CUS - CUSTOMER

This report is to do with the outage affecting Cape Bridge water. I believe Alan Smith rang Schorer after Mr Schorer had been trying to contact Smith and received RVA's.
 Tony Watson.....

SOLUTION = 26/05/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 IN HAND NOCM

DATE START END SYMPT CAUSE ACT'N EMP
 26/05/94 08.20 08.20 NF WJ YT E767
 ***** NO PART DETAIL *****

ORDER = 56716298 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLED IN = 25/05/94 19.47
 CLOSED = 26/05/94 08.21
 DESCRIPTION = SEE NARRATIVE
 NARRATIVE = 25/05/94 19:43 ZV161

329 7355 BNU
 :BNU - BUSY NOT IN USE
 :ALL - ALL:APPLIES TO ALL CALLS
 :CUS - CUSTOMER

SOLUTION = 26/05/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 IN HAND NOCM

26/05/94 I called Mr Schorer to try to get more specific information on the report but Mr Schorer was more interested in other peoples problems. He did say that he was not receiving calls when he knew the industry was generally busy Mr Schorer rambled on in his usual fashion covering lots of different areas of Telecom:-

* Mentioned the media coverage and said we have seen nothing compared to whats coming. He has spoken to Mr Lee and various other political people.

* Telecom using non Austel approved phones (T200) which

SOLUTION = 31/05/94 14:59 ZV333

Mr Schorer claims is causing erosion of switching contacts in certain exchanges. Mr Schorer believes this problem then causes interworking problems between non-compatable exchanges around Australia. According to Mr. Schorer the problem is worse in electronic exchanges because they are a little delicate, whereas the old electro-mechanical exchanges could punch the connection through anyway. Mr Schorer also mentioned problems with the T200 were once attributed to women wearing nylon stocking and men wearing the wrong underwear. (I had heard of static electricity problems with early T200's

SOLUTION = 31/05/94 15:15 ZV333
but believed that later T200's did not have that problem and the design was AUSTEL approved). Mr Schorer insisted the T200's were still around. I said they probably are as TELECOM wouldn't replace every one unless it was reported as being a problem. Mr Schorer said some people accept a lower standard phone service and therefore could be using these faulty T200's and be causing more damage to the exchanges.

SOLUTION = 1/06/94 9:50 ZV333
* TELECOM is knowingly overcharging customers for equipment they don't have. Apparently Mr Schorer thinks that when the billing details went from manual records computer records the details were transcribed wrongly or were not accurate to begin with. I could not comment on this change over to computerisation but said whilst I don't condone TELECOM for any errors that maybe occurred during this change I believed that our customers would be clever enough to question TELECOM if they didn't agree with the billed amount, particularly since the CPE market has been deregulated for some years.

SOLUTION = 1/06/94 10:04 ZV333
* Robberies; Mr Schorer and another COT had been burgled. Mr Schorer said it's strange that the only thing taken from his premises was the wordprocessor that is used for COT correspondence. The other COT had tapes stolen which Mr Schorer claimed contained conversations between this COT and TELECOM persons. I could only agree that these incidents were indeed strange. I wonder if the TELECOM persons knew they were being taped.

SOLUTION = 2/06/94 11:32 ZV333
* Mr Schorer then mentioned what I believe to be his very first claim. That is the day TELECOM first heard of Mr Schorer wanting compensation. Mr Schorer was talking about circuits between Footscray and Nth Melbourne and said the circuits were proven to be insufficient and a recommendation was made to increase these. Mr Schorer wondered why the number of circuits was increased far beyond what was recommended. I had no comment, as this topic appeared to be fishing for something and I have no information about the early problems. Mr Schorer then talked about his Flexitel and went into great detail about its shortcomings in being suitable for his business communications needs.

SOLUTION = 2/06/94 11:44 ZV333
At this stage I said I didn,t think this was relevant to the current problems and that I believed TELECOM had made a settlement some time ago in relation to the Flexitel. Mr Schorer denied this and abruptly ended the call.

SOLUTION = 2/06/94 11:44 ZV333
Tony Watson.....
02/06/94 Report from Phol Colenso
Details of origin of callers not available.
Exchange equipment associated with the selection of the line in this rotary group was tested with no fault found.
Tony Watson.....

DATE	START	END	SYMPT	CAUSE	ACT'N	EMP
26/05/94	08.21	08.21	NF	WJ	YT	E767
***** NO PART DETAIL *****						

154B R37888

ORDER = 56703818 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLLED IN = 06/05/94 14.41
 CLOSED = 06/05/94 14.43
 DESCRIPTION = 06/05/94 12:17, NRR. Ref. 816813 ...Sandy took the report.
 NARRATIVE = 6/05/94 14:38 ZV333
 06/05/94 12:17, NRR REPORTED BY PRIVATE REPAIRER????,
 ACCORDING TO LEOPARD. THAT IS FAULT WAS REPORTED IN LEOPARD
 AND TRANSFERRED TO S*P BY TONY WATSON.
 :NRR - NOT RECEIVING RING
 : - DOES NOT EXIST
 :PRI - PRIVATE REPAIRER
 I found out later this report was made by Dawn, she called
 132999. Our bsc was switched to Brisbane, Sydney and Hobart
 at the time so that is the reason for the fault being in
 Leopard...the consultant was Sandy and Ref No. 816813
 Dawn is a GM part time employee..

SOLUTION = 6/05/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 Report was sent to exchange as tester were unable to test
 due to a problem with the test network at St Albans. Phil
 Colenso was notified.
 Phil rang back as soon as the exchange staff had investigate
 The line was held, links were taken out and dial tone was
 available. The links were replaced and the line was testing
 held again thus proving the loop out. The links were removed
 again to double check and dial tone was available. Links were*
 replaced again but this time the condition causing the loop
 had cleared.
 I had the line tested, test results were normal.

SOLUTION = 6/05/94 15:35 ZV333
 I rang the contact person (Dawn), to let her know what we
 found. Dawn said the line had been faulty for half the
 morning but didn't report it because she said she thinks
 that sometimes they switch it to something else (I would
 doubt this because it is the first Aux, but worthy of note)
 Dawn also claimed that my call came in on the second aux and
 after being put on hold and handed to her I was then on the
 first aux. Dawn said this jumping of lines happens all the
 time; later in the conversation she said it also happens on
 the AT & T system.
 Dawn made mention of this business between TELA·ECOM and Mr.

SOLUTION = 6/05/94 16:04 ZV333
 Schorer a few times but is obviously under threat of
 something if she discusses it.
 I gave Dawn the Service Plus number and asked that it be
 passed on to Mr Schorer.
 Tony Watson.....
 Mr Schorer contacted me later in the day to verify the
 result of the incident. I told him it appears that the
 exchange equipment was being held externally. Mr Schorer
 said he can almost see the exchange from his building and
 suggested that if this type of problem occurs again we could
 foolow the cable from the exchange checking all junctions on

SOLUTION = 12/05/94 12:18 ZV333
 the way looking for the cause and if we arrived at his door
 and the problem proved to be inside, he has no problem with
 us coming to investigate.
 Mr Schorer also mentioned that calls jump from one line to
 another, I said that couldn't physically happen. Mr Schorer
 said AUSTEL and the Federal Police had witnessed the problem
 I asked if AUSTEL had acted on the problem and Mr Schorer
 said he believed they were too busy to look at it. Mr Schorer
 said he reported it to Bruce Pendlebury and was told it
 couldn't happen.
 Tony Watson.....

SOLUTION = 12/05/94 12:27 ZV333
 DATE START END SYMPT CAUSE ACT'N EMP
 12/05/94 14.41 14.43 NF WJ YT E767
 ***** NO PART DETAIL *****

 ORDER = S6699929 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD TRUDIE 132999
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLER IN = 02/05/94 11.19
 CLOSED = 02/05/94 11.56
 DESCRIPTION = BYB ALL MORN. (CUS GETS ENGAGED)
 NARRATIVE = 2/05/94 11:18 ZV150

BYB ALL MORN.URG
 :BYB - BUSY BUSINESS
 :ALL - ALL:APPLIES TO ALL CALLS
 :CUS - CUSTOMER
 SEE RASS REPORT 23924
 CALLER WAS CALLING 2860055.....

SOLUTION = 2/05/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 IN HAND NOCM. **SE RASS REPORT 23924**
 GOLDEN PABX HAS BEEN PLAYING UP, THE ISDN LINK TESTS OK BUT
 REFLECTS THAT THE PABX IS FAULTY. GOLDEN HAVE THEIR OWN TECH
 ON SITE REPAIRING THE PROBLEM NOW (11:30), HE HAS BEEN ON
 SITE MOST OF THE MORNING I BELIEVE.
 Tony Watson.....

DATE START END SYMPT CAUSE ACT'N EMP
 02/05/94 11.31 11.56 NF WJ YT E767
 ***** NO PART DETAIL *****

 ORDER = S6700288 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLER IN = 02/05/94 15.11
 CLOSED = 02/05/94 15.14
 DESCRIPTION = 30/04/94 14:12, NDT NRR ON 3290380
 NARRATIVE = 2/05/94 15:08 ZV333

30/04/94 14:12, REPORTED NDT NRR ON 3290380.
 :NDT - NO DIAL TONE
 :NRR - NOT RECEIVING RING
 :CUS - CUSTOMER

SOLUTION = 2/05/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 IN HAND ANDREW JANKE (CED)
 02/05/94 lines attended and proved the fault to be in the
 premises.
 We (FM & D) tested the line again and was still testing
 faulty. Andrew Jantke (CED) dispatched a technician to the
 premises, Mr Schorer told the technician that they didn't
 have any problems. The technician left and cleared the fault
 as no corrective action needed.
 The line was tested again on 05/05/94 and tested OK.
 Tony Watson.....

DATE START END SYMPT CAUSE ACT'N EMP
 02/05/94 15.14 15.14 NF WJ YT E767
 ***** NO PART DETAIL *****

 ORDER = S6699518 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD ROSS BUTLER
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLER IN = 30/04/94 13.18
 CLOSED = 02/05/94 10.40
 DESCRIPTION = NDT,NRR ALL LINES
 NARRATIVE = 30/04/94 13:18 ZV104
 ALL LINES NDT,NRR

1543 R37890

:NDT - NO DIAL TONE
 :NRR - NOT RECEIVING RING
 :CUS - CUSTOMER

****SEE ALSO RASS REPORT 23924

SOLUTION = 2/05/94 CSR: ZV333FIELD EMPLOYEE: E767 TONY WATSON
 Reported at 13:18 on 30/04/94. Testing proved fault to be in the CPE. Equipment is privately maintained, customer was notified. ****See RASS report 23924****
 30/04/94 18:18 Mr Schorer rang to say all 68 lines are out; has to be TELECOM. Exchange tested again and proved to be in the CPE.
 30/04/94 19:35 Ian Broad recalled to go to premises, Ian said the PABX had a "major alarm" but the Flexitel was still operating with PSTN lines. AT & T rang while Ian was there, Ian left the premises as he could do nothing.

SOLUTION = 2/05/94 13:13 ZV333
 because I had read the weekend fault report and wanted to ensure that our Network was not at fault.
 Mr Schorer was pleased to say that the problem was his PABX, however he wished to talk about TELECOM procedural problems;
 * His staff couldn't get a job number on Sat 30/04/94
 *Telecom knew his PABX was down but didn't ring him or AT & T. He believed that we should have initiated the repair
 *Couldn't get through to ISDN response centre.
 Mr Schorer believes TELECOM monitor his PABX and contact the repair techs and himself in case of problems, I didn't know what the conditions of his contract was or the agreements

SOLUTION = 2/05/94 13:25 ZV333
 he may have made with Sales Reps but I said I didn't believe that TELECOM would respond to a CPE problem of this nature without the Customer reporting a fault.
 Tony Watson.....

DATE	START	END	SYMPT	CAUSE	ACT'N	EMP
02/05/94	10.39	10.40	NF	WJ	YT	E767
***** NO PART DETAIL *****						

 ORDER = S6696862 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD GRAHAM SCHORER
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051
 CALLED IN = 26/04/94 16.21
 CLOSED = 26/04/94 16.33
 DESCRIPTION = DAB AT APPROX 12NOON WHEN CLG 055267267...SEE NARR
 NARRATIVE = 26/04/94 16:15 ZV169
 DAB AT APPROX. 12NOON WHEN CALLING 055267267 AT 12.20PM
 CUS MADE CONTACT WITH ALAN SMITH AND WAS TOLD HE WAS IN ATTENDANCE AT THAT TIME - THIS FAULT REPORT WAS LOGGED IN ERROR ON S6696830 WITH WRONG CALLING NBR
 :NSF - NON STANDARD FAULT
 : - DOES NOT EXIST
 :CUS - CUSTOMER

SOLUTION = 26/04/94 CSR: ZV333FIELD EMPLOYEE: E767 ANTHONY IAN
 IN HAND WITH PHIL COLENZO.
 The following calls were recorded relative to this report:-
 From 3290525 at 10:58:10 dialled 055267267 duration 5min 31
 From 3290430 at 11:22:03 dialled 555267267 duration 1min 20
 From 3290675 at 11:49:32 dialled 055267267 duration 3min 23
 The second call would have called 555 2672, this number is a cancelled line (no customer connected).This number did have an incorrect category as it should have returned a recorded voice announcement. This has been rectified.
 Report compiled by Phil Colenso.
 Tony Watson.....

SOLUTION = 12/05/94 12:08 ZV333

DATE	START	END	SYMPT	CAUSE	ACT'N	EMP
26/04/94	16.33	16.33	NF	WJ	YT	E767
***** NO PART DETAIL *****						

ORDER = S6693535 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 3290055
 GOLDEN MESSENGERS PTY LTD TONY WATSON
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLER IN = 20/04/94 14.50
 CLOSED = 20/04/94 14.52
 DESCRIPTION = 15/04/94 LEOPARD REPORT TRANSFERRED TO S6692016
 NARRATIVE = 20/04/94 14:46 ZV333
 15/04/94 LEOPARD REPORT OF NRR INT CUS, WAS TRANSFERRED TO
 S6692016 FOR INVESTIGATION.
 :NSF - NON STANDARD FAULT
 : - DOES NOT EXIST
 :CUS - CUSTOMER

SOLUTION = 20/04/94 CSR: ZV333FIELD EMPLOYEE: E767 ANTHONY IAN
 SEE NARRATIVE

DATE START END SYMPT CAUSE ACT'N EMP
 20/04/94 14.51 14.52 NF WJ YT E767
 ***** NO PART DETAIL *****

ORDER = S6692753 STATUS = CL
 CUSTOMER = 259294 TELEPHONE = 03 2860256
 GOLDEN MESSENGERS PTY LTD ALLAN SMITH
 493 QUEENSBERRY ST
 NORTH MELBOURNE VIC 3051

CALLER IN = 19/04/94 15.35
 CLOSED = 19/04/94 16.27
 DESCRIPTION = REC ENG SIGNAL WHEN RINGING 2860256 & 2877098 1530 190494
 NARRATIVE = 19/04/94 15:33 ZV179
 REPORTED BY ALLAN SMITH WHO PRETENDED HE WAS A CUSTOMER
 TRYING TO GET THROUGH... RANG 2860256 AND 2877098 AND REC
 ENGAGED SIGNAL...MR SMITH REQUESTED ME TO RING BOTH NUMBERS
 WHICH I DID AT 1530 AND ALSO RECEIVED ENG SIGNAL
 :NRR - NOT RECEIVING RING
 :ALL - ALL:APPLIES TO ALL CALLS
 :CUS - CUSTOMER

SOLUTION = 19/04/94 CSR: ZV333FIELD EMPLOYEE: E767 ANTHONY IAN
 IN HAND TONY WATSON
 19/04/94 I called Mr Schorer as I received busy when
 calling these numbers also, I felt that they were either
 genuinely busy or did not exist. Mr Schorer said that
 2860256 did not exist, but he thought that 2877098 should
 not be busy as he could have up to 30 calls at a time.
 I was unable to get any testing done tonight, will continue
 tomorrow. Mr. Schorer said he had received a fax from Alan
 Smith and would be talking to him later.
 20/04/94 I received a note from Trevor Hindson saying Mr
 Schorer was concerned that I was chasing up a fault on a

SOLUTION = 20/04/94 16:11 ZV333
 wrong number. It seems that when Mr Schorer was talking to
 Alan Smith last night they realised that Alan Smith was
 ringing a wrong number that would return busy and called us
 to change the report to a valid number, that being 2860056
 instead of 2860256 as reported. As Mr Smith initially
 reported dialling 2860256 we can only assume that he was
 dialling the wrong number. As for 2877098, I dialled that
 number this morning and got through successfully. ISDN NPMG
 reported no network outages. They have arranged quality
 measurement to be activated for 200 days on the link.
 Tony Watson....

SOLUTION = 21/04/94 14:08 ZV333
 22/04/94 Mr. Schorer called us to let us know that his PABX
 program had an error and would have returned busy to any
 caller ringing 2877098. He said they had changed software on
 10/04/94 but wasn't certain that the problem originated from
 that date or if something else had caused the problem.
 I thanked Mr Schorer for informing us; he made mention again
 that Alan Smith did dial the other number though and that