

IN THE MATTER OF an arbitration pursuant to  
the Fast Track Arbitration Procedure dated 21  
April 1994

Between

ALAN SMITH

Claimant

and

TELSTRA CORPORATION LTD trading as  
TELECOM AUSTRALIA

Telecom

WITNESS STATEMENT OF \_\_\_\_\_

I, \_\_\_\_\_, Principal Technical Officer Grade 2, of 7th Floor, 35  
Collins Street, Melbourne, in the State of Victoria, solemnly and sincerely declare and  
affirm as follows:

BACKGROUND

1. I am a member of Telecom's Networks and Interconnect Branch ("NIB"), in the Service Quality Improvement section. I previously worked for National Network Investigations (NNI) between October 1986 and May 1994.
2. NNI is the final point of referral in Telecom for the investigation of complex or unresolved faults with a customer's service. The requirement for involvement of NNI in a technical investigation is such that all normal fault handling procedures should be applied to the customer's problem (e.g. the appropriate "first-in" maintenance group should conduct testing and consult with the customer) prior to NNI being involved. NNI is a general network investigations group, as opposed to a technology specific support group (which can only provide technical support for a specific range of equipment). By referring a problem to NNI, a standard investigative procedure can be undertaken to determine that all aspects of the total customer service are operating satisfactorily.
3. I have been employed with Telecom continuously since February 1980.
4. My industrial experience can be broadly considered in two phases, Exchange Operations and Network Investigations. As a result of several years in Exchange and Inter-Exchange Maintenance, I was involved with the maintenance and operation of a wide variety of switching and transmission systems and this has given me the opportunity to develop a good working knowledge of the day-to-day requirements of Exchanges and of Network operations as a whole. Over the six and a half year period that I worked in operations, I was involved in ARE, ARF and Step by Step exchange maintenance, as well as the maintenance and operation of a wide variety of transmission and support systems.

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5. My experience in Network Investigations brought me into detailed contact with a broad cross section of the Network whilst working as part of a team of specialists. I have had to develop a detailed working knowledge of the switching, signalling, metering and transmission systems that make up the network as a whole and I have been involved in detailed, complex technical investigations into a variety of problems in the network and customer equipment areas. This has given me valuable insight into problem solving of complex network problems, as well as a good knowledge of the activities and requirements of many areas of Telecom. My work has led me to seek further knowledge in the Engineering field and as a result I have undertaken the Bachelor of Engineering part -time for the last six years.
6. More recently I have taken up a position as signalling systems specialist with the Service Quality Improvement section of Networks and Interconnect Branch. In this position I am required to provide technical assistance into the analysis of signalling data for the analogue and digital exchange system, with a specific emphasis on Common Channel Signalling System number 7 (CCS7).

#### MR SMITH

##### The first investigation of Mr Smith's service.

7. I was involved, as one of the principal investigating officers, with NNI's original investigation of Mr Smith's telephone service, between July 1992 & January 1993.
8. At the time that the NNI investigation commenced, Mr Smith had complained that customers who called him received a recorded voice announcement that his telephone was not connected ("RVA"). This information was conveyed to NNI by Mr. Smith, and also in background information passed to NNI from the Network Management Centre (the area that requested NNI involvement). The majority of these RVA complaints reportedly arose for calls from Melbourne.
9. There was substance in Mr Smith's original RVA complaint for a period of less than three weeks in March 1992. The problem in question related to a specific main trunking exchange situated in Melbourne known in Telecom as the MELU exchange. In March 1992, calls that passed through Melbourne to Cape Bridgewater progressed through one of three main exchanges - known as MELQ, MELU and MELX. At the MELU exchange in Windsor, a change was incorrectly made to programming within the network which resulted in calls to telephone numbers beginning with 055 267 not getting through. The problem was remedied on 19 March 1992 and Mr Smith was made aware of this problem both verbally and at a later point by Rosanne Pittard.
10. My colleague Hew Macintosh, through searches at the MELU exchange, discovered the RVA problem existed between 4 and 19 March 1994. This period was determined by checking the exchange data log for MELU to determine the date the change had been implemented and the date the resulting problem was rectified.
11. During NNI's original investigation of Mr Smith's alleged problems, the only event discovered that was of substance was the MELU problem. The commercial resolution of this problem was dealt with by Rosanne Pittard.

12. NNI's first investigation was very lengthy and involved numerous test calls and the collection of line data. As an indication, an interim analysis of the work undertaken included a table detailing the testing completed and it showed a total of over 34,000 test calls had been made from a variety of origins. In the course of making these test calls, we did inadvertently cause a problem within the network. When conducting a test call run of over 8,000 calls from the Richmond area to Cape Bridgewater, we experienced an abnormally high congestion level. On further investigation it was found that a route between Hamilton and Portland had blocked itself from use due to an excessive number of short duration calls made over that route. It is almost certain that our test calls resulted in that problem.
13. Even after the MELU problem was remedied, we continued with our investigation and did not assume that everything was satisfactory with Mr Smith's telephone service until our investigation was completed. This was done in response to continued reports of difficulty by Mr. Smith and to ensure that there were not other factors influencing the performance of Mr Smith's service.
14. At the time of our first investigation, Mr. Smith received incoming calls and could make calls out on his 267 267 line. Many of the complaints received by those attempting to call Mr Smith up to that point were that Mr Smith's telephone was busy when Mr Smith said it was not. I believe that Mr Smith often miscalculated when he was on the telephone or for how long. On many occasions SMART 10 line event monitoring records established that when a person attempted to call Mr Smith, Mr Smith was talking to someone else on his 267 267 line.

**The second investigation of Mr Smith's service.**

15. I was also involved with NNI's second investigation of Mr Smith's telephone service, from May 1993 until December 1993, as a principal investigating officer (the investigation has, as yet, not been officially closed due to an ongoing requirement for NNI involvement). On 3 June 1993, as part of the second investigation of Mr Smith's telephone service, both myself and Hew MacIntosh met with Mr Smith at his Cape Bridgewater premises to discuss his reported problems and to ascertain more detailed information about the configuration and usage of his service. At the conclusion of our discussions with Mr Smith, we returned by car to Melbourne only to realise later that we had left Hew's briefcase at Mr Smith's premises. Gordon Stokes from Telecom in Portland went to pick up the briefcase from Mr. Smith's premises. Mr Smith gave Gordon the briefcase and while Gordon was going through the documents contained in that briefcase to make sure everything was there, Mr Smith came out to Gordon's car and handed him another file which had originally been in the briefcase. The documents in the briefcase were also in a different order when recovered from Mr Smith than they had been originally. It is therefore clear that Mr Smith looked through the contents of the briefcase. The contents of the briefcase included the complete file from NNI's first investigation of Mr Smith's alleged faults. During the evening of the day the briefcase was left at Mr Smith's premises, SMART 10 line event monitoring records show that Mr Smith's 055 267 230 service was used to make calls to a number of people, some of whom he had not previously called who were related to data held in files from the briefcase. This suggests that Mr Smith had gone through not only the files relating to his service, but also other business and personal material kept in the briefcase.

16. One letter contained in the briefcase was a summary report prepared by myself which concluded that the MELU fault had existed for approximately six weeks. When I had prepared this summary report, I referred to the initial investigations NNI conducted into the MELU problem. However, as mentioned above, Hew Macintosh had made further investigations at the MELU exchange which revealed that the problem had only existed for a maximum of three weeks. Although a note concerning Hew's investigation was on Mr Smith's file at the time I wrote my summary report, I had overlooked it when preparing the summary report and therefore used the incorrect estimate of six weeks. This oversight on my part was corrected in the final report of early 1993.
17. During NNI's second investigation of Mr Smith's service, we inadvertently caused a fault ourselves as part of implemented testing procedures. This fault arose from the use of the "malicious call trace" facility ("MCT"), that was placed on Mr. Smith's service at the Portland Exchange in an attempt to ensure more detailed data relating to Mr Smith's incoming calls. The additional information (specifically Calling Party number information) was required so that we could more accurately match possible problem calls against his fault reports. Mr Smith knew this form of testing was being undertaken, as we had discussed it with him. During the period that malicious call tracing was in place, when Mr Smith received calls from exchanges that can only provide limited detail regarding the A party number and hung up his telephone, there was a 90 second period after he hung up that the Exchange controlling the call believed that his call was not over. (Limited call details can occur for exchange technologies such as step by step. This is known as Partial Calling Line Identification, Partial CLI.). As a result, if parties attempted to call Mr Smith within this 90 second period, they would not be able to do so. Likewise, if Mr Smith attempted to make calls during this 90 second period, his phone would appear to be "dead" with no dial tone.
18. This fault is likely to have had only a marginal effect on Mr Smith's telephone service and was possible only between late May 1993 and early August 1993. The customer whose complaint alerted us to the problem was calling from Horsham.
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Horsg! The party calling from Horsham who alerted us to the MCT problem reported that they had a telephone discussion with Mr Smith which lasted for about fifteen minutes. However, the SMART 10 line event monitoring records suggest that the call in question lasted for two hours. Mr Smith believes this is evidence that the network has serious problems. My belief is that Mr Smith did not hang up his phone after the call was completed and therefore the SMART 10 equipment did not record his call as ending until the phone was later hung up. I base this belief on the testing conducted as a result of the discovery of the side effect of using MCT, as well as analysis of CCS7 data for the period that the MCT facility was in use.
20. At the beginning of our second investigation of Mr Smith's telephone service, we placed CCS7 testing equipment at the Warmambool exchange because the Portland Exchange, despite being an AXE digital exchange, does not utilise CCS7 signalling and could not facilitate CCS7 testing. Placing CCS7 testing equipment at the Warmambool exchange was a way of arriving at data relating to calls to and from Mr Smith's services for calls that went through the

Warmambool exchange. The majority of Mr Smith's incoming and outgoing STD calls went through the Warmambool exchange.

21. CCS7 testing showed that during the period that the MCT was on the Portland exchange, no other calls were received by Mr Smith from exchanges that would cause a problem other than the Horsham call in question.
22. We also used End of Selection "call trapping" at the Portland exchange which provided us with even further information. This is a method whereby the exchange operations staff were requested to modify data relating to the handling of Mr Smith's incoming calls so that call path details for each call (both local and STD/IDD) were stored in a personal computer attached to the exchange. This method was employed at the discretion of local operations staff over a period of some months. However, this form testing has now ceased because call trapping is not designed for extended use in this way and can limit the normal operation and maintenance of the exchange.
23. During our second investigation SMART 10/CCAS line event monitoring equipment was also installed at the Portland Exchange to record call data relating to Mr Smith.
24. Whenever Mr Smith raised a query, we checked all the call data from all the various data gathering units. This gave a number of different data sources with which to compare and thereby increased our ability to respond to reported difficulties. At no point did we discover a serious ongoing fault that would explain or support Mr Smith's perceived problems.
25. During NNI's investigations of Mr Smith's telephone service we were not locked into rigid rules concerning the way our testing was to be conducted. We were inventive in trying to think up novel ways of testing for faults with Mr Smith's service. An example of this was the use of CCS7 and also End of Selection tracing, both techniques uncommon at that time for general investigations. Nevertheless, despite running thousands of test calls and employing a range of investigative methods, it was not possible to isolate a recurrent fault with Mr Smith's service that would result in problems of the magnitude that he was alleging.
26. At the meeting with Mr Smith that involved the briefcase incident, it was also agreed after discussions with Mr. Smith, that we should limit his 055 267 267 line from being able to make outgoing calls (with the exception of making calls to emergency services and to Telecom's service difficulties and faults). Mr Smith indicated that he did not use the 267 267 service for outgoing calls however call data and billing information showed that this was not the case. As a result of our discussions with Mr Smith, he agreed that limiting outgoing calls from 267 267 would be to his advantage and after NNI arranged with local operations staff to implement the appropriate changes, the line number 055 267 230 became Mr Smith's sole outgoing line for normal telephone calls. It was hoped that this would overcome the problem where callers into Mr Smith's camp reported the phone being busy because Mr Smith was inadvertently using the 267 267 service to make a call himself. However, it would not overcome the problem where Mr Smith left the phone off the hook.
27. In 1993 NNI were also called to investigate Mr Schorer's telephone service in North Melbourne. Mr Schorer had regular occasion to call Mr Smith. During this

Investigation we noticed that some complaints logged by Mr Schorer on the Leopard fault reporting system were due to mis-dialling. If Mr Schorer made outgoing calls from his premises, he could choose from either PABX lines (which require him to dial 0 before his intended number) or direct exchange lines (which do not require the additional 0 to be dialled). The line event monitoring records show that on some occasions Mr Schorer dialled 0 when it was unnecessary, and on other occasions did not dial 0 when it was necessary. For example, if Mr Schorer attempted to telephone Mr Smith on 055 267 267 through his PABX and did not dial the extra 0, he would dial 55 267 267 (which is an unallocated number) and would receive a recorded voice announcement. Alternatively, if Mr Schorer dialled the extra 0 when he should not have, he would dial 0055 267 267 (which is an unallocated 0055 number) and again he would receive a recorded voice announcement.

#### Conclusion

28. I believe that Telecom has provided Mr Smith with a very high level of personal attention (in terms of the amount of resources that have been committed to solving his problems). Examples of this include the assistance rendered to Mr Smith in relation to equipment not directly Telecom's responsibility (e.g. his facsimile machines), repeated attempts to try and identify a possible cause of Mr Smith's perceived difficulties and extensive time spent allaying Mr Smith's concerns.

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

DECLARED at Melbourne )  
 in the State of Victoria )  
 this 8<sup>th</sup> day of December 1994. )

Before me:

*Wayne Condor*

WAYNE MAURICE CONDOR  
 Freshfield Hollingdale & Page  
 101 Collins Street, Melbourne  
 A Solicitor holding a current  
 Practising Certificate pursuant  
 to the Legal Profession  
 Practice Act 1988.

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94/0269-04

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AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

94/0269

4 October 1994

Mr S Black  
Group General Manager  
Customer Affairs  
TELECOM

**Facsimile No: (03) 632 3241**

Dear Steve

**CHARGING DISCREPANCIES REPORTED BY ALAN SMITH AND ISSUES  
RELATED TO SHORT DURATION CALLS ON 008 SERVICES**

Mr Alan Smith of Cape Bridgewater Holiday Camp has recently written to AUSTEL complaining of a number of charging discrepancies occurring on his 008 service. A copy of Mr Smith's letter is attached, as is an accompanying sheet which contains 008 bill data over the period 27 May to 29 May 1994 in comparison with other incoming call monitoring data over the same period. ↙

Mr Smith has previously raised some of the issues identified in his letter with AUSTEL but had requested that AUSTEL not take them up on his behalf as he was concerned they may conflict with his "Fast Track" Arbitration process. AUSTEL seeks a response on the following issues.

- (1) Mr Smith states that a caller to his 008 number experienced 3 occurrences of a "not connected" recorded voice announcement (RVA) on 27 May 1994 between 7:51 pm and 7:59 pm. Mr Smith states that "these faults" were reported to Telecom's 1100 number. AUSTEL requests that Telecom provide details on the investigations made into the fault report(s) and any findings made on this issue. ↙

- (2) Was Mr Smith informed of the results of any investigations conducted in regard to the RVA report(s) identified in (1)? If not, why not? 15B

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

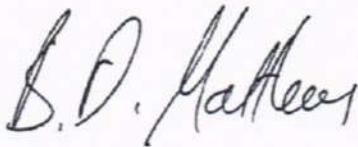
- (3) AUSTEL notes that regardless of Telecom's findings on the RVA issue identified in (1), there appears to be a significant discrepancy between the duration of one call identified on the 008 bill and the duration of that call as identified on the "monitoring data". The relevant call appears on the 008 bill against the code "23-9" and is logged as being of 3 minutes 15 seconds duration. On the "monitoring data" what appears to be the same call, made on 27 May 1994 at 19:58:46, is logged as being of 2 minutes 46 seconds duration. AUSTEL requests that Telecom explain this discrepancy if this issue has not been dealt with in the reply to (1).
- (4) Mr Smith's bill for his 008 service details one call (code 23-12) as being of 1 second duration. The call data has no information detailing the origin of the call. AUSTEL requests that Telecom explain the circumstances which may have led to this "short duration" call and why no data is provided on the origin of the call.
- (5) AUSTEL is aware of another Telecom customer in the Portland region, Mr Jason Boulter of the Malaleuca Motel (008 034 449), who maintains that many "short duration" calls are occurring on his 008 bills. This customer suspects that these "short duration" calls represent call attempts by potential clients to contact his business which are not received at his premises. AUSTEL requests that Telecom provide a comprehensive explanation of the possible causes of "short duration" calls on 008 services. Telecom's response should specifically address the issue raised by Mr Boulter. AUSTEL is aware that Telecom is currently investigating the general issue of "short duration calls", but is also aware that 008 services are not included in this investigation.
- (6) Telecom is requested to respond to Mr Smith's claim that on his 267 230 service he is being charged "on average 11% over charged seconds".
- (7) The central issue raised by Mr Smith in his letter is that he is being charged for calls that do not connect to his 008 service. The calls identified in (1) are cited by Mr Smith as instances of



such calls. Telecom is requested to specifically address this issue 121  
in its response.

For clarification of any of the matters raised in this letter please contact Bruce  
Matthews on (03) 828 7443.

Yours sincerely



Bruce Matthews  
Consumer Protection



AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

92/0596(8)

27 January 1994

Mr S Black  
Group General Manager -Customer Affairs  
TELECOM

Facsimile No: (03) 832 3241

Dear Mr Black

**ISSUES RAISED BY MR ALAN SMITH - CAPE BRIDGEWATER HOLIDAY  
CAMP**

Mr Alan Smith has recently raised a number of issues relating to his service generally and to his 008 service. AUSTEL requests that you investigate and report on the issues raised by Mr Smith as detailed below. The 008 issues relate to the period covered by Mr Smith's most recent bill. A copy of the relevant page of this bill is attached with this letter.

- (1) Mr Smith's 008 bill records 4 calls made on 5 January 1994 from the origin 05521. These call were made between 4.29 & 4.39 pm. Mr Smith states that he did not receive these calls. He has investigated the matter himself and established that the calls were made from 055 212 671, being the facsimile number of the Portland Tourist Bureau. Evidently the Manager of the Tourist Bureau, Ms Burch, tried to send a facsimile to Mr Smith on the wrong number. Mr Smith states he did not receive these calls on the date and time in question, and is adamant that no calls with a fax tone were answered by him on this date. He is 95% sure that his phone did not ring on the date and time in question.

In responding to this issue, can you please address the possibility that calls may have been incorrectly switched elsewhere in the network than Cape Bridgewater Holiday Camp, and that the charging system servicing Mr Smith is operating inaccurately.

- (2) Mr Smith's 008 bill records 3 calls made on 13 January 1994 around 1.50 pm from the origin 03 580. These calls were all of short duration, being respectively of 4, 8 and 20 seconds duration. Mr Smith has stated that Tina Velthuyzen (telephone number 03 580 4710) rang Mr Smith once on his 008 number on 13 January around 1.50 pm, conversing for approximately 10 minutes. (Two calls were also made by Ms Velthuyzen at 11.38 am and 11.46 on 13 January - there is no dispute with these calls.) Mr Smith has

5 QUEENS ROAD, MELBOURNE, VICTORIA  
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15C

stated that Ms Veithuyzen will corroborate his statement of the call made at 1.50 pm. Mr Smith is concerned with the integrity of the 008 billing system, as the bill data does not correspond with Ms Veithuyzen's and his recollection of calls made at this time.

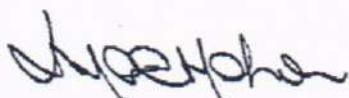
- (3) Mr Smith's 008 bill records a call made on 16 January at 7.23 pm of duration 16 minutes 24 seconds. Smith said he has no recollection of this call and questions whether it was made.

In responding to this issue, can you please provide the full telephone number of the party making the call to Cape Bridgewater at this time and date.

- (4) Mr Smith has also sought advice as to whether his service has been subject to either recording or voice monitoring at any time and, if so, when and for what purpose.
- (5) Mr Smith is preparing his fast track settlement claim. An aspect of this apparently involves the identification of two test calls included in a previous bill. At Mr Smith's request the identification of the Telecom personnel who made these calls was sought by AUSTEL in a letter dated 15 October 1993 but was declined by Mr Pinel on the grounds "that further detail as to the purpose and intent of this information" was required before identification would be considered. (Letter dated 8 November 1993.) Regardless of the rights or wrongs of that decision, Mr Smith now seeks a statement from Telecom that its personnel did make these calls at the time and for the duration shown - for this purpose the identification of the personnel is not required.
- (6) Finally, regarding the ELMI tape left inadvertently at his premises, Mr Smith has asked the significance of the arrows drawn on the tape and for a statement of the quality of service for the seven days in question.

Can you please respond to the matters raised in this letter by 4 February 1994. If you have any queries on matters raised in this letter, please contact Bruce Matthews on 828 7443.

Yours sincerely



John MacMahon  
General Manager  
Consumer Affairs

cc Mr A. Smith

15c

I, TINA VEITHUYZEN

2063

of 15/23 GOVERNOR RD  
MORDIALLOC

in the State of Victoria  
do solemnly and

sincerely declare

THAT On the 13<sup>th</sup> of January I  
 called Cape Bridge water Holiday  
 Camp on 008 816522 seven times  
 one after the other but the number  
 was engaged. However when I  
 called the eighth time I got a recording  
 telling me the number was not connected  
 I did want again to get through when I  
 told the owner of the camp this he asked me  
 to ring John McMahon at Austel who was  
 not available I did however speak to Mr  
 Matthews who asked me to tell him exactly  
 what happened I did this. Mr Matthews  
 then rang back - asked me to report the fault  
 to Telecom Business faults which I proceeded  
 to do.

T Veithuyzen

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of an Act of the Parliament of Victoria rendering persons making a false declaration punishable for wilful and corrupt perjury.

DECLARED at Mordialloc in the  
State of Victoria this 20<sup>th</sup>  
day of January One thousand  
nine hundred 94

Before me

R. OWEN  
Solicitor

T Veithuyzen

15-D

05-01-94 15:39

217287

PORTLAND TOURIST ASSOC

2060  
307 P01



Portland  
— Victoria's Birthplace —  
1834

### City of Portland

Municipal Offices  
Charles Street,  
Portland, 3305.  
P. O. Box 152

Telephone (055) 22 2200  
Fax No. (055) 22 2290  
AUSDOC No. DX 30509



City of Portland

In reply please quote:

Ref.

## FACSIMILE COVER SHEET

TO: ALAN SMITH  
FAX (008) 81 6522

FROM: CARRIE BURCH  
Manager, Portland Tourist  
Information Centre  
FAX (055) 21 7287  
Ph. (008) 03 5567

PAGES: 1 OF 1

DATE: 5 JANUARY 1994

MESSAGE:

After hearing of your problems with Telecom and the 008 number, I became aware of similar problems here at the Tourist Centre in Portland. I have received calls from people on our regular number, stating that they have been trying to call on the 008 number - receiving a recorded message to the effect of "This number has been disconnected, call the operator to check the number before trying again." Also, our number has been given out by directory as the 008 number for several other tourist centres. These range from Port Macquarie, Tasmania, and also South Australian tourist offices, among others. I hope this information is useful with your efforts to fix the system.

*Carrie* 15E



AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

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92/0596(8)

6 January 1994

Mr S Black  
Group General Manager -  
Customer Affairs  
TELECOM.

Facsimile No: (03) 634 8444

Dear Mr Black

**COT Cases - Mr A Smith**

You are probably aware of Mr Smith's ongoing complaints as to the efficacy of his 008 service - he maintains that many callers receive a RVA advising that the number is no longer connected. This has been an issue in the Bell Canada study.

Further to that point is the experience of the Portland Tourist Information Centre which is now complaining of precisely the same problem. It is understood that these issues gained prominence after a considerable incidence of problems from various points throughout Australia following a nation-wide promotion of south western Victoria. A copy of a fax from the Centre is attached. You may wish to consider this issue further.

Yours sincerely

John MacMahon  
General Manager  
Consumer Affairs

Encl:

15-F

I have many other instances of sub-standard TELSTRA service, but restrict them to an occurrence on 17 August 1993. The inserts from F.O.I. documents K03096 and R11519 show that a lady from Daylesford rang me on five occasions but got a dead line. She reported this to Tina at TELSTRA Bendigo who could also not make contact.

F/L - Ala Smith's call of 17.8.93. at 5.35pm.

Enough is enough.

Tina from Bendigo.  
(Telecom)

- ~~could not contact her at the~~  
put her through

A lady was trying to ring him

from Daylesford. Jackie.

a beautiful

053 483 58

Daylesford Community Centre

Neighbourhood Home

at 5.17, 5.18, 5.19 5.20 on 17.8.93.

008 816 522.

She got a dead line -

Alan Read is ring 5 <sup>ring</sup> ~~times~~  
(2 or 3 rings)

- picked up the phone  
heard a echo.

Had touchtone on the end  
No answering machine.

1 passed on to Charlie Van Buren

who will attend to the matter

RVP

17/8/93.

1 confirmed this with Ala Smith (by ring to 008 line)

RVP

K03096

by  
Talking Anne  
- 267233

006 - National Direct Dialed calls

|      | Date                        | Time     | Origin | Destination | Rate  | Min:Sec | \$   |
|------|-----------------------------|----------|--------|-------------|-------|---------|------|
|      | Termination point 055267267 |          |        |             |       |         |      |
| 3-1  | 12 Aug                      | 11:49 am | 05     | 055267267   | Day   | 12:16   | 3.78 |
| 3-2  | 12 Aug                      | 12:18 pm | 03563  | 055267267   | Day   | 5:31    | 1.70 |
| 3-3  | 12 Aug                      | 01:16 pm | 05     | 055267267   | Day   | 4:04    | 1.25 |
| 3-4  | 12 Aug                      | 08:18 pm | 03725  | 055267267   | Night | 4:02    | 0.85 |
| 3-5  | 12 Aug                      | 08:22 pm | 03725  | 055267267   | Night | 0:33    | 0.12 |
| 3-6  | 13 Aug                      | 09:28 am | 05     | 055267267   | Day   | 12:17   | 3.78 |
| 3-7  | 17 Aug                      | 11:03 am | 05     | 055267267   | Day   | 3:34    | 1.10 |
| 3-8  | 17 Aug                      | 04:00 pm | 05     | 055267267   | Day   | 0:16    | 0.08 |
| 3-9  | 17 Aug                      | 04:27 pm | 05     | 055267267   | Day   | 8:03    | 2.48 |
| 3-10 | 17 Aug                      | 06:19 pm | 05     | 055267267   | Day   | 0:12    | 0.08 |
| 3-11 | 17 Aug                      | 06:20 pm | 05     | 055267267   | Day   | 0:22    | 0.12 |
| 3-12 | 17 Aug                      | 05:20 pm | 05     | 055267267   | Day   | 0:28    | 0.14 |
| 4-1  | 17 Aug                      | 05:21 pm | 05     | 055267267   | Day   | 0:17    | 0.08 |
| 4-2  | 17 Aug                      | 06:23 pm | 05434  | 055267267   | Day   | 1:28    | 0.44 |
| 4-3  | 17 Aug                      | 06:25 pm | 05434  | 055267267   | Day   | 1:13    | 0.38 |
| 4-4  | 17 Aug                      | 06:50 pm | 03562  | 055267267   | Day   | 0:35    | 0.15 |
| 4-5  | 17 Aug                      | 07:01 pm | 03562  | 055267267   | Night | 8:34    | 1.38 |
| 4-6  | 17 Aug                      | 07:14 pm | 03562  | 055267267   | Night | 0:25    | 0.09 |
| 4-7  | 17 Aug                      | 07:18 pm | 03562  | 055267267   | Night | 2:14    | 0.47 |
| 4-8  | 17 Aug                      | 07:21 pm | 03562  | 055267267   | Night | 0:32    | 0.11 |
| 4-9  | 17 Aug                      | 07:39 pm | 03883  | 055267267   | Night | 0:25    | 0.09 |
| 4-10 | 17 Aug                      | 08:28 pm | 05     | 055267267   | Night | 15:24   | 3.24 |
| 4-11 | 18 Aug                      | 09:16 am | 03683  | 055267267   | Day   | 0:52    | 2.12 |
| 4-12 | 18 Aug                      | 10:49 am | 05     | 055267267   | Day   | 3:20    | 1.03 |
| 5-1  | 18 Aug                      | 02:12 pm | 03683  | 055267267   | Day   | 0:10    | 0.05 |
| 5-2  | 18 Aug                      | 02:12 pm | 03683  | 055267267   | Day   | 0:08    | 0.04 |
| 5-3  | 18 Aug                      | 02:13 pm | 03683  | 055267267   | Day   | 11:40   | 3.80 |



Continued page 3

**Are you having difficulties paying?**

If you are having difficulties in paying your bill, please call us during business hours on the 055267267 number. Payment assistance options available for residential services include more frequent billing, the Budget Payment Plan or other arrangements.

**Metered calls**

Includes Local calls and other calls not separately listed on your bill.

A meter connected to your service at the local exchange records the call charges in units. Expiry date is equal to the price of a local call.

**Are you moving?**

Now is the time to plan for the relocation of your Telecom Office that services your new address. Telecom Offices are listed in the Information section of the White Pages Telephone Directory.

Bankcard Mastercard Visa RedCard

Expiry-Date Signature

R11519

My itemised call details show that I was charged for the dead line calls of 17 August.

15G



In the mail on 5 May a thank-you note from the Prahran Secondary College included; "The one drawback which you must try and do something about is the telephone. Many parents were anxious when the children failed to contact them on arrival. They had expressed concern about the long drive and we assured them that we would let them know when we reached camp. Unfortunately the Gold phone was not operational and we did not want students using your private phone as we were aware of the important calls you were expecting."

It is essential that a telephone is available to a camping group at all times in case an emergency develops when you are not on the site. Please emphasise the importance of this to Telstra, as an unreliable service will prove extremely detrimental to your operation at Cape Bridgewater."

While speaking with a psychologist in Coburg by telephone on 5 May 1993 my connection cut out three times.

On 6 May 1993 a Portland travel agent tried to contact me at the camp - "the phone rang three times, and then nothing."

A Portland printer faxed me on 11 May 1993, "I have been trying to get through on 267267 - but no luck."

On 16/5/93 a Swedish backpacker wrote, "I thought you would appreciate knowing that on numerous occasions I attempted to ring you from Darwin and continually received an engaged tone."

My itemised telephone account shows that on 22 May 1993 there were nine calls from the same number to my 1800 business telephone. The customer wrote "I dialled the telephone number \_\_\_ and finally after not being able to get through immediately, I quoted to you 'do I have the correct number for Cape Bridgewater Camp?' As at a previous time before finally getting through - at least twice 'a recorded message' was 'the number had been disconnected' which I thought at the time 'quite strange'. The calls varied from four seconds to twelve minutes and four seconds, and TELSTRA CHARGED FOR ALL OF THEM.

| 008 - National Direct Dialed calls <i>continued</i> |  |          |        |             |         |         |
|---|--|----------|--------|-------------|---------|---------|
|   | Date   | Time     | Origin | Destination | Rate    | Min:Sec |
|   | Termination point 055267267 <i>continued</i> |          |        |             |         |         |
| 5-4   | 21 May                                       | 02:43 pm | 05     | 055267267   | Day     | 3:48    |
| 5-5   | 22 May                                       | 09:46 am | 03725  | 055267267   | Day     | 0:20    |
| 5-6   | 22 May                                       | 10:01 am | 03725  | 055267267   | Day     | 0:05    |
| 5-7   | 22 May                                       | 12:00 pm | 03725  | 055267267   | Day     | 0:06    |
| 5-8   | 22 May                                       | 02:00 pm | 03725  | 055267267   | Day     | 0:05    |
| 5-9   | 22 May                                       | 03:23 pm | 03725  | 055267267   | Day     | 0:07    |
| 5-10  | 22 May                                       | 04:21 pm | 03725  | 055267267   | Day     | 0:04    |
| 5-11  | 22 May                                       | 08:24 pm | 03725  | 055267267   | Night   | 12:04   |
| 5-12  | 22 May                                       | 08:37 pm | 03725  | 055267267   | Night   | 2:32    |
| 6-1   | 22 May                                       | 08:46 pm | 03725  | 055267267   | Night   | 5:15    |
| 6-2   | 23 May                                       | 08:00 am | 03725  | 055267267   | Economy | 3:59    |

2040

ALAN SMITH  
RMB 4408,  
CAPE BRIDGEWATER COMP.  
Portland 3306

W. SHACK,  
2/52 Hartwood St,  
EAST KEW 3102,  
21/6/93.

Dear Mr. SMITH,

I am writing this letter with reference to the problem that I had in contacting your place of business by telephone on the morning of 1.6.93.

I feel that you should be aware of this problem as I feel that it will greatly effect your business and I feel you should take steps to rectify the problem outlined below before a serious loss occurs.

Several times one call after the other when dialing your 008816522 telephone number I received a telecom message that I had dialed an incorrect number and I should check before redialing.

I checked this number and found it correct.

I feel that you should be aware of this problem and take immediate steps to correct this problem as its very hard to contact your place of business from your advertisements.

Yours sincerely

Bill Shack

15H

P.O. Box 214  
 Mt. Gambier  
 5290.  
 7.12.98

Dear Allan,

I tried to ring you  
 last week regarding the Snow party  
 on 4<sup>th</sup> & 5<sup>th</sup> but was unable to make  
 contact - phoned Wed - Thursday - p.m. &  
 got only noise or less a dead line, but  
 on Friday evening when I last tried I  
 received a phone recording to the effect  
 that the no of my calling was no longer  
 connected, something about checking the directory  
 thought I had better not turn up  
 unannounced, please write & let  
 me know when the next meeting is.

Yours faithfully  
 Jim Humphreys

15 H

This facsimile from 60 minutes dated 18 June 1993 is self explanatory.

**60**  
minutes

**60 MINUTES FACSIMILE**

To: .....MR. ALAN SMITH.....  
.....(055) 267 230.....  
From: .....JULIAN CRESS.....  
Date: .....JUNE 18TH 1993..... No of pages 1.....

DEAR ALAN,

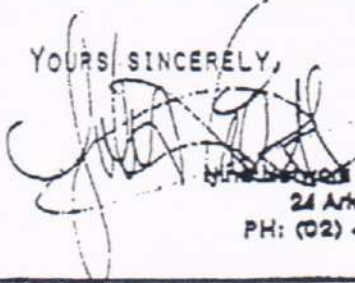
JUST A NOTE TO LET YOU KNOW THAT I HAD SOME TROUBLE GETTING THROUGH TO YOU ON THE PHONE LAST THURSDAY. PRETTY IRONIC CONSIDERING THAT I WAS TRYING TO CONTACT YOU TO DISCUSS YOUR PHONE PROBLEMS

THE PROBLEM OCCURRED AT ABOUT 11AM. ON THE "008" NUMBER I HEARD A RECORDED MESSAGE ADVISING ME THAT "008" WAS NOT AVAILABLE FROM MY PHONE AND ON YOUR DIRECT LINE IT WAS CONSTANTLY ENGAGED.

AFTER ABOUT HALF AN HOUR I CONTACTED SERVICE DIFFICULTIES IN SYDNEY. THEY CALLED THE LOCAL OPERATOR IN YOUR AREA WHO REPORTED BACK THAT YOU WEREN'T ON THE PHONE BUT THAT THE LINES IN YOUR AREA WERE CONGESTED AT THE TIME.

I'M AWARE THAT YOU HAVE BEEN HAVING PROBLEMS LIKE THIS FOR SOME YEARS NOW AND WISH YOU THE BEST IN SORTING THEM OUT.

YOURS SINCERELY,



Nine Networks Australia Limited (A.C.B. 099 071 167)  
24 Arlhamon Road Wilsborough 2068  
PH: (02) 438 3433 FAX: (02) 936 0827

A TELSTRA minute written on 2 July 1992 to NETWORK OPERATIONS and the FAULT BUREAU VIC/TAS, and obtained under the F.O.I.



Telecom Australia

Minute

File HA-AC 4/1/18 Subject GRADE OF SERVICE COMPLAINT  
MR ALAN SMITH 055-26 7267

Phone 055-73 0200 From MARK ROSS  
CUSTOMER SERVICES MANAGER  
HAMILTON - VIC/TAS REGION

To [REDACTED] - NETWORK OPERATIONS  
[REDACTED] - FAULT BUREAU VIC/TAS

Please find enclosed documentation in regard to a Grade of Service Complaint from Mr Alan Smith of Cape Bridgewater.

Our local technicians believe that Mr Smith is correct in raising complaints about incoming callers to his number receiving a Recorded Voice Announcement saying that the number is disconnected.

They believe that it is a problem that is occurring in increasing numbers as more and more customers are connected to AXE.

Can you please investigate this problem and provide me with a written reply so as I can forward this to Mr Smith and our local Federal Member, before what is already a difficult situation, gets right out of hand.

*MR*

Mark Ross  
Customer Services Manager - Hamilton

*2/7/92*

mr1981b3

15-1

Telecom Secret

C04006

DECEMBER 11TH 1992

## Issues Involved During the Resolution - Factors Considered

1. Alan requested \$150k
2. Chances of legal action - high
3. Chances of media action - 100%
4. Poor performance of Telecom:
  - historically
  - March <sup>2nd</sup> problem
  - Local Portland problem fixed in October
  - wiring and cabling issues
  - RVA on congestion
5. Slow resolution of past problems both technical and claims
6. COT involvement:
  - chances of class action
  - chances of mass media action
  - chances of membership growth
    - Adelaide Pizza
    - Mt Gambia
    - Portland
7. Evidence of problems:
  - Many letters stating the problem of not getting through to Alan Smith
  - People prepared to make statements of problems
  - Claims that Alan had rung himself from his Goldphone and not got through
  - Austel and Ombudsman both had trouble getting through
  - Many claims which might be difficult to substantiate in court but would be credible in the media
  - Viability of business for the future - increased bookings since the service

Period of time
8. Costs incurred:
  - Additional phone calls to chase up business - about \$1000
  - Legal costs - about \$1000
  - Camps prepared but not run
  - Advertising
  - Time
9. Alan's time and other consequential costs - health, stress, etc

## Telecom Secret

C04007

10. Loss of business:
- Camps lost because party could not contact Alan (evidence in letters - \$10,000 loss of profit)
  - Extrapolating - about \$40,000 over a period
11. Loss of partnership:
- Alan claims \$100,000 loss because he had an opportunity to sell a share in his business but this opportunity was lost because the potential partner stated he could not contact Alan Smith initially and lost faith in the telephone service available - hence withdrew his offer
12. Possible legal costs:
- If Alan took legal action Telecom would incur significant legal costs to defend it - about ?
  - If Telecom lost, we could also incur Alan Smith's costs
  - Estimated what possible bill?
13. Inquiry costs - both Austel and Ombudsman's Office has been actively involved. Enquiries are ongoing. Cost of ? - about <sup>saving</sup>
14. Cost of arbitration - Mr Smith wanted to use an independent arbitrator to resolve the dispute - cost in a case in Sydney \$25k
15. Management time - I have spoken to Alan Smith regularly (daily) over a period. I began making appointments for when I would ring him - he nearly always rings me prior to the call. When I did not ring him daily (even if I was not scheduled to) he wrote to Frank Blount and Doug Campbell or both. He had regularly rung Doug Campbell's office (Judy Lanstrom) several times a week and Austel and others in Telecom. This was despite my setting up a regular contact point (Mark Ross in Ballarat) for him and a specialist diagnostic technical manager (Bruce Pendlebury). Mark spoke with Alan Smith once a week at least. Bruce averaged 5-6 calls a week to and from Alan Smith. He also contacted the Area Manager, Don Lucas, on a regular basis. Don also visited Alan Smith at Cape Bridgewater. This was going to continue forever if all matters were not resolved.
16. Legal position - Mr Smith's service problems were network related and spanned a period of 3-4 years. Hence Telecom's position of legal liability was covered by a number of different acts and regulations. The immunity claimed has never been tested in court and the current immunity from paying loss of business compensation depends upon Section 8 of the BCS Tariffs lodged with Austel. This is probably the least clear of the immunities. In my opinion Alan Smith's case was not a good one to test Section 8 for any previous immunities - given his

15

Telecom Secret

C04008

evidence and claims. I do not believe it would be in Telecom's interest to have this case go to court.

Overall, Mr Smith's telephone service had suffered from poor grade of network performance over a period of several years; with some difficulty to detect exchange problems in the last 8 months.

In the media Telecom would not have looked good at a time when we are working hard to improve general customer perceptions.

In a legal battle, Telecom's chance of winning would have to be about 50/50. The bad publicity for Telecom would have been significant.

In my view were Alan Smith to win a legal battle he could have been awarded payment as high as \$40,000. If we went to arbitration a payout of the order of \$80,000 would not be out of the question; with costs of setting up the arbitration extra.

In the interests of expediency and Commercial judgement I considered it better to reach a commercial settlement.

Mr Smith's communication arrangement is questionable:

- other ways eg second line, fax, 008, etc of contacting him not set up
- use of answering machine improper or incorrect
- answering arrangements when Mr Smith was not there *not satisfactory*
- Telecom's defence in some doubt on causality

*There are few personal notes recorded at the time of settlement. Alan Smith does seem not prepared to provide both substantiation of his claim.*

*Alma Pittard*

*155*



TELECOM IN CONFIDENCE

*response*  
*An update to previous correspondence*  
*J. Hurman*  
*6/12/93*

**Telecom**  
AUSTRALIA

Internal Memo

To ~~Trevor Hindson~~ *A*  
Special Case Investigation Coordinator

From Rod Hurman  
Manager, Charging and Billing Projects

Subject Short Duration Calls, Mr A. Smith.

Date 25 November 1993

File

Attention

Corporate Centre  
Charging and Billing Directorate -  
Brisbane

6/131 Barry Parade  
Fortitude Valley, 4006

Australia  
Telephone (07) 638 6791  
Facsimile (07) 632 5657

K00751

*Ms Ann Law*

Trevor,

I have reviewed the letter and documents from Mr. A. Smith concerning evidence claiming to support charging of unsuccessful calls. As you indicated it is difficult to respond to the specific cases mentioned as the facts presented are third hand and limited to the bare customer perceptions. We have no opportunity to perform tests to confirm or contest the allegations. In some instances the text of the letter is conflicting or ambiguous.

In response to Mr Smith's questions (1&2), he should be assured that,

*" Telecom does have clearly defined policies and principles for call charging and billing,*

- Customers will be charged only for calls which are answered.*
- Unanswered calls ARE NOT charged."*

*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.*

If a customer is charged for a call that was unanswered (that is truly unanswered by the Customers Premises Equipment (CPE) where the call terminates, not just as perceived by the customer at either end), then there must be a technical fault that, when identified, should be investigated and corrected. Databases and analysis systems exist for this purpose.

Mr Smith is obviously well aware that CPE is a significant source/cause of charging and billing disputes, particularly those involving short calls which the customer believes were unsuccessful and should not be charged; telephone answering machines, facsimile terminals and call diverters typically are at the centre of these disputes. CPE apart, as with any technical system, faults may occur in the network, however exhaustive testing over a prolonged period has failed to locate any systemic fault that would cause erroneous charging of unsuccessful calls. While faults are detected from time to time, these have been rare, isolated and unrelated to each other.

*155*

The facts as presented in this case are not sufficient to make a definitive technical judgement of whether a fault did occur in the Telecom network to cause over charging. From a technical point of view it is unreasonable to make all assumptions in the customers favour without further investigation being carried out.

The following is an assessment of the individual disputes highlighted by Mr Smith. From the information given, little more can be offered for explanation than " *This is not the way it should work, we need to investigate to find the cause*". For any investigation to be effective it would need further information and the participation of both parties involved in the calls. I leave any decision for further investigation in your hands, as local action may already have been instigated, but would be happy to arrange an investigation if required.

**1. Calls to Traralgon, being charged on busy.**

This situation should not have occurred. If there is no customer error (including CPE), some basic investigations could be carried out, both on the customers circuit (charge check) and at the local exchange. Extensive tests could be done between the two customers, but only after verifying the customer component of the call.

**2. Calls to Overseas destinations, being charged when "no answer".**

This is further complicated by the overseas end of the call. An answer signal may have been generated when it should not have been by the overseas destination, or an answer signal wrongly detected in the international networks. When received by Telecom equipment, this is an instruction to begin charging. Some overseas telephone administrations do return an answer signal when the call is not answered by the called party, even though this is against international agreements. To the best of my knowledge neither New Zealand or USA is noted for this; International Business unit will be advised of this possibility for future reference. Unless the customer also experienced an "error" similar to the Traralgon incident, there is no direct evidence to assume a local fault.

**3. Calls to RVA.**

Though it is not stated what RVA was heard, being charged for RVA is not a correct operation and should be investigated and corrected. The investigation would depend on the RVA heard and the calling party. Again more information is required.

Mr Smith also noted call drop-outs as causing over charging (I assume 'drop-out' here means that ring tone is heard only then for the call to drop-out; or the call may in fact be answered and then drop-out). There are many reasons for a call to 'drop-out': some may be technical faults in the telephone network, others can be customer or CPE related. Where the caller has been charged for the call, it is often the case that the called party (or CPE) did answer, but for some reason the call dropped out eg an answering machine with no voice recording on it may answer the call. Alternatively a network fault could 'trip' the ring eg a line fault in the CAN. Once the network detects an answer signal it quite correctly initiates charging. The calling customer no doubt would assume the call was not effective (ie no conversation), and would have an understandable concern that they may have been over charged. Where the drop-out is caused

by a proven technical fault, the call charges should be rebated. Drop-out investigation is often difficult due to its intermittent nature. Pattern analysis of reported faults is performed and faults corrected are when identified.

The Charging and Billing Directorate (Brisbane) in conjunction with an independent research agency is undertaking an investigation into customer perceptions of charges for short calls, which includes calls that a customer believes should not have been charged.

In response to Mr Smith's question, 'Does Telecom deny overcharging exists in their billing system?', he should be made aware that ,

- *The system is designed to charge accurately - that is not to over or undercharge.*
- *While isolated faults may occur, as with any technical system, they are extremely rare and small in number, and not systemic in nature.*
- *A program of continual testing is undertaken to check the accuracy of the system and to detect and correct faults should they occur.*
- *The billing system has a series of in built diagnostic designed to detect indication of significant overcharging on individual customer's accounts*

In conclusion, the scarcity of information makes it difficult to answer the customer's questions in any depth - more details are required and if forth coming I would be pleased to arrange a special investigation. I hope that this information is adequate to form a reply to Mr. Smith. As I will be on leave until mid January, please call Peter Foster (07 838 6201) if you have any queries or require further assistance.

Rod Hurman  
Network and Technical Projects,  
Charging and Billing Directorate.  
3.12.93

7/03 '95 09:03  
SENT BY:

801 3 8523664  
2-85 :10:40AM

WINDSOR NSW NIB SYDNEY

Attachment 4

Beaman, Nigel

From: Zeegers, Peter  
 To: Beaman, Nigel  
 Cc: Bergin, Maria  
 Subject: RE: 1800 prefix network conditioning  
 Date: Monday, 11 October 1993 3:42PM  
 Priority: High

Nigel  
 Please accept my apologies. Apparently 1800 99 was left off the original Exchange Data Change Note that conditioned the network for 1800. I only became aware of this today as a result of your message. Network Engineering tell me that it has been identified as an issue for some 3 weeks and that the 1800 implementation working group were aware of it. (1800 747, 767 were excluded as well but we have no working services on this range). In any case it was not escalated.

The data change note to fix 1800 99 went out last week and was completely loaded in WA by last Friday.

Can you let me know of any other complaints and please ask your informants to ensure these are reported as faults so that they are dealt with by operations & maintenance.

Regards

From: Beaman, Nigel  
 To: Zeegers, Peter  
 Cc: Morgan, Ken; DiMarzo, Nick; Paxton, David; Stygall, Robert; Farrell, Bernadette; Bergin, Maria  
 Subject: 1800 prefix network conditioning  
 Date: Monday, October 11, 1993 12:21PM

Peter,

I am receiving a disturbing number of reports of instances where the 1800 prefix "does not work" in the network.

Unfortunately most of the cases I know of have been reported by customers who have tried to use the new prefix in response to Telecom advertising / advice to do so, only to find that "Telecom has stuffed up again". In at least one case the customer has developed extensive advertising using the new prefix and only found out there was a problem after having committed substantial dollars.

When checked out, these are NOT CPE barring to dial 1 instances but rather legitimate customer claims of a mistake by Telecom where some exchanges were "missed" or in one case in WA where an engineer "didn't thing the number range was approved for use so decided not to open it up" (1800 99X XXX range)

Commercial only went ahead with our marketing campaigns based on several assurances from you that the network conditioning would be completed and then an assurance that it had been completed post 20/9/93.

Given we are now part way through a major Direct Mail national campaign launching Freacall 1800 Statewide, I need to know the extent of the problem of missed areas across the country.

When I spoke to Maria about organising a test across the network, she said she did not think there was any process in place to run such a test and that I should address the problem to you and your area.

Surely there is a way to organize for a simple test call to be made from every exchange to a test Freacall 1800 number with a follow up confirmation to a central (fault reporting area perhaps) location that the call either did or did not get through.

Please respond ASAP as I have sales and sales support staff buying time with customer waiting for a response.

155 H3629

SENT

**Beaman, Nigel**

From: Zoegers, Peter  
 To: Beaman, Nigel  
 Cc: Chaseling, Barry; Peck, Chris; Belshaw, Dave; Farrell, Bernadette  
 Subject: RE: 1800 PROBLEMS  
 Date: Monday, 1 November 1993 10:53AM  
 Priority: High

I believe the DMS time out problem fix will fix the NSW problem.

Can we not get the admin areas not to be so emotive about terms like "inundated". What we need is facts and to know where, when, who, so faults can be addressed. I've asked Network Engineering to get involved with the fault reporting loop so they have feed back and can fix. All problems should be reported as a fault so they can be recorded and dealt with (and escalated as necessary).

From: Beaman, Nigel  
 To: Zoegers, Peter  
 Cc: Farrell, Bernadette  
 Subject: FW: 1800 PROBLEMS  
 Date: Monday, November 01, 1993 9:36AM  
 Priority: High

Peter,

For your information as requested.

Regards Nigel

From: Peck, Christopher  
 To: Bergin, Maria  
 Cc: Beaman, Nigel; Hassett, Tony; Petris, Bruce  
 Subject: 1800 PROBLEMS  
 Date: Friday, 29 October 1993 4:17PM  
 Priority: High

Maria

Just recently the QLD Admin group had a customer who advertised their Freecall as 1800 on TV, press and radio. However some areas from Northern NSW were unable to get through, subsequently the customer is seeking compensation. Now the customer cannot change the number to 008 as this will be far too expensive for his company.

All Admin groups are being inundated with complaints from customers who have advertised their numbers as 1800 but their customers are simply unable to get through to them. I have also spoken to our fault staff out at Waverley who are also being inundated with the same complaints.

Now as far as I can tell we have no way of telling if areas of Australia are having difficulties getting through unless a fault has been placed by the customer, and this is only stage that it is brought to our attention. All the Admin groups know to refer the fault through to our fault centres, but as you can understand this all goes over like a lead balloon with the customer.

I believe that we should get all the relevant parties together to discuss this problem further before we have another expensive compensation case on our hands.

Christopher

155

ATTACHMENT E

SENT BY  
DATE

25 NATIONAL NETWORKS

61 9 6503796: # 2/ 2

NO NET OFFICE

REILLY

001/001

Internal Memo

*M. D. Kelly*

**Telecom**  
AUSTRALIA

To Harvey Parker  
Group Managing Director - Commercial  
and Consumer

From Greg Newbold  
Group Communications Manager

Subject Serious 1800 problem

Commercial & Consumer  
Office of Customer Affairs  
27/042 Exhibition Street  
Melbourne  
Victoria, 3000  
Australia

Telephone (03) 634 7982  
Facsimile (03) 633 3041

Date 5 November 1993

File

Attention cc. David Cardie Chief Operating Officer - Commercial  
and Consumer

URGENT  
*Greg Newbold / Peter Kelly*  
*Please review, take action  
to ensure this  
is under control and  
report back to me on  
your action.*

Harvey,

Your 1800 Staff Connect line has generated a call from Bruce Patric (008 819 164) from Commercial Special Services (testing area) at Glen Waverley who advised that the 1800 service has defects which in some cases are preventing the connection of customer calls. Customers instead get a recorded voice announcement saying that the service is unavailable. Also there is Post-Dialling Delay of up to 20 seconds which means that a customer will think their call hasn't gone through and will hang up.

The matter is under active management - a software change is required to fix part of the Post-Dialling Delay problem and this is expected to be implemented today by the manufacturer of the 1800 equipment. The remainder of the problem is being dealt with by the Interconnect group located in Hobart as they hear about each fault.

The issue of non-connected calls leading to RVAs is also being dealt with in Hobart on a similar basis.

Bruce has been informed that a Queensland customer is seeking compensation for an extensive 1800 advertising campaign which allegedly didn't work and Bruce is further advised that there are many other customers considering similar action.

Bruce is concerned that the matter requires fixing at a national network level not just on a fault by fault basis. He also raises the question whether we should be actively promoting 1800 in the current circumstances.

Regards,  
*Greg Newbold*  
Greg Newbold

*W/S: Above's shall be ruled (2nd set)*  
*Also see above work done  
Thursday*  
*155*  
*100104 - Philip Leland was to  
late.*  
H36178

**AUSTRALIAN SINGLES CENTRE**  
1143 Toorak Rd, Camberwell 3124 Ph 8896659 Fx 8893129

2011

5th July 1992


Mr Alan Smith  
RMB 4408  
Cape Bridgewater  
Portland 3306

Dear Alan

Futher to my previous letter in February.

On the 26th of June I rang you at about 9pm and spoke to you, this was not my first attempt as on my previous attemps I received a recorded message as I have in the past. Because I knew of your problem I persisted until I got you, however had I been a new enquiry you would have lost business on this occasion.

Kind Regards



Peter Turner

ITEM (I)

P.O. Box  
Portland 3305  
24/7/92

To whom it may concern,

there have been several instances over the  
K) year when I have attempted, at length, to contact Mr. Alan Smith  
at the Cape Bridgewater Holiday Camp and Convention Centre without  
success.

In the evenings of October/November 1991 I phoned at least  
six times to get the recording that the number was not  
connected. These calls were from my private home.

In school time during March/April 1992 I phoned to ascertain  
dates available for the Heywood Grade 4 camp and again received  
the message that the number was not connected. I eventually  
drove to Cape Bridgewater to check availability. When I rang  
from Heywood to confirm bookings I was not able to get through  
in at least ten attempts over three days. Again the recorded  
message. On the last instance I rang enquiries and the telephonist  
tried to get me through to Bridgewater, near Bendigo.

I remain  
Yours Sincerely  
Robert Palmer



Anyone who uses a telephone has at some time reached a recorded voice announcing "The number you are calling is disconnected" or something similar. Within the telecommunications industry these messages are referred to as RVAs or Recorded Voice Announcements (refer Glossary). Among the multitude of FOI documents that I received in 1994 was a copy of a Telstra internal e-mail dated 26/9/93, which refers to the need to "have a very basic review of all our RVA messages and how they are applied." This e-mail goes on to say "... I am sure when we start to scratch around we will find a host of network circumstances where inappropriate RVAs are going to line." Obviously Telstra were aware of RVA problems long before I experienced them.

*[Handwritten scribble]* 73

Holmes, Jim

From: DPinal  
To: EBlake  
Cc: DPinal; AHurnich; JHolmes  
Subject: RVA Messages  
Date: Sunday, 26 September, 1993 2:12PM

Ed,

We need to have a very basic review of all our RVA messages and how they are applied. At the moment, a customer who dials a legitimate number which is redirected to a non-existent number gets a "the number you have dialed is incorrect or has been disconnected" message. This is patently wrong and whilst the "old school" continues to tell me this is all the customer's fault, it is clearly unacceptable. I have only quoted one common example - I am sure when we start to scratch around we will find a host of network circumstances where inappropriate RVAs are going to line. ↙

Can you please have someone identify the current network RVAs and where they are applied. A review of these could identify some that are better replaced with redirection to an operator for assistance, some where we should repeat the number dialed to the A party, some where the words should be changed for clarity and accuracy and some where the conditions serviced by a single RVA need to be split to a number of varying options. ↘

On a related point, I think we need to review busy and congestion tones and consider replacing with a voice message. At the moment, many customers cannot readily differentiate the tones (I have trouble myself) and this may be causing some unnecessary problems. We already put a voice announcement on congestion in the Trunk network so maybe a similar approach to the junction and local networks is appropriate.

Don

A03544

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Another internal Telstra document notes "As a result of the investigations into difficult customer complaints and associated reports it has become apparent that the present RVA for incorrect numbers requires revision". This memo refers in particular to the message "The number you have called is not connected or has been changed. Please check the number before calling again. You have not been charged for this call." This confirms Telstra's acknowledgement that serious faults existed, particularly since the author of this memo goes on to say "....this message tends to give the caller the impression that the business they are calling has ceased trading, and they should try another trader."

Internal Memo

**Telecom**  
AUSTRALIA

To: [REDACTED]  
From: [REDACTED]  
Subject: Change to Network RVA  
Date: 3 November 1993  
To: [REDACTED] Don Pinal

Customer  
Customer Service Planning and  
Development

15th Floor  
40 Park Street  
Bentley NSW 2154  
Australia

Telephone 02 957 0522  
Message Mail  
Facsimile 02 957 3234

Nick

As a result of the investigations into difficult customer complaints and associated reports, it has become apparent that the present Recorded Voice Announcement (RVA) for incorrect numbers requires revision. The RVA in question is written:

"The number you have called is not connected or has been changed. Please check the number before calling again. You have not been charged for this call"

The problem arises when equipment or customer faults cause customers who are calling legitimate numbers to be connected to this message. In a business environment, especially in these times, this message tends to give the caller the impression that the business they are calling has ceased trading, and they should try another trader.

What is required is a less conclusive set of words that make allowances for the fact the customers are connected to these messages when in fact the required number is operational. Once we have a set of words that are agreed to be all sections of the corporation, and market tested, Network Products will implement the new RVA in association with providing reference numbers on all such messages. These reference numbers will aid in fault location.

The sample message is indicative of what I feel the flavor of the new RVA should be, and is not meant to be the finished article.

"Telecom regrets that we have been unable to connect this call. Please check the number before calling again. The following reference number should be noted and reported to Telecom should the difficulty continue. Reference 142"

This needs to be implemented in the near future to reduce customer complaints, aid fault finding and reduce rework. Your immediate attention would be appreciated.

Regards  
[REDACTED]

C00757

Telecom Corporation Limited  
ACN 051 775 535

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## Analysis of 055 267 267 Problems.

b. Started: 24/7/1992

### Original Customer Complaint:

Incoming Callers report Recorded Voice Announcement (RVA) "The number you have called is not connected, Please check the number before calling again". Various origins were mentioned. The most recent were Public Telephones at Station Pier. Test calls were made from these PT's by Keith Mc Intie of Payphone services on Friday 24th July and calls were steered through the Digital trunk exchanges

The PT's at Station pier are:

|          |                 |
|----------|-----------------|
| 646 2461 | Cabinet 646 003 |
| 646 3698 | Cabinet 646 004 |
| 646 5420 | Cabinet 646 012 |
| 646 5438 | Cabinet 646 014 |
| 646 5440 | Cabinet 646 015 |
| 646 5447 | Cabinet 646 017 |
| 646 5501 | Cabinet 646 432 |

### Previous complaints were:

30/6/92 057981622 was calling 055267275 & couldn't get them therefore contacted 267267 for assistance. [No Fault Found]  
16/4/92 Callers from Greyhound Bus terminal melbourne got RVA. [No Fault Found when tested]  
17/3/92 Melbourne callers got RVA when calling 055 267 XXX [MELU exchange routing data was incorrectly set].

### Other problems:

28/9/92 Congestion incoming due to a Silent EM fault in Portland AXE where by the HMOX-PORX and PORC-PORX routes were autoblocked. [Fault rectified locally]

2/9/92 a customer at HEYWOOD ARK (Mrs. Savill, 055 271 660) reported RVA on calls to 055 267 267. Other customers in the area reported similar RVA problems. [Testing by Portland staff found an intermittent fault in the Digit storage section of Register 34 at Portland ARF. This resulted in customers occasionally getting RVA or wrong numbers. This would have affected all PORC customers, as well as any customers in ARK's served by PORC. Fault was rectified 7/10/92].

### Analysis of individual reported problems

28th September: 8:31 PM, call from Austel representative (03 4288866) received STD pipe then "nothing" on two calls.

CABS data for the A party shows:

03 4288866 A 4 PRBL 9 OCT 92 LIVE P 3  
MISS A E DAVIS CONN DATE 3 NOV 89 ACCOUNT NR: 03 4288866 011  
14 BLOOMBURG ST LAST BILL 10 SEP 92 PER 1  
ABBOTSFORD 3067 REG STMTS  
ITEMISED & MULTI-METERED CALLS

|                     |                        |        |      |
|---------------------|------------------------|--------|------|
| STD 28 SEP 92 8.29P | Cape Bridgwr 055267267 | 0:10 N | 0.25 |
| STD 28 SEP 92 8.30P | Cape Bridgwr 055267267 | 0:10 N | 0.25 |
| STD 28 SEP 92 8.31P | Cape Bridgwr 055267267 | 2:11 N | 0.50 |

CCAS data for the B party shows:

| Day | Date     | Time     | Type | No. | Wait Time | Conv. Time | Rate |
|-----|----------|----------|------|-----|-----------|------------|------|
| MON | 28/09/92 | 20:28:43 | IA   |     | 5         | 25         | 0    |
| MON | 28/09/92 | 20:29:30 | IA   |     | 2         | 2          | 0    |
| MON | 28/09/92 | 20:29:59 | IA   |     | 2         | 2          | 0    |
| MON | 28/09/92 | 20:30:20 | IA   |     | 2         | 46         | 0    |
| MON | 28/09/92 | 20:31:29 | IA   |     | 1         | 133        | 0    |
| MON | 28/09/92 | 20:33:57 | ONU  | 013 | 192       | 0          | L 0  |

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R01444

# Haddon & District Community House Inc.

12 FEB 1992

Gladys Crittenden  
Haddon + District Youth Work  
P.O. Box 238  
Sebastopol PL 359668.  
3356.

To whom it may concern.

Dear Sir, our group rang the Cape Bridgewater Camp on a number of occasions. Mainly from November 1991 through to February 1992, to try and book and finalize our camp arrangements. When I rang the number given to us we only got a taped message from telecom to say that this number had been disconnected.

07 MAY '93 12:48 ACA MELBOURNE 03 4292259

P.20/23

From telecom to say that this number had been disconnected.

I wrote to the camp and told the manager of the problem and to confirm his phone number. When we rang again we still got the same message as before about being disconnected. We rang telecom twice to complain about this problem, but nothing seemed to be done to rectify the problem. Fortunately we did persevere by phone and correspondence to book our camp and had a very good time.

Yours sincerely,

Gladys W. Crittenden

Rang Alan Smith 5/10/92

Can me the following list of faults

- ① 27/9/92 Between 7.30pm - 8.20pm Calls from his Son (02) 5681824 received engaged signal.  
Phone not in use.

K04448

- 28/9/92 Received 2 Calls approx 3.45pm + 3.55pm from unknown STD destination  
Received STD P195 then nothing on both occasions

- ② 28/9/92 Amanda from Austral rang at 8.31pm Received STD P195 then nothing. Called from (02) 4288866  
Repeated call immediately, got same result.  
Then called using Mobile Phone. Got connected but could hear another conversation. Could not break into conversation  
Call dropped out after an estimated 10 seconds.

- ③ Mr. Smith received a letter from a lady named Mrs Vander Savell who lives in Heywood.

She claims 22/9/92 Rang 267267 between 10.00 and 11.00 am  
Received RVA Message. This number is Disconnected.

267267  
Rang A 25/9/92 Rang from 9.20am onwards 7 times received RVA Message  
2 times No Answer, No Tone

Mrs. Savells number is (055) 271660

Mark Ross

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ATTACHMENT

8

94/269

26 February 1996

**BRUCE MATTHEWS**

cc Peter Gilmartin  
Elie Calero

**CHARGING DISCREPANCIES RAISED BY ALAN SMITH**

The following is a guide to documentation provided by Alan Smith on 19 December 1995, in support of his claim of massive incorrect charging on his 008/1800 account.

2. I understand that you have commenced examining the documentation provided. The following information is intended to assist you in assessing the validity of Mr Smith's claims, as it identifies the documents Mr Smith regards as specifically supporting his assertions.

3. It should be noted that AUSTEL has advised Mr Smith that it is investigating the charging discrepancies he has raised to ascertain their potential systemic nature. It has been stressed to Mr Smith that this investigation is being undertaken in the context of AUSTEL's ongoing work resulting from its 1992 Inquiry into Standards for Call Charging and Billing Systems, and is not related to his arbitration.

4. Mr Smith identified 27 examples of charging discrepancies which he regarded as specifically supporting his claims. These examples have been marked and referenced accordingly in the documentation he provided. In summary, Mr Smith claimed that -

- 008 account and CCAS records for the period 4/7/93 to 6/7/93 showed charging discrepancies (Example 1);
- his 008 account showed longer calls than apparent in CCAS records specifically on 20/5/93 (Example 2);
- a Telstra 008 billing record and CCAS records for calls on 14/4/94 showed charging discrepancies (Example 3);
- a Telstra 008 billing record, CCAS records and a 008 account showed charging discrepancies on 26/4/94 (Example 4);
- various discrepancies were apparent as a result of test calls made to his service by Telstra from Ballarat. See Example 23. (Example 5);

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- a Telstra 008 billing record showed calls made on 24/5/94 were of a longer duration than apparent on CCAS records for the same day (Example 6);
- a CCAS record for 29/5/94 showed a discrepancy in the number of calls made when compared with his 008 account for the same day (Example 7);
- a CCAS record for 31/5/94 showed a discrepancy in the duration of calls when compared with his 008 account for the same day (Example 8);
- a CCAS record for 24/5/94 showed a discrepancy in the duration of a call when compared with his 008 account for the same day (Example 9);
- a CCAS record for 3/6/94 showed a discrepancy in the duration of a call when compared with his 008 account for the same day (Example 10);
- his 008 account for 12/4/94 showed a call which did not appear on a CCAS record for the same day (Example 11);
- a CCAS record for 16/4/94 showed a discrepancy in the duration of calls when compared with his 008 account for the same day (Example 12);
- a CCAS record for 18/4/94 showed a discrepancy in the duration of calls when compared with his 008 account for the same day (Example 13);
- a CCAS record for 1/6/94 showed a discrepancy in the duration of calls when compared with his 008 account for the same day (Example 14);
- CCAS records of his outgoing calls showed unusually long 'wait times' (Example 15);
- Telstra call event data for July 1994 was in some instances inconsistent with his 008 account for that period (Example 16);
- the duration of calls listed on his 008 accounts for the second half of 1993 were often inconsistent with CCAS records for the same period (Example 17);
- records of CCAS monitoring undertaken for other customers connected to the Cape Bridgewater exchange demonstrated that other customers in the Portland area had raised charging discrepancies with Telstra (Example 18);
- hand written notes by a Telstra 1100 operator indicated that a caller received a "dead line" when calling Mr Smith's 008 number, however Mr Smith's account shows that he was charged for this call (Example 19);
- Telstra records show that Amanda Davis was charged for two calls to Mr Smith which CCAS records show Mr Smith did not receive (Example 20);
- Cheryl Haddock received a recorded message when calling Mr Smith's 008 number, however his 008 account showed short duration calls from her number for the corresponding period (Example 21);

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- a call made on 13 January at 11.57 am listed on his 008 account could not have occurred because the previous call commenced at 11.50 am and was 9 minutes and 49 seconds in duration (Example 22);
- documentation shows notes made by Telstra which indicate that test calls made to his 008 number were unsuccessful, however these calls appeared on Mr Smith's 008 account (Example 23);
- analysis done by George Close and Associates identifies faults associated with outgoing and incoming calls on Mr Smith's Goldphone service (Example 24);
- notes made by Telstra on outgoing and incoming call event records show discrepancies and faults associated with Mr Smith's service (Example 25);
- his 008 account and call event records for a corresponding period showed charging discrepancies (Example 26); and
- a billing record for his service was inconsistent with outgoing call event records for the service (Example 27).

5. Mr Smith wrote to me on 20, 22 and 27 December 1995 outlining details of other charging discrepancies. These letters are on file 94/269. I also spoke with Mr Smith on 20 February 1996 about charging discrepancies associated with his Goldphone service. Mr Smith requested that AUSTEL investigate these matters along with the alleged discrepancies associated with his 008 service. I confirmed with Mr Smith that his preference was that the charging discrepancies associated with his Goldphone service be investigated first.

6. I am happy to discuss any aspects of the above with you.



Darren Kearney  
Senior Policy Analyst  
Consumer Liaison





**AUSTEL**

ALSTRALIAN  
TELECOMMUNICATIONS  
AUTHORITY

5 Queens Road  
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Victoria 3004  
Tel: (03) 9828  
Fax: (03) 9820 3021  
Free Call: 1800 335 526  
TTY: (03) 9829 7490

94/269

3 October 1995

Mr Steve Black  
Group General Manager  
Customer Affairs  
Telstra

Facsimile No: (03) 9632 3241

Dear Mr Black

**CALL CHARGING AND BILLING ACCURACY OF TELSTRA'S  
008/1800 SERVICE**

I write concerning charging discrepancies raised in 1994 by Mr Alan Smith of Cape Bridgewater Holiday Camp regarding his 008 service, and the wider issue these discrepancies raise for Telstra's 008/1800 customers. These matters have been the subject of previous letters from AUSTEL to you and to Mr Ted Benjamin, dated 4 October 1994 and 1 December 1994, respectively. The charging discrepancies have again been raised with AUSTEL by Mr Smith following the conclusion of his Fast Track Arbitration Procedure.

As noted in AUSTEL's letter of 1 December 1994 (copy attached), the matters raised by Mr Smith concerned an issue which has the potential to affect a considerable number of Telstra's customers. Specifically, the matters raised issues about the call charging and billing accuracy of Telstra's 008/1800 service.

To date, AUSTEL has not received a response from Telstra which allays AUSTEL's concerns about this issue. Telstra's introduction of a 12 cent flag fall for its 008/1800 service has increased AUSTEL's concerns, given the issues raised by Mr Smith included matters related to short duration calls.

AUSTEL has a responsibility to investigate potential systemic network performance issues which come to its attention. Accordingly, I request that Telstra provide a response to the issues raised in AUSTEL's letter of 4 October 1994 (copy attached) by COB 13 October 1995.

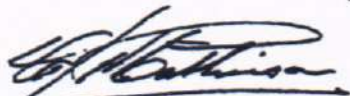
CMU/GRDK

Postal Address: P O Box 7443 St Kilda Road Melbourne Victoria 3004

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I note from Mr Benjamin's letter of 16 December 1994 that Telstra was then in the process of preparing a response addressing the issues raised.

Yours sincerely



Cliff Mathieson  
General Manager  
Carrier Monitoring Unit

cc Mr John Pinnock, TIO



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ESSENTIAL READING FOR ALL AUSTRALIANS IN BUSINESS

FRANK

BLOUNT



BOB



JOSS

MANAGING IN  
AUSTRALIA

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- how is the product developed;
- what does it cost to manufacture;
- which market segment does it satisfy;
- is it easy to use;
- is the package appealing;
- can it be distributed so it is easy for customers to buy;
- is it easy to bill and easy to explain the billing.

When considering these elements from the customer's point of view, it is important to keep in mind that customers don't buy according to the 'real' price of a product, they make a decision based on 'relative perceived value'. Blount stresses this slight but important distinction:

*Value for a customer is a function of price and quality of a product. However, the customer's assessment of these attributes is all done on perception since most people don't understand the production process or how an item is priced. This means that your product is sized up by the customer relative to your competition.*

The greater the uncertainty involved for a customer, the greater role branding will play, since there is little other information available or meaningful to the buyer.

The challenge for Telstra and Westpac then, was not just to meet the minimum expectations of their customers, it was to manage the entire process of interacting with the customer to ensure they valued the experience — to exceed expectations across a gamut of measures, time and time again. Here's how it was done.

## TELSTRA — 'P'S BE WITH YOU

**IN 1992, TELSTRA HAD NO CAPABILITY** for product management in a competitive environment, period. The company had been outfitted according to its original monopoly status and nothing had changed. Blount recalls there had been some talking and studying about the product implications for a deregulated environment but for Blount, 'it scared the bejeezus out of me to know that capability wasn't there'.

This revelation came to Blount within his first few weeks on the job. A customer in Victoria had encountered significant problems with the 1-800 service provided to her business. The business was run out of her home and all of her orders were received via the telephone, so the service was a critical element to sustain her operation. Despite repeated complaints about the service delivery, she received no satisfaction from Telstra. She began to collect similar stories from people in her region who were also not content.

Blount arranged a meeting with the customer to try to get to the bottom of the difficulties. The customer seemed quite reasonable and sincere, and was visibly frustrated with the inaction she had encountered. Blount just couldn't figure out how so many difficulties could arise and how they could be permitted to continue for so long after they were identified. Afterwards, he called in a couple of the senior managers in the business unit responsible for 1-800 service. Blount recalls their conversation went something like this:

*Blount: 'Do we have product management in this company?'*

*Managers: 'Yes, yes, of course we do.'*

*Blount: 'E we have a 1-800 product manager?'*

*Managers: 'In yes, and we'll be speaking to him about this.'*

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Days went by and Blount hadn't heard a thing. Finally, a young woman arrived in his office whom Blount learned was a bright MBA graduate with responsibility for the 1-800 product. Again, Blount recalls the conversation:

*Blount: 'I want to talk about the 1-800 service.'*

*Staff: 'Yes, sir.'*

*Blount: 'There are some issues that have arisen on the product management side, specifically maintenance of the product, fixing some problems with it and how it is billed.'*

*Staff: 'I know the type of things you are talking about, sir, because we studied product management in school, but, strictly speaking, my job was to launch the product. I have no way of knowing how it performs once it has been launched.'*

Blount was shocked, but his anxiety level continued to rise when he discovered this wasn't an isolated problem. Product management as Blount knew it in a competitive environment was non-existent. There was no overall coordinating role to monitor the performance and profitability of products and modify them as required. He moved immediately to demonstrate the importance Telstra would have to place on products to compete effectively:

*I'd often seen approaches that would try to solve world hunger but they didn't get any traction because they operate at such a high level. I decided to pick one product and understand everything about it.*

Blount asked his 1-800 'product manager' to put together a team to analyse all aspects of the product and produce a snapshot of what an ideal product should look like. Blount then arranged

the product management case study. Fifteen stations were set up around the conference site staffed by junior managers. Each member of the senior team rotated through the stations dealing with all the aspects of basic product management:

- how the product was designed;
- time-to-market;
- provisioning;
- training/selling;
- how it was working in the field;
- the fault rate; and
- the billing 'system'.

The picture that emerged made it crystal clear that performance was sub-standard. Costs were too high. Time-to-market was too long — at least 18 months from conception to launch. There was no accountability for the profit and loss of a product, so the company didn't track its performance once it was in the marketplace. And on a broader level, the number of new product innovations was tiny — only around two dozen a year.

The exercise worked brilliantly. The Telstra senior team realised the power of proper product management and the light-year leap it would take to get Telstra up to scratch. Blount's gut told him that to fully redress this problem and lift product management up in the eyes of the organisation as a whole, he would need to appoint a Group Managing Director for Product Management. The logistics of doing so immediately proved too difficult to orchestrate at that early stage, so Blount agreed to have a product manager in each business unit who would report to each of the GMDs. With the massive change being undertaken and the resulting competing interests, Blount was not satisfied with how things were progressing. The will was there...