

AUSTEL
Alan Smith
Draft Report
Part 4

the Cape Bridgewater RCM from a definite possibility, as noted by the Pair Gains Support officer, to that of a "low probability." There is body of other information, however, which considerably raises the probability of the RCM fault causing more severe problems.

- 146 It should also be noted that the Pair Gains Support officer commented that he was unable to assess the period of time over which the error counters had accumulated the error data. It is impossible to retrospectively determine, therefore, whether these errors had been accumulating since the RCM began operating in 1991.

Fault Reports from Cape Bridgewater from late 1992 to early 1993 indicating possible problems with the Cape Bridgewater RCM

- 147 On 6 January 1993 a Telecom minute was sent to an officer in Telecom's Commercial Vic/Tas area which outlined recent fault reports from Mr Smith. It is not clear who the author of the Minute is, but it appears to originate from another area of Commercial Vic/Tas.

- 148 The Minute states:

Had a call from Alan Smith this afternoon. He is having intermittent (sic) probs with STD call's cutting off during conversation (sic) one way over last 2 - 3 wks.

He is speaking and reception only disappears for a short time then comes back but other party can hear him speaking continuously

I organised (a local technician) to change the phone due to suspected rec cond⁶⁷ but he spoke to me from the cust premises and told me they are having local problems in the network with cut off's one way on STD calls

Could you please chase up the network issue.....⁶⁸

⁶⁷What is this - receiver condition?

⁶⁸742

- 149 Although it is easy in retrospect to be critical of action not taken which should have been taken, it appears little action was undertaken in "chasing up the network issue" at the local level at this time. An important point to note in this Minute is that there is a clear indication that other subscribers in the area are experiencing the same problem as Mr Smith.
- 150 Mr Smith continued to report faults throughout January and February 1993. On 2 February 1993 he complained of No Progress, and on 4 February Answer No Voice. Reports were received of calls from Werribee experiencing electrical noise. A caller from the Melbourne region on 8 February experienced clicking and breaks in conversation. Cut Offs were also experienced by Mr Smith during this period. There was obviously a considerable body of information indicating that Mr Smith was experiencing problems.
- 151 Mr Smith was not the only subscriber in the Cape Bridgewater region complaining to Telecom in late 1992 and early 1993. LEOPARD fault records show that many subscribers in the area were complaining of a range of problems over this period.⁶⁹ As mentioned previously, LEOPARD fault records for the Cape Bridgewater region need to be analysed in the context of the subscriber profile of the area, which could be expected to generate less fault reports than many other regions. It should also be noted that LEOPARD fault reports from the Cape Bridgewater area corroborate the information imparted by the local Telecom technician on 6 January 1993 of service problems in the area.
- 152 There are indications that at times the problems with the RCM were quite severe, and may have denied callers access to the Cape Bridgewater area. AUSTEL has written to Telecom requesting information on what the impact of an RCM going "down" (or failing to accept calls) would be to parties trying to call the Cape Bridgewater area when this occurred. Telecom's Group General Manager - Customer Affairs replied stating that:

⁶⁹No time to do proper analysis - would like someone to go through LEOPARD data and list all numbers which reported problems of a network nature - (not customer equipment)

If the RCM goes "down" the effect would be the same as a break in the cable of a customer connected directly to an exchange. Thus when an outgoing call was attempted, no dial tone would be received and hence a call could not be made. When another customer originated a call to a customer on an RCM system that was "down", the calling customer would receive normal ring tone. It should be noted that, should this situation occur, then an alarm signal would be generated by the exchange unit of the RCM to alert staff to the situation.⁷⁰

- 153 A feature of the RCM system is that when a system goes "down" the system is also capable of automatically returning back to service. As quoted above, normally when the system goes "down" an alarm would have been generated at the Portland exchange, alerting local staff to a problem in the network. This would not have occurred in the case of the Cape Bridgewater RCM, however, as the alarms had not been programmed. It was some 18 months after the RCM was put into operation that the fact the alarms were not programmed was discovered. In normal circumstances the failure to program the alarms would have been deficient, but in the case of the ongoing complaints from Mr Smith and other subscribers in the area the failure to program these alarms or determine whether they were programmed is almost inconceivable.
- 154 Examination of LEOPARD data for individual fault reports from Cape Bridgewater complaining of both NDT and NRR over the period September 92 to the end of February 93 indicate a substantial number of these complaints. The relevance of these fault reports to a system in the Cape Bridgewater RCM going "down" are that they indicate that calls from services in the area could neither get in or out of the area, indicating that the RCM may have gone "down" for a period. Complaints of both NDT and NRR originated from at least 15 separate services in the area over this period. The period of most numerous complaints occurred from 21 to 24 November 1992, with complaints originating from 6 separate services, none of which belonged to the Cape Bridgewater Holiday Camp. When inquiries

⁷⁰Black to MacMahon - 18 Feb 1994

were being made by Commercial Vic/Tas officer into Mr Smith's problems in February 1993 a local Portland Officer informed this officer that:

"there were problems in the RCM causing by a lightning (sic) strike to a bearer in late November these problems (damaged PCB's etc.) appeared to be resolved by late January..... 71

- 155 It appears from this quote that some action was taken to address the problems with the RCM as a result of the lightning strike, though exactly what action was taken is unclear. The fact that the alarms were not programmed was not discovered at this time raises some questions about the expertise of the staff dealing with the problem.
- 156 The condition of the Cape Bridgewater RCM when examined by the Pair Gains Support officer suggests that in reality little work had been undertaken by the local area to address potential problems in the RCM. The inadequate sealing of the cable ducts and the lack of strapping records support this contention, as no apparent technical expertise was required to locate and correct these deficiencies.
- 157 An issue of note is that despite a considerable body of evidence indicating that a lightning strike did cause major service problems to a significant number of Cape Bridgewater subscribers in November 1992 there was no record of Seriously Errored Seconds on any of the RCM systems as a result of the strike. This suggests that either the counters were reset subsequent to this date or the error counters did not record faults occurring as a result of the strike.
- 158 The crucial issue in regard to the Cape Bridgewater RCM is that assuming the lightning strike did cause problems to the RCM in late November 1992 these problems were not resolved till the beginning of March 1993, over 3 months later. This was despite a number of indications of problems in the Cape Bridgewater area. Fault reports from September 1992 also indicate that the commencement of problems with the RCM may have occurred earlier than November

⁷¹Customer Complaint form entry 9 Feb 93 - Cape Bridgewater Monitoring Folder.

1992. A related issue is that Mr Smith's persistent complaints were almost certainly responsible for an earlier identification of problems with the RCM than would otherwise have been the case.

- 159 Telecom clearly underestimated the possible existence of a problem with the Cape Bridgewater RCM. As with many of Telecom's activities in regards to complaints from Mr Smith, this failure seems to originate more from a lack of adequate fault identification methods and co-ordination of fault location activities than a commitment of resources to resolve his problems. There is some indication, however, of laxity of maintenance of the Cape Bridgewater RCM.
- 160 It should be noted that it is hoped that a number of issues in regard to the Cape Bridgewater RCM will be clarified when Telecom provides the documentation requested by AUSTEL

Information provided to Mr Smith concerning problems with the RCM

- 161 A 9 March file note from the Commercial Vic/Tas officer whom Mr Smith was reporting faults to in early 1993 states that he "explained the results of our investigation" to Mr Smith. It is assumed that this was the results of the RCM investigation. It is obviously not known from this comment exactly what information was imparted to Mr Smith on this issue. Mr Smith, however, maintains that he was not told of the problems with the RCM, and only became aware of these problems when he received Telecom documentation as a result of his FOI request.
- 162 The facts concerning the information imparted to Mr Smith by Telecom on the Cape Bridgewater RCM problems are not clear. What is clear, however, is that Mr Smith was entitled to receive a detailed explanation given the length of time he had been complaining to Telecom of problems on the Cape Bridgewater Holiday Camp service.
- 163 Although Telecom's Group General Manager Customer Affairs has downgraded the potential of the RCM problem to impact on Cape Bridgewater subscribers' "ability to receive or make calls" it is clear that this view was not entirely shared by the officer who states he

Informed Mr Smith of the results of the "investigation". This officer noted on 9 March 1993, a week after the RCM problems had apparently been rectified, that Mr Smith:

did agree that he had received far more calls recently which could be tied to the changing of his service into sys 3 (on the RCM)

Allegation (iv) That Telecom employees suggested problem could be overcome by purchase of new customer equipment when it knew that this was not the problem

164 No evidence was found with documentation reviewed that Cape Bridgewater Holiday Camp claimed that faults would be overcome if it purchased improved customer equipment. Mr Smith's equipment was replaced, however, on a number of occasions.

165 As was the case with many of the COT group, it seems that Telecom employees considered there would be a benefit in replacing customer equipment with new equipment even if it was known that this would not resolve the complainant's problems. In Mr Smith's case this is demonstrated in the following note dated 10 February 1993 by a Commercial Vic/Tas officer after a visit to the Cape Bridgewater Holiday Camp:

(we) swapped an 800 telephone (sic) Mr Smith had on his Fax line for a t1200 for PR and not technical reasons

166 The "PR" benefit of this action was questionable, as the action failed to resolve the problem, and the complainant was not convinced his or her complaints were being treated seriously.

167 A number of problems with equipment used by Mr Smith were identified by Telecom employees. In particular, Mr Smith was assisted in the operation of his cordless phone by Telecom staff

Allegation (v) Representation of problem as unique to the complainant

- 168 On 22 July 1993 Mr Smith wrote to the Manager Commercial Vic/Tas stating that he now had evidence that previous representations by that Manager that his problems were unique to his service were incorrect and that similar problems were being experienced in the district generally.
- 169 Documentation reviewed indicates that other network users attached to the Cape Bridgewater exchange did report problems similar to those experienced by Cape Bridgewater Holiday Camp. It is also clear that problems identified in the area would have impacted on other network users as well as Cape Bridgewater Holiday Camp.
- 170 There is no document which clearly identifies that Mr Smith was told by a Telecom employee he was the only person reporting problems in his area. At a meeting held between AUSTEL and Telecom staff on 12 July 1993, however, which discussed Mr Smith's complaints, the message was clearly conveyed to AUSTEL that Mr Smith was the only person who had reported significant problems in the Cape Bridgewater area. The LEOPARD fault data, however, indicates that there had been a number of other subscribers in the area reporting problems such as NRR over the previous 12 months. It should also be noted that Telecom did not mention the problems which had been identified with the RCM at this meeting.

Allegation (vi) Withholding of information

- 171 Mr Smith has only recently received information from Telecom under his FOI application. AUSTEL has not had the opportunity to assess the information provided to Mr Smith under FOI.
- 172 A number of issues discussed in preceding sections, for example, the failure to adequately advise on the extent of the RVA problems affecting the Cape Bridgewater Holiday Camp service border on the withholding of information, but are more appropriately concerned with

a failure to adequately advise Mr Smith of issues relevant to his service.

Allegation (vii) Arrogant and bullying behaviour (i.e. unjustifiably long period of disputation over faults, unjustifiably long period taken to reach settlement, harsh conditions of secrecy)

False claims of statutory immunity from suit

- 173 It is not proposed to discuss this matter in detail as it has been discussed with the main body of this report. It is clear that misleading advice was provided to Mr Smith by Telecom Managers that Telecom was under no obligation to pay him compensation for service difficulties he had experienced.
- 174 On 1 July 1992 the Customer Services Manager - Hamilton wrote to Mr Smith stating that Telecom's liability in respect to the provision of telecommunications services excluded - as far as was legally possible - liability for loss or damage. It was stated that where liability cannot be lawfully excluded it *"was limited to the re-supply of the service, or the cost of having the service re-supplied"*. Despite Telecom's lack of liability the Hamilton Manager stated that he would be prepared to reimburse Mr Smith's advertising costs *"which would have been current during the period of 17th of March 1992."* The particular fault which was the subject of compensation was the incorrect coding of data at MELU (discussed above). The letter noted that the author was aware that Mr Smith was not satisfied with the offer being made. The general tenor of the letter was that the offer being the made was the best that Telecom could provide.
- 175 The information imparted on the liability issues was incorrect, as it implied that Telecom had a broad immunity from suit which, in fact, did not exist in law. The advice was clearly wrong when it stated that where immunity did not exist, Telecom's liability only extended to the re-supply of the service. Telecom's potential liability existed well beyond this.

- 176 The Customer Services Manager - Hamilton also wrote to the Federal Member for Wannan on 2 July 1992 stating that:

although under the relevant Sections of the Telecommunications Act 1991, Telecom is not liable for any compensation, a business judgement could be made to reimburse Mr Smith some out of pocket expenses, if that was deemed appropriate.⁷³

- 177 This advice was more blatantly incorrect than that provided to Mr Smith, as it suggests that Telecom is not liable for compensation in any circumstance. Of perhaps even greater concern is that this letter makes clear that the Hamilton Manager had received his advice on compensation from Telecom's "legal people in Brisbane."

- 178 On 20 July 1992 the Customer Services Manager, Commercial-Country Victoria wrote to Mr Smith enclosing:

a cheque for \$1,392 being the amount of reimbursement for costs of advertising which you incurred during a period where a fault condition was found to prevalent on your service⁷⁴

- 179 No admission of liability was made by Telecom and the offer was made as a business judgement.

- 180 On 27 July 1992 Mr Smith spoke to a senior Telecom Manager who recorded notes of the conversation. The notes demonstrate that not only did Telecom provide Mr Smith with false information on Telecom's liability for the problems he had experienced, but they argued that the \$1,392 offer was generous:

I explained to Mr Smith that we were starting to get technical documentation together and that the show of good faith


⁷³665 2 July 1992

⁷⁴10

a failure to adequately advise Mr Smith of issues relevant to his service.

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payment \$1392 appeared generous it could get us into trouble with the hierarchy should he go further⁷⁵

- 181 Pressure was clearly being applied to Mr Smith to accept the payment and not to take the matter further. It should be noted that at this time Telecom staff were not sure how long the MELU RVA problem had existed on Mr Smith's service. The need to determine the length of the problem is obviously less imperative when a position is held that, in any case, no compensation is payable for the existence of the problem. Mr Smith stated at the end of the conversation that he had no intention of cashing the cheque for \$1,392.
- 182 Mr Smith's views on this issue are represented in a letter he wrote to the Commonwealth Ombudsman on 31 August 1992. The amount offered is referred to as a "token gesture" and "an insult". Mr Smith goes on to say:

Telecom have informed me because there is a clause and a section in the Telecommunication Act they cannot be sued for misconduct (sic)...how is it then a Semi-Government Department like Telecom can dictate in the way they have, waving (sic) this clause in the Telecommunication Act every time they are challenged on their workmanship. ⁷⁶

- 183 Mr Smith's views are understandable given both the amount of the payment offered and the misleading advice provided by Telecom.

Reliance on Testing Regime

- 184 It is evident from letters sent to Telecom from Smith and from records of meetings/conversations that Smith did experience a high level of frustration and anger at having visitors from schools and the Royal Childrens Hospital being subjected to problems in contacting parents and in one case making medical arrangements with the Portland Base Hospital.

⁷⁵Author unclear - but probably Rosanne Pittard. 638.

⁷⁶Smith to Comm. Ombudsman. 31/8/92. 620.

- 185 Telecom's approach of relying on its testing regime as a basis for insisting that the network was operating satisfactorily, even though information and testimonials from other network users supported/confirmed the claims made by Smith, reflects a lack of sensitivity in dealing with their customers.
- 186 Cape Bridgewater Holiday Camp settled with Telecom on 11 December 1992 and in view of the fact that the request for settlement action was initially made on 26 August 1992, this is not seen as an unreasonable period of time.
- 187 The insistence by Telecom that the network was operating satisfactorily, notwithstanding information available to it indicating that continuing problems were occurring and insisting that further testing and agreement that the level of service is normal prior to settlement are seen as insensitive and arrogant behaviour.
- 188 Of particular note is the Telecom letter of 18 September 1992 which Smith relied upon as a guarantee of a future acceptable level of service. Documentation reveals that at time of sending this letter to Smith, Telecom were aware of significant continuing problems with the network.

Failure to honour settlement conditions

- 189 On 26 August 1992 the COTs put forward the following two questions to Telecom -
- 190 Question 1 Is Telecom prepared to restore its telephone services of our foundation members within 28 days from today at no cost to the foundation members?
- 191 Question 2 Is Telecom prepared to resolve the issue of financial compensation for the foundation members within 28 days from today by way of an independent arbitrator?
- 192 Telecom responded by suggesting that it appoint an internal project manager to review each case.

- 193 The negotiating point for Telecom was Mr D Campbell, Group Managing Director Commercial and Consumer and Mr G Schorer, in his capacity as COT spokesperson, was the negotiating point for COT.
- 194 The record of conversation, prepared by D Campbell, of the meeting of 15 September 1992 between himself and G Schorer reveals that -
- Regional Telecom people appear convinced that there were no problems beyond normal
 - COT customers left no doubt that they viewed the situation quite differently and in some cases found the service totally unsatisfactory
 - D Campbell recommended further testing, including the placement of Telecom staff in COT customer premises, to get a more accurate perception of the customer's problems and undertake monitoring to positively identify the extent and type of problems
 - G Schorer was of the view that it was important to fix the problem even if it meant "bypassing the problem" and suggested that Telecom should try unique solutions and indicated that all COT customers should be moved to other exchanges
 - D Campbell reminded G Schorer that until the cause of the problems was known there was no certainty that service would improve by relocating to another exchange
- 195 Letter of 22 September 1993 from G Schorer to D Campbell advises that COT have no objections to further testing, but request immediate connection to AXE exchanges in the same charging zone. Letter also states that COT cannot accept that Telecom need to do further testing to be satisfied that problems have been experienced.
- 196 Letter of 23 September 1993 from D Campbell to G Schorer incorporated the following statements -

- The key problem is that discussion on possible settlement cannot proceed until the reported faults are positively identified and the performance of your member's services is agreed to be normal
-we cannot move to settlement discussions or arbitration while we are unable to identify faults which are affecting these services. At this point I have no evidence that any of the exchanges to which your members are attached are the cause of problems outside normal performance standards
- the proposed testing regime is also a necessary prelude to the suggestion that your members be moved to different exchanges

197 The approach stated by D Campbell in the aforementioned letter was subsequently reaffirmed on the following occasions -

- Telecom letter of 14 October 1992 from D Campbell to G Schorer
- Telecom letter of 21 October 1992 from D Campbell to G Schorer

198 Clearly Telecom, prior to any settlement action taking place, had adopted the view that Telecom could not settle until telephone problems had been resolved and a service at normal network standards provided.

199 No evidence was found of a structured and co-ordinated approach to demonstrate how this proposed further testing would specifically address the problems claimed by Cape Bridgewater Holiday Camp (and the other COTs). In view of -

- the strong views⁷⁷ of Telecom regional technical experts that the network was operating satisfactorily and that extensive testing had already been performed and that all indicators

⁷⁷(Telecom Minute from Pittard to Campbell of 28 October 1992 refers)

other than the customers own comments are that the telephone services are performing satisfactorily

- the absence of any specific methodology to be followed in the proposed further testing

200 The COTs were placed in a catch 22 situation where the same experts would conduct the same testing procedures that led them to forming the view that the network was operating satisfactorily to test if the COTs claims could be substantiated as a precondition to settlement action.

201 Whilst AUSTEL has not had access to the settlement arrangements/agreement, documentation reviewed indicates that Smith and Telecom agreed on a settlement on 11 December 1992.

202 On 6 March 1993 Smith letter to Telecom includes the following -

"It must be appreciated that my acceptance of the 11th December agreement was based upon the representation in your letter of the 18th September, 1992 signed by Mr Bob Beard which virtually guaranteed the quality of my telephone service. That representation and guarantee have not resulted in my business receiving an acceptable telephone service. In fact that service remains so fraught with problems of which you are aware, that the only conclusion that can be drawn is that the representations were false and the guarantee worthless.

I feel, therefore, that I was misled by Telecom Australia at the time I signed the agreement and I am dismayed by the fact that I have been misled by a Commonwealth Government utility purely to have me sign an agreement accepting a lesser sum than that to which I was entitled.

On the day of settlement Ms. Pittard verbally agreed to provide me with a new line to the camp as part of the settlement. After settlement I was then told there was no need for the additional line. If that were true then I ask why I was provided with such a line three weeks ago?

It is my view that Telecom has clearly failed to keep its part of the bargain that resulted in the agreement between us and I consider that this casts doubt on the enforceability of the agreement particularly given that it was prepared by your legal advisers and I did not have the benefit of legal advice. In these circumstances I want the entire matter re-opened and appropriate compensation paid.

- 203 The alleged guarantee referred to by Smith was incorporated in the Telecom letter from Beard to Smith of 18 September 1992. The specific portions of the letter which contains the alleged guarantee is as follows -

"May we assure you that Telecom is committed to providing a quality service for all our customers and this commitment is supported by a technical organisation capable of responding quickly and efficiently to a service difficulty should there be a need.

We believe that the quality of your telephone service can be guaranteed and although it would be impossible to suggest that there would never be a service problem we could see no reason why this should be a factor in your business endeavours".

- 204 Letter dated 22 July 1993 from Cape Bridgewater Holiday Camp to Telecom further advises of continuing problems and that these problems demonstrate that the alleged guarantee of 18 September 1992 had not been honoured.
- 205 The above correspondence clearly indicates that Smith relied on the assurances provided by Telecom on 18 September 1992 in his agreement to the settlement proposed by Telecom on 11 December 1992.
- 206 The chronology of significant events along with testimonials from other network users who experienced difficulties in making contact with the camp, clearly show that the camp was exposed to network problems during and subsequent to settlement.

Allegation (viii) Misleading briefings to review agencies and politicians 173

- 207 Review of the Telecom brief of 17 August 1993 to The Hon David Beddall MP, Minister for Communications revealed that the brief did not present a balanced representation of the situation.
- 208 A number of statements have been extracted from this brief and comments, in terms of the findings against the other allegations, are provided on these extracts.

Extract

Financial settlements have been reached with each of the original five customers although with two exceptions (Japanese Spare Parts, Society Restaurant) the customers continue to express dissatisfaction with their service and one customer in particular (Cape Bridgewater) is seeking to re-open the issue of compensation. It would be fair to say that even those customers that are no longer active in the COT arena will remain dissatisfied customers of Telecom"

Comments

- Telecom did not convey to the Minister the impact of Telecom's statutory immunity from losses/problems prior to July 1991 and that Telecom had advised the COTs of this in their dealings regarding settlement matters
- The COTs were not in a position to commence legal proceedings to seek recompense for business losses prior to July 1991
- A balanced brief would need to advise of the capability of the COTs to fund proceedings in the Federal Court
- This statement is also misleading as it does not advise that the reason that the two COTs are no longer complaining of unsatisfactory service is that they have ceased operating

Extract

The settlements reached to date have been, in Telecom's opinion, very generous and have contained a not insignificant component beyond that which could be supported by objective analysis of the factual evidence. This business judgement was made in the interests of settling the claims in a manner that clearly addressed the customer's perceived problems in the expectation that such settlement would avoid ongoing debate (with associated costs) and alleviate the acrimony that had developed over an extended period. This approach has obviously not been successful".

Comments

- There is sufficient evidence to suggest that Cape Bridgewater Holiday Camp has experienced problems with the network and that these problems impacted on its business operations. A balanced brief would have acknowledged that network problems were found, and whilst every effort was made to repair such faults, they would have impacted on the customer.
- Telecom's reliance on its statutory immunity prior to July 1991 and insistence that as its testing regime could not locate the cause of the claimed ongoing problems it found no evidence that the network was operating unsatisfactorily, were two key items in the negotiation processes. These do not support Telecom's claims that the claims were settled in a manner that addressed the customers' perceived problems. ↙
- In view of internal information confirming network problems and advice of other network users that had difficulty in reaching Cape Bridgewater Holiday Camp or experienced similar problems. Telecom's reference to customers' problems as perceived problems is not considered a balanced approach.

Extract

The businesses involved in these disputes have all received very fair treatment of their cases - some would argue that the settlements reached have, in fact, been excessively generous given the factual evidence. Telecom's testing (whilst identifying some faults from time to time) has repeatedly demonstrated the integrity of the network and ample evidence exists to support this contention. Only one of the customers (Golden Messenger) involved has been prepared to take court action against Telecom and this action did not relate to network issues. Telecom would welcome the opportunity to present its case in court but there is not accepted mechanism for it to initiate court proceedings on these matters. Hence Telecom must continue to bear the brunt of negative media activity despite its attempts to resolve these cases"

Comments

- Telecom testing has revealed problems with the network, and whilst this led to action to overcome the problems found, there is sufficient evidence to suggest that these problems have impacted on the level of service to and business operations of Golden Messenger.
- The comment regarding testing demonstrating the integrity of the network is not seen as balanced. Telecom have found major and minor faults in many components of the overall network and whilst Telecom may choose to deal with these as individual situations, the cumulative and ongoing effect on the customer is one of claimed ongoing unsatisfactory service.

Conclusions

- 209 Cape Bridgewater Holiday Camp has a history of service difficulties dating back to 1988. Although most of the documentation dates from 1991 it is apparent that the camp has had ongoing service difficulties for the past six years which has impacted on its business operations causing losses and erosion of customer base.

- 210 Service faults of a recurrent nature were continually reported by Smith and Telecom was provided with supporting evidence of this in the form of testimonials from other network users who were unable to make telephone contact with the camp.
- 211 Telecom testing isolated and rectified faults as they were found however significant faults were identified not by routine testing but rather by the persistent fault reporting of Smith.
- 212 In view of the continuing nature of the fault reports and the level of testing undertaken by Telecom doubts are raised on the capability of the testing regime to locate the causes of faults being reported.

APPENDIX

MR ALAN SMITH - Cape Bridgewater Holiday Camp, Victoria

General Outline

Mr Alan Smith is the owner of the Cape Bridgewater Holiday Camp. His business is a holiday camp and convention centre. The camp is located on the Victorian coast about 18 kilometers west of Portland, kilometers west of Melbourne.

Complaint of Service

Mr Smith acquired the camp in February 1989 and claims to have had very significant telephone problems commencing from that time. They have varied in incidence and although the current level of service is said to be much improved, problems continue to exist.

The reported problems relate to outgoing calls and can be summarised as follows -

- Not Receiving Ring
- Recorded Voice Announcement
- Call Drop Out
- Busy When Not
- Single Bursts of Ring (Facsimile Noise) ?

The phone problems are claimed to have had a major impact upon the financial viability of the camp because

- callers have not been able to make contact with the camp, sometimes for days at a time, because of the Not Receiving Ring problem and accordingly have ceased to attempt to contact the camp; by the nature of the business callers frequently may be making a booking on behalf of 20-30 persons x
- ~~The Recorded Voice Announcement~~ advising the number is no longer connected obviously gives the impression that the camp has ceased to function x
- Inability to contact the camp is of particular importance because the bulk of its business has involved repeat bookings and ~~then~~ ^{thus} unless the party makes the booking and gets to the camp, business for future ~~persons~~ ^{periods} is also forfeited x
- a proportion of business has involved schools, special educational facilities and hospital patients who had become wary of using the camp because of the difficulty they had experienced in contacting it and because of the necessity to be contactable themselves when at the camp x

The camp has the following telephone services -

- 055 267267 - for incoming calls
- 055 267230 - used for outgoing calls and facsimile
- 055 267260 - Goldphone, for use by camp visitors
- 008 number (008 816522) which translates to the 055 267267 number

