

APPENDIX 1**SUBMISSIONS RECEIVED BY THE COMMITTEE**

- 1 Mr G.J. Simonsen
- 2 Confidential
- 3 & 3A Telecommunications & Disability Counsumer Representation (Managed by Blind Citizens Australia)
- 4 Mr Alan J.Spinks
- 5 Australian Telecommunications Users Group (ATUG)
- 6 Mr Stewart A. Fist
- 7 AAPT Limited
- 8 Network Vodafone
- 9 Government of Western Australia
- 10 Department of Communications, Information Technology and the Arts
- 11 Hutchison Telecommunications (Australia) Limited
- 12 Consumers' Telecommunications Network (CTN)
- 13 City of Yarra
- 14 Balanced State Development Working Group (BSDWA)
- 15 The Australian Privacy Charter Council
- 16 National Farmers Federation
- 17 NSW Farmers' Association
- 18 Cable & Wireless Optus
- 19 Communications Electrical Plumbing Union (CEPU)
- 20 Concerned Residents of Swanbourne
- 21 Telstra
- 22 &22A Macquarie Corporate Telecommunications
- 23 Professor John Quiggin

- 24 Bureau of Emergency Services Telecommunications (BEST)
- 25 South Australian Government
- 26 J. Hoogland and N. Fahy
- 27 Lev Lafayette

APPENDIX 2

WITNESSES WHO APPEARED BEFORE THE COMMITTEE

Wednesday 3 February 1999, Committee Room 2S3, Parliament House, Canberra

Australian Telecommunications Users Group

Mr Allan Horsley, Managing Director

AAPT

Mr Alasdair Grant, Manager, Regulatory

Cable & Wireless Optus

Mr Bruce Meagher, Group Manager, Corporate Communications

Mr Adam Suckling, Group Manager, Regulatory

Vodafone

Mr Chris Dalton, Regulatory Policy Manager

Mr Clive Dale, Regulatory Policy

Hutchison Telecommunications Ltd.

Mr David Havyatt, Regulatory and Corporate Affairs Manager

Macquarie Corporate Telecommunications

Mr Maha Krishnapillai, Senior Manager, Strategy

Mr Aidan Tudehope, Chief Operating Officer

National Farmers' Federation

Dr Wendy Craik, Executive Director

Mr Mark Needham

Consumers' Telecommunications Network

Ms Helen Campbell, Executive Officer

Mr Steve Horrocks, Policy Adviser

Communications and Electrical Plumbing Union

Mr Ian McLean, State Secretary Telecommunications & Services Branch Queensland

Ms Rosalind Eason, Senior Industrial Research Officer

City of Yarra

Mr Nick Matteo

Telecommunications and Disability Consumer Representation Project (Managed by Blind Citizens Australia)

Dr Elizabeth Casling, Policy Officer

Mr William Jolley, Project Manager

Western Australian State Government via teleconference

Mr Phillip Skelton, Leader, Telecommunications Task Force

Department of Communications, Information Technology and the Arts

John Neil, Acting Chief General Manager, Telecommunications

Trish Barnes, Acting General Manager, Enterprise and Radiocommunications

James Cameron, Acting General Manager, Telecommunications Competition and Consumer

Rohan Buettel, General Manager, Legal and Parliamentary

Dr Rod Badger, Executive Director, Telecommunications, Information Technology and Broadcasting.

Australian Competition and Consumer Commission

Mr Rod Shogren, Commissioner

Tuesday 16 February 1999, Committee Room 2R1, Parliament House, Canberra

Telstra Corporation Limited (*By teleconference*)

Mr Graeme Ward, Group Director, Regulatory and External Affairs

Mr John Stanhope, Director, Finance

Mr Lawrence Paratz, Executive General Manager, Network and IT Infrastructure

Mr Andrew Day, Managing Director, Sales

Ms Deena Shiff, Director, Regulatory

Department of Communications, Information Technology and the Arts

John Neil, Acting Chief General Manager, Telecommunications

Trish Barnes, Acting General Manager, Enterprise and Radiocommunications

James Cameron, Acting General Manager, Telecommunications Competition and Consumer

Rohan Buettel, General Manager, Legal and Parliamentary

Dr Rod Badger, Executive Director, Telecommunications, Information Technology and Broadcasting.

APPENDIX 3

RECOMMENDATIONS OF LEGISLATION COMMITTEE - 1998

Recommendation 1

The Committee recommends that Clause 6 of the Telecommunications (*Customer Service Guarantee*) Standard 1997 require that customers be informed of all service provider obligations and penalties under the Standard.

and

That Section 480 of the *Telecommunications Act 1997* be amended to require providers of all services subject to the Telecommunications Industry Ombudsman's jurisdiction to supply to each customer a reasonable summary of the terms and conditions on which the service is supplied (and an updated summary where those terms and conditions change), including all service provider obligations and penalties set under any Customer Service Guarantee standard under section 234.

Recommendation 2

The Committee recommends that the penalty for failure to meet the Customer Service Guarantee standard in non-metropolitan areas be amended so that after a week, the \$11 per day penalty could for example, accelerate incrementally or to \$100 per day for each extra day that the service is not provided.

Recommendation 3

The Committee recommends that a portion of the proceeds from the sale of the remaining two-thirds of the Telstra Corporation Ltd be used to upgrade the existing infrastructure available for telecommunications services in rural areas.

Recommendation 4

The Committee recommends that schools, and in particular rural schools, be given the option of having access to telephone services at the rate Telstra charges residential customers, rather than being required to pay commercial business rates.

Recommendation 5

The Committee recommends that the Australian Competition and Consumer Commission's (ACCC) powers in relation to record-keeping rules be amended or clarified as necessary to ensure that the costs associated with Telstra's internal transfer prices are made known in the context of negotiations over cost-based pricing of access to telecommunications infrastructure.

Recommendation 6

The Committee recommends that the Australian Competition and Consumer Commission (ACCC) be empowered to direct the publication of information kept in accordance with the record-keeping rules.

Recommendation 7

The Committee recommends that parties adversely affected by anti-competitive conduct should be able to take action against it under Part XIB of the *Trade Practices Act 1974*, whether or not the Australian Competition and Consumer Commission (ACCC) has issued a competition notice.

Recommendation 8

The Committee reports to the Senate that it has considered the Telstra (Transition to Full Private Ownership) Bill 1998 and recommends that the Bill proceed, subject to the amendments recommended in this Report.

APPENDIX 4

THE CUSTOMER SERVICE GUARANTEE

The Australian Communications Authority, if directed by the Minister, may make performance standards which carriage service providers must comply with in relation to customer service (the 'Customer Service Guarantee'). If a carriage service provider contravenes such a standard, it is liable to pay damages to the customer. These provisions were an initiative of the *Telecommunications Act 1997* (section 232ff), and the Customer Service Guarantee Standard came into force on 1 January 1998.

The Customer Service Guarantee Standard requires carriage service providers to:

- supply services and rectify faults or service difficulties within minimum timeframes
- keep agreed appointment times with customers
- inform customers about obligations placed on them by the Standard
- keep records of arrangements made relating to connection and fault rectification
- pay compensation when a customer lodges a valid complaint regarding contravention of a specific service requirement under the Standard.

Services covered by the Customer Service Guarantee (CSG) Standard include the standard telephone service (STS) where the STS does not terminate on customer switching systems such as a PABX or commander system. In the case of a person with a disability, the STS incorporates another form of communications equivalent to voice telephony, such as a teletypewriter service for a person with a hearing impairment.

Features covered by the CSG include the ability to make local, long distance and international calls, as well as enhanced call handling features such as call waiting, call barring and calling number display. The CSG applies to any carriage service provider which supplies or is requested to supply a specified service to a customer.

Standards for installing services

standards for installing services			
	maximum time to connect, from customer's request		
	in-place connection	available cabling (capacity) or other infrastructure that the carrier can use	no available cabling (capacity) or other infrastructure that the carrier can use
urban: towns/cities over 10,000 people	3 working day	5 working days	1 month
rural 1: towns from 2,500 to 10,000	3 working day	10 working days	1 month
rural 2: towns/communities 200 to 2,500	3 working days	40 working days	6 months
remote: areas other than the above	3 working day	40 working days	12 months

Note: the present standards for installation are imported by reference from Telstra's Universal Service Plan, which was approved by the minister under section 160 of the *Telecommunications Act 1997* on 18 May 1998.

Standards for repairing faults

maximum time to repair, from customer's request	
metropolitan	end of next working day
non-metropolitan	end of second working day*
remote	end of third working day*

'metropolitan' = within 30km of a service depot of the relevant carriage service provider
 'non-metropolitan' = not metropolitan
 'remote' = a non-metropolitan area that is in an extended charging zone
 * Faults must be cleared by the end of the next working day regardless of location, if

- fault is caused by the company's administrative error; or
- fault can be rectified without external plant work, travel more than 30km from a depot, or attending the customer's premises.

Appointment keeping

Carriage service providers must keep appointments at customer premises (within 15 minutes) unless they change an appointment by giving reasonable notice to the customer. Appointment times may be a specified time, an agreed part of the day, or on a specified day, providing half day appointments have previously been offered.

Penalties

The CSG initially set damages equivalent to the monthly service rental (eg Telstra \$20 business, \$11.65 residential) for each working day of delay (50 per cent of these figures for delays associated only with enhanced call handling features). In June 1998, following the Senate Committee May 1998 report on the proposed sale of Telstra, and concerns about Telstra's performance in the quarter to March 1998, the government decided to increase the damages. Increased damages for delays beyond five days came into force on 1 August 1998.

Samples of penalties for contravening Customer Service Guarantee standards	
contravention	penalty
Delay in connecting standard telephone service	first 5 working days: monthly standard telephone service rental, per day* additional working days: \$40 per day
Delay in rectifying a service difficulty of the standard telephone service	first 5 working days: monthly standard telephone service rental, per day* additional working days: \$40 per day
Failure to keep an appointment (other than on a day where damages are payable under another part of the standard)	monthly standard telephone service rental*
* If no monthly line rental charge is apparent, these penalties default to \$20 per day for a business service, \$11.65 per day otherwise (which are Telstra's standard monthly charges)	

Sources: Australian Communications Authority (ACA), Telecommunications Performance Report 1997-98, 1998. ACA, Telecommunications (Customer Service Guarantee) Standard 1997, 11 November 1997 and amendments. ACA, Telecommunications (Customer Service Guarantee) Scale of Damages 1997, 11 November 1997 and amendments. ACA, Review of the Telecommunications Customer Service Guarantee, October 1998

APPENDIX 5**ADDITIONAL INFORMATION RECEIVED**

Department of Finance and Administration, 24 February 1999, 23pp

Department of Communications, Information Technology and the Arts, 25 February 1999, 89pp

Telstra Corporation Limited, 26 February 1999, 35pp

Telstra Corporation Limited, 2 March 1999, 39pp