
TELSTRA CORPORATION LIMITED
STRUCTURAL SEPARATION UNDERTAKING

**REVISED RECTIFICATION PROPOSAL
FOR BTS FAULT RECTIFICATION**

Telstra Unrestricted

12 September 2014



Revised Rectification Proposal – Unrestricted

1. Background

Telstra takes its equivalence obligations under the SSU very seriously and is committed to delivering equivalent outcomes for its Wholesale Customers and Retail Business Units.

In 2012 Telstra faced challenges with fault rectification for the basic telephone service for both retail and wholesale services. The variances in the relevant Metric of the Structural Separation Undertaking (SSU) occurred at a time when Telstra's network was experiencing the effects of high workloads and inclement weather. Our investigations indicated that in addition to those factors, the higher proportion of Priority Assistance customers for Telstra Retail (whose faults need to be prioritised ahead of other tickets of work, in order to meet our regulatory obligations) was a key contributing factor to the result.

Investigations at the time also identified two additional factors that may have contributed to the Reporting Variance in respect of BTS fault rectification, namely the allocation of the key/corporate severity level and the Reference Data Table (ZZZ Code). Both of these items have been resolved, with additional procedures and IT system changes now in place as standard operating procedure to prevent any misuse of the severity level (since 26 October 2012) and to correct the Reference Data Table (since 15 November 2012).

1.1 Further Investigations

As a result of further investigations, Telstra concluded that the reasons for the Reporting Variance were that

- (i) there had been extreme weather conditions in Australia which had caused substantial damage to parts of Telstra's network
- (ii) the substantial damage prompted substantially increased volumes of faults to Telstra's BTS
- (iii) a large number of the tickets of work relating to the BTS faults were for Priority Assistance customers
- (iv) tickets of work for Priority Assistance customers are given priority over most other tickets of work, and
- (v) because of Telstra's regulatory obligations, most Priority Assistance customers are Telstra Retail end-users (both residential and business).

Similar findings and conclusion were made by the ITA Adjudicator.

2. Rectification

This Rectification Proposal is intended to provide an effective means of addressing the ACCC's articulated concern with the Reporting Variance for Metric 5.

2.1 Proposed Steps

From the day immediately following the day that Telstra receives notification from the ACCC that this Rectification Proposal has been accepted until no earlier than the expiry of this Rectification Proposal, when the volume of BTS faults recorded by Telstra Operations reaches the High Threshold specified below within a Service Delivery Area, Telstra will implement its Workflow Management Tools to manage the tickets of work within that Service Delivery Area. As at the date of submitting this Rectification Proposal, Telstra confirms that it has no intention



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of ceasing its use of the Workflow Management Tools at the expiry of this Rectification Proposal. Workforce Management Tools allow Telstra to closely manage the workforce resource available within a Service Delivery Area (and to a limited degree to alter the workforce resource available within that Service Delivery Area) to better manage that resource to the volume of work required to be undertaken by the workforce. In implementing its Workflow Management Tools, Telstra will take all reasonable steps to manage its overall performance for BTS Faults to meet its SSU obligations.

For the purpose of this Rectification Proposal, the volume of BTS faults recorded by Telstra Operations will reach a High Threshold in a Service Delivery Area when the tickets of work exceed 80% of the available resources to perform those tickets, and after Telstra has ensured that all other resourcing options and solutions have been investigated but will be unlikely to address the level of demand recorded within the timeframes required for retail and wholesale customers.

For the relevant period, if the E&T Performance Result calculated under clause 16.1(c) of the SSU in respect of Metric 5 demonstrates a Reporting Variance, Telstra will indicate in its confidential report to the ITA and the ACCC whether the Workflow Management Tools were deployed.

As noted in Section 1, in respect of the key/corporate severity level, on 26 October 2012, Telstra introduced additional procedures as standard operating practice to prevent incorrect use of the severity level. Telstra will retain this standard operating practice until the expiry of this Rectification Proposal and as a the date of this Rectification Proposal, has no intention of ceasing this practice at the expiry of this Rectification Proposal.

Since this time, Telstra has also monitored the usage of the key/corporate severity code by employees to ensure its proper use. Telstra will provide the ACCC with confidential information regarding the level of compliance with the use of the key/corporate severity code by relevant Service Delivery staff for the two Quarters, commencing from 1 October 2014 until the end of the Quarter ending 31 March 2015, at the time it submits to the ACCC its Quarterly Operational Equivalence Report. This information will also confirm our compliance with our process for notifying staff of the correct use of the code in circumstances where incorrect use occurred.

Also as noted in Section 1, in respect of the Reference Data Table, Telstra implemented an IT System change on 15 November 2012 to reinstate the Reference Data Table, which remains in place today. Telstra will retain this IT System change until the expiry of this Rectification Proposal and as a the date of this Rectification Proposal, has no intention of removing this IT System change at the expiry of this Rectification Proposal.

2.2 Timeline

Telstra will commence monitoring the volume of BTS faults recorded by Telstra Operations the day immediately following the day it receives notification from the ACCC that the Rectification Proposal has been accepted.

This Rectification Proposal will expire on 31 March 2015.

3. Conclusion

Telstra believes that by undertaking the steps set out above, it has addressed any potential equivalence issue that has arisen.