

Customer Responsiveness Strategy

Dated 23 June 2006.

Telstra Corporation Limited (ABN 33 051 775 556) ("**Telstra**")

Disclaimer

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1 Purpose

- 1.1 The processes described below will meet the purpose of the Customer Responsiveness Strategy which is to:
- (a) ensure that Telstra is responsive to complaints made by its wholesale customers;
 - (b) establish a process for resolving disputes between Telstra and its wholesale customers; and
 - (c) describe the measures that Telstra will implement to monitor its compliance with the Service Quality Strategy and the Information Equivalence Strategy.

2 Complaints management and service improvement

General

- 2.1 As required by clause 4.11 of the OSP:
- (a) clauses 2.2 to 2.5 describe processes for dealing with day-to-day complaints by wholesale customers, including a process for ensuring that complaints are dealt with in a timely and effective manner; and
 - (b) clause 2.6 describes a process for Telstra to conduct regular reviews with wholesale customers about the quality of Eligible Services supplied to wholesale customers and management by Telstra of wholesale customers' concerns.

For the avoidance of doubt, this clause 2 applies in respect of wholesale customers only.

Day-to-day complaints management and service improvements

- 2.2 Telstra will deal with day to day complaints by wholesale customers and have processes to ensure that such complaints are dealt with in a timely and effective manner by, among other things:
- (a) providing help desk facilities to deal with a range of customer enquiries and customer disputes;
 - (b) providing defined escalation procedures to address operational and commercial issues that arise between Telstra and wholesale customers; and
 - (c) making available a policy document that sets out the baseline principles and procedures that Telstra will follow to assist in the resolution of disputes.

Help desk facilities

- 2.3 Telstra provides help desk facilities accessible by telephone, fax, email or other electronic interface (depending on the service or product) for the lodgment of and to assist in the resolution of:
- (a) enquiries in relation to ordering and provisioning activity;

- (b) billing and service enquiries (that is, where the wholesale customer requests clarification of an invoiced service charge but does not dispute the validity of the invoiced service charge or claim breach of service terms);
- (c) enquiries in relation to service difficulties and faults; and
- (d) billing disputes (that is, enquiries where the wholesale customer challenges the validity of a charge and where the customer in some circumstances can withhold payment as a result).

Such facilities are provided by Telstra pursuant to its contractual arrangements with wholesale customers. Details regarding the help desk facilities available to a wholesale customer will be agreed between Telstra and the customer and set out in Telstra's agreement with that customer.

Escalation procedures

2.4 Telstra provides defined escalation procedures to address operational and commercial issues arising through the performance of its contractual obligations (for example, issues arising out of delays in service provisioning or restoration, where wholesale customers have special end user requirements or in emergencies), where these are unable to be resolved at the help desk level. The escalation path may take the form of regular working groups, service review groups, electronic lodgment of complaints or recourse to designated individual personnel available on request. What constitutes the appropriate escalation path will depend on factors such as:

- (a) the nature of services acquired by the wholesale customer;
- (b) the type and level of technical expertise required to manage the issue (for example, billing expertise, engineering expertise, regulatory expertise, operational and systems expertise);
- (c) the nature of Telstra's routine contact with the wholesale customer, with escalation points typically one-up managers of routine contact points for the wholesale customer;
- (d) the wholesale customer's preferences and the development of the wholesale customer relationship over time;
- (e) the degree of automated processing available for the relevant services and type of issues; and
- (f) the operational and commercial efficiency of both Telstra and the wholesale customer.

Telstra's contractual arrangements with a wholesale customer will set out the escalation procedures applicable to issues that arise between Telstra and that wholesale customer. Such arrangements may take into account some or all of the above factors, as well as other factors relevant to the specific customer.

Telstra may also provide fastracks in limited circumstances and in accordance with defined internal policy guidelines (for example, in disaster recovery situations).

Escalations and fastracks (not separately governed by the terms of any contractual arrangement with a wholesale customer) will generally not be available where the

wholesale customer requires the escalation or fastrack due to its own actions (for example, the wholesale customer committed to a shorter time frame with its end user than is offered by Telstra).

Complaints Management Policy

2.5 Telstra will produce and publish on its internet site a Complaints Management Policy (as amended from time to time) for the information of its wholesale customers. The Complaints Management Policy will set out a baseline set of principles and procedures that Telstra will follow where no formally agreed process applies (noting that Telstra has agreed specific complaints processes with many of its existing wholesale customers, and these will apply in accordance with contract law).

Regular reviews

- 2.6 Telstra will conduct regular reviews (at least annually) with wholesale customers about the quality of Eligible Services supplied to wholesale customers and for the management by Telstra of wholesale customers' concerns, including:
- (a) providing a process to enable wholesale customers to provide views and advice on how the operational or technical attributes of Eligible Services supplied to them by Telstra could be improved in order to better meet their needs;
 - (b) providing a process for the views and advice provided by wholesale customers to be passed on to the Key Network Services Business Unit for consideration;
 - (c) developing an action plan to improve any areas identified by Telstra (as a result of the feedback from wholesale customers) to be problematic;
 - (d) monitoring the performance and completion of any action plans made under clause 2.6(c);
 - (e) measuring the improvements achieved as a result of any action plans made under clause 2.6(c); and
 - (f) reporting to the Director of Equivalence on the performance and completion of any action plans made under clause 2.6(c) and any improvements achieved as a result.

Telstra will also use these regular reviews as a means of monitoring complaints (if any) made in relation to Telstra's obligations under clause 3.5 of the OSP.

The above provides a baseline set of procedures that Telstra will follow where no formally agreed review process applies (noting that Telstra has agreed specific review processes with many of its existing wholesale customers and these will apply in accordance with contract law).

3 Alternative dispute resolution for disputes regarding technical or operational attributes of services

Alternative dispute resolution

- 3.1 As required by clause 4.11 of the OSP, this clause 3 establishes a dispute resolution process that can be nominated by Telstra or a wholesale customer as an alternative to

notifying a dispute between such parties to the ACCC (or continuing a previous notification) or initiating court proceedings.

- 3.2 This clause sets out different types of alternative dispute resolution processes (“**ADR Processes**”) that may be nominated by either Telstra or a wholesale customer, depending on the nature of the dispute.
- 3.3 The ADR Processes in this clause 3 only apply to disputes between Telstra and wholesale customers about the technical or operational attributes of Eligible Services supplied to wholesale customers. Disputes regarding other matters (including billing or payment disputes) will be subject to separate arrangements agreed between Telstra and wholesale customers.
- 3.4 Telstra will:
- (a) incorporate the ADR Processes in this clause 3 into the terms of Telstra’s standard contracts with its wholesale customers and ensure that such terms are made available to:
 - (i) new wholesale customers;
 - (ii) any existing wholesale customer who is offered new or amended contract terms; and
 - (iii) any existing wholesale customer who requests that such ADR Processes be included in their contract with Telstra; and
 - (b) ensure that notice of the ADR Processes in this clause 3 and the rights of new and existing wholesale customers to adopt terms incorporating such ADR Processes is posted on the Wholesale Business Unit internet site.

General

- 3.5 An ADR Process can be nominated by either party to the dispute in accordance with clause 3.11 as an alternative to notifying a dispute (or continuing the notification of a dispute) with the ACCC or litigation. However, this type of process will only apply if both parties agree to participate in an agreed process and agree the terms of such process in accordance with clause 3.12.
- 3.6 If both parties agree to participate in an ADR Process, a party may not commence court proceedings except to the extent allowed under these procedures, or if urgent interlocutory relief is sought prior to the ADR Process coming to an end.
- 3.7 If the parties agree to engage in an ADR Process, and agree the terms of the process, the parties will enter into a legally enforceable contract to engage in the ADR Process. Such contract will, without limitation, specify that the outcome of the ADR Process will be binding on both parties to the dispute.
- 3.8 For the avoidance of doubt, nothing in this clause 3 restricts Telstra or a wholesale customer from taking action in relation to matters unrelated to the technical or operational attributes of Eligible Services supplied to that wholesale customer, such as actions in relation to advertising, consumer protection or breach of confidentiality.

Notice of Dispute

- 3.9 For the ADR Process to apply to a particular dispute, Telstra or the relevant wholesale customer must give notice to the other party of a dispute relating to the technical or operational attribute of an Eligible Service supplied to the wholesale customer.

Negotiation

- 3.10 Representatives of the parties must meet and use their best endeavours to negotiate a settlement of the dispute within 10 Working Days of receipt of the notice of the dispute by the respondent party.

External procedures prior to litigation - Nomination of ADR Process

- 3.11 If the dispute cannot be resolved within the time period specified in clause 3.10, then either party may nominate an ADR Process to escalate the matter to, being either:
- (a) Resolution @SPAN under its mediation framework (or a different body performing a similar function or, if agreed, mediation under an alternative mediation framework such as the Australian Commercial Disputes Centre under its commercial mediation framework); or
 - (b) determination by an independent technical expert nominated and agreed by both parties.

If the matter is nominated for escalation by either party under this clause and the other party agrees to participate in the nominated ADR Process, then both parties must pursue the relevant ADR Process prior to exercising their rights at law.

The nomination by a party of an ADR Process must be given within 1 Working Day of the end of the time period specified in clause 3.10. Any agreement by the other party to the nominated ADR Process must be given within 1 Working Day of the expiry of the time period for nomination of an ADR Process or this dispute process comes to an end.

Participation in ADR Processes

- 3.12 If the parties agree to participate in the ADR Process nominated by the notifying party under clause 3.11, representatives of the parties must (unless agreed otherwise):
- (a) within 1 Working Day of such agreement, prepare and exchange draft terms relating to the ADR Process based on the types of matters set out in clauses 3.13 and 3.14; and
 - (b) within 5 Working Days of the draft terms referred to in clause 3.12(a) being prepared, meet and use their best endeavours to agree the terms of the ADR Process. If the parties cannot agree the terms of the ADR Process within 5 Working Days of meeting, or the parties fail to meet within the required time, either party may pursue its rights at law.

Mediation

- 3.13 Following are the types of matters which the parties may agree as the terms of any mediation process:
- (a) preparation by the party initiating the dispute of a statement detailing the matters in the dispute to accompany the referral of the dispute to mediation;

- (b) the mediation of the dispute must be conducted in accordance with the agreement reached by the parties under the particular mediation framework (for example, Resolution@SPAN or the Australian Commercial Disputes Centre);
- (c) if, following referral of a dispute to mediation, either party does not agree to proceed to mediation or no agreement has been reached as a result of the mediation within the period agreed in writing by the parties, then, notwithstanding anything to the contrary in the particular mediation framework, either party may commence legal proceedings to resolve the dispute; and
- (d) any agreement reached as a result of mediation will be binding on both parties.

Technical Determination

3.14 Following are the types of matters which the parties may agree as the terms of any technical determination process:

- (a) preparation by the party initiating the dispute of a statement detailing the matters in the dispute to accompany the referral of the dispute to the independent technical expert;
- (b) the parties must agree and appoint a suitably qualified independent technical expert to determine the matters in the dispute. If the parties cannot agree such an expert within an agreed period, an expert will be appointed by a nominated body (for example, the Australian Commercial Disputes Centre);
- (c) the independent technical expert must:
 - (i) initiate such inquiries and investigations as it considers necessary or desirable for the purposes of performing its functions; and
 - (ii) determine and inform the parties to the dispute of a time for presentation to the expert by the parties of their respective submissions. Unless the expert otherwise agrees with both parties, the presentation must be no later than an agreed period after the appointment of the expert;
- (d) the independent technical expert must make its determination in respect of the dispute within a period agreed by the parties after its appointment as the expert. If the independent technical expert does not make a determination within this time, either party may commence legal proceedings to resolve the dispute;
- (e) the independent technical expert must act as an expert and not an arbitrator;
- (f) any determination made by the independent technical expert is binding on both parties;
- (g) the independent technical expert must keep confidential all materials and information made available to it by the parties in respect of the dispute; and
- (h) the independent technical expert is released by the parties to the dispute from liability (other than for fraud) in acting as an expert in accordance with these procedures.

Litigation or ACCC arbitration

- 3.15 If the parties are unable to resolve all or any part of the dispute, a party may commence legal proceedings or notify a dispute to the ACCC to resolve the remaining matters which the parties are unable to agree or resolve.

End of the dispute resolution process

- 3.16 If, at any time, either party does not invoke a procedure specified in this clause 3 within the applicable time frame, this dispute resolution process will have come to an end, and either party may pursue its rights at law.

4 Monitoring compliance

Compliance with Service Quality Strategy

- 4.1 Telstra will ensure and monitor compliance with the requirements of the Service Quality Strategy by:
- (a) developing internal procedures (which will be available to affected Telstra staff and must be followed by such staff as part of their employment arrangements with Telstra) explaining various responsibilities of Telstra under the Service Quality Strategy;
 - (b) providing online training (as part of the induction of new Telstra staff and regularly following induction) for affected Telstra staff in relation to the Service Quality Strategy and the supporting internal procedures;
 - (c) ensuring the Director of Equivalence carries out the monitoring and compliance functions in clause 6.6 of the OSP in relation to the Service Quality Strategy;
 - (d) implementing the requirements of the OSP as they relate to the Service Quality Strategy, including the provisions concerning the preparation and publication of an annual compliance report and an independent audit report; and
 - (e) implementing the requirements of the Service Quality Strategy, including the preparation of reports on Telstra's performance against the key performance indicators required by clause 4.4 of the OSP.
- 4.2 Telstra will, in addition to or as part of the measures adopted to satisfy the requirements of clause 4.1:
- (a) identify any failure to meet the obligations (including the key performance indicators) set out in the Service Quality Strategy;
 - (b) document any wholesale customer complaints in respect of such a failure, (noting that such complaints may be documented in the course of the customer reviews described in clause 2.6 of this Customer Responsiveness Strategy, or otherwise where raised by customers); and
 - (c) take action as necessary to respond to complaints referred to in paragraph (b), including on a systemic basis where required, and documenting responses.

Compliance with Information Equivalence Strategy

- 4.3 Telstra will ensure and monitor compliance with the requirements of the Information Equivalence Strategy by:
- (a) developing internal procedures (which will be available to affected Telstra staff and must be followed by such staff as part of their employment arrangements with Telstra) explaining various responsibilities of Telstra under the Information Equivalence Strategy;
 - (b) providing online training for (as part of the induction of new Telstra staff and regularly following induction) for affected Telstra staff in relation to the Information Equivalence Strategy and the supporting internal procedures;
 - (c) ensuring the Director of Equivalence carries out the monitoring and compliance functions in clause 6.6 of the OSP in relation to the Information Equivalence Strategy;
 - (d) implementing the requirements of the OSP as they relate to the Information Equivalence Strategy, including the provisions concerning the preparation and publication of an annual compliance report and an independent audit report;
 - (e) implementing the requirements of the Information Equivalence Strategy, including preparation of long term notification reports and short term operational notifications.
- 4.4 Telstra will ensure and monitor compliance with the requirements of the Information Equivalence Strategy by:
- (a) identifying any failure to meet the target timeframes identified in the Network Notification Process for provision of information about relevant changes to network functionality, network architecture, network capacity and operational support systems;
 - (b) recording any wholesale customer complaints in respect of such a failure (noting that such complaints may be documented in the course of the customer reviews described in clause 2.6 of this Customer Responsiveness Strategy, or otherwise where raised by customers); and
 - (c) taking action necessary to respond to complaints referred to in paragraph (b), including on a systemic basis where required, and documenting responses.

Other Compliance and Reporting

- 4.5 At the end of each calendar quarter (commencing at the end of the first calendar quarter after this Customer Responsiveness Strategy commences) Telstra will measure the percentage difference (if any) in the percentage of bona fide complaints from wholesale customers and the Retail Business Unit about the operational quality of the supply of a Designated Service resolved by the Key Network Services Business Unit within 30 days from receipt of a complaint during the calendar quarter.
- 4.6 The Director of Equivalence will have responsibility for:
- (a) overseeing any remediation undertaken under this Customer Responsiveness Strategy; and
 - (b) monitoring the adequacy of processes for investigating and responding to complaints from wholesale customers.

5 Implementation

- 5.1 In accordance with clause 4.3 of the OSP, Telstra will comply with this Customer Responsiveness Strategy from 31 July 2006.

6 Definitions

- 6.1 In this Strategy, the following words have the following meanings:

“**OSP**” means the operational separation plan approved by the Minister under clause 55(1) of Schedule 1 of the Telecommunications Act 1997 (*Cth*) on 23 June 2006.

“**Resolution@SPAN**” means the alternative dispute resolution body operated by the Service Providers Association Incorporated.

All other capitalised terms have the meaning given to those terms in the OSP.