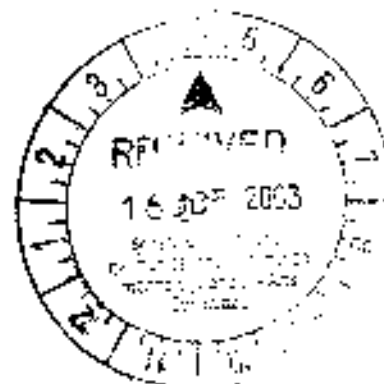




Senator Alan Eggleston
Chair
Senate Environment, Communications, Information Technology
and the Arts Legislation Committee
Parliament House
CANBERRA ACT 2600



Dear Senator Eggleston

Inquiry into the Provisions of the *Telstra (Transition to Full Private Ownership) Bill 2003*

The ACA would like to clarify certain information provided during its appearance on 7 October 2003 before the Committee for the benefit of the Committee's further deliberations and report.

Payphones

The ACA reports quarterly and annually on several measures of Telstra's payphone performance: payphone downtime (percentage of potential time in the reporting period); fault repair (average business hours to clear a fault and percentage of faults cleared against timeframes comparable to CSG); trouble reports (average per payphone per month); and availability (percentage of payphones available to make calls).

When reporting this information the ACA is careful to explain the basis for each measure (see for example Telecommunications Performance Monitoring Bulletin, Issue 25, June 2003 Quarter, p 18).

The availability measure was the subject of particular comment and claims have been made that it only relates to the ability to make emergency 000 calls.

Telstra's payphone availability measure relates to more than the ability to make emergency calls. The payphone availability measure refers to the percentage of Telstra operated payphones that are available at any time to allow:

- paid calls using *either* coins *or* Phonocard;
- calls to the operator;
- calls to emergency services using 000; and
- calls to 1800 services and other carrier services.

According to this definition, a payphone equipped with both card and coin payment options would be considered available if one of the coin or card payment mechanisms were available (but not if only access to 000 were available). This measure is based on the automatic fault detection technology inside 93 per cent of Telstra operated payphones.

The payphone downtime, fault repair and trouble reports all relate to maintenance of full functionality of the payphone service, not just to 'availability'. These measures are better reflections of the extent to which Telstra is meeting the community's reasonable expectations of the full utility of the payphone service. The availability measure provides useful supplementary information about the role of the payphone service as a safety net communication mechanism.

From time to time the ACA has arranged for audits of Telstra operated payphones. Such an audit of 501 Telstra operated payphones was conducted in June and July 2001. This involved people physically testing the types of calls that could be made from each payphone.

The "fully functional" measure referred to the percentage of tested payphones that could be used successfully to make all call types for which they are equipped and had satisfactory line conditions. That is, a coin and card payphone would be required to allow the following call types with satisfactory line conditions:

- local call using coins;
- local call using Phonecard;
- STD call using coins;
- STD call using Phonecard;
- 000
- 1800

82 per cent of the 501 tested payphones were categorised as fully functional.

Network Reliability Framework (NRF)

Under the NRF, which has been operating since January 2003, monthly figures on the percentage of Telstra's services without a fault and the percentage of services available are gathered and then published quarterly in the ACA's *Telecommunications Performance Monitoring Bulletin*. Telstra is also required by licence condition to publish these figures on its website.

Figures published in a table in the most recent Bulletin (on page 29) included the national average for services without a fault for May (98.97 per cent), June (99.18 per cent) and July (99.12 per cent). This gave a year-to-date monthly average of 99.06 per cent. The heading of the column where this figure appears is '2003 average', which has been interpreted by some readers as a yearly average rather than a year-to-date monthly average. This heading will be changed in future Bulletins to avoid the possibility of confusion.

While the recently published fault performance figure of 99.06 per cent is a year-to-date monthly average, it obviously implies a lower annual performance figure. However, it will not be possible for an actual annual figure to be reported until the figures for the full 12 months are available.

Please note that the implication of lower annual performance does not similarly apply to the "Percentage service availability" figures (which are an instantaneous measure, or "snapshot") also reported on p29 (ie. if Telstra continues to perform similarly for the remaining months of 2003 the reported national monthly average of 99.93 per cent will directly reflect annual outcomes).

Some minor points would also improve the record viz. the Hansard's spelling of "tail" and "tails" in our evidence (p25). Furthermore, we believe that Senator Lechen's question (on p 35) referred to "rectification" and not "ratification". at least that is the assumption we made in our answer.

I trust this information will be of assistance to the Committee. If further explanation or information would be of assistance please contact me.

Yours sincerely



Dr Bob Horton
Acting Chair

14 October 2003