

Enforceable Undertaking by Telstra Corporation Limited

Section 572B Telecommunications Act 1997 (Cth)

The commitments in this Undertaking are given to the Australian Communications and Media Authority under section 572B of the *Telecommunications Act 1997* by

Telstra Corporation Limited (ACN 051 775 556)
Level 41, 242 Exhibition Street
Melbourne VICTORIA 3000

A. DEFINITIONS AND INTERPRETATIONS

In this Undertaking:

ACMA means the Australian Communications and Media Authority;

Act means the *Telecommunications Act 1997*;

Belong means Telstra Corporation Limited (ACN 051 775 556) trading as Belong Broadband;

CSP means carriage service provider;

Effective Date means the day on which the ACMA accepts and duly executes a copy of the Undertaking that has been executed by Telstra;

NBN means National Broadband Network;

NBN CSP means a CSP that supplies a service to a consumer using an NBN ethernet product;

Relevant period means between 1 February 2019 and 30 April 2019;

Service Continuity Rules means the Service Continuity Standard and Service Migration Determination;

Service Continuity Standard means the Telecommunications (NBN Continuity of Service) Industry Standard 2018;

Service Migration Determination means the Telecommunications Service Provider (NBN Service Migration) Determination 2018;

Telstra means Telstra Corporation Limited (ACN 051 775 556);

Undertaking means this undertaking given to the ACMA by Telstra under section 572B of the Telecommunications Act.

Terms that are defined in the Act, the Service Continuity Standard and the Service Migration Determination have the same meanings in this Undertaking as they have in that Act, Standard and Determination.

B. BACKGROUND

Telstra, Belong and the Service Continuity Rules

1. This Undertaking responds to findings by the ACMA in relation to both Telstra and Belong. Unless indicated otherwise, reference to 'Telstra' refers to Telstra as a carriage service provider (CSP) in relation to both the Telstra and Belong businesses.

2. Amongst other services, Telstra supplies broadband services, fixed voice services and mobile services to the public. Telstra's Belong business supplies broadband services and mobile services. Telstra is therefore a CSP as defined in the Act in respect of the services supplied by both businesses.
3. Both the Telstra and Belong businesses supply services to consumers using NBN ethernet products. Telstra is therefore an NBN CSP for the purpose of the Service Continuity Rules.
4. As a CSP, Telstra must comply with:
 - a) the service provider rules set out in the Service Migration Determination in accordance with subsection 101(1) of the Act.
 - b) the Service Continuity Standard under subsection 128(1) of the Act.

Section 9 of the Service Migration Determination: Requirement to supply an interim service

5. Under subsection 9(1) of the Service Migration Determination an NBN CSP must, subject to certain preconditions and exceptions, supply a consumer with an interim service where:
 - a) the migration at the consumer's premises has been unsuccessful, and is unlikely to be successful within three working days of the NBN CSP becoming aware of the unsuccessful migration (unsuccessful migration event); or
 - b) the migration at the consumer's premises has been successful, but an operational NBN service has not been supplied to the consumer and cannot be supplied to that consumer within three working days of the NBN CSP becoming aware that the consumer's NBN service is not operational (non-working NBN service event).

Section 11 of the Service Migration Determination: Requirement to advise a consumer

6. Under section 11 of the Service Migration Determination, where an NBN CSP must supply an interim service to a consumer, the NBN CSP must advise the consumer of specified information about the interim service, including timeframes for the supply of the service, details of the key features and limitations and any associated fees and charges.
7. The NBN CSP must advise the consumer of this information as soon as possible after becoming aware of the unsuccessful migration event or non-working NBN service event and before obtaining the consumer's consent to the supply of the service.

Section 16 of the Service Migration Determination and section 23 of the Service Continuity Standard: Requirements where there is an unreasonable delay in the supply of an operational NBN service

8. Under subsection 16(2) of the Service Migration Determination and subsection 23(1) of the Service Continuity Standard, if a service is not operational 20 working days after an unsuccessful migration or a non-working NBN service event, the NBN CSP must, within 2 working days, prepare a plan (a remedial plan) to get the NBN service working as soon as possible.
9. Under subsection 16(3) of the Service Migration Determination and subsection 23(2) of the Service Continuity Standard, the NBN CSP must send the remedial plan to the consumer within 2 working days of its being prepared.
10. If a service is still not operational a further 20 working days after the period mentioned in paragraph 8, under subsection 16(5) of the Service Migration Determination and subsection 23(4) of the Service Continuity Standard (as applicable), the NBN CSP must arrange for a technical audit to be completed within 10 working days.

ACMA's investigation and findings

11. On 10 October 2019, the ACMA opened an investigation under section 510 of the Act into Telstra's compliance with the Service Continuity Rules.
12. The ACMA concluded its investigation and provided Telstra with its final investigation report on 26 March 2020. The ACMA found that Telstra had contravened:
 - a) subsection 9(1) of the Service Migration Determination in relation to 23 Belong customers in the relevant period, by failing to provide an interim service where the customers' migration to the NBN was unsuccessful, and where an exception under subsection 9(2) did not apply;
 - b) section 11 of the Service Migration Determination in relation to 43 Belong customers in the relevant period, by failing to advise the customers of the applicable timeframes for the supply of an interim service, and details of the key features, limitations and charging arrangements for an interim service;
 - c) subsection 16(2) of the Service Migration Determination 1,838 times in relation to Telstra customers and 23 times in relation to Belong customers, by failing to prepare a plan within the required timeframe, directed at ensuring that the consumer is provided with an operational NBN service as soon as possible;
 - d) subsection 16(5) of the Service Migration Determination 369 times in relation to Telstra customers, by failing to arrange for a technical audit to be completed within the required timeframe;
 - e) subsection 23(1) of the Service Continuity Standard 1,362 times in relation to Telstra customers, and 7 times in relation to Belong customers, by failing to prepare a plan within the required timeframe, directed at ensuring that the customer is provided with an operational NBN service as soon as possible; and
 - f) subsection 23(4) of the Service Continuity Standard 474 times in relation to Telstra customers, by failing to arrange for a technical audit to be completed within the required timeframe.
13. Because the ACMA found that Telstra had not complied with the requirements of the Service Continuity Rules as set out in paragraph 12 above, the ACMA also found that Telstra had contravened:
 - a) subsection 128(1) of the Telecommunications Act 1,843 times during the relevant period because it did not comply with the Service Continuity Standard; and
 - b) subsection 101(1) of the Telecommunications Act 2,296 times during the relevant period because it did not comply with the Service Migration Determination.
14. Telstra acknowledges the ACMA's findings and, in response to those findings, Telstra offers this Undertaking to the ACMA directed towards fulfilling its obligations under the Service Continuity Rules.

Remedial action in relation to the Telstra business

15. Telstra has fully cooperated with the ACMA in its investigation and has undertaken significant remedial action to ensure ongoing compliance with the Service Continuity Rules.
16. Telstra has made the following improvements to its systems and processes:

- a) As a transitional measure, Telstra established a database in July 2019 allowing for the extraction of systems data and reporting in respect of Telstra's remediation letter and technical audit system tasks for consumer and small business. This reporting functionality is still available separately for consumer and small business but will be superseded by the permanent dashboard solution described in paragraph 18(a).
 - b) Telstra assigned responsibility for compliance with the Service Continuity Rules to the 'Connect & Care Improvement' team within Global Business Services.
 - c) Telstra delivered refresher training for remediation plans and technical audits task management to applicable operational staff in August 2019.
 - d) Telstra implemented system changes to its small business activations management platform to mandate selection of remediation letters and technical audits by agents.
 - e) Telstra has deployed system changes to its consumer activations management platform to undertake additional automated working service checks before remediation plan and technical audit task creation.
17. Telstra has put in place the following improvements to systems and processes (most of which are performed by Telstra's commercial partners) which have subsequently been adversely impacted by business disruption created by COVID-19 as described below in paragraph 24.
- a) Partner performance requirements were amended to include compliance with relevant Service Continuity Rules. These measures require partners to ensure same day completion of remedial plan and technical audit event tasks.
 - b) A daily Management Report was developed for relevant managers (including the relevant executive) detailing remediation plan and technical audit task completion and accuracy rate based on team leader audit outcomes.
 - c) A manual process was implemented to send remedial plans by post where Telstra does not have a reliable email address for the customer.
18. Telstra has made significant progress in developing an automated compliance reporting framework for Service Continuity (Dashboard) and several other IT improvements intended to ensure compliance with the Service Continuity Rules as follows:
- a). **(Dashboard)** Telstra has developed the Dashboard, which is an automated compliance reporting framework to enable automated extraction of systems data (relating to NBN connection status, including remediation plan and technical audit tasks). Once the Dashboard has been finalised, automated data feeds from all system sources that are relevant to NBN services will be automatically imported into the Dashboard to enable comprehensive reporting and status updates including remediation plans and technical audits.
 - b) **(Automated delivery of remediation plans and technical audits)** Telstra has designed systems changes to automate the delivery of remediation plans and completion of technical audits. Once fully implemented, this is intended to enable the system to identify the requirement to issue a remediation plan to a customer, auto populate the contents of the plan and send it to the customer via email or trigger postal delivery (as required). It will also automatically populate technical audit outcomes based on system information.
19. The full deployment of both the Dashboard and automated delivery of remediation plans and technical audits has been delayed by the COVID 19 crisis, as described below in paragraphs 24 and 25.

Remedial actions in relation to the Belong business

20. Belong has made the following improvements to its systems and processes, as set out below:

- a) Belong rolled out a standardised email template for staff to send to customers advising details of the interim service to ensure compliance with section 11 of the Service Migration Determination;
- b) Belong reviewed its process documents relating to the remedial plans to ensure the processes are up to date and created a daily report to check any consumers who are required to receive a remedial plan to ensure that the plan is actioned;
- c) Belong conducted a review of systems and logic to ensure customers for whom Belong needs to provide the section 11 information and prepare a remedial plan are captured within the systems;
- d) Belong provided agent training on processes required for compliance with the Service Continuity Rules, highlighting the high priority of completing these tasks promptly and comprehensively; and
- e) Belong implemented a dashboard as part of its monitoring and alert processes.

21. Since in or around 1 February 2020, Telstra brought the management of Belong's compliance with the Service Continuity Rules (amongst other regulatory obligations) onshore and this is now managed by dedicated Service Activations Leads appointed to streamline processes and centralise the daily operation.

22. Belong is in the process of developing and implementing several system enhancements and process automation measures, including:

- a) **(Data Flow)**: improvements to Data Flow detection, to ensure data flow and usage details are recorded accurately at the time the service becomes usable;
- b) **(Automated identification)** redesigning the relevant case structure within the Belong customer relationship management tool to automatically trigger the need for an appropriate remedial plan; and
- c) **(Automated delivery of plans)** automation of milestone notifications by building triggers in the communications process to enable the system to automatically identify and send the appropriate remedial plans and information to the customer at the required times.

23. Pending full implementation of this process automation, Belong has implemented a semi-automated process where notifications to customers are sent in bulk rather than manually customer by customer.

Impact of COVID-19 on ongoing remediation by Telstra

24. The sudden and unprecedented COVID-19 pandemic has significantly and adversely impacted Telstra's operations and the operational capacity of Telstra and Belong to meet a number of their obligations under the EU.

25. As a result of the business disruption caused by the COVID-19 pandemic, several of the remediation actions outlined above are currently not operationally feasible including because of the following:

- a) a significant reduction in the availability of Telstra's workforce and contractors in India as a result of the Indian Government's decision to shut down more than 75 districts across the country; and

- b) increased demand on Telstra's workforce, including IT, to ensure network stability, emergency services calls and delivery of priority customer services in response to the COVID-19 pandemic.

C. UNDERTAKINGS

26. Telstra undertakes the following pursuant to section 572B of the Telecommunications Act:

- a) in respect of Belong – after 31 July 2020, Telstra will resume maintaining the improvements made to systems and processes set out in paragraph 20 and will implement the system enhancements and process automation measures in paragraph 22 by 31 January 2021; and
- b) in respect of Telstra (otherwise than in respect of Belong) – after 31 July 2020, Telstra will resume maintaining the actions described in paragraph 17 and will implement the IT process modifications described:
 - i) in paragraph 18(a), by 30 November 2020; and
 - ii) in paragraph 18(b), by 31 October 2020; and
- c) In respect of Telstra (otherwise than in respect of Belong) – from the Effective Date, Telstra will maintain the improvements to its systems and processes described in paragraph 16.

D. REPORTING

27. Within 30 days of the end of each quarterly period (**reporting period**) commencing 1 August 2020 for four consecutive quarterly periods, Telstra will complete a review of:

- a) its compliance with the remediation actions described in paragraphs 16, 17, 20 and 21; and
- b) the status of its implementation, and effectiveness of those IT system modifications described in paragraph 18 and 22.

28. Telstra will submit a written report to the ACMA within 30 days after the last day of each reporting period referred to in paragraph 27, setting out:

- a) the outcomes of the review referred to in paragraph 27; and
- b) the number of customers during the relevant review period:
 - i) that were entitled to be provided with a remedial plan under the Service Continuity Rules;
 - ii) that Telstra provided with a remedial plan;
 - iii) that were provided with a remedial plan within the required timeframe;
 - iv) for whom Telstra was required to complete a technical audit under the Service Continuity Rules;
 - v) for whom Telstra completed a technical audit; and
 - vi) for whom the technical audit was completed within the required timeframe.

29. The reports provided to the ACMA in accordance with paragraph 28 of this Undertaking will be in writing and signed by a representative of Telstra responsible for overseeing compliance with the Service Continuity Rules.

E. DURATION OF THE UNDERTAKING

30. This Undertaking comes into effect upon the Effective Date.
31. This Undertaking ceases to have effect from the date on which Telstra provides its final report to the ACMA under paragraph 28, unless:
- a) the ACMA gives written notice to Telstra cancelling this Undertaking in accordance with subsection 572B(4) of the Telecommunications Act, in which case this Undertaking ceases to have effect on the day that written notice of the cancellation is given to Telstra; or
 - b) the ACMA earlier consents to the withdrawal of this Undertaking in accordance with subsection 572B(3) of the Telecommunications Act, in which case this Undertaking ceases to have effect on the day that written notice of the consent is given to Telstra.

F. VARIATION OF THE UNDERTAKING

32. This undertaking may be varied in accordance with subsection 572B(3) of the Telecommunications Act, in which case this Undertaking will have the effect as varied on the day that written notice of the consent to vary this Undertaking is given to Telstra.


G. ACKNOWLEDGMENTS

33. Telstra acknowledges that the ACMA may:
- a) issue a media release on execution of this Undertaking referring to its terms and to the concerns of the ACMA which led to its execution;
 - b) publish this Undertaking or make this Undertaking available for public inspection;
 - c) publish details of the investigation referenced at paragraphs 12 and 13 above; and
 - d) refer to this Undertaking publicly from time to time.

EXECUTED by Telstra Corporation Limited (ACN 051 775 556) by its authorised representative on

24 July

2020



Signature of authorised representative

Lyndall Stoyles

Name of authorised representative

The Undertaking offered by Telstra Corporation Limited is accepted by the Australian Communications and Media Authority pursuant to section 572B of the *Telecommunications Act 1997* on

27 July

2020

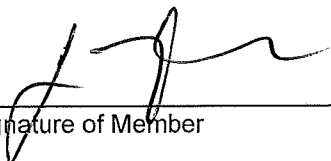
Signed for and on behalf of the Australian Communications and Media Authority by:



Signature of Member

NERIDA O'LOUGHLIN

Name of Member



Signature of Member

FIONA CAMERON

Name of Member