

## Occupational Health and Safety

### Occupational Health and Safety (Commonwealth Employees) Act 1991

This report is provided in accordance with Section 74 of the Occupational Health and Safety (Commonwealth Employment) Act 1991 (OHS Act).

Together with other Licensed Authorities under the Safety, Rehabilitation and Compensation Act 1988 (SRC Act), Telstra has initiated proposals for the rationalisation and simplification of excessive and ineffective regulation of its activities under the Occupational Health and Safety Act and the SRC Act. It is Telstra policy to promote a healthy workplace and to create and maintain a safe working environment, so that the human and material resources of the Company are effectively applied, with minimal loss, towards the achievement of our corporate goals.

As required by the OHS Act, training courses for Health and Safety representatives and for supervisors and managers, were conducted throughout the year. These courses are accredited by Comcare.

The number of Committees, Designated Work Groups and Health and Safety representatives in Telstra during the year ended 30 June 1998 was:

Number of Health & Safety Committees . . . . .	320
Number of Designated Work Groups . . . . .	741
Number of Health & Safety Representatives . . . . .	548
Number of Health & Safety Representatives' deputies . .	316

Numerous activities and measures were implemented during the year to ensure the health, safety and welfare of employees and contractors. Primarily, the Company began implementation of the Telstra Care health and safety management programme, designed to achieve a significant improvement in Telstra's health and safety performance. A particular focus of this programme is leadership in safety, management accountability, visible reporting of outcomes and regular audit against standards.

Operation of the Telstra Driver Safety Awareness programme continued, maintaining its high profile to reduce motor vehicle accidents. After accounting for a reduction in vehicle fleet size, accidents reduced by 18 per cent.

Accident reporting is being streamlined to improve the accuracy of management reporting. On-line accident reporting has now been implemented.

Two education programmes on plant and confined spaces have been developed in response to new regulations. These were in addition to continuing other hazard based injury prevention programmes such as on manual handling, chemicals, dangerous goods and noise.

The following statistics of accidents and dangerous occurrences and of notices were recorded for 1997/98.

#### Incidents

Fatality	Serious Personal Injury	Prescribed Incapacity	Dangerous Occurrence
1	154	368	468

#### Notices

Provisional Improvement Notices (Section 29) . . . . .	9
Directions not to Disturb Workplace (Section 45) . . . . .	0
Prohibition Notices Issued by Investigators (Section 46) . .	0
Improvement Notices Issued (Section 47) . . . . .	3

### Safety Rehabilitation and Compensation Act 1988

Last year's report served notice of Telstra's successful application, as a self insurer, to the Safety, Rehabilitation and Compensation Commission (SRC) for a licence to contract out the administration of its workers' compensation claims to the private sector.

Since 1 July 1997, the processing of all new and existing claims has been successfully transferred from Telstra to GIO Australia Ltd (GIO) with existing levels of customer service and claims management practices maintained and in some areas improved. For example, in the first 12 months of GIO's Telstra operations, GIO has determined more than 80 per cent of claims within 10 days, to be one of the few bodies to meet the regulatory standard.

GIO also satisfied audits by Telstra of all State based operations and by the SRC Commission's Licensing Group in December in GIO's NSW State Operations.

The compensation claim documentation and process has been streamlined to improve compliance with reporting time regulatory standards. Telstra also met compliance standards in a self audit of rehabilitation operations conducted on behalf of the SRC Commission.

Telstra has commenced a series of continuous improvement initiatives to speed up and increase the effectiveness of injured employees' return to work. This work is targeted at a simpler process, clearer accountabilities and better support to managers.

## Freedom of Information

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### Freedom of Information Act 1982

The Freedom of Information Act 1982 gives a right of access, subject to exemptions and exceptions, to information held in documentary form by the Telstra Entity.

This statement is made in accordance with Section 8 of the Freedom of Information Act.

#### Functions

The particulars and functions of the Telstra Entity are set out in detail in this Annual Report. From time to time the Telstra Entity may make decisions regarding the supply of telecommunications services and matters incidental, ancillary or complementary to the supply of telecommunications services that may affect members of the public.

#### Organisation

Particulars of Telstra's organisation can be viewed in Item 1.

#### Categories of Documents

Documents are maintained under the following general categories:

- tariffs and charges;
- customer services and products;
- network planning;
- installation and performance;
- legislative and regulatory contracts;
- tenders;
- agreements;
- financial management;
- administrative; and
- documents available to the public free of charge, including the whole or part of, or a summary of, the material terms and conditions of Telstra's Standard Form of Agreement with customers insofar as it relates to a customer's commercial relationship with Telstra, A Guide to Telstra's Services, product and service brochures and Telstra's Annual Report.

Access to certain classes of documents is available to the public via Telstra's Internet site: <http://www.telstra.com.au>

#### Consultative Arrangements

Telstra's Consumer Consultative Councils and the Telstra Small Enterprise Consultative Council provide formal links between Telstra and consumer groups representing residential and small business customers.

Consultative arrangements also exist with a wide range of groups including: the Australian Communications Industry Forum; the Telecommunications Access Forum; the Australian Telecommunications Industry Association (telecommunications industry); the Australian Information Industry Association (computer industry); the Australian Telecommunications Users

Group (business and general); the Australian Subscription TV & Radio Association (Pay TV and narrowcast radio); the Federation of Australian Radio Broadcasters (commercial radio); and with a number of user groups in relation to specific products.

#### Freedom of Information Requests

##### Statistics

During the year ended 30 June 1998, Telstra received 87 requests under the Freedom of Information Act. In responding to these requests and the ten requests already on hand, 14 requests were granted full access, 32 requests were granted part access, 39 requests were refused and one application was withdrawn. At 30 June 1998 there were 11 requests requiring a decision.

There were nine applications received for internal review. In responding to these and the two applications already on hand, two applications resulted in a decision being made to provide greater access and five of the applications resulted in a decision to affirm the original decision on access. At 30 June 1997 there were four applications requiring a decision.

There was one appeal made to the Administrative Appeals Tribunal against decisions made on internal review, together with the four appeals carried over from the previous year. Two appeals resulted in greater access being granted, one appeal was withdrawn and there remain two appeals to be heard.

There were two requests for amendment of personal records. Both these requests resulted in refusal.

The processing costs were in the order of A\$114,000. An amount of A\$1,320 was recovered in respect of fees levied under the Freedom of Information Act.

##### General

Initial enquiries concerning requests for access to documents or amendment of personal records pursuant to the Freedom of Information Act 1982, may be directed to Telstra's Freedom of Information Unit, Locked Bag 5691, Melbourne 8100, or to Telstra offices at 242 Exhibition St, Melbourne. Telephone enquiries should be directed to the Manager, Freedom of Information on (03) 9632 3371.

##### Personnel Records

A person who is or was an employee of Telstra may only apply for access to personnel records under the Freedom of Information Act where a request has first been made for access under the internal Telstra process and the applicant is either dissatisfied with the result or has not been notified of a decision within 30 days.

## Glossary

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**AAPT:** AAP Telecommunications Pty Limited

**ACA:** Australian Communications Authority

**ACAF:** Australian Communications Access Forum

**ACCC:** Australian Competition and Consumer Commission

**Access Line:** a fixed or wireless local access connection between a customer's premises and a Carrier's local switch

**ACIF:** Australian Communications Industry Forum

**ADSL (Asymmetric Digital Subscriber Line):** a compression technology that allows combinations of services including voice, data and one-way, full motion video to be delivered over existing copper feeder, distribution and subscriber lines

**AMH:** Australis Media Holdings Ltd

**AMPS (Advanced Mobile Phone System):** a mobile telephone system predominantly based on analogue transmission

**(ATM) Asynchronous Transfer Mode:** a high bandwidth, low delay technology for transmitting voice, data and video signals

**AUSTEL:** Australian Telecommunications Authority

**Australis:** Australis Media Limited

**Bandwidth:** the capacity of a communication link

**Broadband Network:** a network to support pay television and on-line services

**BTA:** British Telecom Australasia Pty Limited

**CSP (Carriage Service Provider):** a person that supplies a telecommunications service to the public using Carrier network infrastructure

**Carrier:** a licensed owner of certain specified transmission infrastructure that is used to supply telecommunications carriage services to the public; any person holding a Carrier licence

**Churn:** the rate at which subscribers to a service disconnect from the service. Churn is usually expressed as total disconnects for a period divided by the average number of customers for that period

**Communications Minister:** the Commonwealth Minister for Communications, the Information Economy and the Arts

**Commonwealth:** Commonwealth of Australia

**Company:** Telstra Corporation Limited and its controlled entities as a whole

**Compression:** a technology which makes better use of the bandwidth required to send information

**CSG:** Customer Service Guarantee

**Data Mode of Operation Study:** a Telstra internal project examining the requirements arising from the market for the Internet and more general data needs, to determine the most appropriate network architecture to support this data paradigm

**Declared Services:** a particular telecommunications service, or other service that facilitates the supply of services, that is subject to the regulated access regime. The ACCC has the responsibility for determining declared services, based on public inquiries or the recommendation of the ACAF

**DOCA:** the Commonwealth Department of Communications and the Arts

**eCommerce:** eCommerce includes buying and selling electronically over a network

**ETSI:** European Telecommunications Standards Institute. A body which sets European standards for telecommunications services

**Final Instalment:** Final Instalment refers to the remaining amount due on the aggregate purchase price for the Shares with respect to that Share

**Frame Relay:** a packet switching technology for voice, data and video signals which uses packets of varying length, or frames. Frame relay can be used with any data protocol

**FTA:** Free-to-Air

**Galaxy:** Galaxy Network International Pty Ltd

**Government:** the Government of the Commonwealth of Australia

**GSM (Global System for Mobile Communications):** a mobile telephone system based on digital transmission

**International Switched Transit:** the process by which traffic from one country to a second country is switched via a third country

**ISP (Internet Service Providers):** An Internet Service Provider provides the link between an end user and the Internet, usually by means of a dial-up service. An ISP is also likely to provide help desk, web hosting and e-mail services to the end user. An ISP may connect to the Internet via their own backbone or via services acquired from an Internet Access Provider

**Intranet:** a private network which uses Internet software and standards

**ISDN (Integrated Services Digital Network):** a digital service providing switched and dedicated integrated access to voice, data and video

**JORN:** Jindalee Operational Radar Network

## Glossary

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**LAN:** local area network - a short distance data communications network used to link computers and other equipment

**Local Exchange:** provides the point of connection for access lines to the telecommunications network and switches originating and terminating traffic to these access lines (customers)

**Networks and Systems Modernisation Programme:** refers to the Future Mode of Operation (FMO) programme which incorporated the simplification and modernisation of the network including the digitisation of the PSTN switches and provision of SDH transmission systems. It also included the integration and modernisation of service activation and assurance systems to support front of house activities

**Number Portability:** the ability of end users to keep their telephone number when they change their telephone service provider

**OTC:** Overseas Telecommunications Commission

**PBX (Private Branch Exchange):** telephone switch on a customer's premises seen as terminal equipment on the public network

**Preselection:** the ability of a customer to choose a service provider. Pre-selection is on a "permanent" basis (when the customer selects a provider for all calls placed without an override code)

**PSTN (Public Switched Telephone Network):** Telstra's national fixed network delivering basic and enhanced telephone service

**Reseller:** non-Carrier providers of telecommunications services

**Refile traffic:** When international traffic between a source and a destination is routed via one or more intermediate locations

**Telstra:** Telstra Corporation Limited and its controlled entities as a whole

**Telstra Entity:** Telstra Corporation Limited

**Telstra®:** a registered Trade Mark of the Telstra Entity

**Telstra Act:** the Telstra Corporation Act 1991 (Cth)

**Telstra Multimedia:** Telstra Multimedia Pty Ltd, a wholly owned controlled entity of the Telstra Entity

**SureLink™:** Telstra's umbrella brand name for Electronic Commerce Services. SureLink™ incorporates a range of products that enable electronic trading of goods and services

**TIO:** Telecommunications Industry Ombudsman

**Trustee:** The Trustee refers to the Telstra Instalment Receipt Trustee under the Trust Deed, dated 28 September 1997 among the Commonwealth, the Trustee and the holders of IRs

**TSLRIC:** total service long run incremental cost

**US GAAP:** generally accepted accounting principles in the United States

**USO (Universal Service Obligation):** obligation imposed on Carriers to ensure that standard telecommunications services are reasonably available to all persons in the universal service area

**WAN:** wide area network

**Wireless Local Loops:** low power, multi-directional radio systems to supply access to customers

**X.25:** a protocol for a low speed packet switched data network

## Five Year Financial Summary

### Financial Summary for Fiscal Years Ending 30 June

	1998 A\$m	1997 A\$m	1996 A\$m	1995 A\$m	1994 A\$m
Sales Revenue . . . . .	16,819	15,436	14,716	13,613	12,788
Operating Revenue . . . . .	17,302	15,983	15,239	14,081	13,363
EBITDA <sup>(1)</sup>					
- before abnormals . . . . .	7,375	6,597	6,021	5,576	5,744
- after abnormals . . . . .	7,375	4,793	6,226	5,008	5,330
EBIT <sup>(2)</sup>					
- before abnormals . . . . .	5,053	4,244	3,670	3,372	3,621
- after abnormals . . . . .	5,053	2,406	3,875	2,804	3,207
Profit before Tax					
- before abnormals . . . . .	4,468	3,805	3,242	2,973	2,942
- after abnormals . . . . .	4,468	2,073	3,447	2,405	2,528
Profit after Tax & Minorities					
- before abnormals . . . . .	3,004	2,568	2,174	2,003	1,977
- after abnormals . . . . .	3,004	1,617	2,305	1,753	1,699
Dividend . . . . .	1,802	4,146	1,368	944	738
Total Assets . . . . .	26,470	25,858	24,362	24,083	21,139
Gross Debt . . . . .	7,772	7,981	5,143	5,856	5,733
Shareholders' Equity . . . . .	11,079	9,938	12,668	11,727	10,755
Operating Cashflow . . . . .	5,635	5,254	4,478	5,414	4,118
Cash used in Investing . . . . .	(3,609)	(4,171)	(3,870)	(3,112)	(2,132)
Cash used in Financing . . . . .	(1,808)	(1,572)	(1,659)	(340)	(3,121)
Net movement . . . . .	218	(489)	(1,051)	1,962	(1,135)
Capital expenditure & investments . . . . .	3,973	4,504	4,071	3,282	2,496
<b>Financial Ratios</b>	%	%	%	%	%
Return on Average Assets					
- before abnormals . . . . .	20.1	17.7	16.6	16.3	17.5
- after abnormals . . . . .	20.1	10.1	17.5	13.6	15.5
Return on Average Equity					
- before abnormals . . . . .	28.7	20.1	17.9	17.9	18.3
- after abnormals . . . . .	28.7	12.7	18.9	15.6	15.7
Interest Cover (times)					
- before abnormals . . . . .	7.6	9.7	8.6	8.4	5.3
- after abnormals . . . . .	7.6	5.5	9.0	7.0	4.7
Gross Debt to Capitalisation . . . . .	41.1	44.5	28.9	33.3	34.8
Net Debt to Capitalisation . . . . .	36.8	41.5	22.8	20.7	30.0

(1) Operating profit before interest received/receivable, interest expense (borrowing costs), depreciation and amortisation and income tax expense. EBITDA before abnormals used as a measure of financial performance by excluding certain variables that affect operating profits but which may not directly relate to all financial aspects of the operations of the Company. EBITDA before abnormals is not a measure of operating income, operating performance or liquidity under Australian GAAP or US GAAP.

(2) EBITDA before abnormals less depreciation and amortisation.