

Whistleblowing: Telstra's Approach

Fiona Mead
Assistant Company Secretary
Telstra Corporation



Introduction

- Telstra launched its Whistleblowing Policy and Service in May 2003. It replaced two helplines that had previously been in existence so not totally new
- It was launched in response to external factors but also to help promote some cultural change issues within the corporation
- The response has been exactly as we wished, which was positive but not "over the top"
- We use an external service provider which is working extremely well.



Why did Telstra introduce a Whistleblowing Policy?

- External legislative requirements:
 - Sarbanes-Oxley, ASX principles, CLERP 9, Australian Standard
- Compliance Audit Recommendations
- Cultural Issues - recent major re-organisation and relaunch of the "Telstra Values"
- Existing Helplines were not adequate for the kind of issues that were arising



How does the Policy Operate

- **Make Disclosure** - staff member contacts Whistleblowing Service. Report is sent to Asst. Co Secy and G.C. Counsel F&A. If it is an HR matter it is referred to HR. If not, referred to Ethics Committee to determine if investigation required. GMD HR and Group General Counsel kept informed.
- **BU Involvement** - Ethics Committee also determines if BU Whistleblowing representative needs to be involved
- **Investigate** - Investigation Team assembled, investigation conducted and documented. Report given to Ethics Committee
- **Determine Actions** - Ethics Committee determines Actions
- **Feedback** - Feedback given to person who made disclosure
- **Reporting** - Statistics on Whistleblowing service included in Compliance paper for Audit Committee
- We also have a fast track process for serious issues

Only genuine disclosures are investigated. Natural Justice is observed at all times.



Why an External Service Provider?

- Has expertise in dealing with employee disclosures and ascertaining what are genuine and non-genuine - we didn't have this kind of expertise in-house
- Are completely independent of Telstra so staff can be comfortable in contacting them - this makes the service more robust and credible
- Are able to manage the Whistleblowing term much better because are not part of Telstra



Natural Justice

- Extremely important from the outset that our policy took natural justice factors into account
- Our Senior Managers were also very concerned that the service not be an avenue for "trouble-making" and that there be no "witch-hunts"
- So far we have not had this problem but it is something we will continually monitor



What results have we seen?

- As at the end of July we have had 15 reports come in to our service provider
- We have also run some internally received reports through the process
- So far nothing earth shattering but also nothing frivolous or trouble making. Genuine people with genuine concerns about something in their workplace.
- Has taken a bit more time to administer than we expected
- Senior Management are a bit more comfortable with it than they were initially.



Conclusions

- For Telstra the introduction of a Whistleblowing Service has, so far, been a positive experience
- One of the reasons for this is that the Policy reflects the organisational culture so people are comfortable with it- it is important to take the time to ensure this
- Don't underestimate the time it will take to get the policy right, to get people comfortable with it, to get it up and running and to administer it.

