

Telecommunications
Industry
Ombudsman

Telecommunications Industry Ombudsman
2010 Annual Report
MAKING A DIFFERENCE

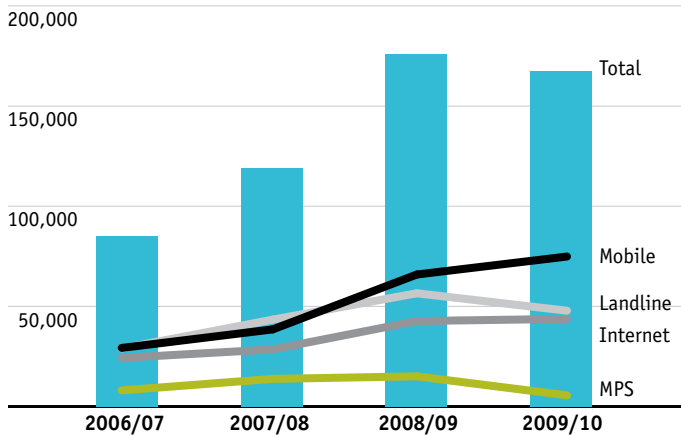


THE TELECOMMUNICATIONS INDUSTRY OMBUDSMAN 2009–2010

The Telecommunications Industry Ombudsman scheme is a complaint handling service for consumers and small businesses who have been unable to resolve a complaint with their service provider. Our mission is to provide free, independent, just, informal and speedy resolution of complaints.

Pleasingly, there has been some improvement in trends for telecommunications complaints in the past year, following a period of sustained and substantial increase.

New complaints



The 4.6% decrease in the number of New Complaints is largely due to the 15.7% and 70.5% decline in Landline and MPS* complaints, respectively.

The trend in New Complaints mirrors that of Case Levels, with Mobile complaints growing by a significant 14.1% and Internet by a moderate 2.8%.

A revised reporting approach

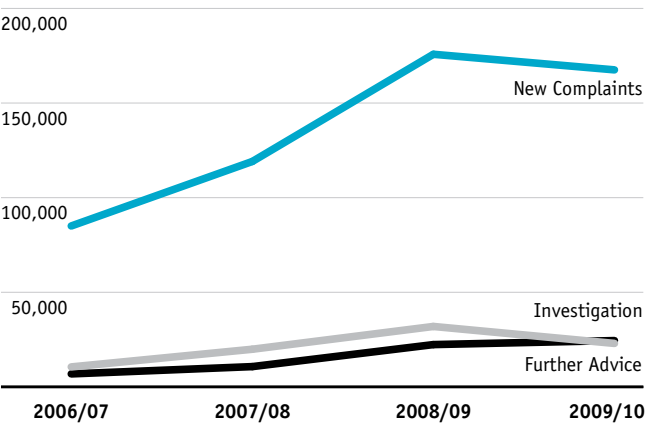
Aiming for greater transparency, the TIO has taken a new approach to reporting our statistics this year.

- We have highlighted the number of new complaints received by the TIO, representing individual consumers whose complaints have not been solved by service providers
- We continue to report on cases created by the TIO and the issues they raise, as a record of our work
- We also provide data on enquiries fielded by the TIO that we cannot investigate

Financial year	CASES A case is recorded for each level of a complaint					ALL CASES	Enquiries
	New Complaints Most new complaints are Level 1 cases where the TIO gives the service provider a final chance at resolving the case without further intervention by the TIO.	Further Advice Complainants may return to the TIO for a second time after they have spoken to the service provider, but need more advice or information.	Level 2 Cases that are not resolved by referral, and where the TIO conciliates the complaint.	Level 3 Cases requiring further investigation, including where the TIO provides advice about a fair outcome.	Level 4 Cases requiring a thorough and detailed investigation, and may result in a decision or direction by the TIO.		
FY 2006-07	85,188	10,559	5,837	837	42	102,463	20,258
FY 2007-08	119,248	19,899	8,641	1,842	112	149,742	23,263
FY 2008-09	175,963	31,937	17,402	4,321	442	230,065	31,753
	167,955	22,983	19,860	3,789	413	215,000	41,264
Change (%)*	-4.6	-28.0	14.1	-12.3	-6.6	-6.5	30.0

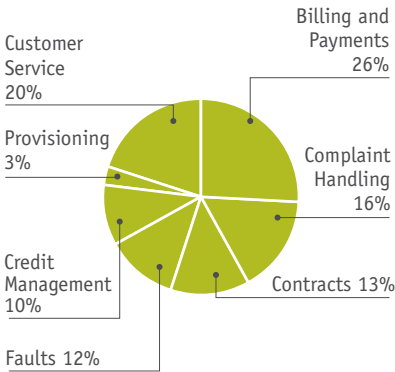
*from FY 2008-09 to 2009-10

Case levels



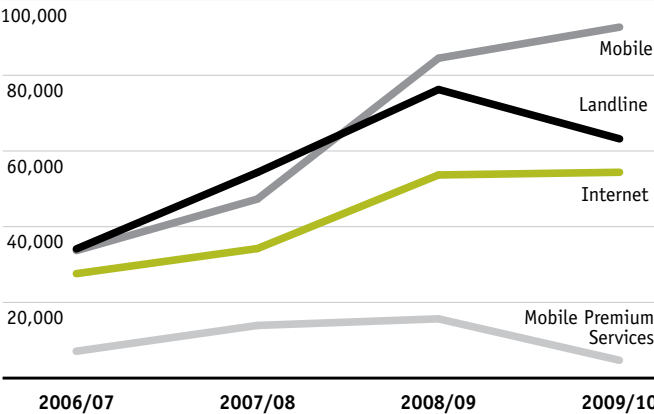
The decrease of 4.6% in New Complaints and 28% in Further Advice contributed to a decrease of more than 6% in TIO cases. An 8.6% increase in Investigations is mainly due to the large surge of New Complaints received in 2008-09, and carried over.

Top 7 issues



The TIO records and reports on issues at each case level. Every case includes at least one issue, and most cases include more than one issue.

Case types



Cases declined by 6.5%, mainly due to decreased Landline and Mobile Premium Service cases, which dropped by 17.1% and 70% respectively. Mobile cases increased by 9.7% in 2009-10, but the growth is much less than the 78.7% increase in 2008-09.

*Mobile Premium Service

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The theme of the Telecommunications Industry Ombudsman (or TIO) Annual Report this year is ‘*Making a difference*’. In a fast changing environment, the need for strong consumer protection, and in particular a referee to ‘make a difference’ where problems cannot be resolved, becomes increasingly important. And the need for an independent Ombudsman to stand back, and look more broadly across the industry, is acute.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN

2009–10 highlights

This year, we received 167,955 new complaints

We focussed on outreach to vulnerable and disadvantaged consumers, and attended numerous events around the country as part of this initiative (see page 23)

We responded to the influx of smartphone and broadband use by trialling a special team of staff trained to investigate internet issues (see page 30)

We increased our resources for investigating systemic issues, so we can find and resolve more cases that affect large numbers of consumers (see page 31)

We trialled various methods to help improve our internal operations, and continue to focus on creating a more efficient workplace (see page 36)

We submitted comments to government agencies about numerous issues affecting the TIO and the telecommunications industry (see page 45)

We educated members about their customer service practices with a follow-up to our original connect.resolve report (see page 52)

OMBUDSMAN'S OVERVIEW

'Making A Difference'

It was not so long ago that a telecommunications service meant only a fixed phone in the family home, or a fax machine in the office.

However, in the past few years, telecommunications services have been turned on their head. Millions of Australian consumers and businesses have taken up new telecommunication services and devices. The internet has gone mobile, and consumers are surfing the net or facebooking their friends on their 'smart' phones.

Today, there are more than nine million broadband internet connections across the country, nearly three million of them by mobile wireless. Today, there are more connected mobile phones in Australia than people. At the same time, there are 11 million landlines in use.

In all of this, the expectations of consumers have risen. Increasingly, consumers contract for different services often from multiple providers, in the search for performance and value. More and more services are marketed and sold as discounted 'bundles'.

This trend for new and more sophisticated services is, in my view, only likely to increase.

The theme of the Telecommunications Industry Ombudsman (or TIO) Annual Report this year is *'Making a difference'*. In a fast changing environment, the need for strong consumer protection, and in particular a referee to 'make a difference' where problems cannot be resolved, becomes increasingly important. And the need for an independent Ombudsman to stand back, and look more broadly across the industry, is acute.

In 2009 the TIO 'blew the whistle' on poor customer service and complaint handling. The **connect.resolve** campaign, with the first public report in August 2009, put a spotlight on poor customer service and complaint handling as driving a complaints increase that was unique in our history.

It is therefore pleasing to report, at the end of the financial year, an overall decrease of almost 5% in new complaints to the TIO. Part of the reason for this decrease has been a clear and public commitment by some chief executive officers to make customer service a top priority for their business. I strongly commend this commitment. Valuing customers and providing them with a service that solves their issues is not only good business, but the right and decent thing to do.

Another reason for the decrease in TIO complaints, and a real success story of the past year, is the very positive impact of improved regulation for mobile premium services – information and content services such as ring tones and horoscopes delivered to mobile phones. By strengthening consumer protection, new complaints to the TIO about these services have decreased by about 70%.

While all this is good news, complaints remain at very high levels. Almost 168,000 new complaints were made to the TIO during 2009-10.

Many of these complaints were resolved quickly, through referral to more senior or specialised staff at telecommunications companies for another chance at resolution. While this, on its face, is a good outcome, my concern is that this high resolution rate, and the nature of

many of the concerns – about customer service and complaints handling – suggest that the cases could have been resolved much earlier and without the need for the TIO's intervention. It should not be necessary for consumers with problems that can be easily resolved to have to resort to the Ombudsman in order to be heard.

I am also concerned about increases in cases concerning financial over-commitment and credit management. This includes complaints about unexpected and very high bills – so called 'bill shock'. It also includes complaints about the wrongful disconnection of phones and the internet, inappropriate credit default listings and the failure to negotiate payment arrangements. In a community where telecommunications services are essential to full engagement – with families and friends, in business and with the community – these complaints take on a particular significance. These are areas where we will continue to focus our efforts in the coming year.

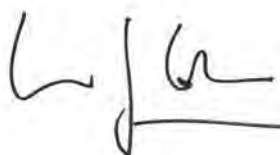
This is my first report as Ombudsman, and credit for many of the achievements recorded here belong to others. The TIO was led in the past year by Deirdre O'Donnell (until January 2010) and Simon Cleary (until May 2010). These two Ombudsmen provided excellent and remarkable leadership to the TIO during the complaints explosion of the past several years, and their substantial achievements should be on the public record.

The TIO has about 230 employees. They are an extraordinary group of committed and passionate professionals. They bring a range of experiences to our work; a glimpse of this is evident in a number of biographies we have included in the report this year.

I would like to publicly recognise all TIO officers, and thank them for the welcome they have shown me since my commencement here.

And I would like to thank both the Board and Council for their ongoing governance work, and for the personal support I have received in my early days as Ombudsman. The range of skills and experiences these members bring continues to be a valuable resource for the TIO to draw upon.

Included in my report is information about a number of new initiatives we hope to realise in 2011 – a new complaints management system and website; improved processes for handling our complaints; and a revamped systemic issues strategy to increase our impact in identifying and addressing matters that impact on consumers. These changes will build on an already strong Ombudsman's office, and enhance our capacity to make a difference – for consumers, telecommunications service providers, and the community.



Simon Cohen
Ombudsman



Statement of the Council Chair

After several years of very strong growth in the number of complaints received by the TIO, in 2009-10 the number of new complaints decreased, albeit remaining at high levels and the TIO processed about 168,000 new complaints and registered more than 41,000 other enquiries.

The rapid growth of the scheme in the prior years had meant that much of Council's and management's time had been spent on strategies to address growth, including recruitment and training to successfully reduce the time required to process complaints. A flexible resource model was developed to cater for variable rates of demand when complaint numbers level out or reduce.

During the year Council considered the findings and recommendations of the 'end-to-end' complaint process review prepared by external consultants, leading to the identification and prioritisation of a number of process review projects aimed at increasing the effectiveness and efficiency of TIO processes. These projects are strategically linked to other significant activities; most notably the replacement of the TIO's computerised complaint handling system and also the trial of process improvement initiatives suggested by stakeholders.

Council also considered a number of strategic issues during the year including a review of the scope of jurisdiction of the scheme. During the year the TIO's monetary jurisdiction was increased, and Council considered and approved steps to further enhance the TIO's jurisdiction in the coming year in relation to bundled finance and equipment/services contracts and the power to make interim directions in the credit management context.

Changes in Ombudsman and Deputy Ombudsman

During the year Council was also heavily involved in the smooth leadership transitions in the offices of Ombudsman and Deputy Ombudsman.

Deirdre O'Donnell left as Ombudsman in January 2010, having successfully overseen and managed the challenging period over the last few years when the TIO experienced enormous growth in workload and expanded greatly in size as an organisation. The Deputy Ombudsman, Simon Cleary, was appointed by Council as Acting Ombudsman and successfully managed the organisation through the transition period from January 2010 until May 2010 when the new Ombudsman, Simon Cohen, commenced.

On behalf of Council, I would like to thank and congratulate Ms O'Donnell and Mr Cleary for their excellent leadership and service to the TIO over many years.

With the new leadership team of Simon Cohen as Ombudsman and Diane Carmody as Deputy Ombudsman (who commenced in September 2010), Council believes that the TIO is well placed to prepare and implement strategies for it to continue to provide a valuable service to consumers, members and the Australian community, in a time of changing technology and change in the telecommunications industry.

Changes to the Council

During the year Matt Russell was replaced as Vodafone's nominee on Council by Jackie Giles, and Anne Howells from Telstra was replaced by Trevor Hill, formerly a TIO director. Both Matt and Anne made valuable contributions to Council: Matt for his positive focus assisting Council to undertake its work; and Anne particularly in relation to suggestions for process changes. At the end of the year Myra Pincott departed as a user representative, having provided a valuable contribution presenting the perspective of rural consumers to Council and in Council meetings since 2005.



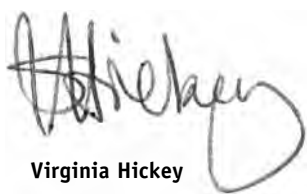
Council members
(from left to right)
Virginia Hickey (Chair),
Myra Pincott, Trevor Hill,
Jackie Giles and Susan Sdregas.

Dr Paul Harrison has recently joined Council in her place and Teresa Corbin was reappointed for a second term as a user representative.

I am also pleased to note that the late Council member, the Reverend Canon Dr Christopher Newell AM has been honoured by the TIO for his work and years of service to the TIO. At a ceremony held during the year, the TIO's Boardroom was renamed the Christopher Newell room and was used to present the inaugural award of the Christopher Newell Prize for Telecommunications and Disability.

I would like to thank the members of the Board and the Chairman, John Rohan, for their contributions and particularly for continuing to ensure that the scheme is appropriately funded and well placed to meet present and future challenges.

Finally, I would like to express my thanks to all the Council members for the contribution they make to the scheme through the experience, diligence and wisdom which they bring to Council deliberations. In a year of transition, Council members were very generous with the time they devoted to ensuring a smooth succession process.



Virginia Hickey
Chair of Council



Council members
(from left to right)
Loretta Kreet, Ross Wheeler,
Teresa Corbin and Chris Dodds

Council Biographies

Virginia Hickey

Chair of the Council

Virginia Hickey is a lawyer, corporate governance consultant and company director, and serves on boards including TransAdelaide (chair), Flinders Ports, the National Competition Council, the Medical Insurance Group Australia and the South Australian Fire and Emergency Services Commission. She has extensive experience advising and educating boards and management on corporate governance and board effectiveness and is a national and international facilitator in the Australian Institute of Company Directors course.

Dr Wayne Warburton

Wesley Mission Australia

Dr Wayne Warburton is a lecturer in psychology and Deputy Director of the Children and Families Research Centre at Macquarie University in Sydney. He is also a psychologist and financial counsellor at Wesley Mission in Sydney. Wayne has been a consumer advocate on the Telstra Credit Management Working Group, co-authored *The Bankruptcy Handbook* (a guide to consumer bankruptcy) and is the principal editor of *Sharkwatch*, a national financial counselling journal.

Teresa Corbin

Australian Communications Consumer Action Network

Teresa Corbin is Chief Executive Officer of the Australian Communications Consumer Action Network (ACCAN), a new peak consumer body for the telecommunications industry. Teresa led the project to establish ACCAN, which began operating on 1 July 2009. Through her work in the community sector, in policy and management positions, she has built strong links with consumer groups at a regional, national and international level.

Loretta Kreet

Legal Aid Queensland

Loretta Kreet has spent the last 10 years working exclusively in the area of consumer credit within the community sector and Legal Aid Queensland. She is a consumer director on the Financial Co-operative Dispute Resolution scheme, a board member of Parent to Parent Inc and a member of the Brisbane Consumers' Association.

Chris Dodds

Chris Dodds represents the Australian Council of Social Service (ACOSS) on Telstra's Low Income Measures Assessment Committee (LIMAC), in the position of chair. He is immediate past president of the Council of Social Service of NSW (NCOSS). He has been involved in community services for over 30 years and in telecommunications issues for the last 10 years. While not representing any particular organisation on the TIO Council, Chris has a keen interest in the challenges facing those on low incomes or confronting other disadvantage.

Dr Paul Harrison

Dr Paul Harrison (PhD) is a senior lecturer in marketing and consumer behaviour, and the unit chair of the marketing management course at Deakin University's Graduate School of Business. His research and writing examines the psychology of emotional and rational behaviour, and the effect of marketing and advertising on consumer behaviour from an ethical and corporate social responsibility perspective. Paul is involved on a number of boards and committees, including being the immediate past chair of the Asylum Seeker Resource Centre, a member of the Standing Advisory Committee on Consumer Affairs at the Australian Communications Consumer Action Network, and director of consumer behaviour research consultancy, tribalsight.

Jackie Giles*Vodafone Hutchison Australia*

Jackie Giles has worked in the telecommunications industry for the past 20 years in the UK and Australia, principally within Cable & Wireless, Optus and Vodafone (now Vodafone Hutchison Australia). In her current role, she is the General Manager responsible for customer experience, research and complaints management. Her previous experience includes customer operations, risk management, corporate finance and treasury management.

Ross Wheeler*Albury Local Internet Pty Ltd*

Ross Wheeler joined the Council as the elected member representative of Internet Service Providers (ISPs). He is the proprietor and founder of Albury Local Internet, a regional ISP, which has been operating since May 1995.

Trevor Hill*Telstra*

Trevor is Group Manager, consumer and compliance, public policy and communications at Telstra. He has worked for Telstra in a variety of management and policy roles.

Susan Sdregas*Optus*

Sue Sdregas has worked in the telecommunications industry for the past 19 years with 15 of those spent at Optus. In her current role she manages the Customer Experience Strategy, and all the Infrastructure Groups that support Optus call centres within the Customer Care Arena including the Consumer Operations Group, Customer Knowledge Management Business Unit and Strategy and Planning.

Leroy Parkinson*iiNet*

Leroy Parkinson has worked for iiNet since 2002, and manages issues such as consumer policy, compliance and resolution of complex complaints. Before joining iiNet, he worked at Optus as a business account manager.

Statement of the Board Chair

For the first time in 10 years, the TIO scheme has seen a reduction in cases while also seeing an increase in membership. The almost 5% reduction in new complaints handled by the TIO follows two previous years of unprecedented growth.

It is worth emphasising that the TIO scheme recognises that this growth comes in the context of a substantial and sustained expansion of services in operation (primarily mobile and internet) which commenced accelerating from the year 2000 and continues unabated to the present time. Not only have the number of service providers and services increased, but so also has the complexity of the service offerings for both voice and data applications, delivered over those services.

The total number of service providers that are part of the TIO scheme increased from 1,125 at June 30, 2009 to 1,162 at June 30, 2010. An additional 110 new service providers joined the scheme and 73 service providers departed the scheme during the year.

It is a credit to the scheme that it was able to effectively resolve those complaints in the years of growth (and now reduction) in complaints, while still keeping up to date with the increasing complexity in the complaints themselves.

One of the major reasons for the decline in overall cases was the introduction of the **connect.resolve** campaign, which highlighted increased customer complaints to the CEOs and senior management of the service providers. After this campaign, seven of the top ten service providers reduced their number of complaints to the TIO. Indications are that all major service providers are focussed on further reducing their customers' complaints to the TIO and it is expected that complaint numbers will further reduce.

Industry has continued to show strong support of the TIO scheme during the two years of high growth and the current decline in overall cases. This support includes ensuring there is sufficient funding for day to day operations and, in particular, by investing in the future of the scheme.

These investments in the future include upgrades to the complaint management system, billing system and the corporate IT infrastructure in order to better serve both consumers and members in the future.

Another initiative that has required further funding is the move from quarterly billing in advance to monthly billing in arrears. Monthly billing gives the TIO staff, Council and Board a much more accurate indication of the financial health of the TIO scheme and has the support of the scheme membership.

In the next year, the Board expects to work closely with the Ombudsman and Council in developing an updated strategic plan that will have regard to the implications and outcomes of the federal government broadband policy, the ACMA 'Reconnecting the Customer' Public Inquiry, the Telecommunications Consumer Protections Code review and the Department of Broadband, Communications and the Digital Economy's 'Australia's Digital Economy: Future Directions' review.



Board members (from left to right)
John Rohan, John Horan
and Phill Sporton

I thank all the Directors for the expertise and professionalism they bring to the TIO. Special thanks go to those Directors who left the Board during the year: Trevor Hill, John Parkin, Leisa Fielding and Brian Chapman. A special mention needs to be made of Trevor Hill's major contribution to the Board and the TIO over the past seven years. On behalf of the Board I would like to thank all Council members for their efforts through the year and Virginia Hickey, Chair of Council, for her contribution during the year.

Finally, on behalf of the Board, I thank all the TIO staff, the outgoing Ombudsman Deirdre O'Donnell and the Deputy and Acting Ombudsman Simon Cleary for their efforts in the financial year 2009-10. I would also like to welcome the new Ombudsman Simon Cohen to the Scheme and note that he has already made some very positive contributions in the short time he has been in the position.



John Rohan
Chairman of the Board



Board members
(from left to right)
Michael Elsegood, Stephen Dalby,
Jules Scarlett and Alexandra Thomas

Board Biographies

John Rohan

B Mech Eng, Grad Dip IE, MBA

John has been Executive Director, Vodafone Pacific, MD of Vodafone Australia Pty Ltd, Vodafone New Zealand Ltd and Vodafone Network Pty Ltd. Previous positions include Executive General Manager of James Hardie Building Services and Technologies, Chief Executive of McConnell Dowell's Building Product Group, Australia and New Zealand and General Manager of Comalco Building Products. John has previously served as Chairman of the TIO Board and as a member of the TIO Council.

Gary Smith

B Econ / Politics (Hons)

General Manager, Regulatory Compliance & Self-Regulation, Optus.

Gary has over 20 years experience in the telecommunications industry, working for both Optus and the industry regulator. He has also worked for the Reserve Bank of Australia and the Victorian Parliament in research and analysis roles.

Trevor Hill

Group Manager, Consumer & Compliance, Public Policy & Communications, Telstra.

Trevor has worked for Telstra in a variety of management and policy roles.

(Trevor moved from Board to Council in April 2010.)

Jane Harvey

BCom, MBA, FCA, FAICD

Directorships include: IOOF Holdings Ltd, Medibank Private Ltd, Royal Flying Doctor Service (Nat and Vic), Colonial Foundation Trust and Department of Treasury and Finance.

Michael Elsegood

B Eng (Hons)

Manager, Regulatory Compliance and Safeguards, Optus.

Michael has extensive experience in the Australian telecommunications industry, having worked with regulators and carriers in a variety of planning, policy and compliance roles.

Stephen Dalby

Chief Regulatory Officer, iiNet.

Stephen has been involved in the telecommunications industry for more than 35 years. Since 2003, he has been an executive with the iiNet Group. Stephen is also CEO of Chime Communications Pty Ltd, iiNet's carrier subsidiary, and is based in Perth.

Brian Chapman

Brian is the Head of Corporate Security and Regulatory Operations at AAPT. He has previously held senior management roles in the telecommunications industry and been responsible for business and operational performance reporting, information analysis and business improvement.

Alexandra Thomas

Alexandra is Director, Reitz Transformation at Optus and responsible for strategic IT and business transformation. Prior to this appointment Alexandra was the General Manager Strategy and Planning, Optus Consumer Customer Care.

John Parkin

An operational regional general manager with Telstra Corporation, John Parkin has enjoyed a 25-year career in the telecommunications industry in Australia, New Zealand and England. He has held a variety of senior management positions and currently manages all customer service delivery operations for Telstra in QLD and Northern NSW.

Leisa Fielding

Leisa was appointed Manager of Business Transformation for Telstra in 2007. She plays a key role in defining future business models whilst optimising the transformation program. She has worked for Telstra for 19 years and has held positions in a variety of areas including retail, marketing, program management, information technology and operations.

Ravi Bhatia

B Tech Elec Eng

Ravi is the CEO and Founder of Primus Australia and has over 35 years of experience in the telecommunications industry. He has held senior management positions in Australia, the US, Germany and other countries with Primus, MCI, OTC and Siemens, in sales, marketing, customer service, engineering and public policy. He was responsible for introducing a number of innovations in customer service to dramatically improve quality of service to consumers.

Jules Scarlett

BA LLB (Hons)

Jules has recently taken on the new role of Director, Customer Service & Satisfaction for Telstra. Jules has responsibility for coordinating the customer service and satisfaction initiatives across the company. She is also responsible for corporate complaint management at Telstra. Jules has worked for Telstra for over 10 years.

Phill Sporton

B. App Sci (App Elec)

Phill is the Executive Director of Service Delivery in Telstra Operations.

This area of Telstra is responsible for the installation, connection and repair of Telstra's products, services and plant. Having started with Telstra as an engineer in 1983, Phill has spent 26 years at Telstra in a range of roles, including several positions in senior management.

Louise Sexton

Louise is Group General Counsel and Company Secretary of Vodafone Hutchison Australia (VHA) and Company Secretary of Hutchison Telecommunications (Australia) Limited (HTAL). Prior to the formation of VHA in June 2009, Louise has been General Counsel and Company Secretary of HTAL since September 1998. Louise has extensive legal and regulatory experience as General Counsel and Company Secretary in listed public companies across a number of high technology industries in Australia.

Brian Currie

Brian is the General Manager of Regulatory Affairs of Vodafone Hutchison Australia. With over 30 years in the industry, Brian has broad experience and knowledge that covers telecommunication engineering, management and regulatory affairs. He has formal qualifications in engineering and management.

John Horan

BCom, LLB, LLM

General Counsel for Primus Telecommunications (Australia).

Prior to joining Primus Telecom in March 2007, John held advisory roles in legal private practice and national regulatory agencies. John has significant experience in relation to utility regulation, regulatory frameworks and competition law.

COMPLAINTS LANDSCAPE IN 2009–10

Making a difference – resolving complaints

The TIO is the busiest industry Ombudsman scheme in Australia, responding to between 5,000 and 6,000 calls each week.

In most cases we will establish the key issues, the desired resolution and refer the consumer to the right people at the service provider. The service provider has 10 business days to resolve the complaint, without the TIO's further direct involvement.

About 90% of new complaints are resolved in this way. The remainder are resolved through more direct involvement of the TIO using a combination of facilitation, investigation, and determinative dispute resolution processes.

Complaints in 2009–10

After two consecutive years of unprecedented growth in the number of complaints made to the TIO, 2009-10 finally saw the numbers stabilise and decline.

In 2009-10, we received 167,955 new complaints, a decrease of 4.6% from 2008-09. This result is especially pleasing considering that new complaints had increased in the previous two years.

And while most of these new complaints were resolved by referral to a more senior level at the telecommunications company, a substantial number required further assistance or escalation to a higher case level.

In 2009-10 we recorded 215,000 cases at all levels, which is a decline of 6.5% from the previous year. This includes 167,955 new complaints, 22,983 cases that require further TIO assistance without the need for escalation, 19,860 cases that were escalated for a facilitated TIO resolution (Level 2), and 4,202 cases requiring TIO investigation or Ombudsman determination (Levels 3 and 4).

The decrease in new complaints is, in the TIO's view, the result of several main factors.

Improved responsiveness by providers

The telecommunications industry's accessibility at the 'front line' appears to have improved, thus reducing the need for consumers to approach the TIO for assistance.

We have seen a decrease in new landline complaints of 8,756 (-15.7%) and a decrease in new MPS complaints of 9,585 (-70.5%). There has also been a reduction of 28% in consumers contacting us for further advice once they have made a new complaint and been referred to the service provider for another opportunity at solving the problem.

In addition, we have received fewer new complaints from consumers about not being able to access or contact their service providers or facing long wait times – two main areas of concern highlighted in the TIO's **connect.resolve** campaign. We are pleased to see a noticeable improvement in these two areas in 2009-10.

Fewer escalations

For those complaints which do require escalation to the TIO in order for resolution to be achieved, the

telecommunications industry appears to be engaging with the TIO and consumers better, thus preventing the need for complaints to be further escalated by the TIO.

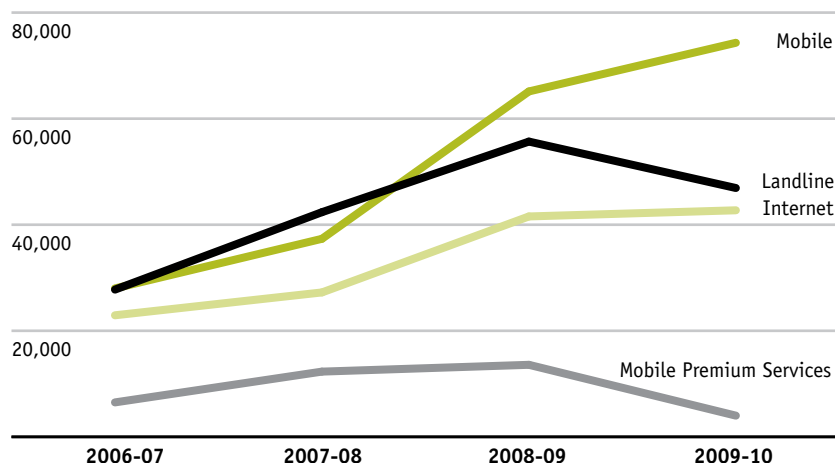
There has been a decrease in the number of Level 3 and 4 cases recorded by the TIO in 2009-10. These cases require detailed investigations, and sometimes binding decisions by the Ombudsman. The decline in Level 3 and 4 cases points to the effectiveness of the escalation process as well as better engagement by service providers.

Level 3 cases had increases of 134.6% during 2008-09 and 120.1% in the year preceding that, however Level 3 cases decreased by 12.3% in 2009-10.

The TIO recorded 6.6% fewer Level 4 cases in 2009-10. This decrease follows increases of 294.6% in 2008-09 and 66.7% in 2007-08.

Although the number of Level 2 cases (TIO conciliations) recorded by the TIO during 2009-10 increased, we believe that this increase was predominantly the result of a build-up of these cases in the first few months in 2009-10, following on from the enormous complaint demand the TIO experienced during 2008-09.

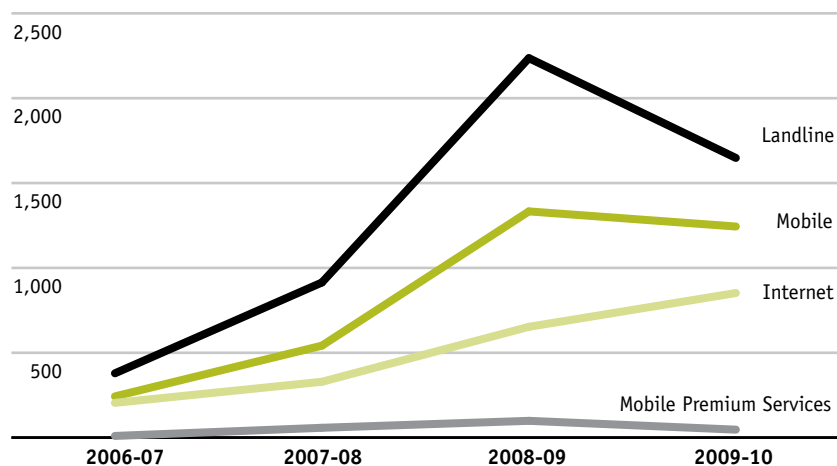
New complaints by service type



* What is a 'new complaint'?

The TIO records a 'new complaint' when we first receive an expression of grievance or dissatisfaction from a consumer where the telco has had an opportunity to consider the matter. A 'new complaint' is usually classified at Level 1, with a small number recorded at Level 2 and Level 4 in limited circumstances.

Level 3 cases by service type



* What is a 'case'?

Where a complaint remains unresolved and requires further assistance or investigation by the TIO, it is escalated to a higher case level. The TIO has four case levels – Levels 1, 2, 3 and 4. Total cases recorded by the TIO each financial year include new complaints we receive and those escalated to higher case levels during the year.

There has been a decrease of 37.9% in Level 2 cases recorded in the last quarter of 2009-10 compared to the first quarter of the same financial year.

Changed consumer behaviour

Consumer behaviour in respect of telecommunications services is changing, with more and more customers dropping the traditional landline service in favour of mobile and internet technologies. This change in consumer behaviour has been particularly marked in relation to mobile services, which are now often able to take the place of both the home telephone and home internet service.

TIO complaint data reflects this change in consumer behaviour with a 15.7% decrease in the number of new landline complaints in the same year that new internet complaints increased by 2.8% and new mobile complaints increased by 14.1%.

Total landline cases dropped by 17.1% in 2009-10 while total mobile cases increased by 9.7% and total internet cases increased by 1.3%.

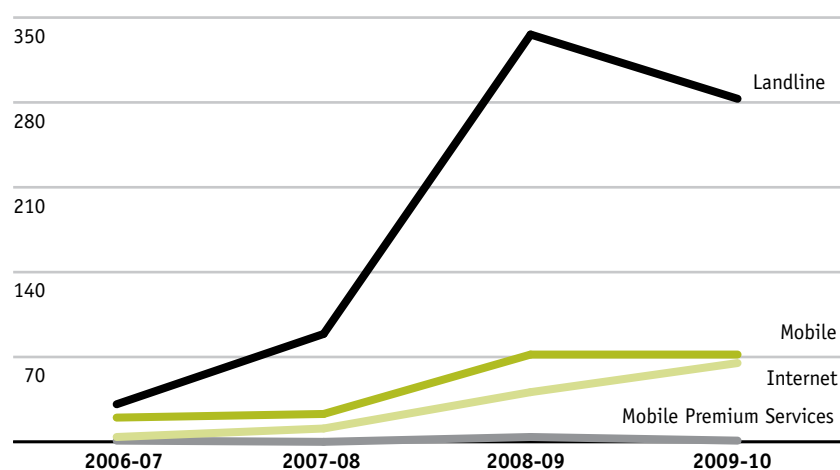
Improved MPS industry practices

Complaints about MPS as a stand-alone service type were first recorded by the TIO in December 2006. This was in response to the introduction of the Mobile Premium Services Industry Scheme and the proliferation of MPS in the consumer market.

Following several years of escalating complaint numbers about MPS, the number of new complaints about MPS in 2009-10 decreased by 9,585. Total cases about MPS have dropped by 70.5%. This follows increases of 10.4% in 2008-09 and of 89.3% in 2007-08.

The decrease in new complaints and total cases in 2009-10 are the result of a number of industry-led initiatives as well as regulatory developments introduced in 2009-10.

Level 4 cases by service type



This includes the introduction of the MPS Code on 1 July 2009. The Code, which was developed by Industry and Regulators in consultation with the TIO, contained new rules about:

- providing information about MPS to customers
- advertising MPS
- complaint handling procedures for MPS complaints, and
- unsubscribe and opt out mechanisms.

Ongoing issues about MPS

Although the decrease in new MPS complaints is extremely positive, there remain a number of MPS complaint issues requiring ongoing and close attention.

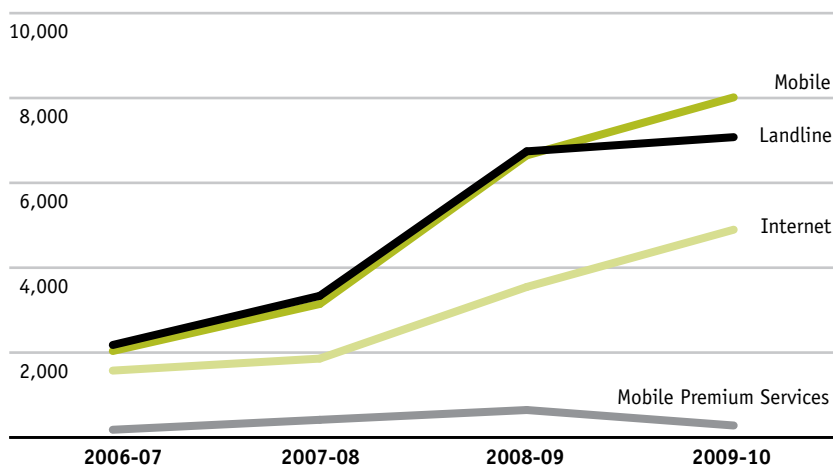
Complaint issues about charges for services that have never been requested still account for 41.21% of all MPS issues. This is despite provisions in the MPS Code that mandate two separate requests ('double opt in') from consumers for premium services in certain circumstances.

Other common complaint issues include:

- telcos and content suppliers failing or refusing to assist consumers with their complaint
- telcos and content suppliers failing to action opt-out requests
- charges imposed after an opt-out request has been made
- being unable to get in contact with a content supplier.

The TIO hopes these problems will be further addressed during the upcoming MPS Code review in 2010-11, and the implementation of the Australian Communications and Media Authority's MPS Barring and Do Not Bill/Do Not Contract Determinations over the next 12 months.

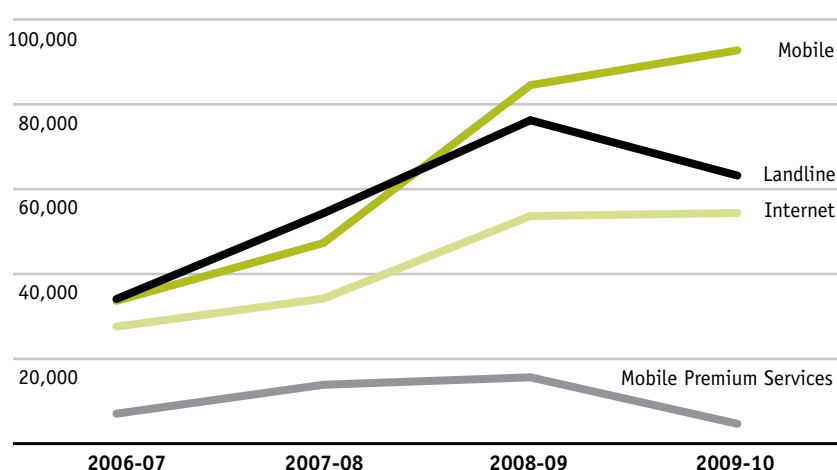
Level 2 cases by service type



* What are MPS?

Mobile Premium Services (MPS) are information and entertainment content services delivered to a mobile phone. Customers pay extra for MPS, on top of their standard mobile usage and service fees. Content providers sell MPS to telecommunications service providers, which pass the fees on to the consumer.

Total cases by service type



MPS in 2006-07 is for a 7 month period, because the TIO started recording MPS complaints in December 2006



CASE STUDY: JULIE

Julie contacted the TIO after becoming involved in a contract dispute with her telecommunications company.

Julie entered a contract for her internet service after being contacted by a telecommunications reseller acting on behalf of a larger company. It was her belief that her first payment would be made by direct debit. For all future payments, she would be sent an invoice.

Julie claimed that, when the internet service was activated, she was not notified. Moreover, a few days after she began using the service, it was suspended. When she enquired about this, she was surprised to learn her provider had tried to direct debit her for the service unsuccessfully.

"I told them I was supposed to receive paper invoices, and they said that wasn't how the company did business, and I had to pay via direct debit or credit card."

When the complaint was not resolved, Julie contacted the TIO. During the investigation, the focus was on whether Julie had entered into the agreement with informed consent and had been misled about her methods of payment.

The TIO's position statement 'Information provided during a sales transaction', outlines an expectation that a consumer is given correct information about a service, to allow them to make a clear decision before entering an agreement.

Investigation of the matter revealed that Julie's provider did not keep a record of the voice contract entered. Because of this, it was not able to show Julie had been correctly advised of the terms and conditions associated with the service.

To resolve the complaint, Julie was released from her contract and moved her services to another company.

Ensuring quality of service for converging technologies

In recent years, there has been an extensive increase in the number of consumers choosing to forgo fixed landline services in favour of internet- and mobile-based alternatives. This is particularly pronounced in respect of mobiles, as smart phones converge with internet and voice-based capabilities.

As consumers move away from traditional landline services, they may also (perhaps unknowingly) be cutting themselves off from legislated industry protections, in particular the Customer Service Guarantee (CSG) Standard.

This standard exists to encourage service providers to promptly provide new landline telephone services or rectify faults on existing landlines, and provide compensation where the CSG Standard is not met.

Although internet and mobile technologies are different in nature, customers of these services can experience the same sorts of problems as landline customers.

Faults and provisioning issues feature substantially on mobile and internet complaints at all levels. In 2009-10, we recorded:

- 12,065 issues relating to call drop outs and coverage related problems on mobile and internet services
- 7,337 issues relating to mobile and internet services being rendered fully unusable by service faults
- 1,328 issues relating to mobile and internet services being disconnected as a result of an administrative error, and
- 4,306 issues relating to delays in the provisioning of mobile and internet services.

Our view is that as consumer usage habits change, standards should be reviewed, including by industry, to ensure that appropriate consumer protections are maintained.

Getting into financial over-commitment

While many complaint issues have stabilised or decreased over 2009-10, we have observed an increase in matters concerning financial over-commitment.

There was an increase of 86.29% (6,127 issues in total) in the number of issues recorded by the TIO about financial over-commitment due to mobile services. Financial over-commitment issues in respect of landline services also increased by 46.91% (855 issues in total) and internet customers reporting the same type of problem increased by 36.30% (4,183 issues in total).

One emerging area of concern reported to the TIO in 2009-10 is 'bill shock', which refers to a consumer's reaction when they receive an internet or phone bill far in excess of their expectations. These bills can amount to hundreds or even thousands of dollars.

Bill shock appears to have gained currency with the increasing popularity of smart phones. Essentially hand-held personal computers, these devices allow the user to access web-based products and services that often require the downloading or uploading of information. With the capacity to handle large amounts of data, smart phones can easily get people into difficulty if they don't realise the potential costs of transferring that data.

Other key causes of bill shock include international roaming charges and excess data usage charges from internet services.

CASE STUDY: ZOE

Zoe contacted the TIO after receiving an internet bill for more than \$2,000. Zoe uses a wireless internet service and usually receives a bill of about \$160 per month.

"When I received that bill for \$2,268, I honestly thought they'd made a mistake, it was impossible to get a bill that big," Zoe said.

Zoe called customer service to discuss what she believed was an error.

"My call was transferred and hung up on several times. We were offered a \$200 discount. They said if I accepted the offer, I couldn't dispute the bill further," Zoe said.

When Zoe asked how her bill could get so high, a supervisor explained the charges using industry jargon and terms she didn't understand. Zoe asked for these terms to be explained and the supervisor offered to call her back to explain it further. Zoe accepted this but never got a call back.

"I tried to reason with them and I even accepted to pay \$500 of the disputed charges and was even happy to sign up another service. I asked if I could pay it off but they said I couldn't. They debited the full amount from our credit card without even telling us. I was furious," Zoe said.

Feeling helpless, Zoe called the TIO.

The TIO advised Zoe of her rights as a consumer as set out in industry codes. This included interpretation about the obligation on a service provider to take steps to limit its consumers' exposure to financial over-commitment.

"After referring to the TIO, I spoke to the service provider again. I explained what had happened and they offered to refund the amount," Zoe said.

"The TIO was prompt, gave me direction on what to do and how to do it and I felt like I could get a resolution from the TIO that I didn't feel I could get through the service provider," she said.

The ease with which consumers can become financially over-committed to mobile and internet services, coupled with the recent shift in focus away from traditional landlines, is resulting in more incidents of bill shock among mobile and internet users. This is especially true with respect to international roaming charges, internet excess usage charges and internet access via mobile handsets:

- Issues about the calculation and/or imposition of roaming charges on a mobile service have increased by 80.75% (1,981 issues in total) over the last year.
- Issues about the calculation and/or imposition of charges for internet usage on a mobile service have increased by 70.85% in 2009-10 (4,143 issues in total).
- During 2009-10, the TIO recorded 6,851 issues about the calculation or imposition of internet usage charges on an internet service. Although this category of issue is 1.59% less common than it was in 2008-09, it still clearly represents an issue of concern for consumers.

In response to the growing number of complaints where the amount in dispute has increased, changes to the TIO's Constitution in May 2010 have increased the TIO's power to make binding decisions from \$10,000 to \$30,000. For non-binding recommendations, the amount rose from \$50,000 to \$85,000. These changes ensure that the TIO remains able to assist residential and small business consumers and resolve the types of issues they bring to us.



Population explosion

It is estimated that there were 26.6 million mobile phone subscriptions in June 2010. That's 4.5 million more mobiles than people.

By comparison, in June 1987, there were just 4,000 mobile phone subscribers in Australia.

Source: IBISWorld

Escalating problems with credit management

The phrase 'credit management', in the TIO context, refers to the process by which carriage service providers:

- limit consumer expenditure on telecommunications services
- manage credit risk, and
- collect outstanding debts.

Complaints made to the TIO about the credit management practices of carriage service providers have increased significantly over the last year, with a 31.33% increase in issues across all case levels for internet services, 14.91% increase for landline services, and a 39.28% increase for mobile services. Together this represents an increase in credit management issues across all case levels of 29.81% (11,197 more issues than last year). More specifically:

- Issues about the failure of a supplier to provide adequate notification about their intention to suspend/disconnect a service have increased by 27.18% for mobile services, 16.78% for internet services and 0.39% for landline services.
- Issues about credit assessments, including the failure of providers to carry out credit assessments, and the restriction/refusal of credit have increased by 29.03% for internet services and 34.02% for mobile services. Credit assessment complaints relating to landline services have remained the same over 2009-10 despite the decreasing number of landline complaints.
- Issues about credit default listings recorded whilst debts are in dispute have increased by 26.38% for internet services, 4.55% for landline services and 39.19% for mobile services.

- Issues about disputed debts being referred to debt collection agencies have increased by 56.17% for internet services, 21.51% for landline services and 24.52% for mobile services.
- Issues about telecommunications services being disconnected whilst a debt remains in dispute have increased by 8.68% for internet services, 2.80% for landline services and 19.12% for mobile services.
- Issues about payment arrangements, including the failure of telcos to suspend collections activity when a payment arrangement is in place, the failure of a telco to record a payment arrangement, or the refusal of a telco to negotiate/re-negotiate a payment arrangement increased by 25.15% for internet services, 32.08% for landline services and 27.83% for mobile services.

Understanding and working to overcome the issues that sit behind these complaints to the TIO will be at the forefront of our engagement with industry over the coming year.

Ongoing customer service issues

Customer service has been a TIO focus for a number of years – perhaps most visibly demonstrated by our **connect.resolve** campaign (see pages 52-63).

Over the course of 2009-10, issues recorded by the TIO about the length of time a customer has been left waiting on hold to speak to their carriage service provider have decreased by 46.42% for internet services, 59.78% for landline services and 37.90% for mobile services across all case levels. During this same timeframe, complaints about customers being unable to contact their service providers at all have decreased by 45.04% for internet services, 66.29% for landline services and 44.78% for mobile services.

These decreases point to improvements in telcos' accessibility. It is important that these improvements are acknowledged as having had some impact on the decrease in new complaints to the TIO in 2009-10.

However, we continue to see increases in other customer service issues for problems that happen after contact between a customer and their provider is established. During 2009-10, issues about incorrect/inadequate advice being provided to consumers by service providers, for example, incorrect information about the value they have in their monthly plan or current charges on their account, increased by 41.45% for internet services, 27.06% for landline services and 58.94% on mobile services.

Although we have seen decreases in issues about providers failing to action the requests their customers make of them, such as a request to change the billing address listed on a customer's account, this category remains a significant proportion of customer service issues – forming 21.14% of internet customer service issues, 26.67% of landline customer service issues and 24.32% of mobile customer service issues.

We have highlighted, in a number of public submissions, the issues observed by the TIO that impact on effective complaint handling. We believe the various reviews and inquiries presently underway focusing on consumer protection provide a good opportunity to better understand how effective customer service can be best delivered in the fast-changing telecommunications environment.



CASE STUDY: BRENDA

Brenda contacted the TIO because her service provider would not listen to her complaint.

After cancelling her mobile service within the cooling off period, Brenda noticed her bank account had been debited a monthly service fee.

Brenda called the service provider and a consultant confirmed the error and advised her that the amount would be refunded.

The debited amount was refunded but another amount was debited the next day. Brenda called the service provider again to raise the unauthorised debit but was surprised at her treatment. The consultant refused to listen to Brenda's complaint and kept claiming that she was wrong and the money in question had previously been refunded.

"They just didn't want to listen. It was either their way or no way," Brenda said.

"I felt like a number and they just wanted money, they weren't prepared to listen to what I had to say, they told me never to call back again," she said.

Brenda called the TIO for help. The TIO was concerned that an unauthorised transaction had taken place and raised a complaint for investigation.

"After the TIO got involved, the provider apologised and couldn't do enough for me. My money was refunded," Brenda said.



CASE STUDY: SHERYL

Sheryl contacted the TIO after experiencing speed and drop-out issues with her wireless internet connection.

She had bought a pre-paid mobile wireless internet device from a retail store. Soon after, she began to experience periods during which the service would drop out and be unusable. Additionally, the connection would only work in certain areas of her house.

In an attempt to fix the problem, Sheryl contacted her telecommunications company, and spoke with its technical support team. However, the service continued to play up. Sheryl soon became frustrated with the issues being caused by the service.

"I felt like I was paying full price for a connection that only worked half the time." As a result, Sheryl contacted the TIO.

The TIO's investigation of the matter revealed that Sheryl did not receive very good mobile coverage in her house. This meant that until new mobile towers went up in Sheryl's area, no amount of trouble-shooting could resolve the issue.

As a result of the TIO's investigation, the company agreed to refund Sheryl for the cost of her service, and she was relieved with the outcome.

"I was really grateful for what the TIO did. I felt like I was getting nowhere with my provider, and I was rapt when the complaint was resolved."

Complaint handling – no resolution without following through

A recurring theme in TIO complaints in recent years has been ineffective complaint handling practices, which is a central theme in our **connect.resolve** campaign. Further details about **connect.resolve** are on pages 52-63.

Most recent statistics from the campaign emphasise an overall stabilisation in case numbers following several years of sustained and substantial growth. This is a positive development. It follows strong statements from a number of telcos about a renewed focus on customer service. It also reflects some changes at an operational level in how a number of telcos deal with TIO complaints.

However, the failure to follow-through on undertakings made to consumers to resolve complaints remains a significant problem. Often customers have reported to the TIO of feeling that their phone or internet companies had little regard for them and did not follow through on commitments or undertakings.

This problem has also been noted in a number of the TIO's own dealings with members, where failure to action a complaint or undertaking requires a complaint to be escalated to a higher level of investigation.

In the past 12 months issues concerning a failure to action undertakings by members have increased by 36.21% for internet services, 11.24% for landline services and 38.84% for mobile customers. Overall, this is an increase in the space of a year of 27.67%.

We are working with a number of members to understand how they record, action and monitor undertakings made to resolve complaints. We hope this work will assist in reducing complaints about failed undertakings.

Danger of failing to address core issues

Consumers rarely contact the TIO with problems that solely relate to customer service or complaint handling. The core issue generally relates to something more substantive, such as an inaccurate bill or unclear point-of-sale advice.

It is usually when these core issues are not resolved that further complaints about complaint handling and customer service arise. Increases in 'core issue' complaint drivers are evident in 2009-10.

Point-of-sale Advice

Issues recorded about incorrect point-of-sale advice increased by 12.73% over the course of 2009-10. This increase consisted of a 9.37% increase in landline point-of-sale advice issues, a 5.86% increase in internet point-of-sale advice issues and a 17.81% increase in mobile point-of-sale advice issues.

The TIO believes this is an area where better industry performance will reduce complaints and customer dissatisfaction.

Key areas include:

- Providing high quality point-of-sale advice. Complaints to the TIO arise where there is an apparent disconnect between promotion and launch of products and services, and training of front line sales staff.
- Making charges and bills clear and informative. More services are marketed and sold as 'bundles' with advertised discounts and pricing deals attached to entice consumers. But they also can lead to more complex charges and bills, and the products are marketed using potentially confusing or misleading terms. This includes well-publicised problems about terms such as 'capped' plans that are not truly capped or 'unlimited' usage that is not in fact unlimited.
- Making contract documents succinct and simple to read. If clear and accurate advice that is fully understood by the consumer is not provided at the point-of-sale, this will, predictably, cause concerns and complaints later in the relationship.

Point-of-sale advice that is genuinely understood and agreed to by the consumer will not only reduce complaints, but will in turn reduce the issues that lead to financial over-commitment.

Disputed Charges

Administrative Charges

Issues recorded by the TIO about disputed administrative charges increased by 22.18% over the course of 2009-10. This includes complaints about late payment fees, early termination fees and reconnection fees.

For example, despite the decrease in consumers using landline services, during 2009-10 there was a 12.35% increase in issues about disputed administrative charges. This included a 39% increase in issues about late payment fee disputes, and a 30.21% increase in issues about landline termination charges.

Issues about disputed administrative charges relating to internet services have increased by 28.98% during 2009-10, and mobile services increased by 25.15% over the last year. Notably complaint issues about mobile reconnection fees have increased by 52.59% and an increase of 63.31% for issues about internet late payment fees was also observed.

Usage Charges

Issues recorded about disputed usage charges increased by 11.56% during 2009-10. This is made up of a 4.15% increase in complaint issues about internet usage charges, a 0.71% increase in complaint issues about landline usage charges, and a 23.20% increase in complaint issues about mobile usage charges.

Within these broad categories, the TIO has recorded an 80.75% increase in issues about roaming charges on mobile services, and a 70.84% increase in issues about internet usage charges accrued on mobile services.

The TIO believes that the increase in complaint issues about disputed usage and administrative charges may be due to a number of factors. These include:

- failure on the part of service providers to properly explain the

limitations within capped plans and/or the mechanisms available to consumers for monitoring usage

- lack of clarity in advertising and other written information about the amount of data that common online activities typically incur
- lack of awareness or understanding by consumers about the ways in which they can access the internet
- lack of awareness or understanding by consumers about how they may be charged for accessing the internet whether over a mobile or internet service, and
- lack of understanding on the part of vulnerable consumers (including children or young people) whose handsets allow them to access the internet.

Addressing these areas of concern is likely to result in reducing complaints and improving customer satisfaction.

Disadvantaged and vulnerable consumers

The TIO works constantly to improve the awareness of and accessibility to our office and services.

For consumers, we make our services accessible via a free telephone service, email, TTY or National Relay service (for the speech- or hearing-impaired), by mail, in person, through the TIO website or through an interpreter service.

The TIO's approach is to take a broad view about who we consider disadvantaged and vulnerable consumers. Consumers who share one of the following attributes may be in a position of vulnerability when accessing the TIO's services:

- consumers with low or no income
- people with a low level of reading, writing and numerical skills
- those with a disability
- people with serious or chronic illness, including psychiatric illness
- those influenced by drugs or alcohol
- homeless persons
- young people, or those who are aged
- consumers who have been recently institutionalised or otherwise displaced

CASE STUDY: CHARLOTTE

Charlotte contacted the TIO after her elderly mother experienced an issue with her landline service.

While recovering from heart surgery, Charlotte's mother was given a medical alert bracelet that allowed her to push a button for assistance in the case of an emergency. This system relies on the landline connection, which began to regularly lose a dial tone for short periods of time, indicating it was not working.

Charlotte reported the issue to her mother's provider several times and believed that the issue should have been addressed as a medical priority. When the service provider examined the landline service, the phone would often be working and thus not regarded as faulty. Charlotte was concerned that this placed her mother at risk.

"I was always worried that something was going to happen, and the medical alert bracelet simply wouldn't work."

The TIO was concerned about the vulnerable position Charlotte's mother was in, particularly given the potential risk to her health if she had unreliable access to her medical alert bracelet.

Investigation of the matter showed there had been very little use of the landline service, supporting Charlotte's claim that it was often not working.

As a result of the TIO's involvement, the service provider sent a technician to replace Charlotte's mother's line, resolving the dial tone issue.

Despite being happy the line is now working, Charlotte thinks the issue could have been addressed sooner. "They shouldn't have waited so long to act. It would have been resolved sooner if they had believed what I was telling them."

- persons with an indigenous background
- persons from a non-English speaking background, or
- those with temporary mitigating circumstances, such as bereavement, accident or natural disaster.

Complaints to the TIO this year indicate that there are a number of concerns facing vulnerable and disadvantaged consumers. For example:

- 5,591 issues were recorded concerning payment arrangements. This includes cases about the failure to record payment arrangements, refusal to negotiate payment arrangements, collection activity whilst a payment arrangement is in place and refusal to re-negotiate payment arrangements when a person's financial circumstances change. This issue category has increased by 29.15% since last year.
- Issues relating to delays in the connection or repair of landline, internet and mobile services where the customer or family member suffers from a life threatening medical condition, although having decreased slightly by 11.71% compared to 2008-09.
- Issues about contracts entered into by a person with impaired decision-making abilities increased from 976 last year to 1,149. This is an increase of 17.73% from last year.

These are not the high volume categories of complaint issues, but the public interest and risks associated with them demands they be carefully investigated by the TIO, and any trends closely watched.

TIO CONSUMER'S

Making a difference for consumers

The Telecommunications Industry Ombudsman Scheme was established in 1993. We are committed to the National Benchmarks for Industry Ombudsman, including the six core principles:

- accessibility
- independence
- fairness
- accountability
- efficiency
- effectiveness

In investigating and resolving complaints, the TIO has regard to the law, good industry practice and what is fair and reasonable in all circumstances. An important part of meeting our obligation is for the TIO to be accessible to as many consumers as possible, particularly those in disadvantaged or vulnerable situations. We believe that all Australians, regardless of factors such as geographic location or cultural background, should be able to find out about and access our services.

One of our key strategies is to raise awareness of the TIO among specific communities.

These include consumers (or their representatives) in rural and regional areas, indigenous communities, culturally and linguistically diverse communities, young consumers and the elderly.

We have started our quarterly consumer satisfaction surveys, contacting consumers who have used the TIO to ask for their feedback, so that we can improve the quality of the services we deliver.



CASE STUDY: JOE

Joe contacted the TIO after being unable to resolve a landline fault on his Priority Assistance* line with his provider.

After discovering his landline was not working, and subsequently learning his whole town had a phone outage, Joe went to his service provider's store in another town and asked the provider to organise an interim phone service in case of medical emergency.

Joe was advised a satellite phone would be sent out as a priority. But after Joe went to his provider's shop numerous times to follow up and did not receive a phone, he gave up and contacted the TIO.

"The whole situation caused a lot of stress for Joe because we had nothing – the public phone was not working and the phones in the town were not working. We felt very isolated if something happened," Joe's wife Dawn said.

"We found out the hard way. My provider should have kept us informed. My heart specialist couldn't contact me when he needed to," Joe said.

The TIO was concerned that the service provider did not act on its promise to resolve the complaint and had not recognised the seriousness of Joe's situation as a Priority Assistance customer. The TIO contacted the provider directly in an attempt to prioritise a resolution.

While Joe never actually received the satellite phone, the landline service was eventually restored after about two weeks. Joe then received a call from the provider offering compensation under the Customer Service Guarantee (CSG) Standard.

*The industry code of practice, Priority Assistance for Life Threatening Medical Conditions, promotes consistent industry arrangements for maximising Standard Telephone Service (STS) continuity to those individuals who have a diagnosed life threatening medical condition and are at risk of rapid deterioration in their condition.

Vulnerable and disadvantaged consumers

While some steps are being taken to make the TIO's services more accessible to the general public, special attention has been given to people in vulnerable or disadvantaged situations.

In order to maximise outreach, the TIO has adopted a principle of partnership with intermediary groups that have existing community ties, such as community legal centres, fair trading and consumer affairs government departments, financial counsellors, teachers' associations and Centrelink.

Over the past 12 months, the TIO has been represented at dozens of seminars and events around the country as part of this partnership. Some key attendances include:

- National Association of Community Legal Centres Conference, Perth, September 2009
- Federation of Ethnic Communities Councils of Australia Conference, Shepparton, October 2009
- Comview Conference (Victorian Commercial Teachers Association) Melbourne, December 2009
- Indigenous Financial Services Network, Sydney, February and June 2010
- Orientation weeks at 16 different campuses, February and March 2010
- National Deafblind Conference, Melbourne, April 2010
- AGFEST, Launceston, May 2010
- Centrelink Multicultural Advisory Committee meeting, Melbourne, March 2010 and Sydney, June 2010, and
- National Small Business Summit, Brisbane, June 2010.

We have also participated in a national external dispute resolution conference in June 2010, sponsored by the Australian Financial Counselling and Credit Reform Association (AFCRA).

Disability Action Plan

The Disability Action Plan (DAP) 2008-10 is designed to ensure that the practices and policies of the TIO treat all people with disabilities equitably. Implicit in the DAP is the commitment to ensuring that the TIO's services are available to all who require them.

Drawn up with the close assistance of many disability groups, the DAP has five key objectives:

- to develop and maintain a responsive and non-discriminatory organisational culture
- to improve accessibility to information about TIO services
- to provide equitable access to the TIO's complaint resolution services
- to ensure that the TIO's physical environment is accessible to all, and
- to ensure that the DAP is regularly reviewed and evaluated.

The DAP in 2009-10

2010 is the third and final year of the current DAP. Continuing the program of diversity training, the Learning and Development team worked with representatives from Brain Injury Australia (BIA) to educate staff about the symptoms of Acquired Brain Injury. The first session from BIA explained how brain injury might affect a person trying to access TIO services, and how investigative staff could recognise this. A second session was conducted in September 2010.

The new website, intranet and Complaint Management System (CMS) – all discussed in more detail elsewhere in this report – are also important elements of the DAP.

Indigenous Liaison Group

Our Indigenous Liaison Group seeks to improve our connections with indigenous people, especially those who for cultural, financial or geographical reasons, do not know about or cannot access the TIO's services.

The group consists of three Senior Investigation Officers, two Investigation Officers and one Enquiry Officer, selected partly for their interest in the area and cross-cultural awareness. These officers handle complaints from Indigenous consumers or advocates as part of their regular case loads.

The officers act as a referral point between the TIO and existing intermediary groups and their networks. Because these organisations already have the trust of their communities, the TIO is able to more effectively distribute information and promote our services to indigenous people.

The team has built a number of effective relationships, most notably with ICAN (Indigenous Consumer Assistance Network) and CAALAS (Central Australian Aboriginal Legal Aid Service). A theme of the 70 or so cases handled by the group has been concerns about financial over-commitment. It appears that Indigenous people may be especially vulnerable to unexpected financial over-commitment associated with telecommunications, particularly in remote areas where almost every call is a long-distance call.

In some cases, remote communities are being connected to mobile and internet services for the first time, and some in these communities have little or no knowledge of the handsets, data plans or private ownership responsibilities of a telecommunications contract.

CASE STUDY: NANCY

Nancy contacted the TIO after being unable to have her landline service connected.

Nancy applied for a landline connection at her apartment in early August 2009. She experienced a long delay in having this request completed and was repeatedly told by her telco that she needed to speak to a contractor, without being advised why. The contractor in turn advised her to call her telco.

With neither prepared to take the 'first step', Nancy's landline remained unconnected until the start of October, after the TIO became involved.

The situation was especially frustrating for Nancy, who had a mental illness that made dealing with the complaint difficult.

"I didn't know what to do. My provider kept referring me to the contractor, and the contractor kept telling me to call my provider. Nothing was getting done."

When her landline was connected, Nancy's telco advised her that she was not eligible for compensation.

The Customer Service Guarantee (CSG) Standard provides for compensation for most consumers affected by landline connection delays.

The TIO's investigation found that, prior to the landline being installed, Nancy was not clearly advised by her telco of her obligations to complete digging and 'trenching' on her property.

Because of this, Nancy was eligible for compensation under the CSG Standard. While Nancy accepted this outcome, she commented that the issue could have been easily avoided. "I just needed somebody to advise me what I needed to do to get the landline on. To tell me specifically what work needed to be done."

Complainant Satisfaction Survey

This year, the TIO has introduced quarterly complainant satisfaction surveys, to replace the previous practice of biennial surveys.

The specific objectives of this research include:

- establishing how satisfied complainants were in dealings with the TIO
- identifying what people like and dislike about our services
- investigating overall attitudes toward the TIO.

The first of these quarterly surveys was conducted in April 2010, and showed that 89% of those surveyed were satisfied with how the TIO handled their complaint. In addition, 72% were satisfied with the outcome of their complaint.

We found that surveys help us identify areas that we can strengthen and put in place measures to further improve the quality of our services.



State Of Play: Early Adoption

- 88% of Australians and 95% of small business use the internet every day.
- The amount of data being downloaded over the internet has grown nearly 60% a year for the last five years.
- By the middle of 2009, 78% of Australian households had a computer and 72% had internet access. (Source: ABS)
- Mobile wireless internet subscriptions have grown 123% a year over the last five years. There are more than 2.8 million subscribers.
- In 2010, just 6.8% of internet subscriptions were dial-up.
- 83% of internet subscription revenue is derived from households.

Source: IBISWorld

Publications

Our consumer publication, *TIO Talks*, has a printed and/or email circulation of about 1,000 and is available on our website for many more readers. The editorial team has redesigned the newsletter's look, and made it less technical and more 'reader-friendly' to ensure readers are able to understand the work of the TIO and the help we can offer.

Looking forward

Upon his appointment as Ombudsman in June 2010, Simon Cohen stressed the importance of accessibility for industry ombudsmen. He noted that:

"There aren't many services that are as important to eight year olds as they are to 80 year olds, but telecommunications is one of them.

One of the emerging challenges here is to make sure the TIO's complaint gateways keep pace with new technologies so that we remain relevant...

We also need to keep a strong focus on reaching communities that may encounter difficulties in accessing the TIO, such as elderly people, young people and those communities where English is not a first language."

New website and intranet

In 2008-09, following an extensive review of our processes, we commenced several key projects aimed at improving our level of service to stakeholders. One of these was the redevelopment of our website and intranet. The current site was largely designed in 2001, several generations ago in online terms.

The new website and a broader online strategy will help the TIO achieve its core mission: providing free, independent, just, informal and speedy resolution of complaints. Included in the website objectives are the following:

- to make the TIO's services more accessible for people of all backgrounds
- to dramatically improve people's ability to find information and documents online
- to increase awareness of the TIO's complaint management process
- to enhance the TIO's reputation with a relevant and efficient online presence
- to reduce out-of-jurisdiction complaints
- to provide people with useful tools to help resolve complaints themselves, and
- to increase staff efficiency.

The new website will support our aim to bring the TIO's services to every Australian, wherever they may be.

TIO MEMBERS

Making a difference to service providers

Our members, telecommunications service providers (or telcos) are participating in an incredibly competitive and dynamic market. Consumers are expecting and demanding more of telcos, who are in turn responding to those demands in innovative ways.

But in this atmosphere of rapid technological change and experimentation, disputes will inevitably arise.

The success of the TIO as a forum of resolution hinges on our independence, transparency and effectiveness of process. We need to earn and retain our members' trust.

This year has seen the TIO make significant changes in the way we work with our members, from overhauling billing systems to building upon the success of the **connect.resolve** program to trialling a team of ISP specialists. We have conducted free workshops for staff of members and subsidised smaller telcos to visit our Melbourne headquarters to see how we handle complaints.

1,162 Members

The TIO is a compulsory, industry-based scheme. By the terms of the governing legislation (*Telecommunications Consumer Protection and Services Standards Act 1999*), if a company wishes to participate in the telecommunications industry in Australia it must also become a member of the TIO scheme.

The TIO provides a forum for Alternate Dispute Resolution (ADR). Our mission statement emphasises the 'informal' and 'speedy' approach to resolving issues, and this is our first job.

At the end of 2009-10, there were 1,162 TIO members, comprising companies and businesses of all shapes and sizes. Some are household names, such as Telstra and Optus, that employ thousands of people and provide services to millions of customers. At the other end of the scale, there are sole traders and owner-operators with a comparatively small customer base.

* State of Play: The internet in Australia

- At the end of December 2009, there were 9.1 million active internet subscribers in Australia.
- The phasing out of dial-up internet connections continued with nearly 94% of internet connections now being non dial-up.
- Australians also continued to access higher download speeds, with 62% of access connections having a download speed of 1.5Mbps or greater.

Source: ABS

Member Communications Team

The Member Communications team (Member Comms) has particular responsibility for ensuring that each service provider is able to take advantage of the benefits of being a member, and to provide information about TIO procedures and processes. As the primary link between the Ombudsman's office and its membership, Member Comms works closely with all TIO departments to research and prepare advice to service providers on how the TIO approaches certain issues. We also provide information about regulatory and industry standards that providers should be aware of when they make decisions in individual cases.

Importantly, Member Comms is managed independently from the Enquiry and Investigative teams, providing fresh eyes and a review service where service providers feel that the TIO has not proceeded according to the usual complaint handling procedures.

Managing 1,162 separate and unique relationships is a challenge which provides many opportunities to revisit the way the TIO approaches complaints. Some service providers have very little engagement with the TIO from year to year because they receive no complaints. Other service providers – especially large telcos – regularly visit the TIO offices and provide briefings to the TIO about product launches and major projects that might impact upon complaints.

The TIO endeavours to understand the structure of each member, the nature of their customer base and what resources and systems they have available to handle complaints.

We regularly assess member complaint statistics and flag issues that lead people to call the TIO. This helps industry service providers find the cause of customer dissatisfaction.

We also offer a help-desk and advice service, and training when new complaint handling staff are employed. Our regular MNews newsletter also updates service providers on changes in the TIO, and provides information about industry developments that may affect complaints and how they are handled by the TIO.

Engagement

When working with a member, personal contact is very effective. By seeing operations first hand we can better understand the needs of our service providers and provide more tailored assistance and explanation of the TIO's processes. Service providers also appreciate the opportunity to ask questions about the TIO, our role, and how the TIO scheme might provide it information or services that may help their business.

Some recent visits by Member Comms include:

- Meeting a smaller member in Brisbane with significant complaint numbers. This organisation needed detailed information and training about how the TIO handled telemarketing and contract complaints, which we were happy to provide.
- Meeting a member in Perth with regard to an unusual rise in complaint numbers and the corresponding increase in the amount owed to the TIO for complaint handling.
- Holding workshops to train service providers' staff on dealing appropriately with customer complaints and how to ensure compliance with TIO processes.
- Subsidising visits for smaller, less-resourced service providers to the Ombudsman's Melbourne office to meet the Ombudsman and some Investigations staff and to see how we work, first-hand.

Billing transition project

A Strategic Implementation Project initiated in the past 12 months will result in a complete overhaul of the way we charge service providers for complaint handling – moving away from a quarterly-in-advance billing arrangement to monthly-in-arrears from 1 July 2010.

The vast majority of complaints to the TIO come from customers of around 30 service providers. Therefore, the bulk of TIO's operating costs are funded by these 30 companies. A further 170 service providers receive a smaller number of complaints while about 850 service providers have not received any and therefore do not contribute to the TIO's operating costs at all.

From 1 July 2010, the TIO will waive the first Level 1 complaint charge per month and the first four Level 2 complaint charges per financial year for each of its service providers who are billed in arrears on a monthly basis. This important initiative will allow us to work directly with the small service providers to resolve cases without charge.

In 2009-10, TIO invoices were issued to service providers quarterly-in-advance, an estimate based on past data. This was a legacy of the TIO's origins as a small organisation with irregular cash flows.

However, the TIO is now by most definitions a medium or large organisation, with more than 220 staff and a great deal more certainty in its data, processes and financial projections.

This has meant that the TIO has been able to shift to a monthly-in-arrears billing arrangement, with invoices based on actual data rather than an estimate. Improvements in the way we gather complaint statistics have helped in making this possible.

This new billing process is fairer to service providers, as they only pay for complaints incurred. Smaller businesses will find it easier to manage their own cash flows. From an operational view, it will also provide more real-time feedback, reflecting reality in what is a fast-moving industry.

The transition from old billing system to new took place for most service providers on 1 July 2010, with the first of the monthly bills going out in early August 2010.



KISHOR'S COMPLAINT

Kishor contacted the TIO after being unable to resolve a billing dispute with his provider.

After cancelling his landline and internet services due to a billing issue, Kishor closed his account, but was left with a credit in his account. After several discussions with his telecommunications company, Kishor was advised that he would be sent a cheque, but each person he spoke to said he would receive a different amount, and the cheque then never came.

The ongoing problems left Kishor feeling powerless. "It was quite frustrating to be on phone for 30 to 40 minutes and repeat the whole story to each person every time. In the end, I just didn't want to speak to them about the issue."

Kishor then asked the TIO to investigate.

The TIO was concerned that the company had not followed through on its promise to give Kishor a refund cheque, and that he was given inadequate advice in relation to the amount. The TIO was also concerned that money which was rightfully his was being retained by his former service provider.

The Telecommunications Consumer Protections Code states that a provider must have adequate resources to resolve complaints, and must ensure that promises to resolve complaints are followed through.

The TIO's investigation of the matter uncovered that Kishor's credit balance upon the closure of his services was \$99, but due to a series of human errors, he never received a cheque for this amount.

After further intervention by the TIO, this amount was refunded directly to Kishor's bank account.

Kishor said that his complaint could have been easily resolved if his service provider maintained better records of their conversations with customers. "They should have utilised better internal records, and they should have known what I was talking about when I called back."

ISP team trial

In 2008, as broadband connections soared and smart phones hit the market, a member survey suggested the TIO establish a team of Enquiry and Investigations staff that specialise in internet complaints. These services are not only provided by big telcos, but also small to medium Internet Service Providers (ISP) offering only internet connections.

The ISP sector deals with a number of unique issues. For example, many ISPs buy their service capability from wholesalers, and these wholesale services are not within the Ombudsman's jurisdiction. And ISPs told the TIO they sometimes find themselves caught between customers who have a problem and a wholesale supplier who may not be responsive to resolving it.

In April this year a specialist ISP team was brought together for a trial.

The team undertook a thorough training program, including various presentations by a small number of ISPs.

The ISP trial will run for six months and will be evaluated during October and November 2010.

connect.resolve

In 2008, the TIO launched a new initiative aimed at encouraging service providers to re-focus on customer service.

Named **connect.resolve**, the campaign ran from January to June 2009. The customer experience was highlighted through regular monthly reports to service providers. **connect.resolve** has contributed to an overall stabilisation in complaint numbers after almost 18 months of sustained growth.

In August 2009, the TIO published the performance statistics of each of the major service providers in a report for the first time.

The report included the comments of the TIO and providers, and more importantly, the voices of the consumers.

After the formal **connect.resolve** campaign ended, the TIO emphasised its commitment to continue working with the industry to improve customer service and complaint handling practices.

As part of that commitment, we released an update report in March 2010 for the period July 2009 to December 2009, noting a 7% drop in overall complaints. A final update of the campaign for the period January 2010 to June 2010 is included on pages 52-63.

CASE STUDY: TASH

Tash contacted the TIO after receiving excess usage charges on her internet bill for over \$8,000.

As the owner of a small pharmacy, Tash's home internet account was also bundled with several other services. After being advised she would be offered a 'plan to suit her', Tash upgraded her home internet service from dial-up to broadband. When she received her first bill, she was shocked to see its size.

As a small business owner, Tash's primary concern was the impact which the \$8000 was going to have on her business and family.

"I was really afraid that the bill was going to dramatically affect my business. I simply couldn't afford to pay it, and had no idea how the charges had occurred."

After discussing the issue with her telecommunications company, Tash was advised the bill would be waived if she agreed to sign up her business to a further 12 landline services. She then contacted the TIO because she did not believe this was fair.

The TIO was concerned Tash may have become financially over-committed as a result of her service provider's credit management procedures.

An investigation of Tash's complaint indicated that the internet service had been used. However, the company had not barred Tash's internet service when she began to accrue excessive charges, or notified her when the charges in question started increasing. This information established that Tash's provider had contributed to the situation in a significant way.

As a result of the TIO's involvement, the company agreed to lower Tash's internet bill to \$200; which reflected the amount of excess usage charges which would have generated had the service provider taken appropriate and timely credit control action

SYSTEMIC ISSUES

Making a difference through the identification of systemic complaint issues

Sometimes, the TIO receives a complaint that raises a problem that we suspect affects more customers than just the person lodging it. These are known as 'systemic issues'.

The TIO approach

In the past year the TIO has increased its capacity to investigate and resolve systemic issues. After a review of our systemic investigations area, the TIO adopted a more targeted and strategic approach to dealing with systemic issues and investigations.

By increasing our focus in this area we hope to more quickly identify systemic issues and work with service providers to resolve complaints and the causes of these complaints.

By reaching the root of a problem, rather than treating each complaint on a case-by-case basis, it's possible to resolve many hundreds or thousands of actual and potential problems with a single investigation. This not only delivers fair outcomes for consumers, but should help service providers and the telco industry through improving services and reducing complaints.

The TIO's Systemic Issues Strategy seeks to:

- identify potential systemic issues early through analysis of complaint data, identification of issues raised in complaints, and collection of intelligence through discussions with other industry organisations
- actively engage with service providers about the issue and possible solutions
- agree on clear and realistic actions to address any systemic issue
- ensure individual TIO complaints are solved while a solution to the bigger issue is settled upon, and
- monitor the outcomes of each agreed action.

We have included in this report some brief case studies demonstrating the early work resulting from our revised strategy.

CASE STUDY: MISTAKE AT COMMON LAW

Sometimes, an action by a service provider that initially raises concerns from a consumer's perspective can, after a systemic investigation, be established as fair and reasonable.

In June 2009, the TIO began to receive complaints from mobile customers, claiming they had suddenly been billed for amounts that had accrued over six months ago.

After preliminary research, the TIO raised this issue with the service provider under a potential systemic investigation. The TIO hoped:

- to better understand what had happened to cause the late billing
- to establish whether the charges were correct and payable
- to determine whether the bill was compliant with the Telecommunications Consumer Protections Code
- to find out what strategies the provider had in place to deal with any complaints and financial hardship.

The TIO was particularly concerned about consumers on a direct debit arrangement, and that the provider might be imposing charges without obtaining authority or providing prior opportunity to verify the unexpected charges. The TIO was also concerned that the collection of these charges may cause some consumers financial hardship.

The provider responded by saying that the problem was caused by a billing error arising in 2008. Instead of waiving early termination fee charges from customers' accounts, an incorrect piece of code had resulted in a credit being given instead.

When the error was identified in 2009, the provider believed it was entitled to recoup these credits. All customers were sent letters with their invoices, explaining the reason for the charges and confirming that no additional fees or charges were to be applied.

During the course of the investigation 1,800 consumers were identified as potentially vulnerable, and the provider explained that these customers had been contacted directly by the service provider to arrange payment plans.

The TIO considered the law and the billing chapter of the Telecommunications Consumer Protections Code, and looked carefully at the facts of this situation. The TIO was satisfied with the provider's explanation of the code error, and that it was fair and reasonable for the provider to fix the error. In the absence of finding any identified instance of consumer detriment, the TIO finalised the investigation.

CASE STUDY: FAIR USE POLICY

In mid-2009, the TIO received a number of complaints concerning a service provider's 'fair usage' policy. The consumers who complained to the TIO pointed to a lack of information about the policy at the point-of-sale, resulting in confusion over what constitutes 'acceptable usage' within a bundled 'unlimited' plan.

The TIO raised a potential systemic investigation to explore the details of this policy, and find out when and how consumers were notified of impending restrictions based on breaches of this policy. The following concerns were raised:

- The 'fair usage' policy was not clear to consumers. The provider defined fair usage as 5 times the average number of local calls made by customers during the previous calendar month.
- The 'fair usage' policy was not adequately explained during point-of-sale discussions. The TIO understood that some plans were promoted as being unlimited when in fact consumers can have their usage limited.

In response, the provider indicated that it did not formally use the word 'unlimited' in any of its plans, but acknowledged the term may still have been used by sales staff. The provider promised to retrain staff on this issue and stop using the term.

On advice from the TIO, the provider also accepted that the policy may have been difficult to understand and therefore changed the definition of excessive usage to one that was clearer and more comprehensive.

In addition, the provider gave customers making 'excessive' calls under the former policy the opportunity to accept the revised fair usage terms prior to restricting or cancelling their service. It also undertook to identify and contact customers who may be in breach of the former fair usage policy, and inform them of the revised policy.

After considering the response, the TIO was satisfied that the revised fair usage policy was more transparent, and that it enabled consumers to understand the restrictions of the service and better monitor their usage.

CASE STUDY: INACCURATE POINT-OF-SALE ADVICE

In March 2010, the TIO identified a pattern of complaints about inaccurate point-of-sale advice relating to the nature of services being offered by a telco, and subsequent difficulties in contacting customer service.

The Systemic Issues team conducted preliminary research into the pattern of complaints, including:

- reviewing all complaints about the member from 1 January 2009
- an audit of the member's website and customer contact numbers
- searching for similar patterns through online complaints forums.

A potential systemic issue was investigated in April 2010. As the service provider is based offshore, face-to-face meetings were not possible.

Instead, a number of teleconferences were arranged after written notification of the systemic investigation.

As a result of the investigation, the TIO determined that the service provider's sales staff were not always giving correct advice at the point-of-sale. After some discussions, the service provider agreed to review its internal sales processes, training and scripts.

To resolve the issue, the service provider proposed to:

- amend sales scripts and the Customer Service Agreement to ensure all charges were adequately described
- take a 'zero tolerance policy' on sales representatives giving incorrect advice
- appoint a supervisor to monitor sales calls
- notify customers of a variation to the terms/cost of their service at least one billing cycle prior to the change being introduced
- cease credit management on disputed charges in line with the Telecommunications Consumer Protections Code
- employ additional staff to handle consumer disputes and institute a 24 hour call back policy.

At the end of the TIO's systemic investigation, we continued to monitor complaints about the provider to ensure that the changes are implemented and complaints reduce.

TIO STAFF SECTION

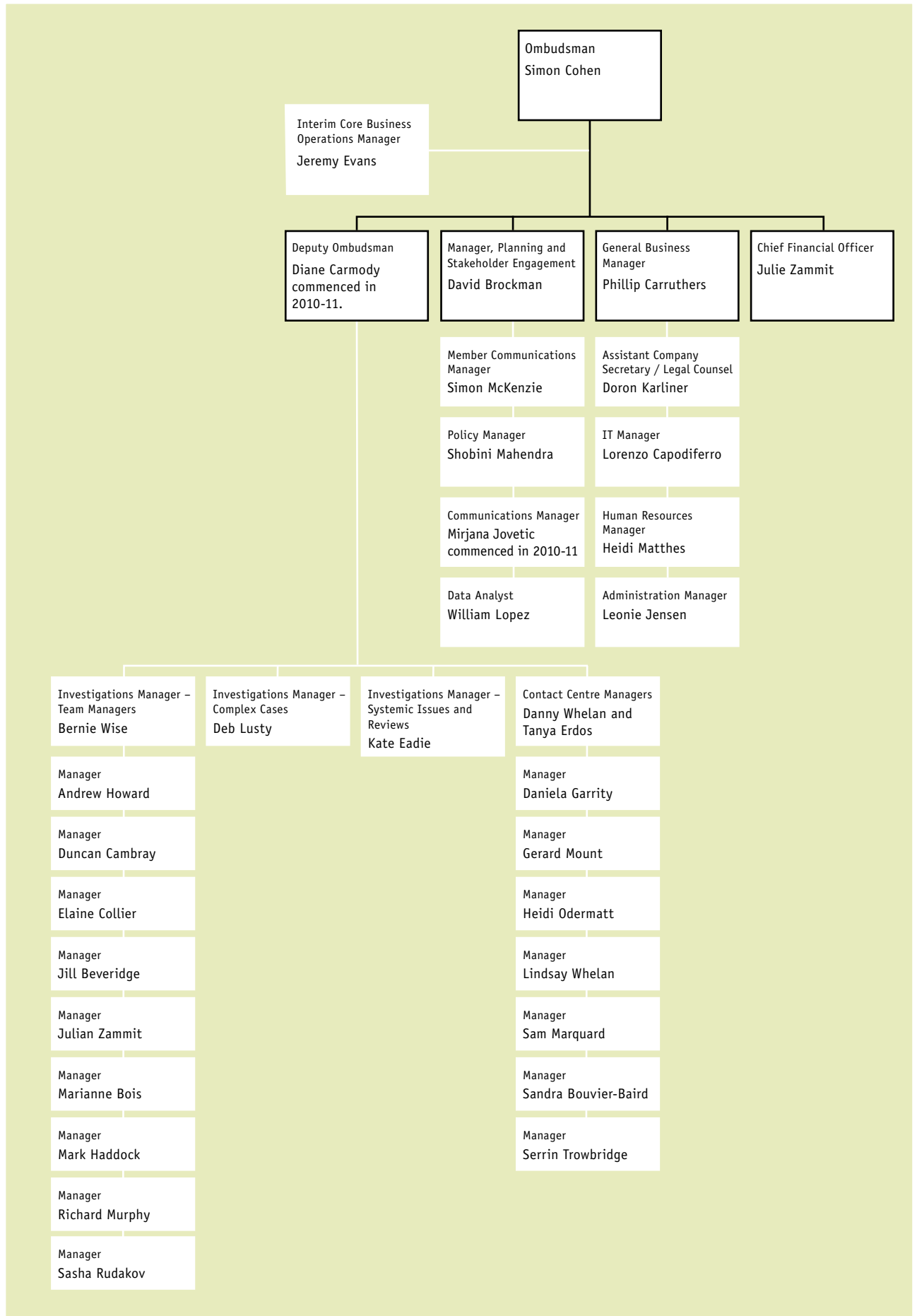
Making a difference to staff

In the past four years, as Australians have enthusiastically embraced the opportunities new technology can offer, the TIO has tripled in size.

Our staff reflect the Australian community, and include women and men from diverse cultural, economic and educational backgrounds. They share the core values of the TIO to:

- deliver our mission
- strive for excellence
- take personal responsibility
- cultivate a supportive and collaborative workplace.

This year, as demand for TIO services has stabilised and then fallen, we have been able to increase our focus on quality assurance, staff development and continuous learning.





JEREMY EVANS

*Interim Core Business
Operations Manager*

What do you do?

My job is to ensure that the TIO meets its broader objectives, and I keep the ship heading in the right direction from a complaint handling and resolution point of view. I help the team managers align their people with the organisation's goals.

What were your previous jobs?

I worked for a small phone card company managing customer services. Before that I was at Optus, as a customer service team leader. I started work at the TIO as an Investigations Officer, and progressed to an Enquiry Manager. Most recently I was the Process Improvement Manager, and in charge of process improvement projects and initiatives to increase the efficiency of the TIO's complaint handling work.

What attracted you to work at the TIO?

I have the opportunity to work with so many very talented, enthusiastic and hard working people who are genuinely committed to their work and supportive of the TIO's purpose. I've also always been interested in helping people get outcomes and justice. At a not-for-profit like the TIO, it's easier to make a difference for people. You're not constrained by other corporate objectives.

What telecommunications products do you use?

I'd be completely lost without my Blackberry. I love it, not for its own sake but for its amazing functionality and how it helps me with my work.

Staff numbers stabilise

In the three years to the end of July 2009, the TIO grew from 70 to about 220 people. This rapid growth was essential to service the large surge in complaints.

Clearly when any organisation grows this quickly, recruiting and training the right people, and providing an efficient workplace, become key objectives.

Fortunately, in 2009-10, the increasing demand for TIO services began to decrease. As we report elsewhere, we believe that decrease is a result of providers increasing focus on improving their customer service. We cleared the build up of complaints flowing on from 2008-09 and stabilised our staff numbers.

This allowed the TIO to direct energy and resources toward quality measures: improving services, conducting process reviews and deepening staff knowledge.

This switch in strategy will not only let us better service consumers and service providers today, but give the TIO a firm footing for growth and challenges in the future.

Workforce profile

As at 30 June 2010, the TIO employed 230 staff. This is a slight increase from 12 months before when 218 people were employed, although a peak of 265 was reached during the year, commensurate with a peak in complaint numbers.

Male employees made up 51% of the total, down 1% from the previous year. The age profile remains largely unchanged, with the most noticeable shift being the increase in employees between 31 and 40 years of age, up 5% to 48%. 86% of employees, and 94% of management, worked full-time, and women tended to stay at the TIO for about a year longer than men.

Quality improvements

The TIO has continued to improve its quality assurance program across a range of activities:

- Our internal quality assurance program – reviewed in the last year – focuses on the quality of complaint handling, decision making and record keeping across our enquiry and investigation teams. This includes call monitoring sessions for new complaints, and audits for investigated complaints – by independent quality assurance staff.
- We increased resources and training to implement the quality assurance program.
- We implemented mechanisms to improve the efficiency of our quality assurance of complaint data – which was previously a manual process. We have worked to improve the quality of our statistics reports, to better inform service providers about complaints from their customers.

Keyword review

'Keywords' are the tags by which the TIO describes and categorises complaint issues. During 2009-10, the TIO introduced a few new keywords to better capture and reflect the following categories of issues:

- MPS issues – to identify various categories of MPS related complaint issues as a result of the introduction of the MPS Code (1 July 2009)
- disability equipment issues – to identify faulty disability equipment, delays in provisioning such equipment, accessibility and point-of-sale advice about such equipment (1 July 2009), and
- temporary cabling and Customer Network Improvement issues for landline services – to identify fault rectification and provisioning delays, and safety issues relating to the installation of temporary cabling as a stop gap measure pending Customer Network Improvement (CNI) (1 January 2010).

Towards the end of 2009-10, the TIO conducted a review of all our keywords. To reflect the current convergence of technology, a decision was made to make the keywords category-based and technologically neutral.

As a result of the review, new keywords have been introduced on 1 July 2010 to reflect new products and services while some existing keywords have been finetuned to reflect industry changes.

Our more detailed keywords will not only help the TIO in resolving issues, but also give service providers valuable information with which they might improve their own customer service standards and better comply with their obligations under the scheme.

New complaints handling system

The current Complaints Management System (CMS), COSMOS, was originally installed in 2001. As the TIO has grown, the expectations of both service providers and consumers have also risen. COSMOS will soon be unable to meet these growing expectations.

The decision was therefore taken to replace COSMOS with a new, purpose-built database with the capacity to handle future growth for at least the next ten years.

Due to become operational during 2011, the new CMS will significantly improve efficiencies in complaint handling for all concerned parties. Just as importantly, it will make the Ombudsman's Alternate Dispute Resolution (ADR) capabilities more accessible, transparent and efficient. In turn, this will directly and positively affect the TIO's ability to fulfil its mission.

Some key objectives of the new CMS include:

- making it easier for consumers and service providers to track complaints
- building in capacity for possible future growth
- completely integrating processes and systems across the TIO
- improving data integrity with

'single source of truth'

- reducing costs and risks of losing data
- increasing flexibility to handle future changes in jurisdiction
- better reporting.

As the choice of the next CMS will affect just about every facet of the Ombudsman's operations, and impact on each of our stakeholders, we have taken significant steps to make the selection process as transparent, rigorous and thorough as possible.

Staff Opinion Survey

Each year the TIO conducts a staff opinion survey and uses the results and recommendations to improve the TIO workplace. From the survey held in March 2009, we took some key suggestions, followed up with focus groups and developed 66 individual actions. Among them:

- a review of TIO benchmarks and key performance indicators
- greater focus on quality when evaluating performance
- weekly statistical updates for staff
- "This is the TIO" – a formal documentation of our vision, mission, strategic goals and core values.

There are also a number of larger projects still in progress:

- intranet enhancements as part of the wider website redevelopment
- a review of remuneration settings
- introduction of a new competency framework
- a trial to see if flexible working options for Investigations Officers can be increased to include telecommuting arrangements.

Learning and Development

As has been the case across the TIO, a reduction in the demand for our services has seen a change in strategic emphasis for our L&D team. Time and resources previously spent on new staff inductions has refocussed to process improvement and staff development training.

Some notable courses developed and



VICTORIA SARAY

Member Communications Adviser

What do you do?

I'm part of a team that acts as a link between the TIO and our members. We liaise with the investigative staff, offer training about our policies and procedures, and give whatever advice we can on complaint handling to the members of the TIO scheme.

What were your previous jobs?

I ran my own remedial massage practice and managed a natural health clinic.

What attracted you to work at the TIO?

I was always interested in the not-for-profit sector, and helping in the community. I'm a member of a very active community group. When I had an offer made on my business, I thought it was the right time to make the jump.

What telecommunications products do you use?

I absolutely adore my iPhone. It's fantastic having my camera, music and phone with me all the time!

* From little things...

AARNet (Australian Academic Research Network), Australia's first major internet system, was established in 1989. As the name suggests, it developed originally for use by academics. After being run by the Australian Vice-Chancellors Committee (ANCC) and the CSIRO, it was acquired by Telstra in 1995..

Source: IBISWorld



CAMERON BURNET

Investigations Officer

What do you do?

Primarily, I assess cases that have not been resolved after an individual initially contacted the TIO. I also act in a managerial role from time to time.

What were your previous jobs?

I worked for a telco in the disputes department for three years.

What attracted you to work at the TIO?

I wanted to use my analytical and writing skills, and the autonomy and independence of the TIO role appealed to me.

What telecommunications products do you use?

After being somewhat of a technophobe, I now use an iPhone. I'm also a pretty big gamer, so I have a robust broadband plan.

*** The changing face of mobile**

- There are 810 mobile telecommunications carriers in Australia. The top three account for 99% of industry revenue.
- In the five years to 2010, average rates of mobile calls fell by 6%.
- In 2000, data accounted for just 4% of total mobile traffic volume (versus 96% voice traffic). In 2009-10, data accounted for 40% of mobile traffic volume.

Source: IBISWorld

delivered in the past year include:

- **Business Writing Training.** Conducted with the help of SOCAP Australia (Society Of Consumer Affairs Professionals), this course was specifically designed for complaint handling, and aims to bring consistency in written communications across the TIO.
- **Training of a specialised ISP team for internet-related complaints.** This trial is discussed in more detail on page 41 of this report. The L&D team helped train 30 staff on both the technical and consumer side of internet services, as well as provide a refresher course in Alternative Dispute Resolution principles.
- **Language and Listening Training.** Techniques to achieve a resolution with minimal conflict.
- **Management Training.** As new managers joined the TIO, and new managerial positions were created, this program covered a number of key topics:
 - » giving effective feedback
 - » negotiating agreements/resolving disputes
 - » difficult conversations
 - » influential business writing
 - » running successful meetings
- **Various change-related training courses:**
 - » unfair contract terms
 - » Mobile Premium Services Barring determination
 - » Level 1 referral process change (trial)
- **Various eLearning courses:**
 - » codes of conduct
 - » emergency evacuation
 - » health and safety
 - » bullying in the workplace
 - » equal employment opportunity principles

Fair and Reasonable training

A core role of the TIO is to assist both parties to reach an agreed resolution of a complaint. It is critical, in this role, for the TIO officer dealing with the complaint to both be, and be seen to be, independent.

At the TIO, an Investigations Officer (IO) has a good deal of autonomy when conducting an investigation. Given the volume of our work, and the expertise of these officers, it is one of the ways that we ensure the efficient and effective resolution of complaints.

But it is also important to keep the investigative process independent and fair. 'Fair and Reasonable Training,' designed by the TIO Policy team, was delivered to every IO during 2010.

The training reinforced that:

- to be fair, decisions and actions must be free of self-interest, bias and pre-judgment
- each party to a complaint must be treated justly and equitably
- treating equally does not always mean treating identically
- sometimes, the role of a TIO officer includes addressing imbalances in bargaining power between the parties.

The Fair and Reasonable training will assist in promoting consistent and equitable outcomes for all complaints.

We are also looking at how this training can be delivered to service providers in the coming years.

Occupational Health and Safety

In an environment where people are dealing with complaints and potential conflict each day, the TIO has always given high priority to measures that help prevent and deal with workplace stress. In 2009-10, the Occupational Health and Safety (OH&S) team conducted a Psychological Risk Assessment with the help of external psychologists and focus groups, which resulted in the following outcomes:

- developing the Health and Wellbeing calendar – including Stress Down Day, workplace health checks and financial seminars
- developing relevant training modules, including Dealing with Unreasonable and Difficult Complainants and Beyond Blue management training
- offering occupational counselling to unsuccessful candidates of internal recruitment processes
- creating ‘buddy systems’ for TIO officers to work with more experienced staff in a similar position
- making a page on our internal website about projects happening within the office
- updating our notification process for when staff want to move desks
- reviewing our remuneration for all staff
- improving our procedures for communicating with temporary staff.

In other OH&S measures:

- 128 staff had on-site, individual Workplace Health Checks conducted by WorkSafe Victoria
- about 90 employees took advantage of the TIO’s free flu vaccination program in March and April
- the role of the Return-To-Work Co-ordinator, responsible for every employee returning to work, was formalised
- assessing OH&S compliance of the workplaces used in the Flexible Work/ Working From Home trial
- the on-site interview room was reviewed to ensure the safety of TIO officers conducting face-to-face dealings.



JOE SELVARETNAM

Enquiry Officer

What do you do?

As an Enquiry Officer, I am in the first line of complaints. We receive verbal or written complaints, which I assess. If a complaint is within our jurisdiction, I'll work with the consumer to clarify their concerns, and then refer them to the specialist complaints handler at the telecommunications company to have another opportunity at resolving the matter. If not, I will clearly explain why we can't help, and endeavour to find alternative avenues for the complainant.

What were your previous jobs?

I worked in program development and advocacy for HIV/AIDS whilst in Malaysia. This was a hugely challenging and fulfilling period in my work life. Unlike in Australia, there's a lot of social stigma and discrimination with the issue. Simple things like providing access to affordable medication were very challenging.

What attracted you to work at the TIO?

Some of my own core values, like to access to justice, are at the heart of the TIO. I like having the opportunity to listen to complainants, and empathise and empower them to be better equipped to deal with providers.

What telecommunications products do you use?

I think technology is a bit of a double-edged sword. Some of the latest gadgets are mere consumerism. But I just love internet technology because it has managed to transcend borders, and cultural and political divides like nothing has ever done before.



DANIEL POP,

IT Helpdesk Support

What do you do?

Officially I'm at the Helpdesk, so I am the first one to know about any IT problems in the office. But I like to help out designing solutions too when I get the chance.

What were your previous jobs?

I worked as a technical support officer for a call centre with a company called Datacom.

What attracted you to work at the TIO?

There's only a small IT group, so there are larger opportunities to work in all sorts of areas across the office.

What telecommunications products do you use?

I love mobile technology. I've just got the HDC Desire Android phone. I read a lot of tech blogs. I used to be a big gamer, not so much any more. I'm a bit too busy these days!

* What is AdCom?

AdCom is a committee made up of representatives from investigation, administration and management staff. Its principal aim is to liaise between staff and the Ombudsman executive about issues that affect staff and the TIO workplace. AdCom also allows staff to have input into decisions and to have a real impact on the way the TIO runs. Its activities include:

- consulting on behalf of staff about new workplace policies
- presenting general questions and matters raised by staff to the executive team
- organising bi-annual TIO award nights, staff in-service days, and other events.



SASHA RUDAKOV

Investigations Team Manager

What do you do?

I started as an Enquiry Officer, became an Investigations Officer after nine months and then a Senior Investigations Officer 18 months after that. When the Team Manager positions were created a couple of years ago, I was in the first intake. I manage, coach and support a team of eight Investigations Officers.

What were your previous jobs?

Before I joined the TIO I was at university studying Arts/Law, and graduated in 2004. As a student I had a part-time job in a shoe store.

What attracted you to work at the TIO?

After I graduated, I was looking for a place where I could use my analytical skills. A recruitment agency suggested the TIO, because they'd placed other law graduates there and received positive feedback. Initially I thought I'd be here for 18 months, but it's been over five years already!

What telecommunications products do you use?

To be honest, gadgets don't really interest me; I just use my husband's old mobile.



KERRIE CLARK

Learning And Development Officer

What do you do?

My job entails performing internal training analysis, and assessing staff needs. If we need to look outside the organisation, I assess the merits of potential partners. If we decide to handle it internally, I design those programs and tutorials.

What were your previous jobs?

I was at Telstra for nine years, designing and implementing internal online learning programs.

What attracted you to work at the TIO?

I studied criminology at uni as part of my Arts degree. The TIO gave me an opportunity to use those skills in terms of gathering evidence, assessing evidence and weighing up both sides of the story.

What telecommunications products do you use?

My kids are crazy about Moshi Monsters (an online game) so I've become more involved with the internet just to keep up with them. My partner lives interstate, so I book a lot of travel online.

Environment Committee

The Environment Committee was established in September 2009, with a remit to raise awareness of environmental issues inside the Office and encourage behaviour that has a positive and significant impact.

Some key achievements for the first nine months include:

- introducing battery, mobile handset and ink cartridge recycling throughout the office
- changing our paper supplies to 80% recycled paper
- changing all staffs' printer settings to default to double sided printing.

This initiative has reduced the TIO's paper use by about 40%, and contributed to cost savings for the TIO.

Process Review Programs

After a full review of TIO processes in 2008, we have investigated and trialled a number of recommended process review initiatives targeted at improving the effectiveness of our dispute resolution procedures. Our more significant projects from the past year are outlined below:

• Level 1 Referral Project

AIM: Level 1 complaints are those we refer to more senior or specialised staff within service providers for another chance at resolution. This project's aim is to provide service providers with an automatic email when referring a complaint, including a complete copy of the TIO's notes. The member is then requested to contact the complainant and directly work to resolve a complaint within 10 days. Previously, the complainant was responsible for contacting the member.

TRIAL: A trial with two larger service providers began in January and finished in March 2010.

OUTCOME: Results included increased complainant satisfaction, and lower escalation rates – that is, fewer cases requiring further TIO investigation. A wider implementation including larger service providers and an estimated 40-50% of referred complaints went live in July 2010. The rollout will continue into 2010-11.

• Changing the Level 2 resolution process

AIM: Level 2 complaints are those where the TIO conciliates the case. This project's aim is to reform the facilitated resolution process to encourage active engagement by TIO officers with service providers, reduce 'complaint fatigue' and reduce the formality of the process.

ACTION: A reformed process was developed after substantial stakeholder input and participation. The new process will allow the service providers an opportunity to discuss the case with the TIO officer, and explore options for a resolution much earlier than the normal timeframes. This direct contact and enhanced conciliation should assist in the faster resolution and finalisation of a complaint.

TRIAL: A trial involving two TIO service providers was under way at the time of writing. Expected completion date, December 2010.

• No Preliminary Views (straight to Determination) for simple Level 3 & 4 complaints

AIM: Level 3 and 4 complaints are those requiring detailed investigation and possible decisions by the TIO. This project aimed to investigate whether it was fair and appropriate to issue determinations without first issuing preliminary views (PVs) for simple Level 3 and 4 complaints.

OUTCOME: Senior TIO officers investigated the proposal. In order to ensure redress to both parties and provide every opportunity for resolution, it was decided that giving an opportunity for both parties to provide comments before a decision was made remained the better option.

• Internet Service Provider team trial project

AIM: To trial an investigations team that specialises in ISP-related complaints.

TRIAL: The ISP team trial started in April and was still in progress at the time of writing. Initial assessment indicates improvement in the TIO's understanding and management of some types of internet complaints. The trial is being evaluated during October and November 2010.



MICK KAUFMAN

Case Officer

What do you do?

I am in between an Enquiry Officer and an Investigations Officer. I investigate cases that have not been resolved right away, but are about simple issues, so I do not need to assess a lot of evidence when resolving the complaints.

What were your previous jobs?

I was a senior technical officer at Foxtel, handling mainly big corporate clients. I was there for 12 years.

What attracted you to work at the TIO?

A former colleague worked here and raved about the place.

What telecommunications products do you use?

I've only got a basic phone. In 2007 I completed a Diploma of E-business and I have a healthy interest in developing website businesses. I like to keep up with change.



GERARD MOUNT

Team Manager

What do you do?

I manage a team of eight to 12 Enquiry Officers (EOs), and I try to ensure my team provides the best assistance they can to the people who contact our office. I make sure things move smoothly, which includes giving my team regular support and feedback. I proofread correspondence and do a little development and training.

What were your previous jobs?

I initially worked in hospitality, and managed a small pub in London in Southwark called 'The Paper Moon'. I started at the TIO as an EO, and after six months I became an Investigations Officer. I was in that position for a year before I started my current position.

What attracted you to work at the TIO?

I was looking for something with good career prospects, and wanted somewhere I could apply my writing skills. I've got a Bachelor of Arts from Monash University.

What telecommunications products do you use?

Personally, I'm not into the latest and greatest products; I just like functional stuff. I've got a computer at home but my usage is pretty basic.



MONIQUE MOLARO

Systemic Investigations Officer

What do you do?

I commence investigations for bigger picture systemic issues, and consider the best ways to reduce consumer detriment. I deal with service providers throughout this process. There's a lot of negotiating.

What were your previous jobs?

I was a commercial litigation lawyer in Sydney for five years.

What attracted you to work at the TIO?

I like the fact that it's a not-for-profit organisation. It feels good to be doing something that makes a difference to people. I still get to use a lot of the skills that I enjoyed as a lawyer, such as public speaking, investigating and thinking on my feet. No two cases are ever the same.

What telecommunications products do you use?

I have an iPhone but I've got a bit too much of an 'outcomes-based approach' to be a real gadget freak. I like to stay up to date with things for work.

*** The Rise of Wireless Broadband**

Fixed lines (DSL) continue to be the major technology for internet connections, accounting for 51% of non dial-up connections.

However, this percentage share has decreased since June 2008 when DSL represented 57% of non dial-up connections.

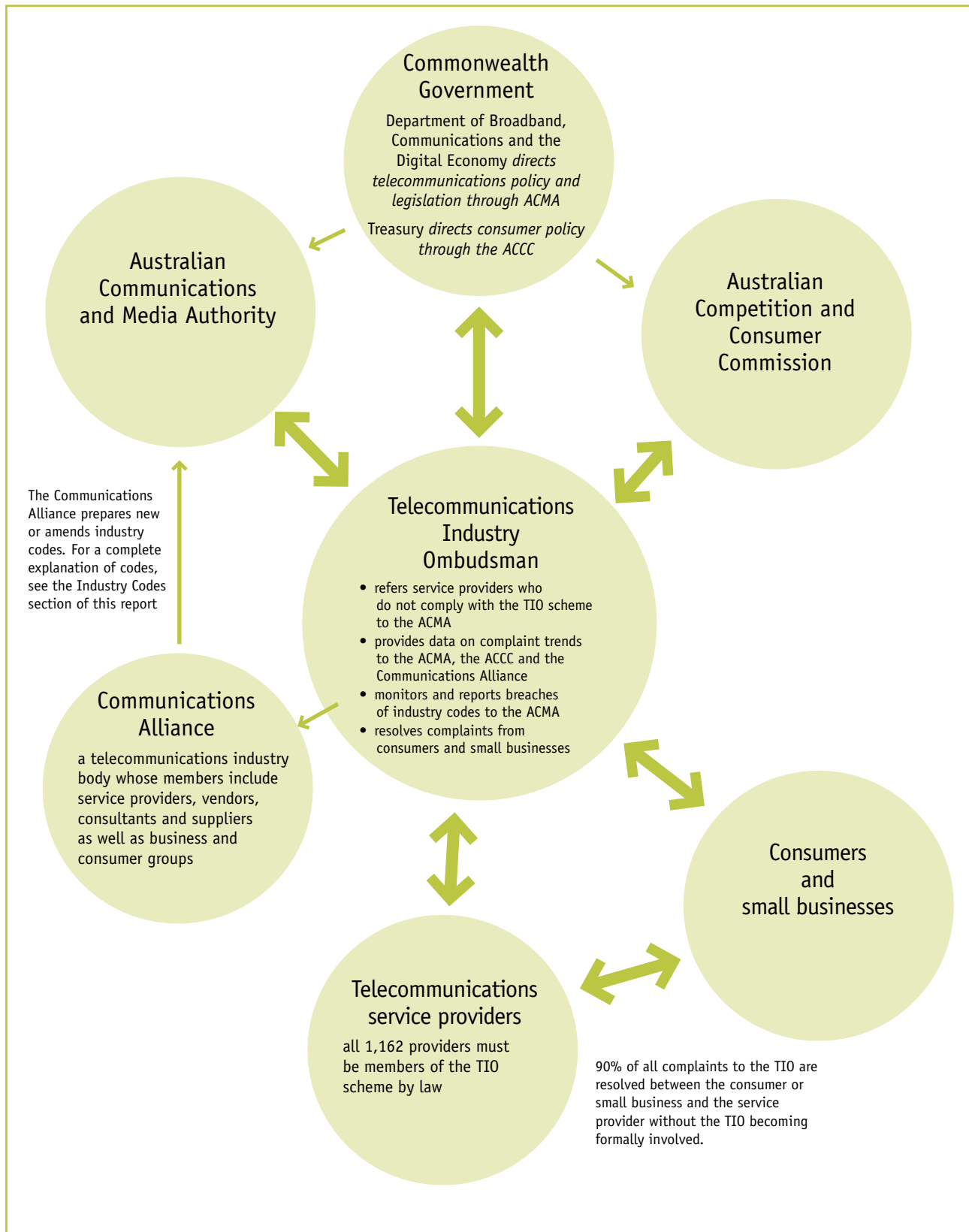
Mobile wireless via a datacard, dongle or USB modem is the fastest growing technology in internet connections, increasing to 2.8 million in December 2009. This represents a 40% increase in just six months.

Source: ABS

REGULATORS AND OTHER STAKEHOLDERS

Making a difference in the telecommunications co-regulatory environment

A number of government and industry agencies – including the Department of Broadband, Communications and the Digital Economy, the Australian Communications and Media Authority, Australian Competition and Consumer Commission and Communications Alliance – play a role in the co-regulatory framework for the telecommunications industry. The TIO maintains close working relationships with each of these organisations.



Contributing to the co-regulatory framework

The ACMA (Australian Communications and Media Authority) is responsible for monitoring, assessing and promoting compliance with consumer safeguards such as industry codes and standards. The TIO is obligated to refer a member to the ACMA if that member fails to comply with the TIO scheme.

The ACCC (Australian Competition and Consumer Commission) has a more specific focus on enhancing the consumer experience through the promotion of competition and fair trading.

Communications Alliance is the peak body for the Australian communications industry. One of its roles is to be a key participant in industry self-regulation, including having ownership of the Telecommunications Consumer Protections Code.

While the TIO is independent of government, industry and consumer groups, it plays an important role in providing complaint data, code data and information on possible systemic consumer complaints.

The TIO also makes submissions to relevant reviews and inquiries. Some key submissions from the past 12 months include:

- **Review of debt collection practices to the ACCC (July 2009).**
We reported an increase in complaints about debt collection practices, and supported the proposed development of mechanisms to help address consumer financial detriment.
- **Draft determination on Mobile Premium Service (MPS) Barring to the ACMA (Nov 2009).** In this submission, we stated our support of the proposed barring of mobile premium services as a way to promote consumer protection.



CASE STUDY: CHAD

Chad contacted the TIO after being unable to resolve a billing dispute with his telecommunications provider.

As he had landline, internet, and mobile services with his provider, Chad believed he was entitled to a ten % discount on his total bill. Despite being told on several occasions his bill would be fixed, this discount was not applied. Chad then began receiving overdue notices.

"It was unbelievable. I don't think it was right that I had a debt for several hundred dollars because I hadn't been billed properly."

After believing he had come to a resolution with his provider, including a further discount and some free hardware, his provider did not live up to its promises.

The Telecommunications Consumer Protections Code requires that service providers must ensure and be able to verify the correctness of charges received in a bill.

Upon investigation of the matter by the TIO, it was confirmed that Chad had not received his entitled discount for a period of eight months. It was also apparent that offers made by Chad's provider had not been followed through, resulting in further incorrect charges.

As a result of the investigation, Chad's provider removed all of the incorrect charges, and provided him with a credit, compensating him for discounts he was entitled to in the future for the services.

Chad was relieved at the outcome. "I was glad that someone got to the bottom of it for me. I was worried the issue was never going to end."

CASE STUDY: KYLE

Kyle contacted the TIO as he believed his not-for-profit business lost a large amount of money due to inadequate services being supplied by his telecommunications company.

Kyle ran a telemarketing business, which used a number of wireless landline services. Kyle advised the TIO that the services were highly unreliable, often dropped out and were sometimes unusable.

When his business later moved, Kyle requested seven landline connections at the new building, but was told by his company that only two could be connected due to infrastructure issues in the area.

Kyle advised the TIO he believed he had lost \$250,000 as a result of both of the issues. The TIO was concerned that Kyle had lost business as a result of the situation.

Investigation of the complaint revealed that there had been few faults reported by Kyle to the company. Those that had been reported were different in nature to those described to the TIO. Evidence also suggested that there was a very large amount of unpaid charges for legitimate usage.

The TIO was not able to compel Kyle's provider to supply him with additional landline services, as it is not always able to influence infrastructure issues.

As there was little evidence to suggest Kyle's supplier was directly responsible for the issues he experienced, and was given limited opportunities to address them, the TIO could not compel it to assess a business loss claim.

While a small goodwill payment was offered by the supplier, the TIO was satisfied the evidence generally supported the supplier's position and the complainant's case could not be substantiated.

We also made a number of suggestions on implementation of the proposed barring including ensuring that access to the service should not be affected by the barring and that barring requests should be actioned within a specified timeframe similar to that imposed for cancellation of MPS subscriptions.

- **Draft determination (No 2) on Do Not Contract/Do Not Bill rules for MPS to the ACMA (April 2010).**

We discussed two new proposed rules for Mobile Premium Services and commented on some potential issues that could be better addressed.

In particular, we noted that any additional measures that aim to reduce the incidence of consumers being billed for services they have not requested should be welcomed. The TIO also noted our support for ACMA's proposed rules requiring mobile carriage service providers to decline entering into contracts with content suppliers and to cease all billing for MPS products which have been deemed by the ACMA to have been offered or provided in breach of the MPS Code.

- **Discussion paper on Geographical Numbering to the ACMA (May 2010).** We commented on the proposed amendments about geographic numbering and expressed some reservations about the possibility of unwanted long distance charges because of this process. We stated that ACMA's proposed introduction of mandatory communication of information to consumers who are allocated geographic numbers outside their physical location will, in the TIO's view, introduce a valuable safeguard for these consumers. However, we noted our concerns about the financial impact the proposed changes may have on consumers who make calls to services which have been allocated geographic numbers that do not correspond with the physical location of the people they are calling.

- **Draft Mobile Number Portability Code to Communications Alliance (Sept 2009).** We made a number of recommendations to Communications Alliance about changes to the Code, including a shorter industry standard timeframe for mobile phone numbers to be ported, and ways to prevent unauthorised ports.

We also provided a view to the Federal Senate's Inquiry on Cyber Safety in June 2010, commenting on the ways in which the online environment can be accessed by consumers, noting that consumer protection was an important element of cyber safety, and noting key factors to be considered in the event that an Online Ombudsman is established.

* ACMA "Reconnecting the customer" Public Inquiry

In July 2010, the communications regulator ACMA released terms of reference for its Public Inquiry into improving customer service and complaint handling. ACMA will consider whether more direct regulation of complaint handling is needed and if standards should be established. The terms of reference include:

- examining customer expectations and customer service experiences
- identifying the causes of customer dissatisfaction
- identifying the options for addressing problems and their causes, including market-based, regulatory or institutional measures.

Industry Codes in 2009–2010

What are industry codes?

For the purposes of the TIO, an industry code is a collection of rules, principles and procedures that have been designated by the telecommunications industry as the benchmarks of best practice, and have been formally recognised by the Australian Communications and Media Authority (ACMA).

During 2009-10, the TIO had regard to the following industry codes when undertaking its complaint handling activities:

- Telecommunications Consumer Protections (TCP) Code
- Mobile Premium Services (MPS) Code
- Priority Assistance for Life Threatening Medical Conditions Code
- Handling of Life Threatening and Unwelcome Calls Code
- Calling Number Display Code
- Pre-Selection Code
- Local Number Portability Code
- Mobile Number Portability Code
- Connect Outstanding Code.

How does the TIO use industry codes?

When the TIO makes decisions, it does so with regard to the law, good industry practice, and what is fair and reasonable in all the circumstances of the complaint at hand. Industry codes inform the 'good industry practice' component of this decision making process.

In line with the above, the TIO may use a clause from an industry code to:

- decide whether a consumer's complaint has merit or warrants formal investigation
- identify resolutions that would be fair and reasonable given the events that have transpired
- educate member companies and consumers about their rights and obligations
- explain the reasons for our decisions, especially with regard to why a member company's resolution offer is fair or not
- identify and resolve systemic problems within the telecommunications industry.

Case Study:

INDUSTRY CODES IN ACTION

David complained to the TIO in September 2009 that he had been misled about the identity of the telecommunications provider to whom he had agreed to transfer his landline service. David advised the TIO that the provider who had misled him was pursuing him for a debt that he did not believe he should have to pay, and that it was also refusing to refund disputed charges that he had already paid.

When the TIO raised the complaint against David's former provider, the investigating TIO officer provided written advice regarding the existence of a clause within the TCP Code which requires a supplier to ensure that its representatives do not mislead or misrepresent the supplier's affiliation with other suppliers (clause 8.1.2(c)). The TIO Officer also advised the provider that the TCP Code regards the customer's awareness of the identity of the gaining supplier to be an essential ingredient of informed consent (clause 8.1.3(e)(iv)).

In response to the TIO's correspondence, David's former provider agreed to waive the outstanding charges but refused to refund the disputed amounts that David had already paid. In support of its position, the provider submitted a recording of the conversation that took place between David and its sales representative at the point-of-sale. This recording clearly demonstrated that the provider had indeed taken reasonable steps to ensure David was aware of its identity.

Whilst examining the additional evidence submitted by David's former provider, the investigating TIO officer noticed that the transfer of David's landline service had taken place five working days into the ten working day cooling off period that he was promised at the point-of-sale. This new evidence suggested that the provider had failed to act in accordance with clause 8.1.9(a) of the TCP Code, which prohibits a transfer from being completed until all applicable cooling off periods have expired.

After the TIO advised David's former provider of its possible non-compliance with clause 8.1.9(a) of the TCP Code, the provider agreed to refund the remaining charges being disputed by David. David accepted this as an appropriate resolution to his complaint.

At closure, the TIO explained in writing to David's former provider that the available evidence did not support a confirmed breach of either clause 8.1.2(c) or clause 8.1.3(e)(iv) of the TCP Code. The investigating TIO Officer chose not to record a confirmed breach of clause 8.1.9(a), because that additional code compliance issue was only raised verbally and the provider was not pre-warned that a confirmed breach could be recorded against it.

What kinds of code data does the TIO capture?

The TIO records 'confirmed breaches' against industry codes where the evidence gathered during a formal investigation indicates that a breach has taken place. A confirmed breach is never recorded without the member company being given a reasonable opportunity to respond with evidence and its own version of events. This type of code data is generally only recorded at Levels 3 and 4 of the TIO complaint handling process.

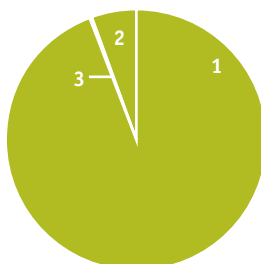
In addition to confirmed code breaches, the TIO also records 'possible code issues'. This generally occurs at Levels 1 and 2, where the claims of the aggrieved consumer indicate that a code compliance problem might exist. This type of code data is either generated when the TIO logs the various issues raised by the consumer, or manually added by TIO Officers as more is learnt about the circumstances giving rise to the complaint.

Why does the TIO capture code data?

The TIO captures data about compliance with industry codes for a number of different reasons. These include:

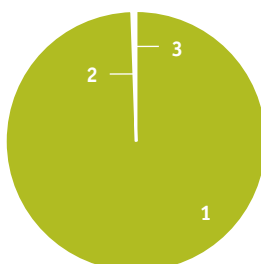
- it helps TIO member companies to identify and address organisational practices that may be driving consumer complaints, and in turn, driving complaints to the TIO
- it promotes increased awareness about the existence of industry codes, and in turn, encourages industry self-regulation and consumer empowerment
- it helps the TIO and regulatory agencies such as the ACMA identify, monitor and address systemic problems within the telecommunications industry.

Possible code issues 2009–10



1	TCP code	321,401
2	MPS code	18,431
3	Other codes	1,164

Confirmed code breaches 2009–10



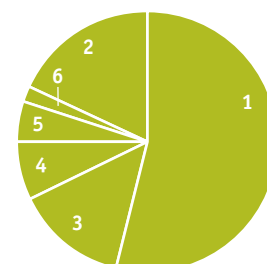
1	TCP code	6,825
2	Other codes	17
3	MPS code	7

Possible code issues – TCP code



1	Billing chapter	41%
2	Complaint handling chapter	21%
3	Credit management chapter	14%
4	General rules chapter	12%
5	Prices, terms and conditions chapter	9%
6	Consumer contracts chapter	2%
7	Customer transfer chapter	1%

Confirmed code breaches – TCP code



1	Complaint handling chapter	54%
2	Billing chapter	18%
3	Credit management chapter	14%
4	General rules chapter	7%
5	Prices, terms and conditions chapter	5%
6	Customer transfer chapter	2%

What does the TIO's code data say about what happened in 2009-10?

During 2009-10, the TIO recorded 6,849 confirmed breaches and 340,996 possible code issues against the industry codes. These code issues were recorded in relation to 501 different TIO service providers, and the great majority of code issues were recorded against the TCP and MPS Codes.

TCP Code

The TCP Code accounted for 99.64% of all confirmed breaches recorded by the TIO during 2009-10, and also accounted for 94.25% of all possible code issues.

The TCP is more prevalent in TIO code statistics than other industry codes because it sets minimum standards about how a service provider should interact directly with its customers. Other industry codes are generally more operational or technical in nature, and are therefore less relevant to the complaints from consumers that the TIO receives.

The TCP Code is segmented into six distinct chapters, each dealing with a different type of interaction that a consumer may have with their service provider. There is also a chapter of general rules and principles that should be adhered to irrespective of the type of interaction taking place between the consumer and their provider.

The TIO's reporting against each chapter of the TCP Code during 2009-10 can be summarised by the graphs on page 49.

Across all the possible code data that the TIO has recorded against the TCP Code during 2009-10, the most prevalent issue has been with respect to customers being unable to tell whether or not their bills are correct. For confirmed code breaches logged against the TCP Code, the most common problem is the failure of providers to action the undertakings they make to resolve a consumer's complaint. Other common issues to be recorded against the TCP Code are:

Possible Code issues – 10 most common clauses

CLAUSE	DESCRIPTOR	2009-10 TOTAL
6.4.2	Customers must be able to tell whether or not their bill is accurate	39,211
3.2.1	Information given to customers must be accurate, relevant current and timely	36,651
6.4.1	Supplier must ensure and demonstrate billing accuracy	33,914
9.1.1(f)	Suppliers must record, monitor and action undertakings made to resolve complaints	32,432
6.3.2(e)	Bills must contain a description of the charges or credits being billed, including third party charges	23,577
4.2.4(a)(iii)	The telecommunications product sold to the customer is fit for the purpose for which it was purchased	19,887
6.3.1	Items/categories in the bill must be described in a manner that enables the customer to identify and understand individual components	14,210
6.3.2(f)	Bills must state the total amount billed, applicable credits, payments, discounts and net amount payable	7,329
9.4.1(b)	Complainants dissatisfied with the outcome of their complaint should be advised about external avenues of recourse	6,515
9.2.8	Complainants must be advised of the outcomes to their complaints	5,861

Confirmed Code breaches – 10 most common clauses

CLAUSE	DESCRIPTOR	2009-10 TOTAL
9.1.1(f)	Suppliers must record, monitor and action undertakings made to resolve complaints	1,050
9.1.1(d)	Suppliers must provide their complaint handling department with adequate resources	1,035
9.2.5	Wherever possible, complaints must be resolved at first contact. If not, within 30 days or as soon as reasonably practical	686
6.4.1	Supplier must ensure and demonstrate billing accuracy	573
3.2.1	Information given to customers must be accurate, relevant current and timely	439
6.4.2	Customers must be able to tell whether or not their bill is accurate	239
9.2.6	Suppliers must provide customers with timeframe updates regarding the time needed to investigate their complaint	226
7.4.10(a)	Suppliers must suspend credit management activity on genuinely disputed debts	162
9.1.1(e)	Suppliers must keep appropriate records regarding the complaints they receive	134
7.3.4	Suppliers must have and use credit control measures to help control their customers' expenditure	103

MPS Code

The MPS Code accounted for 5.3% of the total number of code issues that the TIO recorded during 2009-10. Although much of the MPS Code pertains to the activities of third party content suppliers who are not within the TIO's jurisdiction, the TIO has regard to the obligations set out in the MPS Code when it escalates complaints about premium mobile content against the carriage service providers who bill for those services. The TIO is also able to confirm code breaches against MPS Code clauses that place obligations on carriage service providers.

Over the course of 2009-10, the TIO recorded 18,431 possible issues against the MPS Code and confirmed seven MPS Code breaches. The most common problems to be highlighted within the MPS Code data are:

MPS Code – possible and confirmed – 10 most common clauses

CLAUSE	DESCRIPTOR	2009-10 TOTAL
5.1.1(b)	Content Suppliers must not impose charges for unrequested MPS	4,004
5.1.1(a)	Content Suppliers must not supply MPS products that have not been requested	3,325
6.1.8(c)	Carriage Service Providers must undertake to resolve complaints that have not been resolved by the Content Supplier or have been referred by the TIO	1,177
6.1.6	Suppliers must investigate all complaints about MPS, other than those that it reasonably determines to be frivolous, vexatious or not made in good faith	1,040
6.1.1(a)	Content Suppliers must have complaint handling and inquiry processes which address any issues raised in the supply of MPS	1,037
6.1.8(a)	Carriage Service Providers must provide the Customer with the correct helpline number of the Content Supplier in a timely manner	1,035
7.1.1(a)	Content Suppliers must action request to unsubscribe from an MPS product within one business day	737
7.1.1(b)	From receipt of an unsubscribe request, a Content Supplier must not post any new mobile premium content fees to the Customer's account	572
7.1.1(c)	If a Content Supplier has charged a Customer for MPS after that Customer has issued a request to unsubscribe, that Content Supplier must refund the mobile content fees back to the Customer	420
6.1.2	Content Suppliers must offer a local or free-call helpline that Customers can use to both make complaints and unsubscribe from receiving an MPS product	394

Improvements to how we collect and report on code data

The TIO has a strong commitment to ensuring that our data is as useful as possible to our stakeholders. In 2009-2010 we undertook a range of activities to improve how we collect and report on our code data. These activities included:

- alterations to the TIO's complaint handling database (COSMOS) that enabled possible code issues to be counted more accurately than ever before
- a review of the questions we ask consumers as well as a review of the associated code clauses in COSMOS to ensure all relevant clauses are included
- refresher training for all investigations staff on industry codes and the ways in which they can be used to help resolve complaints.

The TIO recognises that some of the changes it has made in respect of code reporting may have had an impact on the number of possible code issues we have recorded over the last year, and as such, we have not presented comparative code data in this report.

connect.resolve

The TIO's connect.resolve campaign aimed to put a spotlight on customer service issues in the telecommunications industry – via consumer stories about interactions with service providers and highlighting increasing complaint trends. We also worked with our member companies, the peak industry body and regulators, to ensure that everyone shared the same goal – to improve customer service experiences in the telecommunications industry.

The campaign commenced in January 2009 and our first public report was published in August of the same year. Since this time the TIO has published periodic reports to provide an update on TIO complaint trends in relation to customer service and complaint handling issues. This report is the final connect.resolve installment and covers the period January to June 2010.

Complaints to the TIO about Customer Service and Complaint Handling

Update report for the period 1 January – 30 June 2010

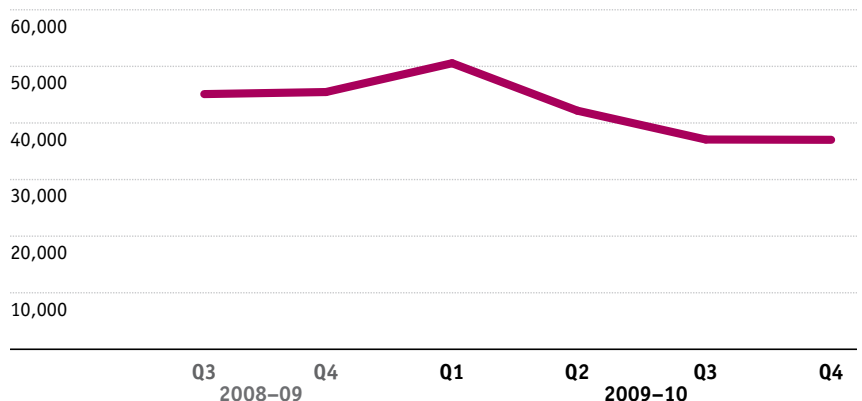
Industry Data Overview

Consistent with our approach throughout the **connect.resolve** campaign, this update report is based on all case levels and respective issues registered by the TIO. The case level represents the complexity of the case and the required TIO involvement.

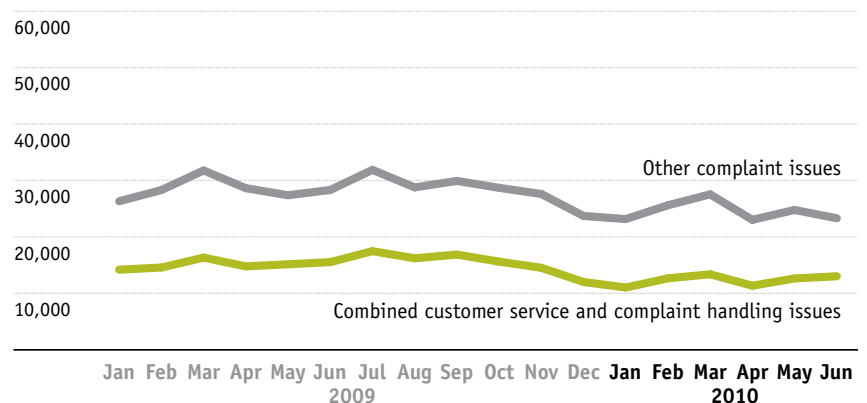
At the start of the **connect.resolve** campaign, the TIO was averaging just over 20,000 cases at all levels, each month. One year on, the TIO is registering an average of 16,500 per month. This downward trend has been driven by a few key TIO members, although the trend is not consistent across all service providers.

Customer service and complaint handling issues have continued to feature in a significant number of cases handled by the TIO. Overall, however, these issues have measurably declined since the commencement of **connect.resolve**, in line with the overall TIO complaint trend.

Combined customer service and complaint handling issues – for Industry (quarterly)



Combined customer service and complaint handling issues versus other issues (monthly)



Progress Summary Industry (overall)

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	19,895	20,855	23,380	20,965	19,675	20,248	21,931	19,340	19,977	19,202	18,658	16,427	15,978	18,068	18,684	15,239	16,153	15,343
All issues	40,523	42,882	48,104	43,419	42,540	43,847	49,358	44,996	46,785	44,325	42,135	35,731	34,199	38,270	40,923	34,384	37,416	36,331
Customer service issues	7,713	7,532	9,024	8,896	8,989	8,979	10,150	9,160	9,282	8,565	8,089	6,832	6,272	7,027	7,500	6,221	6,961	7,102
Complaint handling issues	6,481	7,046	7,306	5,884	6,165	6,551	7,323	7,056	7,583	7,060	6,439	5,183	4,763	5,633	5,878	5,135	5,676	5,927
Combined customer service and complaint handling issues	14,194	14,578	16,330	14,780	15,154	15,530	17,473	16,216	16,865	15,625	14,528	12,015	11,035	12,660	13,378	11,356	12,637	13,029

MEMBER:

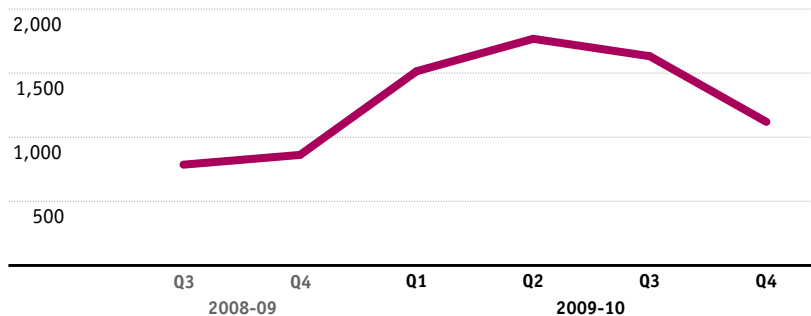
AAPT

Overview

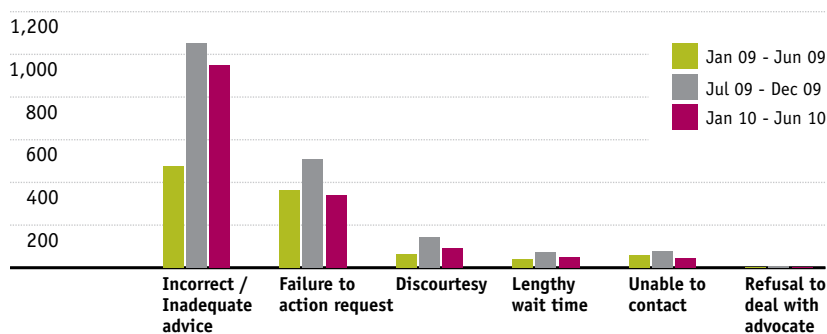
Since the start of the **connect.resolve** campaign in January 2009, cases registered for AAPT have fluctuated significantly. The attached data shows 430 cases registered in January 2009; an increase to 846 in November 2009 and then a decrease to 467 in June 2010.

However, since the start of **connect.resolve** 18 months ago, customer service and complaint handling issues have gone up; even with a recent decrease, numbers are greater than they were at the beginning. The largest increase recorded in the categories relating to incorrect or inadequate advice and failure to action promised undertakings.

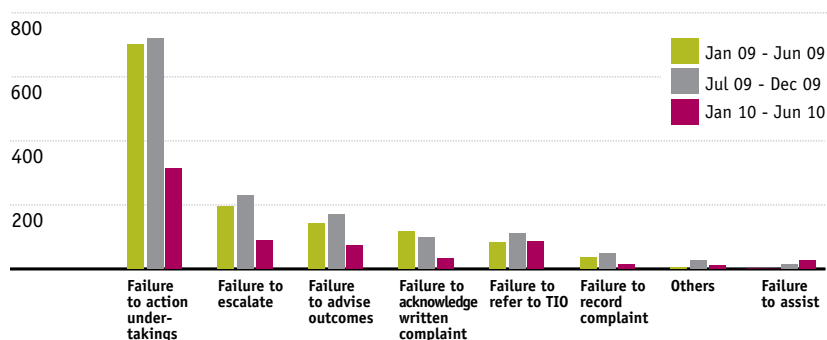
Combined customer service and complaint handling issues for AAPT



Breakdown of customer service issue categories for AAPT



Breakdown of complaint handling issue categories for AAPT



Progress Summary AAPT

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	430	440	501	427	403	457	581	599	707	655	846	640	678	688	679	448	433	467
All issues	800	846	923	820	832	957	1,285	1,466	1,656	1,552	2,047	1,451	1,570	1,553	1,620	1,104	1,023	1,125
Customer service issues	168	129	172	163	192	175	244	306	334	315	399	268	285	267	323	194	201	202
Complaint handling issues	93	104	120	89	110	133	165	210	256	238	316	232	258	251	248	165	158	200
Combined customer service and complaint handling issues	261	233	292	252	302	308	409	516	590	553	715	500	543	518	571	359	359	402

MEMBER:

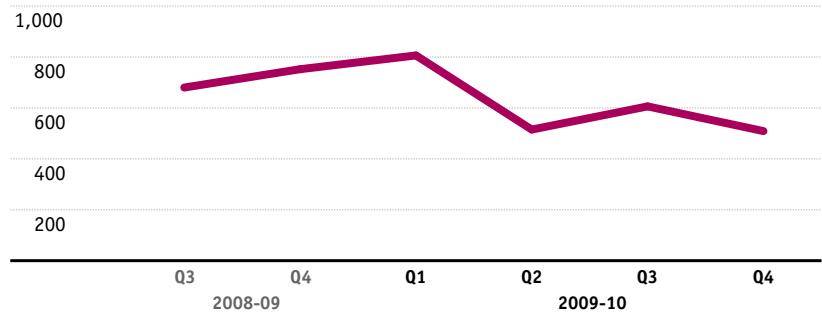
DODO

Overview

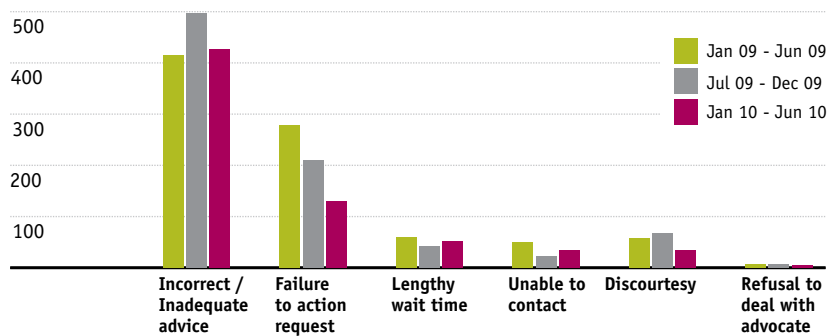
TIO cases about Dodo have trended down in the past 12 months, peaking in July 2009 with 458 for the month. Cases have since come down, with a total of 227 recorded in June 2010.

Complaints relating to customer service and complaint handling issues have also decreased in line with this trend, with notable reductions in complaints about failing to action undertakings and failing to action customer requests.

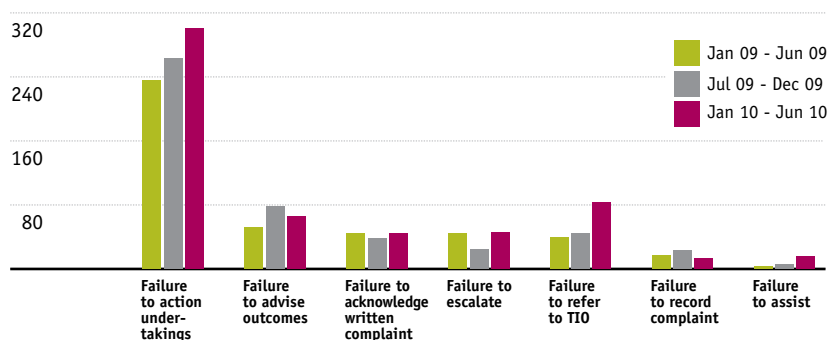
Combined customer service and complaint handling issues for Dodo



Breakdown of customer service issue categories for Dodo



Breakdown of complaint handling issue categories for Dodo



Progress Summary Dodo

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	283	368	428	382	355	377	458	339	321	277	265	218	300	333	304	228	271	227
All issues	594	794	880	840	787	841	1051	807	737	652	597	469	682	712	670	527	613	528
Customer service issues	114	123	150	155	159	164	207	158	148	129	106	98	123	141	133	77	103	103
Complaint handling issues	77	107	109	93	81	100	104	102	87	74	63	45	67	68	74	68	80	78
Combined customer service and complaint handling issues	191	230	259	248	240	264	311	260	235	203	169	143	190	209	207	145	183	181

MEMBER:

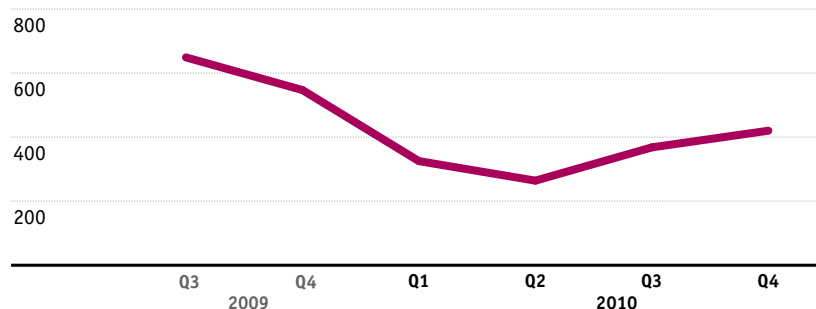
GOTALK

Overview

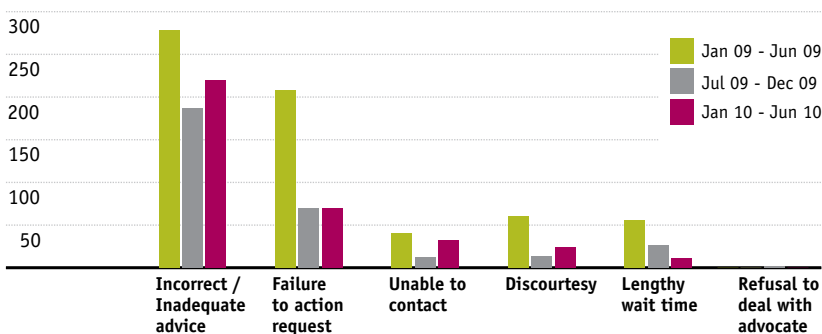
At the start of the **connect.resolve** campaign in January 2009 the TIO registered 219 cases against gotalk and by October this was down to 129 for the month. Over the past six months cases have been steadily rising with 167 registered in June 2010.

Customer service and complaint handling issues decreased for the first 12 months of the **connect.resolve** campaign, however this trend has not continued, and over the past six months complaints in this category have been steadily rising. Complaint issues relating to incorrect or inadequate advice to customers as well as failure to action undertakings have both increased in numbers over the past six months.

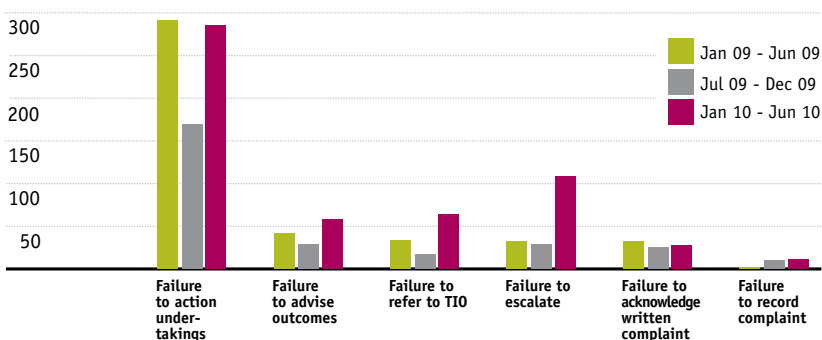
Combined customer service and complaint handling issues for gotalk



Breakdown of customer service issue categories for gotalk



Breakdown of complaint handling issue categories for gotalk



Progress Summary gotalk

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	219	271	410	296	220	239	191	129	130	129	137	159	154	171	194	164	198	167
All issues	475	598	895	666	494	517	451	307	324	308	308	324	334	403	470	425	545	432
Customer service issues	76	87	155	124	97	103	77	35	50	51	49	48	52	56	72	53	79	45
Complaint handling issues	78	106	147	97	71	55	69	48	46	38	46	32	49	75	64	76	81	86
Combined customer service and complaint handling issues	154	193	302	221	168	158	146	83	96	89	95	80	101	131	136	129	160	131

MEMBER:

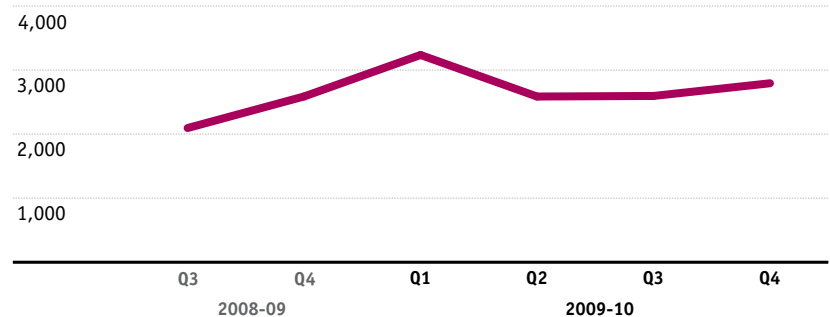
HUTCHISON 3G

Overview

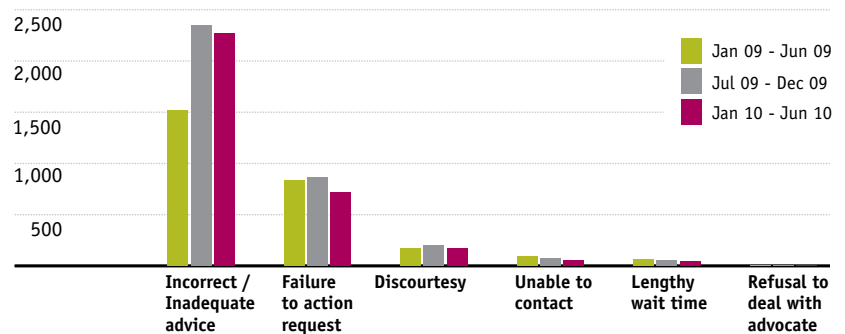
Hutchison's TIO cases, at all levels, have remained relatively stable, showing no significant downward or upward trends over the past 18 months. From January to June 2009 Hutchison recorded 7,883 cases and for the same period in 2010 this increased slightly to 8,545.

However, over the past 18 months, the data shows increases in complaints about incorrect advice to customers and failing to action undertakings. Trends in the past few months have started to show a marginal decrease in these issues, however customer service and complaint handling issues on the whole have increased since the start of the **connect.resolve** campaign.

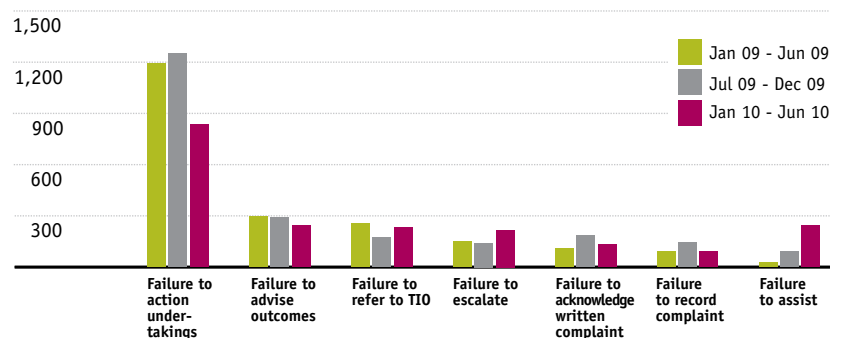
Combined customer service and complaint handling issues for Hutchison 3G



Breakdown of customer service issue categories for Hutchison 3G



Breakdown of complaint handling issue categories for Hutchison 3G



Progress Summary Hutchison 3G

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	1,137	1,282	1,418	1,321	1,333	1,392	1,624	1,470	1,460	1,377	1,338	1,248	1,305	1,570	1,620	1,354	1,349	1,347
All issues	2,148	2,457	2,701	2,581	2,759	2,810	3,533	3,233	3,320	3,019	2,877	2,677	2,705	3,185	3,390	2,993	3,082	3,179
Customer service issues	336	377	443	466	520	540	709	621	645	570	514	476	475	531	595	498	541	621
Complaint handling issues	270	332	337	298	392	372	421	414	426	385	352	290	289	334	372	359	368	407
Combined customer service and complaint handling issues	606	709	780	764	912	912	1,130	1,035	1,071	955	866	766	764	865	967	857	909	1,028

MEMBER:

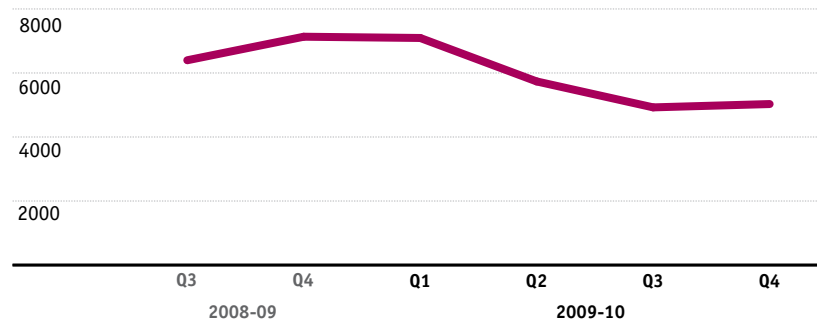
OPTUS

Overview

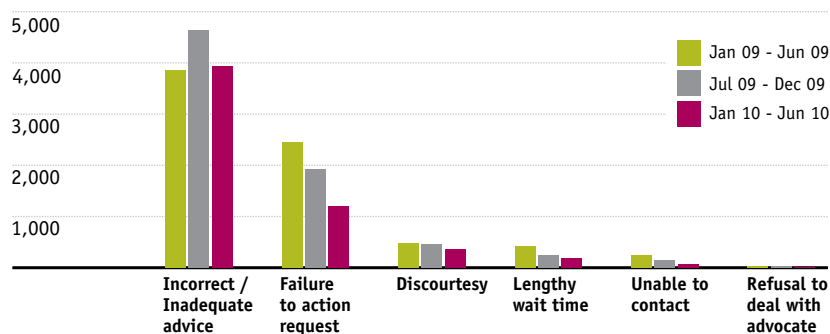
Optus' case numbers, at all levels, have decreased since the start of the **connect.resolve** campaign. Over the period January to June 2009, the TIO recorded 19,914 Optus cases and in the same period this year 14,743 cases were recorded.

Cases relating to key issues including failing to action undertakings for customers and providing incorrect advice have also reduced over the past six months as have cases about lengthy wait times and cases about customers being unable to contact Optus staff.

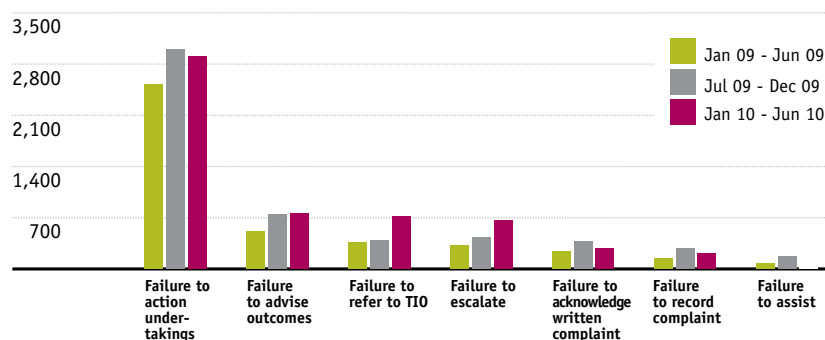
Combined customer service and complaint handling issues for Optus



Breakdown of customer service issue categories for Optus



Breakdown of complaint handling issue categories for Optus



Progress Summary Optus

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	2,858	3,179	3,716	3,470	3,307	3,384	3,417	2,879	2,834	2,780	2,697	2,505	2,487	2,567	2,680	2,287	2,529	2,193
All issues	5,680	6,390	7,519	7,086	7,087	7,272	7,439	6,476	6,366	6,227	5,803	5,240	5,176	5,251	5,657	4,910	5,579	5,021
Customer service issues	976	1,049	1,303	1,388	1,406	1,387	1,537	1,338	1,261	1,176	1,126	982	929	926	990	869	1,038	1,018
Complaint handling issues	884	1,041	1,144	930	958	1,063	1,077	940	940	904	819	728	650	689	741	635	731	738
Combined customer service and complaint handling issues	1,860	2,090	2,447	2,318	2,364	2,450	2,614	2,278	2,201	2,080	1,945	1,710	1,579	1,615	1,731	1,504	1,769	1,756

MEMBER:

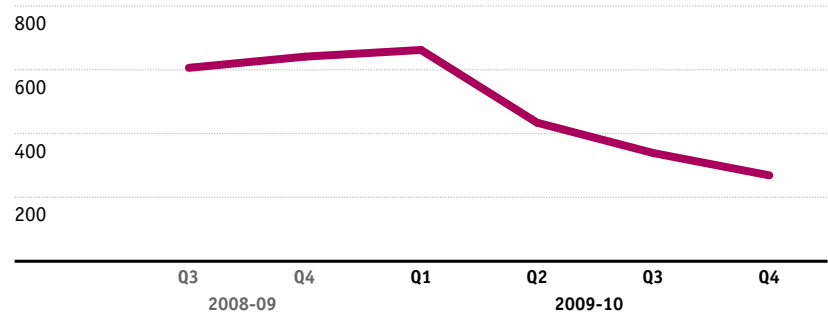
PRIMUS

Overview

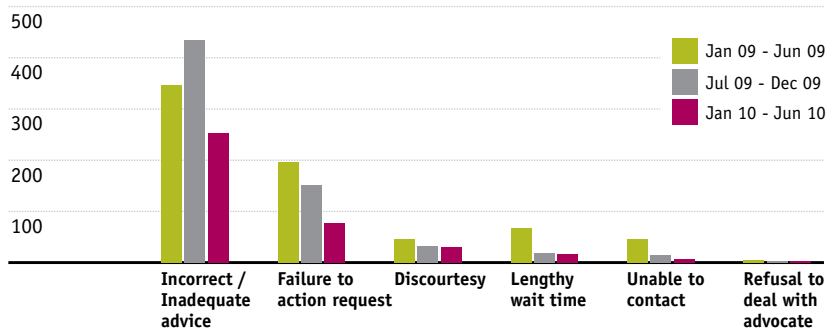
Since the start of the **connect.resolve** campaign Primus' TIO cases have reduced markedly. From January to June 2009 the TIO recorded 1,913 cases for Primus and for the same period in 2010 this number has almost halved to 937.

Customer service and complaint handling issues have also decreased, in line with this trend, with the most notable improvement in the complaint category failure to action undertakings.

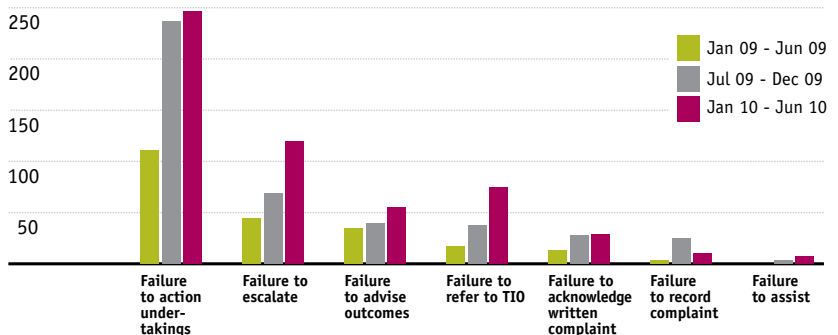
Combined customer service and complaint handling issues for Primus



Breakdown of customer service issue categories for Primus



Breakdown of complaint handling issue categories for Primus



Progress Summary Primus

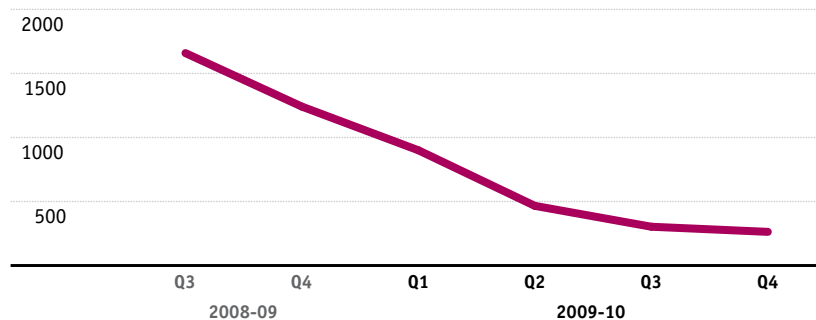
	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	312	333	350	305	341	272	339	280	247	214	208	170	156	176	182	129	165	129
All issues	618	670	725	642	720	588	743	633	571	508	452	372	301	366	399	271	369	305
Customer service issues	91	109	123	129	135	118	145	141	108	88	91	81	69	76	79	44	67	50
Complaint handling issues	95	93	95	71	111	77	99	83	86	84	53	37	22	44	49	29	41	38
Combined customer service and complaint handling issues	186	202	218	200	246	195	244	224	194	172	144	118	91	120	128	73	108	88

Overview

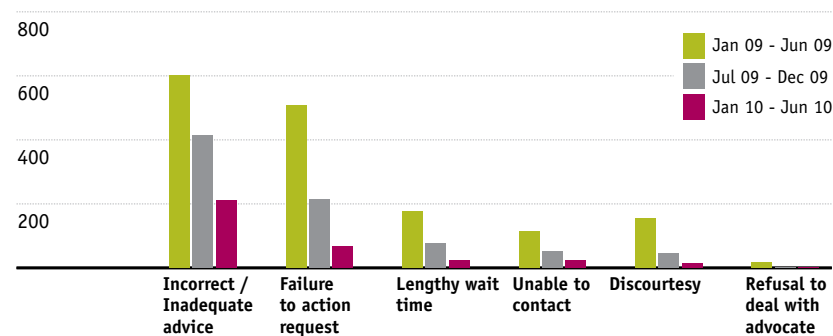
Cases registered by the TIO against Soul have decreased, at all levels, over the past 18 months. From January to June 2009, Soul averaged 650 TIO cases per month and over the past six months this number is down to 144.

Customer service and complaint handling issues have also decreased significantly, in line with the reduction in complaints. Most notably, complaint issues about failing to action promised undertakings are down, with 569 recorded in the first six months of the **connect.resolve** campaign and 123 in the last six months.

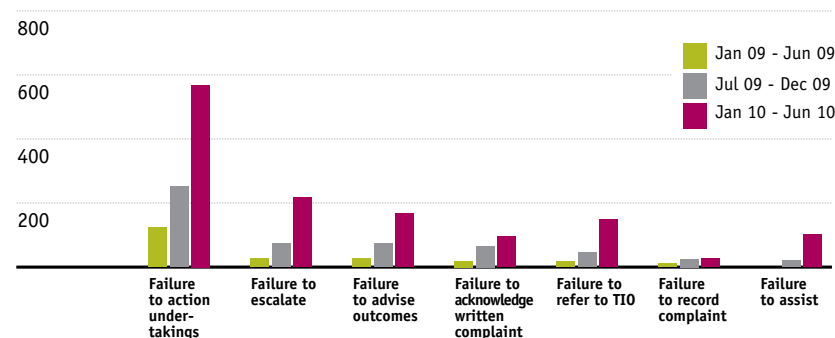
Combined customer service and complaint handling issues for Soul



Breakdown of customer service issue categories for Soul



Breakdown of complaint handling issue categories for Soul



Progress Summary Soul

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	813	757	773	584	507	466	477	355	310	257	235	146	174	161	152	124	125	128
All issues	1,801	1,626	1,684	1,262	1,146	1,059	1,148	821	700	598	559	314	333	334	341	294	308	291
Customer service issues	309	272	286	244	237	225	232	170	126	121	105	51	68	58	61	37	60	57
Complaint handling issues	283	243	266	186	188	161	154	117	101	80	75	34	40	42	34	42	30	37
Combined customer service and complaint handling issues	592	515	552	430	425	386	386	287	227	201	180	85	108	100	95	79	90	94

MEMBER:

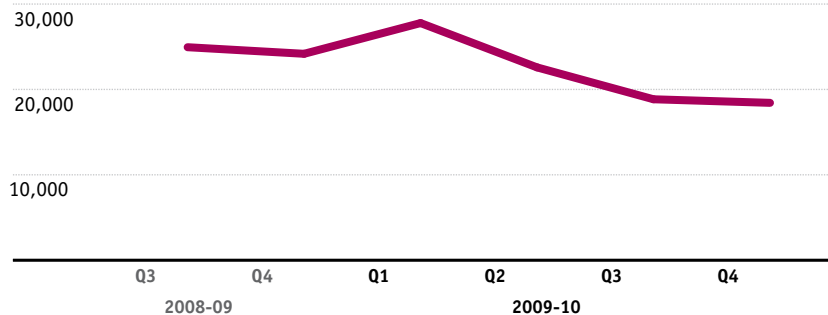
TELSTRA

Overview

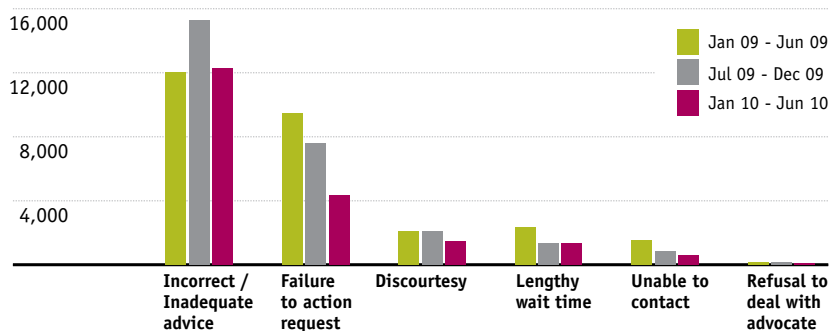
Cases registered for Telstra have decreased since the start of the **connect.resolve** campaign 18 months ago. From January to June 2009, the TIO registered 62,541 cases, at all levels, about Telstra and for the same period in 2010 this was down to 46,124.

Complaints about customer service and complaint handling issues have also reduced, in line with this trend, with the most notable improvements in the categories relating to failing to action customer requests, lengthy wait times and being unable to contact the provider.

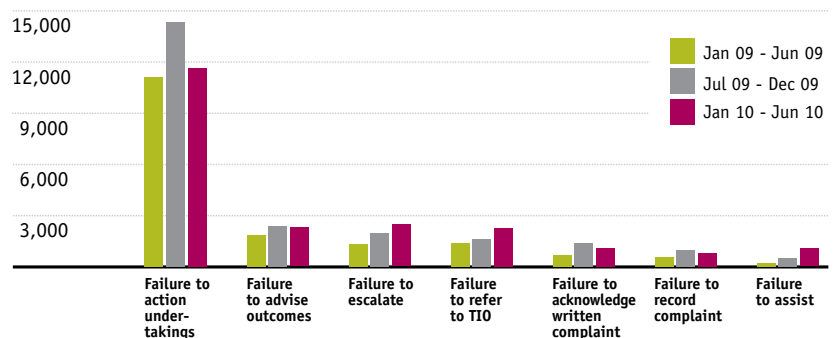
Combined customer service and complaint handling issues for Telstra



Breakdown of customer service issue categories for Telstra



Breakdown of complaint handling issue categories for Telstra



Progress Summary Telstra

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	10,210	10,414	11,754	10,435	9,692	10,036	11,009	9,870	10,386	9,746	9,488	8,098	7,534	8,519	8,791	7,049	7,230	7,001
All issues	21,366	22,082	24,793	22,101	21,418	22,150	25,405	23,651	24,894	22,928	21,883	18,150	16,507	18,376	19,704	16,258	17,260	16,964
Customer service issues	4,344	4,127	4,926	4,707	4,760	4,770	5,305	4,871	4,978	4,375	4,195	3,523	3,109	3,486	3,699	3,058	3,341	3,419
Complaint handling issues	3,650	3,940	3,958	3,179	3,260	3,498	4,136	4,054	4,430	3,988	3,598	2,903	2,520	2,930	3,103	2,701	2,938	2,972
Combined customer service and complaint handling issues	7,994	8,067	8,884	7,886	8,020	8,268	9,441	8,925	9,408	8,363	7,793	6,426	5,629	6,416	6,802	5,759	6,279	6,391

MEMBER:

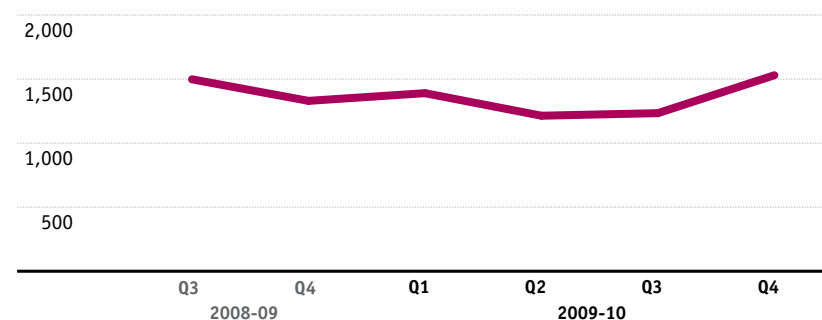
VIRGIN MOBILE

Overview

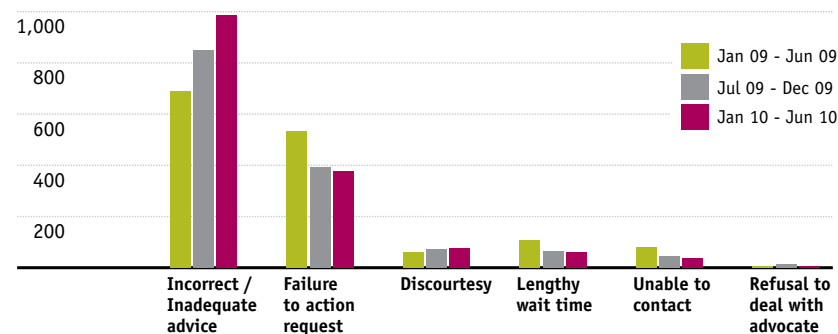
The data displayed demonstrates some minor fluctuations in cases registered about Virgin Mobile over the past 18 months, with a notable reduction in December 2009 when they were down to 445 for the month. In the last six months however the TIO has seen an increasing number of cases with 623 recorded, at all levels, in June 2010.

Complaints about customer service and complaint handling issues are also increasing with the most significant jump in the area of incorrect advice to customers. Complaints about failing to action promised undertakings have also marginally increased.

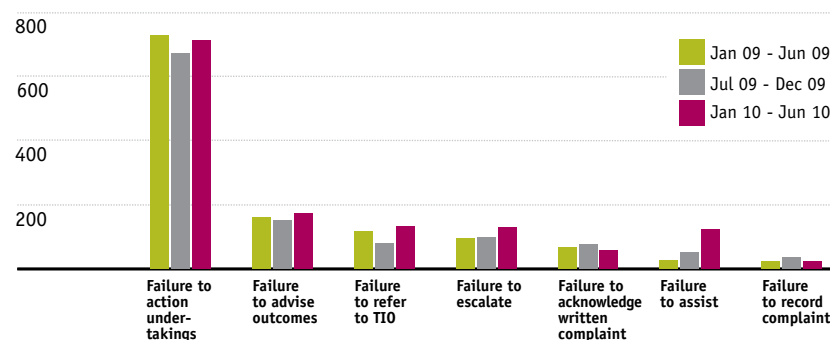
Combined customer service and complaint handling issues for Virgin Mobile



Breakdown of customer service issue categories for Virgin Mobile



Breakdown of complaint handling issue categories for Virgin Mobile



Progress Summary Virgin Mobile

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	752	728	713	677	567	590	569	535	547	584	503	445	465	573	643	548	642	623
All issues	1,504	1,388	1,389	1,273	1,162	1,233	1,215	1,203	1,232	1,295	1,118	927	1,003	1,209	1,392	1,186	1,480	1,485
Customer service issues	268	238	250	252	223	245	259	245	259	271	216	186	190	217	277	227	323	310
Complaint handling issues	256	256	230	191	211	208	205	212	210	219	178	144	137	200	213	189	224	257
Combined customer service and complaint handling issues	524	494	480	443	434	453	464	457	469	490	394	330	327	417	490	416	547	567

MEMBER:

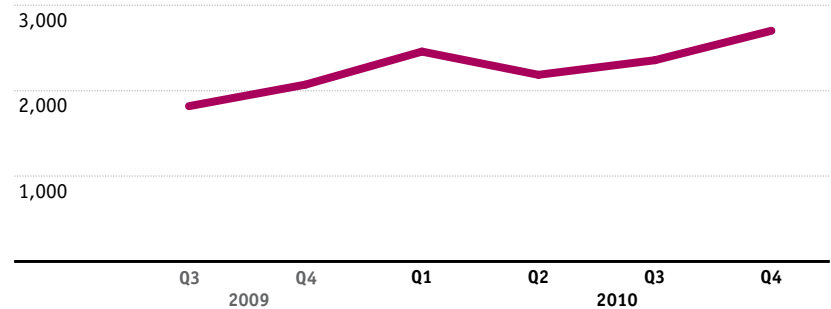
VODAFONE

Overview

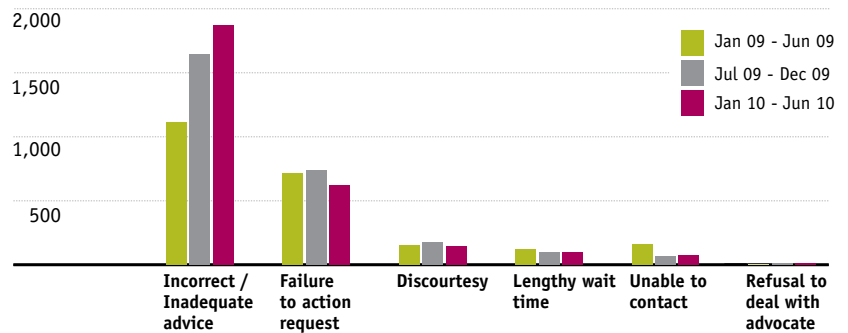
At the start of the **connect.resolve** campaign in January 2009, the TIO registered 920 cases, at all levels, for Vodafone. The data here shows some increases over the past 18 months with 1,165 cases received in June 2010.

However, complaints about customer service and complaint handling issues have increased over the campaign period with the most significant increased recorded in the category failure to action undertakings. Complaints about incorrect and inadequate advice were also up.

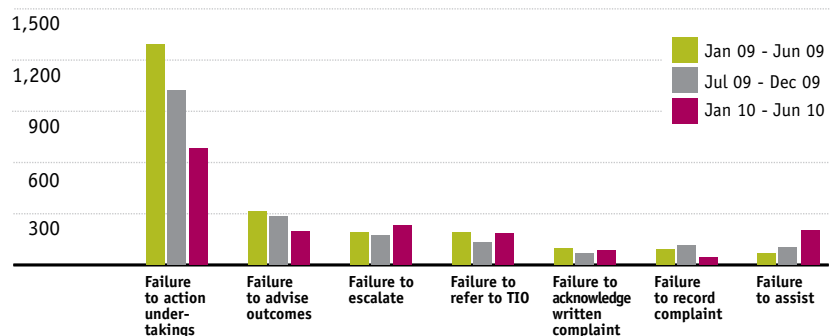
Combined customer service and complaint handling issues for Vodafone



Breakdown of customer service issue categories for Vodafone



Breakdown of complaint handling issue categories for Vodafone



Progress Summary Vodafone

	2009												2010					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Case numbers	920	1,064	1,050	954	1,016	1,045	1,118	1,080	1,019	1,030	967	1,019	1,031	1,208	1,226	1,055	1,275	1,165
All issues	1,717	2,072	2,059	1,930	2,050	2,204	2,348	2,370	2,283	2,271	2,075	2,121	2,134	2,467	2,581	2,316	2,952	2,720
Customer service issues	298	366	340	391	408	458	466	493	468	444	435	434	384	483	465	454	513	514
Complaint handling issues	248	275	292	234	271	309	340	355	336	316	284	273	290	364	371	310	458	453
Combined customer service and complaint handling issues	546	641	632	625	679	767	806	848	804	760	719	707	674	847	836	764	971	967

Member Statistics

The following section of the Annual Report 2009-10 sets out the TIO members who have had 25 or more cases registered for them, detailing the number of cases and the major issues these cases related to.

Cases registered for TIO members by level

1 July 2009 – 30 June 2010 (Includes members that received 25 or more cases logged for the financial year)

	Total	Level 1	Level 2	Level 3	Level 4
1800Mumdad Pty Ltd (t)	57	54	3	0	0
AAPT Ltd (t&i) (c)	7,421	5,889	1,301	211	20
ACN Pacific Pty Ltd (t & i)	389	328	54	7	0
ACTew Retail Ltd & AGL ACT Retail Investments Pty Ltd (i)	43	38	4	1	0
Adam Pty Ltd (i)	133	124	9	0	0
Alphawise Solutions Pty Ltd (t & i)	108	107	1	0	0
Amcom Telecommunications Limited (i) (c)	25	22	3	0	0
Askom Pty Ltd (t & i)	270	231	30	9	0
Astron Communication and Information Services Pty Ltd (t & i)	166	153	12	1	0
Aussie Broadband Pty Ltd (t & i) (c)	54	49	4	1	0
AUSTAR United Mobility Pty Ltd (t)	39	33	4	2	0
Australia Internet Solutions Pty Ltd (t & i)	73	57	9	7	0
Australian Private Networks Pty Ltd (t & i) (c)	528	434	72	22	0
Australian Telecommunications Pty Ltd (t)	30	25	4	1	0
Beagle Internet Pty Ltd (i)	28	20	4	4	0
Bell Networks Voice & Data Pty Ltd (t & i)	166	117	28	17	4
BEST Internet and Telecom Pty Ltd (t & i) (c)	65	53	7	5	0
Telemates Pty Ltd (t & i)	156	144	11	1	0
Bluemaxx Communications Pty Ltd (i) (c)	126	108	16	2	0
Bordnet Internet Pty Ltd (i)	34	31	3	0	0
Bytecard Pty Ltd (i)	30	12	7	7	4
CardCall Pty Ltd (t)	168	153	13	2	0
Chariot Ltd (i) (c)	110	94	14	2	0
Cirrus Communications Pty Ltd (i) (c)	60	55	4	0	1
Clarus Telecom Pty Ltd (t & i)	25	24	1	0	0
Clear Telecoms (Aust) Pty Ltd (t & i)	458	366	52	31	9
Commander Australia Pty Ltd (t&i)	31	26	3	2	0
CommodiTel (Australia) Pty Ltd (t)	38	28	9	1	0
Connex Communications Pty Ltd (t & i)	29	26	3	0	0
CyberOne Pty Ltd (t & i)	73	52	17	4	0
Dodo Australia Pty Ltd (t & i)	3,541	3,305	216	20	0
EasyTel Communications Pty Ltd (i)	35	23	7	3	2
Edirect Pty Ltd (t)	1,091	1,002	83	6	0
EFTel More Than Broadband Pty Ltd (t & i)	567	426	84	50	7
EFTel Pty Ltd (t & i)	48	41	5	1	1
Escapenet Trust (i)	39	26	7	6	0
E-Talk Communications Pty Ltd (t & i)	74	60	11	3	0
Excite Mobile Pty Ltd (t)	196	185	8	3	0
Exetel Pty Ltd (t & i)	389	365	21	3	0
FairTalk Pty Ltd (t & i)	28	22	4	2	0
Flex Group Pty Ltd (t)	53	49	3	1	0
Flexirent Capital Pty Ltd (t & i)	73	54	14	5	0
G0talk Australia Pty Ltd (t & i)	1,923	1,714	178	30	1
HarbourIT Pty Ltd (i)	89	77	8	3	1
Hi Tech Telecom Pty Ltd (t & i)	264	238	25	1	0
Hotkey Internet Services Pty Ltd (i)	41	39	2	0	0
iiNet Ltd (t & i)	1,467	1,257	154	49	7
Internode Pty Ltd (t & i)	355	318	27	7	3
JARRAJ Pty Ltd (t & i)	34	28	4	2	0
Lebara Australia Limited (t)	66	59	4	3	0
Lime Telecom Pty Ltd (t)	41	22	9	9	1
Logitel Communications Pty Ltd (t & i)	32	26	5	1	0
M2 Commander Pty Ltd (t & i)	223	179	35	8	1
M2 Telecommunications Pty Ltd (t)	57	47	7	3	0
m8 Telecom Pty Ltd (t)	250	212	30	8	0
McKay, Jason Kenneth (t & i)	192	72	56	55	9
Mibroadband Pty Ltd (t & i) (c)	192	188	4	0	0
Mobileworld Operating Pty Ltd (t & i)	1,484	1,242	210	32	0

Cases registered for TIO members by level continued

1 July 2009 – 30 June 2010 (Includes members that received 25 or more cases logged for the financial year)

	Total	Level 1	Level 2	Level 3	Level 4
Motion Telecom Pty Ltd (t)	36	27	4	4	1
Motiv Communications Pty Ltd (t & i)	42	34	6	2	0
My Net Fone Pty Ltd (t & i)	53	47	4	2	0
NC Cable Pty Ltd (t & i)	61	53	7	1	0
Netco Holdings Pty Ltd (t & i)	50	28	11	10	1
Netspace Online Systems Pty Ltd (t & i)	586	532	46	8	0
Next Business Telecommunications Pty Ltd (t & i)	34	21	6	5	2
Ocean Broadband Ltd (i) (c)	57	42	10	5	0
One Telecom Pty Ltd (t & i)	99	93	6	0	0
Optus Broadband Pty Ltd (i) (c)	5,398	5,121	261	16	0
Optus Mobile Pty Ltd (t) (c)	19,677	18,533	1,045	98	1
Optus Networks Pty Ltd (t & i) (c)	6,780	6,216	486	69	9
OurTel Pty Ltd (t & i)	86	76	9	1	0
PacNet Internet (A) Pty Ltd	83	69	7	6	1
People Telecommunications Ltd (t & i)	608	519	71	16	2
Planet Ozi Pty Ltd (i)	26	23	3	0	0
Primus Telecommunications Pty Ltd (t & i) (c)	2,395	1,961	298	110	26
Pulse Telecom Pty Ltd (t)	106	72	20	14	0
Rabbit International - Pink Link - Physic Friends Network Pty Ltd (t & i)	40	34	5	1	0
Reward Mobile Pty Limited (t)	108	98	9	1	0
Saunders Properties Pty Ltd (i)	64	48	9	5	2
Savvytel Pty Ltd (t)	53	48	5	0	0
SIMplus Mobile Pty Limited (t)	473	402	54	17	0
Simply Tel Pty Ltd (t & i) (c)	40	38	1	1	0
SkyMesh Pty Ltd (t & i)	94	88	6	0	0
Soul Communications Pty Ltd (t & i)	2,644	2,222	333	83	6
Southern Cross Telco Ltd (t & i)	147	132	11	4	0
Southern Phone Company Ltd (t & i)	384	362	21	1	0
Spin Internet Services Pty Ltd (t & i)	203	165	26	12	0
Startel Communications Pty Ltd (t)	240	198	25	14	3
Technical Aid to the Disabled Inc (t & i)	473	425	37	11	0
Tel.Pacific Limited (t)	89	75	10	4	0
Telair Pty Ltd (t & i)	194	164	23	7	0
Telco Blue Pty Ltd (t & i)	229	202	23	3	1
Teleus Pty Ltd (t)	27	26	1	0	0
Telfin Pty Ltd (t)	45	26	7	7	5
Telko Pty Ltd (t & i)	100	86	13	1	0
Telstra Big Pond (i)	26,110	23,469	2,333	288	20
Telstra Corporation (t) (c)	78,611	68,367	8,383	1,639	222
The trustee for Clear Networks Trust (t & i)	125	100	19	5	1
The Trustee for ProTalk Australia Unit Trust (t & i)	76	68	5	3	0
Time Telecom Pty Ltd (t)	97	87	7	3	0
TPG Internet Pty Ltd (t & i)	4,303	3,633	557	109	4
TransACT Capital Communications Pty Ltd (t & i) (c)	312	270	38	4	0
Trinity Telecom Pty Ltd (t & i)	39	36	2	1	0
Unwired Australia Pty Ltd (i) (c)	79	62	10	7	0
VE Telecommunications Pty Ltd (t & i)	113	102	8	2	1
Veetel Pty Limited (t)	25	21	4	0	0
Virgin Mobile (Australia) Pty Ltd (t & i)	6,677	5,954	589	125	9
Vodafone Australia Limited (t & i) (c)	13,193	12,337	760	96	0
Vodafone Hutchison Australia Pty Limited (t & i)	17,062	15,358	1,466	222	16
Westnet Pty Ltd (t & i)	354	318	28	7	1
Yourtel Pty Ltd (t)	72	63	7	2	0

(t) = telephone service provider

(i) = internet service provider

(o) = other

(c) = holds carrier licence

(includes MPS complaints)

MPS case issues registered for TIO members (non-standardised)

1 July 2009 - 30 June 2010 (Includes members that received 25 or more cases logged for the last financial year)

	MPS							
	Billing and Payments	Complaint Handling	Contracts	Credit Management	Customer Service	Privacy	Other	Total MPS
AAPT Ltd (t&i) (c)	49	23	7	8	10	0	0	97
ACN Pacific Pty Ltd (t & i)	11	4	3	0	4	0	0	22
Astron Communication and Information Services Pty Ltd (t & i)	1	1	0	0	0	0	0	2
AUSTAR United Mobility Pty Ltd (t)	5	1	1	0	3	0	0	10
Clear Telecoms (Aust) Pty Ltd (t & i)	8	5	6	2	0	0	0	21
CommodiTel (Australia) Pty Ltd (t)	2	2	0	0	0	0	0	4
Connex Communications Pty Ltd (t & i)	2	0	0	0	0	0	0	2
Dodo Australia Pty Ltd (t & i)	18	13	0	1	3	0	0	35
Edirect Pty Ltd (t)	8	6	0	5	2	0	0	21
Hi Tech Telecom Pty Ltd (t & i)	2	2	0	0	2	0	0	6
Lebara Australia Limited (t)	9	3	0	0	3	0	0	15
M2 Commander Pty Ltd (t & i)	1	1	0	0	0	0	0	2
m8 Telecom Pty Ltd (t)	14	10	0	2	2	0	0	28
Mobileworld Operating Pty Ltd (t & i)	61	36	10	9	17	0	0	133
Optus Mobile Pty Ltd (t) (c)	873	379	152	69	240	3	0	1,716
People Telecommunications Ltd (t & i)	1	1	0	0	0	0	0	2
Primus Telecommunications Pty Ltd (t & i) (c)	8	5	3	1	2	0	0	19
Reward Mobile Pty Limited (t)	16	14	1	0	2	0	0	33
Savvytel Pty Ltd (t)	7	8	0	0	2	0	0	17
SIMplus Mobile Pty Limited (t)	22	6	4	5	8	0	0	45
Soul Communications Pty Ltd (t & i)	86	47	4	11	20	0	0	168
Southern Phone Company Ltd (t & i)	2	1	0	0	2	0	0	5
Startel Communications Pty Ltd (t)	18	10	1	4	1	0	0	34
Technical Aid to the Disabled Inc (t & i)	5	3	0	0	1	0	0	9
Telair Pty Ltd (t & i)	0	1	0	0	0	0	0	1
Telco Blue Pty Ltd (t & i)	1	1	0	0	0	0	0	2
Telstra Corporation (t) (c)	2,463	1226	291	61	836	11	0	4,888
TPG Internet Pty Ltd (t & i)	57	33	3	5	14	0	0	112
TransACT Capital Communications Pty Ltd (t & i) (c)	13	5	3	2	4	0	0	27
Veetel Pty Limited (t)	2	2	0	0	0	0	0	4
Virgin Mobile (Australia) Pty Ltd (t & i)	270	129	38	23	80	0	0	540
Vodafone Australia Limited (t & i) (c)	474	266	56	36	137	3	0	972
Vodafone Hutchison Australia Pty Limited (t & i)	430	199	74	43	139	7	0	892

(t) = telephone service provider (i) = internet service provider (o) = other (c) = holds carrier licence

Cases registered for members by issues

1 July 2009 - 30 June 2010 (Includes members that received 25 or more cases logged for the last financial year)

	Land Line											
	Total Issues	Billing and Payments	Credit Management	Complaint Handling	Customer Transfer	Customer Service	Contracts	Faults	Privacy	Provisioning	Other	Total Land Line
1800Mumdad Pty Ltd (t)	92	0	0	0	0	0	0	0	0	0	0	0
AAPT Ltd (t&i) (c)	17,390	2,950	1,494	1671	224	2,068	1,084	780	106	450	91	10,918
ACN Pacific Pty Ltd (t & i)	826	62	36	36	7	40	17	27	3	9	5	242
ACTew Retail Ltd & AGL ACT Retail Investments Pty Ltd (i)	100	0	0	0	0	0	0	0	0	0	0	0
Adam Pty Ltd (i)	247	0	0	5	0	1	0	8	2	2	0	18
Alphawise Solutions Pty Ltd (t & i)	185	13	22	21	5	49	1	68	0	2	0	181
Amcom Telecommunications Limited (i) (c)	47	0	0	0	0	0	0	0	0	0	0	0
Askom Pty Ltd (t & i)	726	197	8	59	108	95	145	2	5	0	0	619
Astron Communication and Information Services Pty Ltd (t & i)	346	113	23	35	33	57	41	14	4	1	1	322
Aussie Broadband Pty Ltd (t & i) (c)	99	1	0	2	1	1	1	5	0	2	0	13
AUSTAR United Mobility Pty Ltd (t)	71	0	0	0	0	0	0	0	0	0	0	0
Australia Internet Solutions Pty Ltd (t & i)	165	3	5	6	5	4	1	2	4	1	0	31
Australian Private Networks Pty Ltd (t & i) (c)	1,204	6	5	13	1	23	1	27	0	6	0	82
Australian Telecommunications Pty Ltd (t)	76	16	0	0	0	11	8	5	0	2	0	42
Beagle Internet Pty Ltd (i)	71	0	0	0	0	0	0	0	0	0	0	0
Bell Networks Voice & Data Pty Ltd (t & i)	392	57	12	23	16	50	58	17	0	2	0	235
BEST Internet and Telecom Pty Ltd (t & i) (c)	158	32	16	3	32	19	37	4	2	1	0	146
Bluemaxx Communications Pty Ltd (i) (c)	276	0	0	0	0	0	0	4	0	1	0	5
Bordnet Internet Pty Ltd (i)	60	0	0	0	0	0	0	0	0	0	0	0
Bytecard Pty Ltd (i)	93	2	4	2	2	6	0	0	0	0	0	16
CardCall Pty Ltd (t)	307	0	0	0	0	0	0	0	0	0	307	307
Chariot Ltd (i) (c)	223	0	0	0	0	0	0	0	0	0	0	0
Cirrus Communications Pty Ltd (i) (c)	119	0	0	0	0	1	0	4	0	1	6	12
Clarus Telecom Pty Ltd (t & i)	46	8	1	1	7	9	8	7	4	0	0	45
Clear Telecoms (Aust) Pty Ltd (t & i)	959	202	21	69	20	125	198	55	1	5	1	697
Commander Australia Pty Ltd (t&i)	58	12	3	2	2	13	11	2	0	2	0	47
CommodiTel (Australia) Pty Ltd (t)	74	0	0	0	0	0	0	0	0	0	0	0
Connex Communications Pty Ltd (t & i)	64	2	0	0	0	0	0	0	0	0	0	2
CyberOne Pty Ltd (t & i)	161	7	0	10	0	10	4	2	0	3	0	36
Dodo Australia Pty Ltd (t & i)	8,014	609	188	275	83	441	253	212	44	172	15	2,292
EasyTel Communications Pty Ltd (i)	66	4	16	4	6	0	22	0	0	0	0	52
Edirect Pty Ltd (t)	2,473	0	0	0	0	0	0	0	0	0	0	0
EFTel More Than Broadband Pty Ltd (t & i)	1,310	61	16	55	13	48	11	41	1	10	3	259
EFTel Pty Ltd (t & i)	111	14	0	5	0	3	2	6	0	0	0	30
Escapenet Trust (i)	86	4	0	4	0	2	7	0	0	0	0	17
E-Talk Communications Pty Ltd (t & i)	176	11	0	5	0	6	13	4	3	3	0	45
Excite Mobile Pty Ltd (t)	476	0	0	0	0	0	0	0	0	0	0	0
Exetel Pty Ltd (t & i)	770	15	5	17	8	33	5	30	0	4	0	117
FairTalk Pty Ltd (t & i)	66	6	2	11	9	11	25	1	1	0	0	66
Flex Group Pty Ltd (t)	120	27	6	9	21	17	16	11	4	9	0	120
Flexirent Capital Pty Ltd (t & i)	178	0	0	0	0	0	0	0	0	0	0	0
G0talk Australia Pty Ltd (t & i)	4,632	830	166	443	284	411	435	248	13	58	33	2,921
HarbourIT Pty Ltd (i)	185	0	0	0	0	0	0	0	0	0	0	0
Hi Tech Telecom Pty Ltd (t & i)	572	59	1	43	0	36	14	25	0	9	5	192
Hotkey Internet Services Pty Ltd (i)	87	0	0	0	0	0	0	0	0	0	0	0
iiNet Ltd (t & i)	3,201	185	34	196	52	208	46	306	17	148	9	1,201
Internode Pty Ltd (t & i)	660	26	4	7	1	26	4	21	0	8	0	97
JARRAJ Pty Ltd (t & i)	68	7	3	9	5	13	2	16	0	0	0	55
Lebara Australia Limited (t)	93	0	0	0	0	0	0	0	0	0	0	0
Lime Telecom Pty Ltd (t)	76	0	0	0	0	0	0	0	0	0	76	76
Logitel Communications Pty Ltd (t & i)	83	21	0	20	5	15	5	6	0	2	0	74
M2 Commander Pty Ltd (t & i)	498	90	24	47	18	60	63	40	2	7	2	353
M2 Telecommunications Pty Ltd (t)	121	1	7	7	12	11	2	4	1	3	0	48
m8 Telecom Pty Ltd (t)	541	0	0	0	0	0	0	0	0	0	0	0
McKay, Jason Kenneth (t & i)	848	7	0	9	0	6	0	0	0	0	0	22
Mibroadband Pty Ltd (t & i) (c)	419	49	9	20	5	39	27	38	1	6	0	194
Mobileworld Operating Pty Ltd (t & i)	3,132	0	0	0	0	0	0	0	0	0	0	0

Mobile									Internet								
Billing and Payments	Contracts	Credit Management	Customer Service	Complaint Handling	Faults	Customer Transfer	Other	Total Mobile	Billing and Payments	Contracts	Credit Management	Customer Service	Complaint Handling	Faults	Provisioning	Other	Total Internet
52	3	2	21	12	0	0	2	92	0	0	0	0	0	0	0	0	0
516	366	233	385	301	135	29	44	2,009	892	654	340	873	713	616	268	107	4,463
97	61	58	67	52	67	3	5	410	47	39	32	17	19	20	0	0	174
0	0	0	0	0	0	0	0	0	32	10	20	17	16	5	0	0	100
0	0	0	0	0	0	0	0	0	26	21	4	56	23	79	17	3	229
0	0	2	0	0	1	0	1	4	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	14	7	4	4	4	12	1	1	47
23	9	1	11	12	0	9	0	65	12	11	1	7	7	2	0	2	42
2	0	1	3	2	0	0	2	10	2	1	2	4	3	2	0	0	14
0	0	0	0	0	0	0	0	0	11	8	2	21	8	30	5	1	86
22	7	9	13	8	8	3	1	71	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	29	17	3	28	15	29	10	3	134
12	6	4	4	3	9	0	0	38	96	62	24	247	218	412	20	5	1,084
1	2	4	3	0	0	0	0	10	8	2	2	4	0	8	0	0	24
0	0	0	0	0	0	0	0	0	26	7	5	14	2	17	0	0	71
47	54	4	8	17	18	4	5	157	0	0	0	0	0	0	0	0	0
1	1	0	1	0	0	0	0	3	5	0	1	1	2	0	0	0	9
0	0	0	0	0	0	0	0	0	11	12	0	74	56	117	1	0	271
0	0	0	0	0	0	0	0	0	10	8	1	11	8	22	0	0	60
12	0	6	6	0	0	0	0	24	21	0	10	7	15	0	0	0	53
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	53	33	9	57	24	36	3	8	223
0	0	0	0	0	0	0	0	0	11	5	5	21	20	43	1	1	107
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
82	35	31	37	23	18	3	0	229	11	5	8	6	2	1	0	0	33
3	3	0	3	0	0	0	0	9	1	0	0	0	1	0	0	0	2
17	9	0	23	14	8	0	3	74	0	0	0	0	0	0	0	0	0
17	22	0	9	4	7	2	1	62	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	35	9	12	25	23	21	0	0	125
431	287	190	267	185	118	31	45	1,554	899	631	301	816	438	846	159	78	4,168
4	2	0	4	2	0	0	0	12	0	0	0	2	0	0	0	0	2
627	515	263	515	296	97	60	100	2,473	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	294	102	46	199	183	159	56	12	1,051
0	0	0	0	0	0	0	0	0	19	10	2	7	29	9	4	1	81
0	0	0	0	0	0	0	0	0	18	15	0	16	5	14	0	1	69
0	0	0	0	0	0	0	0	0	36	25	15	19	20	14	2	0	131
110	184	28	77	31	26	7	13	476	0	0	0	0	0	0	0	0	0
5	1	0	9	6	4	7	0	32	113	82	27	135	86	137	27	14	621
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	59	31	28	17	26	17	0	0	178
77	63	21	69	84	29	38	16	397	305	221	51	188	183	226	34	106	1,314
0	0	0	0	0	0	0	0	0	36	23	14	36	25	49	0	2	185
107	23	10	69	72	12	27	20	340	5	2	2	11	8	11	1	0	40
0	0	0	0	0	0	0	0	0	13	1	1	31	11	30	0	0	87
0	0	0	0	0	0	0	0	0	401	180	69	390	286	482	158	34	2,000
0	0	0	0	0	0	0	0	0	81	27	17	124	55	227	31	1	563
0	0	0	0	0	0	1	0	1	1	1	0	3	0	4	2	1	12
9	8	1	27	12	17	18	1	93	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	1	0	0	0	0	0	0	1	3	0	0	2	0	3	0	0	8
26	36	15	10	11	1	4	2	105	13	3	13	2	8	0	1	0	40
13	8	23	8	4	2	1	1	60	5	0	0	0	5	0	0	3	13
165	64	147	71	81	7	3	3	541	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	415	3	5	121	263	19	0	0	826
0	0	0	0	0	0	0	0	0	60	35	6	37	25	37	18	7	225
551	467	238	508	368	479	29	40	2,680	129	63	52	69	60	79	0	0	452

Cases registered for members by issues continued

1 July 2009 - 30 June 2010 (Includes members that received 25 or more cases logged for the last financial year)

	Land Line												
	Total Issues	Billing and Payments	Credit Management	Complaint Handling	Customer Transfer	Customer Service	Contracts	Faults	Privacy	Provisioning	Other	Total Land Line	
Motion Telecom Pty Ltd (t)	79	22	3	10	8	12	10	2	0	0	0	67	
Motiv Communications Pty Ltd (t & i)	113	7	1	1	0	5	0	2	0	0	0	16	
My Net Fone Pty Ltd (t & i)	109	13	5	7	3	11	15	8	0	2	0	64	
NC Cable Pty Ltd (t & i)	141	14	1	8	7	11	4	3	0	0	0	48	
Netco Holdings Pty Ltd (t & i)	168	33	14	16	10	14	22	4	0	0	0	113	
Netspace Online Systems Pty Ltd (t & i)	1,267	72	3	46	14	74	24	76	0	35	2	346	
Next Business Telecommunications Pty Ltd (t & i)	91	18	1	20	18	7	7	0	0	0	0	71	
Ocean Broadband Ltd (i) (c)	113	0	0	0	0	0	0	0	0	0	0	0	
One Telecom Pty Ltd (t & i)	220	13	5	7	0	9	6	4	0	0	0	44	
Optus Broadband Pty Ltd (i) (c)	12,017	0	0	0	0	0	0	0	0	0	0	0	
Optus Mobile Pty Ltd (t) (c)	40,855	0	0	0	0	0	0	0	0	0	0	0	
Optus Networks Pty Ltd (t & i) (c)	14,606	2,301	1,304	1556	691	2,446	1,498	1,178	261	759	137	12,131	
OurTel Pty Ltd (t & i)	210	42	15	24	31	32	44	12	9	1	0	210	
PacNet Internet (A) Pty Ltd	168	6	3	10	1	3	1	3	0	7	0	34	
People Telecommunications Ltd (t & i)	1,445	220	59	114	69	115	173	39	3	19	0	811	
Planet Ozi Pty Ltd (i)	50	2	0	0	1	0	1	0	0	0	0	4	
Primus Telecommunications Pty Ltd (t & i) (c)	5,276	653	274	373	105	585	296	383	38	140	32	2,879	
Pulse Telecom Pty Ltd (t)	236	89	17	28	13	26	43	3	17	0	0	236	
Rabbit International - Pink Link - Physic Friends Network Pty Ltd (t & i)	90	3	0	4	3	7	7	10	2	0	0	36	
Reward Mobile Pty Limited (t)	199	0	0	0	0	0	0	0	0	0	0	0	
Saunders Properties Pty Ltd (t & i)	133	4	0	0	0	0	0	0	0	3	0	7	
Savvytel Pty Ltd (t)	85	0	0	0	0	0	0	0	0	0	0	0	
SIMplus Mobile Pty Limited (t)	1,026	0	0	0	0	0	0	0	0	0	0	0	
Simply Tel Pty Ltd (t & i) (c)	80	16	1	5	18	12	21	2	3	0	0	78	
SkyMesh Pty Ltd (t & i)	201	0	0	4	0	2	0	12	0	1	0	19	
Soul Communications Pty Ltd (t & i)	5,887	404	205	148	23	225	61	85	13	12	6	1,182	
Southern Cross Telco Ltd (t & i)	307	39	22	18	8	32	12	17	4	34	1	187	
Southern Phone Company Ltd (t & i)	837	118	24	60	21	78	91	48	8	7	2	457	
Spin Internet Services Pty Ltd (t & i)	469	35	3	15	31	26	27	15	0	9	0	161	
Startel Communications Pty Ltd (t)	498	0	0	0	0	0	0	0	0	0	0	0	
Technical Aid to the Disabled Inc (t & i)	1,068	36	21	23	4	39	8	11	2	6	1	151	
Tel.Pacific Limited (t)	151	0	0	0	0	0	0	0	0	0	122	122	
Telair Pty Ltd (t & i)	510	80	15	28	59	33	102	2	0	0	0	319	
Telco Blue Pty Ltd (t & i)	515	99	35	47	53	60	82	29	6	11	0	422	
Telemates Pty Ltd (t & i)	358	107	8	27	33	39	103	9	3	3	0	332	
Teleus Pty Ltd (t)	52	9	1	5	11	7	10	3	6	0	0	52	
Telfin Pty Ltd (t)	107	32	4	15	14	18	6	15	0	1	0	105	
Telko Pty Ltd (t & i)	227	57	18	19	62	16	45	5	2	1	0	225	
Telstra Big Pond (i)	59,699	0	0	0	0	0	0	0	0	0	0	0	
Telstra Corporation (t) (c)	177,747	26,093	9,443	16,534	1,532	18,305	5,114	8,567	2,046	4,314	2,278	94,226	
The trustee for Clear Networks Trust (t & i)	298	1	1	13	4	9	3	13	0	1	0	45	
The Trustee for ProTalk Australia Unit Trust (t & i)	170	46	9	18	35	19	29	6	3	0	0	165	
Time Telecom Pty Ltd (t)	223	67	8	22	26	31	46	11	4	3	0	218	
TPG Internet Pty Ltd (t & i)	9,254	89	6	47	7	64	37	41	1	45	13	350	
TransACT Capital Communications Pty Ltd (t & i) (c)	673	79	34	53	5	61	54	26	6	22	1	341	
Trinity Telecom Pty Ltd (t & i)	92	21	3	6	4	19	7	20	0	1	0	81	
Unwired Australia Pty Ltd (i) (c)	159	0	0	0	0	0	0	0	0	0	0	0	
VE Telecommunications Pty Ltd (t & i)	260	50	5	69	23	36	17	45	2	11	0	258	
Veetel Pty Limited (t)	44	7	1	1	7	13	0	8	0	1	0	38	
Virgin Mobile (Australia) Pty Ltd (t & i)	14,228	134	62	124	14	165	50	176	8	9	4	746	
Vodafone Australia Limited (t & i) (c)	27,699	0	0	0	0	0	0	0	0	0	0	0	
Vodafone Hutchison Australia Pty Limited (t & i)	36,376	0	0	0	0	0	0	0	0	0	0	0	
Westnet Pty Ltd (t & i)	749	30	32	42	2	51	9	51	12	29	1	259	
Yourtel Pty Ltd (t)	166	44	2	20	38	20	35	2	3	2	0	166	

(t) = telephone service provider (i) = internet service provider (o) = other (c) = holds carrier licence

Billing and Payments	Mobile								Total Mobile	Billing and Payments	Contracts	Credit Management	Internet						Total Internet
	Contracts	Credit Management	Customer Service	Complaint Handling	Faults	Customer Transfer	Other	Provisioning					Other						
1	3	0	4	0	0	1	0	9	1	1	0	0	0	1	0	0	3		
0	0	0	0	0	0	0	0	0	20	12	2	24	10	21	3	5	97		
0	0	0	0	0	0	0	0	0	9	8	3	5	6	12	2	0	45		
0	0	0	0	0	0	0	0	0	26	15	9	15	15	9	3	1	93		
11	0	0	5	5	0	0	0	21	13	3	0	13	0	5	0	0	34		
0	0	0	0	0	0	0	0	0	169	107	26	195	131	227	51	15	921		
5	5	0	5	0	3	0	0	18	0	0	0	0	0	0	0	2	2		
0	0	0	0	0	0	0	0	0	3	1	0	20	26	62	1	0	113		
11	2	3	4	3	0	0	2	25	32	18	7	28	31	31	3	1	151		
0	0	0	0	0	0	0	0	0	3,213	1,651	1,628	1,996	1,598	1,541	231	159	12,017		
8,805	6,811	4,309	8,061	5,796	6,119	260	694	40,855	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	566	389	321	442	286	276	105	90	2,475		
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	36	15	19	18	22	20	3	1	134		
59	58	29	29	31	11	4	2	223	106	63	20	64	78	55	11	14	411		
0	0	0	0	0	0	0	0	0	9	10	1	8	4	14	0	0	46		
52	37	15	39	20	7	0	11	181	497	365	158	411	268	354	97	66	2,216		
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	32	8	0	4	1	4	0	5	54		
63	36	25	34	30	8	2	1	199	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	16	19	4	20	29	35	1	2	126		
11	4	2	24	19	15	6	4	85	0	0	0	0	0	0	0	0	0		
278	126	259	184	148	15	8	8	1,026	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	1	0	2	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	26	7	1	38	25	80	2	3	182		
1,165	489	682	725	462	160	30	41	3,754	256	99	147	179	133	123	6	8	951		
16	3	8	5	0	3	1	0	36	23	12	1	10	6	17	14	1	84		
54	100	21	49	37	32	9	5	307	11	17	1	16	11	12	4	1	73		
0	0	0	0	0	0	0	0	0	89	61	27	43	27	31	17	13	308		
109	140	37	80	67	29	26	10	498	0	0	0	0	0	0	0	0	0		
12	5	3	15	8	1	1	5	50	180	76	26	233	148	173	22	9	867		
5	0	0	5	9	3	5	2	29	0	0	0	0	0	0	0	0	0		
36	34	26	21	9	5	4	0	135	7	13	4	10	7	3	1	11	56		
13	13	7	8	2	0	11	0	54	8	6	2	5	11	4	2	1	39		
5	5	0	6	1	0	4	0	21	0	2	0	2	0	0	0	1	5		
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	2	0	0	0	0	2	0	0	0	0	0	0	0	0	0		
0	2	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	14,887	7,592	4,142	11,913	9,640	8,588	2,098	839	59,699		
23,585	12,467	9,474	16,310	13,026	6,520	525	1,614	83,521	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	33	9	4	58	46	99	3	1	253		
0	2	0	0	0	0	0	0	2	0	0	0	1	0	2	0	0	3		
0	0	0	0	0	0	0	0	0	1	1	0	0	2	0	1	0	5		
772	187	238	421	268	86	73	28	2,073	1,279	936	115	1,425	893	1,718	378	87	6,831		
54	63	13	26	22	12	7	3	200	38	24	16	16	20	13	4	1	132		
2	0	1	2	1	0	0	0	6	0	1	0	2	0	2	0	0	5		
0	0	0	0	0	0	0	0	0	32	24	2	33	29	35	1	3	159		
0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	2		
2	0	0	1	0	0	0	1	4	0	0	0	1	0	0	0	1	2		
2,339	1,296	1,391	2,300	1,750	1,400	243	231	10,950	516	309	236	431	398	616	11	15	2,532		
4,814	2,643	3,606	4,631	3,200	3,433	147	457	22,931	1,030	541	735	783	700	933	27	19	4,768		
6,271	4,685	3,390	5,695	3,558	5,969	183	343	30,094	1,722	718	1,098	968	687	1,042	28	19	6,282		
0	0	0	0	0	0	0	0	0	103	46	16	99	46	152	18	10	490		
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

Telecommunications Industry Ombudsman Limited

ABN 46 057 634 787

Financial Report

for the year ended 30 June 2010

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Director's Report

Directors' Report

Your directors present their report of Telecommunications Industry Ombudsman Ltd ("TIO") for the year ended 30 June 2010.

The TIO is a company limited by guarantee and incorporated in Australia in 1993 under the Corporations Act. The TIO was established to investigate, resolve, make determinations and give directions relating to complaints by residential and small business consumers of telecommunications services. The principal place of business is Level 3/595 Collins Street, Melbourne, Victoria.

Directors

The current composition and membership of the Board up to the date of this report is as follows:

Two (2) directors appointed by Telstra:

- J P Scarlett
- P J Sporton

Two (2) directors appointed by Optus:

- M J Elsegood
- A R Thomas, with G R Smith as alternate director for both.

One (1) director appointed by Vodafone Hutchison Australia (VHA):

- M L Sexton with B Currie as an alternate director.

One (1) director appointed by members who are other than Telstra, Optus, VHA and who are not internet service providers or internet service intermediaries:

- R Bhatia with J G Horan as an alternate director.

One (1) director appointed by internet service provider or internet service intermediary members:

- S J Dalby

Independent Director:

- J M Harvey
- J F Rohan (Chairman)

Changes to Board composition are summarised in note 6 to the financial statements. The names of persons who were directors of TIO at any time during the financial year are as follows:

Name of Director	Date of Appointment	Date of Resignation
J Rohan	01 August 2001	Continuing
G Smith*	4 March 2002	Continuing
T Hill*	30 October 2002	13 April 2010
J Harvey	7 April 2003	Continuing
M Elsegood	2 October 2006	Continuing
S Dalby	7 December 2006	Continuing
B Chapman	7 December 2006	6 December 2009
A Thomas	12 September 2007	Continuing
J Parkin*	23 April 2008	26 November 2009
L Fielding*	23 April 2008	26 November 2009
R Bhatia	22 November 2009	Continuing
J Scarlett	27 November 2009	Continuing
P Sporton	27 November 2009	Continuing
M Sexton	8 December 2009	Continuing
B Currie*	8 December 2009	Continuing
J Horan*	20 April 2010	Continuing

Note: * Indicates a director who was an alternate director for all or part of the year

Director's Report (continued)

Operating Results

The TIO recorded an operating surplus for the year of \$347,897 (2008-2009, \$3,798,651). The operating surplus for 2009/10 reduced primarily due to the impact of increased staffing levels during the year. In addition, costs totalling approximately \$1m were funded from cash reserves and not charged to members.

The results for the year ended 30 June 2010 are as follows:

Year	Total Revenue	Total Expenditure	Surplus/(Deficit)
2008-2009	\$26,568,125	\$22,769,474	\$3,798,651
2009-2010	\$28,634,716	\$28,286,819	\$347,897

Due to the surplus, members' funds were increased from \$6,364,468 at the start of the financial year to \$6,712,365 at the end of 2009-2010.

The TIO has been granted an exemption from income tax under Item 2.1 of Section 50-10 of the Income Tax Assessment Act 1997 until 30 June 2014.

Review of Operations

• Transactions and complaints

Overall TIO transactions for 2009-2010 are presented below. Transactions include enquiries, reviews and complaints registered at each level by the TIO.

Year	Total Transactions	% Change from Previous Year
2008-2009	261,818	51% Increase
2009-2010	256,609	2% Decrease

Following a long term trend of increasing complaint numbers, the TIO has recorded a decrease in complaints, by more than 6%, in 2009-10. This decrease in complaints has occurred within the context of a rapidly growing number of services in the telecommunications industry, and increasing complexity of services. The reduced demand for TIO services is expected to continue during the 2010-2011 financial year.

• Debt Recovery

Bad debts of \$402,708 (GST inclusive) were written-off during the financial year. The provision for bad debts was increased to \$806,440 (GST inclusive) for specific provisions.

• Cash Flow

The TIO's bankers, Commonwealth Bank of Australia, provide the TIO with an overdraft facility of \$150,000. This facility was created to alleviate any temporary cash flow variations associated with the TIO's quarterly billing cycle. The overdraft was not utilised during the year.

• Performance

The TIO operational year featured a 2% decrease in enquiry/complaint levels. In response to this stabilisation, staff numbers dropped from a peak of 265 to 230.

The TIO monitors levels of complainant satisfaction and confidence with the service provided by the TIO. Issues identified through the monitoring process are addressed as they arise by the Ombudsman and the Executive team.

• Industry Engagement

During 2009-2010 the TIO continued to work collaboratively with industry to help reduce complaints about customer service and complaint handling. In this respect, a follow up report for the connect.resolve campaign illustrated substantive improvements by a number of key members.

• Communications

The TIO continued to focus on accessibility to the Scheme focusing its work to assist vulnerable groups in the community, including through the work of an Indigenous Liaison Team and Disability Access Group.

Director's Report (continued)

- **Governance**

The TIO developed and implemented a comprehensive internal audit program during the course of 2009-2010. A new policy to deal with bad debts was also introduced.

- **Financial Reserve**

The financial reserve increased to a total of \$3,240,415 during 2009-2010.

- **Fee Increases**

The TIO did not increase volume related prices for 2009-2010. The TIO has not increased volume related prices since July 1, 2007. The overhead component of fees has increased during 2009-10. A total pricing review is currently underway.

- **Major Projects Program**

The TIO commenced a number of major projects in 2009-2010 including the design of a New Complaint Management System (NCMS), redevelopment of the TIO Website, transition to Monthly Billing, review of Complaint Handling Procedures and implementation of an IT Infrastructure Upgrade.

The current Project Program will continue in 2010-2011 with the development and build of the NCMS, implementation of the new Website and a comprehensive Remuneration Review.

- **Membership**

The *Telecommunications (Consumer Protection and Services Standard) Act 1999* requires all carriers and eligible carriage service providers to be members of the TIO and comply with the Constitution and Memorandum and Articles of Association of the Scheme. Eligible carriage service providers are those which supply:

- a standard telephone service where some of the customers are residential or small business customers; or
- a public mobile telecommunications service; or
- a carriage service which enables end users to access the Internet.

A carriage service intermediary which arranges the supply of the services referred to above qualifies as an eligible carriage service provider.

The total number of members increased from 1,125 at 30 June 2009 to 1162 at 30 June 2010. 110 new members joined the scheme and 73 members departed the scheme.

- **Staffing**

As at 30 June 2010, the TIO employed 230 staff. This is a slight increase from 30 June 2009 when the TIO employed 218 staff, although a peak of 265 staff members was reached throughout the year commensurate with a peak in complaint numbers.

Deirdre O'Donnell resigned as Ombudsman effective 29 January 2010 and has been replaced by Simon Cohen who commenced as Ombudsman on 24 May 2010. Simon Cleary was Acting Ombudsman in the interim period.

- **Monetary Limits**

From the 1 May 2010, the monetary limits of the TIO were increased to have the authority to make Binding Decisions up to the value of \$30,000, and Recommendations up to the value of \$85,000. This is an increase from \$10,000 and \$50,000 respectively from the previous financial year.

Principal Activities

During the year, the principal continuing activity of the TIO was the investigation and resolution of telecommunications complaints from small businesses and residential consumers. There were no significant changes in the nature of the activities during the year.

Objectives and Strategies

The TIO has short and long term objectives, strategies to achieve those objectives, and various key performance indicators. Details of these matters together with how the TIO activities assisted in achieving its objectives are contained in each year's Annual Report.

Director's Report (continued)

Member Liability

The TIO is a company limited by guarantee. The liability of the members is limited.

Every member undertakes that in the event that TIO Limited is wound up during the currency of the member's membership or within one year of the member ceasing membership, it will contribute to the property of TIO Limited for:

- (a) payment of the debts and liabilities of TIO Limited incurred before it ceased to be a member;
- (b) the costs, charges and expenses of winding up; and
- (c) an adjustment of the rights of the contributories among themselves, such amount as may be required, provided such amount shall not exceed one hundred dollars (\$100).

Dividends

Under the terms of its Memorandum and Articles of Association, the TIO is not permitted to pay dividends to members.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs.

Matters Subsequent to the End of the Financial Year

- **Complaint volume**

Complaint numbers have remained stable or decreased in the latter part of 2009-2010 and this has continued into early 2010-2011.

- **Monthly Billing**

From July 2010, all members (with the exception of the largest three members) moved from quarterly billing in advance to monthly billing in arrears. Monthly invoicing will provide members with a much simpler, more transparent and timely billing of complaints.

Except for the matters noted above, at the date of this report no matter or circumstance has arisen since 30 June 2010 that has significantly affected or may significantly affect:

- a) the operations of the TIO in future financial years: or
- b) the results of those operations in future financial years: or
- c) the state of affairs of TIO in future financial years.

Likely Developments and Expected Results of Operations

The TIO has budgeted for a decrease in complaint numbers of 6% in 2010-2011 based on the stabilisation of complaint numbers in 2009-2010, but will continue to carefully monitor complaint statistics and resource accordingly.

Environmental Regulations

Apart from statutory provisions of general applicability, the TIO is not subject to any specific environmental regulation.

Insurance of Officers

During the financial year, the TIO paid a premium of \$13,662 (GST inclusive) to insure certain officers of the company.

The officers of the company covered by the insurance policy included all Directors as listed in this report, Council members and the Executive management Team.

The liabilities insured include costs and expenses that may be incurred in defending proceedings that may be brought against the officers in their capacity as officers of the company.

Director's Report (continued)

Information on Directors

Director	Experience	Responsibility
J F Rohan, <i>B Mech Eng, Grad Dip IE, MBA</i>	John has been Executive Director, Vodafone Pacific, MD of Vodafone Australia Pty Ltd, Vodafone New Zealand Ltd and Vodafone Network Pty Ltd. Previous positions include Executive General Manager of James Hardie Building Services and Technologies, Chief Executive of McConnell Dowell's Building Product Group, Australia and New Zealand and General Manager of Comalco Building Products. John has previously served as Chairman of the TIO Board and as a member of the TIO Council.	Chairman from 1 August 2001
G R Smith, <i>B Econ / Politics (Hons)</i>	General Manager, Regulatory Compliance & Self-regulation, Optus. Gary has over 20 years experience in the telecommunications industry, working for both Optus and the industry regulator. He has also worked for the Reserve Bank of Australia and the Victorian Parliament in research and analysis roles.	Alternate Director from 4 March 2002
T C Hill	Group Manager, Consumer & Compliance, Public Policy & Communications, Telstra. Trevor has worked for Telstra in a variety of management and policy roles	Director from 30 October 2002 26 Nov 2009 and Alternate Director from 27 Nov 2009 to 13 Apr 2010
J M Harvey, <i>BCom, MBA, FCA, FAICD</i>	Directorships include: IOOF Holdings Ltd, Medibank Private Ltd, Royal Flying Doctor Service (Nat and Vic), Colonial Foundation Trust and Department of Treasury and Finance.	Director from 7 April 2003
M J Elsegood <i>B Eng (Hons)</i>	Manager, Regulatory Compliance and Safeguards, Optus. Michael has extensive experience in the Australian telecommunications industry, having worked with regulators and carriers in a variety of planning, policy and compliance roles.	Director from 2 October 2006
S J Dalby	Chief Regulatory Officer, iiNet. Stephen Dalby has been involved in the telecommunications industry for more than 35 years. Since 2003, he has been an executive with the iiNet Group. Stephen is also CEO of Chime Communications Pty Ltd, iiNet's carrier subsidiary, and is based in Perth.	Director from 7 December 2006
B S Chapman	Brian is the Head of Corporate Security and Regulatory Operations at AAPT. He has previously held senior management roles in the telecommunications industry and been responsible for business and operational performance reporting, information analysis and business improvement.	Director from 7 December 2006 to 6 December 2009
A R Thomas	Director, Reitz Transformation at Optus and responsible for strategic IT and business transformation. Prior to this appointment Alexandra was the General Manager Strategy and Planning, Optus Consumer Customer Care.	Director from 12 September 2007
J M Parkin	An operational regional general manager with Telstra Corporation, John Parkin has enjoyed a 25-year career in the telecommunications industry in Australia, New Zealand and England. He has held a variety of senior management positions and currently manages all customer service delivery operations for Telstra in Queensland and Northern NSW.	Director from 23 April 2008 and Alternate Director from 23 July 2009 to 26 November 2009
L J Fielding	Leisa was appointed Manager of Business Transformation for Telstra in 2007. She plays a key role in defining future business models whilst optimising the transformation program. She has worked for Telstra for 19 years and held positions in a variety of areas including retail, marketing, program management, information technology and operations.	Alternate Director from 23 April 2008 and Director from 23 July 2009 to 26 November 2009
R Bhatia <i>B Tech Elec Eng</i>	Ravi is the CEO and Founder of Primus Australia and has over 35 years of experience in the telecommunications industry. He has held senior management positions in Australia, the U.S., Germany and other countries with Primus, MCI, OTC and Siemens in sales, marketing, customer service, engineering and public policy. He was responsible for introducing a number of innovations in customer service to dramatically improve quality of service consumers.	Director from 22 December 2009
J P Scarlett <i>BA LLB (Hons)</i>	Jules has recently taken on the new role of Director, Customer Service & Satisfaction for Telstra. Jules has responsibility for coordinating the customer service and satisfaction initiatives across the company. She is also responsible for corporate complaint management at Telstra. Jules has worked for Telstra for over 10 years.	Director from 27 November 2009

Director's Report (continued)

Director	Experience	Responsibility
P J Sporton <i>B. App Sci (App Elec)</i>	Phill is the Executive Director of Service Delivery in Telstra Operations. This area of Telstra is responsible for the installation, connection and repair of Telstra's products, services and plant. Having started with Telstra as an engineer in 1983, Phill has spent 26 years at Telstra in range of roles, including several positions in senior management.	Director from 27 November 2009
M L Sexton	Louise is Group General Counsel and Company Secretary of Vodafone Hutchison Australia (VHA) and Company Secretary of Hutchison Telecommunications (Australia) Limited (HTAL). Prior to the formation of VHA in June 2009, Louise has been General Counsel and Company Secretary of HTAL since September 1998. Louise has extensive legal and regulatory experience as General Counsel and Company Secretary in listed public companies across a number of high technology industries in Australia.	Director from 8 December 2009
B Currie	Brian is the General Manager of Regulatory Affairs of Vodafone Hutchison Australia. With over thirty years in the industry, Brian has broad experience and knowledge that covers telecommunication engineering, management and regulatory affairs. He has formal qualifications in engineering and management.	Director from 8 December 2009
J G Horan <i>BCom, LLB, LLM</i>	John is General Counsel for Primus Telecommunications (Australia). Prior to joining Primus Telecom in March 2007, John held advisory roles in legal private practice and national regulatory agencies. John has significant experience in relation to utility regulation, regulatory frameworks and competition law.	Director from 20 April 2010

Information on Company Secretary

Company Secretary	Experience	Responsibility
P J Carruthers <i>BA, MBA, MComLaw, MAICD</i>	Phillip has worked in similar roles with VicRoads and CSIRO and previously served as an officer in the Australian Army. Phillip has also been a Director on a mix of for-profit and not-for-profit boards.	Company Secretary from 5 March 2001

Meetings of Directors

The numbers of meetings of the company's directors (excluding meetings of committees of directors) held during the year ended 30 June 2010, and the numbers of meetings attended by each director were:

Number of meetings held:	Full Meetings of Directors	
7		
Number of meetings attended by:	Number Eligible to Attend	Number Attended
J F Rohan	7	7
G R Smith	0	0
T C Hill	3	3
J M Harvey	7	7
M J Elsegood	7	7
B S Chapman	3	3
S J Dalby	7	7
A R Thomas	7	6
J M Parkin	2	1
L J Fielding	2	0
R Bhatia	4	1
J P Scarlett	5	5
P J Sporton	5	3
M L Sexton	4	2
B Currie	2	1
J G Horan	2	2

Director's Report (continued)

Auditors

Pitcher Partners continued their role as auditors of the TIO.

Auditor Independence

A copy of the auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001*, is set out on the following page.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

This report is made in accordance with a resolution of the directors.



J F Rohan
Director



J M Harvey
Director

Melbourne
10 September 2010

Auditor's Independence Declaration

to the Directors of Telecommunications Industry Ombudsman Limited



TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED
ABN 46 057 634 787

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

In relation to the independent audit for the year ended 30 June 2010, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

S SCHONBERG
 Partner

PITCHER PARTNERS
 Melbourne

Date: 13 September 2010

Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue			
Revenue from members	4	27,785,004	25,924,500
Other income	4	849,712	643,625
	4	28,634,716	26,568,125
Less: expenses			
Employee benefits expense	5	(20,359,752)	(16,492,710)
Depreciation and amortisation expense	5	(493,260)	(474,372)
Occupancy expenses	5	(2,173,509)	(1,542,712)
Marketing expense		(508,560)	(282,263)
Finance costs	5	(144,637)	(168,246)
Bad & Doubtful Debts	5	(806,440)	(427,427)
Information technology expense		(820,407)	(1,009,563)
Consultancy expense		(986,881)	(887,267)
Legal Expense		(206,348)	(93,390)
Relocation/fitout expense		(11,077)	(63,836)
Travel expense		(169,434)	(235,573)
Telephone and faxes		(518,086)	(414,069)
Other expenses		(1,088,428)	(678,046)
Total expenses		(28,286,819)	(22,769,474)
Surplus for the year		347,897	3,798,651

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2010

	Note	2010 \$	2009 \$
Current assets			
Cash and cash equivalents	7	10,520,128	9,787,890
Receivables	8	512,994	101,548
Other current assets	9	229,179	27,577
Total current assets		11,262,301	9,917,015
Non current assets			
Plant and equipment	10	2,373,503	2,526,938
Total non current assets		2,373,503	2,526,938
Total assets		13,635,804	12,443,953
Current liabilities			
Payables	11	3,021,431	2,402,992
Borrowings	12	237,018	211,909
Provisions	13	1,436,704	1,131,090
Other liabilities	14	139,997	139,997
Total current liabilities		4,835,150	3,885,988
Non current liabilities			
Borrowings	12	931,900	1,168,917
Provisions	13	363,075	91,269
Other liabilities	14	793,314	933,311
Total non current liabilities		2,088,289	2,193,497
Total liabilities		6,923,439	6,079,485
Net assets		6,712,365	6,364,468
Members' Funds			
Accumulated surplus	15	6,712,365	6,364,468
Total Members' Funds		6,712,365	6,364,468

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2010

	2010 \$	2009 \$
Total members' funds		
Balance at beginning of the year	6,364,468	2,565,817
Movements in equity from:		
Accumulated surplus	347,897	3,798,651
Balance at the end of the year	6,712,365	6,364,468
Accumulated surplus		
Balance at beginning of the year	6,364,468	2,565,817
Surplus for the year	347,897	3,798,651
Balance at the end of the year	6,712,365	6,364,468

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash flow from operating activities			
Receipts from members		30,450,321	30,042,430
Payments to suppliers and employees		(29,525,182)	(23,650,395)
Rental receipts		257,291	299,772
Interest received		247,239	182,667
Interest paid		(144,637)	(168,246)
Net cash provided by operating activities	19(b)	1,285,032	6,706,228
Cash flow from investing activities			
Payment for plant and equipment		(340,886)	(91,186)
Net cash used in investing activities		(340,886)	(91,186)
Cash flow from financing activities			
Repayment of borrowings		-	(44,439)
Repayment of leases		(211,908)	(189,462)
Net cash used in financing activities		(211,908)	(233,901)
Reconciliation of cash			
Cash at beginning of the financial year		9,787,890	3,406,749
Net increase in cash held		732,238	6,381,141
Cash at end of financial year	19(a)	10,520,128	9,787,890

The accompanying notes form part of these financial statements.

Notes to Financial Statements

For the year ended 30 June 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001*.

The financial report is for the entity Telecommunications Industry Ombudsman Limited ("the TIO") as an individual entity. Telecommunications Industry Ombudsman Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalents to International Financial Reporting Standards ensures compliance with International Financial Reporting Standards (IFRSs).

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Income tax

The company is exempt from income tax under Item 2.1 of section 50 10 of the Income Tax Assessment Act 1997. The TIO has been notified of its continuing tax exempt status up to 30 June 2014 by the Australian Tax Office.

(c) Revenue

Volume and operating fees are charged to members for complaint resolution services. Members are invoiced quarterly, based on an estimate of costs to be incurred in the following quarter. Each quarter actual and estimated charges are reconciled. Revenue is recognised based on the number of complaints received.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Rent revenue is recognised on a straight line basis over the rental term.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Trade receivables

Amounts due from all members are recognised as amounts receivable. Collectibility is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the TIO will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

(e) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to Financial Statements continued

For the year ended 30 June 2010

(e) Plant and equipment continued

The depreciation rates used for each class of asset are:

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements	14%	Straight line
Plant and equipment	33%	Straight line
Furniture, fixtures and fittings	14%	Straight line
Software	40%	Straight line

(f) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the statement of comprehensive income. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability. This lease liability is reduced on a straight line basis over the lease term.

(g) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions made by the company to an employee superannuation fund are recognised in the balance sheet as a liability, after deducting any contributions already paid and in the income statement as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(h) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, and include finance lease charges.

(i) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(j) Financial instruments

Cash and cash equivalents

Cash on hand and at bank are valued at face value. Interest revenue is recognised as it accrues.

Trade and other receivables

Receivables are carried at nominal amounts due, less any provision for impairment.

Notes to Financial Statements continued

For the year ended 30 June 2010

(j) Financial instruments continued

A provision for impairment is recognised when collection of the full nominal amount is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.

Prepayments

Prepayments are carried at cost representing their expected future benefit.

Trade and other payables

Liabilities are recognised for amounts to be paid in future for goods and services received.

Interest bearing loans and borrowings

Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.

Finance leases are accounted for at their principal amounts, with the lease payments discounted to present value using the interest rate implicit in the lease.

(k) Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Amounts due to members

Amounts due to members represent funds owing as a result of estimated costs billed at the start of the quarter differing to complaints received. Each quarter actual and estimated charges are reconciled. The resulting adjustment represents amounts owed to members.

(m) Cash and cash equivalents

For the purposes of the cash flow statement cash includes deposits at call which are readily convertible to cash on hand and are subject to insignificant risk of change in value, net of any outstanding bank overdrafts.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Unearned lease incentive

All incentives for entering into an operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

The TIO has recognised the aggregate benefit of incentives as a reduction of rental expenses over the lease term, on a straight line basis, representative of the pattern of the benefit from the use of the leased asset. The lease incentive has been recognised as unearned revenue and amortised over the term of the lease, being 10 years.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. There is no direct impact on the entity's financial statements for the year ended 30 June 2010 arising from accounting standards issued but not effective at the reporting date.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are based on past performance and management's expectation for the future.

Estimates and judgements are continually evaluated and are based on historic experience and other factors including expectations of future events that may have financial impact on the entity and that are believed to be reasonable under the circumstances.

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 4: REVENUE		
Complaint handling fees	27,785,004	25,924,500
Rental income	257,291	299,772
Interest income	247,239	182,667
Other revenue	345,182	161,186
	28,634,716	26,568,125

NOTE 5: OPERATING PROFIT

Surplus from continuing activities has been determined after:

Expenses:		
Finance costs	144,637	168,246
Depreciation		
plant and equipment	20,721	7,369
furniture and fittings	236,488	217,129
leasehold improvements	236,051	249,874
	493,260	474,372
Bad and doubtful debts	806,440	427,427
Remuneration of auditors for:		
External auditor's remuneration – audit fees	29,500	28,000
Loss on disposal of non current assets	1,061	-
Rental expense on operating leases:		
lease payments – rent, communications, IT and other	2,173,509	1,542,712
Employee benefits:		
short term benefits	20,359,752	16,492,710

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the company	1,285,987	1,113,090
short term employee benefits	1,285,987	1,113,090

Notes to Financial Statements continued

For the year ended 30 June 2010

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED

The names of directors who have held office during the year are listed below

All directors were in office for the full year unless otherwise noted:

Name	Appointment / resignation details
J F Rohan	
J M Harvey	
S J Dalby	
A R Thomas	
M J Elsegood	
G R Smith (alternate)	
J M Parkin (alternate)	(departed 26 November 2009)
B S Chapman	(departed 6 December 2009)
E Sexton	(appointed 8 December 2009)
B Currie (alternate)	(appointed 8 December 2009)
R Bhatia	(appointed 22 November 2009)
L J Fielding (alternate)*	(departed 26 November 2009)
J Scarlett	(appointed 27 November 2009)
P Sporton	(appointed 27 November 2009)
T C Hill (alternate)*	(departed 13 April 2010)
J G Horan (alternate)*	(appointed 20 April 2010)

* During the year L J Fielding and T C Hill were directors before being appointed alternate directors.

The following persons also had authority and responsibility for the planning, directing and controlling the activities of the TIO, directly or indirectly during the year;

Name	Appointment / resignation details	Position
S Cohen	(appointed 24 May 2010)	Ombudsman
S Cleary	(departed 21 May 2010)	Deputy Ombudsman and Acting Ombudsman for the period (30 Jan 2010 – 21 May 2010)
D O'Donnell	(departed 29 January 2010)	Ombudsman
P Carruthers		General Manager – Business
J Zammit		Chief Financial Officer
V Hickey		Chairman of Council
C Dodds		Member of Council
T Corbin		Member of Council
W Warburton		Member of Council
M Pincott		Member of Council
L Kreet		Member of Council
S Sdregas		Member of Council
R Wheeler		Member of Council
L Parkinson		Member of Council
M Russell	(departed 24 November 2009)	Member of Council
J Giles	(appointed 25 November 2009)	Member of Council
A Howells	(departed 13 April 2010)	Member of Council
T C Hill	(appointed 13 April 2010)	Member of Council

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash on hand	1,100	1,000
Cash at bank	436,395	401,458
Cash on deposit	10,082,633	9,385,432
	10,520,128	9,787,890

NOTE 8: RECEIVABLES

CURRENT		
Trade debtors	1,373,524	496,585
Provision for doubtful debts	(860,530)	(420,189)
	512,994	76,396
Other receivables	-	25,152
	512,994	101,548

As at 30 June 2010 current trade receivables with a nominal value of \$1,373,524 (2009 – \$496,585) were potentially impaired. A provision for non recoverability of \$860,530 (2009 – \$420,189) was considered adequate as a portion of the receivables outstanding at the end of the financial year.

The ageing of these receivables is as follows:

1 to 3 months	252,511	107,940
3 to 6 months	1,121,013	388,645
	1,373,524	496,585

NOTE 9: OTHER ASSETS

CURRENT		
Prepayments	229,179	27,577

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 10: PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	1,652,341	1,652,341
Accumulated depreciation	(491,776)	(255,725)
	1,160,565	1,396,616
Plant and equipment		
Plant and equipment at cost	194,500	181,212
Accumulated depreciation	(162,284)	(141,955)
	32,216	39,257
Furniture and fittings at cost	1,708,786	1,669,814
Accumulated depreciation	(815,237)	(578,749)
	893,549	1,091,065
Capitalised Software	287,173	-
Total plant and equipment	2,373,503	2,526,938
(a) Reconciliations		
Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year		
<i>Leasehold improvements</i>		
Opening carrying amount	1,396,616	1,632,667
Depreciation expense	(236,051)	(236,051)
Closing carrying amount	1,160,565	1,396,616
<i>Plant and equipment</i>		
Opening carrying amount	39,257	10,918
Additions	14,741	35,708
Disposals	(1,061)	-
Depreciation expense	(20,721)	(7,369)
Closing carrying amount	32,216	39,257
<i>Furniture and fittings</i>		
Opening carrying amount	1,091,065	1,266,539
Additions	38,972	55,478
Depreciation expense	(236,488)	(230,952)
Closing carrying amount	893,549	1,091,065
<i>Capitalised Software</i>		
Opening carrying amount	-	-
Additions	287,173	-
Closing carrying amount	287,173	-
<i>Total plant and equipment</i>		
Carrying amount at 1 July 2009	2,526,938	2,910,124
Additions	340,886	91,186
Disposals	(1,061)	-
Depreciation expense	(493,260)	(474,372)
Carrying amount at 30 June 2010	2,373,503	2,526,938

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 11: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Amounts payable to:		
amounts due to members	759,331	378,011
<i>Unsecured liabilities</i>		
Trade creditors	506,726	507,485
Unearned revenue	-	24,781
Sundry creditors and accruals	1,755,374	1,492,715
	2,262,100	2,024,981
	3,021,431	2,402,992

NOTE 12: BORROWINGS

CURRENT		
<i>Secured liabilities</i>		
Finance lease liability	237,018	211,909
NON CURRENT		
<i>Secured liabilities</i>		
Finance lease liability	931,900	1,168,917

- (a) The company has a business card facility of \$300,000 which may be utilised at any time and is subject to an annual review. All credit use is subject to approval by appropriate delegates in accordance with the TIO's policies.
- (b) The company has an overdraft facility of \$150,000 which may be utilised at any time and terminated by the bank without notice. This facility is unused at balance date. The overdraft facility is secured by a charge over the assets of the company.

NOTE 13: PROVISIONS

CURRENT		
Employee benefits	(a) 1,436,704	1,131,090
NON CURRENT		
Employee benefits	(a) 363,075	91,269
(a) Aggregate employee benefits liability	1,799,779	1,222,359
(b) Number of employees at year end	230	218

Notes to Financial Statements continued

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
NOTE 14: OTHER LIABILITIES			
CURRENT			
Unearned lease incentives		139,997	139,997
NON CURRENT			
Unearned lease incentives		793,314	933,311

NOTE 15: ACCUMULATED SURPLUS

Accumulated surplus at beginning of year		6,364,468	2,565,817
Surplus for the year		347,897	3,798,651
Accumulated surplus at the end of the year		6,712,365	6,364,468

NOTE 16: CAPITAL AND LEASING COMMITMENTS

(a) Finance leasing commitments

Payable			
not later than one year		356,547	356,547
later than one year and not later than five years		1,083,381	1,439,928
Minimum lease payments		1,439,928	1,796,475
Less future finance charges		(271,010)	(415,649)
Total finance lease liability		1,168,918	1,380,826
Represented by:			
Current liability	12	237,018	211,909
Non current liability	12	931,900	1,168,917
		1,168,918	1,380,826

The finance lease relates to the finance of the leasehold improvements.

(b) Operating lease commitments

Non cancellable operating leases contracted for but not capitalised in the financial statements:

Payable			
not later than one year		1,775,375	1,612,765
later than one year and not later than five years		6,294,711	5,945,417
later than five years		4,211,813	6,289,189
		12,281,899	13,847,371

Operating leases relate to office rental, communication equipment and IT equipment.

Notes to Financial Statements continued

For the year ended 30 June 2010

NOTE 17: CONTINGENT LIABILITIES

The TIO has the following contingent liabilities:

During the 2006-2007 financial year, the TIO signed a bank guarantee in favour of Investa Nominees Pty Ltd (the TIO's landlord) for an amount equal to 6 months rent, outgoings, car park licence fees and GST. The amount of the guarantee is \$172,870. In the event where the TIO is unable to meet its financial obligations under its lease for level 3, 595 Collins Street, Investa Nominees Pty Ltd may call on the bank guarantee held by the Commonwealth Bank of Australia.

During the 2007-2008 financial year, the TIO signed a further bank guarantee in favour of Investa Nominees Pty Ltd (the TIO's landlord) for an amount equal to 6 months rent, outgoings and GST. The amount of the guarantee is \$387,877. In the event where the TIO is unable to meet its financial obligations under its lease for level 4, 595 Collins Street, Investa Nominees Pty Ltd may call on the bank guarantee held by the Commonwealth Bank of Australia.

NOTE 18: RELATED PARTY TRANSACTIONS

- (a) One current director, L Sexton, and one alternate director, B Currie, are employees of Vodafone Hutchison Australia Ltd. The TIO invoiced Vodafone Hutchison Australia Ltd and the related company Vodafone Australia Ltd for \$2,435,735 and \$1,598,900 respectively, during the year for complaint handling fees.
- (b) Two current directors, J Scarlett and P Sporton, and three previous directors, T C Hill, L Fielding, and J M Parkin are employees of Telstra Corporation. The TIO invoiced Telstra Corporation Ltd for \$15,377,749 during the year for complaint handling fees. Telstra Corporation invoiced the TIO for \$144,259 for the provision of telecommunication services during the year.
- (c) Two current directors, A R Thomas and M J Elsegood, and one alternate director, G R Smith, are employees of Singtel Optus Pty Ltd. The TIO invoiced Singtel Optus Pty Ltd and related entities for \$2,967,159 during the year for complaint handling fees. Singtel Optus Pty Ltd and related entities invoiced the TIO for \$432,685 for the provision of telecommunication services during the year.
- (d) One director during the year, B S Chapman, is an employee of AAPT Ltd. The TIO invoiced AAPT Ltd for \$1,370,175 during the year for complaint handling fees. AAPT Ltd invoiced the TIO for \$57,375 for the provision of telecommunication services during the year.
- (e) One current director, S Dalby, is an employee of iiNet Ltd. The TIO invoiced iiNet Ltd for \$230,261 during the year for complaint handling fees.
- (f) Two current directors, R Bhatia, and J Horan, are employees of Primus Telecommunications Pty Ltd. The TIO invoiced Primus Telecommunications Pty Ltd for \$284,666 during the year for complaint handling fees.

All of the above transactions with directors and director related entities were based on normal commercial terms and conditions.

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 19: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash on hand	1,100	1,000
Cash at bank and on hand	436,395	401,458
At call deposits with financial institutions	10,082,633	9,385,432
	10,520,128	9,787,890
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit from ordinary activities after income tax	347,897	3,798,651
Adjustments and non cash items		
Depreciation	493,260	474,372
Net loss on disposal of plant and equipment	1,061	-
Changes in assets and liabilities		
(Increase) / decrease in receivables	(411,446)	720,334
(Increase) / decrease in other assets	(201,602)	5,559
Increase / (decrease) in payables	97,122	1,263,664
Increase / (decrease) in amounts due to members	381,320	-
Increase / (decrease) in provisions	577,420	443,648
	937,135	2,907,577
Cash flows from operating activities	1,285,032	6,706,228
(c) Credit standby arrangements with banks		
Credit facility	300,000	250,000
Amount utilised	-	-
Unused credit facility	300,000	250,000
(d) Loan facilities		
Loan facilities	150,000	150,000
Amount utilised	-	-
Unused loan facilities	150,000	150,000

Notes to Financial Statements continued

For the year ended 30 June 2010

NOTE 20: FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks comprising:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Fair values

The board of directors have overall responsibility for identifying and managing operational and financial risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The company's exposure to interest rate risk in relation to future cashflows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2010 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial assets</i>					
Cash	437,495	-	437,495	2.3%	Floating
Cash on deposit	10,082,633	-	10,082,633	3.3%	Floating
Trade and other receivables	-	512,994	512,994	0.0%	
	10,520,128	512,994	11,033,122		
2010 Financial instruments	Floating interest rate \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial liabilities</i>					
Trade creditors	-	506,726	506,726	0.0%	
Leases	1,168,918	-	1,168,918	11.3%	Fixed
Amounts payable to members	-	759,331	759,331	0.0%	
Other payables	-	1,755,374	1,755,374	0.0%	
	1,168,918	3,021,431	4,190,349		

2009 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial assets</i>					
Cash	402,458	-	402,458	0.8%	Floating
Cash on deposit	9,385,432	-	9,385,432	2.3%	Floating
Trade and other receivables	-	101,548	101,548	0.0%	
	9,787,890	101,548	9,889,438		
2009 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial liabilities</i>					
Trade creditors	-	507,485	507,485	0.0%	
Leases	1,380,826	-	1,380,826	11.3%	Fixed
Unearned revenue	-	24,781	24,781	0.0%	
Amounts due to members	-	378,011	378,011	0.0%	
Other payables	-	1,492,715	1,492,715	0.0%	
	1,380,826	2,402,992	3,783,818		

Notes to Financial Statements continued

For the year ended 30 June 2010

NOTE 20: FINANCIAL RISK MANAGEMENT CONTINUED

Sensitivity

The TIO's borrowing and finance lease are at fixed rates of interest and therefore not exposed to movements in interest rates. The main risk arises from cash and cash equivalents, and the interest income they derive.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

(b) Credit risk

Credit risk is the risk that one debtor will not repay all or a portion of an amount outstanding in a timely manner and therefore will cause a loss to the TIO.

Debtors are actively monitored and follow up actions are taken as required.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

The company's debtors are concentrated in one industry.

(c) Liquidity risk

Liquidity risk is the risk that the company may not have, or may not be able to raise, funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.

The TIO maintains a cash reserve and actively monitors its cash flow position to ensure its ability to meet its debts as and when they fall due. In addition, the TIO's Articles of Association provide that it can impose a special levy on TIO member companies.

(d) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying values as disclosed in statement of financial position and notes to financial statements.

NOTE 21: COMPANY DETAILS

The registered office of the company is:

Telecommunications Industry Ombudsman Limited
Level 3
595 Collins Street
Melbourne VIC 3000

Directors ' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 - 22, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) as stated in Note 1, the financial statements also comply with *International Financial Reporting Standards*; and
 - (c) give a true and fair view of the financial position as at 30 June 2010 and performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



J F Rohan
Director



J M Harvey
Director

Dated this 10th day of September 2010

Independent Auditor's Report

to the members of Telecommunications Industry Ombudsman Limited



TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED
ABN 46 057 634 787

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

We have audited the accompanying financial report of Telecommunications Industry Ombudsman Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED
ABN 46 057 634 787

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

Auditor's opinion

In our opinion:

1. the financial report of Telecommunications Industry Ombudsman Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

S SCHONBERG

Partner

PITCHER PARTNERS

Melbourne

Date: 13 September 2010

APPENDIX

Membership Report

as per 30 June 2010

Current Member List

Includes "3 Month Cessation Period", "Current Member", "In Liquidation", "Unable to Contact", "Under Administration"

INTERNET SERVICE PROVIDER : TOTAL 515	DATE JOINED		
1990 Multiline BBS Pty Ltd	8 Sept 98	BBIT Pty Ltd	27 Aug 98
2000 Computers and Networks Pty Ltd	27 Jan 06	Beagle Internet Pty Ltd	9 Jun 04
2501 Group Pty Ltd	19 Jun 09	Belmont Computer Centre Pty Ltd	22 May 08
3 Guys Broadband Internet	20 Nov 06	Berating Pty Ltd	11 Oct 05
3rd Rock Internet Services	22 Jun 99	Berlic, Ernest Frank	12 May 98
5Tel Communications Pty Ltd	1 Dec 09	Betterlink Pty Ltd	21 Dec 98
A & R Computer Services Pty Ltd	15 Aug 06	Beyond Disability Incorporated	15 Sep 03
A Frankel & JM Noble	12 May 99	Big Button Pty Ltd	14 Jan 98
A Samoc & M.J Samoc	10 Jun 98	BigAir Group Limited	25 Nov 02
A&R Computers Pty Ltd	15 Feb 07	Bigdy Pty Limited	20 Dec 04
Aaron P Wirth & Philip J Grainger	8 Oct 02	Biota Blue Pty Ltd	12 Sep 08
Access Net Unit Trust	25 May 02	BKB Internet Pty Ltd	5 Feb 04
AccessPlus Pty Ltd	24 Apr 01	Blitzwave Pty Ltd	11 Jul 05
Accsoft Computer Technology Pty Ltd	27 Oct 97	Blubroadband Pty Ltd	19 Dec 07
Accsys IT Pty Ltd	21 Feb 02	Blue Net Pty Ltd	19 Nov 02
Ace Internet Services Pty Limited	1 Sep 97	Bluefire Corporation Pty Limited	28 Jun 99
Acenet Internet Services Pty Ltd	18 Jan 99	Bluemaxx Communications Pty Ltd	26 Jul 05
ACTew Retail Ltd & AGL ACT Retail Investments Pty Ltd	7 Jun 01	Bon Media Pty Ltd	30 Jun 05
Acure Technology Pty Ltd	1 Jun 04	Bordernet Internet Pty Ltd	23 Jun 03
Adam Pty Ltd	15 Oct 97	Bravo Internet Pty Ltd	13 Aug 07
Agnew, Myles Adam	11 Feb 99	Broadband Phone Pty Ltd	7 Dec 05
Airweb Connect Pty Ltd	18 Mar 05	Broadband Wireless Pty Ltd	9 Jan 06
Albury Local Internet Pty Ltd	30 Nov 00	BroadbandNet Pty Ltd (in Liquidation)	11 Jan 06
Allegro Networks Pty Ltd	3 Feb 06	Broadcast Engineering Services (Australia) Pty Ltd	19 Sep 02
Alpha Dot Net Australia Pty Ltd	31 Oct 97	BTelecom Pty Ltd	5 Dec 08
Alphawest Services Pty Ltd	9 Jul 98	Bucan Holdings Pty Ltd	1 Jul 97
AlwaysOnline Pty Ltd	29 Jan 01	Buijk Finance Pty Ltd	2 Nov 05
Amcom Telecommunications Limited	1 Jun 07	Bytecard Pty Ltd	11 Dec 97
Analyst Programmers Pty Ltd	22 Jul 99	C RHODES & L.F RHODES	8 Jan 10
Anderson, Michael John	11 Nov 08	C S. Sutherland Corporation Pty Ltd	8 Sep 03
ANS Communications Pty Ltd	2 Apr 98	C1 Consulting Pty Ltd	18 Oct 02
Armadillo Applied Computer Technologies Pty Ltd	2 Sep 05	CafeOz Internet	14 Nov 06
ARTHUR, JASON PHILIP	19 Jan 01	CBIT Pty Limited	22 Nov 05
Auction Classifieds Pty Ltd	10 Sep 02	Central Coast Internet Pty Ltd	13 Nov 97
AUSTAR United Broadband Pty Ltd	10 Nov 03	Central Data Pty Ltd	3 Nov 00
AustLink Pty Ltd	6 May 08	Chariot Ltd	30 Oct 97
Australia Internet Solutions Pty Ltd	12 Oct 97	Charter Resources Group Holding Pty Ltd	21 Sep 05
Australia On Line Pty Ltd	25 Mar 98	Cheapanet Pty Ltd	6 Jul 06
Australian Corporate Technology Pty Ltd	18 Aug 05	Ciphertel Pty Ltd	21 Apr 05
Australian Regional Networks Pty Ltd	18 Jul 06	Cirrus Communications Pty Ltd	18 May 05
AustraliaNet IT Pty Ltd	14 Mar 00	Citisystems (Aust) Pty Ltd	7 May 99
Auzynet Pty Ltd	1 Feb 02	City Cable Pty Ltd	19 Sep 06
AW Communications Pty Ltd	11 Mar 03	ClariNET Internet Solutions Pty Ltd	25 Jul 97
Azure Wireless Pty. Ltd.	14 Jul 05	Clarke Family Trust	16 Jun 99
B L Nankivell & R G Nankivell	10 Nov 98	Clear Technology Pty Ltd	22 Nov 06
Banana Shire Council	17 May 99	Clever Communications Operations Pty Ltd	6 Jan 03
Barden, Paul William	1 Mar 06	ClubNet International Pty Ltd	18 Jan 99
Barnetwork Pty Ltd	7 Oct 03	Commerce Australia Pty Ltd	3 Apr 98
Batman Investments Pty Ltd	10 Dec 02	Communicat Pty Ltd	1 Jul 97
		Community Information Strategies Australia Inc	22 Nov 04

Computers Now Pty Ltd	9 Aug 02
Comstar Trust	12 Feb 03
Comwel Pty Ltd	19 Oct 09
Connect West Pty Ltd	22 Oct 04
Contal Information Technology Pty Ltd	12 Jun 98
Coretech Aust Pty Ltd	3 Aug 07
Corinthian Engineering Pty Ltd	6 Apr 98
Cornish, Michael Harvey	11 Sep 03
Corpita Pty Ltd	15 Apr 03
Coulston, Evan James	2 Oct 00
Country Energy	9 Dec 02
CQ Net Pty Ltd	22 Mar 02
Cross Link Pty Ltd	28 May 02
CSI Holdings Pty Ltd	18 Jul 97
CyberCentral Pty Ltd	26 Aug 08
CyberOne Pty Ltd	3 Sep 97
D & M Technologies Pty Ltd	2 Apr 01
D'Silva Alastair John	19 Feb 01
D.J HOOTON & Kingtone Pty Ltd & B.P RANDALL & M.J SWEET	2 Aug 05
Data Traffic Services Pty Ltd	3 Aug 07
Datalan Australia Pty Ltd	16 Jun 03
David F & Brownwyn K Angove	18 Dec 97
David W & J G Rutch	10 Jul 99
Davidoff, Peter William	8 Dec 09
Davis, Catherine Marie	24 Jun 05
Davis, Troy Stephen	23 Apr 03
DAYTEC Australia Pty Ltd	20 Feb 00
DCS Internet Pty Ltd	15 Oct 97
Demand Broadband Pty Ltd	22 May 08
Depot IT Pty Limited	23 Aug 04
Derek Bem & Jacek Olszewski	24 Jul 97
Diggy Australia Pty Ltd	13 Sep 99
Digimedia Pty Ltd	30 Aug 02
Digital River Pty Ltd	23 Nov 05
Digital Technologies & Telecommunications Pty Ltd	1 Jan 06
Distribute IT Pty Ltd	12 Jan 09
DOMAGALA FAMILY TRUST	1 Feb 00
Domain Trading Pty Ltd	2 Sep 99
DotAussie.com Pty Ltd	1 Apr 03
Down Under Consultants Pty Ltd	12 May 98
DPT Solutions Pty Ltd	29 Jun 09
Dragnet Internet Services Pty Ltd	29 Jun 09
DreamTilt Pty Ltd	4 Sep 06
Dunk, Roger K	10 Dec 97
E Christie & G T Judd	13 Feb 09
E Sharp Technology Pty Ltd	6 Aug 02
Eastern Wireless Pty Ltd	20 Jun 05
Easy Internet Services Pty Ltd	3 Oct 03
Easynet Pty Ltd	28 Nov 97
EasyTel Communications Pty Ltd	14 Jun 06
Echobreeze Pty Ltd	20 Jan 03
ECN Pty Ltd	13 Mar 03
Ecopost Pty Ltd	4 Aug 97

Edition Education Services Limited	1 Jul 97
Edward & Catherine Jozis	30 Apr 98
Eftel Radio Pty Ltd	6 May 02
Elu Information Systems Pty Ltd	27 Oct 97
Emerge Technologies Pty Ltd	15 Nov 99
Ensyst Pty Limited	13 May 05
EON Technology Pty Ltd	18 May 98
Escape Communications Pty Ltd	9 Aug 02
Escapenet Trust	12 Jan 98
Ethan Group Pty Ltd	3 Jun 10
EtherTech Pty Ltd	2 Jun 99
ETT Limited	20 Nov 07
Evanscorp Pty Ltd	2 Nov 01
Evolving Technology Solutions Pty Ltd	5 Dec 06
Exetel Pty Ltd	21 Apr 04
Extentia Corporation Pty Limited	24 Mar 04
EZ ADSL Pty Ltd	24 Jan 07
Ezylink Internet Pty Ltd	19 Jan 99
F1 Computer Services	16 Jun 99
Firestorm Computing Pty Ltd	21 Jan 04
First Link Internet Service Pty Ltd	1 Jul 97
Fish Telecom Pty Ltd	1 Jul 02
Flexinet Pty Ltd	14 Jun 06
Flexirent Capital Pty Ltd	
Fortana Networks Australia Pty Ltd	22 Dec 09
Foundation IT Services Pty Ltd	28 Mar 08
Fox All Service Pty Ltd	24 Aug 98
Fred IT Group Pty Ltd	21 Sep 06
Freegate Networks	1 Sep 99
G Node Networks Pty Ltd	21 Sep 06
G.A Wigzell & M.E Wigzell	18 Jan 07
Gamexpress Glen Waverley Pty Ltd	21 Jun 02
Gateway Networks Pty Ltd	19 Nov 09
Geecko	21 May 02
Gel Works Pty Ltd	22 Jul 99
General Communications Business Pty Ltd	18 Jun 03
Genisyst Pty Limited	1 Jul 97
Geo Media Broadband Pty Ltd	26 Apr 06
Geocel Pty Ltd	16 Feb 06
GeoNet Pty Ltd	26 Apr 06
GetOnIt Pty Ltd	22 Sep 03
GKY Distributors Pty Ltd	1 Jul 97
Global Dial Pty Ltd	3 May 00
Global Solutions Network Pty Ltd	25 Aug 03
Global Wire Australia Pty Ltd	5 Jul 00
GoBush Broadband Pty Ltd	26 Apr 06
GoConnect Australia Pty Ltd	25 Nov 99
Golden IT Pty Ltd	12 Dec 03
Goulburn Internet Pty Ltd	14 Nov 03
GPC Pty Ltd	30 Nov 98
Graham C Maltby & Klaus D Boehme	7 Aug 07
Gratesand Pty Ltd	20 Nov 98
Graytech Hosting Pty Ltd	18 Jan 08
Green Tree Frog Pty Limited	15 Aug 06

GreenBay Communications Pty Ltd	17 Apr 03
Greenhatch Superannuation Fund	17 Jun 99
GRHAnet Ltd	12 Dec 07
Haddow, Shane Robert	7 Jul 06
Hande Pty Ltd	31 Mar 03
Hanod Investments Pty Ltd Superannuation Fund	29 Aug 01
HarbourIT Pty Ltd	16 Jan 06
Highlands Internet Pty Ltd	21 Dec 97
Highlevel Innovations Pty Ltd	11 Mar 98
Highway Internet Services Pty Ltd	3 Jul 01
Hiskey & Associates Pty Ltd	6 Jan 03
Hitech Support Pty Ltd	23 Jun 02
Home Secure (Aus & Nz) Pty Ltd	26 Nov 07
Hood Sweeney Technology Pty Ltd	4 Jan 07
Horizen Enterprises Pty Ltd	8 Sep 99
Hosting Technologies Pty Ltd	26 Aug 03
Hotkey Internet Services Pty Ltd	29 Oct 97
Hotline Support Pty Ltd	12 Feb 04
Hotspotzz Pty Ltd	1 Jul 05
Hull, Robert William	10 Feb 03
Hussain, Dawud Ameen	4 May 98
I Connect Internet Pty Ltd	31 Jul 03
IDXNET Computing Pty Ltd	3 Dec 97
Infinite Networks Pty Ltd	27 Oct 03
Information Systems Technology Network Pty Ltd	15 May 00
InfoXchange Australia	3 Dec 97
InfoXchange Australia	15 Sep 06
Instant IT Services	20 Apr 99
Instra Corporation Pty Ltd	20 Jun 07
Integrated Data Labs Pty Ltd	1 Sep 99
Integrity Network Solutions Pty Ltd	21 Feb 03
InterDomain Pty Ltd	1 Jan 98
Internet Lifeguard Pty Ltd	16 Jan 04
Internet Tasmania Pty Ltd	19 Dec 06
InterNex Australia Pty Ltd	10 Mar 98
Internode Pty Ltd	1 Jul 97
Interwerks Pty Ltd	7 Dec 01
IntraPower Terrestrial Pty Ltd	29 Jul 98
IP Exchange Pty Ltd	8 Nov 07
Isage	7 Jun 99
Issa, Michael	18 Apr 06
IT Systems Management Pty Ltd	21 May 03
ITD Group Pty Ltd	14 Sep 04
J C McInerney Pty Ltd & Cabeat Pty Ltd	18 Jan 99
J.R Hawthorn and L.W Mckay	13 Nov 07
Jackar Australia Pty Ltd	2 Mar 06
Jigsaw Technology Pty Ltd	20 Apr 98
Jimojo Pty Ltd	9 Jan 07
Justin Fultiak & Goldline Technologies Pty Ltd	15 Aug 07
JWC Internet Services	15 Jul 02
K Lane & A.D Pirie Property Management	10 Jul 06
Kaphoops Pty Ltd	11 Jun 08
Kean, Michael Charles	6 Apr 09
Keishen Pty Ltd	19 Dec 06

Ketteridge, Peter Walter	13 Apr 04
KING ISLAND REGIONAL DEVELOPMENT ORGANISATION INC 2520	12 Aug 99
KJ & KF Coble	15 Jun 99
L.I.S.P Pty Ltd (Local Internet Service Provider)	8 Jan 98
LANcare IT Pty Ltd	29 Dec 04
Laptop Connect Wireless Pty Ltd	29 Jun 09
LB & GL Rodda Pty Ltd	13 Nov 03
Leading Edge Internet Pty Limited	2 Jul 01
Legion.com.au Pty Ltd	29 Sep 05
Lehne, Anthony James	25 Jul 02
Lennox, Damian James	25 Mar 09
Library Board of Victoria	26 Mar 98
Link Innovations Pty Ltd	28 Nov 03
Locall Pty Ltd	27 May 02
Logic IT Solutions Pty Ltd	23 Sep 09
M.T Newham & R.M Newham & J.B Quinn	16 Apr 99
M.W Frahn & A.J Stevens	8 Jan 04
Mackay Computer Services Pty Ltd	11 Feb 00
Mackin, Dean J	18 Jan 99
Magnafield Technology Distribution Pty Ltd	29 Dec 97
Marlec Pty Ltd	25 Aug 08
Matilda Internet Pty Ltd	17 Sep 98
Maxi Internet Services Pty Ltd	23 Apr 02
McCullagh Family Trust	23 Sep 05
McKay , Kenneth	21 Jul 00
McLean, Ian Duke	21 Aug 07
McPherson Media Pty Ltd	21 Jan 98
Mediamesh Pty Ltd	22 Apr 09
Mediatel Australia Pty Ltd	21 Apr 04
Megalink Australia Pty Ltd	29 Apr 03
Melbourne PC User Group Inc	13 Oct 97
Melbourne Wireless Incorporated Association	2 Dec 05
MICHAEL PARNELL PTY LTD	10 Sep 99
Mikka International Pty Ltd	23 Jul 97
Mindvision Interactive Pty Ltd	20 Aug 97
Minerva Micro Pty Ltd	2 Apr 98
Minopher Pty Ltd	31 Dec 97
Mobile Office Pty Ltd	
Modern Pty Ltd	16 Nov 99
Multibase Web Australis	1 Jul 97
MyDoor.Com.Au Pty Ltd	20 Nov 06
MyLink Wireless Pty Ltd	28 May 04
Myspeed Australia Pty Ltd	24 Oct 08
Nanoetek Pty Ltd	30 Apr 03
Nareg Internet Pty Ltd	30 Aug 01
NBN Co Limited	23 Apr 10
NEC Australia Pty Ltd	2 Aug 02
Net Solutions Pty Ltd	16 Jul 99
Net2000 Pty Ltd	14 Jul 98
Net4 Pty Ltd	15 Oct 09
Netbay Internet Pty Ltd	2 Jan 01
NetCentral.com.au Pty Ltd	14 Aug 00
Netcomplete Pty Ltd	25 Oct 01

Netforce Pty Ltd	14 Dec 01
Netmail Axxess Pty Ltd	7 Jun 99
Netmastery Pty Ltd	23 Aug 99
Netspace Online Systems Pty Ltd	1 Jul 97
Netwave Communications Pty Ltd	15 Oct 09
Network Computer Training Pty Ltd	15 Nov 00
Network Synergy Corporation Pty Ltd	11 May 06
Network Technology (Aust) Pty Ltd	20 May 02
Nexon Asia Pacific Pty	11 Sep 03
No More Wires.com Pty Ltd	31 Oct 00
Nornet Enterprises Pty Ltd	29 Aug 02
Noro Communications Pty Ltd	20 Apr 09
North Industries Pty Ltd	10 Oct 03
Northern Technology Holdings	24 Jul 03
Nowires Pty Limited	31 Jul 06
NT Technology Pty Ltd	27 Aug 98
Nuskope Pty Ltd	6 May 08
Nvision Pty Ltd	27 Aug 99
Ocean Broadband Ltd	22 Mar 05
OCTEC Incorporated	11 Feb 99
Offis Pty Ltd	20 Nov 98
On Q Communications Pty Ltd	8 Dec 09
On Q Networks Pty Ltd	16 Dec 09
On The Net Pty Ltd	31 Oct 97
Operations & Technology Group Pty Limited	20 Jun 07
OPOC Solutions Pty Ltd	18 Aug 03
Optic Fibre & Wireless Pty Ltd	24 Feb 04
Optus Broadband Pty Ltd	29 Jun 00
Ossini Pty Ltd	27 Mar 00
Our Haven Pty Ltd	17 Jun 02
Output DSJ Pty Ltd	27 Jun 03
Over The Wire Pty Ltd	26 Mar 07
Ozcom Consulting Services	1 Jun 07
OzConnect Internet	28 Apr 03
OzGuide	15 Jun 99
OzISP Pty Ltd	18 Nov 02
Pacific Wireless Australia Pty Ltd	19 Mar 02
PacNet Internet (A) Pty Ltd	30 Apr 99
Patash Pty Ltd	14 Oct 97
Pearson, Alan Robert	7 Dec 05
Pentana Solutions Pty Ltd	12 May 00
Personal Broadband Australia Limited	18 Dec 03
Perth international Exchange ATF the Perth IX Trust	18 Apr 06
PETER & HELEN A BUNDY	16 Mar 99
Petersen, Stephen D	4 Dec 98
Pivit Pty Ltd	27 May 05
Planet Ozi Pty Ltd	14 Mar 06
Platform Computing Pty Ltd	9 Mar 00
Port Of Brisbane Corporation	31 Jul 06
Precision Wireless Pty Ltd	28 Feb 07
Preferred Internet Provider	26 Nov 97
Primebase Pty Ltd	14 Dec 04
Project Eclectic R&D (SA) Pty Ltd	20 Oct 05
Prokop, Gerard	20 Jun 07
Quik Internet Australia Pty Ltd	13 Nov 03

Quintessa Holdings Pty Ltd	5 Jul 99
Qwest Australia Pty Ltd	6 May 02
Rascal Internet Pty Ltd	29 Oct 03
Redgum Software & Support Pty Ltd	17 Sep 00
Regional Wireless Pty Ltd	7 Aug 06
Reynolds Technology Pty Ltd	23 Jul 01
Richard J Williams \$ Marilyn K Golding Williams	7 Aug 98
Rimway Holdings Pty Ltd	21 Nov 02
Ripper IT Pty Ltd	7 Jul 06
ROK Technology Pty Ltd	20 Jan 00
Rothnie, Colin William	29 Apr 99
Rubix Computers Pty Ltd	14 May 99
Rural Business Machines Pty Ltd	3 Feb 98
Rural Sytems Trust	29 Mar 04
Russel, Robin Mark	8 Jul 02
Satellite and Wireless Pty Ltd	15 Aug 06
Saunders Properties Pty Ltd	31 Jul 02
Saving Green Pty Ltd	26 Nov 09
Savvis Australia Pty Ltd	22 Oct 99
Schwartz, Jacob Issac	22 Oct 09
ScoastNet Pty Ltd	15 Oct 97
Sebastopol College	10 Aug 99
See, Keat Teik	2 Sep 98
SELTEK Australia Pty Ltd	10 Jan 00
SHS Holding Pty Ltd	15 May 03
Silver Telecom Pty Ltd	3 Jul 06
SIS Group Pty Ltd	12 Mar 03
Sixty Second Crater Pty Ltd	15 Aug 05
SkyMesh Pty Ltd	10 Jun 05
Smith, Alwyn Laurence	16 Dec 05
SMV & GJ Bambrick	1 Sep 03
Snowsports Interactive Pty Ltd	5 Apr 06
Sohonet Pty Ltd	23 Oct 03
South Sydney Junior Rugby League Club Ltd	12 Nov 01
South West Healthcare	15 Apr 08
Southern Star Communications Pty Ltd	1 Jul 97
Spacelink Communications Pty Ltd	25 Jul 02
Spartan Information Technology Pty Ltd	15 Jan 10
Speednet Communications Pty Ltd	27 Jul 99
Spencer Gulf Telecasters Ltd	20 Sep 02
SPI Electricity Pty Ltd	31 Jul 06
SPIN TELECOM PTY LTD	20 Apr 98
Spitfire Internet Services Pty Ltd	18 Apr 00
Sprint International Australia Pty Ltd	25 Jul 00
Steal Internet Pty Ltd	31 Jan 06
Sublime IP Pty Ltd	11 Aug 98
Sympac Computing Pty Ltd	3 Jun 98
Synapse I.T Pty Ltd	20 Jun 07
T.A CROSS & H.J JAGLA & M.J ROBERTSON	9 Jul 98
Tacom Pty Ltd	23 Mar 99
Tas Communications Pty Ltd	9 Jun 05
Tasmanet Pty. Ltd.	27 Oct 05
TC Communications Pty Ltd	23 Sep 09
Tech 2U Pty Ltd	10 Aug 99
Technical Aid to the Disabled Inc	12 Oct 05

Techsus Pty Ltd	18 Aug 05
Teklogik Pty Ltd	8 Feb 06
Teksupport Pty Ltd	3 Oct 97
Telco Talk Communications Pty Ltd	2 May 06
Tellurian Pty Ltd	6 Jan 05
Telstra Big Pond	1 Jul 97
The Australian Internet Company Pty Ltd	1 Jul 97
The Boss Group Pty Ltd	24 Mar 06
The Dyer Family Trust	10 Nov 98
The Friendly Giant Pty Ltd	28 Oct 99
The Independent Trust	11 Jan 00
The Lohning Family Trust	18 Nov 99
The Murray Pioneer Pty Ltd	9 Dec 97
The Orion On line Trust	6 Apr 98
The Somerville Group	12 Apr 10
The Trustee for CHANNEL COMMUNICATION HYBRID UNIT TRUST	14 Mar 06
The Trustee for CYNERGIC UNIT TRUST	11 Sep 06
The Trustee for Easemail.net Trust	26 Apr 05
The Trustee for Elmtree Consulting Services Unit Trust	28 May 99
The Trustee for FUTURE WEB UNIT TRUST	9 Jul 98
The Trustee for Hurst Family Trust & Trustyrom	31 Jul 06
The Trustee for Netcore Unit Trust	1 Jul 97
The Trustee for Nissen Family Trust	27 Aug 04
The Trustee for RO Family Trust	17 Nov 97
The Trustee for SHEPHARD FAMILY TRUST	1 Dec 09
The Trustee for Shop Safe Trust	30 May 03
The Trustee for the Howard IT Operations Trust	4 Sep 06
The Trustee for the L&B Cornwell Family Trust	15 Apr 04
The Trustee for The Swish Australia Trust	11 Sep 03
The Trustee for WATTLETREE DISCRETIONARY TRUST	28 Oct 97
The Ward Investment Unit Trust	14 Jul 98
The Youle Family Trust	11 Jan 99
Timothy N Worth & Didoleia R Worth	2 Apr 03
TouchTV Pty Ltd	26 Feb 04
Tourist Facilities Pty Ltd	29 Jul 02
Tower Computer Aid Pty Ltd	19 Aug 04
Townsville Division Of General Practice Ltd	29 May 07
Towong Shire Council	5 May 09
TPG Internet Pty Ltd	1 Jul 97
Trumpnet Pty Ltd	16 Dec 97
Turbonet Pty Ltd	13 Jun 03
TX Communications Pty Ltd	23 Nov 98
Unistar Enterprises Pty Ltd	24 Jul 07
UnitedIP Pty Ltd	29 Nov 04
University of Queensland Information Technology Services	17 Jun 98
Van Den Eynde Robert Frank & Denise Joan	11 Apr 06
Velocity Internet Pty Limited	25 Aug 03
Vertical Telecoms Pty Ltd	8 Feb 01
Vibe Multimedia Pty Ltd	4 Mar 10
Vintek Pty Ltd	24 May 01
Virtual Communities Ltd	7 Apr 03
Virtual Computers Pty Ltd	3 Nov 97
Virtualcity Pty Ltd	22 Mar 04
Visiontek Pty Ltd	17 Sep 97

Vivid Wireless Pty Limited	28 Sep 09
W Connect Pty Ltd	8 Apr 04
Wackado Communications Pty Ltd	22 Jul 05
Warick Grubb J	4 Aug 04
We Solve It Pty Ltd	28 Apr 04
Web Australis Pty Ltd	1 Jul 97
Web Prophets Pty Ltd	22 Oct 03
Webcentral Pty Ltd	30 Jun 03
Webzone Holdings Pty Ltd	21 Mar 03
Wellington Communications Pty Ltd	25 Jul 00
Wellstead, Peter John	25 Jul 02
Welsh, Steven Edward	22 Apr 09
Werner Family Trust	11 Jul 01
West Australian Networks Pty Ltd	14 Jul 98
Westconnect Technologies Pty Ltd	8 Sep 98
Western Advance Pty Ltd	18 Oct 07
Westway Nominees Pty Ltd	14 Jul 05
Wheat, Colin Charles	13 Nov 97
White, Anthony E	23 Sep 99
Wide Blue Ocean Pty Ltd	23 Aug 04
Willis, Donna Michelle	18 Jul 07
Wilson, Robert T	17 Sep 98
Winderee investments Pty Ltd	19 Feb 08
Winshop Internet (Aust) Pty Ltd	5 Dec 08
Wired Sky Pty Ltd	2 May 06
Wirefree Networks Pty Ltd	15 Aug 06
Wireless Broadband Services Pty Ltd	
Wireless Systems Australia Pty Ltd	25 Aug 04
Wireless Telecommunications Pty Ltd	31 Jul 06
Wizz Pty Ltd	14 Jun 06
Wobygong Pty Ltd	3 Dec 02
Wood Dragon Pty Ltd	18 Dec 02
World.Net Services Pty Ltd	20 Mar 00
XYZed Pty Ltd	21 Jul 00
Yates, Daniel Alan	22 Oct 97
Yless4U Pty Ltd	23 May 06
Yorke Systems Pty Ltd	10 Nov 98
Your ASP Pty Ltd	27 May 02
OTHER: TOTAL 55	DATE JOINED
1800 FREECALL PTY LTD	6 Feb 07
Air Portal Pty Ltd	5 Dec 00
Askari, Kamal	5 Dec 08
Australia Japan Cable (Australia) Limited	2 Feb 01
Boeing Australia Limited	24 Jan 01
Bottle Communications Pty Ltd	22 Jul 08
Card & Go International Pty Ltd	21 Mar 06
Clarinet Australia Pty Ltd	8 Dec 05
D.J BLACKER & M.J BLACKER	23 May 05
Dialogue Communications Pty Ltd	30 Aug 04
Digital Distribution Australia Pty Ltd	12 Feb 01
Ensphere Pty Ltd	22 Apr 09
ETSA Utilities	15 Jan 01
FaktorTel Pty Ltd	24 Mar 00

Fiber Vision Networks Pty Ltd	14 Nov 06
Index Consultancy Australia Pty Ltd	21 Jul 06
Ipera Communications Pty Ltd	20 Mar 00
iPSTAR Australia Pty Ltd	21 Sep 06
Jemena Asset Management (2) Pty Ltd	31 Jan 08
Kallistrate Pty Ltd	6 Sep 06
Kazatky, Samuel Joshua	6 Dec 05
Miscellany Pty Ltd	8 Apr 04
Mistake	
NBN Tasmania Ltd	22 Apr 19
New Skies Satellites Australia Pty Ltd	2 Jan 06
Nextgen Networks Pty Ltd	14 Feb 01
Office Advisors Pty Ltd	11 Mar 04
OMNIconnect Pty Ltd	18 Sep 97
OPENetworks Pty Ltd	26 Feb 2007
OptiComm Co Pty Ltd	7 Apr 09
Optus Vision Pty Ltd	8 Dec 97
Oziplex Pty Ltd	27 Sep 02
Powertec Telecommunications Pty Ltd	9 Feb 06
PowerTel Ltd	1 Jul 97
Puddlenet Pty Ltd	18 Jul 06
Quantum Multimedia Communications Pty Ltd	30 Aug 02
RailCorporation of NSW	28 Apr 09
ReelTime Media Limited	7 Jul 06
RP 25 Pty Ltd	12 Jul 06
Sensis Pty Ltd	1 Jul 97
Silogen Pty Ltd	29 May 07
Soul Pattinson Telecommunications Pty Ltd	5 May 99
Startel Communications Pty Ltd	13 Mar 07
Suretel Pty Ltd	10 Nov 04
Symbio Networks Pty Ltd	23 May 06
SyncaccessGroup Pty Ltd	8 Oct 09
Telstra Multimedia Pty Ltd	16 Jul 97
The Trustee for The Kwietniak Family Trust	1 Mar 06
Verizon Australia Pty Limited	26 Jun 98
Vernet Pty Ltd	30 May 06
VHA(3)	20 Aug 02
Victorian Urban Development Authority	27 Aug 09
Windytide Pty Ltd	28 Sep 98
World Without Wires	19 Jun 06
Xantic B.V.	17 Feb 03
TELEPHONE AND INTERNET SERVICE PROVIDER:	
TOTAL 387	DATE JOINED
1410 Communications Pty Ltd	18 Sep 02
2Tribe Pty Ltd	23 Feb 09
3PLAY NETWORKS PTY LTD	11 Sep 06
A.C.N. 118 010 763 Pty Ltd	7 Feb 06
A.C.N. 134 291 008 Pty Ltd	12 Jan 09
AAPT Ltd	1 Jul 97
Access Wireless & Cable Pty Ltd	21 Jul 06
Ace Communications Group Pty Ltd	17 Apr 03
ACN Pacific Pty Ltd	22 Mar 06
Acquire Enterprises Pty Ltd	17 Jul 01

Active Communication Services Pty Ltd	22 Jan 10
Active Utilities Pty Ltd	31 Jul 06
Addictive Technology Solutions Pty Ltd	14 Jan 10
Aggregto Direct Pty Ltd	25 Jun 10
AI Tel Pty Ltd	21 Jul 06
ALL2Connect Pty Ltd	28 Oct 04
Alpha Network Shop Pty Ltd	31 May 99
Alphanet Pty Ltd	6 Oct 97
AmityOne Network Pty Ltd	13 May 03
Answer Plus Communications (Aust) Pty Ltd	25 Mar 03
Arcon Communications Pty. Ltd.	5 Oct 05
Asian Pacific Telecommunications Pty Ltd	31 Jul 06
Askom Pty Ltd	1 Aug 05
Aspark Pty Ltd	27 Aug 09
Astro Communications Group Pty Ltd	17 Aug 05
Astron Business Services Pty Ltd	20 Mar 09
Aurora Energy Pty Ltd	22 Jul 08
Aussie Broadband Pty Ltd	20 Aug 07
Australasia Telecommunications Consultants Pty Ltd	15 Aug 08
Australian Cable & Wireless Pty Ltd	23 May 06
Australian Communications Consortium Limited	25 Aug 08
Australian IT & Telecommunication Service Pty Ltd	18 Jan 06
Australian Private Networks Pty Ltd	12 Feb 04
Australian Technology Partnerships Pty Ltd	10 Jun 09
Australux Telecommunications (Australia) Pty Ltd	23 Feb 09
AUZ Telecom Pty Ltd	19 Dec 07
Axis Telecoms Pty Ltd	18 Apr 05
Ballarat Community Enterprise Limited	1 Aug 06
Baycrown Management Pty Ltd	23 Jun 03
BEACHLEY, PHILIP PAUL	15 Sep 00
Bendigo Community Telco Ltd	10 Oct 07
BEST Internet and Telecom Pty Ltd	1 Jul 08
BetterOff Networks Pty Ltd	29 Jan 07
Blackstump Solutions	22 Mar 07
Blitz Telecom Operations Pty Ltd	7 Dec 09
Blue MS	29 May 07
Blue Orb Telecommunications Pty Ltd	29 May 07
BlueIQ Pty Ltd	29 Aug 06
Bluestar Telecoms Pty Ltd	6 Sep 05
Bold Technolgy Pty Ltd	19 Sep 06
Botel Communication Pty Ltd	
Break Free Communications Pty Ltd	4 Dec 08
Brennan Voice and Data Pty Ltd	22 Jan 07
Broadband Solutions Pty Ltd	6 Jan 10
BroadVOIP Pty Ltd	23 Feb 05
Budget Telecom Pty Ltd	10 Jun 09
Business By Phone (NSW) Pty Limited	27 Oct 05
Business Services Direct Pty Ltd	25 May 05
Buzz Broadband Pty Limited	5 Jul 05
Bwired Group Pty Ltd	8 Oct 08
C Fone Pty Ltd	5 Dec 06
Caliad Pty Ltd	24 Dec 07
Canard Pty Ltd	18 Sep 97
CardCall Pty Ltd	24 Sep 07
Charitel Australia Pty Ltd	31 Aug 00

Chime Communications Pty Ltd	17 Nov 09
Choice Telecom Pty Ltd	25 Mar 01
Christmas Island Internet Administration Limited	6 May 04
Clarkson McLaren Corporate Communications Pty Ltd	21 Jul 06
Clarus Telecom Pty Ltd	3 Mar 08
Clear Telecoms (Aust) Pty Ltd	14 Feb 06
Clublinks Telco Pty Ltd	4 Aug 05
Clublinks Utilities Pty Ltd	28 Sep 09
CNT Corp Pty. Ltd.	20 Jun 07
Coast to Coast Telecoms Pty Ltd	24 May 10
Coastnet Pty Ltd	20 Jun 07
Coghlan, Kim	21 Aug 03
Commander Australia Ltd	25 Jun 09
CommsChoice Pty Ltd	11 Oct 06
Commsys Pty Ltd	30 May 06
Communicomm Pty Ltd	13 Aug 07
Community Assets Ltd	9 Oct 03
Community Solutions Australia Pty Ltd	22 Oct 03
Community Telco Australia Ltd	26 May 10
Complete Telecom Pty Ltd	12 Jan 09
Coms Centre Australia Pty Ltd	10 Sep 09
Connex Communications Pty Ltd	31 Jan 05
Convergent ComCo Pty Ltd	28 Nov 08
CONVOITEC PTY LTD	9 Jan 09
Cooper, Matthew Phillip	4 Oct 05
Corporate Telecom Pty Limited	30 May 06
Crave Communications Pty Ltd	20 Jul 05
Creative Telcom Pty Ltd	22 Jun 06
customONLINE Pty Ltd	27 Feb 09
D Kingdom & V.L Millerd & W.A Millerd & D.L Noonan	23 Oct 06
D2P Pty Ltd	23 Oct 03
Dart Global Pty Ltd	23 Mar 07
Datawave Internet Pty Ltd	17 Oct 08
Davison, Joshua	24 Jun 08
Deal Telecom Pty Ltd	22 Feb 06
Destra Corporation Ltd	25 Aug 08
Dialog Corporation Pty Ltd	12 Sep 08
Digital Network Innovations Pty Ltd	12 May 10
Diversus Group Pty Ltd	10 Sep 01
Dodo Australia Pty Ltd	19 Feb 08
Dombec Pty Ltd	2 May 05
Down Under Communications Pty Limited	23 Feb 06
Du Plessis Investments (QLD) Pty Ltd	8 Apr 04
E Tel Communications Pty Ltd	21 Aug 07
E Talk Communications Pty Ltd	22 Jul 08
E Vision Internet Pty Ltd	17 May 04
E Vision Networks Pty Ltd	13 Jul 99
Ecomtel Pty Ltd	6 May 08
Efficient Data Communications Pty Ltd	17 Feb 00
EFTel Limited	2 Jan 01
EFTel More Than Broadband Pty Ltd	14 Jun 06
EHW Technology Pty Ltd	25 Nov 09
EKIT.Com Pty Ltd	17 Feb 03
Empcom Pty Ltd	5 Dec 06
Empicentre Systems Pty Ltd	17 Jul 07
Endeavour Clever Networks Pty Ltd	11 Nov 06

Endeavour Connect Pty Ltd	6 May 08
Enterprise IP Pty Ltd	25 Jul 05
Esmonde, David John	27 Apr 04
ETB Qld Pty Ltd	19 Mar 09
Everything Telco Pty Ltd	12 Jul 06
Fabfone Pty Ltd	2 Jul 09
Fair Tel Pty Ltd	19 Oct 09
FairTalk Pty Ltd	7 Oct 09
Fat Free Rentals Pty Ltd	5 Dec 08
Focus Telecom Group Pty Ltd	3 Jun 10
Fonality Pty Ltd	16 Feb 06
Freecall Connect Pty Ltd	29 Jun 09
Fuel Tel Pty Ltd	18 Jun 08
Fuzeconnect Pty Ltd	29 May 07
Gallagher Investments Qld Pty Ltd	16 Mar 10
Gazal Telecom Australia Pty Ltd	3 Mar 06
GComm Home Pty Ltd	29 May 07
Geelong Community Enterprises Ltd	23 Aug 99
Global Connect Communications Pty Ltd	9 Mar 06
Global Net Media Pty Ltd	31 Oct 06
Glocomm Pty Ltd	
Go Big Ventures Pty Ltd	7 May 10
Gordon Ross Communications Pty Ltd	1 Jun 04
Gould, Simon Daniel	16 Aug 07
Heit, Cody Glen	21 Jul 98
Highway 1 (Australia) Pty Ltd	7 Apr 04
HomeLinX Pty Ltd	26 May 09
Horizon Mobile Communications (Australia) Pty Ltd	5 Feb 10
Hostech Communications Pty Ltd	10 Jun 09
Hottest Deals Pty Ltd	22 Jul 08
Hummertime Pty Ltd	12 Oct 05
IF Telecom Pty Ltd	3 Nov 03
ihug Pty Ltd	10 Mar 05
iiNet (OzEmail) Pty Ltd	25 Aug 98
iiNet Ltd	18 Jun 08
Imagine Global Pty Ltd	28 Aug 98
In Tech Telecommunications Pty Ltd	12 Nov 08
Indigo Telecom (Aust) Pty Ltd	8 Nov 07
IndiTel Pty Ltd	27 Aug 09
Infocus Security Solutions Pty Ltd	10 Oct 07
Information Service Providers Pty Ltd	15 Sep 05
Innoveight Pty Ltd	29 May 07
Inspired Communications Pty Ltd	5 Jan 10
Integra Corporation Pty Ltd	25 Feb 10
Integrated Data Networks Management Australia Pty Ltd	11 Aug 05
Integrity Automation Pty Ltd	27 Aug 09
Intellifone Pty Ltd	1 Apr 09
Intelligent IP Communications Pty Ltd	1 May 09
Inticon Pty Ltd	10 Dec 03
IP Systems Pty Ltd	25 Oct 05
ISP Networks Pty Ltd	26 Jul 05
Isphone Australasia Pty Ltd	9 Jul 04
Ivox Ltd	27 Feb 08
Jaamax Pty Ltd	23 Mar 07
James Anthony Byrnes	13 Feb 09
JARRAJ Pty Ltd	19 Jul 04

JKR Holdings Pty Ltd	27 Nov 07
Join Internet Corporation Pty Ltd	27 Nov 07
Join Internet Services Pty Ltd	11 Feb 99
KDDI Australia Pty Ltd	27 Jul 04
Kia Communications Pty Ltd	22 Sep 08
King Computer Solutions Pty Ltd	29 May 07
Kironet Pty Ltd	1 Jul 97
Knowledge By Design Pty Ltd	13 Aug 07
Koala Telecom (Australia) Pty Ltd	29 Aug 06
Komtel Pty Ltd	
LG Communications Pty Ltd	16 May 06
Liberty Telecoms Pty Ltd	28 Nov 05
Lime Australia Pty Ltd	28 Apr 09
Linked Telecom Pty Ltd	27 Nov 07
Living Networks Enterprises Pty Ltd	27 Nov 07
LMHA Network Ltd	19 Jun 07
Loaded Net Pty Ltd	20 Mar 02
Logitel Communications Pty Ltd	21 Jul 05
Lucidity Enterprises Pty Ltd	18 Jul 07
M Dunne & G Donohoe	13 Jul 09
M2 Commander Pty Ltd	29 Sep 09
M5 Networks Australia Pty Ltd	11 Mar 03
m8 Telecom Pty Ltd	15 Sep 05
Mach Technology Group Pty Ltd	22 Dec 00
Macquarie Telecom Network Carrier Services Pty Limited	26 Nov 08
Max Telecom Pty Ltd	16 May 06
MBV Ltd	10 Jun 10
McDougall, Ronald William	10 Jun 09
Member Service Australia Pty Ltd	15 May 09
Members Telecom Pty Ltd	11 Feb 04
Message Stick Telecommunications Pty Ltd	23 Apr 10
Mettacom Pty Ltd	22 Sep 05
Miracom Telecommunications Pty Ltd	25 Nov 09
ML & MD Technologies Pty Ltd	22 Sep 08
Motiv Communications Pty Ltd	13 Feb 06
My Net Fone Pty Ltd	21 Dec 07
My Telecom Holdings Pty Ltd	31 Oct 06
National Phone & Data Pty Ltd	22 Jul 08
NATTEC Communications Pty Ltd	15 May 00
NC Cable Pty Ltd	1 Mar 06
Neoinvent Pty Ltd	10 Sep 09
Netco Holdings Pty Ltd	26 Aug 04
Netscapade Pty Ltd	20 Oct 08
NETSIP Pty Ltd	27 Jun 05
Network Company Australia Pty Ltd	24 Sep 07
New Telecom Australia Pty Ltd	12 Jan 04
New Telecom Pty Ltd	6 Aug 01
NewSat Networks Pty Ltd	16 Jan 06
Next Business Telecommunications Pty Ltd	31 Jan 08
Next Generation Voice Pty Ltd	27 Feb 08
Next Telecom Pty Ltd	24 Nov 04
North Queensland Telecom Pty Ltd	28 Apr 09
Now Telecom Pty Ltd	12 Nov 08
Nurv Telecom Pty Ltd	23 Oct 06
One Earth Telecoms Pty Ltd	27 Aug 09

One Telecom Pty Ltd	18 Jul 06
OneNetwork Pty Ltd	22 Sep 08
OneWorld Telecom Pty Ltd	1 Jul 97
Optus Networks Pty Ltd	21 Jul 09
Oracle Telecom Pty Ltd	16 Jun 06
Orion Satellite Investments Pty Ltd	2 Jul 03
Orion Satellite System Pty Ltd	24 Dec 07
Ouriptel Holdings Limited	2 Dec 08
OurTel Pty Ltd	19 Oct 05
Outside Edge Australia Pty Ltd	23 Sep 05
Ozetel Pty Ltd	24 May 99
Patochan PTC Communications Pty Ltd	13 Dec 00
People Telecommunications Ltd	10 Nov 05
Perracom Pty Ltd	10 Jul 02
Pipe Networks Pty Ltd	21 Dec 09
Planet Plan Pty Ltd	28 Sep 09
Planet Tel Network Pty Limited	3 Aug 07
Platform Networks Pty Ltd	21 Dec 09
Polcc Services Pty Ltd	21 Jun 05
Prime Call (Australia) Pty Ltd	8 Aug 03
Primus Online Pty Ltd	1 Jul 97
Primus Telecommunications Pty Ltd	28 Apr 09
QBIC Communications Pty Ltd	11 Sep 06
QR Tel Pty Ltd	20 Aug 07
Qualitel Pty Ltd	13 Oct 05
Quantum Telecom Pty Limited	8 Jun 10
Quick Direct Pty Ltd	13 Jul 05
R.J Hicks & B.D McIntosh & N Somner	4 Feb 99
Rabbit International Pink Link Physic Friends Network Pty Ltd	6 Sep 06
Rate Squeeze Pty Ltd	6 May 08
RCOM International Pty Ltd	22 May 08
Real World Technology Solutions Pty Ltd	12 Mar 07
Rebtel Services S.a.r.l	28 Apr 09
Red Mercury Communications Pty Ltd	2 Jun 08
Redback Communications Pty Ltd	16 Feb 01
RickSure Pty Ltd	5 Sep 05
Royle Holdings (Aust) Pty Ltd	12 Feb 04
Rumsey Pty Ltd	6 Nov 03
Saands Marketing Australia Pty Ltd	4 Dec 07
Sancom Pty Ltd	3 Mar 05
SC Communications Pty Ltd	23 Oct 06
Schilling, Adrian Thomas	23 Jan 07
Scott Raymond Gibson	12 Jan 09
Scott Welsh Holdings Pty Ltd	31 Oct 01
SDS (Digital Strategy) Pty Ltd	7 Oct 08
Secure Trac Pty Ltd	7 Aug 09
Servers Australia Pty Ltd	28 Mar 05
Silver Communities Pty Ltd	19 Oct 09
Simply Tel Pty LTD	19 Nov 09
SKS Organisation Pty Ltd	3 Aug 07
Snoopa Community Geelong Pty Ltd	5 Mar 04
Snooper Systems Pty Ltd	21 May 10
Snork Pty Ltd	10 Dec 03
Snowy Mountains Telecommunications	2 Jun 05
Soft Telcom Pty Ltd	26 May 99

Soul Communications Pty Ltd	14 Nov 02
South East Qld Community Telco Limited	5 Sep 07
Southern Cross Telco Ltd	25 Aug 08
Speak Ezy Voice and Data Pty Ltd	12 May 00
Spectrum Networks Pty Ltd	6 Apr 09
Speed Telecom Pty Ltd	10 May 05
Spinosa Catella, Richard David	24 May 05
Spirit Telecom (Australia) Pty Ltd	5 Feb 10
Splash Internet Pty Ltd	31 Jan 08
Sprint Telecommunication Pty Ltd	5 Feb 02
ST Telecom Pty Ltd	18 Oct 07
Star Telecom Pty Ltd	2 Feb 10
Strand Telecom Pty Ltd	28 Aug 06
Student Administration Pty Limited	24 Feb 05
Sunshine Coast Community Enterprises Ltd	27 Aug 09
Switched On Victoria Pty Ltd	14 Oct 04
Sydney Internet Exchange (SIX) Pty Ltd	10 Jan 07
T.J Harmer & V.M Harmer	6 Aug 07
Talk Down Under Pty Ltd	23 May 05
Tanguinya Pty Ltd	5 Aug 05
Tastel Community Enterprise Limited	21 May 01
Tastel Community Telco Pty Ltd	13 Nov 06
Team Telco Pty Ltd	29 May 07
Telair Pty Ltd	4 Aug 04
Telco Plus Pty Ltd	7 Jun 10
TelcoBiz Pty Ltd	24 Dec 07
Telcogreen Pty Ltd	25 Aug 03
Telcoinabox Australia Pty Ltd	24 May 10
Telecom GM Pty Ltd	7 Apr 10
Telecommunications Integration Services Pty Ltd	12 Nov 04
Telefa Pty. Limited	7 Feb 06
Telemates Pty Ltd	13 Jul 09
Telko Pty Ltd	2 Oct 09
Telnetworks Pty Ltd	29 Aug 06
Texcel Communications Pty Ltd	28 Nov 08
The 3rd Eye Telecom Pty Ltd	18 Aug 05
The Acssess Solutions Group Pty Ltd	10 Oct 07
The Cornish Family Trust	8 Nov 07
The Credit Union Financial Services (Tas) Pty Ltd	10 Jan 08
The Halogen Group Pty Ltd	1 Aug 05
The Mercuri Group Pty Ltd	21 Jun 10
The Smelly Black Dog Company Pty Ltd	19 Jul 05
The Trustee for Broadband Anywhere Unit Trust	5 Mar 08
The Trustee for Calltext Unit Trust	19 Apr 05
The trustee for Clear Networks Trust	14 Nov 05
The trustee for CONVERGENCE UNIT TRUST	22 Apr 05
The Trustee for D. Seeto Family Trust	13 May 05
The Trustee for Dunphy Investment Trust	23 Jul 07
The Trustee for Ivery Family Trust	31 Dec 04
The Trustee for KJT Family Trust	2 Feb 10
The trustee for My Group Enterprises Trust	14 Nov 08
The Trustee for Nobleheart Trust	22 Mar 07
The Trustee for Noto Business Trust	18 Sep 08
The Trustee for PMA Trust	19 Apr 04
The Trustee for Powercom Pacific Trust	2 Apr 09
The Trustee for ProTalk Australia Unit Trust	11 Sep 07

The Trustee for the AllTel Trust	29 Mar 00
The Trustee for the K & R Harm Family Trust	27 Apr 06
The trustee for the Monty Family Trust	3 May 05
The Trustee for THE TELECOMMUNICATIONS TRUST	6 Sep 04
The Trustee for The Westalk Trust	16 Feb 06
The Trustee for Vtree Trust	25 Jul 05
The Trustee for Your Local Telecom Trust	25 Aug 09
Think Telecom Pty Ltd	24 Nov 09
TinkleTel Pty Ltd	9 Oct 06
TKM Australia Pty Ltd	
Totalcom Corp Pty Ltd	
Touch Tel Pty Ltd	24 May 05
Trans Pacific Communications Pty Ltd	22 Sep 00
TransACT Capital Communications Pty Ltd	29 May 07
Trinity Telecom Pty Ltd	6 Apr 09
Twin Technologies Australia Pty Ltd	1 Jul 97
Uecomm Ltd	8 Jun 10
United Lifestyle Group Networks Pty Ltd	29 Jan 09
Universal Communications Group Pty Ltd	19 Sep 02
Unwired Australia Pty Ltd	29 Jun 06
US Telecom Pty Ltd	1 Apr 05
V GRANATA & F LIPAROTI & R LIPAROTI	7 Mar 08
VE Telecommunications Pty Ltd	28 Nov 08
ViaIP Pty Limited	11 Sep 00
Virgin Mobile (Australia) Pty Ltd	
Visage Telecom Pty Ltd	8 Jun 04
Vocal Pty Ltd	20 Jan 10
Vocall Pacific Telecommunications Pty Ltd	22 Oct 09
Voicetalk Pty Ltd	3 Jul 07
VOIPEX Pty Ltd	27 Jan 10
Voipstra Pty Ltd	11 Sep 06
Voncom NZ Limited	11 May 06
Voxcom Pty Ltd	9 Dec 04
Walsh and Marshall Pty Ltd	14 Jul 98
Westnet Pty Ltd	6 Aug 04
Westvic Broadband Pty Ltd	29 May 07
White, Nathan John	10 May 04
Wideband Networks Pty Ltd	17 Jan 06
Widelinx Pty Ltd	21 Jun 10
Xen Networks Pty Ltd	24 Aug 04
Yodial Pty Ltd	30 Aug 05
Z & K Investments Pty Ltd	12 Sep 08
Zebra Telco Providers Pty Ltd	2 Jul 09
Zeccho Connect Pty Ltd	
TELEPHONE SERVICE PROVIDER: TOTAL 205	DATE JOINED
0014 Pty Ltd	1 Nov 00
1300 Words Pty Ltd	11 Jul 05
1800 Reverse Pty Ltd	2 Jan 01
1800Mumdad Pty Ltd	25 Feb 04
1World Telecommunications Pty Ltd	17 Jun 03
7Star Communications Pty Ltd	28 Oct 04
A1 Systems Pty Ltd	29 Aug 06
Access International Group Pty Ltd	5 Dec 08

Advance Net Pty Ltd	11 Mar 08
Advanced Future Technology Pty Ltd	25 Jan 03
Advertising On Hold Pty Ltd	18 Oct 07
Agile Pty Ltd	8 Sep 98
Alphawise Solutions Pty Ltd	25 Nov 99
Asia Telco Investments Pty Ltd	24 Jun 05
Astron Communication and Information Services Pty Ltd	16 Jul 97
AT&T Global Network Services Australia Pty Ltd	28 Feb 00
Atlas Networks Pty Ltd	
Auslanka Impex International Pty Ltd	8 Dec 09
Aussie Dial Pty Ltd	17 Aug 06
AUSTAR United Mobility Pty Ltd	10 Nov 03
Australia Star Communications Pty Ltd (Receivers and Managers Appointed)	21 Aug 03
Australian Communication Exchange Ltd	1 Jul 97
Australian Kidney Foundation	26 Oct 09
Australian Telecommunications Pty Ltd	18 Mar 02
Australian Telecoms Exchange Pty Ltd	23 Oct 09
Avendi Australia Pty Ltd	
Avendi Pty Ltd	3 Mar 10
B33hive Pty Ltd	24 May 04
Baghchal Systems Proprietary Ltd	22 Jul 08
Bareena Holdings Pty Ltd	12 Sep 02
Bell Networks Voice & Data Pty Ltd	3 Sep 07
Bharti Telecom Pty Ltd	17 Mar 04
Blue Call Pty Ltd	17 Mar 04
Blue Ridge Telecom Systems, LLC	16 Jul 04
Boost Tel Pty Ltd	26 Nov 03
Bugal Pty Ltd	24 Nov 04
Bugeja, Carmen	24 Aug 07
Buzz Tel Pty Ltd	18 Jan 07
Callex Pty Ltd	22 Jun 10
Callsave Pty Ltd	14 Nov 01
Capital Business Solutions Pty Ltd	28 Mar 08
ccgIT Pty Ltd	13 May 05
ChannelIP Australia Pty Limited	28 Dec 06
Chi Telecom Pty Ltd	4 Jan 02
Commander Express Telecommunication Solutions Pty Ltd	8 Apr 04
CommodiTel (Australia) Pty Ltd	11 Aug 04
Concerotel Pty Ltd	23 Feb 09
Connec2 Global Pty Ltd	30 Jun 08
Convergence Solutions Pty Ltd	28 May 10
Cybertel Telecom Pty Ltd	18 Jan 08
Danbaz Pty Ltd	27 Feb 08
Darren Pro Pty Ltd	31 Mar 09
Delacon Pty Limited	
Direct Telecoms Pty Ltd	19 Feb 08
DRL Communications P/L	5 Feb 07
E Tone Corporation Australia Pty Ltd	10 Jan 05
Easy Mobiles Pty Ltd	8 Apr 09
Edirect Pty Ltd	23 May 06
Excite Mobile Pty Ltd	26 Mar 09
Express Teleconferencing Pty Ltd	13 Jan 05

Flex Group Pty Ltd	15 May 09
Freshtel Pty Ltd	30 Jul 04
Global Card Services Pty Ltd	8 Jan 03
Global Gossip Consolidated Pty Ltd	1 Dec 03
Global Touch Solutions Australia Pty Ltd	23 Oct 06
Globe Telecom Pty Ltd	19 May 03
Globechat Communications Pty Ltd	20 Nov 06
GoTalk Australia Pty Ltd	8 Jan 03
Gotalk Limited	8 Jan 03
Gruze International Pty Ltd	18 Oct 07
GS Telecom Pty Ltd	11 Aug 08
Hassan Family Trust	4 Jul 02
HGA IT & T Solutions Pty Ltd	22 Jul 08
Hi Tech Telecom Pty Ltd	3 May 05
Hill, Dwain Joseph	29 Jan 09
ICB Telco Pty Ltd	28 Dec 06
Idea Telecommunications Pty Ltd	9 Oct 06
IDT Telecom Asia Pacific (Australia) Pty Ltd	28 Aug 06
iTalk Pty Ltd	12 Jul 06
iTelecom (Australia) Pty Limited	27 Jan 10
Jet Interactive Pty Ltd	10 Jun 08
Kiss Mobile Pty Ltd	29 Jul 05
Korpcor Australia Pty Ltd	25 Jul 02
Lamu Holdings Pty Ltd	13 Feb 09
Lebara Australia Limited	30 Jun 09
Leda International Pty Ltd	13 Feb 09
Lime Telecom Pty Ltd	30 Aug 04
Linear Communication Pty Ltd	
Linq Australia Pty Ltd	4 Jun 07
Live Connected Pty Ltd	19 Jan 10
Live Telecoms Pty Ltd	22 Jan 07
Lycamobile Pty Ltd	10 Feb 10
M2 Telecommunications Pty Ltd	11 Dec 01
Mach Communications Pty Ltd	31 Oct 06
Macquarie Telecom Group Limited	1 Jul 97
Magicism Pty Ltd	11 Sep 07
Maxo Telecommunications Pty Ltd	23 Sep 09
mCall.Com.Au Pty Ltd	15 May 09
McMillan, Alan Jackson	8 Nov 05
Mediatek Services Pty Ltd	25 Feb 09
Memphis Telecom Pty Ltd	18 Jan 07
Mibroadband Pty Ltd	23 Sep 04
Mirror Image Access (Australia) Pty Ltd	22 Aug 06
Mobicom Communication Services Pty Ltd	20 Apr 04
Mobile Office Pty Ltd	24 Dec 08
Mobiles2go Pty Ltd	11 Oct 05
Mobileworld Operating Pty Ltd	28 Sep 07
MondoTalk Pty Ltd	6 Oct 09
Motion Telecom International Pty Ltd	27 Aug 09
Motion Telecom Pty Ltd	11 Feb 00
Multilink Services Pty Ltd	21 Oct 04
MX Telecom Pty Ltd	15 Sep 06
My Number Pty Ltd	12 Nov 08

Mytel Voice & Data Pty Ltd	4 Oct 05
Nehos Communications Pty Ltd	13 Aug 07
Neo Telecom Pty Ltd	5 May 09
New Tel Services Pty Ltd (Receivers and Managers Appointed)	21 Aug 03
Nexgen Australia Pty Ltd	21 Oct 09
NorthVoice Communications Pty Ltd	7 Jul 00
Online IT Services Pty Ltd	16 Apr 03
Optus Mobile Pty Ltd	1 Jul 97
OVAIS A & SHEMA YLA O KHAN	22 May 01
Ozicom Solutions Pty Ltd	12 Nov 01
PayTel Australia Pty Ltd	15 Dec 03
Phone Business Pty Ltd	15 Apr 04
Pipe International (Australia) Pty Ltd	18 Oct 07
Pivotel Group Pty Limited	27 Mar 03
Pivotel Satellite Pty Limited	28 Apr 03
PowerConnex Pty Ltd	26 Nov 09
Premier Technologies Pty Ltd	23 May 06
PrePaid Services Pty Ltd	3 Jul 07
Prime Telecoms No 1 Pty Ltd	13 Dec 05
Prime Telecoms Pty Ltd	19 Feb 08
Prodial Pty Ltd	22 Mar 07
Projection Plus (Australia) Pty Ltd	10 Sep 04
PSR Group Pty Ltd	1 Jul 97
Pulse Telecom Pty Ltd	5 Sep 07
Purple Oranges Pty Ltd	20 Jun 07
Reliance Communications (Australia) Pty Ltd	20 Jul 07
Reward Mobile Pty Limited	7 Feb 05
Savvy Communications (Aust.) Pty Ltd	7 Jun 10
Savvy Telecommunications Pty Ltd	7 Mar 06
Savvytel Pty Ltd	21 Jul 09
SBS Telecom Pty Ltd	24 Sep 07
Service DT Pty Ltd	25 Mar 01
SIMplus Mobile Pty Limited	7 Dec 01
Simtex Communications Pty Ltd	1 Aug 08
Skink Marketing Pty Ltd	24 Aug 07
Sky Telecom (Aust) Pty Ltd	4 Jan 07
SMS Global Pty Ltd	21 Jul 09
Solutions International Pty Ltd	2 Jan 01
Southern Phone Company Ltd	17 Jan 03
Speed Communications Pty Ltd	28 Jul 04
Spoxcy Pty Ltd	27 Jan 10
Supercheap Telco Pty Limited	
Synergy Australia Pty Ltd	23 Jul 03
T Networks Pty Ltd	23 Jul 07
T.One Telecommunications Pty Ltd	13 Aug 99
TCI Australia Pty Ltd	12 Sep 03
Technocash Pty Ltd	8 Dec 06
Tel.Pacific Limited	6 Jan 98
Telco Blue Pty Ltd	21 Mar 03
Telco Worx (Aust) Pty Ltd	29 Jun 09
Telco4u Pty Ltd	24 Sep 09
Telecom Connect Pty Ltd	23 Feb 06
Telesaver Pty Ltd	7 Sep 97

Teleus Pty Ltd	1 Dec 09
Telfin Pty Ltd	12 Oct 08
Telstra Corporation	1 Jul 97
The Trustee for ABG Group Unit Trust	29 Jun 04
TheBuzz Corp Pty Ltd	6 Mar 07
Think Mobile Pty Limited	25 Jul 06
Thirgood Holdings Pty Ltd	19 Nov 07
Thomas Ford Trading Pty Ltd	2 Feb 06
Ticehurst, Andrew Giles	19 Feb 08
Time Telecom Pty Ltd	5 Sep 05
Times Telecom (Australia) Pty Ltd	21 Oct 03
Trade Mobile Pty Ltd	12 Jan 09
Traitel Telecommunications Pty Ltd	30 Mar 06
Trans Orbit Pty Ltd	15 Sep 06
Travelsim Australia Pty Ltd	14 Jan 10
Tritel Australia Pty Ltd	22 Sep 99
Tropic Spirit	24 Jul 07
Unidial Pty Ltd	26 Nov 02
United Asia Pacific Telkom Pty Ltd	13 Aug 07
Valaiti Pty Ltd	9 May 05
Value Tel Pty Ltd	16 Feb 10
Veetel Pty Limited	11 Oct 06
Vocaltone Networks Australia Pty Ltd	2 Jun 08
Vodafone Australia Limited	1 Jul 97
Voicetek Pty Ltd	3 Dec 01
Voiceworks Australia Pty Ltd	27 Feb 08
Voise Pty Ltd	4 Jul 05
Voxbone Public Ltd	20 Oct 08
VRoam Australia Pty Ltd	23 Dec 02
Welcome Telecom Pty Ltd	4 Jul 05
Widetalk Pty Ltd	13 Feb 02
Woolworths Ltd	24 Jul 09
WorldPacific Communications Pty Ltd	6 Jan 00
Wow Tel Pty Ltd	19 Nov 07
Xcelleron Pty Ltd	1 Apr 08
Your Phone Pty Ltd	23 Jul 09
Your Telecom Pty Limited (Receivers and Managers Appointed)	19 Feb 01
Yourtel Pty Ltd	26 May 09
Zintel Communications Pty Ltd	5 Dec 03
TOTAL	1,162

APPENDIX

Issues by category

For every new complaint or case the TIO registers, we may record one or more issues to identify the types of cases we deal with.

Issue	2006-07	2007-08	2008-09	2009-10
Contracts				
Point-of-sale advice about products and terms	8,779	13,026	24,255	27,262
Enforcement of contract terms	1,757	2,577	4,918	6,168
Customer denies all knowledge of contract's existence	133	1,403	3,976	4,694
Point-of-sale advice about coverage	822	2,079	3,242	3,837
Delay in processing termination request	1,257	2,381	4,080	3,818
Variation of contract terms	1,521	2,671	3,748	3,232
Advice given about termination fees when a customer requests termination of a service	1,026	1,542	2,045	1,560
Failure to provide copy of contract	491	581	1,330	1,419
Impaired decision making	376	597	976	1,149
Sales tactics of telecommunications supplier	617	1,167	1,604	1,148
Point-of-sale advice about contract termination fees	336	616	929	1,113
Point-of-sale advice about cooling off periods	375	719	925	879
Others (such as the written presentation of contract terms, the bundling of a customer's services, the changing of account holders and problems arising from the user of the service not being the account holder)	658	1,032	1,786	1,848
Total	18,148	30,391	53,814	58,127
Billing and payments				
Disputed usage charges (such as internet usage charges, roaming charges, charges for unknown services, charges associated with the wrong billing plan and charges for timed/untimed calls)	17,012	21,119	42,457	47,366
Disputed administration charges (such as late payment fees, connection fees and contract termination fees)	5,344	7,478	16,951	20,711
Disputed recurring charges (such as monthly equipment charges and access fees)	4,649	8,790	17,418	16,132
Credit/adjustment (includes credits and/or adjustments that are incorrectly applied or not applied at all)	2,607	4,430	11,396	10,738
Bill not received	1,361	2,620	8,856	8,629
Direct debit (includes direct debits not activated, not authorised and not cancelled)	2,990	3,683	5,121	4,286
Payments (includes payments incorrectly applied and those which are not applied at all)	724	1,617	3,202	3,876
Bill details/format (includes unclear charges and insufficient itemisation)	637	1,396	4,131	3,624
Others (includes delayed charges, charges arising upon the consolidation/deconsolidation of a Customer's accounts, and debts arising from pre-paid services)	594	1,171	2,918	3,197
Total	35,918	52,304	112,450	118,559
Customer service				
Incorrect or inadequate advice provided to Customer	10,707	20,351	38,545	55,547
Failure to action a Customer's request	8,590	14,409	29,586	22,221
Discourteous treatment of Customer by Supplier's staff or agents	1,215	3,260	7,316	6,241
Lengthy wait time to speak to Supplier	2,294	6,962	8,342	4,298
Customer is unable to contact their Supplier	4,003	7,360	6,194	2,889
Supplier has refused to deal with a Customer's nominated advocate	239	185	374	405
Total	27,048	52,527	90,357	91,601

Issue	2006-07	2007-08	2008-09	2009-10
Complaint handling				
Failure to action undertakings made to resolve a Customer's complaint	3,839	7,293	34,091	43,523
Failure to advise Customer of the outcome to their complaint	524	1,705	8,952	8,637
Failure to escalate a complaint upon request or where the Customer is dissatisfied	1,315	3,242	8,791	6,178
Failure to refer to TIO where Customer remains dissatisfied	17,724	14,012	8,009	5,598
Failure to acknowledge a Customer's written complaint	1,432	1,983	4,081	4,500
Failure to make a record of a Customer's complaint	412	543	2,400	2,940
Charges imposed for itemisation of disputed bill/complaint handling	28	43	71	113
Total	25,274	28,821	66,395	71,489
Faults				
Faults on non-CSG eligible telecommunications equipment	6,178	9,400	13,579	15,983
Faults which make a non-CSG eligible service fully unusable	3,706	4,963	7,614	7,355
Coverage issues on a non-CSG eligible service	1,208	2,595	4,164	6,583
Drop outs on a non-CSG eligible service	1,986	2,800	5,137	5,493
Faults which make a CSG eligible service fully unusable	2,679	6,569	6,599	4,765
Slow data speed on a non-CSG eligible service	1,101	2,060	3,676	4,620
Fault with an enhanced and or add on service on a non-CSG eligible service	524	1070	2343	2,708
Telecommunications service disconnected in error	565	1,351	3,305	2,584
Faults which make a CSG eligible service partly unusable	795	2,217	2,848	2,309
Recurring and or intermittent faults on a CSG eligible service	749	1,872	2,463	2,146
Provision of compensation on a CSG eligible service	190	619	808	786
Missed appointments	170	857	833	762
Others (includes complaints about faults on interim or alternative services, temporary cables, infrastructure upgrade delays, network outages affecting non-CSG eligible services, faults with enhanced call handling features on CSG eligible services, compensation for delays in repairing fault on non-CSG eligible services, and exemptions from the CSG claimed for mass service disruptions)	721	1,411	2,210	2,523
Total	20,572	37,784	55,579	58,617
*Temp cable and infrastructure upgrade delays were new keywords for 2009-2010				
Credit management				
Financial overcommitment - Adequacy of supplier controls	571	1,315	4,513	8,197
Referral of a disputed debt to a collection agency	1,686	3,040	5,499	7,100
Notification about a Supplier's intention to suspend/disconnect	2,137	3,029	6,205	7,032
Suspension/disconnection over a disputed debt	1,085	2,089	4,677	5,180
Disputed debt referred to credit reporting agency	1,513	1,876	3,293	4,131
Notification of a credit default listing	1,032	1,286	3,058	3,973
Refusal of Supplier to negotiate a payment arrangement	1,244	1,619	2,706	3,279
Failure to suspend collections on a disputed debt	329	439	1,798	2,790
Information provided to Customer about credit control tools	336	495	1,551	1,593
Financial over-commitment because of usage meter problems	61	175	876	1,375
Failure of Supplier to record payment arrangement	167	259	638	997
Refusal to re-negotiate payment arrangement	535	717	771	896
Restriction/refusal of service because of a Supplier's credit assessment	102	171	336	501
Failure of a Supplier to update a credit default listing	273	334	629	480
Others (includes complaints about the failure of Suppliers to carry out credit assessments, the conduct of collection agents, and the failure of a provider to suspend collections where the debt is very old, a payment arrangement is in place or the Customer has declared bankruptcy)	238	397	1,000	1,223
Total	11,309	17,241	37,550	48,747

Issue	2006-07	2007-08	2008-09	2009-10
Provisioning				
Delay in connecting a non-CSG eligible service where a connection has not previously existed	2,743	2,738	3,183	2,822
Delay in connection of a CSG eligible service where a connection has previously existed	1,022	2,256	4,171	2,241
Delay in connecting a CSG eligible service where a connection has not previously existed	1,380	2,978	4,086	1,921
Delay in connection of a non-CSG eligible service where a connection has previously existed	660	905	1,507	1,337
Telephone number allocation, including quarantine problems	285	642	1,151	1,128
Advice about coverage/availability of a telecommunications service	1,211	1,821	533	566
Missed appointment in relation to a CSG eligible service	116	621	1,151	496
Delay in connecting a new telecommunications service where a Customer is seeking compensation for losses resulting from the delay	81	134	217	225
Delay in connection caused by an old telecommunications service not being disconnected (connect outstanding)	135	225	326	174
Delay in the pre-provisioning of a new telecommunications service	107	184	231	155
Others (such as missed appointments for the connection of a non-CSG eligible service, problems with an interim or alternate services, compensation for losses experienced during a in-place connection delays, delays in upgrading infrastructure/replacing temporary cabling and the provisioning of enhanced call handling features)	165	433	848	804
Total	7,905	12,937	17,404	11,869
* Temp cable and infrastructure upgrade delays were new keywords for 2009-2010				
Transfer				
Delay in transferring a telecommunications service	1,568	3,235	4,097	2831
Transfer without informed consent of Customer	2,195	2,242	2,343	1510
Point-of-sale advice about product and terms	265	427	632	682
Transfer occurred despite Customer cancelling agreement to transfer within cooling off period	352	468	612	520
Transfer authorised by a person who had no right to authorise the transfer	700	705	602	477
Failure to reverse unauthorised transfer	203	215	332	270
Unauthorised transfer resulting from administrative error	255	273	295	181
Delay in reversing unauthorised transfer	84	175	275	150
Sales tactics of Supplier or its agents	256	157	142	134
Others (includes the transfer of services where there was incorrect or insufficient information supplied about the identity of the supplier, about the cooling off period applicable to the transfer agreement, or where the customer claims that they were not made aware that they could be charged a termination fee for cancelling the service)	337	173	261	298
Total	6,215	8,070	9,591	7,053
Privacy				
Customer personal information - access, accuracy, collection and disclosure	951	1,443	3,390	4044
Unwelcome calls (menacing, offensive or harassing calls or communications)	468	837	924	945
Telecommunications supplier continues telemarketing after being asked to stop	855	813	520	489
Spam from a telecommunications supplier	22	14	22	35
Life threatening calls or communications	26	35	54	33
Inadequate advice about preventing spam	21	29	32	28
Total	2,343	3,171	4,942	5,574
Phonecards				
Billing and payments	259	377	624	250
Complaint handling	65	119	292	142
Phonecard faults	78	159	189	110
Point-of-sale advice	61	120	251	108
Customer service	98	131	196	98
Total	561	906	1552	708

Issue	2006-07	2007-08	2008-09	2009-10
Directories				
Disputed charges associated with a White Pages listing	327	398	569	651
Error in a White Pages listing	305	338	449	522
Yellow Pages Complaint	148	200	246	452
Omission of a listing from the White Pages	103	92	170	178
Directory assistance incorrect number	13	26	30	36
Directory assistance accessibility	20	15	17	16
Directory assistance omission	7	11	14	10
Total	923	1080	1495	1865
Land access				
Damage by provider to property during the installation of a cable or a low-impact telecommunications facility	233	448	572	439
Damage caused by complainant to a Supplier's cable or telecommunications facility	97	128	176	324
Complaint about access method/height restrictions related to installation of a subscriber connection	39	119	196	128
Failure to give notice before accessing land for the installation and or maintenance of a low-impact telecommunications facility	39	57	81	85
Objection by an owner/occupier of land to a Supplier's proposal to install/maintain low-impact telecommunications facilities on that land (includes premature objections by the owner/occupier, and failure of the Supplier to allow the owner/occupier the opportunity to object)	72	69	86	47
Total	480	821	1111	1023
Disability				
Delay in rectifying a service fault where the customer or a member of their household suffers from a life threatening medical condition	26	25	106	121
Delay in supplying a service connection where the customer or a member of their household suffers from a life threatening medical condition	11	32	116	75
Complaints about the availability, the adequacy or the billing of telecommunications equipment necessary to accommodate a person's disability.	23	77	58	42
Failure of a Supplier to educate their customer about the availability of Priority Assistance, or about how the customer may apply for Priority Assistance (standard telephone services only)	8	20	34	40
Supplier has rejected a Customer's application for Priority Assistance status	4	20	18	7
Total	72	174	332	285
Payphones				
Payphone is faulty, has been vandalised or has charged a customer incorrectly	34	27	37	34
Total	34	27	37	34
MPS Issues by First Tier over 4 years				
Complaint Issue				
Billing and Payments	7,768	15,751	18,061	4,956
Complaint Handling	1,664	3,942	6,832	2,448
Customer Service	112	1,793	2,552	1,541
Contracts/Point-of-sale Information /Advertising	385	486	814	664
Credit management	93	261	378	287
Others (including MPS marketing, protection of personal information, minors' access to content, and content classification issues referred to the ACMA)	61	158	172	24
Total	10,083	22,391	28,809	9,920
* TIO started capturing MPS data on 1 Dec 2006				

APPENDIX

Glossary

ACCC (Australian Competition and Consumer Commission)	The government body responsible for regulating competition policy, anti-competitive conduct or unfair business practices and enforcing the <i>Trade Practices Act 1974</i> (Cth). (www.accc.gov.au)
ACMA (Australian Communications and Media Authority)	The Australian Communications and Media Authority (the ACMA) is responsible for the regulation of broadcasting, radiocommunications, telecommunications and online content. (www.acma.gov.au)
Alternative dispute resolution (ADR)	Any means of settling disputes outside of the courtroom. The TIO is an ADR body.
Carriage service provider (CSP)	Person supplying or proposing to supply certain carriage services, including a commercial entity acquiring telecommunications capacity or services from a carrier for resale to a third party. Internet and pay-TV service providers fall within the definition of carriage service providers under the <i>Telecommunications Act 1997</i> (Cth).
Carrier	An organisation that holds a carrier licence as defined by the <i>Telecommunications Act 1997</i> (Cth). In very general terms, a carrier provides the physical infrastructure used to supply carriage services to the public.
Constitution	The TIO Constitution outlines the roles, responsibilities and powers of the Board, Council, members and the Ombudsman. The Constitution may be changed with the approval of the TIO Council and Board after consulting with the federal ministers responsible for communications and consumer affairs.
Customer Service Guarantee (CSG)	A set of performance requirements placed by the ACMA on providers of the standard telephone service. The CSG sets time limits and other standards for rectification of faults, connections and appointments. The CSG entitles customers to a set scale of compensation payments if the standards are not met. To view or download a fact sheet on the CSG, please visit www.acma.gov.au .
Default listing	<p>If a customer does not pay a phone or internet bill by 60 days after the due date, the provider may report the name and details of the overdue account to a credit reporting agency (CRA).</p> <p>The CRA keeps information about the overdue account on file as a 'default listing'. The default listing stays on file for five years even if the customer pays the account after it was listed, though the file should show that the customer did this.</p> <p>If a consumer applies to a company for a loan or some other type of credit, the loan or credit provider can check whether they have a default listing on file. The credit provider may reject their application if there is a default listing on file in their name.</p> <p>Default listings are also known as 'credit defaults' and 'credit listings'.</p>
The Department of Broadband, Communications and the Digital Economy	This Commonwealth Government Department provides strategic advice and professional support to its Minister on a wide range of policy areas, including the national broadband network and telecommunications, and broadcasting and digital switchover. The department also administers legislation, including regulations, and delivers programs.
DIST benchmarks	In 1997 the Department of Industry Science and Tourism produced the <i>Benchmarks for Industry-Based Customer Dispute Resolution Schemes</i> . These benchmarks were developed in consultation with industry dispute resolution schemes, consumer organisations, government and regulators. They were developed to apply primarily to nationally based schemes set up under the auspices of an industry. Most industry alternative dispute resolution schemes operate in accordance with this benchmark, which sets out key ADR practices within the principles of accessibility, independence, fairness, accountability, efficiency and effectiveness.
Eligible carriage service provider	Eligible carriage service providers are defined by the <i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i> (Cth) as a carriage service provider who supplies a standard telephone service, where any of the customers are residential or small business customers; or a public mobile telecommunications service; or a carriage service that enables end-users to access the Internet; or a carriage service intermediary who arranges for the supply of a service referenced above.
Enquiry Officer	TIO staff member who handles enquiries and level 1 complaints, both written and oral.
Investigations Officer	TIO staff member who handles level 2, 3 and sometimes level 4 complaints.
Informed consent	Under Clause 8.1.3(e) of Customer Transfer — Chapter 8 of the TCP Code, a customer must give informed consent before transferring a service to a new provider. In order for the customer to do this, the provider gaining the customer's service must ensure the customer is authorised to permit the service transfer, and is aware of the terms and conditions of the transfer.
Member	A telecommunications service provider that is a member of the TIO scheme. The <i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i> (Cth) requires all carriers and eligible carriage service providers to be members of the TIO.
Memorandum and Articles of Association	Document outlining the rules and principles governing the TIO and its members. It is broader and more comprehensive than the <i>Constitution</i> , and covers areas such as administration and funding. This document may be amended with the approval of two-thirds of TIO members in attendance at an annual general meeting.
Resolution	A fair and reasonable settlement of a complaint between a customer and a provider with the assistance of the TIO.
Standard telephone service	A telephone service providing two-way voice communication for local, long-distance and international calls, commonly provided by landline but in certain circumstances by a mobile or satellite service.
VoIP	Voice over Internet Protocol (VoIP) is a technology that allows the user to make voice calls using a broadband internet connection instead of a regular (or analogue) phone line.

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Informed consent	Under Clause 8.1.3(e) of Customer Transfer — Chapter 8 of the TCP Code, a customer must give informed consent before transferring a service to a new provider. In order for the customer to do this, the provider gaining the customer's service must ensure the customer is authorised to permit the service transfer, and is aware of the terms and conditions of the transfer.
Member	A telecommunications service provider that is a member of the TIO scheme. The <i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i> (Cth) requires all carriers and eligible carriage service providers to be members of the TIO.
Memorandum and Articles of Association	Document outlining the rules and principles governing the TIO and its members. It is broader and more comprehensive than the <i>Constitution</i> , and covers areas such as administration and funding. This document may be amended with the approval of two-thirds of TIO members in attendance at an annual general meeting.
Resolution	A fair and reasonable settlement of a complaint between a customer and a provider with the assistance of the TIO.
Standard telephone service	A telephone service providing two-way voice communication for local, long-distance and international calls, commonly provided by landline but in certain circumstances by a mobile or satellite service.
VoIP	Voice over Internet Protocol (VoIP) is a technology that allows the user to make voice calls using a broadband internet connection instead of a regular (or analogue) phone line.

Managing Editor

Mirjana Jovetic

Editor

Alana Keynes

Writer

Campbell Smith

Contributors

Cameron Burnet

Kate Eadie

David Torrelli

William Lopez

Jessica Sayer

Bankers

Commonwealth Bank of Australia

Solicitors

Corrs Chambers Westgarth

Auditors

Pitcher Partners

Printed in Australia on PEFC Certified
Australian paper made from elemental
chlorine free bleached pulp sourced from
sustainably managed forests and non
controversial sources. It is manufactured
by an ISO 14001 certified mill using
renewable energy sources

Telecommunications Industry Ombudsman Limited

ABN 46 057 634 787

Financial Report

for the year ended 30 June 2010

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Director's Report

Directors' Report

Your directors present their report of Telecommunications Industry Ombudsman Ltd ("TIO") for the year ended 30 June 2010.

The TIO is a company limited by guarantee and incorporated in Australia in 1993 under the Corporations Act. The TIO was established to investigate, resolve, make determinations and give directions relating to complaints by residential and small business consumers of telecommunications services. The principal place of business is Level 3/595 Collins Street, Melbourne, Victoria.

Directors

The current composition and membership of the Board up to the date of this report is as follows:

Two (2) directors appointed by Telstra:

- J P Scarlett
- P J Sporton

Two (2) directors appointed by Optus:

- M J Elsegood
- A R Thomas, with G R Smith as alternate director for both.

One (1) director appointed by Vodafone Hutchison Australia (VHA):

- M L Sexton with B Currie as an alternate director.

One (1) director appointed by members who are other than Telstra, Optus, VHA and who are not internet service providers or internet service intermediaries:

- R Bhatia with J G Horan as an alternate director.

One (1) director appointed by internet service provider or internet service intermediary members:

- S J Dalby

Independent Director:

- J M Harvey
- J F Rohan (Chairman)

Changes to Board composition are summarised in note 12 to the financial statements. The names of persons who were directors of TIO at any time during the financial year are as follows:

Name of Director	Date of Appointment	Date of Resignation
J Rohan	01 August 2001	Continuing
G Smith*	4 March 2002	Continuing
T Hill*	30 October 2002	13 April 2010
J Harvey	7 April 2003	Continuing
M Elsegood	2 October 2006	Continuing
S Dalby	7 December 2006	Continuing
B Chapman	7 December 2006	6 December 2009
A Thomas	12 September 2007	Continuing
J Parkin*	23 April 2008	26 November 2009
L Fielding*	23 April 2008	26 November 2009
R Bhatia	22 November 2009	Continuing
J Scarlett	27 November 2009	Continuing
P Sporton	27 November 2009	Continuing
M Sexton	8 December 2009	Continuing
B Currie*	8 December 2009	Continuing
J Horan*	20 April 2010	Continuing

Note: * Indicates a director who was an alternate director for all or part of the year

Director's Report (continued)

Operating Results

The TIO recorded an operating surplus for the year of \$347,897 (2008-2009, \$3,798,651). The operating surplus for 2009/10 reduced primarily due to the impact of increased staffing levels during the year. In addition, costs totalling approximately \$1m were funded from cash reserves and not charged to members.

The results for the year ended 30 June 2010 are as follows:

Year	Total Revenue	Total Expenditure	Surplus/(Deficit)
2008-2009	\$26,568,125	\$22,769,474	\$3,798,651
2009-2010	\$28,634,716	\$28,286,819	\$347,897

Due to the surplus, members' funds were increased from \$6,364,468 at the start of the financial year to \$6,712,365 at the end of 2009-2010.

The TIO has been granted an exemption from income tax under Item 2.1 of Section 50-10 of the Income Tax Assessment Act 1997 until 30 June 2014.

Review of Operations

• Transactions and complaints

Overall TIO transactions for 2009-2010 are presented below. Transactions include enquiries, reviews and complaints registered at each level by the TIO.

Year	Total Transactions	% Change from Previous Year
2008-2009	261,818	51% Increase
2009-2010	256,609	2% Decrease

Following a long term trend of increasing complaint numbers, the TIO has recorded a decrease in complaints, by more than 6%, in 2009-10. This decrease in complaints has occurred within the context of a rapidly growing number of services in the telecommunications industry, and increasing complexity of services. The reduced demand for TIO services is expected to continue during the 2010-2011 financial year.

• Debt Recovery

Bad debts of \$402,708 (GST inclusive) were written-off during the financial year. The provision for bad debts was increased to \$806,440 (GST inclusive) for specific provisions.

• Cash Flow

The TIO's bankers, Commonwealth Bank of Australia, provide the TIO with an overdraft facility of \$150,000. This facility was created to alleviate any temporary cash flow variations associated with the TIO's quarterly billing cycle. The overdraft was not utilised during the year.

• Performance

The TIO operational year featured a 2% decrease in enquiry/complaint levels. In response to this stabilisation, staff numbers dropped from a peak of 265 to 230.

The TIO monitors levels of complainant satisfaction and confidence with the service provided by the TIO. Issues identified through the monitoring process are addressed as they arise by the Ombudsman and the Executive team.

• Industry Engagement

During 2009-2010 the TIO continued to work collaboratively with industry to help reduce complaints about customer service and complaint handling. In this respect, a follow up report for the connect.resolve campaign illustrated substantive improvements by a number of key members.

• Communications

The TIO continued to focus on accessibility to the Scheme focusing its work to assist vulnerable groups in the community, including through the work of an Indigenous Liaison Team and Disability Access Group.

Director's Report (continued)

- **Governance**

The TIO developed and implemented a comprehensive internal audit program during the course of 2009-2010. A new policy to deal with bad debts was also introduced.

- **Financial Reserve**

The financial reserve increased to a total of \$3,240,415 during 2009-2010.

- **Fee Increases**

The TIO did not increase volume related prices for 2009-2010. The TIO has not increased volume related prices since July 1, 2007. The overhead component of fees has increased during 2009-10. A total pricing review is currently underway.

- **Major Projects Program**

The TIO commenced a number of major projects in 2009-2010 including the design of a New Complaint Management System (NCMS), redevelopment of the TIO Website, transition to Monthly Billing, review of Complaint Handling Procedures and implementation of an IT Infrastructure Upgrade.

The current Project Program will continue in 2010-2011 with the development and build of the NCMS, implementation of the new Website and a comprehensive Remuneration Review.

- **Membership**

The *Telecommunications (Consumer Protection and Services Standard) Act 1999* requires all carriers and eligible carriage service providers to be members of the TIO and comply with the Constitution and Memorandum and Articles of Association of the Scheme. Eligible carriage service providers are those which supply:

- a standard telephone service where some of the customers are residential or small business customers; or
- a public mobile telecommunications service; or
- a carriage service which enables end users to access the Internet.

A carriage service intermediary which arranges the supply of the services referred to above qualifies as an eligible carriage service provider.

The total number of members increased from 1,125 at 30 June 2009 to 1162 at 30 June 2010. 110 new members joined the scheme and 73 members departed the scheme.

- **Staffing**

As at 30 June 2010, the TIO employed 230 staff. This is a slight increase from 30 June 2009 when the TIO employed 218 staff, although a peak of 265 staff members was reached throughout the year commensurate with a peak in complaint numbers.

Deirdre O'Donnell resigned as Ombudsman effective 29 January 2010 and has been replaced by Simon Cohen who commenced as Ombudsman on 24 May 2010. Simon Cleary was Acting Ombudsman in the interim period.

- **Monetary Limits**

From the 1 May 2010, the monetary limits of the TIO were increased to have the authority to make Binding Decisions up to the value of \$30,000, and Recommendations up to the value of \$85,000. This is an increase from \$10,000 and \$50,000 respectively from the previous financial year.

Principal Activities

During the year, the principal continuing activity of the TIO was the investigation and resolution of telecommunications complaints from small businesses and residential consumers. There were no significant changes in the nature of the activities during the year.

Objectives and Strategies

The TIO has short and long term objectives, strategies to achieve those objectives, and various key performance indicators. Details of these matters together with how the TIO activities assisted in achieving its objectives are contained in each year's Annual Report.

Director's Report (continued)

Member Liability

The TIO is a company limited by guarantee. The liability of the members is limited.

Every member undertakes that in the event that TIO Limited is wound up during the currency of the member's membership or within one year of the member ceasing membership, it will contribute to the property of TIO Limited for:

- (a) payment of the debts and liabilities of TIO Limited incurred before it ceased to be a member;
- (b) the costs, charges and expenses of winding up; and
- (c) an adjustment of the rights of the contributories among themselves, such amount as may be required, provided such amount shall not exceed one hundred dollars (\$100).

Dividends

Under the terms of its Memorandum and Articles of Association, the TIO is not permitted to pay dividends to members.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs.

Matters Subsequent to the End of the Financial Year

- **Complaint volume**

Complaint numbers have remained stable or decreased in the latter part of 2009-2010 and this has continued into early 2010-2011.

- **Monthly Billing**

From July 2010, all members (with the exception of the largest three members) moved from quarterly billing in advance to monthly billing in arrears. Monthly invoicing will provide members with a much simpler, more transparent and timely billing of complaints.

Except for the matters noted above, at the date of this report no matter or circumstance has arisen since 30 June 2010 that has significantly affected or may significantly affect:

- a) the operations of the TIO in future financial years: or
- b) the results of those operations in future financial years: or
- c) the state of affairs of TIO in future financial years.

Likely Developments and Expected Results of Operations

The TIO has budgeted for a decrease in complaint numbers of 6% in 2010-2011 based on the stabilisation of complaint numbers in 2009-2010, but will continue to carefully monitor complaint statistics and resource accordingly.

Environmental Regulations

Apart from statutory provisions of general applicability, the TIO is not subject to any specific environmental regulation.

Insurance of Officers

During the financial year, the TIO paid a premium of \$13,662 (GST inclusive) to insure certain officers of the company.

The officers of the company covered by the insurance policy included all Directors as listed in this report, Council members and the Executive management Team.

The liabilities insured include costs and expenses that may be incurred in defending proceedings that may be brought against the officers in their capacity as officers of the company.

Director's Report (continued)

Information on Directors

Director	Experience	Responsibility
J F Rohan, <i>B Mech Eng, Grad Dip IE, MBA</i>	John has been Executive Director, Vodafone Pacific, MD of Vodafone Australia Pty Ltd, Vodafone New Zealand Ltd and Vodafone Network Pty Ltd. Previous positions include Executive General Manager of James Hardie Building Services and Technologies, Chief Executive of McConnell Dowell's Building Product Group, Australia and New Zealand and General Manager of Comalco Building Products. John has previously served as Chairman of the TIO Board and as a member of the TIO Council.	Chairman from 1 August 2001
G R Smith, <i>B Econ / Politics (Hons)</i>	General Manager, Regulatory Compliance & Self-regulation, Optus. Gary has over 20 years experience in the telecommunications industry, working for both Optus and the industry regulator. He has also worked for the Reserve Bank of Australia and the Victorian Parliament in research and analysis roles.	Alternate Director from 4 March 2002
T C Hill	Group Manager, Consumer & Compliance, Public Policy & Communications, Telstra. Trevor has worked for Telstra in a variety of management and policy roles	Director from 30 October 2002 26 Nov 2009 and Alternate Director from 27 Nov 2009 to 13 Apr 2010
J M Harvey, <i>BCom, MBA, FCA, FAICD</i>	Directorships include: IOOF Holdings Ltd, Medibank Private Ltd, Royal Flying Doctor Service (Nat and Vic), Colonial Foundation Trust and Department of Treasury and Finance.	Director from 7 April 2003
M J Elsegood <i>B Eng (Hons)</i>	Manager, Regulatory Compliance and Safeguards, Optus. Michael has extensive experience in the Australian telecommunications industry, having worked with regulators and carriers in a variety of planning, policy and compliance roles.	Director from 2 October 2006
S J Dalby	Chief Regulatory Officer, iiNet. Stephen Dalby has been involved in the telecommunications industry for more than 35 years. Since 2003, he has been an executive with the iiNet Group. Stephen is also CEO of Chime Communications Pty Ltd, iiNet's carrier subsidiary, and is based in Perth.	Director from 7 December 2006
B S Chapman	Brian is the Head of Corporate Security and Regulatory Operations at AAPT. He has previously held senior management roles in the telecommunications industry and been responsible for business and operational performance reporting, information analysis and business improvement.	Director from 7 December 2006 to 6 December 2009
A R Thomas	Director, Reitz Transformation at Optus and responsible for strategic IT and business transformation. Prior to this appointment Alexandra was the General Manager Strategy and Planning, Optus Consumer Customer Care.	Director from 12 September 2007
J M Parkin	An operational regional general manager with Telstra Corporation, John Parkin has enjoyed a 25-year career in the telecommunications industry in Australia, New Zealand and England. He has held a variety of senior management positions and currently manages all customer service delivery operations for Telstra in Queensland and Northern NSW.	Director from 23 April 2008 and Alternate Director from 23 July 2009 to 26 November 2009
L J Fielding	Leisa was appointed Manager of Business Transformation for Telstra in 2007. She plays a key role in defining future business models whilst optimising the transformation program. She has worked for Telstra for 19 years and held positions in a variety of areas including retail, marketing, program management, information technology and operations.	Alternate Director from 23 April 2008 and Director from 23 July 2009 to 26 November 2009
R Bhatia <i>B Tech Elec Eng</i>	Ravi is the CEO and Founder of Primus Australia and has over 35 years of experience in the telecommunications industry. He has held senior management positions in Australia, the U.S., Germany and other countries with Primus, MCI, OTC and Siemens in sales, marketing, customer service, engineering and public policy. He was responsible for introducing a number of innovations in customer service to dramatically improve quality of service consumers.	Director from 22 December 2009
J P Scarlett <i>BA LLB (Hons)</i>	Jules has recently taken on the new role of Director, Customer Service & Satisfaction for Telstra. Jules has responsibility for coordinating the customer service and satisfaction initiatives across the company. She is also responsible for corporate complaint management at Telstra. Jules has worked for Telstra for over 10 years.	Director from 27 November 2009

Director's Report (continued)

Director	Experience	Responsibility
P J Sporton <i>B. App Sci (App Elec)</i>	Phill is the Executive Director of Service Delivery in Telstra Operations. This area of Telstra is responsible for the installation, connection and repair of Telstra's products, services and plant. Having started with Telstra as an engineer in 1983, Phill has spent 26 years at Telstra in range of roles, including several positions in senior management.	Director from 27 November 2009
M L Sexton	Louise is Group General Counsel and Company Secretary of Vodafone Hutchison Australia (VHA) and Company Secretary of Hutchison Telecommunications (Australia) Limited (HTAL). Prior to the formation of VHA in June 2009, Louise has been General Counsel and Company Secretary of HTAL since September 1998. Louise has extensive legal and regulatory experience as General Counsel and Company Secretary in listed public companies across a number of high technology industries in Australia.	Director from 8 December 2009
B Currie	Brian is the General Manager of Regulatory Affairs of Vodafone Hutchison Australia. With over thirty years in the industry, Brian has broad experience and knowledge that covers telecommunication engineering, management and regulatory affairs. He has formal qualifications in engineering and management.	Director from 8 December 2009
J G Horan <i>BCom, LLB, LLM</i>	John is General Counsel for Primus Telecommunications (Australia). Prior to joining Primus Telecom in March 2007, John held advisory roles in legal private practice and national regulatory agencies. John has significant experience in relation to utility regulation, regulatory frameworks and competition law.	Director from 20 April 2010

Information on Company Secretary

Company Secretary	Experience	Responsibility
P J Carruthers <i>BA, MBA, MComLaw, MAICD</i>	Phillip has worked in similar roles with VicRoads and CSIRO and previously served as an officer in the Australian Army. Phillip has also been a Director on a mix of for-profit and not-for-profit boards.	Company Secretary from 5 March 2001

Meetings of Directors

The numbers of meetings of the company's directors (excluding meetings of committees of directors) held during the year ended 30 June 2010, and the numbers of meetings attended by each director were:

Number of meetings held:	Full Meetings of Directors	
7		
Number of meetings attended by:	Number Eligible to Attend	Number Attended
J F Rohan	7	7
G R Smith	0	0
T C Hill	3	3
J M Harvey	7	7
M J Elsegood	7	7
B S Chapman	3	3
S J Dalby	7	7
A R Thomas	7	6
J M Parkin	2	1
L J Fielding	2	0
R Bhatia	4	1
J P Scarlett	5	5
P J Sporton	5	3
M L Sexton	4	2
B Currie	2	1
J G Horan	2	2

Director's Report (continued)

Auditors

Pitcher Partners continued their role as auditors of the TIO.

Auditor Independence

A copy of the auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001*, is set out on the following page.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

This report is made in accordance with a resolution of the directors.

J F Rohan
Director

J M Harvey
Director

Melbourne
10 September 2010

Auditor's Independence Declaration

to the Directors of Telecommunications Industry Ombudsman Limited



TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED
ABN 46 057 634 787

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

In relation to the independent audit for the year ended 30 June 2010, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

S SCHONBERG
 Partner

PITCHER PARTNERS
 Melbourne

Date: 13 September 2010

Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue			
Revenue from members	4	27,785,004	25,924,500
Other income	4	849,712	643,625
	4	28,634,716	26,568,125
Less: expenses			
Employee benefits expense	5	(20,359,752)	(16,492,710)
Depreciation and amortisation expense	5	(493,260)	(474,372)
Occupancy expenses	5	(2,173,509)	(1,542,712)
Marketing expense		(508,560)	(282,263)
Finance costs	5	(144,637)	(168,246)
Bad & Doubtful Debts	5	(806,440)	(427,427)
Information technology expense		(820,407)	(1,009,563)
Consultancy expense		(986,881)	(887,267)
Legal Expense		(206,348)	(93,390)
Relocation/fitout expense		(11,077)	(63,836)
Travel expense		(169,434)	(235,573)
Telephone and faxes		(518,086)	(414,069)
Other expenses		(1,088,428)	(678,046)
Total expenses		(28,286,819)	(22,769,474)
Surplus for the year		347,897	3,798,651

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2010

	Note	2010 \$	2009 \$
Current assets			
Cash and cash equivalents	7	10,520,128	9,787,890
Receivables	8	512,994	101,548
Other current assets	9	229,179	27,577
Total current assets		11,262,301	9,917,015
Non current assets			
Plant and equipment	10	2,373,503	2,526,938
Total non current assets		2,373,503	2,526,938
Total assets		13,635,804	12,443,953
Current liabilities			
Payables	11	3,021,431	2,402,992
Borrowings	12	237,018	211,909
Provisions	13	1,436,704	1,131,090
Other liabilities	14	139,997	139,997
Total current liabilities		4,835,150	3,885,988
Non current liabilities			
Borrowings	12	931,900	1,168,917
Provisions	13	363,075	91,269
Other liabilities	14	793,314	933,311
Total non current liabilities		2,088,289	2,193,497
Total liabilities		6,923,439	6,079,485
Net assets		6,712,365	6,364,468
Members' Funds			
Accumulated surplus	15	6,712,365	6,364,468
Total Members' Funds		6,712,365	6,364,468

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2010

	2010 \$	2009 \$
Total members' funds		
Balance at beginning of the year	6,364,468	2,565,817
Movements in equity from:		
Accumulated surplus	347,897	3,798,651
Balance at the end of the year	6,712,365	6,364,468
Accumulated surplus		
Balance at beginning of the year	6,364,468	2,565,817
Surplus for the year	347,897	3,798,651
Balance at the end of the year	6,712,365	6,364,468

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash flow from operating activities			
Receipts from members		30,450,321	30,042,430
Payments to suppliers and employees		(29,525,182)	(23,650,395)
Rental receipts		257,291	299,772
Interest received		247,239	182,667
Interest paid		(144,637)	(168,246)
Net cash provided by operating activities	19(b)	1,285,032	6,706,228
Cash flow from investing activities			
Payment for plant and equipment		(340,886)	(91,186)
Net cash used in investing activities		(340,886)	(91,186)
Cash flow from financing activities			
Repayment of borrowings		-	(44,439)
Repayment of leases		(211,908)	(189,462)
Net cash used in financing activities		(211,908)	(233,901)
Reconciliation of cash			
Cash at beginning of the financial year		9,787,890	3,406,749
Net increase in cash held		732,238	6,381,141
Cash at end of financial year	19(a)	10,520,128	9,787,890

The accompanying notes form part of these financial statements.

Notes to Financial Statements

For the year ended 30 June 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001*.

The financial report is for the entity Telecommunications Industry Ombudsman Limited ("the TIO") as an individual entity. Telecommunications Industry Ombudsman Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalents to International Financial Reporting Standards ensures compliance with International Financial Reporting Standards (IFRSs).

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Income tax

The company is exempt from income tax under Item 2.1 of section 50 10 of the Income Tax Assessment Act 1997. The TIO has been notified of its continuing tax exempt status up to 30 June 2014 by the Australian Tax Office.

(c) Revenue

Volume and operating fees are charged to members for complaint resolution services. Members are invoiced quarterly, based on an estimate of costs to be incurred in the following quarter. Each quarter actual and estimated charges are reconciled. Revenue is recognised based on the number of complaints received.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Rent revenue is recognised on a straight line basis over the rental term.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Trade receivables

Amounts due from all members are recognised as amounts receivable. Collectibility is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the TIO will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

(e) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to Financial Statements continued

For the year ended 30 June 2010

(e) Plant and equipment continued

The depreciation rates used for each class of asset are:

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements	14%	Straight line
Plant and equipment	33%	Straight line
Furniture, fixtures and fittings	14%	Straight line
Software	40%	Straight line

(f) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the statement of comprehensive income. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability. This lease liability is reduced on a straight line basis over the lease term.

(g) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions made by the company to an employee superannuation fund are recognised in the balance sheet as a liability, after deducting any contributions already paid and in the income statement as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(h) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, and include finance lease charges.

(i) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(j) Financial instruments

Cash and cash equivalents

Cash on hand and at bank are valued at face value. Interest revenue is recognised as it accrues.

Trade and other receivables

Receivables are carried at nominal amounts due, less any provision for impairment.

Notes to Financial Statements continued

For the year ended 30 June 2010

(j) Financial instruments continued

A provision for impairment is recognised when collection of the full nominal amount is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.

Prepayments

Prepayments are carried at cost representing their expected future benefit.

Trade and other payables

Liabilities are recognised for amounts to be paid in future for goods and services received.

Interest bearing loans and borrowings

Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.

Finance leases are accounted for at their principal amounts, with the lease payments discounted to present value using the interest rate implicit in the lease.

(k) Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Amounts due to members

Amounts due to members represent funds owing as a result of estimated costs billed at the start of the quarter differing to complaints received. Each quarter actual and estimated charges are reconciled. The resulting adjustment represents amounts owed to members.

(m) Cash and cash equivalents

For the purposes of the cash flow statement cash includes deposits at call which are readily convertible to cash on hand and are subject to insignificant risk of change in value, net of any outstanding bank overdrafts.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Unearned lease incentive

All incentives for entering into an operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

The TIO has recognised the aggregate benefit of incentives as a reduction of rental expenses over the lease term, on a straight line basis, representative of the pattern of the benefit from the use of the leased asset. The lease incentive has been recognised as unearned revenue and amortised over the term of the lease, being 10 years.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. There is no direct impact on the entity's financial statements for the year ended 30 June 2010 arising from accounting standards issued but not effective at the reporting date.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are based on past performance and management's expectation for the future.

Estimates and judgements are continually evaluated and are based on historic experience and other factors including expectations of future events that may have financial impact on the entity and that are believed to be reasonable under the circumstances.

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 4: REVENUE		
Complaint handling fees	27,785,004	25,924,500
Rental income	257,291	299,772
Interest income	247,239	182,667
Other revenue	345,182	161,186
	28,634,716	26,568,125

NOTE 5: OPERATING PROFIT

Surplus from continuing activities has been determined after:

Expenses:		
Finance costs	144,637	168,246
Depreciation		
plant and equipment	20,721	7,369
furniture and fittings	236,488	217,129
leasehold improvements	236,051	249,874
	493,260	474,372
Bad and doubtful debts	806,440	427,427
Remuneration of auditors for:		
External auditor's remuneration – audit fees	29,500	28,000
Loss on disposal of non current assets	1,061	-
Rental expense on operating leases:		
lease payments – rent, communications, IT and other	2,173,509	1,542,712
Employee benefits:		
short term benefits	20,359,752	16,492,710

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the company	1,285,987	1,113,090
short term employee benefits	1,285,987	1,113,090

Notes to Financial Statements continued

For the year ended 30 June 2010

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED

The names of directors who have held office during the year are listed below

All directors were in office for the full year unless otherwise noted:

Name	Appointment / resignation details
J F Rohan	
J M Harvey	
S J Dalby	
A R Thomas	
M J Elsegood	
G R Smith (alternate)	
J M Parkin (alternate)	(departed 26 November 2009)
B S Chapman	(departed 6 December 2009)
E Sexton	(appointed 8 December 2009)
B Currie (alternate)	(appointed 8 December 2009)
R Bhatia	(appointed 22 November 2009)
L J Fielding (alternate)*	(departed 26 November 2009)
J Scarlett	(appointed 27 November 2009)
P Sporton	(appointed 27 November 2009)
T C Hill (alternate)*	(departed 13 April 2010)
J G Horan (alternate)*	(appointed 20 April 2010)

* During the year L J Fielding and T C Hill were directors before being appointed alternate directors.

The following persons also had authority and responsibility for the planning, directing and controlling the activities of the TIO, directly or indirectly during the year:

Name	Appointment / resignation details	Position
S Cohen	(appointed 24 May 2010)	Ombudsman
S Cleary	(departed 21 May 2010)	Deputy Ombudsman and Acting Ombudsman for the period (30 Jan 2010 – 21 May 2010)
D O'Donnell	(departed 29 January 2010)	Ombudsman
P Carruthers		General Manager – Business
J Zammit		Chief Financial Officer
V Hickey		Chairman of Council
C Dodds		Member of Council
T Corbin		Member of Council
W Warburton		Member of Council
M Pincott		Member of Council
L Kreet		Member of Council
S Sdregas		Member of Council
R Wheeler		Member of Council
L Parkinson		Member of Council
M Russell	(departed 24 November 2009)	Member of Council
J Giles	(appointed 25 November 2009)	Member of Council
A Howells	(departed 13 April 2010)	Member of Council
T C Hill	(appointed 13 April 2010)	Member of Council

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash on hand	1,100	1,000
Cash at bank	436,395	401,458
Cash on deposit	10,082,633	9,385,432
	10,520,128	9,787,890

NOTE 8: RECEIVABLES

CURRENT

Trade debtors	1,373,524	496,585
Provision for doubtful debts	(860,530)	(420,189)
	512,994	76,396
Other receivables	-	25,152
	512,994	101,548

As at 30 June 2010 current trade receivables with a nominal value of \$1,373,524 (2009 \$496,585) were potentially impaired. A provision for non recoverability of \$860,530 (2009 \$420,189) was considered adequate as a portion of the receivables outstanding at the end of the financial year.

The ageing of these receivables is as follows:

1 to 3 months	252,511	107,940
3 to 6 months	1,121,013	388,645
	1,373,524	496,585

NOTE 9: OTHER ASSETS

CURRENT

Prepayments	229,179	27,577
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Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 10: PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	1,652,341	1,652,341
Accumulated depreciation	(491,776)	(255,725)
	1,160,565	1,396,616
Plant and equipment		
Plant and equipment at cost	194,500	181,212
Accumulated depreciation	(162,284)	(141,955)
	32,216	39,257
Furniture and fittings at cost	1,708,786	1,669,814
Accumulated depreciation	(815,237)	(578,749)
	893,549	1,091,065
Capitalised Software	287,173	-
Total plant and equipment	2,373,503	2,526,938
(a) Reconciliations		
Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year		
<i>Leasehold improvements</i>		
Opening carrying amount	1,396,616	1,632,667
Depreciation expense	(236,051)	(236,051)
Closing carrying amount	1,160,565	1,396,616
<i>Plant and equipment</i>		
Opening carrying amount	39,257	10,918
Additions	14,741	35,708
Disposals	(1,061)	-
Depreciation expense	(20,721)	(7,369)
Closing carrying amount	32,216	39,257
<i>Furniture and fittings</i>		
Opening carrying amount	1,091,065	1,266,539
Additions	38,972	55,478
Depreciation expense	(236,488)	(230,952)
Closing carrying amount	893,549	1,091,065
<i>Capitalised Software</i>		
Opening carrying amount	-	-
Additions	287,173	-
Closing carrying amount	287,173	-
<i>Total plant and equipment</i>		
Carrying amount at 1 July 2009	2,526,938	2,910,124
Additions	340,886	91,186
Disposals	(1,061)	-
Depreciation expense	(493,260)	(474,372)
Carrying amount at 30 June 2010	2,373,503	2,526,938

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 11: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Amounts payable to:		
amounts due to members	759,331	378,011
<i>Unsecured liabilities</i>		
Trade creditors	506,726	507,485
Unearned revenue	-	24,781
Sundry creditors and accruals	1,755,374	1,492,715
	2,262,100	2,024,981
	3,021,431	2,402,992

NOTE 12: BORROWINGS

CURRENT		
<i>Secured liabilities</i>		
Finance lease liability	237,018	211,909
NON CURRENT		
<i>Secured liabilities</i>		
Finance lease liability	931,900	1,168,917

- (a) The company has a business card facility of \$300,000 which may be utilised at any time and is subject to an annual review. All credit use is subject to approval by appropriate delegates in accordance with the TIO's policies.
- (b) The company has an overdraft facility of \$150,000 which may be utilised at any time and terminated by the bank without notice. This facility is unused at balance date. The overdraft facility is secured by a charge over the assets of the company.

NOTE 13: PROVISIONS

CURRENT		
Employee benefits	(a) 1,436,704	1,131,090
NON CURRENT		
Employee benefits	(a) 363,075	91,269
(a) Aggregate employee benefits liability	1,799,779	1,222,359
(b) Number of employees at year end	230	218

Notes to Financial Statements continued

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
NOTE 14: OTHER LIABILITIES			
CURRENT			
Unearned lease incentives		139,997	139,997
NON CURRENT			
Unearned lease incentives		793,314	933,311

NOTE 15: ACCUMULATED SURPLUS

Accumulated surplus at beginning of year		6,364,468	2,565,817
Surplus for the year		347,897	3,798,651
Accumulated surplus at the end of the year		6,712,365	6,364,468

NOTE 16: CAPITAL AND LEASING COMMITMENTS

(a) Finance leasing commitments

Payable			
not later than one year		356,547	356,547
later than one year and not later than five years		1,083,381	1,439,928
Minimum lease payments		1,439,928	1,796,475
Less future finance charges		(271,010)	(415,649)
Total finance lease liability		1,168,918	1,380,826
Represented by:			
Current liability	12	237,018	211,909
Non current liability	12	931,900	1,168,917
		1,168,918	1,380,826

The finance lease relates to the finance of the leasehold improvements.

(b) Operating lease commitments

Non cancellable operating leases contracted for but not capitalised in the financial statements:

Payable			
not later than one year		1,775,375	1,612,765
later than one year and not later than five years		6,294,711	5,945,417
later than five years		4,211,813	6,289,189
		12,281,899	13,847,371

Operating leases relate to office rental, communication equipment and IT equipment.

Notes to Financial Statements continued

For the year ended 30 June 2010

NOTE 17: CONTINGENT LIABILITIES

The TIO has the following contingent liabilities:

During the 2006 2007 financial year, the TIO signed a bank guarantee in favour of Investa Nominees Pty Ltd (the TIO's landlord) for an amount equal to 6 months rent, outgoings, car park licence fees and GST. The amount of the guarantee is \$172,870. In the event where the TIO is unable to meet its financial obligations under its lease for level 3, 595 Collins Street, Investa Nominees Pty Ltd may call on the bank guarantee held by the Commonwealth Bank of Australia.

During the 2007 2008 financial year, the TIO signed a further bank guarantee in favour of Investa Nominees Pty Ltd (the TIO's landlord) for an amount equal to 6 months rent, outgoings and GST. The amount of the guarantee is \$387,877. In the event where the TIO is unable to meet its financial obligations under its lease for level 4, 595 Collins Street, Investa Nominees Pty Ltd may call on the bank guarantee held by the Commonwealth Bank of Australia.

NOTE 18: RELATED PARTY TRANSACTIONS

- (a) One current director, L Sexton, and one alternate director, B Currie, are employees of Vodafone Hutchison Australia Ltd. The TIO invoiced Vodafone Hutchison Australia Ltd and the related company Vodafone Australia Ltd for \$2,435,735 and \$1,598,900 respectively, during the year for complaint handling fees.
- (b) Two current directors, J Scarlett and P Sporton, and three previous directors, T C Hill, L Fielding, and J M Parkin are employees of Telstra Corporation. The TIO invoiced Telstra Corporation Ltd for \$15,377,749 during the year for complaint handling fees. Telstra Corporation invoiced the TIO for \$144,259 for the provision of telecommunication services during the year.
- (c) Two current directors, A R Thomas and M J Elsegood, and one alternate director, G R Smith, are employees of Singtel Optus Pty Ltd. The TIO invoiced Singtel Optus Pty Ltd and related entities for \$2,967,159 during the year for complaint handling fees. Singtel Optus Pty Ltd and related entities invoiced the TIO for \$432,685 for the provision of telecommunication services during the year.
- (d) One director during the year, B S Chapman, is an employee of AAPT Ltd. The TIO invoiced AAPT Ltd for \$1,370,175 during the year for complaint handling fees. AAPT Ltd invoiced the TIO for \$57,375 for the provision of telecommunication services during the year.
- (e) One current director, S Dalby, is an employee of iiNet Ltd. The TIO invoiced iiNet Ltd for \$230,261 during the year for complaint handling fees.
- (f) Two current directors, R Bhatia, and J Horan, are employees of Primus Telecommunications Pty Ltd. The TIO invoiced Primus Telecommunications Pty Ltd for \$284,666 during the year for complaint handling fees.

All of the above transactions with directors and director related entities were based on normal commercial terms and conditions.

Notes to Financial Statements continued

For the year ended 30 June 2010

	2010 \$	2009 \$
NOTE 19: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash on hand	1,100	1,000
Cash at bank and on hand	436,395	401,458
At call deposits with financial institutions	10,082,633	9,385,432
	10,520,128	9,787,890
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit from ordinary activities after income tax	347,897	3,798,651
Adjustments and non cash items		
Depreciation	493,260	474,372
Net loss on disposal of plant and equipment	1,061	-
Changes in assets and liabilities		
(Increase) / decrease in receivables	(411,446)	720,334
(Increase) / decrease in other assets	(201,602)	5,559
Increase / (decrease) in payables	97,122	1,263,664
Increase / (decrease) in amounts due to members	381,320	-
Increase / (decrease) in provisions	577,420	443,648
	937,135	2,907,577
Cash flows from operating activities	1,285,032	6,706,228
(c) Credit standby arrangements with banks		
Credit facility	300,000	250,000
Amount utilised	-	-
Unused credit facility	300,000	250,000
(d) Loan facilities		
Loan facilities	150,000	150,000
Amount utilised	-	-
Unused loan facilities	150,000	150,000

Notes to Financial Statements continued

For the year ended 30 June 2010

NOTE 20: FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks comprising:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Fair values

The board of directors have overall responsibility for identifying and managing operational and financial risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The company's exposure to interest rate risk in relation to future cashflows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2010 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial assets</i>					
Cash	437,495	-	437,495	2.3%	Floating
Cash on deposit	10,082,633	-	10,082,633	3.3%	Floating
Trade and other receivables	-	512,994	512,994	0.0%	
	10,520,128	512,994	11,033,122		
2010 Financial instruments	Floating interest rate \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial liabilities</i>					
Trade creditors	-	506,726	506,726	0.0%	
Leases	1,168,918	-	1,168,918	11.3%	Fixed
Amounts payable to members	-	759,331	759,331	0.0%	
Other payables	-	1,755,374	1,755,374	0.0%	
	1,168,918	3,021,431	4,190,349		

2009 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial assets</i>					
Cash	402,458	-	402,458	0.8%	Floating
Cash on deposit	9,385,432	-	9,385,432	2.3%	Floating
Trade and other receivables	-	101,548	101,548	0.0%	
	9,787,890	101,548	9,889,438		
2009 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial liabilities</i>					
Trade creditors	-	507,485	507,485	0.0%	
Leases	1,380,826	-	1,380,826	11.3%	Fixed
Unearned revenue	-	24,781	24,781	0.0%	
Amounts due to members	-	378,011	378,011	0.0%	
Other payables	-	1,492,715	1,492,715	0.0%	
	1,380,826	2,402,992	3,783,818		

Notes to Financial Statements continued

For the year ended 30 June 2010

NOTE 20: FINANCIAL RISK MANAGEMENT CONTINUED

Sensitivity

The TIO's borrowing and finance lease are at fixed rates of interest and therefore not exposed to movements in interest rates. The main risk arises from cash and cash equivalents, and the interest income they derive.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

(b) Credit risk

Credit risk is the risk that one debtor will not repay all or a portion of an amount outstanding in a timely manner and therefore will cause a loss to the TIO.

Debtors are actively monitored and follow up actions are taken as required.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

The company's debtors are concentrated in one industry.

(c) Liquidity risk

Liquidity risk is the risk that the company may not have, or may not be able to raise, funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.

The TIO maintains a cash reserve and actively monitors its cash flow position to ensure its ability to meet its debts as and when they fall due. In addition, the TIO's Articles of Association provide that it can impose a special levy on TIO member companies.

(d) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying values as disclosed in statement of financial position and notes to financial statements.

NOTE 21: COMPANY DETAILS

The registered office of the company is:

Telecommunications Industry Ombudsman Limited
Level 3
595 Collins Street
Melbourne VIC 3000

Directors ' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 - 22, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) as stated in Note 1, the financial statements also comply with *International Financial Reporting Standards*; and
 - (c) give a true and fair view of the financial position as at 30 June 2010 and performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

J F Rohan
Director

J M Harvey
Director

Dated this day of 2010

Independent Auditor's Report

to the members of Telecommunications Industry Ombudsman Limited



TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED
ABN 46 057 634 787

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

We have audited the accompanying financial report of Telecommunications Industry Ombudsman Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED
ABN 46 057 634 787

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

Auditor's opinion

In our opinion:

1. the financial report of Telecommunications Industry Ombudsman Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

S SCHONBERG

Partner

PITCHER PARTNERS

Melbourne

Date: 13 September 2010