

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN

# 2012 ANNUAL REPORT



PREPARING FOR THE FUTURE

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## About the TIO

The Telecommunications Industry Ombudsman is an independent dispute resolution service that is free for residential and small business consumers who have been unable to resolve a telecommunications complaint with their service provider.

We deal with most complaints about telephone, internet and related services. We aim to achieve fair and reasonable outcomes by considering relevant laws, best industry practice and the unique circumstances of each complaint. Although the majority of complaints are resolved quickly by referral back to the service provider or through a facilitated agreement, we can make binding decisions up to \$50,000 and recommendations up to \$100,000.

The TIO Scheme is governed by a Board and a Council. The Board has corporate governance responsibilities and is mainly made up of individuals nominated by telecommunications service providers, the members of the TIO Scheme.

The TIO Council is made up of an equal number of representatives of consumers and service providers with an independent Chairman. The Council's responsibilities include maintaining the Ombudsman's independence by acting as an intermediary between the Ombudsman and the Board, and monitoring and making recommendations about amendments to the TIO Constitution.

## HOW IS THE TIO FUNDED?

The TIO is an industry-funded Ombudsman service. Telecommunications service providers who are members of the TIO are charged a fee if we receive a complaint from one of their customers.

As an alternative dispute resolution office, our fees are not designed to be punitive. We are a not-for-profit company and charge members of the TIO only for the costs incurred in delivering our dispute resolution service. The TIO does not issue fines, but our fees act as an incentive for service providers to keep complaints made to us to a minimum.

More information about our fee structure is available on our website.



## Ombudsman's message

In the 2011-12 financial year, the TIO received 193,702 new complaints – two per cent fewer than in the previous financial year.

There has been a significant trend, since April 2012, of reduced complaints, with the last quarter being our quietest for almost two years. This is a positive sign that reflects the focus by a number of telcos on improving their customer service.

Complaints about mobile phone services make up almost two out of every three new complaints. These complaints increased by almost 9.3 per cent during the last year.

I am concerned about substantial increases in complaints for financial over commitment, unexpectedly high bills and disputed data and roaming charges for mobile services. These complaints demonstrate the urgent need for stronger spend management tools and better information for consumers about mobile products and costs. The new Telecommunications Consumer Protections Code, which began on 1 September 2012, should stop many of these complaints if it is fully implemented.

Disputes about unaffordable bills also demonstrate the need for flexible and responsive approaches to assist consumers. This year, we have sponsored an ongoing discussion with industry, consumer and regulatory stakeholders, with the aim of establishing a best practice framework to assisting consumers in financial hardship.

More small businesses – some 27,000 of them – have contacted the TIO to make a complaint in the past year. To promote our accessibility to this important part of the Australian community and economy, we have changed how we define small business, and increased the monetary limits for complaints we can determine to \$50,000.

Conciliation, which was fully in place by September 2011, is delivering fast and fair dispute resolution. Substantially fewer cases now require extensive investigations, and service providers are increasingly engaged in solving complaints earlier. Consumer satisfaction with conciliation is very high, more than 90 per cent.

Our 2012 annual report is titled *Preparing for the Future*, and reflects our focus on preparing for a telecommunications industry that is continually changing and converging – with new technologies, services and products. We have reviewed our Vision, roles and business strategies, resulting in an expanded remit for the TIO, where our focus is not only on solving complaints, but also working to improve customer service and complaint handling in the telecommunications industry.

Our work this year has been made easier by the strong support from our Council and Board.

I am also extremely proud of the work of my TIO colleagues during the past year. Our employees have been innovative, engaged and resilient in the face of substantial changes. I present this report of our work on their behalf.

**Simon Cohen**

Telecommunications Industry Ombudsman

## Board Chairman's message

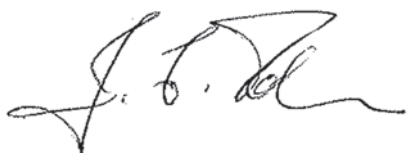
The TIO has undergone significant change over the past year.

Complaints referred back to the TIO after industry members have been unable to achieve a first level resolution are now dealt with by conciliation rather than investigation and the average time taken has reduced from 54 to 21 days. A far greater proportion of complaints are now dealt with at this level, without further escalation, and this increased effectiveness has had a one-time financial impact on the TIO. For the first time in at least a decade annual operations have produced a small deficit. The prudent governance of cash and cash reserves has comfortably accommodated this deficit, and this has been assisted by the move to monthly billing.

The membership of the company has remained stable with 1,221 member companies.

A number of important reviews of the company occurred during the year. The Australian Communications and Media Authority conducted a *Reconnecting the Customer* review, the Department of Broadband, Communications and the Digital Economy conducted a Reform of the Telecommunications Industry Ombudsman review and the Board initiated a review of the effectiveness of the Scheme. All three reviews confirmed the TIO is achieving its objectives and provided views on, among other things, the governance of the Scheme and the capacity of the Scheme to be pro-active through the analysis of systemic issues and reporting. The Board has established a joint committee of Board and Council members, comprising equal numbers of consumer and industry representatives, to consider and make recommendations on the views on governance expressed in those reports. The systemic complaints and reporting matters outlined in those reviews are being addressed at an operational level by the Ombudsman. In addition to these external reviews a significant internal audit regime has confirmed that the TIO is well run and has raised the bar by encouraging even better performance.

There has been no turnover of directors this year, although two long serving alternate directors, Gary Smith (Optus) and Brian Currie (Vodafone) have departed. Gary's association with the TIO is extending through his appointment to the TIO Council and we wish him well there. I must thank Council for their hard work through a challenging year, and the Ombudsman and his team for their dedication and commitment.



**John Rohan**  
Board Chairman







## Council Chairman's message

### **The last 12 months have been a time of review, change and improvement at the TIO.**

A number of reviews related to the TIO have been conducted or completed during the period, including reviews by KPMG, the Australian Communications and Media Authority and the Department of Broadband, Communications and the Digital Economy. The TIO Council has been actively involved in providing input and consultation to these reviews and will continue to take an active role as the many recommendations tabled are considered for implementation.

Council has also overseen numerous changes to the TIO Scheme during the period. These include changes to the Constitution of the TIO as well as TIO complaint resolution processes and procedures. Most notably, the TIO has successfully implemented a new process for the handling of "Level 2" complaints adopting a conciliation approach to dispute resolution. Initial results from this process change are very positive, with substantial reductions in the time it takes to resolve these complaints along with high levels of satisfaction being recorded from both consumers and members.

The TIO has also introduced new procedures for handling enquiries from consumers that have been unable to contact their provider. We have also increased the Ombudsman's determination and recommendation powers to \$50,000 and \$100,000 respectively, effective 1 July 2012. Finally, the TIO successfully implemented a new complaints handling system, which went live in May, 2012.

Complaint volumes to the TIO remain high, but are reducing. Total new complaints received for the 2011-12 period were 193,702 compared with 197,682 in 2010-11. As I noted in my report last year, many of these complaints could have been resolved directly by the industry member if the customer had been able to contact the appropriate department of that member. I am pleased to say that some members have taken steps to address this significant issue by improving their complaint handling capacity and advising their customers how to make contact. But, there is much more to be done by industry if we are to materially reduce new complaints made directly to the TIO.

Looking forward, the next 12 months will see a number of key activities for the TIO and Council as we absorb changes as a result of new systems and processes and work through the recommendations of the reviews mentioned above. Council has also undertaken to perform a major review of the TIO Constitution over the coming months. Finally, we will be pro-actively assessing and providing input on new industry developments that could affect consumers and potentially yield new types of complaints. These include the rollout of the National Broadband Network and the convergence of banking and telecommunications technologies such as the use of smartphones for financial transactions.

I would like to thank Ombudsman Simon Cohen and Deputy Ombudsman Diane Carmody for their initiatives and leadership, including the numerous improvements to TIO processes and systems that have been achieved. In addition, I thank Council for their efforts throughout the year and outgoing Council members Sue Sdregas and Wayne Warburton their dedicated service to Council. We also welcome Catriona Lowe and Gary Smith as new members of Council.

Finally, on behalf of Council, I express our thanks to the TIO Board for their support throughout the year and for their collaborative approach in working with Council.

**Andrew Dyer**  
Council Chairman

## Board and Council in 2011-12

### Board members in 2011-12

#### Board Chairman



**John Rohan**

*Independent Director and Chairman of the Board*

John Rohan has been the Managing Director of Vodafone Australia Pty Ltd, Vodafone New Zealand Ltd and Vodafone Network Pty Ltd. He has also held the role of Executive Director, Vodafone Pacific. 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.

#### Directors



**Ravi Bhatia**

*Founder and former CEO of Primus Australia*

Ravi founded Primus Australia and retired as its CEO in 2011. He has held senior management positions in the US, Germany and other countries with Primus, MCI, OTC and Siemens in sales, marketing and public policy. Ravi is a member of the Board of the Alfred Foundation and the President of Australia India Business Council - Victoria.



**Stephen Dalby**

*Chief Regulatory Officer, iiNet*

Stephen has been involved in the telecommunications industry for more than 40 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, is on the boards of Communications Alliance Ltd and Prosubi Ltd and is based in Perth.



**Michael Elsegood**

*Manager, Regulatory Compliance and Safeguards, Optus*

Michael Elsegood supervises Optus' Disability Action Plan and manages numbering matters and Optus's compliance with obligations that support law enforcement agencies. In a telecommunications industry career spanning more than 30 years, he has been involved with call charging and billing accuracy standards, quality of service reporting, end-to-end performance standards and number portability.

## Directors continued

**Jane Harvey***Independent Director*

Jane Harvey has extensive experience across the financial services, health care and public company sectors. Directorships include: IOOF Holdings Ltd, Medibank Private Ltd, Colonial Foundation Trust, and oversight Board of the Department of Treasury and Finance. Jane is a Victorian Council member of the Australian Institute of Company Directors.

**Jules Scarlett***Director Cross Company and Complaint Management*

Jules is Director Cross Company and Complaint Management at Telstra. Jules has responsibility for the framework of driving customer satisfaction at Telstra as well as facilitating senior customer service reviews. Jules is also responsible cross company for complaint management. She has worked for Telstra for more than 12 years.

**Louise Sexton***Group General Counsel and Company Secretary, Vodafone Hutchison Australia*

Louise Sexton 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 had 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.

Louise also brings experience from her time working for the Federal Attorney-General's Department and for one of Australia's largest law firms.

**Phill Sporton***Executive Director of Service Delivery, Telstra*

Phill Sporton 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. Along with Australia's largest field workforce (approximately 3,500 field technicians), Phill's organisation is made up of teams across field-related customer activation and assurance functions, fault recording call centres and a range of back of house and support functions.

Having started with Telstra as an engineer in 1983, Phill has spent 28 years at Telstra in a range of roles, including several positions in senior management.





#### Alexandra Thomas

*Director, Customer Solutions and Service, Optus*

Alexandra Thomas is the Vice President Customer Solutions and Services at Optus. In this role, Alex is responsible for professional and managed services at Optus, as well as customer service operations for business and government customers.



#### Gary Smith

*Head of Regulatory Compliance, Optus*

Gary Smith is Head of Regulatory Compliance, Optus and has more than 20 years of experience in the telecommunications industry, including working with the former telecommunications industry regulator, AUSTEL. He has also worked with the Reserve Bank of Australia and the Victorian Parliament. Gary has a B Econ/Politics (Hons), has been extensively involved in the establishment of the co-regulatory arrangements for the telecommunications industry and is also a board member of Communications Alliance.

*Gary Smith resigned as alternate director on 30 April, replacing Sue Sdregas on TIO Council on 1 May 2012.*

#### Alternate directors

#### Brian Currie

*General Manager of Regulatory Affairs, Vodafone Hutchison Australia (Alternate Director)*

With more than 30 years in the industry, Brian Currie has broad experience and knowledge that covers telecommunication engineering, management and regulatory affairs. He has formal qualifications in engineering and management.

#### Christine Williams

*Deputy Director, Regulatory Affairs, Telstra (Alternate Director)*

Christine Williams has performed a range of roles as regulatory manager and legal counsel for many different aspects of Telstra's business. Before joining Telstra in 1996, Christine was a senior associate in private legal practice.

## Council members in 2011-12

### Council Chairman



#### Andrew Dyer

##### *Council Chairman*

Andrew Dyer was appointed Chairman in 2010. He is a company director and serves on a number of boards including the Transport Accident Commission, American Australian Association, The Good Foundation, Monash University Engineering Foundation and the Australian Solar Energy Society. He also serves on a number of advisory boards including the Melbourne Symphony Orchestra, the Victorian College of the Arts and Faculty of Music at the University of Melbourne, the Australian Regenerative Medicine Institute at Monash University and the Richmond Football Club.

Andrew has held executive roles in the utilities, technology and professional services industries, based in both Australia and overseas. He was also Victoria's Commissioner to the Americas.

A former McKinsey & Co consultant, Andrew holds a Bachelor of Engineering with first class honours from Monash University and an MBA from Georgetown University in Washington DC.

### User and public interest group representatives



#### Teresa Corbin

##### *Australian Communications Consumer Action Network*

Teresa Corbin is Chief Executive Officer of the Australian Communications Consumer Action Network (ACCAN), a 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.



#### 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 more than 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, MAICD) is a senior lecturer and chair of the consumer behaviour and advertising program at Deakin University's Graduate School of Business. Dr Harrison is also the leader of the Ethics and Social Engagement research cluster at the Centre for Sustainable and Responsible Organisations. His research, consulting 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 a past chair, and current board and audit committee member of the Asylum Seeker Resource Centre, and director of consumer behaviour research consultancy, tribalsinsight.

## Industry representatives



**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.



**Dr Wayne Warburton**

*Wesley Mission Australia*

Dr Wayne Warburton is a psychologist and financial counsellor at Wesley Mission in Sydney and a research fellow and lecturer with the Department of Psychology at Macquarie University in Sydney. He is also a consumer advocate on the Telstra Credit Management Working Group and the principal editor of Sharkwatch, a national financial counselling journal.



**Trevor Hill**

*Telstra*

Trevor Hill 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.



**Jonathan Matthews**

*Intelligent IP Communications*

Jonathan has worked in the telecommunications industry for the past 15 years. During this time he has working with a number of major as well as small niche carriers in all levels of business management. Currently Jonathan is an executive director and co-founder at Intelligent IP Communications, a national Telecommunications Carrier providing unified communications to businesses throughout Australia and specialising in delivering solutions to remote locations.

## Industry representatives continued

**Sue Sdregas***Optus*

Sue Sdregas has worked in the telecommunications industry for the past 19 years with 15 of those spent at Optus. In her roles she managed a broad range of functions within the customer care arena including the escalated complaints team and the customer knowledge management team, and strategy and planning.

*Sue Sdregas finished her term on 20 April 2012*

**Gary Smith***Optus*

Gary Smith is Head of Regulatory Compliance, Optus and has more than 20 years of experience in the telecommunications industry, including working with the former telecommunications industry regulator, AUSTEL. He has also worked with the Reserve Bank of Australia and the Victorian Parliament. Gary has a B Econ/Politics (Hons), has been extensively involved in the establishment of the co-regulatory arrangements for the telecommunications industry and is also a board member of Communications Alliance.

*Gary Smith replaced Sue Sdregas from 1 May 2012*

**Ross Wheeler***Albury Local Internet Pty Ltd*

Ross Wheeler joined the Council as the elected member representative of internet service providers. He is the proprietor and founder of Albury Local Internet, a regional ISP, that has been operating since May 1995.

**John Wilkes***Vodafone Hutchison Australia*

John is a Chartered Accountant with more than 20 years experience in a range of Finance, Sales, Marketing, Risk and Audit roles across Australia, New Zealand, Asia, North America and Europe. John joined Vodafone Australia in 2008 following positions in KPMG, Air New Zealand and Stockland. He brings extensive governance experience with roles also encompassing a strong emphasis in customer service and corporate responsibility.

Conciliation

In 2011-12, the TIO adopted a faster and more effective process – conciliation – to handle complaints that were unresolved through referral to the consumer’s service provider.

During a conciliation, the TIO acts as a facilitator between the consumer and service provider and helps them reach an agreed resolution to a complaint. Conciliation allows consumers and service providers to be clear on the issues in dispute, each other’s views, and the available solutions. The TIO is able to assist parties through fostering clear and effective communications, and by providing information about relevant laws, industry standards and TIO position statements that may be relevant to the complaint.

Conciliation is a much less formal practice, and has resulted in faster complaint resolutions. Complaints are now more likely to be resolved at an earlier stage, rather than becoming lengthy investigations. We continue to achieve fair and reasonable outcomes for consumers, which are reflected in the high levels of satisfaction recorded in our consumer surveys of TIO services. (See page 12.)

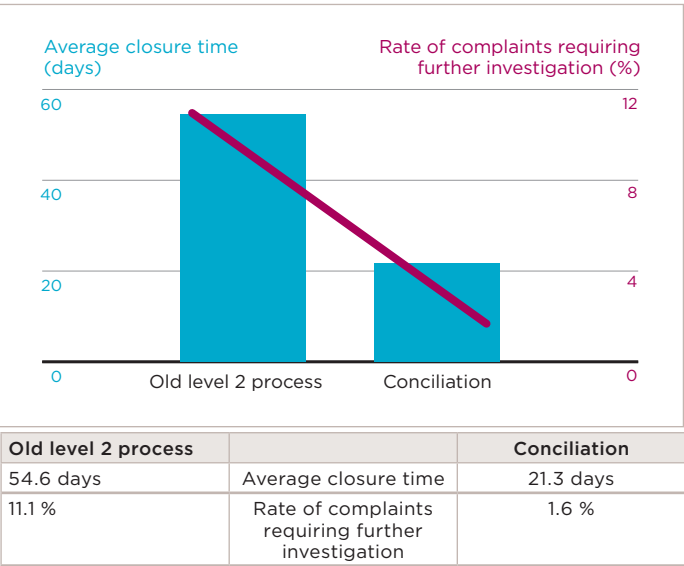
During the conciliation process, the TIO provides consumers with regular updates about the progress of their complaint, and we focus on building effective relationships with both the consumer and service providers. Where necessary, we “shuttle” between the parties to explore possible solutions and address any blockers to an agreement.

Live transfers

The conciliation process was streamlined with the introduction of “live transfers” during this year. In the past, if a consumer could not resolve their complaint with their service provider after our referral, they may have had to wait several days for a call back while a more senior TIO officer assessed their complaint.

With live transfers, a consumer who contacts us with an unresolved complaint is transferred directly to the TIO officer who will conciliate their complaint. Live transfers reduce the run around for consumers, and increase the speed of our complaints process.

Conciliation snapshot



AMIR’S COMPLAINT

Amir contacted us about a \$700 debt he disputed with his provider.



In June, he called his provider to sign up over the phone to a mobile contract that came with a new handset and a new number. A couple of months after using his service, he received a bill of more than \$700. He called his provider, which told him that the reason for the high bill was that he had gone over his data limit.

Trying to get to the root of the problem, he told his provider that he only used the internet for Skype to Skype calls, which he thought were excluded from his data allowance in his contract. After looking into his usage his provider discovered that he was using an application he had downloaded himself and had incurred charges because it hadn’t been downloaded through the provider’s portal.

Amir argued that he hadn’t been told about this when he called the provider to take out the contract, and didn’t have the portal installed on his phone either. The provider disputed it hadn’t given him this advice, but when Amir asked to hear the recording of the phone call again, the provider would not play it to him. The provider offered a \$200 credit, which Amir was dissatisfied with. As he continued to dispute the debt, he only paid what he believed was correct, and the provider disconnected his service for non-payment.

When Amir called us, we referred his complaint back to the provider, which did not respond within the initial referral period, so we conciliated the complaint.

We called Amir’s provider and outlined the issues that he had told us in his complaint. A representative from his provider looked into the summary of issues and offered to resolve Amir’s complaint by reconnecting his service, sending him a link to the correct place where he should download Skype from, and waiving the excess usage charges. They also offered him a \$40 goodwill credit.

Amir accepted this offer and the complaint was closed.



## Timeliness

The vast majority of the complaints we receive are solved through our referral of a consumer to specialist complaint handling staff at their service provider. We give the provider 10 working days to resolve the dispute. The consumer is provided with clear information about the “pathway” back to the TIO if they are not satisfied with how the service provider has handled their complaint. Where a consumer does not contact us again after that time, we regard the complaint as resolved and the case remains closed. In 2011-12, 88.5 per cent of our complaints were solved through referral.

Complaints closed	2011-12
Under 10 days	88.5%

In 2011-12, the TIO's introduction of conciliation greatly improved the length of time that it takes us to resolve a complaint once it moves into our investigation phase. Complaints that are not resolved through referral are now more likely to be resolved through conciliation rather than detailed investigations.

Complaints closed	Percentage of complaints not solved through referral	Percentage of all complaints
Between 0 and 35 days	70.2	7.9
Between 35 and 77 days	22.5	2.5
In more than 77 days	7.3	0.8

## THE TIO'S COMPLAINT PROCESS

We use a number of methods to facilitate a resolution, each with their own timeframes:

**REFERRAL** – we refer the complaint to the service provider to give it another chance to resolve the complaint together with the consumer. The vast majority of our complaints are resolved this way, within a few days.

**CONCILIATION** – if a provider doesn't make an offer, or the consumer is dissatisfied with the provider's offer, we will work with the consumer and service provider to facilitate an agreement.

**INVESTIGATION** – if we are unable to reach a solution through conciliation, we may investigate the complaint and ask for evidence to support both the consumer's and the service provider's claims to decide an outcome.

**DETERMINATION** – if we are not satisfied that the matter has been resolved, the Ombudsman will decide on the appropriate solution to the complaint. Determinations by the Ombudsman are binding on service providers.

## DETERMINATIONS

The Ombudsman or Deputy Ombudsman can issue a determination if a complaint is not resolved through our processes of referral, conciliation or investigation. Our determinations are legally binding on service providers.

Very few determinations are issued each year. Generally the parties are likely to resolve the disputes at an earlier stage of the complaint handling process. In 2011-12, there were no determinations issued.

## Consumer satisfaction with TIO services

Consumers who contacted the Telecommunications Industry Ombudsman in 2011-12 continued to express high levels of satisfaction with our service.

Every year we commission surveys to gauge how successfully we were able to meet the expectations of the consumers who contacted us. This was the first year we explored consumer satisfaction with our conciliation process.

We conducted two surveys, one in September and another in December 2011. Each had a sample of 200 consumers whose complaints had been resolved through referral and 100 consumers whose complaints had been resolved through conciliation. We asked consumers to rate their satisfaction with our handling of their complaint and their satisfaction with the outcome of their complaint.

The results of the two surveys were very positive, especially about the satisfaction with the TIO's handling of their complaint:

Referral	September 2011		December 2011	
	Satisfied	Very or extremely satisfied	Satisfied	Very or extremely satisfied
Satisfaction with TIO's handling of complaint	96%	77%	94%	83%
Satisfaction with outcome of complaint	85%	64%	74%	59%

Of those consumers who expressed dissatisfaction with the outcome of their complaint in the September survey, 15 per cent contacted us again. For those who were surveyed in December and were dissatisfied with the outcome of their complaint, 22 per cent contacted us again.

The reasons behind the remaining dissatisfied consumers not contacting us again included fatigue in trying to have the complaint resolved, eventually coming to an agreement with the provider and a perceived lack of follow-up or encouragement from the TIO.

Conciliation	September 2011		December 2011	
	Satisfied	Very or extremely satisfied	Satisfied	Very or extremely satisfied
Satisfaction with TIO's handling of complaint	93%	75%	97%	86%
Satisfaction with outcome of complaint	89%	70%	89%	72%

## Feedback about the TIO

The TIO has an avenue for consumers to make formal compliments or complaints about the services it offers.

In 2011-12, we received 138 compliments about the courtesy, professionalism and timeliness of individual TIO officers.

We received 68 formal complaints about our service. Of those, 17 were found to be substantiated.

## Amendments to the TIO Constitution

In December 2011, the TIO Council approved a number of amendments to our Constitution and recommended to the Board that these be adopted. The Board approved the amendments, which have also been the subject of consultation with the Federal Ministers with responsibilities for Telecommunications and Consumer Affairs. The most substantial new provisions concern the monetary limits for complaints handled by the TIO, and our information collecting powers. The amendments came into effect on 1 July 2012.

### Monetary limits

There has been a significant increase to the amounts that we can make directions or recommendations for (clauses 6.1(a) and 6.2 of the TIO Constitution). The amount that we have the power to make legally binding directions for has increased from \$30,000 to \$50,000. The amount that we have the power to make recommendations for has increased from \$85,000 to \$100,000. There has been an increase to the monetary limit for our arbitration powers to \$100,000 (clause 6.4 of the TIO Constitution). These new limits only apply to new complaints received after 1 July 2012.

### Providing information and documentation

Previously, the TIO Constitution only required that members provide documentation in response to a standard or systemic investigation. To make this requirement clearer, amendments to clauses 5.1(c) and 5A.2(f) now mean that service providers need to provide both documents and information relevant to a complaint, if this is requested by the TIO.

## SHANE'S COMPLAINT

Shane contacted us after receiving a bill of almost \$12,500 following an overseas trip.



As he had already had a high bill from roaming charges from a previous overseas trip, he tried to make sure it didn't happen again. Before leaving, he contacted his provider to discuss suitable roaming plans. He said the provider suggested adding a roaming data pack to his mobile, which he agreed to do.

He was also told that while overseas, he could make unbilled calls to check his spending. After arriving overseas, Shane called his provider and was advised that it was unable to check the usage. He called again the following day and was transferred between multiple departments and no-one was able to assist him. He told us that after a number of calls, he still could not get a response.

Back home, after receiving the large bill, he raised the issue with his provider. He was told he was liable for the charges this time because the provider had already waived roaming charges the last time it had happened. It also said that it had no record of Shane's calls from overseas; however Shane showed us call records listing that the calls had been made.

During the time the complaint was conciliated, the provider made several offers of resolution – it initially offered to reduce the charges by 75 per cent and later by 90 per cent. Shane did not accept either offer because he felt he had taken reasonable precautions to avoid the debt.

He also thought the offer was unacceptable because the data pack he had been offered was inadequate for the needs he had described to the provider.

Shane's provider agreed to waive the full amount. Shane accepted the offer and the complaint was closed.

## JUSTIN'S COMPLAINT

Justin, a small business owner, called us about a connection delay that he claimed was causing him financial loss.



Justin had contacted his provider to relocate his landline because he was moving his office to new premises. Because it would be located in a different exchange, his provider advised he would need to change his telephone number and offered to redirect calls from the original number to the new one, which Justin accepted.

Both parties agreed on a connection date and Justin's provider advised that it would disconnect the number at his old premises on the same day.

After that, Justin received advice from a tradesman that once a number is disconnected, a redirection is not possible. Justin contacted his provider, which confirmed this would be the case and assured Justin that they had cancelled the disconnection.

However, once the business relocated, Justin began receiving calls for an unknown person. He realised that his service had been disconnected and the redirection was not working correctly.

Justin told us that it took a further three weeks for the landline to be connected and the redirection to work correctly. This, he told us, led him to lose money because he relied on calls from phone directories for new business. Justin told us that to mitigate his loss, he had to use his mobile more than usual and had his business 1300 number diverted to his mobile at considerable cost.

Justin submitted a compensation claim to his provider for \$8,500 in lost income. In response, the provider considered the claim was not sufficiently substantiated and offered Justin three options: he could provide evidence that would support his claim; accept whatever compensation he would be entitled to under the Customer Service Guarantee Standard (CSG); or accept a \$5,000 payment in lieu of either.

As Justin could not support his compensation claim, and the \$5,000 that the provider offered was well above the compensation he would be entitled to under the CSG standard, he accepted the payment and the complaint was closed.

## Small business consumers

The TIO handles complaints from small businesses on the basis that these consumers, like residential consumers, are less likely to have the resources to pursue a grievance with their service provider through the formal legal system.

New complaints from small businesses increased 18.3 per cent in 2011-12 (27,008 new complaints compared to 22,836 in 2010-11).

During 2011-12, we researched small business complaints, and consulted small business experts and other Ombudsman schemes to design a more flexible approach to defining small businesses.

Our new approach means we will continue to assist small businesses with an annual turnover of less than \$3 million and up to 20 employees (or up to 100 staff in the case of seasonal operations or manufacturing businesses).

Even where these criteria might not be met, we will consider other aspects such as the issues in dispute, the nature of the business (for example, whether it is not for profit or it operates from a home), and whether the business is independently owned and funded by a small number of individuals who make most of the important business decisions.

In the past, the TIO would also take into account the amount in dispute and the business' yearly expenditure on telecommunications. These criteria have now been removed.

As well as these more flexible criteria, small businesses will benefit from changes made to the TIO Constitution that increase our powers to make binding directions and recommendations, which came into effect on 1 July 2012. The TIO can now make determinations in disputes up to \$50,000 and recommendations up to \$100,000. Read more about changes to the TIO Constitution on page 13.

## Systemic issues

The TIO can investigate issues arising from complaints that may affect a large number of consumers as a result of a failure in a service provider's systems or processes. We identify those "systemic issues" by monitoring complaint data, alerts from our staff and information received from service providers.

When we decide that an issue warrants our involvement, we first approach the service provider informally for information. Based on this we may recommend potential solutions and seek undertakings from the provider to resolve the issue. Most systemic issues are resolved at this stage with cooperation from the service provider.

If we are unable to negotiate a solution informally with the provider, we may need to formally investigate the issue. Finally, if a resolution is not achieved at this stage, we may decide to report the issue to a regulator.

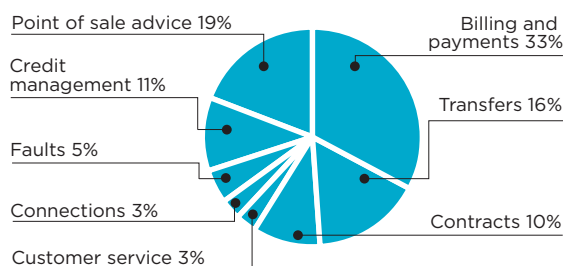
Systemic investigations are a key area that the TIO will focus on to deliver our new vision and roles. By more effectively dealing with and reporting on systemic issues, we will seek to fulfil our commitment to contribute to better customer service and complaint handling in the telecommunications industry.

Our reporting on systemic issues was also the subject of recommendations made by the Australian Communications and Media Authority's (ACMA) Reconnecting the Customer report, and the Department of Communications, Broadband and the Digital Economy's (DBCDE) review of the TIO.

From 1 July 2012, our Systemic Investigations team became a part of the newly created Industry, Community and Government Division, taking on the role of Industry Improvement, which will help us deliver on our strategic planning and respond to the recommendations of the ACMA and DBCDE reviews.

## Systemic issues in 2011-12

The systemic issues team conducted 79 investigations, including matters acted on informally or formally in the last financial year. These related to:



Important work done by the TIO's Systemic Investigations team in 2011-12 includes:

- Monitoring and raising informal investigations with a number of small providers who had complaints made against them after consumers claimed being misled into transferring their services. This usually happened by some telemarketers misleadingly introducing themselves as representatives from a large provider. As a result, some providers amended the sales scripts that their telemarketers used, terminated contracts with agencies that were causing the issue, or implemented better quality assurance processes to make sure that new customers had given informed consent to transferring their services. Affected consumers were transferred back to their preferred providers.
- Partnering with the Australian Competition and Consumer Commission (ACCC) to alert consumers about an internet banking and mobile transfer scam. From 2011, we have been monitoring complaints from consumers who are victims of a scam where their mobile phone number is transferred away to a third party without proper authorisation, and who then have large sums of money withdrawn from their bank accounts. The scammers use the fraudulently obtained number to receive an SMS code to validate an internet banking transaction.
- Referring a service provider to the ACMA after being unable to formally resolve an issue regarding potential entitlement of consumers to compensation under the CSG Standard 2006. A large number of consumers complained about lengthy connection and repair delays to which they had no effective redress after having purportedly waived their rights under the Standard at the time. It was the TIO's view that the provider had not provided enough information to the consumer when proposing a waiver of rights.

## Acting on non compliance

Under the Telecommunications (Consumer Protection & Service Standards) Act 1999 eligible carriage service providers are required to join and comply with the TIO Scheme. We do not enforce this legislation – that is the role of the Australian Communications and Media Authority (ACMA). However, the ACMA cannot exercise its enforcement power without the information or evidence we provide. When we believe a service provider does not comply with the TIO Scheme, we will refer them to the ACMA.

Some issues that can be considered non-compliant behaviour include failing to provide information about a complaint, failing to comply with determinations or failing to comply with an industry code. The vast majority of service providers who are part of the scheme work cooperatively with us, and historically only very few service providers (if any) are required to be referred to the ACMA due to non-compliance. In 2011-12 we made three referrals to the ACMA for non-compliance.

We may also refer service providers who do not apply for membership of the TIO when it is appropriate to do so. In 2011-12, we referred 12 service providers to the ACMA concerning TIO membership.

## SYSTEMIC CASE STUDY: AERO TELECOM IMPROVES POINT OF SALE ADVICE

Aero Telecom, a small telecommunications company offering landline services, joined the TIO in September 2011. After only two months of being a member, we noticed they were receiving an unusually large number of complaints for an emerging provider.

On closer analysis of these complaints, we noticed there was a common theme: consumers would claim they had inadvertently switched to Aero after receiving a call from a telemarketer that misrepresented the company they were calling from, usually by claiming they were calling from the consumers' existing service providers. The consumers said they only realised what had happened when they received a bill from Aero.

We became concerned that the telemarketers were not accurately stating they were calling on behalf of Aero, and were therefore transferring consumers' services without their informed consent. We contacted Aero Telecom about the issue and asked it to clarify what steps it would take to ensure it was accurately representing its identity as a supplier, obtaining informed consent before transferring consumers' services and providing accurate information about cooling off period rights and obligations.

As a result of our conversations, Aero's sales scripts were amended to avoid staff misrepresenting the company, ensuring consumers understood the effect of agreeing to their offerings and verifying the consumer's consent before the end of statutory cooling off periods as required under the Australian Consumer Law and the Telecommunications Consumer Protections Code.

The company also undertook to provide staff training and improve its quality assurance program.

As a result of implementing these measures, from February to June 2012 we only received two complaints involving point of sale advice issues for Aero Telecom.

## Dashboard

### New complaints

Matters that we refer back to the service provider for a final chance at resolution without our involvement.

FINANCIAL YEAR	NEW COMPLAINTS
2008-09	175,946
2009-10	167,772
2010-11	197,682
<b>2011-12</b>	<b>193,702</b>
<b>Change (%)*</b>	<b>-2</b>

\*From 2010-11

### Conciliations and investigations

Matters that require our involvement, including conciliations (level 2) and detailed investigations where we can make a binding decision (levels 3 and 4).

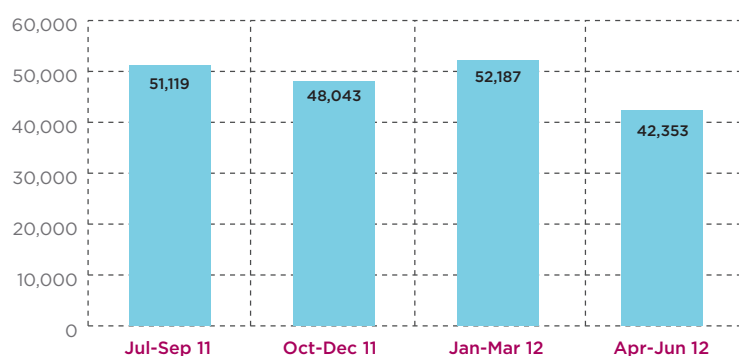
LEVEL 2	LEVEL 3	LEVEL 4
17,391	4,321	440
20,013	3,791	413
17,863	2,415	357
<b>19,358</b>	<b>401</b>	<b>41</b>
<b>8.4</b>	<b>-83.4</b>	<b>-88.5</b>

### Enquiries

Matters that we cannot deal with directly or that are outside our function and powers.

ENQUIRIES
30,650
39,805
39,928
<b>53,131</b>
<b>33.1</b>

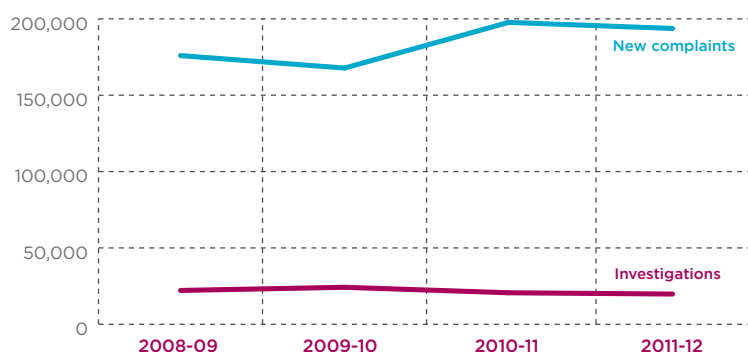
### New complaints 2011-12 by quarter



Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12	Total
51,119	48,043	52,187	42,353	193,702

An increased commitment to improving customer service by some telecommunications providers has contributed to significant decreases in complaints to the TIO in the April-June 2012 period.

### New complaints v. conciliations and investigations



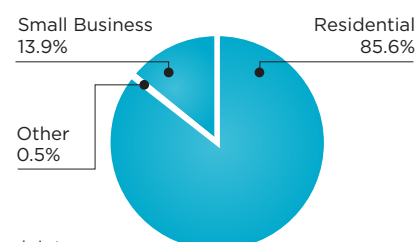
	08-09	09-10	10-11	11-12	% change
New Complaints	175,946	167,772	197,682	193,702	-2
Investigations	22,152	24,217	20,635	19,800	-4

### New complaints by consumer type

	08-09	09-10	10-11	11-12	% change
Residential	162,131	152,572	174,529	165,905	-4.9
Small Business	13,566	14,955	22,836	27,008	18.3
Other	249	245	317	789	148.9
Total	175,946	167,772	197,682	193,702	-2

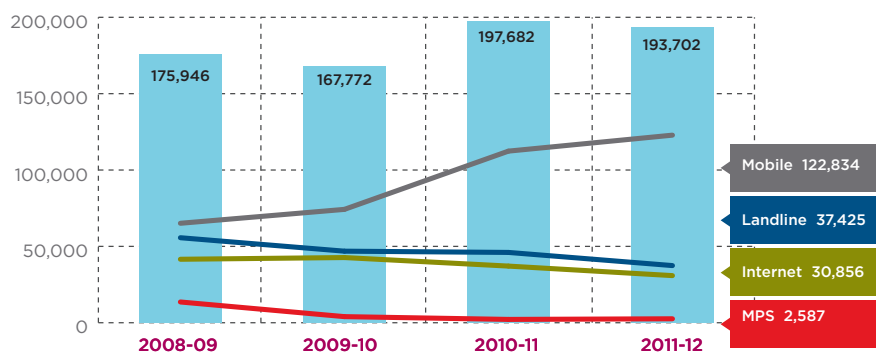
\* Other includes: government, community and charity

Most consumers who approach the TIO are residential. However, in 2011-12 the number of complaints from small businesses increased by 18 per cent compared to the previous year. In 2011-12, the TIO broadened its definition of a small business to be able to help more small businesses who have a grievance they are unable to resolve with their telephone or internet provider.





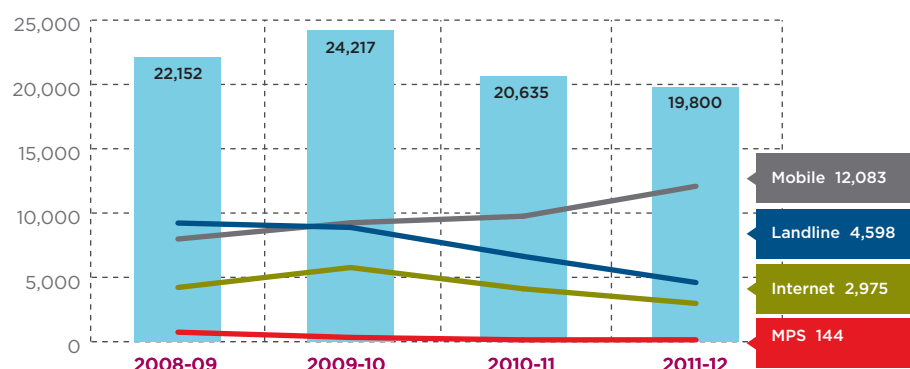
### New complaints by service type



Conciliations and investigations for landline and internet services decreased by 30.7% and 27.6% respectively. Conciliations and investigations for mobile services increased by 23.9%. Conciliations and investigations for mobile premium services increased slightly by 3.6%.

	08-09	09-10	10-11	11-12	% change
Internet	41,560	42,685	37,092	30,856	-16.8
Landline	55,667	46,859	46,040	37,425	-18.7
Mobile	65,128	74,231	112,376	122,834	9.3
Mobile Premium Services	13,591	3,997	2,174	2,587	19
Total new complaints	175,946	167,772	197,682	193,702	-2

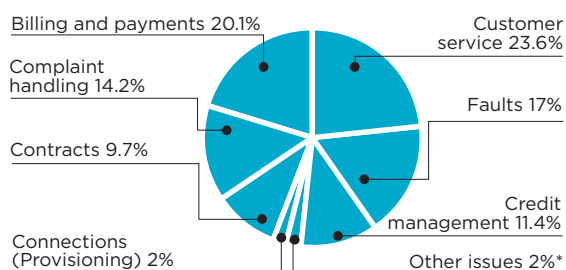
### Conciliations and Investigations by service type



Continuing a trend in consumer demand in mobile devices, the number of mobile service related complaints to the TIO in 2011-12 increased 9 per cent from the previous year. Complaints about mobile services make up almost two out of every three complaints to the TIO.

	FY 08-09	FY 09-10	FY 10-11	FY 11-12	% change
Internet	4,213	5,764	4,111	2,975	-27.6
Landline	9,223	8,882	6,631	4,598	-30.7
Mobile	7,981	9,242	9,754	12,083	23.9
Mobile Premium Services	735	329	139	144	3.6
Total investigations	22,152	24,217	20,635	19,800	-4

### Top seven issues in new complaints



Every new complaint involves at least one issue. Some new complaints can involve multiple issues – for example a complaint about a faulty mobile service may also involve a concern over the lack of response from the service provider about the fault. In such circumstances, the TIO would record one new complaint with two issues – a faults issue and a customer service issue. In 2011-12 there was a 22.4% increase in credit management issues. All other issues for new complaints decreased.

\*Other includes: transfer, privacy, directories, land access, disability, phone cards and payphones.

## Trends overview

The TIO received 193,702 new complaints in the 2011-12 financial year, a two per cent drop compared to 2010-11. Although this is not, of itself, a substantial decrease from the record number of complaints we received in 2010-11, we have noticed positive signs for more significant decreases in new complaints in the April-June 2012 period.

A clearly stated increased commitment to customer retention, customer service and complaint handling by the three larger telecommunications providers has contributed to significant decreases in complaints to the TIO in the last quarter of 2011-12.

The successful rollout of conciliation at the TIO over the financial year has contributed to quicker resolutions and led to a substantial decrease in the number of complaints requiring detailed investigations (level 3 and 4).

### Complaints about the “big three” service providers

Complaints made about the big three telcos – Telstra, Optus and Vodafone – understandably have the most substantial impact on overall TIO complaint trends.

Telstra has registered a 21 per cent decrease in complaints, making 2011-12 its third consecutive year of reduced complaints to the TIO. Improvements in customer service and complaint handling are evidenced by reductions in issues about undertakings not actioned, inadequate advice, point of sale advice and bill disputes.

This decrease has been offset by increased complaints for Optus and Vodafone.

Optus had substantial increases in new complaint numbers, up almost 47 per cent, driven by mobile service-related issues such as faults, inadequate spend controls and disputed internet charges.

The TIO received almost 17 per cent less complaints about Optus in the final quarter of 2011-12 when compared to the previous quarter.

Complaints about Vodafone have also continued to rise (11 per cent), but the issues in these complaints have changed from last year. The issues that prevailed in Vodafone’s complaints in 2010-11 about its well publicised network problems have reduced significantly. However, mobile-associated issues such as inadequate spend controls and internet usage charges have had significant increases.

The TIO received 25 per cent fewer new complaints about Vodafone in the final quarter of 2011-12 when compared to the previous quarter.

### Complaints about mobile phone services

Continuing a trend in consumer demand for mobile devices, the proportion of mobile service complaints to the TIO in 2011-12 was 63 per cent, or 122,834 – a 9 per cent increase from the previous year.

There have been increases across most issues in mobile phone service complaints, but those in the areas of telecommunications debt (credit management) and billing continue to be of concern. We received:

- 15,752 issues about financial overcommitment due to inadequate spend management tools, double the number received in 2010-11
- 13,943 issues where consumers disputed the total of their bill, a 33 per cent increase
- 10,556 issues about disputed internet usage charges, a 150 per cent increase from the previous year
- 4,186 issues about disputed roaming charges, a 69 per cent increase compared to the previous year.

In fact, 88 per cent of all the issues of financial overcommitment due to inadequate spend management tools that we recorded were from mobile phone users; 63 per cent of all the issues we recorded about disputed totals of bills were from mobile phone users; and 83 per cent of the issues of disputed internet charges were from mobile phone users.

In contrast, credit management issues for non-mobile internet services have decreased for the last two years. Larger data allowances, data shaping and timely usage alerts have contributed to this decrease. There are valuable lessons to be learnt in the mobile phone market from dedicated internet services.

## ABOUT THE TIO’S DATA TERMS

This is a brief guide to some of the terms used in our statistics.

**NEW COMPLAINTS:** are disputes that residential and small business consumers bring to us after being unable to resolve them directly with their service provider. We will refer these back to complaint handling specialists at the service provider to give them another chance to resolve the complaint.

**CONCILIATIONS AND INVESTIGATIONS:** are complaints that require further involvement by the TIO if a complaint is not resolved through referral. The TIO may seek to resolve these through conciliation or formal investigation.

**ENQUIRIES:** are matters we cannot deal with directly because they are outside of our jurisdiction or powers, or the consumer has not raised the matter with their provider before contacting us.

**ISSUES:** are the types of problems that consumers raise in their complaints. Each complaint may involve multiple issues.

**SERVICE TYPE:** the different services consumers may complain to us about. They are landline, mobile, internet, and mobile premium services.

**LEVEL 2, 3 AND 4:** are the different stages a complaint may go through if it is not solved through referral. Level 2 complaints are solved through conciliation and Level 3 and 4 complaints are solved through investigation.

## ABOUT OUR REPORTING METHODOLOGY

In January 2011, the TIO stopped separately charging providers whenever a consumer returned to the TIO for further advice but where the complaint could not be taken further. This includes where no action was taken on the first consumer contact because for example, the offer made by the provider was reasonable or the TIO did not have the power to assist any further. Because of this change, we have removed “further advice” matters from all prior year statistics (both for TIO new complaints and issues) reported in this annual report.

In May 2012, the TIO implemented a new complaints management system. Our reporting methodology remains the same, although minor adjustments were made in the migration of data across to the new system. For this reason, there are minor differences in the data in this annual report when compared to quarterly statistics previously published in the course of 2011-12.

The data in this annual report does not reflect credits or adjustments made after billing periods as a result of any reclassification of cases.

These issues also show the urgency for the increased safeguards contained in the new Telecommunications Consumer Protections Code, which came into effect on 1 September 2012. Those specific requirements about unit pricing and timely usage alerts won't come into effect until 2013; it is therefore important that consumers seek to become well informed of the pricing structure of their services, and for service providers to play an active role in protecting their consumers from falling into debts they cannot afford to pay.

The TIO facilitated a forum on financial hardship in November 2011 to address some of the issues that arise from telecommunications debt and the impact it can have on vulnerable consumers.

### Small business complaints

In 2011-12 we worked with the aim of remaining relevant to small business consumers by expanding our definition of what we consider to be a small business, after noticing an increase in the number and complexity of disputes in complaints we received from small business consumers.

Small business complaints make up almost 14 per cent of all complaints to the TIO, with 27,008 complaints received during the financial year. This was an increase of 18 per cent compared to the previous year.

The issues that small business consumers mentioned in their complaints are similar to those raised by residential consumers: customer service issues, mobile phone coverage, confusing contract terms and inadequate spend management tools.

### Increase in enquiries

We recorded 53,131 enquiries in 2011-12, a 33 per cent increase compared to the previous year. The main driver for these enquiries was consumers seeking preliminary advice before submitting a complaint with their service provider. This increase may have to do with increased community awareness about TIO services.

A significant number of enquiries was also received from consumers who came to the TIO before they had given their service provider an opportunity to consider their complaint.

We also received 1,336 enquiries about subscription television services, which are outside our jurisdiction. When we receive complaints about pay TV we refer consumers to their provider or to the relevant Fair Trading office for their state. In May 2012 we made a submission to the Australian Subscription Television and Radio Association (ASTRA) in which we outlined the number of enquiries made about Pay TV and common issues in them, highlighting the need for an external dispute resolution service that can take consumer complaints about them.

Our submission supported the recommendation made by the Productivity Commission that TIO's powers should be extended to accept complaints about subscription television, given the increased convergence of communications services and the nature of the issues in enquiries about Pay TV, which closely align to the issues we see in telecommunications services.

## CASE STUDY LAURA'S COMPLAINT

Laura contacted us after being unable to resolve a dispute over excess internet usage charges from her mobile with her provider.



She told us that when she signed up for a smartphone plan, she asked the provider to send her an SMS when she was close to reaching her plan limit. This would be easier for her than checking an online usage meter. The provider obliged and everything went well until one month she didn't receive an SMS and, instead of her usual \$150 bill, her provider sent an invoice for \$1,600.

Laura told us that the following month she didn't receive an SMS either and her account came to \$1,100. With a debt of \$2,700, she called her provider to find out why the SMS warnings had stopped and to try and have some of the charges waived as she believed her provider hadn't done enough to alert her about the high bills.

Her provider gave her a \$600 credit but was unable to explain why the SMS alerts had stopped. Laura was not satisfied with this resolution and called us. After we referred the complaint back to her service provider, she was offered a further \$1,900 credit but the SMS alerts were not restored and she continued to receive high bills for another two months.

Laura called us back and we conciliated the complaint. During that process, the provider's complaint handling staff told us that the reason why Laura wasn't receiving an SMS was because they couldn't send an SMS for excess data, only for excess calls. They also told us they had talked to Laura about ways to check her usage after our initial referral. They offered a further credit to resolve the complaint, bringing her total account down to \$600, which she agreed to pay.

## Geographical trends

### Australia wide

Total new complaints to the TIO per state in 2011-12 closely reflected state by state populations based on the Australian Bureau of Statistics' 2011 census. The three states with the highest number of complaints to the TIO were also the most populous: New South Wales was the state with the highest number of complaints, followed by Victoria and Queensland.

However, in proportion to their population, the states with the highest numbers of complaints were Victoria (10.6 complaints per 1,000 people), South Australia (9.9 complaints per 1,000 people), and ACT (8.9 complaints per 1,000 people).

The 10 postcodes with the most complaints per 1,000 people concentrated in inner city Victoria, with five postcodes in the top 10 and New South Wales, with four postcodes in the top 10. In proportion to its population, the postcode with the highest number of complaints in Australia was 3000, which corresponds to Melbourne City, with 24.4 complaints per 1,000 people.

Across all states the most complained about issues were in the categories of customer service and complaint handling, with consumers facing problems about receiving incorrect or inadequate advice by customer service staff, and about not having promises actioned by their providers once they had made a complaint.

These issues are symptomatic of other, more substantial issues that are also themes in all states – poor mobile phone coverage and disputes over high bills.

### Methodology

To provide a worthwhile comparison of complaint numbers between postcodes, we have taken into account postcodes with populations greater than 1,000 people and where the TIO received more than 100 complaints.

Population data was sourced from population data by Postal Area (POA) as per the Australian Bureau of Statistics 2011 Census. The TIO captures most consumers' residential postcodes or their place of business when we record a new complaint. However, we may not record a consumer's postcode if the complaint was submitted online.

Postcode information was available for 98.2 per cent of new complaints received this year. The remaining 1.8 per cent of complaints where the postcode was not captured may result in minor discrepancies between the sum of individual states' complaints and the number of new complaints published elsewhere in this report.

State	New complaints	%
NSW	60,398	31.7
VIC	56,785	29.8
QLD	34,077	17.9
SA	15,936	8.4
WA	15,832	8.3
ACT	3,203	1.7
TAS	2,883	1.5
NT	1,169	0.6

### Top postcodes

Postcode	Location(s)	Complaints (per 1,000 pop)
3000	Melbourne City	24.4
3008	Docklands	22.2
5000	Adelaide City	21.9
2150	Parramatta	21.5
2000	Sydney City	20
2015	Alexandria	19.6
2045	Haberfield	19.4
3754	Doreen	19.2
3182	St Kilda	19.1
3061	Campbellfield	18.8

Population based on Australian Bureau of Statistics Census 2011. There are some cases where the TIO cannot record a consumer's postcode, therefore we have excluded those complaints from this counting.

## Victoria

We received a total of 56,785 new complaints from Victoria. In proportion to its population, this represents 10.6 complaints per 1,000 people, and makes it the state with the highest number of complaints in Australia.

The issues that were most complained about by Victorians had to do with poor customer service, and about service providers not actioning their undertakings to resolve a complaint. Underlying these complaints were issues were about:

- poor network coverage (9,675 issues)
- disputes over the total amount of a bill (6,543 issues)
- the quality of information given to a consumer at the point of sale (6,103 issues).

Per 1,000 population, the majority of complaints came from inner city Melbourne and suburbs with some recent housing developments such as Doreen. Five postcodes in Melbourne feature among the top 10 postcodes in Australia with the highest rate of complaints per population – Melbourne CBD, Docklands, Doreen, St Kilda and Campbellfield.

Issues of financial overcommitment were the main driver for complaints in Melbourne.

### Snapshot – Victoria

New complaints	Population	Complaints per 1,000 pop
56,785	5,354,040	10.6

### Top Postcodes

Postcode	Location(s)	Complaints per 1,000 pop
3000	Melbourne CBD	24.4
3008	Docklands	22.2
3754	Doreen	19.2
3182	St Kilda	19.1
3061	Campbellfield	18.8
3066	Collingwood	17.8
3057	Brunswick East	17.7
3205	South Melbourne	17.4
3004	Melbourne	17.1
3181	Prahran	16.9

## South Australia

We received 15,936 new complaints from South Australia. In proportion to its population, this represents 9.9 complaints per 1,000 people, and makes it the state with the second highest rate of complaints in Australia.

The issues most commonly complained about by South Australians were about poor customer service and about service providers not actioning their undertakings to resolve a complaint. Underlying these complaints were issues were about:

- poor mobile network coverage (2,340 issues)
- disputes about the total amount of a bill (1,730 issues)
- a failure by service providers to give consumers another avenue of recourse by referring them to the TIO if unable to resolve a complaint (1,651 issues).

The postcodes with the highest number of complaints per 1,000 people were in inner city Adelaide. Adelaide City, with 21.9 complaints per 1,000 people was also the postcode with the third highest rate of complaints per 1,000 people in Australia. Most complaints from Adelaide City were driven by issues about the quality of information given to a consumer at the point of sale when contracting a service.

A number of suburbs surrounding the city of Elizabeth, north of Adelaide, also featured among the top 10 postcodes with most complaints in the state. The main concern of residents in this area was mobile phone coverage.

### Snapshot – South Australia

New complaints	Population	Complaints per 1,000 pop
15,936	1,596,570	10

### Top postcodes

Postcode	Location(s)	Complaints per 1,000 pop
5000	Adelaide City	21.9
5007	Hindmarsh and surrounds	18.1
5115	Munno Para and surrounds	17.4
5031	Mile End and surrounds	14.1
5110	Bolivar and surrounds	14
5114	Blakeview and surrounds	14
5067	Norwood and surrounds	13.4
5096	Para Hills and surrounds	12.9
5039	Melrose Park	12.8
5019	Semaphore and surrounds	12.7

Population based on Australian Bureau of Statistics Census 2011. There are some cases where the TIO cannot record a consumer's postcode, therefore we have excluded those complaints from this counting.



## Australian Capital Territory

We received 3,202 new complaints from the nation's capital, and the third highest rate of complaints per population, with 8.9 complaints per 1,000 people.

The most common issues raised by consumers in ACT were about poor customer service and about service providers not actioning their undertakings to resolve a complaint. Underlying these complaints were issues were about:

- poor mobile network coverage (557 issues)
- the quality of information given to a consumer at the point of sale (321 issues)
- disputes about the total amount of a bill (295 issues).

Consumers in Canberra's outer northern suburbs, particularly the suburbs around Gungahlin and Belconnen, complained mostly about issues to do with poor coverage. Similar problems were experienced by consumers who called us from Canberra's outer southern suburbs in the surrounds of Kambah and along the Murrumbidgee River.

### Snapshot - Australian Capital Territory

New complaints	Population	Complaints per 1,000 pop
3,203	357,218	9

### Top postcodes

Postcode	Location(s)	Complaints per 1,000 pop
2914	Amaroo and surrounds	10.6
2612	Braddon	9.9
2913	Ngunnawall and surrounds	9.6
2902	Kambah	9.5
2905	Isabella Plains and surrounds	9.3
2615	Melba and surrounds	8.9
2904	Monash and surrounds	8.7
2602	Dickson and surrounds	8.6
2617	Belconnen and surrounds	8.6
2906	Conder and surrounds	8.4

## New South Wales

The TIO received the most new complaints (60,398) as a whole from New South Wales, which is reflective of their population, the largest in Australia. However, in proportion to its population, New South Wales had the fourth highest rates of complaints in the country, with 8.7 complaints per 1,000 people.

The most common issues raised by consumers in New South Wales were about poor customer service and service providers not actioning their undertakings to resolve a complaint. Underlying these complaints were issues were about:

- poor network coverage (10,818 issues)
- disputes over the total amount of a bill (6,586 issues)
- the quality of information given to a consumer at the point of sale (6,263 issues).

Parramatta (2150) was the postcode with the highest number of complaints – 21.5 per 1,000 people. It was also the fourth postcode with the most complaints in relation to its population, Australia wide. Parramatta had a high incidence of complaints about consumers who were credit default listed without proper notification. Customer service aside, this was the most prevalent issue.

Postcodes 2171 and 2161, both in the outer west fringe of Sydney, were mainly concerned about poor mobile phone coverage.

### Snapshot - New South Wales

New complaints	Population	Complaints per 1,000 pop
60,398	6,917,656	8.7

### Top postcodes

Postcode	Location(s)	Complaints per 1,000 pop
2150	Parramatta	21.5
2000	Sydney City	20
2015	Alexandria and surrounds	19.6
2045	Haberfield	19.4
2171	Hoxton Park and surrounds	15.9
2011	Potts Point and surrounds	15.7
2016	Redfern	15.6
2481	Byron Bay and surrounds	15.2
2161	Guildford and surrounds	15.1
2010	Darlinghurst	15

Population based on Australian Bureau of Statistics Census 2011. There are some cases where the TIO cannot record a consumer's postcode, therefore we have excluded those complaint from this counting.

## Queensland

We received 34,077 new complaints from consumers in Queensland, or 7.8 per 1,000 people.

The most common issues raised by Queensland consumers were about poor customer service and about service providers not actioning their undertakings to resolve a complaint. Underlying these complaints were issues were about:

- poor network coverage (4,593 issues)
- disputes over the total amount of a bill (3,903 issues)
- the quality of information given to a consumer at the point of sale (3,623 issues).

A number of postcodes in the Gold Coast area, including Broadbeach, Southport, Burleigh Heads and Surfers Paradise, featured among the postcodes where we received the most complaints in Queensland. The main issue that drove these complaints was poor mobile coverage.

### Snapshot – Queensland

New complaints	Population	Complaints per 1,000 pop
34,077	4,332,737	7.9

### Top postcodes

Postcode	Location(s)	Complaints per 1,000 pop
4000	Brisbane City	15.6
4217	Surfers Paradise and surrounds	15.2
4005	New Farm	14.8
4101	South Brisbane and surrounds	14.8
4218	Broadbeach and surrounds	13.9
4215	Southport	13.8
4220	Burleigh Heads	13.6
4053	Stafford	13.3
4227	Reedy Creek	12.8
4210	Studio Village	12.8

## Western Australia

We received 15,832 new complaints from consumers in Western Australia in 2011-12. In proportion to the state's population, this amounts to seven complaints per 1,000 people.

The most common issues raised by Western Australian consumers were about poor customer service and about service providers not actioning their undertakings to resolve a complaint. Underlying these complaints were issues were about:

- poor network coverage (2,512 issues)
- disputes over the total amount of a bill (1,872 issues)
- high bills as a result of inadequate spend management tools (1,655 issues).

The Perth City (postcode 6000), had 18.7 complaints per 1,000 people. The most common issue in this area was financial overcommitment due to inadequate spend management tools.

Butler, in Perth's outer north, was second in the state's top postcodes with 11.9 complaints per 1,000 people. This is an area of population growth due to the Brighton Estate development in recent years. The most common issue in Butler was mobile phone coverage.

Baldivis, outside Rockingham, was the third suburb with the most complaints. Most of these were also about poor mobile phone coverage.

### Snapshot – Western Australia

New complaints	Population	Complaints per 1,000 pop
15,832	2,239,171	7.1

### Top postcodes

Postcode	Location(s)	Complaints per 1,000 pop
6000	Perth City	18.7
6036	Butler	11.9
6171	Baldivis	10.5
6069	The Vines and surrounds	10
6053	Bayswater	9.6
6101	East Victoria Park	9.6
6061	Mirrabeeka and surrounds	9.4
6051	Maylands	9.1
6065	Wanneroo and surrounds	9
6030	Clarkson and surrounds	8.9

Population based on Australian Bureau of Statistics Census 2011. There are some cases where the TIO cannot record a consumer's postcode, therefore we have excluded those complaints from this counting.

## Tasmania

We received 2,883 new complaints from Tasmania. In relation to its population this is a rate of 5.8 complaints per thousand people – the second lowest rate of complaints in Australia.

The most common issues raised by Tasmanian consumers were about poor customer service and about service providers not actioning their undertakings to resolve a complaint. Underlying these complaints were issues were about:

- disputes over the total amount of a bill (360 issues)
- a failure by a service provider to give a consumer another avenue of recourse by referring them to the TIO if unable to resolve a complaint (269 issues)
- the quality of information given to a consumer at the point of sale (269 issues)

Hobart was the suburb with the most complaints received per 1,000 of population in Tasmania. Aside from issues about customer service, consumers in Hobart complained about overcommitment due to inadequate spend controls.

The adjacent suburbs of Claremont and Glenorchy, north of Hobart are second and third on the list, with 7.1 and 6.8 complaints per 1,000 people respectively. Disputes over the total amount of a bill were the main issues in these two areas aside customer service and complaint handling.

In regional Tasmania, we received 5.1 complaints per 1,000 people in Devonport. Customer service and complaint handling aside, the issues recorded in that area were disputes over the total of bill and collections agents pursuing consumers for debts that were in dispute.

Launceston registered 4.8 complaints per 1,000 people. Mobile phone coverage was the main issue mentioned in complaints from that area.

### Snapshot – Tasmania

New complaints	Population	Complaints per 1,000 pop
2,883	495,351	5.8

### Top postcodes

Postcode	Location(s)	Complaints per 1,000
7000	Hobart	9.4
7011	Claremont and surrounds	7.1
7010	Glenorchy and surrounds	6.8
7018	Mornington and surrounds	5.2
7310	Devonport	5.1
7250	Launceston and surrounds	4.8

## Northern Territory

We received the fewest number complaints in Australia from consumers in the Northern Territory – 1,169 new complaints. In proportion to its population this is a rate of 5.5 complaints per 1,000 people.

The most common issues raised by consumers in the Northern Territory were about poor customer service and about service providers not actioning their undertakings to resolve a complaint. Underlying these complaints were issues were about:

- disputes over the total amount of a bill (141 issues)
- poor network coverage (137 issues)
- the quality of information given to a consumer at the point of sale (111 issues).

### Snapshot – Northern Territory

New Complaints	Population	Complaints per 1,000 pop
1,169	211,943	5.5

### Top postcodes

Postcode	Location(s)	Complaints per 1,000 pop
0830	Palmerston and surrounds	8
0820	Stuart Park and surrounds	6.7
0810	Coconut Grove and surrounds	6.6
0870	Alice Springs and surrounds	5.8

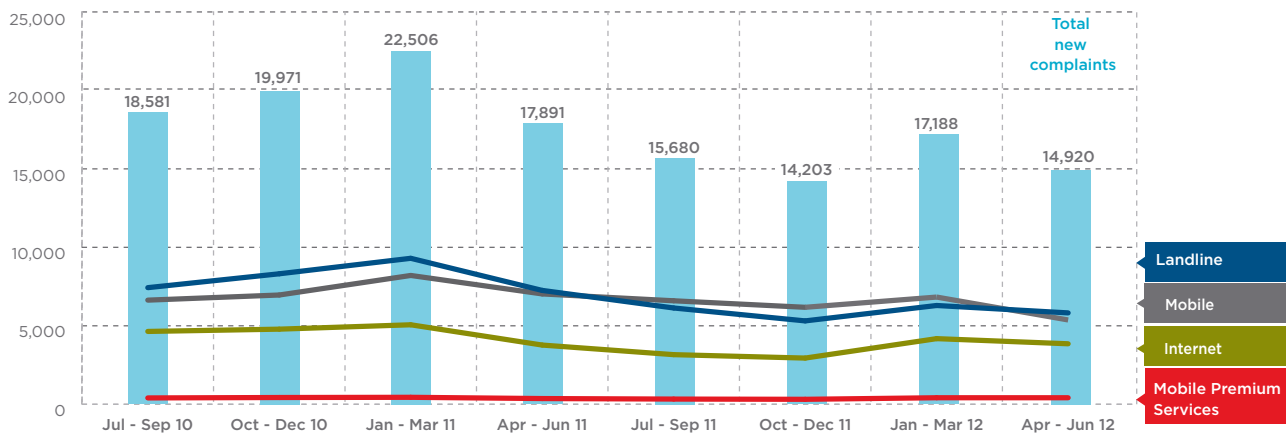
Population based on Australian Bureau of Statistics Census 2011. There are some cases where the TIO cannot record a consumer's postcode, therefore we have excluded those complaints from this counting.

## Top 10 service providers

### Telstra

	Total 10-11	Total 11-12	% Change
New complaints by year	78,949	61,991	-21.5%

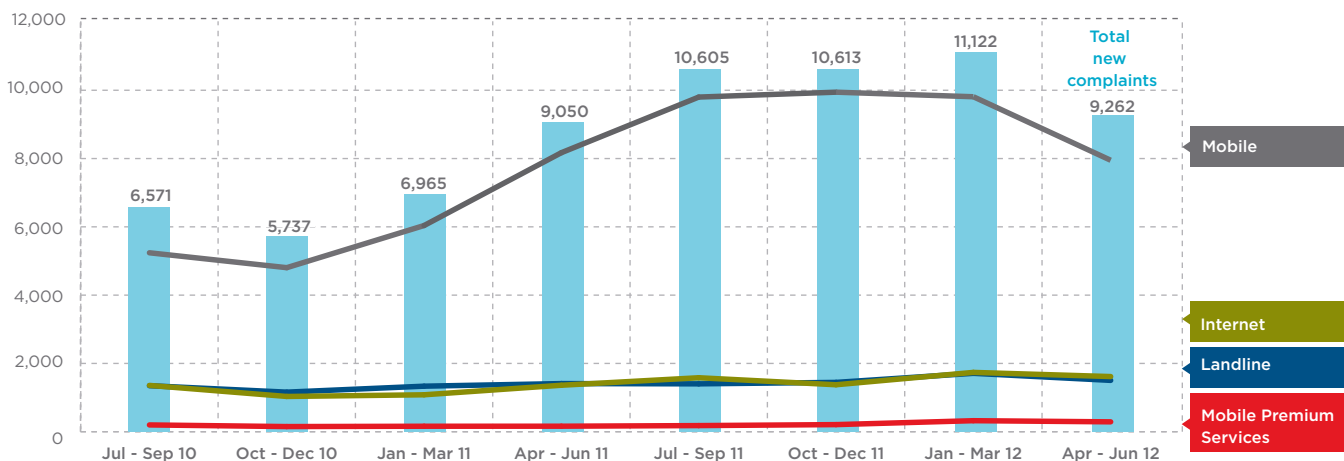
	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	18,581	19,971	22,506	17,891	15,680	14,203	17,188	14,920
Internet	4,508	4,654	4,934	3,636	3,022	2,803	4,047	3,718
Landline	7,310	8,198	9,189	7,134	6,009	5,183	6,169	5,695
Mobile	6,511	6,840	8,091	6,909	6,470	6,053	6,708	5,243
Mobile Premium Services	252	279	292	212	179	164	264	264



### Optus

	Total 10-11	Total 11-12	% Change
New complaints by year	28,323	41,602	46.9%

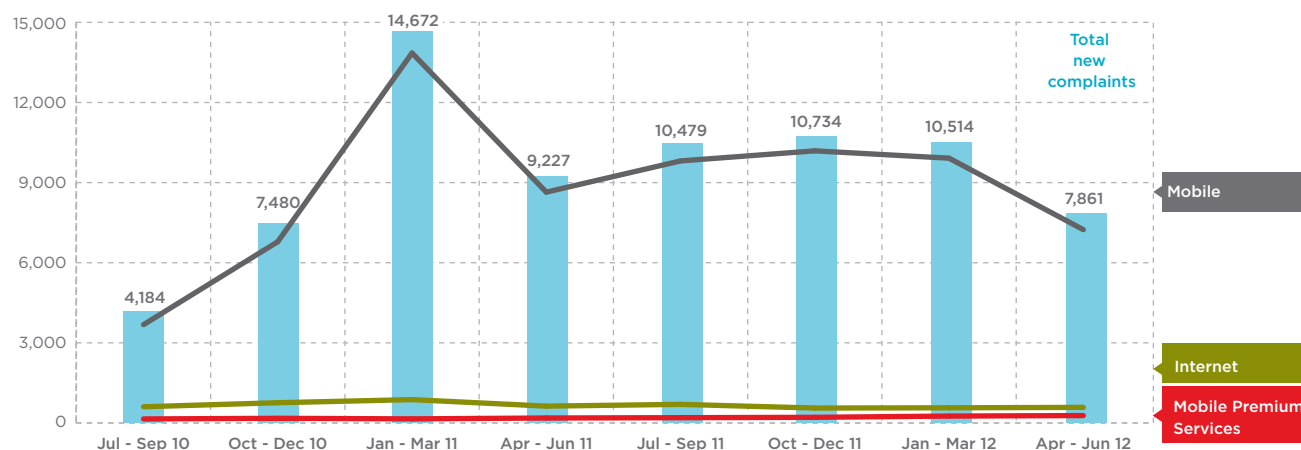
	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	6,571	5,737	6,965	9,050	10,605	10,613	11,122	9,262
Internet	1,074	803	844	1,078	1,262	1,090	1,393	1,291
Landline	1,067	909	1,055	1,119	1,112	1,148	1,370	1,197
Mobile	4,325	3,960	4,993	6,779	8,142	8,262	8,150	6,593
Mobile Premium Services	105	65	73	74	89	113	209	181



## Vodafone

	Total 10-11	Total 11-12	% Change
New complaints by year	35,563	39,588	11.3%

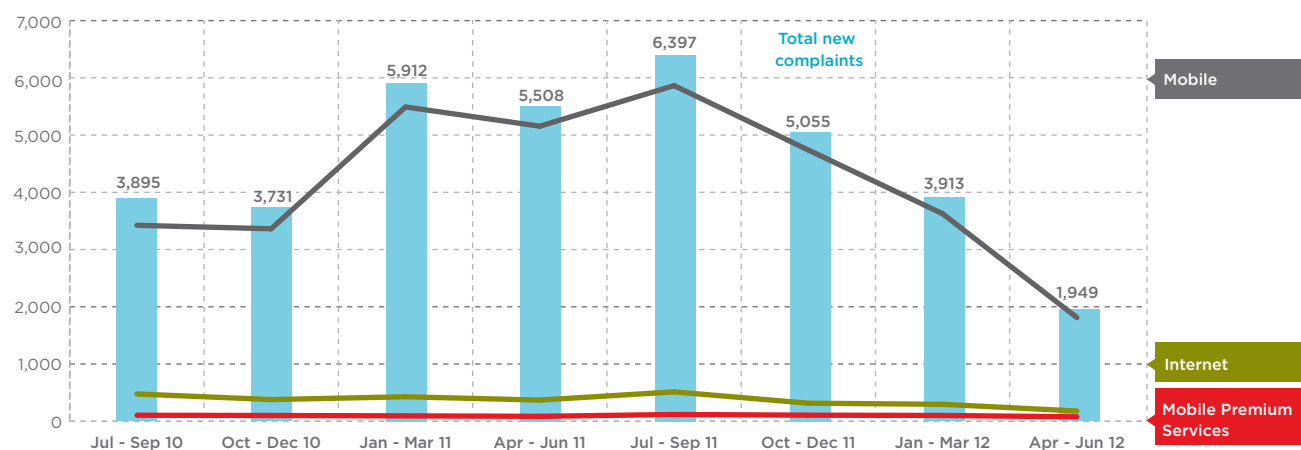
	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	4,184	7,480	14,672	9,227	10,479	10,734	10,514	7,861
Internet	518	670	787	542	608	470	479	495
Mobile	3,606	6,726	13,822	8,590	9,764	10,143	9,867	7,179
Mobile Premium Services	60	84	63	95	107	121	168	187



## VHA (3)

	Total 10-11	Total 11-12	% Change
New complaints by year	19,046	17,314	-9.1%

	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	3,895	3,731	5,912	5,508	6,397	5,055	3,913	1,949
Internet	436	338	387	329	473	274	255	137
Mobile	3,396	3,335	5,473	5,135	5,848	4,717	3,599	1,777
Mobile Premium Services	63	58	52	44	76	64	59	35

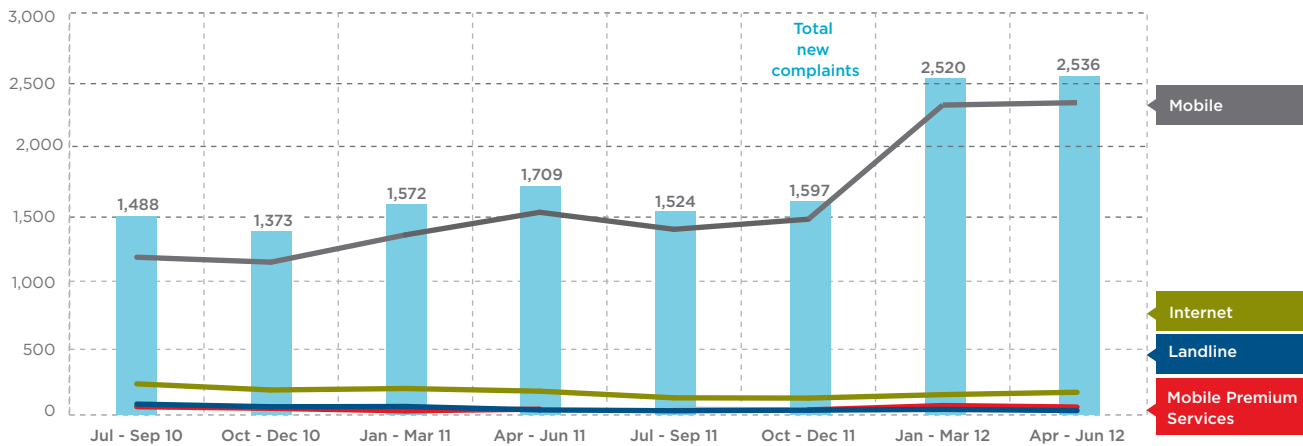




## Virgin

	Total 10-11	Total 11-12	% Change
New complaints by year	6,142	8,177	33.1%

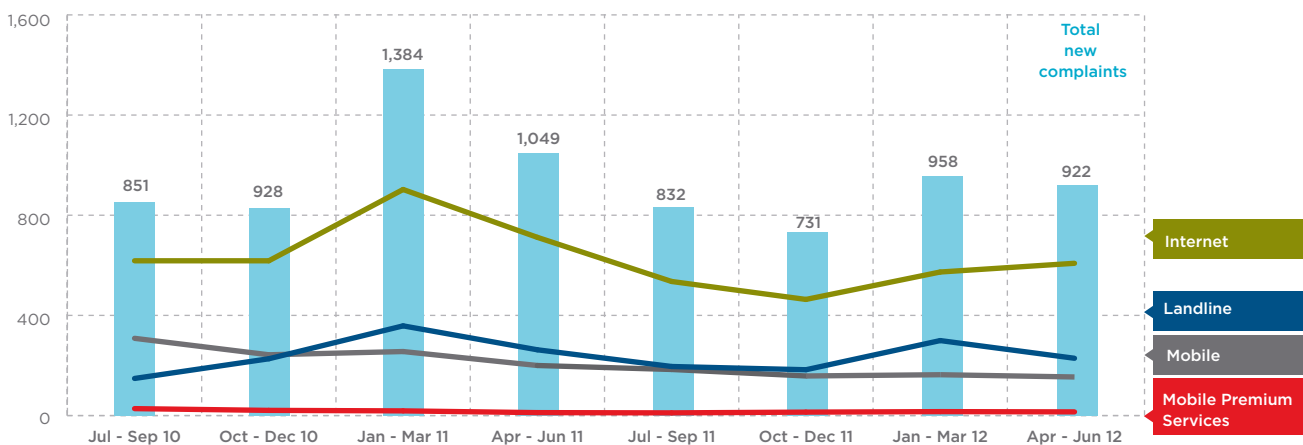
	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	1,488	1,373	1,572	1,709	1,524	1,597	2,520	2,536
Internet	215	169	180	160	110	108	134	152
Landline	63	43	45	19	13	17	23	14
Mobile	1,167	1,130	1,335	1,505	1,377	1,453	2,311	2,329
Mobile Premium Services	43	31	12	25	24	19	52	41



## TPG

	Total 11-12	Total 10-11	% Change
New complaints by year	3,662	4,797	-23.7%

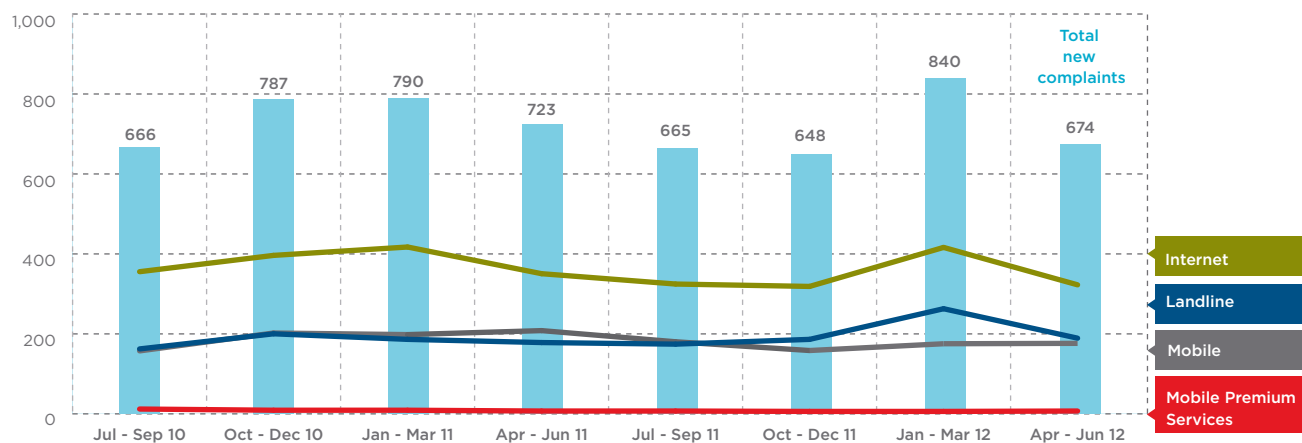
	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	851	928	1,384	1,049	832	731	958	922
Internet	590	598	885	696	521	450	561	597
Landline	103	177	322	232	173	164	267	202
Mobile	143	144	170	119	137	113	124	118
Mobile Premium Services	15	9	7	2	1	4	6	5



## Dodo

	Total 10-11	Total 11-12	% Change
New complaints by year	2,966	2,827	-4.7%

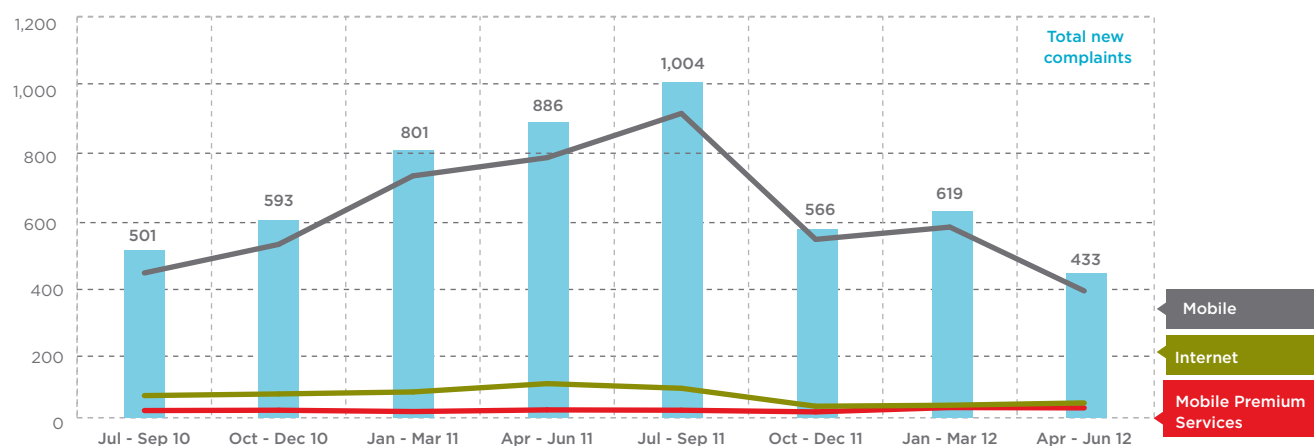
	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	666	787	790	723	665	648	840	674
Internet	351	392	413	346	320	314	412	318
Landline	157	195	181	173	169	181	258	184
Mobile	152	197	193	203	175	153	170	171
Mobile Premium Services	6	3	3	1	1	0	0	1



## Crazy John's

	Total 10-11	Total 11-12	% Change
New complaints by year	2,781	2,622	-5.7%

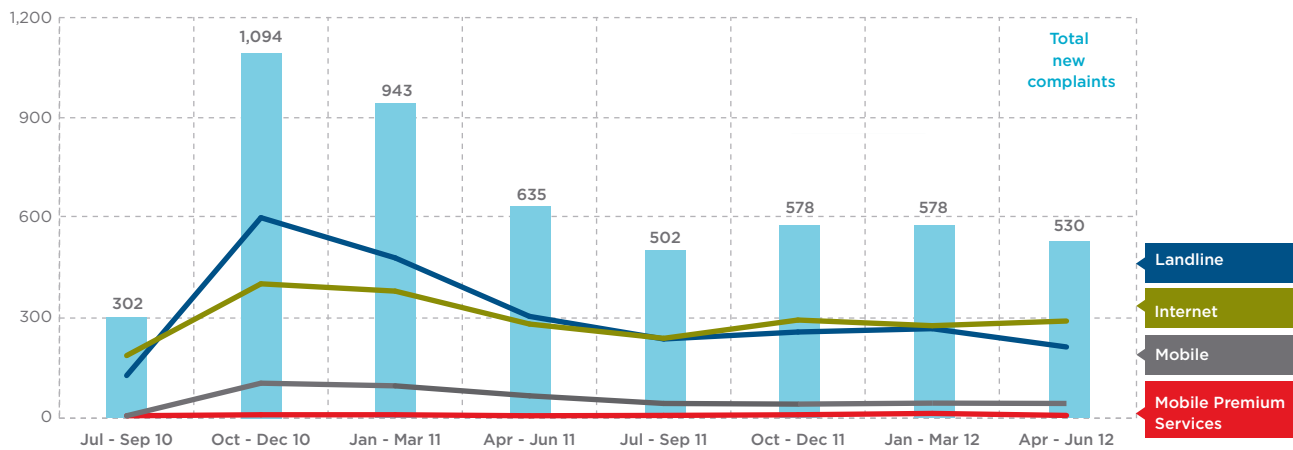
	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	501	593	801	886	1,004	566	619	433
Internet	59	64	70	95	81	27	30	37
Mobile	428	514	720	775	908	529	566	374
Mobile Premium Services	14	15	11	16	15	10	23	22



## iiNet

	Total 10-11	Total 11-12	% Change
New complaints by year	2,974	2,188	-26.4%

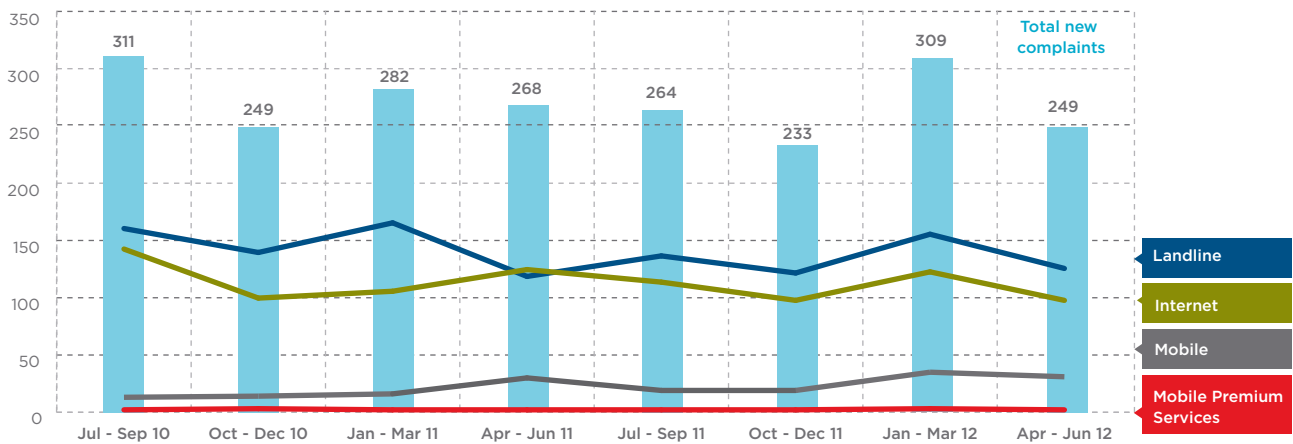
	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	302	1,094	943	635	502	578	578	530
Internet	181	397	375	276	233	288	271	285
Landline	121	596	475	299	231	252	262	207
Mobile	0	98	90	60	37	35	38	37
Mobile Premium Services	0	3	3	0	1	3	7	1



## Primus

	Total 10-11	Total 11-12	% Change
New complaints by year	1,110	1,055	-5.0%

	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	Apr-Jun 12
New complaints by quarter	311	249	282	268	264	233	309	249
Internet	141	98	104	123	112	96	121	96
Landline	159	138	164	117	135	120	154	124
Mobile	11	12	14	28	17	17	33	29
Mobile Premium Services	0	1	0	0	0	0	1	0



## Complaints by service provider

Detailed complaint statistics for providers that had 25 or more new complaints in 2011-12 can be viewed and downloaded on our Annual Report website as Excel spreadsheets. Available spreadsheets are:

- New complaints by providers with more than 25 new complaints
- Investigations by providers with more than 25 new complaints
- Issues in new complaints by providers with more than 25 complaints
- Issues in investigations by providers with more than 25 complaints

These can be accessed at [www.tio.com.au/annualreport](http://www.tio.com.au/annualreport) in the "Downloads" section.

## Issues by category

Detailed statistics of all issues recorded by the TIO in 2011-12 can be viewed and downloaded from our Annual Report website as Excel spreadsheets. Available spreadsheets are:

- Issues in new complaints
- Issues in investigations

These can be accessed at [www.tio.com.au/annualreport](http://www.tio.com.au/annualreport) in the "Downloads" section.

## Report on industry codes

Industry Codes are rules identified by the telecommunications industry as the benchmarks of best practice. The TIO is conferred the power to receive, conciliate and investigate the resolution of complaints and to report on complaints under a number of industry codes that have been formally registered by the Australian Communications and Media Authority (ACMA). During 2011-12, the industry codes most commonly considered by the TIO were the Telecommunications Consumer Protections Code 2007 (TCP Code) and the Mobile Premium Services Code 2007 (MPS Code).

## Confirmed code breaches in 2011-12

The TIO recorded 1,146 confirmed code breaches during 2011-12, a drop of 75 per cent from the previous financial year. A key reason for the decrease is that more TIO cases are being resolved via conciliation, and are not escalated to a TIO investigation, where the TIO investigates and records code breaches. This decrease may not necessarily reflect improved code compliance within the telecommunications industry.

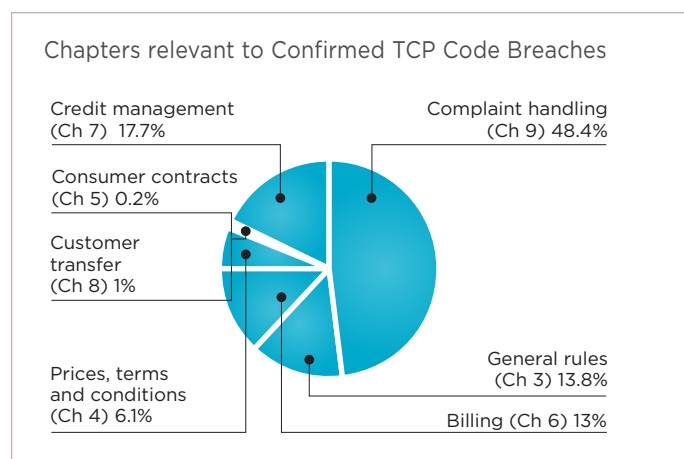
The TIO recorded confirmed code breaches in relation to 62 different service providers during 2011-12. More than 85 per cent of these confirmed breaches related to only 10 service providers.

Of the 1,146 confirmed breaches recorded, 1,133 (98.87 per cent) relate to the TCP Code. Almost half the confirmed breaches concerned compliance with the complaint handling provisions of the TCP Code (548 confirmed breaches), while credit management related TCP Code provisions accounted for another 18 per cent (200 confirmed breaches). Billing chapter provisions of the TCP Code accounted for 13 per cent (147 confirmed breaches).

## CODE CHANGES

The TCP Code 2007 was replaced by a new Code on 1 September 2012. The MPS Code 2009 was replaced by a new code on 1 June 2012.

## Confirmed TCP Code breaches - by chapter



## TCP Code breaches by clause - top 5 issues

Clause	Descriptions	Confirmed Code Breaches
9.2.5	A provider must seek to resolve a complaint at first contact, and where this is not possible the complaint must be finalised within 30 days or as soon as practicable in all the circumstances.	144
3.2.1	The information that the provider gives to a consumer must be accurate, relevant, current and timely.	142
9.1.1(f)	Providers must record, action and monitor the undertakings they make to resolve consumer complaints.	142
9.1.1(d)	A provider must have adequate resources with the authority to resolve complaints and achieve outcomes.	115
6.4.1	Providers must both ensure and be able to verify and demonstrate that their billing is accurate.	86

## CODE DATA WE CAPTURE

**CONFIRMED BREACHES** - a confirmed breach is identified during a formal investigation (levels 3 and 4 of our process). It is never recorded without giving the service provider a reasonable opportunity to respond with evidence and its own version of events. The TIO Officer assesses the service provider's response and any other information in the complaint, before making a decision as to whether a particular code clause has been breached.

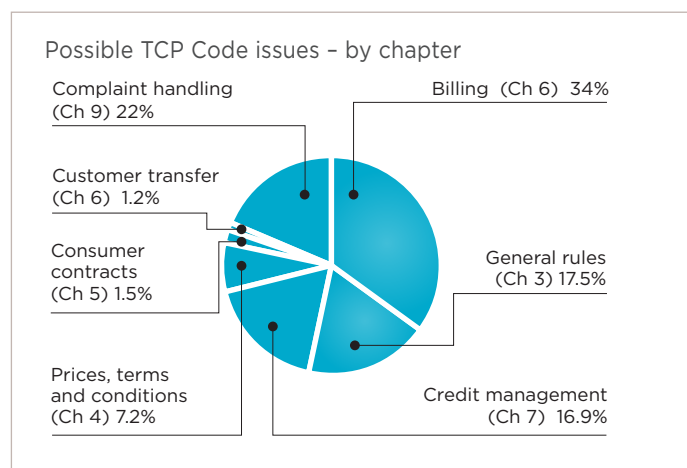
**POSSIBLE CODE ISSUES** - these are generally recorded during Referral and Conciliation (Levels 1 and 2), where the claims of the consumer indicate that a code compliance problem might exist.

## Possible code issues in 2011-12

In 2011-12, the TIO recorded 438,406 possible code issues. Possible code issues are instances where, based on the consumer's account of a complaint, we identify that there may have been a breach of a code.

We recorded possible code issues in relation to 356 different service providers, but more than 94 per cent of those can be attributed to only 10 providers.

Of all possible code issues, 98 per cent concerned compliance with the TCP Code, most commonly related to the Billing and Complaint Handling chapters in the code.



## Possible TCP Code issues by clause – top 5 issues

Clause	Descriptions	Possible Code issues
3.2.1	The information that a provider gives to a consumer must be accurate, relevant, current and timely.	73,735
6.4.1	Providers must both ensure and be able to verify and demonstrate that their billing is accurate.	57,148
9.1.1(f)	Providers must record, action and monitor the undertakings they make to resolve consumer complaints.	44,394
6.4.2	Bills must contain enough information for a consumer to be able to verify that charges are consistent with the agreed upon contracted prices and discounts.	24,352
6.3.2(e)	Bills issued by a provider must include a description of the charges and credits being billed, including third party charges.	21,559

## Looking ahead

A future of new technologies and a robust, consumer-focused industry code of practice will set the pace for the future at the TIO.

In effect since 1 September 2012, the new TCP Code promises to be a safety net for consumers in a wide range of issues that have been the subject of much public debate over the last year. Stronger requirements for service providers to disclose information in advertising and at the point of sale, timely and effective alerts to help people manage their spending, and clearer standards on complaint handling are some of the features that will benefit consumers.

The TIO is working to ensure our staff have a close understanding of the new Code and that our systems are in place to report on the types of complaints we receive as they relate to these new rules for best practice in the industry. We will be closely monitoring the industry's implementation of the Code and where necessary, liaising directly with service providers or the regulator to assist them to make these protections a reality.

Converged technologies are fast evolving thanks to the growth of mobile devices and network improvements. M-commerce is already a reality in Australia and an area with potential of overlap for the finance and telecommunications industries. Thousands of transactions can be made, from shopping to banking via electronic apps, SMS, social networks or Near Field Communications-enabled handsets, converting a phone into a virtual wallet.

With more of these services on offer, and in such a competitive market, there will be challenges around the way that the services are marketed and added on to the mobile phone plans of the future. How to deal – and who should deal – with any complaints that arise from M-Commerce related services is something that we are in the process of exploring with other Ombudsman services.

The National Broadband Network (NBN) is one of the biggest and most ambitious infrastructure projects ever undertaken in Australia. The NBN is moving beyond test sites to a full scale rollout across Australia that will take some 10 years. We are closely monitoring the progress of the NBN as it becomes the standard for telecommunications connections and the implications it may have for consumers.

We are carefully planning the best strategy to future proof the TIO to make sure that our services remain relevant to the community in the midst of this constant industry evolution. An expanded vision with an organisational structure that will help deliver this strategy is under way, focusing on continuous internal improvement and becoming an expert voice about the telecommunications industry in Australia.



## 32 ENGAGEMENT

### Awareness of TIO services

In 2011-12, we raised awareness of our services among consumers through our publications, a new website and the TIO's first ever online annual report.

#### Resilient Consumers

In August 2011 we launched the *Resilient Consumers* report, which highlighted the repeated and time consuming attempts of consumers to try to resolve problems with their service providers. The report highlighted the need for simpler complaint processes, better training for customer service staff, and proper records of complaints and resolutions agreed to. The report received extensive media coverage, with a potential cumulative national audience of 10.5 million.

#### TIO Talks

We published three editions of our consumer and stakeholder publication, *TIO Talks*. Launched in December 2011, February 2012 and June 2012, *TIO Talks* featured stories on our research on trends and systemic issues in the telecommunications industry, the kinds of issues consumers can make a complaint about and our work in the community. Some of the topics we highlighted include:

- **Small businesses and the TIO.** We outlined the results of our research into the increasing numbers, issues and complexity of small business complaints, which led us to redefine our criteria for what constitutes a small businesses for a more flexible approach. The information was widely reported, increasing awareness about our service among this important section of the Australian economy.
- **Misleading telemarketing practices.** We brought attention to our systemic investigations into misleading telemarketing practices. A number of telcos have engaged in a practice where they contact consumers implying that they are calling from the consumers' existing providers and mislead them into agreeing to transfer their services. We explained consumers' rights if they had been affected, our work with providers to prevent this issue from continuing, and provided advice for consumers in case they receive one of such telemarketing calls.
- **A new vision for TIO.** We discussed expanding our vision and roles beyond dispute resolution to include contributing to improvements in customer service and complaint handling in the telecommunications industry. The change was the first step of a wider strategic planning for the TIO.

### First online annual report

Last year's annual report, published in November 2011, was the TIO's first as a micro-website. The use of a micro-website substantially increased the accessibility of online annual report information, and reduced the environmental impacts associated with substantial numbers of paper copies.

The report showed that 2010-11 was the busiest year on record for the TIO, with 197,682 new complaints received. We highlighted emerging trends associated with credit management and the increasing use of smartphones. The annual report launch was the most widely covered since the TIO's inception in 1993. It is estimated that the coverage of the launch reached a potential cumulative audience of 16.2 million people via 300 news items.

### Accessibility

#### A new website

The TIO launched a new, more intuitive, accessible and functional website on 16 September 2011.

Developed with usability as one of its key features, the new [www.tio.com.au](http://www.tio.com.au) has a mobile-friendly version and contains text and video information in more than 30 languages including Auslan. It is easy to navigate, thanks to a two-level, colour coded navigation and sections tailored to different audiences.

The new website provides a better experience for users by allowing them to get the information they want faster and within fewer clicks, instead of disengaging with the website in favour of other communication channels.

The rate of people accessing the website on a mobile device increased by almost 120 per cent. Visits from mobile devices accounted for 13 per cent of all visits to our web site in 2011-12, compared to 6 per cent in the previous year.

2010-11		2011-12
632,961	Visits	638,408
3.56	Pages per visit	3.17
3 min 47 sec	Average visit duration	3 min 40 sec
59.96%	New visitor	62.36%
40.04%	Returning visitor	37.64%
43.29%	Bounce rate	36.53%
38,348	Mobile visits	84,321

### MANY WAYS TO CONTACT US

The TIO tries to make sure that our services are accessible to all Australians by offering a multitude of ways to contact us. Consumers can contact us by phone, email, fax, letter, in person or through our online complaint form.

In 2011-12 we made ourselves even more accessible by working together with the National Relay Service to make it easy for people who are deaf, or have a hearing or speech impairment to contact us. Our staff received deafness awareness training to better understand and respond to the needs of those consumers.

We also continue to offer information in 31 languages other than English and free access to interpreters and translators to any consumer that may need them.

## Community engagement

The TIO's outreach program helps ensure that we are accessible to all Australians, especially people who are beyond the reach of traditional news media, and also informs us of important developments that are occurring in particular communities.

In 2011-12, TIO officers reached out to consumers at 102 events across all states. Indigenous and culturally and linguistically diverse consumers (CALD) were the focus of our outreach efforts during the year.

### Consumers in financial hardship

In November 2011, we facilitated a forum between consumer representatives, financial counsellors, regulators and telecommunications service providers, to discuss financial hardship policies in the telecommunications industry. About 25 people discussed how telecommunications debt was affecting people in hardship and possible ways that this could be alleviated. The forum has resulted in a continuing dialogue which is working on the development of a common hardship policy for the telecommunications industry.

A first this year was our attendance at financial counsellors' conferences in all states except the Northern Territory and Tasmania, and sponsorship of the national financial counsellors' conference in Melbourne.

### Culturally and linguistically diverse Australians

Cultural and language barriers may mean that people who are newly arrived in Australia need extra assistance accessing the TIO. We publish our information in a variety of languages and invite consumers to contact us by using the telephone interpreter service.

We also undertook a series of activities to reach out to CALD communities, particularly refugees who have recently arrived here. These activities took us to migrant resource centres in every state capital and also to Cairns.

Thanks to the help of the Footscray Community Legal Service, the TIO, in partnership with other Melbourne-based ombudsman services, continued its participation in Bring Your Bills days throughout the western suburbs of Melbourne. During these visits, we spoke directly to people about their telecommunications complaints, and lodged matters on their behalf with the information we gathered. We ensured that the people we spoke to were aware of our services and we provided information that would equip them with the knowledge to resolve their current complaints and ways, to prevent any further issues occurring.

### Indigenous Australians

In August 2011, we visited Darwin and Alice Springs to speak to Indigenous community legal centres about some of the issues their clients faced. Community members told us of cases where people on low incomes and with little financial literacy had been sold post-paid mobile phone plans with the potential to lead them into big debts. Despite limited mobile coverage by some providers in central Australia, some Indigenous consumers told us about being sold plans with the assurance that their new phone would work in their community. When they discovered that they did not have coverage, it was difficult in some cases to get a resolution.

In late 2011 the TIO used the information gained in discussions with intermediary agencies that work with Aboriginal clients during an outreach visit to the Northern Territory to inform a submission made to the Regional Telecommunications Review.

View a full calendar of events in 2011-12. (Appendix 1, page 41)

A calendar of future events is available on our website.

## MIRJANA JOVETIC COMMUNICATIONS MANAGER



### Time at the TIO: two years

I was attracted to working at the TIO because telecommunications is something that everyone relates to. Mobiles and internet are part of just about everyone's life these days and are essential services in so many ways.

The telecommunications industry is constantly changing and it's important the TIO keeps up and reflects new technology in our own workplace. Launching a new website, exploring how to use social media to be more accessible, introducing a Wiki-based intranet and live webcasting of our Annual Report launch are great parts of my job.

I've learned so much, not least that the TIO is not just about telecommunications. It's about people from all walks of life and some in truly difficult circumstances.

The passion with which TIO staff help consumers resolve their issues and uphold the independence of an Ombudsman's office never ceases to amaze me. It's a true pleasure of the job.

But I think the greatest reward is when I meet someone new and hear a much-repeated refrain: "You work at the TIO? I have called them before. They are great!"

## LEIGH'S COMPLAINT

Leigh contacted us about a problem cancelling a wireless internet account.



Leigh was unhappy with his internet provider as he had received a high bill for excess data usage. He had made a complaint to the provider and managed to have a \$900 bill reduced to an amount that he considered more reasonable. He told us that, after he paid that the reduced amount, he requested to have the service cancelled, which the provider agreed to, asking him to return the USB stick "if he could". He stated that this made him believe that he didn't have to send the USB stick back, and he contracted a service with another provider.

Several months later he noticed that his account was being direct debited by the provider. He contacted them and they said that the reason he was still being billed was because his service hadn't been cancelled, which he disputed and was unable to resolve.

After our initial referral of the complaint, the provider told Leigh they would continue to bill him because he hadn't returned the USB stick, filled a cancellation order form which was sent to him, or paid an early termination fee. Leigh was dissatisfied with this outcome because, as he told us, the provider hadn't sent a cancellation form or expressly asked him to return the USB stick.

During conciliation, Leigh and the provider were unable to agree about the cancellation. The provider claimed they had told Leigh there would be an early termination fee, and that he needed to return the USB stick and fill out a cancellation order, whereas Leigh claimed he hadn't been told this.

To clarify the situation, we asked the provider to send information that supported their claim. They sent through a voice recording that showed that Leigh had been clearly advised of the steps he needed to take to cancel his service, which included returning the USB and the form, as well as paying an early termination fee of \$150. The recording also showed that Leigh had agreed to these steps.

As a way of resolving the complaint, the provider offered to settle for the charges it had been direct debiting Leigh since his initial cancellation request – \$140 – in lieu of an early termination fee. Given the circumstances, we believed this was a reasonable resolution. Leigh accepted the resolution and we finalised the complaint.

## Industry engagement

The TIO is committed to being accessible to service providers as well as consumers. To ensure this is the case, we embarked on several projects throughout 2011-12 to create an environment where providers, as members of the scheme, can be kept informed of news from the TIO and have an opportunity to provide feedback.

### Account management model

We introduced an account management model to our Industry Engagement (formerly Member Communications) team to give service providers a single point of contact at the TIO for any information needs and as an avenue for feedback. Those service providers that have regular interactions with us were assigned a dedicated adviser.

### Ombudsman roadshow

Almost 150 service providers attended briefings held in five cities in March 2012 by Ombudsman Simon Cohen and Deputy Ombudsman Diane Carmody. These briefings provided detailed information about our improvements in complaint resolution, and provided an opportunity for service providers to put their feedback directly to the Ombudsman.

### MNews

Our website contains a section tailored to service providers, which includes *MNews*, a blog-style news section which we regularly use to keep service providers informed on changes within the TIO.

### Our membership

The TIO is a compulsory, industry-based Ombudsman service. Under the provisions of the *Telecommunications (Consumer Protection and Services Standards) Act 1999*, if a company or business wishes to participate in the telecommunications industry in Australia it must also become a member of the TIO.

At the end of the 2011-12 financial year there were 1,221 members of the scheme, seven more than in 2011-12.

See Appendix 3 (page 41) for a list of TIO members as at 30 June.

A list of current TIO members is available on our website and in Appendix 2 (page 43).

## Government and regulation

The TIO makes submissions to regulators and other agencies about trends in dispute resolution within the telecommunications industry.

Through our submissions we provide expert information to different government and industry inquiries about the ways in which issues, legislation or codes of practice can and do affect telecommunications consumers.

In 2011-12 we made 12 public submissions, ranging from feedback to proposed industry codes to submissions to inquiries about debt collection issues and regional consumers.

### Highlights

The most comprehensive submissions we made this year were:

#### Telecommunications Consumer Protections (TCP) Code draft

We presented an extensive submission in response to the draft TCP Code released for public comment by the industry's peak body, Communications Alliance in October 2011. In it, we stressed the importance of the TCP Code for all sectors of the industry, highlighting



the strengths of the revised code, including the removal of the word “cap” and new rules around clearer pricing information for new consumers. Our recommendations included:

- Improving the structure and consistency of the draft to make the overall document more accessible and easy to understand.
- Making the language of the Code more simple to ensure its accessibility for a wider audience.
- Providing more specific advice about the functions and structure of the Code’s proposed compliance body, Communications Compliance, as the constituent documents were not a part of the Code itself.

#### Regional telecommunications review

We provided an analysis of the number and types of complaints most commonly received from regional and remote Australia in response to the Department of Broadband, Communications and the Digital Economy’s (DBCDE) enquiry into regional telecommunications. Among the challenges faced by regional and remote residents as telecommunications consumers, we listed distance, a lack of awareness of rights and limited information on new technologies. We also highlighted some concerning issues faced by Indigenous consumers, who come to us with multiple issues of financial overcommitment, billing, debt collection and credit management. Our recommendations included:

- Consider placing special obligations on service providers who promote their services in remote areas to have systems in place to ensure cultural awareness among staff about Indigenous communities and issues, and implementing appropriate financial hardship policies as a result of the concerning financial hardship issues faced by Indigenous consumers who have used our services.
- More education to young people and community workers in regional and remote areas to ensure awareness of their rights and avenues of recourse where they may be unable to resolve complaints with their provider.

#### Debt Collection Harmonisation Regulation Options

This paper, proposed by the Consumer Affairs Forum (formerly Ministerial Council on Consumer Affairs), sought to understand the current models of debt collection regulation in different states and territories in order to develop a consistent regulation in Australia by the end of 2012. We highlighted the issues in debt collection practices in the telecommunications industry as evidenced by complaints we receive, like debt collectors that continue to pursue debts that are in dispute or have been paid; debt collectors using harsh, harassing or offensive methods to recover payments; and default listings over debts in dispute or that have been paid. The paper proposed options that may be pursued for a harmonised approach to regulating debt collection practices. We supported those options that included:

- Licensing, code of conduct and complaint handling rules that would not duplicate or conflict with other regulatory frameworks, providing clarity to consumers and providers about rights and obligations, and best industry practice guidelines.
- Requirements for debt collectors to provide more information to consumers about the debt, consequences of failing to pay, what to do if a debt is disputed and recourse to independent avenues of redress.
- Education and training to staff to increase their awareness of the impact that debt collection can have on consumers.

#### List of submissions

See page 51 (Appendix 3) for a full list of submissions made by TIO in 2011-12.

## PHILLIP MONEY COMMUNITY RELATIONS MANAGER



#### Time at TIO: eight years

My role involves principally working with vulnerable and disadvantaged consumers to tell them about the TIO’s existence and also to provide them with the means of access to the TIO.

Because it’s difficult to engage with all consumers effectively on a one-on-one basis we have to prioritise which consumers we have to reach out to. Therefore it is the view of the organisation that the consumers we should engage with are vulnerable and disadvantaged.

What I most like about my role is that I can hear people’s stories directly from them. After years of going through spreadsheets with complaints, the discussions I’ve had with consumers have brought these complaints to life.

A common theme I’ve found in those discussions about people’s complaints is that they end up in trouble because they don’t seem to understand what they’ve got themselves into. A good example was from a Burmese woman who spoke at the hardship forum the TIO facilitated this year. She said a lot of Burmese people spend years in refugee camps before coming to Australia, and don’t have much experience of mobile phones. From that, they come into a situation where they’re offered very sophisticated technology that can run up a large amount of credit in a short time.

The hardship forum we facilitated this year is one of the personal highlights of my role. I felt that we reached some common goals between community, government and industry quite quickly, and that was really quite rewarding.

It has been an enormous privilege to have had my horizons widened and expanded in this role.

### BRENDAN'S COMPLAINT

Brendan contacted us about a debt which was assigned to his name in error.



Brendan told us that two years ago, he went to a provider's shop to sign up for a new mobile phone plan and was told it was not possible because he had an outstanding internet bill of \$430. He told them that he didn't have a computer at home, let alone an internet service.

The provider acknowledged it was an error in their system, promised Brendan they would rectify it and signed him up for his plan. He used his mobile phone for some months until it was suddenly suspended. Brendan contacted his provider to find out the reason for the suspension, as he had been paying his bills on time. The provider advised him of the outstanding \$430 internet debt, which again was acknowledged as an error that would be fixed. Brendan told us that after that, his phone was suspended a number of times for the same error and each time the provider assured him it would be rectified. Eventually, his phone stopped being suspended and Brendan assumed the error had finally been fixed.

Near the end of his contract, he decided to continue with his provider and upgrade his plan. However, the provider said it was unable to make the upgrade until he paid an outstanding amount of \$430, which had been referred to a collections agency.

During our conciliation of Brendan's complaint, the service provider discovered that the reason why Brendan had no knowledge of the wrong debt was because the internet service had been connected by a third person on his account, who Brendan identified as his ex-girlfriend. The collections agency had also sent a bill to Brendan's previous address.

The service provider waived the incorrect debt and confirmed that the collections agency had not placed a credit default listing against his name. The provider upgraded Brendan to the plan he wanted.

### Staff overview

In 2011-12 staff numbers stabilised in comparison to the previous year, when a sharp increase in complaints caused the TIO to address demand by hiring more staff. As at 30 June 2012, we had 264 employees, of which 52 per cent are male and 48 per cent are female. The majority of our workforce (81 per cent) works full time.

#### New teams

Some new teams were created to assist in delivering the TIO strategy for 2012-15, in accordance to our vision and roles. These teams will allow us to put in place continuous improvement practices to our systems, develop our staff's skills, better engage with our stakeholders, ensure the quality of our work and contribute to improved complaint handling in the telecommunications industry.

#### TIO organisational structure

Our organisational chart can be viewed on Appendix 4 (page 52).

#### Wellness program

Our People and Development team organises a year-long program of wellness activities for our staff. These are aimed at helping them maintain their physical and mental wellbeing by promoting healthy eating, physical activity, budgeting, healthy relationships and keeping their health in check. Some of the activities done this year included:

- Hearing health tests
- Quit smoking seminars
- 10,000 Steps Challenge
- Healthy eating cooking demonstrations
- Budgeting workshops
- WorkHealth consultations



## Strategic planning

The TIO began a comprehensive strategy planning process in the second half of 2011.

This process included extensive staff consultations, and close consideration of the views of stakeholders about what will be important to ensure the TIO is successful in coming years. We canvassed what the vision, roles and values of the TIO should be to allow us to adapt to the substantial changes in the telecommunications industry, regulation and consumer demand for our services.

The new vision, roles and three year strategy were announced in June 2012, and an organisational restructure is underway to align all TIO business units with our new strategies.

### Our new vision

Our vision is to deliver an exceptional telecommunications dispute resolution service for consumers, service providers and the Australian community. We aim to contribute to better customer service and complaint handling within the telecommunications industry.

### Our roles

The TIO plays four main roles in the Australian telecommunications industry:

**Resolving disputes:** the TIO's first and primary role is to provide a dispute resolution service that is accessible, independent, fair, efficient, responsive and effective.

**Improving telecommunications services:** the TIO assists telecommunications service providers and their industry to improve their services to consumers, through identifying systemic issues and engaging with industry representatives.

**Being an independent voice:** the TIO is an independent and expert voice about matters affecting telecommunications consumers. We provide information and analysis to government and industry, and reach out to the community.

**Leading by example:** the TIO is innovative, adaptable, collaborative, responsive, resilient and forward thinking. We value very highly the work of our people and support their ongoing knowledge and skill development.

## MARCO'S COMPLAINT

Marco called us about being default listed for a \$1,900 phone account he claimed he had no knowledge of.



He told us that he only became aware of the default listing when he applied for a mortgage, which was rejected on the grounds of having a bad credit rating. He claimed he had never received notification from his provider about the default and he had been living at the same address for the last two years.

After our initial referral of his complaint, the service provider told him that the default listing was accurate and would not be removed. Marco was dissatisfied with this outcome and contacted us again.

When we conciliated the complaint, we got in touch with Marco's service provider, which showed us records of their correspondence and dealings with him. That correspondence showed that Marco had been sent a letter advising him of the debt. The records also showed that he had responded to this by contacting the service provider to negotiate a payment arrangement of \$150 per fortnight.

The provider's records showed that Marco had honoured the payments for the first three fortnights of the arrangement and then did not make any more payments for five months. The provider then sent him a notification that he would be default listed, and Marco began to make payments after the default listing notice had been issued.

After assessing this information, we came to the decision that Marco's provider had followed the appropriate credit management steps in the lead up to the default listing. Marco had been aware of the debt, had organised a payment arrangement that he didn't adhere to and as a consequence, was default listed.

Marco accepted the outcome and we closed the complaint.

## SIMON MCKENZIE INDUSTRY ENGAGEMENT MANAGER



### Time at TIO: eight years

My role involves working with service providers, which are the members of the scheme, to act as a point of contact with the TIO and exchange information about different issues that may have an impact on complaints.

The role provides me with a great deal of insight into the telecommunications industry, which is so dynamic and has such a variety of business models and people. It gives me an opportunity to work with providers to assist them to resolve complaints, provide fair outcomes to their customers and to review their practices where necessary.

It's quite rewarding from the point of view that it's wider than one complaint. Working in investigations I used to deal with isolated matters whereas in Industry Engagement I've had the chance to present to organisations at team level, provide training and analysis to senior management and promote information and knowledge exchange at the company level as well as individual.

I like meeting provider representatives and learning about their businesses, as well as the challenges they face in providing a good customer experience in an industry that is constantly changing and is very competitive. The industry provides a widely loved and adopted suite of products and services, so it's relevant to just about every Australian who wants to communicate, pretty much 100 per cent of the population.

We've been able to provide our experience and advice to growing companies about the different issues that others before them have encountered when expanding into offering different products and services. It has been rewarding to see providers that have taken advantage of our offer of training experience rapid growth without too much disruption to their business due to complaints.

I'm studying Law at the moment with the assistance of the TIO and that has really helped, on top my Commerce and Management background developed in service industries, to add a legal understanding of the telecommunications industry and how consumer issues may be tied to the movement of assets, product launches, restructures, mergers and acquisitions or insolvencies. It has given me the knowledge to assist companies to come to terms with operational issues that have an impact on the consumer experience.

## A new complaint handling system

On 1 May 2012, following two years of intensive planning and implementation, the TIO transferred to a new complaint handling system, RADaR. A significant update to our infrastructure, RADaR is designed to deliver greater efficiency and effectiveness in the TIO's day to day operations.

RADaR replaces a complaints management system that was more than a decade old, and is based on Resolve software, which is used by most other Ombudsman offices in Australia. RADaR provides a complete complaint record for every dealing, and has allowed the TIO to move to a largely paperless record system. RADaR automates some of our current administrative tasks, and will in due course provide additional scope for data analysis, which will give increased reporting and trend analysis capacity.

RADaR's infrastructure addresses the needs of the TIO in a dynamic telecommunications industry, and ensures the TIO is well-placed to address forecast consumer demand for the Ombudsman's services.

## Reviewing the TIO

### KPMG review

The TIO's Articles of Association require us to conduct regular and independent reviews of the organisation. The TIO Board commissioned consultancy firm KPMG to conduct such a review in December 2010, and its report was presented to the Board in June 2011.

KPMG's review was broadly very positive, recognising that we are meeting the benchmarks for alternative dispute resolution bodies originally set by the then Department of Industry Science and Tourism (DIST) and embraced by the Australian and New Zealand Ombudsman Association (ANZOA).

The review noted the changes facing the telecommunications industry, such as convergence, the increasing rate of mobile services and the National Broadband Network (NBN). All of these things mean that the TIO may face increased demand and complexity, as well as greater government and consumer attention.

The KPMG report recommended operational changes to increase the accessibility of the TIO, and our capacity to respond to variable complaint demand. The report also recommended a more strategic orientation and structured planning process to drive continual TIO improvement. Since the report the TIO has completed a thorough review of our Vision, roles and strategy, encapsulating many of the recommendations of KPMG in the various strategic priorities (See Strategic Planning).

KPMG also made observations and recommendations concerning the TIO's governance structure. Subsequently, both the current Board and Council have indicated that the TIO should move toward the adoption of a unitary governance structure. Work has commenced, through a transition committee of industry and consumer representatives, for developing and designing long-term governance arrangements, including an implementation plan.

### The DBCDE's inquiry into reform of the TIO

The Department of Broadband, Communications and the Digital Economy (DBCDE) reported on its inquiry into reform of the TIO in May 2012. The report followed the ACMA's *Reconnecting the Customer Inquiry* report, which included recommendations about the governance arrangements and systemic investigation procedures of the TIO.

The DBCDE report found that the TIO has and continues to provide high quality dispute resolution services despite surges in complaints. However, to better prepare the TIO for future complaint surges and a more complex telecommunications industry, the report made a number of recommendations to enhance our role. These include:

- increase compliance incentives for service providers to work with the TIO
- improve public reporting, including about non-compliance, additional complaint metrics and the TIO's own performance
- widen the definition of systemic issues, and increase the reporting of our work in this area
- assist service providers to improve their own dispute resolution practices
- review our dual governance structure (Board and Council) to adopt a unitary model.

The operational recommendations have been considered in developing our 2012-15 Strategy. Those recommendations that suggest changes to the TIO Constitution are currently under consideration by the TIO Council.

## PETRA JANKULOVSKI CONCILIATION MANAGER



### Time at the TIO: 1.5 years

My role involved implementing a conciliation process at the TIO. I was attracted to the role because I love dispute resolution. I've always enjoyed focusing on resolutions and conciliation really helps any issues move quickly towards a resolution.

My background is in social work and counselling. I majored in solution-focused therapy, which is a method that concentrates on solutions and not problems to create outcomes for the parties involved. I have experience in family counselling.

The thing that attracted me to Ombudsman schemes in particular was independence. It's also very diverse – after implementing the process there was ongoing coaching and mentoring that needed to be done, not only with staff and managers, but also with service providers.

A personal highlight was seeing closure times reduce. When I started at the TIO, the average closure time was 54 days, and now it's 21 days. That's a great achievement for everyone.

## SYSTEMIC CASE STUDY TPG INTERNET'S ORAL WAIVERS UNDER THE CSG STANDARD

The *Customer Service Guarantee Standard* (CSG) is legislation that sets out the minimum standard times in which a service provider must connect or repair a fault on a landline service. It also gives consumers the right, if these times are not met, to be compensated for a delay. In certain circumstances, a service provider may ask a consumer to waive their rights under the CSG Standard.

From early 2011, the TIO received a significant number of complaints from consumers about connection and repair delays with their telephone services provided by TPG and their possible entitlement to compensation under the Customer Service Guarantee (CSG) Standard 2006.

We noticed that TPG was informing consumers during telephone sales calls that the connection of a standard telephone service would take longer than what the CSG Standard allows in most circumstances. TPG also required customers to waive their rights and protections under the CSG Standard when applying for a telephone service. According to the CSG Standard 2006, a provider could request a consumer to waive their rights in exchange for a significant service benefit.

We raised our concerns with TPG that its telephone-based oral waiver did not appear to be compliant with the section of the Standard that sets the minimum of information a provider is obligated to give consumers about the protection and rights they would forgo by accepting the waiver.

The CSG Standard was updated and came into force on 1 October 2011. One of the features of the Standard in 2011 was the removal of the requirement of a provider to offer a "significant service benefit" when requesting a consumer to waive their rights. In light of this, as well as changes that TPG had made to its oral waiver scripting as of 12 May 2011, the TIO and TPG agreed to look at the validity of its waivers within three specific periods:

**BEFORE 12 MAY 2011.** We considered that TPG's oral waiver did not meet the requirements of the original CSG Standard.

**BETWEEN 12 MAY 2011 AND 1 OCTOBER 2011.** We considered that TPG's oral waiver met the requirements of the original CSG Standard.

**AFTER 1 OCTOBER 2011.** We considered that TPG's oral waiver met the requirements of the updated CSG Standard.

On the basis that a number of TPG customers – those who signed up for a service before 12 May 2012, and purportedly agreed to waive CSG rights – may have been entitled to compensation under the 2006 CSG Standard retrospectively, the TIO asked TPG to identify affected consumers and redress any detriment. TPG indicated that it was prepared to treat complaints from such customers as being eligible for CSG compensation but that it did not wish to approach those customers again for the purposes of either seeking a revised waiver or to offer compensation to affected customers.

As permitted under the TIO Constitution, and because a resolution was not agreed with TPG, the TIO referred the Systemic issue to the Australian Communications and Media Authority for further consideration.

## Enterprise bargaining

In late 2011, the TIO received a request from some employees to begin bargaining for an enterprise agreement. To ensure that this was the view of the majority of staff a ballot was conducted by the Australian Electoral Commission in December 2011.

A majority of employees supported the request for bargaining, and the TIO agreed to the request in January 2012. Negotiations are currently underway, with both employees and the TIO presenting their positions in a series of meetings. The bargaining process should be concluded during 2012-13.

# APPENDIX 1

## CALENDAR OF OUTREACH ACTIVITIES

Event	Date	Location
ACCOMS Award dinner	7 July 2011	Sydney, NSW
BEAQ Conference	15 July 2012	Brisbane, QLD
National Small Business Summit	26 July 2011	Sydney, NSW
Bring your bills day	4 August 2011	Werribee, Vic
Know Your Rights Expo	15 August 2011	Darwin, NT
Meeting with staff from NT Legal Aid	15 August 2011	Darwin, NT
Meeting with staff from NAAJA	15 August 2011	Darwin, NT
Meeting with staff from Darwin Community Legal Centre	16 August 2011	Darwin, NT
Meeting with staff from Melaleuca Refugee Centre	16 August 2011	Darwin, NT
Meeting with staff at CAALAS	17 August 2011	Alice Springs, NT
Know Your Rights Expo	17 August 2011	Alice Springs, NT
Meeting with staff from the Centre for Appropriate Technology	18 August 2011	Alice Springs, NT
Alice Springs Career Expo	18 August 2011	Alice Springs, NT
SOCAP symposium	31 August 2011	Sydney, NSW
Financial Counsellors Association of Victoria - annual conference	7 September 2011	Geelong, Vic
ACCAN Conference	7 September 2011	Sydney, NSW
Financial Counsellors meeting NSW	9 September 2011	Sydney, NSW
Financial Counsellors Conference of NSW	18 September 2011	Pokolbin, NSW
Student Information sessions	19 September 2011	Sunbury, Vic
Bring your bills day	21 September 2011	Ascot Vale, Vic
Financial Counsellors of South Australia Conference	26 September 2011	Adelaide, SA
Financial Counsellors Association of Western Australia	27 September 2011	Perth, WA
NSW Aboriginal Rugby League Knockout Carnival	30 September 2011	Bathurst, NSW
Bring your bills day	11 October 2011	Braybrook, Vic
CommsDay Congress	11 October 2011	Melbourne, Vic
Queensland Multicultural Festival	15 October 2011	Brisbane, Vic
National Association of Community Legal Centres Conference	17 October 2011	Hobart, TAS
Anti Poverty Week Forum	18 October 2011	Campbelltown, NSW
Bring your bills day	21 October 2011	Essendon North, Vic
Visit to Malcolm Turnbull's office	7 November 2011	Edgecliff, NSW
CAV Community Information Day	8 November 2011	Sunbury, Vic
NBN Co Forum	10 November 2011	Melbourne, Vic
TIO Telco Debt Forum	14 November 2011	Melbourne, Vic
Good Service Forum	15 November 2011	Wilcannia, NSW
Homeless Symposium	16 November 2011	Sydney, NSW
Meeting with the staff from the office of John Williams	16 November 2011	Broken Hill, NSW
Cooperative Legal Services Delivery Meeting	16 November 2011	Broken Hill, NSW
Federation of Ethnic Communities Councils of Australia conference	17 November 2011	Adelaide, SA
Comview Conference	28 November 2011	Melbourne, Vic
Meeting with staff from Central Community Legal Service	29 November 2011	Adelaide, SA
Meeting with Financial Counsellors at Uniting Care Wesley	29 November 2011	Adelaide, SA
Meeting with staff from the office of The Hon Kate Ellis	29 November 2011	Adelaide, SA
Meeting with staff from Metropolitan Migrant Resource Centre Inc	12 December 2011	Mirraboopa, WA
Meeting with staff from Consumer Credit Legal Service (WA) Inc	12 December 2011	Perth, WA
Meeting with staff from Senator Ludlum's office	12 December 2011	Fremantle, WA
All Stars Bumehla Festival	3 February 2012	Gold Coast, Qld
Having a Say Conference	8 February 2012	Geelong, Vic
Sydney Mardi Gras	12 February 2012	Sydney, NSW
Bring your bills day	14 February 2012	Flemington, Vic
Broadband and Beyond Conference	22 February 2012	Sydney, NSW
DPV/NDS 2012 Conference	1 March 2012	Melbourne, Vic
Bring your bank account day	2 March 2012	Braybrook, Vic
CAV Community Forum	2 March 2012	Wonthaggi, Vic



Event	Date	Location
Launch of ASIC's Money management resources and education initiative for newly arrived communities	6 March 2012	Auburn, NSW
The Corporate takeover of childhood: who's paying the price? The 3rd Australian Conference on Children and the Media	9 March 2012	Melbourne, Vic
Third Age Network	13 March 2012	Melbourne, Vic
Ethnic Leaders Forum	14 March 2012	Adelaide, SA
CAV and Whittlesea Community Connections Information day	15 March 2012	Thomastown, Vic
Bring your bank account day	16 March 2012	Footscray, VIC
Ombudsman Roadshow	19 March 2012	Various
Seniors Day Royal Easter Show	10 April 2012	Sydney, NSW
CommsDay summit	17 April 2012	Sydney, NSW
Kildonan Uniting Care Hardship Forum	19 April 2012	Collingwood, Vic
Meeting with Financial Counsellors at Victoria University	26 April 2012	Melbourne, Vic
Seventh National Deafness Sector Summit	28 April 2012	Melbourne, Vic
ANZOA Conference	30 April 2011	Melbourne, Vic
Visit to Indigenous communities with Wesley Community Care	30 April 2012	Cairns, Qld
Meeting with staff from the office of Senator Jan McLucas	30 April 2012	Cairns, QLD
Meeting with staff from the Cairns Community Legal Centre	1 May 2012	Cairns, Qld
Visit to Yarrabah with Indigenous Consumer Assistance Network	1 May 2012	Cairns, Qld
Financial Counsellors Association of Queensland Conference	2 May 2012	Palm Cove, Qld
Meeteing with staff from the Cairns Migrant Resource Centre	3 May 2012	Cairns, QLD
Meeting with staff from the Mulunga Corporation	3 May 2012	Mareeba, Qld
Agfest Field Day	3 May 2012	Launceston, Tasmania
Financial Counsellor of Australia Conference	15 May 2012	Melbourne, Vic
EDR Conference	16 May 2012	Melbourne, Vic
CAV Information Day	22 May 2012	West Heidelberg, Vic
Bring your bills day	12 June 2012	Broadmeadows, Vic
Money Talks information session: All Hung Up: Consumer Law & Phone contract traps	12 June 2012	Fitzroy, Vic
Financial Hardship Forum	13 June 2012	Melbourne, Vic
Bring your bills day	14 June 2012	Ringwood, Vic
Bring your bills day	20 June 2012	Sunshine, Vic
Second National Settlement Conference 2012 "Creating Our Future"	27 June 2012	Adelaide, SA

# APPENDIX 2

## MEMBER LIST

Trading Name	Date Joined		
Internet Service Provider			
1990 Multiline BBS Pty Ltd	08-Sep-98	Commerce Australia Pty Ltd	02-Apr-98
2000 Computers and Networks Pty Ltd	27-Jan-06	Computers Now Pty Ltd	09-Aug-02
2501 Group Pty Ltd	19-Jun-09	Comstar Trust	11-Feb-03
3 Guys Broadband Internet	20-Nov-06	Davis, Troy Stephen	23-Apr-03
5Tel Communications Pty Ltd	01-Dec-09	Comwel Pty Ltd	19-Oct-09
A & R Computer Services Pty Ltd	15-Aug-06	Bucan Holdings Pty Ltd	01-Jul-97
A&R Computers Pty Ltd	15-Feb-07	InterNex Australia Pty Ltd	09-Mar-98
e-wire Connection Point Pty Ltd	21-Dec-11	Contal Information Technology Pty Ltd	12-Jun-98
AccessPlus Pty Ltd	24-Apr-01	Connect West Pty Ltd	21-Oct-04
Clever Communications Operations Pty Ltd	05-Jan-03	Corinthian Engineering Pty Ltd	06-Apr-98
Accsoft Computer Technology Pty Ltd	26-Oct-97	Corpita Pty Ltd	15-Apr-03
Accsys IT Pty Ltd	20-Feb-02	Coretech Aust Pty Ltd	03-Aug-07
Ace Internet Services Pty Limited	01-Sep-97	Rural Systems Trust	27-Mar-04
Australian Corporate Technology Pty Ltd	18-Aug-05	Cross Link Pty Ltd	28-May-02
ACTew Retail Ltd & AGL ACT Retail Investments Pty Ltd	07-Jun-01	CSI Holdings Pty Ltd	18-Jul-97
aCure Technology Pty Ltd	01-Jun-04	C S. Sutherland Corporation Pty Ltd	08-Sep-03
Adam Internet Pty Ltd	14-Oct-97	CyberCentral Pty Ltd	26-Aug-08
Richard J Williams & Marilyn K Golding-Williams	07-Aug-98	CyberOne Pty Ltd	03-Sep-97
Adrian Blake Pty Limited	26-Apr-12	The Trustee for CYNERGIC UNIT TRUST	11-Sep-06
The Trustee for the L&B Cornwell Family Trust	15-Apr-04	D & M Technologies Pty Ltd	02-Apr-01
Albury Local Internet Pty Ltd	29-Nov-00	DataHealth	27-Jun-12
Allegro Networks Pty Ltd	03-Feb-06	GComm Py Ltd	18-Jun-03
Alpha Dot Net Australia Pty Ltd	30-Oct-97	Datalan Australia Pty Ltd	16-Jun-03
Alphawest Services Pty Ltd	09-Jul-98	Data Traffic Services Pty Ltd	03-Aug-07
AlwaysOnline Pty Ltd	28-Jan-01	Davidoff, Peter William	08-Dec-09
Amcom Telecommunications Limited	01-Jun-07	DAYTEC Australia Pty Ltd	19-Feb-00
Amnet Broadband Pty Ltd	03-Oct-11	DCS Internet Pty Ltd	14-Oct-97
AW Communications Pty Ltd	10-Mar-03	Depot IT Pty Limited	23-Aug-04
Access Net Unit Trust	25-May-02	Diggy Australia Pty Ltd	13-Sep-99
ANS Communications Pty Ltd	01-Apr-98	Digital River Networks Pty Ltd	23-Nov-05
Dunk, Roger K	09-Dec-97	Welsh, Steven Edward	22-Apr-09
McKay, Kenneth	21-Jul-00	Digital Technologies & Telecommunications Pty Ltd	01-Jan-06
Armadillo Applied Computer Technologies Pty Ltd	02-Sep-05	Domain Trading Pty Ltd	02-Sep-99
AustraliaNet IT Pty Ltd	13-Mar-00	DPT Solutions Pty Ltd	29-Jun-09
Australia On Line Pty Ltd	24-Mar-98	Dragnet Internet Services Pty Ltd	29-Jun-09
Australia Internet Solutions Pty Ltd	11-Oct-97	The Trustee for Easemail.net Trust	26-Apr-05
AustLink Pty Ltd	06-May-08	David W & J G Rutch	10-Jul-99
Lennox, Damian James	25-Mar-09	Eastern Wireless Pty Ltd	20-Jun-05
Azure Wireless Pty Ltd	14-Jul-05	Easy Internet Services Pty Ltd	03-Oct-03
Banana Shire Council	17-May-99	Easynet Pty Ltd	27-Nov-97
Barden, Paul William	01-Mar-06	EasyTel Communications Pty Ltd	14-Jun-06
Barnetwork Pty Ltd	05-Oct-03	Echobreeze Pty Ltd	19-Jan-03
Belmont Computer Centre Pty Ltd	22-May-08	ECN Pty Ltd	12-Mar-03
Betterlink Pty Ltd	20-Dec-98	Ecopost Pty Ltd	04-Aug-97
BigAir Group Limited	24-Nov-02	Eftel Radio Pty Ltd	06-May-02
Bigdy Pty Limited	19-Dec-04	The Trustee for Elmtree Consulting Services Unit Trust	28-May-99
Biota Blue Pty Ltd	12-Sep-08	Elu Information Systems Pty Ltd	26-Oct-97
Wellstead, Peter John	25-Jul-02	Emerge Technologies Pty Ltd	14-Nov-99
Blitzwave Pty Ltd	11-Jul-05	Ensyst Pty Limited	13-May-05
Blue Net Pty Ltd	18-Nov-02	INerd Pty Ltd	18-May-98
Blubroadband Pty Ltd	19-Dec-07	Escape Communications Pty Ltd	09-Aug-02
Hussain, Dawud Ameen	04-May-98	E-Sharp Technology Pty Ltd	06-Aug-02
Bon Media Pty Ltd	30-Jun-05	Ethan Group Pty Ltd	03-Jun-10
Bordnet Internet Pty Ltd	23-Jun-03	EtherTech Pty Ltd	02-Jun-99
Bravo Internet Pty Ltd	13-Aug-07	Fish Telecom Pty Ltd	01-Jul-02
Smith, Alwyn Laurence	16-Dec-05	Farmworks Australia Limited	20-Nov-07
Broadband Phone Pty Ltd	07-Dec-05	Evanscorp Pty Ltd	01-Nov-01
Broadcast Engineering Services (Australia) Pty Ltd	19-Sep-02	Lonicera Pty Ltd	07-Nov-99
BroadbandNet Pty Ltd (in Liquidation)	11-Jan-06	Evolving Technology Solutions Pty Ltd	05-Dec-06
Broadband Wireless Pty Ltd	09-Jan-06	Extentia Corporation Pty Limited	23-Mar-04
BTAS Pty Ltd	09-Jan-12	EZ ADSL Pty Ltd	24-Jan-07
Buijk Finance Pty Ltd	02-Nov-05	Ezylink Internet Pty Ltd	18-Jan-99
CBIT Pty Limited	22-Nov-05	F1 Computer Services	16-Jun-99
Down Under Consultants Pty Ltd	12-May-98	Mackin, Dean J	17-Jan-99
Central Coast Internet Pty Ltd	12-Nov-97	Sohonet Pty Ltd	22-Oct-03
Central Data Pty Ltd	02-Nov-00	First Link Internet Service Pty Ltd	01-Jul-97
The Trustee for CHANNEL COMMUNICATION HYBRID UNIT TRUST	14-Mar-06	Firestorm Computing Pty Ltd	20-Jan-04
Chariot Internet Ltd	29-Oct-97	Flexirent Capital Pty Ltd	10-Jun-09
Cheapanet Pty Ltd	06-Jul-06	Fortana Networks Australia Pty Ltd	22-Dec-09
Charter Resources Group Holding Pty Ltd	21-Sep-05	Foundation IT Services Pty Ltd	28-Mar-08
Gratesand Pty Ltd	19-Nov-98	Fox All Service Pty Ltd	24-Aug-98
Ciphertel Pty Ltd	21-Apr-05	M.W Frahn & A.J Stevens	07-Jan-04
Cirrus Communications Pty Ltd	18-May-05	Freerate Networks	01-Sep-99
City Cable Pty Ltd	19-Sep-06	The Trustee for FUTURE WEB UNIT TRUST	09-Jul-98
ClariNET Internet Solutions Pty Ltd	25-Jul-97	Gameexpress Glen Waverley Pty Ltd	21-Jun-02
Clear Technology Pty Ltd	22-Nov-06	Gel Works Pty Ltd	22-Jul-99
ClubNet International Pty Ltd	17-Jan-99	Geocel Pty Ltd	16-Feb-06
Community Information Strategies Australia Inc	21-Nov-04	Geo Media Broadband Pty Ltd	26-Apr-06
		GeoNet Pty Ltd	26-Apr-06
		GKY Distributors Pty Ltd	01-Jul-97
		Zantico Pty Ltd	03-May-00
		Global Wire Australia Pty Ltd	05-Jul-00

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Global Solutions Network Pty Ltd	25-Aug-03	Multibase Web Australis	01-Jul-97
Golden IT Pty Ltd	11-Dec-03	MyDoor.Com.Au Pty Ltd	20-Nov-06
GPk Computers Pty Ltd	31-Oct-11	Mediamesh Pty Ltd	22-Apr-09
Graytech Hosting Pty Ltd	18-Jan-08	MyLink Wireless Pty Ltd	28-May-04
GreenBay Communications Pty Ltd	17-Apr-03	Nanoetek Pty Ltd	30-Apr-03
Haddow, Shane Robert	07-Jul-06	NBN Co Limited	23-Apr-10
Hande Pty Ltd	29-Mar-03	Network Computer Training Pty Ltd	14-Nov-00
Hanod Investments Pty Ltd Superannuation Fund	29-Aug-01	NEC Australia Pty Ltd	02-Aug-02
HarbourIT Pty Ltd	16-Jan-06	Net2000 Pty Ltd	14-Jul-98
Highway Internet Services Pty Ltd	03-Jul-01	Netbay Internet Pty Ltd	01-Jan-01
Hissey & Associates Pty Ltd	05-Jan-03	NetCentral.com.au Pty Ltd	14-Aug-00
Citisystems (Aust) Pty Ltd	07-May-99	The Trustee for Netcore Unit Trust	01-Jul-97
Hitech Support Pty Ltd	23-Jun-02	Netforce Pty Ltd	13-Dec-01
Home Secure (Aus & NZ) Pty Ltd	26-Nov-07	Net4 Pty Ltd	15-Oct-09
Hood Sweeney Technology Pty Ltd	04-Jan-07	Netmail Access Pty Ltd	07-Jun-99
Horizen Enterprises Pty Ltd	08-Sep-99	Netmastery Pty Ltd	23-Aug-99
Hosting Technologies Pty Ltd	26-Aug-03	Agnew, Myles Adam	10-Feb-99
Hotkey Internet Services Pty Ltd	28-Oct-97	The Trustee for RO Family Trust	16-Nov-97
Hotspotzz Pty Ltd	01-Jul-05	Net Solutions Pty Ltd	16-Jul-99
Hotline IT Pty Ltd	11-Feb-04	Netspace Online Systems Pty Ltd	01-Jul-97
T.A CROSS & H.J JAGLA & M.J ROBERTSON	09-Jul-98	Bytecard Pty Ltd	10-Dec-97
The Trustee for The Swish Australia Trust	11-Sep-03	Network Synergy Corporation Pty Ltd	11-May-06
I-Connect Internet Pty Ltd	31-Jul-03	Network Technology (Aust) Pty Ltd	20-May-02
Integrated Data Labs Pty Ltd	01-Sep-99	Netwave Communications Pty Ltd	14-Oct-09
Tas Communications Pty Ltd	09-Jun-05	Aaron P Wirth & Philip J Grainger	07-Oct-02
The Independent Trust	10-Jan-00	Yorke Systems Pty Ltd	09-Nov-98
Infinite Networks Pty Ltd	26-Oct-03	D'Silva Alastair John	18-Feb-01
Infoxchange Australia	15-Sep-06	NexG E-Access Pty Ltd	07-Jun-11
Graham C Maltby & Klaus D Boehme	07-Aug-07	Nexon Asia Pacific Pty	11-Sep-03
Instra Corporation Pty Ltd	20-Jun-07	Nextgen Networks Pty Ltd	13-Feb-01
InterDomain Pty Ltd	31-Dec-97	The Trustee for Nissen Family Trust	27-Aug-04
Interwerks Pty Ltd	06-Dec-01	No More Wires.com Pty Ltd	30-Oct-00
IntraPower Terrestrial Pty Ltd	29-Jul-98	Nornet Enterprises Pty Ltd	29-Aug-02
Internet Solutions Pty Ltd	06-Sep-06	Noro Communications Pty Ltd	20-Apr-09
The Trustee for WATTLETREE DISCRETIONARY TRUST	27-Oct-97	North Industries Pty Ltd	09-Oct-03
IP Exchange Pty Ltd	08-Nov-07	Integrity Network Solutions Pty Ltd	20-Feb-03
Isage	07-Jun-99	NT Technology Pty Ltd	27-Aug-98
iSeek Communications Pty Ltd	27-Oct-11	Nuskope Pty Ltd	06-May-08
Information Systems Technology Network Pty Ltd	15-May-00	Nvision Pty Ltd	27-Aug-99
ITD Group Pty Ltd	14-Sep-04	Ocean Broadband Ltd	21-Mar-05
IT Systems Management Pty Ltd	21-May-03	OCTEC Limited	10-Feb-99
Jackar Australia Pty Ltd	02-Mar-06	Offis Pty Ltd	19-Nov-98
ARTHUR, JASON PHILIP	18-Jan-01	OnTheNet Pty Ltd	30-Oct-97
Jigsaw Technology Pty Ltd	20-Apr-98	SHS Holding Pty Ltd	15-May-03
Jimojo Pty Ltd	09-Jan-07	On Q Communications Pty Ltd	08-Dec-09
Ossini Pty Ltd	25-Mar-00	On Q Networks Pty Ltd	16-Dec-09
Sublime IP Pty Ltd	11-Aug-98	Operations & Technology Group Pty Limited	20-Jun-07
JWC Internet Services	15-Jul-02	Optic Fibre & Wireless Pty Ltd	23-Feb-04
Kangaroo Tech Pty Ltd	27-Jun-12	OPOC Solutions Pty Ltd	18-Aug-03
Kaphoops Pty Ltd	11-Jun-08	Optus Broadband Pty Ltd	29-Jun-00
Kean, Michael Charles	06-Apr-09	Origin Net	22-Jun-12
Ketteridge, Peter Walter	13-Apr-04	The Orion On-line Trust	06-Apr-98
King Island Regional Development Organisation Inc 2520	12-Aug-99	Instant IT Services	20-Apr-99
Laptop Connect Wireless Pty Ltd	29-Jun-09	Output DSJ Pty Ltd	27-Jun-03
LB & GL Rodda Pty Ltd	12-Nov-03	Over The Wire Pty Ltd	26-Mar-07
Leading Edge Internet Pty Limited	02-Jul-01	The Lohning Family Trust	17-Nov-99
Link Innovations Pty Ltd	27-Nov-03	The Trustee for Shop Safe Trust	30-May-03
The Dyer Family Trust	09-Nov-98	Ozcom Consulting Services	01-Jun-07
PETER & HELEN A BUNDY	15-Mar-99	OzGuide	15-Jun-99
LMHA Network Ltd	27-Nov-07	OzISP Pty Ltd	17-Nov-02
Teklogik Pty Ltd	08-Feb-06	Pacific Wireless Australia Pty Ltd	18-Mar-02
Logic IT Solutions Pty Ltd	23-Sep-09	Batman Investments Pty Ltd	09-Dec-02
Magnafield Technology Distribution Pty Ltd	28-Dec-97	Patash Pty Ltd	13-Oct-97
Marlec Pty Ltd	25-Aug-08	Personal Broadband Australia Limited	17-Dec-03
Maxi Internet Services Pty Ltd	23-Apr-02	Fred IT Group Pty Ltd	21-Sep-06
McCullagh Family Trust	23-Sep-05	PC Users Group (ACT) Incorporated	13-Dec-11
McLean, Ian Duke	21-Aug-07	Perth international Exchange ATF the Perth IX Trust	18-Apr-06
McPherson Media Pty Ltd	20-Jan-98	Petersen, Stephen D	03-Dec-98
Mackay Computer Services Pty Ltd	10-Feb-00	Pivit Pty Ltd	27-May-05
Megalink Australia Pty Ltd	29-Apr-03	Keishen Pty Ltd	19-Dec-06
Melbourne PC User Group Inc	12-Oct-97	Planet Ozi Pty Ltd	14-Mar-06
Melbourne Wireless Incorporated Association	02-Dec-05	Platform Computing Pty Ltd	08-Mar-00
Internet Lifeguard Pty Ltd	15-Jan-04	D.J HOOTON & Kingtone Pty Ltd & B.P RANDALL & M.J SWEET	02-Aug-05
Edward & Catherine Jozis	30-Apr-98	Port Of Brisbane Corporation	31-Jul-06
David F & Brownwyn K Angove	17-Dec-97	Property Communications Management International Pty Ltd	29-Sep-10
Mikka International Pty Ltd	23-Jul-97	A Frankel & JM Noble	12-May-99
Mindvision Interactive Pty Ltd	20-Aug-97	Preferred Internet Provider	25-Nov-97
Minerva Micro Pty Ltd	31-Mar-98	Primebase Pty Ltd	13-Dec-04
Minopher Pty Ltd	30-Dec-97	A.C.N. 091 642 858 Pty Ltd	20-Aug-99
Modern Pty Ltd	15-Nov-99	DreamTilt Pty Ltd	04-Sep-06
Monopod Computers Pty Ltd	08-Nov-11		
Matilda Internet Pty Ltd	17-Sep-98		

Project Eclectic R&D (SA) Pty Ltd	19-Oct-05	Vantage Communications Pty Ltd	24-Oct-11
Puddlenet Pty Ltd	18-Jul-06	Velocity Internet Pty Limited	25-Aug-03
Quik Internet Australia Pty Ltd	12-Nov-03	Vertical Telecoms Pty Ltd	07-Feb-01
Pearson, Alan Robert	07-Dec-05	Vibe Multimedia Pty Ltd	04-Mar-10
B L Nankivell & R G Nankivell	09-Nov-98	Library Board of Victoria	25-Mar-98
Quintessa Holdings Pty Ltd	05-Jul-99	K Lane & A.D Pirie Property Management	10-Jul-06
Redgum Software & Support Pty Ltd	17-Sep-00	Vintek Pty Ltd	24-May-01
Wilson, Robert T	17-Sep-98	Virtualcity Pty Ltd	21-Mar-04
Reynolds Technology Pty Ltd	23-Jul-01	Virtual Communities Ltd	07-Apr-03
Pentana Solutions Pty Ltd	12-May-00	Virtual Computers Pty Ltd	02-Nov-97
Rimway Holdings Pty Ltd	20-Nov-02	Vivid Wireless Pty Limited	28-Sep-09
The Murray Pioneer Pty Ltd	08-Dec-97	Warick Grubb J	04-Aug-04
ROK Technology Pty Ltd	19-Jan-00	Wave Connect (No 1.) Pty Ltd	16-May-11
Analyst Programmers Pty Ltd	22-Jul-99	Web Australis Pty Ltd	01-Jul-97
Beyond Disability Incorporated	15-Sep-03	Web Prophets Pty Ltd	21-Oct-03
Rural Business Machines Pty Ltd	02-Feb-98	G.A Wigzell & M.E Wigzell	18-Jan-07
Satellite and Wireless Pty Ltd	15-Aug-06	Justin Fultiak & Goldline Technologies Pty Ltd	15-Aug-07
Saunders Properties Pty Ltd	31-Jul-02	Webzone Holdings Pty Ltd	20-Mar-03
Saving Green Pty Ltd	26-Nov-09	Wellington Communications Pty Ltd	25-Jul-00
Savvis Australia Pty Ltd	21-Oct-99	WE.NET.AU Pty Ltd	14-Mar-04
Editure Education Services Limited	01-Jul-97	Western Advance Pty Ltd	17-Oct-07
ScoastNet Pty Ltd	14-Oct-97	West Australian Networks Pty Ltd	14-Jul-98
Sebastopol College	10-Aug-99	Westconnect Technologies Pty Ltd	08-Sep-98
DotAussie.com Pty Ltd	31-Mar-03	We Solve It Pty Ltd	28-Apr-04
The Trustee for SHEPHARD FAMILY TRUST	01-Dec-09	KJ & KF Coble	15-Jun-99
Anderson, Michael John	11-Nov-08	Westway Nominees Pty Ltd	14-Jul-05
Michael Parnell Pty Ltd	10-Sep-99	Wide Blue Ocean Pty Ltd	23-Aug-04
Sixty Second Crater Pty Ltd	15-Aug-05	Winderee investments Pty Ltd	19-Feb-08
SIS Group Pty Ltd	11-Mar-03	Winshop Internet (Aust) Pty Ltd	05-Dec-08
SkyMesh Pty Ltd	10-Jun-05	Wired Sky Pty Ltd	02-May-06
SMS Global Pty Ltd	21-Jul-09	Wirefree Networks Pty Ltd	15-Aug-06
SMV & GJ Bambrick	01-Sep-03	Wizz Pty Ltd	14-Jun-06
The Somerville Group	12-Apr-10	Wobygong Pty Ltd	02-Dec-02
Russell, Robin Mark	08-Jul-02	Wood Dragon Pty Ltd	17-Dec-02
South Sydney Junior Rugby League Club Ltd	11-Nov-01	World.Net Services Pty Ltd	19-Mar-00
Spacelink Communications Pty Ltd	25-Jul-02	Timothy N Worth & Didileia R Worth	01-Apr-03
Spartan Information Technology Pty Ltd	15-Jan-10	See, Keat Teik	02-Sep-98
Spencer Gulf Telecasters Ltd	20-Sep-02	XYZed Pty Ltd	21-Jul-00
Speednet Communications Pty Ltd	27-Jul-99	White, Anthony E	23-Sep-99
The Ward Investment Unit Trust	14-Jul-98	Yless4U Pty Ltd	23-May-06
SPI Electricity Pty Ltd	31-Jul-06	Your ASP Pty Ltd	27-May-02
Spintel Pty Ltd	20-Apr-98	Hull, Robert William	09-Feb-03
Spitfire Internet Services Pty Ltd	18-Apr-00	World.Net Services Pty Ltd	19-Mar-00
Sprint International Australia Pty Ltd	25-Jul-00	XYZed Pty Ltd	21-Jul-00
Steal Internet Pty Ltd	31-Jan-06	Yippii Pty Ltd	18-Jul-12
BBIT Pty Ltd	27-Aug-98	Yless4U Pty Ltd	23-May-06
South West Healthcare	15-Apr-08	Yorke Systems Pty Ltd	09-Nov-98
Everynet Pty Ltd	21-Dec-10	Your ASP Pty Ltd	27-May-02
Schwartz, Jacob Issac	22-Oct-09	Zantico Pty Ltd	03-May-00
Symbio Networks Pty Ltd	23-May-06	Internet Service Provider Total	453
Sympac Computing Pty Ltd	03-Jun-98		
Synapse I.T Pty Ltd	20-Jun-07	Other	
Tasmanet Pty. Ltd.	26-Oct-05	1800 Phone Home	06-Feb-07
Van Den Eynde Robert Frank & Denise Joan	11-Apr-06	Aggregato Mobile Direct Pty Ltd	25-Jun-10
TC Communications Pty Ltd	23-Sep-09	Askari, Kamal	05-Dec-08
Tech 2U Pty Ltd	10-Aug-99	Australia-Japan Cable (Australia) Limited	01-Feb-01
Clarke Family Trust	16-Jun-99	Clarinet Australia Pty Ltd	08-Dec-05
Berlic, Ernest Frank	12-May-98	CMobile Pty Ltd	20-Sep-12
Techsus Pty Ltd	18-Aug-05	Commoditel (Australia) Pty Ltd	11-Aug-04
Teksupport Pty Ltd	03-Oct-97	Connectivity IT Pty Ltd	25-Jan-12
Tellurian Pty Ltd	05-Jan-05	D.J BLACKER & M.J BLACKER	23-May-05
Northern Technology Holdings	24-Jul-03	Dialogue Communications Pty Ltd	30-Aug-04
Taccom Pty Ltd	22-Mar-99	Digital Distribution Australia Pty Ltd	11-Feb-01
Telco Talk Communications Pty Ltd	02-May-06	Essential Energy	08-Dec-02
Chequer, Jeremy Arthur	27-May-11	ETSA Utilities	14-Jan-01
The Australian Internet Company Pty Ltd	01-Jul-97	Firstpath Pty Ltd	23-Aug-10
The Boss Group Pty Ltd	24-Mar-06	Fusion Broadband	06-Aug-12
The Friendly Giant Pty Ltd	27-Oct-99	Gaptel Australia	02-Oct-12
Infoxchange Australia	02-Dec-97	Index Consultancy - Australia Pty Ltd	21-Jul-06
Highlevel Innovations Pty Ltd	10-Mar-98	Investel	17-Aug-12
TouchTV Pty Ltd	25-Feb-04	Ipera Communications Pty Ltd	19-Mar-00
Townsville Division Of General Practice Ltd	29-May-07	iPSTAR Australia Pty Ltd	21-Sep-06
Tower Computer Aid Pty Ltd	19-Aug-04	iTelecom Wholesale Pty Ltd	27-Jan-10
Towong Shire Council	05-May-09	Jeenee	19-Jul-12
TPG Internet Pty Ltd	01-Jul-97	Jemena Asset Management (2) Pty Ltd	31-Jan-08
Tups Company Pty Ltd	13-Jun-12	Kallistrate Pty Ltd	06-Sep-06
Turbonet Pty Ltd	13-Jun-03	Kazatky, Samuel Joshua	06-Dec-05
TX Communications Pty Ltd	22-Nov-98	Lowercall (Aust) Pty Ltd	02-May-12
United Telecommunications Pty Ltd	01-Feb-07	Luminet Pty Ltd	21-Mar-11
Unistar Enterprises Pty Ltd	24-Jul-07	Lycamobile Pty Ltd	10-Feb-10
UnitedIP Pty Ltd	28-Nov-04	Medion Australia Pty Limited	08-Oct-12
University of Queensland Information Technology Services	17-Jun-98	Miscellany Pty Ltd	08-Apr-04



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Motomachi Pty Ltd	27-Sep-12
M-Squared Developments	01-Aug-12
NBN Tasmania Ltd	22-Apr-10
New Skies Satellites Australia Pty Ltd	02-Jan-06
Office Advisors Pty Ltd	10-Mar-04
OMNIconnect Pty Ltd	18-Sep-97
OPENetworks Pty Ltd	26-Feb-07
Optic Networks Pty Ltd	15-Aug-12
OptiComm Co Pty Ltd	07-Apr-09
Optus Vision Pty Ltd	07-Dec-97
Oziplex Pty Ltd	27-Sep-02
Pivotel Satellite Pty Limited	28-Apr-03
Powertec Telecommunications Pty Ltd	09-Feb-06
PowerTel Ltd	01-Jul-97
Quantum Multimedia Communications Pty Ltd	30-Aug-02
RailCorporation of NSW	28-Apr-09
ReelTime Media Limited	07-Jul-06
Reward Mobile Pty Limited	06-Feb-05
RP 25 Pty Ltd	12-Jul-06
Savvy Communications (Aust.) Pty Ltd	07-Jun-10
Sensis Pty Ltd	01-Jul-97
SMS Centre	01-May-12
Soul Pattinson Telecommunications Pty Ltd	05-May-99
Suretel Pty Ltd	09-Nov-04
SyncaccessGroup Pty Ltd	08-Oct-09
Technocash Limited	08-Dec-06
Telco Service Select	11-Sep-12
The Trustee for The Kwietniak Family Trust	01-Mar-06
The Trustee For The Wizard Unit Trust	11-Aug-10
Think Mobile Pty Limited	25-Jul-06
Torus Networks Pty Ltd	17-Sep-12
TransACT Communications Pty Ltd	16-Apr-99
Unifier2 Pty Ltd	28-Mar-12
Urban Renewal Authority Victoria	27-Aug-09
Verizon Australia Pty Limited	26-Jun-98
Vernet Pty Ltd	30-May-06
Vocus Fibre Pty Ltd	20-May-11
Webcentral Pty Ltd	30-Jun-03
World Without Wires	19-Jun-06
Xantic B.V.	16-Feb-03
Other Total	70
Telephone and Internet Service Provider	
0014 Pty Ltd	31-Oct-00
Outside Edge Australia Pty Ltd	18-Oct-05
1300 Words Pty Ltd	11-Jul-05
1410 Communications Pty Ltd	18-Sep-02
2Tribe Pty Ltd	23-Feb-09
321 Internet Pty Ltd	13-Aug-10
The 3rd Eye Telecom Pty Ltd	12-Oct-11
A3 Evolution Pty Ltd	03-May-11
AAPT Ltd	01-Jul-97
United Office Technologies Pty Ltd	15-Aug-08
Ace Communications Group Pty Ltd	17-Apr-03
ACN Pacific Pty Ltd	22-Mar-06
Acquire Enterprises Pty Ltd	17-Jul-07
Active Communication Services Pty Ltd	22-Jan-10
Active Utilities Pty Ltd	31-Jul-06
Access Wireless & Cable Pty Ltd	21-Jul-06
Australian Communication Exchange Ltd	01-Jul-97
Addictive Technology Solutions Pty Ltd	14-Jan-10
AI Tel Pty Ltd	21-Jul-06
Allconnect Telecommunications Pty. Limited	29-Jun-11
Alliance Telecom Pty Ltd	27-Oct-11
Allied Talk & Data	21-May-12
The Trustee for the AllTel Trust	11-Sep-07
Alphacall (Australia) Pty Ltd	23-Aug-10
Alphanet Pty Ltd	05-Oct-97
The Trustee for MTA Family Trust	16-Dec-10
Primus Online Pty Ltd	08-Aug-03
Australian Private Networks Pty Ltd	18-Jan-06
Applied Voip Pty Ltd	13-Dec-11
Aptus International Services	10-Mar-11
Arcon Communications Pty. Ltd.	04-Oct-05
Asia Telco Investments Pty Ltd	24-Jun-05
Asian Pacific Telecommunications Pty Ltd	13-Jul-00
Astron Business Services Pty Ltd	17-Aug-05
Astro Communications Group Pty Ltd	27-Aug-09
Astron Communication and Information Services Pty Ltd	16-Jul-97
Australian Communications Consortium Limited	23-May-06
Australian Computer Solutions Pty Ltd	25-Jan-12

Esmonde, David John	25-Jul-05
Aurora Energy Pty Ltd	20-Mar-09
Tastel Community Telco Pty Ltd	21-May-01
Aussie Broadband Pty Ltd	22-Jul-08
The trustee for Australian Data & Voice Unit Trust	07-Feb-11
Australian National Telecom Pty Ltd	27-Sep-11
The Aussie Phone Company	21-Mar-11
Australian Technology Partnerships aust	11-Feb-04
AUZtel Telecom Pty Ltd	23-Feb-09
Auz Telecom Pty Ltd	02-May-11
Axient Pty Ltd	22-Sep-11
Ballarat Community Enterprise Limited	18-Apr-05
Barefoot Telecom Pty Ltd	13-May-11
The Trustee for Dunphy Investment Trust	13-May-05
Baycrown Management Pty Ltd	01-Aug-06
Soul Communications Pty Ltd	26-May-99
Beagle Internet Pty Ltd	09-Jun-04
Club Telco Pty Ltd	13-Jul-10
BEST Internet and Telecom Pty Ltd	08-Oct-07
Bendigo Community Telco Ltd	15-Sep-00
Best Telecom Pty Ltd	22-Nov-11
BetterOff Networks Pty Ltd	01-Jul-08
Telemates Pty Ltd	07-Feb-06
Bluefire Corporation Pty Limited	28-Jun-99
Biz Com Solutions Group Pty Ltd	09-Jan-12
BKB Internet Pty Ltd	04-Feb-04
Blitz Telecom Operations Pty Ltd	22-Mar-07
Blackstump Solutions	29-Jan-07
BlueIQ Pty Ltd	29-May-07
Blue Orb Telecommunications Pty Ltd	29-May-07
Birkett, Clive Maxwell	21-Mar-11
Break Free Communications Pty Ltd	17-Nov-09
Brennan Voice and Data Pty Ltd	04-Dec-08
Clarus Telecom Pty Ltd	21-Jul-06
Broadband Multinet Pty Ltd	22-Nov-11
BroadVOIP Pty Ltd	06-Jan-10
The Trustee for Broadband Anywhere Unit Trust	19-Jul-05
Broadband Solutions Pty Ltd	22-Jan-07
Business By Phone (NSW) Pty Limited	10-Jun-09
Budget Telecom Pty Ltd	22-Feb-05
Buzz Broadband Pty Limited	25-May-05
Bwired Group Pty Ltd	05-Jul-05
Canard Pty Ltd	24-Dec-07
CardCall Pty Ltd	18-Sep-97
Caretel Pty Ltd	15-Sep-11
Freecall Connect Pty Ltd	16-Feb-06
CC Management Group Pty Ltd	29-Sep-11
C-Fone Pty Ltd	08-Oct-08
Choice Telecom Pty Ltd	17-Nov-09
Clear Networks Pty Ltd	19-Apr-05
CT 129 Pty Ltd	03-Mar-08
Clubcoms Utilities Pty Ltd	04-Aug-05
Cloud Communications Australia Pty Ltd	20-Feb-12
Cloud Plus Pty Ltd	06-Jan-11
Clublinks Telco Pty Ltd	14-Feb-06
Clarkson McLaren Corporate Communications Pty Ltd	06-May-04
CNT Corp Pty. Ltd.	28-Sep-09
Coastnet Pty Ltd	24-May-10
CommsChoice Pty Ltd	25-Jun-09
White, Nathan John	29-May-07
Commsys Pty Ltd	10-Oct-06
Complete Telecom Pty Ltd	26-May-10
Coms Centre Australia Pty Ltd	12-Jan-09
Community Solutions Australia Pty Ltd	08-Oct-03
The trustee for COMVERGENCE UNIT TRUST	14-Nov-05
Connex Communications Pty Ltd	10-Sep-09
CONVOITEC PTY LTD	28-Nov-08
Cortel Pty Ltd	09-May-11
Community Telco Australia Ltd	21-Oct-03
Corporate Telecom Pty Limited	03-Oct-05
Coast to Coast Telecoms Pty Ltd	20-Jun-07
Crave Consulting Pty Ltd	30-May-06
Creative Telcom Pty Ltd	20-Jul-05
CSG Communications Pty Ltd	03-Feb-12
customONLINE Pty Ltd	22-Jun-06
D2P Pty Ltd	22-Oct-06
Danfe Pty Ltd	23-Aug-11
The Trustee for Daraco Trust	31-Jan-12
Dart Global Pty Ltd	22-Oct-03
EFTel Limited	16-Feb-00
Datamart Pty Limited	21-Sep-11
Datawave Internet Pty Ltd	23-Mar-07



Deal Telecom Pty Ltd	24-Jun-08	3PLAY NETWORKS PTY LTD	11-Sep-06
Destra Corporation Ltd	22-Feb-06	Innoveight Pty Ltd	15-Sep-05
Deuo Australia Pty Ltd	28-Mar-11	Tastel Community Enterprise Limited	05-Aug-05
Digital Telecom Pty Ltd	23-Aug-11	V GRANATA & F LIPAROTI & R LIPAROTI	31-Mar-05
Simple Telecom Pty Ltd	12-Sep-08	Inspired Communications Pty Ltd	29-May-07
Diversus Group Pty Ltd	12-May-10	Information Service Providers Pty Ltd	09-Oct-07
Dodo Australia Pty Ltd	10-Sep-01	Insight I.T. Pty Ltd	12-Aug-10
Dolphin Telecom Pty Ltd	24-Oct-11	Integrity Automation Pty Ltd	11-Aug-05
Dombec Pty Ltd	19-Feb-08	Telecommunications Integration Services Pty Ltd	07-Apr-10
Christmas Island Internet Administration Limited	24-Mar-01	In-Tech Telecommunications Pty Ltd	28-Aug-98
Down Under Communications Pty Limited	02-May-05	Integra Corporation Pty Ltd	05-Jan-10
The Trustee for D. Seeto Family Trust	22-Apr-05	Intelligent IP Communications Pty Ltd	01-Apr-09
DSM Connect Pty Ltd	23-Feb-11	Interface Communications	10-Jun-10
Dusfim Consulting Pty Ltd	12-Oct-11	Intellifone Pty Ltd	27-Aug-09
E-Tel Communications Pty Ltd	08-Apr-04	Inticon Pty Ltd	01-May-09
The Trustee for the Hayley Family Trust Others	24-Oct-11	Internode Pty Ltd	01-Jul-97
Chris Murphy Enterprises Pty Ltd	13-Jul-99	Invisilink Pty Ltd	09-Sep-10
The trustee for My Group Enterprises Trust	02-Feb-10	IP Gateway Pty Ltd	24-Oct-11
Endeavour Clever Networks Pty Ltd	17-Jul-07	IPGen Pty Ltd	14-Mar-12
Efficient Data Communications Pty Ltd	06-May-08	Amcom IP Tel Pty Ltd	09-Dec-03
Efficiency First Technology Pty Ltd	09-Jan-12	IP Voice & Data Pty Ltd	10-Mar-11
EFTel More Than Broadband Pty Ltd	01-Jan-01	Genisyst Pty Limited	01-Jul-97
E.G.M. Corporation Pty Ltd	06-Dec-11	Isphone Australasia Pty Ltd	26-Jul-05
EHW Technology Pty Ltd	14-Jun-06	ISP Networks Pty Ltd	24-Oct-05
EKIT.Com Pty Ltd	25-Nov-09	South East Qld Community Telco Limited	13-Nov-02
Empcom Pty Ltd	16-Feb-03	The Trustee for Ivery Family Trust	23-Jul-07
Empicentre Systems Pty Ltd	05-Dec-06	iVoisys Pty Ltd	13-Sep-11
Escapenet Trust	11-Jan-98	Pipe Networks	10-Jul-02
E-Talk Communications Pty Ltd	21-Aug-07	Jadi 1 Pty. Ltd.	30-Sep-10
Everything Telco Pty Ltd	19-Mar-09	Du Plessis Investments (QLD) Pty Ltd	23-Feb-06
E-Vision Internet Pty Ltd	22-Jul-08	JARRAJ Pty Ltd	13-Feb-09
Excel Telecommunications Pty Ltd	28-Mar-12	Mahnkoph, Gary Martin	12-Mar-12
Exetel Pty Ltd	21-Apr-04	Davison, Joshua	16-Oct-08
Eztel Communications Pty Limited	08-Mar-12	ihug Pty Ltd	02-Nov-03
FairTalk Pty Ltd	19-Oct-09	JKR Holdings Pty Ltd	19-Jul-04
Fair Tel Pty Ltd	02-Jul-09	First Link Pty Ltd	27-Nov-07
Fat Free Rentals Pty Ltd	07-Oct-09	Shalavin, Michael	31-Oct-11
Firenet Pty Ltd	14-Jul-11	KDDI Australia Pty Ltd	10-Feb-99
E-Vision Networks Pty Ltd	17-May-04	Kia Communications Pty Ltd	27-Jul-04
Flexitel Communications Pty Ltd	23-Aug-10	King Computer Solutions Pty Ltd	22-Sep-08
Flexinet Holdings Pty Ltd ATF Flexinet Trust	19-Dec-11	Kironet Pty Ltd	29-May-07
Flexilink Comms Pty Ltd	24-Jan-11	The Trustee for KJT Family Trust	30-Dec-04
T.J Harmer & V.M Harmer	10-Jan-07	Klaustel Communications	26-Nov-10
Fonality Pty Ltd	03-Jun-10	Knowledge By Design Pty Ltd	01-Jul-97
Fonecall Pty Ltd	17-Nov-11	Komtel Pty Ltd	29-Aug-06
Fonex Telecom Pty Ltd	23-Mar-11	Kordia Solutions Pty Ltd	20-Jun-12
FORETEL	01-Jun-12	Kubos Group Pty Limited	21-Oct-11
Forum Group Pty Ltd	19-Jan-12	Communicomm Pty Ltd	30-May-06
Fuel-Tel Pty Ltd	29-Jun-09	Liberty Telecoms Pty Ltd	16-May-06
Fuzeconnect Pty Ltd	18-Jun-08	Lime Australia Pty Ltd	28-Nov-05
Gazal Telecom Australia Pty Ltd	16-Mar-10	Linked Telecom Pty Ltd	28-Apr-09
GComm Home Pty Ltd	03-Mar-06	Live Call Pty Ltd	02-May-12
Geelong Community Enterprise Ltd	29-May-07	Living Networks Enterprises Pty Ltd	27-Nov-07
Glocomm Pty Ltd	31-Oct-06	Loaded Net Pty Ltd	19-Jun-07
Global Net Media Pty Ltd	09-Mar-06	Logitel Pty Ltd	10-Nov-11
Globaltell Pty Ltd	10-Mar-11	Logitel Communications Pty Ltd	19-Mar-02
Global Connect Communications Pty Ltd	23-Aug-99	Lucidity Enterprises Pty Ltd	21-Jul-05
Coghlan, Kim	20-Jun-07	Australux Telecommunications (Australia) Pty Ltd	10-Jun-09
The Halogen Group Pty Ltd	10-Jan-08	M2 Commander Pty Ltd	13-Jul-09
Hammon, Matthew James	10-Feb-12	m8 Telecom Pty Ltd	10-Mar-03
ZettaNet Pty Ltd	21-Jul-98	Macquarie Telecom Network Carrier Services Pty Limited	21-Dec-00
HMTel Pty Ltd	04-Nov-11	Macquarie Telecom Pty. Limited	04-Jul-11
HomeLinX Pty Ltd	07-Apr-04	The Trustee for the K & R Harm Family Trust	28-Mar-00
Homesat TV Australia Pty Ltd	25-Mar-11	Mach Technology Group Pty Ltd	15-Sep-05
Hope Telecommunications Pty Ltd	28-Mar-12	Max Telecom Pty Ltd	26-Nov-08
Horizon Mobile Communications (Australia) Pty Ltd	26-May-09	M2 Clear Pty Ltd	09-Feb-11
Anittel Communications Pty Ltd	05-Feb-10	Members Telecom Pty Ltd	15-May-09
Hottest Deals Pty Ltd	10-Jun-09	The Mercuri Group Pty Ltd	01-Aug-05
H Telecom Pty Ltd	12-Aug-10	Member Service Australia Pty Ltd	10-Jun-09
Community Assets Ltd	13-Aug-07	Message Stick Telecommunications Pty Ltd	10-Feb-04
VHA(3)	20-Aug-02	Mettacom Pty Ltd	23-Apr-10
ICT Provisioning Pty Ltd	31-Jan-12	Ivox Ltd	09-Jul-04
Integrated Data Networks Management Australia Pty Ltd	25-Feb-10	MGM Telecom Pty Ltd	15-Dec-10
IDXNET Computing Pty Ltd	02-Dec-97	Mibroadband Pty Ltd	23-Sep-04
IF Telecom Pty Ltd	10-Oct-05	Mino Services Pty Ltd	28-Apr-11
iiNet Ltd	25-Aug-98	Miracom Telecommunications Pty Ltd	22-Sep-05
OzEmail	09-Mar-05	M5 Network Security Pty Ltd	29-Sep-09
Chime Communications Pty Ltd	31-Aug-00	ML & MD Technologies Pty Ltd	25-Nov-09
Imagine Global Pty Ltd	18-Jun-08	The trustee for the Monty Family Trust	27-Apr-06
Indeecom Pty Ltd	24-Oct-11	Motiv Communications Pty Ltd	22-Sep-08
Indigo Telecom (Aust) Pty Ltd	12-Nov-08	Movo Communications Pty Ltd	09-Jan-12
Infocus Security Solutions Pty Ltd	27-Aug-09	MTechnologies Australia Pty Ltd	12-Mar-12

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MBV Ltd	16-May-06	Red Mercury Communications Pty Ltd	28-Apr-09
My Business Voice Pty Ltd	17-Apr-12	Reeds Internet & Telecom Pty Ltd	08-Nov-11
Gordon Ross Communications Pty Ltd	07-May-10	Scott-Welsh Holdings Pty Ltd	12-Jan-09
My Net Fone Pty Ltd	13-Feb-06	D Kingdom & V.L. Millerd & W.A. Millerd & D.L. Noonan	27-Feb-09
My Own Tel Pty Ltd	16-Dec-10	Real World Technology Solutions Pty Ltd	22-May-08
MyPort Pty Ltd	21-Sep-11	RickSure Pty Ltd	15-Feb-01
My Telecom Holdings Pty Ltd	21-Dec-07	Spinosa-Catella, Richard David	10-May-05
Zebra Telco Providers Pty Ltd	12-Sep-08	Rival Networks Pty Ltd	28-Jun-11
National Telefonix Pty Ltd	30-Jun-11	Rivertel Pty Ltd	03-Feb-11
National Phone & Data Pty Ltd	31-Oct-06	R.J. Hicks & B.D. McIntosh & N. Somner	13-Jul-05
NATTEC Communications Pty Ltd	22-Jul-08	Roctel Pty Ltd	15-Oct-10
National Voice and Data Pty Ltd	22-Sep-11	Rojan Australia Pty Ltd	05-Aug-10
TransACT Victoria Communication Pty Ltd	15-May-00	Royle Holdings (Aust) Pty Ltd	05-Sep-05
Nehos Communications Pty Ltd	13-Aug-07	Saands Marketing Australia Pty Ltd	05-Nov-03
The Trustee for Noto Business Trust	22-Mar-07	Heit, Cody Glen	16-Aug-07
New Telecom Australia Pty Ltd	24-Sep-07	Satellite Communications Australia Pty Ltd	01-Nov-11
Cooper, Matthew Phillip	09-Jan-09	SC Communications Pty Ltd	02-Mar-05
Netco Holdings Pty Ltd	10-Sep-09	Southern Cross Telco Pty Ltd	05-Sep-07
Netscapade Pty Ltd	26-Aug-04	Secure Trac Pty Ltd	07-Oct-08
NETSIP Pty Ltd	20-Oct-08	Servers Australia Pty Ltd	07-Aug-09
Neural Networks Data Service Pty Ltd	21-Sep-11	SDS (Digital Strategy) Pty Ltd	30-Oct-01
NewSat Networks Pty Ltd	06-Aug-01	Serversability Pty Ltd	06-Jun-11
Next Business Telecommunications Pty Ltd	16-Jan-06	The Trustee for The Regan Frank and Simon Clayson Discretionary Trust	21-Feb-11
Nexgen Australia Pty Ltd	21-Oct-09	Shepcini Entertainment Pty Ltd	28-Feb-12
Next Generation Voice Pty Ltd	31-Jan-08	Scott Raymond Gibson	23-Jan-07
Next Telecom Pty Ltd	27-Feb-08	Simple Roam Pty Ltd	07-May-12
Nittel Communications Pty Limited	29-Sep-11	Simply Tel Pty Ltd	19-Oct-09
The Trustee for Nobleheart Trust	14-Nov-08	SKS Organisation Pty Ltd	19-Nov-09
Noojee Telephony Solutions Pty Ltd	08-Apr-11	Slimtel Pty Ltd	14-Jul-10
North Queensland Telecom Pty Ltd	23-Nov-04	Smart Business Telecom Pty Ltd	29-Feb-12
Norwest Information Technology Pty Ltd	01-Mar-12	The Trustee for the Teligent Trust	21-Sep-11
Now Telecom Pty Ltd	28-Apr-09	Lenihan, Sean Anthony	21-Mar-12
NSane Developments Pty Ltd	06-Dec-11	SME Telecommunications Pty Ltd	14-Jul-11
O23 Corporate Pty Ltd	05-Sep-11	Snoopa Community Geelong Pty Ltd	03-Aug-07
The Trustee for PMA Trust	18-Sep-08	Snowy Mountains Telecommunications	09-Dec-03
Oncue Communications Pty Ltd	12-Jun-12	Phone Snooper	04-Mar-04
Focus Telecom Group Pty Ltd	05-Dec-08	Snork Pty Ltd	21-May-10
OneNetwork Pty Ltd	18-Jul-06	Soft Telcom Pty Ltd	02-Jun-05
Optus Networks Pty Ltd	01-Jul-97	Spectrum Networks Pty Ltd	12-May-00
BEACHLEY, PHILIP PAUL	23-Jun-03	74 135 901 450 Pty Ltd	06-Apr-09
OpticStream	18-May-12	Spirit Telecom (Australia) Pty Ltd	24-May-05
Oracle Telecom Pty Ltd	21-Jul-09	Splash Internet Pty Ltd	05-Feb-10
Orion Satellite System Pty Ltd	02-Jul-03	The Trustee for The Westalk Trust	06-Sep-04
Orion Satellite Investments Pty Ltd	16-Jun-06	Speak Ezy Voice and Data Pty Ltd	25-Aug-08
One Telecom Pty Ltd	21-Sep-12	Star Telecom Pty Ltd	17-Oct-07
Ouriptel Holdings Limited	24-Dec-07	Startel Communications Pty Ltd	13-Mar-07
Ourlink Pty Ltd	21-Sep-11	Strand Telecom Pty Ltd	02-Feb-10
OurTel Pty Ltd	02-Dec-08	Sunshine Coast Community Enterprises Pty Ltd	23-Feb-05
Ovee Pty Ltd	24-Jan-11	Suretrak Global Pty Ltd	23-May-11
Ozetel Pty Ltd	23-Sep-05	Sure Telecom Pty Ltd	08-Apr-11
Oz Talk Communications Pty Ltd	20-Apr-12	Switched On - Victoria Pty Ltd	27-Aug-09
PacNet Internet (A) Pty Ltd	30-Apr-99	Symsafe Pty Ltd	05-Apr-12
C RHODES & L.F. RHODES	08-Jan-10	Your IT Company Pty Ltd	06-Aug-07
Payless Flights Pty Ltd	06-Feb-12	Talk Up Communications Pty Ltd	28-Mar-11
Peninsula Telecom Pty Ltd	20-Aug-10	Telco Plus Pty Ltd	04-Aug-04
People Telecommunications Pty Ltd	12-Dec-00	Telstra Corporation	01-Jul-97
Perracom Pty Ltd	10-Nov-05	Telair Pty Ltd	29-May-07
Pipe International (Australia) Pty Ltd	17-Oct-07	Telavanti Pty Ltd	06-Sep-11
Planet Plan Pty Ltd	21-Dec-09	TelcoBiz Pty Ltd	07-Jun-10
Planet 7 Pty Ltd	10-Mar-11	Telefa Pty. Limited	11-Nov-04
Planet ISP Pty Ltd	17-Dec-10	Teleforce Pty Ltd	21-Oct-11
Platinum Telecom Pty Ltd	08-Feb-11	Telegate Pty Ltd	21-Oct-11
Platform Networks Pty Ltd	03-Aug-07	Telecom GM Pty Ltd	24-May-10
Planet Tel Network Pty Limited	28-Sep-09	Telko Pty Ltd	13-Jul-09
The Trustee for Powercom Pacific Trust	19-Apr-04	Telnetworks Pty Ltd	02-Oct-09
Prime Call (Australia) Pty Ltd	21-Jun-05	Telarus Pty Ltd	11-Feb-04
Premiere Conferencing Pty Ltd	29-Jul-10	Telconet Solutions Pty Ltd	10-Dec-10
Premtel Pty Ltd	27-Jun-11	Telecom Wholesale Direct Pty Limited	13-Dec-10
Primus Telecommunications Pty Ltd	01-Jul-97	Telephone Wreckers Pty Ltd	14-Jul-11
Pro Dimension Pty Ltd	19-Jul-10	Texcel Communications Pty Ltd	29-Aug-06
The Trustee for ProTalk Australia Unit Trust	01-Apr-09	TGen Pty Ltd	08-Mar-12
Protected Networks Pty Ltd	01-Mar-11	TelcoGreen Pty Ltd	24-Dec-07
Patochan PTC Communications Pty Ltd	24-May-99	The Smelly Black Dog Company Pty Ltd	21-Jun-10
QBIC Communications Pty Ltd	28-Apr-09	Think Telecom Pty Ltd	25-Aug-09
QR Tel Pty Ltd	11-Sep-06	The Trustee for THE TELECOMMUNICATIONS TRUST	03-May-05
Qualitel Pty Ltd	20-Aug-07	Telcoinabox Australia Pty Ltd	25-Aug-03
Quantum Telecom Pty Limited	12-Oct-05	TinkleTel Pty Ltd	24-Nov-09
Quick Direct Pty Ltd	08-Jun-10	Time On Management Pty Ltd	09-Feb-12
RCOM International Pty Ltd	06-May-08	Time Telecom Pty Ltd	05-Sep-05
Rebtl Services S.a.r.l	12-Mar-07	Total Business Communications Pty Ltd	22-Mar-12
Redback Communications Pty Ltd	02-Jun-08	Total Business I.T Pty Limited	03-Aug-11
Redfox Mobile Pty Ltd	23-Aug-11	Totalcom Corp Pty Ltd	29-Oct-09

Touch Tel Pty Ltd	31-Dec-99
TransACT Capital Communications Pty Ltd	22-Sep-00
Trans Pacific Communications Pty Ltd	24-May-05
Trend Communications	22-Nov-11
Exceed Telecom Pty Ltd	29-May-07
TR Pty Ltd	23-Jul-10
Uecomm Ltd	01-Jul-97
United Lifestyle Group Networks Pty Ltd	08-Jun-10
Universal Communications Group Pty Ltd	29-Jan-09
Unwired Australia Pty Ltd	19-Sep-02
UTel Networks Pty Ltd	10-Jun-11
Finance Broker Services Pty Ltd	06-Sep-06
Value Telecommunications Pty Ltd	28-Apr-11
Vaya Pty Ltd	28-Jun-11
Go Big Ventures Pty Ltd	29-Oct-09
Veetel Pty Limited	10-Oct-06
VentralIP Group (Australia) Pty Ltd	06-Sep-11
Verbi Pty Ltd	16-Dec-10
Lumo Energy Telecommunications Pty Ltd	07-Mar-08
ViaIP Pty Limited	28-Nov-08
VicWest Community Enterprise Limited	30-Jun-11
Virgin Mobile (Australia) Pty Ltd	11-Sep-00
The Trustee for Virtual Telco Trust	20-Feb-12
Virtutel Pty Ltd	11-May-11
Visage Telecom Pty Ltd	11-Nov-09
Gardena Networks Pty Ltd	12-Oct-11
Vixtel Pty Ltd	19-Jul-10
Vocal Pty Ltd	08-Jun-04
Vocal Channels Pty Ltd	15-Nov-11
Vocall Pacific Telecommunications Pty Ltd	20-Jan-10
Vodafone Australia Limited	01-Jul-97
VOIPEX Pty Ltd	03-Jul-07
Voip On The Go Pty Ltd	29-Nov-11
Voipstra Pty Ltd	27-Jan-10
Voicetalk Pty Ltd	22-Oct-09
Voxcom Pty Ltd	11-May-06
M Dunne & G Donohoe	18-Jul-07
The Trustee for Vtree Trust	16-Feb-06
W3 Networks Pty Ltd	26-Apr-12
Waterfront Computers Pty Ltd	12-Oct-11
Wideband Networks Pty Ltd	10-May-04
Weaselbytes	22-May-12
HugoNet	04-Jul-11
Westnet Pty Ltd	14-Jul-98
West Empire Pty Ltd	11-Aug-10
Westvic Broadband Pty Ltd	06-Aug-04
Whitebox Technology Pty Ltd	10-Mar-11
Widelinx Pty Ltd	17-Jan-06
Rutch, Wayne Andrew	03-Aug-11
Bluemaxx Communications Pty Ltd	26-Jul-05
Woffle Pty Ltd	12-Jan-11
Woodscout Pty Ltd	22-Jul-10
WxTel Pty Ltd	02-May-11
Xen Networks Pty Ltd	21-Jun-10
Yellow Billing Services Pty Ltd	05-Aug-10
The Trustee for Your Local Telecom Trust	25-Jul-05
A.C.N. 118 010 763 Pty Ltd	07-Feb-06
Yourtel Pty Ltd	26-May-09
YTelco Pty Ltd	22-Feb-11
Zeccho Connect Pty Ltd	02-Jul-09
Z & K Investments Pty Ltd	30-Aug-05
Woffle Pty Ltd	12-Jan-11
Woodscout Pty Ltd	22-Jul-10
WxTel Pty Ltd	02-May-11
Xen Networks Pty Ltd	21-Jun-10
Yellow Billing Services Pty Ltd	05-Aug-10
Yourtel Pty Ltd	26-May-09
YTelco Pty Ltd	22-Feb-11
Z & K Investments Pty Ltd	30-Aug-05
Zebra Telco Providers Pty Ltd	12-Sep-08
Zeccho Connect Pty Ltd	02-Jul-09
Zen Telecom Pty Ltd	06-Aug-12
ZettaNet Pty Ltd	21-Jul-98
Zuri Telecom Pty Ltd	06-Jul-12
Telephone and Internet Service Provider Total	522
Telephone Service Provider	
Telco4u Pty Ltd	24-Sep-09
1800MUMDAD Pty Ltd	24-Feb-04
1800 Reverse Pty Ltd	01-Jan-01
IWorld Telecommunications Pty Ltd	17-Jun-03

Thomas Dworakowski	27-Sep-11
A1 Systems Pty Ltd	29-Aug-06
Access International Group Pty Ltd	05-Dec-08
Access Health Pty Ltd	25-Jun-12
Addcom Contact Solutions PTY LTD	11-Oct-10
Advanced Future Technology Pty Ltd	24-Jan-03
Advance Net Pty Ltd	11-Mar-08
Aero Telecom Pty Ltd	15-Sep-11
Agile Pty Ltd	08-Sep-98
Alertee Pty Ltd	23-Mar-11
McMillan, Alan Jackson	08-Nov-05
amaysim Australia Pty Ltd	22-Nov-10
Answer Plus Communications (Aust) Pty Ltd	24-Mar-03
Aristel Networks Pty Ltd	19-Jul-10
AT&T Global Network Services Australia Pty Ltd	27-Feb-00
Australian Telecoms Exchange Pty Ltd	23-Oct-09
Atlas Networks Pty Ltd	29-Oct-09
Aussie Dial Pty Ltd	17-Aug-06
Mediatel Australia Pty Ltd	21-Apr-04
AUSTAR United Mobility Pty Ltd	09-Nov-03
Australian Telecom Holdings Pty Ltd	20-Dec-10
Australian Telecommunications Pty Ltd	17-Mar-02
Baghchal Systems Proprietary Ltd	22-Jul-08
B33hive Pty Ltd	24-May-04
Bell Networks Voice & Data Pty Ltd	03-Sep-07
Ticehurst, Andrew Giles	19-Feb-08
Blue Ridge Telecom Systems, LLC	16-Jul-04
Boost Tel Pty Ltd	25-Nov-03
Bottle Communications Pty Ltd	22-Jul-08
Bluetone Connect Pty Ltd	28-Mar-11
Motion Telecom Pty Ltd	10-Feb-00
Auslanka Impex International Pty Ltd	08-Dec-09
Callex Pty Ltd	22-Jun-10
Callsave Pty Ltd	13-Nov-01
cggIT Pty Ltd	13-May-05
Chi Telecom Pty Ltd	03-Jan-02
Call Journey Pty Ltd	25-Jun-12
ClicknCallnow.com	08-May-12
A.C.N. 106 690 224 Pty Ltd	08-Apr-04
Concerotel Pty Ltd	23-Feb-09
Connected Intelligence	28-Jun-12
Conec2	30-Jun-08
Mobileworld Operating Pty Ltd	28-Sep-07
Cybertel Telecom Pty Ltd	18-Jan-08
Darren Pro Pty Ltd	30-Mar-09
Dash Telecom Pty Ltd	07-Jul-11
Delacon Pty Limited	05-Jun-08
Service DT Pty Ltd	24-Mar-01
Direct Telecoms Pty Ltd	19-Feb-08
Dow Telecommunications Pty Ltd	19-Jan-12
DRL Communications P/L	05-Feb-07
The Trustee for ABG Group Unit Trust	29-Jun-04
Bharti Telecom Pty Ltd	31-Jul-08
Easy Mobiles Pty Ltd	08-Apr-09
Edirect Pty Ltd	23-May-06
E-Tone Corporation Australia Pty Ltd	09-Jan-05
Excite 2011 Pty Ltd	11-May-11
Express Teleconferencing Pty Ltd	12-Jan-05
OVAIS A & SHEMA O KHAN	22-May-01
Fairdincom Pty Ltd	22-Feb-11
FaktorTel Pty Ltd	24-Mar-06
Fiber Vision Networks Pty Ltd	14-Nov-06
Telecom Australia "the first choice" Pty Ltd	04-Feb-11
Flex Group Pty Ltd	15-May-09
Advertising On Hold Pty Ltd	17-Oct-07
Fonika	26-Jun-12
Freshtel Pty Ltd	30-Jul-04
FYI Telco Pty Ltd	17-Oct-11
Gen7 Solutions Pty Ltd	05-Jul-10
Global Card Services Pty Ltd	07-Jan-03
Globechat Communications Pty Ltd	20-Nov-06
Projection Plus (Australia) Pty Ltd	10-Sep-04
Globe Telecom Pty Ltd	19-May-03
Sheeran Family Trust & Simon Yu Family Trust	04-May-11
GoTalk Australia Pty Ltd	07-Jan-03
The Trustee for Davis Family Discretionary Trust	15-Nov-11
Gruze International Pty Ltd	17-Oct-07
GS Telecom Pty Ltd	11-Aug-08
Horizon Telecom	21-May-12
ICB Telco Pty Ltd	28-Dec-06
Idea Telecommunications Pty Ltd	08-Oct-06
IDT Telecom Asia Pacific (Australia) Pty Ltd	28-Aug-06

# 50 APPENDIX 2 MEMBER LIST

Infiniti Telecommunication	14-Jul-11
IPCP Pty Ltd	26-Apr-12
TheBuzz Corp Pty Ltd	06-Mar-07
iTalk (Australia) Pty. Ltd	07-May-12
Jazmin Communications Pty Ltd	27-Feb-12
Jet Interactive Pty Ltd	10-Jun-08
Jim's Group Pty Ltd	04-Nov-11
Australian Kidney Foundation	26-Oct-09
Kiss Mobile Pty Ltd	29-Jul-05
A.C.N 099 845 824 Pty Ltd	25-Jul-02
Lamu Holdings Pty Ltd	13-Feb-09
Lebara Australia Limited	30-Jun-09
Hassan Family Trust	04-Jul-02
Lime Telecom Pty Ltd	30-Aug-04
Linear Communication Pty Ltd	01-Jan-00
Lingq Australia Pty Ltd	04-Jun-07
Live Connected Pty Ltd	19-Jan-10
Pivotel Group Pty Limited	26-Mar-03
M2 Telecommunications Pty Ltd	10-Dec-01
M2 VIPtel	08-Apr-11
Mach Communications Pty Ltd	31-Oct-06
Macquarie Telecom Group Limited	01-Jul-97
Magicmotion Pty Ltd	11-Sep-07
Maxo Telecommunications Pty Ltd	23-Sep-09
mCall.Com.Au Pty Ltd	15-May-09
Mediatel Services Pty Ltd	25-Feb-09
Meshtel Pty Ltd	28-May-12
Mirror Image Access (Australia) Pty Ltd	22-Aug-06
Mobiles2go Pty Ltd	10-Oct-05
Mobicom Communication Services Pty Ltd	20-Apr-04
Destinare Pty Ltd	24-Dec-08
MondoTalk Pty Ltd	06-Oct-09
Motion Telecom International Pty Ltd	27-Aug-09
Multelink Services Pty Ltd	20-Oct-04
OpenMarket Pty Ltd	15-Sep-06
My Number Pty Ltd	12-Nov-08
MVoice Pty Ltd	03-Oct-05
Neo Telecom Pty Ltd	05-May-09
Neotrend Pty Ltd	22-Jun-12
Hill, Dwain Joseph	29-Jan-09
NewConnect Telecom	27-Jun-12
New Tel Services Pty Ltd (Receivers and Managers Appointed)	21-Aug-03
NorthVoice Communications Pty Ltd	07-Jul-00
Noble Olamijulo	03-Aug-10
Online IT Services Pty Ltd	16-Apr-03
Optus Mobile Pty Ltd	01-Jul-97
Ozefax Pty Ltd	17-Nov-11
PayTel Australia Pty Ltd	14-Dec-03
PC Range Pty Ltd	10-Feb-12
Phone Business Pty Ltd	15-Apr-04
PowerConnex Pty Ltd	26-Nov-09
PrePaid Services Pty Ltd	03-Jul-07
Premier Technologies Pty Ltd	23-May-06
Prodial Pty Ltd	22-Mar-07
Pulse Telecom Pty Ltd	05-Sep-07
Purple Oranges Pty Ltd	20-Jun-07
Real Sim Pty Ltd	08-Nov-11
Redcoal Pty Ltd	14-Jul-11
Reliance Communications (Australia) Pty Ltd	20-Jul-07
Ripe Communications Pty Ltd	09-Jun-11
Tel.Pacific Limited	21-Sep-12
SIMplus Mobile Pty Limited	06-Dec-01
Mobile Services Only Pty Ltd	21-Jul-09
Widetalk Pty Ltd	12-Feb-02
Live Telecoms Pty Ltd	22-Jan-07
ICT Express Pty Ltd	01-Aug-08
Sky Telecom (Aust) Pty Ltd	04-Jan-07
Empowered Communications Pty Ltd	21-Sep-11
Southern Phone Company Ltd	16-Jan-03
Speed Communications Pty Ltd	28-Jul-04
Spoxcy Pty Ltd	27-Jan-10
Telco Blue Pty Ltd	20-Mar-03
Supercheap Telco Pty Limited	31-Dec-99
Telesaver Pty Ltd	07-Sep-97
Swift Communications (Aust) Pty Ltd	26-Apr-12
Tekworx Australia Pty Ltd	27-Apr-11
Telecom Connect Pty Ltd	23-Feb-06
Thirgood Holdings Pty Ltd	19-Nov-07
Telcollect Pty Ltd	20-Jan-11
Telecube Pty Ltd	21-Mar-11
Teleus Pty Ltd	01-Dec-09
Telfin Pty Ltd	12-Oct-08

TelcoFusion Pty Ltd	12-Oct-11
Telco Worx (Aust) Pty Ltd	29-Jun-09
Times Telecom (Australia) Pty Ltd	19-Oct-03
T-Networks Pty Ltd	23-Jul-07
Touch Mobile Pty Ltd	08-Mar-12
Trade Mobile Pty Ltd	12-Jan-09
Trans Orbit Pty Ltd	15-Sep-06
Travelsim Australia Pty Ltd	14-Jan-10
Tritel Australia Pty Ltd	22-Sep-99
Traitel Telecommunications Pty Ltd	30-Mar-06
Ultrafast Communications Solutions Pty Ltd	27-Sep-11
Unidial Pty Ltd	25-Nov-02
Your Telecom Pty Limited (Receivers and Managers Appointed)	18-Feb-01
Unity Telecom Pty Ltd	04-Apr-12
Global Gossip Consolidated Pty Ltd	30-Nov-03
URL Networks Pty Ltd	07-Feb-11
Value Tel Pty Ltd	16-Feb-10
Velox Telecommunications Pty Ltd	12-Mar-12
Voiamo Pty Ltd	07-May-12
Voicepoint Communications (Aust) Pty.Ltd as trustee for Voicepont Communications Unit Trust	06-Jul-10
Voicetek Pty Ltd	02-Dec-01
Global Platinum Holdings Pty Ltd	27-Feb-08
Voise Pty Ltd	04-Jul-05
Voxbone Public Ltd	20-Oct-08
VRoam Australia Pty Ltd	22-Dec-02
Vocaltone Networks Australia Pty Ltd	02-Jun-08
Welcome Telecom Pty Ltd	04-Jul-05
Convergence Solutions Pty Ltd	28-May-10
Witcom Telecommunications Pty Ltd	08-Jun-12
Bugeja, Carmen	24-Aug-07
Skink Marketing Pty Ltd	24-Aug-07
Woolworths Ltd	24-Jul-09
WorldPacific Communications Pty Ltd	05-Jan-00
Wow Tel Pty Ltd	19-Nov-07
Your Phone Pty Ltd	23-Jul-09
Zintel Communications Pty Ltd	04-Dec-03
Your Telecom Pty Limited (Receivers and Managers Appointed)	18-Feb-01
Zintel Communications Pty Ltd	04-Dec-03
Telephone Service Provider Total	206
Other	
1800 Phone Home	06-Feb-07
Askari, Kamal	05-Dec-08
Aggregato Mobile Direct Pty Ltd	25-Jun-10
Jemena Asset Management (2) Pty Ltd	31-Jan-08
ANZ - Jones Lang LaSalle	05-Aug-10
Australia-Japan Cable (Australia) Limited	01-Feb-01
Essential Energy	08-Dec-02
Clarinet Australia Pty Ltd	08-Dec-05
Connectivity IT Pty Ltd	25-Jan-12
Dialogue Communications Pty Ltd	30-Aug-04
D.J BLACKER & M.J BLACKER	23-May-05
ETSA Utilities	14-Jan-01
Firstpath Pty Ltd	23-Aug-10
SMS Centre	01-May-12
Pivotel Satellite Pty Limited	28-Apr-03
Index Consultancy - Australia Pty Ltd	21-Jul-06
Ipera Communications Pty Ltd	19-Mar-00
iPSTAR Australia Pty Ltd	21-Sep-06
Kallistrate Pty Ltd	06-Sep-06
Kazatky, Samuel Joshua	06-Dec-05
The Trustee for The Kwietniak Family Trust	01-Mar-06
Lowercall (Aust) Pty Ltd	02-May-12
Luminet Pty Ltd	21-Mar-11
Lycamobile Pty Ltd	10-Feb-10
NBN Tasmania Ltd	22-Apr-10
New Skies Satellites Australia Pty Ltd	02-Jan-06
Digital Distribution Australia Pty Ltd	11-Feb-01
Office Advisors Pty Ltd	10-Mar-04
OMNIconnect Pty Ltd	18-Sep-97
OPENetworks Pty Ltd	26-Feb-07
OptiComm Co Pty Ltd	07-Apr-09
Optus Vision Pty Ltd	07-Dec-97
Oziplex Pty Ltd	27-Sep-02
iTelecom Wholesale Pty Ltd	27-Jan-10
Powertec Telecommunications Pty Ltd	09-Feb-06
PowerTel Ltd	01-Jul-97
Quantum Multimedia Communications Pty Ltd	30-Aug-02
RailCorporation of NSW	28-Apr-09

ReelTime Media Limited	07-Jul-06
Commoditel (Australia) Pty Ltd	11-Aug-04
RP 25 Pty Ltd	12-Jul-06
Savvy Communications (Aust.) Pty Ltd	07-Jun-10
Savvy Telecommunications Pty Ltd	07-Mar-06
Sensis Pty Ltd	01-Jul-97
Soul Pattinson Telecommunications Pty Ltd	05-May-99
Suretel Pty Ltd	09-Nov-04
Miscellany Pty Ltd	08-Apr-04
SyncaccessGroup Pty Ltd	08-Oct-09
Technocash Limited	08-Dec-06
Think Mobile Pty Limited	25-Jul-06
TransACT Communications Pty Ltd	16-Apr-99
Unifier2 Pty Ltd	28-Mar-12
Vernet Pty Ltd	30-May-06
Urban Renewal Authority Victoria	27-Aug-09
Reward Mobile Pty Limited	06-Feb-05
Vocus Fibre Pty Ltd	20-May-11
Wackado Communications Pty Ltd	22-Jul-05
Webcentral Pty Ltd	30-Jun-03
The Trustee For The Wizard Unit Trust	11-Aug-10
Verizon Australia Pty Limited	26-Jun-98
World Without Wires	19-Jun-06
Xantic B.V.	16-Feb-03
Total Other	62
<b>Grand Total</b>	<b>1,221</b>

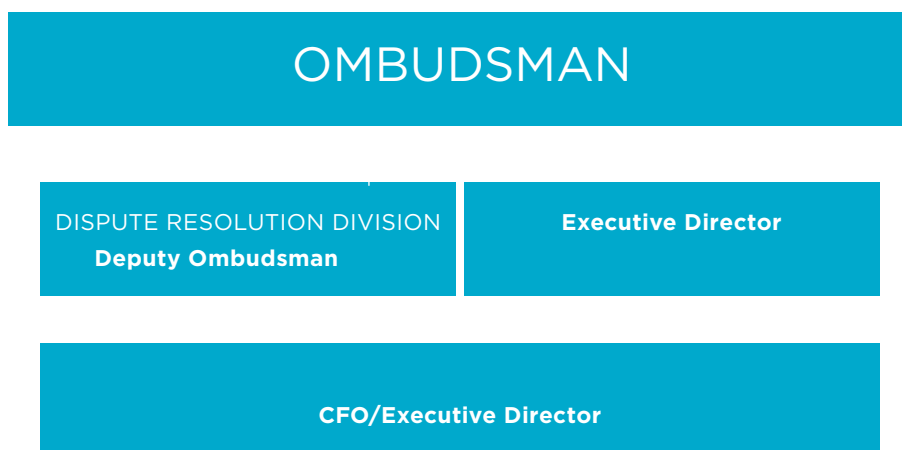


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# LIST OF SUBMISSIONS MADE BY THE TIO IN 2011-12

Inquiry/paper name	Organisation	Date
Resolution of Small Business Disputes Options paper	Department of Innovation, Industry, Science and Research	July 2011
Proposed amendments to the waiver provisions of the Customer Service Guarantee	Australian Communications and Media Authority	July 2011
Public Inquiry on 'Reconnecting the Customer' draft report	Australian Communications and Media Authority	July 2011
Numbering: Implications of research into consumer issues (response via letter)	Australian Communications and Media Authority	July 2011
Universal Service Obligation Legislative Reform for transition to the NBN	Department of Broadband, Communications and the Digital Economy	August 2011
Mobile Premium Services code draft	Communications Alliance	October 2011
Convergence Review and sub-papers	Department of Broadband, Communications and the Digital Economy	October 2011
ACCC review of enforcement and compliance activities	Australian Competition and Consumer Commission	November 2011
Draft report on TIO review	Department of Broadband, Communications and the Digital Economy	November 2011
Telecommunications Consumer Protections code draft	Communications Alliance	November 2011
Numbering: calls to free phone and local rate number – the way forward	Australian Communications and Media Authority	November 2011
Connecting with Confidence – Optimising Australia's Digital Future discussion paper (response via letter)	Department of the Prime Minister and Cabinet	November 2011
Review of the telecommunications service provider (Mobile Premium Services) Determination 2010	Australian Communications and Media Authority	December 2011
Regional telecommunications review	Department of Broadband, Communications and the Digital Economy	December 2011
Review of Universal Service Obligation/ Telecommunications Universal Service Management Agency bills	Senate Committee	December 2011
Debt collection regulation harmonisation	Consumer Affairs Victoria	December 2011
Mobile premium services barring determinations	Australian Communications and Media Authority	December 2011
Review of pre-paid phone cards guideline	Communications Alliance	January 2012
Comments on ASTRA's draft codes of practice for subscription television	Australian Subscription Television and Radio Association	May 2012
Review of the Customer Requested Barring Industry Guideline (response via letter)	Communications Alliance	April 2012





# Telecommunications Industry Ombudsman Limited

ABN 46 057 634 787

## FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012



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# Directors' Report

## Directors' Report

Your directors present their report of Telecommunications Industry Ombudsman Ltd ("TIO") for the year ended 30 June 2012.

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, with C Williams as an alternate director (appointed 25 July 2011)
- P J Sporton

Two (2) directors appointed by Optus:

- M J Elsegood
- A R Thomas, with G R Smith as alternate director for both (alternate resigned 30 April 2012)

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

- M L Sexton with B Currie as an alternate director (alternate resigned 30 June 2012)

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 Horan as an alternate director (alternate resigned 26 July 2011)

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

- S J Dalby

Independent Directors:

- 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 R Smith (Alternate)	4 March 2002	30 April 2012
J Harvey	7 April 2003	Continuing
M Elsegood	2 October 2006	Continuing
S Dalby	7 December 2006	Continuing
A Thomas	12 September 2007	Continuing
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 (Alternate)	8 December 2009	30 June 2012
J Horan (Alternate)	20 April 2010	26 July 2011
C Williams (Alternate)	25 July 2011	Continuing

# Directors' Report

## Operating Results

The TIO recorded an operating deficit for 2011-12 of \$(418,654). The operating deficit includes the effect of:

- Complaint demand in decline since April 2012. This has resulted in fewer new complaints and fewer conciliations and investigations; and
- An accounting adjustment of \$364,524 for finance lease payments, decreasing the deficit for statutory reporting at 30 June 2012. These finance lease payments related to funding a project to replace the complaint management system (known as the RADaR project). These costs were evenly distributed over 2011-12 within Operating Cost Recovery fees and will continue through to December 2013 as part of a 36 month co-terminating lease agreement.

The results for the year ended 30 June 2012 are as follows:

Year	Total Revenue	Total Expenditure	Surplus/(Deficit)
2010-2011	\$28,947,405	\$27,985,586	\$961,819
2011-2012	\$29,676,712	\$30,095,366	\$(418,654)

The accumulated surplus was decreased from \$7,674,184 at the start of the financial year to \$7,255,530 at the end of 2011-12.

## Review of Operations

### • Total Complaint Handling Transactions

Complaint handling transactions include enquiries, new complaints, cases and reviews. Total transactions for 2011-2012 are presented below.

Year	Total Transactions	% Change from Previous Year
2010-2011	269,892	5.2% Increase
2011-2012	267,713	1.0% Decrease

### • Debt Recovery

Bad debts of \$168,059 were written-off during the financial year, with the provision for bad debts reduced to \$346,917.

### • 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 1.0% decrease in total transactions.

During 2011-12, the TIO implemented a revised conciliation process for level 2 complaints, with a focus on timely and informal resolutions. This change resulted in both more timely resolutions, and fewer cases requiring escalation to levels 3 and 4.

The TIO monitors levels of complainant satisfaction and confidence with the service provided by the TIO. Results in 2011-12 indicated that more than 90% of consumers are satisfied with the TIO's referral (level 1) and conciliation (level 2) services.

### • Industry Engagement

During 2011-2012 the TIO continued to work collaboratively with industry to help reduce complaints about customer service and complaint handling.

A key change was the implementation of an account management approach to member engagement, with dedicated account managers being assigned to TIO members to assist in their interaction with the TIO.

### • 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.

A new TIO website ([www.tio.com.au](http://www.tio.com.au)) was launched in September 2011. The website has significantly increased the accessibility to TIO information, and made on-line dealing with the TIO much easier. The TIO published the first on-line Annual Report in November 2011.

## Directors' Report continued

- **Governance**

The TIO implemented a comprehensive internal audit program during the course of 2011-2012, with audits focusing on the RADaR project to replace the TIO's complaint handling system.

The Board initiated a review of the TIO in late 2010 in accordance with Article 19 of the TIO Articles of Association and this review continued into 2011-12. The review, conducted by KPMG, found the TIO's performance aligns with the National Benchmarks for external dispute resolution offices. Particular areas for ongoing improvement include better reporting of systemic issues, public reporting of key performance indicators, and continuing improvements in performance and cost efficiency. The report also focussed on a stronger strategic focus and planning process, to ensure TIO was well prepared to meet the challenges of a changing and more complicated telecommunications industry.

In addition, reports from significant reviews affecting the TIO, and conducted by DBCDE and the ACMA, reported in 2011-12.

- **Financial Reserve**

The financial reserve increased to a total of \$3,938,061 at 30 June 2012.

The amount of the reserve was independently reviewed by PWC during 2011-12. The review found a strong understanding and monitoring of cash flow drivers within TIO. The final report recommended some minor adjustments to the reserve policy, and the review of protocols for managing adverse conditions.

- **Fee Increases**

The TIO increased volume related prices for 2011-12. Level 1's increased from \$31 to \$32, Level 2's increased from \$260 to \$280, Level 3's increased from \$475 to \$530, Level 4's increased from \$2,250 to \$2,400, Land Access Level 4's increased from \$2,650 to \$2,900 and Enquiries increase from \$31 to \$32. The price of Reviews remained the same at \$500.

- **Major Projects Program**

The TIO continued its major project initiated in 2009-2010, the implementation of a new complaint management system (known as RADaR). Primary benefits from RADaR include a stable and contemporary operating system, and over time improved data quality, more reporting capacity and increased efficiency.

The RADaR system replaced COSMOS, a decade old complaints management system that was unsupported, increasingly unstable and not effectively meeting the needs of either the TIO or its stakeholders. For these reasons, the Board considered this program to be absolutely essential.

RADaR commenced operation on 1 May 2012. Advice from industry and consumer representatives is that the changeover to the new system has been seamless from an external perspective. Reduced productivity during the first months of RADaR implementation was expected and planned for. Overall acceptance of RADaR by TIO employees has generally been positive, and development of it has continued since implementation.

- **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 1,214 at 30 June 2011 to 1,221 at 30 June 2012. 139 new members joined the scheme and 132 members departed the scheme.



## Directors' Report continued

- **Staffing**

Average full time equivalent (FTE) staff numbers increased over the year from 235.1 to 251.80. There are a number of reasons for this, which include:

- demand continued at high levels throughout the first 9 months of 2011-12
- additional staff were required to implement the new complaint management system (RADaR), which went live on May 1, 2012. This included staff to implement, test and be trained in the new system before 1 May 2012, and additional staff after this date to ensure an ongoing effective and accessible complaint management service in the first several months of use of the new system.

As at 30 June 2012, the TIO employed 266 people, equivalent to 30 June 2011 when the TIO employed 267 people.

- **Income Tax Exemption**

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.

### 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 operates in the context of a three year strategic plan and an annual business plan. These detail long and short term objectives and KPI's.

During 2011-12, a substantial review of the TIO's Vision and roles was undertaken. As an outcome, a new Vision and roles were settled. The new Vision is:

*We will continue to deliver an exceptional telecommunications dispute resolution service for consumers, service providers and the Australian community. Our work contributes to better customer service and complaint handling within the telecommunications industry.*

The roles of the Telecommunications Industry Ombudsman were clarified and include 4 distinct and complementary functions: resolving disputes (our primary role); improving telecommunications services; providing an independent voice; and leading by example.

### Member Liability

The TIO is a company limited by guarantee. 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).

## Directors' Report continued

### 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 have been no significant changes in the state of affairs of the company.

### Matters Subsequent to the End of the Financial Year

Except for the matters noted above, at the date of this report no other matter or circumstance has arisen since 30 June 2012 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

During the preparation of the 2012-13 Budget (in February and March 2012) the TIO budgeted for an increase in new complaints and cases of approximately 10% in 2012-13. This forecast was based on both long and short term trends. In the final quarter of 2011-12, case numbers decreased substantially, and this reduced demand for TIO services has continued into 2012-13, meaning our demand is significantly below that budgeted. The TIO is carefully monitoring complaint statistics and taking steps to adjust resources 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 \$14,261 (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.

## Directors' Report continued

### Information on Directors

Director	Experience	Responsibility
J F Rohan, <i>B Mech Eng, Grad Dip IE, MBA</i>	John has held senior positions including MD and CEO roles in CRA Ltd, James Hardie Australia Pty Ltd, Pirelli Ericsson Cables Ltd, McConnell Dowell Corporation Ltd and Vodafone Australia Ltd. His Board directorships have included University Paton Pty Ltd, Kockums Australia Ltd and Chairman of Hardex Australia Pty Ltd. In addition to chairing the TIO Board, John was a member of the inaugural TIO Council. He is currently a director of AARNet Pty Ltd, a not for profit education and research network owned by Australian universities and CSIRO.	Chairman from 1 August 2001
G R Smith, <i>B Econ / Politics (Hons)</i>	Head of Regulatory Compliance, Optus. Gary has also worked with the former industry regulator, the Australian Telecommunications Authority (AUSTEL), the Reserve Bank of Australia and the Victorian Parliament.	Alternate Director from 4 March 2002 until 1 May 2012
J M Harvey, <i>BCom, MBA, FCA, FAICD</i>	Directorships include: IOOF Holdings Ltd, Medibank Private Ltd, Colonial Foundation Trust, and oversight Board of the Department of Treasury and Finance. Victorian Council member of the Australian Institute of Company Directors.	Director from 7 April 2003
M J Elsegood <i>B Eng (Hons), MBA</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 has been involved in the telecommunications industry for more than 40 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, holds directorships at Communications Alliance Ltd and Prosubi Ltd and is based in Perth.	Director from 7 December 2006
A R Thomas	Alexandra Thomas is the Vice President Customer Solutions and Services at Optus. In this role, Alex is responsible for professional and managed services at Optus, as well as customer service operations for business and government customers.	Director from 12 September 2007
R Bhatia <i>B Elec Eng</i>	Ravi founded Primus Australia and retired as its CEO in 2011. He has held senior management positions in the US, Germany and other countries with Primus, MCI, OTC and Siemens in sales, marketing and public policy. Ravi is a member of the Board of the Alfred Foundation and the President of Australia India Business Council - Victoria.	Director from 22 December 2009
J P Scarlett <i>BA LLB (Hons)</i>	Jules is Director, Cross Customer and Complaint Management at Telstra. Jules has responsibility for the framework of driving customer satisfaction at Telstra as well as facilitating senior customer service reviews. Jules is also responsible cross company for complaint management Jules has worked for Telstra for over 12 years.	Director from 27 November 2009
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 28 years at Telstra in a range of roles, including several positions in senior management.	Director from 27 November 2009
M L Sexton <i>BA, LLM, MBA (Executive)</i>	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 retired as 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.	Alternate Director from 8 December 2009 until 30 June 2012.
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.	Alternate Director from 20 April 2010 to 26 July 2011
C Williams <i>BA, LLM</i>	Christine is Deputy Director, Regulatory Affairs at Telstra. Christine has performed a range of roles as regulatory manager and legal counsel for many different aspects of Telstra's business. Prior to joining Telstra in 1996, Christine was a senior associate in private legal practice.	Alternate Director from 25 July 2011

## Directors' Report continued

### 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 number of meetings of the company's directors (excluding meetings of committees of directors) held during the year ended 30 June 2012, and the number of meetings attended by each director were:

Number of meetings held: 7		
Full Meetings of Directors	Number Eligible to Attend	Number Attended
J F Rohan	7	7
G R Smith	0	0
J M Harvey	7	6
M J Elsegood	7	7
S J Dalby	7	5
A R Thomas	7	6
R Bhatia	7	7
J P Scarlett	7	3
P J Sporton	7	6
M L Sexton	7	5
B Currie	2	2
C Williams	3	3

It is noted that Ms Scarlett was on extended leave during 2011-12, and Ms Williams (as the alternate director for Ms Scarlett) attended Board meetings during Ms Scarlett's absence.

### 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  
Melbourne  
21 September 2012

# 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 2012, 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: 21 September 2012

Liability limited by a scheme approved under Professional Standards Legislation Pitcher Partners, including Johnston Burke, is an association of independent firms  
Melbourne | Sydney | Brisbane | Perth | Adelaide  
An independent member of Baker Tilly International



# Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
<b>Revenue</b>			
Revenue from members	4	29,004,061	28,158,804
Other income	4	672,651	788,601
	4	29,676,712	28,947,405
<b>Less: expenses</b>			
Depreciation and amortisation expense	5	(741,224)	(617,115)
Employee benefits expense	5	(23,499,421)	(21,157,071)
Occupancy expenses	5	(1,609,003)	(1,589,685)
Marketing expense		(558,769)	(455,742)
Finance costs	5	(201,441)	(137,399)
Bad & Doubtful debts expense	5	319,182	(243,224)
Information technology expense		(1,143,722)	(1,059,274)
Consultancy expense		(632,306)	(594,433)
Legal expense		(313,176)	(249,960)
Travel expense		(285,188)	(233,899)
Telephone and faxes		(463,574)	(435,477)
Other expenses		(966,724)	(1,212,307)
<b>Total expenses</b>		<b>(30,095,366)</b>	<b>(27,985,586)</b>
<b>Total surplus/(deficit) for the year</b>	16	<b>(418,654)</b>	961,819

The accompanying notes form part of these financial statements.

# Statement of Financial Position

As at 30 June 2012

	Note	2012 \$	2011 \$
<b>Current assets</b>			
Cash and cash equivalents	7	5,653,334	5,855,578
Receivables	8	4,628,871	5,582,944
Other current assets	9	208,064	176,680
<b>Total current assets</b>		<b>10,490,269</b>	<b>11,615,202</b>
<b>Non-current assets</b>			
Intangible assets	10	3,081,302	-
<b>Plant and equipment</b>	11	<b>1,331,849</b>	<b>2,891,206</b>
<b>Total non current assets</b>		<b>4,413,151</b>	<b>2,891,206</b>
<b>Total assets</b>		<b>14,903,420</b>	<b>14,506,408</b>
<b>Current liabilities</b>			
Payables	12	1,376,410	2,120,776
Borrowings	13,17	2,086,526	525,667
Provisions	14	1,894,478	1,577,671
Other liabilities	15	139,997	139,997
<b>Total current liabilities</b>		<b>5,497,411</b>	<b>4,364,111</b>
<b>Non-current liabilities</b>			
Borrowings	13,17	936,255	1,290,465
Provisions	14	700,903	524,331
Other liabilities	15	513,321	653,317
<b>Total non current liabilities</b>		<b>2,150,479</b>	<b>2,468,113</b>
<b>Total liabilities</b>		<b>7,647,890</b>	<b>6,832,224</b>
<b>Net assets</b>		<b>7,255,530</b>	<b>7,674,184</b>
<b>Accumulated surplus</b>			
Accumulated surplus	16	7,255,530	7,674,184
<b>Total Accumulated Surplus</b>		<b>7,255,530</b>	<b>7,674,184</b>

The accompanying notes form part of these financial statements.

# Statement of Changes in Equity

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>Accumulated surplus</b>		
Balance at beginning of the year	7,674,184	6,712,365
Movements in equity from:		
Accumulated surplus/(deficit)	(418,654)	961,819
Balance at the end of the year	7,255,530	7,674,184

The accompanying notes form part of these financial statements.

# Statement of Cash Flows

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
<b>Cash flow from operating activities</b>			
Receipts from members		33,666,834	25,801,496
Payments to suppliers and employees		(32,913,025)	(30,230,232)
Interest received		301,908	382,761
Interest paid		(201,441)	(119,529)
<b>Net cash provided by operating activities</b>	20(b)	<b>854,276</b>	<b>(4,165,504)</b>
<b>Cash flow from investing activities</b>			
Payment for plant and equipment		(92,505)	(1,134,818)
Payment for intangible assets		(2,170,664)	-
<b>Net cash used in investing activities</b>		<b>(2,263,169)</b>	<b>(1,134,818)</b>
<b>Cash flow from financing activities</b>			
Proceeds from leases		1,471,750	1,016,890
Repayment of leases		(265,101)	(381,118)
<b>Net cash used in financing activities</b>		<b>1,206,649</b>	<b>635,772</b>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		5,855,578	10,520,128
Net increase / (decrease) in cash held		(202,244)	(4,664,550)
<b>Cash at end of financial year</b>	20(a)	<b>5,653,334</b>	<b>5,855,578</b>

The accompanying notes form part of these financial statements.

# Notes to Financial Statements

For the year ended 30 June 2012

## 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 *Corporations Act 2001*.

The financial report is for the entity Telecommunications Industry Ombudsman Limited as an individual entity. Telecommunications Industry Ombudsman Limited is a company limited by guarantee, incorporated and domiciled in Australia. Telecommunications Industry Ombudsman Limited is a not for profit entity for the purpose of preparing the financial statements.

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*

The financial statements of company also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *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 monthly based on actual charges for each month.

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

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. Collectability 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 2012

### (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

#### *(i) Short term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual 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. The expected cost of short term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

#### *(ii) Long term employee benefit obligations*

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date 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.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

### (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.

## Notes to Financial Statements continued

For the year ended 30 June 2012

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### (j) Financial instruments

##### *Trade and other receivables*

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

A provision for impairment is recognised when collection of the full nominal amount is no longer probable.

Collectability 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.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

#### (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) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

#### (m) 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.

#### (n) 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.

#### (o) Rounding of amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report have been rounded off to the nearest \$1.

#### (p) Intangibles

##### *RADaR Project*

All costs associated with the RADaR project were capitalised at cost. RADaR is amortised on a straight line basis over the period of 5 years from May 1 2012. RADaR is reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable, are written off.

## Notes to Financial Statements continued

For the year ended 30 June 2012

### NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

A number of standards and interpretations have been issued at the reporting date but are not yet effective. When adopted, these standards and interpretations are not likely to impact on the financial information presented, however the assessment of impact has not yet been completed.

### 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.

	2012 \$	2011 \$
<b>NOTE 4: REVENUE</b>		
Complaint handling fees	<b>29,004,061</b>	28,158,804
Interest income	<b>343,754</b>	417,540
Other revenue	<b>328,897</b>	371,061
	<b>29,676,712</b>	28,947,405

## Notes to Financial Statements continued

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>NOTE 5: OPERATING PROFIT</b>		
Surplus from continuing activities has been determined after:		
Expenses:		
Finance Costs	<b>91,446</b>	119,529
Bank charges	<b>8,106</b>	17,870
Leasing charges	<b>101,889</b>	28,038
	<b>201,441</b>	165,437
Depreciation		
- plant and equipment	<b>150,249</b>	139,372
- furniture and fittings	<b>247,595</b>	241,692
- leasehold improvements	<b>237,128</b>	236,051
Amortisation of intangibles		
- RADaR	<b>106,252</b>	-
Total depreciation and amortisation expense	<b>741,224</b>	617,115
Bad debts		
Bad and doubtful debts	<b>(319,182)</b>	243,224
Rental expense on operating leases:		
- lease payments – rent, communications, IT and other	<b>1,609,003</b>	1,589,685
Employee benefits:		
- short term benefits	<b>23,499,421</b>	21,157,071
Remuneration of auditors for:		
<i>Pitcher Partners</i>		
Audit and assurance services		
- Audit of the financial report	<b>34,500</b>	33,000

## Notes to Financial Statements continued

For the year ended 30 June 2012

2012  
\$

2011  
\$

### NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the company

- short term employee benefits

**1,564,217**

1,374,462

**1,564,217**

1,374,462

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)	(resigned 30 April 2012)
M L Sexton	
B Currie (alternate)	(resigned 30 June 2012)
R Bhatia	
J P Scarlett	
J G Horan (alternate)	(resigned 26 July 2011)
P J Sporton	
C Williams (alternate)	(appointed 25 July 2011)

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		Ombudsman
D Carmody		Deputy Ombudsman
P Carruthers		Company Secretary
J Zammit		Chief Financial Officer
A Dyer		Chairman of Council
G R Smith	(Appointed 1 May 2012)	Member of Council
J Matthews		Member of Council
T Corbin		Member of Council
L Kreet		Member of Council
C Lowe	(Appointed 1 July 2012)	Member of Council
C Dodds		Member of Council
P Harrison		Member of Council
W Warburton	(Departed 30 June 2012)	Member of Council
L Kreet		Member of Council
J Wilkes		Member of Council
C Dodds		Member of Council
T C Hill		Member of Council
S Sdregas	(Departed 30 April 2012)	Member of Council
R Wheeler		Member of Council



## Notes to Financial Statements continued

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	1,100	1,100
Cash at bank	1,584,404	138,349
Cash on deposit	4,067,830	5,716,129
	<b>5,653,334</b>	<b>5,855,578</b>

**NOTE 8: RECEIVABLES**

<b>CURRENT</b>		
Trade debtors	4,975,788	6,414,840
Provision for doubtful debts	(346,917)	(834,166)
	<b>4,628,871</b>	<b>5,580,674</b>
Other receivables	-	2,270
	<b>4,628,871</b>	<b>5,582,944</b>

At 30 June 2012 current trade receivables had a nominal value of \$4,975,788 (2011 \$6,414,840). A provision for non recoverability of \$346,917 (2011 - \$834,166) was considered appropriate.

**The ageing of these receivables is as follows:**

1 to 3 months	4,547,439	5,396,392
Greater than 3 months	428,349	1,018,448
	<b>4,975,788</b>	<b>6,414,840</b>

**NOTE 9: OTHER ASSETS**

<b>CURRENT</b>		
Prepayments	131,439	141,901
Accrued income	76,625	34,779
	<b>208,064</b>	<b>176,680</b>

## Notes to Financial Statements continued

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>NOTE 10: INTANGIBLE ASSETS</b>		
RADaR Complaint Management System	3,187,554	-
Accumulated amortisation	(106,252)	-
	<b>3,081,302</b>	-

### Project RADaR (TIO's project to implement a new complaint management system)

During the year ended 30 June 2012 \$572,665 (\$47,722 per month), (2011: \$377,544, \$47,193 per month) was expensed and included within the operating cost recovery fees charged to members in relation to RADaR project funding. This is based upon the total cost of the project being expensed and recovered evenly over 36 months, coinciding with the associated lease funding arrangements.

For statutory reporting purposes however, accounting standards required different treatment, particularly in respect of depreciation of the RADaR asset which can only commence when RADaR becomes operational. The effect of the differing treatment is to increase the total surplus reported for the year ended 30 June 2012 by \$364,524 (2011: \$349,510). Since RADaR became fully operational from 1 May 2012, full cost has been brought to account as an intangible asset and amortisation has commenced for the two months to 30 June 2012.

#### (a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Intangibles at cost - RADaR		
Opening balance	-	-
Additions	2,170,664	-
Amortisation expense	(106,252)	-
Transfers in	1,016,890	-
Closing balance	<b>3,081,302</b>	-

## NOTE 11: PLANT AND EQUIPMENT

### Leasehold improvements

At cost	1,680,573	1,652,341
Accumulated depreciation	(964,955)	(727,827)
	<b>715,618</b>	924,514

### Plant and equipment

Plant and equipment at cost	609,821	592,530
Accumulated depreciation	(450,963)	(301,656)
	<b>158,858</b>	290,874
Furniture and fittings at cost	1,761,897	1,715,857
Accumulated depreciation	(1,304,524)	(1,056,929)
	<b>457,373</b>	658,928
Capital works in progress	-	1,016,890
Total plant and equipment	<b>1,331,849</b>	2,891,206

#### (a) Reconciliations

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year

## Notes to Financial Statements continued

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>NOTE 11: PLANT AND EQUIPMENT CONTINUED</b>		
<i>Leasehold improvements</i>		
Opening carrying amount	924,514	1,160,565
Additions	28,232	-
Depreciation expense	(237,128)	(236,051)
Closing carrying amount	715,618	924,514
<i>Plant and equipment</i>		
Opening carrying amount	290,874	32,216
Additions	18,233	110,857
Transfers in	-	287,173
Depreciation expense	(150,249)	(139,372)
Closing carrying amount	158,858	290,874
<i>Furniture and fittings</i>		
Opening carrying amount	658,928	893,549
Additions	46,040	7,071
Depreciation expense	(247,595)	(241,692)
Closing carrying amount	457,373	658,928
<i>Capital works in progress</i>		
Opening carrying amount	1,016,890	287,173
Additions	-	1,016,890
Transfers out	(1,016,890)	(287,173)
Closing carrying amount	-	1,016,890
<i>Total plant and equipment</i>		
Carrying amount at 1 July 2010	2,891,206	2,373,503
Additions	92,505	1,134,818
Depreciation expense	(634,972)	(617,115)
Transfer from property, plant and equipment	(1,016,890)	-
Carrying amount at 30 June 2011	1,331,849	2,891,206

**NOTE 12: PAYABLES****CURRENT***Unsecured liabilities*

Trade creditors	317,141	419,728
Sundry creditors and accruals	1,059,269	1,701,048
	<b>1,376,410</b>	<b>2,120,776</b>

## Notes to Financial Statements continued

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>NOTE 13: BORROWINGS</b>		
<b>CURRENT</b>		
<i>Secured liabilities</i>		
RADaR	<b>1,419,727</b>	260,566
Other	<b>666,799</b>	265,101
	<b>2,086,526</b>	525,667
<b>NON CURRENT</b>		
<i>Secured liabilities</i>		
RADaR	<b>936,255</b>	623,666
Other	-	666,799
	<b>936,255</b>	1,290,465

### Project RADaR (TIO's project to implement a new complaint management system)

During the year ended 30 June 2012 \$572,665 (\$47,722 per month), (2011: \$377,544, \$47,193 per month) was expensed and included within the operating cost recovery fees charged to members in relation to RADaR project funding. This is based upon the total cost of the project being expensed and recovered evenly over 36 months, coinciding with the associated lease funding arrangements.

For statutory reporting purposes however, accounting standards required different treatment, particularly in respect of depreciation of the RADaR asset which can only commence when RADaR becomes operational. The effect of the differing treatment is to increase the total surplus reported for the year ended 30 June 2012 by \$364,524 (2011: \$349,510). Since RADaR became fully operational from 1 May 2012, full cost has been brought to account as an intangible asset and amortisation has commenced for the two months to 30 June 2012.

#### (a) Business Card Facility

The company has a business card facility of \$300,000 (2011: \$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) Overdraft Facility

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 14: PROVISIONS

<b>CURRENT</b>			
Employee benefits	(a)	<b>1,894,478</b>	1,577,671
<b>NON CURRENT</b>			
Employee benefits	(a)	<b>700,903</b>	524,331
(a) Aggregate employee benefits liability		<b>2,595,381</b>	2,102,002
(b) Number of employees at year end		<b>266</b>	267

## Notes to Financial Statements continued

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>NOTE 15: OTHER LIABILITIES</b>		
CURRENT		
Unearned lease incentives	139,997	139,997
NON CURRENT		
Unearned lease incentives	513,321	653,317

**NOTE 16: ACCUMULATED SURPLUS**

Accumulated surplus at beginning of year	7,674,184	6,712,365
Surplus/(deficit) for the year	(418,654)	961,819
Accumulated surplus at the end of the year	7,255,530	7,674,184

**Project RADaR (TIO's project to implement a new complaint management system)**

During the year ended 30 June 2012 \$572,665 (\$47,722 per month), (2011: \$377,544, \$47,193 per month) was expensed and included within the operating cost recovery fees charged to members in relation to RADaR project funding. This is based upon the total cost of the project being expensed and recovered evenly over 36 months, coinciding with the associated lease funding arrangements.

For statutory reporting purposes however, accounting standards required different treatment, particularly in respect of depreciation of the RADaR asset which can only commence when RADaR becomes operational. The effect of the differing treatment is to increase the total surplus reported for the year ended 30 June 2012 by \$364,524 (2011: \$349,510). Since RADaR became fully operational from 1 May 2012, full cost has been brought to account as an intangible asset and amortisation has commenced for the two months to 30 June 2012.

**NOTE 17: CAPITAL AND LEASING COMMITMENTS****(a) Finance leasing commitments**

Payable		
- not later than one year	2,359,049	677,721
- later than one year and not later than five years	972,469	1,427,122
Minimum lease payments	3,331,518	2,104,843
Less future finance charges	(308,737)	(288,711)
Total finance lease liability	3,022,781	1,816,132
Represented by:		
Current liability	2,086,526	525,667
Non-current liability	936,255	1,290,465
	3,022,781	1,816,132

The finance lease relates to the finance of the leasehold improvements and capital works in progress (Project RADaR).

Refer to Note 13 for disclosure of RADaR



## Notes to Financial Statements continued

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>NOTE 17: CAPITAL AND LEASING COMMITMENTS CONTINUED</b>		
Non cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	1,940,224	2,031,666
- later than one year and not later than five years	7,101,320	7,475,054
- later than five years	991,503	1,326,163
	<b>10,033,047</b>	<b>10,832,883</b>

## NOTE 18: 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 19: RELATED PARTY TRANSACTIONS

### (a) Transactions with key management personnel of the entity or its parent and their personally related entities

- (i) One current director, L Sexton, and one now retired alternate director, B Currie, were employees of VHA Limited. The TIO invoiced VHA Limited and related companies \$10,136,253 (2011: \$7,153,160) during the year for complaint handling fees.
- (ii) Two current directors, J P Scarlett and P J Sporton, and one current alternate director, C Williams, were employees of Telstra Corporation. The TIO invoiced Telstra Corporation Ltd and related entities for \$10,984,711 (2011: \$9,781,868) during the year for complaint handling fees. Telstra Corporation invoiced the TIO for \$151,202 (2011: \$145,684) for the provision for telecommunication services during the year.
- (iii) Two current directors, A R Thomas and M J Elsegood, and one now retired alternate director, G R Smith, were employees of SingTel Optus Pty Ltd. The TIO invoiced SingTel Optus Pty Ltd \$6,365,945 (2011: \$2,119,983) during the year for complaint handling fees. SingTel Optus Pty Ltd and related entities invoiced the TIO for \$366,827 (2011: \$359,939) for the provision of telecommunication services during the year.
- (iv) One current director, S J Dalby, was an employee of iiNet Ltd. The TIO invoiced iiNet Ltd for \$254,804 (2011: \$1,342,499) during the year for complaint handling fees.
- (v) One current director, R Bhatia and one now retired alternate director J G Horan were employees of Primus Telecommunications Pty Ltd. The TIO invoiced Primus Telecommunications Pty Ltd \$216,687 (2011: \$240,621) during the year for complaint handling fees.
- (vi) All of the above transactions with directors and director related entities were based on normal commercial terms and conditions.

## NOTE 20: 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	1,100
Cash at bank and on hand	1,584,404	138,349
At call deposits with financial institutions	4,067,830	5,716,129
	<b>5,653,334</b>	<b>5,855,578</b>

## Notes to Financial Statements continued

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>NOTE 20: CASH FLOW INFORMATION CONTINUED</b>		
<b>(b) Reconciliation of cash flow from operations with profit</b>		
Profit from ordinary activities	961,819	347,897
<b>Adjustments and non cash items</b>		
Amortisation	106,252	-
Depreciation	634,972	617,115
Movements in provision for doubtful debts	(319,182)	-
Interest expense	-	11,442
Lease incentive through P&L	(139,996)	(139,996)
<b>Changes in assets and liabilities</b>		
(Increase) / decrease in receivables	1,273,255	(5,067,680)
(Increase) / decrease in other assets	(31,384)	50,229
Increase / (decrease) in payables	(102,587)	52,998
Increase / (decrease) in amounts due to members	-	(759,331)
Increase / (decrease) in provisions	493,379	302,223
Increase/ (decrease) in sundry creditors	(641,779)	(194,323)
	<b>1,272,930</b>	<b>(5,127,323)</b>
Cash flows from operating activities	<b>854,276</b>	<b>(4,165,504)</b>
<b>(c) Credit standby arrangements with banks</b>		
Credit facility	300,000	300,000
Amount utilised	(157,000)	(131,000)
Unused credit facility	<b>143,000</b>	<b>169,000</b>
<b>(d) Loan facilities</b>		
Loan facilities	150,000	150,000
Amount utilised	-	-
Unused loan facilities	<b>150,000</b>	<b>150,000</b>

**NOTE 21: 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.

## Notes to Financial Statements continued

For the year ended 30 June 2012

### NOTE 21: FINANCIAL RISK MANAGEMENT CONTINUED

The company holds the following financial instruments:

	2012 \$	2011 \$
<b>Financial assets</b>		
Cash and cash equivalents	5,653,334	5,855,578
Receivables	4,628,871	5,582,944
	<b>10,282,205</b>	<b>11,438,522</b>
<b>Financial liabilities</b>		
Creditors	317,141	419,728
Leases	3,022,781	1,816,132
Other payables	1,059,269	1,701,048
	<b>4,399,191</b>	<b>3,936,908</b>

#### (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:

2012 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial assets</i>					
Cash	1,593,427	1,100	1,594,527	3.2%	Floating
Cash on deposit	4,058,807	-	4,058,807	5.3%	Floating
Trade and other receivables	-	4,628,871	4,628,871	0.0%	
	5,652,234	4,629,971	10,282,205		
<b>2012 Financial instruments</b>	<b>Floating interest rate \$</b>	<b>Non interest bearing \$</b>	<b>Total carrying amount \$</b>	<b>Weighted average effective interest rate</b>	
<i>Financial liabilities</i>					
Trade creditors	-	317,141	317,141	0.0%	
Leases	3,022,781	-	3,022,781	11.3%	Fixed
Other payables	-	1,059,269	1,059,269	0.0%	
	3,022,781	1,376,410	4,399,191		

2011 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
<i>Financial assets</i>					
Cash	139,449	-	139,449	3.2%	Floating
Cash on deposit	5,716,129	-	5,716,129	4.9%	Floating
Trade and other receivables	-	3,300,775	3,300,775	0.0%	
	5,855,578	3,300,775	9,156,353		

## Notes to Financial Statements continued

For the year ended 30 June 2012

## NOTE 21: FINANCIAL RISK MANAGEMENT CONTINUED

2011 Financial instruments	Interest bearing \$	Non interest bearing \$	Total carrying amount \$	Weighted average effective interest rate	
Financial liabilities					
Trade creditors	-	419,728	419,728	0.0%	
Leases	1,816,132	-	1,816,132	11.3%	Fixed
Other payables	-	1,701,048	1,701,048	0.0%	
	1,816,132	2,120,776	3,936,908		

*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.

*(i) Cash deposits*

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

*(ii) Trade receivables*

The aging analysis of trade and other receivables is provided in Note 8. As the company undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit risk.

**(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 22: COMPANY DETAILS

The registered office of the company is:

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

## Directors' declaration

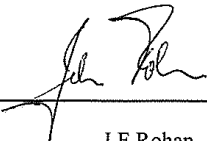
**TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED**  
**ABN 46 057 634 787**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 - 29, 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 2012 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.

Director:   
J F Rohan

Dated this 21 day of September 2012

# 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 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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*.

Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners, including Johnston Rokke, is an association of independent firms Melbourne | Sydney | Brisbane | Perth | Adelaide. An independent member of Baker Tilly International.





PITCHER PARTNERS

An Independent Victorian Partnership  
ABN 27 975 255 196

**TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED**  
ABN 46 057 634 787

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

*Opinion*

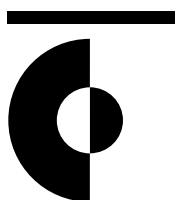
In our opinion:

- (a) 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 2012 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

S SCHONBERG  
Partner

PITCHER PARTNERS  
Melbourne

Date: 21 September 2012



Telecommunications  
Industry  
Ombudsman

**Telecommunications Industry Ombudsman Limited**

ACN 057 634 787

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