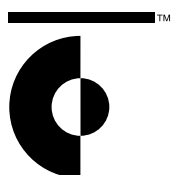


Telecommunications Industry Ombudsman Annual Report



1999:2000



Telecommunications Industry Ombudsman

Telecommunications Industry Ombudsman
Annual Report

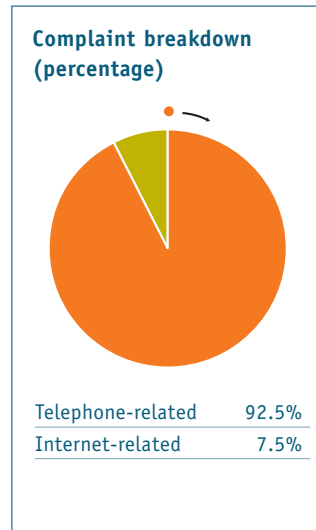
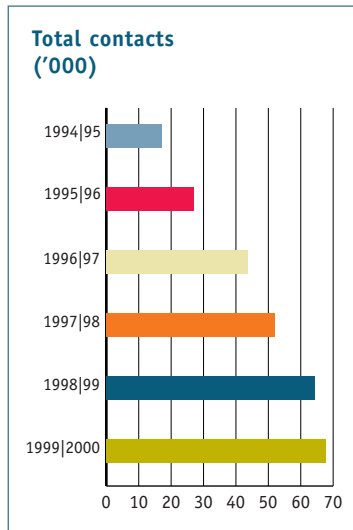
*Free, independent, just, informal
and speedy resolution of complaints
about telecommunications services.*

Contents

1999–2000 at a Glance	2
Statement from the Chairman of Council	4
Statement from the Chairman of the Board	6
Ombudsman’s Overview	8
TIO Operations	10
Membership	18
Complaint Handling	20
Telephone Service Investigation Issues	26
Internet Service Investigation Issues	39
Profile of Complainants	44
Guide to TIO Statistics	47
Glossary	49
TIO Members	51
Directors’ Report and Financial Statements	57

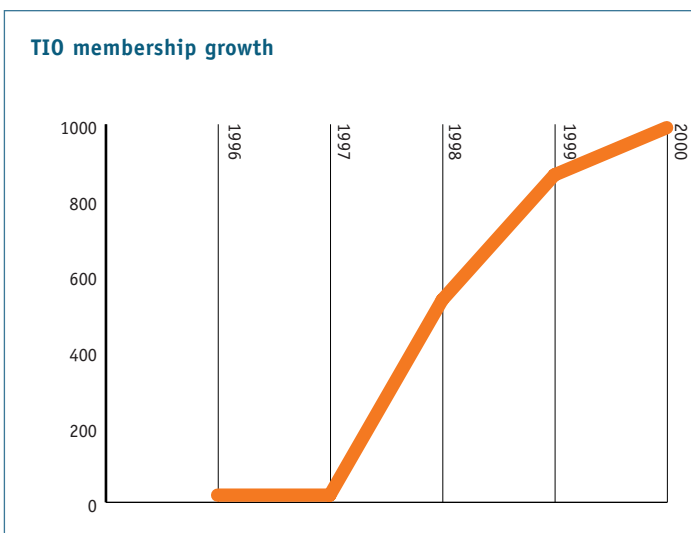
1999-2000 at a glance

See page 47 for an explanation of the TIO's complaint statistics



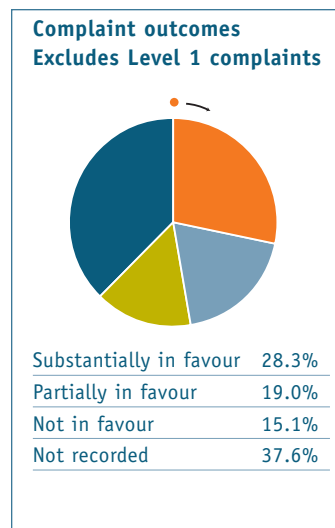
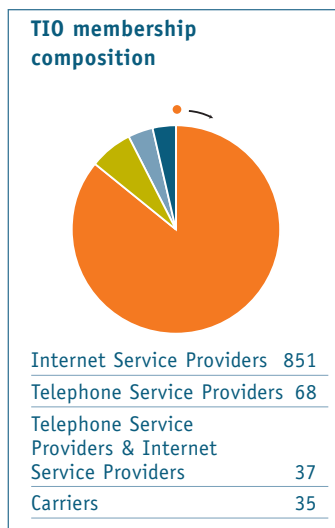
Complaint numbers

- 67,761 contacts received, a 5.2% increase over the previous year
- Total contacts included 13,361 enquiries which did not constitute a complaint, leaving 54,400 complaints
- As a single complaint may involve more than one issue, the TIO investigated 60,796 issues
- 92.5% of complaints related to telephone services, compared to 94.0% last year
- 7.5% of complaints related to internet access services, compared to 6.0% last year



Membership

- Number of members increased from 866 to 991
- ISPs make up 85.9% of members

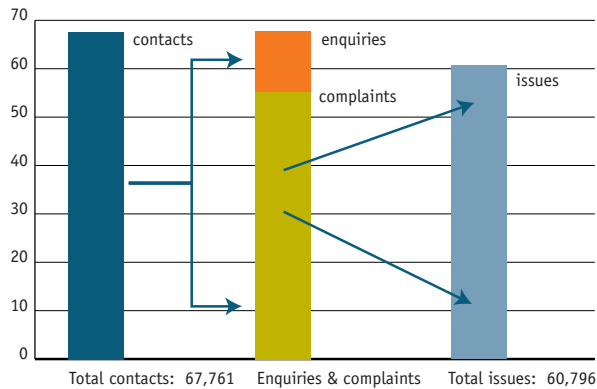


At the TIO

- TIO staff increased from 27 to 36

Total number enquiries, complaints and issues ('000)

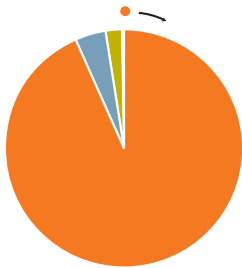
A single complaint may involve more than one issue
An enquiry is a contact which does not constitute a complaint



Telephone issues

- Billing issues decreased from 37.4% to 26.4%
- Customer transfer issues rose from 9.7% to 14.6%
- Issues about staff of telephone companies increased from 2.3% to 6.9%
- Provision of service issues increased from 14.7% to 16.3%

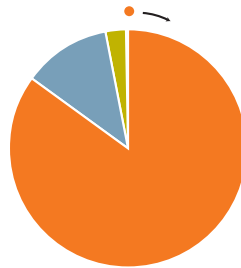
Complaint mix (percentage)



Level

Level 1	93.5%
Level 2	4.2%
Level 3	2.2%
Level 4	0.1%

Method of complaint (percentage)



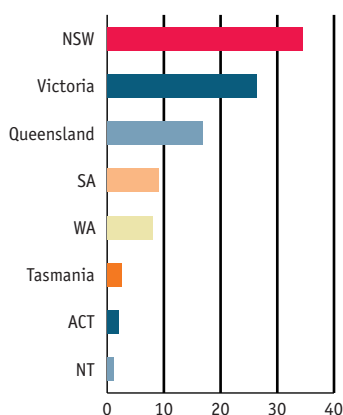
Method

Toll free number	85.1%
Written	12.0%
Email	2.8%
In person	0.2%

Internet complaints

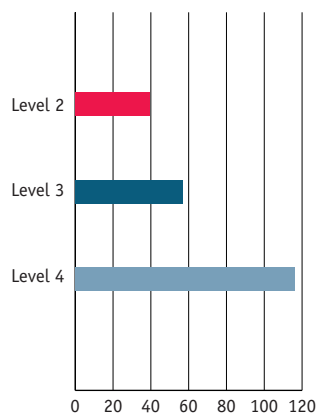
- Billing issues fell from 60.4% to 49.0%
- Issues about internet access rose from 19.4% to 26.3%
- Issues about staff of internet service providers increased from 0.4% to 6.6%
- Issues about internet contracts rose from 8.0% to 10.3%

State distribution of complaints (percentage)



Complaint resolution times (days)

Level 1 complaints are usually resolved within two working days



Statement from the Chairman of Council

As in previous years, the TIO encountered many new challenges during 1999-2000. The number one issue was, and continues to be, the increasing complexity and volume of complaints handled by the TIO. This has largely been brought about by increasing competition in the industry and the growing popularity of the internet.

While the TIO receives and handles more than 85% of its complaints via telephone, the TIO investigations area is not a call centre in the normal sense. The demands of receiving calls and investigating the resulting complaints require a high level of professionalism and skill on the part of Investigations Officers. This unique environment calls for a unique approach to maintaining the TIO's high standards in the face of increasingly complex complaints.

The Council thanks Ombudsman John Pinnock, Deputy Ombudsman Deirdre O'Donnell and the staff of the TIO for responding admirably to the demands for increased performance.

The Council has worked very closely with TIO staff to develop a benchmarking approach for call handling and investigation. Results to date are encouraging and will serve as a strong base for further work in this coming year.

The Council is also grateful for the support of the Board, in particular former Chairmen Graeme Ward and John Rohan who resigned as Directors during the year. During their time on the Board Graeme and John brought a wealth of experience and a common-sense approach to dealings with TIO, and made many valuable contributions to the Scheme. The Council welcomes Andrew Birch, Director of Network Operations at Vodafone Australia Pty Ltd, as the new Chairman of the Board.

Long-term Council members Ted Benjamin, formerly Director of Consumer Affairs at Telstra Corporation, and Graeme Holm, formerly General Manager of Corporate and Regulatory Affairs at Vodafone Network Pty Ltd, resigned from Council during 1999-2000. The Council wishes Ted and Graeme all the best in their retirement.

Other new faces on Council include Bob Samarcq, representative for Telstra Corporation, and Ken Roughley of Vodafone Australia. Gordon Frend also joined Council as the new Consumer Representative.



The Hon Tony Staley
Chairman of Council



THE HON TONY STALEY
Chairman of Council



MS PAM MARSH
Consumers' Telecommunications Network



MR BOB SAMARCQ
Director
External Relations, Public Affairs and Corporate Marketing, Telstra Corporation Ltd



MR EWAN BROWN
Executive Director
The Small Business Enterprise Telecommunications Centre Ltd (SETEL)



MR GORDON FREND
National Farmers' Federation



MR KEN ROUGHLEY
Product Operations Manager
Vodafone Australia Pty Ltd



MS VIC MARLES
Coordinator
Communications Law Centre, Victoria University of Technology



MR ANDREW BEDOGNI
Manager
Regulatory Affairs, Cable & Wireless Optus



MR BRIAN PERKINS
Director
Regulatory and Legal, AAPT Ltd

Statement from the Chairman of the Board

As the recently appointed Chairman of the Board, I am looking forward to providing the support and leadership that will result in the continued success of the TIO and its members.

As the TIO continues to resolve disputes for Australian telecommunications consumers, 1999-2000 was a year of significant growth.

The number of consumer enquiries received by the TIO has risen by more than five percent over the past year. Increasingly, we are assisting consumers with more complex enquiries and complaints, which are clearly being driven by further market and technology changes in the telecommunications industry.

During the year, TIO membership also grew considerably to reach 991 members from 866 members last year. The TIO extends a warm welcome to our new members and anticipates their contribution and participation in the Scheme.

During the past year, the TIO Board considered a number of issues, including: a review of the structure of the Board and Council; a review of performance indicators for the investigations area; oversight of the TIO's year 2000 compliance program; consideration of several jurisdictional issues; and approval of the TIO's budget and business plan.

The TIO is confident that with the help of our new and existing Scheme members we are in a strong position to meet the future challenges of a burgeoning telecommunications industry.

After a long association with the TIO as Directors and Chairmen of the Board, Graeme Ward and John Rohan resigned from the Board during 1999-2000. Graeme and John were both very active on the Board and made significant contributions to the TIO. On behalf of the TIO and my fellow Board members, I would like to thank Graeme and John for their enormous effort in laying the foundation on which our success has been built.

During 1999-2000 the TIO also farewelled Board members Kevin Dinn, Mark Gell, Colin Marland, Deirdre Mason and Stephe Wilks. The TIO sincerely thanks them for their contributions during their respective terms.

Looking to the future, the introduction of a new complaint management system this year will help facilitate the TIO's ability to attend to and help resolve consumer complaints. As consumer enquiries grow, the TIO is equipping itself with systems that enable members and telecommunications consumers to be served with the greatest speed, confidence and accuracy.

The Board would like to thank the Ombudsman, John Pinnock, Deputy Ombudsman Deirdre O'Donnell, Administration Manager Jane Hill, the TIO Council and staff for their continued support, dedication and enthusiasm. It is their collective commitment that ensures the ongoing success of the TIO this coming year and beyond.

Finally, on behalf of the Board, I thank all members for their support and cooperation and I look forward to contributing to the growth and development of the TIO.

Andrew Birch



Chairman of the Board



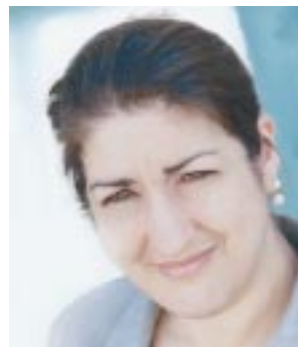
MR ANDREW BIRCH

Chairman of the Board
Director
Network and Operations
Vodafone Australia Pty Ltd



MR PAUL FLETCHER

Director - Regulatory and Public Affairs
Cable & Wireless Optus



MS DEENA SHIFF

Director - Regulatory
Telstra Corporation Ltd



MR ADAM SUCKLING

Group Manager
Regulatory Affairs,
Cable & Wireless Optus



MR KIMBERLEY HEITMAN

Executive Director
iNet Ltd



MR MICHAEL ROCCA

Managing Director -
Service Delivery Unit
Telstra Corporation Ltd



MS SUSAN HOLMES

Ombudsman's Overview

For the TIO, 1999-2000 has been dominated by two important and related trends.

Externally, the past year has seen ever-increasing competition in the telecommunications industry. This activity and the problems it has generated for consumers has led to a surge in demand for the TIO's services.

The most notable aspects have been the growth in customer transfer complaints, including slamming, a result of the increase in local call resale; the continuing high levels of complaints about delays in providing new lines and repairing faults; and a significant increase in complaints about the staff of telecommunications providers. This last factor is perhaps suggestive of providers being unable to keep pace with growing customer numbers.

Allied to this volatility is the considerable variation in the performance of telecommunications providers in obviating the need for the TIO's intervention by resolving complaints internally. The relatively high level of complaints resolved by the TIO either substantially or partially in favour of complainants has been cited as evidence of poor performance by providers and contrasted with the performance of the banking and insurance sectors.

The modest increase in complaints over the last twelve months – a little over 5% – should not be taken at face value. Calls to the TIO's 1800 free-call number have escalated sharply, notwithstanding that public awareness of the existence and role of the TIO, which peaked in 1998, has actually decreased.

For the first time in its evolution, the TIO is now facing significant constraints on its performance, as Investigations Officers grapple with increasing numbers of calls, growing complexity of complaints, an explosion of information and a decline in the speed with which complaints are resolved.

Internally, the Ombudsman's office has adopted a number of procedures to increase the efficiency of its operations and is presently reviewing the structure of the investigations area. The installation of a new complaints database and improved IT processes will compliment these efficiency gains.

However, as a result of these problems, and at the request of the Ombudsman, the TIO Council has established benchmarks for the resolution of complaints and is currently reviewing information in order to set call-answering benchmarks to meet the current high rate of abandoned calls to the TIO.

Over the first five years of its existence, the TIO generally kept pace with the level of complaints. It is becoming increasingly clear, however, that the TIO's current investigative resources are inadequate to meet consumer demand.

"For the first time... the TIO is facing significant constraints on its performance, as Investigations Officers grapple with increasing numbers of calls, growing complexity of complaints, an explosion of information and a decline in the speed with which complaints are resolved."



Ombudsman John Pinnock

"...ever-increasing competition in the telecommunications industry... has led to a surge in demand for the TIO's services."



Ombudsman John Pinnock and Deputy Ombudsman Deirdre O'Donnell

The industry and the TIO have to be more pro-active in attempting to reduce the rate of increase of complaints to the TIO and improving internal performance. The first step in this task is for the industry to establish a baseline by adopting a common definition of complaint as set out in the Australian Communications Industry Forum's (ACIF) *Complaint Handling Code*. The TIO's decision to investigate complaints about breaches of this Code signals a view that the Code presents an opportunity for the industry to improve its responsiveness to consumers.

Nevertheless, the TIO's primary role is, and will remain, the resolution of complaints which in turn are a function both of industry activity and consumer awareness of the TIO. It is essential, therefore, that the TIO's resources should be adequate to meet the demand for its services by consumers.

John Pinnock
Ombudsman

"A member is only charged complaint handling fees if the TIO receives a complaint from one of the member's customers."

Funding

The TIO is an industry-funded scheme, deriving its income solely from members who are charged fees for complaint resolution services provided by the TIO. Members consist of telecommunications carriers, telephone carriage providers and Internet Service Providers (ISPs).

A member is only charged complaint handling fees if the TIO receives a complaint from one of the member's customers. Therefore, the funding system acts as an incentive for members to keep TIO investigations to a minimum by developing and maintaining effective complaint handling and customer service procedures.

Complaint fees increase with the complexity of the complaint and the time needed to investigate it. In May 2000, the TIO Board approved new complaint fees taking effect from 1 July 2000.

Revenue from complaint fees is used to fund the costs of operating the TIO's investigations area. These expenses include salaries for investigative staff, free-call telephone charges and half of overhead costs such as rental of office premises, stationery and other general operating items.

If a member incurs complaint fees, it is also required to contribute a proportion of the TIO's overhead costs. These costs include marketing and promotions, computer systems and other general operating items. The proportion of complaint handling fees attributed to a member determines the proportion of overhead expenses the member must pay. For example if a member incurs 5% of the total complaint handling fees, it pays 5% of the overhead costs. Capital expenditure is quantified separately in the business plan and is funded in the same way as overhead costs.

The TIO Board may also obtain funds from members by raising a levy to finance special projects such as consultants' reports. To raise a special levy, the TIO will make a request to the Board for funding over and above the current annual budget. Special levies are a rare occurrence as all expenditure is usually quantified in the business plan.

Members receive quarterly invoices for complaint handling fees incurred in the current quarter based on the actual number of complaints logged against them (including a proportion of overheads and capital expenditure), plus an estimated amount for charges expected to be incurred in the next quarter. Each quarter a reconciliation of actual charges against estimated is completed.

During 1999-2000, less than one-quarter of TIO members had complaints logged against them, and accordingly less than one-quarter of members were required to contribute funds to the TIO.

The TIO has continued to improve its systems and procedures to more efficiently manage the funding system. A business plan and budget is prepared each year for approval by Council and the Board.



Jane Hill
Administration Manager

The TIO's funding system has been adjusted in recognition that the majority of members are now small businesses. From 1 July 1999, the TIO waived all charges (including overhead and special levy) for the first four Level 1 complaints per quarter received for each member.

From 1 July 2000, the TIO is required to levy Goods and Services Tax (GST) on its invoices. Invoices have been reformatted to conform to requirements of the new legislation.

Governance

The TIO is governed by a Council and Board of Directors, and is managed by an independent Ombudsman appointed by the Board on the recommendation of Council.

The Council is comprised of four TIO member representatives and four consumer representatives, with an independent Chairman.

Chaired by the Honourable Tony Staley, the Council has the power to make recommendations to the Board on the appointment of the Ombudsman, and ensures the Ombudsman's independence.

In 1999-2000, eight meetings of Council were held which considered a range of issues including investigations benchmarking, public awareness activities, jurisdictional questions, complaint handling procedures, the manner in which complaints are made, the impact of consumer codes, and funding and financial issues.

While the Ombudsman has responsibility for the day to day operations of the Scheme, it is the role of the Council to provide advice to the Ombudsman on policy and procedural matters, and to ensure that complaint handling procedures are effective.

A company limited by guarantee, the Telecommunications Industry Ombudsman Limited is governed by a Board of Directors. With the exception of the independent director, who is appointed by the Board itself, directors are appointed by the TIO membership.

The Board has corporate governance responsibilities including risk management, strategic affairs, the setting of budgets, overall financial management of the Scheme and ensuring compliance with the Memorandum and Articles of Association and the Constitution.

During the year the Board considered a wide range of issues including the TIO's strategic and business planning, guidelines for the independent director, the structure of the Board, preparations for the year 2000 date change problem and insurance policies.



Mary Leung
Accountant



Donna Nolan
Administrative Assistant

Staffing

In 1999-2000 TIO staff again delivered high levels of service to complainants and TIO members. The TIO investigations team continued their commitment to provide professional, impartial and effective complaints resolution services.

Over the course of the year, the TIO implemented a number of policies and initiatives aimed at improving the well-being of staff. A package of staff benefits including an employee assistance program, access to stress management activities and a number of events outside of business hours have cemented team spirit and collaboration amongst staff.

The TIO also continued to recruit high calibre and enthusiastic staff. Wherever possible the TIO fills vacancies with existing staff, providing opportunities for career progression.

The TIO runs regular training programs for all staff to ensure members and complainants are provided with quality services. The TIO recently revised its comprehensive orientation and training program.

Over the last year, a number of staff teams were established to tackle various issues. These teams involve staff from all levels of the TIO, producing the best possible results through sharing of ideas, a common purpose and a strong focus on problem solving.

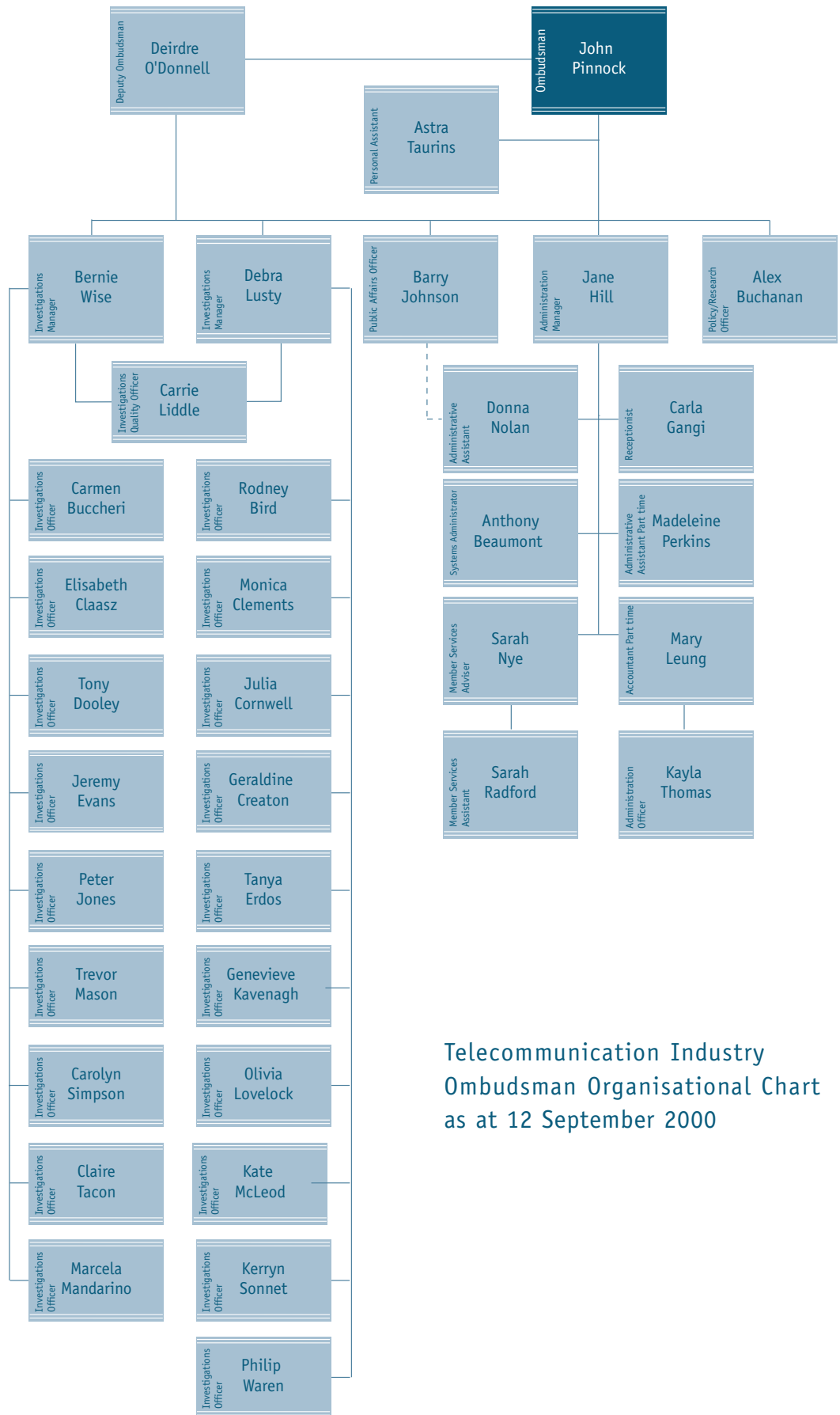
The 'Hepburn Springers' provide their colleagues with an ongoing program of activities for the management of stress – a vital function given the TIO's busy environment. The 'Savvy Group' assisted in the development of benchmarks for call answering. The 'Complaint Logging Group' assesses staff workloads, the volume of written complaints and develops procedures for efficient complaint handling.

In 1999-2000 the TIO welcomed 13 new Investigations Officers: Rodney Bird, Carmen Buccheri, Monica Clements, Julia Cornwell, Geraldine Creaton, Tony Dooley, Peter Jones, Trevor Mason, Kate McLeod, Paras Pappas, Carolyn Simpson, Claire Tacon and Philip Waren. Madeleine Perkins also joined the TIO as an Administrative Assistant.

The TIO sadly farewelled Gillian Bartlett, Dani Phillips, Kip Reading, David Scarfe, Sue Ince, Lissa Worthington, Julie Menzies, Silvia Superina and Jim Tilkeridis, who all made special contributions to the TIO.

Bernie Wise was promoted to the position of Investigations Manager and Alex Buchanan was promoted to Research Officer. In 1999-2000 the TIO identified a need for a Systems Administrator, and appointed former Investigations Officer Anthony Beaumont to the position.

"Over the last year, a number of staff teams were established to tackle various issues."



Telecommunication Industry
Ombudsman Organisational Chart
as at 12 September 2000



Anthony Beaumont
Systems Administrator

Administration

With the increase in demand for TIO complaint resolution services, the efficient use of technology is a critical factor in continuing to deliver a high standard of service to members and consumers.

Over the year the TIO has prepared for the introduction of a new complaints management system, to be known as CosMoS. A new system was selected following a call for tenders and a comprehensive tender assessment process. Staff eagerly await the implementation of CosMoS which is scheduled for November 2000. CosMoS will provide much-needed increased capacity and functionality. In phase two of the implementation, CosMoS will be integrated with the TIO's website and telephone system.

Codes and Industry Liaison

The TIO continued its involvement in the development of Australian Communications Industry Forum (ACIF) Codes of Practice throughout 1999-2000. The *Telecommunications Act 1997* provides for the Australian Communications Authority (ACA) to direct participants in the industry to comply with a registered code.

ACIF Codes consist of consumer Codes and operational/network Codes. During 1999-2000 the TIO participated in developing the following consumer Codes:

- *Billing,*
- *Calling Number Display,*
- *Complaint Handling,*
- *Credit Management,*
- *Prices, Terms and Conditions,*
- *Protection of Personal Information of Customers of Telecommunications Providers, and*
- *Selling Practices.*

Due to greater competition in the telecommunications market, the TIO has noticed a substantial increase in complaints relating to the selling practices of telephone and internet companies. The TIO expects that the *Selling Practices Code*, which is in the early stage of development, will result in telecommunications providers taking steps to ensure that sales staff and agents fully inform customers of their rights and obligations.

In 1999-2000 the TIO began investigating complaints about breaches of the *Protection of Personal Information of Customers of Telecommunications Providers Code*. The TIO has consented to investigate potential breaches of other codes when they are registered with the ACA, as provided by the *Telecommunications Act*.

While the TIO is primarily concerned with consumer Codes, it has consented to deal with complaints about breaches of an operational/network Code known as the *Commercial Churn Code*. The TIO made this decision as the provisions of the *Commercial Churn Code* significantly impact on consumers.

As a consequence of the TIO's decision to investigate potential breaches of Codes, investigations staff have received training on the rules and implications of the various codes. The TIO's current complaint management software has already been updated to allow the TIO to classify and report on potential breaches of codes.

With the completion of more Codes in the coming year, ongoing staff training will be conducted in order to ensure that the TIO is accurately recording and investigating breaches of Codes.

In addition to working with ACIF and its members on the development and implementation of Codes, the TIO continues to report systemic issues identified through complaint statistics to the ACA and the Australian Competition and Consumer Commission (ACCC).

Public Awareness

The TIO continued to conduct a range of activities with the aim of raising public awareness of the Scheme and advising consumers how to avoid and resolve problems with service providers. These goals support the TIO's overall aim of helping consumers resolve problems with telephone and internet companies.

Public awareness of the TIO is crucial to giving consumers access to the Scheme's complaint resolution services. Accessibility is a key performance indicator for alternative dispute resolution schemes such as the TIO.

The TIO aims to reduce the number of complaints lodged with the Scheme by alerting consumers to potential problems and encouraging service providers to improve customer service and complaint handling procedures. To achieve these aims the TIO alerts the industry and consumers to complaint trends through a variety of means, including publishing complaint statistics and providing information to the media.

In 1999-2000 the TIO continued to publish regular newspaper articles, provide comments to a wide range of media nationally and produce a quarterly newsletter, *TIO Talks*, containing consumer advice and the latest complaint statistics. As in previous years, the TIO assisted community groups, financial counselling services, legal aid offices, government bodies and small business associations to inform their members and constituents about the services of the TIO.

In line with the goal of making the Scheme accessible to all consumers, the TIO conducted awareness-raising activities targeting people with disabilities, people from non-English speaking backgrounds and senior citizens.

In February 2000 the TIO produced a CD-ROM containing a multimedia presentation on the role of the TIO, and a wide variety of information in electronic format. The CD-ROM was distributed to consumer, industry and government organisations.

"Public awareness of the TIO is crucial to giving consumers access to the Scheme's complaint resolution services."

Barry Johnson
Public Affairs Officer





Alex Buchanan
Policy/Research Officer

"... the TIO has noticed a substantial increase in complaints relating to the selling practices of telephone and internet companies."

This year, the TIO conducted research into awareness and understanding of the TIO among consumers and small businesses. The research results showed that awareness of the TIO has fallen since the previous round of research in 1998, which was conducted immediately following an intensive 12-month public awareness campaign. However, understanding of the role of the TIO rose among people who were aware of the Scheme.

Falling awareness combined with rising complaint numbers suggest that consumers actively seek out the TIO's services when unable to resolve problems with their service provider.

In 2000-2001 the TIO's website will be revised with the objective of making the site a comprehensive and easily accessible source of information about the TIO's role, complaint handling procedures and complaint statistics. The revised site will comply with international standards for accessibility.

Other plans for the coming year include the appointment of a Community Liaison Officer to encourage a range of community groups, government bodies and consumer groups to inform their constituents about the TIO.

Review of TIO Scheme

During the year the TIO Council and Board considered the need to review various aspects of the TIO Scheme including the structure of Council and Board, possible amendments to the TIO's jurisdiction and procedures, complaint handling fees and the internal structure of the Ombudsman's office.

It was agreed that the structure of the Council and Board would be changed to make them more representative of the breadth of the TIO membership base, particularly the large number of ISPs, while preserving the position of the foundation members of the Scheme who together continue to contribute the bulk of the Scheme's funding. In the case of the Council it is proposed to increase its membership by two – one member representative and one consumer representative. The proposed changes to Board and Council will require approval by members in a General Meeting.

Council and Board also approved a change to the TIO Constitution to reflect current investigative procedures and consulted with the relevant Federal Ministers about the change.

The Board approved an increase in complaint handling fees, the first increase in such fees for more than four years, apart from a minor adjustment to Level 3 fees in 1998-99.

Council also asked the Ombudsman to conduct a detailed review of the investigative structure of his office with a view to considering possible changes to make the structure more effective in both call handling and higher level investigations.

On a broader front, Council and the Board are presently considering the extent and adequacy of the TIO's jurisdiction in several key areas.

The TIO's jurisdiction concerning mobile telephone handsets is in some respects problematic. The TIO is not able to investigate complaints about faulty handsets which involve a manufacturer's warranty. However, where the handset has been purchased as part of a 'bundled' contract involving the



Sarah Radford
Administrative Assistant

provision of mobile network services and the handset to access those services, the position is less certain.

Usually, such contracts commit the customer to a particular plan and a minimum monthly access fee, with the cost of the handset effectively amortised over the term of the contract. In the absence of any obligation on the provider to supply an interim handset, the position of a customer with a faulty handset is difficult. Often, handset repairs take a long time and the customer is not only deprived of access to the network but is faced with the prospect of continuing to pay the monthly access fee.

The question is further complicated by a wide variety of practices amongst providers and by the position of one carrier member of the TIO, which maintains that its dealer/agents are only authorised to negotiate a contact for the provision of mobile network services with a customer – the purchase of the handset being a separate contract between the customer and the dealer acting in its own right. Needless to say, this is rarely apparent to the customer.

As a consequence, the TIO has written to more than 30 carriers and providers of mobile network services seeking their views on the adequacy and extent of the TIO's current jurisdiction in this area.

A second area of uncertainty concerns a particular type of land access complaint. Historically, the Post-Master General and its successors Telecom and Telstra have had the statutory right to lay cables on private land. This right can now be exercised by all carriers where they do so in accordance with the *Telecommunications (Low-Impact Facilities) Determination 1997*. However, a carrier is not required to obtain an easement over the land in order to install its cables and so the existence of cables is not noted on the register of land title as are the facilities of most public utilities.

Best industry practice requires carriers to, amongst other things, install markers indicating the presence of cables. The carriers take the view that a landowner should take all diligent steps to ascertain the existence of such cables, eg by accessing the 'dial before you dig' 1100 number before excavating.

Unfortunately, the experience of landowners and of the TIO is that in many instances markers break, are displaced or decay over time, and records provided by the 'dial before you dig' service are not always reliable.

Currently, the major carriers accept that a land owner may complain to the TIO about a carrier's attempts to recover the cost of repair to a cable damaged by the owner or occupier where such recovery may be considered unreasonable.

However, a number of carriers believe that the TIO has no jurisdiction to investigate a complaint by a land owner where the damage has actually been caused by a contractor/excavator engaged by the owner, but the carrier still seeks to recover the cost of repairs from the owner.

Finally, the question of whether providers of pay television services fall within the TIO's jurisdiction is also being considered in light of recent developments in that industry.

"TIO Council and Board are presently considering the extent and adequacy of the TIO's jurisdiction in several key areas."

Membership

The TIO accepted 238 new members during 1999-2000. However, the net increase in membership was 125 members, with growth from 866 at 1 July 1999 to 991 at 30 June 2000. Companies leave the Scheme when they cease trading, are acquired by other members or merge with other members.

For administrative purposes, the TIO currently groups its members into four categories:

Member	Description
Carrier	A provider which has been issued a carrier licence by the Australian Communications Authority (ACA).
Telephone Service Provider	A supplier of telephone services.
Internet Service Provider	A supplier of internet access services.
Telephone & Internet Service Provider	A supplier of telephone and internet access services.

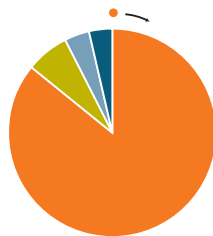
The vast majority of TIO members are Internet Service Providers (ISPs), comprising 85.9% of the TIO's total membership. Carriers and telephone service providers make up 3.5% and 6.9% respectively, while 3.7% are classified as telephone and internet service providers.

In response to feedback from members, in 1999-2000 the TIO introduced a policy for handling 'first resort' complaints. This policy provides that if a person complaining to the TIO reports that the member has not been given an opportunity to resolve the matter, the member is not charged directly for that complaint.

The TIO continues its practice of not charging members directly for anonymous, frivolous or vexatious complaints, or for any information-giving exercise.

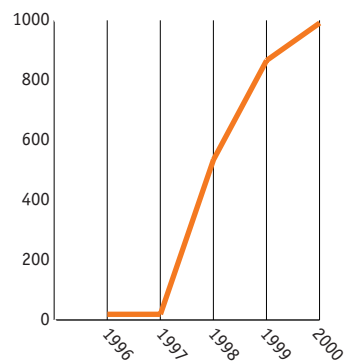
"The development of strong, two-way working relationships with Scheme members continues to be extremely important to the TIO."

TIO membership composition



Carriers	35
Telephone Service Providers	68
Internet Service Providers	851
Telephone Service Providers & Internet Service Providers	37

TIO membership growth



1996	1997	1998	1999	2000
19	19	535	866	991

"The TIO... aims to reduce members' complaint handling fees by informing members about the TIO's complaint handling procedures and policies for escalating complaints."



Sarah Nye
Member Services Adviser

The development of strong, two-way working relationships with Scheme members continues to be extremely important to the TIO. This year the TIO developed a Members Communications Plan, which aims to reduce members' complaint handling fees by informing members about the TIO's complaint handling procedures and policies for escalating complaints.

The first stage of the Communications Plan, a survey of members, will be conducted in late 2000. The Plan also includes re-development of the TIO's website with the goal of providing members with a valuable source of advice about TIO policies and effective complaint handling procedures.

The website will contain a section dedicated to TIO members, allowing easy access to TIO information, providing advice for members and encouraging two-way communication between members and the TIO. The re-development is scheduled for late 2000.

Despite these positive developments and the fact that the overwhelming majority of TIO members recognise and accept their responsibilities to the TIO under legislation, two emerging trends are a cause for concern.

The *Telecommunications (Consumer Protection and Service Standards) Act 1999* requires all carriers and eligible carriage service providers, including ISPs, to be members of the TIO Scheme. The TIO approaches providers about Scheme membership as it becomes aware of them. If an eligible carriage service provider fails to submit a TIO membership form, the TIO will refer that provider to the Australian Communications Authority (ACA). During 1999-2000 the TIO referred seven providers to the ACA for enforcement action.

Two ISPs have effectively challenged a direction by the ACA to join the TIO Scheme and the ACA has commenced enforcement action in the Federal Court. The position of a number of other ISPs who have also failed to join the TIO is dependent on the outcome of these proceedings.

The year has also been marked by an increase in bad debts where some members have failed to pay complaint handling fees to the TIO. In most cases, this has occurred where the members have ceased trading or gone into receivership or liquidation, effectively leaving all other TIO members carrying the costs. In other cases, however, the TIO has been forced to take recovery action against members. In one significant case, despite the TIO obtaining a consent judgement against a member and the member undertaking to pay the judgement, the member failed to pay outstanding fees.

As a consequence, the TIO Board, with the support of Council and the Ombudsman, referred the member to the ACA for prosecution as being in breach of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

Complaint Handling

"Through its emphasis on providing free, independent, just, informal and speedy resolution of complaints, the TIO aims to assist the consumer by providing an accessible, non-bureaucratic alternative dispute resolution forum."

Complaint resolution process

Through its emphasis on providing free, independent, just, informal and speedy resolution of complaints, the TIO aims to assist the consumer by providing an accessible, non-bureaucratic alternative dispute resolution forum.

The TIO is able to assist consumers who have been unable to resolve complaints directly with carriers, telephone service providers or Internet Service Providers (ISPs). As an office of last resort, the TIO provides consumers and small businesses with an alternative to the court system, when other avenues for dispute resolution have been explored but have failed to provide a resolution.

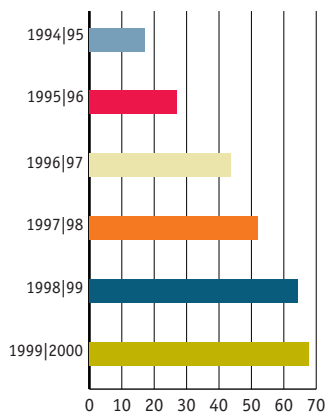
The TIO strives above all for an independent and just approach to complaint resolution. The TIO's independence means that it is able to investigate each individual complaint on its merits, seeking the perspectives of both sides and forming a view as to the most reasonable outcome on the basis of the information provided. The TIO aims to achieve a resolution based on what is fair and reasonable, rather than on strictly legal grounds.

To assist in reaching such an outcome to a complaint investigation, the TIO asks the consumer and the TIO member to demonstrate good faith in their approach. The attitudes of the complainant and the member, their good faith and willingness to acknowledge the other's perspective play a critical role in achieving a result which is acceptable to both parties.

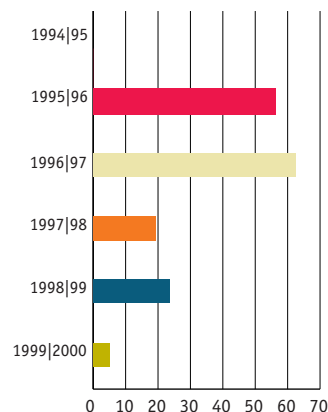
Complaint definition

As a consequence of the development of a new *Complaint Handling Code* by the Australian Communications Industry Forum (ACIF), the TIO has adopted the Code's definition of a complaint as 'an expression of grievance or dissatisfaction which does not include a request for information'. The TIO expects that participants in the industry will also adopt this definition.

Total contacts by number '000



Percentage increase in complaint numbers compared to previous years





Complaint escalation

New complaint escalation guidelines were developed in 1998-99 following an independent review of the TIO investigations function. The guidelines were designed to ensure greater consistency in categorising complaints, and to provide TIO members with a greater understanding of the triggers for complaint escalation.

The TIO classifies complaints into four levels. Level 1 is reserved for complaints that can be resolved at the time the consumer calls the TIO, or within two working days. Levels 2 and 3 require the TIO member concerned to respond within set timeframes. The TIO may escalate a complaint to the next level if the member's response is provided beyond the set timeframe or if the response is not satisfactory.

The TIO's objective is efficient and thorough handling of complaints. To this end, a single Investigations Officer will handle a matter from first contact with the complainant right through the first three levels of complaint. This means the complainant will always deal with an Investigations Officer familiar with their issue. Complainants may request that an Investigations Manager review their complaint if they are not satisfied with the outcome.

Matters that are escalated to Level 4 are handled by the Deputy Ombudsman. For some Level 4 complaints, a resolution may be mediated or conciliated. Where no agreement can be reached, the Ombudsman may make a legally binding determination or direction.

TIO complaint levels and costs to members

Complaint Category	Up to 30 June 2000	From 1 July 2000
Level 1	\$15	\$18
Level 2	\$140	\$160
Level 3	\$315	\$350
Level 4	\$1,130	\$1,200

CASE STUDY

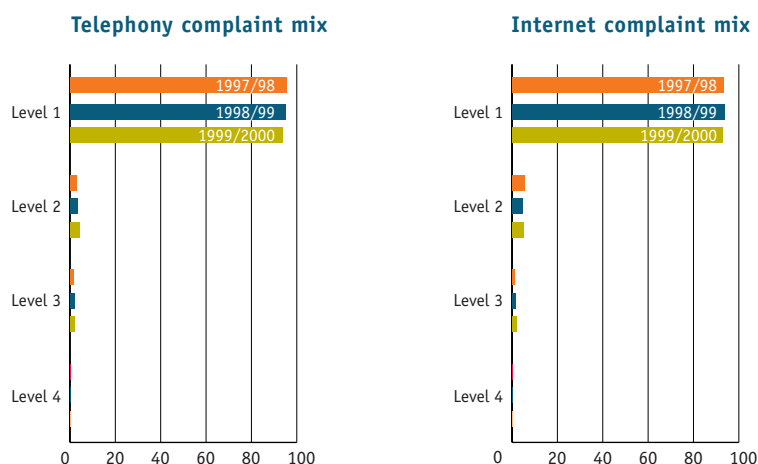
Deirdre O'Donnell

Claims for compensation for loss of business often arise where a small business has experienced disruption to the supply of its telecommunications services. The majority of complaints which reach Level 4 have a compensation component.

In one complaint, a small business experienced a number of problems with its telephone service. As the proprietor had a job requiring him to be readily accessible to clients, an unreliable telephone service had severe consequences for his business. The TIO investigated the technical aspects of the complaint, and then proceeded to analyse data concerning likely impact on loss of profit.

Financial statements for the preceding three years were examined to identify seasonal trends. Corroborating statements were also requested from potential clients regarding the difficulties experienced in contacting the business. Finally, the TIO developed a view as to the potential loss of profit, and exercised its formal powers by making a Determination in favour of the complainant to the value of \$7,500.

Complaint mix by year (percentage of total)



See page 47 for a guide to the TIO's complaint statistics.

Complaint handling performance indicators

Consistent with previous years, complaints to the TIO continued to rise in 1999-2000. The TIO received a total of 67,761 contacts in 1999-2000, an increase of 5.2% over the previous year. This total includes 13,361 enquiries which did not lead to a complaint, leaving 54,400 complaints investigated by the TIO.

The mix of complaints handled at Levels 1 to 4 has shown a pattern since 1997-98 of a slight decrease in Level 1 complaints, offset by an increase in each of the other three Levels. This demonstrates the increasing complexity of the matters being brought to the TIO, and a closer adherence to complaint escalation guidelines.

The increasing complexity of complaints is also reflected in the time taken to resolve them. In 1998-99, the average time taken to resolve a Level 2 complaint was 27.5 days. In 1999-2000, this increased to just over 39 days. Similarly, Level 3 complaint resolution times have risen from 44 days to more than 56 days. As noted below, other factors also affected times taken to resolve complaints.

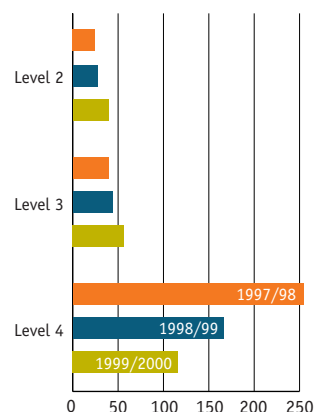
Level 4 complaints, while having no specified time limit, typically take much longer to resolve than other levels. The TIO's internal benchmark is to resolve these within 90 days. In 1998-99, the average was 166 days, a decrease from the previous year's average of 254 days. In 1999-2000, the average fell to 116 days. During the year, the TIO raised 43 Level 4 complaints and resolved 36.

The TIO measures complaint outcomes in terms of whether these are substantially, partially or not at all in favour of the complainant. Investigations Officers note this assessment based on feedback from the complainant. Outcomes for Level 1 complaints are not included as these are usually settled within two business days. However, for the other three levels this outcome measure is regarded by many as an important indicator.

"The increasing complexity of complaints is reflected in the rising proportion of Level 2 and 3 complaints, and the greater time taken for the TIO to resolve them."

Complaint resolution times (days)

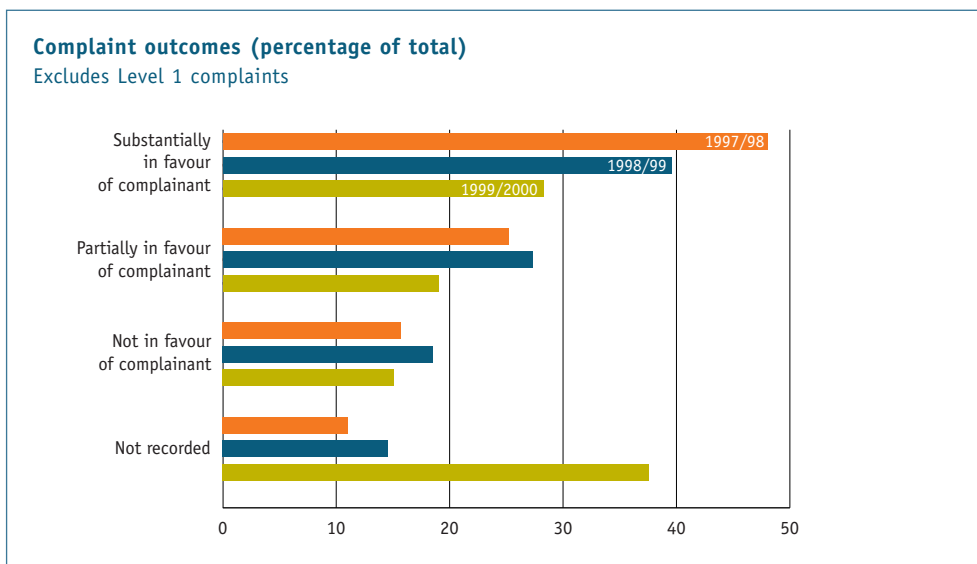
Level 1 complaints are usually resolved within two working days



In 1999-2000, complaints resolved substantially or partially in favour of the complainant decreased from 66.9% to 47.3%. There was also a slight decrease in complaints resolved not in favour of the complainant, from 18.6% to 15.1%. These decreases must be balanced against a significant rise in the number of outcomes not recorded, which more than doubled from 14.6% to 37.6%. Outcomes are not recorded when feedback from the complainant is not available.

These statistics could be interpreted as showing a trend of gradual decrease in the proportion of complaints resolved partially or substantially in favour of the complainant. Companies operating in more mature industries generally have more effective customer service and complaint resolution procedures. Complaint resolution schemes in more mature industries, such as banking and insurance, report more equal proportions of complaint outcomes in favour of the complainant and the company concerned.

However, the matter is clouded by the fact that the increase in the proportion of outcomes not recorded may reflect a rise in the incidence of matters being resolved directly between parties following the TIO's intervention. Where this happens complainants usually do not advise the TIO of the final outcome. The TIO has strengthened its data gathering procedures to ensure that as much information as possible is gathered under the heading of complaint outcomes, and aims to record a greater number of complaint outcomes in next year's statistics.



"...while public awareness of the TIO remains an important factor, the level of industry activity is the primary driver of the complaints to the TIO..."

"...demand for the TIO's services... has surged."

Complaint trends and TIO performance

Analysis of complaint trends and TIO performance over the past year shows obvious issues but also reveals apparent contradictions.

As predicted, the increase in local call resale activity has led to a significant increase in customer transfer complaints, with over 70% of all such complaints relating to the pernicious practice known in the industry as slamming – the transfer of a telephone service without the customer's informed consent.

At the same time, complaints about delays in providing new telephone lines and in repairing faults remain at historically high levels driven largely, but not solely, by the inability of some industry participants to meet performance standards under the Customer Service Guarantee (CSG).

Complaints about staff of carriage service providers have also surged from previously low levels as a result of two related factors. First, a possible fall off in levels of customer service as some companies struggle to keep pace with an increase in customer numbers and second, greater sensitivity on the part of the TIO in recognising and then categorising these complaints.

Finally, on a positive note, billing complaints continue to show a downward trend, both in percentage and absolute terms, principally as a result of optional itemisation of local calls and the decline in backbilling problems.

Otherwise, however, the picture of industry activity and TIO performance which emerges is somewhat confusing.

At first glance, comparison with past years suggests that while complaint numbers have again increased, the rate of that increase has fallen.

Survey evidence suggests that overall levels of public awareness about the existence and role of the TIO have also declined since the last survey in 1998.

Yet the demand for the TIO's services, as evidenced by a very large increase in average calls through the 1800 freecall number, has surged. At the same time, the percentage of such calls as the first point of contact has declined from 99% five years ago to approximately 85%, with 12% of complaints being received in writing and the balance by e-mail.

At the same time, the average length of telephone calls through the 1800 number has increased from just under 5 minutes in 1998-99 to almost 5 and a half minutes in 2000 – a seemingly modest increase but with significant implications for available resources. Similarly, there has been an increase in the average time taken to resolve Level 2 and 3 complaints.

While it is difficult to reconcile these trends several conclusions can nonetheless be drawn.



Investigation Managers,
Debra Lusty (left) and
Bernie Wise.

First, while public awareness of the TIO remains an important factor, the level of industry activity is the primary driver of complaints to the TIO as shown, for instance, by the increase in customer transfer complaints.

Second, for the first time since the Scheme was established there has been a decline in the performance of the TIO both in answering incoming calls and in resolving complaints speedily.

This decline is due to the unprecedented level of industry activity, the increasingly complex nature of complaints, as evidenced by the surge in written complaints and the average length of calls to the 1800 number. In short, the TIO's available resources are now strained.

As a result, at the request of the Ombudsman the TIO Council has established benchmarks in respect of resolution times for Level 2 and 3 complaints and will also set benchmarks for call answering.

Third, because of the above factors, the decline in the rate of increase of complaints is more apparent than real. This suggests that there is a significant level of unmet demand for the TIO's services which the TIO must address.

See page 47 for a guide to the TIO's complaint statistics

Overview

56,504 ISSUES RAISED

In 1999-2000 the TIO received 62,678 contacts regarding telephone services, an increase of 3.5% over the previous year. 12,042 of these were enquiries which did not lead to a complaint against a telephone company. As a complaint may involve several issues, the 50,636 complaints logged resulted in the TIO investigating 56,504 issues. The TIO logs issues in complaint categories, such as billing and privacy. The graph opposite and figures noted in text on the following pages describe complaint categories as a percentage of total issues investigated.

Billing issues continue to be the major area of complaint, accounting for 26.4% of all telephone issues raised. However, this is a significant decrease from last year's figure of 37.4%. This marked decrease is due to a combination of fewer complaints about billing and an increased number of complaints in other categories.

Complaints about the provision of services continued to increase, rising from 14.7% of all telephone issues in 1998-99 to 16.3% in 1999-2000. Other significant increases included complaints about customer transfer, which rose from 9.7% to 14.6%; complaints about staff of telephone companies, which increased significantly from 2.3% to 6.9%; and complaints about credit control practices of telephone companies which increased from 8.8% to 10.3%.

The proportion of complaints about mobile telephones and faults were comparable to 1998-99 at 10.0% and 9.8% of all telephone complaints respectively.

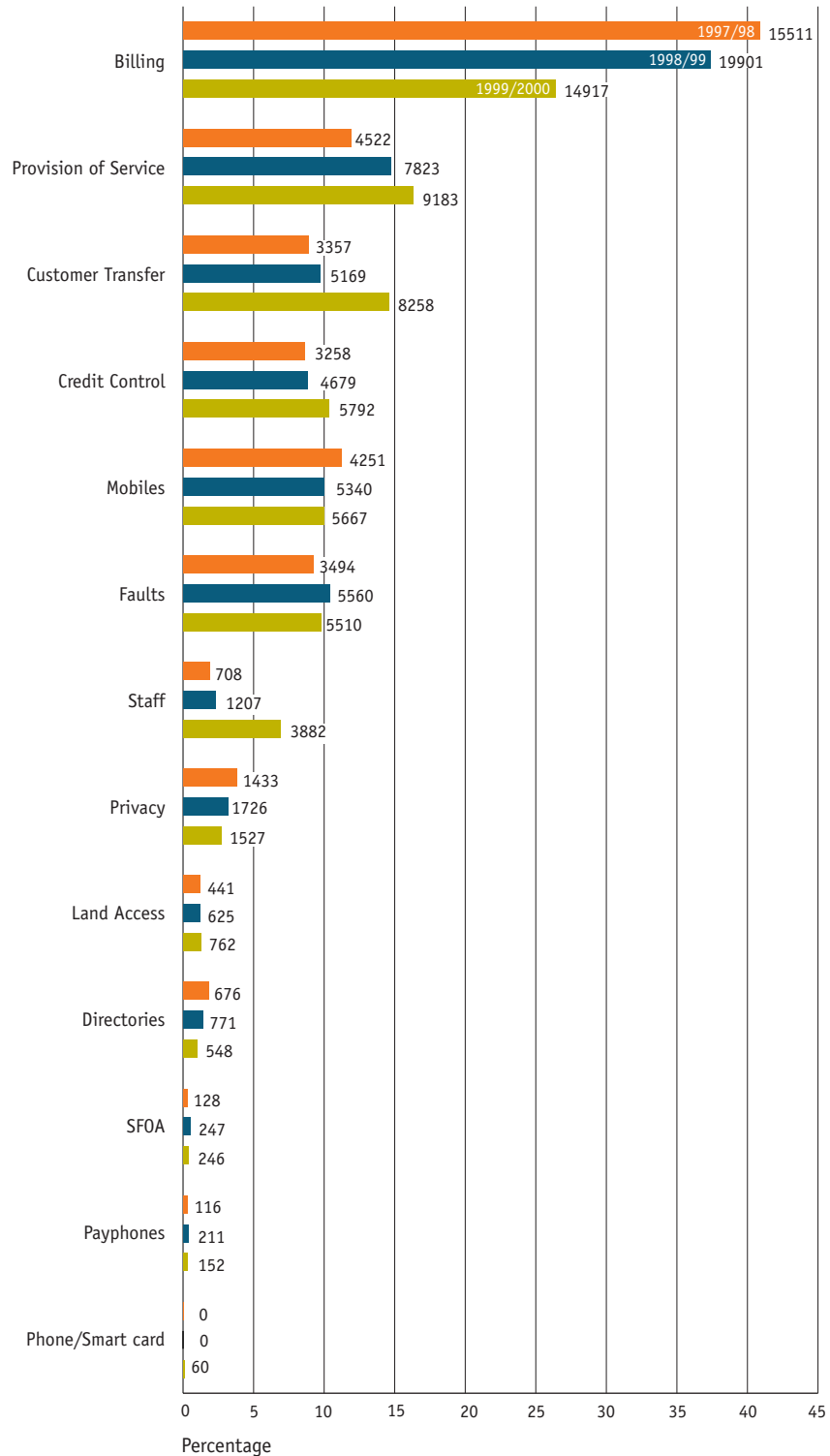
Investigation issues

- > Billing
 - Billing delays (back billing)
 - Payment issues and other charges
- > Provision of Service
- > Customer Transfer
- > Credit Control
- > Mobiles
- > Faults
- > Staff
- > Customer Service Guarantee
- > Privacy
- > Land Access
- > Directories
- > Standard Form of Agreement and
- > Payphones
- > Telephone and Smart Cards

"Complaints about the provision of services continued to increase, rising from 14.7% of all telephone complaints in 1998-99 to 16.3% in 1999-2000."

Telephone service issues breakdown – 56,504 total issues

Graphed as percentage and total: bars represent percentage, numerals indicate total





CASE STUDY

Kate McLeod

I received a complaint from a young woman who recently had a new telephone service connected to her residence, which she shared with another person. The complainant explained that her flatmate had an outstanding debt with the telephone company which connected the new service, and this debt was transferred onto her new account.

After numerous calls to the company to resolve the issue, the debt remained on the complainant's account. The TIO raised this matter with the telephone company which promptly removed the debt from the new account.

Billing

14,917 ISSUES RAISED

In 1999-2000 complaints about billing issues fell to 26.4% of all telephone complaints compared to 37.4% for the previous year. The decrease is due to rising complaints in other categories and telephone companies providing more easily understood bills, including itemisation of local calls.

Billing complaints about fixed line services made up 76.5% of all billing complaints. The remainder related to complaints about mobile services.

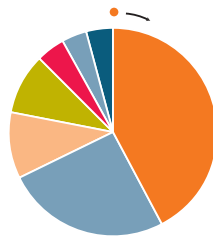
Billing complaints involve complainants claiming they were charged for calls which were not made or services and products that were not received or requested. Billing also includes complaints about telephone companies overcharging for calls or contract work completed, such as connecting services and digging trenches.

Before investigating complaints about disputed call charges the TIO requires detailed information from complainants to substantiate their claims. The TIO also expects complainants to pay the undisputed portion of an account before it will investigate disputed charges.

Billing delays (backbilling)

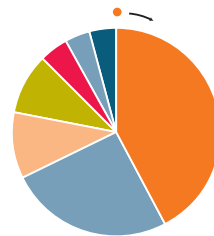
Backbilling is the practice of billing for calls made prior to the current billing period. Complaints about backbilling comprise 7.6% of all billing complaints during the year.

Billing issues – fixed line services
Percentage of 11,408 total issues



Issue	Percentage
Other charges	23.0%
Information & sexline calls	13.7%
Payment issues	11.9%
Disputed metered calls	8.8%
Disputed international calls	8.6%
Billing delays	7.6%
Disputed long-distance calls	6.5%
Non-receipt of discount/credit	5.8%
Other	14.1%

Billing issues – mobile services
Percentage of 3,508 total issues



Issue	Percentage
Other charges	42.4%
Payment issues	25.5%
Service & equipment charges	10.3%
Access fee	4.7%
Disputed long-distance calls	3.9%
Billing delays	3.9%
Other	9.4%



While backbilling was a significant area of complaint in the past, the last two years have seen a decline in backbilling complaints due to Telstra completing its Service Provider Legacy Debt Recovery Project.

However, backbilling on mobile accounts remained static at 3.9% of all mobile billing complaints. The cause of backbilled charges on mobile service accounts is usually delays in transferring billing data from mobile carriers to the companies which issue bills to customers, or problems transferring billing data from one billing system to another within a company. The TIO has always ensured that telephone companies adhere to their own internal policies, which vary between service providers and may include clauses which exempt providers from keeping to billing timeframes where the billing information is dependent on another provider. The introduction of a *Billing Code* in the future will establish industry-wide rules in this area.

Other charges

Complaints about 'other charges' occur where the complainant disputes fees, other than call charges, listed on their bill. These complaints include claims of being charged a higher fee for service connections than agreed with the service provider, or being charged for services they did not receive or request. Typically, these complaints are resolved by referring the complainant to the appropriate area within their service provider to have the charge explained. Common complaints in 1999-2000 included being incorrectly charged for rental of equipment and being charged a new connection fee rather than an in-place connection fee.

'Other charges' is the most common form of billing complaint at 23.0% of total billing complaints about fixed line services, and 42.4% of billing complaints about mobile services. The percentage of 'other charges' complaints relating to fixed line services decreased significantly compared to last year as a result of improved billing practices by providers.

Information and telephone sex services

Complaints about information and telephone sex services accounted for 13.7% of fixed line billing complaints and 2.7% of mobile billing complaints. These figures are comparable with previous years.

Recent changes introduced by Part 9A of the *Telecommunications (Consumer Protection & Service Standards) Act 1999* stipulate that telephone companies cannot bill a customer for calls to telephone sex services unless the customer has:

- (a) agreed in writing to use their telephone for the supply of telephone sex services;
- (b) been issued with and used a Personal Identification Number (PIN) for access to telephone sex services; and
- (c) made the sex service call to a number with an approved prefix, such as 1901.

When investigating complaints about charges for telephone sex services, the TIO requires telephone companies to waive all related charges unless these conditions have been met. The TIO has adopted interim investigation procedures in this area pending further discussions with the Australian Communications Authority (ACA) and the Australian Broadcasting Authority (ABA).

CASE STUDY

Paras Pappas

I received a call from a complainant who disputed \$1,200 worth of live sex calls allegedly made from his telephone service. The complainant had two telephone lines, one for voice calls and one used for internet access. The calls were charged to the service used for internet access. However, as the disputed charges related to voice calls rather than calls made from the complainant's computer modem, the calls were covered by the new legislation.

The complainant sent the TIO a copy of his internet log-on report to prove that he had not accessed the internet when the disputed calls were made. I raised a complaint against the man's telephone service provider and requested evidence that it had complied with the new legislation in this situation. The provider acknowledged that it had not met the conditions of the new legislation and agreed to waive the disputed charges.



Peter Jones
Investigations Officer



CASE STUDY

Carmen Buccheri

I received a call from a man who disputed a new connection fee charged by a telephone company. The man had requested a new connection, but as the company could not meet his required date he cancelled the request and arranged for the connection to be completed by a different provider. The complainant subsequently received a bill from his original telephone company for connection of a telephone service.

The TIO raised the matter with the original telephone company, which maintained that the charge would stand as the man had requested and received a telephone service. The TIO requested further investigation by the company based on the evidence provided by the complainant, which indicated that the service number allegedly connected by the provider was not the complainant's current service.

The company investigated the matter and agreed that the service should not have been connected as the complainant had cancelled the request. The company withdrew the charges.

The legislative changes, which came into effect in February 2000, only apply to live sex services accessed from a telephone. Sex services accessed via the internet are not covered by this legislation. The TIO predicts a future decrease in these complaints as telephone companies continue to implement procedures which comply with the conditions of the new legislation, and content providers seek other ways of providing these types of services.

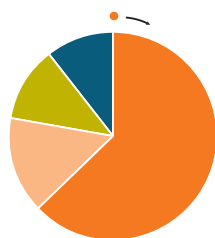
Mobile billing issues

Mobile billing complaints increased from 17.2% of all billing complaints in 1998-99 to 23.5% in 1999-2000. Mobile service providers usually resolve billing complaints without further action by the TIO.

In 1999-2000 the TIO introduced two new categories for mobile billing complaints: roaming charges, which comprised 1.2% of all mobile billing complaints; and complaints about monthly access fees at 4.7% of mobile billing complaints. Complaints about roaming charges are usually the result of consumers being unaware that extra charges apply when they use their mobile handset overseas. Most of these complaints are resolved when the TIO refers the complainant to their service provider for an explanation.

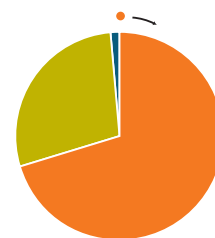
Complaints about mobile access fees arise where complainants believe they have been charged an incorrect access fee after changing their monthly plan, or where complainants continue to be charged an access fee after they requested that their mobile service be disconnected.

**Provision of service breakdown
% of 9,183 total issues**



Issues	
New delay	63.0%
Disconnection - delay and error	15.0%
Other	11.8%
In-place delay	10.3%

**Customer transfer breakdown
% of 8,258 total issues**



Issue	
Unauthorised	70.4%
Delay	28.3%
Porting	1.3%



Provision of Service

9,183 ISSUES RAISED

Complaints about the provision of services climbed for the third consecutive year to 16.3% of all telephony issues raised compared to 14.7% for the previous year. The increase reflects the impact of the Customer Service Guarantee (CSG), introduced in 1998, and difficulties in meeting its performance standards.

Provisioning includes complaints about delays and the quality of new and in-place connections, service disconnections, enhanced call handling features, number allocation, call barring and calling number display. Provisioning complaints relate to the standard telephone service and not mobile services.

Provisioning complaints were again dominated by delays in the connection of new services, however these fell as a percentage of total provisioning complaints from 77% last year to 63% in 1999-2000. The most significant rise was in the category of service disconnections, which soared from 3% in 1998-99 to 15% this year.

This increase can be directly attributed to the local call market being opened up to competition. Complaints against new local call providers accounted for the majority of the increase in this category. The complaints generally relate to a service provider failing to release a telephone line when a customer moves premises. The problem mostly affects the new tenant who is unable to connect a phone line with their preferred provider.

When dealing with provisioning issues, the TIO is able to help complainants obtain commitment dates for new connections and in some circumstances may also request that the service provider consider supplying an interim service. The TIO also ensures that providers pay the appropriate compensation under the CSG and abide by the guidelines of the Universal Service Obligation (USO). The TIO can also assist in arranging for the release of a telephone line to another company.

Customer Transfer

8,258 ISSUES RAISED

Complaints relating to customer transfer or 'churn' accounted for 14.6% of telephone complaints raised during 1999-2000, a significant increase compared to 9.7% for the previous year. This is the greatest rise in percentage across all TIO telephone complaint categories.

The rise is clearly linked to the introduction in October 1999 of competition in the local call market. The local telephone call market is intensely competitive, leading some telephone companies to adopt increasingly aggressive marketing tactics. These tactics have led to a marked increase in the number of complaints about unauthorised transfers or 'slamming'.

Unauthorised transfers accounted for 70.4% of all complaints in this category. This increase is of great concern as the number of 'slamming' complaints continues to rise.

CASE STUDY

Rodney Bird

I received a call from a man who had arranged the relocation of his business around the connection of three telephone lines. However, due to a shortage of available cabling at the man's new premises the service provider could not connect the new lines on the agreed date. The complainant had already moved premises and only became aware of the shortage when the appointment was missed.

The TIO referred the complaint to the man's service provider, who arranged an interim mobile service for him until the new lines could be connected.

Once the telephone company had installed new cabling and connected the service, the TIO determined that the man was entitled to more than \$4,000 in compensation under the CSG.



Claire Tacon
Investigations Officer



CASE STUDY

Jeremy Evans

I received a call from a woman who had authorised the transfer of her long-distance service to another telephone company. The woman did not dispute the transfer of her long-distance service, but claimed that her local service had also been transferred – without her authorisation.

The company investigated the matter and sent the complainant a copy of the form it had taken as authority to transfer the local call service. The form appeared to give authority for a complete service transfer, however this form differed from the copy the woman had kept. Further investigation revealed that six days after the woman had signed the form requesting transfer of her long distance service, another form authorising transfer of her local call service was completed. The personal details on the form were correct, however the signature did not match the long-distance transfer form.

Only careful consideration of the circumstances and close analysis of the signatures brought this complaint to a fair resolution. The company accepted that the second form may have been a forgery and credited disputed call charges and returned the woman's local call service to her original provider.

Many customer transfer complaints are from people who claim a door-to-door sales person misled them into signing a transfer form. The TIO continues to encourage consumers to carefully read any documentation before they agree to sign.

1999-2000 also saw a rise in the number of companies using recorded telephone conversations to authorise customer transfers. This is an acceptable method of gaining authorisation provided that the customer gives his or her approval for the telephone conversation to be recorded.

An issue of continuing concern to the TIO is the failure of some telephone companies to verify that the person authorising the transfer is the account holder. Only the account holder may authorise transfers.

This year saw the completion of the *Commercial Churn Code* by the Australian Communications Industry Forum (ACIF). The code aims to regulate the conduct of service providers in processing customer transfers. The TIO has agreed to investigate complaints about breaches of this Code and registered 441 potential breaches during 1999-2000. The TIO will refer service providers that persistently breach the Code to the Australian Communications Authority (ACA).

Credit Control

5,792 ISSUES RAISED

Complaints relating to credit control accounted for 10.3% of all telephone service issues raised with the TIO during 1999-2000, compared to 8.8% for the previous year. The slight increase may be due to companies adhering more rigorously to debt collection activities in the light of increased competition.

The major cause of complaint within this category related to the collection of debts. Other credit control complaints involved telephone companies barring telephone services following billing disputes, rejection of consumer applications for telephone services and telephone companies threatening legal action to recover debts.

While the TIO does not have the power to change the credit control policies of telephone companies, it can investigate matters where a policy may not have been followed. The Australian Communications Industry Forum's (ACIF) new *Credit Management Code* will introduce standard rules to be followed in these areas.



Mobiles

5,667 ISSUES RAISED

The proportion of complaints about mobile services in 1999-2000 remained the same as 1998-99 at 10.0% of all telephone service complaints. Complaints in this category relate to analogue (AMPS), digital (GSM) and Code Division Multiple Access (CDMA) mobile networks.

The majority of complaints were about coverage, mobile contracts and network faults such as call drop-out and congestion. Complaints about mobile contracts related to lack of advice or misleading advice at the point of sale.

12.1% of all complaints about mobiles received by the TIO related to CDMA. Of these complaints 57.9% were about coverage, 10.0% related to network faults, 19.2% were about contracts and 12.9% related to problems with equipment. CDMA complaints typically relate to consumer expectations that the coverage of the new Telstra network would be identical to that of the analogue network.

Complaints about the analogue network accounted for 1.6% of all mobile complaints, down from 2.2% in 1998-99. Coverage was the main issue at 44.0% of all analogue complaints, followed by complaints about the phase-out of the analogue network at 20.9% and equipment at 16.5%.

Complaints about GSM digital service decreased from 97.9% of all mobile complaints in 1998-99 to 86.3% in 1999-2000. The decrease is due to the introduction of a category for CDMA complaints.

As in previous years, contracts accounted for the highest proportion of complaints about GSM services at 60.4%, followed by coverage at 17.2% - a slight decrease compared to 1998-99.

CASE STUDY

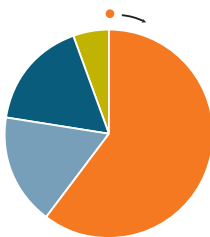
Trevor Mason

I received a call from a man who claimed he was unable to receive calls on his new CDMA mobile phone. The man stated that he had not been able to receive calls even though he was in a coverage area with the battery fully charged. Instead, every incoming call had been transferred immediately to voicemail, resulting in expensive retrieval and call costs.

The TIO referred the matter to the mobile service provider who found that the man had set the call diversion on his CDMA mobile incorrectly, resulting in every call being diverted to voicemail. After the man changed his call diversion settings he was able to receive calls on his CDMA phone.

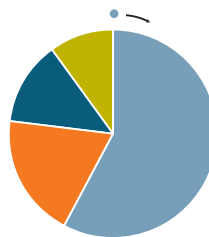
Problems such as this are common whenever new technology is introduced. In the TIO's experience, it takes some time for users to familiarise themselves with new products.

GSM digital
% of 4,887 total issues



Issue	
Contracts	60.4%
Coverage	17.2%
Equipment	17.1%
Network	5.3%

Mobile issues – CDMA
% of 689 total issues



Issue	
Coverage	57.9%
Contracts	19.2%
Equipment	12.9%
Network	10.0%



CASE STUDY

Tanya Erdos

I received a call from a man who had signed a mobile contract after receiving advice from the mobile service provider that a hands-free kit was available for the handset he had chosen. The complainant later found that this was not the case, and lodged a complaint with his service provider.

The service provider responded by disconnecting the complainant's service and charging a penalty fee for cancelling the contract. The man lodged another complaint with the mobile service provider, stating that he had not requested that the service be disconnected. The service provider agreed to waive the penalty charge.

However, some time after the issue was resolved, the complainant applied for a personal loan and was rejected on the grounds that he had defaulted on the penalty charge. The man then lodged a complaint with the TIO.

The TIO raised the matter with the mobile service provider, who agreed to remove the default record and provide a letter to the complainant's bank explaining the situation. The complainant was satisfied with this outcome.

Faults

5,510 ISSUES RAISED

Complaints about telephone faults decreased from 10.4% of all telephone complaints in 1998-99 to 9.8% in 1999-2000. The decrease follows three successive years of increases in the percentage of complaints recorded in this category.

The majority of complaints related to delays in fault rectification at 70.9%, followed by recurring faults at 27.6%. The remainder related to telephone companies missing appointments for repairing faults.

In 57.2% of complaints about fault delay the main concern of complainants was having their fault repaired, while more than 41.3% of all fault delay complaints involved claims for compensation. Where the complainant sought compensation, 69.2% were claims under the Customer Service Guarantee (CSG) while the remaining 30.8% related to claims for loss of income by small businesses.

When investigating fault complaints, the TIO asks the telephone company concerned to provide an explanation of the problem and may also request technical testing of the faulty line. The TIO may also determine a repair date, negotiate an interim service such as a mobile telephone and confirm compensation payable to the customer under the CSG.

The slight reduction in fault complaints is a positive sign, however the level of fault complaints remains high. In the TIO's experience, the number of faults complaints received depends largely on how the service provider handles these complaints in the first instance. Improved communication between service providers and their customers and compliance with time limits set out in the CSG should see a reduction in the number of fault complaints lodged with the TIO.

Staff

3,882 ISSUES RAISED

Complaints about telephone companies' staff rose significantly during 1999-2000, increasing to 6.9% of all telephone complaints compared to 2.3% for the previous year. The majority of complaints logged in this category are the result of staff of telephone companies not dealing with an initial complaint to the satisfaction of the complainant.

55.6% of complaints about staff were about administrative errors or misleading advice, while 35.2% related to poor customer service, such as long waits in telephone queues and lack of promised follow-up calls. The remainder related to other issues such as the attitude of staff.

The introduction of competition for local call customers resulted in a dramatic increase in the number of calls received by telephone companies' customer service staff. The rise in complaints may be a result of some service providers struggling to respond to the increased volume of enquiries. This increase may also be influenced to a small degree by a change in the way the TIO records complaints about staff.



The TIO usually refers complaints about staff to a higher level within the company involved for the matter to be resolved internally. However, the TIO may take action if it appears that the complainant has repeatedly received incorrect information or suffered from lack of follow-up commitments.

Customer Service Guarantee

3,623 ISSUES RAISED

The Customer Service Guarantee (CSG) allows consumers and small businesses to receive compensation when telephone companies fail to meet minimum service standards. The CSG is included in legislation and administered by the Australian Communications Authority (ACA).

The CSG provides time limits for telephone companies to connect telephone services and repair faults. The CSG also covers missed appointments and delays in the connection of enhanced call features. The timeframes set by the CSG take into consideration the population of the community that the customer lives in, the availability of telephone infrastructure and the cause of the delay.

If a telephone company fails to meet these time limits and minimum standards, the customer is entitled to a set amount of financial compensation.

CSG-related complaints accounted for 6.4% of total telephone issues raised with the TIO over 1999-2000. Of these, 67.0% related to delays in connecting telephone services while the remainder related to fault repairs, provision of enhanced call features and missed appointments. CSG complaints relate to provision of service and fault complaints, and are not recorded in a separate category.

In 1999-2000 the TIO saw a considerable drop in the number of CSG-related complaints against Telstra, and a corresponding increase in CSG-related complaints against other carriers. This change was largely due to an ACA ruling in early 1999 which stated that the CSG applies to all carriers for service provisioning delays. This confirmation allowed the TIO to investigate and log CSG-related complaints against the other carriers.

The TIO investigates possible breaches of the CSG, the validity of exemptions claimed by service providers and confirms CSG compensation payable to telephone account holders.

On 7 July 2000 a new CSG standard came into force. The new CSG includes some significant changes, including reduced timeframes for carriers to connect new services; the inclusion of lines used for data transmission, faxes and internet access; and the limitation of the CSG to five lines. As from the beginning of August 2000, carriers are required to make automatic payments rather than customers having to claim compensation.

CASE STUDY

Marcela Mandarinino

I received a call from a complainant whose telephone company had made an appointment to connect a new service in August 1999. However, the service provider was unable to connect the service as there was no cabling available for the new line. The complainant vacated the premises in December without the telephone service being connected.

The complainant claimed compensation under the CSG for the delay. The telephone company believed that the complainant was not eligible for a CSG payment as he had vacated the premises and therefore no longer required the service.

The company also denied liability under the CSG because the customer had been given a free diversion service to another number, had declined three separate offers of a mobile telephone as an interim service and had vacated the premises without notifying the service provider or cancelling the connection order.

The TIO reviewed the complaint and decided that a fair and reasonable resolution would be for the CSG to apply from the date the telephone company had first agreed to connect the service to the date the first interim service was offered. The telephone company and complainant were satisfied with the resolution and a credit of \$1000 was applied to a telephone account nominated by the complainant.



CASE STUDY

Monica Clements

I received a call from a woman who requested a silent line but had her details printed in the White Pages directory. The woman and her telephone company were in dispute over the date that she had asked for a silent number. The woman claimed that she had asked for a silent number two months before her telephone company said she had requested it.

The delay meant that her address was printed in the White Pages directory. The woman had strong evidence that this put herself and her family in danger.

The woman requested a formal apology from the telephone company. However, the TIO was unable to take the complaint any further due to lack of evidence of the woman's initial request. The complaint was difficult to pursue because the company's records of the woman's requests were logged on several different databases. This case study shows the importance of proof in privacy investigations.



Julia Cornwell
Investigations Officer

Privacy

1,527 ISSUES RAISED

The proportion of complaints about privacy fell from 3.2% of all telephone complaints in 1998-99 to 2.7% in 1999-2000. The decrease may be a result of telephone companies tightening procedures in anticipation of a new industry Code developed by the Australian Communications Industry Forum (ACIF): *Protection of Personal Information of Customers of Telecommunications Providers Code*.

Privacy complaints involve alleged failures to provide silent numbers or block Calling Number Display (CND), and claims that company representatives failed to preserve personal information by not confirming the identity of callers before releasing details or acting on requests to alter accounts.

The TIO regularly receives complaints from people whose personal information has been passed between telephone companies for billing purposes. Telephone companies may share this information provided that they comply with privacy provisions in legislation. The TIO does not generally investigate complaints regarding this highly regulated activity.

As in 1998-99, the TIO received many complaints about nuisance calls. Unsolicited telemarketing calls are not classified as nuisance calls and are generally out of the TIO's jurisdiction unless the customer's personal details have been released by their telephone company to the telemarketer. The TIO refers breaches of privacy by a third party to the relevant company or government agency for investigation.

Land Access

762 ISSUES RAISED

The proportion of complaints about land access increased slightly in 1999-2000, accounting for 1.3% of all telephone complaints compared to 1.2% for the previous year.

Of all land access complaints, 72.1% related to cabling and equipment damage, 14.3% related to objections to the installation of low impact facilities and 8.5% related to breaches of the *Telecommunications Code of Practice 1997*. These are similar proportions to the previous year.

Complaints about cabling and equipment damage include instances where carriers have damaged land owner or occupiers' property when installing cabling or other infrastructure, or where callers to the TIO dispute liability for damage to a carrier's cabling or equipment. To avoid expensive repair costs, the TIO strongly advises land owners and occupiers to find out where cables are located by dialling 1100 prior to digging or other construction activity.



The number of objections to low impact facilities increased during 1999-2000. These complaints involve land owners or occupiers objecting to carriers installing, inspecting or maintaining low-impact facilities such as cabling, small mobile towers and antennae. The TIO has jurisdiction to deal with these complaints, however both parties must follow procedures outlined in the *Code of Practice* before bringing the complaint to the TIO. After careful consideration of the parties' submissions, the TIO will either issue a direction to the carrier or dismiss the objection.

Complaints about breaches of the *Code of Practice* arise where callers to the TIO allege that carriers have failed to follow procedures included in the Code, or have not fully explained the objection process.

The TIO received a significant number of calls this year from concerned residents in areas where carriers are erecting large mobile towers. The TIO does not have jurisdiction to deal with complaints from callers who are not the land owners or occupiers, nor can it deal with complaints related to large mobile towers. Residents who are concerned about the construction of large mobile towers should contact the carrier concerned or their local government planning authority.

Directories

548 ISSUES RAISED

Complaints regarding directories decreased in 1999-2000, comprising 1.0% of telephone complaints received by the TIO. Complaints about the Yellow Pages accounted for 83.4% of these complaints, the remainder related to the White Pages.

While the TIO does not have jurisdiction over 'business' directories, in 1999-2000 the TIO continued an informal arrangement with Pacific Access (Yellow Pages) to assist complainants to reach acceptable complaint resolutions.

The TIO has formal jurisdiction over complaints regarding the White Pages, which usually relate to errors and/or omissions in the printed and on-line White Pages directories. The White Pages internet directory can be quickly and easily updated to rectify any errors, however an error in the printed White Pages directory can have a significant impact on businesses and residences. If an initial investigation reveals that the White Pages has made an error, the TIO assists the complainant by remedying the error and/or mediating compensation for business losses.

CASE STUDY

Genevieve Kavanagh

I received a complaint from a landowner who claimed that a carrier had not complied with its construction plans when installing cable alongside a dam on his property. The landowner claimed that the dam was leaking as a result of the installation.

The TIO raised the complaint with the carrier, which arranged for soil analysis tests and provided a statement from the previous landowner about the capacity of the dam. The carrier stated that this investigation showed the soil in the area did not retain water well and that the dam was leaking prior to installation of the cable. The Department of Land and Conservation also investigated at the request of the carrier, and reported that the laying of cable did not cause any damage to the dam. Inspection of the dam and construction plan showed that the carrier had in fact laid the cable as close as possible to the original route.

As a result, the TIO was unable to recommend that the carrier relocate the cable or pay for the cost of repairing the dam.



CASE STUDY

Olivia Lovelock

I received a letter from a small business owner who claimed that the White Pages had printed his phone number as his fax number, and his fax number as his phone number. Callers to directory assistance services were also being given the man's fax number instead of his telephone number.

On investigation, the TIO found that White Pages had made an administrative error. White Pages immediately rectified its on-line directory and provided confirmation that the man's business details would be correctly listed in the next printed edition of White Pages. To ensure that the man's business was not adversely affected, White Pages supplied him with a cheque to cover the cost of a telephone/fax machine which could answer both phone and fax calls. The complainant was satisfied with this outcome.

Standard Form of Agreement

246 ISSUES RAISED

A Standard Form of Agreement (SFOA) details the general terms and conditions of the supply of a telephone service, including specific services, products and applicable charges. Telephone companies must use SFOAs if they do not wish to negotiate individual contracts with their customers. On request, telephone companies must advise customers where they can view copies of SFOAs.

The TIO may investigate whether telephone companies are providing services and charging according to their SFOAs. However, the TIO cannot investigate complaints about the setting of tariffs, business practices or policies of telephone companies. The TIO refers these complaints to the Australian Communications Authority (ACA) or the Australian Competition and Consumer Commission (ACCC).

Complaints regarding SFOAs remained almost static, totalling 246 in 1999-2000 compared to 247 complaints in 1998-99.

Payphones

152 ISSUES RAISED

In 1999-2000 the proportion of payphone related complaints fell to 0.3% of all telephone complaints compared to 0.4% for the previous year.

The majority of complaints related to faults, vandalism, location of payphones and loss of money. There has recently been some media attention to the fact that payphones do not issue change. This is a matter of payphone providers' company policy and is therefore outside the TIO's jurisdiction.

Telephone and Smart Cards

60 ISSUES RAISED

Complaints regarding pre-paid telephone and smart cards were recorded for the first time in 1999-2000, representing 0.1% of all telephone complaints. Many of these complaints related to policy matters such as expiry dates and terms and conditions of the cards. In these instances the TIO investigates whether the card provider has complied with its own policy. The TIO may request the provider to offer the complainant a refund or replacement card where this internal policy is breached.

See page 47 for a guide to the TIO's complaint statistics

Overview

4,292 ISSUES RAISED

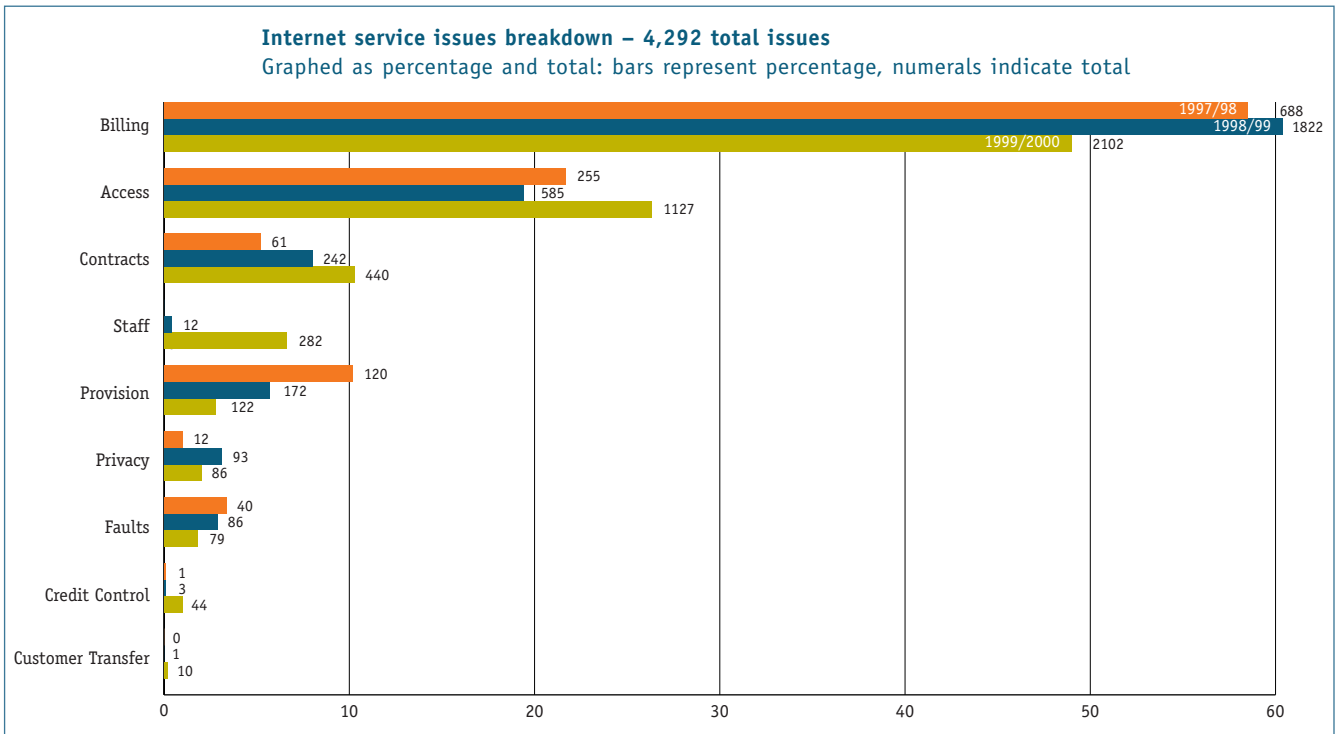
In 1999-2000 the TIO received 5,083 contacts regarding internet access services, an increase of 31.5% over the previous year. 1,319 of these were enquiries which did not lead to a complaint against an Internet Service Provider (ISP). As a complaint may involve several issues, the 3,764 complaints logged resulted in the TIO investigating 4,292 issues. The TIO logs issues in complaint categories, such as billing and privacy. The graph below and figures noted in text on the following pages describe complaint categories as a percentage of total issues investigated.

1999-2000 saw several significant changes to proportions of internet-related complaints. While the number of complaints about internet billing rose from 1,822 in 1998-99 to 2,102 this year, the percentage of billing complaints as a proportion of total internet-related complaints decreased markedly. This apparent discrepancy is due to a rise in the number of internet-related complaints received by the TIO and increases in other complaint categories.

The most significant increases in internet complaints related to access difficulties and contracts. This may reflect the growing number of internet-related products and deals available on the market.

Complaints about the staff of ISPs also increased, rising from 0.4% of internet-related complaints in 1998-99 to 6.6% in 1999-2000. These complaints include consumer perceptions that staff were rude, complainants were unable to get through to their ISP, calls or emails were not returned or that inadequate advice was given.

"1999-2000 saw several significant changes to percentages of internet-related complaints."





CASE STUDY

Carrie Liddle

With his mother's permission, a schoolboy from a country area signed on with an ISP he had seen advertised on television. When he ran the necessary start-up software, the boy inadvertently selected a dial-in number which was not a local call.

The boy's mother was shocked when she received a bill for \$1,200 worth of calls to a nearby capital city. The TIO took up the complaint with the ISP on the basis that no warning or advice had been provided to the customer about the importance of selecting a local dial-in number.

The ISP eventually agreed to contribute \$350 towards the customer's telephone bill and began including warnings on its website and installation software about the need to select a local dial-in number.

Complaints about perceived breaches of customers' privacy dropped from 3.1% to 2.0% of internet-related complaints. This change may reflect a maturing industry coming to terms with broader community concerns and standards.

Internet billing

2,102 ISSUES RAISED

Complaints about internet billing decreased markedly from 60.4% of all internet-related complaints in 1998-99 to 49.0% in 1999-2000. Billing continued to comprise the most significant portion of internet-related complaints. The decrease may be due to rising consumer understanding of internet access services and clearer information provided by Internet Service Providers (ISPs).

The bulk of billing complaints related to disputed charges, unauthorised direct debits, and the selection of dial-in numbers that were not local calls. The TIO also received a significant number of complaints about repeat dialling, account payments and the non-allocation of expected discounts or credits.

The TIO continued to investigate complaints where the number of telephone calls to a user's ISP did not match the log-in times recorded by the ISP. Where it can be established that an internet user's account has been accessed by another user without authorisation (also known as 'hacking' or 'freeloading'), the TIO will normally refer complainants to the police for further investigation.

Complaints about long-distance dial-in numbers remained at significant levels throughout the year. The TIO continues to encourage ISPs to provide clear warnings to customers about the need to select a local dial-in number and check call charges with their telephone company before using a dial-up service. Nevertheless, the level of complaints shows the continuing need for ISPs to provide more local dial-in points of presence.

In 1999-2000 the TIO began receiving complaints about billing for broadband cable internet services, which allow for large volumes of data to be downloaded quickly. In the TIO's experience, users are sometimes unaware of limitations placed on download volumes. During the year the TIO investigated complaints from broadband users disputing expensive bills for internet usage on the grounds that they were misled about download limits and the cost of the service.



Internet access

1,127 ISSUES RAISED

Complaints about internet access accounted for 26.3% of all internet-related complaints, a sharp increase compared to 19.4% recorded in 1998-99. The number of complaints about internet access almost doubled compared to the previous year. The increase may be due to growth in TIO membership and the rising number of internet users in Australia.

15.3% of these complaints were about congestion, 48.5% related to denial of access, 21.6% were about drop-outs and 14.6% related to the speed of downloads.

The majority of these issues cause the user to make several attempts to connect to their ISP, resulting in increased call costs. Factors affecting the performance of an internet service include incompatible user and ISP modems and faulty telephone lines. The TIO investigates to determine whether the problem is due to the complainant's own equipment, the ISP's equipment or the telephone line. Modem incompatibility remains an unaddressed problem for consumers.

In the TIO's experience, budget priced internet access deals are unlikely to provide the same download speed and access levels as more expensive services.

Internet contracts

440 ISSUES RAISED

Complaints about internet contracts continued an upward trend, rising from 8.0% of internet-related complaints in 1998-99 to 10.3% in 1999-2000.

The steady increase over preceding years may be due to the rising number of people accessing the internet and a continued increase in internet-related products and deals available on the market. This increased choice means consumers should thoroughly research the most suitable deal for their needs prior to agreeing to a contract. Equally important is the need for ISPs to assist potential customers in establishing whether a product or deal is the right one for that person.

47.0% of complaints about internet contracts related to alleged lack of information from ISPs. The remainder related to misleading information supplied by an ISP. The TIO advises internet users to thoroughly familiarise themselves with terms and conditions of internet access contracts before signing. ISPs should provide potential users with clear, easily understood contracts. Internet access contracts are legally binding on both parties, and can be difficult to dispute unless it can be shown that the ISP has not adhered to the contract or has provided the user with misleading or inaccurate information.

CASE STUDY

Kerryn Sonnet

I received a call from a man who complained that he had experienced frequent connection problems and drop-outs. The man had his computer, modem, and telephone line checked for faults, and changed his dial-in configuration. These actions failed to fix the problem and the man wrote to his ISP requesting a refund of his annual subscription.

The TIO raised the complaint with the ISP, which reported that the terms and conditions of its annual subscription contract stated that any prepayment of connection fees was not refundable. Given the difficulties he had been experiencing, the ISP offered the complainant a partial refund of his annual subscription fee from the time that he had reported the drop-outs. The TIO and the complainant found that this was a reasonable compromise.



CASE STUDY

Tony Dooley

An internet user called the TIO to complain about a dispute with his ISP over fees for a download volume in excess of the ISP's limit for the complainant's particular access contract. The complainant stated that he was unaware of such charges as the terms and conditions of his contract were not provided with set-up instructions for the service.

The ISP claimed the account was set up via the internet and as part of this service, terms and conditions were automatically supplied. Investigation revealed that for a short period the ISP had conducted system tests, which resulted in telephone enquiries being recorded as accounts set up via the internet.

As the ISP was unable to assert that the user had viewed its terms and conditions, the ISP agreed to refund the charges.

Internet staff

282 ISSUES RAISED

The number of complaints against staff of ISPs increased dramatically from 12 in 1998-99 to 282 in 1999-2000, representing a rise from 0.4% to 6.6% of all internet-related complaints. The majority of internet staff issues related to complainants having difficulty accessing ISPs' customer service or technical support services. Most of these issues are referred to the ISP and resolved without further action by the TIO.

Internet service provision

122 ISSUES RAISED

The number of complaints about ISPs providing internet access services dropped from 172 in 1998-99 to 122 in 1999-2000. This decrease may be due to a combination of increased levels of understanding among internet users and more effective technical advice provided by ISPs.

The TIO primarily investigated complaints about connection delays. Complaints regarding software, email and domain issues were also received.

Internet privacy

86 ISSUES RAISED

Internet privacy complaints fell from 3.1% of all internet-related complaints in 1998-99 to 2.0% in 1999-2000.

The TIO is only able to investigate privacy matters relating to allegations of breaches of privacy on the part of the ISP. The TIO is unable to investigate other internet privacy matters such as the receipt of unsolicited or unwanted email (spamming). However, the TIO often refers complainants back to their ISPs to discuss methods of overcoming such problems. In extreme circumstances complaints of this nature may be referred to the police or the privacy commissioner.



Internet faults

79 ISSUES RAISED

The number of complaints about internet faults decreased from 86 in 1998-99 to 79 in 1999-2000, representing a drop from 2.9% to 1.8% of all internet-related complaints. Almost all of these complaints related to call drop-outs. On receiving such complaints, the TIO advises the complainant about possible reasons for drop-outs and requires them to perform their own checks before referring the matter to their ISP for investigation.

Internet credit control

44 ISSUES RAISED

While constituting only 1.0% of internet-related matters, complaints about ISPs' credit control practices jumped from 3 in 1998-99 to 44 in 1999-2000. The increases may be due to the continued growth in the number of people accessing the internet.

Credit control complaints include disputes about alleged unpaid bills, collection agency referrals and accounts created by minors. The TIO also received complaints about some ISPs requiring subscribers to hold a credit card. However, this matter relates to the internal policies of ISPs and so falls outside the TIO's jurisdiction.

CASE STUDY

Carolyn Simpson

I received a complaint from a primary school teacher whose Internet Service Provider (ISP) had failed to provide details of the school's existing internet access contract despite repeated requests. The woman had telephoned and faxed the ISP over a period of a month with requests for information about how many accounts the school had, the rates and condition of each of the accounts and any amounts owing.

The TIO raised the matter with the ISP, which promptly responded with the required information. The ISP also apologised to the complainant for the lack of communication.



Geraldine Creaton
Investigations Officer

"...the overwhelming majority of complaints were received through the TIO's 1800 free call number..."

Type of complainant

The proportion of complaints received from small businesses continued a downward trend, decreasing from 16.0% in 1998-99 to 10.4% in 1999-2000. The fall was offset by a rise in the proportion of complaints received from residential consumers, which rose from 83.1% to 89.1%. The rise in residential complaints is likely linked to a trend of increases in complaints about issues which primarily affects residential telephone users, such as customer transfer.

The proportions of government and charity complainants remained similar to previous years.

Method of complaint

As in previous years, the overwhelming majority of complaints were received through the TIO's 1800 free call number, which accounted for 85.1% of all complaints received. Nevertheless, the decrease in the use of the toll free number over the last three years has resulted in significant additional work for investigative staff as more consumers raise increasingly complex complaints in writing.

Similar to last year, a slight increase in complaints received via email was offset by a fall in complaints received through the 1800 free call number. While accounting for only 2.8% of all complaints received, the percentage of complaints received via email more than doubled. This rise reflects the increasing popularity of the internet.

Complaints received via fax and mail remained at similar proportions to the previous year.

Small business complaints

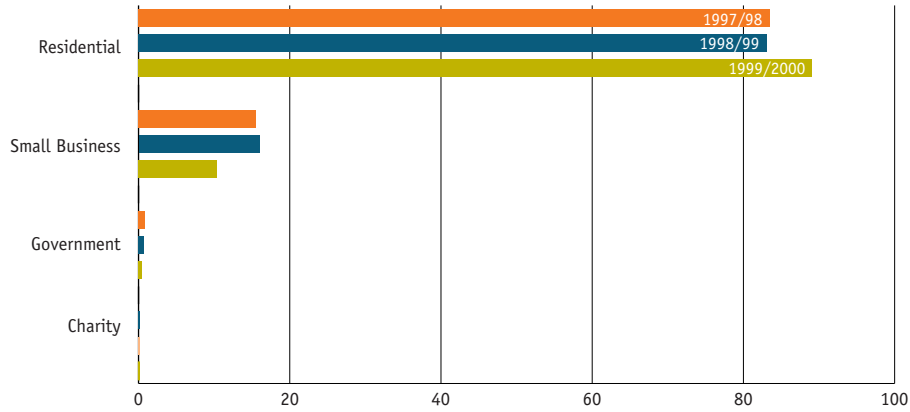
The number of issues lodged by small businesses decreased from 8,612 issues in 1998-99 to 7,396 in 1999-2000, representing a 14.1% fall. 1,004 issues were outside of the TIO's jurisdiction, leaving 6,392 issues investigated.

In general, trends in small business complaints reflected overall complaint statistics. However, the rise in customer transfer complaints from small businesses was not as marked as the increase shown in overall complaint statistics.

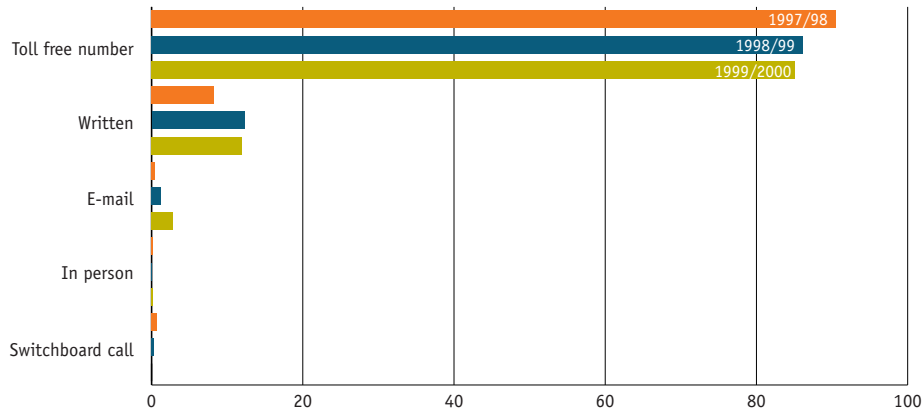
Telephone service issues accounted for 93.8% of all small business complaints. This proportion is similar to the percentage recorded for overall complaints. Billing issues decreased from 31.8% in 1998-99 to 21.1% in 1999-2000. Complaints about the provision of service increased from 24.2% to 25.5% of all small business issues, becoming the most common complaint from small businesses. In line with overall statistics, complaints about customer transfer rose from 9.2% to 10.7%, and complaints about the staff of telephone companies increased from 1.5% to 6.2%.

Complaints about internet access increased from 30.0% of all small business internet-related issues in 1998-88 to 35.3% in 1999-2000, becoming the most common internet-related complaint lodged by small businesses. Similar to trends in overall internet-related complaints, billing issues decreased from 36.5% to 35.0% and complaints about the provision of internet services decreased from 21.7% to 9.8%.

Type of complainant

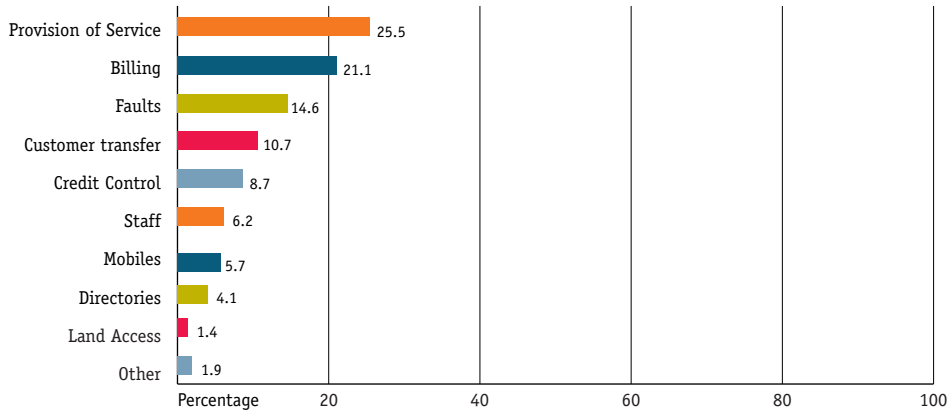


Method of complaint



Small business complaints: percentage of 6,083 total issues

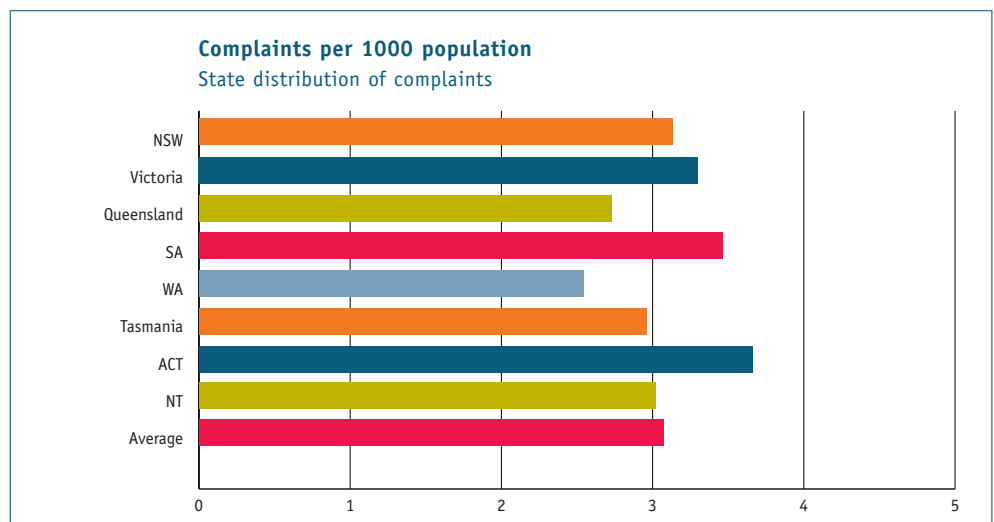
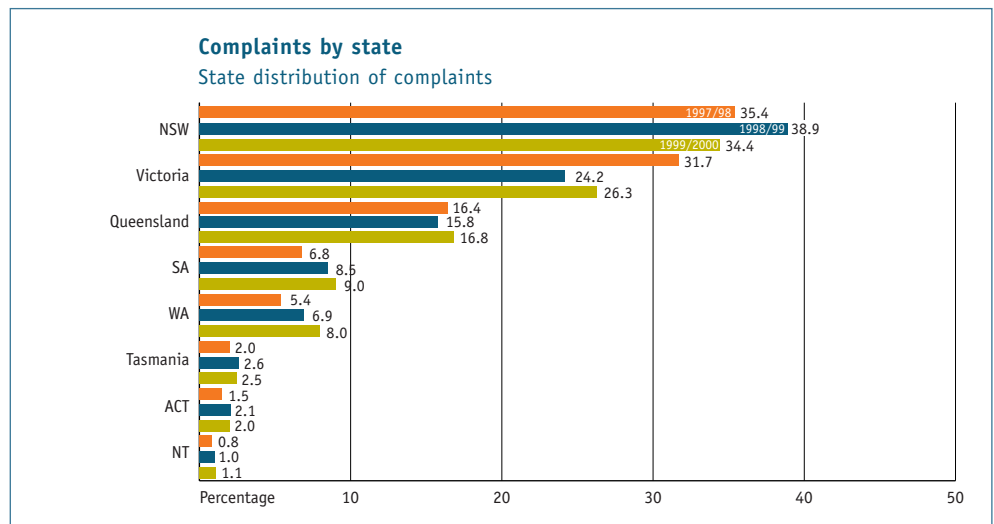
Telephone service issues raised by small business



Complaints by state

The proportion of complaints received from NSW reversed a long-term trend, decreasing from 38.9% of all complaints received in 1998-99 to 34.4% in 1999-2000. This fall was offset by increases in the proportion of complaints received from most other states. The proportion of complaints received from Victoria rose from 24.2% to 26.3%, while Queensland, South Australia and Western Australia also recorded increases.

The decrease in complaints from NSW was reflected in the number of complaints per head of population. ACT again recorded the highest number of complaints per head, with NSW slipping from second highest to fourth, following South Australia and Victoria respectively.



The TIO publishes complaint statistics to alert consumers to problems and how to avoid them, and to encourage service providers to improve their customer service and complaint handling procedures.

The TIO is wholly funded by telephone and internet service providers who are required by law to be part of, and pay for, the TIO Scheme. The TIO is a free service for complainants.

New reporting method

From 1 July 1999 the TIO changed the way complaint statistics are reported. Statistics no longer include enquiries which do not fit the appropriate definition of a complaint – that is, ‘an expression of grievance or dissatisfaction which does not include a request for information’. This means that requests for information about the TIO, enquiries for information about members and calls for directory assistance are no longer included in complaint statistics.

Removing these issues presents a more accurate picture of the types of complaints handled by the TIO.

Describing statistics

The TIO uses four terms to define and describe how it deals with calls, emails, letters and faxes from consumers and small businesses:

Contact	Contact made by a member of the public with the TIO regarding telecommunications services. The contact could be made by telephone, fax, email or letter. The costs of all contacts are billed to members.
Enquiry	A contact regarding a matter that either is not an expression of dissatisfaction or grievance, or which is outside the TIO's jurisdiction. The costs of enquiries are distributed among members.
Complaint	Contact regarding an expression of dissatisfaction or grievance which the TIO is able to investigate. The cost of a complaint is billed directly to the member concerned.
Issue	The matter or matters about which a member of the public has contacted the TIO. A complaint may involve more than one issue.

The TIO reports complaint trends in terms of issues, but charges members for the number of complaints logged against them and a proportional share of enquiries handled by the TIO. Members are not billed by issues.

For example, a person calls the TIO (one contact) with a grievance about a telecommunications service that is within the TIO's jurisdiction (one complaint). The complaint involves two separate problems (two issues). The member company against which the matter is lodged is billed for one complaint.

"The new reporting method means that complaint statistics in the 1999-2000 Annual Report are not directly comparable to statistics published in previous Annual Reports."

Complaint issues

The TIO logs similar issues into complaint categories, such as billing, privacy and customer transfer. Each issue may be further broken down into sub-categories. For example, the complaint category of 'mobile telephones' includes sub-categories for AMPS, GSM and CDMA issues.

Reporting on issues

The total number of complaints received by the TIO increases each year due to rising awareness of the TIO and increasing need for the TIO's services. As a result, the number of issues recorded in each category usually increases from year to year.

Therefore, the TIO reports on telephone and internet-related complaint categories as percentages of the total number of telephone and internet-related issues received, rather than by numbers of issues.

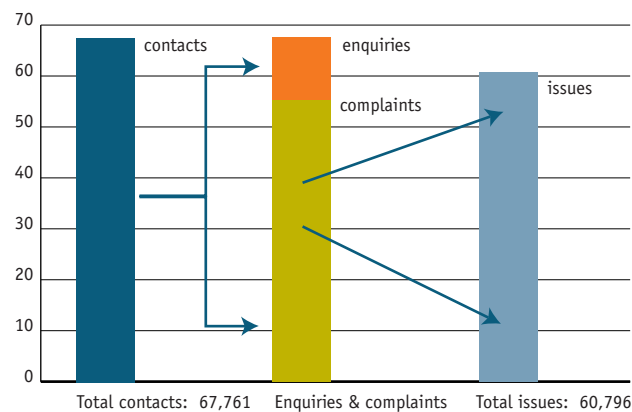
The graph on page 27, and the text that follows, describes telephone-related complaint categories as a percentage of the total number of telephone-related issues logged.

The graph on page 39, and the text that follows, describes internet-related complaint categories as a percentage of the total number of internet-related issues logged.

Total number enquiries, complaints and issues ('000)

A single complaint may involve more than one issue

An enquiry is a contact which does not constitute a complaint.



ACA (Australian Communications Authority)

The government body responsible for regulation of many aspects of the telecommunications industry with extensive powers under the Telecommunications Act 1997.

ACCC (Australian Competition and Consumer Commission)

The government body responsible for regulating anti-competitive or unfair business practices and enforcing the Trade Practices Act 1974.

ACIF (Australian Communications Industry Forum)

An independent body established by industry to manage telecommunications self-regulation. A primary function of ACIF is to develop industry and consumer Codes of Practice.

AMPS (Advanced Mobile Phone System)

The first public mobile telephone service introduced in Australia. The AMPS network closed in most areas of Australia during 1999, and will close in all remaining areas during 2000.

Arbitration

A process formally set up by the TIO and its members, where an arbitrator is appointed to hear and bring down a finding to resolve a matter between a TIO member and a complainant. This process is only used if a dispute cannot be settled, the matter is extremely complex or the amount of compensation is likely to exceed \$50,000. The arbitrator's decision is binding on all parties.

Backbilling

Billing by a service provider for calls or services provided prior to the current billing period. Service providers have differing policies regarding the waiver of charges for backbilled services.

Board

The TIO Scheme is a company limited by guarantee and is accountable to its Board of Directors. The Board has corporate governance responsibilities including risk management, financial management of the Scheme, strategic affairs, budgeting and ensuring compliance with the Memorandum and Articles of Association and the Constitution.

Carrier

An organisation which holds a carrier licence as defined by the Telecommunications Act 1997. In very general terms, a carrier provides the physical infrastructure used to supply carriage services to the public.

CDMA (Code Division Multiple Access)

A new type of digital mobile service different to GSM digital.

Churn

The process of transferring customer accounts between service providers.

CND (Calling Number Display)

A service which allows a caller's number to be viewed by the person receiving the call.

Codes

Performance standards set by ACIF and the industry. While compliance with codes is voluntary, once a company is a signatory to a code it is bound by the standards set in that code. The ACA has the power to direct companies to comply with codes.

Complaint

Expression of dissatisfaction or grievance with a telecommunications service or product.

Complaint Levels

The TIO's classification of the complexity or severity of a complaint. Level 1 complaints are the simplest, Levels 3 to 4 the most complex.

Constitution

The TIO Constitution outlines the roles, responsibilities and powers of the Board, Council, members and the Ombudsman. The Constitution may be changed with the unanimous approval of the Board.

Council

The TIO Council is comprised of an independent Chairman and an equal number of representatives from TIO members and consumer interests. Council provides advice to the Ombudsman on policy and procedural matters and ensures that complaint handling procedures are effective.

CSG (Customer Service Guarantee)

A set of performance requirements placed by the ACA on suppliers of the standard telephone service. The CSG sets time limits and other standards for rectification of faults, connections and appointments. The CSG entitles consumers to a set scale of compensation payments if the standards are not met.

Determination/Direction

A finding made by the Ombudsman when all efforts at resolution have been expended. The Ombudsman may make Recommendations to the value of \$50,000 and binding Directions to the value of \$10,000.

GSM (Global System for Mobiles)

A digital mobile phone system.

Investigations Officer

TIO staff member who receives, investigates and resolves complaints.

ISP (Internet Service Provider)

A company which provides internet access service to the public. All ISPs are required to be members of the TIO. ISPs represent by far the largest group of TIO members.

Issue

The matter about which a complainant has contacted the TIO. A single complaint may involve several issues. While the TIO charges its members by number of complaints, it reports on the basis of number of issues raised. The TIO groups similar issues into categories, such as billing, faults and privacy.

Mediation

An alternative dispute resolution method used by the TIO where a mediator is appointed to bring parties together and achieve a mutually agreed resolution.

Member

A telecommunications service provider which is a member of the TIO Scheme. The Telecommunications Act 1997 requires all carriers and eligible carriage service providers to be members of the TIO.

Memorandum and Articles of Association

Document outlining the rules and principles governing the TIO and its members. It is broader and more comprehensive than the Constitution, and covers areas such as administration and funding. This document may be amended with the approval of two-thirds of TIO members in attendance at an Annual General Meeting.

PABX (Private Automatic Branch Exchange)

A switching system used by medium to large organisations to route incoming and outgoing calls.

Resolution

A complaint outcome found by the TIO which is satisfactory to the complainant and the TIO member.

Service Provider

A carrier or carriage service provider who provides telephone, mobile or internet services.

SFOA (Standard Form Of Agreement)

The form of contract between a service provider and its customer where there is no special or specific individual negotiations as to terms and conditions. A service provider must register its SFOA with the ACA.

Slamming

The transfer of a customer's account between service providers without the account holder's informed consent.

Spam

Unsolicited email.

Standard Telephone Service

Fixed telephone service providing two-way voice communication for local, long distance and international calls. The standard telephone service does not include mobile services, customer equipment or internet services.

Carriers	Joined		
AAPT Ltd	1/07/97	Satellite Call Centres Australia Pty Ltd	25/07/97
Agile Communications	8/09/98	Satellite Cowboys Pty Ltd	25/07/97
Amcom Telecommunications	10/09/98	Select-Tel Pty Ltd	11/08/99
Austar, Windytide Pty Ltd T/as	28/09/98	Singapore Telecom Australia Pty Ltd	14/07/98
Cable & Telecoms Ltd	9/12/99	SITA	1/07/97
Cable & Wireless Optus (Optus Networks Pty Ltd T/as)	1/07/97	Skytel Pty Ltd	9/07/98
Central Exchange Ltd	14/06/00	Southern Cross Telco Pty Ltd	1/07/97
Communications Site Rentals Pty Ltd	20/10/99	Super Save Telecommunications	7/09/97
Datafast Telecommunications Pty Ltd	17/02/00	T.One Telecommunications Pty Ltd	13/08/99
Davnet Ltd	30/03/98	Telconnect Pty Ltd	19/05/99
Global Dial Pty Ltd	3/05/00	Tele Link Telecommunications Pty Ltd	1/07/97
Horizon Telecommunications Pty Ltd	6/04/98	Tritel Australia	22/09/99
Ipera Pty Ltd	20/03/00	Unidial Prepaid Communications Pty Ltd	1/07/97
Macrocom Pty Ltd	30/03/98	United Telecommunications (AUST) Pty Ltd	1/07/97
NC Cable Pty Ltd	15/05/00	United Telecommunications, UCMS T/as	1/07/97
New Star, Xinhua News Telecommunications Pty Ltd T/as	25/08/98	Vanguard Holdings Pty Ltd	18/06/99
OMNIconnect Pty Ltd	18/09/97	VIP Technologies Pty Ltd	2/08/99
One.Tel GSM 1800 Pty Ltd	18/05/99	Vodafone Network Pty Ltd	1/07/97
Optus Mobile Pty Ltd	1/07/97	Voice-Tel Pty Ltd	17/09/97
Optus Vision Pty Ltd	8/12/97	Western Communication Solutions Pty Ltd	14/10/97
Orange (Hutchison Telecoms (Aust) Pty Ltd)	1/07/97	Winterton Communications Pty Ltd	10/03/98
Oz Telecom Pty Ltd	15/04/98	WorldPacific Communications	6/01/00
PowerTel Ltd	1/07/97	WorldxChange	1/07/97
Primus Telecom	1/07/97	WWN Telecom	26/02/98
Pulsat Communications Ltd	16/08/99		
SCCLA Ltd, C/- Cable & Wireless Optus	2/02/99	Telephone and Internet Service Providers	Joined
Smart Radio Systems Pty Ltd	20/11/97	ACTEW Corporation Ltd	3/05/99
Soul Pattinson Telecommunications Pty Ltd	5/05/99	Adlink	16/08/99
Telstra	1/07/97	Alpha Network Shop Pty Ltd	31/05/99
Telstra Multimedia Pty Ltd	16/07/97	Alphanet Pty Ltd	6/10/97
TransACT Communications Pty Ltd	16/04/99	Australia Wide Web	28/04/00
Ue Comm Ltd	1/07/97	Australian Specialist Infotech Operations	26/08/98
Vodafone Pty Ltd	1/07/97	Australian Utility Brokers Pty Ltd	21/07/98
West Coast Radio	29/02/00	AustraLink Communications Pty Ltd	5/08/98
Worldcom Australia Pty Ltd	26/06/98	Budgettel Pty Ltd	11/02/00
		City Telecom (Australia) Pty Ltd	1/07/99
Telephone Service Providers	Joined	CVS Communications Corporation	27/05/99
Access Plus Corporate	10/11/98	DigiPlus Pty Ltd	17/07/97
Alphacall Telecommunications	25/11/99	Dingo Blue Pty Ltd	10/08/99
Americom, Koyo Pty Ltd T/as	29/09/97	EcomTel	13/07/99
Apple Communications Ltd	26/06/00	E-Talk Telephony, Ifirst.com.au Pty Ltd T/A	28/06/00
Astron Communication and Information Services Pty Ltd	16/07/97	Global Connect Communications Pty Ltd	23/08/99
AT & T Communications Services Aust Pty Ltd	1/07/97	Global Online Telecoms Australia Pty Ltd	9/02/00
AT&T Global Network Services Pty Ltd	28/02/00	Japan Telecoms Corporation Pty Ltd	29/04/98
Australian Communication Exchange Ltd	1/07/97	Karsing Telecommunications Australia Pty Ltd	10/11/99
B Digital Ltd	26/05/99	Knowledge By Design Pty Ltd	1/07/97
Big Mobile Communications Pty Ltd	3/08/97	Managed Solutions Pty Ltd	30/03/00
BT Australasia Pty Ltd	30/07/97	Mercury Wireless & Egram	20/04/99
CardCall International	18/09/97	Multelink Australia Pty Ltd	14/02/00
Cellular One Communications Ltd	1/07/97	Net2Phone Global	15/10/99
CMS Telecommunications	21/07/97	Network Support Service (Qld) Pty Ltd	1/06/99
Davitel Pty Ltd	14/03/00	Northgate.net	21/08/97
Direct Telecoms Pty Ltd	20/10/98	One.Tel Ltd	1/07/97
Eclipse Telecommunications Pty Ltd	1/07/97	Panaseer	3/04/00
Emp Com	25/05/99	PTC Communications Pty Ltd	24/05/99
Ezi Phone Card Pty Ltd	2/04/98	SMI Telecommunications Pty Ltd	27/07/99
Ezi Prepaid Mobile Pty Ltd	2/04/98	Spectrum Networks Pty Ltd	12/05/00
Far East Gateway (Australia) Pty Ltd	31/08/99	The Call Station, Swatch Telecom (Aust) Pty Ltd T/as	12/01/00
Global Gossip	17/11/97	Timemac Pty Ltd	9/12/98
Global One Communications Pty Ltd	1/07/97	Toptwin Pty Ltd T/A Emerald Office Supplies	2/02/00
Globaltel Australia Pty Ltd	2/05/00	Total Network Group Pty Ltd	14/03/00
GSM Rentafone Pty Ltd	16/07/97	Totalcom Solutions Pty Ltd	27/07/99
IS-1 Communications Pty Ltd	1/07/97	Your Service	4/05/00
JFax Communications Australia Pty Ltd	14/01/98		
KDD Australia Pty Ltd	11/02/99	Internet Service Providers	Joined
LCR Telecom Pty Ltd	22/01/98	#1 Computer Services	4/04/00
Macquarie Corporate Telecommunications	1/07/97	1990 Multiline BBS Pty Ltd	8/09/98
MCI WorldCom	21/07/98	21st Century Pty Ltd	1/07/97
Mobile Innovations Ltd	1/07/97	3D Net	4/03/98
New Tel Ltd	12/03/99	3rd Rock Internet Services	22/06/99
Nomad Telecommunications Pty Ltd	2/03/98	A R Internet	11/11/97
Omni Plus Pty Limited	19/12/97	A Y Communications	22/10/97
Oxygen Communications	14/01/00	A1 Internet Connectors	9/10/98
Oz One Connect	9/07/98	Ablaze Internet Technologies Pty Ltd	30/09/99
Pahth Telecommunications	1/07/97	Acay Network Computing Pty Ltd	16/10/97
Pocket Money Ltd	18/06/99	acce Netmastery	23/08/99
Primecall	1/07/97	Access Blue Lagoon Internet Services Pty Ltd	9/12/98
PSR Group Pty Ltd	1/07/97	Access Internet	1/07/97
Redicall Pty Ltd	21/06/99	Access Net	1/07/97
RSL Com Australia Pty Ltd	1/07/97	Account Link	6/03/00
Saise Telecommunications Pty Ltd	19/07/99	Accsoft Computer Technology Pty Ltd	27/10/97
		Ace Internet	15/07/99
		Ace Internet Services Pty Ltd	1/09/97
		Ace Online Pty Ltd	21/07/98
		Aceconnect	17/09/98

Acenet Internet Services	18/01/99	Bridge Online Systems	27/11/97
ACEPIA	23/04/98	Brisbane Internet Technology Pty Ltd	17/12/97
Acorn Communications Pty Ltd	6/05/99	Brisnet.org.au	25/03/99
ACR.NET	1/07/97	Broadnet Pty Ltd	16/07/99
Active Australia Pty Ltd	20/10/98	Burko Computers	18/07/97
Active Internet	27/05/99	Burnett Communications	9/08/99
Actweb	8/07/99	Business Environment Systems	7/08/98
Adam Pty Ltd	15/10/97	Business Resource Development	29/10/98
Adap-2-Us	24/06/99	C&N Newcastle Pty Ltd	29/06/00
ADNET Holiday Coast Internet	7/08/98	Caboolture Networks	23/06/98
Advanced Internet Services Pty Ltd	21/07/97	Caloundra Net	10/11/98
Advantra Pty Ltd	21/10/97	CanTech Online	28/09/98
AdviserNet (Sealcorp Holdings Ltd)	2/02/98	Catchnet	3/05/99
Afnet, Australian Fast Network	15/10/98	CCNS Internet Providers	15/10/98
AFS Computers Central Coast	10/11/98	CD Computer World Pty Ltd	17/03/00
AI Superlink Pty Ltd	18/10/99	Celestial Enterprises, Down Under Consultants T/as	12/05/98
Alexia Internet Services	25/08/98	Cellstar Pty Ltd	16/08/99
Allnet	23/06/98	Central Coast Internet Pty Ltd	13/11/97
Allstate Connect	18/01/99	Chariot Internet Ltd	30/10/97
Alpha Dot Net Australia Pty Ltd	31/10/97	Charon Information Services	1/07/97
Alphalink	1/07/97	Chatnet BBS	22/03/99
Alphawest Pty Ltd	9/07/98	Cherry Internet Access	1/09/97
Alphernet, Alpher On Line T/as	26/06/98	Cherry Technology Pty Ltd	8/06/99
Amaze Technologies Pty Ltd	6/10/97	Chilli Internet Solutions Pty Ltd	26/03/98
Ambience Internet	11/05/99	CIC Technology, Gratesand Pty Ltd T/as	20/11/98
Amisoft	13/11/97	Cimtec Pty Ltd	14/10/97
ANCC Internet Services	28/04/98	CISNET	19/04/00
Annexion	24/05/99	CITEC	18/07/97
ANS Communications Pty Ltd	2/04/98	Citylink Internet Services	4/08/99
AOL Australia	20/10/98	Clarinet Internet	1/07/97
APA Communications Pty Ltd	1/12/97	Clovelly Internet Services	20/10/99
APEX Internet	30/11/98	Clover Computing	10/06/98
Aquarius Communications	3/11/97	Club World.Net Pty Ltd	26/09/97
Arachnet Pty Ltd	24/08/98	ClubNet International Pty Ltd	18/01/99
Arcadia Technology	10/12/97	CMS Computers	10/01/00
Arcomnet	14/01/98	Coast Connect	18/05/99
Ardebil Pty Ltd	21/07/98	Coastal Waters Internet, Wavecliff Pty Ltd T/as	31/10/97
Artel Computer Pty Ltd	1/07/97	Coffee OnLine	20/09/99
ASC Computers & Electronics Pty Ltd	21/12/98	Comacom	10/06/98
Asgard.net, DigiSoft Pty Ltd T/as	25/09/97	Comaxes Corporation Pty Ltd	29/06/99
Asia Pacific Enterprise Link Pty Ltd	18/01/99	ComCen Internet Services	17/07/97
ASITIS Technology Pty Ltd	4/01/00	COMindico Australia Pty Ltd	18/02/00
AT&T EasyLink Services Australia Pty Ltd	27/03/98	Commerce Australia Pty Ltd	3/04/98
Atnet Pty Ltd	19/12/97	Communicat Pty Ltd	1/07/97
Atomic Impact	23/09/99	Communications Factory Pty Ltd	10/11/99
Aucom Pty Ltd	24/03/00	Compass Net	9/07/98
AudioPhiles Paradise	21/11/97	Compuserve Pacific	7/01/98
Aurum Internet Services	8/09/98	Computer & Technology Supplies Pty Ltd	27/08/98
Ausnetwork Pty Ltd	6/04/99	Computer West, Melzen Pty Ltd T/as	19/06/98
AUSOM Incorporated	1/07/97	Computers etc	21/12/98
Austasia Net Pty Ltd	1/07/97	Computing Success	10/06/99
Australia Connect Pty Ltd	21/07/98	Connect Direct Internet	27/07/98
Australia Internet Solutions Pty Ltd	13/10/97	Connect Infobahn Australia	1/07/97
Australia Online	25/03/98	Connect.com.au Pty Ltd	1/07/97
Australian Institute of Information Technology Pty Ltd	12/05/98	Connectivity Australia Pty Ltd	30/11/98
Australian Netlink Pty Ltd	21/07/97	Contal Information Technology Pty Ltd	12/06/98
AustraliaNet IT Pty Ltd	14/03/00	Coolangatta.Gold.Com	21/12/98
Ausworld Pty Ltd	16/07/99	Corinthian Internet Services	6/04/98
Avon Global Communications	21/07/98	Corplink, APAC Internet Ltd T/as	20/04/98
Axs Systems, B L Software Pty Ltd T/as	24/08/98	Corporate Internet Australia	21/11/97
BackMeUp, BMU Pty Ltd T/as	22/10/97	Corporate Online Pty Ltd	10/12/99
Banana Shire Council	17/05/99	Coscom Technology	16/04/99
Barcode Solutions Pty Ltd	23/09/99	Cosmos Integrated Communications	19/09/97
Bateman's Bay Internet Services Pty Ltd	30/03/98	Cougar Internet Access	13/12/99
Be Secure Pty Ltd	18/05/00	Country Netlink Pty Ltd	1/07/97
Beach Access Group	21/12/98	CPC Pty Ltd	30/08/99
Bellfrog Network	18/01/99	CR's Computer Mart Pty Ltd	10/09/98
BELLisp	10/04/00	Crystal Internet Services	4/01/00
Better Net Pty Ltd	23/11/98	CSI Holdings Pty Ltd	18/07/97
Betterlink Pty Ltd	21/12/98	CUCENTRAL Pty Ltd	23/11/99
Beyond Net NQ	19/06/98	Currimundi Computer & Technologies	30/07/99
BFI Internet Services	28/06/99	CybaNet Internet Services Pty Ltd	23/10/97
BigNet, Brisbane Internet Group T/as	13/05/98	Cybercrow	27/01/98
Bigwaters Internet Provider	15/09/99	Cyberelectric Pty Ltd	9/02/98
BIN Telecommunications Pty Ltd	25/03/99	Cyberlink Technologies	28/06/99
Blue Mountains Internet	4/05/98	Cyberloom Pty Ltd	30/04/98
Blue Net	18/01/99	Cybernet International	16/02/00
Blue Planet Net	20/11/97	Cybernet Pty Ltd	9/12/98
Blue Print Internet	15/10/98	CyberOne Pty Ltd, ACT Online Internet	3/09/97
BluIce Technology	31/01/00	Cyberspace Corporation Pty Ltd	2/12/97
BMR.Net Internet Services	1/09/97	Cyrus Technologies	21/01/98
BoldWeb	22/07/97	Cytech Corporation Pty Ltd	17/09/98
Braenet Pty Ltd	25/06/98	Darkstar Internet	24/10/97
Branch Computing Pty Ltd	2/03/98	Darling Downs Internet Services	30/07/98
		Dataline Networks Pty Ltd	22/10/97

DAYTEC Australia Pty Ltd	20/02/00	FONETel Pty Ltd	25/05/98
DCS Internet	15/10/97	Fox All Service Pty Ltd	24/08/98
DDA Computer Services Pty Ltd	7/12/99	Free Net Corporation	7/12/99
Design Online	31/03/00	Freestate Networks	1/09/99
Design-A-Web Australia	1/07/99	FreeISP	11/04/99
Developnet Services	9/02/00	Freenet Australia Pty Ltd	6/08/99
Dezza Net Pty Ltd	1/06/98	Freeonline.com.au Pty Ltd	21/06/99
DFS WEB	8/12/99	Frog Net Australia Pty Ltd	24/08/99
Dial One Internet Services	21/12/99	Functional Business Systems Pty Ltd	20/03/00
DialUp	23/01/98	Funnel Web Internet, True North Consulting T/as	9/01/98
Diamond Computer Pty Ltd	8/09/99	Futureweb Pty Ltd	9/07/98
Diamond Internet Services Australia	9/06/00	Gateway Internet Services	20/09/99
Diggy Internet Services	13/09/99	Gateworld Internet	5/05/99
Digital Connect Communications	28/08/98	Geko Internet Pty Ltd	18/05/98
Digital Media Corporation Pty Ltd T/as USSR.net	10/06/99	Gel Works Pty Ltd	22/07/99
Direct Net Solutions Pty Ltd	29/09/98	getonit.com.au	13/01/00
Dirt Cheap Internet	16/09/99	GKY Internet	1/07/97
Disk-O-Tech Leading Edge Computers	10/12/97	Global Connect (Aust) Pty Ltd	24/03/99
Dnet Internet Services	17/06/99	Global Freeway, Planet Edge Australasia Pty Ltd T/as	29/09/99
Domain Link	2/09/99	Global Info-Links Pty Ltd	3/04/00
Dot Communications Pty Ltd	2/10/97	Global Web Pty Ltd	1/07/97
Dove Australia Pty Ltd	6/11/97	Globalchat	25/05/99
DoveNetQ	15/08/97	Globec Internet Services Pty Ltd	28/08/98
Dragnet Internet Services Pty Ltd	26/11/97	Go Local Direct	14/06/00
Dragon Net	13/10/97	GoConnect Australia Pty Ltd	25/11/99
Dynamite Internet	1/07/97	GOL - Goldsborough Online Pty Ltd	17/02/99
E2F Pty Ltd	25/08/98	Goulburn Internet Pty Ltd	1/07/97
Eaglecom Pty Ltd	1/12/98	GPS Systems Pty Ltd	12/05/98
Eagles BBS Internet Services Pty Ltd	12/11/97	Gravity Internet	24/12/97
Eastcoast Internet	10/07/99	Great Circle Internet Services Pty Ltd	9/10/98
Easynet Pty Ltd	28/11/97	Great Lakes Hardnet Café	23/06/98
eBiz Inernet Services	19/07/99	Greenbank Net	25/02/99
ECK net	18/06/99	GrowZone OnLine	13/10/99
ECN Internet	14/11/97	GSAT, Geelong Science & Technology Centre	14/05/98
Ecopost Pty Ltd	4/08/97	Gympie Office Automation	18/01/99
EG Communications	25/03/98	HAQ IT Pty Ltd	24/03/99
EHCS Internet Services	31/08/99	Hard Disk Café	3/06/99
eisa Ltd	1/07/97	Hardnet Internet Access (Hardnet Cafe)	30/10/97
Elitenet Pty Ltd	10/06/99	Harenet, Netmap Solutions Pty Ltd T/as	3/03/98
Elmtree Consulting Services	28/05/99	Hartingdale Pty Ltd	1/07/97
Elu Information Systems Pty Ltd	27/10/97	Hawknet Internet Services	7/09/99
Emerge Technologies Pty Ltd	15/11/99	HC Consulting Services Pty Ltd	2/09/99
Emmaus College	18/09/98	Healey Communications Australia	5/10/98
Enet 21 Pty Ltd	10/01/99	HealthExchange	18/05/00
Enter Net Australia Pty Ltd	12/06/98	Heartland Communications	4/05/00
Enterprize Internet	30/11/99	Here There and Everywhere Pty Ltd	5/04/00
EON Technology Pty Ltd	18/05/98	Hermes Internet	24/07/97
Escape Internet Online and Multimedia Services	1/07/97	Hi Tech Net	1/07/97
Escape.Net	12/01/98	Highlands Internet Pty Ltd	21/12/97
EtherTech Pty Ltd	2/06/99	HighTide Internet Pty Ltd	4/09/97
E-Vision Internet Services	8/11/99	Highway 1 (Australia) Pty Ltd	21/07/98
Evolution Technologies (Aust) Ltd	2/08/99	Hilink Internet Pty Ltd	25/07/97
EW Systems Australia Pty Ltd	27/05/99	Hitech City	7/05/99
Exapro, Xintian Pty Ltd T/as	24/08/98	Holodoc-Oz	23/06/99
Exceed Systems Integration Pty Ltd	14/03/00	Horizen Enterprises Pty Ltd	8/09/99
Excite@Home Australia Pty Ltd	29/06/00	Hotkey Internet Services Pty Ltd	29/10/97
Export Mission Information Systems Pty Ltd	10/01/00	Hotlinks Internet Services Pty Ltd	1/10/97
Express BBS	4/01/00	Hotnet	21/09/98
Express Publications Pty Ltd	23/02/00	Hrimas Enterprises Pty Ltd	21/11/97
EXPRESSNET	28/02/00	HTML Net	9/07/98
Extensive Service Provisions	15/06/99	Hudson Data	2/03/99
Ezeelynx Internet	28/07/99	Hunterlink Pty Ltd	16/09/97
Ezinet, Infonet Telecommunications Pty Ltd T/as	29/04/98	Hyperlink	1/07/97
Ezy2geT	4/05/99	Hypermax Pty Ltd	22/03/99
Ezylink	19/01/99	HyperNet SA Pty Ltd	5/07/99
F1 (Formula One) Internet Services	18/01/99	Icenet Pty Ltd	28/11/97
F1 Computer Services	16/06/99	I-Connect	15/09/99
Fair.net.au	15/10/99	IDL Internet	1/09/99
Fast Access Network Pty Ltd	1/06/98	IDXNET Pty Ltd	3/12/97
Fasternet.com.au	14/03/00	iForm	21/07/97
Fastlink Communications Pty Ltd	18/08/97	ihug	2/03/98
Fastmail Internet Services Pty Ltd	18/11/97	iiNet Ltd	25/08/98
Fastnet Internet Service Provider	11/05/99	IIS Group Pty Ltd	18/09/97
Federation Cyber Café	12/06/98	IIS Pty Ltd	1/07/97
Fieldstar Pty Ltd	20/09/99	Image Networking, Teragen Pty Ltd T/as	16/03/98
First Link Communications	4/01/00	Immortal Technology Pty Ltd	9/12/98
First Link Internet Service Pty Ltd	1/07/97	Immortalnet Internet Services	8/09/98
First Netcom Pty Ltd	1/07/97	Impact Creativity Centre	10/05/99
Firstnet.com.au Pty Ltd	26/06/00	Impaq Network Services	21/05/99
Fish Internet	29/10/98	Impulse.Net	1/06/99
Flatrate Internet	16/04/99	Independent Business Equipment	7/05/98
Flex Internet Technology Pty Ltd	8/05/98	Independent Computer Retailers	11/01/00
Flexinet ISP and Internet Café,		I-Netcomm	3/06/99
Warwick Enterprise Association	10/06/98	Infinite Data Australia Pty Ltd	27/03/98
Flow Communications	10/05/99	Infinity Online	19/03/99

Infoflex Pty Ltd	24/11/97	King Island Internet Service	12/08/99
Informed Technology	28/08/98	kta Internet	8/02/00
INI Access, Desiin Pty Ltd T/as	27/04/98	L.I.S.P Pty Ltd (Local Internet Service Provider)	8/01/98
Inpho Interactive	17/09/97	Labyrinth Connections Pty Ltd	1/07/97
Inspired Networking	18/01/99	Lagunacom.com.au	4/04/00
Instant Communications	15/10/98	Launch Internet Services	1/07/97
Instra Pty Ltd	18/11/99	Lavalink Internet Services	29/05/98
In-Tech Telecommunications Pty Ltd	28/08/98	Leading Edge Computers Kempsey	21/12/99
Integrated Technology Resources	2/02/99	Leading Edge Internet Services	2/05/00
Integrity Network Solutions	28/06/99	Leb-Com Pty Ltd	11/10/97
Interact Computer Centre	15/10/98	Lexicon Internet Services	1/07/97
InterACT Technology Group Pty Ltd	1/07/97	Liden Australia Pty Ltd	20/03/00
Interactive Globalnet (IGN) Pty Ltd	10/11/97	LillyPad	19/07/99
Intercoast Systems Pty Ltd	20/11/98	Linkit Internet Services	10/11/98
InterDomain Pty Ltd	1/01/98	Linknet Internet Service Providers	16/03/99
Interfusion.Net	8/10/98	Links Internet	14/09/98
Interlink Technology Solutions Pty Ltd	21/09/98	Lismore Internet Services	1/07/97
Inter-Met	1/07/97	Livewire Communications	29/01/99
Internet Access Australia Pty Ltd	1/07/97	LogicWorld	1/07/97
InterNet Australis	1/02/00	Longford Internet	13/07/99
Internet Cable & Wireless Pty Ltd	17/01/00	Lynx Internet Connections	12/06/98
Internet Club Australia	1/10/98	MacConnect	4/08/98
Internet Commercial Connections Pty Ltd	17/05/99	Mackay Internet	1/10/98
Internet Depot	1/06/99	Macroportal	4/05/00
Internet Etc. Pty Ltd	17/01/00	Magic Computers (Aust) Pty Ltd	11/06/99
Internet Express	1/07/97	Magna Data Australia Pty Ltd	24/09/97
Internet Express	2/09/98	Magna Field Pty Ltd	29/12/97
Internet Express, Dytec Industries T/as,	18/01/99	MainLink Internet Services	27/10/99
Internet EZY	2/07/98	Mania Computers and Internet	10/11/97
Internet Infobahn Pty Ltd	1/07/97	matra.com.au Pty Ltd	5/01/98
Internet Information Superhighway Pty Ltd	11/11/97	Matt And Trish Enterprises (M.A.T.E.)	17/06/99
Internet Interface Systems Pty Ltd	5/11/97	Maxi Internet Services	2/03/98
Internet North Pty Ltd	1/07/97	McPherson Media Pty Ltd	21/01/98
Internet on the Coast Pty Ltd	1/07/97	MCS Internet Services	11/02/00
Internet Plus Pty Ltd	11/11/97	MedEmail Pty Ltd	18/05/00
Internet Service Providers Pty Ltd	1/07/97	Melbourne PC User Group Inc	13/10/97
Internet Surf City	11/08/99	Merlin Internet	3/09/97
Internet Temora	25/02/99	Merlin Internet Services	11/04/99
Internet TV Australia	9/12/98	Metro Computer Services	30/07/98
Internet Unlimited	23/11/98	Metrolink, Draco Pacific Pty Ltd T/as	1/12/97
Internet Victoria	28/10/97	Metro-Soft, Draco Pacific Pty Ltd T/as	1/12/97
Internet W.W.W. Network	11/11/97	Microed Pty Ltd	1/06/99
Internet Whitsunday	2/02/99	Micronica	30/04/98
InternetWA Pty Ltd, T/as Wanet	16/06/98	Microsystems Support	18/12/97
Internetwork Pty Ltd	20/09/99	Microtronics Pty Ltd	6/11/97
InterNex Australia Pty Ltd	10/03/98	Mikka International	23/07/97
Internex/Internex LV	19/06/98	Mildura.Net.Au	2/03/98
Internode Systems Pty Ltd	1/07/97	Mindvision Interactive Pty Ltd	20/08/97
Intersat, Communications Inc Pty Ltd T/as	15/02/99	Minervanet Pty Ltd	2/04/98
Intertech Net Au	17/06/99	Minopher Pty Ltd	31/12/97
Interweb Connections	1/07/97	Mission Internet	3/05/99
Interworx Technologies	13/11/97	Mittagong Mania	16/07/99
Intrapower Pty Ltd	29/07/98	MNS Internet Services	22/07/98
IO Communications	26/05/99	Modern Computer Systems	16/11/99
ION Pty Ltd	1/12/97	Moranbah Internet Services,	
Ioshpere, Sysworks Technologies T/as	10/09/98	Penthurst Pty Ltd T/as	17/09/98
Ioville, Sysworks Technologies T/as	10/09/98	Mosman City Internet Services	29/11/97
Irvnet.org.au	21/05/99	Mr Bean's Internet	11/09/98
Isage	7/06/99	Mudgee Internet	19/05/98
Island Internet Services	1/07/97	Mullumbimby Access Point Pty Ltd	17/09/98
iSociety Internet Technologies	11/08/99	Multibase Web Australis	1/07/97
ISP Interactive Pty Ltd	30/03/98	Namadgi Corporation	1/07/97
ISTnet	15/05/00	NBC Networks Pty Ltd	29/09/98
IT Fusion	29/06/99	Nectar Online Services	20/11/97
IT Lite Computing Solutions Pty Ltd	13/11/97	Net SA	20/09/99
IT Works Consulting	14/07/98	Net Sydney Internet Services	14/09/98
Itel Technology	16/04/99	Net Trek On-Line Services	26/06/98
Jamida	17/03/00	Net200 Pty Ltd	14/07/98
Jeack Internetworking	8/10/98	NetAdvantage	31/08/99
Jigsaw Technology Pty Ltd	20/04/98	NetConnect Communications Pty Ltd	27/10/97
JMB Internet Services	8/01/98	Netcore Pty Ltd	1/07/97
JP Computing	23/08/99	NetEffect Internet Pty Ltd	7/01/98
JRC Internet Services	7/05/98	NetExcel	4/08/97
JTR Computers	27/03/00	Netlink Communications Services	28/05/98
Justnet Pty Ltd	11/08/98	Netmail Results, Go Get Netted Pty Ltd T/as	7/06/99
Kanga Internet Services	23/08/99	Netpacket Pty Ltd	1/12/98
Kapunda Computing Centre	22/09/98	Netpage	1/07/97
Karratha Internet Support Services	14/01/00	Netpro Express Internet, Barroband Pty Ltd T/as	14/08/98
Katanning Regional Telecentre Inc.	18/01/99	Netracom	11/02/99
KBS Group	29/09/99	Netro	17/11/97
Kern Internet Providers	24/08/98	NetServ Communications Pty Ltd	1/12/98
Kewl Internet Services	14/09/98	Netspace Online Systems Pty Ltd	1/07/97
Key Internet Services, Teragrove Pty Ltd T/as,	4/06/98	Netspeed Internet Communications	11/12/97
KIDZ.NET National Pty Ltd	9/02/00	Netstra Pty Ltd	18/11/97
Kimberley Internet	10/04/00	NetStream Internet	11/02/99

Net-tech Internet Services, Network Technology Pty Ltd T/as	20/05/99	Portal Communications Australia Pty Ltd	15/01/98
Netway Technologies Pty Ltd	13/05/98	Power Computers (SA) Pty Ltd	21/05/98
Netwide Solutions Pty Ltd	24/10/97	Powersurf Network	23/04/99
NetYP	10/11/98	Powerup Pty Ltd	28/10/97
New Approach Systems & Software	24/11/98	Precisium	12/05/99
Newsagency 1	27/01/99	Preferred Internet Provider	26/11/97
Nexacom Pty Ltd	16/07/99	Prodigy Internet	20/08/99
Next Century Australia	20/04/98	Professionals In Computer Knowledge Pty Ltd	1/07/97
Nextracom, Leading Edge PC Consulting T/as	24/08/98	Profluent Systems Australia Pty Ltd	24/06/99
NHJ Northlink Communications	18/01/98	ProjectX	30/03/99
NKA Communications Pty Ltd	21/07/98	Puresoft Australia Pty Ltd	31/01/00
Nobbys Net	1/07/98	QD.COM	4/03/98
Noisenet	1/06/99	QLD.WIDE.NET.AU	19/01/00
Nor-net	4/08/97	Q-NET	1/07/97
North East Telecentre Inc	21/09/99	QP Australia Pty Ltd	28/05/98
North Net Internet Services	17/12/97	Qpoint Australia Pty Ltd	12/01/99
North South Systems	15/06/00	Quail Internet Connections	4/05/99
Northern Exposure Technologies Pty Ltd	10/12/97	Quicknet Internet Provider Pty Ltd	17/12/97
Northern Rivers Gateway	1/07/97	Rabbit International	4/02/99
Northop Technology Pty Ltd	14/06/00	Radiowan	10/04/00
NorthPower turboWeb	20/04/98	Ram Network Services Pty Ltd	8/05/98
Novanet Pty Ltd	31/10/97	Rapidnet	1/07/97
Now.Com.Au Pty Ltd	24/03/98	RBE Internet Services	10/11/98
NPGX Pty Ltd	15/10/98	Realnet Access	1/07/99
NRU Internet (Newcastle Regional Users)	23/12/99	Redcentre.com	5/07/99
NT Technology Pty Ltd, Katherine Computer Services Pty Ltd T/as	27/08/98	Redscape Pty Ltd	10/06/98
NTT Australia Pty Ltd	31/03/98	Relax Internet Enterprises Pty Ltd	12/06/98
Nvision Pty Ltd	27/08/99	Restless Online Services	17/09/98
Ocean Internet Pty Ltd	7/05/98	Retnet Internet Services	21/05/99
Octa4 Pty Ltd	28/01/98	Reynolds & Reynolds Pty Ltd	12/05/00
OCTEC Incorporated	11/02/99	RGTechnologies Pty Ltd	15/06/99
Odyssey World Pty Ltd	17/06/98	Ribbon Net	25/02/99
Offis Pty Ltd	20/11/98	Ripnet	25/05/99
OMCS, Om.Com Services T/as	1/07/98	Riverland Internet, The Murray Pioneer Pty Ltd T/as	9/12/97
Omen Internet, EBI Enterprises Pty Ltd T/as	8/10/98	Rivers Network Pty Ltd	6/01/98
Omninet	14/07/98	Rocket ISP	8/05/00
Ompac Internet	6/09/99	Rocknet	3/12/97
On the Net, Artson Systems T/as	22/09/97	ROK Technology Pty Ltd	20/01/00
Onclick, Brookwell Industries Pty Ltd T/as	20/11/98	ROM Technologies	22/07/99
One Earth Internet Pty Ltd	29/01/98	Rons Computers	19/06/00
Online 2000	3/05/99	Royal Link	21/09/99
Online Australia (OAL) Pty Ltd	16/04/99	RP Internet Services	14/07/98
OnThe Net Pty Ltd	31/10/97	Rubix Computers Pty Ltd	14/05/99
Optimum Objects Pty Ltd	3/03/00	Rural Business Machines Pty Ltd	3/02/98
Orac Internet	18/11/97	Ruralnet, Mildura Office Equipment T/as	28/04/98
Orbital Internet	31/03/00	SA Country Club II BBS	17/02/99
Orion Online	6/04/98	Samurai Networking	13/07/99
Orits Australia	12/03/99	Satellite Internet Services	24/01/00
Orli-Tech Pty Ltd	20/04/99	Satlink Internet Services	1/07/97
OTEC Telecommunications	23/07/99	Saturn Communications Pty Ltd	20/04/98
Outback Queensland Internet	20/04/99	Savvis Australia Pty Ltd	22/10/99
Outpost Internet Pty Ltd	17/12/99	Scads Internet Services	21/01/00
Overflow Internet Services	17/06/98	Schoolsnet Australia Pty Ltd	1/07/97
Oxnee Pty Ltd	18/11/99	SCI Net - South Coast Internet, Braidwood Internet	8/10/98
Oz Web Internet Providers Pty Ltd	25/03/99	ScoastNet Pty Ltd	15/10/97
Oz2000 Internet	2/02/99	Scona Internet Services	20/07/99
Ozdocs Internet Services	18/11/97	Scott Lechmere Internet Service Provider	21/12/98
OzEmail Pty Ltd	1/07/97	SCS Enterprises Australia Pty Ltd	10/02/00
OzGuide	15/06/99	SCS Solutions	28/07/99
Ozland.Net.Au	2/03/98	SE Network Access Pty Ltd	1/07/97
Ozlinx Pty Ltd	1/07/99	Sebastopol Secondary College	10/08/99
Oznetcom Pty Ltd	9/12/98	Selcon Internet Pty Ltd	4/02/99
OZnetPC Pty Ltd	21/07/99	SELTEK Australia Pty Ltd	10/01/00
OzRamp, APAC Internet T/as	20/04/98	Servcom Pty Ltd	2/07/99
Pacific Internet Australia Pty Ltd	30/04/99	SG Technology Pty Ltd	25/06/99
Panorama Development Pty Ltd	11/03/99	Share.Net Internet Services	18/05/99
Paradigma Pty Ltd	20/10/98	Shelford Technologies Pty Ltd	14/09/98
Paradox Digital	24/06/99	Shoalhaven Internet Services	10/09/99
Patash Pty Ltd	14/10/97	Shoalnet Pty Ltd	1/04/98
PBQ Pty Ltd	17/02/00	Shortech International Pty Ltd	10/06/98
PC Oznet Pty Ltd	8/06/99	Smarter Way Pty Ltd	2/07/98
pcProfessionals	6/01/98	Softcell Pty Ltd	18/06/99
Peninsula Business Directory, Webspec Pty Ltd T/as	23/07/99	Soft-Tech Information Services	1/07/97
Penrith Netcom Pty Ltd	22/08/97	South East On Line	20/10/98
Pentire Pty Ltd	19/06/00	South Queensland Internet Services	29/11/99
Petersen's Online Services	4/12/98	Southern Cross Connect Pty Ltd	27/08/98
Phoenix Business Solutions Australia Pty Ltd	20/08/97	Southern Matrix International Pty Ltd	17/06/99
Pilbara Systems Internet	21/08/97	Southern Star Communications Pty Ltd	1/07/97
PillarBox Internet Post Pty Ltd	28/04/99	Southwest Internet Systems	7/08/98
Pipeline Internet	16/07/97	Space.Net	25/07/97
Plan B Internet Services Pty Ltd	30/03/99	Spacelink Communications	12/02/99
Planet Internet	8/10/98	Speed Internet Service Provider, Speednet Communications Pty Ltd T/as	27/07/99
Platform Computing Pty Ltd	9/03/00	Speedlink Internet Service Providers	10/05/99

Spiderlink	5/08/99	Tudogs.net.au	15/01/98
Spiderweb Access	14/07/98	Turbonet	6/04/99
Spin Internet Services Pty Ltd	20/04/98	TWOEZY Internet Group	4/04/00
Spirit Networks Pty Ltd	21/07/97	TX Communications Pty Ltd	23/11/98
Spitfire Internet Services	18/04/00	Tyco Services, Grinnell Asia Pacific Pty Ltd T/as	11/08/98
Springboard Computer Systems	18/03/99	Ultranet	17/11/97
Squirrel Internet	9/12/98	Unite.com Pty Ltd	9/06/00
Stairway Internet Services	11/02/99	Universal Networks Australia Pty Ltd	10/09/98
standard.net	1/06/99	University of Queensland Information Technology Services	17/06/98
Star Online Services, Tower Networking Pty Ltd T/as	19/06/98	Unixpac Pty Ltd	7/06/99
Starvision Access	17/05/00	UUNET Australia Ltd	18/01/99
Starway Brighton	16/10/97	V.P. Microtech	11/03/98
Starway Melbourne	13/10/97	Value Connect	29/01/99
Starway Preston	15/10/97	Valylink Centre 3000	1/07/97
Starwon Enterprises Pty Ltd	1/07/97	Vianet Australia	28/07/98
Stringline BBS	10/09/99	VICNET	26/03/98
Struggler's Internet Services, Struggler's Enterprises T/as	24/08/98	Vicweb Pty Ltd	21/07/98
Summerland Synergy	27/08/99	Video Data Service	21/11/97
Summit Internet Solutions	27/08/98	Viper Productions Group	9/12/98
Sun Multimedia Pty Ltd	9/12/97	Virtual Computers Pty Ltd	3/11/97
Sunet Internet Provider	27/10/99	Vision Internet Services	1/07/97
Sunshine Beach Software Pty Ltd	12/06/98	Vivanet Pty Ltd	21/04/99
Sunshine Networks, ATS International T/as	14/10/97	VTay Technology	25/05/99
Supa Computer Services	25/02/99	WA Telecentre Exmouth Inc.	21/07/98
Super Digitech Internet	7/08/98	Wackado Internet Services	23/05/00
Super Network Consultants, NZ Trading Exchange Ltd T/as	16/09/98	Wagga Training Services	10/10/97
Surfnet City	29/10/98	Wahroonga.com	20/03/00
Swannet Internet Services	9/10/98	Warren Pont	6/01/98
Swift Internet	14/03/00	Waterfront Internet Service	11/01/99
SwiftNet Pty Ltd	13/05/99	Wavecliff Pty Ltd	31/10/97
SWISP, South West Internet Service Provider Pty Ltd T/as	26/07/99	Web Ace	21/12/98
Switch.Com Pty Ltd	14/07/98	Web Australis Pty Ltd	1/07/97
Sydney Internet Networking Services	3/04/98	Web Express (Beenleigh)	11/11/99
Sygary Internet Access	30/09/99	Web Express (Maroochydore)	14/02/00
Sympac Computing Pty Ltd	3/06/98	Web One	3/03/98
Synflux International Pty Ltd	28/07/97	Web Solutions, Zenith Pty Ltd T/as	14/05/98
Tactical Access Provider	24/08/98	Webxax, Web Access Aust Pty Ltd T/as	10/10/97
Talent	24/06/99	Web-A-You Internet Services, MyWorld Communications T/as	27/04/98
Tasman Internet Services	15/10/98	Webdata Pty Ltd	25/08/99
Tasmania's Access Server Pty Ltd	3/12/97	Webfront Pty Ltd	2/03/98
Tech 2U, Robson Technologies T/A	10/08/99	Web-Hermits	26/08/99
Tech Info Pty Ltd	16/06/99	Webmail Internet Solutions	10/06/98
Tech Iplex Pacific Pty Ltd	1/04/99	WebMedia Australia Pty Ltd	1/07/97
Techno.Access	12/05/98	WebRider Pty Ltd	15/10/98
Techsurfer.net	20/09/99	WebScan	8/01/98
Teknet Canberra Pty Ltd	1/07/98	Website	14/05/98
Teksupport Pty Ltd	3/10/97	Webtel	26/11/97
Telstra Big Pond	1/07/97	Webtime Pty Ltd	17/06/98
Teltech Enterprises Pty Ltd	1/07/97	Webward Pty Ltd	9/12/98
Tera Nova	2/06/99	Webxpress	16/06/99
Terminus Network Services	18/01/99	West Australian Networks	14/07/98
Terramax Pty Ltd	15/10/98	Westconnect Pty Ltd	8/09/98
Terrigal Internet Services	1/07/97	Western Internet Services	15/06/99
Terrigal Net	1/07/97	Westlink Internet Services, Marketing Solutions Pty Ltd	10/06/98
Terry Anthony Computers	23/03/99	WestNet Pty Ltd	14/07/98
Tetraplex Pty Ltd	20/03/98	Westvic Internet Pty Ltd	23/04/98
The Australian Internet Comp Pty Ltd	1/07/97	Wiegand Trading	22/07/99
The Computer Shop - Nelson Bay	10/06/98	Wiliam Connect	16/04/99
The Friendly Giant Pty Ltd	28/10/99	Windspeed	29/04/99
The Info Xchange Inc	3/12/97	Winshop Services	28/08/98
The Internet (Aust) Pty Ltd T/as Totally Holistic Enterprises Internet	17/05/99	Woftam Jones Pty Ltd	1/07/97
The ISP Doctor	11/03/98	Wollongong Ezynet, Janasas Pty Ltd T/as	16/09/98
The Maestro.Net	27/08/99	WooZoo Telecommunications Pty Ltd	2/03/98
The Message Exchange	1/07/97	World Top Technology Pty Ltd	14/10/99
The Net Enterprises Pty Ltd	1/07/97	World Wide Warehouse	2/09/98
The PlaNet CyberGate	1/07/97	World Wire Pty Ltd	1/07/97
The Web Factory	15/06/99	World.Net Pty Ltd	20/03/00
Tnet.Com.Au	20/08/98	World-Link Internet	16/03/99
Tokyo Network	1/07/97	Worldwide Internet	2/09/98
Total Internet Konnections	23/11/99	Woy Woy Secretarial Services Pty Ltd	23/07/99
Totally Connected, Rost International Pty Ltd T/as	30/11/98	X Com Australia Pty Ltd	25/07/97
TotalNet Internet Service	12/11/97	XcelNet Enterprise	10/07/97
Touch88, United Sources Pty Ltd T/as	2/09/98	Yea Computing Services	23/09/99
TPG Internet Pty Ltd	1/07/97	yesresources.com Ltd	24/08/99
TR Connexions	10/08/99	Ynet	5/11/97
Treko Internet	17/06/98	Young Online Pty Ltd	29/04/99
Trend Internet Services, Taipei International T/as	28/07/98	Zircon Systems Pty Ltd	11/11/97
Triode Internet	22/04/98	Zoomnet	15/11/99
Trumpnet Pty Ltd	16/12/97		
TSN - The Saunders Network	17/02/99		

Bankers: Commonwealth Bank
of Australia
Solicitors: Corrs Chambers Westgarth
Auditors: HLB Mann Judd
Information Technology:
Beethoven Computer
Services Pty Ltd and
Data#3
Design: Mackay Branson design

How to make a complaint

Before lodging a complaint with the TIO you should:

- Try to solve the problem with your telephone company or internet service provider (ISP);
- Try to get the name of the person you spoke to at the company;
- Gather any papers relevant to the complaint, such as contracts, bills or copies of correspondence (please do not send original documents to the TIO).

The TIO recommends that complainants:

- pay any undisputed portions of bills;
- keep copies of any payments transactions relating to the complaints, and any letters written or received;
- keep a note of the names of telephone or internet companies' customer service staff, and record dates of conversations and key points discussed;
- be prepared to write to the TIO with details of the complaint.

Achieving a satisfactory complaint outcome may require a compromise on one or both sides of the argument. However, a resolution found this way is almost always better, less expensive and speedier than one found in the courts. Complainants may take their dispute to the courts if not satisfied with the resolution reached by the TIO.

Complaints may be lodged by telephone, fax, mail, email, or TTY for hearing or speech impaired people.

Telecommunications Industry Ombudsman Limited
Directors' report and financial statements

Telecommunications Industry Ombudsman Limited
ACN 057 634 787
Annual Report for the year ended 30 June 2000

Contents

Directors' Report	58-64
Profit and Loss Statement	65
Balance Sheet	66
Statement of Cash Flows	67
Notes to Financial Statements	68-79
Directors' Declaration	79
Independent Audit Report to the Members	80

Telecommunications Industry Ombudsman Limited

Directors' report and financial statements

Directors' Report

Your directors present their report of the Telecommunications Industry Ombudsman Ltd (TIO) for the year ended 30 June 2000.

DIRECTORS

The current composition and membership of the Board is as follows:

Two (2) directors appointed by Telstra	D M Rocca D R Shiff
Two (2) directors appointed by Cable & Wireless Optus	P W Fletcher A A Suckling
One (1) director appointed by Vodafone	A W Birch
One (1) director appointed by members who joined the TIO prior to 1 July 1997	Vacant
One (1) director appointed by members who joined the TIO after 30 June 1997	K J Heitman
Independent Director	S L Holmes

There were several resignations and appointments of directors over the course of the year and up to the date of the report. These changes are summarised in note 17 to the financial statements.

OPERATING RESULTS

The TIO recorded an operating deficit for the year of \$30,795. The TIO's total revenue and expenditure has increased in line with the Scheme's complaint load. The results for the year ended 30 June 2000 and previous years are as follows:

Year	Total Revenue	Total Expenditure	Surplus/(Deficit)
1995-96	\$1,945,115	\$1,967,519	\$(22,404)
1996-97	\$2,177,575	\$2,102,623	\$74,952
1997-98	\$2,394,718	\$2,347,817	\$46,901
1998-99	\$3,258,048	\$3,292,788	\$(34,740)
1999-2000	\$3,885,195	\$3,915,990	\$(30,795)

Due to the deficit, members' funds were reduced from \$315,675 at the start of the financial year to \$284,880 at the end of 1999-2000.

The TIO Ltd has been granted exemption from income tax under Section 23(g)(v) of the *Income Tax Assessment Act* until 30 June 2001. Due to the reforms of the tax system, it was necessary to reapply for this exemption. An exemption application has been lodged. At the time of signing this report the outcome of the TIO's application was unknown.

Directors' Report (continued)

CONTINUING GROWTH

In 1999-2000, the TIO scheme experienced continuing growth in demand for complaint resolution services. The rate of growth - amounting to 5% - was not as high as previous years. Overall complaint numbers for 1994-95 to 1999-2000 are presented below.

Table One: Number of Complaints 1994-95 to 1999-2000 (financial years)

Year	Total	% Increase over previous year
1994-95	17,205	
1995-96	26,905	56
1996-97	43,715	62
1997-98	52,138	19
1998-99	64,394	24
1999-2000	67,761	5

Further growth in complaint numbers is anticipated during 2000-2001, due to the continuing level of industry activity, development of new products and services, the expansion of the TIO's role under *Consumer Codes* and the growth in consumer awareness of the Scheme.

DEBT RECOVERY

Bad debts of \$53,476 were written-off at the end of the financial year. Further write-offs will be necessary in the next financial year. The provision for bad debts has been increased by \$10,000 to \$120,000. Legal action for debt recovery was initiated against a number of members. One of these members was referred to the Australian Communications Authority for failing to pay their contributions to the TIO.

CASH FLOW

The TIO's bankers, Commonwealth Bank of Australia, has provided the TIO with an overdraft facility of \$150,000. This facility has been put in place to alleviate any temporary cash flow shortages associated with the TIO's quarterly billing cycle.

PRINCIPAL ACTIVITIES

During the year, the principal continuing activity of the Telecommunications Industry Ombudsman Ltd was the investigation and resolution of complaints from small business and residential consumers. There were no significant changes in the nature of the activities during the year.

INVESTIGATIONS

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

Over the course of the year a review of performance indicators for the investigations area was undertaken. A number of benchmarks were established in respect of complaint resolution times. The review concerning call answering benchmarks is continuing.

The TIO's quality assurance program aims to ensure that the complaint handling process is consistent with the mission of the TIO. The quality assurance program includes the following activities:

- (a) training/staff development to assist in maintaining and developing skills in complaint resolution; and
- (b) internal auditing of complaint files to ensure a professional and consistent approach.

Telecommunications Industry Ombudsman Limited

Directors' report and financial statements

Directors' Report (continued)

INDUSTRY DEVELOPMENT

During 1999-2000 the TIO has continued to work collaboratively with industry and the community to identify, prevent and/or address systemic problems. The TIO has also actively participated in industry forums to assist in achieving this objective, and continues to contribute to the development of *Consumer Codes of Practice*.

COMMUNICATIONS

During the year, the TIO worked to improve access to the Scheme by raising awareness levels within the general community and among telecommunications users with special needs. Communications activities also sought to maintain the TIO's reputation as a credible, independent, accessible and professional organisation.

GOVERNANCE

A Committee of Directors has been established to develop a *Code of Conduct* for Directors. This Code is designed to provide guidance to directors in the discharge of their duties as directors.

Following a review, the Council and the Board have agreed to a number of changes to the structure of both the Board and Council. The changes are designed to provide more opportunities for stakeholder representation on both the Board and Council. The proposed changes will be considered by TIO members at the next Annual General Meeting in November 2000.

MEMBERSHIP

The *Telecommunications Act 1997* required 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.

These requirements are now incorporated in the *Telecommunications (Consumer Protection and Services Standard) Act 1999*.

There has been a rapid growth of members from approximately 16 in 1994 to 991 as at 30 June 2000. Over the past six (6) months, a TIO Members' communications plan has been developed to ensure that the TIO understands, and communicates effectively, with its members.

Whilst the majority of eligible carriage service providers are members of the Scheme, there remain some who have refused to join. The TIO has referred a number of these providers to the Australian Communications Authority (ACA) for being in breach of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*. During the year the ACA commenced Federal Court proceeding against two providers who refuse to join the TIO.

STAFFING

As at 30 June 2000, the TIO Ltd employs 34.4 equivalent full-time staff. Recruitment of further staff is anticipated due to projected increases in complaint numbers in 2000-2001.

DIVIDENDS

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

Directors' Report (continued)

GOODS AND SERVICES TAX

The TIO engaged HLB Mann Judd to assist the TIO in making a smooth transition to the new tax system. The TIO is registered for the new tax system and the GST.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the company in the year ended 30 June 2000.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

TIO Board has approved new complaint fees effective from 1 July 2000. The fees were increased to correct the imbalance between direct complaint handling costs and overhead costs. This imbalance meant that operating costs constituted 63% of the total cost of running the TIO and was eroding the incentive for members to resolve complaints quickly. The increase in complaint fees will be partially offset by a reduction in the amount of total operating costs that each member is required to pay on a proportionate basis.

The new fees are as follows:

Complaint Level	1999-2000	2000-2001
Level 1	\$15.00	\$18.00
Level 2	\$140.00	\$160.00
Level 3	\$315.00	\$350.00
Level 4	\$1,130.00	\$1,200.00

The following funding principles (adopted on 1 July 1999) will continue to apply:

- (a) no provider is charged a fee (including overhead and any special levy) for the first four (4) Level 1 complaints received in any given quarter; and
- (b) providers will not be individually charged for information-giving exercises (including queries about whether a particular provider is a member of the TIO), or for anonymous complaints. These matters will instead be logged as non-allocated enquiries.

COMPLAINTS MANAGEMENT SYSTEM

Following a comprehensive evaluation, a new computerised complaints management system will be implemented in the second half of the 2000 calendar year.

Except for the matters noted above, at the date of this report, no matter or circumstance has arisen since 30 June 2000 that has significantly affected or may significantly affect:

- a) the operations of the Telecommunications Industry Ombudsman Ltd in future financial years: or
- b) the results of those operations in future financial years: or
- c) the state of affairs of Telecommunications Industry Ombudsman Ltd in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

It is expected that receipts from eligible carriage service providers will increase because of the increase in the number of members and the growing public awareness of the Scheme.

ENVIRONMENTAL REGULATIONS

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

Telecommunications Industry Ombudsman Limited

Directors' report and financial statements

Directors' Report (continued)

INFORMATION ON DIRECTORS

DIRECTOR	EXPERIENCE	SPECIAL RESPONSIBILITIES
A W Birch <i>B Eng, MBA</i>	Director, Network and Operations at Vodafone Network. Prior to joining Vodafone in 1997, was a Director with Honeywell Pacific.	Chairman since 13 June 2000
P W Fletcher, <i>BA (Hons) LLB (Hons) (Sydney), MBA (Columbia)</i>	Director, Regulatory and Public Affairs at Cable & Wireless Optus. Previously Chief of Staff to the Minister for Communications, Information Technology and the Arts, Senator Richard Alston.	Has also held senior legal and commercial roles with Mallesons Stephen Jaques and TNT Ltd.
S L Holmes, <i>Dip Phys Ed, B Ed, B Psych, M Psych (clin)</i>	Company Director working on a variety of boards of management. Previously Executive General Manager, Royal Automobile Club of Victoria (RACV) Ltd from 1996-1999, Chief Executive, Melbourne City Marketing from 1992-1995 and Chief Executive, Small Business Development Corporation from 1988 to 1991.	
K.J. Heitman, <i>B.Juris, LLB, AACIS</i>	Founding Executive Director and Group Legal Counsel of Perth-based Internet provider iiNet Limited (www.iinet.net.au), Chair of Electronic Frontiers Australia Inc. (www.efa.org.au), Spokesperson for the WA Internet Association Inc (www.waia.asn.au), Board member of Australian Domain Name Authority Limited (www.ada.org.au).	
D M Rocca, <i>Dip Eng, GAICD, MBA</i>	Managing Director – Service, Telstra Corporation. Previously Managing Director Commercial and Consumer, Managing Director Business and Government, Telstra Corporation, and Company Director, Plestel Pty Ltd.	
Deena Shiff, <i>B Sc (Econ) Hons (L.S.E.); BA (Law) Hons Cantab,</i>	Barrister and Solicitor Director Regulatory, Telstra Corporation. Previously partner, Mallesons Stephen Jaques. Also director of Freightcorp, member of the Board of ACIF and Communications Law Centre.	
A A Suckling, <i>BA (Hons), MPPM</i>	Currently Group Manager of Regulatory Affairs, Cable & Wireless Optus. Has worked within the telecommunications industry for seven years. Former Principal Researcher for Gough Whitlam.	

Directors' Report (continued)

MEETINGS OF DIRECTORS

The numbers of meetings of the company's directors (excluding meetings of committees of directors) held during the year ended 30 June 2000, and the number of meetings attended by each director were:

	Number Eligible to Attend	Number Attended Eligible to Attend
Number of meetings held : 7		
Number of meetings attended by:		
A W Birch	4	4
P W Fletcher	2	2
K J Heitman	6	6
S L Holmes	7	6
D M Rocca	0	0
D R Shiff	0	0
A A Suckling	7	5

DIRECTORS' BENEFITS

During the year, a director's fee of \$25,000 was paid to Susan Holmes as the independent director.

Telecommunications Industry Ombudsman Limited
Directors' report and financial statements

Directors' Report (continued)

Except for that noted above, since 30 June 2000, no director of the company has received, or has become entitled to receive, a benefit because of a contract that the director, a firm of which the director is a member or an company in which the director has a substantial financial interest, has made (during the year ended 30 June 2000 or at any other time) with:

- a) the TIO Ltd, or
- b) a company that the TIO Ltd controlled, or a body corporate that was related to the company, when the contract was made or when the director received, or became entitled to receive, the benefit.

INSURANCE OF OFFICERS

During the financial year, the Telecommunications Industry Ombudsman Ltd paid a premium of \$6,977 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, the Ombudsman J E Pinnock and the secretary J E Hill.

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

AUDITORS

HLB Mann Judd continues as the TIO Ltd's auditors in accordance with Section 327 of the Corporations Law.

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



A W Birch
Director



S L Holmes
Director

Melbourne
7 September 2000

Profit and Loss Statement

For the year ended 30 June 2000

	Notes	2000	1999
	\$	\$	
Revenue from operating activities	2	3,865,385	3,221,879
Revenue from outside the operating activities	2	19,810	36,169
Total revenue	2	3,885,195	3,258,048
Operating (loss)	3	(30,795)	(34,740)
Retained profits at the beginning of the financial year		315,675	350,415
Retained profits at the end of the financial year		284,880	315,675

The above profit and loss statement should be read in conjunction with the accompanying notes.

Telecommunications Industry Ombudsman Limited
Directors' report and financial statements

Balance Sheet
 As at 30 June 2000

	Notes	2000 \$	1999 \$
Current Assets			
Cash	4	39,639	88,381
Receivables	5	289,336	347,513
Other	6	36,363	44,738
Total Current Assets		365,338	480,632
Non – Current Assets			
Property, plant and equipment	7	598,450	730,185
Total Non – Current Assets		598,450	730,185
Total Assets		963,788	1,210,817
Current Liabilities			
Accounts Payable	8	229,295	268,391
Borrowings	9	204,265	202,517
Provisions	10	68,364	69,881
Total Current Liabilities		501,924	540,789
Non - Current Liabilities			
Borrowings	11	164,984	354,353
Provisions	12	12,000	-
Total Non - Current Liabilities		176,984	354,353
Total Liabilities		678,908	895,142
Net Assets		284,880	315,675
Members' Funds			
Retained Profits		284,880	315,675
Total Members' Funds		284,880	315,675

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2000

	Notes	2000 \$	1999 \$
Cash Flows from Operating Activities			
Receipts from members		3,919,544	3,042,483
Payments to suppliers and employees		(3,705,998)	(3,082,122)
		213,546	(39,639)
Interest received		17,736	13,499
Net cash inflow/(outflow) from operating activities	18	231,282	(26,140)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(93,208)	(774,220)
Proceeds from sale of property, plant and equipment		805	16,341
Net cash (outflow) from investing activities		(92,403)	(757,879)
Cash Flows from Financing Activities			
Proceeds from new lease		13,758	708,140
Repayment of Casualties of Telecom		-	(290,856)
Public awareness funding		-	(13,125)
Repayment of lease liabilities		(201,379)	(151,270)
Net cash inflow/(outflow) from financing activities		(187,621)	252,889
Net (Decrease) in Cash Held		(48,742)	(531,130)
Cash at the beginning of the financial year		88,381	619,511
Cash at the End of the Financial Year	4	39,639	88,381

The above statement should be read in conjunction with the accompanying notes.

Telecommunications Industry Ombudsman Limited

Directors' report and financial statements

Notes to the Financial Statements

30 June 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Law.

It is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

(a) Income Tax

The company is exempt from income tax under Section 23(g)(v) of the *Income Tax Assessment Act*. As part of the introduction of the new tax system, the TIO has been required to reapply for income tax exemption status. The TIO has not yet been notified of the outcome of this application. Based on their enquiries, directors are confident that the TIO Ltd will continue to be exempt from income tax.

(b) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

(c) Revenue Recognition

Amounts disclosed as revenue include fees charged to our members for complaint resolution services. Revenue is recognised when invoices are raised at the end of each quarter.

(d) Receivables

Amounts due from members are recognised at the amounts receivable.

Collectibility is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(e) Recoverable Amount of Non-Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is revalued to its recoverable amount.

The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values.

(f) Depreciation of Property, Plant and Equipment

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over its expected useful life to the company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Furniture and fittings	5-10 years;
Plant and equipment	3 years.

Notes to the Financial Statements

30 June 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leasehold Improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the company, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 5 years.

(h) Leased Non-Current Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the company will obtain ownership of the asset, the life of the asset. Lease assets held at the reporting date are being amortised over 5 years.

Lease payments are allocated between interest (calculated by applying the interest rate implicit in the lease to the outstanding amount of the liability), rental expense and reduction of the liability.

Other operating lease payments are charged to the profit and loss statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(i) 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.

(j) Maintenance and Repairs

Maintenance and repair costs are charged as expenses as incurred.

(k) Year 2000 Software Modification Costs

Costs relating to the modification of computer software for year 2000 compatibility are charged as expenses as incurred.

(l) Employee Entitlements

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Telecommunications Industry Ombudsman Limited
Directors' report and financial statements

Notes to the Financial Statements

30 June 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) **Borrowing Costs**

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

(n) **Goods and services tax systems changes**

Costs incurred to update existing systems or to design, develop and implement new systems to deal with the GST are charged as expenses as incurred, except where they result in an enhancement of future economic benefits and are recognised as an asset.

(o) **Cash**

For the purpose of the statement of cash flows, cash includes deposits on call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of any outstanding bank overdrafts.

NOTE 2 REVENUE

	2000	1999
	\$	\$
Revenue From Operating Activities		
Volume and overhead billing	3,865,385	3,221,879
Revenue From Outside the Operating Activities		
Interest	17,736	13,499
Proceeds from sale of non current assets	805	16,340
Bad debt recovery	1,269	6,330
	19,810	36,169
Total revenue	3,885,195	3,258,048

Notes to the Financial Statements

30 June 2000

NOTE 3 OPERATING PROFIT

	2000	1999
	\$	\$
Net Gains and Expenses		
Operating profit includes the following specific net gains and expenses:		
Net Gains	-	-
Expenses		
Borrowing costs		
Finance charges paid/payable	34,705	25,658
Net loss on disposal of property, plant and equipment	1,769	7,903
Depreciation		
Furniture and fittings	6,756	7,418
Plant and equipment	82,164	49,293
Total depreciation	88,920	56,711
Amortisation		
Leasehold improvements under finance lease	118,842	64,596
Plant and equipment under finance lease	14,607	9,845
Total amortisation	133,449	74,441
Other charges against assets		
Bad and doubtful debts – trade debtors	63,476	96,236
Other provisions		
Employee entitlements	10,483	22,862
Rental expense relating to operating leases		
Minimum lease payments	106,347	145,125

NOTE 4 CURRENT ASSETS – CASH

Cash at bank and on hand	34,296	78,739
Deposits at call	5,343	9,642
	39,639	88,381

Deposits at call

The deposits are bearing floating interest rates between 1.10% and 3.6% (1999 – 3.75% and 4%)

Telecommunications Industry Ombudsman Limited
Directors' report and financial statements

Notes to the Financial Statements

30 June 2000

NOTE 5 CURRENT ASSETS – RECEIVABLES

	2000	1999
	\$	\$
Amounts due from members	409,336	457,513
Less: Provision for doubtful debts	120,000	110,000
	289,336	347,513

NOTE 6 CURRENT ASSETS – OTHER

Prepayments	36,363	44,738
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NOTE 7 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment

Plant and equipment – at cost	379,722	351,593
Less: Accumulated depreciation	287,856	223,165
	91,866	128,428

Plant and equipment under finance lease	73,038	73,038
Less: Accumulated amortisation	24,453	9,845
	48,585	63,193

Total plant and equipment	140,451	191,621
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Furniture and fittings

Furniture and fittings– at cost	73,215	41,942
Less: Accumulated depreciation	27,129	20,373
	46,086	21,569

Leasehold improvements under finance lease	595,351	581,591
Less: Accumulated amortisation	183,438	64,596
	411,913	516,995

Total furniture and fittings	457,999	538,564
	598,450	730,185

Notes to the Financial Statements

30 June 2000

NOTE 8 CURRENT LIABILITIES – ACCOUNTS PAYABLE

	2000	1999
	\$	\$
Trade creditors	184,603	204,853
Other creditors	44,692	63,538
	229,295	268,391

NOTE 9 CURRENT LIABILITIES – BORROWINGS

Lease liabilities	204,265	202,517
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NOTE 10 CURRENT LIABILITIES – PROVISIONS

Provision for annual leave	68,364	69,881
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NOTE 11 NON - CURRENT LIABILITIES – BORROWINGS

Lease liabilities	164,984	354,353
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Financing Arrangements

The company has an overdraft facility of \$150,000 which maybe drawn at any time and terminated by the bank without notice. This facility is unused at balance date. The interest rate is 11.55%.

The overdraft facility is secured by a charge over the assets of the company.

NOTE 12 NON - CURRENT LIABILITIES – PROVISIONS

Provision for long service leave	12,000	-
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NOTE 13 FINANCIAL INSTRUMENTS

(a) Credit Risk Exposures

The credit risk on financial assets of the company which has been recognised on the balance sheet, is generally the carrying amount, net of any provisions for doubtful debts.

(b) Interest Rate Risk Exposures

The company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the company intends to hold fixed rate assets and liabilities to maturity.

Telecommunications Industry Ombudsman Limited
Directors' report and financial statements

Notes to the Financial Statements

30 June 2000

NOTE 13 FINANCIAL INSTRUMENTS (CONTINUED)

	Notes	Fixed interest maturing in 2000				Total
		Floating interest	1 year or less rate	Over 1 to 5 years	Non-interest bearing	
		\$	\$	\$	\$	\$
Financial assets						
Cash and deposits	4	39,639	-	-	-	39,639
Receivables	5	-	-	-	289,336	289,336
		39,639	-	-	289,336	328,975
Average interest rate		2.35%				
Financial liabilities						
Amounts payable	8	-	-	-	229,295	229,295
Lease liabilities	9,11	-	204,265	164,985	-	369,249
		-	204,265	164,985	229,295	598,544
Average interest rate		-	7.75%	7.75%		
Net financial assets (liabilities)		39,639	(204,265)	(164,984)	60,041	(269,569)
Fixed interest maturing in 1999						
	Notes	Floating interest rate	1 year or less	Over 1 to 5 years	Non-interest bearing	Total
		\$	\$	\$	\$	\$
Financial assets						
Cash and deposits	4	88,381	-	-	-	88,381
Receivables	5	-	-	-	347,513	347,513
		88,381	-	-	347,513	435,894
Average interest rate		3.88%				
Financial liabilities						
Amounts payable	8	-	-	-	268,391	268,391
Lease liabilities	9,11	-	202,517	354,353	-	556,870
		-	202,517	354,353	268,391	825,261
Average interest rate		-	7.75%	7.75%		
Net financial assets (liabilities)		88,381	(202,517)	(354,353)	79,122	(389,367)

Notes to the Financial Statements

30 June 2000

NOTE 13 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest Rate Risk Exposures (continued)

Reconciliation of Net Financial Assets to Net Assets

	Notes \$	2000 \$	1999
Net financial assets as above		(269,569)	(389,367)
Non financial assets and liabilities			
Property, plant and equipment	7	598,450	730,185
Other assets	6	36,363	44,738
Provisions	10,12	(80,364)	(69,881)
Net assets per balance sheet		284,880	315,675

The carrying amounts and net fair values of financial assets and liabilities at balance date are:

	2000		1999	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
On-balance sheet financial instruments				
Financial assets				
Cash	34,296	34,296	78,739	78,739
Deposits	5,343	5,343	9,642	9,642
Trade debtors	409,336	289,336	457,513	347,513
	448,975	328,975	545,894	435,894
Financial liabilities				
Trade creditors	229,295	229,295	268,391	268,391
Lease liabilities	369,249	369,249	556,870	556,870
Non-traded financial liabilities	598,544	598,544	825,261	825,261

None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

Net fair value is exclusive of costs which would be incurred on realisation of an asset, and inclusive of costs which would be incurred on settlement of a liability.

Telecommunications Industry Ombudsman Limited
Directors' report and financial statements

Notes to the Financial Statements

30 June 2000

NOTE 14 REMUNERATION OF DIRECTORS

Directors of Entity

	2000 \$	1999 \$
Income paid or payable, or otherwise made available, to directors in the company in connection with the management of the affairs of the company.	25,000	2,083

The numbers of directors whose total income from the company or related parties was within the specified bands are as follows:

\$0 - \$9,999	13	7
\$20,000 - \$29,000	1	-

NOTE 15 REMUNERATION OF AUDITORS

Remuneration for audit or review of the financial reports of the company.	16,130	12,500
Remuneration for other services	50,576	32,290

NOTE 16 COMMITMENTS FOR EXPENDITURE

	2000 \$	1999 \$
Lease Commitments:		
Representing:		
Non-cancellable operating leases	361,627	378,781

Operating Leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Not later than one year	107,147	103,975
Later than one year but not later than 5 years	254,480	274,806
Commitments not recognised in the financial statements	361,627	378,781

Notes to the Financial Statements

30 June 2000

NOTE 16 COMMITMENTS FOR EXPENDITURE (CONTINUED)

Finance Leases

	2000	1999
	\$	\$
Commitments in relation to finance leases are payable as follows:		
Not later than one year	237,222	237,222
Later than one year but not later than 5 years	182,125	401,067
Minimum lease payments	419,347	638,289
Less: Future finance charges	(50,098)	(81,419)
Total lease liabilities	369,249	556,870
Representing lease liabilities:		
Current (note 9)	204,265	202,517
Non-current (note 11)	164,984	354,353
	369,249	556,870

The average interest rate implicit in the leases is 7.75%

NOTE 17 RELATED PARTIES

Directors

The names of persons who were directors of TIO Ltd at any time during the financial year are as follows:

Name of Director	Date of Appointment	Date of Resignation
K W Dinn	18 Nov 1997	12 Jul 1999
M E Gell	24 Feb 2000	30 Jun 2000
C J Marland	31 Oct 1996	14 Feb 2000
D Mason	04 Jun 1996	22 Dec 1999
J F Rohan	29 Oct 1996	07 Jan 2000
G B Ward	06 Oct 1994	13 Jun 2000
S P Wilks	24 Aug 1998	28 Apr 2000
A A Suckling	04 March 1998	Continuing
S L Holmes	04 June 1999	Continuing
A W Birch	19 Jan 2000	Continuing
P W Fletcher	28 Apr 2000	Continuing
K J Heitman	28 Aug 1999	Continuing
D M Rocca	01 Aug 2000	Continuing
D R Shiff	01 Aug 2000	Continuing

Telecommunications Industry Ombudsman Limited
Directors' report and financial statements

Notes to the Financial Statements

30 June 2000

NOTE 17 RELATED PARTIES (CONTINUED)

With the exceptions of the resignations of Mr Dinn and Mr Marland, the resignations and appointments listed above were due to internal staff changes within Telstra, Cable & Wireless Optus and Vodafone, which necessitated changes to their appointees on the TIO Ltd Board.

Transactions with directors and director related entities

A director, J F Rohan, is an employee of Vodafone New Zealand Ltd, and another director A W Birch is an employee of Vodafone Network Pty Ltd. TIO Ltd invoiced \$117,846 during the year in respect of complaint handling fees for Vodafone Pty Ltd and other related Vodafone entities. The transactions were based on normal commercial terms and conditions.

Five directors, D Mason, G B Ward, M E Gell, D M Rocca and D R Shiff, were/are employees of Telstra Corporation. TIO Ltd invoiced \$2,124,074 and \$80,981 during the year in respect of complaint handling fees for Telstra Corporation and Telstra Big Pond respectively. The transactions were based on normal commercial terms and conditions.

A director, K W Dinn, is the former director of Zip World Pty Ltd. TIO Ltd invoiced \$532 during the year in respect of complaint handling fees for Zip World Pty Ltd. The transactions were based on normal commercial terms and conditions.

Three directors, A A Suckling, S P Wilks and P W Fletcher, are employees of Cable & Wireless Optus. TIO Ltd invoiced \$697,541 and \$568 during the year in respect of complaint handling fees for Cable & Wireless Optus and Optus Vision respectively. The transactions were based on normal commercial terms and conditions.

A director, K J Heitman, is an employee of iiNet Ltd. TIO Ltd invoiced \$36 during the year in respect of complaint handling fees for iiNet Ltd. The transactions were based on normal commercial terms and conditions.

NOTE 18 RECONCILIATION OF OPERATING LOSS AFTER INCOME TAX TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2000 \$	1999 \$
Operating loss after income tax	(30,795)	(34,740)
Depreciation and amortisation	222,369	131,153
Loss on disposal	1,769	7,903
Changes in operating assets and liabilities:		
(Increase) decrease in trade debtors	58,177	(185,726)
(Increase) decrease in other operating assets	8,375	(21,688)
Increase (decrease) in trade and other creditors	(39,096)	54,096
Increase (decrease) in other provisions	10,483	22,862
Net cash inflow/(outflow) from operating activities	231,282	(26,140)

Notes to the Financial Statements

30 June 2000

NOTE 19 CONTINGENT LIABILITY

An individual (the complainant) made a complaint to the TIO about his mobile telephone contract. The TIO handled the complaint according to its established procedures. The complainant was dissatisfied with the outcome of his complaint and commenced legal action against the TIO Ltd in the Federal Court of Australia. The Board has instructed the TIO's lawyers to conduct a defence. The Board has made its own internal inquiries and is unable to identify any basis on which the legal action by the complainant could be successful. Accordingly, no amount has been provided in the accounts in respect of the potential claim of \$3,000,000.

In the last Annual Report, a potential claim by a former claimant in the "Casualties of Telecom" (COT) arbitration process was disclosed. No details of any legal action or any wrong doing on the part of the TIO have been provided by the claimant, notwithstanding requests by the TIO to do so. Based on its own internal enquiries, the Board has been unable to identify any basis on which a claim might be bought. Accordingly, no amount has been provided in the accounts in respect of the potential claim.

NOTE 20 SEGMENT INFORMATION

The company provides services to consumers in the investigation and resolution of complaints arising from telephony/internet services. The company operates only in Australia.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 57 to 78:

- (a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements, and
- (b) give a true and fair view of the company's financial position as at 30 June 2000 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Law, and
- (b) 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 directors.



A W Birch
Director

Melbourne
7 September 2000



INDEPENDENT AUDIT REPORT

To the members of Telecommunications Industry Ombudsman Limited

Scope

We have audited the financial report of Telecommunications Industry Ombudsman Limited for the financial year ended 30 June 2000 as set out on pages 11 to 28. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatements. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is prepared fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Law in Australia so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and financial flows.


The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Telecommunications Industry Ombudsman Limited is in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2000 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.


HLB MANN JUDD
Chartered Accountants


J G BARKLA
Partner

8 September 2000
Melbourne

HLB Mann Judd (A/C 1999/04)

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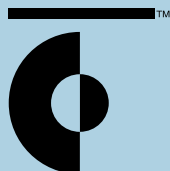
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