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Complaints at a Glance

- The TIO handled a total of **72,771 contacts in 2002/03** – a 15.3% decrease on last year's total of 85,927.
- Total contacts included **17,256 out of jurisdiction enquiries and 55,515 complaints.**
- The 55,515 complaints investigated in 2002/03 was **10.9% less** than the 62,275 complaints investigated last year.
- A single complaint may contain more than one complaint issue. In 2002/03 the TIO recorded **62,670 complaint issues, down from 70,234 last year.**
- **60.2% of complaints** handled by the TIO were about landline services, **26.3%** were about mobile services and **13.5%** were about Internet services.
- **88.6% of complaints** were resolved at Level 1, compared to **91% last year.**
- **54.9% of complaints** were resolved partially or substantially in **favour of the complainant, 24.1%** were resolved partially or substantially in **favour of the member.**

Where did they come from?

92.3% of complaints were made by **residential** consumers, **6.8%** were made by **small businesses**, and **0.9%** were made by **government bodies** or **charities**.

56% of complainants were men.

90.9% of complaints were lodged by **telephone**, **4.5%** were lodged by **email**, **3.1%** were submitted in writing and **1.3%** were sent via fax.

Our Members

The TIO has **910 members**, down from 963 last year.

231 new members joined the TIO Scheme in 2002/03 and **284 members departed**.

The vast majority of these, **86%**, paid nothing to the TIO during 2002/03. Only 127 members (**14%**) were charged for complaints.

Areas of concern

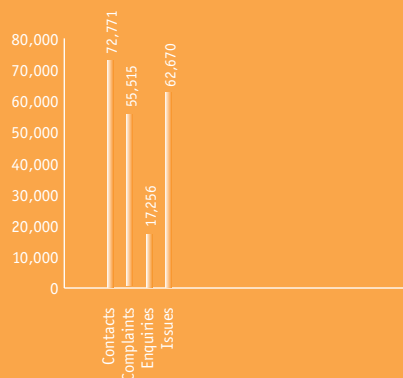
Landline Credit Control complaints increased by **82%** in 2002/03, from 2,374 in 2001/02 to 4,317 in 2002/03.

The TIO received **354 complaints** about the unavailability of landline services due to the existence of an ANT 1 box or Pair Gain.

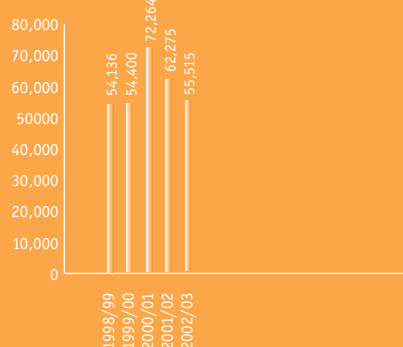
Internet dumping complaints **increased by 175%** from 1,271 in 2001/02 to 3,496 in 2002/03.

Mobile Credit Control complaints **increased by 48.7%**, from 1,597 in 2001/02 to 2,374 in 2002/03.

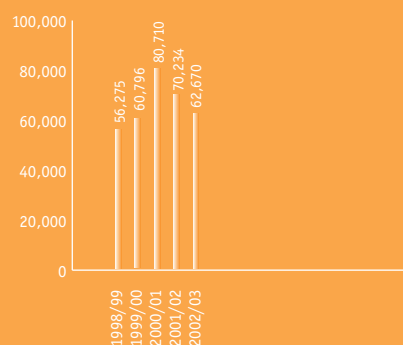
TOTAL NUMBER OF ENQUIRIES, COMPLAINTS AND COMPLAINT ISSUES 2002/03 (NUMBER)



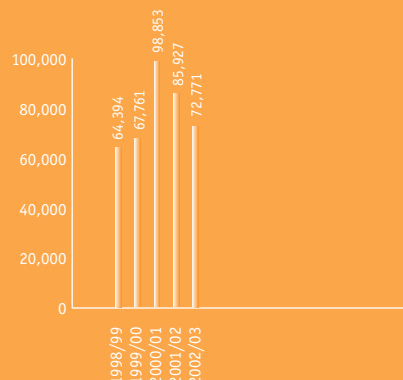
TOTAL COMPLAINTS SINCE 1998/99 (NUMBER)



TOTAL ISSUES SINCE 1998/99 (NUMBER)



TOTAL CONTACTS SINCE 1998/99 (NUMBER)



Areas of Improvement

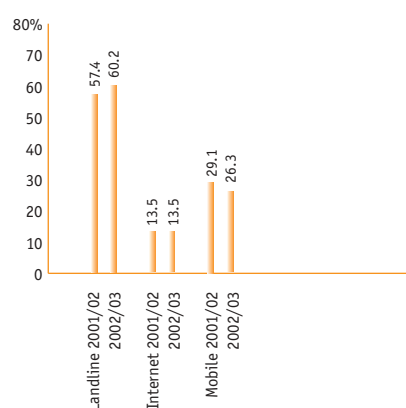
Complaints to the TIO **decreased by 10.9%** in 2002/03.

The TIO recorded a reduction in faults complaints in the Internet and landline categories – **down from 2,384** in 2001/02 to 1,775 in 2002/03 in the Internet category; and **down from 3,508** in 2001/02 to 3,022 in 2002/03 in the landline category.

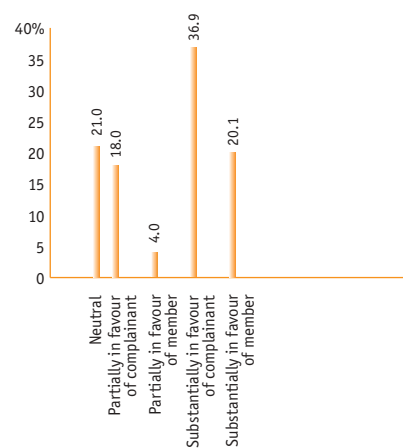
Mobile billing complaints **reduced in 2002/03 to 4,797** complaints from 7,047 complaints recorded in 2001/02. This reduction was offset by the removal of 960 early terminations fee complaints in 2002/03.

Mobile contracts complaints **decreased from 5,168** in 2001/02 to 4,164 in 2002/03.

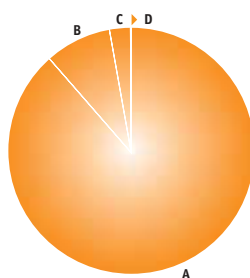
COMPLAINT BREAKDOWN (PERCENTAGE)



COMPLAINT OUTCOMES (PERCENTAGE)

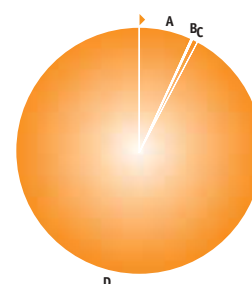


COMPLAINT MIX (PERCENTAGE)



A Level 1	88.6
B Level 2	8.6
C Level 3	2.7
D Level 4	0.1

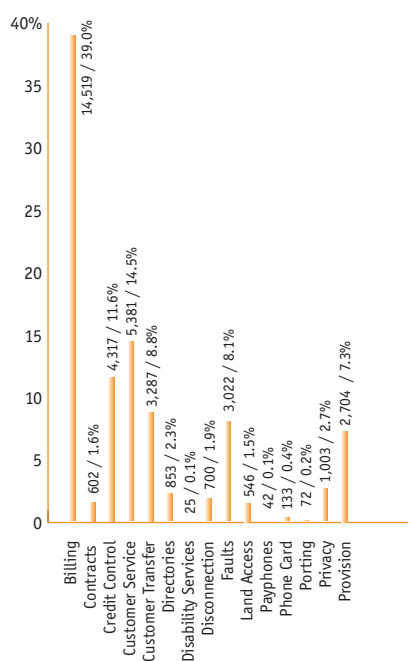
COMPLAINANT TYPE (PERCENTAGE)



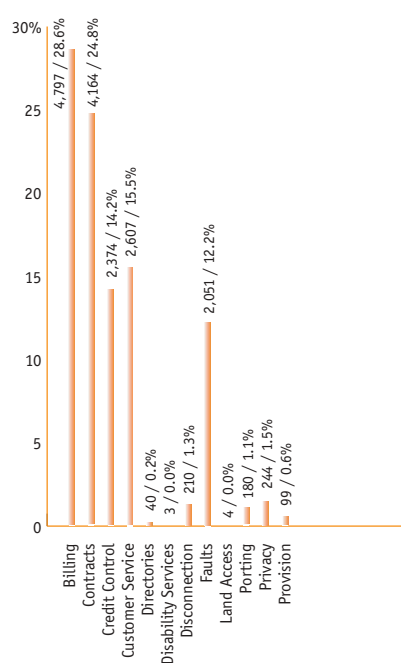
A Small Business	6.8
B Charity	0.2
C Government	0.7
D Residential	92.3

Complaint Issues at a Glance

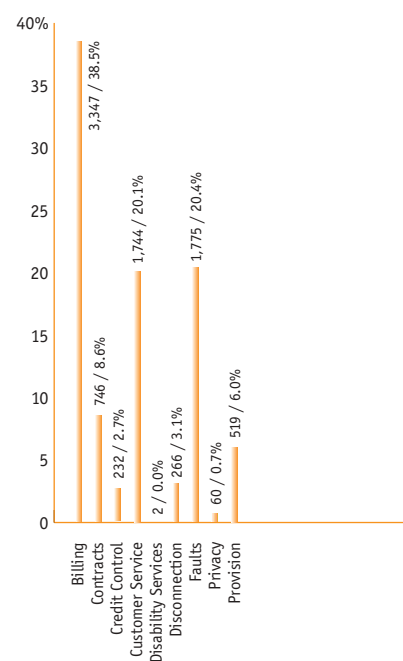
LANDLINE ISSUES



MOBILE ISSUES



INTERNET ISSUES



Statement by Chairman of the Board

This has been a year of real progress at the TIO.

231 new members have joined the scheme and 284 members have departed, with many of these latter members being removed from the register as a result of a major review of membership revealing that these firms had ceased operation or merged at some stage over the past few years. I would like to welcome the new members to our industry scheme and extend good wishes to those who have moved on.

There have been a small number of changes to the Board during the year.

The Board welcomed to its ranks Trevor Hill from Telstra and Jane Harvey as the new Independent Director. Departing the Board, with my good wishes, was Jane van Beelen of Telstra. It is my sad duty to also advise that Susan Holmes, who was the Independent Director on the Board since 11 February 1999, passed away on 20 September 2002. Susan made a major contribution to the TIO, particularly through her skills in strategic planning, and displayed her courage by attending a Board Meeting only weeks before her death.

The Board has focused its energies in the past year on establishing mechanisms to ensure the ongoing success of the TIO as a business.

The TIO returned a small surplus of \$9,783 for the year, entirely appropriate for a not-for-profit entity.

The financial reserve, which was initiated in the previous year, accumulated to \$355,000 by the close of the year. The reserve, when complete, will be instrumental in protecting the TIO from fluctuations in cash flow as a result of the demise of industry members.

Mr Robert Manson
CEO
impaq Australia

Mr David Hayatt
Director Regulatory, AAPL Ltd

Ms Jane Harvey
Independent Director

Mr Trevor Hill
Group Manager,
Consumer & Compliance,
Regulatory Division, Telstra



This in turn will protect members from unforecast demands for funding, such as special levies.

The Board developed, with management, a set of parameters to use in establishing future budgets. These parameters ensure that the TIO will establish workable and realistic budgets.

The Board also received recommendations from the TIO Council to make changes to the Constitution. After consultation with the Minister for Communications, Information Technology and the Arts and the Parliamentary Secretary to the

Treasurer, the Board made these changes which:

- confirmed the TIO's jurisdiction over matters relating to the factoring of debt by its members and over 'bundled' mobile handsets; and
- allowed the TIO to publish its Determinations, Directions and Recommendations (in an anonymous form).

I would like to thank all the staff at the TIO, especially the Ombudsman John Pinnock, Deputy Ombudsman Victoria Marles and Company Secretary Phillip Carruthers, along with the TIO Council for their dedicated performance over the year.

Lastly, I thank all members of the TIO for their cooperation in the TIO Scheme and look forward to their continued participation in this vital element of the industry.



John Rohan
Chairman of the Board

Mr David McCulloch
General Manager
Government Affairs, Optus

Mr Mark Davidson
Director Customer Service,
Consumer & Multimedia
Division, Optus

Mr John Rohan
Chairman of the Board



Absent: Mr Gus Barda
Group General Manager
Commercial Operations,
Service Division, Telstra

Statement from Chairman of Council

Competition in the telecommunications sector has continued to evolve, bringing new issues, of ever-increasing complexity, from this vibrant industry to the TIO.

Complaints brought to the TIO decreased for the second year in succession, to 55,515, although the complaint mix has shifted, resulting in more complaints, proportionally, at Levels 2 and 3.

The Council thanks the Ombudsman John Pinnock, Deputy Ombudsman Victoria Marles, Business Manager Phillip Carruthers and the staff of the TIO who have applied their skills with dedication and resolve throughout the year.

Two major issues addressed by the Council were debt factoring and the establishment of a position statement regarding unlimited credit and overcommitment. Both issues required Council to consider the balance between the commercial interests of the industry and fairness to the consumer.

Mr Ewan Brown
Executive Director
Small Business Enterprise
Telecommunications Centre Ltd

Ms Robin Ziino
Elected Member Representative
AAPL Ltd

Mr Simon Cleary
Consumers Federation
of Australia / Legal Aid
Queensland

Mr Andrew Bedogni
General Manager Regulatory Affairs,
Optus

Mr Gordon Frend
National Farmers Federation



Other important issues addressed included:

- implementation of recommendations from the TIO Review undertaken in the previous year;
- publication of TIO Policies and Procedures;
- repeat dial complaints;
- regulation of Premium Rate Calls;
- acceptance of powers under industry Codes of Practice;
- publication of TIO Determinations, Directions and Recommendations; and
- the jurisdiction of the TIO relating to Pay TV.

On behalf of the Council I would like to thank departing Council members Ross Baxter of Telstra and David Putt of Vodafone for their efforts in developing the TIO through their roles on Council. I would also like to welcome Neil Mounsher of Telstra, Simon Cleary of Legal Aid Queensland and Kathryn Fox of Vodafone.

The Council enjoyed the challenges of Financial Year 2002/03 and is eagerly anticipating the challenges of the coming year.

The Hon Tony Staley
Chairman of Council

Neil Mounsher
Group Manager
Customer Relations
Telstra

The Hon Tony Staley
Chairman of Council

Ms Pam Marsh
Consumers' Telecommunications
Network

The Rev Dr Christopher Newell AM
National Caucus of Disability
Consumer Organisations

Mr Mark Russell
Elected Member Representative
Independent Service
Providers P/L

Ms Kathryn Fox
Corporate Counsel
Vodafone



Ombudsman's Overview

The past year has been an unusual mix of stasis and change for the TIO. The primary driver of the TIO's business is the level of industry activity and, with some exceptions, 2002/03 was a quiet period for many telecommunications providers.

The pace of activity and change dropped away as providers consolidated their positions and attempted to cut or contain costs.

This relative decline in activity is the principal reason for the decline in complaints to the TIO. As I noted in the last Annual Report, care must be taken in interpreting past years' complaint statistics. On the face of reported statistics this is the second successive year in which complaints to the TIO have declined. However, when the figures for 2000/01, the last full year when OneTel was an active contributor to the complaint base, are adjusted by deleting OneTel complaint numbers, a different picture emerges. On this standardised basis, TIO complaint numbers increased year-on-year until 2001/02, only falling off in the last twelve months. It is too early to be certain whether this decline is a definite trend, or whether complaint numbers will again climb during 2003/04 as the expected level of industry activity picks up. In fact, the TIO is predicting a modest 2% increase in complaints to the Scheme during 2003/04.

Of course, other factors such as public awareness levels about the existence and role of the TIO also play a part in determining complaint levels. Higher awareness levels generally result in higher

complaint levels. It is significant that data from the most recent survey commissioned by the TIO shows fairly static levels of public awareness, with the exception that awareness amongst small business has actually declined.

Some quite subtle factors which are difficult to measure, are also at work. It is clear that the top half dozen TIO members, as measured by complaint numbers, have made significant strides over the past year in either reducing or containing the rate of increase of complaints. This is particularly pleasing because it suggests that these members are looking closely at internal dispute resolution (IDR) mechanisms – an area where they have been criticised as being weak in the past. The TIO has been active in this area, marketing its Guide to Complaint Handling as an important proactive approach.

There is also evidence of a more effective approach to the identification of systemic issues by members. Here, the TIO's Systemic Complaints Investigation Procedure is clearly bearing fruit. Again, it is pleasing that TIO Members have reacted so positively to this initiative. The greatest difficulty we face is in trying to quantify the impact of this procedure on complaint numbers.

At an operational level, the TIO continued to deal with increasingly complex and novel issues. The decision by some members, particularly Telstra, to factor customer debt, added a layer of complexity by involving a third party – the factor – in the TIO's complaint handling procedures. Debt factoring also raised two important operational issues.

Firstly, a significant number of disputes were due to the factored debt being relatively old. The TIO has had previous experience of this issue. Secondly, there were complaints that the factor had acted too quickly in credit or default listing affected customers, even though these customers were disputing the debt. Such an approach is quite unreasonable and is a clear breach of a fundamental policy of the TIO Scheme.

It is interesting that while total complaints to the TIO declined in the past year, complaints concerning debt recovery increased. Put simply, the main industry players tightened their credit management procedures in 2002/03 partly as a result of their own drive on costs and partly because of the increasing tendency of customers to change providers without paying final accounts.

In other fixed line complaint areas, complaints about charges for premium rate services and dumping continued their rapid rise. The TIO welcomes the Minister's Direction to the Australian Communications Authority to introduce a price capping regime for premium rate services. Consumer concern about this issue appears to have played a part in Telstra's decision to conclude its agreement with Internet diallers. It is too soon, however, to be certain whether these twin developments will lead to the larger content providers moving their services offshore and possibly beyond Australian regulatory reach.

On the mobile telecommunications front, complaints about early termination fees (ETFs) continued apace. The TIO continued its investigations into ETFs, insisting that members could only properly recover amounts which represented genuine pre-estimates of loss. The TIO also extended its enquiries on this issue into the use of SIM unlock fees for various prepaid products.

The TIO has devoted considerable resources to investigating and reporting on breaches of ACIF codes, an area which is becoming an increasingly important part of our work. It is interesting, however, that despite the great effort which the industry has put into developing these codes, the vast majority of complaints handled by the TIO in

2002/03 did not involve even potential or possible breaches of codes, but rather issues simply not covered by codes.

On a policy front the TIO Council has been particularly active in three key areas.

Firstly, it devoted considerable time to considering the Report of the Review of the TIO Scheme which was delivered in July 2002. It was joined in this task by the Board which also had to consider recommendations specific to its tasks. Secondly, the Council considered two important amendments to the TIO Constitution. With the Board's approval the Ombudsman was given the power to investigate, facilitate the resolution of, and determine complaints relating to the factoring of debt, a provision designed not to extend but to preserve the TIO's powers. Also approved was an amendment to allow the Ombudsman to publish Determinations, Directions and Recommendations.

Finally, the Council approved a new Position Statement on the Extension of Unlimited Credit and Overcommitment in relation to liability for charges for premium rate services.

Looking to the future, continuing technological change and the adoption of new applications are now clearly driving the convergence of industries and blurring the accepted distinction in

telecommunications between carriage and content. Here, the most immediate challenge for the TIO is the bundling of services (and products) by providers, particularly the bundling of fixed line, mobile and Internet services with subscription television services (Pay TV). For a variety of reasons, it appears that the provision of Pay TV, whether as a single service or as part of a bundle, is outside the TIO's jurisdiction. This means that a consumer who is using a bundle of services which includes Pay TV does not have a one-stop shop for complaints about billing, credit management provisioning and fault repair. It is clearly in the interests of consumers for the TIO to cover the field in this area.

I conclude by thanking the TIO staff and TIO members and the Council and Board for their commitment to and support of the Scheme throughout the year. I remember particularly the great contribution throughout her term by Susan Holmes, the TIO's Independent Director, who died during the year. She was an inspiration to everyone who knew her.



John Pinnock
Ombudsman



Philip Carruthers
Business Manager

John Pinnock
Ombudsman

Victoria Marles
Deputy Ombudsman

The funding received in Financial Year 2002/03 is displayed in the following table:

	\$
Level 1	951,980
Level 2	948,800
Level 3	601,200
Level 4	92,400
Credits	63,701
Total Direct Income	2,530,679
Total Indirect Income	3,205,940
Capital levy	6,292
Special Levy	0
TOTAL	5,742,911

In addition to this service provider funding, the TIO receives approximately \$107,000 of interest, bad debt recovery and other minor revenue.

Members receive quarterly invoices for complaint handling fees incurred in the current quarter (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 2002/03, only 14% (127) of the 910 TIO members were charged for complaints logged against them. The first four complaints each quarter are 'free' to members and this resulted in members not being charged for 1,593 complaints last year.

Governance

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

The Board

The TIO is a company limited by guarantee, with a Board of Directors appointed or elected by the TIO membership, with the exception of the Independent Director, who is appointed by the Board itself.

The Board has corporate governance responsibilities including responsibility for risk management, strategic affairs, budget setting, overall financial management of the Scheme and 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 and significant funding issues.

In addition to four scheduled face-to-face meetings per year, the Board participated with the Council in a joint meeting to develop a strategic framework for the Scheme over the coming two years. A report from the directors is included on page 84.

The Council

The Council is comprised of five TIO member representatives and five consumer representatives, with an independent Chairman. Consumer representatives are appointed from time to time after advertising for nominations from a broad range of public interest and user-group organisations. Telstra, Optus and Vodafone each appoint one Council member representative and a further two member representatives are elected by the members of the TIO.

Whilst 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, to ensure that complaint handling procedures are effective, and to make recommendations to the Board on amendments to the TIO Constitution.

Chaired by the Honourable Tony Staley, the Council provides strategic policy direction to the TIO and has the power to make recommendations to the Board on the appointment of the Ombudsman thereby ensuring the Ombudsman's independence.

In 2002/03, ten meetings of Council were held, and a range of matters including jurisdictional issues, a Code of Conduct for council members, public awareness activities, complaint handling procedures, and the impact of consumer codes, were considered. These meetings were in addition to a joint meeting of the Council and TIO Board, as well as a meeting to consider strategic planning for the Scheme over the next two years.

The Code of Conduct was developed by Council and all Council members have committed in writing to abide by the Code. It addresses a range of governance issues including diligent attendance to duties, declaration and avoidance of conflict of interest, the occasional requirement for confidentiality of individually specified matters as and when they arise at Council meetings and the promotion of public confidence in the TIO.

Review of the TIO

The Report of the Review of the TIO conducted by the Allen Consulting Group was delivered in July 2002. The Review appraised the operations of the TIO in general, with particular focus on its governance, funding, jurisdiction and complaint handling processes. It sought the views of relevant stakeholders including members and also considered the TIO's core values with reference to the Benchmarks for Industry-Funded Customer Dispute Resolution Schemes published by the Department of Industry, Science and Tourism in August 1997.

These Benchmarks of Accessibility, Independence, Fairness, Accountability, Efficiency and Effectiveness, had been incorporated into the TIO Constitution in 2001/02 as fundamental principles to which the TIO Scheme is committed and by which it should be judged.

The Review concluded that there was widespread agreement amongst a majority of stakeholders that the Scheme had performed well since its inception and that it was doing a good job in a sensitive and difficult regulatory environment. The Review particularly noted that the circumstances under which the Scheme was established had changed significantly with a much larger and more diverse range of members than in 1993, its foundation year.

The Review concluded that stakeholders had identified a number of key achievements by the TIO, including:

- the resolution of a majority of complaints at an early stage and within a short timeframe;
- encouraging members to have adequate internal complaint handling systems, as well as meeting 'best practice' in this area;
- a willingness to engage with stakeholders and to work actively with public interest groups to improve outcomes of the Scheme;
- taking a pro-active role in identifying and reporting systemic issues to members and regulators; and
- giving timely and appropriate warnings of consumer jeopardy.

With a view to maintaining the TIO's reputation for constant improvement, the Review made a number of significant recommendations covering relations with ISP members, governance, funding, jurisdiction and public awareness.

These recommendations were, for the most part, adopted by the Council and Board. Recommendations which were not pursued related to the membership or structure of the Board and an internal review of the TIO's funding mechanism. In these instances the Board was not persuaded of the necessity for change, a position supported by the Ombudsman.

An outstanding Recommendation concerned the question of whether TIO members should have a formal obligation imposed on them, as opposed to an expectation, to inform all customers of the TIO's existence, a principle under the Benchmark of Accessibility. As it stands, ACIF's Complaint Handling Code obligates participants to advise customers with unresolved escalated complaints of the existence of avenues of external review, including the TIO. This matter is currently being considered by a joint Council-Board Committee. As noted elsewhere in this report, the most recent survey evidence revealed that only 7% of complainants who had contracted the TIO during the survey period had been told about the TIO by their provider during the course of the provider's handling of their complaint.

TIO Administration

TIO staff numbers remained relatively constant at around 56 in 2002/03. Staff numbers were allowed to drop slightly through natural attrition on a few occasions through the year, to match reduced demand for services. In addition, a small number of staff moved to working on a part-time basis to meet study or family commitments. There were a number of internal appointments to Investigation Officer positions, as well as a slightly smaller number of external appointments. Parental leave for several staff members provided opportunities for others to act in positions of higher responsibility.

Public Affairs

The TIO's principal objectives in public relations in 2002/03 were to raise community awareness of the TIO Scheme, consolidate links with consumer advocates and caseworkers from community organisations, and with government and quasi-government agencies at a national, state and local level, and to preserve and strengthen the excellent reputation of the TIO as an independent arbiter of disputes.

Of greatest value to the TIO in raising public awareness in 2002/03 was, as always, the free media. Throughout the year, the TIO published statistics and commentary about a number of issues considered important to consumers such as Internet dumping, billing for premium rate services, excess usage charges for broadband Internet and the credit management practices of TIO members. The TIO's quarterly newsletter, *TIO Talks*, was helpful in highlighting relevant industry developments and focussing attention on various consumer issues. The TIO also responded daily to unsolicited requests for information and interviews from journalists, students, and the general public.

Ethnic media was targeted through use of paid advertising and targeted media and information campaigns. TIO materials, including media releases, were routinely translated into 12 languages and distributed to ethnic media outlets nationally. The TIO was also a sponsor of Carnevale, Adelaide's premiere multicultural event for 2003.

A new TIO community service announcement was broadcast on radio and television stations nationally in July and August 2002.

In March 2003 the TIO published regionalised complaint statistics for the very first time. These statistics were standardised on a population basis and the summarised results distributed to regional media outlets throughout Australia. The regionalised statistics showed that fewer than 1 in 1000 residents of remote Australia complained to the TIO in 2002 compared with more than 3 in 1000 from metropolitan and inner regional areas, an indication perhaps of lower levels of public awareness of the TIO in outer regional and remote areas.

TIO information packs were mailed out on request and to selected interest groups such as community health centres, migrant resource centres, chambers of commerce and online access centres in Tasmania. Copies of the TIO's newest brochure *Get Phonewize*, were distributed to youth groups and youth agencies.



Denise Ebert
Receptionist

Dan Walls
Member Services Officer

Marianne Bois
Investigation Officer

Kate McLeod
Acting Member Services Manager

Paul Nangle
Investigation Officer

Organisational Chart as at 30 June 2003



Get Phonewize, a comic style publication that draws attention to the pitfalls for young people of mobile phone use, was first published by Streetwise Communications in NSW. The TIO's reprint contains national contact numbers for young people in financial trouble.

TIO staff spoke at a range of public and industry forums over the course of the year. In addition, the TIO conducted consumer consultative forums in Sydney, Perth, Canberra and Tasmania and joined with several other industry ADR Schemes in sponsoring Consumer Representatives Week, for consumer advocates and representatives from consumer organisations around Australia. In 2003/04, the TIO will visit Adelaide, rural Queensland and the Northern Territory.

The year ahead looks exciting. On 1 December 2003, the TIO will be ten years young and to celebrate the TIO will stage its first ever conference around a broad theme of convergence.

The conference will bring together members of the industry, government and regulatory agencies, academics, consumers and consumer representatives to discuss the future of telecommunications regulation in Australia. A 10th anniversary dinner will be held on Tuesday 25 November at the Victorian Arts Centre in Melbourne.

The TIO will continue to work on raising public awareness with particular emphasis on people living in regional and remote areas, small business owners and young consumers.

Disability Action Plan

The TIO's first ever Disability Action Plan (DAP) was launched in March 2003 by the Acting Disability Discrimination Commissioner, Dr Sev Ozdowski OAM.

The Plan outlines in detail the TIO's commitment to ensuring that the TIO is fully accessible to people with disabilities.

It addresses all aspects of the TIO's existence, including employment policies, physical environment, communications activities and complaint handling procedures.

The goal of the TIO's DAP is to ensure that the policies and practices of the TIO do not discriminate in any way against people with disabilities and are inclusive of all its stakeholders. Development of the Plan was viewed by the Ombudsman as being consistent with the mission of the TIO to provide free, independent, just and speedy resolution of complaints about telephone and Internet services. Implicit in this statement is the philosophy that the TIO's services are available for all who require them regardless of physical, communication or attitudinal barriers.

The TIO's DAP has been registered with the Human Rights and Equal Opportunity Commission (HREOC) and is displayed on the HREOC website.



Tom Parbery
Investigation Officer

Thaedra Frangos
Enquiry Officer

Lisa Woodcock
Member Services Adviser

Kelly Rice
Legal Investigation Officer

Member Services

TIO Member numbers

TIO member numbers have declined, continuing a trend which began at the commencement of the 2001/02 financial year. This decline may be attributed to a recently completed TIO member audit or to consolidation in the telecommunications industry - or to both factors in equal part.

At 30 June 2003, the TIO had 910 members, down from 963 last year. Internet Services Providers (ISPs) made up approximately 76%, Telephone Service Providers (TSPs) made up 12% and Telephone and Internet Service Providers, 8%. 4% of members fell into the "other" category which includes members who hold a carrier licence but are neither an ISP nor TSP.

Member Services Staff

Member Services Manager, Sarah Nye, commenced parental leave in December 2002. Since that time Kate McLeod has been Acting Member Services Manager, with Lisa Woodcock acting as Member Services Adviser. Lisa is the first point of contact for members at the TIO. In December 2002, Dan Walls was appointed Member Services Officer after the departure of Sarah Radford, a member of the TIO's staff since 1998. Dan is responsible for ensuring that non-members are made aware of their obligations under the *Telecommunications (Consumer Protection and Service Standards) Act 1999* to join the TIO Scheme.

Member Services Communications

Increasing member visits/consultancy guide for member visits

In 2002/03, the Member Services Area continued to focus on increasing face-to-face communication with TIO members. Sarah Nye, Kate McLeod and Lisa Woodcock conducted approximately 30 member visits over the year, resulting in more effective working relationships with a great number of TIO members as well as an increased profile for the Member Services Area and its function.

As a means of streamlining the consultation process, a guideline was written for member visits. This document is being used by Member Services and other TIO officers to ensure that all member visits are as productive and effective as possible.

Email notifications

An increasing number of TIO members have elected to receive notifications of complaints by email. This service is particularly effective for members who would like to track the progress of a complaint or be proactive in assisting customers with their concerns.

Increased email contact with members

In 2002/03 the Member Services department continued to increase its communication with members via email. Emails were sent to members regarding changes to the TIO Constitution, advice on ACIF code compliance and the TIO council elections. The member newsletter, M News, is also distributed via email.

M News – quarterly member newsletter

One of the key points of focus for the Member Services Area in 2002/03 has been the production and circulation of its quarterly newsletter, M News. Over the year, M News has touched on many topics of importance to TIO members including changes to TIO jurisdiction, the systemic complaints procedure, TIO position statements, TIO complaint fees and general advice on effective complaint handling.

Members Area of the TIO website

The TIO has recently completed an overhaul of its website and as a result the Members Area now appears in a much more user-friendly format. The website now includes a great deal more information for members with a specific focus on TIO policies and procedures as well as fact sheets for members looking to build a greater understanding of the TIO and the regulatory framework of the industry.

Internal Dispute Resolution (IDR) Project

In 2002/03 the TIO continued to market its Guide to Complaint Handling, by publicising it in most member correspondence and alerting members to its existence during member visits. The Guide is one of two key initiatives undertaken by the TIO as a part of a more proactive approach to increasing the effectiveness of members' IDR procedures in order to facilitate the speedy resolution of complaints.

As a part of this initiative, TIO Investigation Officer Peter Jones was seconded to Primus Telecom for four months in September 2002. The aim of Peter's placement was to reduce complaint numbers and provide training to all Primus staff on TIO policies and procedures. Primus and the TIO have agreed the initiative was a success. This experience will be used to formulate training programs for other members of the TIO Scheme as and when appropriate.

In the coming year the TIO will be moving away from secondments and looking towards offering its complaint handling expertise to members for shorter periods with a particular emphasis on the Guide to Complaint Handling. It is envisaged that training sessions will be held over two days with background research being conducted leading up to the program. The TIO will also be seeking feedback from the members in the form of a questionnaire and verbal consultation in order to better ascertain their needs and help the TIO form its training objectives.

TIO MEMBERSHIP COMPOSITION

As at 30 June 2003

Internet Service Provider	692
Other	40
Telephone and Internet Service Provider	72
Telephone Service Provider	106
Total	910

TIO MEMBERSHIP SINCE 1996

1996	19
1997	19
1998	535
1999	866
2000	991
2001	1089
2002	963
2003	910



Marianna Panopoulos
Finance Manager

Ruth Brown
Investigation Officer

Phil Waren
Policy & Research Officer

Michael McKierick
Enquiry Officer

Julie O'Reilly
Community Liaison Officer

In mid to late 2002 a number of TIO members including Telstra, factored a large amount of customer debt, without prior advice to the TIO. That decision, of course, was entirely a commercial one for Telstra and the other members to take. It is not part of the TIO's role to tell member companies how to conduct their business. The Ombudsman, however, advised Council to recommend an amendment to the Constitution which would preserve the TIO's right to investigate complaints in such circumstances. Telstra argued that, to the extent the amendment might relate to debt already factored, it was retrospective in nature. The Council and Board took the view that the amendment simply preserved the status quo. As is noted later in this report, landline credit management/debt recovery complaints surged in 2002/03 due in large part to Telstra's sale of debt, a development which is being closely monitored.

Council and Board also approved an amendment to the Constitution authorizing the Ombudsman to publish details of his formal Determinations, Directions and Recommendations provided

those details do not identify the complainant or the TIO member.

In other developments, the amendment to the *Telecommunications (Consumer Protection and Service Standards) Act 1999* mentioned in last year's Annual Report has still to be finally debated in Parliament. The amendment would effectively prevent a TIO member from seeking to recover the TIO's investigative costs by charging an equivalent fee to the customer concerned. The prohibition on the TIO investigating complaints about the levying of other fees which are not tariffs for carriage services would also be relaxed. A question would remain as to the extent of the Ombudsman's powers in this area, given the prohibition on investigating complaints involving a policy or commercial decision of a member.

Finally, the question of whether the TIO should have jurisdiction over complaints concerning Pay TV where that service is sold as part of a bundle of carriage services, is currently being considered by the TIO Council. The issue was first raised by the Ombudsman two years ago, but has been given added impetus by the 'merger'

of Foxtel and Optus Vision and by a recent report by the Australian Competition and Consumer Commission to the Commonwealth government recommending such an extension of the TIO's jurisdiction.

At present and for a variety of complex legal reasons it appears that the TIO has no jurisdiction over any of the Pay TV providers. Yet, as far as the TIO is aware, all but one of those providers (Foxtel) bundles the service with other carriage services and offers discounts to customers who buy the bundle. Telstra also offers a single bill for the bundle of services. Consumers, however, do not have an external one-stop shop to which they can go with complaints about services in the bundle. Complaints about billing, credit management, faults and provisioning to do with the Pay TV component must be referred to the Australian Broadcasting Authority (ABA), while complaints about other carriage services in the bundle go to the TIO. In the Ombudsman's view these matters should all come to the TIO, with the exception of matters relating to content, the clear preserve of the ABA.

TIO Policies and Procedures & Position Statements

In response to requests from consumer representatives and TIO Members for greater transparency and consistency in decision-making, the TIO recently published a very comprehensive Policies and Procedures Manual. The Manual is available on the TIO website for the information of consumers, consumer advocates, TIO members and other interested parties.

The manual is divided into three parts. Part A ('An Outline of the TIO Scheme') explains the TIO's background and operations including its objects and principles, jurisdiction, and funding arrangements. Part B ('The TIO's Complaint Handling Procedures') provides comprehensive details of all aspects of the TIO's complaint handling procedures, including the guidelines it follows in classifying and escalating complaints, and how it makes decisions. Part C ('TIO Position Statements') explains how the TIO approaches certain types of complaints including, in some cases,

its view of what constitutes a fair and reasonable outcome in a particular set of circumstances.

The TIO expects that consumers will use this information to better understand how the TIO will handle their complaint from beginning to end. Alternatively, consumers – or their representatives – may use the information to assist them to deal directly with their telephone company or ISP.

It is also hoped that members will enjoy having ready access to up-to-date information that explains how the TIO approaches specific types of complaint and, in some cases, how it expects a *member* to resolve a complaint. The TIO expects that members will, wherever possible, use the position statements to prevent the escalation of complaints or, better still, to prevent complaints being brought to it in the first place.

It is anticipated that the manual will be updated regularly, with the position statements being formally reviewed every six months. This should ensure the document accurately reflects the current operations and approaches of the TIO Scheme.

Systemic Complaints Procedure

This Annual Report marks the completion of the first full year of the Systemic Complaints Procedure. The Procedure was initially approved by the TIO Council in February 2002, and revised in July 2002. On 1 July 2002, Julia Cornwell was formally appointed to the role of Systemic Complaints Officer.

The procedure is the second key initiative of the TIO's increasingly proactive approach to complaint resolution. Its objective is to resolve not only an individual complaint about a particular issue but any other current or future complaints. Put simply, the procedure hopes to change behaviour that gives rise to complaints that have the potential to affect a number of consumers – the result being not only increased consumer satisfaction but also reduced complaint handling costs for TIO members. Feedback in relation to the procedure over the last year has been on the most part positive from both members and consumers.

Anthony Beaumont
IT Manager

Tanya Erdos
Investigation Officer

Aaron Tan
Enquiry Officer



While the procedure is undoubtedly a success we have not yet been able to devise a methodology for measuring the extent of that success. It is possible that measuring the success of some aspects is not possible, while the cost of measuring others would simply be excessive.

The first systemic investigation undertaken by the TIO related to mobile contract early termination fees (ETFs). The TIO has formed a preliminary view on this matter and the practices of a number of providers have changed as a direct result. Nevertheless, the TIO continues to receive complaints about the imposition of high fixed fees for early termination of mobile phone contracts.

Several aspects of Broadband Internet technology have also been considered in systemic investigations over the last year resulting in additional TIO staff training on the new technologies, and a formal process for the investigation of complaints about charges for excess usage.

Many of the issues investigated over the year have highlighted potential breaches of the ACIF codes and guidelines. Systemic investigations have been conducted in relation to the Billing, Prices, Terms and Conditions, Customer Transfer and Credit Management Codes. Most recently, a systemic investigation has been undertaken in relation to ACIF's Consumer Contract Guideline.

During the second half of the financial year the Systemic Complaints Officer has conducted presentations for members and the regulatory bodies on the Systemic Complaints Procedure. The presentation serves as an introduction to the procedure, and also includes case studies on previously investigated issues, highlighting relevant code breaches.

Relationship with industry and government agencies

Although fiercely independent of industry and government, the TIO liaises regularly with a range of government and industry-funded regulatory bodies, including:

- the Australian Communications Industry Forum (ACIF);
- the Australian Communications Authority (ACA);
- the Australian Competition and Consumer Commission (ACCC);
- the Privacy Commission;
- the Department of Communications, Information Technology and the Arts;
- the Australian Broadcasting Authority; and
- state-based Departments of Fair Trading.

These relationships are important as they allow the TIO to refer systemic issues affecting a particular member or the broader telecommunications industry,

or matters that it would otherwise have no jurisdiction to investigate. They also allow the TIO to obtain assistance as regards the clarification and interpretation of legislation, and of instruments such as the Customer Service Guarantee.

As a general rule, the TIO will not handle complaints that are specifically under consideration by the ACA, the ACCC or any other body. It may also decline to investigate a complaint where:

- the complaint could have been made directly by the complainant to the ACA, the ACCC or another body; and
- the complaint is more conveniently or effectively dealt with by the ACA, the ACCC or another body; and
- the Ombudsman has obtained the consent of the complainant to refer the complaint to the ACA, the ACCC or another body.

Through joint agreement with these regulatory bodies, and with the consent of the complainant, the Ombudsman refers such complaints to the ACA, the ACCC or another person or body, along with all information and documents relating to the complaints that are in the Ombudsman's possession or under the Ombudsman's control.

The TIO maintains strong ties with ACIF and is represented on the Reference Panels and Working Parties responsible for developing and reviewing ACIF Codes of Practice.

Industry Codes

The TIO consented to the conferral of powers for an additional 2 codes during the year, and is consequently currently dealing with complaints relating to the following codes:

- Billing
- Calling Number Display
- Complaint Handling
- Credit Management
- Customer Information on Prices, Terms and Conditions
- Customer Transfer
- Protection of Personal Information of Customers of Telecommunications Providers
- Commercial Churn
- Mobile Number Portability
- Handling Life-Threatening and Unwelcome Calls
- SMS Issues

The conferral of power arises under section 114 of the *Telecommunications Act 1997* and the TIO exercises the discretion to consent in accordance with criteria approved by the TIO Council.

In addition, in December 2002 the Australian Communications Industry Forum (ACIF) published the Consumer Contracts Guideline. While the industry utilises this document as a guideline, the TIO believes that it is in the interests of industry members to comply with the guideline and has undertaken to monitor and report on non-compliance.

In the latter half of the financial year the TIO added two new categories for reporting on code compliance. The categories – Established and Possible – have been created to specifically measure the compliance of non-signatories to the ACIF codes. Details of the TIO's code breach investigations are provided at page 63.

Reports to Members

The TIO Constitution allows the Ombudsman to report to a member where, in the TIO's opinion, the general telecommunications policy or commercial practices of a member have:

- contributed to a complaint;
- been identified as the source of a number of similar complaints;
- impeded the investigation of a complaint; or
- operated in such a manner that the TIO considers that the policy or practice should be referred to the Australian Communications Authority.

For many years this power was not exercised. More recently, the TIO has recognised the importance of the power to make such reports, particularly where the relevant policy or practice of the member has been identified as the source of a number of complaints – a basic description of a systemic issue.

Over the past year reports have been made to members on a diverse range of issues.

In one case, the TIO reported on Telstra's use of two standards for the calculation of Internet plans – a binary definition of

megabytes (1024 kilobytes = 1 megabyte) but a metric or decimal calculation of gigabyte (1000 megabytes = 1 gigabyte). The TIO's position was that, in the absence of an agreed industry standard, one or other calculation could be used, but not both.

In a second report, the TIO considered the position of customers of Telstra who had been unable to connect to an ADSL service because of the use of technologies such as Analogue Network Termination (ANTI) Units and RIM or Pair Gain systems to supply the standard telephone service.

A third case concerned a disconnection or early termination fee associated with a term contract for Optus' Local Access Telephony Service.

To date, reports under this provision have not included any recommendations to the member concerning the policy or commercial decision. The TIO is currently considering making formal recommendations in such reports. This will almost certainly require the development of a detailed procedure for the making of reports and for following up on recommendations.

Quality Assurance and Staff Training

Central to the TIO's success as an effective ADR scheme is its investigative staff. Their skills, abilities and knowledge of consumer issues and the law are a vitally important determinant of the quality of the service provided to consumers and TIO members. In recognition of this, the TIO

formed a training committee in 2002/03 to review and develop training programs to ensure that existing staff retain, and new staff acquire, the competency to perform the tasks and duties assigned to them.

The TIO's training plan aims to ensure that each and every officer's comprehension of TIO policies & procedures and industry practices is up to date, that their skill levels are continually improving, and that everyone is given the opportunity to develop and explore telecommunications issues in a broader context.

The TIO offers training to staff on all aspects of their work on a regular basis. TIO enquiry and investigation staff are asked to conduct regular Tuesday morning training sessions for other staff in their respective areas of expertise. Training may also be offered at other times on an ad-hoc basis. In-house 'train the trainer' sessions were recently offered to all staff to help improve the effectiveness of their individual training sessions. A comprehensive review of the TIO's induction training program was also initiated in 2003.

The TIO has also implemented a more rigorous quality assurance framework for assessing the quality of the TIO's investigations, and for identifying matters that need to be addressed through additional staff training.

The new quality assurance framework consists of two tiers – general and

ongoing quality assurance activities and an internal investigations audit. A third tier will be added in 2003/04 with the introduction of a new system of regular call monitoring.

In 2002/03, the TIO undertook its inaugural investigations audit. The audit looked at the quality of the work in 6 key respects – procedural fairness, fairness of outcome, key investigations skills and approaches, adequacy of communication, complaint escalations and file management. The results of this audit are being used by the TIO to identify areas that would benefit from additional training, and also to re-evaluate complaint handling procedures.

Complainant Satisfaction Survey

In 2003 the TIO conducted its most comprehensive and sophisticated study of complainant satisfaction to date. The survey, conducted by Sweeney Research, polled 450 TIO complainants across all levels (excluding Level 4) over a period of four months, with a view to determining the level of satisfaction or otherwise with TIO services.

The survey found a very high level of satisfaction with TIO services. 82% of people surveyed rated the TIO as either very good or fairly good overall, saying TIO staff were helpful (41%), pointed them in the right direction (32%), were efficient and quick (23%) and knowledgeable and professional (23%).

Only 8% of people rated the TIO's services as very poor or fairly poor.

The survey indicated a couple of aspects of the TIO's service that could be improved. In the main these were matters that will be addressed through improved staff training rather than through any substantive change to TIO policy or procedure.

It was interesting to note that 86% of people surveyed said this was the first time they had contacted the TIO. Most had heard about the TIO via word of mouth (29%), been referred by another agency such as their local fair trading office or consumer affairs (12%), or seen information about the TIO in the White Pages (11%). Only 7% of people surveyed were referred directly to the TIO by their telephone company. This is somewhat surprising given that the Complaint Handling Code requires that telecommunications companies make their customers aware of the existence of the TIO when their own internal processes have failed to resolve a complaint. One would expect this figure to be higher if telecommunications companies were referring unsatisfied complainants to the TIO upon dismissal of their complaint. Even when one adds all other sources of advice from providers, for example listings in the White Pages or via Directory Assistance, it appears that only approximately 30% of people who contact the TIO find out about the Scheme through the efforts of their telecommunications provider.

Resolving Complaints

The TIO's primary objective is the speedy resolution of disputes between consumers and telecommunications carriers or carriage service providers, in circumstances where the parties have been unable to resolve matters on their own.

The TIO deals with complaints brought before it on a case-by-case basis, seeking input from both sides before forming a view as to what would be a reasonable outcome given all the circumstances. The TIO's preference is for resolution by consensus resulting in improved relations between the parties, a reduction in costs to the TIO member and an increase in the productivity of the TIO. In cases where a consensus cannot be reached, however, the TIO will make a decision based on what the TIO believes would be an appropriate outcome to the dispute, having regard to the law, industry codes, and an assessment of what is fair and reasonable.

The TIO offers this service to residential and small business consumers who would otherwise be faced with taking their complaint to court. The TIO expects that both the complainant and the TIO member will demonstrate good faith by providing information on request and by showing a willingness to acknowledge each other's perspective. This cooperation is vital to ensuring that a resolution that is acceptable to both parties can be reached.

Deciding what is fair and reasonable

As an ADR body, the TIO is guided by the Benchmarks for Industry-Based Customer Dispute Resolution Schemes. This means that the TIO works towards early resolution of complaints by consensus, helping to reduce costs and build better relationships between consumers and telecommunications companies.

However, speedy resolution by consensus is not always possible. Where a solution that is acceptable to both parties cannot be achieved within a reasonable timeframe, the TIO must decide how a complaint should be resolved. In making such decisions, the TIO has regard to:

- the law;
- good industry practice; and
- what is fair and reasonable in all the circumstances.

In most cases, application of the law and industry codes will lead to a fair and reasonable outcome. In rare instances, where the law provides no clear guidance, and in the absence of a relevant industry code, the TIO will attempt to reach a fair and reasonable outcome by considering a range of factors relevant in the circumstances of the case. A number of

the factors the TIO may take into account are listed below.

- Has either the member or complainant acted in a manner that was not reasonable in all the circumstances? (e.g. Did the customer fail to follow the provider's advice? Did the provider fail to give clear advice to the customer?)
- Has either the member or complainant contributed to the problem? If so, to what extent?
- Has the member behaved in a way not reasonably necessary in the protection of its legitimate interests?
- Does the TIO understand fully the particular perspectives, actions and needs of the member and the complainant? Has all the available evidence been considered?
- Would a fair person in possession of all the relevant facts regard the outcome as fair and reasonable?

Importantly, the TIO considers complaints on a case-by-case basis. No one factor will necessarily be determinative in any given case, and each complaint will ultimately be decided on its own particular facts.

Determinations

Disputes that cannot be resolved through an agreement between the parties may be resolved by the TIO:

- making a binding determination as to compensation to be paid to the complainant;
- making a recommendation (where the amount in question is greater than \$10,000);
- directing the Member to act to remedy the situation; or
- dismissing the complaint.

Although the TIO may make a determination of systemic complaints at Level 2 and of other complaints at Level 3, determinations are more commonly made by the Deputy Ombudsman at Level 4. Land Access objections are also dealt with at Level 4 and are always finalised by determination. Where the TIO considers a land access objection sustainable, a direction to the carrier is included in the determination.

In 2002/03, 83 Level 4 complaints were closed. Determinations were made in 8 non-land access matters and in 25 land access matters. 12 of the 25 land access determinations included a direction to the carrier. The complaint was withdrawn in three cases, in one the matter was referred to the ACA, and a conciliated outcome was reached in the remaining 46.

In 2003/04, the TIO will begin publishing its determinations on the TIO website.

Classifying Complaints

The TIO classifies complaints into four levels. Level 1 is for complaints that can be resolved at the time the consumer calls the TIO, or can be referred to the member company for resolution with the consumer directly within 14 days.

Level 2 and 3 complaints require the member company concerned to provide information requested by the TIO within set timeframes. The TIO may escalate a complaint to the next level if the member's response is not provided within the set timeframe, or if the response is not satisfactory. Complexity and the amount of time spent by the TIO may also be reasons for escalating a complaint.

In 2001/02 the TIO created the position of Disputes Officer to assist in the handling of Level 4 complaints. These complaints are now dealt with by the Deputy Ombudsman, or by the Disputes Officer or Investigation Officer under the supervision of the Deputy Ombudsman.

Complaint Handling Performance

Factors Affecting Complaint Handling Performance During the Year

Australian Communications Industry Forum (ACIF) Codes

This is the second year since the TIO gained jurisdiction over the investigation of complaints about ACIF industry code breaches. Formal procedures for logging and investigating code breaches have been enhanced this year. Greater depth of analyses of code-related complaints and written notification to members of the

TIO's findings in relation to each complaint have added time, but also value, to TIO complaint handling.

Position Statements

In 2002 the TIO focused on the development of a number of position statements about its views in relation to particular types of complaints including early termination fees, excess Internet usage charges and unauthorised customer transfers. These were published on the TIO website in late 2002 and continue to be modified and added to. The TIO's position statements assist with consistency and transparency of the investigative process and allow members the opportunity to improve their own internal dispute resolution policies and procedures.

Update on Some of Last Year's Developments

The Investigations Area workgroups (each consisting of Enquiry Officers, Investigation Officers and one Legal Investigation Officer) established last year continue to work well to encourage sharing of information, training and a sense of team.

Legal Investigation Officers (LIOs) have continued to contribute to the TIO in a very positive way, with input into position statements to ensure that the law, as well as good industry practice and what is fair and reasonable in all the circumstances, is considered when negotiating a reasonable outcome to each complaint.

The Intranet has now become one of the TIO's major investigative tools, with each staff member being responsible for the development and maintenance of an area of expertise such as customer transfers, billing and mobile contracts.

Call Handling Performance

The impact of the collapse of OneTel washed out of the system by early 2002. Since then the TIO's call volumes have been remarkably consistent. Weekly incoming calls have averaged around 2000 per week. Call volumes as low as 1600 or 1700 calls per week usually only occur around public holidays. Busier weeks with over 2100 calls can usually be attributed to an increase in media activity about an industry issue, or the launch of *TIO Talks* or the Annual Report.

The TIO's ability to manage incoming calls has continued to improve with abandoned call numbers falling and service levels rising throughout the year. This has been achieved through a combination of improved rostering, a better understanding of call patterns and continued funding to achieve a stable and productive workforce.

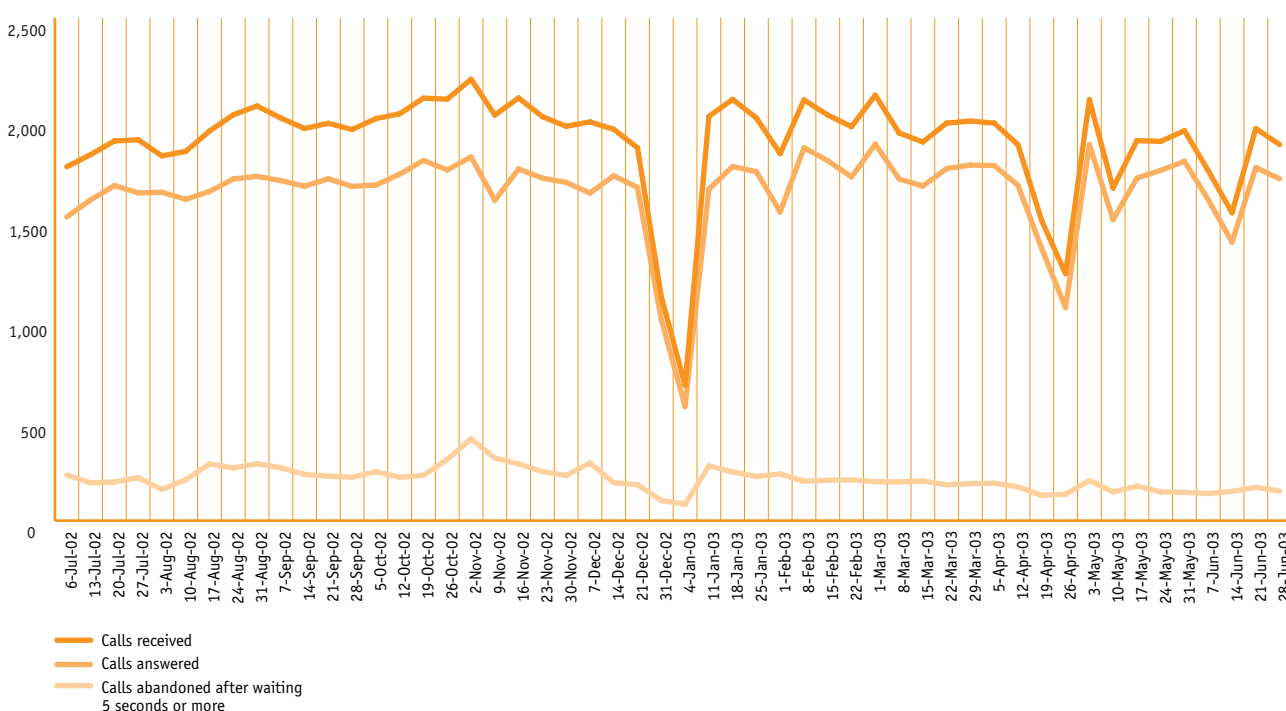
Complaint Mix

The TIO continues to utilise a four-tier complaint classification system, from Level 1 to Level 4 in order of complexity, seriousness and time invested to resolve an issue. Generally speaking, most complaints are initially classified as Level 1 and referred (often orally) back to the member to provide a last opportunity for the matter to be resolved without formal TIO intervention. However, the TIO can automatically classify a complaint at Level 2 or 3 if a matter is deemed serious and/or a consumer has already made numerous attempts to resolve the complaint with the member directly.

The TIO's complaint level data generally serves as a good indication of how well the industry is working to resolve complaints before they come to the TIO's attention. It also demonstrates how well the industry responds to complaints once the TIO becomes involved.

The complaint mix data for this year shows a continuing trend of decreasing percentages of Level 1 complaints and corresponding increases of Level 2s. While this trend in part reflects the increasing complexity of telecommunications services and the types of cases coming to the TIO, it is also indicative of a decrease in members being able to resolve complaints directly with customers either prior to, or with only minimal, TIO involvement. Most of these Level 2 escalations represent complainants coming back to the TIO after an unsuccessful referral to their provider at Level 1. This trend is worrying and runs counter to the work the TIO has invested in a more proactive approach to complaint resolution. Some of this data also reflects customer service issues, including companies not responding to customer complaints. As discussed elsewhere in this report, this is becoming a major area of complaint to the TIO.

CALL ANSWERING PERFORMANCE



COMPLAINT MIX (IN PERCENTAGES)

Year	Level 1	Level 2	Level 3	Level 4
2000/01	92.8	4.8	2.3	0.1
2001/02	91.0	6.7	2.2	0.1
2002/03	88.6	8.6	2.7	0.1

Complaint Resolution Times

Complaint resolution data is collected for Level 2 complaints and above, with Level 1 complaints usually being closed on the spot after giving the complainant advice and a referral to a TIO member.

The TIO's current key performance indicators (KPIs) for complaint resolution timeframes are 48 days for Level 2, 62 days for Level 3 and 90 days for Level 4.

COMPLAINT RESOLUTION AVERAGES (IN DAYS)

Year	Level 2	Level 3	Level 4
2000/01	46.7	64.7	147.7
2001/02	52	66	81
2002/03	63	80	104

As the data indicates, with the exception of Level 4 complaints, resolution timeframes for all complaint levels have increased steadily over the past two years.

The data reflects a complex suite of interacting factors. The KPIs were established by Council based on actual figures at the time of the restructuring of the TIO's investigations area and were intended to reflect an interim set of benchmarks for the investigations area.

A review of the benchmarks will be undertaken in 2003/04. A second factor is the continuing trend towards increasingly complex complaints, requiring greater time to resolve. Allied to this is the factor of the increasing number of Level 2 complaints. Finally, the TIO's undoubted success in continually meeting performance benchmarks for call answering has been achieved to some extent at the expense of the resolution benchmarks – the overall result being a blow out in average resolution times.

A current work value study being undertaken aims to capture the time (in minutes and hours) that staff spend on individual cases, as well as the number of tasks (such as talking with the

complainant and member, analysing evidence, and writing letters) staff carry out and the period (days) over which this occurs. The information captured through this study is intended to give a clearer picture of the work of the TIO and the cost of that work.

Complaint Outcomes

When an investigation of a Level 2 or above complaint is complete, TIO staff record an 'outcome' and an 'outcome indicator' for each case. They judge whether, from their understanding of the complainant's point of view, an outcome would be considered to be partially or substantially in favour of the member or the complainant, or whether the outcome would be considered neutral.

Once again this year there was a high percentage of cases, 21.0%, where a neutral outcome was recorded, similar to the figure reported in 2001/02 of 19.5%. The neutral outcome indicator is used when investigative staff consider that

Alex Buchanan
Project Officer

Olivia Lovelock
Investigation Officer



the outcome is not necessarily in favour of either party, or where the complainant has not made their anticipated outcome clear and does not recontact the TIO after a proposed resolution letter is sent out. A large component of the neutral category can also be attributed to an administrative practice where, while each complaint can have several 'issues' logged, only the primary issue remains active when a case is upgraded and staff 'close off' subsequent issues as having a neutral outcome.

54.9% of complaints were resolved either substantially or partially in favour of the complainant. This represents a slight decrease from previous years - 57.2% in 2001/02 and 56.9% in 2000/01. 24.1% of complaints were resolved either substantially or partially in favour of the member, reflecting an increase over previous years - 18.9% in 2000/01 and 20.2 % in 2001/02.

COMPLAINT OUTCOMES (PERCENTAGES)

Neutral	21.0
Partially in favour of complainant	18.0
Partially in favour of member	4.0
Substantially in favour of complainant	36.9
Substantially in favour of member	20.1

Reviews

The TIO's procedures allow all complainants the right to a review of decisions made by investigative staff which they consider to be unfavourable. Complainants are entitled to a review of their complaint by a manager or senior officer regardless of the level of the complaint. The recent Complainant Satisfaction Survey found that a significant number of people were unaware of this important right despite it being constantly emphasised by investigative staff. We are taking steps to address this problem.

This year the investigations area received 422 review requests, an increase of 39% on the 257 received in 2001/02.

(Please note that the figure of 163 reported in the last annual report was incorrect - the correct figure was 257).

The majority of review requests are responded to in writing, however a complainant or member may discuss the case review with a manager and a decision can be given over the telephone.

The investigations area commenced recording the outcome of review cases in March 2003. In future annual reports the TIO will provide analysis on review outcomes, for example whether the finding was upheld or if additional investigations work was required. This analysis should shed more light on whether increasing requests for reviews reflect a growth in consumer assertiveness or whether TIO staff could improve their work and/or the way in which they explain outcomes to complainants.



Landline Service Issues

Overview – 37,206 issues raised

In 2002/03 the TIO dealt with 37,206 issues that related to landline services. This is a 7.7% decrease on last year's total of 40,303.

Complaints in the landline category are classified under fifteen broad headings including billing, customer transfer, credit control, customer service, faults and provision.

In line with previous years, billing was the major area of complaint, accounting for 39% of all landline service issues recorded by the TIO. The majority of these complaints were about disputed phone charges, most commonly 190 voice and data calls. Local call charges and disputed line rental fees were also common areas of complaint.

The second most common cause for complaint in the landline category was poor customer service, accounting for 14.5% of issues, down from 16.6% last year. The majority of these complaints

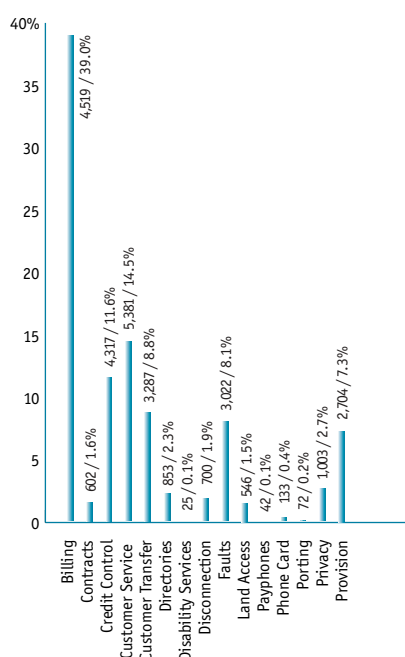
related to the failure of a company to action a specific request and inadequate or incorrect advice given by company employees.

Credit Control rose in prominence this year to become the third most common cause for complaint in the landline category, accounting for 11.6% of landline service issues. Six out of every ten of the 4,317 complaints received in 2002/03 related to the debt recovery practices of telecommunications companies. It is significant, and no coincidence, that in late 2002 some telephone companies, principally Telstra, began selling customer debt. In January 2003 the Ministers for Communications and Consumer Affairs approved a change to the TIO's jurisdiction

recommended by the TIO Council and Board, which ensured the right of the TIO to deal with customer complaints about debts sold to a debt collector agency. The TIO remains concerned about the consistently high number of credit control complaints and is considering whether to raise the matter with the Australian Communications Authority for further action.

Landline customer transfer complaints fell, this year comprising just 8.8% of total landline complaints, down from 11.9%. The key areas of faults and provisioning showed slight variations over 2001/02, faults complaints decreasing slightly to 8.1% (from 8.7%) and provisioning increasing to 7.3% (from 6.9%).

LANDLINE SERVICE ISSUES BREAKDOWN
(BARS REPRESENT %, NUMERALS INDICATE TOTAL)



Billing

14,519 issues raised

The landline billing category relates to complaints about billing and payment of landline services. Complaints in this category range from disputes about the accuracy of call charges, to the imposition of administrative fees or non-receipt of invoices.

A total of 14,519 landline billing complaints were recorded in 2002/03, down slightly on last year, from 15,046. Billing remained the single largest category of complaint across all service types.

Landline complaint numbers remained relatively static throughout the financial year, averaging 3,630 complaints per quarter.

Premium Rate Voice Calls

The TIO received a total of 924 complaints about charges for calls to 190 services, comprising 6.3% of total landline services. This is an increase on the 818 complaints received last year.

The TIO also received 653 international voice call complaints, many of which related to premium services accessed through an international number.

Calls to numbers with the prefix 190, including competition, information, psychic and adult content services, are usually charged at a higher rate than local or national calls and are a common cause for dispute between consumers and their

telephone company. Complainants disputing 190 calls are asked to substantiate to the best of their ability their claim that some or all of the calls were not made from their service. This will usually include details of the whereabouts of all persons with access to the service at the times the disputed calls were made. Providers are then presented with this evidence and asked to substantiate the accuracy of the bill.

The TIO continues to be concerned at the lack of broad regulation in relation to the billing of customers for a range of third-party services including 190 services and certain services accessed by an international prefix. Presently, the only specific regulatory controls are the Telephone Information Service Standards Council (TISSC) Code which regulates, amongst other things, the advertising of call charges for 190 premium rate services and Part 9A of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*, which regulates billing for telephone sex services. The TIO is also concerned at the adequacy of Part 9A, after investigating a complaint which concerned a procedure whereby the regulatory protection was avoided.

The TIO welcomes the decision of the Minister for Communications to direct the Australian Communications Authority to introduce a price-capping regime for voice calls to premium rate services. As call charges for premium rate services are billed in arrears, a carrier is effectively extending credit to its customers in

circumstances where the only credit limits are those of a discretionary nature, ie. those where access restrictions might be applied by the carrier from time to time or those self-imposed by customers. There have been numerous instances where customers have become overcommitted financially in relation to use of these services.

Pending the introduction of price capping, the TIO recently developed a position statement to cover situations where the legal lessee of a telephone service makes a complaint about liability for a debt incurred in relation to 190 services. In resolving complaints of this nature the TIO will have regard not only to the law and applicable industry codes but also whether or not it is fair and reasonable for the customer to be held liable for the debt.

Premium Rate Data Calls/Dumping

Dumping is a perennial problem and is being reported by dial-up Internet users in ever increasing numbers. In 2002/03, 3,268 190 data complaints and 228 international data complaints were received by the TIO, a large increase on the 1,271 complaints recorded last year.

Dumping occurs when a person visiting an Internet site or "private Internet area" has their regular dial-up connection disconnected and then reconnected to an international or 190 (premium rate) number. Users must generally download software to enable this to occur, but they can do this very simply, and often unwittingly, by clicking on an icon or radio button on the screen. Users sometimes claim to have been unaware they were dumped until later – upon receipt of a telephone account detailing unusually high charges for premium rate or international calls.

The TIO treats these cases in the same manner as any other complaint about disputed call charges and asks the complainant to substantiate his or her claim that the calls were not made from their service. The TIO in turn provides all available information to the service provider and asks it to substantiate the accuracy of its billing. The TIO will not investigate a complaint about the content of premium rate data services.

Where a complainant does not dispute visiting a private Internet area but denies ever being presented with a warning advising them of higher call charges should they proceed into the site, the IO will refer them to the Telephone Information Service Standards Council

(TISSC), which has established guidelines for 190 service providers that requires websites to provide a warning to users that higher charges will be incurred should they proceed into the website.

Where the site is an international one and not subject to the TISSC Code, the TIO has taken a different approach. In one of a series of such cases in the last year, described as the Guinea Bissau test case, the TIO considered the competing interests and powers of a large carrier and a residential customer (*see Case Study – Dumping pg 35*). Concerned at the TIO's stance, the carrier raised this issue within ACIF. These cases present themselves in many different ways and the TIO deals with them on a case by case basis.

Dumping charges can be quite high, running to thousands of dollars in some cases, so it is pleasing to note that the Ministerial Direction issued to the ACA about imposing a credit limit for premium rate services will apply to premium rate data calls as well.

Early in 2003 Telstra announced its intention to exit the Internet dialler market in August or September 2003. It is yet to be seen what effect this decision will have on dumping complaints, in particular whether large Internet dialler companies will move their businesses offshore.

Early Termination Fees

The imposition of fees for the early termination of a landline contract is becoming more and more common as more providers offer bundled services. The TIO holds a consistent view across all service types when it comes to early termination fees – and that is that an early termination fee must be a genuine pre-estimate of the loss experienced by the provider. If the fee is not a genuine pre-estimate of loss then it may be considered a penalty and be unrecoverable as a matter of law.

Other Charges

This category includes complaints about connection and reconnection fees, line rental fees, handset fees, directory charges, late payment fees and diversion fees. Complaints in this category made up approximately 25.8% of total billing complaints compared to 29.5% in 2001/02.

Case Study:

Dumping

The Complaint:

The complainant contacted the TIO about charges that appeared on his telephone account for two international calls to Guinea Bissau. The complainant denied calling Guinea Bissau but confirmed that a friend had been surfing free pornographic sites on the Internet. He provided the computer's temporary Internet files which gave the URL of the website visited on the day the charges were incurred.

TIO Response:

The TIO viewed the website and noted that after downloading the program and electing to view the "adult material", the modem began to redial. The TIO noted that at no time was a warning presented to the user advising that the local connection would be disconnected and a connection made to a remote modem resulting in charges to his telephone account, nor were any terms and conditions available to be viewed by the user.

The complainant's telephone service provider advised the TIO that it was not the regulator of information available on the Internet and only provided a gateway to the Internet to its customers through its telephone service. The service provider claimed to be charging for IDD calls that were made from the complainant's telephone service only, and as a result maintained that in accordance with its terms and conditions the complainant was liable for the charges.

The Outcome:

The TIO held the view that where neither party had any control in preventing the disputed calls from being made, it was fair and reasonable that the service provider assume the loss as it was better able to provision for such losses than the complainant. The provider agreed to waive the charges in this case, and in a number of similar cases raised by the TIO.



Case Study:

Credit Control

The Complaint:

The complainant received an account from a debt collection agency for an amount it claimed he owed his telephone company from 1997. The complainant did not dispute that a debt had been owed but claimed the debt had been waived in 1997 after it was found that he had been billed in error. He also stated that he had not received an account for the disputed debt at any time since 1997 despite living at the same address for the past 10 years.

The debt collection agency referred the complainant to his telephone provider in accordance with a procedure agreed with the TIO for handling debt recovery complaints. The provider refused to acknowledge that it had agreed to waive the debt and insisted that the complainant owed the money. The complainant contacted the TIO.

TIO Response:

The TIO asked the provider to supply its customer care notes from 1997 to confirm whether or not the complainant had disputed the amount at that time. The TIO also asked the provider to confirm whether it had sent the complainant any reminder notices for the disputed amount and if so, to provide copies of the bills it had sent.

In its response, the telephone company advised that there was no evidence to support the complainant's claim that he had disputed the amount. It also advised that it was unable to provide copies of the reminder notices it claimed had been sent to the complainant.

The Outcome:

The TIO advised the provider that it did not consider it fair or reasonable for it to request payment for a debt from 1997 when it was unable to provide specific details about the debt or demonstrate that reminder notices had been sent. The company agreed to waive the disputed charges.

Contracts

602 issues raised

The TIO received 602 complaints relating to landline contracts this year, an increase from last year's figure of 548. Complaints involving allegations of misleading advice being provided at point of sale accounted for more than 50% of complaints in this category showing that this problem is a perennial one.

The provision of landline telephone services to residential and small business customers is in most cases provided according to the terms of a Standard Form of Agreement (SFOA) contract. Telephone companies can use an SFOA whenever they do not negotiate an individual contract with a customer. SFOAs must be lodged with the Australian Communications Authority (ACA) and the company should provide the customer with a summary of the SFOA's terms and conditions and inform them where they can view a complete copy.

Although the TIO can investigate alleged breaches of landline contracts, the TIO cannot investigate complaints about the setting of tariffs or about the business practices or policies of telephone companies.



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Credit Control

4,317 issues raised

The TIO received a total of 4,317 credit control complaints in 2002/03, an 81.8% increase on last year's total of 2,374. Credit Control was the third largest cause for complaint comprising 11.6% of all landline complaints.

This worrying rise in credit control complaints can be attributed for the most part to a three-fold increase in debt recovery complaints, up from 787 in 2001/02 to 2,517, accounting for 58.3% of credit control complaints. Complaints about disconnections (722) and service barring (556) performed as a part of a credit management process, also increased.

Close analysis of debt recovery complaints has shown that the three-fold increase reported in 2002/03 was due overwhelmingly to Telstra's decision to 'factor', or sell, old debts. As there was originally some doubt about the TIO's jurisdiction over factored debt, the TIO's Constitution was amended in January 2003 to ensure the TIO's continuing jurisdiction over customer complaints about on-sold debts.

The complaints that have arisen due to debts being factored are manifold, ranging from allegations that the debt does not belong to the complainant; that the provider had previously agreed to waive the amount in question; or that there has been an inappropriate credit default listing by the factor. In addition to investigating individual complaints, the TIO has met with Telstra to assist in developing a process for handling these types of complaints, and has also released a credit control fact sheet for members and their agents that covers factoring of debt.

Despite the TIO's efforts however, complaints relating to debt recovery continue to be unacceptably high. The TIO will continue to monitor these complaints and is considering its next course of action.

Customer Service

5,381 issues raised

Customer service remains the second most common complaint issue for landline complaints, despite a marked reduction this year in complaint numbers, down from 6,703 in 2001/02 to 5,381. Customer service comprised 14.5% of total landline complaint issues recorded.

The TIO Complaints Management System allows investigation staff to record multiple issues in a single complaint. As a result, total customer service complaint numbers include complaints where customer service is the complainant's sole cause of complaint as well as complaints where customer service is only one of a number of complaint issues raised.

In 2002/03, the TIO made changes to the categories of customer service complaint in an effort to capture more accurate information about the nature of the issues brought to the TIO. Changes included the elimination, after the first quarter of the financial year, of 'quality of service' as a category of complaint and the subsequent introduction of an 'inadequate/incorrect advice' category. The removal of this category is significant because in 2001/02 'quality of service' accounted for 36.9% of landline customer service complaint issues.

The two most common customer service complaints in 2002/03 were that a telephone company failed to action a request made by a customer (2,059 complaints) and that a company provided inadequate or incorrect advice (1,695 complaints).

Customer Service Guarantee

The Customer Service Guarantee (CSG) is embodied in the *Telecommunications (Customer Service Guarantee) Amendment Standard 2001*. It sets timeframes for the rectification of faults and connection of the standard telephone service and certain call handling features such as call barring, call forwarding and call waiting. Customers may be entitled to compensation when the timeframes established under the CSG are not adhered to or appointments missed.

The TIO gives complainants general information on a company's obligations under the CSG and investigates disputes about the application of the CSG. CSG complaints are recorded under the categories of faults, provisioning and billing. During 2002/03, CSG-related complaints about fault rectification delays were down by 11.3% to 930 and CSG-related complaints about delays in the provisioning of a new service were down by 25.9% to 739.

Other complaints concerned the application of Mass Service Disruption (MSD) notices whereby a carrier can exempt itself from compliance with CSG performance standards because of factors beyond its control, eg. flooding. In such cases the customer is not entitled to payment of damages for what would otherwise be a breach of the CSG. Complaints about the application of MSDs were down 56.7% to 55.

Connect Outstanding

In addition, there were 547 Connect Outstanding complaints received in 2002/03, a subcategory of provisioning. These complaints related to a connection delay caused by the previous customer or service provider failing to disconnect the service upon vacation of the premises. Despite the industry agreeing to abide by a procedure for the timely connection of services, a number of consumers have been subjected to unreasonable delays. The CSG is silent on the question of compensation for delays in connecting services in this scenario, and the Australian Communications Authority considers that the Standard is not applicable. The TIO, however, has warned providers that it will seek compensation equivalent to the CSG for any consumer subjected to a delay of more than the ten working days specified by the connecting outstanding procedure. In formulating this position, the TIO has taken into consideration the industry's agreed procedure, and section 22(2) of the CSG Standard. Telstra has argued that the TIO is acting beyond its power in this regard and has asked ACIF to develop a Code to deal with the problem. The TIO supports this initiative.

Customer Transfer 3,287 issues raised

Customer transfer complaints were down substantially in 2002/03 to 3,287, from 4,819 in 2001/02. This continues a trend reported last year and attributed at that time to increasing consumer awareness and greater efficiency by phone companies in enacting transfers. This year the TIO continues to be concerned, despite the decrease in complaints, at the high number of so-called "slamming" complaints many of which are the result of a failure to adhere to the Customer Transfer Code.

The majority of complaints in the Customer Transfer category, more than 70% or 2,342 complaints in total, were about unauthorised transfers. Of these, only 331 related to an unauthorised transfer resulting from an administrative error. More than 2,000 complaints then were related to unauthorised transfers that occurred following a conversation with a telephone or door-to-door sales person. Telemarketing complaints once again eclipsed complaints about door-to-door sales suggesting not only that telephone companies continue to prefer the use of telemarketing over door-to-door sales, but also that some customers continue to be unaware that an account transfer may be authorised by the legal lessee of a service over the telephone, without need for a signature.

There is evidence, though, that many of the complaints received were due, not to consumer ignorance, but to a determination by the provider to achieve a transfer. It appears that a number of sales representatives from a number of providers are consistently failing to adhere to the Customer Transfer Code by not confirming that the person they are speaking to is authorised to enact the change, and/or omitting to confirm at the end of a conversation with a customer the number and types of services being transferred across to minimise confusion. It also appears that most providers either do not have the facility to record the entire conversation between their telephone sales representatives and the customer, or simply do not do so as a matter of practice. Often the presales part of the conversation, where the sales representative offers the customer certain guarantees or makes certain claims about the service they are offering, is not recorded, giving rise to a complaint. The TIO will be monitoring all of these practices carefully.

The TIO also received 540 complaints about delays in transferring a phone service. These disputes are usually resolved quite quickly once the TIO sends an urgent delay complaint to the gaining provider, requesting immediate investigation.

Directories

853 issues raised

Directory complaints declined slightly from 904 in 2001/02 to 853 in 2002/03, after almost doubling the previous year. Recorded in this category are complaints about directory assistance, and errors or omissions from the White Pages and Yellow Pages.

Most complaints related to errors or omissions from the White Pages. These complaints are frequently accompanied by compensation claims for loss of business income. Of concern was that a considerable number of complaints related to repeat errors and highlighted the need for improved procedures on the part of providers.

There is evidence that some silent number disclosure complaints were (incorrectly) recorded by the TIO under the Directories/White Pages/Errors category. This implies that this complaint type may be more prevalent than the TIO's statistics reflect.

The TIO also received 172 Yellow Pages complaints. Although the TIO does not have jurisdiction over Yellow Pages the TIO refers these complaints to Sensis, a subsidiary of Telstra, at Level 1 as part of an agreed procedure.

Callers to the TIO occasionally ask why it is mandatory that their landline phone number be listed in the White Pages and

why they have to pay to have this information suppressed. As part of Telstra's licence conditions, Telstra is obliged to produce and maintain an 'Integrated Public Number Database' containing a list of all landline phone numbers that have been allocated by the Australian Communications Authority. For this reason, the listing of numbers in the White Pages is on an 'opt-out' basis and it is a matter of Telstra's commercial discretion to charge for silent numbers.

Disability Services

25 issues raised

The TIO registered 25 complaints relating to disability and landline services. The disability category covers a range of circumstances and includes complaints about provisioning of disability equipment, fault rectification and discrimination.

A number of the complaints lodged this year related to increases in monthly fees for disability equipment where the complainants alleged they had received no prior notification of the increase. The remaining complaints related to provisioning of disability equipment, delay in rectification of faults, contractual capacity and credit management. The majority of complaints in this category were resolved at Level 1 with no requirement for further investigation by the TIO.

Case Study:

Unauthorised Customer Transfer

The Complaint:

The complainant signed up for a new Internet service online, giving her home phone number and work number as contacts on the application form. When her first account totalled more than \$600, she contacted the provider and was informed that under the Internet plan she had signed up for, her national and mobile calls had been automatically transferred to the ISP. Soon afterwards she discovered that her work number had also been transferred and was now in her name, and that she personally, not her employer, was being billed for calls made from that number. The complainant contacted the TIO after her repeated attempts to contact her provider failed. The complainant sought to have her telephone service transferred back, stating that she had not seen any terms and conditions in the application form to indicate that her phone service would be automatically transferred. Her employer also contacted the TIO regarding the unauthorised transfer of their phone service.

TIO Response:

The TIO sent urgent written complaints to the provider, on behalf of both the complainant and her employer, requesting that the complaint be addressed within two weeks. The TIO requires that the Gaining Service Provider take reasonable steps to ensure that the legal lessee of a service is authorising the transfer. In the case of an unauthorised transfer, all call charges must be waived and the invalid transfer must be reversed.

The Outcome:

The provider agreed to credit all disputed charges to the complainant. The complainant's service and her employer's service were transferred back to their preferred providers.

Claiming Compensation for Business Loss

In 2002/03 the TIO received 414 non-CSG related claims for compensation from small businesses claiming economic loss due to a delay in the supply of services or in rectifying a fault.

The TIO will consider a claim for compensation from a small business if the small business can demonstrate that the action or inaction of a telephone or Internet service provider (ISP) has caused financial loss to their business. The TIO can investigate claims for compensation that are based on:

- a failure to attend to a fault in a timely fashion;
- a delay in the supply of services;
- services being provided but not in accordance with a customer's requirements; or
- errors or omissions in a business listing in the White Pages.

Claims must be based on actual monetary losses suffered as a direct result of the action or inaction of a telephone company or ISP. Claims for pain and suffering, loss of business reputation, inconvenience and mental distress will not be considered.

Disconnection 700 issues raised

The number of disconnection complaints decreased significantly this year to 700, from 1,952 last year. Disconnection complaints accounted for 1.9% of total landline complaints.

The principal reason for the marked decline in complaints was a change, at the commencement of the financial year, to the categorization of Connect Outstanding complaints. Connect Outstanding complaints, although previously logged as disconnection complaints, are now recorded as provisioning delay complaints.

Disconnection complaints commonly refer to a delay or error in disconnection. In 2002/03 there were 403 disconnection error complaints and 297 disconnection delay complaints. Common error complaints included claims the wrong number was disconnected, the service was disconnected prematurely or disconnection was never requested. Disconnection delay complaints were mainly concerned with situations where the disconnection of a customer's service was either actioned after the required date, or not actioned at all.

Disconnection complaints remained relatively constant throughout the year, however there was evidence of a slight trend downwards for delay complaints and a slight trend upwards for error complaints across the four quarters. It is too early to tell whether these trends are indicative of any underlying improvements or emergent problems, respectively, within the industry.

Faults 3,022 issues raised

Complaints about landline faults dropped significantly this year, down from 3,508 to 3,022. Complaints in this category decreased, by 13.9% for the second year in a row.

The vast majority of faults complaints, 2889, were related to a delay in fault rectification. In a third of these complaints, 979, the TIO considered whether compensation should be paid under the Customer Service Guarantee (CSG). A further 731 rectification delay complaints related to recurring or intermittent faults. There were 58 complaints relating to delays in rectifying faults with a priority service listing. A priority service listing may be granted where a residential customer has a diagnosed life-threatening medical condition.

Other complaint areas included missed appointments by technicians and delays in rectifying faults with enhanced call features such as call waiting.

In all faults complaints the TIO will ask the service provider to provide various fault and technical report notes, to ascertain if the telephone company met its obligations under a number of standards, such as the CSG, the Universal Service Obligation and/or the Network Reliability Framework. The TIO may investigate claims for compensation for business loss where a business can establish economic loss as a result of a rectification delay.

Land Access

546 issues raised

Land access complaints increased 20.8% from 452 issues in 2001/02 to 546.

160 complaints concerned disputed charges for liability resulting from damage to a carrier's underground cables. The *Telecommunications Act 1997* grants certain rights to carriers, including power to install and maintain facilities on private and public land. Landowners must ensure all reasonable steps are taken to locate and avoid facilities when undertaking excavation work. Charges may be imposed by the carrier on the landowner or occupier where damage is caused.

184 complaints concerned damage to property by carriers. This included allegations that fences, creek beds and flora were damaged, and that land was not adequately restored following access. The TIO considers it important that carriers comply with their obligations to take all reasonable steps to minimise damage, protect property, and restore land.

The TIO received 25 objections to land access activities under the *Telecommunications Code of Practice 1997*. 12 directions regarding the manner in which the carrier must engage in the activity were issued.

Since October 2002, the TIO also received 117 out of jurisdiction objections to carriers' activity. These were largely from local residents concerned about the effect

of proposed mobile telephone antennas which qualify as low-impact facilities under the Code of Practice. The TIO does not have jurisdiction to consider objections that are not made by the owner or occupier of the land affected.

Payphones

42 issues raised

The TIO has jurisdiction over complaints about payphones relating to the performance of the phones but not their location.

There were 42 complaints about payphones in 2002/03, a marginal increase on last year's totals of 37. Most complaints were about faulty payphones or inability to redeem unused coins. Only 3 payphone complaints were upgraded to Level 2 or higher.

Phone Cards

133 issues raised

Complaints about phone cards have increased this year, from 72 in 2001/02 to 133.

Complaints included alleged faults with the cards, inability to connect, misrepresentation of rates, bad international connections and other customer service issues. Most complaints were resolved at Level 1.

The rise in complaints may be attributable to an increase in the number of companies offering phone card services.

Case Study:

Land Access - Objection to mobile antenna

The Complaint:

The carrier proposed utilising its maintenance powers under Schedule 3 of the *Telecommunications Act 1997* ('the Act') to replace an existing antennas on a light pole with several additional antennas. The landowner objected, arguing that the pole might not be able to support additional antennas, that the antennas would interfere with lighting equipment on the pole and were inconsistent with the use of the land, and that the carrier had not provided details of how it would minimise detriment or details that established the antennas as "low-impact" pursuant to the *Telecommunications (Low-impact Facilities) Determination*. After a period of consultation between the parties, the objection was referred to the TIO for consideration.

TIO Response:

The TIO requested that the carrier explain why it wanted to utilise its maintenance powers rather than its installation powers and why it considered its proposal described maintenance of a facility.

The Outcome:

After consideration of the relevant sections of the Act, the TIO concluded that the carrier's proposal was outside the scope of its maintenance powers. This was because the Act's maintenance provisions do not allow the volume of a replacement facility to exceed the volume of the original facility. In this proposal, the new antennas were clearly larger than the existing antenna.

Priority Assistance

Telstra's Priority Assistance Policy (PAP) was developed to ensure that residential customers diagnosed with a life-threatening medical condition have access to a fully operational telephone service. It came into practical effect on 31 July 2002 and was fully implemented by 31 March 2003. Customers are asked to complete an application form and provide medical certification to support their claim of eligibility for status as a priority customer for service provision and fault rectification.

In 2002/03 the TIO received 58 complaints about faults with priority services and 29 complaints about provisioning delays with priority services.

In all cases the TIO will seek to assess whether Telstra has acted in accordance with the priority assistance policy.

Porting 72 issues raised

The TIO received just 72 complaints about landline portability in 2002/03, down markedly from 227 last year.

The landline porting category incorporates complaints about local number portability, and freephone and local rate number portability. Landline number portability allows customers with local and freephone or local rate numbers to change providers without having to change their service number. 53 complaints received in 2002/03 were related to delays in the porting of service numbers from one provider to another, with the remainder relating to unauthorised ports.

The reduction in porting complaints recorded this year is attributable primarily to a decline in complaints about restrictions in the porting process due to the presence of ANT 1 technology. Last year the TIO reported an increase in local number portability complaints related to ANT 1 technology. Procedural changes, instituted following a lengthy investigation by the TIO, have ensured that ANT 1 technology will no longer be a barrier to competition and complaints on this matter have since ceased. The TIO continues to receive complaints about the presence of ANT 1 and pair gains or RIM technology inhibiting connections to certain services such as ADSL. These complaints are logged under the provisioning category.

Privacy 1,003 issues raised

The TIO received 1,003 privacy complaints this year, up from 851 in 2001/02.

28% of these complaints (281) involved claims that telephone companies published numbers and personal details after a customer asked for a silent (unlisted) number. This is a considerable increase on the 198 complaints of this type received last year, an increase that may be due to a database alignment error reported by Telstra in August 2002. In their report to the TIO, Telstra admitted publishing a number of unlisted (silent) numbers, including the numbers of some resale customers. Although this issue was resolved, the TIO remains concerned that some service providers may not have formulated adequate procedures to ascertain customers' requirements, and record and implement requests for unlisted numbers. Complaints about publication of unlisted numbers can take some time to resolve, as they often require consideration of complex compensation issues.

A further 29% (291) of complaints concerned disclosure of personal and account (including silent line) information to third parties.

Unwelcome call issues comprised 34.7% of landline privacy complaints (348). Analysis of Level 2 and 3 complaints in this category indicates that a large number of these complaints related to repeat calls from fax/modem technology

and from businesses. Resolution of unwelcome call complaints can be delayed because of complex confirmation and communication procedures (e.g. between a called party and calling party's different providers).

Complaints about allegations of interception and concerns about Calling Number Display were minimal (respectively 7.3% and 1%) and were not generally escalated after Level 1 referral.

Provision 2,704 issues raised

Provisioning complaints remained relatively static this year, down slightly from 2,775 last year, to 2,704. There was considerable variation, however, in the complaint mix within the provision category.

Complaints in the "technology" category increased markedly with 354 complaints received in total. This category records complaints about the unavailability of

services, such as ADSL, due to the presence of pair-gain or RIM technology or an ANT 1 box. Telstra recently informed the TIO that it is currently trialling a process which allows customers who are on incompatible technologies the opportunity to have their services altered, allowing the connection of ADSL. Telstra has warned, however, that not all services will fit the criteria. It is hoped that this new process will facilitate a reduction in these complaints.

The TIO continued to receive complaints about provisioning delays caused by a failure to comply with the commonly agreed procedures for "connect outstanding" cases. The connect outstanding procedure, agreed by the industry in 2001, was supposed to cover situations where a customer had moved into a house, as owner or tenant, but had been unable to get their phone connected with their chosen provider because the previous occupant had not arranged for disconnection with their, usually different, provider. The connect outstanding

procedure requires that the company preferred by the new tenant (the gaining provider) request proof of occupancy from the new tenant, and then liaise with the losing provider (the company preferred by the old tenant) to arrange for disconnection within 10 working days. The continuing high level of complaints about this issue indicates that aspects of the procedure are not working. The TIO has informed the relevant providers that it will request compensation commensurate with the CSG in all cases of unreasonable delay.

These increases are in contrast to an overall decrease in complaints about new service provisioning delays, which decreased this year by 68.7%. People calling the TIO about delays in service connection are often unaware of the existence of the CSG. In many cases the TIO is able to assist by telling the customer about their entitlements and then referring them back to their telephone company.



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Mobile Service Issues

Overview - 16,773 issues raised

This year the TIO received a total of 16,773 complaints about mobile services, a significant decrease on last year's 20,434 complaints. Mobile complaints accounted for 26.8% of total complaints.

There were notable decreases in a number of areas, including porting. Teething problems encountered when Mobile Number Portability was introduced resulted in a record 1,264 complaints to the TIO in 2001/02. This year porting complaints dropped to 180.

There was also a decrease in complaints about the billing of mobile services. This decrease partly corresponds with a rise in the percentage of complaints about credit control and faults. Credit control complaint increases show that members are taking greater steps to prevent and

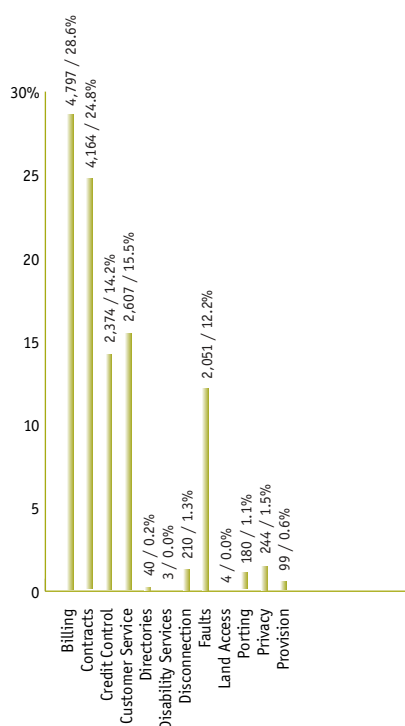
recover customer debt, including factoring or selling it off. The rise in the mobile fault category is almost certainly due to an expansion of the TIO's jurisdiction to include some complaints about faulty handsets purchased as part of a mobile telephone contract. Otherwise, care should be taken when interpreting these figures due to an administrative decision by the TIO to move complaints about early termination fees from the billing category to the contracts category part-way through 2002/03.

The TIO continues to investigate complaints about early

termination fees, with the formation of a TIO position statement late last calendar year, expressing our views that such fees should be reasonable pre- estimates of costs incurred or losses suffered by members, rather than penalties on consumers.

Finally, complaints about customer service, including queue-waiting times, failure to return calls and respond to letters and poor advice or rude staff, remained at just over 15% of all mobile complaints. It is disappointing to see no decrease in this area.

MOBILE SERVICE ISSUE BREAKDOWN
(BARS REPRESENT %, NUMERALS INDICATE TOTAL)



Billing

4,797 issues raised

Mobile billing complaints reduced in 2002/03 to 4,797 complaints from 7,047 complaints recorded in 2001/02.

Mobile billing complaints accounted for approximately one quarter of total mobile related complaints.

Complaints in this category included disputed charges for making calls and sending SMS messages, access fees, non-receipt of invoices and termination fees.

Access and Connection Fees

The TIO received 617 complaints regarding access and connection fees in 2002/03, down from 946 in 2001/02. The majority of these complaints related to GSM rather than CDMA services.

The most regularly received complaints related to the charging of fees after a service should have been cancelled, or the charging of a different access fee to what had been agreed between the provider and the customer.

Information, sex and chat line calls

The TIO again received a relatively small number of complaints, 81, regarding disputed calls made from mobile services to information, sex and chat line services. The number of complaints received remained largely static from 2001/02.

Calls to mobiles

In 2002/03 the TIO received 775 complaints regarding disputed calls from one mobile service to another mobile service.

The number of complaints in this category dropped somewhat from 2001/02, again with most complaints relating to GSM services, although it should be noted that the previous year's figures included SMS complaints.

SMS/MMS

The TIO received a relatively small number of complaints, 108, regarding disputed SMS/MMS charges being made from mobile services. This is a reduction on last year's 183 complaints and may reflect increasing consumer awareness of the billing methods for these services.

Recorded in this category are complaints about charges imposed for use of SMS/MMS. Complaints about "spam" or unsolicited SMS/MMS are recorded in the privacy category.

Early Termination Fees

Complaints about early termination fees imposed by mobile providers were recorded under billing for the first month of 2002/03 only and so only 161 (out of a total of 1,121) early termination fee complaints are counted here, which may account for some of the overall decline in billing complaints. From 1 August 2002 early termination fee complaints were recorded as contracts complaints. (See *Mobile – Contracts* pg 47 for more information)

Case Study:

SIM Unlock Fee

The Complaint:

A complainant contacted the TIO regarding the cost associated with the removal of a SIM lock on a mobile phone handset he had purchased more than 12 months before. The complainant told the TIO that he purchased his phone believing that he was free to choose to use any provider he wished. The complainant claimed that when he realised that a new SIM card provided for a new network did not work in the phone, he called his previous provider and was advised that it would cost him over \$100 to have his handset unlocked. The complainant alleged that he contacted his previous provider on multiple occasions about this issue and was told 3 different values of the fee to have the handset unlocked.

TIO Response:

The TIO raised a complaint with the provider asking it to indicate where such

a fee was provided for in its terms and conditions, and what the value of the fee should be. The TIO considers SIM unlock fees in a similar manner to early termination fees, and so also asked the provider to indicate whether the fee was a genuine pre-estimate of its loss.

The Outcome:

The provider gave the TIO a copy of its terms and conditions and referred to a clause that stated that a fee to unlock the handset was only payable within the first twelve months of purchasing the handset. As the complainant had had the phone for just over twelve months no fee was payable. The provider's customer care notes did indicate that the complainant had been advised that a fee was payable, but the provider could not explain why this was the case in light of its terms and conditions. The provider therefore arranged to unlock the complainant's handset free of charge.

Marcela Mandarino
Investigation Officer

Kayla Thomas
Finance Officer

Joanne Henderson
Enquiry Officer

Gillian McKenzie
Investigation Officer

Contracts

4,164 issues raised

Complaints about mobile contracts decreased from 5,168 in 2001/02 to 4,164 in the current year, representing 24.8% of all mobile service complaints received. The decrease would have been greater but for the TIO's decision to treat complaints about early termination fees (ETFs) as a species of contract rather than as billing complaints.

Most complaints in this area related to advice provided to customers at the point of sale. These complaints, 1,718 in total, represented 32.5% of all complaints about mobile phone contracts.

The TIO also received 1,121 complaints about ETFs imposed by mobile service providers for early exit from a fixed plan. 960 of these complaints were recorded in the mobile contracts category following a change to the logging arrangements for these complaints in August 2002. This is an increase on last year's total of 997 complaints.

The TIO's view on ETFs is that high fixed fees that bear no relationship to the term remaining on the customer's contract or to the plan to which the customer subscribed, are not appropriate. It is however, acceptable in most

circumstances, for providers to ask customers to pay remaining access fees in the event that the customer exits a contract early. It may also be appropriate for the provider to impose a small administrative fee. As a result of the TIO's extensive investigation into this issue, many providers have agreed to amend their early termination fees.

In recent months the TIO has also had cause to examine the fairness of so-called SIM unlock fees for prepaid mobile services. The imposition of high fixed fees when customers with prepaid phones attempt to port away to another provider appears contrary to representations made to customers in advertising, and at the point of sale, that there is no contract for pre-paid services. Phones with a SIM lock are in fact offered on what amounts to a fixed term contractual basis, and the SIM unlock fee can be likened to an early termination fee. The TIO's preliminary view on SIM unlock fees is that they are not a genuine pre-estimate of loss and may therefore be invalid.

The TIO also received 135 complaints about lack of coverage information provided at the point of sale. The TIO investigates complaints where consumers allege they were misled by their provider or its dealer about mobile phone

coverage, or are otherwise dissatisfied about the level of coverage they are receiving. Most commonly, complainants seek the TIO's assistance in being released from their contractual obligations.

The TIO has received a significant number of complaints, 102, concerning persons with medical impairments or disabilities, or persons under the age of 18, alleging problems with mobile contracts. The rise in the number of cases referred to the TIO could be attributed to increased consumer awareness. The TIO will investigate these types of complaints by gathering statements from the parties concerned and a medical report or other evidence to support the complainant's claim to legal incapacity.

48 complaints received this year related to providers asking a friend or family member to "go guarantor" for the person purchasing the mobile phone. A guarantor is a person who receives no direct benefit from the main contract, but nonetheless promises the credit provider to fulfil the loan (obligation) if the debtor refuses or is unable to do so. Mobile telephone companies do not usually allow for guarantors and the TIO will investigate any complaint where a person alleges that they signed a contract as guarantor for someone else.

Case Study:
Mobile Contract

The Complaint:

The TIO received a complaint against a phone company from a father acting on behalf of his intellectually impaired daughter, whom he claimed was persuaded to sign a mobile contract for a friend, the user of the phone. The friend used the phone and did not pay the bills and the company pursued the legal lessee of the service, the intellectually impaired daughter. The provider listed the daughter as a credit default with a credit reporting agency after failing to recover the amount outstanding. Upon receipt of evidence from the father that his daughter had an intellectual impairment and was incapable of understanding the contract she signed, the company agreed to waive the debt but refused to remove the default listing.

TIO Response:

The TIO's view was that the default listing should also be removed if the company accepted that the daughter lacked the capacity to enter into the contract. The company argued that it had waived the debt as a goodwill gesture and claimed that it had listed her as a credit default to protect her and prospective borrowers.

The Outcome:

The company agreed to remove the default listing.

Credit Control
2,374 issues

Mobile credit control complaints increased by 48.7% from 1,597 in 2001/02 to 2,374, mirroring the trend seen in landline credit. Credit control complaints comprised 14.2% of all mobile complaints in 2002/03, making it the fourth largest mobile category after billing, contracts and customer service. As with its landline counterpart, over half of the credit complaints (1,336 complaints) related to debt recovery. It appears that this increase can at least in part be attributed to the decision of certain providers to factor debt, but it may also reflect a tougher stance taken by mobile service providers in relation to credit issues generally. Also included in the credit control category were numerous complaints about disconnection for non-payment of accounts (415 complaints), service barring (211 complaints), and inability to come to a mutually acceptable arrangement for payment of a debt (302 complaints).

Customer Service
2,607 issues raised

Customer service was the third largest category of mobile service complaint with a total of 2,607 complaints, accounting for 15.5% of all mobile complaints. There were 3,136 mobile customer service complaints recorded last year.

The "quality of service" category, which last year accounted for 20% of mobile

customer service complaints, was eliminated at the end of the first quarter of the financial year and a new category, "inadequate/incorrect advice", was established.

The most common mobile customer service complaints in 2002/03 were failure to action a customer request (1087 complaints) and provision of inadequate or incorrect advice (935 complaints).

Directories
40 issues raised

Complaint numbers for 2002/03 were almost unchanged from the previous year, with 40 complaints recorded versus 43 in 2001/02.

As with landline complaints, the majority of complaints related to errors and omissions.

Unlike landline telephone numbers, there is no legal requirement for mobile numbers to be recorded in a public database so mobile numbers are only ever listed on customer request.

Disability Services
3 issues raised

The TIO recorded just 3 complaints relating to disability and mobile services, compared to 4 complaints lodged in 2001/02. The complaints related to provisioning of a handset appropriate to the complainant's disability and network coverage.

The disability and mobiles category is generally used to record complaints about provisioning and equipment only. Complaints about a lack of contractual capacity due to a person's disability would be logged under the mobile contracts category.

Disconnection 210 issues raised

Mobile disconnection issues have remained static over the last 2 years, accounting for around 1% of total mobile cases in both 2001/02 and 2002/03. In 2002/03 there were 210 complaints about mobile disconnections. The vast majority of these complaints related to GSM services.

Mobile disconnection complaints are categorised as either 'delay' or 'error'. There were more delay complaints, 114, than error complaints, 96. A common cause of disconnection delay complaints was failure to cancel a service, in many cases even after several cancellation requests were made. The resolution of such complaints may be complicated by the existence of a contract. Mobile disconnection error complaints were varied and included cases where a service had been disconnected for no apparent reason or after an account had been paid.

Faults 2,051 issues raised

Mobile faults complaints rose in 2002/03 to 2,051, from 1,550 in 2001/02, bucking the overall trend downwards in mobile complaints. Included in this category are complaints about coverage, handset and network faults.

In September 2002 the TIO's constitution was amended to allow the TIO to investigate mobile handset complaints where the handset has been sold as a part of a contract or bundled service. From September until June 2003 the TIO received 1,179 handset faults complaints, more than half the total number of complaints in the mobile faults category.

The TIO will only investigate complaints about faulty handsets when the handset is sold as part of a bundled service and where the fault is due to an inherent defect and not due to misuse by the customer. For complaints that are within its jurisdiction, the TIO expects a phone company to ensure its customers are still able to access its network while a faulty handset is being repaired. Alternatively, the TIO expects that a provider will ensure its customers are not out of pocket as a result of a faulty handset. In some cases, for example where a customer experiences repeated or prolonged faults with their handset, the TIO may expect a provider to treat a contract as at an end or provide an appropriate replacement phone.

The TIO received an additional 513 complaints about mobile coverage issues. A quarter of these complaints related to CDMA services.

Case Study:

Mobile Handset Fault

The Complaint:

Soon after entering into a bundled mobile phone contract, the complainant found that his handset, despite being fully charged, began to lose power, leading to missed and dropped calls. After initial assessment by the dealer, the handset was sent away for further assessment and repair. The complainant contacted the TIO after he had been waiting for four months for his handset to be repaired. His service provider had not provided him with a replacement handset during this period and had continued to charge monthly access fees.

TIO Response:

In exercise of its new jurisdiction, the TIO referred the complainant to a higher level within the provider company to allow them an opportunity to resolve the complaint. The complainant contacted the TIO again

and informed the TIO that the provider had advised him that the manufacturer of the handset was responsible for the repair of the handset and the issue was nothing to do with the company. The TIO raised the issue with the provider and asked the provider whether it accepted that it had the responsibility to provide a workable handset.

The Outcome:

The company advised the TIO that it accepted that, as the supplier of the handset under the contract with the complainant, it did have a responsibility to provide a workable handset. The provider advised that the fault had been detected and repaired and the handset had been returned to the complainant. The provider also agreed to credit four months' access fees. The complainant advised the TIO that he was satisfied with this outcome.

Porting (Customer Transfer) 180 issues raised

The TIO received 180 complaints about mobile number portability (MNP) in 2002/03, a dramatic reduction on last year's total of 1,264. All but 33 of these complaints related to GSM services.

MNP was introduced in September 2001 and most of the complaints recorded in 2001/02 related specifically to problems experienced by providers in adjusting to the porting regime. Providers have since improved their procedures to ensure adherence to the MNP Code resulting in far fewer complaints to the TIO.

Around one quarter of mobile porting complaints, 44, related to unauthorised ports or customer transfers. This is nearly twice as many as last year and may be attributable to increased market activity by service providers in a highly competitive environment.



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Investigation Officer

Premjeet Gill
Enquiry Officer

Molly O'Brien
Administrative Assistant

Carmen Bucheri
Investigation Officer

Privacy

244 issues raised

The TIO received 244 complaints about mobile privacy in 2001, up from 185 complaints last year.

The majority of mobile privacy complaints concerned unwelcome calls and SMS messages (109); and disclosure of details, including silent and CND-blocked numbers (95). Only 5% of these complaints were escalated to Level 2 or 3 status.

Complaints about privacy in relation to mobile telephone numbers remain considerably lower than those concerning landline numbers not only because mobile services are not fixed so readily to a particular location, but also because generally mobile numbers are not published in directories. Growth in M-Commerce may see a rise in such complaints in the future.

When investigating complaints about unsolicited text messages, the TIO will have regard to the new industry guidelines set out in ACIF Short Message Service Issues Code.

Provision

99 issues raised

There were just 99 complaints about mobile provisioning in 2002/03, half the 189 received last year. The mobile provision category incorporates complaints about delays in number allocation to mobile telephones and provisioning delays for CDMA and GSM mobile telephones. The decline in complaints is consistent with a decline in mobile porting complaints and may be an indication of improved procedures across the industry.



Kalma Rathouski
Investigation Officer

Shirley Quo
Legal Investigation Officer

Chris Jensen
Enquiry Officer

Internet Service Issues

Overview – 8,691 issues raised

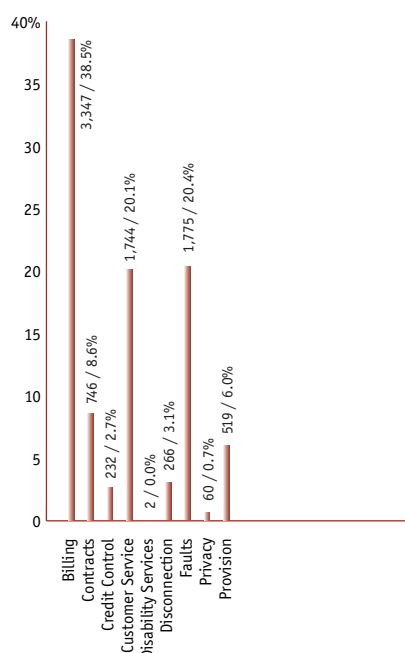
The TIO received a total of 8,691 Internet service complaints in 2002/03, down slightly from the 9,497 complaints received last year. The largest proportion of complaints in this category, 38.5%, were related to billing matters, with faults and customer service matters comprising around 20% each.

There was an increase in complaints relating to broadband services, particularly cable and ADSL services. This increase may be a reflection of the increase in consumer acceptance and the availability of these types of technologies. This trend has prompted the TIO to amend its facilities for recording complaints, for the next financial year, to more closely monitor and report on the types of complaints most commonly received in relation to the different types of Internet services available.

The TIO has conducted a number of systemic investigations into Internet issues this year, including into the accuracy of billing for broadband services, the reliability of usage meters provided by ISPs to enable their users to monitor usage, as well as the use of acceptable use policies on plans that are advertised as being 'unlimited'. The outcomes of these investigations have, in some cases, resulted in proactive measures being taken by industry participants to avoid complaints in the future.

A notable source of Internet service complaints this year was Justified Communications Group Pty Ltd (Just Internet), a provider of dial-up Internet services and long-distance telephony. Just Internet went into receivership in March 2003. The main types of complaints received against Just Internet prior to it ceasing trading included allegations of the unauthorised transfer of telephony services, failure to provide services for which a customer had been charged in advance, as well as faults relating to the quality and reliability of the Internet service provided.

INTERNET SERVICE ISSUES BREAKDOWN
(BARS REPRESENT %, NUMERALS INDICATE TOTAL)



Billing

3,347 issues raised

The TIO received 3,347 complaints relating to the billing of Internet services in 2002/03, down from 3,582 last year. Internet billing complaints comprised 38.5% of all Internet service complaints.

Around 80% of complaints (2,674) related to disputes about charges that had been billed. The TIO also received complaints about the non-allocation of expected credits, failure to provide bills for the service, delays in billing for charges, and various complaints relating to payments of accounts.

The most notable increase in complaints related to disputes over access fees charged, which increased from 104 in the year 2001/02 to 796 in 2002/03. The number of complaints about billing for excess download also increased from 608 to 844 indicating that this is still a concern. This may be a reflection of the growing use of broadband services and the larger volumes of data that may be downloaded fairly quickly using these types of services.

Complaints about ISPs providing STD numbers for dial-up services decreased slightly from 480 in 2001/02 to 411. This may be the result of the growing use of

Megapops by Internet service providers. A Megapop allows consumers to dial a single number from anywhere in Australia at the cost of a local call. Repeat dial complaints, usually logged under the landline billing category, numbered 107, a slight increase on last year's total of 102.

Contracts

746 issues raised

The TIO received 746 Internet contract complaints in 2002/03, a slight decrease on the 836 received last year.

One third of Internet contracts complaints related to advice provided at the point of sale, while a quarter were about an alleged change to a contract's terms and conditions, for example the introduction of an acceptable use policy (AUP).

Contract complaints relating to dial-up Internet services were slightly higher in number than complaints about the broadband technologies – suggesting that some growth may be anticipated in this area as more consumers choose to take up broadband Internet.

Broadband

Complaints to the TIO about broadband Internet services have evolved considerably in number and type over the past few years.

In the early days, following the roll-out of cable services to residential areas and the subsequent introduction of ADSL, complaints mainly concerned delays in provision or rectification of faults or service reliability more generally. Complaints about unilateral changes to a service contract's terms and conditions and disputes about charges for excess usage increased in number as broadband providers began to limit high-end users first by enforcing Acceptable Use Policies (AUPs) and later by imposing upload and download limits.

Over the years the TIO has altered its logging of Internet service complaints as required to reflect emerging categories of broadband complaint. In 2001/02, the TIO began to record the Internet service type (dial-up, cable, ADSL, satellite) for all Internet contract, faults and provision of service complaints. In 2003/04, Internet service type will be recorded across all complaint categories.

Since 2001 the TIO has examined numerous issues peculiar to broadband services, including:

- The usability and accuracy of usage meters;
- Email notification of a change to terms and conditions;
- The definition of a gigabyte (GB);
- The application of acceptable use policies (AUPs);
- The meaning of 'unlimited';
- Customer service level guarantees and scheduled outages; and

- Balancing customer expectation with technical reality.

Several new issues emerged in 2002/03. Complaints about ADSL provisioning, for example, trebled. This corresponded with increases in landline complaints relating to declined ADSL applications due to the existence of pair gains or ANT 1 technology on telephone lines. The TIO is pleased to see that arrangements are now being made for these technologies to be replaced with single copper pairs, where possible, when a customer applies for ADSL.

The TIO also received numerous complaints from ADSL customers who had experienced delays or difficulties with service provision or faults. Complainants alleged the problems experienced were a direct result of the actions of the network provider, not their preferred ISP. The TIO does not generally investigate intra-industry complaints, but is conducting preliminary inquiries in this instance in order to minimise consumer detriment.

Complaints about disputed charges for excess usage increased in 2002/03 by 38.8%. As service type was not recorded for Internet billing complaints, it is not clear how many of these complaints were related to broadband services. Anecdotally, TIO investigation staff dealt with a far greater number of complaints about excess usage charges from broadband customers in 2002/03, an indication that consumers remain confused about many aspects of the broadband service.

In late 2002, the TIO published a Broadband Fact Sheet for consumers, the ACA published a Tool Kit for Internet Users, and SPAN established its Broadband Xchange website

to assist first-time broadband users. As the products have evolved, customer education, tools, technical support and other information-based products have improved. More value is being placed on the customer as pricing has become more competitive. The market is now pitching to inexperienced or novice Internet users, however, and it is important that improvement in consumer education is sustained.

The TIO considered the level of information available to Telstra Big Pond Broadband customers, in relation to usage, as a systemic issue in 2002/03. Since the completion of these investigations, Telstra Big Pond has introduced a more detailed usage meter for its customers (which separates upload and download). In addition, Telstra Big Pond has launched other customer education products such as an online Broadband tutorial.

Finally, the TIO's systemic investigation into the reliability of Telstra Big Pond's ADSL services continued in 2002/03. Many of the complaints handled in the investigation highlighted the frustration experienced by customers, some of whom were small businesses, who could not be certain that their Internet services would be operating from day to day. A step forward in the investigation was the introduction of Telstra Big Pond's Customer Service Level Guarantee for retail customers. It is pleasing to see that since the completion of that investigation in late 2002 the statistics indicate a vast improvement in the reliability of ADSL services as complaints relating to faults have remained relatively stable over the year, in spite of the increase of ADSL customers.

Credit Control

232 issues

Internet credit complaints increased in 2002/03 to 232, from 136 last year. Although this increase may not appear to be numerically significant, it represents an increase of 70.6%. As with the landline and mobile categories, the largest area of complaint was debt recovery, comprising 59% of total Internet credit complaints. There does not seem to be one specific factor driving the increase, other than providers across the board implementing stricter credit control practices. In many cases, complainants disputed the debt that they were being pursued for, often claiming that the account in question should have been cancelled or that the amount in question related to a disputed excess usage charge. There were also several complaints where complainants claimed to have been incorrectly or prematurely default listed with a credit-reporting agency.

Customer Service

1,744 issues raised

Customer service issues represented 20.2% of all Internet service complaints in 2002/03, making it the third highest category of complaint. 1,744 complaints were recorded, down slightly on last year's total of 1,940.

The most common causes for complaint in this category were incorrect or inadequate advice (603 complaints or 34.6% of the total), failure to action a customer request (491 complaints or 28.2% of the total), and failure to respond to correspondence (258 complaints or 14.8% of the total).

Case Study:

Internet Billing

The Complaint:

A complainant contacted the TIO after she became aware that she had been billed several thousand dollars by her Internet service provider for excess usage on an ADSL account held in her name, but used almost exclusively by her son. She stated that she believed that the charges had been incorrectly attributed to her account and asked the TIO to investigate. The complainant advised the TIO that her ISP had offered a \$1000 discount on the account as a gesture of goodwill.

TIO Response:

The TIO raised a complaint with the provider asking for evidence to substantiate its view that the complainant had been correctly billed. The ISP provided the TIO with evidence that it had sent the complainant 12 emails about her usage indicating when the usage had reached 50%, 80% and 100% of her usage limit. In addition, the provider had sent monthly bills to the complainant, bills which indicated that the usage was high. The provider also provided the TIO with its customer care notes which indicated that

the complainant did not contact it to dispute excess usage for more than 4 months. The usage reports provided by the ISP indicated that the excess usage on the customer's account stopped on the exact same day that she contacted the provider to dispute the excess usage.

The Outcome:

The provider offered to maintain its offer of a \$1000 discount on the complainant's bill. The TIO advised the complainant that on the basis of the available evidence this was a fair and reasonable resolution to the complaint, but that the TIO would be willing to continue its investigation if the complainant could explain on what basis she disputed the usage, and why she had not contacted the provider sooner. The complainant expressed her dissatisfaction with the outcome, and indicated that she did not read emails from her ISP or open her bills (as she paid by direct debit). The complainant did not provide any explanation as to why she disputed the accounts, and so the TIO exercised its discretion not to investigate the matter further.

17% of complaints in this category were made against telephone and Internet service provider, Just Internet, which went into receivership in March 2003. 294 customer service complaints were made against Just Internet from July 2002 until January 2003, at which time complaints against this company began being logged as enquiries.

Acceptable Use Policies

Acceptable use policies (AUPs) are fairly common in Internet contracts, but are also used in other telecommunications contracts for mobile phones or landline services. Initially AUPs were used by ISPs as a means of deterring bad behaviour, such as sending spam or behaving inappropriately in newsgroups – hence the adaptation of the terminology ‘acceptable use’. Over the last few years, AUPs have been used by providers as a way of ‘limiting’ consumer use of services that are otherwise understood to be ‘unlimited’. For example, many mobile providers who offer free calls between certain times, have an AUP that actually limits the number of free calls a customer can make or limits the length of those calls.

In 2002/03 the TIO conducted an industry-wide systemic investigation into ‘unlimited’ Internet plans that are subject to an acceptable use policy. Typically, the AUPs do not quantify exactly how much a consumer needs to use in time or download to be in breach of the AUP. Terminology such as ‘90th percentile’ and ‘3 times the average download’ are not uncommon – neither giving the consumer a true indication of what they can comfortably use, because they do not enable any realistic calculation to be made. In addition, the AUPs very rarely state precisely what action an ISP will take if a consumer is found to be in breach.

In the TIO’s experience this has varied from disconnection of a customer’s Internet service to speed throttling or charging for excess usage.

Complaints about AUPs are usually logged by the TIO in accordance with the action taken by the ISP when the AUP was breached, for example disconnection. However, they may also be logged under the area of Internet contracts when a complaint is received about the introduction or existence of an AUP – that is, when a consumer has not experienced any detriment at the time of their complaint as a result of the AUP.

It is the TIO’s view that the imposition of an AUP in the case of any unlimited service is a breach of Clause 6.6 of the ACIF code on Customer Information on Prices, Terms and Conditions which states that a disclaimer must not negate the principle message of advertising. The TIO believes that there is no grey area in the interpretation of the word ‘unlimited’, and takes the view that ‘unlimited’ should not be used to describe a product of any sort if it is subject to an AUP which will effectively ‘limit’ a customer’s usage. While advertising in this manner may be a way for providers to attract customers, the TIO believes that these kinds of tactics make it very difficult for consumers to determine which service will best suit their needs.

Disconnection 266 issues raised

Internet disconnection complaints have risen marginally over the last year, increasing in number from 248, accounting for 2.6% of total Internet complaints in 2001/02, to 266, or 3.1% of total Internet complaints in 2002/03.

More than half of Internet disconnection complaints related to disconnection delays. In many cases, complainants claimed they had requested the cancellation of their account, only to discover later that it had not been cancelled and that charges had continued to accrue. A further 22.5% of complaints related to a service dispute, commonly involving the disconnection of an account for an alleged breach of a provider’s acceptable use policy (AUP). The remaining disconnection complaints related to disconnection errors, such as the service being disconnected without warning or for no apparent reason.



Faults

1,775 issues raised

Internet faults complaints to the TIO declined from 2,384 in 2001/02 to 1,775 in 2002/03. Included in this category were complaints about dropouts, log-on difficulties, outages, speed and the usage meter.

63% of Internet faults complaints this year related to dial-up services, 19.9% to xDSL services, 13.9% to cable services and 2.2% to satellite services. In 2001/02, 69.6% of faults complaints were made by dial-up users, an indicator of a shift in the balance between dial-up and broadband Internet use.

Dial-up users commonly reported log-on difficulties (454 complaints) and drop-outs (385 complaints) while complaints from ADSL users were most commonly about service outages. The overall decline in complaints this year is attributable to a marked decline in complaints by dial-up users about log-on difficulties (down from 935 in 2001/02 to 454) and outages (down from 224 in 2001/02 to 60).

In investigating a faults complaint, the TIO will usually seek such information as the usage history of the customer, technical report notes and a copy of the contract from the ISP. If the complaint relates to a dial-up service, the TIO may also need to obtain information from the complainant's telephone service provider in order to ascertain whether or not the fault lies with the telephone line.

Case Study:

Internet Customer Service

The Complaint:

The complainant received her Internet and landline telephone services from the same company. Prior to embarking on an overseas trip she contacted the company's landline customer service area and advised a representative that she wanted to disconnect her telephone and suspend her Internet service. The representative agreed to action her request. Upon return the complainant found that the company had disconnected her telephone service but not suspended the Internet service and that she had been charged access fees on the account for the entire period she was away.

TIO Response:

The TIO referred the complainant back to the company in order to give them one more opportunity to address her complaint. The company refused to credit the Internet access fees because there were no notes on her Internet service account to indicate that she had requested a suspension. The company claimed she would have had to talk to a separate area to arrange for the suspension of the Internet service and that there was no evidence she had done so. The TIO escalated the complaint to Level 2.

The Outcome:

On closer examination, the company decided not to dispute the complainant's version of events and agreed to credit the disputed access fees. The company acknowledged that the complainant had contacted it in relation to the telephone service, that it had actioned a disconnection request in relation to the telephone service and that the complainant had not used the Internet account from the date she requested its suspension.

Case Study:

Internet Disconnection – Acceptable Use Policies

The Complaint:

A complainant contacted the TIO upon realizing that his Internet service provider had disconnected his service for exceeding an acceptable use policy (AUP). The complainant advised the TIO that he understood the plan to be 'unlimited' as in the advertising material it referred to no limit for time and no limit for download. The complainant advised the TIO that his provider had informed him that his service was disconnected because he was in the 90th percentile of users.

TIO Response:

The TIO has been considering the issue of 'unlimited' Internet plans that are subject to an acceptable use policy, as a systemic investigation since late 2002. In this case, the provider had been meticulous in avoiding the actual use of the word 'unlimited', but had in fact used other words such as 'no limit' which, in the TIO's opinion, would lead a reasonable person into believing that the service was unlimited. The TIO believes that unlimited plans that are subject to AUPs are a breach of clause 6.6 of ACIF's Prices, Terms and Conditions Code which states that a disclaimer should not negate the principle message of the advertising.

The Outcome:

In this case, the provider agreed that it would no longer be offering this plan to potential customers. It also indicated that long-term it intended to phase the plan out for existing customers. The complainant's account was re-connected but, in time, he was forced to reconsider his plan options.

Case Study:

Repeat Dial

The Complaint:

A small business owner advised that he disputed liability for charges received from his telephone company for 48,018 calls made via his ISDN OnRamp service. He stated that the calls had accrued when one of the two channels of his router was disconnected from its designated Point of Presence (POP) by his ISP's hardware. This resulted in the channel repeatedly dialling into the POP before the problem was rectified. The complainant provided a report from the IT consulting company that had installed the service and investigated the repeat dial problem. The report stated that no changes were made to the complainant's equipment at the time that the problem was fixed; the problem was found to lie with the complainant's ISP and was fixed when the ISP made changes to the configuration of its router. The complainant advised that he had paid the disputed charges, but believed that his ISP should reimburse him. The total of the charges in dispute was \$8088.78.

TIO Response:

The TIO asked the ISP to respond to the complainant's allegations and provide its perspective on the matter.

The ISP advised that it did not accept responsibility for the problem or charges as it had not been responsible for installing or configuring the service, but had simply "supplied the ports". It stated that if the complainant had accepted its quote to install the service the problem would not have occurred. It also alleged that the complainant's IT consulting company should have installed monitoring software sooner to identify the fault. While the ISP did agree that it had made changes to its hardware when it was made aware of the problem, it also alleged that the consulting company had changed the configuration of the complainant's router. The ISP stated that the charges were not its responsibility, as it had not been provided with sufficient information from the complainant for it to be aware of the correct configuration required at its end for the service to function as required.

The complaint was upgraded to Level 4 status and, due to the highly technical nature of the evidence presented by both parties, the TIO consulted an independent expert on ISDN services. The expert analysed the evidence and stated his view that the ISP had not configured its equipment correctly and that this had caused the

problem. The expert stated that the ISP should have been aware of the configuration required as the contract stated that the complainant would be using a 128K connection.

The TIO provided the ISP with the expert's report and advised that its preliminary view was that it should reimburse the complainant for the charges. The TIO also noted that the contract for the ISDN service stated that it would "attend to faults and restore services to full working order." However, when the complainant had first contacted it about the problem, it had referred him to his consulting company. The TIO stated that it therefore did not reasonably believe the ISP's argument that its service to the complainant was limited to supplying the ports or that the consulting company was at fault for delaying the installation of monitoring software.

The Outcome:

The ISP did not accept the TIO's view. The complaint was resolved by way of a formal determination by the Deputy Ombudsman that the ISP should pay the complainant the amount of \$8088.78 in reimbursement for the repeat dial charges that he had paid to his telephone company.

Privacy 60 issues raised

The TIO registered the same number of complaints (60) about Internet Privacy in 2002/03 as last year. Complaints involved concerns about unsolicited email (28 complaints), alleged interception of account information (15) and alleged disclosure of personal information (17). The TIO escalated just four of the 60 complaints. Two of these higher level complaints involved claims against Internet Service Providers about their role in allowing repeat spam and were resolved by inter-provider communication and blocking activity; the other two concerned allegations that companies gave unauthorised parties authority to change or access account information.

Provision 519 issues raised

Internet provisioning complaints rose considerably from 311 complaints in 2001/02 to 519 in 2002/03.

More than half of these complaints, 310, were about delays in connecting xDSL services. This is a significant increase on last year's total of 99 complaints and may be attributable to an increase in take-up of ADSL services.

A much smaller number of complaints, 106, related to dial-up Internet services, a decline on last year's total of 167 complaints. Two thirds of these complaints, 72, were made against Justified Communication (Just Internet) in the seven months to January 2003. Complaints made against Just Internet

have been logged as enquiries since January 2003. Just Internet went into receivership in March 2003.

The TIO also received numerous complaints about delays, conflicting advice, or difficulties with provisioning and faults from customers of ADSL providers. Complainants commonly alleged that the problems they experienced were a direct result of the actions of the network provider, not their preferred ISP, and asked the TIO to investigate on that basis. However, as a general rule the TIO will only log complaints against the gaining/billing provider, thus requiring the logging of complaints like these against the customer's preferred ISP. At the time of writing, these complaints are being logged as enquiries until a position can be reached that satisfies the customer and offers fairness to their ISP.



Michelle Murphy
Investigation Officer

Sarah Bendall
Investigation Officer

Bryan Spier
Enquiry Officer

Peter Jones
Investigation Officer

Completed Investigations

During 2002/03, the following systemic investigations were completed that involved code breach issues:

Hutchison/Orange Backbilling

Complaint – Orange backbilling customers for 12 months of handset fees as it had forgotten to bill them.

Relevant Code Clause – Billing Code, Clause 8.2.2

Resolution – Orange agreed that the billing did not concur with the Billing Code and reduced backbilled amounts to 190 days for all customers (including those who did not complain to the TIO).

Vodafone GPRS Mobile Data Pricing Information

Complaint – Vodafone website advertising failing to quote session minimum of 25KB.

Relevant Code Clause – PTC Code, Clause 5.1

Resolution – Vodafone altered its website advertising within 48 hours of the complaint being raised. It also agreed to revise any other type of advertising that did not cite the session minimum.

AAPT Billing for Line Rental After Service Disconnected for Non-Payment

Complaint – AAPT sent a final notice to customers stating that their service would be 'disconnected' on a specific date, but in actual fact the service was barred, not disconnected.

Relevant Code Clause – Credit Management Code, definition of 'disconnection'.

Resolution – AAPT has since revised the wording on its final notice.

B Digital – Direct Debit Practices and Air Limit

Complaint – B Digital had attempted to debit a complainant's credit card on more than 50 occasions, sometimes reducing the value of the request to an amount less than the outstanding amount, and having a transaction approved by the customer's bank as a result. In addition, customers being confused by B Digital's 'Air Limit' believing it to be a ceiling on their expenditure.

B Digital – Direct Debit Practices and Air Limit (continued)

Relevant Code Clause – Credit Management Code, clause 6.2.2

Resolution – B Digital still uses the term Air Limit but has changed the policy so it is less ambiguous. The TIO was not convinced that B Digital was acting in accordance with Clause 6.2.2 of the Credit Management Code.

Just Internet – Unauthorised Preselection Transfer

Complaint – Just Internet transferred consumers' telephone preselection without a Transfer Authorisation Form, or the customers' knowledge that they had purchased a bundled Internet/telephony package.

Relevant Code Clauses – Customer Transfer Code clauses 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.11; PTC Code clauses 15.1, 15.2, 15.3

Resolution – Just Internet made commitments regarding code compliance, but very few of the issues were resolved before it went into administration in March 2003.

Telstra Big Pond ADSL & Cable Internet – Excess Usage

Complaint – Consumers receiving large bills for excess usage being unable to verify the usage, and finding the usage meter provided by Telstra Big Pond to be unreliable.

Relevant Code Clauses – Billing Code, clauses 7.3.1 & 7.3.3

Resolution – The TIO has conducted ongoing discussions with Telstra Big Pond regarding the accuracy of its metering, and how usage may be verified. The TIO is pleased with the most recent changes made to the usage meter, and understands that Telstra Big Pond plans further advances in the near future to make excess usage fully verifiable.

Telstra Mobilenet Free SMS

Complaint – Consumer received a bill insert offering ‘Free SMS’ for the rest of the year with a disclaimer that stated: ‘Offer available to eligible customers only. SMS compatible handset required. Offer limited to one month and 100 free SMS messages per day’. The test case complainant was advised on multiple occasions when she contacted Telstra Mobilenet that she was not eligible for the offer.

Relevant Code Clauses – PTC Code, clauses 6.6, 8.1, 32.3 & guideline 2

Resolution – Telstra Mobilenet advised that the complainant was in fact eligible for the offer and that the advice she had received on multiple occasions was incorrect. Telstra advised that it would consider outlining eligibility criteria on its advertising in the future to avoid confusion.

Unlimited Internet Plans Subject to AUPs – AOL/7

Complaint – Consumer was migrated to or purchased the ‘Value Plus Plan’ believing that it had unlimited hours and download. However, if a customer was in the 90th percentile they were in breach of the acceptable use policy, and their service would be temporarily disconnected.

Relevant Code Clause – PTC Code, clause 6.6

Resolution – AOL/7 changed the wording of the AUP and will ultimately be withdrawing the plan in question from sale.

Unlimited Internet Plans Subject to AUPs – Froggy

Complaint – Froggy has an unlimited Internet plan that is subject to a fair go policy. Customers have indicated that their Internet access speed has been throttled and/or session times limited when the fair go policy is breached. Customers allege that there is no way that they can monitor download/upload, and that the plan is not unlimited if it is subject to the conditions of the fair go policy. The fair go policy states that it is a breach of policy to:

- (b) remain connected to the Internet for periods longer than 250 cumulative hours in any one calendar month, or
- (c) remain connected for an average of 10 cumulative hours per day in any week, or,
- (d) download or upload an unreasonable volume of data. Froggy has the right to manage the network in relation to customers who regularly use more than 3 times the average, download and/or upload, of the total Froggy customer base.

Unlimited Internet Plans Subject to AUPs – Froggy (continued)

Relevant Code Clause – PTC Code, clause 6.6

Resolution – Froggy still has an unlimited plan that is subject to an AUP. It has however re-worded the AUP and improved the information available about its unlimited plans such that there would be less chance of a consumer being misled in this regard.

Early Termination Fees – SIM lock (Optus)

Complaint – Consumers being charged large fees for the removal of SIM security.

Relevant Code Clause – Consumer Contracts Guideline, clause 5.1 (d)

Resolution – The TIO is not satisfied that the fee is not out of proportion with actual loss.

Early Termination Fees – Landline (Optus)

Complaint – Consumers being charged \$75 cancellation fees for landline telephony.

Relevant Code Clause – Consumer Contracts Guideline, clause 5.1 (d)

Resolution – The TIO is not satisfied that the fee is not out of proportion with actual loss.

Code Breaches

About Industry Codes

The *Telecommunications Act 1997* states that the telecommunications industry should develop codes of practice in relation to the telecommunications activities of industry participants. Code development and administration is one of the principal functions of the Australian Communications Industry Forum (ACIF). Codes are developed through a consultative process which invites participation from:

- industry members;
- consumer groups (e.g. Consumers Telecommunications Network (CTN), the Australian Consumers Association);
- regulators (e.g. Australian Communications Authority (ACA) and Australian Competition & Consumer Commission (ACCC));
- the TIO; and
- other groups or organisations that will be impacted by the code.

Working committees, consisting of representatives from some or all of these groups, draft industry codes. Once a committee has agreed on the content of a code, it is released for public comment. Public comment is then considered by the working committee, and industry and consumer group members of the working committee subsequently vote on the code. The code is then published and may be registered by the Australian Communications Authority (ACA).

Industry codes are voluntary, but once a provider has become a signatory to code, it is bound by the code rules. However, if the code is registered by the ACA, the ACA can take action on both signatories and non-signatories by using its powers under the Act to issue warnings and directions to comply with a code.

Section 114 of the *Telecommunications Act 1997* provides for the conferral of certain powers on the TIO, upon consent of the Ombudsman. In 2002/03, the TIO consented to a conferral of powers with respect to the Short Message Service Issues Code, and the Handling of Life Threatening and Unwelcome Calls Code, bringing to 11 the total number of codes now within the TIO's jurisdiction. This total includes 8 consumer codes and 3 operational codes. It is anticipated that the number of codes that the TIO handles complaints for will increase yet again in the coming year.

Code Development & Review

The TIO participated in the review of the following codes in the last year:

- Billing;
- Calling Number Display (CND);
- Credit management;
- Customer Information on Prices, Terms and Conditions (PTC);
- Complaint Handling.

The revised CND and Credit Management Codes have already been registered by the ACA. The Billing Code has been submitted for registration, while the PTC Code is still in the process of being reviewed. At the time of writing the review of the Complaint Handling Code has reached a critical stage with a division of opinion on the key issue of whether providers should record all complaints.

In contributing to the code review process, the TIO has drawn on its practical experience in dealing with code breach complaints. This experience has been invaluable to the TIO in identifying provisions in codes that were ambiguous, or that did not achieve the desired outcome. It is pleasing to note that many of the issues raised by the TIO have now been addressed in the revised codes.

In addition to participating in the review of the above codes, the TIO was also represented on the working committee that developed the Consumer Contract Guideline. This guideline was published in December 2002.

The TIO also made submissions in relation to numerous other codes that were being revised, most notably the Pre-Selection and Local Number Portability Codes. Although both of these codes are operational codes, they have a significant impact on consumers. The TIO has consequently signalled its intent to consent to conferral of power for both of these codes. It is anticipated that both of these codes will be registered by the ACA before the end of 2003.

Code Complaints

TIO Procedures

The TIO views ACIF codes as benchmarks for good industry practice. Given this, the TIO's procedures for dealing with code breach complaints do not vary for signatories and non-signatories. In December 2002, the TIO changed its methodology for reporting code breach complaints so as to differentiate between signatories and non-signatories, but this is largely for reporting purposes only and does not have any impact on the procedures for complaint investigation.

For Level 1 complaints, the TIO will make a preliminary assessment as to whether or not a code may have been breached based on the information provided by the complainant. As the TIO does not formally investigate Level 1 complaints, it will always log code breach complaints as 'possible' (for non signatories) or 'potential' (for signatories) at this level.

If there appears to have been a code breach in a complaint that is investigated at Levels 2 or 3, the TIO will raise this issue in the complaint letter to the supplier. Irrespective of whether or not the supplier is a signatory to the code in question, the TIO expects the supplier to comment on whether, having regard to the code, it believes it has acted reasonably, and what action, if any, it intends to take to remedy the matter. Suppliers are also asked to provide evidence, where possible, to support their claims.

Once an investigation has been completed, the TIO will assess all the available information to determine whether or not a code breach has occurred. The supplier is advised of the TIO's decision in the complaint closure letter.

The TIO forwards statistics on code breach complaints to the ACA and ACIF on a regular basis. If it is found that certain suppliers consistently breach certain registered codes, or certain code rules, the ACA may warn or direct those suppliers to comply with the codes in question. Failure to comply with that direction could result in action being taken against those suppliers.

In order to assist suppliers in dealing with code complaints, the TIO has produced a fact sheet for members, explaining how the TIO deals with code breach complaints. A copy of the fact sheet can be obtained from the TIO's website.

Please note: Although the TIO only began to differentiate between signatories and non-signatories in December 2002, this reporting practice has been extrapolated and applied to the full year's statistics.

Code Statistics

A total of 4,167 code breaches were recorded in 2002/03, a reduction of 616 or 12.9% from last year. The total comprises 2,264 potential and 164 confirmed code breaches against signatories and 1,644 possible and 95 established breaches against non-signatories.

Billing (24%)

There was a dramatic increase of over 200% in Billing Code complaints in 2002/03. Billing Code complaints accounted for almost a quarter of all code complaints received. Of the 1,001 Billing Code complaints recorded, 57% were against code signatories. The majority of these cases were logged as potential code breaches, with code breaches confirmed in only 12 cases. Similarly, for non-signatories there were only 8 cases where a code breach was established.

Closer analysis of the statistics reveals that the preponderance of Billing Code complaints were related to clause 7.3.1 of the Billing Code. This clause requires a supplier to ensure that charges billed to a customer are verifiable by the customer as being consistent with the suppliers published or contracted prices and discounts, and what the customer has requested, utilised or contracted to receive. Given that the TIO's largest area of complaint is disputed billing charges, it is consequently not surprising that this clause of the Billing Code featured prominently. It seems likely that the increase in Billing Code complaints may be commensurate with the increase in 190 disputed charge complaints.

Another Billing Code rule that figured in the TIO complaints, although to a much smaller extent, was clause 8.2, which deals with the timeliness of billed charges. Under clause 8.2, a supplier generally cannot bill a customer for charges that are older than 190 days from the date the charge was generated.

Credit Management (22%)

22% of code breach complaints in 2002/03 related to the Credit Management Code. The TIO received 916 complaints under this code, an increase of 211% from last year. 80% of the Credit Management Code complaints were against signatories, with 31 code breaches being confirmed.

The increase in Credit Management Code complaints mirrors the increase in credit complaints generally, and is likely to be the result of increased credit management activity within the industry, including the factoring of customer debt. The TIO's statistics indicate that there was a significant increase in Credit Management Code complaints in the December quarter, and then again in the March quarter.

Although the figures have remained relatively stable for the June 03 quarter, the numbers are still high.

In all quarters, the complaints predominantly related to clauses 6.2.2, 6.2.3 & 6.2.8 of the credit code. These clauses respectively relate to the advising of customers of numerous factors prior to taking credit management action; the giving of notice prior to disconnecting a service, and the taking of credit management action on genuinely disputed amounts.

Complaint Handling (20.4%)

Reversing the upward trend of Billing and Credit Management Code complaints, Complaint Handling Code complaints fell by 54% over the last year. That said, although the total number of complaint handling code complaints has steadily decreased over the course of the year, the number of confirmed and established code breaches has increased. While there were 90 confirmed code breaches last year (including what is now classified as established), there were 94 confirmed and 27 established Complaint Handling Code breaches recorded this year. The reason for the mixed performance of the industry in relation to this code is not clear. Whilst the substantial decrease overall is encouraging and indicates that suppliers have improved their complaint handling procedures since the ACA undertook an investigation in relation to this code last year, the increase in confirmed & established breaches may be cause for concern.

The code clauses that figure most prominently are clause 8.3, which relates to failure to record, acknowledge or respond to a complaint, and clause 8.4, which relates to failure to escalate a complaint. Each of these clauses account for approximately a third of all Complaint Handling Code complaints recorded by the TIO.

Customer Transfer (19.1%)

Complaints relating to the Customer Transfer Code decreased by 25% and went from the second largest area of code complaint to the fourth. Given this general downward trend, it is of particular concern to note that of all the codes, the Customer Transfer Code recorded the second highest number of combined confirmed and established code breaches.

In each quarter of the year, the highest number of Customer Transfer Code complaints related to suppliers failing to obtain informed consent from customers to transfer their services. The second highest number of complaints related to suppliers failing to establish the legal lessee of a service at the initial contact.

Customer Information on Prices, Terms and Conditions (PTC) (5.1%)

Complaints relating to the Prices, Terms and Conditions Code increased by 71%. Analysis of the quarterly statistics for this code indicates that the increase in complaints occurred over the last 2 quarters of the reporting period.

In each of these quarters, the majority of complaints were in relation to sections 23 and 25 of the Code. The complaints recorded under section 23 predominantly related to a failure to disclose pricing information, whereas the complaints regarding section 25 related to a failure to notify customers of early termination fees associated with terminating the service prior to the expiry of the contract term.

Commercial Churn (3.8%)

Commercial Churn Code complaints decreased by a third, accounting for only 3.8% of all code complaints this year. Most Commercial Churn Code complaints were related to clause 15.2, which requires the supplier to whom the customer is transferring their service to

advise the customer if there are any significant delays in the progress of the transfer. The TIO also recorded a number of complaints in relation to section 12 of the code, which deals with invalid churns. Most commonly, these complaints involved a supplier failing to reverse an invalid churn.

Protection of Personal Information of Customers of Telecommunications Providers (CPI) (3%)

Although complaints relating to the CPI Code constituted only 3% of all code complaints, complaint numbers increased by 188% from the previous year. The CPI Code was deregistered by the ACA in December 2001, after amendments made to privacy legislation across Australia rendered many of its provisions obsolete. The TIO continues to record complaints against the Code, with complaints recorded as either possible or established breaches only. The vast majority of complaints in 2002/03 were recorded as possible breaches, with only three complaints recorded as having been established.

All of the complaints recorded against the CPI Code related to clause 7.1, which deals with unauthorised disclosure of customer personal information.

Mobile Number Portability (MNP) (2%)

Complaints regarding the Mobile Number Portability Code reduced by 900%, falling from 866 last year to only 85 this year. There were no confirmed or established breaches recorded. As reported in the last annual report, the high number of complaints last year could largely be attributed to teething problems when mobile number portability was first introduced. The industry appears to have addressed these problems very promptly, and it is encouraging to see that no new problems seem to have emerged since then.

Other Codes

Calling Number Display continues to be a non-issue for the TIO, with only 3 complaints being recorded in the last year, down from 6 the year before. The Handling of Life Threatening and Unwelcome Calls Code was registered by the ACA in late September 2002. The TIO has since only recorded 12 complaints under this code. As the name suggests, this code deals with the procedures that a supplier must implement in order to adequately handle situations where a customer is receiving either unwelcome or threatening calls.

In December 2002, ACIF published the Consumer Contracts Guideline. The guideline aims to assist suppliers and consumers to assess whether contract terms are fair, and consequently whether they should be used. Although it is a guideline rather than a code, there is an expectation that suppliers will comply with the guideline. Consequently, the TIO treats this guideline as a code, in so far as failure to comply with the Guideline is recorded and reported upon. The TIO has only recently started to record complaints against the guideline, with 9 complaints having been recorded so far.

At the end of the reporting period, the TIO consented to conferral of power for

the SMS Issues Code. The main objective of the code is to ensure that customers who are able to receive SMS messages do not receive unsolicited SMS marketing messages.

As the code was only registered in June 2003, the TIO has not yet accumulated any relevant data.

Please note: The annual code figures included in this report vary from those reported in the TIO's quarterly bulletins during 2002/03 as the quarterly statistics do not include complaints that were closed in different quarters to when they were opened. This predominantly impacts on established & confirmed breaches.

	Potential	Confirmed	Possible	Established	Total	% of Total
Billing	562	12	419	8	1001	24.0
Credit	713	31	163	9	916	22.0
Complaint	535	94	195	27	851	20.4
Transfer	350	20	398	28	796	19.1
PTC	66	5	132	8	211	5.1
Churn	35	2	111	11	159	3.8
CPI	0	0	121	3	124	3.0
MNP	2	0	83	0	85	2.0
HLTUC	1	0	11	0	12	0.3
Contracts	0	0	9	0	9	0.2
CND	0	0	2	1	3	0.1
Total	2264	164	1644	95	4167	100.0

Complainant Statistics

The TIO seeks to limit its requests for personal information from complainants as far as is practically possible and endeavours to ensure that the National Privacy Principles are very strictly applied to every complainant in every case. That said, certain information must be collected from complainants in order, firstly, to facilitate an investigation and, secondly, to ensure the correct allocation of resources within the TIO. For example, the TIO will ask for the personal address details of the complainant and the nature and number/address of their service, and other information such as how they came to know about the TIO. Some of this information is provided to the telephone or Internet provider involved in the dispute so that it can respond to the complaint.

Profile of Complainant

92.3% of complaints to the TIO in 2002/03 were related to residential services, 6.8% to small business services, 0.7% to government services and 0.2% to services operated by charities. This represents a slight decline in small business complaints as a proportion of total complaints – a factor discussed in more detail below.

56% of complainants were male and 44% were female.

90.6% of people contacted the TIO via its toll free number and made a complaint over the phone. This is a slight decrease on the 92.9% reported last year and may be attributed to a slight increase in the proportion of complaints submitted via email, up from 2.8% to 4.5%.

Although it's not hard to see why a majority of complainants prefer to use the telephone to lodge a complaint – the TIO's call answering performance is excellent and nine in ten complaints made over the phone can be settled on the spot – it is nonetheless interesting that email is not increasing greatly in popularity.

The Complainant Satisfaction Survey conducted by Sweeney Research sought to find out why so many complainants choose to contact the TIO by telephone. The surveyors asked respondents who had contacted the TIO by telephone firstly whether they had access to the Internet and secondly whether they knew they could lodge a complaint online. Although two thirds of respondents said they had access to the Internet, only one third said they knew they could lodge a complaint online. This indicates that awareness of the TIO's online facilities is relatively low.

Indeed, "referred by" statistics collected during 2002/03 indicate that less than 3% of complainants came to know about the TIO via the Internet. By contrast, 19.2% of complainants said they came to know about the TIO via directories, including White Pages, 12.7% said they heard of the TIO via word of mouth and 11% were referred to the TIO by a telecommunications company, hopefully in accordance with the industry's Complaint Handling Code of Practice. This last statistic, however, does not accord with the finding of the Sweeney Research Complainant Satisfaction Survey that just 7% of complainants surveyed were referred to the TIO by their telephone company.

GENDER OF COMPLAINT (PERCENTAGE)

Male	56
Female	44

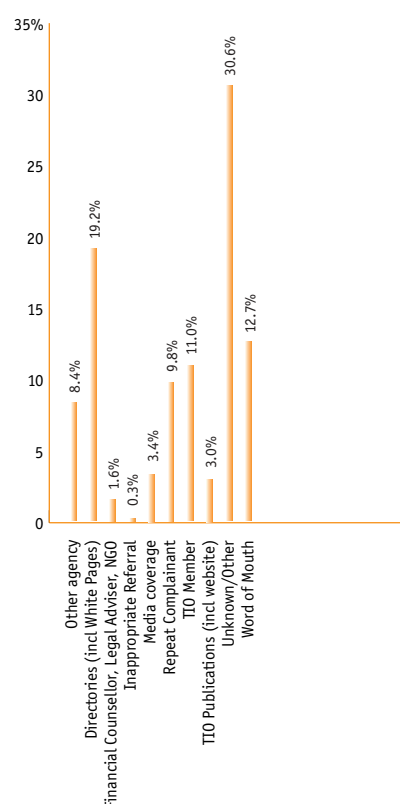
COMPLAINANT TYPE (PERCENTAGE)

Small Business	6.8
Charity	0.2
Government	0.7
Residential	92.3

METHOD OF COMPLAINT (PERCENTAGE)

Phone (1800)	90.9
Email	4.5
Letter	3.1
Fax	1.3
In Person	0.2

REFERRED BY (PERCENTAGE)

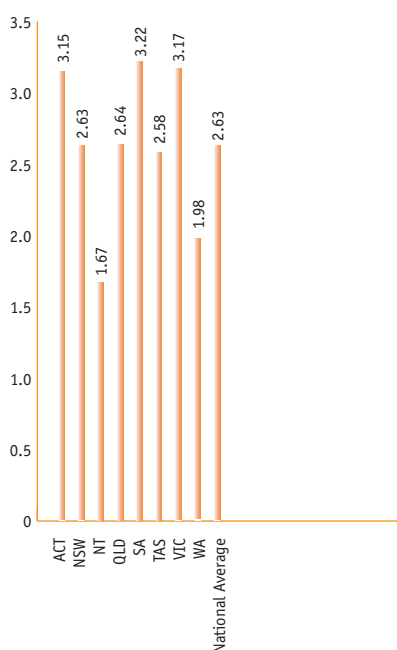


State Distribution of Complaints

The TIO uses state distribution statistics as an indication of awareness levels of the TIO across Australia. Ideally the statistics will show an even spread across Australia, indicating adequate awareness levels regardless of geographical factors. In reality, community awareness of the TIO, and of consumer rights in general, varies greatly from state to state, and is dependent on numerous factors, such as local media coverage of telecommunications issues, TIO public awareness activities in the local area, and, on occasion, the reliability and service level being offered by local telephone and Internet service providers.

The state distribution of complaints data for 2002/03 shows that the highest number of complaints per capita were received from residents of South Australia, Victoria and the ACT. Complaints from residents of the Northern Territory and Western Australia were few in comparison. Complaints from NSW, the most populous state were exactly average.

**STATE DISTRIBUTION OF COMPLAINTS
(PER 1000 POPULATION)**



City or Country

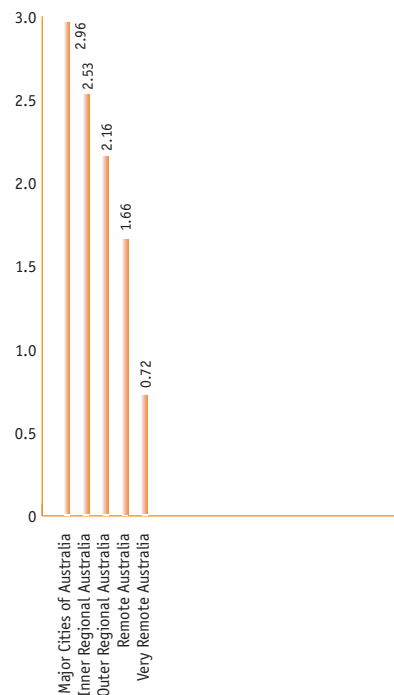
In 2002/03, the TIO became one of the first organisations to trial a new Australian Bureau of Statistics (ABS) tool allowing for classification of complaint data via the Australian Standard Geographical Classification. The data supplied by the ABS divides Australia into five broad regions – Major Cities of Australia, Inner Regional Australia, Outer Regional Australia, Remote Australia and Very Remote Australia – and distributes the TIO's complaint data according to postcode and/or locality name.

According to the ABS, the five regions represent relative remoteness in terms of how far people must travel to access a full range of goods and services. For example, people living in major cities are relatively close to a full range of services while people living in very remote areas must travel considerable distances to access some services.

The TIO's regional data for 2002/03 has been standardised according to population. The national averages for complaints by remoteness area (displayed below) shows that fewer than 1 person in every 1000 people living in the very remote areas of Australia made a complaint to the TIO in 2002/03, compared to 3 in every 1000 people living in inner regional and metropolitan areas. These figures are most likely an indication that people living in outer regional, remote and very remote areas are not as well educated about their consumer rights as people living in inner regional areas and large cities.

In the interests of tracking, and ultimately enhancing, awareness levels in regional and remote areas, the TIO intends on publishing a complete set of regionalised complaint statistics annually at the beginning of each calendar year. The first set of regionalised data was published in March 2003.

**COMPLAINTS BY REMOTENESS AREA –
NATIONAL (PER 1000 POPULATION)**



Small Business Complaints

The TIO is empowered to investigate complaints from residential and small business consumers. A business is generally regarded as small if it employs less than 20 people, however, the TIO takes a flexible approach and may exercise its discretion to investigate complaints by businesses that do not satisfy this definition. In doing so, the TIO will have regard to the following factors:

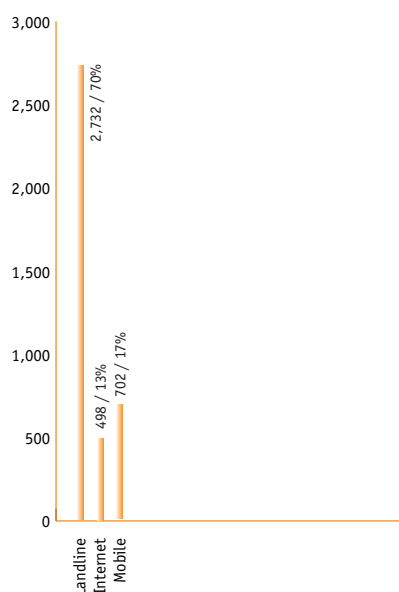
- the number of employees;
- the amount in dispute;
- the issue in dispute; and
- whether the TIO's timeframes for resolution will suit the complaint.

In 2002/03 only 6.8% of complaints, 3,932 in total, emanated from small businesses. 69.5% of these complaints were related to landline services, 12.7% to Internet services and 17.9% to mobile services. These proportions are relatively consistent with the small business statistics recorded last year, but show a slight increase in Internet complaints (up from 10.3%) and a corresponding decrease in mobile complaints (down from 19.7%).

The complaint mix for small business complaints differed markedly from the complaint mix for complaints overall. Only 81% of small business complaints were resolved at Level 1, while 12% were resolved at Level 2, 6% at Level 3 and 1% at Level 4. This is a reflection of the relative complexity of many small business complaints.

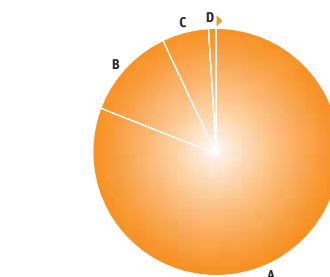
The apparent decline in small business complaint numbers is a cause for concern for the TIO and may be an indication that awareness levels amongst small businesses is declining. The TIO will be conducting a public awareness survey early in 2004 and will take careful note of the results in so far as they relate to small business owners. In the meantime the TIO will continue to look at ways to increase small business awareness of the TIO.

SMALL BUSINESS COMPLAINTS (BARS REPRESENT %, NUMERALS INDICATE TOTAL)



	Complaints	%
Landline	2,732	70
Internet	498	13
Mobile	702	17
Total	3,932	

SMALL BUSINESS COMPLAINT MIX



Type	Complaints	%
A Level 1	3,202	81
B Level 2	471	12
C Level 3	232	6
D Level 4	27	1
Total	3,932	

Member Complaint Statistics

Member specific complaint statistics are published by the TIO for all members who have received 25 complaints or more over the course of the financial year. In 2002/03, 50 TIO members received 25 complaints or more.

It is important that readers bear in mind the varying sizes of the TIO's member organisations in order to avoid making inaccurate comparisons. The TIO does not standardise its member specific complaint statistics and is unlikely to do so in the future.

Note: There were two errors in the reported statistics for all TIO members whose complaint statistics were published in last year's Annual Report (pp 63-64), neither of which affected complaint totals or subtotals. The errors are explained as follows:

1. Although the total for landline was correct, the landline credit control, landline customer transfer and landline customer service columns were transposed. The numbers reported for credit control were in fact the numbers for customer transfer, the numbers reported for customer transfer were the numbers for customer service and the numbers for customer service were the numbers for credit control.
2. Although the total for mobile was correct, the mobile credit control, customer service and faults were transposed. The numbers reported for credit control were in fact the numbers for customer service, the numbers for customer service were the numbers for faults and the numbers reported for faults were the numbers for credit control.

Complaints and Complaint Issues

There are two tables presented here. One reports on the number of complaints against a member company, and the levels at which these complaints were resolved. This provides an indication of how quickly the company was able to resolve complaints raised by the TIO.

The second table reports on the issues raised in complaints. As one complaint may raise more than one issue there are usually more issues than complaints raised against a member. Members are charged according to complaint numbers, not according to the number of issues raised.

Note: A number of complaints against telephone and Internet service providers New Tel Ltd and Justified Communications Group Pty Ltd were reclassified as enquiries after the close of a billing quarter due to the companies being placed under administration.

Complaint Levels

It is important to note that not all complaints are raised at Level 1. Land access objections, for example, are raised at Level 4 from the outset, due to the complexity and time-consuming nature of these complaints.

Complaints Against TIO Members BY ISSUE (non-standarised)

(Includes members that received 25 or more complaints in 2002/03)

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

	Total Issues	Billing	Credit Control	Customer Service	Customer Transfer	Disconnection	Faults	Privacy	Provision	Other	Total Landline		Billing	Contracts	Credit Control	Customer Service	Disconnection	Faults	Porting	Other	Total Mobile	Billings	Contracts	Credit Control	Customer Service	Disconnection	Faults	Provision	Other	Total Internet
1410 Communications Pty Ltd (t)	192	13.5	1.0	19.8	58.9	0.0	0.5	0.0	0.0	6.3	192		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
1800 Reverse Pty Ltd (t)	72	72.2	0.0	15.3	0.0	0.0	0.0	9.7	0.0	2.8	72		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
AAPT Ltd (t&i) (c)	3,720	40.5	11.3	12.1	17.5	3.4	5.8	1.6	5.9	2.1	3,161		28.7	30.4	13.4	17.5	0.9	3.9	4.1	1.1	464	56.8	3.2	2.1	13.7	5.3	16.8	2.1	0.0	95
AAPT Mobile Limited (t)	834	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		26.5	28.5	21.7	16.2	1.6	4.4	0.1	1.0	834	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
AOL/7 Online Services (i)	125	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	40.8	36.0	1.6	10.4	2.4	5.6	2.4	0.8	125
Austar Entertainment Pty Ltd (t&i)	158	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	2		37.6	23.9	12.8	11.0	1.8	10.1	0.9	1.8	109	57.4	8.5	2.1	10.6	2.1	10.6	4.3	4.3	47
B Digital Ltd (t)	760	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		35.5	29.5	11.7	12.6	1.3	7.0	0.9	1.4	760	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Bluejoy Pty Ltd (i)	50	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	12.0	40.0	0.0	14.0	0.0	34.0	0.0	0.0	50
Budgettel Pty Ltd (t&i)	69	44.9	15.9	14.5	5.8	1.4	0.0	1.4	0.0	15.9	69		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Chi Telecom Pty Ltd (t)	29	17.2	0.0	24.1	0.0	0.0	0.0	0.0	0.0	58.6	29		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Datafast Telecommunications Limited (t&i)	40	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	32.5	2.5	0.0	22.5	2.5	22.5	17.5	0.0	40
Digiplus Pty Ltd (t&i)	209	68.8	5.5	11.7	10.9	0.8	0.8	0.8	0.0	0.8	128		43.1	12.1	8.6	15.5	3.4	13.8	1.7	1.7	58	56.5	4.3	0.0	21.7	8.7	8.7	0.0	0.0	23
Dingo Blue Pty Ltd (t&i)	90	60.5	23.7	10.5	5.3	0.0	0.0	0.0	0.0	0.0	38		69.2	7.7	0.0	15.4	7.7	0.0	0.0	0.0	26	46.2	0.0	42.3	11.5	0.0	0.0	0.0	0.0	26
Direct Telecoms Pty Ltd (t)	145	28.3	0.7	12.4	20.0	0.7	5.5	0.0	0.7	31.7	145		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Dodo Internet Pty Ltd (i)	54	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	38.9	5.6	0.0	11.1	3.7	37.0	3.7	0.0	54
EFTel Pty Ltd (i)	31	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	77.4	3.2	6.5	6.5	0.0	0.0	3.2	3.2	31
Flow Communications (i) (c)	84	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	10.7	6.0	0.0	25.0	10.7	42.9	4.8	0.0	84
Hotkey Internet Services Pty Ltd (i)	73	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	58.9	12.3	1.4	15.1	2.7	5.5	2.7	1.4	73
Hutchison 3G Australia Pty Ltd (o) (c)	50	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	30		10.0	10.0	0.0	25.0	0.0	40.0	15.0	0.0	20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Hutchison Telecoms (Aust) Pty Ltd (t&i) (c) (inc Orange)	1,758	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	2		18.8	26.2	11.1	14.1	0.3	26.5	1.0	2.0	1,754	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	2
ihug (i)	260	45.5	0.0	18.2	27.3	4.5	4.5	0.0	0.0	0.0	22		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	51.7	1.7	8.0	17.6	5.0	12.2	3.4	0.4	238
iiNet Ltd (i)	191	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	31.9	11.0	1.0	20.9	1.6	26.7	5.8	1.0	191
Justified Communications Group Pty Ltd t/as Just Internet (t&i) *	1,243	10.0	0.6	12.0	73.1	1.3	0.3	0.0	0.6	1.9	309		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	21.3	5.1	0.3	31.5	1.5	32.4	7.7	0.1	934
Kooee Telecom Pty Ltd (t)	236	46.7	8.7	13.8	9.2	5.1	7.2	2.6	3.6	3.0	195		100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5	44.4	11.1	8.3	5.6	5.6	22.2	2.8	0.0	36
Look Mobile Ltd (t)	81	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		18.5	38.3	11.1	11.1	0.0	19.8	1.2	0.0	81	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
m8 Telecom Pty Ltd (o)	101	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		21.8	58.4	3.0	7.9	1.0	6.9	0.0	1.0	101	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Mobile Innovations Ltd (t)	101	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		52.5	11.9	9.9	20.8	3.0	1.0	0.0	1.0	101	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Multelink Australia Pty Ltd (t&i)	39	56.4	0.0	15.4	5.1	5.1	10.3	0.0	5.1	2.6	39		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Netspace Online Systems Pty Ltd (i)	44	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	29.5	15.9	0.0	15.9	9.1	25.0	2.3	2.3	44
New Tel Mobiles Liquidator (o)	59	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		45.8	20.3	13.6	10.2	6.8	3.4	0.0	0.0	59	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
New Tel Ltd (t) *	147	66.2	5.3	13.5	7.5	3.0	2.3	0.0	0.8	1.5	133		35.7	21.4	14.3	14.3	7.1	0.0	0.0	7.1	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Nextgen Networks Pty Ltd (o) (c)	28	0.0	0.0	3.6	0.0	0.0	0.0	0.0	0.0	96.4	28		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Optus Networks Pty Ltd (t) (c)	8,707	36.8	7.3	15.4	18.7	2.3	5.0	3.8	4.7	6.1	7,954		50.0	0.0	0.0	0.0	0.0	50.0	0.0	0.0	2	62.1	9.5	1.9	15.4	2.0	6.8	1.7	0.6	751
Optus Broadband Pty Ltd (i)	482	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	35.1	20.3	5.2	18.3	6.2	7.7	5.8	1.5	482
Optus Mobile Pty Ltd (t) (c)	4,317	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3		26.6	24.4	17.0	14.3	1.3	13.0	1.0	2.5	4,314	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
OzEmail Pty Ltd (i)	210	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	49.0	9.5	2.9	19.0	3.3	12.9	3.3	0.0	210
Pacific Internet Australia Pty Ltd (i)	33	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	39.4	15.2	6.1	6.1	6.1	21.2	6.1	0.0	33
People Telecom Limited (t&i)	170	33.3	7.6	11.4	34.8	3.0	6.1	0.0	3.8	0.0	132		32.3	32.3	19.4	6.5	6.5	0.0	3.2	0.0	31	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7
Primus Telecommunications Pty Ltd (t&i) (c)	3,520	49.4	6.9	15.7	9.2	3.3	6.6	1.5	6.0	1.4	2,415		62.0	8.0	6.0	18.0	0.0	6.0	0.0	0.0	50	51.3	9.7	4.5	18.5	5.7	9.1	1.0	0.3	1,055
RSL Com Mobile Pty Ltd (t)	1,244	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		25.2	36.9	10.9	16.0	0.7	7.9	1.4	1.0	1,244	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
RSL Com Australia Pty Ltd (t)	358	40.6	4.3	14.9	20.9	4.3	3.7	0.9	4.6	6.0	350		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	12.5	12.5	0.0	0.0	0.0	75.0	0.0	0.0	8
Southern Cross Telco Pty Ltd (t)	40	15.4	2.6	17.9	35.9	0.0	15.4	5.1	2.6	5.1	39		0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Telstra Corporation (t) (c)	25,645	39.2	14.9	14.5	1.5	1.3	10.5	2.8	9.3	6.0	20,964		31.6	22.0	12.9	16.3	0.9	12.3	0.9	3.0	4,664	41.2	0.0	5.9	41.2	0.0	5.9	5.9	0.0	17
Telstra Big Pond (i)	3,105	50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	33.2	6.1	2.3	21.5	2.1	24.4	9.2	1.1	3,103
TPG Internet Pty Ltd (i)	218	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	25.2	6.4	0.5	20.2	0.9	39.9	6.9	0.0	218
TransACT Capital Communications Pty Ltd (t&i) (c)	91	20.9	2.3	12.8	16.3	0.0	7.0	3.5	9.3	27.9	86		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	20.0	40.0	0.0	0.0	0.0	20.0	20.0	0.0	5
United Customer Management Solutions Pty Ltd (t)	118	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		28.0	30.5	16.1	11.0	3.4	9.3	0.0	1.7	118	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Virgin Mobile (Australia) Pty Ltd (t)	300	0.0	0.0	0.0																										

Complaints Against TIO Members BY LEVEL (non-standardised)

(Includes members that received 25 or more complaints in 2002/03)

(t) = telephone service provider

(i) = internet service provider

(o) = other

(c) = holds carrier licence

	Total number of complaints	Level 1	Level 2	Level 3	Level 4
1410 Communications Pty Ltd (t)	169	92.9%	5.9%	1.2%	0.0%
1800 Reverse Pty Ltd (t)	68	98.5%	1.5%	0.0%	0.0%
AAPT Ltd (t&i) (c)	3,280	84.8%	11.5%	3.7%	0.1%
AAPT Mobile Limited (t)	717	87.3%	10.5%	2.2%	0.0%
AOL/7 Online Services (i)	121	86.8%	9.1%	4.1%	0.0%
Austar Entertainment Pty Ltd (t&i)	142	93.7%	4.9%	1.4%	0.0%
B Digital Ltd (t)	656	92.8%	5.2%	1.8%	0.2%
Bluejoy Pty Ltd (i)	38	94.7%	2.6%	2.6%	0.0%
Budgettel Pty Ltd (t&i)	65	92.3%	6.2%	1.5%	0.0%
Chi Telecom Pty Ltd (t)	27	100.0%	0.0%	0.0%	0.0%
Datafast Telecommunications Limited (t&i)	34	82.4%	8.8%	5.9%	2.9%
Digiplus Pty Ltd (t&i)	191	95.3%	3.7%	1.0%	0.0%
Dingo Blue Pty Ltd (t&i)	77	87.0%	10.4%	2.6%	0.0%
Direct Telecoms Pty Ltd (t)	125	91.2%	6.4%	2.4%	0.0%
Dodo Internet Pty Ltd (i)	49	93.9%	6.1%	0.0%	0.0%
EFTel Pty Ltd (i)	27	85.2%	11.1%	3.7%	0.0%
Flow Communications (i) (c)	69	97.1%	2.9%	0.0%	0.0%
Hotkey Internet Services Pty Ltd (i)	70	71.4%	18.6%	10.0%	0.0%
Hutchison 3G Australia Pty Ltd (o) (c)	45	82.2%	0.0%	4.4%	13.3%
Hutchison Telecoms (Aust) Pty Ltd (t&i) (c) (inc Orange)	1,515	88.6%	8.3%	3.0%	0.1%
ihug (i)	217	90.8%	7.8%	1.4%	0.0%
iiNet Ltd (i)	159	86.2%	11.9%	1.9%	0.0%
Justified Communications Group Pty Ltd t/as Just Internet (t&i)	1,067	84.9%	12.6%	2.5%	0.0%
Kooe Telecom Pty Ltd (t)	195	91.3%	7.2%	1.5%	0.0%
Look Mobile Ltd (t)	78	91.0%	7.7%	1.3%	0.0%
m8 Telecom Pty Ltd (o)	92	92.4%	7.6%	0.0%	0.0%
Mobile Innovations Ltd (t)	87	95.4%	4.6%	0.0%	0.0%
Multelink Australia Pty Ltd (t&i)	36	94.4%	5.6%	0.0%	0.0%
Netspace Online Systems Pty Ltd (i)	42	95.2%	4.8%	0.0%	0.0%
New Tel Mobiles Liquidator (o)	52	88.5%	11.5%	0.0%	0.0%
New Tel Ltd (t)	246	85.0%	9.8%	4.9%	0.4%
Nextgen Networks Pty Ltd (o) (c)	25	64.0%	4.0%	20.0%	12.0%
Optus Networks Pty Ltd (t) (c)	7,627	86.4%	10.2%	3.3%	0.1%
Optus Broadband Pty Ltd (i)	424	85.6%	12.0%	2.4%	0.0%
Optus Mobile Pty Ltd (t) (c)	3,771	88.0%	9.4%	2.6%	0.0%
OzEmail Pty Ltd (i)	187	82.9%	12.3%	4.8%	0.0%
Pacific Internet Australia Pty Ltd (i)	25	100.0%	0.0%	0.0%	0.0%
People Telecom Limited (t&i)	150	73.3%	15.3%	10.0%	1.3%
Primus Telecommunications Pty Ltd (t&i) (c)	3,012	90.4%	7.5%	2.0%	0.0%
RSL Com Mobile Pty Ltd (t)	1,075	90.3%	8.3%	1.4%	0.0%
RSL Com Australia Pty Ltd (t)	314	84.1%	8.6%	6.1%	1.3%
Southern Cross Telco Pty Ltd (t)	32	100.0%	0.0%	0.0%	0.0%
Telstra Corporation (t) (c)	23,136	89.4%	7.8%	2.6%	0.2%
Telstra Big Pond (i)	2,622	87.3%	9.3%	3.3%	0.1%
TPG Internet Pty Ltd (i)	183	88.0%	8.7%	2.7%	0.5%
TransACT Capital Communications Pty Ltd (t&i) (c)	84	90.5%	8.3%	1.2%	0.0%
United Customer Management Solutions Pty Ltd (t)	103	84.5%	13.6%	1.9%	0.0%
Virgin Mobile (Australia) Pty Ltd (t)	253	91.3%	5.5%	3.2%	0.0%
Vodafone Pacific (t)	1,416	94.3%	4.9%	0.8%	0.0%

Glossary

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* and the *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

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.

ADR (Alternative Dispute Resolution)

Any means of settling disputes outside of the courtroom. The TIO is an ADR body.

ADSL (Asymmetric Digital Subscriber Line)

A type of xDSL service, ADSL is a technology that uses an ordinary phone line (a copper pair) and allows for Internet and voice to be used simultaneously.

AMTA (Australian Mobile Telecommunications Association)

The national industry body representing the mobile telecommunications industry in Australia.

ANT1

Technology that allows a single phone line to be split into two or more separate lines via a box (an ANT1 box) placed at the customer's premises.

Backbilling

Billing by a service provider for calls or services provided prior to the current billing period. Backbilling is now governed by the ACIF Billing Code.

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.

Broadband

Broadband is a general term that refers to high speed connections such as cable, xDSL and satellite. For broadband services, Internet access is not time-based as it is an "always on" connection, the exception being the uplink for satellite.

Carrier

An organisation that 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 type of digital mobile service different to GSM digital. CDMA replaced the analogue service.

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. The TIO gathers data on code compliance for the ACA.

Complaint

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

Complaint Levels

The TIO's classification to distinguish complaints based on complexity or severity. Level 1 complaints are the simplest, Levels 3 and 4 the most complex.

Connect Outstanding

Where there is a delay in the connection of an in place service by a new tenant because the service is still active and leased by another service provider.

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 interest groups. 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.

Dumping

The term used to describe the process by which, as a result of clicking on a link or downloading certain software from a website, an Internet user's modem is disconnected from the local ISP without their knowledge and directly connected to an international or premium rate number.

Enquiry Officer

TIO staff member who handles written and verbal Level 1 complaints.

GSM (Global System for Mobiles)

A digital mobile phone system.

Investigation Officer

TIO staff member who handles written and verbal enquires and Level 1 complaints in addition to investigating and resolving higher level 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.

MNP (Mobile Number Portability)

Mobile number portability (MNP) was introduced in Australia on 25 September 2001. It allows mobile customers to keep their existing mobile telephone number when they change service providers.

PABX (Private Automatic Branch Exchange)

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

Pair Gain

Digital technology that allows a single phone line to be split into two or more lines at the exchange. Also known as 'RIM' technology.

Port

The process by which a customer's telephone number is transferred to another carrier's network.

Resolution

A complaint outcome found by the TIO which is deemed by the TIO to be fair and reasonable in the circumstances.

Service Provider

A carrier or carriage service provider which 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.

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.

Member List as at 30 June 2003

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

Internet Service Provider

	Date joined		
#1 Computer Services Pty Ltd	4/04/2000	AOL/7 Online Services	20/10/1998
1990 Multiline BBS Pty Ltd	8/09/1998	APJ Net Pty Ltd	23/05/2003
2000 Computers and Networks	14/06/2001	Aquarius Communications	3/11/1997
21st Century Pty Ltd	1/07/1997	Arachnet Pty Ltd	24/08/1998
A Y Communications	22/10/1997	Arafura Connect Pty Ltd	11/09/2002
AAA Communications Pty Ltd	6/06/2002	Arcadia Technology	10/12/1997
AAC Internet	15/01/2001	Ardebil Pty Ltd	21/07/1998
Aardvark Internet Australia	21/08/2000	Argonaut Internet Service	21/07/2000
Ablaze Internet Technologies Pty Ltd	30/09/1999	Asia Global Crossing Australia Pty Ltd	11/09/2001
Access Blue Lagoon Internet Services Pty Ltd	9/12/1998	Atlare Pty Ltd	3/07/2002
Access Internet	1/07/1997	ATS International t/as Sunshine Network	14/10/1997
Access Net Internet Services Pty Ltd	25/05/2002	Auction Classifieds Pty Ltd	10/09/2002
Access Only Pty Ltd	14/04/2003	Aussie Paradise Designs	11/06/2002
Access Plus Pty Ltd	24/04/2001	Australia Connect Pty Ltd	21/07/1998
Access Providers Pty Ltd	6/01/2003	Australia Internet Solutions Pty Ltd	13/10/1997
Accsoft Computer Technology Pty Ltd	27/10/1997	Australia On Line Pty Ltd	25/03/1998
Accsys IT Pty Ltd	21/02/2002	Australian Bowhunters Journal Pty Ltd	15/10/1998
Ace Internet Services Pty Ltd	1/09/1997	Australian Corporate Information Solutions	17/03/2003
Ace Online Pty Ltd	21/07/1998	Australian Inland	21/03/2003
Acenet Internet Services	18/01/1999	Australian Regional Technology Information Services	21/11/2002
Acepia	23/04/1998	AustraliaNet IT Pty Ltd	14/03/2000
ActewAGL Retail	7/06/2001	Australis Internet Pty Ltd	22/09/2000
Activ Australia Pty Ltd	20/10/1998	Auzynet Pty Ltd	1/02/2002
ADAM PTY. LTD	15/10/1997	Avon Global Communications	21/07/1998
Admac Nominees Pty Ltd	26/04/2002	AW Communications Pty Ltd	11/03/2003
Admit Internet	7/02/2003	Awafith Pty Ltd	6/09/2000
ADNET Holiday Coast Internet	7/08/1998	Banana Shire Council	17/05/1999
Advanced Internet Services Pty Ltd	21/07/1997	Barcode Solutions Pty Ltd	23/09/1999
Affinity Corporation Pty Ltd	29/08/2002	Barroband Pty Ltd	14/08/1998
Albury Local Internet Pty Ltd	30/11/2000	Batemans Bay Connect	16/12/2002
Allnet	23/06/1998	Beretvale Pty Ltd	23/06/1999
Allstate Computers	18/01/1999	BeSecure Pty Ltd	18/05/2000
Alpha Dot Net Australia Pty Ltd	31/10/1997	Betterlink Pty Ltd	21/12/1998
Alphalink Australia Pty Ltd	1/07/1997	Beyond Net Pty Ltd	2/05/2002
Alphawest Pty Ltd	9/07/1998	Big Button Pty Ltd	14/01/1998
Alphernet Pty Ltd	26/06/1998	BigAir Australia Pty Ltd	25/11/2002
Always Online Pty Ltd	29/01/2001	Bigfoot Internet Pty Ltd	2/01/2002
Amaze Technologies Pty Ltd	6/10/1997	Bilby Internet Service Pty Ltd	20/03/2003
Amisoft	13/11/1997	Bizyweb Internet Services	25/07/2002
Analyst Programmers Pty Ltd	22/07/1999	BKB Computer Services	29/08/2002
Annexion	24/05/1999	BLR Investments Pty Ltd	31/10/2002
ANR Billing	24/03/2003	Blue Mountains Internet	4/05/1998
ANS Communications Pty Ltd	2/04/1998	Blue Net Pty Ltd	19/11/2002
		Bluefire Corporation Pty Limited	28/06/1999
		Bluejoy Pty Ltd	18/02/2002
		BluIce Technology	31/01/2000
		BMU Pty Ltd	22/10/1997
		Bordnet Internet Pty Ltd	23/06/2003
		Brisbane City Council	4/10/2002
		Brisbane Public Access Network Association Incorporated	25/03/1999
		Broadcast Engineering Services (Australia) Pty Ltd	19/09/2002
		Broadnet Pty Ltd	16/07/1999
		Broadway Internet	26/04/2002
		Bucan Holdings Pty Ltd	1/07/1997
		Bytecard Pty Ltd	11/12/1997
		C1 Consulting Pty Ltd	18/10/2002
		Cairnsnet Pty Ltd	22/01/2001
		CanTech Online	28/09/1998
		CD Computer World Pty Ltd	17/03/2000
		Central Coast Internet Pty Ltd	13/11/1997
		Central Online Pty Ltd	10/09/2001
		Central-Data Pty Ltd	3/11/2000
		Cerum Pty Ltd	1/08/2002
		Chariot Internet Ltd	30/10/1997
		Cherry Access Pty Ltd	1/09/1997
		Cherry Technology Pty Ltd	8/06/1999
		Chilli Internet Solutions Pty Ltd	26/03/1998
		Christian ISP	15/05/2003
		Cimtec Pty Ltd	14/10/1997
		Citisystems (Aust) Pty Ltd	7/05/1999
		Citylink Technology Pty Ltd	4/08/1999
		ClariNET Internet Solutions Pty Ltd	25/07/1997
		Clockwork ISP Pty Ltd	31/03/2003
		Clover Computing	10/06/1998
		Club Australasia Pty Ltd	9/11/2001
		ClubNet International Pty Ltd	18/01/1999
		CNN Internet Pty Ltd	29/06/2000
		Comaxes Corporation Pty Ltd	29/06/1999
		ComCen Internet Services	17/07/1997
		Commerce Australia Pty Ltd	3/04/1998
		Communicat Investments Pty Ltd	1/07/1997
		Communications Factory Pty Ltd	10/11/1999
		Compass Net	9/07/1998
		Computer Connect Wireless Network	15/04/2002
		Computer Systems Support (Mackay) Pty Ltd	23/05/2000
		Computers Now Pty Ltd	9/08/2002
		Computing Success	10/06/1999
		Comstar Internet Services Pty Ltd	12/02/2003
		Comstech Systems	23/04/2003
		Conceptual Internet Australia Pty Ltd	3/07/2000
		Connect Internet Solutions Pty Ltd	1/07/1997
		Contal Information Technology Pty Ltd	12/06/1998
		Copper Road Pty Ltd	7/10/2002
		Corinthian Engineering Pty Ltd	6/04/1998
		Corpita Pty Ltd	15/04/2003
		Coscom Technology	16/04/1999
		Cougar Access Pty Ltd	13/12/1999

Country Energy	9/12/2002	Eaglecom Pty Ltd	1/12/1998	Fujitsu Australia Ltd	7/01/1998
Cowsnet	23/01/2001	Eastcoast Internet	10/07/1999	Futureweb Pty Ltd	9/07/1998
CQ Net Pty Ltd	22/03/2002	Easynet Pty Ltd	28/11/1997	Fuzion Pty Ltd	4/04/2001
Cross Link Pty Ltd	28/05/2002	Echobreeze Pty Ltd	20/01/2003	Gameexpress Glen Waverley Pty Ltd	21/06/2002
Crystal Internet Services	4/01/2000	Ecite Internet Pty Ltd	28/06/2001	Geecko	21/05/2002
CSI Holdings Pty Ltd	18/07/1997	ECK Computers Pty Ltd	20/03/2003	Geelong Science & Technology Centre	14/05/1998
CybaNet Internet Services Pty Ltd	28/03/2002	ECN Pty Ltd	13/03/2003	Gel Works Pty Ltd	22/07/1999
Cyber38 Networks	20/08/2001	Ecopost Pty Ltd	4/08/1997	Generation IT	7/03/2003
Cyberlink Network	28/06/1999	EFtel Pty Ltd	2/01/2001	Genisyst Pty Limited	1/07/1997
Cybernet International	16/02/2000	Eftel Radio Pty Ltd	6/05/2002	Genuity, Inc.	10/07/2000
Cybernet Internet Services	2/10/2000	EHCS Internet Services	31/08/1999	getonit.com.au	13/01/2000
Cybernet Pty Ltd	9/12/1998	Elmtree Consulting Services Pty Ltd	28/05/1999	GKY Internet	1/07/1997
CyberOne Pty Ltd	3/09/1997	Elu Information Systems Pty Ltd	27/10/1997	Global Corporate Net	7/06/2001
Cyberspace Corporation Pty Ltd	2/12/1997	Emerge Technologies Pty Ltd	15/11/1999	Global Dial Pty Ltd	3/05/2000
Cyberwizards Group Pty Ltd	27/09/2000	Emmaus College	18/09/1998	Global Wire Internet Pty Ltd	5/07/2000
D & M Technologies Pty Ltd	2/04/2001	Enet 21 Pty Ltd	10/01/1999	GlobalCenter Pty Ltd	27/08/2002
D L & L M McDonagh t/as Telegraph Road Partnership	31/05/2002	Enhanced Design and Information Technology Group	4/01/2003	GoConnect Australia Pty Ltd	25/11/1999
D.E Baldock & R.D Baldock, t/as Rocket Web	9/04/2003	Enter Net Australia Pty Ltd	12/06/1998	Godian Enterprises	7/07/2000
Dali Creations	5/01/2003	Enterprize Internet Services	30/11/1999	Golden Orb Technologies Pty Ltd	19/12/1997
Data Consulting Group Pty Ltd	1/04/2003	EON Technology Pty Ltd	18/05/1998	Goldlink Internet Services Pty Ltd	26/01/2002
Data FX Online Pty Ltd	18/06/2003	Escape Communications Pty Ltd	9/08/2002	Goldweb Internet	14/01/2003
Datalan Australia Pty Ltd	16/06/2003	Escape.Net	12/01/1998	GPC Pty Ltd	30/11/1998
DAYTEC Australia Pty Ltd	20/02/2000	EtherTech Pty Ltd	2/06/1999	GPM Internet Pty Ltd	3/04/2003
DCS Internet	15/10/1997	Etherwave Networks Pty Ltd	1/07/2002	GPS Systems Pty Ltd	12/05/1998
DDA Pty Ltd	7/12/1999	ETT Access Pty Ltd	19/03/2002	Gratesand Pty Ltd	20/11/1998
Design Online	31/03/2000	Evanscorp Pty Ltd	2/11/2001	GreenBay Communications Pty Ltd	17/04/2003
DesiIn Pty Ltd	27/04/1998	Exceed Systems		Greenhatch Nominees Pty Ltd	17/06/1999
Dezza Net Pty Ltd	1/06/1998	Integration Pty Ltd	14/03/2000	Hande.com.au	1/04/2003
Diamond Computer Pty Ltd	8/09/1999	Export Mission Information Systems Pty Ltd	10/01/2000	Hanod Investments Pty Ltd	29/08/2001
Didjinet Interactive Group Pty Ltd	6/11/2002	Express Publications Pty Ltd	23/02/2000	HAQ IT Pty Ltd	24/03/1999
Diggy Australia Pty Ltd	13/09/1999	EXPRESSNET	28/02/2000	Hawk Link Pty Ltd	25/02/2002
Digimedia Pty Ltd	30/08/2002	EZ Web Pty Ltd	23/10/2001	Hawknet Internet Services	7/09/1999
Digital Dreams	8/10/2002	Ezylink	19/01/1999	Here There and Everywhere Pty Ltd	5/04/2000
Dodo Internet Pty Ltd	10/09/2001	F1 (Formula One) I nternet Services	18/01/1999	Hermes Internet	24/07/1997
Domain Business Network Systems	23/05/2003	F1 Computer Services	16/06/1999	Highlands Internet Pty Ltd	21/12/1997
Domain Link	2/09/1999	Fasternet.com.au	14/03/2000	Highlevel Innovations Pty Ltd	11/03/1998
Dot Communications Pty Ltd	2/10/1997	Female Technologies	26/06/2003	Highway Internet Services Pty Ltd	3/07/2001
Dot CX Limited	26/03/2001	Firestar Internet Pty Ltd	4/07/2001	Hisloria Pty Ltd	2/10/2000
DotAussie.com	1/04/2003	First Link Communications Pty Ltd	4/01/2000	Hissey & Associates Pty Ltd	6/01/2003
dotnet dotau Pty Ltd	20/09/2002	First Link Internet Service Pty Ltd	1/07/1997	Hitech Support Pty Ltd	23/06/2002
DoveNetQ	15/08/1997	Fleet Broadband Holdings Pty Ltd	9/05/2003	Homeport Pty Ltd	15/04/2002
Down Under Consultants Pty Ltd	12/05/1998	Flow Communications	10/05/1999	Horizen Enterprises Pty Ltd	8/09/1999
Dragnet Internet Services Pty Ltd	26/11/1997	Flownet Access	29/08/2000	Hot-Link DDS	15/07/1999
E C & P Electronic Components & Peripherals	2/02/1999	Foundation IT Services Pty Ltd	22/07/2002	Hotkey (Bendigo) Internet Services	19/12/2002
E-Access Broadband	3/03/2003	Fox All Service Pty Ltd	24/08/1998	Hotkey Glen Waverley Pty Ltd	7/05/2003
E-Sharp Technology Pty Ltd	6/08/2002	Freemate Networks	1/09/1999	Hotkey Internet Services Pty Ltd	29/10/1997
E-Vision Internet Services	8/11/1999	Freenet Australia Pty Ltd	6/08/1999	Hotkey West Pty Ltd	8/05/2003
E2F Pty Ltd	25/08/1998	Freshwater Group Pty Ltd	2/05/2002	HTML Net	9/07/1998
EA & N Ives t/as Far North Internet	26/06/2003	Frog Net Australia Pty Ltd	24/08/1999	Hudson Data	2/03/1999
		Frontier ISP Pty Ltd	6/04/2001	HunterLink Pty Ltd	16/09/1997
				Hylinx	9/01/2003

Hyper-Drive Technologies Pty Ltd	15/09/2000	Justnet Pty Ltd	11/08/1998	MidKnight Computers	24/09/2002
I P 1 (Australia) Pty Ltd	22/05/2002	JWC Internet Services	15/07/2002	Mightynet.com	21/08/2002
I&TC Solutions Pty Ltd	28/07/2000	Karratha Internet		Mikka International Pty Ltd	23/07/1997
I-magnet.com Pty Ltd	21/03/2001	Support Services	14/01/2000	Mindvision Interactive Pty Ltd	20/08/1997
Ideal Internet Pty Ltd	13/07/2001	Kern Internet Providers	24/08/1998	Minerva Micro Pty Ltd	2/04/1998
IDXNET Computing Pty Ltd	3/12/1997	Kevin Thompson & Kim Richardson		Minopher Pty Ltd	31/12/1997
iForm	21/07/1997	t/as Alias Internet	6/02/2002	Modern Pty Ltd	16/11/1999
ihug	2/03/1998	Key Point Pty Ltd	1/07/1997	Monkeybong Enterprises	23/07/2002
iiNet Ltd	25/08/1998	KIDZ.NET National Pty Ltd	9/02/2000	Mr Bean's Internet	11/09/1998
Immortal Technology Pty Ltd	9/12/1998	King Island Internet Service	12/08/1999	Mudgee Internet	19/05/1998
Impaq Australia Pty Ltd	21/05/1999	L.I.S.P Pty Ltd (Local Internet		Mullumbimby Access Point Pty Ltd	17/09/1998
Independent Computer Retailers	11/01/2000	Service Provider)	8/01/1998	Multibase Web Australis	1/07/1997
Independent Service Providers		Laguna Computers Pty Ltd	4/04/2000	Multie Technology	
Pty Ltd	14/09/2001	Lamp Internet Pty Ltd	7/08/2001	Distribution Pty Ltd	29/12/1997
Information Systems Technology		Launch Pty Ltd	1/07/1997	Mustangnet	11/07/2001
Network Pty Ltd	15/05/2000	Laymen Pty Ltd	31/10/2000	My ISP Australia Pty Ltd	28/02/2003
Informed Technology	28/08/1998	Leading Edge Computers Kempsey	21/12/1999	myinternet Ltd	1/07/1997
inspired net	7/05/1998	Leading Edge Internet Pty Ltd	2/07/2001	MyWorld Communications	27/04/1998
Inspired Networking	18/01/1999	Ledamark Pty Ltd	6/10/2000	Nanoetek Pty Ltd	30/04/2003
Integrated Data Labs Pty Ltd	1/09/1999	Life Changing Strategies	26/02/2003	Nareg Internet Pty Ltd	30/08/2001
Integrity Network		Linkit Internet Services	10/11/1998	NEC Australia Pty Ltd	2/08/2002
Solutions Pty Ltd	21/02/2003	Linknet Internet Service Providers	16/03/1999	Neon Internet	14/02/2003
Intek Pty Ltd	21/08/2000	Linux Consultants Pty Ltd	18/01/1999	Net Solutions Pty Ltd	16/07/1999
Intelogy Pty Ltd	19/05/2003	Lismore Internet Services	1/07/1997	Net.Neighbourhood Pty Ltd	29/10/1998
Interact Broadband Pty Ltd	2/04/2003	Livewire Communications	29/01/1999	Net2000 Pty Ltd	14/07/1998
Interact Computer Centre	15/10/1998	Locall Pty Ltd	27/05/2002	Netadvantage Pty Ltd	28/01/2003
Interactive Globalnet		Lockyer Internet Pty Ltd	2/12/2002	Netbay Internet Pty Ltd	2/01/2001
(IGN) Pty Ltd	10/11/1997	LoginDSL	9/12/2002	NetCentral.com.au Pty Ltd	14/08/2000
InterDomain Pty Ltd	1/01/1998	Longford Internet	13/07/1999	Netcomplete Pty Ltd	25/10/2001
InterNet Australis	1/02/2000	Loudshout! Pty Ltd	31/10/2002	Netcore Pty Ltd	1/07/1997
Internet Depot	1/06/1999	M Power Technologies Pty Ltd	25/03/2003	NetExcel	4/08/1997
Internet on the Coast Pty Ltd	1/07/1997	M2 Broadband Pty Ltd	13/05/2003	Netforce Pty Ltd	14/12/2001
Internet Plus Pty Ltd	11/11/1997	Mackay Computer Services Pty Ltd	11/02/2000	Netlink Global	1/08/2002
Internet Service Providers Pty Ltd	1/07/1997	Madec	9/03/2001	Netmagic Internet	25/07/2002
Internet Victoria Pty Ltd	28/10/1997	MainLink Internet Services	27/10/1999	Netmail Access Pty Ltd	7/06/1999
Internet Whitsunday Pty Ltd	19/03/2003	Malleenet Internet Providers	7/07/2000	Netmastery Pty Ltd	23/08/1999
InternetWA Pty Ltd	16/06/1998	matra.com.au Pty Ltd	5/01/1998	Netracom	11/02/1999
InterNex Australia Pty Ltd	10/03/1998	Maxi Internet Services Pty Ltd	23/04/2002	NetServ Pty Ltd	1/12/1998
Internode Systems Pty Ltd	1/07/1997	Maytel Internet	26/04/2001	Netspace Networks Pty Ltd	13/09/2002
Intertask Pty Ltd	6/06/2003	McGregor Australia Pty Ltd	24/05/2002	Netspace Online Systems Pty Ltd	1/07/1997
Interwerks Pty Ltd	7/12/2001	McPherson Media Pty Ltd	21/01/1998	Netway Technologies Pty Ltd	13/05/1998
Intrapower Pty Ltd	29/07/1998	MedEmail Pty Ltd	18/05/2000	Network Computer Training Pty Ltd	15/11/2000
IPN Operations Pty Ltd	27/02/2003	Megalink Australia Pty Ltd	29/04/2003	Network Technology (Aust) Pty Ltd	20/05/2002
Isage	7/06/1999	MEL Productions Pty Ltd	15/11/1999	Networks Multimedia Pty Ltd	26/03/2001
IT Systems Management Pty Ltd	21/05/2003	Melbourne PC User Group Inc	13/10/1997	netXP	8/10/2002
ITConnect Internet		Melzen Pty Ltd	19/06/1998	NetYP	10/11/1998
Services Pty Ltd	20/08/2002	Merlin Internet Services	11/04/1999	New Approach Systems & Software	24/11/1998
J M Internet Services	22/10/2001	Metro Net Corporation Pty Ltd	28/03/2001	New Millennium Networking	19/02/2001
Jamida	17/03/2000	Michael Bowe Pty Ltd	16/07/1997	Newman Pty Ltd	19/02/2003
Jaspar Solutions	19/01/2001	MICHAEL PARNELL PTY LTD	10/09/1999	Nexacom Pty Ltd	16/07/1999
Jeack Pty Ltd	8/10/1998	Microed Pty Ltd	1/06/1999	Next Century Australia Pty Ltd	20/04/1998
Jigsaw Technology Pty Ltd	20/04/1998	Micronet Internet Pty Ltd	21/03/2003	NISG Pty Ltd	12/04/2002
JM Grant & AJ Ridgway,		Micronica	30/04/1998	No More Wires.com Pty Ltd	31/10/2000
t/as Maxnet Internet Services	6/05/2003	Microsystems Support	18/12/1997		
Joy Net	20/08/2001				

Nomlas Pty Ltd	17/06/1999	PC Oznet Pty Ltd	8/06/1999	Rimmer Trading Pty Ltd	30/10/1997
Nornet Enterprises Pty Ltd	29/08/2002	pcProfessionals	6/01/1998	Rimway Holdings Pty Ltd	21/11/2002
North East Telecommunications Co-operative Ltd	24/01/2003	Peakhour Australia Holdings Pty Ltd	21/05/2001	Ripnet	25/05/1999
North Link Communications Pty Ltd	10/02/2003	Peevee Software Solutions Pty Ltd	7/08/2002	Risetime Media Pty Ltd	1/07/1997
Northern Exposure Technologies Pty Ltd	10/12/1997	Penalva Pty Ltd	12/05/2003	RO Computer Services Pty Ltd	17/11/1997
Northern Rivers Gateway	1/07/1997	Petersen's Online Services	4/12/1998	ROK Technology Pty Ltd	20/01/2000
Notunseen Pty Ltd	15/05/2002	Plan B Internet Services Pty Ltd	30/03/1999	Rubix Computers Pty Ltd	14/05/1999
NT Technology Pty Ltd	27/08/1998	Planet Netcom Pty Ltd	22/08/1997	Rural Business Machines Pty Ltd	3/02/1998
NTT Australia IP Pty Ltd	30/03/1998	Platform Computing Pty Ltd	9/03/2000	SA Country Club II BBS	17/02/1999
NTT Australia Pty Ltd	31/03/1998	Porternet.com.au	11/12/2000	Saints PC Pty Ltd	31/05/2002
Nvision Pty Ltd	27/08/1999	Portolan Pty Ltd	27/05/1999	Salient Enterprises Pty Ltd	14/05/2003
Octa4 Pty Ltd	28/01/1998	Positronic Pty Ltd	19/06/2002	Samford Net	14/02/2003
OCTEC Incorporated	11/02/1999	Powercor Australia Telecommunications Pty Ltd	12/09/2002	Satellite Navigator Pty Ltd	29/05/2003
Odyssey World Pty Ltd	17/06/1998	Powerup Pty Ltd	28/10/1997	Satlink Internet Services Pty Ltd	1/07/1997
Offis Pty Ltd	20/11/1998	Precision Internet Services	14/10/2002	Saunders Properties Pty Ltd	31/07/2002
OMCS	1/07/1998	Precisium	12/05/1999	Savvis Australia Pty Ltd	22/10/1999
Omninet	14/07/1998	Preferred Internet Provider	26/11/1997	ScoastNet Pty Ltd	15/10/1997
On The Net Pty Ltd	31/10/1997	Prime Internet Pty Ltd	1/04/2003	SCS Enterprises Australia Pty Ltd	10/02/2000
One Earth Internet Pty Ltd	29/01/1998	ProDigital Solutions	18/12/2000	SE Network Access Pty Ltd	1/07/1997
Online 2000	3/05/1999	Prodigy Internet	20/08/1999	Sebastopol College	10/08/1999
Online Connect Pty Ltd	15/05/2003	Product Information Services Pty Ltd	24/06/1999	SELTEK Australia Pty Ltd	10/01/2000
Optimum Objects Pty Ltd	3/03/2000	prussia.net	25/07/2002	Service Corp IT Pty Ltd	29/04/2002
Optraweb Internet Solutions	23/06/2003	Pteryx Productions Australia	22/10/2002	Share.Net Internet Services	18/05/1999
Optus Broadband Pty Ltd	29/06/2000	Punch Holdings Pty Ltd	15/07/2002	Sherbrooke Computing Pty Ltd	8/06/2001
Origin Internet Solutions Pty Ltd	20/07/2000	Puresoft Australia Pty Ltd	31/01/2000	Shopsafe Pty Ltd	30/05/2003
Orion Online	6/04/1998	Purple Lion IT Solutions	28/03/2003	Silicon Crafts Pty Ltd	18/11/1997
Orits Australia	12/03/1999	Q Online Internet Services	11/03/2003	Simplex ISP	9/07/2002
Orli-Tech Pty Ltd	20/04/1999	QConnect Internet Services	17/01/2003	SIS Group Pty Ltd	12/03/2003
Ossini Pty Ltd	27/03/2000	QLDWIDE.NET.AU	19/01/2000	SIS Scads Internet Services	21/01/2000
Our Haven Pty Ltd	17/06/2002	Quicknet Internet Provider Pty Ltd	17/12/1997	SkyNetGlobal Limited	10/12/2001
Outback Digital Network Ltd	11/09/2002	Quintessa Holdings Pty Ltd	5/07/1999	Smarter Way Pty Ltd	2/07/1998
Output DSJ Pty Ltd	27/06/2003	Qwest Australia Pty Ltd	6/05/2002	Sneaker Net	7/07/2000
Overflow Internet Services	17/06/1998	R L & R L Roy	30/10/2002	Snowball Internet Pty Ltd	20/08/2002
Oxnee Pty Ltd	18/11/1999	Rabbit International	4/02/1999	South Queensland Internet Services	29/11/1999
Oz IT Support Line Pty Ltd	21/05/2003	Ram Network Services Pty Ltd	8/05/1998	South Sydney Junior Rugby League Club Ltd	12/11/2001
Oz Web Internet Providers Pty Ltd	25/03/1999	Rapidnet	1/07/1997	Southern Aurora Web Designs	8/07/2002
OzConnect Internet	28/04/2003	RBE Internet Services	10/11/1998	Southern Matrix International Pty Ltd	17/06/1999
OzEmail Pty Ltd	1/07/1997	Redgum Software & Support Pty Ltd	17/09/2000	Southern Star Communications Pty Ltd	1/07/1997
OzForces Pty Ltd	12/03/2003	Relax Internet Enterprises Pty Ltd	12/06/1998	Spacelink Communications Pty Ltd	25/07/2002
OzGuide	15/06/1999	Renthurst Pty Ltd	17/09/1998	Speedlink Internet Service Providers	10/05/1999
Ozhost Internet and Electronics	11/06/2002	Restless Online Services	17/09/1998	Speednet Communications Pty Ltd	27/07/1999
OzISP Pty Ltd	18/11/2002	Retnet Internet Services	21/05/1999	Spencer Gulf Telecasters Ltd	20/09/2002
Ozexpress Internet	21/09/2000	Reverence Earthlink Internet Services	2/01/2001	Spiderweb Access	14/07/1998
Ozzienet Pty Ltd	1/04/2003	Rex Communications Pty Ltd	25/07/1997	Spin Internet Services Pty Ltd	20/04/1998
Ozzieweb Pty Ltd	11/07/2001	Reynolds & Reynolds Pty Ltd	12/05/2000	Spitfire Internet Services Pty Ltd	18/04/2000
Pacific Internet Australia Pty Ltd	30/04/1999	Reynolds Technology Pty Ltd	23/07/2001	Springboard Computer Systems	18/03/1999
Pacific Wireless Australia Pty Ltd	19/03/2002	RGTechnologies Pty Ltd	15/06/1999	standard.net	1/06/1999
Panorama Development Pty Ltd	11/03/1999	Ribbon Net	25/02/1999	Starwon Enterprises Pty Ltd	1/07/1997
Paragon Systems Pty Ltd	10/12/2002	RickSure Pty Ltd	16/02/2001	Streamnet Internet Services	30/04/2003
Patash Pty Ltd	14/10/1997			Summit Internet Solutions	27/08/1998
				Sun Corporation Pty Ltd	27/05/2003

Suncove Pty Ltd	13/05/2002	URN Technologies Pty Ltd	30/04/2003	Zip World Pty Ltd	26/10/1998
Sungold International Pty Ltd	22/07/2002	v-App Pty Ltd	14/01/2002	Zircon Systems Pty Ltd	23/08/2000
Sunshine Beach Software Pty Ltd	12/06/1998	Vector Networks Pty Ltd	19/08/2002		
Surf-Net City Australia	13/11/2002	Vertical Telecoms Pty Ltd	8/02/2001		
Surfnet City	29/10/1998	Vianet Communications Pty Ltd	28/07/1998		
Swift Internet Pty Ltd	14/03/2000	Victoria's Network: VICNET	26/03/1998		
SwiftNet Pty Ltd	13/05/1999	Vintek Consulting Pty Ltd	24/05/2001		
Switch.Com Pty Ltd	14/07/1998	Virtual Communities Ltd	7/04/2003		
Sympac Computing Pty Ltd	3/06/1998	Virtual Computers Pty Ltd	3/11/1997		
Synersys Pty Ltd	29/05/2003	Visiontek Pty Ltd	17/09/1997		
Tacom Pty Ltd	23/03/1999	Vivanet Pty Ltd	21/04/1999		
Tactical Access Provider	24/08/1998	VTay Technology	25/05/1999		
Tassie.Net Limited	8/10/2001	W3 Pty Ltd	21/10/2002		
Tech 2U Pty Ltd	10/08/1999	WA Telecentre Exmouth Inc.	21/07/1998		
Tech Info Pty Ltd	16/06/1999	Wahroonga.com	20/03/2000		
Techno Access	12/05/1998	Wally's Internet Café	4/05/2001		
TECZ Pty Ltd	1/05/2003	Ward Enterprises Pty Ltd	10/06/1998		
Teksupport Pty Ltd	3/10/1997	Waterfront Internet Service	11/01/1999		
Tel.Pacific Pty Ltd	6/01/1998	Wavecliff Pty Ltd	31/10/1997		
Tell Holdings Pty Ltd	19/09/2001	Web Ace	21/12/1998		
Telstra Big Pond	1/07/1997	Web Australis Pty Ltd	1/07/1997		
Telstra Enterprise Services Pty Ltd	21/10/1997	Web One	3/03/1998		
Tenex Pty Ltd	19/06/1998	Webcentral Pty Ltd	30/06/2003		
Tera Nova	2/06/1999	Webdata Pty Ltd	25/08/1999		
Teragen Pty Ltd	16/03/1998	WebDB Pty Ltd	4/10/2002		
Tetraplex Pty Ltd	20/03/1998	Webfront Pty Ltd	2/03/1998		
The Archon Trust	30/04/2003	Webzone Holdings Pty Ltd	21/03/2003		
The Australian Internet Company Pty Ltd	1/07/1997	Wellington Communications Pty Ltd	25/07/2000		
The Friendly Giant Pty Ltd	28/10/1999	West Australian Networks	14/07/1998		
The Info Xchange Inc	3/12/1997	Westconnect Pty Ltd	8/09/1998		
The Murray Pioneer Pty Ltd	9/12/1997	Western Internet Services	15/06/1999		
The Net Factory Pty Ltd	2/05/2003	Western Webtec	10/10/2002		
The Web Factory (Australia) Pty Ltd	9/10/2002	Westlink Internet Services Pty Ltd	10/06/1998		
Titania Corp	5/03/2001	WestNet Pty Ltd	14/07/1998		
Tnet.Com.Au	20/08/1998	Wicom Solutions	13/05/2003		
Tokyo Network Computing Pty Ltd	3/03/2003	Windspeed	29/04/1999		
Tomassi Dot Com	4/11/2002	Winshop Internet Pty Ltd	1/07/2002		
Tope Holdings Pty Ltd	13/02/2002	Wobygong Pty Ltd	3/12/2002		
Topgun Internet Services	20/08/2002	Wood Dragon Pty Ltd	18/12/2002		
Tourist Facilities Pty Ltd	29/07/2002	World.Net Services Pty Ltd	20/03/2000		
TPG Internet Pty Ltd	1/07/1997	WorldOptions	30/09/2002		
Triode Internet	22/04/1998	Worldwide Internet	2/09/1998		
True North Consulting Pty Ltd	9/01/1998	Worth IT	2/04/2003		
Trumpnet Pty Ltd	16/12/1997	XcelNet Enterprise	10/07/1997		
Tudogs.net.au	15/01/1998	Xceltek Internet Services Pty Ltd	24/01/2003		
Turbonet Pty Ltd	13/06/2003	XIS Pty Ltd	14/06/2002		
TVMate Australia Pty Limited	23/04/2003	Yea Computing Services	23/09/1999		
TX Communications Pty Ltd	23/11/1998	Your ASP Pty Ltd	27/05/2002		
University of Queensland		ZAYTACT Pty Ltd	23/11/1999		
Information Technology Services	17/06/1998	Zion Internet Services	10/02/2003		

Other

Date
joined

Agile Pty Ltd	8/09/1998
Air Portal Pty Ltd	5/12/2000
Airnet Commercial Australia Pty Ltd	18/07/2000
Amcom Pty Ltd	10/09/1998
Australia-Japan Cable (Australia) Limited	2/02/2001
Boeing Australia Limited	24/01/2001
CaT Networks Ltd	9/12/1999
Central Exchange Ltd	14/06/2000
Coretel Communications Pty Ltd	8/09/2000
ETSA Utilities	15/01/2001
Global Networks (Aust) Pty Ltd	31/01/2003
Hutchison 3G Australia Pty Ltd	20/08/2002
Ipera Communications Pty Ltd	20/03/2000
Logitel Communications Pty Ltd	20/03/2002
Macquarie Corporate Telecommunications Network	
Carrier Services Pty Ltd	22/12/2000
Macrocom Pty Ltd	30/03/1998
MCI Worldcom Australia Pty Ltd	26/06/1998
Netcomm Broadband Pty Ltd	1/08/2001
New Skies Networks Pty Ltd	6/08/2001
New Tel Mobiles Lqdr	
Nextgen Networks Pty Ltd	14/02/2001
ntl Telecommunications Pty Ltd	12/02/2001
OMNIconnect Pty Ltd	18/09/1997
One.Tel GSM 1800 Pty Ltd	18/05/1999
Opentec Pty Ltd	26/07/2000
Optus Vision Pty Ltd	8/12/1997
Oz Telecom Pty Ltd	15/04/1998
Oziplex Pty Ltd	27/09/2002
PowerTel Ltd	1/07/1997
Quantum Multimedia Communications Pty Ltd	30/08/2002
Request Broadband Pty Ltd	18/07/2000
Soul Pattinson Telecommunications Pty Ltd	5/05/1999
Swiftel Communications Pty Ltd	7/08/2000
Tas 21 Pty Ltd	26/11/2001
Telstra Multimedia Pty Ltd	16/07/1997
The Ozitel Network Pty Ltd	20/10/1999
Tyco Projects (Australia) Pty Ltd	2/10/2002
Windytide Pty Ltd	28/09/1998
Xantic B.V.	17/02/2003
XYZed Pty Ltd	21/07/2000

Telephone and Internet Service Provider

	Date joined
AAPT Ltd	1/07/1997
Ace Communications Group Pty Ltd	17/04/2003
ACTEW Corporation Ltd	3/05/1999
Alpha Network Shop Pty Ltd	31/05/1999
Alpha Telecom Pty Limited	14/04/2003
Alphanet Pty Ltd	6/10/1997
Answer Plus Communications (Aust) Pty Ltd	25/03/2003
Asian Pacific Telecommunications Pty Ltd	13/07/2000
Aurora Energy AAPT Pty Ltd	21/05/2001
Austar Entertainment Pty Ltd	1/09/2000
Australian Specialist Infotech Operations Pty Ltd	26/08/1998
Benchmark Sales Pty Ltd	3/11/2000
Bendigo Community Telco Ltd	15/09/2000
BlueSky Communications (Aust) Pty Ltd	6/01/2003
Broadband Access Pty Ltd	24/07/2000
CardCall Pty Ltd	18/09/1997
Chime Communications Pty Ltd	31/08/2000
City Telecom (Australia) Pty Ltd	1/07/1999
Clean Planet Pty Ltd	12/02/2003
Cnet Communications Group	23/07/2001
COMindico Australia Pty Ltd	15/08/2000
Corporate Telecom Pty Ltd	24/10/2001
CVS Communications Pty Limited	27/05/1999
Datafast Telecommunications Limited	17/02/2000
Digiplus Pty Ltd	3/07/2002
Duxta Pty Ltd	17/01/2003
Ecomtel Pty Ltd	13/07/1999
Entertainment Media & Telecoms Corporation Ltd	12/06/2001
Far East Gateway (Australia) Pty Ltd	31/08/1999
Global Connect Communications Pty Ltd	23/08/1999
Global Online Telecoms Australia Pty Ltd	9/02/2000
Highway 1 (Australia) Pty Ltd	21/07/1998
Hypermax Pty Ltd	22/03/1999
In-Tech Telecommunications Pty Ltd	28/08/1998
iTEL Community Telco Ltd	14/11/2002
IX Services Australia Pty Ltd	10/07/2002
Joytel Pty Ltd	30/12/2002
Jtec Pty Ltd	3/04/2000
Justified Communications Group Pty Ltd	2/05/2002
Knowledge By Design Pty Ltd	1/07/1997
Leading Edge Group Limited	2/08/2001
Managed Solutions Pty Ltd	30/03/2000
Mediaweb Pty Ltd	23/05/2002

Multelink Australia Pty Ltd	14/02/2000
My Telecom Pty Ltd	24/09/2002
NC Cable Pty Ltd	15/05/2000
Net2Phone Global	15/10/1999
Norlink Communications	21/01/2003
One.Tel Ltd	1/07/1997
Pacific Payphones Pty Ltd	14/08/2000
People Telecom Limited	13/12/2000
Polyfone Pty Ltd	3/08/2001
Primus Telecommunications Pty Ltd	1/07/1997
PTC Communications Pty Ltd	24/05/1999
Q. Corporation Pty Ltd	2/08/2001
SecureTel Pty Ltd	25/11/2002
Servcorp Digital Strategy Pty Ltd	31/10/2001
Sirius Telecommunications Ltd	1/02/2002
Spectrum Networks Pty Ltd	12/05/2000
ST Telecom Pty Ltd	5/02/2002
STI Communications Pty Ltd	11/09/2002
Teleglobe Australia Pty Ltd	31/07/2000
Teleglobe International Australia Pty Ltd	6/06/2003
The SIV Group Pty Ltd	18/06/2003
Toptwin Pty Ltd	2/02/2000
TransACT Capital Communications Pty Ltd	22/09/2000
Uecomm Ltd	1/07/1997
Unwired Australia Pty Ltd	19/09/2002
Western Power Corporation	14/01/2002
Worldchat Australia Pty Ltd	21/05/2001
XL Telecom Pty Ltd	12/01/2000
Your Service	4/05/2000

Telephone Service Provider

	Date joined
0014 Pty Ltd	1/11/2000
1410 Communications Pty Ltd	18/09/2002
1800 Reverse Pty Ltd	2/01/2001
1World Telecommunications Pty Ltd	17/06/2003
AAPT Mobile Limited	1/07/1997
Advanced Future Technology Pty Ltd	25/01/2003
Alphawise Solutions Pty Ltd	25/11/1999
Astracom Pty Ltd	15/01/2003
Astron Communication and Information Services Pty Ltd	16/07/1997
AT&T Communications Services Australia Pty Ltd	1/07/1997
AT&T Global Network Services Australia Pty Ltd	28/02/2000
Australian Communication Exchange Ltd	1/07/1997
Australian Telecommunications Pty Ltd	18/03/2002
Australian True Blue Communications Pty Ltd	3/03/2003

B Digital Ltd	26/05/1999
Bareena Holdings Pty Ltd	12/09/2002
Bloomberg L.P., Australia Branch	28/03/2002
Broadtel Communications Limited	1/07/1997
BT Australasia Pty Ltd	30/07/1997
Buana Australia Pty Ltd	2/01/2002
Budgetel Pty Ltd	11/02/2000
Callsave Pty Ltd	14/11/2001
Cellularvoice Pty Ltd	26/02/2002
Chi Telecom Pty Ltd	4/01/2002
Concert Telecom Pty Ltd	11/12/2002
Dingo Blue Pty Ltd	10/08/1999
Direct Telecoms Pty Ltd	26/03/2001
e-Com Telecom Pty Ltd	15/03/2001
Eclipse Telecommunications Pty Ltd	1/07/1997
Empcom Pty Ltd	17/02/2003
Eztel Communications	22/05/2001
Global Card Services Pty Ltd	8/01/2003
GlobalCom (Aust) Pty Ltd	28/06/2002
Globalstar Australia Pty Limited	28/04/2003
Globatel Australia Pty Ltd	2/05/2000
Globe Telecom Pty Ltd	19/05/2003
G0talk Australia Pty Ltd	8/01/2003
Green Communications Ltd	26/06/2000
Hutchison Telecoms (Aust) Pty Ltd	1/07/1997
KCS Pty Ltd	5/02/2003
KDDI Australia Pty Ltd	11/02/1999
Kooee Telecom Pty Ltd	1/11/2000
Korpcom Australia Pty Ltd	25/07/2002
LCR Telecom Pty Ltd	22/01/1998
Lifeline Telecommunications Pty Ltd	18/07/2001
Light Technologies Pty Ltd	4/07/2002
Localstar Holdings Pty Limited	27/03/2003
Look Mobile Ltd	20/02/2001
M Group of Companies Pty Ltd	15/02/2001
M2 Technology Pty Ltd	11/12/2001
Macquarie Corporate Telecommunications Holdings Ltd	1/07/1997
MCI WorldCom International, Inc	21/07/1998
Mobile Innovations Ltd	1/07/1997
NationTel Pty Ltd	29/05/2003
New Tel Ltd	12/03/1999
NorthVoice Communications Pty Ltd	7/07/2000
Omni Plus Pty Limited	19/12/1997
Online IT Services Pty Ltd	16/04/2003
Optus Mobile Pty Ltd	1/07/1997
Optus Networks Pty Ltd	1/07/1997
Ozicom Solutions Pty Ltd	12/11/2001
Pacific Telco Australia Limited	22/01/2001
Pineapple Communications Pty Ltd	26/02/2003
Pracom Limited	30/12/2002
PSR Group Pty Ltd	1/07/1997

Recom Corporate Communications Pty Ltd	5/02/2001	Sprint International Australia Pty Ltd	25/07/2000	Unidial Prepaid Communications Pty Ltd	26/11/2002
Redicall Pty Ltd	21/06/1999	Star Alliance Communications Pty Ltd	21/03/2003	United Customer Management Solutions Pty Ltd	1/07/1997
River Media Group Pty Ltd	29/10/2002	T.One Telecommunications Pty Ltd	13/08/1999	Universal One Communication Pty Ltd	12/12/2002
RSL Com Australia Pty Ltd	1/07/1997	T3 Communications Pty Ltd	9/04/2002	Universal Telecom Australia Pty Ltd	19/02/2001
RSL Com Mobile Pty Ltd	7/12/2001	Telco In A Box Pty Ltd	9/01/2003	Virgin Mobile (Australia) Pty Ltd	11/09/2000
Saise Telecommunications Pty Ltd	19/07/1999	Telcostar Ltd	18/07/2001	Vodafone Pacific	1/07/1997
Shuari Investments Pty Ltd	25/07/2002	Tele Link Telecommunications Pty Ltd	1/07/1997	Voice-Tel Pty Ltd	17/09/1997
SITA	1/07/1997	Telecorp Limited	8/01/2003	Voicetek Pty Ltd	3/12/2001
Skytel Pty Ltd	9/07/1998	TeleOne Services Pty Ltd	21/03/2002	VRoam Australia Pty Ltd	23/12/2002
Solutions International Pty Ltd	2/01/2001	Telesaver Pty Ltd	7/09/1997	Western Communication Solutions Pty Ltd	14/10/1997
Southern Cross Mobile Pty Ltd	20/02/2001	Telstra Corporation	1/07/1997	Widetalk Pty Ltd	13/02/2002
Southern Cross Telco Pty Ltd		Teredonn Telecommunications Ltd	30/11/2000	WorldPacific Communications Pty Ltd	6/01/2000
Southern Phone Company Ltd	17/01/2003	Thales Telematics Pty Ltd	19/08/2002	Zintel Communications Limited	12/10/2001
Spectra Global Communications Pty Ltd	17/11/1997	Tritel Australia Pty Ltd	22/09/1999		

Financial Report

Annual Report for the year ended 30 June 2003

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Financial Report

Directors' Report

Your directors present their report of Telecommunications Industry Ombudsman Ltd (the TIO) for the year ended 30 June 2003.

The TIO is a company limited by guarantee and incorporated in Australia in 1993 under the Corporations Act. The TIO is established to investigate, resolve, make determinations relating to and give directions relating to complaints by residential and small business consumers of telecommunications services.

The principal place of business for the TIO is Level 15/114 William Street, Melbourne, Victoria.

Directors

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

Two (2) directors appointed by Telstra:

A Barda

T C Hill

Two (2) directors appointed by Optus:

D C McCulloch, with G R Smith as alternate director.

M K Davidson

One (1) director appointed by Vodafone:

J F Rohan (Chairman)

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

D Havyatt

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

R G Manson

Independent Director:

J M Harvey

Changes to Board composition are summarised in note 13 to the financial statements.

Financial Report

Directors' Report (continued)

Operating Results

The TIO recorded an operating surplus for the year of \$9,783 (2002, \$313,498). The results for the year ended 30 June 2003 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)
2000-2001	\$5,201,679	\$5,086,519	\$115,160
2001-2002	\$5,537,714	\$5,224,216	\$313,498
2002-2003	\$5,821,007	\$5,811,224	\$9,783

Due to the surplus, members' funds were increased from \$713,538 at the start of the financial year to \$723,321 at the end of 2002-2003. The TIO has been granted an exemption from income tax under Item 2.1 of Section 50-10 of the Income Tax Assessment Act 1997 until 30 June 2004.

Review of Operations

Growth Plateau

The TIO Scheme has had a further reduction in demand for complaint resolution services from the peak experienced in 2000-2001. The consistent rate of growth, which had characterised previous periods appears to have been arrested. It is considered that the peak number of complaints experienced in 2000-2001 was due to the impact of OneTel (15,084 contacts) on the market.

Overall contacts for 1994-95 to 2002-2003 are presented below. Contacts include cases categorised as enquiries, which are not allocated against individual members and complaints, which are raised against individual members.

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
2000-2001	98,853	45
2001-2002	91,190	-8%
2002-2003	72,771	-20%

Financial Report

Directors' Report (continued)

Debt Recovery

Bad debts of \$147,547 were written-off during the financial year. The provision for bad debts was reduced to \$48,270 for specific provisions. Debts were settled with a small number of members.

Cash Flow

The TIO's bankers, Commonwealth Bank of Australia, have provided the TIO with an overdraft facility of \$150,000. This facility has been maintained to alleviate any temporary cash flow shortages associated with the TIO's quarterly billing cycle. The overdraft was not called on during the year.

Performance

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 the service level efficiency standard of answering 80% of calls within 60 seconds was regularly and substantively achieved. Average resolution times were 63 days for Level 2 complaints (target 48 days), 80 days for Level 3 complaints (target 62 days) and 104 days for Level 4 complaints (target 90 days).

Industry Development

During 2002-2003 the TIO continued to work collaboratively with industry and the community to identify, prevent and/or address systemic problems. The TIO also actively participated in industry forums to assist in achieving this objective, and continued to contribute to the development of Consumer Codes of Practice.

Communications

The TIO worked to maintain general access to the Scheme and particularly identified consumers of a Non-English Speaking Background and youth as targeted demographics.

Governance

The Board concentrated on maintaining the financial stability of the TIO throughout the year. It established principles and parameters for the development of annual budgets, ensured that the financial reserve continued to build and progressed a number of changes to the Constitution, largely in the area of jurisdiction.

The Board had one member resign during the course of the year (Jane van Beelen, Telstra nominee), and unfortunately Susan Holmes, independent director since June 1999 sadly passed away on 20 September 2002. The Board was joined by Trevor Hill of Telstra and by Jane Harvey as the new Independent Director.

Establishment of a financial reserve

The Board ensured that the financial reserve continued to accumulate during 2002-2003 to ensure the TIO is protected from an increasing volume of bad debts and insulated from cash flow shortages inherent in the three monthly billing cycle. The reserve is to be progressively accumulated to a level of \$500,000 over a period of two years and is being funded by increases in complaint handling fees approved by the Board. The total in the financial reserve at 30 June 2003 was \$355,020.

Financial Report

Directors' Report (continued)

Fee Increases

The Board introduced fee increases for Level 1 complaints and Enquiries from \$18 to \$20 (excluding GST), effective from 1 July 2002.

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*.

The total number of members reduced from 963 at 30 June 2002 to 910 at 30 June 2003. The reduction was largely as a result of the continuing project to examine and determine the status of members with whom the TIO had no contact for a considerable period. Aside from these defunct members there was a small underlying increase in the number of members across the year.

Staffing

As at 30 June 2003, the TIO employed 56 staff, with a small number of these being part-time employees.

Principal Activities

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

Dividends

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

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the company in the year ended 30 June 2003.

Financial Report

Directors' Report (continued)

Matters Subsequent to the End of the Financial Year

Fee Increases

The TIO Board has approved increases in the fees for Level 1 complaints and non-allocated enquiries from \$20 to \$25 (excluding GST) and for Reviews from \$150 to \$250 (excluding GST), and authorised a Work Value Project to be conducted to, in part, review all fee levels. The Work Value and Productivity Study is a major undertaking to review the costs of the Scheme and to identify opportunities for efficiency and productivity.

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.

Except for the matters noted above, at the date of this report no matter or circumstance has arisen since 30 June 2003 that has significantly affected or may significantly affect:

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

Likely Developments and Expected Results of Operations

The TIO has budgeted for a modest increase in complaint numbers in 2003-2004.

Environmental Regulations

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

Financial Report

Directors' Report (continued)

Information on Directors

Director	Experience	Special Responsibilities
J F Rohan B Mech Eng, Grad Dip IE, MBA, FIEAust	John has been Executive Director, Vodafone Pacific, MD of Vodafone Australia Pty Ltd, Vodafone New Zealand Ltd and Vodafone Network Pty Ltd. Previous positions include Executive General Manager of James Hardie Building Services and Technologies, Chief Executive of McConnell Dowell's Building Product Group, Australia and New Zealand and General Manager of Comalco Building Products. John has previously served as Chairman of the TIO Board and as a member of the TIO Council.	Chairman from 1 August 2001
D S Havyatt BSc, MA, FAICD	Director, Regulatory, AAPT. David has held previous management positions with Telstra and Hutchison Telecoms. David is also a member of the Boards of ACIF and the Australian Mobile Telecommunications Association.	Director from 13 December 2000
D C McCulloch B Juris, LLB, LLM	General Manager, Government Affairs, Optus. David was formerly Director of Broadcast Policy with the Federation of Commercial Television Stations.	Director from 10 October 2001
A Barda BSc (Mathematics), MBA	Group General Manager, Commercial Operations, Service Division, Telstra. Gus joined Telstra in 1976. He has held management responsibilities across a number of disciplines.	Director from 16 November 2001
M K Davidson	Director Customer Service, Consumer & Multimedia Division, Optus. Mark has a background in customer service and was formerly National Manager, Customer Service Contact centres with Optus.	Director from 18 January 2002
R G Manson BA (Hons), ICAA, ICAEW, AICD	Chief Executive Officer, Impaq Australia. Robert was formerly the Managing Director of The Greater Union Organisation.	Director from 13 June 2002

Financial Report

Directors' Report (continued)

Information on Directors (continued)

Director	Experience	Special Responsibilities
T C Hill AICD	Group Manager, Consumer & Compliance, Regulatory Division, Telstra. Trevor has worked for Telstra in a variety of management and policy roles.	Director from 30 October 2002 (initially Alternate Director for J van Beelen)
J M Harvey BCom, MBA, ICAA, AICD	Formerly a Partner at KPMG. Directorships include: Bayside Health Network, The Lyceum Club, Rural Finance Corporation, Royal Flying Doctor Service.	Director from 7 April 2003
G R Smith B Econ / Politics (Hons)	Manager Regulatory Operations, Optus. He has formerly worked with AUSTEL, the Reserve Bank of Australia and the Victorian state government.	Alternate Director for D McCulloch from 4 March 2002
J L van Beelen LLB, B Econ	Deputy Director, Regulatory, Telstra. Jane joined Telstra as a lawyer in 1995 and has filled various roles in the Legal & Regulatory group.	Director from 4 February 2002 to 5 March 2003
S L Holmes Dip Phys Ed, B Ed, B Psych, M Psych (clin)	Susan acted as a Company Director for a variety of boards of management. Previously she was Executive General Manager – Corporate Services, 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.	Director from 4 June 1999 (Deceased 20 September 2002)

Financial Report

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 2003, and the number of meetings attended by each director were:

	Number Eligible to Attend	Number Attended
Number of meetings held: 7		
Number of meetings attended by:		
J F Rohan	7	6
D Havyatt	7	3
D C McCulloch	7	7
A Barda	7	6
M K Davidson	7	3
J L van Beelen	4	1
T C Hill (As Alternate for J van Beelen)	3	3
T C Hill	3	3
G R Smith (As Alternate for D McCulloch)	0	0
S L Holmes	1	1
R. Manson	7	4
J M Harvey	2	2

Directors' Benefits

During the year, director's fees of \$7,437.50 were paid to Susan Holmes and Jane Harvey for their terms as the independent director.

Except for that noted above, since 30 June 2003, 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 a company in which the director has a substantial financial interest, has made (during the year ended 30 June 2003 or at any other time) with:

- the TIO, or
- a company that the TIO 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.

Financial Report

Directors' Report (continued)

Insurance of Officers

During the financial year, the TIO paid a premium of \$9,370.78 to insure certain officers of the company.

The officers of the company covered by the insurance policy included all directors as listed in this report, Council members, the Ombudsman J E Pinnock and the Secretary P J Carruthers.

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

During the reporting year the audit partners of our current auditor, Stockfords, left Stockfords and moved to RSM Bird Cameron. The partner servicing the TIO moved with the rest of the audit business and has been retained as the TIO auditor in accordance with Section 327 of the Corporations Act 2001. RSM Bird Cameron are now the TIO auditors.

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

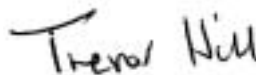


J F Rohan

Director

Sydney

4 September 2003



T C Hill

Director

Financial Report

Statement of Financial Performance

For the year ended 30 June 2003

	Notes	2003 \$	2002 \$
Revenue from ordinary activities			
Revenue from operating activities	2	5,821,007	5,537,714
Total revenue from ordinary activities	2	5,821,007	5,537,714
Expenses from ordinary activities			
Employee benefits expense		4,087,759	3,629,873
Legal fees		18,035	101,557
Depreciation and amortisation expenses		176,671	186,956
Borrowing costs		4,583	11,187
Telephone costs		217,743	260,529
Marketing expenses		282,029	252,149
Rent expense		214,767	190,138
Computer expenses		321,160	166,681
Other expenses from ordinary activities	3	488,477	425,146
Total expenses from ordinary activities		5,811,224	5,224,216
Surplus for the year	9	9,783	313,498

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

Financial Report

Statement of Financial Position

As at 30 June 2003

	Notes	2003 \$	2002 \$
Current Assets			
Cash Assets	4	1,349,070	1,181,326
Receivables	5	34,718	11,747
Prepayments		102,700	54,393
Total Current Assets		1,486,488	1,247,466
Non – Current Assets			
Property, Plant and Equipment	6	127,228	297,606
Total Non – Current Assets		127,228	297,606
Total Assets		1,613,716	1,545,072
Current Liabilities			
Payables	7	688,581	611,705
Lease Liabilities	12	13,750	55,000
Provisions – Annual Leave		146,025	116,826
Total Current Liabilities		848,356	783,531
Non – Current Liabilities			
Lease Liabilities	12	-	13,750
Provisions – Long Service Leave		42,039	34,253
Total Non – Current Liabilities		42,039	48,003
Total Liabilities		890,395	831,534
Net Assets		723,321	713,538
Members' Funds			
Accumulated Surplus	9	723,321	713,538
Total Members' Funds		723,321	713,538

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial Report

Statement of Cash Flows

For the year ended 30 June 2003

	Notes	2003 \$	2002 \$
Cash Flows from Operating Activities			
Receipts from members (inclusive of GST)		5,770,145	5,762,539
Payments to suppliers and employees (inclusive of GST)		(5,589,704)	(4,782,432)
Borrowing costs		(4,583)	(11,187)
		175,858	968,920
Interest received		53,178	35,454
Net cash inflow from operating activities	14	229,036	1,004,374
Cash Flows from Investing Activities			
Payments for plant and equipment		(6,292)	(34,700)
Proceeds from sale of plant and equipment		-	2,400
Net cash (outflow) from investing activities		(6,292)	(32,300)
Cash Flows from Financing Activities			
Repayment of lease liabilities		(55,000)	(96,234)
Net cash (outflow) from financing activities		(55,000)	(96,234)
Net Increase in Cash Held		167,744	875,840
Cash at the beginning of the financial year		1,181,326	305,486
Cash at the End of the Financial Year	4	1,349,070	1,181,326

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Financial Report

Notes to the Financial Statements

30 June 2003

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 Act 2001.

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.

a) Income Tax

The company is exempt from income tax under Item 2.1 of Section 50-10 of the *Income Tax Assessment Act 1997*. As part of the introduction of the new tax system, the TIO was required to reapply for income tax exemption status. The TIO has been notified of a further tax exempt status up to 30 June 2004 by the ATO.

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

Volume and overhead billing fees are charged to members for complaint resolution services. Invoices are raised at the commencement of each quarter on an estimate basis. Revenue is raised monthly based on the level of complaints received.

d) Receivables

Amounts due from members are recognised as 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) 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	3-5 years.

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

f) 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.

g) 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 statement of financial performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

h) 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.

i) Amounts Due to Members

Amounts due to members represents funds owing as a result of estimated case numbers determined in the previous quarter being greater than actual case numbers recorded during the final quarter of the reporting period. The resulting adjustment represents amounts owed to members.

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

j) Maintenance and Repairs

Maintenance and repair costs are charged as expenses as incurred.

k) 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.

l) Interest Bearing Liabilities

Interest bearing liabilities are carried at their principal amounts that represent the present value of future cash flows associated with servicing the debts. Interest is accrued over the period it becomes due and is recorded as a part of other creditors.

m) Borrowing Costs

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

n) 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.

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 2 – Revenue from Ordinary Activities

	2003 \$	2002 \$
Revenue From Operating Activities		
Volume and overhead billing fees	5,767,829	5,499,860
Revenue From Outside Operating Activities		
Proceeds from sale of property, plant and equipment	-	2,400
Interest	53,178	35,454
Total Revenue from Ordinary Activities	5,821,007	5,537,714

NOTE 3 – Surplus from Operating Activities

	2003 \$	2002 \$
The surplus from operating activities includes the following net gains and expenses:		
Gains		
Bad debt recovery	-	10,085
Profit (loss) on sale or write-off of plant and equipment	-	42
Expenses		
Borrowing costs		
Finance charges on finance leases	4,583	11,187
Depreciation		
Furniture and fittings	22,166	20,177
Plant and equipment	35,433	47,708
	57,599	67,885
Amortisation		
Leasehold improvements under finance lease	119,071	119,071
	119,071	119,071
Other charges against assets		
Bad and doubtful debts - trade debtors**	57,818	1,181
Other provisions		
Employee entitlements	36,985	50,079
Rental related to operating leases		
Minimum lease payments	406,797	269,513

***In 2002, bad debts incurred during the year were written off against the provision for doubtful debts to the value of \$239,147.
In 2003, bad debts were expensed as incurred.*

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 4 – Cash Assets

	2003	2002
	\$	\$
Cash at bank and on hand	23,791	260,239
Deposits at call	1,325,279	921,087
	1,349,070	1,181,326

Deposits at call

The deposits are bearing floating interest rates between 4.05% and 4.20% (2002 3.55% and 4.05%). Deposits at call includes a cash reserve of \$355,020 established by the Board of the TIO during the previous reporting period.

NOTE 5 – Receivables

	2003	2002
	\$	\$
Other Receivables	24,918	-
Interest Receivable	4,500	4,131
Amounts due from members	53,570	145,616
Less: Provision for doubtful debts	48,270	138,000
	34,718	11,747

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 6 – Property, Plant and Equipment

	2003 \$	2002 \$
Plant and equipment		
Plant and equipment - at cost	266,256	260,524
Less: Accumulated depreciation	243,010	207,577
	23,246	52,947
Total plant and equipment	23,246	52,947
Furniture and fittings		
Furniture and fittings - at cost	134,910	134,349
Less: Accumulated depreciation	85,628	63,461
	49,282	70,888
Leasehold improvements under finance lease – at cost	595,351	595,351
Less: Accumulated amortisation	540,651	421,580
	54,700	173,771
Total Furniture and fittings	103,982	244,659
	127,228	297,606

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Plant & Equipment	Furniture & fittings	Leasehold improvements under finance lease	Total
	\$	\$	\$	\$
Carrying amount at 1 July 2002	52,947	70,888	173,771	297,606
Acquisitions	5,732	560	-	6,292
Transfers	-	-	-	-
Net book amount of disposals	-	-	-	-
Depreciation /amortisation	(35,433)	(22,166)	(119,071)	(176,670)
Carrying amount at 30 June 2003	23,246	49,282	54,700	127,228

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 7 – Current Liabilities - Payables

	2003 \$	2002 \$
Amounts due to members	216,457	205,414
Trade creditors	188,568	214,520
Other creditors	283,556	191,771
	688,581	611,705

Financing Arrangements

The company has an overdraft facility of \$150,000 which may be drawn at any time and terminated by the bank without notice. This facility is unused at balance date. The interest rate is 10.8%.

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

NOTE 8 – Financial Instruments

a) Credit Risk Exposures

The credit risk on financial assets of the company which has been recognised on the statement of financial position, 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.

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 8 – Financial Instruments (continued)

b) Interest Rate Risk Exposures (continued)

2003	Notes	Floating interest rate \$	Fixed interest maturing in: 1 year or less \$	Over 1 to 5 years \$	Non-interest bearing loan \$	Total \$
Financial assets						
Cash assets	4	1,349,070	-	-	-	1,349,070
Receivables	5	-	-	-	34,718	34,718
		1,349,070	-	-	34,718	1,383,788
Average interest rate		3.55%	-	-		
Financial liabilities						
Payables	7	-	-	-	688,581	688,581
Finance lease liabilities	8,12	-	13,750	-	-	13,750
		-	13,750	-	688,581	702,331
Average interest rate		-	7.75%	-		
Net financial assets (liabilities)		1,349,070	(13,750)	(0)	(653,863)	681,457

2002	Notes	Floating interest rate \$	Fixed interest maturing in: 1 year or less \$	Over 1 to 5 years \$	Non-interest bearing loan \$	Total \$
Financial assets						
Cash assets	4	1,181,326	-	-	-	1,181,326
Receivables	5	-	-	-	11,747	11,747
		1,181,326	-	-	11,747	1,193,073
Average interest rate		2.35%	-	-		
Financial liabilities						
Payables	7	-	-	-	611,705	611,705
Finance lease liabilities	8,12	-	55,000	13,750	-	68,750
		-	55,000	13,750	611,705	680,455
Average interest rate		-	7.75%	7.75%		
Net financial assets (liabilities)		1,181,326	(55,000)	(13,750)	(599,958)	512,618

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 8 – Financial Instruments (continued)

b) Interest Rate Risk Exposures (continued)

Reconciliation of Net Financial Assets to Net Assets

	Notes	2003 \$	2002 \$
Net financial assets as above		681,457	512,618
Non financial assets and liabilities			
Property, plant and equipment	6	127,228	297,606
Prepayments		102,700	54,393
Provisions		(188,064)	(151,079)
Net assets per statement of financial position		723,321	713,538

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

	2003		2002	
	Carrying amount \$	Carrying amount \$	Carrying amount \$	Carrying amount \$
Recognised financial instruments				
Financial assets				
Cash Assets	23,791	23,791	260,239	260,239
Deposits	1,325,279	1,325,279	921,087	921,087
Receivables	82,988	82,988	149,747	149,747
	1,432,058	1,432,058	1,331,073	1,331,073
Financial liabilities				
Payables	688,581	688,581	611,705	611,705
Lease liabilities	13,750	13,750	68,750	68,750
Non-traded financial liabilities	702,331	702,331	680,455	680,455

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.

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 9 – Accumulated Surplus

	2003 \$	2002 \$
Accumulated Surplus at the beginning of the financial year	713,538	400,040
Surplus for the year	9,783	313,498
Accumulated Surplus at the end of the financial year	723,321	713,538

NOTE 10 – Remuneration of Directors

Directors of Entity

	2003 \$	2002 \$
Income paid or payable, or otherwise made available, to directors in the company in connection with the management of the affairs of the company.	16,213	32,130

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

	2003	2002
\$0	9	16
\$1 - \$19,999	2	0
\$20,000 - \$29,999	0	0
\$30,000 - \$39,999	0	1

NOTE 11 – Remuneration of Auditors

	2003 \$	2002 \$
Remuneration for audit of the financial reports of the company	18,190	24,959
Remuneration for other services	0	3,981

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 12 – Commitments for Expenditure

	2003 \$	2002 \$
Lease Commitments:		
Representing:		
Non-cancellable operating leases	679,096	711,202
Operating Leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	427,564	377,347
Later than one year but not later than 5 years	251,532	333,855
Commitments not recognised in the financial statements	679,096	711,202
Finance Leases		
Commitments in relation to finance leases are payable as follows:		
Not later than one year	13,933	58,483
Later than one year but not later than 5 years	-	13,934
Minimum lease payments	13,933	72,417
Less: Future finance charges	(183)	(3,667)
Total lease liabilities	13,750	68,750
Representing lease liabilities:		
Current	13,750	55,000
Non-current	-	13,750
	13,750	68,750

The average interest rate implicit in the leases is 7.75%

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 13 – Related Parties

Directors

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

Name of Director	Date of Appointment	Date of Resignation
J Rohan	01 August 2001	Continuing
J Harvey	7 April 2003	Continuing
D Havyatt	13 December 2000	Continuing
D McCulloch	10 October 2001	Continuing
A Barda	16 November 2001	Continuing
M Davidson	18 January 2002	Continuing
G Smith	4 March 2002	Continuing
R Manson	13 June 2002	Continuing
T Hill	30 October 2002	Continuing
J Van Beelen	4 February 2002	5 March 2003
S Holmes	04 June 1999	20 September 2002

Transactions with directors and director related entities

J Rohan is a current TIO director nominated by Vodafone Pacific Pty Ltd. TIO invoiced \$75,189 during the year in respect of complaint handling fees for Vodafone Pty Ltd and other related Vodafone entities. Vodafone entities invoiced the TIO for \$4,548 for the provision of telecommunications services during the reporting period.

One former director, J Van Beelen and two current directors, A Barda and T Hill are employees of Telstra Corporation. TIO invoiced \$2,636,379 and \$264,329 during the year in respect of complaint handling fees for Telstra Corporation and Telstra Big Pond respectively. Telstra Corporation invoiced the TIO for \$195,416 for the provision of telecommunications services during the reporting period.

Two current directors, D McCulloch and M Davidson and one alternate director, G Smith are employees of Optus Networks Pty Ltd. TIO invoiced \$1,545,277 for Optus Networks Pty Ltd and related entities. Optus entities invoiced the TIO for \$2,730 for the provision of telecommunications services during the reporting period.

A director, D Havyatt, is an employee of AAPT Ltd. TIO invoiced \$421,104 during the year in respect of complaint handling fees for AAPT Ltd. AAPT invoiced the TIO for \$31,781 for the provision of telecommunications services during the reporting period.

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

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

NOTE 14 – Reconciliation of Surplus from Ordinary Activities after Income Tax to Net Cash Inflow from Operating Activities

	2003	2002
	\$	\$
Surplus from ordinary activities after income tax	9,783	313,498
Depreciation and amortisation	176,671	186,956
Loss/(gain) on disposal of fixed assets	0	(42)
Changes in operating assets and liabilities:		
Decrease in receivables	2,316	252,593
Decrease (increase) in other operating assets	(73,595)	(27,995)
Increase in payables	76,876	229,285
Increase in other provisions	36,985	50,079
Net cash inflow from operating activities	229,036	1,004,374

Financial Report

Notes to the Financial Statements

30 June 2003 (continued)

Directors' Declaration

The directors declare that the attached Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements:

- a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) give a true and fair view of the company's financial position as at 30 June 2003 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 Act; 2001; 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.



J F Rohan

Director

Sydney

4 September 2003

RSM Bird Cameron Partners

Chartered Accountants

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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 2003, comprising the attached Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Statements and the Directors' Declaration. 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 misstatement. 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 presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Act 2001 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 its cash 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 Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2003 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards; and
- (b) other mandatory professional reporting requirements.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Date: 17 September, 2003
Address: Melbourne, Victoria

R B Miano
R B MIANO
Partner

Liability is limited by the Accountants'
Scheme pursuant to the NSW
Professional Standards Act 1994

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 995 185 036

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