

Telecommunications Industry Ombudsman
2006 Annual Report



The TIO team.

Front row: Simon Cleary, Deputy Ombudsman; Phillip Carruthers, Company Secretary; John Pinnock, Ombudsman; Astra Taurins, Personal Assistant to the Ombudsman.

Second row: Christina Dietmann, Sandra Krischan, Maria Chapman, Denise Cassidy, James Sumner.

Third row: Tony Dooley, Chris Rathbone, Lindsay Whelan, Nadia Tracy, Sue Nelson, Richard Murphy.

Fourth row: Travis Bull, Stephen Kinna, Carl Dunmore, Michelle Iscaro, Wylie Burchall, Kate Gladman.

Fifth row: Phil Waren, David Brockman, Karen Price, Marcel Khallouf, Olivia MacPherson, Melissa Purcell, Guy D'Astoli.

Sixth row: Sangeeta D'souza, Renuka Senanayake, Lee Herath-Perera, Andrea Ingram, Danny Whelan, Chris Baldock, Silvia Superina, Jed Salmon.

Seventh row: Bernie Wise, Debra Lusty, Alison Hollins, Kate Eadie, Chris Jensen, Kalma Rathouski, Shobini Mahendra, Katherine Szekfy, Brad Crammond.

Eighth row: Lorenzo Capodiferro, David Stephens, Tindikai Munyawarara, Jimmy Nagasaputra, Andrew Sawle, Monica Clements, Gillian McKenzie, Elaine Collier, Sasha Rudakov.

Last row: Patricia Rayner, Marianne Bois, Chris Garrity, Daniela Ruiz, Phillip Money, Kayla Thomas, Marianna Panopoulos, Tanya Erdos, Byron Thompson, Simon McKenzie.



Year at a glance

- » The TIO handled a total of 107,601 contacts in 2005/06 – a 10.0% increase on last year's total of 97,798.
- » Total contacts included 20,008 out-of-jurisdiction enquiries and 87,593 complaints.
- » The number of complaints investigated in 2005/06 was 87,593 - 11.0% greater than last year's (78,915).
- » A single complaint may contain more than one complaint issue. In 2005/06, the TIO recorded 127,479 complaint issues, up from 100,825 last year.
- » 41.0% of complaint issues were about landline services, 40.9% were about mobile services and 18.1% were about internet services.
- » 91.1% of complaints were resolved at Level 1, up from 90.2% last year.
- » 45.2% of complaints were resolved partially or substantially in favour of the complainant, while 11.1% of complaints were resolved partially or substantially in favour of the member.

Where did they come from?

93.7% of complaints were made by residential consumers, 5.9% were made by small businesses and 0.3% by government bodies or charities.

88.7% of complaints were lodged by telephone, 8.2% were lodged by e-mail, 2.5% were mailed and 0.6% were sent by fax. 17.1% of complaints were made by customers referred to the TIO by their providers.

Areas of note

Of all three technology types, complaints about internet services grew the most rapidly, rising 44.1% to 23,066. Mobile complaints grew by 29.5% to 52,119 and landline complaints grew by 17.4% to 52,294.

The landline categories that experienced the most significant growth were:

- contracts, which increased by 104.2%
- customer service, which rose by 71.3%
- privacy, which includes complaints about telemarketing, which rose by 26.4%.

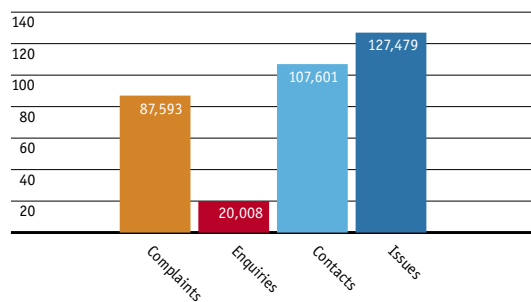
The mobile categories that experienced the most significant growth were:

- customer service, which increased by 107.0%
- billing, which rose by 50.7%
- privacy, which increased by 12.1%.

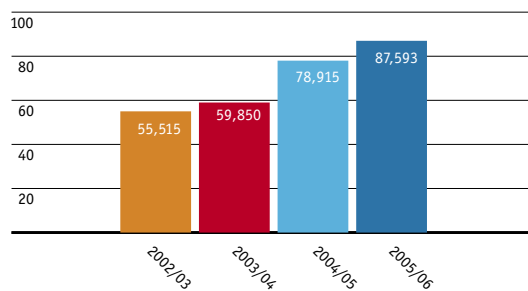
The internet categories that experienced the most significant growth were:

- contracts, which rose by 126.2%
- customer service, which increased by 96.5%
- billing, which rose by 26.8%.

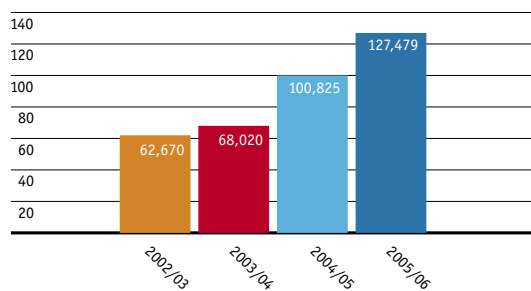
Total complaints, enquiries, contacts and complaint issues 2005/06



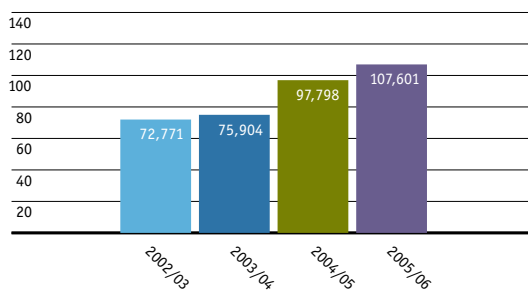
Total complaints since 2002/03



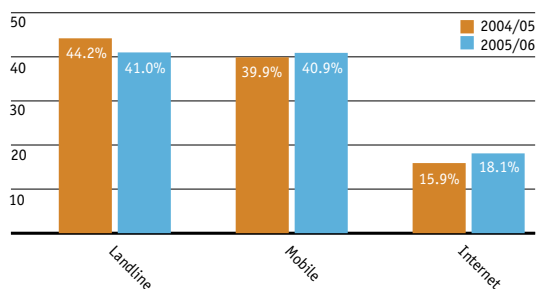
Total complaint issues since 2002/03



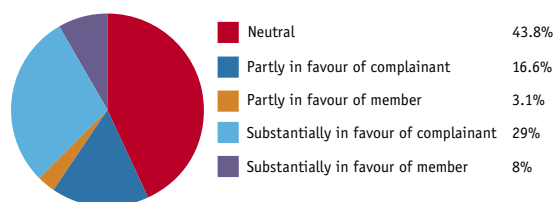
Total contacts since 2002/03



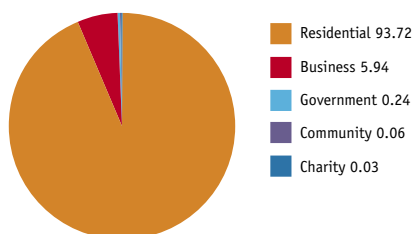
Complaint breakdown (%)



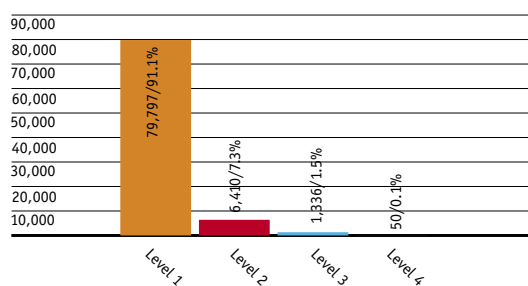
Complaint outcomes(%)



Complaint type(%)



Complaint mix



Statement by the Chairman of the Board



The TIO has prudently managed its affairs through 2005/06 and made a major contribution to the protection of consumers through co-operation with industry.

At a governance level the company has been run with financial efficiency and has made improvements to Board practices and responsibilities, particularly in the area of occupational health and safety. The Board has also reaffirmed its commitment to acting in a socially responsible manner.

At 30 June 2006 there were 1,170 members of the scheme, with 193 new members having joined during the year and 158 members having departed. Welcome to our new members and best wishes to the departing members.

There were no changes to the Board during the year, although preparations are in hand for elections to be conducted for two members who reach the end of their terms later this year. I would like to thank both of them, and all Board members, for their contributions throughout the year.

The TIO returned a surplus of \$13,635 for the year, an excellent result for a not-for-profit company with turnover in excess of \$8,000,000.

The financial reserve had accumulated to \$642,270 by the close of the year. The purpose of the reserve is to protect the TIO from fluctuations in cash flow, which in turn will protect members from unforecast demands for funding. This year the Board commissioned a review of the TIO scheme to be undertaken by Allen Consulting. The review was scheduled for completion by November 2006. (See Review of the TIO scheme, page 14.)

The members of the TIO continue to support the scheme through their co-operation and I thank them all for this support.

I would like to personally thank all staff of the TIO, especially the Ombudsman, John Pinnock; Deputy Ombudsman Simon Cleary (along with Victoria Marles who left the position in December 2005); and Business Manager and Company Secretary Phillip Carruthers. I would particularly like to thank the Chairman of the TIO Council, Tony Staley, and the Council members for their dedicated performance over the year.

A handwritten signature in black ink, appearing to read 'J. Rohan'.

John Rohan
Chairman of the Board



TIO BOARD

Chairman of the Board:

Mr John Rohan

Independent director:

Ms Jane Harvey

Industry representatives:

Mr Mark Davidson *Director Consumer Customer Care, Optus*

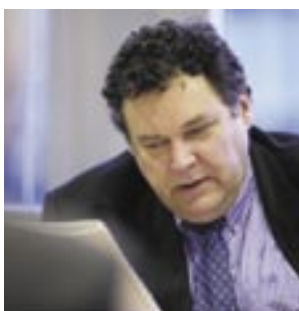
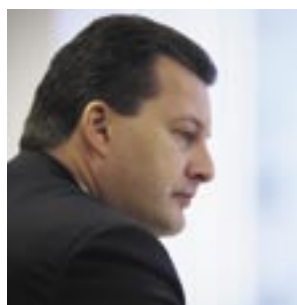
Mr Rohan Doyle *CEO/Director, Concert Telecom*

Mr Trevor Hill *Group Manager Consumer and Compliance,
Public Policy and Communications, Telstra*

Mr Michael Lawrey *Head of Network Services,
Infrastructure Services, Telstra*

Mr Andrew Bedogni *General Manager – Regulatory
Compliance and Self Regulation, Optus*

Mr Mark Graubner *General Manager, Convergent ComCo*



Statement by the Chairman of the Council



The Australian community continued to benefit from the existence of the TIO in 2005/06. The number of complaints brought to the TIO continued to grow, this year reaching 87,593.

The TIO Council gave consideration during the year to a large number of significant matters, including:

- adoption of a systemic complaints procedure
- the TIO's role in mobile premium services complaints
- preparation for a review of the scheme
- development of 16 guiding principles regarding the jurisdiction of the scheme
- limits on the rights of members to litigate once a complaint has been lodged at the TIO
- members' obligations to bring the TIO to the notice of customers
- the TIO's public awareness strategy
- development of a spam code
- development of the TIO budget.

Council thanks the Ombudsman, John Pinnock; Deputy Ombudsman Simon Cleary; Business Manager Phillip Carruthers; and the staff of the TIO for supporting the Council and providing outstanding service to consumers and industry. Thanks must also go to departing Deputy Ombudsman Victoria Marles.

Council welcomed four new members this year; Trudi Bean of Optus, Ross Young of Vodafone, Elizabeth Beal of the Communications Law Centre and Wayne Warburton of the Wesley Mission. On behalf of council I thank departing Council members Kathryn Fox of Vodafone, Anna Stewart of the Consumer Law Centre and Priscilla Mahony of Optus for their insightful contributions. Council also thanks Simon Cleary, then of Legal Aid Queensland, for his skills and efforts as a member of Council before being appointed Deputy Ombudsman.

The Council looks forward to continuing to guide the development of the TIO over the coming year.

Tony Staley
Chairman of Council



TIO COUNCIL

Chairman of the Council: The Hon. Tony Staley

Consumer representatives:

Ms Elizabeth Beal

Communications Law Centre, Victoria University

Mr Wayne Warburton *Wesley Mission*

Ms Myra Pincott *Country Women's Association*

Ms Pam Marsh *Consumers' Telecommunications Network*

The Rev. Dr Christopher Newell AM

Australian Federation of Disability Organisations

Industry representatives

Ms Trudi Bean *Optus*

Mr Ross Young *Vodafone*

Mr Neil Mounsher *Telstra*

Mr Ross Wheeler *Elected ISP representative
(Albury Local Internet)*

Ms Robyn Ziino *Elected carrier representative (AAPT)*



The Ombudsman's overview



Competition policy, T3 and changes to cross-media laws dominated public discussion and comment in the communications industry for much of the 2005/06 year. While these issues are important in setting the industry scene, they are not matters in which the TIO scheme has a direct interest.

The principal interest and challenge facing the TIO, in what is rapidly becoming a single communications industry, is to maintain its place as a central element in the framework of consumer protections.

The reality of convergence, the continuing trend of new technologies and rising consumer expectations mean that the TIO cannot remain static. It must develop in step with these trends, while remaining faithful to its role of investigating, resolving and determining complaints.

The TIO Council has recognised this need by setting its imprimatur on 16 principles to guide the TIO in the rapidly changing industry. Of course, the real test lies in the application of the principles, but already the Council and Board have shown that they are prepared to make bold decisions.

Foremost there is the agreement that the TIO should become the escalated complaints handling body under the Mobile Premium Services Scheme. This decision goes a long way to fulfilling the concept of the TIO as a one-stop shop for consumer complaints, while reducing consumer confusion and discouraging forum shopping.

At the same time there is much scope for development of the TIO's traditional work.

With increasing emphasis on facilities based competition, as providers such as Primus, Optus and iiNet install DSLAMs (DSLAMs are pieces of infrastructure that enable the provisioning of ADSL services) in Telstra exchanges across the country, new benefits and problems arise for consumers. Many consumers would be surprised, I think, at the prospect that they could lose their local landline number as a result of moving between carriers and networks, yet this is a real possibility with facilities-based competition.

The advent of VoIP (Voice over the Internet Protocol) also raises issues for consumers and the TIO. Potentially ubiquitous and very cheap, but free of technical standards, VoIP will eventually be an important type of service for consumers. For the TIO, the task is to identify VoIP providers who are not members of the scheme and bring them into the fold. (See VoIP, page 13.)

A handwritten signature in black ink, which appears to read 'John Pinnock'.

John Pinnock
Ombudsman

Member Communications

TIO member numbers

2004/05 members, total	1,135
New members 2005/06	193
Departed members	158
Total	1,170

TIO membership

Internet service providers	719	61.5%
Other	51	4.4%
Telephone and internet service provider	225	19.2%
Telephone service providers	175	14.9%
Total	1,170	

The TIO's Member Communications team encourages and fosters productive links between members and TIO staff.

Members commonly contact the Member Communications team to inform the TIO of any changes in their organisation or the industry that may affect complaint numbers or issues.

During 2005/06, the team met or visited more than 50 members at the TIO and around Australia. Member visits are generally made after a member shows interest in learning more about the TIO and its approach to handling complaints. The Member Communications team is also committed to initiating visits throughout the year to the members with the 30 highest complaint volumes.

Member Communications also encourages members to visit the TIO and meet its investigative staff with a view to forging closer relationships. Members routinely report that a visit to the TIO has helped staff to better manage TIO complaints and complaints in general.

The TIO values the cooperation of its members in providing updates on product offerings or technological advances affecting consumers. To assist the TIO keep abreast of emerging issues and technologies, Member Communications organises presentations by members to the TIO staff. This year, topics included VoIP, wireless broadband technology, 3G and mobile premium services to name a few.

Member Communications distributes *M-News*, an e-mail newsletter for members that flags changes at the TIO and in the industry. Members may also access a dedicated area of the TIO website, which contains links to ACIF codes and resources to help members deal with complaints.

The Member Communications team is mindful of the benefit to members and complainants alike when complaints are handled in a fair, and efficient manner while minimising escalation rates, resolution timeframes and costs borne by the member.

Looking ahead

Member Communications anticipates an increasing need to monitor the emergence of the VoIP market to ensure that providers who meet the definition of an eligible carriage service provider under the *Telecommunications Act (Consumer Protection and Service Standards) Act 1999* (Cth) are informed of the legislative requirement to join the scheme.

Staffing

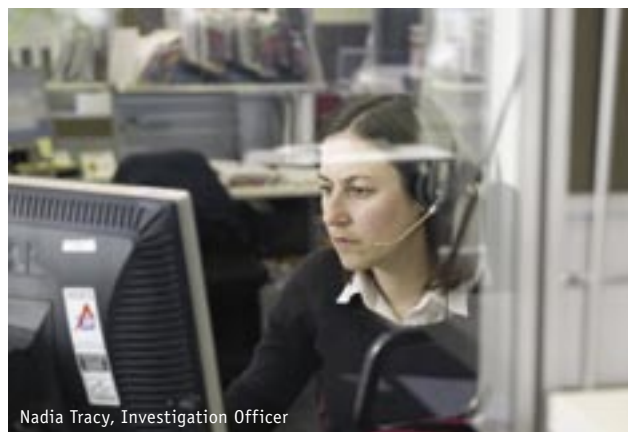
Lisa Dooley was appointed Member Communications Manager after Kate Eadie was appointed to the role of Investigation Manager. When Lisa took extended leave in October 2005, Simon McKenzie replaced her as Acting Manager. Paul Nangle who was previously an investigation officer, became Member Communications Adviser. Byron Thompson was appointed Member Communications Officer after Dan Walls left the TIO. Byron was previously an enquiry officer.

Membership

The TIO welcomed 193 new members during 2005/06. In the same period, 158 members left the scheme, a net increase of 35 members.

61.5% of members are internet service providers, 15.0% telephone service providers and 19.2% telephone and internet service providers. The remaining 4.4% are predominantly carriers that do not offer any eligible carriage services to end-user customers.

Policy and jurisdiction



Nadia Tracy, Investigation Officer



Convergence and the TIO

Consumers and the communications industry are not alone in grappling with the realities of the much discussed and elusive concept of convergence.

The TIO has also been considering the effect of the convergence of carriage and content on its role as a consumer protection mechanism both from a policy standpoint, as well as in terms of the day to day practicalities of investigating complaints and recording and publishing complaints statistics.

TIO Council principles

During the year the TIO Council debated and formulated a set of principles to govern the role of the TIO in an environment of rapidly changing consumer protections and industry initiatives.

Telecommunications Industry Ombudsman scheme (TIO)

Guiding Principles For The TIO Council In Considering Changes To Jurisdiction

The framework for changing the TIO Constitution is detailed in Section 11.2 of the Constitution:

11.2 From time to time, the efficacy of the TIO Constitution will need to be reviewed. It is the role of the Council, in consultation with the TIO, to prepare recommendations for amendments of the TIO Constitution. Final authority for approval of amendments to the TIO Constitution rests with the Board after consultation with the federal ministers responsible for communications and consumer affairs policy.

The following overarching principles, endorsed by the TIO Council, are to guide its consideration as to whether or not it is appropriate to alter the jurisdiction of the TIO.

Principles

1. The TIO scheme is part of the [co-]regulatory regime in the communications industry but is not in itself a regulator.
2. The TIO scheme has been established to deal with complaints by residential and small business end users of carriage services.
3. The TIO scheme seeks to provide free, independent, just, informal and speedy resolution of complaints.
4. The TIO scheme provides an alternative dispute resolution service for customers who have been unable to resolve their dispute with their provider.
5. The TIO scheme is a consumer protection mechanism which should balance the reasonable expectations of consumers and the costs borne by members.

6. The TIO scheme should be able to consider consumer complaints in a way that increases the efficiency and effectiveness of complaint handling in the telecommunications industry, reduces co-regulatory jurisdictional overlap, reduces consumer confusion and discourages forum shopping.
7. The TIO scheme should provide an adequate measure of consumer protection for all consumers of services included in the TIO's jurisdiction, irrespective of the technology that is used to deliver those services.
8. The TIO scheme should develop in step with changes in the general telecommunications regulatory framework, while preserving the fundamental features of the scheme.
9. Any change to the Constitution of the TIO scheme requires the agreement of the TIO Council. The Ombudsman must consult the TIO Council in relation to the conferral of powers under any code pursuant to s.114 of the *Telecommunications Act*.
10. Any change to the jurisdiction must have regard to the capability, the cost, the benefits, the efficiency and the effectiveness of involving the TIO scheme.
11. Any proposed jurisdictional changes are to be equitable and non-discriminatory.
12. Any change to jurisdiction must not expose the TIO scheme to any significant legal liability.
13. The TIO scheme does not have jurisdiction over the setting of tariffs and charges, telecommunications policy and commercial practices of members. (Note: See TIO Constitution clause 7.2 (b).)
14. The TIO scheme may not investigate complaints about the content of a content service.
15. The TIO scheme may investigate complaints about the carriage of a content service.
16. Where matters raised with the TIO scheme are judged to be outside its jurisdiction, the TIO scheme should have the power to refer these to an appropriate authority.

Keywords

In late 2005, the TIO reviewed the way it categorises complaints - for example, as "landline", "mobile" or "internet"; and the keywords it uses to describe the subject matter of complaints - for example, billing, and faults.

Due to the continued growth and convergence of technologies and services, it was becoming increasingly difficult for TIO staff to log complaints using the TIO's existing keyword structure. Moreover because providers increasingly focus on functionality rather than technology, consumers are often not aware of the underlying technology of the services they are using. For this reason, the TIO ceased recording mobile complaints by technology from 1 July 2005.

After extensive consultation, the following recommendations were accepted by the Ombudsman for implementation on 1 July 2006.

- The TIO will cease recording internet complaints by technology.
- The TIO will use a three-tier, rather than a four-tier keyword, structure to record complaints.
- Keywords will describe the subject matter (for example, billing) rather than the type of service (for example, mobile). The system will, however, still note whether complaints relate to landline, mobile or internet services.
- The TIO keywords will be aligned to ACIF codes. If certain keyword sequences are entered in the complaints database, staff will be prompted to ask complainants specific questions aimed at establishing whether a possible code breach has occurred.
- Keywords will be linked to the TIO's position statements where appropriate. If particular keywords are entered into the system, a link to related position statements will appear.

In addition, several of the TIO's existing keyword categories, such as contracts, customer service and phone cards, have been reworked so as to improve the quality of the TIO's data.

The TIO's enquiry keywords have also been restructured so that they are aligned with the TIO's jurisdiction.

One of the consequences of the keyword changes is that direct comparison with TIO statistics from previous years will not be possible.

Position statements

As noted elsewhere, the TIO has regard to the law, industry codes, good practice and to what is fair and reasonable in investigating, resolving and determining complaints.

Position statements developed internally by the TIO and published for the benefit of members and consumers provide an important guide as to how the TIO approaches various types of complaints.

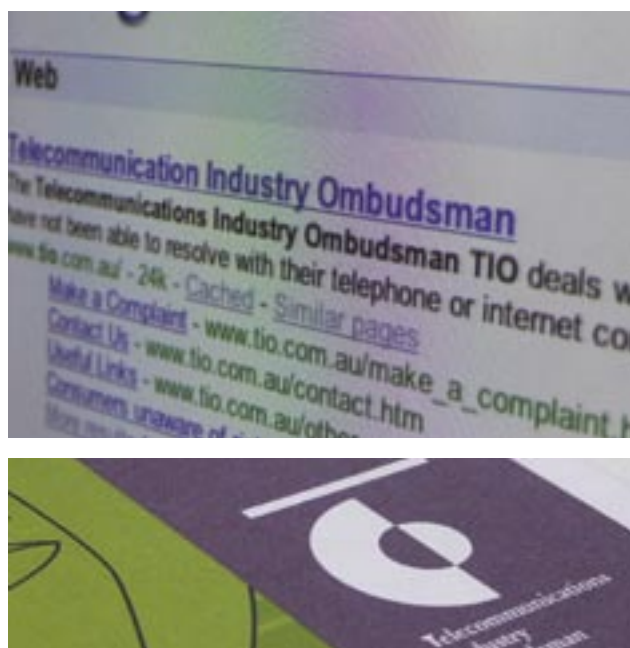
Partly procedural and partly substantive in content, the statements commonly serve as adjuncts to industry codes and give a guide to what the TIO may consider to be a fair and reasonable approach to particular complaints. Apart from this they also help the TIO achieve a greater measure of consistency in outcomes while allowing a considerable measure of flexibility; the statements can be quickly amended in light of developments in TIO policy and feedback from members and consumers.

Members publicising the TIO

The history of this topic can be traced through past annual reports. It remains as important today as at the inception of the TIO 13 years ago.

ACIF's *Complaint Handling Code* and the *Benchmarks for Industry Based ADR Schemes* (Department of Industry, Science and Tourism, August 1997) each contain important obligations for TIO members to publicise the TIO scheme. Yet the scheme itself places no formal obligation on its members to even hint at the TIO's existence.

Rather, there is an expectation that the members of the scheme will tell all their customers about the TIO. Unfortunately this expectation is more honoured in the breach than the observance.



Similarly, while ACIF's *Complaint Handling Code* requires a provider to advise a customer with an unresolved complaint about the TIO, statistics compiled by the TIO routinely show that this occurs in a minority of cases – no more than 15-20% of complaints to the TIO.

In October 2005, the TIO started to pay a lot of attention to the *Complaint Handling Code* rule. As a result, TIO reporting of possible breaches of the relevant rule skyrocketed. (See, Customer service, page 25.) With few exceptions, there was little positive reaction from either ACIF or TIO members.

One notable exception was AAPT, which has been particularly prominent over the past year in working with us to reduce the escalation of complaints to the TIO.

In a bold initiative, AAPT has included a message and a contact number about the TIO on all bills to customers. The TIO has been campaigning for such an approach for many years, almost without exception to no avail. Bill messages seem to be anathema to the industry due to a fear that they will lead to first resort complaints to the TIO. This fear is not supported by either a past trial by Optus, or by AAPT's move.

AAPT is to be commended for its initiative.

Reports to members

The Ombudsman may report to a member where in his opinion its general telecommunications policy or commercial practices have:

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

Two reports were made following systemic investigations conducted during the year. (See Systemic issues investigations, page 86.)

The first report followed the TIO's investigation of B-Digital's process for handling complaints about premium SMS charges. B-Digital implemented changes to its complaint-handling process so that complainants would not be liable for any premium SMS charges incurred after they had contacted B-Digital. But the changes were prospective only. They did not apply where people disputed premium SMS charges incurred before they had contacted B-Digital. Accordingly, the TIO issued a report to B-Digital to the effect that its practice contributed to complaints.

The second report arose from the TIO's lengthy investigation of complaints that arose after Primus' migration of its customers on to its own DSLAM network. In the TIO's view, the operational structure of its DSLAM networks, and the regulatory framework within which they were established, contributed to the complaints, and resulted in a report to Primus and a referral of the TIO's concerns to ACMA.

Mobile premium services – "If it's on the bill"

As one of its last regulatory acts, the Australian Communications Authority made the *Telecommunications Service Provider (Mobile Premium Services) Determination 2005* (No 1).

The determination set out rules to be met by content and carriage service providers and carriers for a range of mobile premium services. In particular, the providers were to establish a self-regulatory scheme to meet these rules which included age verification procedures for "adult content", as well as establishing an escalated complaints handling body.

The determination also established a "default" scheme to be known as the Mobile Premium Services Industry (MPSI) Scheme, with the Telephone Information Service Standards Council (TISSC) as the escalated complaints handling body.

The TIO's attitude to this development was that the MPSI Scheme did not have exclusive jurisdiction in relation to complaints about mobile premium services. The TIO already had jurisdiction to deal with a variety of these complaints including, significantly, billing complaints. The TIO campaigned accordingly on the theme of – "If it's on the bill" the TIO has jurisdiction.

After broad public consultation on a draft of the MPSI Scheme, significant carriage and content providers, whose interests were represented by the Australian Mobile Telecommunications Association (AMTA), and the Australian Direct Marketing Association (ADMA), came around to the TIO's thinking.

In consultation with the TIO, AMTA and ADMA developed a new self-regulatory model with the TIO as the escalated complaints handling body. The formal scheme was presented to the Australian Communications and Media Authority (ACMA) on 18 August 2006 for approval.

In the interim, the TIO Council agreed to accept the role envisaged for the TIO under the new model. The TIO is now awaiting legal advice as to an appropriate amendment to the TIO Constitution.

Referral of non-compliant members to ACMA

The TIO has changed its approach to referring members to the regulator (ACMA). The TIO now plans to:

- refer members deemed non-compliant with the scheme more swiftly,
- publish the details of referred members on its website and in its annual report.

From time to time, the Ombudsman has referred members to ACMA for action under sections of Part 6 of the *Telecommunications (Consumer Protection & Service Standards) Act 1999* (Cth).

Section 128 of the Act requires eligible carriage service providers to join the TIO scheme. Section 130 enables ACMA, in consultation with the TIO, to direct a company to join the TIO scheme. Section 132 requires members of the TIO scheme to comply with the scheme.

Historically, the Ombudsman has used his discretion to refer members as a last resort, preferring in the first instance to attempt to enlighten members of their obligations under the Act, especially when it comes to cooperating with TIO investigations.

In the past, a very small number of members have, despite advice from the Ombudsman, failed to acknowledge or act upon obligations conferred by the Act. In these cases, where a member has been given ample opportunity to join or comply with the TIO scheme, the Ombudsman will now refer the company or member to ACMA without delay.

The TIO anticipates that this course will better manage complainants' expectations about the likely delays in gaining a resolution to their complaint, while limiting time spent by the TIO following up requests made of uncooperative members.

VoIP

VoIP enables consumers to make and receive voice calls using the internet. Its great benefit is that it is cheap – in some instances it is available free from providers. Its drawback is the absence of standards, apart from the necessity to use the internet protocol. This means that the quality of calls can vary markedly.

The challenge for the TIO is to ensure that all VoIP only providers meet their obligation to join the TIO. The TIO generally has jurisdiction to handle complaints about VoIP provided by current TIO members. This task is being pursued diligently by the TIO despite recent claims that a large proportion of VoIP providers are avoiding the legislated TIO membership requirement. There are, however, a number of regulatory gaps involving VoIP which threaten a less than comprehensive set of protections for consumers.

Firstly, the characterisation of a VoIP service may be uncertain. Although it is generally accepted that VoIP is a type of carriage service, there is an argument that it is a type of application service – more like a content service than a carriage service. If this approach were correct the TIO would have no jurisdiction over complaints about VoIP.

Secondly, some providers may supply VoIP on what is called a "peer to peer basis". This means that a customer of such a provider may only use the VoIP service to contact another customer of the same provider. Such a service does not meet, or is an exception to, the definition of a standard telephone service in the *Telecommunications Act*. Peer to peer services, of any type, are outside the TIO's jurisdiction.

Finally, the Customer Service Guarantee (CSG) may not apply to all VoIP services.

If VoIP becomes as popular as is expected, all of these issues will need to be dealt with.

Closure of the CDMA network

In 2005, Telstra announced that it would close its CDMA network and migrate customers to its new 3G City to Country network. Telstra expects that the 3G City to Country network will commence operation in early 2007 with coverage to 96% of the population. There will be further enhancements to the network during 2007 to achieve equivalent coverage to the CDMA network of 98% of the population. Telstra's CDMA network will be closed in early 2008, once the new network coverage is the same or better than CDMA. Hutchison closed its CDMA network (which traded as Orange) in August 2006.

The decisions by the two carriers are commercial ones and outside the jurisdiction of the TIO to review. The TIO may, however, investigate a variety of complaints that may arise from the migration of customers to a new network. One such issue is the variation of a contract by one of the parties. For example, if the provider significantly varies the customer's contract when they move to the new network, the customer may have grounds to be released from the contract without penalty.

The TIO is also not entitled to consider questions of "equivalent coverage" as between an old and a new network, an issue that came to prominence with the closure of the former AMPs network. This issue is a matter for ACMA as the industry regulator.

The TIO will, however, be able to consider some complaints that could arise from the lack of equivalent coverage.



Systemic complaints investigation procedure

Systemic issues affect not only the individual complainant, but also a wider group of consumers with similar experiences. In May 2006, the TIO's Constitution was amended to formalise the TIO's powers to investigate complaints that illuminate potential systemic issues. This process will be an ever more important element in the TIO's active approach to complaint resolution.

The TIO conducted 10 systemic complaints in 2005/06. (See Systemic issues investigations, page 46.)

Two notable issues were dealt with during the year. The first related to DSLAMs – an emergent piece of infrastructure used by carriage service providers to allow access to ADSL services via their own networks. A number of carriage service providers have installed DSLAMs in telephone exchanges, with a view to rolling the technology out further.

After complaints from Primus customers after it migrated them to its DSLAM network, the TIO investigated a number of problems. While Primus agreed to resolve the complaints that were the subject of the systemic complaint, a number of outstanding issues remained. These issues illuminated further problems associated with the migration of Primus customers to its DSLAM network – as well as, more broadly, the operation of DSLAM networks across the industry.

Pursuant to its Constitution, the TIO referred its outstanding concerns about Primus to ACMA. It also advised ACIF's Operations Reference Panel, whose job it is to consider issues related to network migration, about the need to protect consumers from a range of potentially detrimental consequences associated with migration of DSLAM networks.

The second notable issue related to Adam Internet's decision to charge consumers a disconnection fee, when those consumers chose to leave Adam Internet for an alternative ISP after Adam increased its prices. This complaint was the first time the TIO had considered a systemic breach of the *Consumer Contracts Code*, which was first registered in 2005. The code promises to be useful in resolving complaints about unfair contract terms.

Review of the TIO scheme

In accordance with the scheme's Articles of Association, during the year the TIO Board and Council commissioned an external independent review of the scheme. The review, being conducted by the Allen Consulting Group, was scheduled to be complete by November 2006. A report of the review will be published on the TIO's website.

Quality assurance and staff training

In 2005/06, a Quality and Research Officer and a Call Coaching Officer were appointed. Call recording and coaching were implemented in January 2006. As well as evaluating individual performance, the main focus of the initiative is to identify knowledge gaps and training requirements.

In addition to conducting ongoing quality assurance to ensure that complaints are recorded accurately, the TIO conducts audits to assess performance and identify training needs. In 2005/06, the TIO conducted two new audits: the first looked at Level 1 complaints, the second Enquiries.

The Level 1 audit primarily assessed whether the TIO correctly applied its complaint escalation guidelines. The Enquiry audit looked at whether the TIO accurately applied its jurisdiction. Both audits found the TIO's performance to be satisfactory. Several recommendations that arose from the audits have since been implemented to ensure greater accuracy. The TIO intends to conduct both the Level 1 and Enquiry audits every two years.

In 2005/06, the TIO trained 34 new investigations staff (17 Enquiry Officers and 17 Investigations Officers). Staff responsible for training began reviewing the induction training programs, a process assisted by the secondment of another staff member to the team. As a result, the basic induction program was streamlined to three (from four) weeks and the content of the two-week casework program for new Investigations Officers was expanded.

The TIO continues to provide ongoing in-service training for investigations staff, through Tuesday morning half-hour information sessions (including some from visiting member representatives) and longer workshops. A highlight this year was a two-day workshop on alternative dispute resolution delivered by Allan Parker of Peak Performance.

Complaint handling

Jeremy Evans, Enquiry Manager



Definitions

The TIO continues to use four terms to describe how it records the calls, e-mails, faxes, letters and visits that it receives from consumers and small businesses each year.

Contacts

A contact is any communication with the TIO. During the year the TIO received 107,601 contacts from consumers and small businesses, an increase of 10.02% on last year.

Enquiries

An enquiry is a contact about a matter that is either not an expression of grievance or dissatisfaction, or which lies outside the jurisdiction of the TIO. Enquiries also include anonymous complaints, complaints about a service provider that is not a member of the TIO scheme, frivolous complaints or complaints where the consumer has not made any attempt to resolve the matter with their service provider before contacting the TIO. In 2005/06, 18.6% of all contacts with the TIO were logged as Enquiries, a percentage consistent with previous years.

In 2005/06, 24.4% of enquiries were first resort complaints, where the consumer had not made any attempt to resolve their complaint with the member before contacting the TIO. As with previous years this tends to indicate confusion over the role of the TIO, as well as consumers possibly lacking faith in their provider's ability to resolve a problem. 7.1% of enquiries were about telemarketing calls from companies that were not telecommunications providers, confirming last year's consumer concerns about this issue.

Complaints

A complaint is an expression or grievance or dissatisfaction that falls within the jurisdiction of the TIO and which the member concerned has had an opportunity to resolve before the complainant contacts the TIO. In 2005/06, the TIO received 87,593 complaints, an 11% increase on last year and a demonstration that the need for the TIO's services continues to grow.

Issues

Issues are the specific topics or subjects that consumers complain about. Thus, one complaint may consist of several issues. This year 127,479 issues were recorded, indicating that complaints are often multifaceted and complex and that sometimes the member's handling of the complaint can create additional issues. What was initially a billing complaint may also become a customer service complaint because of the way the member dealt with the matter.

Case classification and escalation guidelines

The TIO's Enquiry and Investigation Officers routinely exercise the Ombudsman's powers to investigate complaints under delegation. The guidelines are intended to regulate the exercise of these discretionary powers and are developed by the Ombudsman in consultation with the TIO Council. The guidelines are published on the TIO's website.

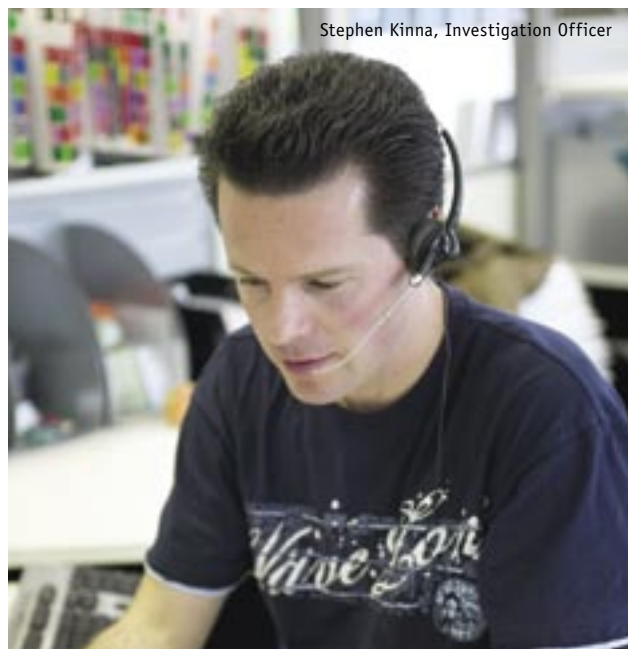
Classifying and escalating complaints

The TIO continues to use a four-tier complaints classification system - Levels 1 through to 4. The TIO's approach to complaint handling, particularly in relation to Level 2 complaints, underwent a significant change during the latter part of 2005/06. The classification and escalation of complaints is governed by guidelines developed by the TIO and approved by Council.

Complaint mix (%)

Year	Level 1	Level 2	Level 3	Level 4
2003/04	89.7	7.8	2.5	0.1
2004/05	90.2	7.7	2.1	0.1
2005/06	91.1	7.3	1.5	0.1

Complaint handling continued



Stephen Kinna, Investigation Officer

Level 1 complaints

The majority of complaints to the TIO are initially classed as Level 1 complaints and are referred back to the member, either orally or in writing, to give the disputing parties a final opportunity to resolve the complaint through discussion and negotiation without formal TIO intervention. Once a member is notified of a Level 1 complaint, either by the TIO directly or by the complainant, the member has two weeks to resolve the complaint by liaising with the complainant directly. Most complaints to the TIO are resolved in this way. In 2005/06, 91.1% of complaints to the TIO were resolved at Level 1, a pleasing one percentage point increase on last year.

Level 2 complaints (a last chance at resolution)

If a complaint cannot be resolved at Level 1, either because the TIO determines that the proposed outcome is not fair or reasonable, or because the TIO has not sighted enough evidence to determine whether the proposed outcome is fair or reasonable, a complaint is raised to Level 2. In the past Level 2 complaints have been investigation focused, involving the preparation of detailed correspondence to members and complainants requesting specific evidence, asking targeted questions, and highlighting potential Australian Communications Industry (ACIF) code breach issues.

However, in the latter half of 2005/06, after an internal review of investigations procedures, the TIO decided to adopt a more consultative cum conciliatory approach to Level 2 complaints, focusing on liaising with members and complainants and directed towards complaint resolution rather than issue analysis and evidence gathering. The TIO's view was that in many cases the latter served only to complicate issues, allocate blame and not address resolution of the complaint. The new procedure still involves the preparation of written correspondence to the complainant and member, but it focuses on the member proposing a resolution to the complaint and involves the TIO actively facilitating resolution through conversations with the member and complainant.

To date the process seems to be progressing well and feedback from staff, members and complainants has been positive. It is important to note that the new process does not rule out the TIO's decision-making or evidence-gathering role, which comes into play if a proposed resolution is not fair and reasonable. In assessing the latter, the TIO still has regard to the law, TIO position statements, what is fair and reasonable given the individual circumstances of a complaint, and ACIF codes. However, ACIF codes are no longer formally investigated at Level 2 to determine whether breaches are confirmed. Only possible ACIF code breaches are recorded at Level 2.

In 2005/06, 7.3% of all complaints to the TIO were raised to Level 2, a figure slightly below that of last year (7.7%).

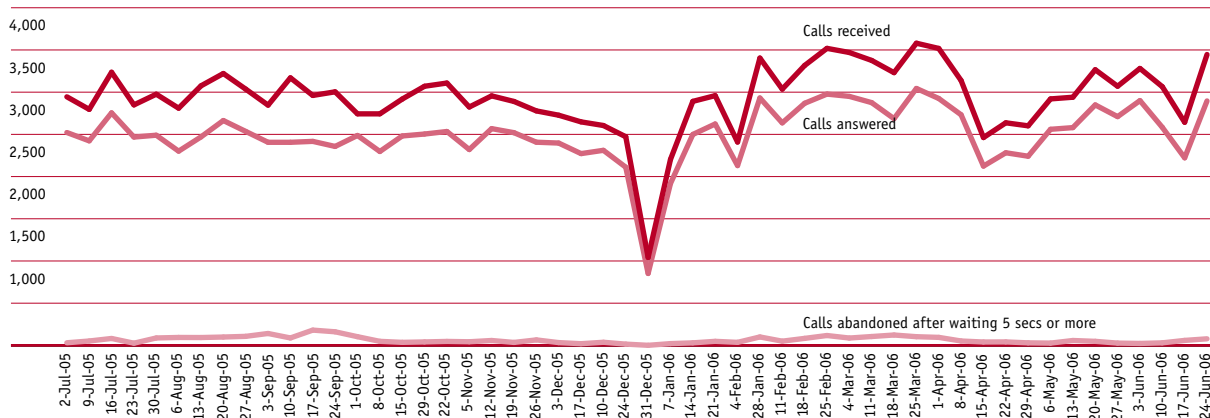
Level 3 complaints

If a complaint is not resolved in a fair or reasonable way at Level 2, the case is escalated to Level 3*. Under the new process, Level 3 complaints retain their formal, investigative and evidence gathering, focus. They are serious and require TIO analysis, targeted questioning and findings in relation to ACIF code breaches. Level 3 investigations still allow members and complainants to resolve a complaint by liaising with one another but the TIO's investigation is focused on making a binding (on members) determination to the value of \$1,200 where it determines that a Level 3 complaint has not been resolved in a fair and reasonable manner.

In 2005/06, 1.5% of all complaints to the TIO were escalated to Level 3, a one percentage point drop from the previous year. In part this was due to a drop in complaints in the December quarter, resource pressures, and the new complaint handling procedures, which were phased in with some members in April 2006.

* An exception is the TIO systemic complaints handling procedure whereby complaints are raised directly to Level 3.

Calls received, answered and abandoned July 2005 - June 2006



Level 4 complaints

A complaint may be escalated to Level 4 if the member has failed to respond to a Level 3 complaint within the required timeframes. This is known as an administrative Level 4. Or it may be escalated if the TIO determines that the outcome of a Level 3 complaint is not fair or reasonable, or the TIO has not sighted enough evidence from the member to determine that it is fair or reasonable. In determining whether a complaint should be escalated to Level 4, the TIO will also have regard to the quantum of the dispute - for example if it is above \$1,200 - and the estimated additional time that the TIO will need to invest in resolving the matter. Once a Level 4 investigation has been completed the TIO has the power to either dismiss the complaint or make a binding determination or give a direction up to the value of \$10,000.

In 2005/06, 0.1% of all complaints to the TIO were escalated to Level 4, a figure consistent with the previous two years.

Resolving complaints – What is fair and reasonable?

The TIO uses alternative dispute resolution (ADR) techniques such as conciliation to resolve complaints between members and consumers. Essential to ADR is the co-operation of all parties to a dispute. Acting in good faith and treating each other with courtesy and respect, as well as having an open mind and willingness to consider each other's point of view are vital for the resolution of complaints at the TIO. One of the TIO's main roles is to introduce members and consumers to the role of ADR and walk them through the process of conciliation.

Where it is not possible to conciliate a complaint so that a fair and reasonable outcome is achieved, the TIO must ultimately make a decision to either dismiss a complaint or escalate and determine the matter. In making this decision the TIO has regard to:

- the law
- industry codes and good industry practice
- TIO position statements
- what is fair and reasonable given the individual circumstances of the complaint.

Determinations and directions

Where a complaint cannot be conciliated so that a fair and reasonable outcome is achieved the TIO has the power to make a "determination" or a "direction" that is binding on the member but not on the complainant. At Level 4 the TIO's binding powers are limited to determinations or directions to the value of \$10,000. In late 2005/06 the maximum value of Level 3 determinations or directions was increased from \$400 to \$1,200.

While determinations and directions are binding on members, complainants can elect to accept or decline them. However, after the TIO has made a determination its investigation is complete and the complaint is closed.

In addition to binding decisions, the TIO can make non-binding recommendations to members, provided that these do not exceed \$50,000. Members should give consideration to the TIO's recommendations and provide a response.

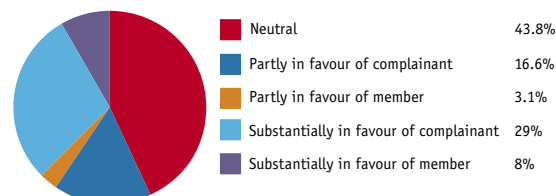
The TIO outlines in its annual report instances where members have not followed through with TIO recommendations.

However, in the 13-year history of the TIO, non-binding recommendations have been rare and none has been rejected.

In 2005/06, 50 complaints were raised to Level 4 and 39 Level 4s were completed. Of these, 32 were resolved by conciliation and seven were determined. Of these seven determinations, six related to land access objections while the remaining determination was about credit control.

Complaint handling continued

Complaint outcomes(%)



Complaint handling performance

Independence, along with procedural and substantive fairness, is the hallmark of an Ombudsman's office, and the TIO's practices and procedures reflect this. The TIO ensures that all parties to a dispute are privy to available information and evidence, so that the reasons for decisions are clear. Decisions are explained with direct reference to evidence, the concepts of fair and reasonable and, where applicable, the law, industry codes and TIO position statements.

Complainants and members are given an opportunity to respond to TIO views/assessments and provide additional information that may alter these. In addition, all complainants are given the opportunity to request a review of their complaint by a TIO senior officer, independent of the investigations area, if they remain dissatisfied with the outcome of their complaint but have no additional information or evidence to submit.

Call handling performance

The TIO aims to answer 80% of calls within 60 seconds.

The average weekly number of calls received in 2005/06 was 2,948, up from 2,623 in 2004/05. Calls fluctuated throughout the year, reaching a high at the end of March with 3,580 calls. December and April were the quietest months with calls below 2,500 in some weeks.

Despite an increase in call volumes, the service level achieved was 79%, compared with 77% the year before. A policy of planned recruitment helped maintain an appropriate number of Enquiry Officers throughout the year, resulting in a more consistent call handling performance.

The TIO answered an average of 2,502 calls per week in 2005/06, 10% more than last year. However, the number of calls abandoned after waiting longer than five seconds averaged 65 a week, an increase from 32 a week in 2004/05.

Complaint resolution times

Complaint resolution average (in days)

Year	Level 2	Level 3	Level 4
2003/04	61	84	146
2004/05	65	88	110
2005/06	79	108	164

Level 1 complaints are closed on the day that they are logged, and only reopened if the complainant returns to the TIO after contact with the member and the TIO determines that the complaint merits formal investigation.

With Level 2 and 3 complaints, individual actions - such as assessing responses from members and contacting complainants - have benchmark timeframes. However, because of the complex and unpredictable nature of complaints, whereby multiple and prolonged contact with members and complainants may be required and because of the likely impact of the new Level 2 procedures there are no benchmarks for the time to resolve these complaints. Council will review this position in January 2008. The average resolution benchmark for Level 4 cases is 90 days.

In 2005/06 the average resolution time for Level 2 complaints rose from 65 to 79 days. Level 3 resolution times rose from an average of 88 to 108 days, and Level 4 complaints rose from an average of 110 to 164 days. Increasingly, complaint resolution times have been prolonged by the failure of some members to respond to the TIO in a timely manner, or at all.



Complaint outcomes

Upon closure of Level 2, 3 and 4 complaints the officer handling the matter assigns an outcome indicator. This is based on their understanding of whether the complaint was resolved partly or substantially in the complainant's favour or partially or substantially in the member's favour. Neutral outcomes are also recorded but these are mainly an administrative action where a Level 2 or 3 complaint has not yet been resolved and requires escalation, or where a complaint has several "issues", only one of which was the subject of formal investigation. In 2005/06 complaints with neutral outcomes increased from 25.9% to 43.8%, most probably due to the recording of multiple complaint issues in formal investigations.

In 2005/06 complaints resolved partially or substantially in favour of complainants dropped from 18.3% to 16.2% and 39.5% to 29.0% respectively. And complaints resolved partially or substantially in favour of members dropped from 3.8% to 3.1% and 12.6% to 8.0% respectively.

Reviews

TIO procedure allows for complainants who are dissatisfied with the outcome of their complaint to request an independent review of their complaint by the Review Officer, a senior member of staff. The Review Officer's primary focus when reviewing a complaint is to ensure that a fair and reasonable outcome has been achieved. In reviewing a complaint, the Review Officer ensures that all relevant industry legislation, codes and standards have been considered. Further, the Review Officer ensures that the decision reached by the Investigation/Enquiry Officer is consistent with TIO policy, procedure, and practice and has been well documented/explained to the complainant.

The Review Officer reports directly to the Deputy Ombudsman and is responsible for independently reviewing the outcome of Enquiries and Level 1, 2, 3, and, in some instances, administrative Level 4 complaints.

In 2005/06, 266 reviews were requested – a 21.3% decrease from the previous year and in this period, the TIO completed 216 case reviews. In 74.5% of cases, the Review Officer concluded that a complete and thorough investigation had been conducted by the Investigation or Enquiry Officer, and agreed that a fair and reasonable outcome to the complaint had been achieved.

In 13% of cases, the additional information was sought before concluding that a fair and reasonable outcome had been achieved in the first instance while 10.6% of cases reviewed were returned to the relevant Investigation or Enquiry Officer for further investigation.

In 1.9% of cases, the TIO's initial finding was overturned following additional investigation of the complaint by the Review Officer.

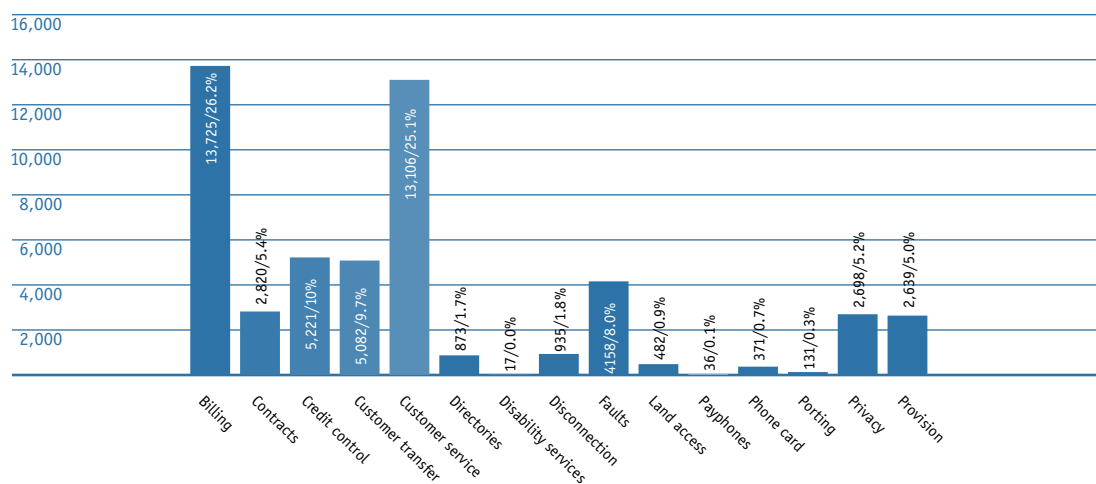
Landline service issues

52,294 issues raised



↑	Billing	13,725	+1.2%
↑	Customer transfer	5,082	+12.6%
↑	Contracts	2,820	+104.2%
↓	Credit control	5,221	-9.8%
↑	Customer service	13,106	+71.3%
↓	Directories	873	-8.8%
↑	Disability services	17	+21.4%
↑	Disconnection	935	+5.3%
↑	Faults	4,158	+11.6%
↓	Land access	482	-3.2%
↓	Pay-phones	36	-5.3%
↓	Phone card/smart card	371	-19.9%
↑	Porting	131	+33.7%
↑	Privacy	2,698	+26.4%
↓	Provision	2,639	-7.5%

Landline service issues



Overview:

Landline services complaints rose by 17.4%, with billing the leading category, (13,725 complaints). 39.7% of these complaints were logged under "other charges", a sub-category that includes connection fees for new services, directory charges, handset fees and line rental charges.

Contract complaints doubled, with most (82.5%) complaints about claims of incorrect or inadequate information given at point of sale. Complaints about non-receipt of terms and conditions at point of sale increased by 287.1%.

These significant increases can be attributed to service providers "bundling" landline services with minimum term contracts for other services such as internet services, mobile phones, pay-TV and/or the provision of customer equipment. Complaints about early termination fees associated with bundled packages also increased. These fees may apply when part or all of the bundled package is cancelled before the end of a contract term.

Complaints about customer service continued the upward trend of recent years, with an increase of 71.3%. Over a third of these complaints concerned a failure to deal with a complaint at first instance. "Failure to deal with a complaint" is a new category in the TIO complaint handling system, so there are no comparative figures from last year. During 2005/06, the Ombudsman directed investigations staff to closely monitor possible code breaches of clause 7.6.1 of the ACIF *Complaint Handling Code*. This clause requires service providers to advise customers of external avenues of complaint (such as the TIO) if they remained dissatisfied with the outcome of their complaint.

Complaints about landline porting increased by one third, although the overall number of complaints is relatively small, up from 98 to 131. These complaints predominantly relate to unauthorised ports or porting delays.

There was an increase of 26.4% in complaints about privacy with the majority of complaints being about telemarketing, where complaints almost doubled. These complaints concerned the behaviour of telemarketers and the frequency of telemarketing calls.

Customer transfer complaints increased slightly during the year with most about the unauthorised transfer of telephone services, particularly as a result of telemarketing calls. Complaints about landline faults increased by 11.6% on last year, the majority related to delays in fault repair and subsequent entitlements to Customer Service Guarantee payments. The TIO has introduced a new reporting category that will capture intermittent and recurring faults more accurately.

There were notable decreases in complaints about phone cards, down 19.9%, directories, 8.8% lower, and provisioning, which fell by 7.5%. Complaints about credit control also fell by 9.8%, and while these complaints are the third largest sub-category of landline complaints, the drop in complaints reflected improved performance by TIO members.

Billing: 13,725 issues raised

Although still the leading landline category, billing complaints declined as a percentage of landline complaints.

Premium-rate voice calls

Calls to numbers with the 190 prefix, which include adult content, information and competition services, are charged at a higher rate than local or national calls. The TIO received 444 complaints about 190 voice calls, 29 fewer than last year. During the year, the TIO also received 477 international voice call complaints, relating to premium services accessed through an international number, virtually the same as last year's figures.

In dealing with complaints about premium rate services, the TIO has regard to all applicable legislation and regulations including Part 9A of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (Cth) and the *Telecommunications Service Provider (Premium Services) Determination 2004* (No.1). Where appropriate, the TIO refers complaints to the Telephone Information Services Standards Council (TISSC).

Complaints about premium rate services often give rise to issues of financial over-commitment. In the absence of any regulation relating to the provision of credit for telecommunications services, the TIO applies its position statement *Unlimited credit – financial over-commitment*. This was updated in March 2006. When dealing with issues of over-commitment the TIO has regard to a number of factors including any steps taken by the provider and the complainant to limit the over-commitment. Where premium rate services are involved the TIO has regard to the nature of the service and the manner in which it was marketed or promoted.

Premium-rate data calls/international data calls

Premium rate and international data calls occur when an internet user who has accessed the internet via a dial up internet service is disconnected from their usual internet access number and reconnected via a premium (190) or international dial up number. This usually occurs via the use of internet dialler software which the user unwittingly downloads after visiting certain websites, often featuring adult content. This phenomenon is known as dumping.

Complaints about 190 data calls fell for the third year running with 125 complaints recorded this year compared with 145 last year. There was also a welcome break in the trend of increasing complaints about international data calls with the complaints in this category falling from 2,617 to 1,823. The fall in international data complaints may have been due to the decrease in complaints against Approach Telecom, and its successors Beyond Telecom and Open Telecom, following the TIO's systemic investigation into warnings on diallers for which Approach Telecom billed. The movement from dial-up to broadband services is also a likely contributor to the decrease as dumping can occur only through a dial-up modem.

Landline service issues continued



Complaints about premium rate and international data calls are generally of two types: either complainants deny all knowledge of the calls, or they accept that the calls were made from their service but they deny being presented with any warnings that premium rate charges would be billed to their telephone account if they proceeded past a certain point. In dealing with such complaints, the TIO applies its position statement *Disputed (data) calls to 190x and IDD numbers (internet dialler charges)*.

The TIO's process for investigating complaints where the complainant denies all knowledge of the calls is the same for 190 and international calls. However, the process for investigating complaints where the complainant claims not to have received a warning is different for 190 and international calls due to the fact that the Telephone Information Services Standards Council (TISSC) code does not apply to content services accessed through an international number.

Other charges

This category includes a diverse range of landline billing charges including connection fees for new services, directory charges, handset fees and line rental charges. Complaints logged under this category made up 39.7% of landline billing complaints.

Charges relating to the connection of a new service rose by 23%. The TIO is frequently required to investigate what work is required, what work is charged for and what notice is given about the charges for the connection of the service.

Complaints about miscellaneous billing charges rose by 31%. Many charges that appear on bills may be difficult for a consumer to understand and verify. Thus, it may be difficult for consumers to explain to the TIO what the charges relate to and as a result a miscellaneous charge is recorded in our system.

Contracts: 2,820 issues raised

Growth in landline contract complaints has been consistent over the past few years, reflecting the tendency of providers to bundle services. Traditionally, landline services did not come with fixed-term contracts. Now, minimum-term contracts are often offered for various combinations of services such as landlines, internet, mobile phones, pay-TV and customer equipment.

After increasing by 145% last year, this year complaints rose by a further 104.2%. This growth is significant given that mobile contract complaints fell marginally this year. The internet contracts category also grew strongly this year, reflecting an increased focus on broadband deals.

The single largest sub-category of landline contract complaints (67%) concerned incorrect or misleading advice provided at point of sale. Complaints were received about misrepresentations regarding the nature of the contracts entered into and inadequate advice that some of the contracts in the "bundle" were with third-party financiers. Complaints were also received about lack of advice that a termination charge could apply in case of cancellation.

4.3% of complaints were about non-receipt of terms and conditions of the contract and 2.2% were about the incapacity of the complainant to enter into a contract. The last category includes cases where children enter contracts for landline services, but also where the complaint suggests the person with the contractual liability may have suffered from an intellectual disability or mental illness that affected their capacity to understand their rights or obligations under the contract.

In assessing contract complaints, the TIO has regard to ACIF's *Consumer Contracts Code* that prohibits the use of unfair terms in contracts and lays down the minimum requirement for the format and structure of contracts. The TIO also has regard to legislation - for example, Part 2B of the *Fair Trading Act 1999* (Vic), which states that unfair terms in consumer contracts entered into in Victoria are void.

Small businesses and bundled contracts

A growing complaint area related to "bundled" agreements for the provision of carriage services and equipment to small businesses. The most common package involved two contracts, one between the business and the phone company ("the phone contract") and one between the business and a finance company ("the finance contract"). The second contract involved the lease of telephone systems, laptops, or plasma-screen televisions.

The contracts were linked in several ways. The phone contract often included an agreement that the phone company would credit the business's account each month with an amount which approximated the lease payment under the finance contract. The sales focus of these bundles was that the business would pay no more for their phone service than they were paying with their current service provider, and would get equipment "at no extra cost".

Complainants commonly said the characteristics of the bundle were often misrepresented at the point of sale, including:

- claims about the nature of the relationship between the contracts
- promises about the amount of credits paid by the phone company and the circumstances in which they would be paid
- and assurances that the customer would pay no more per month than they previously paid.

Complainants reported with alarming frequency that they believed they had entered into only one agreement with the phone company and were not aware that they had also entered into a contract with a finance company. Often, when a complainant sought to terminate the contracts because of the misleading point-of-sale conduct, they were advised by the phone company that nothing could be done because the finance contract was "separate" from the phone contract. Bundles of contracts, such as these, are an area of concern for the TIO and will be an investigatory focus in the coming year.

CASE STUDY Financial hardship

The complaint

The complainant, whose sole income was a disability support pension, began accessing psychic lines that were charged at premium rates. She had run up several high bills, but was usually able to pay them off by relying on her savings and an overdraft. Eventually she contacted her provider to request assistance with a bill of more than \$5,000.

She asked for her landline service to be replaced by one that could receive only incoming calls. The provider refused, arguing that the complainant had a prepaid mobile service and could cancel her landline service altogether. The complainant then cancelled her landline service only to have it reconnected a week later. She then incurred more debt by dialling premium rate services. The complainant eventually asked to enter a payment arrangement to pay off the debt, but the provider refused and referred the matter to a debt collection agency.

TIO response

In investigating complaints of this nature the TIO will have regard to its position statements *Unlimited Credit Premium Rates and Hardship and Payment Difficulties*. In this case, it asked the provider what, once it had become aware that the complainant was incurring an unusual amount of debt, it had done to minimise or limit her access to credit or exposure to debt. It also asked the complainant what steps she took, including the use of call barring, to limit any overcommitment on her part.

The provider told the TIO that although the complainant was incurring a large amount of debt, it took no action as she had a reasonably good record of paying her bills. The complainant appeared to have taken no action to limit her exposure to large debts until she requested her service be limited to incoming calls.

The TIO formed a view that notwithstanding the complainant's good payment history the provider should have taken action earlier to prevent her exposure to such a large amount of debt. She had experienced payment difficulties previously and it would have been reasonable for the provider to at least contact the complainant to ensure that she was aware of her options in terms of limiting her exposure to overcommitment. The TIO was also concerned that the provider rejected the complainant's proposal for a payment arrangement without proposing an alternative. Ultimately, the TIO believed that the complainant was primarily responsible for becoming overcommitted.

The outcome

The TIO recommended that:

- a proportion of the debt (about \$3,000) that was incurred after the provider should reasonably have become aware of the overcommitment be waived
- the complainant repay the remainder of the debt at \$50 a fortnight
- the complainant be provided with a service that was limited to receiving incoming calls.

Both parties accepted the TIO's recommendations.

Landline service issues continued



Carl Dunmore, Investigation Officer



Credit control: 5,221 issues raised

Complaints fell by 9.8%. Credit control is the third largest landline complaint category and accounts for 4.1% of all complaints received by the TIO.

This category includes five sub-categories, all of which declined. They are:

- barring (where a provider bars or suspends a service for credit reasons.) (551 complaints)
- debt recovery (2,893 complaints)
- disconnection (852 complaints)
- overcommitment (170 complaints)
- payment arrangement (755 complaints).

For several years, the TIO has publicly expressed its concern about the largely reactive measures taken by providers to manage debts incurred by customers. In its *Telecommunications Performance Report 2004-05*, the Australian Communications and Media Authority (ACMA) said that the ACIF *Credit Management Code* was not operating effectively. The report highlighted the fact that in 2004/05, the number of credit default listings made by carriage service providers (CSPs) and internet service providers with Baycorp Advantage — the largest credit bureau operating in Australia — had increased by more than 63% on the year before. These referrals made up 62% of Baycorp's non-business default listings in the 2004/05 financial year, compared with 31% for financial services and 7% for utilities.

In August 2005, the Minister for Communications wrote to major service providers saying that a revised code should be developed to protect consumers, especially young people, from unexpected high phone bills. The revised *Credit Management Code*, which was registered by ACMA in April 2006, applies to all carriers and carriage service providers, including ISPs, and covers all their sales representatives.

The key initiatives of the revised code are:

- credit assessment - when a customer requests a service, providers must either undertake a credit assessment or supply a service that would limit expenditure; for example using measures including a hard cap, a pre-paid service and international barring
- obligation to advise - when informing a customer about a possible restriction, suspension or disconnection of a service, providers must make reasonable attempts to ensure that the advice goes to the actual customer, in a format reasonably acceptable to the customer, and must try to ascertain whether the customer has understood the advice
- implementation by providers of a financial hardship policy, a summary of which must be given in writing or orally at the customer's request. (This last provision did not come into force until October 2006). Importantly, a provider must consider a person's individual circumstances when discussing financial hardship.

In the TIO's experience, while companies are usually willing to enter into payment arrangements, these are often on their terms alone. The financial hardship provisions of the revised code should go a long way towards ensuring that payment arrangements are fair and reasonable and reflect the customer's particular circumstances.

The TIO expects complainants to make payments of undisputed debt, or to prepare financially for the possibility that at the conclusion of an investigation, they may be found liable for part or all of the debt in dispute.

Customer service: 13,106 issues raised

Customer service complaints increased dramatically, up by 71.3% on last year's figure of 7,649. Customer service issues were the second most prevalent landline complaint category, accounting for 25.1% of all landline complaints.

Complaints recorded within this category included:

- service providers failing to deal with a complaint (5,039)
- service providers failing to act on a customer's request (3,126)
- service providers giving inadequate or incorrect advice (2,437)
- lengthy wait times (1,215)
- discourtesy (448)
- failure to escalate complaints (421).

Care should be taken, however, in comparing these and past year's figures. The new category of Failure To Deal with a Complaint was created in October 2005 at the direction of the Ombudsman. Investigations staff were directed to register a possible breach of clause 7.6.1 of the ACIF *Complaint Handling Code* if service providers failed to advise their customers of external avenues of recourse (such as the TIO) if they remained dissatisfied with the outcome of their complaint.

The TIO has long maintained that the requirement under the code for providers to inform consumers about the TIO has been more honoured in the breach than the observance and these figures lend substantial weight to this assertion.

A selection of complaints from the lengthy wait times sub category demonstrates the efforts that some telecommunications customers go to have their complaints resolved.

- one complainant rang his provider three times to cancel his landline. He eventually gave up and rang the TIO after waiting for more than 20 minutes on each occasion
- a complainant who was receiving nuisance calls rang the TIO after not being able to get through to her provider at all
- a complainant said she had been trying to contact her provider for several days, having to wait on hold up to three hours, and still she couldn't get through
- a complainant claimed that he had been trying to call his provider but got an answering service only. He left messages but nobody called back.

CASE STUDY

Unauthorised transfer

The complaint

The complainant's 11-year-old daughter received a letter from a service provider informing her that she had a contract with it. The complainant did not want the service to be with this particular provider and contacted it to have the matter investigated but no action was taken.

TIO response

The TIO referred the case to a senior complaint-handling department at the company where the complainant was told that her daughter had agreed to the transfer in a phone conversation* with a telemarketing representative. The complainant was also promised that the transfer would be reversed.

The TIO then escalated the matter after the complainant contacted it again to advise that the reversal had not taken place and that she had not been given an opportunity to listen to the voice recording of the phone conversation in question, which the company confirmed it had kept.

The TIO asked the company to provide a copy of the voice recording and address the issues raised in the complaint.

The outcome

The provider agreed that the voice recording featured someone other than the account holder and apologised to the complainant. The service was transferred back to the chosen provider and all charges in connection with the transfer were waived.

*Consumers may authorise to have their phone account transferred over the phone but under ACIF's *Customer Transfer Code*, companies must make a voice recording of the authorisation and keep the recording for at least two years.

For a transfer to be correctly authorised, the *Customer Transfer Code* requires that an "authorised customer" give "informed consent". Complaints about a person not being the authorised customer often arise where an employee of a business receives a telemarketing call and agrees to transfer the landline service.

Landline service issues continued



Customer transfer: 5,082 issues raised

Complaints about customer transfers appear to be stabilising, after a steady increase over previous years. This year, complaints increased by 12.6%, significantly less than last year's rise of 48.3%. The main cause of the increase was the practice of initiating sales and contracts over the phone.

Over the last few years an area of serious concern has been unauthorised transfers effected by unsolicited calls from outsourced agents of telecommunications companies (telemarketers), and the misunderstandings that can occur as a result of this sales method. Indeed, complaints about unauthorised transfers as a result of telemarketing have increased by 21% since 2004/05, while other causes of unauthorised transfer have declined.

In other areas, though, the industry seems to be responding proactively to previous complaint trends. This year's statistics indicate that unauthorised landline transfers as a result of door-to-door sales are on the decline. Complaints about unauthorised transfers on the basis of administrative error also fell in 2005/06. It appears that complaints about failures or delays in the reversal of unauthorised transfers have been less common over the last year – perhaps indicating improved intra-industry co-operation and a willingness to rectify any such problems efficiently.

Directories: 873 issues raised

The TIO received 873 landline complaints relating to the *Yellow* and *White Pages* directories, an 8.8% decrease.

The TIO has no jurisdiction over business directories but has an informal agreement with Sensis, the publisher of *Yellow Pages*. *Yellow Pages* complaints can be referred to Sensis for consideration.

White Pages complaints are initially referred to the customer's service provider, and can be investigated by the TIO if not resolved. Over three quarters of directory complaints received relate to landline errors and omissions in the *White Pages*.

Disability services: 17 issues raised

Disability services account for a very small percentage of complaints. The category includes complaints about provisioning of disability equipment and the billing of such equipment, as well as miscellaneous policies and decisions that are prejudicial towards people with disabilities.

All but one of these complaints was resolved at Level 1 without further investigation required. The one complaint that was raised to Level 2 concerned a deaf customer who was refused a TTY machine until his account balance was paid in full. The customer had been disputing a charge on the bill but was told that he would not receive the TTY machine while the dispute was ongoing. The provider resolved the complaint at Level 2 by waiving the disputed charge and providing the TTY machine as requested.

Complaints from people with disabilities are also handled under other categories. For example, under the Contracts category, the TIO records complaints where it is suggested that the person with the contractual liability may suffer from an intellectual disability or mental illness which affects their capacity to understand their rights or obligations under the contract.

Disconnection: 935 issues raised

Complaints rose by 5.3% from 888 last year. Complaints about errors in disconnection relate to the wrong service being disconnected or the right service being disconnected prematurely. On the other hand a delay or failure to disconnect a service may result in continued billing at premises that the complainant no longer occupies.

Most of these complaints are resolved after referral to the TIO liaison area of the provider in question, with few complaints escalated beyond Level 1. More complicated complaints, sometimes involving claims for compensation, can occur where the correct service belonging to a business is disconnected prematurely and the problem is not quickly resolved when brought to the provider's attention.

Faults: 4,158 issues raised

The TIO investigates complaints where there is a delay in repairing faults and the complainant seeks assistance in expediting repairs. This year landline faults complaints increased by 11.6% to 4,158.

39% of all landline fault investigations related to delays in fault repair where the complainant may have been eligible for compensation under the Customer Service Guarantee (CSG). The next most common complaint (23.9%) concerned delays where the CSG did not apply. The TIO also investigated 911 complaints relating to recurring/intermittent faults where a CSG payment could have been due, depending on the extent to which the fault affected the service.

The TIO will investigate where it is determined that a company is not meeting the minimum standards set out under the CSG.

Customer Service Guarantee

The TIO records CSG-related complaints under the categories of Provisioning and Faults. It investigates complaints about the application of the CSG, usually as a secondary issue to provisioning and fault rectification delay complaints.

Carriage service providers (CSP) are bound by the *Customer Service Guarantee (CSG) Standard 2000*. This standard sets timeframes for the connection and rectification of faults on standard telephone services. A breach of these timeframes can result in compensation being paid to the customer for each working day outside the set timeframe.

This year saw an increase of 12.5% of overall CSG related cases. CSG-related provisioning complaints remained roughly the same. However, of these, there was an increase of 19.9% in complaints about an in-place connection. Complaints about a new service fell by 13.4 %.

CSG-related fault complaints, increased this year by 25.1%. The rise could be due to an increase in intermittent fault reports, which CSPs have historically seen as a succession of separate faults rectified within CSG timeframes. The TIO expects to have further data on this issue next year, following the introduction of new keywords that took effect on 1 July 2006.

On 23 August 2005, the *Connect Outstanding Code* was registered. This code sets industry timeframes for the disconnection of a service where a previous occupant has failed to disconnect their telephone service, preventing the new occupant from connecting a service. These complaints are not recorded as CSG-related complaints. However, CSPs are in breach of the CSG Standard if the new service is not connected within two working days after the disconnection.

Claiming compensation for business loss

Small businesses commonly complain about a service provider's rejection of a claim for compensation for business loss. Businesses often seek compensation from their service providers as part of the resolution of their main complaint about delays in the connection of a service or in rectifying a fault. On occasion, small businesses also seek compensation for business loss arising from errors or omissions in a *White Pages* listing.

The TIO will generally only investigate compensation claims by small businesses for quantifiable amounts incurred that are a direct result of the actions or inaction of the service provider.

The TIO will only consider claims for business loss that a reasonable person would anticipate in all the circumstances. The business loss must also be substantiated. Small businesses that seek to claim for compensation must also be able to show that they have taken steps to mitigate their loss.

The TIO looks at compensation claims only after the service providers have had a reasonable opportunity to assess a formal compensation claim lodged by the small businesses. Most compensation claims are recorded under the Faults and Provisioning categories. In 2005/06 compensation claims for business loss due to faults dropped from 283 in 2004/05 to 277 and those for delays in provisioning fell from 152 in 2004/05 to 127.

One of the main difficulties for small businesses that submit a claim for compensation is substantiating loss of profits or expenditure incurred as a direct result of the fault or delay in connection of their telephone or internet service. This is particularly the case when a small business is starting up or has relocated to new premises or where the business is unable to provide financial information for comparison purposes.

The TIO has a fact sheet, *Compensation Claims for Loss of Business*, which provides useful information on the types of documentation that would need to be compiled by small businesses when submitting a compensation claim. This fact sheet is available on the TIO's website and is provided to small businesses whose complaints include a claim for compensation for business loss.

Landline service issues continued



Priority assistance

Telstra's Priority Assistance Policy ensures that residential customers who are diagnosed with a life-threatening medical condition and whose life may be at risk without access to a fully operational telephone, receive priority assistance in relation to new connections and repair of faults on existing services. The service must be applied for and medical evidence supplied.

The TIO records complaints about the policy under the Faults and Provisioning categories.

In 2005/2006 the TIO received 115 complaints, a slight increase on last year's 111 complaints. As with last year, most complaints (88) concerned the delay in a fault repair. There were seven complaints about the provider rejecting an application for priority assistance and 20 about a delay in provisioning a service under priority assistance guidelines.

The TIO ensures that Telstra has acted in accordance with its Priority Assistance Policy and expects Telstra to make new customers aware of the policy and of the eligibility and application requirements.

Land access: 482 issues raised

Carriers and carriage service providers are required to be members of and comply with the TIO scheme. The main difference between these two types of business structures is that carriers own or control telecommunications networks or infrastructure, whereas carriage service providers use a carrier's network to provide their services. Since July 1997, ACMA has issued 209 carrier licences, with 53 licences subsequently cancelled or surrendered. Land access complaints relate to powers exercised by carriers.

Carriers have broad powers under the *Telecommunications Act 1997* (Cth) to access land for inspection, installation of facilities and the maintenance of facilities. Of particular importance is their right to install "low-impact" facilities, without the consent of the landowner and with immunity from a wide range of state laws.

The Act places obligations on carriers exercising their land access powers and the *Telecommunications Code of Practice 1997* provides owners or occupiers of land affected by a carrier's activity with a limited right to object. Following receipt of an objection, carriers are required to undertake a mandatory consultation process and attempt to resolve the objection by agreement with the landowner/occupier. The code also provides that unresolved objections may be referred to the TIO and that carriers are required to comply with a direction given by the TIO.

The TIO categorises land access complaints into objections against carrier facilities and activities, complaints about damage to land or property and complaints about carriers attempting to recover the costs of repairs to damaged infrastructure.

Over the last three years, the number of land access complaints has been reasonably consistent. This year, the TIO received 177 complaints alleging that carriers had caused damage; 153 complaints disputing charges imposed as a result of damage to carrier infrastructure; 45 complaints alleging that carriers had failed to serve notice before accessing land; 19 complaints about the way in which a subscriber connection had been installed; and 88 complaints from landowners or occupiers about a carrier's activity on their land, of which four were considered premature and 10 were logged as objections under the code.

The TIO also received 106 enquiries about the installation of facilities on neighbouring land. These complaints were outside the TIO's jurisdiction, which is limited to considering complaints made by the owner or occupier of the relevant land.

Pay phones: 36 issues raised

36 complaints were received about payphones, 0.1% of the total landline complaints. The TIO is able to investigate complaints about payphone faults only and cannot investigate complaints about their location.

Phone cards: 371 issues raised

Over the past few years prepaid phone cards (also known as calling cards, telecards and phoneaway cards) have, because of their advertised “cheap” call rates, become increasingly popular with travellers and people who make regular long-distance and international calls.

Calls using phone cards are normally carried at least part way via a form of Voice over Internet Protocol technology (VoIP). This reduces the cost of making and carrying the call. The voice quality of the call may be inferior to that of calls made through the traditional telephone network.

This year complaints fell to 371 from 463. They were mostly about:

- the billing of calls made with phone cards
- the terms and conditions of the phone card services
- the customer service and complaint handling practices of phone card carriage service providers.

Porting: 131 issues raised

Landline portability refers to the ability to change networks while retaining your phone number. This differs from a transfer, which involves changing your service provider while remaining on the same network.

The most common issue related to porting delays, with 80 complaints, followed by unauthorised ports, with 51 complaints.

The TIO conducted a systemic investigation into Primus’s transfer of its customer’s services to its own DSLAM network. DSLAM, or Digital Subscriber Line Access Multiplexer, is a piece of infrastructure at the exchange that allows for ADSL and a standard phone service to be provided on the same line.

These Primus DSLAM issues were recorded as contractual complaints due to the complicated nature of the cases and the number of different ways in which they were presented. Consequently, they had no impact on the number of landline portability complaints recorded this year.

CASE STUDY

Intermittent fault

The complaint

The complainant operated a small business and relied on her landline to receive notification of appointments from customers. She claimed that her line had been intermittently experiencing the following faults:

- call drop outs
- incoming calls receiving the message - “the number you have called is disconnected”
- incoming calls getting an engaged signal - instead of a call waiting signal
- incoming calls ringing out and the service not actually ringing at her end
- incoming calls going to third-party voicemail service.

The complainant said that when she reported the fault to her provider she was initially told that a cable near her premises needed upgrading and the fault would cease once this occurred. She was subsequently advised that the cable was not the cause of the faults and that they may be due to her own equipment, which included a back-to-base alarm system. After testing, none of the equipment proved to be the source of the fault. At one stage, when the complainant diverted her landline to her mobile, she received a marked increase in calls. The complainant contacted the TIO after dealing with her provider for several months and getting no resolution. She said she had lost income as a result of the fault but could provide no supporting evidence.

TIO response

The TIO decided that it would formally investigate the complaint as it believed that the customer might be entitled to more substantial Customer Service Guarantee payments than the amount already offered to her by her provider. (Compensation is payable under the CSG if a fault is not fixed within a specified time.) The CSG is less than clear on how intermittent faults - where a service is workable between faults or where a provider attends to a fault but the fault recurs - are to be compensated. The TIO investigates these faults based on its position statement *Intermittent Faults and the CSG*. It takes into account factors such as whether a recurring fault was related to the one cause. The provider told the TIO that it believed the complainant had not been overly inconvenienced as the faults were rectified within the specified times and she was still able to make calls during these periods.

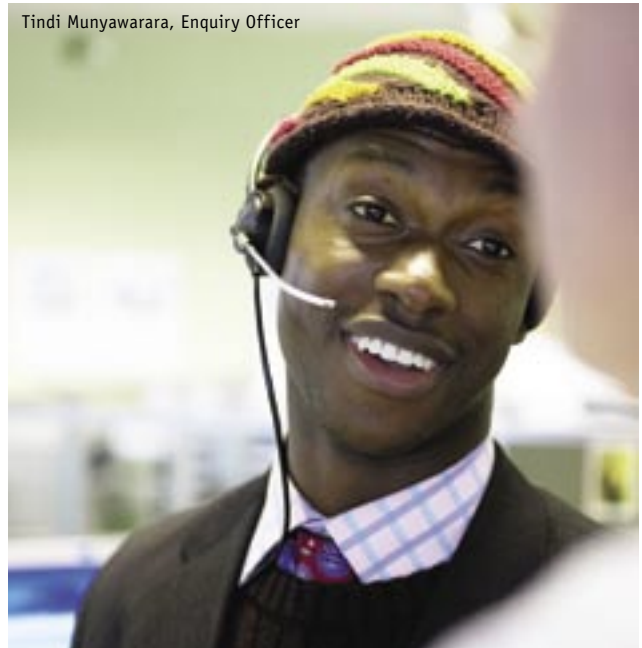
The outcome

The provider ultimately admitted that there was a fault at the exchange but said that the complainant had reported only two faults on her service and these had been fixed within the timeframes prescribed under the CSG. Furthermore, the provider disputed that the faults were related.

To resolve the case, the provider said that it would not admit liability but offered the complainant a \$2,000 goodwill payment, which the complainant accepted. On this basis, the case was closed.

Landline service issues continued

Tindi Munyawarara, Enquiry Officer



Privacy: 2,698 issues raised

This year, the TIO received almost 600 more privacy complaints than last year. The figure represents 5.2% of all landline complaints. As in 2004/05, a significant proportion of privacy complaints (1,738) concerned telemarketing.

Other issues covered by the TIO's privacy category included:

- silent number publication – 201 complaints
- disclosure of personal information – 102 complaints
- access to and accuracy of personal information – 66 complaints
- storage, collection and disposal of personal information – 66 complaints
- interception allegations – 52 complaints.

When dealing with privacy complaints in the past the TIO has taken the view that a service provider should address a consumer's complaint about unwanted telemarketing calls in the same way as any other unwelcome call.

The increase and prevalence in telemarketing calls over the last two years has prompted the Commonwealth Government to introduce the Do Not Call Register Bill 2006. The Bill requires the Australian Communications and Media Authority (ACMA) to establish and oversee a Do Not Call Register which prohibits telemarketers from calling a number included in the register.

The Bill is currently under consideration by the House of Representatives, and the Senate, and could be implemented in early 2007. It is expected that the register will have a notable impact on the amount of complaints the TIO receives in relation to telemarketing.

ACMA has also published for public comment a draft industry standard on telemarketing.

Provision: 2,639 issues raised

Provisioning issues not involving a rebate under the Customer Service Guarantee (CSG) scheme and Connect Outstanding issues totalled 1,149 in the reporting period.

Complaints dropped by 14% in this area. Dissatisfaction with the delay of new and in-place services was responsible for about 73% of complaints lodged in this category. As a proportion of landline complaints, provisioning complaints with and without CSG issues formed about 2% of total landline issues, similar to last year's results.

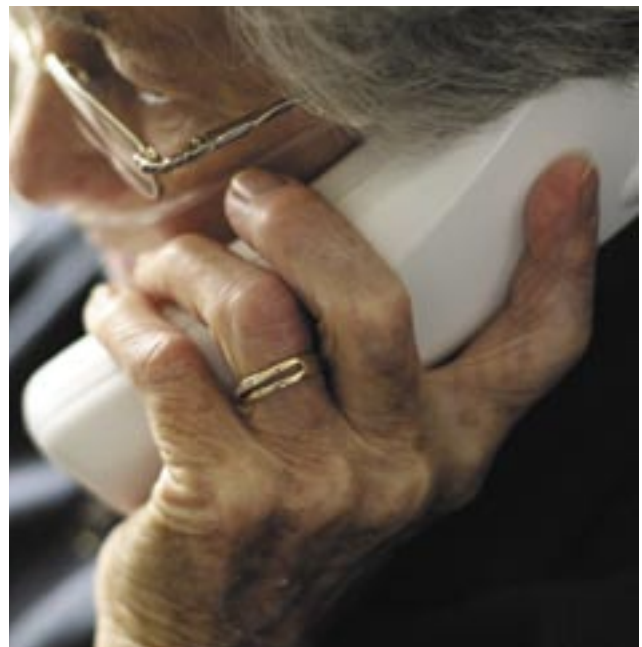
Provisioning issues that included the possibility of a rebate under the CSG scheme decreased by a small percentage during the year. However, there was a marked decrease in the number of all delayed provisioning complaints.

The major decrease related to delays in the provisioning of new services and appears to be attributable to a change in the advice given by providers to customers at first contact. The providers now seem to clearly explain when a customer needs to call the company back after they have completed trenching and cabling through private contractors.

The latter remains the responsibility of consumers but this was perhaps not made clear in the past, with many people thinking that the contractors they employed would liaise with their telephone service provider. This is a pleasing trend, as past years have seen a steady increase in complaints about the provisioning of new services.

Connect Outstanding: 222 issues raised

Some provisioning delays in connecting an in-place telephone service are attributed to the previous service at the same premises not being fully disconnected, and these are referred to as Connect Outstanding. This category of provisioning delay has implications for the calculation of the CSG entitlement and a delay of greater than eight business days is a breach of the ACIF *Connect Outstanding Code*. This year there were nine fewer complaints than last year.



CASE STUDY Telemarketing

The complaint

The proprietor of a small business had two business numbers and one home phone number. During business hours, all three numbers were diverted to a mobile phone in her car. The complainant said that she had to answer all calls, as the caller might be an existing or potential customer. She said she had been receiving telemarketing calls on all three numbers and was paying to answer them as they were diverted calls.

She contacted all the providers and asked to be taken off their telemarketing lists. She also contacted the Australian Direct Marketing Association (ADMA) and asked to be placed on its Do Not Contact list. She contacted the TIO after the calls failed to stop. After calling a high level customer service section at one of the providers, the complainant said the calls stopped for a while, only to begin again about six months later. The complainant then got back in touch with the TIO.

TIO response

The TIO contacted the provider who had called the complainant most frequently and asked how it had sought to prevent the complainant from receiving further telemarketing calls. The provider said that it had placed the complainant on a Do Not Contact list, which had been circulated to all its dealers, agents and sales staff. It said that it had very clear telemarketing guidelines and that staff and agents who breached the guidelines could be disciplined or dismissed. Despite the company's assurances, the complainant continued to receive its telemarketing calls. The TIO sought a further response from the provider.

The outcome

The provider said that as the complainant was not one of its customers it could not find any records pertaining to her. This made it difficult to determine which of its staff or agents had made the calls. The company said upon investigation it had found that some numbers on its Do Not Contact list had mistakenly been placed on its telemarketing calling list.

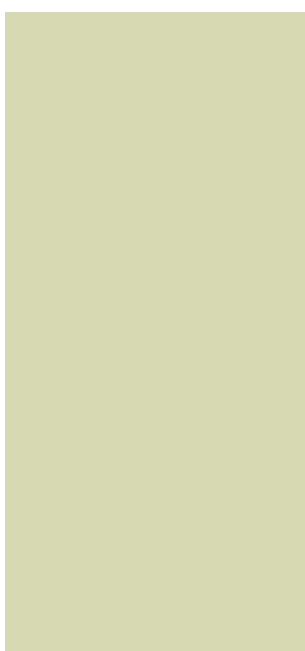
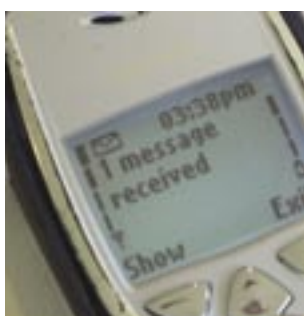
The provider said it had taken steps to rectify this.

The provider said that as the complainant's details were on its updated Do Not Contact list it was confident she would not receive any more calls. The company said that it had reissued the advice to its staff and agents that they would be disciplined if anyone on the updated Do Not Contact list received telemarketing calls. As no further communication was received from the complainant the case was closed.

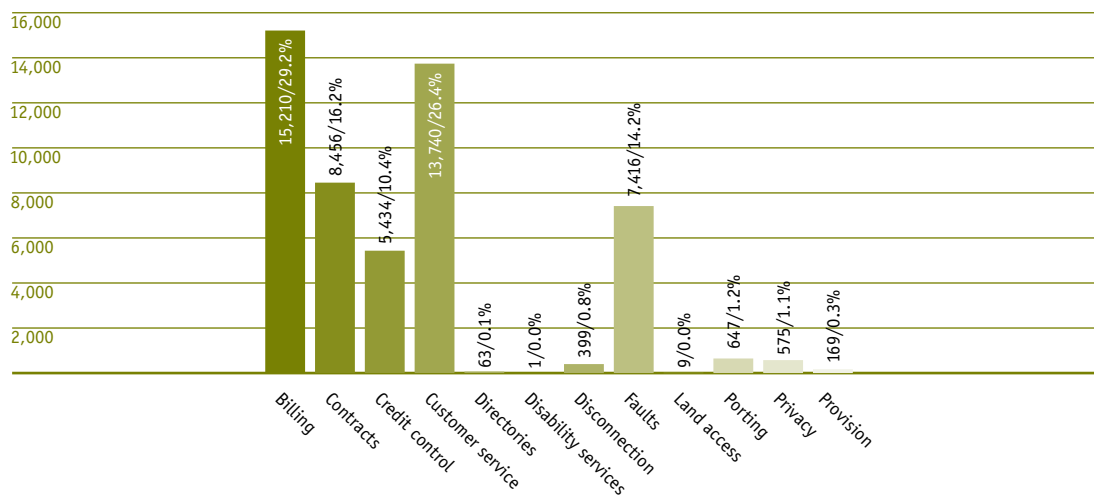
Mobile service issues

52,119 issues raised

↑	Billing	15,210	50.7%
↓	Contracts	8,456	-0.4%
↓	Credit Control	5,434	-5.1%
↑	Customer Service	13,740	107.0%
↑	Directories	63	31.3%
↓	Disability Services	1	-50.0%
↓	Disconnection	399	-1.5%
↑	Faults	7,416	0.5%
—	Land Access	9	0.0%
↓	Porting	647	-9.4%
↑	Privacy	575	12.1%
↓	Provision	169	-28.1%



Mobile service issues



Overview:

Mobile service related complaints continued to grow sharply, jumping from 40,254 in 2004/05 to 52,119 in 2005/06. Mobile-related complaints now make up 40% of all complaints, putting them almost on par with landline complaints. This increase can be attributed to strong consumer demand for mobile services including 3G technology.

Notable increases included the categories of Billing - up by half, from 10,095 to 15,210; and Customer Service - rising from 6,639 to 13,740. Contract complaints remained stable at 8,456 (8,490 last year). Faults, an area of concern last year, grew only slightly - from 7,379 to 7,416. This is still remarkably high when compared with internet and landline categories.

Credit control complaints stabilised this year, with 5,434 issues logged. Debt recovery issues still make up 60% of all complaints in this category, suggesting that the telecommunications industry is still referring a significant proportion of debts to collection agencies. The TIO has also received a growing number of complaints about consumers having difficulties making suitable payment arrangements with their mobile service providers. In this category there was a 36.9% increase in complaints about overcommitment. Complaints of this nature normally relate to consumers accruing unusually high charges in a relatively short period of time and without warning from their service provider.

Complaints about premium SMS charges were the stand-out issue in the Billing category this year. Last year the TIO logged 1,708 issues about premium SMS services. This year that jumped to 5,890. The TIO continues to receive a large number of complaints where consumers are disputing SMS charges on the basis that they did not knowingly subscribe to a service or that they have been unable to unsubscribe from a service and SMS charges continue to be billed to their account.

Billing: 15,210 issues raised

This year, for the first time, complaints about the billing of mobile services have overtaken those about the billing of landline services to become the leading source of complaint to the TIO. Complaints increased by just over half (50.7%) to 15,210. The leading factor contributing to the increase was the explosion in complaints about premium SMS, which rose by 231.4%.

Access and connection fees

The upwards trend in complaints about access and connection fees appears to have slowed, with complaints in this area rising by 10.3% to 955 complaints. Of these, 82.5% were about disputed access fees.

These types of complaints may increase in the coming year as several providers now offer plans that combine set access fees for landline and mobile services. These plans typically include capped calls per month across both services, which may increase billing complexity.

Premium-rate SMS, information, adult sex and chat lines

Complaints about premium SMS, information, adult, sex and chat lines more than doubled, from 1,807 to 5,989. This increase is partly due to new handset technology offering a wider ranges of services and functions, adding to an already high demand for premium information services. Complainants continue to report problems in resolving complaints about premium SMS services - in particular, difficulty in cancelling premium SMS subscriptions with content providers.

The TIO expects a decrease in this category of complaint over the next year due to recent changes to the ACIF *Credit Management Code*. These provisions, effective from October 2006, require service providers to have systems and measures in place to assist customers to manage their expenditure, such as:

- hard capping so that a service cannot exceed a previously agreed level of expenditure
- limits on expenditure for particular call types (for example, national direct dialled, 190, SMS or international roaming).

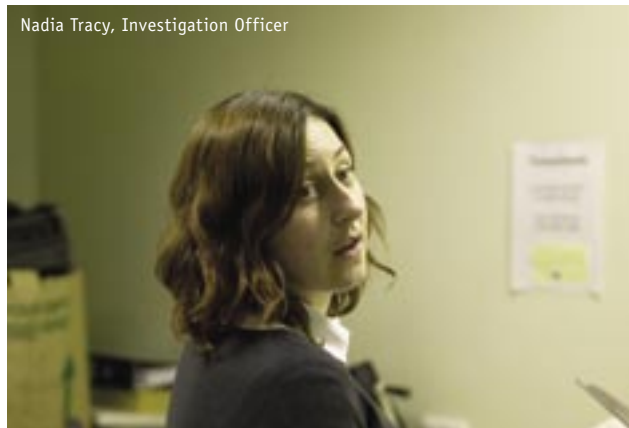
Single billing issues

The TIO has recorded a decrease in the overall number of complaints relating to consolidation, and deconsolidation of mobile services and fixed line accounts with 66 complaints recorded this year compared with 85 last year.

The majority of issues relating to the provision of single bills are recorded as either contractual disputes over the bundling of services or credit management disputes where consolidation has not been completed, resulting in restrictions or disconnection for non-payment of an account.

Mobile service issues continued

Nadia Tracy, Investigation Officer



CASE STUDY Premium SMS

The complaint

The complainant claimed that her son had requested premium-rate services via SMS but continued to receive unsolicited messages for which the provider had billed over \$2,000. She claimed that her son had made several requests to the provider for assistance to stop the messages. The complainant said that the provider had given her son contact numbers for the premium-rate service providers. However, when he dialled the numbers they did not connect successfully, and he was unable to stop the messages.

TIO response

The TIO asked the provider for its view about the complainant's claim that her son was billed for unsolicited premium-rate services and that despite seeking assistance from it to stop the messages, the messages and associated charges continued to accrue. The TIO also cited a possible breach of Clause 7.3.1 of the ACIF *Billing Code*, which says that the supplier of a service must demonstrate that charges billed are consistent with the service a customer has requested or used.

The outcome

The provider said the complainant's son had subscribed to the premium-rate services and was liable for the outstanding charges. The charges were not a result of the complainant's son being unable to restrict incoming SMS but due to his heavy usage of the services. The provider said it had complied with Clause 7.3.1 of the *Billing Code* by billing the customer in accordance with his usage. However, as a gesture of goodwill and without admission of liability, it waived all the charges for premium-rate services. It also said that all of the premium-rate service providers subscribed to by the complainant's son had been notified to unsubscribe his service.

Contracts: 8,456 issues raised

Complaints were slightly fewer than those received last year (8,490), with just over half (52.1%) about misleading advice provided at point of sale. This included complaints about incorrect/misleading advice in relation to functionality of the handset, coverage, the length of the contract and the cost of the service. Capped mobile plans were the subject of several complaints, with complainants claiming that exclusions to capped plans were not clearly explained.

Complainants disputed the imposition of a termination fee for early cancellation in 18.6% of all mobile contract complaints. Complaints regarding contract renewal/upgrades (7.1%), lack of capacity to contract (3.1%) and changes to terms and conditions (2.3%) were other categories of mobile contract complaints received.

Early termination fees

The majority of mobile service contracts include provisions for an early termination fee if a service is cancelled before the end of the contract term. The overall number of complaints has remained relatively unchanged at 1,574, compared with 1,530 last year. The TIO believes, as outlined in the position statement *Early Termination Fees for Mobile Contracts*, that a fee should reflect a genuine pre-estimate of loss to the provider as a result of the unexpired contract, and not be a penalty imposed on the customer, the latter being unrecoverable as a matter of law.

Credit control: 5,434 issues raised

Complaints decreased slightly with little change across the complaint types in this area. Debt recovery accounted for most complaints, with 3,260 such complaints recorded. Complaints were also recorded about the disconnection of services (651) and complainants' inability to successfully negotiate a payment arrangement (686).

Payment arrangement complaints can arise because a provider's policy may not take into account the range of circumstances that can give rise to financial hardship and this affects a complainant's ability to pay their bills on time. Complaints about

the barring of services (407 complaints) and financial overcommitment (430 complaints) were also recorded in this category.

The most significant issues were debt recovery related to disputed debts incurred under “capped” plans and over-commitment stemming from GPRS (internet) services accessed through mobile handsets.

Complainants had different understandings of the term capped. Some indicated that services included in the allowance in the capped plan were not explained to them. Others stated that they were advised - or believed - that once they reached the monthly usage allowance under the plan they would either not be able to use the service or would be contacted by the provider. Some complainants claimed that they did not have access to any monitoring tools or that tools made available to them did not provide an up-to-date and accurate record of their usage.

There also appears to be a lack of understanding about the rate at which GPRS (internet) usage is charged and subsequent financial over-commitment relating to this type of service.

The TIO’s view is that complainants should be fully informed at the point of sale about the availability and nature of monitoring tools so that they can reasonably be held responsible for monitoring their usage.

Customer service: 13,740 issues raised

Complaints were more than double those received last year, taking this category to equal second (with landline billing) of all complaint types logged at the TIO. Complaints were received under the following sub-categories:

- discourtesy (303)
- failure to action request (3,521)
- failure to deal with complaint (5,782)
- failure to escalate (322)
- inadequate/incorrect advice (3,017)
- no response to correspondence (356)
- wait time (439)

The leading source of complaint was the Failure To Deal With Complaint sub-category. As with landline and internet services, at the direction of the Ombudsman, investigations staff were requested to record a complaint under this sub-category if service providers failed to advise their dissatisfied customers of external avenues of recourse (such as the TIO).

Directories: 63 issues raised

Only 63 complaints were received about mobile directory listings; a slight increase on the 48 received last year. Most related to an error in or omission from the *White Pages*.

Several complaints were about people being alarmed at finding their mobile numbers listed in the printed and electronic *White Pages* despite them not expecting a listing to appear. Some of these complaints were concerning as the listing raised security concerns for the customer.

CASE STUDY:

Legal capacity to contract

The complaint

The TIO was contacted by the complainant’s solicitor who claimed his client was a young refugee who had substantial mental health problems. The client was also the full-time carer of his young siblings and his sole income was a disability support pension. Supporting medical documentation confirmed the complainant’s medical condition.

When the complainant was approached at his home by the provider he agreed to buy a mobile phone and committed to a 24-month contract. The solicitor said that, although the sales representative was told that the complainant was a full-timer carer, his employment status was listed as “student”. The nature of the complainant’s medical condition led him to make numerous expensive international calls and the account escalated to over \$2,500.

The complainant then gave the phone away as he believed he could no longer afford it. The complainant was charged for usage on the account and an early termination fee. It was the solicitor’s view that the complainant lacked the requisite capacity to enter into the agreement and that the entire debt accrued should be waived.

TIO response

The TIO asked the provider to supply a copy of the relevant contract and a statement from the sales representative outlining their version of what transpired at the point of sale.

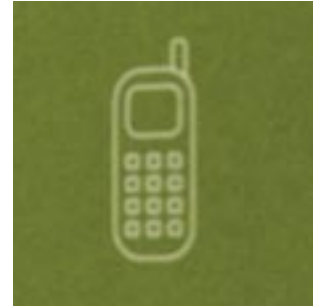
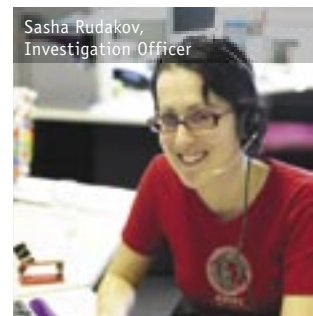
The TIO also requested that the provider confirm that it had complied with the relevant door-to-door sales legislation and to comment on the veracity of the medical evidence. Additionally, the provider was asked what credit checks were conducted before it activated the service.

The outcome

The provider claimed that appropriate credit checks were conducted and at the time the complainant applied for the phone he did not have any outstanding accounts. It then offered to waive half of the charges on the account. The TIO’s view was that the offer should be reconsidered given the circumstances of the complaint.

The provider agreed that there may have been misconduct on the part of the sales representative and it was unable to provide a statement from the dealer. Additionally, the provider did not question the veracity of the medical evidence. It then reconsidered its offer having regard to the particular circumstances of the complaint and the medical evidence. It offered to waive all outstanding charges on the account and did not seek return of the handset.

Mobile service issues continued



In these cases, the TIO may consider claims for costs associated with protecting a complainant (for example, from a likely threat from a third party). The costs may be in connection with temporary or permanent rehousing, or the installation of an alarm system.

As with other listings complaints, once a printed directory has been published it cannot be changed until the following year. The TIO can, however, look at having the online directory and directory assistance updated immediately.

Disability services: 1 issue raised

The one complaint recorded under this category was about a person with vision impairment who used a mobile service to access directory assistance for the vision impaired and print handicapped. The customer transferred to another provider without realising that it did not support this directory assistance. The TIO decided that it was reasonable for a carrier to provide a particular service to its own customers only.

Disconnection: 399 issues raised

The number of issues was almost identical to the year before. The category can be divided into two main types of complaint: disconnection delays and disconnection errors.

In 2004/05 delays accounted for 58.3% of complaints, whereas in 2005/06 they fell to 27.5%.

Conversely, complaints about disconnection errors rose by 71% to account for 72% of disconnection complaints. It is difficult to determine the reason for this increase. However, the larger customer bases that some mobile companies are experiencing may be causing an increase in administrative errors. It will be interesting to watch this complaint type in the year ahead to see if the figures continue to increase.

Faults: 7,416 issues raised

Complaints about mobile faults rose slightly, from 7,379 to 7,416. As a percentage of total mobile issues, faults represented 14.2% (18.3% last year).

Fault complaints are recorded under three basic categories: handset, coverage and network issues. As the TIO relies somewhat on the complainant's definition of the fault, a complaint may be logged according to the symptom rather than the cause. This may occur where a complainant experiences a problem with their handset due to a network issue but registers a complaint about the handset.

In 2002, the TIO Council gave provisional approval for the extension of the TIO's jurisdiction to include complaints involving faulty handsets provided as part of a "bundled" package of mobile products and services.

The TIO's jurisdiction does not extend to instances where:

- the customer has provided their own handset for use with the carriage service
- the initial contract period has expired and the customer has continued to use the original handset.

In deciding whether a provider has offered a reasonable resolution to a complaint about a faulty handset, the TIO considers whether any offer is fair and reasonable in all the circumstances of the complaint, including whether the service provider has, while the handset is being repaired, offered to:

- rebate the pro-rata cost of the monthly service fee
- suspend the contract
- provide an interim handset.

In assessing the reasonableness of any offer made, the TIO will also consider any contractual issues which may have arisen. Last year's report noted that Hutchison's 3 and CDMA (Orange) networks accounted for over 60% of all mobile fault complaints. This year Hutchison accounted for about 47%. While this represents a significant decline, Hutchison has registered nearly twice as many such complaints as any other provider. (See, Hutchison Telecommunications – handset faults and customer service, page 49.)

Porting: 647 issues raised

Mobile number portability refers to the ability to transfer your service to another provider while retaining your phone number. Complaints fell from 714 to 647. There was a significant drop in porting delay complaints, from 442 to 319. However, complaints about unauthorised ports increased from 154 to 202 - 16 of which were due to an administrative error, 52 due to telemarketing activities and 36 due to door-to-door sales. This suggests an increase in the number of customers being ported to another provider without their knowledge or consent.

Privacy: 575 issues raised

Complaints under this category increased marginally - by just over 12% - from 513 complaints last year.

The category covers complaints about:

- telemarketing from any telecommunications company that is a member of the TIO
- customer personal information access
- the collection, storage and disposal of customer personal information
- the disclosure of customer personal information
- life-threatening calls
- spam
- unwelcome calls.

The biggest areas of concern were information disclosure (129 complaints), telemarketing (120 complaints) and unwelcome calls (177 complaints). Many complaints about information disclosure involved claims that unauthorised close parties – for example, spouses – had gained access to account information.

CASE STUDY Mobile capped plans

The complaint

The complainant claimed that she received a mobile phone bill for \$850 for one month's usage. She advised that her daughter was the user of the service. She claimed that she was advised at the point of sale that there was a monthly "limit" for the use of the service and that she would be contacted when the amount spent reached \$300. She claimed that when she first contacted the provider about the bill the provider advised her that it had sent a text message to the service regarding the amount of charges incurred for the month in question. It later advised her that it did not contact her at all because she had been a customer with it for two years and had a good payment record. The provider's position was that the complainant was liable for the whole amount.

TIO response

The TIO asked the provider if it took into account the complainant's monthly bills for the period of two years, which had not exceeded \$30 a month. The provider maintained its position that the complainant was a long-term customer with a good payment history and was therefore not contacted about the unusually high bill. It advised that if she had not been a long-term customer, it would have called her. It offered to resolve the complaint by crediting half the disputed amount as a gesture of goodwill.

The TIO advised the complainant that as she had allowed a third party to use the service and as the provider did not advise her about the unusually high usage, the offer was fair and reasonable. The TIO's view was that the complaint reflected a failure by both parties to monitor the usage and minimise the opportunity for financial overcommitment.

The TIO advised the complainant that the provider had not directly addressed her claim that there was a "limit" on her usage each month or clearly explained whether it attempted to contact her with a text message.

Finally, the provider did not explain its policy regarding how and when its customers were contacted about unusually high debt. The TIO advised the complainant that if further investigation was conducted, the provider might withdraw its offer to resolve the matter by crediting half the disputed amount. The complainant advised that she wanted to pursue the complaint, as she believed she should have been contacted.

The outcome

The provider did not provide the information requested by the TIO. It offered to resolve the complaint by crediting the entire disputed amount. The complainant accepted this offer.

Mobile service issues continued

Carmel Jimenez, Investigation Officer



Telemarketing complaints rose by 400%, which reflects the growing incidence of telemarketing and the growing frustration by people who receive the calls. Complaints about telemarketing calls to mobiles are a fraction of those to landlines. As with landlines, the introduction of the Do Not Call Register will reduce the number of telemarketing calls being made to mobile services.

Complaints about unwelcome calls rose by just under half (10.1%). The ACIF *Handling of Life Threatening and Unwelcome Calls* code defines an unwelcome call as:

"The use of a telecommunications service (landline, mobile including via SMS, internet via e-mail, etc) in a menacing offensive or harassing manner, but which is not currently a life threatening call and which may be intentional on the part of the caller or unintentional."

The TIO can investigate these calls only on the basis of whether the service provider has followed its own internal procedures as applicable.

These procedures must be based on the *Handling of Life Threatening and Unwelcome Calls* code. Under the general principle set out in the code, providers must attempt to resolve all unwelcome call issues before suggesting that the recipient contact police.

As with last year there were five complaints about the way a mobile service provider handled a complaint about a life threatening call. A life threatening call means the use of a telecommunications service connected with an event actually or potentially perilous to human life. This may include a person being seriously injured, a bomb threat, an extortion demand, a kidnapping or a threat to public safety.

Again the TIO can investigate only if the company has followed its internal procedures about the handling of such calls.

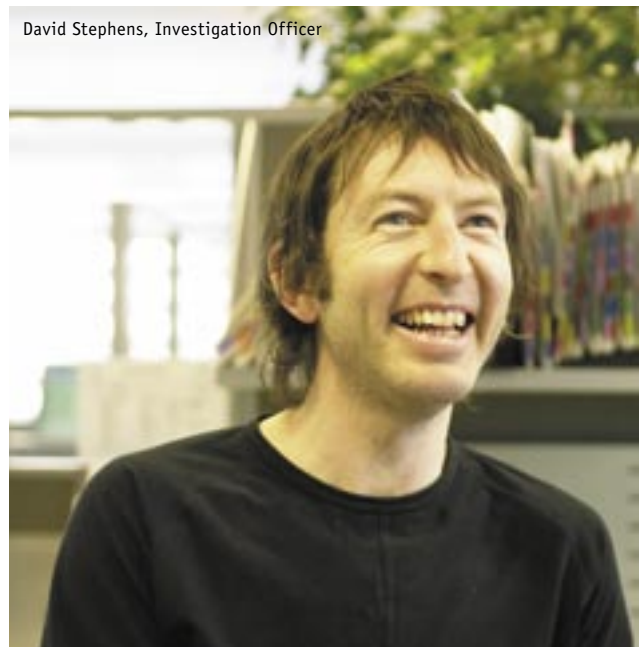
Provision 169 issues raised

These complaints refer to the delayed activation of services, slow handset delivery and number allocation issues. They represent a small proportion (approximately 0.3%) of all mobile complaints.

Complaints fell by 28%. Complaints about the late activation and slow delivery of handsets decreased by about half, while delayed number allocation issues remained relatively stable. In general the substantial decrease in complaints appears to be due to more efficient processes and procedures adopted by providers who advertise products in magazines and a reduction in this type of sales practice during the previous year.



David Stephens, Investigation Officer



CASE STUDY: Faults

The complaint

A small business, based in suburban Perth, was persuaded to switch from its mobile phone provider after being promised a substantially cheaper deal. The company decided to leave its existing provider after being assured that the new company's network coverage would equal that of its original provider. Before signing the contract, the company was given an assurance that its phones would also work in a regional town occasionally visited by its staff.

On switching to the new provider, the company was supplied with 10 mobile phones and 10 contracts, but said it needed only three. From the outset, the company's staff began experiencing coverage problems and call dropouts with the three phones being used. The company's managing director said his phone would fail during conversations with particularly important clients. The managing director became especially irritated when he visited the regional town and had to borrow someone's phone as he could not obtain coverage with his own. The company also said that its bills with new company were higher than those from its original provider. This was because the company had to pay for several extra features – such as SMS – that the original provider had included at no cost.

As a result, the business approached the new provider asking to be released from all its contracts without penalty. The company approached the TIO after receiving no action from the provider.

TIO response

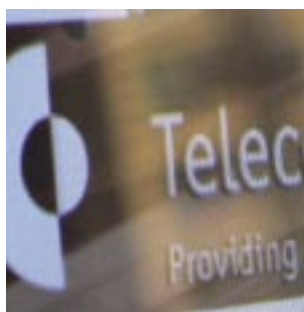
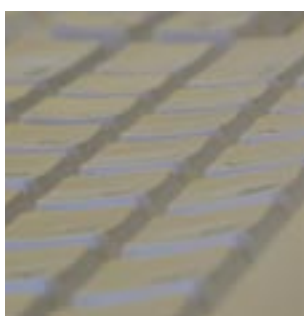
The TIO's opinion was that the company's case depended on whether it had been misled about the extent of the new provider's network coverage. The provider said it doubted its agent would have made false claims, but it had recently learned that its network did not cover the regional town. It would not, however, concede that there were any problems with its network coverage in suburban Perth.

The outcome

The new provider agreed, on the basis of its lack of coverage in the regional town, to release the company from its contract without early termination fees. It said it would also accept return of the unused mobile handsets and not bill the company for their cost. It said the offer was subject to the company paying any outstanding costs that it had incurred. The company accepted the offer and moved its services to another provider.

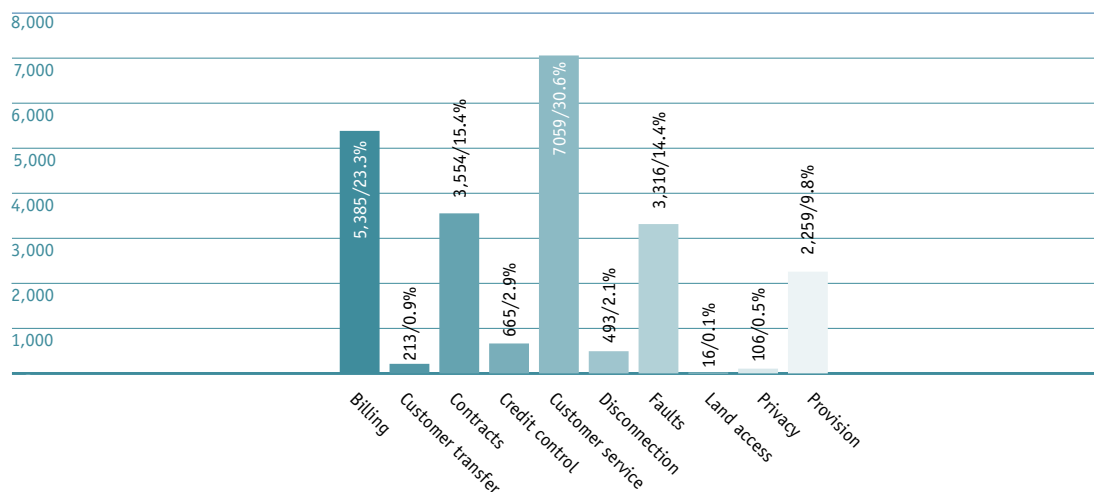
Internet service issues

23,066 issues raised



↑ Billing	5,385	26.8%
↑ Churn	213	67.7%
↑ Contracts	3,554	126.2%
↑ Credit Control	665	27.2%
↑ Customer Service	7,059	96.5%
↑ Disconnection	493	3.6%
↑ Faults	3,316	15.8%
↑ Land Access	16	0.0%
↑ Privacy	106	51.4%
↓ Provision	2,259	-11.1%

Internet service issues



Overview

Internet services accounted for 18.1% of all complaints, a 44% increase on the previous year. This makes internet the fastest growing of all three complaint categories. With the exception of complaints about provisioning of services, each of the internet complaint categories increased, with Customer service and Contracts recording the most notable rises.

The take-up rate of broadband services continues to rise. This increase may be attributed to further reductions in the price and value of broadband and the increased availability resulting from the Federal Government's Connect Australia strategy. This is accompanied by an increase in complaints about broadband: 84.5% of this year's internet complaints involved broadband, compared with 74.3% in 2004/05.

Customer service

Customer service accounted for almost a third of all internet complaints. It ought to be noted, however, that in many cases the customer service issue is not the primary cause of the complaint. For example, the complainant's original complaint to their provider may have been about a charge on their account, but the matter is subsequently exacerbated by their experience in having the complaint dealt with. What was once a billing complaint therefore becomes both a billing complaint and a customer service complaint.

Billing

Billing was the second largest category, representing 23.4% of all complaints. This category also includes complaints about payments. Over the past year complaints about direct debits increased by 77.5% to 623 complaints. This increase coincides with a trend in the telecommunications industry as a whole towards encouraging payments by direct debits. This is often done by providing discounts to customers who agree to pay by direct debit and imposing fees for all other forms of payment.

Contracts

Complaints more than doubled. In response to the complaints received, the TIO identified that there may be a systemic issue involving specific members. The TIO subsequently began several systemic investigations involving internet services. The complaints in these cases arose predominantly from a member's attempt to unilaterally alter the terms and conditions of their existing customer contracts, although one investigation related to the adequacy of advice provided at the point of sale about the terms of an acceptable use policy. (See Systemic issues investigations, page 46).

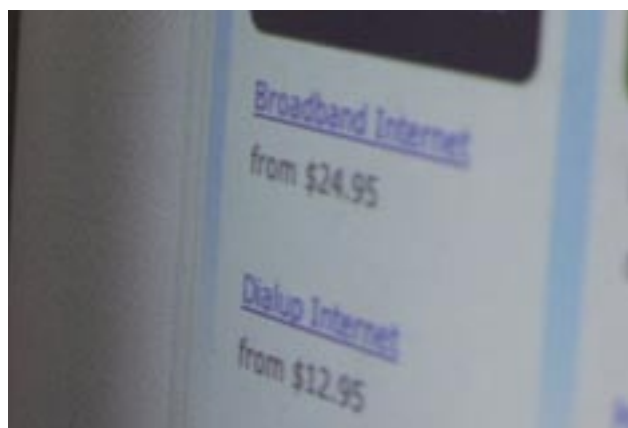
The TIO is concerned that some providers continue to purport to reserve a right to unilaterally vary the terms of a contract in their standard forms of agreement despite the introduction in 2005 of the ACIF *Consumer Contracts Code*. (The code stipulates various client notification requirements that must be fulfilled before a contract can be unilaterally varied.) The continued receipt of complaints in relation to contract variations suggests that further promotion of this code within some segments of the industry may be required.

Broadband Connect

On 1 January 2006, the Commonwealth Government launched Broadband Connect, allocating \$878 million to subsidise the cost of providing to consumers in regional, rural and remote locations broadband services that are equivalent to those available in metropolitan areas. Broadband Connect is largely based upon the original HiBIS model. In addition to the initial subsidised connection, there are two further important features of the scheme. Firstly, plans offered under the scheme must meet minimum requirements in terms of speed and usage allowances. Secondly, the price of plans may not exceed the amounts fixed by the scheme.

As with HiBIS, Broadband Connect is making significant inroads into improved availability of broadband services to many Australian communities. Yet the provision of such services is not problem-free. In 2005/06, 269 complaints were received about services provided under HiBIS or Broadband Connect. A significant number of these involved faults. Where the investigation resulted in escalation to Level 3, however, contract complaints outnumbered the fault complaints. This may reflect the difficulties associated with resolving contractual issues where a one-off subsidy is provided by a third party such as the government.

Internet service issues continued



CASE STUDY

Early termination fee

The complaint

The complainant signed an 18-month contract for ADSL2, a faster version of ADSL. Part of the deal was a connection fee of \$50. The terms and conditions of the contract said that if the complainant cancelled his service before the contract expired, he would incur a \$159 disconnection fee and the remaining months' access fees on his contract.

After five months connection to the service, the complainant notified the provider of his intention to move house. He was advised that he would have to pay \$614, which consisted of the disconnection fee plus the monthly fee that would have applied for the balance of his contract.

The complainant proposed transferring the service to his new premises and said that if this occurred he would pay half the \$614. The provider advised the complainant that ADSL2 could not be transferred and that he would have to reapply for a service once he relocated. It said that it was prepared to offer him a \$200 credit towards an ADSL service at his new premises, but said he would still have to pay \$614.

TIO response

The TIO's position statement *Early termination fees for fixed term contracts* says that an early termination fee should be a genuine pre-estimate of a company's loss and not a penalty imposed on the customer. In assessing complaints about these fees the TIO may ask a provider to explain how it calculated the fee in question; and/or quantify any losses it would incur as a result of the early cancellation. The TIO asked the provider for its version of the events.

The outcome

The provider was able to demonstrate to the TIO that the early termination fee was an accurate reflection of the connection and disconnection fees that it had paid on behalf of the customer. The TIO advised the complainant that the \$200 credit was a favourable offer. On this basis, the complaint was closed.

Billing: 5,385 issues raised

Billing represented just under a quarter (23.5%) of all internet complaints. Over the last three years, these complaints have increased steadily, by some 1,000 per year. Complaints about ADSL services accounted for the majority of the increase, while dial-up and ISDN complaints dropped.

Particular areas of concern were ADSL usage and connection charges. Complaints about ADSL access fees markedly increased by 60.5%, to 1,188 complaints. This represents the largest cause of complaint in the internet billing category. Complaints about ADSL connection fees make up a smaller portion of the total. They increased by 127% to 445 complaints. Complaints about ADSL usage charges rose by 38.0% to 635 complaints.

The TIO received a number of complaints about ADSL connection fees incurred after an existing customer's phone line had been cut off. Where the customer's ISP and phone company are not the same, the reconnection fee can be quite large. In investigating these types of complaints, the TIO will examine the customer's agreement with the ADSL provider to determine whether notification of a reconnection fee was provided. The TIO will also consider whether the fee represents a genuine cost to the provider.

If the charge is provided for in the ISP's rate card and its terms and conditions, and the ISP can show that the fee was billed to it by the wholesaler, the TIO will consider whether the customer was in any way at fault for the disconnection of the phone line. If the customer was at fault - for example the phone line was cut off due to unpaid charges - the TIO may not pursue the case. However, if the customer was not at fault, the TIO may pursue the complaint against the phone company on the basis that its actions directly caused the complainant to incur the reconnection fee.

Other areas of complaint were billing adjustments and credits not being applied, or being applied incorrectly, and unauthorised direct debits.

Contracts: 3,554 issues raised

Contracts showed the largest increase of any internet complaint category, more than doubling from 1,571 to 3,554.

Most of the increase was driven by complaints about ADSL services, which rose by 147%. The increase may be attributable to the rise in the number of deals that bundle mobile phone, landline, internet and other services together on the one contract.

The biggest sub-category of all contract complaints was the point of sale advice given about ADSL services. The increase can be attributed to the wider choice of plans available to residential customers.

Additionally, the TIO received increased complaints in relation to unilateral variations to contracts, including acceptable use policies and automatic renewal of contracts.

In most cases, where incorrect or insufficient information is provided, or where a change to the terms and conditions is such that it significantly alters the nature of the contract, or where a customer had no notification of an automatic renewal, the TIO would expect a provider to release the customer from the contract without imposing a penalty.

In the TIO's experience, in such circumstances, the majority of complaints are resolved with the customer being released without penalty.

Acceptable use policies

Most complaints about acceptable use policies (AUPs) relate to broadband. AUPs may apply to a number of activities, including internet security, use of the service to engage in illegal business practices, conduct in chat rooms or newsgroups and website content. Most commonly, in the TIO's experience, AUPs are applied as a means of limiting usage.

ISPs often include AUPs in their agreements with the customer and explain that excessive use can cause congestion and reduce the quality of service. Consequently, when users reach a set data limit, the speed of their service is "shaped" (restricted).

Some AUPs are clearly explained and consistently applied, but the TIO is receiving an increasing number of complaints that an ISP has chosen to vary an AUP or, more significantly, introduced one without notice during the minimum term of a contract.

The TIO recognises the need for ISPs to limit the usage of customers in some circumstances, particularly as high-speed connections are now capable of downloading significant volumes of data. However, the TIO is concerned with the ad hoc implementation and variation of AUPs by some service providers, particularly when the plan in question was sold as an "unlimited" product.

In the TIO's view, the implementation of an AUP may serve to alter the characteristics of an internet service significantly and it may be unfair to hold a consumer to a contract in these circumstances.

Credit control: 665 issues raised

Credit control complaints generally cover the suspension or disconnection of internet services, as well as attempts to recover outstanding accounts by internet service providers (ISPs) or their agents.

Credit control issues are not as prevalent in the internet category as in landline and mobile, comprising about 3% of all internet complaints, against 10% of landline and mobile complaints.

This may be explained by the fact that most internet services are provided on condition that the user enters into a direct debit arrangement with the ISP. Such an arrangement serves to reduce the volume of reminder notices and account suspensions that are commonly experienced by landline and mobile customers.

The most common complaints about credit control were unchanged from the previous financial year. Debt recovery pertaining to ADSL and dial-up accounts were the most prolific complaints in this category, closely followed by the disconnection of ADSL service complaints.

The fourth largest source of complaint related to financial over-commitment on the part of ADSL customers. In the TIO's experience, this is the result of excess usage charges. Most broadband plans feature a data limit while dial-up plans generally feature a time limit. Users may incur excess usage charges for any data transmitted after the time limit or the data cap has been exceeded.

Customer service: 7,059 issues raised

Complaints doubled to 7,059, representing 30.6% of all internet complaints.

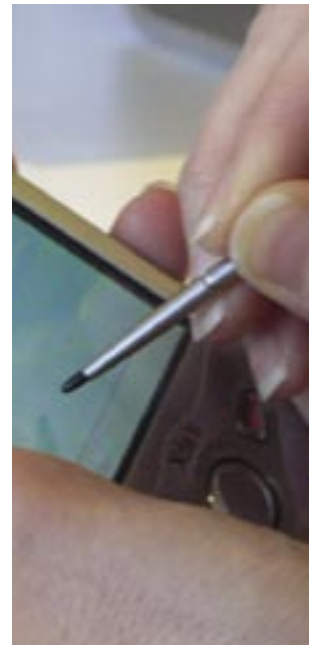
The Failure To Deal with a Complaint category accounted for 2,379 complaints. As mentioned in the sections on landline and mobile customer service, at the direction of the Ombudsman, investigations staff have been requested to record a complaint under this sub-category if service providers failed to advise their dissatisfied customers of external avenues of recourse (such as the TIO). Without the new category, total internet customer service complaints rose by 42.8%

Complaints about inadequate or incorrect advice about ADSL services increased by 45.5% this year, continuing an ongoing trend. This is a result of the increasing take-up of ADSL services. While complaints about wireless services have also doubled, the number of wireless complaints remains relatively low when compared with ADSL.

Internet service issues continued



Lee Herath-Perera,
Enquiry Officer



CASE STUDY

Unauthorised transfer

The complaint

The complainant's husband received an unsolicited call from the provider of their mobile and landline phone services. The provider said that as a "special offer" it would also provide an ADSL broadband service. The husband invited the provider to send him some marketing material and said he would consider the offer. A few days after the phone call, the complainant discovered that her internet service no longer worked. She claimed that it was distressing as the family used it frequently for banking and communicating with overseas relatives. The complainant was eventually told by her ISP that she was now with the provider who had made the unsolicited marketing call.

TIO response

The complainant said that she approached the second ISP seeking an explanation. She said that the ISP offered compensation for inconvenience. The complainant asked for this in writing but received nothing. She then contacted the TIO, which wrote to the provider seeking its side of the story. The provider said that it believed that the complainant's husband had authorised the transfer on behalf of his wife, in whose name the ADSL account was listed. It said it had system notes to back this up.

The outcome

The second ISP cancelled the new ADSL account at no cost and credited \$100 to the complainant's phone account. This would offset any reconnection fees the complainant might incur in reconnecting their old ADSL account. The TIO told the complainant that she could accept this offer or provide the TIO with documentation detailing the expenses she had incurred re-establishing her account with her original provider. The TIO received no response to its letter and closed the case.

Customer transfer: 213 issues raised

The significant increase in this category – almost 70% – is an indication of the popularity of broadband as it deals exclusively with transfers between ADSL providers. Most complaints related to the absence of, or fault with, an authorisation for the transfer.

The majority of ISPs participate in the voluntary Rapid Transfer Process, which allows customers to transfer from one provider to another without disconnecting their current ADSL service and reconnecting with the new provider.

The consumer also does not risk the possibility that the infrastructure used to provide their service (such as ports at the exchange) is re-allocated between the time their existing service is disconnected, and the time that their new application is processed.

As mentioned in last year's annual report, the Australian Communications Industry Forum's *Customer Transfer Code* applies to ISPs. The number and nature of transfer complaints received this year reinforces the need identified by the TIO for requirements of the code to be promoted among all participants in the transfer process.



Disconnection: 493 issues raised

This category covers three sub-categories across all internet connection types: delays, errors and service disputes. Although the number of complaints increased from 476 last year, the category fell as a percentage of total internet complaints.

Complaints under the disconnection delays sub-category were about claims that providers had not disconnected a service when requested. Most complaints (129) were about ADSL services, followed by dialup (97). Complaints for other technologies were negligible. ADSL services also led the way in the Disconnection Error sub-category, with 156 complaints. Only 23 dialup complaints were received. Finally, there were only 67 complaints in the disconnection service dispute sub-category, most of which were for ADSL.

Faults: 3,316 issues raised

Fault complaints, which generally include log-on difficulties, outages, drop-outs and a decrease in transmission speeds, increased by 15.8%. As a proportion of total internet complaints they fell, from 17.9% to 14.4%.

The most common complaints stemmed from log-on difficulties experienced by ADSL customers. This may reflect the tendency for ADSL customers to install the service themselves. All other categories of ADSL faults increased, although largely in proportion to the numbers recorded last financial year.

By contrast, the number of dialup complaints fell across the board.

Privacy: 106 issues raised

Complaints increased from 70 last year to 106 this year, but still accounted for only 0.5% of internet complaints. The leading sub-category of complaint (23 complaints) was about the inappropriate disclosure of personal information. Complaints included claims that:

- an internet service provider had sent bulk e-mails to customers whose accounts were in arrears, thereby disclosing details to everyone on the list

- a customer's credit cards details were displayed on the welcome e-mail he received from his provider
- in a letter from his provider a customer received direct debit details of another customer leading him to suspect his details had been sent to that customer.

These complaints are concerning and ISPs should scrupulously train their staff to maintain the privacy of customers' personal information.

The privacy category also contains complaints about spam. The TIO has no jurisdiction to investigate complaints about spam being received from a third party, but can look at cases where a customer has received spam from their provider or where the provider has not provided sufficient advice about preventing spam.

Provision: 2,259 issues raised

Internet provisioning complaints tend to be about delays in connecting a new service, confusion over whether a service can be connected to particular premises, and also delays or difficulties in transferring a service from one provider to another. This year provisioning complaints fell from the 2,540 recorded last year.

ADSL provisioning generated just over 90% of all complaints in this category, the same proportion as last year. The TIO attributes this mostly to the complexity of the nature of arrangements in place between wholesale and retail providers and a lack of agreed standards of co-operation between industry participants.

Other factors are the complexity of the technology itself and the increasing trend for various providers to build their own networks from scratch - although this should benefit the industry in the long term, it has led to some initial problems. The TIO has ceased recording the type of technology involved in internet complaints, so in future will not be able to analyse ADSL services specifically.

Systemic issues investigations



Sandra Krischan, Enquiry Officer

Code issue investigations completed 2005/06

During 2005/06, the following systemic investigations involving code issues were completed.

People Telecommunications Ltd – sales practices

Complaint

Complainants reported several concerns about agents of People Telecom. They were that:

- point-of-sale advice was inaccurate and caused financial detriment to the customer (Most commonly, consumers claimed that the agents offered to pay out existing contracts in a bid to secure new business but these offers were subsequently not honoured.)
- advice about call costs was not accurate
- the agents did not make it clear whether handsets would be provided as part of the contract.

Complainants said that attempts to resolve the complaints with People Telecom were unsuccessful because there did not appear to be an adequate escalation process.

Clause

Sections 7.3.5, 7.5.1, 7.5.2 and 7.6.1 *Complaint Handling Code* and sections 6.5.1 and 6.5.2 *Customer Transfer Code*.

Resolution

People Telecom said it would take several steps to resolve any future complaints. Any outstanding termination fees that People agreed to refund as part of the resolution of the investigation would be refunded to customers as a priority and the refund process would be brought in-house. Further, any customers claiming they were not being billed in accordance with advice provided at point of sale would have their claims investigated and bills re-rated where appropriate. Detailed confirmation documents would be introduced to assist in improving the quality of door-to-door sales and a specialist customer service group would be formed to ensure future compliance.

The TIO assessed relevant statements and contract documents but was unable to make any conclusive findings about People Telecom's compliance with the *Customer Transfer Code*. However, the TIO did record confirmed breaches of clauses 7.3.5, 7.5.1, 7.5.2 and 7.6.1 of the *Complaint Handling Code* about the absence of appropriate complaint handling policies and escalation processes.

B Digital Ltd – handling of premium SMS complaints

Complaint

Several customers said they had disputed premium SMS charges with B Digital and had received limited assistance in cancelling subscriptions that had caused the charges. B Digital's policy was to refer customers back to the providers of the content services to have their subscriptions cancelled. However, customers had great difficulty contacting the content providers and had additional disputed charges accruing, even after complaining to B Digital.

Clause

Section 7.3.5 *Complaint Handling Code*

Resolution

B Digital said it would put a new process in place to assist customers disputing premium charges. B's consultants would now assist the customer by sending a daily report to each premium content provider seeking confirmation from the provider that the request had been actioned. B Digital confirmed that "once a customer has requested assistance to unsubscribe from a premium service, they will not be liable for the charges after this request".

While the TIO believes that B Digital's revised complaint-handling process is a step in the right direction, it still has reservations about the application of the policy in circumstances where there has been a delay in the customer reporting the charges. The TIO also decided to issue a Clause 7.2(b) report to B Digital detailing its concerns regarding the contribution that B's new complaint-handling policy could make to future disputes. A confirmed breach of Clause 7.3.5 of the *Complaint Handling Code* was recorded.

Adam Internet – disconnection fee following price increase

Complaint

The TIO received a complaint from an Adam ADSL2 customer after the company announced that it was going to increase the price of its plans. The complainant said she was only several weeks into her contract and that, while Adam advised she could cancel without cost, it was still seeking a \$90 disconnection fee. Adam said the fee was passed on by Telstra and covered the cost of returning her line from Adam's network to Telstra's network. The TIO took the view that the application of the fee in these circumstances would be unfair because the contract had been unilaterally changed to the complainant's detriment.

Clause

Section 6.1.1 *Consumer Contracts Code*

Resolution

The TIO disagreed with Adam's assertion that the fee would constitute a network access charge, which if so would have been recoverable, and recorded a confirmed breach of section 6.1.1 of the code because a term in Adam's Standard Form of Agreement permitted an increase in price while tacitly allowing the company to recover the disconnection fee. Adam said it would make appropriate adjustments to its contracts.

Non-code issue investigations completed 2005/06

The following systemic investigations did not involve ACIF code issues.

Optus Mobile – missed call service

Complaint

A complainant said she had been billed for unanswered calls to her mobile handset from her landline telephone. She had made the calls to locate her mobile handset. It appeared that the charges stemmed from a missed call service activated by Optus Mobile. The company said customers had been advised of the implications of the service through a "welcome SMS" and that callers who reached the service would be notified of charges through a recorded voice announcement (RVA). The TIO investigated the matter on the grounds that the welcome SMS was ambiguous and that the RVA greeting was also unclear.

Resolution

Optus Mobile amended the scripting of the RVA to ensure that callers who were connected to the missed call service would be clearly informed that charges would be incurred if their call continued. The TIO concluded that this would effectively resolve the concerns raised by the complainant that callers to her mobile service would not be aware of charges.

Netspace Online Systems – "Fair Go" policy

Complaint

Netspace customers said their use of the company's unlimited internet plans had been disrupted by the application of the "Fair Go" policy. The policy appeared to be an acceptable use policy (AUP), which served to restrict the connection speed of customers whose usage put them in the top 10% of users. The policy also provided that customers would be affected only during times of high network usage.

One of the complainants to the TIO indicated that Netspace could not determine the approximate level of usage that would put a customer in the top 10% and further that the periods of high network usage were prolonged.

Resolution

Netspace decided to withdraw all of its Unlimited/Fair Go plans from sale and migrated all customers on those plans to a specially devised flat-rate plan.

Customers were then offered three choices:

- to accept the new plan, which featured generous download limits and an assured monthly download quota
- to move to any other Netspace plan without cost
- to transfer to an alternative service provider without penalty.

The TIO concluded that this would be a fair and effective way to resolve the complaints it had received about the Fair Go policy.

AAPT Ltd – payment defaults

Complaint

The complainant lodged a dispute on behalf of his wife saying that AAPT had listed a payment default on her credit file for an amount that had been paid. The TIO contacted AAPT and discovered that the default had been listed a day after it had been paid. AAPT would not remove the listing because the payment was made a day after the deadline featured on the final notice. The TIO was concerned that AAPT's processes regarding the listing of payment defaults may not be consistent with the *Privacy Act 1998* (Cth).

Resolution

AAPT said the default listing would be removed and that, in future, it would instruct its staff to remove payment defaults on a case-by-case basis where the customer reported that the listing had been recorded after payment of a debt.

Systemic issues investigations continued



SIMplus Mobile – billing of premium SMS

Complaint

The complainant claimed to have been billed for premium SMS products that she did not request. She said SIMplus told her the charges stemmed from use of a third-party service and therefore it could not refund them. It also said it was unable to cancel the subscription that the complainant's mobile appeared to have activated.

Resolution

SIMplus credited all disputed charges and implemented a third party "SMS promotions" database to enable its staff to identify content providers that had billed SIMplus customers. SIMplus acknowledged that when a customer was unable to resolve a matter directly with a content provider, it would be appropriate for it, as a customer's service provider, to intervene.

Sensis – billing of directory charges

Complaint

The complainant said that after she changed a business account from her husband's name into her name, the amount of the directory charges varied without explanation. Initially, Sensis said the discrepancy was caused by a limitation with the complainant's telephone service plan. However, the complainant reviewed her telephone invoices and could still not determine why the amount of the charge had changed so suddenly.

Resolution

After more detailed investigation, Sensis said the variation of the instalment charge was caused by the change of lessee on the account. It said that typically, when there was a change of account holder, the person who signed the contract for the provision of a business listing would remain liable for the full year's instalments. The new account holder would not be required to pay any charges unless an agreement had been reached with the previous owner or if they agreed with Sensis to accept the full year's charges.

In the complainant's case, the directory charges increased because she was an authorised representative on her husband's account and appeared to have agreed with Sensis for previously paid charges to be credited back to the old account and billed to the new account.

The TIO was satisfied with Sensis's explanation as it confirmed that charges would be enforced against the contracting party only in the absence of consent to the contrary.

Transact – CSG waiver

Complaint

TransACT declined to provide the complainant with a service unless he waived his rights under the *Telecommunications (Customer Service Guarantee) Standard 2000 (No 2)* (the CSG). The complainant agreed to waive his CSG rights and was told that his service would be connected within seven to 10 days. He was subsequently told that his service would not be provided for 22 working days. The TIO was concerned that while CSG rights may be waived in certain circumstances, it is generally on condition that a "substantial service benefit" is offered. No such benefit appeared to have been offered in this case.

Resolution

TransACT said initially that the complainant had been asked to waive his rights in accordance with the CSG standard and that the delay was caused by lead-in work that needed to be carried out by another carrier. The TIO said that it did not support this view and the complainant was subsequently offered a credit consistent with his entitlements under the CSG standard. During the investigation, TransACT posed a new argument, claiming that the manner in which it provisioned its network might mean it was eligible for a blanket exemption under the CSG. The TIO rejected this argument and TransACT has since amended its policy. It will no longer be seeking CSG waivers from customers who can be connected on its own network. Where it must use a third party's network to connect customers, TransACT will consider requesting a waiver on a case-by-case basis and will offer a free installation if a waiver is sought. The TIO believes that a free installation satisfies the requirement of a "substantial service benefit".

Primus Telecommunications – migration of customers to DSLAM network

Complaint

A significant number of Primus customers complained about service disruption in the last quarter of 2005. The cause of the complaints appeared to be the same: Primus had transferred customers with combined telephone and ADSL internet accounts from its regular carrier's (Telstra) network to its own DSLAM network.

There were three types of complaints:

- call-handling features (for example, call forwarding) that had been available on the previous network were not available on Primus's network
- services offered by alternative telephone and internet service providers were not available on the Primus network
- customers wishing to port (transfer) away from Primus's network were told either that a port was not possible, or alternatively that they would have to lose their existing service number and incur a new connection cost.

Resolution

As the TIO's investigation progressed, Primus and Telstra implemented a porting process that would enable customers on the Primus network to port their service number, without cost, to Telstra only. Primus also supplied evidence to suggest that enhanced call handling features on its own network were substantively similar to those offered on the Telstra network. Additionally, Primus offered advice to the TIO that it was gradually securing commercial agreements with other telephone companies and ISPs to expand the range of products available to customers using its network.

However, the TIO remains concerned that the porting process via Telstra remains the sole option for customers wishing to transfer their service away from the Primus network. Further, the TIO started to receive complaints from consumers who were not Primus customers, but who had also been affected by the migration. It appears that lines migrated to Primus's network may not be as simple to reconnect as lines on other networks and this may necessitate additional expense for consumers.

Based on the impact that the migration appears to be having on the freedom of customers to port directly to their preferred supplier, as well as the reconnection difficulties that appear to stem from the migration, the TIO referred the matter to the Australian Communications and Media Authority (ACMA) in accordance with Clause 7.2(b) of the TIO's Constitution.

Post investigations 2004/05

Hutchison Telecommunications – handset faults and customer service

In 2004/05, the TIO carried out two related systemic investigations concerning Hutchison's 3 network.

The first aspect concerned a large number of complaints relating to handsets used by customers on the 3 network. These included handsets locking up/switching off and repeated call drop outs when roaming on to other carrier's networks. The second aspect concerned Hutchison's handling of complaints relating to the handset problems and whether Hutchison was in breach of ACIF's *Complaint Handling Code*.

The TIO was unable to determine whether the handset faults were properly characterised as just that, or whether they indicated a more fundamental problem with the network itself. We decided to refer both issues to ACMA for consideration.

Very recently, ACMA has advised us of the outcome of the referral.

ACMA concluded that the manner in which Hutchison handled complaints concerning customer service did not constitute breaches of the *Complaint Handling Code*. In particular, the authority noted that while the requirements of the code are that a provider have in place complaint handling and escalation systems, the code rules do not offer qualitative guidance to providers on what constitutes good complaint handling practice and customer service generally.

As to the issue of handset faults, ACMA advised that it had sought information in relation to 3's compliance with ACIF's *Network Performance Code* as well as the processes used by 3 to track network traffic and monitor network performance.

ACMA also conducted a range of tests on a newer model of one of the handsets complained about. It advised that these tests were inconclusive, although it noted that some difficulties could be experienced when the caller roamed on to Telstra's 2G network.

ACMA concluded that the tests it conducted did not lead it to conclude that Hutchison's 3 network was in breach of the *Network Performance Code*.

Industry codes



Overview

The TIO continued its involvement in the development of Australian Communications Industry Forum (ACIF) industry codes throughout the year. The *Telecommunications Act 1997* (Cth) allows for the Australian Communications and Media Authority (ACMA) to direct industry members to comply with a registered code.

A code may only be registered where, among other things, ACMA is satisfied that the TIO has been consulted in the development of the code. Under Section 114 of the *Telecommunications Act 1997* (Cth), a code may confer powers and functions on the TIO, if the TIO consents to this.

The TIO currently has regard to 14 ACIF codes, comprising seven operational and seven consumer codes.

2005/06 was notable for substantial increases in breaches of *Complaint Handling Code* and *Billing Code*. *Complaint Handling Code* breaches alone accounted for over 46% of code breaches, up from 19% last year.

96% of the code breaches recorded by the TIO were not formally investigated at Level 2 or above. The TIO also investigated over 1,040 complaints that involved alleged code breaches at Level 2 and above and ultimately found that no breach had occurred.

TIO staff have continued to receive regular training on the application of the codes. As ACIF codes are reviewed and reregistered staff also receive further training in relation to the revised codes.

Code development and review

The TIO has been involved in working committees for the *Credit Management Code* and *Customer Transfer Code* during the year.

The *Credit Management Code* was registered in April 2006. Several new provisions contained in this revised code will not take effect until October 2006.

At July 2006, the revised *Customer Transfer Code* had yet to be registered. The TIO believes that the newly revised *Customer Transfer Code* requires further work in relation to establishing the extent of the authority of an authorised representative and their rights within the transfer process.

Code complaints

TIO Procedures

The TIO has retained the same procedures for recording code breaches that it has used for the past three years. The TIO amended its code breach categories in July 2005 to simplify reporting. The TIO now classifies code breaches as "possible" or "confirmed" only and does not separately report on signatories and non-signatories.

"Possible" code breaches are primarily recorded at Level 1 and the allegation is not directly pursued with the member.

"Confirmed" code breaches are recorded after formal investigation at Level 2 and above. TIO members are given the opportunity to respond to the allegations and provide evidence to support their position.

If the code breach allegation is sustained, a confirmed breach will be recorded. If no breach can be sustained, no code breach will be recorded. In rare cases, TIO investigative staff are unable to comprehensively establish whether a TIO member has complied with a code and will then record a possible breach at Level 2 or above.

The TIO continues to send code breach statistics to ACMA and ACIF on a quarterly basis. The TIO also provides complaint statistics and analysis to ACMA to assist in identifying any members that appear to be consistently breaching registered codes.

The TIO may also refer members that demonstrate systemic failure to comply with a code to ACMA. ACMA has the power to direct referred members to comply with the codes. Failure to comply with an ACMA direction may result in legal action being taken against those members.

Code statistics

The TIO recorded 20,640 code breaches, comprising 19,952 possible breaches and 688 confirmed breaches. This represents a significant 205% increase for 2005/06.

The increase was primarily driven by a 223% increase in the number of possible breaches recorded, which equates to 13,876 breaches. The TIO also noted a 17% increase in the number of confirmed breaches, which rose from 588 to 688.

Breaches of the *Complaint Handling Code*, the *Prices, Terms and Conditions Code* and the *Billing Code* were the prime causes of these substantial increases. To a lesser extent, breaches of the *Customer Transfer Code* and *Credit Management Code* also increased.

Complaints related to operational codes did not feature prominently, accounting for less than 3% of all breaches recorded.

The increase in recorded code breaches has resulted in the number of code breaches as a percentage of total complaints increasing from 8.6% for 2004/05 to 16.2% for 2005/06.

Complaint handling (46.8%)*

The single largest increase in code breaches was recorded in relation to the *Complaint Handling Code*.

The number of providers recording breaches more than doubled during the year, with 219 individual providers recording breaches of this code, compared with 96 providers last year. Recorded breaches increased by 744% and account for nearly 47% of all code breaches. Confirmed breaches of this code increased by over 64% during the year.

The substantial increase in overall *Complaint Handling Code* breach numbers is primarily due to the TIO's increased vigilance in recording breaches of Clause 7.6.1 of the code, an intention that was flagged in last year's annual report. Breaches of this clause account for over 70% of all *Complaint Handling Code* breaches recorded, with the vast majority being recorded as possible breaches.

There were 31 confirmed breaches of this clause recorded, accounting for 11.2 % of all confirmed *Complaint Handling Code* breaches.

The overall number of breaches of this clause is a very disappointing reflection on the state of the industry's complaint handling procedures. Despite assurances from members that their complaint handling procedures are sound, the level of complaints received and the number of code breaches recorded suggest that still more work is required by providers.

Early in the 2005/06 year, the Ombudsman directed TIO staff to specifically track providers' adherence to the provisions of Clause 7.6.1. TIO staff were directed to ask if the company knew that the customer was dissatisfied with the outcome of their complaint. If yes, staff then asked if the company, being aware of their customer's ongoing dissatisfaction, had referred them to the TIO.

The significant number of breaches of this clause that have been recorded clearly indicates that the industry has a lot of work to do to ensure that its customers are fully aware of their rights when a complaint remains unresolved.

The TIO is also concerned about other breaches of the code. Previous annual reports have indicated that a perennial problem lies in companies failing to acknowledge written complaints or provide updates on the progress of a complaint that is being investigated. Just over 10% of code breaches were recorded for these reasons. Of particular concern is the fact that nearly 30% of all confirmed *Complaint Handling Code* breaches are related to these areas.

One consistent area of complaint is the alleged failure of a provider's staff to escalate complaints to a higher level within the company. Complainants frequently allege that they are advised there is no supervisor, the supervisor is in a meeting or the supervisor will only reiterate the advice previously given.

The TIO recorded over 500 code breaches where complainants alleged they were not given the opportunity to escalate a complaint internally with their provider. It is the TIO's view that, aside from being contrary to the provisions of the *Complaint Handling Code*, failure to escalate a complaint is indicative of poor customer service practices.

Complaints where the provider allegedly fails to deliver a proposed or promised resolution have reduced from around 15% of complaints to just over 3%. Although the statistics indicate that industry performance in this area has improved, it is possible that the decline is due primarily to the disproportionate number of breaches of other clauses.

* The percentage listed after each heading is the category's proportion of total code breaches. Total statistics are listed in the table Summary of Code breaches on page 55.

Industry codes continued



Daniela Ruiz, Enquiry Officer

Billing (25.9%)

Billing is another category to record substantial increases during 2005/06. TIO staff recorded *Billing Code* breaches against 166 providers this year, compared with 94 providers last year. Possible breaches increased by over 280%, while confirmed breaches remained static.

Nearly 80% of code breaches relate to charges the complainant alleges they did not request or use and were not contracted to receive (as per Clause 7.3.1). Thirty-five providers are responsible for the 123 confirmed breaches recorded.

The increase in the number of *Billing Code* breaches appears to be linked to a significant increase in the provision of premium services and an increase in capped or so-called “bucket” plans. Mobile premium content complaints have steadily increased over the course of the year. Many complaints made to the TIO shared a common theme insofar as the complainant alleged to have never requested the volume of premium services delivered, or found it very difficult to unsubscribe.

TIO members generally appear to be advising complainants which content provider they should contact to unsubscribe to premium services. While this partially complies with aspects of the *Billing Code* and *Complaint Handling Code* it is no guarantee that the charges will actually stop. The rationale appears to be that the provider is merely a “billing agent” and cannot stop the charges being billed.

The TIO is also aware that many providers’ systems cannot block a specific type of SMS (that is, premium SMS) without blocking all forms of that service (that is, SMS in general). TIO members appear to be reluctant to use this type of “service barring” to stop disputed premium SMS charges.

An area of growth in the industry has been the use of “capped” plans, especially in the mobile arena. While the plans ostensibly offer consumers a means of budgeting, there have been many complaints to the TIO in relation to larger than expected bills. It is the TIO’s view that the very term “capped plan” may be at issue, as it suggests that a customer’s expenditure will be limited.

Complainants have advised TIO staff that it is very confusing trying to figure out which calls at what times fall within the cap. Complainants also express dissatisfaction at the lack of contact by providers when the “cap” is close to being reached. The TIO believes that providers should either simplify their “capped plan” offerings or take greater steps to ensure that customers are aware of how the “capped plan” works.

The second largest area of complaint was in relation to complainants alleging that providers failed to demonstrate that their accounts were accurate. Complaints relating to this clause range from direct debits not being cancelled to problems with pro-rata amounts and miscellaneous credits being incorrectly calculated and applied.

Credit management (10.7%)

The newly revised *Credit Management Code* was registered by ACMA on 13 April 2006. The TIO’s policy in relation to new codes is to register breaches of the old code only up to the date of registration. Once a new code is registered, only complaints that may involve breaches that occurred after the registration date will be recorded.

This policy results in a decline in code breaches recorded immediately after the registration date, which should not be misconstrued as a sign of increased industry compliance.

Despite only accounting for around 10% of all code breaches, regrettably Credit Management Code breaches increased over the year with 76 individual members recording breaches, up from 52 last year. The 2005/06 year saw a slight reduction in the number of confirmed breaches of the code with 120 breaches being recorded - 11 fewer than last year.

As the 2005/06 year contains code breach statistics that relate to two versions of the code, it is difficult to offer any fair assessment against last year’s report. Suffice to say the three largest areas of concern to the TIO remain unchanged.

The largest source of code breaches related to providers alleged failure to notify customers of outstanding debts and the likelihood and outcome of credit management action. Approximately 30% of code breaches recorded related to this issue. Often complainants advise that they have moved address and updated their records with the provider, only for an account to be sent to the old address. In a number of cases, the customer has not changed providers, only addresses, and has been subject to credit management action on an old account, while being up to date with the current account.

The TIO also remains concerned at the alleged failure of providers to halt debt collection on genuinely disputed amounts. Approximately 16% of code breaches relate to this matter. The TIO is aware that some TIO member's billing systems do not easily permit the quarantine of disputed amounts. However, this does not exempt the member from complying with this clause.

A continual problem, and one that will hopefully diminish when the new *Credit Management Code* is fully implemented, is the negotiation of payment arrangements. Around 16% of breaches recorded relate to the alleged failure of providers to negotiate payment arrangements. The TIO has long maintained that it is not sufficient to simply offer payment plans - the plans must also be fair and reasonable.

The financial hardship provisions of the newly revised *Credit Management Code*, which require that any arrangements must reflect a customer's individual circumstances, should go a long way towards reducing these breaches.

Customer transfer (7.7%)

Numerically, recorded breaches of the *Customer Transfer Code* have increased by 356 complaints since last year. However, as a percentage of all code breaches, Customer Transfer Code breaches account for only 7.7%, well down from the 18% recorded last year.

As previously discussed, the exceptionally large increase in *Complaint Handling Code* breaches has skewed the percentages for the other codes.

The reduction in the overall percentage represented by *Customer Transfer Code* breaches should not be seen as indicative of improved industry performance.

TIO staff recorded a total of 1,582 breaches, including 78 confirmed breaches of the code. Possible breaches increased by 29%, while confirmed breaches increased by nearly 22%.

66 providers had recorded breaches of the *Customer Transfer Code* in the 2004/05 financial year, compared with 93 this year.

The same three areas of concern that the TIO identified in last year's annual report were once again the greatest source of breaches this year.

Approximately 41% of all code breaches recorded relate to the informed consent provisions of Clause 6.3.1.

The TIO continues to receive large numbers of complaints alleging that the complainant has not given informed consent to the transfer. An example of the type of complaint received includes allegations that potential customers are asked to complete a voice recording as a condition of getting documentation about the offered service. Upon receipt of the promised documentation complainants find that their service has been transferred without their informed consent.

A further 16% of breaches relate to the alleged failure of the provider to obtain consent from the authorised customer. The TIO has consistently maintained that the definition of authorised customer contained in the code gives sufficient guidance to all providers. However, despite clear guidelines, complaints continue to be received.

Only the person who has the existing contract with the provider, or their legally authorised representative, can provide consent to a transfer of service. Investigation of complaints that relate to unauthorised transfers and authorised representatives often find that the authorised representative is not "legally authorised" as per the code definition. The provider may ask the person whether they are authorised to discuss a transfer but they do not take steps to establish that the authorisation meets the code definitions.

The TIO does not believe that merely asking a person who answers the phone whether they are authorised to discuss a transfer of service (or a similar question) meets the requirements of "all reasonable steps" as outlined in the code.

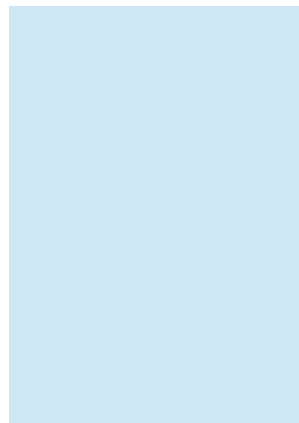
A secondary issue arises from adherence to this process. A number of complainants have contacted the TIO after their service has been transferred claiming they have been unable to access details of their account. Upon investigation, it appears that the provider has relied on an authorised representative's consent to transfer and has transferred the account from the authorised customer's name into the authorised representative's name. In effect, the authorised representative has taken over the contract.

The legal lessee, or authorised customer as per the code definition is then advised that due to privacy reasons they are not permitted to access details of the newly transferred account. The TIO is very concerned that this process goes well beyond the authority of the authorised representative as outlined in the code. The authorised representative can only ever act on behalf of the authorised customer, not become the authorised customer.

In essence, by transferring the account name into that of the authorised representative a breach of contract has occurred.

The final area of concern, accounting for around 15% of code breaches, is the alleged failure of providers to confirm the details of the transfer with their new customer. Failure to confirm transfer details results in complaints such as transfer of more services than originally agreed to, transfer of the wrong numbers or incorrect names and addresses used.

Industry codes continued



The TIO considers that breaches of this clause could easily be reduced if providers took time to thoroughly confirm all details of the transfer.

The TIO also has concerns about the quality of information some providers offer in relation to the services that are to be transferred and the cooling off periods that may apply. Complainants allege that they are offered cooling off periods as an incentive to agree to a transfer of service over the phone only to be told later that such periods do not exist.

Finally, the TIO notes that little information is provided by the industry, ACIF or the regulator as to the efficiency of processes designed to meet the requirements of Section 6.8 of the code. The section requires providers to verify transfers independently of the sales channel and in relation to the number of unauthorised transfer complaints the provider receives. To date, the TIO isn't aware of any information that would indicate that the requirements of this section are being met or measured.

Customer Information on Prices, Terms and Conditions Code (6.6%)

2005/06 is the first full year that enables an assessment of the revised *Prices, Terms and Conditions Code*. Possible breaches increased by a significant 139%, from 553 to 1,326. Thirty confirmed breaches of the code were recorded, two fewer than last year.

The TIO recorded code breaches against 86 providers this year, compared with 52 last year.

Three areas of the code feature prominently this year.

Approximately 46% of all code breaches related to Clause 6.5.1. This clause requires providers to sell their customers products that meet their stated requirements or provide information regarding technical or geographic limitations to the service.

Historically this clause has attracted breaches by mobile providers, though there has been a significant increase in the number of ISPs that have recorded complaints. One possible factor may be the increased market and competition for ADSL services. Complainants allege that they are promised access to ADSL but when they sign a contract they find there is no capacity in their exchange.

Complaints related to mobile services continued to be recorded during the year. Some complainants alleged that they made their specific requirements known to sales staff for handsets with cameras or internet access, but these were not delivered. Conversely, other complainants asked for basic handsets specifically for emergency purposes, only to be sold high-end handsets. A number of complainants claimed that they entered contracts after specifically requesting particular handsets that addressed access and disability issues only to find later that these features were not available.

Approximately 12% of code breaches relate to the information provided in relation to special offers (Clause 7.7). TIO staff noted an increase in complaints of this nature around Christmas. One provider, as part of a special Christmas promotion, offered a credit back to the account on the proviso that the customer texted their request for such a credit. Many complainants to the TIO alleged that the advertising collateral did not clearly outline this requirement. After investigation by the TIO, the provider agreed to provide this credit to all customers who had signed up under this offer, regardless of whether they texted a request.

The third area of concern recorded by TIO staff related to the alleged lack of information offered by providers about minimum terms of contracts, termination fees and any requirement to give notice to terminate. Just over 9% of recorded breaches related to this matter (Clause 6.8.1).

Summary of code breaches 2005/06

Code name	Possible*	Confirmed**	Total	% of total
Complaint Handling	9,385	276	9,661	46.8
Customer Transfer	1,504	78	1,582	7.7
Credit Management	2,080	120	2,200	10.7
Billing	5,217	123	5,340	25.9
Commercial Churn	195	13	208	1.0
Prices Terms and Conditions	1,326	30	1,356	6.6
Customer Personal Information	19	5	24	0.1
Mobile Number Portability	74	8	82	0.4
Consumer Contracts Code	1	2	3	0.0
Consumer Contracts Guidelines	119	28	147	0.7
Connect Outstanding	16		16	0.1
Handling of Life-Threatening or Unwelcome Calls	9	1	10	0.0
Caller Number Display		1	1	0.0
Preselection				0.0
Local Number Portability	3		3	0.0
Priority Assistance	4	3	7	0.0
Total	19,952	688	20,640	100.0

* Code breaches logged as Possible as no formal investigation was undertaken into complaints

**Confirmed after investigation at Level 2 and above

Consumer Contracts Guideline (0.7%)/ Consumer Contracts Code

While the *Consumer Contracts Code* was registered on 4 May 2005, the TIO did not have regard to it until November 2005, in accordance with the delayed implementation timeframe agreed to by the code working committee. Only the TIO's Legal Investigations Officers have regard to the code in investigations due to the complex legal issues it covers.

Two confirmed breaches of the code were recorded.

The TIO continued to record breaches of the *Consumer Contracts Guideline* up until November 2005. TIO staff recorded 119 possible and 28 confirmed breaches of the guideline. The TIO considered that the guideline could be used as a benchmark of good industry practice until the contract code came into effect.

As in previous years, the main complaint issue under the guideline involved oral presentation of contract terms at the point of sale.

Operational codes

Commercial Churn (1.0%)

Breaches of the *Commercial Churn Code* remained relatively static over the 2005/06 year. A total of 195 possible and 12 confirmed breaches were recorded indicating that, as a general rule, the mechanics of the churn, or customer transfer, process are working well.

Complaints relating to two clauses account for over 91% of all code breaches. Over 59% of breaches related to a provider's alleged failure to keep their customers informed of delays within the churn process.

The TIO has received complaints alleging that churns had not been completed after six to eight weeks and there was no contact from the gaining provider.

Just over 32% of complaints relate to a provider's alleged failure to reverse an unauthorised churn.

Mobile Number Portability (0.4%)

The TIO was pleased to note a significant reduction in *Mobile Number Portability Code* breaches for the year. Possible breaches fell by nearly 50% to 82 breaches, while only eight confirmed breaches were recorded.

Other codes

The remaining operational and consumer codes to which the TIO has regard recorded very few complaints over the year.

TIO staff recorded 24 breaches of the *Protection of Personal Information of Customers of Telecommunications Service Providers* (CPI Code) before ACIF withdrew the code.

The TIO recorded 16 possible breaches of the *Connect Outstanding Code*. Only four providers recorded breaches.

During the year, 10 breaches of the *Handling of Life Threatening and Unwelcome Calls Code* were recorded in addition to three *Local Number Portability* and seven *Priority Assistance Code* breaches.

One confirmed breach of the *Calling Number Display Code* was also recorded

The TIO recorded no breaches of the *Preselection Code*.

Public awareness



The TIO uses two key sources of information to develop its public awareness strategies: a public awareness survey, which is conducted every two years; and the TIO complaints database.

In the 2005/06 year the TIO decided to focus on raising awareness of the scheme among four key groups. They are:

- small businesses
- residents of rural and regional Australia
- people with disabilities
- young people.

Small business

The number of complaints from small businesses has fallen over the past three years - from 7.5% of complaints in the 2003/04 year to 5.9% this year - underlining the need to increase awareness-raising activities within this group.

Over the past two years the TIO has:

- met key government departments that liaise with small businesses
- visited all state chambers of commerce (except in New South Wales and Tasmania) and the Australian Chamber of Commerce and Industry in Canberra
- distributed material to industry groups such as the Queensland Farmers' Federation
- mounted a stall at the National Small Business Summit in Melbourne
- visited the Victorian Small Business Commissioner
- addressed the members of the Small Business Coalition, whose members consist of key small business lobby groups such as Master Builders Australia and the Pharmacy Guild of Australia.

Because of its diversity and geographical spread, the small business sector is one of the most difficult audiences for the TIO to communicate with.

Rural and regional communities

Rural and regional residents lodge fewer complaints per head than people living in metropolitan areas. (See City or country, page 59.) Again, because of the geographical spread of the population, raising awareness is a challenge. This year, the TIO's activities included a community service announcement that was broadcast on television and radio stations throughout rural and regional Australia. The TIO has incurred a small cost in producing the commercial, but stations have run it free of charge.

While the advertisement was running, the number of people calling as a result of advertising/television coverage rose dramatically. It is planned to run the advertisement at the same time next year.

Last year, a senior TIO manager attended a Utilities Assistance Forum staged by the Energy and Water Ombudsman in Broken Hill. There is a steady demand for the TIO to visit communities in rural Australia, but because of limited resources only a few of these commitments can be honoured each year.

The TIO was also featured in an article in the Centrelink publication *Rural News*, which is distributed free to 100,000 rural residents.

Myra Pincott, who is a TIO Council member, and National President of the Country Women's Association, has been distributing material at CWA conferences throughout the country. The Ombudsman spoke at the association's 32nd triennial conference in Darwin.

People with disabilities

In the early part of 2006, the TIO ran targeted print and radio advertisements to reach people with disabilities. Outlets included the RPH radio network, which ran a TIO announcement for two weeks; *Link* magazine, the magazine of the National Council for Intellectual Disability, and *Better Hearing* magazine. The TIO intends to repeat this promotional campaign next year as it is cost-effective and time-effective.

The Deputy Ombudsman, Simon Cleary, also appeared on the *No Limits* program, which is broadcast on community television throughout Australia.

Young people

During the year, activities were focussed on the distribution of *Sort It*, a booklet featuring case studies and useful advice for young people. The booklet, jointly produced with the Banking and Financial Services Ombudsman (BFSO), was launched in November last year. It was distributed in several arenas including:

- at the Victorian Commercial Teachers Comview Forum in Melbourne
- the Economics and Business Educators NSW conference held in Sydney
- the Queensland Law Society's Legal Educators Conference held in Brisbane
- Melbourne's Law Week event, coordinated by the Victoria Law Foundation and the Law Institute of Victoria.

The booklet was also publicised in Melbourne's *Herald Sun* newspaper and on the ABC Television program *Behind the News*, which is distributed to schools throughout the country.

Public awareness survey

The TIO conducted its public awareness survey, which is run every two years, in April 2006.

The survey showed an increase in unaided (or top-of-mind) awareness among consumers generally and people from non-English speaking backgrounds specifically while unaided awareness among small businesses and indigenous Australians had fallen.

Awareness (Unaided and Aided) (%)

	Unaided Awareness %	Total Awareness (Aided) %
Consumers	15 (13)	54 (52)
Aboriginal people/ Torres Strait Islanders	9 (16)	47 (46)
People of non-English speaking background	33 (14)	51 (39)
Small business	19 (22)	67 (63)

Figures in brackets are the results of the previous survey (2004)

Results from previous surveys have broadly correlated with the data from the TIO's complaints database. For example, complaint rates by state have been proportionate to the public awareness rankings in each state.

State	Unaided awareness %	
New South Wales	15	(12)
Victoria	15	(12)
Queensland	9	(7)
South Australia	20	(28)
Western Australia	16	(11)
Tasmania	22	(22)
Capital cities	16	(13)
Regional	13	(13)

Figures in brackets are the results of the previous survey (2004)

This year, there have been significant fluctuations in awareness by state, and it is not as easy to argue that complaint rates are a measure of public awareness.

Complainant statistics

Complainant satisfaction survey

Every two years, the TIO engages an independent consultant to carry out a survey of people who have used its services.

The purpose of the survey is to:

- assess enquirers' and complainants' opinions of the service provided by the TIO
- establish the extent to which dealings with the TIO have been satisfactory
- identify what enquirers and complainants like and dislike about the TIO service
- investigate attitudes towards the TIO.

The latest survey, by Sweeney Research, was conducted in late 2005, with 465 people being interviewed.

A total of 74% of people questioned rated the TIO's performance as very good. This compares with 58% of respondents in 2003, when the last survey was completed.

Overall rating of the TIO (%)	2003	2005
Very good	58	74
Fairly good	24	15
About average	11	8
Fairly poor	4	2
Very poor	4	1

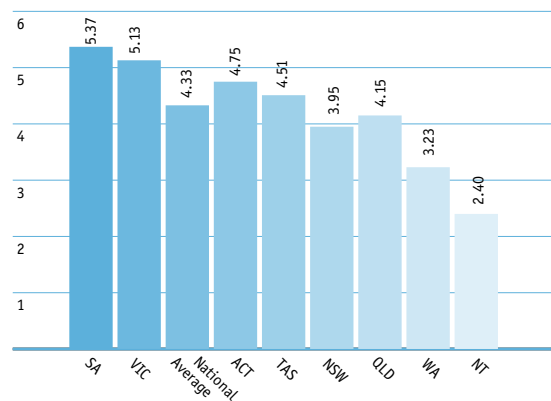
Strengths of the TIO (%)	2003	2005
They are efficient and quick	18	12
They can direct you where to go	16	9
Staff helpful/friendly/not kept waiting	15	14
Willing to help/They get problems solved	11	18
We need people like them	10	-
They make it fair for the consumer	9	-
They listened to what I had to say	7	19
They take it further if you need to get action	6	-
It is independent/industry watchdog	9	7
It can cut through red tape	5	-
Good to have support/influence when dealing with big companies	-	9
Provide advice/knowledgeable/informative	-	8
Don't know/nothing	19	16

Weaknesses of the TIO (%)	2003	2005
Could handle complaints directly/be more involved	2	3
Need some more power	4	3
They are too slow	2	2
Need to call/communicate back to the client	2	2
Need to investigate phone companies more	3	2
Need to let people know they're there/ advertise more	-	2
Handling of problem could be warmer	2	-
They could have tried to help	3	-
None/Don't know	72	82

Public awareness continued

State distribution of complaints

(per 1000 distribution)



Profile of complainants

The TIO adheres to the National Privacy Principles and tries to limit the amount of personal information it collects about each complainant. Nevertheless, certain information is required by the TIO and members in order to resolve complaints. The TIO collects each complainant's full name, address details, gender, contact information and account/service numbers. The TIO also categorises each complainant into one of five types, which are listed below.

Gender

Male	54.0%
Female	46.0%

Complainant Type

Business	5.9%
Charity	0.03%
Community	0.06%
Government	0.2%
Residential	93.7%

Method of Complaint

E-mail	8.2%
Fax	0.6%
In person	0.1%
Letter	2.5%
Telephone (1800)	88.7%
Interpreter service	0.00%

Gender

The number of women making a complaint increased by two percentage points on last year.

Complainant Type

The proportion of complaints made by small businesses continued to fall from 7.5% in 2003/04 to 7.3% last year and 5.9% this year. The TIO received a very small number of complaints from government, charity and community sector organisations.

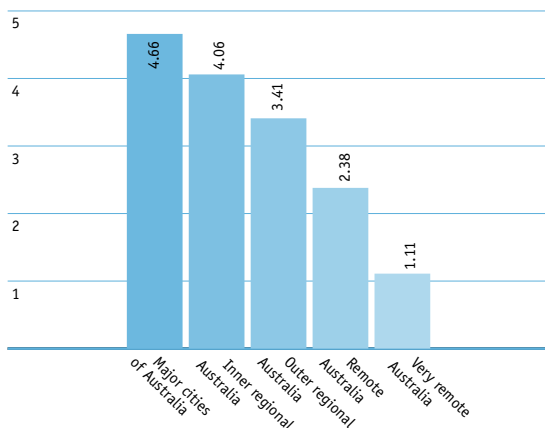
Typically, government complaints come from organisations such as Offices of Fair Trading and Consumer Affairs Bureaux, and local councils and educational institutions such as TAFEs. Community sector complaints come from organisations such as football clubs and church groups. Experience suggests that these groups will continue to represent a small proportion of the complaint total as most government organisations have enough resources at their disposal to handle their own complaints, while community groups are often also better resourced than individual consumers and small businesses.

Method of complaint

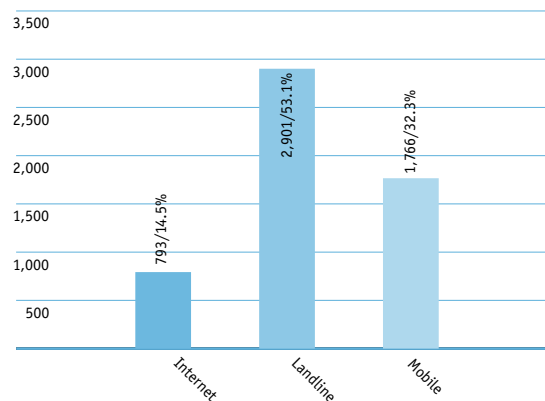
The number of people using the phone and e-mail to complain continues to grow. More traditional methods of communication such as letter writing and fax continue to decline as a way of complaining to the TIO. Four people are recorded as using the Telephone Interpreter Service (TIS) to contact the TIO, a percentage of 0.0%. The low number is concerning, yet also somewhat misleading. The TIO's investigative staff may initiate a call to TIS if they feel that the complainant requires assistance. Unfortunately, if TIO staff initiate the call to the TIS, this information is not recorded in the TIO's database.

Complaints by remoteness area - national

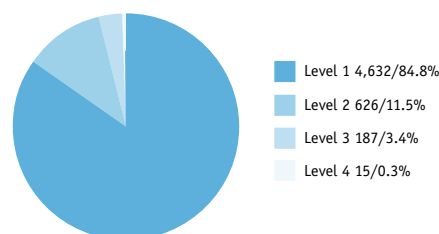
(per 1000 population)



Small business complaints



Small business complaint mix



State distribution of complaints

Complaint rates have risen in all states with the exception of the Northern Territory. This is in line with the increase in complaints over the past two years. As stated in last year's report it is difficult to pinpoint any particular reasons for the difference in complaint rates between states.

In previous years, complaint rates have roughly corresponded with public awareness (measured in our public awareness survey conducted every two years) in each state. This year, there are several anomalies. Public awareness in Queensland (where unaided awareness is 9%) is significantly lower than in New South Wales (where unaided awareness is 15%), yet the Queensland complaint rate is higher than in New South Wales.

This may indicate that there are more telecommunications problems in Queensland than in New South Wales. But, as stated last year, without greater scrutiny of the data any conclusions are speculative. Nevertheless, the TIO continues to work to increase public awareness in those states where it is low.

City or country

The TIO classifies complaint statistics into five regions of Australia. These regional classifications have been developed by the Australian Bureau of Statistics according to residents' access to a full range of goods and services. Those in very remote areas have the least access, while those in major cities have the most access.

Although complaint rates increased this year, there was no significant change in the respective rankings of each region.

Small business complaints

The fall in the number of small business complaints, to 5,460 from 5,857 last year, is concerning. The TIO generally regards a business as small if it employs fewer than 20 people. However, it may exercise its discretion to investigate complaints by businesses with more than 20 employees

Compared with consumers, small businesses generally bring more complex complaints to the TIO. Only 84.8% of small business complaints were resolved at Level 1, compared with 91.1% of all complaints received by the TIO.

A complaint that is difficult to resolve may have adverse consequences on a small business at the best of times, but this could be particularly critical when the resources of the business are stretched - say, in its first few years of operation.

For example, a small business may be particularly vulnerable if:

- its sales force is without mobile phones because of a contractual dispute with a provider
- it loses its EFTPOS connection as a result of a fault
- it has its internet connection transferred to another provider without authorisation.

The TIO has embarked upon several initiatives to raise awareness among small businesses, but because of the diversity of the sector this is no easy task.

The breakdown of complaints among service types is the same as last year and is as puzzling now as it was then. Complaints about landlines continue to dominate with mobiles and internet trailing in second and third places. This is surprising as it might be expected that small business would have become increasingly dependent on technologies, such as mobile phones and internet connections, which would allow them to become more flexible.

Public awareness continued



Source of referral

Everyone who complains to the TIO is asked how they heard about the TIO. We are particularly interested in tracking the number of consumers referred to us by their provider. Apart from this, we use the data to help us formulate public awareness strategies.

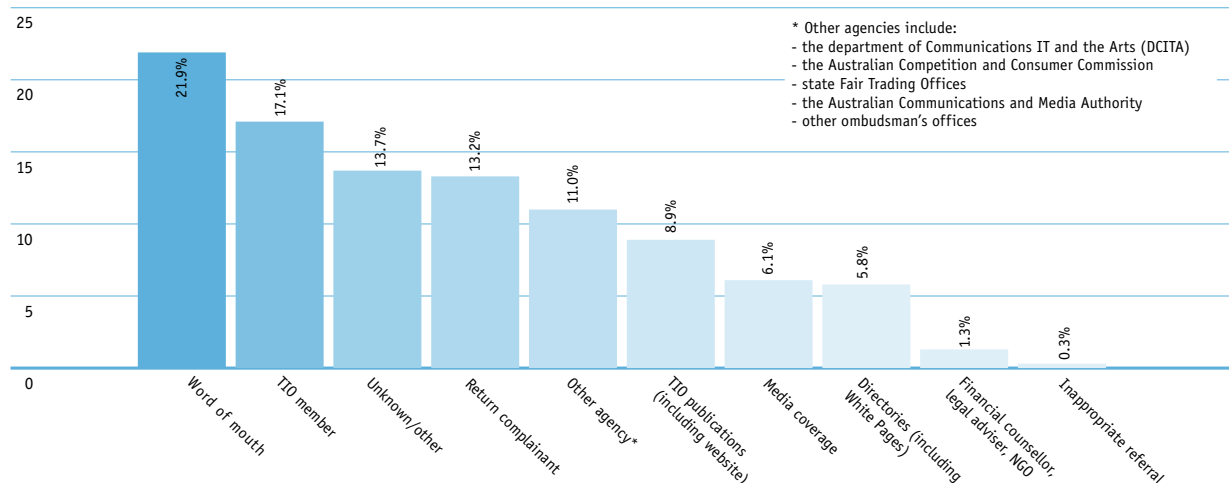
This year's statistics were fairly consistent with last year's, with notable differences showing for directories and media coverage:

Directories (including *White Pages*) fell from 11.1 % of complainants to 5.8%. Referrals from directories have been falling for the past three years. This may be a reflection of people moving from hard copy directories to the internet. The TIO has a listing in the front section of all Australian hard copy directories and a business listing in all the capital city hard copy directories.

Media coverage fell from 6.7% to 6.1%. This category includes referrals from newspaper and magazine coverage; television coverage and advertising; and internet coverage. Referrals from newspapers and magazine coverage and also from internet coverage fell while referrals from television rose. This may be due to the community service announcement that the TIO ran on regional and rural radio and television stations in early 2006.

* As noted elsewhere, the percentage of referrals by providers (17.1%) remains disturbingly low.

Referred by %



Governance



Funding

From its inception, the TIO was conceived as an industry funded alternative dispute resolution (ADR) scheme. The decision not to have a government-sponsored or statutory scheme brought savings to taxpayers. In addition the fact that the scheme is paid for by the industry gives members an incentive to improve customer service.

The funding mechanism is simple in principle. Each TIO member pays for the TIO's investigative services based on the number and relative proportion of total complaints against it each quarter.

Complaints attract a direct fee which varies according to the level to which it is escalated by the TIO based on published guidelines. These fees are shown in the table below (effective from 1 July 2006). In addition to these volume-related costs, a member will pay a proportion of overhead or operating costs determined by its percentage share of total complaints.

Complaint Fees

	\$	GST	Total
Level 1	30	3	33
Level 2	220	22	242
Level 3	400	40	440
Level 4	1,500	150	1,650
Level 4 Land Access	2,400	240	2,640

Enquiries (\$30) and reviews (\$500) are funded as part of operating costs.

Members are invoiced quarterly, including an estimate of costs to be incurred in the following quarter. Each quarter actual and estimated charges are reconciled.

The funding model has two important consequences. If a member incurs no complaints it pays nothing to the TIO. Also, the model is based on the principle of demand-driven funding – if complaints rise, the TIO can recruit extra investigators to handle those complaints.

The TIO has a policy whereby the first four Level 1 complaints and the first Level 2 complaints each quarter are free to members.

Equal opportunity and discrimination

The TIO fully supports the principles of equal opportunity. All staff receive training in equal opportunity and anti-discrimination as part of their induction and from then on every two years. The TIO's policies and procedures regarding equal opportunity, discrimination, harassment and internal complaint procedures are published on the intranet. Staff are reminded of their obligations at the start of December each year, before the annual festive season celebrations.

Member complaint statistics

Member specific complaint statistics are published by the TIO for all members who have received 25 complaints or more during the course of the financial year. In 2005/06, 95 TIO members received 25 or more complaints.

It is important that readers bear in mind the varying size 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 near future.

Complaints and complaint issues

Two Tables are presented here. The first table details 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.

The second table reports on the number of complaints against a member company and the levels at which these complaints were resolved. This gives an indication of how quickly the company was able to resolve complaints raised by the TIO.

Complaint levels

It is important to note that not all complaints are raised at Level 1. Some complaints may be raised directly to Level 2 and 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-standardised)

1 July 2005 – 30 June 2006 (Includes members that received 25 or more complaints logged for the year).

	LAND LINE										
	Total Issues	Billing %	Credit Control %	Customer Transfer %	Customer Service %	Disconnection %	Faults %	Privacy %	Provision %	Other* %	Total Land Line
1410 Communications Pty Ltd (t)	282	50	2	0	57	5	1	46	0	119	280
1800 Reverse Pty Ltd (t)	56	30	0	0	22	0	0	4	0	0	56
aaNet Communications Pty Ltd (i)	86	0	0	0	0	0	0	0	0	0	0
AAPT Ltd (t&i) (c)	7,605	1,532	751	0	1,492	87	365	172	150	1,379	5,928
ACN Pacific Pty Ltd (t & i)	37	8	5	0	7	0	8	1	0	5	34
ADAM PTY. LTD (i)	130	0	0	0	0	0	0	0	0	0	0
Amnet IT Services Pty Ltd (i)	36	0	0	0	0	0	0	0	0	0	0
Astracom Pty Ltd (t)	48	4	0	0	12	0	0	0	0	32	48
AstraTEL Pty Ltd (i)	92	11	3	0	7	3	5	0	0	4	33
Astron Communication and Information Services Pty Ltd (t)	159	36	3	0	31	1	4	17	0	60	152
Aurora Energy AAPT Pty Ltd (t&i)	213	37	17	0	37	7	8	8	2	85	201
AUSTAR United Mobility Pty Ltd (t)	111	0	0	0	0	0	0	0	0	1	1
Australia Internet Solutions Pty Ltd (i)	48	0	0	0	0	0	0	0	0	0	0
Australia On Line Pty Ltd (i)	37	0	0	0	0	0	0	0	0	0	0
Australian Star Communications (t)	481	38	14	0	43	6	5	0	8	57	171
Australian Communications Network Pty Limited (t&i)	151	47	30	0	28	4	4	0	5	23	141
Axis Telecoms Pty Ltd (t)	395	92	22	0	94	7	35	3	3	139	395
B Digital Ltd (t)	1,765	31	12	0	24	2	6	5	3	21	104
Beyond Telecom Australia Pty Ltd (t)	213	199	0	0	14	0	0	0	0	0	213
Blue Ridge Telecom Systems, LLC (t)	41	8	2	0	10	0	0	1	0	17	38
Bordnet Internet Pty Ltd (i)	237	0	0	0	2	0	0	0	0	0	2
Budget Telecom Pty Ltd (t&i)	318	64	19	0	59	3	3	24	2	136	310
Budgetel Pty Ltd (t&i)	92	20	11	0	19	1	4	1	0	29	85
Bytecard Pty Ltd (i)	107	7	0	0	3	0	0	0	0	2	12
Call Australia Pty Ltd (t)	211	37	7	0	33	4	1	12	2	89	185
CardCall Pty Ltd (t&i)	60	13	0	0	13	0	0	0	0	31	57
Chariot Internet Ltd (i) (c)	35	0	0	0	0	0	0	0	0	0	0
Clear Networks Pty Ltd (t & i)	74	0	0	0	0	0	0	0	0	1	1
Commander Australia Ltd (t&i)	308	114	17	0	66	10	8	0	13	50	278
CommodiTel (Australia) Pty Ltd (t)	54	0	0	0	0	0	0	0	0	0	0
Concert Telecom Pty Ltd (t)	40	6	4	0	9	0	3	1	1	9	33
Curl Internet Solutions Pty Ltd (i)	54	1	0	0	1	0	0	0	0	1	3
CyberOne Pty Ltd (i)	191	0	0	0	0	0	0	0	0	0	0
Digiplus Pty Ltd (t&i)	647	147	25	0	78	9	29	2	5	51	346
Direct Telecoms Pty Limited (t)	109	35	3	0	29	0	1	0	3	38	109
Dodo Internet Pty Ltd (i)	2,460	80	8	0	102	8	11	32	24	146	411
Dual Phone Centre Pty Ltd (t & i)	38	5	6	0	4	0	0	0	0	15	30
Edirect Pty Ltd (t)	169	0	0	0	0	0	0	0	0	0	0
EFTel Pty Ltd (i)	117	6	0	0	1	0	0	0	0	1	8
eSTAR Telecom Pty Ltd (t)	37	4	0	0	5	0	0	0	0	28	37
eTelecommunications Pty Ltd (t&i)	134	17	5	0	31	0	0	2	1	76	132
Exetel Pty Ltd (i)	135	7	0	0	0	2	0	0	0	1	10
Global Networks (Aust) Pty Ltd (t)	246	41	0	0	50	0	0	0	0	155	246
G0talk Australia Pty Ltd (t)	731	113	19	0	138	4	20	84	12	254	644
Hotkey Internet Services Pty Ltd (i)	86	0	0	0	0	0	0	0	0	0	0
Hutchison 3G Australia Pty Ltd (o) (c)	11,802	0	0	0	0	0	0	0	0	0	0
Hutchison Telecoms (Aust) Pty Ltd (t&i) (c) (inc Orange)	2,097	1	1	0	25	0	1	0	1	7	36
ihug Pty Ltd (t&i)	78	6	2	0	7	0	1	0	0	2	18
iiNet (OzEmail) Pty Ltd (t&i)	921	24	1	0	50	6	21	1	16	7	126
iiNet Ltd (i)	1,452	95	5	0	131	18	76	7	40	62	434
Internode Systems Pty Ltd (i)	57	0	0	0	0	0	0	0	0	0	0
Kooee Communications Pty Ltd (t&i)	1,185	307	82	0	260	20	27	3	10	142	851
Lime Australia Pty Ltd (t & i)	40	0	0	0	0	0	0	0	0	0	0
M2 Telecommunications Pty Ltd (t)	163	27	12	0	28	1	1	11	4	51	135
m8 Telecom Pty Ltd (o)	1,294	0	0	0	1	0	0	0	0	0	1
Macquarie Telecom Group Limited (t)	44	5	0	0	6	3	0	0	4	16	34
Max Telecom Pty Ltd (t & i)	122	24	0	0	27	5	0	3	0	54	113
NationTel Pty Ltd (t)	61	26	0	0	13	0	7	2	0	13	61
Netspace Online Systems Pty Ltd (i)	220	0	0	0	0	0	0	0	0	0	0
NEW Tel Services Pty Ltd (t)	75	35	4	0	27	1	1	1	0	6	75

* Other includes, Contracts, Directories, Disability Services, Land Access, Payphones, Phone Cards and Porting.

MOBILE									INTERNET								
Billing	Contracts %	Credit Control %	Customer Service %	Disconn- ection %	Faults %	Porting %	Other* %	Total Mobile	Billing %	Contracts %	Credit Control %	Customer Service %	Disconn- ection %	Faults %	Provision %	Other* %	Total Internet
0	0	0	1	0	0	1	0	2	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	23	12	0	23	7	15	5	1	86
346	126	261	290	11	43	42	13	1,132	133	59	27	165	10	53	82	16	545
3	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	34	37	0	23	0	16	20	0	130
0	0	0	0	0	0	0	0	0	7	8	1	7	1	10	2	0	36
0	0	0	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	13	0	16	0	16	3	1	59
0	1	1	0	0	0	0	0	2	0	0	0	2	0	3	0	0	5
0	0	0	0	0	0	0	0	0	1	1	0	2	0	5	2	1	12
32	24	4	33	3	9	5	0	110	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	15	11	1	15	1	2	3	0	48
0	0	0	0	0	0	0	0	0	12	3	0	10	2	5	5	0	37
44	130	7	70	2	10	24	2	289	11	7	0	1	0	1	1	0	21
6	2	0	1	0	0	1	0	10	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
544	242	191	357	19	214	15	9	1,591	20	3	3	17	0	19	8	0	70
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3
0	0	0	0	0	0	0	0	0	25	38	6	65	0	85	16	0	235
0	0	0	4	0	0	4	0	8	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	3	0	0	3	0	1	0	0	7
0	0	0	0	0	0	0	0	0	47	12	8	16	7	5	0	0	95
5	9	0	0	0	0	0	1	15	5	4	0	1	0	0	1	0	11
2	0	0	1	0	0	0	0	3	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	8	6	0	7	2	8	3	1	35
0	0	0	0	0	0	0	0	0	7	15	1	21	1	21	7	0	73
2	2	0	2	0	1	0	1	8	12	4	2	2	0	1	1	0	22
8	0	2	28	1	4	11	0	54	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	1	1	2	1	0	0	2	0	0	6
0	0	0	0	0	0	0	0	0	11	4	1	14	1	13	7	0	51
0	0	0	0	0	0	0	0	0	9	61	0	69	0	51	1	0	191
86	6	8	40	2	8	4	2	156	30	25	6	32	0	32	9	11	145
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	18	7	38	0	2	6	5	109	458	438	10	594	51	242	130	17	1,940
0	8	0	0	0	0	0	0	8	0	0	0	0	0	0	0	0	0
41	54	4	48	1	2	12	7	169	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	33	6	7	32	4	9	12	6	109
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	2
2	0	0	1	0	0	0	0	3	27	20	0	25	2	33	13	2	122
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	6	0	11	0	0	1	4	25	14	10	2	20	1	4	6	5	62
0	0	0	0	0	0	0	0	0	30	4	9	21	4	14	4	0	86
2,196	2,198	804	3,057	84	3,104	134	140	11,717	30	24	13	13	1	4	0	0	85
373	390	351	499	13	386	22	27	2,061	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	22	0	23	12	1	1	1	0	60
0	0	0	0	0	0	0	0	0	149	57	29	334	22	154	44	6	795
0	0	0	0	0	0	0	0	0	221	117	41	293	23	207	105	11	1,018
0	0	0	0	0	0	0	0	0	10	6	1	12	0	18	10	0	57
18	2	2	12	0	6	0	0	40	66	11	7	117	14	64	12	3	294
10	18	0	8	0	1	2	1	40	0	0	0	0	0	0	0	0	0
6	8	1	1	0	1	3	0	20	0	4	0	0	0	4	0	0	8
353	371	109	358	18	61	12	11	1,293	0	0	0	0	0	0	0	0	0
2	2	1	2	0	0	0	0	7	2	0	0	0	1	0	0	0	3
0	0	0	0	0	0	0	0	0	3	0	0	3	0	0	0	3	9
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	47	33	7	56	6	43	26	2	220
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* Other includes Directories, Disability Services, Land Access, Privacy and Provision.

* Other includes Customer Transfer, Disability Services and Privacy.

Complaints against TIO members by issue (non-standardised) continued

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

	LAND LINE										
	Total Issues	Billing %	Credit Control %	Customer Transfer %	Customer Service %	Disconnection %	Faults %	Privacy %	Provision %	Other* %	Total Land Line
Open Telecom Australia Pty Ltd	449	385	0	0	60	0	0	0	0	3	448
Optus Broadband Pty Ltd (i)	2,643	0	0	0	0	0	0	0	0	0	0
Optus Mobile Pty Ltd (t) (c)	10,466	0	0	0	0	0	0	0	0	0	0
Optus Networks Pty Ltd (t) (c)	9,896	2,871	568	0	2,410	148	518	696	525	1,780	9,516
Orion Telecommunications Australia Limited (t)	341	24	3	0	54	0	5	182	0	73	341
Pacific Internet Australia (i)	110	3	4	0	2	0	0	0	0	3	12
People Telecommunications Ltd (t&i)	1,341	148	58	0	152	20	18	4	15	175	590
Prime Telecoms Pty Ltd (t)	83	17	3	0	18	2	6	0	0	36	82
Primus Online Pty Ltd (t & i)	134	5	0	0	1	0	3	0	0	3	12
Primus Telecommunications Pty Ltd (t&i) (c)	6,591	1,119	302	0	1,389	142	675	30	256	640	4,553
Red Media Solutions Pty Ltd (t & i)	62	14	1	0	16	0	0	0	2	29	62
Reward Mobile Pty Limited (t)	140	0	0	0	0	0	0	0	0	0	0
RSL COM Business Communications Pty Ltd (t&i)	121	17	16	0	29	4	1	6	1	41	115
Saunders Properties (i)	112	2	0	0	4	2	3	2	0	0	13
SIMplus Mobile Pty Limited (t)	2,718	0	0	0	0	0	0	0	0	0	0
Skytel Pty Limited (t)	29	14	0	0	8	0	0	0	1	6	29
Southern Cross Telco Pty Ltd (i)	402	41	28	0	60	3	8	150	1	94	385
Southern Phone Company (t)	362	26	21	0	81	1	11	136	0	72	348
Star Alliance Communications Pty Ltd (t)	49	7	0	0	12	1	3	1	1	23	48
Tel.Pacific Pty Ltd (i)	109	13	0	0	8	1	0	0	1	18	41
Telkom Pty Ltd (t)	44	18	0	0	4	0	0	1	3	17	43
Telstra Big Pond (i)	7,997	0	0	0	0	0	0	0	0	0	0
Telstra Corporation (t) (c)	34,739	5,201	3,027	0	5,314	370	2,189	954	1,487	2,689	21,231
TPG Internet Pty Ltd (i)	835	0	0	0	3	0	3	0	0	0	6
TransACT Capital Communications Pty Ltd (t&i) (c)	286	56	7	0	60	5	4	5	14	71	222
Unwired Australia Pty Ltd (t & i)	65	0	0	0	0	0	0	0	0	0	0
Veridas Communications (i)	72	2	0	0	0	0	0	0	0	4	6
Veritel Australia Pty Ltd (i)	77	0	0	0	0	0	0	0	0	0	0
Virgin Mobile (Australia) Pty Ltd (t)	519	0	0	0	0	0	0	0	0	0	0
Vodafone Australia Limited (t) (c)	5,003	0	0	0	0	0	0	0	0	0	0
Voicetalk Pty Ltd (t)	100	5	6	0	13	0	0	25	0	49	98
WestNet Pty Ltd (i) (c)	220	3	0	0	3	0	0	1	1	5	13
Wild Technologu Pty Ltd (t & i)	221	11	0	0	19	3	2	0	5	10	50
World Tel (Aust) Pty Ltd (t)	59	15	1	0	12	0	0	3	0	28	59
Your Telecom Pty Limited (t)	62	19	2	0	10	0	3	11	2	12	59

* Other includes, Contracts, Directories, Disability Services, Land Access, Payphones, Phone Cards and Porting.

MOBILE										INTERNET								
Billing	Contracts %	Credit Control %	Customer Service %	Disconn- ection %	Faults %	Porting %	Other* %	Total Mobile		Billing %	Contracts %	Credit Control %	Customer Service %	Disconn- ection %	Faults %	Provision %	Other* %	Total Internet
0	0	0	0	0	0	0	0	0		1	0	0	0	0	0	0	0	1
0	0	0	0	0	0	0	0	0		544	485	41	820	53	319	330	51	2,643
3,461	1,454	1,006	3,015	70	1,160	114	186	10,466		0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0		204	19	19	93	10	29	3	3	380
0	0	0	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	7	7	30	2	6	4	4	98
101	270	18	146	0	15	22	1	573		59	30	4	47	9	14	13	2	178
0	1	0	0	0	0	0	0	1		0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0		31	13	0	33	6	28	10	1	122
18	3	10	37	2	5	0	4	79		449	238	68	626	52	275	227	24	1,959
0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0
60	20	10	42	2	5	1	0	140		0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0		5	1	0	0	0	0	0	0	6
0	0	0	0	0	0	0	0	0		29	17	4	21	1	24	3	0	99
778	597	284	810	32	151	27	39	2,718		0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0
5	1	2	6	0	1	1	0	16		1	0	0	0	0	0	0	0	1
1	2	0	2	0	0	0	1	6		3	1	0	3	0	1	0	0	8
0	0	0	0	0	0	0	0	0		1	0	0	0	0	0	0	0	1
0	0	0	0	0	0	0	0	0		16	22	1	9	0	18	1	1	68
0	1	0	0	0	0	0	0	1		0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0		1,801	1,246	259	2,543	121	970	951	106	7,997
4,292	2,038	1,825	3,268	90	1,668	77	250	13,508		0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	1		204	166	10	231	25	124	64	4	828
5	0	0	0	0	0	0	0	5		10	9	2	20	2	5	11	0	59
0	0	0	0	0	0	0	0	0		13	1	0	24	1	25	1	0	65
0	0	0	0	0	0	0	0	0		16	6	1	18	2	14	3	6	66
0	0	0	0	0	0	0	0	0		19	3	1	31	0	17	1	5	77
143	68	42	156	7	85	8	10	519		0	0	0	0	0	0	0	0	0
2,177	359	458	1,332	42	451	84	92	4,995		4	1	0	1	0	1	1	0	8
0	0	0	0	0	0	1	1	2		0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0		55	43	1	56	11	19	18	4	207
0	0	0	2	0	0	0	0	2		44	32	4	42	7	29	9	2	169
0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0
0	1	0	1	0	0	0	0	2		0	0	0	1	0	0	0	0	1

* Other includes Directories, Disability Services, Land Access, Privacy and Provision.

* Other includes Customer Transfer, Disability Services and Privacy.

Complaints against TIO Members by Level (non-standarised)

1 July 2005 - 30 June 2006 (includes members that received 25 or more complaints in 2005/06)

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

Member Name	Total number of complaints	% Level 1	% Level 2	% Level 3	% Level 4
1410 Communications Pty Ltd (t)	212	93.40%	4.72%	1.89%	0.00%
1800 Reverse Pty Ltd (t)	40	97.50%	2.50%	0.00%	0.00%
aaNet Communications Pty Ltd (i)	65	80.00%	12.31%	7.69%	0.00%
AAPT Ltd (t&i) (c)	5,187	94.79%	4.41%	0.79%	0.00%
ACN Pacific Pty Ltd (t & i)	26	80.77%	19.23%	0.00%	0.00%
ADAM PTY. LTD (i)	98	95.92%	3.06%	1.02%	0.00%
Amnet IT Services Pty Ltd (i)	27	88.89%	11.11%	0.00%	0.00%
Astracom Pty Ltd (t)	40	97.50%	2.50%	0.00%	0.00%
AstraTEL Pty Ltd (i)	64	90.63%	7.81%	1.56%	0.00%
Astron Communication and Information Services Pty Ltd (t)	115	97.39%	2.61%	0.00%	0.00%
Aurora Energy AAPT Pty Ltd (t&i)	153	85.62%	11.76%	2.61%	0.00%
AUSTAR United Mobility Pty Ltd (t)	74	93.24%	6.76%	0.00%	0.00%
Australia Internet Solutions Pty Ltd (i)	29	82.76%	10.34%	6.90%	0.00%
Australia On Line Pty Ltd (i)	27	96.30%	3.70%	0.00%	0.00%
Australian Communications Network Pty Limited (t&i)	103	93.20%	5.83%	0.97%	0.00%
Australian Star Communications (t)	287	77.35%	17.07%	5.57%	0.00%
Axis Telecoms Pty Ltd (t)	221	76.92%	16.29%	6.79%	0.00%
B Digital Ltd (t)	1,256	90.92%	7.96%	1.11%	0.00%
Beyond Telecom Australia Pty Ltd (t)	199	97.99%	2.01%	0.00%	0.00%
Blue Ridge Telecom Systems, LLC (t)	30	96.67%	3.33%	0.00%	0.00%
Bordnet Internet Pty Ltd (i)	148	83.78%	12.84%	3.38%	0.00%
Budget Telecom Pty Ltd (t&i)	232	91.38%	6.47%	2.16%	0.00%
Budgetel Pty Ltd (t&i)	68	79.41%	13.24%	7.35%	0.00%
Bytecard Pty Ltd (i)	72	59.72%	20.83%	13.89%	5.56%
Call Australia Pty Ltd (t)	146	89.04%	9.59%	1.37%	0.00%
CardCall Pty Ltd (t&i)	47	89.36%	8.51%	2.13%	0.00%
Chariot Internet Ltd (i) (c)	28	92.86%	7.14%	0.00%	0.00%
Clear Networks Pty Ltd (t & i)	52	86.54%	11.54%	1.92%	0.00%
Commander Australia Ltd (t&i)	205	80.00%	14.63%	5.37%	0.00%
CommodiTel (Australia) Pty Ltd (t)	41	97.56%	2.44%	0.00%	0.00%
Concert Telecom Pty Ltd (t)	29	86.21%	10.34%	3.45%	0.00%
Curl Internet Solutions Pty Ltd (i)	40	92.50%	7.50%	0.00%	0.00%
CyberOne Pty Ltd (i)	106	95.28%	2.83%	1.89%	0.00%
Digiplus Pty Ltd (t&i)	467	93.79%	5.78%	0.43%	0.00%
Direct Telecoms Pty Limited (t)	70	84.29%	11.43%	4.29%	0.00%
Dodo Internet Pty Ltd (i)	1,592	95.98%	3.71%	0.31%	0.00%
Dual Phone Centre Pty Ltd (t & i)	32	71.88%	21.88%	6.25%	0.00%
Edirect Pty Ltd (t)	98	74.49%	18.37%	7.14%	0.00%
EFTel Pty Ltd (i)	73	84.93%	12.33%	2.74%	0.00%
eSTAR Telecom Pty Ltd (t)	35	88.57%	11.43%	0.00%	0.00%
eTelecommunications Pty Ltd (t&i)	92	85.87%	9.78%	4.35%	0.00%
Exetel Pty Ltd (i)	93	91.40%	6.45%	2.15%	0.00%
Global Networks (Aust) Pty Ltd (t)	205	82.93%	9.27%	7.80%	0.00%
G0Talk Australia Pty Ltd (t)	535	96.26%	3.36%	0.37%	0.00%
Hotkey Internet Services Pty Ltd (i)	53	79.25%	15.09%	5.66%	0.00%
Hutchison 3G Australia Pty Ltd (o) (c)	7,667	92.16%	6.76%	1.07%	0.01%
Hutchison Telecoms (Aust) Pty Ltd (t&i) (c) (inc Orange)	1,446	93.43%	5.53%	1.04%	0.00%
ihug Pty Ltd (t&i)	58	81.03%	15.52%	3.45%	0.00%
iiNet (OzEmail) Pty Ltd (t&i)	573	92.50%	6.46%	1.05%	0.00%
iiNet Ltd (i)	983	92.47%	6.92%	0.61%	0.00%
Internode Systems Pty Ltd (i)	46	97.83%	2.17%	0.00%	0.00%
Kooee Communications Pty Ltd (t&i)	742	94.74%	4.99%	0.27%	0.00%
Lime Australia Pty Ltd (t & i)	26	96.15%	3.85%	0.00%	0.00%
M2 Telecommunications Pty Ltd (t)	116	81.90%	12.07%	6.03%	0.00%
m8 Telecom Pty Ltd (o)	784	89.16%	9.31%	1.53%	0.00%
Macquarie Telecom Group Limited (t)	32	71.88%	12.50%	15.63%	0.00%
Max Telecom Pty Ltd (t & i)	82	76.83%	15.85%	7.32%	0.00%
NationTel Pty Ltd (t)	38	78.95%	15.79%	5.26%	0.00%
Netspace Online Systems Pty Ltd (i)	143	81.82%	15.38%	2.80%	0.00%
NEW Tel Services Pty Ltd (t)	52	94.23%	5.77%	0.00%	0.00%
Open Telecom Australia Pty Ltd	383	97.65%	2.09%	0.26%	0.00%
Optus Broadband Pty Ltd (i)	1,708	92.45%	6.44%	1.11%	0.00%
Optus Mobile Pty Ltd (t) (c)	7,178	92.10%	6.84%	1.04%	0.01%
Optus Networks Pty Ltd (t) (c)	7,066	93.02%	5.75%	1.20%	0.03%
Orion Telecommunications Australia Limited (t)	285	96.14%	3.51%	0.35%	0.00%
Pacific Internet Australia (i)	66	86.36%	9.09%	4.55%	0.00%
People Telecommunications Ltd (t&i)	816	75.12%	16.05%	8.82%	0.00%
Prime Telecoms Pty Ltd (t)	53	75.47%	16.98%	7.55%	0.00%
Primus Online Pty Ltd (t & i)	92	86.96%	8.70%	4.35%	0.00%
Primus Telecommunications Pty Ltd (t&i) (c)	4,328	92.58%	6.22%	1.18%	0.02%
Red Media Solutions Pty Ltd (t & i)	45	91.11%	8.89%	0.00%	0.00%
Reward Mobile Pty Limited (t)	93	90.32%	9.68%	0.00%	0.00%
RSL COM Business Communications Pty Ltd (t&i)	86	87.21%	9.30%	3.49%	0.00%
Saunders Properties (i)	71	88.73%	9.86%	1.41%	0.00%
SIMplus Mobile Pty Limited (t)	1,677	90.94%	7.93%	1.13%	0.00%
Skytel Pty Limited (t)	27	59.26%	22.22%	18.52%	0.00%
Southern Cross Telco Pty Ltd (i)	320	97.50%	2.50%	0.00%	0.00%
Southern Phone Company (t)	285	97.54%	2.46%	0.00%	0.00%
Star Alliance Communications Pty Ltd (t)	35	94.29%	2.86%	2.86%	0.00%
Tel.Pacific Pty Ltd (i)	81	92.59%	6.17%	1.23%	0.00%
Telkom Pty Ltd (t)	28	75.00%	14.29%	10.71%	0.00%
Telstra Big Pond (i)	5,347	89.71%	8.81%	1.46%	0.02%
Telstra Corporation (t) (c)	24,643	89.17%	8.78%	1.92%	0.13%
TPG Internet Pty Ltd (i)	556	86.15%	11.15%	2.70%	0.00%
TransACT Capital Communications Pty Ltd (t&i) (c)	200	89.00%	7.50%	3.50%	0.00%
Unwired Australia Pty Ltd (t & i)	46	93.48%	6.52%	0.00%	0.00%
Veridas Communications (i)	55	94.55%	3.64%	1.82%	0.00%
Veritel Australia Pty Ltd (i)	44	81.82%	11.36%	6.82%	0.00%
Virgin Mobile (Australia) Pty Ltd (t)	368	94.29%	5.16%	0.54%	0.00%
Vodafone Australia Limited (t) (c)	3,758	96.38%	3.35%	0.24%	0.03%
Voicetalk Pty Ltd (t)	80	90.00%	7.50%	2.50%	0.00%
WestNet Pty Ltd (i) (c)	146	88.36%	10.27%	1.37%	0.00%
Wild Technologu Pty Ltd (t & i)	128	82.81%	13.28%	3.13%	0.78%
World Tel (Aust) Pty Ltd (t)	34	88.24%	8.82%	2.94%	0.00%
Your Telecom Pty Limited (t)	48	95.83%	4.17%	0.00%	0.00%

Glossary

ACCC (Australian Competition and Consumer Commission)

The government body responsible for administering price caps related to Telstra and for regulating competition policy, anti-competitive conduct or unfair business practices and enforcing the *Trade Practices Act 1974* (Cth).

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. In August 2006, ACIF merged with the Service Providers Association Inc (SPAN) to become the Communications Alliance.

ACMA (Australian Communications and Media Authority)

In March 2005, the Federal Parliament passed legislation merging the Australian Communications Authority (which regulated many aspects of the telecommunications industry) and the Australia Broadcasting Authority (which regulated radio, television and the internet) to create ACMA. ACMA, which came into existence on 1 July 2005, is responsible for regulation of broadcasting, radio communications, telecommunications and online content.

ADMA (Australian Direct Marketing Association)

The Australian Direct Marketing Association is the peak trade association representing the direct marketing industry. ADMA's members include direct marketing users and direct marketing providers. Direct marketing users may market their products and services via telephony, advertising mail and other print media such as catalogues and magazines, direct-response television and radio, the internet and other new interactive media. ADMA maintains a Do Not Contact list for consumers who wish to be taken off the marketing lists of ADMA members. Further information is available at www.adma.com.au.

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 technology that allows for internet and voice to be used simultaneously via an ordinary phone line (a copper pair).

AMTA (Australian Mobile Telecommunications Association)

The national body representing the mobile telecommunications industry in Australia.

board

The TIO scheme, a company limited by guarantee, 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 TIO's Memorandum and Articles of Association and its Constitution.

broadband

Broadband is a general term that refers to high-speed connections such as cable, ADSL 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.

Broadband Connect

Broadband Connect is an \$878 million initiative of the Australian Government to provide registered internet service providers with incentive payments to supply higher bandwidth services in regional, rural and remote areas at prices comparable to those available in metropolitan areas.

Broadband Connect builds on the success of the previous Higher Bandwidth Incentive Scheme (HiBIS) and is part of the Government's \$1.1 billion Connect Australia package.

carrier

An organisation that holds a carrier licence as defined by the *Telecommunications Act 1997* (Cth). 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 that differs from GSM digital. CDMA replaced the analogue service.

churn

The process of transferring customer accounts between service providers.

CND (Calling Number Display)

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

Codes

Performance standards set by ACIF and the telecommunications 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. ACMA has the power to direct a provider to comply with a registered code even where the company is not a signatory to the code. The TIO gathers data on code compliance for ACIF and ACMA.

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.

Constitution

The TIO Constitution outlines the roles, responsibilities and powers of the Board, Council, members and the Ombudsman. The Constitution may be changed with the approval of the TIO Council and Board after consulting with the federal ministers responsible for communications and consumer affairs.

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 ACMA on providers of the standard telephone service. The CSG sets time limits and other standards for rectification of faults, connections and appointments. The CSG entitles consumers to a set scale of compensation payments if the standards are not met.

CSP (carriage service provider)

Person supplying or proposing to supply certain carriage services, including a commercial entity acquiring telecommunications capacity or services from a carrier for resale to a third party. Internet and pay TV service providers fall within the definition of carriage service providers under the *Telecommunications Act 1997* (Cth).

Determination/direction

Where a complaint cannot be conciliated so that a fair and reasonable outcome is achieved, the TIO may make a "determination" or give a "direction". Decisions involving amounts up to \$10,000 are legally binding on members. Where the amount involved is greater than \$10,000, the TIO can issue a "recommendation" up to a maximum of \$50,000.

DIST benchmarks

In 1997 the Department of Industry Science and Tourism, produced benchmarks for industry-based customer dispute resolution schemes. These benchmarks were developed in consultation with industry dispute resolution schemes, consumer organisations, government and regulators. The purpose of the benchmarks was to guide industry in developing and improving industry alternative dispute resolution schemes. They were developed to apply primarily to nationally based schemes set up under the auspices of an industry. Most industry alternative dispute resolution schemes operate in accordance with the "Benchmarks for Industry-Based Customer Dispute Resolution Schemes". This benchmark sets out key ADR practices, within the principles of accessibility, independence, fairness, accountability, efficiency and effectiveness.

DSLAM (digital subscriber line access multiplexer)

A DSLAM is a piece of infrastructure at the exchange that allows for ADSL and a standard phone service to be provided on the same line.

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 Level 1 complaints, both written and oral.

GSM (global system for mobiles)

A digital mobile phone system.

investigation officer

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

ISP (internet service provider)

A company that provides internet access services 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.

Member

A telecommunications service provider that is a member of the TIO scheme. The *Telecommunications Act 1997* (Cth) requires all carriers and eligible carriage service providers to be members of the TIO.

Memorandum and Articles of Association

Document outlining the rules and principles governing the TIO and its members. It is broader and more comprehensive than the 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)

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.

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.

porting

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

resolution

The fair and reasonable settlement of a complaint between a customer and a provider with the assistance of the TIO.

scheme

The TIO scheme is a company limited by guarantee and is accountable to its board of directors.

(SFOA) Standard Form of Agreement

A document setting out the terms and conditions of the supply of telecommunications goods and/or services where an individual contract has not been agreed between the customer and the CSP

spam

Unsolicited marketing e-mail and SMS messages to mobile phones.

standard telephone service

A telephone service providing two-way voice communication for local, long-distance and international calls, commonly provided by landline but in certain circumstances by a mobile or satellite service.

3G

Third-generation mobile phone networks allow for internet access and data delivery to mobile phones with moving colour images, audio and sophisticated internet services.

TTY (teletypewriter)

The teletypewriter (TTY) allows people who are deaf or hearing impaired to communicate by telephone. The deaf/hearing impaired person types their message on the TTY keyboard and the message is sent via the telephone line.

USO (universal service obligation)

A government requirement for the provision of equitable access to standard telephone services for all Australians. Telstra is currently the universal service provider and must generally provide a first phone service upon request. Details of how Telstra fulfils the USO are set out in its USO Policy Statement and Marketing Plan available at <http://www.telstra.com.au/universalservice/index.htm>.

The USO is complemented by the CSG.

TIO member list

TIO Member List at 30 June 2006

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

Member Category	Total	%
Internet service provider	719	61.5%
Other	51	4.4%
Telephone and internet service provider	225	19.2%
Telephone service provider	175	15.0%
Total	1,170	

Internet service provider

	Date joined TIO
#1 Computer Services Pty Ltd	04/04/2000
123-easyDSL.com	29/09/2003
154 Collins Street Pty Limited	09/03/2004
1990 Multiline BBS Pty Ltd	08/09/1998
2000 Computers and Networks Pty Ltd	27/01/2006
2Bwise Pty Ltd	19/07/2005
A.J Wilson & O.A Wilson	21/09/2004
A.K. Boening & S.C. Cooney t/as Monkey Internet	19/08/2004
AAA Communications Pty Ltd	06/06/2002
aaNet Communications Pty Ltd	06/11/2003
Access Blue Lagoon Internet Services Pty Ltd	09/12/1998
Access Internet	01/07/1997
Access IT Services Pty Ltd	16/02/2006
Access Net Internet Services Pty Ltd	25/05/2002
Access Only Pty Ltd	14/04/2003
Access Plus Pty Ltd	24/04/2001
Access Providers Operations Pty Ltd	06/01/2003
Accsoft Computer Technology Pty Ltd	27/10/1997
Accsys IT Pty Ltd	21/02/2002
Ace Internet Services Pty Limited	01/09/1997
Ace Online Pty Ltd	21/07/1998
Acenet Internet Services	18/01/1999
ActewAGL Retail	07/06/2001
Activ Australia Pty Ltd	20/10/1998
Acure Technology Pty Ltd	01/06/2004
Adam Pty Ltd	15/10/1997
Admac Nominees Pty Ltd	26/04/2002
Adnet Holiday Coast Internet	07/08/1998
Advanced Internet Services Pty Ltd	21/07/1997
Advatel Wireless Pty Ltd	15/04/2004
Airweb Connect Pty Ltd	18/03/2005
Albury Local Internet Pty Ltd	30/11/2000
All IP Services Pty Ltd	16/02/2004
Allegro Networks Pty Ltd	03/02/2006
Alpha Dot Net Australia Pty Ltd	31/10/1997
Alphalink Australia Pty Ltd	01/07/1997
Alphawest Pty Ltd	09/07/1998
Alphernet Pty Ltd	26/06/1998
Always Online Pty Ltd	29/01/2001
Amisoft	13/11/1997
Amnet IT Services Pty Ltd	30/03/2004

Analyst Programmers Pty Ltd	22/07/1999
ANS Communications Pty Ltd	02/04/1998
APJ Net Pty Ltd	23/05/2003
Appleby, Graeme Phillip	26/04/2006
Arachnet Pty Ltd	24/08/1998
Arcadia Technology	10/12/1997
Ardebil Pty Ltd	21/07/1998
Argonaut Internet Service	21/07/2000
Armadillo Applied Computer Technologies Pty Ltd	02/09/2005
Asia Global Crossing Australia Pty Ltd	11/09/2001
AstraTEL Pty Ltd	08/12/2004
Auction Classifieds Pty Ltd	10/09/2002
Ausnet Pty Ltd	03/05/2004
Aussie Paradise Designs	11/06/2002
Aussie Rent Pty Ltd	02/03/2005
Austar United Broadband Pty Ltd	10/11/2003
Australia Connect Pty Ltd	21/07/1998
Australia Internet Solutions Pty Ltd	13/10/1997
Australia On Line Pty Ltd	25/03/1998
Australian Bowhunters Journal Pty Ltd	15/10/1998
Australian Corporate Technology Pty Ltd	18/08/2005
Australian Inland	21/03/2003
Australian Internet Billing Pty Ltd	21/04/2004
Australian Private Networks Pty Ltd	18/01/2006
Australian Regional Technology Information Services	21/11/2002
AustraliaNet IT Pty Ltd	14/03/2000
Austrasoft Pty Ltd	18/05/2004
Auzynet Pty Ltd	01/02/2002
Avon Global Communications	21/07/1998
AW Communications Pty Ltd	11/03/2003
Awebit Pty Ltd	26/02/2004
Azure Wireless Pty. Ltd.	14/07/2005
Banana Shire Council	17/05/1999
Barcode Solutions Pty Ltd	23/09/1999
Barden, Paul William	01/03/2006
Barimanet Pty Ltd	22/08/2003
Barnetwork Pty Ltd	07/10/2003
BBIT Pty Ltd	27/08/1998
Be Communications Pty Ltd	28/10/2004
Beagle Internet Pty Ltd	09/06/2004
Beratung Pty Ltd	11/10/2005
Betem Pty Ltd	16/11/2004
Betterlink Pty Ltd	21/12/1998

TIO member list

Beyond Net Pty Ltd	02/05/2002	Communicat Pty Ltd	01/07/1997
Big Button Pty Ltd	14/01/1998	Community Information Strategies Australia Inc	22/11/2004
BigAir Group Limited	25/11/2002	Compass Net	09/07/1998
Bigdy Pty Limited	20/12/2004	Computers Now Pty Ltd	09/08/2002
BIT net Pty Ltd	29/11/2004	Comstar Internet Services Pty Ltd	12/02/2003
Bizyweb Internet Services	25/07/2002	Comstech Systems	23/04/2003
BKB Internet Pty Ltd	05/02/2004	Conceptual Internet Australia Pty Ltd	03/07/2000
Blitzwave Pty Ltd	11/07/2005	Connect West Pty Ltd	22/10/2004
BLR Investments Pty Ltd	31/10/2002	Contal Information Technology Pty Ltd	12/06/1998
Blue Net Pty Ltd	19/11/2002	Corinthian Engineering Pty Ltd	06/04/1998
Blue Wire Technologies Pty Ltd	17/10/2003	Cornish Business Solutions	11/09/2003
Bluefire Corporation Pty Limited	28/06/1999	Corpita Pty Ltd	15/04/2003
Bluegum Communications Pty Ltd	24/09/2004	Coscom Technology	16/04/1999
Bluemaxx Communications Pty Ltd	26/07/2005	Country Energy	09/12/2002
BluIce Technology	31/01/2000	CQ Net Pty Ltd	22/03/2002
Bon Media Pty Ltd	30/06/2005	Creagh McGlasson Pty Ltd t/as Rural Systems	29/03/2004
Bordnet Internet Pty Ltd	23/06/2003	Cross Link Pty Ltd	28/05/2002
Bribie Island Internet Pty Ltd	07/04/2004	Crowther, John Alfred Owen Tobin	13/08/2004
Broadband Phone Pty Ltd	07/12/2005	CSI Holdings Pty Ltd	18/07/1997
Broadband Wireless Pty Ltd	09/01/2006	Curl Internet Solutions Pty Ltd	19/11/2003
BroadbandNet Pty Ltd	11/01/2006	Cyberlink Network	28/06/1999
Broadcast Engineering Services (Australia) Pty Ltd	19/09/2002	Cybernet Internet Services	02/10/2000
Broadway Web (Internet) Services	15/03/2004	CyberOne Pty Ltd	03/09/1997
Bucan Holdings Pty Ltd	01/07/1997	Cyberwizards Group Pty Ltd	27/09/2000
Buijk Finance Pty Ltd	02/11/2005	D & M Technologies Pty Ltd	02/04/2001
Burnett.net.au Pty Ltd	07/07/2003	D.J. Hooton & Kingtone Pty Ltd & B.P. Randall	
Bushcom Pty Ltd	08/10/2004	& M.J. Sweet	02/08/2005
Bytecard Pty Ltd	11/12/1997	D.S.B.S. Pty Ltd	05/10/2004
C.J. Scafe & S Scafe	26/06/2003	Dart Global Pty Ltd	23/10/2003
C.S. Sutherland Corporation Pty Ltd	08/09/2003	Data FX Online Pty Ltd	18/06/2003
C1 Consulting Pty Ltd	18/10/2002	Datalan Australia Pty Ltd	16/06/2003
Cairnsnet Pty Ltd	22/01/2001	Davis, Catherine Marie	24/06/2005
Callvale Pty Ltd	07/05/2004	Daytec Australia Pty Ltd	20/02/2000
Caloundra Internet Services Pty Ltd	03/06/2005	DBUGG Information Technology Pty Ltd	07/05/2004
CanDo Internet Pty Ltd	17/11/2004	DCS Internet	15/10/1997
CBIT Pty Limited	22/11/2005	DDA Pty Ltd	07/12/1999
Central Coast Internet Pty Ltd	13/11/1997	Depot IT Pty Limited	23/08/2004
Central Data Pty Ltd	03/11/2000	Design Online	31/03/2000
Central Online Pty Ltd	10/09/2001	Desiin Pty Ltd	27/04/1998
Cerum Pty Ltd	01/08/2002	Diggy Australia Pty Ltd	13/09/1999
CGK Consultants International Pty Ltd	27/09/2004	Digimedia Pty Ltd	30/08/2002
Channel Communications Pty Ltd	14/03/2006	Digital River Pty Ltd	23/11/2005
Charanda Systems Pty Ltd	26/07/2004	Digital Technologies & Telecommunications	
Chariot Ltd	30/10/1997	Pty Ltd	01/01/2006
Charter Resources Security Solutions Pty Ltd	21/09/2005	Direct Internet Pty Ltd	22/12/2003
Cherry Technology Pty Ltd	08/06/1999	Domain Business Network Systems	23/05/2003
Chilli Internet Solutions Pty Ltd	26/03/1998	Domain Link	02/09/1999
China Motion (Australia) Pty Limited	27/06/2005	Dot Communications Pty Ltd	02/10/1997
Christian ISP	15/05/2003	Dot CX Limited	26/03/2001
Ciphertel Pty Ltd	21/04/2005	DotAussie.com	01/04/2003
Cirrus Communications Pty Ltd	18/05/2005	DoveNetQ	15/08/1997
Citisystems (Aust) Pty Ltd	07/05/1999	Down Under Consultants Pty Ltd	12/05/1998
Citylink Technology Pty Ltd	04/08/1999	Dragnet Internet Services Pty Ltd	26/11/1997
ClariNET Internet Solutions Pty Ltd	25/07/1997	E-Sharp Technology Pty Ltd	06/08/2002
Clockwork ISP Pty Ltd	31/03/2003	E-Vision Internet Services	08/11/1999
Clover Computing	10/06/1998	Easemail.net Pty Ltd	26/04/2005
Club Australasia Pty Ltd	09/11/2001	Eastcoast Internet	10/07/1999
ClubNet International Pty Ltd	18/01/1999	Eastern Wireless Pty Ltd	20/06/2005
Cmon.com.au Pty Ltd	15/12/2003	Easy Internet Services Pty Ltd	03/10/2003
CNN Internet Pty Ltd	29/06/2000	Easynet Pty Ltd	28/11/1997
Coastal IT Pty Ltd	08/07/2003	EasyTel Communications Pty Ltd	14/06/2006
Colour City Computers & Internet Services	08/10/2003	Echobreeze Pty Ltd	20/01/2003
Comaxes Corporation Pty Ltd	29/06/1999	ECN Pty Ltd	13/03/2003
ComCen Pty Ltd	17/07/1997	Ecopost Pty Ltd	04/08/1997
Come On Aussie Internet Services	27/04/2004	Eftel Radio Pty Ltd	06/05/2002
Commerce Australia Pty Ltd	03/04/1998	Elders Telecommunications Pty Ltd	16/06/2006
Commslogic Pty Ltd	28/06/2005	Elmtree Consulting Services Pty Ltd	28/05/1999

Elu Information Systems Pty Ltd	27/10/1997	Highlands Internet Pty Ltd	21/12/1997
Emerge Technologies Pty Ltd	15/11/1999	Highlevel Innovations Pty Ltd	11/03/1998
Encom Pty Ltd	11/02/2004	Highway Internet Services Pty Ltd	03/07/2001
Enhanced Design And Information Technology Group	04/01/2003	Hislora Pty Ltd	02/10/2000
Ensyst Pty Limited	13/05/2005	Hissey & Associates Pty Ltd	06/01/2003
Enter Net Australia Pty Ltd	12/06/1998	Hitech Support Pty Ltd	23/06/2002
EON Technology Pty Ltd	18/05/1998	Horizen Enterprises Pty Ltd	08/09/1999
Escape Communications Pty Ltd	09/08/2002	Hosting Technologies Pty Ltd	26/08/2003
Escape.Net	12/01/1998	Hot-Link DDS	15/07/1999
EtherTech Pty Ltd	02/06/1999	Hotkey (Bendigo) Internet Services	19/12/2002
ETT Access Pty Ltd	19/03/2002	Hotkey Glen Waverley Pty Ltd	07/05/2003
Evanscorp Pty Ltd	02/11/2001	Hotkey Internet Services Pty Ltd	29/10/1997
Evolve Connect Communicate	11/06/2004	Hotkey West Pty Ltd	08/05/2003
Exceed Systems Integration Pty Ltd	14/03/2000	Hotline Support Pty Ltd	12/02/2004
Exetel Pty Ltd	21/04/2004	Hotspotzz Pty Ltd	01/07/2005
Export Mission Information Systems Pty Ltd	10/01/2000	HTML Net	09/07/1998
Express Publications Pty Ltd	23/02/2000	Hudson Data	02/03/1999
Extentia Corporation Pty Limited	24/03/2004	Hussain, Dawud Ameen	04/05/1998
Eyenet Communications Pty Ltd	11/04/2006	Hylinx	09/01/2003
EZ Call Pty Ltd	12/12/2005	Hyper-Drive Technologies Pty Ltd	15/09/2000
Ezylink	19/01/1999	Hyperlink Pty Ltd	11/09/2003
F1 (Formula One) Internet Services	18/01/1999	Hypermax Holdings Pty Ltd	20/10/2004
F1 Computer Services	16/06/1999	HyperOz	15/04/2004
Fibre Pty Ltd	23/10/2003	I Benefit Pty Ltd	20/08/2003
Firestorm Computing Pty Ltd	21/01/2004	I&TC Solutions Pty Ltd	28/07/2000
First Link Internet Service Pty Ltd	01/07/1997	I-Connect Internet Pty Ltd	31/07/2003
Fish Telecom Pty Ltd	01/07/2002	I-magnet.com Pty Ltd	21/03/2001
Fleet Broadband Holdings Pty Ltd	09/05/2003	Ideal Internet Pty Ltd	13/07/2001
Flexinet Pty Ltd	14/06/2006	IDXNET Computing Pty Ltd	03/12/1997
Flownet Access	29/08/2000	iForm	21/07/1997
Foundation IT Services Pty Ltd	22/07/2002	Independent Computer Retailers	11/01/2000
Fox All Service Pty Ltd	24/08/1998	Independent Service Providers Pty Ltd	14/09/2001
Freemate Networks	01/09/1999	Infinite Networks Pty Ltd	27/10/2003
Freenet Australia Pty Ltd	06/08/1999	Information Systems Technology Network Pty Ltd	15/05/2000
Frog Net Australia Pty Ltd	24/08/1999	Informed Technology	28/08/1998
Frontier ISP Pty Ltd	06/04/2001	inspired net	07/05/1998
Fujitsu Australia Ltd	07/01/1998	Integrated Community Networks Pty Ltd	09/06/2005
Futureweb Pty Ltd	09/07/1998	Integrated Data Labs Pty Ltd	01/09/1999
Gameexpress Glen Waverley Pty Ltd	21/06/2002	Integrity Network Solutions Pty Ltd	21/02/2003
Geecko	21/05/2002	Intek Pty Ltd	21/08/2000
Gel Works Pty Ltd	22/07/1999	Intelogy Pty Ltd	19/05/2003
Genisyst Pty Limited	01/07/1997	Interact Computer Centre	15/10/1998
Geo Media Broadband Pty Ltd	26/04/2006	Interactive Globalnet (IGN) Pty Ltd	10/11/1997
Geocel Pty Ltd	16/02/2006	InterDomain Pty Ltd	01/01/1998
GeoNet Pty Ltd	26/04/2006	InterNet Australis	01/02/2000
GetOnIt Pty Ltd	22/09/2003	Internet on the Coast Pty Ltd	01/07/1997
GKY Distributors Pty Ltd	01/07/1997	Internet Plus Pty Ltd	11/11/1997
Global Dial Pty Ltd	03/05/2000	Internet Service Providers Pty Ltd	01/07/1997
Global Solutions Network Pty Ltd	25/08/2003	Internet Victoria Pty Ltd	28/10/1997
Global Wire Internet Pty Ltd	05/07/2000	Internet Whitsunday Pty Ltd	19/03/2003
GoBush Broadband Pty Ltd	26/04/2006	InternetWA Pty Ltd	16/06/1998
GoConnect Australia Pty Ltd	25/11/1999	InterNex Australia Pty Ltd	10/03/1998
Golden IT Pty Ltd	12/12/2003	Internode Systems Pty Ltd	01/07/1997
Golden Orb Technologies Pty Ltd	19/12/1997	Intertask Pty Ltd	06/06/2003
Goldlink Internet Services Pty Ltd	26/01/2002	Interwerks Pty Ltd	07/12/2001
Goldweb Internet	14/01/2003	Intrapower Pty Ltd	29/07/1998
Goulburn Internet Pty Ltd	14/11/2003	IntraPower Satellite Pty Ltd	23/05/2005
GPC Pty Ltd	30/11/1998	IPN Operations Pty Ltd	27/02/2003
GPM Internet Pty Ltd	03/04/2003	IQ Connect Pty Limited	05/01/2004
Gratesand Pty Ltd	20/11/1998	Isage	07/06/1999
GreenBay Communications Pty Ltd	17/04/2003	IspOne Pty Ltd	01/04/2003
Greenhatch Nominees Pty Ltd	17/06/1999	Issa, Michael	18/04/2006
Hande Pty Ltd	01/04/2003	IT Systems Management Pty Ltd	21/05/2003
Hanod Investments Pty Ltd	29/08/2001	ITD Group Pty Ltd	14/09/2004
HAQ IT Pty Ltd	24/03/1999	iwireless	10/10/2003
HarbourIT Pty Ltd	16/01/2006	J C McInerney Pty Ltd & Cabeat Pty Ltd	18/01/1999
Hermes Internet	24/07/1997	Jackar Australia Pty Ltd	02/03/2006

TIO member list

Jaspar Solutions	19/01/2001	Monaro IT Pty Ltd	11/11/2004
JaziNET	07/01/2004	Monkeybong Enterprises	23/07/2002
Jigsaw Technology Pty Ltd	20/04/1998	Motile Pty Ltd	16/02/2005
Jumba Interactive Group Pty Ltd	03/11/2005	MPV Technologies Pty Ltd	07/01/2004
JWC Internet Services	15/07/2002	Multibase Web Australis	01/07/1997
K.J Hickey & R.B Hickey	13/05/2005	Multie Technology Distribution Pty Ltd	29/12/1997
Karratha Internet Support Services	14/01/2000	My ISP Australia Pty Ltd	28/02/2003
Kenneth E Harvey t/as NetJunction Internet	01/10/2004	My Wisp Pty Ltd	27/04/2006
Ketteridge, Peter Walter	13/04/2004	MyInternet Ltd	01/07/1997
Kevin Thompson & Kim Richardson t/as Alias Internet	06/02/2002	MyLink Wireless Pty Ltd	28/05/2004
Key Point Pty Ltd	01/07/1997	Nanoetek Pty Ltd	30/04/2003
King Island Internet Service	12/08/1999	Nareg Internet Pty Ltd	30/08/2001
Kingfisher Pty Ltd	24/10/2003	NEC Australia Pty Ltd	02/08/2002
Kowolski, Robert	02/02/1999	Neon Internet	14/02/2003
L.I.S.P Pty Ltd (Local Internet Service Provider)	08/01/1998	Net Solutions Pty Ltd	16/07/1999
LANcare IT Pty Ltd	29/12/2004	Net Unlimited Pty Ltd	02/09/2003
LastMileAccess Pty Ltd	04/03/2004	Net2000 Pty Ltd	14/07/1998
Launch Pty Ltd	01/07/1997	Netbay Internet Pty Ltd	02/01/2001
LB & GL Rodda Pty Ltd t/as Quik Internet NNSW	13/11/2003	Netcall ISPs Pty Ltd	04/05/2005
Leading Edge Computers Kempsey	21/12/1999	NetCentral.com.au Pty Ltd	14/08/2000
Leading Edge Internet Pty Ltd	02/07/2001	Netcomm Broadband Pty Ltd	01/08/2001
Legion.com.au Pty Ltd	29/09/2005	Netcomplete Pty Ltd	25/10/2001
Link Innovations Pty Ltd	28/11/2003	Netcore Pty Ltd	01/07/1997
Linkit Internet Services	10/11/1998	Netforce Pty Ltd	14/12/2001
Linknet Communications NSW Pty Ltd	16/03/1999	Netmagic Internet	25/07/2002
Linux Consultants Pty Ltd	18/01/1999	Netmail Axxess Pty Ltd	07/06/1999
Lismore Internet Services	01/07/1997	Netmastery Pty Ltd	23/08/1999
Locall Pty Ltd	27/05/2002	Netpacket Pty Ltd	01/12/1998
Lockyer Internet Pty Ltd	02/12/2002	Netracom	11/02/1999
LoginDSL	09/12/2002	NetServ Pty Ltd	01/12/1998
Longford Internet	13/07/1999	Netspace Networks Pty Ltd	13/09/2002
M Alvanos & P Alvanos t/as Unique Results	03/11/2003	Netspace Online Systems Pty Ltd	01/07/1997
M.W Frahn & A.J Stevens t/as Copper Wire	08/01/2004	Netway Technologies Pty Ltd	13/05/1998
Mackay Computer Services Pty Ltd	11/02/2000	Network Computer Training Pty Ltd	15/11/2000
MACTL Pty Ltd	21/11/2003	Network Synergy Corporation Pty Ltd	11/05/2006
Madec	09/03/2001	Network Technology (Aust) Pty Ltd	20/05/2002
MainLink Internet Services	27/10/1999	Networks Multimedia Pty Ltd	26/03/2001
Matilda Internet Pty Ltd	17/09/1998	netXP	08/10/2002
Maurie Fountain & Sons Pty Ltd	07/07/2003	NetYP	10/11/1998
Maxi Internet Services Pty Ltd	23/04/2002	New Approach Systems & Software	24/11/1998
Mazda Australia Pty Limited	23/09/2003	New Millennium Networking	19/02/2001
McCullagh Family Trust	23/09/2005	Nexacom Pty Ltd	16/07/1999
McGregor Australia Pty Ltd	24/05/2002	Nexon Asia Pacific Pty	11/09/2003
McPherson Media Pty Ltd	21/01/1998	Nicholas Childs t/as GoCentral	26/04/2004
MedEmail Pty Ltd	18/05/2000	Nissen Technologies Pty Ltd	27/08/2004
Megalink Australia Pty Ltd	29/04/2003	No More Wires.com Pty Ltd	31/10/2000
MEL Productions Pty Ltd	15/11/1999	Nomad Networks Pty Ltd	20/06/2006
Melbourne PC User Group Inc	13/10/1997	Nornet Enterprises Pty Ltd	29/08/2002
Melbourne Wireless Incorporated Association	02/12/2005	North East Telecommunications Co-operative Ltd	24/01/2003
Mercury Connect Pty Ltd	14/06/2006	North Industries Pty Ltd	10/10/2003
Merday Pty Ltd	16/01/2004	Northern Exposure Technologies Pty Ltd	10/12/1997
Merlin Internet Services	11/04/1999	Northern Rivers Gateway	01/07/1997
Metro Net Corporation Pty Ltd	28/03/2001	Northern Technology Holdings	24/07/2003
Michael Parnell Pty Ltd	10/09/1999	Notunseen Pty Ltd	15/05/2002
Microed Pty Ltd	01/06/1999	NT Technology Pty Ltd	27/08/1998
Micronet Internet Pty Ltd	21/03/2003	NTT Australia Pty Ltd	31/03/1998
Micronica	30/04/1998	Nvision Pty Ltd	27/08/1999
Microsystems Support	18/12/1997	Ocean Broadband Ltd	22/03/2005
Mightynet.com	21/08/2002	OCTEC Incorporated	11/02/1999
Mikka International Pty Ltd	23/07/1997	Odyssey World Pty Ltd	17/06/1998
Mindvision Interactive Pty Ltd	20/08/1997	OfficeLink Plus Pty Ltd	17/03/2003
Minerva Micro Pty Ltd	02/04/1998	Offis Pty Ltd	20/11/1998
Minopher Pty Ltd	31/12/1997	Omninet	14/07/1998
MJ Anderson & AM Batrouni & KP Fuessel		Omninet Wireless Pty. Ltd.	24/06/2005
t/as Shiftreload	11/02/2004	On The Net Pty Ltd	31/10/1997
Modern Pty Ltd	16/11/1999	Online 2000	03/05/1999
Momentum Internet Pty Ltd	13/04/2006	Online Connect Pty Ltd	15/05/2003

Openshaw, Vanessa Anne	21/07/2005	Relax Internet Enterprises Pty Ltd	12/06/1998
OPOC Solutions Pty Ltd	18/08/2003	Request Business Solutions Pty Ltd	07/10/2003
Optic Fibre & Wireless Pty Ltd	24/02/2004	Restless Online Services	17/09/1998
Optus Broadband Pty Ltd	29/06/2000	Retnet Internet Services	21/05/1999
Orion Online	06/04/1998	Reverence Earthlink Internet Services	02/01/2001
Orli-Tech Pty Ltd	20/04/1999	Rex Communications Pty Ltd	25/07/1997
Ossini Pty Ltd	27/03/2000	Reynolds & Reynolds Pty Ltd	12/05/2000
Our Haven Pty Ltd	17/06/2002	Reynolds Technology Pty Ltd	23/07/2001
Outback Digital Network Ltd	11/09/2002	RGTechnologies Pty Ltd	15/06/1999
Output DSJ Pty Ltd	27/06/2003	RickSure Pty Ltd	16/02/2001
Outside the Square Services Pty Ltd	01/09/2003	Rimway Holdings Pty Ltd	21/11/2002
Overflow Internet Services	17/06/1998	Ripnet	25/05/1999
Oxnee Pty Ltd	18/11/1999	RO Computer Services Pty Ltd	17/11/1997
Oz Web Internet Providers Pty Ltd	25/03/1999	Robert Michael Barker	22/09/2005
OzConnect Internet	28/04/2003	ROK Technology Pty Ltd	20/01/2000
OzForces Pty Ltd	12/03/2003	Rubix Computers Pty Ltd	14/05/1999
OzGuide	15/06/1999	Rural & Peninsula Disability Support Inc	15/09/2003
Ozhost Internet and Electronics	11/06/2002	Rural Business Machines Pty Ltd	03/02/1998
OzISP Pty Ltd	18/11/2002	Saints PC Pty Ltd	31/05/2002
Ozzienet Pty Ltd	01/04/2003	Salient Enterprises Pty Ltd	14/05/2003
Ozzieweb Pty Ltd	11/07/2001	Satellite Navigator Pty Ltd	29/05/2003
P.G. Brown Services Pty Ltd t/as One Bite	07/04/2004	Saunders Properties Pty Ltd	31/07/2002
Pacific Internet Australia Pty Ltd	30/04/1999	Savvis Australia Pty Ltd	22/10/1999
Pacific Wireless Australia Pty Ltd	19/03/2002	ScoastNet Pty Ltd	15/10/1997
Panorama Development Pty Ltd	11/03/1999	SCS Enterprises Australia Pty Ltd	10/02/2000
Paragon Systems Pty Ltd	10/12/2002	Sebastopol College	10/08/1999
Patash Pty Ltd	14/10/1997	SecureTelecom Pty Ltd	18/05/2000
PC Technologies Aust Pty Ltd	25/11/2003	SELTEK Australia Pty Ltd	10/01/2000
Peevee Software Solutions Pty Ltd	07/08/2002	Sentrum Pty. Ltd.	24/11/2005
Personal Broadband Australia Limited	18/12/2003	Shane Chrisp t/as 2000 Computers and Networks	22/04/2004
Perth international Exchange ATF the Perth IX Trust	18/04/2006	Shopsafe Pty Ltd	30/05/2003
Perthnet	16/07/2003	Silicon Crafts Pty Ltd	18/11/1997
Peter Walter Ketteridge t/as Icon Information Systems	13/01/2005	SIS Group Pty Ltd	12/03/2003
Petersen's Online Services	04/12/1998	Sixty Second Crater Pty Ltd	15/08/2005
Pivot Pty Ltd	27/05/2005	Skymesh Pty Ltd	10/06/2005
Plan B Internet Services Pty Ltd	30/03/1999	Smart Apartments Pty Ltd	08/04/2004
Planet Ozi Pty Ltd	14/03/2006	SmartyHost Pty Ltd	22/06/2006
Platform Computing Pty Ltd	09/03/2000	Smith, Alwyn Laurence	16/12/2005
Porternet.com.au	11/12/2000	SMV & GJ Bambrick	01/09/2003
Positronic Pty Ltd	19/06/2002	Sneaker Net	07/07/2000
Powerband Networks Pty Ltd	28/07/2003	Snowball Internet Pty Ltd	20/08/2002
Powernet Communications Pty Ltd	29/06/2006	Snowsports Interactive Pty Ltd	05/04/2006
Precision Internet Services	14/10/2002	South Sydney Junior Rugby League Club Ltd	12/11/2001
Precisium	12/05/1999	South West Communications Company Pty Ltd	08/01/2004
Preferred Internet Provider	26/11/1997	Southern Aurora Web Designs	08/07/2002
Primebase Pty Ltd	14/12/2004	Southern Matrix International Pty Ltd	17/06/1999
Project Eclectic R&D (SA) Pty Ltd	20/10/2005	Southern Star Communications Pty Ltd	01/07/1997
Pteryx Productions Australia	22/10/2002	Spacelink Communications Pty Ltd	25/07/2002
PTMe Pty Ltd	09/07/2004	Speednet Communications Pty Ltd	27/07/1999
Q Online Internet Services	11/03/2003	Spencer Gulf Telecasters Ltd	20/09/2002
QLDWIDE.NET.AU	19/01/2000	Spiderweb Access	14/07/1998
Quicknet Internet Provider Pty Ltd	17/12/1997	Spin Internet Services Pty Ltd	20/04/1998
Quik Internet Australia Pty Ltd	13/11/2003	Spitfire Internet Services Pty Ltd	18/04/2000
Quintessa Holdings Pty Ltd	05/07/1999	Stead, Jason David	27/06/2005
Qwest Australia Pty Ltd	06/05/2002	Steal Internet Pty Ltd	31/01/2006
Rabbit International	04/02/1999	Sublime IP Pty Ltd	11/08/1998
Radcomp Pty Ltd	07/12/2005	Sun Corporation Pty Ltd	27/05/2003
RAJA Computers Pty Ltd	17/07/2003	Surf-Net City Australia	13/11/2002
Ram Network Services Pty Ltd	08/05/1998	Swiftel Communications Pty Ltd	07/08/2000
Rapid Telecom Pty Ltd	11/05/2006	SwiftNet Pty Ltd	13/05/1999
Rascal Internet Pty Ltd	29/10/2003	Switch.Com Pty Ltd	14/07/1998
RBE Internet Services	10/11/1998	Sympac Computing Pty Ltd	03/06/1998
RDT Holdings Pty Ltd	03/07/2003	syners	07/03/2003
Redgum Software & Support Pty Ltd	17/09/2000	Tacom Pty Ltd	23/03/1999
Regional Broadband Services Pty Ltd	11/02/2004	Tasmanet Pty. Ltd.	27/10/2005
Regional Internet Australia Pty Ltd	08/03/2006	TCSI Pty Ltd	22/09/2003
		Tech 2U Pty Ltd	10/08/1999

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Tech Info Pty Ltd	16/06/1999	Web Prophets Pty Ltd	22/10/2003
Technical Aid to the Disabled Inc	13/10/2005	Webcentral Pty Ltd	30/06/2003
Techno Access	12/05/1998	Webdata Pty Ltd	25/08/1999
Techsus Pty Ltd	18/08/2005	Webresource Internet Technology Pty Ltd	04/04/2001
Teklogik Pty Ltd	08/02/2006	Webzone Holdings Pty Ltd	21/03/2003
Teksupport Pty Ltd	03/10/1997	Wellington Communications Pty Ltd	25/07/2000
Tel.Pacific Pty Ltd	06/01/1998	Westconnect Pty Ltd	08/09/1998
Telco Talk Communications Pty Ltd	02/05/2006	Western Internet Services	15/06/1999
Telenet Australia Pty Ltd	24/03/2004	Western Webtec	10/10/2002
Tellurian Pty Ltd	06/01/2005	Westvic Broadband Pty Ltd	06/08/2004
Telstra Big Pond	01/07/1997	Westway Nominees Pty Ltd	14/07/2005
Teragen International Pty Ltd	23/10/2003	WFJ & KA Abel t/as Kissme Internet	14/10/2003
Terra Tech Computers Pty Ltd	29/03/2005	Wicom Solutions	13/05/2003
Tetraplex Pty Ltd	20/03/1998	Wide Blue Ocean Pty Ltd	23/08/2004
The Australian Internet Company Pty Ltd	01/07/1997	Wilkinson Business Trust t/as Internet	
The Boss Group Pty Ltd	24/03/2006	Tasmania Pty Ltd	22/01/2004
The Emery Corporation Pty Ltd	14/07/1998	Windspeed	29/04/1999
The Friendly Giant Pty Ltd	28/10/1999	Winshop Internet Pty Ltd	01/07/2002
The I.T. Group Pty Ltd	17/02/2004	Wired Sky Pty Ltd	02/05/2006
The Info Xchange Inc	03/12/1997	Wireless Broadband Services (NQ) Pty Ltd	11/10/2004
The Murray Pioneer Pty Ltd	09/12/1997	Wireless Systems Australia Pty Ltd	25/08/2004
The Trustee for Cynergic Unit Trust	07/05/2004	Wireless Works Pty Ltd	11/05/2006
The Trustee for WireFree Networks	06/09/2004	Wizz Pty Ltd	14/06/2006
Tisgroup	16/01/2004	Wobygong Pty Ltd	03/12/2002
Tnet.Com.Au	20/08/1998	Wood Dragon Pty Ltd	18/12/2002
Tokyo Network Computing Pty Ltd	03/03/2003	World.Net Services Pty Ltd	20/03/2000
Tope Holdings Pty Ltd	13/02/2002	Worldwide Internet	02/09/1998
Topgun Internet Services	20/08/2002	Worth IT	02/04/2003
TouchTV Pty Ltd	26/02/2004	Xceltek Internet Services Pty Ltd	24/01/2003
Tourist Facilities Pty Ltd	29/07/2002	Xiong, Xiao	13/02/2006
Tower Computer Aid Pty Ltd	19/08/2004	XYZed Pty Ltd	21/07/2000
TPG Internet Pty Ltd	01/07/1997	Yates, Daniel Alan	22/10/1997
True North Consulting Pty Ltd	09/01/1998	Yea Computing Services	23/09/1999
Trumpnet Pty Ltd	16/12/1997	Yless4U Pty Ltd	23/05/2006
Turbonet Pty Ltd	13/06/2003	Your ASP Pty Ltd	27/05/2002
TVMate Australia Pty Limited	23/04/2003	Zhong Huan Pty Ltd	01/09/1997
TX Communications Pty Ltd	23/11/1998	Zion Internet Services	10/02/2003
Ubiquoss ISP Pty Ltd	16/08/2004	Zip World Pty Ltd	26/10/1998
UnitedIP Pty Ltd	29/11/2004		
University of Queensland Information Technology Services	17/06/1998		
URN Technologies Pty Ltd	30/04/2003	Other	51
Van Den Eynde Robert Frank & Denise Joan	11/04/2006	Air Portal Pty Ltd	05/12/2000
Vector Networks Pty Ltd	19/08/2002	Amcom Telecommunications Pty Ltd	10/09/1998
Velocity Internet Pty Limited	25/08/2003	Australia-Japan Cable (Australia) Limited	02/02/2001
Veridas Communications Pty Ltd	29/10/2003	Boeing Australia Limited	24/01/2001
Veritel Australia Pty Ltd	14/11/2003	Broad IP Pty Ltd	20/03/2006
Vertical Telecoms Pty Ltd	08/02/2001	Broadband Anywhere Pty Ltd	19/07/2005
Victoria's Network: VICNET	26/03/1998	Broadband Telco Pty Ltd	28/06/2006
Victory Internet Services	27/10/2003	C.J Scafe & S Scafe	04/04/2006
Vintek Consulting Pty Ltd	24/05/2001	C10 Communications Pty Ltd	18/04/2006
Virtual Communities Ltd	07/04/2003	Card & Go International Pty Ltd	21/03/2006
Virtual Computers Pty Ltd	03/11/1997	Central Exchange Ltd	14/06/2000
Virtualcity Pty Ltd	22/03/2004	Clarinet Australia Pty Ltd	08/12/2005
Visiontek Pty Ltd	17/09/1997	Coretel Communications Pty Ltd	08/09/2000
W Connect Pty Ltd	08/04/2004	D.J BLACKER & M.J BLACKER	23/05/2005
WA Telecentre Exmouth Inc.	21/07/1998	Dialogue Communications Pty Ltd	30/08/2004
Wackado Communications Pty Ltd	22/07/2005	Digital Distribution Australia Pty Ltd	12/02/2001
Wally's Internet Caf�	04/05/2001	ETSA Utilities	15/01/2001
Ward Enterprises Pty Ltd	10/06/1998	FaktorTel Pty Ltd	24/03/2006
Warianne Investments Pty Ltd	02/09/2003	Fibrelite Networks Pty Ltd	11/05/2006
Warick Grubb t/as Ozsell	04/08/2004	Hutchison 3G Australia Pty Ltd	20/08/2002
Waterfront Internet Service	11/01/1999	Ipera Communications Pty Ltd	20/03/2000
WBS by CBD Pty Ltd	22/03/2004	Kazatky, Samuel Joshua	06/12/2005
We Solve It Pty Ltd	28/04/2004	m8 Telecom Pty Ltd	11/03/2003
Web Ace	21/12/1998	Mobif Australia Pty Ltd	27/09/2004
Web Australis Pty Ltd	01/07/1997	New Skies Satellites Australia Pty Ltd	02/01/2006
		Nextgen Networks Pty Ltd	14/02/2001

Office Advisors Pty Ltd	11/03/2004	Chime Communications Pty Ltd	31/08/2000
OMNIconnect Pty Ltd	18/09/1997	City Telecom (Australia) Pty Ltd	01/07/1999
One Village Pty Ltd	13/02/2006	Clarkson McLaren Corporate Communications Pty Ltd	06/05/2004
Open Telecom Australia Pty Ltd	09/09/2005	Clear Networks Pty Ltd	19/04/2005
Opentec Pty Ltd	26/07/2000	Clove.net.au	30/01/2004
Optus Vision Pty Ltd	08/12/1997	Clublinks Telco Pty Ltd	14/02/2006
Oz Telecom Pty Ltd	15/04/1998	Clublinks Utilities Pty Ltd	04/08/2005
Oziplex Pty Ltd	27/09/2002	Commander Australia Ltd	21/08/2003
Powercor Australia Telecommunications Pty Ltd	12/09/2002	Communicomm Pty Ltd	30/05/2006
Powertec Telecommunications Pty Ltd	09/02/2006	Community Solutions Australia Pty Ltd	10/10/2003
PowerTel Ltd	01/07/1997	Community Telco Australia Ltd	22/10/2003
Quantum Multimedia Communications Pty Ltd	30/08/2002	ComSelect Communications Pty Ltd	19/01/2006
Request Broadband Pty Ltd	18/07/2000	Comvergence Pty. Ltd.	14/11/2005
Sky Quantum Pty Ltd	18/07/2005	Connect Essential Services Pty Ltd	07/04/2005
Smart Charge Australia Pty Ltd	11/05/2006	Convergent ComCo Pty Ltd	31/01/2005
Soul Pattinson Telecommunications Pty Ltd	05/05/1999	Corporate Telecom Pty Limited	04/10/2005
Suretek Pty Ltd	08/04/2004	Country Telecommunications Pty Ltd	26/07/2005
Suretel Pty Ltd	10/11/2004	Crave Communications Pty Ltd	30/05/2006
Telstra Multimedia Pty Ltd	16/07/1997	Creative Telcom Pty Ltd	20/07/2005
The Trustee for The Kwietniak Family Trust	01/03/2006	D. Seeto Nominees Pty Limited	22/04/2005
Verizon Australia Pty Limited	26/06/1998	Datafast Telecommunications Limited	17/02/2000
Vernet Pty Ltd	30/05/2006	Daykin Pty Ltd	16/11/2004
Windytide Pty Ltd	28/09/1998	Dedicated Services Pty Ltd	25/02/2006
World Without Wires	19/06/2006	Destra Corporation Ltd	22/02/2006
Xantic B.V.	17/02/2003	Digiplus Pty Ltd	03/07/2002

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1410 Communications Pty Ltd	18/09/2002	Dodo Australia Pty Ltd	10/09/2001
AAPT Ltd	01/07/1997	Dow Telecom Pty Ltd	02/09/2005
Aardvark Internet Pty Ltd	16/07/2003	Down Under Communication Pty Limited	02/05/2005
Ace Communications Group Pty Ltd	17/04/2003	Dual Phone Centre Pty Ltd	30/11/2004
ACN Pacific Pty Ltd	22/03/2006	E-Tel Communications Pty Ltd	08/04/2004
Aeon Group Pty Ltd	16/03/2006	Ecomtel Pty Ltd	13/07/1999
Airtime Pty Ltd	24/06/2004	EFtel Pty Ltd	02/01/2001
All2Connect Pty Ltd	28/10/2004	EHW Technology Pty Ltd	14/06/2006
Alpha Network Shop Pty Ltd	31/05/1999	Empcom Pty Ltd	17/02/2003
Alphanet Pty Ltd	06/10/1997	Entertainment Media & Telecoms Corporation Ltd	12/06/2001
AmityOne Network Pty Ltd	13/05/2003	Esmonde, David John	25/07/2005
Answer Plus Communications (Aust) Pty Ltd	25/03/2003	ETB Qld Pty Ltd	27/04/2004
Arcon Communications Pty. Ltd.	05/10/2005	Evertel Communications Pty Ltd	02/12/2004
Asian Pacific Telecommunications Pty Ltd	13/07/2000	Evolution Telecom Pty Ltd	03/12/2004
Aspark Pty Ltd	01/08/2005	Fergunn Communications Pty Ltd	11/10/2005
Astron Business Services Pty Ltd	17/08/2005	First Reach Pty Ltd	17/05/2004
Auritel Australia Pty Ltd	22/11/2004	Freecall Connect Pty Ltd	16/02/2006
Aurora Energy AAPT Pty Ltd	21/05/2001	GC Telecom Pty Ltd	03/03/2006
Australian Communications Consortium Limited	23/05/2006	Gday.net Pty Ltd	12/09/2003
Australian Community Telecommunications Pty Ltd	16/03/2004	Global Connect Communications Pty Ltd	23/08/1999
Australian Specialist Infotech Operations Pty Ltd	26/08/1998	Global Net Media Pty Ltd	09/03/2006
Australian Technology Partnerships Pty Ltd	12/02/2004	Global Qi Alliance Pty Ltd	12/07/2004
B Digital Ltd	26/05/1999	Gould, Simon David	01/06/2004
Ballarat Community Enterprise Limited	18/04/2005	Have-A-Chat	01/07/2005
Basejump Pty Ltd	13/05/2005	Highway 1 (Australia) Pty Ltd	21/07/1998
BEACHLEY, PHILIP PAUL	23/06/2003	HomeLinX Pty Ltd	07/04/2004
Bendigo Community Telco Ltd	15/09/2000	Hub Business Services Pty Ltd	20/12/2004
Better Telecom Pty Ltd	07/02/2006	IF Com Pty Ltd	12/10/2005
BlueSky Communications (Aust) Pty Ltd	06/01/2003	ihug Pty Ltd	03/11/2003
Bright Telecommunications Pty Ltd	16/06/2006	iiNet (OzEmail) Pty Ltd	10/03/2005
Broadband Access Pty Ltd	24/07/2000	iiNet Ltd	25/08/1998
Budget Telecom Pty Ltd	23/02/2005	In-Tech Telecommunications Pty Ltd	28/08/1998
Bushtel	07/04/2004	Infinity Plus Communications Pty Ltd	01/04/2005
Business Services Direct Pty Ltd	27/10/2005	Innoveight Pty Ltd	15/09/2005
Buzz Broadband Pty Limited	25/05/2005	Inspired Island Pty Ltd	05/08/2005
Bwired Group Pty Ltd	05/07/2005	Integrity Automation Pty Ltd	11/08/2005
Callplus Australia Pty Limited	27/05/2004	IP Systems Pty Ltd	10/12/2003
Cameron Pty Ltd	30/05/2006	iSnap Pty Ltd	11/04/2006
CardCall Pty Ltd	18/09/1997	ISP Networks Pty Ltd	25/10/2005
		Isphone Australasia Pty Ltd	26/07/2005
		iTEL Community Telco Ltd	14/11/2002

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itXpress Pty Ltd	23/08/2004	Servcorp Digital Strategy Pty Ltd	31/10/2001
J.W Dawson & L Dawson	16/11/2005	Silver Communities Pty Ltd	29/03/2005
Jaminca Pty Ltd	23/02/2006	Sirius Telecommunications Ltd	01/02/2002
JKR Holdings Pty Ltd t/as 2Easytel	19/07/2004	SkyNetGlobal Limited	10/12/2001
Joytel Pty Ltd	30/12/2002	Skywave Communications Australia Pty Ltd	08/03/2005
Justified Communications Group Pty Ltd	02/05/2002	Skyways Internet Services Pty Ltd	04/12/2003
KDDI Australia Pty Ltd	11/02/1999	Snoopa Systems Pty Ltd	05/03/2004
Kern Internet Pty Ltd	18/05/2004	Soft Telcom Pty Ltd	02/06/2005
Kesher Communications Pty Ltd	09/06/2005	Spectrum Networks Pty Ltd	12/05/2000
Kia Communications Pty Ltd	27/07/2004	Spinosa-Catella, Richard David	10/05/2005
KJT Holdings Pty Ltd	31/12/2004	Spirit Telecom (Australia) Pty Ltd	24/05/2005
Knowledge By Design Pty Ltd	01/07/1997	Spungold Nominees Pty Ltd	06/09/2004
Koove Communications Pty Ltd	09/05/2005	ST Telecom Pty Ltd	05/02/2002
Leading Edge Group Limited	02/08/2001	Staticcom Pty Ltd	11/02/2004
Liberty Telecoms Pty Ltd	16/05/2006	STI Communications Pty Ltd	11/09/2002
Lime Australia Pty Ltd	28/11/2005	Sunshine Coast Community Enterprises Ltd	24/02/2005
Logitel Communications Pty Ltd	20/03/2002	Sydney Internet Exchange (SIX) Pty Ltd	14/10/2004
Lucidity Enterprises Pty Ltd	21/07/2005	Tanguinya Pty Ltd	23/05/2005
Mach Technology Group Pty Ltd	15/09/2005	Telarus Pty Ltd	12/02/2004
Macquarie Telecom Network Carrier Services Pty Limited	22/12/2000	Telco Plus Pty Ltd	04/08/2004
Managed Solutions Pty Ltd	30/03/2000	Telco Talk Communications Pty Ltd	01/12/2004
Many Rivers Administrative & Legal Services Ltd	11/05/2006	Telcoinabox Australia Pty Ltd	25/08/2003
Max Telecom Pty Ltd	03/08/2005	Telefa Pty. Limited	12/11/2004
MBV Ltd	16/05/2006	TellStar Pty Ltd	07/11/2005
Message Stick Telecommunications Pty Ltd	11/02/2004	Terra Nova Solutions Pty Ltd	27/07/2004
Meucci Pty Ltd	09/07/2004	The Access Solutions Group Pty Ltd	18/08/2005
Miracom Telecommunications Pty Ltd	22/09/2005	The Mercuri Group Pty Ltd	01/08/2005
Morrtel Pty Ltd	06/09/2005	The SIV Group Pty Ltd	18/06/2003
Multelink Australia Limited	14/02/2000	The Trustee for Diamond Telecom Unit Trust	17/01/2006
Murray, Terry Joy	30/05/2006	The Trustee for THE MOFFAT FAMILY DISCRETIONARY TRUST t/as North Queensland Telecom	24/11/2004
My Net Fone Pty Ltd	13/02/2006	The Trustee for THE TELECOMMUNICATIONS TRUST	03/05/2005
My Telecom Pty Ltd	24/09/2002	The Trustee for Vtree Trust	16/02/2006
NC Cable Pty Ltd	15/05/2000	Trans Pacific Communications Pty Ltd	24/05/2005
Neoinvent Pty Ltd	01/03/2006	TransACT Capital Communications Pty Ltd	22/09/2000
Net2Phone Global	15/10/1999	Trustee for JCPNet Trust	11/11/2004
Netscapade Pty Ltd	26/08/2004	Uecomm Ltd	01/07/1997
Network Company Australia Pty Ltd	27/06/2005	Unwired Australia Pty Ltd	19/09/2002
New Telecom Pty Ltd	12/01/2004	US Telecom Pty Ltd	29/06/2006
Next Business Telecommunications Pty Ltd	16/01/2006	V8 Telecom Pty Ltd	10/10/2005
Optus Networks Pty Ltd	01/07/1997	VDV Communications Pty Ltd	31/03/2005
Orion Satellite Investments Pty Ltd	16/06/2006	Vocal Pty Ltd	08/06/2004
Orion Satellite System Pty Ltd	02/07/2003	Voxcom Pty Ltd	11/05/2006
Outside Edge Australia Pty Ltd	19/10/2005	VT Investments Pty Ltd	18/02/2005
Ozetel Pty Ltd	23/09/2005	Walsh and Marshall Pty Ltd	09/12/2004
People Telecommunications Ltd	13/12/2000	Westnet Pty Ltd	14/07/1998
Perracom Pty Ltd	10/11/2005	Wideband Networks Pty Ltd	10/05/2004
Pipe Networks Limited	10/07/2002	Widelinx Pty Ltd	17/01/2006
Polyfone Pty Ltd	03/08/2001	Wild Internet & Telecom Pty Ltd	11/02/2004
Powercom Pacific Pty Ltd	19/04/2004	Woody Group Pty Ltd	26/02/2004
Prime Call (Australia) Pty Ltd	21/06/2005	Yodial Pty Ltd	24/08/2004
Primus Online Pty Ltd	08/08/2003	Your Local Telecom Trust	25/07/2005
Primus Telecommunications Pty Ltd	01/07/1997	Yourtility Pty Ltd	07/02/2006
PTC Communications Pty Ltd	24/05/1999	Z & K Investments Pty Ltd	30/08/2005
Q. Corporation Pty Ltd	02/08/2001		
Quantum Telecom Pty Limited	13/10/2005	Telephone Service Provider	175
R.J Hicks & B.D McIntosh & N Somner	13/07/2005	0014 Pty Ltd	01/11/2000
Red Media Solutions Pty Ltd	24/02/2006	1300 Words Pty Ltd	11/07/2005
Regional Telecoms Pty Ltd	21/01/2003	1800 Reverse Pty Ltd	02/01/2001
Richard A & Elizabeth J Monty	27/04/2006	1800Mumdad Pty Ltd	25/02/2004
Royle Holdings (Aust) Pty Ltd	05/09/2005	1World Telecommunications Pty Ltd	17/06/2003
RSL COM Business Communications Pty Ltd	21/08/2003	7Star Communications Pty Ltd	28/10/2004
RSL COM Business Solutions Pty Ltd	21/08/2003	ABG Group Pty Ltd	29/06/2004
Saands Marketing Australia Pty Ltd	06/11/2003	ADI LIMITED	19/08/2002
SC Communications Pty Ltd	03/03/2005	Advanced Future Technology Pty Ltd	25/01/2003
Schade, Stuart Reginald	18/04/2006	Agile Pty Ltd	08/09/1998
SecureTel Pty Ltd	25/11/2002	Alfa Micro Systems Pty Ltd	11/01/2005

Alphawise Solutions Pty Ltd	25/11/1999	M2 Telecommunications Pty Ltd	11/12/2001
Arakan Trading Co Pty Ltd	18/05/2006	Macquarie Telecom Group Limited	01/07/1997
Asia Telco Investments Pty Ltd	24/06/2005	Market Maze Communications Pty Ltd	15/10/2003
Aspire Telecom Services Pty Ltd	16/03/2006	Mavenlink Pty Ltd	08/04/2004
Astracom Pty Ltd	15/01/2003	MCI WorldCom International, Inc	21/07/1998
Astron Communication and Information Services Pty Ltd	16/07/1997	McMillan, Alan Jackson	08/11/2005
AT&T Communications Services Australia Pty Ltd	01/07/1997	Message Community Telephone Company Pty Ltd	28/01/2004
AT&T Global Network Services Australia Pty Ltd	28/02/2000	Mibroadband Pty Ltd	23/09/2004
Atex Pty Ltd	02/02/2004	Michael & Keiran Stefans	08/10/2004
AUSTAR United Mobility Pty Ltd	10/11/2003	Mobicom Communication Services Pty Ltd	20/04/2004
Australia IP Telecom Pty Ltd	18/04/2005	Mobiles2go Pty Ltd	11/10/2005
Australia Star Communications Pty Ltd	21/08/2003	Multelink Services Pty Ltd	21/10/2004
Australian Communication Exchange Ltd	01/07/1997	Mytel Voice & Data Pty Ltd	04/10/2005
Australian Telecommunications Pty Ltd	18/03/2002	NationTel Pty Ltd	29/05/2003
Axis Telecoms Pty Ltd	11/07/2003	New Tel Ltd	12/03/1999
B&K Holdings (Qld) Pty Ltd	11/02/2004	New Tel Services Pty Ltd	21/08/2003
B33hive Pty Ltd	24/05/2004	NorthVoice Communications Pty Ltd	07/07/2000
Bareena Holdings Pty Ltd	12/09/2002	Omni Plus Pty Limited	19/12/1997
Beyond Telecom Australia Pty Ltd	28/10/2003	Online IT Services Pty Ltd	16/04/2003
Bloomberg L.P., Australia Branch	28/03/2002	Opera Telecom Pty Ltd	03/06/2006
Blue Call Pty Ltd	17/03/2004	Optus Mobile Pty Ltd	01/07/1997
Blue Ridge Telecom Systems, LLC	16/07/2004	Orion Telecommunications Australia Limited	15/04/2005
Boost Tel Pty Ltd	26/11/2003	Oz Tele Communications Pty Ltd	04/05/2004
Broad Investments Limited	01/07/1997	Ozicom Solutions Pty Ltd	12/11/2001
BT Australasia Pty Ltd	30/07/1997	P.F Basso & C.L Goldsmith	11/07/2005
Buana Australia Pty Ltd	02/01/2002	Pacific Telco Australia Limited	22/01/2001
Budgetel Pty Ltd	11/02/2000	PayTel Australia Pty Ltd	15/12/2003
Bugal Pty Ltd	24/11/2004	Pegasus Telecom Pty Ltd	03/08/2005
Call Australia Pty Ltd	26/08/2003	Phone Business Pty Ltd	15/04/2004
Callsave Pty Ltd	14/11/2001	Phone Free	15/03/2004
ccgIT Pty Ltd	13/05/2005	Pivotel Group Pty Limited	27/03/2003
Cellularvoice Pty Ltd	26/02/2002	Premier Technologies Pty Ltd	23/05/2006
Chi Telecom Pty Ltd	04/01/2002	Prime Telecoms Pty Ltd	13/12/2005
Chinwag (Australia) Pty Ltd	17/06/2004	Proactive Communication Solutions Pty Ltd	29/06/2004
Clearfone Pty Ltd	28/03/2006	Projection Plus (Australia) Pty Ltd	10/09/2004
Commander Express Telecommunication Solutions Pty Ltd	08/04/2004	Protel Communications International Pty Ltd	21/05/2004
CommodiTel (Australia) Pty Ltd	11/08/2004	PSR Group Pty Ltd	01/07/1997
Communico Australia Pty Ltd	29/03/2005	Reward Mobile Pty Limited	07/02/2005
Concert Telecom Pty Ltd	11/12/2002	River Media Group Pty Ltd	29/10/2002
Direct Telecoms Pty Limited	26/03/2001	Saise Telecommunications Pty Ltd	19/07/1999
E-Tone Corporation Australia Pty Ltd	10/01/2005	Savvy Telecommunications Pty Ltd	07/03/2006
Eclipse Telecommunications Pty Ltd	01/07/1997	SIMplus Mobile Pty Limited	07/12/2001
Edirect Pty Ltd	23/05/2006	Skytel Pty Limited	09/07/1998
eSTAR Telecom Pty Ltd	25/09/2003	Solutions International Pty Ltd	02/01/2001
ExpressTel Pty Ltd	13/01/2005	Southern Cross Mobile Pty Ltd	20/02/2001
Eztel Communications	22/05/2001	Southern Cross Telco Pty Ltd	25/09/1997
Ford, Thomas David	02/02/2006	Southern Phone Company Ltd	17/01/2003
Forteconnect Pty Ltd	12/12/2005	Spatial Broadband Telephony Pty Ltd	17/07/2003
Freshtel Pty Ltd	30/07/2004	Speed Communications Pty Ltd	28/07/2004
Global Card Services Pty Ltd	08/01/2003	Sprint International Australia Pty Ltd	25/07/2000
Global Networks (Aust) Pty Ltd	31/01/2003	Star Telecom Australia	09/07/2004
GlobalCom (Aust) Pty Ltd	28/06/2002	Switch Mobile Pty Ltd	07/11/2005
Globalstar Australia Pty Limited	28/04/2003	Synergy Australia Pty Ltd	23/07/2003
Globaltel Pty Ltd	18/01/2006	Systel.Com Pty Ltd	06/08/2004
Globe Telecom Pty Ltd	19/05/2003	T.One Telecommunications Pty Ltd	13/08/1999
G0talk Australia Pty Ltd	08/01/2003	T3 Communications Pty Ltd	09/04/2002
Hi Tech Telecom Pty Ltd	03/05/2005	TCI Australia Pty Ltd	12/09/2003
Hutchison Telecoms (Aust) Pty Ltd	01/07/1997	Telco Blue Pty Ltd	21/03/2003
J.M.D. Telecoms Pty Ltd	20/10/2004	Telco In A Box Pty Ltd	09/01/2003
Kiss Mobile Pty Ltd	29/07/2005	Telcostar Ltd	18/07/2001
Korpcom Australia Pty Ltd	25/07/2002	Telecom Connect Pty Ltd	23/02/2006
LCR Telecom Pty Ltd	22/01/1998	Telecom International Group	24/03/2005
Lifeline Telecommunications Pty Ltd	18/07/2001	Telecom One Pty Ltd	06/05/2005
Light Technologies Pty Ltd	04/07/2002	Telecorp Limited	08/01/2003
Lime Telecom Pty Ltd	30/08/2004	TeleOne Services Pty Ltd	21/03/2002
		Telesaver Pty Ltd	07/09/1997
		Telkom Pty Ltd	09/08/2004

Telstra Corporation	01/07/1997
Tenex Pty Ltd	19/06/1998
Time Telecom Pty Ltd	05/09/2005
Times Telecom (Australia) Pty Ltd	21/10/2003
Tritel Australia Pty Ltd	22/09/1999
Tritel Telecommunications Pty Ltd	31/03/2006
True Telecom Pty Ltd	03/03/2003
Unidial Prepaid Communications Pty Ltd	26/11/2002
Unison Mobile Services Pty Ltd	26/08/2004
United Customer Management Solutions Pty Ltd	01/07/1997
United Wholesale Communications Pty Ltd	01/12/2003
Universal One Communication Pty Ltd	12/12/2002
Upgrade Technology Pty Ltd	08/09/2003
Valaiti Pty Ltd	09/05/2005
Viatel Communications Pty Ltd	26/04/2006
Virgin Mobile (Australia) Pty Ltd	11/09/2000
Vodafone Australia Limited	01/07/1997
Voicetalk Pty Ltd	18/05/2005
Voicetek Pty Ltd	03/12/2001
VOIP Networks Pty Ltd	01/02/2005
Voise Pty Ltd	04/07/2005
VRoam Australia Pty Ltd	23/12/2002
Welcome Telecom Pty Ltd	04/07/2005
Western Communication Solutions Pty Ltd	14/10/1997
Widetalk Pty Ltd	13/02/2002
World Tel (Aust) Pty Ltd	19/04/2005
World Telecom Pty Ltd	10/07/2003
WorldPacific Communications Pty Ltd	06/01/2000
Xirion (Australia) Pty Ltd	25/07/2005
Your Telecom Pty Limited	19/02/2001
Zintel Communications (Australia) Pty Ltd	05/12/2003
Zoo Telecom Pty Ltd	05/02/2003

Total	1170
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Financial Report

Telecommunications Industry
Ombudsman Limited

ABN 46 057 634 787

Annual Report
for the year ended 30 June 2006

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Directors' Report

Your directors present their report of Telecommunications Industry Ombudsman Ltd (the TIO) for the year ended 30 June 2006.

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:

M C Lawrey
T C Hill

Two (2) directors appointed by Optus:

J A Bedogni, 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:

R Doyle

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

M R Graubner

Independent Director:

J M Harvey

Changes to Board composition are summarised in note 15 to the financial statements.

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

Name of Director	Date of Appointment	Date of Resignation
J Rohan	01 August 2001	Continuing
M Davidson	18 January 2002	Continuing
G Smith	4 March 2002	Continuing
T Hill	30 October 2002	Continuing
J Harvey	7 April 2003	Continuing
M Lawrey	10 October 2003	Continuing
M Graubner	4 December 2003	Continuing
R Doyle	13 December 2003	Continuing
A Bedogni	3 March 2005	Continuing (resigned wef 01/09/2006)

Operating Results

The TIO recorded an operating surplus for the year of \$13,635 (2004-2005, \$167,283). The TIO's total revenue and expenditure has increased in line with the Scheme's complaint load. The results for the year ended 30 June 2006 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
2003-2004	\$6,571,174	\$6,423,765	\$147,409
2004-2005	\$7,477,664	\$7,310,381	\$167,283
2005-2006	\$8,269,134	\$8,255,499	\$13,635

Due to the surplus, members' funds were increased from \$1,038,013 at the start of the financial year to \$1,051,648 at the end of 2005-2006.

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 2009.

Review of Operations

• Long Term Growth

Complaint numbers have increased indicating a return to the underlying trend of increase which was clear before the large fluctuation caused by the demise of One.Tel.

Overall contacts for 1994-95 to 2005-2006 are presented below. Contacts include enquiries and complaints.

Year	Total Contacts	% 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
2003-2004	75,904	4
2004-2005	97,798	29
2005-2006	107,601	10

• Debt Recovery

Bad debts of \$24,164 (GST inclusive) were written-off during the financial year. The provision for bad debts was decreased to \$39,033 (GST inclusive) 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 met in eight of the months and averaged 78.7%. This was due to staffing pressures associated with the consistent increase in complaint numbers. Average resolution times were 79 days for Level 2 complaints, 108 days for Level 3 complaints and 164 days for Level 4 complaints (target 90 days). Action has been taken to recruit and train additional staff.

• Industry Development

During 2005-2006 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 in rural and regional Australia, youth, people with disabilities and small business as targeted demographics.

• Governance

The Board concentrated on maintaining the financial stability of the TIO throughout the year. It progressed a number of changes to the Constitution, largely in the area of jurisdiction.

• Establishment of a financial reserve

The Board ensured that the financial reserve continued to accumulate during 2005-2006 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 total level of the reserve at 30 June 2006 was \$642,270.

• Fee Increases

There were no increases to fees for 2005-2006. However, the Board has increased the price of Level 1 complaints and Enquiries from \$27.50 to \$33, Level 2 complaints from \$220 to \$242, Level 4 complaints from \$1320 to \$1650 and Reviews from \$495 to \$550 (all prices GST inclusive), effective from 1 July 2006.

• Membership

The *Telecommunications Act* 1997 requires all carriers and eligible carriage service providers to be members of the TIO and comply with the Constitution and Memorandum and Articles of Association of the Scheme. Eligible carriage service providers are those which supply:

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

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

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

The total number of members increased from 1135 at 30 June 2005 to 1170 at 30 June 2006. 193 new members joined the scheme and 158 members departed the scheme.

• Staffing

As at 30 June 2006, the TIO employed 93 staff, with 15 of these being part-time employees (as at 30 June 2005, the TIO employed 75 staff, 16 of these being part-time).

Principal Activities

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

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 2006.

Matters Subsequent to the End of the Financial Year

• Fees

The following funding principles 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;
- 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; and
- c) no provider is charged a fee for the first one (1) Level 2 complaint it receives in any given quarter.

Directors' Report (continued)

Except for the matters noted above, at the date of this report no matter or circumstance has arisen since 30 June 2006 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 small increase in complaint numbers in 2006-2007 based on past trends.

Environmental Regulations

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

Information on Directors

Director	Experience	Responsibility
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
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
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 and subsequently for A Bedogni from 4 March 2002
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
J M Harvey, BCom, MBA, FCA, FAICD	Directorships include: Bayside Health, IOOF Holdings Ltd, Rural Finance Corporation, Royal Flying Doctor Service (Vic), Boom Logistics Ltd and Legal Services Board.	Director from 7 April 2003
M C Lawrey	Head of Network Services, Telstra.	Director from 10 October 2003
M R Graubner	General Manager, Convergent ComCo Pty Ltd	Director from 4 December 2003
R Doyle	Managing Director, Us Telecom Pty Ltd. Formerly CEO, Concert Telecom Pty Ltd.	Director from 13 December 2003
A Bedogni BTP, MPhil(Hons),MBA	General Manager - Regulatory Compliance and Self Regulation, SingTel Optus. Andrew joined Optus in 1992 from the Australian Telecommunications Authority (AUSTEL). Andrew has previously served as a member of the TIO Council.	Director from 3 March 2005

Information on Company Secretary

Company Secretary	Experience	Responsibility
P J Carruthers BA, MBA, MComLaw, MAICD	Phillip has worked in similar roles with VicRoads and CSIRO and previously served as an officer in the Australian Army. Phillip also serves on the boards of Table Tennis Australia and Table Tennis Victoria.	Company Secretary from 5 March 2001

Meetings of Directors

The numbers of meetings of the company's directors (excluding meetings of committees of directors) held during the year ended 30 June 2006, and the numbers of meetings attended by each director were:

	Number Eligible to Attend	Number Attended
Number of meetings held: 9		
Number of meetings attended by:		
J F Rohan	9	9
M K Davidson	9	4
M C Lawrey	9	9
M R Graubner	9	7
T C Hill	9	8
G R Smith (As Alternate for A Bedogni)	1	1
R Doyle	9	9
J M Harvey	9	9
J A Bedogni	9	8

Directors' Benefits

During the year, director's fees of \$34,069 were paid to Jane Harvey for her term as the independent director.

Except for that noted above, since 30 June 2006, 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 2006 or at any other time) with:

- a) the TIO, or
- b) 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.

Insurance of Officers

During the financial year, the TIO paid a premium of \$13,211 (GST inclusive) to insure certain officers of the company.

The officers of the company covered by the insurance policy included all directors as listed in this report, Council members, the Ombudsman, Deputy Ombudsman and Business Manager/ Company Secretary.

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.

Directors' Report (continued)

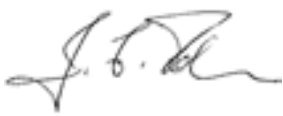
Auditors

RSM Bird Cameron remains the TIO auditors.

Auditor Independence

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

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



J F Rohan
Director



J M Harvey
Director

Melbourne
31 August 2006

RSM Bird Cameron Partners Chartered Accountants

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525 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 3 9286 1800 F +61 3 9286 1999
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead audit partner for the audit of the financial statements of the Telecommunications Industry Ombudsman Limited for the financial year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM BIRD CAMERON PARTNERS
Chartered Accountants



R B MIANO
Partner

31 August 2006
Melbourne

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Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



Income Statements

for the year ended 30 June 2006

	Notes	2006 \$	2005 \$
Revenue from continuing operations	2	8,269,134	7,477,664
Total revenue from continuing operations		8,269,134	7,477,664
Expenses			
Communications and IT costs		522,766	633,882
Consulting fees		143,383	1,200
Depreciation and amortisation expenses	3	131,984	95,807
Employee benefits expense		6,208,318	5,328,104
Marketing expenses		270,727	203,367
Rent expense		405,498	401,584
Travel expenses		174,573	159,489
Other expenses	3	398,250	486,948
Total expenses		8,255,499	7,310,381
Surplus for the year	10	13,635	167,283

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

Balance Sheets

as at 30 June 2006

	Notes	2006 \$	2005 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,234,774	1,918,486
Trade and Other Receivables	5	18,373	40,167
Prepayments		64,516	77,515
Total Current Assets		2,317,663	2,036,168
Non – Current Assets			
Plant and Equipment	6	527,707	617,930
Total Non – Current Assets		527,707	617,930
Total Assets		2,845,370	2,654,098
LIABILITIES			
Current Liabilities			
Trade and Other Payables	7	1,017,827	1,102,402
Lease Liabilities	13	117,087	51,972
Provisions	8	394,301	260,227
Total Current Liabilities		1,529,215	1,414,601
Non – Current Liabilities			
Lease Liabilities	13	173,195	120,428
Provisions	8	91,312	81,056
Total Non – Current Liabilities		264,507	201,484
Total Liabilities		1,793,722	1,616,085
Net Assets		1,051,648	1,038,013
Members' Funds			
Accumulated Surplus	10	1,051,648	1,038,013
Total Members' Funds		1,051,648	1,038,013

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

Statements of Changes in Equity

for the year ended 30 June 2006

	Notes	2006 \$	2005 \$
Total members funds at the beginning of the financial year		1,038,013	870,730
Surplus for the year		13,635	167,283
Total members funds at the end of the financial year	10	1,051,648	1,038,013

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statements

for the year ended 30 June 2006

	Notes	2006 \$	2005 \$
Cash Flows from Operating Activities			
Receipts from members		8,194,013	7,403,620
Payments to suppliers and employees		(8,022,545)	(6,423,519)
Borrowing costs		(29,969)	(3,169)
		141,499	976,932
Interest received		98,668	79,613
Net cash inflow from operating activities	16	240,167	1,056,545
Cash Flows from Investing Activities			
Payments for plant and equipment		(41,761)	(653,871)
Proceeds from sale of plant and equipment		205,637	181,175
Net cash inflow from investing activities		163,876	(472,696)
Cash Flows from Financing Activities			
Repayment of lease liabilities		(87,755)	(8,122)
Net cash outflow from financing activities		(87,755)	(8,122)
Net Increase in Cash Held		316,288	575,727
Cash at the beginning of the financial year		1,918,486	1,342,759
Cash at the End of the Financial Year	4	2,234,774	1,918,486

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

NOTE 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRSs

Australian Accounting Standards include AIFRSs. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs).

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the first financial statements to be prepared in accordance with AIFRSs. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing these financial statements.

Financial statements until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing 2006 financial statements, management has amended certain disclosure and presentation requirements in the AGAAP financial statements to comply with AIFRS.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS's on the Company's equity and its net income are given in note 17.

These financial statements are prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

(b) Income Tax

The company is exempt from income tax under Item 2.1 of Section 50-10 of the *Income Tax Assessment Act 1997*. The TIO has been notified of its continuing tax-exempt status up to 30 June 2009 by the ATO.

(c) 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.

(d) Revenue Recognition

Volume and overhead billing fees are charged to members for complaint resolution services. Invoices are raised at the commencement of each quarter by reconciling actual compliant numbers against estimates for the following quarter. Revenue is raised monthly based on the level of complaints received.

(e) Receivables

Amounts due from members are recognised as amounts receivable.

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

(f) Depreciation of 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;
Leasehold Improvements	7 years; and
Plant and equipment	3-5 years.

The TIO considered impairment of assets and no adjustment was deemed necessary.

(g) Leasehold Improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the company, whichever is the shorter.

(h) Leased Non-Current Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental 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 capitalised at the inception of the lease and subsequently valued in the accounts at the lower of the fair value or present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The leased 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 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 income statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

NOTE 1 Summary of Significant Accounting Policies *continued*

(i) Trade and Other Creditors

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

(j) Amounts Due to Members

Amounts due to members represent 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.

(k) Maintenance and Repairs

Maintenance and repair costs are charged as expenses as incurred.

(l) Employee Benefits

(i) Wages, Salaries and Annual Leave

Provision is made for wages, salaries and annual leave estimated at the amounts expected to be paid when the liabilities are settled. Consideration is given to expected future wage and salary levels. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the expected future cash flows.

(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.

(m) Borrowing Costs

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

(n) Cash and Cash Equivalents

For the purpose of the cash flow statements, cash includes deposits at 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.

(o) Critical Accounting Estimates and Judgements

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

NOTE 2 Revenue

	2006 \$	2005 \$
Revenue from Continuing Operations		
Volume and overhead billing fees	8,170,466	7,397,398
Other Revenue		
Proceeds from sale of property, plant and equipment	-	653
Interest received	98,668	79,613
Total Revenue	8,269,134	7,477,664

NOTE 3 Expenses

	2006 \$	2005 \$
The surplus from operating activities includes the following net gains and expenses:		
Gains		
Profit (loss) on sale or write-off of plant and equipment	-	(730)
Expenses		
Depreciation		
Plant and equipment	35,006	21,946
Furniture, fittings and leasehold improvements	42,143	50,363
	77,149	72,309
Amortisation		
Leasehold improvements under finance lease	54,835	23,498
	54,835	23,498
Total Depreciation and Amortisation	131,984	95,807
Other expenses subject to specific disclosure		
Finance costs		
Finance charges on finance leases	29,969	3,169
Other charges against assets		
Bad and doubtful debts - trade debtors	(23,713)	46,920
Other provisions		
Employee entitlements	144,328	76,162
Rental related to operating leases		
Lease payments – Rent, Communications and IT and Other	544,840	660,821

NOTE 4 Cash and Cash Equivalents

	2006 \$	2005 \$
Cash at bank and on hand	287,092	200,818
Deposits at call	1,947,682	1,717,668
	2,234,774	1,918,486

Deposits at Call

The deposits are bearing floating interest rates between 4.75% and 5.10% (2005: 4.20% and 4.80%).
Deposits at call includes a cash reserve of \$642,270.

NOTE 5 Trade and Other Receivables

	2006 \$	2005 \$
Amounts due from members	42,951	112,177
Less: Provision for doubtful debts	(35,484)	(81,164)
Other Receivables	-	-
Interest Receivable	10,906	9,154
	18,373	40,167

NOTE 6 Plant and Equipment

	2006 \$	2005 \$
Plant and equipment		
Plant and equipment - at cost	166,089	161,458
Less: Accumulated depreciation	(115,701)	(85,245)
	50,388	76,213
Total plant and equipment	50,388	76,213
Furniture and fittings		
Furniture and fittings - at cost	768,832	760,170
Less: Accumulated depreciation	(738,385)	(722,537)
	30,447	37,633
Leasehold improvements - at cost	192,099	373,819
Less: Accumulated depreciation	(48,186)	(26,759)
	143,913	347,060
Leasehold improvements under finance lease - at cost	386,159	180,522
Less: Accumulated amortisation	(83,200)	(23,498)
	302,959	157,024
Total Furniture and fittings	477,319	541,717
Total Plant and Equipment	527,707	617,930

NOTE 6 Plant and Equipment (continued)

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 \$	Leasehold improvements under finance lease \$	Total \$
Carrying amount at 1 July 2005	76,213	37,633	347,060	157,024	617,930
Acquisitions	9,181	8,663	23,917	-	41,761
Sale & Leaseback	-	-	(205,637)	205,637	-
Net book amount of disposals	-	-	-	-	-
Depreciation/ amortisation transferred	-	-	4,867	(4,867)	-
Depreciation /amortisation	(35,006)	(15,849)	(26,294)	(54,835)	(131,984)
Carrying amount at 30 June 2006	50,388	30,447	143,913	302,959	527,707

NOTE 7 Current Liabilities – Trade Creditors and Other Payables

	2006 \$	2005 \$
Amounts due to members	184,206	378,375
Trade creditors	207,074	150,501
Other creditors	626,547	573,526
	1,017,827	1,102,402

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 11.80%.

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

NOTE 8 Provisions

	2006 \$	2005 \$
Current Liability		
Provision for Annual Leave	248,373	200,442
Provision for Long Service leave	145,928	59,783
	394,301	260,227
Non-Current Liability		
Provision for Long Service Leave	91,312	81,056

NOTE 9 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 the carrying amount, net of any provisions for doubtful debts.

(b) Interest Rate Risk Exposures

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

		Fixed interest maturing in:				
		Floating interest rate	1 year or less	over 1 to 5 years	Non-interest bearing	Total
2006	Notes	\$	\$	\$	\$	\$
Financial assets						
Cash assets	4	2,234,774	-	-	-	2,234,774
Receivables	5	-	-	-	18,373	18,373
		2,234,774	-	-	18,373	2,253,147
Weighted average interest rate		4.96%				
Financial liabilities	9,13	-	117,087	173,195	-	290,282
Payables	7	-	-	-	1,017,827	1,017,827
		-	117,087	173,195	1,017,827	1,308,109
Average interest rate			7.9%	7.9%		
Net financial assets (liabilities)		2,234,774	(117,087)	(173,195)	(999,454)	945,038

		Fixed interest maturing in:				
		Floating interest rate	1 year or less	over 1 to 5 years	Non-interest bearing	Total
2005	Notes	\$	\$	\$	\$	\$
Financial assets						
Cash assets	4	1,918,486	-	-	-	1,918,486
Receivables	5	-	-	-	40,167	40,167
		1,918,486	-	-	40,167	1,958,653
Average interest rate		3.75%				
Financial liabilities	9,13	-	51,972	120,428	-	172,400
Payables	7	-	-	-	1,102,402	1,102,402
		-	51,972	120,428	1,102,402	1,274,802
Average interest rate		-	7.7%	7.7%		
Net financial assets (liabilities)		1,918,486	(51,972)	(120,428)	(1,062,235)	683,851

NOTE 9 Financial Instruments (continued)

(b) Interest Rate Risk Exposures (Cont.)

Reconciliation of Net Financial Assets to Net Assets

	Notes	2006 \$	2005 \$
Net financial assets as above		945,038	683,851
Non financial assets and liabilities:			
Property, plant and equipment	6	527,707	617,930
Prepayments		64,516	77,515
Provisions		(485,613)	(341,283)
Net assets per statement of financial position		1,015,648	1,038,013

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

	Carrying amount \$	2006 Net Fair Value \$	Carrying amount \$	2005 Net Fair Value \$
Recognised financial instruments				
Financial assets				
Cash Assets	287,092	287,092	200,818	200,818
Deposits	1,947,682	1,947,682	1,717,668	1,717,668
Receivables	18,373	18,373	40,167	40,167
	2,253,147	2,253,147	1,958,653	1,958,653
Financial liabilities				
Payables	1,017,827	1,017,827	1,102,402	1,102,402
Lease liabilities	290,282	290,282	172,400	172,400
Non-traded financial liabilities	1,308,109	1,308,109	1,274,802	1,274,802

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.

NOTE 10 Accumulated Surplus

	2006 \$	2005 \$
Accumulated Surplus at the beginning of the financial year	1,038,013	870,730
Surplus for the year	13,635	167,283
Accumulated Surplus at the end of the financial year	1,051,648	1,038,013

NOTE 11 Key Management Personnel Disclosure

(a) Directors

The following persons were directors of TIO during the financial year:

Name of Director	Date of Appointment	Date of Resignation
J Rohan	1 August 2001	Continuing
J Harvey	7 April 2003	Continuing
M Davidson	18 January 2002	Continuing
G Smith	4 March 2002	Continuing
T Hill	30 October 2002	Continuing
M Graubner	4 December 2003	Continuing
R Doyle	13 December 2003	Continuing
A Bedogni	3 March 2005	Continuing (Resigned wef 01/09/2006)
M Lawrey	10 October 2003	Continuing
		Directors of Entity
		2006 2005
		\$ \$

Income paid or payable, or otherwise made available, to directors in the company in connection with the management of the affairs of the company.

34,069 33,206

(b) Other Key Management Personnel

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

Name	Position	Employer
J Pinnock	Ombudsman	Telecommunication Industry Ombudsman Limited
S Cleary (appointed Feb 06)	Deputy Ombudsman	Telecommunication Industry Ombudsman Limited
V Marles (resigned Nov 05)	Deputy Ombudsman	Telecommunication Industry Ombudsman Limited
P Carruthers	Company Secretary/ Business Manager	Telecommunication Industry Ombudsman Limited
T Staley	Chair of Council	Telecommunication Industry Ombudsman Limited
C Newell	Member of Council	Telecommunication Industry Ombudsman Limited
P Marsh	Member of Council	Telecommunication Industry Ombudsman Limited
S Cleary (resigned 9 Dec 05)	Member of Council	Telecommunication Industry Ombudsman Limited
W Warburton (commenced 5 Apr 06)	Member of Council	Telecommunication Industry Ombudsman Limited
E Beale (commenced 7 Dec 05)	Member of Council	Telecommunication Industry Ombudsman Limited
M Pincott	Member of Council	Telecommunication Industry Ombudsman Limited
A Stewart (ceased 6 Dec 05)	Member of Council	Telecommunication Industry Ombudsman Limited
N Mounsher	Member of Council	Telecommunication Industry Ombudsman Limited
R Ziino	Member of Council	Telecommunication Industry Ombudsman Limited
T Bean (commenced 14 Feb 06)	Member of Council	Telecommunication Industry Ombudsman Limited
R Wheeler	Member of Council	Telecommunication Industry Ombudsman Limited
K Fox (ceased 13 Feb 06)	Member of Council	Telecommunication Industry Ombudsman Limited
P Mahony (ceased 13 Feb 06)	Member of Council	Telecommunication Industry Ombudsman Limited
R Young (commenced 14 Feb 06)	Member of Council	Telecommunication Industry Ombudsman Limited

NOTE 11 Key Management Personnel Disclosure (continued)

(c) Key Management Personnel Compensation

	2006 \$	2005 \$
Short term employee benefits	748,479	786,409

NOTE 12 Remuneration of Auditors

	2006 \$	2005 \$
Remuneration for audit of the financial reports of the company	20,400	19,795
Remuneration for other services	10,163	10,400

NOTE 13 Borrowings Note

	2006 \$	2005 \$
Finance Leases		
Commitments in relation to finance leases are payable as follows:		
Not later than one year	142,713	67,747
Later than one year but not later than 5 years	186,017	133,228
Minimum lease payments	328,730	200,975
Less: Future finance charges	38,448	28,575
Total lease liabilities	290,282	172,400
Representing lease liabilities:		
Current	117,087	51,972
Non-current	173,195	120,428
	290,282	172,400

NOTE 14 Commitments for Expenditure

	2006 \$	2005 \$
Lease Commitments:		
Representing:		
Non-cancellable operating leases	1,778,528	2,285,357
Operating Leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	568,988	583,724
Later than one year but not later than 5 years	1,209,540	1,701,634
Later than 5 years	-	-
Commitments not recognised in the financial statements	1,778,528	2,285,357

NOTE 15 Related Parties

Directors

The names of persons who were directors of TIO at any time during the financial year are detailed in note 11.

Transactions with directors and director related entities

J Rohan is a current TIO director nominated by Vodafone Pacific Pty Ltd. TIO invoiced Vodafone Pty Ltd and other related Vodafone entities for \$319,918 during the year in respect of complaint handling fees. Vodafone entities invoiced the TIO for \$1,857 for the provision of telecommunications services during the reporting period.

Two current directors, M Lawrey and T Hill are employees of Telstra Corporation. TIO invoiced Telstra Corporation and Telstra Big Pond for \$2,907,935 and \$604,010 respectively for complaint handling fees incurred during the year. Telstra Corporation invoiced the TIO for \$34,296 for the provision of telecommunications services during the reporting period.

Two current directors, A Bedogni and M Davidson and one alternate director, G Smith, are employees of Singtel Optus Pty Ltd. TIO invoiced Singtel Optus Pty Ltd and related entities for \$1,732,091. Optus entities invoiced the TIO for \$179,093 for the provision of telecommunications services during the reporting period.

One current director, R Doyle, was an employee of Concert Telecom Pty Ltd. TIO invoiced Concert Telecom Pty Ltd for \$2,428 during the year in respect of complaint handling fees.

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

NOTE 16 Reconciliation of Surplus from Ordinary Activities after Income Tax to Net Cash Inflow from Operating Activities

	2006 \$	2005 \$
Surplus from ordinary activities after income tax	13,635	167,283
Depreciation and amortisation	131,984	95,807
Loss/(gain) on disposal of fixed assets	-	730
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	23,547	6,222
Decrease (increase) in other operating assets	11,246	152,276
Increase (decrease) in payables	(84,573)	558,065
Increase in other provisions	144,328	76,162
Net cash inflow from operating activities	240,167	1,056,545

Note 17 Explanation of Transition to Australian Equivalents to International Financial Reporting Standards

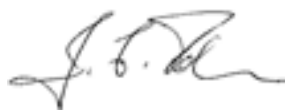
With the introduction of Australian Equivalents to the International Financial Reporting Standards, there has been no adjustment required to the Net Surplus for the comparative year ended 30 June 2005 or the Total Equity at that date, reported under Australian Generally Accepted Accounting Principles (GAAP).

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 29 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; 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
Melbourne
31 August 2006



J M Harvey
Director

RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDIT REPORT

To the members of the Telecommunications Industry Ombudsman Limited

Scope

We have audited the financial report of the Telecommunications Industry Ombudsman Limited for the financial year ended 30 June 2006, comprising the attached Income Statements, Balance Sheets, Statements of Changes in Equity, Cash Flow Statements, 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.

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



INDEPENDENT AUDIT REPORT (CONT.)

To the members of the Telecommunications Industry Ombudsman Limited (Cont.)

Audit Opinion

In our opinion, the financial report of the 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 2006 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
Chartered Accountants



R B MIANO
Partner

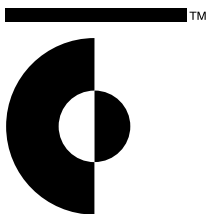
31 August, 2006
Melbourne

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Telecommunications
Industry Ombudsman

**Telecommunications Industry
Ombudsman Limited ACN 057 634 787**

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