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Year at a Glance

The TIO handled 75,904 contacts in 2003/04 – a 4.3% increase on last year's total of 72,771.

Total contacts included 16,054 out of jurisdiction enquiries and 59,850 complaints.

The 59,850 complaints investigated in 2003/04 were 7.8% more than the 55,515 complaints investigated last year.

A single complaint may contain more than one complaint issue. In 2003/04 the TIO recorded 68,020 complaint issues, up from 62,670 last year.

53.2% of complaint issues handled by the TIO were about landline services, 31.6% were about mobile services and 15.3% were about internet services.

89.7% of complaints were resolved at Level 1, compared with 88.6% last year.

Where did they come from?

91.7% of complaints were made by residential consumers, 7.5% were made by small businesses and 0.9% were made by government bodies or charities.

56% of complainants were men.

87.6% of complaints were lodged by telephone, 8.0% were lodged by email, 3.1% were submitted in writing and 1.1% were sent by fax.

Our Members

The TIO has 1,043 Members up from 910 last year.

234 new Members joined the TIO Scheme in 2003/04 and 101 Members departed.

The vast majority of Members, 85.5%, paid nothing to the TIO during 2003/04. Only 151 Members (14.5%) were charged for complaints.

Areas of Note

62.0% of complaints were resolved partially or substantially in favour of the complainant, 21.5% were resolved partially or substantially in favour of the Member.

Credit control complaints across landline, mobile and internet categories rose by 28.1%, 50.2% and 75.0% respectively.

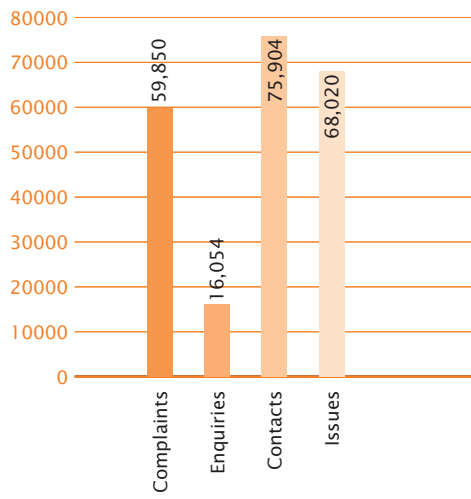
Complaints about mobile services showed the greatest increase of all the technology areas, rising from 16,773 last year to 21,465 this year.

Mobile-related fault complaints rose by 80.0% on 2002/03, with an additional 1,641 complaints; and complaints about landline faults increased by 21.6% from last year, with an additional 654 complaints. The surge in mobile complaints was partly due to an extension of the TIO's Constitution in late 2002, which allowed it to investigate mobile handset faults.

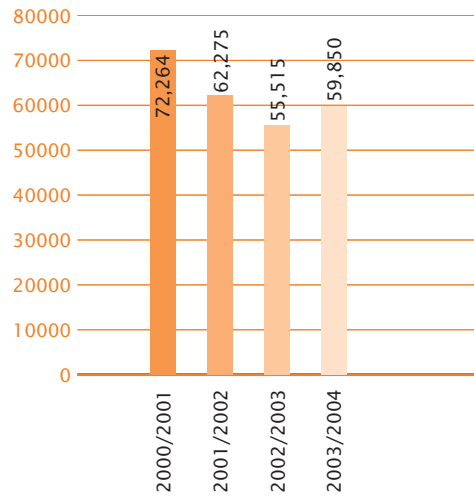
Complaints about mobile contracts increased by 37.3% from 2002/03, an increase of 1,555.

Complaints about internet provisioning more than doubled from 519 to 1,340. 82.3% were about the provisioning of ADSL services, which reflects the growing move to broadband.

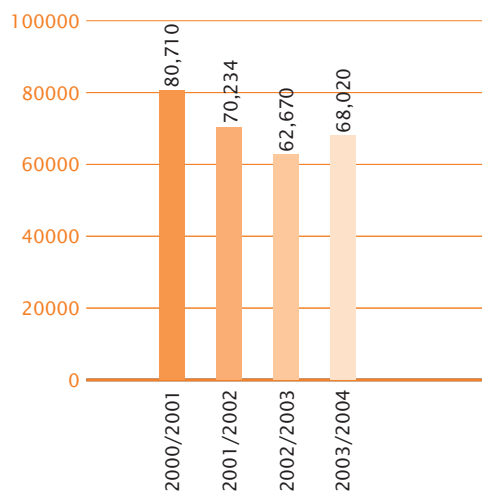
Total Enquiries, Complaints and Complaint Issues 2003/2004



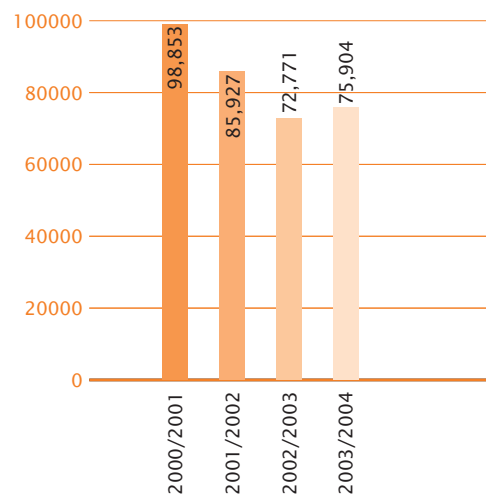
Total Complaints Since 2000/01



Total Complaint Issues Since 2000/01

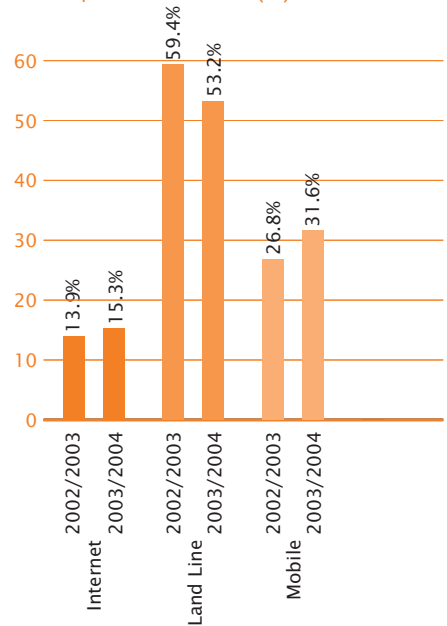


Total Contacts Since 2000/01

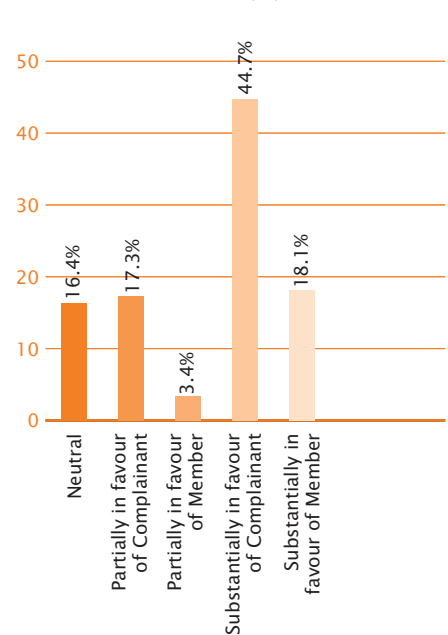


Year at a Glance

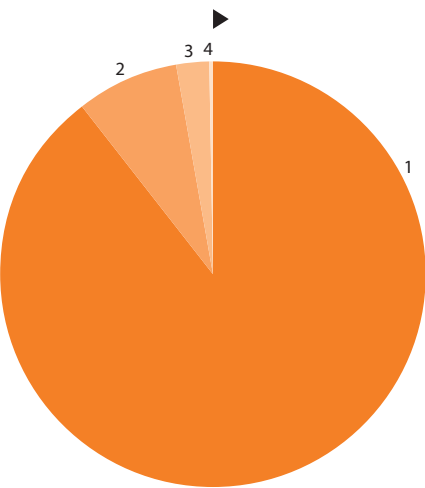
Complaint Breakdown (%)



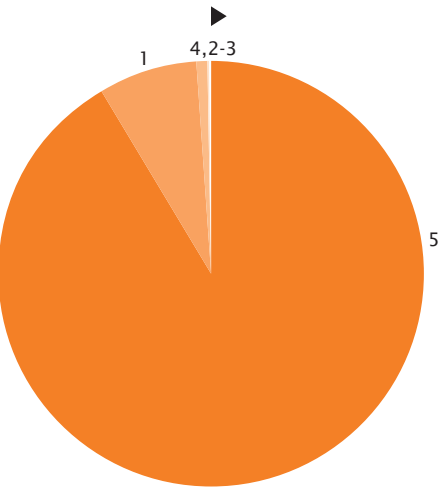
Complaint Outcomes (%)



Complaint Mix (%)



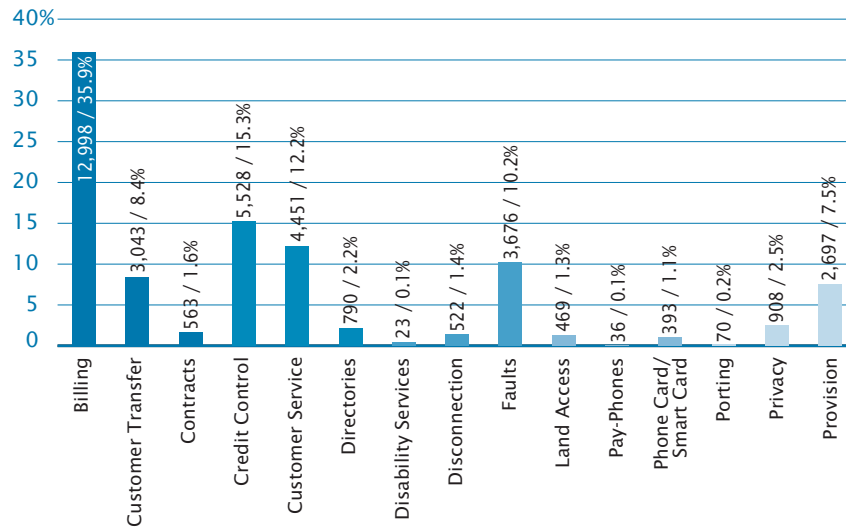
Complaint Type (%)



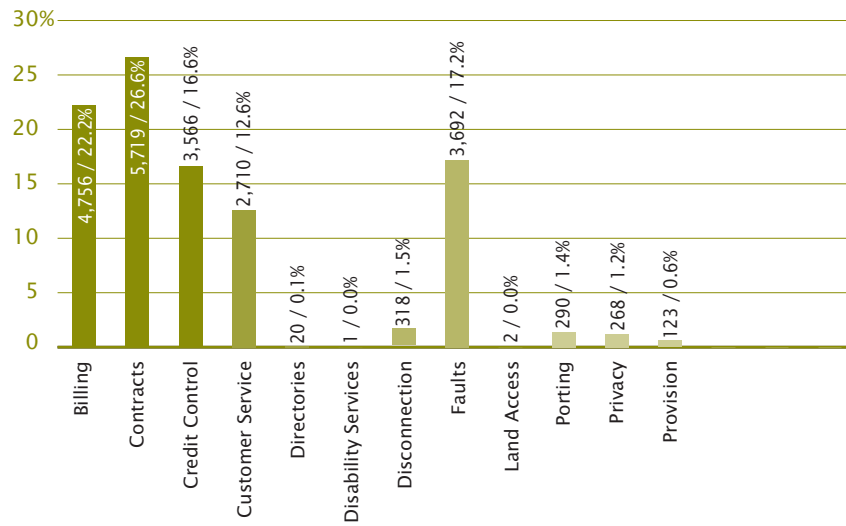
Type	Total	%
Level 1	53,665	89.7
Level 2	4,650	7.8
Level 3	1,494	2.5
Level 4	41	0.1
Total	59,850	100.0

1 July 2003 to 30 June 2004	
1. Business	7.5%
2. Charity	0.1%
3. Community	0.1%
4. Government	0.7%
5. Residential	91.7%

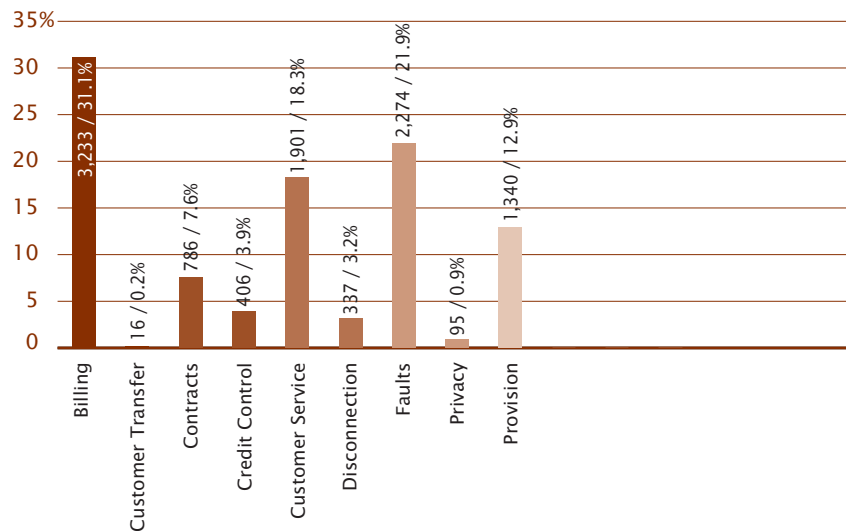
Landline Issues



Mobile Issues



Internet Issues



Statement by the Chairman of the Board

The TIO has made significant progress in the past twelve months.

In addition to fulfilling its primary aim of complaint resolution, the Scheme has taken a number of steps that reflect sound practice in corporate governance. In particular it has established a financial reserve that provides a prudent insurance level against short-term cash fluctuations and is about to issue a detailed Business Continuity Plan. With input from Council and the Board, a responsible budget has been produced for the coming year.

At 30 June 2004, there were 1,043 Members of the Scheme, with 234 new Members having joined during the year and 101 Members having departed.

There have been a number of changes to the Board during the year as a result of elections for the medium/small carriage service provider positions, and of Board members either changing positions within their organisations or moving on to new opportunities.

The Board welcomed to its ranks:

- Michael Lawrey from Telstra;
- Rohan Doyle from Concert Telecom Pty Ltd, representing medium and small carriage service providers, and;
- Mark Graubner from Leading Edge Internet Pty Ltd, representing ISPs.

Departing the Board, after having made significant contributions, were:

- David Havyatt of AAPT Ltd;
- Robert Manson of Impaq Australia Pty Ltd and;
- Gus Barda of Telstra.

Mr John Rohan
Chairman of the Board



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



Mr Rohan Doyle
Chief Executive Officer,
Concert Telecom



Mr Mark Graubner
General Manager,
Leading Edge Internet



All three made positive contributions to the Board and the TIO, and in particular the Board recognises the five years of service by David Havyatt.

The TIO returned a surplus of \$147,409 for the year, which contributed towards the financial reserve.

The financial reserve, which was initiated in the previous year, accumulated to \$585,451 by the close of the year. The reserve will be instrumental in protecting the TIO from fluctuations in cash flow, which in turn will protect members from unforecast demands for funding.

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

Importantly, all the members of the TIO must be thanked and commended for their cooperation in the TIO Scheme and I look forward to their continued participation in this vital element of the industry.



John Rohan
Chairman of the Board

Ms Jane Harvey
Independent Director



Mr Trevor Hill
Group Manager,
Consumer & Compliance,
Legal and Regulatory,
Telstra



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



Mr David McCulloch
General Manager
Government Affairs, Optus



Statement by the Chairman of Council

Financial Year 2003/04 has been a demanding and complex one for the TIO Council.

Key issues have emerged or developed which go to the heart of the Scheme. In particular, the role of the TIO and the degree to which the Scheme should take proactive action to protect consumers have been considered.

This year, the number of complaints rose marginally to 59,850 after two years of decline following the rapid increase in the year One.Tel collapsed.

The Council addressed the following important issues this year:

- systemic complaints;
- the regulation of premium rate services;
- the acceptance of powers under industry Codes of Practice;
- the establishment of Position Statements about unlimited credit and overcommitment, and unfair contract terms;

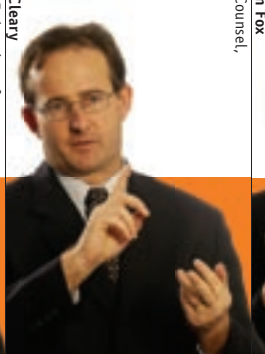
- the jurisdiction of the TIO relating to pay-TV;
- Members' obligations to publicise the TIO to their customers;
- revisions to the Council Election Policy and Code of Conduct;
- an audit of the investigations process;
- the TIO's public awareness strategy; and
- the publication of TIO determinations and directions.

The Council thanks departing Council members Andrew Bedogni and Ewan Brown. Andrew and Ewan have made enormous contributions to the TIO over many years; Ewan from the inception of the Scheme. Both have been outstanding supporters of the Scheme who have had a significant impact on its direction and capacity. Mark Russell also departed the Council late in the reporting year. Priscilla Mahoney from Optus has joined the Council to replace Andrew Bedogni.

The Hon. Tony Staley
Chairman of Council



Mr Simon Cleary
Consumers Federation of
Australia/Legal Aid
Queensland



Ms Kathryn Fox
Corporate Counsel,
Vodafone



Mr Gordon Frend
National Farmers Federation



As always, the Council thanks the Ombudsman, John Pinnock, Deputy Ombudsman Victoria Marles, Company Secretary and Business Manager Phillip Carruthers and the staff of the TIO who continue to provide an outstanding service to consumers and industry.

The Council looks forward to the challenges of 2004/05 with enthusiasm.



The Hon. Tony Staley
Chairman of Council

These Councillors were unavailable for this year's photo shoot
Pictured right, top to bottom

Mr Andrew Bedogni
General Manager Regulatory Affairs,
Optus

Mr Ewan Brown
Executive Director,
The Small Enterprise
Telecommunications Centre Ltd

Ms Pam Marsh
Consumers' Telecommunications
Network

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



Ms Priscilla Mahoney
National Support Services Manager,
Optus



Mr Neil Mounsher
Group Manager
TIO Policy and Liaison,
Telstra



The Rev Dr Christopher Newell AM
Australian Federation of
Disability Organisations



Ms Robin Zizzo
Elected Member Representative,
AAPT Ltd



Ombudsman's Overview

From the TIO's perspective, the past year marked the beginning of a new stage, if not a watershed, in the development of the telecommunications industry.

As I noted in the last *Annual Report*, continuing technological changes and the adoption of new applications are now clearly driving the convergence of industries and blurring the accepted distinction between carriage and content. The Government's decision to merge the Australian Broadcasting and Communications Authorities signals the reality of convergence, even if the detail and future directions of this reality are still unclear.

For the TIO, the challenge is to remain relevant for consumers. This means the Scheme must maintain and increase the adequacy of consumer protection in the face of new ways of communicating and new products, services and applications.

The current bundling of products and services can be seen as merely a precursor of likely future aspects of convergence. So, it is imperative that the TIO Scheme deals with issues already confronting it.

Here, the principal issue is the TIO's current lack of jurisdiction to handle complaints by subscription television (pay-TV) viewers relating to billing, credit management, fault repair and the provisioning of new services and the like, particularly where this service is part of a bundle, as it usually is.

With the exception of Telstra, none of the providers of pay-TV has shown any inclination to support this much-needed reform. Indeed, they are vociferous in opposition to any change. This leads to the absurd position that a consumer contracting to receive a bundled service including pay-TV is able to bring a billing dispute concerning any of the other services in the bundle to the TIO, but not a dispute about the billing of the pay-TV service.

For its part, while not indicating active support for the proposal, Telstra has put forward two principles which should be met before consumers would be able to bring complaints to the TIO.

Firstly, any extension of the TIO's role should be on the basis of competitive neutrality, that is all providers of pay-TV should be subject to the TIO's jurisdiction. Currently, all the providers of pay-TV, with the significant exception of Foxtel, are Members of the TIO, because they all provide 'eligible' services. However, for historical reasons the TIO has no jurisdiction over the provision of pay-TV by these Members. Foxtel has not offered to join the TIO.

John Pinnock
Ombudsman



Secondly, there needs to be an appropriate mechanism to deal with any regulatory overlap between the TIO's prospective jurisdiction and the current mechanism for handling complaints.

The TIO Council has adopted these principles and has sought the support of a past Minister and of the Department of Communications Information Technology and the Arts (DCITA), to no avail. So, a recommendation by the Australian Competition and Consumer Commission (ACCC) that the TIO Scheme have jurisdiction over bundled pay-TV complaints has become a victim of a successful lobbying effort by the pay-TV industry.

This is doubly disappointing. It shows a failure of significant players in the industry and Members of the TIO to recognise an important aspect of necessary consumer protection. Perhaps more importantly, there are signs that this stems from a view that the status quo of the TIO should be maintained. If this is the case then it represents a failure of vision for the future of the Scheme.

This 'steady as she goes' approach can be contrasted with the dynamic and forward looking view of the foundation Members of the Scheme, Telecom, Optus and Vodafone and other service providers, as well as the TIO Council and Board, when they unanimously supported expansion of the TIO Scheme in 1997.

In broad terms, the TIO needs to become a 'one-stop-shop' for consumer complaints across a rapidly converging communications industry. Such a reform will not only reduce consumer confusion, it will mean that they will not have to face double or multiple handling of complaints. For the industry, this will mean more efficient and hence cheaper complaint handling.

There will always be debates about the fundamental role of the TIO, but often opposition to changes to the TIO's core function disguises an unwillingness to confront and accept the need for evolutionary development.

Similar concerns have been voiced about the degree to which the TIO should become more proactive in resolving complaints.

The Australian Communications Industry Forum's (ACIF) Consumer Codes are one of the most important underpinnings of the co-regulatory consumer protection regime for the telecommunications industry. Codes have been criticised by consumers and industry for being too complex and prescriptive and for taking too long to develop. There are also concerns about the coverage given by individual Codes to particular issues and whether some are unduly narrow, leading to calls for a single overarching Code.

From the TIO's perspective, however, the key problems are the low sign-up rate and issues of compliance and enforcement.

Just over half of all Consumer Code breach investigations by the TIO in the past year involved non-signatories. This suggests a lack of support for Consumer Codes by the very industry that has developed them. After seven years of work this is a poor result.

Equally troubling is the relatively low rate of Code enforcement, whether in the sense of compliance activity by ACIF or formal regulatory intervention by the regulator. For instance, there is clear evidence of widespread systemic non-compliance with the Complaint Handling Code. There is a major challenge and opportunity for ACIF's Compliance Mark and for the Forum to demonstrate its credentials as a broad-ranging industry association.

In the policy area, the TIO has built on past progress with the continued development over the last twelve months of a variety of Position Statements dealing with unlimited credit, hardship and unfair contract terms, reflecting the impact of these issues on consumers. We have also moved to broaden the reach of the TIO's Systemic Complaint Investigation Procedure (SCIP), asking Council to approve new procedures. These matters are discussed in more detail later in this Report.

Operationally, a significant trend of 2003/04 was the substantial increase in complaints, as a prediction of a modest increase of 2% turned into a surge of almost 8%.

As noted in past *Annual Reports*, the primary driver of demand for the TIO's investigative services is the level of industry activity. This is followed closely by public awareness of the TIO and its role. While movements in levels of public awareness are usually gradual, changes in industry activity can be more volatile, making predictions of demand difficult.

For much of the year, TIO investigators were able to keep pace with the rising level of demand, with the call answering performance, escalation rate and average case resolution times all holding steady. More recently, however, the rate of increase in complaints has affected the TIO's performance, most notably in the call answering benchmark, where service levels have declined for the first time in two years. This trend reflects the fact that a year ago the average call level was 2,000 per week, whereas now it is 2,500 per week. In addition, at 30 June 2004, the TIO had a substantial backlog of cases awaiting investigation.



These problems were exacerbated by an unusually high level of staff turnover in the last quarter of the financial year. Recruitment and training of skilled staff have become a priority for the rest of 2004 as we attempt to return to past performance standards. The importance of this issue will not be lost on TIO Members who themselves have been criticised by the TIO for poor customer service levels.

For the rest of 2004/05, we will ask the TIO Council to review current performance benchmarks with the intention of raising standards for the acknowledgement, actioning and resolution of complaints. This, of course, may have flow-on consequences for TIO Members.

Finally, at the end of a hectic year, I thank TIO Council Members and Board Directors for their continued support for the operations of the office, while grappling with difficult policy and funding issues and achieving a consensus in nearly all instances. Special thanks, however, are due to TIO staff who maintained their commitment and professionalism in the face of increasing demand and new consumer protection issues.



John Pinnock
Ombudsman

Victoria Marles
Deputy Ombudsman



Philip Carruthers
Company Secretary and
Business Manager



TIO Operations – Administration

Funding

From its inception the TIO was conceived as an alternative dispute resolution (ADR) scheme, sponsored and funded by the industry. Apart from the savings to taxpayers this forced TIO Members to recognise that paying for the cost of complaints to an independent Ombudsman was part of a commitment to improved customer service.

The funding mechanism is simple in principle. A Member of the TIO pays for the TIO's investigative services based on the number and relative proportion of total complaints the Member generates each quarter.

Complaints attract a direct fee that varies depending on the level to which they are escalated by the TIO according to published guidelines. These fees are shown in the table below. 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	
	\$
Level 1	27.50
Level 2	220
Level 3	440
Level 4	1,320
Level 4 Land Access	2,640

Enquiries (\$27.50) and Reviews (\$495) 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 has no complaints logged against it, it pays nothing to the TIO. From the perspective of the TIO, the model is based on the principle of demand-driven funding – if complaints rise the TIO can recruit extra investigators to handle those complaints.

Of course, Members are entitled to know the true cost of operating the Scheme, in particular the objective evidence for determining direct case-handling fees.

In the past year, the TIO Board authorised the Ombudsman to conduct a detailed Work Value Study which focused on the cost of Level 2, 3 and 4 Complaints and Reviews. Fees were to be calculated on the following basis:

- the cost of investigative resources;
- the policy that case-handling fees should account for 45% - 50% of total funding; and
- the necessity to continue to accumulate sufficient funds on a quarterly basis to reach a target of a \$500,000 Reserve Fund over a period of 18 months.

The study produced data suggesting the current fees for Level 2 and 3 complaints were marginally understated, while fees for Level 4 complaints and Level 4 land access objections were considerably understated.

After considering the study and the proposed budget for 2004/05 the Board decided to:

- hold fees for Level 1, 2, 3 and 4 complaints at current levels;
- increase the fee for Level 4 land access objections from \$1,320 to \$2,640; and
- increase the overhead component cost of Reviews from \$275 to \$495.

The TIO will continue the policy whereby the first four complaints each quarter are free to Members.

The funding received in financial year 2003/04 is displayed in the following table:

	\$
Level 1	1,291,700
Level 2	930,000
Level 3	597,600
Level 4	49,200
Credits	-76,902
Total Direct Income	2,791,598
Total Indirect Income	3,682,936
Capital Levy	31,225
Special Levy	0
TOTAL	6,505,759

In addition to this service provider funding, the TIO received about \$82,000 of interest, bad debt recovery and other revenue.

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

During 2003/04, only 14.5% of Members (151) of the 1,043 TIO Members were charged for the complaints logged against them. The first four complaints each quarter are free to members and this resulted in members not being charged for 1,997 complaints last year.

Brea Acton
Enquiry Officer



Anthony Beaumont
IT Manager



Governance

The TIO is a company limited by guarantee with a tripartite structure of Board, Council and Ombudsman.

The Board consists of eight Directors – two each appointed by Telstra and Optus, one appointed by Vodafone, one elected by other carriers and carriage service providers, one elected by ISPs and an Independent Director appointed by the Board itself. The primary role of the Board is to ensure that the Scheme is adequately financed by setting global budget funding limits. It also has traditional governance functions and responsibilities under the Corporations Act.

Although appointed or elected by Members, or by the Board itself, Directors have fiduciary duties to the TIO and are required to act in its best interests.

Council consists of equal numbers of representatives of Members of the Scheme and of public interest or user groups, presided over by an independent Chairman appointed by the Board in consultation with the Council and with the Federal Ministers responsible for communications and consumer affairs policy. Council's primary role is to set the strategic policy of the Scheme and to provide general advice to the Ombudsman.

The Ombudsman has complete independence in deciding whether to investigate a complaint and in determining the outcome of a complaint. Neither the Council nor the Board can reconsider a decision by the Ombudsman.

As a guarantee of his independence, the Ombudsman is appointed, and can only be removed from office, on the recommendation of Council.

While there has never been a question about the Ombudsman's independence in complaint handling, the division of functions outlined here has not always worked seamlessly in recent times.

Firstly, the specific roles reserved to the Council obscure the fact that there are important points of intersection. Thus, the Council has a role in approving and recommending to the Board detailed budgets prepared by the Ombudsman. The Board, for its part, can set global limits but cannot direct the Ombudsman in relation to specific areas of expenditure. Council has the right to recommend amendments to the TIO Constitution to give effect to policy decisions, but the Board has final authority in this area, in consultation with the relevant Ministers.

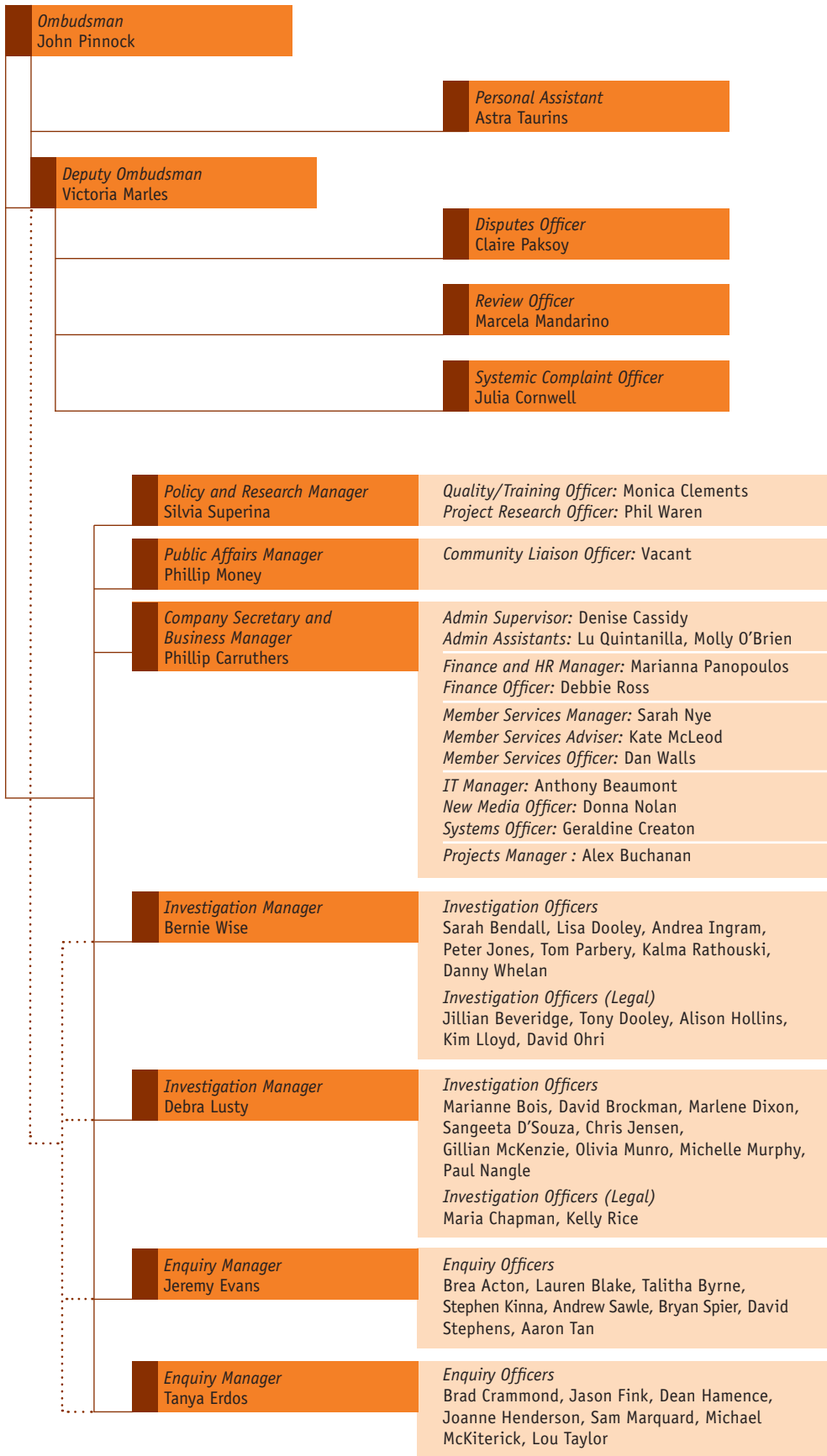
As a consequence of a tendency for each body to traverse decisions made by the other, the experience of other industry-based ADR schemes has been considered, particularly decisions by the Banking and Financial Services Ombudsman and the Energy and Water Ombudsman of Victoria to merge their respective Boards and Council.

At this stage there is insufficient support for the merger of the TIO Board and Council.

During 2003/04, Council considered a range of difficult governance issues. Council recommended further amendments to the Council Election Policy to the Board and amended its own Code of Conduct.

Council also reviewed the conduct of one of its own Members, Mark Russell, an elected ISP representative. Council concluded that Mr Russell had failed to accept the principles underpinning the TIO and stated explicitly in the Code of Conduct signed by him. It recommended that the Board remove Mr Russell. After due consideration the Board resolved to declare vacant Mr Russell's position.

The Board also resolved to amend the Council Election Policy to prohibit any elected Member of Council whose position has been declared vacant from standing again for election to Council for a period of two years. In addition, the Board signalled its intention to ask TIO Members to approve a change to the Scheme's Articles of Association to extend this prohibition to all Members of Council, whether elected or appointed.



TIO Administration

During the year, TIO managers took part in a major out-of-office review of operational procedures with the aim of improving efficiency.

In late 2003/04, the TIO installed new PCs for all staff, a new operating system (Windows XP) and a new telephone system. Consolidation of this new environment will continue well into 2004/05. Four new servers are about to replace the existing servers. This will double data storage capacity and also represents a significant cost saving due to a reduction in lease costs. The IT section planned and managed these significant changes in a seamless manner, as well as continuing work on our website.

After five years at its present site, the TIO signed a new lease late in 2003/04 for further space on a contiguous floor, adding about 40% to its capacity. This enabled us to commence and complete a much-delayed refit to make room for additional staff. As part of this plan, a reassessment of the records management requirements of the office resulted in a rearrangement of file storage on site.

The Finance Section has continued to operate efficiently, with Marianna Panopoulos providing timely and accurate management information, refining financial practices to maximise efficiency.

Public Affairs

During the year, the TIO concentrated on raising awareness of the Scheme in those groups and areas of the community where knowledge was low, with particular emphasis on youth and rural and regional Australia.

An internal review of our whole public affairs strategy was also conducted.

The Esten's Inquiry found that there was a low level of understanding and awareness of consumers' telecommunications rights in regional, rural and remote areas of Australia.

This finding was backed by an analysis of the TIO complaints data, classified according to remoteness of the complainant. As with 2002/03, this year's data shows that people in rural and remote areas were less likely to complain to the TIO than people in the major cities. (See Complainant Statistics – page 76).

In June 2004, DCITA commenced a publicity campaign in regional, rural and remote areas that detailed the services that the TIO provides. This campaign had a clear impact, with an increase in complaints to the TIO (see Call Handling Performance – Page 31).

In a new approach, the TIO took part in a program sponsored by the ACA to reach people in more remote areas of Australia. With the Authority and the Australian Competition and Consumer Commission, TIO staff set up informational booths at home and rural shows throughout the country.

The program serves two important benefits - increasing the exposure of TIO staff to the problems faced by people in rural and remote areas, and publicising the services of the TIO.

In November 2003, to celebrate the 10th anniversary of the TIO, a conference – *Convergence, Redrawing the Boundaries* – was held in Melbourne. The conference's keynote speaker was Richard Hooper, the Deputy Chairman of Britain's Office of Communications (Ofcom).

In April 2004, as part of an ongoing program, the TIO commissioned Sweeney Research to conduct an assessment of the awareness and understanding of the TIO among various key groups.

Sweeney Research reported that awareness of the TIO among:

- domestic consumers had increased by 5 percentage points on the 2002 survey to 52 per cent;
- the small business community rebounded to 63% from 56% in 2002; and
- ethnic communities is lower than among domestic consumers generally.

The research revealed that with domestic consumers, awareness of the TIO was strongest among:

- men, with 59% saying that they had heard of the TIO compared with 46% of women. This corresponds with TIO data;
- people older than 50 (61%);
- residents of Tasmania (69%); and
- those with a household income of more than \$60,000 a year (57%).

Awareness was lowest among 18 to 24 year olds (27%) and Queenslanders (47%).

This year for the first time, the research asked consumers where they had heard about the TIO. The leading source of information was television news or current affairs programs, followed by newspapers, radio, and word of mouth.

In 2003/04, the TIO sought to redress the lack of knowledge among youth with staff addressing several Victorian high schools about the Scheme, particularly with regard to mobile phone use and debt.

Sarah Bendall
Investigation Officer



Jillian Beveridge
Investigation Officer (Legal)



Member Services

TIO Member numbers

The TIO welcomed 234 new Members during the 2003/04 financial year. In the same period, 101 Members left the Scheme, resulting in a net increase of 133 Members.

The TIO referred 17 businesses or companies to the ACA for their failure to join the TIO Scheme, with nine of these becoming Members as a result. Those remaining have either ceased trading or are still being pursued by the ACA.

Currently, 73% of TIO Members are categorised as internet service providers, 14% as telephone service providers and 10% as telephone and internet service providers. The remaining 3% are predominantly carriers that do not offer any eligible carriage services to end-user customers.

Member Services Staff

The Member Services Team functions primarily as the communications link between TIO staff and its Members. It gives a human face to the TIO, assisting Members to understand the TIO's processes, responding to their queries and aiding the flow of information.

Member Services has several specific functions. Firstly, it is responsible for Member recruitment, including maintenance of the Member database, ensuring that eligible non-Members join the Scheme and keeping TIO staff informed about changes to the Member database.

Secondly, the team acts as the Members' primary contact point. It provides advice and assistance to Members and to Investigations staff and reviews complaints at a Member's request. Thirdly, it provides

advice and assistance to investigations staff and communicates information between the TIO and Members.

Importantly, the feedback from Members and staff assists Member Services to identify operational issues and to initiate discussion on procedural matters when needed.

Member Services Communications

Member Services also has a broader communications function, which involves developing communications strategies to increase TIO awareness among Members.

The Member Services team places importance on meeting with as many Members as possible. These meetings involve general education, responding to queries and accepting and delivering feedback. Sometimes individual cases are discussed, to resolve a miscommunication or to expedite their resolution.

During the 2003/04 year, the Member Services Adviser met with at least 50 Members, either at their premises or the TIO's. Also, some Investigations and Enquiry staff accompanied Member Services when they met with Member representatives, an initiative that has been successful in aiding effective communication and understanding of Members' perspectives.

Four editions of the TIO's electronic newsletter, *M News*, were compiled during 2003/04. The newsletter is emailed to all Members and is also available on the TIO's website. *M News* focuses on communicating relevant and practical information to TIO Members, to build awareness of TIO processes and to assist Members to minimise their complaint numbers. Informal feedback indicates that Members are reading *M News* and finding it a useful publication.

In late 2003, Member Services completed its database project, which involved contacting all Members to ensure the accuracy of the TIO's Member database. In addition, membership files for all Members were combined with financial files, providing one source of data for all transactions with Members.

An important role for Member Services is its involvement in various working parties and committees. Some examples are the audit working party, systemic complaints and quality assurance working groups. The team's participation ensures that Members' interests and perspectives are considered during the development of TIO policies and procedures.

TIO Membership Composition

At 30 June 2004

Internet Service Provider	758	73%
Other	33	3%
Telephone and Internet Service Provider	106	10%
Telephone Service Provider	146	14%
Total	1,043	

TIO Member Numbers

2002/03 Members, Total	910
New Members 2003/04	234
Departed Members 2003/04	101
Total	1,043

Marianne Bois
Investigation Officer



David Brockman
Investigation Officer



Alex Buchanan
Projects Manager



TIO Operations – Complaint Handling

Jurisdiction

One sure test of any complaint handling or alternative dispute resolution (ADR) agency is its ability to respond to novel issues as well as emerging complaint trends.

Judged by this standard, the TIO has a fair but by no means outstanding record. As noted in the Ombudsman's Overview, there is a real question as to whether the significant challenges posed to the TIO by the convergence of carriage and content – and which might be summed up in the notion of a 'one-stop-shop' – will be met. The response by TIO Members to the issue of bundled pay-TV services does not inspire confidence.

On the other hand support for the TIO's involvement in a range of new issues came from the ACA and DCITA.

In its report (February 2004), *Payphone Policy Review*, the ACA made several important recommendations about the role of the TIO.

Principally, the Authority recommended that the TIO should handle complaints about the installation, removal and relocation of payphones. Secondly, the TIO should be consulted by Telstra in clarifying its Standard Marketing Plan (SMP) for payphones. Thirdly, the TIO should have the ability to investigate a complaint that Telstra has failed to comply with siting criteria in its SMP. Fourthly, the TIO should apply an objective test of 'reasonableness' on handling complaints about the costs of relocating payphones.

Finally, the TIO be consulted by Telstra in developing information about telephone service choice and rights for remote indigenous communities.

In its response to the report, Telstra has suggested that these roles are not really appropriate for the TIO.

In a separate development, DCITA has asked the TIO to investigate complaints concerning Extended Zones and the Government's Higher Bandwidth Incentive Scheme (HiBIS).

About 28,000 Australians live in 102 Extended Zones ranging from 8,400 to 400,000 square kilometres. Telstra customers in these zones are entitled to 22c untimed calls within their zone and to adjoining zones and to the main town or towns within such zones, as well as for dial-up internet access.

Under proposals agreed between the TIO, the Department and Telstra, the TIO will investigate complaints by customers who believe that they have been incorrectly allocated to an Extended Zone or to a Standard Zone, incorrectly allocated to a particular Extended Zone, or incorrectly billed, given their zone allocation.

The HiBIS program provides access to higher bandwidth services for people in regional, rural and remote areas at prices comparable to those in metropolitan Australia. ISPs registered under the program will receive incentive payments from the Government for each registered service they provide to eligible customers.

The program defines a service as being comparable with a service in metropolitan Australia where it:

- has peak download and upload speeds of 256 kbps and 64 kbps respectively;
- has a monthly usage allowance of at least 500 MB; and
- is offered at a price for a three-year package of up to \$2,500 where the service is ADSL or up to \$3,000 where it is not an ADSL service.

The TIO will be able to investigate complaints that the HiBIS service provided does not meet these comparability criteria, but will not investigate complaints concerning eligibility for the service.

Both the Extended Zones and HiBIS extensions of jurisdiction are in place, as they do not require any amendment to the TIO Constitution.

Each of these changes will provide a greater measure of consumer protection and ensure that the TIO remains relevant.

TIO Position Statements

Position Statements describe the TIO's views about the resolution of certain types of complaints. They commonly set out the factors the TIO will ask Members to consider, and are published on its website.

Intended to supplement the legal obligations on TIO Members as well as the requirements of Industry Codes, Position Statements show the TIO's thinking on what might constitute a fair and reasonable outcome in certain cases. Apart from filling this gap, they highlight the importance of ensuring a consistent approach to complaint resolution.

Some Position Statements reflect the TIO's long experience with certain complaints while others have been developed in response to emerging issues. All are under constant review to ensure their adequacy. In the past year the TIO amended or created 24 Position Statements.

Among the most important new Position Statements were those dealing with:

- credit management default listings for incorrect amounts;
- charges for internet dumping calls;
- unfair contract terms; and
- hardship and payment difficulties.

The TIO first developed Position Statements in 2002/03 and the response by consumers and Members has generally been positive. Consumers see the statements as aids in dealing directly with their providers, preventing the need to complain to the TIO. Many Members appreciate the emphasis on greater transparency and consistency of approach in complaint resolution.

Some Members, however, question whether the TIO's role in this area is more appropriately that of an industry body such as ACIF or a regulator like the ACA.

In the TIO's opinion, experience shows that while industry Codes developed by ACIF and registered with the ACA play a vital role, they do not necessarily address the important concepts of fairness and reasonableness – the very questions which an Ombudsman must answer.

Monica Clements
Quality/Training Officer



Members Publicising the TIO

In an important breakthrough on a longstanding issue, Optus and Telstra agreed to separate trials notifying customers of the existence of the TIO. Although there has always been an expectation that Members will publicise the existence and role of the TIO, as provided for in the Benchmarks for Industry Based Customer Dispute Resolution Schemes, there is no such obligation in the TIO's constituent documents.

Moreover, as might be expected from the TIO Member profile, which ranges from the largest carrier to the smallest ISP, when Members do tell their customers about the TIO, there is no consistent approach either as to the manner in which they do so or the customers to whom they give this information.

The issue has been given sharper focus because while ACIF's Complaint Handling Code requires providers to inform customers with unresolved complaints about the TIO, there is evidence of non-compliance with this Code obligation.

Telstra has agreed to a trial involving customers who call in to an escalated service point in its Customer Referral Centre (CRC). During the trial CRC staff will advise callers immediately about their option of taking their complaint to the TIO.

At the urging of the Ombudsman and consumer representatives on the TIO Council, Optus has taken the more radical step of printing a bill message on accounts for its internet customers, notifying them of the TIO. This trial involves several thousand customers over a period of months.

The TIO has agreed to monitor these trials to test whether they might lead to inappropriate referrals of first resort complaints to the TIO, a perennial argument against bill messages.

Systemic Complaints Investigation Procedure

The Systemic Complaints Investigation Procedure (SCIP) has been operating for two years and is central to the TIO's proactive approach to complaint resolution. Its aim is to resolve not only an individual complaint about a particular issue but also other similar current and future complaints. In this way, the TIO aims to highlight and change behaviour that may adversely affect a class of customers. This approach should also result in fewer complaints to the TIO and reduced complaint-handling costs for Members.

Feedback about the SCIP from Members and consumers continues to be largely positive. The process of investigation has increasingly involved meetings with providers as a way of gathering information and discussing issues.

During the past year, the TIO considered ways to determine the effectiveness of the SCIP. Although it is not possible to quantify any reduction in complaints due to the introduction of the procedure, the TIO has identified the range of possible outcomes from a systemic investigation. Where it is satisfied that the behaviour of a provider raises a systemic issue, the TIO considers an effective outcome to be a change in that behaviour. Most investigations have resulted in this outcome.

However, there is also the question of how a solution is found for consumers already affected by the systemic issue. This is less straightforward. In a minority of cases, the Member provided a uniform solution to all TIO complainants. In general, Members wished complaints to be assessed on a case-by-case basis at the conclusion of the systemic complaints investigation, a stance that is counter-productive.

The TIO has asked the Council to consider formalising and extending the SCIP.

Eighteen systemic investigations, covering a wide range of issues, were undertaken during the year (See Systemic Issues Investigations – page 65). Several involved behaviour that could mislead consumers. They included:

- unclear pricing information posted on the provider's website;
- information leading consumers to believe that they had won a phone and on the basis of that entering into a mobile phone contract;
- information about unlimited internet plans; and
- information about handset upgrades.

Following on from last year, a number of investigations examined whether fixed fees were in fact penalties. Two investigations concerned early termination fees under mobile phone contracts and one concerned a SIM unlock fee.

The majority of investigations highlighted potential breaches of ACIF codes and guidelines, in particular the Billing, Customer Transfer and Prices, Terms and Conditions Codes.

Relationship with Industry and Government Agencies

Over the last year, the TIO has had increased contact with numerous government agencies and industry bodies. In particular, it regularly receives requests for complaint statistics and often meets various agencies to discuss complaint trends.

The TIO regularly provides complaint and/or code-breach statistics to ACIF and the ACA, and on an ad hoc basis to DCITA. The TIO also meets quarterly with the ACA to discuss complaint trends, with a view to addressing

any issues promptly.

As a result of this activity, the ACA has approached some providers to discuss compliance with ACIF codes.

The TIO has liaised with DCITA in relation to the expansion of the TIO's role in investigating complaints relating to Extended Zones and the Higher Broadband Incentive Scheme (HiBIS). The TIO will continue to liaise with DCITA about these issues, and will provide reports detailing the types and number of complaints received.

As well as ad-hoc consultation, the TIO continues to be involved in informal forums, such as the Consumer Protection Agencies Liaison meeting and the Consumer Consultative Forum.

Lastly, the TIO also liaises with the ACA and the ACCC about individual cases. In accordance with the TIO's Constitution, it may refer certain complaints to either body if it believes the complaint could be more effectively or conveniently dealt with by either agency. Conversely, the ACA or ACCC often refer complainants to the TIO.

Industry Codes

In the last year, the TIO accepted conferral of power for an additional three codes pursuant to section 114 of the *Telecommunications Act 1997*. These are:

- the Preselection Code;
- the Local Number Portability Code; and
- the Priority Assistance for Life-Threatening Medical Conditions Code.

Julia Cornwell
Systemic Complaint Officer



This brings to 14 the total number of codes for which the TIO has accepted conferral of power. Of these, seven are consumer codes and seven are operational codes. In addition, the TIO also has regard to the Consumer Contracts Guideline when investigating complaints.

Reports to Members

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

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

It was not until last year that the TIO began to routinely exercise this power, with three reports being made.

The first concerned a letter from Telstra to the complainant offering various landline features. In seeking to take up the offer, the complainant was advised that she was ineligible, as she was not preselected to Telstra. The offer did not outline eligibility criteria, or provide sufficient information for the complainant to determine that she would not be eligible. While a fair and reasonable resolution was reached, the TIO concluded that practice of providing personalised advertising materials to ineligible customers contributed to the complaint.

The second report concerned a direct-mail campaign conducted by AAPT Mobile. The complainant received an addressed letter offering her a new mobile handset and contract continuing on the same rate plan. She sought to accept only to be advised that the rate plan was no longer available. The TIO reported that AAPT Mobile's practice of withdrawing a plan during such a campaign contributed to the complaint.

A third case concerned the first bill sent by Optus after existing customers had accepted an offer of revised rates and switched to a new mobile-phone contract. Customers were charged the new rate for calls made under their previous contract.

The TIO was not satisfied that customers were always informed that all calls within a particular billing period would be charged at the same rate. The TIO made a report to Optus indicating potential breaches of ACIF's Billing Code. After further discussion with Optus, the TIO concluded that Optus had taken steps to resolve the issue and that the relevant Code rule was uncertain.

The TIO did not make any specific recommendations in these reports, as it has no formal power to do so.

Quality Assurance and Staff Training

Training continued to be a focus in 2003/04, with the program encompassing knowledge and skills training, occupational health and safety, and staff wellbeing.

The main priority this year was to develop and implement a quarterly plan. At the end of 2003, the TIO compiled a list of its training needs, taking account of the inaugural investigations audit (see next section), feedback from staff and management and also foreseeable regulatory developments. The list was used to determine the training plan for the coming quarter.

Wherever possible, like subjects were grouped so that the concept of theme months emerged. For example, the April 2004 theme was being fair, and included training sessions on financial hardship and equal opportunity.

The following initiatives were also implemented:

- development and delivery of an investigations skills-training workshop;
- development and approval of a technical training program;
- exploration of alternative training methods; and
- development of a training database.

The TIO has also focused on quality assurance in 2003/04, with particular emphasis on the recommendations of the investigations audit. Many of these have since been implemented, including the development of a framework to assess the quality of Level 2 and 3 investigations.

Other quality assurance initiatives begun this year included audits of the TIO privacy procedures and of correspondence about Level 1 complaints and enquiries. In the 2004-05 year, the TIO also plans to introduce call monitoring, a much delayed initiative.

Investigations Audit

In early 2003, the TIO conducted the first audit of its Level 2 and 3 investigations to assess performance and identify areas for improvement. The overall purpose was to enable the TIO to conform with its mission and meet the benchmarks for industry alternative dispute resolution schemes set by the Department of Science, Industry and Tourism in 1997.

The audit examined a random sample of 289 Level 2 and 3 complaints logged and completed during the 2001/02 financial year. Files were examined in terms of:

- fairness of procedure and outcome;
- key investigative skills and approaches;
- communication skills;
- escalation of complaints; and
- file management.

The ensuing report was completed by the TIO in July 2003. The TIO was satisfied, in general, with the quality of its communications skills, file-management skills and with the manner in which it escalated complaints. However, the audit revealed concerns about several investigative skills.

20% of the files examined revealed that the TIO provided a poor summary of the complaint to the industry Member and 18% showed evidence of 'pre-judging' language. A significant number of files showed a failure to request appropriate information and an inadequate analysis of evidence.

In terms of fairness, 84% of files were assessed as adhering to all aspects of procedural fairness. However, 11.5% revealed outcomes that were not judged to be fair and reasonable. Of significance is that only half of these were found to be substantively unfair, with the balance lacking in procedural fairness.

The audit has allowed the TIO to refine and improve its operations, including a change in quality assurance procedures and a greater focus on investigation skills training. The TIO intends to conduct the audit every two years.

Brad Crammond
Enquiry Officer



Marlene Dixon
Investigation Officer



Complaint Handling Performance

Definitions

The TIO uses four terms to describe how it records the calls, emails, TTY messages, faxes, in-person visits and letters that it receives from consumers and small businesses. They are contacts, enquiries, complaints and issues.

Contact

A contact is any communication from a residential or small business consumer. In 2003/04, the TIO received 75,904 contacts. This is a 4% increase on last year and indicates the increasing demand for the services of the TIO.

Enquiry

An enquiry is a contact about a matter that is not an expression of grievance or dissatisfaction or which lies outside the jurisdiction of the TIO. Enquiries also include anonymous and frivolous or vexatious complaints or complaints where the consumer has not first tried to resolve the matter with their telephone company or ISP.

Enquiries also include complaints about non-Members of the TIO Scheme or Members that have gone into liquidation. In 2003/04, the TIO recorded 16,054 enquiries, 7% fewer than the previous year.

Probable reasons for this decrease include the addition of mobile handset complaints (bought as part of a bundled contract) to the TIO's complaint jurisdiction, and that, unlike the two preceding years, no significant TIO Members went into liquidation.

Contacts about out-of-jurisdiction landline, mobile and internet-related issues accounted for 71.1% of all enquiries during the 2003/04 year, down from 77.1% last year. Sometimes, the number of enquiries received by the TIO may indicate the public's misunderstanding of the role and jurisdiction of the Scheme. Many such enquiries were about pay-TV and content-related issues, and some 1,154 enquiries to the TIO last year were not about telecommunications-related issues at all.

Complaints

A complaint is by nature an expression of grievance or dissatisfaction which falls within the jurisdiction of the TIO and which the relevant TIO Member has had an opportunity to resolve. In 2003/04, the TIO handled 59,850 complaints, 7.8% more than the previous year.

Issue

This is the actual matter about which the consumer has complained to the TIO. One complaint can have several issues. In 2003/04 the TIO received complaints involving 68,020 issues, 8.5% more than the previous year. In the TIO's experience, many secondary issues of complaint, such as customer service, come about because the original complaint was poorly handled and not resolved in a timely fashion.

Lisa Dooley
Investigation Officer



Classifying and Escalating Complaints

The TIO uses a four-tier complaints classification system.

Level One Complaints

As an alternative to the courts and more formal legal processes, the TIO aims to assist disputing parties work together to resolve their complaints. Often this will involve the oral referral of a complainant to a TIO liaison area within the Member company. These are classed as Level 1 complaints, which the Member has two weeks to resolve with the complainant directly.

Level Two, Three and Four Complaints

If a complaint cannot be resolved informally and the TIO decides that it warrants further investigation, a Level 2 complaint is raised. This requires written notice to and a response from the Member, along with evidence to support any positions held, and a proposal for resolving the complaint.

Until recently the TIO could raise a Level 3 complaint directly without it going through Level 2 if a matter remained unresolved when a complainant first sought the TIO's assistance.

In the second half of this year the TIO amended its case-escalation guidelines so that formal complaints must be raised as Level 2 in the first instance. These can only progress to Level 3 if the TIO determines that the Level 2 has not resulted in the resolution of the complaint in a manner that is fair and reasonable, or where cost-recovery issues require escalation.

This change is seen as more equitable and ensures that Members are given every reasonable opportunity to resolve a matter without the TIO having to make a binding determination.

A complaint can be escalated to Level 4 only with the approval of the Ombudsman, and on the recommendation of the Deputy Ombudsman, Disputes Officer and Investigations Officer handling the case.

Generally, Level 4 complaints will be raised for one or more of three reasons:

- attempts at resolution have failed and the preliminary view is that the Ombudsman should make a Determination in favour of the complainant;
- the amount of investigative resources already invested at Level 3 exceed cost-recovery; and
- the TIO Member has failed to respond or has not responded within the appropriate timeframe at Level 3.

Resolving Complaints and Deciding What is Fair and Reasonable

Of utmost importance to the TIO's alternative dispute resolution process is the willingness of complainants and Members to:

- act in good faith when presenting their versions of events;
- show an ability to understand the other party's view; and
- compromise if necessary in order to resolve a matter.

Tony Dooley
Investigation Officer (Legal)



Sangeeta D'Souza
Investigation Officer



The TIO aims to resolve complaints through negotiation and compromise, but sometimes this is not possible. Where a Level 2 investigation has failed to resolve a complaint to the complainant's satisfaction, the TIO may dismiss or escalate the complaint. In making this decision the TIO has regard to:

- the law and industry codes;
- good industry practice;
- TIO Position Statements; and
- what is fair and reasonable given the circumstances of the case.

The law and industry codes provide extremely useful guidance about fair and reasonable outcomes, but do not cover the entire range of complaints that the TIO deals with. Codes also sometimes lack the detailed information necessary to consider complaints on a case-by-case basis.

The TIO's Position Statements are becoming more important in the investigative and decision-making process. The statements outline the TIO's general views about particular types of complaints and, importantly, detail the evidence the TIO will consider when making a decision. They are published on the TIO website – www.tio.com.au

Determinations

The TIO aims to resolve complaints by agreement between the parties. In cases where no agreement is possible the TIO has the power to dismiss a complaint or make a determination against the provider where the amount in question is up to \$10,000. Where the amount in question is greater than \$10,000 the TIO can make a recommendation up to a maximum of \$50,000.

The TIO can make determinations of systemic complaints at Level 2 and may make determinations at Level 3 if the amount in question is less than \$400. If the amount in question is more than \$400, the TIO must escalate the complaint to Level 4 before it can determine it.

In the 2003/04 financial year, 41 complaints were escalated to Level 4 and 46 Level 4 complaints were completed. Of these, 15 were determined and one was dismissed. Of the 15 determinations, 14 related to land access objections. All land access objections to the TIO must be dealt with at Level 4. Of the 14 land access determinations six included directions to the carrier concerned. The remaining 30 Level 4 complaints were resolved by conciliation.

The TIO publishes its determinations, in the form of case studies, on its website.

Complaint Handling Performance

Over the past two financial years, the TIO has demanded higher standards of investigation, analysis and decision making from its staff. Particular importance has been given to the clear and reasoned explanation of decisions made, and the need for these decisions to be transparent and backed by available evidence.

The growing number of ACIF codes and TIO Position Statements has meant that staff must now refer to many different factors when investigating individual complaints. When combined with the increasing complexity of complaints, often involving new technologies and two or more service providers, investigations are more time consuming than ever. The TIO's 2003/04 Work Value Study (See Funding – page 14) showed that the time historically allocated for formal investigations was significantly under that actually required.

Tanya Erdos
Enquiry Manager



Jeremy Evans
Enquiry Manager



Call Handling Performance

Call handling performance during the first six months of the 2004 financial year changed little from that of the previous financial year. Volumes were relatively steady about 2,000 calls a week.

During this period, the service-level benchmark of answering 80% of calls within 60 seconds was consistently exceeded, with an average level of 90%. Abandoned calls were very low, averaging only 30 calls a week.

However, in early 2004, call volumes began to rise steadily but significantly. By June 2004, weekly calls regularly exceeded 2,500. The increase in calls combined with relatively static staffing levels led to a subsequent fall in the service level and a rise in abandoned calls.

Service levels remained above 80% until April 2004, when an unusually high turnover of staff and a continued increase in calls saw service levels fall to a low of 15% in late June.

It is difficult to pinpoint what caused the rise in calls, but increased industry activity, the surge in ADSL broadband connections, and DCITA's consumer awareness campaign in rural and remote Australia have all had an impact.

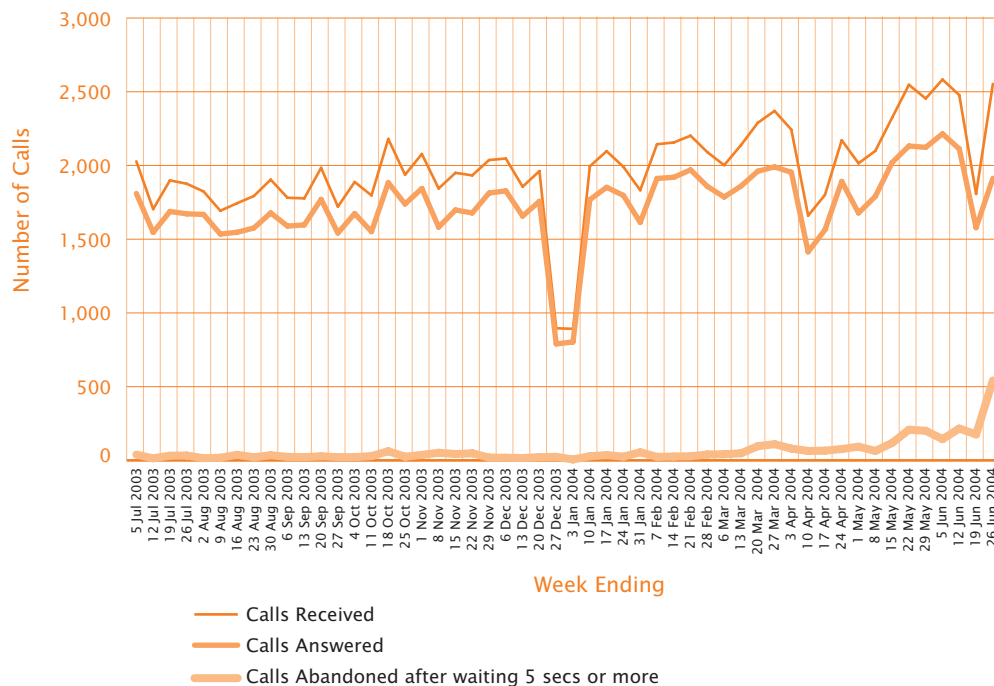
Complaint Mix

Complaint Mix (%)

Year	Level 1	Level 2	Level 3	Level 4
2001/02	91.0	6.7	2.2	0.1
2002/03	88.6	8.6	2.7	0.1
2003/04	89.7	7.8	2.5	0.1

In 2003/04 the TIO received 59,850 complaints, an increase of 7.8% from the previous year. This increase was greater than predicted and appears to show a genuine growth in consumer need for the services of the TIO. It also probably partly reflects TIO Members' inability, in the first instance, to deal with complaints before consumers seek the TIO's help. In several instances this year, Members have drastically underestimated take-up of new products leading to excessive consumer enquiries and delays.

Calls Received, Answered and Abandoned June 2003 to July 2004



In 2003/04, 89.7% of all complaints were resolved at Level 1, just over a one percentage point increase on last year. This indicates a lack of resources needed by the TIO to escalate complaints rather than an improvement in Member responses.

In 2003/04, Level 2 complaints made up 7.8% of all TIO complaints, down from 8.6% the previous year, while 2.5% of all complaints were escalated to Level 3. However, despite meeting case-raising benchmarks, with all staff working to capacity, the TIO had a large backlog by the end of the year.

Complaint Resolution Times

Complaint Resolution Average (In Days)			
Year	Level 2	Level 3	Level 4
2001/02	52	66	81
2002/03	63	80	104
2003/04	61	84	146

This year, TIO staff matched complaint resolution times for last year for Level 2 and Level 3 complaints. The performance achieved in both years was well short of the Council-set key performance indicators of 48 days for Level 2 complaints and 62 days for Level 3 complaints. These KPIs will be reviewed in the forthcoming year.

Level 4 complaint - resolution times also increased significantly this year due to the closure of many longstanding complex cases. The KPI for Level 4 closure times is 90 days and it is hoped that this will be met next year.

For the first time this year we measured review-closure times. The average time taken to review a case in 2003/04 was 89 days. A newly created Review Officer position should see this figure decrease to under 40 days.

Complaint Outcomes

Complaint Outcomes (Percentages)	
Neutral	16.4%
Partially in favour of Complainant	17.3%
Partially in favour of Member	3.4%
Substantially in favour of Complainant	44.7%
Substantially in favour of Member	18.1%

When a Level 2, 3 or 4 complaint is closed or resolved, staff record an 'outcome'. This is based on their understanding of whether the complainant believes the case to have been resolved partially or substantially in their favour, or partially or substantially in the Member's favour. Neutral outcomes are also recorded but these are mainly where a Level 2 or 3 complaint has not been resolved and requires escalation and further investigation, or where a complaint has had several 'issues' but only one has been formally investigated.

In 2003/04, there was a significant increase in the percentage of complaints judged to have been resolved partially or substantially in favour of the complainant - 62.0% - up from 54.9% in 2002/03. Correspondingly, complaints judged to be partially or substantially resolved in favour of the Member dropped from 24.1% last financial year to 21.5% in 2003/04.

This is a disappointing result, indicating that Members may not always fully investigate and resolve complaints in a fair and reasonable manner until the TIO becomes involved. On the other hand, ACIF Codes and TIO Position Statements now form benchmarks against which proposed outcomes can more easily be judged fair and reasonable. Members should always examine these tools when they are handling complaints internally. This might lead to a decrease in the number of complaints to the TIO.

Reviews

The right of every complainant to request a review by a manager or senior staff Member of a decision made by Investigations Staff has long been a hallmark of the TIO's independence, as well as a useful quality assurance tool.

The increasing complexity of review requests and the volume of work being handled by Investigations Managers led the TIO to create the position of Review Officer in early 2004. The Review Officer works directly to the Deputy Ombudsman and is independent of the Investigations Staff and their direct managers.

In 2003/04, 326 reviews were requested, a decrease of 22.7% from last year, but still higher than previous years. The decrease can be seen as indicative of the success of new quality assurance measures adopted by the TIO, in particular, the need to give clear evidence-based reasons for decisions. The decrease probably also mirrors the increase in complaints resolved partially or substantially in favour of complainants, as reported above.

Jason Fink
Enquiry Officer



Dean Hamence
Enquiry Officer

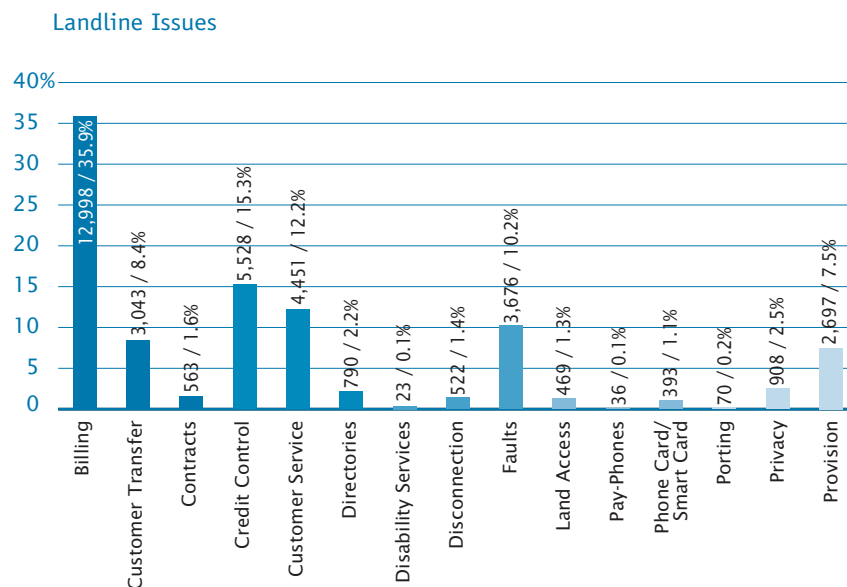


Alison Hollins
Investigation Officer (Legal)



Landline Service Issues

Overview – 36,167 issues raised



In 2003/04, the TIO dealt with 36,167 issues relating to landline services, a 2.8% decrease on the previous year and consistent with the trend set in the past two reports.

Complaints about landline billing fell 10.5% from 14,519 issues last year to 12,998 this year. It is pleasing to report that complaints about Customer Service in this category decreased by 17.3% from 2002/03. This may be due to some providers focusing on their IDR (Internal Dispute Resolution) processes with consequential benefits.

As with Credit Control complaints in all other categories, those for landline services increased significantly from 4,317 issues to 5,528, a 28.1% rise. These figures reflect a general tightening of credit terms throughout the telecommunications industry as well as some companies factoring old debts.

A high number of complaints were received from customers claiming they had already paid a factored debt, but were having difficulty in providing evidence (such as receipts) given the time that had passed since the debt initially accrued. Notably, some customers were confused as to why the debts were being collected years later when the provider had often connected new services without mentioning the outstanding debt.

Fault-related complaints increased by 21.6% from 3,022 to 3,676. Most of this increase appears to have been due to delays in fault rectification and the application of the Customer Service Guarantee.

Land Access and Pay Phone related complaints both dropped this year. Land Access complaints fell to 469 complaints from 546 in 2002/03. Pay Phone complaints fell to 36 from 42 last year.

Although accounting only for 1.1% of all issues logged in relation to Landline Services, complaints about Phone Cards and Smart Cards trebled from 133 in 2002/03 to 393 issues this year. These cards are very appealing to consumers as they offer marked reductions in call costs.

Billing 12,998 issues raised

This category includes complaints relating to all billing and payment issues associated with landline services. Complaints range from disputes about the accuracy of call charges to the imposition of administrative fees and the non-receipt of bills. The 12,998 landline billing issues in 2003/2004 were significantly lower than the 14,519 recorded last year. The availability of itemised local call charge statements and greater clarity of bills is probably at least partly responsible for this decrease, along with growing consumer understanding of charging mechanisms. Nonetheless, at 35.9% of all issues, landline billing remained the single largest category of complaint across all services.

Premium rate voice calls

Complaints about charges for 190 premium-rate voice calls fell from 924 last year to 579 this year. These complaints made up 4.5% of landline billing complaints. The decrease is possibly due to two reasons:

- growing consumer awareness of the means for barring premium rate services; and
- providers taking more active steps to contact consumers if their bills are unusually large.

The TIO also received 494 complaints about premium rate international voice calls, down from 653 in 2002/03, a pleasing trend.

Currently, the only specific regulatory controls in this area are Part 9A of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*, which regulates billing for telephone sex services, and the Telephone Information Service Standards Council (TISSC) Code, which regulates, amongst other things, the content provider advertising of call charges for 190 services.

In addition, as from 19 August 2004, the *Telecommunications Service Provider (Premium Services) Determination 2004 (No.1)* took effect. This will regulate the provision of information to consumers about premium rate voice and data calls.

In the absence of broader regulation, the TIO has continued to apply its position statement on *Unlimited Credit - Overcommitment (Premium Rate Services)*. This identifies factors to be considered when deciding whether it is fair and reasonable for the consumer to be held liable for a larger-than-usual debt.

Andrea Ingram
Investigation Officer



Chris Jensen
Investigation Officer



Premium rate data calls/dumping

190 data/internet dialler complaints almost halved from 3,268 in 2002/03 to 1,802 in 2003/04. This was largely due to some Members withdrawing from the billing of these services. However, as predicted by the TIO, this decline was matched by a significant increase in international (0011) data complaints in 2003/04, up from 228 to 1,968. Anecdotally, many 190 content providers appear to have moved their services offshore.

Dumping occurs when a person visiting an internet site has their regular dial-up connection disconnected and then reconnected to an international or 190 (premium rate) number. Generally, this requires the user to download software, often unwittingly, by clicking on an icon. Users often claim to have been unaware they were dumped until later – when they receive a phone bill with unusually high charges for premium-rate or international charges.

The TIO receives and investigates complaints that are related to disputed international and 190 charges that have accrued through the use of internet dialler software. These complaints will generally fall into one of two categories. Either consumers:

- deny that the calls were made from their service; or
- they acknowledge that they entered the websites in question, but deny being warned that premium rate charges would apply if they proceeded past a certain point.

In investigating these complaints, the TIO refers to its *Disputed (data) calls to 190x and International Direct Dial numbers (Internet Dumping)* Position Statement, published in late 2003.

Where consumers deny the calls were made from their service, the TIO asks them to substantiate their claim. The TIO in turn provides all available information to the service provider and asks it to substantiate the accuracy of its billing. The TIO does not investigate complaints about the content of premium rate services.

The process for investigating complaints where the complainant claims not to have received a warning is different for 190x and IDD complaints. This is due to the fact that content providers based offshore are not subject to compliance with any Australian Codes of Conduct. In cases of international call dumping, the TIO places the onus on the Member to demonstrate that the website in question contained a warning about call charges.

Regulation in all areas of premium rate and international voice and data calls continues to be fraught with difficulty. The previous Direction from the Minister to the ACA to introduce a price-capping regime has been revoked, apparently because of united opposition by the major carriers, although no public statement was made. A new Direction has been issued requiring the ACA to establish rules for providers to give detailed information to customers about the costs of these services and other information. The ACA has made a Determination concerning these matters.

The TIO welcomes this initiative as a transparent step in giving consumers adequate information. These requirements, however, do not constitute an adequate consumer protection measure. The TIO remains of the view that only price-capping can properly protect all consumers from the risks of excessive credit usage.

Other charges

This category includes complaints relating to administration, late payment and diversion fees, directory charges and disconnection/reconnection charges. These complaints made up 27.3% of all landline billing complaints, compared with 25.8% in 2003/04. Disputes in this category often arise where consumers allege that the Member has failed to inform them of charges, or where a clear explanation of the charges is not presented on the bill. The TIO is usually able to determine whether these charges are legitimate.

Case Study – Unlimited Credit

The Complaint:

A community legal adviser contacted the TIO on behalf of a complainant who had incurred a debt of over \$10,000 for calls to 190 services. The debt had been incurred over an 11-day period. The complainant suffered from several medical conditions including depression and obsessive behaviour and it was claimed that the calls had been made during a manic episode. The TIO was contacted after the provider rejected the attempts by the complainant's representative to have the debt withdrawn.

TIO Response:

The TIO asked the provider for its view on the complaint, and in particular to inform the TIO of the steps it had taken to protect the complainant from becoming financially overcommitted. The TIO drew attention to the TIO's Position Statement on *Unlimited Credit – Overcommitment (Premium Rate Services)*.

The provider advised the TIO that it had put a bar on the complainant's service when it detected the unusually high usage four days after the calls to the 190 services began. However, the complainant then contacted the provider and requested removal of the bar. The bar was removed and the complainant made further calls to 190 services until a second bar was put on the service six days later.

The Outcome:

The TIO decided that it was not reasonable for the provider to have lifted the bar when it had identified that an unusually high amount of charges had been accrued and when there had been no change of circumstances, such as the outstanding charges being paid, to justify removal of the bar. The TIO also noted that the complainant's medical condition might have contributed to the problem. The provider accepted the TIO's view that all charges incurred after the bar had been lifted should be waived. The provider also accepted that the complainant should be given a reasonable payment plan for the remaining charges.

Contracts 563 issues raised

The TIO received 563 complaints about landline contracts this year, compared with 602 in 2002/2003. On both occasions this was 1.6% of landline complaints.

When investigating these complaints, the TIO considers the ACIF Consumer Contracts Guideline, which sets standards for best industry practice for contract provision. The guideline includes provisions about unfair terms and states that written terms should be legible, with attention to the colour and size of the print. The guideline is due to be replaced by a Code in late 2004.

Complaints about cancellation fees for contracts for landline and bundled services are becoming more common. These complaints are about early disconnection of a service, usually for non-payment of an account. The TIO's position is that customers should be charged a genuine pre-estimate of the actual loss to the Member only as a result of the early disconnection.

The TIO also believes that a carriage service provider should explain the components of the cancellation fee to customers charged this fee. It is the TIO's position that, when verifying these charges, a supplier should also explain the method by which the cancellation fee has been calculated.

Peter Jones
Investigation Officer



Credit Control 5,528 issues raised

The TIO received 5,528 complaints about credit control in 2003/04, a 28.1% increase on last year's total of 4,317. Credit control is now the second largest category of landline complaints comprising 15.3% of all complaints. Increased selling, or factoring, of debts, and quicker action by companies in disconnecting and defaulting non or late-paying customers has contributed to this increase, as has a lack of flexibility in assisting those in financial hardship with payment plans.

In 2003/04 debt recovery remained the single largest category of complaint under credit control, accounting for 3,427 complaints, up from 2,517 in 2002/03. Complaints about debt recovery commonly include consumer claims that aged or factored debts:

- had previously been paid;
- did not belong to them;
- were outside the Statute of Limitations period; and
- that the provider had earlier agreed to waive the debt.

The TIO's investigations have shown that a worrying number of such claims have merit.

Another issue contributing to the rise in credit control complaints is the sometimes hefty fees imposed by debt collectors, occasionally up to 27.5%. In most instances, the imposition of the fee only compounds the problems of those in financial hardship. In several cases, accounts have been referred to debt collectors despite the charges being in dispute or the complainant attempting to negotiate a suitable payment arrangement with the provider. At least some of these instances constitute a breach of the ACIF Credit Management Code.

Because complainants are at times unable to negotiate suitable payment arrangements with Members, the TIO has introduced a position statement on financial hardship and payment plans. This statement recognises there are complainants who want to pay their debts, but cannot do so within the timeframes and the repayment amounts allowed for by standard Member debt collection processes.

Case Study – Payment Plans

The Complaint:

A complainant said her telephone service had been disconnected because the Member claimed she had not adhered to a payment arrangement. The complainant disputed the claim, saying she had been making regular repayments. The complainant also said her sole income was a disability pension, she had a chronic illness and lived in a remote location.

TIO Response:

The TIO requested that the Member reconnect the telephone service while the complaint was being investigated. The TIO also asked the Member to provide customer care notes, details of past payment arrangements and advice about whether it had attempted to negotiate a further payment arrangement with complainant.

The provider initially refused to reconnect the service. It maintained that it was entitled to disconnect the service because the complainant had not adhered to prior payment arrangements.

The Outcome:

The TIO acknowledged there was evidence indicating that the complainant had not adhered to previous payment arrangements, but that nonetheless it was clear that the complainant had made regular payments towards the account. The TIO formed the view that previous payment arrangements may not have been reasonable, given the complainant's minimal income. Ultimately, the TIO negotiated the reconnection of the complainant's service to local call access, and assisted the complainant and Member work out a reasonable payment plan commensurate with the complainant's income.



Customer Service 4,451 issues raised

A total of 4,451 complaints, or 12.2% of landline complaints, were about customer service, the third most common complaint issue for landline complainants.

Common complaints included:

- failure by a service provider to action a customer's request (1,714 complaints). Examples included a carrier failing to disconnect a service or change a billing address as requested or refusing to play a voice recording of a transfer authorisation;
- service providers giving inadequate or incorrect advice (1,467 complaints);
- discourtesy (419 complaints);
- dissatisfaction with length of time spent in queues (384 complaints);
- failure to escalate a customer's complaint (244 complaints); and
- failure to respond to correspondence (222 complaints).

Most customer service issues/complaints recorded by the TIO are potential breaches of the ACIF Complaint Handling Code. When investigating a complaint, the TIO will ask a Member to comment on whether it believes it has complied with the code rule in question. The TIO reports on confirmed code breaches to the ACA and ACIF.

Stephen Kinn
Enquiry Officer



Customer Service Guarantee

The Customer Service Guarantee (CSG) is set out in the *Telecommunications (Customer Service Guarantee) Amendment Standard 2001*. It sets timeframes for the rectification of faults and for the connection of standard telephone services and enhanced call-handling features (EHCFs), such as call waiting. If these timeframes or appointments are not met, the customer may be entitled to compensation.

On the 18 February 2004, an amendment to the CSG Standard 2000 took effect. The amendment provided that carriage service providers with a small market share in a particular area could apply for a temporary exemption within that area.

It also defined EHCFs as those that are activated by a carriage service provider (as opposed to a customer), excluding exchange-based call barring.

The TIO records CSG complaints under the categories of provisioning and faults. This year, CSG-related complaints for fault-rectification delays rose by 33.6% to 1,233, almost a third of the total figure of 3,676 for all landline fault complaints.

Complaints relating to the application of a mass-service disruption rose from 55 to 79.

There were 602 CSG-related complaints about delays in the provisioning of a new service – an increase from 2002/03. The figure shown in last year's Annual Report for CSG-related complaints about delays in provisioning of a new service was incorrect. The correct figure is 433.

Connect Outstanding

Connect Outstanding is a term used to refer to a delay in connecting a telephone service where a previous customer or service provider has failed to disconnect the service at the premises properly. There has been a 45.2% fall in this category of complaint, from 547 in 2002/03 to 300 in 2003/04.

Due to privacy legislation, new residents sometimes have trouble when trying to disconnect a service registered in a previous resident's name. An industry-recognised procedure has therefore been developed that gives service providers 12 business days from sighting the new occupier's lease or proof of purchase to disconnect the current service and provide a service for the new customer. Complaints often involve two separate providers, which explains the comparatively long period allowed for the completion of a connection.

It is the TIO's position that compensation under the Customer Service Guarantee scheme may be sought where a provider does not meet the timeframe of 12 business days. This position, along with growing Member familiarity with this type of complaint, may have contributed to the reduction in complaints. The TIO is part of a working committee for the development of an ACIF Code that will assist in the regulation of Connect Outstanding complaints.

Ideally, the TIO would like to see a reduction in timeframes in this area so that consumers are not unduly disadvantaged by the actions of a third party. It is expected that a code would lead to improved consistency in the handling of Connect Outstanding complaints.

Customer Transfer 3,043 issues raised

Customer Transfer or Churn complaints were down slightly from 3,287 last year, to 3,043 in 2003/04.

The majority of complaints (2,096, or 68.9%) again came from people who claimed that their phone service was transferred from one company to another without their authorisation. This is also called slamming. In one third of these complaints, consumers could not identify in the first instance how the transfer happened, and they only become aware of it when they received an unexpected bill.

This year, the TIO worked closely with some companies to examine the causes for complaints about *claw backs*. A company might *claw back* a service if it believes it has been transferred without the correct authority, or if it believes that it has a contractual arrangement with a customer that does not allow for a transfer of the service or all of the services.

When investigating these types of complaints, it is sometimes found that the original transfer was valid. In these cases the TIO expects the company that has *clawed back* the complainant to reverse the transfer and to waive the charges. If there is a contractual obligation to stay, the TIO expects that the company will take steps to inform its customer that it is transferring the service back before it happens.

More than one third of unauthorised transfers were attributed to telemarketing practices where consumers can authorise a transfer over the phone, but under the Customer Transfer Code companies must record and keep the authorisation for at least two years.

Telemarketing transfers make it easier for consumers who do choose to transfer their services and easier for companies to win new customers. However, the TIO has again

received a significant number of complaints from consumers who are not aware or are suspicious of this practice. Consumers also claim that they are being misled or not being properly informed by companies about the oral authorisation process at the point of sale.

Complaints about the oral authorisation procedure highlight the shortfall in the process. A company must gain informed consent from the authorised customer, as outlined in clauses 6.2.1 and 6.3.1 of the Customer Transfer Code, to effect the transfer. When making a recording over the phone, the companies rely on consumers agreeing that they have the authorisation.

People often believe they have authority to transfer a service simply because they use the phone or because they live at the premises where the phone is located. Complaints arise when the actual authorised customer discovers their service has been transferred without their knowledge. In these cases the TIO expects the gaining provider to reverse the transfer and waive any associated charges.

The growth in complaints about unauthorised transfers as a result of telemarketing and during cooling-off periods has also led the TIO to focus on state-based fair-trading legislation about door-to-door and telemarketing sales.

Complaints about delays in customer transfers accounted for just 15.7% of all Customer Transfer complaints. As a result of a new billing and transfer system implemented across the industry, and an effective procedure by the TIO to handle delay complaints, these types of complaints continue to fall.

Directories 790 issues raised

Complaints fell slightly since last year, from 853 to 790. As in previous years, most (74.1%) related to *White Pages* errors or omissions.

The TIO received 136 complaints about *Yellow Pages*. However, because the TIO has only an informal agreement with *Yellow Pages*, these complaints are referred to Consumer Affairs if they cannot be resolved at Level 2.

Telstra's marketing initiative with Sensis, which produces both directories, may lead to the TIO reviewing this procedure.

One area of concern that has come to the TIO's attention is a possible shortcoming in Sensis's procedures for confirming the authority of customer contacts at the time of application for a new listing or renewal of a current listing. The TIO is currently running a systemic investigation test case about how Sensis confirms the authority of customer contacts to make a listing. This case is yet to be concluded, but the issue is one of broad interest given the prevalence of companies using the telephone to form contracts.

Kim Lloyd
Investigation Officer (Legal)



Debra Lusty
Investigation Manager



Disability Services 23 issues raised

This year, the TIO received 23 complaints relating to disability and landline services, down from 25 last year. They accounted for 0.1% of landline complaints.

This category includes complaints about provisioning of disability equipment, the billing of such equipment, as well as miscellaneous policies and decisions that are claimed to have a detrimental effect on disabled persons.

All but two complaints were resolved at Level 1 without further investigation required by the TIO. The first complaint related to incorrect billing for disability equipment. The second involved a customer who had suffered a stroke and required his bills in a particular format to be able to pay them on time. The Member resolved each without a TIO determination being required.

The TIO reviews and analyses complaints involving people with disabilities in accordance with its *Disability Action Plan*, which has been registered with the Human Rights and Equal Opportunity Commission. The plan is available at <http://www.tio.com.au/publications/dap/dap.pdf>.

Claiming Compensation for Business Loss

Complaints that include claims for compensation for loss of business are recorded under several categories, including:

- fault rectification and connection delays;
- inappropriate credit management;
- supply of incorrect services; and
- *White Pages* errors or omissions.

Compensation claims may relate to landline, mobile phone or internet services.

To succeed with a compensation claim, a business must establish that a specific wrongful act or omission by their telecommunications provider was the direct and material cause of a loss of profit. This can be difficult, especially if the business is a new or growing one and the loss cannot be established by comparison with previous financial periods. A lack of specialised knowledge on the part of complainants about the requirements for a successful claim can serve as a barrier to the recovery of a business's losses.

The TIO can provide a *Compensation Fact Sheet* as well as detailed advice to assist with the compilation of claims.

Quite often the TIO will investigate whether there was fault on the part of the provider. If this is established, the business may then be referred to the provider directly to lodge a formal compensation claim. The TIO may become involved once again to assess the claim if the business is not satisfied with the provider's response.

Marcela Mandarino
Review Officer



Disconnection 522 issues raised

The downward trend in disconnection complaints continued in 2003/04, with 522 complaints compared with 700 last financial year. Complaints in this category are made up of disconnection delays and errors. In 2003/04 the TIO received 311 disconnection-error complaints and 211 disconnection-delay complaints.

Common complaints in the disconnection-delay category include failure by a service provider to disconnect a service on an agreed-upon date or failure to disconnect at all. Consequences often include the continued provision and billing of a service to a customer at a vacated address.

Disconnection-error complaints include premature disconnection of a service or disconnection of the wrong service. Disconnection errors are commonly identified when customers move and a service provider disconnects the current service earlier than requested.

Faults 3,676 issues raised

After several years of a steady decline in overall numbers, faults complaints increased significantly, from 3,022 in 2002/03 to 3,676 in 2003/04, a rise of 21.6%. This figure is disappointing and its cause is uncertain.

The TIO recorded 1,233 fault-related complaints where the Customer Service Guarantee (CSG) applied, and a further 883 complaints about general delays where the CSG did not apply or where the service provider still had time under the CSG to fix the fault. 839 complaints were about recurring and/or intermittent faults.

During a faults investigation, a service provider is asked to provide all fault reports, a calling-pattern analysis and an itemised call record. The itemised call record can be used to determine whether the service was wholly or partly unusable in accordance with the CSG. Recurring faults must be reported regularly by a customer for the CSG standard to be applicable for the entire period.

Sam Marquard
Enquiry Officer



Gillian McKenzie
Investigation Officer



Michael McKitterick
Enquiry Officer



Case Study – Intermittent Faults

The complaint:

A complainant in rural Queensland said her line had been regularly dropping out since mid-2003. The problem became worse when it rained.

TIO Response:

When the Member responded to the TIO's formal investigation it provided fault reports that indicated that the complainant had first reported the fault in late 2003. However, from late November 2003 to February 2004 the complainant had made numerous complaints about repeated dropouts and having no dial tone. This only ceased once the Member carried out major works on its network. The service provider claimed that each fault reported was caused by a different problem with the network, and the faults were therefore unrelated, for the purposes of the Customer Service Guarantee (CSG). The Member claimed that it had rectified most of the faults within the required timeframes. The Member agreed to pay an amount under the CSG for one period of delay, but denied liability for the four-month period.

The Outcome:

While the TIO was not convinced that the faults were separate in nature, it declined further investigation of this complaint because the calling-pattern analysis of the period before and after the fault showed no major difference in call numbers and durations. It would therefore be extremely difficult to argue that the service had been rendered wholly or partly unworkable for the purpose of CSG rebates. Additionally, the Member had provided other credits in response to the complaint, and the TIO therefore believed that the outcome was reasonable.

Land Access 469 issues raised

Commonwealth legislation allows carriers to enter land and install certain telecommunications facilities without the consent of the landowner or local planning authority. Parliament considers these powers necessary to facilitate and encourage the construction of modern telecommunications networks. These laws have resulted in the rollout of significant landline and mobile networks.

The TIO has jurisdiction to investigate objections by owners or occupiers of land regarding the exercise of these statutory powers. The TIO does not have jurisdiction to consider complaints from members of the community who do not own or occupy the relevant land.

The TIO received 101 out-of-jurisdiction complaints this year from non-landowners. The community does now have some say regarding the installation of mobile base stations as a result of the Australian Communications Industry Forum's *Deployment of Radiocommunications Infrastructure* Industry Code, which came into full effect in April 2003. However, this does not alter the TIO's jurisdiction.

The past year has seen two significant court decisions regarding carrier powers, *Hurstville City Council v Hutchison 3G Australia Pty Ltd* [2003] NSWCA 179 (8 July 2003) and *Hutchison 3G Australia Pty Ltd v Director of Housing & Anor* [2004] VSCA 99 (3 June 2004). These decisions will be very persuasive in the TIO's consideration of future objections.

Kate McLeod
Member Services Adviser



Land access complaints fell 14% from 546 issues in 2002/03. Seven objections to carrier activities were received under the *Telecommunications Code of Practice 1997*. This represents a significant decrease over the past four years. The TIO considered that each of these activities could proceed, with a direction regarding the manner that the carrier should engage in the activity being given in only one instance.

151 landowners complained that carriers installing facilities damaged their land or property, with 69 complaints concerning the location of existing facilities. There were 141 complaints from landowners regarding bills they had received for damaged carrier infrastructure. The TIO considers it important that landowners take all reasonable steps to avoid damage to telecommunications facilities. This includes contacting 'Dial Before You Dig'.

The TIO also considers that carriers should take all reasonable steps to protect their infrastructure, such as ensuring that underground facilities are correctly mapped. Maps of underground cables do not always correctly record the cable's true position. This makes it difficult for landowners performing earthworks to avoid cable damage.

Payphones 36 issues raised

These complaints predominantly relate to faults.

However, it is likely that the TIO's jurisdiction over payphones will be expanded in the coming year. This follows a recommendation by the ACA in its report on the *Payphone Policy Review* that the TIO be given the power to investigate complaints about the installation, removal and relocation of payphones.

In order to investigate such complaints, the TIO would have regard to Telstra's processes and criteria relating to the location, removal or relocation of a payphone, and would apply an objective test of 'reasonableness' in each particular case.

Phone Cards 393 issues raised

There were 393 complaints about phone cards this year, almost three times the number made last year. This is mainly attributable to the increase in the number of companies entering the phone card business and joining the TIO Scheme.

Most complaints are resolved at Level 1. They mainly relate to the misrepresentation of rates and customer service issues but also concern faults, the inability to gain a connection and bad line quality, particularly to overseas destinations. Consumers should be particularly vigilant about reading the terms, conditions and instructions for calling cards, as many are only usable at cheaper rates from major cities or localised areas.

Philip Money
Public Affairs Manager



Olivia Munro
Investigation Officer



Priority Assistance

Telstra's Priority Assistance Policy (PAP) for residential customers diagnosed with a life-threatening medical condition took effect in 2002.

Customers must complete an application form and provide a medical certificate to support their claim of eligibility as a priority customer for service provision and fault rectification.

In 2003/04, complaints about faults with priority services and complaints about priority service provisioning delays rose to 65 and 44 respectively, compared with 58 and 29 complaints respectively for 2002/03.

In handling these types of complaints, the TIO can now refer to the ACIF Industry Code, *Priority Assistance for Life-Threatening Medical Conditions*. This code seeks to promote consistent industry arrangements and to address delays priority assistance customers may experience with faults and provisioning.

The TIO will investigate complaints where a priority assistance customer alleges that they have not been provided with an interim or alternative service.

Porting 70 issues raised

Landline portability allows a customer to have their calls carried on a different carrier's network without having to change their number. The landline porting category incorporates complaints that relate to the porting of local numbers, free phone and local rate numbers (that is 1800 and 1300/13 numbers).

Of the 70 complaints, 51 related to delay and 19 concerned unauthorised porting by Members.

Privacy 908 issues raised

There were 908 complaints about privacy in 2003/04, almost 100 fewer than last year. The figures represent 2.5% of all landline complaints. Issues covered by the privacy category included:

- disclosure of personal information – 234 complaints;
- silent number publication – 131 complaints;
- interception allegations – 66 complaints; and
- failure to block Calling Number Display – nine complaints.

Paul Nangle
Investigation Officer



Of greatest interest is a significant increase in complaints about unwelcome (nuisance) calls. This year, over half of landline privacy complaints were about this issue (51.5% or 468 complaints), compared with 34.7% last year.

Several of the unwelcome call complaints investigated at Level 2 or 3 were about service providers not responding to complainants' requests to cease telemarketing. Other complainants reported problems after a change of number, including wake-up reminder calls and unwelcome faxes. The range of numbers available to customers is not infinite, and while numbers are generally quarantined for a period of six months, they can be released earlier, so the new lessee may receive calls directed to a previous occupant.

When the TIO investigates claims about unwelcome calls, it checks whether a provider has followed the *ACIF Handling of Life Threatening and Unwelcome Calls* code. This may simply involve offering a complainant (the called or B party) a change of number, but can also involve organising call tracing and sending warning letters to the person who leases the calling service (the A party). If the service provider for the A and B parties is the same, then the process is generally straightforward. However, the TIO has seen lengthy delays where the A and B parties' service providers are different.

Donna Nolan
New Media Officer



Sarah Nye
Member Services Manager



Silent Line Disclosure

In last year's report, the TIO expressed concern that some providers may not have had adequate procedures to record and implement privacy-related requests, for example, to suppress telephone number and address details in directories.

In 2002/03, there were 281 claims of unwanted publication of silent numbers in directories. In 2003/2004, complaints recorded under this category more than halved to 131.

The disclosure of a person's telephone number or address is potentially a very serious matter. In many cases, people take these steps in order to ensure their personal security, either for work-related or personal reasons.

When this information is revealed, the affected person often feels that they must take drastic measures to re-establish their security. In extreme cases this may involve moving house.

Provision 2,697 issues raised

Provisioning complaints remained steady this year at 2,697 (7.5% of all landline complaints) compared with last year's 2,704.

However, complaints about delays and associated eligibility for compensation under the Customer Service Guarantee (CSG) scheme accounted for just over a third of all provisioning complaints this year, a rise of 28.9%. These figures include complaints about provisioning delays for in-place (existing) services, which rose by 21.4%.

Complaints about delays in the connection of new services rose. This is of concern to the TIO, even if it is due to a growing consumer awareness of the CSG. Payments under the CSG are meant to be paid automatically by providers. These figures may suggest inadequacies in providers' systems.

Overall, most categories of provisioning complaints appear to have decreased due to innovative industry procedures and responses from companies to increased consumer demand for more complex and multiple services. However, the substantial increase in complaints about delays in provisioning, CSG eligibility and compensation may need to be examined further.

David Ohri
Investigation Officer (Legal)



Marianna Panopoulos
Finance and HR Manager



Case Study – Silent Line Disclosure

The Complaint:

A police officer complained to the TIO that her silent line request had been overlooked when she transferred to another service provider. She also claimed that her new service provider sent mail in her name to her street address rather than to her PO Box as requested. As a result, she felt compelled to implement additional security measures at her home, costing about \$6,000.

The complainant claimed that she received a death threat within two months of her details being revealed.

The complainant provided evidence demonstrating the steps she had taken in the past to protect her security. These included having all personally addressed mail sent to a PO Box and arranging a 'silent' electoral roll listing. She also provided a statement from a witness testifying that she had requested a silent line from her provider.

The provider maintained that it had no record of a request for a silent/unlisted number. Significantly, the provider maintained that its representatives were required to follow stringent procedures when connecting new services or accepting transfers from other providers.

TIO Response:

During the investigation, the TIO examined the provider's system records. It found that the relevant field in the activation database had remained blank.

On the basis of this evidence, the TIO concluded that the provider might not have followed its own procedures by failing to ask the complainant whether she required a silent number.

The Outcome:

The TIO asked the provider to pay the requested compensation, which it agreed to do.

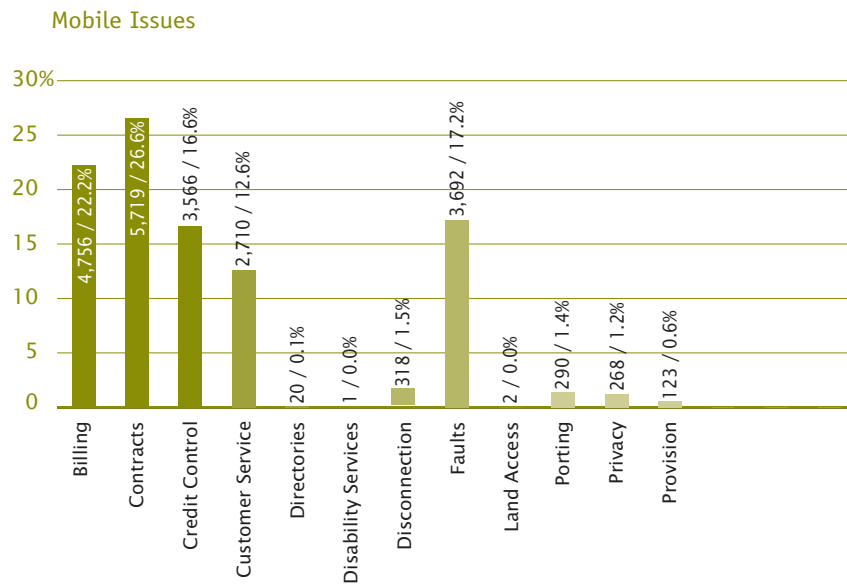
Of interest was that the provider's own computer systems appeared not designed to require completion of the silent/unlisted number field. This would appear to contradict the provider's assertion that it had stringent procedures in place to ascertain new customers' privacy requirements.

Furthermore, the service provider sent its remittance advice for the agreed compensation to *the complainant's street address*, despite the complainant's request that all correspondence go to her postal address.

This highlights an important point about customer service. While systems and procedures need to be well designed, providers' staff at all levels need to pay careful attention to the specific needs and requests of their customers. Care and attention to detail are essential.

Mobile Service Issues

Overview – 21,465 issues raised



The number of complaints about mobile services rose from 16,773 in 2002/03 to 21,465, an increase of 28.0%.

There were significant increases in several categories. Complaints about handset network and coverage faults increased, by 80.0%, from 2,051 issues to 3,692. About two thirds of these complaints related to handset faults, reflecting the expansion of the TIO's jurisdiction in this area. 3G handset faults also contributed to the increase in complaints and were the subject of a TIO systemic complaint investigation. Interestingly, CDMA faults now account for half of all coverage fault issues.

Mobile contract complaints, in particular those about misleading advice at point of sale, increased 37.3%. These cases can be difficult to investigate as often the evidence consists of one party's word against another. And often enticements to enter into a new contract or to transfer between providers leave complainants unaware or confused about their responsibilities under any existing contract.

As with landline and internet services, credit control complaints in relation to mobile services rose 50.2%, from 2,374 issues in 2002/03 to 3,566 this year. Many of these complaints related to what may be perceived as Members' inflexible approach to negotiating extended payment arrangements with customers experiencing financial difficulties.

Disconnection and Porting complaints rose significantly, up 51.4% and 61.1% respectively, but were still only a very small percentage of total mobile phone complaints (1.5% and 1.4%). Neither category has increased significantly as a proportion of the overall total.

Complaints about mobile billing, at 22.2% of issues, remained steady.

Billing 4,756 issues raised

Mobile billing complaints remained fairly steady, with 4,756 in 2003/04 compared with 4,797 in 2002/03, and accounted for just under one quarter of the total mobile complaints.

Typical mobile complaints include disputes regarding calls made, SMS/MMS message charges and monthly access fees.

Access and Connection Fees

Access and connection fee complaints rose moderately, from 617 in 2002/03 to 669 in 2003/04 with most complaints relating to GSM, rather than CDMA, services.

The most common types of complaints were about Members charging fees after the cancellation of a service or charging a different access fee to that agreed to by the customer.

Information, Sex And Chat Lines (Premium Rate Services)

The number of complaints about disputed mobile calls to information, sex and chat lines remained relatively small at 89.

Calls to Mobiles

In 2003/04 the TIO received 881 complaints about disputed calls made from one mobile service to another mobile service, up from the 775 complaints received in 2002/03.

SMS/MMS

Complaints about disputed SMS/MMS charges rose from 108 in 2002/03 to 224 in 2003/04, reflecting the increasing use of SMS/MMS message services by mobile users.

For the first time, in May 2004, the TIO began to see complaints about premium rate SMS (chat) services. The TIO will be monitoring these complaints closely to determine whether there is a systemic problem in the industry.

It is yet to be seen whether the increasing availability of MMS services that allow mobile-phone users to send colour photographs and audio clips to each other will lead to an increase in this type of complaint.

Tom Parbery
Investigation Officer



Lu Quintanilla
Admin. Assistant



Case Study – Long Duration Calls

The Complaint:

A complainant contacted the TIO about a bill for a mobile call that went for 2 hours and 50 minutes. She said she would never speak for so long. The Member told her the call was valid and the charges accurate.

TIO Response:

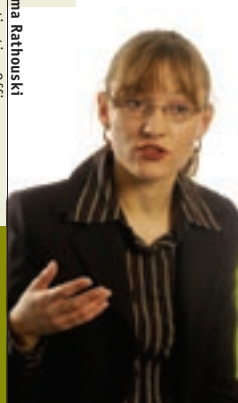
The matter remained unresolved despite the complainant calling the carrier, so the TIO asked her to make a formal complaint. The carrier proposed that as it was apparent that the call was made in error only wholesale costs be charged. The complainant did not feel this was satisfactory as she was adamant that she did not make the call. The TIO requested technical data to substantiate how the call was initiated and terminated.

The Outcome:

The carrier made a business decision that due to the time invested in attempting to resolve this complaint, it would waive the charges.

The TIO has a position statement about long duration calls which states that where all parties agree that the most likely cause of the call was an error (that is, both parties failed to hang up the phone correctly) the Member should negotiate a fair and reasonable outcome with the consumer. This would usually include some sort of reduction in the bill.

Kalima Rathouski
Investigation Officer



Kelly Rice
Investigation Officer (Legal)



Contracts 5,719 issues raised

Complaints about mobile contracts rose from 4,164 to 5,719 in 2003/2004, an increase of 37.3 per cent.

This increase was largely due to a surge of complaints alleging misleading practices by telemarketer agents employed and used by RSL Com Mobile, now trading as SimPlus, leading the TIO to refer the Member to the ACA.

Many complaints were about point-of-sale advice. These cases can be difficult to establish as they generally involve verbal advice, or one person's word against another. However, the TIO routinely investigates these types of complaints despite the difficulties in obtaining written evidence.

When investigating point-of-sale complaints, the TIO will gather evidence about the contracts and arrangements entered into by the parties. Promotional material at point of sale, statutory declarations and advertisements are considered where relevant.

If the case is about telemarketing advice, the TIO will also consider transcript evidence or voice recordings of the contract. The TIO will consider the merits of each case, based on the strength of the evidence received.

Early termination fees

Mobile service providers charge early termination fees (ETFs) to customers who terminate a contract prematurely. The TIO has found that high fixed early-termination fees often do not reasonably reflect the term left on a customer's contract or plan, and may constitute a penalty, rather a genuine pre-estimate of loss.

In 2003/04 ETF complaints rose to 1,004 from 959 complaints in the previous year.

This increase is worrying because it suggests that some industry members have not reacted to the TIO's well known position established more than two years ago in the industry forum it hosted.

The TIO has a position statement about early termination fees for mobile contracts which states that, rather than being a fixed charge or penalty, early termination fees should reflect a genuine pre-estimate of loss to the Member as a result of the unexpired term of the contract.

Debbie Ross
Finance Officer



Case Study –

Misleading Advice at the Point of Sale

The Complaint:

A complainant claimed he was approached by a telemarketer who said he was 'calling on behalf of Company A's network'. The telemarketer told the complainant that he could terminate his mobile contract with Company A and enter into a new contract without penalty. The complainant agreed, believing that the new contract was also with Company A.

The complainant was subsequently charged \$612 in early termination fees by Company A. When he queried the charges, he was advised that his new contract was with Company B, a different service provider which uses Company A's network.

TIO Response:

The TIO raised a complaint with Company B, citing a possible breach of clause 6.5.1 of the ACIF *Customer Transfer Code*. This clause provides that a supplier must ensure that its sales representatives present the supplier's services in a clear, truthful and honest manner and do not mislead or misrepresent the supplier's affiliation with any other suppliers.

The Outcome:

Company B released the complainant from the new contract and Company A agreed to waive the early termination fee and reactivate his previous account. Company B also agreed to change its outbound telemarketing scripting, so that its telemarketers no longer introduced themselves as 'calling on behalf of Company A's network'.

Credit Control 3,566 issues raised

Mobile credit control complaints rose 50.2% from 2,374 in 2002/03 to 3,566 in 2003/04, mirroring the trend seen in landline complaints. Like landline complaints, debt recovery also accounted for a large number of complaints (2,298) in the mobile sector, the third largest area after billing and contracts.

Although the factoring or selling of debts by several Members continues to contribute to the rise in complaints, the referral of accounts to debt-collection agents has also led to an increase in complaints. It is a concern that complaints relating to debt recovery have almost doubled from 2002/03, when the TIO received 1,336. Like landline complaints, anecdotal evidence suggests that many complainants' accounts are being referred to debt collectors because they have unsuccessfully attempted to negotiate a reasonable payment arrangement with their provider.

Complaints about payment arrangements, which include the inability to negotiate a reasonable payment plan, rose to 390. The increase in credit-control complaints may also be a result of some Members' inflexible credit-management processes.

The TIO has developed a position statement on financial hardship and payment plans to address these issues.

Andrew Sawle
Enquiry Officer



Case Study – Debt Collection

The Complaint:

A telephone company sent the complainant a letter of demand for an outstanding debt. The letter was addressed incorrectly but the complainant ultimately received it. He paid the overdue account but began to receive calls from a debt-collection agency for a different amount, for which he had not received any accounts. He called his telephone service provider to request a copy of the account and to confirm that his address details had been updated. He did not receive the account copy and then received more calls related to the overdue account. He then contacted the TIO.

TIO Response:

The TIO asked the Member to confirm that the original accounts, reminder letters and any other documentation had been sent to the complainant's correct address. The TIO also asked to see the customer care notes to verify that the complainant had contacted the service provider to update and confirm his address details. The TIO also requested copies of the accounts in question, as the complainant claimed that he had still not seen these bills.

The Outcome:

The telephone service provider admitted that the accounts and overdue reminders had been sent to the incorrect address on each occasion. As a gesture of goodwill, it withdrew the overdue charges in question and recalled the account from the debt-collection agency.

The TIO often deals with accounts that have been put into the hands of debt-collection agencies, sometimes after a credit default has been listed against the complainant with a credit-reporting agency. This example illustrates the curious fact that although the telephone service provider was unable to contact the complainant about the outstanding account, the debt-collection agency contacted him by letter and by telephone without any apparent difficulty.

Customer Service 2,710 issues raised

This year complaints increased to 2,710, from 2,607 last year, but the category fell from third largest mobile service issue to fifth largest with 12.6%.

As with 2002/03, the most common complaints concerned the failure to action a request (1,164 complaints) and provision of inadequate or incorrect advice (901 complaints). Long queue waiting times were also a cause of complaint.

Directories 20 issues raised

Only 20 complaints were recorded in this category, (with 16 relating to errors or omissions), reflecting the fact that few mobile phone numbers are listed in any directory. They can, however, be listed in the *White* and *Yellow Pages* for a fee.

Disability Services 1 issue raised

The only complaint received was about whether it was appropriate to regard a mobile phone as a luxury for persons with particular disabilities. The complainant believed that a discount was appropriate on 'call-connect' calls from mobile phones.

Initially, the Member's position was that mobile phones are a luxury and no discount was warranted.

This case was resolved at Level 1 and the TIO was not required to make a decision on the policy.

The TIO reviews and analyses complaints involving people with disabilities in accordance with its *Disability Action Plan*, which has been registered with the Human Rights and Equal Opportunity Commission. The plan is available at <http://www.tio.com.au/publications/dap/dap.pdf>

Disconnection 318 issues raised

Disconnection accounted for only 318 or 1.5% of mobile phone complaints.

This category contains statistics on services that have been disconnected in error or where there has been a delay in disconnection. In line with the trend set over previous years, most complaints were about delays in the disconnection of a GSM service (183 complaints).

While not a large area of complaint, mobile disconnection complaints may also spill over to customer service complaints where consumers allege a service provider has failed to action a request. They therefore have the potential to become a 'double complaint'.

Faults 3,692 issues raised

Mobile fault complaints rose dramatically by 80.0% (from 2,051 in 2002/03) to 3,692 in 2003/04. This is largely attributable to a change in the TIO's Constitution in September 2002, which allowed it to deal with complaints about handset faults if the handset has been sold as part of a bundled service/contract. Faults have overtaken customer service and credit-control issues to be the third-largest source of mobile-related complaints. Mobile handset complaints doubled from 1,179 to 2,460.

The TIO initiated a systemic investigation following a pattern of complaints relating to Hutchison 3G handsets, which also contributed to the increase in reported handset faults.

The faults category also comprises coverage and network issues. Coverage complaints rose by 58.7%, from 513 last financial year to 814 in 2003/04. This is broadly consistent with the increase in mobile fault complaints as a whole. However, coverage faults with CDMA services have now quadrupled and account for 57.2% of coverage fault issues.

Case Study – SIM Card Not Transferable to Other Handsets

The Complaint:

Although happy with his existing handset, the complainant signed up to a contract with a new provider because he liked the particular plan associated with the offer. His wish was to use the SIM card from the new contract in his existing handset. The complainant claimed that the salesman had confirmed that this would be possible. The complainant cancelled the contract with his old provider, incurring a \$400 termination fee as a result.

Upon placing the new SIM card in his old handset, the complainant found that the service would not work. He tried the SIM card unsuccessfully in two other handsets and then telephoned his new provider. The provider advised him that his new SIM would not work in his old phone as it used a more advanced technology than his old handset allowed. The complainant asked if a compatible SIM using a lesser technology could be provided on the same plan and was advised that this would not be possible. He therefore asked for the contract to be cancelled and for the company to reimburse him for the termination fee he had incurred with his old provider, a request that was refused.

TIO Response:

The Member advised the TIO that the service supplied was consistent with the signed agreement. The Member said it had made the applicant aware of termination fees from his old provider if he cancelled his old contract early. The TIO confirmed that this was clearly outlined on the signed contract.

The Member also provided customer care notes showing that the complainant had only asked whether the SIM was compatible with other handsets several days after the contract was signed. And the company provided a statement from the salesman denying that he had told the complainant that the new SIM card could be used in older model handsets.

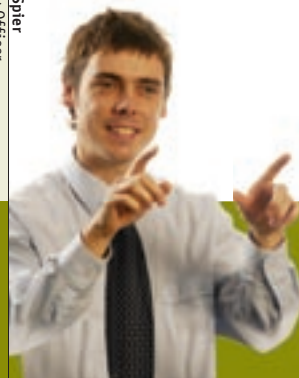
The Member advised that as a goodwill gesture it was willing to release the complainant from the contract without penalty and that he would be reimbursed for monies already paid. However, the company advised that it would not cover the costs associated with the termination of the contract with the complainant's previous carrier.

The Outcome:

The TIO concluded that, based on the evidence provided, the resolution proposed by the Member was a fair one. This was because there was no evidence that the Member had advised the complainant that the SIM was transferable prior to the complainant agreeing to the contract.

With rapidly changing and alternative technologies now available to consumers it is of the utmost importance that options for transferring SIM cards and handsets are thoroughly explored prior to agreements being signed. Not all SIM cards are transferable and not all handsets can be used on different mobile networks.

Bryan Spier
Enquiry Officer



Porting 290 issues raised

Mobile number portability (MNP) is the ability to transfer your mobile service to another provider while retaining your number.

In 2003/04 the TIO received 290 complaints relating to MNP, up from 180 the previous year. About half related to delays in the porting process.

Complaints about misleading information at point of sale appear to be on the rise. The TIO continues to receive complaints from people who claim that they have been advised that their new provider will pay out termination fees under their current contracts, but fail to do so.

The TIO also received 77 complaints of unauthorised ports, compared to 44 in 2002/03. Several of these relate to telemarketing practices in which the complainant claims that they have not been made aware that the new contract that they have agreed to is with a different service provider.

Privacy 268 issues raised

In 2003/2004 the TIO registered 268 complaints about mobile telephone privacy, slightly more than last year's 244 complaints.

Complaints involved:

- unwelcome calls – 97 complaints;
- disclosure of personal details – 92 complaints;
- general privacy complaints – 63 complaints;
- provision of inadequate advice about spam – 10 complaints;
- spam received from carriage service providers – five complaints; and
- failure to block Calling Number Display – one complaint.

The TIO added new categories relating to mobile spam after the Spam Act came into effect in April 2004. Spam is defined as unsolicited commercial electronic messaging. It is usually sent by email, but can also be delivered by mobile including via Short Message Service (SMS) and Multimedia Messaging Service (MMS). The Spam Act oversees the way organisations collect and handle the personal information used to send commercial electronic messages.

The TIO is able to investigate complaints where a mobile customer is being spammed by their own service provider, or where the service provider has provided inadequate advice/assistance in relation to managing spam. The TIO also has regard to the ACIF *SMS Issues* Code when investigating complaints about spam.

The TIO refers all other complaints about spam to the spamming party or to the ACA.

Provision 123 issues raised

The TIO received 123 complaints about mobile provisioning in 2003/2004. This is an increase on the 99 complaints received in 2002/03.

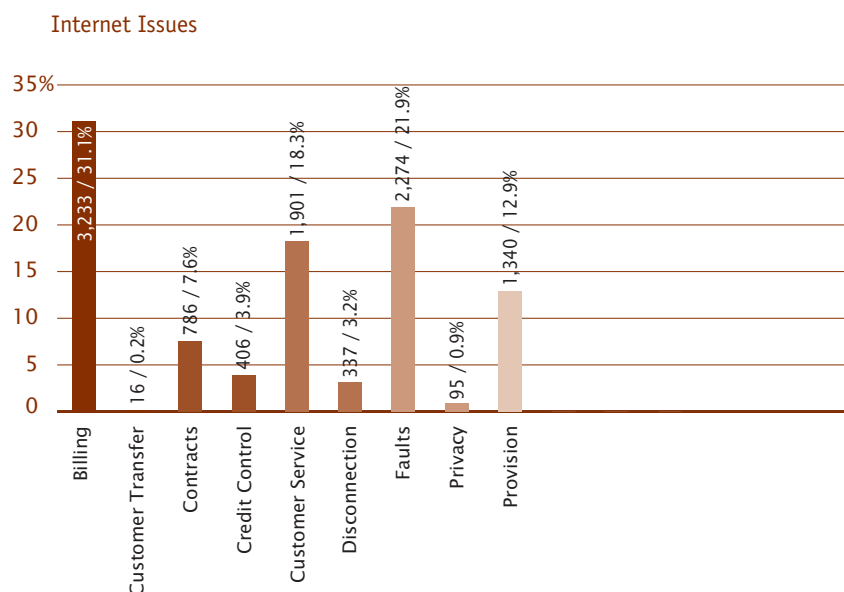
This category incorporates provisioning delays for CDMA and GSM mobile telephones.

Historically, a delay in number allocation caused most complaints in this category. However, the TIO has noticed that most complaints now relate to delays experienced in receiving handsets after a customer agrees to a contract over the phone.

These complaints can generally be resolved quite promptly with a referral back to the phone carrier.

Internet Service Issues

Overview 10,388 issues raised



The TIO received 10,388 internet service complaints, 19.5% more than last year. Billing continues to account for the largest proportion of complaints. The number of provisioning complaints for ADSL services (1,103), however, indicates the growing move from dial-up to broadband, with ADSL the most accessible broadband technology in the country. As a consequence of this trend, the TIO introduced separate categories in 2003/04 for ISDN, ADSL, satellite, cable and dial-up internet as a tool to analyse trends. In the 2005 financial year, wireless internet will join these categories.

For the first time broadband service complaints exceeded those about dial-up services. Complaints have primarily been about ADSL and relate to issues such as

billing for excess usage, incorrect advice from customer-service personnel, faults and contracts.

The TIO also introduced a Customer Transfer (Churn) category to its reporting in 2003/04 as 'fast churn' became available between some ADSL providers. A systemic investigation relating to this issue was undertaken during the year. Some minor clarification was also made to the internet privacy category as a result of new spam legislation.

In 2003/04, the TIO agreed to accept complaints from consumers who have subscribed to services supplied under DCITA's Higher Bandwidth Incentive Scheme (HiBIS). The TIO will be reporting complaint numbers and types to DCITA during the 2004/05 financial year.

Billing 3,233 issues raised

The TIO received 3,233 billing complaints in 2003/04, a slight reduction on last year (3,347). Of these, about half related to the billing of dial-up services and a quarter to ADSL. The most significant area of billing complaint was about disputed access fees, with 918 complaints, a 15.3% increase on last year.

Complaints about disputed excess usage (upload/download) also increased from 844 in 2002/03 to 991 in 2003/04. About 40% of these complaints concerned bills for excess usage on dial-up services. This suggests that even consumers with dial-up internet need to know how to protect themselves from high excess usage charges and what tools are available to assist them with this.

Complaints from consumers who have incurred long-distance charges because of allegedly being provided the incorrect point-of-presence dial-in phone number by their ISP fell significantly, from 411 in 2002/03 to 294 in 2003/04. This reduction is most likely due to the migration of dial-up customers to broadband.

Other areas of concern highlighted by the TIO's statistics are the number of unauthorised direct debit complaints (213) and complaints where a billing adjustment or credit has not been applied (265).

Aaron Tan
Enquiry Officer



Astra Taurins
Personal Assistant



Case Study – STD Point of Presence (POP)

The Complaint:

The complainant had correctly programmed her computer to dial a local point of presence (POP) number to access the internet. However, she claimed that at some point her ISP had changed the number, and she later received a phone bill indicating that her computer had been dialling a long-distance STD number.

The ISP provided evidence to the TIO that a pop-up box had been used to notify customers that a single number could be accessed for the cost of a local call from anywhere in Australia. The attached program guided customers through the process of changing their dial-in number and advised them to check that it would be a local call from their location.

TIO Response:

The TIO's position statement on STD POP charges says that where new users are required to select a dial-in number themselves, the TIO expects that clear and appropriately placed warnings will be provided to ensure they check that the number is charged at local call rates.

The Outcome:

This situation was akin to the selection of a dial-in number by a new user and as it appeared that the complainant had ignored the advice provided by the ISP, the TIO found that the ISP was not liable to reimburse the complainant for STD call charges incurred.

Case Study –

Unauthorised Direct Debits

The Complaint:

The TIO received a complaint about a Member making unauthorised direct debits for a dial-up internet account when the customer had not activated or used the service. The complainant claimed the provider debited his account for two months' access despite advising him that it would not do so unless he called to formally activate the account.

TIO Response:

The TIO expects a provider to refund disputed charges where evidence indicates that a customer's account has been incorrectly debited. However, it should be noted that many 'trial' or 'free' internet set-up discs require credit card details before the consumer can proceed. After the trial period has ended, the onus is on the consumer to indicate to the provider that they do not wish to continue with the service.

If this is not done, a provider will often commence monthly account debits. In investigating these complaints, the TIO has regard to whether the advice about the need to cancel the service was made clear and whether the service has actually been used.

The Outcome:

The provider waived all the charges debited from the complainant's account, but the complainant requested that dishonour fees and interest also be refunded. Without admission of liability, the provider also agreed to refund all bank fees.

Broadband

The numbers of complaints about broadband services exceeded dial-up internet for the first time this year, bringing new challenges for the TIO.

Many of the issues are similar to those that surfaced when competition was introduced in landline telephony. The co-regulatory framework for landline telephony is now supported by an industry code regime, which is not the case for broadband internet. It is clear to the TIO that solutions to many industry-wide problems need to be sought, and that industry codes may be the answer.

During 2003/04 the TIO considered whether it would be appropriate to vary its 'Bill the Biller' policy (See Glossary) with respect to ADSL complaints. With a large number of complaints about ADSL services, resolutions for consumers were becoming increasingly difficult to achieve due to the complex wholesale arrangements for ADSL services, and the reliance in most cases on Telstra to provide the 'last mile.'

Detailed below are the types of issues considered by the TIO.

ADSL Transfers

Until mid 2003, changing internet service providers was occasionally very difficult: consumers were required to disconnect their ADSL service with their existing provider and then arrange a connection with their new provider, most commonly at the same price as a new connection. This would usually mean a lengthy period of time with no service, and the possibility of losing 'the port', from which the service had previously been supplied, to another customer.

A voluntary process developed by a number of ADSL suppliers, designed to simplify the transfer of ADSL services, has had many tangible benefits for consumers, including reduced cost, reduced downtime and reduced delays. Under this new procedure the cost to the consumer of transferring to a new ADSL service provider is often substantially less than having a new service connected.

However, if a consumer wants to transfer to or from an ISP that is not a participant in the industry process, they need to arrange for their service to be disconnected, and then reconnected with their new provider. The new provider cannot process an application until the service with the old provider has been disconnected. It is likely that the customer will experience a delay in having the service reconnected. In addition, if ADSL capacity on that consumer's exchange is full when they submit the application with the new provider, they will need to wait until another port becomes available.

While the transfer process is a positive step, the TIO's view is that a universal procedure should be introduced. This need becomes even more important as some ISPs begin to deploy their own ADSL infrastructure at telephone exchanges.

ADSL Applications

Some complainants to the TIO say that they have been refused an ADSL connection with a service provider because of a lack of wholesale supply. They have then contacted the wholesaler directly (in its retail capacity) to be told that it can connect a service.

Other complainants who have been refused an ADSL connection by a service provider are not confident that the information provided by the wholesaler to the service provider is in fact correct. In some instances, ISPs are referring customers to the TIO to complain about the lack of availability.

It would seem that some ISPs may not have available to them specific information about the results of testing on the consumer's telephone line which would indicate the availability or otherwise of a service.

ADSL Codes

As part of the provisioning process, 'codes' specific to an ISP are attached to a consumer's telephone line. The TIO has received some complaints where consumers have had applications for ADSL

services declined on the basis that another provider's 'codes' are on their telephone line. Generally, the gaining ISP is unable to advise the consumer to which ISP the codes belong.

In the TIO's experience, some consumers have an idea which provider owns the codes because they may, for example, have had a previous service or made a previous application. There have also been some complaints where the consumer does not know to whom the codes belong. In one case a consumer was advised that unless they could identify the provider to whom the codes belonged, they would need to move in order to obtain ADSL services.

Removal of Pair Gains/RIMs/Ant 1

To receive an ADSL service, customers must have a 'clean copper pair' telephone line. If the line uses splitting technology such as Pair Gains, RIM or Ant 1, then an ADSL service cannot be provided.

Telstra's wholesale and retail ADSL customers may request that a telephone line be transposed to a spare copper pair, where one is available. The telephone line must also meet other provisioning criteria for ADSL to be connected.

A recent systemic investigation revealed that some ISPs have made a commercial decision not to make line transposition requests as the procedure is lengthy with uncertain results.

This means that a customer may still not be able to get an ADSL service from some providers, even if their line can be transposed to a spare copper pair and it meets all the other provisioning criteria.

The TIO believes that this raises an issue for the entire industry and is considering what role it might take in proposing an industry solution.

As a consequence of its enquiries, the TIO has determined that it will continue to bill ADSL complaints in accordance with its 'Bill the Biller' policy, while it continues to monitor complaints.

Contracts 786 issues raised

786 complaints about internet contracts were received in 2003/04, with 43.0% related to ADSL and 38.5% to dial-up services.

Most contract complaints were of a general nature, but about one third related to advice provided at point of sale. This highlights the need for providers to ensure that they provide correct and understandable information to consumers at the time that contracts for internet services are formed, so that the expectations of both parties are the same.

Credit Control 406 issues raised

Credit control complaints rose by 75.0% in 2003/04 with 406 complaints received, the second consecutive year where increases of more than 70% have been experienced.

Two thirds of credit control complaints (279) related to debt-recovery action, reflecting the recent tightening up of credit terms in the industry. Debt-recovery complaints may also include a consumer being pursued for a factored or sold debt. In some cases consumers believe the debt is incorrect or they have had a credit default listed against their name in error.

Customer Service 1,901 issues raised

ISPs are no better than their fixed line or mobile brethren, with customer service complaints rising to 1,901 in 2003/04, a 9% increase on last year. Almost half of these complaints related to ADSL, with the single highest area of complaint being inadequate or incorrect advice being provided about ADSL services (339 complaints). 279 complaints concerned inadequate or incorrect advice about other internet technologies.

Other areas of concern included customer-service wait times (312), non-response to written correspondence (198), and failure to action requests (570).

Customer Transfer 16 issues raised

The TIO introduced the churn or transfer category at the beginning of the March quarter of 2003/04, as it began to receive complaints about the transferring of ADSL services between ISPs.

The TIO had conducted a systemic investigation in December 2003 into the alleged unauthorised transfer of ADSL services.

While the transfer of ADSL services between ISPs is a voluntary process, it is the TIO's view that ISPs should act in accordance with ACIF's *Customer Transfer Code* when facilitating such a transfer.

Dan Walls
Member Services Officer



Phil Waren
Policy and Research Officer



Disconnection 337 issues raised

The TIO received 337 complaints about disconnections in 2003/04, an increase of 26.7%. Dial-up internet services accounted for about 45.7% of disconnection complaints, and ADSL services 47.5%. The bulk of dial-up internet complaints related to a delay in the disconnection of a service (110), while ADSL complaints were spread among delay in the disconnection (56); disconnection error (57); and disconnection as a result of a service dispute (47).

Faults 2,274 issues raised

Fault complaints rose from 1,775 in 2002/03 to 2,274 in 2003/04 although this was still lower than the 2,384 recorded in 2001/02. In light of the increased complexity in the internet environment over the last few years this result might have been expected.

Fault complaints were broken up evenly between dial-up and ADSL at 39% each. Cable internet represented 16.2% of complaints, while other internet technologies represented the remaining 6%.

626 internet fault complaints were received during the December quarter when several ISPs were contending with issues that appeared to affect the stability of their networks. Complaint numbers have levelled in the two subsequent quarters (590 and 587 respectively).

Case Study – Faults/Technical Support

The Complaint:

The complainant claimed to have experienced frequent dropouts on his dial-up service over eight months. He said he complained many times to his ISP, which had refused to help.

It was found that the complainant was using software for which the ISP did not offer technical support. The ISP did not suggest that the software caused the dropouts. Rather, as the ISP did not train its staff in the product, it could not offer worthwhile assistance to its customer in using different settings on his software, to try to fix the problem.

TIO Response:

The evidence supplied by the ISP indicated that the usage of the service had not decreased because of the dropouts. The TIO declined to investigate the matter further, because the ISP had agreed to credit three months of access fees as a goodwill gesture as well as issue a credit for the cost of the call dropouts.

The Outcome:

The TIO believed that this was a reasonable outcome in all of the circumstances and was not in a position to determine that the ISP should support privately purchased software.

Privacy 95 issues raised

The TIO received 95 complaints about internet privacy in 2003/04, with 51 complaints relating in some way to spam. The TIO does not investigate complaints arising from the Government's recently introduced spam legislation, but can investigate circumstances where a Member has spammed its customer, or where an ISP provides its customer with inadequate advice on how they can protect themselves against spam.

Provision 1,340 issues raised

Complaints about internet provisioning increased by 158.2% from 519 in 2002/03 to 1,340 in 2003/04. ADSL provisioning complaints accounted for 82.3% of these (1,103), reflecting the surge in popularity of broadband as providers market this technology and prices come down.

In many of the complaints about ADSL provisioning, consumers said they had received inconsistent information about the availability of ADSL services from ISPs.

The TIO has had discussions with ISP retailers and wholesalers as it believes that the complexity of the wholesale and retail relationship in ADSL services is at the core of these complaints. Certainly, many ADSL provisioning complaints are presented as complaints against the wholesaler, and not the consumer's ISP, and hence are effectively outside of the TIO's control.

Case Study – ADSL Provisioning Delay

The Complaint:

A complainant approached an ISP for an ADSL service. He said the ISP told him that its wholesaler had said that his line was not ADSL compatible. The complainant claimed that he then approached the wholesaler in its retail capacity. The wholesaler told him that his telephone line was ADSL compatible and that it would be happy to provide him with an ADSL service.

The TIO's Response:

After contacting the TIO, the complainant was referred to the TIO contact person at his ISP. This officer then contacted the TIO to advise that he could not take any further action in relation to the complaint.

The TIO contacted the wholesaler (in its retail capacity) to clarify the status of the service. Initially, the wholesaler would not confirm whether the complainant was eligible for ADSL. It later confirmed that he was eligible and claimed it had never received a wholesale order for the provision of an ADSL service to his residence.

The Outcome:

The complainant's preferred ISP placed another order for the service, which was rejected by the wholesaler. After further queries from the TIO, the wholesaler confirmed that the service was connected. It came to light that the ISP's wholesaler did not keep records of unsuccessful ADSL provisioning requests.

Danny Whelan
Investigation Officer



Bernie Wise
Investigation Manager



Systemic Issues Investigations

Completed Investigations

During 2003/2004, the following systemic investigations involving Code issues were completed.

Optus Mobile Upgrade Contracts First Bill

Complaint

Optus mobile customers who took up upgrade contracts being billed the new contract's rates for the entire billing period, including the period prior to the formation of the new contract.

Relevant Code Clause

Billing Code, Clause 7.3.1

Resolution

Optus made changes to both its point-of-sale information, and Standard Form of Agreement (SFOA). Although the precise meaning of Clause 7.3.1 remains unclear, the TIO concluded that Optus's actions were sufficient to comply with the code and did not record a code breach.

Veridas Unauthorised Transfer of ADSL Services

Complaint

Lithoptix ADSL customers who had transferred services to another ADSL service provider after services were suddenly disconnected (with no certainty of reconnection) found that about a week later their ADSL service had been transferred from their new service provider to Veridas Communications.

Relevant Code Clauses

Customer Transfer Code, Clauses 6.2, 6.3, 6.7, 6.8, 6.10

Resolution

The TIO recorded established code breaches of all the above code clauses. The TIO took the view that Veridas Communications did not take adequate steps to ensure that it had the appropriate authority to transfer ADSL services.

RSL Com Mobile (now SimPlus) Alleged Misrepresentation of the Identity of the Provider

Complaint

Customers claimed that they had agreed to a mobile contract with RSL Com Mobile believing that the contract was with Optus.

Relevant Code Clauses

Customer Transfer Code, Clause 6.5.1
Complaint Handling Code, Clauses 8.2.2, 8.2.3, 8.2.4, 8.5.1

Resolution

The investigation established that RSL Com Mobile telemarketing representatives were advising customers that they were calling on behalf of the Optus network. RSL Com Mobile has since changed the scripting provided to its telemarketing representatives. The TIO recorded established code breach of clause 6.5.1 of the Customer Transfer Code and clause 8.4.2 of the Complaint Handling Code. Having regard to the number and nature of these complaints, the TIO referred RSL Com Mobile to the Australian Communications Authority for systemic breaches of ACIF codes.

Telstra Rounding up of Capped Calls

Complaint

Customer claimed that itemisation of his long-distance landline calls indicated that he was being billed \$2.51 for some of the calls which had been advertised as costing no more than \$2.50.

Relevant Code Clauses

Billing Code, Clause 7.3.1

Resolution

Telstra claimed that the rounding up was due to the effect of the GST and that some calls were billed at a lesser price (that is \$2.49) so that the total amount billed to the customer averaged to no more than \$2.50 per call. The TIO took the view that, irrespective of the impact of GST, if prices exceed the published or contracted rate, then the Member is acting contrary to Clause 7.3.1 of the Billing Code and accordingly recorded a confirmed breach of this clause against Telstra.

TPG Pricing Information

Complaint

The pricing information available on TPG's website for ADSL services had the potential to mislead customers.

Relevant Code Clauses

PTC Code, Clauses 23.1, 23.2

Resolution

TPG changed some of its advertising and the TIO exercised its discretion not to investigate the matter further as the conduct of the Member was also under consideration by a regulator. Accordingly, no code breach was recorded.

Primus Landline Billing for Short Duration Calls to Mobile Services

Complaint

Consumers alleged that they were being charged for calls from their landline service to mobile phone services that were neither answered nor diverted to voicemail.

Relevant Code Clause

Billing Code, Clause 7.3.1

Resolution

The TIO is satisfied that Primus does not currently bill for calls to mobile services that have not been answered. The investigation was inconclusive as to whether this had ever occurred in the past. Accordingly, no code breach was recorded.

RSL Com Mobile Legibility of Terms and Conditions

Complaint

Terms and conditions provided to a consumer were allegedly in an extremely small font and partially obliterated.

Relevant Code Clause

Consumer Contracts Guideline, Clause 6.2.1

Resolution

The TIO took the view that RSL Com Mobile's actions were inconsistent with clause 6.2.1 of the Guideline.

iiNet POP Information

Complaint

Customers migrating to iiNet POP were not given sufficient information to ensure that they did not incur national call rates.

Relevant Code Clauses

ISP Guideline

Resolution

iiNet agreed that the information provided to its customers was not firm enough in relation to directing customers to verify the

cost of a call to its POP. iiNet withdrew the information in question and has now rolled out a national POP.

AAPT Direct Mail Upgrade Offer

Complaint

AAPT customer received a direct mail offer to upgrade their mobile handset on a new two-year contract, while remaining on their current plan. When the consumer called to accept the offer they were advised that they could not retain their current plan.

Relevant Code Clause

Billing Code, Clause 5.4.1 PTC Code, Clauses 5.1, 8.1, 32.3, Guideline 2

Resolution

AAPT withdrew the customer's plan some time between the direct mail offer being sent and the offer being received. While no code breaches were recorded against AAPT the TIO took the view that AAPT's offer had been planned poorly and that it had acted inconsistently with Guideline 2 of the PTC Code.

RSL Com Mobile 'Win a Phone'

Complaint

Consumers alleged that they had been required to agree to a mobile phone contract with RSL Com Mobile in order to win a mobile phone.

Relevant Code Clause

PTC Code, Clause 32.3

Resolution

RSL Com Mobile resolved the TIO's systemic test case but declined to respond to the TIO's concerns about the alleged practice. The TIO accordingly recorded an established code breach against RSL Com Mobile, and remains concerned with its telemarketing practices which it referred to the regulator.

Primus Unlimited Internet Plan

Complaint

Consumers purchased Primus's 'unlimited' internet plan believing that the plan was unlimited in every sense, but later incurred bills for excess download.

Relevant Code Clause

PTC Code, Clause 6.6

Resolution

The TIO concluded that Primus's actions were not in breach of clause 6.6. The TIO has, however, taken the view that there is no grey area with respect to the word 'unlimited' and believes that a plan, irrespective of technology, should not be called 'unlimited' unless it is so in every sense.



Hypermax Preselection Transfer

Complaint

Internet customers of Hypermax finding that their telephone preselection had been transferred to Hypermax.

Relevant Code Clauses

Customer Transfer Code, Clauses 6.2, 6.3, 6.7, 6.10

Resolution

Hypermax had not kept recordings of the transfer authority forms. In light of this, the TIO took the view that the transfers were unauthorised and recorded established breaches of clauses 6.2, 6.3, 6.7 and 6.10 of the Customer Transfer Code.

The following systemic investigations did not involve Code issues

Hutchison 3G Australia handset faults

Complaint

Customers of 3 reporting multiple faults on their 3G handsets.

Relevant Code Clauses

None applicable

Resolution

3 has demonstrated to the TIO that it is taking steps to increase reliability of the equipment that it supplies to its customers. Specifically, it is offering software and hardware upgrades to customers who have experienced faults. It is also phasing out models that have proven problematic. Hutchison 3G Australia has indicated to the TIO that it does not believe that there are any critical flaws in the latest models it has supplied to customers and that the number of faults per customer should reduce. The TIO has agreed to monitor the situation. On this basis the TIO decided not to refer the matter to the Australian Communications Authority.

Optus Resale Customers Using Telstra Telecards

Complaint

Telstra telecards used by Optus resale customers were deactivated without notice.

Relevant Code Clauses

None applicable

Resolution

Optus has indicated that the issue arose from human error when it was undertaking a system cleanup and accidentally deactivated all Telstra telecards. Optus has now reinstated affected cards.

Austar Early Termination Fee

Complaint

Consumer incurred a fixed termination fee, but Austar indicated that in situations where remaining access fees are less than the standard early termination fee it charges the lesser amount. This did not appear to occur in the test case complaint.

Relevant Code Clauses

None applicable

Resolution

Austar explained to the TIO that it has a process whereby it checks any bill which includes an early termination fee to ensure that customers have been charged the correct amount. A second check was also introduced until a permanent system change can be facilitated.

Optus SIM Unlock Fee

Complaint

Consumer incurred a SIM unlock fee when choosing to use pre-paid mobile handset on another provider's network.

Relevant Code Clauses

None applicable

Resolution

The TIO issued a determination against Optus with respect to the test case complaint. The TIO formed the view that Optus had not provided sufficient information to substantiate its view that the SIM security fee was a genuine pre-estimate of loss.

B Digital Early Termination Fee

Complaint

Consumer incurred an early termination fee of remaining access fees plus \$11 per month to a minimum of \$66.

Relevant Code Clauses

None applicable

Resolution

The TIO formed the view on balance that there was insufficient evidence to indicate that the early termination fee was not a genuine pre-estimate of loss.

Digiplus Early Termination Fee

Complaint

Consumer incurred a large fixed early termination fee.

Relevant Code Clauses

None applicable

Resolution – Digiplus altered its method of calculating early termination fees.

Consumer Codes

Code Development and Review

The TIO has continued to participate in the review of the Customer Information on Prices, Terms and Conditions (PTC) code throughout 2003/04. It is expected that this code will be completed in the coming year.

The TIO has also participated in the development of the Connect Outstanding Code and the Consumer Contracts Code. Both are still works in progress.

The Australian Communications Authority (ACA) requested that a Consumer Contracts Code be developed, as the Consumer Contracts Guideline that was published in December 2002 did not seem to have resulted in any noticeable improvements in relation to consumer contracts.

The TIO has also been involved to a lesser extent in the development and review of other ACIF codes through submissions. Of particular interest to the TIO is the code that is being developed on the Rights of Use of Numbers. While the TIO had originally intended to consent to conferral of power for this code, we are now reconsidering. The code appears merely to reflect the provisions of the Numbering Plan in relation to the quarantining of numbers. Consequently, it is questionable whether there will be any consumer benefit were the TIO to consent to conferral of power. The TIO has taken this matter up with both ACIF and the ACA.

Code Complaints

TIO procedures

The TIO's procedure for dealing with code complaints has remained the same over the last year. While the TIO continues to differentiate between code signatories and non-signatories for reporting purposes, the complaint handling procedures are the same for both categories. This is because the TIO considers ACIF codes as benchmarks of industry practice, regardless of whether a company is a signatory to a code.

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

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

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

The TIO regularly sends statistics on code breach complaints to the ACA and ACIF. If it is found that certain suppliers consistently breach certain registered codes, or certain code rules, the ACA may warn or direct those suppliers to comply with the codes.

in question. Failure to comply with that direction could result in action being taken against those suppliers.

The challenge the TIO has faced in the past year has been determining what to do once a new version of an existing code has been registered. It is generally the TIO's policy only to have regard to registered codes. Consequently, when a new version of a code is registered, the TIO would cease to have regard to the old version of that code. However, the complaints that are received by the TIO in the period after registration inevitably relate to events that occurred before and after the registration date.

The TIO therefore adopted a policy that once a new version of a code is registered, staff must check when the event complained about occurred. If it occurred after the new code was registered, the complaint may be investigated and recorded in accordance with the TIO's usual procedures. However, if the event occurred before the registration date, Investigations staff could still raise the possible breach with the provider in question, but no code breach would be recorded or reported. This means that for a short time after a new code is registered, there would be a drop in registered code complaints.

Code Statistics

There were 5,111 code breaches in 2003/04, an increase of 944 or 22.7% from the previous year. These comprised 2,197 potential and 253 confirmed code breaches against signatories and 2,429 possible and 232 established breaches against non-signatories. It is worrying that for many codes complaints appear to be rising. In most instances, it is difficult to ascribe the increase to any particular practice or provider. Rather, it appears to be industry-wide. The increases may to some extent be attributed to the TIO's growing awareness and familiarity with codes, and that the number of complaints recorded is a more accurate indication of non-compliance.

More worrying is that just over half of all breaches involve non-signatories, indicating a low level of industry support for Codes.

Billing (27.6%)

Billing Code breaches increased by 41%, continuing a trend identified in 2002/03. Billing complaints now also make up a larger portion of total code breach complaints

recorded by the TIO, at 27.6% compared with 24% the previous year. In contrast to 2002/03, there were also marginally more complaints recorded against non-signatories (53.4%) than signatories (46.6%).

Notably, the number of confirmed and established code breaches has risen significantly, with only 12 confirmed and eight established breaches last year contrasted with 37 and 35 respectively this year. As was the case last year, the high number of Billing Code complaints may be linked to the rise in complaints regarding internet dumping and, more recently, international calls.

The increase may also reflect the registration of the new Billing Code in October 2003.

Consistent with last year's findings, most complaints related to clause 7.3.1 of the Code. This clause requires a supplier to ensure that charges billed to a customer are verifiable by the customer as being consistent with the supplier's published and contracted prices and discounts, as well as what the customer had requested, used or contracted to receive. Although some complaints related to the timeliness of billed charges, these represented only a small percentage of Billing Code complaints.

Credit Management (21.5%)

Credit Management Code breaches increased by 20%. Established and confirmed breaches rose significantly, by over 300% and 50% respectively.

As noted last year, the high number of credit code breach complaints appears to be linked to increased credit management activity within the industry, including the factoring of debt. In addition, the growing problem of unexpected high bills impacts on the level of credit-management activity being conducted by providers. It is also worth noting that based on an analysis conducted by the TIO, it appears that the TIO is under-reporting credit code breaches.

In mid 2003, the TIO analysed a selection of credit-control complaints to ascertain why generally only 10% to 20% of the TIO's credit control complaints involved breaches of the Credit Management Code.

The first conclusion was that the TIO is not routinely capturing all breaches of the Credit Management Code.

The second conclusion was that some important credit-related issues that the TIO deals with were not adequately covered by the code. In particular, the code falls short in relation to the issue of payment arrangements. While the code requires that providers have processes in place to assist customers who are having difficulties paying their accounts, there is no requirement as to what these processes should be, or even that they be reasonable. The revised version of the Credit Management Code, which was registered in July 2003, still does not adequately address this issue.

In 2003/04, 25% of credit-code complaints related to credit management action being taken in relation to disputed amounts (clause 6.7 of the revised code). This was followed by matters concerning a provider's obligation to have in place, and advise customers of, processes to assist customers to pay their accounts (clause 6.1 of the revised code). Following closely behind this area were breaches relating to suppliers failing to advise customers of credit-management processes and failing to give customers seven days notice of a pending suspension of a service (clauses 6.1.1 and 6.4 of the revised code).

Complaint Handling (18.3%)

Complaints relating to the Complaint Handling Code rose by 9.8%. This is disappointing in many respects, as it reverses the downward trend noted in 2002/03. It also suggests that the ACA's investigation into compliance with the Complaint Handling Code has not brought about permanent change or improvement. Moreover, as the Complaint Handling Code has recently been reviewed and submitted for registration, the TIO expected suppliers to have an increased awareness of the Codes requirements.

The TIO's concern regarding industry's level of compliance with the Complaint Handling Code is highlighted by a marked increase in the number of complaints recorded against code signatories. Potential complaints rose by 22.3%, while established complaints more than doubled.

Twenty nine percent of Complaint Handling Code complaints received by the TIO related to clause 8.4.2. This clause requires suppliers to escalate a complaint that remains unresolved. Clause 8.3 of the code also features prominently. It requires a supplier to respond to a customer's complaint within certain timeframes. The TIO has also received complaints where suppliers appear to have failed to halt debt-collection action of genuinely disputed amounts, breaching clause 8.6.1 of the code.

The Code also requires providers to tell customers with escalated but unresolved complaints concerning the provider about the TIO as an avenue of complaint resolution. However, the TIO's own statistics show that no more than 14% of consumers who complain to the TIO have been referred by their provider. This statistic completes a picture of widespread and systemic industry non compliance with the Code.

Customer Transfer (15.5%)

A total of 792 complaints related to the Customer Transfer Code, almost identical to the number received in 2002/03 (796). The consistency in figures between the two years seems to indicate that industry has not adequately addressed the issue of non-compliance. It is also disappointing to note that although there has been a decrease of 14.3% in established breaches since 2002/03, this reduction is more than offset by an increase of 110% in confirmed breaches against signatories.

An analysis of complaints recently conducted by the TIO gives reason for further concern. The TIO analysed all of the customer transfer complaints received in December 2003 to ascertain why generally only 30% to 40% of such complaints involved breaches of either the Customer Transfer Code or the Commercial Churn Code. We found that most cases appeared to involve a breach, or multiple breaches, of either of the codes, but we had failed to identify/record all of these breaches. This suggests that the TIO's statistics significantly under-report the level of non-compliance with both of these Codes.

The majority of recorded complaints under the Customer Transfer Code related to clause 6.3.1 (34.9%), closely followed by clause 6.2.1 (33.1%). The former clause requires a supplier to obtain a customer's informed consent before transferring a service, while the latter clause requires a supplier to make reasonable attempts to establish who the legal lessee is at the point of initial contact.

Customer Information on Prices, Terms and Conditions (8.5%)

The number of complaints relating to the Prices, Terms and Conditions Code more than doubled. The number of established and confirmed breaches also rose commensurately, by 187.5% and 60% respectively. The upward trend is worrying, particularly as it difficult to ascribe to any particular cause.

Closer analysis of the complaints reveals that the major trends are as follows:

- 33% relate to clause 23 of the code, which requires suppliers to disclose pricing information;
- 20.6% relate to failure to give adequate information to a customer about a product, to enable that customer to determine whether that product is fit for its stated purpose (clause 22) and;
- 18.3% relate to failure to advise of early termination fees at point of sale (clause 25).

Commercial Churn (3.6%)

Commercial Churn Code complaints increased by 16.4%. The number of established and confirmed code breaches also rose by about 50% for both categories.

Complaints relating to a supplier's failure to advise a customer of a delay in transferring the customer's service account for almost 50% of all the Commercial Churn Code complaints recorded. The next largest categories relate to a supplier's failure to take immediate action to reverse an invalid transfer, and unreasonable delays in processing the transfer of a service.

Consumer Contracts Guideline (2.3%)

From a low base there was a sharp rise in complaints under the Consumer Contracts Guideline, which the TIO treats as a benchmark of good industry practice for the purpose of investigating complaints. Complaints rose from nine in 2002/03 to 117 in 2003/04, over a quarter of which were found to be established.

More than 80 complaints related to oral presentation issues (section 6.3).

Other Codes

A one third reduction in complaints relating to the Protection of Personal Information of Customers Code was pleasing, with no established or confirmed breaches recorded. Most complaints under this code related to clause 7.1, which deals with disclosure of personal information.

Mobile number portability continues to be a non-issue for the TIO, with only 34 code complaints recorded, a reduction of almost two thirds. Industry is to be commended for the way it has managed this issue.

The TIO recorded only one complaint under the Local Number Portability Code, and two complaints under the Preselection Code.

The TIO received only six complaints about the Priority Assistance Code. Of these, only one, relating to fault rectification timeframes (clause 5.3.1), was established. Of the nine complaints that were logged in relation to the Handling of Life Threatening and Unwelcome Calls Code, only one was established.

Finally, the TIO recorded three Possible breaches of the SMS Code.

Annual Statistics versus Quarterly Statistics

Comparing the combined totals of quarterly code breach complaints with the annual total appears to show a discrepancy. This is due to the manner in which code-breach complaints are recorded by the TIO's database and, for want of a better word, the 'organic' nature of code-breach complaints. All of the TIO's code reports, irrespective of whether they are quarterly or annual, are based on the date that a complaint was closed. Consequently, if a Potential code breach were recorded for a closed Level 1 complaint in a particular quarter, it would be reported on in that quarter's statistics. If in a subsequent quarter that same Level 1 complaint were upgraded to Level 2, and was found to be a Confirmed code breach when the case was closed, it would be reported in that quarter's statistics as a Confirmed breach. This means that in terms of quarterly reports, one breach has been reported twice - once as Potential, and subsequently as Confirmed.

However, it is important to note that the TIO's database retains a record only of the current code breach status of a complaint. In the above scenario, this means that when the *Annual Report* is run, only the Confirmed code breach would feature in the report.

It is also worth noting that the majority of Level 1 code breach complaints are not escalated. Furthermore, not all code breach complaints are initially raised at Level 1 - many are first identified only at Level 2 or 3.

In summary, this means that although there will inevitably be a variation between the quarterly and annual statistics reports, both are correct at the point in time at which they are run.

Code Audits

In the last year, the TIO began conducting regular audits of confirmed or established code breach complaints. The first audit, completed in September 2003, looked at all complaints for 2002/03, while the second, conducted in early 2004, looked at complaints from the September and December 2003 quarters.

In each audit, a random sample of 50 cases was analysed - about 20% of the total number of established and confirmed code breaches recorded. The audits assessed the complaints against several criteria, including whether the TIO followed correct procedure in investigating the code breach, and whether the logging of a confirmed or established code breach was justified.

The results were generally very encouraging. Both audits found that the correct procedure was followed when advising a Member of an alleged code breach in 92% and 90% of cases respectively. The logging of an established or confirmed code breach was justified in 96% and 94% of cases respectively.

In the second audit, there was a considerable improvement in the number of cases where the Member responded to the TIO about the alleged breach, increasing from 50% to 72%. This could be due to increased awareness by Members about the TIO's procedures for investigating code breach complaints. An area of concern, however, is the number of complaints where multiple breaches appear to have occurred but have not been identified/recorded by the TIO. In the first audit this constituted 50% of cases. In the second audit it had risen to 60%. This highlights a need for further training by the TIO to ensure that multiple code breach complaints are captured.

The TIO intends to conduct the code breach audit on a six monthly basis in the future.

Summary of Code Breach Complaints						
	Possible [^]	Established ^{^^}	Potential [*]	Confirmed ^{**}	Total	% of total
Billing	719	35	621	37	1,412	27.60%
Credit Management	498	38	517	47	1,100	21.50%
Complaint Handling	248	59	512	115	934	18.30%
Customer Transfer	327	24	399	42	792	15.50%
Prices Terms and Conditions	313	23	90	8	434	8.50%
Commercial Churn	118	16	48	3	185	3.60%
Consumer Contracts	86	31	0	0	117	2.30%
Customer Personal Information	83	0	0	0	83	1.60%
Mobile Number Portability	26	4	3	1	34	0.70%
Handling of Life-Threatening or Unwelcome Calls	2	1	6	0	9	0.20%
Priority Assistance	5	1	0	0	6	0.10%
Short Message Service	3	0	0	0	3	0.10%
Caller Number Display	0	0	0	0	0	0.00%
Preselection	1	0	1	0	2	0.00%
Local Number Portability	0	0	0	0	0	0.00%
Total	2,429	232	2,197	253	5,111	100.00%

[^] Code breaches logged as Possible as no formal investigation was undertaken into complaints (Level 1)

^{^^} Investigated at Level 2/3/4, and TIO established that a breach of a specific Code Rule had occurred. However, the Member is not a signatory to the Code

^{*} Code Breaches logged as Potential as no formal investigation was undertaken into complaints

^{**} Confirmed after investigation at Level 2 and above, and against Code signatories only

Complainant Statistics

Profile of Complainants

As part of the transparency required of the alternative dispute resolution process, the TIO must seek and pass on to Members some level of personal information about each complainant. The TIO tries to limit the degree to which it collects personal information and ensures that it adheres to the National Privacy Principles. Address details, full name, contact information and account/service numbers are all required as part of the complaints resolution process. Unless pertinent to a particular case, the age of a complainant is not asked for.

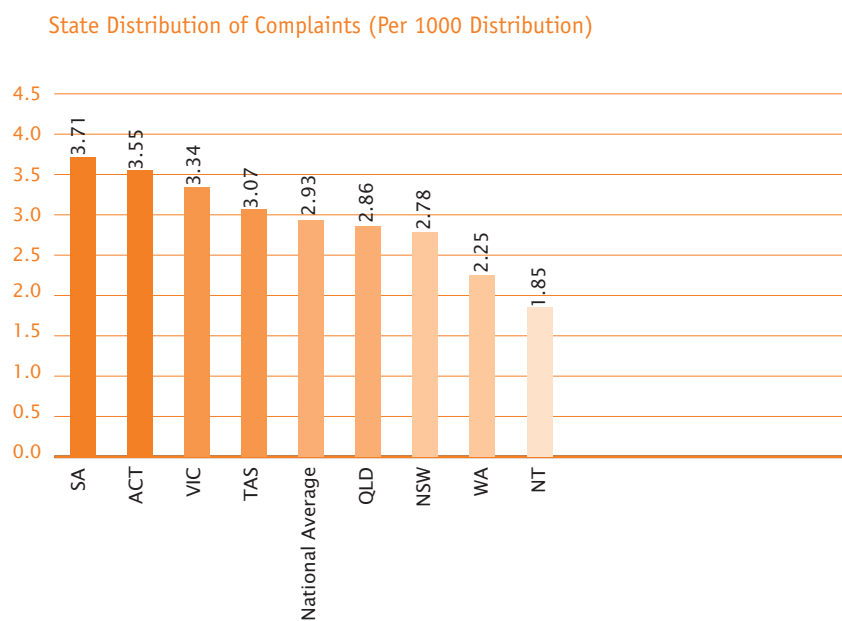
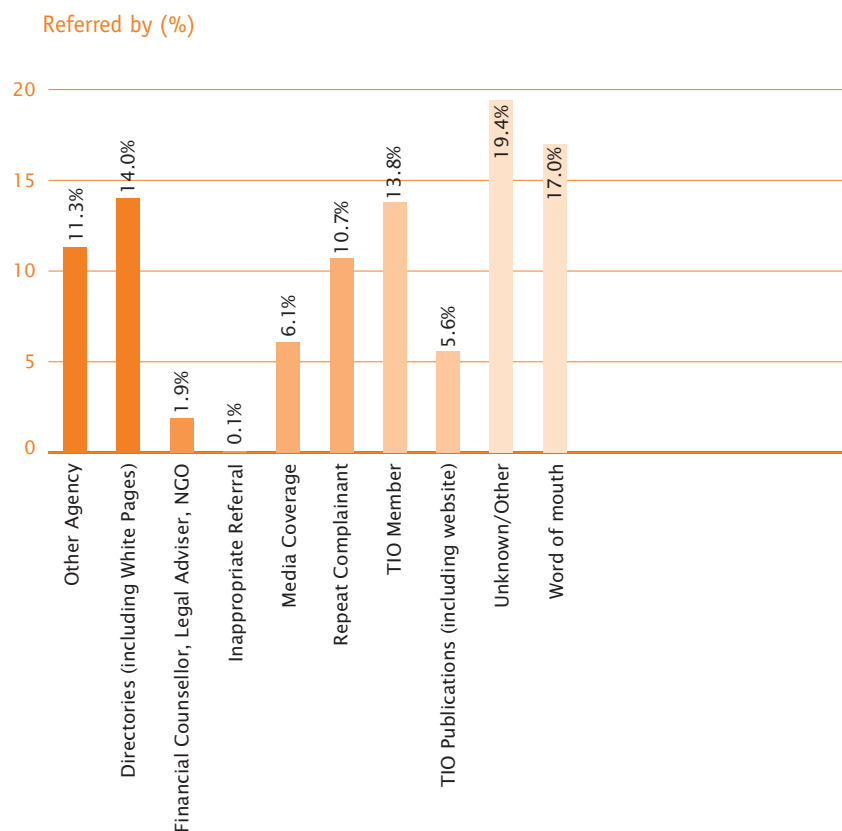
Gender of Complainant (Percentage)	
Male	56%
Female	44%
Complainant Type (Percentage)	
Small Business	7.5%
Charity	0.1%
Community	0.1%
Government	0.7%
Residential	91.7%
Method of Complaint (Percentage)	
Phone (1800)	87.6%
Email	8.0%
Letter	3.1%
Fax	1.1%
In Person	0.1%
Interpreter Service	0.1%

This year, 91.7% of all complaints were from residential consumers, slightly down on the 92.3% last year. Small business complaints increased to 7.5%, up from 6.8% the previous year. Anecdotally, the range and complexity of services, and number of Members catering for small business services is increasing and with it, the potential for confusion and problems.

This year, as with last year, 56% of complainants to the TIO were male, and 44% were female.

Most contacts with the TIO (87.6%) were by phone; down from 90.9% reported last year. Email is rapidly becoming a preferred method of contact, with this year's figure of 8.0% being almost double last year's 4.5%. Dealing with emailed complaints, unless specifically set up to do so, can be difficult, with processing taking longer than telephone communications and complainants often expecting instant responses. Most complainants are still referred to the TIO via word of mouth or telephone directories, with an increasing number of consumers finding out about the TIO through our publications or website.

Significantly, 10.7% of complainants in 2003/04 had previously had other complaints handled by the TIO.



State Distribution of Complaints

The distribution of complaints across the states and territories is used as a general indicator of awareness of the TIO Scheme. (Please see graph on page 75.) Ideally, we would like these statistics to show an even distribution. However, historically this has not been the case and this year is no exception. While the statistics show a small increase of overall awareness, from 2.63 complaints per 1,000 people in Australia last year to 2.93 this year, there is still unevenness between the states and territories. This year again, the highest number of complaints per thousand came from residents of South Australia, the ACT and Victoria, with Tasmania coming a close fourth.

New South Wales, Queensland, Western Australia and the Northern Territory had complaints numbers below the national average, with the Northern Territory being significantly below. This is despite the TIO's targeting of these areas through forums and participation in various home shows, field days and the like (See Public Affairs – page 18).

City or Country

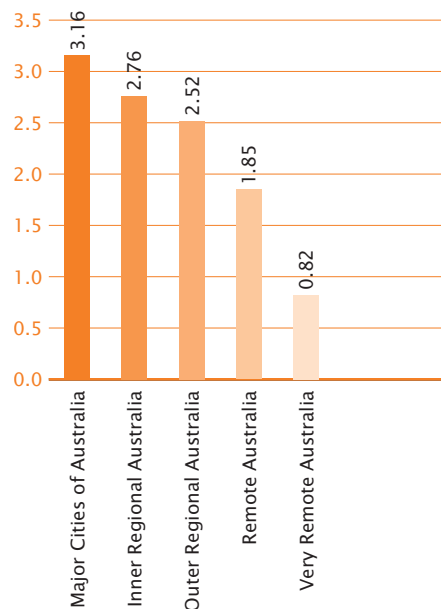
The TIO gathers statistics about remoteness of complainants using Australian Bureau of Statistics software, which divides Australia into five regions, according to accessibility to a full range of goods and services

The statistics for 2003/04 show a general increase in the numbers of complaints per 1,000 people for all five regional categories and this is a positive sign, indicative of growing awareness of the TIO Scheme.

However, people in very remote Australia are still far less likely to make a complaint to the TIO than those in Major Cities. Indeed the likelihood of bringing a complaint to the TIO decreases as the degree of remoteness increases.

It is hoped that a recent advertising campaign by DCITA aimed at raising regional consumer awareness of telecommunications users' rights, including the TIO as an avenue of complaint resolution, may assist in this area.

Complaints by Remoteness Area
– National (Per 1000 Population)



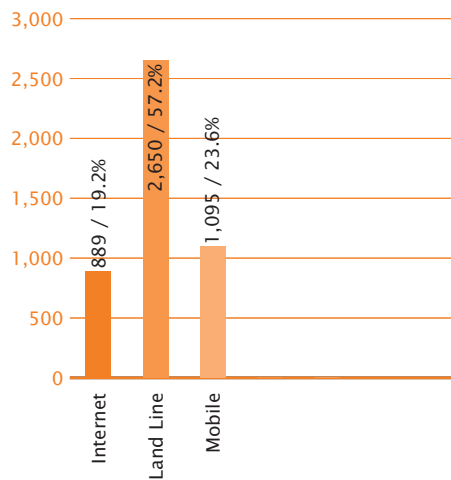
Small Business Complaints

In 2003/04 the TIO received complaints from 4,634 small businesses.

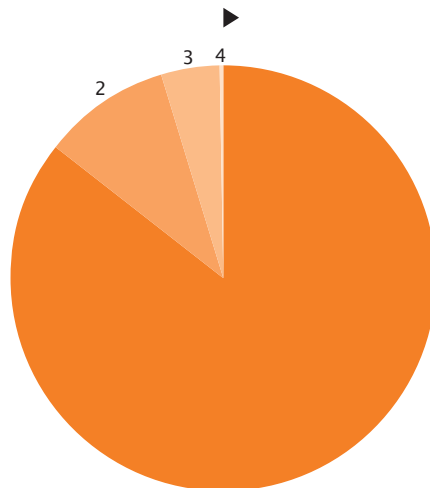
57.2% of small business complaints related to landlines, compared with 69.5% last year, 23.6% related to mobile services, compared to 17.9% last year, and 19.2 % related to internet services, up from 12.7% last year. These changes tend to support the growing reliance of small business on more complex technologies.

Small business complaints were more likely to be escalated to Level 2-4 complaints in order to be resolved. Only 85.8% of small business complaints were being resolved at Level 1, as opposed to the general Level 1 resolution figure of 89.7%. Again, this figure tends to reflect the complexity of technology, and therefore potential problems, used by small businesses, as well as the likelihood of compensation claims being involved.

Small Business Complaints



Small Business Complaint Mix



Type	Complaints	%
Level 1	3,977	85.8%
Level 2	453	9.8%
Level 3	197	4.3%
Level 4	7	0.2%

Member Complaint Statistics

Member specific complaint statistics are published by the TIO for all Members who have received 25 complaints or more over the course of the financial year. In 2003/04 72 TIO Members received 25 complaints or more.

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

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 provides 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. Land access objections, for example, are raised at Level 4 from the outset, due the complexity and time-consuming nature of these complaints.

Complaints against TIO Members by Issue

1 July 2003 to 30 June 2004 (Includes members that received 25 or more complaints in 2003/04)

	LANDLINE										
(t) = telephone service provider (i) = internet service provider (o) = other	Total Issues	Billing	Credit Control	Customer Transfer	Customer Service	Disconnection	Faults	Privacy	Provision	Other	Total Landline
1410 Communications Pty Ltd (t)	199	17.1	1.0	52.3	19.7	0.0	0.0	4.7	0.0	5.2	193
1800 Reverse Pty Ltd (t)	62	72.6	3.2	0.0	14.5	0.0	0.0	9.7	0.0	0.0	62
AAPT Ltd (t&i) (c)	3,332	35.4	14.9	21.7	9.1	2.3	9.0	1.0	4.4	2.2	2,997
AAPT Mobile Limited (t)	679	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
AOL/7 Pty Limited (i)	84	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
Approach Telecom Australia Pty Ltd (t)	321	95.6	0.0	0.0	4.1	0.0	0.0	0.3	0.0	0.0	315
Astracom Pty Ltd (t)	108	11.1	0.0	0.0	12.0	0.0	0.0	0.0	0.0	76.9	108
AUSTAR United Mobility Pty Ltd (t)	82	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Australia Star Communications Pty Ltd (t)	41	43.6	2.6	12.8	7.7	7.7	15.4	0.0	7.7	2.6	39
B Digital Ltd (t)	849	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Broadtel Communications Limited (t)	62	38.3	1.7	30.0	6.7	0.0	3.3	0.0	0.0	20.0	60
Budgetel Pty Ltd (t)	54	40.4	19.2	15.4	9.6	1.9	0.0	0.0	0.0	13.5	52
Call Australia Pty Ltd (t)	265	8.3	0.4	57.7	26.0	0.8	0.8	3.0	0.0	3.0	265
CardCall Pty Ltd (t&i)	47	11.1	0.0	0.0	11.1	0.0	11.1	0.0	0.0	66.7	45
Chi Telecom Pty Ltd (t)	43	14.0	0.0	0.0	7.0	0.0	2.3	0.0	0.0	76.7	43
ComCen Internet Services (i)	36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Commander Australia Ltd (t&i)	34	44.1	2.9	0.0	23.5	0.0	2.9	0.0	0.0	26.5	34
Corporate Telecom Pty Ltd (t&i)	33	45.5	30.3	21.2	3.0	0.0	0.0	0.0	0.0	0.0	33
CyberOne Pty Ltd (i)	28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Digiplus Pty Ltd (t&i)	168	58.4	15.6	2.6	11.7	0.0	0.0	1.3	2.6	7.8	77
Dingo Blue Pty Ltd (t) *	44	27.3	63.6	4.5	4.5	0.0	0.0	0.0	0.0	0.0	22
Direct Internet Pty Ltd (i)	79	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Direct Telecoms Pty Ltd (t)	166	28.9	4.2	15.7	10.2	1.8	6.0	0.0	2.4	30.7	166
Dodo Internet (i)	210	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
EFTel Pty Ltd (i)	27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Flow Communications Pty Ltd (i)	40	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
Global Networks (Aust) Pty Ltd (t)	71	14.1	0.0	0.0	7.0	0.0	5.6	0.0	0.0	73.2	71
GlobalCenter Pty Ltd (i)	53	0.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	50.0	2
GOTalk Australia Pty Ltd (t)	106	15.5	1.0	38.8	18.4	0.0	1.9	1.9	0.0	22.3	103
Hotkey Internet Services Pty Ltd (i)	77	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Hutchison 3G Australia Pty Ltd (o)	1,944	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	6
Hutchison Telecoms (Aust) Pty Ltd (t&i) (c) (inc Orange)	1,920	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	1
ihug (i) *	116	14.3	14.3	42.9	14.3	0.0	14.3	0.0	0.0	0.0	7
ihug Pty Ltd (t&i)	287	33.3	11.1	19.4	33.3	0.0	2.8	0.0	0.0	0.0	36
iiNet Ltd (i)	312	0.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	2
Koeee Telecom (t)	343	43.6	14.2	12.2	10.1	0.3	7.8	0.7	6.4	4.7	296
Leading Edge Internet Pty Ltd (i)	49	50.0	5.0	40.0	5.0	0.0	0.0	0.0	0.0	0.0	20
Look Mobile Ltd (t)	55	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
m8 Telecom Pty Ltd (o)	514	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Macquarie Corporate Telecommunications Holdings Ltd (t)	33	38.5	3.8	30.8	3.8	0.0	0.0	0.0	7.7	15.4	26
Mobile Innovations Ltd (t)	56	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Multelink Australia Ltd (t&i)	46	47.8	0.0	8.7	10.9	0.0	17.4	2.2	10.9	2.2	46
My Telecom Pty Ltd (t&i)	36	37.5	3.1	0.0	34.4	0.0	21.9	0.0	0.0	3.1	32
NC Cable Pty Ltd (t&i)	42	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Netspace Online Systems Pty Ltd (i)	71	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
New Tel Mobiles Lqdr (o) *	85	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
New Tel Services Pty Ltd (t)	67	49.2	19.0	3.2	9.5	1.6	14.3	0.0	3.2	0.0	63
Optus Broadband Pty Ltd (i)	585	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Optus Mobile Pty Ltd (t) (c)	4,356	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Optus Networks Pty Ltd (t) (c)	8,671	43.3	10.3	15.8	10.7	1.6	6.1	2.3	5.9	4.1	7,980
OzEmail Pty Ltd (i)	297	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Pacific Internet Australia Pty Ltd (i)	40	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
People Telecom Limited (t&i)	169	36.1	10.3	19.6	17.5	1.0	6.2	1.0	2.1	6.2	97
Primus Telecommunications Pty Ltd (t&i) (c)	2,892	45.4	9.9	11.1	14.5	1.9	9.1	1.2	5.1	1.8	1,932
RSL Com Australia Pty Ltd (t) *	72	35.4	4.6	23.1	7.7	3.1	12.3	4.6	4.6	4.6	65
RSL COM Business Communications Pty Ltd (t&i)	115	20.8	14.9	17.8	4.0	8.9	13.9	5.0	8.9	5.8	101
SE Network Access Pty Ltd (i)	65	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
SIMplus Mobile Pty Limited (t)	3,018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Smarter Way Pty Ltd (i) *	76	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Southern Cross Telco Pty Ltd (i)	213	10.1	2.4	28.8	32.2	1.9	7.2	13.5	0.0	3.8	208
Swiftel Communications Pty Ltd (i)	48	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	3
TCI Australia Pty Ltd (t)	43	2.3	0.0	0.0	4.7	0.0	0.0	0.0	0.0	93.0	43
Tel.Pacific Pty Ltd (i)	63	29.4	0.0	0.0	5.9	0.0	5.9	0.0	0.0	58.8	17
Telstra Big Pond (i)	4,448	33.3	33.3	0.0	0.0	0.0	33.3	0.0	0.0	0.0	3
Telstra Corporation (t) (c)	25,672	32.5	19.6	1.5	13.1	1.3	13.0	3.0	9.7	6.4	19,917
TPG Internet Pty Ltd (i)	531	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
TransACT Capital Communications Pty Ltd (t&i)	66	32.2	5.1	5.1	15.3	0.0	5.1	3.4	8.5	25.4	59
United Customer Management Solutions Pty Ltd (t)	73	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Universal Telecom Australia Pty Ltd (t)	39	34.3	5.7	37.1	0.0	0.0	5.7	2.9	2.9	11.4	35
Veridas Communications Pty Ltd (i)	54	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Virgin Mobile (Australia) Pty Ltd (t)	250	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Vodafone Pacific (t)	1,338	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0

* members terminated during year

Other LandLine includes contracts, directories, disability services, land access, payphones, phone cards & porting.

Other Mobile includes directories, disability services, land access, privacy & provision. Other Internet includes customer transfer & privacy.

	MOBILE									INTERNET								
	Billing	Contracts	Credit Control	Customer Service	Disconnection	Faults	Porting	Other	Total Mobile	Billing	Contracts	Credit Control	Customer Service	Disconnection	Faults	Provision	Other	Total Internet
	25.0	0.0	0.0	25.0	0.0	0.0	50.0	0.0	4	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	2
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	21.8	31.5	29.0	10.1	0.4	5.0	1.7	0.4	238	43.3	6.2	1.0	9.3	5.2	17.5	16.5	1.0	97
	24.4	31.7	24.4	9.1	1.5	6.2	1.0	1.6	679	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	57.8	13.3	0.0	12.0	3.6	8.4	2.4	2.4	83
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	15.9	28.0	19.5	13.4	2.4	18.3	1.2	1.2	82	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	2
	30.5	30.9	15.4	9.8	1.3	9.9	1.2	1.0	849	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	2
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	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
	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	63.9	19.4	0.0	11.1	0.0	5.6	0.0	0.0	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	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	32.1	14.3	0.0	7.1	0.0	39.3	7.1	0.0	28
	62.8	21.8	2.6	10.3	0.0	2.6	0.0	0.0	78	38.5	30.8	7.7	0.0	0.0	15.4	0.0	7.7	13
	21.4	0.0	64.3	7.1	0.0	0.0	0.0	7.1	14	25.0	0.0	75.0	0.0	0.0	0.0	0.0	0.0	8
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	17.7	17.7	2.5	19.0	12.7	25.3	2.5	2.5	79
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	22.4	10.0	0.5	15.7	3.8	20.5	23.8	3.3	210
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	55.6	7.4	3.7	14.8	0.0	14.8	3.7	0.0	27
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	46.2	7.7	0.0	10.3	5.1	30.8	0.0	0.0	39
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	2	26.5	12.2	0.0	20.4	4.1	30.6	6.1	0.0	49
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	33.3	0.0	33.3	33.3	0.0	3
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	36.4	11.7	0.0	16.9	6.5	18.2	6.5	3.9	77
	12.8	25.5	1.4	11.3	0.3	45.8	2.1	0.8	1,938	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	12.8	26.0	11.8	10.9	1.4	33.8	1.5	1.9	1,919	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	44.0	9.2	9.2	14.7	3.7	15.6	3.7	0.0	109
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	38.6	11.2	8.8	12.7	5.6	13.5	9.2	0.4	251
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	33.2	4.2	1.0	16.1	4.2	33.2	6.5	1.6	310
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	44.7	8.5	0.0	17.0	6.4	17.0	6.4	0.0	47
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	51.7	6.9	0.0	13.8	6.9	20.7	0.0	0.0	29
	25.5	41.8	5.5	3.6	3.6	14.5	1.8	3.6	55	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	26.5	45.5	11.3	9.9	1.8	3.5	1.0	0.6	514	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	50.0	0.0	0.0	0.0	0.0	50.0	0.0	2	60.0	0.0	20.0	20.0	0.0	0.0	0.0	0.0	5
	37.5	7.1	23.2	16.1	12.5	1.8	0.0	1.8	56	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	50.0	0.0	0.0	0.0	50.0	0.0	4
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	42.9	19.0	2.4	2.4	0.0	33.3	0.0	0.0	42
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	18.3	22.5	1.4	19.7	5.6	18.3	14.1	0.0	71
	29.4	23.5	10.6	18.8	16.5	1.2	0.0	0.0	85	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	50.0	0.0	0.0	25.0	0.0	25.0	0.0	0.0	4
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	25.3	12.8	2.9	21.0	4.4	10.8	21.4	1.4	585
	23.4	23.6	19.3	13.8	1.2	15.4	1.2	2.2	4,356	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	10.0	10.0	50.0	20.0	0.0	10.0	0.0	0.0	10	57.7	7.6	6.2	14.1	3.2	8.8	1.5	0.9	681
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	34.3	8.1	4.0	22.6	4.0	14.1	10.8	2.0	297
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	32.5	37.5	2.5	12.5	2.5	7.5	5.0	0.0	40
	16.7	40.9	30.3	10.6	0.0	1.5	0.0	0.0	66	50.0	0.0	0.0	16.7	0.0	0.0	16.7	16.7	6
	36.7	26.7	10.0	10.0	0.0	13.3	0.0	3.3	30	36.9	15.2	6.3	16.8	4.7	14.5	4.7	0.8	930
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	85.7	0.0	0.0	0.0	0.0	14.3	0.0	0.0	7
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	28.6	14.3	0.0	35.7	0.0	21.4	0.0	0.0	14
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	27.7	1.5	4.6	27.7	1.5	30.8	4.6	1.5	65
	22.0	40.0	10.8	15.6	3.3	6.1	1.5	0.6	3,018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	36.8	0.0	1.3	22.4	6.6	31.6	1.3	0.0	76
	0.0	0.0	0.0	40.0	0.0	20.0	40.0	0.0	5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	24.4	2.2	0.0	8.9	0.0	26.7	37.8	0.0	45
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	54.3	4.3	2.2	13.0	0.0	23.9	2.2	0.0	46
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	24.8	4.0	4.0	20.4	1.3	26.6	17.9	0.9	4,445
	24.3	21.4	22.2	12.5	0.8	15.4	0.7	2.8	5,741	21.4	0.0	21.4	21.4	0.0	14.3	21.4	0.0	14
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	23.5	6.6	1.3	21.1	2.8	27.7	16.0	1.0	531
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	14.3	0.0	0.0	28.6	0.0	14.3	42.9	0.0	7
	19.2	35.6	17.8	9.6	1.4	16.4	0.0	0.0	73	0.0	0.0	0.0	0.0	0.0				

Complaints against TIO Members by Level

1 July 2003 - 30 June 2004 (Includes members that received 25 or more complaints in 2003/04)

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

Member	Total number of Complaints	% Level 1	% Level 2	% Level 3	% Level 4
1410 Communications Pty Ltd (t)	186	96.2%	3.8%	0.0%	0.0%
1800 Reverse Pty Ltd (t)	60	95.0%	3.3%	1.7%	0.0%
AAPT Ltd (t&i) (c)	2,976	92.6%	6.0%	1.4%	0.0%
AAPT Mobile Limited (t)	578	88.6%	9.2%	2.2%	0.0%
AOL/7 Pty Limited (i)	79	91.1%	6.3%	2.5%	0.0%
Approach Telecom Australia Pty Ltd (t)	311	99.7%	0.3%	0.0%	0.0%
Astracom Pty Ltd (t)	94	91.5%	5.3%	3.2%	0.0%
AUSTAR United Mobility Pty Ltd (t)	64	95.3%	4.7%	0.0%	0.0%
Australia Star Communications Pty Ltd (t)	38	89.5%	5.3%	5.3%	0.0%
B Digital Ltd (t)	737	94.8%	4.9%	0.3%	0.0%
Broadtel Communications Limited (t)	52	78.8%	7.7%	7.7%	5.8%
Budgetel Pty Ltd (t)	50	86.0%	12.0%	2.0%	0.0%
Call Australia Pty Ltd (t)	242	98.8%	1.2%	0.0%	0.0%
CardCall Pty Ltd (t&i)	46	100.0%	0.0%	0.0%	0.0%
Chi Telecom Pty Ltd (t)	40	95.0%	5.0%	0.0%	0.0%
ComCen Internet Services (i)	30	73.3%	20.0%	6.7%	0.0%
Commander Australia Ltd (t&i)	26	92.3%	7.7%	0.0%	0.0%
Corporate Telecom Pty Ltd (t&i)	28	92.9%	7.1%	0.0%	0.0%
CyberOne Pty Ltd (i)	27	85.2%	11.1%	3.7%	0.0%
Digiplus Pty Ltd (t&i)	154	90.9%	7.8%	1.3%	0.0%
Dingo Blue Pty Ltd (t) *	42	83.3%	16.7%	0.0%	0.0%
Direct Internet Pty Ltd (i)	62	93.5%	4.8%	1.6%	0.0%
Direct Telecoms Pty Ltd (t)	138	87.0%	7.2%	4.3%	1.4%
Dodo Internet (i)	194	95.4%	4.1%	0.5%	0.0%
EFTel Pty Ltd (i)	26	92.3%	3.8%	3.8%	0.0%
Flow Communications Pty Ltd (i)	35	80.0%	8.6%	11.4%	0.0%
Global Networks (Aust) Pty Ltd (t)	68	75.0%	16.2%	8.8%	0.0%
GlobalCenter Pty Ltd (i)	46	100.0%	0.0%	0.0%	0.0%
GOfalk Australia Pty Ltd (t)	93	88.2%	6.5%	5.4%	0.0%
Hotkey Internet Services Pty Ltd (i)	69	78.3%	13.0%	8.7%	0.0%
Hutchison 3G Australia Pty Ltd (o)	1,635	94.9%	4.3%	0.7%	0.2%
Hutchison Telecoms (Aust) Pty Ltd (t&i) (c) (inc	1,629	90.9%	6.9%	2.1%	0.0%
ihug (i) *	96	85.4%	10.4%	4.2%	0.0%
ihug Pty Ltd (t&i)	239	80.3%	14.6%	5.0%	0.0%
iiNet Ltd (i)	271	91.5%	5.2%	3.3%	0.0%
Kootee Telecom (t)	298	95.6%	3.4%	1.0%	0.0%
Leading Edge Internet Pty Ltd (i)	44	95.5%	4.5%	0.0%	0.0%
Look Mobile Ltd (t)	51	94.1%	3.9%	2.0%	0.0%
m8 Telecom Pty Ltd (o)	429	77.6%	15.6%	6.8%	0.0%
Macquarie Corporate Telecommunications Holdings	30	76.7%	16.7%	6.7%	0.0%
Mobile Innovations Ltd (t)	46	95.7%	4.3%	0.0%	0.0%
Multelink Australia Ltd (t&i)	43	93.0%	7.0%	0.0%	0.0%
My Telecom Pty Ltd (t&i)	30	70.0%	16.7%	13.3%	0.0%
NC Cable Pty Ltd (t&i)	34	97.1%	2.9%	0.0%	0.0%
Netspace Online Systems Pty Ltd (i)	62	91.9%	6.5%	1.6%	0.0%
New Tel Mobiles Lqdr (o) *	73	68.5%	15.1%	16.4%	0.0%
New Tel Services Pty Ltd (t)	61	96.7%	3.3%	0.0%	0.0%
Optus Broadband Pty Ltd (i)	486	92.8%	5.1%	2.1%	0.0%
Optus Mobile Pty Ltd (t) (c)	3,774	89.3%	7.8%	2.8%	0.0%
Optus Networks Pty Ltd (t) (c)	7,735	90.1%	7.8%	2.1%	0.0%
OzEmail Pty Ltd (i)	260	88.8%	9.2%	1.9%	0.0%
Pacific Internet Australia Pty Ltd (i)	32	81.3%	18.8%	0.0%	0.0%
People Telecom Limited (t&i)	136	77.9%	14.0%	7.4%	0.7%
Primus Telecommunications Pty Ltd (t&i) (c)	2,461	93.1%	5.7%	1.2%	0.0%
RSL Com Australia Pty Ltd (t) *	70	87.1%	10.0%	2.9%	0.0%
RSL COM Business Communications Pty Ltd (t&i)	97	88.7%	8.2%	3.1%	0.0%
SE Network Access Pty Ltd (i)	59	91.5%	6.8%	1.7%	0.0%
SIMplus Mobile Pty Limited (t)	2,458	80.0%	13.5%	6.4%	0.0%
Smarter Way Pty Ltd (i) *	64	98.4%	1.6%	0.0%	0.0%
Southern Cross Telco Pty Ltd (i)	195	94.4%	4.6%	1.0%	0.0%
Swiftel Communications Pty Ltd (i)	45	95.6%	4.4%	0.0%	0.0%
TCI Australia Pty Ltd (t)	42	95.2%	4.8%	0.0%	0.0%
Tel.Pacific Pty Ltd (i)	58	91.4%	6.9%	1.7%	0.0%
Telstra Big Pond (i)	3,800	89.6%	7.8%	2.5%	0.1%
Telstra Corporation (t) (c)	22,994	89.0%	8.3%	2.6%	0.1%
TPG Internet Pty Ltd (i)	433	81.3%	12.7%	6.0%	0.0%
TransACT Capital Communications Pty Ltd (t&i)	59	88.1%	8.5%	3.4%	0.0%
United Customer Management Solutions Pty Ltd (t)	67	91.0%	9.0%	0.0%	0.0%
Universal Telecom Australia Pty Ltd (t)	34	100.0%	0.0%	0.0%	0.0%
Veridas Communications Pty Ltd (i)	52	96.2%	1.9%	1.9%	0.0%
Virgin Mobile (Australia) Pty Ltd (t)	229	94.3%	5.2%	0.4%	0.0%
Vodafone Pacific (t)	1,229	92.8%	5.8%	1.4%	0.0%

* members terminated during year

Glossary

ACA (Australian Communications Authority)

The government body responsible for regulation of many aspects of the telecommunications industry with extensive powers under the *Telecommunications Act 1997* and the *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

ACCC (Australian Competition and Consumer Commission)

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

ACIF (Australian Communications Industry Forum)

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

ADR (Alternative Dispute Resolution)

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

ADSL (Asymmetric Digital Subscriber Line)

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

ADSL Codes

The term for the information that is programmed into a telephone line to identify an ADSL provider. A customer cannot receive an ADSL service from a new provider if the old provider's codes are still on the line.

ANT1

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

Backbilling

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

Bill the Biller

The TIO adheres to a 'Bill the Biller' policy, where it will under almost all circumstances log a complaint against the company who was actually billing the complainant at the time of the circumstances leading to the complaint. While enquiries and complaints are always logged against the Member concerned, only complaints are billed directly to a Member; enquiries are billed as part of overhead costs.

In January 1998, it was agreed by the TIO Council that the TIO should have a degree of operational discretion in the application of the 'Bill the Biller' policy. Accordingly, the TIO will at times make an exception to this policy and pursue the supplier of a service where it has no direct relationship with the customer.

Board

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

Broadband

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

Carrier

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

CDMA (Code Division Multiple Access)

A type of digital mobile service different from GSM digital. CDMA replaced the analogue or AMPS service.

Customer Transfer

The process of transferring customer services 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 industry. While compliance with Codes is voluntary, once a company is a signatory to a Code it is bound by the standards set in that Code. The ACA has the power to direct companies to comply with Codes. The TIO gathers data on code compliance for the ACA.

Complaint

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

Complaint Levels

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

Constitution

The TIO Constitution outlines the roles, responsibilities and powers of the Board, Council, Members and the Ombudsman. The Constitution may be changed on the recommendation of Council and with the approval of the Board, after consultation with the Federal Ministers responsible for Consumer Affairs and Communications.

Council

The TIO Council is comprised of an independent Chairman and an equal number of representatives from TIO Members and consumer interest groups. Council is responsible for policy and provides advice to the Ombudsman on complaint handling procedures.

CSG (Customer Service Guarantee)

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

The Department of Communications, Information Technology and the Arts (DCITA)

The Department advises the Government on telecommunications policy and administers programs to improve telecommunications services, particularly for people in regional, rural and remote areas. The Department's Telecommunications Division works closely with the industry regulator, the ACA, the telecommunications industry, and consumer organisations. The Division also liaises with the TIO to discuss the TIO's involvement in emerging complaint issues and to obtain statistics about complaint trends.

Determination/Direction

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

Dumping

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

Enquiry Officer

TIO staff member who handles written and oral enquiries and Level 1 complaints.

Factoring

The selling of a debt to an independent entity known as a factor. The TIO retains jurisdiction over factored debts.

GSM (Global System for Mobiles)

A digital mobile phone system.

Investigation Officer

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

ISP (Internet Service Provider)

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



Issue

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

Member

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

Memorandum and Articles of Association

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

MNP (Mobile Number Portability)

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

MMS (Multimedia Messaging Service)

Allows images, video clips and sound to be added to mobile phone text messages.

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.

Point of presence

A Point Of Presence (POP) is a telephone number that gives users dial-up access to the internet.

Port

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

Resolution

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

Service Provider (Carriage)

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

SFOA (Standard Form Of Agreement)

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

Spam

Unsolicited marketing email.

Standard Telephone Service

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

STD (Subscriber Trunk Dialling)

A national long-distance call that is not operator assisted.

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.

Member List at 30/06/2004

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

Member Category	Total	%
Internet Service Provider	758	73%
Other	33	3%
Telephone and Internet Service Provider	106	10%
Telephone Service Provider	146	14%
Total	1,043	

Internet Service Provider

Date Joined TIO

#1 Computer Services Pty Ltd	04/04/2000	Alphawest Pty Ltd	07/09/1998
123-easyDSL.com	09/29/2003	Alphernet Pty Ltd	06/26/1998
1990 Multiline BBS Pty Ltd	09/08/1998	Always Online Pty Ltd	01/29/2001
21st Century Pty Ltd	07/01/1997	Amisoft	11/13/1997
A Y Communications	10/22/1997	Amnet IT Services Pty Ltd	03/30/2004
A3 Networks Pty Ltd	01/21/2004	Analyst Programmers Pty Ltd	07/22/1999
AAA Communications Pty Ltd	06/06/2002	Angelnet	11/12/2003
Aardvark Internet Pty Ltd	07/16/2003	ANR Billing	03/24/2003
Ablaze Internet Technologies Pty Ltd	09/30/1999	ANS Communications Pty Ltd	04/02/1998
Access Blue Lagoon		AOL/7 Pty Limited	08/08/2003
Internet Services Pty Ltd	12/09/1998	APJ Net Pty Ltd	05/23/2003
Access Internet	07/01/1997	Aquarius Communications	11/03/1997
Access Net Internet Services Pty Ltd	05/25/2002	Arachnet Pty Ltd	08/24/1998
Access Only Pty Ltd	04/14/2003	Arcadia Technology	12/10/1997
Access Plus Pty Ltd	04/24/2001	Ardebil Pty Ltd	07/21/1998
Access Providers Pty Ltd	01/06/2003	Argonaut Internet Service	07/21/2000
Accsoft Computer Technology Pty Ltd	10/27/1997	Asia Global Crossing Australia Pty Ltd	09/11/2001
Accsys IT Pty Ltd	02/21/2002	Atlare Pty Ltd	07/03/2002
Ace Internet Services Pty Limited	09/01/1997	Auction Classifieds Pty Ltd	09/10/2002
Ace Online Pty Ltd	07/21/1998	Ausnet Pty Ltd	05/03/2004
Acenet Internet Services	01/18/1999	Aussie Paradise Designs	06/11/2002
Acepia	04/23/1998	AUSTAR United Broadband Pty Ltd	11/10/2003
ActewAGL Retail	06/07/2001	Australia Connect Pty Ltd	07/21/1998
Activ Australia Pty Ltd	10/20/1998	Australia Internet Solutions Pty Ltd	10/13/1997
Acure Technology Pty Ltd	06/01/2004	Australia On Line Pty Ltd	03/25/1998
ADAM PTY. LTD	10/15/1997	Australian Bowhunters Journal Pty Ltd	10/15/1998
Admac Nominees Pty Ltd	04/26/2002	Australian Corporate Information Solutions	03/17/2003
Admit Internet	02/07/2003	Australian Inland	03/21/2003
ADNET Holiday Coast Internet	08/07/1998	Australian Internet Billing Pty Ltd	04/21/2004
Advanced Internet Services Pty Ltd	07/21/1997	Australian Regional Technology Information Services	11/21/2002
Advatel Wireless Pty Ltd	04/15/2004	AustraliaNet IT Pty Ltd	03/14/2000
Affinity Corporation Pty Ltd	08/29/2002	Australis Internet Pty Ltd	09/22/2000
Airnet Commercial Australia Pty Ltd	07/18/2000	Austrasoft Pty Ltd	05/18/2004
Albury Local Internet Pty Ltd	11/30/2000	Auzynet Pty Ltd	02/01/2002
All IP Services Pty Ltd	02/16/2004	Avon Global Communications	07/21/1998
All Net Organisation Pty Ltd	08/25/2003	AW Communications Pty Ltd	03/11/2003
Allstate Computers	01/18/1999	Awafith Pty Ltd	09/06/2000
Alpha Dot Net Australia Pty Ltd	10/31/1997	Awebit Pty Ltd	02/26/2004
Alphalink Australia Pty Ltd	07/01/1997	Banana Shire Council	05/17/1999
		bandwidth UNLIMITED Pty Ltd	09/16/2003

Barcode Solutions Pty Ltd	09/23/1999	CNN Internet Pty Ltd	06/29/2000
Barimanet Pty Ltd	08/22/2003	Coastal IT Pty Ltd	07/08/2003
Barnetwork Pty Ltd	10/07/2003	Cold Coffee Internet Services Pty Ltd	10/09/2003
Barroband Pty Ltd	08/14/1998	Colour City Computers & Internet Services	10/08/2003
Batemans Bay Connect	12/16/2002	Comaxes Corporation Pty Ltd	06/29/1999
Beagle Internet Pty Ltd	06/09/2004	ComCen Internet Services	07/17/1997
BeSecure Pty Ltd	05/18/2000	Come On Aussie Internet Services	04/27/2004
Betterlink Pty Ltd	12/21/1998	Commerce Australia Pty Ltd	04/03/1998
Beyond Net Pty Ltd	05/02/2002	Communicat Investments Pty Ltd	07/01/1997
Big Button Pty Ltd	01/14/1998	Communications Factory Pty Ltd	11/10/1999
BigAir Australia Pty Ltd	11/25/2002	Compass Net	07/09/1998
Bigfoot Internet Pty Ltd	01/02/2002	Computer Connect Wireless Network	04/15/2002
Bilby Internet Service Pty Ltd	03/20/2003	Computer Systems Support (Mackay) Pty Ltd	05/23/2000
Bizmail Broadband Limited	06/09/2004	Computers Now Pty Ltd	08/09/2002
Bizyweb Internet Services	07/25/2002	Computing Success	06/10/1999
BKB Internet Pty Ltd	02/05/2004	Comstar Internet Services Pty Ltd	02/12/2003
BLR Investments Pty Ltd	10/31/2002	Comstech Systems	04/23/2003
Blue Mountains Internet	05/04/1998	Conceptual Internet Australia Pty Ltd	07/03/2000
Blue Net Pty Ltd	11/19/2002	Connect Internet Solutions Pty Ltd	07/01/1997
Blue Wire Technologies Pty Ltd	10/17/2003	Contal Information Technology Pty Ltd	06/12/1998
Bluefire Corporation Pty Limited	06/28/1999	Copper Road Pty Ltd	10/07/2002
BluIce Technology	01/31/2000	Corinthian Engineering Pty Ltd	04/06/1998
Bordernet Internet Pty Ltd	06/23/2003	Cornish Business Solutions	09/11/2003
Bribie Island Internet Pty Ltd	04/07/2004	Corpita Pty Ltd	04/15/2003
Brisbane Public Access Network Association Incorporated	03/25/1999	Coscom Technology	04/16/1999
Broadcast Engineering Services (Australia) Pty Ltd	09/19/2002	Cougar Access Pty Ltd	12/13/1999
Broadnet Pty Ltd	07/16/1999	Country Energy	12/09/2002
Broadway Web (Internet) Services	03/15/2004	Cowsnet	01/23/2001
Bucan Holdings Pty Ltd	07/01/1997	CQ Net Pty Ltd	03/22/2002
Burnett.net.au Pty Ltd	07/07/2003	Craig John Sawtell t/as Lismore Online	08/18/2003
Bytecard Pty Ltd	12/11/1997	Creagh McGlasson Pty Ltd t/as Rural Systems	03/29/2004
C.J SCAFE & S Scafe t/as Female Technologies	06/26/2003	Cross Link Pty Ltd	05/28/2002
C.S. Sutherland Corporation Pty Ltd	09/08/2003	CSI Holdings Pty Ltd	07/18/1997
C1 Consulting Pty Ltd	10/18/2002	Curl Internet Solutions Pty Ltd	11/19/2003
Cairnsnet Pty Ltd	01/22/2001	CVS Communications Pty Limited	05/27/1999
Callvale Pty Ltd	05/07/2004	CybaNet Internet Services Pty Ltd	03/28/2002
CD Computer World Pty Ltd	03/17/2000	Cyberlink Network	06/28/1999
Central Coast Internet Pty Ltd	11/13/1997	Cybernet International	02/16/2000
Central Online Pty Ltd	09/10/2001	Cybernet Internet Services	10/02/2000
Central-Data Pty Ltd	11/03/2000	Cybernet Pty Ltd	12/09/1998
Cerum Pty Ltd	08/01/2002	CyberOne Pty Ltd	09/03/1997
Chariot Internet Ltd	10/30/1997	Cyberspace Corporation Pty Ltd	12/02/1997
Cherry Technology Pty Ltd	06/08/1999	Cyberwizards Group Pty Ltd	09/27/2000
Chilli Internet Solutions Pty Ltd	03/26/1998	D & M Technologies Pty Ltd	04/02/2001
Christian ISP	05/15/2003	D L & L M McDonagh t/as Telegraph Road Partnership	05/31/2002
Cimtec Pty Ltd	10/14/1997	D.E Baldock & R.D Baldock, t/as Rocket Web	04/09/2003
Citisystems (Aust) Pty Ltd	05/07/1999	Dart Global Pty Ltd	10/23/2003
Citylink Technology Pty Ltd	08/04/1999	Data Consulting Group Pty Ltd	04/01/2003
ClariNET Internet Solutions Pty Ltd	07/25/1997	Data FX Online Pty Ltd	06/18/2003
Clockwork ISP Pty Ltd	03/31/2003	DataCo IT&T Pty Ltd	11/06/2003
Clove.net.au	01/30/2004	Datalan Australia Pty Ltd	06/16/2003
Clover Computing	06/10/1998	DAYTEC Australia Pty Ltd	02/20/2000
Club Australasia Pty Ltd	11/09/2001	DBUGG Information Technology Pty Ltd	05/07/2004
ClubNet International Pty Ltd	01/18/1999	DCS Internet	10/15/1997
Cmon.com.au Pty Ltd	12/15/2003		
CNK Network Services Co	08/25/2003		



DDA Pty Ltd	12/07/1999	Extentia Corporation Pty Limited	03/24/2004
Design Online	03/31/2000	extremeDSL	05/07/2004
Desiin Pty Ltd	04/27/1998	Eyespy Surveillance Services	05/25/2004
Dezza Net Pty Ltd	06/01/1998	Ezylink	01/19/1999
Diamond Computer Pty Ltd	09/08/1999	F1 (Formula One) Internet Services	01/18/1999
Didji NET Interactive Group Pty Ltd	11/06/2002	F1 Computer Services	06/16/1999
Diggy Australia Pty Ltd	09/13/1999	Fasternet.com.au	03/14/2000
Digimedia Pty Ltd	08/30/2002	FIBRE Pty Ltd	10/23/2003
Digital Data Information Services		Firestar Internet Pty Ltd	07/04/2001
Internet & Communications Pty Ltd	09/22/2003	Firestorm Computing Pty Ltd	01/21/2004
Direct Internet Pty Ltd	12/22/2003	First Link Communications Pty Ltd	01/04/2000
Dodo Internet Pty Ltd	09/10/2001	First Link Internet Service Pty Ltd	07/01/1997
Doggy Communications Pty Ltd	04/05/2004	Fleet Broadband Holdings Pty Ltd	05/09/2003
Domain Business Network Systems	05/23/2003	Flow Communications Pty Ltd	05/10/1999
Domain Link	09/02/1999	Flow Communications t/as Froggy	11/20/2003
Dot Communications Pty Ltd	10/02/1997	Flowernet Access	08/29/2000
Dot CX Limited	03/26/2001	Foundation IT Services Pty Ltd	07/22/2002
DotAussie.com	04/01/2003	Fox All Service Pty Ltd	08/24/1998
DoveNetQ	08/15/1997	Freestate Networks	09/01/1999
Down Under Consultants Pty Ltd	05/12/1998	Freenet Australia Pty Ltd	08/06/1999
Dragnet Internet Services Pty Ltd	11/26/1997	Freshwater Group Pty Ltd	05/02/2002
E C & P Electronic Components & Peripherals	02/02/1999	Frog Net Australia Pty Ltd	08/24/1999
E-Access Broadband	03/03/2003	Frontier ISP Pty Ltd	04/06/2001
E-Sharp Technology Pty Ltd	08/06/2002	Fujitsu Australia Ltd	01/07/1998
E-Vision Internet Services	11/08/1999	Futureweb Pty Ltd	07/09/1998
EA & N Ives t/as Far North Internet	06/26/2003	Fuzion Pty Ltd	04/04/2001
Eastcoast Internet	07/10/1999	Gameexpress Glen Waverley Pty Ltd	06/21/2002
Easy Internet Services Pty Ltd	10/03/2003	Geecko	05/21/2002
Easynet Pty Ltd	11/28/1997	Geelong Science & Technology Centre	05/14/1998
Echobreeze Pty Ltd	01/20/2003	Gel Works Pty Ltd	07/22/1999
ECK Computers Pty Ltd	03/20/2003	Generation IT	03/07/2003
ECN Pty Ltd	03/13/2003	Genisyst Pty Limited	07/01/1997
Ecopost Pty Ltd	08/04/1997	Genuity, Inc.	07/10/2000
EFTel Pty Ltd	01/02/2001	GetOnIt Pty Ltd	09/22/2003
Eftel Radio Pty Ltd	05/06/2002	GKY Internet	07/01/1997
Elmtree Consulting Services Pty Ltd	05/28/1999	Global Corporate Net	06/07/2001
Elu Information Systems Pty Ltd	10/27/1997	Global Dial Pty Ltd	05/03/2000
Emerge Technologies Pty Ltd	11/15/1999	Global Solutions Network Pty Ltd	08/25/2003
Encom Pty Ltd	02/11/2004	Global Wire Internet Pty Ltd	07/05/2000
Enet 21 Pty Ltd	01/10/1999	GlobalCenter Pty Ltd	08/27/2002
Enhanced Design And Information Technology Group	01/04/2003	GoConnect Australia Pty Ltd	11/25/1999
Enter Net Australia Pty Ltd	06/12/1998	Godian Enterprises	07/07/2000
Enterprize Internet Services	11/30/1999	Golden IT Pty Ltd	12/12/2003
EON Technology Pty Ltd	05/18/1998	Golden Orb Technologies Pty Ltd	12/19/1997
eSat Communications Pty Ltd	03/09/2004	Goldlink Internet Services Pty Ltd	01/26/2002
Escape Communications Pty Ltd	08/09/2002	Goldweb Internet	01/14/2003
Escape.Net	01/12/1998	Goulburn Internet Pty Ltd	11/14/2003
EtherTech Pty Ltd	06/02/1999	GPC Pty Ltd	11/30/1998
Etherwave Networks Pty Ltd	07/01/2002	GPM Internet Pty Ltd	04/03/2003
ETT Access Pty Ltd	03/19/2002	Gratesand Pty Ltd	11/20/1998
Evanscorp Pty Ltd	11/02/2001	GreenBay Communications Pty Ltd	04/17/2003
Evolve Connect Communicate	06/11/2004	Greenhatch Nominees Pty Ltd	06/17/1999
Exceed Systems Integration Pty Ltd	03/14/2000	Hande.com.au	04/01/2003
Exetel Pty Ltd	04/21/2004	Hanod Investments Pty Ltd	08/29/2001
Export Mission Information Systems Pty Ltd	01/10/2000	HAQ IT Pty Ltd	03/24/1999
Express Publications Pty Ltd	02/23/2000	Hawk Link Pty Ltd	02/25/2002
		Hawknet Internet Services	09/07/1999
		Hermes Internet	07/24/1997

Highlands Internet Pty Ltd	12/21/1997	Interwerks Pty Ltd	12/07/2001
Highlevel Innovations Pty Ltd	03/11/1998	Intrapower Pty Ltd	07/29/1998
Highway Internet Services Pty Ltd	07/03/2001	IPN Operations Pty Ltd	02/27/2003
Hislora Pty Ltd	10/02/2000	Isage	06/07/1999
Hissey & Associates Pty Ltd	01/06/2003	ISP National Pty Ltd	08/12/2003
Hitech Support Pty Ltd	06/23/2002	IT Systems Management Pty Ltd	05/21/2003
Horizen Enterprises Pty Ltd	09/08/1999	ITConnect Internet Services Pty Ltd	08/20/2002
Hostbiz Pty Ltd	05/12/2004	iwireless	10/10/2003
Hosting Technologies Pty Ltd	08/26/2003	Jaspar Solutions	01/19/2001
Hot-Link DDS	07/15/1999	JaziNET	01/07/2004
Hotkey (Bendigo) Internet Services	12/19/2002	Jeack Pty Ltd	10/08/1998
Hotkey Glen Waverley Pty Ltd	05/07/2003	Jigsaw Technology Pty Ltd	04/20/1998
Hotkey Internet Services Pty Ltd	10/29/1997	JM Grant & AJ Ridgway, t/as Maxnet Internet Services	05/06/2003
Hotkey West Pty Ltd	05/08/2003	Joy Net	08/20/2001
Hotline Support Pty Ltd	02/12/2004	Justnet Pty Ltd	08/11/1998
HTML Net	07/09/1998	JWC Internet Services	07/15/2002
Hudson Data	03/02/1999	Karratha Internet Support Services	01/14/2000
HunterLink Pty Ltd	09/16/1997	Kern Internet Providers	08/24/1998
Hylinx	01/09/2003	Kevin Thompson & Kim Richardson t/as Alias Internet	02/06/2002
Hyper-Drive Technologies Pty Ltd	09/15/2000	Key Point Pty Ltd	07/01/1997
Hyperlink Pty Ltd	09/11/2003	Kim L Mogg	08/22/2003
HyperOz	04/15/2004	King Island Internet Service	08/12/1999
I Benefit Pty Ltd	08/20/2003	Kingfisher Pty Ltd	10/24/2003
I Q Connect Pty Limited	01/05/2004	L.I.S.P Pty Ltd (Local Internet Service Provider)	01/08/1998
I&TC Solutions Pty Ltd	07/28/2000	Laguna Computers Pty Ltd	04/04/2000
I-Connect Internet Pty Ltd	07/31/2003	Lamp Internet Pty Ltd	08/07/2001
I-maginet.com Pty Ltd	03/21/2001	LastMileAccess Pty Ltd	03/04/2004
Ideal Internet Pty Ltd	07/13/2001	Launch Pty Ltd	07/01/1997
IDXNET Computing Pty Ltd	12/03/1997	Laymen Pty Ltd	10/31/2000
iForm	07/21/1997	LB & GL Rodda Pty Ltd t/as Quik Internet NNSW	11/13/2003
Immortal Technology Pty Ltd	12/09/1998	Leading Edge Computers Kempsey	12/21/1999
Impaq Australia Pty Ltd	05/21/1999	Leading Edge Internet Pty Ltd	07/02/2001
Independent Computer Retailers	01/11/2000	Ledamark Pty Ltd	10/06/2000
Independent Service Providers Pty Ltd	09/14/2001	Life Changing Strategies	02/26/2003
Infinite Networks Pty Ltd	10/27/2003	Link Innovations Pty Ltd	11/28/2003
Information Systems Technology Network Pty Ltd	05/15/2000	Linkit Internet Services	11/10/1998
Informed Technology	08/28/1998	Linknet Internet Service Providers	03/16/1999
inspired net	05/07/1998	Linux Consultants Pty Ltd	01/18/1999
Inspired Networking	01/18/1999	Lismore Internet Services	07/01/1997
Integrated Data Labs Pty Ltd	09/01/1999	Livewire Communications	01/29/1999
Integrity Network Solutions Pty Ltd	02/21/2003	Locall Pty Ltd	05/27/2002
Intek Pty Ltd	08/21/2000	Lockyer Internet Pty Ltd	12/02/2002
Intelogy Pty Ltd	05/19/2003	LoginDSL	12/09/2002
Interact Broadband Pty Ltd	04/02/2003	Longford Internet	07/13/1999
Interact Computer Centre	10/15/1998	Loudshout! Pty Ltd	10/31/2002
Interactive Globalnet (IGN) Pty Ltd	11/10/1997	M Alvanos & P Alvanos t/as Unique Results	11/03/2003
InterDomain Pty Ltd	01/01/1998	M Power Technologies Pty Ltd	03/25/2003
InterNet Australis	02/01/2000	M.W Frahn & A.J Stevens t/as Copper Wire	01/08/2004
Internet Depot	06/01/1999	M2 Broadband Pty Ltd	05/13/2003
Internet on the Coast Pty Ltd	07/01/1997	Mackay Computer Services Pty Ltd	02/11/2000
Internet Plus Pty Ltd	11/11/1997	MACTL Pty Ltd	11/21/2003
Internet Service Providers Pty Ltd	07/01/1997	Madec	03/09/2001
Internet Victoria Pty Ltd	10/28/1997	MainLink Internet Services	10/27/1999
Internet Whitsunday Pty Ltd	03/19/2003	Malleenet Internet Providers	07/07/2000
InternetWA Pty Ltd	06/16/1998		
InterNex Australia Pty Ltd	03/10/1998		
Internode Systems Pty Ltd	07/01/1997		
Intertask Pty Ltd	06/06/2003		



matra.com.au Pty Ltd	01/05/1998	Network Computer Training Pty Ltd	11/15/2000
Maurie Fountain & Sons Pty Ltd	07/07/2003	Network Technology (Aust) Pty Ltd	05/20/2002
Maxi Internet Services Pty Ltd	04/23/2002	Networks Multimedia Pty Ltd	03/26/2001
Maytel Internet	04/26/2001	netXP	10/08/2002
Mazda Australia Pty Limited	09/23/2003	NetYP	11/10/1998
McGregor Australia Pty Ltd	05/24/2002	New Approach Systems & Software	11/24/1998
McPherson Media Pty Ltd	01/21/1998	New Millennium Networking	02/19/2001
MedEmail Pty Ltd	05/18/2000	Newman Pty Ltd	02/19/2003
Megalink Australia Pty Ltd	04/29/2003	Nexacom Pty Ltd	07/16/1999
MEL Productions Pty Ltd	11/15/1999	Nexon Asia Pacific Pty	09/11/2003
Melbourne PC User Group Inc	10/13/1997	Next Century Australia Pty Ltd	04/20/1998
Merday Pty Ltd	01/16/2004	Nicholas Childs t/as GoCentral	04/26/2004
Merlin Internet Services	04/11/1999	No More Wires.com Pty Ltd	10/31/2000
Metro Net Corporation Pty Ltd	03/28/2001	Norcross Pty Ltd	03/12/2004
Michael Parnell Pty Ltd	09/10/1999	Nornet Enterprises Pty Ltd	08/29/2002
Microed Pty Ltd	06/01/1999	North East Telecommunications Co-operative Ltd	01/24/2003
Micronet Internet Pty Ltd	03/21/2003	North Industries Pty Ltd	10/10/2003
Micronica	04/30/1998	North Link Communications Pty Ltd	02/10/2003
Microsystems Support	12/18/1997	Northern Exposure Technologies Pty Ltd	12/10/1997
Mightynet.com	08/21/2002	Northern Rivers Gateway	07/01/1997
Mikka International Pty Ltd	07/23/1997	Northern Technology Holdings	07/24/2003
Mindvision Interactive Pty Ltd	08/20/1997	Notunseen Pty Ltd	05/15/2002
Minerva Micro Pty Ltd	04/02/1998	NT Technology Pty Ltd	08/27/1998
Minopher Pty Ltd	12/31/1997	NTT Australia IP Pty Ltd	03/30/1998
MJ Anderson & AM Batrouni & KP Fuessel t/as Shiftreload	02/11/2004	NTT Australia Pty Ltd	03/31/1998
Modern Pty Ltd	11/16/1999	Nvision Pty Ltd	08/27/1999
Monkeybong Enterprises	07/23/2002	OCTEC Incorporated	02/11/1999
MPV Technologies Pty Ltd	01/07/2004	Odyssey World Pty Ltd	06/17/1998
Mudgee Internet	05/19/1998	Offis Pty Ltd	11/20/1998
Multibase Web Australis	07/01/1997	OMCS	07/01/1998
Multie Technology Distribution Pty Ltd	12/29/1997	Omninet	07/14/1998
Mustangnet	07/11/2001	On The Net Pty Ltd	10/31/1997
My ISP Australia Pty Ltd	02/28/2003	One Earth Internet Pty Ltd	01/29/1998
myinternet Ltd	07/01/1997	Online 2000	05/03/1999
MyLink Wireless Pty Ltd	05/28/2004	Online Connect Pty Ltd	05/15/2003
Nanoetek Pty Ltd	04/30/2003	OPOC Solutions Pty Ltd	08/18/2003
Nareg Internet Pty Ltd	08/30/2001	Optic Fibre & Wireless Pty Ltd	02/24/2004
NEC Australia Pty Ltd	08/02/2002	OptraWeb Internet Solutions	06/23/2003
Neon Internet	02/14/2003	Optus Broadband Pty Ltd	06/29/2000
Net Solutions Pty Ltd	07/16/1999	Orion Online	04/06/1998
Net Unlimited Pty Ltd	09/02/2003	Orits Australia	03/12/1999
Net.Neighbourhood Pty Ltd	10/29/1998	Orli-Tech Pty Ltd	04/20/1999
Net2000 Pty Ltd	07/14/1998	Ossini Pty Ltd	03/27/2000
Netadvantage Pty Ltd	01/28/2003	Our Haven Pty Ltd	06/17/2002
Netbay Internet Pty Ltd	01/02/2001	Outback Digital Network Ltd	09/11/2002
NetCentral.com.au Pty Ltd	08/14/2000	Output DSJ Pty Ltd	06/27/2003
Netcomm Broadband Pty Ltd	08/01/2001	Outside the Square Services Pty Ltd	09/01/2003
Netcomplete Pty Ltd	10/25/2001	Overflow Internet Services	06/17/1998
Netcore Pty Ltd	07/01/1997	Oxnee Pty Ltd	11/18/1999
Netforce Pty Ltd	12/14/2001	Oz IT Support Line Pty Ltd	05/21/2003
Netmagic Internet	07/25/2002	Oz Web Internet Providers Pty Ltd	03/25/1999
Netmail Axxess Pty Ltd	06/07/1999	OzConnect Internet	04/28/2003
Netmastery Pty Ltd	08/23/1999	OzEmail Pty Ltd	07/01/1997
Netracom	02/11/1999	OzForces Pty Ltd	03/12/2003
NetServ Pty Ltd	12/01/1998	OzGuide	06/15/1999
Netspace Networks Pty Ltd	09/13/2002	Ozhost Internet and Electronics	06/11/2002
Netspace Online Systems Pty Ltd	07/01/1997	OzISP Pty Ltd	11/18/2002
Netway Technologies Pty Ltd	05/13/1998		



Ozxpress Internet	09/21/2000	Rex Communications Pty Ltd	07/25/1997
Ozzienet Pty Ltd	04/01/2003	Reynolds & Reynolds Pty Ltd	05/12/2000
Ozzieweb Pty Ltd	07/11/2001	Reynolds Technology Pty Ltd	07/23/2001
P.G. Brown Services Pty Ltd		RGTechnologies Pty Ltd	06/15/1999
t/as One Bite	04/07/2004	Richard Gary Wall t/as @Tech	09/01/2003
Pacific Internet Australia Pty Ltd	04/30/1999	Richard Gustin t/as Everlast	
Pacific Wireless Australia Pty Ltd	03/19/2002	Internet Services	12/23/2003
Panorama Development Pty Ltd	03/11/1999	RickSure Pty Ltd	02/16/2001
Paragon Systems Pty Ltd	12/10/2002	Rimmer Trading Pty Ltd	10/30/1997
Patash Pty Ltd	10/14/1997	Rimway Holdings Pty Ltd	11/21/2002
PC Oznet Pty Ltd	06/08/1999	Ripnet	05/25/1999
PC Technologies Aust Pty Ltd	11/25/2003	RO Computer Services Pty Ltd	11/17/1997
pcProfessionals	01/06/1998	ROK Technology Pty Ltd	01/20/2000
Peakhour Australia Holdings Pty Ltd	05/21/2001	Rubix Computers Pty Ltd	05/14/1999
Peevee Software Solutions Pty Ltd	08/07/2002	Rural & Peninsula Disability	
Personal Broadband Australia Pty Ltd	12/18/2003	Support Inc	09/15/2003
Perthnet	07/16/2003	Rural Business Machines Pty Ltd	02/03/1998
Petersen's Online Services	12/04/1998	RuralOz Internet Service	12/02/2003
Plan B Internet Services Pty Ltd	03/30/1999	SA Country Club II BBS	02/17/1999
Planet Netcom Pty Ltd	08/22/1997	Saints PC Pty Ltd	05/31/2002
Platform Computing Pty Ltd	03/09/2000	Salient Enterprises Pty Ltd	05/14/2003
Porternet.com.au	12/11/2000	Samford Net	02/14/2003
Portolan Pty Ltd	05/27/1999	Satellite Navigator Pty Ltd	05/29/2003
Positronic Pty Ltd	06/19/2002	Satlink Internet Services Pty Ltd	07/01/1997
Powerband Networks Pty Ltd	07/28/2003	Saunders Properties Pty Ltd	07/31/2002
Powercor Australia		Savtek Internet	10/01/2003
Telecommunications Pty Ltd	09/12/2002	Savvis Australia Pty Ltd	10/22/1999
Powerserve Australia Pty Ltd	10/31/2003	ScoastNet Pty Ltd	10/15/1997
Powerup Pty Ltd	10/28/1997	SCS Enterprises Australia Pty Ltd	02/10/2000
Precision Internet Services	10/14/2002	SE Network Access Pty Ltd	07/01/1997
Precisium	05/12/1999	Sebastopol College	08/10/1999
Preferred Internet Provider	11/26/1997	SELTEK Australia Pty Ltd	01/10/2000
ProDigital Solutions	12/18/2000	Service Corp IT Pty Ltd	04/29/2002
Product Information Services Pty Ltd	06/24/1999	Shane Chrisp t/as 2000	
Pteryx Productions Australia	10/22/2002	Computers and Networks	04/22/2004
Puresoft Australia Pty Ltd	01/31/2000	Share.Net Internet Services	05/18/1999
Purple Lion IT Solutions	03/28/2003	Shopsafe Pty Ltd	05/30/2003
Q Online Internet Services	03/11/2003	Silicon Crafts Pty Ltd	11/18/1997
Qcom Intel Systems (Australia) Pty Ltd	10/29/2003	Simplex ISP	07/09/2002
QLDWIDE.NET.AU	01/19/2000	SIS Group Pty Ltd	03/12/2003
Quicknet Internet Provider Pty Ltd	12/17/1997	SkyNetGlobal Limited	12/10/2001
Quik Internet Australia Pty Ltd	11/13/2003	Smart Apartments Pty Ltd	04/08/2004
Quintessa Holdings Pty Ltd	07/05/1999	SMV & GJ Bambrick	09/01/2003
Qwest Australia Pty Ltd	05/06/2002	Sneaker Net	07/07/2000
R L & R L Roy	10/30/2002	Snowball Internet Pty Ltd	08/20/2002
Rabbit International	02/04/1999	So-net Pty Ltd	08/08/2003
RAJA Computers Pty Ltd	07/17/2003	South Queensland Internet Services	11/29/1999
Ram Network Services Pty Ltd	05/08/1998	South Sydney Junior Rugby	
Rascal Internet Pty Ltd	10/29/2003	League Club Ltd	11/12/2001
RBE Internet Services	11/10/1998	South West Communications	
RDT Holdings Pty Ltd	07/03/2003	Company Pty Ltd	01/08/2004
Redgum Software & Support Pty Ltd	09/17/2000	Southern Aurora Web Designs	07/08/2002
Regional Broadband Services Pty Ltd	02/11/2004	Southern Matrix International Pty Ltd	06/17/1999
Relax Internet Enterprises Pty Ltd	06/12/1998	Southern Star Communications Pty Ltd	07/01/1997
Renthurst Pty Ltd	09/17/1998	Spacelink Communications Pty Ltd	07/25/2002
Request Business Solutions Pty Ltd	10/07/2003	Speedlink Internet Service Providers	05/10/1999
Restless Online Services	09/17/1998	Speednet Communications Pty Ltd	07/27/1999
Retnet Internet Services	05/21/1999	Spencer Gulf Telecasters Ltd	09/20/2002
Reverence Earthlink Internet Services	01/02/2001	Spiderweb Access	07/14/1998
		Spin Internet Services Pty Ltd	04/20/1998

Spitfire Internet Services Pty Ltd	04/18/2000	URN Technologies Pty Ltd	04/30/2003
Starwon Enterprises Pty Ltd	07/01/1997	v-App Pty Ltd	01/14/2002
Statewide Direct Group Pty Ltd		Vasko Stojanovski t/as iBlue	12/04/2003
atf Statewide Direct Group Trust	11/14/2003	Vector Networks Pty Ltd	08/19/2002
Summit Internet Solutions	08/27/1998	Velocity Internet Pty Limited	08/25/2003
Sun Corporation Pty Ltd	05/27/2003	Veridas Communications Pty Ltd	10/29/2003
Suncove Pty Ltd	05/13/2002	Veritel Australia Pty Ltd	11/14/2003
Sunshine Beach Software Pty Ltd	06/12/1998	Vertical Telecoms Pty Ltd	02/08/2001
Surf-Net City Australia	11/13/2002	Vianet AIP Pty Ltd	12/09/2003
Surfnet City	10/29/1998	Victoria's Network: VICNET	03/26/1998
Swift Internet Pty Ltd	03/14/2000	Victory Internet Services	10/27/2003
Swiftel Communications Pty Ltd	08/07/2000	VillageNet	09/22/2003
SwiftNet Pty Ltd	05/13/1999	Vintek Consulting Pty Ltd	05/24/2001
Swishinternet	12/26/2003	Virtual Communities Ltd	04/07/2003
Switch.Com Pty Ltd	07/14/1998	Virtual Computers Pty Ltd	11/03/1997
Sympac Computing Pty Ltd	06/03/1998	Virtualcity Pty Ltd	03/22/2004
Synersys Pty Ltd	05/29/2003	Visiontek Pty Ltd	09/17/1997
Tacom Pty Ltd	03/23/1999	Vivanet Pty Ltd	04/21/1999
Tactical Access Provider	08/24/1998	VTay Technology	05/25/1999
TCSI Pty Ltd	09/22/2003	W Connect Pty Ltd	04/08/2004
Tech 2U Pty Ltd	08/10/1999	W3 Pty Ltd	10/21/2002
Tech Info Pty Ltd	06/16/1999	WA Telecentre Exmouth Inc.	07/21/1998
Techex Communications Pty Limited	11/12/2003	Wahroonga.com	03/20/2000
Techno Access	05/12/1998	Wally's Internet Café	05/04/2001
Teksupport Pty Ltd	10/03/1997	Ward Enterprises Pty Ltd	06/10/1998
Tel.Pacific Pty Ltd	01/06/1998	Warianne Investments Pty Ltd	09/02/2003
Telenet Australia Pty Ltd	03/24/2004	Waterfront Internet Service	01/11/1999
Telstra Big Pond	07/01/1997	WBS by CBD Pty Ltd	03/22/2004
Telstra Enterprise Services Pty Ltd	10/21/1997	We Solve It Pty Ltd	04/28/2004
Tenex Pty Ltd	06/19/1998	WE.NET.AU Pty Ltd	03/15/2004
Teragen International Pty Ltd	10/23/2003	Web Ace	12/21/1998
Tetraplex Pty Ltd	03/20/1998	Web Australis Pty Ltd	07/01/1997
The Archon Trust	04/30/2003	Web Prophets Pty Ltd	10/22/2003
The Australian Internet Company Pty Ltd	07/01/1997	Webcentral Pty Ltd	06/30/2003
The Friendly Giant Pty Ltd	10/28/1999	Webdata Pty Ltd	08/25/1999
The I.T. Group Pty Ltd	02/17/2004	WebDB Pty Ltd	10/04/2002
The Info Xchange Inc	12/03/1997	Webzone Holdings Pty Ltd	03/21/2003
The Murray Pioneer Pty Ltd	12/09/1997	Wellington Communications Pty Ltd	07/25/2000
The Net Factory Pty Ltd	05/02/2003	West Australian Networks	07/14/1998
Tisgroup	01/16/2004	Westconnect Pty Ltd	09/08/1998
Titania Corp	03/05/2001	Western Internet Services	06/15/1999
Tnet.Com.Au	08/20/1998	Western Webtec	10/10/2002
Tokyo Network Computing Pty Ltd	03/03/2003	WestNet Pty Ltd	07/14/1998
Tomassi Dot Com	11/04/2002	WFJ & KA Abel t/as Kissme Internet	10/14/2003
Tope Holdings Pty Ltd	02/13/2002	Wicom Solutions	05/13/2003
Topgun Internet Services	08/20/2002	Wild Technology Pty Ltd	02/11/2004
TouchTV Pty Ltd	02/26/2004	Wilkinson Business Trust	
Tourist Facilities Pty Ltd	07/29/2002	t/as Internet Tasmania Pty Ltd	01/22/2004
TPG Internet Pty Ltd	07/01/1997	Windspeed	04/29/1999
Triode Internet	04/22/1998	Winshop Internet Pty Ltd	07/01/2002
True North Consulting Pty Ltd	01/09/1998	Wobygong Pty Ltd	12/03/2002
Trumpnet Pty Ltd	12/16/1997	Wood Dragon Pty Ltd	12/18/2002
Tudogs.net.au	01/15/1998	World.Net Services Pty Ltd	03/20/2000
Turbonet Pty Ltd	06/13/2003	Worldwide Internet	09/02/1998
TVMate Australia Pty Limited	04/23/2003	Worth IT	04/02/2003
TX Communications Pty Ltd	11/23/1998	Xceltek Internet Services Pty Ltd	01/24/2003
University of Queensland		XYZed Pty Ltd	07/21/2000
Information Technology Services	06/17/1998	Yea Computing Services	09/23/1999

Your ASP Pty Ltd	05/27/2002
ZAYTACT Pty Ltd	11/23/1999
Zhong Huan Pty Ltd	09/01/1997
Zion Internet Services	02/10/2003
Zip World Pty Ltd	10/26/1998

Other Date Joined TIO

Air Portal Pty Ltd	12/05/2000
Amcom Pty Ltd	09/10/1998
Australia-Japan Cable (Australia) Limited	02/02/2001
Boeing Australia Limited	01/24/2001
CaT Networks Ltd	12/09/1999
Central Exchange Ltd	06/14/2000
Coretel Communications Pty Ltd	09/08/2000
ETSA Utilities	01/15/2001
Hutchison 3G Australia Pty Ltd	08/20/2002
Ipera Communications Pty Ltd	03/20/2000
Macquarie Corporate Telecommunications Network Carrier Services Pty Ltd	12/22/2000
Macrocom Pty Ltd	03/30/1998
MCI Worldcom Australia Pty Ltd	06/26/1998
Nextgen Networks Pty Ltd	02/14/2001
ntl Telecommunications Pty Ltd	02/12/2001
Office Advisors Pty Ltd	03/11/2004
OMNIconnect Pty Ltd	09/18/1997
One.Tel GSM 1800 Pty Ltd	05/18/1999
Opentec Pty Ltd	07/26/2000
Optus Vision Pty Ltd	12/08/1997
Oz Telecom Pty Ltd	04/15/1998
Oziplex Pty Ltd	09/27/2002
PowerTel Ltd	07/01/1997
Quantum Multimedia Communications Pty Ltd	08/30/2002
Request Broadband Pty Ltd	07/18/2000
Soul Pattinson Telecommunications Pty Ltd	05/05/1999
Suretek Pty Ltd	04/08/2004
Tas 21 Pty Ltd	11/26/2001
Telstra Multimedia Pty Ltd	07/16/1997
The Ozitel Network Pty Ltd	10/20/1999
Tyco Projects (Australia) Pty Ltd	10/02/2002
Windytide Pty Ltd	09/28/1998
Xantic B.V.	02/17/2003

Telephone and Internet Service Provider Date Joined TIO

AAPT Ltd	07/01/1997
Ace Communications Group Pty Ltd	04/17/2003
ACTEW Corporation Ltd	05/03/1999
Airtime Pty Ltd	06/24/2004
Alpha Network Shop Pty Ltd	05/31/1999
Alpha Telecom (Aust) Pty Ltd	06/03/2004
Alpha Telecom Pty Limited	04/14/2003
Alphanet Pty Ltd	10/06/1997
Answer Plus Communications (Aust) Pty Ltd	03/25/2003
Asian Pacific Telecommunications Pty Ltd	07/13/2000

Aurora Energy AAPT Pty Ltd	05/21/2001
Australian Community Telecommunications Pty Ltd	03/16/2004
Australian Specialist Infotech Operations Pty Ltd	08/26/1998
Australian Technology Partnerships Pty Ltd	02/12/2004
Benchmark Sales Pty Ltd	11/03/2000
Bendigo Community Telco Ltd	09/15/2000
BlueSky Communications (Aust) Pty Ltd	01/06/2003
Bright Telecommunications Pty Ltd	09/17/2003
Broadband Access Pty Ltd	07/24/2000
Bushtel	04/07/2004
Callplus Australia Pty Limited	05/27/2004
CardCall Pty Ltd	09/18/1997
Chime Communications Pty Ltd	08/31/2000
City Telecom (Australia) Pty Ltd	07/01/1999
Clean Planet Pty Ltd	02/12/2003
Cnet Communications Group	07/23/2001
COMindico Australia Pty Ltd	08/15/2000
Commander Australia Ltd	08/21/2003
Community Solutions Australia Pty Ltd	10/10/2003
Community Telco Australia Ltd	10/22/2003
Comsave	06/01/2004
Corporate Telecom Pty Ltd	10/24/2001
Datafast Telecommunications Limited	02/17/2000
Digiplus Pty Ltd	07/03/2002
Duxta Pty Ltd	01/17/2003
E-Tel Communications Pty Ltd	04/08/2004
Ecomtel Pty Ltd	07/13/1999
Entertainment Media & Telecoms Corporation Ltd	06/12/2001
ETB Qld Pty Ltd	04/27/2004
First Reach Pty Ltd	05/17/2004
Gday.net Pty Ltd	09/12/2003
Global Connect Communications Pty Ltd	08/23/1999
Global Online Telecoms Australia Pty Ltd	02/09/2000
Highway 1 (Australia) Pty Ltd	07/21/1998
HomeLinX Pty Ltd	04/07/2004
Hypermax Pty Ltd	03/22/1999
ihug Pty Ltd	11/03/2003
iiNet Ltd	08/25/1998
In-Tech Telecommunications Pty Ltd	08/28/1998
Interline Networks Pty Ltd	09/18/2003
IP Systems Pty Ltd	12/10/2003
iTEL Community Telco Ltd	11/14/2002
IX Services Australia Pty Ltd	07/10/2002
Joytel Pty Ltd	12/30/2002
Jtec Pty Ltd	04/03/2000
Justified Communications Group Pty Ltd	05/02/2002
Kern Internet Pty Ltd	05/18/2004
Knowledge By Design Pty Ltd	07/01/1997
Leading Edge Group Limited	08/02/2001
Logitel Communications Pty Ltd	03/20/2002
Managed Solutions Pty Ltd	03/30/2000

Message Stick	
Telecommunications Pty Ltd	02/11/2004
Multelink Australia Pty Ltd	02/14/2000
My Telecom Pty Ltd	09/24/2002
NC Cable Pty Ltd	05/15/2000
Nella Telecommunications Pty Ltd	04/26/2004
Net2Phone Global	10/15/1999
New Skies Networks Pty Ltd	08/06/2001
New Telecom Pty Ltd	01/12/2004
Norlink Communications	01/21/2003
One.Tel Ltd	07/01/1997
Orion Satellite System Pty Ltd	07/02/2003
Pacific Payphones Pty Ltd	08/14/2000
People Telecom Limited	12/13/2000
Polyfone Pty Ltd	08/03/2001
Powercom Pacific Pty Ltd	04/19/2004
Primus Telecommunications Pty Ltd	07/01/1997
PTC Communications Pty Ltd	05/24/1999
Q. Corporation Pty Ltd	08/02/2001
RSL COM Business Communications Pty Ltd	08/21/2003
RSL COM Business Solutions Pty Ltd	08/21/2003
Saands Marketing Australia Pty Ltd	11/06/2003
SecureTel Pty Ltd	11/25/2002
Servcorp Digital Strategy Pty Ltd	10/31/2001
Sirius Telecommunications Ltd	02/01/2002
Skyways Internet Services Pty Ltd	12/04/2003
Snoopa Systems Pty Ltd	03/05/2004
Snowy Mountains Telecommunications	12/10/2003
Spectrum Networks Pty Ltd	05/12/2000
ST Telecom Pty Ltd	02/05/2002
Staticcom Pty Ltd	02/11/2004
STI Communications Pty Ltd	09/11/2002
Telarus Pty Ltd	02/12/2004
Telcoinabox Australia Pty Ltd	08/25/2003
Teleglobe International Australia Pty Ltd	06/06/2003
The SIV Group Pty Ltd	06/18/2003
Toptwin Pty Ltd	02/02/2000
TransACT Capital Communications Pty Ltd	09/22/2000
Uecomm Ltd	07/01/1997
Unwired Australia Pty Ltd	09/19/2002
Vulcan Communications Pty Ltd	05/23/2002
Wideband Networks Pty Ltd	05/10/2004
Woody Group Pty Ltd	02/26/2004
Worldchat Australia Pty Ltd	05/21/2001
XL Telecom Pty Ltd	01/12/2000
Your Service	05/04/2000

Telephone Service Provider	Date Joined TIO
Telephone Service Provider 0014 Pty Ltd	11/01/2000
1410 Communications Pty Ltd	09/18/2002
1800 Reverse Pty Ltd	01/02/2001
1800Mumdad Pty Ltd	02/25/2004
1Cellnet LLC	03/10/2004
1World Telecommunications Pty Ltd	06/17/2003

AAPT Mobile Limited	07/01/1997
Advanced Future Technology Pty Ltd	01/25/2003
Agile Pty Ltd	09/08/1998
Alphawise Solutions Pty Ltd	11/25/1999
Approach Telecom Australia Pty Ltd	10/28/2003
Astracom Pty Ltd	01/15/2003
Astron Communication and Information Services Pty Ltd	07/16/1997
AT&T Communications Services Australia Pty Ltd	07/01/1997
AT&T Global Network Services Australia Pty Ltd	02/28/2000
Atex Pty Ltd	02/02/2004
AUSTAR United Mobility Pty Ltd	11/10/2003
Australia Star Communications Pty Ltd	08/21/2003
Australian Communication Exchange Ltd	07/01/1997
Australian Telecommunications Pty Ltd	03/18/2002
Australian True Blue Communications Pty Ltd	03/03/2003
Axis Telecoms Pty Ltd	07/11/2003
B Digital Ltd	05/26/1999
B&K Holdings (Qld) Pty Ltd	02/11/2004
B33hive Pty Ltd	05/24/2004
Bareena Holdings Pty Ltd	09/12/2002
Bloomberg L.P., Australia Branch	03/28/2002
Blue Call Pty Ltd	03/17/2004
Boost Tel Pty Ltd	11/26/2003
BT Australasia Pty Ltd	07/30/1997
Buana Australia Pty Ltd	01/02/2002
Budgetel Pty Ltd	02/11/2000
Call Australia Pty Ltd	08/26/2003
Callsave Pty Ltd	11/14/2001
Cellularvoice Pty Ltd	02/26/2002
Chi Telecom Pty Ltd	01/04/2002
Chinwag (Australia) Pty Ltd	06/17/2004
Clarkson McLaren Corporate Communications Pty Ltd	05/06/2004
Commander Express Telecommunication Solutions Pty Ltd	04/08/2004
Concert Telecom Pty Ltd	12/11/2002
Cyber House Pty Ltd	10/30/2003
Digital Informedia Pty Ltd	09/30/2003
Direct Telecoms Pty Ltd	03/26/2001
Dumella International Pty Ltd	06/29/2004
E-Telecom Pty Ltd	03/15/2001
Eagle Telecom Pty Ltd	07/29/2003
Eclipse Telecommunications Pty Ltd	07/01/1997
Empcom Pty Ltd	02/17/2003
eSTAR Telecom Pty Ltd	09/25/2003
Eztel Communications	05/22/2001
Geocon Surveys Pty Ltd	03/19/2004
Global Asia Pacific Pty Ltd	03/17/2004
Global Card Services Pty Ltd	01/08/2003
Global Network Telephone (Australia) Pty Ltd	04/23/2004
Global Networks (Aust) Pty Ltd	01/31/2003
Global Phone Cards Pty Ltd	09/29/2003
GlobalCom (Aust) Pty Ltd	06/28/2002

Globalstar Australia Pty Limited	04/28/2003	Spatial Broadband Telephony Pty Ltd	07/17/2003
Globe Telecom Pty Ltd	05/19/2003	Spectra Global Communications Pty Ltd	11/17/1997
GOTalk Australia Pty Ltd	01/08/2003	Sprint International Australia Pty Ltd	07/25/2000
Hutchison Telecoms (Aust) Pty Ltd	07/01/1997	Star Alliance Communications Pty Ltd	03/21/2003
KDDI Australia Pty Ltd	02/11/1999	Synergy Australia Pty Ltd	07/23/2003
Kooe Telecom Pty Ltd	11/01/2000	T.One Telecommunications Pty Ltd	08/13/1999
Korpcorn Australia Pty Ltd	07/25/2002	T3 Communications Pty Ltd	04/09/2002
LCR Telecom Pty Ltd	01/22/1998	TCI Australia Pty Ltd	09/12/2003
Lifeline Telecommunications Pty Ltd	07/18/2001	Telco In A Box Pty Ltd	01/09/2003
Light Technologies Pty Ltd	07/04/2002	Telcostar Ltd	07/18/2001
Look Mobile Ltd	02/20/2001	Tele Link Telecommunications Pty Ltd	07/01/1997
M Group of Companies Pty Ltd	02/15/2001	Telecorp Limited	01/08/2003
M2 Telecommunications Pty Ltd	12/11/2001	Telemates Pty Limited	03/25/2004
Macquarie Corporate Telecommunications Holdings Ltd	07/01/1997	TeleOne Services Pty Ltd	03/21/2002
Market Maze Communications Pty Ltd	10/15/2003	Telesaver Pty Ltd	09/07/1997
Mavenlink Pty Ltd	04/08/2004	Telstra Corporation	07/01/1997
Maxicomm Communications Pty Ltd	09/23/2003	Teredonn Telecommunications Ltd	11/30/2000
MCI WorldCom International, Inc	07/21/1998	Thales Telematics Pty Ltd	08/19/2002
Message Community Telephone Company Pty Ltd	01/28/2004	Times Telecom (Australia) Pty Ltd	10/21/2003
Mobicom Communication Services Pty Ltd	04/20/2004	Tritel Australia Pty Ltd	09/22/1999
Mobile Innovations Ltd	07/01/1997	Unidial Prepaid Communications Pty Ltd	11/26/2002
Multico Resources Pty Ltd	04/29/2004	United Customer Management Solutions Pty Ltd	07/01/1997
NationTel Pty Ltd	05/29/2003	United Wholesale Communications Pty Ltd	12/01/2003
New Tel Ltd	03/12/1999	Universal One Communication Pty Ltd	12/12/2002
New Tel Services Pty Ltd	08/21/2003	Universal Telecom Australia Pty Ltd	02/19/2001
NorthVoice Communications Pty Ltd	07/07/2000	Upgrade Technology Pty Ltd	09/08/2003
Omni Plus Pty Limited	12/19/1997	Virgin Mobile (Australia) Pty Ltd	09/11/2000
Online IT Services Pty Ltd	04/16/2003	Vodafone Pacific	07/01/1997
Optus Mobile Pty Ltd	07/01/1997	Voicetek Pty Ltd	12/03/2001
Optus Networks Pty Ltd	07/01/1997	VRoam Australia Pty Ltd	12/23/2002
Oz Tele Communications Pty Ltd	05/04/2004	Welcon Electronics	02/11/2004
Ozicom Solutions Pty Ltd	11/12/2001	Western Communication Solutions Pty Ltd	10/14/1997
Pacific Telco Australia Limited	01/22/2001	Widetalk Pty Ltd	02/13/2002
PayTel Australia Pty Ltd	12/15/2003	World Telecom Pty Ltd	07/10/2003
Phone Business Pty Ltd	04/15/2004	WorldPacific Communications Pty Ltd	01/06/2000
Phone Free	03/15/2004	Zintel Communications (Australia) Pty Ltd	12/05/2003
Pivotel Group Pty Limited	03/27/2003	Zoo Telecom Pty Ltd	02/05/2003
Pracom Limited	12/30/2002	Total	1,043
Protel Communications International Pty Ltd	05/21/2004		
PSR Group Pty Ltd	07/01/1997		
Recom Corporate Communications Pty Ltd	02/05/2001		
Redicall Pty Ltd	06/21/1999		
River Media Group Pty Ltd	10/29/2002		
Saise Telecommunications Pty Ltd	07/19/1999		
Shuari Investments Pty Ltd	07/25/2002		
SIMplus Mobile Pty Limited	12/07/2001		
SITA	07/01/1997		
Skytel Pty Ltd	07/09/1998		
Solutions International Pty Ltd	01/02/2001		
Southern Cross Mobile Pty Ltd	02/20/2001		
Southern Cross Telco Pty Ltd	09/25/1997		
Southern Phone Company Ltd	01/17/2003		

Financial Report

Annual Report for the year ended 30 June 2004

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Financial Report

Directors' Report

Your directors present their report of the Telecommunications Industry Ombudsman Ltd ("TIO") for the year ended 30 June 2004.

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:

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

M K Davidson

One (1) director appointed by Vodafone:

J F Rohan (Chairman)

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

R Doyle

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

M R Graubner

Independent Director:

J M Harvey



Financial Report

Directors' Report (Cont.)

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

Name of Director	Date of Appointment	Date of Resignation
J Rohan	01 August 2001	Continuing
J Harvey	7 April 2003	Continuing
D McCulloch	10 October 2001	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
M Lawrey	10 October 2003	Continuing
D Havyatt	13 December 2000	12 December 2003
A Barda	16 November 2001	2 September 2003
R Manson	13 June 2002	23 September 2003

Operating Results

The TIO recorded an operating surplus for the year of \$147,409 (2002-2003, \$9,783). 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 2004 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

Due to the surplus, members' funds were increased from \$723,321 at the start of the financial year to \$870,730 at the end of 2003-2004.

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.

Financial Report

Directors' Report (Cont.)

Review of Operations

• Growth Plateau

Complaint numbers appear to have stabilised after large fluctuations caused by the demise of One. Tel. The consistent rate of growth, which had characterised earlier periods appears to have been arrested, although recently complaint levels have begun to rise again, perhaps indicating a return to the underlying trend of increase.

Overall contacts for 1994-95 to 2003-2004 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	2%

• Debt Recovery

Bad debts of \$50,327 were written-off during the financial year. The provision for bad debts was increased to \$70,708 for specific provisions. Debts were settled with a small number of members.

• Cash Flow

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

• Performance

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

Over the course of the year the service level efficiency standard of answering 80% of calls within 60 seconds was regularly and substantively achieved, until the latter part of the year when complaint demand exceeded staffing resource capacity. Average resolution times were 61 days for Level 2 complaints (target 48 days), 84 days for Level 3 complaints (target 62 days) and 146 days for Level 4 complaints (target 90 days).

• Industry Development

During 2003-2004 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.

Financial Report

Directors' Report (Cont.)

Review of Operations (Cont.)

• Communications

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

• Governance

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

The Board welcomed to its ranks Michael Lawrey from Telstra, Rohan Doyle from Concert Telecom and Mark Graubner from Leading Edge Internet. Departing the Board were David Havyatt of AAPT, Robert Manson of Impaq and Gus Barda of Telstra.

• Establishment of a financial reserve

The Board ensured that the financial reserve continued to accumulate during 2003-2004 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 2004 was \$585,451. The required level of the reserve will be reviewed in late 2004.

• Fee Increases

The Board introduced fee increases for Level 1 complaints and Enquiries from \$22 to \$27.50 and of Reviews from \$165 to \$275, effective from 1 July 2003.

• Membership

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

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

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

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

The total number of members increased from 910 at 30 June 2003 to 1043 at 30 June 2004.

• Staffing

As at 30 June 2004, the TIO employed 65 staff, with 15 of these being part-time employees.

Financial Report

Directors' Report (Cont.)

Review of Operations (Cont.)

Principal Activities

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

Dividends

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

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the company in the year ended 30 June 2004.

Matters Subsequent to the End of the Financial Year

• Fee Increases

The TIO Board has approved increases in the fees for Level 4 Land Access complaints from \$1320 to \$2640 and for Reviews from \$275 to \$495, effective from 1 July 2004.

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

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

Except for the matters noted above, at the date of this report no matter or circumstance has arisen since 30 June 2004 that has significantly affected or may significantly affect:

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

Likely Developments and Expected Results of Operations

The TIO has budgeted for a modest increase in complaint numbers in 2004-2005.

Environmental Regulations

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

Financial Report

Directors' Report (Cont.)

Information on Directors

Director	Experience	Special Responsibilities
J F Rohan, B Mech Eng, Grad Dip IE, MBA, FIEAust	John has been Executive Director, Vodafone Pacific, MD of Vodafone Australia Pty Ltd, Vodafone New Zealand Ltd and Vodafone Network Pty Ltd. Previous positions include Executive General Manager of James Hardie Building Services and Technologies, Chief Executive of McConnell Dowell's Building Product Group, Australia and New Zealand and General Manager of Comalco Building Products. John has previously served as Chairman of the TIO Board and as a member of the TIO Council.	Chairman from 1 August 2001
D C McCulloch, B Juris, LLB, LLM	General Manager, Government Affairs, Optus. David was formerly Director of Broadcast Policy with the Federation of Commercial Television Stations.	Director from 10 October 2001
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 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, ICAA, AICD	Directorships include: Bayside Health Network, The Lyceum Club, Rural Finance Corporation, Royal Flying Doctor Service.	Director from 7 April 2003
M C Lawrey	Head of Network Services, Telstra.	Director from 10 October 2003
M R Graubner	General Manager, Leading Edge Internet Pty Ltd	Director from 4 December 2003
R Doyle	Chief Executive Officer, Concert Telecom Pty Ltd	Director from 13 December 2003

Financial Report

Directors' Report (Cont.)

Information on Directors (Cont.)

Director	Experience	Special Responsibilities
D S Havyatt, BSc, MA, FAICD	Director, Regulatory, AAPT. David has held previous management positions with Telstra and Hutchison Telecoms. David is also a member of the Boards of ACIF and the Australian Mobile Telecommunications Association.	Director from 13 December 2000 to 12 December 2003
A Barda, BSc (Mathematics), MBA	Group General Manager, Commercial Operations, Service Division, Telstra. Gus joined Telstra in 1976. He has held management responsibilities across a number of disciplines.	Director from 16 November 2001 to 2 September 2003
R G Manson, BA (Hons), ICAA, ICAEW, AICD	Chief Executive Officer, Impaq Australia. Robert was formerly the Managing Director of The Greater Union Organisation.	Director from 13 June 2002 to 23 September 2003

Financial Report

Directors' Report (Cont.)

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 2004, and the number of meetings attended by each director were:

	Number Eligible to Attend	Number Attended
Number of meetings held: 5		
Number of meetings attended by:		
J F Rohan	5	5
D Havyatt	2	2
D C McCulloch	5	5
A Barda	1	1
M K Davidson	5	4
M C Lawrey	4	4
M Graubner	4	4
T C Hill	5	4
G R Smith (As Alternate for D McCulloch)	0	0
R Doyle	3	3
R. Manson	1	0
J M Harvey	5	4

Directors' Benefits

During the year, director's fees of \$32,427 were paid to Jane Harvey for her term as the independent director.

Except for that noted above, since 30 June 2004, 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 2004 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.

Financial Report

Directors' Report (Cont.)

Insurance of Officers

During the financial year, the TIO paid a premium of \$10,527 to insure certain officers of the company.

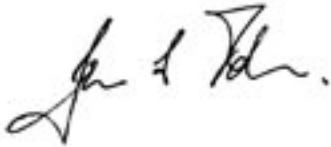
The officers of the company covered by the insurance policy included all directors as listed in this report, Council members, the Ombudsman J E Pinnock and the Secretary P J Carruthers.

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

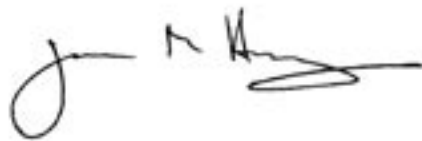
Auditors

RSM Bird Cameron Partners remain the TIO auditors.

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



J F Rohan
Director



J M Harvey
Director

Sydney
9 September 2004

Financial Report

Statement of Financial Performance

For the year ended 30 June 2004

	Notes	2004 \$	2003 \$
Revenue from ordinary activities			
Revenue from operating activities	2	6,571,174	5,821,007
Total revenue from ordinary activities		6,571,174	5,821,007
Expenses from ordinary activities			
Employee benefits expense		4,457,201	4,087,759
Legal fees		88,207	18,035
Depreciation and amortisation expenses		93,954	176,671
Borrowing costs		-	4,583
Telephone costs		232,565	217,743
Marketing expenses		253,230	282,029
Rent expense		298,501	214,767
Computer expenses		466,622	321,160
Other expenses from ordinary activities	3	533,485	488,477
Total expenses from ordinary activities		6,423,765	5,811,224
Surplus for the year	9	147,409	9,783

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

Financial Report

Statement of Financial Position

As at 30 June 2004

	Notes	2004 \$	2003 \$
Current Assets			
Cash Assets	4	1,342,759	1,349,070
Receivables	5	191,597	34,718
Prepayments		84,583	102,700
Total Current Assets		1,618,939	1,486,488
Non – Current Assets			
Property, Plant and Equipment	6	61,248	127,228
Total Non – Current Assets		61,248	127,228
Total Assets		1,680,187	1,613,716
Current Liabilities			
Payables	7	544,336	688,581
Lease Liabilities	8,12	-	13,750
Provisions – Annual Leave		185,322	146,025
Total Current Liabilities		729,658	848,356
Non – Current Liabilities			
Provisions – Long Service Leave		79,799	42,039
Total Non – Current Liabilities		79,799	42,039
Total Liabilities		809,457	890,395
Net Assets		870,730	723,321
Members' Funds			
Accumulated Surplus	9	870,730	723,321
Total Members' Funds		870,730	723,321

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

Financial Report

Statement of Cash Flows

For the year ended 30 June 2004

	Notes	2004 \$	2003 \$
Cash Flows from Operating Activities			
Receipts from members (inclusive of GST)		6,473,825	5,770,145
Payments to suppliers and employees (inclusive of GST)		(6,500,576)	(5,589,704)
Borrowing costs		-	(4,583)
		(26,751)	175,858
Interest received		64,915	53,178
Net cash inflow from operating activities	14	38,164	229,036
Cash Flows from Investing Activities			
Payments for plant and equipment		(31,225)	(6,292)
Proceeds from sale of plant and equipment		500	-
Net cash (outflow) from investing activities		(30,725)	(6,292)
Cash Flows from Financing Activities			
Repayment of lease liabilities		(13,750)	(55,000)
Net cash (outflow) from financing activities		(13,750)	(55,000)
Net Increase (Decrease) in Cash Held		(6,311)	167,744
Cash at the beginning of the financial year		1,349,070	1,181,326
Cash at the End of the Financial Year	4	1,342,759	1,349,070

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

Financial Report

Notes to the Financial Statements

30 June 2004

NOTE 1 Summary of Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

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

(a) Income Tax

The company is exempt from income tax under Item 2.1 of Section 50-10 of the *Income Tax Assessment Act 1997*. As part of the introduction of the new tax system, the TIO was required to reapply for income tax exemption status. The TIO has been notified of a further tax exempt status up to 30 June 2009 by the ATO.

(b) Acquisitions of Assets

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

(c) Revenue Recognition

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

(d) Receivables

Amounts due from members are recognised as the amounts receivable.

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

(e) Depreciation of Property, Plant and Equipment

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

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

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 1 Summary of Significant Accounting Policies (Cont.)

(f) Leasehold Improvements

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

(g) Leased Non-Current Assets

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

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

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the company will obtain ownership of the asset, the life of the asset.

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

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

(h) Trade and Other Creditors

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

(i) Amounts Due to Members

Amounts due to members 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.

(j) Maintenance and Repairs

Maintenance and repair costs are charged as expenses as incurred.

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 1 Summary of Significant Accounting Policies (Cont.)

(k) Employee Benefits

(i) *Wages and Salaries and Annual Leave*

Provision is made for wages and 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.

(l) Borrowing Costs

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

(m) Cash

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

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 2 Revenue from Ordinary Activities

	2004 \$	2003 \$
Revenue From Operating Activities		
Volume and overhead billing fees	6,505,759	5,767,829
Revenue From Outside Operating Activities		
Proceeds from sale of property, plant and equipment	500	-
Interest	64,915	53,178
Total Revenue from Ordinary Activities	6,571,174	5,821,007

NOTE 3 Surplus from Operating Activities

	2004 \$	2003 \$
The surplus from operating activities includes the following net gains and expenses:		
Gains		
Profit (loss) on sale or write-off of plant and equipment	(2,750)	-
Expenses		
Borrowing costs		
Finance charges on finance leases	-	4,583
Depreciation		
Furniture and fittings	75,212	22,166
Plant and equipment	18,742	35,433
	93,954	57,599
Amortisation		
Leasehold improvements under finance lease	-	119,071
	-	119,071
Other charges against assets		
Bad and doubtful debts - trade debtors	50,327	57,818
Other provisions		
Employee entitlements	77,057	36,985
Rental related to operating leases		
Lease payments	590,136	406,797

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 4 Cash Assets

	2004 \$	2003 \$
Cash at bank and on hand	188,144	23,791
Deposits at call	1,154,615	1,325,279
	<u>1,342,759</u>	<u>1,349,070</u>

Deposits at Call

The deposits are bearing floating interest rates between 4.20% and 4.60% (2003 4.05% and 4.20%). Deposits at call includes a cash reserve of \$585,451.

NOTE 5 Receivables

	2004 \$	2003 \$
Amounts due from members	107,943	53,570
Less: Provision for doubtful debts	(70,708)	(48,270)
Other Receivables	148,164	24,918
Interest Receivable	6,198	4,500
	<u>191,597</u>	<u>34,718</u>

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 6 Property, Plant and Equipment

	2004 \$	2003 \$
Plant and equipment		
Plant and equipment - at cost	192,490	266,256
Less: Accumulated depreciation	(163,650)	(243,010)
	28,840	23,246
Total plant and equipment	28,840	23,246
Furniture and fittings		
Furniture and fittings - at cost	733,899	134,910
Less: Accumulated depreciation	(701,491)	(85,628)
	32,408	49,282
Leasehold improvements under finance lease - at cost	-	595,351
Less: Accumulated amortisation	-	(540,651)
	-	54,700
Total Furniture and fittings	32,408	103,982
	61,248	127,228

Reconciliations

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

	Plant & Equipment \$	Furniture & fittings \$	Leasehold improvements under finance lease \$	Total \$
Carrying amount at 1 July 2003	23,246	49,282	54,700	127,228
Acquisitions	27,586	3,638	-	31,224
Transfers		54,700	(54,700)	-
Net book amount of disposals	(3,250)	-	-	(3,250)
Depreciation /amortisation	(18,742)	(75,212)	-	(93,954)
Carrying amount at 30 June 2004	28,840	32,408	-	61,248

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 7 Current Liabilities - Payables

	2004 \$	2003 \$
Amounts due to members	63,086	216,457
Trade creditors	96,329	188,568
Other creditors	384,921	283,556
	<u>544,336</u>	<u>688,581</u>

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 11.3%.

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

NOTE 8 Financial Instruments

(a) Credit Risk Exposures

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

(b) Interest Rate Risk Exposures

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

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

2004	Notes	Fixed interest maturing in:			Non-interest bearing	Total
		Floating interest rate	1 year or less	over 1 to 5 years		
		\$	\$	\$	\$	\$
Financial assets						
Cash assets	4	1,342,759	-	-	-	1,342,759
Receivables	5	-	-	-	191,597	191,597
		1,342,759	-	-	191,597	1,534,356
Average interest rate		3.55%	-	-		
Financial liabilities						
Payables	7	-	-	-	544,336	544,336
		-	-	-	544,336	544,336
Average interest rate		-	-	-		
Net financial assets (liabilities)		1,342,759	-	-	(352,739)	990,020

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

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 8 Financial Instruments (Cont.)

(b) Interest Rate Risk Exposures (Cont.)

Reconciliation of Net Financial Assets to Net Assets

	Notes	2004 \$	2003 \$
Net financial assets as above		990,020	681,457
Non financial assets and liabilities			
Property, plant and equipment	6	61,248	127,228
Prepayments		84,583	102,700
Provisions		(265,121)	(188,064)
Net assets per statement of financial position		870,730	723,321

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

	2004		2003	
	Carrying amount \$	Net Fair Value \$	Carrying amount \$	Net Fair Value \$
Recognised financial instruments				
Financial assets				
Cash Assets	188,144	188,144	23,791	23,791
Deposits	1,154,615	1,154,615	1,325,279	1,325,279
Receivables	262,305	262,305	82,988	82,988
	1,605,064	1,605,064	1,432,058	1,432,058
Financial liabilities				
Payables	544,336	544,336	688,581	688,581
Lease liabilities	-	-	13,750	13,750
Non-traded financial liabilities	544,336	544,336	702,331	702,331

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

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

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 9 Accumulated Surplus

	2004 \$	2003 \$
Accumulated Surplus at the beginning of the financial year	723,321	713,538
Surplus for the year	147,409	9,783
Accumulated Surplus at the end of the financial year	870,730	723,321

NOTE 10 Remuneration of Directors

	Directors of Entity	
	2004 \$	2003 \$
Income paid or payable, or otherwise made available, to directors in the company in connection with the management of the affairs of the company.	32,427	16,213

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

	2004	2003
\$0	11	9
\$1 - \$19,999	0	2
\$20,000 - \$29,999	0	0
\$30,000 - \$39,999	1	0

NOTE 11 Remuneration of Auditors

	2004 \$	2003 \$
Remuneration for audit of the financial reports of the company	20,500	18,190
Remuneration for other services	2,700	-

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 12 Commitments for Expenditure

	2004 \$	2003 \$
Lease Commitments:		
Representing:		
Non-cancellable operating leases	2,876,459	679,096
Operating Leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	694,543	427,564
Later than one year but not later than 5 years	1,940,785	251,532
Later than 5 years	241,131	
Commitments not recognised in the financial statements	2,876,459	679,096
Finance Leases		
Commitments in relation to finance leases are payable as follows:		
Not later than one year	-	13,933
Later than one year but not later than 5 years	-	-
Minimum lease payments	-	13,933
Less: Future finance charges	-	(183)
Total lease liabilities	-	13,750
Representing lease liabilities:		
Current	-	13,750
Non-current	-	-
	-	13,750

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 13 Related Parties

Directors

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

Name of Director	Date of Appointment	Date of Resignation
J Rohan	01 August 2001	Continuing
J Harvey	7 April 2003	Continuing
D McCulloch	10 October 2001	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
M Lawrey	10 October 2003	Continuing
D Havyatt	13 December 2000	12 December 2003
A Barda	16 November 2001	2 September 2003
R Manson	13 June 2002	23 September 2003

Transactions with directors and director related entities

J Rohan is a current TIO director nominated by Vodafone Pacific Pty Ltd. TIO invoiced \$124,897 during the year in respect of complaint handling fees for Vodafone Pty Ltd and other related Vodafone entities. Vodafone entities invoiced the TIO for \$3,286 for the provision of telecommunications services during the reporting period.

One former director, A Barda and two current directors, M Lawrey and T Hill are employees of Telstra Corporation. TIO invoiced \$2,939,668 and \$485,441 during the year in respect of complaint handling fees for Telstra Corporation and Telstra Big Pond respectively. Telstra Corporation invoiced the TIO for \$217,299 for the provision of telecommunications services during the reporting period.

Two current directors, D McCulloch and M Davidson and one alternate director, G Smith, are employees of Optus Networks Pty Ltd. TIO invoiced \$1,386,573 for Optus Networks Pty Ltd and related entities. Optus entities invoiced the TIO for \$4,590 for the provision of telecommunications services during the reporting period.

One former director, D Havyatt, is an employee of AAPT Ltd. TIO invoiced \$364,195 during the year in respect of complaint handling fees for AAPT Ltd and related entities. AAPT invoiced the TIO for \$27,961 for the provision of telecommunications services during the reporting period.

One current director, R Doyle, is an employee of Concert Telecom Pty Ltd. TIO invoiced \$995 during the year in respect of complaint handling fees for Concert Telecom Pty Ltd.

One current director, M Graubner, is an employee of Leading Edge Internet Pty Ltd. TIO invoiced \$3,164 during the year in respect of complaint handling fees for Leading Edge Internet Pty Ltd.

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

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

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

	2004 \$	2003 \$
Surplus from ordinary activities after income tax	147,409	9,783
Depreciation and amortisation	93,954	176,671
Loss/(gain) on disposal of fixed assets	2,750	0
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	(31,935)	2,316
Decrease (increase) in other operating assets	(106,827)	(73,595)
Increase (decrease) in payables	(144,244)	76,876
Increase in other provisions	77,057	36,985
Net cash inflow from operating activities	38,164	229,036

NOTE 15 Events Subsequent to Balance Sheet Date

International Financial Reporting Standards

As from 1 July 2005, the Australian Accounting Standards that apply to the preparation of this financial report will cease and the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (IFRS's) will become operative. TIO will apply these new Standards when preparing its financial report for 30 June 2006. That report will also include IFRS based comparative information for the financial year ended 30 June 2005. The development of this comparative information requires the establishment of opening balances for the financial year commencing 1 July 2004 based on the new IFRS equivalent Australian Accounting Standards. The AASB released the AASB equivalents of the IFRS standards on 22 July 2004.

TIO has established a project team, reporting to the Company Secretary that has been reviewing the new Accounting Standards and Abstracts of the Australian Accounting Standards Board that apply for IFRS purposes as from 1 July 2004. The project team will provide regular updates to the Board of Directors.

The project team has two roles:

- **Impact Assessment** - conduct a broad review of all Standards to identify key areas of change to current accounting policies, systems, and disclosures; and
- **Implementation** - perform a detailed review of key Standards to identify divergence from current practice, alternate treatment options, quantification of impacts of alternate policies, recommendations for policy changes, identification and implementation of system changes, and preparation of opening balance sheet.

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

NOTE 15 Events Subsequent to Balance Sheet Date (Cont.)

International Financial Reporting Standards (Cont.)

To date, no material changes to current accounting policies have been identified. However, assessments are still in progress for the following Standards which when taken together may require TIO to significantly alter its policies, systems or disclosures:

AASB 1	First-time Adoption of Australian Equivalents to International Financial Reporting Standards;
AASB 116	Property, Plant and Equipment;
AASB 132	Financial Instruments: Presentation and Disclosure;
AASB 136	Impairment of Assets;
AASB 137	Provisions, Contingent Liabilities and Contingent Assets;
AASB 138	Intangible Assets; and
AASB 139	Financial Instruments: Recognition and Measurement.

The assessment of potential changes will continue throughout 2004-05. All changes to accounting policies will apply from 1 July 2004 in the determination of the opening balances required under Accounting Standard AASB 1 *First-time Adoption of Australian International Financial Reporting Pronouncements*.

Financial Report

Notes to the Financial Statements

30 June 2004 (Cont.)

Directors' Declaration

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

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's financial position as at 30 June 2004 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

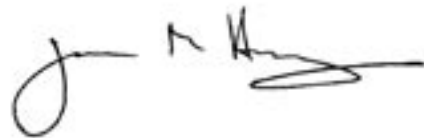
In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



J F Rohan
Director



J M Harvey
Director

Sydney
9 September 2004

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 2004, comprising the attached Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Statements and the Directors' Declaration. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

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

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

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

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 2004 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

14 September, 2004
Melbourne

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