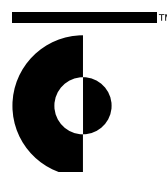


Telecommunications
Industry
Ombudsman

2005

Annual Report

Providing free,
independent,
just, informal
and speedy
resolution
of complaints



Telecommunications
Industry Ombudsman

**PROVIDING FREE, INDEPENDENT, JUST, INFORMAL AND SPEEDY RESOLUTION
OF COMPLAINTS ABOUT TELECOMMUNICATIONS SERVICES.**

Established in 1993, the Telecommunications Industry Ombudsman Limited (TIO) is a free and independent dispute resolution service for residential and small business consumers who have been unable to resolve a complaint with their telephone or internet service provider.

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

The TIO's Annual Report includes a comprehensive review of complaint statistics for the 2004/05 financial year. These statistics are published for the information of consumers, and to help service providers identify areas where they can improve their performance.

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The TIO handled 97,798 contacts in 2004/05 – a 28.8% increase on last year's total of 75,904.

Total contacts included 18,883 out-of-jurisdiction enquiries and 78,915 complaints.

The 78,915 complaints investigated in 2004/05 were 31.9% more than the 59,850 complaints investigated last year.

A single complaint may contain more than one complaint issue. In 2004/05 the TIO recorded 100,825 complaint issues, up from 68,020 last year.

44.2% of complaint issues handled by the TIO were about landline services, 39.9% were about mobile services and 15.9% were about internet services.

90.2% of complaints were resolved at level 1, compared with 89.7% last year.

Where did they come from?

92.2% of complaints were made by residential consumers, 7.3% were made by small businesses and 0.5% were made by government, community or charitable organisations.

44% of complainants were women.

88.0% of complaints were lodged by telephone, 8.0% were lodged by e-mail, 2.8% were mailed and 1.1% were sent by fax.

16.3% of complaints were made by customers referred to the TIO by their providers.

Our members

In 2004/05, 152 members joined the TIO Scheme and 60 members departed, bringing the total to 1,135 members, up from 1,043 in the previous year.

Areas of note

Complaints about mobile services grew faster than those for internet and landline services. Mobile services complaints rose by almost 88% to 40,254. In the March quarter mobile complaints exceeded those for landlines, 42.9% of complaints, against 41.6% for landlines. The order was reversed in the June quarter and there were more landline complaints than those for mobiles over the full year.

Internet service complaints grew by 54.1%, and landline service complaints by 23.2%

With landlines, the significant complaint categories that grew the most were:

- contracts, which increased by 145.3%
- privacy, which increased by 135.1%
- customer transfer, which increased by 48.3%.

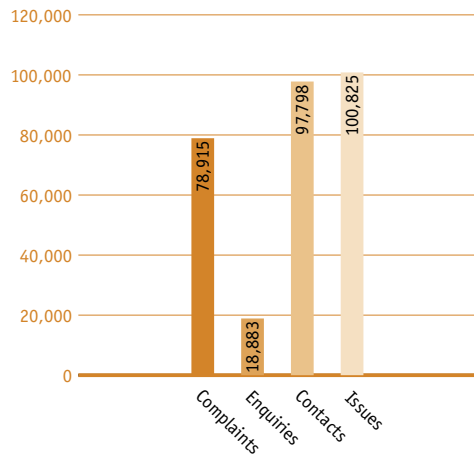
With mobiles, the significant categories were:

- customer service, which increased by 145.0%
- billing, which increased by 112.3%
- faults, which grew by 99.9%.

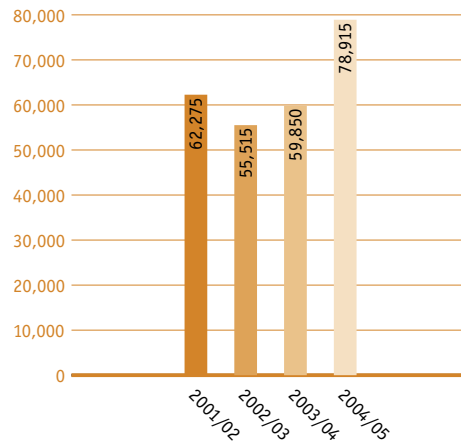
With internet, the significant categories were:

- customer transfer, which increased by 693.8%
- contracts, which rose by 99.9%
- customer service, which increased by 89.0%.

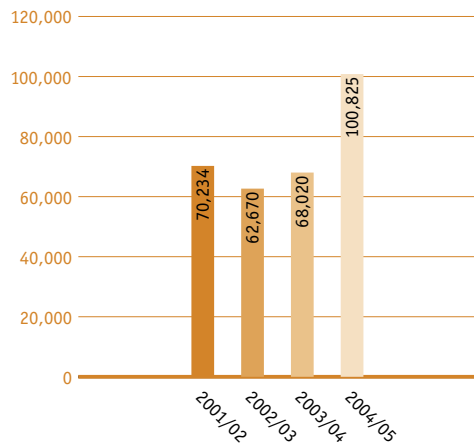
Total enquiries, complaints and complaint issues 2004/05



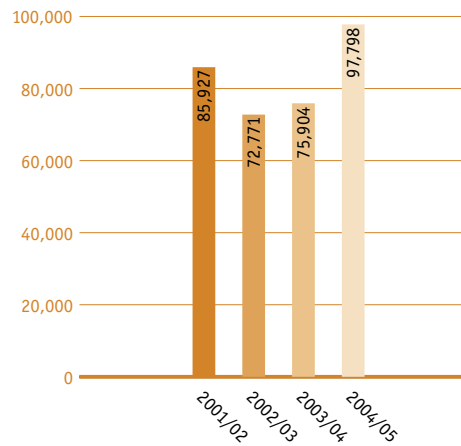
Total complaints since 2001/02



Total complaint issues since 2001/02

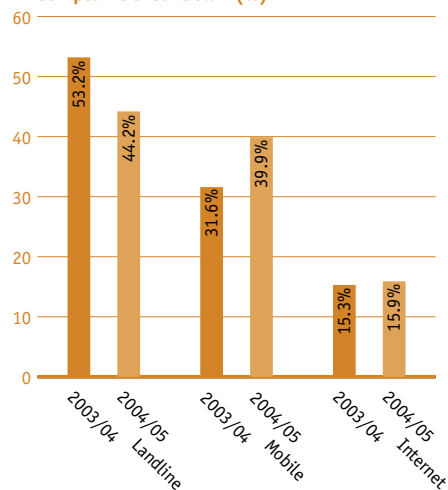


Total contacts since 2001/02

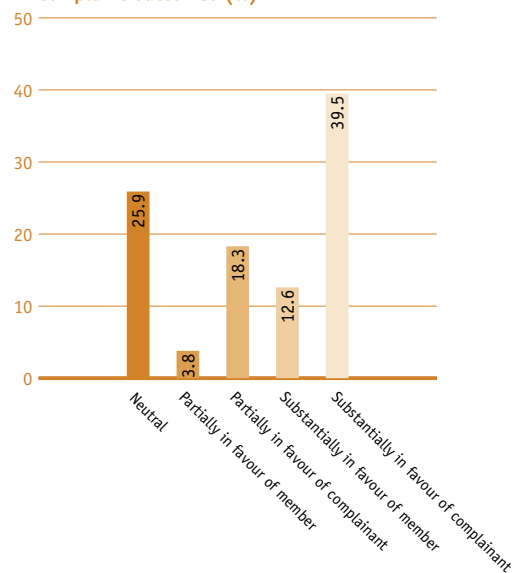


All statistics have been rounded to one decimal place. In some cases, this may produce totals that are slightly more or less than 100%. For a definition of the terms that the TIO uses to categorise contacts with complainants, please see Definitions, page 22.

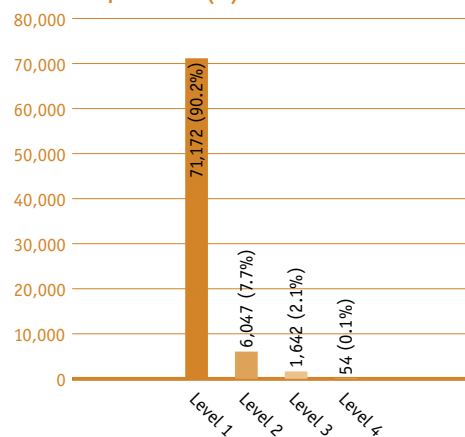
Complaint breakdown (%)



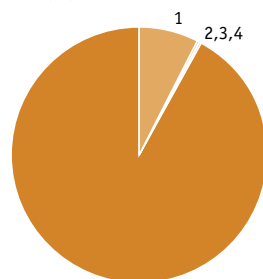
Complaint outcomes (%)



Complaint mix (%)

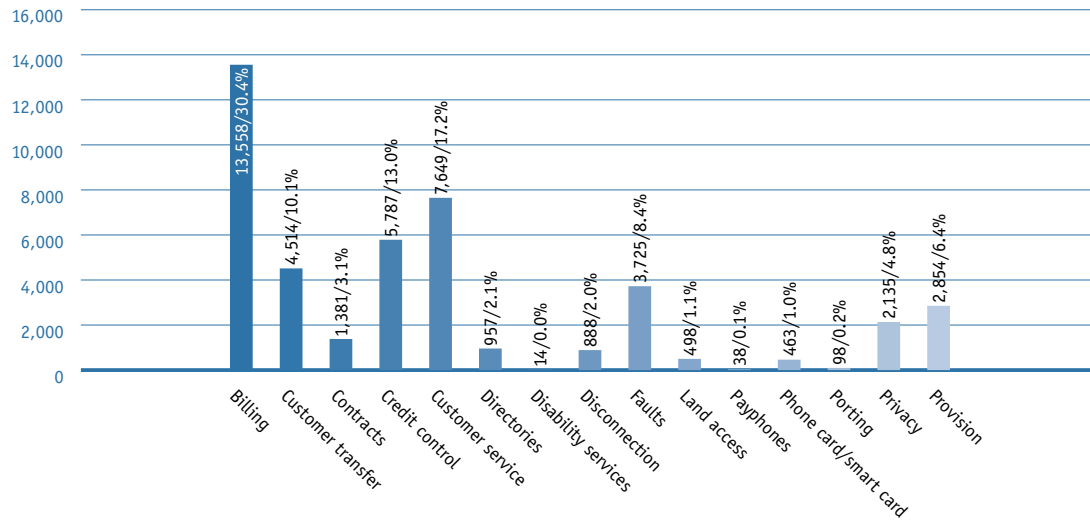


Complainant type (%)

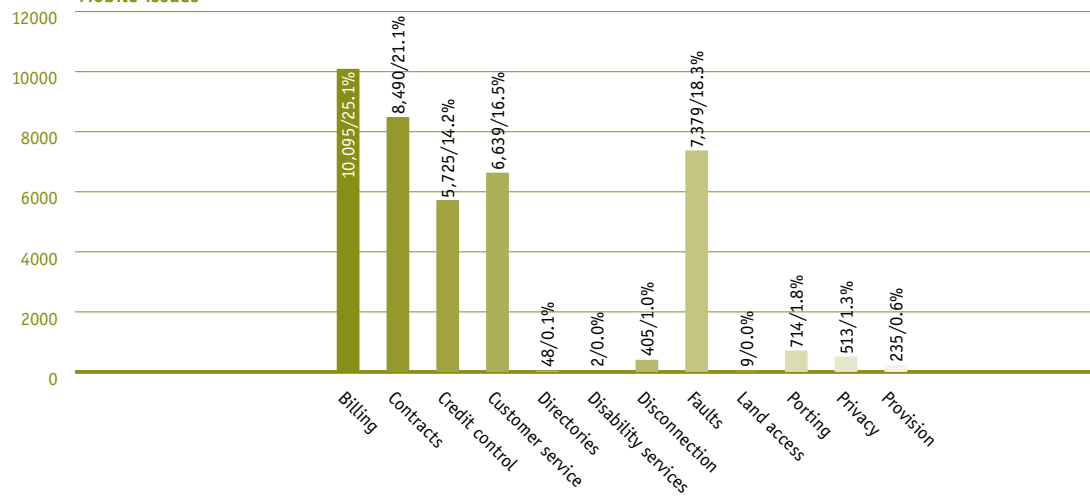


Complainant Type		%
1.	Business	7.3
2.	Charity	0.1
3.	Community	0.2
4.	Government	0.3
5.	Residential	92.2

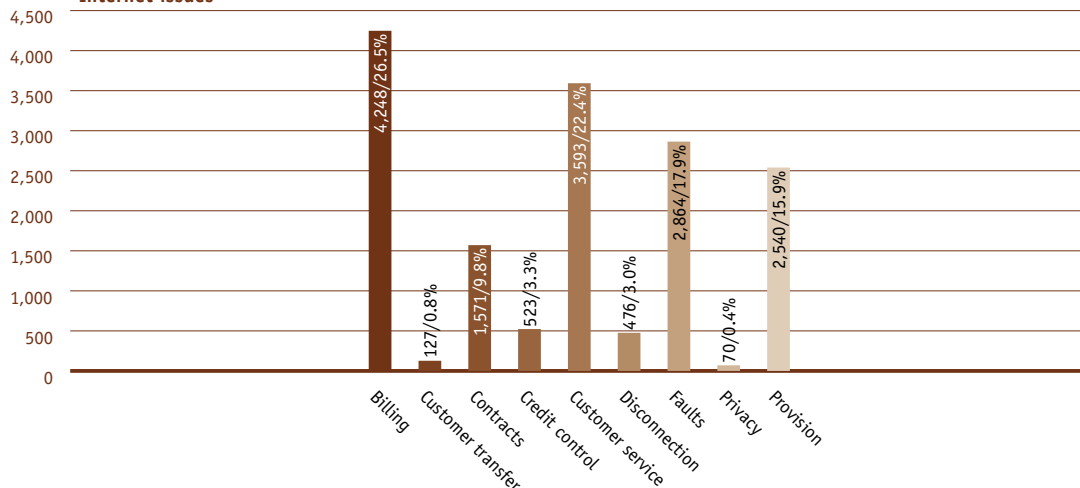
Landline issues



Mobile issues



Internet issues



The TIO continued to provide outstanding service to complainants and the industry in 2004/05.

In early 2005 the Board, in conjunction with the Council and senior staff, conducted a significant review of the TIO's strategy. This review focused on the TIO's mission of providing free, independent, just, informal and speedy resolution of complaints. It also considered major external factors that would have an impact on the future of the TIO, such as the establishment of the Australian Communications and Media Authority (ACMA) and the possibility of the further privatisation of Telstra. The Board has also focused on sound practice in corporate governance. In mid 2005 it conducted a governance workshop that helped to define and address governance issues facing the TIO.

There has been only one change to the Board during the year. Mr David McCulloch of Optus departed in March 2005 and was replaced by Mr Andrew Bedogni. I would like to thank David for his full and valuable contribution to the Board and the TIO and formally welcome Andrew back (he had previously served on the TIO Council).

At 30 June 2005, there were 1,135 members of the Scheme, with 152 new members having joined during the year and 60 members having departed. Welcome to our new members and best wishes to those departing members. The members of the TIO must be commended for their co-operation in the TIO Scheme. I look forward to their continued participation in this vital element of the industry.

The TIO returned a surplus of \$167,283 for the year. The financial reserve amounted to \$612,347 at year-end. As I stated last 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 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 and particularly thank all the investigative and administrative staff for their efforts.



John Rohan

Chairman of the Board

Back Row: Ms Jane Harvey, Mr Michael Lawrey, Mr Mark Graubner,
Mr Rohan Doyle, Mr Andrew Bedogni, Mr Trevor Hill
Front Row: Mr Mark Davidson, Mr John Rohan

TIO Board

Chairman of the Board

Mr John Rohan

Independent director

Ms Jane Harvey

Industry representatives

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

Mr Mark Graubner,
General Manager, Convergent ComCo

Mr Rohan Doyle,
Chief Executive Officer, Concert Telecom

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

Mr Mark Davidson,
Director Consumer Customer Care, Optus

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



Despite the pressures imposed, the Scheme has delivered a high-quality service to telecommunications users throughout Australia.

The Council addressed the following important issues during the year:

- development of the systemic complaints procedure
- regulation of premium-rate services
- development of a new strategic plan (with the Board)
- preparation for the review of the scheme
- members' obligations to bring the TIO to the notice of customers
- revisions to the Council election policy and Code of Conduct
- review of the budget process
- the TIO's public awareness strategy
- implications of Voice over the Internet (VOIP) for the TIO
- implications for the TIO of the establishment of Australian Communication and Media Authority (ACMA).

The Council thanks the Ombudsman, John Pinnock, Deputy Ombudsman Victoria Marles, Business Manager Phillip Carruthers and the staff of the TIO for supporting the Council and providing outstanding service to consumers and industry.

I would like to welcome two new consumer representatives, Anna Stewart and Myra Pincott, to the Council. Anna is Deputy Director/Principal Solicitor of the Consumer Law Centre of Victoria and Myra is National President of the Country Women's Association.

The Council thanks departing Council member Gordon Frend for his outstanding service over a long period. Gordon's insightful comments will be missed by all members of Council. Special thanks must go to Karen Langtry of Digiplus who acted as an alternate Council member for Robyn Ziino for much of the year. Also departing after a short term as a member was John De Satge, whose contribution was appreciated.

The Council eagerly anticipates the challenges of 2005/06 and beyond.



Tony Staley
Chairman of Council

Back row: Mr Simon Cleary, Ms Kathryn Fox, Mr Gordon Frend,
Mr Ross Wheeler, Ms Robyn Ziino, Ms Priscilla Mahony, Ms Pam Marsh
Seated: The Rev Dr Christopher Newell AM,
Mr Neil Mounsher, The Hon Tony Staley

TIO Council

Chairman of the Council

The Hon Tony Staley

Consumer representatives

Mr Simon Cleary,
Consumers Federation of Australia/
Legal Aid Queensland

Mr Gordon Frend,
SETEL, National Farmers' Federation

Ms Pam Marsh,
Consumers' Telecommunications Network

The Rev Dr Christopher Newell AM,
Australian Federation of Disability Organisations

Mr John De Satge
Waluwarra Aboriginal Corporation

Member representatives

Mr Ross Wheeler,
Elected member representative
Albury Local Internet Pty Ltd

Ms Robyn Ziino,
Elected Member Representative, AAPT

Ms Priscilla Mahony,
Customer Relations Manager, Optus

Ms Kathryn Fox,
Corporate Counsel, Vodafone

Mr Neil Mounsher,
Group Manager, TIO Policy and Liaison, Telstra



The highlights of the last 12 months have been the rapid increase in complaints to the TIO and debate about how the Scheme should develop in response to the pressures of convergence.

The general experience of complaint handling bodies is that complaints tend to increase over time. They also increase in complexity. In the case of the TIO a third dimension is the continuing high rate of complaint escalation. This refers to the process whereby the TIO decides to raise a complaint to the next of four tiers of investigation. Another way of describing this process is that it is a measure of failure of the TIO member to resolve the complaint at an early stage. Five years ago, the escalation rate was approximately 7% – that is 7 out of every 100 complaints was escalated – this year the escalation rate was closer to 10%.

Several factors influence complaint rates. The most important are industry dynamics – the level of competitive and other industry activity – and consumer awareness of the existence and role of the TIO. We conduct biennial surveys of public awareness, the last being in 2004, and it is probable that awareness of the TIO is fairly static. So, it seems that the primary driver of complaints over the past year has been industry activity. This influence is evident across the traditional reporting areas of fixed line, mobiles and internet, although there are unmistakable surges in some areas, for example, mobile faults, premium SMS and broadband.

Increasing complaints, and complaint rates, are often seen as a measure of consumer confusion, or dissatisfaction and this is broadly true. In another sense, however, complaints to the TIO and the complaint escalation rate are a measure of the direct costs to members of consumer dissatisfaction. These costs need to be reigned in by members.

Whether described as an ADR or complaint handling scheme, the TIO is primarily a reactive body and there are limits on the extent to which the TIO can be proactive. Put another way, there are constraints on the TIO's ability to influence the conduct of Scheme members to reduce the flow of complaints. Considerations of both effectiveness and efficiency, however, demand that the TIO either test or extend these limits.

In the coming year, the TIO will pursue three broad initiatives to increase its effectiveness and efficiency.

First, refining its investigation procedures to both emphasise to members the importance of early resolution of the majority of complaints and also to investigate more serious matters in greater depth.

Second, with the agreement of Council and the Board, to implement a new and more sophisticated systemic complaints investigation procedure.

Third, to give greater emphasis to the role of Member Communications in advising members about basic complaint handling procedures and techniques.

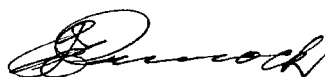
Coming to grips with the idea of convergence is sometimes akin to wrestling with smoke, yet the reality of this development is now apparent. Broadly, we are seeing the coming together of media and telecommunications or the carriage and content of services. The detail, however, is less obvious. That is why the government chose to merge the principal industry regulators, the Broadcasting and Communications Authorities, while leaving the legislative framework of regulation untouched for the moment.

If the detail of convergence is not always obvious, one aspect is clear – the emergence of mobile premium content services. In this context, it is a great pity that the mobile carriers, each of which is a member of the TIO, chose to participate in the development of a new, industry based complaint mechanism without any notice to or discussion with the TIO.

This development is all the more puzzling given that the TIO Council, which represents the interests of both members and consumers, was itself developing a set of fundamental or key principles to guide the Scheme as convergence gathers pace.

One of the most important principles is that consumers should be able to bring a variety of complaints to the TIO in a way that increases the efficiency and effectiveness of complaint handling in the industry while reducing regulatory overlap and consumer confusion and discouraging forum shopping.

Council's effort in developing these principles will have a twofold benefit. It will assist the Council in setting further policy prescriptions for the TIO, as well as looking at the proper limits of the Scheme. It will also benefit the Ombudsman in further developing the TIO's operational focus as new complaint issues are raised by consumers.



John Pincock
Ombudsman

Left to right
Victoria Marles, Deputy Ombudsman
John Pincock, Ombudsman
Phillip Carruthers, Company Secretary/
Business Manager



Funding

The TIO is funded by its members. There is no government funding.

Members fund the TIO on a simple and equitable basis – if there are no complaints against members, they pay nothing to the TIO. There is no joining fee or annual contribution.

Members' fees are determined by the number and relative proportion of complaints made against them each quarter. Described as volume-related and operating costs respectively, each raises about 50% of the TIO's total funding. The TIO bills in advance based on the previous quarter's complaint numbers, with reconciliation of these forward estimates conducted each successive quarter.

Governance

The TIO has a tripartite structure – Board, Council and Ombudsman.

The Board is responsible for ensuring the global funding of the Scheme and the usual governance functions under *The Corporations Law*. It is composed of member representatives and one independent director.

The Council is traditionally responsible for establishing the policy of the Scheme. It is composed of equal numbers of members and consumer representatives, with an independent Chair.

The Ombudsman is responsible for the day-to-day operations of the Scheme and is completely independent in all decisions concerning complaints. The Ombudsman is appointed, and can only be dismissed, on the recommendation of the Council.

TIO administration

Information technology

The growth in complaint numbers and the resulting increase in staff led to a need for new equipment and greater demands on existing infrastructure. A major project undertaken during the year was the installation of a new call management system and switchboard. Initial steps were also taken to review the complaint handling system. This will be the major task for the IT Manager in the coming year. Donna Nolan has continued to work in web development and in the production and analysis of management data. Andrew Nolan joined the TIO on a part-time basis to replace Geraldine Creaton.

Reception and administration

Denise Cassidy continues to manage much of the basic office administration. File storage arrangements at the TIO and off-site have been revised as a result of accommodation changes and the increasing complaint file volume. Molly O'Brien and Lucrecia Quintanilla continued to offer excellent reception and file management services to the office, with Molly moving in the latter part of the year to a new role as Community Liaison Officer. She was replaced by Daniela Ruiz.

Financial management

The Finance section has continued to operate efficiently, with Marianna Panopoulos and Debbie Ross providing timely and accurate information, implementing International Financial Reporting Standards and establishing procedures to accommodate choice of superannuation fund. Debbie left the TIO near the end of the reporting year as Kayla Thomas returned from parental leave.

Executive support

As always, Astra Taurins has provided outstanding support to the Ombudsman and also travel and administrative support to the office.

Accommodation

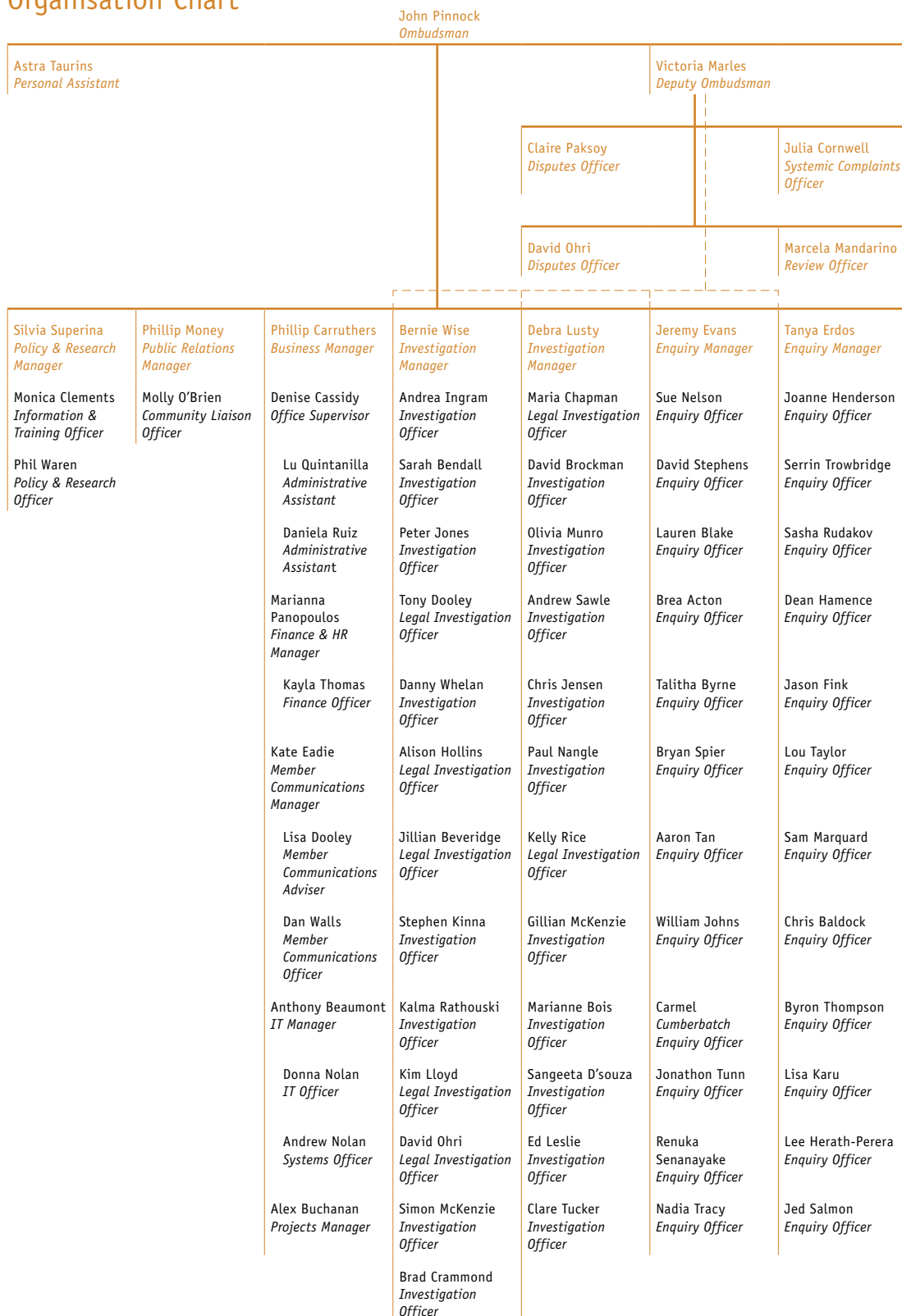
During the year, the TIO expanded the office by moving eight staff downstairs to the recently acquired half of level 14, creating space for additional investigation staff on level 15. The staff who moved downstairs included the Business Manager and the Finance and Member Communications teams. The arrangements for the fit-out on both levels and the movement of staff was a major activity.

Equal opportunity and discrimination

The TIO fully supports the principles of equal opportunity. All staff receive training in equal opportunity and anti-discrimination as part of their induction, and on a biennial basis. The TIO policies and procedures regarding equal opportunity, discrimination, harassment and internal complaint procedures are published on the intranet. Staff are reminded of their equal opportunity obligations at the start of December each year, prior to the annual festive season celebrations.

During the course of the year two informal complaints were raised by staff members and these were addressed promptly.

Organisation Chart



Public Affairs

As a national scheme, the TIO has a large potential audience to reach with relatively limited resources. This often means that traditional channels of communications, such as advertising campaigns, are beyond our means.

Communication activities are shaped by two important sources of feedback: biennial public awareness research, and data drawn from the complaints database (See Complainant statistics–profile of complainants, page 68).

In 2004/05, public awareness activities were focused on the following areas:

Small business

Small businesses accounted for just over 7% of complaints to the TIO in 2004/05. After a decline to 44% in the 2000 public awareness survey, total awareness (aided and unaided) of the TIO among small businesses peaked at 63% in the 2004 survey. During the year, the TIO sought to consolidate its ties with small business organisations. This included:

- personal visits to small business groups, including chambers of commerce, in all states except New South Wales and Queensland. (The Public Affairs Manager also visited the Australian Chamber of Commerce and Industry and the Council of Small Business Organisations of Australia in Canberra.)
- submission of articles about the TIO to various small business publications
- publication of a full-page article about the TIO in the Business Owner section of the *Herald Sun* (Melbourne), the *Daily Telegraph* (Sydney) and the *Courier-Mail* (Brisbane).

Rural and regional communities

Both the 2004 public awareness survey and the TIO's complaints data show that people from rural and regional communities are the least likely Australians to lodge a complaint. Because of the vastness of the country, this audience is particularly challenging for the TIO to reach. During the year, activities included:

- a comprehensive radio publicity campaign highlighting the TIO's activities through regional New South Wales and ad-hoc activity in Queensland, Western Australia and Victoria.
- meetings in Alice Springs between the Deputy Ombudsman and industry and community groups including Anglicare, the NT Chamber of Commerce, Legal Aid, Gap Youth Centre Aboriginal Corporation, and the Central Land Council.

Young people

People aged between 16 and 24 are among the most intensive users of telecommunications and internet technology and are therefore a critical group for the TIO to reach. According to the 2004 public awareness survey, only 27% of those aged between 18 and 24 are likely to have heard of the TIO. This compares with 61% of people aged over 50. During the year, targeted public awareness activities were limited. Ad-hoc activities included contacting youth affairs councils in Victoria and New South Wales, submitting articles to various youth publications and media outlets, and visiting secondary schools in Victoria. The TIO also met with the co-ordinators of student councils in Victoria and New South Wales.

During the year, Investigation Officers Marianne Bois and Sarah Bendall continued their visits to Victorian secondary schools, highlighting the importance of responsible mobile telephone usage and other telecommunication issues that affect youth finances. The aim of the sessions was to emphasise the role of the TIO and provide young people with an avenue to resolve problems if they encounter difficulty in any area of telecommunications.

Community groups

The Ombudsman and Deputy Ombudsman spoke at numerous community group conferences nationwide. Where possible, these visits took place in conjunction with other activities, including media interviews and personal visits to industry and community groups. Significant efforts were made during the year to upgrade the TIO's contacts database, which is the main tool for communication with community groups.

TIO Talks and the Annual Report

The TIO gained significant publicity for the 2003/04 annual report in all states except Queensland. Several targeted media campaigns were conducted using articles published in the quarterly *TIO Talks* publication. The most prominent coverage came from articles about telemarketing and premium-rate SMS messages. *TIO Talks* articles were also published in the Australian Communications Authority's publications.

Member Communications

The TIO welcomed 152 new members during 2004/05. In the same period, 60 members left the Scheme, resulting in a net increase of 92 members.

67.2% of TIO members are categorised as internet service providers, 15.3% as telephone service providers and 14.2% as telephone and internet service providers. The remaining 3.3% are predominantly carriers that do not offer any eligible carriage services to end-user customers.

Initiatives

The Member Communications team, which links members and TIO investigations staff, is one of the key areas of the office. It aims to foster a co-operative relationship between the TIO and members to ensure that complaints are handled effectively.

The 2004/05 year was one of significant change for Member Communications. One of the most visible initiatives was a change of name from Member Services to Member Communications. The new name better reflects the team's role.

The team's strategic direction was then firmly established with a review of its function. Feedback was sought from TIO staff who deal with members and from members themselves. The review culminated in a planning session from which a two-year strategic plan was developed. The plan gives clearer direction to the Member Communications team and enhances communication with members.

The review's goals included:

- highlighting to members the value of complaint information in their business
- re-examining the information available to members about the TIO
- seeking opportunities to share information about the industry between members and the TIO
- ensuring Member Communications is accessible for members and staff

Staffing

During the year, the Member Communications Manager, Sarah Nye, left the TIO after nine years with the organisation, most of those dedicated to building relationships between members and the TIO. Member Communications Adviser Kate Eadie stepped into the Manager role towards the end of the financial year. Lisa Dooley, an Investigations Officer who had previously spent 15 months working in Member Services, became Member Communications Adviser.

Communications

The Member Communications team visited more than 50 members throughout Australia during 2004/05. The team is committed to visiting the top 10 members (by complaint numbers) as well as other members who have questions about the TIO or who might benefit from a face-to-face meeting.

These visits provided members with advice and assistance on a range of matters including:

- the number and nature of complaints
- TIO policies, procedures and fee structure
- emerging areas of consumer misunderstanding or dissatisfaction.

Many member visits are made as a result of issues that arise during the year and are arranged by members or may be initiated by the TIO.

Member Communications also encourages members to visit the TIO to gain a better understanding of how the office operates and to meet the staff. Members who have visited say it is an informative and useful experience that clarifies the TIO's role in the industry and its independence in its complaint handling processes.

On a broader note, Member Communications aims to help members reduce the number of complaints about them to the TIO and to avoid escalation of complaints that the TIO is already handling. The team will continue to focus on these aims in the coming year.

The TIO now sends out regular updates in the form of *M-News* e-mails, rather than the quarterly newsletter. This ensures that members receive relevant information in a timely manner. Members are also encouraged to use the members' area of the TIO website and to contact the Member Communications team directly with updates about their organisations and any queries relating to the TIO or broader industry issues.

TIO member numbers

2003/04 members, total	1,043
New members 2004/05	152
Departed members	60
Total	1,135

TIO membership composition

At 30 June 2005

Internet service provider	763	67.2%
Other	37	3.3%
Telephone and internet service provider	161	14.2%
Telephone service provider	174	15.3%
Total	1,135	

Convergence

Early in 2005, Council, Board and the Ombudsman discussed strategic planning for the next three years. One of the most difficult issues confronting the Scheme is the convergence of the telecommunications and media industries, a development which led the government to merge the Australian Broadcasting Authority and the Australian Communications Authority to create the Australian Communications and Media Authority.

Debating convergence is a little like grappling with smoke — it's hard to pin down. That's one of the reasons why, despite the creation of ACMA, the regulatory legislation remains undisturbed.

Similar difficulties confront the TIO in ensuring that the Scheme remains relevant in a converged industry and provides an adequate measure of consumer protection.

The Council is approaching this problem with the development of a set of principles to guide the Scheme through the murk.

One clear effect of convergence is the emergence of content delivered over a variety of telecommunications services, particularly broadband and mobile. These services are effectively delivered as a bundle and commonly charged on a single bill.

In this circumstance, convergence should be seen as an opportunity to reduce consumer confusion and eliminate regulatory overlap and forum shopping in complaint handling – the idea of the TIO as a “one-stop shop”.

This does not mean that the TIO wants the prohibition on dealing with complaints about the content of content services repealed.

Jurisdiction

During the year, the TIO Council continued its active involvement in the development of policy, discussing and recommending to the Board significant changes to the jurisdiction of the Scheme.

Firstly, Council recommended a clarification of the TIO's powers to investigate billing complaints concerning content services supplied by a carriage service.

Secondly, Council considered a change that would entrench the long-standing principle that a member should not commence legal proceedings for the recovery of disputed billing charges while the TIO is investigating a complaint about those charges. The Board is considering this recommendation at the time of writing.

Thirdly, Council debated and has now recommended a far-reaching amendment that would formalise and extend the Ombudsman's powers to investigate systemic issues. This matter is yet to be considered by the Board.



Left to right
Stephen Kinna,
 Investigation Officer
Gillian McKenzie,
 Investigation Officer
Ed Leslie,
 Investigation Officer
Jillian Beveridge,
 Legal Investigation Officer

TIO position statements

The TIO continued to develop new position statements as well as refining existing ones. The statements are intended as guides for consumers and members as to how the TIO approaches certain types of complaints.

In some cases they summarise basic consumer law protections, in others they explain the application of Australian Communications Industry Forum (ACIF) codes, while in yet others they summarise the TIO's "fair and reasonable" principle in dispute resolution.

Partly procedural and partly policy documents, the statements are not directions to members; nor, as has sometimes been suggested, do they indicate that a particular outcome will result in every case. Rather, they set out the issues that the TIO considers important and will apply to individual cases.

The TIO's position statements are available at www.tio.com.au and should be viewed by consumers and members before they lodge or investigate a complaint.

Members publicising the TIO

A report on the Review of the TIO Scheme (July 2002) noted that the TIO's constituent documents – *Articles of Association* and *Constitution* – did not require TIO members to publicise the Scheme, although there was an expectation that they would. On the other hand, the relevant Department of Industry, Science and Tourism (DIST) benchmark* on accessibility established a principle to this effect.

A joint committee of the Council and Board considered this issue over a period of more than 18 months. It looked at a matrix of ways by which members do or could advise customers about the existence and role of the TIO.

Optus and Telstra eventually agreed to conduct trials of a new approach including, in Optus's case, a "bill message" about the TIO to all broadband customers. Although relatively commonplace in the insurance and energy industries, such bill messages have always encountered strong resistance in the telecommunications industry. Concern has chiefly focused on the possibility that a message of this nature might encourage first resort complaints. The Optus trial, which involved thousands of broadband customers over many months, showed that the industry concern did not eventuate, largely reflecting the experience of the other sectors mentioned, and no doubt due to the clear wording of the message.

On the other hand, only a handful of Optus broadband customers who did complain to the TIO during the trial, and who would have received bills with the relevant message, actually recalled learning about the TIO from the message.

There was a similar outcome to the Telstra trial, which took a slightly different approach.

As a result, both carriers concluded that bill messages did not achieve their purpose.

In the meantime, the TIO has accumulated evidence that its members are failing to adhere to Rule 7.6.1 of ACIF's *Complaint Handling Code* which provides:

Upon request of Customers or where the Customer is dissatisfied with the outcome of a complaint, suppliers must advise Customers of their external avenues of recourse (ie the TIO ...

*See Glossary

Members publicising the TIO continued

For several years now the TIO's "referred by" statistics have regularly shown that only a relatively small number of callers to the TIO have been told about the Scheme by their provider. (See Complainant statistics, page 68) The reliability of these figures has been challenged by some members. A recent trial, however, has confirmed the accuracy of the TIO's "referred by" statistics.

In light of this fact and given the reluctance of members to adopt bill messages, the TIO intends to investigate every complaint where there is evidence that the member has failed to comply with the *Complaint Handling Code*.

Systemic Complaints Investigation Procedure

The Systemic Complaints Investigation Procedure is a key element in the TIO's proactive approach to complaint resolution. It aims to resolve not only an individual complaint but also other similar current or future complaints. In this way, the TIO aims to highlight and change behaviour that may adversely affect a class of customers.

During 2004/05, the TIO and Council have been considering the direction of the systemic complaints procedure, which has been operating for three years. Systemic issues are not referred to in the TIO *Constitution* and the Council has established a sub-committee to examine the Constitutional changes that might be necessary to formalise the TIO's powers.

Following lengthy development work by the sub-committee, Council recently recommended a detailed amendment to the *Constitution* for formal adoption by the Board.

During the year, 17 systemic investigations were undertaken. Twelve were completed and five are still under way. The investigations are detailed later in this report (See Systemic Issues Investigations, page 56). Most investigations highlighted potential breaches of ACIF codes and guidelines, in particular the *Billing; Customer Transfer; Prices, Terms and Conditions* and *Complaint Handling* codes.

The TIO considers that an effective outcome to a systemic investigation is a suitable change in a provider's behaviour. Recent examples include changes to procedures for disconnection and to the layout of bills. If a provider does not alter a policy, the TIO may decide to make a report to that member in accordance with its *Constitution*, which refers to the situation where a member's policies or commercial practices have been identified as a source of similar complaints. This year, two such reports were made in relation to systemic investigations.



Left to right
Dean Hamence, Enquiry Officer
Lauren Blake, Enquiry Officer
Tony Dooley, Legal Investigation Officer

Relationship with industry and government agencies

The TIO continued to participate in regular forums convened by the former Australian Communications Authority (now ACMA), such as the Consumer Protection Agencies Liaison Meetings (CPALM) and Consumer Consultative Forum (CCF). In addition, the TIO is now also represented on the Communications Technical Regulation Advisory Committee (CTRAC).

In 2004/05, the TIO also met regularly with the Department of Communications, Information Technology and the Arts (DCITA) to discuss regulatory developments, emerging telecommunications issues and subsidy schemes such as the Higher Bandwidth Incentive Scheme (HiBIS).

The TIO has also arranged to meet quarterly with the Office of the Federal Privacy Commissioner, to share information about privacy related issues and to discuss the role of both agencies in relation to privacy complaints.

In 2004/05, the TIO has had increased contact with Consumer Affairs Victoria regarding unfair contractual terms. In addition, the TIO has liaised with the Australian Competition and Consumer Commission about complaints that may involve a breach of the *Trade Practices Act*.

On the industry front, the TIO continued to work closely with ACIF on the development of Consumer Codes, and regularly provided ACIF with statistics concerning breaches of the codes. During the year the TIO also held discussions with the Australian Mobile Telecommunications Association (AMTA) and the Australian Direct Marketing Association (ADMA).

As part of its broad consultative work the TIO made submissions on issues as diverse as:

- unexpected high bills
- mobile premium services
- the Internet Industry Association Spam Code
- the ACA ISP Guideline
- a variety of ACIF codes including the *Contracts* and *Connect Outstanding* codes.

Mobile premium services – “If it’s on the bill”

As noted elsewhere in this report, one issue facing consumers in a converged environment is the rapid development and proliferation of a range of content services accessible through a variety of carriage services.

The development is particularly apparent in mobile telecommunications with the advent of premium-rate SMS as well as adult content services which will shortly become available. Apart from their ubiquity, these services are distinguished by two things.

Firstly, they are commonly produced and delivered by a “supply chain” consisting of content providers, others loosely referred to as content aggregators and traditional carriers and carriage service providers.

Secondly, the services are billed, or will be billed, to consumers by their mobile carrier or reseller.

Increasingly, however, consumers are finding it difficult to resolve billing and related disputes about services such as premium-rate SMS. Often, they are referred by their mobile provider to a content provider whose identity is uncertain or who cannot be contacted, and in circumstances where there is no or inadequate itemisation of the services on the bill.

The TIO has also encountered resistance from some mobile providers to accepting responsibility for resolving billing disputes about content services.

So, the TIO was alarmed to learn from a discussion paper on mobile premium services issued by the ACA in December 2004 that a new regime was being considered for dealing with complaints about these services.

It emerged that the authority, mobile providers under the aegis of AMTA, and a variety of content providers and aggregators, as well as the Telephone Information Service Standards Council (TISSC), had been developing a detailed proposal which, among other things, would deal with complaints about the services. None of these parties had advised the TIO of this work, much less invited its participation, notwithstanding that the proposal would clearly affect the TIO.

As one of its last statutory decisions before passing into regulatory history, the ACA subsequently made the *Telecommunications Service Provider (Mobile Premium Services) Determination 2005 (No.1)*.

The determination is detailed but in summary it includes rules relating to the supply of adult content (MA 15 + or R 18+) to adults 18 years and over, including rules relating to an age verification process.

Importantly for the TIO, the determination also provides for the establishment of arrangements for escalated handling of complaints regarding mobile premium services, but makes no distinction between complaints about the content of content services and complaints about the billing of those services.

All of this is to be achieved by ACMA approving a scheme or schemes to be developed by the participants, including a default scheme to be known as the Mobile Premium Services Industry Scheme (MPSIS).

Quite apart from the omission to consult the TIO in advance about these proposals, the TIO's mandate for handling billing complaints, including complaints about the billing of content services supplied by a carriage service, is absolutely clear. The Ombudsman expects members of the Scheme to comply with this mandate.

In short, the Ombudsman's position is that, irrespective of the determination, "if it's on the bill", then the relevant mobile provider member of the TIO is required to resolve billing disputes made by its customers to the TIO.

Reports to members

As briefly noted above, the Ombudsman may report to a member where in his opinion its general telecommunications policy or commercial practices have:

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

Three reports were made during the year.

The first resulted from a complaint about an unexpectedly high bill of more than \$3,000 for international reverse charge calls. The complainant said she believed that by using Telstra's Easy Call Control feature she had protected herself from this situation.

While a fair and reasonable resolution was reached, the TIO concluded that the information in Telstra's booklet *Homeline Features Users Guide* contributed to the complaint because it did not refer expressly to the limitations of the Easy Call Control function and may have led customers to believe that they had protected themselves. Telstra did not agree with this conclusion but indicated that it would take the TIO's view into account when next updating the booklet.

The second report arose from a systemic investigation (See Systemic Issues Investigations, page 56) into Sensis's processes for authorising alterations to *White Pages* listings. The TIO concluded that Sensis did not, as a matter of practice, maintain an adequate database to identify authorised representatives of customers properly and that this had contributed to the complaint.

The third report arose from a systemic investigation into Chi Telecom's billing practices. The TIO was not satisfied with the explanations provided by Chi Telecom as to its compliance with the ACIF *Billing Code* and therefore referred Chi Telecom to the ACA for possible breaches of the code.

Quality assurance and staff training

Quality assurance activities undertaken during the year included a further investigation audit, six-monthly audits of confirmed/established code breach complaints and ongoing monitoring to ensure that calls are logged correctly in the TIO complaints database. An audit for certain level 1 complaints was postponed, but it is hoped that it can be resumed within the next financial year. A call-monitoring framework was developed and is being implemented.

Training covered a multitude of topics, encompassing knowledge-based, skills-based and staff support issues. Training plans are developed quarterly and usually include half-hour training sessions on Tuesday mornings, and one or two workgroup-based training sessions each month. Staff specialists deliver many training sessions in-house, but external experts also make presentations. For example, the TIO arranged a presentation from the Central Land Council and another by a member company on the operation of Voice over Internet Protocol (VoIP).

The TIO has also significantly improved the scheduling and delivery of induction training. This year 14 Enquiry Officers and 6 Investigation Officers completed the induction program. The TIO is committed to the ongoing review of induction training and will conduct a further review in the current year.

Investigations audit

An audit of level 2 and 3 investigations was completed in June 2005. Such audits enable the TIO to evaluate the quality of level 2 and 3 investigations and adhere to DIST benchmarks for industry alternative dispute resolution schemes. These benchmarks include independence, accessibility and fairness.

The audit examined a random sample of 300 level 2 and 3 complaints logged and completed during the 2003/04 financial year. Files were examined in terms of:

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

The TIO was satisfied, in general, with the quality of its file management and escalation of complaints, with the results showing an improvement from the first audit.

However, the audit raised concerns about several areas of investigative skill. As with a previous audit, a significant number of files provided a poor summary of the complaint to the member and also showed a failure to request appropriate information and an inadequate analysis of evidence.

In terms of procedural fairness, the audit showed that the TIO had improved its performance in explaining the reasons for decisions and in providing an opportunity to be heard and an opportunity for review. However, the audit identified a significant increase, from 5% to 15%, in the number of outcomes that were considered to be not fair and reasonable due to the investigation being incomplete. On the other hand, the number of outcomes identified as substantively unfair reduced from around 6% to 2% of the all files audited.

Definitions

The TIO uses four terms to describe how it records the calls, e-mails, teletypewriter* (TTY) messages, faxes, in-person visits and letters that it receives.

Contacts

A contact is any communication with the TIO. During the year, contacts rose 28.8% to 97,798.

Enquiries

An enquiry is a contact about a matter that is not usually an expression of grievance or dissatisfaction or which lies outside the jurisdiction of the TIO. Enquiries rose by 18% to 18,883. Enquiries also include anonymous, frivolous or vexatious complaints or complaints where the consumer has not first tried to resolve the matter with their provider.

In 2004/05, 18.2% of enquiries were first-resort contacts, where the consumer had not attempted to resolve their problem with the service provider, which may indicate that consumers either do not understand the role of the TIO or that they lack faith in the ability of their service providers to resolve their complaints. Enquiries also include complaints about non-members of the TIO Scheme, members that have gone into liquidation or complaints about issues that do not relate to telecommunications.

7.2% of all enquiries were about telemarketing by companies other than telephone or internet service providers reflecting growing consumer concerns about what are perceived to be breaches of privacy. Increasingly, enquiries to the TIO also include complaints about pay-TV and telecommunications content services.

* See Glossary for further explanation.

Complaints

A complaint is an expression of grievance or dissatisfaction that falls within the jurisdiction of the TIO and which the relevant member has had an opportunity to resolve. During the year, the TIO handled 78,915 complaints, a dramatic 31.9% increase on the previous year.

Issues

This is the actual matter about which the consumer has complained. One complaint may be about several issues. Complaints involving 100,825 issues were received, which is an increase by almost half (48%) over the previous year. This figure partly reflects a closer adherence by the TIO to complaint logging procedures (whereby all issues that are part of a complaint should be captured), but it is primarily due to the increasing complexity of complaints. Many complaints now involve multiple issues such as billing, provisioning and customer service.

Left to right
Serrin Trowbridge,
Enquiry Officer
Chris Baldock, Enquiry Officer
Kalma Rathouski,
Investigation Officer



Classifying and escalating complaints

The TIO uses a four-tier complaints classification system.

Level 1 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. Usually 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, and the member has two weeks to resolve them. Most complaints to the TIO are resolved this way.

Level 2 and 3 complaints

If a complaint cannot be informally resolved and it warrants investigation, a formal complaint is raised. A formal complaint requires a written response from the member, along with evidence to support any positions held, and a proposal for resolving the complaint. Formal complaints must be raised at level 2, and usually only progress to level 3 if it is determined that the level 2 has not resulted in a fair and reasonable resolution.

Level 4 complaints

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 Investigation Officer handling the case.

Generally, level 4 complaints will be raised for one or more 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
- the TIO member has failed to respond or has not responded within the appropriate time frame at level 3.

Resolving complaints and deciding what is fair and reasonable

In order to resolve a complaint the TIO relies on members and complainants treating each other with courtesy, acting in good faith, showing a willingness to acknowledge each other’s views and being prepared to compromise. There is generally a poor understanding of the alternative dispute resolution (ADR) process, with staff needing to spend a lot of time explaining it to complainants and members. The TIO is concerned that members are increasingly adopting an adversarial or “push back” approach to complaints in the first instance, without thoroughly investigating them and providing evidence and a proposed resolution. This is disappointing.

Sometimes it is not possible to resolve a complaint through negotiation. Where a level 2 investigation has not managed to resolve a complaint to the complainant’s satisfaction, the TIO may decide whether to dismiss it or escalate it. In making such a decision the TIO has regard to:

- the law
- industry codes and good industry practice
- TIO position statements
- what is fair and reasonable.

The law and industry codes are undoubtedly very useful tools for determining fair and reasonable outcomes, but they do not cover each and every type of complaint.

Increasingly, the TIO’s position statements are becoming important in the investigative and decision-making process. They are not prescriptive about outcomes; rather, they outline the TIO’s general views about particular types of complaints and, most significantly, detail the types of evidence and information that the TIO will have regard to when making a decision.

Determinations and directions

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

Recommendations are not legally binding on the provider, but it must consider the recommendation and should provide a response. Where a TIO member does not act on a recommendation, the matter will be reported in the *Annual Report*. This has not happened in the 12 years in which the Scheme has been operating. A complainant can decide not to accept the TIO’s decision or recommendation. However, once a determination, direction or recommendation has been made the investigation is complete and the complaint closed.

Where the amount involved is less than \$400, the TIO can issue a determination at level 3. However, if the amount involved is more than \$400 the complaint will be escalated to level 4 before being determined. The TIO can resolve individual complaints that raise systemic issues by determination at level 2.

In the 2004/05, 54 complaints were raised to level 4 and 58 level 4s were completed. Of these, 44 were resolved by conciliation and 14 were determined. Of the 14 determinations, four were made to resolve complaints about credit control, two about contracts, one about a service fault and one an unauthorised transfer. The remaining six related to land access objections.

Determinations are published, in the form of case studies, on the TIO website.

Complaint handling performance

The TIO aims to ensure that investigations and decisions are procedurally and substantively fair. Investigations must be thorough and decisions must always be transparent, with both parties to a dispute viewing all available evidence. All decisions must be explained, with reference to available evidence, in a clear and logical manner. The right of a complainant to respond to preliminary assessments, or to request a review of unfavourable decisions, has also been made clearer by modifying relevant correspondence from the TIO.

Complaint handling benchmarks

In early 2005, the Council approved new complaint handling benchmarks, which cover timeframes for all aspects of complaints — from initial calls, e-mails and letters to the TIO through to the assessment of members’ responses and subsequent advice to complainants. These benchmarks are reasonable, but the unpredicted increase in complaints this year has meant that many of them are not being met.

Call handling performance

Calls averaged about 2,400 a week until just after last year’s *Annual Report* launch, in November, when they began to rise sharply. Just before Christmas they averaged about 2,900 each week and reached 3,600 a week in mid-June 2005. The increase meant that significant pressure was placed on TIO staff just to maintain acceptable service levels and stem the number of abandoned calls.

Throughout July and August 2004, the TIO failed to meet its service level of answering 80% of calls within 60 seconds. The recruitment of 10 Enquiry Officers during this period ensured that the service level began to be met in September with this performance being maintained until February when sharply increasing call numbers again led to another round of recruitment. This helped service levels rise above 80% by May. The average service level for the year was 77% — just under the required performance of 80% of calls answered within 60 seconds.

This year's increase in complaints was far greater than predicted, reflecting greater industry activity in an environment where public awareness of the TIO is probably fairly static. There is no single issue that can account for this increase. Rather it is a reflection of several things including:

- increasing industry competition for customers
- increasing take-up of new technologies such as broadband and new services such as premium-rate SMS
- poor industry performance in customer service and complaint handling
- increased consumer debt
- a very rapid rise in mobile complaints concerning one carrier.

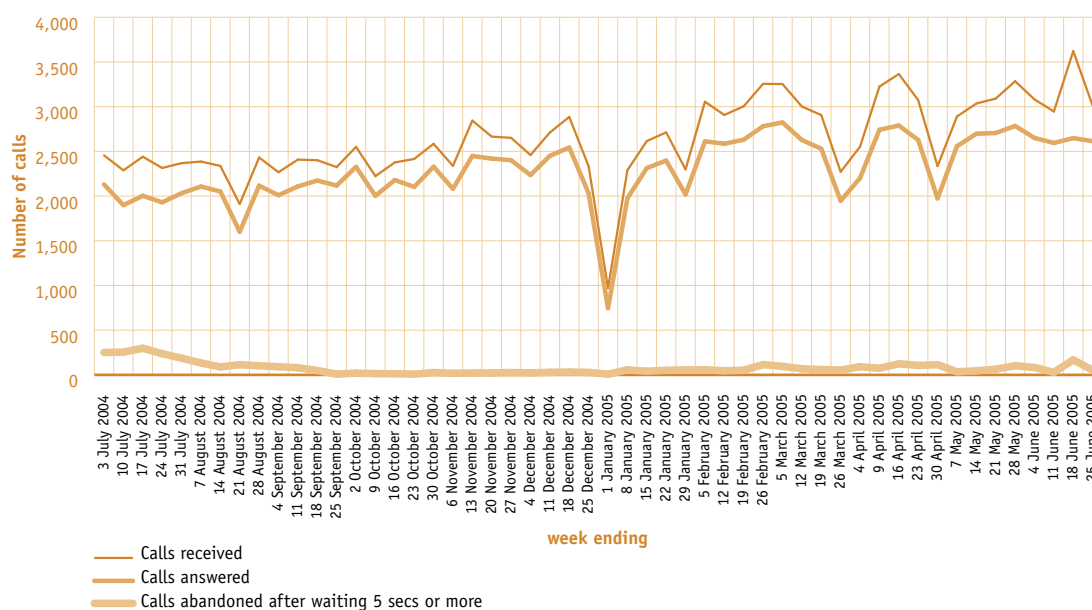
Complaint mix

Case mix (percentage)

Year	Level 1	Level 2	Level 3	Level 4
1999/00	93.5	4.2	2.2	0.1
2000/01	92.8	4.8	2.3	0.1
2001/02	91.0	6.7	2.2	0.1
2002/03	88.6	8.6	2.7	0.1
2003/04	89.7	7.8	2.5	0.1
2004/05	90.2	7.7	2.1	0.1

In 2004/05, 90.2% of all complaints were resolved at level 1, without the need for a formal TIO investigation. This represents a 0.5 percentage point increase on last year. The high demand for TIO resources has meant that many matters that ordinarily would be investigated formally have been resolved by Enquiry Officers spending additional time informally liaising with members.

Calls received, answered and abandoned July 2004 – June 2005



There is no indication that members’ performance in relation to complaint handling in the first instance, let alone once a matter has come to the TIO, is improving. On the contrary; only five years ago about 93% of complaints were resolved at first instance. The fact that now almost 10% of complaints to the TIO cannot be resolved without formal investigation is a poor reflection of industry performance in this area.

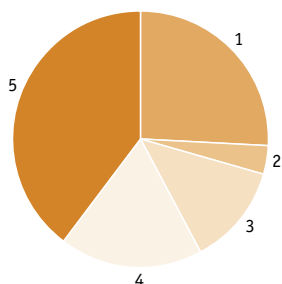
Level 2s made up 7.7% of all complaints, compared with 7.8% last year. 2.1% of all complaints (2.5% last year) were subsequently unable to be resolved at level 2 and were escalated to level 3. The high rate of escalations is one of the most serious and costly issues facing providers as members of the TIO Scheme.

Complaint resolution times

Complaint resolution times			
Complaint resolution average (in days)			
Year	Level 2	Level 3	Level 4
2002/03	63	80	104
2003/04	61	84	146
2004/05	65	88	110

The average number of days taken to resolve level 2 and 3 complaints increased slightly, with level 2s up to 65 from 61, and level 3s up to 88 from 84. Given our backlog and the increasing complexity of cases, these figures are considered acceptable. The average time taken to resolve a level 4 complaint fell from 146 to 110 days, a pleasing result.

Complaint outcomes



Complaint outcomes	%
1. Neutral	25.9
2. Partially in favour of member	3.8
3. Substantially in favour of member	12.6
4. Partially in favour of complainant	18.3
5. Substantially in favour of complainant	39.5

Level 2, 3 or 4 complaints are assigned an outcome when they are closed, based ultimately on the TIO's view of whether the complaint was resolved partially or substantially in the complainant's favour, or 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 or where a complaint has several "issues" but only one was formally investigated. Complaints with neutral outcomes increased from 16.4% to 25.9%, indicating higher numbers of escalations and more complex complaints with multiple issues.

Complaints resolved partially in favour of the complainant (18.3%) or partially in favour of the member (3.8%) reflected similar outcomes to those for last year (17.3% and 3.4% respectively).

Complaints resolved substantially in favour of the complainant dropped from 44.7% last year to 39.5% this year. Likewise the percentage of complaints resolved substantially in favour of the member, fell from 18.1% last year to 12.6% this year.

Reviews

Complainants who are dissatisfied with the outcome of their complaint may request an independent review by the TIO's Review Officer. The Review Officer reports directly to the Deputy Ombudsman and independently reviews the outcome of enquiries and level 1, 2, 3 complaints and, in some instances, level 4 complaints which have been escalated purely for cost recovery reasons.

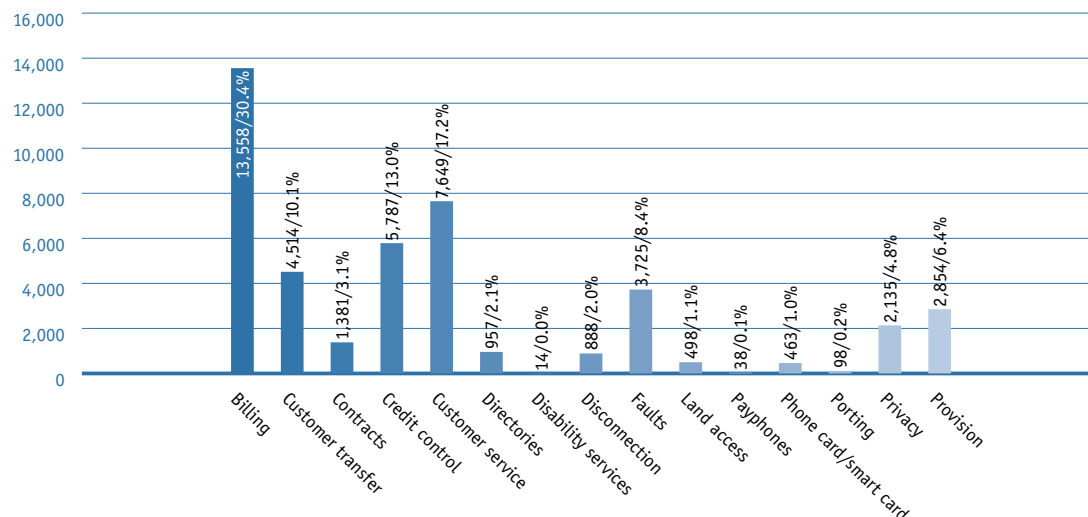
In 2004/05, 338 reviews were requested, a 3.7% increase on last year's total. During the same period, the TIO completed 300 case reviews. In 70% of cases, the Review Officer concluded that a complete and thorough investigation had been conducted by the Investigation or Enquiry Officer, and agreed that a fair and reasonable outcome had been achieved.

In 17.6% of cases, additional information or evidence was sought before the conclusion was drawn that a fair and reasonable outcome had been achieved in the first instance. 11% of cases reviewed were returned to the relevant Investigation or Enquiry Officer for further investigation. In 1.4% of cases, the TIO's initial finding was overturned following additional investigation of the complaint.

Overview — 44,559 issues raised

The largest number of privacy complaints was about direct marketing by members. Many complainants claimed to have asked the company to cease calling and remove their details from marketing lists, yet the calls continued.

LANDLINE SERVICE ISSUES



Overview — 44,559 issues raised

The TIO dealt with 44,559 landline services issues, an increase of 23.2% on last year.

Complaints about landline contracts rose by 145% from 563 to 1,381 with three quarters of these complaints relating to incorrect advice given by providers (and agents) to customers at the point of sale. The surge in this type of complaint may be attributed to increased competition between companies to win, and retain, customers by offering discount packages and bundled deals.

Privacy complaints more than doubled from 908 to 2,135, with the largest number (887) about telemarketing by members. Many of the complaints referred to instances where complainants claimed to have asked the company to cease calling and remove their details from marketing lists, yet the calls continued. The TIO strongly supports the view of the Australian Direct Marketing Association (ADMA) that there should be a national "do not call" register established to protect consumers from what is increasingly being seen as an intrusive nuisance. Complaints about the receipt of unwelcome calls also contributed to the significant increase in this category.

Customer transfer complaints increased by half to 4,514. Three-quarters of these were from customers claiming that their telephone services had been transferred to another company without their authority or informed consent, otherwise known as slamming. Complaints about unauthorised transfers increased significantly during the last part of the year, and again may be attributed to the increased market activity of a small number of members.

It is of some concern that an increase in the reliance on telemarketing appears to have had a detrimental effect on the quality of the relationship between customers and providers. Usually, telemarketing or other recruitment activity is not undertaken directly by providers but is outsourced to agents.

As with last year, customer service complaints increased significantly, up 72%. Many of these complaints are due to lengthy wait times for customer service, failure of members to action specific requests from customers and incorrect or inadequate information given about a product or a service. These figures reflect an increasing trend over recent years and show that providers are simply not maintaining standards of responsiveness.

Porting complaints also trended upwards with an increase of 40%.

Phone card complaints have continued to rise with an increase of 17.8% this year. These complaints generally related to terms and conditions, billing, and customer service issues associated with the provider. Three systemic investigations about the billing of calling cards were conducted in 2004/05.

Only a small number of landline complaints were about disability services; nevertheless it is pleasing to note a decrease in complaints from 23 to 14 in 2004/05.

Left to right
 Chris Jensen, Investigation Officer
 Marianna Panopoulos, Finance and HR Manager
 David Ohri, Legal Investigation Officer
 Sangeeta D'souza, Investigation Officer
 Monica Clements, Information and Training Officer

Billing 13,558 issues raised

This category is usually the leading source of landline complaints and the past year was no exception, with 30.4% of the total.

A 10.5% fall in complaints last year did not continue this year with a 4.3% increase from 12,998 complaints to 13,558.

The types of complaint received related to a variety of billing issues. This category can include disputes over the accuracy of charges, whether charges applied have been for services requested and/or used and the non-receipt of invoices.

Premium-rate voice calls

Pleasingly, complaints about premium-rate voice calls continued to fall, with 473 complaints about 190 voice calls this year compared with 579 in the previous year. There were 470 complaints about premium-rate international voice calls, 24 fewer than last year. Premium-rate voice call complaints comprised 7% of all landline billing complaints.

The *Telecommunications Service Provider (Premium Services) Determination 2004* (No.1), which regulates the provision of information to consumers about premium-rate voice and data calls, was made by the ACA and took effect on 19 August 2004. In dealing with complaints, the TIO has regard to the determination and other specific regulatory control in this area, such as Part 9A of the

Telecommunications (Consumer Protection and Service Standards) Act 1999, which regulates billing for telephone sex services.

Complaints about premium-rate services can involve customers receiving unexpectedly high bills. As the determination deals only with the provision of information and not the provision of credit, the TIO has continued to have regard to its position statement *Unlimited Credit — Overcommitment (Premium-rate Services)*. The position statement identifies factors to be considered in order to decide whether it is fair and reasonable for the consumer to be held fully liable for a debt. These include:

- once the member became aware or ought reasonably to have become aware that the customer was incurring an unusual amount of debt, what steps the member took or should have taken to minimise the customer's access to credit or exposure to debt
- what steps the customer took or should reasonably have taken to protect themselves — for example, call barring
- demonstrated hardship/overcommitment on the part of the customer.
- the nature of the product, the manner in which it is marketed or produced or any vulnerability of the customer.



Premium-rate data calls/international data calls

The trend of decreasing 190 data complaints and increasing international data complaints continued in 2004/05, with a dramatic decline in 190 data complaints from 1,802 to 145. Overall, the number of premium-rate data call complaints fell from 3,770 in 2003/04 to 2,762 in 2004/05, accounting for one-fifth of all landline billing complaints.

Nevertheless, the number of international data complaints increased from 1,968 to 2,617. There was a surge in complaints in the December quarter, largely attributable to Approach Telecom, a TIO member which provides access to internet content by means of an override code and an international dialler. (Approach Telecom changed its name to Beyond Telecom in May 2005.)

Internet users might typically visit a website that often features adult content, and are disconnected from their internet service provider's number and reconnected to an international phone number.

The TIO commenced a systemic investigation about warnings on diallers for which Approach Telecom billed in January 2005 as a consequence of the spike in complaints in the December quarter.

Approach Telecom attributed the spike in complaints to gaming services offered on its diallers, and said that it would withdraw these services, and continue to offer adult services through its diallers.

While complaints certainly did decrease in the subsequent quarters of 2004/05, the TIO continued its investigations into the adequacy of warnings on content supplied through dialler services billed by Approach Telecom. In June 2005, the TIO wrote to Approach Telecom making a number of observations about warnings on a series of test websites. The TIO is of the opinion that it would be best practice for Approach Telecom to act in accordance with the Telephone Information Service Standards Council Code of Practice (TISSC Code), which is a code that applies to domestic 190 premium services.

At the time of writing, Approach has advised the TIO that it no longer intends to continue business. It advises that it is likely to sell components of its business to other entities. The TIO has suspended its systemic investigation into Approach Telecom given its likely sale.

In investigating these complaints, the TIO has regard to its position statement *Disputed (Data) Calls to 190x and IDD Numbers (Internet Dialler Charges)*.

Where issues of overcommitment arise the TIO also has regard to its position statement *Unlimited Credit — Overcommitment (Premium-rate Services)*.

Other charges

This category relates to complaints about miscellaneous charges including administration, late payment and reconnection fees. Complaints increased by 30.9% during the year, to a total of 4,655. This is a significant rise, although the category does cover a diverse range of charges and as a result, this group of complaints made up 34.3% of landline billing complaints.

Complaints about other charges may often arise due to providers failing to notify adequately that charges will apply for a particular service. For example, customers may not be told that they may be charged an out-of-hours call-out fee for a technician sent to fix their telephone outside normal working hours. In addition, invoices may not adequately clarify what a charge is for and why it has been applied.

Throughout the course of its investigation, the TIO is usually able to determine whether the charges are legitimate in the first instance and whether the complainant was made aware that charges may apply before using the service.

One of the major issues during the year was the billing of line rental fees, with an increase of 87.7% in such complaints. The TIO found that the majority of these complaints were about what is referred to as debt severance. This may occur when a customer switches providers half way through a billing cycle and may then be billed by both providers for service and equipment charges. The TIO will generally pursue a complaint against the gaining service provider as it is more common for the gaining provider to start billing service and equipment charges only after the date on which the customer has ceased paying these charges to the losing provider.

The TIO also found that there was a surge in complaints about line rental charges in the final quarter after a member of the scheme advised that it had double billed a large number of customers for service and equipment charges and had incorrectly transferred customers without their authorisation. The TIO subsequently received large numbers of complaints regarding the incorrect charging, but found that the member was generally able to resolve the complaints with the customers directly.

Contracts

1,381 issues raised

Complaints about contracts rose by 145.3% but account for only a small proportion (3.1%) of the landline category. This compares with a 21% share of complaints in the mobile category.

Traditionally most landline accounts do not come with fixed-term contracts. Increasing competition, however, has led to providers offering special discount packages where customers bundle their landline account with mobile, internet and/or pay-TV services, all on a fixed-term contract.

Three-quarters of contract complaints related to incorrect advice provided at the point of sale, a perennial source of problems. Customers often contacted the TIO when they received bills that did not reflect the rate plans or discount offers they thought they had agreed to.

In investigating these complaints, the TIO considers the ACIF *Prices, Terms and Conditions Code*, which stipulates that suppliers must provide sufficient details of any “special offer” to ensure that customers are not misled. In assessing whether this has occurred, the TIO has regard to detailed statements from the parties and any promotional material the customer receives about the discount plan or offer.

Credit control

5,787 issues raised

Already a significant consumer issue, credit control complaints increased by 4.7% to 5,787, making it the third most common source of landline complaint, with 13% of the total. Last year, credit control was the second most common source of complaint, but this year it was overtaken by customer service.

TIO statistics show that, while there are fewer complaints about the selling or factoring of debt, debt recovery is nevertheless the single largest sub-category of credit control complaints, with 3,073 recorded for the year. Factoring occurs when a company sells consumer debt to a third party company, which then pursues the debt.

Companies also appear to be using credit-reporting agencies more than in the past in an attempt to have overdue accounts paid. As a result, the TIO continues to receive complaints about:

- consumers not being notified of a company's intention to default-list an account
- providers proceeding to default-list the account, despite the account being in dispute
- providers default-listing the account after attempts to negotiate a payment arrangement have been unsuccessful.

The TIO's investigations into these complaints indicate that a significant proportion have merit. Considering the serious impact that a default listing can have, the TIO is concerned that complaints of this nature continue to occur.

A worrying trend is the 36% increase in complaints about payment arrangements, indicating that customers continue to have difficulty in negotiating payment arrangements with their companies. It is the TIO's experience that, while companies are willing to enter into payment arrangements, it is often on their terms alone.

Complainants are often unable to adhere to payment arrangements that are not realistic. This may result in the disconnection of their service, and in some instances, default-listing of their account. The TIO believes that members need to do much more to educate their frontline staff on the need to assist people having difficulty paying their accounts.

The new ACIF *Guide for a Financial Hardship Policy* makes it clear that any payment arrangement must be one that the customer can afford.

CASE STUDY –

Financial hardship

The complaint:

The complainant's telephone service was suspended after she was unable to meet her \$200-a-fortnight payment arrangement. Although the complainant advised the member that she needed to access national calls to contact a victims-of-domestic-violence support group, the member was unwilling to alter the payment arrangement and suspended the service.

TIO response:

The TIO asked the member to respond to the claim that it was not willing to enter into a reasonable payment arrangement. The TIO also asked the member to comment on whether it considered that it had adhered to ACIF's *Credit Management Code*, by providing assistance to customers who are unable to pay their accounts.

The outcome:

The member did not consider it had acted contrary to its credit management policies but acknowledged that a \$200-a-fortnight payment arrangement may have caused the complainant unnecessary hardship and agreed to enter into a more reasonable arrangement. The TIO considered that it was not satisfactory that the complainant had to contact the TIO to obtain a reasonable payment arrangement, but was satisfied that the complaint had been resolved.

Customer service
7,649 issues raised

Customer service complaints increased this year after two years of decline, rising by 71.8% to 7,649. This category is now the second most common source of landline complaint.

Common complaints included:

- service providers failing to act on a customer's request. (As with previous years, this was the leading sub-category of complaint, accounting for just over a third of the total — 2,848 complaints.)
- service providers giving inadequate or incorrect advice (2,208)
- lengthy wait times (1,334)
- discourtesy (533)
- failure to escalate complaints (391).

The new ACIF *Complaint Handling Code*, which provides for minimum standards on complaint handling procedures, was introduced in 2004. One of the code's important requirements is that providers have mechanisms in place to ensure that they follow through on undertakings made to customers while resolving their complaints.



Customer Service Guarantee

Carriage service providers must meet timeframes when rectifying faults and connecting standard telephone services (STS). These timeframes are set by a performance standard known as the *Customer Service Guarantee (CSG) Standard 2000*.

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

CSG provisioning complaints for new services rose by 40.9% from last year, accounting for 29.7% of all TIO landline provisioning complaints, in contrast to 2003/04 when the figure was 22.3%. The TIO is unable to attribute the increase to any specific factor. CSG fault complaints rose only marginally higher than in the previous year and account for just over a third of all landline fault complaints.

Complaints relating to the application of mass service disruption notices fell by 27.8%.

Subject to a clear regulatory pronouncement to the contrary, the TIO considers that the CSG standard applies to Voice over Internet Protocol (VoIP) services, where the VoIP service is classified as an STS. If a VoIP service is not an STS – as for example peer-to-peer services — the CSG does not apply.

Claiming compensation for business loss

Small businesses commonly complain about a provider's response to a claim for compensation. Such a claim may arise because of a belief that the provider took inadequate measures to rectify a fault or connect a service, resulting in business loss. Claims may also arise due to errors or omissions in a business directory listing.

It is difficult to assess accurately the number of compensation claims that the TIO investigates, as this is often a secondary issue or one that may arise partway through an investigation. (This category is recorded under Faults and Provisioning.) However, claims for business loss due to faults fell from 354 in 2003/04 to 283 in 2004/05 and from 172 to 152 for delays in provisioning.

When seeking compensation, it is not enough to show that a provider was at fault and caused a disruption to business activities. A business also needs to show that the fault was the direct cause of the loss. The loss must also be substantiated in order to justify the size of the claim. Such requirements can act as a barrier to recouping the loss. The TIO can supply a *Compensation Fact Sheet* with information to assist businesses compile a claim.

Connect outstanding 231 issues raised

Connect outstanding refers to a delay in connecting a telephone service because a previous service at the premises has not been disconnected properly. The category is a subset of Provisioning and these complaints are included in the total for Provisioning. The recently published ACIF *Connect Outstanding Code* addresses TIO and ACMA concerns about this issue, specifying a maximum timeframe of eight business days for connecting such services. A 23% decrease since last year continued the downward trend in complaints about this issue.

Left to right
Sue Nelson, Enquiry Officer
Renuka Senanayake, Enquiry Officer
Andrew Nolan, Information Systems Officer
Marcela Mandarin, Review Officer
Byron Thompson, Enquiry Officer

Customer transfer 4,514 issues raised

Overall, customer transfer complaints rose significantly from 3,043 last year.

Most complaints under this category (3,411 or 76%) were from customers claiming their telephone services had been transferred from one company to another without their authorisation.

A clear, and worrying, trend is the dramatic rise in complaints about unauthorised transfer as a result of telemarketing, with 1,639 complaints (36%), up 105% from 799 complaints last year. Overseas call centres have made it increasingly cost effective for telecommunications companies to telemarket to win new business, but the industry does not seem to be controlling its agents' activities effectively.

Consumers may authorise a transfer over the phone, but under the ACIF *Customer Transfer Code* companies must record and keep the authorisation for at least two years. For a transfer to be correctly authorised, the *Customer Transfer Code* requires that an "authorised customer" give "informed consent". Complaints about a person not being an authorised customer often arise where an employee of a business receives a telemarketing call and agrees to transfer the landline service.

There are various types of complaint about a lack of "informed consent", which may range from customers being misled about the company they were contracting with to customers asking for further information to be sent to them and finding that their service was transferred in the meantime.

CASE STUDY – Customer transfer

The complaint:

The complainant ran a small business and was contacted by a telephone sales representative of the member on a Saturday afternoon. He was busy serving customers when the representative rang. The complainant said that the representative offered cheaper call rates if he transferred his long-distance service to the member.

The complainant claims that he asked for written information, but did not agree to transfer his service. He subsequently began receiving bills, which he ignored, from the member. As a result his service was disconnected and his account referred to a credit management agency. He then contacted the TIO.

TIO response:

The TIO wrote to the member asking it to support its position that the complainant had given oral authorisation to transfer his service. The TIO also asked for any evidence from the complainant to support his position that he did not give his informed consent to the transfer.

The outcome:

The complainant supplied written evidence, which included a letter from his GP, that he had recently suffered a medical condition that had affected his long-term memory. He informed the TIO that his condition now required him to withdraw from the operational side of the business. He conceded that he might have asked for his service to be transferred but because of his medical condition, without realising he had done so. Under the *Customer Transfer Code*, providers are asked to ensure that they gain informed consent before transferring a person's services.

The member supplied a voice recording of its conversation with the complainant. In the TIO's opinion, the complainant had given his consent. However, after the member was informed of the complainant's medical condition, it waived outstanding calls charges, withdrew all debt recovery processes, and deleted the complainant's phone numbers from its marketing databases.

Directories

957 issues raised

Directories complaints increased by 790 to 957.

Just over three-quarters (75.5%) of this category were complaints that a *White Pages* listing was incorrect or had been omitted.

Complaints by small businesses made up just over a third of all directories complaints, illustrating the critical nature of a listing to a small business, particularly those that are just establishing themselves.

In addition to *White Pages* listings, the TIO also deals with directory assistance and *White Pages* billing issues.

In January 2005, the Ombudsman advised Telstra and Sensis that he had decided to vary the application of the TIO Council's policy of "bill the biller". (Sensis is a wholly owned subsidiary of Telstra.) The exemption meant all complaints involving *White Pages* would be raised against Telstra, including complaints by customers of other carriers. This decision was taken because of the failure of Sensis, which publishes *White Pages* as agent of Telstra, to resolve complaints raised by the TIO to the satisfaction of the TIO.

Following a review of these new complaint handling procedures and in the light of substantial improvement by Sensis in resolving complaints, the Ombudsman reverted to the established Council policy at the end of June.

It is important to note that Sensis is not a member of the TIO and that the TIO has no formal jurisdiction over complaints about *Yellow Pages*, a Sensis product. Sensis has, however, agreed to have complaints about the *Yellow Pages* referred to it at level 1.

CASE STUDY — Directories

The complaint:

The complainant's business listing was omitted from the 2003/04 edition of *White Pages*. Sensis, through the complainant's provider, offered to provide a free bold listing in the 2004/05 publication to compensate for its mistake. In the 2004/05 *White Pages* edition the complainant's surname was spelled incorrectly, and the entry was on a different page to the one he desired. He contacted his service provider and received only an apology. He then contacted the TIO.

TIO response:

The TIO asked the complainant's provider to confirm whether the complainant's listing was omitted from the 2003/04 *White Pages* and whether the 2004/05 edition had misspelt his surname. If this was the case, the TIO asked how the complainant's provider would resolve the complaint. The TIO also asked to see customer care notes, and proofs used to confirm the publication.

The outcome:

The complainant's provider confirmed that it had placed the advertisement in the 2004/05 *White Pages* with incorrect spelling after an omission from the previous year. The provider offered to update directory assistance and *White Pages* online. It also organised through Sensis to print a "super" bold listing in the 2005/06 *White Pages* or provide a cheque of \$870.10 for the value of the "super" bold listing. The complainant accepted the cheque.

The TIO receives complaints about errors in and omissions from the *White Pages*. Each complaint requires different resolutions according to the potential financial impact of the mistake on the business. All complaints are dealt with on a case-by-case basis.

Note: Sensis is not a member of the TIO. It produces White Pages as an agent for Telstra. Customers of other carriage service providers can ask their provider to handle their directory listings for which they are billed by Sensis through their provider.

Disability services 14 issues raised

Complaints fell from 23 in 2003/04 to 14, with only two of the cases not resolved at level 1. One of the cases was from a customer who claimed she had difficulty obtaining a TTY machine from her provider. The TIO was able to obtain the necessary documentation from the complainant and she received the desired equipment.

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 888 issues raised

Last year's downward trend was reversed with a 70% rise in complaints to 888. This category is made up of disconnection delays and errors. Errors account for roughly two thirds of the category and delays account for the balance.

Common complaints in the disconnection delay category include failure by the service provider to disconnect a service on an agreed date or failure to disconnect at all. The implications of a delayed disconnection can include the continued billing of a service, often where a customer has moved premises, sometimes resulting in a credit default.

Disconnection error complaints generally refer to the disconnection of the wrong service but may also include the premature disconnection of the right service.



Faults 3,725 issues raised

Complaints about landline faults rose marginally from 3,676 to 3,725.

Of the 3,574 complaints relating to delays in fault repair, 1,345 related to the eligibility for Customer Service Guarantee (CSG) payments. Of the remaining 2,229 complaints, 934 complaints related to delays where CSG did not apply while 933 complaints were about intermittent/recurring faults. Complaints were also received about delays in fault rectification of priority services and delays in paying compensation.

The TIO generally investigates fault delays where a provider is not meeting timeframes laid out in the CSG standard or the Universal Service Obligation or where there is a medical reason for expediting repairs.

Once a fault is rectified, the TIO will consider whether a CSG payment or compensation is applicable. With intermittent/recurring faults the TIO will assess whether a service is wholly or partly unusable before investigating the applicability of CSG or compensation issues.

The TIO also investigated 151 complaints about appointments for fault repairs missed by service providers.

Land access 498 issues raised

Carriers form a distinct class of TIO members, in that they are licensed by ACMA and own networks or control infrastructure. They have broad powers under the *Telecommunications Act 1997* to install certain types of telecommunications facilities, called “low-impact facilities”, without the consent of the landowner or the need to obtain local planning permission. Landowners are often surprised at the extent of carrier powers, which can be regarded as overriding certain rights of property ownership, or occupation.

The TIO has jurisdiction to consider complaints or objections by owners or occupiers of land about a carrier’s use of the land, whether arising from the carrier exercising its statutory powers or under a contract between the parties. The majority of land access complaints involve telecommunications facilities that a carrier proposes to install or has already installed under the powers granted by the Act and its predecessors.

This year the TIO received 189 complaints that a carrier had damaged land or property during an installation and had not undertaken adequate restoration. Such complaints commonly concern erosion, or the introduction of weeds along a cable route and damage to flora, tracks, driveways, fences or waterways. Land restoration can be costly. However, carriers have an obligation to do as little damage as possible during an installation and take all reasonable steps to restore land afterwards. The TIO expects carriers to adhere to this obligation.

There were also 155 complaints about bills received by landowners as a result of damage to telecommunications facilities, usually underground cables. While the TIO considers it important that landowners take all reasonable steps to avoid damage to facilities when undertaking work on their land because carriers may seek to recover repair costs, long experience shows that many cable records are unreliable and surface markers are sometimes missing.

The TIO received 105 enquiries about the installation of facilities on neighbouring land. These complaints usually concerned mobile antennas and expressed fears about health risks associated with electromagnetic radiation. These complaints were outside the jurisdiction of the TIO as the complainants did not own or occupy the land on which the facility was being installed. Such matters may be considered under ACIF’s *Deployment of Mobile Phone Network Infrastructure Code*, under which ACMA may determine unresolved complaints.

Left to right
Maria Chapman, Legal Investigation Officer
Sam Marquard, Enquiry Officer
Lisa Dooley, Investigation Officer
David Brockman, Investigation Officer
Donna Nolan, IT Officer

Numbering

143 complaints were received about the allocation of telephone numbers, many relating to the allocation of numbers previously connected to a business. (This category is a subset of Provisioning and the statistics are included in its total.) Where the number is subsequently allocated to another customer, a telephone provider's compliance with quarantine requirements under the *Numbering Plan* is often called into question.

It is the TIO's view that the *Numbering Plan* in its current form offers little assistance in defining parties' responsibilities and resolving these complaints, as many of its provisions are ambiguous. The newly registered ACIF *Rights of Use Code* largely reflects the provisions of the *Numbering Plan*. Because of the TIO's concerns about the latter, it has not accepted conferral of power to investigate complaints arising under the ACIF code and has asked ACMA to consider amending the Plan.

Payphones 38 issues raised

The number of complaints has remained constant over the last two years. The TIO investigates payphone fault complaints only. The ACA had recommended that TIO's jurisdiction be extended to handle complaints about installation, removal and relocation of payphones, but this was rejected by the Federal Government.

Phone Cards 463 issues raised

Representing only 1.0% of total landline issues, complaints increased from 393 to 463.

Most complaints related to:

- the terms and conditions and instructions for use of the card
- billing issues
- customers being unable to contact the customer service department of the phone card company.

The TIO completed three systemic investigations into phone cards in April 2005, which resulted in one provider being referred to the ACA for investigation. (See Systemic Issues Investigations, page 56). The investigation arose when a complainant alleged that the provider was deducting small, unexplained amounts from their calling card balance. The provider failed to provide enough evidence to substantiate the accuracy of its billing system.

Priority assistance

Telstra's Priority Assistance Policy (PAP) ensures that residential customers who are diagnosed with a life-threatening medical condition, and whose life may be at risk without access to a fully operational telephone, receive priority assistance in relation to faults and connections to their service.

The service must be applied for and medical evidence supplied.

The TIO records complaints about the policy under the Faults and Provisioning categories. In 2004/05, 111 complaints were received. The TIO ensures that Telstra has acted in accordance with its policy and it expects that Telstra will make new customers aware of the policy and of the eligibility and application requirements.

Porting 98 issues raised

Landline portability refers to the ability to have your calls carried on a different network without having to change your phone number. It differs from a churn (customer transfer) in that a churn involves changing providers but remaining on the same network.

Complaints for this category increased from 70 to 98. The most common complaint related to porting delays. Delays generally occur when people attempt to take their phone number to a new location and decide to change networks at the same time.

55 complaints related to a porting delay and 43 to an unauthorised port.

Privacy 2,135 issues raised.

Although complaints about privacy rose by 135.1%, the TIO changed the categories that it uses to record privacy complaints during the year to make them consistent with the National Privacy Principles and relevant ACIF codes. The new categories also more accurately capture the nature of privacy complaints that the TIO receives. The change in recording means that the 2004/05 privacy statistics cannot readily be compared with those of previous years.

The largest proportion of privacy complaints received (887) was in relation to telemarketing by members. Complainants called the TIO to complain not only about the number of telemarketing calls they were receiving from telephone companies, but also that they had specifically requested that the telemarketer cease calling, and this was not acted upon.

The second highest category of privacy complaint received for 2004/05 concerned unwelcome/nuisance calls (563). Again, a large proportion of these complaints can be attributed to the increase and the prevalence of telemarketing. If a telemarketer has failed to abide by a consumer's request to cease calling, it is the TIO's view that the consumer's telephone company should follow the same procedure they would for any other type of unwelcome call. The TIO records such complaints accordingly.

Provision 2,854 issues raised

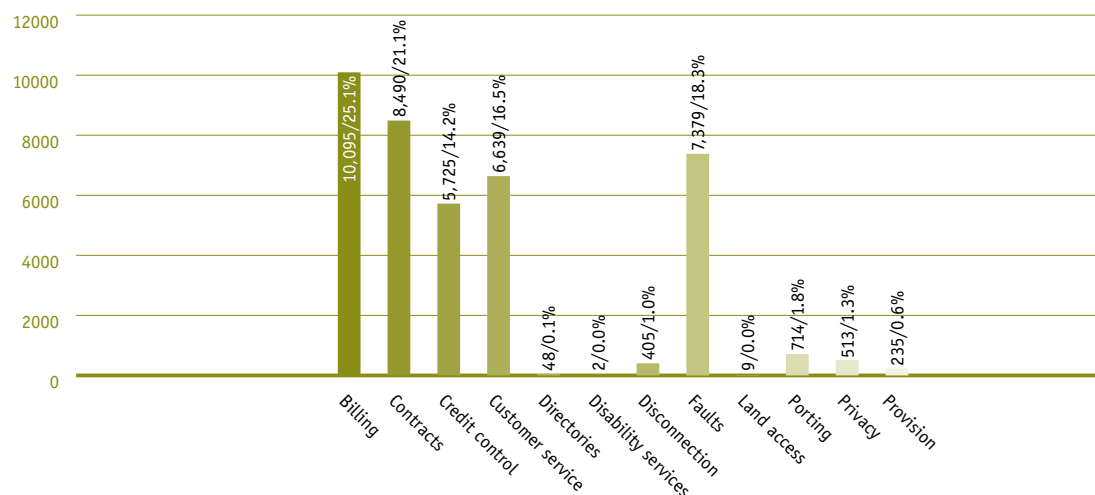
Complaint numbers were relatively steady at 2,854, compared with 2,697 last year. As a proportion of all landline complaints, provisioning fell to 6.4% from 7.5% the previous year.

Complaints about delays for in-place and new service connections associated with eligibility for compensation under the Customer Service Guarantee (CSG) rose from 925 in the 2003/04 to 1,219. Complaints in these two categories formed 43% of all provisioning complaints, compared with a third in 2003/04.

The increase in complaints about connection delays for new services is a concern, although whether this is due to increased consumer awareness is yet to be determined.

Overview – 40,254 issues raised

Customer service complaints trebled. This can mainly be attributed to a small number of members, with a high proportion relating to the failure of members to action requests and to inadequate or incorrect advice given at the point of sale and/or from customer service departments.



Overview – 40,254 issues raised

Mobile service complaints grew more than the other two principal categories in 2004/05 (up by 87.5% to 40,254). For the first time, in the March quarter 2005, mobile complaints exceeded those for landlines: 42.9% of all complaints, against 41.6% for landlines. The order was reversed in the June quarter and there were more landline complaints than those for mobiles over the full year.

The rapid increase in mobile complaints was broadly based with substantial rises across most categories, largely but not wholly due to the growth of the mobile market, with the number of mobile handsets now exceeding that of landline services.

Billing complaints more than doubled — from 4,756 to 10,095 — with the most significant contributor to this category being complaints about premium-rate SMS services. Fault issues also doubled from 3,692 to 7,379, with a very high number — 2936 — about 3G services.

In 2004/05, the TIO commenced a second systemic investigation of Hutchison 3G Australia about the high number of fault complaints received about 3G. The TIO also raised concerns with Hutchison 3G Australia about its compliance with ACIF's *Complaint Handling Code*. These investigations have only just been finalised and the matters have been referred to ACMA for consideration.

Customer service complaints trebled to 6,639.

Again, this can mainly be attributed to a small number of members, with a high proportion relating to the failure of members to action requests and to inadequate or incorrect advice given at point of sale and/or from customer service departments.

Credit control complaints continued the upward trend reflected in the last two reports, with a further increase of 60.5%. Complaints reflect issues with providers' debt recovery practices and the continued difficulties some customers have making appropriate payment arrangements.

Complaints about the porting of mobile service numbers more than doubled to 714; most of the issues recorded in this category relate to delays.

Directories complaints also more than doubled, from 20 complaints to 48. Most were associated with errors in *White Pages* listings.

Privacy and provisioning complaints almost doubled. The privacy complaints reflect a growing concern in the community about telemarketing of goods and services, including telecommunications services.

Notably, complaints about contracts increased at a lower rate than other categories, with an increase of 48.5%. Half of these complaints related to incorrect or inaccurate advice provided at the point of sale.

There were nine land access issues logged under mobile services. These were complaints about the establishment of low-impact facilities associated with mobile phone services. Most land access complaints, including those associated with mobile network facilities, are logged under Landline Services. For comments on land access complaints, please see page 37

Billing 10,095 issues raised

Access and connection fees

Complaints about access and connection fees rose almost one-third, from 669 to 866.

The most common type of complaint was about disputed access fees. The TIO expects increases in this category in the next financial year as many mobile providers are now offering fixed-price plans which include the cost of calls to a specified value.

Premium-rate SMS, information, sex and chat lines

Complaints about premium-rate SMS, information, sex and chat lines increased almost exponentially from 132 to 1,807. The huge increase is due to the increased popularity of premium-rate SMS services and what appears to be a current lack of regulation of these services.

Many complainants have said they have trouble resolving complaints about disputed premium-rate SMS. They allege that providers often refer them to the "content provider", but that their complaints often remain unresolved after they make that contact. Many complainants allege that they have been unable to unsubscribe to these services, cannot contact the content provider, or do not have their calls returned.

Under the ACIF *Billing Code*, service providers are responsible for the verification of all charges, including those from third parties. It is the TIO's view that mobile providers should take responsibility for third party services and should be able to stop premium-rate SMS being sent by content providers if a customer requests it.

Calls to mobiles

Complaints about disputed calls made from one mobile service to another mobile service increased by 57.4%, from 881 to 1,387.

Early termination fees

Customers who terminate their mobile service before the contract expires may be charged an early termination fee. Commonly, complainants say they have been charged a full early termination fee despite being only a couple of months from the end of their contract.

Complaints about these fees rose by half, from 1,004 to 1,530. This type of complaint has been steadily increasing, which is not altogether unexpected given the substantial growth in the mobile market. The TIO's view, as explained in the position statement *Early Termination Fees for Mobile Contracts*, is that a fee should reflect a genuine pre-estimate of loss to the member as a result of the unexpired contract, and not be a penalty imposed on the customer, the latter being unrecoverable as a matter of law.

Left to right
Nadia Tracy, Enquiry Officer
Lee Herath-Perera, Enquiry Officer
Bryan Spier, Enquiry Officer
Sasha Rudakov, Enquiry Officer
Lisa Karu, Enquiry Officer



CASE STUDY — Premium-rate SMS

The complaint:

The complainant claimed that he had been billed for premium-rate SMS services. He said he had attempted, without success, to unsubscribe to the service and denied ever having subscribed in the first instance.

TIO response:

The TIO raised a complaint with the member, requesting that it respond to the complainant's allegation — that he was being billed for charges for a premium service that he claimed never to have subscribed to — and cited a possible breach of Clause 7.3.1 of the ACIF *Billing Code*. Clause 7.3.1 relevantly provides that the supplier of a service must ensure that the charges on its bill are able to be verified by the customer as being what he or she asked to receive.

The outcome:

It was the member's position that all of the disputed premium-rate SMS charges were valid on the grounds that the service had been requested by the complainant's daughter and therefore, correctly provided to the complainant's mobile service. However, it waived all disputed charges without any admission of liability.

The member claimed that, on each occasion when the complainant contacted it about receiving the disputed premium-rate SMS, it advised the complainant to contact the content provider to unsubscribe to the service. The member believed it had complied with Clause 7.3.1 of the *Billing Code* given that the complainant's daughter had subscribed to the service.

Contracts 8,490 issues raised

Mobile contract complaints increased by almost half from 5,719 last year. These now account for 21.1% of all mobile complaints.

Most contract complaints (3,990, or 47%), related to incorrect advice provided at the point of sale. The steady increase is consistent with the increasing take up of mobile technology.

In investigating such complaints, the TIO will have regard to the *Consumer Contracts Guideline* and the *Prices, Terms and Conditions Code* to determine whether all relevant information was presented to the customer in a clear and understandable way so as to enable them to make an informed decision.



Left to right
Bernie Wise, Investigation Manager
Danny Whelan, Investigation Officer
Anthony Beaumont, IT Manager

CASE STUDY –

Legal capacity to contract

The complaint:

An officer of the state Public Trustee contacted the TIO on behalf of a couple who had entered into 18 mobile contracts over a six-week period, incurring a debt of \$14,000.

The officer claimed that, about four years earlier, she had told the provider that she was managing the couple's financial affairs, as they suffered from medical conditions which impaired their capacity to make reasoned financial decisions. She argued that the contracts were void due to the complainants' impaired legal capacity. The provider did not accept this.

TIO response:

The TIO asked the provider to confirm whether it was aware that the Public Trustee had been appointed to act for the complainants at the time of approving the mobile applications. It also queried whether the provider had adhered to its own internal policies in allowing the complainants to enter into so many contracts over such a short period, and asked what credit checks the provider had conducted before allowing the complainants access to such a large amount of credit.

The outcome:

The provider claimed that it had conducted full credit checks and that, at the time of the applications, there were no outstanding debts on any of the accounts. It advised that its normal policy was to allow only three "mobile repayment options" per account, but that it had exercised its discretion to exceed this limit. It could not provide any reasons for exercising this discretion.

In relation to the validity of the contracts, the provider initially argued that there is a legal presumption that all adults have legal capacity. However, it eventually accepted evidence from the complainants' treating psychiatrist that they did not have sufficient legal capacity. The provider also acknowledged that it had been sending the complainants' landline bills to the Public Trustee since June 2000 and therefore should have been aware of the Public Trustee's appointment.

In resolution, the provider agreed to waive its right to pursue the outstanding debt, provided that the complainants returned any handsets they still had in their possession. The provider advised that the debt would remain on its systems and on the complainants' credit files as a guard against them incurring further debts.

Credit control
5,725 issues raised

Credit control complaints rose 60.5% and, as with landline complaints, the main categories were debt recovery, payment arrangements and disconnections.

Complaints about payment arrangements increased by 104% to 799. As with landline complaints, it is the TIO's experience that many complainants are disconnected because they have not been able to negotiate a realistic arrangement with their provider. Significantly, though, and unlike with landline disconnections, complainants whose services have been disconnected for outstanding mobile account balances and who are bound by a contract will often be liable for cancellation fees.

The effect of these fees is simply to worsen the customer's position. Evidence also suggests that, because some service providers offer inflexible and unrealistic payment arrangements, they actually contribute to the subsequent disconnection of service.

Complaints about "overcommitment" also rose significantly, from 107 to 314. Although there is no single identifiable reason for the increase, the TIO suspects that the increased availability of premium-rate SMS services is a factor. These products can easily cause a complainant's bill to increase dramatically and demonstrate the need for capping of accounts.

Customer service 6,639 issues raised

Complaints rose by 145% with the largest sub-category relating to failure to action a customer's request (42.4%), followed by inadequate or incorrect advice provided (38.7%). Complaints were also received regarding discourtesy, lengthy wait times, failure to escalate complaints and failure to respond to correspondence.

There was a concern by some customers of 3G services about handset and network faults associated with the 3G technology, that they were getting inadequate advice and were finding it difficult to contact a call centre or the right department.

Directories 48 issues raised

Very few mobile users bother to seek a directory listing and these complaints make up only 0.1% of the mobile total.

Just over half of the complaints received – 27 – were about incorrect *White Pages* entries. It is likely that complaints in this area will increase as mobile phones become one of the main tools for business.

Disability services 2 issues raised

The telecommunications needs of people with disabilities are often different from those of able-bodied people and these needs must be recognised in order to provide the best possible service.

The Short Message Service (SMS) has been particularly welcomed by the deaf community. The TIO received one complaint from a deaf woman whose mobile service provider advised her that only one prepaid plan would now be available for her. The complainant argued that this new plan was unfavourable for someone who did not make calls and only used SMS.

This complaint was resolved at level 1, and the TIO was not required to decide whether the change was discriminatory.

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 405 issues raised

This category relates to delays in customer-requested disconnection and errors in disconnection, and accounts for 1% of total mobile complaints.

Two systemic investigations were initiated during 2004/05 in relation to mobile disconnection issues (See Systemic Issues, page 56)

One investigation concerned complaints from a number of SIMplus customers, who claimed that when they called to request disconnection of their service they were told that an account manager would call them back. They were either not called back or their services were not disconnected. As a result of this investigation SIMplus agreed to alter its policy such that it would disconnect a service if it were unable to contact a customer back and backdate charges to the date of the request.

Another investigation was conducted following a complaint from a B Digital customer that they could not disconnect their service in the middle of a billing cycle. Following this investigation B Digital agreed to change its procedures by adjusting its billing system and accepting disconnection requests without notice in the future.

Consumers, of course, should be aware that if they have a term contract and request "early" disconnection, they will almost certainly be liable for early termination fees.

Faults 7,379 issues raised

As noted in the overview, faults complaints rose dramatically from 3,692 to 7,379 and now represent almost one-fifth of all mobile complaints.

These complaints cover three broad categories: handset, coverage and network issues. Complaints are logged in accordance with the manner in which they are presented by complainants. This often means that complaints are logged according to symptom, rather than cause. For example, a customer may complain that their handset is faulty but the cause may be network or coverage related.

Hutchison's 3G (3) and CDMA (Orange) networks accounted for a little over 60% of all fault complaints. While the TIO is mindful of the problems experienced with new technologies, it was sufficiently concerned about the number of complaints to again investigate these and related customer service complaints as systemic issues. The TIO considered that it did not have sufficient technical expertise to reach a conclusive view as to whether the number and nature of these faults, which involved several handsets and more than one manufacturer, indicated a network performance problem and accordingly referred the matter to ACMA.

Left to right
David Stephens, Enquiry Officer
Daniela Ruiz, Administration Officer
Molly O'Brien, Community Liaison Officer
Kayla Thomas, Finance Officer
Carmel Cumberbatch, Enquiry Officer

CASE STUDY —

Faulty handset

The complaint:

A customer said she had signed up for a new mobile phone on a two-year contract. She stated that her handset was turning on and off abruptly, not responding, and that it would often make calls to random numbers. She said that her friends often could not call her, even when her handset appeared to be switched on.

The customer claimed that this was the fifth replacement handset provided by the company and that the last four had suffered similar problems. She complained that, every time the handset was repaired or replaced, all of her data – such as messages, contacts and ringtones – was wiped. The complainant wanted to cancel her contract, as she believed the service would never work.

TIO response:

The TIO raised a formal complaint against the carrier and asked whether the handsets involved had a history of these kinds of faults. The TIO was concerned that the handset was bundled with a contract carrying a substantial “early exit fee”, and that the complainant believed she had not been provided with a working service.

The outcome:

The carrier said the handsets were generally reliable but that it no longer sold the handset concerned. It offered to replace the complainant’s handset with a more expensive model of a different brand, or to allow the complainant to leave the contract without penalty. The complainant left the contract and changed her number to a different service provider.

Porting

714 issues raised

Mobile number portability (MNP) is the ability to change service providers while retaining your number. Complaints more than doubled from 290 to 714.

Most complaints (63%) related to delays in the porting process. A further 21.6% related to unauthorised ports. Unauthorised porting may be due to an administrative error or to a complainant not being aware that they are entering a contract with a different provider. The proportions of these types of complaints were similar to last year.



Left to right
Julia Cornwell,
 Systemic Complaints Officer
Marianne Bois, Investigation Officer
Phil Warren, Policy and Research Officer
Astra Taurins, Personal Assistant

Privacy 513 issues raised

Complaints about mobile privacy rose by 91% (268 complaints), echoing general concern in the community about increased telemarketing of goods and services including telecommunications services.

One of the TIO's new reporting categories is complaints about repeated telemarketing from mobile service providers, with 24 complaints this year. Complaints about the handling of "nuisance" (now called "unwelcome") calls include unwelcome calls from the same telemarketer. These increased from 97 to 159. Complaints about spam from mobile service providers increased from five to 22, with complaints about the adequacy of advice from mobile providers about handling spam also increasing from 10 to 21.

We now also report on complaints about the way mobile service providers handle customer reports of "life-threatening" calls. There were five such complaints this year. A life-threatening call means the use of a telecommunications service connected with an event actually or potentially perilous to human life. This may include a person being seriously injured, a bomb threat, an extortion demand, a kidnapping or a threat to public safety.

Other new categories of mobile privacy complaint included those about service providers' collection, storage and/or disposal of personal information (19 complaints), and about the accessibility and accuracy of personal information held by service providers (102 complaints).

We received 140 complaints about disclosure of customer personal information, a 52.2% increase on last year's 92 complaints. Mobile service providers must scrupulously train staff to maintain the privacy of customers' personal information.

Many disclosure complaints involved claims that unauthorised parties — for example, spouses or other close parties — gained access to account information. Three high-level TIO complaints involved claims that representatives of mobile telecommunications service providers facilitated unauthorised access of third parties to account information, with such a breach proven in one instance.

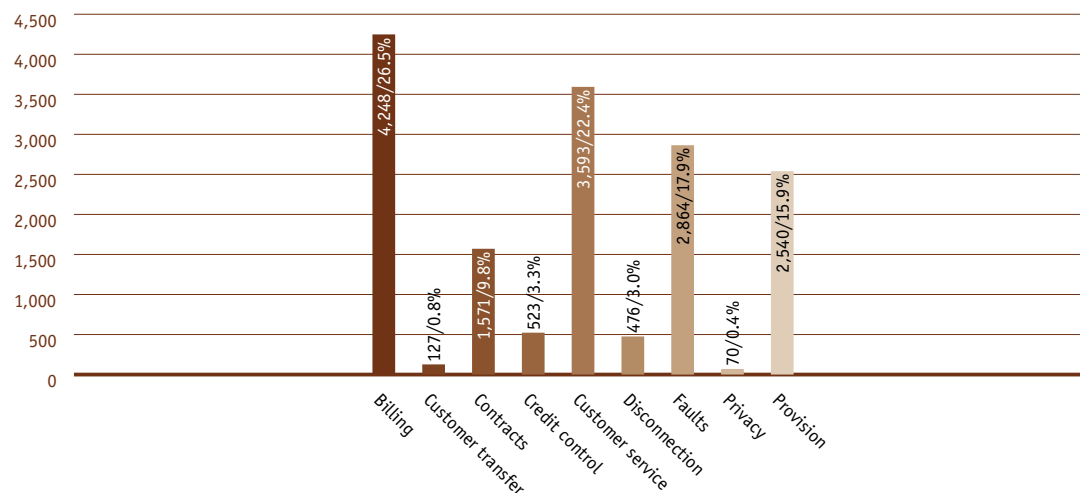
Provision 235 issues raised

This category, which accounts for just 0.6% of total mobile complaints, includes provisioning delays due to a handset not being delivered or a service not being activated, and number allocation issues.

An example of complaints received in this category relates to a promotion in a major metropolitan publication offering a free SIM card. Complaints were received due to infrastructure and staffing issues experienced by the provider, which delayed services being activated. The majority of these complaints were resolved directly between the complainant and the provider after the TIO's referral of the complainant to the provider's senior level complaint handling area.

Overview — 16,012 issues raised.

The appointment of four specialist Broadband Investigation Officers has been extremely successful in increasing staff knowledge. It has also led to the development of several new position statements, particularly on broadband provisioning.



Overview — 16,012 issues raised.

Broadband complaints to the TIO doubled in the past year, confirming the comment by the ACCC in its March quarterly snapshot of broadband deployment that, between March 2004 and March 2005, broadband take-up had increased by 121.8% from 829,300 to 1,839,700 users.

For ease of classification the TIO labels ADSL, cable, satellite and wireless services as broadband. The TIO introduced the wireless category this year, but has received only a small number of complaints about these services, although they are clearly increasing in popularity.

Broadband services now constitute three quarters of all internet complaints to the TIO. Overall 16,012 complaints about internet service issues were received, a 54.1% increase on 2003/04 (10,388).

Nearly 16% of complaints were about the provisioning of services, but only 1% of these were about dial-up services. These figures indicate that while people are moving to broadband in growing numbers, the experience isn't always trouble free.

Billing, at 26.5%, remains the largest area of complaint, with dial-up accounting for more than a third of billing complaints, indicating that although consumers do not appear to be experiencing difficulties in provisioning dial-up internet services, they continue to experience billing problems.

Customer service is a growing area of concern, moving from 18.3% of complaints last year to 22%. This is particularly troubling, with customers relying increasingly on their ISPs as technology becomes more complex.

On a pleasing note, complaints concerning credit management and privacy were very low.

In response to the complexity of broadband issues, the TIO has assigned four staff to the role of specialist Broadband Investigation Officers. The initiative has been extremely successful in increasing staff knowledge. It has also led to the development of several new TIO position statements, particularly on broadband provisioning. Further position statements will be developed in 2005/06.

The Broadband Investigation Officers are led by the Systemic Complaints Officer, Julia Cornwell, the TIO's technology expert. Julia has conducted several systemic investigations relating to broadband and technology.

This year, the TIO began taking complaints about services supplied under the Higher Bandwidth Incentive Scheme (HiBIS).

Billing

4,248 issues raised

Billing complaints rose by almost a third, with 61.2% relating to broadband and the balance about dial-up services, indicating that while the spotlight is on broadband many people still use dial-up services.

Complaints about administrative fees associated with ADSL services trebled (from 76 to 233). The TIO attributes the increase to the complex price structure associated with many ADSL plans. Consumers are billed a range of fees for what are apparently largely administrative services such as changing plans, and disconnecting services. ISPs regularly advise the TIO that they are simply passing on these fees from their wholesale partners. The TIO takes the view that the industry should give due consideration to simplifying its fee structure not only to assist in reducing complaint numbers, but to increase consumer confidence.

Complaints disputing liability for access fees for ADSL services almost quadrupled (205 to 740). This may be partly explained by a movement towards fixed-price plans, where services are reduced when consumers reach their plan limit. Even so, there were 766 complaints disputing usage charges. Many of these complaints appear to be a result of excess usage on some of the “low-megabyte, low-cost” plans which still bill for excess usage, and are attractive to some users.

CASE STUDY –

Higher Bandwidth Incentive Scheme (HiBIS)

The complaint:

The TIO received a complaint about a HiBIS satellite service not meeting the required standards set by the Department of Communications, Information Technology and the Arts (DCITA). The complainant claimed that the service was very slow and dropped out repeatedly. He also claimed that his ISP had recently changed hands and that the new owner had changed his contract so that he could not do file sharing. He wanted to cancel his contract with no penalty.

TIO response:

The complaint was not resolved with the initial referral to the member and the TIO escalated the case to level 2. The member agreed that there had been some problems with the service but thought that it had made reasonable attempts to help the complainant. It offered to release the complainant from the contract if he signed a non-disclosure agreement. After seeking advice from DCITA, the TIO decided that the use of a non-disclosure agreement in a complaint about a HiBIS service would be inappropriate, given that the scheme is publicly funded.

The outcome:

After further discussions with the TIO, the member agreed to release the complainant from the contract with no further charges, without signing a non-disclosure agreement. The complainant was happy with this outcome.

HiBIS is a government initiative that provides registered internet service providers with incentive payments to supply broadband services in regional, rural and remote areas at prices comparable to those available in metropolitan areas.

Many small business complainants claimed to have experienced financial loss due to broadband fault issues although few were able to quantify it.

Broadband availability is a contentious issue. But it is not one that directly affects the TIO as decisions made by industry or government about the deployment of infrastructure to facilitate broadband are not within our jurisdiction.

Nevertheless, the deployment of infrastructure is merely the first phase of the customer cycle. The TIO believes that too little consideration has been given to the subsequent phases in the race to roll out broadband.

In particular, the nature of complaints the TIO receives indicates a lack of thought about “what happens next” once the infrastructure is, or appears to be, in place. Key areas of concern for consumers include:

- provisioning
- contracts
- customer transfer
- customer service
- faults.

Provisioning

Many provisioning complaints are about delays in providing services, and/or confusing and contrary information about broadband availability from preferred providers. In some instances, consumers complain that broadband connections with their preferred provider have been declined while subsequent applications with other providers succeed.

This may, in part, be explained by the changing standards for the provisioning of ADSL services, combined with commercial decisions by some providers not to provide ADSL where some types of telephone technology are involved; for example pair gains*. Such a commercial decision is also outside the jurisdiction of the TIO. Nevertheless, it would seem unlikely that this is the reason in all cases. Many small internet service providers, who are commonly wholesale customers of other providers, argue that anti-competitive conduct is at the heart of this problem.

Another issue at the wholesale level that affects consumers is the removal of “codes” on phone lines. These codes belong to a specific ISP and facilitate the connection of ADSL. Often consumers are told that they cannot have ADSL with a new provider until the old provider’s codes are removed. This issue was canvassed in the last annual report.

The TIO’s policy is to raise these complaints with the gaining provider, but in some recent investigations – more than a year since the TIO initially raised this issue — providers have suggested that their relationship with their wholesaler is such that they cannot request removal of codes. This is particularly troubling given the dependence that ISPs have on wholesale arrangements, even when providing broadband services using the unconditioned local loop (ULL)**.

* Pair gain technology is used to split phone lines. This technology is often incompatible with ADSL but there are some technical solutions available to fix this problem.

**Unconditioned or unbundled local loop refers to the use of the copper telephone line from the exchange to the home with no other services attached. Many ISPs are installing their own equipment in telephone exchanges in order to provide their own internet and telephone services over the ULL.

Contracts

In the TIO’s experience, when consumers are signing contracts for broadband services, they are often easily confused and need detailed explanation from ISPs about the process and what their expectations should be. ISPs are often not well equipped to provide this information. There are tools to assist consumers in their broadband purchasing decisions, such as the TIO’s *Broadband Fact Sheet* and the *Internet Tool Kit* produced by ACMA.

Customer transfer

There is a voluntary process run at a wholesale level for ADSL transfers, but it is not universally available and currently does not apply to ULL services. If a consumer wants to transfer to or from an ISP that is not a participant in the customer transfer process, they need to arrange for their service to be disconnected and then reconnected with their new provider.

Under the voluntary process, the transfer is arranged between the gaining and losing provider. While the process can be effective, the TIO is receiving a growing number of complaints about customer transfer delays and unauthorised transfers. The Australian Communication Industry Forum's *Customer Transfer Code* applies to ISPs, but it would seem anecdotally that not all ISPs are aware of their obligations with respect to it. It remains the TIO's view that the industry should consider a universal process for ADSL transfer and that this process should be codified.

Customer service

Customer service complaints more than doubled during 2004/05, with key areas of complaint relating to inadequate or incorrect advice and failure to action customer requests. In the TIO's experience, ISPs often perform poorly in the area of customer service. This has become more troubling as consumers increasingly rely on information provided by ISPs.

Faults

These complaints cover drop-outs, log-on difficulties, outages and lack of speed. Most broadband complaints come from residential customers, but the more complex ones are often from small businesses. It would seem that many of these businesses use services that are not specifically geared for business activity. Certainly, many small business complainants claim to have experienced financial loss due to broadband fault issues although few are able to quantify it.

During 2004/05, the TIO had discussions with major network providers and ISPs, which revealed that there is no common practice for resolving provisioning and transfer of service issues. The TIO believes that steps need to be taken to ensure that all ISPs and end-users are treated on an equitable basis by the wholesaler. Overtures by the TIO to Telstra and Optus for the TIO to host an industry forum to resolve these problems were declined, and the then Australian Communications Authority (now ACMA) concluded that a new industry code was not required.

At this stage, the TIO maintains its view that some level of regulation, in code form or otherwise, is required at what is still an early stage of broadband penetration in Australia, and while complaint numbers are still manageable.

Contracts

1,571 issues raised

Contract complaints doubled, with most (77%) about ADSL. Over the past year, there has been a wider choice of plans, particularly lower priced deals aimed at residential consumers who previously used a dial-up connection.

Complaints ranged from the adequacy or accuracy of information provided at the point of sale — including the provision of contract terms — to unilateral changes to terms and conditions during the initial contract term.

In most cases, where incorrect or insufficient information is provided, or where a change to the terms and conditions is such that it significantly alters the nature of the contract, the TIO would expect a provider to release the customer from the contract without imposing early termination fees.

Credit control

523 issues raised

Credit control complaints are significantly lower than for the same categories in landline and mobile services. They account for only 3.3% of all internet complaints compared with 13% for landlines and 14.2% for mobile services.

Many broadband providers offer unlimited plans whereby a customer pays a fixed amount per month regardless of usage. Under some plans with a monthly limit, a customer's speed is reduced ("throttled") once they reach that limit and no additional cost is incurred. These types of initiatives may explain the lower proportion of credit control issues as these customers are unlikely to receive unexpectedly large bills.

Most complaints were from ADSL and dial-up customers (53.5% and 35.9% respectively). The rest concerned cable, ISDN, satellite and wireless services.

Customer service

3,593 issues raised

Complaints about customer service showed the biggest numerical increase of any internet category, up by 1,692. The biggest concern was inaccurate advice about ADSL services. Complaints about this issue have tripled.

The number of customer service complaints about ADSL outweighs the number of similar complaints for all other types of internet service. As well as the growing popularity of ADSL, this may be attributable to companies expanding their ADSL customer base without employing staff to cope with the increase. Other common issues are failure to action customers' requests, and wait time.

Customer transfer

127 issues raised

Complaints about this issue rose from 16 to 127. They came from customers reaching the end of their first broadband contract and deciding to change providers in search of better deals, with the growing number of ADSL providers and a wider variety of plans on offer. This is perhaps a positive sign that competition is leading to more choice for consumers and that they are comfortable in seeking better value.

The number of unauthorised transfer complaints also rose and may be indicative of a growing number of service providers marketing bundled landline and internet packages.

Left to right
Aaron Tan, Enquiry Officer
Denise Cassidy, Office Supervisor
Brea Acton, Enquiry Officer
Peter Jones, Investigation Officer
Silvia Superina, Policy and Research Manager

Disconnection 476 issued raised

Rising from 337 to 476, this issue still only accounted for 3% of all internet complaints received by the TIO. 34.5% were about delays in disconnection of dial-up services, while 23.5% were about delays in disconnection of ADSL services.

Some complaints involved situations in which a customer made a disconnection request but the provider claimed the contract required that it be notified of the disconnection before the end of the existing contract period. If the disconnection request was made after that time, the provider claimed that the customer would be liable for a further contract period. This had the effect of creating a "roll-over" contract, a complaint that the TIO would investigate as a matter of course.

Almost one-quarter of disconnection complaints related to an error in disconnection of ADSL services, with a very small proportion of complaints (4.8%) related to an error in disconnection of dial-up services. This category relates to situations in which a service is disconnected before the requested date of disconnection or an incorrect service is disconnected.

Faults 2,864 issues raised

While there was a one-quarter increase, this issue dropped from 22% to 18% of total internet complaints.

These complaints encompassed drop-outs, log-on difficulties, network outages and speed issues. The growing popularity of broadband has also led to complaints about the accuracy of usage meters.

In 2003/04, fault complaints for dial-up and ADSL broadband services were split equally. ADSL complaints increased considerably this year, with more than twice as many fault reports as for dial-up. Dial-up fault complaints have reduced across the board, whereas ADSL complaints have increased in all areas.

Cable internet fault complaints have generally decreased, but the TIO has started to receive complaints about wireless internet services as the technology becomes more widely available. The increasing number of ADSL users appears to have led to more complaints about ADSL performance, particularly speed and network outages.



Privacy 70 issues raised

Only 70 complaints were received about internet privacy, down from 95. The decrease is mainly attributable to a reduction in complaints about spam, now that ACMA is handling the majority of these complaints.

Of the six complaints investigated formally, four were about non-authorised persons being able to use a service or obtaining information about the account. The other two complaints were about the adequacy of advice given by a provider to a customer about stopping the receipt of internet spam and unwelcome e-mails.

CASE STUDY — Internet privacy

The complaint:

The complainant approached the TIO alleging that his ISP had reallocated his e-mail address to another user. He was unable to send e-mails, and as he had been receiving another customer's e-mail, he believed that the other customer was receiving his. He argued that this was a serious breach of his privacy.

TIO response:

After contacting the TIO, the complainant was referred to the TIO contact point at his ISP. The complainant advised that he did not receive a response to his complaint from the ISP and returned to the TIO for further assistance.

The outcome:

Upon raising a level 2 complaint, the ISP responded to the TIO advising that the complainant was the only "owner" of the disputed e-mail address and it was found that no breach of privacy had occurred. It appeared that the complainant had inadvertently given out the wrong e-mail address to friends and family by providing an address ending in *.com* rather than *.net* and there were technical problems preventing him from sending e-mail, which the ISP's technical support area was able to assist with.



Left to right
Olivia Munro,
Investigation Officer
Brad Crammond,
Investigation Officer
Dan Walls, Member
Communications Officer
Claire Paksoy,
Disputes Officer

Provision 2,540 issues raised

Nearly 90% of the 2,540 internet provisioning complaints were about ADSL provisioning, which has been one of the fastest growing areas of complaint at the TIO, approaching the number of complaints received about landline provisioning.

Internet provisioning complaints tend to be about unreasonable delays, misinformation and confusion as to whether a service can actually be provisioned to a consumer's premises.

The TIO maintains the view expressed in last year's annual report that the complexity of wholesale and retail relationships in ADSL services appear to be a primary cause of provisioning complaints, as consumers appear to be "caught in the middle".

CASE STUDY —

Internet provisioning

The complaint:

The complainant first contacted the TIO claiming that she had made an application for a broadband service with a TIO member but was advised that the service could not be provisioned as another provider had its "codes" on her line.

TIO response:

In the absence of any industry rules or guidelines, the TIO generally investigates any provisioning delays against the gaining service provider.

The member's response to the TIO investigation was that this was not a straight forward provisioning request but was in fact a transfer of an existing service between providers. The member claimed the complainant's son had made an ADSL request to another provider and it was the complainant's responsibility to contact that provider and request removal of its codes.

The outcome:

The TIO's position was that it is the responsibility of the member receiving an application for a service to take all steps to facilitate provisioning, including removal of any "codes" on the line. In an attempt to resolve the matter the member provisioned a new ADSL service on the complainant's line. The TIO believed this was a reasonable outcome.

Completed investigations

During 2004/05, the following systemic investigations involving ACIF code issues were completed.

Code issues

SIMplus disconnection requests

Complaint

Complainants alleged that they had requested SIMplus to disconnect their mobile services, but that SIMplus had not acted upon that request.

Clause

Billing Code, Clause 7.3.1

Resolution

The investigation revealed that SIMplus had a procedure whereby a specially designated team contacted by telephone all customers who requested a disconnection. SIMplus's procedure was not to disconnect a service where it was unable to contact a customer. As a result of the investigation SIMplus agreed to disconnect services when requested by customers.

The TIO recorded an established breach of clause 7.3.1 of the *Billing Code* as SIMplus did not comply with this rule when it continued to bill services after a disconnection had been requested. The TIO took the view that SIMplus's change of procedure should fulfil its obligations under the clause.

Chi-Tel billing on prepaid cards

Complaint

Complainants claimed that small miscellaneous amounts were deducted from calling cards. The complainants claimed that they became aware of this when checking their card balances before and after making calls.

Clause

Billing Code, Clauses 7.3.1, 7.3.3

Resolution

The TIO was not satisfied with the explanations provided by Chi-Tel as to its compliance with the ACIF *Billing Code* and recorded established code breaches. The TIO issued a 7.2(b) report to Chi Tel and formally referred it to the ACA for possible breaches of the ACIF *Billing Code*.

Astracom billing on prepaid cards

Complaint

Complainants claimed that they had not received the full value from prepaid calling cards provided by Astracom.

Clause

Billing Code, Clauses 7.3.1, 7.3.3
Complaint Handling Code

Resolution

The TIO concluded that the likely cause in reduced card value was the fact that prepaid calling card pricing is subject to change without notice. The TIO consulted with the ACA, which advised that the provision of price change information on point of sale information, the web and on the customer service line was sufficient to comply with the *Customer Information on Prices, Terms and Conditions* and *Billing* codes. Astracom sought informal advice from the ACA as to the steps it should take in order to comply with the ACIF *Complaint Handling Code*.

eStar billing on prepaid cards

Complaint

A complainant claimed that he was not receiving the full value from prepaid cards provided by eStar.

Clause

Billing Code, Clauses 7.3.1, 7.3.3
Complaint Handling Code

Resolution

As in the previous case, the TIO concluded that the likely cause in reduced card value was the fact that prepaid calling card pricing is subject to change without notice. The TIO consulted with the ACA, which advised that the provision of price change information on point of sale information, the web and on the customer service line is sufficient to comply with the *Customer Information on Prices, Terms and Conditions* and *Billing* codes. eStar sought informal advice from the ACA as to the steps it should take to comply with the *Complaint Handling Code*.

Orange – billing for calls above limit imposed by Acceptable Use Policy (AUP)

Complaint

A complainant claimed that she believed that she had been billed incorrectly for calls that exceeded the acceptable use policy limit for her mobile service. Initial investigation established that although the complainant had been billed correctly, the bill did not convey this in an easily understandable format.

Clause

Billing Code, Clauses 5.4.1, 7.3.3, 7.4.1

Resolution

Orange promptly changed the format of its bill so that it can be easily understood and is now, in the TIO's opinion, compliant with the relevant clauses of the *Billing Code*.

The TIO recorded established code breaches of clauses 5.4.1, 7.3.3 and 7.4.1 of the *Billing Code* as it took the view that the original bill did not comply with these clauses.

Hutchison 3G Australia — mobile handset faults

Complaint

Customers of "3" complaining that they have experienced numerous faults with their mobile handsets. Some complainants claim that they have been provided with multiple handset replacements. Some complainants also claim that they experience difficulties and delays in resolving their complaints with Hutchison 3G Australia.

Clause

Complaint Handling Code,
Clauses 7.3.5, 7.5.1, 7.5.2, 7.6.1

Resolution

The TIO referred the issues of Hutchison 3G Australia's network performance and compliance with ACIF's *Complaint Handling Code*, specifically clause 7.3.5, to the Australian Communication and Media Authority for consideration.

The TIO recorded an established breach of clause 7.3.5 of ACIF's *Complaint Handling Code*. No breaches of clauses 7.5.1, 7.5.2 and 7.6.1 were recorded as the TIO's investigation was inconclusive.

No code issues

The following systemic investigations did not involve ACIF code issues

Optus provisioning of ADSL

Complaint

Prospective Optus ADSL customers were declined a service on the basis that their telephone line was pair gained. Initial investigation with Optus suggested that its IT interface would not permit it to request the transposition of a pair-gained telephone to a spare copper pair where one is available. This position contrasted with that of other ISPs, who had processes in place to make such a request.

Resolution

Subsequent investigation established that the issue with Optus's IT interface had been overcome, but the company had made a commercial decision not to request line transpositions. The TIO is not able to investigate commercial decisions of its members relating to the provision of services.

B Digital disconnection delay

Complaint

A complainant contacted B Digital before the end of their minimum-term contract requesting the disconnection of the service at the end of the minimum term. The complainant was advised that he could not disconnect his service until the end of the relevant billing period, three weeks after the minimum term ended.

Resolution

B Digital advised that the problem was due to restrictions in its billing system. B Digital agreed to change its approach so that it would accept disconnection requests without notice and also made arrangements to adjust its billing system.

AAPT reverse charge calls

Complaint

A complainant received a bill from AAPT for international reverse charge calls. The complainant agreed that the calls were received, but did not agree with the duration specified on the account. Preliminary discussion with AAPT established that its bills showed the duration of these calls incorrectly with minutes being listed as seconds, although the value of the call charges was correct.

Resolution

AAPT acknowledged that there was a problem with the information it was receiving at a wholesale level. AAPT has now resolved the issue and calls are now presented correctly on bills.

Sensis – authorisation of White Pages listings for small business

Complaint

Complainants claimed that omissions and changes to small business listings had been made by unknown or unauthorised parties.

Resolution

The TIO issued a report to Telstra, which wholly owns Sensis, in accordance with Clause 7.2 (b) of its *Constitution*. The investigation discovered that Sensis does not have a record of, or access to, the names of authorised representatives and that it accepted a change (including cancellation) to a small business listing provided the person on the telephone agreed that they were properly authorised.

The TIO's investigation concluded that Sensis did not maintain an adequate database to properly identify authorised representatives. The TIO advised that Sensis should either hold a complete database of authorised representatives, or accept the repercussions where listings changes are not properly authorised.

Telstra – increase in late fee

Complaint

Telstra increased its late fee 100% from \$5.50 to \$11.

Resolution

The TIO decided that there was no evidence that the late fee was a penalty, and that the amount could properly be recovered by Telstra. Information provided by Telstra suggested that the late fee of \$11 only went part way to recoup Telstra's costs associated with recovering overdue amounts.

The TIO did highlight to Telstra, however, that the hardship issues associated with the application of a late fee remained a concern. Telstra agreed to address this concern.

Approach Telecom — international data call billing disputes

Complaint

Consumers received bills for international internet diallers, claiming that they were not adequately warned.

Resolution

The TIO did not complete its investigation as the member has indicated that it intends to cease operation. The TIO made a number of observations regarding the quality of warnings on websites through which Approach Telecom diallers were accessed. The TIO considers that the Telephone Information Service Standards Council Code of Conduct (TISSC Code) is an appropriate best practice guide for the services Approach Telecom provides. Although Approach Telecom is not bound to comply with this code, it is the TIO's opinion that the warnings used by Approach Telecom fell short of the standards required under this code.

Left to right
Tanya Erdos, Enquiry Manager
Simon McKenzie, Investigation Officer
Kim Lloyd, Legal Investigation Officer
Paul Nangle, Investigation Officer

The TIO has conducted a wide range of staff training sessions over the past year to review the newly revised and existing industry codes and also to reinforce the codes' applicability to everyday complaints.

INDUSTRY CODES

59

Overview

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

In broad terms, the greatest increases in code breaches over the year were in areas related to contracts and the selling practices of TIO members. Increased competition has led to a myriad of increasingly complex products being offered. The potential for consumers to be confused, overwhelmed and even misled by the sheer volume of products, complex terms and conditions, disclaimers and special offers is increasing as well.

Complaints about the billing and credit management practices of TIO members are also well represented in the code breach statistics.

The TIO currently has regard to 13 ACIF codes. TIO investigative staff are required to consider whether any of the seven consumer and six operational codes can apply to each of the complaints that they receive.

As the number of codes that the TIO has regard to increases, so too does the amount of staff training required. The TIO has conducted a wide range of training sessions over the past year to review the newly revised and existing codes and also to reinforce the codes' applicability to everyday complaints.

Code development and review

The most significant development during 2004/05 was the completion and registration of the *Consumer Contracts Code*. Although the code was registered in April 2005, it will not come into effect until November 2005 as it has a six-month implementation timeframe. In the intervening period, the TIO will continue to have regard to the *Consumer Contracts Guideline*.

In addition, during the year the *Connect Outstanding Code* was also completed and at the time of writing is awaiting registration.

The TIO concluded its participation in the review of the *Customer Information on Prices, Terms and Conditions* (PTC) Code in December 2004. The reviewed code was registered in April 2005.

The TIO is also participating in the review of the *Customer Transfer* and *Credit Management* codes.



Code complaints

TIO procedures

The TIO's procedure for dealing with code complaints has not changed over the last two years. For 2004/05, the TIO retained the "possible", "potential", "established" and "confirmed" categories.

Possible and established breaches are recorded against non-signatories only, with possible breaches referring to complaints that are not investigated beyond level 1. An established breach is recorded against a TIO member after formal investigation at level 2 or above and only after the member has been provided with the opportunity to respond to the allegation of non-compliance. The same process is applied to signatories who have potential and confirmed breaches recorded against them.

In the past, the TIO reported on signatories and non-signatories separately. After consultation with ACMA and ACIF, the TIO reverted to a simpler model from 1 July 2005. The benefits of this reporting change will include ease of comparison and less likelihood of misinterpretation.

The TIO will now classify code breaches in just two categories:

- possible – where no formal investigation has been undertaken (level 1 only).
- confirmed – where the complaint is investigated at level 2 or above and the TIO confirms that a member has breached a specific code rule.

The TIO will continue to send statistics on code breach complaints to ACMA and ACIF regularly. In addition, if TIO complaints analysis indicates that certain members are consistently breaching registered codes, the TIO may refer that member to ACMA.

ACMA has the power to warn or direct those suppliers to comply with the codes in question. Failure to comply with that direction may result in legal action being taken against those suppliers.

Recent developments

The TIO accepts the responsibility of receiving and investigating complaints that may relate to the ACIF Codes under Section 114 of the *Telecommunications Act 1997*. The ACIF codes are applied every day to investigations conducted by the office. In addition, the TIO expends considerable resources in analysing and auditing the code data collected by its investigative staff. Finally, the TIO reports on ACIF code compliance by the industry to ACIF and ACMA, as well as to industry members through the quarterly *TIO Talks* publication.

In response to a regulatory enquiry from the ACA concerning AAPT's compliance with the ACIF *Customer Transfer Code*, the carrier argued that the ACA (now ACMA) should not draw any conclusions from the TIO's potential code breach statistics. AAPT's argument was based on the fact that these breach statistics represent level 1 complaints which are not investigated by the TIO but are referred directly to members for resolution, and that an increase in potential breaches simply reflected an increase in calls to the TIO.

Similarly Telstra, in responding to a recent letter from ACMA concerning its compliance with several codes, and while noting its own use of TIO monthly data, argued that alleged potential/possible code breaches are not conclusive.

Ultimately, this is a matter for ACMA as regulator, in relation to the enforcement of ACIF codes. If, however, the view of AAPT and Telstra prevailed, the TIO would have to consider the worth of persisting with its role of investigating and reporting on code breaches by its members. This role is probably the single most resource intensive work the TIO undertakes, from the initial and ongoing training through to detailed investigations.

Code statistics

Code breaches increased by 32.3% during the year. Substantial increases occurred in the *Mobile Number Portability (MNP) Code* and *Consumer Contracts Guideline*, and in the *Billing*, *Customer Transfer*, *Complaint Handling* and *Credit Management* codes.

While the number of code breaches increased from 5,111 in 2003/04 to 6,764 in 2004/05, as a percentage of total complaints received it remained static at 8.6%. (It is important to note that the TIO does not record code breach data for enquiries received.)

The 6,764 code breaches included 4,143 possible and 410 established breaches recorded against non-signatories and 2,032 potential and 179 confirmed breaches recorded against code signatories.

An increase in established breaches and a corresponding decrease in confirmed breaches noted this year has more to do with several existing codes being reviewed, revised and re-registered, than with an improvement in overall industry performance. The signatory status of suppliers does not automatically transfer to a new version of a code.

Credit management (21.8%)*

Credit Management Code breaches increased by 33.8% over the year and are now the largest source of code complaint to the TIO, overtaking those concerning the *Billing Code*. There have also been increases in both established and confirmed breaches, which rose by over 26.3% and 76.6% respectively. 42 suppliers recorded breaches in 2003/04, increasing to 52 in 2004/05.

There are three main areas of concern in relation to the *Credit Management Code*. Collectively they account for just over half of all *Credit Management Code* breaches.

The primary cause for concern is the alleged failure of TIO members to suspend credit management action on genuinely disputed amounts. The TIO has noted members' advice that these cases may be due either to billing system limitations, where providers are unable to separate the disputed portion of an account from the undisputed portion, or the failure of separate credit and billing departments to communicate with each other over disputed amounts.

*The percentage listed after each heading is the category's proportion of total code breaches. Total statistics are listed in the table Summary of Code Breaches on page 67.

The second largest source of complaint relates to allegations that complainants are not made aware of debts recorded against them, nor are they advised of the consequences of non-payment. The TIO notes that this type of complaint is especially prevalent when the debt being disputed has accrued on a former account or at a previous address.

The third significant area of *Credit Management Code* breaches relates to the negotiation and maintenance of payment arrangements. The TIO notes that the code requires suppliers to have processes in place whereby they can negotiate payment arrangements, but there is no explicit requirement for these arrangements to be fair or reasonable. Many complainants allege that any payment arrangement with a supplier is not so much negotiated as presented as "take it or leave it". It is the TIO's experience that often those seeking payment arrangements for their telephony services are experiencing financial hardship in general and consequently are unable to meet the payment schedules offered by suppliers.

In contrast to the code, ACIF's new *Guide for a Financial Hardship Policy* is much more specific. It lays down a basic principle that any agreed payment should be sufficient to cover expected future use and reduce outstanding debt; that is, the customer should not be going further into debt. Obviously this also requires action on the part of the customer. The guide recognises this, but most importantly, also states that the arrangement must be one that the customer can meet.

As noted last year, the high number of credit code breach complaints is linked to increased credit management activity within the industry, including the factoring of debt, although the latter is less significant at the moment. In addition, the growing problem of unexpected high bills affects the level of credit management activity by providers, which may in turn be contributing to the high number of credit code breaches.

It is also clear that TIO members are having difficulty matching old debts with current customers. The TIO continues to receive many complaints where despite the customer being a current customer of a service provider, they are default listed for a debt that was previously accrued with that same provider. It is the TIO's view that suppliers should make greater efforts to match old debts with current customers to avoid unnecessary consumer detriment.

Billing (21.6%)

Billing Code breaches have increased only slightly with breaches recorded against ninety-four suppliers, up from 81 the preceding year. Billing complaints are now the second largest source of code breach complaints recorded by the TIO. Complaints recorded against non-signatories equalled 62.7% of all *Billing Code* breaches, up from 53.4% in 2003/04.

Confirmed and established code breaches also increased significantly. 37 confirmed and 35 established breaches were recorded in 2003/04; in 2004/05, there were 50 confirmed and 72 established breaches.

The high number of *Billing Code* complaints appears to be linked to the high number of complaints about internet dumping in the first half of the year with a shift to increasing numbers of complaints about premium-rate SMS charges in the latter half of the year. The rise in code breaches recorded as a result of premium-rate SMS charges is a concern, particularly since complainants say they have had great difficulty in unsubscribing from SMS services and despite their requests for the service to stop, they continue to be charged.

As was the case in previous years, about 70% of complaints related to Clause 7.3.1 of the *Billing Code*. This clause requires a supplier to ensure that charges billed to a customer are verifiable by the customer as being consistent with the supplier's published and contracted prices and discounts, and also what the customer had requested, used or contracted to receive. The second largest area of complaint related to Clause 7.1.1, where a supplier must demonstrate billing accuracy.

Complaint Handling (18.9%).

The number of complaints relating to the *Complaint Handling Code* increased by 37.0%. Breaches were recorded against 96 suppliers during 2004/05, compared to 72 last year. Established code breaches increased by 172.8%, while confirmed code breaches dropped by 93%. It is interesting to note that all sectors of the industry recorded increases in code breaches and also in complaint statistics. These findings are consistent with the TIO's view that non-compliance is an industry-wide issue.

This is a disappointing result. Firstly, the figures are almost double the percentage recorded in 2003/04 year. *Complaint Handling Code* breaches have now increased for two years in a row.

Secondly, the result reinforces the TIO's suggestion in the 2003/04 annual report that the investigation carried out by the ACA into compliance with the *Complaint Handling Code* did not effect permanent change or improvement.

Of the TIO's *Complaint Handling Code* breaches, just under a quarter related to the alleged failure of a supplier to escalate a complaint within the organisation. In accordance with the code, the TIO maintains that if a complainant requests to speak with a higher level of authority within the company they should be given the opportunity to do so. Alternatively, arrangements should be made for that complainant to be contacted by a higher level within the company at a later stage.

A further 22% of code breach related complaints refer to the alleged failure of a supplier to either acknowledge the receipt of written complaints or provide updates on the progress of complaints. It is likely that the volume of these complaints would drop if suppliers assigned individual complaint numbers and isolated these complaints from everyday business activities.

In addition, an ever-increasing source of complaints to the TIO is the alleged failure of a supplier to actually deliver a proposed or promised resolution to the complaint. About 15% of all code breaches occur as a result of complainants alleging that a promised resolution to a complaint, be it a credit or even a phone call, has not been delivered as promised. The TIO strongly recommends that suppliers review their complaint recording systems to ensure that they are delivering the promised resolutions.

Finally, as noted elsewhere in this report the TIO in future will closely monitor compliance with the rule which requires suppliers to advise customers with unresolved complaints of the right of external review, including the TIO.

Customer Transfer (18.1%)

Complaints relating to the *Customer Transfer Code* increased by 54.8%, to 1,226, compared with 792 in 2003/04, with the number of suppliers against whom breaches were recorded increasing from 39 in 2003/04 to 66 this year.

Code signatories, however, improved their performance this year in terms of confirmed code breaches, which dropped from 42 to 29. Optus Networks in particular is to be commended for reducing its share of confirmed breaches from 29 to 11.

Again, there are three main areas of complaint that result in breaches being recorded under the transfer code.

Firstly, complaints relating to the informed consent provisions of the code account for about half of all code breaches. The code requires suppliers to ensure that a customer is aware of exactly what services are to be transferred, to whom, and the relevant terms and conditions of the transfer. Given the high number of complaints related to these clauses, it appears that many suppliers are failing to meet this requirement.

Secondly, complaints concerning suppliers allegedly not taking all reasonable steps to establish who the authorised customer is for the purposes of the transfer account for just over 19% of all code breaches. The TIO's position in this regard is clear and is derived directly from the definition of the authorised customer contained in the code. The TIO considers that only the legal lessee, that is the person with the existing contract with a supplier, or a person with legal authority provided by that legal lessee, can provide authorised consent to the transfer of a service.

The TIO does not accept that merely asking a potential customer whether or not they are authorised, or whether their name is on the account without seeking further clarification meets the "all reasonable steps" requirement of the code. The rule is clear and unambiguous, and the issue is one of compliance by suppliers.

The *Customer Transfer Code* is currently under review and this issue is one the working committee has invested a great deal of time and discussion over.

The final significant cause of code breaches concerns the requirement to check the accuracy of the details of the transfer at the point of sale. Complaints related to this clause account for about 18% of all transfer code breaches. The TIO considers that compliance with this clause is a way that a supplier could demonstrate that they had gained informed consent for the transfer and ultimately retain the customer. Ensuring compliance with this clause may also assist suppliers in reducing the number of unauthorised transfer reversals they have to process, in addition to reducing the volume of complaints to the TIO.

Customer Information on Prices, Terms and Conditions (8.6%)

Although there was an increase of 34.8% in the number of complaints relating to the *Prices, Terms and Conditions Code*, there were no confirmed breaches, partly due to the fact a revised and newly registered version of the code was introduced in April 2005. A secondary consideration is that the original version of the code was very difficult to apply directly to the types of complaints the TIO investigated.

Accordingly, it is difficult to offer any meaningful statistical analysis of code issues based on individual code clauses. A review of the complaints received by the office shows the following areas of concern:

- an alleged lack of information related to prices and tariffs being provided on or with the contractual documentation provided to customers, together with lack of information provided to customers in relation to the termination of services and the contractual consequences of early termination of these services
- an alleged lack of information provided with special offers. Complainants alleged that special inducements were offered to attract customers during Christmas, but these inducements were never actually delivered. Investigation by the TIO indicated that there was little or no information regarding the additional processes a customer had to complete post sale in order to receive the discount or credit promised
- complaints that customers were not being sold products that met their stated requirements, or products that did not work in the geographic areas they allegedly advised sales representatives that they needed the service for.

Commercial Churn (3.1%)

As a result of Optus Networks reducing its share of complaints, established breaches dropped from 16 last year to three.

Complaints relating to two clauses of the churn code accounted for over 90% of all code breaches. About half of all code related complaints refer to the alleged failure of a supplier to take immediate action to reverse an invalid churn. The balance relate to the alleged failure of a supplier to keep their prospective customers informed of delays in the churn process.

Consumer Contracts Guideline (4.3%)

There was a 148% increase in breaches recorded under the *Consumer Contracts Guideline*, up from 117 to 291.

While this is a guideline rather than a code, the TIO treats it as a benchmark of good industry practice for the purpose of investigating complaints. The TIO will continue to have regard to the guideline until November 2005, when the *Contract Code* is implemented.

The great majority of complaints recorded against this guideline relate to oral presentation issues at point of sale.

Left to right
Jed Salmon, Enquiry Officer
Kelly Rice, Legal Investigation Officer
Phillip Money, Public Relations Manager
Jeremy Evans, Enquiry Manager
Kate Eadie, Member Communications Manager

Other codes

It is pleasing to note that there was a further reduction in complaints relating to the *Protection of Personal Information of Customers Code*.

Mobile Number Portability Code breaches have, however, increased significantly, with complaints rising from 34 to 158. 16 suppliers recorded breaches of the MNP code in 2004/05, in contrast with 10 the year before.

The TIO has only recorded one established complaint pertaining to the *Local Number Portability Code*, and two complaints relating to the *Preselection Code*.

The TIO has only received six complaints pertaining to the *Priority Assistance Code*. Two established breaches of the code were recorded.

Six breaches of the *Handling of Life Threatening and Unwelcome Calls Code* were recorded, none of which were investigated at level 2 or above.

Finally, the TIO recorded three possible breaches of the *SMS Code* and two breaches of the *Calling Number Display Code*.

Annual statistics versus quarterly statistics

As explained in the previous annual report, there is a discrepancy between the combined quarterly statistics and the annual statistics, due to the way that code complaints are recorded by the TIO's database. As the status of a code breach may change during the course of an investigation, the TIO reports will differ depending on when a report is run. Both the quarterly statistics and the annual statistics are therefore an accurate snapshot of code complaints at the time the respective reports are run.



Code audits

The TIO conducted its latest audit of code breaches for complaints raised during the first half of 2004/05. For the purposes of the audit, a random sample of 50 cases was analysed. This constituted about 20% of the total number of established and confirmed code breaches recorded. The audit assessed the complaints against several criteria, including whether the TIO followed correct procedure in investigating the code breach, and also whether the logging of a confirmed or established code breach was justified.

The results were generally positive. In 100% of cases audited there was sufficient information contained within the complaint to justify raising a code related question with the member.

It was found in the audit that investigative staff were following the correct procedure when advising a member of an alleged code breach 94% of the time. It was also found that the logging of an established or confirmed code breach was justified in 92% of cases.

The TIO has expended some effort in advising members of the need to respond to any code breach related questions in an investigation. In addition, members have been advised of the need to provide evidence to support their claims in relation to code compliance. There has been a slight improvement on previous audit results in this category. Members provided sufficient evidence to justify their position in relation to code compliance in 66% of relevant complaints, a slight increase on the 62% recorded in the March 2004—June 2004 audit.

We continue to be concerned, however, about the number of complaints where multiple breaches appear to have occurred but have not been identified/recorded by the TIO. The audit indicated that in 68% of cases audited, there were multiple breaches of either the same code or of a different code. Further training is needed to address this issue.

The TIO will continue to conduct code breach audits on a six-monthly basis.

Summary Of Code Breaches

Code Name	Possible [^]	Established ^{^^}	Potential [*]	Confirmed ^{**}	Total	% of Total
Complaint Handling	978	160	134	8	1,280	18.9%
Customer Transfer	738	35	424	29	1,226	18.1%
Credit Management	430	48	911	83	1,472	21.8%
Billing	846	72	495	50	1,463	21.6%
Commercial Churn	130	3	66	9	208	3.1%
Prices Terms and Conditions	553	32	0	0	585	8.6%
Customer Personal Information	56	4	0	0	60	0.9%
Handling of Life-Threatening or Unwelcome Calls	5	0	1	0	6	0.1%
Mobile Number Portability	147	11	0	0	158	2.3%
Consumer Contracts	249	42	0	0	291	4.3%
Priority Assistance	4	2	1	0	7	0.1%
Caller Number Display	2	0	0	0	2	0.0%
Short Message Service SMS	3	0	0	0	3	0.0%
Preselection	2	0	0	0	2	0.0%
Local Number Portability	0	1	0	0	1	0.0%
Total	4,143	410	2,032	179	6,764	100.0%

[^] 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**

The number of people writing in to make a complaint has dropped with a corresponding increase in the number of people using the telephone.

Profile of complainants

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

Gender

Male	56%
Female	44%

Complainant Type

Business	7.3%
Charity	0.1%
Community	0.2%
Government	0.3%
Residential	92.2%

Method of Complaint

E-mail	8.0%
Fax	1.1%
In person	0.1%
Letter	2.8%
Telephone (1800)	88.0%
Interpreter Service	0.1%

Gender

The gender balance is identical to last year.

Complainant Type

The only difference in the statistical profile of complainants this year compared with last year was a slight increase in the percentage of residential complaints at the expense of the other categories. The proportion of business complaints this year – 7.3% – is down slightly on last year (7.5%) as are complaints from the government sector (0.7% to 0.3%). The TIO received a very small number of complaints from government, charity and community sector organisations.

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

Method of complaint

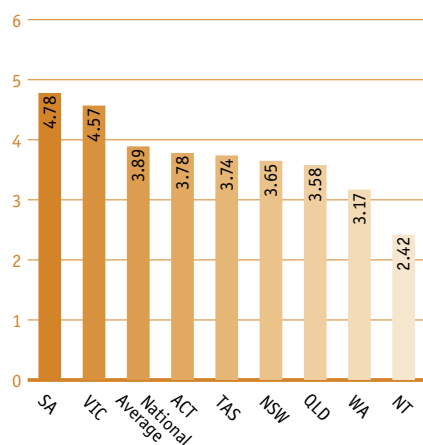
The way complainants contacted the TIO was almost identical to last year. The one exception was the drop in the number of people writing in and a corresponding increase in the number of people using the telephone. A concern is the low number of people using the Telephone Interpreter Service (TIS).

State distribution of complaints

As with last year, South Australia was the state with the greatest complaint rate (4.78 complaints per thousand people). The Australian Capital Territory slipped to third place (from second place last year) with Victoria moving from third to second.

Without more detailed examination of the data, it is difficult to draw any firm conclusions about the reasons for the variation across the states. The TIO will continue to try to raise awareness of the Scheme in those states with lower complaint rates to ensure equitable access for all Australians.

State distribution of complaints (per 1000 people)



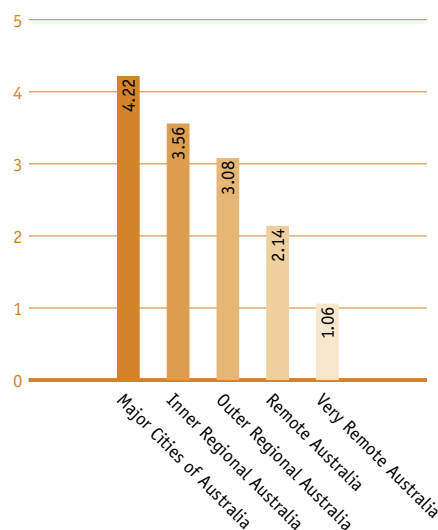
City or country

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

The trend of previous years continued. Residents in remoter areas of the country were less likely than their counterparts in more urban areas to make a complaint to the TIO.

The number of complaints per thousand in all five categories increased again this year, as it did last year.

Complaints by remoteness area – national (per 1000 people)

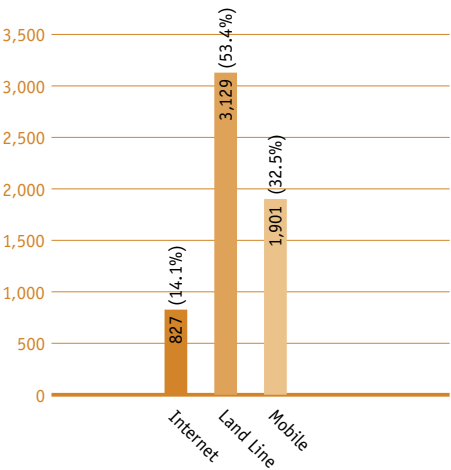


Small business complaints

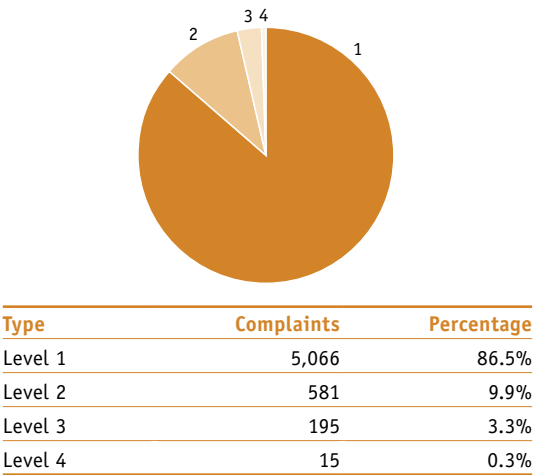
The characteristics of the 5,857 small business complaints were similar to last year's complaints. Again, fewer small business complaints were resolved at level 1 (86.5%) than the overall complaints total of 90.2%. This reflects the multiplicity of the telecommunications and internet services used by small businesses and the resulting complexity of the problems they face. Small business complaints are also more likely to involve claims for compensation.

In line with the general complaint total, mobile services complaints increased at the expense of landline services complaints. The trend was nowhere near so pronounced among small business complaints. Among residential complaints, mobile service complaints were slightly behind those of landline service complaints (landline 44.2%; mobile 39.9%). Among small businesses, landline service complaints, at 53.4% of the total, were still well ahead of mobile service complaints, at 32.5%.

Small business complaints



Small business complaints mix

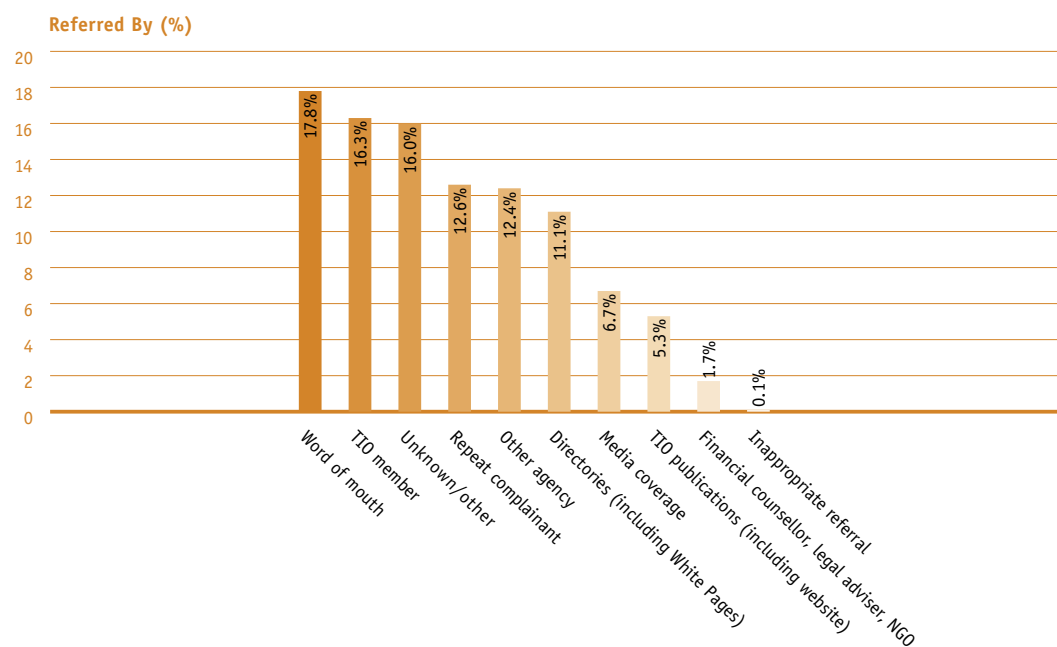


Source of referral

When a person makes a complaint to the TIO, he or she is asked how they heard about the Scheme. This valuable information helps the TIO to formulate public awareness strategies.

Complainants do not always provide accurate information about where they were referred from. For example, many complainants say they do not know how they heard about the TIO, accounting for the high proportion of people in the Unknown/Other category and categories such as Word of Mouth.

As noted earlier in the report, the TIO is taking initiatives to increase the level of referrals by its members.



Member specific complaint statistics are published by the TIO for all members who have received 25 complaints or more during the course of the financial year. In 2004/05, 86 TIO members received 25 or more complaints.

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

Complaints and complaint issues

Two tables are presented here. The first table details the issues raised in complaints. As one complaint may raise more than one issue there are usually more issues than complaints raised against a member. Members are charged according to complaint numbers, not according to the number of issues raised.

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

Complaint levels

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

Complaints against TIO Members by Issue (non-standardised) 1 July 2004 to 30 June 2005 (Includes mem

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

	LANDLINE										
	Total issues	% Billing	% Credit Control	% Customer Transfer	% Customer Service	% Disconnection	% Faults	\$ Privacy	% Provision	% Other	Total landline
1410 Communications Pty Ltd (t)	741	10.1	2.0	51.4	19.3	0.3	0.1	14.3	0.0	2.5	732
1800 Reverse Pty Ltd (t)	70	71.4	1.4	0.0	15.7	0.0	0.0	8.6	0.0	2.9	70
aaNet Communications Pty Ltd (i)	93	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
AAPT Ltd (t&i) (c)	6,908	28.7	14.9	21.5	16.4	2.4	6.9	2.0	3.2	4.0	5042
AAPT Mobile Limited (t) *	47	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
ADAM PTY. LTD (i)	42	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Approach Telecom Australia Pty Ltd (t)	1,599	92.4	0.0	0.0	7.5	0.0	0.0	0.1	0.0	0.0	1565
Astracom Pty Ltd (t)	87	31.3	0.0	0.0	13.3	0.0	0.0	0.0	0.0	55.4	83
AstraTEL Pty Ltd (i)	59	0.0	0.0	0.0	60.0	0.0	0.0	0.0	0.0	40.0	5
Astron Communication and Information Services Pty Ltd (t)	51	38.6	13.6	25.0	9.1	2.3	0.0	6.8	0.0	4.5	44
Aurora Energy AAPT Pty Ltd (t&i)	72	29.0	7.2	26.1	8.7	0.0	1.4	1.4	2.9	23.2	69
AUSTAR United Mobility Pty Ltd (t)	71	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Australia On Line Pty Ltd (i)	36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Australian Communications Network Pty Limited (t&i)	83	28.9	8.4	31.3	12.0	6.0	8.4	0.0	3.6	1.2	83
Australian Star Communications (t)	61	32.7	3.6	5.5	18.2	10.9	12.7	1.8	14.5	0.0	55
Axis Telecoms Pty Ltd (t)	57	35.1	0.0	24.6	10.5	1.8	3.5	1.8	0.0	22.8	57
B Digital Ltd (t)	1,174	32.5	14.5	10.8	21.7	0.0	6.0	2.4	7.2	4.8	83
Blue Ridge Telecom Systems, LLC (t)	66	12.3	0.0	9.2	44.6	3.1	0.0	13.8	0.0	16.9	65
Broadtel Communications Limited (t)	74	33.8	6.8	21.6	21.6	4.1	1.4	0.0	0.0	10.8	74
Budget Telecom Pty Ltd (t&i)	145	14.8	1.4	40.1	23.9	0.7	0.0	13.4	0.0	5.6	142
Budgetel Pty Ltd (t&i)	113	18.3	12.8	35.8	13.8	0.9	1.8	5.5	1.8	9.2	109
Bytecard Pty Ltd (i)	58	55.6	0.0	44.4	0.0	0.0	0.0	0.0	0.0	0.0	9
Call Australia Pty Ltd (t)	552	6.0	1.5	32.6	25.3	1.5	0.0	29.3	0.0	3.8	549
CardCall Pty Ltd (t&i)	92	31.1	0.0	0.0	10.0	0.0	0.0	0.0	0.0	58.9	90
Chariot Internet Ltd (i) (c)	50	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Chi Telecom Pty Ltd (t)	45	42.2	0.0	0.0	15.6	0.0	0.0	0.0	0.0	42.2	45
ComCen Pty Ltd (i)	48	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Commander Australia Ltd (t&i)	170	38.8	5.9	5.9	17.1	5.9	9.9	3.3	4.6	8.6	152
Corporate Telecom Pty Ltd (t&i)	36	20.0	25.7	8.6	20.0	20.0	2.9	0.0	2.9	0.0	35
Digiplus Pty Ltd (t&i)	377	35.4	6.3	13.0	17.5	5.4	12.1	0.9	4.0	5.4	223
Direct Internet Pty Ltd (i)	33	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Direct Telecoms Pty Ltd (t)	109	29.4	11.9	11.9	11.0	0.9	8.3	0.0	0.0	26.6	109
Dodo Internet Pty Ltd (i)	932	14.3	0.0	0.0	35.7	0.0	0.0	28.6	7.1	14.3	14
EFTel Pty Ltd (i)	52	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
eSTAR Telecom Pty Ltd (t)	56	26.8	0.0	0.0	23.2	0.0	0.0	0.0	0.0	50.0	56
eTelecommunications Pty Ltd (t&i)	37	21.6	0.0	59.5	10.8	0.0	0.0	2.7	0.0	5.4	37
Exetel Pty Ltd (i)	100	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)	174	12.6	0.0	0.0	18.4	0.0	0.0	0.0	0.0	69.0	174
GlobalCenter Pty Ltd (i)	36	60.0	0.0	0.0	20.0	0.0	20.0	0.0	0.0	0.0	5
G0talk Australia Pty Ltd (t)	466	24.2	1.6	30.5	19.6	0.9	5.8	5.4	2.6	9.4	429
Hotkey Internet Services Pty Ltd (i)	109	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) (c)	9,202	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Hutchison Telecoms (Aust) Pty Ltd (t&i) (c) (inc Orange)	4,496	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
ihug Pty Ltd (t&i)	293	49.1	5.7	11.3	18.9	11.3	1.9	0.0	1.9	0.0	53
iiNet (OzEmail) Pty Ltd (t&i)	214	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1
iiNet Ltd (i)	413	20.6	1.5	50.0	14.7	4.4	5.9	0.0	0.0	2.9	68
Internode Systems Pty Ltd (i)	48	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Koee Communications Pty Ltd (t&i)	1,686	33.2	0.5	24.9	36.9	1.1	1.7	0.4	0.4	0.9	1317
Koee Telecom (t)	413	35.6	18.3	5.5	17.3	2.8	10.0	1.4	5.5	3.5	289
Look Mobile Ltd (t) *	32	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
M2 Telecommunications Pty Ltd (t)	261	11.6	0.8	51.9	19.4	0.4	0.0	12.0	0.0	3.9	258
m8 Telecom Pty Ltd (o)	655	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)	35	3.6	0.0	42.9	3.6	0.0	21.4	0.0	0.0	28.6	28
Multelink Services Pty Ltd (t)	34	54.5	9.1	6.1	30.3	0.0	0.0	0.0	0.0	0.0	33
NC Cable Pty Ltd (t&i)	40	10.0	0.0	0.0	0.0	10.0	40.0	10.0	0.0	30.0	10
Netspace Online Systems Pty Ltd (i)	186	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)	63	54.2	13.6	5.1	16.9	3.4	6.8	0.0	0.0	0.0	59
Optus Broadband Pty Ltd (i)	1,901	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)	7,391	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	1
Optus Networks Pty Ltd (t) (c)	7,610	33.0	9.9	12.9	16.3	2.5	6.2	6.1	6.7	6.4	7126
Orion Telecommunications Australia Limited (t)	32	0.0	3.3	23.3	23.3	0.0	0.0	46.7	0.0	3.3	30
OzEmail Pty Ltd (i) *	241	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Pacific Internet Australia (i)	98	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
People Telecommunications Ltd (t&i)	656	21.0	7.1	27.8	16.9	1.0	3.1	6.1	4.4	12.5	295
PowerTel Ltd (o) (c)	30	5.0	0.0	20.0	5.0	15.0	15.0	0.0	5.0	35.0	20
Primus Online Pty Ltd (t&i)	173	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Primus Telecommunications Pty Ltd (t&i) (c)	3,683	36.4	12.2	5.0	21.0	4.2	9.7	1.3	6.7	3.4	2348
RSL COM Business Communications Pty Ltd (t&i)	71	15.9	10.1	44.9	7.2	1.4	4.3	5.8	5.8	4.3	69
SIMplus Mobile Pty Limited (t)	2,559	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)	646	7.8	4.8	13.2	30.6	0.2	3.2	35.9	0.5	4.0	630
Southern Phone Company (t)	153	16.3	8.8	30.6	26.5	0.7	6.1	10.2	0.0	0.7	147
Swiftel Communications (i) (c)	156	57.1	0.0	0.0	14.3	0.0	0.0	0.0	14.3	14.3	7
TCI Australia Pty Ltd (t)	31	22.6	0.0	0.0	6.5	0.0	0.0	0.0	0.0	71.0	31
Tel.Pacific Pty Ltd (i)	83	27.1	0.0	0.0	10.4	0.0	0.0	0.0	0.0	62.5	48
Telkom Pty Ltd (t)	38	31.6	23.7	23.7	0.0	5.3	0.0	0.0	0.0	15.8	38
Telstra Big Pond (i)	5,649	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Telstra Corporation (t) (c)	30,199	27.5	18.1	2.4	16.1	1.8	12.0	4.0	9.5	8.8	20479
TPG Internet Pty Ltd (i)	786	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	1
TransACT Capital Communications Pty Ltd (t&i) (c)	83	27.4	2.7	9.6	13.7	1.4	1.4	9.6	13.7	20.5	73
United Customer Management Solutions Pty Ltd (t)	41	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)	76	28.6	0.0	31.4	17.1	0.0	5.7	12.9	2.9	1.4	70
VIG Customers Pty Limited (t)	73	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)	354	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Vodafone Australia Limited (t) (c)	2,594	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Voicetalk Pty Ltd (t)	40	5.0	0.0	27.5	25.0	0.0	0.0	37.5	0.0	5.0	40
WestNet Pty Ltd (i) (c)	50	66.7	0.0	0.0	33.3	0.0	0.0	0.0	0.0	0.0	3

* members terminated during year Other includes Contracts, Directories, Disability Services, Land Access, Payphones, Phone Cards & Porting

bers that received 25 or more complaints in 2004/05)

MOBILE										INTERNET									
% Billing	% Contracts	% Credit Control	% Customer Service	% Disconn- ection	% Faults	% Porting	% Other	Total Mobile		% Billing	% Contracts	% Credit Control	% Customer Service	% Disconn- ection	% Faults	% Provision	% Other		Internet
33.3	33.3	0.0	0.0	0.0	0.0	33.3	0.0	3		16.7	0.0	0.0	50.0	0.0	0.0	33.3	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
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		24.7	4.3	1.1	14.0	4.3	30.1	15.1	6.4		93
23.8	20.3	26.6	16.8	1.3	6.6	4.2	0.4	1,279		21.5	8.5	3.6	30.5	1.7	17.4	16.4	0.4		587
27.7	36.2	19.1	6.4	0.0	10.6	0.0	0.0	47		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		26.2	11.9	4.8	11.9	0.0	31.0	14.3	0.0		42
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		97.1	0.0	0.0	2.9	0.0	0.0	0.0	0.0		34
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	25.0	0.0	25.0	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		25.9	11.1	0.0	29.6	3.7	22.2	7.4	0.0		54
42.9	0.0	57.1	0.0	0.0	0.0	0.0	0.0	7		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	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	66.7		3
36.6	16.9	5.6	16.9	1.4	22.5	0.0	0.0	71		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		44.4	2.8	0.0	27.8	8.3	13.9	2.8	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	100.0	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		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
36.6	21.4	14.3	12.3	0.6	13.8	0.4	0.6	1,077		0.0	14.3	0.0	7.1	0.0	57.1	21.4	0.0		14
0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
33.3	33.3	0.0	33.3	0.0	0.0	0.0	0.0	3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	50.0	0.0	0.0	0.0	50.0	0.0	2		50.0	0.0	0.0	0.0	50.0	0.0	0.0	0.0		2
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		36.7	14.3	0.0	24.5	12.2	10.2	2.0	0.0		49
50.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0	2		0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0		1
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		32.0	10.0	4.0	14.0	2.0	22.0	16.0	0.0		50
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		58.3	16.7	0.0	12.5	8.3	4.2	0.0	0.0		48
25.0	25.0	0.0	50.0	0.0	0.0	0.0	0.0	4		35.7	0.0	7.1	21.4	0.0	14.3	21.4	0.0		14
0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
50.5	10.3	6.5	14.0	2.8	10.3	5.6	0.0	107		14.9	10.6	2.1	29.8	2.1	31.9	4.3	0.0		47
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		48.5	0.0	0.0	24.2	9.1	18.2	0.0	0.0		33
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
30.2	18.6	14.0	16.3	2.3	2.3	16.3	0.0	43		18.9	12.6	0.3	25.5	7.0	16.7	18.1	1.0		875
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		30.8	7.7	0.0	9.6	15.4	17.3	17.3	0.0		52
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		13.1	13.1	0.0	18.2	3.0	41.4	7.1	0.0		99
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		25.8	6.5	3.2	9.7	0.0	45.2	9.7	0.0		31
50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	2		31.4	31.4	0.0	25.7	0.0	8.6	2.9	0.0		35
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		33.9	1.8	4.6	20.2	8.3	24.8	5.5	0.0		109
19.0	20.3	6.8	17.6	0.7	31.9	2.2	1.5	9,201		100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		1
14.0	23.6	13.1	12.2	0.8	34.6	0.7	1.0	4,496		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		40.8	6.3	15.8	15.4	5.4	12.1	2.5	1.7		240
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		42.7	7.0	1.9	23.5	2.8	11.7	9.9	0.5		213
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		19.7	7.0	3.8	17.7	5.8	23.5	20.0	2.6		345
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		14.6	4.2	0.0	14.6	0.0	22.9	39.6	2.1		48
40.0	10.0	0.0	30.0	0.0	0.0	20.0	0.0	10		12.0	1.4	0.0	39.8	3.3	40.7	2.5	0.3		359
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		34.7	9.7	8.9	19.4	3.2	15.3	8.1	0.8		124
21.9	34.4	18.8	15.6	0.0	9.4	0.0	0.0	32		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	0.0	66.7	0.0	3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
24.6	40.8	5.5	18.0	1.5	6.9	1.5	1.2	655		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	1		33.3	16.7	33.3	0.0	0.0	16.7	0.0	0.0		6
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		1
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		36.7	3.3	3.3	16.7	0.0	36.7	3.3	0.0		30
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		26.3	12.9	0.0	16.1	3.8	23.1	16.7	1.1		186
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		50.0	0.0	25.0	25.0	0.0	0.0	0.0	0.0		4
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		19.3	16.5	2.4	21.7	2.0	13.1	23.1	2.0		1,901
29.8	18.4	17.4	18.3	0.9	10.9	1.4	2.8	7,390		0.0	0.0	0.0	0.0	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	1		59.0	6.0	5.6	13.3	5.2	7.0	3.5	0.4		483
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	0.0	0.0	50.0		2
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		38.6	6.2	2.5	23.7	0.8	14.9	12.9	0.4		241
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		33.7	16.3	3.1	18.4	7.1	10.2	10.2	0.0		98
16.8	46.7	5.8	16.1	1.1	6.2	2.2	5.1	274		32.2	9.2	3.4	17.2	4.6	13.8	14.9	0.0		87
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		30.0	20.0	0.0	0.0	40.0	10.0	0.0	0.0		10
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		35.8	9.8	2.3	23.1	2.3	12.1	11.6	3.0		173
34.3	22.9	11.4	22.9	2.9	2.9	2.9	0.0	35		33.6	10.0	5.5	24.0	2.9	12.2	11.2	0.3		1,300
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		2
27.6	32.0	11.1	17.2	3.1	6.2	1.5	1.2	2,559		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
43.8	12.5	6.3	25.0	0.0	6.3	0.0	6.3	16		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		16.7	0.0	0.0	0.0	0.0	83.3	0.0	0.0		6
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		49.0	6.0	4.7	18.1	2.0	8.7	10.7	0.0		149
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		31.4	22.9	2.9	2.9	2.9	31.4	5.7	0.0		35
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0		23.2	9.1	3.6	23.3	1.7	18.4	19.6	1.0		5,649
27.4	20.4	19.4	15.3	0.8	13.3	0.9	2.6	9											

Complaints against TIO Members by Level (non-standardised)

1 July 2004 to 30 June 2005 (Includes members that received 25 or more complaints in 2004/05)

Member Name	Total number of complaints	% level 1	% level 2	% level 3	% level 4
1410 Communications Pty Ltd (t)	622	96.1	3.2	0.6	0.0
1800 Reverse Pty Ltd (t)	62	100.0	0.0	0.0	0.0
aaNet Communications Pty Ltd (i)	75	90.7	6.7	2.7	0.0
AAPT Ltd (t&i) (c)	5,350	92.8	6.1	1.1	0.0
AAPT Mobile Limited (t) *	41	63.4	24.4	12.2	0.0
ADAM PTY. LTD (i)	31	87.1	12.9	0.0	0.0
Approach Telecom Australia Pty Ltd (t)	1,510	99.3	0.5	0.1	0.0
Astracom Pty Ltd (t)	76	85.5	9.2	5.3	0.0
AstraTEL Pty Ltd (i)	40	75.0	22.5	2.5	0.0
Astron Communication and Information Services Pty Ltd (t)	46	97.8	2.2	0.0	0.0
Aurora Energy AAPT Pty Ltd (t&i)	58	98.3	1.7	0.0	0.0
AUSTAR United Mobility Pty Ltd (t)	60	96.7	3.3	0.0	0.0
Australia On Line Pty Ltd (i)	25	96.0	4.0	0.0	0.0
Australian Communications Network Pty Limited (t&i)	63	98.4	1.6	0.0	0.0
Australian Star Communications (t)	51	78.4	17.6	3.9	0.0
Axis Telecoms Pty Ltd (t)	41	85.4	9.8	4.9	0.0
B Digital Ltd (t)	917	92.6	6.1	1.3	0.0
Blue Ridge Telecom Systems, LLC (t)	59	94.9	5.1	0.0	0.0
Broadtel Communications Limited (t)	56	57.1	21.4	16.1	5.4
Budget Telecom Pty Ltd (t&i)	116	94.0	5.2	0.9	0.0
Budgetel Pty Ltd (t&i)	97	86.6	8.2	5.2	0.0
Bytecard Pty Ltd (i)	47	80.9	10.6	8.5	0.0
Call Australia Pty Ltd (t)	475	96.4	2.9	0.6	0.0
CardCall Pty Ltd (t&i)	84	94.0	4.8	1.2	0.0
Chariot Internet Ltd (i) (c)	42	97.6	2.4	0.0	0.0
Chi Telecom Pty Ltd (t)	38	89.5	7.9	2.6	0.0
ComCen Pty Ltd (i)	40	62.5	20.0	15.0	2.5
Commander Australia Ltd (t&i)	129	92.2	5.4	2.3	0.0
Corporate Telecom Pty Ltd (t&i)	31	71.0	19.4	9.7	0.0
Digiplus Pty Ltd (t&i)	284	94.4	5.3	0.4	0.0
Direct Internet Pty Ltd (i)	25	80.0	8.0	12.0	0.0
Direct Telecoms Pty Ltd (t)	104	89.4	6.7	3.8	0.0
Dodo Internet Pty Ltd (i)	705	95.2	4.1	0.7	0.0
EFTel Pty Ltd (i)	45	95.6	4.4	0.0	0.0
eSTAR Telecom Pty Ltd (t)	44	93.2	4.5	2.3	0.0
eTelecommunications Pty Ltd (t&i)	27	100.0	0.0	0.0	0.0
Exetel Pty Ltd (i)	84	94.0	6.0	0.0	0.0
Global Networks (Aust) Pty Ltd (t)	148	85.1	10.1	4.7	0.0
GlobalCenter Pty Ltd (i)	30	90.0	10.0	0.0	0.0
GOTalk Australia Pty Ltd (t)	374	94.9	4.8	0.3	0.0
Hotkey Internet Services Pty Ltd (i)	89	89.9	7.9	2.2	0.0
Hutchison 3G Australia Pty Ltd (o) (c)	6,585	93.5	5.8	0.7	0.0
Hutchison Telecoms (Aust) Pty Ltd (t&i) (c) (inc Orange)	3,341	90.0	7.8	2.2	0.0
ihug Pty Ltd (t&i)	223	72.2	19.7	8.1	0.0
iiNet (OzEmail) Pty Ltd (t&i)	151	78.8	15.2	6.0	0.0
iiNet Ltd (i)	332	94.0	5.1	0.9	0.0
Internode Systems Pty Ltd (i)	43	95.3	4.7	0.0	0.0
Kooee Communications Pty Ltd (t&i)	1,112	99.7	0.3	0.0	0.0
Kooee Telecom (t)	320	95.0	4.4	0.6	0.0
Look Mobile Ltd (t) *	26	80.8	15.4	3.8	0.0
M2 Telecommunications Pty Ltd (t)	206	91.7	6.8	1.5	0.0
m8 Telecom Pty Ltd (o)	464	86.2	10.6	3.0	0.2
Macquarie Corporate Telecommunications Holdings Ltd (t)	32	71.9	21.9	6.3	0.0
Multelink Services Pty Ltd (t)	25	76.0	20.0	4.0	0.0
NC Cable Pty Ltd (t&i)	32	90.6	9.4	0.0	0.0
Netspace Online Systems Pty Ltd (i)	131	89.3	8.4	2.3	0.0
NEW Tel Services Pty Ltd (t)	55	92.7	5.5	1.8	0.0
Optus Broadband Pty Ltd (i)	1,447	91.6	7.1	1.2	0.0
Optus Mobile Pty Ltd (t) (c)	5,756	90.4	7.4	2.1	0.1
Optus Networks Pty Ltd (t) (c)	6,189	91.2	6.8	2.0	0.0
Orion Telecommunications Australia Limited (t)	26	100.0	0.0	0.0	0.0
OzEmail Pty Ltd (i) *	196	79.1	17.9	3.1	0.0
Pacific Internet Australia (i)	74	90.5	4.1	5.4	0.0
People Telecommunications Ltd (t&i)	444	89.0	7.9	2.9	0.2
PowerTel Ltd (o) (c)	26	96.2	3.8	0.0	0.0
Primus Online Pty Ltd (t&i)	127	87.4	11.0	1.6	0.0
Primus Telecommunications Pty Ltd (t&i) (c)	2,752	92.8	6.0	1.2	0.0
RSL COM Business Communications Pty Ltd (t&i)	60	93.3	6.7	0.0	0.0
SIMplus Mobile Pty Limited (t)	1,915	84.1	12.8	3.1	0.0
Southern Cross Telco Pty Ltd (i)	572	98.3	1.4	0.3	0.0
Southern Phone Company (t)	128	94.5	4.7	0.8	0.0
Swiftel Communications (i) (c)	114	88.6	7.9	3.5	0.0
TCI Australia Pty Ltd (t)	26	96.2	3.8	0.0	0.0
Tel.Pacific Pty Ltd (i)	69	81.2	14.5	4.3	0.0
Telkom Pty Ltd (t)	26	80.8	11.5	7.7	0.0
Telstra Big Pond (i)	4,294	87.6	9.8	2.6	0.1
Telstra Corporation (t) (c)	24,453	87.3	9.6	3.0	0.1
TPG Internet Pty Ltd (i)	598	82.6	13.0	4.3	0.0
TransACT Capital Communications Pty Ltd (t&i) (c)	70	85.7	8.6	5.7	0.0
United Customer Management Solutions Pty Ltd (t)	30	96.7	3.3	0.0	0.0
Universal Telecom Australia Pty Ltd (t)	64	96.9	3.1	0.0	0.0
VIG Customers Pty Limited (t)	58	100.0	0.0	0.0	0.0
Virgin Mobile (Australia) Pty Ltd (t)	286	92.7	6.3	1.0	0.0
Vodafone Australia Limited (t) (c)	2,064	95.4	3.9	0.6	0.0
Voicetalk Pty Ltd (t)	31	100.0	0.0	0.0	0.0
WestNet Pty Ltd (i) (c)	40	100.0	0.0	0.0	0.0

* members terminated during year

GLOSSARY

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. See also Codes.

ACMA (Australian Communications and Media Authority)

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

ADMA (Australian Direct Marketing Association)

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

ADR (Alternative Dispute Resolution)

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

ADSL (Asymmetric Digital Subscriber Line)

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

AMTA (Australian Mobile Telecommunications Association)

The national body representing the mobile telecommunications industry in Australia.

Board

The TIO Scheme 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 TIO's *Memorandum and Articles of Association* and its *Constitution*.

Broadband

Broadband is a general term that refers to high-speed connections such as cable, 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 that differs from GSM digital. CDMA replaced the analogue service.

Churn

The process of transferring customer accounts between service providers.

CND (Calling Number Display)

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

Codes

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

Complaint

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

Complaint levels

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

Constitution

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

Council

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

CSG (Customer Service Guarantee)

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

Determination/direction

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

DIST benchmarks

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

Dumping

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

Enquiry Officer

TIO staff member who handles level 1 complaints, both written and oral.

GSM (Global system for mobiles)

A digital mobile phone system.

HiBIS

HiBIS is a Federal Government initiative that provides registered internet service providers with incentive payments to supply higher bandwidth services in regional, rural and remote areas at prices comparable to those available in metropolitan areas.

Investigation Officer

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

ISP (Internet service provider)

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

Issue

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

Member

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

Memorandum and Articles of Association

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

MNP (mobile number portability)

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

Pair gain

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

Porting

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

Resolution

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

Service provider

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

Spam

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

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.

3G

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

TTY Teletypewriter

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

Universal Service Obligation USO

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

The USO is complemented by the CSG.

Member List at 30/06/2005

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

Member Category	Total	%
Internet service provider	763	67.2%
Other	37	3.3%
Telephone and internet service provider	161	14.2%
Telephone service provider	174	15.3%
Total	1,135	

Internet service provider	Date joined TIO		
#1 Computer Services Pty Ltd	4/4/00	Advatel Wireless Pty Ltd	15/4/04
123-easyDSL.com	29/9/03	Affinity Corporation Pty Ltd	29/8/02
154 COLLINS STREET PTY LIMITED	9/3/04	Airnet Commercial Australia Pty Ltd	18/7/00
1990 Multiline BBS Pty Ltd	8/9/98	Airweb Connect Pty Ltd	18/3/05
21st Century Pty Ltd	1/7/97	Albury Local Internet Pty Ltd	30/11/00
A Y Communications	22/10/97	All IP Services Pty Ltd	16/2/04
A.J Wilson & O.A Wilson t/as		Allstate Computers	18/1/99
Hotwire Internet Services Queensland	21/9/04	Alpha Dot Net Australia Pty Ltd	31/10/97
A.K. Boening & S.C. Cooney t/as		Alphalink Australia Pty Ltd	1/7/97
Monkey Internet	19/8/04	Alphawest Pty Ltd	9/7/98
A3 Networks Pty Ltd	21/1/04	Alphernet Pty Ltd	26/6/98
AAA Communications Pty Ltd	6/6/02	Always Online Pty Ltd	29/1/01
aaNet Communications Pty Ltd	6/11/03	Amisoft	13/11/97
Aardvark Internet Pty Ltd	16/7/03	Amnet IT Services Pty Ltd	30/3/04
Ablaze Internet Technologies Pty Ltd	30/9/99	Analyst Programmers Pty Ltd	22/7/99
Access Blue Lagoon Internet Services Pty Ltd	9/12/98	Angelnet	12/11/03
Access Internet	1/7/97	ANR Billing	24/3/03
Access Net Internet Services Pty Ltd	25/5/02	ANS Communications Pty Ltd	2/4/98
Access Only Pty Ltd	14/4/03	APJ Net Pty Ltd	23/5/03
Access Plus Pty Ltd	24/4/01	Aquarius Communications	3/11/97
Access Providers Pty Ltd	6/1/03	Arachnet Pty Ltd	24/8/98
Accsoft Computer Technology Pty Ltd	27/10/97	Arcadia Technology	10/12/97
Accsys IT Pty Ltd	21/2/02	Ardebil Pty Ltd	21/7/98
Ace Internet Services Pty Limited	1/9/97	Argonaut Internet Service	21/7/00
Ace Online Pty Ltd	21/7/98	Asia Global Crossing Australia Pty Ltd	11/9/01
Acegame Pty Ltd	24/11/04	AstraTEL Pty Ltd	8/12/04
Acenet Internet Services	18/1/99	Atlare Pty Ltd	3/7/02
Acepia	23/4/98	Atomic Wireless Pty Ltd	16/8/04
ActewAGL Retail	7/6/01	Auction Classifieds Pty Ltd	10/9/02
Activ Australia Pty Ltd	20/10/98	Ausnet Pty Ltd	3/5/04
Acure Technology Pty Ltd	1/6/04	Aussie Paradise Designs	11/6/02
ADAM PTY. LTD	15/10/97	Aussie Rent Pty Ltd	2/3/05
Admac Nominees Pty Ltd	26/4/02	AUSTAR United Broadband Pty Ltd	10/11/03
Admit Internet	7/2/03	Australia Connect Pty Ltd	21/7/98
ADNET Holiday Coast Internet	7/8/98	Australia Internet Solutions Pty Ltd	13/10/97
Advanced Internet Services Pty Ltd	21/7/97	Australia On Line Pty Ltd	25/3/98
		Australian Bowhunters Journal Pty Ltd	15/10/98
		Australian Corporate Information Solutions	17/3/03

Australian Inland	21/3/03	Bushcom Pty Ltd	8/10/04
Australian Internet Billing Pty Ltd	21/4/04	Bytecard Pty Ltd	11/12/97
Australian Regional Technology Information Services	21/11/02	C.J SCAFE & S Scafe	26/6/03
AustraliaNet IT Pty Ltd	14/3/00	C.S. Sutherland Corporation Pty Ltd	8/9/03
Australis Internet Pty Ltd	22/9/00	C1 Consulting Pty Ltd	18/10/02
Austrasoft Pty Ltd	18/5/04	Cairnsnet Pty Ltd	22/1/01
Auzynet Pty Ltd	1/2/02	Callvale Pty Ltd	7/5/04
Avon Global Communications	21/7/98	CanDo Internet Pty Ltd	17/11/04
AW Communications Pty Ltd	11/3/03	CD Computer World Pty Ltd	17/3/00
Awafith Pty Ltd	6/9/00	Central Coast Internet Pty Ltd	13/11/97
Awebit Pty Ltd	26/2/04	Central Online Pty Ltd	10/9/01
Banana Shire Council	17/5/99	Central-Data Pty Ltd	3/11/00
bandwidth UNLIMITED Pty Ltd	16/9/03	Cerum Pty Ltd	1/8/02
Barcode Solutions Pty Ltd	23/9/99	CGK Consultants International Pty Ltd	27/9/04
Barimanet Pty Ltd	22/8/03	Charanda Systems Pty Ltd	26/7/04
Barnetwork Pty Ltd	7/10/03	Chariot Internet Ltd	30/10/97
Barroband Pty Ltd	14/8/98	Cherry Technology Pty Ltd	8/6/99
Batemans Bay Connect	16/12/02	Chilli Internet Solutions Pty Ltd	26/3/98
Be Communications Pty Ltd	28/10/04	Christian ISP	15/5/03
Beagle Internet Pty Ltd	9/6/04	Cimtec Pty Ltd	14/10/97
BeSecure Pty Ltd	18/5/00	Ciphertel Pty Ltd	21/4/05
Betem Pty Ltd	16/11/04	Cirrus Communications Pty Ltd	18/5/05
Betterlink Pty Ltd	21/12/98	Citisystems (Aust) Pty Ltd	7/5/99
Beyond Net Pty Ltd	2/5/02	Citylink Technology Pty Ltd	4/8/99
Big Button Pty Ltd	14/1/98	ClariNET Internet Solutions Pty Ltd	25/7/97
BigAir Australia Pty Ltd	25/11/02	Clockwork ISP Pty Ltd	31/3/03
Bigdy Pty Limited	20/12/04	Clove.net.au	30/1/04
Bigfoot Internet Pty Ltd	2/1/02	Clover Computing	10/6/98
Bilby Internet Service Pty Ltd	20/3/03	Club Australasia Pty Ltd	9/11/01
BIT net Pty Ltd	29/11/04	ClubNet International Pty Ltd	18/1/99
Bizmail Broadband Limited	9/6/04	Cmon.com.au Pty Ltd	15/12/03
Bizyweb Internet Services	25/7/02	CNN Internet Pty Ltd	29/6/00
BKB Internet Pty Ltd	5/2/04	Coastal IT Pty Ltd	8/7/03
BLR Investments Pty Ltd	31/10/02	Cold Coffee Internet Services Pty Ltd	9/10/03
Blue Mountains Internet	4/5/98	Colour City Computers & Internet Services	8/10/03
Blue Net Pty Ltd	19/11/02	Comaxes Corporation Pty Ltd	29/6/99
Blue Wire Technologies Pty Ltd	17/10/03	ComCen Pty Ltd	17/7/97
Bluefire Corporation Pty Limited	28/6/99	Come On Aussie Internet Services	27/4/04
Bluegum Communications Pty Ltd	24/9/04	Commerce Australia Pty Ltd	3/4/98
BluIce Technology	31/1/00	Commslogic Pty Ltd	28/6/05
Bordernet Internet Pty Ltd	23/6/03	Communicat Investments Pty Ltd	1/7/97
Bribie Island Internet Pty Ltd	7/4/04	Community Information Strategies Australia Inc	22/11/04
Brisbane Public Access Network Association Incorporated	25/3/99	Compass Net	9/7/98
Broadcast Engineering Services (Australia) Pty Ltd	19/9/02	Computer Connect Wireless Network	15/4/02
Broadway Web (Internet) Services	15/3/04	Computer Systems Support (Mackay) Pty Ltd	23/5/00
Bucan Holdings Pty Ltd	1/7/97	Computers Now Pty Ltd	9/8/02
Burnett.net.au Pty Ltd	7/7/03	Comstar Internet Services Pty Ltd	12/2/03
		Comstech Systems	23/4/03
		Conceptual Internet Australia Pty Ltd	3/7/00

Connect Internet Solutions Pty Ltd	1/7/97	Dot Communications Pty Ltd	2/10/97
Connect West Pty Ltd	22/10/04	Dot CX Limited	26/3/01
Contal Information Technology Pty Ltd	12/6/98	DotAussie.com	1/4/03
Copper Road Pty Ltd	7/10/02	DoveNetQ	15/8/97
Corinthian Engineering Pty Ltd	6/4/98	Down Under Consultants Pty Ltd	12/5/98
Cornish Business Solutions	11/9/03	Dragnet Internet Services Pty Ltd	26/11/97
Corpita Pty Ltd	15/4/03	E C & P Electronic Components & Peripherals	2/2/99
Coscom Technology	16/4/99	E-Access Broadband	3/3/03
Country Energy	9/12/02	E-Sharp Technology Pty Ltd	6/8/02
CQ Net Pty Ltd	22/3/02	E-Vision Internet Services	8/11/99
Craig John Sawtell	18/8/03	EA & N Ives t/as Far North Internet	26/6/03
Creagh McGlasson Pty Ltd t/as		Easemail.net Pty Ltd	26/4/05
Rural Systems	29/3/04	Eastcoast Internet	10/7/99
Cross Link Pty Ltd	28/5/02	Easy Internet Services Pty Ltd	3/10/03
CSI Holdings Pty Ltd	18/7/97	Easynet Pty Ltd	28/11/97
Curl Internet Solutions Pty Ltd	19/11/03	Echobreeze Pty Ltd	20/1/03
CybaNet Internet Services Pty Ltd	28/3/02	ECN Pty Ltd	13/3/03
Cyberlink Network	28/6/99	Ecopost Pty Ltd	4/8/97
Cybernet International	16/2/00	EFTel Pty Ltd	2/1/01
Cybernet Internet Services	2/10/00	Eftel Radio Pty Ltd	6/5/02
Cybernet Pty Ltd	9/12/98	Elmtree Consulting Services Pty Ltd	28/5/99
CyberOne Pty Ltd	3/9/97	Elu Information Systems Pty Ltd	27/10/97
Cyberspace Corporation Pty Ltd	2/12/97	Emerge Technologies Pty Ltd	15/11/99
Cyberwizards Group Pty Ltd	27/9/00	Encom Pty Ltd	11/2/04
D & M Technologies Pty Ltd	2/4/01	Enhanced Design And Information	
D L & L M McDonagh t/as		Technology Group	4/1/03
Telegraph Road Partnership	31/5/02	Ensyst Pty Limited	13/5/05
D.E Baldock & R.D Baldock, t/as Rocket Web	9/4/03	Enter Net Australia Pty Ltd	12/6/98
D.S.B.S. Pty Ltd	5/10/04	Enterprize Internet Services	30/11/99
Dart Global Pty Ltd	23/10/03	EON Technology Pty Ltd	18/5/98
Data FX Online Pty Ltd	18/6/03	Escape Communications Pty Ltd	9/8/02
Datalan Australia Pty Ltd	16/6/03	Escape.Net	12/1/98
DAYTEC Australia Pty Ltd	20/2/00	EtherTech Pty Ltd	2/6/99
DBGUGG Information Technology Pty Ltd	7/5/04	Etherwave Networks Pty Ltd	1/7/02
DCS Internet	15/10/97	ETT Access Pty Ltd	19/3/02
DDA Pty Ltd	7/12/99	Evanscorp Pty Ltd	2/11/01
Depot IT Pty Limited	23/8/04	Evolve Connect Communicate	11/6/04
Design Online	31/3/00	Exceed Systems Integration Pty Ltd	14/3/00
Desiin Pty Ltd	27/4/98	Exetel Pty Ltd	21/4/04
Dezza Net Pty Ltd	1/6/98	Export Mission Information Systems Pty Ltd	10/1/00
Didji NET Interactive Group Pty Ltd	6/11/02	Express Publications Pty Ltd	23/2/00
Diggy Australia Pty Ltd	13/9/99	Extentia Corporation Pty Limited	24/3/04
Digimedia Pty Ltd	30/8/02	extremeDSL	7/5/04
Digital Data Information Services		Eyespy Surveillance Services	25/5/04
Internet & Communications Pty Ltd	22/9/03	Ezylink	19/1/99
Direct Internet Pty Ltd	22/12/03	F1 (Formula One) Internet Services	18/1/99
Dodo Australia Pty Ltd	10/9/01	F1 Computer Services	16/6/99
Doggy Communications Pty Ltd	5/4/04	Fasternet.com.au	14/3/00
Domain Business Network Systems	23/5/03	Fibre Pty Ltd	23/10/03
Domain Link	2/9/99	Firestar Internet Pty Ltd	4/7/01

Firestorm Computing Pty Ltd	21/1/04	Hitech Support Pty Ltd	23/6/02
First Link Internet Service Pty Ltd	1/7/97	Horizen Enterprises Pty Ltd	8/9/99
Fleet Broadband Holdings Pty Ltd	9/5/03	Hostbiz Pty Ltd	12/5/04
Flownet Access	29/8/00	Hosting Technologies Pty Ltd	26/8/03
Foundation IT Services Pty Ltd	22/7/02	Hot-Link DDS	15/7/99
Fox All Service Pty Ltd	24/8/98	Hotkey (Bendigo) Internet Services	19/12/02
Freestate Networks	1/9/99	Hotkey Glen Waverley Pty Ltd	7/5/03
Freenet Australia Pty Ltd	6/8/99	Hotkey Internet Services Pty Ltd	29/10/97
Freshwater Group Pty Ltd	2/5/02	Hotkey West Pty Ltd	8/5/03
Frog Net Australia Pty Ltd	24/8/99	Hotline Support Pty Ltd	12/2/04
Frontier ISP Pty Ltd	6/4/01	HTML Net	9/7/98
Fujitsu Australia Ltd	7/1/98	Hudson Data	2/3/99
Futureweb Pty Ltd	9/7/98	HunterLink Pty Ltd	16/9/97
Gameexpress Glen Waverley Pty Ltd	21/6/02	Hylinx	9/1/03
Gary Selby t/as Teegee Internet	11/11/04	Hyper-Drive Technologies Pty Ltd	15/9/00
Geecko	21/5/02	Hyperlink Pty Ltd	11/9/03
Gel Works Pty Ltd	22/7/99	Hypermax Holdings Pty Ltd	20/10/04
Generation IT	7/3/03	HyperOz	15/4/04
Genisyst Pty Limited	1/7/97	I Benefit Pty Ltd	20/8/03
Genuity, Inc.	10/7/00	I Q Connect Pty Limited	5/1/04
GetOnIt Pty Ltd	22/9/03	I&TC Solutions Pty Ltd	28/7/00
GKY Internet	1/7/97	I-Connect Internet Pty Ltd	31/7/03
Global Corporate Net	7/6/01	I-maginet.com Pty Ltd	21/3/01
Global Dial Pty Ltd	3/5/00	Ideal Internet Pty Ltd	13/7/01
Global Solutions Network Pty Ltd	25/8/03	IDXNET Computing Pty Ltd	3/12/97
Global Wire Internet Pty Ltd	5/7/00	iForm	21/7/97
GlobalCenter Pty Ltd Pty Ltd	27/8/02	Immortal Technology Pty Ltd	9/12/98
GoConnect Australia Pty Ltd	25/11/99	Independent Computer Retailers	11/1/00
Godian Enterprises	7/7/00	Independent Service Providers Pty Ltd	14/9/01
Golden IT Pty Ltd	12/12/03	Infinite Networks Pty Ltd	27/10/03
Golden Orb Technologies Pty Ltd	19/12/97	Information Systems Technology Network Pty Ltd	15/5/00
Goldlink Internet Services Pty Ltd	26/1/02	Informed Technology	28/8/98
Goldweb Internet	14/1/03	inspired net	7/5/98
Goulburn Internet Pty Ltd	14/11/03	Inspired Networking	18/1/99
GPC Pty Ltd	30/11/98	Integrated Data Labs Pty Ltd	1/9/99
GPM Internet Pty Ltd	3/4/03	Integrity Network Solutions Pty Ltd	21/2/03
Gratesand Pty Ltd	20/11/98	Intek Pty Ltd	21/8/00
GreenBay Communications Pty Ltd	17/4/03	Intelogy Pty Ltd	19/5/03
Greenhatch Nominees Pty Ltd	17/6/99	Interact Broadband Pty Ltd	2/4/03
Hande.com.au	1/4/03	Interact Computer Centre	15/10/98
Hanod Investments Pty Ltd	29/8/01	Interactive Globalnet (IGN) Pty Ltd	10/11/97
HAQ IT Pty Ltd	24/3/99	InterDomain Pty Ltd	1/1/98
Hawk Link Pty Ltd	25/2/02	InterNet Australis	1/2/00
Hawknet Internet Services	7/9/99	Internet on the Coast Pty Ltd	1/7/97
Hermes Internet	24/7/97	Internet Plus Pty Ltd	11/11/97
Highlands Internet Pty Ltd	21/12/97	Internet Service Providers Pty Ltd	1/7/97
Highlevel Innovations Pty Ltd	11/3/98	Internet Victoria Pty Ltd	28/10/97
Highway Internet Services Pty Ltd	3/7/01	Internet Whitsunday Pty Ltd	19/3/03
Hislora Pty Ltd	2/10/00	InternetWA Pty Ltd	16/6/98
Hisey & Associates Pty Ltd	6/1/03	InterNex Australia Pty Ltd	10/3/98

Internode Systems Pty Ltd	1/7/97	LoginDSL	9/12/02
Intertask Pty Ltd	6/6/03	Longford Internet	13/7/99
Interwerks Pty Ltd	7/12/01	Loudshout! Pty Ltd	31/10/02
Intrapower Pty Ltd	29/7/98	M Alvanos & P Alvanos t/as Unique Results	3/11/03
IntraPower Satellite Pty Ltd	23/5/05	M Power Technologies Pty Ltd	25/3/03
Investment Insight Australia Pty Ltd	12/11/04	M.W Frahn & A.J Stevens t/as Copper Wire	8/1/04
Invidia Corporation Pty Limited	27/5/99	M2 Broadband Pty Ltd	13/5/03
IPN Operations Pty Ltd	27/2/03	Mackay Computer Services Pty Ltd	11/2/00
Isage	7/6/99	MACTL Pty Ltd	21/11/03
ISP National Pty Ltd	12/8/03	Madec	9/3/01
IspOne Pty Ltd	1/4/03	MainLink Internet Services	27/10/99
IT Systems Management Pty Ltd	21/5/03	Malleenet Internet Providers	7/7/00
ITConnect Internet Services Pty Ltd	20/8/02	Matilda Internet Pty Ltd	17/9/98
ITD Group Pty Ltd	14/9/04	matra.com.au Pty Ltd	5/1/98
iwireless	10/10/03	Maurie Fountain & Sons Pty Ltd	7/7/03
Jason David Stead t/as GeckoNet	27/6/05	Maxi Internet Services Pty Ltd	23/4/02
Jaspar Solutions	19/1/01	Maytel Internet	26/4/01
JaziNET	7/1/04	Mazda Australia Pty Limited	23/9/03
Jigsaw Technology Pty Ltd	20/4/98	McGregor Australia Pty Ltd	24/5/02
John Alfred Owen Tobin Crowther t/as		McPherson Media Pty Ltd	21/1/98
Aztec ISP	13/8/04	MedEmail Pty Ltd	18/5/00
Joy Net	20/8/01	Megalink Australia Pty Ltd	29/4/03
Justnet Pty Ltd	11/8/98	MEL Productions Pty Ltd	15/11/99
JWC Internet Services	15/7/02	Melbourne PC User Group Inc	13/10/97
K.J Hickey & R.B Hickey	13/5/05	Merday Pty Ltd	16/1/04
Karratha Internet Support Services	14/1/00	Merlin Internet Services	11/4/99
Kenneth E Harvey t/as NetJunction Internet	1/10/04	Metro Net Corporation Pty Ltd	28/3/01
Kevin Thompson & Kim Richardson t/as		MICHAEL PARNELL PTY LTD	10/9/99
Alias Internet	6/2/02	Microed Pty Ltd	1/6/99
Key Point Pty Ltd	1/7/97	Micronet Internet Pty Ltd	21/3/03
King Island Internet Service	12/8/99	Micronica	30/4/98
Kingfisher Pty Ltd	24/10/03	Microsystems Support	18/12/97
L.I.S.P Pty Ltd (Local Internet Service Provider)	8/1/98	Mightynet.com	21/8/02
Laguna Computers Pty Ltd	4/4/00	Mikka International Pty Ltd	23/7/97
LANcare IT Pty Ltd	29/12/04	Mindvision Interactive Pty Ltd	20/8/97
LastMileAccess Pty Ltd	4/3/04	Minerva Micro Pty Ltd	2/4/98
Launch Pty Ltd	1/7/97	Minopher Pty Ltd	31/12/97
LB & GL Rodda Pty Ltd t/as Quik Internet NNSW	13/11/03	MJ Anderson & AM Batrouni & KP Fuessel	
Leading Edge Computers Kempsey	21/12/99	t/as Shiftreload	11/2/04
Leading Edge Internet Pty Ltd	2/7/01	Modern Pty Ltd	16/11/99
Ledamark Pty Ltd	6/10/00	Monaro IT Pty Ltd	11/11/04
Life Changing Strategies	26/2/03	Monkeybong Enterprises	23/7/02
Link Innovations Pty Ltd	28/11/03	Motile Pty Ltd	16/2/05
Linkit Internet Services	10/11/98	MPV Technologies Pty Ltd	7/1/04
Linknet Internet Service Providers	16/3/99	Multibase Web Australis	1/7/97
Linux Consultants Pty Ltd	18/1/99	Multie Technology Distribution Pty Ltd	29/12/97
Lismore Internet Services	1/7/97	Mustangnet	11/7/01
Livewire Communications	29/1/99	My ISP Australia Pty Ltd	28/2/03
Locall Pty Ltd	27/5/02	myinternet Ltd	1/7/97
Lockyer Internet Pty Ltd	2/12/02	MyLink Wireless Pty Ltd	28/5/04

Nanoetek Pty Ltd	30/4/03	Nvision Pty Ltd	27/8/99
Nareg Internet Pty Ltd	30/8/01	Ocean Broadband Ltd	22/3/05
NEC Australia Pty Ltd	2/8/02	OCTEC Incorporated	11/2/99
Neon Internet	14/2/03	Odyssey World Pty Ltd	17/6/98
Net Solutions Pty Ltd	16/7/99	Offis Pty Ltd	20/11/98
Net Unlimited Pty Ltd	2/9/03	OMCS	1/7/98
Net2000 Pty Ltd	14/7/98	Omninet	14/7/98
Netadvantage Pty Ltd	28/1/03	On The Net Pty Ltd	31/10/97
Netbay Internet Pty Ltd	2/1/01	Online 2000	3/5/99
Netcall ISPs Pty Ltd	4/5/05	Online Connect Pty Ltd	15/5/03
NetCentral.com.au Pty Ltd	14/8/00	OPOC Solutions Pty Ltd	18/8/03
Netcomm Broadband Pty Ltd	1/8/01	Optic Fibre & Wireless Pty Ltd	24/2/04
Netcommplete Pty Ltd	25/10/01	Optraweb Internet Solutions	23/6/03
Netcore Pty Ltd	1/7/97	Optus Broadband Pty Ltd	29/6/00
Netforce Pty Ltd	14/12/01	Orion Online	6/4/98
Netmagic Internet	25/7/02	Orits Australia	12/3/99
Netmail Axxess Pty Ltd	7/6/99	Orli-Tech Pty Ltd	20/4/99
Netmastery Pty Ltd	23/8/99	Ossini Pty Ltd	27/3/00
Netpacket Pty Ltd	1/12/98	Our Haven Pty Ltd	17/6/02
Netracom	11/2/99	Outback Digital Network Ltd	11/9/02
NetServ Pty Ltd	1/12/98	Output DSJ Pty Ltd	27/6/03
Netspace Networks Pty Ltd	13/9/02	Outside the Square Services Pty Ltd	1/9/03
Netspace Online Systems Pty Ltd	1/7/97	Overflow Internet Services	17/6/98
Netway Technologies Pty Ltd	13/5/98	Oxnee Pty Ltd	18/11/99
Network Computer Training Pty Ltd	15/11/00	Oz IT Support Line Pty Ltd	21/5/03
Network Technology (Aust) Pty Ltd	20/5/02	Oz Web Internet Providers Pty Ltd	25/3/99
Networks Multimedia Pty Ltd	26/3/01	OzConnect Internet	28/4/03
netXP	8/10/02	OzForces Pty Ltd	12/3/03
NetYP	10/11/98	OzGuide	15/6/99
New Approach Systems & Software	24/11/98	Ozhost Internet and Electronics	11/6/02
New Millennium Networking	19/2/01	OzISP Pty Ltd	18/11/02
Newman Pty Ltd	19/2/03	Ozzienet Pty Ltd	1/4/03
Nexacom Pty Ltd	16/7/99	Ozzieweb Pty Ltd	11/7/01
Nexon Asia Pacific Pty	11/9/03	P.G. Brown Services Pty Ltd t/as One Bite	7/4/04
Next Century Australia Pty Ltd	20/4/98	Pacific Internet Australia Pty Ltd	30/4/99
Nicholas Childs t/as GoCentral	26/4/04	Pacific Wireless Australia Pty Ltd	19/3/02
Nissen Technologies Pty Ltd	27/8/04	Panorama Development Pty Ltd	11/3/99
No More Wires.com Pty Ltd	31/10/00	Paragon Systems Pty Ltd	10/12/02
Nornet Enterprises Pty Ltd	29/8/02	Patash Pty Ltd	14/10/97
North East Telecommunications Co-operative Ltd	24/1/03	PC Oznet Pty Ltd	8/6/99
North Industries Pty Ltd	10/10/03	PC Technologies Aust Pty Ltd	25/11/03
North Link Communications Pty Ltd	10/2/03	pcProfessionals	6/1/98
Northern Exposure Technologies Pty Ltd	10/12/97	Peevee Software Solutions Pty Ltd	7/8/02
Northern Rivers Gateway	1/7/97	Personal Broadband Australia Pty Ltd	18/12/03
Northern Technology Holdings	24/7/03	Perthnet	16/7/03
Notunseen Pty Ltd	15/5/02	Peter Walter Ketteridge t/as	
NT Technology Pty Ltd	27/8/98	Icon Information Systems	13/1/05
NTT Australia IP Pty Ltd	30/3/98	Petersen's Online Services	4/12/98
NTT Australia Pty Ltd	31/3/98	Phrygian (2504) Pty Ltd	28/10/97
		Plan B Internet Services Pty Ltd	30/3/99

Planet Netcom Pty Ltd	22/8/97	Rural & Peninsula Disability Support Inc	15/9/03
Platform Computing Pty Ltd	9/3/00	Rural Business Machines Pty Ltd	3/2/98
Porternet.com.au	11/12/00	SA Country Club II BBS	17/2/99
Portolan Pty Ltd	27/5/99	Saints PC Pty Ltd	31/5/02
Positronic Pty Ltd	19/6/02	Salient Enterprises Pty Ltd	14/5/03
Powerband Networks Pty Ltd	28/7/03	Samford Net	14/2/03
Powerserve Australia Pty Ltd	31/10/03	Satellite Navigator Pty Ltd	29/5/03
Precision Internet Services	14/10/02	Saunders Properties Pty Ltd	31/7/02
Precisium	12/5/99	Savtek Internet	1/10/03
Preferred Internet Provider	26/11/97	Savvis Australia Pty Ltd	22/10/99
Primebase Pty Ltd	14/12/04	ScoastNet Pty Ltd	15/10/97
Pteryx Productions Australia	22/10/02	SCS Enterprises Australia Pty Ltd	10/2/00
PTMe Pty Ltd	9/7/04	Sebastopol College	10/8/99
Purple Lion IT Solutions	28/3/03	Seltek Australia Pty Ltd	10/1/00
Q Online Internet Services	11/3/03	Service Corp IT Pty Ltd	29/4/02
Qcom Intel Systems (Australia) Pty Ltd	29/10/03	Shane Chrisp t/as 2000 Computers and Networks	22/4/04
Qldwide.net.au	19/1/00	Share.Net Internet Services	18/5/99
Quicknet Internet Provider Pty Ltd	17/12/97	Shopsafe Pty Ltd	30/5/03
Quik Internet Australia Pty Ltd	13/11/03	Silicon Crafts Pty Ltd	18/11/97
Quintessa Holdings Pty Ltd	5/7/99	SIS Group Pty Ltd	12/3/03
Qwest Australia Pty Ltd	6/5/02	Smart Apartments Pty Ltd	8/4/04
Rabbit International	4/2/99	SMV & GJ Bambrick	1/9/03
RAJA Computers Pty Ltd	17/7/03	Sneaker Net	7/7/00
Ram Network Services Pty Ltd	8/5/98	Snowball Internet Pty Ltd	20/8/02
Rascal Internet Pty Ltd	29/10/03	So-net Pty Ltd	8/8/03
RBE Internet Services	10/11/98	South Queensland Internet Services	29/11/99
RDT Holdings Pty Ltd	3/7/03	South Sydney Junior Rugby League Club Ltd	12/11/01
Redgum Software & Support Pty Ltd	17/9/00	South West Communications Company Pty Ltd	8/1/04
Regional Broadband Services Pty Ltd	11/2/04	Southern Aurora Web Designs	8/7/02
Regional Wireless Broadband Pty Ltd	8/9/04	Southern Matrix International Pty Ltd	17/6/99
Relax Internet Enterprises Pty Ltd	12/6/98	Southern Star Communications Pty Ltd	1/7/97
Request Business Solutions Pty Ltd	7/10/03	Spacelink Communications Pty Ltd	25/7/02
Restless Online Services	17/9/98	Speednet Communications Pty Ltd	27/7/99
Retnet Internet Services	21/5/99	Spencer Gulf Telecasters Ltd	20/9/02
Reverence Earthlink Internet Services	2/1/01	Spiderweb Access	14/7/98
Rex Communications Pty Ltd	25/7/97	Spin Internet Services Pty Ltd	20/4/98
Reynolds & Reynolds Pty Ltd	12/5/00	Spitfire Internet Services Pty Ltd	18/4/00
Reynolds Technology Pty Ltd	23/7/01	Statewide Direct Group Pty Ltd atf	
RGTechnologies Pty Ltd	15/6/99	Statewide Direct Group Trust	14/11/03
Richard Gary Wall t/as @Tech	1/9/03	Summit Internet Solutions	27/8/98
Richard Gustin t/as Everlast Internet Services	23/12/03	Sun Corporation Pty Ltd	27/5/03
RickSure Pty Ltd	16/2/01	Suncove Pty Ltd	13/5/02
Rimmer Trading Pty Ltd	30/10/97	Surf-Net City Australia	13/11/02
Rimway Holdings Pty Ltd	21/11/02	Swiftel Communications Pty Ltd	7/8/00
Ripnet	25/5/99	SwiftNet Pty Ltd	13/5/99
RO Computer Services Pty Ltd	17/11/97	Swishinternet	26/12/03
Robert James Wood t/as Skeylink Internet	8/11/04	Switch.Com Pty Ltd	14/7/98
ROK Technology Pty Ltd	20/1/00	Sympac Computing Pty Ltd	3/6/98
Rubix Computers Pty Ltd	14/5/99	Synersys Pty Ltd	29/5/03
		Taccom Pty Ltd	23/3/99

Tactical Access Provider	24/8/98	Victoria's Network: VICNET	26/3/98
TCSI Pty Ltd	22/9/03	Victory Internet Services	27/10/03
Tech 2U Pty Ltd	10/8/99	VillageNet	22/9/03
Tech Info Pty Ltd	16/6/99	Vintek Consulting Pty Ltd	24/5/01
Techex Communications Pty Limited	12/11/03	Virtual Communities Ltd	7/4/03
Techno Access	12/5/98	Virtual Computers Pty Ltd	3/11/97
Teksupport Pty Ltd	3/10/97	Virtualcity Pty Ltd	22/3/04
Tel.Pacific Pty Ltd	6/1/98	Visiontek Pty Ltd	17/9/97
Telenet Australia Pty Ltd	24/3/04	Vivanet Pty Ltd	21/4/99
Tellurian Pty Ltd	6/1/05	VTay Technology	25/5/99
Telstra Big Pond	1/7/97	W Connect Pty Ltd	8/4/04
Telstra Enterprise Services Pty Ltd	21/10/97	W3 Pty Ltd	21/10/02
Teragen International Pty Ltd	23/10/03	WA Telecentre Exmouth Inc.	21/7/98
Terra Tech Computers Pty Ltd	29/3/05	Wally's Internet Caf�	4/5/01
Tetraplex Pty Ltd	20/3/98	Ward Enterprises Pty Ltd	10/6/98
The Archon Trust	30/4/03	Warianne Investments Pty Ltd	2/9/03
The Australian Internet Company Pty Ltd	1/7/97	Warick Grubb t/as Ozsell	4/8/04
The Friendly Giant Pty Ltd	28/10/99	Waterfront Internet Service	11/1/99
The I.T. Group Pty Ltd	17/2/04	WBS by CBD Pty Ltd	22/3/04
The Info Xchange Inc	3/12/97	We Solve It Pty Ltd	28/4/04
The Murray Pioneer Pty Ltd	9/12/97	WE.NET.AU Pty Ltd	15/3/04
The Trustee for WireFree Networks	6/9/04	Web Ace	21/12/98
Tisgroup	16/1/04	Web Australis Pty Ltd	1/7/97
Titania Corp	5/3/01	Web Prophets Pty Ltd	22/10/03
Tnet.Com.Au	20/8/98	Webcentral Pty Ltd	30/6/03
Tokyo Network Computing Pty Ltd	3/3/03	Webdata Pty Ltd	25/8/99
Tope Holdings Pty Ltd	13/2/02	Webresource Internet Technology Pty Ltd	4/4/01
Topgun Internet Services	20/8/02	Webzone Holdings Pty Ltd	21/3/03
TouchTV Pty Ltd	26/2/04	Wellington Communications Pty Ltd	25/7/00
Tourist Facilities Pty Ltd	29/7/02	West Australian Networks	14/7/98
Tower Computer Aid Pty Ltd	19/8/04	Westconnect Pty Ltd	8/9/98
TPG Internet Pty Ltd	1/7/97	Western Internet Services	15/6/99
True North Consulting Pty Ltd	9/1/98	Western Webtec	10/10/02
Trumpnet Pty Ltd	16/12/97	WestNet Pty Ltd	14/7/98
Tudogs.net.au	15/1/98	Westvic Broadband Pty Ltd	6/8/04
Turbonet Pty Ltd	13/6/03	WFJ & KA Abel t/as Kissme Internet	14/10/03
TVMate Australia Pty Limited	23/4/03	WIA Networks Pty Ltd	28/7/04
TX Communications Pty Ltd	23/11/98	Wicom Solutions	13/5/03
Ubiquoss ISP Pty Ltd	16/8/04	Wide Blue Ocean Pty Ltd	23/8/04
UnitedIP Pty Ltd	29/11/04	Wilkinson Business Trust t/as Internet Tasmania Pty Ltd	22/1/04
University of Queensland Information Technology Services	17/6/98	Windspeed	29/4/99
URN Technologies Pty Ltd	30/4/03	Winshop Internet Pty Ltd	1/7/02
v-App Pty Ltd	14/1/02	Wireless Broadband Services (NQ) Pty Ltd	11/10/04
Vector Networks Pty Ltd	19/8/02	Wobygong Pty Ltd	3/12/02
Velocity Internet Pty Limited	25/8/03	Wood Dragon Pty Ltd	18/12/02
Veridas Communications Pty Ltd	29/10/03	World.Net Services Pty Ltd	20/3/00
Veritel Australia Pty Ltd	14/11/03	Worldwide Internet	2/9/98
Vertical Telecoms Pty Ltd	8/2/01	Worth IT	2/4/03
Vianet AIP Pty Ltd	9/12/03	Xceltek Internet Services Pty Ltd	24/1/03

XYZed Pty Ltd	21/7/00
Yea Computing Services	23/9/99
Your ASP Pty Ltd	27/5/02
ZAYTACT Pty Ltd	23/11/99
ZenithOz Pty Ltd	8/4/05
Zhong Huan Pty Ltd	1/9/97
Zion Internet Services	10/2/03
Zip World Pty Ltd	26/10/98

Other

Air Portal Pty Ltd	5/12/00
Amcom Pty Ltd	10/9/98
Australia-Japan Cable (Australia) Limited	2/2/01
Boeing Australia Limited	24/1/01
Central Exchange Ltd	14/6/00
Coretel Communications Pty Ltd	8/9/00
D.J BLACKER & M.J BLACKER	23/5/05
Dialogue Communications Pty Ltd	30/8/04
Digital Distribution Australia Pty Ltd	12/2/01
ETSA Utilities	15/1/01
Hutchison 3G Australia Pty Ltd	20/8/02
Ipera Communications Pty Ltd	20/3/00
Macquarie Telecom Pty Ltd	22/12/00
MCI Worldcom Australia Pty Ltd	26/6/98
Mobif Australia Pty Ltd	27/9/04
Nextgen Networks Pty Ltd	14/2/01
Office Advisors Pty Ltd	11/3/04
OMNIconnect Pty Ltd	18/9/97
One.Tel GSM 1800 Pty Ltd	18/5/99
Opentec Pty Ltd	26/7/00
Optus Vision Pty Ltd	8/12/97
Oz Telecom Pty Ltd	15/4/98
Oziplex Pty Ltd	27/9/02
Pivot Pty Ltd	27/5/05
Powercor Australia Telecommunications Pty Ltd	12/9/02
PowerTel Ltd	1/7/97
Quantum Multimedia Communications Pty Ltd	30/8/02
Request Broadband Pty Ltd	18/7/00
Soul Pattinson Telecommunications Pty Ltd	5/5/99
Suretek Pty Ltd	8/4/04
Suretel Pty Ltd	10/11/04
Tas 21 Pty Ltd	26/11/01
Telstra Multimedia Pty Ltd	16/7/97
The Ozitel Network Pty Ltd	20/10/99
Tyco Projects (Australia) Pty Ltd	2/10/02
Windytide Pty Ltd	28/9/98
Xantic B.V.	17/2/03

Telephone and Internet Service Provider

1410 Communications Pty Ltd	18/9/02
AAPT Ltd	1/7/97
Ace Communications Group Pty Ltd	17/4/03
ACTEW Corporation Ltd	3/5/99
Airtime Pty Ltd	24/6/04
All2Connect Pty Ltd	28/10/04
Alpha Network Shop Pty Ltd	31/5/99
Alpha Telecom (Aust) Pty Ltd	3/6/04
Alphanet Pty Ltd	6/10/97
Answer Plus Communications (Aust) Pty Ltd	25/3/03
Asian Pacific Telecommunications Pty Ltd	13/7/00
Auritel Australia Pty Ltd	22/11/04
Aurora Energy AAPT Pty Ltd	21/5/01
Australian Communications Network Pty Limited	12/8/04
Australian Community Telecommunications Pty Ltd	16/3/04
Australian Specialist Infotech Operations Pty Ltd	26/8/98
Australian Technology Partnerships Pty Ltd	12/2/04
Ballarat Community Enterprise Limited	18/4/05
Basejump Pty Ltd	13/5/05
Benchmark Sales Pty Ltd	3/11/00
Bendigo Community Telco Ltd	15/9/00
BlueSky Communications (Aust) Pty Ltd	6/1/03
Broadband Access Pty Ltd	24/7/00
Budget Telecom Pty Ltd	23/2/05
Bushtel	7/4/04
Buzz Broadband Pty Limited	25/5/05
Callplus Australia Pty Limited	27/5/04
CardCall Pty Ltd	18/9/97
Chime Communications Pty Ltd	31/8/00
City Telecom (Australia) Pty Ltd	1/7/99
Clarkson McLaren Corporate Communications Pty Ltd	6/5/04
Clean Planet Pty Ltd	12/2/03
Clear Networks Pty Ltd	19/4/05
Cnet Communications Group	23/7/01
COMindico Australia Pty Ltd	15/8/00
Commander Australia Ltd	21/8/03
Community Solutions Australia Pty Ltd	10/10/03
Community Telco Australia Ltd	22/10/03
Comsave	1/6/04
Connect Essential Services Pty Ltd	7/4/05
Convergent ComCo Pty Ltd	31/1/05
Corporate Telecom Pty Ltd	24/10/01
D. Seeto Nominees Pty Limited	22/4/05
Datafast Telecommunications Limited	17/2/00
Daykin Pty Ltd	16/11/04
Digiplus Pty Ltd	3/7/02

Down Under Communication Pty Limited	2/5/05	Network Company Australia Pty Ltd	27/6/05
Dual Phone Centre Pty Ltd	30/11/04	New Skies Networks Pty Ltd	6/8/01
Duxta Pty Ltd	17/1/03	New Telecom Pty Ltd	12/1/04
E-Tel Communications Pty Ltd	8/4/04	Norlink Communications	21/1/03
Ecomtel Pty Ltd	13/7/99	One.Tel Ltd	1/7/97
Entertainment Media & Telecoms Corporation Ltd	12/6/01	Orion Satellite System Pty Ltd	2/7/03
ETB Qld Pty Ltd	27/4/04	People Telecommunications Ltd	13/12/00
ETELECOMUNICATIONS PTY LTD	3/2/05	Polyfone Pty Ltd	3/8/01
Evertel Communications Pty Ltd	2/12/04	Powercom Pacific Pty Ltd	19/4/04
Evolution Telecom Pty Ltd	3/12/04	Prime Call (Australia) Pty Ltd	21/6/05
First Reach Pty Ltd	17/5/04	Primus Online Pty Ltd	8/8/03
Gday.net Pty Ltd	12/9/03	Primus Telecommunications Pty Ltd	1/7/97
Global Connect Communications Pty Ltd	23/8/99	PTC Communications Pty Ltd	24/5/99
Global Qi Alliance Pty Ltd	12/7/04	Q. Corporation Pty Ltd	2/8/01
Have-A-Chat	1/7/04	Richard David Spinosa Catella	10/5/05
Highway 1 (Australia) Pty Ltd	21/7/98	RSL COM Business Communications Pty Ltd	21/8/03
HomeLinX Pty Ltd	7/4/04	RSL COM Business Solutions Pty Ltd	21/8/03
Hub Business Services Pty Ltd	20/12/04	Saands Marketing Australia Pty Ltd	6/11/03
Hypermax Pty Ltd	22/3/99	SC Communications Pty Ltd	3/3/05
ihug Pty Ltd	3/11/03	SecureTel Pty Ltd	25/11/02
iiNet (OzEmail) Pty Ltd	10/3/05	Servcorp Digital Strategy Pty Ltd	31/10/01
iiNet Ltd	25/8/98	Silver Communities Pty Ltd	29/3/05
In-Tech Telecommunications Pty Ltd	28/8/98	Sirius Telecommunications Ltd	1/2/02
Infinity Plus Communications Pty Ltd	1/4/05	SkyNetGlobal Limited	10/12/01
IP Systems Pty Ltd	10/12/03	Skywave Communications Australia Pty Ltd	8/3/05
iTEL Community Telco Ltd	14/11/02	Skyways Internet Services Pty Ltd	4/12/03
itXpress Pty Ltd	23/8/04	Snoopa Systems Pty Ltd	5/3/04
IX Services Australia Pty Ltd	10/7/02	Snowy Mountains Telecommunications	10/12/03
JKR Holdings Pty Ltd t/as 2Easytel	19/7/04	Soft Telcom Pty Ltd	2/6/05
Joytel Pty Ltd	30/12/02	Spectrum Networks Pty Ltd	12/5/00
Jtec Pty Ltd	3/4/00	Spirit Telecom (Australia) Pty Ltd	24/5/05
Justified Communications Group Pty Ltd	2/5/02	Spungold Nominees Pty Ltd	6/9/04
KDDI Australia Pty Ltd	11/2/99	ST Telecom Pty Ltd	5/2/02
Kern Internet Pty Ltd	18/5/04	Staticcom Pty Ltd	11/2/04
Kia Communications Pty Ltd	27/7/04	STI Communications Pty Ltd	11/9/02
KJT Holdings Pty Ltd	31/12/04	Sunshine Coast Community Enterprises Ltd	24/2/05
Knowledge By Design Pty Ltd	1/7/97	Sydney Internet Exchange (SIX) Pty Ltd	14/10/04
Koee Communications Pty Ltd	9/5/05	Tanguinya Pty Ltd	23/5/05
Leading Edge Group Limited	2/8/01	Telarus Pty Ltd	12/2/04
Logitel Communications Pty Ltd	20/3/02	Telco Plus Pty Ltd	4/8/04
Managed Solutions Pty Ltd	30/3/00	Telco Talk Communications Pty Ltd	1/12/04
Message Stick Telecommunications Pty Ltd	11/2/04	Telcoinabox Australia Pty Ltd	25/8/03
Meucci Pty Ltd	9/7/04	Telefa Pty. Limited	12/11/04
Multelink Australia Limited	14/2/00	Teleglobe International Australia Pty Ltd	6/6/03
My Telecom Pty Ltd	24/9/02	Teleph One Pty Ltd	14/6/05
NC Cable Pty Ltd	15/5/00	Terra Nova Solutions Pty Ltd	27/7/04
Nella Telecommunications Pty Ltd	26/4/04	The SIV Group Pty Ltd	18/6/03
Net2Phone Global	15/10/99	The Trustee for THE MOFFAT FAMILY DISCRETIONARY TRUST	
Netscapade Pty Ltd	26/8/04	t/as North Queensland Telecom	24/11/04

The Trustee for THE TELECOMMUNICATIONS TRUST	3/5/05	Bareena Holdings Pty Ltd	12/9/02
Toptwin Pty Ltd	2/2/00	Beyond Telecom Australia Pty Ltd	28/10/03
Trans Pacific Communications Pty Ltd	24/5/05	Bloomberg L.P., Australia Branch	28/3/02
TransACT Capital Communications Pty Ltd	22/9/00	Blue Call Pty Ltd	17/3/04
Trustee for JCPNet Trust	11/11/04	Blue Ridge Telecom Systems, LLC	16/7/04
Uecomm Ltd	1/7/97	Boost Tel Pty Ltd	26/11/03
Unwired Australia Pty Ltd	19/9/02	BT Australasia Pty Ltd	30/7/97
VDV Communications Pty Ltd	31/3/05	Buana Australia Pty Ltd	2/1/02
VT Investments Pty Ltd	18/2/05	Budgetel Pty Ltd	11/2/00
Vulcan Communications Pty Ltd	23/5/02	Bugal Pty Ltd	24/11/04
Walsh and Marshall Pty Ltd	9/12/04	Call Australia Pty Ltd	26/8/03
Wideband Networks Pty Ltd	10/5/04	Callsave Pty Ltd	14/11/01
Wild Technology Pty Ltd	11/2/04	csgIT Pty Ltd	13/5/05
Woody Group Pty Ltd	26/2/04	Cellularvoice Pty Ltd	26/2/02
Worldchat Australia Pty Ltd	21/5/01	Chi Telecom Pty Ltd	4/1/02
XL Telecom Pty Ltd	12/1/00	Chinwag (Australia) Pty Ltd	17/6/04
Yodial Pty Ltd	24/8/04	Commander Express Telecommunication Solutions Pty Ltd	8/4/04
Your Service	4/5/00	CommodiTel (Australia) Pty Ltd	11/8/04

Telephone Service Provider

0014 Pty Ltd	1/11/00	Communico Australia Pty Ltd	29/3/05
1800 Reverse Pty Ltd	2/1/01	Concert Telecom Pty Ltd	11/12/02
1800Mumdad Pty Ltd	25/2/04	Digital Informedia Pty Ltd	30/9/03
1Cellnet LLC	10/3/04	Direct Telecoms Pty Limited	26/3/01
1World Telecommunications Pty Ltd	17/6/03	E-Telecom Pty Ltd	15/3/01
7Star Communications Pty Ltd	28/10/04	E-Tone Corporation Australia Pty Ltd	10/1/05
ABG Group Pty Ltd	29/6/04	Eagle Telecom Pty Ltd	29/7/03
Advanced Future Technology Pty Ltd	25/1/03	Eclipse Telecommunications Pty Ltd	1/7/97
Agile Pty Ltd	8/9/98	Empcom Pty Ltd	17/2/03
Alfa Micro Systems Pty Ltd	11/1/05	eSTAR Telecom Pty Ltd	25/9/03
Alphawise Solutions Pty Ltd	25/11/99	ExpressTel Pty Ltd	13/1/05
Asia Telco Investments Pty Ltd	24/6/05	Eztel Communications	22/5/01
Astracom Pty Ltd	15/1/03	Freshtel Pty Ltd	30/7/04
Astron Communication and Information Services Pty Ltd	16/7/97	Geocon Surveys Pty Ltd	19/3/04
AT&T Communications Services Australia Pty Ltd	1/7/97	Global Asia Pacific Pty Ltd	17/3/04
AT&T Global Network Services Australia Pty Ltd	28/2/00	Global Card Services Pty Ltd	8/1/03
Atex Pty Ltd	2/2/04	Global Networks (Aust) Pty Ltd	31/1/03
Aussie-X-Change Telecommunications Pty Ltd	30/12/04	Global Phone Cards Pty Ltd	29/9/03
AUSTAR United Mobility Pty Ltd	10/11/03	GlobalCom (Aust) Pty Ltd	28/6/02
Australia IP Telecom Pty Ltd	18/4/05	Globalstar Australia Pty Limited	28/4/03
Australia Star Communications Pty Ltd	21/8/03	Globe Telecom Pty Ltd	19/5/03
Australian Communication Exchange Ltd	1/7/97	GOtalk Australia Pty Ltd	8/1/03
Australian Telecommunications Pty Ltd	18/3/02	Hi Tech Telecom Pty Ltd (Aust)	3/5/05
Australian True Blue Communications Pty Ltd	3/3/03	Hutchison Telecoms (Aust) Pty Ltd	1/7/97
Axis Telecoms Pty Ltd	11/7/03	J.M.D. Telecoms Pty Ltd	20/10/04
B Digital Ltd	26/5/99	Koee Telecom Pty Ltd	1/11/00
B&K Holdings (Qld) Pty Ltd	11/2/04	Korpcom Australia Pty Ltd	25/7/02
B33hive Pty Ltd	24/5/04	Lavabell Pty Ltd	27/10/04
		LCR Telecom Pty Ltd	22/1/98
		Lifeline Telecommunications Pty Ltd	18/7/01
		Light Technologies Pty Ltd	4/7/02

Lime Telecom Pty Ltd	30/8/04	Speed Communications Pty Ltd	28/7/04
M Group of Companies Pty Ltd	15/2/01	Sprint International Australia Pty Ltd	25/7/00
M2 Telecommunications Pty Ltd	11/12/01	Star Alliance Communications Pty Ltd	21/3/03
Macquarie Corporate Telecommunications Holdings Pty Ltd	1/7/97	Star Telecom Australia	9/7/04
Market Maze Communications Pty Ltd	15/10/03	Synergy Australia Pty Ltd	23/7/03
Mavenlink Pty Ltd	8/4/04	Systel.Com Pty Ltd	6/8/04
Maxicomm Communications Pty Ltd	23/9/03	T.One Telecommunications Pty Ltd	13/8/99
MCI WorldCom International, Inc	21/7/98	T3 Communications Pty Ltd	9/4/02
Message Community Telephone Company Pty Ltd	28/1/04	TCI Australia Pty Ltd	12/9/03
Mibroadband Pty Ltd	23/9/04	Telco In A Box Pty Ltd	9/1/03
Michael & Keiran Stefans	8/10/04	Telcostar Ltd	18/7/01
Mobicom Communication Services Pty Ltd	20/4/04	Tele Link Telecommunications Pty Ltd	1/7/97
Multelink Services Pty Ltd	21/10/04	Telecom International Group	24/3/05
Multico Resources Pty Ltd	29/4/04	Telecom One Pty Ltd	6/5/05
NationTel Pty Ltd	29/5/03	Telecorp Limited	8/1/03
New Tel Ltd	12/3/99	Telemates Pty Limited	25/3/04
New Tel Services Pty Ltd	21/8/03	TeleOne Services Pty Ltd	21/3/02
NorthVoice Communications Pty Ltd	7/7/00	Telesaver Pty Ltd	7/9/97
Omni Plus Pty Limited	19/12/97	Telkom Pty Ltd	9/8/04
Online IT Services Pty Ltd	16/4/03	Telstra Corporation	1/7/97
Optus Mobile Pty Ltd	1/7/97	Tenex Pty Ltd	19/6/98
Optus Networks Pty Ltd	1/7/97	Teredonn Telecommunications Ltd	30/11/00
Orion Telecommunications Australia Limited	15/4/05	Thales Telematics Pty Ltd	19/8/02
Oz Tele Communications Pty Ltd	4/5/04	Times Telecom (Australia) Pty Ltd	21/10/03
Ozicom Solutions Pty Ltd	12/11/01	Tritel Australia Pty Ltd	22/9/99
Pacific Telco Australia Limited	22/1/01	Unidial Prepaid Communications Pty Ltd	26/11/02
PayTel Australia Pty Ltd	15/12/03	Unison Mobile Services Pty Ltd	26/8/04
Phone Business Pty Ltd	15/4/04	United Customer Management Solutions Pty Ltd	1/7/97
Phone Free	15/3/04	United Wholesale Communications Pty Ltd	1/12/03
Pivotel Group Pty Limited	27/3/03	Universal One Communication Pty Ltd	12/12/02
Pracom Limited	30/12/02	Universal Telecom Australia Pty Ltd	19/2/01
Proactive Communication Solutions Pty Ltd	29/6/04	Upgrade Technology Pty Ltd	8/9/03
PROJECTION PLUS (AUSTRALIA) PTY LTD	10/9/04	Valaiti Pty Ltd	9/5/05
Protel Communications International Pty Ltd	21/5/04	VIG Customers Pty Limited	7/2/05
PSR Group Pty Ltd	1/7/97	Virgin Mobile (Australia) Pty Ltd	11/9/00
Recom Corporate Communications Pty Ltd	5/2/01	Vodafone Australia Limited	1/7/97
Redicall Pty Ltd	21/6/99	Voicetalk Pty Ltd	18/5/05
River Media Group Pty Ltd	29/10/02	Voicetek Pty Ltd	3/12/01
Saise Telecommunications Pty Ltd	19/7/99	VOIP Networks Pty Ltd	1/2/05
Shane Hedges t/as Informatica Australiana	3/5/05	VRoam Australia Pty Ltd	23/12/02
Shuari Investments Pty Ltd	25/7/02	Welcon Electronics	11/2/04
SIMplus Mobile Pty Limited	7/12/01	Western Communication Solutions Pty Ltd	14/10/97
SITA	1/7/97	Widetalk Pty Ltd	13/2/02
Skytel Pty Ltd	9/7/98	World Tel (Aust) Pty Ltd	19/4/05
Solutions International Pty Ltd	2/1/01	World Telecom Pty Ltd	10/7/03
Southern Cross Mobile Pty Ltd	20/2/01	WorldPacific Communications Pty Ltd	6/1/00
Southern Cross Telco Pty Ltd	25/9/97	Zintel Communications (Australia) Pty Ltd	5/12/03
Southern Phone Company Ltd	17/1/03	Zoo Telecom Pty Ltd	5/2/03
Spatial Broadband Telephony Pty Ltd	17/7/03	Total	1,135

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Your directors present their report of Telecommunications Industry Ombudsman Ltd (the TIO) for the year ended 30 June 2005.

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

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

Directors

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

Two (2) directors appointed by Telstra:

M C Lawrey

T C Hill

Two (2) directors appointed by Optus:

J A Bedogni, with G R Smith as alternate director.

M K Davidson

One (1) director appointed by Vodafone:

J F Rohan (Chairman)

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

R Doyle

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

M R Graubner

Independent Director:

J M Harvey

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

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

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

Operating Results

The TIO recorded an operating surplus for the year of \$167,283 (2003-2004, \$147,409). 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 2005 and previous years are as follows:

Year	Total Revenue	Total Expenditure	Surplus/(Deficit)
1995-1996	\$1,945,115	\$1,967,519	\$(22,404)
1996-1997	\$2,177,575	\$2,102,623	\$74,952
1997-1998	\$2,394,718	\$2,347,817	\$46,901
1998-1999	\$3,258,048	\$3,292,788	\$(34,740)
1999-2000	\$3,885,195	\$3,915,990	\$(30,795)
2000-2001	\$5,201,679	\$5,086,519	\$115,160
2001-2002	\$5,537,714	\$5,224,216	\$313,498
2002-2003	\$5,821,007	\$5,811,224	\$9,783
2003-2004	\$6,571,174	\$6,423,765	\$147,409
2004-2005	\$7,477,664	\$7,310,381	\$167,283

Due to the surplus, members' funds were increased from \$870,730 at the start of the financial year to \$1,038,013 at the end of 2004-2005.

The TIO has been granted an exemption from income tax under Item 2.1 of Section 50-10 of the Income Tax Assessment Act 1997 until 30 June 2009.

Review of Operations

• Long Term Growth

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

Overall contacts for 1994-95 to 2004-2005 are presented below. Contacts include enquiries and complaints.

Year	Total Contacts	% Increase over previous year
1994-95	17,205	-
1995-96	26,905	56
1996-97	43,715	62
1997-98	52,138	19
1998-99	64,394	24
1999-2000	67,761	5
2000-2001	98,853	45
2001-2002	91,190	-8
2002-2003	72,771	-20
2003-2004	75,904	4
2004-2005	97,798	29

• Debt Recovery

Bad debts of \$40,109.46 (GST inclusive) were written-off during the financial year. The provision for bad debts was increased to \$89,280.74 (GST inclusive) for specific provisions. Debts were settled with a small number of members.

• Cash Flow

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

• Performance

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

Over the course of the year the service level efficiency standard of answering 80% of calls within 60 seconds was met in six of the months and averaged 77%. This was due to staffing pressures associated with the consistent increase in complaint numbers. Average resolution times were 65 days for Level 2 complaints (target 48 days), 88 days for Level 3 complaints (target 62 days) and 110 days for Level 4 complaints (target 90 days). Action has been taken to recruit and train additional staff.

• Industry Development

During 2004-2005 the TIO continued to work collaboratively with industry and the community to identify, prevent and/or address systemic problems. The TIO also actively participated in industry forums to assist in achieving this objective, and continued to contribute to the development of Consumer Codes of Practice.

• Communications

The TIO worked to maintain general access to the Scheme and particularly identified consumers in rural and regional Australia, youth and small business as targeted demographics.

- **Governance**

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

The Board welcomed Andrew Bedogni from Optus to its ranks. Andrew had previously served the TIO as a member of Council for a number of years. Departing the Board was David McCulloch from Optus.

- **Establishment of a financial reserve**

The Board ensured that the financial reserve continued to accumulate during 2004-2005 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 2005 was \$612,347.

- **Fee Increases**

The Board introduced a new fee for Level 4 (Land Access) complaints of \$2,640 (GST inclusive) and increased the price of Reviews from \$275 (GST inclusive) to \$495 (GST inclusive), effective from 1 July 2004.

- **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 1043 at 30 June 2004 to 1135 at 30 June 2005.

- **Staffing**

As at 30 June 2005, the TIO employed 75 staff, with 16 of these being part-time employees.

Principal Activities

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

Dividends

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

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the company in the year ended 30 June 2005.

Matters Subsequent to the End of the Financial Year

- Fees

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.

The following principle has been added:

- (a) no provider is charged a fee for the first one (1) Level 2 complaint it receives in any given quarter.

Except for the matters noted above, at the date of this report no matter or circumstance has arisen since 30 June 2005 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 substantial increase in complaint numbers in 2005-2006 based on the trend in 2004-2005.

Environmental Regulations

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

Information on Directors

Director	Experience	Responsibility
J F Rohan, B Mech Eng, Grad Dip IE, MBA, FIEAust	John has been Executive Director, Vodafone Pacific, MD of Vodafone Australia Pty Ltd, Vodafone New Zealand Ltd and Vodafone Network Pty Ltd. Previous positions include Executive General Manager of James Hardie Building Services and Technologies, Chief Executive of McConnell Dowell's Building Product Group, Australia and New Zealand and General Manager of Comalco Building Products. John has previously served as Chairman of the TIO Board and as a member of the TIO Council.	Chairman from 1 August 2001
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 to 3 March 2005
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, FCA, FAICD	Directorships include: Bayside Health, The Lyceum Club, Rural Finance Corporation, Royal Flying Doctor Service, Boom Logistics Ltd.	Director from 7 April 2003
M C Lawrey	Head of Network Services, Telstra.	Director from 10 October 2003
M R Graubner	General Manager, Convergent ComCo Pty Ltd	Director from 4 December 2003
R Doyle	Chief Executive Officer, Concert Telecom Pty Ltd	Director from 13 December 2003
(J) A Bedogni, BTP, MPhil (Hons), MBA	General Manager - Regulatory Compliance and Self Regulation SingTel Optus. Andrew joined Optus in 1992 from the Australian Telecommunications Authority (AUSTEL). Andrew has previously served as a member of the TIO Council	Director from 3 March 2005

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 2005, and the number of meetings attended by each director were:

	Number Eligible to Attend	Number Attended
Number of meetings held: 6		
Number of meetings attended by:		
J F Rohan	6	6
D C McCulloch	4	3
M K Davidson	6	3
M C Lawrey	6	5
M R Graubner	6	5
T C Hill	6	5
G R Smith (As Alternate for D McCulloch)	0	0
R Doyle	6	6
J M Harvey	6	5
J A Bedogni	2	2

Directors' Benefits

During the year, director's fees of \$33,206 were paid to Jane Harvey for her term as the independent director.

Except for that noted above, since 30 June 2005, 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 2005 or at any other time) with:

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

Insurance of Officers

During the financial year, the TIO paid a premium of \$11,033 (GST inclusive) to insure certain officers of the company.

The officers of the company covered by the insurance policy included all directors as listed in this report, Council members, the Ombudsman J E Pinnock, the Deputy Ombudsman, V F Marles 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 remain the TIO auditors.

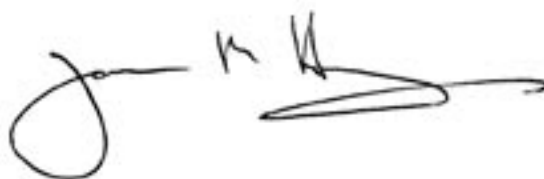
Auditor Independence

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

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



J F Rohan
Director



J M Harvey
Director

Sydney
8 September 2005

RSM Bird Cameron Partners

Chartered Accountants

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525 Collins Street Melbourne VIC 3000
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AUDITOR'S INDEPENDENCE DECLARATION

As lead audit partner for the audit of the financial statements of the Telecommunications Industry Ombudsman Limited for the financial year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

R B Miano

R B MIANO
Partner

21 September 2005
Melbourne

*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 36 965 185 535

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



STATEMENT OF FINANCIAL PERFORMANCE

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For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
Revenue from ordinary activities			
Revenue from operating activities	2	7,477,664	6,571,174
Total revenue from ordinary activities		7,477,664	6,571,174
Expenses from ordinary activities			
Employee benefits expense	3	5,328,104	4,457,201
Legal fees		81,251	88,207
Depreciation and amortisation expenses	3	95,807	93,954
Telephone costs		201,926	232,565
Marketing expenses		203,367	253,230
Rent expense		401,584	298,501
Computer expenses		431,956	466,622
Other expenses from ordinary activities	3	566,386	533,485
Total expenses from ordinary activities		7,310,381	6,423,765
Surplus for the year	9	167,283	147,409

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

As at 30 June 2005

	Notes	2005 \$	2004 \$
Current Assets			
Cash Assets	4	1,918,486	1,342,759
Receivables	5	40,167	191,597
Prepayments		77,515	84,583
Total Current Assets		2,036,168	1,618,939
Non – Current Assets			
Property, Plant and Equipment	6	617,930	61,248
Total Non – Current Assets		617,930	61,248
Total Assets		2,654,098	1,680,187
Current Liabilities			
Payables	7	1,102,402	544,336
Lease Liabilities	8,12	51,972	-
Provisions – Annual Leave and Long Service Leave		260,227	185,322
Total Current Liabilities		1,414,601	729,658
Non – Current Liabilities			
Lease Liabilities	8,12	120,428	-
Provisions – Long Service Leave		81,056	79,799
Total Non - Current Liabilities		201,484	79,799
Total Liabilities		1,616,085	809,457
Net Assets		1,038,013	870,730
Members' Funds			
Accumulated Surplus	9	1,038,013	870,730
Total Members' Funds		1,038,013	870,730

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

STATEMENT OF CASH FLOWS

103

For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
Cash Flows from Operating Activities			
Receipts from members (inclusive of GST)		7,403,620	6,473,825
Payments to suppliers and employees (inclusive of GST)		(6,423,519)	(6,500,576)
Borrowing costs		(3,169)	-
		976,932	(26,751)
Interest received		79,613	64,915
Net cash inflow from operating activities	14	1,056,545	38,164
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(470,180)	(31,225)
Proceeds from sale of property, plant and equipment		653	500
Net cash (outflow) from investing activities		(469,527)	(30,725)
Cash Flows from Financing Activities			
Repayment of lease liabilities		(11,291)	(13,750)
Net cash inflow/(outflow) from financing activities		(11,291)	(13,750)
Net Increase/(Decrease) in Cash Held		575,727	(6,311)
Cash at the beginning of the financial year		1,342,759	1,349,070
Cash at the End of the Financial Year	4	1,918,486	1,342,759

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

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;
Leasehold Improvements	7 years;
Plant and equipment	3-5 years.

(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.

NOTE 1 Summary of Significant Accounting Policies (Cont.)

(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 incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are 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.

(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.

NOTE 1 Summary of Significant Accounting Policies (Cont.)

(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.

(n) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The directors of the company are preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the company's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The directors have assessed the significance of the expected changes and are preparing for their implementation. An AIFRS project team is overseeing and managing the company's transition to AIFRS. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The directors are of the opinion that there are no key material differences in the company's accounting policies on conversion to AIFRS. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments to the current AIFRS by standard-setters, or interpretation of the AIFRS requirements changes due to the continuing transition work of the directors.

NOTE 2 Revenue from Ordinary Activities

	2005 \$	2004 \$
Revenue From Operating Activities		
Volume and overhead billing fees	7,397,398	6,505,759
Revenue From Outside Operating Activities		
Proceeds from sale of property, plant and equipment	653	500
Interest	79,613	64,915
Total Revenue from Ordinary Activities	7,477,664	6,571,174

NOTE 3 Surplus from Operating Activities

	2005 \$	2004 \$
The surplus from operating activities includes the following net gains and expenses:		
Gains		
Profit (loss) on sale or write-off of plant and equipment	(730)	(2,750)
Expenses		
Borrowing costs		
Finance charges on finance leases	3,169	-
Depreciation		
Plant and equipment	21,946	75,212
Furniture, fittings and leasehold improvements	50,363	18,742
	72,309	93,954
Amortisation		
Leasehold improvements under finance lease	23,498	-
	23,498	-
Other charges against assets		
Bad and doubtful debts - trade debtors	46,920	50,327
Other provisions		
Employee entitlements	76,162	77,057
Rental related to operating leases		
Lease payments	660,821	590,136

NOTE 4 Cash Assets

	2005 \$	2004 \$
Cash at bank and on hand	200,818	188,144
Deposits at call	1,717,668	1,154,615
	1,918,486	1,342,759

Deposits at Call

The deposits are bearing floating interest rates between 4.20% and 4.80% (2004 4.20% and 4.60%).
Deposits at call includes a cash reserve of \$612,347.

NOTE 5 Receivables

	2005 \$	2004 \$
Amounts due from members	112,177	107,943
Less: Provision for doubtful debts	(81,164)	(70,708)
Other Receivables	-	148,164
Interest Receivable	9,154	6,198
	40,167	191,597

NOTE 6 Property, Plant and Equipment

	2005 \$	2004 \$
Plant and equipment		
Plant and equipment – at cost	161,458	192,490
Less: Accumulated depreciation	(85,245)	(163,650)
	76,213	28,840
 Total plant and equipment	 76,213	 28,840
Furniture and fittings		
Furniture and fittings – at cost	760,170	733,899
Less: Accumulated depreciation	(722,537)	(701,491)
	37,633	32,408
 Leasehold improvements – at cost	 373,819	 -
Less: Accumulated depreciation	(26,759)	-
	347,060	-
 Leasehold improvements under finance lease – at cost	 180,522	 -
Less: Accumulated amortisation	(23,498)	-
	157,024	-
 Total Furniture and fittings	 541,717	 32,408
	617,930	61,248

Reconciliations

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

	Plant & Equipment \$	Furniture & fittings \$	Leasehold improvements \$	Leasehold improvements under finance lease \$	Total \$
Carrying amount at 1 July 2004	28,840	32,408	-	-	61,248
Acquisitions	69,412	30,118	373,819	180,522	653,871
Transfers	-	-	-	-	-
Net book amount of disposals	(93)	(1,289)	-	-	(1,382)
Depreciation /amortisation	(21,946)	(23,604)	(26,759)	(23,498)	(95,807)
Carrying amount at 30 June 2005	76,213	37,633	347,060	157,024	617,930

NOTE 7 Current Liabilities - Payables

	2005	2004
	\$	\$
Amounts due to members	378,375	63,086
Trade creditors	150,501	96,329
Other creditors	573,526	384,921
	1,102,402	544,336

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 11.55%.

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.

		Fixed interest maturing in:				
2005	Notes	Floating interest rate \$	1 year or less \$	over 1 to 5 years \$	Non- interest bearing \$	Total \$
Financial assets						
Cash assets	4	1,918,486	-	-	-	1,918,486
Receivables	5	-	-	-	40,167	40,167
		1,918,486	-	-	40,167	1,958,653
Average interest rate		3.75%				
Financial liabilities	8, 12	-	51,972	120,428	-	172,400
Payables	7	-	-	-	1,102,402	1,102,402
		-	51,972	120,428	1,102,402	1,274,802
Average interest rate			7.7%	7.7%		
Net financial assets (liabilities)		1,918,486	(51,972)	(120,428)	(1,062,235)	683,851

		Fixed interest maturing in:				
2004	Notes	Floating interest rate \$	1 year or less \$	over 1 to 5 years \$	Non- interest bearing \$	Total \$
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	8, 12	-	-	-	-	-
Payables	7	-	-	-	544,336	544,336
		-	-	-	544,336	544,336
Average interest rate						
Net financial assets (liabilities)		1,342,759	-	-	(352,739)	990,020

NOTE 8 Financial Instruments (Cont.)

(b) Interest Rate Risk Exposures (Cont.)

Reconciliation of Net Financial Assets to Net Assets

	Notes	2005 \$	2004 \$
Net financial assets as above		683,851	990,020
Non financial assets and liabilities:			
Property, plant and equipment	6	617,930	61,248
Prepayments		77,515	84,583
Provisions		(341,283)	(265,121)
Net assets per statement of financial position		1,038,013	870,730

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

	2005		2004	
	Carrying amount \$	Net Fair Value \$	Carrying amount \$	Net Fair Value \$
Recognised financial instruments				
Financial assets				
Cash Assets	200,818	200,818	188,144	188,144
Deposits	1,717,668	1,717,668	1,154,615	1,154,615
Receivables	40,167	40,167	262,305	262,305
	1,958,653	1,958,653	1,605,064	1,605,064
Financial liabilities				
Payables	1,102,402	1,102,402	544,336	544,336
Lease liabilities	172,400	172,400	-	-
Non-traded financial liabilities	1,274,802	1,274,802	544,336	544,336

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

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

NOTE 9 Accumulated Surplus

	2005	2004
	\$	\$
Accumulated Surplus at the beginning of the financial year	870,730	723,321
Surplus for the year	167,283	147,409
Accumulated Surplus at the end of the financial year	1,038,013	870,730

NOTE 10 Remuneration of Directors

	Directors of Entity	
	2005	2004
	\$	\$
Income paid or payable, or otherwise made available, to directors in the company in connection with the management of the affairs of the company.	33,206	32,427

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

	2005	2004
\$0	9	11
\$1 - \$19,999	0	0
\$20,000 - \$29,999	0	0
\$30,000 - \$39,999	1	1

NOTE 11 Remuneration of Auditors

	2005	2004
	\$	\$
Remuneration for audit of the financial reports of the company	19,795	20,500
Remuneration for other services	10,400	2,700

NOTE 12 Commitments for Expenditure

	2005 \$	2004 \$
Lease Commitments:		
Representing:		
Non-cancellable operating leases	2,285,357	2,876,459
Operating Leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	583,724	694,543
Later than one year but not later than 5 years	1,701,634	1,940,785
Later than 5 years	-	241,131
Commitments not recognised in the financial statements	2,285,357	2,876,459
Finance Leases		
Commitments in relation to finance leases are payable as follows:		
Not later than one year	67,747	-
Later than one year but not later than 5 years	133,228	-
Minimum lease payments	200,975	-
Less: Future finance charges	28,575	-
Total lease liabilities	172,400	-
Representing lease liabilities:		
Current	51,972	-
Non-current	120,428	-
	172,400	-

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	3 March 2005
M Davidson	18 January 2002	Continuing
G Smith	4 March 2002	Continuing
T Hill	30 October 2002	Continuing
M Graubner	4 December 2003	Continuing
R Doyle	13 December 2003	Continuing
A Bedogni	3 March 2005	Continuing
M Lawrey	10 October 2003	Continuing

Transactions with directors and director related entities

J Rohan is a current TIO director nominated by Vodafone Pacific Pty Ltd. TIO Ltd invoiced Vodafone Pty Ltd and other related Vodafone entities for \$138,712 during the year in respect of complaint handling fees. Vodafone entities invoiced the TIO Ltd for \$3,014 for the provision of telecommunications services during the reporting period.

Two current directors, M Lawrey and T Hill are employees of Telstra Corporation. TIO Ltd invoiced Telstra Corporation and Telstra Big Pond for \$3,100,154 and \$528,935 respectively for complaint handling fees incurred during the year. Telstra Corporation invoiced the TIO Ltd for \$48,034 for the provision of telecommunications services during the reporting period.

One former director, D McCulloch, two current directors, A Bedogni and M Davidson and one alternate director, G Smith, are employees of Singtel Optus Pty Ltd. TIO Ltd invoiced Singtel Optus Pty Ltd and related entities for \$1,411,647. Optus entities invoiced the TIO Ltd for \$169,877 for the provision of telecommunications services during the reporting period.

One current director, R Doyle, is an employee of Concert Telecom Pty Ltd. TIO Ltd invoiced Concert Telecom Pty Ltd for \$1,868 during the year in respect of complaint handling fees.

One current director, M Graubner, was an employee of Leading Edge Internet Pty Ltd. TIO Ltd invoiced Leading Edge Internet Pty Ltd for \$480 during the year in respect of complaint handling fees.

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

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

	2005	2004
	\$	\$
Surplus from ordinary activities after income tax	167,283	147,409
Depreciation and amortisation	95,807	93,954
Loss/(gain) on disposal of fixed assets	730	2,750
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	6,222	(31,935)
Decrease (increase) in other operating assets	152,276	(106,827)
Increase (decrease) in payables	558,065	(144,244)
Increase in other provisions	76,162	77,057
Net cash inflow from operating activities	1,056,545	38,164

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 2005 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
8 September 2005

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 2005, 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 36 965 185 026

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 2005 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards; and
- (b) other mandatory professional reporting requirements.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
 Chartered Accountants

R B Miano
R B MIANO
 Partner

21 September, 2005
 Melbourne

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How to make a complaint

Before lodging a complaint with the TIO you should:

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

The TIO recommends that complainants:

- pay any undisputed portions of bills
- keep copies of any payment transactions relating to the complaint
- be prepared to write to the TIO with details of the complaint.

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

Design

Mackay Branson design

Bankers

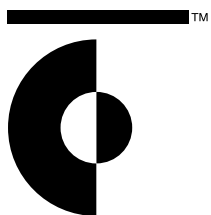
Commonwealth Bank of Australia

Solicitors

Corrs Chambers Westgarth

Auditors

RSM Bird Cameron



Telecommunications
Industry Ombudsman

**Telecommunications Industry
Ombudsman Limited** ACN 057 634 787

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