

Telecommunications Industry Ombudsman 2001 ANNUAL REPORT



2001

Telecommunications Industry
Ombudsman Limited
ACN 057 634 787

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.

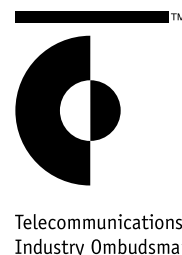
The TIO's Annual Report includes a comprehensive review of complaint statistics for the 2000/01 financial year. These statistics are published for the information of consumers, and to help service providers identify areas where they can improve their performance.

ANNUAL REPORT 2000-2001

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

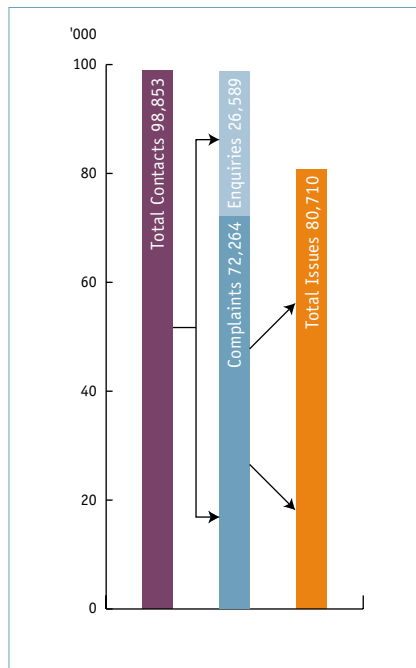
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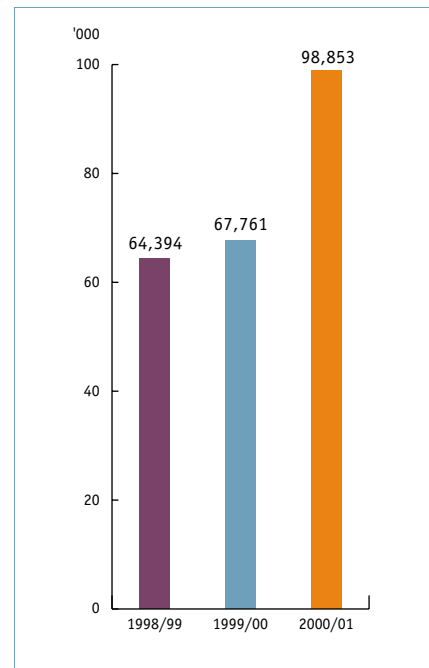
COMPLAINT HANDLING AT A GLANCE

- The TIO handled a total of 98,853 contacts in 2000/01 – a 45.9% increase on last year.
- Total contacts included 26,589 enquiries which did not constitute a complaint, leaving 72,264 complaints.
- The 72,264 complaints handled by the TIO in 2000/01 was 32.8% more than last year.
- As a single complaint may involve more than one issue, the TIO investigated a total of 80,710 issues – a 32.7% increase on last year.
- 90% of complaints related to telephone services, compared to 92.5% last year.
- 10% of complaints related to Internet services, compared to 7.5% last year.
- 92.8% of complaints were resolved at Level 1 compared to 93.5% last year.
- 0.1% of complaints were escalated to Level 4, the same proportion as last year.
- 56.9% of complaints were resolved substantially or partially in favour of complainants, compared to 47.3% last year.
- Increasing volume and complexity of complaints, and changes in complaint escalation guidelines, resulted in increased resolution times at all complaint levels.



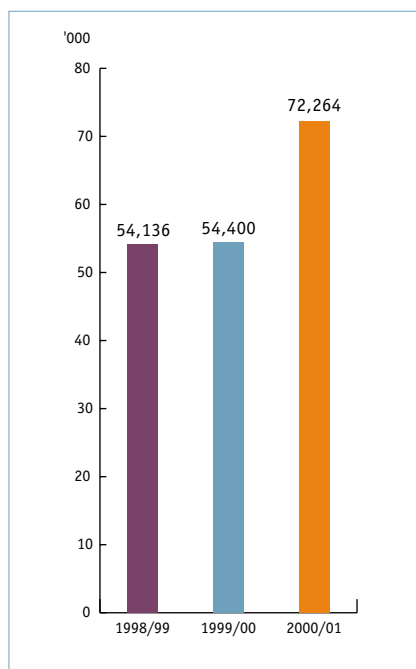
Total Number of Enquiries, Complaints and Issues

An enquiry is a contact that does not constitute a complaint. A single complaint may involve more than one issue. (See definitions on page 23)

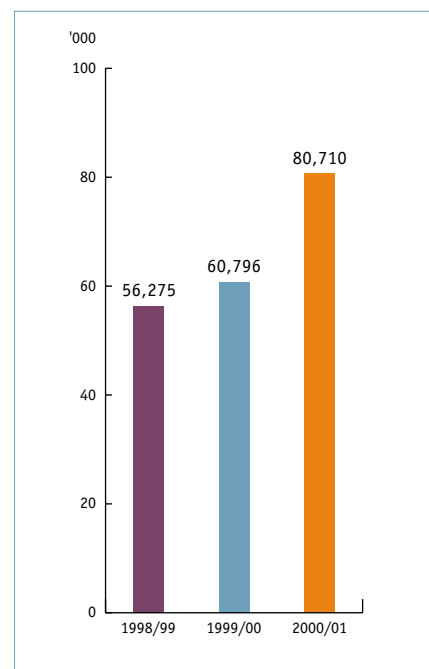


Total Contacts

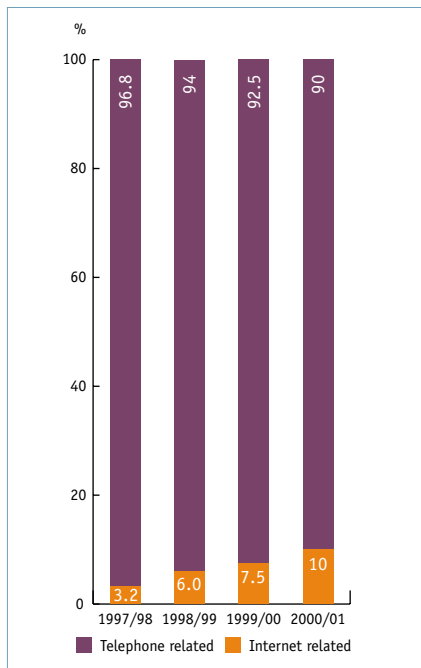
(Includes enquiries and complaints)



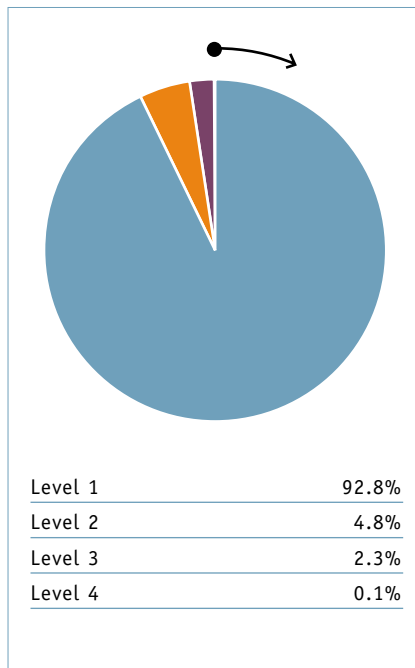
Total Complaints



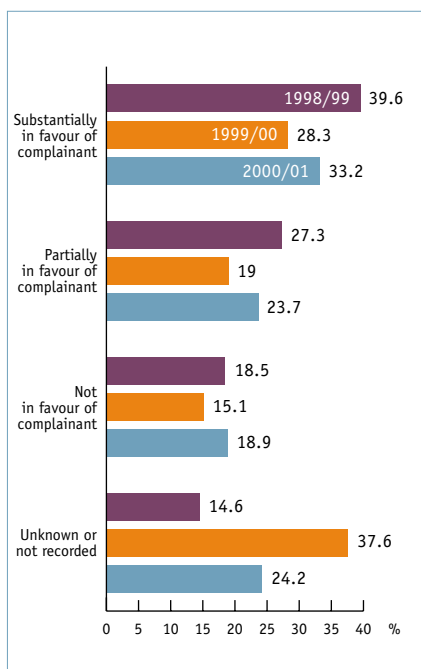
Total Issues



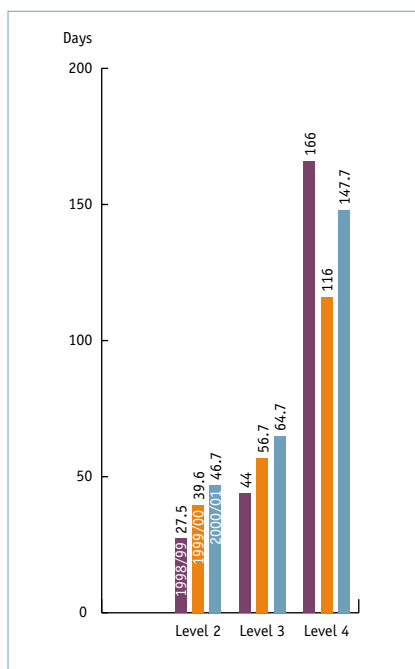
Complaint Breakdown
(Percentage)



Complaint Mix
(Percentage)



Complaint Outcomes
(Percentage)



Complaint Resolution Times
(Number of days)

COMPLAINT ISSUES AT A GLANCE

Telephone Service Issues

	1998/99 Number	1998/99 Percentage	1999/00 Number	1999/00 Percentage	2000/01 Number	2000/01 Percentage	More Information
Billing	19,901	37.4	14,917	26.4	21,654	29.8	p 29
Credit Control	4,679	8.8	5,792	10.2	7,556	10.4	p 34
Customer Service	1,207	2.3	3,882	6.9	11,486	15.8	p 32
Customer Transfer	5,169	9.7	8,258	14.6	11,234	15.4	p 32
Directories	771	1.4	548	1	527	0.7	p 38
Faults	5,560	10.4	5,510	9.8	4,060	5.6	p 36
Land Access	625	1.2	762	1.3	450	0.6	p 38
Mobiles	5,340	10	5,667	10	6,715	9.2	p 35
Payphones	211	0.4	152	0.3	54	0.1	p 39
Phone Cards	0	0	60	0.1	113	0.1	p 39
Privacy	1,726	3.2	1,527	2.7	938	1.3	p 37
Provision of Service	7,823	14.7	9,183	16.3	7,900	10.9	p 33
Standard Form of Agreement	247	0.5	246	0.4	58	0.1	p 39
TOTAL	53,259		56,504		72,745		

Internet Service Issues

	1998/99 Number	1998/99 Percentage	1999/00 Number	1999/00 Percentage	2000/01 Number	2000/01 Percentage	More Information
Access	585	19.4	1,127	26.3	2,545	32	p 43
Billing	1,822	60.4	2,102	49	3,136	39.4	p 43
Contracts	242	8	440	10.3	719	9	p 44
Credit Control	3	0.1	44	1	118	1.5	p 45
Customer Service	12	0.4	282	6.6	1,181	14.8	p 44
Privacy	93	3.1	86	2	57	0.7	p 45
Provision	172	5.7	122	2.8	209	2.6	p 45
Customer Transfer	1	0	10	0.2	category no longer used		
Faults	86	2.9	79	1.8	category no longer used		
TOTAL	3,016		4,292		7,965		

Reporting on complaint issues

The TIO received a total of 72,264 complaints in 2000/01. As one complaint can involve more than one issue, the TIO handled a total of 80,710 issues – this compares to 60,796 issues in 1999/00.

As the total number of issues handled by the TIO increases each year due to rising awareness of the TIO and increasing need for its services, the number of issues recorded in each category also usually increases from year to year. The TIO therefore reports on telephone and Internet service complaint categories as percentages of the total number of issues received, as well as by the number of issues.

Telephone service issues

- The largest increase in complaints occurred in complaints about customer service. These rose from 6.9% of all telephone service issues in 1999/00 to 15.8% in 2000/01.
- The largest decrease occurred in complaints about the provision of service. These fell from 16.3% to 10.9% of telephone service issues.
- There was also a large decrease in the proportion of complaints about faults. These fell from 9.8% to 5.6% in 2000/01.
- Complaints about customer transfer remained at a similar proportion to last year.
- Billing continued to be the most common cause of complaint, accounting for 29.8% of all telephone service complaints, up from 26.4% in 1999/00.

Internet service issues

- Complaints about Internet services rose from 7.5% to 10% of all complaints to the TIO in 2000/01.
- The proportion of complaints about customer service more than doubled from 6.6% of Internet service issues in 1999/00 to 14.8% in 2000/01.
- There was a significant increase in complaints about Internet access from 26.3% in 1999/00 to 32% in 2000/01.
- The largest decrease occurred in complaints about billing. These fell from 49% to 39.4% of Internet service issues.

STATEMENT FROM CHAIRMAN OF COUNCIL

The TIO continued to address new and increasingly complex issues as it entered the new millennium.

The telecommunications industry has been characterised by innovation and rapid development of new products and services and heightened sales competition resulting in early product life cycle consumer issues. Combined with industry rationalisation and greater community take-up of the Internet, this has contributed to an increase in the volume and complexity of complaints referred to the TIO.

During the year the TIO restructured its investigations area to address this greater volume and complexity of complaints.

The TIO now has a team of Enquiry Officers who take initial calls to the TIO before referring the more complex matters to more highly trained Investigation Officers for resolution. This had a substantial effect on addressing complaint numbers, and allows for increased quality of investigation.

The Council thanks the Ombudsman John Pinnock, the Deputy Ombudsman Deirdre O'Donnell and the staff of the TIO for their dedication and their efforts in responding to the demands generated over the past 12 months.

Considerable effort was exercised this year in establishing a strategic plan to help the office move forward. The Council, along with the Board and management of the TIO, has developed a strategy that enables the TIO to supplement its complaint handling function with a proactive approach. The plan also provides an external focus featuring outreach to members of the TIO, the larger public, indigenous Australians, youth and persons of non-English speaking backgrounds, and provides for a number of operational efficiencies.

(left to right)

Mr Andrew Bedogni
General Manager
Regulatory Affairs
Cable & Wireless Optus

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

Ms Pam Marsh
Consumers' Telecommunications Network

The Hon Tony Staley
Chairman of Council



Expansion of the Council to include an additional industry representative and an additional consumer representative was completed and new Council members will shortly assume their roles. Brian Perkins and Bob Samarcq departed Council during 2000/01, with Bob replaced by Ross Baxter of Telstra. Council thanks Brian and Bob for their substantial contributions, and welcomes Ross.

The Council also extends its thanks to the TIO Board for its support throughout the year, and looks forward to continuing to enjoy a close and productive relationship with it in the year ahead.



The Hon Tony Staley
Chairman of Council

The Council, along with the Board and management of the TIO, has developed a strategy that enables the TIO to supplement its complaint handling function with a proactive approach.

(left to right)

Ms Vic Marles
Coordinator
Communications Law Centre

Mr Ken Roughley
Product Operations Manager
Vodafone Australia

Mr Ross Baxter
National General Manager
Customer & Internal Relations
Telstra Corporation

Mr Gordon Frend
National Farmers' Federation



STATEMENT FROM CHAIRMAN OF THE BOARD

I am proud to have been able to provide support and leadership to the Board over the past year, and to have participated in helping to provide a healthy future for the TIO.

The growth of the telecommunications industry has seen concomitant growth in the TIO. Consumer contacts have increased by 45.9% and, as noted by the Chairman of Council, these enquiries are increasingly complex.

The membership of the TIO continues to grow, with 98 new members taking the total to 1,089 members at 30 June 2001. The TIO extends a warm welcome to these new members and looks forward to their contribution and participation in the scheme.

The development and establishment of a strategic plan by Council was a major initiative completed this year. The strategic plan provides vision and leadership to the TIO, and the Board was pleased to work with Council in developing the plan. TIO management has developed a business plan that cascades the strategic objectives from that plan into an annual business plan. The business plan anticipates increased activity levels and allocates resources accordingly. The Board approved both these documents.

The Board has also approved changes to the structure of the TIO that allow both greater concentration on issues and greater capacity to address the volume of complaints received.

The policy regarding election of Council members was revised and reissued; legal issues relating to jurisdiction and membership requirements were explored; and the normal regime of corporate governance issues were addressed.

The Board has had a period of stability with no directors leaving in the last year. It is with regret that I announce the resignation of Adam Suckling as of 25 July 2001. The Board records its appreciation to Adam for his substantial contribution to the Board and the TIO. I must also sadly announce my own resignation from the Board, effective from 31 July 2001. I have taken great pleasure and professional pride in my role as Chairman of the TIO Board and am sure the Board and the TIO will continue to thrive.

(left to right)

Mr Michael Rocca
Managing Director
Service Delivery Unit
Telstra Corporation Ltd

Ms Deena Shiff
Director, Regulatory
Telstra Corporation Ltd

Mr Andrew Birch
Chairman of the Board
Director, Network & Technology
Vodafone Australia

Mr Paul Fletcher (absent)
Director
Regulatory & Public Affairs
Cable & Wireless Optus



The TIO has now introduced a new complaints and membership information system which will provide both greater efficiencies in dealing with consumers and members and enhanced effectiveness through the provision of new reports and streamlined management systems. Members and consumers should be confident that the TIO is operating with systems appropriate to a dynamic and complex industry.

The Ombudsman John Pinnock, Deputy Ombudsman Deirdre O'Donnell, Business Manager Phillip Carruthers, the Council and especially the staff of the TIO deserve thanks for the professionalism, enthusiasm and skill they bring to the operations of the TIO.

In conclusion, on behalf of the Board, I thank all members of the TIO for their cooperation in the TIO scheme. I look forward to the TIO remaining a vibrant and vital organisation providing independent, fair, just, informal and speedy resolution of complaints for both consumers and members.



Andrew Birch

Chairman of the Board

(left to right)

Mr Adam Suckling
Group Manager
Regulatory Affairs
Cable & Wireless Optus

Mr Kimberley Heitman
Executive Director
iiNet Ltd

Ms Susan Holmes
Independent Director

Mr David Havyatt
Regulatory Director
AAPT Ltd



OMBUDSMAN'S OVERVIEW

2000/01 was a year of unprecedented demand for the TIO's services, not only as a complaints resolution scheme, but also as a source of advice, information, data, analysis and opinion on a range of consumer issues in the telecommunications sector.

TIO Operations

Given these growing demands, it is worth reflecting on some basic principles that underpin the TIO's existence and role.

While the TIO's mission of 'providing free, independent, just, informal and speedy resolution of complaints' is pithy, it is based on more fundamental standards as set out in the *Benchmarks for Industry-based Customer Dispute Resolution Schemes*, published by the Department of Industry, Science and Tourism in August 1997.

As a member of the working party that wrote the benchmarks, I am committed to the TIO and its staff meeting the principles of Accessibility, Independence,

Fairness, Accountability, Efficiency and Effectiveness. In a real sense the performance of the TIO is to be measured against these standards.

As in past years, the pressures of increasing numbers of complaints and the growing complexity of issues reflect the level of industry activity and the awareness of the existence and the role of the TIO.

In the past year the TIO dealt with these pressures directly, by completely restructuring its internal investigative resources, recruiting dedicated Enquiry Officers to handle the preponderance of telephone enquiries, and freeing Investigation Officers to concentrate on the more time consuming investigations of complex complaints. The restructuring took almost nine months and was successfully completed because of the commitment of staff and the support of both the Council and Board, which recognised the need to increase resources – financial and human – to meet the challenges facing the scheme.

At the same time, Council and Board completed a strategic review of the scheme which led to a comprehensive strategic plan for the next two years, and a tightly focused business plan for 2001/02. Perhaps the most important element of these plans was the confirmation of the TIO's position that it must maintain, improve and develop the core competences of its investigative staff, particularly in specialist areas. The most immediate and practical demonstration of this commitment was the recruitment of legally qualified investigative staff, whose focus will be on complaints which raise general contract law and consumer protection law issues.

Council also strongly supported the TIO's initiatives in emphasising an increasingly proactive role.

Deirdre O'Donnell
Deputy Ombudsman

John Pinnock
Ombudsman



Addressing Systemic Issues

While recognising the TIO's principle focus of investigating and resolving individual complaints, additional time and resources are being devoted to identifying and reporting on systemic issues both to TIO members and to the regulators, the Australian Communications Authority (ACA) and the Australian Competition and Consumer Commission (ACCC).

The role of the ACA in monitoring and enforcing systemic compliance with Consumer Codes developed by the Australian Communications Industry Forum (ACIF) will be the acid test of the whole code regime established under the *Telecommunications Act 1997*. On its front, the ACCC was particularly speedy in acting on information referred to it by the TIO, identifying continuing and systemic evidence of 'slamming' within the industry and in prosecuting two TIO members, One.Tel and Primus, under the *Trade Practices Act*.

The TIO is continuing with its project aimed at improving the performance of members in internal dispute resolution (IDR), and establishing a benchmark of industry best practice, something which is clearly lacking. The importance of ACIF's Complaint Handling Code to this task, and to the wider performance of industry players, should not be underestimated.

Trends in Complaint Issues

The substantial increase in customer service complaints in both telephony and Internet services is of obvious concern, especially as many of these complaints involve a failure of providers to escalate complaints internally, a clear breach of the ACIF Complaint Handling Code.



Astra Taurins
Personal Assistant
to the Ombudsman

In other trends, complaints about customer transfer remain high but showed a decline in the second half of the financial year that was most likely due to the ACCC's actions in December 2000. The speed of provisioning new lines and repairing faults has clearly improved, leading to a notable decline in these traditional areas of complaint.

Looking to future issues and trends, the introduction in September 2001 of mobile number portability, a basic element of competition, has long been anticipated by industry and consumers, particularly small business customers. The industry has worked assiduously through ACIF to develop operational codes and consumer guidelines to handle this development. Nevertheless, there are a number of potential pitfalls for consumers and the TIO expects that, as with the advent of wider choice generally, there will be a surge in complaints in this area.

The TIO also expects to devote increased resources to more detailed investigations of complaints which raise issues of contract and consumer protection law, particularly in the vexed area of mobile telephone contracts.

It is fair to say that, as with the pernicious practice of slamming, the conduct of dealer and agent representatives of carriers and carriage service providers in this area, continues as a black mark on the industry. Recent moves by industry players to review standard contracts generally is a belated recognition that past and current industry practices have led to considerable consumer resentment.

As noted in past annual reports, the TIO has highlighted the need for a consumer code to establish minimum standards of customer service for Internet access services. The response of the Telephone Service Inquiry (Besley Inquiry) and of the Minister for Communications, Information Technology and the Arts to this issue is therefore most encouraging.

In the year ahead, the TIO will be looking more closely at issues emerging for growing numbers of Internet users, including Internet access contracts, and the increasing proliferation of 'acceptable use policies' as a means of limiting offers to consumers which are otherwise couched in terms like 'free' and 'unlimited'.

Growing consumer expectations of Internet access services, as well as increasing Internet usage, will ensure that Internet-related complaints will continue to grow as a proportion of all complaints to the TIO.



John Pinnock
Ombudsman

(left to right)

Tanya Erdos
Investigation Officer

Philip Warren
Investigation Officer



TIO OPERATIONS

Funding

The TIO is an industry-sponsored scheme deriving its funding from members who are charged fees for complaint resolution services provided by the TIO. A member is charged when the TIO receives a complaint from one of the member's customers.

The funding system therefore is intended to act as an incentive for members to keep TIO investigations to a minimum by developing and maintaining effective complaint handling and customer service procedures. In fact, the internal dispute resolution performance of members varies widely, with some demonstrating industry best practice and others having very poor performance.

Revenue from complaint fees is used to fund the costs of operating the TIO's investigations area. If a member incurs complaint fees, it is also required to contribute a proportion of the TIO's overhead costs. The proportion of complaint handling fees attributed to a member determines the proportion of overhead expenses the member must pay. Capital expenditure is quantified separately in the business plan and is funded in the same way as overhead costs.

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

In June 2001, following the collapse of One.Tel, and in order to ensure an adequate reserve fund for the TIO, the TIO Board authorised a special levy of \$300,000.

Members receive quarterly invoices for complaint handling fees incurred in the current quarter (including a proportion of overheads and capital expenditure), plus an estimated amount for charges expected to be incurred in the next quarter. Each quarter, a reconciliation of actual charges against estimated is completed. During 2000/01, around 12% of members were invoiced by the TIO; the majority of members were therefore not required to contribute funds to the TIO.

In 1999/00 the TIO's funding system was adjusted in recognition of the fact that the vast majority of members are now small businesses. The TIO now waives all charges (including overhead and special levy) for the first four (4) Level 1 complaints per quarter received for each member.

TIO Complaint Levels and Costs to Members

Complaint Level	Charge to Member
Level 1	\$18.00 – direct
Level 2	\$160.00 – direct
Level 3	\$350.00 – direct
Level 4	\$1,200.00 – direct
Enquiries (not complaints)	*\$15 – indirect charge
Reviews	*\$150 – indirect charge

* Distributed amongst invoiced members

Governance

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

A company limited by guarantee, the scheme is accountable to the Council and its Board of Directors. Directors are appointed by the TIO membership, with the exception of the independent director, who is appointed by the Board itself.

The Board has corporate governance responsibilities including risk management, strategic planning, the approval of budgets, overall financial management of the scheme, ensuring compliance with the Memorandum and Articles of Association and the Constitution, and ensuring that the scheme is adequately funded.

During the year the Board considered a wide range of issues including the TIO's strategic and business planning, and significant funding issues.

In addition to four scheduled face-to-face meetings per year, the Board participated with the Council in a strategic planning exercise. A report from the directors is included on page 64.

Chaired by the Honourable Tony Staley, the Council provides strategic policy direction to the TIO, and recommends to the Board the appointment of the Ombudsman, thereby ensuring the Ombudsman's independence. Whilst the Ombudsman has responsibility for the day-to-day operations of the scheme, it is the role of the Council to provide advice to the Ombudsman on policy and procedural matters, and to ensure that complaint handling procedures are effective.

In 2000/01, ten meetings of Council were held which considered a range of issues including investigations benchmarking, public awareness activities, jurisdictional questions, complaint handling procedures, a review of internal dispute resolution within member organisations, the impact of Consumer Codes, and funding and financial issues.

In addition, three meetings were held to consider strategic planning, the last of these in conjunction with the Board.

The Council structure was changed during the year to include an additional member representative and an additional consumer representative. The Council now comprises five member and five consumer representatives, and an independent Chairman.

(left to right)

Paul Nangle
Enquiry Officer

Monica Clements
Investigation Officer

Elisabeth Brittain
Investigation Officer



Strategic Review

The Council and Board, in conjunction with management and staff of the TIO, developed a new strategic plan for the TIO addressing the period 2001-2003. The strategy has four key components.

First, the mission of the TIO was confirmed as '... providing free, independent, just, informal and speedy resolution of complaints'.

Second, while recognising the need to maintain its primarily reactive approach to resolving individual complaints, the TIO will also develop more proactive strategies to respond to rapidly rising complaint numbers, as well as increasingly complex complaints. Specific actions to be undertaken under this strategy include development of an Internal Dispute Resolution (IDR) project to improve customer complaint handling processes and outcomes by TIO members, increasing the resources devoted to policy and research areas, and the publication of member specific complaint statistics and details.

Third, the TIO will maximise its operational efficiency. It will achieve this through development of a comprehensive plan to maintain, improve and add to core competencies and training of its investigative staff, particularly in specialist areas such as contract and consumer law, and by developing detailed policy and action plans to deal with emerging issues such as mobile number portability, Internet issues and data services.

Fourth, the TIO will maintain an external focus in providing its availability as an office of last resort to resolve complaints by end-users of telecommunications services. It will achieve this through a comprehensive outreach program directed at members and through a communications strategy directed at consumers and consumer groups, and focusing on general awareness and community education with specific focus on youth, persons of non-English speaking backgrounds, people with disabilities and indigenous Australians.

In addition, the TIO will develop an effective process to monitor and measure progress in achieving these strategic objectives.

The Council, in consultation with the Board and management, will also facilitate an independent review of the TIO scheme.



(left to right)

Donna Nolan
Administration Officer

Carolyn Simpson
Investigation Officer

Staffing

The total staff of the TIO increased from 36 to 52 during 2000/01, with changes primarily in the investigations area. The TIO increased its Investigation Officers from 19 to 22, including two positions for Legal Investigation Officers to deal with the increasing number of complaints involving consumer law issues. The TIO now employs a number of staff with legal backgrounds, the majority of whom work on a range of legal and non-legal complaint issues.

Fourteen new positions were created for Enquiry Officers whose primary role is to answer incoming calls and assess whether further action is required. These positions were created in response to increasing call numbers and the negative effect this was having on Investigation Officers' casework times. The Enquiry Officers work under the newly created position of Enquiry Manager, filled by an experienced ex-Investigation Officer, Jeremy Evans.

During the year a number of policies and initiatives aimed at the well-being of staff were implemented. A package of staff benefits including an employee assistance program, access to stress management activities and a number of after-work events have cemented team spirit and collaboration amongst staff. The TIO also introduced a more comprehensive orientation program for new staff, and continued to run regular training sessions for all staff. By recruiting high-calibre and energetic staff, and providing quality training and development, the TIO is often able to promote from within. This provides career progression opportunities and demonstrates the TIO's commitment to existing staff.

We welcomed back Kerry Garner as Public Affairs Officer, and welcomed Phillip Carruthers as Business Manager, Jodie-Anne Doyle, Ruth Brown, Janet Sullivan, David Ohri, Simone Allen, Lisa Woodcock, Kate Nicholls and Kelly Rice as Investigation Officers, and Michael

McKiterick, Paul Nangle, Jayde Richmond, Sarah Bendall, Maria Apostolidis, Athina Bakirtzidis, Marianne Bois, Gillian McKenzie, Kalma Rathouski, Bryan Spier, Aaron Tan and Daniel Walls who all commenced as Enquiry Officers during the year. Kayla Thomas was appointed Accounts Officer, and Carla Gangi was appointed Receptionist.

The TIO farewelled Barry Johnson, Jane Hill, Trevor Mason, Kerry Sonnet, Madelaine Perkins and Rodney Bird who have all made special contributions to the TIO. We wish them well.

(left to right)

Carmen Buccheri
Investigation Officer

Claire Paksoy
Investigation Officer



Organisational Chart as at 30 June 2001



Administration

Maximising the application of available technology is a key to effectiveness and efficiency at the TIO, and has been a focus of Systems Administrator Anthony Beaumont. A new complaints management system called CosMoS was developed during 2000/01 and introduced in the final weeks of the year. The TIO now looks forward to CosMoS improving the service offered by the TIO to complainants, to members of the scheme and to industry regulators.

Part of the introduction of CosMoS has been an upgrading of the computer equipment in the office and development of internal calendaring networks. The TIO has also now standardised on the Microsoft 2000 range of products. All computer hardware and most computer software is leased.

In the Administration Unit, the TIO has made significant use of Louise O'Shea and Charlotte Wilson, two students from Melbourne University, who have assisted Donna Nolan with administration functions on a part-time basis.

The TIO website has been brought 'in-house' which enables more timely updating. Carla Gangi in Reception has taken a greater role in recording complaints, increasing her understanding of the core functions of the TIO.

The Finance Unit has continued to operate efficiently with Mary Leung and Kayla Thomas administering the TIO's invoicing system, and providing timely and accurate information for decision-making. Astra Taurins continues to provide first-rate secretarial and administrative support to the Ombudsman, senior management, and the Board and Council.

Public Awareness

The TIO's public awareness activities focus on three aims: making the TIO scheme known and therefore accessible to all Australians; raising public understanding of telecommunications issues that affect consumers; and being accountable by regularly reporting on the TIO's activities and complaint statistics.

A major project for the year was the construction of a new website to provide comprehensive information about TIO processes and complaint issues to the public, TIO members and the media. The site gives answers to frequently asked questions, reports quarterly on TIO statistics, and makes all TIO publications, media releases and other documents available in formats accessible to as wide a range of users as possible.

The TIO also continued to produce a range of free publications including information brochures, a quarterly newsletter, and multi-lingual fact sheets. The CD-ROM multimedia presentation produced in 2000 continues to be popular and is regularly requested by a large number of community services, TIO members and individuals. Throughout the year the TIO mailed information packs to a variety of targeted community organisations, resulting in a large number of requests for publications, articles and inclusion on the TIO mailing list.

(left to right)

Jeremy Evans
Enquiry Manager

Gillian McKenzie
Enquiry Officer

Jayde Richmond
Enquiry Officer



Although awareness of the TIO within the general population was measured in July 2000 at 44%, there are a number of groups within the larger community with lower than average awareness. In particular, young people and people from non-English speaking backgrounds (NESB) require dedicated programs to raise their awareness levels.

Since 1997 the TIO has conducted specialist campaigns to reach NESB communities. In 2000/01, 12 communities were targeted with press and radio advertising and editorial content in their own languages. The TIO was also a major sponsor of the National Multicultural Festival held in Canberra in March 2001. In the coming year the TIO will expand its NESB program to include the availability of multi-lingual information on the TIO website.

In an effort to address low awareness levels amongst young people, the TIO participated in a joint project with other industry alternative dispute resolution (ADR) schemes. Branded as Easy Dispute Resolution, the scheme provides a single

tollfree phone number which directs callers to dispute resolution services for complaints relating to telecommunications, insurance, banking, financial services and energy. The scheme was widely promoted to TAFE and university students around Australia.

Codes and Industry Liaison

During 2000/01 the TIO continued to liaise with other agencies and industry bodies including the Australian Communications Authority (ACA), the Australian Competition and Consumer Commission (ACCC), the Australian Communications Industry Forum (ACIF), and the Department of Communications, Information Technology and the Arts.

Although the TIO's primary function is to investigate individual customer complaints, where it identifies continuing complaint issues that appear to be systemic to a company or to the industry, or which breach legislation or industry codes, it will raise the issue with the appropriate agencies.

During the year the TIO provided complaint statistics to the ACCC to assist it with its investigation into unauthorised transfers (slamming). The TIO also asked some TIO complainants to allow the TIO to forward their details to the ACCC for further investigation. The co-operation resulted in the ACCC successfully prosecuting two telecommunications carriers in December 2000 for breaches of the *Trade Practices Act*.

The TIO also provided its complaint statistics to the ACA for an analysis of industry compliance with the ACIF Commercial Churn Code, and for the ACA's Telecommunications Performance Report.

Through ACIF, the TIO continued to co-operate with industry members to develop consumer codes that will set minimum standards for the telecommunications industry. In particular, this year the TIO contributed to the development of the ACIF Customer Transfer Code.



Geraldine Creaton
Investigation Officer

The TIO also participated in an ACIF committee to raise public awareness of customer transfer issues and to inform customers of their rights in relation to the door-to-door selling and telemarketing of telecommunications services. The TIO believes it is an important part of its role to work with industry and regulators to ensure that consumers are aware of their rights and options when selecting a service provider. Consumer understanding of transfer issues will become even more important in September 2001 when the introduction of mobile number portability will give consumers greater choice in relation to their mobile service provider.

During the year substantial issues arose as to the TIO's powers in relation to dealing with ACIF Consumer Codes. The TIO sought its own legal advice and has consulted with both ACIF and the ACA on the matter. As a result of these discussions, ACIF has taken action to ensure that all Consumer Codes registered with the ACA clearly confer on the TIO the powers to investigate, give directions, make determinations and report on complaints which may be breaches of the various ACIF Consumer Codes. The TIO has also reviewed necessary amendments to its Constitution in relation to ACIF codes.

Member Services

At 30 June 2001 there were 1,089 TIO members. The net increase in membership over the year was 98. Internet service providers comprised 81.6% of the TIO's total membership. Carriers and telephone service providers made up 5.4% and 8.3% respectively, while 4.7% were classified as telephone and Internet service providers.

A total of 134 members received an invoice from the TIO during 2000/01 – approximately 12% of TIO membership. This percentage would be considerably higher if not for the TIO's policy of allocating four 'free' Level 1 complaints per quarter to each member.

Companies which continually fail to respond to requests to join the TIO are in breach of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* and are referred by the TIO to the Australian Communications Authority (ACA). A total of 8 providers were referred to the ACA in 2000/01.

Member services staff

In January 2001, the member services team was expanded to include Sarah Radford as Member Services Assistant. In addition to providing support to the Member Services Adviser, Sarah is responsible for ensuring that non-members are made aware of their potential obligation to join the TIO.

Continuing in the role as Member Services Adviser, Sarah Nye further developed the TIO's focus on building and maintaining sound working relationships between the TIO and its members.

Liaison with members

During 2000/01 Sarah Nye visited approximately 30 small, medium and large members. Individual representatives and teams of TIO liaison staff were trained in the TIO's role, policies and procedures. Representatives were given opportunities to ask questions and to discuss individual complaints. Informal feedback from these members has been extremely positive.

(left to right)

Kalma Rathouski
Enquiry Officer

Kerryn Garner
Public Affairs Officer

Marianne Bois
Enquiry Officer



A further 15 member representatives attended the TIO's premises. After signing confidentiality agreements, some of these representatives 'double-jacked' with TIO investigation and enquiry officers. Members' subsequent feedback suggested that this was a worthwhile exercise which particularly aided their understanding of the TIO's independence. Based on this success, it is expected that more member representatives will be invited to visit the TIO investigations area in the coming year.

In June 2001 the TIO was invited by Telstra to conduct a series of presentations to management staff in most major Australian cities. The presentations were considered by Telstra to be highly effective at improving understanding of the TIO's role.

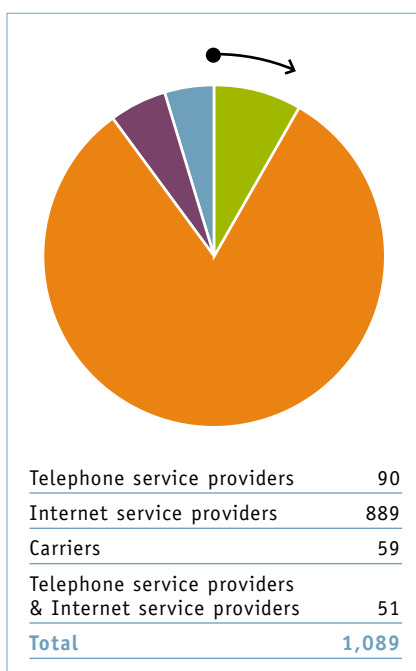
Internal Dispute Resolution Project

In February 2001 the TIO began work with some of its members on an internal dispute resolution project, with the aim of reducing the rate of increase of customer complaints to the TIO. The project is intended to assist TIO members to improve their internal dispute resolution procedures, and is expected to provide benefits such as greater customer satisfaction and a reduction in members' financial contributions to the TIO scheme.

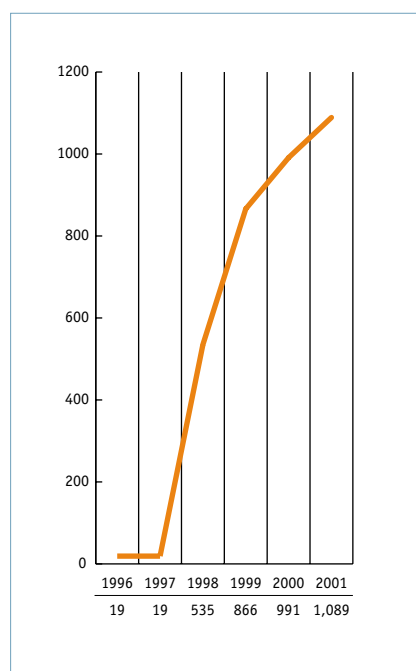
Research is currently being conducted for Phase 1 of the project, which will produce a best-practice template for internal complaint handling by the end of October 2001. As well as analysing the complaint handling processes of participating members, the research also examined the complaint handling performance of two major banks nominated by the Australian Banking Industry Ombudsman for being particularly effective at internal dispute resolution.

After assessing the effectiveness of the template in the participating members, the template will be promoted to other larger members of the TIO as a way of achieving best practice internal dispute resolution processes within the framework of ACIF's Complaint Handling Code. Phase 2 of the IDR project, scheduled to commence in December 2001, will involve a greater focus on participants' TIO statistics and the further development of strong working relationships. It is expected to involve hands-on coaching of each participant's TIO liaison team to maximise its ability to prevent complaint escalation.

The total number of TIO members at 30 June 2001 was 1,089. Internet service providers made up 81.6% of these.



TIO Membership Composition
(at 30 June 2001)



TIO Membership Growth

Confirmation of legal obligation to join the TIO

The great majority of carriers, carriage service providers and Internet service providers (ISPs) take their membership obligations seriously. A small but vocal number of ISPs, however, have failed or refused to acknowledge their legal obligation to enter into and comply with the TIO scheme.

Acting on a referral from the TIO, the ACA commenced proceedings in the Federal Court in late 1999 and early 2000 against two ISPs, Albury Local Internet and Viper Communications, seeking pecuniary penalties because of the companies' failure to comply with the requirements of what is now Part 6 of the Telecommunications (Consumer Protection and Service Standards) Act.

On 22 November 2000, Mathews J determined that, on a true construction of the legislative provision, eligible carriage service providers were required to be members of TIO Limited. Sub-section 128(3) of the Act provides that there is only one Telecommunications

Industry Ombudsman Scheme, namely the scheme operated by TIO Limited. Her Honour also concluded that the purported applications of Albury Local Internet and Viper Communications to join the TIO scheme, which had been amended in significant details, were not valid applications to enter into the scheme. However, Her Honour declined to impose a pecuniary penalty in either case.

On 6 June 2001, Sackville J rejected a number of constitutional challenges to the validity of the TIO scheme raised by the two ISPs.

Subsequently, the proprietor of Viper Communications, Mr Mark Russell, was elected to the TIO Council as an ISP representative.

The outcome of this 'test' case was to confirm the view taken by both the TIO and ACA that all eligible carriage service providers are required to be members of TIO Limited. The TIO expects that a number of ISPs that were awaiting the outcome of the case will now join the TIO.

Communications improvements

The TIO's new website became operational at the end of May 2001. The site contains a Members' Area which provides advice to members about TIO policies and procedures, including complaint classification and escalation procedures, the construction of a formal response to the TIO, and how to minimise complaint escalation. The website allows members to easily update their membership details and provides a direct link to the Member Services Adviser.

In the year ahead a number of initiatives are expected to significantly improve the TIO's communication with its members. The completion of the second phase of the TIO's new computer system, CosMoS, will allow for members to be immediately notified by e-mail each time the TIO raises a complaint against them. This will give members the opportunity to better monitor TIO referrals. The new system will also enable the TIO to send bulk e-mails to its members, allowing for easier and speedier dissemination of information.

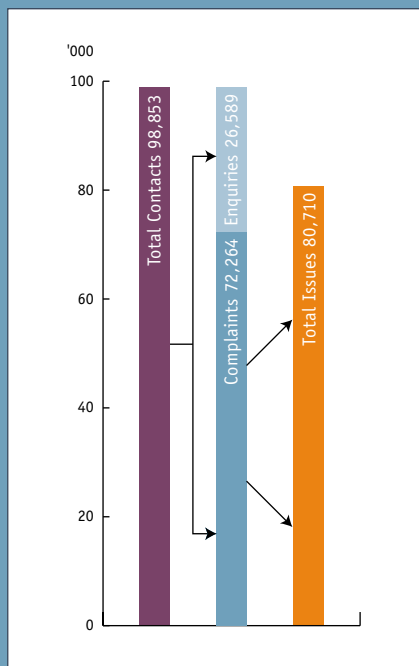
(left to right)

Genevieve Kavenagh
Investigation Officer

Alex Buchanan
Project/Research Officer

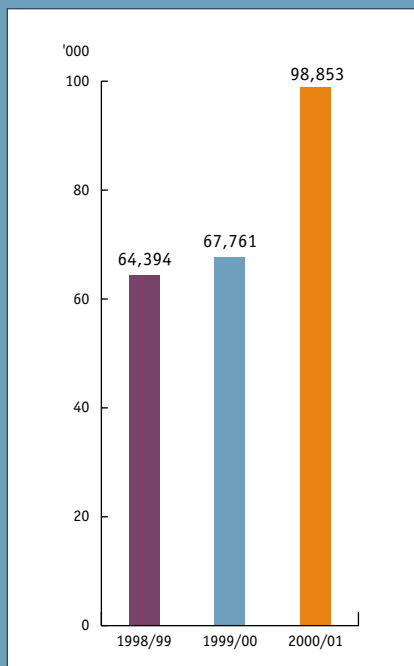


COMPLAINT HANDLING



Total Number of Enquiries, Complaints and Issues

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



Total Contacts

(Includes enquiries and complaints)

Definitions

The TIO uses four terms to describe how it defines the calls, emails, faxes and letters it receives.

Contact

Contact made by a member of the public with the TIO regarding telecommunications services. The contact could be made by telephone, fax, email or letter. The costs of all contacts are billed to members, either directly or indirectly.

Enquiry

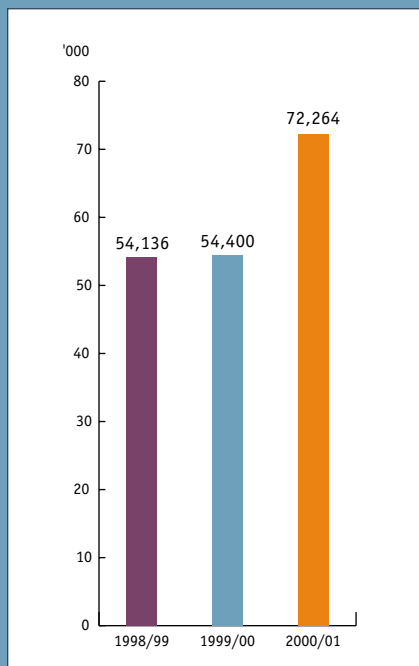
A contact regarding a matter that is not an expression of dissatisfaction or grievance, or which is outside the TIO's jurisdiction, or which is a first attempt to solve the problem, or which is anonymous, frivolous or vexatious. The costs of enquiries are distributed amongst invoiced members.

Complaint

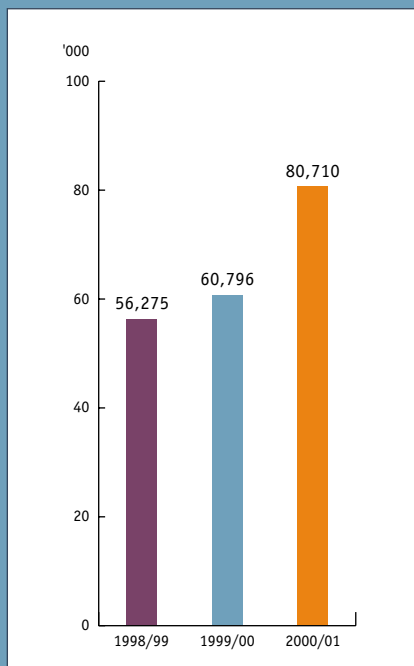
Contact regarding an expression of dissatisfaction or grievance which the TIO is able to investigate. The cost of a complaint is billed directly to the member concerned.

Issue

The matter or matters about which a member of the public has complained to the TIO. A complaint may involve more than one issue. The TIO bills members according to the number of complaints logged against them; members are not billed according to the number of issues.



Total Complaints



Total Issues

The TIO received 72,264 complaints in 2000/01 – 32.8% more than last year – resulting in 80,710 issues raised.

Complaint Resolution Process

As an alternative dispute resolution (ADR) scheme, the TIO provides consumers and small businesses with an alternative to the court system, after the complainant's own efforts to resolve a dispute have failed.

The TIO investigates complaints on a case by case basis, seeking the perspectives of both sides to the dispute and forming a view as to the most reasonable outcome given the information provided.

Fundamental to the TIO's approach is that it strives to make an independent assessment of a dispute, and to achieve a resolution that is based on the law, industry codes, and what is fair and reasonable given the particular circumstances.

To assist the resolution process, the TIO asks both the complainant and the TIO member to demonstrate good faith in the approach by providing information relevant to the complaint and showing a willingness to acknowledge each other's perspectives.

These factors play a critical role in helping the TIO to negotiate a result which is acceptable to both parties.

Complaint Escalation

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

Level 2 and 3 complaints require the member company concerned to provide information requested by the TIO within set timeframes. The TIO may escalate a complaint to the next level if the member's response is not provided within the set timeframe, or if the response is not satisfactory.

Due to the increasing volume and complexity of complaints it now handles, in 2000/01 the TIO began restructuring its investigations area to more efficiently manage incoming complaints. Level 1 complaints can now be dealt with by either an Enquiry Officer or an Investigation Officer, while Level 2 and 3

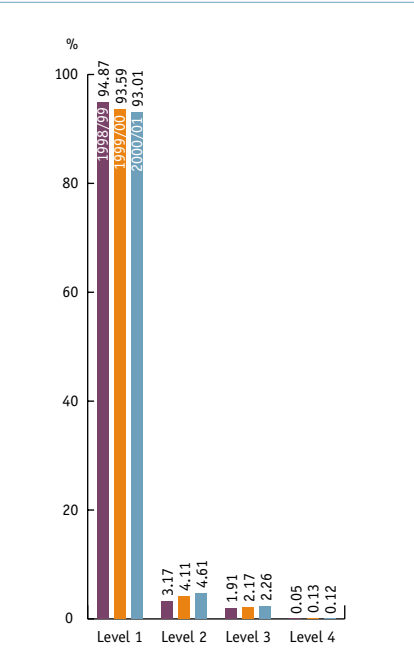
complaints are handled by Investigation Officers. Level 4 complaints are dealt with by the Deputy Ombudsman, or by the investigating officer under the supervision of the Deputy Ombudsman.

The TIO's case escalation process is set out in its Complaint Classification and Escalation Guidelines. During the year the TIO reviewed the timeframes required by these guidelines and made amendments to improve their clarity and make them more consistent with complaint handling in practice.

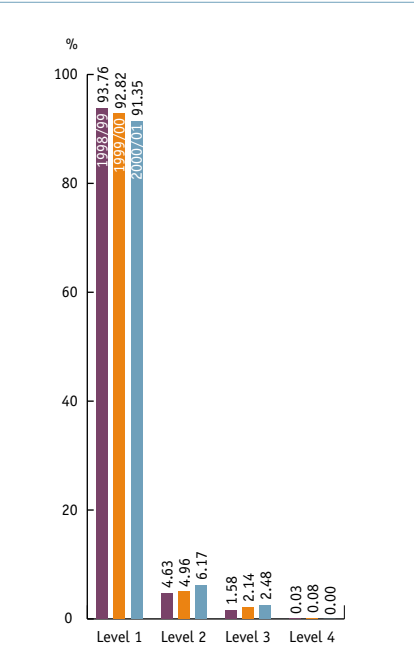
TIO Complaint Levels and Timeframes

Complaint Level	Response from Member
Level 1	Direct to complainant within 2 days, resolution within 14 days
Level 2	Within 21 days
Level 3	Within 28 days
Level 4	Aim for resolution within 90 days*

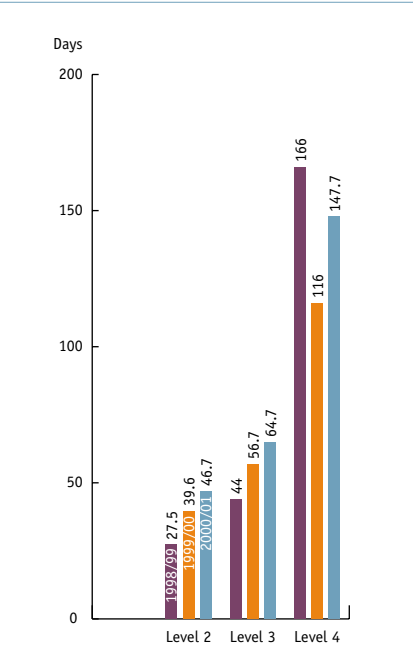
*usually involves numerous communications between the TIO and the member



Telephone Service Complaint Mix (percentage)



Internet Service Complaint Mix (percentage)



Complaint Resolution Times (average number of days)

Note: Level 1 complaints are resolved without an investigation process

Complaint Handling Performance

Demand for service

In 2000/01 the TIO responded to increasing demands for its services. While 1999/00 saw a 5.2% increase in total contacts handled by the TIO, this figure was dwarfed by an increase of 45.9% in 2000/01. The 98,853 contacts received by the TIO in 2000/01 resulted in 72,264 complaints – a 32.8% increase on the number of complaints handled last year.

Much of the rise can be attributed to the employment of Enquiry Officers in late 2000 who have assisted Investigation Officers to respond to previously unmet demand for TIO assistance. While the additional staff did help to relieve pressure on investigative staff, demand again surged beyond the TIO's capacity to respond in the final weeks of 2000/01 when One.Tel went into voluntary administration. During this time the TIO handled a large number of complaints and enquiries from consumers about the changing One.Tel situation.

In addition to rising complaint numbers, the TIO has responded to increasing demands on its resources from other areas. During the year many TIO staff worked on tasks and projects in addition to their complaint-handling roles, such as the implementation of the TIO's new computer information system, preparing input into industry codes, and working with members to develop strategic approaches to addressing consumer complaints.

Complaint mix

The proportion of complaints resolved at Level 1 dropped slightly during the year for both telephone and Internet service complaints. Correspondingly, there was an increase in the proportion of complaints resolved at Levels 2 and 3. The proportion of complaints resolved at Level 4 remained similar to last year for telephone service issues. There were no Internet-related complaints raised to Level 4.

Complaint resolution times

While Level 1 complaints are usually resolved during the course of the telephone conversation or with referral to a senior level within the member company, the time taken to resolve complaints at Level 2 increased to 46.7 days, and to 64.7 days for Level 3 complaints. Level 4 complaints took an average of 147.7 days to resolve compared to 116 days last year.

The increase in resolution times at all levels is due not only to the increasing volume of complaints, but also to the increasing time required to investigate the growing range of complex and technical issues raised.

Resolution times have also been affected by changes to the TIO's complaint escalation guidelines; in particular, the increased time provided for members to respond to Level 2 complaints, up from 14 to 21 days. This change is only one of a number over the past two years that have increased the average resolution times for Level 2 and 3 complaints. These changes make it difficult to identify underlying performance trends over this time.

No Internet-related complaints were raised to Level 4. The percentage of telephone-related complaints raised to Level 4 decreased slightly on last year.

The increasing amount of time required to investigate complex and technical issues, and changes to complaint escalation timeframes, resulted in longer resolution times at all complaint levels.



Bryan Spier
Enquiry Officer

Complaint outcomes

The measure of complaint outcomes is considered by many to be a useful indicator of the effectiveness of ADR practices. Upon resolution of a complaint, the Investigation Officer records whether the outcome is considered to be substantially, partially or not at all in favour of the complainant. This measure is obtained through direct feedback from the complainant or on the basis of the Investigation Officer’s opinion of how closely the resolution met that being sought by the complainant. So, if the complainant stated that his or her prime objective was to receive an apology from the provider and this was achieved, the TIO would record this as being a resolution that is substantially in favour of the complainant. Outcomes to Level 1 complaints are not recorded as they are usually resolved without a formal resolution process.

In 2000/01, 56.9% of complaints were resolved substantially or partially in favour of complainants, compared to 47.3% last year. Fewer complaints were closed with an ‘unknown’ or ‘not recorded’ resolution. This is due to the TIO’s commitment during the year to strengthening its data gathering procedures and recording a greater percentage of complaint outcomes.

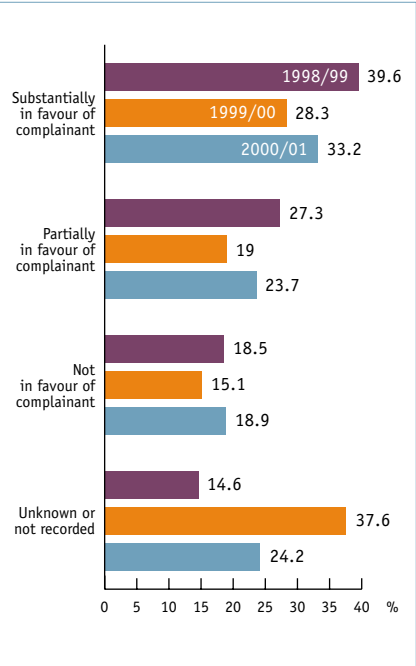
It is generally accepted within ADR schemes that a decline in the proportion of complaints resolved in favour of the complainant is a sign of improvements in the industry’s internal dispute resolution capabilities. As the telecommunications industry matures, the TIO would expect to see more complaints resolved in favour of member companies.

Complainant satisfaction survey

In October 2000 the TIO received the results of its fifth independent, qualitative survey of complainant satisfaction levels. Based on 300 in-depth telephone interviews, the survey measured complainant responses to the TIO’s accessibility, professionalism and case-handling procedures. The survey found that the TIO’s investigative area was showing the strain of increasing workload pressures. In particular it found that Investigation Officers were dealing with complaints in a more hurried and less proactive manner than in the past. Since the data was gathered in April 2000 the TIO has introduced structural changes to the investigations area and recruited additional staff. It is expected that the alleviation of pressure on staff will result in improved results next survey.

56.9% of complaints were resolved substantially or partially in favour of the complainant compared to 47.3% last year.

Kate McLeod
Investigation Officer



Complaint Outcomes
(percentage)

TELEPHONE SERVICE COMPLAINT ISSUES

Overview

72,745 issues raised

In 2000/01 the total number of issues handled by the TIO about telephone services was 72,745 – up from 56,504 in the previous year. This represents an increase of 28.7%.

These issues were logged under complaint categories such as billing, faults or customer service. The graph overleaf reports on the number and percentage of issues raised in each complaint category over the past three years.

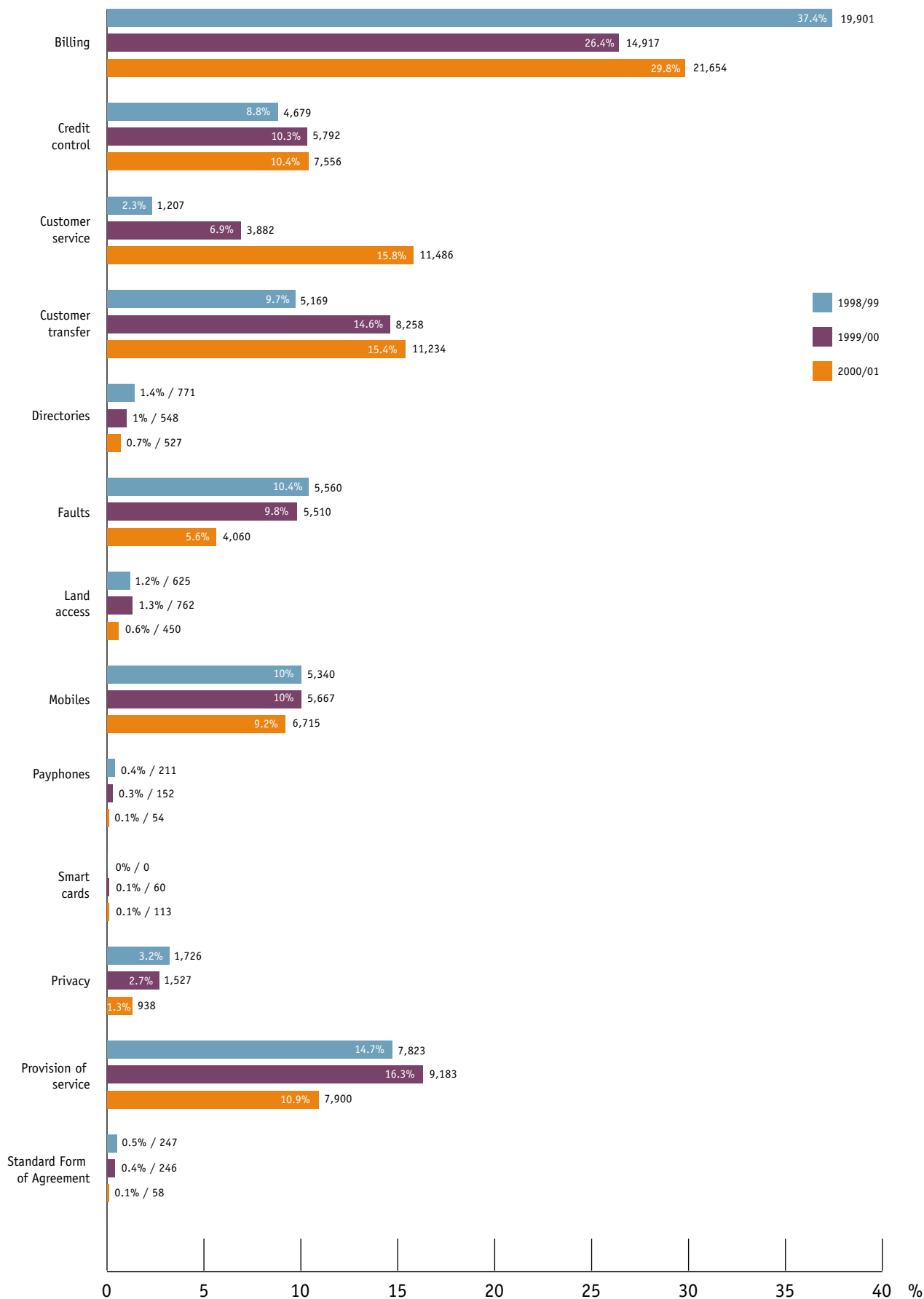
As in previous years, billing continued to be the major area of complaint, constituting 29.8% of all telephone service issues investigated by the TIO. The majority of billing complaints were about disputed call charges (in particular 190-information calls), delays in receiving bills, and delays in charges being applied to accounts (backbilling). The surge in billing complaints in the latter part of 2000/01 was almost wholly attributable to complaints about One.Tel.

The biggest increase occurred in complaints about staff and customer service of telephone companies. These more than doubled from 6.9% in 1999/00 to 15.8% in 2000/01. It may be that this rise is due to the focus of some companies on increasing their customer

bases at the expense of responding to their existing customers. A large number of customer service complaints related to claims that staff had refused or failed to escalate customer complaints, conduct which is contrary to ACIF's Complaint Handling Code.

The biggest decreases occurred in complaints about the provision of service, which fell to 10.9% from 16.3% in 1999/00, and complaints about faults, which accounted for 5.6% in 2000/01 compared to 9.8% in the previous year. A reduction in the number of mass service disruptions around the country is part of the reason for the reduced number of faults complaints, and it appears that a weakening in demand for second telephone lines could be part of the explanation for the decline in complaints about provisioning delays. While the Customer Service Guarantee has also established objective performance standards in these service areas, Telstra has improved its performance significantly with the upgrade of the Customer Access Network and better use of resources.

The proportion of complaints about customer transfer (15.4%), mobile telephones (9.2%) and credit control (10.4%) were comparable to the percentages recorded for 1999/00.



Telephone service issues breakdown – 72,745 total issues

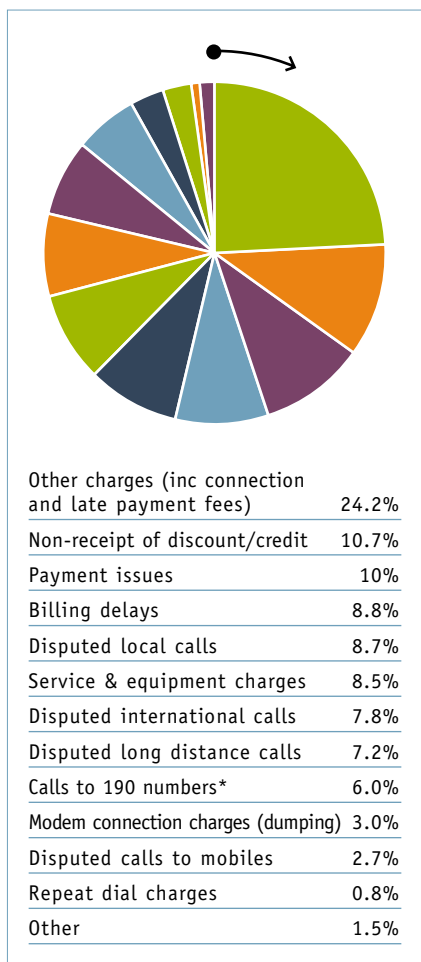
Bars represent percentage, numerals indicate total

Billing

21,654 issues raised

Complaints about billing increased from 26.4% of all telephone service complaints received by the TIO in 1999/00 to 29.8% in 2000/01. Complaints about billing for mobile services made up 26.1% of all billing complaints; the remainder related to fixed line services.

The billing category includes complaints about all billing and payment issues including disputes about the accuracy of call charges, handset rental, mobile access fees, discounts, connection charges, and disputes over whether or not a payment has been made.



Billing Issues – Fixed Line Services

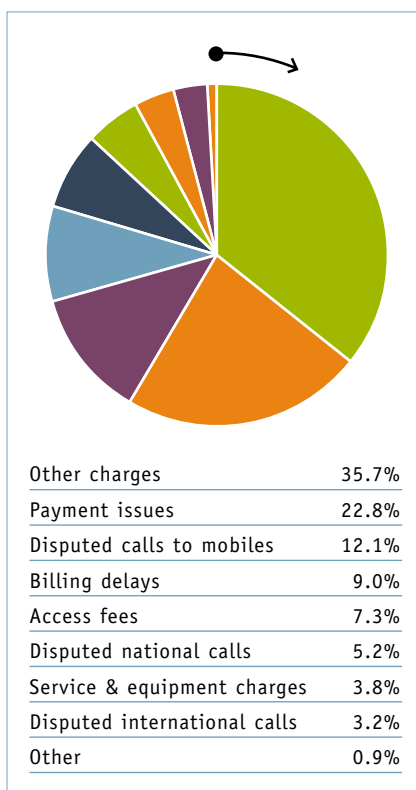
Percentage of 15,996 issues raised

* Includes calls to information services, competition lines, psychic and dating lines, and sexline calls that may have been billed in breach of Part 9A of the *Telecommunications (Consumer Protection & Service Standards) Act 1999*

A new billing category was added in January 2001 to capture complaints about call charges that result from the connection of computer modems to premium rate telephone connections, a practice often referred to as Internet dumping (see page 31 for more information).

Billing complaints usually result from complainants claiming they were charged for calls that were not made or services and products that were not received or requested, or that they were overcharged.

It is important to note that a billing complaint logged by the TIO does not necessarily imply error on the part of the company. In some cases it may be found that the complainant did not recognise a phone number they had called, or that somebody else in the household had made the calls, or that the complainant misunderstood the account.



Billing Issues – Mobile Services

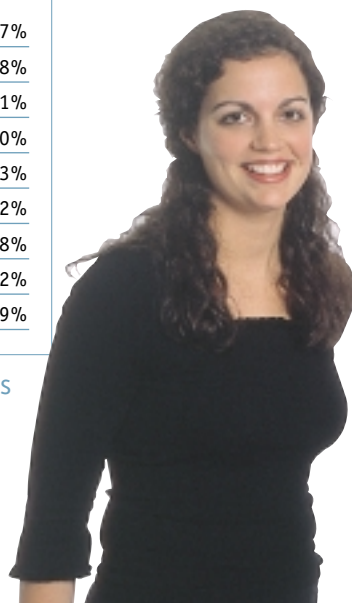
Percentage of 5,658 issues raised

Before investigating a billing complaint, the TIO usually asks complainants to pay the undisputed portion of an account, and to provide information to substantiate their claim of incorrect charging. The TIO's policy is that whilst a TIO investigation is in progress, the member company should not take any action to recover the disputed charges.

Mobile billing issues

Complaints regarding mobile phone bills increased slightly from 23.5% in 1999/00 to 26.1% in 2000/01. One of the major causes of complaint was charges for calls to other mobiles. Complaints of this nature accounted for 12.1% of all mobile billing complaints, compared to 3.0% the previous year. One reason for this increase is probably the rise in complaints about short message service (SMS) charges which are logged in this category and which are increasingly the cause of billing disputes because, for technical reasons, they are not itemised on telephone bills.

A concerning issue during the year was a number of complaints from people who had gone into debt on their pre-paid mobile phone accounts. Almost all the complaints came from young people who were using pre-paid mobile services as a way of avoiding debt. However, due to delayed deductions from their accounts, they were billed for charges accrued beyond their pre-paid limit.



Lisa Woodcock
Investigation
Officer

The TIO has taken the view that a service advertised as 'pre-paid' cannot, by definition, result in a debt, and that if the service provider has allowed a customer to exceed their limit because of late billing, the customer should not be liable for the charges.

Other major areas of complaint were payment issues (22.8%), billing delays (or backbilling) (9.0%), and monthly access fees (7.3%). In many cases it was found that complainants were not fully aware of the charges associated with their mobile phone plan when they signed their contract. In investigating these cases the TIO seeks to establish what information was given to the complainant about the charges they could incur, and whether the company has billed in accordance with its contract and sales advice.

Billing delays (backbilling)

Backbilling is the practice of charging for calls made prior to the current billing period. Complaints about backbilling comprised 8.8% of fixed line billing complaints in 2000/01, compared to 7.6% in 1999/00. As a percentage of mobile billing complaints, backbilling accounted for 9.0% in 2000/01 compared to 3.9% in 1999/00.

Organisational restructuring and billing system problems within some member companies contributed significantly to the rise in the number of people complaining about delayed charges. In particular, in the March 2001 quarter, 64.8% of all backbilling complaints were about backbilling charges by One.Tel.

It is also possible that some companies have hastened to bill customers for non-current charges in anticipation of the ACIF Billing Code's backbilling standards which are due to come into effect in October 2001 and which will place shorter time limits on backbilling activity. The TIO is hopeful that the introduction of this code will lead to a reduction in backbilling complaints in the year ahead.

Information, sex & chatline calls (190 numbers)

The 2000/01 year saw a steep decline in the proportion of complaints about charges for information, sex and chatline calls from 11.1% of all billing complaints in 1999/00 to 4.6%.

The decline is attributable to changes to the *Telecommunications (Consumer Protection & Service Standards) Act 1999* which came into effect in February 2000.

Under the amendments, service providers are permitted to supply and bill for telephone sex services only to customers who have registered and received a personal identification number (PIN). No registration or identification number is required for other 190 services such as competition, dating or astrology lines.

As in all disputes about call charges, the TIO asks the complainant to provide as much supporting information as possible to prove they did not make disputed information, sex or chatline calls. Often this requires that the complainant provide details of the whereabouts of all people with access to the phone at the time the calls were made. The TIO also asks the phone company to check the accuracy of the bill.

If the charges relate to calls to a telephone sex service, the TIO will investigate whether the service provider complied with the legislative requirements. If the requirements have not been met, the TIO will usually take the view that the charges are not valid.

(left to right)

Kayla Thomas
Accounts Officer

Mary Leung
Accountant



Modem connection charges (dumping)

In January 2001 the TIO identified the need to begin capturing specific data on complaints about unexpectedly high telephone bills that resulted from modem connections to the Internet. The practice often referred to as 'dumping' occurs when a person is visiting an Internet site that disconnects the user's modem from their usual ISP dial-up number and reconnects it to a premium rate (190) or international number.

In the six-month period from January 2001 the TIO recorded a total of 519 calls about this issue – 2.4% of all billing complaints. Most commonly people were complaining that they were unaware they had incurred the high charges until they received their phone bill.

The TIO undertook an investigation into the process of dumping. Of the sites the TIO investigated, it was found that all provided a warning to the end user about what charges they would incur if they agreed to proceed. Australian operated websites are required to provide these warnings under guidelines set by the Telephone Information Services Standards Council (TISSC).

However, in many instances it appeared that complainants had not read or understood the warnings provided.

In investigating these cases the TIO will, where possible, visit the website to establish what information was provided to the user. Often the TIO will request that complainants provide copies of their computers' temporary files so that it can be determined which sites the user visited. If the complainant is unable to identify the site that dumped their call, it can be difficult to establish whether or not the charges are legitimate. The TIO advises consumers to avoid dumping charges by barring their telephone line's access to 190 and international numbers.

Other charges

The 'other charges' category includes complaints about line rental, late payment fees, handset rental and labour charges. The TIO generally deals with these complaints by referring the matter back to the company for an explanation of the charges. In most cases disputes are resolved at this stage because these types of complaints frequently arise from the unclear presentation of bills.



(left to right)

Aaron Tan
Enquiry Officer

Athina Bakirtzidis
Enquiry Officer

Carla Gangi
Receptionist

Customer Service

11,486 issues raised

Complaints about the customer service of telephone companies rose significantly for the fourth consecutive year, accounting for 15.8% of all telephone service complaints raised with the TIO. This is more than double last year's proportion of 6.9%, representing the biggest increase of all telephone service issues in 2000/01, and making customer service the second most common cause of complaint.

The TIO has attributed the dramatic climb in complaints to the introduction in 1999 of full competition in the local call market, and the rapid expansion of the telecommunications industry which has resulted in a shortage of experienced customer service staff.

The customer service category is divided into two categories of complaint: administrative error and customer service.

While complaints about administrative error decreased from 55.6% to 42.9%, more people were concerned with poor customer service, which rose from 35.2% to 57.1%. The major causes of complaint were long call waiting times, discourteous or unhelpful staff, failure to action customer requests, and failure to escalate complaints.

The TIO usually refers complaints about customer service to a more senior level within the company concerned in order to seek a resolution to the primary problem as well as to inform the company of the allegedly unreasonable customer service received. In many instances, had the company's staff escalated the complaint internally in the first instance, there would have been no need for the TIO to become involved. Where appropriate, the TIO also records possible breaches of the ACIF Complaint Handling Code.

Customer Transfer

11,234 issues raised

The proportion of complaints about customer transfer increased only slightly in 2000/01 from 14.6% in 1999/00 to 15.4% of telephone service issues.

This follows a large increase the previous year when complaints about transfers, or churn, surged from 9.7% in 1998/99.

As in previous years, the majority of customer transfer complaints related to unauthorised transfers or 'slamming'. These made up 77.1% of all transfer complaints compared to 70.4% in the previous year. In dealing with complaints about unauthorised transfers, the TIO takes the view that service providers should not charge for calls made on their network where the transfer is deemed to be fraudulent, illegal, or made without the customer's informed consent. The TIO considers a transfer to be legal only if it has been authorised by the account holder or legal lessee of the telephone line.

(left to right)

Maria Apostolidis
Enquiry Officer

Daniel Walls
Enquiry Officer



Where an unauthorised transfer is found to be due to an administrative error, the TIO requests that the service provider charge the customer only the rate they would have been charged by their preferred telephone company. In any case of unauthorised transfer, the TIO expects the gaining service provider to reverse the transfer as soon as possible. With the help of statistical information provided by the TIO, in December 2000 the Australian Competition and Consumer Commission (ACCC) instituted proceedings in the Federal Court against One.Tel and Primus Telecom for methods of transferring customers that breached the Trade Practices Act. As part of the settlement of this action, the companies undertook to contribute to a public awareness campaign on customer transfer and slamming.

Following the ACCC’s action, the TIO saw a significant decrease in complaints about unauthorised transfer in the second half of the financial year.

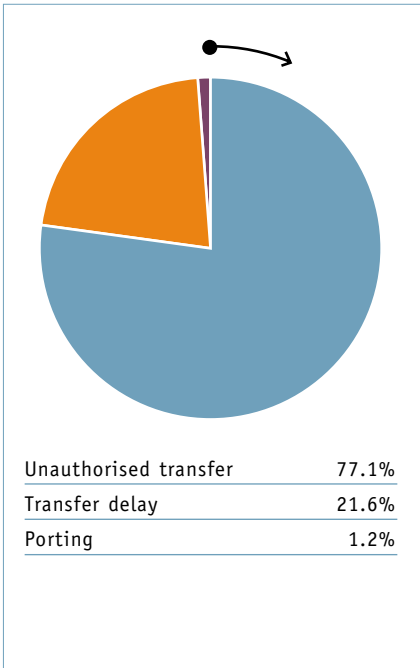
Delays in transfers accounted for 21.6% of complaints in this category. The remaining 1.2% of complaints were about transferring fixed line phone numbers, or porting, between Telstra and Optus, the only two companies between whom fixed line porting was available during the year. In most porting cases delays were due to confusion between the companies about which types of services can be ported.

Provision of Service

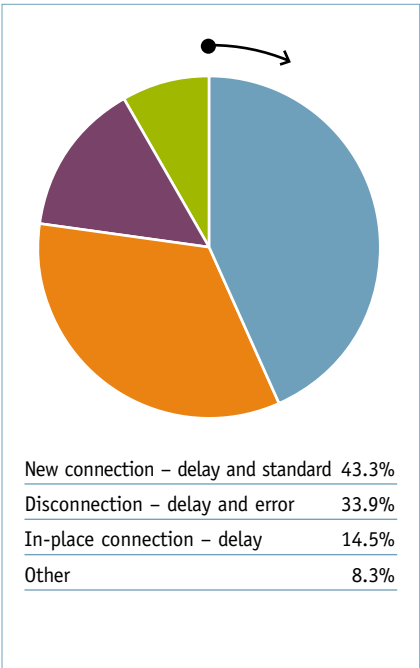
7,900 issues raised

The proportion of complaints about the provision of telephone services decreased more than any other complaint category in 2000/01. Falling from 16.3% of telephone complaint issues in 1999/00 to 10.9% in 2000/01, provisioning dropped from the second to the fourth most common cause of complaint.

The TIO suspects that this decline may be the result of a plateau in demand for second telephone lines, and improvements to the capacity of telephone networks. It is also possible that the Customer Service Guarantee (CSG) has brought about some improvements in this service area by limiting the amount of time a carrier can take to install a phone connection before having to compensate customers for delays. The upgrading of the Customer Access Network by Telstra has also been a contributing factor.



Customer Transfer Breakdown
Percentage of 11,234 issues raised



Provision of Service Breakdown
Percentage of 7,900 issues raised

The majority of calls to the TIO about provisioning related to problems with the connection or disconnection of standard telephone services. Connections can be categorised as 'new' or 'in-place', depending on whether an existing line is available. The provisioning category also recorded a smaller number of complaints about phone number allocation, the provision of enhanced call handling features, appointments with technicians, and the provision of call barring.

Almost half of the provisioning complaints received in the past year were about delays in the connection of new telephone services. A large number of the complainants who called the TIO were unaware of their entitlements under the CSG, and in many instances the TIO was able to help resolve these issues by informing complainants of their CSG entitlements and referring them back to their phone company.

The TIO assisted with other provisioning complaints by arranging to have services connected or disconnected, arranging interim services during long delays, and ensuring that customers' requests for call barring or enhanced call handling features were met in a timely fashion.

Credit Control

7,556 issues raised

The proportion of complaints about credit control in 2000/01 increased slightly to 10.4% compared to 10.3% in the previous year. The majority of complaints logged in this category relate to the collection of debts and the credit management practices of telephone service providers.

As the TIO's Constitution does not give it jurisdiction over a member's credit management policies, it is often limited in the action it can take over these matters. However, the TIO does investigate instances where the member's policy is not consistently applied.

Specifically, the TIO can help ensure that call bars are applied legitimately, that agreed payment arrangements are honoured, that notice is given prior to disconnections, that customer account details are correct, and that customers are made aware of options available to them to help limit their phone bills.

The TIO can also investigate cases where the ACIF Credit Management Code may not have been adhered to. This code was registered by the ACA on 25 January 2001 and is intended to set minimum industry standards for credit management procedures.

(left to right)

Olivia Lovelock
Investigation Officer

Julia Cornwell
Investigation Officer



Mobiles (excluding billing issues)

6,715 issues raised

The proportion of complaints received by the TIO about mobile phone services declined slightly compared to last year from 10% to 9.2% this year. Complaints in this category relate to digital (GSM) and Code Division Multiple Access (CDMA) mobile networks.

GSM users accounted for 86.7% of mobile service complaints; CDMA users accounted for the remainder.

The majority of mobile complaints related to contracts – 61.5% of GSM complaints and 47.7% of CDMA complaints. While the proportion is similar to last year for GSM users, there was a significant increase on the 19.2% recorded last year for CDMA users.

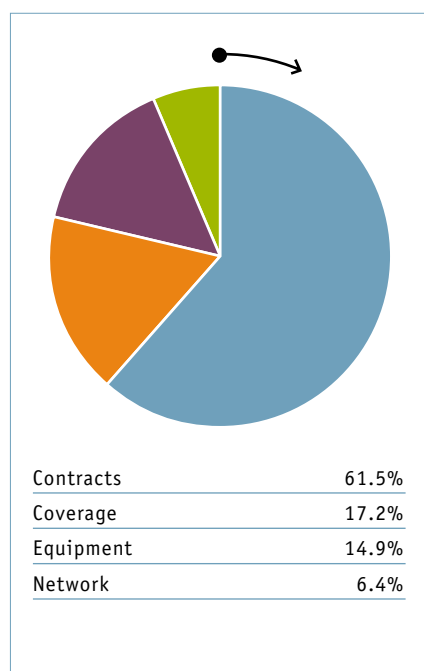
In total, complaints about contracts accounted for 59.7% of mobile phone complaints compared to 54.4% in 1999/00.

Complaints specifically about misleading advice regarding contracts accounted for 32% of all mobile service complaints, compared to 25.4% in 1999/00.

The TIO has made clear its concern about the sales tactics of some mobile phone dealers. While there is an obligation on consumers to read the terms and conditions of any contract they sign, there is equally an obligation on the industry to ensure that salespeople are trained in their responsibilities to provide accurate customer information. A particularly worrying allegation from some complainants has been that they were advised that they would only be a guarantor for under-18-year-olds buying mobile phones. The TIO has seen no mobile phone contract to date that allows for a guarantor; this type of misinformation is a very poor reflection on the telecommunications industry.

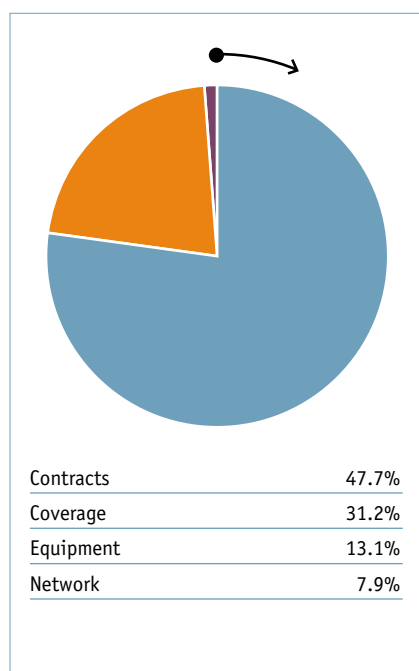
Disputes over coverage continue to give rise to a large number of complaints. While most mobile providers are extending their network coverage, consumer expectations of mobile coverage continue to grow.

The availability of mobile number portability in September 2001 will allow mobile users to migrate their existing phone numbers to another provider. This will provide consumers with greater flexibility when choosing a mobile phone service provider. It is also expected to result in a rise in calls to the TIO about mobile phone contracts.



Mobile Issues – GSM

Percentage of 5,825 issues raised



Mobile Issues – CDMA

Percentage of 890 issues raised

Faults

4,060 issues raised

Traditionally, telephone service faults have made up a large proportion of complaints to the TIO. While this year is no exception, there has been a marked decrease on the previous year with faults complaints dropping sharply from 9.8% to 5.6% of telephone service issues.

It seems that this decline may be due in large part to a decrease during the year in the number of mass service disruptions that can result from floods, storms, fires or damaged cables. It is also possible that the Customer Service Guarantee (CSG) has improved fault rectification performance.

A total of 2,612 (64.3%) of faults complaints were about delays in rectification. The remainder were about recurring faults and missed appointments by technicians.

In most cases the TIO directs faults complaints to a senior level within the telephone company. However, if there has already been a substantial delay in rectifying the fault, or if the fault is reoccurring, the TIO may address the problem directly with the company.

Under the timeframes set by the CSG, customers who have experienced delayed

fault repair are often eligible for compensation. The TIO ensures that customers are advised of this and that CSG payments are correctly calculated and paid automatically, as required by the CSG.

Customer Service Guarantee

2,272 issues raised

The Customer Service Guarantee (CSG) sets standards for telephone companies to rectify faults, connect telephone services, and supply and rectify faults in enhanced call handling features within set time limits. It also requires companies to keep appointments with customers. If a company fails to meet a CSG time limit, it will usually be required to compensate the customer a set amount for each day of delay.

Although reported separately here, CSG-related complaints are subsumed under either the Faults or Provision of Service Categories.

The 2000/01 year saw the introduction of a new version of the CSG known as the Customer Service Guarantee Standard 2000. The new standard reduced timeframes for the delivery of services in some areas, and provided for the automatic payment of CSG compensation to customers' accounts, rather than

customers having to request payments.

CSG-related complaints dropped substantially in 2000/01 to 3.12% of all telephony complaints – approximately halving the 6.4% recorded in the previous year. This decrease is mostly attributable to the significant decline in complaints about faults and provisioning issues, indicating that telephone providers have improved their ability to rectify faults and provide phone connections within reasonable timeframes.

Of the 2,272 issues raised, 53% related to provision delays, and 26.8% to fault rectification delays. The remainder related to missed appointments, delays in supplying or fixing enhanced call handling features (such as calling number display), and complaints about companies claiming exemptions from paying CSG compensation.

The TIO investigates a CSG matter if it believes the provider has not applied the correct CSG payment, or if it has not automatically paid the customer.

During the year a number of CSG complaints were escalated to Level 4 status as a result of differing interpretations of CSG requirements by the TIO and member companies.

(left to right)

Tony Dooley
Legal Investigation Officer

Janet Sullivan
Investigation Officer



Privacy

938 issues raised

In 2000/01 the TIO logged just half the percentage of privacy complaints recorded in 1999/00 – 1.3% compared to 2.7%. This continues a downward trend in privacy complaints since 1997.

Complaints about unwelcome or nuisance calls accounted for more than a third of privacy complaints, with most resolved after referral to a senior level in the complainant's phone company. Complaints that required communication between two phone companies (e.g. where the called party's provider and the calling party's provider were not the same company) took longer to resolve.

A total of 199 complaints concerned alleged disclosure of unlisted (silent) numbers, either to a specific third party or by publication of customer details in directories, particularly online listings.

Approximately 50 complaints involved Calling Number Display issues, including claims that telephone companies did not apply line blocking when requested by the customer.

The TIO also received complaints that telephone companies had failed to protect customers' personal information, for instance by releasing information about account activity to unauthorised parties. The ACIF code on Protection of Customer Personal Information regulates service providers' collection, use, storage and disposal of records containing personal information, and allows customers to view and correct their records.

A decision has yet to be made as to whether the industry will nominate the TIO as the adjudicator to deal with complaints about breaches of the National Privacy Principles, as incorporated in ACIF's code on Protection of Customers' Personal Information.



(left to right)

Ruth Brown
Investigation Officer

Sarah Nye
Member Services Adviser

Michael McKiterick
Enquiry Officer

Simone Allen
Investigation Officer

Directories

527 issues raised

In 2000/01 complaints about telephone directories decreased as a proportion of all telephone service complaints to 0.7% from 1% in 1999/00.

The most common directories complaints were about errors and omissions in listings. Often complainants seek compensation for these mistakes on the basis of alleged loss of business or privacy (where the details of silent line customers have been listed). The TIO investigates compensation claims only after they have been substantiated and submitted to the provider. If the complainant is dissatisfied with the provider's response to the claim, the TIO

can review the matter. Although the TIO does not have jurisdiction over complaints about business directories, it does refer Yellow Pages® complaints to senior management at Yellow Pages® in an effort to help resolve these problems. In 2000/01 complaints about the Yellow Pages® accounted for 19.4% of all directories complaints.

Land Access

450 issues raised

The proportion of land access complaints fell from 1.3% of all telephone complaints in 1999/00 to 0.6% in 2000/01. This decrease may be a result of a reduction in infrastructure roll-out by telecommunications carriers; it may also be due to a change in the TIO's

statistical reporting which has this year seen a large number of calls about land access logged as enquiries or requests for information rather than as complaints.

The TIO has jurisdiction to investigate landowners' and occupiers' objections to carriers' proposals to inspect land and to install and maintain low-impact telecommunications facilities only after completion of a notification and consultation process which is required by the Telecommunications Code of Practice 1997. Calls to the TIO prior to the completion of this process are considered to be premature objections, and although the TIO can give advice and information, it does not log these calls as complaints against a company.

Low-Impact facility objections referred to the TIO: July 2000-June 2001

	Objections received	Discontinued – agreement reached between parties	Discontinued – notice withdrawn by carrier	Direction given by TIO	No direction given by TIO
Antennas	24	4	8	5	7
IBSC	18	5		3	10
U'grnd Cable	7	1		6	
Inspection	1			1	
Total	50	10	8	15	17

Debra Lusty
Investigations Manager



If, at the completion of the process, agreement cannot be reached between the parties, the landowner can instruct the carrier to refer their objection to the TIO. This is then logged by the TIO as a complaint.

A total of 50 formal objections to low-impact facilities were referred to the TIO during the year. Due to their complexity, land access objections are automatically raised as Level 4 cases. The objections related to the proposed installation of antennas, underground cable, in-building subscriber connection (IBSC) equipment, and inspection processes. In 15 cases the TIO was required to give a Direction to the carrier about the way it should undertake the installation of a facility; in 17 cases no Direction was required from the TIO; in 10 cases the case was discontinued because agreement was reached between the parties; and 8 cases were discontinued because the carrier withdrew its proposal.

Of the remaining land access complaints, the majority (279 complaints) were about damage to carriers' cable and equipment. Other complaints related to carriers failing to give notice about accessing land or buildings, and requests by consumers for carriers to remove or reposition cables or equipment.

Complaints about large mobile towers and other types of high-impact infrastructure are outside the TIO's jurisdiction.

Phone Cards

113 issues raised

The proportion of complaints about phone cards and smart cards remained steady at 0.1% of all telephone service complaints received by the TIO. This category includes complaints about pre-paid services accessed by using a PIN number and a fixed line telephone, and recharge cards for mobile telephones. Complaints about phone cards and smart cards include alleged misrepresentations regarding the tariffs that apply when using the service, billing errors and inability to access services due to faulty or expired cards.

Standard Form of Agreement

58 issues raised

A company's Standard Form of Agreement (SFOA) details the general terms and conditions of the supply of its telephone service, including specific services, products and charges. Telephone companies must use a SFOA where they do

not negotiate individual contracts with customers, which is in the majority of cases. The company must also make a copy of the SFOA available to customers upon request.

In 2000/01 complaints about SFOAs fell to 58 from 246 in 1999/00. The TIO can investigate whether a company is acting in accordance with its SFOA. However, its jurisdiction does not allow it to investigate complaints about a company's setting of tariffs, or commercial and policy decisions relating to a SFOA.

Payphones

54 issues raised

In 2000/01 the proportion of payphone-related complaints dropped from 0.3% to 0.1% of all telephone service complaints. The overwhelming majority of complaints were about faulty payphones. Frequently faults appeared to be related to incidences of vandalism. Other complaints related to incidences of coins being taken for subsequently unsuccessful calls. The increasing use of mobile telephones has seen a decline in complaints about payphones in recent years.



(left to right)

David Ohri
Legal Investigation Officer

Sarah Bendall
Enquiry Officer

Sarah Radford
Member Services Assistant

CASE STUDIES: TELEPHONE SERVICE ISSUES

Unauthorised transfer

The complaint:

The TIO received a call from a complainant on behalf of her elderly parents. The complainant claimed that her mother had received a visit from a door-to-door sales representative from a telephone provider implying that he was associated with another well-known telephone company. The complainant claimed her parents were confused and believed they needed to sign the paperwork presented to them in order to stay with their existing company. The complainant's mother signed the form not realising she was transferring the service to another provider.

TIO response:

The TIO advised the complainant to contact the senior complaints area of the company to resolve the complaint and also requested permission to forward the complainant's details to the Australian Competition and Consumer Commission (ACCC). The TIO advised the complainant to write in if the matter remained unresolved or if her parents received a bill from the company.

The complainant wrote back to the TIO advising that her parents had received an account from the provider. (A copy of the account was enclosed.) The TIO raised the complaint to Level 2 on the basis that the company had not resolved the problem within the given timeframe. The TIO requested that the company consider waiving the charges in view of the alleged circumstances under which the transfer took place.

The resolution:

The company investigated the matter and found there was a strong possibility that the sales representative may have made misleading claims. The company agreed to reverse the transfer and waive all the charges. It apologised for the inconvenience caused to the complainant's parents.

Disputed call charges

The complaint:

A man had been billed for an international operator call to the United Kingdom that he claimed was not made from his service. He recalled picking up his telephone handset to make a call at the time the disputed charge was incurred, but was unable to make the call as he could hear voices on the other end of the line. The man reported that there had been a fault on his phone line which was causing crossed lines, but this fault was allegedly rectified the week prior to the disputed call.

TIO response:

The TIO raised the issue with the company and requested a full fault history for the service, as well as technical information showing the origin and destination numbers of calls from the service. The information provided by the company indicated that the disputed call had been made from the complainant's telephone service.

After the complainant expressed his dissatisfaction with this response from the company, the TIO escalated the complaint and again wrote to the phone company requesting further evidence to support its claim. This time the company provided the international operator's log, which also indicated that the call had been charged correctly.

The resolution:

The TIO determined on the balance of evidence provided that the call had been made from the complainant's telephone service and charged correctly. Although this was not the result the complainant had been seeking, the TIO had to inform him that there did not appear to be grounds for disputing the charge and that the investigation would be closed.

Compensation claim for connection delay

The complaint:

A small business claimed it was eligible for compensation under the Customer Service Guarantee (CSG) (1997) for the delay in the provision of seven telephone lines. Both the service provider and the complainant agreed that the lines were connected approximately six weeks later than initially required.

However, the service provider argued that the CSG was not applicable as three interim services had been provided – two lines to operate in rotary and one line for a fax/modem connection (neither lines to a switchboard nor fax/modem lines were covered by the CSG in force at this time). The complainant countered that the interim services did not work and that all lines were primarily for voice communication.

TIO response:

The TIO sought advice from the Australian Communications Authority (ACA) regarding rotary lines and was advised that the crucial determining factor was whether the services terminated on a non-switching handset: if this was the case, CSG compensation was payable. The complainant provided a statutory declaration asserting that all lines terminated on non-switching standard telephone handsets.

The service provider then clarified its position regarding the complainant's CSG claim by stating that the complainant was not entitled to compensation because it was not a small business. While the CSG (1997) did not explicitly specify a definition of a small business, the service provider argued that the introduction of the new CSG (2000), which excludes claims from businesses with more than five lines, should be viewed as a guide for the intended purpose of the CSG. The service provider maintained this view in spite of advice from the ACA that the application of the CSG (1997) was dependent on the type of equipment connected to the lines and not the number of lines requested.

Satisfied that the number of lines did not preclude the complainant's eligibility for compensation under the CSG, the TIO directed its attention to establishing whether the interim services did in fact work and whether the evidence presented concurred with the complainant's advice that the lines were intended primarily for voice communication. The TIO obtained and analysed call records for the interim services and concluded that the records did indicate that the services were used extensively. However, the TIO's examination found clear usage only after the three original interim services were replaced by the provider. Regarding the service provider's claim that one line was a modem/fax line, after examining the call records for the line in question, the TIO agreed that the line appeared to have been used exclusively as a data line in the first month following connection.

The resolution:

The TIO recommended that the complainant be paid compensation under the CSG for the connection delay of the six lines used for voice telephony. Given that an interim service had been provided, the TIO recommended that compensation be paid for three lines up to the date that the workable interim services were provided; and for the remaining three lines that compensation be paid up to the date that the fixed line services were connected. The TIO thus calculated that the complainant was entitled to \$4,320 in compensation.

The service provider agreed to comply with the TIO's recommendation in the interests of reaching an amicable resolution. The complainant was satisfied with the resolution and pleased that a protracted dispute had been resolved with an outcome that was fair and reasonable and in accordance with the appropriate industry standard.

Objection to mobile phone facility

The complaint:

The owner of an apartment in a multi-unit residential building objected to a proposed mobile phone facility on the building's roof. The carrier argued that the roof was common property belonging to the Body Corporate and that the objector could not be described as either an owner or occupier of this area. If the carrier's view was correct, under legislation regulating the installation of low-impact telecommunications facilities, the complainant would not have the right to object.

TIO response:

The TIO sought to identify the exact nature of the complainant's occupation or ownership of the rooftop. The complainant provided his certificate of title which established that the title of his top-floor apartment was unusual in that it extended 60cm above the roofline. On this basis, the TIO concluded that he was an owner of the affected land. In light of this information, the carrier began negotiations with the complainant, and both parties and a TIO representative visited the site to discuss other installation options.

The resolution:

The carrier agreed to relocate the facility on Body Corporate land further back on the roof, and to replace a proposed access ladder on the outside of the building with a ladder reached via an internal stairwell. The complainant agreed that these proposals overcame his objections.

Incorrect directory listing

The complaint:

A complainant contacted the TIO regarding the incorrect listing of her shop's phone number in the White Pages directory. The complainant decided not to claim for loss of business, but sought compensation for remedial advertising that she undertook so that the local community would still be able to contact her business.

TIO response:

Initially the TIO advised the complainant that she should liaise directly with the company regarding her claim. When the matter remained unresolved, the TIO asked that the complainant provide it with details of her claim. The TIO was able to assist the complainant to present the facts of her claim in a logical and understandable way. It also advised the complainant that she should claim only for the amount spent on advertising over and above her usual advertising expenditure.

The resolution:

The company compensated the complainant for the full amount of her claim.

INTERNET SERVICE COMPLAINT ISSUES

Overview

7,965 issues raised

In 2000/01 Internet-related complaints made up 10% of all complaints handled by the TIO. This compares with 7.5% in the previous year and is consistent with the steady rise in complaints about Internet issues since the TIO's jurisdiction was expanded to Internet access services in 1997.

As one complaint may raise more than one issue, the 7,201 complaints received about Internet service providers (ISPs) resulted in 7,965 issues. These issues were recorded in categories such as billing, access, contracts and privacy. The graph on page 43 shows the breakdown of issues investigated.

The most notable changes in this year's figures include a decrease in complaints about billing and an increase in complaints about access problems. The former probably reflects increasing consumer understanding of the billing process and an improvement in ISPs' abilities to tell their customers about this process. The increase in complaints about access problems is of concern. It may reflect increasing customer expectations of Internet services, or perhaps that the growing number of Internet users is resulting in congestion and low speeds, and pressure on Internet infrastructure.

The Australian Communications Authority (ACA) has recently sought the TIO's advice as to whether the Ombudsman supports the development of a code of practice as a means of addressing consumer concerns about the capacity and reliability of services and customer support provided by ISPs. The TIO has long argued that the absence of such standards makes it difficult for consumers and ISPs alike to make objective and informed judgments about the quality of services on offer. The Ombudsman takes the view that ISPs should be required to provide comparable information to consumers about their services, including user-to-modem ratios, help desk hours, security measures and acceptable usage policies.

Another area of concern – one which is also apparent in complaints about telephone services – is the substantial increase in complaints about customer service from ISPs. These complaints include customer perceptions of poorly trained or rude staff, lack of follow-through in actioning requests or returning calls and emails, and lack of technical support.

Internet Billing

3,136 issues raised

While Internet billing complaints reduced from 49.0% in 1999/00 to 39.4% in 2000/01, the TIO investigated 1,034 more billing complaints during 2000/01 than in the previous year, and billing continued to be the most common cause of Internet-related complaint.

As in previous years, the bulk of billing complaints (42.4%) related to disputed charges for Internet time and download volumes. When reconciling bills from their ISPs, many callers to the TIO found it difficult to remember exactly how much time was spent 'surfing' the net. There is also fairly widespread misunderstanding of what is meant by the term 'download charges'. The TIO regularly advises complainants that it is not necessary to actually load a file (be it a music, movie or game file) onto their hard-drive to accrue download charges, and that merely visiting a site attracts charges.

Complaints about ISPs allegedly direct debiting complainants' credit card accounts without authority made up 15.6% of Internet billing complaints compared to 15.9% in 1999/00. There was a slight decrease in complaints regarding long distance dial-in charges – these dropped from 20.4% to 19.1%. The TIO hopes this is the beginning of a downward trend as ISPs better advise subscribers of the need to ensure that a local call dial-in number is selected when setting up an Internet connection.

Complaints regarding the non-receipt of discounts and credits remained steady at around 12%. Most of these complaints were resolved quickly once the complainant spoke to a senior staff member at their ISP.

Allegations of unauthorised access to Internet accounts continued to be received by the TIO. If unauthorised access by an unknown party is established, the TIO refers the matter to

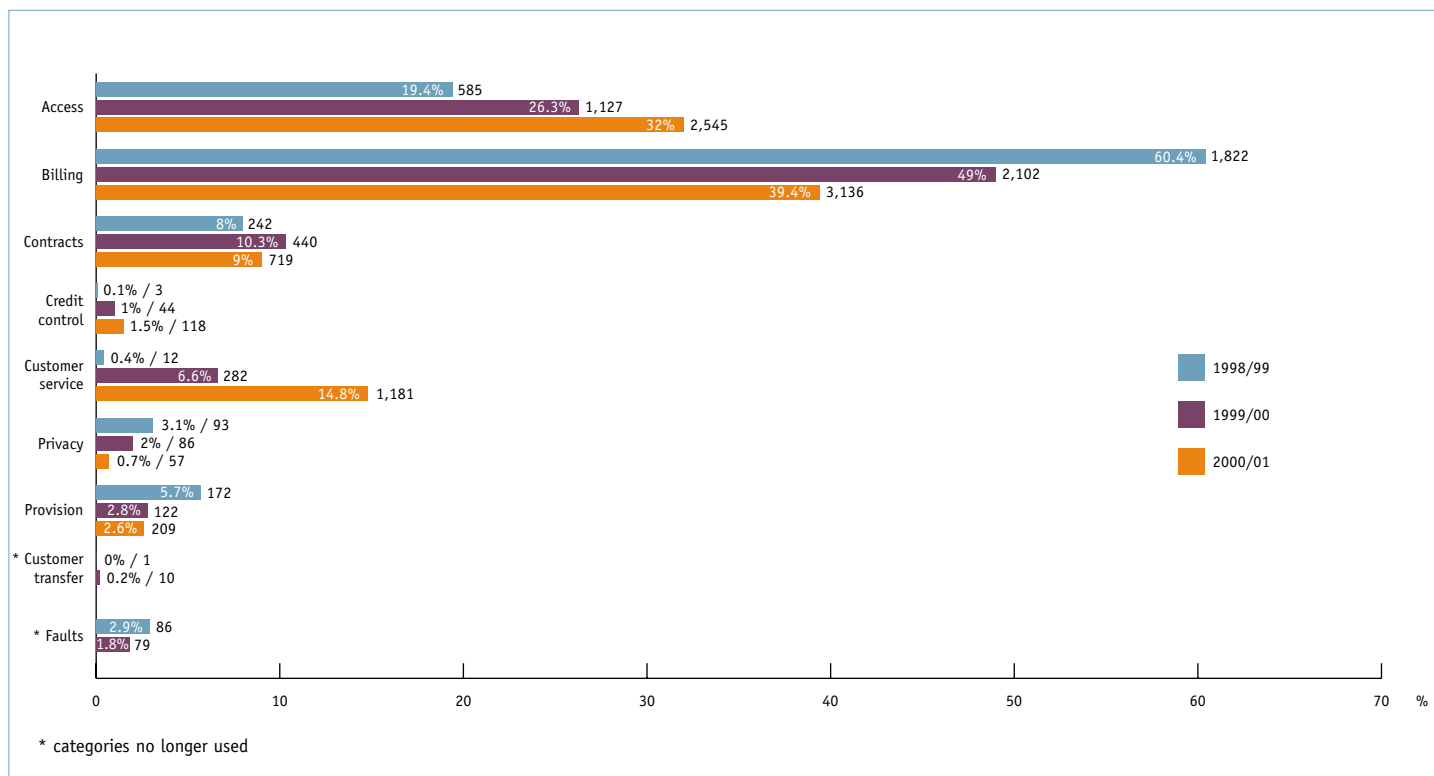
the complainant's ISP to consider lodging a formal complaint with the police. The police consider that in these cases it is the ISP, not the complainant, who has been the potential victim of fraud.

Internet Access

2,545 issues raised

Complaints about Internet access accounted for 32% of all Internet-related issues in 2000/01 compared to 26.3% in 1999/00. Of these complaints, 60.6% related to denial of access, 20% to drop-outs, 15.0% to speed and 4.4% to congestion.

The year saw heavy discounting of monthly access fees as ISPs endeavoured to increase their customer bases. It is possible that increasing customer numbers may have resulted in lower modem-to-user ratios, causing more incidents of denial of access at peak periods.



Internet Service Issues Breakdown

7,965 total issues

Bars represent percentage, numerals indicate total

Limitations on the maximum speed that can be achieved with a dial-up (telephone) Internet connection were a cause of complaint from many people during the year. In many of these cases the TIO explained to complainants that dial-up connections can be affected by variables such as the distance of the phone line from the exchange, the quality of the line, and whether it is part of a pair gains system.

A speedier alternative to a dial-up connection is a permanent connection via cable or ADSL (Asymmetric Digital Subscriber Line). However, despite the increasing number of people connecting to the Internet via these higher-speed services, complaints to the TIO about access speeds continued to rise. A particular frustration for some complainants is that while marketing brochures promise faster connections, in reality the advertised speeds are only available in optimum conditions which are rarely achieved.

It appears that as people pay higher access fees and set-up costs for high-speed services, they are more likely to complain about access problems. Longer contract periods for quality services are also increasing consumers' inclination to complain about poor access.

Delays in the delivery of ADSL services were another cause of complaint. It seems many customers are placing orders and then having to wait some time before their local telephone exchange is updated to accommodate ADSL technology.

ISP Customer Service

1,181 issues raised

Complaints about ISP customer service increased by more than any other Internet issues complaint category. From 1999/00 to 2000/01 the proportion of complaints about ISP customer service more than doubled from 6.6% to 14.8% of all Internet complaints.

Many of the complaints about customer service made against ISPs were similar to customer service complaints made against telephone service providers. In particular, complainants were frustrated by lengthy call centre waiting times, and inadequate or inaccurate advice. In many instances the TIO was able to refer these matters back to the ISP for resolution without further action by the TIO.

With ISPs attracting new customers, many of whom are not familiar with Internet technology, there appears to have been an increase in pressure on

ISPs' customer service and technical support functions.

Internet Contracts

719 issues raised

Complaints about Internet contracts decreased slightly from 10.3% in 1999/00 to 9% of Internet-related issues in 2000/01. In terms of actual numbers, complaints about Internet contracts rose from 440 to 719.

Complaints relating to alleged lack of information about contracts accounted for 56.7% of complaints in this category – up from 47.0% in the previous year. The remainder related to alleged misleading information supplied by an ISP.

In investigating these types of complaints the TIO seeks to establish what information was made available to the customer about the contract – this can include information contained in emails, websites and telephone conversations, as well as in the contract itself. Where an account has been set up by a person under age, the TIO will ask the ISP to provide details of the steps it took to ascertain whether the person was over 18 years of age.

(left to right)

Bernie Wise
Investigations Manager

Phillip Carruthers
Business Manager

Anthony Beaumont
Systems Administrator



In coming to a resolution the TIO will consider whether the ISP and customer have acted in accordance with the terms and conditions of the contract, and whether the ISP has delivered its service in accordance with what the customer could have reasonably expected, given the information made available.

Internet Service Provision

209 issues raised

The number of complaints about the provision of Internet access services increased from 122 in 1999/00 to 209 in 2000/01. In percentage terms, complaints of this nature accounted for 2.6% of Internet service issues compared to 2.8% last year.

The majority of complaints in this category were about delays in having requested Internet access services connected, as well as delays by ISPs in responding to customer requests to have services disconnected. Most provision delay complaints were made by cable and ADSL users who were waiting on equipment supply by their ISP.

Internet Credit Control

118 issues raised

Internet credit control issues constituted 1.5% of complaints about Internet issues in 2000/01. This is only a slight increase on the previous year. The majority of complaints in this category were from people complaining about their ISP's method of debt collection, including requesting payments for disputed accounts.

Internet Privacy

57 issues raised

Internet privacy complaints fell from 2.0% of all Internet-related complaints in 1999/00 to 0.7% in 2000/01. The decrease may be attributable to increased awareness of the regulations governing an ISP's use of subscriber information. The TIO frequently receives complaints about 'spamming' or unwelcome emails. Unless these have been sent by the complainant's ISP, the matter falls outside the TIO's jurisdiction.

The TIO does investigate allegations of unauthorised access to Internet accounts. In the first instance complainants are referred back to their ISP to establish proof of unauthorised access and to ascertain if police action is warranted.



(left to right)

Kate Nicholls
Investigation Officer

Carrie Liddle
Quality/Training Officer

CASE STUDIES: INTERNET SERVICE ISSUES

Disputed Internet access charges

The complaint:

A complaint was received from a woman whose daughter had signed up with an ISP for three months' Internet access on the mother's credit card. The daughter had advised her mother that she had cancelled the account three months later. However, the ISP had been debiting charges from the complainant's credit card for a further six months.

TIO response:

The TIO asked the ISP to check its records on the account. It advised that no record of cancellation had been recorded and that the account had been accessed from a silent telephone number, different from the complainant's number. The ISP referred the woman to the police.

Due to the disputed amount being under \$500.00 the police were unwilling to investigate and therefore the TIO requested that the ISP provide it with information about the silent number used to access the account. For privacy reasons, this number could not be provided to the complainant; however, it was identified as being a number regularly called from the complainant's home. It also appeared that the Internet account had only ever been accessed from this phone number, even during the three-month period that the complainant knew the account was open.

The resolution:

The TIO advised the complainant that it appeared someone she or her daughter knew had possession of their Internet account details and was using these to access the Internet from another location. The TIO asked the complainant to call back if she had further questions or information. No further correspondence was received from the complainant and the TIO closed the case presuming the matter had been resolved between the parties concerned.

Internet access difficulties

The complaint:

The TIO received an email from a complainant who was connecting to the Internet via a permanent cable connection. He claimed that he had upgraded to cable because he was an experienced game player and needed a faster connection. The man stated that since he had started using the cable service he was being disconnected while playing games and that he was experiencing high levels of packet loss and slow ping rates. The man also alleged that when he used to play the game using a 56k modem on a dial-up connection, he never experienced disconnection problems. The complainant indicated that if the problems were not resolved, he wanted to be released from the contract with his ISP.

TIO response:

The TIO wrote to the member ISP to try to ascertain whether there was a general network problem or if the complainant's problems were unique to his situation.

The member indicated that it was aware of the access problem and that it was caused by factors such as the unpredicted growth in traffic and in its customer base, and by excessive use by some of its customers.

The member assured the TIO that it was committed to improving the quality of the network through the implementation of new technologies and by the enforcement of its acceptable use policy.

The resolution:

The member offered the complainant \$65.00 as a goodwill gesture and provided him with a detailed breakdown of the infrastructure upgrades it had planned for its network. The TIO advised the complainant that it would take the matter further if the level of service did not improve. A month later the complainant called back to say that the level of service had improved dramatically and that he was happy for the complaint to be closed.

Internet dumping

The complaint:

A man contacted the TIO disputing \$500 worth of charges for calls to 1902 phone numbers. The call charges resulted from connecting to an Internet website. The complainant provided proof that he was not at home at the time the calls were made, and the remaining family members provided statutory declarations as evidence that they were not responsible for the charges. The complainant also advised that he had had his telecommunications company bar his telephone service to 190 calls prior to the charges being billed to him because of previous problems with a family member incurring large phone bills through certain websites.

TIO response:

The TIO raised the complaint with both the complainant's telephone company and his ISP to seek to establish if the charges were correct. The information provided by the ISP indicated that all calls to access the man's Internet account had originated from the complainant's home telephone number, so unauthorised 'hacking' could be discounted. In addition, the ISP usage reports indicated that Internet sessions were disconnected immediately before the 190 call charges appeared, indicating that someone at the premises had accessed the Internet account.

The telephone company advised the TIO that, in accordance with the complainant's request, there was 190 barring active on the complainant's telephone service. However, access to the barred services was still possible with the use of the allocated PIN number.

The resolution:

After assessing the information provided, the TIO came to the view that it was reasonable to conclude that the call charges were correct, and that a member of the household had bypassed the 190 barring using the PIN number. Although the complainant was unaware that the calls had been made, as legal lessee of the telephone service he was responsible for the charges.

STD point of presence

The complaint:

A woman received a bill for over \$600.00 for calls to her ISP over one month. The woman reported that she had been having problems connecting to the Internet and that when she called her ISP's technical help desk, she was advised to set the repeat dial option on her modem to 100 times. The problem had been compounded because the woman had inadvertently chosen the wrong dial-up number when first setting up her Internet account, and was dialling an STD number every time her modem made a call to her ISP.

TIO response:

The TIO raised a case against the ISP to determine what advice the woman had been given. The TIO's advice to Internet users is to always disable repeat dial options so as to avoid high repeat dial charges. The ISP admitted that it should not have advised the woman to set the repeat dial to 100 times, and that it was therefore partially responsible for the high charges incurred.

It also argued, however, that the customer was responsible for checking that she was dialling a local point of presence. The TIO's view is that the customer should ensure that they are connecting to the Internet via a local number, and that the ISP is responsible for ensuring that the customer is aware of this responsibility.

The resolution:

The ISP offered to pay half of the charges, given that the customer had played some part in incurring the high bill. The customer was satisfied with this outcome.

Unauthorised direct debit

The complaint:

A complainant alleged that his ISP changed his Internet plan from a 100-hour to a 300-hour plan. This occurred while the complainant was overseas. Upon returning, the complainant claimed that \$700.00 of unauthorised charges had been deducted from his credit card.

TIO response:

The TIO raised a formal complaint with the ISP to ascertain what authority it had to deduct charges from the credit card and what notice was provided to the complainant regarding the plan change.

The ISP responded that its terms and conditions stated that at the end of a pre-purchased 'block' of hours, if no written request for cancellation was received, the plan would automatically 'rollover'. The ISP advised that it had been provided with the complainant's credit card details when the account was initially created, and argued that this constituted sufficient authority for further deductions. The ISP also claimed that emails and letters detailing the changes had been sent to the complainant.

As the complainant denied ever receiving email notification of the plan change, the TIO considered the implications of the initial plan's terms and conditions, and established that the ISP had acted in accordance with the agreement entered into by the complainant.

The resolution:

The ISP offered to re-rate the disputed accounts at the previous 100-hour rate, but noted that this was a higher rate than the 300-hour rate and the complainant would be financially disadvantaged if this occurred. As an alternative, the ISP offered to refund the unused portion of the account. This offer was accepted by the complainant.

MEMBER COMPLAINT STATISTICS

This is the first year that the TIO has published member-specific complaint statistics. Until now, it has been a policy of the TIO to only report statistics on an industry-wide basis. This policy was changed in 2001 on the recommendation of the Ombudsman and with the approval of the TIO Council.

Non-Standardisation of Statistics

It was the TIO's intention to standardise member complaint statistics in order to provide a more objective baseline of complaints. To this end, the TIO wrote to members who had 25 or more complaints logged against them in 2000/01 and asked them to provide details of the size of their customer bases so that complaint numbers could be averaged across the total number of a member's customers. As not all members were prepared to provide this information to the TIO, it was not possible to standardise the figures in any way. The TIO is hopeful that this situation will be different next year.

As the statistics are not standardised, it is important to avoid making inaccurate comparisons between the members. Readers should bear in mind that there are vast differences in the sizes of the customer bases of the members, and a higher number of TIO complaints may be a result of a member having a larger customer base, or of greater competition for new customers within a particular segment of the market.

It should also be remembered that members provide a mixture of telephone, Internet and mobile services, and that the number and nature of complaints will reflect this. A member supplying all three telecommunications services is more likely to have complaints spread across a larger number of complaint categories than a member supplying only one type of service.

Complaints and Complaint Issues

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

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

Complaint Levels

It is important to note that land access objections are raised at Level 4 from the outset, due to the complexity and time-consuming nature of these complaints. Therefore, a company such as PowerTel, which has been involved in a roll-out of low-impact telecommunications facilities, will have a large proportion of Level 4 complaints logged against it. This is a reflection on the nature of land access complaints, rather than the company's dispute resolution performance.

Presentation of Statistics

After consideration, the TIO has presented the statistics in a table format rather than in charts. It was believed that providing the raw data in this format would avoid graphical interpretations of the data that could mislead the reader. For instance, when one member has complaints numbering in the thousands, and another totalling less than 100, problems would arise as to the scale that could be used in a consistent and meaningful way.

The members are listed in alphabetical order.

MEMBERS

(t) telephone service provider
(i) Internet service provider
¥ holds carrier licence

0014 P/L (t)
1800 Reverse P/L (t)
AAPT Ltd (t&i)¥
Adlink (t&i)
AOL Australia P/L (i)
Asia Online Australia P/L (i)
Austar Entertainment P/L (t&i)
Australia On Line (i)
Australis Internet P/L (i)
B Digital Ltd (t)
Budgettel P/L (t&i)
Cable & Wireless Optus (t&i)¥ (inc Optus Mobile)
Cellular One Communications Ltd (t)
Digiplus P/L (t&i)
Dingo Blue P/L (t&i)
Dragon.net (i)
eisa (i)
Froggy ISP (i)
GlobalFreeway P/L(i)
Globaltel Australia P/L (t)
Gogo.net. P/L (i)
Hutchison Telecommunications (Aust) Ltd (t&i)¥ (inc Orange)
ihug (i)
iiNet Ltd (i)
Internet TV Australia P/L (i)
Look Mobile Ltd (t)
Macquarie Corporate Telecommunications (t)
Membertel P/L (t)
Mobile Innovations P/L (t)
New Tel Ltd (t)
Nomad Telecommunications P/L (t)
One.Tel (inc One.Tel Ltd (t), One.Net (i) & One.Tel 1800 GSM P/L (t)¥)
OzEmail P/L (i)
Pacific Internet (Australia) (i)
People Telecom Ltd (t&i)
Powertel Ltd (t)¥
Primus Telecommunications P/L (i&t)¥
RSL Com (t)
Telstra Corporation Ltd (i&t)¥ (inc Telstra Big Pond)
TPG Internet P/L(i)
Unidial Prepaid Communications P/L (t)
United Telecommunications (t)
UUNET Australia P/L (i)
Virgin Mobile P/L (t)
Vodafone Pacific Limited (t)¥
WorldxChange P/L(t)

COMPLAINTS AGAINST TIO MEMBERS BY ISSUE (non-standardised)

TELEPHONE SERVICE ISSUES – %

Total issues raised	Billing	Credit control	Customer transfer	Faults	Land access	Mobiles	Payphones
49	65.3	14.3	4.1				
37	67.6						
7,488	34.9	9.4	22.2	2.6	0.1	1.5	
597	24.3	4.2	26.3				
117							
55							
129	3.9	0.8		0.8	0.8	7	
28							
133							
360	34.4	12.8				27.2	
60	73.3	13.3	5	1.7			
9,285	23.1	13.4	19.5	2.9	0.4	11.9	
653	25.4	28	0.9			29.2	
134	35.8	11.9	11.9	6		7.5	
629	20.2	6.7	25.1	2.7		4.4	
36							
27							
70							
188							
32	40.6	3.1	46.9				
218							
1,572	18.9	10.3	0.7	3.2	0.4	49.5	
161							
30							
204							
34	11.8	8.8				73.5	
55	9.1	3.6	51	3.6			
60	48.3	13.3				25	
351	34.5	8.5	0.3			33	
86	36	8.1	9.3			32.6	
874	27	12.9	12	1	0.1	16.8	
17,153	35.1	8.1	18.1	1.8	0.4	5.1	
191							
111							
60	6.7	5	60			6.7	
66	22.7	12.1	9.1	6.1	39.4	1.5	
5,431	26.9	6.6	28.9	3.8	0.2	0.4	
1,454	26	16.2	5.8	0.6		32.3	
24,586	24	9.3	3.7	12	1.3	5.3	0.2
85							
112	17	1.8	0.9			43.7	
447	32	15.2	1.1	0.4		30	
45							
31	25.8	9.7				38.7	
3,252	30.3	14	0.7	0.1	0.2	35.8	
2,271	16.4	3.3	62.1	1			

(includes members that received 25 or more complaints in 2000/01)

INTERNET SERVICE ISSUES – %

Phone cards	Privacy	Provision	SFOA	Customer service	Directories	Internet billing	Internet access	Internet contracts	Internet credit control	Internet privacy	Internet provision	ISP customer service
	4.1			12.2								
	13.5			18.9								
	0.4	11.9		15.1		1.1	0.3	0.1			0.1	0.3
		1.8		17.9		2.7	14.7	0.2	0.2		0.2	7.5
						54.7	26.5	7.7	0.8			10.3
						32.7	30.9	14.5			1.8	20
		0.8		1.5		28.7	34.9	9.3	0.8	1.5	0.8	8.5
						64.3	7.1	14.3		7.1	3.6	3.6
						61.6	16.5	9.8	0.7		3	8.3
	0.8	1.7		23								
				6.7								
0.1	1.5	6.7	0.1	14.1		1.6	2.2	1.2	0.1	0.1	0.2	0.7
	0.3	1.5		14.5								
	3	3	0.7	13.4		5.2	0.7				0.7	
	0.8	11.8		11.1		5.7	7.5	1.4		0.2		2.4
						19.4	69.4	8.3				2.8
						40.7	40.7	3.7				14.8
						11.4	61.4				2.9	24.3
						8.5	70.2	1.5		1.1	2.7	16
	3.1			6.2								
						4.1	79.8					16
	0.9	1.1	0.1	14.6		0.1		0.1				0.1
						42.2	24.2	15.5	4.3		3.1	10.6
						36.7	30	3.3	10		3.3	16.7
						7.3	68.1	2.4			1	21.1
				5.9								
	1.8	14.5		16.4								
		1.7		11.7								
	0.8	2.6		20.2								
		2.3		11.6								
		8.5		21.6								
0.1	0.4	7.2		14.8		6	0.5	0.5	0.3		0.2	1.3
						47.1	19.4	16.7	3.1	0.5	1.6	11.5
						65.8	8.1	12.6	1.8	0.9	2.7	8.1
		5		16.7								
	1.5	3		4.5								
0.1	0.5	8.6		10.1		7.1	2.6	1.6	0.2	0.2	0.3	1.9
	0.2	3.1		15.7								
0.2	2.4	17	0.1	15.4	1.7	1.8	3	0.7	0.1	0.1	0.3	1.3
						28.2	42.3	18.8				10.6
7.1	2.7	0.9		25.9								
	0.7	2.2		18.1	0.2							
						60	8.9	6.7	4.4	2.2	6.7	11.1
	3.2			22.6								
	0.7	2		16.2								
	0.2	5.6		11.4								

MEMBERS

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(i) Internet service provider

¥ holds carrier licence

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1800 Reverse P/L (t)
AAPT Ltd (t&i)¥
Adlink (t&i)
AOL Australia P/L (i)
Asia Online Australia P/L (i)
Austar Entertainment P/L (t&i)
Australia On Line (i)
Australis Internet P/L (i)
B Digital Ltd (t)
Budgettel P/L (t&i)
Cable & Wireless Optus (t&i)¥ (inc Optus Mobile)
Cellular One Communications Ltd (t)
Digiplus P/L (t&i)
Dingo Blue P/L (t&i)
Dragon.net (i)
eisa (i)
Froggy ISP (i)
GlobalFreeway P/L(i)
Globaltel Australia P/L (t)
Gogo.net. P/L (i)
Hutchison Telecommunications (Aust) Ltd (t&i)¥ (inc Orange)
ihug (i)
iiNet Ltd (i)
Internet TV Australia P/L (i)
Look Mobile Ltd (t)
Macquarie Corporate Telecommunications (t)
Membertel P/L (t)
Mobile Innovations P/L (t)
New Tel Ltd (t)
Nomad Telecommunications P/L (t)
One.Tel (inc One.Tel Ltd (t), One.Net (i) & One.Tel 1800 GSM P/L (t)¥)
OzEmail P/L (i)
Pacific Internet (Australia) (i)
People Telecom Ltd (t&i)
Powertel Ltd (t)¥
Primus Telecommunications P/L (i&t)¥
RSL Com (t)
Telstra Corporation Ltd (i&t)¥ (inc Telstra Big Pond)
TPG Internet P/L(i)
Unidial Prepaid Communications P/L (t)
United Telecommunications (t)
UUNET Australia P/L (i)
Virgin Mobile P/L (t)
Vodafone Pacific Limited (t)¥
WorldxChange P/L(t)

COMPLAINTS AGAINST TIO MEMBERS BY COMPLAINT LEVEL

(non-standardised)

(includes members that received 25 or more complaints in 2000/01)

Total number of complaints	% Level 1	% Level 2	% Level 3	% Level 4
43	93.0%	7.0%	0.0%	0.0%
37	97.4%	2.6%	0.0%	0.0%
6,608	91.7%	5.7%	2.6%	0.0%
523	92.0%	5.9%	2.1%	0.0%
110	96.4%	2.7%	0.9%	0.0%
46	95.6%	2.2%	2.2%	0.0%
122	97.5%	1.6%	0.8%	0.0%
26	92.3%	7.7%	0.0%	0.0%
116	72.4%	16.4%	11.2%	0.0%
323	93.5%	4.0%	2.5%	0.0%
59	93.2%	5.1%	1.7%	0.0%
8,452	90.5%	6.3%	3.2%	0.0%
606	92.1%	4.8%	3.1%	0.0%
132	94.7%	4.5%	0.8%	0.0%
569	90.7%	6.1%	3.2%	0.0%
36	100.0%	0.0%	0.0%	0.0%
27	75.0%	17.9%	7.1%	0.0%
59	96.6%	1.7%	1.7%	0.0%
173	98.8%	1.2%	0.0%	0.0%
30	100.0%	0.0%	0.0%	0.0%
198	98.0%	1.5%	0.5%	0.0%
1,418	95.8%	3.2%	1.0%	0.0%
149	88.6%	9.4%	2.0%	0.0%
29	89.7%	6.9%	3.4%	0.0%
193	92.2%	7.2%	0.5%	0.0%
32	87.5%	6.3%	6.3%	0.0%
47	89.4%	8.5%	2.1%	0.0%
56	92.9%	3.6%	3.6%	0.0%
309	91.6%	7.4%	1.0%	0.0%
82	97.6%	2.4%	0.0%	0.0%
745	92.7%	4.3%	3.0%	0.0%
15,084	93.3%	4.3%	2.3%	0.1%
172	93.6%	4.7%	1.7%	0.0%
102	89.2%	7.8%	2.9%	0.0%
56	100.0%	0.0%	0.0%	0.0%
64	64.1%	7.8%	9.4%	18.8%
4,912	91.7%	5.3%	2.9%	0.1%
1,290	92.4%	5.0%	2.5%	0.1%
22,389	93.6%	4.3%	2.0%	0.1%
77	90.9%	7.8%	1.3%	0.0%
104	92.3%	5.8%	1.9%	0.0%
408	87.2%	8.1%	4.7%	0.0%
42	97.6%	2.4%	0.0%	0.0%
27	100.0%	0.0%	0.0%	0.0%
2,929	94.4%	4.1%	1.4%	0.1%
2,110	96.1%	2.8%	1.0%	0.0%

PROFILE OF COMPLAINANTS

Method of Complaint

The proportion of complaints received via email continued to increase during the year, rising from 2.8% last year to 4.7% in 2000/01. This increase was offset by a small decline in the proportion of complaints received through the toll-free number and by mail and fax. As in previous years, the overwhelming majority of complaints continued to be received through the toll-free number.

Type of Complainant

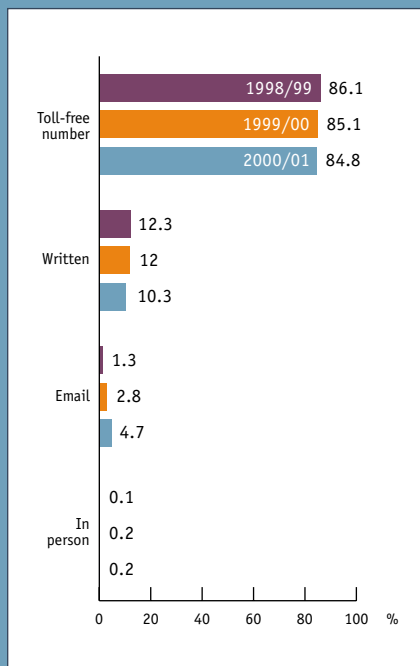
The proportion of complaints received from residential consumers continued to rise and accounted for 93.3% of all complaints handled by the TIO in 2000/01. This increase was offset by a significant decrease in complaints from small businesses – down to 6.5% from 10.4%.

The trend may indicate that common areas of complaint such as customer transfer, disputed call charges and poor customer service are posing bigger problems for residential customers than small businesses. It is also possible that TIO statistics are not capturing the full extent of small business complaints because it is not always apparent to TIO staff whether or not a complainant is a small business consumer. The TIO will investigate this matter further in the year ahead.

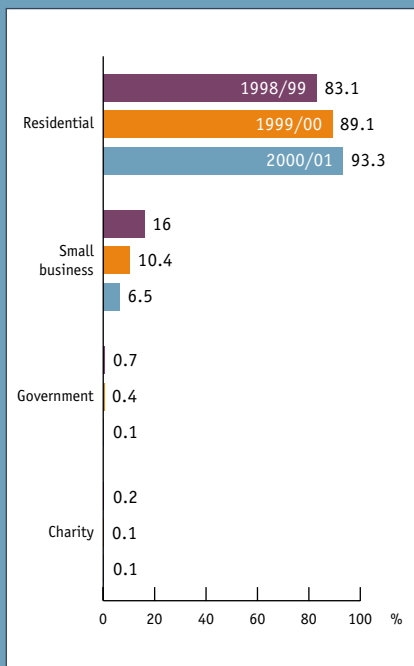
Small Business Complaints

A total of 5,367 complaint issues were raised by small businesses in 2000/01 compared to 6,392 issues last year – a 16% decrease. Telephone service issues accounted for 93.1% of small business complaints (compared to 93.8% last year), and the remaining 6.9% of complaints related to Internet service issues (compared to 6.2% last year). This proportion of Internet-related complaints is significantly lower than the 10% recorded for complaints overall.

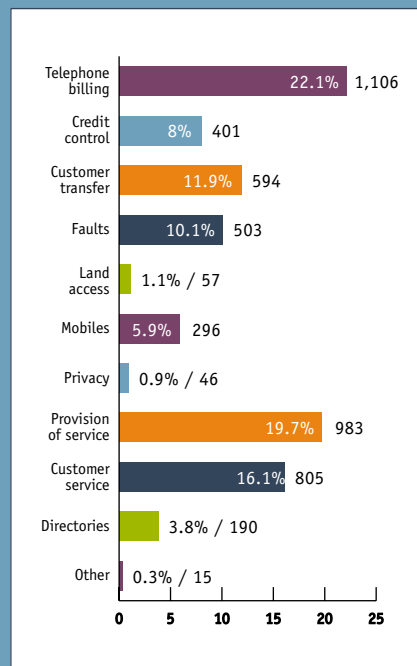
After billing, problems with the provision of telephone services were the most common cause of complaint amongst small businesses.



Method of Complaint



Type of Complainant



Small Business Complaints – Telephone Service Issues

4,996 issues

Bars represent percentage, numerals indicate total

As in previous years, the proportion of complaints from small businesses about telephone faults and the provision of telephone services were far higher than for overall complaints about these issues. Faults accounted for 10.1% of small business complaints about telephone services compared to 5.6% for complainants overall. Provision of service accounted for 19.7% of small business complaints compared to 10.9% of overall complaints. This is an improvement on the previous year when faults accounted for 14.6% of small business complaints and provision accounted for 25.5%.

Problems with access were the most common cause of complaint about Internet services. Access complaints accounted for 42.3% of small business complaints about Internet services,

compared to 35.3% last year. Consistent with trends in overall Internet-related complaints, billing complaints decreased from 35% to 26.7%.

State Distribution

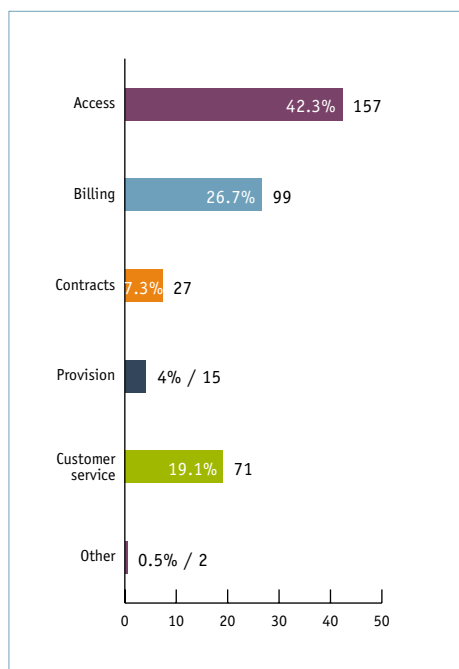
Although from time to time there may be issues that give rise to increasing complaints in particular States, generally the TIO uses State distribution statistics as an indication of awareness levels of the TIO around Australia.

For the second year in a row complaints received from NSW decreased and were down to 31.7% of all complaints received in the year compared to 34.4% in the previous year. Complaints from Victoria also decreased on last year down to 24.4%. There was a large increase in complaints from Queensland – these rose from 16.8% to 21.1% of complaints,

which is the highest percentage recorded for Queensland since 1995/96.

In terms of the number of complaints received per head of population, the ACT again recorded the highest number of complaints for its population size, followed by South Australia. The increase in complaints from Queensland resulted in that State rising to the third highest complaint level per person, replacing Victoria which dropped to fourth place. Tasmania recorded the lowest number of complaints per head of population.

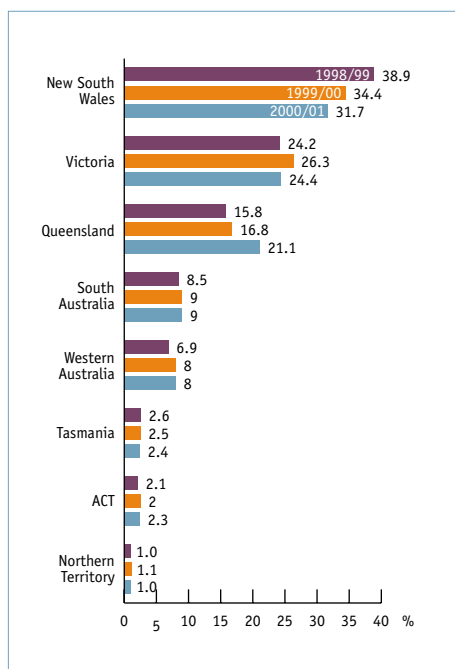
Complaints from Queensland rose most significantly from 16.8% to 21.1% of all complaints to the TIO.



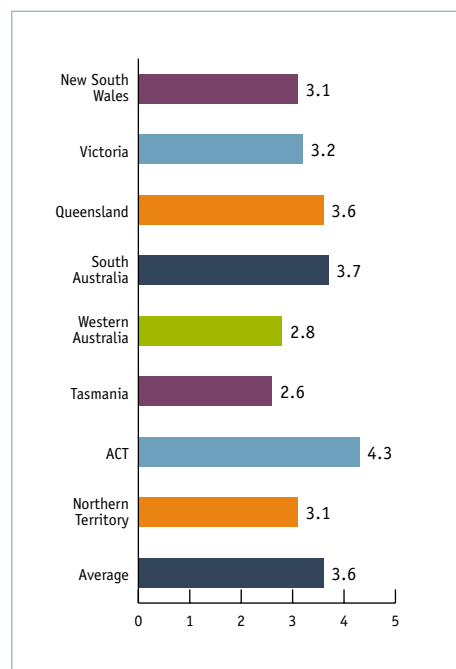
Small Business Complaints – Internet Service Issues

371 issues

Bars represent percentage, numerals indicate total



State Distribution of Complaints (percentage)



Complaints per 1000 Population

GLOSSARY

ACA (Australian Communications Authority)

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

ACCC (Australian Competition and Consumer Commission)

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

ACIF (Australian Communications Industry Forum)

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

ADR (Alternative Dispute Resolution)

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

AMPS (Advanced Mobile Phone System)

The first public mobile telephone service introduced in Australia. The AMPS network closed in most areas of Australia during 1999, followed by all other areas by the end of 2000.

Arbitration

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

Backbilling

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

Board

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

Carrier

An organisation 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 new type of digital mobile service different to GSM digital.

Churn

The process of transferring customer accounts between service providers.

CND (Calling Number Display)

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

Codes

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

Complaint

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

Complaint Levels

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

Constitution

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

Council

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

CSG (Customer Service Guarantee)

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

Determination/Direction

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

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 dial-in number and directly connected to an international or premium rate number.

Enquiry Officer

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

GSM (Global System for Mobiles)

A digital mobile phone system.

Investigation Officer

TIO staff member who receives, investigates and resolves complaints.

ISP (Internet Service Provider)

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

Issue

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

Mediation

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

Member

A telecommunications service provider 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.

PABX (Private Automatic Branch Exchange)

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

Port

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

Resolution

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

Service Provider

A carrier or carriage service provider that provides telephone, mobile or Internet services.

SFOA (Standard Form Of Agreement)

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

Standard Telephone Service

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

TIO MEMBERS LIST AT 31 AUGUST 2001

Carriers

	Joined
AAPT Ltd	1/7/97
Agile Communications	8/9/98
Agility Networks Pty Ltd	15/1/01
Airnet Commercial Australia Pty Ltd	18/7/00
Amcom Telecommunications	10/9/98
Australia-Japan Cable (Australia) Limited	2/2/01
Boeing Australia Limited	24/1/01
Broadband Access Pty Ltd	24/7/00
Cable & Telecoms Ltd	9/12/99
Cable & Telephone Limited	15/2/01
Cable & Wireless Optus	1/7/97
Central Exchange Ltd	14/6/00
Chime Communications Pty Ltd	31/8/00
Datafast Telecommunications Pty Ltd	17/2/00
Davnet Telecommunications Pty Ltd	30/3/98
eCOM Communications Pty Ltd	15/2/01
ETSA Utilities	15/1/01
Global Dial Pty Ltd	3/5/00
Heartland Communications	4/5/00
ARBT Pty Ltd T/A	
HorizonTelecommunications Pty Ltd	6/4/98
Ipera Pty Ltd	20/3/00
Macquarie Corporate Telecommunications	
Network Carrier Services Pty Ltd	22/12/00
Macrocom Pty Ltd	30/3/98
MCI Worldcom Australia Pty Ltd	26/6/98
NC Cable Pty Ltd	15/5/00
Netcare Telecommunications Pty Ltd	8/9/00
Netcomm Broadband Pty Ltd	1/8/01
New Skies Networks Pty Ltd	6/8/01
New Tel Networks Pty Ltd	25/8/98
Nextgen Networks Pty Ltd	14/2/01
ntl Telecommunications Pty Ltd	12/2/01
OMNIconnect Pty Ltd	18/9/97
One.Tel GSM 1800 Pty Ltd	18/5/99
Opentec Pty Ltd	26/7/00
Optus Mobile Pty Ltd	1/7/97
Optus Vision Pty Ltd	8/12/97
Orange (Hutchison Telecoms (Aust) Pty Ltd)	1/7/97
Oz Telecom Pty Ltd	15/4/98
Pacific Telco Australia Limited	22/1/01
PowerTel Ltd	1/7/97
Primus Telecom	1/7/97
Pulsat Communications Ltd	16/8/99
QALA (Australia) Pty Ltd	1/3/01
Request DSL	18/7/00
Smart Radio Systems Pty Ltd	20/11/97
Soul Pattinson Telecommunications Pty Ltd	5/5/99
Swiftel Communications Pty Ltd	7/8/00
Telstra	1/7/97
Telstra Multimedia Pty Ltd	16/7/97
The Ozitel Network Pty Ltd	20/10/99
Third Rail, Third Rail Australia Pty Ltd T/as	16/10/00

Internet Service Providers

	Joined
TransACT Capital Communications Pty Ltd	22/9/00
TransACT Communications Pty Ltd	16/4/99
Ue Comm Ltd	1/7/97
Uecomm Operations Pty Ltd	13/12/00
Vodafone Pacific	1/7/97
West Coast Radio	29/2/00
Windytide Pty Ltd	28/9/98
XYZed Pty Ltd	21/7/00
#1 Computer Services	4/4/00
1990 Multiline BBS Pty Ltd	8/9/98
2000 Computers and Networks	14/6/01
21st Century Pty Ltd	1/7/97
A R Internet	11/11/97
A Y Communications	22/10/97
A1 Internet Connectors	9/10/98
AAA PC Parts, Top Choice Computers	
Northop Technology Pty Ltd T/A	14/6/00
AAC Internet	15/1/01
Aardvark Internet Australia	21/8/00
Ablaze Internet Technologies Pty Ltd	30/9/99
Acay Network Computing Pty Ltd	16/10/97
Access Blue Lagoon Internet Services Pty Ltd	9/12/98
Access Internet	1/7/97
Access Net	1/7/97
Access Plus Pty Ltd	24/4/01
Access1 Limited	2/4/01
Account Link	6/3/00
Accsoft Computer Technology Pty Ltd	27/10/97
Ace Internet	15/7/99
Ace Internet Services Pty Ltd	1/9/97
Ace Online Pty Ltd	21/7/98
Aceconnect	17/9/98
Acenet Internet Services	18/1/99
ACEPIA	23/4/98
ACR.NET	1/7/97
ActewAGL Retail	7/6/01
Activ Australia Pty Ltd	20/10/98
Active Internet	27/5/99
Actweb	8/7/99
Adam Pty Ltd	15/10/97
Adap-2-Us	24/6/99
ADNET Holiday Coast Internet	7/8/98
Advanced Internet Services Pty Ltd	21/7/97
Advantra Pty Ltd	21/10/97
AI Superlink Pty Ltd	18/10/99
Air Portal Pty Ltd	5/12/00
Albury Local Internet Pty Ltd	30/11/00
Alexia Internet Services	25/8/98
Allnet	23/6/98
Allstate Connect	18/1/99
Alpha Dot Net Australia Pty Ltd	31/10/97
Alphalink Australia Pty Ltd	1/7/97

Alphawest Pty Ltd	9/7/98
Alphernet, Alpher On Line T/as	26/6/98
Alterna Telecom	7/7/00
Always Online Pty Ltd	29/1/01
Amaze Technologies Pty Ltd	6/10/97
Amdaat Internet Services, Amdaat Pty Ltd	17/7/00
Amisoft	13/11/97
ANCC Internet Services	28/4/98
Annexion	24/5/99
ANS Communications Pty Ltd	2/4/98
AOL Australia	20/10/98
APA Communications Pty Ltd	1/12/97
APEX Internet	30/11/98
Aquarius Communications	3/11/97
Arachnet Pty Ltd	24/8/98
Arcadia Technology	10/12/97
Ardebil Pty Ltd	21/7/98
Argonaut Internet Service	21/7/00
Asgard.net, DigiSoft Pty Ltd T/as	25/9/97
Asia Online Australia Pty Ltd	8/2/01
ASITIS Technology Pty Ltd	4/1/00
AT&T EasyLink Services Australia Pty Ltd	27/3/98
Atnet Pty Ltd	19/12/97
Atomic Impact	23/9/99
Aucom Pty Ltd	24/3/00
AudioPhiles Paradise	21/11/97
Ausnetwork Pty Ltd	6/4/99
AUSOM Incorporated	1/7/97
Austasia Net Pty Ltd	1/7/97
Australia Connect Pty Ltd	21/7/98
Australia Internet Solutions Pty Ltd	13/10/97
Australia Online	25/3/98
Australian Institute of Information Technology Pty Ltd	12/5/98
Australian National Research Pty Ltd	29/3/01
Australian Netlink Pty Ltd	21/7/97
AustraliaNet IT Pty Ltd	14/3/00
Australianet Ltd	21/8/00
Australis Internet Pty Ltd	22/9/00
Ausworld Pty Ltd	16/7/99
Avon Global Communications	21/7/98
Axs Systems, B L Software Pty Ltd T/as	24/8/98
BackMeUp, BMU Pty Ltd T/as	22/10/97
Banana Shire Council	17/5/99
Barcode Solutions Pty Ltd	23/9/99
Bateman's Bay Internet Services Pty Ltd	30/3/98
Be Secure Pty Ltd	18/5/00
Better Net Pty Ltd	23/11/98
Betterlink Pty Ltd	21/12/98
Beyond Net NQ	19/6/98
BFI Internet Services	28/6/99
Big Blue ISP Pty Ltd	28/6/01
Big Button Pty Ltd	14/1/98
BigNet, Brisbane Internet Group T/as	13/5/98

Bigwaters Internet Provider	15/9/99	ITECK Communication T/as	2/1/01	DAYTEC Australia Pty Ltd	20/2/00
BIN Telecommunications Pty Ltd	25/3/99	Commerce Australia Pty Ltd	3/4/98	DCS Internet	15/10/97
Blast Internet Services Pty Ltd	3/5/01	Commnet Internet Services	16/8/01	DDA Computer Services Pty Ltd	7/12/99
Blue Mountains Internet	4/5/98	Communicat Pty Ltd	1/7/97	Design Online	31/3/00
Blue Net	18/1/99	Communications Factory Pty Ltd	10/11/99	Design-A-Web Australia	1/7/99
Blue Print Internet	15/10/98	Compass Net	9/7/98	Developnet Services	9/2/00
BluIce Technology	31/1/00	Compuserve Pacific	7/1/98	Dezza Net Pty Ltd	1/6/98
BMR.Net Internet Services	1/9/97	Computer West, Melzen Pty Ltd T/as	19/6/98	DFS WEB	8/12/99
BoldWeb	22/7/97	Computers etc	21/12/98	Dial One Internet Services	21/12/99
Braenet Pty Ltd	25/6/98	Computing Success	10/6/99	DialUp	23/1/98
Branch Computing Pty Ltd	2/3/98	Concept Networks Conceptual Internet Australia Pty Ltd T/A	3/7/00	Diamond Computer Pty Ltd	8/9/99
Bridge Online Systems	27/11/97	Connect Direct Internet	27/7/98	Diggy Internet Services	13/9/99
Brisbane Internet Technology Pty Ltd	17/12/97	Connect Infobahn Australia	1/7/97	Digital Media Corporation Pty Ltd T/as USSR.net	10/6/99
Brisnet.org.au	25/3/99	Connect.com.au Pty Ltd	1/7/97	Disk-O-Tech Leading Edge Computers	10/12/97
Broadnet Pty Ltd	16/7/99	Connexus Internet Service		Dnet Internet Services	17/6/99
Burnett Communications	9/8/99	InterNex Australia Pty Ltd T/as	10/3/98	Domain Link	2/9/99
Business Environment Systems	7/8/98	Contal Information Technology Pty Ltd	12/6/98	Dot Communications Pty Ltd	2/10/97
Business Resource Development	29/10/98	Coeeee Australia	28/8/00	Dot CX Limited	26/3/01
Businessoz Pty Ltd	12/2/01	Coolangatta.Gold.Com	21/12/98	Dotwap.com Pty Ltd	30/5/01
Bytesite, Laymen Pty Ltd T/as	31/10/00	Corinthian Internet Services	6/4/98	Dove Australia Pty Ltd	6/11/97
C&N Newcastle Pty Ltd	29/6/00	Corporate Internet Australia	21/11/97	DoveNetQ	15/8/97
Caboolture Networks	23/6/98	Corporate Online Pty Ltd	10/12/99	Dragnet Internet Services Pty Ltd	26/11/97
Cairns Network Services, Cairnsnet Pty Ltd T/as	22/1/01	Coscom Technology	16/4/99	E2F Pty Ltd	25/8/98
Caloundra Net	10/11/98	Cosmos Integrated Communications	19/9/97	Eaglecom Pty Ltd	1/12/98
CanTech Online	28/9/98	Cosmos Internet Services		Eastcoast Internet	10/7/99
Catchnet	3/5/99	Mikka International Pty Ltd T/as	23/7/97	eBiz Inernet Services	19/7/99
CCNS Internet Providers	15/10/98	Cougar Internet Access	13/12/99	ECK net	18/6/99
CD Computer World Pty Ltd	17/3/00	Country Net, CGH Consolidated Pty Ltd T/as	7/7/00	ECN Internet	14/11/97
Celestial Enterprises		Country Netlink Pty Ltd	1/7/97	Ecopost Pty Ltd	4/8/97
Down Under Consultants T/as	12/5/98	Cowsnet	23/1/01	EFTel Pty Ltd	2/1/01
Cellstar Pty Ltd	16/8/99	CPC Pty Ltd	30/8/99	EHCS Internet Services	31/8/99
Central Coast Internet Pty Ltd	13/11/97	CQnet	2/1/01	Elink Net, Elink Media Ltd T/A	6/9/00
Central-Data	3/11/00	Crazynet, Mobileworld Operating Pty Ltd T/as	14/12/00	Elitenet Pty Ltd	10/6/99
Chariot Internet Ltd	30/10/97	CR's Computer Mart Pty Ltd	10/9/98	Elmtree Consulting Services	28/5/99
Charon Information Services	1/7/97	Crystal Internet Services	4/1/00	Elu Information Systems Pty Ltd	27/10/97
Chatnet BBS	22/3/99	CSI Holdings Pty Ltd T/as CITEC	18/7/97	Emerge Technologies Pty Ltd	15/11/99
Cherry Internet Access	1/9/97	CUCENTRAL Pty Ltd	23/11/99	Emmaus College	18/9/98
Cherry Technology Pty Ltd	8/6/99	Currimundi Computer & Technologies	30/7/99	Enet 21 Pty Ltd	10/1/99
Chilli Internet Solutions Pty Ltd	26/3/98	CybaNet Internet Services Pty Ltd	23/10/97	Enter Net Australia Pty Ltd	12/6/98
CIC Technology, Gratesand Pty Ltd T/as	20/11/98	Cyber38 Networks	20/8/01	Enterpriize Internet	30/11/99
Cimtec Pty Ltd	14/10/97	Cybercrow	27/1/98	entity1 Limited	10/1/01
Citylink Internet Services	4/8/99	Cyberelectric Pty Ltd	9/2/98	EON Technology Pty Ltd	18/5/98
ClariNET Internet Solutions Pty Ltd	25/7/97	Cyberlink Technologies	28/6/99	Escape Internet Online and Multimedia Services	1/7/97
Clovelly Internet Services	20/10/99	Cyberloom Pty Ltd	30/4/98	Escape.Net	12/1/98
Clover Computing	10/6/98	Cybernet International	16/2/00	EtherTech Pty Ltd	2/6/99
Club World.Net Pty Ltd	26/9/97	Cybernet Internet Services	2/10/00	E-Vision Internet Services	8/11/99
ClubNet International Pty Ltd	18/1/99	Cybernet Pty Ltd	9/12/98	Evolution Technologies (Aust) Ltd	2/8/99
CMS Computers	10/1/00	CyberOne Pty Ltd, ACT Online Internet	3/9/97	eweb 21 Australia	15/11/00
Coastal Waters Internet, Wavecliff Pty Ltd T/as	31/10/97	Cyberspace Corporation Pty Ltd	2/12/97	Exapro, Xintian Pty Ltd T/as	24/8/98
Coffee OnLine	20/9/99	Cyberwizards, Cyberwizards Group Pty Ltd T/as	27/9/00	Exceed Systems Integration Pty Ltd	14/3/00
Comaxes Corporation Pty Ltd	29/6/99	Cyrus Technologies	21/1/98	Export Mission	
ComCen Internet Services	17/7/97	Cytech Corporation Pty Ltd	17/9/98	Information Systems Pty Ltd	10/1/00
Commanse Computer World		Darling Downs Internet Services	30/7/98	Express BBS	4/1/00

Express Publications Pty Ltd	23/2/00	Globalchat	25/5/99	I-maginet.com	21/3/01
EXPRESSNET	28/2/00	Globec Internet Services Pty Ltd	28/8/98	Immortal Technology Pty Ltd	9/12/98
Ezeelynx Internet	28/7/99	Go Local Direct, Local Internet Ideas Pty Ltd T/A	14/6/00	Immortalnet Internet Services	8/9/98
Ezinet, Infonet		Goanna Internet Services		Impact Creativity Centre	10/5/99
Telecommunications Pty Ltd T/as	29/4/98	D & M Technologies Pty Ltd T/as	2/4/01	Impaq Network Services	21/5/99
Ezy2geT	4/5/99	GoConnect Australia Pty Ltd	25/11/99	Impulse.Net	1/6/99
Ezylink	19/1/99	Godian Enterprises	7/7/00	Independent Business Equipment	7/5/98
F1 (Formula One) Internet Services	18/1/99	GOL – Goldsbrough Online Pty Ltd	17/2/99	Independent Computer Retailers	11/1/00
F1 Computer Services	16/6/99	Goulburn Internet Pty Ltd	1/7/97	Indigo Networks, Yardarins Mining Ltd T/as	12/2/01
Fair.net.au	15/10/99	GPS Systems Pty Ltd	12/5/98	I-Netcomm	3/6/99
Fast Access Network Pty Ltd	1/6/98	Gravity Internet	24/12/97	Infinity Online	19/3/99
Fasternet.com.au	14/3/00	Great Circle Internet Services Pty Ltd	9/10/98	Infoflex Pty Ltd	24/11/97
Fastlink Communications Pty Ltd	18/8/97	Great Southern Energy	7/2/01	Informed Technology	28/8/98
Fastnet Internet Service Provider	11/5/99	Greenbank Net	25/2/99	INI Access, Desiin Pty Ltd T/as	27/4/98
Fieldstar Pty Ltd	20/9/99	GrowZone OnLine	13/10/99	Inpho Interactive	17/9/97
Firestar Internet Pty Ltd	4/7/01	GSAT, Geelong Science & Technology Centre	14/5/98	Inspired Networking	18/1/99
First Link Communications	4/1/00	Hanod Investments Pty Ltd	29/8/01	Instant Communications	15/10/98
First Link Internet Service Pty Ltd	1/7/97	HAQ IT Pty Ltd	24/3/99	Instra Pty Ltd	18/11/99
First Netcom Pty Ltd	1/7/97	Hard Disk Café	3/6/99	In-Tech Telecommunications Pty Ltd	28/8/98
Fish Internet	29/10/98	Hardnet Internet Access (Hardnet Cafe)	30/10/97	Integrity Network Solutions	28/6/99
FlatEarth Internet, Hislora Pty Ltd T/as	2/10/00	Harenet, Netmap Solutions Pty Ltd T/as	3/3/98	Intelligent Public Network, Eramba Pty Ltd T/A	14/7/00
Flatrate Internet	16/4/99	Hartingdale Pty Ltd	1/7/97	Interact Computer Centre	15/10/98
Flex Internet Technology Pty Ltd	8/5/98	Hawknet Internet Services	7/9/99	InterACT Technology Group Pty Ltd	1/7/97
Flexinet ISP and Internet Café		HC Consulting Services Pty Ltd	2/9/99	Interactive Globalnet (IGN) Pty Ltd	10/11/97
Warwick Enterprise Association	10/6/98	Healey Communications Australia	5/10/98	Intercoast Systems Pty Ltd	20/11/98
Flow Communications	10/5/99	Here There and Everywhere Pty Ltd	5/4/00	InterDomain Pty Ltd	1/1/98
Flownet Access	29/8/00	Hermes Internet	24/7/97	Interfusion.Net	8/10/98
FONETel Pty Ltd	25/5/98	Highlands Internet Pty Ltd	21/12/97	Interlink Technology Solutions Pty Ltd	21/9/98
Fox All Service Pty Ltd	24/8/98	HighTide Internet Pty Ltd	4/9/97	Internet Access Australia Pty Ltd	1/7/97
Foxgold Pty Ltd	19/10/00	Highway Internet Services Pty Ltd	3/7/01	InterNet Australis	1/2/00
Freestate Networks	1/9/99	Hitech City	7/5/99	Internet Cable & Wireless Pty Ltd	17/1/00
Freenet Australia Pty Ltd	6/8/99	HLD Solutions, Awafith Pty Ltd T/A	6/9/00	Internet Club Australia	1/10/98
Freeonline.com.au Pty Ltd	21/6/99	HoloHost, Beretvale Pty Ltd T/as	23/6/99	Internet Commercial Connections Pty Ltd	17/5/99
Frog Net Australia Pty Ltd	24/8/99	Horizen Enterprises Pty Ltd	8/9/99	Internet Depot	1/6/99
Froggy ISP, Froggy Holdings Pty Ltd T/as	10/4/01	Hotkey Internet Services Pty Ltd	29/10/97	Internet Express	2/9/98
Frontier ISP Pty Ltd	6/4/01	Hotnet	21/9/98	Internet Express, Dytec Industries T/as,	18/1/99
Functional Business Systems Pty Ltd	20/3/00	Hrimas Enterprises Pty Ltd	21/11/97	Internet EZY	2/7/98
Funnel Web Internet		HTML Net	9/7/98	Internet Infobahn Pty Ltd	1/7/97
True North Consulting Pty Ltd T/as	9/1/98	Hudson Data	2/3/99	Internet Interface Systems Pty Ltd	5/11/97
Futurweb Pty Ltd	9/7/98	HunterLink Pty Ltd	16/9/97	Internet on the Coast Pty Ltd	1/7/97
Fuzion Pty Ltd	4/4/01	Hyper-Drive Technologies Pty Ltd	15/9/00	Internet Plus Pty Ltd	11/11/97
Gateway Internet Services	20/9/99	Hyperlink	1/7/97	Internet Service Providers Pty Ltd	1/7/97
Gateworld Internet	5/5/99	Hypermax Pty Ltd	22/3/99	Internet Surf City	11/8/99
Geko Internet Pty Ltd	18/5/98	I&TC Solutions Pty Ltd	28/7/00	Internet Temora	25/2/99
Gel Works Pty Ltd	22/7/99	Icenet Pty Ltd	28/11/97	Internet TV Australia Pty Ltd	9/12/98
Genuity, Inc.	10/7/00	I-Connect	15/9/99	Internet Unlimited	23/11/98
getonit.com.au	13/1/00	Ideal Internet Pty Ltd	13/7/01	Internet Victoria	28/10/97
GKY Internet	1/7/97	IDL Internet	1/9/99	Internet W.W.W. Network	11/11/97
Global Connect (Aust) Pty Ltd	24/3/99	IDXNET Pty Ltd	3/12/97	Internet Whitsunday	2/2/99
Global Corporate Net	7/6/01	iForm	21/7/97	InternetWA Pty Ltd, T/as Wanet	16/6/98
Global Info-Links Pty Ltd	3/4/00	ihug	2/3/98	Internex/Internex LV	19/6/98
Global Web Pty Ltd	1/7/97	iiNet Ltd	25/8/98	Internode Systems Pty Ltd	1/7/97
Global Web Solutions Pty Ltd	1/6/01	IIS Group Pty Ltd	18/9/97	Intersat, Communications Inc Pty Ltd T/as	15/2/99
Global Wire Internet Pty Ltd	5/7/00	Image Networking, Teragen Pty Ltd T/as	16/3/98		

Intertech Net Au	17/6/99	Lismore Internet Services	1/7/97	NetCentral.com.au Pty Ltd	14/8/00
Interweb Connections	1/7/97	Livewire Communications	29/1/99	Netcore Pty Ltd	1/7/97
Interworx Technologies	13/11/97	Longford Internet	13/7/99	NetEffect Internet Pty Ltd	7/1/98
Intrapower Pty Ltd	29/7/98	MacConnect	4/8/98	NetExcel	4/8/97
ION Pty Ltd	1/12/97	Magic Computers (Aust) Pty Ltd	11/6/99	Netmail Results, Go Get Netted Pty Ltd T/as	7/6/99
I-Optic Computing Pty Ltd	28/2/01	Magna Field Pty Ltd	29/12/97	Netmastery Pty Ltd	23/8/99
Ioshpere, Sysworks Technologies T/as	10/9/98	MainLink Internet Services	27/10/99	Netpacket Pty Ltd	1/12/98
Ioville, Sysworks Technologies T/as	10/9/98	Malleenet Internet Providers	7/7/00	Netpage	1/7/97
IQnet Pty Ltd	1/3/01	Mania Computers and Internet	10/11/97	Netpro Express Internet, Barroband Pty Ltd T/as	14/8/98
Irvnet.org.au	21/5/99	matra.com.au Pty Ltd	5/1/98	Netracom	11/2/99
Isage	7/6/99	Matt And Trish Enterprises (M.A.T.E.)	17/6/99	Netro	17/11/97
Island Internet Services	1/7/97	Maxi Internet Services	2/3/98	NetServ Communications Pty Ltd	1/12/98
ISP Interactive Pty Ltd	30/3/98	Maytel Internet	26/4/01	Netspace Online Systems Pty Ltd	1/7/97
ISTnet	15/5/00	McPherson Media Pty Ltd	21/1/98	Netspeed Internet Communications	11/12/97
IT Fusion	29/6/99	MCS Internet Services	11/2/00	Netstra Pty Ltd	18/11/97
IT Lite Computing Solutions Pty Ltd	13/11/97	MedEmail Pty Ltd	18/5/00	NetStream Internet	11/2/99
IT Works Consulting	14/7/98	Mediasat Pty Ltd	18/10/00	Net-tech Internet Services	
ITSP Australia Pty Ltd	4/5/01	Melbourne PC User Group Inc	13/10/97	Network Technology Pty Ltd T/as	20/5/99
Jamida	17/3/00	Merlin Internet	3/9/97	Netway Technologies Pty Ltd	13/5/98
Jaspar Solutions	19/1/01	Merlin Internet Services	11/4/99	Netwide Solutions Pty Ltd	24/10/97
Jeack Internetworking	8/10/98	Metro Computer Services	30/7/98	Networks Multimedia Pty Ltd	26/3/01
Jigsaw Technology Pty Ltd	20/4/98	Metro Net Corporation Pty Ltd	28/3/01	NetYP	10/11/98
JMB Internet Services	8/1/98	Metrolink, Draco Pacific Pty Ltd T/as	1/12/97	New Approach Systems & Software	24/11/98
Joy Net	20/8/01	Metro-Soft, Draco Pacific Pty Ltd T/as	1/12/97	New Millennium Networking	19/2/01
JP Computing	23/8/99	Microed Pty Ltd	1/6/99	Newsagency 1	27/1/99
JRC Internet Services	7/5/98	Micronica	30/4/98	Nexacom Pty Ltd	16/7/99
JTR Computers	27/3/00	Microsystems Support	18/12/97	Next Century Australia	20/4/98
Justnet Pty Ltd	11/8/98	Microtronics Pty Ltd	6/11/97	Nextracom, Leading Edge PC Consulting T/as	24/8/98
Kanga Internet Services	23/8/99	Mildura.Net.Au	2/3/98	NHJ Northlink Communications	18/1/98
Kangaroo Island Network	18/1/01	Mindvision Interactive Pty Ltd	20/8/97	No More Wires, No More Wires.com Pty Ltd T/as	31/10/00
Kapunda Computing Centre	22/9/98	Minervanet Pty Ltd	2/4/98	Nobbys Net	1/7/98
Karratha Internet Support Services	14/1/00	Minopher Pty Ltd	31/12/97	Noisenet	1/6/99
Katanning Regional Telecentre Inc.	18/1/99	Mission Internet	3/5/99	Nornet	4/8/97
KBS Group	29/9/99	Mittagong Mania	16/7/99	North East Telecentre Inc	21/9/99
Kern Internet Providers	24/8/98	MNS Internet Services	22/7/98	Northern Exposure Technologies Pty Ltd	10/12/97
KIDZ.NET National Pty Ltd	9/2/00	Modern Computer Systems	16/11/99	Northern Rivers Gateway	1/7/97
King Island Internet Service	12/8/99	Moranbah Internet Services		NorthPower turboWeb	20/4/98
кта Internet	8/2/00	Penthurst Pty Ltd T/as	17/9/98	Now.Com.Au Pty Ltd	24/3/98
L.I.S.P Pty Ltd (Local Internet Service Provider)	8/1/98	Mosman City Internet Services	29/11/97	NPGX Pty Ltd	15/10/98
Labyrinth Connections Pty Ltd	1/7/97	Mr Bean's Internet	11/9/98	NRU Internet (Newcastle Regional Users)	23/12/99
Lagunacom.com.au	4/4/00	Mudgee Internet	19/5/98	NT Technology Pty Ltd	
Lamp Internet Pty Ltd	7/8/01	Mullumbimby Access Point Pty Ltd	17/9/98	Katherine Computer Services Pty Ltd T/as	27/8/98
Launch Internet Services	1/7/97	Multibase Web Australis	1/7/97	NTT Australia Pty Ltd	31/3/98
Lavalink Internet Services	29/5/98	Murray Telecommunications Pty Ltd	9/4/01	Nvision Pty Ltd	27/8/99
Leading Edge Computers Kempsey	21/12/99	Mustangnet	11/7/01	Ocean Internet Pty Ltd	7/5/98
Leading Edge Internet Pty Ltd	2/7/01	Namadgi Corporation	1/7/97	Octa4 Pty Ltd	28/1/98
Leading Edge Internet Services	2/5/00	Nareg Internet Pty Ltd	30/8/01	OCTEC Incorporated	11/2/99
Ledanet, Ledamark Pty Ltd T/as	6/10/00	NBC Networks Pty Ltd	29/9/98	Odyssey World Pty Ltd	17/6/98
Lexicon Internet Services		NCT Computers	15/11/00	Offis Pty Ltd	20/11/98
Phoneware Online Pty Ltd T/as	18/10/00	Network Computer Training Pty Ltd		OMCS, Om.Com Services T/as	1/7/98
Liden Australia Pty Ltd	20/3/00	T/as Nectar Online Services	20/11/97	Omen Internet, EBI Enterprises Pty Ltd T/as	8/10/98
Linkit Internet Services	10/11/98	Net200 Pty Ltd	14/7/98	Omninet	14/7/98
Linknet Internet Service Providers	16/3/99	NetAdvantage	31/8/99	Ompac Internet	6/9/99
Links Internet	14/9/98	Netbay Internet Pty Ltd	2/1/01	Onclick, Brookwell Industries Pty Ltd T/as	20/11/98

Online 2000	3/5/99	Preferred Internet Provider	26/11/97	SCI Net – South Coast Internet	8/10/98
Online Australia (OAL) Pty Ltd	16/4/99	ProDigital Solutions	18/12/00	Braidwood Internet	15/10/97
OnThe Net Pty Ltd	31/10/97	Prodigy Internet	20/8/99	ScoastNet Pty Ltd	20/7/99
Optimum Objects Pty Ltd	3/3/00	Professionals In Computer Knowledge Pty Ltd	1/7/97	Scona Internet Services	21/12/98
Optus@Home		Profluent Systems Australia Pty Ltd	24/6/99	SCS Enterprises Australia Pty Ltd	10/2/00
Excite@Home Australia Pty Ltd T/A	29/6/00	PSIcore Networking, The Group of Performance		SCS Solutions	28/7/99
Orac Internet	18/11/97	Service Industries Pty Ltd T/A	30/8/00	SE Network Access Pty Ltd	1/7/97
Orbital Internet	31/3/00	PSINet Australia Pty Ltd	23/8/00	Sebastopol Secondary College	10/8/99
Origin Internet Solutions	20/7/00	Puresoft Australia Pty Ltd	31/1/00	SELTEK Australia Pty Ltd	10/1/00
Orion Online	6/4/98	QD.COM	4/3/98	Servcom Pty Ltd	2/7/99
Orits Australia	12/3/99	QLDWIDE.NET.AU	19/1/00	Servnet Pty Ltd	23/7/01
Orli-Tech Pty Ltd	20/4/99	Q-NET	1/7/97	SG Technology Pty Ltd	25/6/99
OTEC Telecommunications	23/7/99	QP Australia Pty Ltd	28/5/98	Share.Net Internet Services	18/5/99
Outback Queensland Internet	20/4/99	Qpoint Australia Pty Ltd	12/1/99	Shelford Technologies Pty Ltd	14/9/98
Outpost Internet Pty Ltd	17/12/99	Quail Internet Connections	4/5/99	Sherbrooke Computing Pty Ltd	8/6/01
Overflow Internet Services	17/6/98	Quest Communications International Pty Ltd	26/7/01	Shoalhaven Internet Services	10/9/99
Oxnee Pty Ltd	18/11/99	Quicknet Internet Provider Pty Ltd	17/12/97	Shoalnet Pty Ltd	1/4/98
Oz Web Internet Providers Pty Ltd	25/3/99	Quicknet Pty Ltd	6/11/00	Shortech International Pty Ltd	10/6/98
Oz2000 Internet	2/2/99	Rabbit International	4/2/99	Smarter Way Pty Ltd	2/7/98
Ozdocs Internet Services	18/11/97	Radiowan	10/4/00	Sneaker Net	7/7/00
OzEmail Pty Ltd	1/7/97	Ram Network Services Pty Ltd	8/5/98	Softcell Pty Ltd	18/6/99
OzGuide	15/6/99	Rapidnet	1/7/97	South Queensland Internet Services	29/11/99
Ozland.Net.Au	2/3/98	Razorback Computers Pty Ltd	12/4/01	Southern Cross Connect Pty Ltd	27/8/98
OZnetPC Pty Ltd	21/7/99	RBE Internet Services	10/11/98	Southern Matrix International Pty Ltd	17/6/99
Ozsky.net, Titania Corp T/as	5/3/01	Redcentre.com	5/7/99	Southern Star Communications Pty Ltd	1/7/97
Ozexpress.com, Ozexpress Internet T/A	21/9/00	Redgum Software & Support Pty Ltd	17/9/00	Southwest Internet Systems	7/8/98
Ozzieweb Pty Ltd	11/7/01	Relax Internet Enterprises Pty Ltd	12/6/98	Space.Net	25/7/97
Pacific Internet Australia Pty Ltd	30/4/99	Restless Online Services	17/9/98	Spacelink Communications	12/2/99
Panorama Development Pty Ltd	11/3/99	Retnet Internet Services	21/5/99	Speed Internet Service Provider	27/7/99
Paradigma Pty Ltd	20/10/98	Reverence Earthlink Internet Services	2/1/01	Speednet Communications Pty Ltd T/as	10/5/99
Paradox Digital	24/6/99	Reynolds & Reynolds Pty Ltd	12/5/00	Speedlink Internet Service Providers	5/8/99
Patash Pty Ltd	14/10/97	Reynolds Technology Pty Ltd	23/7/01	Spiderlink	14/7/98
PC Oznet Pty Ltd	8/6/99	RGTechnologies Pty Ltd	15/6/99	Spiderweb Access	20/4/98
pcProfessionals	6/1/98	Ribbon Net	25/2/99	Spin Internet Services Pty Ltd	18/4/00
Peakhour		RickSure Pty Ltd	16/2/01	Springboard Computer Systems	18/3/99
Peakhour Australia Holdings Pty Ltd T/as	21/5/01	Ripnet	25/5/99	Stairway Internet Services	11/2/99
Pentire Pty Ltd	19/6/00	Riverland Internet		standard.net	1/6/99
Petersen's Online Services	4/12/98	The Murray Pioneer Pty Ltd T/as	9/12/97	Starway Brighton	16/10/97
Phoenix Business Solutions Australia Pty Ltd	20/8/97	Rivers Network Pty Ltd	6/1/98	Starway Melbourne	13/10/97
Pilbara Systems Internet	21/8/97	Rocket ISP	8/5/00	Starway Preston	15/10/97
PillarBox Internet Post Pty Ltd	28/4/99	Rocknet	3/12/97	Starwon Enterprises Pty Ltd	1/7/97
Pinkroccade Interactive Pty Ltd	9/12/98	ROK Technology Pty Ltd	20/1/00	Stradinet, Bellwater Pty Ltd T/A	1/8/00
Pipeline Internet	16/7/97	ROM Technologies	22/7/99	Stringline BBS	10/9/99
Plan B Internet Services Pty Ltd	30/3/99	Royal Link	21/9/99	Struggler's Internet Services	24/8/98
Planet Netcom Pty Ltd	22/8/97	RP Internet Services	14/7/98	Struggler's Enterprises T/as	27/8/99
Platform Computing Pty Ltd	9/3/00	Rubix Computers Pty Ltd	14/5/99	Summit Internet Solutions	27/8/98
Portal Communications Australia Pty Ltd	15/1/98	Rural Business Machines Pty Ltd	3/2/98	Sun Multimedia Pty Ltd	9/12/97
Porternet.com.au	11/12/00	Ruralnet, Mildura Office Equipment T/as	28/4/98	Sunet Internet Provider	27/10/99
Portolan Pty Ltd	27/5/99	SA Country Club II BBS	17/2/99	Sunnet, Madec T/as	9/3/01
Power Computers (SA) Pty Ltd	21/5/98	Samurai Networking	13/7/99	Sunshine Beach Software Pty Ltd	12/6/98
PowerBAND Networks Pty Ltd	28/3/01	Satlink Internet Services	1/7/97	Sunshine Networks, ATS International T/as	14/10/97
Powersurf Network	23/4/99	Savvis Australia Pty Ltd	22/10/99		
Powerup Pty Ltd	28/10/97	Scads Internet Services	21/1/00		
Precisium	12/5/99	Schoolsnet Australia Pty Ltd	1/7/97		

Supa Computer Services	25/2/99	Trumpnet Pty Ltd	16/12/97	West Australian Networks	14/7/98
Super Network Consultants		TSN – The Saunders Network	17/2/99	Westconnect Pty Ltd	8/9/98
NZ Trading Exchange Ltd T/as	16/9/98	Tudogs.net.au	15/1/98	Western Internet Services	15/6/99
Surfnet City	29/10/98	Turbonet	6/4/99	Westlink Internet Services	
Swift Internet	14/3/00	TWOEZY Internet Group	4/4/00	Marketing Solutions Pty Ltd	10/6/98
SwiftNet Pty Ltd	13/5/99	TX Communications Pty Ltd	23/11/98	WestNet Pty Ltd	14/7/98
SWISP, South West		Tyco Services, Tyco International Pty Ltd T/as	11/8/98	Westvic Internet Pty Ltd	23/4/98
Internet Service Provider Pty Ltd T/as	26/7/99	Unite.com Pty Ltd	9/6/00	Wiegand Trading	22/7/99
Switch.Com Pty Ltd	14/7/98	Universal Networks Australia Pty Ltd	10/9/98	Wiliam Connect	16/4/99
Sydney Internet Networking Services	3/4/98	University of Queensland		Windspeed	29/4/99
Sygary Internet Access	30/9/99	Information Technology Services	17/6/98	Winshop Services	28/8/98
Sympac Computing Pty Ltd	3/6/98	Unixpac Pty Ltd	7/6/99	Wollongong Ezynet, Janasas Pty Ltd T/as	16/9/98
Synflux International Pty Ltd	28/7/97	Up 'n' Away Net Solutions, Intek Pty Ltd T/A	21/8/00	WooZoo Telecommunications Pty Ltd	2/3/98
Tactical Access Provider	24/8/98	useoz.com, National Data & Security Pty Ltd T/as	18/5/01	World Top Technology Pty Ltd	14/10/99
Talent	24/6/99	UUNET Australia Ltd	18/1/99	World Wide Warehouse	2/9/98
Tasmania's Access Server Pty Ltd	3/12/97	Value Connect	29/1/99	World Wire Pty Ltd	1/7/97
Tech 2U, Robson Technologies T/A	10/8/99	Valylink Centre 3000	1/7/97	World.Net Pty Ltd	20/3/00
Tech Info Pty Ltd	16/6/99	Vertel, Vertical Telecoms Pty Ltd T/as	8/2/01	Worldwide Internet	2/9/98
Tech Ipex Pacific Pty Ltd	1/4/99	Vianet Australia	28/7/98	Woy Woy Secretarial Services Pty Ltd	23/7/99
Techno.Access	12/5/98	VICNET	26/3/98	X Com Australia Pty Ltd	25/7/97
Teknet Canberra Pty Ltd	1/7/98	Vicweb Pty Ltd	21/7/98	XcelNet Enterprise	10/7/97
Teksupport Pty Ltd	3/10/97	Video Data Service	21/11/97	Yea Computing Services	23/9/99
Telekom CKI Pty Ltd	26/3/01	Vintek, Vintek Consulting Pty Ltd T/as	24/5/01	Yesnet Pty Ltd	14/8/00
Telstra Big Pond	1/7/97	Viper Communications Pty Ltd	20/2/01	yesresources.com Ltd	24/8/99
Teltech Enterprises Pty Ltd	1/7/97	Virtual Computers Pty Ltd	3/11/97	Ynet	5/11/97
Tera Nova	2/6/99	Vivanet Pty Ltd	21/4/99	Young Online Pty Ltd	29/4/99
Terminus Network Services	18/1/99	VTay Technology	25/5/99	Zip World Pty Ltd	26/10/98
Terramax Pty Ltd	15/10/98	WA Telecentre Exmouth Inc.	21/7/98	Zoomnet	15/11/99
Terrigal Internet Services	1/7/97	Wackado Internet Services		Telephone Service Providers Joined	
Terrigal Net	1/7/97	Computer Systems Support (Mackay) Pty Ltd T/A	23/5/00		
Terry Anthony Computers	23/3/99	Wagga Training Services	10/10/97	0014 Pty Ltd	1/11/00
Tetraplex Pty Ltd	20/3/98	Wahroonga.com	20/3/00	1800 Reverse Pty Ltd	2/1/01
The Australian Internet Comp Pty Ltd	1/7/97	Wally's Internet Café	4/5/01	Access Plus Corporate	10/11/98
The Computer Shop – Nelson Bay	10/6/98	Warren Pont	6/1/98	Alphacall Telecommunications	25/11/99
The Friendly Giant Pty Ltd	28/10/99	Waterfront Internet Service	11/1/99	Apple Communications Ltd	26/6/00
The Info Xchange Inc	3/12/97	Web Ace	21/12/98	Astron Communication and	
The Internet (Aust) Pty Ltd T/as		Web Australis Pty Ltd	1/7/97	Information Services Pty Ltd	16/7/97
Totally Holistic Enterprises Internet	17/5/99	Web One	3/3/98	AT&T Communications Services Australia Pty Ltd	1/7/97
The ISP Doctor	11/3/98	Web Solutions, Zenium Pty Ltd T/as	14/5/98	AT&T Global Network Services Pty Ltd	28/2/00
The Maestro.Net	27/8/99	Webxas, Web Access Aust Pty Ltd T/as	10/10/97	Australian Communication Exchange Ltd	1/7/97
The Net Enterprises Pty Ltd	1/7/97	Web-A-You Internet Services		B Digital Ltd	26/5/99
The Web Factory	15/6/99	MyWorld Communications T/as	27/4/98	Barclays Administrations Pty Ltd	2/3/01
Tnet.Com.Au	20/8/98	Webdata Pty Ltd	25/8/99	Big Mobile Communications Pty Ltd	3/8/97
Tokyo Network	1/7/97	Webfront Pty Ltd	2/3/98	Bincom Satellite Systems Limited	25/1/01
Total Internet Konnections	23/11/99	Web-Hermits	26/8/99	BT Australasia Pty Ltd	30/7/97
Totalise Australia Pty Ltd	16/11/00	Webmail Internet Solutions	10/6/98	CardCall International	18/9/97
TotalNet Internet Service	12/11/97	WebMedia Australia Pty Ltd	1/7/97	Cash Rewards Pty Ltd	18/6/99
Touch88, United Sources Pty Ltd T/as	2/9/98	WebRider Pty Ltd	15/10/98	Cellular One Communications Ltd	1/7/97
TPG Internet Pty Ltd	1/7/97	Website	14/5/98	CMS Telecommunications	21/7/97
TR Connexions	10/8/99	Webtel	26/11/97	Davitel Pty Ltd	14/3/00
Treko Internet	17/6/98	Webtime Pty Ltd	17/6/98	Direct Telecom	
Trend Internet Services, Taipei International T/as	28/7/98	Webward Pty Ltd	9/12/98	DT Investment Capital Pty Ltd T/as	26/3/01
Triode Internet	22/4/98	Webxpress	16/6/99	D-Tel Australia Pty Ltd	1/5/01
Triple I Internet	25/1/01	Wellington Communications Pty Ltd	25/7/00	Eclipse Telecommunications Pty Ltd	1/7/97
				e-Com Telecom Pty Ltd	15/3/01

Electroteks Network Services (PVT) Ltd	8/11/00	Telcostar Ltd	18/7/01	Panaseer, Jtec Pty Ltd T/as	3/4/00
Emp Com	25/5/99	Tele Link Telecommunications Pty Ltd	1/7/97	People Telecom Limited	13/12/00
E-Tone Telecom		Teredonn Telecommunications Ltd	30/11/00	Polyfone Pty Ltd	3/8/01
E-Tone Corporation Australia T/as	16/11/00	Tritel Australia	22/9/99	PTC Communications Pty Ltd	24/5/99
Ezi Phone Card Pty Ltd	2/4/98	Unidial Prepaid Communications Pty Ltd	1/7/97	Q. Corporation Pty Ltd	2/8/01
Ezi Phonecard Pty Ltd	17/7/01	United Telecommunications (AUST) Pty Ltd	1/7/97	SMI Telecommunications Pty Ltd	27/7/99
Ezi Prepaid Mobile Pty Ltd	2/4/98	United Telecommunications, UCMS T/as	1/7/97	Spectrum Networks Pty Ltd	12/5/00
Eztel Communications	22/5/01	Universal Telecom Australia Pty Ltd	19/2/01	Tas Tel, Aurora Energy AAPT Pty Ltd T/as	21/5/01
Global Gossip	17/11/97	VIP Technologies Pty Ltd	2/8/99	TCR Internet Services Pty Ltd	12/7/00
Global Mega Telecommunications	2/11/00	Virgin Mobile		Tele2000 Limited	12/6/01
Global One Communications Pty Ltd	1/7/97	Virgin Mobile (Australia) Pty Ltd T/A	11/9/00	Telelobe Australia Pty Ltd	31/7/00
Globaltel Australia Pty Ltd	2/5/00	Voice-Tel Pty Ltd	17/9/97	The Call Station	
GSM Rentafone Pty Ltd	16/7/97	Western Communication Solutions Pty Ltd	14/10/97	Swatch Telecom (Aust) Pty Ltd T/A	12/1/00
IS-1 Communications Pty Ltd	1/7/97	Winterton Communications Pty Ltd	10/3/98	Timemac Pty Ltd	9/12/98
JFax Communications Australia Pty Ltd	14/1/98	WorldPacific Communications	6/1/00	Toptwin Pty Ltd T/A Emerald Office Supplies	2/2/00
KDD Australia Pty Ltd	11/2/99	WorldxChange	1/7/97	Total Network Group Pty Ltd	14/3/00
Kooee Telecom Pty Ltd	1/11/00	WWN Telecom	26/2/98	Totalcom Solutions Pty Ltd	27/7/99
LCR Telecom Pty Ltd	22/1/98	Telephone Service Providers & Internet Service Providers		World IT Limited	22/9/00
Lifeline Telecommunications Pty Ltd	18/7/01	Joined		Worldchat Australia Pty Ltd	21/5/01
Look Mobile Ltd	20/2/01	ACTEW Corporation Ltd	3/5/99	Your Service	4/5/00
M Group of Companies Pty Ltd	15/2/01	Alpha Network Shop Pty Ltd	31/5/99		
Macquarie Corporate Telecommunications	1/7/97	Alphanet Pty Ltd	6/10/97		
MCI WorldCom International, Inc	21/7/98	Austar Entertainment Pty Ltd	1/9/00		
Mobile Innovations Ltd	1/7/97	Australia Wide Web	28/4/00		
Myprice, Myprice Pty Ltd T/A	11/9/00	Australian Specialist Infotech Operations	26/8/98		
New Tel Ltd	12/3/99	AustraLink Communications Pty Ltd	5/8/98		
Nomad Telecommunications Pty Ltd	2/3/98	Axxess Direct	3/11/00		
NorthVoice Communications Pty Ltd	7/7/00	Bendigo Community Telco (BCT)			
Omni Plus Pty Ltd	19/12/97	Bendigo Community Telco Limited T/A	15/9/00		
Optecom Limited	7/9/00	Budgettel Pty Ltd	11/2/00		
Oxygen Communications	14/1/00	City Telecom (Australia) Pty Ltd	1/7/99		
Oz One Connect	9/7/98	Citylink Information Technology Pty Ltd	7/7/00		
Pahth Telecommunications	1/7/97	Cnet Communications Group	23/7/01		
Pocket Money Ltd	18/6/99	COMindico Australia Pty Ltd	15/8/00		
PSR Group Pty Ltd	1/7/97	CVS Communications Corporation	27/5/99		
Recom Corporate Communications Pty Ltd	5/2/01	DigiPlus Pty Ltd	17/7/97		
Redicall Pty Ltd	21/6/99	Dingo Blue Pty Ltd	10/8/99		
RSL Com Australia Pty Ltd	1/7/97	EcomTel	13/7/99		
Saise Telecommunications Pty Ltd	19/7/99	edge2net Australia Pty Ltd	1/2/01		
Satellite Call Centres Australia Pty Ltd	25/7/97	Far East Gateway (Australia) Pty Ltd	31/8/99		
Satellite Cowboys Pty Ltd	25/7/97	Global Connect Communications Pty Ltd	23/8/99		
Select-Tel Communications Pty Ltd	11/8/99	Global Online Telecoms Australia Pty Ltd	9/2/00		
Singapore Telecom Australia Pty Ltd	14/7/98	Green Phone Incorporated	14/3/01		
SITA	1/7/97	Highway 1 (Australia) Pty Ltd	21/7/98		
Skytel Pty Ltd	9/7/98	Japan Telecoms Corporation Pty Ltd	29/4/98		
Southern Cross Mobile Pty Ltd	20/2/01	Karsing Telecommunications Australia Pty Ltd	10/11/99		
Southern Cross Telco Pty Ltd	1/7/97	Knowledge By Design Pty Ltd	1/7/97		
Southtel, Southtel Networks Pty Ltd T/A,	21/8/00	Leading Edge Group Limited	2/8/01		
Sprint International Australia Pty Ltd	25/7/00	Managed Solutions Pty Ltd	30/3/00		
Super Save Telecommunications	7/9/97	Multelink Australia Pty Ltd	14/2/00		
T.One Telecommunications Pty Ltd	13/8/99	Net2Phone Global	15/10/99		
Tangible Solutions		Oceania Computer Services, Oceaniatla Ltd T/as	6/2/01		
Solutions International Pty Ltd T/as	2/1/01	One.Tel Ltd	1/7/97		
Telconnect Pty Ltd	19/5/99	Pacific Payphones Pty Ltd	14/8/00		

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2001

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DIRECTORS' REPORT

Your directors present their report of the Telecommunications Industry Ombudsman Ltd (TIO) for the year ended 30 June 2001.

TIO is a company incorporated in Australia in 1993 under the Corporations Act. 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 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:

- D M Rocca
- D R Schiff

Two (2) directors appointed by Cable & Wireless Optus:

- P W Fletcher
- D A J Francis

One (1) director appointed by Vodafone:

- J F Rohan

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

- D Havyatt

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

- K J Heitman

Independent Director:

- S L Holmes

Changes to Board composition are summarised in note 18 to the financial statements.

Operating Results

The TIO recorded an operating surplus for the year of \$115,160. 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 2001 and previous years are as follows:

Year	Total Revenue \$	Total Expenditure \$	Surplus/(Deficit) \$
1995-96	1,945,115	1,967,519	(22,404)
1996-97	2,177,575	2,102,623	74,952
1997-98	2,394,718	2,347,817	46,901
1998-99	3,258,048	3,292,788	(34,740)
1999-2000	3,885,195	3,915,990	(30,795)
2000-2001	5,194,238	5,079,078	115,160

Due to the surplus, members' funds were increased from \$284,880 at the start of the financial year to \$400,040 at the end of 2000-2001.

The TIO has been granted exemption from income tax under Item 2.1 of Section 50-10 of the *Income Tax Assessment Act 1997* until 30 June 2004.

Review of Operations

Continuing Growth

In 2000-2001, the TIO scheme experienced continuing growth in demand for complaint resolution services. The rate of growth – amounting to 45% – was much higher than recent years and put significant strain on the TIO's resources. Overall contacts for 1994-95 to 2000-2001 are presented below. Contacts include cases categorised as enquiries, which are not allocated against individual members and complaints, which are raised against individual members.

Year	Total \$	Increase over previous year %
1994-95	17,205	–
1995-96	26,905	56
1996-97	43,715	62
1997-98	52,138	19
1998-99	64,394	24
1999-00	67,761	5
2000-01	98,853	45

A relative stabilisation in complaint numbers is anticipated during 2001-2002, due to the predicted level of industry activity, development of new products and services, the expansion of the TIO's role under the Consumer Codes and the growth in consumer awareness of the Scheme, offset by a possible reduction in complaints due to the demise of One.Tel.

Debt Recovery

Bad debts of \$196,794 were written-off at the end of the financial year. The provision for bad debts was increased to \$375,966 with \$120,000 of this being the general provision and the remainder being a provision for One.Tel. The provision for 2001-2002 is being allocated at \$250,000. Legal action for debt recovery was initiated against a 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 put in place 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 a review of performance indicators for the investigations area was completed and a new service level efficiency standard was approved. This standard will complement the complaint resolution benchmarks established previously.

Industry Development

During 2000-2001 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. The TIO initiated a pilot project addressing best practice amongst members in internal dispute resolution.

Communications

The TIO worked to maintain general access to the Scheme and particularly targeted consumers of a non-English speaking background. A feature of this approach was the wide dissemination of TIO brochures to specifically targeted language groups.

DIRECTORS' REPORT

Governance

The Board approved a detailed letter to be provided to new directors summarising their obligations and duties with respect to the TIO.

TIO members considered and approved changes to the structure of the Board and the Council at the Annual General Meeting in November 2000. These changes have now been implemented and the size of Council has been increased. It now comprises five industry representatives and five user group/public interest representatives plus an independent chairman.

Membership

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

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

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

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

There has been a rapid growth of members from approximately 16 in 1994 to 1089 as at 30 June 2001. A TIO members' communications plan has been developed as part of the annual Business Plan to ensure that the TIO understands and communicates effectively with its members.

Whilst the majority of eligible carriage service providers are members of the Scheme, there remain some who have not yet joined. The TIO has referred a number of these providers to the Australian Communications Authority (ACA) for being in breach of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* and as a result the ACA commenced Federal Court proceeding against two providers who refused to join the TIO. These providers were directed to, and have joined, the TIO. Other providers who were apparently awaiting the result of that action are being encouraged to join.

Staffing

As at 30 June 2001, the TIO employed 52 staff, with a small number of these being part-time employees.

Principal Activities

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

Dividends

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

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the company in the year ended 30 June 2001.

Matters Subsequent to the End of the Financial Year

Fee Increases

The TIO Board has approved an increase in the fee for a non-allocated enquiry from \$15 to \$18 to better reflect the true cost of this type of dealing.

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

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

Complaints Management System

Following a comprehensive evaluation, a new computerised complaints management system was implemented from 1 July 2001.

Levy of Members

While not in the reporting year it should be noted that a levy of members has been made based on complaint numbers in the last quarter of financial year 2000-2001. The levy was to raise a reserve to be held by the TIO to deal with contingencies such as the collapse of a member, and in fact is being applied to cover losses sustained by the TIO as a result of the collapse of One.Tel Pty Ltd. A reserve of \$300,000 (approximately 5% of turnover) will be progressively re-established through trading.

One.Tel Pty Ltd

One.Tel Pty Ltd was placed into administration during the reporting year and subsequent to the reporting year was placed into liquidation. One.Tel Pty Ltd had debts to the TIO of \$305,900 (inclusive of GST) of which \$24,337 was written off by the Board on 21 June 2001.

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

- a) the operations of the 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

It is expected that receipts from eligible carriage service providers will slightly increase because of the increase in the number of members and the growing public awareness of the scheme, leading to an increase in complaints.

Environmental Regulations

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

DIRECTORS' REPORT

Information on Directors

Director	Experience	Special Responsibilities
A W Birch B Eng, MBA	Director, Network and Operations at Vodafone Network. Prior to joining Vodafone in 1997, Andrew was a Director with Honeywell Pacific.	Chairman from 13 June 2000 to 31 July 2001
J F Rohan B Mech Eng, Grad Dip IE, MBA, FIEAust	Executive Director, Vodafone Pacific. John was previously MD of Vodafone Australia Pty Ltd, Vodafone New Zealand Ltd and Vodafone Network Pty Ltd. Previous positions include Executive General Manager of James Hardy Building Services, Chief Executive of McConnell Dowell's Building Product Group, Australia and New Zealand and General Manager of Comalco Building Products. Mr Rohan has previously served as Chairman of the TIO Board and as a member of the TIO Council.	Chairman from 1 August 2001
P W Fletcher BA (Hons), LLB (Hons), MBA	Director, Regulatory Affairs and Internet at Cable & Wireless Optus. Paul was previously Chief of Staff to the Minister for Communications, Information Technology and the Arts, Senator Richard Alston. Has also held senior legal and commercial roles with Mallesons Stephen Jaques and TNT Limited.	
S L Holmes Dip Phys Ed, B Ed, B Psych, M Psych (clin)	Susan is a Company Director working on a variety of boards of management. Previously Susan was Executive General Manager, Royal Automobile Club of Victoria (RACV) Ltd from 1996-1999, Chief Executive, Melbourne City Marketing from 1992-1995 and Chief Executive, Small Business Development Corporation from 1988 to 1991.	
K J Heitman B Juris, LLB, AACS	Kimberley is founding Executive Director and Group Legal Counsel of Perth-based Internet provider iiNet Limited (www.iinet.net.au), Chair of Electronic Frontiers Australia Inc. (www.efa.org.au), Spokesperson for the WA Internet Association Inc (www.waia.asn.au) and a Board member of Australian Domain Name Authority Limited (www.auda.org.au).	
D M Rocca Dip Eng, GAICD, MBA	Managing Director – Service, Telstra Corporation. Mick was previously Managing Director Commercial and Consumer, Managing Director Business and Government, Telstra Corporation, and Company Director, Plestel Pty Ltd.	
Deena Shiff B Sc (Econ) Hons, BA (Law) (Hons), Barrister and Solicitor	Director Regulatory, Telstra Corporation. Deena was previously a partner at Mallesons Stephen Jaques and is also a director of Freightcorp, a member of the Boards of ACIF and the Communications Law Centre.	
A A Suckling BA (Hons), MPPM	Group Manager of Regulatory Affairs, Cable & Wireless Optus. Adam has worked within the telecommunications industry for seven years and was a Principal Researcher for Gough Whitlam.	Resigned effective 25 July 2001
D Havyatt BSc, MA, FAICD	Director, Regulatory, AAPT. David has held previous management positions with Telstra and Hutchinson Telecoms. David is also a member of the Boards of ACIF and the Australian Mobile Telecommunications Association.	Commenced 13 December 2000
D A J Francis LLB, MEc	Manager, Regulatory Economics, Cable and Wireless Optus. Previously Derek has worked as an economist at the ACCC and as a classical pianist.	Commenced 26 July 2001
R Ziino BA, Post Grad Dip Arts, LLB (Hons)	Manager Regulatory, AAPT. Robyn was previously the Manager, Regulatory with Vodafone.	Alternate Director from 20 March 2001 to 15 August 2001

Meetings of Directors

The numbers of meetings of the company's directors (excluding meetings of committees of directors) held during the year ended 30 June 2001, and the number of meetings attended by each director were:

	Number Eligible to Attend	Number Attended
Number of meetings held: 5		
Number of meetings attended by:		
A W Birch	5	5
P W Fletcher	5	2
K J Heitman	5	5
S L Holmes	5	4
D M Rocca	5	3
D R Shiff	5	5
A A Suckling	5	4
D Havyatt	3	2
R Ziino (Alternate Director for D Havyatt)	1	1

Directors' Benefits

During the year, a director's fee of \$31,275 was paid to Susan Holmes as the independent director.

Except for that noted above, since 30 June 2001, no director of the company has received, or has become entitled to receive, a benefit because of a contract that the director, a firm of which the director is a member or an company in which the director has a substantial financial interest, has made (during the year ended 30 June 2001 or at any other time) with:

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

Insurance of Officers

During the financial year, the TIO paid a premium of \$7,111 to insure certain officers of the company.

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

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

Auditors

HLB Mann Judd was incorporated into Stockford Audit & Assurance during the course of the year and Stockford Audit & Assurance now continues as the TIO auditors in accordance with Section 327 of the Corporations Law.

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



J F Rohan
Director

Sydney, 6 September 2001



S L Holmes
Director

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2001 \$	2000 \$
Revenue from ordinary activities			
Revenue from operating activities	2	5,194,238	3,885,195
Total revenue from ordinary activities	2	5,194,238	3,885,195
Expenses from ordinary activities			
Labour expenses		2,980,235	2,336,009
Legal fees		83,049	88,646
Depreciation and amortisation expenses		203,812	222,371
Borrowing costs		32,650	31,000
Other expenses of ordinary activities	3	1,779,332	1,237,964
Total expenses from ordinary activities		5,079,078	3,915,990
Net Profit (Loss) for the year	14	115,160	(30,795)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2001

	Notes	2001 \$	2000 \$
Current Assets			
Cash Assets	4	305,486	39,639
Receivables	5	260,209	289,336
Prepayments		30,528	36,363
Total Current Assets		596,223	365,338
Non-Current Assets			
Property, plant and equipment	7	452,221	598,450
Total Non-Current Assets		452,220	598,450
Total Assets		1,048,444	963,788
Current Liabilities			
Payables	8	382,420	229,295
Interest Bearing Liabilities	9	91,651	204,265
Provisions	10	77,480	68,364
Total Current Liabilities		551,551	501,924
Non-Current Liabilities			
Interest Bearing Liabilities	11	73,333	164,984
Provisions	12	23,520	12,000
Total Non-Current Liabilities		96,853	176,984
Total Liabilities		648,404	678,908
Net Assets		400,040	284,880
Members' Funds			
Retained Profits	14	400,040	284,880
Total Members' Funds		400,040	284,880

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2001 \$	2000 \$
Cash Flows from Operating Activities			
Receipts from members (inclusive of GST)		5,204,805	3,919,544
Payments to suppliers and employees (inclusive of GST)		(4,663,022)	(3,674,998)
Borrowing costs		(32,650)	(31,000)
		509,133	213,546
Interest received		20,135	17,736
Net cash inflow from operating activities	19	529,268	231,282
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(68,083)	(93,208)
Proceeds from sale of property, plant and equipment		8,927	805
Net cash (outflow) from investing activities		(59,156)	(92,403)
Cash Flows from Financing Activities			
Proceeds from new lease		–	13,758
Repayment of lease liabilities		(204,265)	(201,379)
Net cash (outflow) from financing activities		(204,265)	(187,621)
Net Increase/(Decrease) in Cash Held		265,847	(48,742)
Cash at the beginning of the financial year		39,639	88,381
Cash at the End of the Financial Year	4	305,486	39,639

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2001

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.

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. No reclassifications have been made in the current financial report.

(a) Income Tax

The company is exempt from income tax under Section 23(g)(v) of the *Income Tax Assessment Act*. As part of the introduction of the new tax system, the TIO was required to reapply for income tax exemption status. The TIO has been notified of a further tax exempt status up to 30 June 2004 by the ATO.

(b) Acquisitions of Assets

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

(c) Revenue Recognition

Volume and overhead billing fees are charged to members for complaint resolution services. Revenue is recognised when invoices are raised at the end of each quarter.

(d) Receivables

Amounts due from members are recognised at the amounts receivable.

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

(e) Depreciation of Property, Plant and Equipment

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

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

(f) Leasehold Improvements

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

(g) Leased Non-Current Assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2001

1. Summary of Significant Accounting Policies (continued)

(h) Payables

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) Maintenance and Repairs

Maintenance and repair costs are charged as expenses as incurred.

(j) Employee Entitlements

(i) Wages and Salaries and Annual Leave

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

(ii) Long Service Leave

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

(k) Interest Bearing Liabilities

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

(l) Borrowing Costs

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

(m) Goods and Services Tax (GST) Systems Changes

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

(n) Cash

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

	2001	2000
	\$	\$

2. Revenue from Ordinary Activities

Revenue From Operating Activities

Volume and overhead billing fees	5,172,617	3,865,385
Interest	20,135	17,736
Profit (loss) on sale of property, plant and equipment	(1,575)	805
Bad debt recovery	3,061	1,269
Total Revenue from Ordinary Activities	5,194,238	3,885,195

3. Expenses from Operating Activities

The following items (before income tax expense) have been recognised in net profit

Expenses

Borrowing costs

Finance charges on finance leases	32,650	31,000
Net loss on disposal of property, plant and equipment	1,575	1,769

Depreciation

Furniture and fittings	16,154	6,756
Plant and equipment	53,978	82,164
	70,132	88,920

Amortisation

Leasehold improvements under finance lease	119,071	118,842
Plant and equipment under finance lease	14,607	14,607
	133,678	133,449

Other charges against assets

Bad and doubtful debts – trade debtors	452,760	63,476
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Other provisions

Employee entitlements	20,636	10,483
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Rental related to operating leases

Minimum lease payments	134,856	106,347
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	2001 \$	2000 \$
4. Cash Assets		
Cash at bank and on hand	55,039	34,296
Deposits at call	250,447	5,343
	305,486	39,639

Deposits at call

The deposits are bearing floating interest rates between 2.45% and 4.40%
(2000 – 1.10% and 3.60%)

5. Cash Receivables		
Amounts due from members	636,175	409,336
Less: Provision for doubtful debts	375,966	120,000
	260,209	289,336

6. Significant Item

One.Tel Pty Ltd was placed into administration during the reporting year and subsequent to the reporting year was placed into liquidation. One.Tel Pty Ltd had debts to the TIO of \$305,900 (inclusive of GST) of which \$24,337 was written off by the Board on 21 June 2001. Within the financial report the TIO has raised a provision for doubtful debts of \$255,966 (exclusive of GST) against the receivables from One.Tel. It represents a full provision against the entire debt due from this member.

2001	2000
\$	\$

7. Property, Plant and Equipment

Plant and equipment

Plant and equipment – at cost	228,474	379,722
Less: Accumulated depreciation	176,348	287,856
	52,126	91,866

Plant and equipment under finance lease – at cost	73,038	73,038
Less: Accumulated amortisation	39,060	24,453
	33,978	48,585

Total plant and equipment	86,104	140,451
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Furniture and fittings

Furniture and fittings – at cost	116,558	73,215
Less: Accumulated depreciation	43,283	27,129
	73,275	46,086

Leasehold improvements under finance lease – at cost	595,351	595,351
Less: Accumulated amortisation	302,509	183,438
	292,842	411,913

Total Furniture and fittings	366,117	457,999
	452,221	598,450

	Plant & Equipment \$	Plant & equipment under finance lease \$	Furniture & fittings \$	Leasehold improvements under finance lease \$	Total \$
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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:

Carrying amount at 1 July 2000	91,866	48,585	46,086	411,913	598,450
Acquisitions	24,740	–	43,343	–	68,083
Net book amount of disposals	(10,502)	–	–	–	(10,502)
Depreciation/amortisation	(53,978)	(14,607)	(16,154)	(119,071)	(203,810)
Carrying amount at 30 June 2001	52,126	33,978	73,275	292,842	452,221

	2001 \$	2000 \$
8. Current Liabilities – Payables		
Trade creditors	197,712	184,603
Other creditors	184,708	44,692
	382,420	229,295

9. Current Liabilities – Interest Bearing Liabilities		
Lease liabilities	91,651	204,265

10. Current Liabilities – Provisions		
Provision for employee entitlements	77,480	68,364

11. Non-Current Liabilities – Interest Bearing Liabilities		
Lease liabilities	73,333	164,984

Financing Arrangements

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

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

12. Non-Current Liabilities – Provisions		
Provision for employee entitlements	23,520	12,000

13. Financial Instruments

(a) Credit Risk Exposures

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

(b) Interest Rate Risk Exposures

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

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

	Notes	Floating interest rate \$	Fixed interest maturing in: 1 year or less \$	over 1 to 5 years \$	Non-interest bearing \$	Total \$
2001						
Financial assets						
Cash assets	4	305,486	–	–	–	305,486
Receivables	5	–	–	–	260,209	260,209
		305,486	–	–	260,209	565,695
Average interest rate		2.35%	–	–		
Financial liabilities						
Payables	8	–	–	–	382,420	382,420
Finance lease liabilities	9,11	–	91,651	73,333	–	164,984
		–	91,651	73,333	382,420	547,404
Average interest rate		–	7.75%	7.75%		
Net financial assets (liabilities)		305,486	(91,651)	(73,333)	(122,211)	18,291
2000						
Financial assets						
Cash assets	4	39,639	–	–	–	39,639
Receivables	5	–	–	–	289,336	289,336
		39,639	–	–	289,336	328,975
Average interest rate		2.35%	–	–		
Financial liabilities						
Payables	8	–	–	–	229,295	229,295
Finance lease liabilities	9,11	–	204,265	164,984	–	369,249
		–	204,265	164,984	229,295	598,544
Average interest rate		–	7.75%	7.75%		
Net financial assets (liabilities)		39,639	(204,265)	(164,984)	60,041	(269,569)

	Notes	2001 \$	2000 \$
13. Financial Instruments (continued)			
(b) Interest Rate Risk Exposures (continued)			
Reconciliation of Net Financial Assets to Net Assets			
Net financial assets as above		18,291	(269,569)
Non-financial assets and liabilities			
Property, plant and equipment	7	452,221	598,450
Prepayments		30,528	36,363
Provisions	10,12	(101,000)	(80,364)
Net assets per statement of financial position		400,040	284,880

	Carrying amount 2001 \$	Net fair value 2001 \$	Carrying amount 2000 \$	Net fair value 2000 \$
The carrying amounts and net fair values of financial assets and liabilities at balance date are:				
Recognised financial instruments				
Financial assets				
Cash Assets	55,039	55,039	34,296	34,296
Deposits	250,447	250,447	5,343	5,343
Receivables	636,175	260,209	409,336	289,336
	941,661	565,695	448,975	328,975
Financial liabilities				
Payables	382,420	382,420	229,295	229,295
Lease liabilities	164,984	164,984	369,249	369,249
Non-traded financial liabilities	547,404	547,404	598,544	598,544

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.

2001	2000
\$	\$

14. Retained Profits

Retained profits at the beginning of the financial year	284,880	315,675
Operating profit (loss)	115,160	(30,795)
Retained profits at the end of the financial year	400,040	284,880

15. Remuneration of Directors

Directors of Entity

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

31,275	27,000
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2001	2000
Number	Number

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

\$0	8	13
\$1 – \$19,999	0	0
\$20,000 – \$29,999	0	1
\$30,000 – \$39,999	1	0

2001	2000
\$	\$

16. Remuneration of Auditors

Remuneration for audit of the financial reports of the company	19,513	15,130
Remuneration for other services	10,951	50,576

	2001 \$	2000 \$
17. Commitments for Expenditure		
Lease Commitments		
Representing:		
Non-cancellable operating leases	695,360	361,627
Operating Leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	254,526	107,147
Later than one year but not later than 5 years	440,834	254,480
Commitments not recognised in the financial statements	695,360	361,627
Finance Leases		
Commitments in relation to finance leases are payable as follows:		
Not later than one year	100,051	237,222
Later than one year but not later than 5 years	77,000	182,125
Minimum lease payments	177,051	419,347
Less: Future finance charges	(12,067)	(50,098)
Total lease liabilities	164,984	369,249
Representing lease liabilities:		
Current (note 9)	91,651	204,265
Non-current (note 11)	73,333	164,984
	164,984	369,249

The average interest rate implicit in the leases is 7.75%.

18. 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
A A Suckling	04 March 1998	25 July 2001
S L Holmes	04 June 1999	Continuing
A W Birch	19 January 2000	31 July 2001
P W Fletcher	28 April 2000	Continuing
K J Heitman	28 August 1999	Continuing
D M Rocca	01 August 2000	Continuing
D R Shiff	01 August 2000	Continuing
D Havyatt	13 December 2000	Continuing
R Ziino	20 March 2001	15 August 2001

Transactions with directors and director related entities

A former director, A W Birch, was an employee of Vodafone Network Pty Ltd. TIO invoiced \$192,501 during the year in respect of complaint handling fees for Vodafone Pty Ltd and other related Vodafone entities. The transactions were based on normal commercial terms and conditions.

Two directors, D M Rocca and D R Shiff, are employees of Telstra Corporation. TIO invoiced \$1,440,587 and \$140,891 during the year in respect of complaint handling fees for Telstra Corporation and Telstra Big Pond respectively. The transactions were based on normal commercial terms and conditions.

Two directors, A A Suckling, and P W Fletcher, are employees of Cable & Wireless Optus. TIO invoiced \$664,101 and \$85,379 during the year in respect of complaint handling fees for Cable & Wireless Optus and Optus Mobile respectively. The transactions were based on normal commercial terms and conditions.

A director, K J Heitman, is a director of iiNet Ltd. TIO invoiced \$961 during the year in respect of complaint handling fees for iiNet Ltd. The transactions were based on normal commercial terms and conditions.

A director, D Havyatt, and an alternate director, R Ziino, are employees of AAPT Ltd. TIO invoiced \$592,793 during the year in respect of complaint handling fees for AAPT Ltd. The transactions were based on normal commercial terms and conditions.

	2001 \$	2000 \$
19. Reconciliation of Profit/(Loss) from Ordinary Activities after Income Tax to Net Cash Inflow from Operating Activities		
Profit/(loss) from ordinary activities after income tax	115,160	(30,795)
Depreciation and amortisation	203,810	222,369
Gain on disposal	1,575	1,769
Changes in operating assets and liabilities		
Decrease in receivables	29,127	58,177
Decrease in other operating assets	5,835	8,375
Increase (decrease) in payables	153,125	(39,096)
Increase in other provisions	20,636	10,483
Net cash inflow from operating activities	529,268	231,282

20. Contingent Liability

The financial statements at 30 June 2000 reported that an individual (the complainant) made a complaint to the TIO about his mobile telephone contract. The TIO handled the complaint according to established procedures. The complainant was dissatisfied with the outcome of his complaint and commenced legal action against the TIO in the Federal Court of Australia. The Board instructed the TIO's lawyers to conduct a defence. The Board has made its own internal inquiries and was unable to identify any basis on which the legal action by the complainant could be successful. Accordingly, no amount had been provided in the accounts in respect of the potential claim of \$3,000,000 as at 30 June 2000.

During the year an interlocutory judgement in favour of the TIO was made. The Board considers it highly unlikely that further action by the complainant could prevail. Accordingly, no amount had been recognised as a liability in the statement of financial position in respect of the potential claim of \$3,000,000 as at 30 June 2001.

21. Segment Information

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

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 62 to 82:

- a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements; and
- b) give a true and fair view of the company's financial position as at 30 June 2001 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; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to be 'J F Rohan', written in a cursive style.

J F Rohan
Director

Sydney, 6 September 2001



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INDEPENDENT AUDIT REPORT

To the members of Telecommunications Industry Ombudsman Limited

Scope

We have audited the financial report of Telecommunications Industry Ombudsman Limited for the financial year ended 30 June 2001 as set out on pages 11 to 27. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

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

Audit Opinion

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

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2001 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.

STOCKFORD
Audit & Assurance Services

6 September 2001
Sydney

D J STURGESS
Partner

Bankers

Commonwealth Bank of Australia

Solicitors

Corrs Chambers Westgarth

Auditors

Stockford Limited

Information Technology

Powerlan Limited

2001

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.

Telecommunications Industry Ombudsman

Telecommunications Industry Ombudsman Limited
ACN 057 634 787

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Translator &

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