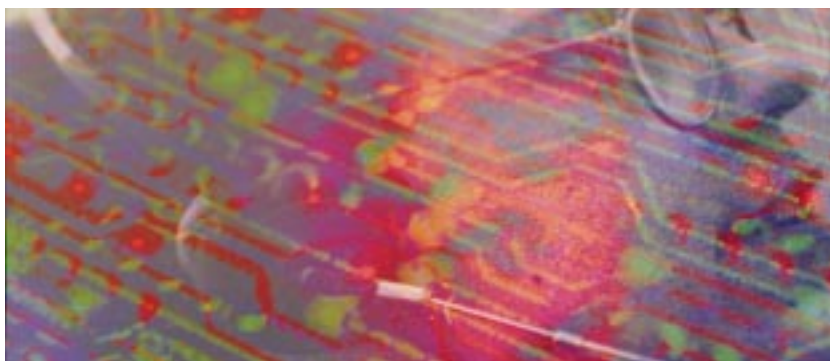
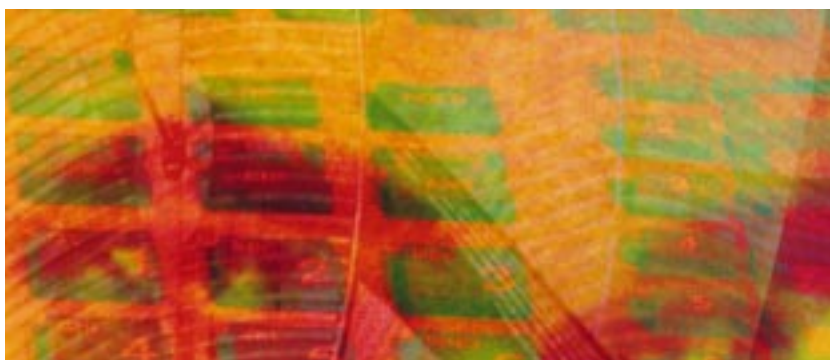


Telecommunications Industry Ombudsman 1997-98 ANNUAL REPORT



Mission Statement

The Telecommunications Industry Ombudsman (TIO) was established in 1993 to provide free, independent, just, informal and speedy resolution of consumer complaints about telecommunications services.

The TIO is an office of last resort — customers must first give their telephone company or Internet service provider a reasonable opportunity to resolve their complaint.

Independent of government, the telecommunications industry and other interested bodies, the office of the TIO is accessible to residential and small business consumers who remain dissatisfied after lodging a complaint with their service provider.

All carriers and eligible service providers are required to be members of the TIO.

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

The Telecommunications Industry Ombudsman Ltd

ACN 057 634 787

Telephone: 03 8600 8700

Facsimile: 03 8600 8797

Freecall™: 1800 062 058

Freefax™: 1800 630 614

TTY: 1800 675 692

Translator & Interpreter Service: 131 450

Website: www.tio.com.au

PO Box 276 Collins Street West,
Melbourne Victoria 8007 Australia

Telecommunications Industry Ombudsman

1997/98 ANNUAL REPORT

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1997/98 at a glance

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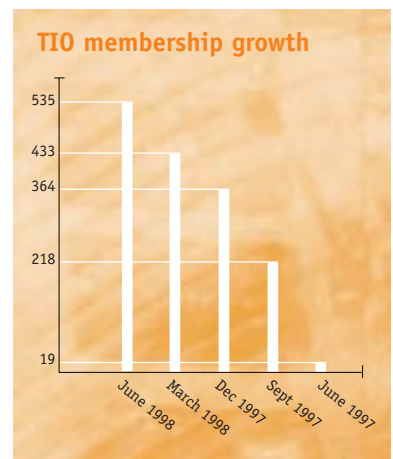
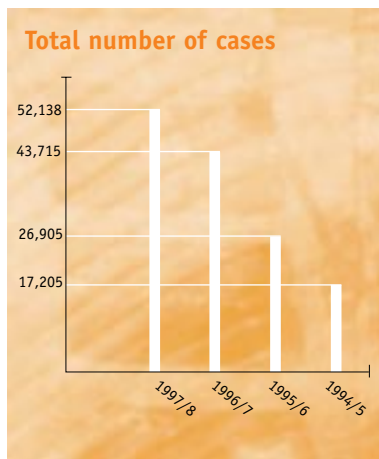
The TIO's jurisdiction was expanded significantly during the 1997/98 financial year as a result of legislation introduced on 1 July 1997 requiring most telecommunications and Internet service providers to join the scheme.

The dramatic increase in the number of TIO members was accompanied by an increasing level of complexity in cases handled by the TIO. Despite this, case resolution times were more or less maintained, and case costs to TIO members were the same as the previous two years.

The total number of cases handled by the TIO increased by 19.27% to 52,138, due largely to growing public awareness of the TIO scheme. Because some cases included complaints about more than one issue, the 52,138 cases resulted in 53,773 issues raised.

Complaints against Internet service providers accounted for 3.19% of all TIO cases.

As well as handling complaints at an individual case level, the TIO continued to represent its views on a range of telecommunications issues affecting consumers to government, regulatory authorities, industry forums and individual TIO members.

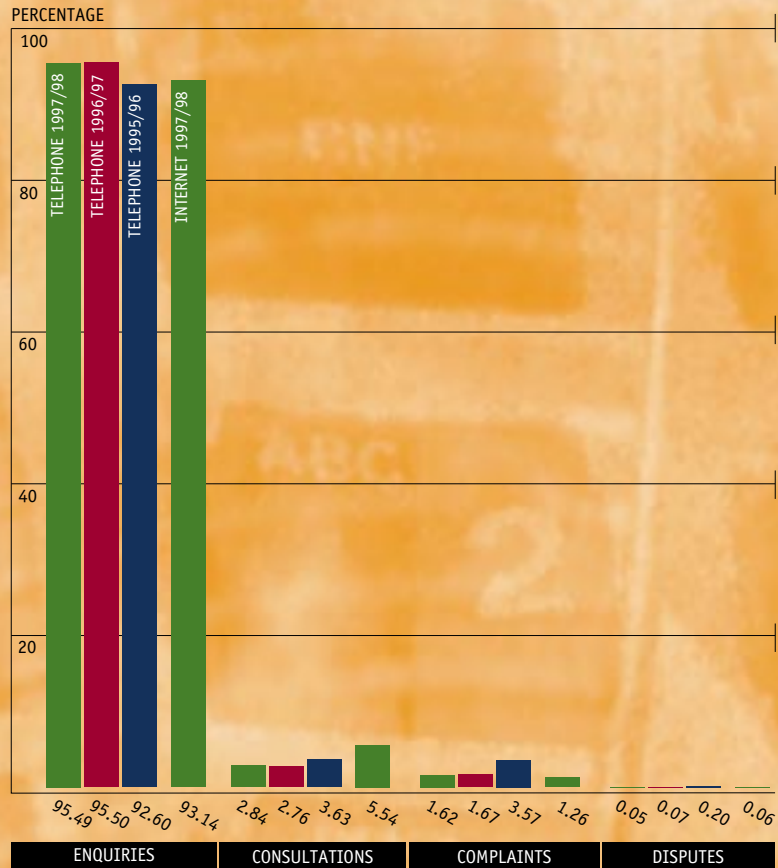


Case levels and costs

Case level	Response from member	Cost to TIO member
Enquiry	Usually not required	\$ 15
Consultation	Within 2 weeks	\$ 140
Complaint	Within 4 weeks	\$ 292
Dispute	Indefinite resolution period	\$1,130

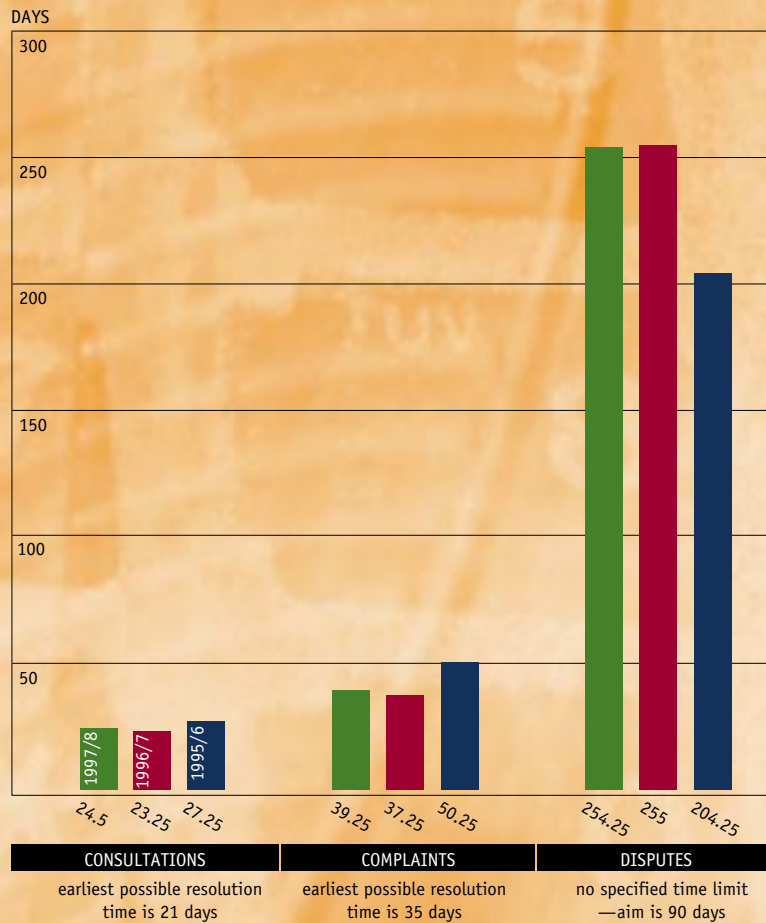
Case-mix
Total cases: 52,138

The overwhelming majority of cases continued to be resolved at the Enquiry level.



Case resolution times
(average number of days)

Resolution times rose only slightly despite the increasing complexity of cases handled.



Statement from the Chairman of Council

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As the TIO enters its sixth year of operation, it is important to acknowledge those individuals who have contributed to the many achievements of the TIO over the past year.

At the helm, Mr John Pinnock, as the Ombudsman continues to play a pivotal role in ensuring the successes of the TIO. John leads a team of committed and enthusiastic professionals who strive to ensure that the TIO delivers independent, just, informal and speedy resolution of consumer complaints.

Since being appointed Chairman last year, I have enjoyed working with members of Council. The diversity of interests represented on Council has meant some lively debate, which ensures that in reaching the best outcome, all points of view are taken into account. I thank each member of

the Council for their contribution, particularly the consumer representatives who ensure that consumer issues remain a focal point of deliberations.

Following the expansion of the TIO's membership over the past 12 months, the Council has embarked on a review of its structure to ensure that it remains broadly representative of the scheme's members. A number of alternative structures are currently being considered, with the results to be known by the end of 1998.

During the year, Ms Julie Austin from the National Farmers' Federation joined the Council as one of four public interest/user group representatives. Julie resigned from the Council in early 1998 to take up a position as an adviser to a Federal Senator. We wish her well in her new career and thank

Chairman of the Council Chairman of the Council Chairman of the Council Chairman of the Council Chairman of the Council



Chairman of the Council Chairman of the Council Chairman of the Council Chairman of the Council Chairman of the Council

The Hon. Tony Staley

Chairman of Council

Member Representatives

User and Public Interest Group Representatives



Assistant Director, National Farmers' Federation

Ms Julie Austin
Resigned January 1998



Manager, Regulatory Affairs, Optus Communications Pty Ltd

Mr Andrew Bedogni

her for her input on issues relating to telecommunications in regional Australia.

On behalf of Council, I thank the Board which is always willing to consider Council's suggestions about improvements to the scheme and to the handling of policy matters.

The TIO has become an accepted and vital part of the telecommunications industry and I look forward to continuing successes in the coming year.

The Hon. Tony Staley



Executive Director, The Small Business Enterprise Telecommunications Centre (SETEL)

Mr Ewan Brown



Director, Consumer Affairs, Telstra Corporation Ltd

Mr Ted Benjamin



Consumers' Telecommunications Network

Ms Pam Marsh



General Manager, Corporate and Regulatory Affairs, Vodafone Network Pty Ltd

Mr Graeme Holm



Australian Consumers' Association

Ms Elizabeth Morley



Director, Regulatory and Legal, AAP Telecommunications (Service Provider Representative)

Mr Brian Perkins

Statement from the Chairman of the Board

Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board

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The experience of the past year has confirmed the Board's belief that the advent of the new Telecommunications Act on 1 July 1997 would lead to significant changes to the telecommunications industry and to the role and function of the TIO.

The Act has given the Ombudsman jurisdiction to investigate complaints relating to nearly all carriage service providers including those providing access to the Internet. As a result, the TIO's membership has surged from 19 in July 1997 to over 500 members at the close of the financial year.

The TIO has demonstrated its flexibility in the adaptation of its policies and procedures to cope with the increasing number and complexity of consumer complaints. Cases continue to be resolved in a speedy fashion, with resolution times remaining the same or increasing only slightly on last year. An independent complainant satisfaction

survey conducted during the period found that the great majority of complainants believed the TIO had dealt with their cases in a responsive and professional manner.

An area of increased activity during the year has been the development of industry and consumer codes, in which the TIO is playing an increasingly important role. In the coming year it is expected that the TIO's contribution will be further extended when it begins to handle complaints about breaches of these codes.

Mr John Pinnock, as Ombudsman, continues to provide exemplary leadership and is instrumental in the TIO's growth, credibility and success. Integral to the successes of the Ombudsman is the substantial work and dedication of the TIO staff who, despite increasing workloads, maintain a high level of professionalism.

I also express my gratitude to the Chairman of Council, the Hon. Tony Staley, and members of Council for their contribution to the work of the TIO, especially in the area of policy development.

Over the past year several changes to Board membership occurred. In December 1997, we farewelled Mr Ross Ramsay who resigned as Director and Company Secretary. Ross played a major role in the foundation and development of the TIO and I thank him for his outstanding contribution over the last five years.

I also thank the Board's foundation Secretary and Business Manager of the TIO, Ms Helen Bailey for her dedication to the scheme and wish her well in her new role at the Australian Communications Industry Forum.

Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board Chairman of the Board



Mr John Rohan

Chairman of the Board,
Managing Director,
Vodafone Network Pty Ltd

A new Board position was created in recognition of the need for representation of the burgeoning number of providers who joined the scheme after 30 June 1997. Mr Kevin Dinn was elected to the Board in November 1997.

Early in 1998, Ms Sam Mostyn and Mr Adam Suckling joined the Board as the two Optus representatives. Sam has now resigned due to an overseas appointment.

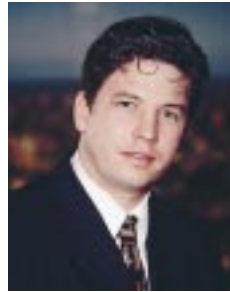
Finally, on behalf of the Board, I thank all members for their support and cooperation and look forward to another successful year for the TIO.

John Rohan



Mr Colin Marland

Director, Business Planning and Strategy,
ComTEL Pty Ltd
(Service Provider Representative)



Mr Adam Suckling

Group Manager, Regulatory Affairs,
Optus Communications Pty Ltd



Ms Deidre Mason

Director,
Corporate Affairs,
Telstra Corporation Ltd



Mr Kevin Dinn

Director, Zip Internet Professionals Pty Ltd



Ms Sam Mostyn
Resigned May 1998

Director, Government and Public Affairs,
Optus Communications Pty Ltd



Mr Ross Ramsay
Resigned December 1997

Senior Government Liaison Consultant,
Optus Communications Pty Ltd



Mr Graeme Ward

Group Director, Regulatory and External
Affairs, Telstra Corporation Ltd

going beyond the traditional function of referring cases or issues to these bodies for investigation.

The first anniversary of the new regulatory regime led to a burst of commentary on its success or otherwise by a variety of interested parties. Although the TIO's role has been greatly expanded, it is well to remember that its functions do not cover the implementation of many of the important policy prescriptions which underpin the 1997 legislation, such as the regulation of competition, the Universal Service Obligations and the making or setting of tariffs.

However, within the constraints of the TIO's role, and in the face of perhaps unrealistic expectations as to the speed with which the new regulatory environment could reasonably deliver promised benefits, it is possible to make some comments on the response of the industry.

As a general observation, and judged from the perspective of the TIO, industry members have produced a mixture of partial successes and partial failures in the most basic areas of customer service.

While billing remains the number one TIO complaint category, complaints

about local or metered call charges have halved in percentage terms over the last year. During the same period, complaints about backbilling, an issue the TIO has been pursuing for some time, have doubled in percentage terms. Nevertheless, there are indications that the industry is moving to adopt a standard on backbilling that will be close to that advocated by the TIO.


Although still an important problem, particularly for small business, complaints about delays in customer transfers, or 'churn', between telephone companies have moderated as a result of concerted industry action. On the other hand, complaints about unauthorised transfers, or 'slamming' have increased markedly.

Over the same period complaints about delays in the provision of new lines and the repair of faults have increased dramatically. As noted elsewhere, the precise reasons for these increases are unclear, although some are likely to be of a systemic nature, and the impact of the Customer Service Guarantee (CSG) is unclear.

It is worth noting that the current CSG does have a number of definitional and operational problems, and the TIO welcomes the ACA's review of the guarantee as directed by the Minister.

Finally, although significant progress has been made in the development of industry codes, the industry underestimated the resources needed to accomplish this task and hence the speed with which it could be completed. The year ahead will be a telling time for the industry, as its ability to implement a wide-ranging system of self-regulatory codes will be a real measure of the success of the new telecommunications environment.

Despite its expanded role, the principal focus of the TIO's work continues to be the investigation and resolution of consumer complaints. By providing an impartial avenue for dispute resolution, and by reporting to the industry and the public at large on the level and nature of consumer complaints about telecommunications services, the TIO performs a crucial service for both consumers and participants in the increasingly competitive telecommunications industry.



John Pinnock

Prior to 1 July 1997, the TIO had 16 voluntary service provider members and three compulsory carrier members (Telstra, Optus and Vodafone). This number has increased dramatically since the introduction of the new legislation with TIO members numbering 535 at 30 June 1998.

Direct mail-outs, emails and media coverage have been used by the TIO to ensure that eligible organisations comply with the requirement to join the scheme. Companies which have failed to do so after reasonable notice, have been referred by the TIO to the Australian Communications Authority (ACA) as being in breach of the Act. The ACA is empowered to direct a company to join the TIO and is able to take further action if a company breaches a direction. More than 200 companies were referred to the ACA during the last financial year and the TIO has asked the Authority to exercise its formal power of direction.

Whilst the Ombudsman has responsibility for the day to day operation of the scheme, it is the function of the Council to provide advice to the TIO on policy and procedural matters, and to ensure that case handling procedures are effective.

In 1997/98, eight meetings of Council were held which considered a range of issues, including the TIO's approach to the Customer Service Guarantee, backbilling issues, delay in customer transfer, public awareness activities, complaint handling procedures, and the structure of the Council.

Promotion of the TIO to new members, and regular liaison with existing members, is carried out by the TIO's Member Services Adviser, Louise Wardlaw.

A company limited by guarantee, the TIO is also accountable to its Board of Directors appointed by the TIO membership. The Board meets quarterly and has corporate governance responsibilities, including the setting of budgets, risk management, strategic affairs and ensuring compliance with the Memorandum and Articles of Association and the Constitution.

The TIO's full membership list is available to the public on its website and in hardcopy upon request. (Also see Appendix 2.)

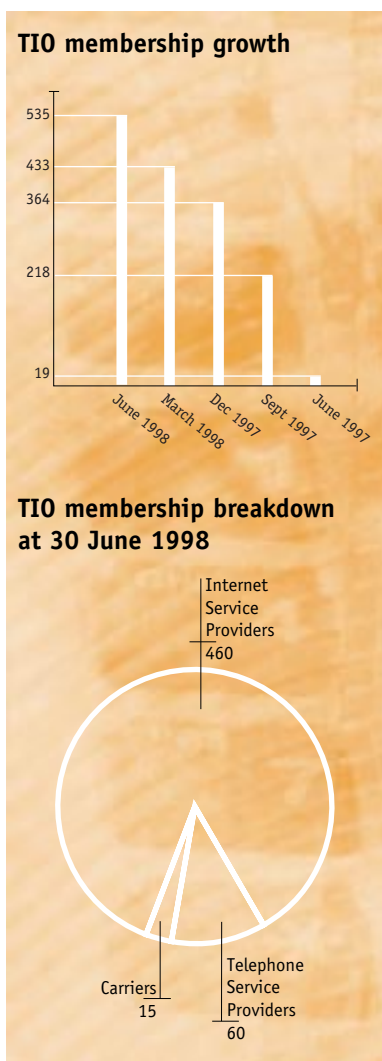
Following the resignation of Director and interim Company Secretary Ross Ramsay, Jane Hill, the TIO Administration Manager, was appointed Company Secretary in December 1997.

Governance

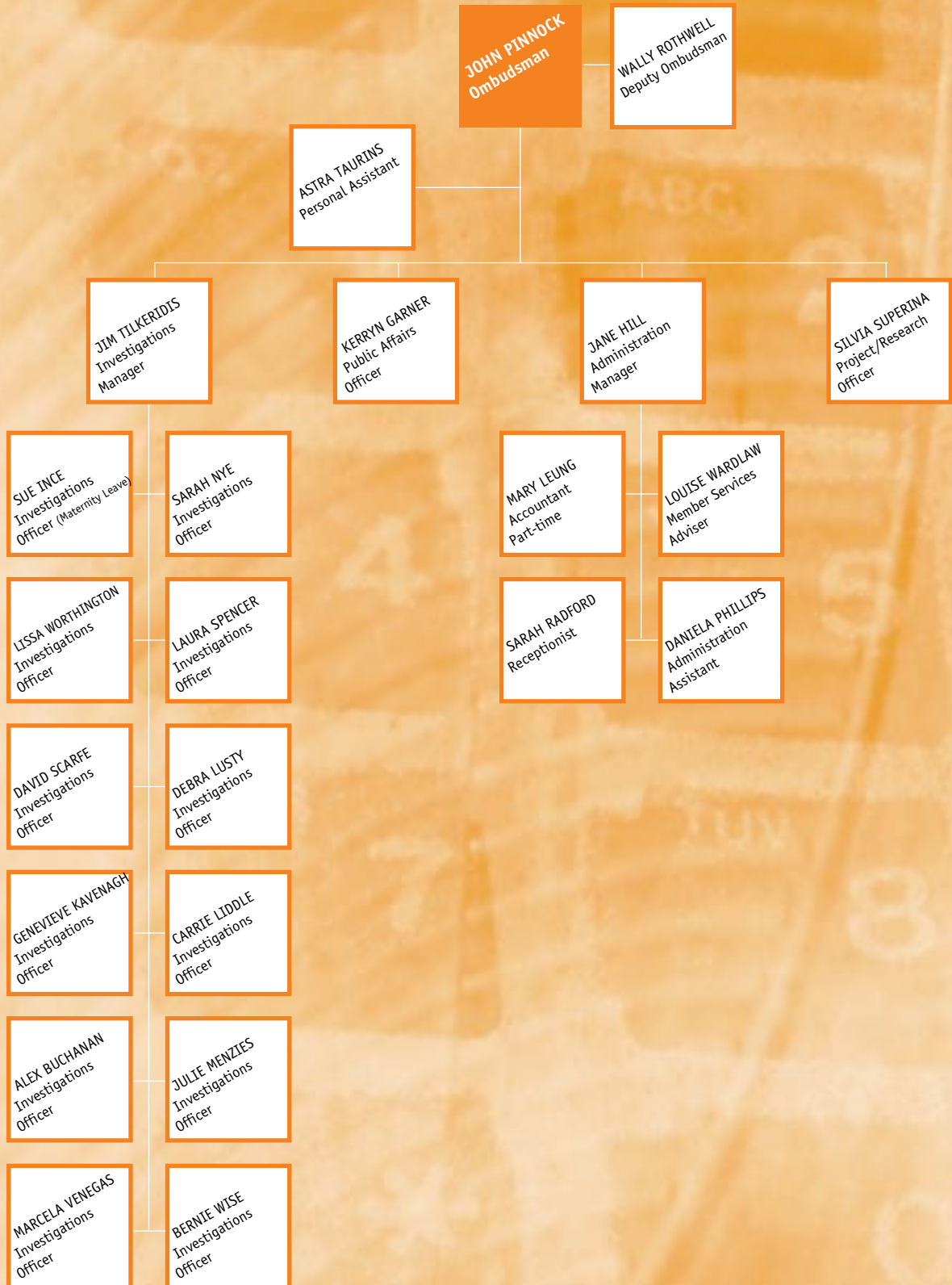
The TIO is governed by a Council comprising equal representation of TIO members and consumer interests with an independent Chairman, and a Board of Directors.

A new Board position was created during the year to represent those members who joined the scheme after 30 June 1997. The Board is now in the process of appointing an independent director and this appointment should be finalised in the second half of 1998.

Chaired by the Hon. Tony Staley, the TIO Council has the power to make recommendations to the Board on the appointment of the Ombudsman, and ensures the Ombudsman's independence.



Telecommunications Industry Ombudsman Organisational Chart



During the year the Board considered a range of issues including the TIO's insurance policies, taxation matters, TIO budgets, Board representation and the relocation of the TIO office.

Staffing

The TIO's committed and professional staff have maintained high service levels to both consumers and TIO members during the year despite increasing workloads. In response to the growth of the scheme, a number of new positions were created during 1997/98.

Following the resignation of Helen Bailey from the position of Business Manager, a review of the administrative function was undertaken. In light of the increasing complexity and growth of the scheme, it was decided that two new administrative positions would be created. In November 1997, Jane Hill joined the TIO as Administration Manager and Mary Leung as Accountant (part-time).

In the investigations area, Mr Jim Tilkeridis was promoted to Investigations Manager following the resignation of Julia Hickey. In response to the growth in case demand, a further three Investigations Officer positions were created, leading to the

appointment of Marcela Venegas, Bernie Wise and Genevieve Kavenagh in the first half of 1998. In April 1998, Ms Sue Ince, a part-time Investigations Officer commenced maternity leave.

TIO staffing was further complemented by the appointment of Kerry Garner, Public Affairs Officer, and Sarah Radford, Receptionist.

During the year, the TIO's investigations staff continued to be supported in their work by the Ombudsman's Personal Assistant, Astra Taurins, and Project/Research Officer Silvia Superina.

Further staff recruitment will take place in 1998/9 in line with expected growth in demand for services.

Administration

The growth of the TIO scheme presents the organisation with a continuing challenge to adapt its policies and procedures to fit the changing circumstances.

The influx of new members to the TIO and the pace of developments within the industry mean that TIO staff members have to update their knowledge frequently to stay well informed. Regular staff meetings and workshops help staff to share new

information and review the effectiveness of TIO administrative procedures. The introduction of a new intranet system is greatly assisting information flows in the office and beyond, and an email list serve facility to be implemented later in 1998 will enable faster communications between the TIO and its members.

Central to the administration of the office is the computerised case management system (CMS) which generates statistics, case summaries and invoices. Much of the information generated from this system assists in planning and forecasting future demand for services. It is expected that the case management system will be further enhanced in 1998/9.

Administration Manager Jane Hill has overseen the development of a range of new administrative procedures with the support of the TIO's administrative team. Mary Leung (part-time Accountant) and Daniela Phillips (Administration Assistant) have skilfully adapted the TIO's financial systems to meet the TIO's changing needs including the dramatic increase in the number of invoices issued to members by the TIO. Louise Wardlaw has brought her professionalism to the position of Member Services Adviser

and has visited more than 100 member and community organisations around Australia to explain the workings of the TIO and promote TIO membership. As the TIO's receptionist, Sarah Radford provides an efficient and helpful point of first contact to the large number of people who visit and call the TIO.

The TIO is constantly reviewing its practices and procedures with a view to improving its service to members and complainants. In May 1998, an independent efficiency review of the scheme was commissioned by the TIO Board. The review is being undertaken by KPMG with the final report to be available in late August 1998.

Community Relations

Raising public awareness of the TIO scheme and generally contributing to greater consumer understanding of the new telecommunications environment is a crucial aspect of the TIO's work.

During the year the TIO continued to produce its quarterly newsletter, *TIO Talks*, and distribute it free of charge to community groups, financial counselling services, consumer organisations, small business associations, legal aid centres, government departments and media outlets. It also continued to publish regular newspaper articles and provide

comment and briefings to radio, television and press outlets around Australia on a range of telecommunications issues affecting consumers.

A major initiative during the year was a 12-month public awareness campaign funded by Telstra, Optus and Vodafone aimed at raising awareness of the TIO amongst the general public, as well as within the Chinese and Vietnamese communities. The campaign included regular advertisements in all the major metropolitan newspapers, and advertisements and articles in Vietnamese, Cantonese and Mandarin newspapers and on SBS Radio. Internet users were also targeted through advertisements in computer magazines and a regular banner advertisement on the Netscape search site.

Advertisements on Radio for the Print Handicapped were used to reach visually impaired people.

The results of the campaign will be known following a national public awareness survey to be completed later in 1998.

An independent monitoring survey of satisfaction levels amongst people who have used the TIO was continued during the year with the second survey conducted in January 1998. The qualitative survey received responses

from 180 complainants on service indicators such as call waiting times, staff professionalism, and case-handling processes. The great majority of respondents reported a high level of satisfaction with how the TIO handled their cases. Compared to the previous survey conducted in April 1997, there was a higher level of awareness of the TIO with nearly two in every ten complainants aware of the TIO's existence at the time of their problem. A particular improvement in awareness levels was reported amongst people from non-English speaking backgrounds.

As a result of the survey's findings, a new information brochure was produced and is being distributed to people who contact the TIO to help build better consumer understanding of the TIO's role and jurisdiction.

The TIO's website was upgraded during the year to give easier public access to TIO publications, complaint statistics, membership information and media statements. Like the previous website, it also allows for complaints to be lodged on line.

In the year ahead the community relations program will continue to cultivate the TIO's role as an independent commentator on telecommunications issues. It will also build on the achievements of the

*The TIO administration team
From left to right: Sarah Radford, Jane Hill,
Mary Leung and Daniela Phillips*



public awareness campaign. Non-English speakers will continue to be a key audience with a 12 month campaign planned for Spanish and Arabic speakers. Rural users, disabled people and Internet users will also be specifically targeted through specialist media, while mainstream media will continue to be utilised to communicate with the general public.

Industry Liaison

As one of the key bodies in the co-regulatory telecommunications environment, the TIO works closely with other regulatory and industry bodies including the Australian Communications Authority (ACA), the Australian Competition and Consumer Commission (ACCC), and the Australian Communications Industry Forum (ACIF). During the year the TIO has played a role in handling complaints under the new Customer Service Guarantee (CSG), which is administered by the ACA, and in monitoring and reviewing the guarantee's operation. Since the introduction of the CSG on 1 January 1998, the TIO's experience is that there are a number of definitional and operational problems with the CSG as it is currently specified, including differences in interpretation of the obligation on companies to inform

customers about the guarantee, the correct calculation of amounts of compensation payable, and the meaning and extent of exemptions from the guarantee. All of these matters are to be addressed in a review of the CSG being conducted by the ACA at the direction of the Minister. The TIO has already made submissions to the ACA concerning problems it has encountered.

An area of industry liaison activity which has consumed an increasing amount of the TIO's time has been working with ACIF and its members on the development of industry-wide codes to help protect consumers and guarantee minimum service levels.

The TIO's role in relation to the codes is threefold. Aside from the TIO being represented on all of the consumer code working committees, the Act requires the ACA to be satisfied that the TIO has been consulted on the development of each code before it is registered by the ACA. In addition, the Ombudsman is empowered under part 6 of the *Telecommunications Act 1997* to

consent to deal with consumer complaints under individual codes. Where this consent has been given, the TIO will be able to investigate complaints against code signatories, irrespective of whether that signatory is a member of the TIO.

There are currently three consumer codes being developed: the Prices, Terms and Conditions Code; the Customer Personal Information Code; and the Calling Number Display Code. Preliminary work has also commenced on consumer codes for internal complaint handling, billing, and credit management.

It is expected that, as the codes begin to be implemented, complaints about code breaches will progressively constitute more of the TIO's caseload.

Case Handling

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Philosophy and Approach

The TIO offers consumers an alternative to the court system, resolving complaints through negotiation, mediation and arbitration, and, if necessary, by making a direction or determination on the basis of what is fair and reasonable, rather than on strictly legal grounds.

As an office of last resort, the TIO ensures that TIO members are given the opportunity to resolve problems directly with complainants before the TIO becomes involved. In every case, both sides of a dispute are heard before a settlement is facilitated.

A non-bureaucratic investigation process ensures that cases are dealt with in a speedy manner, helping to avoid protracted disputes which can become increasingly difficult to settle.

Case Escalation Process

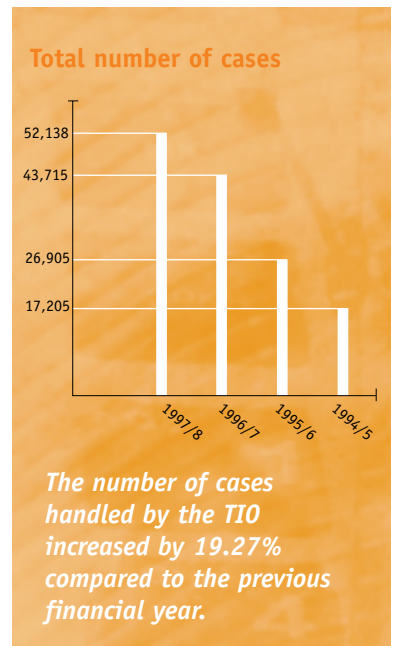
The TIO scheme works on a four-level escalation system for complaints. Each level, except Enquiry, requires a response from the TIO member within a set timeframe, otherwise the case is escalated to the next level. A case can also be escalated if the TIO is not satisfied with a member's response. Because case costs increase and accumulate in accordance with the resolution timeframe, there is a strong incentive for TIO members to settle cases as quickly as possible.

To maintain efficiencies, cases are handled by the same investigations officer until Dispute level, at which point cases are referred to the Deputy Ombudsman where an outcome may be mediated, or, if no agreement can be reached, a determination or direction is made by the Ombudsman.

Case Numbers

The total number of cases handled by the TIO increased by 19.27% to 52,138, due largely to growing public awareness of the TIO scheme. Because some cases included complaints about more than one issue, the 52,138 cases resulted in 53,773 issues raised during the year.

Complaints against Internet service providers accounted for 3.19% of all cases. It is expected that the number of cases against ISPs will increase as more people become aware of the TIO's jurisdiction over Internet access service complaints.



Case levels and costs

Case level	Response from member	Cost to TIO member
Enquiry	Usually not required	\$ 15
Consultation	Within 2 weeks	\$ 140
Complaint	Within 4 weeks	\$ 292
Dispute	Indefinite resolution period	\$1,130

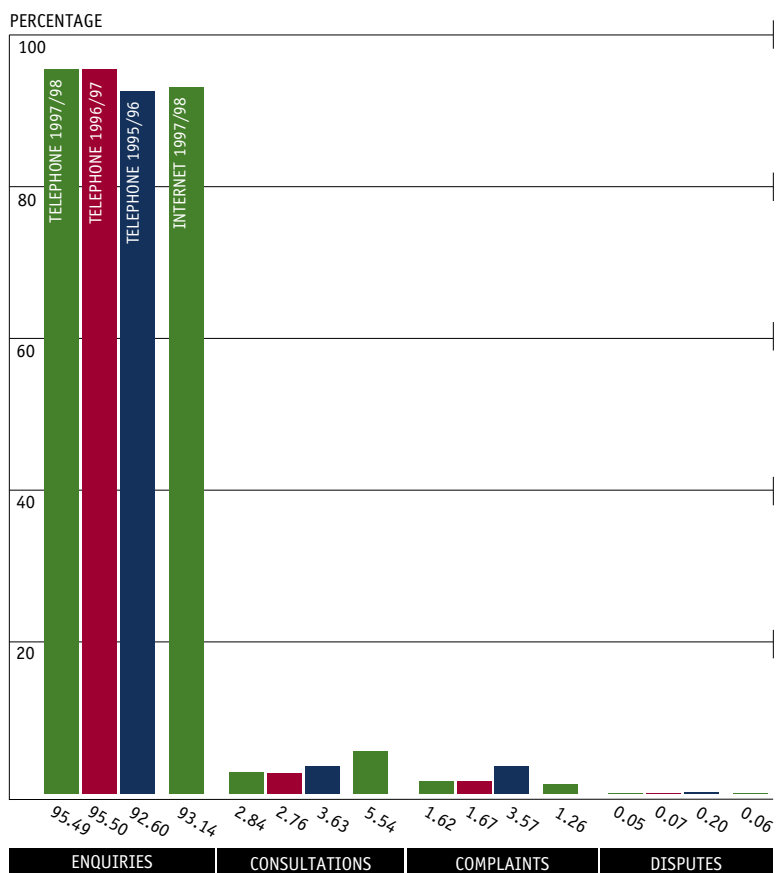
Case-mix

The increased number of service providers, along with a range of new issues such as the Customer Service Guarantee and Calling Number Display, and increases in cases about backbilling, customer transfer and provisioning delays, led to a greater complexity of cases being handled by the TIO during the year.

Despite this, there was little change in the case-mix for telephone service cases compared to the previous year, with the overwhelming majority of cases being concluded at Enquiry level. A slightly larger number of cases than last year were escalated to Consultation stage, but slightly fewer reached Complaint level. There were 26 Disputes resolved during the year, including one carried over from 1996/97.

Whilst the majority of Internet service cases were also settled at the Enquiry stage, more than 5% were escalated to Consultation level. This possibly reflects the lack of routine and precedent for Internet cases given their recent addition to the TIO's jurisdiction. The next financial year will provide a better picture of case-mix patterns for complaints against ISPs. Only one Internet-related Dispute was raised.

Case-mix



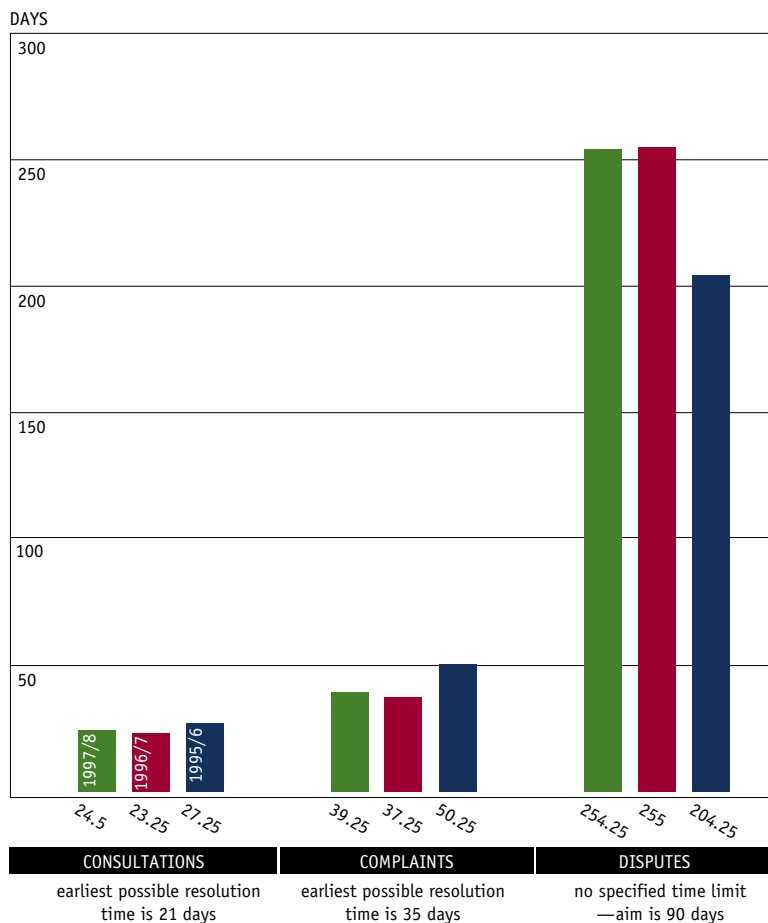
1997/98 was the first year of the TIO's jurisdiction over Internet related cases.

Case Resolution Times

Unlike Enquiries, which are usually resolved within 24 hours, Complaints and Consultations require some degree of investigation by the TIO, such as reconciling bills or arranging technical testing. The actual number of days taken to resolve these cases increased slightly compared to the previous year but continued to represent speedy case closure times. The number of days taken to resolve Disputes was marginally lower than in 1996/97.

The slowly widening gap between minimum and average resolution times indicates the impact of the increased number of members during the year, as well as the continuing trends towards greater complexity of cases.

Case resolution times (average number of days)



Resolving disputes

Wally Rothwell,
DEPUTY OMBUDSMAN



“By the time a matter has been escalated to Dispute level, complainants are often very dissatisfied, even angry, with the way in which the carrier or service provider has responded to what they see as their legitimate claims for a fair resolution.

That resolution can vary from a simple apology to claims of many thousands of dollars in compensation for business loss or personal damages. By this stage, complainants tend to be more fixed in their views and to want more, by way of compensation, which makes resolution even more difficult and stressful for all parties.

This is the axiom in the complaint resolution business: a complaint resolved quickly means a more satisfied customer, less expense for the complained-against party and, usually, a customer retained.

The TIO resolves Disputes through conciliation, mediation or, where necessary, determination by the Ombudsman.”

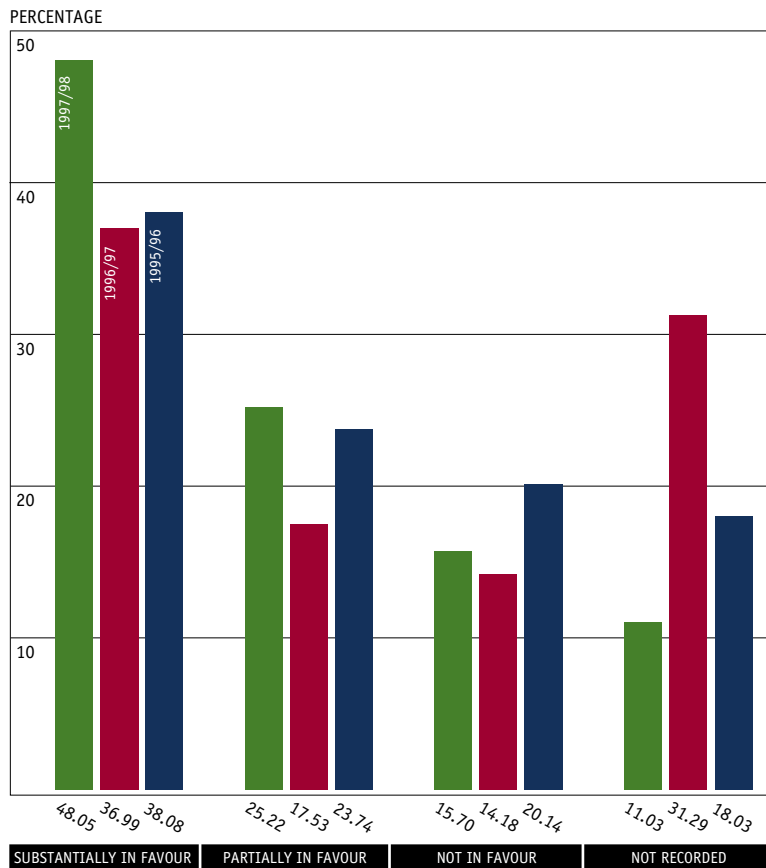
Case Outcomes

Over the past year there has been an increase in the percentage of Consultations, Complaints and Disputes resolved in favour of complainants. It is difficult to be sure of the reason for this increase, but it may reflect growing awareness amongst consumers and TIO members of the TIO's positions on issues such as backbilling and delays in customer transfer.

Although case outcomes are an important indicator of the TIO's case handling performance, they should not be treated as the sole measure of success of the scheme. Whilst the TIO does provide an important avenue for dissatisfied consumers, its impartiality necessitates that cases could result in a variety of outcomes.

Case outcomes are classified by investigations officers in accordance with their assessment of responses received from complainants. Outcomes for Enquiries are not recorded as they are usually settled without the need for a dispute resolution process.

Case outcomes in favour of complainants (includes Consultations, Complaints and Disputes)



Case reviews

Jim Tilkerdis,
INVESTIGATIONS MANAGER



"The TIO has always offered complainants the right to a review of their case by the Investigations Manager if they are not satisfied with the case outcome. In April 1997, however, the TIO modified its internal case review procedures to ensure that all complainants are better informed of this right."

Last financial year the TIO conducted 123 case reviews. Of these, 7% were referred back to the carrier or service provider for further consideration, 11% were resolved by further negotiation between the company and the complainant, and, in 2% of cases, the TIO exercised its discretion not to investigate the matter further. In 80% of cases the initial decision of the Investigations Officer was upheld and no further action was required."

Telephone Service Investigation Issues

Telephone Service Investigation Issues Telephone Service Investigation Issues Telephone Service Investigation Issues Telephone Service Investigation Issues Telephone Service Investigation Issues

The TIO logged a total of 50,476 telephone service cases in 1997/98 — a 15.47% increase from 1996/97.

20

Overview

Cases:	50,476
Issues raised: (within jurisdiction)	46,471

The TIO logged a total of 50,476 telephone service cases in 1997/98. This represents a 15.47% increase on the 43,715 cases raised in the previous year. Because a case can include more than one issue, a total of 52,037 issues were raised - 5,566 of these were about matters out of TIO jurisdiction, leaving 46,471 issues raised within jurisdiction.

While billing continued to be the major area of complaint, accounting for 33.38% of issues raised, there were substantial increases in complaints about the provision of services (9.73% of issues raised) and faults (7.52% of issues raised).

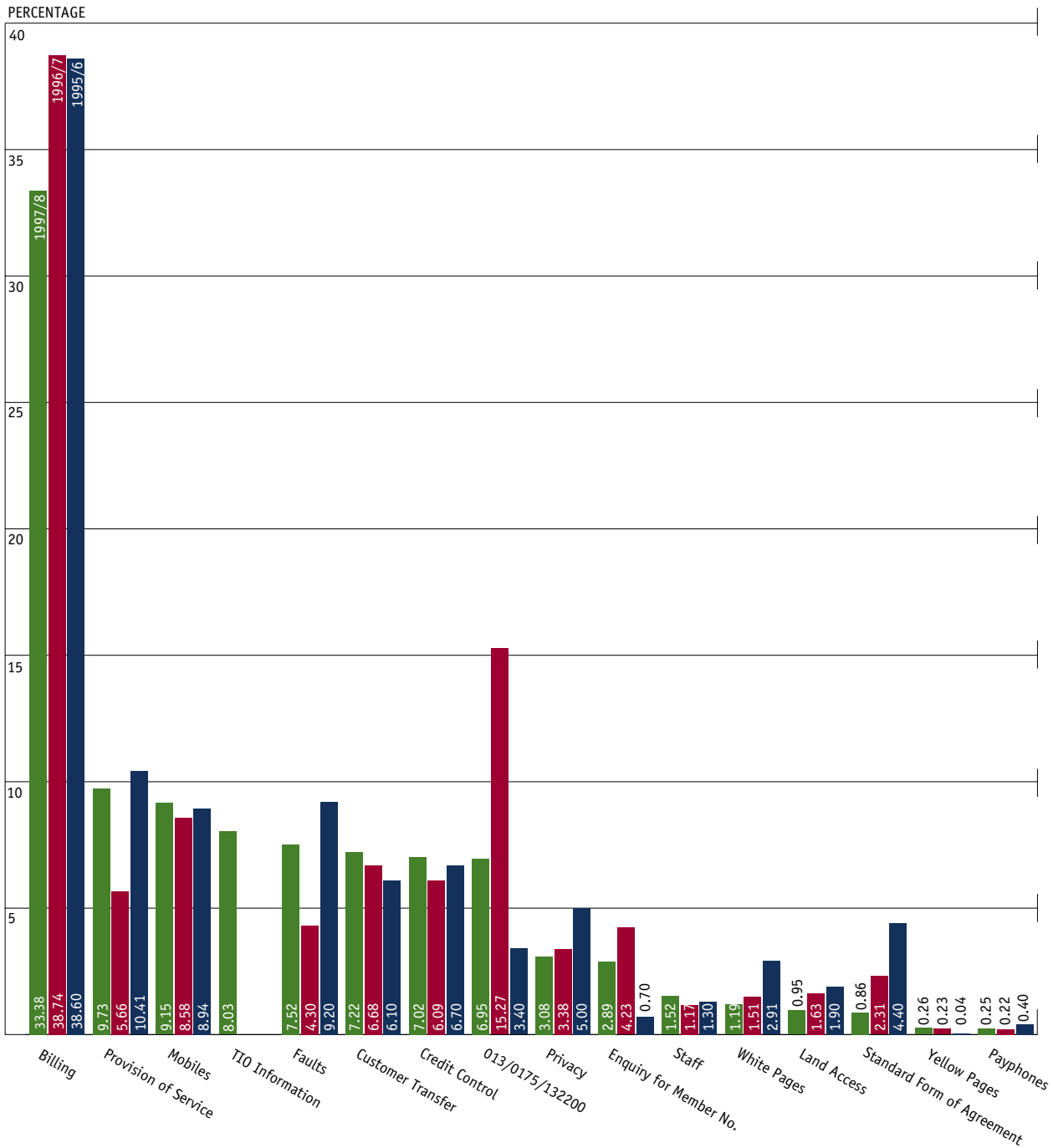
The decrease in the number of directory and Telstra assistance enquiries (013/0175/132200) from 15.27% of issues in 1996/97 to 6.95% in 1997/98 is the result of the introduction of a recorded message advising callers to the TIO of the correct contact number for directory assistance.

The 'TIO Information' category was introduced during the year to capture membership enquiries and requests for TIO publications. These cases accounted for a significant 8.03% of the total number of issues recorded in the year.

Out of Jurisdiction issues usually relate to the setting of charges, customer equipment, industry disputes and telecommunications policy. They are not allocated to any particular TIO member, and are not included in the Investigation Issues Breakdown chart (opposite).

While billing continued to be the largest area of complaint, substantial increases were recorded in complaints about faults and the provision of services.

Telephone service investigation issues breakdown (excluding Out of Jurisdiction issues)
Total issues: 46,471



Billing

Issues raised: 15,511

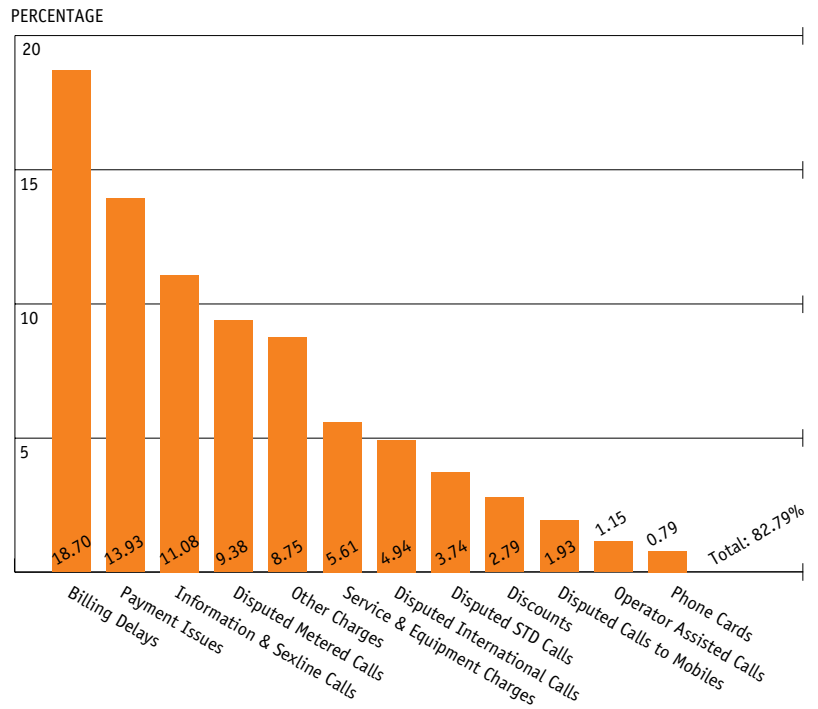
Since the establishment of the TIO at the end of 1993, billing issues have consistently accounted for over one third of telephone service issues. In 1997/98 they made up 33.38% of all issues raised within jurisdiction.

Billing cases are divided into two categories: complaints about bills for fixed line services, and complaints about mobile service bills. Mobile phone billing complaints rose to more than 17% in 1997/98, up marginally from 15.3% in the previous year. Fixed phone billing complaints decreased from 84.7% of billing cases to 82.79%. Although it is a small variation, this shift reflects the continuing popularity of mobile services in Australia.

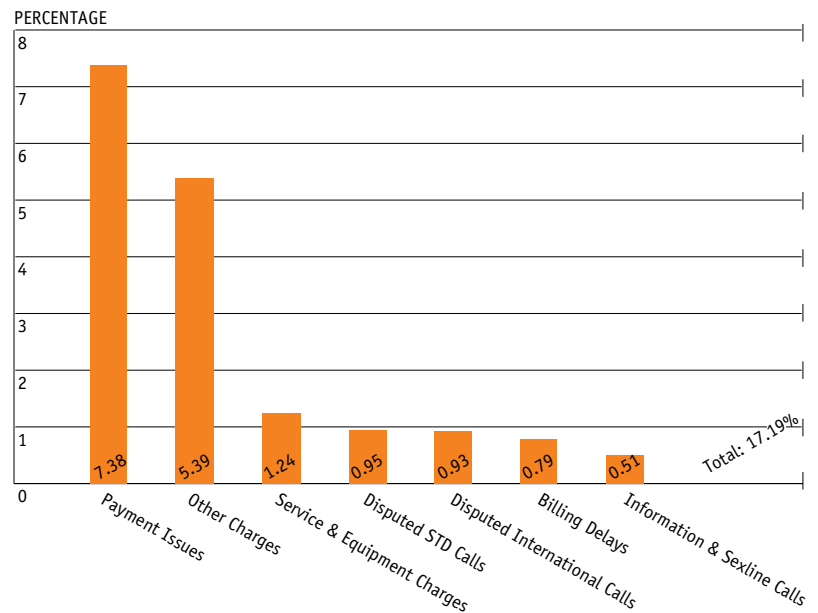
The most common billing complaint about fixed services concerned delays in charges on current accounts - or backbilling. Consistent with last year, the main cause for complaint in relation to mobile services was the payment of accounts.

The TIO investigates billing cases initially on the basis of information provided by the complainant, unless the problem is the result of an inherent or identified fault in a telecommunications company's billing equipment. Billing cases can require extensive documentation from the complainant including Statutory Declarations and work attendance records, and the telecommunications provider will often be required to carry out technical testing as part of the investigation process.

Breakdown of billing issues 1997/98 Fixed line services



Mobile services



Billing delays (backbilling)

Backbilling - the practice of billing consumers for calls made prior to their current billing period - has been a growing cause of complaint to the TIO over the past year with 19.49% of all billing complaints relating to this issue, compared with 8.7% for the previous year. The overwhelming majority of backbilling cases are in relation to fixed line services, with only a small percentage relating to mobile phone bills.

Through industry forums and the media the TIO has made clear its view that there needs to be a standard industry backbilling period and that this should be no more than three months outside the current billing period. A recent industry report on the matter by ACIF, the Service Providers Action Network and Telstra indicates that an industry code on backbilling will be developed in the near future and that it will be close to the standard advocated by the TIO. In the meantime, the absence of any standard means that the TIO must accept the policies of individual

companies which put the backbilling period at anywhere between three to 12 months, and in many cases give no time limit at all.

Backbilling cases fall into two main categories. The first category includes backbilled mobile charges which most commonly occur when there have been delays in transferring billing information from the mobile network carrier to the customer's billing company. As a result, customers have discovered that they can be billed for calls made to a mobile network up to one year after a call was actually made. This has been a particular issue for customers of Telstra's fixed network making calls through the Optus GSM network, although Telstra has reported that it believes it has solved the problem.

The second category of backbilling involves instances where the complainant had been a customer of a service provider and then on transferring to Telstra discovered that they may not have received some bills during their period with the other

service provider. Telstra has initiated a project to claim money from customers who possibly did not receive and pay for charges incurred with their previous service provider. In extreme cases customers have received bills for calls made up to three years ago.

In these cases, the TIO has had to accept that Telstra is generally entitled to claim amounts which may not have been paid. However, the TIO has argued strongly that Telstra should adhere to its backbilling policy of limiting the backbilling period to 12 months.

The TIO has encouraged customers affected by Telstra's debt recovery project to ensure they receive an itemised account for the charges, reconcile these accounts with their own records (in order to ascertain if they have actually paid any of the charges), attempt to negotiate a discount off the bill, and finally, to seek a reasonable payment plan. Where the TIO considers that Telstra has not agreed to reasonable negotiations, the TIO has intervened on the complainant's behalf.

Case note

Alex Buchanan,
INVESTIGATIONS OFFICER



Billing delays (backbilling)

"I took up a case for a local council which had received a \$65,000 backbilled account for charges incurred between December 1995 and October 1996. The organisation had been aware that they were not receiving bills and had attempted to obtain bills from both the service provider and Telstra for some years. Initially Telstra had not been prepared to negotiate on the issue, however the TIO was eventually able to mediate a \$30,000 credit for the complainant."

Payment issues

Payment issues are the most common cause of complaint in relation to mobile service billing cases, and the second most common complaint for fixed phone billing cases.

The vast majority of payment cases arise from consumers arguing that a service provider's payment arrangements are unreasonably harsh. Payment arrangements are usually governed by a company's credit control policy. The TIO does not have jurisdiction over these policies, nor does it always have access to the account histories of complainants which can also determine payment arrangements. However, the TIO may review a complainant's case if it believes a company's payment terms are particularly harsh.

The TIO also receives complaints from people who claim that they have made a payment but that it is not reflected on their account. These cases are usually easily resolved through investigation.

Information calls (1900/0055 services)

Complaints about information and sexline calls accounted for 11.59% of billing complaints compared with 12.1% in the previous year. Most of these cases fall into two main categories: those where complainants accepted that they made the calls but were complaining about the resulting bills; and those where the complainants disputed making the calls at all.

The TIO can take up cases where information or sexline calls have not been billed in accordance with advertised rates. However it has no jurisdiction over the setting of those rates, or the content of calls.

In cases where a complainant disputes making the calls, the TIO requests Statutory Declarations from all parties with access to the phone, in addition to a list of the local calls made from the service. Prior to requesting a technical investigation of the service, the TIO examines all documentation

supplied by the complainant in order to ascertain the likelihood of people in the household making the disputed calls. If the TIO believes there is cause to investigate, it will request a thorough investigation of the service and an examination of any faults which may have affected the billing. If a fault is found, or if there is any suggestion that an error may have occurred, the TIO will ensure that the disputed charges are waived. In the majority of these types of cases however, it is found that the calls were made by a member of the household, though usually not by the person who holds the phone service account.

Case note

Lisa Worthington,
INVESTIGATIONS OFFICER



Information line calls

"I took a call from a woman who had been charged a fairly large amount for information (1900) calls that she claimed neither she nor anyone with access to her phone had made. The woman lived in a household with her husband and two teenage sons.

I raised the case to Complaint level after the complainant provided the requested copies of disputed accounts, Statutory Declarations from her and her husband, and school attendance records for her sons. Telstra was requested to conduct testing on the complainant's service, which included placing call charge analysis equipment (CCA) on the line to record all incoming and outgoing call traffic on the phone.

The woman had placed a bar on information calls from her phone following advice from the TIO. However, the CCA testing results showed that someone with access to the phone service was still attempting to make information calls, but was having no success due to the bar. In view of this finding, the woman agreed to close the case and further investigate phone usage within her household."

Metered calls

Complaints from people disputing bills for metered (or local calls) halved during 1997/98, dropping to 9.38% of billing issues from 20% in the previous year.

The decrease in complaints appears to be the result of Telstra's introduction of Total Call Record Charging (TCRC) which provides itemised listings of all local calls dialled from a phone service. Most exchanges in Australia are now capable of providing TCRC. The TIO has found that the detailed itemisation will satisfy many complainants that the number of local calls shown on a bill were actually made.

However, throughout the year the TIO has investigated cases to ascertain if billing equipment is functioning correctly. In these cases the TIO usually requests that Call Charge Analysis Equipment (CCA/E) be installed. This equipment independently measures the activity on the phone to investigate if the meter is correctly recording outgoing calls. The TIO can also request an investigation of the whole service - from the premises to the exchange - in order to ensure that the equipment is functioning correctly and to eliminate the possibility of crossed lines and other faults.

Credit Control

Issues raised: 3,258

Complaints regarding credit control accounted for 7.02% of telephone service issues raised in 1997/98, which is consistent with the previous two years.

The major cause of complaint within this category was the debt recovery actions of carriers and service providers, particularly in relation to old debts. Complainants frequently come to the TIO after a telephone company has requested the payment of an old debt, generally associated with a previous service, in extreme cases from up to seven years earlier. In many cases the outstanding debt has prevented the complainant from connecting a new service. The time delay in these cases usually means that complainants don't have copies of old accounts and receipts. Usually, problems can be resolved once the complainant has had the opportunity to speak with the billing section in the telephone company.

Another continuing credit control issue relates to the refund of security deposits which were previously required

by some telecommunications companies. The TIO's investigations often find that there has been a lack of notation by the phone company at the time the deposit or bond was paid. In other cases the customer has simply not allowed enough time for the refund to be paid.

Complaints from consumers about the credit control policies of particular companies accounted for 32.4% of credit control cases. Policies vary from company to company on matters such as disconnections, payment terms and new accounts. As these policies are a commercial matter for the individual companies, they are outside the TIO's jurisdiction. However, the TIO will take up cases where a company is breaching its own policies, or where, in the TIO's view, it is being particularly harsh on a customer.

Customer Service Guarantee

Issues raised: 1,947

The Customer Service Guarantee (CSG) is a collection of performance standards introduced by the Australian Communications Authority (ACA) on 1 January 1998 giving effect to a provision of the *Telecommunications Act 1997*. Under the CSG, all telephone companies operating in Australia are required to meet industry-wide time limits on the repair of faults, the provisioning of standard telephone services, including enhanced call handling features (eg call waiting and call barring), and adhering to arranged appointment times. Under the standard, providers are obliged to inform their customers of the CSG.

The CSG provides for financial compensation to customers where the performance standards are not met. If a phone company offers to provide a customer with a service within the minimum time limits of the standard, it is also required to keep to those commitments.

The CSG's time limits vary according to the population of the community where the customer lives, whether a service is physically in-place, and whether there is infrastructure available within close proximity. For every working day that the phone company exceeds the time limit, the customer is entitled to a rebate equivalent to the monthly rental fee for the standard telephone service (\$11.65 for residential and \$20 for business customers).

The CSG was amended by the ACA during the year so that from 1 August 1998, every day beyond the first five working days of delay attracts a payment of \$40 per working day for both residential and business customers. A payment of \$20 per working day after five days delay is applicable for delays in the provision of enhanced call features.

Where a telephone company breaches the CSG and fails to pay damages voluntarily, the TIO will investigate the matter and, if necessary, determine the complaint in accordance with standard TIO case procedures.

Since the CSG's inception, the TIO has attempted to raise public awareness of the standards through its publications and the media. This has resulted in a gradually increasing number of CSG related issues recorded since January this year.

CSG related issues accounted for 4.19% of all telephone service issues raised over the year. These were almost equally the result of delays in fault rectification (46%) and delays in service connections (54%).

CSG related issues are not logged by the TIO in a separate category, but are recorded according to the nature of the complaint leading to the application of the CSG.

Case note

Julie Menzies,
INVESTIGATIONS OFFICER



Customer Service Guarantee

"I took a call from the secretary of a tennis association. The association had applied for the connection of four business services to be completed prior to the commencement of a major tournament. Despite substantial notification of the connection requirements, the connections were not in place by the agreed date.

The TIO raised the case on the basis that the telephone company had not adhered to the CSG standard performance requirements. The phone company responded and connected the four services two days before the tournament began. However, due to a total of 70 working days' delay on each of the four services, a rebate of \$5,600 was paid. The complainant in this case was extremely happy with the outcome."

Customer Transfer

Issues raised: 3,357

Complaints relating to consumers transferring between telephone carriers and service providers, or ‘churning’ as it is known in the telecommunications industry, accounted for 7.22% of issues raised within TIO jurisdiction. This is a slight increase from 6.68% of issues in 1996/97.

Given that the advent of open competition in the telecommunications marketplace has seen more aggressive marketing amongst providers, it is perhaps not surprising that the majority of customer transfer cases (68.6%) related to unauthorised churn. This occurs when a customer is transferred from one provider to another without giving their informed consent, or where no consent is given at all. Unauthorised churn can be the result of genuine error on the part of a service provider, but is more often due

to consumers signing transfer agreements without understanding their contents.

Sales representatives paid on a commission basis have been known to give false and misleading information to customers in order to secure a transfer. The TIO has handled cases where door to door sales representatives have asked customers to sign a form just to confirm that they have been visited by a representative. Some weeks down the track the customer receives a bill from the new provider and, on contacting the company, realises the form was actually a churn form. The elderly and people from non-English speaking backgrounds are often the targets of these sorts of tactics.

Some industry members have taken positive steps towards minimising unauthorised churns by contacting customers to ensure that they wish to proceed with the transfer. The TIO strongly supports this practice.

Through the media and its publications, the TIO has urged consumers to be wary of door to door sales pitches and to read any agreement carefully before signing it. The TIO has also made known its concerns about churn problems to individual TIO members and to the industry as a whole through ACIF.

Cases relating to churn delays have, on the other hand, decreased from 50% of customer transfer cases in 1996/97 to 31% this year. While this is still a large number of cases, the industry has begun to take steps to streamline the customer transfer process, reducing the number of days that a customer is ‘held’ by their previous service provider.

The TIO’s efforts at highlighting churn delays resulted in an industry workshop conducted by the TIO and ACIF to discuss the issue. The workshop produced a commitment from industry members to develop an industry code on churn procedures.

Case note

Bernie Wise,
INVESTIGATIONS OFFICER



Customer transfer

“A man contacted the TIO to advise that he had received an account for his brother’s phone number under his name at his address. Neither the complainant nor his brother had been visited at their homes by a representative from the telephone company in question. The complainant contacted the company and a copy of the transfer form was sent to him. Upon receiving the form the complainant discovered that security details such as his date of birth and mother’s maiden name were incorrect, as well as his address. The signature on the form was also not his. The TIO’s investigation revealed that a sales representative had fraudulently completed the form. The carrier credited all calls that were made for the period of the churn, and disciplinary action was taken against the sales representative.”

Directories

Issues raised: 676

The TIO recorded 553 complaints concerning the White Pages directory in the financial year ending June 1998, compared to last year's figure of 526. Only 123 Yellow Pages complaints were received during the year.

Complaints received about White Pages mostly relate to the enhanced or additional directory listings that are requested and paid for, usually by small business customers. These complaints generally fall into three categories: the omission of all or part of a directory listing; errors in the listing; and issues relating to the charging of the listing.

During the year, Telstra's National Directory Services merged with Pacific Access which took over the operations of both the Yellow and White Pages, including responsibility for administration and the printing of the directories.

Complaints about White Pages are logged against Telstra, as the TIO regards Telstra as having responsibility for the directory, but are forwarded to Pacific Access for resolution.

Pacific Access, although not an 'eligible carriage service provider', and so not compelled by legislation to be a member of the TIO, has an informal arrangement with the TIO and continues to accept and attempt to resolve complaints forwarded to it regarding Yellow Pages.

Faults

Issues raised: 3,494

In the past year fault related issues have risen substantially from 4.3% of all telephone service issues in 1996/97 to 7.52% in 1997/98. More than 70% of fault cases received by the TIO during the year related to delays in fault rectification, with a large proportion of repair delays occurring in rural and remote areas.

In approximately 10.6% of all fault related cases, complainants were seeking compensation for disruption caused by the fault, while the remaining 89.4% of complainants were seeking only the rectification of the fault. The majority of compensation claims were submitted by business

Case note

Marcela Venegas,
INVESTIGATIONS OFFICER



Faults

"I received a complaint from a man living in a rural area who was experiencing a recurring fault on his telephone service. At the time he called me, his telephone service had been out of order three times within a period of six weeks. Each time a fault occurred, he was without a telephone service for a period of two to four days.

His service provider advised that the faults were due to cockatoos eating at the telephone cable which had damaged and exposed it. His inspection of the site confirmed this. However each time a fault was reported, the service provider would make temporary repairs by placing tape on the line claiming that it was short-staffed and it was too expensive to replace the cable.

The TIO raised the matter to Complaint level against the service provider. The service provider replaced the cable and put conduit on the overhead cable. In accordance with the Customer Service Guarantee, the complainant also received \$11.65 for each day of delay in the rectification of the fault."

customers – some of these customers worked from home and claimed for loss of business or income as a result of faults on their home service. Because telephone companies place priority on fault rectification for business services, services classified and billed as residential may experience longer delays in fault rectification.

The TIO has jurisdiction to investigate network faults, recurring faults, delay in fault rectification, missed appointments by technicians, and the application of the Customer Service Guarantee (see page 26). However, repair of customer premises equipment such as faxes, PABX and small business systems are outside the jurisdiction of the TIO.

Land Access

Issues raised: 441

Complaints regarding land access issues comprised nearly 1% of all telephone service issues raised with the TIO in 1997/98, almost half of the previous year's percentage.

Nearly 80% of the year's land access cases related to damaged cables; 12% dealt with breaches of the *Telecommunications Code of Practice 1997*, and 8% were complaints about carriers' installation and maintenance of towers. Specifically, complaints related to lack of notification to property owners of a carrier's intention to access facilities, damage to property by carriers, queries about responsibility for the cost of replacing damaged cables, and objections to the installation of low-impact facilities.

Whilst acknowledging that telecommunications carriers have rights and powers to access private land, the TIO helps to ensure that this is done in

a way that minimises damage to property and inconvenience to land owners and tenants.

The *Telecommunications Act 1997* outlines carriers' rights and responsibilities in relation to inspecting, installing and maintaining facilities on public and private land, and *The Telecommunications Code of Practice 1997* details how and when carriers should notify land owners of their intention to access land, and how the work is to be carried out.

The TIO has jurisdiction in cases where there has been a clear breach of the *Code of Practice*, and where objections to the installation of low-impact facilities are made. In a recent development (and despite past practices), Telstra has argued that the TIO is not able to deal with cable damage cases beyond the Enquiry stage, if the cable damage is caused by the owner/occupier or contractor, and is not directly related to the provision of a service to the complainant. This matter is currently being considered by the Ombudsman.

Case note

Genevieve Kavenagh,
INVESTIGATIONS OFFICER



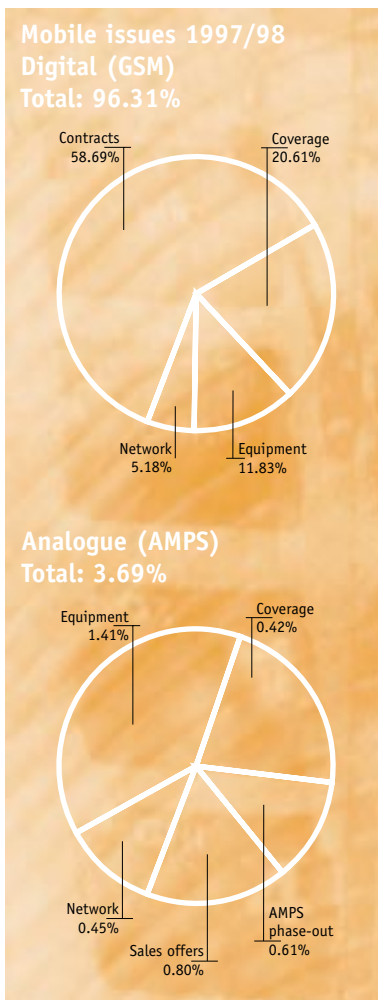
Land access

"The owner of a flower farm contacted the TIO after receiving notification of access from a carrier. The complainant wanted to deny the carrier access to the property on the grounds that the proposed inspection and surveying of the land would disturb farming and business activities. The complainant was advised that the only legitimate grounds for objection related to the location and time of the proposed activity, the likely effect on the land, and the carrier's responsibility to minimise inconvenience and do as little damage as practicable. Investigation by the TIO found that the carrier had rights to access the land but was required to take all reasonable steps to minimise damage and inconvenience."

Mobiles

Issues raised: 4,251

(mobile phone billing cases are included with Billing issues on page 22)



Issues raised in relation to mobile services increased from 2,990 in 1996/97 to 4,251 in 1997/98 – 9.15% of all telephone issues. This is not surprising given the increasing popularity of mobile phones and the growing array of plans and enhanced capabilities now available to consumers.

Complaints regarding both analogue (AMPS) and digital (GSM) mobile services generally concerned contractual issues, coverage problems, and equipment and network faults and difficulties. Digital mobile cases increased from 89.8% of mobile cases in 1996/97 to 96.31% in 1997/98, while cases relating to analogue phones decreased from 10.2% to 3.69%.

The majority of analogue cases involved equipment related problems, probably indicative of the fact that most analogue handsets are now becoming quite dated.

A small number of complaints (0.61% of all mobile cases) were received about the closure of the AMPS network. Most consumers understand that this is a policy decision by the Federal Government and therefore not a matter within the TIO's jurisdiction. However, the TIO has played a role in monitoring complaints to ensure that the quality of the AMPS service has not deteriorated during the migration of customers to the digital networks.

The majority of digital mobile cases were about contracts; in particular, consumers

claiming that they were not aware of certain terms and conditions in the contracts they had signed. In many instances this was the result of consumers not reading contracts thoroughly and not asking questions about terms and conditions. It is also true that in many of the cases handled by the TIO, mobile outlets had not provided adequate information about matters such as coverage, technical support and penalties for breaking contract conditions. In most instances the TIO is unable to assist with these sorts of cases because a signed contract is legally binding on both the customer and the provider. However, the TIO will take up cases where the customer has been misled or if the terms of the contract have not been adhered to by the provider. The TIO frequently highlights in the media the need for consumers to be well informed about the content of any mobile contract they sign.

Complaints about coverage form the second largest category of digital mobile issues. These cases often arise when a consumer has not, prior to purchase, seen a coverage map of the areas where the phone will be used. While customers do often have unrealistic expectations of what mobile coverage they can get out of their phone, the TIO frequently handles cases where consumers have not got the coverage they were led to believe would be available.

Case note

David Scarfe,
INVESTIGATIONS OFFICER



Mobiles

"I was contacted by a complainant who claimed that she had connected to a particular service provider's digital network on the advice that she would be able to access her laptop computer through the network. She later found that this was not possible.

The TIO contacted the service provider on behalf of the complainant and was advised that it was still unable to provide data fax capability, making it impossible to connect a computer to the network. Because the complainant had been misinformed, the service provider agreed to disconnect the digital mobile service without penalty upon return of the digital handset."

Payphones

Issues raised: 116

From time to time the TIO receives complaints in relation to payphones. In 1997/98, 116 payphones complaints were received which were considered to be within the jurisdiction of the TIO. Typical complaints included reports of prolonged and recurring faults in neighbourhood phones with the complainant often seeking a refund of monies lost in a faulty phone.

The TIO also receives a significant number of calls about the location of payphones, however, these complaints fall outside the TIO's jurisdiction and are therefore not reflected in this category.

All payphone cases received in the last year were treated as Enquiries only, with the complainant usually being referred to Telstra's Customer Referral Centre to report the fault and/or arrange a refund.

Privacy

Issues raised: 1,433

The TIO logged a total of 1,433 privacy issues in 1997/98, representing 3.08% of all telephone service issues. This compares to 3.38% of issues in the previous year.

Calls to the TIO about privacy matters usually relate to nuisance or malicious calls (26.9%), telemarketing calls (11.6%) and silent lines (18.1%). Privacy complaints are, however, typically very diverse, and a miscellaneous field records any complaints which do not fall into a specific category (28.8%).

The introduction of Calling Number Display (CND) in January 1998 resulted in a new complaint issue in the privacy category. CND allows for a caller's telephone number to be displayed to the person who is receiving the call, providing the recipient has the appropriate equipment. Before the

introduction of CND, the ACA's Privacy Advisory Committee Guidelines recommended that a number of consumer safeguards be put in place, including the availability of a facility to block the sending of a caller's number; the condition that all silent numbers be automatically CND blocked; and that consumers be informed of the implications of CND and how to block CND transmission.

The TIO recorded a total of 210 complaints about CND, making up 14.6% of all privacy issues raised. Complaints fell mainly into two categories: people who wanted CND and could not receive it due to the incompatibility of their telephone exchange; and people who had requested but not received a CND block on their telephone service. The TIO also received a number of calls from people wishing to voice their concerns about their personal security and the possible misuse of CND information by businesses for telemarketing purposes.

Case note

Sarah Nye
INVESTIGATIONS OFFICER



Privacy

"I raised a case on behalf of a man who, despite arranging for his line to be CND blocked in November 1997, was alerted by his daughter in April 1998 that his phone number was being displayed. While Telstra reassured him several times that it had reintroduced the block, the complainant discovered that his number was still being transmitted.

Telstra was asked to investigate why the block had been removed without the complainant's specific request, and to arrange for the block to be placed on the line again. Telstra's response included the suggestion that software problems at the exchange had probably caused the unblocking reported by the complainant. Telstra arranged for a representative to telephone the complainant to apologise for its error and the delay in rectifying the matter. A credit equal to three month's line rental was also placed on the complainant's account."

Standard Form of Agreement

(formerly known as the Basic Carriage Service Tariff)

Issues raised: 128

As of 31 July 1997, the Basic Carriage Service (BCS) became known as the Standard Form of Agreement (SFOA). SFOAs are lengthy and often difficult to read documents detailing service providers' products, services and tariff schedules. If a service provider wishes to avoid negotiating individual contracts with each of its customers, it is required to have an SFOA and must be able to provide it to customers upon request. Contracts for digital mobile services are always negotiated separately with each customer.

The major difference between the BCS and SFOA is that while the BCS focused on pricing regulation, the SFOA also covers the terms and conditions of contracts.

The SFOA category of complaint includes cases relating to pricing structures, labour charge disputes and complaints involving the internal functioning of a company. Because the TIO has no authority to investigate the setting of tariffs or the established business practices or policies of a TIO member, the SFOA category is used selectively and accounted for less than 1% of issues raised in 1997/98.

SFOA cases are often referred by the TIO to more appropriate organisations; for instance, the Australian Competition and Consumer Commission for complaints about advertising or general business standards, or the Australian Communications Authority for queries about the setting of tariffs. Where the TIO does handle an SFOA case, it is usually a matter of providing complainants with information about the policy guidelines of service providers.

Staff

Issues raised: 708

Cases logged in this category relate to the behaviour and service levels of the staff of carriers and service providers. Complaints are usually about rude or unhelpful service, lengthy response times from customer service staff, and claims of being provided with false or misleading information which may have resulted in additional charges.

Cases of this nature made up only 1.52% of telephone service issues in 1997/98. In most instances these complaints were referred to a more senior level of complaint within the telephone company. In more serious cases, the TIO may contact the carrier or service provider and request that they call the customer directly in order to resolve the complaint speedily and amicably.

Case note

Laura Spencer,
INVESTIGATIONS OFFICER

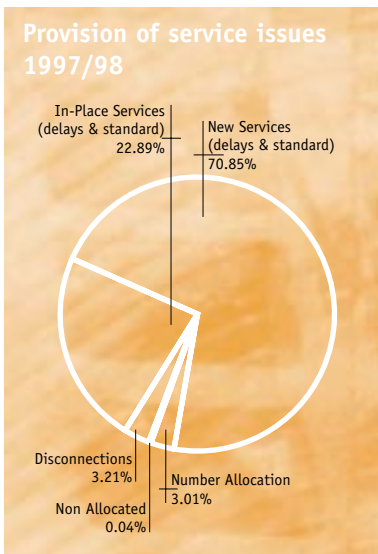


Standard Form of Agreement

"A small businessman contacted me disputing charges from Telstra for repairs to damage caused to a Telstra plant by some of his staff while oxy welding. Whilst the man acknowledged that his company was liable for the cost of repairing the damage, he queried the calculation: \$200 for call out and a rate of \$150 per hour for 5.5 hours. The complainant pointed out that the repair was carried out in normal working hours. Telstra reviewed the basis of the charge and reduced it to \$350. The complainant was satisfied with this resolution."

Provision of Service

Issues raised: 4,522



Complaints about the provision of services more than doubled in 1997/98 compared to the previous year, rising from 1,972 to 4,522 issues raised, and making up 9.73% of all telephone service issues.

Provisioning cases include complaints about delays and the standard of connections of in-place and new services, the provision of enhanced call features, disconnections, and phone number allocations. In-place connections apply to those services which can be supplied without a technician visiting the customer's premises.

Much of the year's increase was due to a rise in complaints about delays in the provision of new services. The reasons for the increase, particularly in the last six months, have been the subject of speculation. Amongst the reasons suggested are the reduction in Telstra staff numbers, the effect of repeated instances of bad weather across many parts of Australia, and the absence of available cable. Analysis of the TIO's statistics does suggest some type of systemic problem, although it is not possible to identify the specific factors or the interplay of those factors that might be contributing to the problem. Contrary to most media

reports, the problem appears to be particularly acute in metropolitan Sydney, rather than in regional areas.

The introduction of the Customer Service Guarantee (CSG) provided some financial compensation to consumers whose services were not connected within the prescribed time frames (see Customer Service Guarantee p26). Since the introduction of the CSG on 1 January 1998, the TIO recorded 1,052 provisioning cases where the CSG applied.

In dealing with instances of provisioning delays, the TIO is often able to negotiate with the telephone company to obtain a commitment date for a connection, or for at least a temporary solution. The TIO also ensures that customers are credited the appropriate CSG compensation.

Internet Service Investigation Issues

Internet Service Investigation Issues Internet Service Investigation Issues Internet Service Investigation Issues Internet Service Investigation Issues Internet Service Investigation Issues Internet Service Investigation Issues Internet Service Investigation Issues Internet Service Investigation Issues Internet Service Investigation Issues Internet Service Investigation Issues

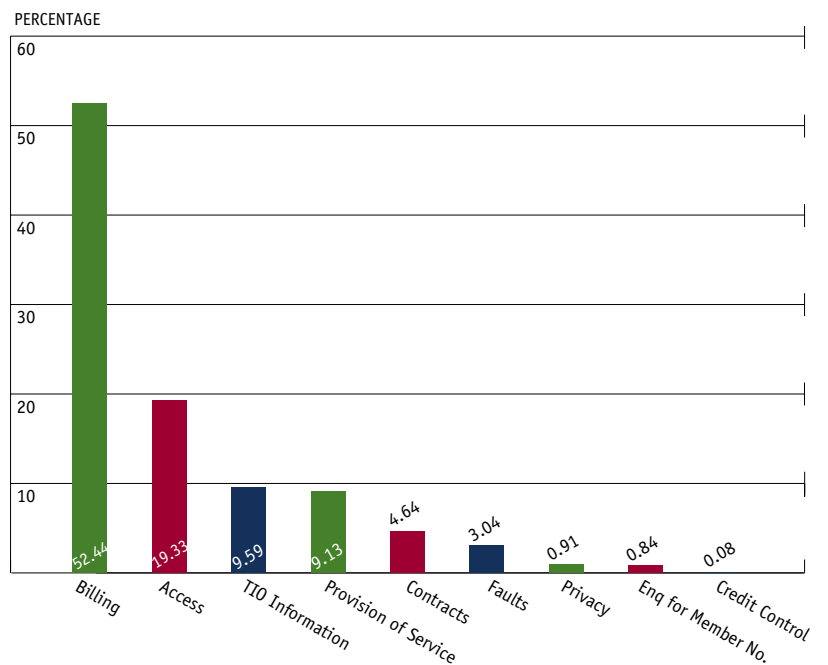
Internet service investigation issues breakdown 1997/98 (excluding Out of Jurisdiction issues) Total issues: 1,314

Overview

Cases:	1,662
Issues raised: (within jurisdiction)	1,314

The 1997/98 financial year was the first 12 months of the TIO's jurisdiction over complaints about Internet access services. During the year, the TIO handled a total of 1,662 Internet related cases, accounting for 3.19% of the TIO's total caseload. Because some cases related to more than one issue, there were a total of 1,736 Internet issues raised - 422 of these were out of the TIO's jurisdiction, leaving 1,314 issues raised within jurisdiction.

The large number of Internet issues that were out of the TIO's jurisdiction is to be expected given that consumers and Internet service providers (ISPs) are still getting acquainted with the TIO's role and powers. Notably, 30% of Out of Jurisdiction issues concerned ISPs who were not, at the time of the complaint, members of the TIO. While in many instances this was rectified once the TIO contacted the relevant ISP, in some cases ISPs refused to join the TIO scheme and were referred to the Australian Communications Authority for breaching the *Telecommunications Act 1997*. Because



Internet related cases accounted for 3.19% of the TIO's total caseload.

the TIO is unable to raise cases against non-members, non-member ISPs have been a frustration to both the TIO and consumers. This situation is improving however, as more ISPs comply with the legislation and join the scheme.

Other Out of Jurisdiction issues included complaints relating to Internet content, electronic financial transactions and website publishing.

As with telephone service complaints, the overwhelming majority (52.44%) of Internet related complaints were about billing. Some 10% of these related to the phenomenon known as repeat dial call charges which is currently the most vexed Internet complaint issue (see p36). Access problems and the provision of services were the other major areas of complaint.

Access

Issues raised: 254

Complaints about access made up almost 20% of all Internet related issues. This category includes complaints about problems accessing the Internet and congestion or slow download speeds. When handling complaints of this nature, the TIO may ask the ISP involved to provide technical evidence to support its advertised speeds and claims about the quality of its service. The TIO is also mindful of the fact that the Internet access industry is a competitive one,

and that pricing, speed and quality vary greatly from one ISP to another. The TIO is generally unable to take up complaints about service levels where an ISP has made no claims about providing high speed access.

The TIO also advises complainants that while most people rely on their standard telephone service to access the Internet, the service was designed for voice, not data, transmission and Telstra is only required to provide a transmission speed of 19.2 kbps.

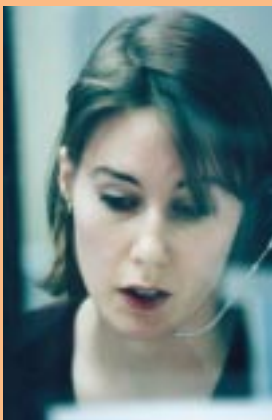
Contracts

Issues raised: 61

Complaints about misleading information or lack of advice in relation to contracts and agreements constituted 4.64% of all Internet related issues. The TIO makes every effort to encourage consumers to read agreements carefully before entering into them because in most cases they are legally binding. Where it appeared that information provided about contracts was misleading, complainants were referred to the Australian Competition and Consumer Commission.

Case note

Carrie Liddle,
INVESTIGATIONS OFFICER



Internet access

"An Internet user came to the TIO because he believed that his ISP was not providing a service in accordance with the performance standards promoted to him at the time he purchased a 600 hour block subscription. He claimed he was experiencing a number of problems when accessing, or attempting to access, the Internet, and said he had not received a response to his numerous emails to his ISP.

The complainant said he was experiencing repeated logon failures, disconnections immediately upon logon, frequent incidences of 'modem hang' from the ISP modems during which no signal would be received for 15 to 20 minutes, transmission speeds lower than the promoted standard, and excessive times taken to download information. He indicated to me that he wanted a full refund of all money paid to the company. The TIO raised a Consultation with the ISP, requesting it to respond to the various allegations and to propose a resolution.

In its reply to the TIO, the ISP acknowledged that it did have some difficulties with the reseller from which the complainant had purchased the package and did not know what commitments might have been made by the reseller. The ISP ran a number of tests, dialling all modems at the point of presence in question, but reported that it could find no evidence of the level of difficulty that the complainant had described. It apologised to the complainant for the unsatisfactory experience he had had with the service, and offered to provide a refund for time not used and for any time used where a connection was less than 30 minutes. The TIO considered this outcome to be reasonable and I advised the complainant to contact the ISP to accept the offer."

Billing

Issues raised: 689

Complaints about billing made up more than half of all Internet related issues. Around 10% of Internet billing cases related to repeat dial charging. These complaints are the result of Internet users being charged local call costs for repeated attempts to logon to the Internet. While the user perceives the calls in question to be unsuccessful, the telephone network seems to recognise the calls as connecting and consequently a charge is incurred. The precise reasons for this occurrence remain unknown but are currently the subject of a Telstra-funded study being carried out by Price Waterhouse on behalf of the Internet Industry Association. Along with the Australian Competition and Consumer

Commission, the TIO is sitting on the working group overseeing this study. Results of the study are expected to be available in September 1998 and should help to clarify the problem. While the TIO classifies these cases as Internet issues, they are usually logged against the carrier concerned rather than the ISP because the carrier bills for the calls.

Unauthorised direct debits made up over a quarter of Internet billing issues. In most instances, investigations of these cases revealed that the complainant had failed to cancel previous direct debit arrangements with their ISP, incorrectly assuming that the debits would cease if they stopped accessing the Internet through that ISP. In other cases the ISP had not processed the cancellation correctly.

Other types of billing complaints included billing for periods longer than complainants claimed they were logged on, and the provision of STD points of presence. In relation to the latter, investigations showed that in most of these cases consumers had incorrectly entered an STD number when setting up their system and consequently, the TIO was unable to assist. However, where an ISP had provided the consumer with an STD point of presence, the TIO found that the ISP was responsible for paying the access charges.

Case note

Debra Lusty,
INVESTIGATIONS OFFICER



Internet billing

"I took a call from a complainant who alleged that she had been overcharged for Internet use. She said that her ISP records indicated that she had been logged on to the Internet for extended periods, sometimes more than four hours. She disputed these logon periods, pointing out that her telephone bill indicated that she had made other telephone calls during these periods.

The ISP initially maintained that the logons had been made from another telephone service and that a third party must have obtained the complainant's password and logon details. After the TIO raised the case with the ISP, it was discovered that the complainant had been unwittingly utilising an 'unsupported' dial-in number. These are phone numbers assigned to ISPs, but not advertised or used as the main dial-in number. It appears that the complainant had inadvertently entered a wrong digit as a dial-in number during the set up process. Because the number she entered was assigned to the ISP, it allowed her to access the Internet. However, it seems that the ISP's terminal servers did not fully recognise the number and would often not disconnect her sessions correctly. Whilst the ISP noted that the situation had arisen as a result of the customer's error, it refunded the additional logon charges."

Faults

Issues raised: 40

Complaints about faults constituted 3.04% of all Internet related issues. Almost all complaints in this category related to Internet connection drop-outs. This issue poses a difficult problem in that drop-outs can result from a number of factors including faulty equipment, poor quality telephone lines, incompatible modems and failure to disable call waiting facilities. Often the reason for the drop-outs can only be established through a rather slow process of elimination. Where ISP equipment was found to be at fault, access fees were reimbursed and, where requested, memberships cancelled.

Privacy

Issues raised: 12

Complaints about privacy constituted 0.91% of Internet issues. They included claims of ISPs calling a customer's place of work and speaking to colleagues in relation to alleged debts, and ISPs using Calling Line Identification (CLI) facilities to identify customers' silent numbers or Calling Number Display blocked numbers. This second category of cases involved ISPs which were also telecommunications service providers and who received CLI for billing purposes.

Provision

Issues raised: 120

Complaints about the provision of services constituted just over 9% of Internet issues. Most complaints related to the standard of service provided and included issues such as problems using email or delays in receiving access to a service.

Profile of Complainants

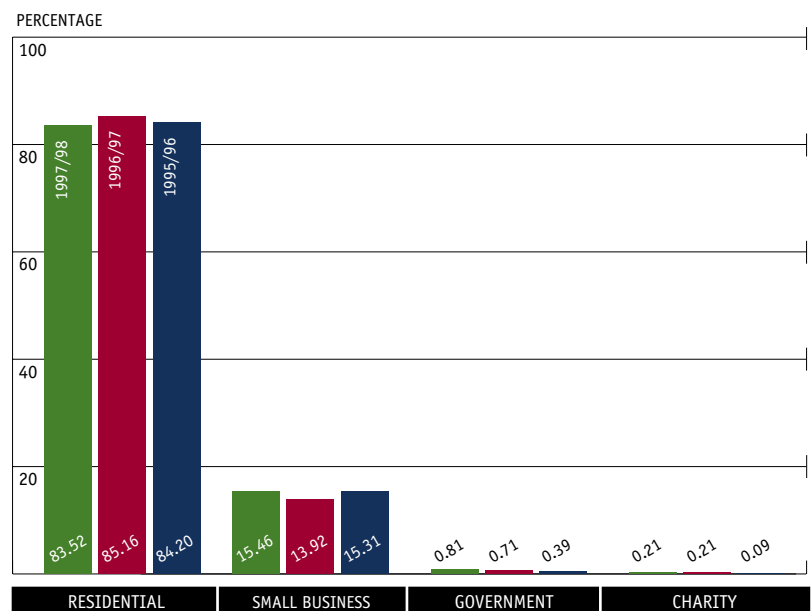
Profile of complainant Profile of complainant Profile of complainant Profile of complainant Profile of complainant Profile of compl
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During the year the TIO handled cases from both residential and small business telecommunications users, as well as a small number of cases from government and charitable organisations. While residential users continued to make up the majority of complainants, there was a significant increase in the percentage of small business complainants.

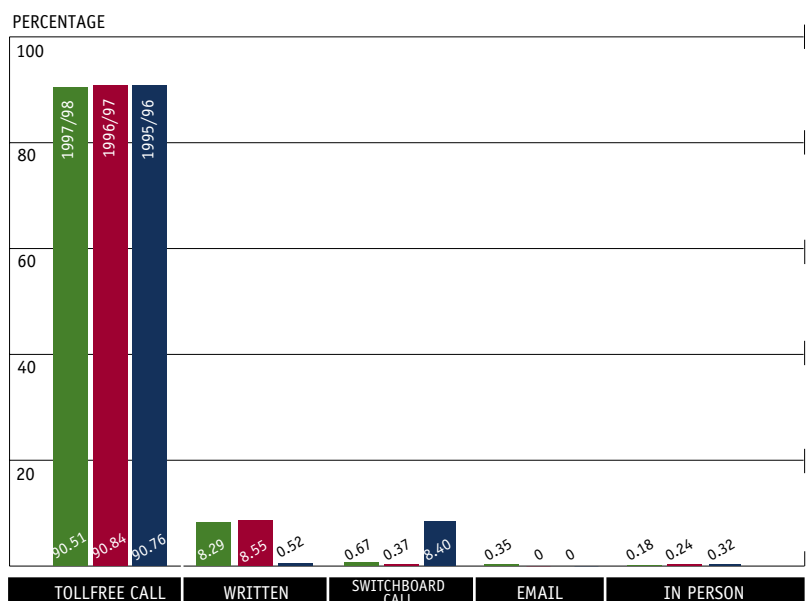
Method of Complaint

The ways in which people lodged cases with the TIO remained similar in 1997/98 to previous years, except for the first-time inclusion of email which is expected to become an increasingly popular method of complaint in coming years.

Type of complainant



Method of complaint



Small Business Complainants

Cases from small business users accounted for 15.46% (8,060 cases) of the TIO's total caseload, up on 13.92% in the previous year. Complainants with multiple issues brought the total number of issues raised for both Internet and telephone services to 8,443 - 685 of these were issues out of the TIO's jurisdiction.

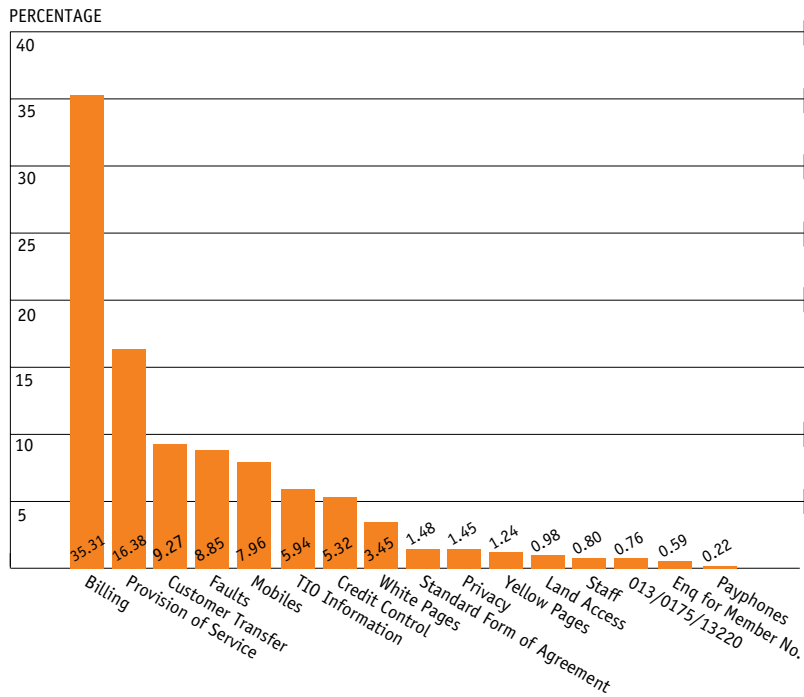
There was a total of 7,629 telephone service issues raised within jurisdiction by small businesses, with the most noticeable increase occurring in complaints about the provision of services which rose from 13.57% to 16.38% of small business issues. There was also an increase in billing cases from 31.7% to 35.31%.

With the range of choices now available amongst service providers, it is not surprising that cases relating to transfers between providers continued to be a major cause of complaint amongst small businesses. However, it is pleasing to note that cases of this nature fell substantially from 14% to 9.27% of small business cases.

Complaints about Internet services accounted for 2.27% of all small business cases. This represents 183 actual cases resulting in 189 issues raised - 60 of these issues were out of the TIO's jurisdiction, leaving 129 within jurisdiction. Billing problems made up the majority of Internet cases, followed by requests for information about the TIO. Access difficulties, provisioning delays and contract disagreements were the other major areas of complaint.

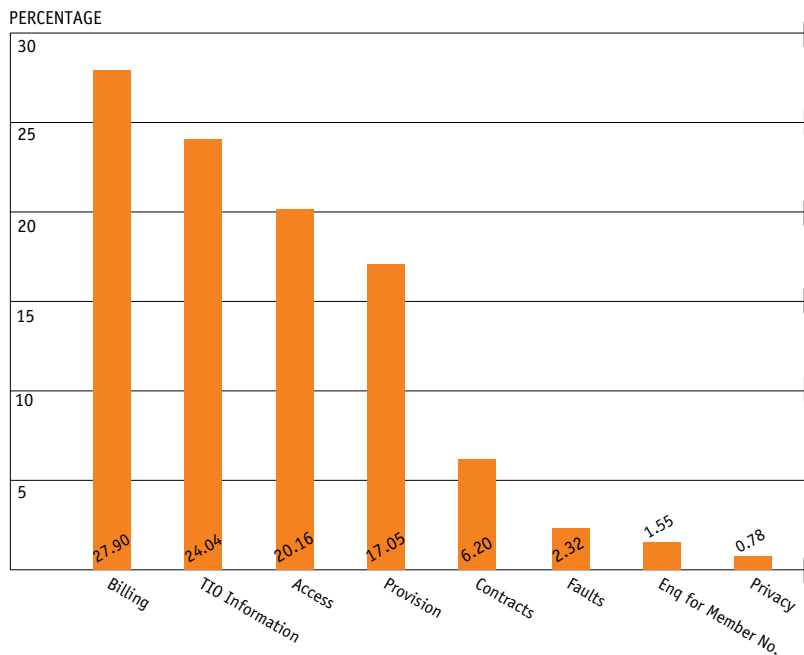
Telephone service issues raised by small business 1997/98 (excluding Out of Jurisdiction issues)

Total number of issues raised: 7,629



Internet service issues raised by small business 1997/98 (excluding Out of Jurisdiction issues)

Total number of issues raised: 129

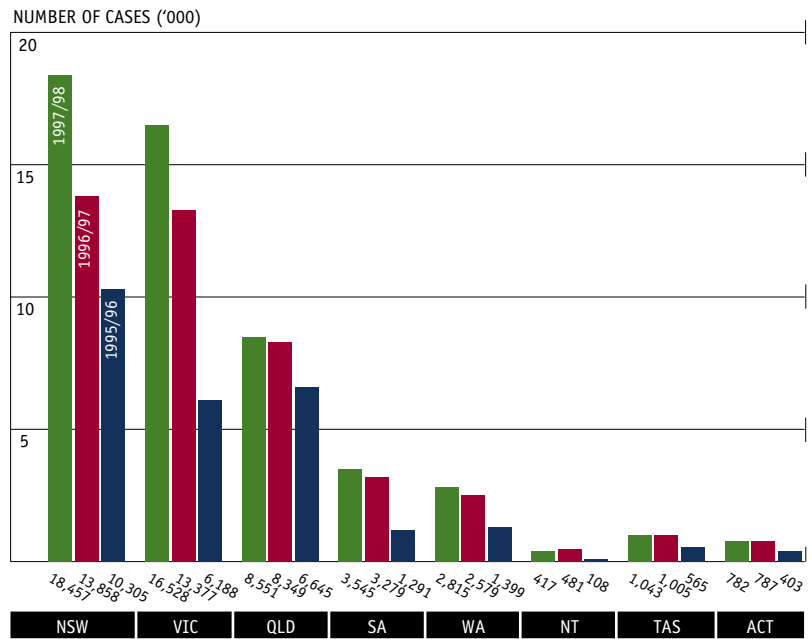


Cases by State

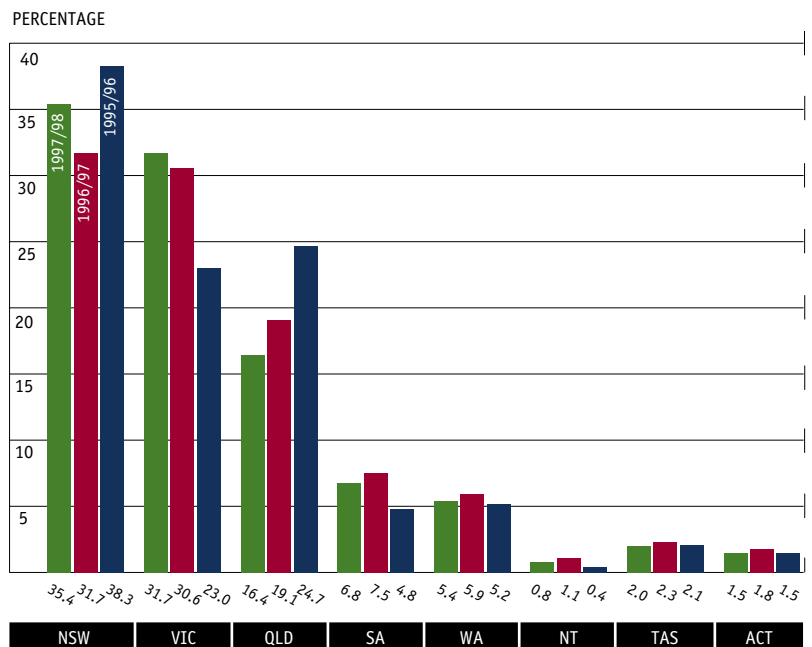
In percentage terms, 1997/98 saw a substantial increase in cases from residents in New South Wales, with a smaller increase in Victorian cases. In terms of actual case numbers, there were increases in all States except the ACT and the Northern Territory.

In every State, billing accounted for at least one third of all telephone service cases. Tasmania recorded the highest percentage of billing cases (43.60%), and the Northern Territory the lowest (32.32%). However, Northern Territory residents recorded the highest proportion of provisioning cases (19.91% of all NT cases), followed by New South Wales (16.6% of NSW cases).

Case numbers by State (includes telephone and Internet service cases)



State distribution of cases (includes telephone and Internet service cases)



Cases against TIO members

Cases against TIO members Cases against TIO members Cases against TIO members Cases against TIO members Cases against TIO members Cases against TIO members Cases against TIO members Cases against TIO members Cases against TIO members Cases against TIO members

In the 1997/98 year, cases were logged against 184 of the TIO's 535 members.

Since its inception, the TIO has reported annually on the percentage of cases involving the original carrier members (Telstra, Optus and Vodafone), as well as those service providers who joined the scheme voluntarily.

There is debate as to whether the TIO, as an industry-based ombudsman scheme, should continue this practice, and if so, whether it should provide more detailed statistics than in the past, such as complaint profiles of each TIO member.

At present, the TIO provides each member with a quarterly complaint profile, as well as overall complaint statistics for each quarter, enabling members to make some informed judgment about their performance.

Where the TIO has noted a consistently high number of complaints against a member about a particular issue, it will raise this directly with the member and in some cases seek an explanation or remedial action.

Cases against members

Total TIO members: 535

TIO members with cases logged: 184

Financial Statements

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Balance Sheet as at 30 June 1998

	1998	1997
	\$	\$
Current Assets		
Cash	619,511	535,435
Receivables	161,787	177,822
Other	23,051	3,631
Total Current Assets	804,349	716,888
Non-Current Assets		
Property, plant and equipment	111,360	102,764
Total Non-Current Assets	111,360	102,764
TOTAL ASSETS	915,709	819,652
Current Liabilities		
Creditors and borrowings	214,294	217,464
Provisions	47,019	36,783
Other	303,981	261,891
Total Current Liabilities	565,294	516,138
TOTAL LIABILITIES	565,294	516,138
NET ASSETS	350,415	303,514
Members' Funds		
Retained Profits	350,415	303,514
TOTAL MEMBERS' FUNDS	350,415	303,514

The above balance sheet should be read in conjunction with the accompanying notes which are available upon request from the office of the Telecommunications Industry Ombudsman Limited.

Statement of Cash Flows for the year ended 30 June 1998

	1998	1997
	\$	\$
Cash Flows from Operating Activities		
Receipts from members	2,374,993	2,019,091
Payments to suppliers & employees	(2,275,954)	(1,751,380)
Receipts from sundry sources	–	1,180
Interest received	35,760	18,187
Net cash inflow from operating activities	134,799	287,078
Cash Flows from Investing Activities		
Payment for plant and equipment	(51,031)	(56,314)
Proceeds from sale of plant and equipment	308	–
Net cash outflow from investing activities	(50,723)	(56,314)
Net Increase in Cash Held	84,076	230,764
Cash at beginning of the financial year	535,435	304,671
CASH AT THE END OF THE FINANCIAL YEAR	619,511	535,435

The above statement of cash flows should be read in conjunction with the accompanying notes which are available upon request from the office of the Telecommunications Industry Ombudsman Limited.

Profit and Loss Account for the year ended 30 June 1998

	1998	1997
	\$	\$
Funds received/receivable from members	2,358,958	2,159,388
Other income	35,760	18,187
Total Income	2,394,718	2,177,575
Audit/accountancy	34,862	14,959
Bank charges	(1,219)	7,412
Bad debts	4,905	22,723
Books and publications	12,176	8,081
Computer expenses	83,715	63,942
Conferences/seminars	16,605	6,862
Consultants	64,914	44,543
Depreciation	42,126	63,922
Entertainment and goodwill	6,762	11,337
Fringe benefits tax	17,949	1,832
Legal	20,613	49,956
Maintenance	10,479	3,187
Insurance	10,548	9,334
Marketing/public relations	98,796	158,873
Other expenses	19,829	26,169
Payroll tax	39,663	27,730
Postage	21,422	12,585
Premises rent/outgoings	203,374	197,673
Printing and information expenses	27,741	18,032
Provision for doubtful debts	-	25,000
Recruitment fees	60,830	21,419
Relocation expenses	-	163
Salaries	1,193,373	987,952
Staff training	10,285	27,176
Stationery	18,935	16,495
Superannuation	51,724	65,070
Telephone and fax	163,436	119,253
Travel and accommodation	105,711	84,650
Workcover	8,263	6,293
Total Expenditure	2,347,817	2,102,623
SURPLUS/(DEFICIT)	46,901	74,952

A full Annual Financial Report, including the Directors' Report and Independent Audit Report, is available upon request from the Telecommunications Industry Ombudsman Limited.

Cherry Internet Access	1/9/97	ISP	Darkstar Internet	24/10/97	ISP
Chilli Internet Solutions Pty Ltd	26/3/98	ISP	Dataline.Net.Au Pty Ltd	22/10/97	ISP
Cimtec Pty Ltd	14/10/97	ISP	Davnet Pty Ltd	30/3/98	ISP
CITEC	18/7/97	ISP	DCS Internet	15/10/97	ISP
Call Australia	1/7/97	CSP	Dezza Net Pty Ltd	1/6/98	ISP
Clarinet Internet	1/7/97	ISP	Dialix Pty Ltd	18/7/97	ISP
Clover Computing	10/6/98	ISP	DialUp	23/1/97	ISP
Club World.Net Pty Limited	26/9/97	ISP	Digiplus Pty Ltd	17/7/97	CSP
Coastnet ISP	21/7/97	ISP	Direct Link Communications Pty Ltd	18/11/97	CSP
Coastal Waters Internet, Wavecliff P/L T/as	31/10/97	ISP	Disk-0-Tech On-Line	10/12/97	ISP
Cobweb Internet Services Pty Ltd	21/12/97	ISP	Doctor Net	2/7/97	ISP
Colltseum.net.au	23/3/98	ISP	Dot Communications Ltd	2/10/97	ISP
Comacom	10/6/98	ISP	DOVENETQ	15/8/97	ISP
Commerce Australia Pty Ltd	3/4/98	ISP	Dove Australia Pty Ltd	6/11/97	ISP
Communicat P/L	1/7/97	ISP	D P Corporate Pty Ltd	17/7/97	CSP
Computer Mania	10/11/97	ISP	Dragnet Internet Services Pty Ltd	26/11/97	ISP
Computer West, Melzen Pty Ltd T/as	19/6/98	ISP	Dragon Net	13/10/97	ISP
Computer Circuit Pty Ltd		ISP	Dynamic Bell	2/10/97	CSP
Compuserve Pacific, Fujitsu Aust Ltd T/as	7/1/98	ISP	Dynamite Internet	1/7/97	ISP
Computers on the Run	30/7/97	ISP	Eagles BBS Internet Services Pty Ltd	12/11/97	ISP
Comswest Pty Ltd	24/11/97	ISP	Easynet Pty Ltd	28/11/97	ISP
ComCen Pty Ltd	17/7/97	ISP	Eclipse Telecommunications P/L	1/7/97	CSP
Connect Infobahn Australia	1/7/97	ISP	ECN Internet	14/11/97	ISP
Connect.com.au P/L	1/7/97	ISP	Ecopost P/L	4/8/97	ISP
Connexus Internet Service, Internex Australia T/as	10/3/98	ISP	Edge Internet Services Aust P/L	1/7/97	ISP
Contal Information Technology Pty Ltd	12/6/98	ISP	EG Communications	25/3/98	ISP
Conxion BBS	9/1/98	ISP	Elu Information Systems P/L	27/10/97	ISP
Cool.com, The Web Factory	20/10/97	ISP	Enter Net Australia Pty Ltd	12/6/98	ISP
Corinthian Internet Services	6/4/98	ISP	Entity Access	9/6/98	ISP
Corporate Internet Australia	21/11/97	ISP	Entity Connect, CMH Enterprises T/as,	3/6/98	ISP
Apac Internet Ltd, T/as Corplink	20/4/98	ISP	EON Technology Pty Ltd	18/5/98	ISP
Cosmos Integrated Communications	19/9/97	ISP	Escape Internet Online and Multimedia Services	1/7/97	ISP
CMS Telecommunications	21/7/97	CSP	Escape.Net	12/1/98	ISP
Country Netlink Pty Ltd	1/7/97	ISP	Infonet Telecommunications, T/as Ezinet	29/4/98	ISP
CorpTel Pty Ltd	1/7/97	CSP	Ezi Phone Card Pty Ltd	2/4/98	CSP
Crafti Internet Connexions	1/7/97	ISP	Ezi Prepaid Mobile Pty Ltd	2/4/98	CSP
Cromer Net Nook	25/6/98	ISP	Fast Access Network Pty Ltd	1/6/98	ISP
CSCCS Internet	15/1/98	ISP	Fastlink Communications Pty Ltd	18/8/97	ISP
CSI Holdings Pty Ltd	18/7/97	ISP	Fastmail Internet Services Pty Ltd	18/11/97	ISP
Cyb-A-Tron Pty Ltd	13/5/98	ISP	Fax International Australia Pty Ltd	18/7/97	CSP
Cybatech Computing Pty Ltd	23/10/97	ISP	Federation Cyber-Café	12/6/98	ISP
Cyberbiz	6/3/98	ISP	First Netcom Pty Ltd	1/7/97	CSP
Cybercrow	27/1/98	ISP	First Link Internet Serv. P/L	1/7/97	ISP
Cyberelectric Pty Ltd	9/2/98	ISP	Flexinet ISP and Internet Café,		
Cyberloom Pty Ltd	30/4/98	ISP	Warwick Enterprise Association	10/6/98	ISP
CyberOne Pty Ltd, ACT Online Internet	3/9/97	ISP	Flex Internet Technology Pty Ltd	8/5/98	ISP
Cyberspace Corporation Pty Ltd	2/12/97	ISP	FONetel Pty Ltd	25/5/98	ISP
Cynet	1/7/97	ISP	Foxnet Australia P/L	1/7/97	ISP
Cyrus Technologies	21/1/98	ISP	Funnel Web Internet, True North Consulting T/as;	9/1/98	ISP

Geko Internet Pty Ltd	18/5/98	ISP	Internet Information Superhighway Pty Ltd		
Global Gossip	17/11/97	CSP		11/11/97	ISP
Giganet Pty Ltd	25/7/97	ISP	Interworx Technologies	13/11/97	ISP
GKY Internet	1/7/97	ISP	Internet W.W.W. Network	11/11/97	ISP
Global One Communications P/L	1/7/97	CSP	ION Pty Ltd	1/12/97	ISP
Global Web P/L	1/7/97	ISP	Internet on the Coast P/L	1/7/97	ISP
Global Info Links, Ipswich City Council	20/10/97	ISP	Ipax Systems, Hanleigh Bay P/L T/as	3/11/97	ISP
Golden Internet Services	12/11/97	ISP	Iridium South Pacific Pty Ltd	1/12/97	CARRIER
Goulburn Internet Services	27/10/97	ISP	IS-1 Communications P/L	1/7/97	CSP
GPS Systems Pty Ltd	12/5/98	ISP	Island Internet Services	1/7/97	ISP
Gravity Internet	24/12/97	ISP	The ISP Doctor	11/3/98	ISP
Great Lakes Hardnet Café, Arsonello T/as	23/6/98	ISP	ISP Interactive Pty Ltd	30/3/98	ISP
Griffith Stealth Technologies	16/1/98	ISP	Internet Service Providers P/L	1/7/97	ISP
GSAT, Geelong Science & Technology Centre			IT Lite Computing Solutions Pty Ltd	13/11/97	ISP
	14/5/98	ISP	Japan Telecoms Corporation Pty Ltd	29/4/98	CSP/ISP
Hal9000	29/12/97	ISP	Jaycom Internet Services Pty Ltd	5/3/98	ISP
Hardnet Internet Access (Hardnet Cafe)	30/10/97	ISP	Jfax Communications Australia Pty Ltd	14/1/98	CSP
Hare.Net.au	3/3/98	ISP	Jigsaw Technology Pty Ltd	20/4/98	ISP
Hartingdale P/L	1/7/97	ISP	JMB Internet Services	8/1/98	ISP
Hermes Internet	24/7/97	ISP	JRC Internet Services	7/5/98	ISP
Hi Tech Net	1/7/97	ISP	Key Internet Services, Teragrove Pty Ltd T/as,	4/6/98	ISP
Highlands Internet Pty Ltd	21/12/97	ISP	Klever Australia Pty Ltd	24/11/97	ISP
HighTide Internet Pty Ltd	4/9/97	ISP	Knowledge By Design P/L	1/7/97	ISP
Hilink Internet Pty Ltd	25/7/97	ISP	Kralizec Pty Ltd	14/11/97	ISP
Horizon Telecommunications Pty Ltd	6/4/98	CARRIER	Labyrinth Connections P/L	1/7/97	ISP
Hotkey Internet Services Pty Ltd	29/10/97	ISP	Launch Pty Ltd	1/7/97	ISP
Hotkey Ivanhoe (Starway Ivanhoe)	27/11/97	ISP	LCR Telecom Pty Ltd	22/1/98	CSP
Hotkey Doncaster		ISP	Leb-Com Pty Ltd	11/10/97	ISP
Hotkey Knox	21/11/97	ISP	Lexicon Internet Services	1/7/97	ISP
Hotlinks Internet Services Pty Ltd	1/10/97	ISP	Link Telecommunications	1/7/97	CSP
Hrimas Enterprises Pty Ltd	21/11/97	ISP	Linkpro	1/7/97	ISP
Jumbuktu Pty Ltd Trading As:			Lismore Internet Services	1/7/97	ISP
Hotkey Malvern	2/3/98	ISP	L.I.S.P Pty Ltd (Local Internet Service Provider)	8/1/98	ISP
HTML Net	9/7/98	ISP	Logicworld P/L	1/7/97	ISP
Hub Communications Pty Ltd	10/6/98	ISP	Lynx Internet Connections	12/6/98	ISP
HunterLink Pty Ltd	16/9/97	ISP	Macquarie Corporate Telecommunications	1/7/97	CSP
Hunter Online Pty Ltd	16/9/97	ISP	Macrocom Pty Ltd	30/3/98	CARRIER
Hutchison Telecommunications	1/7/97	CSP	Magna Data Australia P/L (Rainbow.net)	24/9/97	ISP
Hydra Communications Pty Ltd	3/4/98	ISP	Magna Field Pty Ltd	29/12/97	ISP
Hyperlink	1/7/97	ISP	Marketing Solutions Pty Ltd	10/6/98	ISP
International Networking Technology	17/11/97	ISP	matra.com.au Pty Limited	5/1/97	ISP
Internet Access Australia P/L	1/7/97	ISP	Maxi Internet Services	2/3/98	ISP
Icenet Pty Ltd	28/11/97	ISP	Maxisp	3/3/98	ISP
Idxnet Computing Pty Ltd	3/12/97	ISP	McPherson Media Pty Ltd	21/1/98	ISP
Internet Express	1/7/97	ISP	Melbourne PC User Group Inc	13/10/97	ISP
iForm	21/7/97	ISP	Merlin Australia	3/9/97	ISP
Internet Infobahn P/L	1/7/97	ISP	Metrolink, Draco Pacific Pty Ltd T/as	1/12/97	ISP
IIS P/L	1/7/97	ISP	Metro-Soft, Draco Pacific Pty Ltd T/as	1/12/97	ISP
IIS Group Pty Ltd	18/9/97	ISP	Micronica	30/4/98	ISP
Internet Interface Systems P/L	5/11/97	ISP	Microplex Pty Ltd	3/10/97	ISP
Image Networking, Teragen Pty Ltd T/as	16/3/98	ISP	Microsystems Support	18/12/97	ISP
Independent Business Equipment	7/5/98	ISP	www.microtech.com.au, NHA Pty Ltd T/as	11/3/98	ISP
Infinite Data Australia Pty Ltd	27/3/98	ISP	Microtronics Pty Ltd	6/11/97	ISP
Infoflex Pty Ltd	24/11/97	ISP	Mikka International	23/7/97	ISP
Desiin Pty Ltd, T/as INI Access	27/4/98	ISP	Mildura.Net.Au	2/3/98	ISP
Internet North P/L	1/7/97	ISP	Mobile Innovations Pty Ltd	1/7/97	CSP
Inpho Interactive	17/9/97	ISP	Mindvision Interactive Pty Ltd	20/8/97	ISP
Computer Mania	10/11/97	ISP	Minervanet Pty Ltd	2/4/98	ISP
Internet Plus Pty Ltd	11/11/97	ISP	Minopher Pty Ltd	31/12/97	ISP
Internet Victoria	28/10/97	ISP	Mira Networking P/L	1/7/97	ISP
Integration Design P/L	1/7/97	ISP	Mondial Net Pty Ltd	23/3/98	ISP
Inter-Met	1/7/97	ISP	Mosman City Internet Services	29/11/97	ISP
Interactive Globalnet (IGN) Pty Ltd	10/11/97	ISP	Mudgee Internet	19/5/98	ISP
Interact Technology Group P/L	1/7/97	ISP	Multibase Web Australis	1/7/97	ISP
Internex/Internex LV	19/6/98	ISP	Namadgi Corporation	1/7/97	ISP
Internode Systems Pty Ltd	1/7/97	ISP	Nectar Online Services	20/11/97	ISP
Interweb Connections	1/7/97	ISP			

NetConnect Communications Pty Ltd	27/10/97	ISP	Preferred Internet Provider	26/11/97	ISP
Netcore Pty Ltd	1/7/97	ISP	Prima Internet Services, Netexpress		
NetEffect Internet Pty Ltd	7/1/98	ISP	Communications Pty Ltd T/as	1/7/97	ISP
NetExcel	4/8/97	ISP	Primarius Communications	21/5/98	CSP
NetExpress	12/6/98	ISP	Primecall	1/7/97	CSP
Netinfo P/L	1/7/97	ISP	Primus Axicorp Telecommunications	1/7/97	CARRIER
Netpage	1/7/97	ISP	Professionals In Computer Knowledge P/L	1/7/97	ISP
Netro	17/11/97	ISP	PSR Group Pty Ltd	1/7/97	CSP
Netski Pty Ltd	21/7/97	ISP	Q-NET	1/7/97	ISP
Netspace Online Systems P/L	1/7/97	ISP	QD.COM	4/3/98	ISP
Netspeed Internet Communications	11/12/97	ISP	QP Australia Pty Ltd	28/5/98	ISP
Netstra Pty Ltd	18/11/97	ISP	Quantum Springs Internet Services	1/7/97	ISP
Nettrade, Portofino Promotions Pty Ltd T/as	21/5/98	ISP	Quasi Space	19/5/98	ISP
Net Trek On-Line Services	26/6/98	ISP	Quicknet Internet Provider Pty Ltd	17/12/97	ISP
Netway Technologies Pty Ltd	13/5/98	ISP	Rainbow.Net (Magna Data Australia P/L)	24/9/97	ISP
Netwide Pty Ltd	24/10/97	ISP	Ram Network Services Pty Ltd	8/5/98	ISP
Netwit Conexus	1/5/98	ISP	Rapidnet	1/7/97	ISP
Netexpress Communications Pty Ltd	1/7/97	ISP	Redscape Pty Ltd	10/6/98	ISP
Newave Internet Services Pty Ltd	17/9/97	ISP	Relax Internet Enterprises Pty Ltd	12/6/98	ISP
Next Century Australia	20/4/98	ISP	Riverland Internet, The Murray Pioneer P/L T/a	9/12/97	ISP
NHJ Northlink Communications	28/1/98	ISP	Rivernet Solutions	9/10/97	ISP
Nornet	4/8/97	ISP	Rivers Network Pty Ltd	6/1/98	ISP
Northgate Communications Australia	21/8/97	CARRIER	RMR Worldcom P/L	1/7/97	CSP
North Atlantic Telecomms. Gateway Pty Ltd	19/9/97	ISP	Roach's Computers & Games	1/7/97	ISP
North Net Internet Services	17/12/97	ISP	Rocknet	3/12/97	ISP
North Power, T/as North Power's turbo Web	20/4/98	ISP	RSL Com Australia P/L	1/7/97	CSP
Novanet Pty Ltd	31/10/97	ISP	Rural Business Machines Pty Ltd	3/2/98	ISP
Now.Com.Au Pty Ltd	24/3/98	ISP	Mildura Office Equipment, T/as Ruralnet	28/4/98	ISP
Northern Rivers Gateway	1/7/97	ISP	SA Schools Net	17/11/97	ISP
Northern Exposure Technologies Pty Ltd	10/12/97	ISP	Silicom Pty Ltd, T/as SAT Internet Services	23/4/98	ISP
North Queensland Internet Service	21/10/97	ISP	Satellite Call Centres Australia Pty Ltd	25/7/97	ISP
NTT Australia Pty Ltd	31/3/98	ISP	Satellite Cowboys Pty Ltd	25/7/97	ISP
Ocean Internet Pty Ltd	7/5/98	ISP	Satnet	2/3/98	ISP
Odyssey World Pty Ltd	17/6/98	ISP	Saturn Communications Pty Ltd	20/4/98	ISP
Omni Plus Pty Limited	19/12/97	ISP	Schoolsnet Australia P/L	1/7/97	ISP
OmniConnect Pty Ltd	18/9/97	CARRIER	ScoastNet Pty Ltd	15/10/97	ISP
On the Net, Artson Systems T/as	22/9/97	ISP	Southern Cross Telco Pty Ltd	1/7/97	ISP
On Australia Pty Ltd	16/7/97	ISP	Senalink Pty Ltd	18/11/97	ISP
One Tel Pty Ltd	1/7/97	CSP/ISP	SE Network Access Pty Ltd	1/7/97	ISP
One Earth Internet Pty Ltd	29/1/98	ISP	Shoalnet Pty Ltd	1/4/98	ISP
OnThe Net Pty Ltd	31/10/97	ISP	Shortech International Pty Ltd	10/6/98	ISP
Optus Communications	1/7/97	CARRIER	Signal Telecommunications Pty Ltd	2/3/98	CSP
Optus Vision Pty Ltd	8/12/97	CARRIER	SITA	1/7/97	CSP
Orac Internet	18/11/97	ISP	Skynet Australia	1/7/97	ISP
Oriental Express Technology Pty Ltd	30/10/97	ISP	Smart Radio Systems Pty Ltd	20/11/97	ISP
Orion Online	6/4/98	ISP	Spectrum Global (also AWC)	1/7/97	CARRIER
Overflow Internet Services	17/6/98	ISP	Soft-Tech Information Services	1/7/97	ISP
Oz Telecom Pty Ltd	15/4/98	CARRIER	Southern Star Communications Pty Ltd	1/7/97	ISP
Ozdocs Internet Services	18/11/97	ISP	Southern Internet Services	27/11/97	ISP
Oz Email	1/7/97	ISP	Space.Net	25/7/97	ISP
Ozland.Net.Au	2/3/98	ISP	Sphynx Internet (Australia), Rimway P/L T/as	20/5/98	ISP
APAC Internet Ltd, T/as Ozramp	20/4/98	ISP	Spin Internet Services Pty Ltd	20/4/98	ISP
Pahth Telecommunications	1/7/97	CSP	Spirit Networks Pty Ltd	21/7/97	ISP
Patash Pty Ltd	14/10/97	ISP	Starnet IS P/L	1/7/97	ISP
pcProfessionals	6/1/98	ISP	Star Online Services, Tower Networking Pty Ltd T/as	19/6/98	ISP
PDK Solutions P/L	1/7/97	ISP	Starwon Enterprises P/L	1/7/97	ISP
Pegasus Networks Comms Pty Ltd	3/10/97	ISP	Starway Brighton	16/10/97	ISP
Penrith Netcom Pty Ltd	22/8/97	ISP	Starway Doncaster change of name Hotkey Doncaster	6/10/97	ISP
Phoenix Business Solutions Australia P/L	20/8/97	ISP	Starway Melbourne	13/10/97	ISP
Pilbara Systems Internet	21/8/97	ISP	Starway Preston	15/10/97	ISP
Pipeline Internet	16/7/97	ISP	SubNet Internet Service P/L	1/7/97	ISP
Portal Communications Australia Pty Ltd	15/1/98	ISP	Sun Cyberlink Technology	9/12/97	ISP
Power Computers (SA) Pty Ltd	21/5/98	ISP	Sunshine Beach Software Pty Ltd	12/6/98	ISP
Powerserve Communications	1/7/97	CSP	Sunshine Networks, ATS		
Powerup Pty Ltd	28/10/97	ISP			

International T/as	14/10/97	ISP	United Telecommunications	1/7/97	CSP
Super Save Telecommunications	7/9/97	CSP	Vallylink Centre 3000	1/7/97	ISP
Swannet Internet Services	9/10/97	ISP	Vicnet	26/3/98	ISP
Switch Telecommunications	1/7/97	CSP	Video Data Service	21/11/97	ISP
Swiftlink Communications	18/5/98	ISP	Virtual Computers Pty Ltd	3/11/97	ISP
Sydney Internet Networking Services	3/4/98	ISP	Vision Internet Services	1/7/97	ISP
Sympac Computing Pty Ltd	3/6/98	ISP	Vodafone Pty Ltd	1/7/97	CARRIER
Synflux International Pty Ltd	28/7/97	ISP	Vodafone Network Pty Ltd	1/7/97	CSP
Tablelands Internet	1/7/97	ISP	Vodarent (previously GSM Rentafone)	16/7/97	CSP
Talk 2000	1/7/97	CSP	Voice-Tel Pty Ltd	17/9/97	CSP
Tasmania's Access Server Pty Ltd	3/12/97	ISP	Votel Pty Ltd	29/7/97	CSP
Taunet, EFEM Computing&Eng P/L T/as	7/1/98	ISP	Wagga Training Services	10/10/97	ISP
Techno.Access	12/5/98	ISP	WA Net	16/6/98	ISP
Teksupport Pty Ltd	3/10/97	ISP	Wantree Development P/L	1/7/97	ISP
Telstra	1/7/97	CARRIER	Warren Pont (formerly WazBenNet)	6/1/98	ISP
Telegroup Network Services Pty Ltd	30/10/97	CSP	Wavecliff Pty Ltd (Coastal Waters Internet)	31/10/97	ISP
Tele Link Telecommunications Pty Ltd	1/7/97	CSP	Web Australis P/L	1/7/97	ISP
Telephone Bill P/L	1/7/97	CSP	Web Solutions, Zenith Pty Ltd T/as	14/5/98	ISP
Telphonet Australia	1/7/97	ISP	Web Worx International P/L	1/7/97	ISP
Telstra Multimedia Pty Ltd	16/7/97	CARRIER	Webxas, Web Access Aust Pty Ltd T/as	10/10/97	ISP
Teltech Enterprises P/L	1/7/97	ISP	McCall Design Business Systems, T/as		
Terrigal Internet Services	1/7/97	ISP	Web-A-You Internet Services	27/4/98	ISP
Terrigal Net	1/7/97	ISP	Webfront Pty Ltd	2/3/98	ISP
Tetraplex Pty Ltd	20/3/98	ISP	Webmail Internet Solutions	10/6/98	ISP
The Australian Internet Comp P/L	1/7/97	ISP	Webmedia Australia P/L	1/7/97	ISP
The Com Store, First Direct Holdings	1/7/97	CSP	Web One	3/3/98	ISP
The Computer Shop - Nelson Bay	10/6/98	ISP	Webscan	8/1/98	ISP
The Galaxy Gateway Computer System	27/4/98	ISP	Website	14/5/98	ISP
The Info Xchange Inc	3/12/97	ISP	Webtel, Mr Bits.Com Pty Ltd T/as	26/11/97	ISP
The Message Exchange	1/7/97	ISP	Webtime Pty Ltd	17/6/98	ISP
The Net Enterprises P/L	1/7/97	ISP	Western Communication Solutions Pty Ltd	14/10/97	CSP
The Planet Cybergate	1/7/97	ISP	Westvic Internet Pty Ltd	23/4/98	ISP
The University of Queensland	17/6/98	ISP	Winterton Communications Pty Ltd	10/3/98	CSP
The Internet Group Ltd	2/3/98	ISP	WorldxChange	1/7/97	CSP
TMI Telemedia International Hong Kong Ltd			Woftam Jones P/L	1/7/97	ISP
	1/9/97	CSP	WooZoo Telecommunications P/L	2/3/98	ISP
Tokyo Network	1/7/97	ISP	Worldcom Australia Pty Ltd	26/6/98	CARRIER
Topend.Com.Au	1/7/97	ISP	World Reach Pty Ltd	7/1/98	ISP
TotalNet Internet Service	12/11/97	ISP	World Wire P/L	1/7/97	ISP
Total Tel Ltd	8/8/97	CSP	WorldTel Pty Ltd	3/3/98	ISP
TPG Internet P/L	1/7/97	ISP	WWN Telecom	26/2/98	CSP
Translobal Communications Telecom Solutions			X Com Australia Pty Ltd	25/7/97	ISP
	3/10/97	ISP	XcelNet Enterprise	10/7/97	ISP
Treko Internet	17/6/98	ISP	Ynet	5/11/97	ISP
Triode Internet	22/4/98	ISP	Your Internet Service, Goulburn Internet		
Trumpnet Pty Ltd	16/12/97	ISP	Services P/L T/as	27/10/97	ISP
Tudogs.net.au	15/1/98	ISP	Zeta Microcomputer Software	14/11/97	ISP
United Energy Telecommunications P/L	1/7/97	CARRIER	Zip Internet Professionals P/L	1/7/97	ISP
United Energy Limited	1/7/97	CSP	Zircon Systems	11/11/97	ISP
Ultranet	17/11/97	ISP	ZX.Net	1/7/97	ISP
United Telecommunications (AUST) PTY LTD					
	1/7/97	CSP			

Bankers

Commonwealth Bank of Australia

Solicitors

Corrs Chambers Westgarth

Auditors

Mann Judd

Information Technology

BHA Computers Pty Ltd

**Special Legal Council for
Casualties of Telstra (COT)**

Minter Ellison

- Mr Peter Bartlett
- Ms Lucy McCullagh

Special Arbitrator

Deacons Graham & James

- Mr Jonathon Mott

Hunt & Hunt

- Dr Gordon Hughes
- Mr Peter Murdoch QC

Special Resource Unit

Ferrier Hodgson Corporate
Advisory (Vic) Pty Ltd

Lane Telecommunications Pty Ltd

DMR Group Inc (Montreal, Canada)

subcontracting to:

TBH Management Consultants

- Mr Paul Howell

Itcom Australia Pty Ltd



Telecommunications
Industry
Ombudsman