MINUTES

OF THE 2019 ANNUAL GENERAL MEETING OF TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED (ACN 057 634 787)

Date Held:	Tuesday 12 November 2019 at 10:30am	
Held At:	The Savoy Hotel on Little Collins – Collins Room Level 1 630 Little Collins Street Melbourne VIC 3000	
Present:	Michael Lavarch AO	Chair
	Judi Jones	Ombudsman
	Gerard Dell'Oste	Company Secretary
	Sue Walker	Minute Taker
Authorised Representatives in Attendance:		
	Alexander Osborne	Vodafone Hutchison Australia
	Justin Tsuei	Telstra Corporation Limited
	Michelle Lim	Express Virtual Meetings Pty Ltd
	Michelle Lim	InterNex Australia Pty Ltd
	Michelle Lim	My Net Fone Australia Pty Ltd
	Michelle Lim	Pennytel Australia Pty Ltd
	Michelle Lim	Symbio Networks Pty Ltd
	Michelle Lim	Telcoinabox Operations Pty Limited
	Eric Erickson	Aussie Broadband Pty Ltd
	Gary Smith	Optus ADSL Pty Limited
	Gary Smith	Optus Fixed Infrastructure Pty Ltd
	Gary Smith	Optus Internet Pty Limited
	Gary Smith	Optus Mobile Pty Limited
	Gary Smith	Optus Networks Pty Ltd
	Gary Smith	Optus Satellite Network Pty Limited
	Gary Smith	Optus Satellite Pty Limited
	Gary Smith	Virgin Mobile (Australia) Pty Limited
Directors in Attendance:		
	Geoff Nicholson	Independent Director (Commercial Governance)
	John Lindsay	Director with Industry Experience
	Catriona Lowe	Director with Consumer Experience
	Gordon Renouf	Director with Consumer Experience

Auditors in Attendance:

	Ryan Hansen	Deloitte Touche Tohmatsu
	Nicholas Howard	Deloitte Touche Tohmatsu

Apologies:

	Paul Harrison	Director with Consumer Experience
	Andrew Sheridan	Director with Industry Experience
	Jane van Beelen	Director with Industry Experience

Observers in Attendance:

	David Smith	Gadens
	Sarah Carnovale	TIO Limited
	Lucy Andrews	TIO Limited

The meeting commenced at 10:30am.

1. WELCOME AND APOLOGIES

Welcome

The Chair welcomed Members, Directors, the External Auditors, Legal Counsel, and TIO staff to the meeting and outlined proceedings.

The Chair acknowledged the Traditional Owners of the land on which the meeting was being held, the Wurundjeri People of the Kulin Nation and paid respect to their Elders, past and present and Aboriginal Elders of other communities.

Apologies

Apologies were received from TIO Directors Dr Paul Harrison, Mr Andrew Sheridan, and Ms Jane van Beelen.

Quorum

The Chair confirmed a quorum was present.

Notice of Meeting

The Chair noted that the Notice of the Meeting had been circulated to all TIO members on 17 October 2019 which met the requirements of the TIO Constitution and applicable Corporations law.

Agenda

The Chair noted the following three items of business for consideration at the meeting:

- Minutes of the 2018 Annual General Meeting held on 13 November 2018;
- Financial Report for the year ended 30 June 2019, together with the Directors' Report and Auditor's Report; and
- Proposed amendments to the Constitution of TIO Limited.

Chair's Report

The Chair provided an update on key activities for the TIO during the 2018/19 financial year, highlighting the following key items.

2018/2019 had been a successful year for the organisation, however, management of resources to meet the dramatic fluctuations in demand for service remained a challenge.

A decrease of approximately 21% in complaint numbers was experienced over the previous financial year, resulting in a total of 134,000 complaints being received by the TIO.

This was a stark contrast to previous years where increasing demand had been experienced, particularly during commencement of the nbn rollout when a double-digit increase in demand had occurred.

Maintaining a core skill base and ensuring the cost base was correct for resourcing and being able to meet this demand, were key challenges for the business.

The TIO also experienced a shift in the make-up of complaints with small business complaints increasing from 12% in 2017/18 to 14% in 2018/19.

Another emerging trend was the increasing complexity of matters being handled by the TIO.

For the first time, the number of complaints dealing with internet services exceeded complaints in relation to mobile communications and reflected trends in the sector as a whole.

The Australian Competition and Consumer Commission (ACCC) completed its inquiry into digital platforms which included several recommendations welcomed by the TIO. In particular, the establishment of an independent ombudsman for this sector and ACCC's suggestion that TIO may be the appropriate platform to extend its dispute resolution services to digital platforms.

The TIO Board was happy to explore the potential of taking on this new role, however, was cognisant that the organisation not be distracted from its core business of telecommunications and any costs associated with this new service were not to be borne by the existing members.

Finally, there was much effort put into working through and implementing the recommendations flowing from the Consumer Safeguards Review. Part of this process was reflected in the proposed changes to the Constitution which members were being asked to consider.

2. MINUTES

The Chair proposed that the minutes of the 2018 Annual General Meeting held on 13 November 2018 be received.

Mr Gary Smith seconded the motion.

The motion was unanimously carried.

3. FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019 INCLUDING THE DIRETORS' REPORT, FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Chair introduced the Financial Report of TIO Limited for the year ended 30 June 2019, together with the Directors' Report and Auditor's Report in respect to those financial statements. It was noted that the reports had been circulated to members with the Notice of Meeting on 17 October 2019.

Further, the Chair highlighted the attendance at the meeting of the TIO's External Auditors, who were available to respond to any member questions.

The result for the 2019 financial year was a surplus of $1.9 million, a significant increase from the 2018 financial year surplus of $211,000.

The Chair reported that for the current 2019/20 financial year, the organisation had budgeted for a deficit of $1.2 million which reflected the significant decrease in complaint numbers during 2018/19.

Going forward, the Board has in front of it a substantial technology refresh program requiring a period of reasonable capital expenditure and drawing on the accumulated reserves for funding.

The new funding model, which came into effect in the 2018/19 financial year, had been operating well and the Board will be undertaking a post implement review.

The Chair invited questions on the financial reports, Directors' Report, and Auditor's Report.

There were no questions.

The Chair proposed that the annual financial statements of TIO Limited for the year ended 30 June 2019, together with the reports of the Directors and Auditors be received.

Mr Justin Tsuei seconded the motion.

The motion was unanimously carried.

Management of Company

The Chair opened the meeting to members to ask questions of the Directors or to comment on the management of the Company.

There were no questions or comments.

4. AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

Members of the TIO Limited were invited to consider and, if thought fit, to pass the following resolution as a special resolution:

> *The members of the Company resolve by special resolution to amend the Constitution of the Company in accordance with the amendments to the Constitution shown in the attached "marked up" version of the Constitution, effective immediately upon this special resolution being passed.*

The Chair reported on the background to the proposed changes, noting that, as a result of the Consumer Safeguards Review, the Board had been asked to consider some matters around the governance of the scheme. In particular, the make-up of Board membership and whether Directors on the Board should have any current engagement with any member.

Consultation with members and stakeholders indicated no particular appetite for a change in this respect and it was seen as sensible to have a direct relationship to the telecommunications industry. As a result, the three categories of Directors would remain unchanged.

There was, however, appetite to see a change to the mandated requirement for two of the three positions for Industry Directors being reserved for the two largest members.

The views expressed through consultation with Telstra and Optus were that the scheme had reached maturity and it was now appropriate to move away from this composition model.

It was acknowledged that the majority of complaints coming into the TIO related to larger members, however, the industry was incredibly diverse and it was important to ensure a balance of views from across the industry was represented on the Board.

The Explanatory Statement, Explanatory Notes, and marked-up Constitution circulated to members also outlined the changes to the respective Board Charters to guide the process to be followed by the Board when selecting and appointing new Directors.

The Chair invited questions from members.

No questions or comments were received.

The Chair called on the Company Secretary to explain the formal procedural requirements for consideration of, and voting on, the proposed special resolution.

The Company Secretary noted that four proxies had been received; three of which were held by the Chair - one being an abstention; and one proxy being held by Ms Judi Jones.

In terms of the voting requirements to pass the special resolution, by virtue of clause 11.4 of the TIO Constitution and Section 9 of the Corporations Act, there were three discrete requirements for the special resolution to be passed:

- Firstly, at least five members must vote in favour of the special resolution. By virtue of clause 11.4 of the TIO Constitution, the votes of TIO members that were related companies of other TIO members would be counted as a vote from one member.
- The second requirement was that at least one carrier member and one carriage service provider member must vote in favour of the special resolution.

  For the purposes of this vote, if a carriage service provider was related to another TIO member that was a carrier member, the vote from that carriage service provider member shall be deemed to be from a carrier member.
- The third requirement was that at least 75% of the votes cast were in favour of the special resolution.

In terms of the voting procedure, by virtue of clause 11.5 of the TIO Constitution voting was initially by show of hands on a one member, one vote basis.

Any member or proxy was entitled to call for a poll before or on the declaration of the result of the show of hands. If a poll was called for, a short interval would be allowed for voting forms to be distributed and completed and for votes to be counted. On a poll, each member would have a number of votes equal to their contribution in whole dollars to the TIO's operating costs in the immediately preceding financial year.

The Company Secretary handed back to the Chair to conduct the vote.

The Chair put the special resolution to the members and called for a vote on a show of hands.

Result

The Company Secretary informed the meeting that:

- Taking into consideration the requirements of clause 11.4 of the TIO constitution which deemed votes by TIO members that were related companies of other TIO members to be from one member, a total of eight members voted in favour of the resolution. Therefore, the requirement in clause 11.4 of the TIO Constitution that at least five members vote in favour of the special resolution had been satisfied.
- Of the eight members that voted in favour of the resolution, six were carrier members and two were carriage service provider members. Therefore, the requirement in clause 11.4 of the TIO Constitution that at least one carrier member and at least one carriage service provider member vote in favour of the resolution had been satisfied.
- Of the eight members entitled to vote, all voted (on a show of hands), in favour of the resolution. This satisfied the requirement in Section 9 of the Corporations Act that at least 75% of the votes cast are in favour of the special resolution.
- Accordingly, all applicable voting requirements of the TIO's Constitution and the Corporations Act to pass the special resolution had been satisfied.

The Chair declared that the special resolution was unanimously passed.

There being no other business, the Chair thanked all for their attendance and the meeting closed at 10:58am.

Confirmed: ____ Date: ________________________

Michael Lavarch AO, Chair of the Board of Directors