

Telecommunications Industry Ombudsman Limited
ABN 46 057 634 787

Financial Report
For the year ended 30 June 2026

Level 14
717 Bourke Street
Docklands, Victoria 3008

TABLE OF CONTENTS

Directors' Report.....	3 – 20
Auditor's Independence Declaration	21
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income.....	22
Statement of Financial Position.....	23
Statement of Changes in Equity	24
Statement of Cash Flows	24
Notes to the Financial Statements.....	25 – 44
Directors' Declaration.....	45
Independent Auditor's Report.....	46 – 47

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

DIRECTORS' REPORT

The Directors of Telecommunications Industry Ombudsman Limited (**TIO**) present their report for the year ended 30 June 2026.

TIO is a company limited by guarantee and funded by its members. It was incorporated in Australia in 1993 under the *Corporations Act 2001* to investigate, resolve, make determinations and give directions relating to complaints by residential and small business consumers of telecommunications services.

The principal place of business is Level 14, 717 Bourke Street, Docklands, Victoria 3008.

OBJECTIVES, STRATEGY AND PRINCIPAL ACTIVITIES

TIO is a company limited by guarantee whose objects, briefly stated, are:

- (a) to operate the TIO scheme; and
- (b) to appoint an Ombudsman with power to receive, investigate, make decisions relating to and facilitate the resolution of complaints by residential and small business consumers of telecommunications services.

TIO's purpose is to resolve complaints fairly and drive improvement in a dynamic communications environment. This service is free for consumers and complies with the Government Benchmarks for Industry-Based Customer Dispute Resolution.

TIO fulfils its statutory obligation to resolve objections to land access activities proposed by telecommunications carriers.

The company adopted a three-year strategy in FY2024 with six key goals. The goals and objectives of this strategy are shown in the table below.

Goals	Objectives
1 A flexible, high-performance culture in which we thrive.	• Energised, trusting and courageous team. • We are supported to grow, develop and perform in a changing environment.
2 An operating model that is dynamic and fit for purpose.	• Accessible and adaptive processes that respond to fluctuations in demand and industry change. • Transform our service delivery to meet stakeholder needs and expectations (accessibility, independence, fairness, efficiency, value).
3 Deliver a valued and valuable service to consumers and community.	• Accessible and fair service. • Collaborative working relationships that support accessible service and fair resolution of complaints.
4 Deliver a valued and valuable service to industry.	• Collaborative working relationships that support efficient and fair resolution of complaints. • Demonstrated value in the TIO's service.
5 Influential and trusted voice shaping the dispute resolution environment in a changing communications market.	• Our data, knowledge and experience influences policy debate and drives market and regulatory responses. • Strategic engagement that delivers improved outcomes for consumers and industry.
6 Future ready systems and processes to ensure we remain relevant, accessible and effective.	• Robust, secure, innovative and scalable information technology and data solutions now and into the future. • Robust and mature internal governance and compliance models.

DIRECTORS' REPORT

Role of the Board

The Board of Directors oversees the management of the business, affairs, and property of TIO in accordance with the Company Constitution and the Terms of Reference.

The Board preserves the independence of the Ombudsman, who has day-to-day responsibility for the management and operation of the TIO scheme.

Responsibilities of the Board

The Board's responsibilities are set out in the Terms of Reference.

Key functions of the Board include:

- (a) overseeing the management of the business, affairs and property of TIO;
- (b) monitoring the overall performance and results of TIO and the TIO scheme;
- (c) setting goals and the overall strategy for TIO and the TIO scheme;
- (d) in relation to TIO's finances:
 - (i) overseeing the establishment of a budget that allows for the achievement of the functions above.
 - (ii) overseeing the Ombudsman's management of spending;
 - (iii) overseeing TIO's capital management, funding and cash flows, including ensuring sufficient funding for the TIO scheme; and
 - (iv) setting financial delegations;
- (e) overseeing TIO's systems for risk management, auditing and legal compliance;
- (f) appointing and terminating the appointment of the Ombudsman;
- (g) making certain policies and procedures for TIO and the TIO scheme; and
- (h) maintaining the Ombudsman's independence.

The Board has a charter to assist in the exercise of its functions and responsibilities. A copy of the Board Charter is published on TIO's website.

The Board also has committees to assist in discharging its functions. Details of the committees appear later in this report.

DIRECTORS' REPORT**Appointment of Directors**

The Company Constitution provides for a Board of nine Directors. The terms of Directors are staggered so that there is an orderly expiry of terms.

During the year, Mr Andrew Sheridan, Director with Industry Experience resigned from the Board. Ms Julie Hamblin completed her second three-year term as an Independent Director with Not-For-Profit Governance Experience.

In accordance with the Company Constitution and Board Charter, the Nominations Committee conducted a recruitment process for an Independent Director with Not-For-Profit Governance Experience arising from Ms Hamblin's impending completion of her second three-year term on the Board. The Board subsequently reappointed Ms Hamblin for a further three-year term.

The Nominations Committee also recruited for the Director with Industry Experience vacancy, created by the resignation of Mr Sheridan.

The Board appointed Mr Matthew Healy as a Director with Industry Experience effective January 2026 for a term of three years.

Newly appointed Directors receive an induction pack including the Company Constitution and Terms of Reference, Board and Committee Charters and other information to assist Directors in carrying out their duties.

New Directors are also provided with an induction consisting of one-on-one meetings with the Independent Chair, Ombudsman, Executive General Manager Legal, Policy and Regulatory Affairs and Company Secretary, and a meeting with the Executive Leadership Team.

Board Composition

The composition of TIO's Board is set out in the Company Constitution and comprises: three Independent Directors, one of whom is also the Independent Chair, three Directors with Consumer Experience and three Directors with Industry Experience.

Director	Experience	Responsibility
Professor The Hon. Michael Lavarch AO, LLB	Michael has held senior roles in government, including serving as Australia's Attorney-General from 1993 to 1996. He has also held the roles of Secretary-General of the Law Council of Australia, Commissioner for the Australian Skills Quality Authority and Chair of Australian Catholic Safeguarding Limited. He is an Emeritus Professor of Law at the Queensland University of Technology, Chief Adjudicator on the Alcohol Beverages Advertising Code Adjudication Panel, Chair of Way Forward Debt Solutions, and President of the Community Broadcasting Foundation. In 2012, Michael was appointed an Officer of the Order of Australia for distinguished service to law, education, and human rights.	Independent Chair since 15 July 2019.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED**ABN 46 057 634 787****DIRECTORS' REPORT**

Director	Experience	Responsibility
Julie Hamblin BA, LLB (Hons) (Syd), LLM (McGill), FAICD	Julie has more than 25 years' experience as a lawyer and policy consultant in the health, disability, and not-for-profit sectors, specialising in governance and risk. She currently chairs the Boards of Australian Volunteers International and Maluk Timor Australia and is a Director of The Sunrise Project Australia. Julie's previous Board roles have included Chair of Autism Spectrum Australia, Deputy Chair of Plan International Australia, Deputy Chair of the Australian Research Integrity Committee, and independent Board member of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists. She has a particular interest in global health and governance having worked with the United Nations Development Programme and other organisations on projects relating to public health and HIV/AIDS in more than 20 countries in Asia, the Pacific, Africa, and Eastern Europe.	Independent Director with Not-for-Profit Governance Experience since November 2019.
Mira Bashi BBM (Marketing), GAICD	Mira is the Customer Experience Executive for Telstra Corporation Limited. Mira has worked in the telecommunications industry for 30 years, across several major international brands, with experience in product management, development, designing, and improving end-to-end customer experiences.	Director with Industry Experience since February 2021.
Dana Beiglari BInSt, LLB (Hons)	Dana is the manager of Legal Aid NSW's Consumer Law practice group. As a social justice lawyer, she helps the most vulnerable people in NSW access their consumer protection rights in credit, insurance, and general consumer protection matters. Dana is a non-executive director of the Ecstra Foundation and is a Consumer Panel Member for the Australian Financial Complaints Authority. Dana is Co-Chair of the Law Council of Australia's Consumer Law Committee and represents Legal Aid NSW on the Australian Securities & Investments Commission's Consumer Consultative Panel.	Director with Consumer Experience since February 2022.
Mahendra (Maha) Krishnapillai BSc Mathematics, GAICD	Maha has had a career-long history promoting competition and the benefits of technology to deliver better results for all consumers in the telecommunications industry. This has been over 30 years, firstly as a Government regulator, then via a new entrant (Macquarie Telecom) and then to drive competition through the NBN campaign at Optus.	Director with Industry Experience since February 2023.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

DIRECTORS' REPORT

Director	Experience	Responsibility
Thi Thu Trang Tran (Thu-Trang) LLM (Intl. Law), GradDipLP, LLB, B.Comm (Info. Sys.)	Thu-Trang began her career as a commercial and information technology lawyer. She has since combined her social justice values, strategic leadership, and regulatory expertise in private and public sector organisations in Australia and overseas over the past two decades. Thu-Trang also serves as a Commissioner on the Victorian Liquor Commission, and serves as a Board Director with .au Domain Administration, Good Shepherd Australia New Zealand, the Victorian Interpreting and Translating Service Language Loop, and is a member of the Scanlon Foundation Research Institute Ethics Committee. She has also held executive roles in regional and state peak NFP organisations, and was previously a Commissioner on the Victorian Building Authority Board and a Board Director of Cohealth.	Director with Consumer Experience since February 2024.
Peter Gartlan Dip of Financial Counselling	Peter was previously co-Chief Executive Officer of Financial Counselling Australia, the national peak body for the financial counselling sector. He has held a number of positions including Australian Financial Complaints Authority (AFCA) General Insurance Panel. Peter formerly worked as a consultant at Knowmore Legal Service on the National Redress Scheme for survivors of institutional child sexual abuse and was previously a Director of the Energy and Water Ombudsman Victoria and former Independent Chair of the Consumer Advisory Panel at AFCA.	Director with Consumer Experience since September 2024.
Glen Noonan BSc Computer Science and Accounting, CA, GAICD	Glen is an experienced non-executive director, board chair, chair of audit risk and finance committees, professional services partner, CEO and Professor. Glen serves on several boards, including Victorian Legal Services Board & Commissioner, and The Royal Women's Hospital. Previously he was a Senior Partner with PwC where he worked for 33 years, including 24 years as a Senior Partner. Glen held a range of leadership roles and has extensive experience in finance, risk and audit, digital transformation, strategy and growth. He is the current CEO of Diabetes Victoria where he provides strategic direction and leadership to reduce the impact of all types of diabetes on individuals, families, communities, health systems and society.	Independent Director with Commercial Governance Experience since February 2025.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED**ABN 46 057 634 787****DIRECTORS' REPORT**

Director	Experience	Responsibility
Matt Healy BA, LLB, GAICD	Matt has deep experience across the communications and technology sectors having held leadership roles including as Senior Adviser to a Federal Minister, executive at an ASX listed telco and technology firm, Director at the ACCC and as strategic consultant to tech platforms. Matt is the Principal of Healy Advisory Services. He is also Chair of the McClelland Sculpture Park and Gallery, a non-executive director of EcoMarkets Australia, a Board member of The Macfarlane Fund, and a Trustee of the Dame Elisabeth Murdoch Sculpture Fund.	Director with Industry Experience since January 2026.

**Directors who retired, resigned or otherwise ceased to hold office during the year
(Information current as at date of departure)**

Director	Experience	Responsibility
Andrew Sheridan CA, MA (Hons)	Andrew is Principal of Regulatory & Public Affairs Advisory, providing strategic advice and assistance on regulatory, government and media relations matters. Andrew is an executive leader with four decades of corporate experience in senior commercial, policy, and public relations roles both in the UK and Australia. Most recently he was a member of the Optus executive team and leader of the regulatory and public affairs division with accountability for setting and executing its public affairs strategy and managing Optus' relationship with key external stakeholders from the Government and Regulatory bodies such as the ACCC and the ACMA.	Director with Industry Experience February 2018 to August 2025.

Information on Company Secretary

Company Secretary	Experience	Responsibility
Freyja McCarthy BA, LLB	Freyja was appointed Company Secretary effective August 2023. Freyja is an experienced lawyer, having specialised in telecommunications regulatory advice, competition and consumer law, intellectual property, and administrative law prior to joining the TIO legal team in 2017.	Company Secretary from August 2023.

DIRECTORS' REPORT**Access to Independent Professional Advice and Company Information**

In connection with their duties and responsibilities, all Directors and Officers of TIO have the right to seek independent professional advice at the company's expense and have the right to access company information.

Board Evaluation

The Board is committed to transparency in assessing the performance of Directors. The Board conducts regular evaluations of its performance, the performance of its Committees, the Chair, Directors and the governance process in accordance with the Board Charter. The evaluation considers the balance of skills, experience, knowledge of the telecommunication sector, diversity and how it works together. A recent external review was undertaken to assess the effectiveness and operations of the Board and its Committees.

Meetings of Directors

The Board meets as often as necessary to fulfil its role. Directors are required to allocate sufficient time to TIO to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the reporting year, the Board met eight times. The Executive General Manager Legal, Policy and Regulatory Affairs and Company Secretary and the Ombudsman attend all Board meetings. Members of the Executive Leadership Team attend meetings of the Board by invitation.

Attendance at Board and standing Board committee meetings during FY2026 is set out in the table below.

Board and Board Committee attendance in FY2026

	Board		Audit, Finance, Risk & Compliance Committee			Nominations Committee			People Committee	
	Eligible	Attended	Eligible	Attended		Eligible	Attended		Eligible	Attended
M Lavarch	8	8	4	4		4	4		4	4
A Sheridan ¹	1	1				1	1			
J Hamblin	7	6							4	4
M Bashi	8	8	4	4						
D Beiglari	8	7	4	4						
M Krishnapillai ²	8	8				3	3		4	3
T Tran	8	8				4	4		4	3
P Gartlan	8	8								
G Noonan	8	7	4	4						
M Healy ³	3	3								

¹Andrew Sheridan resigned from the Board effective 25 August 2025

²Maha Krishnapillai was appointed to the Nominations Committee effective 1 September 2025

³Matt Healy was appointed to the Board effective 1 January 2026

DIRECTORS' REPORT

Board Committees

The Board has three committees to assist it to perform its duties and allow detailed consideration of complex issues. Each committee has a charter setting out its roles and responsibilities, composition, structure, membership requirements and the way the committee operates. The charters of all committees are regularly reviewed, with changes approved by the Board.

All Board committees have authority, as delegated by the Board and within the scope of their responsibilities, to seek any information they require from any employee or an external party. They may also undertake any other activities consistent with their charters.

For the attendance of Committee members during FY2026 refer to 'Board and Board Committee attendance in FY2026' table.

Audit, Finance, Risk and Compliance Committee

Members

Glen Noonan (Chair), Michael Lavarch, Mira Bashi, Dana Beiglari

Role and focus

The role of the Audit, Finance, Risk and Compliance Committee is to assist and advise the Board on the company's audit, finance, risk and compliance management frameworks.

The Audit, Finance, Risk and Compliance Committee:

- (a) reviews and recommends to the Board the annual financial statements and Directors' report;
- (b) reviews monthly management accounting reports;
- (c) reviews the company's annual budgets and makes recommendations to the Board;
- (d) reviews business cases as required for endorsement to the Board;
- (e) monitors and reviews the external audit process, including the effectiveness of the external auditors;
- (f) reviews, recommends to the Board, and monitors progress against an internal audit plan;
- (g) monitors management of risk, including through the regular review of the company risk register; and
- (h) monitors management of compliance with relevant legislative and regulatory obligations, including breach reporting and compliance assurance.

The Audit, Finance, Risk and Compliance Committee, at its discretion, invites the auditors, Ombudsman, Chief Financial Officer, and other parties to attend its meetings. The Committee also meets annually with the auditors without management being present.

There were four meetings of the Committee held during the year ended 30 June 2026.

DIRECTORS' REPORT

Nominations Committee

Members

Michael Lavarch (Chair), Andrew Sheridan (resigned 25 August 2025), Thu-Trang Tran, Maha Krishnapillai (appointed 1 September 2025), Luke Coleman (Australian Telecommunications Alliance), Carol Bennett (Australian Communications Consumer Action Network) (resigned 26 November 2025), and Dominique Meyrick (Financial Counselling Australia) (appointed 27 November 2025).

Role and focus

The Nominations Committee identifies and recommends to the Board persons to fill vacant Board positions.

It is the only Board Committee to have external representation, with its composition set out in its Charter. The Independent Chair is the Chair of the Committee, and its members comprise:

- (a) one Director with Consumer Experience;
- (b) one Director with Industry Experience;
- (c) one person nominated by a peak group representing users of telecommunications services or public interest issues relevant to telecommunications services; and
- (d) one person nominated by a peak group representing the telecommunications industry.

The Nominations Committee:

- (a) determines the process for recruiting Directors; and
- (b) interviews and recommends to the Board suitable candidates for any vacant Board positions.

Following the resignation of Andrew Sheridan, Director with Industry Experience, in August 2025 the Board determined, in accordance with the Constitution and the Board Charter, and following a recommendation from the Nominations Committee, to appoint Matt Healy to fill the vacancy of Director with Industry Experience.

The Nominations Committee also undertook a recruitment and selection process to consider applications for the impending vacancy for an Independent Director with Not-For-Profit Governance Experience arising from the incumbent, Julie Hamblin, completing her second three-year term. The Board subsequently reappointed Ms Hamblin to this position.

People Committee

Members

Julie Hamblin (Chair), Michael Lavarch, Maha Krishnapillai, Thu-Trang Tran

Role and focus

The People Committee assists the Board in fulfilling its governance and oversight responsibilities relating to the people, remuneration, and culture of TIO.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

DIRECTORS' REPORT

The key responsibilities of the People Committee include:

- (a) Reviewing and recommending remuneration of Directors.
- (b) Monitoring the skills and capability of Board members and advising the Board on tenure and succession planning.
- (c) Recommending to the Board a performance evaluation methodology or form of assessment of the Board including the involvement of external assistance if desired.
- (d) Oversight of the Director induction program.
- (e) Oversight of the overall People and Culture strategy.
- (f) Oversight of remuneration and incentive policies.
- (g) Recommending to the Board the terms and conditions of the Ombudsman's employment contract.
- (h) Making recommendations to the Board on the Enterprise Agreement strategy.
- (i) Oversight of workplace health and safety policies and programs.

Key Management Personnel

The Directors and other key management personnel of TIO during or since the end of the financial year were:

Name	Position
M Lavarch	Independent Chair, from 15 July 2019
A Sheridan	Director, resigned effective 25 August 2025
J Hamblin	Director
M Bashi	Director
D Beiglari	Director
M Krishnapillai	Director
T Tran	Director
P Gartlan	Director
G Noonan	Director
M Healy	Director, appointed effective 1 January 2026
C Gebert	Ombudsman
F McCarthy	Executive General Manager Legal, Policy and Regulatory Affairs and Company Secretary
M Stewart	Chief Financial Officer
B Wise	Executive General Manager Operational Excellence, resigned effective 27 March 2026
M Downie Knowles	Executive General Manager People, Culture and Capability
D Osborn	Acting Executive General Manager Technology, Analytics and Business Improvement, resigned effective 31 December 2025
C Basilicata	Executive General Manager Operations, appointed effective 27 March 2026
B Rashid	Executive General Manager Data, Technology and Digital Transformation, appointed effective 20 April 2026

DIRECTORS' REPORT

ETHICAL AND RESPONSIBLE DECISION MAKING

TIO is committed to operating ethically and with integrity.

Conflicts of Interests and Disclosure of Personal Interests

The Board maintains a register of personal interests which is reviewed at every Board meeting. Any Director with a material personal interest in a matter being considered by the Board must declare their interest and may not vote on any matter in which they have declared a personal interest. Related party transactions are reported within the financial statements.

The Board requires Directors to declare the offer and acceptance of any gifts, benefits or hospitality where a potential conflict may arise. A register of gifts and hospitality offered or accepted is also maintained and presented to Directors at every Board meeting.

TIO has a Conflict of Interest Policy that sets out TIO's commitment to undertaking its functions according to the highest ethical, legal and professional standards and outlines processes for employees to deal with conflict of interest issues. Under the Policy, employees are expected to behave with honesty, transparency, integrity and fairness in dealing with TIO stakeholders, other TIO employees and the general community.

Confidentiality and Privacy

TIO maintains and respects the confidentiality and privacy of personal and financial information. Employees must not use or disclose confidential information, complaint information or personal information of any person, for any unauthorised purpose.

TIO has a Privacy Policy and privacy compliance program. TIO holds formal recognition under Commonwealth privacy laws as an external dispute resolution scheme for privacy complaints.

Feedback About the Delivery of TIO Scheme Services

As an external dispute resolution scheme, TIO recognises the right of stakeholders to complain about the services it provides under the TIO scheme and that there is a responsibility to address those complaints. Consumers and service providers may make formal compliments or complaints about the service they receive. There are mechanisms by which compliments and complaints are recorded and notes made, indicating any actions taken and outcomes achieved.

The Board receives regular reports about compliments and complaints about services provided by the TIO scheme. TIO's Compliments and Complaints Policy is available on TIO's website.

DIRECTORS' REPORT

Whistleblower Protection

TIO does not tolerate employees at any level acting improperly and supports TIO employees reporting any matter they believe constitutes reportable conduct without fear of reprisal, dismissal or discriminatory treatment.

TIO's Board reviews the Whistleblowing Policy biennially, which is regarded as an important element in combatting any corrupt, illegal and other reportable conduct that might arise within TIO, and as a necessary step to achieving good corporate governance. TIO Board receives regular reports on disclosures made in accordance with the Whistleblowing Policy.

The Board and Executive Leadership Team are trained on the requirements of the Whistleblower legislation and their specific obligations as Eligible Recipients. All employees are kept up to date with the policy through participation in an annual compliance training program.

INTEGRITY IN REPORTING

The Board is committed to ensuring that the external auditor is independent. TIO's external auditor is Deloitte Touche Tohmatsu, appointed by members at the November 2014 Annual General Meeting. The present Deloitte Touche Tohmatsu lead audit partner for TIO audit is Ms Isabelle Lefevre. The Auditor's Independence Declaration follows the Directors' report.

RISK MANAGEMENT

The Board is committed to managing risk to protect TIO's quality of service, to satisfy TIO's legislative requirements, and to safeguard TIO's image and reputation, employees, members, stakeholders and assets. The Audit, Finance, Risk and Compliance Committee monitors risk management, receiving reports from TIO's Executive Leadership Team on the risk register as a standing agenda item at Committee meetings. The Board receives a risk dashboard from management at every meeting on the status of strategic risks identified.

INSURANCE OF OFFICERS

During the financial year, TIO insured officers of the company. The officers of the company covered by the insurance policy included all Directors as listed in this report, former Board and Council members and TIO's Executives.

ENVIRONMENTAL ISSUES

TIO Facilities and Administration team provides a conduit to TIO's Executive Leadership Team on environmental matters. Apart from statutory provisions of general applicability, TIO is not subject to any specific environmental regulation.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

DIRECTORS' REPORT

EQUALITY, DIVERSITY & INCLUSION

The Board values and is committed to equality, diversity and inclusion (EDI) at TIO. The TIO respects all kinds of diversities and is absolutely committed to being inclusive. TIO recruits, develops, compensates, and promotes people regardless of ethnicity, religion, national origin, gender, sex, sexuality, intersex variation, disability, age, and life experience.

TIO has in place strategies and policies to support EDI in relation to workplace conduct, flexible working hours, hybrid work arrangements, Employee Resource Groups, a Reconciliation Action Plan, parental leave, recruitment practices, and remuneration. Policies directed at preventing sexual harassment, discrimination, bullying and victimisation in the workplace are also embedded. Processes, set out in the policies, assist and proactively support the prevention of conscious and unconscious bias within the organisation.

TIO reports annually to the Workplace Gender Equity Agency. TIO's remuneration gap analysis has not identified any significant gender pay gaps.

OPERATING RESULTS

The TIO recorded an operating deficit for \$1,845,903 for the year ended 30 June 2026.

The results for the year are as follows:

Year	Total Income \$	Total Expenditure \$	(Deficit) / Surplus \$
FY 2026	34,330,318	36,176,221	(1,845,903)
FY 2025	34,074,764	31,687,584	2,387,180

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

DIRECTORS' REPORT

REVIEW OF OPERATIONS

The FY2026 deficit of \$1.846m reflected the critical investment in the TIO's workforce configuration, technology, and systems needed to respond to a dynamic communications sector and ensure the organisation is able to continue to evolve to meet the requirements of industry and consumers for a timely and effective service.

Total income of \$34.330m was \$0.256m (0.7%) higher than the previous year mainly due to a stronger volume in high value cases. While there was a continuation in the downward trend in referral volumes driven by ongoing improvements in telco internal dispute resolution, the nature and complexity of complaints raised with the TIO is growing. Dispute Resolution activity grew by 2.2% overall, reflecting the vital role of the TIO as an office of last resort and a core part of the telecommunication industry's consumer protection regime.

Expenditure of \$36.176m was \$4.5m (14.2%) higher than FY2025. This was primarily driven by the increased cost of labour and expertise required to respond to the volume of unresolved complex cases combined with annual wage indexation and entitlements under the Enterprise Agreement. Increased consulting expenditure reflected major transformation projects for cloud-based telephony and digital consumer channels, improved website functionality and accessibility, and strategic initiatives to support a more member-centric and consumer-focused service model.

Total Complaint Handling Transactions

Complaint handling transactions for FY2026 are presented below.

Year	Enquiries	Referrals	Direct Resolution	Standard Resolution	Advanced Resolution	Complex Resolution	Land Access	Total Cases
FY 2026	14,999	54,081	3,480	3,192	1,178	612	3	77,545
FY 2025	19,907	57,913	3,405	3,112	1,209	556	10	86,112
% Change	-25%	-7%	2%	3%	-3%	10%	-70%	-10%

Overall case volumes declined by 10% in FY2026 compared to a fall of 3.9% in FY2025. Total complaints (excluding Enquiries and Land Access) were 62,543 however, reflecting a 6% decrease on the prior year figure of 66,195. While complaints and overall Enquiries have decreased from the prior year, the Dispute resolution team has seen an increase of 10% in Complex cases driven by changes in consumer and member behaviour and in strengthening of members' internal dispute resolution processes.

Employees

Employee headcount at year end was 216 compared to 204 at the end of FY2025, which equated to a full time equivalent (FTE) value of 202 employees.

The changing mix of complaint complexity and backlog in the dispute resolution queue has required an increase to our workforce to align resourcing with activity levels and ensure the appropriate value is delivered to both the Australian community and members.

DIRECTORS' REPORT

TIO has managed fluctuations in demand for services by maintaining an agile workforce and adopting several strategies which include:

- (a) using agency, casual and part time employees to increase resourcing in times of high demand as identified by our Work force Planning model;
- (b) using process automation and initiatives such as the Single Issues Cases Initiative to assist in complaint handling work that involves many repetitive and straight forward activities; and
- (c) using a range of strategies, including overtime, queue washing and batching of similar cases to manage queues.

We maintain a strong focus on the quality, efficiency and fairness of our work while responding to fluctuations in demand.

Debt Recovery

Bad debts written off during the financial year were \$63,708 (FY2025 \$146,824). Provision for bad debts at the end of the year was \$348,363 (FY2025 \$312,931). Doubtful debt provisioning is based on Accounting Standard AASB 9 *Financial Instruments – Simplified Approach* that requires TIO to recognise the expected credit loss of the receivables based on TIO's historical experience in the past 36 months. Additional details of receivables are reported in Notes to Financial Statement 3(h).

With the oversight of the Board, TIO takes a proactive approach to debt recovery, with a cross-functional group used to identify and work with members at risk. The company also works closely with the Australian Communications and Media Authority (ACMA), to manage members who fail to comply with their responsibilities under the TIO Scheme.

Membership

The *Telecommunications (Consumer Protection and Services Standard) Act 1999* requires all carriers and eligible carriage service providers to be members of TIO. Eligible carriage service providers are those which supply:

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

A carriage service intermediary who arranges the supply of the services referred to above qualifies as an eligible carriage service provider. As of 30 June 2026, there were 1,822 members. Over the past year, 106 members left the scheme due to the cessation of their operations as telecommunications providers or discontinuing business altogether, while 182 businesses joined as new members.

In FY26, we referred 1 provider to the Australian Communications and Media Authority for

DIRECTORS' REPORT

non-compliance with membership requirements. This referral is still under investigation.

Communication with Members

In FY2026 we continued working collaboratively with members to help reduce complaints, provide updates on our work or processes, and give insights into emerging trends. In turn, members kept us up to date on changes in their processes, complaint handling timelines or natural disaster impacts. This meant our people could share this information when consumers contacted us with a query or issue.

Our Member Engagement and Communications and Member Services teams work to build and maintain relationships with members so the benefits can be passed onto consumers. The teams provides members an access point to learn about our services and processes and to raise issues or concerns.

The Member Engagement and Communications team continued to strengthen the TIO's relationship with members through a comprehensive program of events, communications and capability-building initiatives. National Member Forums, Ask the Ombudsman sessions, Member Inductions and Let's Talk! Webinars, provided valuable opportunities for members to engage directly with the Ombudsman and Executive Leadership Team, gain insights into emerging issues and stay informed about operational and strategic developments. These forums also created opportunities for members to ask questions, share experiences and contribute to discussions on issues affecting the telecommunications sector.

Participation remained strong across members of all sizes, reflecting the importance of accessible and meaningful engagement opportunities. Feedback consistently highlighted the value of direct access to the TIO Executive Leadership Team, transparent communication and opportunities to discuss emerging industry challenges and priorities. Supporting this commitment to transparent information sharing, the launch of the new Member Portal expanded members' access to information, resources and support, including a dedicated library of event recordings and educational materials.

The TIO refreshed its member induction program to ensure new and existing members have access to current information about the TIO's role, services and complaint handling processes. The program strengthened understanding of membership obligations and the role the TIO plays in the industry, supporting members to engage more effectively with the scheme and their customers.

Through MNews and other member communications, the TIO also provided regular updates on operational initiatives, industry developments and key organisational projects, helping members stay informed and connected. Together, these initiatives contributed to a more informed and engaged membership while reinforcing the TIO's commitment to accessible, timely and member-focused communication.

Looking ahead, the TIO will continue to build on these foundations to deliver a more responsive, accessible and member-focused experience. Future priorities will focus on expanding opportunities for members to learn, connect and share insights, while providing

DIRECTORS' REPORT

greater access to information, education and practical resources. The TIO will continue to invest in technology, data, tools and people to strengthen transparency, collaboration and industry capability. Focus areas include enhancing educational content, increasing opportunities for direct engagement with members and ensuring resources remain relevant and accessible in a rapidly changing operating environment. The TIO will also continue to leverage member feedback to inform future initiatives and service improvements.

Member Liability

TIO is a company limited by guarantee. Every member undertakes that if the company is wound up during the currency of the member's membership or within one year of the member ceasing membership, it will contribute to the property of TIO for:

- (a) payment of the debts and liabilities of TIO incurred before it ceased to be a member;
- (b) the costs, charges and expenses of winding up; and
- (c) an adjustment of the rights of the contributories among themselves,

such amount as may be required, provided such amount shall not exceed one hundred dollars (\$100).

Dividends

Under the terms of its Constitution, TIO is not permitted to pay dividends to members.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the company.

DIRECTORS' REPORT

Matters Subsequent to the end of the Financial Year

At the date of this report, no other matter or circumstance has arisen since 30 June 2026 that has significantly affected or may significantly affect:

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

Signed in accordance with a resolution of the Board of Directors

Director:



Director:



Dated this 15th day of September 2026

The Board of Directors
Telecommunications Industry Ombudsman Limited
Level 14, 717 Bourke Street
Docklands, VIC 3008

15 September 2026

Dear Board Members,

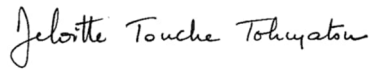
Auditor's Independence Declaration to Telecommunications Industry Ombudsman Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Telecommunications Industry Ombudsman Limited.

As lead audit partner for the audit of the financial report of Telecommunications Industry Ombudsman Limited for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully


DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre
Partner
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026**

	Note	2026 \$	2025 \$
<u>Continuing operations</u>			
Revenue from members	5	33,737,332	33,391,428
Other income	5	592,986	683,336
Total income		34,330,318	34,074,764
Less: expenses			
Depreciation and amortisation expenses	6	(1,485,728)	(1,358,045)
Employee benefits expense		(29,665,592)	(25,919,104)
Occupancy expense		(775,261)	(763,301)
Marketing expense		(165,112)	(176,551)
Finance costs	6	(90,299)	(82,909)
Bad & doubtful debts expense	10	(99,140)	(165,667)
Information technology expense		(2,066,484)	(1,918,625)
Consultancy expense		(1,114,123)	(471,554)
Legal expense		(104,444)	(110,893)
Travel expense		(95,783)	(70,046)
Telephone and faxes		(86,570)	(138,980)
Other expenses		(427,685)	(511,909)
Total expenses		(36,176,221)	(31,687,584)
Surplus / (Deficit) for the year		(1,845,903)	2,387,180
Total comprehensive income / (deficit) for the year		(1,845,903)	2,387,180

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$	2025 \$
Current assets			
Cash and cash equivalents	16	4,569,586	4,226,196
Other short-term investments	17	8,000,000	11,500,000
Trade and other receivables	10	2,563,251	956,866
Other assets	9	863,596	882,004
Total current assets		15,996,433	17,565,066
Non-current assets			
Property, plant and equipment	7	493,493	485,432
Right-of-Use Assets	8a	6,264,235	1,234,931
Total non-current assets		6,757,728	1,720,363
Total assets		22,754,161	19,285,429
Current liabilities			
Trade and other payables	12	1,722,103	1,204,490
Lease liabilities	8b	984,731	1,822,637
Provisions	11	3,708,803	3,362,773
Total current liabilities		6,415,637	6,389,900
Non-current liabilities			
Lease liabilities	8b	5,584,214	310,448
Provisions	11	408,963	393,831
Total non-current liabilities		5,993,177	704,279
Total liabilities		12,408,814	7,094,179
Net assets		10,345,347	12,191,250
Accumulated Surplus			
Accumulated surplus		10,345,347	12,191,250
Total accumulated surplus		10,345,347	12,191,250

The Statements above should be read in conjunction with the accompanying notes.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$	2025 \$
Accumulated Surplus		
At beginning of the year	12,191,250	9,804,070
Movements in equity - deficit for the year	(1,845,903)	2,387,180
Balance at the end of the year	10,345,347	12,191,250

The Statements above should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$	2025 \$
Cash flow from operating activities			
Receipts from members		36,222,956	36,564,502
Payments to suppliers and employees		(37,730,350)	(32,792,279)
Interest component of lease liabilities		(87,724)	(80,270)
Interest received		528,312	640,759
Bank charges paid		(2,575)	(2,639)
Net cash used in operating activities	18	(1,069,381)	4,330,073
Cash flow from investing activities			
Payment for plant and equipment		(320,645)	(189,067)
Net receipt / (payment) for investment - term deposits		3,500,000	(5,000,000)
Net cash used in investing activities		3,179,355	(5,189,067)
Cash flow from financing activities			
Payment of principal component of lease liabilities		(1,766,584)	(1,711,334)
Net cash provided by / (used in) financing activities		(1,766,584)	(1,711,334)
Reconciliation of cash			
Cash at beginning of financial year		4,226,196	6,796,524
Net increase / (decrease) in cash held		343,390	(2,570,328)
Cash at end of financial year	16	4,569,586	4,226,196

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

NOTE 1: GENERAL INFORMATION

The financial report is for the Telecommunications Industry Ombudsman Limited (TIO) as an individual entity. Telecommunications Industry Ombudsman Limited is a company limited by guarantee, incorporated and domiciled in Australia. Telecommunications Industry Ombudsman Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The registered office of TIO is:

Telecommunications Industry Ombudsman

Level 14

717 Bourke Street

Docklands VIC 3008

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Accounting Standards, and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of TIO comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS Accounting Standards as issued by the IASB.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention as described in the accounting policies in Note 3.

NOTE 2: ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS (AASB) ((S

The entity has adopted all new and revised Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2025.

NOTE 3: SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by TIO in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue

Membership fees are charged to members to fund 70 to 75 percent of the operating budget for the provision of TIO's independent dispute resolution services to residential consumers and small business who have unresolved complaints about their telecommunication services in Australia. The 70 to 75 percent funding requirement is allocated to members based on the percentage of the number of referrals the member had in the previous calendar year compared to the total referrals received in that year. A minimum annual fee of \$400 (before GST) is charged, and pro-rated for new members. The Board retains discretion under the Constitution to amend the percentage applied. Membership fee revenue is recognised on a straight-line basis over the membership period as the related services are provided to members.

Case fees for handling of consumer complaints are charged to members at varying prices relative to the complexity of the case at its conclusion when the performance obligation is satisfied.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

TIO recognises income from legal proceedings when the outcome of the proceedings is virtually certain and can be measured with reliability.

(b) Employee benefits*Short-term and other long-term employee benefits*

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by TIO in respect of services provided by employees up to the reporting date.

NOTE 3: SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**(c) Taxation**

TIO is exempt from income tax under item 2.1 of section 50-10 of the *Income Tax Assessment Act 1997*.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	10%	Straight line
Plant and equipment at cost	33%	Straight line
Furniture, fixtures and fittings at cost	14%	Straight line

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale's proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTE 3: SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**(e) Right-of-use assets**

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever TIO incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

During the year, TIO entered into a new office lease for Level 18, Tower 5, 727 Collins Street, Docklands, Victoria. The right-of-use asset and corresponding lease liability were recognised from 1 May 2026, being the lease commencement date, with lease payments commencing on 1 September 2026. The lease has been accounted for in accordance with AASB 16 Leases.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

(f) Financial instruments

Financial assets and financial liabilities are recognised when TIO becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Subsequent to initial recognition, all financial assets are measured at amortised cost and all financial liabilities are measured at fair value through profit or loss.

(g) Financial assets

Financial assets are held till contractual maturity and not for sale before maturity and are measured at amortised cost.

Cash, cash equivalents, and short-term deposits

Cash, cash equivalents, and short-term deposits include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions.

NOTE 3: SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**(g) Financial assets (continued)**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short-term and highly liquid investments with original maturities of three months or less that is readily convertible to known amounts of cash. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position.

Trade receivables

Receivables are carried at nominal amounts due, less any provision for impairment.

Amounts due from all members are recognised as trade receivables.

Collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established using the impairment provisions of AASB 9 *Financial Instruments – Simplified Approach* that recognised lifetime expected credit losses for amounts due from members.

(h) Financial liabilities

Financial liabilities, measured at fair value, are classified as current liabilities unless TIO has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other payables

Liabilities are recognised for amounts to be paid in future for goods and services received. These amounts represent liabilities for goods and services provided to TIO prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest bearing loans and borrowings

Finance leases are accounted for at their principal amounts, with the lease payments discounted to present value using the interest rate implicit in the lease. Interest is accrued over the period it becomes due and recognised as part of payables.

(i) Comparative information

Where necessary, comparative information has been reclassified to achieve consistency with the current year's presentation and classification.

NOTE 4: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of TIO's accounting policies, which are described in note 3, the Directors of TIO are required to make judgements, estimates and assumptions about the amortised cost of assets and fair value of liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Key estimates include:

- **Lease term and Incremental Borrowing Rate**
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date.

Factors considered may include the importance of the asset to TIO's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements, and the costs and disruption to replace the asset. TIO reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

In addition, at the commencement of a lease the incremental borrowing rate is utilised in order to measure the present value of the lease payments to be made. The incremental borrowing rate is a function of both the aforementioned lease term and the credit risk of the company. Judgement is required in determining such rates.

- The timing of future cash flows within the provisions for Long Service Leave.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

NOTES TO THE FINANCIAL STATEMENTS

- The assessment for the provision for doubtful debts.
- The assessment of the useful life of fixed assets.

NOTE 5: REVENUE AND OTHER GAINS AND LOSSES

	2026 \$	2025 \$
Revenue from members		
Membership Fees	24,794,751	24,759,162
Case Fees	8,942,581	8,632,266
	<u>33,737,332</u>	<u>33,391,428</u>
Other income		
Interest income	585,925	668,893
Other	7,061	14,443
	<u>592,986</u>	<u>683,336</u>
Total Income	<u><u>34,330,318</u></u>	<u><u>34,074,764</u></u>

NOTE 6: DEFICIT FOR THE YEAR FROM CONTINUING OPERATIONS

	2026 \$	2025 \$
Depreciation and amortisation expenses		
Leasehold	150,095	150,095
Plant and equipment	136,978	118,756
Furniture and fittings	25,512	30,681
Right-of-use Assets	1,173,143	1,058,513
	<u>1,485,728</u>	<u>1,358,045</u>
Finance costs		
Bank charges	2,575	2,639
Interest on lease liabilities	87,724	80,270
	<u>90,299</u>	<u>82,909</u>

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2026 \$	2025 \$
Leasehold improvements		
Leasehold improvements at cost	1,475,932	1,475,932
Accumulated depreciation	<u>(1,450,916)</u>	<u>(1,300,822)</u>
	25,016	175,110
Plant and equipment		
Plant and equipment at cost	909,108	886,048
Accumulated depreciation	<u>(775,613)</u>	<u>(638,636)</u>
	133,495	247,412
Furniture, fixtures and fittings		
Furniture, fixtures and fittings at cost	321,938	321,938
Accumulated depreciation	<u>(284,540)</u>	<u>(259,028)</u>
	37,398	62,910
WIP		
Work in Progress	<u>297,584</u>	<u>-</u>
	297,584	-
Total property, plant and equipment	<u>493,493</u>	<u>485,432</u>

NOTES TO THE FINANCIAL STATEMENTS

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

Leasehold improvements

Opening carrying amount	175,110	325,205
Depreciation expense	(150,095)	(150,095)
Closing carrying amount	<u>25,016</u>	<u>175,110</u>

Plant and equipment

Opening carrying amount	247,412	177,101
Additions	23,061	189,067
Depreciation expense	(136,978)	(118,756)
Closing carrying amount	<u>133,495</u>	<u>247,412</u>

Furniture, fixtures and fittings

Opening carrying amount	62,910	93,591
Depreciation expense	(25,512)	(30,681)
Closing carrying amount	<u>37,398</u>	<u>62,910</u>

WIP

Opening carrying amount	-	-
Additions	297,584	-
Closing carrying amount	<u>297,584</u>	<u>-</u>

NOTE 8: RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES

Lease liabilities are secured by the assets leased and represent the discounted future rentals payable by the Group for its leased office property. This lease is negotiated for a term of 7 years and rentals are fixed for 7 years with an option to extend for a further 7 years at the then prevailing market rate.

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

NOTES TO THE FINANCIAL STATEMENTS

(a) Right-of-use Assets

	2026	2025
	\$	\$
Right-of-use Assets	13,788,454	7,586,008
Accumulated amortisation	(7,524,219)	(6,351,077)
	<u>6,264,235</u>	<u>1,234,931</u>
Total Right-of-use Assets	<u>6,264,235</u>	<u>1,234,931</u>

Reconciliations

Reconciliation of the carrying amounts of Right-of-Use assets at the beginning and end of the current financial year.

Right-of-use Assets

Opening balance	1,234,931	2,293,444
Amortisation expense	(1,173,142)	(1,058,513)
Level 18, Tower 5, 727 Collins Street, VIC 3008	6,202,446	-
Closing carrying amount	<u>6,264,235</u>	<u>1,234,931</u>

(b) Lease Liabilities

	2026	2025
	\$	\$
Lease Liabilities		
Current	984,731	1,822,637
Non-current	<u>5,584,214</u>	<u>310,448</u>
	<u>6,568,945</u>	<u>2,133,085</u>

Lease Liabilities maturing :

Year 1	1,083,592	1,854,310
Year 2	970,659	310,803
Year 3	1,024,214	-
Year 4	1,079,723	-
Year 5	1,137,259	-
Onwards	<u>2,667,115</u>	<u>-</u>
	7,962,563	2,165,113
Less: Unearned interest	<u>(1,393,618)</u>	<u>(32,028)</u>
	<u>6,568,945</u>	<u>2,133,085</u>

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: OTHER ASSETS

	2026 \$	2025 \$
Prepayments	706,139	771,781
Accrued Interest Revenue	157,457	110,223
	<u>863,596</u>	<u>882,004</u>

NOTE 10: TRADE AND OTHER RECEIVABLES

	2026 \$	2025 \$
Trade debtors	2,110,099	541,256
Provision for doubtful debts	(348,363)	(312,931)
	<u>1,761,736</u>	<u>228,325</u>
Accrual revenue	781,182	651,896
Other receivables	20,333	76,645
Total Trade and Other Receivables	<u>2,563,251</u>	<u>956,866</u>

Movement in the allowance for doubtful debts

Balance at the beginning of the year	312,931	294,088
Impairment losses recognised on receivables	99,140	165,667
Amounts credited during the year as uncollectable	(63,708)	(146,824)
Balance at the end of the year	<u>348,363</u>	<u>312,931</u>

TIO measures the loss allowance for trade receivable at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimates using a provision matrix by reference to past defaults experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. TIO has recognised a loss allowance of 90 per cent against all receivables over 365 days past due because historical experience has indicated that these receivables are generally minimally recoverable.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: TRADE AND OTHER RECIEVABLES (continued)

The ageing of the trade receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2026	2025	2026	2025	2026	2025
Consolidated	%	%	\$	\$	\$	\$
Not Due	0.0%	10.0%	1,346,095	218,524	200	19,578
0-30 days past due	0.0%	20.0%	188,451	8,548	50	1,777
31-60 days past due	10.0%	40.0%	97,932	78,295	14,012	27,982
61-90 days past due	10.0%	50.0%	13,704	2,866	1,381	1,303
91-120 days past due	20.0%	60.0%	4,375	3,353	835	1,858
120 - 365 days past due	50.0%	95.0%	242,019	229,671	141,510	260,434
More than 365 days past due	90.0%	0.0%	217,523	-	190,375	-
			<u>2,110,099</u>	<u>541,256</u>	<u>348,363</u>	<u>312,931</u>

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: PROVISIONS

	2026	2025
(a) Employee Provisions	\$	\$
CURRENT		
Provision for Annual Leave	2,175,070	1,997,123
Provision for Long Service Leave	1,458,733	1,365,650
	<u>3,633,803</u>	<u>3,362,773</u>
NON CURRENT		
Provision for Long Service Leave	408,963	318,831
	<u>408,963</u>	<u>393,831</u>
Total employee benefit liability	<u>4,042,766</u>	<u>3,756,604</u>
Number of employees at year end	216	204

Accounting policy for employee provisions are provided in Note 3 (b).

	2026	2025
(b) Make Good Provision	\$	\$
CURRENT		
Provision for Make Good	75,000	-
NON CURRENT		
Provision for Make Good	-	75,000

NOTE 11: PROVISIONS (continued)

	Annual Leave Provision	Long Service Leave Provision	Make Good Provision	Total
	\$	\$	\$	\$
At 1 July 2025	1,997,123	1,684,481	75,000	3,756,604
Additional provision in the year	2,321,795	330,797	-	2,652,592
Utilisation of provision	(2,143,848)	(147,582)	-	(2,291,430)
At 30 June 2026	<u>2,175,070</u>	<u>1,867,696</u>	<u>75,000</u>	<u>4,117,766</u>

NOTE 12: TRADE AND OTHER PAYABLES

	2026	2025
	\$	\$
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	1,141,538	890,291
Sundry creditors and accruals	580,565	314,199
	<u>1,722,103</u>	<u>1,204,490</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks comprising:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Fair values

The Board of Directors have overall responsibility for identifying and managing operational and financial risks.

The company holds the following financial instruments:

	2026 \$	2025 \$
Financial assets		
Cash and cash equivalents	4,569,586	4,226,196
Other short-term investments	8,000,000	11,500,000
Trade and other receivables	2,563,251	956,866
	<u>15,132,837</u>	<u>16,683,062</u>
Financial liabilities		
Payables	1,722,103	1,204,490
Lease liabilities	6,568,945	2,133,085
	<u>8,291,048</u>	<u>3,337,575</u>
Credit standby arrangements with banks (Corporate Credit Cards)		
Credit facility	150,000	150,000
Amount utilised	(15,911)	(5,972)
Unused credit facility	<u>134,089</u>	<u>101,000</u>

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The company's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities is as follows:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: FINANCIAL RISK MANAGEMENT (continued)

Financial instruments	Interest bearing	Non interest bearing	Total carrying amount	Weighted average effective interest rate	Interest rate type
	\$	\$	\$		
2026					
Financial assets					
Cash	-	-	-	0.00%	
Cash at bank - interest bearing account	1,522,448	-	1,522,448	3.125%	Floating
Cash at bank - call account	47,138	-	47,138	0.009%	Floating
Term Deposit Investment (less than 3 months)	3,000,000	-	3,000,000	0.000%	Floating
Term Deposit Investment (3 to 12 months)	8,000,000	-	8,000,000	4.730%	Floating
Trade and other receivables	-	2,563,251	2,563,251	0.000%	
	12,569,586	2,563,251	15,132,837		
Financial liabilities					
Payables	-	1,722,103	1,722,103	0.00%	
Lease Liabilities	-	6,568,950	6,568,950	0.00%	
	-	8,291,053	8,291,053		
2025					
Financial assets					
Cash	-	500	500	0.00%	
Cash at bank - interest bearing account	3,179,558	-	3,179,558	2.917%	Floating
Cash at bank - call account	46,638	-	46,638	0.055%	Floating
Term Deposit Investment (less than 3 months)	1,000,000	-	1,000,000	3.920%	Floating
Term Deposit Investment (3 to 12 months)	11,500,000	-	11,500,000	4.443%	Floating
Trade and other receivables	-	956,866	956,866	0.000%	
	15,726,196	956,866	16,683,062		
Financial liabilities					
Payables	-	1,198,849	1,198,849	0.00%	
Lease Liabilities	-	2,133,085	2,133,085	0.00%	
	-	3,331,934	3,331,934		

NOTE 13: FINANCIAL RISK MANAGEMENT (continued)

Sensitivity

The main risk arises from cash and cash equivalents, and the interest income they derive.

The aggregate net fair value and amortised cost of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

(b) Credit risk

Credit risk is the risk that a debtor will not repay all or a portion of an amount outstanding in a timely manner and therefore will cause a loss to TIO.

Debtors are actively monitored and follow up actions are taken as required.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the balance date of recognised financial assets is the amortised cost of those assets, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

The company's debtors are concentrated in one industry.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

(ii) Trade receivables

The ageing analysis of trade and other receivables is provided in Note 10. As the company undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the company may not have or may not be able to raise funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.

TIO maintains a cash reserve and actively monitors its cash flow position to ensure its ability to meet its debts as and when they fall due. In addition, TIO's Constitution provides that it can impose a special levy on TIO members or a particular class of member.

NOTE 13: FINANCIAL RISK MANAGEMENT (continued)**(d) Fair values**

The fair value of financial assets and financial liabilities approximates their amortised cost as disclosed in statement of financial position and notes to financial statements.

NOTE 14: RELATED PARTY TRANSACTIONSCompensation of key management personnel

Compensation received by key management personnel of the company

	2026	2025
	\$	\$
Short-term employee benefits	2,595,001	2,407,346

The composition of key management personnel includes Board Directors, Ombudsman, Executive General Managers, CFO, and Company Secretary.

Other related party transactions

Transactions with key management personnel of the entity or its parent and their personally related entities:

(i) M. Bashi, a TIO director, is the Customer Experience Executive for Telstra Corporation Limited. TIO membership and complaint handling fees for FY26 totalled \$13,185,104 (FY25: 14,833,136). Telstra Corporation invoiced the TIO for FY26 totalled \$63,175(FY25:\$159,279) for the provision for telecommunication services.

(ii) A Sheridan, a TIO director, was the Vice President of Regulatory and Public Affairs of Optus until March 2025. TIO membership and complaint handling fees for FY26 totalled \$7,732,756 (FY25: 9,739,391). Optus invoiced the TIO for FY26 \$11,305(FY25: \$13,980) for the provision for telecommunication services.

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

TELECOMMUNICATIONS INDUSTRY OMBUDSMAN LIMITED

ABN 46 057 634 787

NOTES TO THE FINANCIAL STATEMENTS

Note 15: REMUNERATION OF THE AUDITORS

	2026	2025
	\$	\$
Deloitte Touche Tohmatsu		
Audit of the financial report	85,836	75,920
Other services - Consulting	13,171	54,091

NOTE 16: CASH AND CASH EQUIVALENTS

	2026	2025
	\$	\$
CURRENT		
Cash at bank	1,522,448	3,179,558
Cash on deposit	47,138	46,638
Term Deposit	3,000,000	1,000,000
	<u>4,569,586</u>	<u>4,226,196</u>

NOTE 17: OTHER SHORT-TERM INVESTMENTS

	2026	2025
	\$	\$
Term Deposit	8,000,000	11,500,000

The maturity date of the term deposit of \$1,000,000 is 2 October 2026, and the rate is 5.01%.

The maturity date of the term deposit of \$4,000,000 is 2 December 2026, and the rate is 5.10%.

The maturity date of the term deposit of \$3,000,000 is 2 October 2026, and the rate is 4.60%.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: RECONCILIATION OF CASH FLOW

	2026 \$	2025 \$
Cash flows from operating activities		
Deficit from ordinary activities	(1,845,903)	2,387,180
Adjustments and non-cash items		
Depreciation expenses	1,485,727	1,358,045
Movements in provision for doubtful debts	99,140	146,824
Changes in assets and liabilities		
(Increase) / decrease in receivables	(1,705,525)	(146,824)
(Increase) / decrease in other assets	18,408	-
Increase / (decrease) in payables	517,613	-
Increase / (decrease) in provisions	361,159	-
Cash flows from operating activities	(1,069,381)	3,745,225

NOTE 19: COMMITMENTS

Operating leases relating to the floor space on Level 14 and the car parks at 717 Bourke Street, Docklands, are accounted for under AASB 16 as lease liabilities and are therefore not reported as commitments.

Similarly, operating leases relating to the floor space on Level 18, Tower 5, 727 Collins Street, VIC 3008, are accounted for under AASB 16 as lease liabilities and are therefore not reported as commitments.

Commitments for reimbursable fit-out expenses for the floor space on Level 18, Tower 5, 727 Collins Street, VIC 3008 and non-lease components on both leases existing as at 30 June 2026, including cleaning and outgoings, short-term leases, and leases for low value assets for other office space, IT equipment and services, are expensed when incurred and their future instalments are reported as commitments.

	2026 \$	2025 \$
<u>Payments recognised as an expense</u>		
Minimum lease payments	543,785	533,077
<u>Non-cancellable commitments</u>		
- not later than one year	1,146,497	545,303
- later than one year and not later than five years	1,365,282	106,302
- later than 5 years	735,901	-
	3,247,680	651,605

NOTE 20: CONTINGENT LIABILITIES

TIO has no contingent liabilities.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

At the date of this report, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected or may significantly affect:

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

DIRECTORS' DECLARATION

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) In the Directors' opinion, the attached financial statements are in compliance with Australian Accounting Standards, as stated in Note 1 to the financial report;
- (c) In the Directors' opinion, the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2026 and performance of the company for the year ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

Director:  _____

Director:  _____

Dated this 15th day of September 2026

Independent Auditor's Report to the Members of Telecommunications Industry Ombudsman Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Telecommunications Industry Ombudsman (the "Entity") which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Entity's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's Directors' Report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Entity in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Entity, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

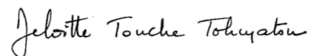
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre

Partner

Chartered Accountants

Melbourne, 15 September 2026