

ANNUAL

REPORT

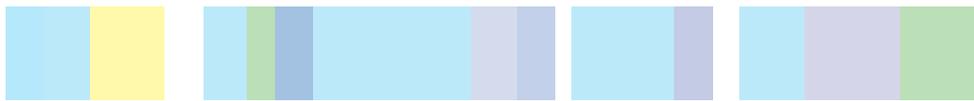
2009-2010



**Available,
accessible and
affordable communications**



**Australian Communications
Consumer Action Network**



AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED (ACCAN)
ABN 42 133 719 678

Annual Financial Report

ISSN 1838-5397

For The Year Ended 30 June 2010

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ABOUT ACCAN

Who we are

The Australian Communications Consumer Action Network (ACCAN) is the peak body that represents all consumers on communications issues including telecommunications, broadband and emerging new services. We provide a strong, unified voice to industry and government as we work towards availability, accessibility and affordability of communications services for all Australians. Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues.

We aim to empower consumers so that they are well informed and can make good choices about products and services. As a peak body, ACCAN will activate its broad and diverse membership base to campaign to get a better deal for all communications consumers.

ACCAN's 145 members are a diverse bunch. Our 80 organisational members include community legal centres, disability advocates, farmers' federations, financial counsellors, parents groups, regional groups, seniors' organisations and

research bodies. We are also grateful to have 60 or so individual members who support the work that we do.

ACCAN opened its doors on 1 July 2009, growing from an amalgamation of smaller groups including the Consumers Telecommunications Network and TEDICORE. We currently have 14 staff, a nine-person board of governance, and two nine-member consumer advisory bodies.

ACCAN also administers a Grant Scheme as part of its funding agreement with the Commonwealth Department of Broadband, Communications and the Digital Economy. The aims of the Scheme are to support consumer research and representation that is in line with ACCAN's strategic plan.

You can find out more about us via our website www.accan.org.au or by calling 02 9288 4000 or writing to us via email info@accan.org.au or writing to us co-: Suite 402, Level 4, 55 Mountain Street, Ultimo NSW, 2007.

The operation of ACCAN is made possible by funding provided by the Australian Government.



ACCAN's National Conference & Consumer Summit



With thanks to our founding CEO, Allan Asher

2009-10 HIGHLIGHTS

ACCAN has celebrated a number of successes in its first 12 months of operation, many of which are detailed in this report. Here is our shortlist of the things we are proud of achieving in 2009-2010.

- Our membership has grown from 30 foundation members, to 145 member organisations and individuals

The establishment of a Grants Scheme, which awards \$250,000 per annum towards research projects that further our goal of affordable, available and accessible communications

- ACCAN demonstrated well balanced and responsible funds distribution with a strong focus on our policy and campaign activities. Our financial position is stronger than last year and we managed to increase total equity by \$201,714
- Making 23 submissions to government inquiries and publishing seven research reports
- Building a strong media profile for the organisation and establishing ourselves as a go-to place for reliable consumer advice and information

- Hosting our inaugural Annual Conference & Consumer Summit “Communications Are Changing, Are You?” at the State Library of Victoria, attended by 150 delegates
- Hosting two roundtable events at Parliament House, Canberra, with the Gov 2.0 Taskforce and a Cyber-security event as part of National E-security Awareness Week.
- Welcomed the commitment to WCAG 2.0 fully accessible government websites for people with disabilities
- Successfully lobbying for changes to the legislation on behalf of the four million people who signed up for the Do Not Call register, with registrations now extended from three to five years

The coining of a new term, “iShock”, used to describe the explosion of very high excess data usage charges through the use of new devices like the iPad

- Pressuring Telstra to drop its \$2.20 “pay-to-pay” fees, which would have disadvantaged consumers who choose to pay their accounts in person at Australia Post, Telstra stores or by mail. CEO David Thodey reversed the pay-to-pay decision, acknowledging Telstra’s existing customer service woes and promising to put customers back at the centre of its business

CHAIR REPORT

ACCAN was born out of a vision to give consumers a greater, stronger voice in the competitive converged communications environment. We advocate, in everything we do, for “available, accessible and affordable communications that enhance the lives of consumers”. It has been my privilege, in ACCAN’s first year, to head a board of people with a wide range of experience in both consumer issues and communications who are committed to this vision.

In July 2009, under the leadership of Allan Asher, we recruited a number of new staff in accordance with our organisational plan. Once we had a strong staff we worked on the development of a number of consumer-engagement campaigns. We’ve always wanted to ensure individual consumers who choose to can contribute to the work we do and they are doing so in increasing numbers. ACCAN acknowledges that our advocacy builds on, and is done in cooperation with, the work done by NGO consumer groups in previous years.

In addition, ACCAN has given considerable attention to accessibility issues which are of particular concern to consumers with disabilities. We’ve argued that communications need to be an intrinsic part of the National Disability Strategy. Our argument is based on the rationale of communications as a human right, using the Convention on the Rights of Persons with Disabilities as a blueprint.

Another development this year has been the commencement of the Grants Scheme and the convening of an Independent Grants Panel. The Board has overseen the allocation of funds to a series of projects that enable research and consumer representation to be developed around issues which are traditionally neglected.

Three grant projects are due for completion this year, with seven projects due to be completed in the 2010-11 financial year. The Board sincerely thanks the Panel for their wise allocation of grant funding and to the Grant Scheme secretariat for enabling the timely commencement of projects. In addition ACCAN has allocated a proportion of its own funding to research which builds the evidence essential to pinpointing areas of industry irregularity and formulating our campaign strategies.

Two Standing Advisory Committees – one for Disability Issues (SACDI) and one for general Consumer Affairs (SACCA) have been convened. These have contributed collectively to ACCAN’s work, with individual members being a valuable resource for technical, legal and sector information. I thank the members of these Committees for their input.

In the final days of June, ACCAN held its inaugural Annual Conference & Consumer Summit. All players in the communications sector were given an opportunity to discuss fairer service delivery, in a responsive regulatory environment, with consumers as influential players in the marketplace.

This has been a year of intense activity and achievement with the communications environment in a state of rapid change. I thank the Board for their support during the year and the staff for their consistent, superlative input, and look forward to 2010-11.



Sue Salthouse
Chair, ACCAN Board

CEO REPORT

ACCAN started operating in July 2009 and since then, we've worked enthusiastically to launch a whole range of initiatives detailed in the pages that follow. One theme you'll find throughout is that all of our activities are centred on consumers. Improving consumer welfare is our chief goal and motivation.

Many people, including those from industry, were involved in a rigorous process of helping us establish our strategic plan in the first three months of our operations. ACCAN spent time listening to all stakeholders. Firstly we spoke to the 30 foundation members (we now have 145 members), then we canvassed industry groups and additional consumer groups. I am confident that our five-year strategy, which details the things that we want to achieve, covers issues that are deeply felt by key constituencies.

ACCAN's early successes are due as much as anything to the fact that we were able to tap into deep seated and strongly held views of various consumer and other constituencies. The first big goal that we set out to accomplish was to try and make the market work better for consumers. We've raised concerns about complaint handling systems, advertising and promotions and the responsiveness of companies when things go wrong. ACCAN has set about making the Ombudsman scheme more effective for consumers, and also waking up regulators whom we felt had become very sleepy.

One of the most encouraging things that occurred in the last year from my perspective is the way in which many in industry have recognised that their medium to long-term future is about finally establishing a franchise with customers based on quality of service and performance.

On the government policy side, ACCAN has had a lot to criticise the government about, especially in the absence of stronger measures in relation to consumers with disabilities. Yet there are positive signs too. The National Relay Service is now scheduled for a thorough review to make it fit for future purposes. Consumers with disabilities will soon be able to access emergency services via SMS for the first time, and that's a great big break-through.

None of those things are things are anywhere near concluded, but I can guarantee that over the next few years, as our anniversaries roll around, that the welfare of consumers will be increased annually as a result of the activities of ACCAN.

ACCAN consists of quite a few people and that includes the staff who actually do all of the work as well as the Board. And so, I'd like to say that that's where our thanks and encouragement should be going.

It's been a thoroughly constructive year for ACCAN and we remain, as always, ready, willing and able to work with anyone who wants to enhance consumer welfare, but equally ACCAN is also ready, willing and able to work against anyone who doesn't.



Allan Asher
Chief Executive Officer
ACCAN

POLICY AND CAMPAIGNS

Pay-to-Pay campaign

ACCAN's campaigning activities got off to a flying start when we successfully lobbied Telstra to drop its proposed \$2.20 charge for paying a bill in cash. When Telstra announced the charge in late July, ACCAN acted quickly to launch a campaign highlighting the unfairness of the charge, calling on Telstra to instead offer incentives for those paying by lower cost methods rather than penalising its traditional customer base.

By November 2009, Telstra CEO David Thodey had reversed his decision saying, "I have listened to the community debate and believe that the way we introduced the fee did not align with our commitment to put customers back at the heart of our business".

But ACCAN didn't stop there. On 21 December 2009 we launched our Christmas Card campaign supported by CHOICE and the Australian Financial Counselling and Credit Reform Association (AFCCRA), calling on the CEOs of other major telcos to drop their pay-to-pay fees. Hundreds of people supported the campaign by personally emailing our Christmas card to CEOs. ACCAN continues to fight for fair fees.

Do Not Call Register

In early 2010 ACCAN became aware that without immediate legislative action, millions of people who were early registrants on the ACMA's Do Not Call Register were likely to start receiving unwanted telemarketing calls again. This was because a flaw in the scheme saw registrations expire after three years, and the scheme's May 2010 three-year anniversary was fast approaching. ACCAN launched a major campaign on 1 February 2010 calling for immediate legislative action to change the faulty rules. We argued that "the flood gates to intrusive and unwanted

telemarketing calls are about to open for millions of people who are unaware that their telephone number is about to be kicked off the Do Not Call Register" and called for the Senate Committee reviewing the Do Not Call Register to support the changes.

Just two months later, ACCAN succeeded in its advocacy for a last-minute reprieve when the Minister announced that he would introduce legislative amendments to extend the registration period for five years initially, while investigations into the feasibility of permanent registrations continue. ACCAN will continue to be the defender of the four million Australians who are currently signed up to the Do Not Call Register and will keep fighting for permanent registrations.

Time's up Telcos

A major focus for ACCAN during 2009-2010 was getting a better deal for telco customers. But we had to start by getting all stakeholders to accept that there was a problem and things needed to change.

ACCAN was outraged in October 2009 when the Telecommunications Industry Ombudsman (TIO) 2008-09 annual report revealed complaint issues had reached an all-time high at 480,000. We argued that time was up for telcos' bad customer service and that a \$50 compensation payment to consumers should be introduced.

In April 2010, the Australian Communications and Media Authority (ACMA) announced it would conduct a major inquiry into customer service and complaint handling in the telecommunications industry. At the same time the Minister announced that he was prepared to legislate to introduce new mandatory consumer protection standards. ACCAN warmly welcomed both announcements.

In June 2010, at our inaugural Annual Conference and Consumer Summit, ACCAN released a member survey *Talking Back: ACCAN members speak out about telco customer service*, which identified members' main concerns and their support for new mandatory consumer protection standards. In June 2010, ACCAN also commenced working on the review of the Telecommunications Consumer Protection Code and commenced a major research project into the role of principles-based regulation in the industry.

Inclusive Communications and the National Disability Strategy

During 2009 and 2010, the government was drafting its National Disability Strategy (NDS), which was designed to be a whole-of-government blueprint focused on meeting the needs of people with disabilities. ACCAN saw this as an opportunity to ensure information and communications technologies were high on the agenda. We worked with an independent consultant to identify the implications of Australia's ratification of the Convention on the Rights of Persons with Disabilities in the communications policy area.

Many members and stakeholders participated in our consultations, which resulted in the publication of the research report *Connecting Us All: The Role of the National Disability Strategy*.

In February 2010, ACCAN welcomed the commitment to fully accessible web sites, which we believe will have open up avenues to connect to government, access information and fully participate in civic life.

SMS Emergency Access

Advocates for deaf and hearing-impaired citizens have worked with consumer organisations over many years to ensure equitable access to emergency services. An ongoing frustration was the absence of a scheme that enabled people to use text messages from their mobile phone to

contact emergency services. Following a forum and roundtable discussion on access to emergency services hosted by Deaf Australia in 2008, it was agreed that "something is better than nothing" and the ACMA agreed to undertake a feasibility study into an SMS emergency scheme for Deaf, speech and hearing-impaired people. ACCAN worked closely with Deaf Australia and Deafness Forum to hold the Government to account on this vital issue. In April 2010 we welcomed an announcement from the Government that they would move to implement an SMS service on the 106 emergency number.

Our Broadband Future

Another major focus for ACCAN during 2009 and 2010 was the development of the rules and regulations surrounding the development and implementation of a national broadband network. Our advocacy revolved around four key principles:

1. Broadband for all.
2. No consumer should be worse off during the transition and following implementation of the broadband network.
3. Robust consumer protection rules for services delivered over the network must be built in from the start.
4. Services need to be provided in a competitive and fair market.

These principles identified the great need for Telstra's market power to be addressed as part of any reforms and it is an issue that ACCAN continues to campaign relentlessly on. We also advocated for a new Universal Service Obligation (USO) to include a high quality, affordable and accessible broadband service, recognising that a land line telephony service is no longer sufficient in the context of a 21st century broadband-enabled society.

CONSUMER AWARENESS

“Bill shock” stories are a perennial favourite with the media and this year provided plenty of fodder, including the South Australia state MP Russell Wortley whose son ran up a \$10,000 bill on his taxpayer-funded smartphone by downloading a football game. ACCAN commentary on bill shock featured in numerous national, metropolitan and local television, print, radio and online news stories throughout the year. We publicly criticised the telcos for their exorbitant excess data charges while pressuring them to offer their customers better data-monitoring tools and ‘capped’ products that really had caps. At the same time, we offered consumers information on how to avoid racking up enormous bills through a tip sheet on our web site.

With the release of the iPad in May 2010, we took our campaign further. ACCAN advised consumers to avoid “iShock” by buying a pre-paid 3G data plan for their new devices. The stories were featured heavily around the time of the release of this much-hyped product and we were pleased to see the telcos offering generous data allowances and competitive pricing for their pre-paid plans.

Telco advertising remains a major problem for consumers and industry alike; with confusing and misleading offers trapping the unwary and running seriously close to the line for the regulator. In early June the Australian Competition and Consumer Commission (ACCC) initiated proceedings in the Federal Court against Singtel Optus, alleging the company misled and deceived consumers by advertising a number of products as “unlimited”, which were subsequently found to have... you guessed it, limits.

This was another major theme for ACCAN this year. We formally submitted six other advertisements that we also believe to be

potentially in breach of the Trade Practices Act 1974 and went public in The Australian’s Media section. ACCAN remains deeply concerned about the continuing race to the bottom being played out in the small print of telco advertising campaigns. If billing and customer service issues are to be addressed it must start with higher standards of advertising.

Our own and other news stories, government and industry information and a member event calendar are mailed out on a Tuesday via our free WebNews service, which now has 600 subscribers. You can sign up on our website www.accan.org.au.

We created our first video, The Digital Divide, which debuted at our conference in June and has since been viewed 250 times. The video is captioned and available on our site, along with the transcript. Thank you to the people who participated in the project: Laurence, of shortformvideo who created the video; Nan Bosler, President of Australian Seniors Computing Clubs; Dr Scott Hollier, Media Access Australia; Kevin, an advocate for homeless people; Chris Hartley from the Public Industry Advocacy Service; and Daniel Featherstone, on behalf of the Indigenous Remote Communications Association.



Elissa Freeman and Allan Asher filming a segment for a current affairs program

SUBMISSIONS AND PUBLICATIONS

Submission on Telecommunications (Emergency Call Service) Determination 2009 to the Australian Communications and Media Authority, 28 June 2010

Submission on Geographic Numbering Amendments to the Australian Communications and Media Authority, 1 June 2010

Our Broadband Future: What consumers want, Position statement, published June 2010

Talking Back: ACCAN Members speak out about telco customer service, Member survey, published May 2010

Connecting us all: The Role of the National Disability Strategy, research report, published May 2010

Submission on NBN Implementation Study to the Department of Broadband, Communications and the Digital Economy, 31 May 2010

Submission to the Joint Select Committee on Cyber-Safety, 28 April 2010

Submission on Trade Practices Amendment (Australian Consumer Law) Bill (No. 2) 2010 to the Senate Economics Committee, 27 April 2010

Submission on Telecommunications Service Provider (MPS) Determination 2010 (no.2) to the Australian Communications and Media Authority, 16 April 2010

Submission on National Broadband Network Companies and Access Arrangements Bills to the Department of Broadband, Communications and the Digital Economy, 30 March 2010

Submission on Transforming Life Outside Cities: The Potential of Broadband Services to the NSW Parliament Standing Committee on Broadband in Rural and Regional Services, 18 March 2010

Submission on Are you connected? Telecommunications availability in Rural and Regional Communities to the NSW Parliament, Standing Committee on Broadband in Rural and Regional Services, 18 March 2010

Submission on Digital Dividend Green Paper to the Department of Broadband, Communications and the Digital Economy, 8 March 2010

Submission on Mandatory Internet Service (ISP) Filtering to the Department of Broadband, Communications and the Digital Economy, 12 February 2010

Submission on Do Not Call Register Amendment Bill 2009 to the Senate Standing Committee on Environment, Communications and the Arts, 22 January 2010

Broadband Solutions for Consumers with Disabilities, research report, January 2010

Submission on Gov 2.0 Taskforce to the Department of Finance and Deregulation, 16 November 2009

Submission on Draft E-Security Code to the Internet Industry Association, 10 November 2009

Submission on Do Not Call Register Statutory Review to the Department of Broadband, Communications and the Digital Economy, 3 November 2009

SUBMISSIONS AND PUBLICATIONS

Submission on Premium SMS/MMS Barring to the Australian Communications and Media Authority, 30 October 2009

Submission on PDF Accessibility Review to the Department of Finance and Deregulation, 19 October 2009

Submission on Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill to the Senate Standing Committee on Environment, Communications and the Arts, 13 October 2009

Australian Communications Consumer Action Network, Campaigning for Consumers in Communications, Consultation Paper, published September 2009

Submission on Cyber Crime to the House of Representatives Standing Committee on Communications, 17 August 2009

Submission on Consumer Voices: Sustaining Advocacy and Research to the Commonwealth Treasury, 10 August 2009

Submission on Information Accessibility Code to the Communications Alliance, 10 August 2009

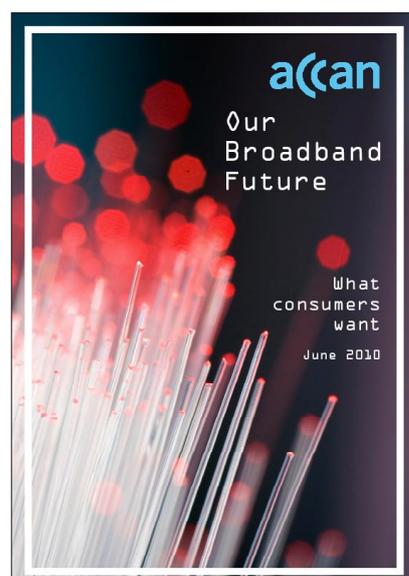
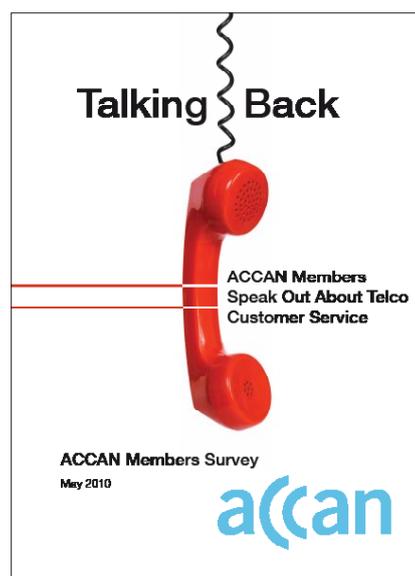
Submission on Review of Regulatory Burdens: Social and Economic Infrastructure Services to the Productivity Commission, 10 August 2009

Informed Consent, Research Report, August 2009

Customer Service, Research Report, August 2009

Future Consumer: Emerging Issues in Telecommunications and convergent communications and media, Research Report, August 2009

Submission on Review of Shared Numbers to the Australian Communications and Media Authority, 3 July 2009



COMMITTEE REPRESENTATION



ACCAN staff represented consumers on the following committees.

Australian Communications and Media Authority
– Consumer Consultative Forum

Australian Communications and Media Authority
– Emergency Call Service Advisory Committee

Australian Communications and Media Authority
– ENUM Discussion Group

Australian Communications and Media Authority
– Numbering Advisory Committee

Australian Communications and Media Authority
– Technical Working Group

Australian Competition and Consumer Commission
– Consumer Consultative Committee

Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)
– Electromagnetic Emissions Health Reference Group

Communications Alliance
– Telecommunications Consumer Protection Code Steering Group

DBCDE Cyber Security Week
– Stakeholder Forum

Deaf Australia
– Video Relay Service Working Group

DBCDE Digital Switchover Taskforce
– Consumer Expert Group

National Forum
– Emergency Warnings to the Community

National Relay Service
– Consumer Consultative Committee

COAG Online Communications Council
– National Broadband Development Group

Optus
– Consumer Liaison Forum

DBCDE
– Stakeholder Reference Group on Fibre in Greenfields

Standards Australia
– Council

Telecommunications Industry Ombudsman
– Council

Telecommunications Information Services Standards
– Council

Telstra
– Disability Forum

RESEARCH AND GRANTS SCHEME

Research

Foundational reports

In the first quarter of the financial year, ACCAN released three key pieces of research to help formulate its first strategic plan and work plan.

Future Consumer: Emerging Consumer Issues in Telecommunications and Convergent Communications and Media for the first time brought together consumer-focused case studies across telecommunications and mobiles, the internet, affordability, and broadcasting to sketch out the field of play for consumer advocacy.

The *Informed Consent* report presented a consumer perspective on informed consent in the communications industry, including advice on information that should be given to consumers and methods of conveying this information. The report also addressed the issue of obtaining informed consent from specific, vulnerable consumer groups.

The *Customer Service* report provided advice on mechanisms to enhance customer service in the communications sector, including the effectiveness of customer service charters, the effectiveness of existing codes, code development and code review processes.

Broadband Solutions for Consumers with Disabilities

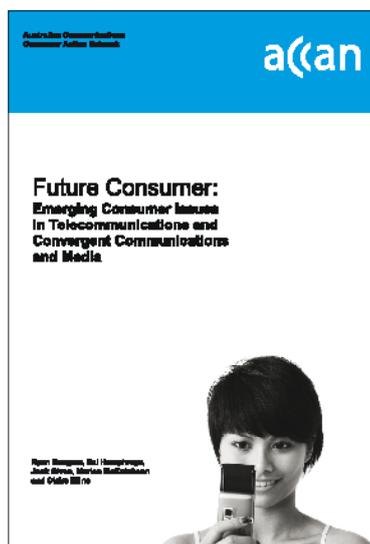
Released in February 2010, this international project reported on 16 high-speed broadband applications in Europe, the United States and Japan that can deliver potentially life-transforming services for people with disabilities.

Planning and profile

In the second half of the year, with a full-time Research and Grants Coordinator on board, ACCAN began to further hone its research path, publishing our first Research Prospectus. The Prospectus described how ACCAN's research work would be targeted to help understand and illustrate key issues affecting consumers in order to advocate more powerfully. The body of work would be developed through partnerships, grants, and through the collation of diverse publically available existing research. At this point, ACCAN also began to consult with key research stakeholders to build an engaged ACCAN research network.

In the pipeline

In the last quarter of the year ACCAN launched its research agenda. We formed partnerships with the Communications Law Centre at the University of Technology Sydney, the University of New South Wales Cyberspace Law and Policy Centre, and Australia Policy Online (a research and policy database and living guides). ACCAN also began developing a number of other projects, including our inaugural Research Linkage Forum, slated for late 2010.



Grants Scheme

Establishment of the Independent Grants Panel

ACCAN's Grants Scheme is administered as part of its funding agreement with the Commonwealth Department of Broadband, Communications and the Digital Economy. The aims of the Scheme are to support consumer research and representation that is aligned with ACCAN's strategic plan.

ACCAN developed a robust and open grants governance framework in the spirit of the *Commonwealth Grant Guidelines*. This included developing a Grant Deed Pro Forma, Application Guidelines and Application Form, and a number of internal procedures including a Conflict of Interest Policy. ACCAN also became a member of the Australian Institute of Grants Management and has already planned a review of the Scheme's first year in late 2010.

Recommendations on funding to the ACCAN Board are made by the Independent Grants Panel comprising three external board-appointed experts. Members of the Panel were: Robin Banks, CEO of the Public Interest Advocacy Centre; Kate Cornick, Executive Director of the Institute for a Broadband Enabled Society at the University of Melbourne; and Tim Dwyer, postgraduate research coordinator for the Department of Media and Communications at the University of Sydney.

Two rounds of funding were conducted in the financial year to support projects in this and next financial year. The Scheme carried a budget of \$101,600 for Round One 2010 and a budget of \$250,000 for Round Two 2010. All the projects were scheduled for completion by 30 June 2011.

Round One 2010

- A study of privacy complaint paths and outcomes by the Cyberspace Law and Policy Centre, University of New South Wales (\$30,000);

- *Internet Scams: how to protect yourself*, a consumer education initiative by the WA Deaf Society (\$49,600);
- An international literature review on Culturally and Linguistically Diverse communications consumers by the National Ethnic Disability Alliance (\$22,000).

Round Two 2010

- Able Australia Services (\$14,750) for a consumer research and representation project titled, "Research and practical telecommunication solutions for deafblind Australians";
- Brotherhood of St Laurence (\$58,000) for a consumer research and representation project titled "Youth Advocates";
- Council in the Ageing WA (\$20,000) for a project titled, "Reducing the information divide: The impact of internet usage rates amongst female seniors on the provision of information and services;"
- Danielle Notara (\$12,500) for a consumer research project titled, "The Three E's – E-community, Enhanced service delivery and Equitable access for regional consumers under the NBN: a study of the Northern Rivers Region";
- Institute for Interactive Media and Learning – University of Technology Sydney (\$45,000) for a consumer research project titled, "Mind the Gap: refugees and communications technology literacy";
- Novita Children's Services (\$50,000) for a consumer research and representation project titled, "A community based website for individuals with complex communication needs (CCN) or severe communication impairment (SCI) and their supporters";
- Institute for Social Research, Swinburne University; the Centre for Appropriate Technology; and the Central Land Council (\$49,750) for a consumer research project titled, "The determinants for success for home internet for Indigenous consumers in remote Australia".

SACCA REPORT

The Standing Advisory Committee on Consumer Affairs (SACCA) plays an important role in advising ACCAN on consumer issues in the communications industry. The committee held three face-to-face meetings in November, March and June, and a teleconference in February. At every meeting a rich array of issues were identified and discussed by the Committee. At the June meeting, SACCA had a presentation by staff from the ACMA about the *Reconnecting the Customer* inquiry. This was a fantastic opportunity for SACCA to provide early input to the ACMA. Between meetings SACCA members made themselves available to assist ACCAN staff in their areas of expertise and we thank them for both generously giving their time and inspiring us with their passion.

SACCA Members

- | | |
|--------------------|--|
| David Lawson | – Australian Financial
Counsellors & Credit
Reform Association |
| Heather Wieland | – Country Womens’
Association of Australia |
| Holly Raiche | – Internet Society of
Australia |
| Ian Butterworth | – Telecommunications
Consumer Group of
South Australia |
| Jo Benvenuti | – Consumer Utilities
Advocacy Centre |
| Paul Harrison | – Deakin University |
| Loretta Kreet | |
| Victoria Rubensohn | |
| Nan Bosler | – Chair, ACCAN Board
Representative |



L to R: Paul Harrison, Elissa Freeman, Holly Raiche, Sarah Wilson, Kirisha Thanapalasuntheram, Ian Butterworth, Jo Benvenuti, Heather Wieland, Nan Bosler, David Lawson, Loretta Kreet



L to R: Heather Wieland, David Lawson, Holly Raiche, Loretta Kreet

SACDI REPORT

The Standing Advisory Committee on Disability Issues (SACDI) did a great job in delivering on their brief to advise ACCAN on issues affecting people with a disability. The committee held three face-to-face meetings in November, March and June, as well as an initial meeting with disability representatives in August 2009. SACDI members provided critical guidance to our project investigating how the proposed National Disability Strategy could be utilised to accommodate communications issues. The Roundtable held as part of the June SACDI meeting was a huge success. ACCAN benefited from the opportunity to discuss issues that affected SACDI members and their constituents, as well as the potential solutions. Many SACDI members generously gave their time to participate in ACCAN's roundtable on Gov 2.0 and Cyber-Security issues for People with Disability. We thank SACDI members for their expertise and experience on disability issues.

SACDI Members

Denise Wood	– University South Australia
Leah Hobson	– Australian Federation of Disability Organisations
Lynnden Beaumont	– Deafness Forum Aust.
Nick Rushworth	– Brain Injury Australia
Scott Hollier	– Media Access Australia
Zel Iscel	– National Ethnic Disability Alliance (resigned 2010)
Andrew Wiltshire	(resigned June 2010)
Jan Ashford	– Deaf Australia (Appointed June 2010)
David Parker	– Chair, ACCAN Board Representative
Sue Salthouse	

Representatives at the Disability Consultation Group meeting, August 2009

Rob Garrett	– Novita Tech
Andrew Stewart	– Deafness Forum
Frank Nowlan	– Blind Citizens Australia
Barry Dingle	



L to R: Zel Iscel, Wayne Hawkins, David Parker, Dani Fried, Nick Rushworth, Leah Hobson, Scott Hollier, Sue Salthouse



Wayne Hawkins, ACCAN Disability Policy Officer

MEMBER ORGANISATIONS

Achieve Foundation	Community Broadcasting Association of Australia	National Council of Women of Australia
ACT for Kids	Connecting Up Australia	Northern Territory Isolated Children's Parents' Assoc
Australia For All Alliance Inc	Consumer Action Law Centre	Novita Children's Services Inc
Australian Communications Exchange (Associate Member)	Consumer Credit Legal Centre NSW	NSW Council of Social Service
Australian Council of Social Service	Consumer's Federation of Australia	NSW Farmers Association
Australian Federation of Deaf Societies	Consumers Association of South Australia (Consumers SA)	Physical Disability Council of Australia
Australian Federation of Disability Organisations	Council on the Ageing Australia	People with Disability Australia Incorporated
Australian Financial Counselling and Credit Reform Association	Country Women's Association of Australia	People with Disabilities WA
The Australia Institute	Cyberspace Law and Policy Centre	Physical Disabilities Council of NSW
Australian Library and Information Association	Deaf Australia	Public Interest Advocacy Centre
Australian Pensioners & Superannuants' League QLD	Deaf Can Do	Queensland Consumers Association
Australian Pensioners and Superannuants Federation	Deaf Children Australia	Queensland Council of Social Service
Australian Privacy Foundation	Deaf NT	Redfern Legal Centre
Australian Rehabilitation & Assistive Technology Association	Deaf Society of NSW	South Australian Financial Counsellors Association
Australian Seniors Computer Clubs Association	Deafness Forum	Spastic Centre of NSW
Australian Telecommunications User Group	Diversicare	Sydney Trade Point
Better Hearing Australia	Electronic Frontiers Australia Inc	Tasmanian Deaf Society
Blind Citizens Australia	Ethnic Communities Council of WA	Tasmanians with Disabilities Inc.
BuildersNet Pty Ltd	Federation of Ethnic Communities Councils of Australia	Telecommunications Consumer Group SA Inc.
Business & Professional Women Australia	Gateway Community Inc	Tenants Union of Queensland Inc.
Central Land Council	Indigenous Consumer Assistance Network Ltd	The Settlement Neighbourhood Centre
Centre for Appropriate Technologies	Inner Sydney Regional Council	Victorian Farmers' Federation
CHOICE	Internet Society of Australia	Western Australian Deaf Society Inc.
Collective of Self Help Groups	Isolated Children's Parents' Association of Australia Inc.	Women in Agriculture NSW
Combined Pensioners and Superannuants Association of Victoria	Isolated Children's Parents' Association of NSW	Women with Disabilities Australia
Communications Law Centre	Isolated Children's Parents' Association WA	Yirrkala Homelands Schools/ Laynhapuy Schools
Communications Rights Australia	Lifeline Australia	Youth Affairs Council of Victoria
	Media Access Australia	
	National Children's and Youth Law Centre	

INDIVIDUAL MEMBERS

Aaron Davis
Alex Varley
Andrew Stewart
Ann Waterford
Annie McCall
Becky Walker
Arthur Marsh
Carolyn Deane
Catriona Lowe
Cecily Gilson
Cheryl Langdon-Orr
Chris Dodds
Christina Spurgeon
Colin Brokenshire
Damien Lacey
David Lieberman
Denise Wood
Des Kennedy
Duncan Gray
Frank Nowlan
Gary Gromb
Gerard Goggin
Hank (John) Wyllie
Harold Hartfield
Holly Raiche
Ian Binnie
Ian Butterworth
Ian Johnston
Ingrid Francis

Jack Crosby
Johanna Plante
John Faulkner
Katina Michael
Kyle Miers
Lawrence Sheumack
Len Bytheway
Liz Evans
Liz Fell
Malcolm Moore
Margaret Hess
Nan Bosler
Narelle Clay
Nicholas Agocs
Nigel Waters
Pam Marsh
Pamela J Coutts
Reg Coutts
Richard Joseph
Robin Wilkinson
Rosemary Sinclair
Ross Kelso
Stan Batson
Su Robertson
Sue Salthouse
Tim Young
Trevor Barr
William Tibben

SNAPSHOTS



Communications Minister Stephen Conroy at our National Cyber-Security Week event



Greens Senator and Communications Spokesman Scott Ludlam addresses our National Conference



Guests at our National Conference dinner, State Library of Victoria



The Cyber-Security Roundtable for People with Disabilities, Parliament House, Canberra



Tracey Annear and Nigel Waters took part in our World Café Twitter event



ACCAN CEO Allan Asher with Communications Minister Stephen Conroy



Dani Fried, ACCAN Disability Policy Officer with Stan Batson



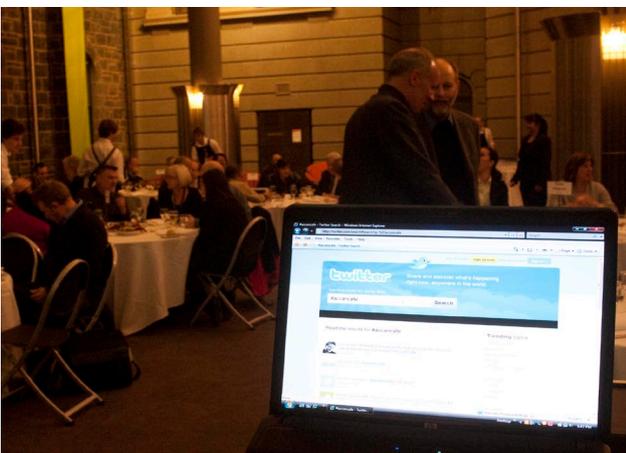
Nan Bosler at our Hearing Awareness Week event



ACCAN's Sarah Wilson & Elissa Freeman at the National Conference & Consumer Summit



Stan Batson takes part in the Video Relay Service trial using an Auslan interpreter over Skype



Our World Café Twitter event



Deputy CEO Teresa Corbin, Senator Stephen Conroy and CEO Allan Asher

ACCAN TEAM



ACCAN Board (L to R): Kyle Miers, Len Bytheway, Su Robertson, Sue Salthouse, Heron Loban, Nan Bosler, Kate Obermayer, Michael Fraser, Ross Kelso



ACCAN Staff (L to R): Elise Davidson, Jonathan Gadir, Ebony Thomas, Allan Asher, Maria Chetcuti, Sarah Wilson, Dani Fried, Teresa Corbin, Wayne Hawkins (with Harrison), Elissa Freeman and Janene Collins. Staff not pictured: Ryan Sengara, Gunela Astbrink, Joan Dharamdas, Michael Frommer, Lizbeth Duke, Kirisha Thanapalasuretheram

FINANCIAL REPORT

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Directors' Report

Your Directors present their report together with the financial report of Australian Communications Consumer Action Network Limited for the year ended 30 June 2010 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name	Qualifications and Experience
Susan Salthouse Chairperson	Director, Didactic Enterprises President, Women With Disabilities Australia Member, Advance Personnel Board Member, Women in Adult & Vocational Education Board BAGSci, DipEd Director since 15 October 2008 Appointed Chairperson on 4 November 2009
Katherine Obermayer (nee Locke) Deputy Chairperson	Deputy Chair, Deafness Forum of Australia Online Content Manager, Zurich Financial Services BA (Comms) Deputy Chairperson since 4 November 2009
Nancy Bosler Secretary	President of Australian Senior Computer Clubs Association AssDipAdult Education, AssDipCommunity Organisation, BEd, Grad Dip LocalApp.History, MLocGovMgnt, JP Director since 15 October 2008 Appointed Secretary on 4 November 2009
Leonard Bytheway Treasurer	Principal Consultant, Bytheway Consulting MBA, Grad Dip Spec Ed, B.Ed, Dip Teach, MAICD, Churchill Fellow Director since 15 October 2008 Appointed Treasurer on 4 November 2009
Kyle Miers Director	Manager, Information and Community Relations, Deaf Children Australia President, Deaf Australia Director since 15 October 2008
Michael Fraser Director	Professor of Law Director, Communications Law Centre, UTS, Sydney Director, Australian Copyright Council Director, Law Faculty Board, UTS, Sydney Director, Stolen Generations Foundation Vice President, Board of PEN International Sydney Solicitor, Supreme Court of NSW BA (Hons), LCG (Hons), FAICD, AM Director since 4 November 2009
Douglas Kelso Director	Director, Internet Society of Australia BEng (Hons), MEngSc, GradDip Media, Comms & IT Law, PhD Director since 4 November 2009

Name	Qualifications and Experience
Su Robertson Director	Lecturer, Chair of Equity Committee Postgraduate Coursework Coordinator, Victoria University Academic Supervisor, Magistrates' Court Program & Connected Law, Victoria Law School Director since 4 November 2009
Heron Loban Director	Director, Indigenous Consumer Assistance Network LLM, DipLegPrac, LLB, BA Director since 4 November 2009
Alex Varley Retired Director	Chief Executive, Media Access Australia Director, ASIX Director, ACC Enterprises B.Business (Marketing) GradDip Urban Planning Chairperson from 15 October 2008 to 4 November 2009
Holly Raiche Retired Director	Executive Director, Internet Society of Australia Deputy Chair, Telephone Information Service Standards Council Adjunct Lecturer, Faculty of Law, UNSW Visiting Fellow, Cyberspace Law and Policy Centre, UNSW Solicitor, Supreme Court of NSW BA, MA, LLB Deputy Chairperson from 15 October 2008 to 4 November 2009
Aaron Davis Retired Director	Indigenous Consumer Assistance Network Treasurer from 15 October 2008 to 4 November 2009
Professor Gerard Goggin Retired Director	Professor, Digital Communication Deputy Director, Journalism and Media Research Centre, UNSW Director from 15 October 2008 to 4 November 2009
Catriona Lowe Retired Director	Co-CEO, Consumer Action Law Centre Chair, Consumers' Federation of Aust. Director, Financial Ombudsman Service Member, Motor Car Traders' Guarantee Fund Claims Committee, LLB Director from 15 October 2008 to 4 November 2009

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Ms Teresa Corbin was appointed to the position of Company Secretary in October 2008. She was the former CEO of Consumers' Telecommunications Network and has a Bachelor of Arts majoring in linguistics.

Directors' Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors' of the Company during the financial year are:

CURRENT DIRECTORS	MEETINGS ELIGIBLE TO ATTEND	MEETINGS ATTENDED
Susan Salthouse	4	4
Katherine Obermayer	2	2
Leonard Bytheway	4	4
Kyle Miers	4	2
Nancy Bosler	4	4
Michael Fraser	2	2
Douglas Kelso	2	2
Su Robertson	2	-
Heron Loban	2	2
Alex Varley	2	2
Holly Raiche	2	2
Aaron Davis	2	1
Professor Gerard Goggin	2	2
Catriona Lowe	2	2

Committee Memberships

COMMITTEE	MEMBERS' FOR 2010	MEMBERS' FOR 2009
Finance & Audit	Leonard Bytheway (chairperson) Kyle Miers Michael Fraser	Alex Varley Kyle Miers Aaron Davis
Membership	Nan Bosler (chairperson) Susan Salthouse Ross Kelso	Nan Bosler Holly Raiche Susan Salthouse
Remuneration & Performance	Susan Salthouse Leonard Bytheway	Alex Varley Leonard Bytheway
Governance & Constitution	Leonard Bytheway Su Robertson Heron Loban	Leonard Bytheway Catriona Lowe

Principal Activities

The principal activity of the Company during the financial year was to be the peak body that represents all consumers on communications issues including telecommunications, broadband and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards availability, accessibility and affordability of communications services for all Australians. Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues. ACCAN aims to empower consumers so that they are well informed and can make good choices about products and services. As a peak body, ACCAN will activate its broad and diverse membership base to campaign to get a better deal for all communications consumers.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating Results

The surplus of the Company amounted to \$218,315.

Events Subsequent to Reporting Date

Subsequent to 30 June 2010 Mr Allan Asher resigned from his position as Chief Executive Officer (CEO) of ACCAN effective 27 August 2010. On 30 August 2010 Ms Teresa Corbin became the acting CEO of ACCAN.

Other than the event stated above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Dividends

The Company's Constitution prohibits the payment of dividends to the Members of the Company. The Company is limited by guarantee and does not issue shares or options to purchase shares.

Likely Developments

The Company will further develop the level of operations through the receipt of grants and the acquittal of those grants through various programs and projects.

No likely change in the Company's direction is projected.

Environmental Regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification of Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

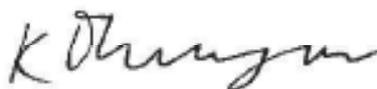
The auditor's independence declaration is set out on page 26 and forms part of the Directors' report for the financial year ended 30 June 2010.

Signed in accordance with a resolution of the Board of Directors



Susan Salthouse
Director

Dated this 6th day of September 2010
Sydney, NSW



Katherine Obermayer
Director

Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MOSAIC AUDIT & CONSULTING



Vanessa Patricio
Principal
Registered Company Auditor # 333315

Dated this 7th day of September 2010
Sydney, NSW

Statement of Comprehensive Income For The Year Ended 30 June 2010

	NOTE	2010 \$	2009 \$
Revenue	2	1,984,652	704,005
Employee benefits expenses		(854,966)	(48,887)
Project and program expenses		(159,903)	(147,318)
Occupancy expenses		(139,033)	(12,768)
Conferences and events		(115,921)	-
Accommodation and travel		(96,348)	(18,835)
Information technology		(66,623)	(8,859)
Printing, postage and stationary		(47,346)	(38,603)
Depreciation and amortisation	3	(39,441)	(2,308)
Marketing and advertising		(33,042)	-
Audit, legal and accountancy fees		(29,697)	(45,904)
Training and development		(25,294)	(10,000)
CTN Transfer		(13,297)	(154,135)
Interest paid		(1,695)	(37)
Other expenses	3	(143,731)	(30,519)
Profit before income tax		218,315	185,832
Income tax expense	1(k)	-	-
Profit after income tax		218,315	185,832

The accompanying notes form part of this financial statements

Statement of Financial Position

As At 30 June 2010

	NOTE	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	148,176	18,353
Trade and other receivables	6	445,954	109,421
Prepayments	7	2,580	1,031
TOTAL CURRENT ASSETS		596,710	128,805
NON-CURRENT ASSETS			
Property, plant and equipment	8	152,907	101,347
Intangible assets	9	32,313	29,099
TOTAL NON-CURRENT ASSETS		185,220	130,446
TOTAL ASSETS		781,930	259,251
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	290,515	73,419
Loans and borrowings	11	6,961	-
Employee benefits	12	89,487	-
Deferred income	13	460	-
TOTAL CURRENT LIABILITIES		387,423	73,419
NON-CURRENT LIABILITIES			
Loans and borrowings	11	6,961	-
TOTAL NON-CURRENT LIABILITIES		6,961	-
TOTAL LIABILITIES		394,384	73,419
NET ASSETS		387,546	185,832
EQUITY			
Retained earnings		387,546	185,832
TOTAL EQUITY		387,546	185,832

The accompanying notes form part of this financial statements

Statement of Changes in Equity For The Year Ended 30 June 2010

	RETAINED EARNINGS \$	TOTAL \$
Opening Balance at 1 July 2008	-	-
Profit for the year	185,832	185,832
Closing Balance at 30 June 2009	185,832	185,832
Profit for the year	218,315	218,315
CTN equity transfer	(16,601)	(16,601)
Closing Balance at 30 June 2010	387,546	387,546

Statement of Cash Flows For The Year Ended 30 June 2010

	NOTE	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		165,415	391
Cash receipt of grants		1,469,980	715,000
Cash paid to suppliers and employees		(1,434,759)	(567,764)
Interest received		11,174	3,517
Interest paid		(1,695)	(37)
Net cash from operating activities	14(b)	210,115	151,107
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(62,470)	(102,919)
Acquisition of intangible assets		(10,866)	(29,835)
Net cash used in investing activities		(73,336)	(132,754)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease liabilities		(6,956)	-
Net cash from (used in) financing activities		(6,956)	
Net increase (decrease) in cash and cash equivalents		129,823	18,353
Cash and cash equivalents at beginning of the year		18,353	-
Cash and cash equivalents at end of the year	14(a)	148,176	18,353

The accompanying notes form part of this financial statements

Notes to the Financial Statement For The Year Ended 30 June 2010

Note 1 - Statement of Significant Accounting Policies

The financial report is for Australian Communications Consumer Action Network Limited as an individual entity, incorporated and domiciled in Australia. Australian Communications Consumer Action Network Limited is a company limited by guarantee.

Member Guarantee

ACCAN is a company limited by Members' guarantee under the Corporations Act 2001. The Company is incorporated and domiciled in Australia. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial report of the Company complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the statement of comprehensive income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Property, Plant and Equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Gains and losses on disposals of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate:
Furniture & Equipment	10-25%
Leasehold improvements	33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(c) Intangibles

Website

Expenditure incurred for Websites acquired by the Company have finite lives which are measured at cost, less any accumulated amortisation and impairment losses.

Website Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of comprehensive income as incurred.

Website Amortisation

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful life for the website is 4 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date.

(d) Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified as at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Quoted prices in an active market are used to determine fair value, where available. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

- (i) **Financial assets at fair value through profit or loss** Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.
- (ii) **Loans and receivables** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.
- (iii) **Held-to-maturity investments** Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

(g) Employee Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

Short-Term Benefits

Liabilities for employee benefits for wages, salaries, annual leave represent present obligations resulting from employee's services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal obligation or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and the risks specific to the liability.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) Goods and Services Tax

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 (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Income Tax

No income tax is payable by the Company for the 2010 and subsequent years due to the Australian Taxation Office endorsement as a Charitable Institution. The Company has income tax exempt status under subsection 50-B of the *Income Tax Assessment Act 1997*. The income tax exempt status is subject to annual self-reviews.

(l) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

It has not been necessary for the Directors to make any key estimates or judgements in the report.

(m) Economic Dependence

ACCAN is dependent on the Department of Broadband, Communications and the Digital Economy (DBCDE) for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the DBCDE will not continue to support ACCAN.

(n) New Standards and Interpretations Not Yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Company in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

Notes to the Financial Statements For The Year Ended 30 June 2010

Note 2 – Revenue

	2010 \$	2009 \$
Revenue from Government Grants and Other Grants		
- Federal Government Grants	1,840,300	700,000
Conference Registration Revenue	47,590	-
Sponsorship Revenue	41,997	-
Sitting Fees	35,729	-
Interest Revenue	11,174	3,650
Membership Fees	4,355	355
Other Revenue	3,507	-
Total Revenue	1,984,652	704,005

Note 3 – Expenses

	2010 \$	2009 \$
Other expenses		
- Planning & Policy Development	68,442	26,315
- Board & Committee Expenses	41,162	-
- Other Office Expenses	13,460	3,222
- Sundry Expenses	9,131	123
- Insurance	5,260	496
- Recruitment Costs	3,930	-
- Repairs & Maintenance	1,248	-
- Bank Fees	1,098	363
Total Other Expenses	143,731	30,519
Depreciation and Amortisation		
- Furniture and Equipment	26,849	1,465
- Leasehold Improvements	4,940	107
- Software	7,652	736
Total Depreciation and Amortisation	39,441	2,308
Rental Expense on Operating Lease	124,284	12,768

Note 4 – Auditors Remuneration

	2010 \$	2009 \$
Remuneration of the auditor of the Company for:		
- Audit and Review of the Financial Report	11,000	7,500
Total Auditors Remuneration	<u>11,000</u>	<u>7,500</u>

Note 5 – Cash and Cash Equivalents

	2010 \$	2009 \$
Cash on hand	300	-
Cash at bank	147,876	18,353
Total Cash and Cash Equivalents	<u>148,176</u>	<u>18,353</u>

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and financial liabilities are disclosed in note 15.

Note 6 – Trade and Other Receivables

	2010 \$	2009 \$
Trade Receivables	27,705	55,000
Provision for impairment	-	-
	<u>27,705</u>	<u>55,000</u>
Other Receivables	418,249	54,421
Total Trade and Other Receivables	<u>445,954</u>	<u>109,421</u>

The Company's exposure to credit and impairment losses related to trade and other receivables is disclosed in note 15.

Note 7 – Prepayments

	2010 \$	2009 \$
Prepayments	<u>2,580</u>	<u>1,031</u>

Note 8 – Property, Plant and Equipment

	2010 \$	2009 \$
Furniture and equipment – at cost	170,209	92,227
Accumulated depreciation	(28,314)	(1,465)
	141,895	90,762
Leasehold improvements – at cost	16,060	10,692
Accumulated amortisation	(5,048)	(107)
	11,012	10,585
Total property, plant and equipment	152,907	101,347

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	FURNITURE AND EQUIPMENT \$	LEASEHOLD IMPROVEMENTS \$
Cost or deemed cost		
Balance at 15 October 2008	-	-
Acquisitions at cost	92,227	10,692
Balance at 30 June 2009	92,227	10,692
Acquisitions at cost	77,982	5,368
Balance at 30 June 2010	170,209	16,060
Depreciation, amortisation and impairment losses		
Balance at 15 October 2008	-	-
Depreciation for the year	1,465	-
Amortisation for the year	-	107
Impairment loss	-	-
Balance at 30 June 2009	1,465	107
Depreciation for the year	26,849	-
Amortisation for the year	-	4,941
Impairment loss	-	-
Balance at 30 June 2010	28,314	5,048
Carrying Amounts		
At 15 October 2008	-	-
At 30 June 2009	90,762	10,692
At 1 July 2009	90,762	10,692
At 30 June 2010	141,895	11,012

Note 9 – Intangibles

	2010 \$	2009 \$
Website – at cost	40,701	29,835
Accumulated amortisation	(8,388)	(736)
Total intangibles	32,313	29,099

Movements in Carrying Amounts

Movement in the carrying amounts for intangibles between the beginning and the end of the current financial year:

	WEBSITE \$
Cost	
Balance at 15 October 2008	-
Acquisitions at cost	29,835
Balance at 30 June 2009	29,835
Acquisitions at cost	10,866
Balance at 30 June 2010	40,701
Amortisation and impairment losses	
Balance at 15 October 2008	-
Amortisation for the year	736
Impairment loss	-
Balance at 30 June 2009	736
Amortisation for the year	7,652
Impairment loss	-
Balance at 30 June 2010	8,388
Carrying Amounts	
At 15 October 2008	-
At 30 June 2009	29,099
At 1 July 2009	29,099
At 30 June 2010	32,313

Note 10 – Trade and Other Payables

	2010 \$	2009 \$
Trade payables	103,869	73,419
Other payables	186,646	-
Total trade and other payables	290,515	73,419

Note 11 – Loans and Borrowings

	2010 \$	2009 \$
CURRENT		
Finance lease liability	6,961	-
NON-CURRENT		
Finance lease liability	6,961	-

Note 12 – Employee Benefits

	2010 \$	2009 \$
CURRENT		
Liability for annual leave	55,103	-
Liability for long service leave	34,384	-
	89,487	-

Movement in employee benefits

Opening balance at 1 July	-	-
Additional provisions raised during the year	126,739	-
Amounts used	(37,252)	-
Closing balance at 30 June	89,487	-

Note 13 – Deferred Income

	2010 \$	2009 \$
Membership fees received in advance	460	-

Note 14 – Cash Flow Information

	2010 \$	2009 \$
(a) Reconciliation of cash		
Cash on hand	300	-
Cash at bank	147,876	18,353
Total cash and cash equivalents	148,176	18,353
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	218,315	185,832
Non-cash flows:		
Depreciation and amortisation	39,441	2,308
CTN equity transfer	(16,601)	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(336,533)	(109,421)
(Increase)/decrease in prepayments	(1,550)	(1,031)
Increase/(decrease) in trade and other payables	217,096	73,419
Increase/(decrease) in employee benefits	89,487	-
Increase/(decrease) in deferred income	460	-
	210,115	151,107

Note 15 - Financial Risk Management

The Company's financial instruments consist mainly of short-term deposits with banks, short-term investments, accounts receivable, accounts payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2010 \$	2009 \$
Financial Assets			
Cash and cash equivalents	5	148,176	18,353
Trade and other receivables	6	445,954	109,421
		594,130	127,774
Financial Liabilities			
Trade and other payables	10	290,515	73,419
		290,515	73,419

Financial Risk Management Policies

The Company's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. An implicit risk management policy exists and includes credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and net fair values.

a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for classes of financial assets and financial liabilities, is set out below:

	NOTE	FLOATING INTEREST RATE \$	FIXED INTEREST MATURING IN		NON- INTEREST BEARING \$	TOTAL \$
			1 YEAR OR LESS \$	OVER 1 TO 5 YEAR \$		
2010						
Financial Assets						
Cash and cash equivalents	5	51,736	96,140	-	300	148,176
Trade and other receivables	6	-	-	-	445,954	445,954
Total Financial Assets		51,736	96,140	-	446,254	594,130

Weighted Average Interest Rate of cash and cash equivalents 4.9%

Financial Liabilities

Trade and other Payables	10	-	-	-	290,515	290,515
Total Financial Liabilities		-	-	-	290,515	290,515

	NOTE	FLOATING INTEREST RATE \$	FIXED INTEREST MATURING IN		NON- INTEREST BEARING \$	TOTAL \$
			1 YEAR OR LESS \$	OVER 1 TO 5 YEAR \$		
2009						
Financial Assets						
Cash and cash equivalents	5	(24,346)	42,699	-	-	18,353
Trade and other receivables	6	-	-	-	109,421	109,421
Total Financial Assets		(24,346)	42,699	-	109,421	127,774

Weighted Average Interest Rate of cash and cash equivalents 3.6%

Financial Liabilities

Trade and other Payables	10	-	-	-	73,419	73,419
Total Financial Liabilities		-	-	-	73,419	73,419

b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise. Liquidity risk is minimised by:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- investing only in surplus cash with major financial institutions.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows to settle financial liabilities is presented in the table below.

Financial Asset and Financial Liability Maturity Analysis

	WITHIN 1 YEAR 2010 \$	TOTAL 2010 \$	WITHIN 1 YEAR 2009 \$	TOTAL 2009 \$
Financial Assets – cash flow realisable				
Cash and cash equivalents	148,176	148,176	18,353	18,353
Trade and other Receivables	445,954	445,954	109,421	109,421
Total anticipated inflows	594,130	594,130	127,774	127,774
Financial Liabilities - due for payment				
Trade and other payables	290,515	290,515	73,419	73,419
Total expected outflows	290,515	290,515	73,419	73,419
Net inflow/(outflow) on financial instruments	303,615	303,615	54,355	54,355

c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company.

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Company has otherwise cleared, through its Finance Committee, as being financially sound.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are not past, due or impaired, are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 6.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Credit risk related to balances with banks and other financial institutions is managed by the Finance Committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counter parties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P Counterparty Credit Ratings.

	NOTE	2010 \$	2009 \$
Cash and cash equivalents			
- AA rated	5	147,876	18,353
		<u>147,876</u>	<u>18,353</u>

d) Net Fair Values

The net fair value of financial assets and financial liabilities approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

	CARRYING AMOUNT 2010 \$	NET FAIR VALUE 2010 \$	CARRYING AMOUNT 2009 \$	NET FAIR VALUE 2009 \$
Financial Assets				
Cash and cash equivalents	148,176	148,176	18,353	18,353
Trade and other Receivables	445,954	445,954	109,421	109,421
	<u>594,130</u>	<u>594,130</u>	<u>127,774</u>	<u>127,774</u>
Financial Liabilities				
Trade and other payables	290,515	290,515	73,419	73,419
	<u>290,515</u>	<u>290,515</u>	<u>73,419</u>	<u>73,419</u>

Fair values are materially in line with carrying values.

Note 16 – Operating Leases

Non-cancellable operating leases contracted for but not capitalised in the financial statements are disclosed in the table below.

	2010 \$	2009 \$
Payable – minimum lease payments		
- Less than one year	150,545	-
- Between one and five years	157,054	-
	<u>307,599</u>	<u>-</u>

Note 17 – Capital Commitments

	2010 \$	2009 \$
Intangible Assets		
Contracted but not provided for and payable:		
- Within one year	4,346	-
- One year or later and no later than five years	-	-
	<u>4,346</u>	<u>-</u>
Document Management System		
Contracted but not provided for and payable:		
- Within one year	12,000	-
- One year or later and no later than five years	-	-
	<u>12,000</u>	<u>-</u>
Total capital commitments	<u>16,346</u>	<u>-</u>

Note 18 - Company Details

The registered office of the Company is:
Australian Communications Consumer Action Network Limited
Suite 402, 55 Mountain Street
Ultimo NSW 2007

The principal place of business is:
Australian Communications Consumer Action Network Limited
Level 4, 55 Mountain Street
Ultimo NSW 2007

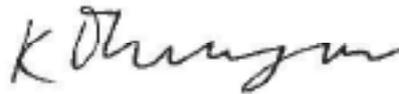
In the opinion of the Directors of the Australian Communications Consumer Action Network Limited ("the Company"):

1. The financial statements and notes, as set out on pages 27 to 45, are in accordance with the *Corporations Act 2001*; including
 - (a) Giving a true and fair view of the Company's financial position as at 30 June 2010 and of the performance, for the year ended on that date; and
 - (b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors



Susan Salthouse
Director



Katherine Obermayer
Director

Dated this 6th day of September 2010
Sydney, NSW



Vanessa Patricia
Principal

Level 26
44 Market Street
Sydney NSW 2000

Telephone (02) 9089 8640
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Email vanessa@mosaicac.com.au

Independent Auditor's Report

**To the Members of
Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678**

Report on the Financial Report

We have audited the accompanying financial report of Australian Communications Consumer Action Network Limited, which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

The Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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Vanessa Patricia
Principal

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Sydney NSW 2000

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Independent Auditor's Report

To the Members of Australian Communications Consumer Action Network Limited A.B.N. 42 133 719 678

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC class order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration, set out on page 5 of the financial report, has not changed as at the date of providing our audit opinion.

Auditor's Opinion

In our opinion:

1. the financial report, in all material respects, of Australian Communications Consumer Action Network Limited is in accordance with the *Corporations Act 2001*, including:
 - (a) Giving a true and fair view of the Company's financial position as at 30 June 2010 and of its performance, for the year ended on that date; and
 - (b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. Other mandatory professional reporting requirements.

MOSAIC AUDIT & CONSULTING

A handwritten signature in dark ink, appearing to read 'Vanessa Patricia', is written over a light blue background.

Vanessa Patricia
Principal
Registered Company Auditor # 333315

Dated this 7th day of September 2010
Sydney, NSW

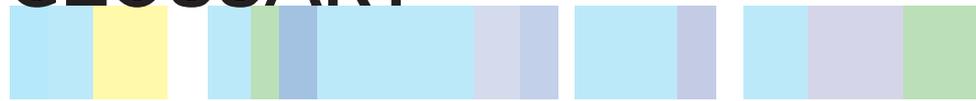
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GLOSSARY



3G	Third Generation (Mobiles)
4G	Fourth Generation (Mobiles)
ADSL	Asymmetric (directional data speed) Digital Subscriber Line – a CAN technology
ADSL 2+	As above but twice the frequency band (to 2.2 MHz) & downstream data (to 24 Mbits/s)
CAN	Customer Access Network (includes: Local Loop, ADSL, ISDN, HFC, Mobile etc.)
CLI	Calling Line Identification
CND	Calling Number Display
CSG	Customer Service Guarantee
CSS	Communications Service Standard
DEP	Disability Equipment Program
DSL	Digital Subscriber Line (or Loop) – a CAN technology
EMS	Enhanced Messaging System
FTTH	Fibre To The Home or premises (GPON or EPON) – a CAN technology
FTTN	Fibre To The Node (ADSL2+) – a CAN technology
IM	Instant Messaging (pop-up screen messages over the Internet)
IP	Internet Protocol
IPTV	Internet Protocol Television
IVR	Interactive Voice Responder (a menu directed telephone answering machine)
kb/s	kilo bits per second (sometimes written as kbps)
LNP	Local Number Portability
Local Loop	A CAN technology using copper wire as a physical pair
Mb/s	Mega bits per second (sometimes written as Mbps)
MMS	Multimedia Message Service (images on mobiles) (also called PXT on Vodafone)
NGN	Next Generation Network
NRS	National Relay Service
NTP	Network Termination Point - physical service connection point
PGS	Pair Gain System (CAN-based technology to increase existing voice service capabilities but unusable for DSL internet services)
POP	Point of Presence – a network connection point between competitive telecommunications infrastructure providers
POTS	Plain Old Telephone Service (Fixed telephone service with Operator and Pulse Dialling)
PSTN	Public Switched Telephone Network
QOS	Quality Of Service – a Network Performance measurement
STS	Standard Telephone Service
TTY	Telephone typewriter (for communications by those with hearing and/or speech disabilities)
ULL	Unconditioned Local Loop (physical pair in the CAN without any PGS)
USO	Universal Service Obligation
USP	Universal Service Provider
VoIP	Voice over Internet Protocol (voice calls over the Internet)



