



Energy & Water
Ombudsman NSW



Strengthening **consumer protections**

Annual Report 2017-2018





About this report

This Annual Report is published in accordance with the Energy & Water Ombudsman NSW (EWON) Charter and the Benchmarks for Industry-based Customer Dispute Resolution. The Benchmarks are Accessibility, Independence, Fairness, Accountability, Efficiency and Effectiveness.

About our data

The data in this report is drawn from cases received by EWON during the 2017/2018 financial year, unless otherwise specified. EWON's open case data varies in accordance with case progression and figures in this report reflect case status as at 09 July 2018.

About our case studies

Personal information about our customers has been changed to protect their privacy.

Overview

EWON is an industry-based Ombudsman scheme which provides independent, free, and informal dispute resolution services to all NSW energy and some water customers. We concentrate on achieving a fair and reasonable outcome for all complaints and all parties – we are not a consumer advocate, nor do we represent industry.

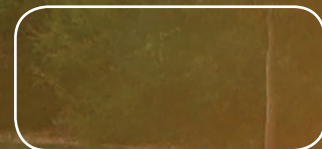
We investigate a broad spectrum of complaints about:

- disputed accounts
- high bills
- disconnection or restriction of supply
- payment difficulties
- reliability and quality of supply
- connection or transfer issues
- contract terms
- marketing practices
- digital metering
- customer service.

Our principal responsibilities as set out in the EWON Charter are:

- to handle energy and water complaints independently, fairly, informally, expeditiously and free of charge to the consumer
- to promote EWON to consumers and small business
- to encourage and provide advice to members on good complaint handling practices to assist in reducing and avoiding complaints.

While we receive, investigate and resolve customer complaints and disputes, we also work with energy and water providers to help improve their processes and deliver consistent, high quality customer service. We help raise industry standards and reduce complaints by contributing to the development of energy and water policy through analysis and reporting.



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Chair's report

The last 12 months was a challenging but constructive period for EWON. This applies especially to the expansion of EWON's jurisdiction to include types of energy providers which had not previously been required to be a member of EWON, and therefore not required to provide their customers with access to our independent service for resolution of complaints.

With strong encouragement from the Board, the Ombudsman vigorously advocated for this expansion over several years and the Australian Energy Regulator implemented the expansion in March 2018. The need to do so was becoming increasingly urgent as the number of affected customers was growing and clearly would continue to grow substantially.

These energy providers will usually be much smaller than most existing members, especially the handful of major providers. This necessitated detailed consultation about whether all members should continue to have only one vote at general meetings and whether some or all industry directorships should be reserved for, and elected by, designated sectors of the energy and water industries. Consideration also had to be given to reducing the fees for very small energy providers.

Difficult compromises were needed to balance the interests and capacities of existing and incoming members with respect to these issues, and a package of constitutional amendments was unanimously accepted by an Extraordinary General Meeting of EWON members in June 2018. While this was a satisfactory outcome, some adjustments will no doubt become appropriate as the involvement of new types of members continues to grow.

One consequence of the growing diversity and intensified competition in the energy and water industries is a heightened need to ensure that EWON's industry and community directors are drawn from appropriately senior levels, have prior experience of high-level governance (which, of course, is not the same as management), and come from an appropriate mix of backgrounds. Above all, they must act independently of their employers or sponsors and be fully committed to EWON's role in delivering fair dispute resolution, especially for the most vulnerable customers.

Another challenge during the past year arose from a substantial increase in the number of complaints being brought to EWON, after a five-year period of falling or stationary numbers. The higher volume is unlikely to fall significantly in the near future and vigorous efforts will need to continue to ensure timely and thorough handling of complaints. This will need to be accompanied by improvements in many providers' internal complaints handling systems.



Professor Julian Disney
AO, Chair

The Ombudsman and her staff have continued to strengthen EWON's strategic planning, financial management and reporting, policy advocacy, and communications and outreach initiatives. This progress has owed much to the commitment and cohesion of the Senior Management Team under the Ombudsman's leadership and is being consolidated by clearer and more accessible records of approved process and policies.

In addition to the future challenges I have mentioned already, further improvements will be needed in facilitating access to EWON services, especially for vulnerable customers, and in the handling of complaints (which should be aided by the independent review scheduled for 2019). Other ongoing priorities include strengthening staff engagement and the interaction between the Board and management.

The Board and the Ombudsman have continued to benefit from our twice-yearly Consultative Council Meetings, which are usually attended by up to a hundred representatives of energy and water providers, consumers and community groups. Its views, and those of the advisory group, of the new types of members, recently established by the Ombudsman, have important roles to play in EWON's future governance.

Shortly before the sixth anniversary of my appointment as Chair of EWON, I advised the Board that I would like to step down by the end of September 2018. It has been an interesting and demanding experience, and I want to express my congratulations to Clare Petre and Janine Young, as well as their staff, for all that they achieved as Ombudsman during my term of office.

I also want to thank the Board members who have helped to guide and support the organisation during my time with EWON, including Angela Tsoutakos and Danielle Manley whom we were sorry to lose from the Board towards the end of 2017.

Finally, I extend my very best wishes for the future to my successor, Tony Crawford, and everyone else involved with EWON.

Professor Julian Disney AO

Chair
Energy & Water Ombudsman NSW

Ombudsman's report

It is a particularly challenging time to be an Ombudsman! Intense political and media focus on high energy pricing, the complexity of energy contracts, discounting / late payment fee regimes, and the reliability of supply, have all contributed to increased complaints to EWON. More recently, the drought across NSW has created a similar focus on the water sector.

Complaints increased in 2017/2018 for the first time in five years, rising 12% from 2016/2017 to 26,416. Billing continues to be our most significant complaint issue with credit issues including payment difficulties, debt and disconnection of supply, also prevalent.

For the first time, we were called on to contribute to inquiries and reviews about the impact of energy pricing on consumers, particularly with respect to how pricing is presented to consumers via offers and contracts. These included the Australian Energy Market Commission's (AEMC) *Preventing discounts on inflated energy rates*, the Australian Competition and Consumer Commission's (ACCC) *Retail Electricity Pricing Inquiry* and the NSW Legislative Council's *Select Committee on Electricity Supply, Demand and Prices*.



Janine Young,
Energy & Water Ombudsman NSW

The role of Ombudsman

The Ombudsman role itself has also attracted scrutiny.

In 2017, the Federal Government announced that strengthening of consumer protection from a complaints perspective for the financial sector would occur with the Australian Financial Complaints Authority taking on a broader role than the Financial Ombudsman Service (FOS). This new one-stop-shop Ombudsman service will see the merger of FOS, the Credit and Investment Ombudsman and the Superannuation Complaints Tribunal from 1 November 2018.

Complaints across the telecommunications sector, including those about the National Broadband Network also attracted attention. Like other Ombudsman offices, I was invited to take part in the Consumer Safeguards Review which the Commonwealth Department of Communications & the Arts is undertaking about telecommunications redress and complaint handling.

I welcomed the opportunity to talk to the reviewers about the important role of the Ombudsman, noting it should be the 'office of last resort' for consumers unable to resolve a complaint with their provider. However, some consumers may contact us before contacting their provider to seek independent advice or information – as is their right.

Most consumers though, seek our assistance because their unresolved complaint was not escalated to their provider's specialist dispute resolution / complaints team, sometimes after multiple attempts.

Like other Industry Ombudsman offices, we have a 'refer to higher level' (RHL) process to manage these complaints. After providing the customer with advice about their rights and responsibilities, and seeking their agreement, we refer their complaint to their provider's specialist complaints team. Its staff then contact their customer to resolve the complaint.

The *Consumer Safeguards Consultation Paper* stated that only 10% of referred customers return to the Telecommunications Industry Ombudsman dissatisfied with the resolution offered by their provider's specialist dispute resolution team.



During the 2017/2018 year, the return rate to EWON was nearly double this rate at 18%!

We can only be the office of last resort if industry members resolve customer complaints on initial receipt, or via escalation to their specialist complaints teams. Until then, we will continue our approach. It's an avoidable cost for members; a further incentive for customer service improvement.

To further influence internal dispute resolution improvement we:

- provide advice about why customers return to EWON
- report complaint numbers and issues
- identify, investigate and report systemic complaints.

Strengthening consumer protections

This is an integral part of our role and the theme of this report. This year, our long-term objective of providing free, fair and independent external dispute resolution to all NSW residential energy consumers was achieved!

The Australian Energy Regulator (AER) revised its Retail and Network Exemption Guidelines in March 2018, requiring Ombudsman membership for entities supplying energy to residential customers in embedded networks. Previously, we could receive these complaints but could not compel their energy provider to work with us and resolve it. As EWON members, they will be required to work with us, and if necessary, decisions I make will be binding on them, just as they are for all other EWON members.

Given that our current membership of 58 will grow significantly as a result, we undertook the following key strategic initiatives:

- established an EWON Board Expanded Jurisdiction Working Group
- developed an issues paper outlining options for changed governance, membership and fee arrangements
- engaged KPMG to conduct extensive consultation with current members, exempt entities, Water Industry Competition Act (WICA) licensees, peak bodies and consumer representatives
- worked with the Australian & New Zealand Energy and Water Ombudsman Network (ANZEWON), and
- engaged with the AER and the AEMC.

Constitutional change

Jurisdiction expansion required amendment of the EWON Constitution. After months of work leading up to the Extraordinary General Meeting on 7 June 2018, fog at Sydney airport almost prevented attendance of some EWON bound Victorian-based members. The fog lifted just in time and members voted in a range of changes including voting rights, director tenure, and the establishment of an Expanded Jurisdiction Operational Advisory Group of exempt entities and WICA providers. Its purpose is to ensure new members have a voice within EWON, and through to the EWON Board, where they can explore, and address membership challenges as they arise.

It's time for a new approach to affordability

Affordability challenges, payment difficulties, high bills, increasing debt and disconnection of supply are the norm for many consumers.

Energy retailers must have affordability / financial hardship programs. These programs vary in accessibility and quality, rather than providing customers with an equal level of support. These variances are not transparent or included in retailer comparator data – customers can therefore unknowingly switch from retailers with robust and accessible affordability programs to retailers with less effective programs, losing the support they need.

I brought this to the attention of the NSW Legislative Council's *Select Committee on Electricity Supply, Demand and Prices*, and to the AEMC in my response to its review on strengthening protections for customers experiencing affordability issues.

Collaborative work to address affordability is needed. Affordability programs are currently parked as the financial support ambulance at the bottom of a large debt cliff. Instead, what is required is early identification of customers needing support, and tailored approaches which prevent payment difficulties escalating into serious debt.

Since early 2015, I have been calling for new technologies and products, including solar, battery storage, and energy efficient reverse cycle air conditioning, to be made available to customers unable to afford their substantial set up costs. These are particularly needed to improve the quality of social and community housing. If these are supported by increased consumer education, we will start to see reduced energy use, increased energy affordability and healthier homes.

Positively, we are now seeing an increasing number of partnerships involving energy retailers, community housing, and government agencies, which are delivering these solutions.

What are we doing to address affordability?

Our work with the Tenant Support and Education Project (TSEP), funded by Aboriginal Housing Office (AHO), continued with ongoing involvement of Origin Energy. Commenced in April 2016, and focused on Aboriginal communities in remote NSW, this project achieved great results for customers as detailed later in this report.

We also invited Sydney Water, AGL, EnergyAustralia, Origin Energy, Red Energy and Simply Energy to attend an initial Energy & Water Retailer Bring Your Bills day in Mount Druitt in October 2017. Bringing together customers and their providers, on the customer's home patch, to address billing and credit issues, saw immediate positive results.

It led to quicker resolution of complaints; provided retailers with valuable consumer-centric insights AND increased their staff engagement. The success of this new Bring Your Bills day approach paved the way for its expansion in 2018.

Digital meter installation delays

Delays have impacted many customers across NSW, since the implementation of new metering rules from 1 December 2017 when energy retailers became responsible for the rollout of digital meters. Since then, customers have experienced:

- long periods of time without electricity after aged meter failure
- delays in connection of household solar systems
- delays in moving into new homes
- significant added costs and inconvenience.

This led to the AEMC's release of its consultation paper, *Metering installation timeframes*, in May 2018. In our submission we called for a timeframe for the installation of meters to be established to provide certainty for builders and customers. We are continuing to work with energy retailers via our complaints processes to have these delays addressed and compensation provided, while regulators work through timing rule amendments.

Related to these metering delays and our work in Aboriginal communities, our assistance was sought by the AHO, the Office of Environment and Heritage, and the Land and Housing Corporation. They were looking to engage with energy retailers to complete a solar panel installation project, involving 800 homes, across far north and west NSW. For the solar to be switched on, retailers needed to arrange digital meter installations.

At the time of writing this report, through retailer response, many of these homes now have working solar panels and energy efficient heating / cooling systems. There is still some work to be done, and retailers are now involved in the planning stage of follow on community / social housing projects which, when completed across NSW, should result in major energy affordability improvements for many of NSW's most vulnerable consumers.

EWON Chair steps down

On behalf of the EWON Board and staff, I extend our thanks to Professor Julian Disney AO for the support and direction he has provided as EWON Board Chair.

Appointed Chair of the EWON Council on 1 February 2010, and Board Chair from 1 July 2012, Julian then led EWON through a series of major changes:

- establishment of a Board, comprising equal industry and community directors, from 1 July 2012
- chairing EWON Consultative Council Meetings twice annually since late 2012
- change in Ombudsman from Clare Petre to myself in 2014
- strengthening of EWON's governance framework
- significant expansion of jurisdiction to include exempt energy entities.

Julian's steady guidance has also enabled EWON to develop the flexibility and capacity required to be responsive in the changing and challenging environment we operate in.

20 years of EWON

On 9 June 2018, EWON celebrated its 20th year of providing independent, free and fair dispute resolution to NSW consumers. We strategically let this anniversary slip by quietly this year and focused instead on achieving the expansion of EWON's jurisdiction and preparing for the imminent growth of our membership.

In June 2019, we will celebrate EWON's 21 years of strengthening consumer protections across NSW!

Looking ahead...

In 2017/2018 the EWON Board met more often than in prior years, working towards expanding EWON's jurisdiction. Led by Julian, the contribution of all Directors, particularly those on the Expanded Jurisdiction Working Group, Nicole Wallis, Iain Maitland, Ian Israelsohn, and Maria Good, ensured we achieved our strategic objectives and maintained strong governance and financial management.

During early 2018, we also looked to the future and in June 2018, the EWON Board approved our three-year EWON Strategic 'Tealprint'. It is underpinned by four priority areas:

- Expanded awareness
- Valued membership
- Agile, dynamic customer service
- Influential policy contribution.

Our 2018/2019 focus on implementing expanded jurisdiction is balanced with ensuring new and existing members receive the best possible support from us, particularly in relation to internal dispute resolution and our complaints management. We are also focused on further extending our community engagement and outreach program across NSW, again including involvement of EWON members.

While acknowledging the contribution of our current Chair and Board, we are also looking forward to welcoming our new Chair, Tony Crawford, who will lead us through the next chapter of EWON's journey.

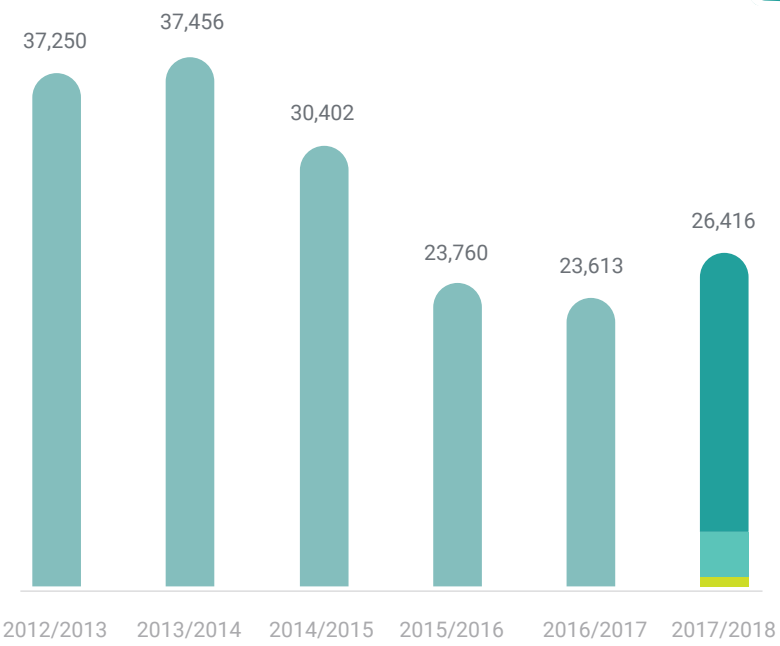
In closing, the commitment and the dedication of the EWON team continues to inspire me – we all aspire, and commit, through the work we do across EWON, to making a difference; for our members, stakeholders and especially, the consumers who most need the protection our service provides.

Janine Young

Ombudsman
Energy & Water Ombudsman NSW



Complaints received from 2012/2013 - 2017/2018



26,416
Complaints received

+12%
Complaints increased for the first time in five years

- 78% Electricity cases** (20,619)
- 19% Gas cases** (4,896)
- 3% Water cases** (828)

73 non energy or water complaints



Timely complaints handling

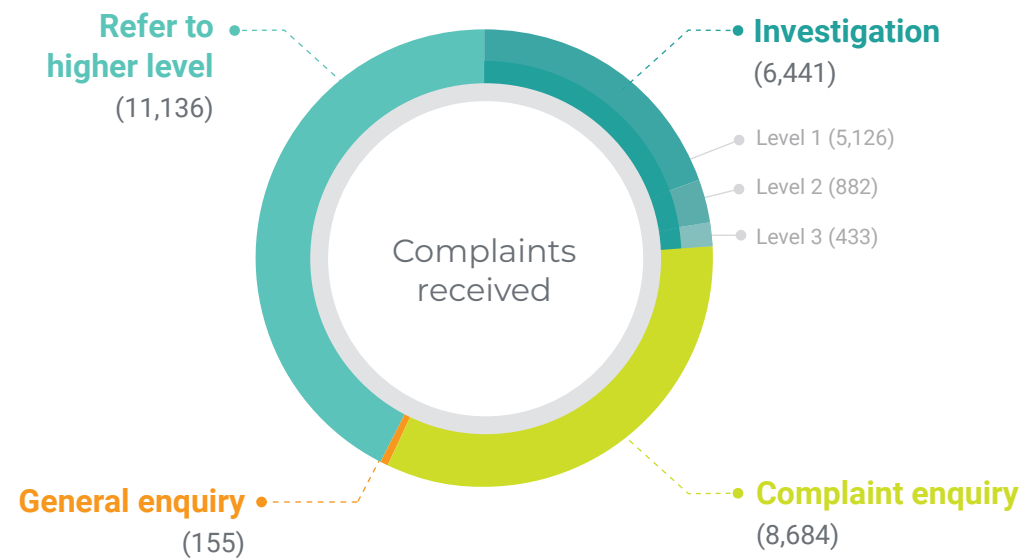
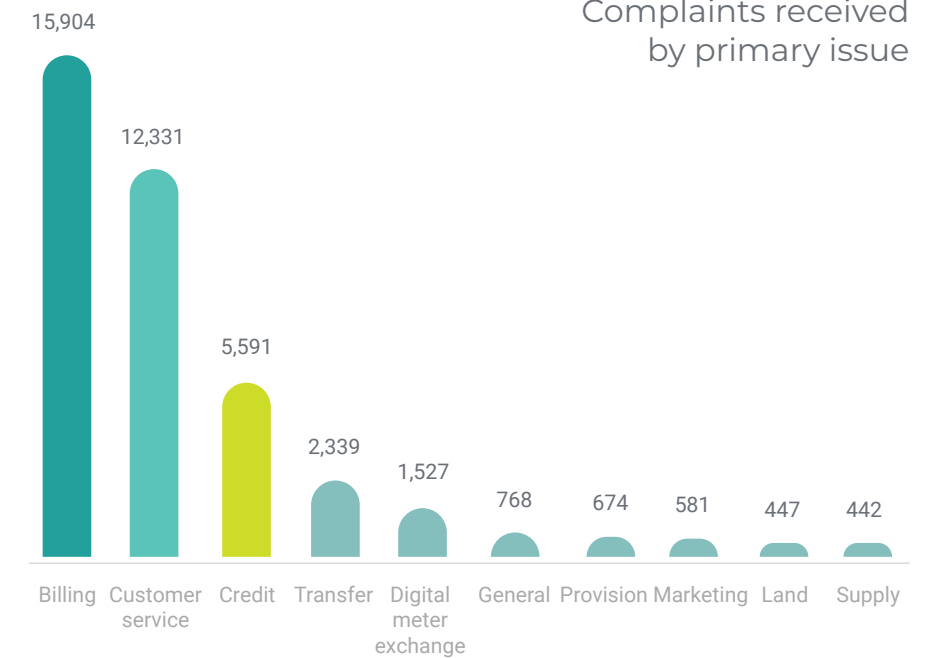
We closely monitor how we respond to complaints, the time taken to resolve complaints, and the outcome of investigations. Against a benchmark of 90%, this year we finalised 90% of complaints within 30 days. Only 4% of complaints were open longer than 90 days, against a benchmark of 5%.

Top 3 issues

- 60% Billing** (15,904)
- 47% Customer service** (12,331)
- 21% Credit** (5,591)

customers often raise more than one issue per complaint

Complaints received by primary issue



26,205
Complaints finalised

including

6,214
Investigations resolved

About us



Professor Julian Disney, AO
Chair



Maria Good
Community Director



David Stockler
Industry Director



Jan Prichard
Industry Director



Ian Israelsohn
Industry Director



Max Bosotti
Community Director



Nicole Wallis
Industry Director



Wayne Warburton
Community Director



Robyn Evans
Community Director



Jane Mills
Industry Director



Iain Maitland
Community Director

EWON Board

The EWON Board is responsible for corporate governance, budget approval and strategic direction. The Board comprises an independent Chair, five Community Directors representing consumer interests, and five Industry Directors representing industry interests.

EWON Consultative Council

Consultative Council Meetings are part of EWON's constitutional framework. They offer an open forum for consumer and small business representatives, our members and other stakeholders to meet, raise issues, and put forward their views.

They also allow us to update and consult with attendees, all of whom are key stakeholders, and the outcomes contribute to our annual planning. In accordance with EWON's Constitution, we convene Consultative Council Meetings twice annually. In 2017/2018, our Consultative Council Meetings were on 26 October 2017 and 28 June 2018.

See page 42 for specific information about these Meetings.

Our benchmarks

EWON plans its activities and measures its performance against the Australian Government's Benchmarks for Industry-based Customer Dispute Resolution (CDR Benchmarks). The CDR Benchmarks provide standards and encourage best practice in industry-based dispute resolution services throughout the country.

The six benchmarks are:

- 1 Accessibility
- 2 Independence
- 3 Fairness
- 4 Accountability
- 5 Efficiency
- 6 Effectiveness

Our values

EWON's values express the approach we take to our work as an organisation and as individuals. The keywords for each value describe our

Independence
We are impartial; we approach our work transparently and openly.

Integrity
We are open and honest; we stand by our actions.

One Team
We work together; we are flexible, helpful and take personal responsibility.

Our 2017/2018 strategic objectives

EWON strives to achieve the best possible outcomes for its customers and members.

- Priority 1: Engaged people**
- Priority 2: Fit for the future**
- Priority 3: Customer service excellence**
- Priority 4: Awareness and influence**

understanding of how our actions bring these values to life day to day.

Respect
We are courteous; we build trust by listening and following through on our commitments.

Service Excellence
We are proactive; we are committed to delivering high quality services to our customers and stakeholders.

Social Justice
We are accessible and fair; we take a holistic approach to addressing customer circumstances.

Our team

In 2017/2018, EWON had four core teams working under the leadership of the Ombudsman:



This structure enabled EWON to meet each of our Charter responsibilities, as well as prepare for the significant expansion of our jurisdiction.



Back row from left Helen Ford, General Manager Governance, Awareness & Policy; Adrian Borchok, General Manager Investigations; Bernadette Or, General Manager Finance & Corporate Services; Front: Janine Young, Ombudsman





Ombudsman engagement highlights

An important focus for the Ombudsman, Janine Young, is engaging directly with stakeholders and NSW communities to develop strong networks, increase awareness of EWON's services and build community trust and knowledge about what we do.

Direct engagement also allows the Ombudsman to hear from consumers and their advocates about the issues impacting them – another avenue that helps EWON strengthen consumer protections. Below are some highlights of the Ombudsman's engagement in 2017/2018.

Conferences, speeches and events

- Australian Energy Market Commission eighth Consumer Priorities Forum
- Commonwealth Ombudsman Complaint Handling Forum
- EDR Forum and Financial Counselling Australia Conference, Hobart
- Energy Networks Conference 2018
- EWON Anti-Poverty Week forums in Penrith and Wagga Wagga
- Ruby Hutchinson Memorial Lecture 2018
- PIAC Social Justice Dinner 2018

Aboriginal projects and engagement

- Bourke Affordable and Appropriate Housing Strategy
- Bring Your Bills Day and Power and Water Usage Workshops in Wilcannia, Menindie, Dareton, Bourke, Brewarrina, Walgett, Goodooga, Coonamble, Gulargambone and Lake Cargelligo
- Koori Cup
- Redfern NAIDOC Week event
- Yarning Circle, Financial Counsellors Association Conference, Hobart

Peak and consumer body engagement

- Choice
- Energy Consumers Australia
- Australian Energy Council Retail Working Group

Collaboration and partnerships

NSW Ombudsman: EWON continues to work with the NSW Ombudsman under our Memorandum of Understanding regarding customer complaint referrals and to participate in the Bourke Affordable and Appropriate Housing Strategy.

NSW Fair Trading: The Ombudsman and the Commissioner hold quarterly meetings to discuss common issues and complaint referral processes.

NSW Small Business Commissioner: The Ombudsman and Commissioner held a number of meetings during the year to discuss issues affecting small businesses including disaster relief and energy affordability.

Public Interest Advocacy Centre (PIAC): PIAC presented at both our metropolitan and regional Anti-Poverty Week Forums and EWON supported PIAC's "Cut Off Survey" about customers' experience of disconnection and hardship by inviting customers who had called EWON to participate in the survey.

Legal Aid: The Ombudsman continued to work with senior Legal Aid staff and EnergyAustralia on a pilot debt waive program. Legal Aid staff also participated in our Bring Your Bills days.

NSW Council of Social Service (NCOSS): The Ombudsman and CEO of NCOSS meet regularly to discuss energy affordability issues.

Independent Pricing and Regulatory Tribunal (IPART): EWON and IPART entered into a Memorandum of Understanding, aimed at promoting effective communication, cooperation and coordination.

High level committees

NSW Legislative Council's Select Committee Hearing, Parliament House: The Ombudsman gave evidence to the inquiry about the trends we see in our customer complaints related to affordability and high bills. The Ombudsman spoke about the difference in hardship programs between first and second tier retailers, vulnerability amongst customers living in rural and remote areas and the impact of retailers operating across different jurisdictions.

ACCC Retail Electricity Pricing Inquiry: The Ombudsman and a number of other ANZEWON members teleconferenced with the Deputy Chair of the ACCC and Inquiry staff to discuss energy affordability for social and affordable housing, issues affecting consumers in remote and rural areas, the National Energy Consumer Framework and state tenancy laws, the awareness of Ombudsman schemes amongst consumers and how outcomes could be improved for small customers.

Planning for the future

Constitutional changes

A key initiative of the Board in 2017/2018 was to review EWON's Constitution to ensure it is aligned and responsive to the dynamic environment in which we work today.

This important piece of work allowed the Board to make sure our procedures are fair for customers and members alike. The Board review began in March 2018 and factored in constitutional changes required to expand EWON's jurisdiction to include customers who rely on embedded networks for their energy supply.

At an Extraordinary General Meeting on 7 June 2018 the proposed changes to the Constitution were put to EWON members.

Members voted in support of the changes, including those affecting:

- voting rights
- composition of Industry Directors
- director tenure – now limited to two terms or no more than a six year tenure
- delegation of approval of membership to the Ombudsman
- establishment of the Operational Advisory Group comprising embedded energy and Water Industry Competition Act providers.

Our strategic objectives

In 2017/2018, EWON's Management Team worked on developing a strategic 'Tealprint' for 2018-2021. This sets out EWON's strategic direction for the next three years ensuring we flexibly continue to provide high quality, independent advice, information and dispute resolution to NSW energy and water consumers.

Strategic three year plan

Rather than a blueprint, we refer to our strategic plan as our 'Tealprint', aligning it with our brand.

Expanded awareness

Community awareness across NSW, including embedded network and small business customers, which builds connections, increases reach and improves access to EWON.

Valued membership

Membership which provides quality independent external dispute resolution, evidence-based insights into consumer issues and access to stakeholder, community and industry engagement.

Agile, dynamic customer service

Capability and capacity to respond effectively and quickly to change, while continuing to provide quality services utilising sustainable business and service models.

Influential policy contribution

Provision of evidenced-based information and advice about relevant industry, systemic and strategic issues.



Hugo Harmstorf, CEO, IPART and Ombudsman, Janine Young signing a Memorandum of Understanding in July 2017



Ombudsman, Janine Young with Councillor John Thain, Mayor Penrith City Council at our Anti-Poverty Week forum

Enquiries and complaints

General enquiry

Customers sometimes contact us with an energy or water enquiry rather than a specific complaint. They may call about something outside our jurisdiction such as a problem with a solar installer or their phone provider. When this occurs, we note their call and refer them to the organisation that can respond to their enquiry or resolve their complaint. We finalise these cases as general enquiries.

Complaint enquiry

Sometimes customers contact us with questions that we can address immediately, such as a request for referral to an agency that distributes Energy Account Payment Assistance vouchers or a query about an approved fee or charge on their account. A customer may also contact us with a complaint about their energy or water provider which they have not yet raised with their provider. When this happens we provide general advice including information about the customer's rights and responsibilities. We then refer customers to their provider, empowered to resolve the problem without our further involvement. Of course, we let them know they can contact us again if they are not satisfied with their provider's response. These complaints are resolved as complaint enquiries.

Refer to higher level

Too often, a customer contacts us about a complaint that they tried, unsuccessfully, to resolve with their provider, most often at contact centre level. We offer to refer them to their provider's specialist dispute resolution team. If the customer agrees to this, we provide advice and information about the customer's rights and responsibilities. The provider's specialist team is required to contact the customer directly, within three days, to resolve the complaint. These are 'refer to higher level' (RHL) complaints.

This approach gives the provider a final opportunity to resolve the customer's problem directly. It also gives the customer a chance to have their complaint reviewed by senior staff working in the provider's specialist complaints area. We inform the customer they can return to EWON if they are not satisfied with the outcome.

EWON monitors the performance, through quarterly customer surveys, of each provider to ensure this process is an efficient and effective way to resolve complaints. These surveys also monitor the quality of our service. Information about the survey results is collated on page 30.

While the majority of RHL cases were resolved to the satisfaction of the customer and provider, 18% of customers returned to EWON for further assistance. These complaints were then investigated.



Explanation of terms

General enquiry

A customer contact that may be about an energy or water matter but is not a complaint. In some cases, it may be out of our jurisdiction.

Complaint enquiry

A request for information or assistance that can be settled or referred quickly to a provider's contact centre or a referral agency.

Refer to higher level (RHL)

A complaint referred to the energy and water provider's specialist dispute resolution team.

Investigation

EWON investigates and negotiates an outcome when a complaint cannot be resolved between the customer and the provider. These are categorised as Level 1, 2 and 3, based on the time taken to resolve each complaint.

Investigations

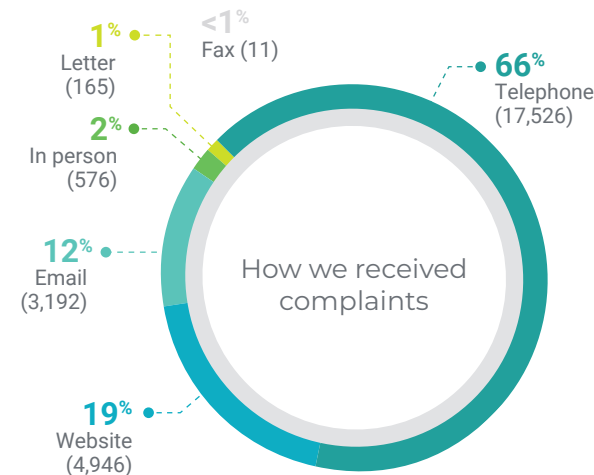
We investigate complaints where customers have tried unsuccessfully to resolve their complaint with their provider, including when they return to us after an RHL because they are not satisfied with the response they received.

An investigation involves speaking to both parties to determine the facts and circumstances from each of their points of view. If appropriate, we offer to refer the customer to other services such as welfare agencies, financial counselling and tenant advisory services as part of our investigation. We analyse information from the provider, for example metering data, telephone conversation recordings or energy contracts. We also review relevant legislative provisions, conduct research, and in some cases, make site visits and consult with independent experts.

Investigated complaints are categorised into different levels. A Level 1 complaint is most often resolved in up to 240 minutes or four hours of investigation. It usually involves collecting information related to the investigation and talking with the customer and provider several times during a period of up to five weeks.

When a complaint cannot be resolved at Level 1 and further investigation is needed, we upgrade it to Level 2. Level 2 cases normally involve more in-depth research, investigation and analysis (they may also require a detailed report to be prepared for the customer). These most often take up to three months to resolve. The complaint investigation is upgraded to Level 3 if it is not resolved after 480 minutes of investigation time and needs further investigation. These complaints can also involve unsuccessful requests for information from the provider, or the customer, or if we need to, we seek independent expert advice in order to reach a final outcome.

In 2017/2018, we opened 6,441 investigations and closed 6,214 investigations; 4,682 at Level 1, 915 at Level 2 and 617 at Level 3.



Outcomes

Facilitated resolutions

A facilitated resolution is one where the customer and provider work with us, taking positive and proactive steps to resolve non-complex complaints. Facilitated resolutions most often involve multiple telephone discussions rather than written interactions.

Negotiated resolutions

Negotiated resolutions involve conducting a full investigation where we are actively involved in negotiating a fair and reasonable outcome for both parties.

No further investigation

When our investigation concludes that the provider's position is fair and reasonable, when the customer withdraws a complaint, or where the customer does not keep in contact with us, a case is closed on the grounds of 'no further investigation'. When a complaint is finalised as 'no further investigation', we send the customer a report detailing the outcome of our investigation and the rationale for our decision. The customer can request a review of that decision within 28 days of receiving our report. This is part of our commitment to embracing the Benchmarks for Industry-based Customer Dispute Resolution in our everyday work – in this case, the benchmarks 'fairness' and 'accountability'.

Binding decisions

When an agreed or negotiated outcome cannot be reached the Ombudsman may be required to make a binding decision. A binding decision is an order to a provider to take a prescribed course of action. In 2017/2018, no binding decisions were made by the Ombudsman.

Internal review

We apply the principles of procedural fairness in our decision making. We provide opportunities for all parties to participate in the process, and we explain the reasons for our decisions in writing. Customers can request a review of our decision if they are not satisfied with the outcome of the investigation and they:

- identify bias in our investigation
- provide relevant new information which may change the outcome of the complaint
- identify an error or omission by EWON.

This year we received 15 formal requests for internal review from 6,214 finalised investigations. Our reviews identified two needed further investigation and 13 where no further investigation was required.



Strengthening consumer protections

The past 12 months have seen unprecedented government, regulator and media focus on the energy sector, including high energy costs and pricing practices that impact negatively on consumers.

We have long been calling for a review of many practices that are now receiving attention particularly the discount price regime and energy contract 'confusopoly' – a term we initiated in our *Inquiry into retail electricity supply and pricing* submission to the Australian Competition & Consumer Commission (ACCC) in June 2017, to describe the contract complexity which has emerged over recent years.

Equal access to EWON for all energy consumers

Our focus on strengthening consumer protections for energy and water customers is driven by the trends and patterns we identify through complaints management, systemic issues investigations, community outreach and stakeholder engagement activities. This evidence-based data is distilled in our submissions to government and regulator reviews. More broadly, it is shared in the Ombudsman's conference presentations and speeches, media interviews, newsletters, articles provided to stakeholder publications and the Ombudsman's blog.

In 2017/2018 our ongoing focus on ensuring all NSW energy customers receive equitable access to free, fair and independent dispute resolution was achieved. From 1 July 2018, regardless of whether an energy customer is supplied by an authorised retailer or through an embedded network operator, each customer has access to EWON's service with their provider required to participate in EWON's dispute resolution service. This will be rolled out on a gradual basis across 2018/2019 to ensure its effectiveness is maximised; and focused on most prevalent needs for EWON's involvement.

Fees for paper bills, account payment and early termination

Over the years we have highlighted the impact of fees for paper bills and paying accounts at Australia Post outlets – a regular transaction that many older consumers particularly rely on. Our heightened focus more recently on the disadvantage these fees have on customers experiencing vulnerability was addressed when the NSW Government's Energy Bill Relief Package was announced in September 2017, banning charges for paper bills, paying bills over the counter and early termination fees. Our work in this area continues as we still see some of these fees appear on customer accounts.

Hardship program inequities

Retailer hardship programs have evolved over the years – with significant improvements in some programs – but overall, lack of accessibility and inconsistency in the level of support available has increasingly emerged. The Ombudsman has spoken out about the lack of standard protections offered by large and small retailers coupled with the fact that access to these programs is often inadequate. More recently, we have seen a requirement by some retailers for their customers to meet unaffordable short-term payment plans in order to qualify for access to affordable and longer-term payment plans.

The Australian Energy Regulator's request for the Australian Energy Market Commission to consider a rule change which strengthens protections for customers in financial hardship was therefore strongly welcomed.

It's tougher in regional, rural, remote NSW and not just from a drought perspective

From our community outreach work, we have highlighted the additional impact of high energy costs on customers in regional and remote areas not just in the case of network pricing but exacerbated by extreme summer and winter temperatures and high petrol and grocery costs, particularly in smaller communities.

Many of these areas have extremely high levels of insolation (the capacity to generate solar power). Affordability for solar systems is, however, at the other end of the spectrum, a dichotomy which sees those most experiencing vulnerability, unable to benefit from the efficiencies and cost benefits of new technology. This has also been a focus of our engagement with government, regulators and energy companies, who through collaborative partnerships could address this dilemma.

Positively, this is now being addressed via NSW Government funding of solar panels and reverse cycle cooling and heating in Aboriginal communities through the Office of Environment and Heritage, the Aboriginal Housing Office (AHO) and NSW Land and Housing Corporation projects. Other projects involving partnerships between energy retailers and community housing organisations are also becoming more prevalent. Our contribution to maximising the benefits of these projects is via education and training for community workers and across communities. More recently our involvement focused on linking energy retailers with AHO to hasten the installation of digital meters, required to switch on the solar panels. This work is still ongoing but aimed for completion before the 2018/2019 summer hits.

ACCC Inquiry into the supply of retail electricity and pricing competitiveness

One of the most significant developments in 2017/2018 was the initiative by the Federal Government to require the ACCC hold a public inquiry into the supply of retail electricity and the competitiveness of electricity prices in the National Electricity Market. The need for this Inquiry highlights the impact of long term high electricity prices on consumers and business.

Its final report, *Restoring electricity affordability and Australia's competitive advantage*, published on 11 July 2018, had 56 recommendations, including many which respond to EWON's long-standing calls for fairer and more transparent pricing practices, which will enable consumers to compare retail offers and more readily access discounted offers.

More work to be done

This year has seen some significant breakthroughs in improving consumer protections particularly in the energy sector. It is critical though, that our eyes, and those of regulators, government and energy and water providers, remain focused on what still needs to be addressed.



Complaints this year

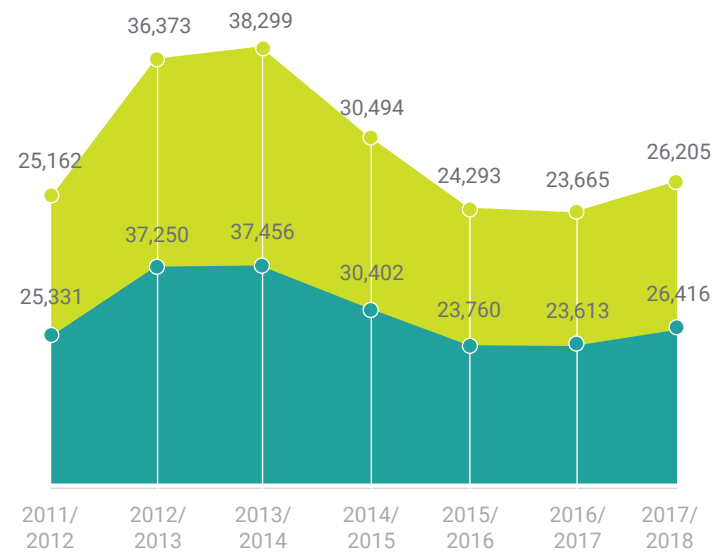
Electricity accounted for 78% of our complaints in 2017/2018, up from 74% in 2016/2017. Gas complaints fell as percentage of total complaints from 23% in 2016/2017 to 19%, while water complaints remained stable at 3% of all complaints.

Complaints about electricity retailers increased by 22%, but fell marginally (1%) for electricity distributors. Complaints for exempt electricity retailers fell by 13%. Gas complaints fell for retailers and distributors. Complaints related to water retail issues were up by 7%, while distribution complaints fell by 3%.

We closed 26,205 complaints; some of these were carried forward from the previous financial year and resolved in the current financial year.

Complaints opened and closed

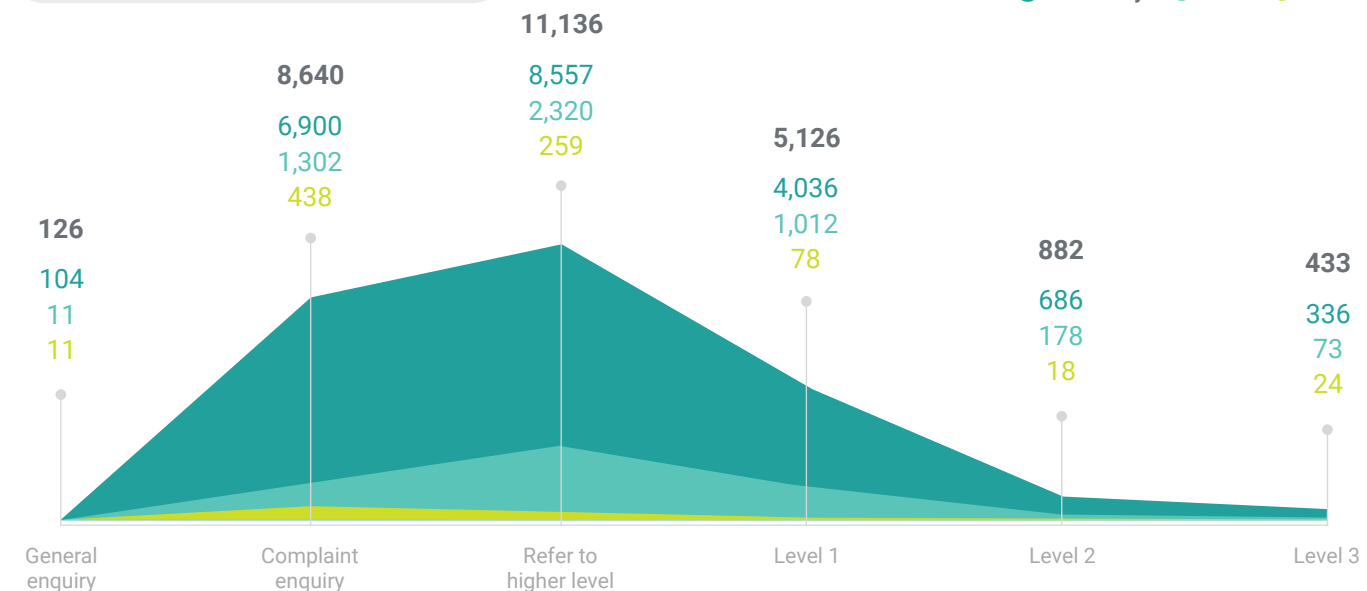
● Cases received ● Cases closed



Retail / distribution comparison

		2017/2018	% change from 2016/2017
Electricity	Retailer	19,198	+22%
	Distributor	952	-1%
	Exempt retailer	109	-13%
	Other	360	-30%
Gas	Retailer	4,522	-9%
	Distributor	340	-11%
	Exempt retailer	10	+11%
	Other	24	-29%
Water	Retailer	560	+7%
	Distributor	219	-3%
	Other	49	-6%
Non energy/water	General enquiry	73	+24%
Total		26,416	+12%

General and complaint enquiry figures below do not include non energy or water complaints



Case level by industry

● Electricity ● Gas ● Water

An affordable payment plan for a customer experiencing affordability issues

When Mr Lawry's electricity was disconnected for non-payment, he contacted EWON for assistance. Mr Lawry was under the impression that his account was being paid with a regular direct debit, but when his energy was disconnected he found out this arrangement had been cancelled.

Mr Lawry's account balance was almost \$3,000. He advised us that after paying rent he only had \$280 a fortnight left. The EWON Investigations Officer reviewing Mr Lawry's complaint referred him to his local Energy Accounts Payment Assistance provider for a contribution towards his energy account.

We also referred Mr Lawry to a financial counsellor, a free community service which works closely with community organisations to assist consumers experiencing hardship.

A financial counsellor was able to assist him develop a budget and manage his finances so he could stay on top of his bills.

The Investigations Officer then contacted Mr Lawry's provider to arrange a suitable payment plan that would enable him to stay connected to power. The provider agreed to a payment plan of \$115 per fortnight for four fortnights and Mr Lawry was able to contact his provider's affordability assistance program once the final payment was made to arrange an affordable, ongoing payment arrangement.

We also made Mr Lawry aware of a range of rebates he might be eligible for to help meet energy costs. We advised him that as long as the agreed regular payments were made on the account, he would avoid late payment fees and would not be disconnected.

Energy Accounts Payment Assistance is available to customers experiencing financial hardship in an emergency or crisis situation from community agencies throughout NSW.

Resolution

Category Level 1 investigation

Issues Disconnection/restriction, payment arrangement declined, poor service

Outcome Negotiated resolution

Complaints by Local Government Areas (per 1,000 people)



Key

- 1 to 3
- 4-6
- 7-9
- 10+

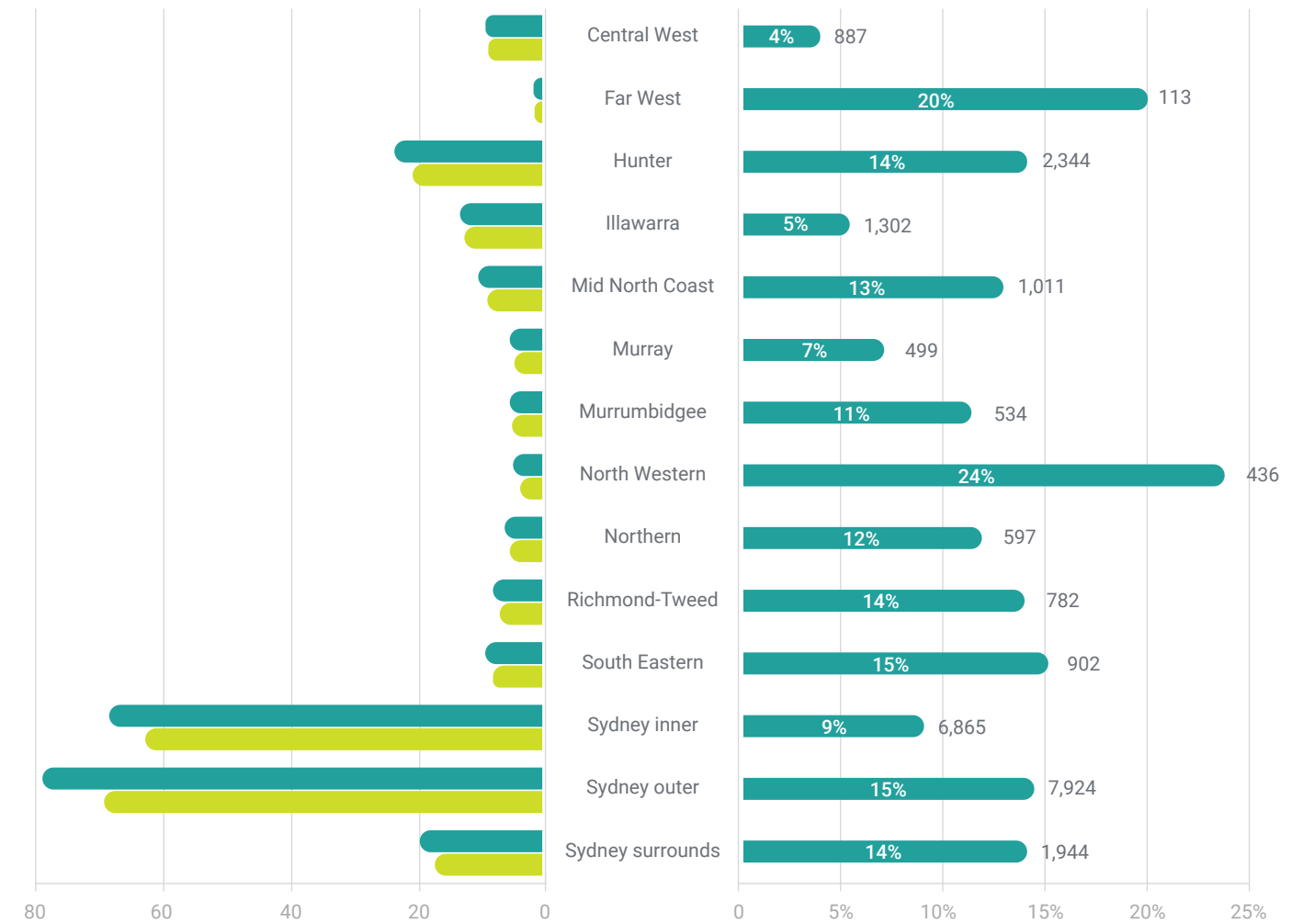
*map not to scale

Sydney	16	Campbelltown	3	Ryde	4	Northern Beaches	3
Woollahra	4	Canada Bay	5	Willoughby	4	Sutherland	2
North Sydney	5	Inner West	4	Canterbury - Bankstown	4	Waverley	3
Parramatta	3	Lane Cove	4	Camden	5		
Strathfield	5	Liverpool	3	Cumberland	4	Hornsby	3
Bayside	4	Mosman	4	Fairfield	3	Hunter's Hill	3
Blacktown	4	Penrith	3	Georges River	3	The Hills	1
Burwood	3	Randwick	4	Ku-Ring-Gai	3		

Complaints are higher in some regional areas due to our community outreach initiatives.

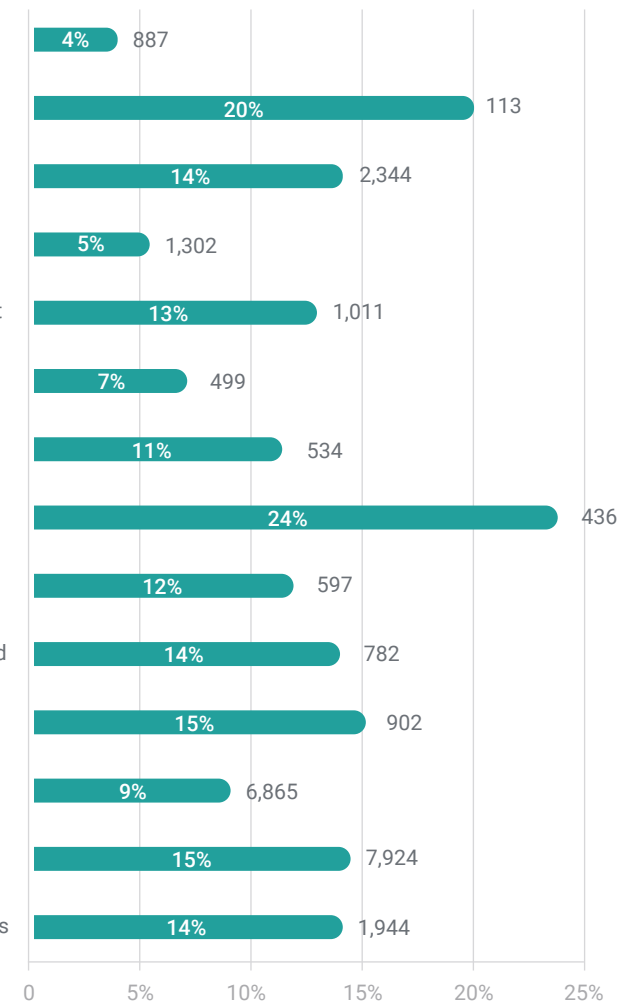
Complaints per 10,000 people by NSW region

● 2016/2017 ● 2017/2018



Total complaints and increase by NSW region

● Change from 2016/2017

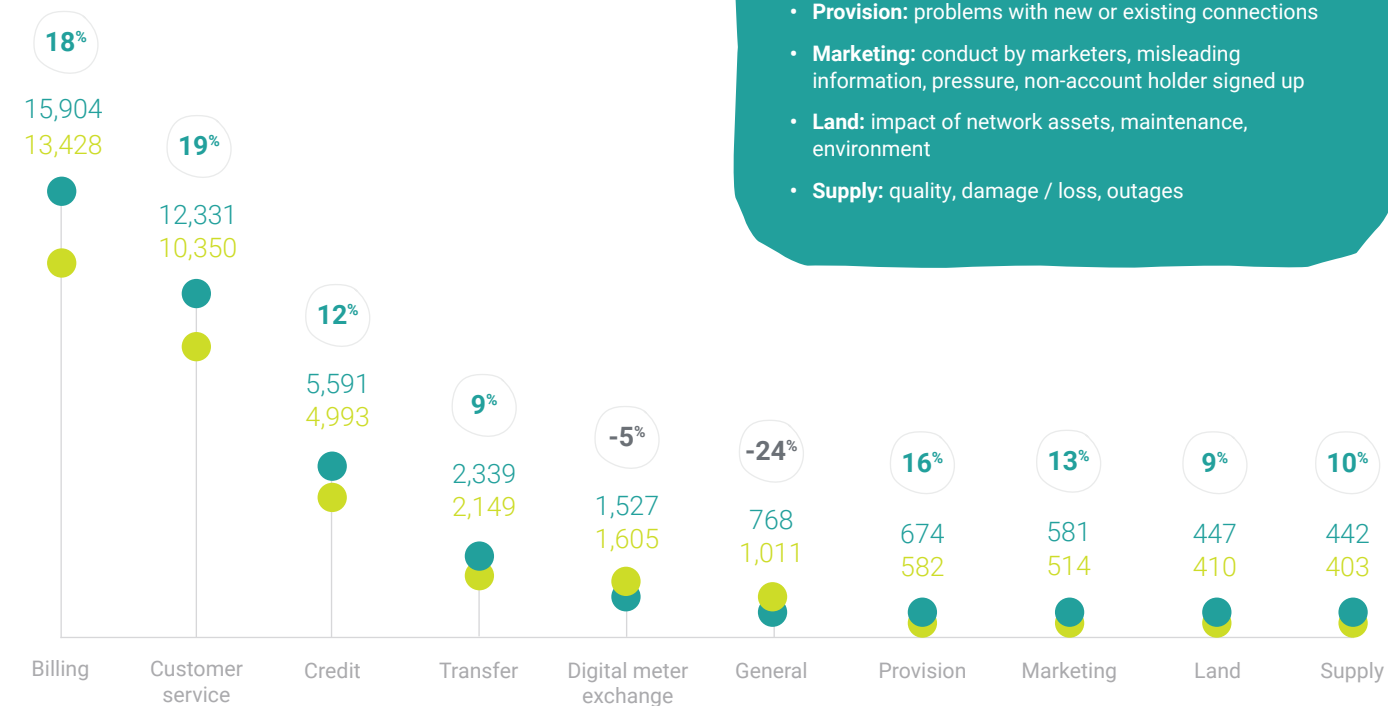


Complaint issues

We open one complaint when a customer contacts us but they often experience more than one complaint issue, such as a high bill and poor customer service. Therefore the number of complaint issues is greater than the number of cases we receive.

Complaints by primary issue

● 2016/2017 ● 2017/2018 % Change from 2016/2017

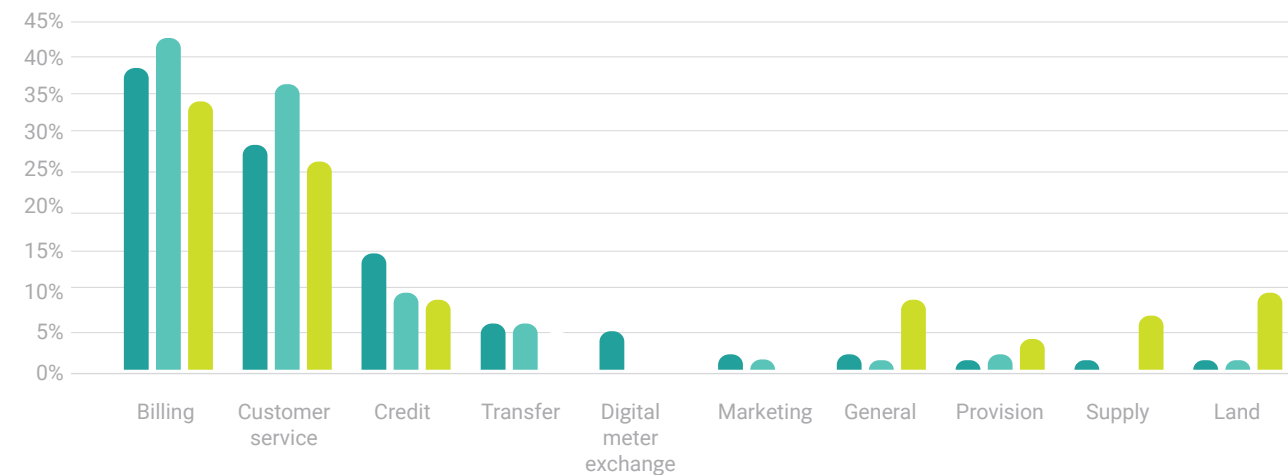


How we categorise complaint issues

- **Billing:** high and disputed bills, fees and charges, responsibility for accounts
- **Credit:** disconnection, arrears, difficulty in payment, payment arrangement declined, debt collection
- **Customer service:** failure to respond, incorrect advice, poor attitude/service
- **Transfer:** error in billing or transfer of account due to switching retailers, contract terms, delay in transfer, site ownership
- **Digital meter exchange:** delay, meter not installed, incorrect advice, failure to respond/notify, billing, terms and conditions
- **General:** non energy / water related, contractors
- **Provision:** problems with new or existing connections
- **Marketing:** conduct by marketers, misleading information, pressure, non-account holder signed up
- **Land:** impact of network assets, maintenance, environment
- **Supply:** quality, damage / loss, outages

Complaint issues by industry

● Electricity ● Gas ● Water



Billing

15,904 complaints involved billing issues

Issue	No. complaints
High	8,247
Estimation	2,990
Error	2,557
Opening / closing account	2,483
Tariff	1,351
Fees and charges	1,183
Backbill	1,010
Billing period	957
Delayed bill	819
Rebate / concession	687
Other	664
Meter	612
Refund or credit	487
Format	145
Debt transfer	72

Customer service

12,331 complaints involved customer services issues

Issue	No. complaints
Poor service	6,197
Failure to respond	4,541
Incorrect advice / information	2,295
Failure to consult / inform	1,677
B2B	931
Unprofessional attitude	265
Online	151
Privacy	120

Credit

5,591 complaints involved credit issues

Issue	No. complaints
Payment difficulties	2,827
Collection	2,019
Disconnection / restriction	1,819

Transfer

2,339 complaints involved transfer issues

Issue	No. complaints
Site ownership	553
In error	508
Contract terms	473
Without consent	391
Delay	319
Billing	206
Cooling off rights	138
Rejected by retailer	120

Digital meter exchange

1,527 complaints involved digital meter exchange issues

Issue	No. complaints
Delay	882
Not installed	302
Billing	254
Incorrect advice / information	224
Failure to respond	205
Fault	148
Other	108
Failure to notify	70
Terms and conditions	52
Opt in / opt out	43
Damage	15
Transfer	8

Provision

674 complaints involved provision issues

Issue	No. complaints
New connection	344
Existing connection	297
Disconnection / restriction	55

Marketing

581 complaints involved marketing issues

Issue	No. complaints
Misleading	356
Information	108
Other	64
Pressure	63
Non account holder	26

Land

447 complaints involved land issues

Issue	No. complaints
Network assets	278
Property damage / restoration	145
Vegetation management	29
Other	26
Easement	23
Street lighting	17

Supply

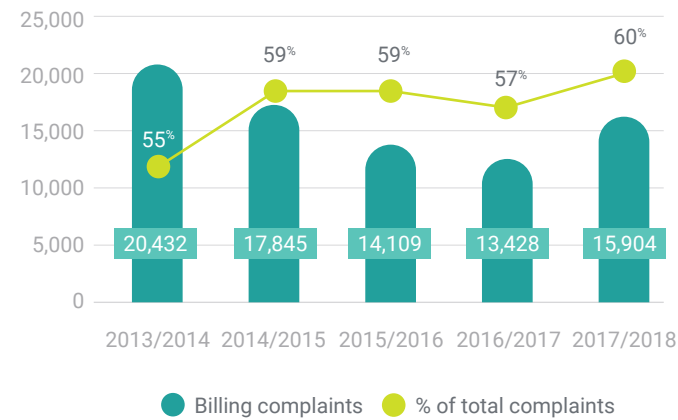
442 complaints involved supply issues

Issue	No. complaints
Off supply (unplanned)	189
Off supply (planned)	130
Variation	76
Quality	45
Sewer overflow / blockage	36
Water restriction	2

Focusing on the top three issues

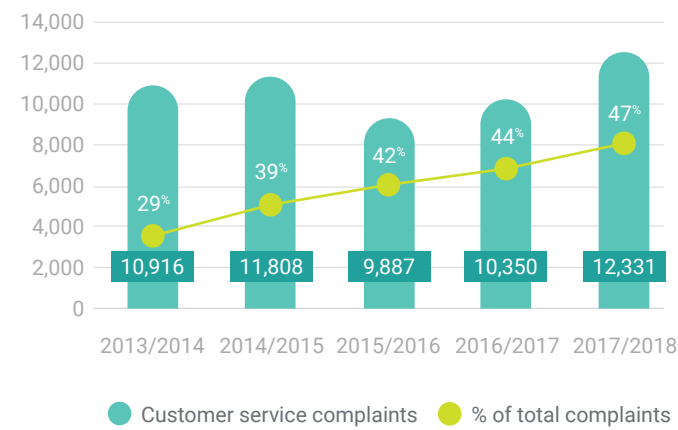
Billing

Billing continued to be our biggest issue, present in 60% of all complaints. Billing issues include high or disputed accounts, estimated bills, opening and closing accounts and fees and charges.




Customer service

Customer service complaints grew in 2017/2018 in both number and percentage of our overall complaints. Customer service is often an underlying factor for customers contacting EWON, but for these complaints customer service was the driving factor that resulted in the customer contacting EWON.




Credit

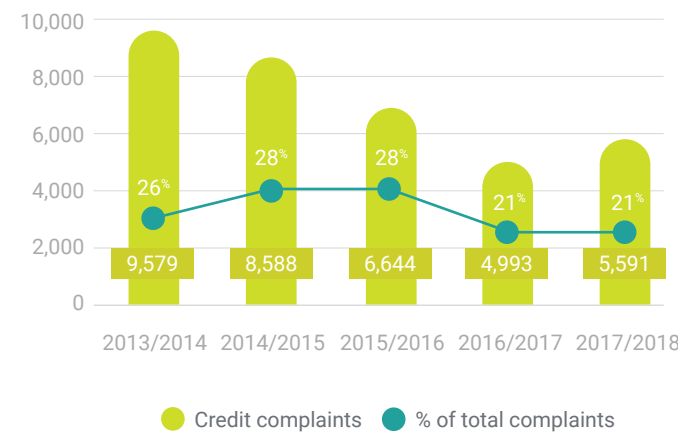
Credit related complaints continue to be our third biggest issue. Credit issues underpin energy affordability and financial hardship, which are a key focus of EWON.



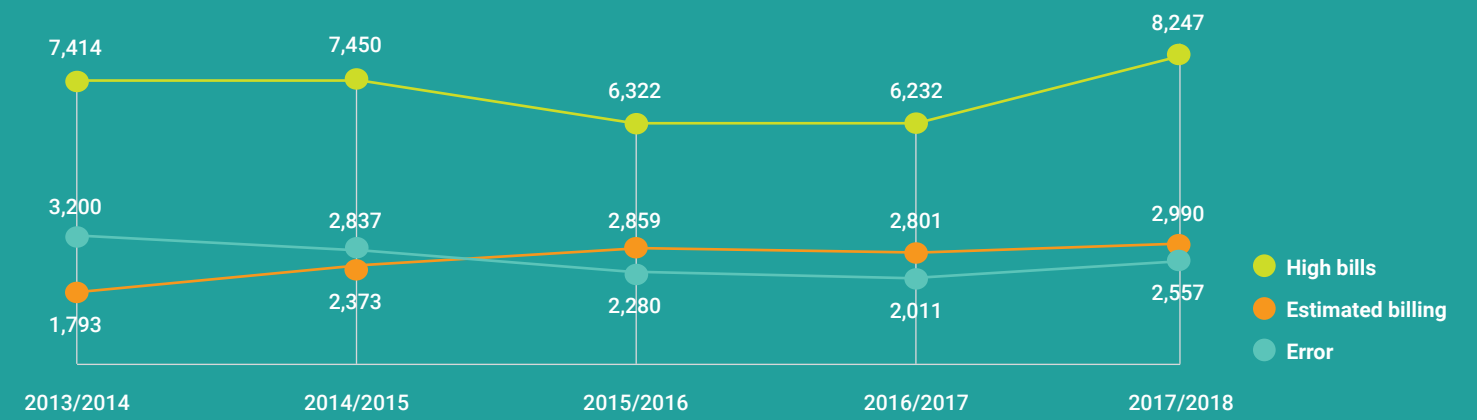
712
impending
disconnection
complaints



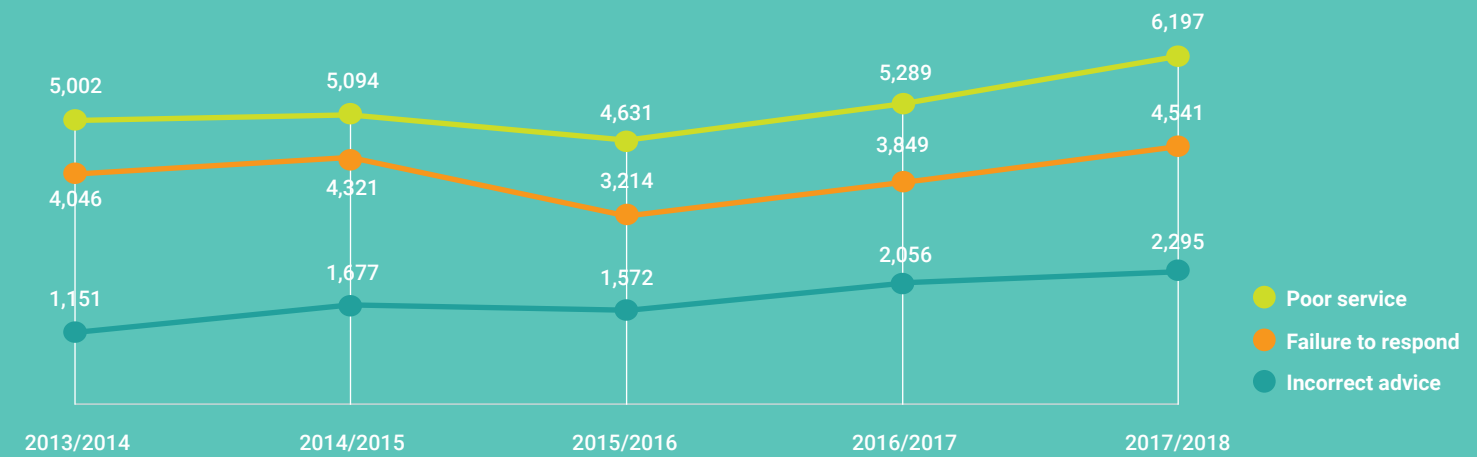
1,110
actual
disconnection
complaints



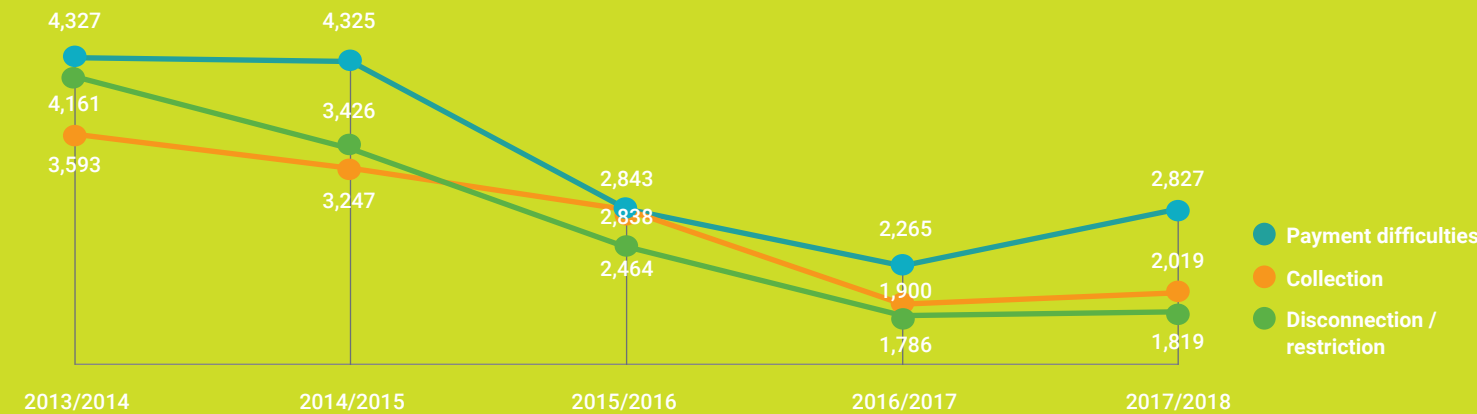
Trends in billing complaints



Trends in customer service complaints



Trends in credit complaints

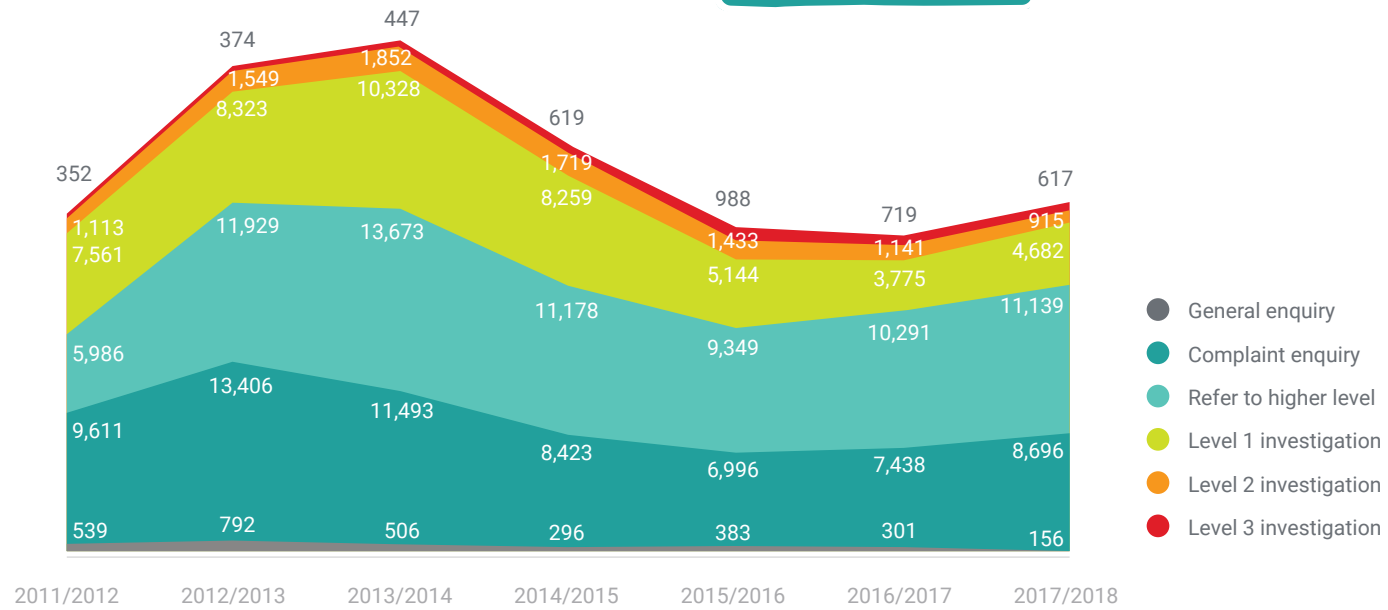




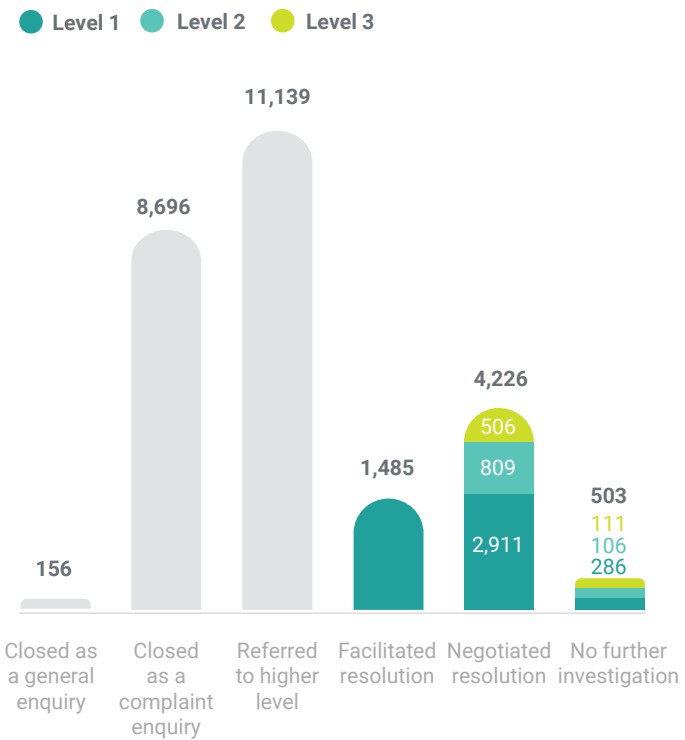
Complaint closures from 2011/2012 - 2017/2018

4,226
Negotiated resolutions

+5%
increase in negotiated resolutions



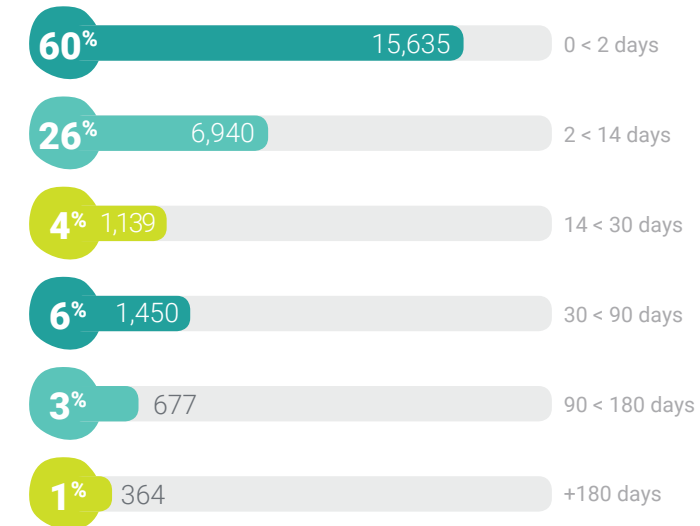
Complaint resolutions and outcomes



Investigation outcomes



Time taken to finalise complaints



No wrong door

When a customer contacts us before they speak to their energy or water provider, we provide them advice about their rights and responsibilities and refer them back to their provider. When customers require assistance that is outside of EWON's jurisdiction, we work closely with other organisations and refer customers to them as required.

1,343

referrals to community agencies

Referral	No.
Provider contact centre	4,932
Energy and Water Payment Assistance Scheme / community agency	1,343
Provider hardship team	686
Financial counsellor	674
AER / EnergyMadeEasy	477
Fair Trading / NCAT	440
Another Ombudsman	340
Legal / tenancy advisor	263
Other government agency	246
Private contractor	177
Department of Planning and Environment / Minister	37
IPART	12

Complaint closure trends



Testing our accessibility and effectiveness

EWON awareness surveys

Our extensive community outreach program, stakeholder engagement and communications activities aim to reduce the number of complaints to EWON. We do this by educating consumers, small business and community workers about energy and water issues, energy and water providers' complaints processes and the assistance available for customers experiencing financial hardship.

At the same time, it is critical that energy and water consumers are also aware of their right to access our service if, or when, something goes wrong and they cannot access assistance via other channels.

It is a significant challenge to create an ongoing level of EWON awareness that ensures customers are aware of their right to seek our assistance when they need us. And it is difficult to gauge how effective we, and our members who are also required to promote EWON, are at achieving this objective.

At our request, in 2016/2017 Energy Consumers Australia began including two questions in its half yearly consumer sentiment surveys, designed to measure the level of prompted and unprompted awareness of energy Ombudsman services amongst Australian consumers.

The first question gauges unprompted awareness by asking:

"If you had a complaint about your electricity or gas services which you could not resolve by talking to your retailer or network company, which people or organisation[s] would you contact?"

Interestingly, the response to the unprompted awareness question has increased substantially. In 2017/2018, 43% of NSW consumers surveyed responded with "Ombudsman"; this is up 13% from last year. Similarly, 10% answered specifically "Energy/Industry Ombudsman" – up 4% from 2016/2017.

The second question gauges prompted awareness by asking consumers who did not express awareness to the above question:

"How familiar are you with an organisation called the Energy Ombudsman, which assists consumers with complaints about energy?"

The percentage of people who responded that they were familiar or very familiar with the term "Energy Ombudsman" in NSW remained steady at between 27% and 30% across the 18 / 24 month survey period.

While unprompted awareness has positively increased, these surveys are online which means many people, especially those of a non-English speaking background and those without digital access, are not represented.

We continue to work to ensure NSW consumers are aware of our services so they can contact us when they need us.

Customer satisfaction surveys

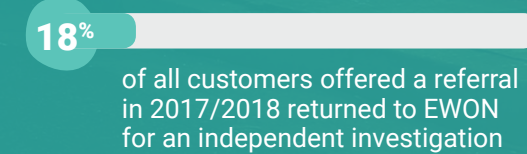
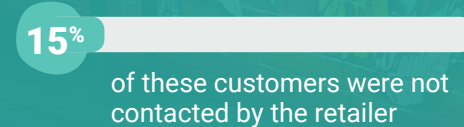
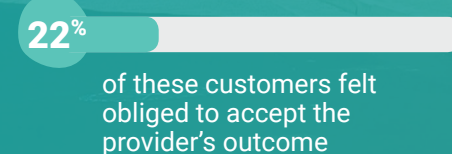
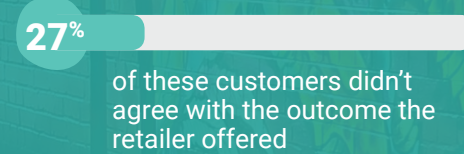
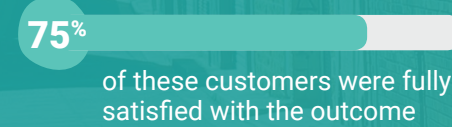
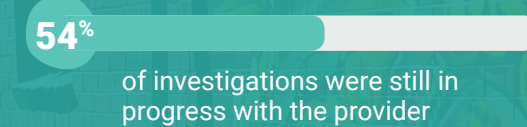
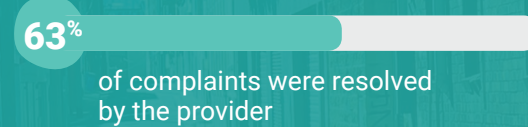
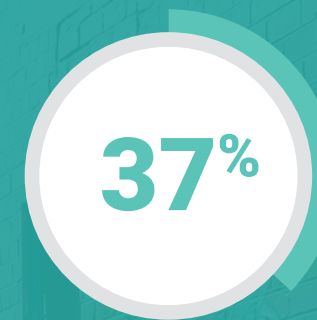
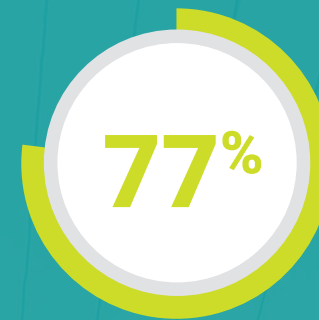
When a customer contacts EWON, most often, we offer them a referral to their provider's specialist complaints team. This direct contact from the provider's senior dispute resolution staff, provides another opportunity to resolve customer issues directly. We have found that this process can also empower the customer in their future dealings with their provider.

We ensure customers know they can contact us if they are dissatisfied with the outcome. However, if we do not hear from the customer, we do not know if they are satisfied or if they decided not to return to us for any other reason.

We therefore conduct quarterly surveys to seek customer feedback and gauge their level of satisfaction with the referral process. There are three key purposes for conducting the survey. One is to find out the level of satisfaction with EWON's advice and service. The second is to confirm member adherence with the agreed referral process which requires providers to contact their customers within three business days. The third is to ensure that the outcome of the complaint was agreed by both the customer and the provider.

Results of the surveys were consistently high throughout 2017/2018.

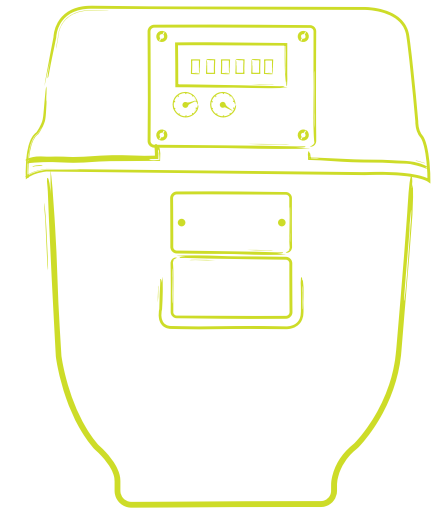
We were especially pleased with the number of customers who said they would recommend our service, evidenced by a high Net Promoter Score (NPS) of +55 for the January to March 2018 survey – three points above our annual average of +52. Our quarterly surveys will continue in 2018/2019.





EWON's response to consumer issues

EWON works to strengthen consumer protections on a number of fronts. We identify consumer issues through our complaint referrals and investigations and outreach activities; we influence policy development through our submissions and advice to regulators and government; and we encourage the adoption of best industry practice in complaints management in our work with providers.



Access to external dispute resolution

Providing access to free, fair and independent dispute resolution for energy and water consumers across NSW is our key objective. Since EWON's inception in 1998, NSW energy customers have had access to EWON's external dispute resolution scheme which provided consumer protection over and above that offered by general consumer law.

However, the changing face of the energy and water sectors mean that some consumers do not, or in the future will not, receive the same access to our service. This has been a key focus for us since 2015 and throughout 2017/2018, targeted towards the growing number of consumers who live in homes with embedded energy and / or water networks.

Each exempt entity has a supply arrangement with an energy network provider which gives them one metered connection point to the building's internal private network. Residents are separately metered and billed for their energy usage by the owner of the private network and are restricted when it comes to choosing another retailer, as the wiring and metering infrastructure may not easily support choice.

NSW legislation was initially enacted to protect the interests of permanent residents of residential parks which had embedded networks. Over the years, embedded networks expanded into retirement villages and apartment buildings. Resolving these complaints was very challenging and time consuming as the energy provider / retailer held an exemption from being members of EWON. Where we could not resolve the complaint through negotiation, the Ombudsman was not able to make a decision which was binding on the exempt entity.

This inequality in consumer protection for energy customers needed to be addressed. This was equally recognised by each of the Energy Ombudsman offices in Victoria, South Australia and Queensland, the Australian Energy Regulator (AER) and Victoria's energy regulator, the Essential Services Commission.

During 2017/2018, we continued the work we started in 2015 to ensure equitable consumer protections were extended to exempt entity customers. We completed a number of submissions and public reports and contributed to news items outlining the issues. We worked very closely with our Australian & New Zealand Energy and Water Ombudsman Network (ANZEWN) colleagues from

Victoria, South Australia and Queensland, both strategically and operationally, sharing ideas about the practicalities of expanding our jurisdictions in order to develop a level of consistency across our offices.

This work culminated in March 2018 when the AER released their revised *Network Service Provider Registration Exemption Guideline* and *Retail Exempt Selling Guideline*, requiring exempt networks and retailers servicing residential customers to become members of jurisdictional Ombudsman offices, including EWON. The revised guidelines also provide additional consumer protections relating to obligations to supply energy, customer reconnection, provision of payment plans, response to outages and inclusion of relevant information on bills.

No 'one size fits all' approach

Unlike authorised energy retailers and network companies and fully licensed water providers, embedded network providers quite often are very different types of businesses – for many of them, provision or sale of energy or water is not their core business. So, we are very mindful that our approach to these new types of members is not 'one size fits all'.

Review and amendment of our membership, governance and funding structures were all in play. This included amendment of our Constitution. In February 2018 EWON engaged KPMG to assist with this work, which included extensive consultation with a diverse range of stakeholders, including current members, consumer representatives, exempt entities and small water providers. The outcomes of the consultation informed the changes to our Constitution and development of a new funding model.

At an Extraordinary General Meeting held on 7 June 2018, EWON members strongly expressed their ongoing support for EWON and overwhelmingly voted in support of the constitutional changes. For information about these changes, see page 15.

Embedded networks

Embedded energy or water networks are private networks that serve multiple premises. They are found in some apartment buildings, residential parks, retirement villages, and shopping centres.

Embedded energy networks are operated by entities that hold an AER exemption to supply or sell energy without having to meet the same level of regulatory compliance which authorised energy companies are required to comply with.

These exempt entities include body corporates, strata managers, building owners, or operators of residential parks, retirement villages or shopping centres.

EWON's response to consumer issues

Systemic issues

The EWON Charter requires that we use the real time insights from our complaints data to identify systemic issues and, where appropriate, investigate them.

We broadly define a systemic issue as a policy, practice or process of a company or companies that has the potential to negatively impact a number of customers and lead to complaints and disputes. A systemic issue may also emerge from a regulatory issue that causes confusion, conflicting interpretations and/or unforeseen consequences, or an issue that is outside the control of providers or the industry generally, but one which EWON can play a role in resolving. The following themes emerged from our systemic issue investigations in 2017/2018.

Customers experiencing financial hardship

This year we responded to two potential systemic issues arising from the approach to disconnections and access to hardship programs taken by two smaller (or second tier) energy retailers. In one case, we dealt with multiple complaints where the retailer required large upfront payments towards an energy debt before considering reconnecting their customers or offering them a payment plan. The other systemic issue arose from our receipt of several complaints where it was apparent that the retailer was strongly encouraging customers who were experiencing financial hardship and had reached out for affordability assistance, to transfer to another retailer. In each case, we provided feedback on our concerns about these practices to the retailer and information about what we had identified to the regulators.

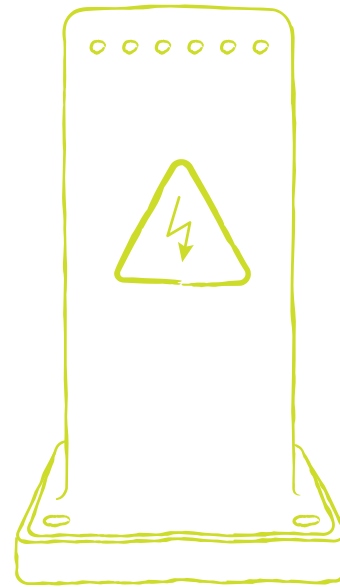
Delay in setting up customers accounts

EWON identified a number of complaints from customers moving into newly constructed residential buildings about delays by a particular retailer in closing accounts opened by the property developer, and establishing accounts in the new owners' names. We provided feedback to the retailer about this issue and, after significant discussion, it agreed to review its processes to identify and implement initiatives to address the delays.

Energy rebates

We identified an increasing trend in complaints relating to rebate errors from a particular retailer and provided written and verbal feedback about the problem. The retailer responded by reviewing its processes for managing customer rebates and implemented a number of improvements, including improved staff training.

In a related matter, EWON wrote to the NSW Government in October 2017 recommending that the late fee protections given to customers receiving the Low Income Household Rebate be expanded to those receiving the new natural and bottled gas rebate. The Ombudsman also raised this issue with the Legislative Council *Select Committee on Electricity Supply, Demand and Prices in NSW*.



Poor complaint handling and customer service by retailers

Our refer to higher level (RHL) process helps large numbers of energy customers resolve their dispute quickly and directly with their retailer's dispute resolution or complaints team. We monitor the quality of our service and the success of these referrals through a quarterly survey of RHL customers and by tracking how many customers return to us for independent complaint investigation due to dissatisfaction with their provider's response.

In 2017/2018, we identified a systemic failure on the part of two retailers to respond to our RHL process and contact the customer within the agreed three business day timeframe. EWON quickly engaged with these retailers to ensure that they resourced their complaints team appropriately and provided training to underpin compliance with this process.

Digital meter installation and solar inverter impacts

In January 2018, we introduced a number of new case issues to help us monitor complaints about digital meter installations following the introduction of new metering rules on 1 December 2017. These rules saw the responsibility for digital meter installation move from energy distributors to energy retailers. We identified, among other issues, a pattern of inverter failure related to the installation of a digital meter by a retailer's meter provider. We also provided regulators with complaint numbers and case studies to inform their oversight of the digital meter rollout program.

19 systemic issues reviewed and closed after investigations

8 issues remained under investigation

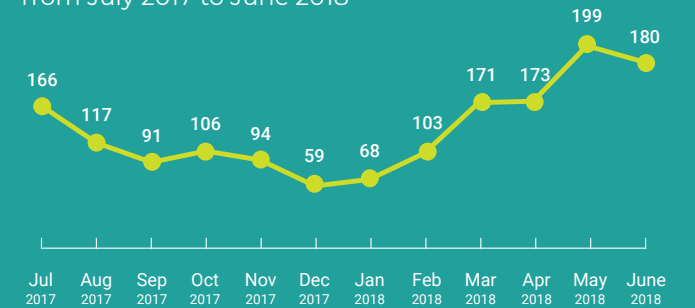
Digital meter rollout and associated issues

Changes to the National Electricity Rules (NER) and the National Electricity Retail Rules (NERR) on 1 December 2017 required all new and replacement meters installed in NSW be digital with remote communication capacity. The changes form part of the Australian Energy Market Commission's (AEMC) Power of Choice review. The new rules introduce competition in metering services through the creation of a new role – a Metering Coordinator – that is now responsible for providing all metering services to small energy customers. Retailers are required to appoint a Metering Coordinator for their retail customers.

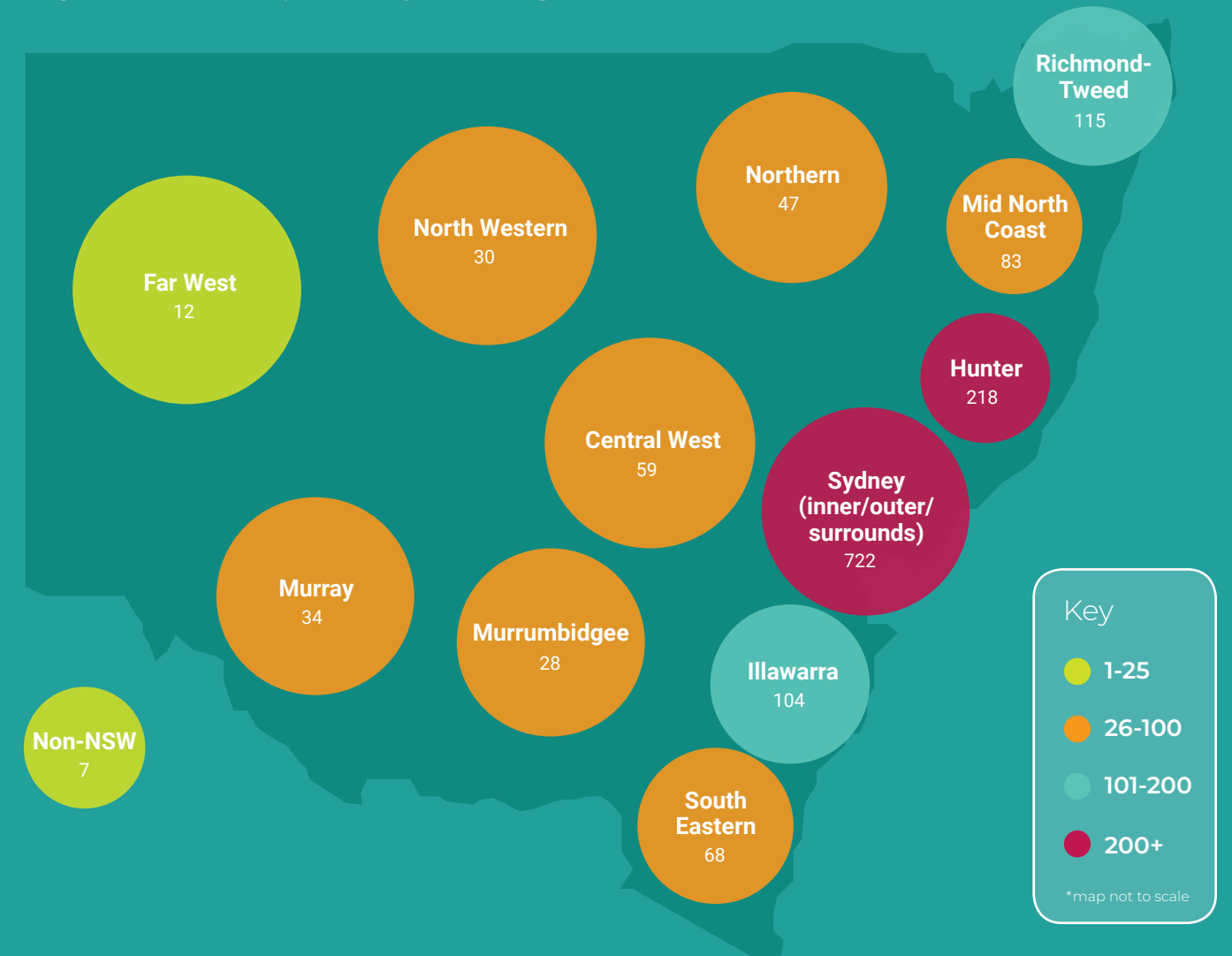
Retailers and their appointed meter providers began installing digital meters in NSW in response to the closure of the Solar Bonus Scheme on 31 December 2016. EWON initially experienced a steady climb in complaints about digital meters between July 2016 and May 2017. The key issues driving these complaints were installation delays and the failure of retailers to install a meter. After a decline in the number of digital meter complaints between June and December 2017, they again increased, with the two most significant complaint issues again being installation delays and retailer failure to install a meter.

Many customers affected by installation delays are those who need metering upgrades after purchasing a solar generation system or new appliances such as air conditioners. Complaints about delays with new electricity connections are also increasing; again a service now coordinated by retailers and not delivered within the same time frame previously provided by electricity distributors.

Digital meter complaints from July 2017 to June 2018



Digital meter complaints by NSW region



EWON's response to consumer issues

Affordability and financial hardship

Energy affordability, evidenced in complaints about high energy bills, payment difficulties, debt collection, credit default listings and disconnections, continued to feature in many of our complaints in 2017/2018. Energy affordability was also the focus of a number of important reviews into the retail energy sector during the period, including the Australian Competition and Consumer Commission's (ACCC) *Retail Electricity Pricing Inquiry* and the NSW Legislative Council's *Select Committee on Electricity Supply, Demand and Prices* in New South Wales. EWON provided input to these reviews, drawing on data from the assistance we extend to energy customers who come to see us, especially those who experience financial vulnerability in the short or medium term, or lifelong.

In our submissions we especially identified energy affordability for rural and remote customers as a critical issue. Consumers in many areas of NSW face extreme temperatures in summer and winter and often live in poorly built or maintained housing. This often leads to severe energy debt. These consumers also pay more for petrol and locally sourced groceries, therefore have a higher cost of living. They experience increased access barriers to financial and social support programs. Too often they can also be susceptible to marketing practices by a range of phone or door to door salespeople, which place them in an even more vulnerable financial position. As evidenced in our complaints, this includes signing up to energy contracts that in reality do not deliver cheaper energy, and are not supported by accessible hardship / affordability programs.

Our complaints and outreach work shows that the level, accessibility and quality of affordability assistance provided to customers experiencing financial hardship varies significantly across retailers. We raised our concerns about this inconsistency via our submission to the ACCC *Retail Electricity Pricing Inquiry* and at the NSW Legislative Council's *Select Committee Hearing*. We emphasised that consumers could make better and informed decisions when switching retailers if a rating scheme for hardship

programs was introduced and retailers were required to include hardship program criteria as part of the information available to customers considering energy offers.

In keeping with this, we voiced support for the National Energy Retail Amendment that seeks to strengthen protections for customers in hardship by providing the Australian Energy Regulator (AER) with the power to publish an enforceable hardship guideline for retailers. Through our community engagement work we speak to customers who often are not positioned to engage with their retailer or EWON via telephone or online. Our Bring Your Bills days enable us to engage with Aboriginal and Torres Strait Islander communities, culturally and linguistically diverse consumers, and customers facing financial vulnerability in metropolitan, regional and remote areas of NSW. In 2017/2018, over two thirds of the 598 complaints we received at Bring Your Bills days involved affordability and financial hardship. Many of these customers were not receiving eligible rebates or concessions.

Effective engagement with hardship customers is one of the greatest challenges faced by energy retailers and the industry as a whole. Too often, lack of engagement is placed on the customer. In our March 2018 Quarterly Activity Report, we included a number of case studies that illustrate how language barriers prevent some customers from receiving an adequate level of support from their retailer. We have seen where, in close-knit communities, it takes only one poor customer experience to discourage other community members from engaging with their retailer.

This drove us to initiate a major change in our outreach work by having retailer staff join us on community outreach. As a result, over the last 12 months, we have seen the situation reversed, with communities gaining confidence to reach out to their providers. Our report on page 61 articulates the benefits which are gained when energy retailer staff bring their affordability programs into communities.

New technologies

In December 2017, EWON provided input to the NSW Government's discussion paper, *Protecting consumers in a changing energy world*. In summary, we made the following comments and recommendations in response to the issues raised; the driving principle being that all residential and small business energy consumers should have the same level of consumer protections available to them, including access to free and independent alternative dispute resolution. Therefore:

- A principles-based approach should be adopted when considering whether alternative energy supply models should be subject to additional consumer protections over and above those provided by Australian Consumer Law.
- The NSW Government should support the Australian Energy Market Commission's (AEMC) proposed changes to the regulatory approach to embedded networks.

- The NSW Government and Council of Australian Governments (COAG) Energy Council should consider broadening the AEMC's proposed changes which will be applicable to new and developing models of energy supply, including stand-alone microgrids.
- Performance requirements and obligations for licenced distributors are shared between the AER and local jurisdictions and equivalent requirements should apply to both exempt networks and microgrids.
- The provision in the AER's Exempt Selling Guideline which links the maximum price a customer can be charged to the local area retailer's standing offer, has become less effective as standing offer prices have increased over time. This pricing protection needs to be reviewed, especially for consumers who do not have access to market offers.



Energy pricing rules not followed by exempt entity

EWON received a complaint from Mr Klein about the electricity rates that he and his neighbours were being charged in a residential park. He claimed they were higher than those allowed under the *Residential Land Lease Communities Act 2013* (the Act).

The park had a private embedded electricity network and the park operator was classified as an exempt seller by the Australian Energy Regulator (AER). Exempt sellers are required to comply with the AER's Exempt Selling Guideline which outlines mandatory conditions, including pricing.

We reviewed a copy of Mr Klein's energy bill and found that he was being billed at a rate higher than the standing offer price set by the local area retailer. This rate was the maximum which, in line with the exemption, could be charged by the park operator. Mr Klein requested we contact the park operator directly, so we wrote to him outlining the maximum rates that residents could be charged for usage under the AER Exempt Selling Guideline and service availability charges under the Act.

The park operator responded advising that the amount being charged had been re-calculated, and a credit would be issued to each resident for the amount they had been overcharged.

The operator noted that residents would be advised of the rate change and that the new rate would be applied against future charges. It also undertook to issue a credit to each resident impacted by the error for the amount overcharged.

Resolution

Category	Complaint enquiry
Issues	Billing/high/disputed
Outcome	Closed as a complaint enquiry

Customer faced with high arrears after two years of estimated billing

Mr Clifton's advocate told EWON that after the electricity retailer changed the meter the property's power board began turning itself off. The retailer arranged to visit the property to replace the recently installed meter, but on the agreed day the meter installer failed to attend. The advocate advised Mr Clifton he was 'fed up' with waiting for his retailer to rectify the issues relating to a meter the family hadn't requested in the first place.

When Mr Clifton tried to use an electric wood splitter, the board turned itself off. Both Mr Clifton and the retailer had the wood splitter tested and the tests confirmed there was nothing wrong with the appliance.

When the meter installer attended the property, they confirmed the problems with the power board were not caused by particular appliances and said that the meter would be replaced within three days. Mr Clifton was then advised that the replacement would take another month, at which point his advocate contacted EWON and the complaint was referred to the retailer's specialist complaint resolution team.

As well as referring Mr Clifton back to his retailer, we contacted the retailer and obtained a firm date for the meter to be replaced. The retailer offered to waive Mr Clifton's current electricity bill of \$639 in recognition of the poor customer service he had received. The advocate confirmed that the meter was finally replaced 25 days later.

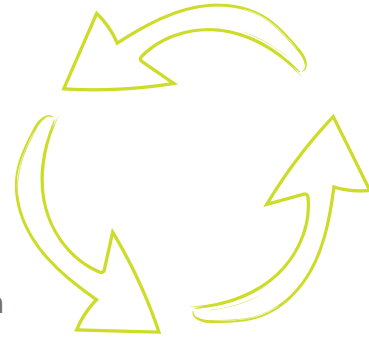
The retailer's offer was accepted by the advocate on behalf of Mr Clifton as a reasonable response for the inconvenience they had experienced.

Resolution

Category	Level 1 investigation
Issues	Negotiated meter fault/failure to notify/not installed, Poor service
Outcome	Negotiated resolution



Working with government and regulators



In 2017/2018 EWON continued to work with government agencies and regulators to update them on industry trends and issues identified through our complaint handling, outreach and stakeholder engagement work. We also developed reports and submissions to inform energy and water policy decisions.

Australian Competition and Consumer Commission (ACCC)

We made a submission to the ACCC's *Retail Electricity Pricing Inquiry*. As part of the Inquiry, we responded to a direct request from the ACCC for information about hardship programs offered by retailers. We advised that our casework over many years shows that these programs vary from retailer to retailer, based on the size and sophistication of the retailer's systems or customer base, in terms of accessibility, breadth and depth of coverage. We also provided the ACCC with small business complaint information.

Australian Energy Regulator (AER)

We provide quarterly reports to the AER and meet with AER staff regularly – individually and with other state Ombudsman schemes.

In 2017/2018, collaborative work with the AER was extensive due to the changes to the retail and network exemption frameworks. EWON's submissions to the reviews of the Retail Exempt Selling Guideline and Network Exemption Guideline focused on access to dispute resolution for customers in embedded networks. We also responded to the AER's review of its engagement with stakeholders. In addition, we made submissions to the following AER reviews:

- customer price information issues paper and draft retail pricing information guidelines
- performance reporting procedures and guidelines
- benefit change notice guidelines specifying required retail advice to customers when benefits are due to expire or change.

EWON quarterly regulators' meeting

EWON arranges quarterly meetings with the AER, the Australian Energy Market Commission, the NSW Department of Planning and Environment and the Independent Pricing and Regulatory Tribunal. The meetings are a useful forum to share updates on systemic issues, complaint trends and shared projects.

Independent Pricing and Regulatory Tribunal (IPART)

In 2017/2018 we contributed to IPART's review of water utility performance indicators and signed a new Memorandum of Understanding with them.

Australian Energy Market Commission (AEMC)

Our engagement with the AEMC includes:

- providing quarterly reports
- regular meetings individually, with other state Ombudsman schemes and also involving the AER, the AEMC and IPART
- attending their Consumer Priorities Forum and workshops
- holding bilateral discussions on reviews and rule change proposals
- providing information to the Annual Retail Energy Competition review.

We also made submissions to the AEMC on:

- strengthening protections for customers requiring life support equipment
- preventing discounts on inflated energy rates
- advance notice of price changes
- estimated meter reads.

Government

EWON provides quarterly reports to the Resources and Energy Division of the NSW Department of Planning and Environment. In 2017/2018 we made submissions to:

- the NSW Government's review on protecting consumers in a changing energy world
- the NSW Upper House review on electricity prices. The Ombudsman appeared before a hearing of that same review, where we provided supplementary information to questions on notice.

At a federal level, we attended a workshop on consumer data rights organised by the Department of Environment and Energy.

Office of Australian Information Commissioner (OAIC)

As an approved External Dispute Resolution Scheme under the Privacy Act, EWON reports complaints relating to privacy and credit reporting to the OAIC. For the 2017/2018 financial year, 1,111 complaints related to customers concerns about credit reporting and 121 to potential privacy breaches were reported.

Working with our peers

The Ombudsman is a member of the Australian and New Zealand Ombudsman Association (ANZOA) and continued to sit on its Executive Committee in 2017/2018. The Ombudsman is also a member of the Australia & New Zealand Energy and Water Ombudsman Network (ANZEWON).

ANZOA

ANZOA provides a valuable peer forum for its members, all of whom meet accepted high standards of independence, impartiality and effectiveness, and observe the Benchmarks for Industry-based Customer Dispute Resolution (the CDR Benchmarks).

In May 2018, the Ombudsman, Janine Young, and some senior staff attended the sixth biennial ANZOA conference in Wellington, New Zealand. The conference theme was 'Checks and Balances' and explored the six CDR benchmarks - accessibility, independence, fairness, accountability, efficiency and effectiveness. The ANZOA conference provides an important opportunity for Parliamentary and Industry Ombudsman from Australia, New Zealand and the Pacific Islands to discuss opportunities and challenges and to share best practice.

We presented an overview of our new Quality Assurance (QA) Framework as part of the conference's Innovation Showcase. This presentation reflected on the effectiveness of the new QA approach implemented at the beginning of the 2017/2018 financial year. The Ombudsman also led a workshop titled 'Accountability: What does it mean in practice?'

Topics explored over the two days of the conference included the importance of strong independent oversight and connecting with young people. A session on efficiency titled 'Are you proud of that?' from the Chief Ombudsman, Caroline Wayman, of the Financial Ombudsman Service UK (FOS UK) explored the challenges of delivering efficient and high quality outcomes. FOS UK received nearly 1.4 million enquiries and over 320,000 complaints in 2016/2017.

ANZOA has a number of interest groups that provide an opportunity for ANZOA member staff who work in similar roles to discuss issues and share information about what they are working on. EWON has active participants in interest groups including Policy and Research, Public Relations and Communications, Systemic Issues, Indigenous Complaint Handling, Human Resources, and Learning and Development.

ANZEWON

This network provides energy and water Ombudsman and utilities complaints Commissioners from across Australia and New Zealand the invaluable opportunity to work together to explore and address industry and policy developments that affect Australian and New Zealand consumers.

ANZEWON collaboration on expanded jurisdiction

In 2017/2018, collaborative work continued with Queensland, South Australia, Victoria and NSW ANZEWON members planning for the expansion of their jurisdictions to include exempt entities. EWON hosted a workshop with Cynthia Gebert, Energy & Water Ombudsman (Victoria), and her staff in February 2018 to explore the practicalities of implementing our expanded jurisdiction. We aimed to learn from each other, avoid duplication of effort and identify opportunities to reduce project costs. The workshop covered:

- Member and funding models
- Charter and Constitution amendments
- Member database and system changes
- Improved data capture
- Member approval processes
- Processes for operationalising changes in 2018/2019

As a result, we progressed our projects with greater efficiency and effectiveness.

Visits to UK Ombudsman offices

As part of our engagement with the broader Ombudsman community, an opportunity was presented by our General Manager Governance, Awareness & Policy, Helen Ford, during her UK holiday to add study visits to some of our key counterparts' offices.

The visits provided an invaluable opportunity to gain an international perspective on energy and water policy, as well as exploring similarities and differences in approaches to awareness raising, community engagement, systemic issues, complaint handling and member services. These visits enabled EWON to establish new ongoing relationships with peers in the UK and raised ideas for innovative future approaches.

The visits included:

- Parliamentary and Health Services Ombudsman in London
- Ombudsman Association in London
- Scottish Public Services Ombudsman in Edinburgh
- Ombudsman Services in Warrington (Telecommunications, Energy and Conveyancing)
- Local Government and Social Care Ombudsman in Coventry.



Working with our members

NSW electricity and gas networks and retailers are required to be members of EWON. Water providers, such as Sydney Water, Hunter Water and Water NSW are also required to join EWON, and some Councils, whose remit includes providing water to their residents, such as Shoalhaven Council, have joined voluntarily.

We work closely and independently with all energy and water members to resolve the complaints their customers raise with us. Through this, we also identify opportunities for members to improve the effectiveness of their customer service and complaint handling processes. We also share detailed information about customer concerns and industry issues on a regular basis. This work aims to raise customer service standards, promote best practice and reduce complaints overall.

Member changes

- Members who joined EWON in 2017/2018 include Locality Planning Energy (October 2017), Solo Water (October 2017), Real Utilities (April 2018), Savant Energy (April 2018), Apex Energy (June 2018) and Everage (June 2018).
- During 2017, Click Energy was acquired by amaysim Energy Pty Ltd which now operates two different retail energy brands – amaysim and Click Energy.
- In August 2017, Central Coast Council ceased to be a voluntary member of EWON.
- In February 2018, Urth Energy was no longer recognised as a member of EWON due to its suspension from the National Electricity Market in February 2017, and as a result, the transfer of its customers to other retailers under the Australian Energy Retailer's (AER) Retailer of Last Resort scheme. This is a Retail Law initiative designed to ensure that in the event of retailer failure, arrangements are in place to ensure that customers continue to receive electricity and/or gas supply.
- In February 2018, ActewAGL Gas Distribution changed its name to Evoenergy.

Member induction training

EWON holds induction sessions for staff of our member companies. These sessions are an effective way to facilitate efficient complaint resolution and provide an opportunity to introduce new member staff and new or long-term staff of existing members to our evolving case management processes and procedures.

These sessions also include an overview of our structure, investigation processes and member reports and allow us to review customer complaint case studies with members. EWON held three member inductions in 2017/2018: in July 2017, November 2017, and March 2018. For these sessions, we offered video conferencing online which proved a popular choice, particularly for our interstate members. This year we introduced online feedback. Responses have been both prompt and positive. All attendees who participated via video conference said that they would do so again.

Members that attended our induction training this financial year were: 1st Energy, ActewAGL, AGL, amaysim/Click Energy, CovaU, BlueNRG, Endeavour Energy, Enwave Mascot, Essential Energy, Jemena, Locality Planning Energy, People Energy, Pooled Energy, Red Energy, Simply Energy, Shoalhaven Water and Solo Water.

Member visits

EWON staff attended an interactive workshop on electricity principles and the electricity network at Endeavour Energy's training site in Sydney's west in November 2017. This provided our staff with a valuable opportunity to learn more about the electricity supply chain – this information informs our complaint investigations about network faults and outages.

In May 2018, EWON staff visited Jemena's gas network. This included a tour of some of the newest network facilities at Lane Cove, a visit to a trial house where gas generation supports solar, and a preview of hydrogen-fuelled cars.

Expanded jurisdiction consultation

EWON first began exploring the possibility of an expanded jurisdiction to include exempt entities providing or retailing energy to residents in early 2015. This continued and gained momentum, including through consultation with members and key stakeholders in 2015/2016 and 2016/2017. This was evidenced by a number of submissions and reports that focused on the expansion of EWON's jurisdiction and included updates on our website and in our newsletters.

The Victorian, South Australian, Queensland and NSW members of Australian & New Zealand Energy and Water Ombudsman Network (ANZEON) took this further during 2017/2018 to share ideas and develop a level of consistency to the approaches our offices were taking to bring these energy entities into our jurisdictions.

We also met with the NSW Department of Planning and Environment, the AER, the Australian Energy Market Commission and the Independent Pricing and Regulatory Tribunal to work through the process of this major project.

In early 2017/2018 we began engaging with a number of exempt entities, billing agents and peak bodies, as well as keeping our members up to date about our expanded jurisdiction work through meetings, articles in our quarterly reports and via direct email.

In February 2018 we engaged KPMG to assist with this work, which included extensive consultation with current members, exempt entities, Water Industry Competition Act licensees, peak bodies and consumer representatives. The EWON Board's development of a new funding model and proposed changes to the Constitution was informed by work completed by us, KPMG's analysis and stakeholder feedback, sourced via group meetings held in Melbourne and Sydney and including a number of written submissions.

In June 2018 we held an Extraordinary General Meeting where members voted in favour of the changes to our Constitution. We advised all participants in the consultation and other stakeholders of the outcome as the first step in enacting change from 1 July 2018. See our consumer issues section on page 33 to read more about EWON's expanded jurisdiction.

EWON members

The following companies were members of EWON as at 30 June 2018:

- 1st Energy
- ActewAGL
- AGL
- Alinta Energy
- Allgas Energy
- amaysim Energy (includes Click Energy)
- AquaNet
- Apex Energy
- Ausgrid
- Australian Gas Networks (Albury)
- Australian Gas Networks (NSW)
- Blue NRG
- Central Ranges Pipeline
- Commander Power & Gas
- CovaU
- Diamond Energy
- Dodo Power & Gas
- Endeavour Energy
- EnergyAustralia
- Energy Locals
- Enova Energy
- Enwave Mascot
- ERM Power
- Essential Energy
- Everage
- Evoenergy
- Flow Systems
- Hunter Water
- Jemena
- Living Utilities (Lendlease Recycled Water)
- Locality Planning Energy (LPE)
- Lumo Energy
- Mojo Power
- Momentum Energy
- Next Business Energy
- OC Energy
- Origin Energy
- People Energy
- Pooled Energy
- Powerdirect
- Powershop
- QEnergy
- Real Utilities
- Red Energy
- Sanctuary Energy
- Savant Energy
- Shoalhaven Water
- Simply Energy
- Solo Water
- Sydney Desalination Plant
- Sydney Water
- TransGrid
- Veolia Water Solutions & Technologies
- Water NSW
- WINconnect



EWON Consultative Council Meetings

Bringing community and industry together

Consultative Council Meetings are part of EWON's constitutional framework and governance process. The twice-yearly meetings provide an opportunity for financial counsellors, community workers and small business representatives to raise issues and concerns with key regulatory and government representatives, our members, the EWON Board and senior staff.

These meetings, which are led by EWON's Chair, build awareness of current and emerging consumer issues, inform our investigations and policy work, and allow our stakeholders to contribute to EWON's planning. Equally, they enable financial counsellors and community workers to take advice and information back to their clients and organisations. Many community workers respond to our request for questions prior to each meeting which inform our discussion agenda.



Katharine Hole, NSW Dept Planning and Environment with Ombudsman, Janine Young

26 October 2017

EWON's first Consultative Council Meeting in 2017/2018 focused on the NSW Government's affordability initiatives. Ms Katharine Hole, Executive Director, Energy Strategy, NSW Department of Planning and Environment, provided an overview of the new measures announced as part of the Energy Affordability Package in September 2017, including increases in annual energy financial assistance, aimed at further assisting households and small businesses manage their electricity and gas bills.

Rory Campbell, EWON's Manager Policy & Research, spoke about Metering Contestability and the rules which came into effect on 1 December 2017 to enable deployment of advanced digital metering. The changes mean that energy retailers, rather than distributors, are responsible for new metering installations for residential and small business customers. Following Rory's overview, a panel, including representatives from Origin Energy, Mojo Power, NSW Fair Trading and EWON and facilitated by the Ombudsman, discussed how customer transfers from one retailer to another would occur, retailer approaches for installing digital meters, consumer costs and benefits, remote de-energisation and re-energisation, and potential tenancy issues. As the rollout had not yet commenced, it emerged that many of the questions and issues raised by community workers needed further consideration by retailers.

Community workers also raised questions about estimated billing, with discussion focusing on the circumstances which lead to retailers issuing estimated accounts.

28 June 2018

Our second Consultative Council Meeting was held on 28 June 2018. A key theme of the meeting was the expansion of EWON's jurisdiction to include exempt entities operating embedded networks for residential customers.

Sarah Proudfoot, the Australian Energy Regulator's General Manager Retail Markets Branch, presented the changes to the regulatory guidelines for exempt sellers and networks. This was followed by a presentation from the Ombudsman and EWON's Management Team about changes to EWON's Constitution and systems and processes to allow for the growth of our membership to include embedded networks and retailers. For more information about the changes and extension of consumer protections see page 33.

Audience discussion focused on energy rebates and the measures authorised and embedded networks and retailers need to take to ensure customers receive the rebates they are eligible to receive. Questions were also directed to the NSW Department of Planning and Environment about the action it takes to remind retailers of their obligations.

A key takeaway for retailers and the Department was that increased consumer awareness and retailer action is required to ensure all eligible customers receive the rebates they are entitled to receive.



Sarah Proudfoot, Australian Energy Regulator

Complaints by industry

Top 3 primary issues by provider

Provider	First Issue	%	Second Issue	%	Third Issue	%
1st Energy	Billing	33%	Credit	23%	Customer service	23%
ActewAGL	Billing	44%	Customer service	29%	Credit	18%
ActewAGL Gas Distribution	Provision	100%	-	0%	-	0%
AGL	Billing	44%	Customer service	30%	Credit	14%
Alinta Energy	Billing	39%	Customer service	27%	Transfer	17%
amaysim Energy (includes Click Energy)	Billing	52%	Customer service	29%	Transfer	9%
AquaNet	Billing	100%	-	0%	-	0%
Ausgrid	Customer service	32%	Supply	24%	Land	23%
Australian Gas Networks (NSW)	Provision	100%	-	0%	-	0%
Blue NRG	Billing	58%	Customer service	25%	Credit	8%
Central Coast Council	Billing	80%	General	20%	-	0%
Commander Power & Gas	Billing	38%	Transfer	21%	Customer service	18%
CovaU	Billing	47%	Customer service	31%	Credit	10%
Diamond Energy	Billing	61%	Customer service	19%	Credit	10%
Dodo Power & Gas	Billing	49%	Customer service	25%	Credit	13%
Endeavour Energy	Customer service	30%	Supply	26%	Provision	21%
Energy Locals	Billing	53%	Customer service	29%	Credit	12%
EnergyAustralia	Billing	52%	Customer service	30%	Credit	10%
Enova Energy	Digital meter exchange	29%	Billing	29%	Customer service	14%
ERM Power Retail	Billing	45%	Customer service	22%	Credit	20%
Essential Energy	Customer service	34%	Supply	30%	Land	19%
Exempt Retailer	Billing	60%	Customer service	17%	Credit	9%
Flow Systems	Supply	43%	Customer service	32%	Billing	20%
Non Provider Specific	General	53%	Billing	28%	Credit	9%
Hunter Water	Billing	30%	Customer service	29%	Land	16%
Jackgreen	Credit	100%	-	0%	-	0%
Jemena	Customer service	56%	Provision	31%	Land	10%
Lumo Energy	Billing	40%	Credit	26%	Customer service	21%
Mojo Power	Billing	51%	Customer service	25%	Credit	9%
Momentum Energy	Billing	49%	Customer service	23%	Credit	18%
Next Business Energy	Billing	53%	Customer service	22%	Transfer	14%
OC Energy	Billing	54%	Customer service	21%	Transfer	11%
Origin Energy	Billing	42%	Customer service	27%	Credit	19%
People Energy	Billing	53%	Customer service	26%	Credit	9%
Pooled Energy	Transfer	100%	-	0%	-	0%
Powerdirect	Billing	45%	Customer service	22%	Credit	21%
Powershop	Billing	52%	Customer service	21%	Digital meter exchange	12%
QEnergy	Billing	52%	Customer service	20%	Transfer	11%
Red Energy	Billing	40%	Customer service	25%	Credit	18%
Residential Park Operator	Billing	78%	Customer service	10%	Provision	6%
Sanctuary Energy	Billing	46%	Customer service	36%	Digital meter exchange	8%
Shoalhaven Water	Billing	63%	Customer service	19%	Credit	6%
Simply Energy	Billing	40%	Customer service	28%	Credit	18%
Solo Water	Billing	68%	Customer service	19%	Provision	13%
Sydney Water	Billing	36%	Customer service	29%	Land	13%
TransGrid	Land	52%	Customer service	48%	-	0%
Urth Energy	Billing	100%	-	0%	-	0%
Veolia Water Solutions & Technologies	Customer service	29%	Credit	29%	Billing	24%
Water NSW	Billing	50%	Customer service	34%	General	8%

Electricity

Customer numbers key:

- <3,000
- 3,001 - 10,000
- 10,001 - 100,000
- 100,001 - 500,000
- 500,001 - 1,000,000
- >1,000,000

Electricity providers with no complaints:

- Apex Energy
- Enwave Mascot
- Evergy Energy
- Locality Planning Energy
- Real Utilities
- Savant Energy
- WINconnect

Electricity providers with fewer than 50 complaints:

- Blue NRG
- Commander Power & Gas
- Diamond Energy
- Energy Locals
- Enova Energy
- ERM Power Retail
- Flow Systems
- Jackgreen (Former Member)
- Lumo Energy
- Next Business Energy
- OC Energy
- People Energy
- Pooled Energy
- Sanctuary Energy
- TransGrid
- Urth Energy
(in administration since 2/2/17)

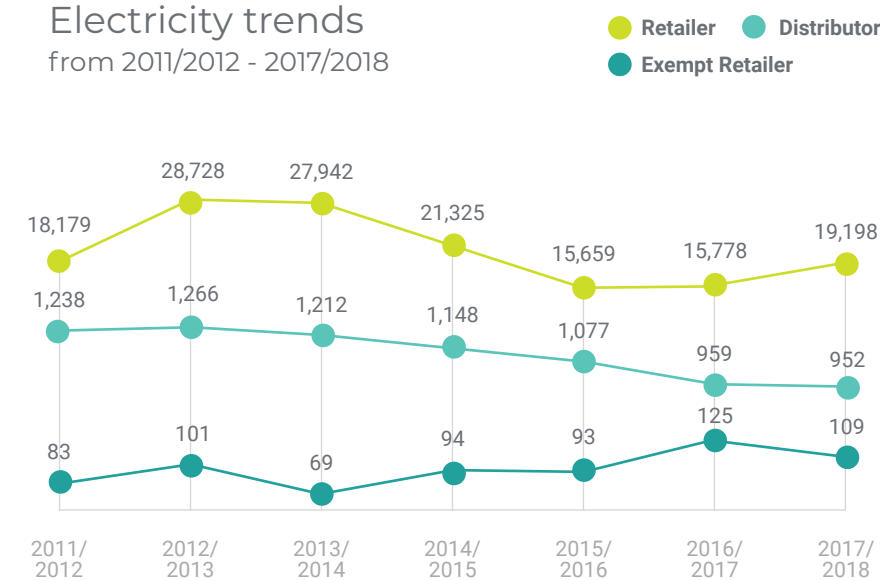
Provider	Electricity customer numbers*	Cases received per 10,000 customers	Cases received 2017/2018	Cases received 2016/2017	Variance	General enquiry	Complaint enquiry	RHL	Investigation level		
									1	2	3
First tier retailer (200,001+ customers)											
AGL	●	50	3,959	3,603	356	11	1,213	1,616	974	103	42
EnergyAustralia	●	50	4,965	3,813	1,152	15	1,494	2,084	1,074	199	99
Origin Energy	●	46	5,277	4,866	411	15	1,581	2,497	898	192	94
Second tier retailer (3,000 - 200,000 customers)											
1st Energy	●	289	330	171	159	0	90	147	72	17	4
ActewAGL	●	68	204	162	42	0	74	71	46	7	6
Alinta Energy	●	136	649	294	355	2	191	320	116	11	9
amaysim Energy (includes Click Energy)	●	273	1,123	249	874	0	306	514	244	49	10
CovaU	●	156	128	92	36	0	32	58	24	6	8
Dodo Power & Gas	●	42	144	104	40	1	54	55	24	6	4
Mojo Power	●	291	106	62	44	0	35	40	23	5	3
Momentum Energy	●	66	86	81	5	1	41	31	10	2	1
Powerdirect	●	106	196	371	-175	0	77	64	44	5	6
Powershop	●	58	199	121	78	2	82	86	18	6	5
QEnergy	●	97	60	64	-4	0	29	20	6	2	3
Red Energy	●	50	926	746	180	5	282	425	180	25	9
Simply Energy	●	94	325	344	-19	2	109	128	75	9	2
Distributor											
Ausgrid	●	2	369	354	15	0	170	96	73	20	10
Endeavour Energy	●	3	284	285	-1	1	136	93	42	7	5
Essential Energy	●	3	281	291	-10	1	114	95	54	9	8

Only providers with over 50 complaints have been included in this table
* Customer number data prepared by the AER for retailers as at 31 December 2016 and for distributors as at 30 June 2017

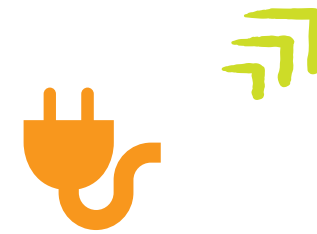
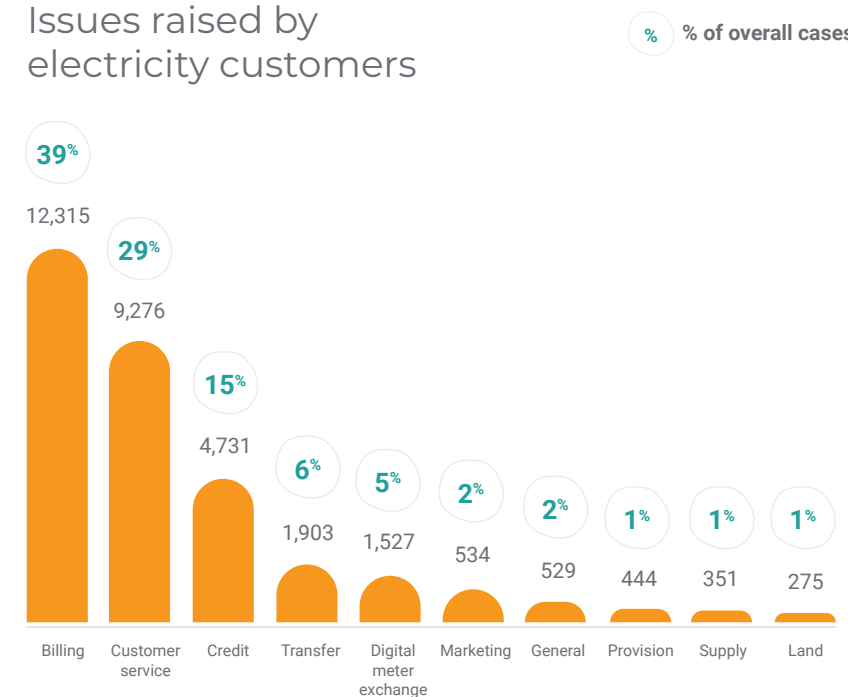
Total electricity complaints

Level	2016/2017	2017/2018	% change
General enquiry	242	104	-57%
Complaint enquiry	5,563	6,900	+24%
Refer to higher level	7,565	8,557	+13%
Level 1	2,956	4,036	+37%
Level 2	690	686	-1%
Level 3	359	336	-6%
Total	17,375	20,619	+19%

Electricity trends from 2011/2012 - 2017/2018



Issues raised by electricity customers



20,619

electricity complaints received in 2017/2018



19,095
residential



1,437
small business



87
other
(including educational institution, government, not-for profit, primary producer and strata schemes)



109
exempt retailer
(including residential park operators, apartment buildings and retirement villages)



615
non-provider specific or out of jurisdiction cases



19%
increase in electricity complaints from 2016/2017



31,885

complaint issues

Gas

Customer numbers key:

- <3,000
- 3,001 - 10,000
- 10,001 - 100,000
- 100,001 - 500,000
- 500,001 - 1,000,000
- >1,000,000

Gas providers with fewer than 50 complaints:

- Australian Gas Networks (NSW)
- CovaU
- Dodo Power & Gas
- Evoenergy
- Lumo Energy
- Momentum Energy
- OC Energy
- Powerdirect
- Simply Energy

Gas providers with no complaints:

- Australian Gas Networks (Albury)
- Central Ranges Pipeline
- Allgas Energy

Provider	Gas customer numbers*	Cases received per 10,000 customers	Cases received 2017/2018	Cases received 2016/2017	Variance	General enquiry	Complaint enquiry	RHL	Investigation level		
									1	2	3
First tier retailer (200,001+ customers)											
AGL	●	27	1,754	2,393	-639	2	449	787	422	72	22
EnergyAustralia	●	42	1,474	1,347	127	0	308	793	279	60	34
Origin Energy	●	31	847	859	-12	1	243	420	147	24	12
Second tier retailer (3,000 - 200,000 customers)											
ActewAGL	●	37	83	89	50	0	24	29	23	6	1
Alinta Energy	●	123	53	6	47	0	16	28	9	0	0
amaysim Energy (includes Click Energy)	●	64	62	2	60	0	20	34	8	0	0
Red Energy	●	33	120	90	30	1	35	59	21	1	3
Distributor											
Jemena	●	3	334	366	-32	1	100	136	87	10	0

Only providers with over 50 complaints have been included in this table

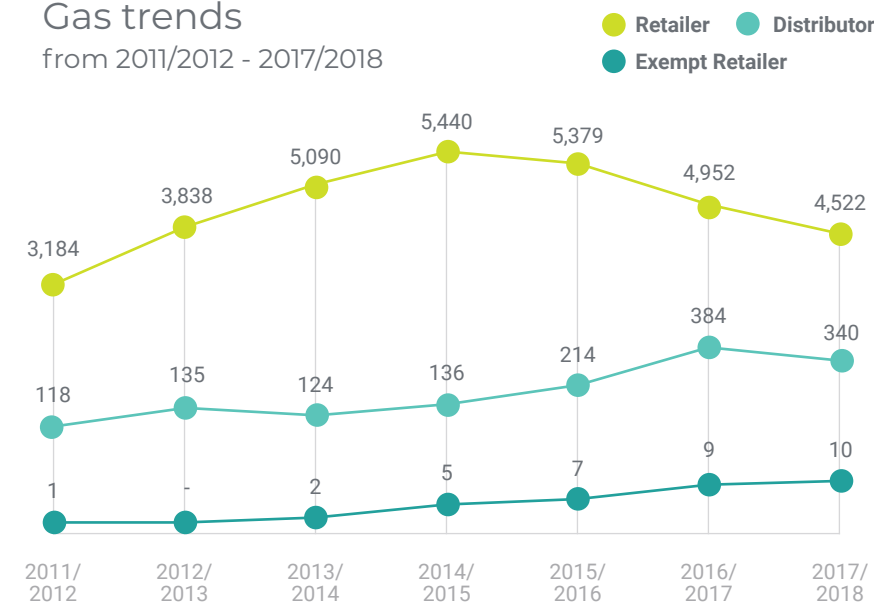
* Customer number data prepared by the AER for retailers as at 31 December 2016 and for distributors as at 30 June 2017

Total gas complaints

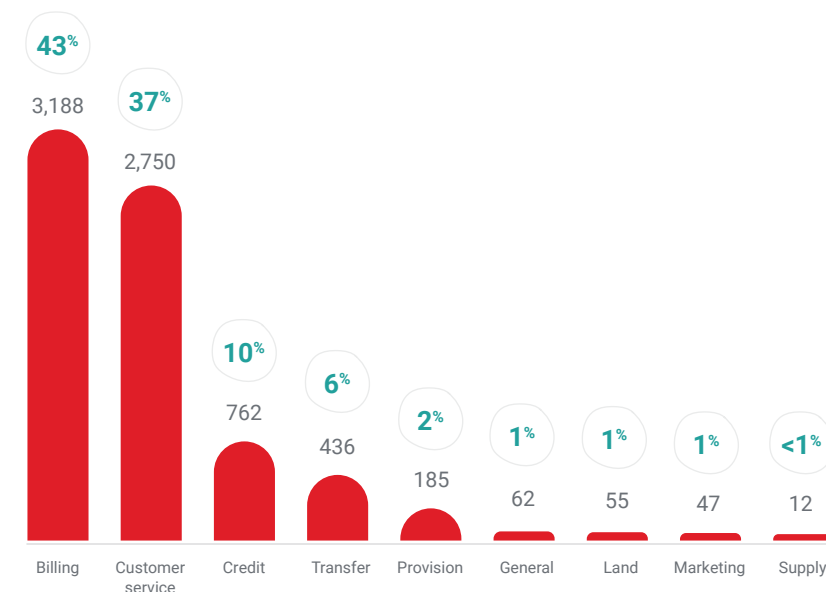
Level	2016/2017	2017/2018	% change
General enquiry	20	11	45%
Complaint enquiry	1,401	1,302	7%
Refer to higher level	2,485	2,320	7%
Level 1	1,098	1,012	8%
Level 2	271	178	34%
Level 3	104	73	30%
Total	5,379	4,896	9%

Gas trends

from 2011/2012 - 2017/2018



Issues raised by gas customers



4,896

gas complaints received in 2017/2018



4,489

residential



386

small business



21

other

(including educational institution, government, not-for profit, primary producer and strata schemes)



10

exempt retailer

(including residential park operators, apartment buildings and retirement villages)



81

non-provider specific or out of jurisdiction cases



9%

decrease in gas complaints from 2016/2017



7,497

complaint issues



Gas billing investigation identifies systemic issue

Miss Garcia contacted EWON because she was dissatisfied with the way her gas company managed her enquiries about overcharging on her account over a three year period. The property used gas for hot water and cooking, which were separately metered with both meters located under her kitchen sink.

Miss Garcia advised that for some time she was able to provide self-reads using a card supplied by the distributor. Three years ago her distributor advised she could no longer do this but she continued to receive self-read cards in the mail.

Miss Garcia's gas retailer told her it would accept self-reads. She was told that she could call them with each read and it would be used for the bill. Miss Garcia provided self-reads to the retailer for over two years using this method but it consistently failed to use them.

Miss Garcia had some success when she requested a number of billing periods be adjusted. However, she believed one nine month period remained over-estimated and the gas retailer would not accept the self-read she provided to correct the matter. She considered the lack of action to correct overcharging showed poor customer service and she thought it was unreasonable that the retailer was not complying with the self-read method which it originally offered to her.

We referred the matter to the gas retailer's specialist complaints team. The outcome Miss Garcia was seeking was for the retailer to review the self-read process, to ensure she was doing it correctly, to contact her for future self-reads, and to review the poor customer service she had received.

Three months later, Miss Garcia returned to EWON because her complaint remained unresolved. She had been advised that the imperial water meter in her home needed replacing and that her distributor would arrange for this. We started investigating the matter and advised Miss Garcia to make regular payments on the account to cover the gas used and to prevent arrears increasing.

Our Investigation Officer found that an incorrect multiplier had been applied to the consumption registered on the hot water meter for over two years. A conversion factor of 10 had been applied rather than the correct factor of 4.546, to convert gallons to litres for the imperial hot water meter then in place. This error meant the number of megajoules used by the property had more than doubled. As a result of our investigation, the gas retailer waived all of Miss Garcia's bills issued during the period of the complaint, resulting in a credit on the account of \$722. It also offered to put a hold on the account until the new metric hot water meter was installed and Miss Garcia accepted this offer.

One complaint benefits 400 customers

EWON also identified the systemic nature of this complaint as the gas distributor advised that another 400 customers were impacted by this conversion factor error.

Our Policy team opened a separate investigation involving the gas distributor. This resulted in it rectifying the system error to ensure all affected customers would be billed correctly going forward. It also undertook to correct historical billing, so that all customers who had been overcharged as a result of the error would receive a refund.

Resolution

Category	Level 3 investigation
Issues	Billing high/disputed, meter access, poor customer service
Outcome	Negotiated resolution

Poor water supply brings housing estate residents to EWON

In early 2018 EWON received 10 complaints within four business days from customers living in the same housing estate. The customers all said that over the past three months water flow to their homes had decreased, appeared brown at times or had stopped completely.

When the water pressure was low, residents reported not being able to use water for any practical purpose such as drinking, flushing the toilet, or having a shower, and some of the residents were particularly concerned because they had small children.

The water provider was a small provider licensed under the Water Industry Competition Act to supply water to the housing estate. It advised the residents that there was a problem with one of the water pumps for the estate, as a result of a number of electricity outages in the area.

We contacted the water provider and were advised that the events affecting the water supply to residents of the estate had been caused by a number of factors. In addition to the electricity outages, there were two other issues affecting the water supply – engineering work being undertaken to expand the water mains in the area and delays by the estate developer completing new infrastructure.

On the day we received the most complaints from the housing estate customers, the water supply had stopped completely and most of the residents said they had been given limited information about the loss of supply. However, the provider told us that it had sent notification via text message about the low water pressure and that residents were given updates throughout the day.

The provider took action to respond to complaints, such as offering to waive fixed charges for the period of the outages and delivering water to affected customers. The provider also advised us that one of the central issues affecting water supply – the failure of the network booster pumps following electricity network outages – had been rectified by the water provider installing a backup generator with an automatic failover. This resolved the complaints.

EWON's Policy team used these cases, along with complaints about other water providers, to develop feedback to the Independent Pricing and Regulatory Tribunal about the lack of reliability and performance standards for providers operating under the Water Industry Competition Act (WICA). WICA came into effect in 2006 to encourage private sector investment and innovation in the water and wastewater industries. It establishes a regime for third-party access to water infrastructure services in NSW.

Resolution

Category	Complaint enquiry
Issues	Billing/high/disputed
Outcome	Closed as a complaint enquiry



Customer disputes water bill

Ms Taylor owns a two-storey house that had been vacant for over 12 months. Unexpectedly, she received a bill from her water provider for over \$400 for usage at the property. She contacted her provider to discuss the bill as she did not understand why there would be any usage charges. Her provider advised that someone must be using the water or there could be a water leak on her side of the meter. Ms Taylor made the point that nobody had access to the property except her.

Ms Taylor received a water restriction notice a few days later and contacted EWON. We reviewed the information provided and found that the bill was based on actual meter reads. We advised Ms Taylor that if there had been no consumption at the property, she should engage a plumber to conduct a water leak test.

Ms Taylor felt that this was unfair as she would have to bear the cost for the test. We advised that as the property owner disputing the bill, it was her responsibility to find out how the consumption had occurred.

We provided Ms Taylor with information on how to test for a water leak and details of her provider's concealed leak policy which could provide her with financial assistance towards payment of the account. Ms Taylor remained dissatisfied with our advice and as she did not initiate any action to determine the presence of a leak, EWON was unable to undertake further investigation and the complaint was closed on that basis.

Resolution

Category	Level 1 investigation
Issues	Billing, high/disputed, impending restriction
Outcome	No further investigation

Water

Customer numbers key:

- <1,000
- 1,001 - 10,000
- 10,001 - 100,000
- 100,001 - 500,000
- 500,001 - 1,000,000
- >1,000,000

Water providers with fewer than 50 complaints:

- AquaNet
- Essential Energy
- Flow Systems
- Shoalhaven Water
- Solo Water
- Veolia Water Solutions & Technologies
- Water NSW

Water providers with no complaints:

- Living utilities
- Sydney Desalination Plant
- Central Coast Council

Provider	Water customer numbers*	Cases received per 10,000 customers	Cases received 2017/2018	Cases received 2016/2017	Variance	General enquiry	Complaint enquiry	RHL	Investigation level		
									1	2	3
Retailer/Distributor											
Hunter Water	●	4	101	100	1	0	39	42	15	2	3
Sydney Water	●	3	489	459	30	4	224	184	44	14	19

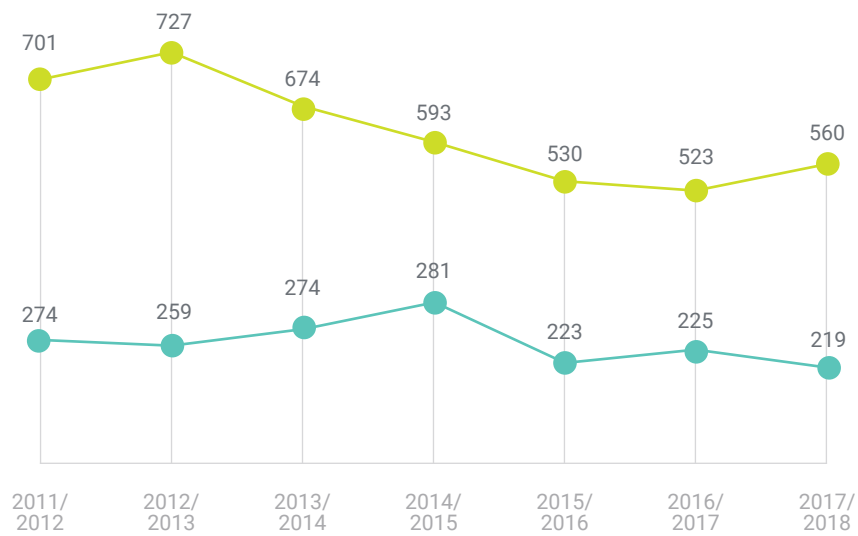
Only providers with over 50 complaints have been included in this table
* Customer number data prepared by IPART as at 30 June 2017

Total water complaints

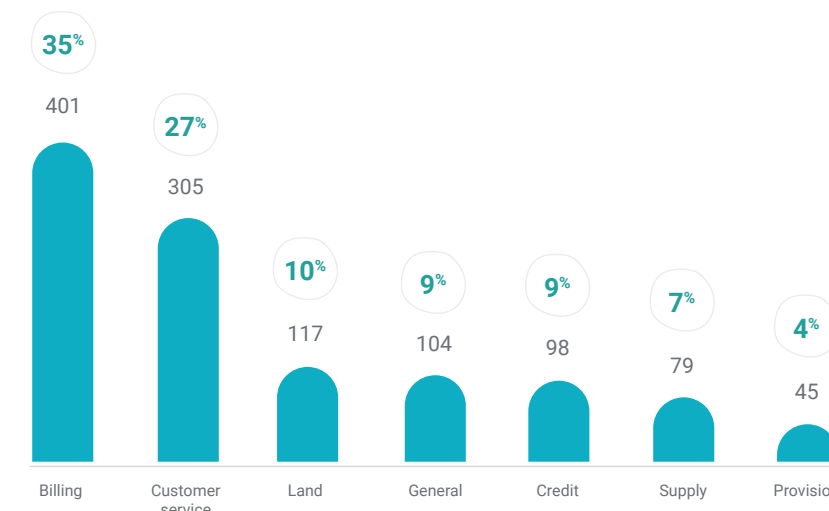
Level	2016/2017	2017/2018	% change
General enquiry	26	11	- 58%
Complaint enquiry	431	438	+ 2%
Refer to higher level	233	259	+ 11%
Level 1	60	78	+ 30%
Level 2	27	18	- 33%
Level 3	23	24	+ 4%
Total	800	828	+ 4%

Water trends

from 2011/2012 - 2017/2018



Issues raised by water customers



828

water complaints received in 2017/2018



773

residential



40

small business



15

other

(including not for profit and strata schemes)



0

exempt retailer

(not applicable to water)



139

non-provider specific or out of jurisdiction cases



4%

increase in water complaints from 2016/2017



1,149

complaint issues



Misleading marketing materials leads to problems for customers

Mr Woods received a brochure from an energy retailer stating that it offered the lowest prices in the market. He decided to switch to the retailer based on this information. However, after signing the contract he found another retailer offering better rates, so he asked his new retailer to match them. Mr Woods' retailer refused to do this and advised there would be an early termination fee charged if he decided to move to the retailer offering a better rate.

Mr Woods contacted EWON to resolve the matter and was referred to his retailer's specialist complaints resolution team. His retailer did not contact him in the required timeframe and Mr Woods asked EWON to investigate his complaint.

We reviewed the marketing brochure and compared the listed rates to the rates offered by the alternative retailer. We found the brochure misleading to consumers. When we spoke with the retailer about it, we were advised they had stopped producing the misleading brochure and had self-reported this breach to the Australian Competition and Consumer Commission.

The retailer looked at Mr Woods' case and offered to waive the early termination fee if he chose to move to the alternative retailer. The retailer also credited \$35 to Mr Woods' account to make up the 2% difference in price with the other retailer's rates. Mr Woods was satisfied with this outcome and accepted the offer.

Resolution

Category	Level 1 investigation
Issues	Customer service/failure to respond, misleading marketing
Outcome	Negotiated resolution

Ms Chen faced with high arrears after two years of estimated billing

Ms Chen had been with her provider for two years and said her energy bills were about \$250 per quarter, based on actual meter reads. She then installed a fence which restricted access to the meter and started receiving estimated bills of around \$600 per quarter.

Two years after installing the fence, Ms Chen received a bill based on an actual meter reading for nearly \$3,000. She raised this issue with her energy retailer but didn't receive a satisfactory response, so she came to EWON for assistance.

We said we would review the accuracy of the billing and requested that disconnection and debt recovery action for the disputed amount be put on hold while the investigation was underway. Ms Chen also agreed to make a payment of \$300 on the account.

Our review of Ms Chen's usage found that her bills were estimated for a period of two years due to lack of meter access. The estimates were based on Ms Chen's usage levels prior to the meter access issues. When an actual read was eventually obtained, it indicated her actual usage was higher after the fence was installed, meaning the \$3,000 bill incorporated a catch-up component of previously under estimated usage. While Ms Chen thought that her usage had decreased since her adult children left home, our analysis found that had not been the case.

EWON referred Ms Chen for Energy Account Payment Assistance, and her retailer provided her an additional six months to pay the balance through regular monthly payments. As a goodwill gesture to resolve the complaint, Ms Chen's retailer also offered a credit of \$1,400 on the account.

Resolution

Category	Level 3 investigation
Issues	Billing estimation, access issues, high disputed
Outcome	Negotiated resolution



Customer default-listed while keeping to agreed payment plan

Mr Matthews moved house in late 2015 and received a final bill for his former address for \$2,500 from his electricity provider a few months later. He paid the bill and thought the matter was over, but six months later he received a backbill advising he still owed \$2,500.

Mr Matthews contacted his provider to dispute the backbill as he believed the final bill had been paid in full. The provider was unable to provide an explanation for the billing charges and each time he spoke with them they told him they would investigate further and contact him soon.

An overdue notice soon arrived in Mr Matthews' letterbox, threatening him with a credit default listing. He called his provider and despite disputing the arrears, he arranged an initial payment of \$200 towards the account and also set up an ongoing payment arrangement of \$80 per month to avoid being default-listed.

When Mr Matthews received an email advising him that he had been default-listed despite having a payment plan in place, he contacted EWON for help. Mr Matthews was frustrated with the situation and wanted us to review the account.

Our review found that the billing was not compliant with the National Energy Retail Rules relating to backbilling (Rule 30 {2a}). When the provider reviewed the account, they corrected the bill and made it compliant with the Rule. The provider also applied a credit of \$2,444 to Mr Matthews's account, leaving him \$399 in credit. They also removed the default listing.

We contacted Mr Matthews to inform him about the credit on his account and told him he would need to contact the provider directly to arrange for the refund to be paid to him. Mr Matthews was very happy and thanked the Investigations Officer for helping him achieve a fair outcome.

Resolution

Category	Level 2 investigation
Issues	Backbill, high/disputed, opening/closing account, credit rating
Outcome	Negotiated resolution

EWON investigation helps household access assistance to pay bills

Miss O'Reilly came to one of EWON's Bring Your Bills days to speak with us about getting help to pay her electricity bill, with arrears of over \$1,000.

An Investigations Officer reviewed Miss O'Reilly's bills with her. She was receiving a Centrelink income, but the Low Income Household Rebate had not been applied to her account, despite her informing her provider that she was entitled to it. She also told the EWON Investigations Officer that another resident in her home required an oxygen concentrator, which could be contributing to the high bills.

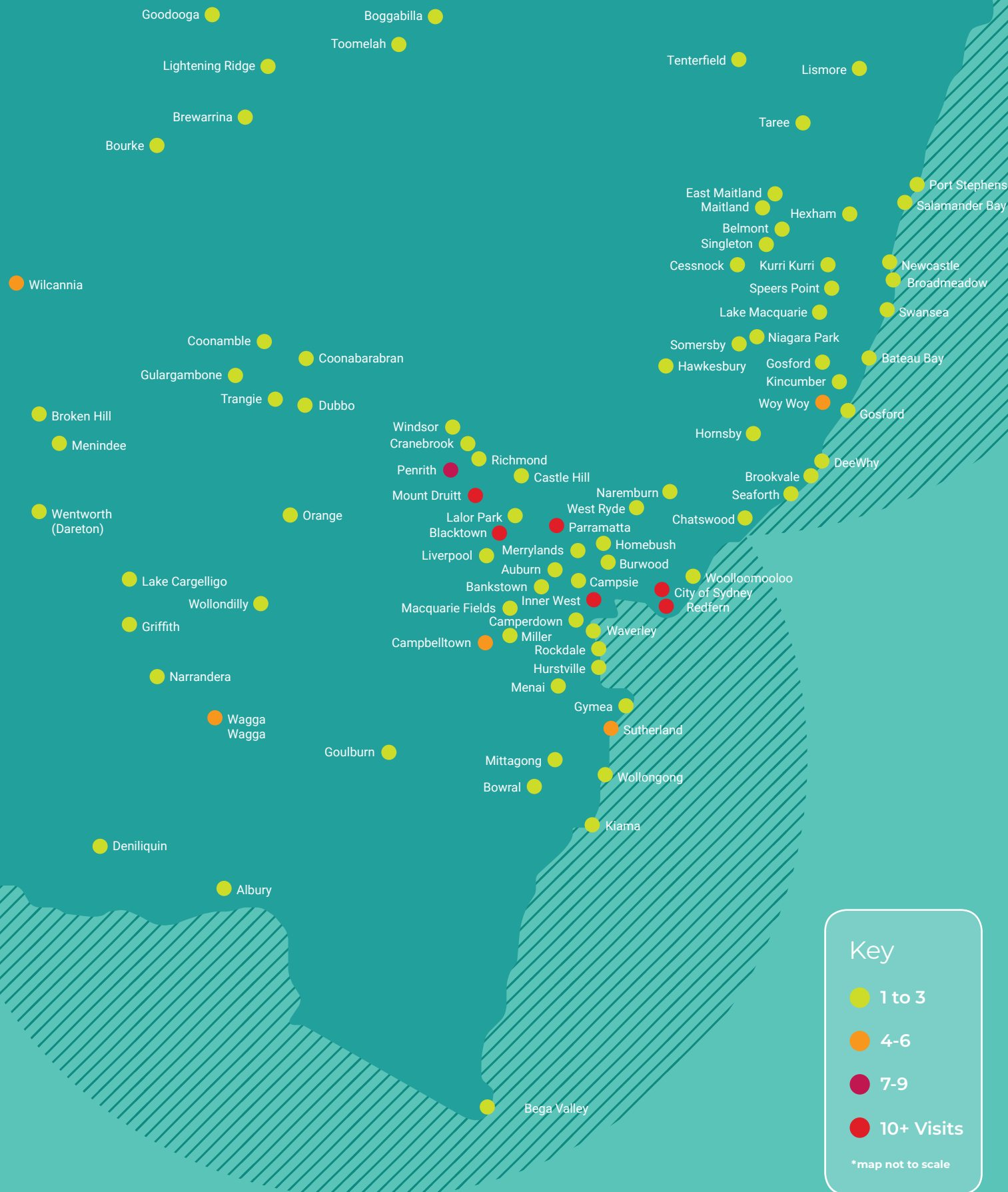
Miss O'Reilly was able to speak to her energy provider with our assistance. There had been an issue with validating her concession card, and the provider was now able to arrange for the Low Income Household Rebate to be applied to the account and backdated, which brought the outstanding balance down significantly. This allowed Miss O'Reilly to agree to an affordable payment plan with her provider and to set up Centrepay so that payments towards her electricity bill would automatically be taken out of her Centrelink allowance. This helped reduce her anxiety about how she would pay the outstanding balance on her account.

In addition, Miss O'Reilly's provider was able to send the medical rebate form documents to the person she lived with who required the oxygen concentrator. Once this form was signed by a doctor and returned, they could start claiming the relevant medical rebate, which should also help to make future bills more affordable.

Resolution

Category	Level 1 investigation
Issues	Rebate/concession error, payment difficulties
Outcome	Facilitated resolution

Engaging across NSW



Community engagement

Expanding awareness of our services for consumers and their advocates is one of our three key Charter responsibilities.

Community outreach is a significant part of our awareness raising and stakeholder and consumer engagement activities. It provides a platform to promote our services by attracting media coverage and expanding knowledge of our services in particular geographic areas, and amongst target groups. It is also a critical element for our promotion of energy and water business complaint handling processes and financial affordability programs.

Our community engagement program also provides the opportunity to build and expand relationships with other organisations and to tap into their networks so we can promote our services. It increases EWON's accessibility by offering another avenue for consumers to engage with us. Outreach activities help us educate consumers, community workers and small businesses about energy and water issues. Importantly, it also provides us with an opportunity to learn about the issues affecting consumers first hand. EWON shares this knowledge with providers, offering the opportunity to reduce the number of complaints coming to EWON.

We engage with a variety of consumers, community workers and small business with a focus on reaching vulnerable groups and those experiencing hardship, including:

Aboriginal and Torres Strait Islander People

People from culturally and linguistically diverse backgrounds

Seniors

People with disabilities

People living on fixed and/or low incomes



Community engagement

Target groups

Small business

EWON assists small businesses with a range of issues including billing and contract issues and disputes, including their retail classification as large or small energy users. When this is incorrect, it can result in significantly higher energy costs. However, only a small number of small business customers access our services. To increase awareness of EWON amongst small businesses, we attend targeted events and work with organisations with strong links to the sector.

This year, we developed a new factsheet for small business customers. We engage with small business owners through business forums and expos, as well as through trader walks, where we visit individual retail shops to offer information about energy and water issues and discuss how we can assist them.

Aboriginal and Torres Strait Islander customers

Our engagement with Aboriginal and Torres Strait Islander communities is driven by the significant disadvantage faced by these communities, and higher than average household electricity disconnection. This work is led by our Aboriginal Community Engagement Officer, who establishes and strengthens links with communities, their leaders and the agencies and services that work with them.

Billing and affordability issues continue to be the main reasons Aboriginal and Torres Strait Islander customers come to EWON, with 33% of issues received in 2017/2018 relating to billing, and 30% to credit, including disconnection, debt collection and default listing. Of the 793 complainants who identified as Aboriginal and/or Torres Strait Islander:

- 183 reported payment difficulties
- 105 reported high bills
- 73 had been disconnected or were facing disconnection
- 58 had faced debt collection.

Many customers experienced a combination of these issues.

Around 20% of these complaints came from outer Sydney, 15% from inner Sydney, 4% from Sydney surrounds and 61% came from regional areas of NSW.

Community workers

Community workers are an important link between EWON and consumers experiencing financial vulnerability. They can also act as advocates for many customers who require support when seeking assistance from energy and water providers or EWON. In 2017/2018, we collaborated with a number of community organisations, with a particular focus on community and Aboriginal housing organisations. Read more about this work on page 61.

Culturally and linguistically diverse (CALD) customers

Our commitment to strengthening consumer protections includes making sure we raise awareness of our services amongst diverse communities. We want to ensure all consumers have access to our resources, so we work with community workers, interpreters and bilingual staff, using translated factsheets and plain English presentations to break down barriers associated with language and low literacy.

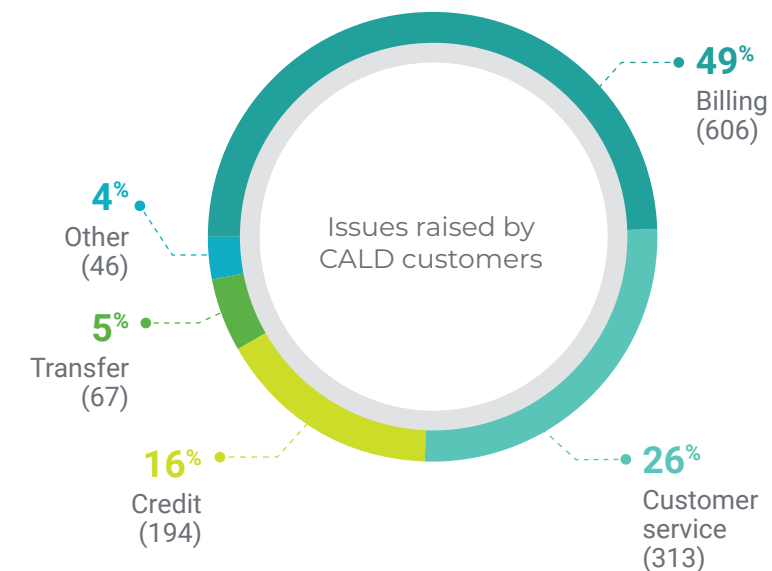
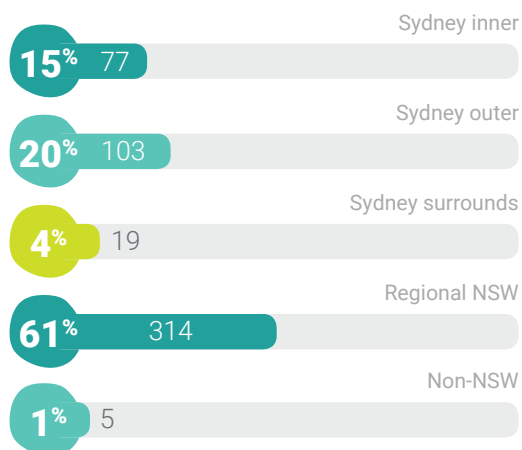
Complaints from CALD customers

This year 1,226 customers identified as CALD when they made a complaint to us. The top four issues raised by CALD customers were billing (49%), customer service (26%), credit (16%) and transfer (5%). Most of the complaints came from outer Sydney at 57%, with 36% coming from inner Sydney.

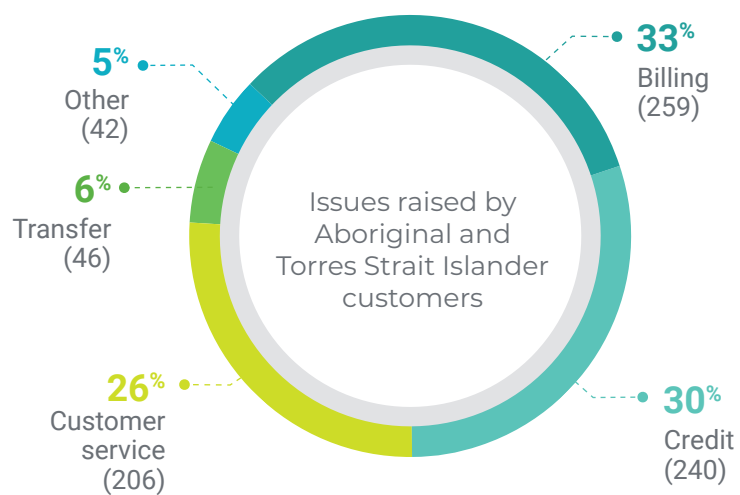
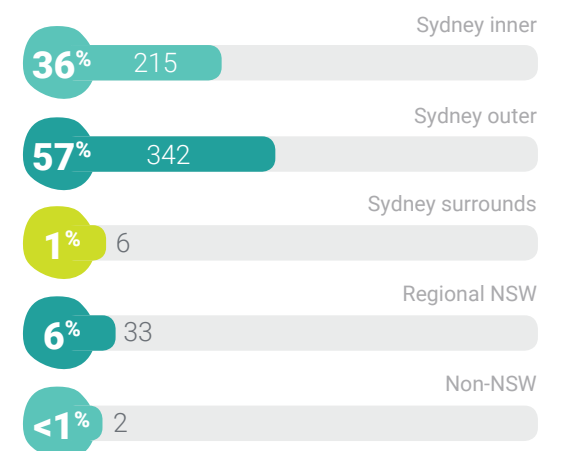
We received complaints from customers whose preferred language is:

- Mandarin (133)
- Arabic (108)
- Vietnamese (45)
- Korean (44)
- Cantonese (39)
- Greek (23)
- Farsi (19)
- Italian (16)
- Thai (14)
- Hindi (14)
- Spanish (13)
- Assyrian (12)
- French (11)
- Amharic (10)
- Indonesian (9)
- Russian (7)
- and numerous other languages

Complaints by location of Aboriginal and Torres Strait Islander customers



Complaints by location of CALD customers



EWON does not routinely collect information about our customers' cultural backgrounds, but we do capture this information when it is offered. For this reason, these figures may under-represent the number of CALD and Aboriginal and Torres Strait Islander customers who use our services. At the same time, we are conscious that many of these consumers are not aware EWON can assist them and so do not contact us. Therefore, we continue to focus on engagement with these communities to increase awareness of EWON and the services we provide.

Community engagement

Target groups

Seniors

Seniors often tell us they struggle to understand the complex nature of the energy and water industries, particularly billing and new and emerging technology. We find that older people are often concerned about energy affordability and may not be aware of concessions and rebates available to them. They also may avoid using heating and cooking appliances to reduce their consumption – often at risk to their health. Presentations to Probus Groups are one way we connect directly with seniors and we encourage them to share information about EWON with their friends and families.

People with disabilities

We presented at a number of information sessions organised by Aboriginal and non-Aboriginal disability organisations working with the National Disability Insurance Scheme (NDIS).

The presentations aim to increase awareness of EWON's services amongst community workers who work with people with a disability with support packages under the NDIS.

EWON's Aboriginal Community Engagement Officer attended and participated in information sessions and Making Links days to help raise EWON's profile in the disability sector. Events took place in the Sydney area and far west NSW.

Broader community disability events that EWON participated in during 2017/2018 included:

- South West Disability Expo
- Sutherland Carer Forum
- Sydney Disability Expo
- Penrith Disability Forum
- Multicultural Disability Service Campbelltown

We continue to deliver training about energy and water issues in collaboration with the Public Interest Advocacy Centre to community workers in the disability and aged care sectors.

Community events, expos and information days

EWON takes part in a number of community events organised by other groups. We set up our own stall or share one with other organisations where we provide advice or assistance to a range of consumers.

In 2017/2018 we attended:

- NAIDOC Week metropolitan and regional events
- Bourke and Brewarrina Law Week events
- Harmony Day - Community Info Expo Eastwood
- Homeless Connect days in Sydney and Parramatta
- Hornsby Family Services Expo
- Mardi Gras Fair Day
- Midcoast Council Family Matters day
- Orana Hub Expo
- Power and Water Usage Workshops and Family Fun Days
- Peninsula Link day Woy Woy
- Yabun Festival
- You're Kidding Me Expo, Glendale.

We also organise big events involving other organisations, such as Sydney's Royal Easter Show Seniors day, held for the ninth consecutive year! Again this year, we invited other complaint handling agencies to join us in a large marquee. Many people we spoke to said they valued the opportunity to access so much information and assistance in one place where they could speak with staff from a range of organisations face-to-face. This year we were joined by the Financial Ombudsman Service, the Credit and Investment Ombudsman, the Seniors' Rights Service, Legal Aid NSW, NSW Trustee and Guardian, the Public Guardian and representatives from the Australian Energy Regulator showcasing its EnergyMadeEasy website – an independent online energy retail contract comparator tool which all retailers must contribute to.

Bring Your Bills days

EWON started hosting Bring Your Bills days many years ago and they have grown, both in strategic approach and consumer attendance, over the years. These events offer face-to-face support for customers, as well as access to a range of other government and community services. They act as a 'one stop shop', targeting customers experiencing affordability issues.

At our Bring Your Bills days, our Investigations Officers, often aided by interpreters, listen to customers' concerns, review their energy and water bills, and liaise with providers over the phone to resolve issues. The customer's involvement in the process often empowers them to again contact their provider directly, which allows complaints to be resolved collaboratively and quickly. Both providers and customers benefit from the constructive engagement and the quick resolution of issues that these events offer.

In 2017/2018 we further strengthened the Bring Your Bills concept by inviting energy and water retailers to attend a Payment Assistance Day in Mt Druitt in Sydney's west, so that they could meet with customers face-to-face in their communities. We also partnered with Hunter Water to deliver Bring Your Bills days across the Hunter region in collaboration with:

- Rutherford Community Centre Maitland
- Belmont Neighbourhood Centre
- Tomaree Neighbourhood Centre in Salamander Bay.

We also collaborated with Origin Energy in remote Aboriginal communities. See page 61 for more information about this unique project.

Our Bring Your Bills days provide consumers with the opportunity to meet with us in a forum that welcomes them and provides both the space and time to sit down and help people understand how to read their bills, explain what assistance is available and how to save energy and water. This early involvement aims to prevent future problems like debt, credit listing and energy disconnection or water restriction.

We held monthly events at SydWest Multicultural Services in Blacktown, at Anglicare Mt Druitt for the early part of 2017/2018 and with St Vincent de Paul Mt Druitt during the later part of 2017/2018. We also scheduled Bring Your Bills days in other areas where we identified a need through our complaint handling work or at the request of community agencies.

Areas identified for Bring Your Bills days

- | Regional NSW | Sydney region |
|-----------------|----------------|
| • Albury | • Bankstown |
| • Cessnock | • Campbelltown |
| • Gosford | • Chatswood |
| • Griffith | • Fairfield |
| • Hornsby | • Menai |
| • Narrandera | |
| • Port Stephens | |
| • Singleton | |
| • Wagga Wagga | |
| • Woy Woy | |

EWON received almost **600** complaints from Bring Your Bills days

Presentations and forums

We accept invitations from organisations to present to their staff, clients, members and other stakeholders. As part of Anti-Poverty Week, we also organise our own forums for community workers that focus on the needs of low income and disadvantaged consumers.



Community engagement

Stakeholder networks

EWON's Community Engagement Officers attend inter-agency meetings that bring together services in particular areas and/or focus on particular communities.

The Joint Outreach Initiative Network (JOIN) has been managed by EWON for over 12 years. It brings together outreach staff from complaint handling agencies across NSW to share information and resources and explore opportunities for shared initiatives. There are 55 members representing 25 organisations. This year, meetings were hosted by Diversity Services, Legal Aid NSW, NSW Anti-Discrimination Board and the Commonwealth Ombudsman.

Koori inter-agency meetings provide support and assistance to the Aboriginal and Torres Strait Islander community in the Sydney metropolitan area. Agency representatives come together to provide a proactive forum which explores the very specific needs and issues that relate to the local Koori communities and jointly deliver practical solutions to meet those needs. The meetings provide attendees with the opportunity to support each other and share both good experiences and new opportunities.

Anti-Poverty Week forums

EWON has held Anti-Poverty Week forums for the past 13 years. In 2016, we began holding two forums, a metropolitan and regional based forum rather than alternating between each. In 2017, our first forum was in Penrith on 17 October followed by one in Wagga Wagga on 14 November. The forums aim to make community workers aware of EWON's services, as well as the government, community and member energy and water affordability initiatives available to support consumers.

Eighty-three people attended the Penrith forum and mini expo. It was opened by the Mayor of Penrith City Council, Councillor, John Thain and featured speakers from EnergyAustralia, the NSW Office of Environment and Heritage and the NSW Department of Planning and Environment. Fourteen organisations had stalls at the forum, including AGL, the NSW Anti-Discrimination Board, the Australian Energy Regulator, the Credit and Investments Ombudsman and Sydney Water.

The Wagga Wagga forum attracted community workers from across the Riverina region and was opened by the Mayor of Wagga Wagga, Greg Conkey. Forty people attended the event with seven exhibitors. Speakers included representatives from Revenue NSW, local community groups and energy and water providers. A panel of energy experts also shared details of new State Government initiatives to help consumers facing energy hardship.

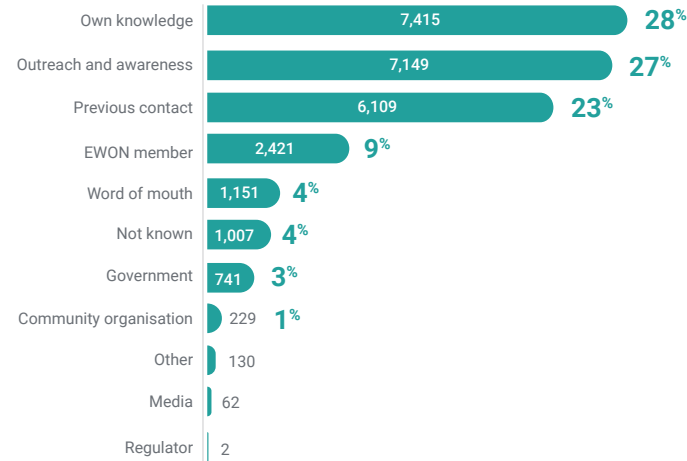
Exhibitors included the Australian Energy Regulator, Legal Aid NSW, Revenue NSW, NSW Fair Trading and the NSW Office of Environment and Heritage, EnergyAustralia and Origin Energy.

Training and educational initiatives

EWON develops and delivers energy and water training. We work with community workers and other organisations to inform them about issues relating to energy and water, as well as the actions consumers can take to reduce their energy usage and manage hardship.

Tenants in public and private housing have limited control over the energy and water efficiency of their homes, which can lead to high bills. Their homes often have poor insulation, problems with common hot water systems and inefficient lighting and appliances. In 2017/2018 EWON partnered with community and Aboriginal housing providers on two key initiatives to assist tenants.

How customers heard about us



Community housing training

During 2018 EWON delivered energy savings training to the community housing sector in collaboration with the Public Interest Advocacy Centre (PIAC), with funding from the Office of Environment and Heritage (OEH) as part of a pilot program.

The training was organised by the Community Housing Industry Association, a non-government industry body that represents the community housing sector in NSW. The Association received funding under OEH's Home Energy Action Program to install solar panels on community housing dwellings and deliver energy saving training to staff and tenants.

EWON and PIAC created a training program tailored to the Association's needs. The training is targeted at community housing workers and identified key tenants as 'energy champions' whose role is to share the energy information more broadly in their housing estates.

The training took place in Sydney's CBD, Parramatta and Wollongong in April and May 2018. Feedback from program attendees included an increase in knowledge and awareness of:

- discounts, the Energy Made Easy website and ways to reduce energy usage and costs
- NSW and Federal Government energy rebates
- how to review energy accounts and understand the components
- the responsibilities of retailers in helping consumers
- how to confidently approach retailers knowing that the law states they must provide payment plans and hardship programs for customers experiencing difficulties
- EWON and how to make a complaint.

Aboriginal housing partnership

In 2017/2018 EWON continued working with the Tenant Support and Education Project (TSEP), funded by the Aboriginal Housing Office. This project comes from a unique partnership between Coonamble Local Aboriginal Land Council, Mid Lachlan Aboriginal Housing Management Co-operative and Murdi Paaki Regional Housing Corporation.

EWON delivered Power and Water Usage Workshops and Bring Your Bills days. The workshops were tailored to Aboriginal communities in remote and regional NSW and focused on saving energy and water around the home and help for tenants experiencing difficulties with their electricity bills. Some of the events also included a Family Fun Day element organised by TSEP.

As the largest energy provider in the areas we visited, we invited Origin Energy to take part in the events. Origin Energy assisted its customers and EWON helped the customers of other energy providers who attended the workshops. All customers received one-on-one support to help them access hardship programs, payment plans, rebates, payment assistance vouchers, referrals and more. These events helped raise awareness of, and create links to, support programs which empower community members to seek help from their energy providers and other services in the future.

"Great information shared and brings community together. Great outing, great food, great info and great networking!"

"All the information I heard about today will help a lot at home"

Key outcomes:

872

people attended the Power and Water Usage Workshops

99.6%

of attendees surveyed found the workshops enjoyable and the information useful

98.5%

of attendees increased their knowledge of support programs and services available to assist them

97.8%

of attendees had more confidence to engage with their energy company in the future

The events provided an opportunity for EWON to assess the benefits of working with providers on outreach initiatives – and the outcome was overwhelmingly positive. Origin Energy found:

- customers they met with face-to-face were more likely to continue to make regular payments
- 91% of customers who signed up to Origin's 'Power On' hardship program during these visits maintained their payment arrangement
- a significant number of customers also signed up for energy efficiency visits, with 80% reducing their energy bills as a result and saving on average \$770 a year.

During the trips that took place in 2017/2018, EWON received 146 complaints for resolution – up significantly from the 65 complaints we received the previous year. This reinforces the increase in consumer confidence which arises from our community outreach program. The majority of these complaints were about affordability issues.

We visited the following communities:

- Wilcannia
- Menindee
- Dareton
- Bourke
- Brewarrina
- Walgett
- Goodooga
- Coonamble
- Gulargambone
- Lake Cargelligo

Services that participated in the Bring Your Bills days

- Aboriginal Housing Office
- Centacare
- Centrelink
- Far West Legal
- First Nations Disability Network
- IDEAS
- Legal Aid NSW
- Lifeline Broken Hill
- Mallee Family Care
- Mission Australia
- NSW Fair Trading
- Office of Environment and Heritage
- Revenue NSW
- Salvation Army
- Waruwi Gambling Help

"EWON's 'Bring Your Bills' days, where customers present their bills to the Ombudsman and participating retailers, to get an understanding of their energy costs, obtain hardship assistance and find better offers, has proven to be a useful community outreach program and is a good way of engaging customers without access to the internet."

Origin Energy, in its AER Customer Price Information submission



Customer perspectives



Contractor's work leads to ongoing flooding of a customer's home

In late 2014, when Mr Breen's energy distributor made network upgrades in his street, a large pit was left open outside his home. When the distributor's contractor was working in the area, his water pipe inside the pit was cut, flooding Mr Breen's property.

When Mr Breen raised the issue with the works supervisor, he was told he would need to pursue the issue in court. Mr Breen could not afford that, so after his property flooded twice more in 2016, he contacted the distributor directly.

While the distributor admitted there was a problem, Mr Breen was told that he would have to take it up with the contractor. When efforts to contact the contractor fell through and a plumbing assessment estimated rectification work at \$1,800, Mr Breen contacted EWON for assistance.

Mr Breen wanted his distributor to pay for the pipe to be repaired and review his claim of \$24,000 for damage to his property, appliances and furniture. The distributor referred the claim to the contractor which offered \$7,500 to settle the claim.

EWON investigated the dispute and referred the distributor to EWON's Charter, which states that EWON members are responsible for the conduct of their contractors, and should respond to

customer and EWON complaints directly. We highlighted that the contractor's offer failed to include a breakdown of the amount and to specify if it covered payment for the quoted repairs or the consequential costs incurred by Mr Breen. We asked the distributor to review the offer amount and explain why Mr Breen's original claim was rejected.

The distributor provided an itemised list that included valuation amounts for each damaged item, using either relevant Australian Taxation Office depreciation rates or by comparing the item's value on eBay. It rejected the claim of several items, and the offer remained at \$7,500.

Mr Breen advised us that he could not reasonably accept that a lounge suite under a year old could depreciate at the rate of 96%. He claimed other items were depreciated by similarly high amounts.

EWON negotiated between Mr Breen and the distributor, which led to a review of the claim and the offer being increased from \$7,500 to \$15,000. Mr Breen accepted this resolution and the final offer.

Resolution

Category Level 3 investigation

Issues Customer service/poor service, land property damage and restoration

Outcome Negotiated resolution

"I just wanted to pass on my thanks for your assistance. This is a great service and really valuable. Fortunately, I've not previously needed you guys and hopefully won't for some time, but I am really grateful of your help. Thanks again for the great work you do."

Mr Sanders

"Thank you so much. We really appreciate the efforts that went into this investigation. We are obviously thrilled with the outcome; the thought of having to pay that bill was extremely overwhelming. Thank you and those who assisted with this case."

Ms Smith

"A very sincere thanks for all the assistance I received from your office. The Investigations Officer I dealt with worked tirelessly on a new connection problem I was experiencing. I was constantly kept informed and they helped me to negotiate a settlement that I was very happy with. Your office does great work and we're lucky citizens to have you in our corner. Again, can't thank you enough."

Mr Romano

"Many thanks for your untiring efforts to bring this matter to an end. At all times you were so professional, helpful, courteous, patient and kept me up to date. Reaching a positive result would have been impossible without your help."

Ms Wu

"Thank you so much for your help. Your service is greatly appreciated and you guys do a fantastic job it's so refreshing. Keep up the good work."

Mr Jeffries

"Thank you very much. As a result of your intervention I not only didn't have to pay the outstanding amount but received a \$500 refund."

Ms Powell

"I am extremely grateful for your assistance. This has been a very difficult time for my family and the issues with [my provider] have been incredibly upsetting. I could not be happier with the assistance you offered me."

Ms Bhatt

"Thank you so much with all the assistance you have given us over the last few months. We really wouldn't be where we are now without all the effort you put in, especially with all the time you spent on talking to us, liaising with [the provider] on our behalf, then advising us of the best solution. The outcome you achieved for us is much better than what we originally expected. Without you doing such great work, we would not be able to go any further."

Mr McIntosh

"Thank you for your help. Without you, I don't believe my case with (my provider) would have been resolved."

Mr Hong

Engaging our people

EWON is committed to being a great place to work, where staff feel valued and are well supported by effective processes and systems. We focus on building a strong values-based culture which underpins all we do – including how we work together and how managers lead their teams. In response to our 2016 Staff Engagement Survey, staff and managers developed action plans to address issues identified in the survey, achieving an overall increase in staff engagement of 35%.

EWON initiatives

We continued to offer and build on key initiatives introduced in the previous year:

- **EWON MasterClass workshops** – half day interactive sessions aimed at developing professional knowledge and skills.
- **A wide range of e-learning programs** – including 'EWON First Principles' privacy, health and safety and workplace behaviours sessions.

EWON Speaker Series

We also brought back our popular 'EWON Speaker Series' for a second year. The series features inspiring external speakers who share their career and personal stories with our staff. In 2017/2018 the series featured the following themes:

- **Building Aboriginal cultural awareness** – Aunty Margret Campbell, Managing Director at Dreamtime Southern X
- **Financial assistance from the Cancer Council** – Alka Bisen, Financial Counsellor Program Coordinator at the Financial Assistance Services, Cancer Council NSW
- **Career challenges and breakthroughs: pushing for gender equality and working towards eradicating violence against women** – Tracey McLeod Howe, then NSW Council of Social Services CEO
- **Trending issues in the financial counsellor's sector** – Jo Parker, Executive Officer of Financial Counsellors Association of NSW.

Staff updates

The increase in complaints, together with natural attrition required EWON to recruit 12 new Investigations Officers in 2017/2018.

In June 2018 we said goodbye to our General Manager People, Judy Vergison, who made a significant contribution towards improving staff engagement during her three years at EWON.

EWON staff at Endeavour Energy's training site in Sydney's west, as part of our Technical Knowledge MasterClass series.



New initiatives

We introduced a wide range of new staff engagement initiatives including:

- 'Working Together@EWON' supported by interactive workshops attended by all staff
- 'Train the Trainer' and 'Buddy Program' for new starters
- Piloting tailored e-learning programs, including a suite of learning aids and trainer resources
- Leadership pillars setting out behaviours for managers, accompanied by individual learning and development plans, and in depth 360 feedback and action plans
- 'Always On' – an online tool where staff can post confidential feedback at any time and as often as they choose.

Be Safe and Well@EWON

Another new initiative, the 'Being Safe and Well@EWON' program takes a strategic approach to maintaining a healthy and safe workplace. It is made up of two major streams:

Safe and healthy workspace

Initiatives driven by the staff Health and Safety Committee and senior leaders.

Be you... be well!

A range of wellbeing activities offered to staff in a diverse quarterly program developed by the Health and Safety Committee. Staff opt into activities including:

- Healthy breakfast@work
- Picnicking@the park
- Yoga@lunch
- Mindfulness@lunch
- Walking@lunch



Tracey McLeod Howe, then CEO, NSW Council of Social Services, presenting on gender equality as part of our speaker series



Tamara, one of EWON's new Investigations Officers



Aunty Margret Campbell, Managing Director, Dreamtime Southern X presenting to staff on building Aboriginal awareness



Ombudsman, Janine Young and our longest serving and newest staff members, Rehka & Julie, during our 20 year anniversary staff celebration

Financials

Balance Sheet	2018 \$	2017 \$
Current Assets		
Cash and cash equivalent	1,671,657	1,479,679
Trade and other receivables	5,838,802	4,165,954
Other Deposits	3,006,121	2,749,551
Total Current Assets	10,516,580	8,395,184
Non-current Assets		
Property, plant and equipment	634,930	846,158
Total Assets	11,151,510	9,241,342
Current Liabilities		
Trade and other payables	7,328,299	5,405,478
Provision – annual leave and long service leave	805,489	570,545
Total Current Liabilities	8,133,788	5,976,023
Non-current Liabilities		
Provisions	369,673	408,813
Total Liabilities	8,503,461	6,384,836
Net Assets	2,648,049	2,856,506
Funds		
Unrestricted funds	2,648,049	2,856,506
Total Funds	2,648,049	2,856,506
Cash Flow Statement	2018 \$	2017 \$
Cash flows from Operating Activities		
Receipts		
Funding received (Members)	11,840,553	10,109,407
Payment to suppliers, employees and other	-11,351,051	-10,592,446
Net cash inflow from Operating Activities	489,502	-483,039
Cash (outflow) from Investment Activities		
Interest Received	110,493	103,106
Payment for plant, equipment and intangibles	-151,447	-317,258
Interests paid		
Net cash flow from investment activities	-40,954	-214,152
Net increase in cash held	448,548	-697,191
Cash at the beginning of year	4,229,230	4,926,421
Cash at the end of the year	4,677,778	4,229,230
Statement of Income and Operating Expenditure	2018 \$	2017 \$
Income		
Funding Received:		
Annual case fees	9,592,895	9,436,697
Annual fixed fees	1,688,027	1,377,729
Joining fees	21,800	38,150
Interest received and sundry income	122,748	106,641
Gross Income	11,425,470	10,959,217
Less Expenditure		
Communications	139,553	177,231
Depreciation & Amortisation	362,675	380,579
Employee-related expenses	242,825	228,539
Occupancy costs	925,707	949,071
Operating expenditure	1,377,222	749,011
Salaries and on-costs	8,585,945	8,049,419
Total Expenditure	11,633,927	10,533,850
Net Surplus	-208,457	425,367





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Keep in touch

