



Energy & Water
Ombudsman NSW

Annual Report

2015/2016

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 2015/2016 financial year, unless otherwise specified. Figures published in previous annual reports were based on data from cases closed in a particular year. EWON's open case data varies in accordance with case progression and figures in this report reflect case status as at 26 July 2016.

About our case studies

Names and identifying details of our customers have been changed to protect their privacy.



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Overview

The Energy & Water Ombudsman NSW (EWON) is an industry-based Ombudsman scheme that provides all NSW energy and some water customers with independent, free, informal dispute resolution services. We work towards achieving a fair and reasonable outcome for all parties – we are not a consumer advocate, nor do we represent industry.

We investigate a wide range of complaints including:

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

Our principle 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.

As well as resolving complaints, we assist energy and water providers to continually improve their processes and deliver consistent, high-quality customer service. We also provide reports and analysis to help raise industry standards and reduce complaints.

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> Chair's message

Professor Julian Disney AO



Over the last 12 months, EWON has welcomed five new members. As authorised retailers under the National Energy Consumer Framework (NECF), they are required to provide their customers with high quality internal dispute resolution, in addition to the customer's rights of access to EWON's independent resolution processes.

In the rapidly changing energy landscape, however, many other new providers are statutorily classified as "exempt retailers". This means that they are not required to meet the NECF benchmarks and their customers may be at greater risk of inadequate access to appropriate dispute resolution and other consumer protection. This situation presents significant and growing challenges and for several years EWON has been actively seeking improvements in relevant regulatory systems. Unfortunately, the response has been far from satisfactory and our calls for prompt and effective change will continue.

Like its interstate counterparts, EWON has experienced a continued decline in the number of complaints received. This partially reflects welcome improvements in providers' delivery of services and handling of complaints. It has enabled EWON to begin reversing the increases in staff and expenditure that were necessary to address the surge in complaints that began about five years ago. In turn, the levels of funding that providers have been required to provide for EWON have reduced substantially and will be further reduced in the coming year. It is essential, however, to ensure that this is not at the expense of its levels of service to energy and water customers and providers, and to its important engagement with policymakers and the community.

The Board regards achieving and maintaining widespread awareness of EWON's services as being a very high priority, especially amongst customers who are vulnerable to hardship by reason of their social or economic circumstances. It strongly supports the Ombudsman's emphasis on strategic outreach, focusing especially on people who have substantial difficulties arising from social, cultural or geographic isolation or from a disability or infirmity.

The year covered by this report was the first full year of Janine Young's term as Ombudsman and a new management team now fills the other leadership roles created by an organisational restructure. A number of adjustments in staff processes and priorities have been made, or are in progress, in response to the changing environment in which EWON operates. Details are provided in the following report by the Ombudsman. The challenges of transition have been substantial and have involved a very heavy workload for Janine and her leadership team.

The Board has made significant progress in clarifying EWON's governance structures, responsibilities and reporting. This includes strengthening opportunities for Board members to become more aware of the work of the organisation and the demands on its staff and for the leadership team to become more familiar with the workings of the Board. A key element of EWON's governance continues to be the twice-yearly gathering of the Consultative Council, which is attended by more than fifty industry and community participants and provides a valuable forum for exchange of information and concerns.

During the year, three General Managers finished up at EWON after many years of devoted and much-appreciated service. They are Linda Brown, Von Coves and Emma Keene. Mark Tietjen has also contributed greatly to EWON over a lengthy period and is now one of the new General Managers.

In closing I would like to thank my fellow Board members for their diligence and support. I would also like to express the Board's thanks to the Ombudsman and her staff for their commitment to making EWON as effective as possible in its important roles of informing, advising and assisting energy and water consumers and, engaging constructively with providers, regulators and the community.



Professor Julian Disney AO

**Chair
Energy & Water Ombudsman NSW Ltd**

> Ombudsman's message

Change continued to be a major theme for EWON in 2015/2016. Developments in the energy sector relating to emerging products and exempt retailer arrangements underpinned a significant amount of our policy work, while falling complaint numbers impacted our operations and internal areas of focus.

Overall the change was positive. An organisational restructure led to the appointment of a new Management Team between July 2015 and February 2016. Other key positions were also introduced to help us meet our strategic priorities and pave the way for significant achievements across the organisation, including:

- building the skills of our leadership team through formal management and leadership development
- enhancing our business processes and technology management capabilities
- improving the effectiveness of our dispute resolution and quality assurance processes
- maintaining our accessibility and independence through broader engagement with stakeholders, consumers and members
- influencing policy development on emerging issues through strategic collaboration with stakeholders, members and regulators, and
- strengthening corporate governance and risk management.

Falling complaint numbers

For the second consecutive year we experienced an overall decrease in complaints. We received 23,760 complaints, down 22% from 30,402 complaints in 2014/2015.

Water complaints fell by 13%, accounting for 3% of our overall complaints. Electricity complaints decreased by 25% from 2014/2015, but continued to account for the majority of our work at 73% of total complaints.

Janine Young, Energy & Water Ombudsman NSW



Gas was the only area of complaints growth, and while gas complaints only increased by 1%, from 2014/2015 to 5,632 cases in 2015/2016, they now account for 24% of all cases, up from 18% in the previous period. Significantly, gas network complaints are on the rise, reflecting the expansion of the gas network and a larger number of gas customers in NSW.

EWON's experience is consistent with the overall downward trend in complaints received by other Ombudsman offices across Australia. Falling complaint numbers create particular challenges for Ombudsman schemes, with the overarching need to ensure we continue to provide an independent, accessible and high quality service, balanced with a funding model that is aligned with complaint volumes. The situation is further complicated by the growing complexity of complaints - those complaints which require longer and more in-depth investigation, and therefore resourcing. This is evidenced by EWON complaints resolved at level 3 increasing by 60% to 988, up from 619 in 2014/2015.

Energy complaint issues that continue to be a regular part of our landscape include:

- backbilling over periods longer than the nine months prescribed in the National Energy Retail Rules
- unaffordable payment plans offered by some retailers to cover backbills
- opening and closing account errors
- transfers in error resulting in billing errors, and in some cases, disconnection.

For water, common issues include tenant complaints about water restrictions and poor customer service.



Affordability remains a key issue

The top issues raised by customers in 2015/2016 remained consistent, with billing, customer service or credit-related issues factoring in the majority of complaints.

Affordability continued to feature strongly, with 6,644 of the complaints received in 2015/2016 involving payment difficulties, debt collection and/or disconnection or restriction of supply. While the number of complaints decreased, affordability issues continued to factor in 28% of complaints.

According to the Australian Energy Regulator, residential electricity and gas disconnections for 2015/2016 are expected to reach the same numbers recorded in 2014/2015, at almost 32,000. St Vincent de Paul's "Households in the dark" report released this year highlights how industry changes, higher bills and entrenched poverty contribute to NSW's high disconnection rate. Therefore, it is not surprising that disconnection and affordability complaints continue to be the underlying cause of the majority of our casework.

Another indicator that many of our customers are experiencing financial stress is the number of referrals we made to financial counsellors in 2015/2016. They increased by 188% to 561, up from 195 in the previous period. We highly value the work of financial counsellors and financial capability workers across NSW. We value our relationship with them, and share their concern about their ability to cope with the growth in demand for their services.

Tackling the underlying causes

More customers are being offered payment plans and participating in hardship programs. While these initiatives are critical for helping customers manage debt, they do not always deal with underlying causes. EWON hopes to contribute to real change by raising awareness of the link between low quality housing and higher energy costs - nowhere more apparent than during my visits to remote Aboriginal communities, where it is common to see quarterly electricity bills soar to \$2,000 or more. Our article, "The cost conundrum" on page 28 of this report explores this in more detail.

Another affordability issue we have been focusing on in 2015/2016 is the impact credit repair agents have on consumers who find themselves credit listed for unpaid bills. These agents often charge high fees for services available free of charge through Ombudsman offices. EWON joined representatives of consumer advocacy organisations, industry associations, Ombudsman schemes, and government agencies and regulators to develop a Communique. It called for government to implement a new regulatory framework to bring these businesses in line with other financial services in Australia, including the need for them to be members of Ombudsman offices. We will continue this work in 2016/2017.

Protecting consumers through access to external dispute resolution

We welcome advancements in technology, but at the same time, a key focus for EWON is ensuring the consumer protection framework is available to all energy customers. We believe that products and services relating to the essential service aspect of energy supply require energy-specific protections. This view is expressed in our submission to the review of the Australian Consumer Law.

It is also our position that the consumer protections available to customers of authorised retailers should be extended to customers of embedded networks, a growing area of energy supply, a view we expressed through various channels. We took a similar position when providing feedback on the roll out of smart meters in NSW.

One of our key successes in 2015/2016 was successfully lobbying for the NSW Gas Rebate to be extended to customers who rely on bulk Liquefied Petroleum Gas (LPG) for cooking, heating and hot water, so that people in regional areas who do not have access to the natural gas network are placed on an equal footing to those that do. This change was introduced from 1 July 2016 and EWON will play a key part in promoting its availability through our outreach and community engagement work.

The Civil Justice Collaboration Working Group has been set up to assist with the development of NSW's Civil Justice Strategy.



As a member of this group, I am contributing to the discussion and progress of introducing Alternative Dispute Resolution approaches as an effective and low-cost means of resolving disputes across the civil justice landscape.

Building effective relationships

I would like to take this opportunity to thank the organisations that we collaborated with throughout 2015/2016. We worked closely with NSW Fair Trading, Legal Aid NSW, the Public Interest Advocacy Centre, NSW Office of Environment and Heritage and NSW Council of Social Service to enhance consumer protections, advance the needs of vulnerable people and raise awareness of our services.

We also partnered with SydWest Multicultural Services, St Vincent de Paul and Anglicare to ensure our services are available to more communities through our Bring Your Bills days.

We continue to work with other Ombudsman services and consumer advocacy bodies across the telecommunications, finance and energy and water industries to develop a strategic, shared approach to affordability issues for vulnerable consumers. The shared knowledge and joint outreach and awareness initiatives all of our organisations achieved through these partnerships help to deliver the range of services required by consumers, especially those who are experiencing financial hardship.

In addition to our ongoing member liaison meetings, we hosted two forums for our members focussed on exploring initiatives to address specific complaint areas. The early June Energy business to business forum provided an opportunity for electricity and gas providers to work through common complaints. Typical issues which stem from business process breakdown between retailers and network companies include transfers, meter reading, and new connections. Later that month, our water forum provided water members with the opportunity to learn more about how the Yarra Valley Water hardship program has evolved successfully over 15 years. Members also discussed their approaches to hardship programs and explored the management of concealed leak complaints and their link to financial hardship.

Challenges and opportunities ahead

In 2016 we engaged an independent consultant to conduct a customer satisfaction survey. We were pleased with the number of customers who said they would recommend our service, achieving a net promoter score of +33. Satisfaction with our service was high at 72%, but was below our target of 80%. The survey identified opportunities for improvements and we are using the results to further enhance our customer service.

In 2016/2017 we are focused on improving the effectiveness and efficiency of our complaint handling processes and advancing our work with communities across NSW. Some of our key initiatives are:

- strengthening and expanding our strategic partnerships
- increasing awareness of services amongst small businesses and vulnerable groups, including Aboriginal communities, people from culturally and linguistically diverse groups, seniors and people with a disability
- monitoring and identifying emerging issues, particularly those related to the closure of the Solar Bonus Scheme and the introduction of contestable metering.

Aligned with the decrease in complaints, we experienced a reduction in staff numbers through natural attrition, and therefore restructured our Investigations Team to improve our efficiency. At the same time, we maintained our focus on delivering high levels of customer service, as well as ensuring we remain able to respond to an increase in complaints quickly and effectively.

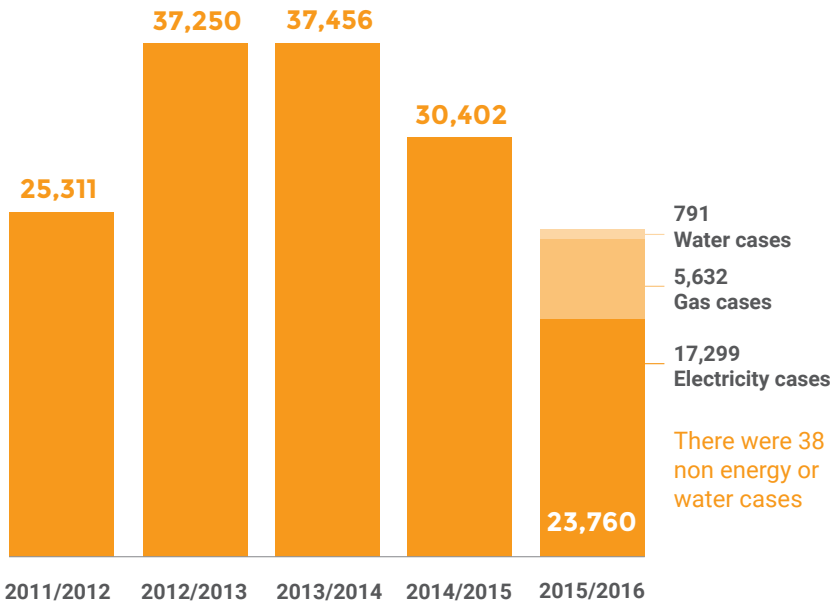
It has been a challenging period given the level of change and the need to balance the competing priorities of decreasing complaints, increasing complexity and member funding expectations. Our staff survey reflected, unsurprisingly in these circumstances, a decrease in staff engagement, and reversing this trend is a major focus moving forward.

I am proud that EWON continues to evolve, embracing new processes to deliver better outcomes for our customers and members. I would like to thank the Board for its support and forward looking agenda, and of course our staff, who continue to deliver high quality customer service and fair and reasonable outcomes for NSW consumers.

Janine Young
Ombudsman
Energy & Water Ombudsman NSW

> Our year at a glance

CASES RECEIVED BY EWON FROM 2011/2012 to 2015/2016



23,760

CASES RECEIVED IN 2015/2016

22%

DECREASE IN CASES RECEIVED FROM 2014/2015

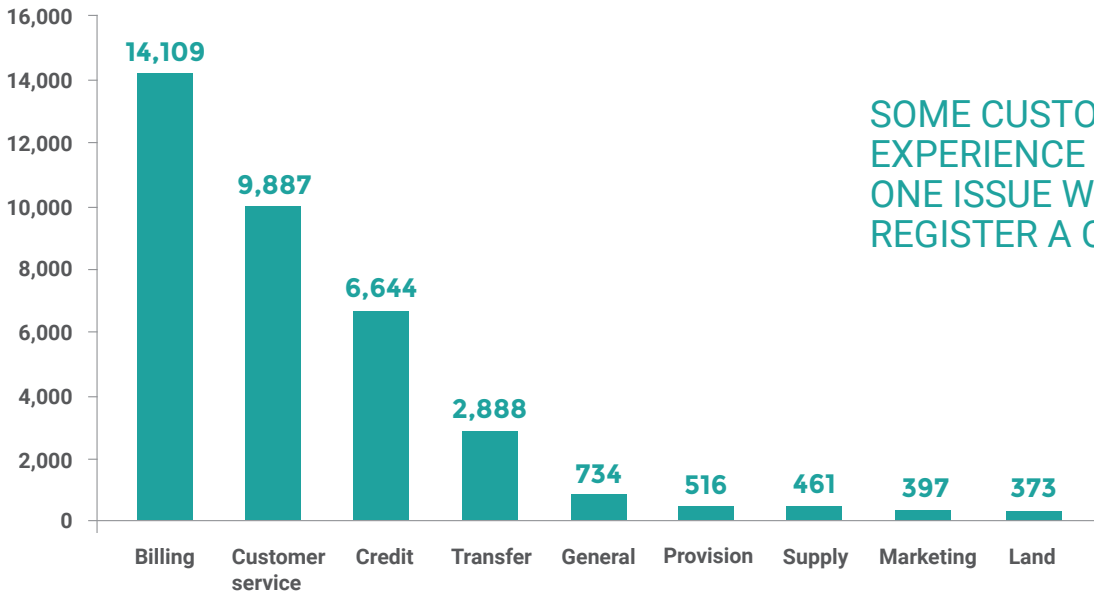
7,174

CASES INVESTIGATED, DOWN 32% FROM 2014/2015

16,586

NON INVESTIGATED CASES, DOWN 17% FROM 2014/2015

CASES RECEIVED BY PRIMARY ISSUE



SOME CUSTOMERS EXPERIENCE MORE THAN ONE ISSUE WHEN THEY REGISTER A COMPLAINT

59%

OF ALL CASES INVOLVED BILLING ISSUES

42%

OF ALL CASES INVOLVED CUSTOMER SERVICE ISSUES

28%

OF ALL CASES INVOLVED CREDIT ISSUES

> About us



Professor Julian Disney AO
Chair



Carolyn Hodge
Community Director



Maria Good
Community Director

EWON Board



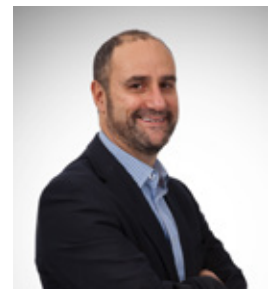
Elizabeth Priestley
Community Director



Wayne Warburton
Community Director



Grant Arbuthnot
Community Director



Ian Israelsohn
Jemena



Danielle Manley
Endeavour Energy



Nicole Wallis
AGL



Jan Prichard
Origin Energy



Angela Tsoukatos
Sydney Water

The Board of Directors is responsible for EWON's corporate governance, funding and strategic direction. The Board is made up of an independent Chair, five Industry Directors representing our electricity, gas and water provider members, and five Community Directors representing consumer interests such as tenancy, mental health, financial counselling and social services.

EWON Consultative Council

Consultative Council meetings are part of EWON's constitutional framework. They offer an open forum for consumer and small business representatives and our members to meet, raise issues, and put forward their views. They also allow us to update and consult with our key stakeholders, and they contribute to our planning.

According to our Constitution, we must convene a Consultative Council meeting chaired by the Board Chair at least twice each year. In 2015/2016, we held Consultative Council meetings on 26 November 2015 and 28 April 2016. See page 38 for more information about our Consultative Council meetings.

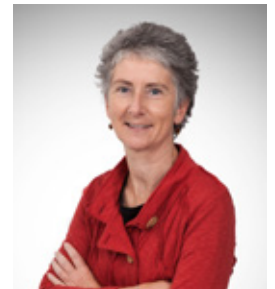
Our team



Janine Young
Ombudsman



Mark Tietjen
General Manager
Investigations



Helen Ford
General Manager Policy,
Engagement & Quality



Judy Vergison
General Manager People



Tendai Moyo
General Manager
Corporate Services



Mia Lauzé
Manager
Communications

Our organisational structure evolved to include the following teams, working under the leadership of the Ombudsman:

Investigations

Policy, Engagement & Quality

People

Corporate Services

Communications

The restructure provided an opportunity for the following positions to be created:

- Manager Communications responsible for promoting and raising awareness of EWON and energy and water issues affecting NSW consumers. The Communications Team updated EWON's corporate brand and website, and continues to expand EWON's social media presence.
- Manager Policy & Research leads the policy section of the Policy, Engagement & Quality Team. This team provides advice, research, and analytical support internally by working closely with the Investigations Team to identify and address trends in complaints and systemic issues that arise from casework. The team also provides advice and research to external stakeholders by drafting our formal public submissions and commenting on regulatory changes and industry developments.
- Senior Advisor Alternative Dispute Resolution is a specialist project role designed to support the Investigations Team by providing input and advice for complaints identified as complex or high risk. This role also contributes to the development and review of policies and procedures and plays a key role in delivering EWON's strategic objectives related to complaint handling.

Ombudsman
Janine Young

The Ombudsman is responsible to the Board for the overall direction and management of the organisation. The Ombudsman's consideration and resolution of individual disputes is conducted independently of the Board, ensuring EWON provides high quality, independent dispute resolution, as well as raising customer awareness and customer service standards across the energy and water industries.

General Manager Investigations
Mark Tietjen

The Investigations Team handles customer complaints against providers. This includes receiving, assessing, investigating and reviewing complaints to ensure that EWON achieves its key objective of fair, reasonable and independent complaint handling.

Senior Advisor Alternate Dispute Resolution

Investigations Officers

Manager Initial Response

Early Resolution Officers

Assessment Officers

Manager Team 1

Investigations Officers

Manager Team 2

Investigations Officers

Manager Team 3

Investigations Officers

Case Review Officer

Manager Team 4

Investigations Officers

Case Review Officer

General Manager Policy, Engagement & Quality
Helen Ford

The Policy, Engagement and Quality (PEQ) Team oversees EWON's policy, community outreach, member relations and quality functions by:

- Providing, advice, research and analytical support by identifying complaint trends, and systemic issues arising from casework. The team also prepares public submissions and comments on regulatory changes and industry developments
- Delivering a community outreach program to build awareness of EWON and educate consumers and their advocates about energy and water issues
- Driving continuous improvement of case management process by reviewing cases and implementing quality assurance processes
- Maintaining member relations, through regular contact and reporting and by holding forums to discuss issues underpinning complaints.

Manager Policy & Research

Senior Policy & Research Officer

Policy & Research Officer

Manager Quality Assurance (QA)

QA Officers

Aboriginal Community Engagement Officer

Community Engagement Officer

Stakeholder Relations Officers

General Manager People
Judy Vergison

The People Team is responsible for making EWON a 'great place to work' by maximising staff engagement and contribution. It develops the organisation's HR strategy, which provides a framework of policies and procedures that attract, retain and develop our highly professional staff.

Learning & Development Officer

HR Services Team Leader

HR Administration Officer

General Manager Corporate Services
Tendai Moyo

The Corporate Services Team manages EWON's infrastructure and service delivery, including overseeing EWON's finances, information and IT resources, general administration, and internal and external reporting functions.

Administration Officer

IT Officers

IT Assistant

Financial Accountant

Senior Data Analyst

Manager Communications
Mia Lauzé

The Communications Team raises awareness of EWON's services and utility issues affecting NSW consumers. It maintains EWON's corporate brand, manages its media relations and social media platforms, produces publications and other information resources, and is responsible for the public website and intranet.

Online Communications Officer

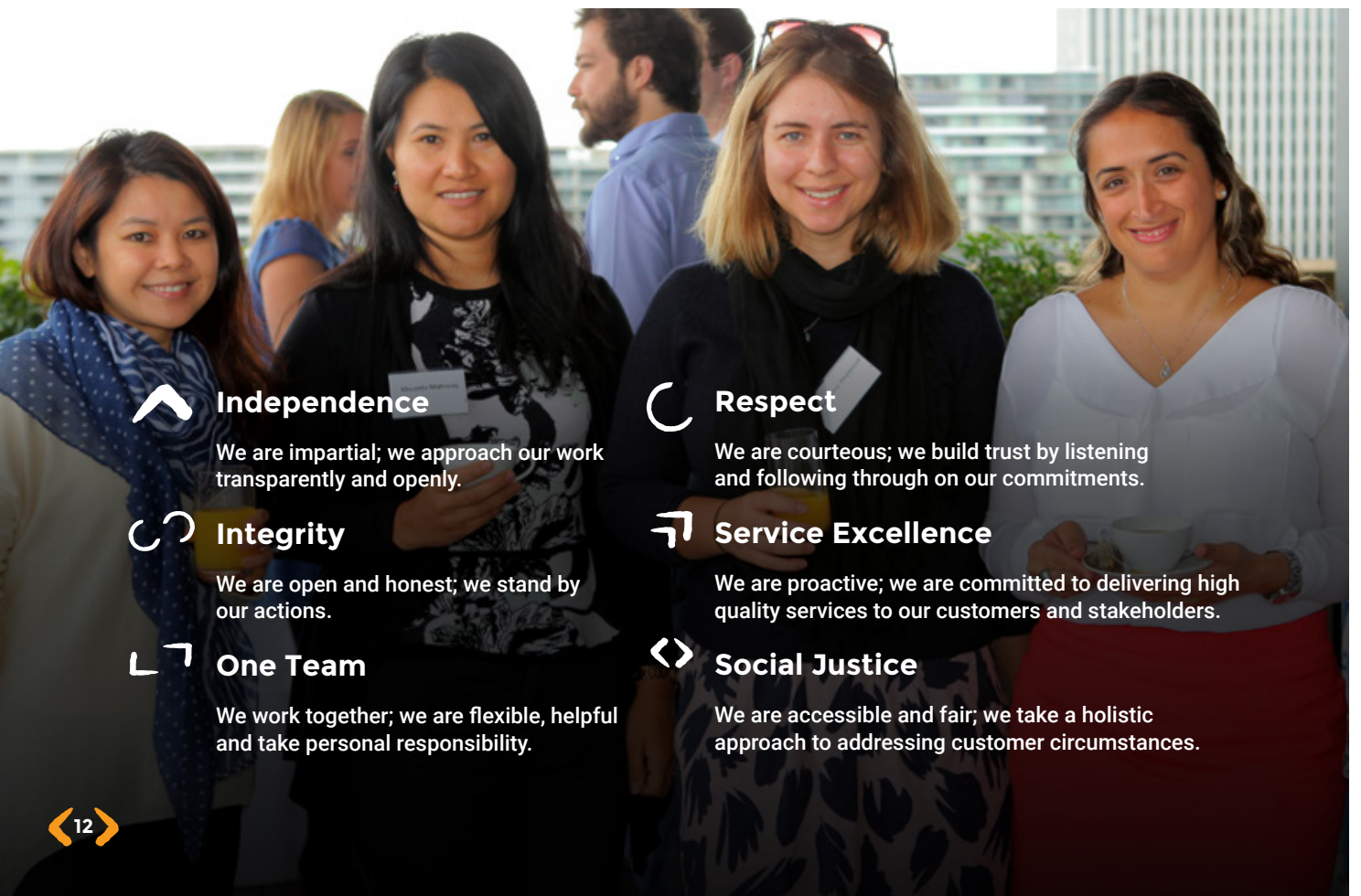
Communications Officer

Team Assistant

Our values

EWON's values articulate what we consider to be the 'right' behaviours to demonstrate in all we do at EWON.

Our values provide a framework for consistency and accountability in how we act and make decisions, guiding the everyday interactions of everyone at EWON. These values say a lot about us as individuals and as an organisation and help us to be clear about what is important at EWON.



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.

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.

Handling consumer complaints is our core business, but we also aim to raise customer service standards in the energy and water industries. We conduct research and develop policy to:

- identify systemic issues; bring them to the attention of the government agencies, regulators and the companies involved; and outline potential solutions
- identify best practice and raise standards in the industries within our jurisdiction
- present government and regulators with consumers' perspectives and experiences, and make policy recommendations informed by our day-to-day work.

We also seek to raise awareness amongst NSW consumers, particularly vulnerable consumers, about provider complaint processes, how to save

energy and water, how to manage their bills, and where to seek help if needed.

Factors such as limited English, poor literacy, health issues, disability and financial hardship make it more difficult for consumers to resolve issues with their energy or water provider independently. The frustration caused by a communication breakdown, or a lack of a helpful or otherwise satisfying response can make matters worse. In these situations, we provide an accessible avenue for resolving complaints. Most complaints can be resolved through our investigation process.

Through this approach EWON performs an important role in balancing the needs of individual consumers with those of large companies. Where a complaint cannot be resolved through conciliation, the Ombudsman has the authority to make determinations binding on members.



Customer letter

About 18 months ago we moved house. I contacted our provider to let them know that I hadn't received the electricity bill (for the second time). I was told that they would resend it for me. Again I did not receive it. I have since recontacted them. They openly said it has been changed and were very apologetic about it. They even went back and credited all the late surcharges that were placed on the account. Now the bill stands at \$1,600 and they want payment straight away.

After examining our account we have found out that we have been charged premium price for all our electricity even the hot water. I had to pay an electrician to examine our hot water system and he found that it was wired to off-peak and had been for many years. Upon my last conversation with the billing department they were going to look into it and fix the charges. This is still a work in progress some 6 months later. When you speak to anyone from billing they just lie to you by saying someone will contact you within 7 days to sort this issue out. No-one ever does.

I am on a disability pension due to cancer compounding with other illnesses. I cannot get a loan to pay this out due to the fact that I cannot commit to payments as I am in a private rent situation due to the fact that NSW Housing waiting list is approx. 10 years. Our landlord wants to put up our rent another \$30 when it comes to renew our lease in September 2016 but we will need to find other accommodation as we cannot afford this. I am currently paying \$70 per fortnight for electricity which I have been doing for the past 9 months (I am having trouble meeting this payment and I have given up a lot of my medication but I can't go without my insulin) but this is getting me no-where. I am in a downward spiral and don't know what to do. They are even talking of putting me in the hands of a collection agency. Trusting you can give me the time to investigate this issue.

Investigation outcome

Through EWON's investigation and negotiations, the energy provider agreed that the customer could continue to pay \$70 a fortnight towards the electricity bill, as this was all he could afford.

Noting that the customer's usage is greater than his fortnightly payments, the energy provider offered to include him in its hardship program, advised him how to apply for the medical energy rebate and provided information so he could reduce his energy use. The provider also offered \$500 credit to his account to recognise poor customer service.

EWON and the provider acknowledge many factors contribute to this customer's hardship, including medical and pharmaceutical costs and housing affordability. By the time he reached out to EWON he was at the end of his tether, unsure of how he could resolve this aspect of his broader life concerns. EWON was able to help reduce the stress caused by high energy bills, avoid disconnection and further accumulation of debt and provide a pathway forward.



➤ Our benchmarks

EWON plans its activities and measures its success 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 accessibility, independence, fairness, accountability, efficiency, and effectiveness.

We highlighted accessibility, independence, accountability, and fairness in previous annual reports. This year we are focusing on our work to achieve the benchmarks of efficiency and effectiveness.

Ensuring the benchmarks are reflected in our case handling

Timely case-handling

We closely monitor how we respond to complaints, the time taken to finalise cases, and the outcome of investigations. Against a benchmark of 90%, this year we finalised 85% of cases within 30 days. Only 6% of cases were opened longer than 90 days, against the corresponding benchmark of 5%.

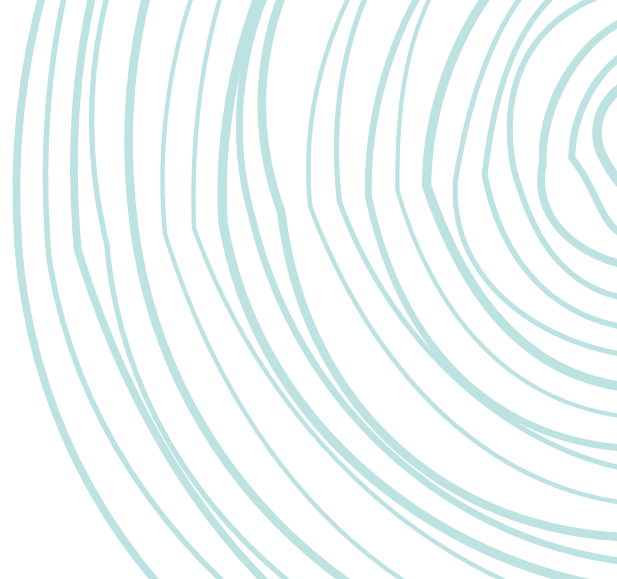
Internal review

We apply the principles of procedural fairness in our decision making.

We provide opportunities for all parties to have input into an investigation 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 outcomes
- identify an error or omission by EWON.

This year we received 15 formal requests for internal review from 7,565 finalised investigations. Our reviews identified five needed further investigation and 10 where no further investigation was required.



In focus: Efficiency

Our systems and processes help us keep track of and resolve consumer complaints, and a quality assurance program ensures we operate efficiently and continually improve our practices. This year we undertook a range of projects to enhance our efficiency even further.

The Senior Advisor Alternative Dispute Resolution (ADR) position was created to support the Investigations Team by providing input and advice for complex or high risk complaints. The Senior Advisor ADR also plays a key role in delivering strategic objectives, including developing the end-to-end Case Handling Manual. This manual will provide the Investigations Team with a clear framework for dealing with customer complaints.

The Senior Advisor ADR leads the development and review of new Investigations policies, such as the “No Further Investigation” policy. This policy ensures fairness and procedural fairness when we finalise a complaint on the basis that further investigation is not warranted because a fair offer has been made to address the complaint.

In another efficiency initiative, the formal Quality Assurance (QA) case management review process developed last financial year was implemented and continued to be enhanced. The Quality Team refined reporting tools for QA processes in response to continued feedback from the Investigations Team. The Quality Team undertook a complete review of our data checking process to identify ways to improve efficiency. This led to the development of improved auditing, for example, an electronic data exception reporting process to reduce the need for manual data checking.

In 2015/2016, we conducted a customer satisfaction survey, and established the framework for a member survey. These surveys are designed to measure customer and member satisfaction and collect feedback to allow us to improve our processes and performance. More information about the customer satisfaction survey can be found on page 16.

Our Environment and Sustainability Committee (ESC) also contributes to our efficiency by helping make EWON a best practice, sustainable organisation. The ESC’s initiatives include: developing specifications for printing with recycled papers and plant-based dyes; and managing recycling of products used in the workplace or our employees’ homes such as mobile phone parts, corks, cleaning product packaging and batteries.

In focus: Effectiveness

This year we continued to improve our services and processes to increase the effectiveness of the organisation.

We implemented an Internal Complaint Handling Policy that sets out timeframes and processes for dealing with complaints about our services from customers or their authorised representatives, members and other stakeholder groups. These complaints provide us with valuable feedback and an opportunity to review and improve our systems, communications and processes.

Throughout 2015/2016 we continued to develop, maintain and implement EWON’s Systemic Issues Framework. This framework ensures we identify and report on systemic and other important industry issues, and encourage their resolution. For example, we handled an increasing number of cases indicating systemic issues concerning exempt retailers and embedded networks. These businesses are not required to be members of the EWON scheme and are therefore not bound by our decisions. Our focus is on ensuring that all NSW residential and small business consumers have access to our office and the same level of consumer protections, regardless of who their energy provider is.

We also undertook projects to enhance the effectiveness of our technology systems. These include a new integrated human resources and payroll system designed to increase automation and allow staff to access and update their personal details. In addition, we scoped the implementation of a new phone system to streamline the case handling process. The system will increase the accuracy of reporting and greatly enhance our workplace management capabilities. It will have SMS functions, the ability to measure and evaluate performance, more efficient call routing, roaming profiles and improved links with our case management software.

We have expanded our training program by introducing a leadership training program to ensure continued, effective professional development of staff.

> What our customers think

In accordance with the Benchmarks for Industry-based Customer Dispute Resolution services, EWON periodically conducts a customer satisfaction survey. In 2016, we engaged an independent consultant who contacted over 2,800 customers via email or phone to ask for their feedback on EWON's performance.



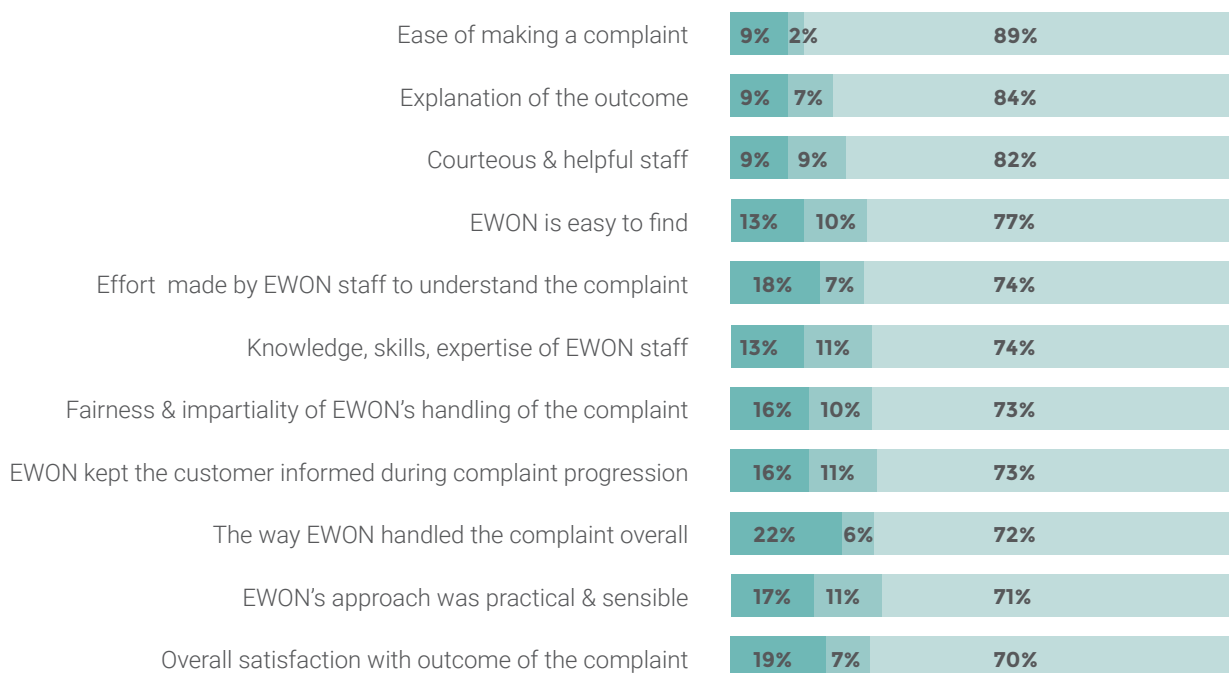
Survey results

We received a high Net Promoter Score (NPS) of + 33, which indicates that the service experienced by EWON customers in 2015/2016 resulted in those customers being advocates and promoters of EWON. NPS is a widely used indicator which measures the willingness of customer to recommend the organisation to others.

The results were very strong and consistent with previous surveys. Seventy percent of customers were satisfied with the outcomes of complaints and 84% were satisfied with how staff explained the outcomes of complaints. However, results were lower than in previous surveys for how we handled complaints, including the effort made to fully understand the complaint and the timeliness of dealing with complaints. Overall, 72% of customers were satisfied with our service, down from 85% in the last survey, conducted in 2012.

Working to improve our performance

The detailed results inform us that where there is customer frustration, it stems from our complaint handling processes, not the outcomes of complaints. We have started work on some key initiatives to address these concerns, including reviewing the information we provide to customers about our role, what we can and cannot do, and developing a new case handling manual. Additional strategies are planned for the coming year including optimising how we work as a team, ongoing review of case registration processes and refining our current quality assurance capability.



Responses other than negative, neutral and positive are not displayed

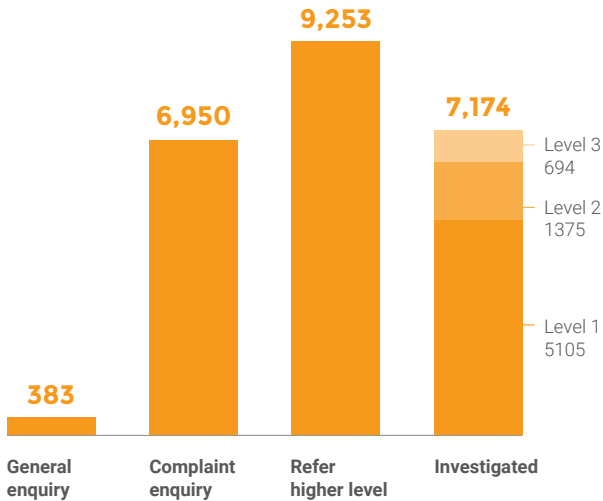
■ Negative
 ■ Neutral
 ■ Positive

> The big picture

23,760

CASES RECEIVED

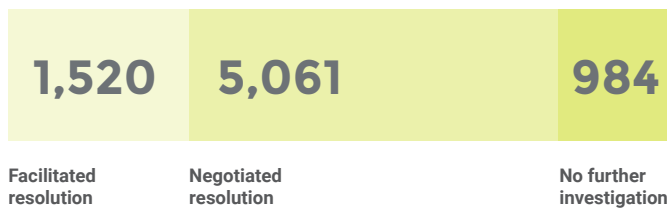
CASES RECEIVED



HOW WE RECEIVED COMPLAINTS

BY:	NO:
TELEPHONE (74%)	17,491
EMAIL (13%)	3,161
WEBSITE (11%)	2,594
IN PERSON (1%)	319
LETTER (1%)	180
FAX (<1%)	15

INVESTIGATION OUTCOMES



24,293

CASES CLOSED*

*More complaints were resolved than registered due to complaints being carried forward from the previous financial year and resolved in the current year

7,565

INVESTIGATIONS FINALISED

› Enquiries and complaints

General enquiry

A request for information that may be about energy or water, or an issue out of EWON's jurisdiction

Sometimes customers contact us, but don't have an energy or water complaint. They may be trying to reach their provider to pay their account but called us in error, or they may have a concern about something else, such as an issue with a phone provider. In these cases, we note the request as a general enquiry, refer the customer to the right organisation, and close the file.

In 2015/2016, we received 383 general enquires

Complaint enquiry

A request for information, or a complaint about energy or water where the customer has not yet contacted their provider

Sometimes the customer has a question that we can address immediately, such as a request for referral to an agency handling Energy Accounts Payment Assistance or a query about an approved fee or charge on their account. Alternatively, the customer may have a complaint about a water or energy provider, and we find that they have not raised the issue with the provider. In both cases we offer advice and information to the customer about their rights and responsibilities. We also advise customers with a complaint to speak to the provider first and let them know they can contact us again if they are not satisfied with the provider's response. These cases are classified as complaint enquiries and finalised on that basis.

In 2015/2016, we received 6,950 complaint enquiries

Refer to higher level

A customer complaint that has been referred to the nominated provider contact for resolution at a higher level in the organisation

If a customer tells us they have already tried to resolve their issue with their provider at the contact centre level and are dissatisfied with the outcome, we offer to refer them back to the provider at a higher level. If the customer agrees, a staff member from the provider's dispute resolution team must contact the customer. We categorise these complaints as Refer to higher level (RHL).

This approach gives the provider another opportunity to resolve the customer's problem directly. Importantly, it also gives the customer a chance to have their complaint reviewed by more senior staff working within the provider's specialist complaints area. We have protocols in place requiring the provider to contact the customer within three business days to discuss a resolution. We advise customers, that if they are not contacted within the timeframe, or are not satisfied with the outcome, they can return to us for assistance, including having us investigate their complaint.

In 2015/2016, we referred 9,253 complaints to providers under the RHL arrangement



Investigations

Investigated cases are categorised as Level 1, Level 2 and Level 3

We investigate a complaint where a customer has already tried multiple times to resolve the complaint with their provider, if the customer does not want to be referred to their provider, or if they are returning to us from an RHL because they are not satisfied with the response they received from the provider.

An investigation generally involves speaking to both parties involved to get the facts and circumstances of the case from their points of view. We may also refer to other services, such as welfare agencies, financial counselling and tenant advisory services. We review relevant legislative provisions, conduct research and may make site visits and consult with independent experts.

Investigated matters are categorised as Level 1, Level 2, Level 3 or determination, depending on the time and resources required to finalise them. Level 1 complaints are resolved in less than 240 minutes (four hours).

When a resolution has not been reached at Level 1, and we consider further investigation necessary and the time taken is 240 minutes or greater, we upgrade the case to Level 2. These cases typically require detailed investigation, research and analysis and preparation of a comprehensive written report for the customer. If a case is still not resolved at 480 minutes (eight hours) and merits further investigation, the matter is upgraded to Level 3.

A case may also be upgraded if we make unsuccessful requests for information from the energy or water provider concerned.

We close an investigation when we have successfully facilitated or negotiated a resolution between the customer and the provider. While this occurs most often after we fully investigate a complaint, we may find that a complaint does not warrant further investigation. Occasionally, a customer may withdraw their complaint and it is closed on that basis.

In 2015/2016, we opened 7,174 and closed 7,565 investigations.

Outcomes

Facilitated resolution, negotiated resolution, no further investigation and binding decisions

In order to resolve complaints, we consider laws, codes and regulations, industry best practice and what is fair and reasonable in the individual circumstances of each complaint.

Facilitated resolutions are those where the provider works with us, generally by phone, taking positive, proactive steps to seek resolution of a customer's complaint in an efficient and timely manner. In a negotiated resolution, we conduct a full investigation and are actively involved in negotiating a fair and reasonable outcome for the parties.

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'. In each of these cases we write to the customer advising of the outcome.

Very occasionally, the Ombudsman will make a binding decision to resolve a case. A binding decision is an enforceable order to a provider to take a prescribed course of action. In 2015/2016 the Ombudsman made no binding decisions.

For all investigations, we write to the customer detailing our rationale and the outcome of our investigation. Fairness and accountability provides our customers the opportunity to request a review of our decision to finalise the investigation. In circumstances where the customer is of the view that EWON has exhibited bias, new information not available at the time of the investigation has emerged which may influence the outcome, or the customer believes there was an error in our investigation or in the information upon which a decision was made, we will undertake an internal review. Requests should be made within 28 days of receiving our closure advice.

In 2015/2016 we facilitated 1,520 resolutions, negotiated 5,061 resolutions and closed 984 cases with a no further investigation outcome.

We received 15 requests for internal review. Five of these requests resulted in further investigation of aspects of those customers' complaints. The majority of the cases that were further investigated were due to the customer providing additional relevant information that was not available at the time of the initial investigation.

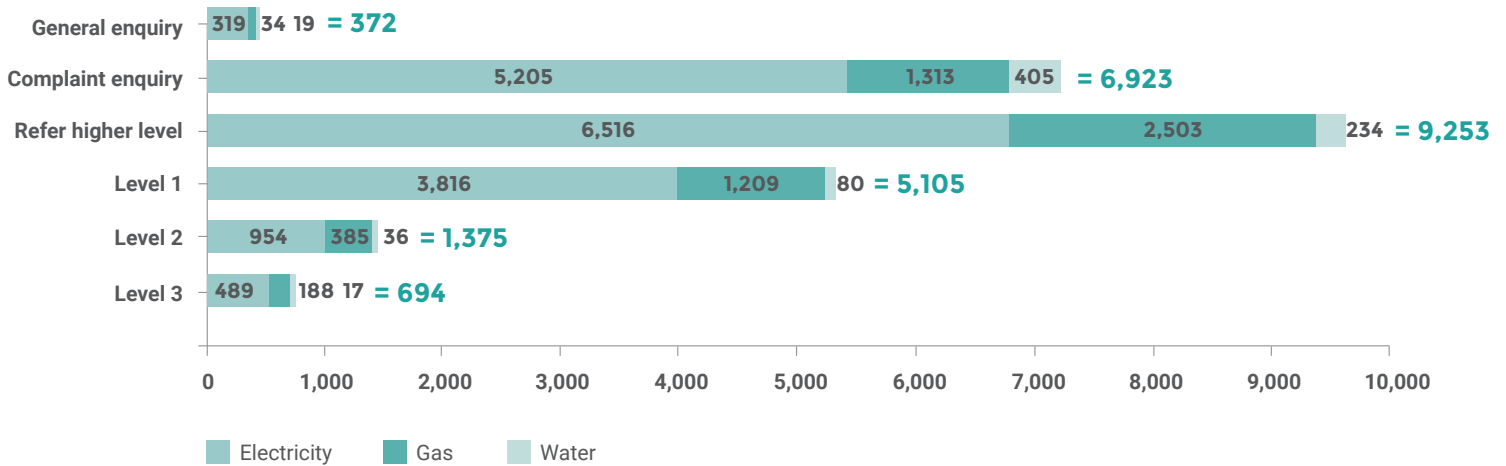
Complaints this year

EWON received 23,760 complaints in 2015/2016, down 22% from the 30,402 complaints received in 2014/2015.

This is the second consecutive year our complaint numbers have decreased, allowing us once again to close more cases than we received, despite the increased complexity of many of the complaints. We received 383 general enquiries, 6,950 complaint enquiries and referred 9,253 cases back to the provider at a higher level. Of the complaints we received, 30% (7,174) were investigated, down from 35% in 2014/2015. The Ombudsman made no determinations (binding decisions) in 2015/2016. Most of the complaints we received were about electricity, accounting for 73% (17,299) of all complaints. However, this represented a 25% reduction in electricity's share of our complaints from 2014/2015. Water complaints also decreased in the year (791 complaints down from 906 in 2014/2015), remaining stable at around 3% of total complaints.

On the other hand, gas complaints increased in volume and share, accounting for 24% (5,632) of total complaints, up from 18% the previous financial year. Billing remained the biggest issue for our customers with 59% (14,109) of all cases involving a billing issue. Other significant issues were customer service in 42% of cases, credit at 28% and transfer issues at 12%. This pattern is consistent with 2014/2015.

CASE LEVEL BY INDUSTRY

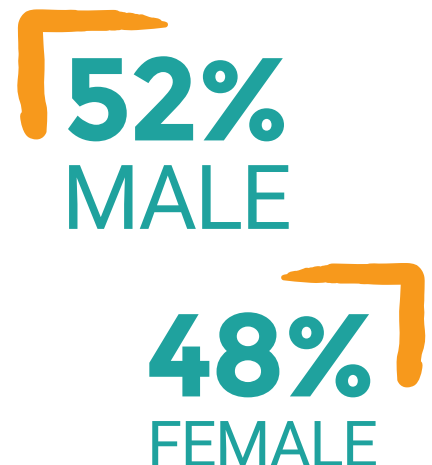


There were also 38 enquiries about non energy or water related issues in 2015/2016

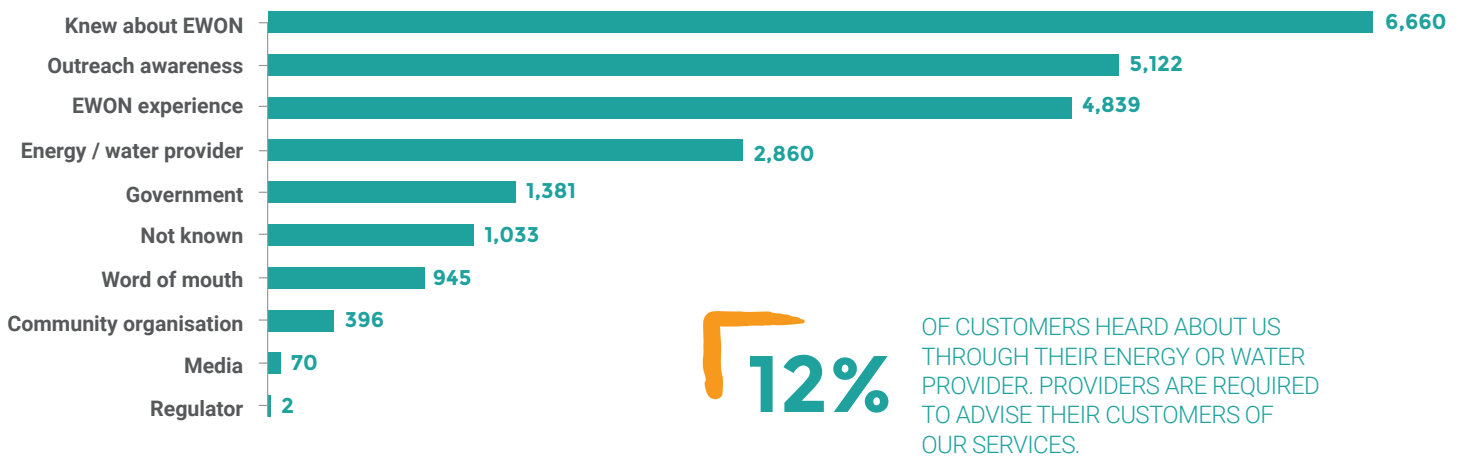
Advocates and authority to act

Sometimes the person contacting us is an advocate authorised to access the account. They may be a friend or a family member of the complainant or a community worker. When an advocate contacts us we seek an authority to act from the customer before investigating the complaint. Complainants can provide us with the authority to act by filling out a form or, in some cases, advising us over the phone.

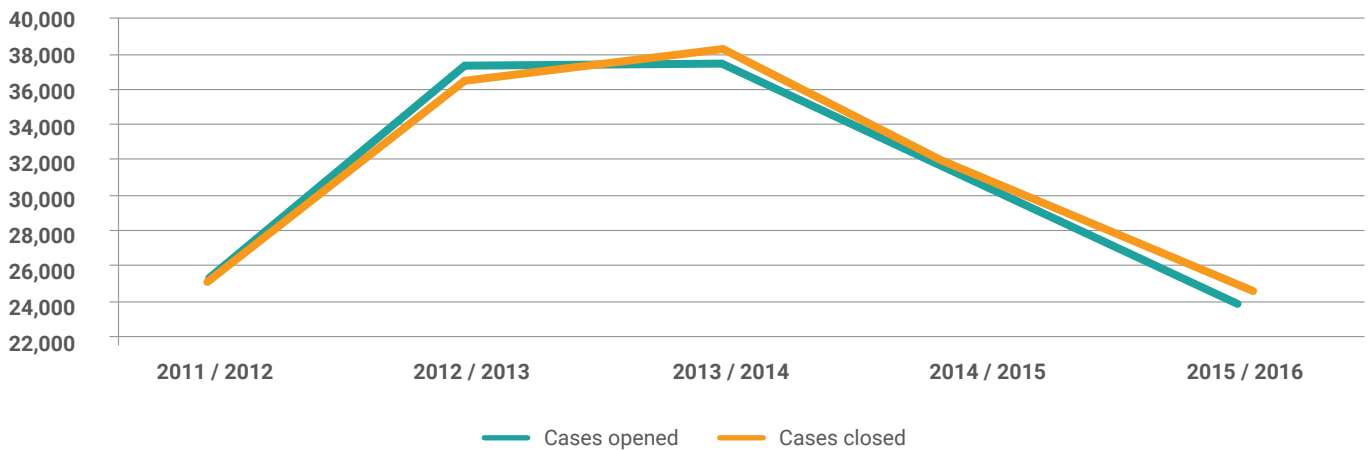
COMPLAINTS BY GENDER



HOW CUSTOMERS HEARD ABOUT US



YEAR TO YEAR COMPARISON



RETAIL / DISTRIBUTION COMPARISON

		2015/2016	% Change from 2014/2015
Electricity	Retailer	15,659	-27%
	Distributor	1,077	-6%
	Exempt retailer	93	-1%
	Other*	470	+2%
Gas	Retailer	5,379	-1%
	Distributor	214	+57%
	Exempt retailer	7	+40%
	Other*	32	+60%
Water	Retailer	530	-11%
	Distributor	223	-21%
	Exempt retailer	4	N/A
	Other*	34	+6%
Non energy / Non water	General enquiry	38	-5%
TOTAL:		23,760	-22%

*Non-provider specific, out of jurisdiction

73%
ELECTRICITY

24%
GAS

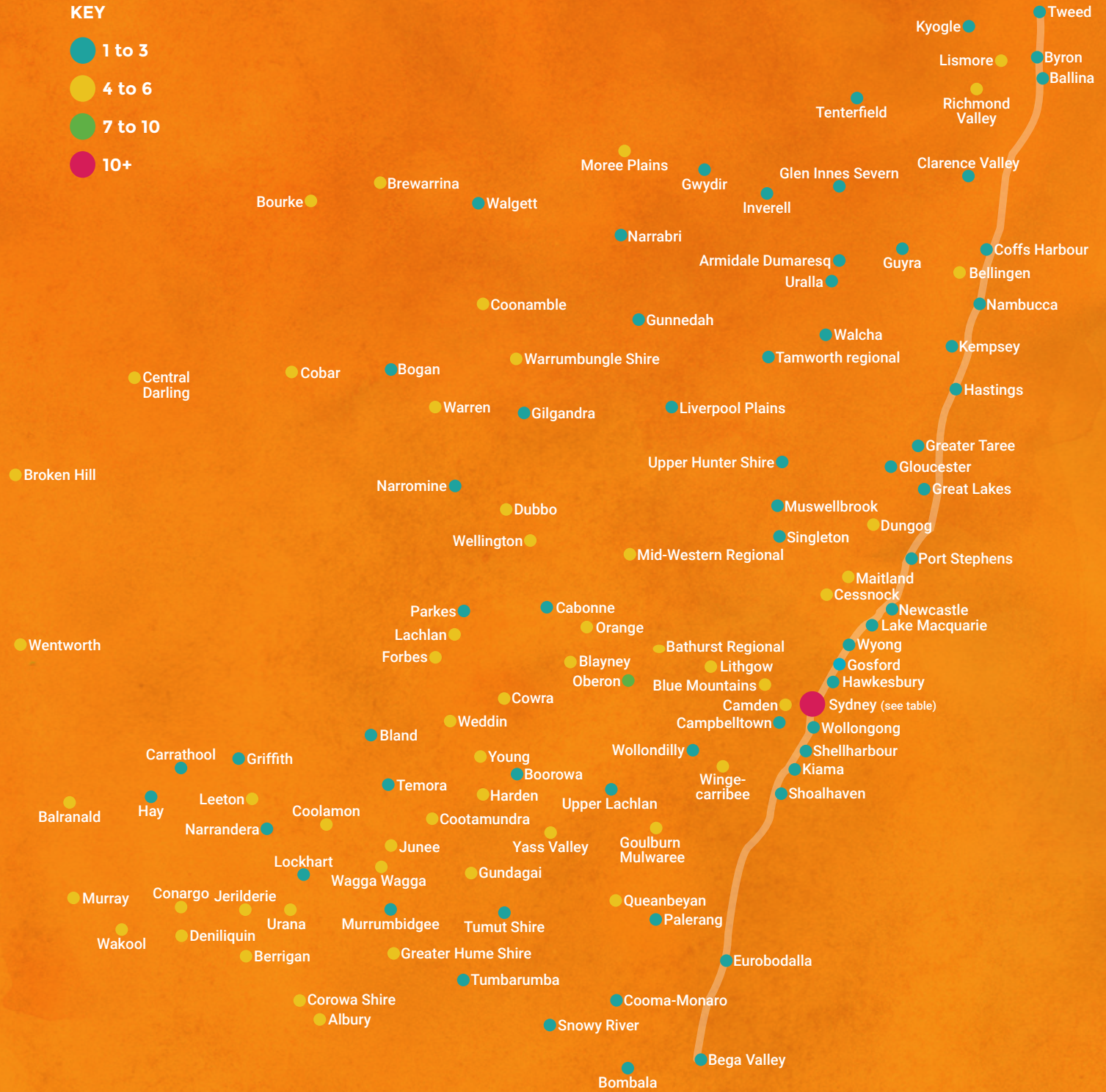
3%
WATER

57%
INCREASE IN COMPLAINTS ABOUT GAS DISTRIBUTION

COMPLAINTS BY LOCAL GOVERNMENT AREA (Per 1,000)

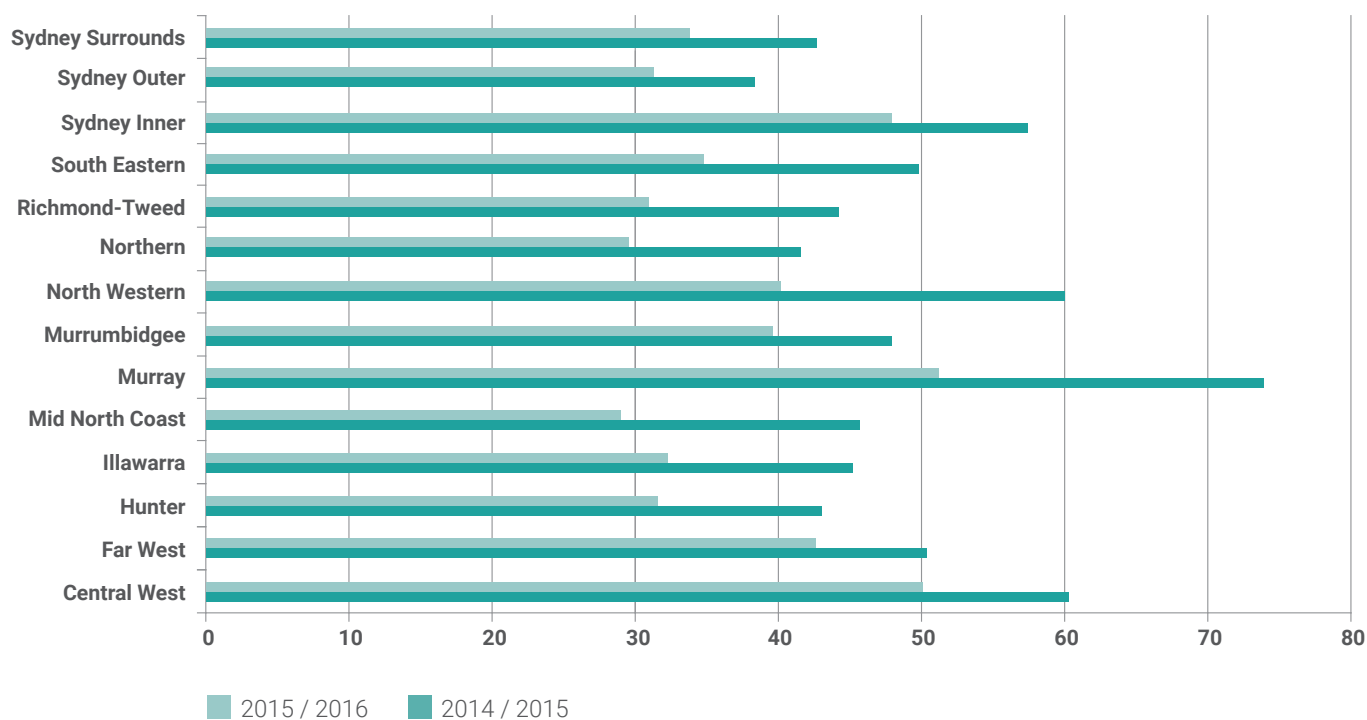
KEY

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



City of Sydney	14	Marrickville	4	Randwick	3	Mosman	3	Warringah	2
Parramatta	5	Willoughby	4	Canterbury	3	Baulkham Hills	3	Ku-ring-gai Hills	2
Strathfield	5	Blacktown	4	Rockdale	3	Fairfield	3	Kogarah	2
Holroyd	5	Burwood	4	Ryde	3	Hornsby	3	Sutherland Shire	2
North Sydney	5	Liverpool	4	Bankstown	3	Pittwater	3		
Botany Bay	4	Leichhardt	4	Manly	3	Lane Cove	3		
Waverley	4	Auburn	4	Woollahra	3	Hurstville	3		
Canada Bay	4	Penrith	3	Ashfield	3	Hunter's Hill	3		

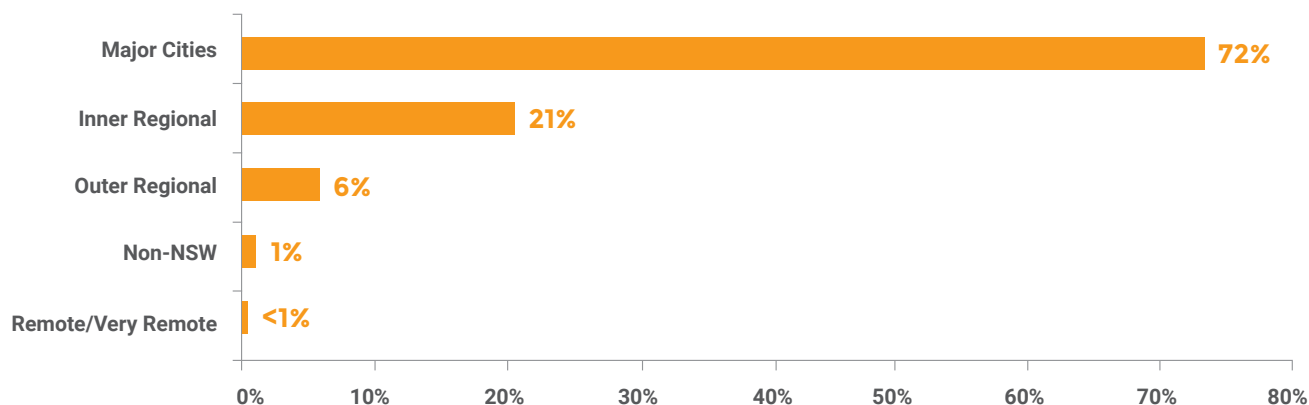
COMPLAINTS PER 10,000 PEOPLE BY NSW REGION



COMPLAINTS BY NSW REGION

Region	2015/2016	% Change from 2014/2015
Sydney Outer	7,340	-19%
Sydney Inner	6,173	-17%
Hunter	1,864	-27%
Sydney Surrounds	1,600	-21%
Illawarra	1,273	-28%
Central West	944	-17%
Mid North Coast	824	-37%
South Eastern	726	-30%
Richmond-Tweed	677	-30%
Murray	564	-31%
Murrumbidgee	543	-17%
Northern	509	-29%
North Western	376	-33%
Non-NSW	253	-19%
Far West	94	-15%

LOCATION OF CUSTOMERS LODGING A COMPLAINT



Case study – from three perspectives

High bill complaint from three perspectives

The complaint from the consumer's perspective:

Mr Lee is an elderly man who is very ill and on life support. Acting as his advocate, his wife, Mrs Lee, came to EWON in November 2015. The couple have solar panels, and Mrs Lee said that this meant their electricity account has been in credit for many years – they have not had to make a payment for about three years. Therefore, they were surprised to receive an invoice around June 2015 for over \$1,300. The couple believed there must be an error in the billing.

Their daughter came to live with them in February 2015 and they arranged with their provider for the hot water meter to operate for a longer period each day, so they would not run out of hot water. Mrs Lee did not think this explained the high bill. She told us they had been trying to resolve the issue with their provider for a long time, and their customer service had been poor: for example, the provider offered payment extensions without appearing to adequately investigate the cause of their high bill. She also said that the provider eventually told her they would arrange a meter test, but she didn't hear any results of this.

The provider's input:

The provider originally advised EWON that the invoices appeared to be accurate and the balance was correct.

The provider had identified an error with the meter readings in June 2015, and they investigated it throughout July and August. In September 2015, they issued an adjusted invoice for the disputed billing period, but the error was still unresolved. At the customer's request, a special meter reading was done by the distributor in October 2015. The provider also arranged for the distributor to test the meters in December 2015, and no errors were detected.

EWON's review:

Our investigation revealed there was a problem with the meter data for the period December 2014 to March 2015. There had been a data error and the solar meter reading was included with the hot water meter reading, resulting in an overcharge of 12,640 kWh, which was around \$1,590. The invoices were accurate aside from this error, and the appropriate Low Income Household Rebate and Life Support Rebate had been applied.

Due to the nature of the error in the billing we identified that the special meter reading and the meter test, completed prior to our investigation, could not provide any information that would assist in resolving the complaint. We brought the provider's attention to the meter data error and advised that it appeared the error had in fact been identified by them, but had not been appropriately actioned. In response, the provider reversed the meter test fee.

Outcome

In March 2016, the provider issued an adjusted invoice covering the disputed period. Our review found that the invoice reflected the correct meter reads and usage for the disputed period.

The provider also waived a \$66 meter alteration fee when the hot water meter was changed to operate for longer in March 2015. This fee had been incorrectly applied as the distributor, who performed the alteration, does not charge a fee for the first change of this type within 12 months.

With the two fees waived, and with corrected billing, the customer's account was in credit \$530. Mrs Lee was very happy with this outcome.

Case study

Electricity

Faulty meter causes high bill for small business

Some shopping centres operate embedded energy networks and are responsible for wiring and metering for businesses in the centre. Individual businesses may be billed for their energy use by a billing agent acting on behalf of the shopping centre.

Mr Chen owns a small sandwich and coffee takeaway bar in a large shopping centre complex. He was shocked to receive a quarterly electricity bill for \$12,720, because his usual monthly bills were about \$1,000. Mr Chen's friend, Mr Li, called EWON and asked to have the bill reviewed for accuracy.

Mr Li explained the billing agent had also noticed the unusually high bill and had done an investigation. They found the bill to be accurate and asked Mr Chen to pay it. Mr Chen had an electrician come to inspect the appliances at the shop and the electrician did not believe the appliances could have used enough electricity to lead to such a high bill.

We called Mr Chen's billing agent to discuss the matter and were advised the readings from the disputed bill were taken from the meter. The billing agent requested a meter test and told us to contact the shopping centre operator as they privately managed an 'embedded network' that supplied electricity to all of their tenants.

The shopping centre operator advised us they had detected a problem with Mr Chen's meter a few months ago and had since replaced it. The operator acknowledged the error with the data readings and advised they would rebill Mr Chen based on his current usage, and give him time to pay his bills.

We asked Mr Li to reassure Mr Chen that his electricity would not be disconnected and advised him that the shopping centre operator would contact him directly. Mr Li was satisfied with this arrangement, knowing he could contact EWON again if there were any further delays.

Category: Complaint enquiry **Outcome:** Closed as complaint enquiry **Issues:** Disputed high bill

Case study

Electricity

Social housing tenant disconnected and denied payment plan for unpaid bill

Ms Hatcher lives in social housing. She was struggling to pay her bills when a field officer came to her property to disconnect her electricity. She called EWON for help, explaining she had been disconnected for unpaid bills. Ms Hatcher said she had contacted her provider for an extension, but was only given a fortnight to pay \$685. She requested a payment plan of \$50 a week, but her provider said no.

We called Ms Hatcher's provider and found out she was previously on a payment plan, which was cancelled as she had missed payments. She was receiving the Low Income Household Rebate and had been on three payment plans, but she had not been referred to provider's hardship program.

We discussed repayment options with Mrs Hatcher's provider. Ms Hatcher's weekly usage was \$20. We negotiated a payment plan of \$36 a week to cover her usage and the amount owing. Her retailer agreed to waive the disconnection and reconnection fees and referred her to their hardship program. Ms Hatcher accepted the offer and her provider agreed to reconnect her supply.

We also referred Ms Hatcher to her local community agency for Energy Accounts Payment Assistance (EAPA) vouchers.

Category: Level 1 investigation **Outcome:** Negotiated resolution **Issues:** Disconnection, payment arrangement declined, arrears

> Consumer issues

Energy affordability

Energy affordability remains a critical issue for many of the customers who seek EWON's assistance. We continue to promote awareness of energy rebates, payment plans, hardship programs and other assistance through our investigation work, contact with consumer advocates, and community outreach. We drive industry debate about how our members can better assist customers who experience difficulties managing their energy and water accounts to stay connected.

The Australian Energy Regulator's (AER) figures for the first three quarters of 2015/2016 show that the number of NSW energy customers in debt has declined by 2%, compared to 2014/2015. The average electricity debt for residential customers decreased from \$631 in June 2015 to \$624 in March 2016. However, the average debt owed by gas customers increased from \$444 to \$509 in the same period.

There were 85,636 electricity customers in NSW on payment plans in March 2016, a 10% increase since June 2015, and a 40% increase since June 2014*. There were 20,537 gas customers in NSW on payment plans in March 2016, representing an increase of 15% on the figures reported in June 2015, and a 94% increase on June 2014*. These figures indicate that while there has been a slight reduction

in the numbers of energy customers with debt, and an overall decrease in the average amount of energy debt, the number of customers needing assistance through payment plans continues to increase.

The increased number of customers on payment plans does not appear to have affected the number of customers facing disconnection. Residential electricity and gas disconnections for 2015/2016 are expected to reach the same numbers recorded in 2014/2015*. However, the number of customers facing disconnection who approach us continues to be significantly lower than the number being disconnected. We are working to bridge this gap by increasing awareness of how we can help people experiencing hardship and facing disconnection.

St Vincent de Paul's (Vinnies) 'Households in the dark' report explores residential disconnections across Australia and highlights how industry changes, higher bills and entrenched poverty contribute to NSW's high disconnection rate. Vinnies' research indicated that families as well as smaller households located in rural and regional NSW experience the highest disconnection levels.

There were 23,913 electricity customers on hardship programs by March 2016. This figure represents an 8% increase since June 2015 and a 31% increase since June 2014*. The number of gas customers on hardship programs also increased by 52% from June 2015 to 6,657*. We are aware that many customers seeking our help have been disconnected more than once and may have participated two or three times in a hardship program, without being able to get on top of their financial situation. EWON's casework indicates that complaints about energy or water bills are most often just one aspect of significant family or housing stress. Over the next year, we will continue to contribute to the community-wide, provider and regulator response to increasing financial and social pressures and the impacts of energy affordability on Australian households.

* NSW AER data from aer.gov.au/retail-markets/retail-statistics as at 11 August 2016

Credit default listing complaints

Credit repair agents are a form of debt management firm that EWON encounters regularly through our investigation and policy work. We often receive complaints from energy and water consumers who have engaged a credit repair agency at a high cost to remove a default listing from their credit report, after they discover they have been listed for non-payment of a past bill.

Many of these consumers are financially vulnerable and are credit listed for debts they have struggled to pay due to financial hardship. In other cases, the customer is not aware they even have an outstanding debt until they access their credit report, typically after a credit application is rejected.

Often this debt relates to an unpaid final bill on an energy account, after the customer has moved house. The customer may have failed to provide a forwarding address, inadvertently or otherwise. In other cases, the default listing has been incorrectly listed. Default listings remain on a customer's credit history for five years and can make it difficult to get credit for a mobile phone contract, a home loan or a small business loan.

EWON and other industry Ombudsman schemes investigate disputed credit listings for unpaid accounts free of charge. However, consumers continue to seek the help of credit repair agents, who often charge large fees, sometimes exceeding \$1,000, regardless of whether they are successful in removing the default listing. It is also common for these agents to bring their clients' cases to Ombudsman offices to resolve. We advise those customers about our free service, but often this is after they have already paid the agent's high fees.

We also regularly find that these firms do not act in the consumer's best interests and may leave vulnerable consumers in a much worse position.



Debt Management Firm Communique

In February 2016, the Ombudsman, Janine Young attended a round table discussion in Melbourne on the social and industry impacts of businesses that claim to provide financial service solutions to customers experiencing debt and credit problems.

A Debt Management Firms Communique was developed as an outcome of that discussion, and sent to the Consumer Affairs Forum Ministers. It was referred to an internal committee for further consideration, with work to be led by NSW and Victorian agencies. It is encouraging that this issue is now on the government agenda.

We welcomed the opportunity to contribute to the development of the Communique and be a signatory alongside 40 representatives from consumer advocacy organisations, industry associations, Ombudsman schemes, government agencies and regulators. We encourage government to implement a new regulatory framework to bring these businesses in line with other financial services in Australia through licensing requirements, required membership of an Ombudsman scheme, and regulatory obligations.

In the meantime, we will continue our work in educating consumers on how our service can help vulnerable consumers, independently, fairly and without a financial cost.

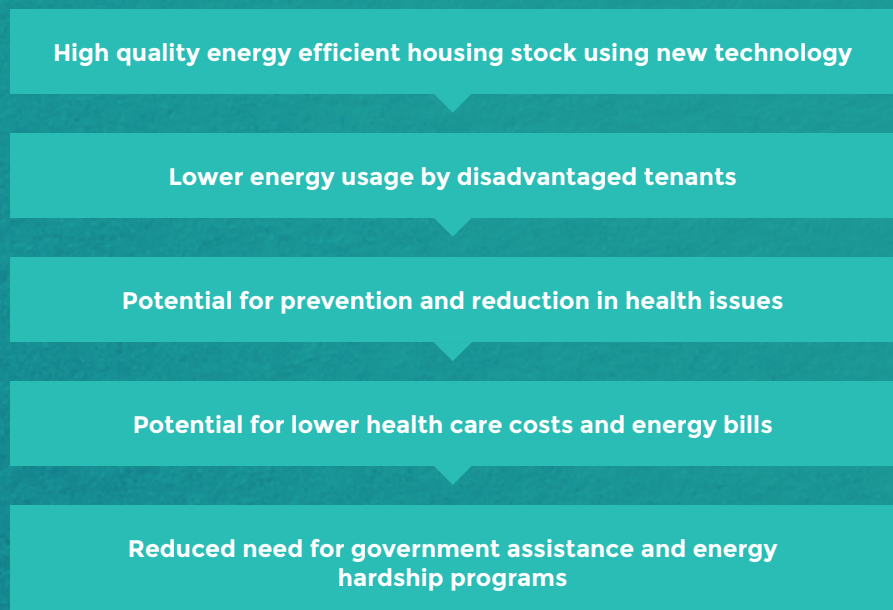
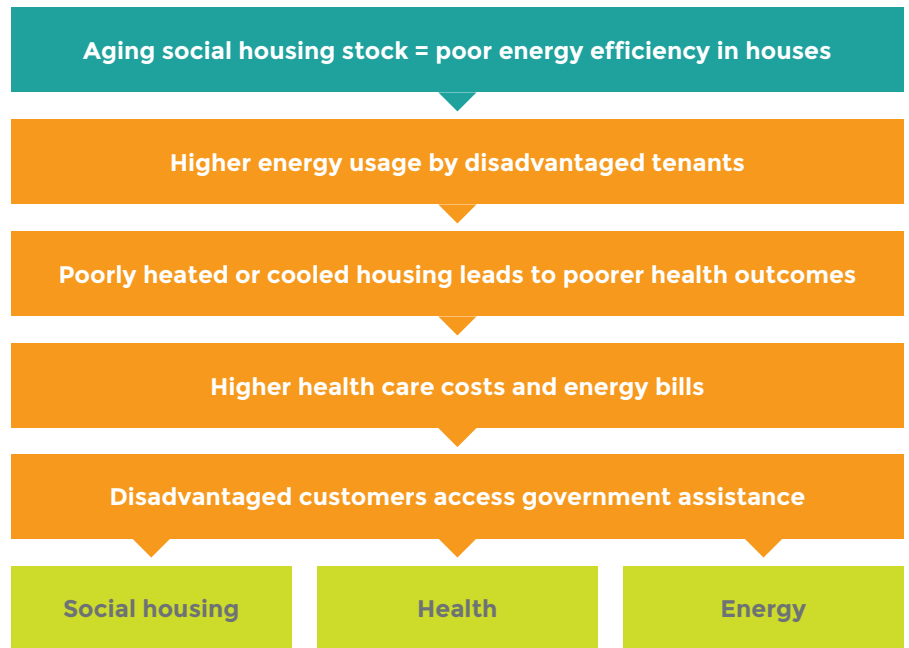
The cost conundrum

The cost of energy is a small but critical piece of the affordability challenge many consumers experience.

Fortunately there is increased recognition of the stress the rising cost of electricity and gas is having on consumers. This awareness has led energy providers to put in place new, or expand existing, hardship programs and offer practical assistance, such as payment plans, to help customers manage their debt. State and Federal Governments too continue to assist consumers with their energy costs by providing rebates, vouchers and other forms of assistance.

Government-subsidised social housing provides affordable rental accommodation to people on low to moderate incomes in public, community and Aboriginal housing - people who are often financially vulnerable. However, ageing public housing stock with poor energy efficiency means that tenants may have higher energy costs than would otherwise be the case. The problem goes even further than that. As we often see

in our casework, living in houses that are poorly heated or cooled can contribute to poor health outcomes, resulting in higher medical costs. Higher bills may also lead customers to seek government assistance. This means customers may receive government support through social housing, the health system, and energy assistance schemes such as vouchers and rebates.



In 2015/2016, the Ombudsman took advantage of opportunities such as St Vincent de Paul's CEO Sleepout held in June to increase awareness of the link between quality housing, energy affordability and the cost of living.

The Ombudsman called for collaborative partnerships between industry, governments and community agencies to drive upfront investment in energy efficient, affordable housing. Quality housing that extends the benefits of new energy products and services to vulnerable consumers has the capacity to reduce energy and health costs, and free up money for vulnerable consumers to spend on food, preventative healthcare and education.

Case study

Electricity

Solar generation credits not applied to account leaves Ms Morris with large backbill

Ms Morris has solar panels installed on her roof so her electricity bills were often in credit. When she received a backbill with charges of \$2,735 she contacted her provider to query the amount, but staff were unable to explain the outstanding account balance. She then called EWON saying that she thought the solar generation had been applied to the account as usage charges rather than as a credit for energy generation.

Ms Morris agreed to have her complaint referred back to her provider at a higher level, but she was unhappy with the outcome of the process so she returned to us, and asked us to investigate. Before we started, we put a hold on the disputed balance on her account and suggested that she pay what she thought was reasonable, so she would not fall behind in her payments.

Ms Morris's provider advised us that the network distributor said there was an issue with the meter and they had been given incorrect solar data for billing. The bill was higher because the customer was credited more than what she had generated. To resolve the complaint the provider offered Ms Morris a \$100 credit.

We reviewed the billing data and noted there appeared to be a significant reduction in the amount of solar being generated. We then reviewed the meter reads directly with the distributor, which uncovered an issue with the solar meter, leading to a significant amount of solar power generated not being recorded appropriately.

The distributor replaced the solar meter and sent Ms Morris a cheque for \$2,654 for solar generated over an 18 month period. As the provider contributed to solar credits as part of Ms Morris's contract, they credited Ms Morris's account with \$242, their share of the solar credit, and offered her \$108 as a goodwill gesture for not resolving the complaint in the first instance.

Category: Level 2 investigation **Outcome:** Negotiated resolution **Issues:** Backbilling, disputed high bill, rebate or concession error, business to business customer service

Case study

Electricity

Mr Ghazali credit default listed after a two year delay

Mr Ghazali received a final electricity bill for \$1,000 when he moved out of his property four years ago. He noticed that the Low Income Household Rebate was not applied to his bill, or any of the previous bills. He contacted his electricity provider but they had no record of his concession details and advised that they could not backdate the rebate. He went overseas for 18 months and was unable to continue his dispute.

In early 2016, a credit agency contacted Mr Ghazali in relation to the bill. He made a payment of \$250 on a good faith basis and the credit agency agreed to refer him back to the provider.

Mr Ghazali did not hear from the provider, but a few months later when he applied for a home loan he discovered he had been credit listed for \$794. He contacted the provider and asked for the credit listing to be removed, but the provider refused and Mr Ghazali came to EWON for help.

We referred Mr Ghazali's complaint back to the provider at a higher level to resolve the problem, but he wasn't satisfied with their response and returned to us.

Mr Ghazali told us that the provider had placed the default on his credit file two years after the final bill had been issued. The provider wasn't able to produce a copy of Mr Ghazali's contract to show if he had provided his concession details when he opened his account. They also had no correspondence to confirm he was made aware that a default may be placed on his credit file.

We contacted the provider's senior management to discuss the matter. They agreed it was unreasonable to place a default on Mr Ghazali's credit file considering the two year delay, the absence of primary records, and the fact that Mr Ghazali had understood that his dispute was still being investigated.

Mr Ghazali's credit listing was removed.

Category: Level 3 investigation **Outcome:** Negotiated resolution **Issues:** Rebate/concession error, credit rating affected, customer service failure to respond

Complaint issues

At EWON we only open one case when a customer contacts us about an energy or water complaint. Sometimes, customers experience more than one issue when they register a complaint, such as a high bill and poor customer service. Therefore the number of issues we record is greater than the number of total cases we receive.

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 providers, contract terms, delay in transfer, site ownership
- Marketing: conduct by marketers, misleading information, pressure, non-account holder signed up
- Supply: quality, damage/loss, outages
- Land: impact of network assets, maintenance, environment
- Provision: problems with new or existing connections
- General: non-energy/water-related, contractors.

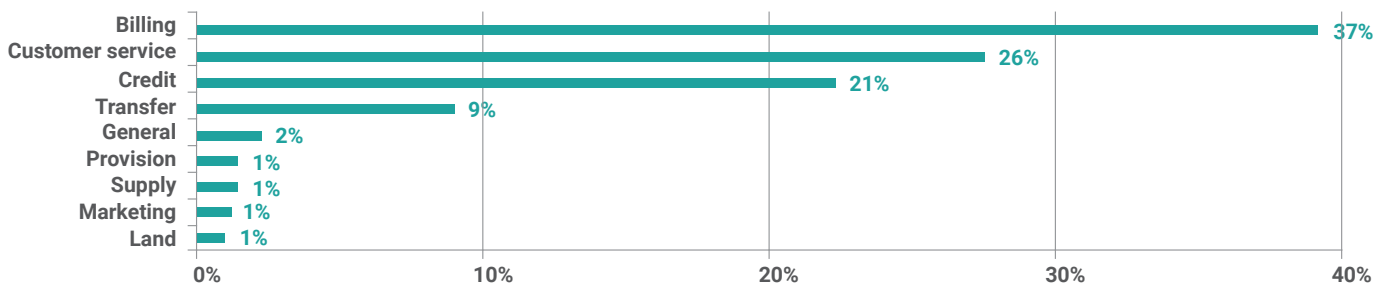
COMPLAINTS BY PRIMARY ISSUE

Primary Issue	2014 / 2015	2015 / 2016	% Changed
Billing	17,845	14,109	-21%
Customer service	11,808	9,887	-16%
Credit	8,588	6,644	-23%
Transfer	4,262	2,888	-32%
General	732	734	0%
Provision	504	516	+2%
Supply	476	461	-3%
Marketing	604	397	-34%
Land	432	373	-14%

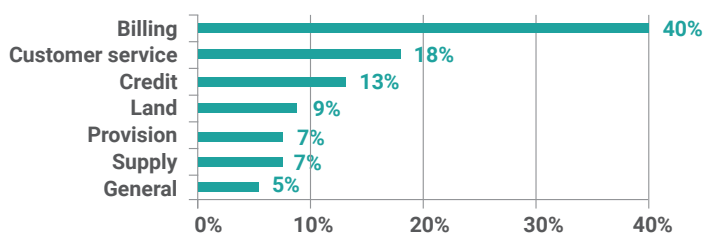
32% DECREASE IN TRANSFER RELATED COMPLAINTS

34% DECREASE IN MARKETING RELATED COMPLAINTS

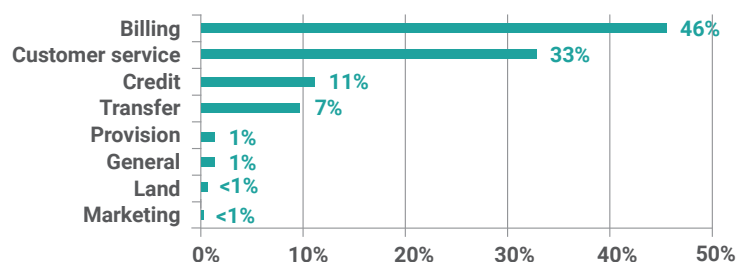
ELECTRICITY ISSUES



WATER ISSUES



GAS ISSUES



BILLING

14,109 complaints involved billing issues

Issue	No. complaints
High or disputed account	6,262
Estimated account, meter not read	2,820
Opening or closing account	2,527
Billing error	2,261
Fees and charges	1,347
Backbilling	1,230
Tariff (feed-in or TOU, prices)	1,072
Billing period	1,038
Delayed bill or bill not received	864
Rebate/ concession	640
Refund or credit	521
Other	487
Meter	362
Format	134
Debt transfer	78

CUSTOMER SERVICE

9,887 complaints involved customer service issues

Issue	No. complaints
Poor service	4,581
Failure to respond	3,196
Incorrect advice or information provided	1,559
Failure to consult or inform	999
Business to business	557
Unprofessional attitude	270
Privacy	128
Online	66

CREDIT

6,644 complaints involved credit issues

Issue	No. complaints
Payment difficulties	2,823
Collection	2,817
Disconnection / restriction	2,462

TRANSFER

2,888 complaints involved transfer issues

Issue	No. complaints
Site ownership	723
Contract terms	700
Transfer in error	573
Transfer without consent	442
Delay	410
Billing problems	230
Cooling off rights	118
Request for transfer rejected	84

Snapshot of customer complaint issues

PROVISION

516 complaints involved provision issues

Issue	No. complaints
Existing connection (e.g. cost of alteration, maintenance)	341
New connection	135
Disconnection / restriction	55

SUPPLY

461 complaints involved supply issues

Issue	No. complaints
Supply off (unplanned)	188
Supply off (planned)	159
Supply variation	57
Quality	39
Sewer overflow / blockage	32
Water restriction	1

MARKETING

397 complaints involved marketing issues

Issue	No. complaints
Misled by marketers	186
Information	83
Other	74
Pressured into signing contract	62
Non account holder approached for consent	27

LAND

373 complaints involved land issues

Issue	No. complaints
Network assets (maintenance or placement)	185
Property damage / restoration	125
Vegetation management	65
Easement	26
Street lighting	22
Other	13

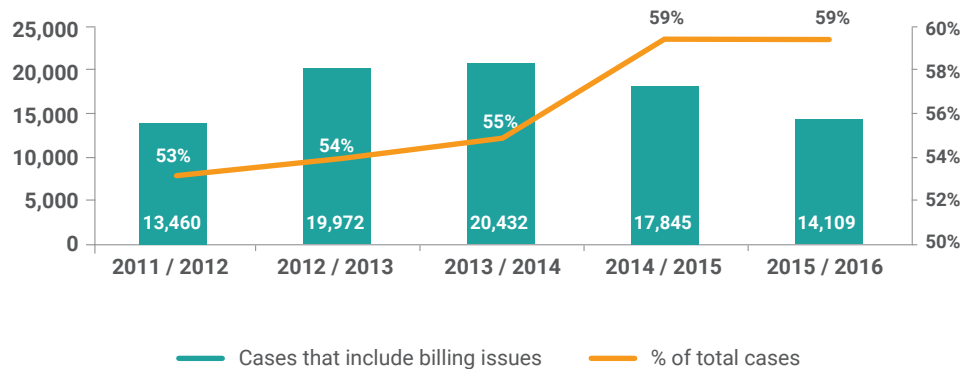
734 COMPLAINTS INVOLVED
GENERAL ISSUES

Some customers experience more than one issue when they register a complaint

Focusing on our top three issues

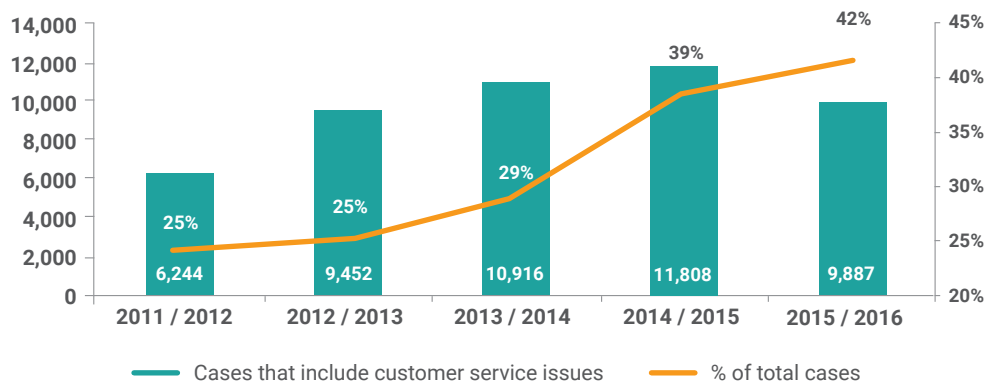
Billing

Billing continues to be our biggest issue, involved in 59% of complaints. Although billing complaints have fallen overall, complaints about estimated billing increased in 2015/2016.



Customer service

Customer service is often an underlying factor for customers contacting EWON, but for these complaints, customer service was the driving factor for EWON's involvement.



Credit

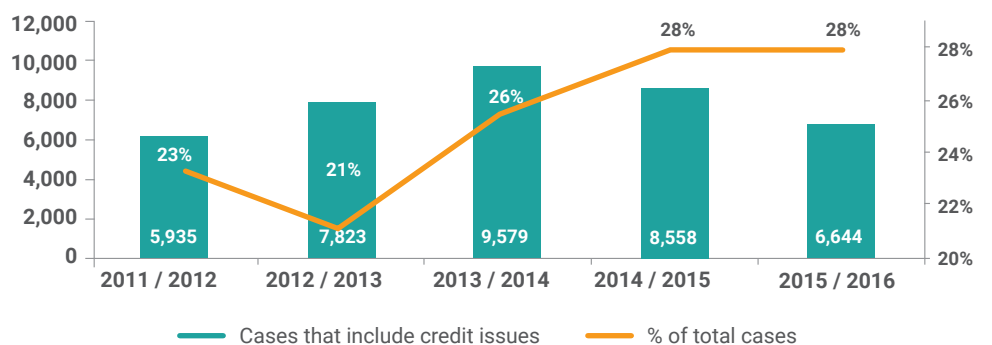
Credit related complaints, which include disconnection, are increasing as a proportion of our work, reflecting that energy affordability and financial hardship are key social policy agenda items.

1,053

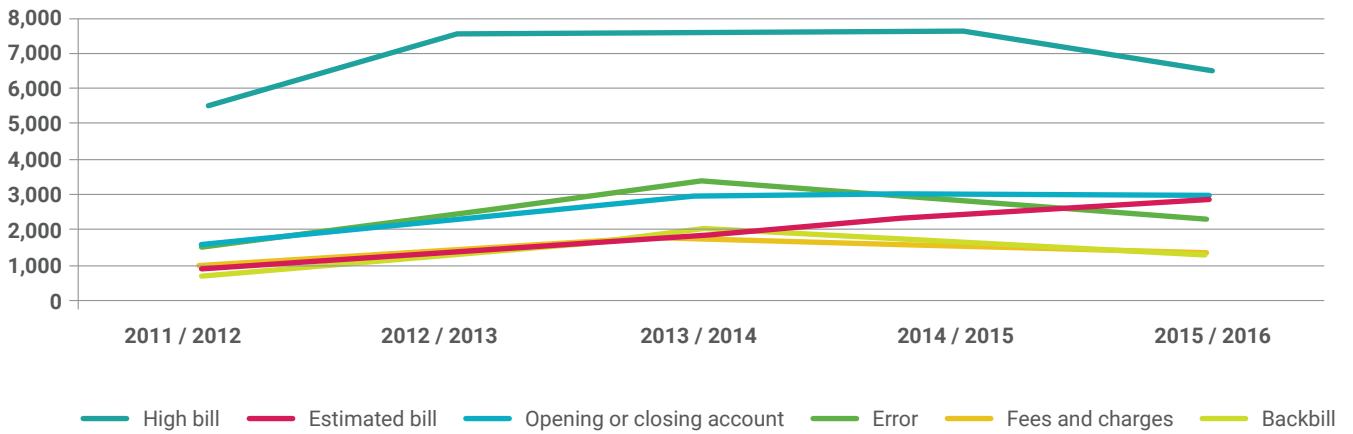
PENDING DISCONNECTION COMPLAINTS

1,409

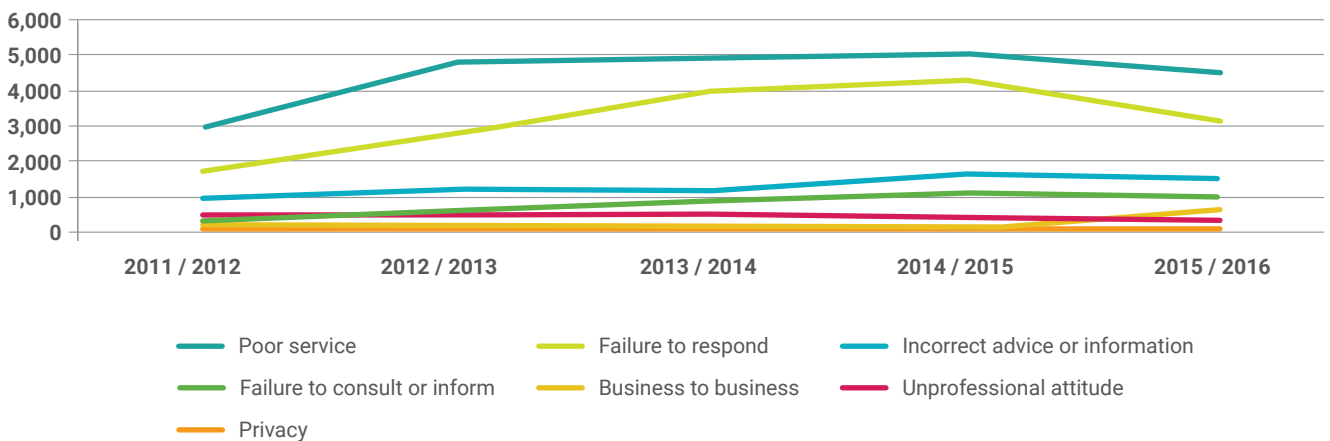
ACTUAL DISCONNECTION COMPLAINTS



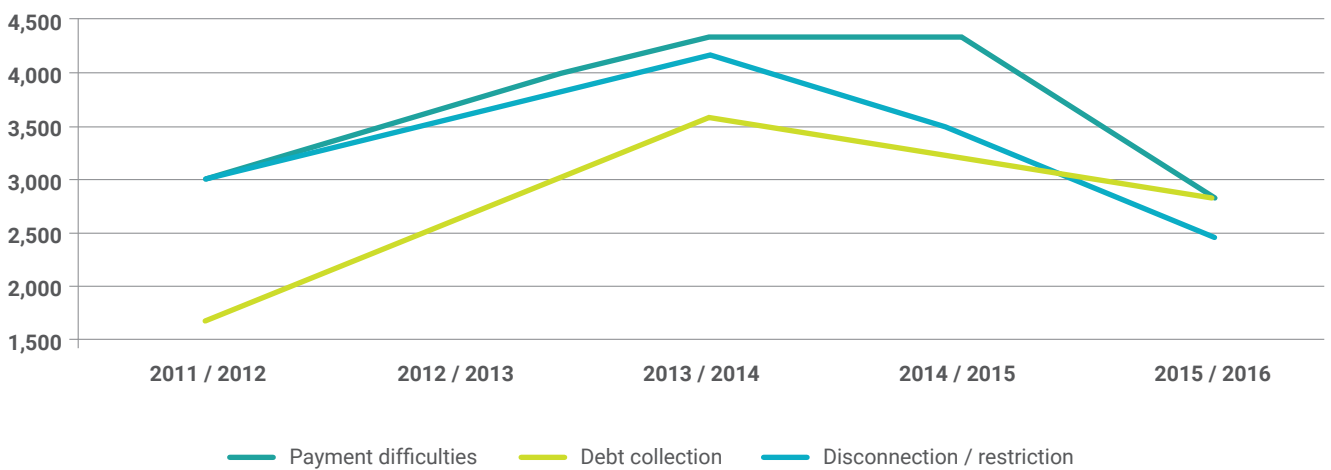
TRENDS IN BILLING ISSUES 2011/2012 TO 2015/2016



TRENDS IN CUSTOMER SERVICE ISSUES 2011/2012 TO 2015/2016



TRENDS IN CREDIT ISSUES 2011/2012 TO 2015/2016



> Progressing energy and water policy

One of EWON's key responsibilities is to assist providers to reduce or avoid complaints, and raise customer service standards in the energy and water industries.

Our Policy Team works to fulfil these goals by drafting submissions on actions and changes proposed by government, industry and regulators. Throughout 2015/2016, we developed submissions on the topics outlined below. Our submissions can be viewed at ewon.com.au.

Exempt retailers and embedded networks

Energy customers in NSW have access to consumer protections over and above those provided by general consumer law. While fairness dictates that all customers should enjoy the same level of protection, there have always been a small number of consumers who get their energy through embedded networks run by exempt retailers. These customers do not have access to the same protections as NSW energy customers who get their energy from an authorised retailer.

The growth in the number of embedded networks in NSW means that the number of customers with this inequitable level of consumer protection is growing, both absolutely and as a percentage.

EWON believes that the conditions and concerns that led to the creation of consumer protection for energy customers are still very relevant today, and that the consumer protection that applies to customers of authorised retailers should be extended to customers of embedded networks.

Over the last year our Policy Team has been actively pursuing this goal through submissions and discussions with the Australian Energy Regulator (AER), the NSW Department of Industry and through the Australia & New Zealand Energy and Water Ombudsman Network (ANZEWON).

Hardship

Energy affordability and financial hardship continue to be a central focus for EWON, with 31,979 electricity customers disconnected for failing to pay their bill in 2014/2015. A further 17,229 electricity customers were disconnected in the first half of 2015/2016.* Rising gas prices are also contributing to financial hardship for some customers.

Along with the increase in disconnection and debt levels, more customers are being put on payment plans and seeking out hardship programs. This indicates that it is time to assess the effectiveness of the current programs and protections, with an open mind to change.

In 2015/2016, EWON contributed strongly in this field through submissions to the AER and the Essential Services Commission in Victoria (ESC), both of which are reviewing hardship programs and affordable payment options for customers in financial difficulty. We participated in the Victorian review at the request of ESC, which requested views on the important features of best practice provider hardship programs.

* AER 2015/2016 disconnection data is not available until after the publication of this report

New products and services



Ombudsman visits Nyngan solar plant

New information and technology developments introduced to the energy sector are creating opportunities for consumers to move away from the traditional model of energy provision through retail contracts.

New products and services are changing the energy supply arena. These include the leasing of solar equipment, and the selling or leasing of generation and storage packages. There have also been changes in demand management products, including home energy management systems, and the aggregation of load, generations and/or storage of energy.

The energy information market has seen the development of comparator websites and a range of energy efficiency advice services.

Many new products and services fall outside current energy regulation by the Australian Consumer Law (ACL). We believe that products and services relating to the essential service aspect of energy supply require energy-specific protections.

This is the position we put to the Australian Energy Market Commission (AEMC) and the AER, and most recently, in our submission to the current review of the ACL.

Smart meter roll out

Smart metering has opened up the possibilities for new retail products, and much greater integration between traditional supply models and new products and services.

In NSW, the smart meter roll out will be retailer-led, bringing the distributors' monopoly to an end. This significant regulatory change has been made to coincide with the closure of the Solar Bonus Scheme in December 2016, as many participants of the scheme will need to upgrade their meters to receive the full financial advantage of using their solar panels.

We provided submissions regarding this change and will continue to monitor complaints to identify consumer issues that arise from it.

Gas competition

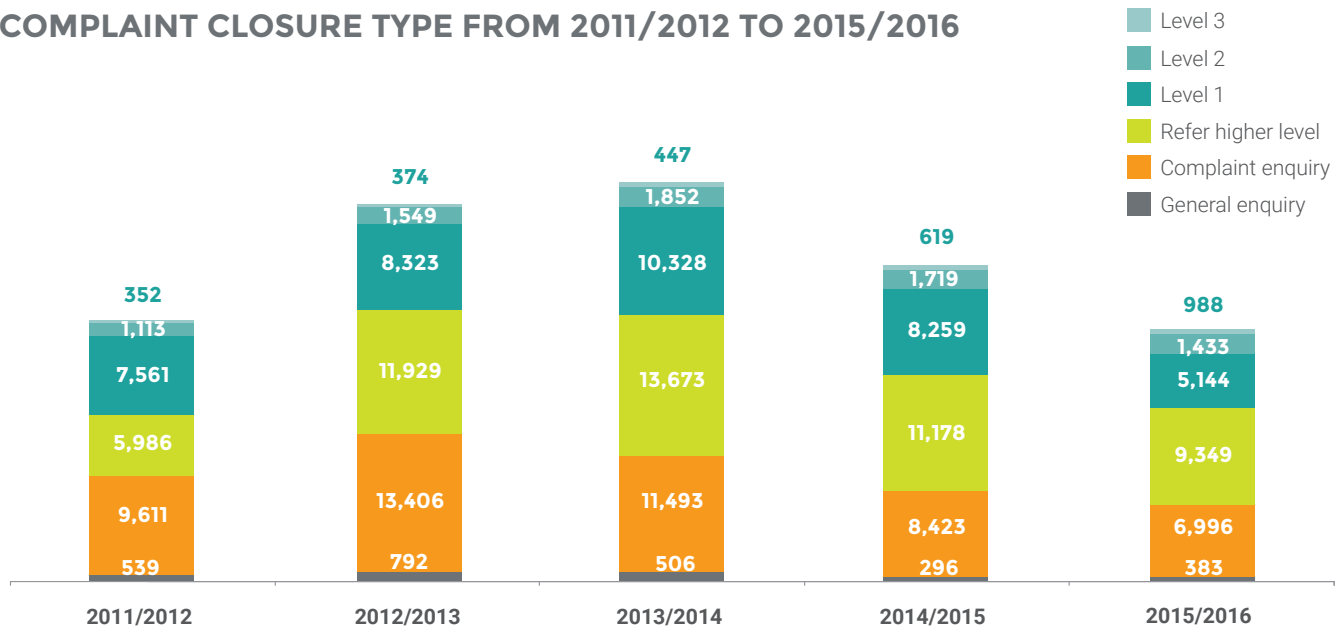
Although electricity prices have been deregulated in NSW, gas prices remain regulated. This is mainly due to concern about the low level of competition in the gas market, especially in regional NSW.

In our discussions about this, we raised the issue that many consumers across regional NSW rely on bottled Liquefied Petroleum Gas (LPG) because they

are not connected to the gas network, and the gas rebate did not apply to LPG. As a result, the NSW Government announced in 2016 that the gas rebate will be extended to customers who purchase bulk LPG for cooking, heating and hot water.

> Resolutions and outcomes

COMPLAINT CLOSURE TYPE FROM 2011/2012 TO 2015/2016



TIME TAKEN TO FINALISE COMPLAINTS

0 < 2 days	2 < 14 days	14 < 30 days	30 < 90 days	90 < 180 days	> 180 days
11,961	7,149	1,469	2,233	1,078	403

NO WRONG DOOR

Where a customer has not contacted their provider in the first instance, we provide advice about their rights and responsibilities and refer them to their energy or water provider. Other customers require broader assistance than what is within EWON's jurisdiction. We work closely with other organisations and refer customers as required.

Referral	Number
Energy/water provider	5,219
Community agency/ Energy Accounts Payment Assistance/water Payment Assistance Scheme	1,351
Provider hardship team	729
Financial counsellor	561
NSW Fair Trading/NSW Civil & Administrative Tribunal	500
Another Ombudsman	324
Other government agency	310
AER/Energy Made Easy website	254
Legal/tenancy advisor	223
Private contractor	133
Department/ Minister for Energy/Water	33
Independent Pricing and Regulatory Tribunal	21

85%
OF CASES WERE FINALISED WITHIN 30 DAYS

1,351
REFERRALS TO COMMUNITY AGENCIES

188%
INCREASE IN REFERRALS TO A FINANCIAL COUNSELLOR, REFLECTING INCREASING AFFORDABILITY ISSUES

20%

DECREASE IN OVERALL COMPLAINTS CLOSED OWING TO FALLING COMPLAINT NUMBERS

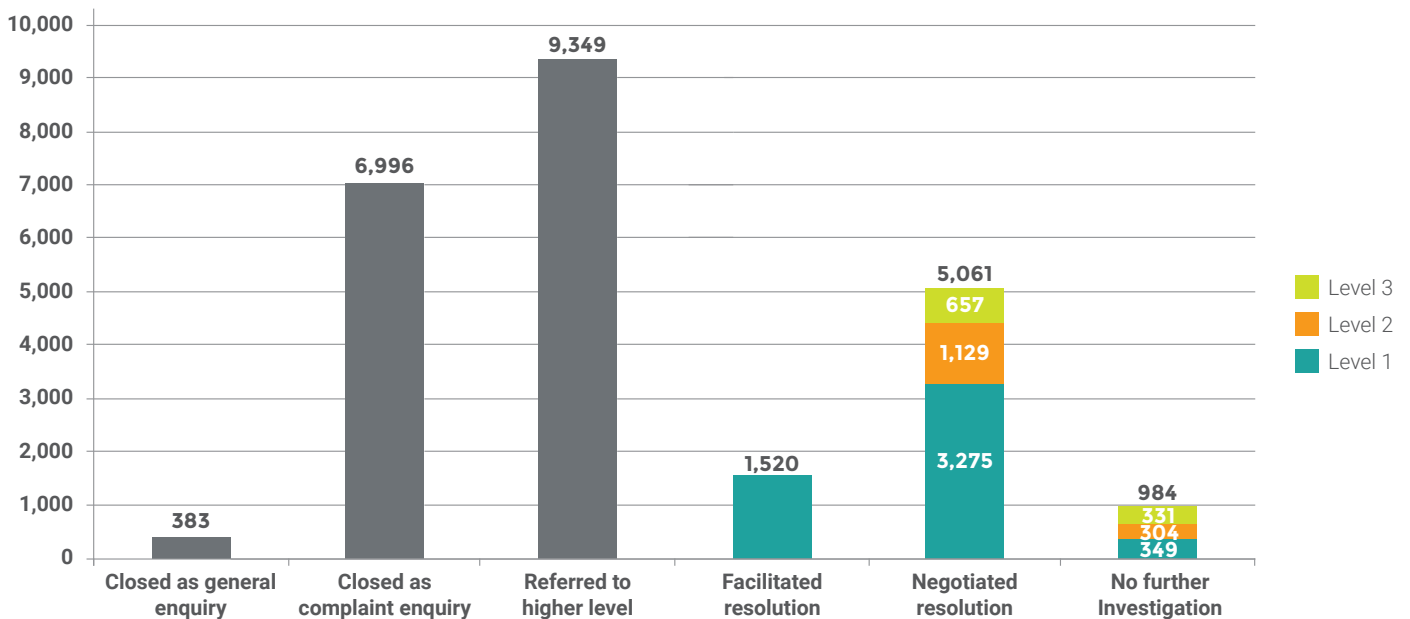
60%

INCREASE IN INVESTIGATIONS CLOSED AT LEVEL 3

COMPLAINT CLOSURE TRENDS

Level	2014 / 2015	2015 / 2016	% Variance
General enquiry	296	383	29%
Complaint enquiry	8,423	6,996	-17%
Refer higher level (RHL)	11,178	9,349	-16%
Level 1 investigation	8,259	5,144	-38%
Level 2 investigation	1,719	1,433	-17%
Level 3 investigation	619	988	60%
Total	30,494	24,293	-20%

COMPLAINT RESOLUTIONS AND OUTCOMES



EXPLANATION OF TERMS

General enquiry

A customer contact that may be about an energy or water matter but is not a complaint and/or is out of jurisdiction.

Complaint enquiry

A request for information or assistance that can be settled or referred quickly.

Refer to higher level (RHL)

A complaint referred to the energy or 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.

EWON'S Consultative Council meetings

Bringing the community and industry together

Consultative Council meetings are a unique EWON initiative designed to establish lines of communication and facilitate collaboration between members, community workers, and small business representatives.

The meetings offer a space for our key stakeholders to speak openly, consult with each other, and build awareness around consumer issues that arise from industry changes. They also inform our investigations and policy work and provide an excellent opportunity for our stakeholders to contribute to EWON's planning. We appreciate the contribution of all who participate. Our Constitution specifies that two Consultative Council meetings must be held each financial year.

26 NOVEMBER 2015

The first Consultative Council meeting for 2015/2016 focused on common energy and water account management issues, as well on the responsibilities of consumers and providers. The topic was selected following feedback from previous meetings. Community workers were invited to submit questions ahead of the meeting, which our General Manager Investigations responded to during his presentation. A representative from the Financial Rights Legal Centre

provided an update on credit repair agents and other businesses dealing with financial difficulties. The presentation focused on the impact these industries can have on customers and the energy and water industry, and provided an overview of current regulation.

The discussion about financial issues drew attention to the amount of work that needs to be done around energy affordability, access to hardship

programs, and addressing credit-related matters. Emerging technologies such as smart meters and solar power were also discussed. While the participants noted that they offer opportunities to consumers and industry for streamlined processes and cost savings, it will be challenging to ensure they are rolled out and managed effectively. For more information on emerging technologies, see page 34-35.



EWON staff with community worker at April meeting

28 APRIL 2016

At the April Consultative Council meeting, Energy Consumers Australia (ECA) presented about their role and agenda. ECA will use evidence-based consumer advocacy to promote the long term interests of energy consumers by focusing on the price, quality, safety and reliability of energy services.

The NSW Office of Environment & Heritage (OEH) provided an overview of their Home Energy Action Program. They explained that the program's objective is to deliver energy efficiency improvements to low-income households across NSW by helping them access energy saving appliances and home improvements from a combination of government funding and private business investment. OEH outlined the program's budget and future priorities.

During the facilitated discussion, community workers asked for clarification on guidelines for Energy Accounts Payment Assistance vouchers. They also highlighted how difficult it is for consumers to understand tariffs and how charges are calculated, including the use of the sewerage discharge factor.

Case study

Water

Illness and financial hardship leads to arrears and water restrictions

Ms Hurst was unwell and experiencing financial hardship when her water was restricted by her provider for arrears of around \$1,430. She offered to pay the provider \$80 upfront and \$100 per fortnight to have the supply reconnected, but the water provider asked for an upfront payment of \$500 instead.

When Ms Hurst contacted us we referred her to community agencies that provide Payment Assistance Scheme (PAS) vouchers while we investigated the case. Our investigation established that the restriction complied with guidelines and that Ms Hurst had made irregular \$50 payments recently.

Owing to EWON's intervention and the customer's willingness to pay, the provider accepted the original offer of offer \$80 upfront and \$100 per fortnight to reconnect the supply. The provider also offered PAS vouchers for \$300 as long as the customer arranged an appointment with a community agency within two weeks.

EWON found that the provider failed to take into consideration the customer's sensitive circumstances and capacity to pay. This resulted in the customer contacting us rather than being referred to the provider's hardship team in the first instance.

Category: Level 1 investigation **Outcome:** Negotiated resolution **Issues:** Water restriction, arrears

Case study

Electricity

Backbilling and poor customer service leads to payment extension

Ms Fernandez hadn't received electricity bills for six months when she was backbilled for three billing periods at one time. She contacted her electricity provider several times disputing the \$1,400 bill. She had asked to have \$500 waived, but her provider only offered her a credit of \$100.

Ms Fernandez contacted EWON to have her bills reviewed and complained that she had received very poor customer service. Her account was put on hold while we reviewed it. We found her bills were accurate and that the electricity provider had followed the backbilling rules.

Owing to the size of the bill, Ms Fernandez's provider had offered her a payment arrangement, but she had declined the offer. We explained that billing delays can happen, and she could request time equivalent to the bill delay to pay. Ms Fernandez then requested a five month extension to pay the amount owing and was making payments towards the arrears during our investigation.

Ms Fernandez had a direct debit set up on her electricity account, and while our review was underway, the outstanding account balance of \$500 was direct debited from her bank account. Ms Fernandez requested the amount be refunded as her bank would charge her an overdraft fee.

Her provider refunded her the \$500 and offered \$150 credit as a good will gesture towards her account. Ms Fernandez's remaining balance was therefore reduced to \$350. Her provider also agreed to offer the five month extension she had requested to pay the account balance.

Category: Level 1 investigation **Outcome:** Negotiated resolution **Issues:** Backbill, billing delay, disputed high bill, poor customer service

> Working with our members

The AER requires all NSW electricity and gas providers to be members of EWON. Water providers can join EWON voluntarily.

We work closely and independently with our energy and water members, overseeing their customer service and complaints handling, sharing information about customer concerns and industry issues and addressing complaints quickly. This work is aimed at raising customer service standards, promoting best practice, and reducing the number of complaints that come to us.

EWON members

1st Energy

ActewAGL Gas Distribution

ActewAGL Retail

AGL Electricity

AGL Retail Energy

AGL Victoria

Alinta Energy

Allgas Energy

AquaNet

Ausgrid

Australian Gas Networks (Albury)

Australian Gas Networks (NSW)

Blue NRG

Central Coast Council

Central Ranges Pipeline

Click Energy

Commander Power & Gas

CovaU

Diamond Energy

Dodo Power & Gas

Endeavour Energy

EnergyAustralia

Enova Energy

ERM Power

Essential Energy

Flow Systems

GoEnergy

Hunter Water

Jemena

Lumo Energy

Mojo Power

Momentum Energy

Next Business Energy

Origin Energy

Pooled Energy

Powerdirect

Powershop

QEnergy

Red Energy

Sanctuary Energy

Shoalhaven Water

Simply Energy

Sydney Desalination Plant

Sydney Water

TransGrid

Urth Energy

Veolia Water Solutions
& Technologies

Water NSW

WINconnect

GoEnergy ceased retailing gas and electricity in NSW in 2016. As per the market rules, GoEnergy customers were transferred to other providers. After the transfers, EWON received seven complaints about GoEnergy, of which three related to the transfer.

Member changes

- Members who joined the scheme in 2015/2016 include Enova Energy (April 2016), Alinta Energy (Sep 2015), Mojo Power (Sep 2015), Urth Energy (Sep 2015), 1st Energy (Sep 2015).
- WINenergy changed its name to WINconnect (May 2016).
- Gosford City Council was merged with other councils, to form the Central Coast Council (June 2016).
- GoEnergy ceased trading in electricity and gas, as its licence was withdrawn by the AER on 2 April 2016.



Inductions

Face-to-face induction sessions for staff from member companies are an effective way to facilitate more efficient complaint resolution. They provide an opportunity to introduce new members or new staff of existing members to our processes and procedures and to update them on any changes.

In 2015/2016, we provided local and interstate inductions for complaint handling and other specialist staff from member companies, including AGL in Melbourne and Essential Energy in Port Macquarie. These sessions provided an overview of our structure, investigation processes and member reports. They also allowed us to review customer complaint case studies with the providers.



EWON staff during visit to Jemena's Training Facility

Visits

We visited the Jemena Training Facility in Greystanes, Western Sydney. We gained a better understanding of gas infrastructure, including meter functions, piping, leaks, safety measures, and how supply is billed to the customer.

We toured the Sydney Water Filtration and Recycling Plants in Western Sydney and learnt about the drinking water filtration and wastewater treatment processes.

We also visited Hunter Water in Newcastle and toured their reservoir. We discussed Hunter Waters' customer assistance initiatives including their hardship programs and their water restriction processes.



Presentations

Member presentations keep us updated on the changes energy and water providers are making that may affect customers, our work, or our engagement with the member. In 2015/2016, member companies delivered the following presentations:

- Mojo Power – overview of its new customer subscription retail model
- Jemena – walkthrough of its updated market and billing system
- Simply Energy – overview of its operations
- EnergyAustralia – overview of its operations

Meetings

The following members met with the Ombudsman and EWON staff to provide updates and overviews of their operations:

- | | | |
|---------------------------|-----------------|--------------------|
| • Jemena Customer Council | • Alinta Energy | • Sanctuary Energy |
| • Ausgrid | • 1st Energy | • Momentum Energy |
| • Endeavour Energy | • Urth Energy | • Red Energy |
| • Essential Energy | • Mojo Power | • Lumo Energy |
| • AGL | • Enova Energy | • WINenergy |
| • EnergyAustralia | • Simply Energy | • CovaU |
| • Origin Energy | • Click Energy | • Sydney Water. |
| | • Sumo Power | |

Member forums

Energy business to business (B2B) forum

EWON hosted an Energy B2B Forum focusing on reducing the complaints which result from business to business system and communication breakdowns.

Speakers at EWON's B2B Forum, from left: Steve Dooley, Jemena; Jenna Wood, Essential Energy; Janine Young, EWON; Stuart Medbury, Endeavour Energy; Alex Newton, EnergyAustralia; Erin Norman, Simply Energy

A range of staff from energy distributors and retailers attended the forum, including those involved in operations, marketing, customer relations and customer resolutions. The forum explored issues from the retailer and distributor perspectives, to provide insight into the unique challenges experienced by both sectors.

Attendees were keen to share information and learn about issues, and the discussion was interactive, open and honest. The forum highlighted the need for more communication between retailers and distributors to provide a better experience for customers.

Everyone took ideas away for process improvements, which, if acted on, should lead to more positive customer interactions.





Back row from left: Tony Holmes, Shoalhaven Water; Kelly Climo, Sydney Water; Kathy Hourigan, Sydney Water; Janine Young, EWON. Front row: Kylie Bennett, Hunter Water; Ciara Sterling, Yarra Valley Water

Water forum

EWON held our first members' water forum in June 2016, in response to interest among water providers for EWON to facilitate a discussion about consumer concerns in the NSW water industry.

Water providers were invited to discuss industry approaches to customer issues such as hardship and concealed leaks. Senior management and staff dealing with customer hardship attended from:

- Sydney Water
- Hunter Water
- Shoalhaven Water
- Flow Systems
- Veolia Water Technologies
- Yarra Valley Water (Victoria).

The forum highlighted the benefits of information sharing amongst providers. Participants shared practical examples where building strategic partnerships and collaborating with community groups about affordability issues resulted in improved outcomes for customers.

Attendees also discussed concerns around their concealed leaks policies and how they affect consumers, including how providers handle billing disputes.



Member survey

In 2015/2016 we established the framework for a member survey, to be completed in September 2016.

The survey results will inform the ongoing development of our case handling policies, processes, reporting and other member services.

> Working with government and regulators

In 2015/2016 EWON continued to work with government bodies and regulators to update them on industry trends and issues that we identify through our complaint handling and outreach activities. We also developed reports and submissions to inform energy and water policy decisions.

Australian Energy Regulator (AER)

We provided quarterly reports to the AER and we continued our engagement with the National Energy Customer Framework and the network regulatory process. We also contributed to AER consultation in relation to the Retail Exempt Selling Guideline and the Sustainable Payment Plans Framework.

Australian Energy Market Commission (AEMC)

We engaged with the AEMC by participating in workshops and contributing submissions on a range of issues. We also provided input into the Strategic Priorities for Energy Market Development process, which assists the AEMC establish and review its strategic initiatives. The submissions we made to the AEMC covered regulatory changes relating to embedded networks, meter reading and billing frequency, accuracy of transfers, and the use of estimated meter reads for customer transfers.

Government

EWON provides quarterly reports to the Resources and Energy Division of NSW Department of Industry. This year we also participated in discussions and made submissions about Smart Metering Regulations and competition in the retail gas market. One important outcome of this engagement was the NSW Government's decision to take up our suggestion and extend the low income rebate to eligible LPG customers in areas where there is no natural gas network.

We participated in meetings and workshops with the NSW Office of Environment and Heritage about energy efficiency issues. Our submission to Consumer Affairs Australia and New Zealand on the Australian Consumer Law (ACL) Review covered energy-related issues and, in particular, the ACL's relevance to the development of new products and services in the energy industry.

Independent Pricing & Regulatory Tribunal (IPART)

In 2015/2016 we contributed to IPART's review of Sydney Water and Hunter Water pricing. Each year we develop a report on water complaints for IPART and meet with them regularly to discuss emerging water issues.

Office of Australian Information Commissioner (OAIC)

As an approved External Dispute Resolution Scheme under the Privacy Act, EWON reports on privacy-related complaints to the OAIC. For the 2015/2016 financial year 93% of issues in this area related to customers concerns about credit reporting and 7% to potential privacy breaches.

> Working with our peers

The Ombudsman is a member of the Australian and New Zealand Ombudsman Association (ANZOA), and in 2015/2016 continued to sit on its Executive Committee. The Ombudsman also participates in the Australia & New Zealand Energy and Water Ombudsman Network (ANZEWON).

ANZOA conference

In May 2016, ANZOA held its biennial conference in Melbourne. The theme of the conference was 'One model, many applications'. A range of interesting topics were explored over the two days, including:

- Ombudsman today - an international context
- What we need from Ombudsmen today - views from the outside
- Tiger's teeth or teddy bears? The Ombudsman and the Regulator
- Future ready - dispute resolution and technology
- Engaging the core constituency - outreach to Indigenous communities
- Plenary Debate - Ombudsmen: made to last? Pillars of the system or a passing phenomenon?

In the lead up to the conference, the Commonwealth Ombudsman, Colin Neave AM, hosted a morning tea for all ANZOA members, and Ombudsmen from the Pacific Ombudsman Alliance and the International Ombudsman Institute (IOI). Senior EWON staff attended the conference with the Ombudsman and collectively found the conference invaluable.

ANZEWON

This valuable Ombudsman and Complaint Commission network provides energy and water Ombudsman offices from across Australia and New Zealand the opportunity to work together to address industry and policy developments that affect consumers. In 2015/2016 key ANZEWON initiatives included:

- seeking regulation of credit repair agencies to reduce consumer detriment
- looking at strategic approaches to ensure consumers are aware of Ombudsman offices
- implementing a case handling consistency program
- initiating a major research project focused on consumer access to external dispute resolution in a changing energy market.

ANZOA

ANZOA membership is personal to the Ombudsman and its members come from not-for-profit industry-based, parliamentary and other statutory external dispute resolution offices to include organisational leaders who perform the same independent role in positions such as Complaints Commissioners. ANZOA provides a very valuable peer forum of members who meet accepted high standards of independence, impartiality and effectiveness and observe the Benchmarks for Industry-based Customer Dispute Resolution (the CDR Benchmarks).

EWON employees have the opportunity to engage with staff in similar roles by taking part in ANZOA's interest groups including public relations and communications, policy and research, systemic issues, Indigenous complaint handling and learning and development.



During the ANZOA Conference in May 2016, EWON's former Ombudsman, Clare Petre, and former Telecommunications Industry Ombudsman (TIO) Ombudsman, Simon Cohen, (both past ANZOA Chairs) were recognised with Fellow awards for their substantial contribution towards furthering the objects of ANZOA. The awards were presented by current ANZOA Chair and TIO Ombudsman, Judi Jones (middle).

"I developed my network of communications professionals and discussed the challenges of promoting our activities by attending the Public Relations and Communications (PRAC) interest group in person ahead of the conference. There was a good mix of theoretical and practical sessions at the conference and I gained an understanding of the issues impacting on Ombudsman offices here and overseas. It was really good to hear how different organisations are responding to change and how technology is expanding the opportunities for complaint handling bodies to respond to customers."

**Mia Lauzé, Manager Communications,
EWON**



> Ombudsman engagement highlights

The Ombudsman, Janine Young places a great deal of importance on community engagement and outreach.

The Ombudsman's direct involvement in liaising with stakeholders and visiting communities helps develop strong networks, increases awareness of our services and builds the community's trust in what we do. Below are some highlights of the Ombudsman's engagement activities in 2015/2016.

Conferences and outreach activities

National Association of Community Legal Centres Conference

St Vincent de Paul community outreach event in Albury

Energy Networks Association & Networks NSW Vulnerable Customer Forum

NCOSS 80th Anniversary Conference / Sydney Festival for Civil Society

2015 Financial Counsellors Association of NSW Conference and outreach with other Ombudsman services, the Australian Securities & Investment Commission (ASIC) and state and federal government agencies in Dubbo

International Women's Day presentation in Western Sydney

St Vincent de Paul and SA Council of Social Services Policy Challenges for the Energy Industry forum

External Dispute Resolution Twilight Forum / Financial Counselling Australia Conference

Vinnies CEO Sleepout

Aboriginal projects and engagement

Held meetings with NSW Deputy Ombudsman (Aboriginal Programs), Aboriginal Housing Office, Aboriginal Land Council, Good Shepherd Microfinance and others about affordability issues in Aboriginal communities.

Met with NSW Fair Trading about its Plumbing Health Check Program in relation to affordability issues in Aboriginal communities.

Visited Bourke, Nyngan and Dubbo to meet with a range of community and Aboriginal organisations as part of EWON's strategic outreach to Aboriginal communities.

Attended Aboriginal & Torres Strait Islander EDR Yarning Circle, Financial Counselling Australia Conference event in Adelaide.

Peak body engagement

Society of Consumer Affairs Professionals (SOCAP)

Attended SOCAP Leadership Breakfast

Facilitated a round-table style session at the SOCAP Symposium Utility Workshop forum

Hosted SOCAP members following Community of Practice Ethics Hypothetical event.

Energy Consumers Australia (ECA)

Met with ECA CEO to discuss its focus on the major issues that cause consumer detriment.

Collaboration and partnerships

NSW Fair Trading

The Ombudsman and the Fair Trading Commissioner hold regular meetings to discuss common issues and referral processes. Both organisations remain committed to referring customer complaints falling within each other's jurisdiction, with EWON commonly referring solar installation matters and tenancy disputes to NSW Fair Trading. In 2015/2016 we continued to undertake joint outreach activities to deliver information and services to consumers, community workers and small business owners across the state. The Commissioner also invited the Ombudsman to take part in joint talkback radio appearances to assist callers with consumer issues.

Public Interest Advocacy Centre (PIAC)

We collaborate with PIAC on outreach activities and on training initiatives for community workers working with people with disabilities and those in aged care.

Legal Aid

Legal Aid is an important outreach partner for EWON, particularly when we are working with Aboriginal communities. In 2015/2016 we also worked with Legal Aid to investigate opportunities for waiving bulk debt for energy consumers who are experiencing financial hardship.

NSW Office of Environment and Heritage (OEH)

We worked with OEH in relation to the design of their Home Energy Action Program and conducted engagement activities with them during 2015/2016.

NSW Council of Social Service (NCOSS)

The work NCOSS does with vulnerable groups makes them a key partner for EWON. We attended the NCOSS Pre-Budget Submission Consultation and Campaign Consultation sessions. The Ombudsman has also met with the CEO and attended a workshop to inform planning of NCOSS 2017 'A New Year for Women'.

High level committees

Member of the Civil Justice Collaboration Working Group – review of NSW's Civil Justice Strategy.

Attended COAG Energy Council – stakeholder consultation meeting, Canberra.

Member of NSW Gas Retail Competition Working Group – advising the Division of Resources and Energy, Department of Industry, regarding potential expansion of the gas network.

Attended roundtable meeting including industry, consumer agencies, Ombudsman offices, Australian Securities and Investments Commission (ASIC) and the Australian Competition and Consumer Commission (ACCC) – the financial damage debt management firms impose on vulnerable customers.

Anti-poverty week forum 2015

In October 2015, we held our 11th annual Anti-Poverty Week forum and mini expo, to raise awareness of issues affecting energy and water consumers in financial hardship, and the contribution community workers can make to help households stay connected.

Around 90 community workers and government representatives attended the event, held in Newcastle. Ombudsman Janine Young presented, as well as NSW Fair Trading, NSW Resources & Energy, the ACCC, and OEH. Four providers also gave overviews of their hardship programs.



Speakers from Anti-Poverty Week 2015; Matthew Whitton, NSW Fair Trading; Delia Rickard, ACCC; Kathryn Tidd, NSW Fair Trading; Janine Young, EWON; Mark Squires, OEH; Jim Wellsmore, NSW Resources & Energy

Engaging across NSW

Not to scale



Community engagement across NSW is an important part of the work EWON does to increase awareness of our service and to educate consumers, small businesses and community workers about energy and water issues.

We take part in events, give presentations, and collaborate with other organisations to provide information about EWON's role and how we can help consumers. We also offer advice about related issues such as how to save energy and water, and information on government rebates and other relevant assistance.

In 2015/2016, we continued to engage with a wide variety of consumers, with a particular focus on community workers, vulnerable groups and those experiencing hardship.

Community engagement overview

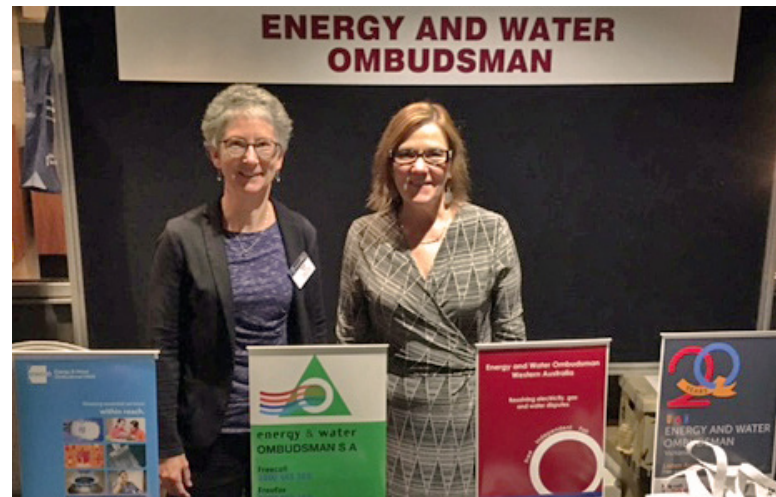


Community workers

Community workers are an important link between EWON and vulnerable consumers and we value their partnership. They can advocate on behalf of consumers having difficulty with high bills and bill errors or facing disconnection. They often alert us to systemic issues in their communities before these issues are identified through our case handling processes.

Financial counsellors

We have strong links with the community welfare sector and this year we continued to provide training through the Financial Counsellors Association of NSW (FCAN). We ran two workshops for trainee financial counsellors as part of their accredited training program. We also reached over 200 financial counsellors through our information stalls and presentations when the Ombudsman attended the FCAN conference in Dubbo and the Financial Counsellors Australia conference in Adelaide. At the Adelaide conference we also participated in the External Dispute Resolution Forum, which provided an opportunity for financial counsellors to engage with Ombudsman services about current issues affecting their clients.



Housing tenants

Tenants in public and private housing have limited control over the energy and water efficiency of their homes, which can lead to high bills. The housing may have poor insulation, and tenants may have problems with common hot water systems and inefficient lighting and appliances. In 2015/2016, EWON presented to over 330 Compass Housing tenants at three events in the Hunter and Central Coast areas. We provided targeted information, reviewed tenants' energy bills, checked their rebate eligibility, and discussed other concerns they had.

Complaints from culturally and linguistically diverse customers

This year 610 customers identified as culturally and linguistically diverse (CALD) when making a complaint.

The top four issues raised by CALD customers were billing (52%), customer service (20%), credit (18%) and transfer (7%). Most of the complaints came from Outer Sydney at 62%, with 34% coming from inner Sydney. Complaints were received from customers whose preferred language is:

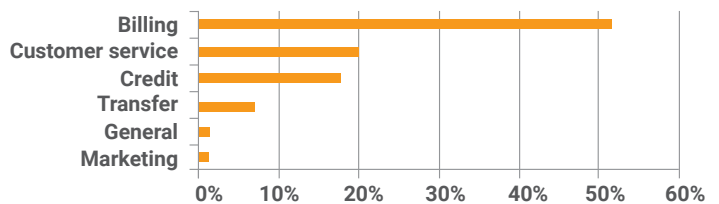
- Arabic (123)
- Mandarin (89)
- Vietnamese (53)
- Korean (45)
- Cantonese (45)
- Turkish (20)
- Greek (20)
- Farsi (20)
- Spanish (17)
- Dinka (17)
- Russian (9)
- Burmese (9) and numerous other languages

Culturally and linguistically diverse groups

Raising awareness of our services amongst diverse communities ensures we offer equity and access for all consumers. This year we presented to a number of groups from different cultural and linguistic backgrounds, often with the assistance of an interpreter. They included:

- African group at Mamre Women's Refuge, St Marys
- Westmead Hub for Parents
- Russian group at Maroubra
- Community leaders' forum at Liverpool
- Two events at Adult Migrant English Program at Ermington
- Greek group at Bondi
- Eastwood Community Expo
- Tamil group at Blacktown with NSW Fire and Rescue
- Arabic group at Blacktown
- Italian group at Maroubra
- Vietnamese group at Marrickville.

TOP ISSUES RAISED BY CULTURALLY AND LINGUISTICALLY DIVERSE CUSTOMERS*



* Note: We do not routinely collect information about customers' cultural background but record it if it is offered. Accordingly, these figures significantly under-represent the number of culturally and linguistically diverse customers using EWON's services

Small business customers

Although we can assist small business customers, only a small number of them 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. In 2015/2016, we distributed information via the Office of the NSW Small Business Commissioner to regional areas, as part of their Regional Activation Program. We also participated in NSW Fair Trading's My Place Program to inform small businesses about their rights and responsibilities in relation to energy and water issues. This involved providing tailored resources for distribution and speaking with small business operators at stalls and exhibitions. We attended events in Epping, Erina, and Toongabbie as part of the My Place Program initiatives, including their building expo and forums for private landlords, motor dealers, real estate agents, and strata managers.

We also participated in Small Business Trader Walks in Bathurst, Blackheath, Cessnock, Kelso, and Taree. We visited individual retail shops to offer information about energy and water issues and discuss how we can assist small businesses.





Customers with a disability

In 2015/2016, we started a pilot program with the Public Interest Advocacy Centre, to provide energy and water awareness training to workers in the disability and aged care sectors.

The training offered community workers the chance to learn about billing, contracts, marketing issues, rebates, and how to negotiate with providers. Attendees are now more confident identifying energy and water issues and accessing relevant assistance. The following organisations participated in the pilot:

- NSW Neighbour Aid and Social Support Association Forum
- The Physical Disability Council of NSW
- Paraquad NSW
- Castle Personnel
- Life Without Barriers.

We also attended the Spinal Cord Injury Expo in Eveleigh and provided information and resources for Northcott's Disability Expo in Parramatta.

Seniors

Like many consumers, seniors continue to tell us they have difficulty keeping up with the complex nature of the energy and water industries and are concerned about energy affordability. Often they are not aware of discounts on offer and how to find the best rate. We are particularly concerned about the number of seniors who say they are afraid to use heating and cooking appliances, because they are worried about future bills.

For several years we have organised a large marquee at the Sydney Royal Easter Show for its two dedicated Seniors' Days. This year, as in previous years, we invited other complaint handling agencies to join us, so that seniors could access a range of important consumer information in one place. Other agencies involved were the NSW Ombudsman, the Credit Investment Ombudsman, the Telecommunications Industry Ombudsman, the Seniors Rights Service, The Public Guardian, NSW Trustee and Guardian, and Legal Aid.

Members of Parliament invited us to present at four seniors' expos held in the Hunter region. We encouraged seniors to check their bills and eligibility for rebates, including the Life Support Rebate and the Essential Medical Equipment Rebate. We provided information on reducing energy consumption, managing bills, estimated billing, dealing with providers, and the support available to assist with energy costs.

We ran a promotion through Meals on Wheels programs across NSW to reach aged or frail consumers, and people housebound by illnesses. Consumers are now receiving targeted information with their meal delivery. We also presented at Probus and National Seniors' groups in Blacktown, Blaxland, Campbelltown, Five Dock, Glenbrook, Hurstville, South Penrith, Wangi Wangi, and other seniors' events held in Blacktown and Seven Hills.

Other activities

We aim to increase awareness of our services and other energy and water assistance amongst low income and other vulnerable consumers. To broaden our reach to these consumers, we attended the following events:

- Bankstown Job and Skills Expo
- Blacktown Volunteers Expo
- Homeless Connect days in the Hunter, Sydney, Parramatta
- International Women's Day event, St Marys
- International Women's Day expo, Ourimbah
- Mardi Gras Fair Day, Sydney
- Local Community Service Association conference, Sydney
- Financial Inclusion Conference, Strathfield.



➤ Bring Your Bills days

We schedule Bring Your Bills and specialist support days in response to requests from community agencies, or as we identify areas in need through our complaint handling work. Larger Bring Your Bills day events involve a number of stakeholders, but we organise these days end to end ourselves, often partnering with another agency.

This year we partnered with St Vincent de Paul, Legal Aid, the State Debt Recovery Office, the Financial Rights Legal Centre, NSW Fair Trading, Tenancy Advice Services, Uniting, the Benevolent Society, the Samaritans, St Marys Area Community Development Project, The Entrance Neighbourhood Centre, the Josephite Foundation, the No Interest Loans Scheme programs, Ability Links, the Addison Road Community Centre, Sydney Water, Penrith Council and NSW Housing.

All agencies participating in these events aim to do as much for the client as possible while they are at the event. People raise a range of issues at the Bring Your Bills days and may ask simple questions such as how appliances affect bills. However, most of the support we offer involves reviewing billing, checking rebate entitlements, negotiating payment plans with providers and discussing hardship and affordability issues. We may also refer consumers to community agencies for payment assistance. Some complaints are quite complex and may involve incorrect billing, marketing transfer problems, and property issues.

Sometimes complaints are raised that are outside EWON's jurisdiction, for example, tenancy issues where the customer is not separately metered and the tenant has been asked to pay for energy and water as well as council rates! These cases are referred to the appropriate complaint handling agency such as a tenancy advice service or NSW Fair Trading, along with information to help the customer lodge a complaint.

EWON opened 289 cases from the 34 Bring Your Bills days we organised in 2015/2016.

In addition to EWON's monthly visits to SydWest Multicultural Services at Blacktown, Anglicare Mt Druitt and the Liverpool Migrant Resource Centre, we held larger Bring Your Bills and specialist support days in Cessnock, Kelso, Gosford, Long Jetty, Marrickville, St Marys, The Entrance, and Woy Woy.



How EWON's Bring Your Bills days can help

During one Bring Your Bills day, we met with a customer with severe medical problems, often requiring hospitalisation. This customer was saving for a wheelchair, as her mobility was declining. She lives in social housing and has three children - the oldest her carer, and the younger two still at school.

The customer advised us that she had been paying \$25 per fortnight towards her energy account, but her provider had been phoning her and demanding that she increase her payments, which she could not afford. Our staff assessed her \$815 gas account and found that she was not receiving the new gas rebate. With the customer's consent, we contacted her provider to inform them about her situation and have the rebate applied. This led to the provider enrolling the customer in their hardship program to ensure she was protected from disconnection.

We also introduced the customer to staff from St Vincent de Paul. They provided \$650 assistance to help her with her bill and took her details so that they could offer support to her family in the future. The customer felt she could cover the remainder owing by the time the next bill arrived.

EWON also referred the customer to a financial counsellor and assisted her by providing resources on all the energy rebates available, particularly the medical rebates that she may be entitled to in the future.

The customer also visited the other organisations at the event, collecting information from the local No Interest Loans Scheme, NSW Fair Trading, Legal Aid, and a tenancy advice service.



EWON is proud to support the "Racism. It Stops With Me" campaign. EWON is committed to preventing racism broadly as well as ensuring no one is excluded from accessing our services based on their race or ethnicity.

Ombudsman, Janine Young.

RACISM. IT STOPS WITH ME

➤ Aboriginal and Torres Strait Islander engagement



EWON's Aboriginal and Torres Strait Islander engagement program aims to ensure our services are accessible and that we offer effective assistance to Aboriginal and Torres Strait Islander communities around NSW. During the year we participated in a range of events throughout NSW.

Yabun Festival

This festival celebrates Aboriginal and Torres Strait Island culture. Staff at EWON's stall in Victoria Park, Sydney, spoke to many customers about problems they are facing with their energy and water bills.

Kari Unity Day, Liverpool

Almost 30 services and organisations participated in this event, each having an information stall promoting the services available to the community.

Dhuranygarra Program, Lake Cargelligo & Murrin Bridge

This event gave us an opportunity to provide information to families, carers and the community about EWON's services.

Law Week

National Law Week is held every year in May to promote public understanding of the law and its role in society. EWON's Aboriginal Community Engagement Officer travelled to Bourke and Brewarrina for events during this year's Law Week. Many people got legal advice, applied for birth certificates, obtained assistance with fines and received help with energy and water issues. At these events, community members can speak with our staff about their concerns and lodge complaints. They can also access resources to help manage energy and water accounts, including information about rebates and assistance and tips for reducing energy consumption. See page 48 for more details on where we have travelled to in 2015/2016.

Inter-agency meetings

EWON's Aboriginal Community Engagement Officer attends Indigenous Inter-agency meetings throughout the year. This is an important part of our work to raise awareness about our services and about energy and water issues, including energy efficiency. Working with organisations which support Aboriginal and Torres Strait Islander communities allows us to cross promote each other's services.

NAIDOC week

NAIDOC celebrations are held around Australia each July to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples. The theme for 2016 was 'Songlines: The living narrative of our nation'. EWON participated in six events around Sydney and the Central Coast. Over 1,000 people attended the Redfern and Campbelltown events and we were able to give out over 600 information packs and pieces of promotional material.

Ombudsman outreach

In April 2016, the Ombudsman, General Manager Policy, Engagement & Quality, and our Aboriginal Community Engagement Officer travelled to Bourke and Dubbo to visit local Aboriginal communities and their leaders. The aim of the trip was to take a community-based approach to engaging with consumers and service providers to help consumers better understand their energy bills and how to reduce their energy consumption. We also wanted to explore opportunities for long-term improvements in energy efficiency and sustainable improvements in energy consumption. We partnered with the NSW Office of Environment and Heritage who accompanied us on the trip to discuss the NSW Government's Home Energy Action Program with community leaders.

How we engage



The work of EWON's Aboriginal Community Engagement Officer Tracey Duncan, has enabled us to establish and strengthen links with Aboriginal and Torres Strait Islander communities, their leaders and the agencies and services that work with them. Many Aboriginal and Torres Strait Islander people prefer to access services via an Aboriginal Community Engagement Officer who is culturally aware and sensitive to the history and traditions of their communities. This in turn helps EWON to:

- be aware of what is culturally appropriate in interactions
- understand and promote better relationships between Aboriginal and Torres Strait Islander communities and non-Aboriginal communities
- develop more effective and practical ways of working together
- network with Aboriginal and Torres Strait Islander community services and develop programs and projects that effectively target and cater for our Aboriginal and Torres Strait Islander customers
- increase cross-cultural awareness of the organisation
- increase awareness of local, regional and remote Aboriginal and Torres Strait Islander issues both culturally and politically.

Complaints from Aboriginal and Torres Strait Islander customers

Affordability issues continue to be the main reason Aboriginal and Torres Strait Islander customers come to EWON, with 43% of issues received in 2015/2016 relating to credit. Of the 332 complainants who identified as Aboriginal and/or Torres Strait Islander:

- 135 reported payment difficulties
- 63 had been disconnected or were facing disconnection
- 62 had faced debt collection.

Some customers experienced a combination of these issues.

Around 20% of these complaints came from outer Sydney, 16% from Inner Sydney, 10% each from Sydney Surrounds and the Central West, 9% from the North Western region, 7% from the Mid North Coast and 6% from the Northern region of the state.

Partnerships

Good Service Mob

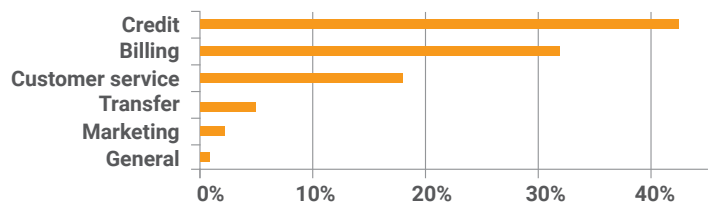
EWON is part of the Good Service Mob, a collaboration of Indigenous and non-Indigenous staff from complaint-handling agencies who help Aboriginal and Torres Strait Islander consumers in NSW. Established in 2005, the Good Service Mob aims to ensure all Aboriginal and Torres Strait Islander communities are aware of their rights as consumers, and the free services available to help them. In 2015/2016, we took part in the Good Service Mob community information days in Tamworth, Armidale, Quirindi, Wyong, and Umina.

MoneyCounts

In 2015/2016 EWON continued our partnership with Legal Aid's Money Counts Project. This project aims to help resolve energy issues for some of Legal Aid's disadvantaged and vulnerable Aboriginal and Torres Strait Islander clients. We were able to assist customers with large electricity debt, high bills and disconnection.



TOP ISSUES RAISED BY ABORIGINAL AND TORRES STRAIT ISLANDER CUSTOMERS*



* Note: We do not routinely collect information about customers' cultural background but record it if it is offered. Accordingly, these figures significantly under-represent the number of Aboriginal and Torres Strait Islander customers using EWON's services

Case study

Electricity

Mr Bashir at risk of disconnection for broken payment arrangements

Mr Abdella called EWON on behalf of Mr Bashir who had received a letter warning of impending disconnection. Mr Abdella explained that Mr Bashir had financial difficulties and was struggling to pay the bills. He had an outstanding balance of around \$2,340 and his provider asked him to pay the full amount to avoid disconnection. Mr Abdella said Mr Bashir could only afford to pay \$90 a fortnight.

We called the provider to hold the disconnection while we investigated, and discussed Mr Bashir's situation. Mr Bashir worked part time, his wife stayed at home with their two children, and he received Centrelink payments of \$450 a week. His provider advised he had been taken off the hardship program after defaulting on several payment plans.

Due to Mr Bashir's history of broken payment arrangements, his provider would not put him in their hardship program. Instead they offered a three month payment plan of \$77 a fortnight until he had cleared \$1,000 off his arrears.

We called Mr Abdella and explained that what the provider had offered was a once-off special arrangement for Mr Bashir. The \$77 fortnightly payment would cover his usage and he was expected to increase his payments over time. If Mr Bashir met all of his payments over the three months, he would then be assessed for the hardship program.

It can become extremely difficult to assist customers if they repeatedly break payment arrangements offered by their provider, in an effort to save them from disconnection. The law does not require providers to keep offering payment plans in these circumstances.

Mr Abdella confirmed Mr Bashir accepted the provider's offer and thanked us for our assistance.

Category: Investigation **Outcome:** Negotiated resolution
Issues: Impending disconnection, payment arrangement declined, arrears

Customer perspectives

"I have received a cheque from my provider for what they owed me and they have cancelled the gas charges without my even asking for that! Thank you for resolving this matter, I doubt that it would ever have been resolved without your assistance."

"I found your willingness and friendly disposition explaining the outcome very helpful and appreciate your assistance this far. I will make a payment this afternoon and hopefully start the New Year with a fresh start!"

"Thank you so much for all of your help and patience with this case. It has certainly been a long, drawn out exercise!! Our company is very grateful and pleased with the outcome."

"Dear Investigation Team, I would like to inform you that I have had a successful outcome with [my provider] they found I had two accounts and I was paying into the second referenced account and they were only looking at the first. I would like to thank you very much for your intervention as I believe it was that intervention that got the successful result."

"Thank you. Your help in satisfactorily resolving the matter is very much appreciated. Please also thank the provider for their display of customer goodwill. I am sure they understand that it was the inconsistency of their multiple confusing bills that was of concern, rather than an unwillingness to pay the bills."

Complaints by industry

TOP THREE ISSUES BY PROVIDER

Provider	First issue	%	Second issue	%	Third issue	%
1st Energy	Transfer	53%	Marketing	15%	Customer service	10%
ActewAGL	Billing	43%	Customer service	25%	Credit	23%
AGL	Billing	51%	Customer service	27%	Credit	15%
Alinta Energy	Transfer	44%	Marketing	22%	Customer service	19%
Ausgrid	Provision	28%	Supply	26%	Customer service	24%
Australian Gas Networks (Albury)	Provision	67%	Land	33%		
Australian Gas Networks (NSW)	Provision	71%	Customer service	29%		
Blue NRG	Billing	57%	Transfer	29%	Marketing	7%
Click Energy	Billing	54%	Customer service	23%	Transfer	12%
Commander Power & Gas	Transfer	54%	Customer service	17%	Marketing	17%
CovaU	Transfer	31%	Billing	29%	Customer service	18%
Diamond Energy	Billing	61%	Customer service	33%	Credit	6%
Dodo Power & Gas	Billing	53%	Customer service	26%	Transfer	11%
Endeavour Energy	Customer service	33%	Supply	29%	Provision	22%
EnergyAustralia	Billing	51%	Customer service	24%	Credit	16%
ERM Power Retail	Billing	56%	Customer service	22%	Credit	22%
Essential Energy	Customer service	35%	Supply	25%	Land	18%
GoEnergy	Billing	50%	Transfer	33%	Credit	17%
Gosford City Council	Billing	65%	Customer service	20%	Credit	4%
Hunter Water	Billing	31%	Credit	24%	Customer service	15%
Jackgreen	Credit	100%				
Jemena	Customer service	42%	Provision	41%	Land	10%
Lumo Energy	Billing	48%	Customer service	23%	Credit	20%
Momentum Energy	Billing	49%	Credit	20%	Customer service	15%
Next Business Energy	Billing	57%	Customer service	22%	Transfer	9%
Origin Energy	Billing	44%	Credit	29%	Customer service	20%
Powerdirect	Billing	46%	Customer service	26%	Credit	15%
Powershop	Billing	58%	Customer service	23%	Transfer	9%
QEnergy	Billing	54%	Customer service	22%	Transfer	15%
Red Energy	Billing	39%	Credit	21%	Customer service	18%
Sanctuary Energy	Billing	52%	Customer service	32%	Transfer	9%
Shoalhaven Water	Credit	55%	Billing	27%	Supply	9%
Simply Energy	Billing	27%	Credit	26%	Transfer	21%
Sydney Water	Billing	43%	Customer service	18%	Credit	13%
TransGrid	Land	80%	Customer service	20%		
Veolia Water Solutions & Technologies	Customer service	33%	Billing	33%	Supply	33%
Water NSW	Billing	67%	Customer service	33%		
WINenergy	Customer service	36%	Billing	28%	Transfer	24%

Electricity

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

Enova Energy, Mojo Power, Pooled Energy and Urth Energy received no electricity complaints in 2015/2016

There were 93 exempt retailer complaints including residential park operators

581 out of jurisdiction/provider unknown complaints

Electricity providers that received fewer than 50 complaints include 1st Energy, Alinta Energy, Blue NRG, Commander Power & Gas, Diamond Energy, ERM Power Retail, GoEnergy, Jackgreen, Next Business Energy, Powershop, WINconnect and TransGrid.

Provider	Cases received per 10,000 customers in 2015/2016*	Cases received 2015/2016	General enquiry	Complaint enquiry	RHL	Level 1	Level 2	Level 3
Retailer								
ActewAGL	54	165	1	68	44	38	12	2
AGL	27	3,915	19	994	1,484	1,091	234	93
Click Energy	91	195	1	51	104	25	8	6
CovaU	171	129	6	40	56	23	3	1
Dodo Power & Gas	52	119	0	44	61	10	3	1
Energy Australia	27	3,498	38	911	1,419	817	217	96
Lumo Energy	75	521	1	131	240	107	28	14
Momentum Energy	70	144	2	40	62	22	10	8
Origin Energy	36	5,330	86	1,382	2,182	1,196	290	194
Powerdirect	101	380	2	89	156	105	22	6
QEnergy	143	97	4	31	35	17	4	6
Red Energy	50	357	7	108	155	69	16	2
Sanctuary Energy	218	104	0	29	52	16	7	0
Simply Energy	158	422	2	142	151	115	10	2
Distributor								
Ausgrid	2	380	5	195	66	46	35	33
Endeavour Energy	4	345	2	190	89	35	22	7
Essential Energy	4	342	4	143	108	50	22	15

*Based on customer numbers per provider, from the AER as at 30 June 2015

Essential Energy's powerlines, Bega, NSW

TOTAL ELECTRICITY CASES

Level	2014 / 2015	2015 / 2016	% Change
General enquiry	247	319	+29%
Complaint enquiry	6,500	5,205	-20%
Refer higher level	8,189	6,516	-20%
Level 1	6,345	3,816	-40%
Level 2	1,093	954	-13%
Level 3	653	489	-25%
Total	23,027	17,299	-25%

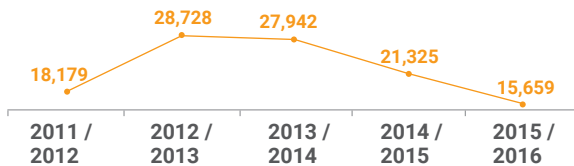
17,299

ELECTRICITY CASES RECEIVED IN 2015/2016

15,627

RESIDENTIAL

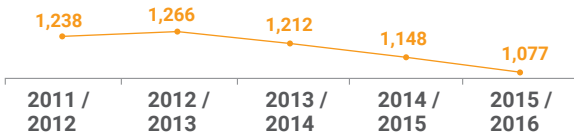
RETAILER



1,515

SMALL BUSINESS

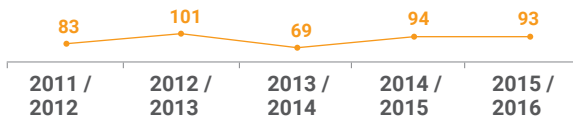
DISTRIBUTOR



157

OTHER (INCLUDING EDUCATIONAL INSTITUTION, GOVERNMENT, NOT FOR PROFIT, PRIMARY PRODUCER AND STRATA SCHEMES)

EXEMPT RETAILER



25%

DECREASE IN ELECTRICITY COMPLAINTS FROM 2014/2015

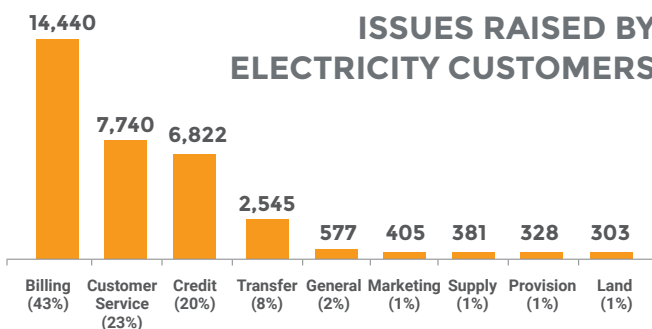
29%

INCREASE IN GENERAL ELECTRICITY ENQUIRIES

33,541

ISSUES RAISED ABOUT ELECTRICITY COMPANIES

ISSUES RAISED BY ELECTRICITY CUSTOMERS



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

ActewAGL Gas Distribution, Allgas Energy, Central Ranges Pipeline, Go Energy received no gas complaints in 2015/2016

There were 7 complaints about exempt retailers

There were 75 out of jurisdiction/ provider unknown complaints

Gas providers that received fewer than 50 complaints include CovaU, Dodo Power & Gas, Powerdirect, Red Energy, Simply Energy, Australian Gas Networks (Albury) and Australian Gas Networks (NSW)

Provider	Cases received per 10,000 customers in 2015/2016*	Cases received 2015/2016	General enquiry	Complaint enquiry	RHL	Level 1	Level 2	Level 3
Retailer								
ActewAGL Gas	35	79	0	28	37	9	3	2
AGL	19	2,781	7	595	1,199	662	230	88
EnergyAustralia	9	1,215	3	233	590	263	79	47
Lumo Energy	21	146	0	27	68	36	6	9
Origin Energy	7	1,054	8	238	519	201	51	37
Distributor								
Jemena	2	206	2	85	70	32	13	4

*Based on customer numbers per provider, from the AER as at 30 June 2015

Jemena's Eastern Gas Pipeline: Michelago compressor station, NSW

TOTAL GAS CASES

Level	2014 / 2015	2015 / 2016	% Change
General enquiry	20	34	70%
Complaint enquiry	1,239	1,313	6%
Refer higher level	2,389	2,503	5%
Level 1	1,496	1,209	-19%
Level 2	325	385	18%
Level 3	132	188	42%
Total	5,601	5,632	1%

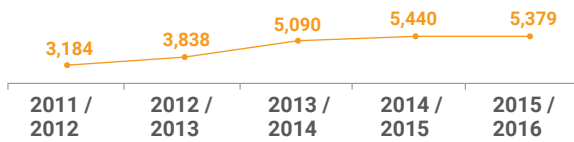
5,632

GAS CASES RECEIVED
IN 2015/2016

5,435

RESIDENTIAL

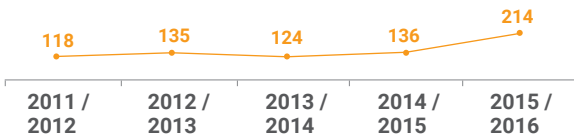
RETAILER



177

SMALL
BUSINESS

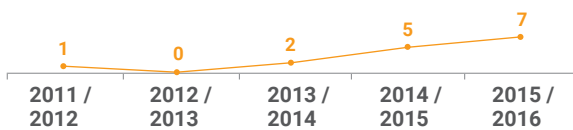
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20

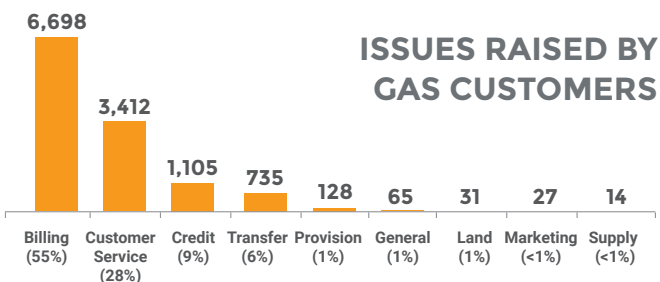
OTHER (INCLUDING GOVERNMENT, NOT
FOR PROFITS AND STRATA SCHEMES)

EXEMPT RETAILER



1%

INCREASE IN GAS COMPLAINTS
FROM 2014/2015



12,215

ISSUES RAISED ABOUT GAS
COMPANIES

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

There were 91 out of jurisdiction/ provider unknown complaints

Aquanet, Sydney Desalination Plant and Water NSW received no water complaints in 2015/2016

There were 4 complaints about exempt retailers

Water providers that received fewer than 50 complaints include Central Coast Council, Essential Energy, Shoalhaven Water, Veolia Water Solutions & Technologies, Water NSW, Flow Systems

Provider	Cases received per 10,000 customers in 2015/2016*	Cases received 2015/2016	General enquiry	Complaint enquiry	RHL	Level 1	Level 2	Level 3
Retailer / Distributor								
Hunter Water	5	119	0	56	37	20	5	1
Sydney Water	3	499	16	223	173	49	24	14

*Based on customer numbers per provider, from IPART as at 30 June 2015

Hunter Water reservoir, 'The Res', Newcastle East, NSW

TOTAL WATER CASES

Level	2014 / 2015	2015 / 2016	% Change
General enquiry	14	19	36%
Complaint enquiry	478	405	-15%
Refer higher level	251	234	-7%
Level 1	116	80	-31%
Level 2	26	36	38%
Level 3	21	17	-19%
Total	906	791	-13%

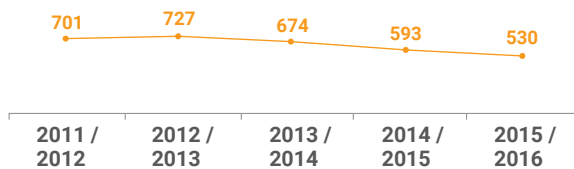
791

WATER CASES RECEIVED
IN 2015/2016

726

RESIDENTIAL

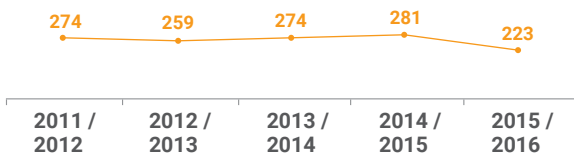
RETAILER



50

SMALL
BUSINESS

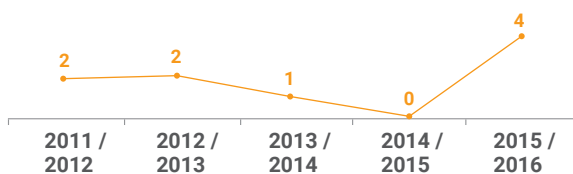
DISTRIBUTOR



15

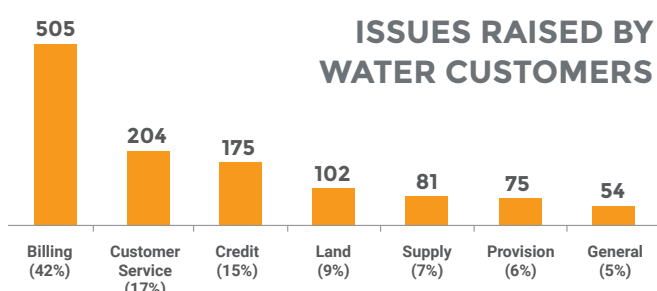
OTHER (INCLUDING NOT
FOR PROFIT, PRIMARY
PRODUCER AND STRATA
SCHEMES)

EXEMPT RETAILER



13%

DECREASE IN WATER COMPLAINTS
FROM 2014/2015



1196

ISSUES RAISED ABOUT
WATER COMPANIES

Engaging our people

Throughout 2015/2016, we continued to invest in our people and build a culture aligned to our mission, core values, supporting behaviours, and people practices.

We focused on capability building, an achievement culture and high staff engagement. We aimed to provide a consistent employee experience, by valued and sustainable offerings in conditions, training, and employee wellbeing.

Values Day

In December 2015, we held an interactive and collaborative workshop to give staff an opportunity to offer their ideas for refreshing the organisation's core values. A key part of the day was dedicated to developing descriptions and supporting behaviours for the six values. The workshop also gave everyone the chance to think about EWON's short and long term goals. The Chair of EWON's Board, Julian Disney opened the workshop by highlighting the dynamics of change that EWON had successfully navigated through over the 18 years since it was set up. He also highlighted the Board's key priorities and considerations for the future.

The Ombudsman, Janine Young talked about the need to build a sustainable organisation for the future and the importance of having values and behaviours to guide all interactions, whether they are with customers, members, external stakeholders or colleagues.

A series of focus groups were held with staff after the Values Day to refine the wording associated with each value and provide practical examples of actions that would bring them to life. The values and behaviours are now being integrated into our key people processes.

For a description of EWON's values see the 'Our values' section on page 12.



Stepping Up leadership program

In 2016 we held our first 'Stepping Up' Team Leadership Program, involving 12 of our current leaders. The program took place over six months and covered five training modules focusing on the role of the manager, effective team-building, and change management.

Staff who participated in the course found it extremely useful, particularly for bringing about meaningful change within their teams. They also valued the knowledge and experience the training added to their professional and personal development. In June 2016, 13 emerging leaders were offered a place in the second program, to begin in August 2016.



Wellbeing program 'Happy Body at Work'

We partnered with the ABC In March 2016 to implement their Happy Body at Work program, designed to improve staff wellbeing in the office and at home.

Staff completed a pre-program survey to establish existing levels of wellbeing. Staff participated in an eight week program, which provided practical strategies and tools to increase energy levels and resilience, and improve physical and mental wellbeing. The program included launch events, program champion sessions, and a series of videos and posters.



91%

of staff found the program relevant to work and home

45%

are coping better with workload and stress

91%

thought the strategies were beneficial

55%

shared things learnt with colleagues, family and friends

Staff engagement

A Staff Engagement Survey was conducted in May 2016 by an external consultant, to establish a baseline measure of how engaged our people are. There was a very high level of participation with 85% of staff completing the survey.

A staff engagement action plan will be developed in late 2016, in consultation with staff to determine the top priority actions from the consultant's recommendations. A 'pulse check' survey will be conducted in early 2017 to gauge our progress with priority initiatives.

The next full Staff Engagement Survey will be held in April 2018.



> Financials

BALANCE SHEET

	2016 \$	2015 \$
CURRENT ASSETS		
Cash and cash equivalent	4,926,421	3,251,793
Trade and other receivables*	2,333,639	14,810
Total Current Assets	7,260,060	3,266,603
NON-CURRENT ASSETS		
Office equipment and intangibles	906,692	1,172,600
Total Assets	8,166,752	4,439,203
CURRENT LIABILITIES		
Trade and other payables	4,751,392	1,029,872
Provisions – annual leave, long service leave and maternity leave	635,390	757,812
Total Current Liabilities	5,386,782	1,787,684
NON-CURRENT LIABILITIES		
Provisions – annual leave, long service leave and maternity leave	348,831	486,515
Total Liabilities	5,735,613	2,274,199
NET ASSETS	2,431,139	2,165,004
Unrestricted funds	2,431,139	2,165,004
Total Funds	2,431,139	2,165,004

CASH FLOW STATEMENT

	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	93,866	90,691
Funding received (members)	10,348,403	13,771,459
Employee and supplier payments	(8,615,271)	(13,197,636)
Net cash inflow from Operating Activities	1,826,998	664,514
CASH (OUTFLOW) FROM INVESTMENT ACTIVITIES		
Office equipment and intangibles	(152,370)	(317,726)
Net increase in cash held	1,674,628	346,788
Cash at the beginning of year	3,251,793	2,905,005
CASH AT THE END OF THE YEAR	4,926,421	3,251,793

DETAILED INCOME & EXPENDITURE STATEMENT

	2016 \$	2015 \$
INCOME		
Annual member casework fees	10,202,285	10,940,882
Annual member fixed fees	1,287,058	1,247,962
Bank interest	93,866	90,691
Member joining fees	26,322	10,530
Gross Income	11,609,531	12,290,065
EXPENDITURE		
Communications	136,262	142,233
Depreciation & amortisation	426,451	490,096
Other employee-related	381,999	337,961
Occupancy	1,121,086	931,358
General and administrative	570,811	529,495
Employee benefits	8,706,787	9,617,940
Total Expenditure	11,343,396	12,049,083
NET SURPLUS	266,135	240,982

*Variation in figures owing to a billing schedule change in 2016



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Keep in touch

