

ANNUAL REPORT

2014–2015



Energy & Water
Ombudsman NSW



OVERVIEW OF WHAT WE DO

The Energy & Water Ombudsman NSW (EWON) is the government approved dispute resolution scheme for New South Wales electricity and gas customers, and some water customers.

OVERVIEW

EWON was founded in 1998 as an industry-based Ombudsman scheme, to independently resolve complaints about members of the scheme.

As an Ombudsman scheme, we work towards a fair and reasonable outcome for all parties. We are an independent body – we are not a consumer advocate, nor do we represent industry.

EWON aims to provide high quality, independent dispute resolution and to help raise customer service standards in the energy and water industries in accordance with our Constitution and Charter.

Our principle responsibilities as set out in EWON's Charter are: to handle consumers' energy and water complaints independently, fairly, informally, expeditiously and free of charge to the consumer; to promote EWON among consumers and small business; and to encourage and provide advice to members on good complaint handling practices to assist in reducing and avoiding complaints.

LIST OF MEMBERS

EWON members

**1 July 2014 to
30 June 2015**

ActewAGL Gas Distribution
ActewAGL Retail
AGL Electricity
AGL Retail Energy
AGL Victoria
Australian Gas Networks (Albury)
Australian Gas Networks (NSW)
APT Allgas Distribution
AquaNet
Aurora Energy (until August 2014)
Ausgrid
Blue NRG
Central Ranges Pipeline
Click Energy
CovaU
Diamond Energy
Dodo Power & Gas
Endeavour Energy
EnergyAustralia

ERM Power Retail
Essential Energy
Flow Systems
GoEnergy
Gosford City Council
Hunter Water
Jemena
Lumo Energy
Momentum Energy
Next Business Energy
Origin Energy
Pooled Energy
Powerdirect
Powershop
QEnergy
Red Energy
Sanctuary Energy
Shoalhaven Water
Simply Energy
Water NSW
Sydney Desalination Plant
Sydney Water
TransGrid
Veolia Water Solutions & Technologies
WINenergy
Wyong Shire Council (until August 2014)

Member changes

- Powershop and Next Business Energy joined the scheme
- State Water Corporation changed its name to Water NSW
- Albury Gas Company and Envestra NSW changed their names to Australian Gas Networks (Albury) and Australian Gas Networks (NSW)
- Red Energy and Lumo Energy were acquired by Snowy Hydro Scheme but operate as separate brands

Index

OVERVIEW	2
EWON Members	2
ABOUT US	8
EWON Board	8
Consultative Council	8
Why does EWON exist?	9
What we do	10
Our services	10
Our structure	11
Accountability	12
Fairness	13
COMPLAINTS THIS YEAR	14
Journey of complaints	14
Overview of complaints	18
Who used our services	19
CONSUMER ISSUES	34
Energy affordability	34
Credit issues	36
Exempt retailers	39
New products and technologies	39
Prepayment meters	40
Systemic issues	41
WORKING WITH STAKEHOLDERS	42
Dareton Project	46
COMMUNITY OUTREACH	48
FINANCIALS	55

Key facts

30,402 CASES RECEIVED

59,117 ISSUES RECEIVED

19% DECREASE IN COMPLAINTS RECEIVED THIS YEAR

30,494 CASES FINALISED

86% FINALISED IN 30 DAYS

10,597 INVESTIGATIONS FINALISED

5,797 NEGOTIATED RESOLUTIONS

CHAIR'S REPORT



Professor Julian Disney, AO, Chair

Message from Professor Julian Disney AO, Chair EWON Board

This year has been a period of significant change for EWON.

After 8 years of substantial increases in the number of complaints received, the number decreased in 2014/2015. Similar trends occurred with our counterparts in other States, largely reflecting perhaps that electricity prices reached a plateau after several years of major rises. There was an increase, however, in the level of complexity of complaints due principally to issues associated with energy affordability.

There has also been accelerating change in the industrial environment due to technological developments and new energy products. This applies especially to the broad expansion of embedded networks and exempt retailers across the market, the longer-term implications of which are likely to be highly significant for EWON.

Unfortunately, the changing industry environment has not been accompanied by adequate changes in the regulatory environment, which is further contributing to the complexity of complaints managed by EWON. A high priority in the coming year will be to redouble our efforts to persuade politicians and public servants, in particular, to be more pro-active in developing and implementing the necessary regulatory reforms.

Major change has also occurred in EWON's leadership. The founding Ombudsman, Clare Petre, decided to stand down after sixteen years of exceptional achievement and dedication. The Board and staff congratulated Clare on the invaluable contribution she made to the industry and to consumer protection, expressing their great appreciation and very best wishes for the future.

Janine Young, the Public Transport Ombudsman in Victoria, was appointed by the Board to replace Clare and she took office in November 2014. The Board has been pleased to see the enthusiasm and energy with which Janine has taken on responsibility for maintaining EWON's great strengths, implementing internal changes that had been decided on before she arrived, and responding to the opportunities and challenges that EWON faces in the changing environment. The Board has continued to focus on supporting the Ombudsman and her staff to maintain and develop the quality and independence of EWON's service, as well as its governance and financial management.

The Board strongly supports the continuing efforts to reduce the need for consumers to complain to EWON, and to seek improvements in industry practice and the regulatory system that enhance public access to affordable and reliable energy. It welcomes the effective work done by a number of EWON members to reduce the need for customer complaints. We hope to enjoy this continued cooperation as newer areas of potential consumer impact develop and new members join the scheme.

Once again, EWON convened two highly successful meetings of its Consultative Council in the year. Attended by over 60 people representing a wide range of organisations, each meeting provided a vibrant and successful forum for bringing together industry and community representatives to constructively share information, concerns and ideas.

In conclusion, I would like to acknowledge and thank several people who left EWON during the year having made important contributions at a leadership level. This applies to three Industry Directors on the Board – Jane Mills, Josephine Monger and Dave Musson. It also includes Peter Star, who was a cornerstone of EWON for many years working far beyond the call of duty to help develop its effectiveness, and to Anne Miller who led EWON's investigations work with great dedication over many years, including during rapid growth in the caseload and staff numbers.

I want also to express my personal appreciation to the EWON staff, who have continued to maintain the commitment, independence and excellence for which EWON is valued, and to my fellow Board members who worked so diligently and constructively throughout the year.

Professor Julian Disney (AO)

Chair
Energy & Water Ombudsman NSW Ltd

OMBUDSMAN'S REPORT



Janine Young, Energy & Water Ombudsman NSW

Strategic partnerships are key to delivering our service to more consumers effectively and efficiently

Ombudsman's message

In today's environment, change is inevitable and EWON is experiencing change on a number of fronts: a change of Ombudsman, changing complaint trends, the emergence of significant changes in the structure of the energy industry, and the development of products that are changing how and where consumers source their energy. The water industry has by contrast remained relatively stable, as has the volume of water-related complaints we received this year. However, we have seen changes in the profile of water complaints with customer service problems increasing while credit and billing complaints decreased. Some water customers are experiencing hardship and accumulating large debt mirroring the energy experience.

In November 2014, EWON farewelled its founding Ombudsman, Clare Petre. During the Ombudsman handover, Clare and I spent considerable time discussing the scheme's history, achievements and current challenges. This valuable backgrounding has enabled me to continue to build on the operational strengths and key stakeholder relationships which Clare established over many years.

Accordingly, in preparing this report I am presenting the ongoing achievements of a well-founded and evolving alternative dispute resolution scheme, from a fresh perspective and with a view to the changing landscape we are now operating in.

An overall decrease in complaints.....

The 2014/2015 business plan and budget was based on a forecast of 42,000 complaints, a conservative increase compared with that experienced by EWON in past years. In fact we experienced a decrease, receiving 30,402 complaints in 2014/2015, down 19%, when compared to 2013/2014.

This is consistent with an overall downward trend in complaints received by other ombudsman offices across Australia. Key reasons specific to EWON were:

- improvements in customer service and internal dispute resolution made by some EWON members
- more modest energy price rises and some easing of costs for consumers during the year
- lower transfer rates in NSW, with fewer consumers switching retailers, reducing the opportunity for marketing and transfer-related problems to occur
- improvements to systemic billing issues that had generated a high number of complaints in previous years.

But concerning complaints about affordability, disconnection and credit related issues.....

It is a major concern that in 2014/2015 we finalised 8,512 complaints relating to affordability, disconnection and credit issues. While this represented a 12% decrease compared with 2013/2014, the reduction was less than we saw in other major complaint categories and complaints concerning denied payment plans rose 19%. The complexity of affordability-related cases is also growing.

In particular, we are seeing a progression from payment difficulties and arrears problems to debt collection, credit listing and disconnection. This is in spite of the fact that in 2014/2015 retail energy prices were quite steady. It is indicative, therefore, that the impact of previous years' price increases are still being felt by many consumers, particularly those who are on low or fixed incomes.

It is a major concern that in 2014/2015 we finalised 8,512 complaints relating to affordability, disconnection and credit issues

The Australian Energy Regulator reported stabilised NSW electricity disconnection rates for 2014/2015 when compared to the prior year's elevated level. However, residential gas disconnections increased significantly.

Conversely, complaints to EWON about disconnection are much lower than actual reported disconnections, representing only 5% of those consumers. We are undertaking research to identify the reasons for this so that we ensure the people who may need EWON's services at that point know how to contact us.

Debt collection and credit rating complaints are now representing an increased proportion of our work, with 3,213 received in 2014/2015. This includes complaints lodged by credit repair agents who are acting on behalf of their clients, and who charge up to \$2,000, even when this amount far exceeds the actual debt listed. In collaboration with the Financial Ombudsman Service, Telecommunications Industry Ombudsman and other Energy and Water Ombudsman offices, we continue to pursue opportunities to inform consumers that rather than contracting with a credit fix or repair agent, they can approach our offices to have disputed credit listings investigated free of charge and, where possible, removed.

Key systemic achievements

In addressing the systemic issues that evolve from our core work relating to resolving consumer complaints, EWON has continued to play an active role in influencing public policy, specifically relating to energy affordability.

In July 2014, we undertook research into the topic of prepayment meters which looked at consumer detriment and benefits, emerging technologies and customer experiences where prepayment meters had been implemented. As part of our research, we circulated a discussion paper and sought submissions from interested stakeholders, and published a report which we shared with industry, government, and the community sector.

Prepayment metering was introduced when electricity was introduced in Australia but the concept of the reintroduction of prepayment meters now is controversial. We knew our work in this area would be seen as either positive or negative, depending on the stakeholder, with one describing it as a 'brave' initiative. The report was finalised prior to my appointment with the conclusion being that prepayment metering should be available to Australian energy consumers, along with a range of other payment options, provided that their installation was based on the customer's informed choice and agreement. I support this view, particularly as a robust consumer framework for prepayment meters already exists in the National Energy Retail Rules for NSW consumers. However, prepayment meters cannot be used in NSW until the NSW Government authorises this.

It is also very encouraging to observe the work of EWON members' internal dispute resolution staff, who work independently and effectively on a day-to-day basis with EWON's investigation team. In the past they have often been the only voice of the customer within their organisations. It is now very apparent that our members are also taking a more systemic approach to address complaint issues, evidenced by the reduction in complaints to EWON.

The power of effective stakeholder relationships

Over the past eight months, it has been a privilege to meet with many of EWON's very capable and committed stakeholders. EWON members, community workers, government officials and other consumer and industry representatives have made their time available to meet with me and discuss the shared issues challenging our organisations and, importantly, to explore the solutions we can work towards. I extend EWON's appreciation to these organisations and to the many people whose hard and often voluntary work ensures the delivery of these vital support services.

We share very productive relationships with NSW Fair Trading, Legal Aid NSW, Financial Counsellors Association of NSW and NSW Council of Social Service and we have welcomed the opportunity to participate in regular joint outreach and communication initiatives with these organisations.

These relationships have also enabled us to further expand one of the key areas of EWON's work, which distinguishes it as a leading ombudsman service, namely our work with Aboriginal consumers in remote communities such as Dareton. Our efforts to improve access to electricity and retailer hardship programs are gaining traction through our work with Legal Aid NSW, Mallee Family Care, Dareton Local Aboriginal Community, Murdi Paaki Aboriginal Housing, Mid Lachlan Aboriginal Housing, NSW Office of Environment and Heritage, Essential Energy and Origin Energy. We still have some way to go with this project and this work is not limited to Dareton. We are working strategically to partner with senior representatives from key Aboriginal peak bodies to expand this into a broader Energy Inclusion and Efficiency project. You can read more about EWON's Dareton project on [page 46](#).

Strategic partnerships, like the one just mentioned, are key to delivering our service to more consumers, effectively and efficiently. In 2014/2015, by taking that approach, we re-developed our traditional Bring Your Bills program with a number of community organisations, notably SydWest Multicultural Services. As a result we have been able to provide very practical assistance to many more culturally and linguistically diverse consumers. We were delighted to see this partnership with SydWest Multicultural Services recognised by a Zest Award nomination and we are working on expanding this program further in the year ahead.

Using this partnership approach, I have also been working at a strategic level with other ombudsmen and consumer advocacy bodies across the telecommunications, finance and energy industries to develop a shared approach to affordability issues for vulnerable consumers. After all, affordability for all of these products and services impacts the consumers who are contacting our offices.

Credit collection and credit rating complaints are now representing an increased proportion of our work, with 3,213 received in 2014/2015

Challenges and opportunities ahead

In 2015/2016, we will continue to focus on improving the effectiveness and efficiency of our complaint handling processes and developing our strategic partnerships to advance our work with communities including Aboriginal and CALD consumers. This will be driven through:

- delivering on a range of key projects built around the *Benchmarks for Industry-based Customer Dispute Resolution* and EWON's six key capabilities – people leadership, dispute resolution, stakeholder engagement, issues management, business processes and information technology management and corporate governance
- determining jurisdictional powers and managing customer complaints related to exempt networks, which are increasing in number
- anticipating and responding to consumer impacts as the energy market incorporates solar products and the development of emerging technologies
- continuing our work in raising awareness about consumer rebates, particularly in light of the widening of the NSW Government rebate scheme from 1 July 2015.

Thank you

I welcome this opportunity to express my thanks to the Board for its support since my appointment.

Finally, I would like to thank EWON staff for their professionalism and commitment to providing fair and reasonable outcomes to the consumers who contact us. This is the driving force behind our ongoing contribution to social justice across New South Wales, and vitally, it ensures that we continue to meet our objective of keeping vulnerable customers connected to essential services.



Janine Young

Ombudsman
Energy & Water Ombudsman NSW

ABOUT US

EWON BOARD

The Board of Directors is responsible for corporate governance, funding and strategy for EWON. The Board comprises an independent Chair, five Industry Directors representing the electricity, gas and water provider members of EWON, and five Community Directors, who represent consumer interests.

Members of the Board up till 30 June 2015 were:

- Professor Julian Disney, Chair
- Grant Arbuthnot, Tenants Union of NSW
- Maria Good, Christian Community Aid Service (CCAS)
- Carolyn Hodge, NSW Council of Social Service (NCOSS)
- Josephine Monger, AGL
- Jan Prichard, Origin Energy
- Elizabeth Priestley, WayAhead
- Angela Tsoukatos, Sydney Water
- Wayne Warburton, Wesley Mission
- Ian Israelsohn, Jemena
- Danielle Manley, Endeavour Energy



EWON Board

Back row (from left): Grant Arbuthnot, Angela Tsoukatos, Julian Disney, Ian Israelsohn, Danielle Manley.

Front row (from left): Elizabeth Priestley, Wayne Warburton, Maria Good.

Absent: Caroline Hodge, Josephine Monger, Jan Prichard.

EWON CONSULTATIVE COUNCIL

Consultative Council meetings provide a forum that is open to consumer and small business representatives and to all Members for the purposes of:

- providing updates to and consulting with EWON's key stakeholders
- providing EWON's key stakeholders with an opportunity to raise issues and to put forward their views
- contributing to EWON's forward planning

In accordance with our Constitution, EWON must convene a Consultative Council meeting chaired by the Board Chair at least twice each year.

EWON CONSULTATIVE COUNCIL MEETINGS

5 November 2014

Introduction and welcome

Julian Disney, EWON Chair

EWON overview and current issues

Janine Young, Ombudsman

Response to EWON's Prepayment Options Discussion Paper

Emma Keene, GM (PACE), EWON

Jane Leung, Policy Officer, EWON

Update on AGL's affordability project

Lauren Solomon, Manager Retail & Social Planning, AGL

Key issues raised for general discussion:

- Costs and funding of smart meters
- Business benefit of prepayment
- Dedicated retailer phone lines for community workers
- EWON's cross-sector engagement in Dareton
- Energy inefficiency in rental housing
- Energy Accounts Payment Assistance (EAPA) and digital bills
- Community agency funding reductions

6 April 2015

Introduction and welcome

Julian Disney, EWON Chair

EWON overview and current issues

Janine Young, Ombudsman

New approaches in welfare for sustainable, long-term change – The Salvation Army

Kianna Spicer, Territorial Assistant Doorways Coordinator

Johanna Susanto, Territorial Research Manager

Vaughan Olliffe, Doorways Project Assistant

Embedded network and exempt retail issues

Emma Keene, GM (PACE), EWON

Key issues raised for general discussion:

- Doorways Program for over-the-phone assessment and referral
- EAPA pilot in two residential parks
- EWON's jurisdiction in regard to embedded networks
- Estimated billing and meter access issues
- Guidelines for EAPA allocations
- Retailer hardship programs

Why does EWON exist?

Ombudsman services such as EWON are an important part of Australia's social justice framework. According to the Productivity Commission's *Access to Justice Arrangements* report finalised this year, industry Ombudsman services contribute to around 550,000 complaint resolutions annually and there exists a general consensus among stakeholders that ombudsmen are effective in promoting access to justice. Ombudsman offices can resolve complaints quickly, at no cost to complainants, and in a proportional manner. The *Access to Justice Arrangements* report also notes the effectiveness of our services in overcoming the power imbalance between organisations and individuals.

Of all legal problems faced by Australians, consumer issues are the most common, accounting for over 20%. Typically consumer complaints do not warrant the cost of a hearing in a tribunal or court. However, even relatively small matters are important to resolve because of the impact they can have on the individual. As a number of individuals may be affected, early resolution of small disputes can prevent little problems becoming much bigger problems.

EWON was established to give consumers access to free, fair and independent resolution of electricity and, later, gas and water disputes. With the authority to investigate complaints and to make determinations binding upon scheme participants, EWON performs a critical function in balancing the position of individual consumers and large organisations.

The sense of powerlessness that can be experienced by any individual when dealing with an organisation is intensified for many customers because of barriers and vulnerabilities impacting their ability to resolve issues independently. They may have limited English, poor literacy, health issues, disability or be in financial hardship. It may also be intensified by frustration resulting from difficulty contacting the organisation or failure to resolve a problem directly with them because of a lack of a helpful or otherwise satisfying response. We provide an important channel for resolution where customers feel they cannot achieve this themselves.

While consumer complaints are our mainstay, our work goes beyond this. We also exist to raise customer service standards in the energy and water industries. To this end, through analysis, research and policy development we:

- identify systemic issues, bring them to the attention of the agencies and organisations involved and prescribe resolutions
- identify best practice and raise standards in the industries and agencies within our jurisdictions
- present government and regulators with consumers' perspectives and experiences, and make policy recommendations informed by the understanding that our work affords.

Enzo fears debt and trouble when he can't find out who to pay for his gas usage

I'm scared!

I haven't had the proper education to be able to write a nice letter. But I'll do my best.

I know I'm doing something wrong, but I don't know what it is. In May 2014 my gas retailer stopped being my gas retailer because they lost the billing rights.

I've been informed that I was going to receive an invoice in the mail for the gas bill, but I haven't received it yet.

I've been using gas for one year and paying nothing for the gas that I have used.

I know I can't continue using gas and not paying for it.

I have written to some retailers [to find out if they are my retailer] but without success. I probably haven't done it properly.

It is very hard for me to understand what the people say on the telephone and for this reason I don't make phone calls nor do I answer phone calls...

I've asked a Member of Parliament for help and I've been told to ask the Ombudsman and that's what I'm doing. I know I need a gas retailer to read my gas meter and charge me for the gas I use, but I don't know how to get one. Therefore if it is possible please inform me how to get a gas retailer without having to use the phone.

Thank you.

After we received Enzo's concerned letter, we contacted the Australian Energy Market Operator to determine who the customer's gas supplier was, then wrote to the customer to advise him which company had billing rights for his home. We explained how he could contact the supplier to set up an account if he still did not have a bill from them, and we provided some information about how to prevent future energy marketing, which he had identified as a source of worry to him. We also invited him to return to EWON for help if he had any further problems. Soon after, we received a letter from the customer saying:

"I was scared they could call me a criminal... but the supplier has solved the problem! Once again, thank you!"



EWON staff running an information stall on outreach

WHAT WE DO

Our services

EWON is the approved dispute resolution scheme for New South Wales electricity and gas customers and some water customers.

Our aim is to provide high quality, independent dispute resolution for energy and water customers, and to contribute to raising overall standards of customer service in the energy and water industries.

Consumers can approach EWON about a range of issues relating to:

- billing and credit
- disconnection or restriction of supply
- provision or failure to provide energy or water services
- transfers between energy providers
- electricity and gas marketing
- actions by a provider that impact on land or other property
- quality of supply.

We work with energy and water providers in a number of ways, including:

- investigating disputes that have not been resolved through their internal systems
- encouraging continuous improvement and consistency in customer service
- providing reports and analysis to help raise industry standards and reduce complaints
- creating opportunities to improve relationships with customers.

Timely case-handling

To achieve best practice, EWON closely monitors 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 86% of cases within 30 days, up from 84% last year. Only 5% of cases were opened longer than 90 days, in line with our corresponding benchmark.

Internal review

EWON applies 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 of their case and if they can:

- indicate bias in our investigation
- provide relevant new information, or
- show an error or omission by EWON.

This year we received 32 formal requests for internal review from 10,597 finalised investigations.



In 2014 we held our tenth annual Anti-Poverty Week forum

OUR STRUCTURE

In 2014/2015, EWON comprised five Groups working under the leadership of the Ombudsman.

Investigations

The Investigations Group is made up of specialist teams who handle complaints of varying complexity. They aim to assist customers and their providers to resolve problems as quickly as possible.

Investigations Officers undertake a range of actions to investigate and resolve customer complaints, including: review of information provided by the parties to a dispute, review of relevant legislative provisions, comprehensive research, site visits, and referral to independent experts for advice where necessary. In reaching an outcome, they consider the law, industry best practice, and what is fair and reasonable in the circumstances of each case.

Corporate Services

The Corporate Services Group provides essential administrative, accounting, and information technology support for the organisation.

Human Resources

The Human Resources (HR) Group partners with managers and staff to maximise the engagement and contribution of people to make EWON a 'great place to work' and to deliver our strategic plan and services by building the HR strategy, developing key capabilities and providing a framework of policies and procedures which attract, retain and develop our highly professional staff.

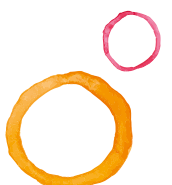
Governance and Communications

The Governance and Communication (G&C) Group is responsible for corporate governance and servicing the EWON Board. It manages member and stakeholder relationships, and coordinates internal and external reporting functions. In addition it also raises awareness of EWON's services and energy and water issues affecting consumers through media and other communications channels.

G&C also includes the Assurance and Continuous Improvement group, which is responsible for continuous improvement in the case management process and identifying learning and development opportunities.

Policy and Community Engagement

The Policy and Community Engagement Group works closely with investigations to identify and address trends in complaints and systemic issues that arise from our case work. It also provides research and analysis support to other EWON groups. In addition to producing reports and submissions, the group is also responsible for delivering an effective community outreach program to promote awareness of EWON and educate consumers and their advocates about energy and water utility issues.



OUR BENCHMARKS

EWON plans its activities and measures its success against the six benchmarks identified in the Commonwealth Government's *Benchmarks for Industry-based Customer Dispute Resolution* (CDR Benchmarks): accessibility, independence, fairness, accountability, efficiency, and effectiveness.

The CDR Benchmarks recently underwent review and were republished in March 2015. This framework describes the underlying principle and purpose of each benchmark and sets out practical ways for ombudsman offices to implement them.

We continually review how we can improve our services and maintain efficient processes. This year we undertook a range of projects to ensure and enhance our performance against the CDR benchmarks. We introduced an internal quality assurance program to regularly assess and evaluate our investigations work. Through this program we ensure the consistency, efficiency and thoroughness of case handling across the organisation.

Last year's Annual Report highlighted what accessibility and independence mean for our work at EWON. This year, we describe what accountability and fairness mean in our organisation.

IN FOCUS: ACCOUNTABILITY

Accountability is integral to establishing and maintaining trust with customers, members and other stakeholders. The underlying principle of accountability is that an office should account for its operations by publishing its final determinations and information about complaints as well as reporting any systemic problems to its participating organisations, policy agencies and regulators.

Accountability ensures public confidence in our scheme and allows both our performance and our members' performance to be assessed and improved. We carefully consider feedback from complainants, energy and water providers and other stakeholders to continuously improve our processes and service.

We are responsible to our stakeholders. We report regularly to the Australian Energy Regulator, the Independent Pricing and Regulatory Tribunal, NSW Government and to our members, and we publish an annual report and biannual newsletter recording our activities and complaint statistics. These publications are publicly available in print and online. Likewise, our complaint handling guidelines and policies are available to participating organisations, complainants and other interested parties.

We are transparent about our investigation and decision making process. We advise all parties to a complaint of our decision and the reasons for it. We also advise customers that they may request a view of our decision if they are able to put forward new information or identify an error in our findings or the information upon which they are based.

• confidence • timeliness • accuracy • transparency •

IN FOCUS: FAIRNESS

The underlying principle of fairness is that procedures and decision making should both be, and be seen to be, fair.

In conjunction with independence, fairness is central to our work at EWON. It underpins every stage of our complaint handling process and the administration of the scheme, as well as our dealings with all stakeholders – customers, members, consumers, advocates, regulators, suppliers and staff. At EWON, we ensure that we undertake our function in a manner that is both fair and seen to be fair. Our processes, actions and decisions must neither be nor appear to be partial, biased or prejudiced.

Procedural fairness is a key practice of the fairness principle. At EWON it means that we begin the complaint handling process by ensuring that energy and water providers have the opportunity to resolve a customer's problem first. In practice, this means we check with customers that they have attempted to raise the issue with their provider. Where appropriate, we then refer them to their provider's specialist dispute resolution team and let the customer know they can contact us again if they aren't satisfied with the provider's response. Fairness to customers also means being attentive to their individual circumstances, including a complainant's health or language issues.

Fair treatment means all parties to a complaint are given the opportunity to put forward their case and respond to the case put by the other. We provide reasons for our decisions, which are based on what is fair and reasonable, having regard to good industry practice, relevant codes of practice and the law. While these considerations set out general principles and determine each party's responsibilities, in the service of fairness every case is considered individually and with reference to its specific circumstances.

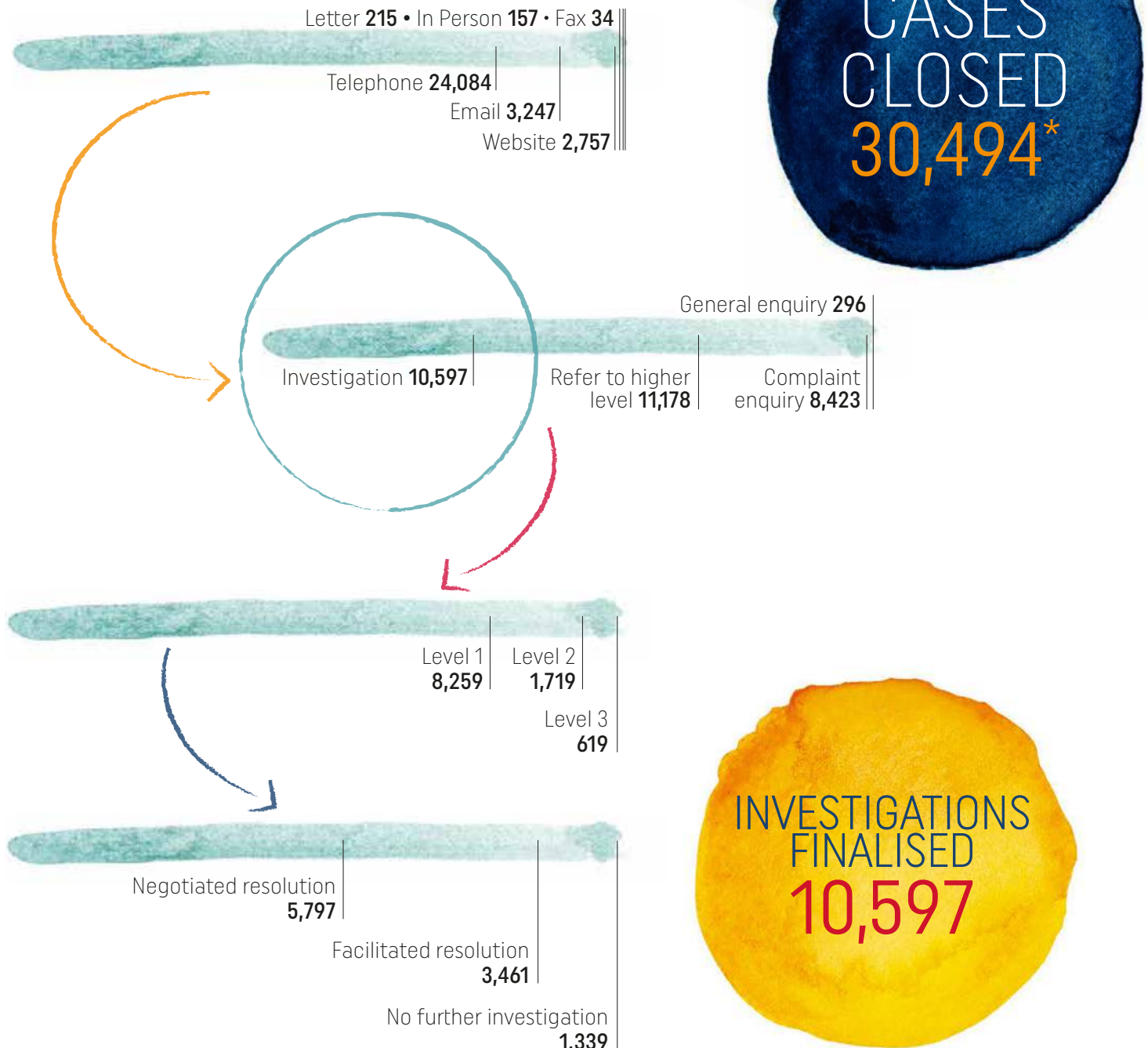
Confidentiality is also a key practice in implementing the fairness principle, and to this end we take care to observe customer and commercial confidentiality in the complaint handling process as well as in our reporting. Information provided to our office for the purposes of resolving complaints is kept confidential, unless disclosure is required by law or for any other purpose specified in the benchmarks. Our organisational practices are guided strictly by our privacy policy, which meets the requirements of the 13 Australian Privacy Principles.

Consistency, compliance and accountability across decisions and determinations are also fundamental to ensuring fairness in our case handling. To this end we conduct regular audits of our investigations work.

• consistency • justice • equity • impartiality • objectivity •

COMPLAINTS THIS YEAR

Journey of complaints



* In 2014/2015 more cases were also closed than opened as we complaints matters opened prior to 1 July 2014.

We receive enquiries and complaints by phone, email, online form, fax and letter. In 2014/2015, 79% of customers called us, 11% contacted us via email and 9% used our online form to submit a complaint. The case categories and complaint-handling process we follow in responding to complaints are outlined below.

General enquiry

A contact about an energy or water case that isn't a complaint or about a complaint that is not related to energy or water

When we first take a call, we ask the customer the reason for their call. Sometimes the customer is contacting us about an energy or water matter but they don't have a complaint, for example they may be trying to phone their supplier but have called us in error. Or they may have a complaint that is not about energy or water, such as an issue with a phone provider. We note their call and refer them to the correct organisation where appropriate, close the file and categorise it as a general enquiry.

Complaint enquiry

A request for information or assistance about an energy or water matter that we can settle quickly

When the customer presents a complaint about a water or energy provider, we ask if they have already raised the issue with the provider. If they say they haven't, we advise them to speak to the provider in the first instance and let them know they can contact us again if they are not satisfied with the provider's response. Sometimes the customer has a question that we can address immediately, such as a request for referral to an agency distributing Energy Account Payment Assistance or a query about an approved fee or charge on their account. These cases are classified as complaint enquiries and closed.

Refer to Higher Level (RHL)

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

Typically if a customer tells us they have already attempted to resolve their issue with the provider, we offer to refer them back to the company at a higher level. We categorise these complaints as Refer to Higher Level (RHL). In 2014/2015, we referred 37% of complaints to providers under the RHL arrangement, in line with the previous year.

This approach gives the company a further opportunity to resolve the customer's problem directly. Importantly, it also gives the customer an opportunity to have their complaint reviewed by more senior staff working within the company's specialist complaints area. We have protocols in place requiring that the provider contact the customer within two business days to discuss resolution. If the customer is not contacted within the time frame, or is not satisfied with the outcome, the customer can return to EWON for assistance.

EWON monitors the performance of each company to ensure that this continues to be an effective and efficient way to resolve some complaints. This year, of our 11,178 RHL complaints, we received 669 reports of 'failed' RHLs, that is where the provider does not respond to the complainant within the stipulated time frame. This lack of follow up can lead to greater frustration for the customers, more work for EWON, and more cost for the company.

Where we identify significant vulnerability, such as limited English language proficiency or mental health issues, or where other circumstances are indicated, we may exercise discretion not to refer the customer back to the provider and we remain directly involved in the complaint.

CASE STUDY

ELECTRICITY: Referral back to her retailer leads to a satisfying outcome for Maya

Maya received a brochure in the mail advertising an energy deal from her retailer that she thought looked very good, so she contacted the retailer to sign up. The retailer told Maya that the special offer was only supposed to be for customers in Victoria and that it had been mailed out to her in error so they could not offer her the deal.

Maya called EWON because she thought that since she was offered the deal, she should be able to take advantage of it. We referred Maya to her retailer's specialist dispute resolution team and told her that the company should contact her within two business days to attempt to resolve the complaint.

A few weeks later, EWON received a letter from Maya thanking EWON for helping with her complaint and advising that she was happy with the outcome of our referral as her retailer had agreed to honour the offer.

Category and outcome: Refer to higher level. **Issue:** Energy marketing.

Investigations

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

If we consider the RHL process is not appropriate in the circumstances, if the customer declines to be referred to their provider, or if they are returning to EWON because they are dissatisfied with the response they received from the company, we will investigate the case.

In 2014/2015, we opened 10,520 investigations and we closed 10,597 investigations. This was higher than the total of cases opened in 2014/2015 as we also closed a number of matters opened prior to 1 July 2014 during the period. We close a case when we have successfully facilitated or negotiated a resolution between the customer and the provider, when we conclude that a case warrants no further investigation, or when a customer withdraws their complaint.

Typically, an investigation involves speaking with all parties to obtain the facts and circumstances of the case from their point of view. Where appropriate, we offer the customer referral to other services, for example welfare agencies, financial counselling and tenant advisory services.

We analyse any information provided by the provider, for example metering data or voice recordings of energy contracts. We also review relevant legislative provisions, conduct comprehensive research and, where required, we make site visits and consult with independent experts. In reaching an outcome, we consider the law, industry best practice and what is fair and reasonable in the individual circumstances of each case.

Investigated matters are categorised as Level 1, Level 2 or Level 3, depending on the time and resources required to finalise them. Level 1 complaints are generally resolved in 240 minutes or less, require collecting and clarifying information relating to the investigation and involve several contacts with the customer and the member.

When a resolution has not been reached at Level 1 and EWON considers further investigation is necessary, we upgrade a case to Level 2. These cases typically require detailed investigation, research and analysis as well as a detailed written report for the customer. If a case is still not resolved after 480 minutes but merits further investigation, if we make unsuccessful requests for information from the energy or water provider concerned, or if we are unable to negotiate a settlement without expert advice, the matter is upgraded to Level 3.

CASE STUDY



ELECTRICITY: Andrea overpays bills by thousands of dollars due to a problem with meter data

Andrea received a higher than normal electricity bill and disputed it with her retailer. When she was unable to resolve the issue directly with them, she came to EWON and asked us to investigate the accuracy of the bill. Based on the information available at the time, EWON's investigation concluded that Andrea was billed appropriately.

Sometime later, Andrea was still unhappy with the outcome so she returned to EWON with further information relevant to the case, and requested an internal review of the matter. The metering arrangements had recently been changed from "subtractive metering" (a master meter and a sub meter) to a standalone meter. Subtractive metering required an adjustment to the meter data. The retailer's billing system did not support this type of meter data adjustment. However, they agreed to a manual billing adjustment to rectify the issue and adjusted the account down from \$2,710 to \$1,771. The retailer also offered a customer service gesture of \$140 to acknowledge the delay in resolving the matter.

A further review identified a discrepancy with the billing data dating back to September 2005, so Andrea also raised concerns about the historical billing of the account. This resulted in further investigation by the energy distributor that resulted in the retailer reimbursing \$7,466 for overpaid bills. As a different retailer held the billing rights prior to the current retailer, the distributor reimbursed the customer \$3,808 in overpayments on the former account. This resulted in a total of \$11,274 being refunded to Andrea.

Category: Investigation. **Outcome:** Negotiated resolution, customer compensated by provider. **Issues:** High bill, metering, significant provider error.



Outcomes

Facilitated resolution, negotiated resolution, no further investigation and determination

In 2014/2015, in addition to the enquiries and RHLs we closed, we facilitated 3,461 resolutions, negotiated 5,797 resolutions and closed 1,339 cases we considered required no further investigation. Facilitated resolutions are those where the member has taken positive, proactive steps to seek resolution of a customer's complaint in an efficient and timely manner without significant EWON involvement. In a negotiated resolution, EWON has conducted a full investigation and has been actively involved in negotiating a fair and reasonable outcome for the parties. When EWON's investigation concludes that the member's position is reasonable, when the customer withdraws a complaint or where they are unable to be contacted, a case is closed on the grounds of no further investigation.

While we generally classify investigated cases as Level 1, 2 or 3, very occasionally the Ombudsman will make a determination, also called a binding decision. A determination is an enforceable order to a provider to take a prescribed course of action. In 2014/2015 the Ombudsman made no determinations.

We send the customer a report detailing the outcome of our investigation and the rationale for our decisions. Fairness and accountability require that our customers can request a review of our decision regarding their case within three months of receiving our written report. If they can show new information not available at the time of the investigation or if they can show an error in our investigation or in the information upon which a decision was made, we will re-open a case for internal review by our Assurance and Continuous Improvement team and senior investigators. In 2014/2015, we received 32 requests for internal review. 10 of these requests were found to have met the grounds of EWON's internal review process, resulting in further investigation of aspects of those customers' complaints. The majority of the cases that were reinvestigated were due to the customer providing additional relevant information that was not available at the time of the investigation.

Maryanne

"Please accept my sincere thanks for clearly what has been a thorough investigation."

CASE STUDY

WATER: Betty's story Water provider denies claim for expensive plumbing works

Betty spent over \$31,000 on plumbing works to fix flooding and sewerage problems on her property. She believed these problems were caused by her water provider altering the underground water course when they decommissioned her septic system and connected her house to the sewerage system. Water and sewage were pooling on her property, resulting in damp that had extended into her house, causing a large mould problem and property damage.

Betty lodged a claim with her water provider to cover the plumbing expenses, but this was denied on the grounds that they did not consider they were responsible for the damage. Betty was unhappy with this outcome so she contacted EWON for help.

The water provider considered it had already done everything it could to prove that they were not responsible, so they requested that EWON seek the opinion of an independent expert. We engaged a geotechnical engineer, who reviewed all the available information and conducted an onsite visit to assess whether the sewerage system upgrade could have altered the water course. The independent engineer concluded that the water course was not altered by the water provider's sewerage upgrade and identified suspected interference to the sewerage system by a neighbouring property.

EWON's investigation concluded that the water retailer's denial of Betty's claim was appropriate in the circumstances because the installation of the new sewerage system had not caused the pooled water and sewer deposit issues surrounding Betty's house.

Although this was not a favorable outcome for Betty, the independent expert's advice was finally able to give her an understanding that her water retailer was not responsible for the damage to her property.

Category: Investigation. **Outcome:** No further investigation, insufficient grounds. **Issues:** Compensation, property damage.

TIME TAKEN TO FINALISE COMPLAINTS

1-2 days	3-14 days	15-30 days	31-90 days	91-180 days	>180 days
42%	37%	6%	9%	4%	2%

85%

of complaints were finalised within 30 days

OVERVIEW OF COMPLAINTS

EWON finalised 30,494 complaints in 2014/2015, down 20% from last year's 38,299 complaints. After prior periods of dramatic growth in our caseload, 2014/2015's decreasing complaint volumes enabled us to maintain a case closure rate of 100% despite the increased complexity of a rising number of cases and poor response times from some providers.

This year we finalised 8,423 (28%) cases as complaint enquiries. There were 10,597 matters (35%) allocated for investigation, up from 33% in 2013/2014. It was pleasing to see Level 3 matters remain low in 2014/2015 with less than 6% of investigations falling into this highest category. There were no determinations (binding decisions) by the Ombudsman this year.

Electricity complaints continued to dominate in 2014/2015, accounting for 23,108 complaints (76%), however, this represented a further 3% reduction in electricity's share of total complaints. Water complaints likewise decreased in the year (910 complaints down from 1006 in 2013/2014), retaining a stable share of around 3% of total complaints. Gas complaints on the other hand increased in volume and share, accounting for 5551 complaints (up from 5,264 in 2013/2014) and, notably, 18% of total complaints.

REFERRALS WE PROVIDED TO CUSTOMERS

Energy/water provider	6,805
Community agency/Energy Accounts Payment Assistance/water Payment Assistance Scheme	1,008
Referred to retailer hardship team	657
NSW Fair Trading/NSW Civil & Administrative Tribunal	602
Another Ombudsman	378
Other Government agency	311
AER/Energy Made Easy website	298
Legal/tenancy advisor	235
Financial counsellor	195
Private contractor	137
Department/Minister for Energy/Water	66
Independent Pricing and Regulatory Tribunal	45

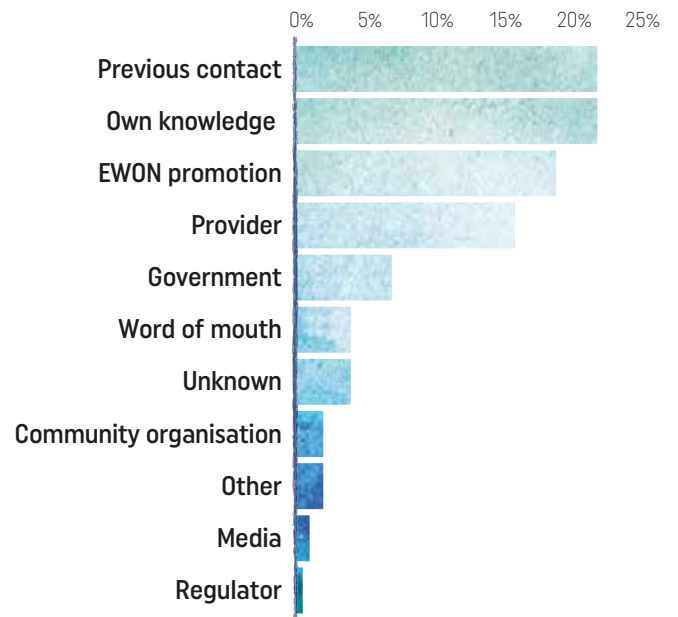
1,008

referrals to a community agency



EWON's services are available to small business as well as consumers

HOW CUSTOMERS HEARD ABOUT US



16% of customers heard about us through their provider

WHO USED OUR SERVICES

Overall, the picture of people who used our services in 2014/2015 was consistent with previous years:

- 92% of complaints were from residential customers
- 7% of complaints were from small business customers
- 30% of complaints were from people living in regional, rural and remote areas of NSW
- 51% were male, 49% were female
- 79% contacted us by phone
- 9% used our online form to submit their complaint
- 11% of complaints were lodged by email

Advocates and Authority to Act

Sometimes the person contacting us about a complaint is not the customer but an advocate. Anyone not authorised on the account the complaint concerns is considered an advocate. They may be a friend, a family member or a community worker for example. In this case, before we continue with the complaint we seek an authority to act from the customer. This can be done by completing and submitting a form to us, or else authority to act may be given over the phone.



OVERALL
COMPLAINTS
DOWN 20%

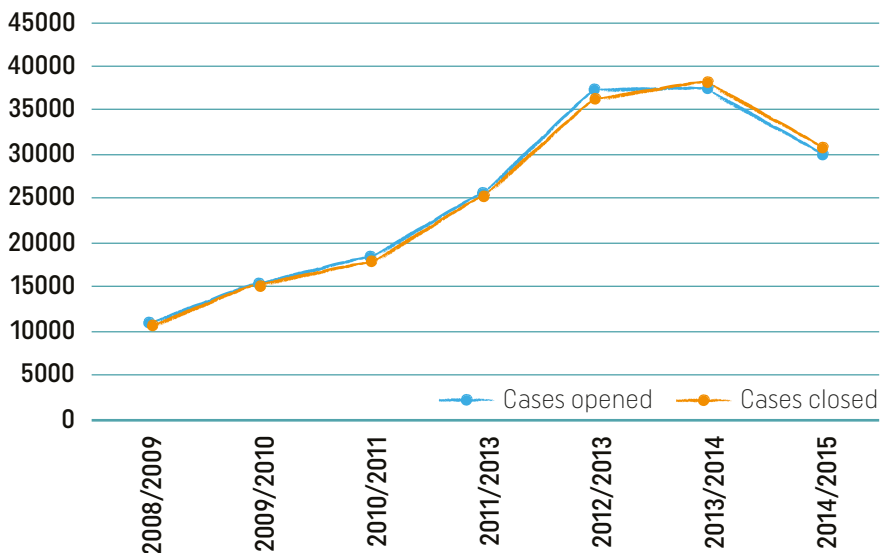
COMPLAINT CLOSURE TRENDS

	No. complaints 2013/2014	No. complaints 2014/2015	% change
General enquiry	506	296	-42%
Complaint enquiry	11,493	8,423	-27%
Refer higher level (RHL)	13,673	11,178	-18%
Level 1 investigation	10,328	8,259	-20%
Level 2 investigation	1,852	1,719	-7%
Level 3 investigation	447	619	+38%
Total	38,299	30,494	-20%

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 company's specialist dispute resolution team
- Investigation: a complaint that cannot be resolved between customer and company, EWON investigates and negotiates an outcome

YEAR TO YEAR COMPARISON



CASE STUDY

ELECTRICITY: Malcolm wants compensation for generator costs and food loss during a long blackout

Malcolm was working on his roof when a 55 hour blackout began. Malcolm called his distributor and told them that he needed power to keep working on the roof of his house as it was exposed. Malcolm said he was advised by the distributor to take the cheapest option to restore power – which Malcolm explained was to purchase a generator for \$1,200 – and to submit a claim for compensation afterwards.

Later Malcolm made a claim for food spoilage plus the cost of the generator, but he was dissatisfied when the distributor said they would pay \$450 to cover food loss and \$150 towards the generator. He believed that the blackout had resulted from the cable being laid too shallowly and, as he considered it was due to the distributor's negligence, he wanted it to pay \$1,000 towards the generator he had purchased.

Malcolm asked EWON to look into the matter. We explained that we could review the reasonableness of the distributor's offer, but that distributors do not guarantee supply 100% of the time.

EWON spoke with the distributor and they explained that the damaged cable was not on land. It was an underwater cable and was taken onto the land to carry out repairs, therefore it would not have been buried underground at all. They also noted that their staff would not have advised Malcolm to purchase a generator and make a claim afterwards as this was against their policy.

We considered that there were special circumstances in Malcolm's case. His roof was exposed, he had three phase power and he lived on an island. These factors created urgency for power supply, delayed the reconnection and made it more costly to get the generator on site. We advised that in these circumstances it was reasonable for the distributor to increase their compensation offer by an amount equivalent to the expected cost of an additional two days' generator hire because that was how long the power was off.

The distributor agreed to offer a settlement of \$750. Malcolm accepted this offer and thanked us for our help.

Category: Investigation. **Outcome:** Negotiated resolution, customer compensated by provider.

Issues: Compensation, supply, customer service.

CASE STUDY

WATER: Financial hardship leaves Louisa facing restriction of supply

Louisa called EWON to ask where she could go to get a water Payment Assistance Scheme (PAS) voucher, as she couldn't afford to pay the \$790 outstanding on her account. She explained that she had received a restriction notice from her water provider a couple of weeks earlier, but she couldn't contact the provider at the time as her phone wasn't working. Louisa wasn't certain if her supply had been restricted, but she did think the water pressure had dropped.

We referred Louisa to several community agencies in her local area. We explained that community workers can now phone her water provider to discuss PAS and that the agreed amount of PAS is then be applied to the customer's account directly. Then we contacted the provider to request a hold on Louisa's account while she was seeking PAS and called Louisa to let her know the hold was in place. At that point Louisa revealed that she was struggling with her bills because a building fault had caused damage to her bathroom that she was having to pay to get fixed. Her bank card had also been skimmed and she was unable to buy Christmas food for her family.

We arranged for the hardship assistance team at Louisa's provider to call her directly to discuss PAS and the provider offered to apply \$600 in PAS to her account. It also gave her a payment extension on the \$190 still owing and arranged for a plumber to come out to assess her bathroom and plumbing at no charge.

Louisa was very grateful and thanked EWON for our assistance.

Category: Investigation. **Outcome:** Negotiated resolution, referral to community agency and PAS, plumbing assistance. **Issues:** Financial hardship, supply restriction.



COMPLAINTS ABOUT ELECTRICITY RETAILERS

	2013/2014	2014/2015	% change
Origin Energy	10,635	7,737	-27%
EnergyAustralia	8,035	5,205	-35%
AGL	5,025	5,058	+1%
Simply Energy	313	488	+56%
Powerdirect	366	481	+31%
Lumo Energy	612	473	-23%
Click Energy	239	349	+46%
Sanctuary Energy	364	338	-7%
Red Energy	309	240	-22%
Dodo Power & Gas	199	235	+18%
Momentum Energy	145	205	+41%
ActewAGL	256	183	-29%
QEnergy	125	140	+12%
CovaU	1	71	+7000%
Jackgreen	69	59	-14%
Diamond Energy	9	11	+22%
ERM Power Retail	9	11	+22%
Commander Power & Gas	1	9	+800%
Blue NRG	-	7	-
Next Business Energy	-	2	-
Powershop	-	1	-

70%
of total complaints
concerned
electricity retailers

RETAIL/DISTRIBUTION COMPARISON

		No. complaints 2013/2014	No. complaints 2014/2015	% change
Electricity	Retailer	28,600	21,415	-25%
	Distributor	1,262	1,143	-9%
	Exempt retailer	76	90	+18%
	Other*	411	460	+12%
Gas	Retailer	5,124	5,392	+5%
	Distributor	129	134	+4%
	Exempt retailer	2	5	+150%
	Other*	10	20	+100%
Water	Retailer	694	601	-13%
	Distributor	283	277	-2%
	Exempt retailer	1	0	-100%
	Other*	28	32	+14%
Dual Fuel**	Retailer	1,617	886	-45%
	Exempt retailer	0	1	-
	Other*	2	0	-100%
Non-energy/water	General enquiry	60	38	-37%
Total		38,299	30,494	-20%

* Non-provider specific, out of jurisdiction

** During 2014/2015, we ceased to record cases as 'dual fuel' as no energy provider offers a dual fuel product. Cases are now classified as either electricity or gas.



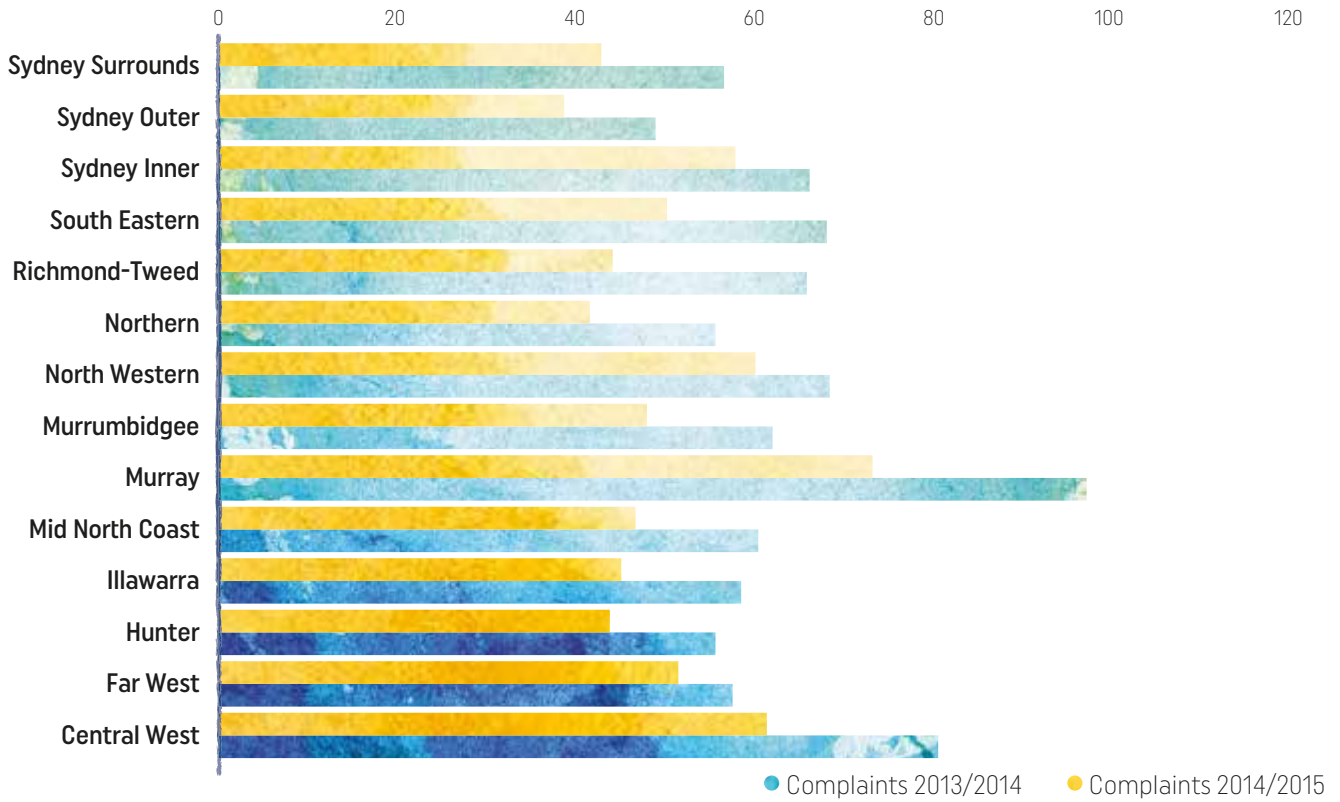
COMPLAINTS BY LOCAL GOVERNMENT AREA (PER 1000)

KEY: ● 1 to 3 ● 4 to 6 ● 7 to 10 ● 10+



Sydney	15	●	Canada Bay	5	●	Bankstown	4	●	Burwood	4	●	Baulkham Hills	3	●
Holroyd	6	●	Mosman	5	●	Hurstville	4	●	Ryde	4	●	Fairfield	3	●
North Sydney	6	●	Blacktown	5	●	Lane Cove	4	●	Ku-ring-gai	3	●	Pittwater	3	●
Strathfield	6	●	Hunter's Hill	5	●	Liverpool	4	●	Sutherland Shire	3	●	Kogarah	3	●
Botany Bay	6	●	Auburn	5	●	Randwick	4	●	Hornsby	3	●			
Marrickville	5	●	Penrith	4	●	Waverley	4	●	Ashfield	3	●			
Parramatta	5	●	Rockdale	4	●	Woollahra	4	●	Manly	3	●			
Leichhardt	5	●	Willoughby	4	●	Canterbury	4	●	Warringah	3	●			

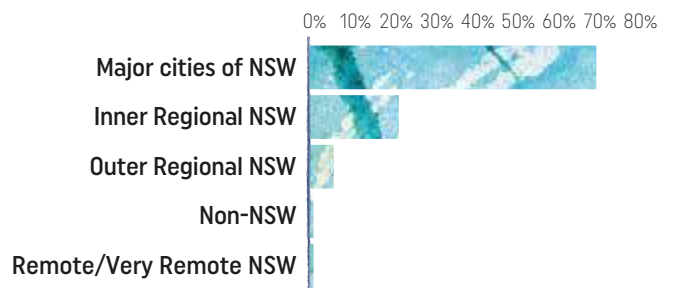
COMPLAINTS PER 10,000 PEOPLE BY NSW REGION



COMPLAINTS BY NSW REGION

	2013/2014	2014/2015	% change
Central West	1,511	1,154	-23%
Far West	126	113	-10%
Hunter	3,262	2,572	-21%
Illawarra	2,296	1,765	-23%
Mid North Coast	1,712	1,318	-23%
Murray	1,066	805	-24%
Murrumbidgee	848	656	-22%
Non-NSW	408	313	-23%
North Western	638	559	-12%
Northern	954	710	-26%
Richmond-Tweed	1,441	962	-33%
South Eastern	1,415	1,044	-26%
Sydney Inner	8,504	7,445	-12%
Sydney Outer	11,451	9,063	-21%
Sydney Surrounds	2,667	2,015	-24%

LOCATION OF CUSTOMER LODGING COMPLAINT



INCREASE IN COMPLAINTS BY PRIMARY ISSUE

Issue	No. complaints 2013/2014	No. complaints 2014/2015	% change
Billing	20,843	17,924	-14%
Customer service	11,045	11,767	+7%
Credit	9,720	8,512	-12%
Transfer	8,178	4,317	-47%
Marketing	1,248	619	-50%
Supply	536	474	-12%
Land	519	439	-15%
Provision	497	503	+1%

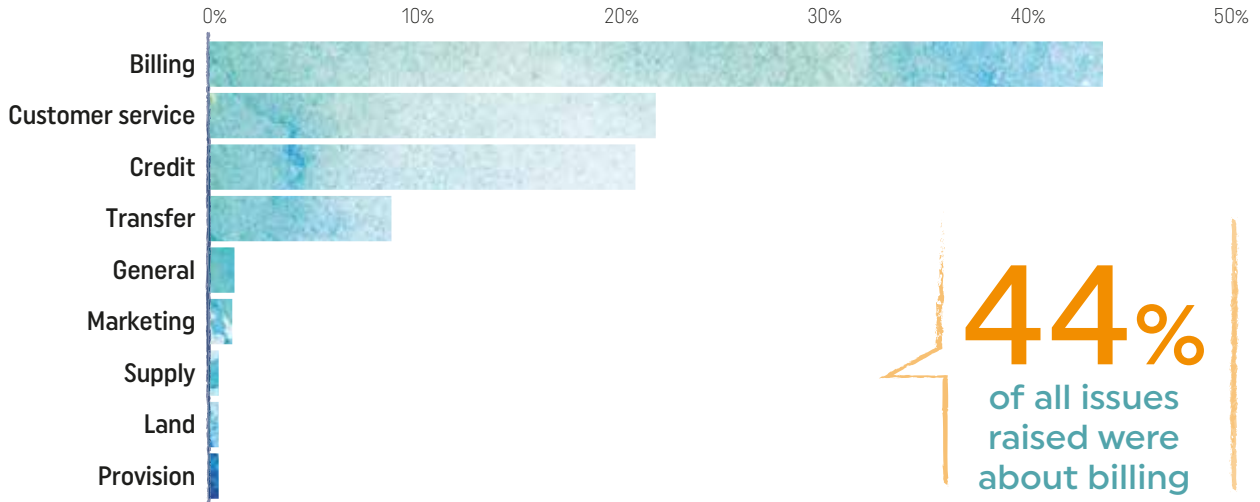
50%
decrease in
complaints about
marketing

Note: There may be more than one issue raised per complaint.

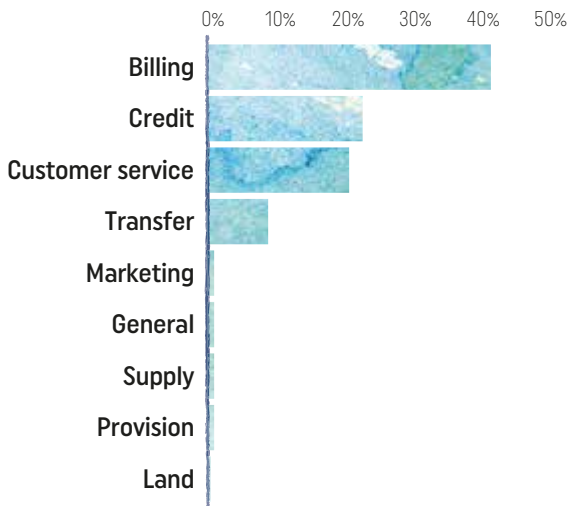
How we categorise complaint issues

- Billing: high and disputed bills, fees and charges, responsibility for accounts
- Credit: disconnection, arrears, difficulty in payment, payment arrangement declined, debt collection
- Customer service: failure to respond, incorrect advice, poor attitude/service
- Transfer: error in billing or transfer of account due to switching retailers, contract terms, delay in transfer, site ownership
- Marketing: conduct by marketers, misleading information, pressure up, 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

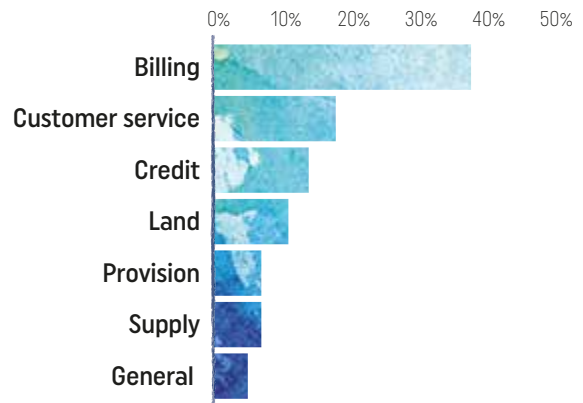
ALL ISSUES RAISED BY CUSTOMERS



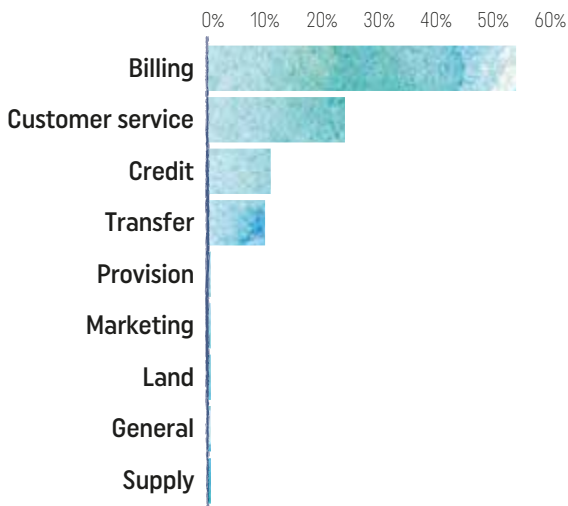
ELECTRICITY ISSUES



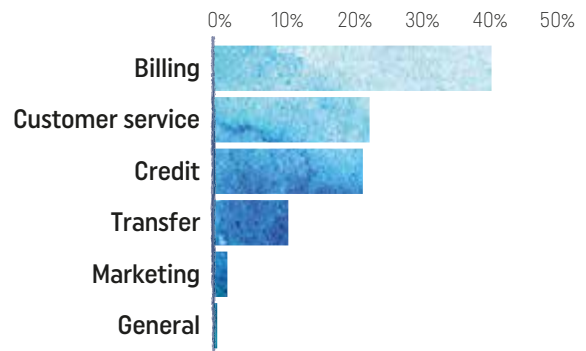
WATER ISSUES



GAS ISSUES



DUAL FUEL ISSUES





SNAPSHOT OF HIGH VOLUME COMPLAINT ISSUES

Issue	No. complaints 2013/2014	No. complaints 2014/2015	% change
Disputed high bill	7,498	7,428	-1%
Estimated account – meter not read	1,321	1,824	+38%
Customer service – incorrect advice	1,154	1,628	+41%
Customer service – failure to consult or inform	853	1,128	+32%
Billing period	705	1,070	+52%

38%
increase in
complaints about
estimated accounts

SNAPSHOT OF DECREASING COMPLAINT ISSUES

Issue	No. complaints 2013/2014	No. complaints 2014/2015	% change
Contract terms	2,162	1,032	-52%
Billing delay	1,734	1,094	-37%
Feed-in tariff	1,142	743	-35%
Transfer without consent	1,624	720	-56%
Transfer delay	1,010	530	-48%

52%
decrease in
complaints about
contract terms

CASE STUDY

GAS: Faulty gas meter records ten times Tim and Margaret's expected consumption

Tim established a direct debit with his gas retailer and for the next two years didn't take much notice of his bills until he received a gas bill for \$12,995, which was much higher than expected. Tim found an old bill for \$239 which he considered to be a normal amount.

Acting as Tim's advocate, his wife Margaret called the retailer, who told her that the bills Tim had been paying for eighteen months had been estimated and, as it turned out, significantly underestimated. The retailer said they would organise a special meter reading to establish the exact amount owing. However, Tim and Margaret did not hear any more from the retailer until they received a disconnection notice for the full amount.

Margaret called EWON seeking a review of the accuracy of the backbill and whether it complied with the rules for backbilling, and to find out why their bills had been estimated. We explained to Margaret that bills can only be backbilled for a nine month period, but advised that this limitation would not apply if the bills had been estimated because of an ongoing access issue, which is the customer's responsibility. The advocate did not consider there were any access problems as their dog is kept in the backyard, not the front where the gas meter is located.

We asked the retailer to provide account information so we could investigate the billing accuracy. The retailer agreed the consumption level was high for a two person household and suggested the decimal place in the consumption reading may have been in the wrong place, causing the consumption data to be reported at 10 times the correct amount. However, the check read provided by the distributor and the reading taken by Margaret showed that the reading was consistent with the meter. The billing therefore appeared accurate, and the retailer offered Margaret a 6 month payment plan to cover arrears.

In the meantime, Tim and Margaret received another bill, this time for \$1,955 for the previous three months. Margaret considered this was excessive, particularly given Tim had spent 5 weeks of that time in hospital. We queried whether she thought there might be a gas leak. She didn't think so, but commented that they could smell a gas leak from her neighbour's house. We noted the possibility of a leak and the retailer recommended Margaret and her neighbour call the distributor's emergency hotline to check for leaks.

The distributor visited the site to look at the meter and suspected that it had a defective dial, which could have caused the high jumps. They replaced the meter and checked readings over the following weeks to ensure it was operating correctly and to establish normal consumption levels. They then provided adjusted usage for the disputed period to the retailer, who reversed the \$12,995 owing and rebilled Tim and Margaret for just \$313. The retailer also waived a \$12 late payment fee. The advocate was very pleased with the outcome and thanked EWON for our time sorting out the issue.

Category: Investigation. **Outcome:** Negotiated resolution.
Issues: Metering, high bill, backbilling.



COMPLAINTS AND ISSUES BY COMPANY

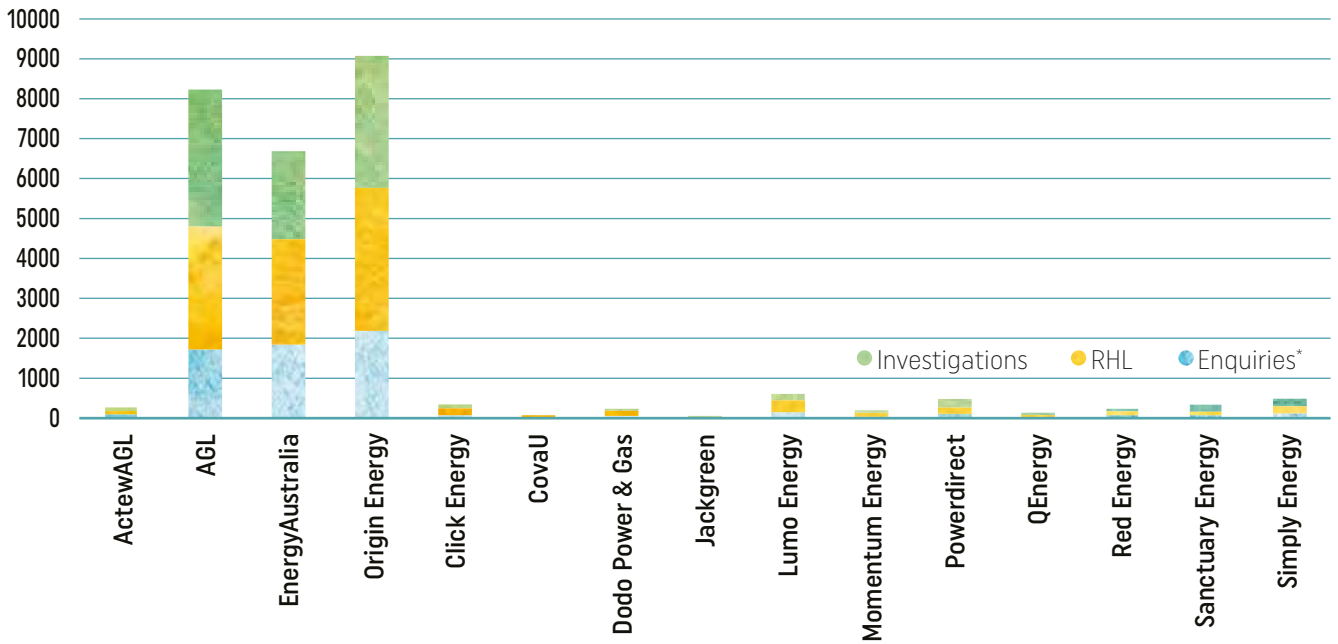
Provider	Complaints	Top three issues					
ActewAGL	274	Billing	37%	Credit	25%	Customer service	19%
ActewAGL Gas Distribution	1	Provision	100%				
AGL	8,233	Billing	50%	Customer service	26%	Credit	17%
Ausgrid	452	Supply	29%	Customer service	25%	Provision	22%
Australian Gas Networks (NSW)	5	Provision	50%	Customer Service	30%	Supply/Land	10%
Blue NRG	7	Billing	50%	Transfer	42%	Customer service	8%
Central Ranges Pipeline	1	Provision	100%				
Click Energy	349	Billing	52%	Customer service	22%	Transfer	16%
Commander Power & Gas	9	Transfer	39%	Customer service	23%	Billing/Marketing	15%
CovaU	80	Transfer	39%	Customer service	26%	Billing	21%
Diamond Energy	11	Billing	59%	Transfer	24%	Customer service	18%
Dodo Power & Gas	240	Billing	56%	Customer service	24%	Transfer	10%
Endeavour Energy	407	Provision/Customer service	25%	Supply	24%	Land	23%
EnergyAustralia	6,691	Billing	50%	Customer service	22%	Credit	15%
ERM Power	11	Billing	53%	Transfer	24%	Credit	12%
Essential Energy	285	Supply	28%	Provision	26%	Customer service	25%
Flow Systems	2	Land	50%	Provision	50%		
Gosford City Council	34	Billing	61%	Customer service	18%	Supply/Credit	10%
Hunter Water	120	Credit	33%	Billing	26%	Customer service	18%
Jackgreen	59	Credit	100%				
Jemena	124	Provision	39%	Customer service	33%	Land	22%
Lumo Energy	613	Billing	50%	Customer service	21%	Transfer	13%
Momentum Energy	205	Billing	39%	Credit	27%	Customer service	16%
Next Business Energy	2	Transfer	83%	Customer service	17%		
Origin Energy	9,077	Billing	41%	Credit	33%	Customer service	19%
Powerdirect	483	Billing	38%	Customer service	22%	Credit	18%
Powershop	1	Marketing	100%				
QEnergy	140	Billing	52%	Customer service	20%	Credit	14%
Red Energy	240	Billing	31%	Credit	23%	Transfer	21%
Sanctuary Energy	338	Billing	53%	Customer service	33%	Transfer	9%
Shoalhaven Water	14	Billing	38%	Credit	33%	Provision	13%
Simply Energy	488	Credit	34%	Billing	25%	Transfer	23%
Sydney Water	612	Billing	39%	Customer service	20%	Land	13%
TransGrid	4	Land	67%	General	16%	Customer service	16%
Veolia Water Solutions & Technologies	1	Billing	100%				
Water NSW	17	Customer service	35%	Billing	31%	Land	15%
WINenergy	11	Billing	60%	Customer service	33%	General	7%

There were no complaints received for APT Allgas, AquaNet, GoEnergy, Sydney Desalination Plant or Pooled Energy.

There were 95 complaints received about exempt retailers including residential park operators.

There were 796 out of jurisdiction complaints about energy and water related matters.

ENERGY RETAILERS



ENERGY RETAILERS

Over 100,001 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
AGL	1,724	3,077	3,432	8,233
EnergyAustralia	1,842	2,643	2,206	6,691
Origin Energy	2,186	3,585	3,306	9,077

10,001 to 100,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
ActewAGL	101	78	95	274
Click Energy	76	171	102	349
Dodo Power & Gas	62	123	55	240
Lumo Energy	152	295	166	613
Momentum Energy	38	97	70	205
Powerdirect	111	157	215	483
Red Energy	78	98	64	240
Simply Energy	120	181	187	488

1,001 to 10,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
QEnergy	28	57	55	140
Sanctuary Energy	76	89	173	338

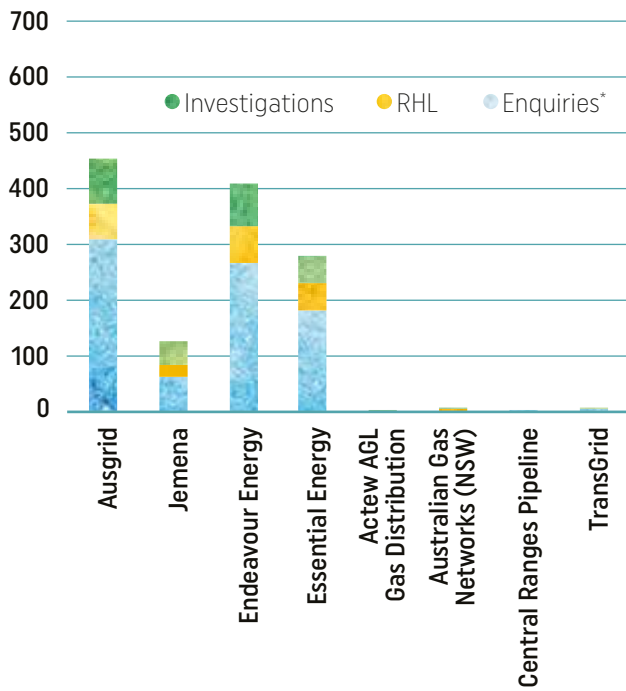
Under 1,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
CovaU	25	51	4	80
Jackgreen	15	0	44	59

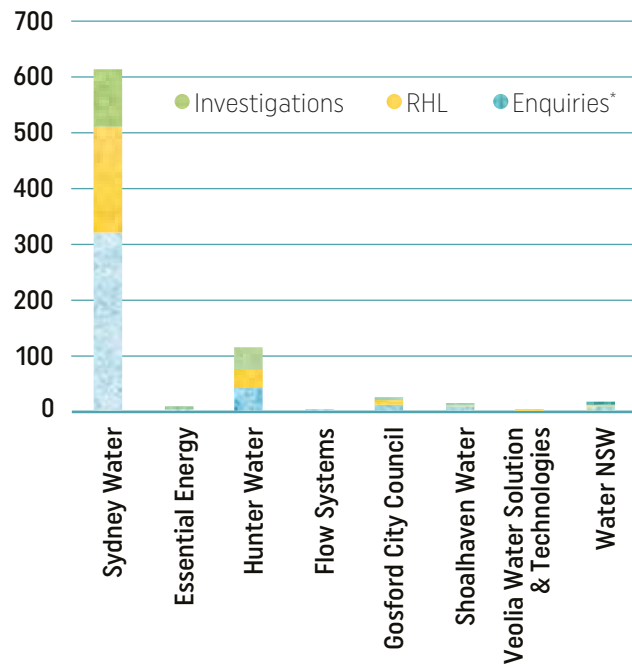
Companies who received greater than 50 complaints have been included in this graph.

* Includes General Enquiries and Complaint Enquiries.

ENERGY DISTRIBUTORS



WATER RETAILERS/DISTRIBUTORS



ENERGY DISTRIBUTORS

Over 1,000,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
Ausgrid	306	65	81	452
Jemena	61	21	42	124

500,001 to 1,000,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
Endeavour Energy	265	66	76	407
Essential Energy	179	50	48	277

Under 100,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
ActewAGL Gas Distribution	0	0	1	1
Australian Gas Networks (NSW)	0	3	2	5
Central Ranges Pipeline	1	0	0	1
TransGrid	3	0	1	4

WATER RETAILERS/DISTRIBUTORS

Over 1,000,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
Sydney Water	320	187	105	612

100,000 to 500,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
Hunter Water	41	36	43	120

Under 100,000 customers

Provider	Enquiry*	RHL	Investigation	Total complaints
Essential Energy	2	2	4	8
Flow Systems	2	0	0	2
Gosford City Council	12	17	5	34
Shoalhaven Water	8	3	3	14
Veolia Water Solutions & Technologies	0	1	0	1
Water NSW	8	4	5	17

SNAPSHOT OF CUSTOMER COMPLAINTS AND ISSUES

BILLING

A total of 17,924 complaints involved billing issues.

Issue	No. complaints
High or disputed account	7,495
Billing error	2,851
Opening or closing account	2,803
Tariff (feed-in or TOU, prices)	1,991
Estimated account, meter not read	1,824
Backbilling	1,597
Fees and charges	1,539
Delayed bill or bill not received	1,094
Billing period	1,070
Delay in issuing refund or refund not received	762
Rebate/concession	645

CUSTOMER SERVICE

A total of 11,767 complaints involved customer service issues.

Issue	No. complaints
Poor service	5,048
Failed to respond	4,377
Incorrect advice or information provided	1,628
Failure to consult/inform	1,128
Unprofessional attitude	487
Privacy concern or breach	122

CREDIT

A total of 8,512 complaints involved credit issues.

Issue	No. complaints
Arrears or utility debt	3,437
Facing disconnection due to non-payment	1,719
Credit rating affected	1,638
Contacted by debt collectors	1,575
Disconnected due to non-payment	1,489
Payment arrangement declined	1,368

TRANSFER

A total of 4,317 complaints involved transfer issues.

Issue	No. complaints
Site ownership issues	1,196
Contract (eg variation, fees)	1,032
Transferred in error	727
Transferred without consent	720
Delay	530
Billing problems	392
Cooling-off cancellation not actioned	222
Request for transfer rejected	105

MARKETING

A total of 619 complaints involved marketing issues.

Issue	No. complaints
Misled by marketers	312
Pressured into signing agreement or contract	121
Non-account holder approached for consent	60

PROVISION

A total of 503 complaints involved provision issues.

Issue	No. complaints
Existing connection (eg cost of alteration, maintenance)	376
New connection (eg delay, cost)	92

SUPPLY

A total of 474 complaints involved supply issues.

Issue	No. complaints
Supply off (unplanned)	239
Damage or loss due to unplanned/planned outage, supply variation	267
Supply off (planned)	126
Supply variation	48
Sewer overflow or blockage	45

LAND

A total of 439 complaints involved land issues.

Issue	No. complaints
Network assets (maintenance or placement)	237
Property damage	128
Vegetation management	75

Note: There may be more than one issue raised per complaint.

CONSUMER ISSUES

...those facing affordability issues have increasing need for assistance through payment plans and hardship programs

ENERGY AFFORDABILITY

Despite the stabilisation of electricity prices over the last two years, affordability issues remain high on the EWON agenda as we continue to receive complaints from growing numbers of customers struggling to afford their power bills. The Australian Energy Regulator (AER) reported total residential disconnections for 2014/15 reached 31,979, just 3% shy of the 2013/2014 figures. Also concerning is the 54% increase in residential gas disconnections throughout the year (7,555 compared with 4,921 during the previous year). Fortunately the picture was brighter for small business, with both gas and electricity disconnections easing.

AER data also shows that the number of NSW energy customers in debt has declined but that average debt levels have increased. Average electricity debt rose from \$529 in June 2014 to \$631 in June 2015, while average gas debt increased from \$395 to \$443. These figures indicate that those facing affordability issues have increasing need for assistance through payment plans and hardship programs. At EWON this year we referred nearly three times as many customers to their provider's hardship team for assistance as we did in 2013/2014.

This rising demand is also borne out by the AER's data, which show that the number of NSW electricity customers on payment plans rose from 63,425 in June 2014 to 77,838 in June 2015, while gas customers on payment plans rose from 10,944 in 2014 to 17,885. Over the same period the number of electricity customers in retailer hardship programs rose from 18,293 to 22,237. There was also an increased intake of gas customers into hardship programs, up to 4,375 from 3,884 in the previous June. However, these figures still represent only a very small portion of customers. Less than 1% of electricity customers and less than 0.5% of gas customers are receiving assistance at the level of retailer hardship programs, despite statistical and anecdotal evidence that a much greater number of households have genuine need of this assistance.

Clearly there are still energy affordability and financial hardship issues that need to be addressed. EWON continues to contribute to the industry debate on affordability issues. We have also provided our views to retailers and regulators on simplifying the appearance of energy bills and requiring clearer expression of the key terms used in energy offers. We will also be working in the year ahead to understand the gap between the number of residential power disconnections reported and the number of complaints we receive where the customer has been disconnected. In 2014/2015, we received only 1,566 such complaints compared with the **39,534** total residential disconnections completed in NSW in the period.

CASE STUDY

ELECTRICITY: Geraldine is disconnected when she can't afford a payment plan

During a joint outreach event in regional NSW, a community legal service referred Geraldine's case to EWON because she was experiencing extreme financial hardship and at risk of having her electricity disconnected due to large arrears. She had been on a carer's pension but was moved to the Newstart allowance when her mother died.

Geraldine had been removed from her energy retailer's hardship program because she had previously defaulted on her payment plan three times and owed more than \$5,400. The retailer told Geraldine that in order to avoid disconnection, she needed to agree to make payments of \$205 a fortnight towards the account. Geraldine was unable to afford this amount because her Centrelink allowance was not enough to cover her rent as well as the multiple other debts she was paying off including a funeral plan and 'payday lender' loan. Geraldine's electricity was then disconnected because she couldn't meet the retailer's requirements.

EWON contacted Geraldine's retailer to discuss her situation and arrange a reconnection. Geraldine's retailer said that her current consumption was around \$109 per fortnight and that she hadn't made a payment on her account in over a year. They also said that normally payments of \$309 per fortnight would be required to cover her current level of consumption and debt.

Following discussion with EWON the retailer agreed to allow Geraldine back onto their hardship program with fortnightly payments via Centrepay of \$109 per fortnight. The retailer said they would match her payments one for one. Geraldine accepted this offer and had an appointment with a financial counsellor to assist her to set up a Centrepay arrangement. Geraldine's electricity was reconnected the same day.

Category: Complaint enquiry. **Outcome:** Referred to provider's hardship team. **Issues:** Financial hardship, disconnection.

CASE STUDY

ELECTRICITY: Single parent Louise living in remote NSW has large debt and is facing impending disconnection

Louise lives in a very isolated area of NSW with her four children. She had been on a payment plan with her energy retailer for \$230 a fortnight to cover the cost of her electricity consumption and pay down her large debt. However, Louise had only been able to manage payments of \$100 each fortnight and considered that \$50 payments would be more affordable as she had other debts to consider. Louise was warned that she was at risk of being disconnected so she spoke with EWON staff who visited her community on outreach.

EWON contacted Louise's retailer and they placed the account on hold to stop any potential disconnection from occurring. The retailer said that there was over \$3,000 owing on the account and the standard payment plan to cover arrears and consumption would be \$256 per fortnight. The retailer said that Louise's existing payment plan was for \$230 a fortnight because that reflected her consumption at the time it was established. However, her consumption had decreased to \$148 per fortnight.

Taking into consideration Louise's payment history, and willingness to pay, the retailer offered Louise a payment plan of \$148 per fortnight for three months and then after that, if she kept up with the payments, they would match her payments dollar for dollar.

Louise accepted this payment arrangement.

Category: Investigation. **Outcome:** Negotiated resolution, referred to provider's hardship team. **Issues:** Financial hardship, large arrears, impending disconnection.

CREDIT ISSUES

After a 28% rise in credit matters last year, credit-related complaints decreased 12% in 2014/2015. This easing was welcome, however, it was not across the board. We received 1,368 complaints where customers said they had been declined a payment arrangement (up from 1,151), and we also saw an increased number of complaints from customers experiencing difficulties with arrears (up 170 from 3,267).

Identifying customers in financial hardship can be a complex issue as, understandably, many customers do not disclose to their retailer that they are in financial distress. While some customers are aware of the assistance that retailers may provide, many customers feel shame and an unwillingness to admit to what they perceive as failure. It is therefore critical that retailers have mechanisms in place to identify and respond to signals and triggers from customers to offer the various assistance available.

EWON has identified within our customer complaints a range of situations where customer hardship could have been identified earlier. These include scenarios where retailers have:

- not offered payment plans or have refused to agree to payment arrangements
- refused further opportunities to customers who miss a payment
- set high upfront payments for reconnection
- not referred customers to hardship programs after failed payment plans.

EWON is aware that some retailers have implemented, or are preparing to implement, staff training and systems improvements to assist with early identification of customers in financial hardship. We welcome these industry initiatives and the positive changes they stand to make for customers experiencing financial difficulty.

Standard payment plans address both arrears and current consumption. Establishing such plans does not necessarily require consideration of capacity to pay as it is typically calculated by applying a reasonably simple formula. However, it becomes more difficult where a customer cannot afford to pay a standard payment plan.

CASE STUDY



ELECTRICITY: Jeremy struggles to negotiate an affordable payment plan with his retailer

When Jeremy came to EWON for help, he had received a letter from his electricity retailer informing him that he was at risk of being disconnected in 14 business days for unpaid arrears of \$3,170. Jeremy had been unemployed for the previous 12 months and placed on the retailer's hardship program, but had since been removed from it for on the grounds that he had broken two payment plan arrangements.

Jeremy was now working, but he needed a payment plan to manage his arrears, so he offered to pay \$100 per week. The retailer denied this offer based on his payment history.

When we first spoke to the retailer it said that Jeremy would need to pay 50% of the balance upfront and then make weekly repayments of \$109 in order to establish a new payment plan. Jeremy could not afford to pay this amount but advised us he could pay \$500 within a week and then \$100 per week by direct debit to cover his ongoing usage and arrears. The retailer accepted Jeremy's offer and agreed to review the payment plan after each bill.

We explained to Jeremy that he could access EAPA vouchers for assistance in the future and spoke to him about ways to minimise consumption to ensure that his future bills didn't add to his existing debt. Jeremy said that he had obtained EAPA at the beginning of his bill difficulties, but that he felt uncomfortable accepting charity. We explained that it is government funded support, which he hadn't realised, and he accepted our referral to services issuing EAPA.

Category: Investigation. **Outcome:** Negotiated resolution, referral to EAPA. **Issues:** Financial hardship, denied payment plan, large arrears.

Julia

"I received a notice that the outstanding amount is now going to be referred and will affect any future credit applications. I am going through personal crisis at the moment and this is just tipping me over the edge."

Giacomo

"I made a complaint to dispute this but they still moved to a collection agency. They then humiliated me by asking them to send my bank statement to prove to them that I can't afford a bill that's not right for me to pay [and] calling me a liar."

Ayaan

"Thank you, EWON. I was contacted yesterday by [my retailer] to agree on a way forward and they promise me the rebates will be added to my next bill... I really appreciate your support on this issue."



COMPLEX FINANCIAL HARDSHIP

Some customers who contact EWON for assistance are in extreme circumstances with very high debt levels and very limited capacity to pay. Often they have not been able to maintain multiple payment arrangements and in some cases they have been excluded from hardship programs because of this. In EWON's view this is the most difficult area of hardship. In these cases retailers have often gone well beyond any regulatory requirements but the customers have limited capacity to meet their obligations or have not engaged with their retailer.

It is difficult to find viable and sustainable solutions in these situations for the customer and the retailer, and this challenge is beyond the responsibility of any single retailer. For some customers, contacting EWON is an attempt to address their arrears and bills, however, they may have limited or no capacity to afford their energy use.

EWON is interested in exploring the following strategies with retailers and other stakeholders:

- Flexible approaches to allow a customer who has re-engaged new opportunities to access payment plans or assistance programs, after consideration of their circumstances and retailer parameters. Support from community welfare caseworkers and financial counsellors may be beneficial in these cases.
- Specialist teams within hardship programs to deal with the very complex cases.
- Working with consumers to reduce consumption. Currently in NSW there is limited government or community assistance for customers needing energy efficiency advice and assistance to reduce usage, home energy audits and retrofits or appliance replacement.

EWON recognises that solutions to the more complex customer hardship issues must be developed through joint initiatives between all stakeholders, including government, industry, and community. EWON is committed to continuing to participate in this work to develop solutions so that essential energy services remain available to all consumers, including the most disadvantaged members of our community.

CASE STUDY



ELECTRICITY: Pensioners with eight children are denied a payment plan

EWON received a letter from a financial counsellor who was acting as an advocate for Penny. Penny and her husband Nathan were experiencing extreme financial hardship. They were reliant on pensions for their income as Nathan had recently become disabled following an accident, Penny was his carer and they had 8 school age children. Penny and Nathan had accrued a very large debt with their electricity retailer and were facing disconnection.

The financial counsellor tried to discuss the matter with Penny's retailer to make an affordable payment arrangement and stop the impending disconnection. The financial counsellor told the retailer that they could afford to pay for their current usage of \$277 per fortnight. However, they would need some extra time and help with the arrears. The retailer denied their request to enter into a payment plan because Penny had already broken five payment plans in the last year and had only made sporadic payments to the account. A \$500 payment had recently been made with EAPA vouchers.

The account was placed on hold while EWON investigated the complaint. Penny requested a \$250 per month payment plan to cover arrears alongside a promise to pay all future bills on time. The retailer declined this offer saying it would not accept a payment plan for arrears only and that the standard payment plan to cover the arrears of around \$6000 plus ongoing usage would be \$477 per fortnight. As a goodwill gesture however, the retailer said it would give Penny a final opportunity to be part of the hardship program and would accept a payment plan for usage.

We advised the advocate that it was very important that Penny stick to the payment plan, as the retailer would not likely offer it again and the standard plan which she might then be moved to would be over \$500 per fortnight. We provided referrals to community agencies for more EAPA assistance but noted that while this would reduce the arrears this particular retailer did not count EAPA as an instalment payment. We also emphasised the importance of contacting the retailer if there were going to be any problems making a payment. The advocate acknowledged this and thanked EWON for the assistance we provided.

Category: Investigation. **Outcome:** Negotiated resolution, referral to community agency, EAPA and provider's hardship team. **Issues:** Financial hardship, large arrears, denied payment plan.



Our staff visited residents in Bonnells Bay residential park to provide one-on-one help with energy bills

EXEMPT RETAILERS

Unlike the other jurisdictional energy and water ombudsmen across Australia, EWON, has jurisdiction to accept complaints from customers of exempt retailers. Traditionally, complaint numbers have averaged less than 100 per year and these have mainly related to residential parks, however, this is now changing.

Exempt retailers are not required to be members of EWON so do not pay for our services. When the number of complaints was relatively low, EWON's Board decided that the cost of investigating these complaints would be spread across the membership. This was in recognition of the difficulty involved in compelling hundreds of small park operators to join EWON and bill them for dispute resolution services.

Since the introduction of the National Energy Customer Framework in 2013 the number of exempt retailers in NSW has increased. In particular there has been an expansion of such arrangements in retirement villages, strata title buildings and shopping centres. In some instances there are management companies operating across a number of exempt retailers. Some of these management companies have applied for a retail authorisation and membership of EWON.

The growth of solar services and other innovative energy services has seen the Australian Energy Regulator grant many more exemptions this year and this is likely to increase further over the coming years. The EWON Board is considering these changes in the energy market and the related issue of access to dispute resolution at EWON and other consumer protection issues. EWON's focus is upon ensuring that all NSW residential and small business consumers continue to have access to our office.

NEW PRODUCTS AND SERVICES IN THE ENERGY INDUSTRY

The last year saw a series of consultations and inquiries into the future of the energy industry. The Australian Energy Market Commission consulted widely on the necessary regulatory changes to allow the introduction of competition in metering services. It is proposed that retailers will begin to roll out smart meters in 2017. EWON has contributed to this consultation, especially emphasising the need for consumer protections once remote connection and disconnection is allowed.

Smart meters allow a range of new products and services to be introduced, including load control and peak demand products. Such services can be developed and marketed by both retailers and third parties. The Australian Energy Regulator and the Council of Australian Governments' Energy Council are exploring how such third parties are regulated.

Alongside smart meters, the energy industry is also working out how it will respond to new, potentially disruptive technologies such as solar batteries, the implications for consumers around these new offerings are yet to be clear. The critical issue is how consumer protections can be applied in a rapidly changing industry. Central to this discussion is whether or not the National Energy Customer Framework is flexible enough to encompass new products and services without blocking innovation. EWON has contributed to these discussions and will continue to draw from customer experience and argue for the maintenance of consumer protections. All EWON submissions are available at www.ewon.com.au.



Prepayment Meters

Prepayment meters (PPMs) have been a controversial topic among industry and consumer groups. Much of the debate has centred on the shortcomings associated with traditional coin-operated PPMs. However, the debate about the value of PPMs has shifted ground in recent years due to advances in metering technology and widespread acceptance of the pre-paid model for mobile phones. EWON sought to understand and discuss the potential benefits and disadvantages of PPMs within this new context. Our initiative arose from the 2013 National Energy Affordability Roundtable, where participants agreed that further discussion of prepayment options for customers was warranted given the growing problem of energy affordability and rising levels of energy debt.

In July 2014, we published a discussion paper canvassing the pros and cons of prepayment options, protections for PPM customers under the National Energy Consumer Framework (NECF), metering costs, market innovation and barriers to entry. We received 22 submissions from a wide range of stakeholders – retailers, networks, consumer groups and peak bodies, community welfare agencies, financial counsellors and individual energy consumers.

In November 2014, we published a follow up report outlining the broad range of views put forward and addressing the issues identified in these submissions. A number of stakeholders supported PPMs because of the benefits to consumers. PPMs help households budget more effectively and gain a clearer picture of the cost of their energy usage. These meters also allow customers to make small, regular payments and avoid bill shock and debt accumulation.

Some consumer and community groups noted strong concerns about the safety, health and social impacts associated with energy rationing and self-disconnection. This includes the problem of 'hidden' disconnections, where disconnected households without advanced metering remain invisible to their energy provider. Some groups were concerned that the existing laws offered inadequate consumer protection while others offered cautious support for PPMs so long as there are clear protections that are adhered to by industry.

We noted the concerns raised by community and consumer groups about PPMs. However, our complaints experience shows that hidden disconnection is also a problem for the existing post pay system, such as customers in severe hardship being disconnected for non-payment for long periods because of a lack of contact (either by the customer or their retailer) or their inability to make a large upfront payment for reconnection. These are disadvantages of a post pay system that has made it difficult for many customers, particularly chronically vulnerable customers, to stay connected.

In light of our complaints experience and on careful examination of the current debate, EWON considers that PPMs should be available to all Australian energy consumers by fully informed choice and be supported by strong consumer protections, as are already provided under the NECF. This position will continue to inform our policy work in the year ahead.

Samantha

"I am a single mother with a dependent child with special needs. The equipment required to look after my son requires electricity. [My retailer] advised me they would disconnect my electricity in 2 weeks. I have tried to enter into a payment arrangement previously, but the amount was too much and I couldn't afford it."

Luda

"They said that the resolutions department have decided that the bill difference was 'ONLY' \$35 therefore they would not re-issue the bill and I would 'probably' receive a discount on my next bill depending on my next reading. I have told them that I did not accept that because it can be 'ONLY' \$35 for a big company like [my retailer] but for me was way more than what I earn per hour of work. It is a week of petrol, or a week of groceries."

Systemic Issues

As well as investigating specific problems raised by individual consumers, we also identify individual issues and overall trends that may indicate a systemic issue requiring another approach.

A systemic issue can be described as a policy, practice or process of a provider that has the potential to affect a number of customers and lead to complaints and disputes.

It can include:

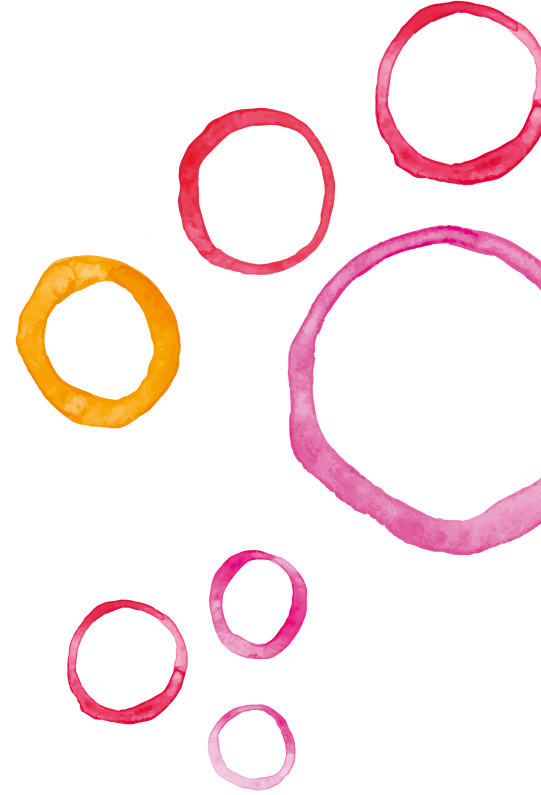
- a billing system or process error that affects a group of customers
- an ongoing or extensive customer service issue
- widespread complaints from customers about a specific issue
- inconsistent interpretation or administering of a regulatory code
- a regulatory issue that may be causing confusion or unforeseen consequences
- an energy or water related issue that is outside the control of providers or the industry generally, but which EWON can play a role in facilitating or resolving.

The most common way we identify these systemic issues is by monitoring trends in the customer complaints we receive, and from feedback from individual investigations officers. Community workers also assist us by raising emerging issues they observe through their contact with clients. Energy and water providers will often alert us too when there is an issue that may give rise to complaints but which they are already addressing, such as if their mailing house was inadvertently sending out duplicate bills.

Regulatory change, such as alterations to the feed-in tariff under the Solar Bonus Scheme or the imposition and removal of the carbon tax, can also give rise to a large group of complaints. While these changes are outside the control of the energy and water providers, EWON can ensure that new laws are being appropriately applied, and customers are given accurate information about how the changes impact them.

Some systemic issues we identified in 2014/2015:

- **Inappropriate marketing:** We were alerted to inappropriate energy marketing to a vulnerable Aboriginal community. We provided demographic information to the retailer, who agreed to review all the contracts entered into to ascertain whether there was explicit informed consent.
- **Lost rebates:** A change in a retailer's billing platform resulted in government energy rebates dropping off a large number of customer accounts. When we followed this up with the retailer, it appeared that this only occurred where there were multiple account holders. The system error was fixed, and the missing rebates were applied to the affected customers' next bill.
- **Disadvantageous billing:** It came to our attention that a monthly billing option offered by one retailer adversely impacted customers where the application of the step tariff in the third month resulted in higher bills than if the customer had been billed on a quarterly basis for the same amount of usage. Over 4000 customers were affected by this. The retailer identified how much each of those customers had been overcharged and credited their accounts for that amount.
- **Billing delays:** A retailer's introduction of a new billing platform resulted in billing delays, causing anxiety for some customers, who were concerned that they would not be able to pay the accumulated bill when it eventually arrived. EWON reported the significant compliance breach to the regulator and advised customers that the rules limit the period for which retailers are allowed to backbill to 9 months. The retailer also had to allow an equivalent length of time for the bill to be paid.
- **Misapplication of fees:** At a community outreach event, a customer in financial hardship showed us that he had been charged a late payment fee. The National Energy Customer Framework requires that retailers waive these fees for hardship customers or where a recent bill has been paid by EAPA. When we raised the issue with the retailer, they advised us that they were aware of the law and that while they were building an automated solution into their billing system, the waiver was applied manually. This manual system was prone to human error. Once the billing system was amended to apply the rule automatically, complaints to EWON about this issue ceased.



WORKING WITH STAKEHOLDERS

We raised for discussion trends and industry issues identified through complaints as well as through feedback from outreach and other stakeholder activities

ENERGY AND WATER PROVIDERS

EWON works closely with energy and water provider members to share information on customer concerns and industry issues. We aim to work with providers to address customer issues quickly, raise customer service standards, promote best practice and reduce complaints coming to EWON.

MEMBER INDUCTIONS

Induction sessions are an effective mechanism for providing important updates to our Members. They also provide an effective channel for introducing new Members and new staff of existing Members to EWON's processes and procedures to establish core knowledge that facilitates more efficient complaint resolution.

EWON provided interstate inductions for complaint handling and other specialist staff from Member companies including Click Energy and QEnergy (QLD), and AGL (VIC). EWON also provided an in-house induction for members from BlueNRG, Flow Systems, Essential Energy, Momentum Energy, Sanctuary Energy, Pooled Energy, Origin Energy, Red Energy, Jemena, Transgrid, Water NSW and Next Business Energy.

Additionally, EWON went interstate to meet with Red Energy, Diamond Energy and Dodo Power & Gas.

MEMBER VISITS

EWON visited Flow Systems at Central Park in Chippendale. This visit provided an opportunity to gain a better understanding of an embedded water network and to observe their provision of drinking water, refined water, wastewater and stormwater services to a vertical urban community.

EWON staff also visited:

- Simply Energy Call Centre in Wollongong
- Sydney Water Customer Service Centre in Liverpool
- Ausgrid Sydney Office
- Transgrid Stakeholder Engagement Forum

MEMBER PRESENTATIONS

Member presentations to EWON keep us updated on changes that may impact customers, our work, or our engagement with a Member. In 2014/2015, Member companies delivered the following presentations for EWON:

- Simply Energy presented an overview of its operations to EWON staff
- Powershop presented an overview of its operations to EWON staff
- Jemena presented to EWON staff





Janine Young presents to trainee financial counsellors

MEMBER MEETINGS

- Next Business Energy
- Hunter Water
- GOenergy
- CovalU

The following Members also met with the Ombudsman to provide an overview of their operations:

- | | |
|------------------------|--------------------|
| ● Next Business Energy | ● EnergyAustralia |
| ● Sydney Water | ● Sydney Water |
| ● Sanctuary Energy | ● Momentum Energy |
| ● Powershop | ● Jemena |
| ● Hunter Water | ● Simply Energy |
| ● Origin Energy | ● Flow Systems |
| ● Lumo Energy | ● Ausgrid |
| ● AGL | ● Endeavour Energy |

The Ombudsman also met with a number of stakeholders, including: Tasgas, Smartgrid, ERAA, the Small Business Commissioner, the Australian Energy Regulator, the Australian Energy Market Commission, the Independent Pricing and Regulatory Tribunal, NSW Department of Trade & Investment, NSW Fair Trading, NSW Ombudsman, NSW Department of Justice and the Office of the Australian Information Commissioner.

FORUMS

EWON marked Anti-Poverty Week with our tenth essential services and affordability forum, held in Western Sydney's Blacktown.

Speakers presented on current consumer energy and water issues. These included changes to debt collection and credit reporting rules, customer choice with the removal of electricity price regulation in NSW, and hardship programs for energy and water consumer experiencing financial difficulty.

Stallholders were also at the event, enabling attendees to speak directly with representatives from NSW Trade and Investment, the Australian Energy Regulator, NSW Ombudsman, NSW Fair Trading, Centrelink, Origin Energy, Veda, Legal Aid NSW, Sydney Water and other organisations.

EWON also held a number of forums in partnership with government and community agencies. Along with NSW Fair Trading we held forums in metropolitan, regional and rural locations around NSW. We joined Legal Aid NSW at community information sessions and Bring Your Bills days in some remote Aboriginal communities as part of the Money Counts project to engage Indigenous communities.

Throughout the year, EWON also participated in Good Service Mob forums to promote consumer rights and services among Aboriginal communities in Mount Drutt, Blackett and Castlereagh. This was the tenth year of the Good Service Mob's operation and our visit to Mount Drutt in April 2015 brought us back to where the group hosted its first event in 2005.



Attendees at EWON's Anti-Poverty Week forum in Blacktown

AUSTRALIAN ENERGY REGULATOR (AER)

EWON provided reports and held meetings with the AER on a quarterly basis and we continued our ongoing engagement around specific aspects of the National Energy Customer Framework. EWON contributed to AER consultations around regulating innovative energy selling models and the review of the Retail Pricing Information Guideline.

AUSTRALIAN ENERGY MARKET COMMISSION (AEMC)

Throughout 2014/2015, EWON continued to engage with the AEMC, participating in workshops and providing submissions to the Competition in Metering and Related Services rule change process. EWON has been actively contributing to the AEMC's Consumer Priorities Forums, which assist the AEMC to establish and review its strategic priorities.

Maria

"I live in Western Australia and it was extremely upsetting to hear that my parents had to endure two months without hot water due to this mix up. The way this situation has been handled by the retailers is appalling and I intend to get answers."

GOVERNMENT

EWON met with and provided a report each quarter to the Energy Division of NSW Trade and Investment. We raised for discussion trends and industry issues identified through complaints, as well as through feedback from outreach and other stakeholder activities.

We have liaised with the Department on issues such as:

- eligibility criteria and delivery of the Family Energy Rebate and EAPA vouchers
- review of the NSW Social Programs for Energy Code
- delivery of rebates to residents in residential parks and retirement villages, and other customers of exempt retailers.

Prior to 2014, customers of residential parks applied to their standard retailer for their NSW government energy rebates. From 2014 they apply to the NSW Department of Trade and Investment. Customers of other exempt retailers have not been eligible for rebates, however, from 1 July 2015 all eligible customers of exempt retailers can apply to the Department for access to all the rebates available to energy customers in NSW.

EWON also participated in meetings with the NSW Office of Environment and Heritage around energy efficiency issues.

INDEPENDENT PRICING & REGULATORY TRIBUNAL (IPART)

In 2014/2015 EWON engaged with IPART over the review of Sydney Water's Operating Licence. EWON provides an annual report on water complaints to IPART and meets twice a year, or more frequently if required.

WORKING WITH OUR PEERS

In 2014/2015 EWON participated in an Australia & New Zealand Energy and Water Ombudsman Network (ANZEWON) project to enhance consistency across state schemes. This project focused on refining complaint definitions. We also participated in regular teleconferences to review systemic issues with the other energy and water Ombudsman schemes.

In 2014/2015 the Ombudsman was an active member of both ANZEWON and Australian and New Zealand Ombudsman Association (ANZOA), where Ombudsman members share ideas and best practice initiatives for complaint handling, outreach and systemic work. The Ombudsman continued as a member of the Executive of ANZOA during the year.

Members of EWON staff participate in various ANZOA interest groups, including public relations and communications, policy and research, systemic issues, information technology and learning and development.

NSW FAIR TRADING

We value our relationship with NSW Fair Trading. The Ombudsman and the Commissioner of Fair Trading began to hold regular meetings to discuss shared and referral issues. Both organisations remain committed to referring customer complaints falling within each other's jurisdiction, solar installation matters and tenancy disputes being relatively frequent complaints we refer to NSW Fair Trading. We also continued to undertake joint outreach activities to deliver consumer information and services to consumers, community workers and small business across the state, and the Commissioner invited the Ombudsman to share joint talkback radio appearances to assist callers with consumer issues.

OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER (OAIC)

Over the last year we developed a closer working relationship with the OAIC, seeking advice to clarify areas of ambiguity under the updated *Privacy Act* and to improve our staff training around privacy and credit reporting. As an approved External Dispute Resolution Scheme under the *Privacy Act*, EWON began reporting data on privacy-related complaints to the OAIC.



Project Dareton

EMPOWERING ABORIGINAL ENERGY CONSUMERS THROUGH STRATEGIC PARTNERSHIPS

PROJECT BACKGROUND

In late 2013, EWON was contacted by Legal Aid's Money Counts Project to help resolve energy issues for some of their disadvantaged and vulnerable Aboriginal clients. The issues included large electricity debts, high bills and disconnection of supply. Legal Aid invited us to the small town of Dareton in far west NSW to attend a Bring Your Bills day where local community members would bring their electricity bills and talk one on one with an investigations officer.

The day was a success, but EWON staff were struck by both how many community members presented with high bills and debts and how large these bills and arrears were. After numerous discussions with Legal Aid's Money Count Members it was decided to trial a pilot project that could assist the local Aboriginal community with their high bills by making them more aware of their energy consumption.

Dareton experiences extreme temperatures, with temperatures ranging from around subzero to 45 degrees through the year. Many locals are also living in housing with poor insulation, so many households require heating and cooling for extensive periods and this in turn leads typically to large energy bills. Accordingly, the aim of our project is to work in partnership to respond to unsustainable electricity consumption as identified by the local Aboriginal communities, Legal Aid NSW and EWON. We will also explore longer term energy assistance options.

OUR PROJECT PARTNERSHIP

EWON's partners in the pilot project include Legal Aid NSW, Mallee Family Care, Dareton Local Aboriginal Land Council, Murdi Paaki Aboriginal Housing, Mid Lachlan Aboriginal Housing, NSW Office of Environment and Heritage, Essential Energy and Origin Energy. The stakeholders have identified short, medium and long term priorities in Dareton that will shape our work in the year ahead and beyond. Short term priorities include: providing education and information to better manage bills and stop disconnections, delivering training to locals to do home audits and retrofits, and conducting a preliminary program of appliance replacement for tenants.

The project's medium priority is to engage government, housing and energy providers to improve the energy efficiency of housing stock. In the long term, our priority is the establishment of solar installations that enable the community to 'get off the grid', development of a larger scale program of appliance replacement for tenants, and provision of more employment opportunities for locals.

PROGRESSING THE PROJECT

We continue to attend Bring Your Bills days and established a direct referral path to EWON for case workers and solicitors working with Aboriginal clients. Our Aboriginal Project Officer and designated investigations officers can then assist with receiving and resolving these complaints. We also facilitated contact with retailer hardship teams so that Legal Aid solicitors can now call dedicated hardship teams directly, rather than contact centres.

We have also met with key government stakeholders to promote awareness of our project and synergise our work with government initiatives such as NSW Fair Trading's Aboriginal plumbing assistance project and the NSW Office of Environment and Heritage's energy efficiency state plan.

In November 2014, EWON invited Origin Energy's hardship program manager to a community forum event with local Aboriginal community members in Dareton. The manager joined EWON staff to speak with customers experiencing high bills, debts and notices of disconnection. In early 2015, Origin Energy confirmed that they would contribute \$10,000 towards delivering home energy audits and retrofits to 80-100 homes in Dareton and Namatjira, an ex-mission community outside Dareton.

We look forward to working with Origin to progress this initiative, and we have a number of next steps lined up for the year ahead as we work to realise our prioritised goals in assisting the people of Dareton. Our community based approach will also allow us to measure and evaluate the work undertaken in Dareton so that we can take the model to other Aboriginal communities in NSW.

CASE STUDY

ELECTRICITY: Single parent Frances has multiple debts and is credit listed for a high energy bill

Frances switched her electricity account over to a new retailer after being persuaded that it would be cheaper for her. She had been with the new retailer for a few months when she received a bill for around \$2,500, which was much higher than her previous bills.

Frances transferred back to her previous retailer and began receiving calls from a debt collector pursuing the money she owed the other supplier. As a single parent supporting her family on income from casual work and a pension, Frances could not afford to pay the bill. A community legal agency was helping her manage her debts and brought her case to EWON for investigation.

Frances acknowledged that she had used the air conditioner regularly at the house, from which she had since moved, as it was poorly insulated, but she was shocked that the bill was so large and couldn't believe it was correct. We told Frances we would ask for some information from the retailer and investigate the accuracy of the bill, and explained that we could help her negotiate a payment plan if the billing did appear correct.

When we spoke to the retailer we discovered that Frances had been credit listed by them for \$2,500, for a bill for usage between June 2013 and June 2014. They agreed to have the debt collector stop contacting Frances for a month while we investigated the case. We established with Frances and her then housing provider that Frances had vacated the billed property in June 2013. Further, a disconnection notice was issued for a debt of \$672 dollars in November 2013, but the disconnection was not completed and the account remained open, allowing the debt to accrue. We asked the retailer why this had occurred and they advised it was because there was a mismatch between addresses and meter numbers. They reiterated that it is the customer's responsibility to close their account when they move out of a property, which Frances had not done. They argued that since Frances had not made any payments towards the account, even at the time the disconnection was raised, she would still have been defaulted listed, so the amount was irrelevant.

After further discussion, the retailer confirmed that Frances vacated the premises before they became the provider and that this was why no bills were paid. They then agreed to waive the arrears of \$2,746 and immediately raised a request for the credit listing to be removed. We reported this to Frances and to the legal officer assisting her.

Frances said she was very pleased with the outcome and that she was working to clear her credit history in order to get a home loan.

Category: Investigation. **Outcome:** Negotiated resolution, arrears waived.
Issues: Provider error, large arrears, debt collection, credit default listing.

COMMUNITY OUTREACH

Our interaction and collaboration with government and ADR agencies is critical to our effectiveness in maintaining strong levels of awareness among key referral points for consumers facing difficulty

Outreach is an essential part of EWON's work to provide information to community workers, consumers and small businesses about energy and water issues, and to raise awareness of our free services. Through presentations and participation in community events across NSW, we provide information about EWON's role and dealing with suppliers, useful hints about energy and water savings, and government assistance available to consumers.

This year we continued to engage with culturally and linguistically diverse (CALD) communities, Indigenous communities, and seniors through our outreach program. We also continued to support stronger engagement with small business customers, who are often unaware that they can access EWON's services. Through our expanding Bring Your Bills Days program and our pilot project in Dareton, we gave particular focus to reaching out to CALD and Aboriginal customers.

We worked closely with government agencies, community organisations and small business groups to bring information and assistance to consumers around NSW during 2014/2015. We value these partnerships tremendously.

ENGAGING CONSUMER ADVOCATES AND COMMUNITY WORKERS

A large part of our outreach activity is focused on connecting with those within the community who are working to help others. During 2014/2015 EWON continued to engage with community workers in the welfare, health and other services through forums, visits, conferences and meetings.

Emergency relief workers, financial counsellors and community advocates are a critically important point of referral to EWON. They help deliver EWON's consumer information and they are a vital source of information for helping us to identify early signs of possible systemic issues.



Seniors Day at the Sydney Royal Easter Show

Financial counsellors

EWON has strong links with the community welfare sector and this year we provided training through the Financial Counsellor's Association NSW (FCAN). We ran two workshops for new trainee financial counsellors and we reached over 200 financial counsellors with stalls and presentations by the Ombudsman at the FCAN conference in Sydney and the Financial Counsellors Australia conference in Canberra. We also met with the executive of the state association for financial counsellors and visited a financial counselling agency in Sydney to network, build relationships and hear about their experiences with energy and water issues.

EWON also participated in the External Dispute Resolution Forum linked with the annual conference for Financial Counselling Australia. This is an opportunity for financial counsellors to engage with Ombudsman services on current issues affecting their clients.

Some other forums and expos

- Inner West Community A Fair – Marrickville (2)
- Seniors Expo – Toronto, Argenton
- Mardi Gras Fair Day – Broadway
- Royal Agricultural Show Seniors Days – Homebush
- Homeless Connect Day – Niagara Park, Hunter
- University of New South Wales Medical Students – Randwick
- Nepean Disability Expo – Penrith
- Southern Sydney Volunteer Expo – Sutherland
- Energy efficiency and fire safety forum with NSW Fire Service – Wollongong (2)
- Community Workers Forum with NSW Fair Trading Forum – Kiama, Tumbi Umbi
- Disability-Grooveability Forum – Marrickville
- St Vincent de Paul Social Justice launch – Mt Druitt

Aboriginal outreach

EWON's Aboriginal Project Officer continued to travel far and wide in 2014/2015 to reach metropolitan, regional and remote Aboriginal communities across NSW. (See the map on [page 54](#) for details.)

Our regular attendance at Indigenous Interagency meetings is an important part of EWON's work to raise awareness of our service and of energy and water issues, including energy efficiency measures. Outreach also helps to sustain a two-way communication channel that enables community members to share local perspectives, which are vital for ensuring that EWON's services and outreach strategy continue both to be accessible and to offer effective assistance to Aboriginal communities around NSW.



Community Information Day in Eastwood

Throughout the year, we participated in:

- NAIDOC Community days
- Redfern Wrap Around Service and La Perouse Wrap Around Service
- Yabun Festival
- Money Counts community visits to Mount Druitt, Taree and Dareton
- Good Service Mob forums in Mount Druitt, Blackett and Castlereagh

At these events, community members can speak with EWON staff about their concerns and lodge complaints. They can also access resources to help manage energy and water accounts, such as information about rebates and assistance and tips for reducing energy consumption.

Much of our outreach in Indigenous communities is undertaken jointly with other agencies and this activity provides an effective opportunity to bring valuable community and government services together in the one place for consumers, and to bring these service to smaller and isolated communities.



EWON's Albert Torrens chats with a consumer at Yabun

As in previous years, many people we met in the communities we visited this year reported problems with managing high arrears. Tenants in more remote communities also continued to report very high bills due to having to use heating and cooling for extended hours because of the extremes in weather, compounded by poor standards of insulation in their homes and inefficient appliances.

Low levels of awareness about energy rebates and the Energy Accounts Payment Assistance (EAPA) scheme, as well as problems relating to geographical isolation (such as limited phone network coverage and a lack of transport for accessing services such as Centrelink, financial counselling and EAPA agencies) are ongoing issues. In response, we are working with local community agencies to address these barriers to assistance and look forward to continuing this effort in the year ahead.

Through 2014/2015 we continued to progress our project in Dareton to assist Aboriginal energy consumers and achieve sustainable improvements around energy consumption and unrecoverable arrears. Read more about this work with our partners from industry, housing, Aboriginal Land Council and government on page 46.

Complaints from Aboriginal and Torres Strait Islander customers

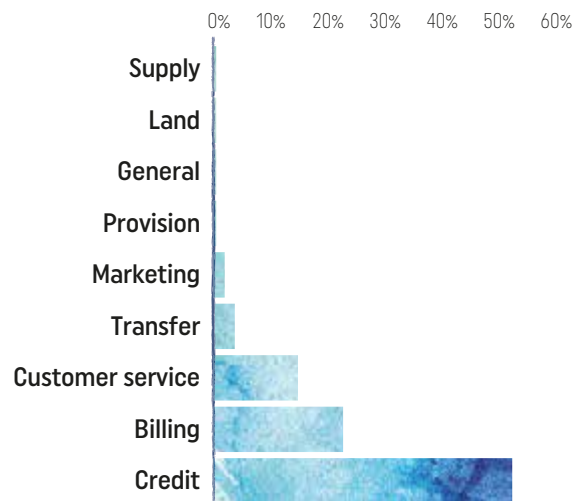
Credit continues to dominate as a primary issue for Aboriginal and Torres Strait Islander customers, particularly in relation to electricity supply. Of the 369* complainants who identified as Aboriginal and/or Torres Strait Islander:

- 204 reported payment difficulties
- 85 had been disconnected or were facing disconnection
- 49 had a disputed high bills

Note: there may be more than one issue raised per complaint.

Around 14% of the complaints came from outer Sydney, 12% from the Central West, 11% from the Mid North Coast and a further 11% from North Western NSW.

ISSUES RAISED BY ATSI CUSTOMERS*



Culturally and linguistically diverse (CALD) customers

In 2014/2015, we continued our Bring Your Bills outreach program for CALD consumers in Blacktown and the Sydney CBD, providing face to face, one-on-one assistance with interpreter support as required. We were delighted to be nominated with our partner organisation, SydWest Multicultural Services, for a Zest Award for our Bring Your Bills program.

This year we also presented to a number of CALD groups including emerging communities, often with the assistance of an interpreter. We presented to groups from cultural and linguistic backgrounds including:

- Arabic-speaking groups in Mount Druitt
- Chinese, Malaysian, Singaporean, Japanese, Korean and Italian groups in Chatswood
- Farsi speaking groups in Penrith
- African groups in Blacktown

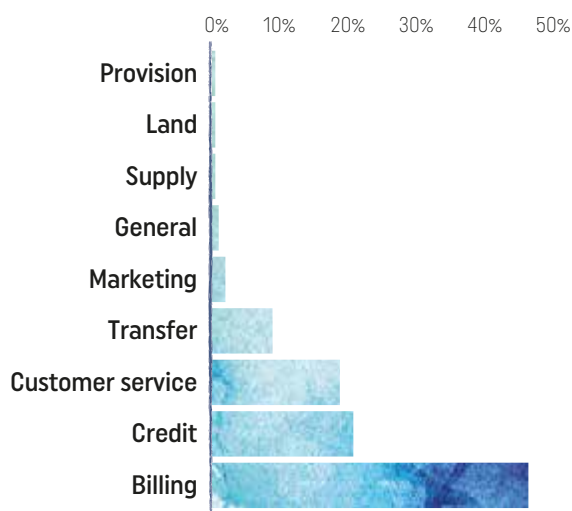
This year we also redeveloped our translated factsheets, which we made available online and in person at stalls, presentations, forums and Bring Your Bills days. These factsheets cover important information about consumer's rights and responsibilities around opening accounts, estimated bills, making payments etc, and they illustrate key concepts with culturally appropriate case studies.

Complaints from CALD customers

This year 628 (2%) customers identified as culturally and linguistically diverse when making a complaint, up from 585 in 2013/2014.*

- The top four issues raised by CALD customers were billing (46%), credit (21%), customer service (19%) and transfer (9%).
- 56% of CALD-identified complaints came from outer Sydney, 34% from inner Sydney.
- Complaints were received from speakers of Mandarin (109), Arabic (78), Korean (69), Cantonese (50), Vietnamese (42), Farsi (34), Tamil (27), Dinka (22), Greek (21), Croatian (12), Turkish (12), Italian (11) and numerous other languages.

ISSUES RAISED BY CALD 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, Torres Strait Islander and culturally and linguistically diverse customers using EWON's services.

CASE STUDY

ELECTRICITY: Nadine is concerned that neither her rebates nor discounts are being applied to her account

Nadine called EWON for the second time after she was unhappy with her energy provider's decision not to amend her high electricity bills. Nadine previously told EWON that she had received three bills, totalling \$2,977, and that she thought her retailer had incorrectly billed her following a transfer from another retailer. Nadine also noted that she had concerns regarding off-peak charges that she considered high, and that her pension and life support rebate that she received for the use of her CPAP machine had not been applied to her account. On top of these issues, Nadine also believed that the 11% discount she agreed to when transferring to her new retailer was never applied.

When EWON called the retailer to discuss the complaint, the retailer agreed to add the two rebates and the pay on time discount and also offered Nadine a credit of \$129 in recognition of the delays in resolving the case, reducing the amount owing to \$2,400. Nadine said she did not want to accept the customer service gesture to resolve the case and she requested EWON continue our investigation.

EWON's review of Nadine's account found a number of issues. The pay on time discount was not applied originally but had since been applied for all billing periods. The life support rebate and the low income household rebate were not applied in some periods. The retailer credited Nadine's account \$195 in lieu of this.

The retailer also offered a \$454 credit to compensate for the considerably higher than regulated retail rates, even accounting for discounts, that were applied to Nadine's account for a three year period. It appeared that the rates for some of the billing period were incorrect and based on another distributor's network tariff structure.

The application of the rebates, discounts and billing adjustment reduced Nadine's account balance to \$1,901. Nadine was given a nine month extension to pay with the understanding that all new bills were to be paid by the due date.

Category: Investigation. **Outcome:** Negotiated resolution, arrears waived. **Issues:** Application of rebates, tariff.



EWON's Narelle Brown addresses a seniors group on consumer energy issues

Seniors and people with a disability

Like many consumers, seniors and people with a disability continue to tell us they are concerned about energy affordability. It is not uncommon for seniors to report that they take severe measures to keep their energy costs down so they can manage their bills, and EWON is concerned about the quality of life for those who are financially vulnerable and/or on limited incomes.

This year we have continued to seek out opportunities to engage with these consumer groups through outreach events. We are aware that many seniors and consumers with a disability have not claimed the rebates and other assistance for which they are eligible – in particular essential life support equipment and medical rebates – and so we talked with them about what help they can access and how. We also spoke with these consumers about their energy consumption and how they can reduce it, as well as about managing bills and dealing with providers.

Events for seniors and consumers with a disability:

- Seniors Days at the Royal Agricultural Show, sharing a marquee with other alternative dispute resolution agencies
- Probus events in South Cronulla, Cherrybrook (2), Malabar and Cheltenham
- Presentation for Chinese-speaking seniors in Chatswood
- Nepean Disability Expo – Penrith
- Disability-Grooveability Forum – Marrickville

Tenants

Tenants in private and public rental housing have only limited control over the energy and water efficiency of their homes, and this can pose challenges for them as consumers. Through targeted outreach activities in 2014/2015, we worked to inform tenants about common problems such as high energy bills resulting from poorly insulated housing and issues with common hot water systems. Through our engagement with community agencies and other consumer advocates we also continued to promote awareness of our services so that appropriate referrals to EWON are made for tenants. In turn we provided referrals to these agencies where tenants we met on outreach reported problems outside EWON's jurisdiction.

In 2014/2015 we participated in events for tenants including:

- Fairfield Housing Tenants Expo
- Illawarra Housing Tenants Forum with the Illawarra Forum and NSW Fire and Rescue

Small business

EWON assists small business customers as well as residential customers. By connecting with small business owners we are able to raise their awareness about what to do if they have an energy or water issue within their business or at home.

In 2014/2015, we participated in NSW Fair Trading's initiatives to engage and inform small business about their rights and responsibilities. This involved presenting at seminars, providing targeted resources for distribution and speaking with small business operators as stallholders at exhibitions.

These small business events hosted by NSW Fair Trading included:

- Building Expo – Hornsby
- Landlords forum – Chatswood
- Motor dealers forum – Chatswood
- Motor repairers forum – Chatswood
- Real estate forum – Chatswood
- Strata managers forums – Chatswood
- Business Expo – Parramatta

CASE STUDY

ELECTRICITY: Bills arriving from a different retailer cause confusion for Bernie

Bernie made an appointment with EWON staff at one of our Bring Your Bills events because she was confused about why she had started receiving energy bills from a different retailer. A few months ago, Bernie had agreed to participate in a phone survey but said that she did not agree to enter into a contract with this new retailer.

Bernie received a welcome letter from the new retailer, Retailer B, and later she received a bill from them for \$120 for the quarterly supply period. Bernie spoke with the company a number of times but wasn't getting anywhere with them. They would only agree to cancel her contract if she paid for her usage and an early termination fee. Bernie then started receiving calls from a debt collection agency so she paid \$90 to avoid further debt recovery action. She was now receiving bills again from her previous, preferred retailer, but she considered she shouldn't have paid any money to Retailer B.

EWON contacted Retailer B to request the voice recording of the phone call during which her account was established and queried whether she had made contact to cancel the contract during the 10 day cooling off period. Retailer B was able to provide a voice recording in which Bernie appeared to give the explicit informed consent required, and their records indicated she had not contacted the retailer until sometime after the cooling off period.

We contacted Karen, Bernie's advocate, and she informed us that Bernie has an intellectual disability and may have been too embarrassed to tell Retailer B that she didn't understand what she was agreeing to. Karen gave us permission to disclose this to the retailer in the hope that it would assist getting the early termination fee refunded.

Retailer B agreed to refund the early termination fee as a customer service gesture in recognition of Bernie's vulnerable circumstances and posted a bank cheque out to her in the mail.

Bernie's advocate said this would resolve the complaint for Bernie and we suggested Bernie add herself to the Do Not Call Register to avoid future telemarketing calls.

Category: Investigation. **Outcome:** Negotiated resolution. **Issues:** Vulnerable customer, energy marketing.

CASE STUDY

ELECTRICITY: Cuong's bakery disputes a \$16,000 backbill despite reducing consumption

Cuong runs a bakery and was shocked when his business received a large back bill from his new electricity retailer for over \$16,000. Cuong said that they had recently transferred to the new retailer and their normal consumption was around \$4,000 and now there was over \$30,000 owing on the account. Cuong thought that the bakery's consumption should have actually decreased as they were no longer baking cakes at the premises.

Cuong's partner Hanh contacted their retailer twice to discuss the high bill. The retailer tested the meter and found it to be working correctly, but they decided to replace it anyway. Cuong and Hanh were told that they needed to make payment so they called EWON for some help as they weren't sure whether the bills they were receiving were an accurate reflection of their consumption.

We contacted the retailer and requested meter and billing data as Cuong and Hanh were disputing the accuracy of the invoice. The retailer made a commercial offer to reduce the bill by \$2,000 and referred the case to the distributor to review the meter data.

The distributor investigated the meter data and confirmed its accuracy, but they acknowledged that there was a high jump in their bills. The retailer then said that a catch up read had contributed to the higher than expected account balance, and that they would now be willing to apply a credit of \$4,000 to the account to resolve the matter. We requested the meter reading data so we could present the offer to Cuong and Hanh with all the information.

After we reviewed the data, we advised the retailer that there were discrepancies in the tariff that needed to be looked into before we would inform Hanh and Cuong of the commercial offer. It appeared that the shoulder consumption was being registered as peak consumption and vice versa.

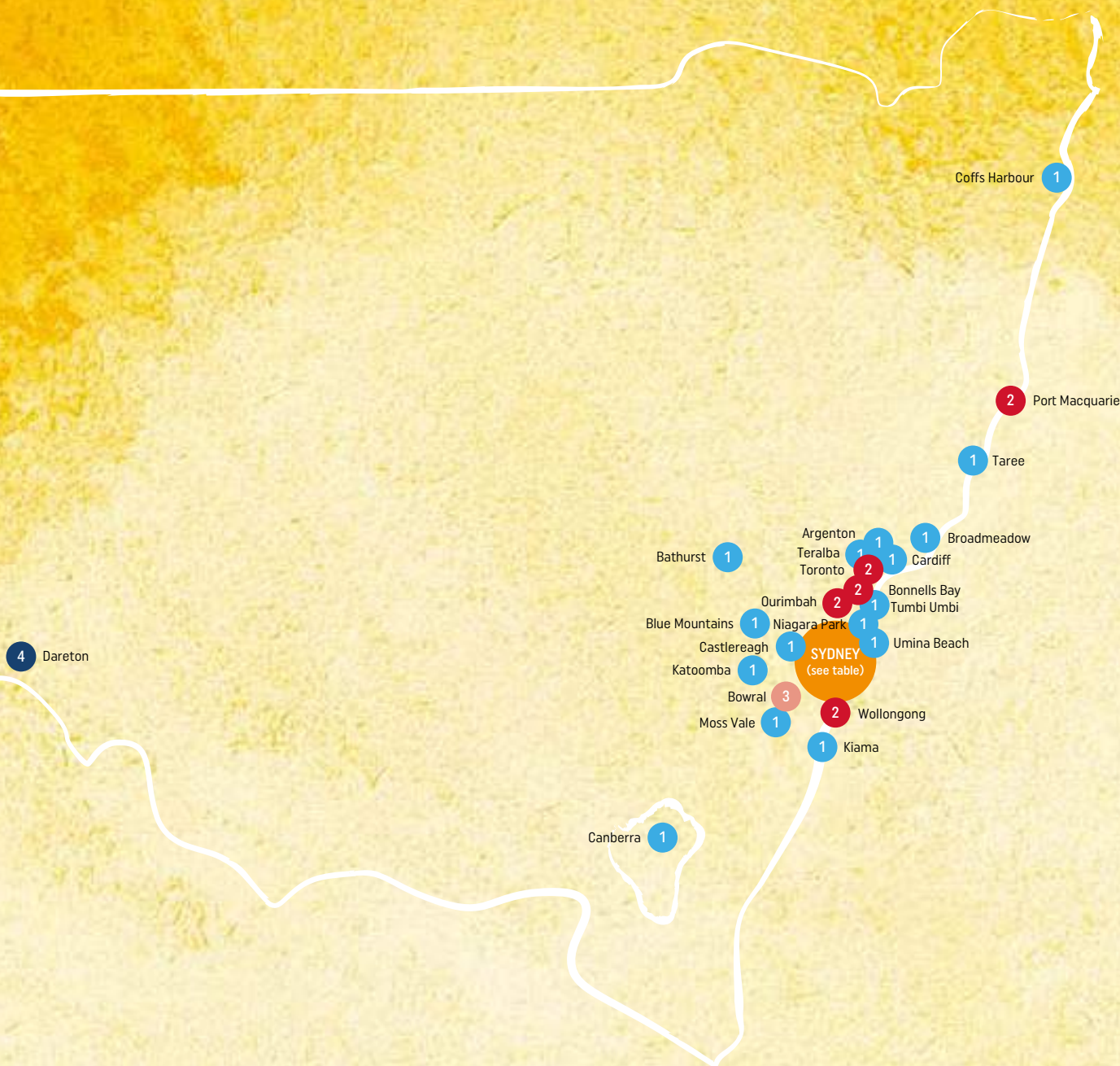
The distributor then arranged for a contractor to check the new meter was configured correctly and being read correctly. They confirmed that peak and shoulder consumption was registering incorrectly and therefore the electricity bills issued to Cuong since the meter was installed were incorrect.

The retailer then correctly rebilled Cuong's account to match the business' consumption, resulting in an amended balance of \$16,688. The retailer also applied an additional credit to their account for \$82 to waive the meter test fee as well as a goodwill credit of \$500 to acknowledge their delay in identifying and fixing the error.

Cuong and Hanh agreed to a bill smoothing payment arrangement of \$500 per week to cover the ongoing consumption and arrears.

Category: Investigation. **Outcome:** Negotiated resolution, customer compensated by provider, provider provided apology to customer. **Issues:** Small business, backbilling, metering, large arrears.

OUTREACH VISITS TO LOCATIONS ACROSS NSW



Auburn	4	●	Cheltenham	1	●	Hornsby	1	●	Potts Point	2	●	St Marys	1	●
Bankstown	1	●	Cherrybrook	2	●	Liverpool	2	●	Randwick	2	●	Sutherland	1	●
Blacktown	16	●	Doonside	1	●	Malabar	1	●	Redfern	8	●	Sydney	19	●
Bondi Junction	1	●	Eastwood	1	●	Marrickville	7	●	Riverstone	1	●	Villawood	6	●
Burwood	1	●	Fairfield	7	●	Mt Druiitt	6	●	Rosebery	1	●	Waterloo	4	●
Campbelltown	2	●	Five Dock	2	●	Newtown	3	●	Rozelle	1	●	West Ryde	1	●
Camperdown	1	●	Glebe	2	●	North Ryde	1	●	Rydalmere	1	●	Woolloomooloo	1	●
Castle Hill	1	●	Granville	1	●	Parramatta	7	●	Smithfield	1	●			
Chatswood	15	●	Homebush	2	●	Penrith	2	●	South Cronulla	1	●			

FINANCIALS

BALANCE SHEET	2015 \$	2014 \$
CURRENT ASSETS		
Cash and cash equivalent	3,251,793	2,905,005
Trade and other receivables	6,719	811
Prepayments	143,798	117,759
Total Current Assets	3,402,310	3,023,575
NON-CURRENT ASSETS		
Property, plant and equipment	1,172,601	1,340,770
Total Assets	4,574,911	4,364,345
CURRENT LIABILITIES		
Trade and other payables	1,165,581	973,012
Provision – annual leave	757,812	1,107,125
Total Current Liabilities	1,923,393	2,080,137
NON-CURRENT LIABILITIES		
Provisions	486,515	360,186
Total Liabilities	2,409,908	2,440,323
NET ASSETS	2,165,003	1,924,022
FUNDS		
Unrestricted funds	2,165,003	1,924,022
Total Funds	2,165,003	1,924,022
CASH FLOW STATEMENT	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Interest received	90,691	98,567
Funding received (Members)	13,771,459	13,262,034
Payments		
Other suppliers	(3,010,576)	(2,765,701)
Wages and salaries	(10,187,060)	(9,888,433)
Net cash inflow from Operating Activities	664,514	706,467
CASH (OUTFLOW) FROM INVESTMENT ACTIVITIES		
Payment for plant, equipment and intangibles	(317,726)	(685,062)
Net increase in cash held	346,788	21,405
Cash at the beginning of year	2,905,005	2,883,600
CASH AT THE END OF THE YEAR	3,251,793	2,905,005
DETAILED INCOME & EXPENDITURE STATEMENT	2015 \$	2014 \$
INCOME		
Funding Received:		
Annual case fees	10,940,882	11,079,896
Annual fixed fees	1,247,962	953,641
Joining fees	10,530	15,375
Interest received and sundry income	90,691	99,301
Gross Income	12,290,065	12,148,213
Less EXPENDITURE		
Communications	142,233	133,281
Deficit on disposal of property plant and equipment		
Depreciation and Amortisation	485,895	312,834
Employee-related expenses	337,961	373,153
Occupancy costs	931,359	870,437
Operating expenditure	533,695	537,826
Salaries and on-costs	9,617,941	9,802,721
Total Expenditure	12,049,084	12,030,252
NET SURPLUS	240,981	117,961



Energy & Water
Ombudsman NSW

FREECALL 1800 246 545
FREEFAX 1800 812 291
EMAIL omb@ewon.com.au
WEB www.ewon.com.au
ABN 21 079 718 915

Keep in touch...



www.facebook.com/EWONSW



www.twitter.com/EWONSW

