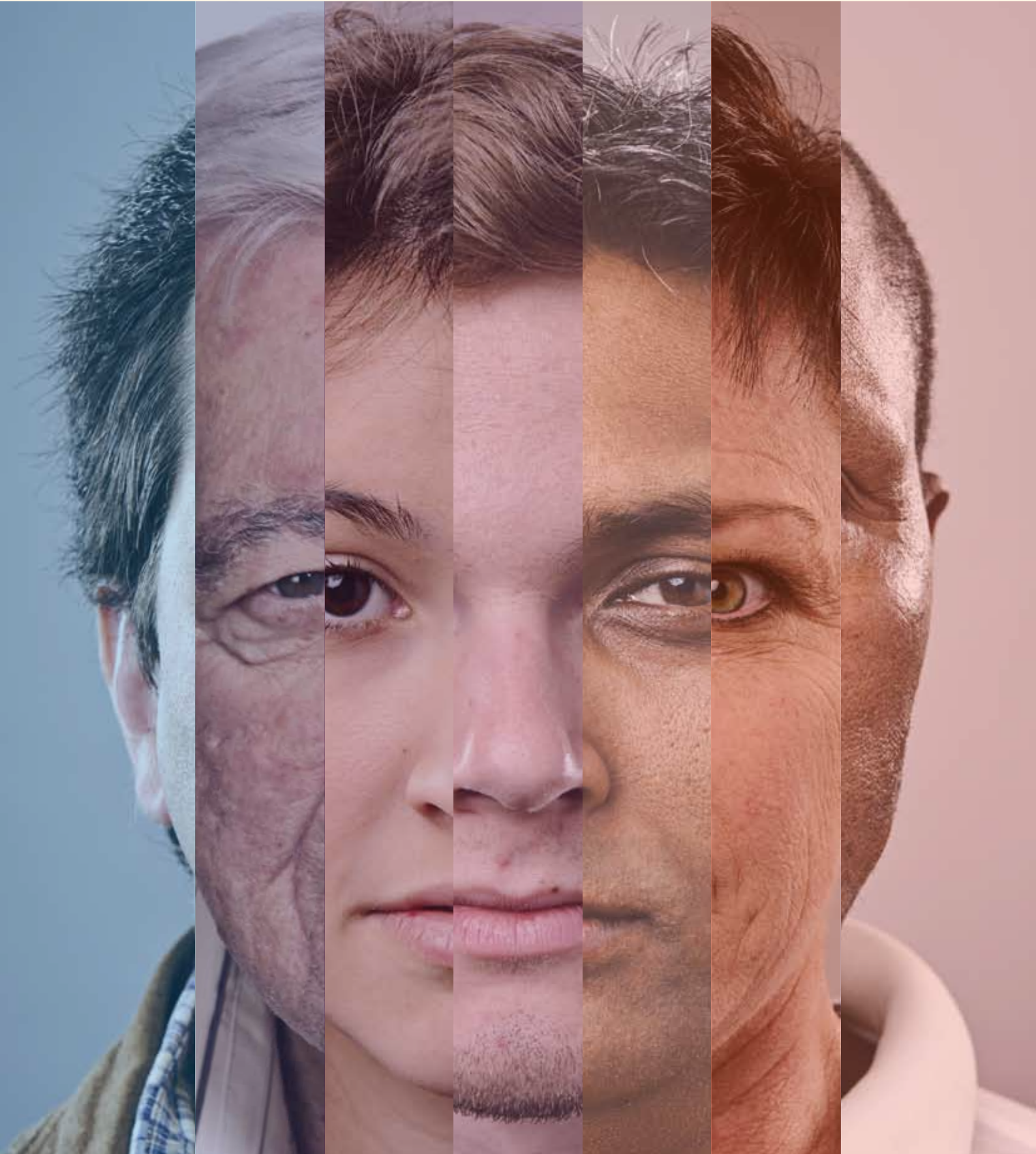




Energy & Water
Ombudsman NSW



ANNUAL REPORT 2012-2013



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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 2013 were:

- Professor Julian Disney, Chair
- Grant Arbuthnot, Tenants Union of NSW
- Tom Davies, Edge Environment
- Penny Gray, Origin Energy
- Chris Heckenberg, Financial Counsellors' Association of NSW (FCAN)
- Jane Mills, Ausgrid
- Jo Monger, AGL
- David Musson, Jemena
- Carolyn Hodge, Public Interest Advocacy Centre (PIAC)
- Elizabeth Priestley, Mental Health Association NSW
- Colin Ridley, Sydney Water

Message from Professor Julian Disney AO, Chairperson EWON Board

This year EWON received more complaints than in any previous year, and the increase from the previous year was the largest in our history. The most striking rises were in complaints concerning high and disputed bills, credit issues and account transfer problems. This reflected the experiences of consumers as energy prices rose again significantly and as growing numbers of households sought to switch energy retailers in a more competitive energy market.

As a further rise in complaints was likely to occur in 2012/2013, the Board approved further increases in the budget for that year in order to ensure sufficient resourcing and infrastructure to handle the increased workload. The budget included funding for relocation to premises large enough to accommodate EWON's expanding workforce, as well as funding for a major operational review. This review was undertaken to help improve the efficiency and effectiveness of EWON's processes and structure for managing the volume of complaints EWON now receives. The Board looks forward to supporting the Ombudsman and her staff as they implement key recommendations from the review.

The Board also supported the work undertaken to reduce and prevent complaints coming to EWON, in particular those initiatives focusing on affordability issues. The growth of complaints concerning affordability and related problems is a major concern for the Board as they account for a large volume of complaints received. Notable initiatives this year were the research report on credit repair agents published by EWON in October 2012 and the National Energy Affordability Roundtable held in April 2013. Led by EWON in partnership with the Australian Council of Social Service, the Energy Retailers Association of Australia and the Australian

Energy Ombudsmen, the Roundtable emphasised the vital importance of stakeholder partnerships in improving affordability for consumers.

The Board hopes that recommendations put forward in the report on the Roundtable will be duly addressed by government, industry, ombudsmen and the community sector. It also hopes that EWON's own initiatives are complemented by energy and water providers ensuring that complaints made directly to them are handled in a timely and effective manner so that their customers do not need to seek EWON's help.



PROFESSOR JULIAN DISNEY AO

EWON's new governance structure took effect on 1 July 2012. The new structure consists of the Board and the Consultative Council, which is an open forum replacing the previous Council of nominated members. Together they helped EWON to continue adapting to the changing industry and consumer environment through the year and, as Chairperson of the Board, I was pleased to chair the first two Consultative Council meetings this year. These meetings provided a successful forum for bringing together industry and community representatives to communicate updates and discuss issues of concern. The Consultative Council will continue to facilitate this critical dialogue between EWON and its stakeholders in the year ahead.

Finally, on behalf of the Board I congratulate the Ombudsman on the high quality and vast quantity of work EWON has effected this year. I also congratulate EWON staff, who have worked so capably under the Ombudsman's leadership and example to respond to the year's challenges and to ensure continued commitment, independence and excellence in providing EWON's important services.



EWON'S INAUGURAL CONSULTATIVE COUNCIL MEETING

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.

In 2012/2013, two EWON Consultative Council meetings were held:

- 29 November 2012, Rydges Hotel, Sydney
- 16 April 2013, EWON office



Based on last year's large rise in complaints, we predicted a further increase this year of 37%. In fact we finished the year with a 45% increase in complaints.

OMBUDSMAN'S REPORT

The focus of EWON's annual report has always been on the issues raised by energy and water consumers, and this report is no exception, particularly in a year that has seen another significant increase in consumer complaints.

These complaints reflect community awareness of the essential nature of energy and water for households: our health and wellbeing depend upon these services. They also describe a current context of pricing pressures, affordability issues and concern about energy and water saving and community expectations of customer service.

As our choice of imagery this year strives to communicate, the complaints reported here are not simply statistics, nor are they just anonymous scenarios. They record the true stories and actual experiences of real people from all corners of our diverse community.

OVERVIEW OF COMPLAINTS THIS YEAR

Based on last year's large rise in complaints and environmental factors, we predicted a further increase this year of 37%. In fact we finished the year with a 45% increase in complaints. Needless to say, it has been a relentless period for EWON staff.

As with all previous years, electricity was the dominant subject of complaints, with the majority of cases concerning retail matters. The main issues were disputed billing

and problems with tariffs, account transfer, affordability of bills and energy marketing.

The underlying issue that often resulted in complaints coming to EWON rather than being addressed by the energy or water provider in the first instance was customer service. Customers said that they waited in telephone queues for long periods, often watching their limited mobile phone credit reduce considerably; they were not contacted as agreed; their emails or letters were not responded to; their request to speak to a supervisor was declined; they made appointments for meter reads that were not kept; and assurances that billing problems would be fixed were not fulfilled. After unsuccessful attempts to resolve issues directly with their providers, these customers turned to EWON.

My response to a number of fairly straightforward matters that were finalised following intervention by EWON was *why did these cases ever have to come to EWON?* This is clearly an issue for the energy and water providers to address and we encourage them to take up the challenge of reducing the number of complaints coming to EWON through early resolution of their customer concerns.

Complaints we received clearly highlight anxiety among many consumers about continued access to essential energy and water services and about their capacity to

manage consumption and bills. This is the mood that is reflected in our 2012/2013 annual report. However, as later noted, we are hopeful there are some grounds for optimism about the future.

COMPLAINTS
INCREASED

45%

AFFORDABILITY

For a number of years we have highlighted affordability issues affecting many households in New South Wales. The recent significant price increases in electricity have impacted all households, but particularly those on low or fixed incomes or with limited financial flexibility. We were aware that this was not confined to NSW, but that it was a national issue. For this reason we had been calling for some time for a national discussion about energy affordability. We were very pleased that our call for action came to fruition during this period with a National Energy Affordability Roundtable held in March 2013 at NSW Parliament House. Key stakeholders from industry, the

community sector, government regulators and energy ombudsmen came together to identify practical responses to ensure Australian households stay connected to essential utility services and can reasonably manage their bills. A report from the Roundtable was presented to the Standing Committee on Energy & Resources (SCER) and a number of issues were identified for further work. (See page 29 for more details.)

As affordability challenges have intensified for energy consumers and some retailers have tightened their credit policies and increased their debt recovery activities, growing numbers of customers have come to EWON for assistance with credit default listing matters. Compounding our concern for the significant disadvantage consumers face once they have been credit listed was the rise of customer complaints we received through commercial advocates, 'credit fix' agents. These customers – who may already be experiencing financial hardship – are charged for services they could access for free if they came directly to EWON. Accordingly, we undertook research to better understand when and why customers engage a 'credit fix' agent and what their experience is. Our findings were very concerning and the report has helped raised awareness of the issue. (Read more on page 30.)

CONSUMER PROTECTION

In 2011/2012 the NSW Minister for Energy announced the deferral of implementation of the National Energy Customer Framework (NECF). We were pleased that during this year the Minister announced that NECF will commence in NSW from 1 July 2013.

NECF will ensure that important existing consumer protections for essential electricity and gas services continue and are strengthened in parts. It will give the Australian Energy Regulator (AER) a key role in monitoring compliance and reporting. It will also enable energy retailers to move towards national consistency rather than dealing with different requirements in different states and territories, to the advantage of their customers.

During the year EWON made a number of submissions– these are available at www.ewon.com.au. As appropriate, we raise systemic issues directly with energy or water providers as well as regulators. While EWON has a key role in dealing with individual consumer complaints, we place strong emphasis on systemic work to try to reduce problems occurring in the first place.

Last year we identified an 'energy saving device' scam that was being marketed to consumers who were concerned to reduce their electricity consumption, and we worked closely with NSW Fair Trading to see the scam shut down. During this year

we identified a new, similar scam and again we have worked with Fair Trading to see it brought to an end. It is disturbing to see community concern about energy saving exploited in this way, especially when these scam devices usually come at a hefty cost to the purchaser.

ENERGY MARKETING

A major development during 2012/2013 was the decision by the three biggest energy retailers – EnergyAustralia, AGL and Origin Energy – to withdraw from door to door marketing. EWON welcomed this move as we have continued to receive complaints about retailers, both large and small, that concern: misleading and pressured door to door marketing; marketing to non-account holders; and marketing to people who are vulnerable for reasons relating to health, language or literacy.

Many consumers stand to benefit by moving to a suitable non-standard energy market contract. However, many also find the energy market confusing with the result that they miss out on energy deals that may be to their financial advantage. EWON has regularly referred consumers to the independent comparison site administered by IPART, and we look forward to NSW consumers having access to the AER *Energy Made Easy* comparison website, www.energymadeeasy.gov.au, following the NECF implementation.

AFFORDABILITY-RELATED COMPLAINTS

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

A total of 7610 complaints involved credit issues, up from 5936 in 2011-2012 Issue	No. complaints 2012/2013	No. complaints 2011/2012	% change
Arrears/utility debt	2777	2381	+17%
Facing disconnection due to non-payment	2056	1931	+6%
Contacted by debt collectors	1467	977	+50%
Disconnected due to non-payment	1293	1090	+19%
Credit rating affected	1116	710	+57%
Payment arrangement declined	703	490	+43%

EWON CHANGES

This year saw EWON move to larger premises and completion of the first full year of our newly constituted Board, chaired by Professor Julian Disney.

We also held two very positive and lively Consultative Council meetings where community and industry representatives discussed various topical issues. At the first of these meetings, community workers complained that different retailers required different *authority to act* forms when verbal authority could not be obtained from their clients. This was an added burden on already stretched community workers. EWON agreed to work with retailers and community workers to develop a standard form, and the final template authority form has been widely circulated to community organisations.

An Operational Review was undertaken during this year. The objective was to conduct a review of EWON's overall operations to: identify ways of increasing the efficient and effective handling of customer complaints while maintaining quality of service; reduce a backlog of complaints and avoid further backlogs; improve the timeliness of case resolution; and reduce staff workload to a reasonable and sustainable level. We look forward to seeing the benefit of the review's findings as we implement its recommendations during 2013/14.

LOOKING AHEAD

There are some grounds for optimism that 2013/2014 might see some relief for consumers and a steadying of complaints to EWON. For a number of years, network costs have been a major driver of increased electricity prices, but the increase in network costs at 1 July 2013 will be close to CPI and this should take some of the pressure off electricity bills for account holders. How well this prediction is borne out will also depend upon the ability of energy and water companies to manage customer complaints and to respond to customer issues as they arise.

The end of door to door marketing by major retailers should reduce complaints to EWON. Although we expect that other marketing methods will be developed, they should be less confrontational than door to door marketing.

We are also hopeful that the National Energy Affordability Roundtable recommendations will lead to improvements for energy consumers, some in the short term and others in the longer term.

With the implementation of NECF in NSW from July 2013, we will work more closely with the Australian Energy Regulator (AER) and we appreciate the good relationship that we have developed with the AER and other federal agencies, in particular the AEMC and the ACCC.

THANK YOU

EWON is strongly supported by many people and it is important to acknowledge them.

EWON staff have worked under great pressure this year because of the continued significant increase in workload across the office. The skill, professionalism and commitment of EWON staff is of a very high standard, and I cannot thank everyone enough for their efforts and good grace under pressure.

The EWON Board's support and rigorous governance has been invaluable, including their support for the Operational Review to enhance EWON's operation and service.

I would also like to thank:

- Energy and water provider members of EWON for your cooperative relationship in working to resolve customer complaints as quickly and as reasonably as possible. There is more work to be done during 2013/2014 and I look forward to this being done with the same cooperative approach.
- Community workers with whom we work so closely. We are aware of the pressures on you and appreciate your advocacy on behalf of your clients. You also play a key role in keeping EWON advised of important and emerging issues affecting your clients, particularly those who are disadvantaged and those who are living on low incomes.
- Our key stakeholders – NSW Trade & Investment, the Independent Pricing & Regulatory Tribunal, NSW Fair Trading, NSW Ombudsman, Australian Energy Regulator – for your support and constructive working relationships.
- My Ombudsman colleagues in the Australia & New Zealand Energy & Water Ombudsman, Australian Energy Regulator Network (ANZEWON) and the Australian and New Zealand Ombudsman Association (ANZOA) for your support and shared wisdom.

Clare Petre

Clare Petre
Energy & Water Ombudsman NSW

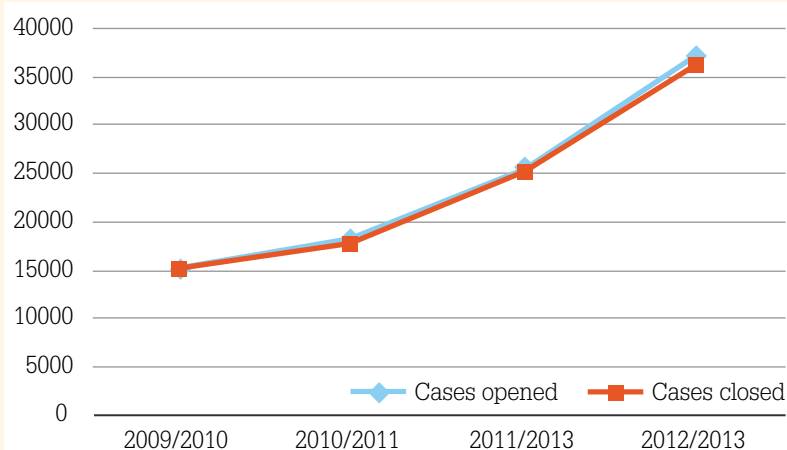


INCREASE IN COMPLAINTS BY PRIMARY ISSUE

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

Issue	No. complaints 2012/2013	No. complaints 2011/2012	% change
Billing	19549	13296	+47%
Customer service	9162	6173	+48%
Transfer	9099	4903	+85%
Credit	7610	5936	+28%
Marketing	2501	2070	+21%
Supply	519	503	+3%
Provision	506	583	-13%
Land	484	425	+14%

YEAR TO YEAR COMPARISON



37,275
cases opened in 2012-2013

36,373
cases closed in 2012-2013

SNAPSHOT OF AREAS WHERE COMPLAINTS HAVE INCREASED

Issue	No. complaints 2012/2013	No. complaints 2011/2012	% change
High or disputed bill	7115	5182	+37%
Poor service	4724	3043	+55%
Tariff (feed-in, TOU, prices)	3296	2126	+55%
Contract (eg variation, fees)	2859	1589	+80%
Failed to respond	2783	1720	+62%
Delayed bill or bill not received	1970	996	+98%
Transferred without consent	1894	1032	+84%
Contacted by debt collectors	1467	977	+50%
Site ownership issues	1263	635	+99%
Transferred in error	1071	565	+90%
Cooling cancellation not-actioned	1015	530	+92%



ABOUT US

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.

WHAT WE DO

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 number of ways, including:

- reviewing/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.

OUR STRUCTURE

EWON members

1 July 2012 to 30 June 2013

ActewAGL Gas Distribution
ActewAGL Retail
AGL Electricity
AGL Retail Energy
AGL Victoria
Albury Gas Company
APT Allgas Distribution
AquaNet
Aurora Energy
Ausgrid
Australian Power & Gas
Central Ranges Pipeline
Click Energy (from April 2013)
Diamond Energy
Dodo Power & Gas
Endeavour Energy
EnergyAustralia*
Envestra NSW Gas
ERM Power Retail
Essential Energy

Flow Systems (formerly Water Factory Company)
GoEnergy (from December 2012)
Gosford City Council
Hunter Water
Jemena
Lumo Energy
Momentum Energy
Origin Energy*
Powerdirect
QEnergy
Red Energy
Sanctuary Energy
Shoalhaven Water
Simply Energy
State Water Corporation
Sydney Desalination Plant
Sydney Water
TransGrid
Veolia Water Solutions & Technologies
WINenergy (from March 2013)
Wyang Shire Council

* In 2011, TRUenergy purchased the retail arm of Energy Australia and Origin Energy purchased the retail arms of Country Energy and Integral Energy. As of this year, complaint data for TRUenergy has been rolled into EnergyAustralia and complaint data for Integral Energy has been rolled into Origin Energy.

CASE STUDIES

Electricity

large arrears, high consumption

High arrears and ongoing consumption in excess of payments place Alice at risk of disconnection

Alice has been living in her current home for twenty years, with four children and one grandchild. Twelve months earlier a Home Power Savings Audit was conducted at Alice's home to help identify ways to reduce her household's consumption, but their average consumption was still \$227 per fortnight. Previously, Alice had a \$100 per fortnight payment plan via Centrepay and she had been on the retailer's customer assistance program twice. The company had offered an incentive of \$1,690 towards her account if she kept up her payments, but she was unable to do so and defaulted on the payment plan.

Significant arrears had accumulated over eight years and Alice now owed \$9,500 in total. The supplier issued a disconnection notice for \$7,500 and said they wanted \$4,000 upfront as well as a payment arrangement of \$597 per fortnight to stop the disconnection. Unable to meet these requirements, Alice went to her local neighbourhood centre who referred her to EWON and a financial counsellor.

We contacted the retailer and asked them to put Alice's account on hold while we investigated the complaint and referred Alice to a number of EAPA* agencies for assistance. Alice was only able to obtain \$240 in EAPA vouchers, which left her \$3,760 short of the amount her electricity retailer required to stop disconnection, and she considered she could only afford to pay \$110 per fortnight towards her bill.

Considering the size of the arrears and Alice's debt history, the retailer was unwilling to reduce their requirements for suspending disconnection. Following our negotiations however they agreed to accept Alice back on their hardship program with payment arrangement of \$130/fortnight. The retailer also sent a field officer to Alice's home to explain how to read the meter and monitor usage.

Alice agreed to make regular payments, work with her children to reduce consumption and report meter readings to her supplier fortnightly. She understood that if she was unable to meet any of these commitments in the future her power supply would be at risk again.

* Energy Account Payment Assistance

small business, significant outcome

Small supermarket owners face \$17,240 monthly bill on costly extension rates

A small supermarket changed hands and its store manager was trying to negotiate the terms of a new electricity contract when he became unwell and had to go on leave. The business owner was overseas and, in the meantime, the supplier moved the supermarket onto default extension rates on the grounds that no contract had been entered into.

Darren, the advocate for the business, called EWON for assistance. He said that the owners felt they weren't given enough opportunity to sign a contract and that the supplier had refused to backdate the offered contract to when the business changed hands. The owners were now facing a \$17,240 bill for their first month of operation, whereas on the previous contract rates the bill would have been \$9,995, and their next bill was due soon. They had since applied to transfer to another retailer.

EWON investigated what notification had been provided to the business regarding the contract and the application of default extension rates. We also looked at how relevant laws and regulations had been applied by the retailer and what financial detriment the retailer would incur by supplying the customer at the previous market rate.

Following negotiations, the retailer eventually agreed to apply the rates offered in the original contract to the entire supply period. This reduced the bill by over \$13,000 and the business owners were very pleased with the outcome.

OUR TEAMS

In 2012/2013, EWON comprised four teams working under the leadership of the Ombudsman:

Investigations

The Investigations team is made up of specialist staff 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.

Community and Service Development

The Community and Service Development team promotes and raises awareness of EWON's services and energy and water issues affecting consumers, manages member and stakeholder relationships, coordinates internal and external reporting functions, organises learning and development for staff and provides other essential resources for the Investigations team.

Policy and Research

The Policy and Research team helps to identify and address trends in complaints and systemic issues that arise from our investigations, provides research and analysis support to the Investigations team and, through reports and submissions, informs stakeholders and the community generally of the issues customers have raised with EWON.

Corporate Services

The Corporate Services team provides essential administrative, information technology and human resources support for the organisation.



Following recommendations developed from EWON's Operational Review, a new organisational structure will be adopted formally from 1 July 2013.

OUR SERVICES

EWON plans its activities and measures its success against six industry standard benchmarks:

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

We constantly 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 these benchmarks, including a major Operational Review, as mentioned elsewhere, and internal review.

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 an outcome and if they can indicate an error in our investigation or provide relevant new information. This year we received 20 formal requests for internal review from 10,245 investigations.

Efficiency and effectiveness

To achieve best practice, EWON closely monitors how we respond to complaints, the time taken to finalise cases and the outcome of investigations. This year we finalised:

- 84% of cases within 30 days (benchmark = 90%)
- 95% of cases within 90 days (benchmark $\geq 95\%$).

Sustainability initiatives

EWON supports environmental sustainability initiatives through EGG (EWON Green Group). EGG runs internal recycling initiatives and this year published four in-house newsletters to keep staff up to date on topical energy efficiency and other environmental information.

**COMPLAINTS
FINALISED
WITHIN 30 DAYS**

84%

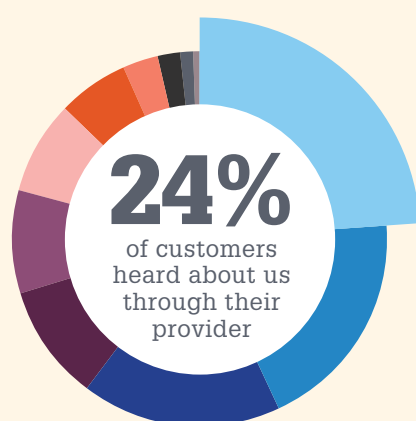
TIME TAKEN TO FINALISE COMPLAINTS

1-2 days	3-14 days	15-30 days	31-90 days	91-180 days	>180 days
37%	35%	13%	10%	3%	2%

REFERRALS WE PROVIDED TO CUSTOMERS

Energy/water provider	10468
Community agency or financial counsellor	848
NSW Fair Trading	842
Independent Pricing and Regulatory Tribunal	514
Other complaint agency	486
Other government agency	464
Legal/tenancy advisor	219
Private contractor	199
Department/Minister for Energy/Water	125
Australian Energy Regulator	33

HOW CUSTOMERS HEARD ABOUT US



Provider	24%
Previous contact	19%
EWON promotion	19%
Own knowledge	13%
Government	8%
Unknown	6%
Word of mouth	5%
Community organisation	2%
Other	2%
Media	1%
Regulator	<1%

OUTCOME OF INVESTIGATIONS



Negotiated/facilitated resolution	83%
No further investigation	17%

CUSTOMER PERSPECTIVES

✉ JULIE

"I have received 10 letters from [my retailer] over the last 6 months and made in excess of 20 calls trying to resolve this issue... I want someone who knows what they are talking about and who is authorised to actually make the changes necessary to fix my situation."

✉ JAMES

"We have not yet received a bill. It is now 9 months later. I have contacted [the retailer] on numerous occasions and keep getting told they have sent it out, but there's still no bill... I want to receive a bill so that we can finalise the account. I want adequate time to pay the due amount, equal to the time of not having received the bill."

✉ LEANNE

"The first call I made resulted in me being disconnected when the customer service rep attempted to put me through to the credit department (this happens probably 80% of the time I call [the company] and they try to put me through to the credit department). I called back and this time I got through... The person I spoke with gave me a lot of confusing and mixed messages."

✉ LUKE

"A few weeks ago I discovered that I have been defaulted by [the electricity company]. I had no forewarning of this... I paid the outstanding amount because I cannot borrow or continue to conduct business with this black listing. I contacted the company and asked for this to be removed from my file as it should not have been put there in the first place. I would have happily paid the amount if the meter reading was suitably investigated as I had requested. They said they don't think the listing should be removed from my record because I "need to learn to pay my bills on time." I have always told them I am happy to pay the bill if it is reviewed and found to be correct. As it stands, I have paid the bill because it was preventing me from obtaining credit. Unfortunately, it still is."

✉ PENNY

"I received an incorrect bill for \$94,999.92 for one quarter's electricity use. The meter reading was clearly incorrect compared to the previous reading. I have made several attempts at resolving the account with no result from [the retailer]."

✉ IQBAL

"I found the following problems with my bills: 1. I had never received the \$100 credit that I was entitled to. 2. I had never received the 8% discount on electricity. I have discussed these issues at length in 5 or 6 calls to [the retailer] since February and some of those calls lasted about 45 mins. Each time they accepted the billing error and promised that it would be fixed in 3 to 4 weeks by their account department and I would see the error fixed in the next billing cycle."

✉ COURTNEY

"I'm a sole parent with bipolar disorder and have just had 2 months off work due to my illness. I fell behind on many payments... I called them to let them know this, and explained it was because I'd had time off work. They told me they couldn't give me another extension because I'd already had 2 in the past 12 months, and the only way they could give me an extension was if I set up a direct debit from my bank account. I declined, because my income will remain unstable for a few more months. I asked for an extension, but it was declined, and they told me my electricity will be disconnected if the full amount is not paid within 3 weeks."

✉ CARLOS

"I am seeking an explanation for why I've been harassed by [the retailer] on a daily basis, as well as why my bill jumped so high without any explanation, and the result I'm after is to have a nil balance owing to the company. Just like my statement states."

 **JACINTA**

"I have not received a bill in over 4.5 months and have not received a solar credit for 10 months. I have spoken with the company and since they migrated their billing system they have not been able to bill me because they have issues billing solar PV customers. I am missing out on my solar credits and should be paid what is due to me. I want my bills generated, account fixed and solar credits paid."

 **GABRIEL**

"If electricity is restored on Monday, this will be four consecutive days and nights without heat, hot water, or any electricity whatsoever. I live far out West, where it gets very cold at night, down to 0 degrees. Electricity is not a luxury; it's a necessity. I don't think it's acceptable to make someone live without electricity for so long during the winter due to an administrative error."

 **HELEN**

"I am happy to pay what is legitimately owed on my accounts. I would like to see the money that I have already paid to [my retailer] appear against the accounts it was paid to. I need help, please."

 **MARIEKE**

"As rate payers and water customers, we would like our neighbourhood's sewerage to work in an efficient, safe and hygienic manner. In the interest of communal health, we would ask that this [remedial work] be done immediately."

 **GREGORY**

"While we were on holiday in New Zealand, apparently [Retailer A] received a request for them to become our billing provider. The first I heard of it [my current retailer] called me to say the request had been progressed. I have tried on many occasions to call [Retailer A] to inform them of their error, spent 30 mins plus on hold and the one time I did get a person I was transferred to someone else who on hearing my story told me he had a meeting to get to and hung up on me!"

 **MATHILDE**

"Our electricity and gas accounts were transferred to [a different retailer] after updating our mobile phone plans at our local phone store... We are especially disgruntled and cannot believe that our services were transferred completely unbeknownst to us. This should not be allowed to occur and it is an invasion of privacy. Any assistance you can provide would be greatly appreciated as we do not seem to be getting anywhere ourselves."

 **PAUL**

"I am so fed up with [the gas retailer] and the way they have handled this matter that I would like to change providers but fear that this will not be an option with this cloud of debt hanging over our heads."

 **LOUISA**

"I have been on a payment plan and couldn't make the payments as I am casual at work and sometimes don't get many hours. I am facing disconnection and rang [the retailer] last week and they said they can't help me. I have a daughter who lives with me who is just about to have a baby. Can you please help me?"

 **ISAAC**

"I am very confused as to why I am receiving bills from a supplier I not only am no longer with nor wish to be with, but for an account that I was told by them was closed, and I had no balance owing to them."

 **KARYN**

"I received estimated bills on 3 quarterly accounts as my meter was not working. It took over 9 months for them to replace the faulty meter. Our consumption has been lower because of the mild weather and we no longer have our second fridge and freezer. We have been penalised by them taking so long to replace the meter and should not have received such huge estimated bills."



EWON finalised 36,373 complaints in 2012/2013, up 45% on last year's 25,162 complaints – which represented a 43% rise compared with 2010/2011.

OUR WORK THIS YEAR

OVERVIEW OF COMPLAINTS

EWON finalised 36,373 complaints in 2012/2013, up 45% on last year's 25,162 complaints – which represented a 43% rise compared with 2010/2011. We continued to face considerable challenges managing this dramatically increased caseload while also recruiting and training additional staff and dealing with poor response times from some providers. Despite these challenges, we managed to close 98% of cases opened in the year, just 1% down from our closure rate in 2011/2012.

This year we finalised 13,406 (37%) cases as complaint enquiries. There were 10,245 matters (28%) allocated for investigation, down from 36% in 2011/2012. It was pleasing to see Level 3 matters remain low in 2012/ 2013 with less than 4% of investigations falling into the highest category. There were no determinations (binding decisions) by the Ombudsman this year.

Electricity complaints continued to dominate in 2012/2013, accounting for 29,924 complaints (82%), a 3% increase in the share of total complaints. Total gas complaints rose by 15%, while dual fuel complaints increased by 58% to maintain a 4% share of total complaints. The volume of water complaints to EWON this year remained stable at 3% of all complaints received.

REFERRING COMPLAINTS

Where appropriate, EWON will refer a customer back to the energy or water provider, but at a higher level within the company. This is recorded as Refer to Higher Level (RHL). In 2012/2013, we referred 33% of complaints (11,930 matters) to providers under the RHL arrangement, up from 24% of complaints (5986 matters) 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. Protocols are in place that require the provider to 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.

WHO USED OUR SERVICES

Overall, the picture of people who used our services in 2012/2013 was consistent with previous years:

- 95% of complaints were from residential customers
- 5% of complaints were from small business customers

- 29% of complaints were from people living in regional, rural and remote areas of NSW
- 49% were female, 51% were male
- 82% contacted us by phone
- 11% used our online form to submit their complaint
- 6% of complaints were lodged by email



TOTAL COMPLAINTS

Total cases opened	37275
Total cases closed	36373

36,373
total cases closed

COMPLAINTS ABOUT ELECTRICITY RETAILERS

	No. complaints 2012/2013	No. complaints 2011/2012	% change
Origin Energy*	8919	6503	+37%
EnergyAustralia*	8033	3872	+107%
AGL	5131	3624	+42%
Country Energy	1796	1141	+57%
Australian Power & Gas	1338	964	+39%
Lumo Energy	994	397	+150%
Red Energy	368	346	+6%
Sanctuary Energy	324	265	+22%
ActewAGL	246	198	+24%
Dodo Power & Gas	189	50	+278%
Powerdirect	154	134	+15%
Jackgreen**	110	188	-41%
Momentum Energy	62	7	+786%
QEnergy	14	N/A	N/A
Simply Energy	11	2	+450%
Aurora Energy	6	0	+100%
Click Energy	4	N/A	N/A
ERM Power Retail	1	N/A	N/A
Diamond Energy	0	2	-100%

* TRUenergy complaints have been rolled into EnergyAustralia and Integral Energy complaints have been rolled into Origin Energy.

** Although Jackgreen was suspended in December 2009 and went into administration shortly after, EWON has continued to receive complaints from former Jackgreen customers.

CHANGE IN COMPLAINT LEVELS

	No. complaints 2012/2013	No. complaints 2011/2012	% change
General enquiry	792	539	+47%
Complaint enquiry	13406	9611	+39%
Refer higher level (RHL)	11930	5986	+99%
Level 1 investigation	8322	7561	+10%
Level 2 investigation	1549	1113	+39%
Level 3 investigation	374	352	+6%
Total	36373	25162	+45%

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): complaint enquiry 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

RETAIL/DISTRIBUTION COMPARISON

		No. complaints 2012/2013	No. complaints 2011/2012	% change
Electricity	Retailer	28063	18001	+56%
	Distributor	1244	1277	-3%
	Exempt retailer	101	75	+35%
	Other*	516	441	+17%
Gas	Retailer	3731	3217	+16%
	Distributor	128	119	+8%
	Exempt retailer	0	1	-100%
	Other*	17	23	-26%
Water	Retailer	729	683	+7%
	Distributor	259	281	-8%
	Exempt retailer	2	2	0%
	Other*	24	39	-38%
Dual Fuel	Retailer	1451	919	+58%
	Exempt retailer	0	1	-100%
	Other*	3	3	0%
Non-energy/water	General enquiry	105	80	+31%
Total		36373	25162	45%

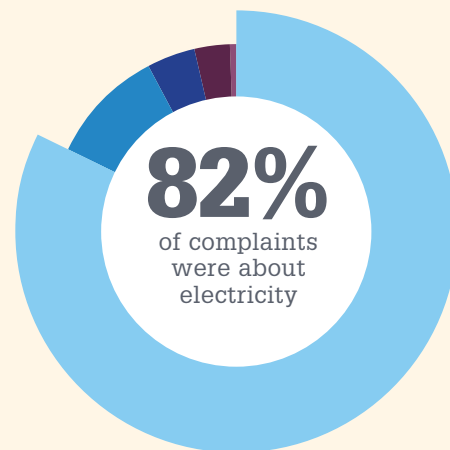
* Non-provider specific, out of jurisdiction

LOCATION OF CUSTOMER LODGING COMPLAINT



Major cities of NSW	70%
Inner Regional NSW	22%
Outer Regional NSW	6%
Non-NSW	1%
Remote NSW	<1%
Very Remote NSW	<1%

COMPLAINTS BY INDUSTRY



Electricity	82%
Gas	10%
Dual Fuel	4%
Water	3%
Non-energy/water	<1%

CASE STUDY

Electricity

small business, billing delay

Family shocked to receive bills amounting to \$16,000 for disused land

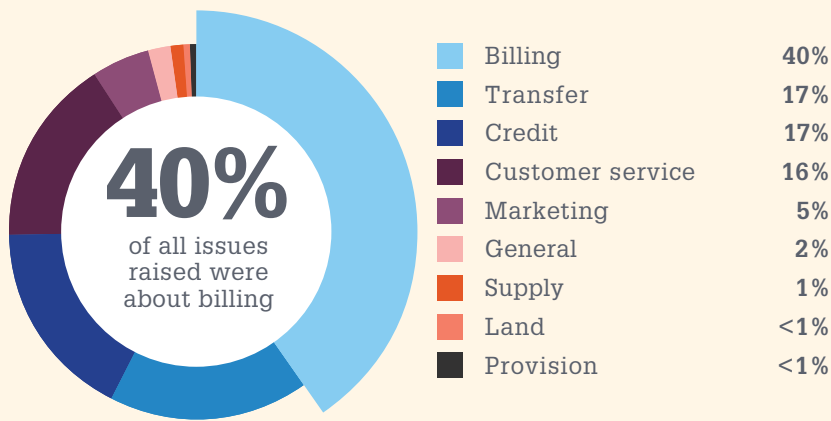
Lynette, Arnold and Arnold's father purchased two blocks of disused industrial land in late 2010. Four months later they were contacted by the previous owner's electricity supplier and provided their details as requested to transfer over the account. The blocks remained vacant and the new owners received no further correspondence from the supplier for 10 months. Then a bundle of 30 electricity bills arrived – one for each block for each of the 15 months that had passed since the property was transferred. Combined, the charges amounted to \$17,405.

The three joint owners had not known until this time that there was an industrial supply contract in place and no one had explained the contract's fee structure to them. Had they been advised by the energy supplier, or had a bill arrived earlier, they considered they would have disconnected the supply to the blocks. Lynette felt that this billing delay was unreasonable, but the supplier maintained that the billing was correct and that they were liable for the balance owing.

Lynette contacted EWON for help. Our investigation found that some charges had been applied in error and we queried whether the retailer had observed the relevant regulations, in particular those concerning the retailer's responsibility to determine the expected rate of consumption of a customer for the purpose of determining what category of customer they fall within and what rates should apply.

The owners were very relieved by the retailer's decision to waive the full \$17,405 in fees owing on the accounts.

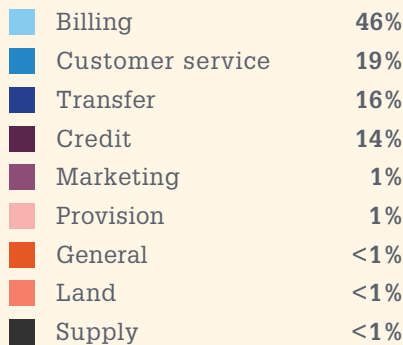
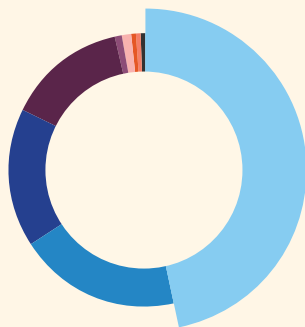
ALL ISSUES RAISED BY CUSTOMERS



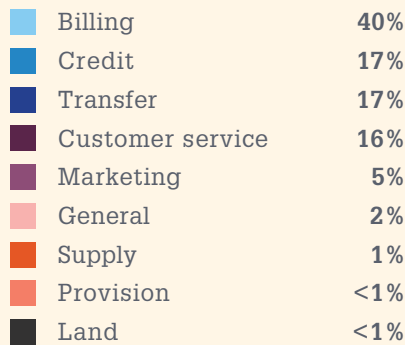
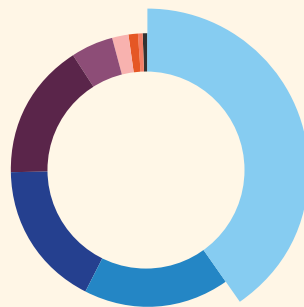
Notes on how we categorise complaint issues:

- **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

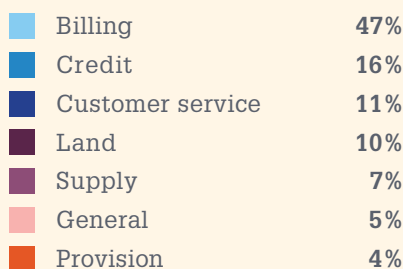
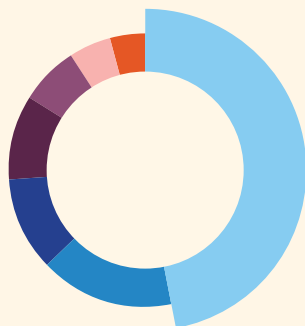
GAS ISSUES



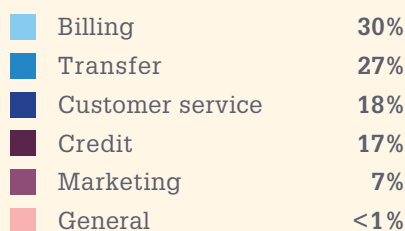
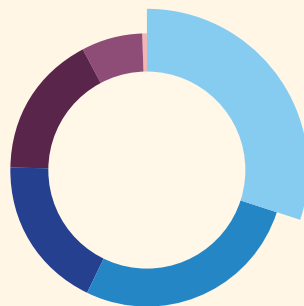
ELECTRICITY ISSUES



WATER ISSUES



DUAL FUEL ISSUES



CASE STUDIES

Electricity

credit default listing, meter reading error

Carmelo challenges his credit default listing over a disputed electricity bill

When Carmelo received a final electricity bill for \$1550 from his former retailer, he disputed it with the company. The amount was about double his usual bill and just before it was issued Carmelo had been advised by the network provider that they had found a fault with his meter and replaced it.

In good faith, Carmelo paid 50% of the amount owing on his account, which he considered represented his actual use, but the balance was sent to a debt collector before the disputed bill was resolved. Carmelo continued to dispute the bill with the retailer and the debt collector, maintaining that it reflected a faulty meter reading. When his application for a credit card was declined, he then discovered he had been credit default listed for the \$775 outstanding on the bill.

Carmelo asked EWON to investigate the accuracy of the bill and to review the basis of the credit default listing.

Our investigation found that the retailer had attempted to find out from the distributor if a meter fault had in fact been detected and, if so, to obtain a revised reading to adjust Carmelo's final bill. However, the network had been unwilling to provide the information because the site had transferred to another retailer.

While raising this issue with the network provider, EWON requested that the retailer consider removing the credit default listing on the grounds that there appeared to be sufficient doubt about the bill's accuracy. The retailer withdrew the listing and in the meantime the network provided revised readings to the retailer.

This updated meter data reduced Carmelo's balance owing to just \$63 once the prompt payment discount was applied, and the retailer offered to waive this amount. Carmelo was satisfied with the outcome.

impending disconnection, payment arrangement

Disability pensioner Shirl faces impending electricity and gas disconnection

When an officer arrived to disconnect her electricity supply for non-payment, Shirl explained she operates a nebuliser to manage her lung disease and the officer left without completing the disconnection. Her dual fuel account was overdue and she wanted to avoid the gas and electricity being disconnected, so she contacted EWON for help.

Shirl is on a disability pension and her partner had just become employed again. She explained that she couldn't pay the full \$600 she believed was owing on the account upfront, but that she could make a \$200 payment right away and they could then manage to pay \$100 per fortnight to bring down the arrears.

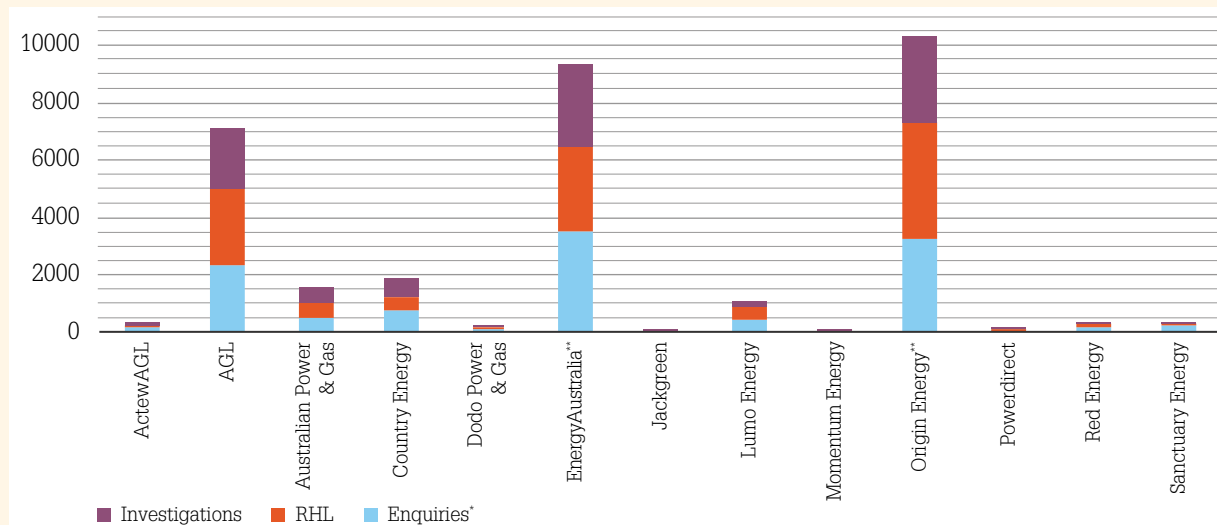
When we spoke with the retailer, they advised that there was \$1200 owing on the electricity account and \$305 on the gas account. They agreed to put a hold on the accounts and to accept the payment plan Shirl considered was manageable. They confirmed that Shirl was already receiving the Low Income Household Rebate and agreed to send her an application form for the medical energy rebate, which her circumstances suggested she might also be eligible to receive.

We advised Shirl that she could apply to a community agency for EAPA* vouchers to help reduce her arrears and we provided her with referrals to EAPA agents in her area. Shirl said she would take the medical rebate form to her doctor to complete it.

* Energy Account Payment Assistance

COMPLAINTS BY COMPANY

ENERGY RETAILERS



ENERGY RETAILERS

Over 1,000,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
AGL	2303	2706	2112	7121
EnergyAustralia	3497	2990	2842	9329

500,001 to 1,000,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
Origin Energy	3278	4050	3004	10332

100,001 to 500,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
Country Energy	736	456	653	1845

Under 100,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
ActewAGL	140	75	110	325
Australian Power & Gas	468	532	534	1534
Dodo Power & Gas	94	52	43	189
Jackgreen	24	0	86	110
Lumo Energy	427	455	200	1082
Momentum Energy	26	25	11	62
Powerdirect	53	42	61	156
Red Energy	166	103	99	368
Sanctuary Energy	213	46	65	324

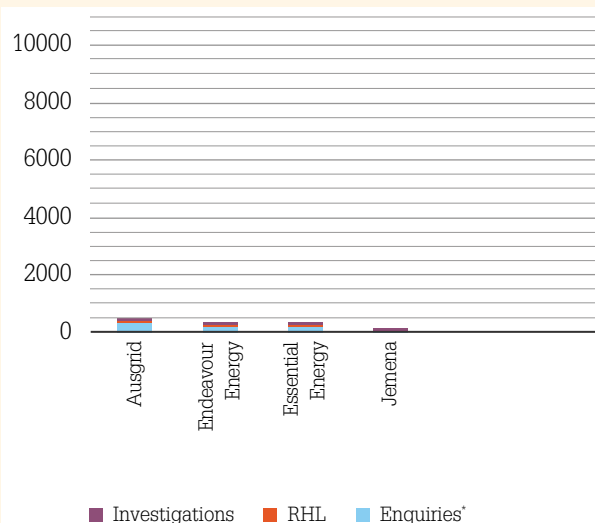
Companies who received greater than 50 complaints have been included in this graph.

Note that customer numbers reflect the company's New South Wales customer base only.

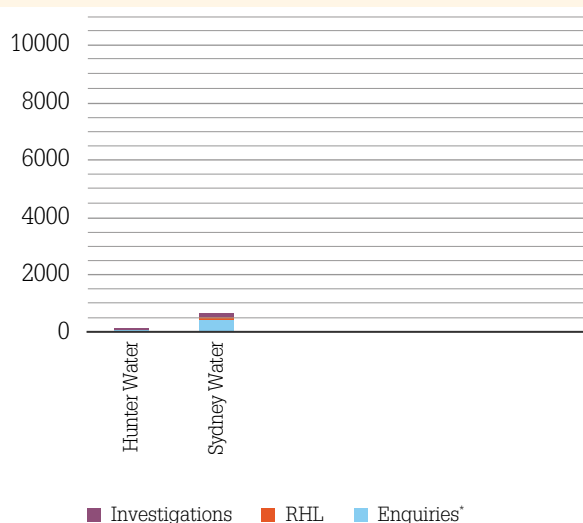
* Includes General Enquiries and Complaint Enquiries.

** Complaint data for TRUenergy has been rolled into EnergyAustralia and complaint data for Integral Energy has been rolled into Origin Energy.

ENERGY DISTRIBUTORS



WATER RETAILERS/DISTRIBUTORS



ENERGY DISTRIBUTORS

Over 1,000,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
Ausgrid	360	75	102	537
Jemena	78	19	23	120

500,001 to 1,000,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
Endeavour Energy	240	47	54	341
Essential Energy	235	52	58	345

Under 100,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
APT Allgas	1	0	0	1
Envestra NSW	2	0	1	3
TransGrid	3	0	2	5

WATER RETAILERS/DISTRIBUTORS

Over 1,000,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
Sydney Water	400	159	123	682

100,000 to 500,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
Hunter Water	53	26	51	130

Under 100,000 customers

Provider	Enquiry*	RHL	Investigation	No of complaints
Essential Energy (Broken Hill)	4	2	2	8
Gosford City Council	21	3	2	26
Shoalhaven Water	14	0	1	15
State Water Corporation	7	4	1	12
Veolia Water Solutions & Technologies	0	1	0	1
Wyang Shire Council	14	6	0	20

SNAPSHOT OF CUSTOMER COMPLAINTS AND ISSUES

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

BILLING

A total of 19,549 complaints involved billing issues.

Issue	No. complaints
High or disputed account	7115
Tariff (feed-in or TOU, prices)	3296
Billing error	2224
Delayed bill or bill not received	1970
Fees and charges	1555
Estimated account, meter not read	1292
Backbilling	1011
Delay in issuing refund or refund not received	559
Meter accuracy or fault	237
Debt transferred from another account	227
Common hot water system	70

TRANSFER

A total of 9099 complaints involved transfer issues.

Issue	No. complaints
Contract (eg variation, fees)	2859
Transferred without consent	1894
Site ownership issues	1263
Transferred in error	1071
Cooling-off cancellation not actioned	1015
Delay	972
Billing problems	890
Request for transfer rejected	213

SUPPLY

A total of 519 complaints involved supply issues.

Issue	No. complaints
Damage or loss due to unplanned/planned outage, supply variation	267
Supply off (unplanned)	241
Supply off (planned)	125
Supply variation	67
Sewer overflow or blockage	30

CREDIT

A total of 7610 complaints involved credit issues.

Issue	No. complaints
Arrears or utility debt	2777
Facing disconnection due to non-payment	2056
Contacted by debt collectors	1467
Disconnected due to non-payment	1293
Credit rating affected	1116
Payment arrangement declined	703

CUSTOMER SERVICE

A total of 9162 complaints involved customer service issues.

Issue	No. complaints
Poor service	4724
Failed to respond	2783
Incorrect advice or information provided	1194
Privacy concern or breach	124

MARKETING

A total of 2501 complaints involved marketing issues.

Issue	No. complaints
Misled by marketers	1269
Pressured into signing agreement or contract	499
Non-account holder approached for consent	257

PROVISION

A total of 506 complaints involved provision issues.

Issue	No. complaints
Existing connection (eg cost of alteration, maintenance)	308
New connection (eg delay, cost)	139

LAND

A total of 484 complaints involved land issues.

Issue	No. complaints
Network assets (maintenance or placement)	236
Vegetation management	39

COMPLAINTS AND ISSUES BY COMPANY

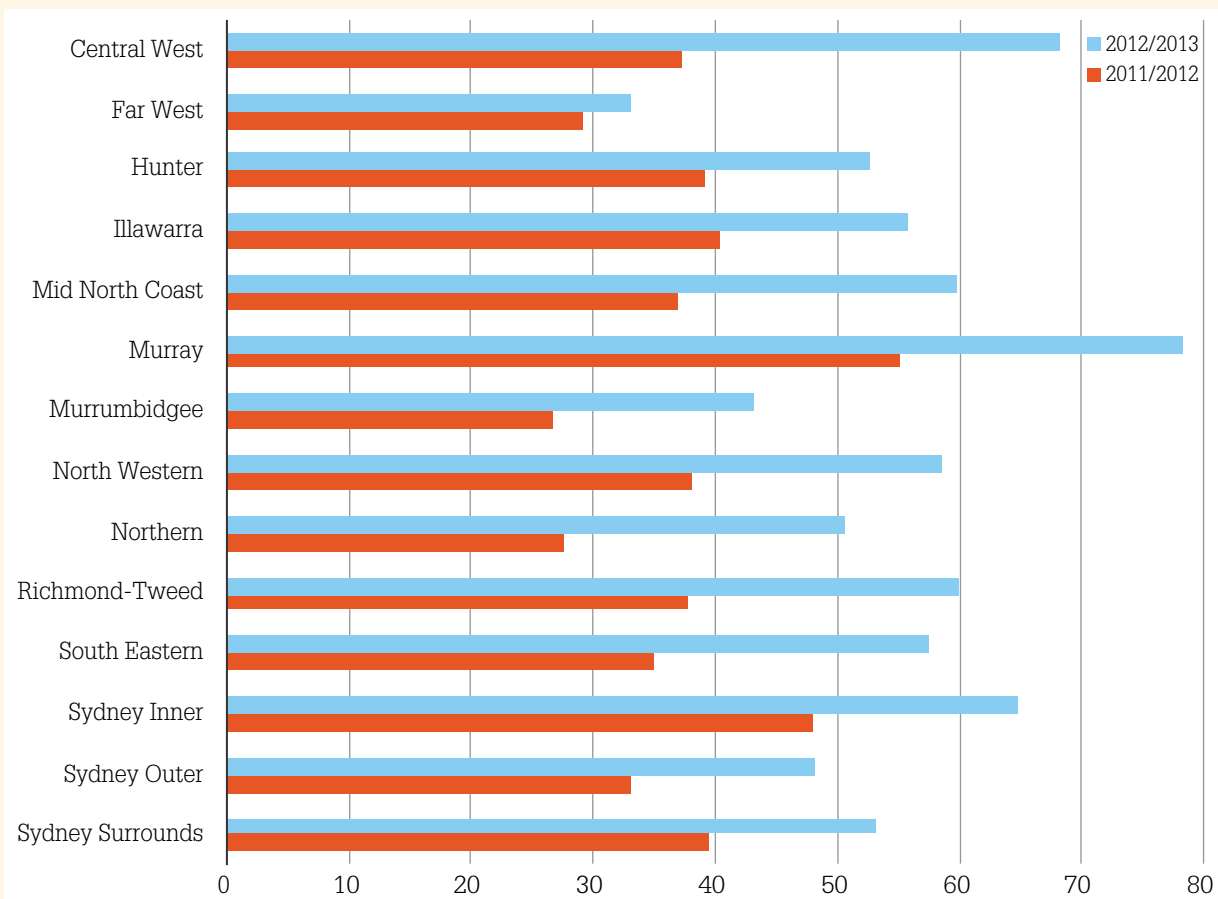
Provider	Complaints	Top three issues					
ActewAGL	325	Billing	39%	Credit	28%	Transfer	15%
AGL	7121	Billing	44%	Credit	19%	Customer service	17%
APT Allgas	1	Provision	100%				
Aurora Energy	6	Billing	78%	Credit	22%		
Ausgrid	537	Land	32%	Provision	27%	Supply	22%
Australian Power & Gas	1534	Billing	37%	Transfer	20%	Credit	19%
Click Energy	4	Billing	50%	Marketing	25%	Transfer	25%
Country Energy	1845	Billing	48%	Credit	32%	Customer service	12%
Dodo Power & Gas	189	Billing	57%	Transfer	20%	Customer service	18%
Endeavour Energy	341	Supply	40%	Provision	21%	Land	19%
EnergyAustralia	9329	Billing	40%	Transfer	22%	Customer service	17%
Envestra NSW	3	Customer service	50%	Supply	50%		
ERM Power	1	Transfer	100%				
Essential Energy	353	Supply	30%	Provision	28%	Customer service	20%
Gosford City Council	26	Billing	52%	Supply	23%	Credit	10%
						Customer service	10%
Hunter Water	130	Credit	40%	Billing	34%	Customer service	11%
Jackgreen	110	Credit	64%	Billing	24%	Customer service	5%
						Transfer	5%
Jemena	120	Provision	40%	Customer service	30%	Land	16%
Lumo Energy	1082	Transfer	40%	Billing	22%	Marketing	19%
Momentum Energy	62	Transfer	32%	Billing	30%	Customer service	15%
Origin Energy	10332	Billing	45%	Credit	18%	Customer service	18%
Powerdirect	156	Billing	49%	Credit	26%	Transfer	13%
QEnergy	14	Transfer	57%	Billing	19%	Marketing	10%
						Customer service	10%
Red Energy	368	Billing	29%	Credit	23%	Transfer	21%
Sanctuary Energy	324	Customer service	35%	Billing	34%	Transfer	18%
Shoalhaven Water	15	Billing	38%	Credit	25%	Supply	19%
Simply Energy	12	Billing	53%	Credit	18%	Transfer	18%
State Water Corporation	12	Billing	62%	Land	15%	Customer service	15%
Sydney Water	682	Billing	49%	Customer service	13%	Credit	12%
TransGrid	5	Land	63%	Customer service	37%		
Veolia Water Solutions & Technologies	1	Provision	100%				
Wyong Shire Council	20	Billing	46%	Supply	32%	Credit	7%
						Land	7%

There were no complaints received for ActewAGL Gas Distribution, Albury Gas Company, AquaNet, Central Ranges Pipeline, Diamond Energy, Flow Systems, GoEnergy, Sydney Desalination Plant or WINenergy.

There were 1228 General Enquiries received and 85 complaints received about residential park operators.

Of the 1228 General Enquiries received, 1104 were out of jurisdiction complaints about energy and water related matters.

COMPLAINTS PER 10,000 PEOPLE BY NSW REGION



COMPLAINTS BY NSW REGION

	Complaints 2012/2013	Complaints 2011/2012	% change
Central West	1284	702	+83%
Far West	73	64	+14%
Hunter	3106	2305	+35%
Illawarra	2196	1589	+38%
Mid North Coast	1695	1049	+62%
Murray	863	606	+42%
Murrumbidgee	590	366	+61%
North Western	548	357	+54%
Northern	869	474	+83%
Richmond-Tweed	1317	829	+59%
South Eastern	1198	730	+64%
Sydney Inner	8368	6195	+35%
Sydney Outer	11327	7785	+46%
Sydney Surrounds	2515	1869	+35%

CASE STUDIES

Water

pipe network, land

Sewage overflow in heavy rain affects Aletha's home and neighbourhood for years

Whenever there was heavy rainfall, the sewerage system in Aletha's neighbourhood would overflow from a manhole in the street. This would cause raw sewage to flood the outside areas of the property where Aletha lives with her 92 year old mother and cause their toilet, shower and basins to fail. For many years, Aletha had been trying without success to have the water provider resolve this issue at her mother's property. The problem was causing significant disruption and health concerns; the overflow events would force them to wade through ankle-deep sewage to vacate the house for several days at a time. Aletha was aware that a number of neighbours were also affected.

The water provider had advised Aletha five years earlier that the overflow problem was caused by an elbow in their pipework and that plans for an extension to the system to address the issue were approved, with funding pending. Aletha explained that she was at her wits' end when she called EWON for assistance.

We discussed the matter with the water provider, who confirmed they were aware of the issue affecting Aletha and her neighbours. They explained that the completion of remedial works would require development and approval of drawings, submissions and a business plan. While they regretted the impact of the overflows on the community, they said it was not possible for the company to reliably indicate a timeframe for the work.

We noted that although the problem had been identified back in 2007, no progress appeared to have been made. The provider acknowledged this and the matter was reviewed. Several months later, the remedial works were commenced.

supply restriction, financial hardship

Miriam and Dave's water is restricted due to non-payment and they are denied a payment plan

For three weeks the water supply at Miriam's home was restricted due to non-payment of the \$1120 owing on the account. Miriam and her husband Dave were experiencing financial hardship as Miriam's work hours had been reduced and Dave's employment had also been downgraded. Miriam considered they could manage a weekly payment plan of \$150 and put this to the water company. When she contacted EWON, she explained that the company had declined any payment arrangement and required payment in full before they would reinstate the water supply.

EWON contacted the water company to discuss the case. We were advised that there was a history of debt collection on the account, that Miriam and Dave had been on the hardship program previously but hadn't kept up payments and that their supply had been also been restricted before due to non-payment. On this basis the company required full payment of arrears.

We negotiated with the water provider, who agreed to reinstate the supply on payment of half of the total amount owing and a payment plan of \$150 per week. Miriam and Dave accepted this arrangement and understood that they would be required to pay any debt in full if they were restricted again for non-payment.

We referred Miriam and Dave to a community agency where they could apply for PAS* vouchers and they were pleased to have their water supply restored.

* PAS – The water Payment Assistance Scheme providing vouchers and/or account credit to assist customers of certain water providers if they are experiencing financial hardship.



As energy prices have risen, many households and small businesses across Australia have faced mounting pressure in managing their electricity and gas bills.

CONSUMER ISSUES

NSW REGULATORY CHANGES

National Energy Consumer Framework (NECF)

EWON welcomes the introduction of the new national energy laws into NSW on 1 July 2013. These replace the previous state laws regulating the sale of electricity and gas and provide a strengthened body of consumer protections for NSW energy customers. While the aim is to largely harmonise the energy laws across all the states of Australia, NSW is introducing some amendments specific to NSW customers to ensure protections that were previously available under the state laws remain in place.

Among the improved benefits for NSW consumers are:

- New rules to make sure consumers are given full information about any energy contract offer, so they can give explicit informed consent before agreeing to any contract.
- Retailers must develop processes to identify customers who are experiencing financial difficulties. These customers must be offered payment plans and, where appropriate, be placed on the retailer's hardship program where they will be protected from disconnection while they are meeting the terms of an agreed plan. They must also be helped to access support services and given advice about saving energy in the home.

Australian Energy Regulator (AER)

The change to the national regime has meant a new national regulator for energy retail matters. Retailers were all required to have an AER approved Hardship Policy in place before July 2013, and the AER has an ongoing role in ensuring these policies are implemented and maintained.

EWON participated in stakeholder consultations to assist the AER in developing its new price comparator web-site, www.energymadeeasy.gov.au. Unlike many of the commercial comparator sites, which only provide comparisons of retailers with which they have a commercial relationship, the AER site provides a comprehensive and independent service. As well as comparing the tariffs offered the AER site discloses specific contract terms, including additional fees that can be imposed and which may influence a person's decision about whether a particular offer suits their individual circumstances. This website replaces the NSW comparator site provided by IPART.

ENERGY AFFORDABILITY

Increasing numbers of complaints to EWON from people struggling to manage their energy bills and stay connected reflect a broader picture of heightened pressure on households. Following a 34% rise in credit-related complaints to EWON last year, this year saw a further 28% increase. Fortunately, it is expected that over the next couple of years there will be some relief for

customers from the significant price rises of recent years. However, the impact of the considerable increase in 2012 – which followed a large increase in 2011 – is still unfolding for some consumers.

Last year, we participated in a number of NSW Government consultations on concession programs and we called for some key measures to help people facing affordability challenges. In 2012/2013, we welcomed changes to the concession scheme reflecting those recommended measures, namely the extension of the Low Income Household Rebate to eligible residents of retirement villages and an increase in the dollar amount of Energy Account Payment Assistance vouchers from \$30 to \$50.



National Energy Affordability Roundtable

EWON considers there is a need to research the effectiveness and efficiency of customer assistance programs operating in different jurisdictions in order to identify best practice. We also support the harmonisation of rebates and emergency assistance across the national energy market. In 2012/2013 we worked to raise the profile of energy affordability as an urgent national issue and these positions formed some of the key proposals we sought to table for national debate. In April 2013 we were pleased to partner with the Australian Energy Ombudsmen, the Australian Council of Social Service and the Energy Retailers Association of Australia in hosting the National Energy Affordability Roundtable, a forum bringing together government, industry, ombudsmen and the community sector to discuss these critical issues. (See page 29 for more details of the Roundtable.)

CREDIT ISSUES

In 2012/2013 we saw continued growth in complaints about credit problems. We received 57% more complaints where consumers reported that their credit rating was affected, 50% more complaints where the customer had been contacted by debt collectors and 43% more cases where a payment arrangement was declined. These increases occurred due to more people experiencing financial hardship and some retailers applying more active debt management policies.

'Credit repair' agents

Alongside the rise in complaints concerning credit default listings, EWON noted an increase in complaints to Ombudsman services being made via 'credit repair' agents – commercial advocates who charge a fee to have (or attempt to have) a client's credit listing(s) removed. We were concerned about the avoidable, additional costs for consumers engaging 'credit repair' services and the circumstances in which they were doing so. For that reason, EWON conducted a customer survey to understand why people engage these commercial advocates and to gain insight into their experiences



using these services. See page 30 for details of the survey and our corresponding research report.

Review of the Credit Reporting Code of Conduct

This year we worked closely with our fellow ombudsmen to contribute to the continuing review of the Credit Reporting Code of Conduct. The Code is one of the key tools we use when investigating complaints where the customer disputes the credit default listing of an old energy debt. Along with the other industry Ombudsman schemes we provided our experience of customer complaints of this type and suggested ways the Code could be improved so that it (1) is clearer, (2) ensures better notification processes to alert customers they may be credit default listed once a debt becomes overdue, and (3) clarifies the complaint handling processes between credit providers (such as utilities), credit reporting bodies and Ombudsman schemes if a customer disputes their listing. This work is ongoing and is a priority for EWON as we continue to see an increased number of customers credit default listed.

SOLAR ISSUES

The NSW Solar Bonus Scheme with its government subsidised feed-in tariff closed to new applicants on 28 April 2011. Since the scheme closed, customers installing solar panels have net metering arrangements, enabling them to consume most of the energy they generate in their own home during the day. This results in reduced electricity bills with customers potentially saving around 30 cents per kWh in energy they would otherwise have been supplied by a retailer.

Any excess energy can be exported back to the grid, however, there is now no obligation on retailers to offer a feed-in tariff – though some retailers voluntarily choose to do this. The rate of any such voluntary feed-in tariff is not regulated, so customers need to shop around to find an energy offer that best suits their individual circumstances.

Last year the NSW Government directed IPART to establish a benchmark range intended to provide a guide for customers as to the value of electricity that their solar units export to the grid. In July 2012, this range was set at 7.7-12.9 cents per kWh, decreasing to 6.6-11.2 cents in July 2013. For additional information about IPART's solar benchmark, see www.ipart.nsw.gov.au.

MARKETING & TRANSFER

In 2012/2013 there was a rise in marketing and transfer complaints and EWON anticipates this upward trend will continue as retail competition in energy increases in NSW.

EWON continued to receive a high number of complaints about the behaviour and practices of door to door marketers. The decisions of AGL, EnergyAustralia and Origin Energy to withdraw from door to door marketing are a significant development for the industry and consumer groups.

Marketing complaints to EWON are not limited to door to door and phone marketing, however. Retailers have diversified their marketing channels to include online marketing, energy brokers and switching companies offering comparator services (via phone, door to door and online channels), utility connection services and other third party agents that offer

bundled products or installation of solar panels. Our complaints data for the past year indicates a rise in complaints about these other sales channels, which we expect will continue to grow as door to door marketing becomes a less significant source of sales.

Misleading marketing

EWON continued to receive complaints from customers that marketers had provided misleading or incorrect information when selling energy products. These complaints fall into three categories: complaints regarding information provided about the product being sold; complaints about the purpose of the marketer's contact and who they represent; and complaints concerning misinformation about the customer's current retailer. For example, customers complained that the marketer provided incorrect information about discounts, usage tariffs, solar feed-in tariffs and fees and charges. Other customers reported that door to door marketers told them they represented the government and were only there to check if the correct discounts or rebates had been applied to the household's electricity bills.

Many customers contacted EWON to complain that they had agreed to an energy contract on the basis of the information provided to them by the marketer. In cases where the marketer provided incorrect information about discounts, tariffs or fees and charges, customers were later told by the retailer that the information provided was incorrect and therefore certain terms would not be honoured. These customers reported frustration that they were bound to a contract but that retailers could impose other (often less favourable) terms that they would not have agreed to had the marketer provided the correct information in the first instance. In many cases customers were no better off by cancelling the contract because the retailer charged an early termination fee.

Signing up non-account holders

EWON continued to receive complaints from account holders who found that their accounts had been transferred to another retailer without their knowledge or consent. This occurred after a marketer signed up a third party to a contract with the effect of cancelling the current account. Third parties included family members and visitors to the premises. In some cases customers reported that marketers pressured non-account holders into agreeing to an offer despite being told that they would need to speak to the account holder.

Marketing to vulnerable customers

EWON continued to receive a disappointing number of complaints (257) about marketers signing up vulnerable customers. In these cases people were signed up to contracts where capacity for informed consent was an issue because of frail age, disability, serious health problems, mental health issues, limited English language skills or literacy issues. Some of these customers had informed the marketer that they were not in a position to consider a contract or that the marketer should speak with the account holder. In some cases advocates advised that the customer's inability to make an informed consent would have been obvious to the marketer.

Transfer in error and transfer without consent

This year complaints about transfer issues rose by 86% as retailers increased marketing activity and more households took action to switch retailers. In addition to increased numbers of complaints related to contract terms and transfer delays, complaints involving transfer in error increased by 90%. In a number of cases where people had their accounts transferred in error – which occurs as a result of a mistake in the transfer process, such as the wrong meter number being recorded – they did not realise the transfer had occurred until their electricity or gas was disconnected for non-payment of an account they didn't know existed. Whether or not the transfer

error results in disconnection, it is an inconvenience for affected customers to have to resolve the issue. We were also concerned to see an 84% increase in transfers without consent. In many cases these transfers resulted from marketers signing up non-account holders or customers who thought they were just agreeing to receive information about an offer rather than agreeing to a contract.

Ignoring Do Not Knock sticker

Customers continued to contact EWON to report that a door to door marketer ignored the Do Not Knock sticker displayed at their premises. It is an important obligation for marketers to comply with Do Not Knock stickers as these play a significant role in protecting households from unwanted marketing.

EWON has liaised closely with the appropriate regulators and Energy Assured Limited in relation to these cases and we will continue to raise these issues with them, and energy retailers, with a view to minimising complaints in this area.

**complaints about
marketing to vulnerable
non-account holders**

257

NATIONAL ENERGY AFFORDABILITY ROUNDTABLE

As energy prices have risen, many households and small businesses across Australia have faced mounting pressure in managing their electricity and gas bills. This pressure has been driving up rates of disconnection, and a growing number of energy customers report that they are experiencing financial hardship. EWON has been very concerned about this situation and throughout the year we made an increasingly urgent call for national discussion around energy affordability – specifically, a discussion with participation by government, industry and the community sector.

We were pleased to see our call gain support and in April 2013 we partnered with the Australian Energy Ombudsmen, the Energy Retailers Association of Australia (ERAA) and the Australian Council of Social Service (ACOSS) to host the National Energy Affordability Roundtable in Sydney. The Council of Australian Governments' Standing Council on Energy and Resources (SCER) endorsed the Roundtable and requested a report on its outcomes be provided to SCER.

Attended by industry, government, community sector representatives, energy ombudsmen, academics and the Australian Energy Regulator, the Roundtable was a 'first of its kind' forum for developing practical solutions to the national problem of energy affordability.

The objective of the Roundtable and its report was to develop practical solutions for:

- assisting the growing number of customers who are struggling to afford energy bills
- responding to the reality of customers on low incomes who cannot afford to pay for their power consumption on an ongoing basis, and
- keeping customers on low incomes connected to essential energy services.

The official report on outcomes from the National Energy Affordability Roundtable was developed by EWON with support from the Australian

Energy Ombudsmen, ACOSS and the ERAA and presented at SCER's May 2013 meeting by the NSW Minister for Energy and Resources. It includes key recommendations for action by government, industry, consumer organisations, regulators and energy ombudsman to deal with energy affordability nation-wide.

"The report recommendations involve industry, consumer advocates and government taking action in a coordinated and complementary way," said Ombudsman Clare Petre, on behalf of the Australian Energy Ombudsmen.

"To realise effective responses to the affordability problem facing many Australian energy consumers, we need to take an approach of shared responsibility. As partners, we all have a role to play in helping to keep consumers connected to essential energy services," Ms Petre explained.

The report's key proposals for government include a national review of energy concessions, rebates and emergency relief programs to identify the most effective measures for helping consumers and to achieve consistency across the states.

The report also calls for government to collaborate with retailers to simplify bills and to transfer customers' rebates when they switch suppliers. It also encourages best practice customer hardship strategies for assisting customers with payment difficulties, looking at how other jurisdictions and industries manage hardship issues.

Further industry initiatives are recommended to be undertaken with support from government-led consumer education about the competitive energy market. This would assist households to make informed decisions about energy offers and take advantage of cost-saving options.

EWON and our Roundtable partners value the contribution made by stakeholders in advancing this important discussion to date. We look forward to working in partnership with them to progress the report recommendations and to address energy affordability for energy consumers in the year ahead.



BREAK-OUT DISCUSSIONS AT THE NATIONAL ENERGY AFFORDABILITY ROUNDTABLE

EWON'S RESEARCH REPORT ON 'CREDIT REPAIR' AGENTS RAISES CAUSES FOR CONCERN

With increasing numbers of complaints to Ombudsman services being made via 'credit repair' agents, EWON conducted a customer survey to understand why consumers engage these commercial advocates. Parallel to this, EWON conducted a 'mystery shopper' survey of credit repair agents to find out what information is being provided to consumers who present with credit problems. Our findings were very concerning and prompted us to take action to raise awareness among consumers and related agencies.

Our survey showed that 'credit repair' agents are charging customers a minimum average fee of \$1,000 per credit default listing removal and that 70% of complainants using these agents have multiple credit listings. The survey also revealed that many consumers are paying thousands of dollars in fees they could avoid by bringing their problem directly to an Ombudsman service.

More people are experiencing credit problems and finding themselves credit listed for utility debts: in 2012/2013 EWON saw an increase of 57% in complaints where the customer's credit rating was affected, following a 62% increase in 2011/2012. For anyone who has incurred a credit listing as a result of financial problems, a credit repair agent's fees are an unnecessary expense that only adds to that difficulty.

"Consumers who have been credit listed because they are struggling to make ends meet don't need any extra costs," explained Ombudsman Clare Petre. "EWON is concerned about consumers in financial hardship paying a business for a service they could access themselves free of charge. Worse still, many consumers are paying an agent who uses an Ombudsman's free service then charges their client for this."

EWON was concerned to find that when mystery shoppers asked what other options for assistance are available to consumers – in particular those experiencing financial hardship – credit agents typically replied that the only alternative to paying for their service is to wait out the five year credit default listing. None mentioned Ombudsman services. Further, in explaining their process for removing listings, none mentioned that they themselves might take the case to an Ombudsman for resolution, although this is common practice as EWON and some other ombudsmen are finding.

This gap in credit repair agents' representation of their process to customers was also highlighted in the customer survey: 67% of complainants whose credit repair agent had brought their case to EWON reported that they were not advised by their agent that the agent might make use of an Ombudsman's free services to have the listing removed.

"It is our intention to raise consumer awareness of Ombudsman services, but we also want to raise awareness at the level of the creditors," Clare Petre said.

"Our customer survey shows that the overwhelming majority of people (88%) don't know they've been credit listed until they make an application for a loan or phone contract and it is rejected. When creditors advise a customer their application has been declined, we'd like to see them mention that consumers can go to the relevant Ombudsman for help if they dispute a credit listing on their record. This timely reminder of the free help that's available could save people thousands of dollars in avoidable agent fees."

In addition to money problems, other common situations that can lead to credit default listing for utility debts include: problems with final bills, forwarding addresses being documented incorrectly by the supplier or not provided by the customer, and consumers forgetting to close accounts when they move out.

Energy debts account for a large proportion of all credit listings. These listings can be investigated by the Energy Ombudsman in each state. Where listings are deemed incorrect or disputable, the Ombudsman can request that the company remove the listing. Even if the credit default listing is found to be compliant and therefore cannot be removed, the consumer will not be charged a high fee to find this out.

In order to raise awareness of the issues highlighted by our survey, EWON published the research report and promoted it among relevant agencies and offices. Many of these recipients were very receptive to the report and some of them, including the Office of the Australian Information Commission and the Minister for Resources and Energy, then promoted the report and its findings through their own activities. We welcomed this response and were pleased to see the report's reach extended by these initiatives.

It was also of critical importance to our work that we directly deliver the message to consumers that free help with disputed credit listings is available through Ombudsman services. To that end we publicised our findings through mainstream media and launched an online advertising campaign in collaboration with Australian Securities & Investments Commission, the Telecommunications Industry Ombudsman and the Financial Ombudsman Service.

EWON's report on 'credit repair' agents is available online at www.ewon.com.au

CASE STUDIES

Dual Fuel

door to door marketing, financial hardship

Lyn is misled by door to door marketer and loses her payment plan

Lyn is a recovering alcoholic with limited literacy who has been struggling to pay her gas and electricity bills. When a door to door energy marketer came to her home, Lyn explained that she was already on a payment plan to clear a debt with her existing electricity and gas retailer. The marketer claimed that transferring her account would not affect this payment arrangement.

Lyn agreed to the new contract based on this information. However, when the transfer went through and her existing account was closed, the payment plan was cancelled and she received a letter from a collections agency demanding payment of \$185 to cover her outstanding debt. Lyn wanted to transfer her electricity and gas accounts back to her previous supplier and to re-establish her \$50 per fortnight payment plan with the company.

She contacted the new retailer and they agreed to reverse the transfer, but the reference number they provided was not accepted by her former retailer and she couldn't set up an account with them.

Having tried without success to resolve the problem directly with the retailer, Lyn came to EWON for help. With Lyn's agreement, we referred the matter to specialist dispute resolution teams at both retailers. The new retailer confirmed that everything was now in place on both sides for the transfer to go ahead as requested and that a \$60 credit would be refunded to the customer.

transfer without consent, marketing

Karen denies consenting to an account transfer and is concerned about improper marketing practices

Karen received a phone call from an energy broker. The telemarketer asked Karen whether she was taking advantage of her benefits as a customer of her telecommunications provider, then went on to say she was eligible for discounts on her power bill if she merged her gas and her electricity account with another energy retailer. Karen said she didn't want to take up this offer, but then several months later she received correspondence from this retailer saying they had taken over the billing of her gas and electricity.

She called the retailer and was told that the transfer request had been made by the marketing company – contact details for which they were unable to give Karen – and that she would have to pay a \$90 fee to transfer back to her previous supplier. Karen considered that the transfer had been made without her consent and she came to EWON for assistance.

We discussed the case with Karen, who explained that she wanted her gas and electricity accounts transferred back to her previous retailers with no penalty, as she maintained she never consented to the contract. She also wanted to report her concerns about poor marketing practices.

As part of our investigation, the voice recording of Karen's conversation with the marketing company was reviewed. The retailer represented by the company confirmed that Karen had not provided explicit informed consent to transfer the accounts, and agreed to transfer them back without charge. They also confirmed that they had since taken steps with the energy broker to ensure they abide by the Marketing Code of Conduct and sent a letter of apology to Karen.

We assured Karen that her concerns regarding marketing conduct would be included in our regular reporting to the retailer and regulator.

Karen said she didn't want to be contacted again by the retailer and agreed to our offer to request she be removed from the company's internal marketing database. To help Karen avoid similar problems in the future, we also sent her information on energy marketing and suggested she might want to add her name to the Do Not Call register.

CASE STUDY

Dual fuel

transfer, customer service

Poor customer service causes Rowena to lose paid work days

Rowena was moving into a new apartment and called Retailer A to set up a gas and electricity account. Retailer A said they would need to get an electricity meter reading. As the meter was located behind locked doors, Rowena was advised she would have to be home to provide access to the reader. On four occasions Rowena took the day off work to let in the meter reader, but on each occasion no one showed up.

In the meantime, Rowena received a \$400 electricity bill for six weeks' usage from Retailer B, who supplied the previous occupant. Concerned that this bill was high and frustrated with Retailer A, Rowena came to EWON for help. She wanted Retailer A to acknowledge the inconvenience she had been caused by their poor customer service. She also wanted Retailer A to pay the \$400 bill as compensation for the delay transferring her account and for the four days of pay she lost waiting for a meter reader.

We advised Rowena to establish an account with the incumbent retailer, Retailer B, so she could discuss the bill with them. She did so and, by providing proof of her move in date, was able to show she was not liable for the full amount billed, which resolved the issue of the high bill. She decided she no longer wanted to deal with Retailer A and said she wanted to cancel the transfer of her electricity account to Retailer A and to switch her gas account to be with Retailer B as well.

Retailer A denied Rowena's compensation claim on the grounds that they do not compensate for lost wages. However, they agreed to waive her gas bill of \$220. Rowena was pleased to receive this acknowledgement of the inconvenience she was caused and to have both her gas and electricity accounts established with her preferred provider.

CASE STUDY

Gas

administrative error, credit default listing

Gas retailer's system testing error leads to debt collection action against Beverly's husband

Beverly's husband received a final notice from a debt collection agency demanding payment of \$344 for an unpaid gas account. The letter advised that failure to pay might result in legal proceedings or credit listing. Beverly called the collection agency, who told her the file had been withdrawn by her gas supplier and that she didn't need to make the payment. She asked to have this put in writing as she was worried about being credit listed, but the agency referred her to the gas retailer.

Her gas supplier said there was no record of why the debt referral had occurred and that she should write to the customer service department to request confirmation in writing that she wasn't liable for the \$344 payment.

Beverly did as advised and came to EWON for help when she heard nothing back from the supplier. We referred her back to the supplier at a higher level, but she returned when she still did not receive a response to her request. From our investigation it emerged that during a system testing activity a small number of accounts were modified in the live system in error, which resulted in the referral to the debt collector. The retailer apologised and assured Beverly that there was no existing debt and that her husband would not be credit listed. They also applied a \$50 customer service gesture to Beverly's husband's account.

CASE STUDIES

Electricity

transfer without consent, misleading marketing

Door to door energy marketer takes advantage of Jinhai's limited English

Jinhai was at home when a door to door energy marketer visited his street and said that he would receive a pensioner rebate and \$50 off his bill if he signed up. His daughter, Daiyu, who lives in the house next door, was out at the time, but the marketer told Jinhai that his relatives at other premises would receive the same rebate if he signed them up too.

Jinhai has limited English and he told the marketer he didn't really understand the contract. He asked to speak with a Mandarin interpreter before agreeing to anything and the marketer said he would arrange this. He then he instructed Jinhai to just say yes to everything the energy retailer representative told him over the phone and said that a Mandarin speaker would get back to him to explain. The marketer then left and when Jinhai didn't receive a call back from a Mandarin speaker as he was expecting, he assumed that no confirmation had gone through.

Daiyu realised that the contracts had been established when her father received welcome letters from the new retailer and her mother received a letter to say her account was being closed. Daiyu wanted the three accounts transferred back and rang the new retailer to try to resolve the problem, but as her father was now the account holder they would not discuss the matter with her. They advised that an early termination fee would apply to each account if they were transferred.

We organised a Mandarin interpreter to assist in providing the authority to act required for Daiyu to advocate on her father's behalf. We then discussed the complaint with the new retailer. The company agreed to return each of the accounts to the previous retailer and to waive the early termination fee.

supply, compensation

Power surge damages Robert's home computing equipment

Following an electricity supply interruption, Robert's computer, modem and printer were damaged. Robert was able to fix the printer himself and his internet provider replaced his modem, but his computer repairs cost him \$176. As an aged pensioner with limited financial means, he was seeking compensation for this expense from the electricity distributor.

Robert's claim for compensation was denied by the distributor on the grounds that the standard customer contract does not guarantee uninterrupted supply. Dissatisfied with this response and unconvinced that he could be held to a contract he had never signed, Robert came to EWON for assistance.

We explained to Robert that a deemed contract exists between the distributor and the customer supplied by that operator and that, under this contract, the distributor is required to meet certain performance and reliability standards. We advised that EWON would review his compensation claim with reference to these standards and as well as information provided by him and the distributor.

Our investigation showed that this was the only supply interruption in Robert's area recorded that year, which indicated Robert's network provider had satisfied its contracted service reliability requirement. Additionally, it appeared that the outage had resulted from an automated network protection operation. Because this kind of event is a normal system function and the customer contract limits the provider's liability for damage and losses resulting from these functions, the network's denial of Robert's claim seemed reasonable.

We advised Robert that it is the customer's responsibility to ensure equipment is protected from supply interruptions and fluctuations. Robert was disappointed that his claim was not awarded, but accepted EWON's investigation report findings.

WORKING WITH STAKEHOLDERS

We aim to work with providers to address customer issues quickly, raise customer service standards, promote best practice and reduce complaints coming to EWON.



CLARE PETRE (SECOND RIGHT) AND FELLOW OMBUDSMEN ADDRESS FINANCIAL COUNSELLORS AT THE EXTERNAL DISPUTE RESOLUTION FORUM

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.

Inductions

EWON provided inductions for complaint handling staff of Hunter Water, Momentum Energy, EnergyAustralia, Jemena, Red Energy, and GoEnergy. These induction sessions provide an effective way to introduce new Members and Members' new complaint handling staff to EWON's processes and

procedures in order to establish core knowledge that facilitates more efficient complaint resolution.

Presentations

Member presentations to EWON keep us updated on changes that may impact customers, our work or our engagement with a Member. In 2012/2013, Member companies delivered the following presentations for EWON:

- Sydney Water presented to EWON staff about their new pricing structure, and again on the support available to their customers who are in financial hardship.
- Lumo Energy presented to EWON staff on their call centre and complaint handling processes.
- AGL presented to EWON staff on their customer hardship program.

- Flow Systems (formerly Water Factory Company) presented to EWON management on new developments and their pensioner concession scheme.
- Essential Energy presented to EWON management on their consumer research project to inform AER's distribution determination proposal for 2014-2019.

FORUMS

EWON marked Anti-Poverty Week with our 8th essential services and affordability forum, held in Newcastle. Speakers from EWON, Telecommunications Industry Ombudsman, Hunter Water and IPART presented. The forum also included a discussion panel and a mini expo of stallholders from key agencies and services.

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, including the Blue Mountains, Dee Why, Kogarah, Maroubra, Parramatta, Forster, Kempsey and Singleton. We also joined Cooperative Legal Services Delivery to host forums in Port Macquarie and Taree, and joined Endeavour Energy in supporting a community forum run by North Penrith Community Centre.



ATTENDEES AT EWON'S 2012 ANTI-POVERTY WEEK FORUM



Throughout the year, EWON also participated in Good Service Mob forums to promote consumer rights and services among Aboriginal communities in Richmond, Penrith, Wagga Wagga, Albury, Deniliquin, Parkes, Cowra, Condobolin, Forbes, Kempsey and Port Macquarie.

In April 2013 we were pleased to host the National Energy Affordability Roundtable in partnership with the Australian Energy Ombudsmen, Australian Council of Social Service and the Energy Retailers Association of Australia. The forum brought together key energy stakeholders from different sectors with representatives from government, industry, consumer groups, regulators and academia contributing to debate around practical energy affordability solutions for Australian consumers. (See page 29 for more details.)

CONSUMER AND INDUSTRY STAKEHOLDERS

EWON met with a range of consumer and industry groups on topical issues, including:

- Energy Retailers Association of Australia
- Energy Assured Limited
- Electricity Supply Association Australia
- Australian Retail Credit Association
- Credit Repair Australia
- Credit Reference Association
- Consumer, Trader and Tenancy Tribunal
- Australian Competition and Consumer Commission
- Australian Securities and Investments Commission
- Public Interest Advocacy Centre
- NSW Council of Social Service
- Australian Council of Social Service
- Affiliated Residential Park Residents Association
- Salvation Army
- Financial Counselling Australia
- CHOICE
- Council of the Ageing
- Anti-Poverty Week committee

REGULATORS

EWON continued to report and meet with regulators on a quarterly basis, as set out in our memoranda of understanding. We also reported and met on specific issues such as implementation of the National Energy Customer Framework (NECF) and systemic and industry issues identified through our complaints.

Australian Energy Regulator (AER)

EWON met with the Australian Energy Regulator each quarter in preparation for the implementation of the new national energy laws, in NSW on 1 July 2013. The AER also launched the Energy Made Easy website, which EWON supports as the independent price comparator website for NSW consumers. From 1 July 2013 we will be monitoring the appropriate application of the new laws in the course of investigating customer complaints. We will also continue to liaise with the AER, particularly if any situations arise where the application of the laws is uncertain or ambiguous.

Independent Pricing and Regulatory Tribunal (IPART)

EWON participated in the IPART working group to develop hardship indicators for the water industry.

Government

EWON met with and reported each quarter to the Energy Division of NSW Trade & Investment. We raised complaint trends and industry issues identified through complaints as well as through feedback from outreach and other stakeholder activities.

The Ombudsman participated in the NSW Government LPG Working Group which reviewed whether EWON's jurisdiction should be extended to include customers with LPG bottled gas. While EWON's jurisdiction will not be extended at this stage, we are monitoring LPG complaints while we continue to refer LPG customers to NSW Fair Trading for assistance.



Australian Energy Market Commission (AEMC)

This year the AEMC began its review of competition in NSW and has recommended, in their reports to date, the removal of price caps, which are the regulated prices set by IPART in NSW. This is a significant development for NSW customers, and follows recent price deregulation processes in South Australia and Victoria.

The AEMC's review of the NSW market reported that competition is delivering benefits to NSW consumers and that consumers have a choice of retailer. The AEMC reported that 60% of energy customers have chosen a market contract with a retailer. The AEMC recommended further strategies to promote customer choice and make it easier for customers to engage with the market and understand the options available to assess market offers and make an informed choice to suit their circumstances.

EWON has participated in the public consultation meetings and provided submissions to the consultative process for this Review. We are also a member of the AEMC's Customer Engagement Working Group to assist the AEMC identify ways to ensure customers have the tools and information to make informed decisions about their electricity and gas contracts.

EWON is of the view that there needs to be clear and accessible information available to customers about any changes in the NSW energy market. Some groups of customers, such as vulnerable groups, also need targeted assistance and resources to ensure they also have the opportunity to make informed decisions about market contracts.

Standing Council on Energy and Resources

The Council of Australian Governments' (COAG) Standing Council on Energy and Resources (SCER) endorsed the EWON-led National Energy Affordability Roundtable and requested a report on the Roundtable's outcomes. This report, which detailed recommendations and issues for further discussion, was developed

by EWON in consultation with project partners the Australian Ombudsmen, ACOSS and the ERAA and was presented to SCER by the Minister for Resources and Energy, Chris Hartcher MP, in May 2013.

EWON will continue work with government to progress the report's recommendations in conjunction with other stakeholders.

NSW Fair Trading

In 2012/2013 we maintained a productive dialogue with NSW Fair Trading, reporting possible scams and referring customer complaints falling within each other's jurisdictions. We also continued to undertake joint outreach activities with NSW Fair Trading to deliver consumer information and services to community members, community workers and small businesses across the state.

WORKING WITH OUR PEERS

EWON continues to participate in key interest groups including:

- ANZEWON – Australia & New Zealand Energy and Water Ombudsman Network
- ANZOA – Australian and New Zealand Ombudsman Association
- CHISaL – Complaint Handlers Information Sharing and Liaison
- Good Service Mob
- JOIN – Joint Outreach Initiatives Network

The Ombudsman is an active member of ANZEWON and Chair of ANZOA, where Ombudsman members share ideas and best practice initiatives for complaint handling, outreach and systemic work.

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.

CHISaL is a network of senior federal and New South Wales complaint agency representatives who meet to discuss topical issues relating to dispute resolution, investigative best practice and training initiatives at each agency.

Good Service Mob is a collaboration of Indigenous and non-Indigenous staff from complaint handling agencies, who come together to promote their services through outreach to Aboriginal and Torres Strait Islander communities in NSW.

JOIN is made up of staff from complaint handling agencies with responsibility for public relations, community education and outreach initiatives. The JOIN quarterly meetings are an opportunity to discuss partnerships and to share information and outreach approaches.



NSW MINISTER FOR RESOURCES AND ENERGY, CHRIS HARTCHER MP, OPENS THE NATIONAL ENERGY AFFORDABILITY ROUNDTABLE

CASE STUDIES

Electricity

solar feed-in tariff, meter access

Dog-owner Lesley disputes the accuracy of her bills and the application of solar credits

Lesley repeatedly contacted her electricity retailer to dispute the accuracy of her bills and to query the application of solar credits to her account. When no one got back to her and the problem remained unresolved, she came to EWON.

Lesley said that she hadn't received any credits and her bills were high because they were over estimates. She explained that she had been receiving estimated bills because her meters are behind locked gates and she has dogs. The retailer had told her they could contact her prior to the meter reading so she could make herself available to provide access, but she hadn't heard from them. Her attempts to raise these matters directly with the retailer had continued to fail and she was now facing disconnection.

Our discussion with the retailer confirmed that Lesley was at risk of disconnection for arrears of \$1040. The retailer also explained that Lesley's solar installation was on net metering, so she was not eligible to receive a solar rebate, but instead was receiving the benefit of free consumption for the energy her installation generated. They placed Lesley's account on hold while we continued our investigation of the billing accuracy. We encouraged Lesley to make payment of an amount she considered reasonable in order to avoid large arrears from accruing and to show good faith.

We explained to Lesley that it is the responsibility of the customer to provide access to the meter and that field officers are not required to issue prior notice of a meter reading. We also advised her that for a cost of around \$40 per read she could book meter reading visits at times convenient for her to provide access, and that this way she could avoid receiving estimated bills. We also checked that she has a net rather than gross meter installed and discussed the household's appliances and consumption patterns to help her identify any obvious reasons for high consumption.

From our investigation it appeared that the metering information was appropriately applied and Lesley's bills accurately represented her consumption, which had reduced due to the electricity generated by her solar installation. Lesley was not fully satisfied that the billing was right and said that she would look at changing companies. We provided Lesley with an investigation report and invited her to call to discuss the report if she wished. We explained the procedure for requesting a review of her complaint if she thought that the outcome was incorrect and advised her that the retailer had issued a payment extension of one month.

account authorisation, disconnection

Investigation of Caitlyn's electricity disconnection leads to a valuable discovery

Caitlyn contacted EWON when her electricity was disconnected for arrears of \$516 and she couldn't resolve the matter with the supplier. She had been living in the premises, but she was not able to get an authority to act from the account holder, her partner Rob, because he was incarcerated. Caitlyn had already lost refrigerated food and had been up through the night operating a battery powered aerator to preserve the fish in her tanks.

EWON discussed the matter with the electricity retailer, who advised that their records showed that Caitlyn had previously held an account with them for the property. It had been transferred to another provider the previous year and, when the account was returned to the retailer, it was under Rob's name. Although Caitlyn's account had been closed, the Centrepay arrangement she had established for it was still in place and \$3,150 in payments had since accrued. The retailer recommended that Caitlyn open an account in her name and accept a refund for these funds.

Caitlyn was very happy to agree to this offer.

COMMUNITY OUTREACH



This year we continued to focus on engaging with culturally and linguistically diverse communities, Indigenous communities and seniors through our outreach program.

EWON'S STALL AT MARDI GRAS FAIR DAY

Outreach is an essential part of EWON's work to educate 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, our outreach communication combines information about EWON's role and dealing with suppliers with useful hints about energy and water savings, energy programs and government assistance available to consumers.

This year we continued to focus on engaging with culturally and linguistically diverse communities, Indigenous communities and seniors through our outreach program. We also extended the focus of our program to support stronger engagement with small business customers, who are often unaware that they can access EWON's services.

We worked closely with government agencies, community organisations and small business groups to bring information and assistance to consumers around NSW during 2012/2013. We value these partnerships tremendously, and likewise we value our contact with emergency relief workers, financial counsellors and community advocates. These stakeholders are an 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.

Consumer advocates and community worker forums

During 2012/2013 EWON continued to engage with community workers in welfare, health and other services through forums, visits and meetings. EWON's major event of this kind for the year was our Essential Services Affordability Forum to raise awareness about issues affecting utility consumers in financial hardship and how workers can help households stay connected. Held in Newcastle as part of Anti-Poverty Week, the forum was attended by 75 community and government workers who heard presentations by Ombudsman Clare Petre, as well as the Telecommunications Industry Ombudsman and representatives from Hunter Water and the Independent Pricing and Regulatory Tribunal. Attendees also participated in a discussion panel and met with stallholders including Legal Aid, Centrelink, The Aged-Care Rights Service, Department of Trade & Investment, Office of Environment and Heritage, Savers Plus, ASIC and NSW Fair Trading.

EWON also participated in a number of other forums held in partnership with community and government agencies, including:

- NSW Fair Trading – forums for community workers in the Blue Mountains, Dee Why, Kogarah, Maroubra, Parramatta, Forster, Kempsey and Singleton
- Cooperative Legal Services Delivery – forums held in Port Macquarie and Taree
- North Penrith Community Centre and Endeavour Energy
- Home and Community Care forum at NCOSS
- Nepean Volunteer Expo
- Benevolent Society Rosebery



ATTENDEES AT A FORUM FOR COMMUNITY WORKERS IN PORT MACQUARIE

Financial counsellors

We maintained our strong links with financial counsellors via the Financial Counsellor's Association NSW (FCAN), providing three workshops, which form part of the accredited training program for trainee financial counsellors, and attending FCAN's annual conference. EWON also participated in the External Dispute Resolution Forum linked with the annual conference for the national association, Financial Counselling Australia. This is an opportunity for financial counsellors to engage with Ombudsman services on current issues affecting their clients.

Government and alternative dispute resolution (ADR) agencies

Our interaction and collaboration with government and ADR agencies is integral to our outreach work. It ensures we maintain strong levels of awareness among critical referral points for consumers facing difficulty and enables us to reach more people more effectively and efficiently than we could by working in isolation.

In 2012/2013, EWON held another Vital Information session for MP electorate office staff at NSW Parliament House as well as sessions for NSW Fair Trading and NSW Housing at Port Macquarie.

To promote interagency collaboration, EWON's Community Development Officer coordinates the Joint Outreach Initiatives Network (JOIN) through which workers in similar ADR agencies share information and events. There are 35 members from agencies, including the Australian Competition & Consumer Commission, NSW Fair Trading, NSW Ombudsman, Telecommunications Industry Ombudsman, Legal Aid, Law Access and The Aged-Care Rights Service.

Other forums and expos

- ACWA Conference Sydney
- Ashcroft School Expo
- Australian Jobs and Skills Expo Penrith
- Blacktown Council conference for community workers
- Homeless Connect Days – Broadmeadow, Niagara Park, Sydney, Willoughby and Woy Woy



- Law Week – Bathurst forum for community workers with the Co-operative Legal Services Delivery
- Housing Tenants forum Bateau Bay
- Macarthur Jobs Expo
- Mardi Gras Fair Day
- Meadowbank and Ryde TAFE expos for students
- NSW Community Housing Conference Sydney

Indigenous outreach

EWON's Aboriginal Project Officer continued to travel far and wide in 2012/2013 to reach metropolitan, regional and remote Indigenous communities across NSW. (See the map on page 42 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. Throughout the year, we participated in:

- Yabun Festival
- Mingaletta Aboriginal Tenancy Forum at Umina
- Redfern Wrap Around Service
- Financial Literacy Roadshow
- Better Access Program
- 13 Good Service Mob forums

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

Good Service Mob is a collaboration of Indigenous and non-Indigenous staff from complaint-handling agencies who help consumers in New South Wales through free community information days. This joint outreach activity provides a great opportunity to bring valuable community and government services to smaller and isolated communities. It also helps to open a two-way communication channel so that community members can provide a local perspective, which is vital for ensuring that EWON's services and outreach strategy continue both to be accessible and to offer effective assistance to Indigenous communities around NSW.

Importantly, this communication channel also enables people living in the communities we visit to alert EWON and our partner service providers to issues and challenges they are facing. Many consumers we met through the year reported problems with managing high arrears and energy marketing. A number of tenants in more remote communities also reported very high bills due to having to use heating and cooling around the clock in the summer and winter months because of the poor standard of insulation in their homes. EWON is aware of the challenges faced by consumers living in rental housing, where they have only limited control over the energy efficiency of their home, and we are working to advance the issue through consultation with government and industry stakeholders.



Complaints from Aboriginal and Torres Strait Islander customers*

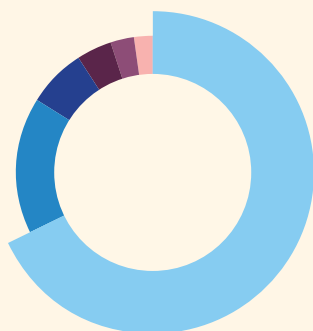
Credit continues to dominate as a primary issue for Aboriginal and Torres Strait Islander customers, particularly in relation to electricity supply. Of the 80 complainants who identified as Aboriginal and/or Torres Strait Islander:

- 45 reported difficulties paying off the arrears on their account
- 17 were facing disconnection
- 23 had been disconnected

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

Around 20% of the complaints came from outer Sydney, 16% from inner Sydney, 10% from the Mid North Coast and 9% from North Western NSW.

ISSUES RAISED BY ATSI CUSTOMERS



■ Credit	68%
■ Billing	16%
■ Transfer	7%
■ Marketing	4%
■ Customer Service	3%
■ General	2%

* 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.



EWON REPRESENTATIVE SPEAKS WITH COMMUNITY MEMBERS AT THE EASTWOOD INFORMATION DAY

Culturally and linguistically diverse (CALD) customers

Raising awareness with diverse communities is essential to ensure equity and access to EWON's services. This year we presented to a number of CALD groups including emerging communities – often with the assistance of an interpreter – and provided people with EWON fact sheets published in community languages. Our work in 2012/2013 took us to:

- New Horizons in Fairfield (Arabic and Somali)
- NSW Fair Trading, Fairfield Council & STARTS forum at Fairfield
- Eastwood Information Day, organised by Ryde Council for Eastwood's diverse community
- Navitas College Auburn – providing four presentations to reach 240 students
- Sutherland and St George – addressing a Maltese Seniors Group
- Syd-West Multicultural Services in Blacktown – several presentations (Arabic, Dinka, Juba Arabic, Khmer, Nepalese, Bhutanese)
- Auburn Diversity Services – addressing an Arabic Women's Group
- Newtown – addressing a Chinese Seniors Group
- Gymea – addressing a mothers' group (Chinese)

EWON is aware that some communities find it difficult to ask for assistance from complaint handling agencies. A lack of contact with NSW's Pacific Island communities led us to work with the NSW Council for Pacific Communities, NSW Ombudsman, NSW Fair Trading and the Housing Appeals Committee to hold a forum in Campbelltown. The aim was to reach community workers and elders from Pacific Island communities to deliver our information and, more importantly, to learn from them how we can better assist their communities. Following the success of this forum, the stakeholders have agreed to hold a similar forum in the Greater West later in 2013.



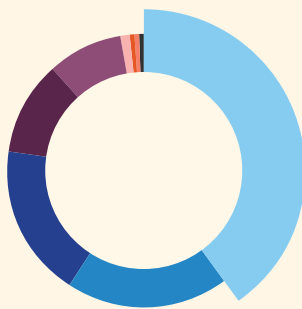
NEWLY ARRIVED COMMUNITY MEMBERS FROM BHUTAN ATTEND AN EWON PRESENTATION IN BLACKTOWN

Complaints from CALD customers*

This year 633 (2%) customers identified as culturally and linguistically diverse when making a complaint. Of the complaints received this year from CALD customers:

- The top four issues were billing (40%), transfer (19%), credit (18%) and customer service (11%).
- 53% of CALD-identified complaints came from outer Sydney, 38% from inner Sydney.
- Complaints were received from speakers of Mandarin (109), Arabic (74), Vietnamese (53), Cantonese (50), Greek (29), Korean (26), Persian (23), Italian (21), Spanish (21), Hindi (14) and numerous other languages.

ISSUES RAISED BY CALD CUSTOMERS



Billing	40%
Transfer	19%
Credit	18%
Customer service	11%
Marketing	9%
General	1%
Supply	<1%
Land	<1%
Provision	<1%



Seniors and people with a disability

Seniors and people with a disability tell us they are concerned about rising energy and water prices. Many are concerned about affordability issues and about the costs of heating and cooking meals. 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: they go to bed early to stay warm, go without hot meals and listen to the radio in the dark. EWON is concerned about the quality of life for seniors who are financially vulnerable, on limited incomes and who need good information about government rebate entitlements, appliance energy costs and complaint handling.

We have become increasingly aware of seniors and people with a disability who have not claimed NSW and Commonwealth government rebates, in particular essential life support equipment and medical rebates. This year we have used our targeted outreach activities and other communications campaigns to raise awareness about what assistance is available and how to access it.

Events for seniors:

- Seniors Days at the Royal Agricultural Show, sharing a marquee with six other alternative dispute resolution agencies
- Probus events in Bangor and Maroubra
- Legacy groups at Burwood and Sydney
- Seniors Groups at Freshwater, Forster, Harris Park, Lalor Park, Strathfield and Richmond

- National Seniors event in Tuggerah
- Seniors Week stalls held at Strathfield and Eastwood

Events for people with a disability:

- Educare Expo Cardiff
- Ideas Expo Newcastle
- Disability group – Hills District

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 home.

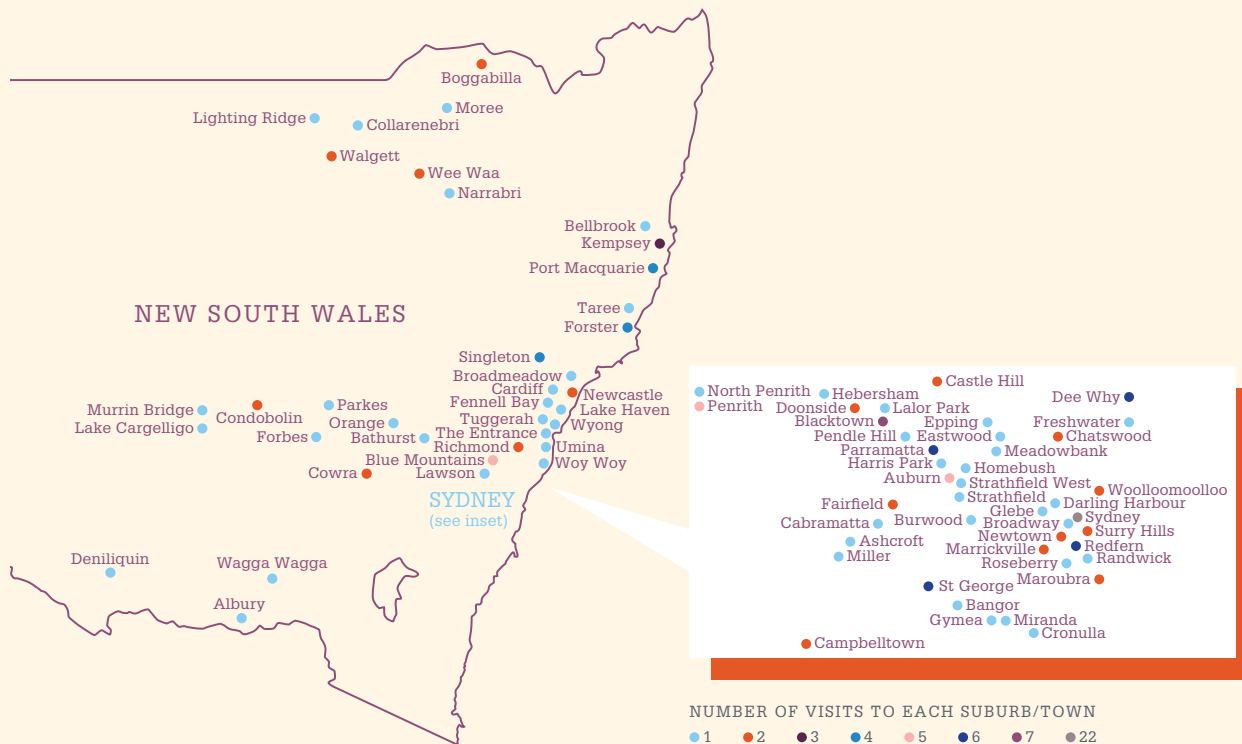
In 2012/2013, the Ombudsman presented to two Small Business Advisory groups held at the office of the Small Business Commissioner NSW.

We also achieved our aim to increase our contact with small business by sharing in a number of small business events hosted by NSW Fair Trading, including:

- Building Expos in the Blue Mountains, Castle Hill, Dee Why, Parramatta and Singleton
- Motor Dealers and Repairers forums in the Blue Mountains, Dee Why Kogarah, Parramatta, Forster, Kempsey and Singleton
- Incorporated Associations forums in the Blue Mountains, Dee Why Kogarah, Parramatta, Forster, Kempsey and Singleton
- Strata Associations, Real Estate Agents and Landlords forums in the Blue Mountains, Dee Why, Kogarah, Parramatta, Forster, Kempsey and Singleton.

COMMUNITY OUTREACH MAP

“A major part of our outreach activity is focused on connecting with those within the community who are working to help others.”



CASE STUDY

Gas

transfer in error, disconnection

Transfer in error leaves Melissa’s family without hot water or gas for cooking for days

When Melissa moved into her home, she combined her gas and electricity accounts to receive a better discount. But when her gas was disconnected, she discovered that her gas was no longer with this retailer. It had been transferred to another company who would not discuss the account with her as she was not the account holder. Melissa and her two children had been struggling to manage without hot water or cooking while she tried for three days without success to get the problem resolved. She went to her local MP for help and was referred to EWON.

We were able to assist Melissa in getting the gas reconnected that same day while we investigated her complaint. It emerged that her gas account had been transferred in error 13 months earlier when another person attempted to establish a gas account with the supplier. When no payment was made on the account, the disconnection was ordered. Melissa didn’t recall receiving any bills in another person’s name and she hadn’t noticed she was not being charged for gas by her preferred retailer as she was still paying the bills she received from them – bills she thought covered both her gas and electricity usage.

Melissa said she wanted her gas account to be returned to her previous supplier, so we advised her to contact the company and request a transfer back. She did this accordingly and was pleased when the other retailer explained that they would not charge her for the 13 months’ usage as she was not the owner of the account.

✉ ROBERTO

"The 3% discount and 14% pay on time discount we signed up for have not been applied for 10 months. They claimed they have no record of our discount until one phone operator found notes pertaining to it. We were then informed they would be unable to apply those discounts, as advertised."

✉ ANDREW

"I have 3 stores and all 3 stores have the same equipment and are the same in size and 1 of my stores was charged 10 times more for electricity than the other stores. I asked the electrician who had installed my equipment and he has stated there is something definitely wrong because there is no way a small takeaway store will have a \$8000 bill for 3 months. I would like to see my bill reduce dramatically down to about \$800 like my other stores."

✉ JASON

"[My retailer] said I contacted them to contract another 2 year term with them over the phone. I dispute that this was conducted at all as I was clearly shopping around and would not have consciously signed on with them as I am not happy with the charges they already provided. I only learned about this while shopping around for some rates. They said that they have a clear recording of my agreement to this and that should I dispute this I should write a complaint."

✉ MAXWELL

"I want my account restored with [my preferred retailer]. I should not have to pay a contract break fee to as I have never provided authorisation to leave the [company]."

CASE STUDY

Electricity

incorrect charges, vulnerable customer

Margaret struggles to make payment on her neighbour's very high power bills

Margaret is a pensioner who suffers significant health problems. She called EWON when she received an electricity disconnection notice. She was very concerned as she owed \$7,400 on her account and her household's water supply and septic tank run on electricity.

Margaret told EWON she was unsure how her bills could be so high, but that she could manage payments of \$70 per fortnight on a payment plan. She agreed to seek EAPA* while we looked into the matter.

Margaret's retailer advised us that her consumption was very high – \$130 per week – and that Margaret would need to cover at least this amount on a payment plan, as well as pay down her arrears. EWON conducted a billing investigation to try to determine the accuracy of Margaret's bills and in the meantime she made a payment on her account with \$480 in EAPA vouchers she had obtained. We suggested she contact her retailer to have the Low Income Household Rebate applied to her account and that she look into arranging an audit through the Home Power Savings Scheme to help her reduce consumption.

The retailer reviewed Margaret's household's usage and found that most usage was recorded on one of the three meters installed at the site. They arranged for the distributor to check the meter.

The distributor discovered that the meter at Margaret's home was mislabelled when the property was subdivided, which had led to Margaret being billed for her neighbour's usage. This meant Margaret had never been issued a correct bill. The retailer reversed all Margaret's bills and rebilled her for the correct amount owing for the last 9 months only** of her actual consumption. The outcome of these adjustments meant that Margaret received a refund of \$6,900 for payments made previously towards billing on the incorrect meter and EAPA payments were applied to her new, correct account.

* Energy Account Payment Assistance

** As of 1 July 2012, energy retailers can only backbill customers for up to 9 months

FINANCIALS

	2013 \$	2012 \$
BALANCE SHEET		
CURRENT ASSETS		
Cash and Cash Equivalent	2,883,600	1,838,513
Trade and Other Receivables	7,560	42,292
Prepayments	109,732	33,948
Total Current Assets	3,000,892	1,914,753
NON-CURRENT ASSETS		
Property, plant and equipment	1,375,292	725,358
Total assets	4,376,184	2,640,111
CURRENT LIABILITIES		
Trade and Other Payables	-1,048,253	-863,396
Provision - Annual leave	-452,288	-356,227
Total Current Liabilities	-1,500,541	-1,219,623
NON CURRENT LIABILITIES		
Provisions	-1,069,582	-500,300
Total liabilities	-2,570,123	-1,719,923
NET ASSETS	1,806,061	920,188
FUNDS		
Operational Reserve	900,724	639,815
Emergency Reserve	491,344	280,373
Make Good Reserve	413,993	
Total Equity	1,806,061	920,188
CASH FLOW STATEMENT		
	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Funding received (Members)	12,509,666	8,904,177
Interest received and sundry income	96,668	80,096
Payments		
Other Suppliers	-2,460,940	-2,046,085
Wages and Salaries	-8,047,504	-6,424,560
Net cash Inflow from Operating Activities	2,097,890	513,628
CASH (OUTFLOW) FROM INVESTMENT ACTIVITIES		
Payments for plant equipment and fitout costs	-1,052,803	-342,564
Net (decrease)/increase in Cash Held	1,045,087	171,064
Cash at beginning of year	1,838,513	1,667,449
CASH AT THE END OF THE YEAR	2,883,600	1,838,513
INCOME & EXPENDITURE STATEMENT		
	2013 \$	2012 \$
INCOME		
Funding received:		
Joining fees and establishment fees	25,000	9,000
Operating funding provided by Members	11,309,672	8,085,317
Interest received and sundry income	99,688	86,015
Less Surplus funding returned to members		
Gross income	11,434,360	8,180,332
Less EXPENDITURE		
Salaries and oncosts	8,314,888	6,546,675
Employee Related Expenses	397,959	330,633
Operating expenditure	478,989	375,013
Communications Strategy	153,612	192,928
Premises	1,110,307	671,155
Council and Board costs	92,733	58,965
Total Expenditure	10,548,488	8,175,369
NET SURPLUS (transfer to reserve funds on balance sheet)	885,872	4,963

CUSTOMER FEEDBACK

“As a result of your call to [my retailer], I was contacted by someone from their resolution team. They have recognised the problem and agreed, in writing, to fix it. I now have confidence that they will act upon their promises. (And if they don't I at least have something in writing now to use in future with them.) Thanks.”

“All aspects of my story were handled with respect and with concise clear information as progression took place. It all could have been more stressful if this matter had been handled differently.”

“You have shown great kindness and compassion to me in our conversations and I very much appreciate this. It has been a very difficult year for [us] and it has been hard for us to ask for help where we have always been very self-sufficient. The responses we received from [our retailer], prior to your involvement, made us feel even worse as it was obvious that they either did not believe we were genuine or simply did not care about the difficulties we are experiencing. Without your assistance I believe that they would have continued to harass and bully us and this would have made our difficult situation even worse.

So I sincerely thank you again for your help and your humanity.”

“We would personally like to thank you and your staff for your perseverance and dedication to our complaint. We first contacted EWON in 2004. You did not waiver in your persistence and support, all your hard work has given us a result we are happy with.”

“This is a personal ‘Thank You’ note for the help and advice you gave me in overcoming the brick wall I was encountering with the Customer Care department at [my retailer]. Your representations on my behalf and the various follow-ups from the Ombudsman department definitely had a pivotal effect in getting this matter resolved.”

“...your voice is very important: before I tried to resolve the matter with them, they never listened. When you [intervened] with the issue it [was] solved rapidly. Thanks so much for your help, your presence keeps them to do right things, it is very good for the public, once again thanks very much for your excellent service.”

“We are so glad that you have managed to resolve this dispute for us after so long ‘bashing our heads’ against the bureaucracy of [our retailer]. We are very appreciative of your patience and attention to detail in what is really a fairly banal matter of numbers.”



Energy & Water
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