

Ombudsman's Note



Clare Petre

I was recently asked why we continue to receive large numbers of calls from customers having difficulty paying their energy bills, when the economy is so strong.

In his recent study into social disadvantage, Professor Tony Vinson states that although economic growth has brought prosperity to many, international events and domestic stability may have made us '...less observant of a significant change taking place in the structure of our society: some localities and a significant number of Australian families are being left behind'.

In the areas of electricity, gas and water provision Professor Vinson's findings have implications for utility providers, community agencies and policy makers, including working towards:

- providing customers with flexible payment options through responsive credit management approaches
- assisting customers in financial difficulty avoid disconnection or restriction through the availability of effective hardship policies
- building partnerships between industry and the community agencies who actively assist low income and disadvantaged people
- improving accessibility to emergency assistance such as EAPA vouchers
- providing longer term sustainable assistance through measures such as No Interest Loans Schemes, and Refit programs to help people reduce their bills.

We will use Professor Vinson's report to identify areas where EWON's accessibility and awareness programs are best targeted.

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Restrictions intensify across NSW

Effective 1 June 2004, residents in Sydney, Illawarra and the Blue Mountains are now subject to tighter, Level 2 water restrictions.

Despite eight months of restrictions, during which the hosing of hard surfaces and the use of watering systems were banned, exceptionally dry weather has seen catchment levels fall below 50 per cent:

With the introduction of these new Sydney Water restrictions, hand-held hosing is only allowed Wednesdays, Fridays and Sundays - before 9am and after 5pm. Most householders with new or renovated swimming pools will only be granted a permit to fill the pools if water-efficient appliances are first installed in the home.

Level 2 water restrictions were recently introduced by Gosford-Wyong Joint Water Authority when their dam levels fell below 30 per cent capacity. Residents in the Central Coast can only use their hose one hour a day, 7am-8am or 6pm-7pm, on alternate days.

“With nearly three-quarters of NSW now in drought, most water suppliers are imposing restrictions...”

With nearly three quarters of NSW now in drought, most water suppliers are imposing restrictions to varying degrees. EWON’s water supplier members have the following restrictions in place:

- Sydney Water customers are now subject to Level 2 restrictions
- Australian Inland, the water provider for Broken Hill and the Far West, has already introduced Level 2 water restrictions
- storage levels in Hunter Water’s catchments are currently more than 80 per cent full and water restrictions are not expected in the near future.

For more information on restrictions in your area please contact your local water supplier.



Water Case



Mrs J runs a small family business and receives a family allowance. Her partner has taken on a second job to help pay the bills and they have had to refinance their property due to financial difficulties. Mrs J had \$635 outstanding on her water account as well as \$739 owing for current usage. Her provider restricted her water supply because of the unpaid account.

When she contacted her water provider they informed her that she would have to pay \$635 to have her water supply restored to normal.

After arranging an appointment with a local community agency for financial assistance, she contacted EWON to help negotiate a payment plan and have her water supply reconnected.

EWON negotiated with her water supplier for Mrs J to pay \$500 over three weeks and then \$50 every fortnight to clear her arrears and keep up with her current water use.



Electricity prices to rise

From 1 July 2004, customers in NSW may see an increase in their electricity bills. It appears that prices will rise for all customers, whether they have signed a negotiated contract or not.

The price rises are expected after a recent Independent Pricing and Regulatory Tribunal (IPART) review of electricity pricing. Responsible for setting limits on how much monopoly services can charge, IPART has handed down two draft determinations to cover both retail prices and distribution prices. Regulated electricity suppliers in NSW will now set their prices within these limits.

For the average customer, supplied by their local supplier under a standard agreement, bills are expected to go up around \$1 per week in the first year. While the biggest increases will occur this year, further price rises are expected in subsequent years.

IPART's final determination is expected in early June 2004. For more information on how the price rise will affect you, speak to your provider, or visit their website.

Distribution prices

Around one-third of the average electricity bill is made up of distribution charges. IPART's Distribution Pricing Review regulates these charges set by the four distributors in NSW: EnergyAustralia, Integral Energy, Country Energy and Australian Inland. Some of the increase will assist companies fund maintenance and investment in the network infrastructure (eg, poles and wires).

Retail prices

Small customers who receive their electricity from a local supplier under a standard agreement will also be subject to retail price increases. These retail price rises will not apply to customers who have signed a negotiated contract, however rising electricity distribution prices (above) may be passed through. Information about this is set out in the contract terms.



Electricity suppliers have asked for additional money for network upgrades

Miscellaneous charges

Miscellaneous charges are the fees utility companies charge customers for additional services, such as meter test fees, disconnection fees and late payment fees. The Tribunal's draft decision is not to increase these fees. It has rejected requests from retailers to increase the late payment fee from \$5* to \$10*. The Tribunal has also decided to eliminate the \$35* fee for establishing a new account.

A new \$75* fee has been introduced for reconnecting electricity outside normal business hours. Customers requesting reconnection outside the hours of 7:30am to 4:00 pm will now be liable to pay \$75*, in addition to the normal \$70* reconnection fee. EWON has raised some concerns with this fee in our submissions to IPART.

For more information on the reviews go to IPART's website www.ipart.nsw.gov.au.

EWON has provided submissions to IPART, which are available in the *what's happening* section of our website www.ewon.com.au. For more information contact Amanda Hamilton-Foster, EWON's Senior Policy Officer at amandahf@ewon.com.au.

* excludes GST

How to reduce bills

- * Close doors to unused rooms when the heater is on – this can halve your heating costs
- * Turning your heater down 1°C can reduce your bill by 10%
- * Using the right size heater for the space will ensure you're not wasting energy
- * Turn the heater off when you're not in the house, or use a timer
- * Turning off the pilot light on a gas heater during summer can save you \$15 or more each year
- * Closing curtains and blinds help reduce heat loss through windows – single panes of glass lose almost ten times more heat than the same area of insulated wall
- * Use your ceiling fan to circulate the hot air around the room
- * Opening your north-facing curtains on sunny winter days will help heat your room for free
- * If purchasing a gas heater, look for the energy rating label—the more stars you see, the more you can save on running costs.

Source: Sustainable Energy Development Authority

www.seda.gov.au

Financial Assistance Facts

EAPA Myths

No EAPA if already disconnected

Disconnected customers are eligible for EAPA. If a person presents a disconnection notice, agencies can still assess eligibility but should contact the provider to confirm account details.

No EAPA if already obtained from another agency

EAPA can be given by more than one agency, as long as this is noted on the voucher.

No EAPA if in contract with another supplier

Customers who have not signed up with the local provider are still eligible for EAPA in the normal way.

No EAPA for employed people

If assessed as in need, agencies may distribute vouchers to clients in paid employment.

EAPA only once per year

Although some agencies have their own policies, the Guidelines only state that EAPA is not to be used as ongoing income support.

A large amount of EWON's work involves assisting customers who have been disconnected, or are facing disconnection from their electricity or gas supply. Our Investigations Officers regularly refer customers to community agencies to seek Energy Accounts Payment Assistance (EAPA) vouchers or other financial assistance. In turn, customers are also referred to us by community agencies seeking help in resolving matters relating to their electricity, gas or water supply.

Our experiences

Our experience of customers facing disconnection is:

- most are in difficult financial circumstances
- many have had their telephone disconnected
- some are subject to debt recovery procedures for other debts
- most are facing personal, health or family related difficulties.

When EWON investigates a matter involving a disconnection, we attempt to provide advice and referral to help customers break the cycle of difficulties that leads them to face disconnection. Community agency involvement in the assessment process for EAPA is imperative in providing comprehensive assistance to customers.

Customer survey

For three months, EWON collected customer comments on the operation of the EAPA scheme. Of the 44 reports to EWON of EAPA shortages, the largest proportion originated from the Central Coast (37%), closely followed by Western Sydney (34%), the Hunter (20%) and Southern Sydney (9%).

The most common customer problem was the lack of vouchers at local agencies, closely followed by being denied EAPA for grounds that are not referred to, or not specifically outlined in the Guidelines (see box — EAPA myths).

The Department of Energy, Utilities and Sustainability is reviewing the EAPA scheme. Our report on EAPA delivery is intended to be a positive addition to this review process by highlighting some of the issues in relation to the EAPA scheme that EWON has observed.

The full text of EWON's EAPA report is available in the submission section of our website www.ewon.com.au. We welcome feedback on our report from all stakeholders involved in the EAPA scheme.



Legal Information Access Centre Forum

Connecting with EAPA

A volunteer from the St Vincent de Paul Society called EWON on behalf of a customer who had just received a disconnection notice for \$312 outstanding on her account. The customer had very young children and was experiencing financial difficulties.

The Society was able to offer the customer two \$30 EAPA vouchers and some food vouchers but was unable to negotiate a payment plan with the provider. The volunteer then contacted EWON for help.

Following the St Vincent de Paul Society's EAPA assistance, EWON was able to secure an affordable payment plan with the provider, and the customer's power remained connected.

Debt and Credit Reporting

Passing the buck

When Mr S's mother died, he contacted the electricity supplier to tell them that the \$30 owing on his mother's account would be paid in three weeks, once her will was finalised.

In the weeks following, the supplier sent reminders to his mother's address, threatening legal action if the \$30 was not paid.

Mr S contacted EWON for assistance after he received a call from a debt collection agency wanting to speak with his mother. They informed Mr S that the electricity provider had transferred the outstanding \$30 to their agency.

EWON spoke to his electricity provider and informed them of Mr S's situation. The electricity provider cleared the \$30 owing on his mother's account and stopped the collection agency from taking any further action.

Investigator's Tip

Debt referral

One of the ways that many utility suppliers attempt to recover overdue accounts is by using a debt collector. If they are unsuccessful in getting the money, some suppliers will list the customer with a credit-reporting agency. Suppliers are required to notify customers if this occurs.

In many cases customers have moved address and are not aware that their debt has been transferred to one of these agencies. It is only when the customer applies for consumer credit such as a loan, credit card or mobile phone, and it is declined, that they discover their details are with one of these agencies.

EWON can investigate a complaint where, for example, a customer is disputing the amount of the debt, or is disputing that they owe money. If we find that the supplier has made an error, they will normally ensure that the customer's credit rating is restored.

People can be referred to a credit reporting agency for any overdue bills that have remained unpaid for longer than 60 days. Once a person is listed with an agency, their listing remains for five years (serious credit infringements stay on file for seven years).

People who are listed with a credit reporting agency can request a copy of their credit report directly from the agency. It usually takes around ten working days for the report to be sent. In some instances the agency may charge a fee to obtain a copy.

If the information in the credit record is incorrect or misleading, these concerns can be raised directly with the agency. If people are not satisfied with the response, a complaint can be made to the Federal Privacy Commissioner. Contact 1300 363 992, or visit www.privacy.gov.au for more information.

For free legal advice and assistance contact the Consumer Credit Legal Centre on 9212 4111, or 1800 247 890 (outside Sydney) or visit www.cclcnsw.org.au.



Anne Wooding-Giles



Gay & Lesbian Mardi Gras Fair Day, Chippendale



Arabic Carnivale, Homebush Bay

Indigenous Community Work

In the last edition of EWONews we introduced you to Carla Ware, our Indigenous Project Officer. Over the past six months Carla has been working on a project to identify the utility issues affecting Aboriginal and Torres Strait Islanders in NSW.

“We have raised awareness of EWON, supplier hardship programs, payment options, and financial assistance schemes. Currently I provide advice and referral to indigenous organisations and, where appropriate, facilitate contact between community agencies and member companies” - Carla Ware

Carla has consulted with a broad range of Aboriginal organisations in the state. Through this extensive consultation Carla has discovered a low awareness of EWON in remote areas with large indigenous populations, particularly Central and North Western NSW. Her discussions have also revealed common issues affecting indigenous communities, including:

- electricity disconnection
- difficulty paying accounts
- barriers accessing payment assistance

Some utility suppliers, particularly Country Energy and Australian



Carla (centre) visits Tamworth

Inland, are consulting with indigenous communities to provide better services to their indigenous customers. We facilitate contact between suppliers and indigenous communities and provide advice and assistance to suppliers when requested.

If you would like more information about the project or to arrange an information session to find out more about our organisation and how we can assist you, contact Carla Ware, Indigenous Project Officer on 02 8218 5252 or email her at carlaw@ewon.com.au.

If you are interested in receiving copies of the brochure or poster place your orders with Carla (see contact details above).



Emu Hunting - an example of Vee's work

EWON commissions indigenous artist

One of the significant achievements of EWON's ATSI project is the expansion of EWON's promotional material to include an ATSI specific brochure and poster. EWON has recently commissioned indigenous artist, Vee Thornbury, to create an artwork that can be used on these resources. This unique painting will represent our work and the service we provide consumers in NSW.

We will be launching EWON brochures and posters featuring Vee's art during Winter 2004.

Koori Case Study

Carla often provides support and referral information to staff assisting Aboriginal and Torres Strait Islander customers who contact EWON.

One such customer, Mrs A, contacted EWON when her electricity was disconnected. A sole pensioner with \$1111 in arrears, her electricity was disconnected the same day that one of her children, a 13 month old baby, was released from hospital after a serious asthma attack.

Mrs A contacted her supplier but was unable to negotiate reconnection without an up-front payment of \$500. Reliant on electricity for her baby's nebuliser, Mrs A had to leave her home and stay with relatives.

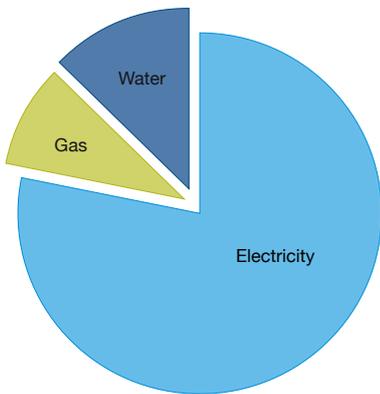
Mrs A contacted EWON for help. We put her in contact with a nearby community agency that was able to provide her with \$90 worth of EAPA vouchers to put towards her account arrears. Mrs A paid \$140 cash at the post office and offered to pay \$30 every week after this. EWON spoke to her supplier who was unaware of her personal situation and agreed to reconnect her electricity if she sought further EAPA and financial counselling assistance. Mrs A agreed to this payment arrangement.

A day after being disconnected Mrs A had the power on and had organised a manageable payment arrangement with her supplier.

Comparing supplier complaints

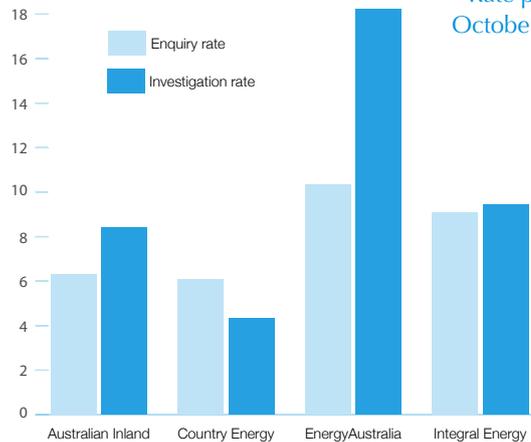
Complaints by Subject

October 2003 - March 2004



Electricity Complaints

Rate per 10 000 customers
October 2003 - March 2004



Understanding these graphs

The graphs on the right can be used to compare the relative complaint levels of our supplier members, based on their total customer numbers.

The comparative information is calculated using publicly available customer numbers from the Independent Pricing and Regulatory Tribunal and other sources. The figures for the six months to March 2004 have been annualised to enable direct comparison with our annual report statistics.

Categories used

Enquiry

A request for information or assistance that can be settled relatively quickly (including matters referred back to the provider for resolution at a higher level).

Investigation

Where a customer has tried to resolve their issue with the provider but has not received a response, or is not satisfied with the outcome, EWON may conduct an investigation.

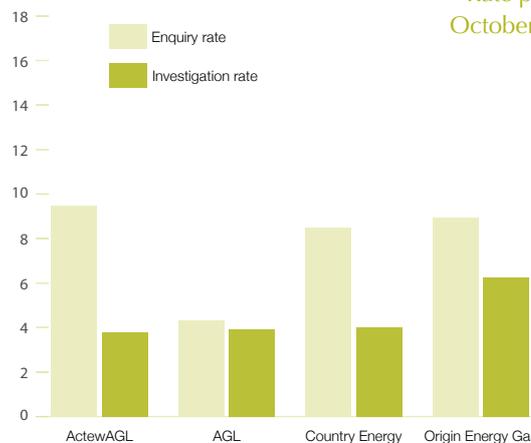
Other member providers

Suppliers without a franchise area were the subject of the following complaints:

ENERGEX	5
EnergyOne	12
Origin Energy Electricity	8
TransGrid	2

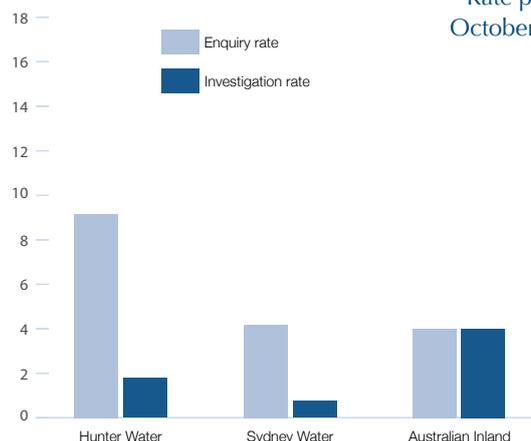
Gas Complaints

Rate per 10 000 customers
October 2003 - March 2004



Water Complaints

Rate per 10 000 customers
October 2003 - March 2004



Changes to EAPA

Courtesy of the Department of Energy, Utilities and Sustainability (DEUS)

1. Four equal quarterly allocations in March, June, September and December, which may require EAPA agencies to plan for seasonal fluctuations in demand. Booklet stubs will need to be returned on time as subsequent allocations may be adjusted if there are substantial numbers of booklets outstanding.
2. EAPA vouchers will be yellow and will contain information about the scheme and supplier hardship programs.
3. Energy suppliers will accept current green vouchers until 14 July 2004. DEUS is encouraging agencies to allocate all available vouchers by 30 June 2004 and send any unused vouchers to other outlets in their area, or return them to DEUS for redistribution.
4. As part of the Department's review of the scheme, EAPA agencies will be asked to provide input on how to improve the Scheme's effectiveness. Please provide this feedback to:

Ramona Blacklock, DEUS

ramona.blacklock@deus.nsw.gov.au
or GPO Box 3889, Sydney 2001.

EWON forum sparks community interest

On 26 May 2004 over 200 community workers, policy makers, political and industry representatives gathered to hear Professor Tony Vinson present his most recent research on social disadvantage in NSW.

Professor Vinson's study, *Community Adversity and Resilience*, applies 14 indicators of disadvantage to the 587 postcodes in NSW. One of the significant outcomes of his report is the compilation of the 30 most disadvantaged postcodes in NSW.

Professor Vinson discussed the divide between Metropolitan Sydney and regional NSW, and encouraged initiatives that build social cohesion.



Lively debate at the Vinson Forum



Clare Petre, Tony Vinson and Stuart Rees, EWON Council Chairperson

His work has significant implications for utilities, government, and the community sector in NSW.

Professor Vinson's study is the sequel to his *Unequal in Life* research conducted in 1999. A copy of Professor Vinson's report is available for \$30 from the Jesuit Social Services website: www.jss.org.au or phone 03 9427 7388.

Notes from Professor Vinson's presentation are available in the *what's happening* section of EWON's website: www.ewon.com.au.

EWON expands community language service

Following a recent review of our in-language information in conjunction with Migrant Resource Centres, EWON has expanded our community language services.

As a result, information about our scheme will be available in twelve different languages, an increase from the six languages currently available.

Scheduled for release in August 2004, the new EWON website will offer people the option of making a complaint

online in their own language — a first for Australian industry complaint schemes. This on-line service will be available in Arabic, Chinese, Greek, Indonesian, Italian, Korean, Macedonian, Polish, Serbian, Spanish, Turkish, and Vietnamese.

The current range of brochures in six community languages will remain available.



The new EWON website — coming soon

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