

Ombudsman's Note

Utilities in New South Wales are continuing to experience significant change. Most of the state is facing water shortages, with restrictions on water usage being imposed or extended in many areas.

At the same time, electricity supply issues are under review in a Green Paper recently issued by the Department of Energy, Utilities and Sustainability.

This discussion about the future structure and sustainability of electricity supply in New South Wales is taking place in the context of major changes at a national level, where new agencies have been established to administer a national market and regulatory framework.

This newsletter highlights some of the changes that are occurring in New South Wales, for example:

- * there are new guidelines for the EAPA (Energy Accounts Payment Assistance) program
- * almost all electricity and gas retailers now offer Centrepay to their customers
- * one major retailer is trialing a new meter system to help consumers better understand their electricity usage.

Perhaps of most importance is the fact that all major energy retailers in New South Wales now have customer assistance programs to help consumers who are having difficulty paying their bills. These programs aim to work with customers in financial hardship to establish reasonable and affordable payment arrangements.



Clare Petre, Energy & Water Ombudsman NSW at a free community information forum, 'Assistance programs for energy consumers', hosted by EWON in March 2005. Photo: Pip Blackwood

They aim to break the vicious cycle of disconnection and debt, where the fees associated with disconnection only add to the financial burden for customers.

The experience of customer assistance programs even over a relatively short time is that they are achieving their objectives. Utility providers are working directly with customers in financial hardship to ensure that payments are affordable. In some cases they are also offering additional services such as energy audits and refit programs to help customers reduce their energy consumption and the amount of their bills.

These changes are very positive and very welcome, and we look forward to them being reflected in a drop in the rate of disconnection of electricity and gas in New South Wales.

Contents

Developments in customer assistance programs	2
New EAPA guidelines	3
Customers and energy contracts	4
EWON policy matters	5
In the news	6
EWON community outreach	8
EWON complaint statistics	10
EWON case studies	11

EWONews is a bi-annual publication of the Energy & Water Ombudsman NSW (EWON)
ABN 21 079 718 915
PO Box K1343, Haymarket NSW 1240
Freecall 1800 246 545
Freefax 1800 812 291
Website www.ewon.com.au

Editorial enquiries:
(02) 8218 5206
news@ewon.com.au

Note: names have been changed in case studies for confidentiality reasons.



Problems with your electricity, gas or water supplier?

The Energy & Water Ombudsman NSW (EWON) helps people having problems with their electricity and gas suppliers. We can also help with some water complaints.

We encourage you to talk to your supplier first and try to resolve the problem. But if the problem is not fixed, call EWON.

Our service is free, fair and independent. Our aim is to keep essential services within reach of everyone.

We offer an online enquiry and complaint form in English and twelve community languages: Arabic, Chinese, Greek, Indonesian, Italian, Korean, Macedonian, Polish, Russian, Spanish, Turkish, Vietnamese.

www.ewon.com.au



While there is still work to be done to **bridge the gap between retailers and consumers in financial hardship**, the introduction of customer assistance programs has helped.

Energy retailers are now getting together to discuss how they can **collectively tackle the problems facing customers with affordability issues**.



Narelle Brown (EnergyAustralia), Emma Keene (EWON) and Maggie Ingham (Salvation Army Moneycare) at EWON's Member Forum, November 2004

Working together

Over the past twelve months there have been significant developments in the way retailers help customers who are having difficulty paying their energy and water bills. Most retailers now have programs to help customers in financial hardship. These programs aim to work with customers to put in place realistic and affordable payment arrangements, and to identify payment options that suit the individual circumstances of customers.

EWON hosted a forum in November 2004 which brought together 15 representatives from AGL, Country Energy, EnergyAustralia, Hunter Water, Integral Energy, Origin Energy and Sydney Water, to discuss their assistance programs and how best they can help customers who experience financial hardship.

Maggie Ingham from the Salvation Army Moneycare program also attended the forum, and gave an insight into the human element of financial hardship, and why some customers find themselves unable to break the cycle of debt. Consumers were represented through taped interviews, with a customer and an advocate giving first hand accounts of the impact of assistance programs.

Companies reported that customers who had been placed on the assistance programs had responded positively.

Everyone at the forum agreed that customer assistance programs are not about 'charity'. Rather, it makes good business sense to have programs which accommodate the reality that not all customers are in the same financial situation.

And, while everyone agreed that there was still more work to be done to bridge the gap between companies and consumers, the programs are a very good start.

Challenges for the future

An action plan was developed on the day to follow-up on issues such as:

- * balancing debt recovery with customer service
- * privacy and disclosure for community agencies
- * direct lines of contact for community workers with utility providers
- * development of generic information for community workers on energy assistance programs available to customers
- * development of better relationships with the Department of Housing and Centrelink.

Since the forum, EnergyAustralia has hosted the first follow-up session on assistance programs for customers.

For community workers: who to contact about energy assistance programs

AGL	Nicole Mrdjen Manager Staying Connected ☎ 1300 659 925
ActewAGL	(for NSW customers only) Craig Richardson Credit Manager Staying Connected ☎ 6248 3368
Country Energy	Paul Clark Manager, Customer & Stakeholder Relations ☎ 6338 3421
EnergyAustralia	Narelle Brown EnergyAssist Coordinator ☎ 1300 723 492
Integral Energy	Merlene Adkins Manager, Customer Care ☎ 9853 6728

On 1 January 2005, **new guidelines** came into effect for community agencies distributing **EAPA vouchers**. ARTICLE BY EMMA KEENE, COMMUNITY DEVELOPMENT OFFICER, EWON

Energy Accounts Payment Assistance (EAPA) is a NSW government program designed to help people having difficulty paying their home gas and electricity bills due to financial hardship, a crisis or emergency situation. The scheme aims to help people stay connected to essential energy services.

In 2004 the Department of Energy, Utilities and Sustainability (DEUS) reviewed the EAPA scheme and consulted with a range of community agencies, energy retailers and government bodies about the new guidelines.

For community agencies currently distributing EAPA, the significant changes are as follows:

- * There are now four allocations of vouchers each year, at the start of March, June, September and December.
- * Vouchers can only be given to a person twice in a financial year, unless there are exceptional circumstances. However, if a customer is enrolled in Centrepay or a payment plan with a retailer, they can receive EAPA more than twice a year.
- * DEUS recommends that the maximum number of EAPA given to a customer per application is six vouchers (total value of \$180), however more can be given in exceptional circumstances.
- * EAPA should never place an account into credit.
- * The amount of EAPA provided should not be for the entire amount of the bill.

Client eligibility

As has always been the case, community agencies use their internal policies and criteria to assess a client's eligibility for EAPA. To help agencies assess clients, the guidelines identify an emergency situation as follows:

- * when a person has received a disconnection notice
- * there has been a significant increase in electricity or gas use due to unforeseen events such as unexpected illness

- * there has been a significant decrease in income or high unavoidable expenses eg due to job loss, medical or hospital bills, robbery or change of income support
- * there has been a natural disaster or family crisis.

Limit on vouchers

While DEUS suggests a limit on EAPA vouchers, the guidelines note there will be times when agencies may need to issue more vouchers to a client, due to exceptional circumstances or a crisis. In such cases, the agency needs to advise the EAPA Coordinator at DEUS.

EAPA shortages

If a community agency has a shortage of EAPA, they should contact:

- * their agency's head office and speak with the nominated EAPA Coordinator to seek additional vouchers
- * the EAPA Coordinator at DEUS
- * other local agencies that distribute EAPA to see whether they have surplus vouchers or they can assess the client
- * the customer's retailer to request the account be put on hold until vouchers become available.

IMPORTANT !

Please return excess or unused vouchers

If your agency has more vouchers than you can issue, it is important that you:

- * return the vouchers to your head office so they can be redistributed within your organisation, or
- * return the vouchers to the EAPA Coordinator at DEUS for redistribution.

Who to contact

For more information contact Ramona Blacklock, EAPA Coordinator, Department of Energy, Utilities and Sustainability, on (02) 8281 7712.

Did you know...?

1. If a person has an appointment to be assessed by a community agency for EAPA, their retailer must defer disconnection until their eligibility has been assessed.
2. EAPA can be used to pay electricity and gas bills (but not LPG).
3. It doesn't matter which electricity or gas retailer (in NSW) a person owes money to, community agencies can issue EAPA.
4. EAPA can only pay for consumption of electricity and gas.
5. Customers who have been disconnected can use EAPA to reduce their consumption bill.
6. EAPA should not be used for charges such as a disconnection fee, late payment fee, meter test fee, reconnection fee, service call charge or as a security deposit.
7. People can seek EAPA from more than one agency.
8. An agency can reassess a customer and decide they need more EAPA than they have received from another agency. If the agency issues more EAPA to them, they must tick and sign the box located under the account number on the voucher, and also stamp the original bill with the organisation's stamp.
9. If vouchers are lost or stolen contact DEUS immediately.

Water assistance programs

Sydney Water and Hunter Water have developed their own Payment Assistance Schemes (PAS) to assist customers in financial hardship. Customers having difficulty paying their Sydney Water or Hunter Water accounts can obtain PAS vouchers from their local community agencies.

Since the introduction of full retail competition in energy supply, the number of complaints to EWON has been relatively low compared to how many customers have switched retailers or moved from a standard to a negotiated contract with their current retailer.

Complaints about retail competition include marketing conduct, particularly by door-to-door salespeople, incorrect transfers or delays in transfer, and termination charges.

Retailers are responsible for the activities of their marketers but you need to be very careful before signing any contract.

Knock, knock: who's there?

Customers have complained to EWON about misrepresentation by marketers. For example, marketers have told some customers they were 'from the government', or that their current retailer 'is being taken over' or 'going out of business'.

Some customers, particularly those from culturally and linguistically diverse backgrounds, have said they feel pressured to provide copies of their bills and to sign the contract, especially if the marketer says they are 'from the government'.

In some cases, family members have complained that their ill or elderly parents have signed a contract without understanding what it really was.

All customers have a right to be supplied essential services under a standard contract, so there is no obligation for you to sign a negotiated contract. In turn, retailers are under no obligation to offer a negotiated contract to customers.

Account holders

EWON has received a number of complaints from people who say that although they are the current account holder, a family member or other household member has signed a negotiated contract.

This has had the effect of cancelling their current account without their knowledge or permission, and in some cases moved their account to a different retailer. EWON is discussing this issue with the Office of Fair Trading.

Show your current bills

If you are interested in a negotiated contract, the marketer may ask to see your current bills so they can assess your level of consumption. This will help the marketer estimate the terms of the proposed contract.

You are not under any obligation to show a marketer your bills. However if you do, make sure the bills are from your current property. Some customers who had recently moved got into difficulties because they presented old bills from their previous address.

Can I change my mind?

There is a ten-day cooling off period for all negotiated contracts, so there is leeway for customers who change their mind. In spite of this, you should scrutinise the material given to you by the marketer to ensure there are no surprises later on.

Will prices be fixed?

Some customers have complained that their energy charges have increased, despite them having signed a contract for a fixed rate. Essentially, there are two parts to an energy account: the retail component (usage charges) and the network component (charges for bringing the energy to you through the poles and wires or pipes).

Under a negotiated contract, only the retail component of your bill can be fixed for the term of your contract. So, whatever saving you are quoted may change, because retailers can pass on any increases in the network charges.

One bill or two?

Some customers sign a negotiated contract for 'dual fuel' (electricity and gas) because they want to receive one bill for both, but find they continue to receive separate bills. At present, retailers are generally not offering combined accounts, so if this is your reason for changing over, check the billing process before you sign.

Account transfer delay

If you sign a negotiated contract, you should be aware that the transfer does not happen immediately, but will take place after the next meter reading. Sometimes this can take a few months, particularly if you change retailers.

In the case of a dual fuel contract, the gas transfer will not happen until the electricity meter has been read, and the delay has confused some customers who continue to receive bills from their current retailer.

The delay has also led some customers to believe the transfer didn't go through, or to forget they signed with another retailer.

When you sign, make a note of the 'estimated transfer date' which will be on the contract. Once the account has been transferred, expect to receive a final bill from your original retailer.

Early termination fees

As with many fixed term contracts, there may be fees associated with early termination of the contract. Most contracts are fixed for three years, so you need to be confident that you will be living in the same property for the duration of the contract, or that there is some way to transfer it to a different property.

While the onus is on the retailer to provide 'sufficient disclosure' of termination fees, expect to see something about cancellation clearly stated in the contract. If you can't see it, ask about it.

Buyer beware

It's a good idea to keep all the materials (including promotional brochures) that the marketer provides with the contract, as well as a record of the date and time, and who contacted you or came to your door.

Most importantly if you hate reading the fine print, get someone you trust to do it for you.

Chris Dodds was appointed Policy Officer at EWON in December 2004. Chris has been involved in the community service industry for over 25 years in both a paid and voluntary capacity. In the last few years he has combined teaching with some consultancy work. As a consultant he has worked for Newcastle City Council, producing major reports on Social Equity and Information Technology, and Homelessness in Newcastle. Chris is currently President of NCOSS and Chair of Telstra's Low Income Measures Assessment Committee.



Recently EWON commented on the Independent Pricing and Regulatory Tribunal Review of Metropolitan Water Agency Prices from 1 July 2005, Issues Paper.

ARTICLE BY CHRIS DODDS

EWON understands that reducing water consumption is a key consideration and broadly supports initiatives that encourage water conservation.

However, EWON has suggested that the use of pricing signals as a demand management tool can be problematic. Customers receive information about the cost of their water usage in their quarterly bills. However, billing generally occurs after a period of high usage and this delay lacks the immediacy necessary to influence customers' consumption.

Increased usage charges, especially if introduced quickly to maximise impact, can have a serious, negative impact on low-income consumers. This is especially true in the case of the most vulnerable consumers who live in private tenancies.

The practice of private landlords passing on water usage charges to tenants is already common in NSW. EWON receives calls from private tenants regarding this issue, particularly in relation to impending restriction of services. The difficulties we have noted include:

- * Who would be liable for the interest charged on late payments? Can this be recovered from tenants?
- * What happens when tenants have paid the usage charges directly to the real estate agent, but the account remains unpaid? We have had calls from tenants who have received a copy of the restriction notice at their property, but have already paid their share of the bill to the landlord or agent.
- * There is limited availability of the Payment Assistance Scheme for tenants.

- * There is limited redress for tenants. For example, it appears that taking a matter before the Consumer, Trader and Tenancy Tribunal (CTTT) is the only redress available to tenants for problems with this billing relationship.

The main issue we have identified is the lack of clear guidance as to how landlords or real estate agents will pass on charges to tenants. Significant price rises, associated with a demand management approach, would further highlight problems in this area.

EWON's submission is currently available for viewing online at IPART's website (details below) or at our website, www.ewon.com.au after 1 July 2005.

Submissions to IPART

IPART (Independent Pricing and Regulatory Tribunal) is the independent economic regulator for NSW, and oversees regulation in the water, gas, electricity and transport industries. IPART invites submissions from interested parties to all its investigations and reviews. Unless confidentiality is requested, submissions received are generally available for public inspection at IPART's office and on its website in PDF format.

IPART often releases an issues paper at the beginning of a review or investigation to assist and guide stakeholders in preparing their submission/s. For pricing reviews IPART also requests the agencies concerned to make submissions on their pricing proposals by an advertised due date. It then makes these proposals available on its website about 4-6 weeks before the due date for public submissions to allow other stakeholders to consider their content when preparing their own submissions.

Contact IPART on (02) 9290 8400 or visit <http://www.ipart.nsw.gov.au>

Mary's story

Mary and her family spent two weeks without power, after she was disconnected for arrears of around \$10,000.

Over the past few years, Mary had been cut-off several times. She had been through a divorce and was supporting eight children on a limited income.

Mary could not make any headway in paying off her electricity bill and she was caught in a cycle of debt.

She needed the power on, but couldn't afford to pay her arrears. As a last resort, Mary asked a friend to reconnect the power illegally.

When the company found out about this, they disconnected Mary's supply at the pole and charged her a large fee.

The company then advised Mary that she may face criminal proceedings for electricity theft.

Over time, Mary had been charged at least \$2000 worth of fees.

Finally, Mary contacted EWON for help.

We spoke with the company while Mary sought EAPA vouchers and established a Centrepay arrangement. She also agreed to see a financial counsellor to address the high level of her debt.

The company agreed that they could do more to help Mary manage her bills, and offered to do an energy audit to help Mary find ways of reducing her consumption.

EnergyAustralia offers Centrepay to customers

SOURCE: ENERGYAUSTRALIA

EnergyAustralia is now participating with Centrelink to offer 'Centrepay' to its customers. Customers can nominate the amount they want to have deducted from their pension (though it must be more than \$10 per fortnight). Centrelink will electronically transfer this amount to EnergyAustralia, which will be credited to the customer's energy bill.

Customers have total control of their payment amounts and can change or stop the deduction at any time by telephoning Centrelink.

Benefits of Centrepay

- * Centrepay is convenient – customers don't have to worry about making repayments and it removes the need to travel to pay energy bills.
- * Centrepay is a free and secure service.
- * Centrepay allows customers to pay small fortnightly instalments.
- * Customers still receive a quarterly bill, but with a smaller amount to pay.
- * Centrepay is a budgeting option that can help remove the stress of having overdue bills.

How to join

To join Centrepay, EnergyAustralia customers need to contact their local Centrelink office for a deduction form or visit www.centrelink.gov.au.*

In order for Centrelink to process the deduction form and telephone request, customers must ensure the following EnergyAustralia information is included:

- * Centrepay Reference Number 550 588 02H
- * address: 570 George Street, Sydney
- * telephone number: 13 1535
- * account number: a 9-digit number shown on each energy bill
- * the customer's Centrelink reference number.

Who to contact

If you have any questions regarding EnergyAustralia's assistance program, contact Narelle Brown EnergyAssist Co-ordinator on 1300 723 492.

*To find Centrepay information at www.centrelink.gov.au, use the search function or go to 'Individuals', then select 'Services and Programs-General'.



Photo: Milton Wordley

Rainwater tank rebate

SOURCE: SYDNEY WATER

As announced in the NSW Government's Metropolitan Water Plan, Sydney Water's rainwater tank rebate program has been extended until 31 July 2008. By extending the rebate program, Sydney Water is continuing to encourage owners of existing homes to install a tank and create a mini-catchment area in their own backyard.

The program offers rebates of between \$150 and \$500 to Sydney Water customers who purchase and install an eligible rainwater tank on their existing property, plus an additional \$150 for those who connect the tank to a toilet and/or washing machine. You will need to show proof of purchase as the rebate only applies to new rainwater tanks.

The rebates are designed to provide an incentive for households who might not otherwise install a tank in their home, by offsetting some of the costs of purchasing and installing a tank. Rainwater tanks help to conserve valuable drinking water supplies and reduce stormwater run-off.

Property owners (eg new home builders) who are required by law to install a rainwater tank in order to comply with the Building Sustainability Index (BASIX) are not eligible for a rainwater tank rebate.

More information about rainwater tanks and full terms and conditions of the rebate program is available on the Sydney Water website, www.sydneywater.com.au

IPART household survey into energy use

SOURCE: IPART

In December 2004, IPART (Independent Pricing and Regulatory Tribunal) released a report, *Residential Energy Use in Sydney, the Blue Mountains and Illawarra – Results from the 2003 Household Survey* (available at http://www.ipart.nsw.gov.au/whatsnew_latestreports.asp).

The key findings and implications included:

- * High energy users tend to have more people in the household, more large energy-using appliances (such as clothes dryers and airconditioners), a higher household income, and they live in a house rather than a unit.
- * Generally, households with airconditioners use 26% more electricity.
- * Of those who signed a negotiated contract, 74% of electricity users and 52% of gas customers changed retailers to save money on their bills while 32% wanted a combined gas and electricity bill.
- * Of the 15% who had experienced financial difficulty, only half had approached their supplier.

ABS: people and the environment report

SOURCE: ABS

More Australian households are practising water conservation both inside and outside the house, but less are concerned about environmental problems according to an Australian Bureau of Statistics (ABS) report released in November 2004.

- * Nationwide, 57% of Australians were concerned about environmental problems, compared with 75% in 1992.
- * Nationwide, 17% of households sourced water from a rainwater tank, although in South Australia 48% of households sourced water from a rainwater tank, with the figure rising to 78% outside of Adelaide. In NSW only 13% sourced water from rainwater tanks, with 5% in Sydney compared to 26% outside the city.
- * Cost remains the main reason why households do not buy environmentally friendly products. This reason was the most significant for single parent households.

From 'Environmental Issues: People's Views and Practices' Cat No 4602.0, visit <http://www.abs.gov.au/ausstats>.

Smith Family Emergency Help Line ceases operation

SOURCE: SMITH FAMILY

The Smith Family has announced that as of 28 January 2005, the Emergency Help Line (EHL), which supported families in rural and regional areas of NSW ceased operation.

Despite the \$250,000 per annum the Smith Family invested in EHL, the 1800 line could not adequately service the needs of financially disadvantaged families and the organisation was unable to increase the level of funding to improve its effectiveness.

The Government funding distributed by the EHL has been transferred back to the Department of Community Services. This funding will not be lost, but redistributed to other local agencies.

Cut-off: the impact of disconnection

SOURCE: PIAC

According to PIAC (Public Interest Advocacy Centre), for many of the households in their recent study, being disconnected from electricity, gas or water is like a punishment for being poor. Their report, *Cut-off: The Impact of Utility Disconnection*, surveyed households recently disconnected or restricted from their gas, electricity or water supply due to non-payment of bills.

As well as the survey, they undertook a series of indepth case studies and a focus group of community welfare organisations and non-government stakeholders.

The findings revealed that poorer households and large families suffer the majority of disconnections. Those most at risk of disconnection include tenants, young families, the unemployed and Indigenous people.

Both the 'working poor' and welfare dependent are susceptible to disconnection, with a third of the households surveyed experiencing more than one disconnection in the previous year.

Disturbingly, PIAC's report suggests that households faced with disconnection will most commonly stop paying other bills and even cut back on food, to get reconnected.

To request a copy of the report phone PIAC on (02) 9299 7833 or email piac@piac.asn.au.

For more information, contact Elissa Freeman efreeman@piac.asn.au.

Smart metering trial promises savings

SOURCE: COUNTRY ENERGY

The Minister for Energy and Utilities, Frank Sartor, recently launched an Australian-first trial of 'smart metering' technology which allows families to better manage their energy use and costs.

Country Energy's trial of smart metering technology will involve 200 households in Queanbeyan and Jerrabomberra, in south eastern New South Wales.

The Minister said that during the trial households would use an innovative in-house display unit (pictured below) to receive real time information about their household energy consumption.

'By using the in-house display to monitor their daily, weekly and monthly consumption patterns, customers will be able to manage their energy use like never before,' Mr Sartor said.

'For example, a customer can instantly see how much energy and money they save by adjusting the thermostat setting on their airconditioner by only one or two degrees at peak times during summer.'

Country Energy Managing Director Craig Murray said the trial would last approximately 18 months, to include two summers and one winter, when residential electricity demand is typically highest. 'Country Energy has developed new pricing products to support the trial, including a fixed charge, peak price and critical peak price,' Mr Murray said.

'During the trial, customers will be able to adjust their energy usage according to the pricing information they receive. Country Energy will also be able to determine whether customers adjust their energy

consumption in response to the pricing signals they receive.'

Country Energy will closely analyse the trial results before deciding if the 'smart metering' product will be made available to other customers across New South Wales.



BASIX: new sustainable homes regulation

SOURCE: DEUS

The Building Sustainability Index (BASIX), implemented from 1 July 2004, requires new residential dwellings to use 40% less drinking-quality water and produce 25% less greenhouse gas emissions than average NSW homes of the same type. Homes that are designed to use water and energy efficiently, and built to complement the surrounding environment, are cheaper to live in and make more efficient use of our natural resources.

BASIX applies to all new homes in Sydney now and will be introduced throughout the rest of NSW from July 2005.

For more information or to use the BASIX tool, visit www.basix.nsw.gov.au or phone the BASIX Help Line: 1300 650 908



Examples of the 'smart meters' (Photos courtesy Country Energy)

New Indigenous Officer

EWON has appointed Diana Barbouttis (pictured below) to the role of Investigations and Project Officer (Indigenous).

Diana will build on the work begun by Carla Ware, who managed EWON's ATSI project last year. Diana will also work as an Investigations Officer, with a particular focus on helping Indigenous customers who contact EWON.

Diana began her outreach work this year by hosting a stall at Yabun Concert on 26 January, an event presented by Gadigal Information Service/Koori Radio at Redfern Oval. It was a major event, featuring entertainment by Troy Cassar Daley, Christine Anu, Glenn Skuthorpe, The Stiff Gins and Sapphires to name a few.

'The day was a huge success' Diana said, 'EWON's information stall was particularly popular ... we had close to 700 visitors'. Diana is a great believer in 'getting out there' and said the day presented 'a fantastic opportunity for EWON to become known amongst the Indigenous community in New South Wales'. Indigenous community agencies can contact Diana on (02) 8218 5221.



EWON 'does Mardi Gras'

As has become tradition, EWON hosted a stall at the Gay & Lesbian Mardi Gras Fair Day on Sunday 20 February 2005. And in true Mardi Gras fashion, despite rain, rain and then more rain – EWON was there, flying the flag. Emma Keene, Community Development Officer was 'captain of the ship' on the day: 'due to major storms we were washed out to start with, however we set up regardless mid morning and had a great day.' EWON staff who had committed time to shifts at the stall were unperturbed by the rain. Emma said 'most people we spoke to hadn't heard of us and were (as always) very taken with our stress balls. We had over 600 visitors to our stall.'

'We had really positive feedback about our stall at Fair Day', Emma said, 'a number of people commented that it was great to see EWON "having a presence" at Mardi Gras.'

Restricted phone access? Call EWON reverse charge.

It is important that consumers can contact EWON easily without facing barriers of cost, distance, language or literacy. To assist access, EWON has freecall and freefax numbers, a reply paid address for letters, and an online complaint form.

We were therefore concerned to find that people who are on a Telstra restricted phone (ie they can receive calls but not ring out) were not able to use our freecall 1800 number. In such cases, people had to find a public phone to ring EWON – not an easy task for those facing issues of distance, lack of transport or family responsibilities.

We raised this issue with Telstra, who were sympathetic to the problem and looked at ways of addressing it. In December last year EWON met with parents at the Lone Parents Family Support Service (LPFSS) in Parramatta. They confirmed that lack of access to a freecall number was a real issue for people on restricted phones, and they offered to work with EWON to try to find a solution.

While we haven't resolved the issue of general access to our 1800 number as yet, Telstra have offered an interim solution – people on a restricted phone service can ring EWON reverse charges. Our Community Development Officer, Emma Keene conducted a trial with Shane, one of the parents from LPFSS. Shane successfully called EWON reverse charge from a restricted phone.



So for the time being, callers with a restricted service can ring Telstra's reverse charge number, 12 550 and ask to make a call to EWON's administration line (02) 8218 5200.

Calls from mobiles

If you call EWON's 1800 number from a mobile, you may incur charges depending on your service provider (it is not necessarily a 'free' call). If you need to contact us and you only have a mobile, let us know and we will call you back.

Queanbeyan CWO forum

Following up a request from ActewAGL EWON organised a community information forum in Queanbeyan on 8 December 2004. The forum was designed to raise awareness of our services and to provide information about EAPA, the rebates available and the assistance programs provided by ActewAGL and Country Energy.

The speakers included Clare Petre (EWON), Craig Richardson (ActewAGL), Paul Clark (Country Energy) and Mona Sahore (Department of Energy, Utilities and Sustainability). Twenty representatives from a range of community organisations attended the forum and participated in discussion time. Based on the feedback they gave, the forum was a great success.



Pictures:

Page 8: (left) Diana Barbouttis, EWON; (top right) EWON at Mardi Gras, February 2005; (bottom right) EWON at Villawood Festival of Unity, March 2005.

Page 9: A community worker questions the panel of speakers at EWON's forum, Assistance Programs for Energy Consumers at Parramatta, in March 2005. Photo: Pip Blackwood

Financial challenges facing refugees

Mark Green from the Refugee Advice and Casework Service recently gave EWON staff an insight into the financial challenges facing refugees, asylum seekers and the people who support their migration to Australia.

According to Mark, it is important to recognise the particular difficulties they face and how easy it is for them to experience financial difficulties, in spite of the support they receive for their migration.

When dealing with refugees, asylum seekers and the sponsors who support their application, he says it helps to 'put yourself in their shoes' and 'don't make assumptions about what they can afford'.

'Many [of us] don't realise that refugees and asylum seekers are usually here because they *can't* go back to their own country' he explains, and staying in Australia is not about "getting a piece of the good life", but about survival.

He says, 'for those who were well-connected in their country, there is a great deal of grief surrounding their new status as refugees.' They may find it difficult to face the reality that they can never go home, and some may never have experienced hardship and are ashamed to ask for help.

Refugees are particularly vulnerable to financial hardship because they are usually 'trying to set up house, repay a travel loan and send money to their family back home'.

This is important to remember when trying to work out a realistic payment plan Mark points out, 'they are often carrying substantial debts and managing a budget, all for the first time in their lives'.

Marks says their ability to earn an adequate income also needs to be considered. Their financial stress is usually compounded by personal trauma, and for those who experienced torture or witnessed the death of loved ones, they are constantly worried about the family and friends they left behind.

For many refugees the process of getting to Australia may have taken years and their education, skills and literacy (even in their own language) may have suffered.

'Their ability to understand the terms of a negotiated contract may be very limited' he says, and 'they may not even realise they have to pay for essential services.'

Mark says it is important to realise that they may say 'yes' to a payment plan or even sign a negotiated contract, but that doesn't mean they have understood what they are agreeing to. For some, anyone asking for money or payment is considered to be 'an authority figure' and 'if they have

had a bad experience with authority in their own country' he says, 'they may go along with a marketer and agree to sign a contract because they fear reprisal and want to appear cooperative'.

Crossing language and cultural barriers

Mark's suggestion for getting this particular group of customers to understand and honour their payment plans is to 'take time to hear their story, so they are able to get to the point of accepting help.' Moreover, if you want to know the full story, use an interpreter and if you need to communicate an important piece of information (such as a disconnection notice), it needs to be in a language they understand.

Often he says, 'a letter of demand in English will end up in a pile being ignored, but a lack of response doesn't mean they don't want to pay, they simply haven't understood what is expected of them'.

For more information visit

- * Refugee Advice and Casework Services website www.racs.org.au or phone (02) 9211 4001, or go to
- * Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) website www.dimia.gov.au

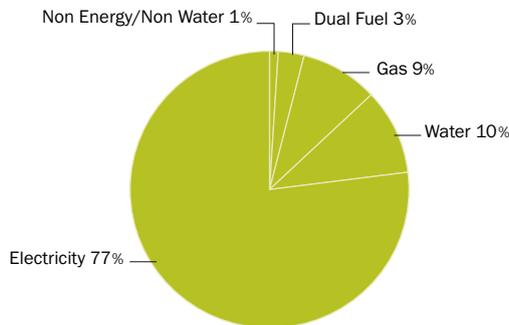
EWON complaints statistics

10

Analysis of EWON complaints 1 July – 31 December 2004

Contacts by industry type

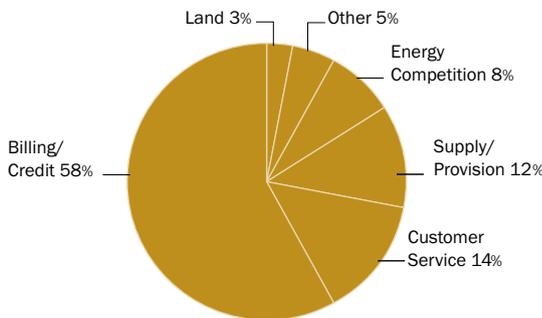
Electricity	3,381
Water	445
Gas	415
Dual Fuel	128
Non Energy/Non Water	33
Total	4,402



All issues raised by customers*

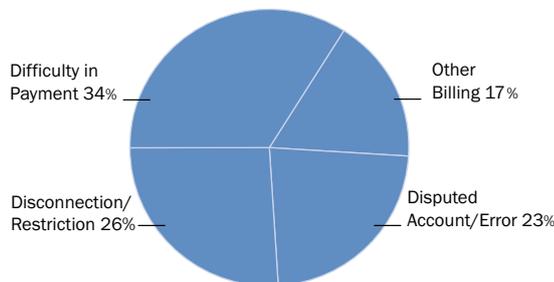
Billing/Credit	3,472
Customer Service	830
Supply/Provision	730
Energy Competition	476
Land	293
Other	173

*may be more than one issue per matter



Billing/credit issues breakdown

Difficulty in Payment	1,806
Disconnection/Restriction	1,360
Disputed Account/Error	1,249
Other Billing	907



Between 1 July to 31 December 2004, EWON received nearly 12,000 calls to our complaints line.

About these graphs

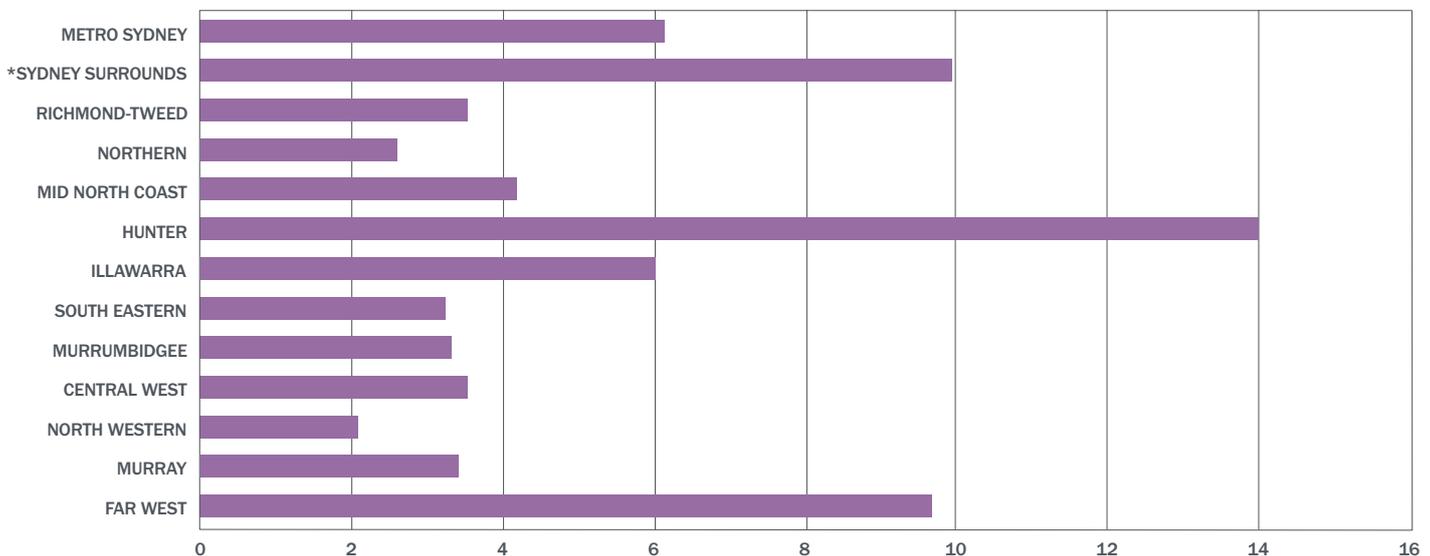
EWON uses a customised complaints database which allows us to monitor the number and types of complaints we receive.

'Contacts by Industry Type' represent the number of cases opened and which industry they relate to.

We categorise the issues raised by the customer (and there may be more than one issue per case), in order to identify recurrent or 'systemic' problems.

Since EWON began in 1998, billing and credit issues have been the main subject of customer queries and complaints. We expect this to remain the main issue for contact in the future.

Complaints per region, per 10,000 people



*Includes Central Coast and Blue Mountains

Dan's story

Dan and his family had been living in Australia for five years. The gas was on when they moved into their house but having just migrated, they didn't realise they had to change the account into their name. As a consequence, they used the gas but didn't receive any bills or notices.

One day, a representative from the gas company came to their door and asked to read their meter. Following the reading, the family received a bill for over \$3000, which represented five years' consumption.



How can I reduce my heating bill?

SOURCE: <http://www.energysmart.com.au/>

- * Heat only those areas in use at any one time. Close these areas off and keep windows and doors closed.
- * Use a correctly sized heater for the space you are heating.
- * Don't overheat. Set the thermostat between 18°C to 20°C. Every one-degree increase in temperature could increase your energy bill by 15%.
- * Don't leave the heater running on low overnight or while you are out of the house.
- * Turn off pilot lights (if fitted) over summer.
- * Maintain your heating system according to the manufacturer's instructions.
- * Seal out draughts with draught excluders – air leaks can account for 15-25% of heat loss.
- * On dark winter days, cover windows with close fitting, floor length heavy curtains – up to 30% of total heat loss from a home occurs through uncovered windows. Leaving curtains open can increase your heating bill by up to \$80 per quarter for the average home.
- * On sunny winter days, open up the curtains to north-facing windows for free natural solar energy to warm your home.
- * Ceiling fans can be used to redistribute heat that has collected up at the ceiling, moving it down to floor level.
- * Insulate your home. Non-insulated ceilings, walls and floors can account for over 70% of total heat loss from a home.

When Dan called the company he didn't get the help he needed, so he contacted EWON. We raised this issue with the gas company and they agreed that it had taken them too long to resolve the matter and under the law, they could only bill Dan for a maximum of 12 months consumption. They reduced his bill from \$3000 to \$751.

Kate's story

Kate had been using natural gas at her property since she moved in. Initially, she contacted the company she assumed was responsible for the gas billing and they said they would establish an account for her and issue a bill.

After she didn't receive any bills she rang the company, and they told her another retailer was actually responsible for the billing and she should contact them. When Kate called the second retailer, she was told they could find no record of an account for her property.

By this time, Kate was frustrated with both companies. She called EWON and we contacted the gas market regulator.

The regulator confirmed that the second retailer 'owned' the gas site and was responsible for the billing. EWON contacted the retailer and after 12 months, Kate finally received a bill.

Although she had been undercharged, under the law the retailer could only charge her for one year of usage. She also got 12 months to pay off her bill.

Susan's story

Susan contacted EWON when her electricity was about to be disconnected. She owed around \$650 on her account. She was concerned that her bills were high and thought that the wiring in her home may be faulty.

EWON reviewed the company's billing and meter reading records and discovered that the landlord had recently rewired the property.

While we didn't find any billing errors, we asked the retailer if the meter had been tested since it was installed. It hadn't been and the retailer agreed to arrange a meter test.

It's rare that a meter would fail to work correctly but to everyone's surprise, in this case, the meter was found to have been running approximately 5% fast. The company adjusted the previous two years of billing and agreed to a payment plan that Susan could afford.

Rob's story

Rob and his two housemates moved into a rental property above a restaurant. They assumed the electricity bills would be included in their rent, so they didn't open an account.

Ten months later, they received a letter from an electricity company, requesting that they open an account or they may face disconnection.

Rob rang the company to open an account and then received a bill for over \$2000. He was shocked by the size of the bill and contacted EWON.

EWON investigated Rob's high bill enquiry to make sure he was not being billed for what the restaurant used. The meter was checked to make sure it was running properly, and EWON examined the data recorded, back to the previous tenants' readings.

Our investigation showed there had been a minor error in the calculations (in the meter reading between tenants), however the reality was that the household had a high rate of energy consumption.

EWON discussed Rob's situation with the company and they were able to agree on a repayment plan that suited everyone.

About EWON

The **Energy & Water Ombudsman NSW** was set up in 1998 as the first industry complaints scheme in New South Wales. It is a free, independent service to help people sort out any unresolved problems with their electricity, gas or water supplier.

It began as the Energy Industry Ombudsman NSW (EION) and was set up by the six NSW electricity providers at the time and the transmission operator (TransGrid). The founding members of EION had decided that part of good customer service was the provision of a free dispute resolution service that was independent of the industry.

Clare Petre was appointed as the Energy Industry Ombudsman NSW. Clare was Senior Assistant Commonwealth Ombudsman and has extensive experience in the community sector, government and the media.

In December 1999, Sydney Water joined the scheme and EION was renamed the Energy & Water Ombudsman NSW (EWON). It continued to grow, and now provides a one-stop complaint resolution service for electricity and gas consumers throughout New South Wales, and customers of member water providers, Sydney Water, Hunter Water and Country Energy (Water).

EWON Members

ActewAGL	Hunter Water
AGL Electricity	Integral Energy
AGL Retail Energy	Jackgreen
AGL Victoria	Origin Energy Electricity
Aurora Energy	Origin Energy LPG
Country Energy	Powerdirect
ENERGEX	Sydney Water
EnergyAustralia	TransGrid
Energy One	TXU

EWON Board

The Board is responsible for corporate governance and funding for the scheme. The Board represents the electricity, gas and water provider members of EWON.

- * Geoff Lilliss (EnergyAustralia), Chairperson
- * Sandro Canale (AGL)
- * Rod Howard (Integral Energy)
- * Colin Ridley (Sydney Water)
- * Terri Benson (Country Energy)
- * Kevin Murray (TransGrid)

EWON Council

The Council is chaired by an independent chairperson and comprises equal representation of industry and consumer interests. The Council is responsible for ensuring EWON's independence.

- * Professor Stuart Rees, Chairperson
- * Ken Evans, Financial Counselling Association NSW (FCAN)
- * Dev Mukherjee, Council of Social Service NSW (NCOSS)
- * Jim Wellsmore, Public Interest Advocacy Centre (PIAC)
- * Graeme Wiffen, Australian Consumer Association (ACA)
- * Denise Wilson, Id Planning (small business representative)
- * Don Anderson, EnergyAustralia
- * Craig Murray, Country Energy
- * Robert Petersen, AGL
- * Bruce Rowley, Integral Energy
- * Helen Vorliceck, Hunter Water

Changed your contact details? Please let us know.

Return to **freefax 1800 812 291**

To receive EWON publications return this form or complete our online form at <http://www.ewon.com.au/publications>

- Please UPDATE my existing details
- Please ADD my details to your database
- Please DELETE my details from your database

TITLE Ms Mr Mrs Other

NAME

POSITION

ORGANISATION

POSTAL ADDRESS

TELEPHONE

FAX

EMAIL

WEBSITE

How would you prefer to receive EWON publications?

- EMAIL
- HARDCOPY

COMMENTS/FEEDBACK