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The Energy & Water Ombudsman NSW (EWON) provides an independent way of resolving customer complaints about all electricity and gas suppliers in NSW and some water suppliers.

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

Freecall ☎ 1800 246 545



Energy & Water
Ombudsman NSW

www.ewon.com.au

Ombudsman message

We continue to see an increase in complaints, with EWON closing 4,423 matters in July to December 2006, an increase of approximately 14% from the previous six months. The final months of 2006 were also significant in EWON's history as we received our 50,000th complaint.

Energy competition complaints

Complaints about energy marketers have dropped slightly overall and we are now seeing an increase in competition related issues about account transfers and billing.

Some customers are confused when their negotiated contract is automatically rolled over or they discover their contract doesn't allow them flexible bill payment options (a case study is on page 3).

Signing a contract to save money

Some customers sign energy contracts because they believe or are told by the marketer that they will save money. They are upset when they receive higher bills.

You may save money if the new retailer charges a lower tariff. However, you'll need to check your current tariff (this is on your bill) to work out if a saving is likely.

Some people are not aware that the tariffs they sign up for can change. Network charges (which are paid by the retailer on your behalf) can change during the term of a contract and retailers usually pass on the increases to customers. Check the contract to see if the tariffs are subject to change.

High bill complaints

Billing complaints have dominated as an issue for customers since EWON began. In the July to December period, 35% of the billing issues raised were about customers receiving high bills.

Our investigations have found that in some cases errors have occurred in the billing process. In other cases, customers have used more energy than previous periods and this, combined with price increases which usually come into effect in July each year, can cause unexpected high bills.

There are many simple and low cost ways we can lower our energy and water bills, and reduce greenhouse gases.



Sana Al Ahmar (pictured left) from Macarthur Diversity Services with Clare Petre at EWON's community forum in February 2007

Useful energy and water saving information can be found at www.energysmart.com.au or phone 1300 138 638.

Residential parks update

In recent months EWON has met with the Office of Fair Trading to discuss issues affecting people in residential parks. We aim to distribute information about rights and responsibilities to assist both residents and park owners, as well as what EWON can do to help resolve disputes.

Marketing forum for members

In November 2006 EWON hosted a forum called "Getting it right: energy marketing to consumers". We were pleased that over 45 representatives from large and small energy retailers attended.

Speakers at the forum included representatives of the Independent Pricing and Regulatory Tribunal, Office of Fair Trading, Council on the Ageing NSW, Affordable Energy & Water Efficiency Project and the Energy Retailers Association of Australia.

Clare Petre
Energy & Water Ombudsman NSW

EWON complaint statistics



Complaint statistics July to December 2006

During the period 1 July to 31 December 2006, EWON finalised 4,423 complaints.

PRIMARY ISSUES PER REGION

REGION	NO. COMPLAINTS	TOP THREE ISSUES		
Central West	128	Retail competition 50%	Billing 19%	Customer service 16%
Far West	14	Billing 52%	Credit 13%	Customer service 9% Retail competition 9%
Hunter	508	Credit 34%	Billing 24%	Retail competition 15%
Illawarra	242	Retail competition 32%	Billing 23%	Customer service 16% Credit 16%
Mid North Coast	163	Retail competition 56%	Customer service 15%	Billing 14%
Murray	46	Billing 26%	Retail competition 20%	Provision 16%
Murrumbidgee	54	Credit 31%	Retail competition 28%	Billing 15%
North West	40	Retail competition 49%	Billing 18%	Credit 17%
Northern	78	Retail competition 54%	Customer service 16%	Billing 9%
Richmond-Tweed	109	Retail competition 52%	Billing 19%	Customer service 13%
South Eastern	141	Retail competition 42%	Credit 21%	Billing 17%
Sydney Inner	950	Billing 36%	Retail competition 20%	Customer service 18%
Sydney Outer	1,501	Billing 28% Retail competition 28%	Credit 16% Customer service 16%	Supply 5%
Sydney Surrounds	354	Credit 23% Billing 23%	Retail competition 22%	Customer service 16%
Other	95			

INVESTIGATION LEVELS

INDUSTRY	NO. COMPLAINTS	COMPLAINT ENQUIRY	RHL	INVESTIGATION	DETERMINATION
Electricity	3,396	1,413	842	1,128	13
Gas	476	144	127	205	--
Water	405	231	92	82	--
Dual Fuel	127	46	29	52	--
Other	19	19	--	--	--

Overview of the period

From July to December 2006, over 93% of complaints to EWON were from residential customers and 77% of all complaints related to electricity. This is consistent with previous periods.

EXPLANATION OF TERMS

Complaint enquiry: a request for information or assistance that can be settled quickly

Refer to Higher Level (RHL): complaint enquiry referred to a senior officer in the energy or water company

Investigation: complaint cannot be resolved between customer and company, EWON conducts investigation and negotiates an outcome

Determination (or binding decision): outcome cannot be negotiated between the customer and company, Ombudsman resolves the matter through a determination which is binding on the company

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: poor attitude, failure to respond, incorrect advice

Retail competition: conduct by marketers, errors in transferring accounts

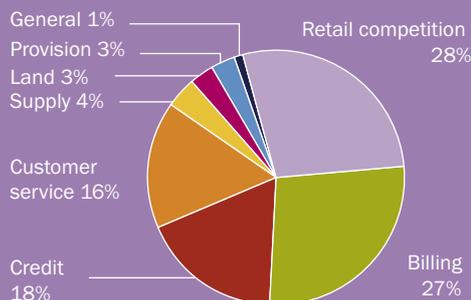
Provision: problems with new or existing connections

Supply: quality, damage/loss, outages

Land: impact of network assets, maintenance, environment

General: non-energy/water related, contractors

Customer issues JULY - DECEMBER 2006



Disconnection and credit issues JULY - DECEMBER 2006

743 people reported difficulty in paying their bills. Of these:

- 150 had been disconnected
- 219 were facing disconnection
- 565 had arrears on their account
- 219 had been denied an extension or instalment plan

Do Not Call register

The Do Not Call register is a free service which allows individuals to register their home and mobile numbers in order to opt out of receiving a range of unsolicited telemarketing calls.

Under the legislated scheme, it will generally be unlawful to make telemarketing calls to numbers placed on the register from 31 May 2007.

Once registered, it may take up to 30 days for a registration to become effective. To register for the service online, visit www.donotcall.gov.au

EWON has been asked whether the Do Not Call register will apply to energy marketing activity. Consumers who add their name to the register should not be contacted by energy marketers (other than their own supplier) by phone.

Door-to-door marketers and direct mail marketing will not be covered by the Do Not Call register. This means you may still be door-knocked or receive energy offers by mail, even if you are registered.

If you don't want to be contacted about energy offers:

- tell the door-to-door marketer you don't want to be contacted again by their company
- call the energy supplier making an offer and tell them you don't want to receive mail or be contacted (you will need to contact each retailer making an offer)

If a marketer (either door-to-door or a telemarketer) ignores your request, or you are not happy about your dealings with a retailer, you can make a complaint to EWON.

Energy contracts

EWON continues to receive complaints from NSW energy consumers about the practices of some energy marketers. Two recent issues include:

1. Payment methods. A customer signed a fixed-term energy contract without realising (or being informed by the marketer or retailer) that they would have to pay their accounts using a payment method which would not suit their budget.

For example, customers used to paying quarterly bills at the post office have found that under some new

contracts, they are expected to pay an agreed monthly figure by direct debit, irrespective of how much or how little energy they use. Their account is then reconciled every quarter.

2. Conditional discount offers. A customer agreed to a fixed-term energy contract on the promise of receiving a shopping discount card without realising they had to spend several hundred dollars at a particular retail outlet to qualify for the discount.

Advice for customers

We urge customers:

- to read all the contract terms and conditions carefully before signing or agreeing to an offer
- don't sign or agree if you don't understand the offer
- take your time and research what the various companies offer (what sounds like a good deal may not really suit your usage pattern or future plans)
- always ask about cancellation fees or penalties

For information on choosing a contract visit www.deus.nsw.gov.au or www.ewon.com.au

Submissions

EWON works with policy makers and regulators on industry issues and the review of legislation and rules. In recent months EWON has made several submissions including:

1. Independent Pricing and Regulatory Tribunal's *Review of Regulated Retail Tariffs and Charges for Electricity 2007-2010*. Our submission emphasised that higher tariffs will have a negative impact on fixed-income consumers if adequate safety-net measures are not put in place.

2. Legislative Council Standing Committee on Law and Justice's *Inquiry Into Unfair Terms in Consumer Contracts*. Our submission supported the introduction of unfair contracts legislation in NSW, to protect energy and water consumers.

3. Ministerial Council on Energy's *National Framework for Distribution and Retail Regulation*. Our submissions recommended strong consumer protection measures in the move to national regulation of the energy market.

Our submissions are available for download from www.ewon.com.au

Complaints about marketers

JULY – DECEMBER 2006

626 cases closed involved complaints about energy marketers:

- 375 customers said they had been misled
- 512 customers said they did not consent to a contract or transfer
- 99 customers said they had been pressured or coerced into signing

Larry's story: not quite the deal he signed up for

Larry told EWON he had been assured by an energy marketer that he would only pay \$80 per quarter and he could pay his bills at the post office.

When Larry received his first bill it was for \$160 and when he took it to the post office they said it couldn't be paid using their service.

He contacted the retailer who said his quarterly payments would have to be \$160 rather than \$80 and he could pay the account at a supermarket. Larry wasn't happy with this response so he called EWON.

While we investigated his complaint, Larry received a bill for \$364 and he was even more confused. We explained that the way the retailer's billing system worked meant there would be a reconciliation at the end of the year based on actual usage. The quarterly payments were designed to offset the annual bill.

Larry felt that the deal wasn't right for him and that the marketer had misled him. He agreed to pay \$40 per fortnight to pay off the account but wanted to be transferred back to his original supplier.

The retailer agreed to cancel the contract without penalty.



This page (top left) Antony Nicholas (right), EWON Community Development Officer at Fair Day 2007; children test run EWON's colouring in sheet at a South West Women's Housing community event, October 2006; presentation to OMNI (Old Men New Ideas), August 2006; (bottom right) visit to Hewitt House Neighbourhood Centre Fair, October 2006.

Community development

BY ANTONY NICHOLAS, COMMUNITY DEVELOPMENT OFFICER, EWON

I was appointed Community Development Officer in October 2006. Prior to joining the Community and Service Development team, I worked as an EWON Investigations Officer for two years.

Before EWON I worked as a manager and educator in the community sector for a NSW-based service for HIV positive people.

My first six months in the job have been very busy and very rewarding. As well as hosting forums and attending community events, I have undertaken a range of outreach activities across NSW including:

- presentations to members of the Combined Pensioners & Superannuants Association in Sydney city, outer metro and Shoalhaven
- discussions with tenancy services in the Hunter and Central Coast about their clients' issues
- presentations to seniors (via interpreters) at Greek Welfare Centres
- visits to Migrant Resource Centres in Hornsby and Campbelltown
- visits to community agencies and Indigenous agencies in Central West NSW

Along with investigations staff I have attended pre-release expos in several prisons. We have found there is an ongoing need for information about managing debt and negotiating realistic payment plans. We will continue to focus on these two issues with inmates.

Affordability and sustainability forums for community workers

We have continued to host affordability and sustainability forums for community organisations. Our most recent forum was held in conjunction with Macarthur Diversity Services Inc (MDSI) at their office in Campbelltown.

EWON is keen to promote awareness of customer assistance programs and we welcome invitations to visit communities.

If you would like EWON to talk to your organisation or community group please call me on (02) 8218 5241 or email antony@ewon.com.au

EAPA reminder

The EAPA (Energy Accounts Payment Assistance) scheme provides emergency assistance to energy customers in NSW.

How many vouchers can be issued?

Each customer's needs should be assessed individually. Customers can receive vouchers from more than one organisation.

Excess vouchers? Return them immediately so they can be redistributed. Vouchers are only valid for the financial year they are issued.

Run out? Contact the EAPA Coordinator on (02) 8281 7712.

Interested in distributing EAPA?

Contact the EAPA Coordinator to apply.



Case studies: focus on hardship

Judith's story: account transfer ends in disconnection

Tom contacted us on behalf of his mother Judith, a disability pensioner living in public housing, when her gas supply was disconnected. Tom was worried for her health as she relied on gas for cooking and hot water. He said she was unwell and suffering from early onset Alzheimer's.

Judith's supplier said she owed \$300 and they couldn't accept a payment plan because her account was being transferred to a new retailer.

When Tom contacted the new retailer about cancelling Judith's account, he was told the cooling-off period had passed and she would be charged a termination fee. Tom said it was likely she didn't understand what she was signing and that it would mean changing suppliers. Tom told EWON they wanted to pay off the debt gradually and have the gas account returned to the original retailer.

We discussed EAPA (Energy Accounts Payment Assistance) vouchers with Tom and he said he would try to get some vouchers while we talked to the retailers.

EWON negotiated for the gas to be reconnected and Tom and his mother agreed to a payment plan of \$40 per fortnight. Tom was successful in getting EAPA vouchers and Judith went on the retailer's customer assistance program.

EWON contacted the new retailer and explained Tom's concern about misleading marketing. The retailer advised EWON that they would cancel her contract and Judith would not be charged a termination fee.

Jenny's story: pension suspended so she can't pay her bills

Jenny relied on a sole parent pension for her income. After missing a Centrelink appointment because she was in hospital her pension was suspended and she couldn't pay her electricity bill.

Jenny rang the electricity company but couldn't organise an extension using their automated system so she rang EWON for help. Jenny said she owed arrears of \$543 and had been notified of an impending disconnection.

We rang the company and asked for the disconnection to be put on hold while Jenny contacted community agencies for EAPA.

Jenny was given \$120 in EAPA and she agreed to a payment plan to pay off the remaining arrears. We also referred Jenny to the company's customer assistance program, so she had someone at the company she could speak to if she got into trouble again.

Kate's story: disconnected for \$2.61

Kate was supporting five children on a sole parent pension when her gas was disconnected, leaving the family without hot water. Kate had paid her previous bills but the notice stated she had arrears of around \$95.

While we negotiated with the company for reconnection, Kate paid \$40 towards her account. EWON's investigation found the final notice was incorrect and Kate should not have been disconnected. It appeared the company's billing system had triggered the disconnection when her account

went \$2.61 over a certain threshold. The company reconnected Kate and waived the fee. Kate was referred to the company's customer assistance program.

Jim's story: disconnection meant no hot water or cooking for six weeks

Jim lived in public housing and relied on a disability support pension for his income. He called EWON after being without gas for six weeks, which meant he had no hot water and couldn't cook. Jim was unwell and his health issues meant he had a lot of medical expenses.

Jim explained that the gas was connected when he moved in and as he thought it was part of his tenancy, he didn't open an account. Eventually Jim received a catch-up bill of \$343 for 18 months usage. He didn't have the money to pay the bill and couldn't get EAPA because the agency he approached had run out and this led to the disconnection.

EWON negotiated with the company, as a customer can only be backbilled for 12 months usage. The company recognised Jim's financial issues and waived the disconnection and late payment fees. The bill was reduced to \$271 and Jim was referred to the company's customer assistance program.

Peter Hallen (centre) EnergyAustralia's Electrical Design Manager Sydney, shows EWON Investigations Officers (from left) Gilbert Lorquet, Vanessa Concepcion and Zara Griffith around the Mervin Davies Substation, November 2006.



Dropping off the edge

SOURCE: WWW.AUSTRALIANDISADVANTAGE.ORG.AU

Professor Tony Vinson has released his latest report, *Dropping off the edge*, which measures social disadvantage across Australia. This is a follow up to his previous reports *Unequal in Life* (1999) and *Community Adversity and Resilience* (2004).



Dropping off the edge is based on data provided by the Australian Bureau of Statistics, the Australian Taxation Office, Centrelink and the Australian Health Insurance Commission. Each population centre (postcode) was assessed against twenty different disadvantage factors including housing stress, low family income, prison admissions, mortality, suicide rates, domestic violence, unemployment and incomplete education. The result of the analysis is a series of maps which indicate the most disadvantaged and advantaged areas.

According to Vinson, in NSW the most disadvantaged postcodes include Armatree, Boggabilla, Brewarrina, Harrington, Iluka, Koorawatha, Lightning Ridge, Menindee, Tingha, Windale and Wilcannia.

Cost: \$20.00 (includes GST and postage). Enquiries: Jesuit Social Services, phone (03) 9427 7388 or email jss@jss.org.au

Order at www.australiandisadvantage.org.au

Electricity prices to increase 1 July 2007

SOURCE: WWW.IPART.NSW.GOV.AU

The Independent Pricing and Regulatory Tribunal (IPART) is responsible for setting the regulated retail electricity tariffs charged by the standard retailers in NSW (Country Energy, EnergyAustralia and Integral Energy) to small retail customers on standard form customer contracts.

IPART recently released its draft determination on energy pricing for the period 1 July 2007 to 30 June 2010.

Under IPART's draft determination total average prices for EnergyAustralia, Integral Energy and Country Energy will increase by 7.7%, 8.2% and 7.2% respectively each year, taking into account the expected rate of inflation.

IPART's factsheet discusses the increases:

- For EnergyAustralia and Integral Energy higher network charges, energy purchase costs, retail costs and retail margin each contribute approximately equally to the total increase.
- For Country Energy around half of the increase is driven by higher network charges, with higher retail costs and retail margin less important factors. The increases are partially offset by lower energy purchase costs.

For a copy of IPART's factsheet *Overview of draft report and determination on electricity retail prices in NSW* visit their website www.ipart.nsw.gov.au

Water charges for public housing tenants

SOURCE: WWW.HOUSING.NSW.GOV.AU

From 5 March 2007 the percentage water charge applicable to Department of Housing tenants in shared metered properties was reduced from 4.1% to 3.3% of net rent. The current maximum charge of \$7 per week will reduce to \$5 per week.

In addition, an adjustment of \$10.30 was credited to the water usage accounts of shared metered tenants. The adjustment is the average amount by which tenant water charges exceeded payments to water authorities on shared metered properties from 5 December 2005 to 30 June 2006. For information phone the Department of Housing on 1800 629 212.

Life support rebate

Customers who require certain medical equipment in their homes that is necessary to sustain their life may be entitled to a rebate on their electricity bill. Eligible equipment includes:

- PAP devices
- External feeding pump
- Phototherapy equipment
- Home dialysis
- Respirator
- Oxygen concentrator

Eligible life support recipients are defined as those whose name appears on the electricity account and who have a medical certificate to verify the need for specific in-house medical equipment. Customers should contact their electricity retailer for further information.

Translated information

We have recently translated information about EWON into the following languages. The factsheets can be downloaded from our website www.ewon.com.au or phone (02) 8218 5250.



Amharic
Arabic
Bangla
Chinese
Dari
Farsi
Filipino
Hindi
Italian
Greek
Khmer
Lao
Nepalese
Punjabi
Somali
Spanish
Vietnamese

Energy and water saving

Sydney Water programs and rebates

WaterFix program

WaterFix is offering its customers \$180 worth of water saving plumbing services for \$22 (which will be billed to your account). Plumbers are available from 7am–8pm weekdays, and 8am–2pm Saturdays, and they will guarantee a half-hour appointment window.

Tenants are eligible to apply however they will need to get the owner's permission before registering. Department of Housing tenants can receive WaterFix free.

Large households rebate

Eligible households can receive a maximum rebate of \$10 per quarter, per household, for water consumption above 100kl per quarter (or 1.096kl per day multiplied by the number of days between meter readings). To qualify you must:

1. Be the owner or joint owner and live in a house or strata unit that is individually metered.
2. Be the holder of a Health Care Card, issued by Centrelink.
3. Reside in a household that consists of six or more permanent occupants.
4. Have fitted water efficient devices.*

*Large households of six or more may also be eligible for WaterFix free.

For more information phone Sydney Water on 1800 995 886 or visit www.sydneywater.com.au

Rate your energy and water use



SOURCE: WWW.NABERS.COM.AU

NABERS HOME has been especially designed for Australian households and aims to help consumers understand how energy and water are used in the home. NABERS HOME offers two online do-it-yourself services for consumers.

NABERS HOME rating compares your home's annual energy and water use to other Australian homes, and you will receive an energy and water rating, from 5 (excellent) to 1, which means you have significant opportunities to save.

You will need to have 12 consecutive months of bills handy to complete the online rating service.

For more information visit www.nabers.com.au



Green energy update

When you open a new account or are contacted about an energy offer, it's likely you'll be given the option of purchasing renewable energy or 'green' energy. In most cases it will cost you more to choose this option.

Renewable or green energy is produced from sources such as the sun, the wind and waste. The NSW Government has set electricity retailers mandatory renewable energy targets, including that they must offer new customers accredited GreenPower products.

As a customer, you don't have to take up the option of green energy. If you do choose the option, your retailer commits to buying a specified amount of electricity (anywhere from 10% to 100% depending on the product you choose), from approved new renewable energy sources.

If you are interested in renewable energy the websites below provide information for consumers.

www.greenpower.nsw.gov.au

This website explains NSW involvement in the national GreenPower accreditation program. It also shows how many green energy customers there are in your suburb (go to the 'who is using GreenPower' section).

www.greenpower.gov.au

This website discusses renewable energy, greenhouse gas emissions and the national GreenPower accreditation program. It also explains how the Government audits retailers to ensure they are complying with the program. The audit reports are available for download.

www.greenelectricitywatch.org.au

Green Electricity Watch (GEW) was established in 2002 by Australian environment groups to help consumers choose green energy products. Last year GEW surveyed green energy retailers and rated their products. The results are available on their website.

Don't leave privacy to chance

For Privacy Awareness Week 2006 privacy offices around Australia developed a '10 steps' guide for individuals and organisations. For more information visit www.privacy.gov.au/news/paw/ or phone 1300 363 992.

Tips for advocates and agencies

1. Only collect information that is necessary.
2. Do not collect personal information about an individual just because you think that information may come in handy later.
3. Tell people what you are going to do with the personal information you collect about them.
4. Consider whether you should be using personal information for a particular purpose.
5. Consider whether you need to disclose personal information.
6. If people ask, give them access to the personal information you hold about them.
7. Keep personal information secure.
8. Don't keep information you no longer need or are no longer required to retain.
9. Keep personal information accurate and up to date.
10. Consider making someone in your organisation or agency responsible for privacy.

Tips for consumers

1. Read privacy policies.
2. Ask why the information is required, what they will do with it and who it will be disclosed to.
3. Only give out as much personal information as you need to.
4. Request access to your personal information.
5. Make sure the information an organisation or agency holds about you is accurate and up to date.
6. Take steps to protect your online privacy.
7. Take steps to ensure your hard copy records are properly destroyed.
8. You may wish to 'opt out' of further contact with an organisation when completing forms unless you know you want to be in further contact with them.
9. Know your privacy rights.
10. Exercise your privacy rights.

Source: <http://www.privacy.gov.au/news/paw>

EWON members

ActewAGL
AGL
AGL Victoria
Aurora Energy
Australian Power and Gas
Country Energy
EnergyAustralia
Energy One
Hunter Water
Independent Electricity Retail Solutions
Integral Energy
Jackgreen
NSW Electricity
Origin Energy
Powerdirect
State Water
Sydney Water
TransGrid
TRUenergy

About EWONews

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*Calls from mobile phones may attract a fee, which will vary depending on your service provider. If you are calling from a mobile phone, let us know and EWON will call you back.

Editorial enquiries: news@ewon.com.au

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

This brochure is printed on recycled paper using environmentally friendly inks and processes.

ABN: 21 079 718 915 Stock No: 0846-0507



New resource for kids

EWON has published a colouring in sheet for children using graphics from Vee Thornbury's painting, 'Within Reach'.

To order copies phone (02) 8218 5250 or email omb@ewon.com.au

All EWON's resources are free.