

Ombudsman's Note



Clare Petre

EWON's 2001-2002 Annual Report shows that 66% of all matters finalised concern utility billing. The majority of these contacts were from customers who disputed their accounts, had difficulty paying their utility bills, or were facing disconnection or restriction of their electricity, gas or water.

These figures confirm the important role EWON plays in helping customers avoid disconnection of essential services, particularly those people on limited incomes in urban, regional and rural areas.

Utility providers have responded by trying to increase the availability of payment options, such as direct debit and smooth pay arrangements. A Centrepay option allows people to make small, regular deductions from their Centrelink payments, and is helpful for many people who struggle to pay large quarterly bills.

AGL and Country Energy have recently introduced hardship policies to assist customers who are experiencing financial difficulty. Such initiatives are very welcome. Also welcome is the proposal by Country Energy to trial prepayment meters as a further customer choice, as well as the current trial by AGL of these meters in South Australia.

There is no single answer for consumers who struggle to pay their utility bills and who face disconnection or restriction of supply. However, a creative approach to payment options by retailers can assist low income customers to stay connected.

What's Inside?

Financial Hardship

Utility companies introduce policies designed to help customers experiencing hardship

Community Involvement

EWON visits drought affected NSW and increases our work in the community



Visiting Far West NSW

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How to reduce water consumption during the drought

Annual Report Released

The 2001/2002 is now available

EWON & Residential Parks

Investigating high bill complaints

Drought in NSW

What we can do to help...

Recent figures released by NSW Agriculture show that 96% of NSW has been drought declared. Voluntary water restrictions have been announced for Sydney, and compulsory restrictions may be introduced before Christmas if water usage continues to be used at current rates.

NSW residents in rural areas have had much stricter water restrictions in place for some time. Twenty-two towns, mainly in the state's inland, are in danger of their water supplies failing within three months.

The majority of water usage occurs in our kitchens, bathrooms, laundries and gardens. The remaining 20% is consumed by businesses. Normally 25% of all household water is used on gardens, but that figure can leap to up to 50% during droughts.

The Independent Pricing and Regulatory Tribunal (IPART) is currently conducting a review of water pricing strategies for metropolitan water agencies in NSW.

Further information about the review, including EWON's submission is available on www.ipart.nsw.gov.au under submissions.

Sydney Water's *Every drop counts* campaign is aimed at raising consumer awareness of how best to manage water conservation initiatives throughout the dry summer months. Sydney Water offer practical water saving tips on their website www.sydneywater.com.au.

Information can be found on water efficient appliances, gardening equipment and plants.

A residential retrofitting program, REFIT, is offered to private tenants on low incomes. It is currently limited to the Hunter Region. Residents eligible under the REFIT programme can be provided with AAA rated showerheads to conserve water. Residents can apply for REFIT through selected community agencies.

Current efforts by the NSW Government to aid water conservation include encouraging people to use rainwater tanks throughout NSW. A pilot scheme in Sydney, the Blue Mountains and the Illawarra offers installation rebates of up to \$500 on the purchase of rainwater tanks for homes or businesses. Other rebates may also be available. For more details contact Sydney Water on 132 092.

Saving water in your home

- Check for leaks in taps, pipes and dishwasher hoses
- Put the plug in the sink when washing your hands
- Have a full load in your washing machine and dishwasher
- Use the half flush on your toilet whenever possible
- Use a bucket, not a hose, to wash your car
- Turn the tap off when brushing your teeth, cleaning dishes or preparing food
- Use a water-efficient showerhead & try to reduce the time spent in the shower
- Use mulch to retain water in the soil (up to 70% of water is lost through evaporation)

Your actions can help keep rivers, such as the Murrumbidgee, alive.



Approaches to financial hardship

Utility companies have joined with community and welfare agencies to address the growing need to assist people experiencing financial hardship. Approximately 30% of calls each year to EWON are from customers experiencing difficulty in paying their accounts, who may be either disconnected or facing impending disconnection.

Some utility companies have acted to reduce the number of disconnections across NSW through initiatives such as hardship policies. These policies include proactive measures designed to identify vulnerable customers and to offer them a range of assistance. Customers who are identified by these policies may be protected from the debt recovery and legal action normally taken by their provider. Hardship policies have been put in place for both rural and urban customers experiencing either long-term or temporary hardship.

Hardship policies are aimed at assisting customers who want to pay their accounts but cannot due to financial difficulties. Country Energy and AGL have recently implemented hardship policies.



Incentive mechanisms are included within the policy and customers who make regular payments may have fees or charges waived by their provider.

These approaches are important for customers experiencing financial difficulty. When capacity to pay is inadequately assessed, repayment arrangements may be unrealistic for the customer. This can compound a customer's difficulties, as failure to maintain an arrangement may lead to additional fees or disconnection.

Hardship policies aim to:

- eliminate time limits placed on customers to reduce their outstanding debt
- assist customers to proactively manage their accounts
- provide financial incentives enabling customers to maintain payment plans
- offer options to meet the customer's individual needs.

Customer service operators have been trained to identify customers who might benefit from the new policy. Once these customers are identified they are put in contact with specialist advisors within the utility company. These advisors are given additional training in the needs of disadvantaged customers, financial counselling and hardship, and understanding of income security issues.



Gas Case Study

Mr E is an age pensioner with serious health problems who recently moved into Department of Housing premises. His first account from his gas provider was for \$232.81. This amount included a \$10 account establishment fee and \$20 security deposit plus 60 days gas consumption. Feeling that his account was too high Mr E contacted his provider to discuss his concerns. His provider reduced the account to \$101.46.

Mr E contacted his provider again as he felt the account was still too high. His provider reduced his account down to \$54.59. Due to Mr E's financial difficulties he was unable to pay the reduced account and contacted EWON for advice.

EWON contacted Mr E's provider and informed them of the financial hardship Mr E was experiencing. His provider agreed that he qualified under their financial hardship policy for extra assistance with his account. A hardship policy specialist within the gas company contacted Mr E.

After discussing the details of his financial situation the provider agreed to waive the account establishment and security deposit fees. This reduced Mr E's account to \$23.59. A community organisation gave Mr E EAPA assistance to pay his bill. His provider offered advice on the types of assistance available for future utility bills.

Residential Park Update

The last edition of EWONews discussed the changes to NSW legislation, enabling EWON to deal with electricity-related matters for residential parks. Since then the majority of calls received by EWON from residential park residents concern supply quality, supply availability, billing and pricing issues.

Residents who have contacted EWON report that:

- there are frequent voltage fluctuations within their park.



Electricity Case Study

Mrs H has lived in a residential park for the past six years and is a direct customer of a standard electricity retailer. She asked her park manager if she could install a split-system air conditioner. The manager delayed approving her request, saying that there were currently too many blackouts at the park. When she contacted her retailer they suggested she write to the park operator for assistance.

Mrs H felt disadvantaged compared to other customers of the retailer, and contacted EWON to discuss her situation. EWON spoke to the park operator who arranged for tests to be carried out on the park's electricity network. On receiving the test results, the operator decided to upgrade the network to help avoid frequent blackouts. The park operator approved Mrs H's request to connect an air-conditioner to the upgraded network and also offered to monitor the park's electricity supply.

- they are unable to use multiple appliances at the same time and there are limits on the electrical loads and the type of appliances that can be installed.
- limitations are placed on residents regarding the type and number of appliances they can use.

In one instance a resident at a residential park contacted EWON to discuss billing concerns. Each resident at Mr P's park has a separate meter, some are billed directly by a standard retailer, some are billed directly by the park. Mr P is one of those billed by a standard retailer. He contacted EWON after discovering that park residents who are billed by the park were

incorrectly charged for electricity at 3 cents more per kilowatt hour.

Additional concerns have been raised regarding residents' access to emergency assistance such as the Energy Account Payment Assistance (EAPA) scheme. Customers supplied directly by the retailer may be eligible for assistance. However, other customers in the same park who receive their supply from the residential park operator are currently ineligible to receive EAPA.

EWON has raised this issue with various stakeholders including the Department of Community Services (which administer the EAPA scheme) the EAPA Working Group and the Ministry of Energy and Utilities, which is responsible for managing utility community service obligations.



EWON's

3rd Annual Member Forum

In October 2002, EWON held our third annual forum for provider members. With the scheme's expansion to thirteen utility providers, this was the first opportunity for many member contact staff to discuss industry issues with both EWON and other utility providers. The forum was held over two days, and included presentations and group discussions on customer issues, such as disputed accounts, demand management, and

approaches to customer hardship. Members gave presentations on their own customer service initiatives to promote best practice across the industries. The forum also included an enthusiastic and constructive discussion on how EWON and members could work cooperatively on issues and community-based projects.



Water Case Study

Both mains and tank water supply Mrs W's property. After receiving her water account for a year's consumption for \$4722, Mrs W consulted two plumbers to find the cause of the high bill. No leaks were found but both plumbers suspected that her water meter was faulty. The plumbers contacted Mrs W's water provider to inform them of the faulty meter.

The provider visited the property to check her metering. They removed her meter and fitted a new one, and sent her original meter to be tested. Mrs W contacted her provider eighteen times about the outcome of the meter test. Unable to get an answer from her provider, she called EWON.

EWON contacted her provider and explained Mrs W's situation. Her provider conducted the meter test on the faulty meter and found that the wires were incorrectly coloured which resulted in her water consumption registering ten times more than it should. Her provider reduced her bill to \$400 to reflect this mistake.

Start spreading the news!

EWON out and about in New South Wales

Far West NSW

EWON recently visited drought affected communities in Far Western NSW. Information sessions for community agencies were held in Hay, Balranald, Wentworth and Dareton. These sessions gave local community agencies the opportunity to meet and discuss the range of services EWON provides. EWON gained a greater understanding of the issues affecting energy and water customers in this part of the state. Concerns were raised about the impact of drought on customers in the region.



AgQuip 2002

- Spring Garden and Environmental Expo, Liverpool
- Western Sydney Carnivale, Merrylands
- AgQuip, Gunnedah
- Merrylands Community Health Centre
- Western Sydney Multicultural Festival, Merrylands
- Local Community Services Association Conference
- Residents' meeting, Surry Hills Department of Housing
- Macquarie Legal Centre
- Financial Counsellors Network, Sydney
- Tenancy Workers (TAAP Network), Sydney
- Ethnic Community Council's Housing Sub Committee, held at Auburn Migrant Resource Centre
- Local Community Services Association Conference



Italian-speaking community group, Wollongong

Italian-speaking community

Over the past six months EWON has focused attention on raising awareness of EWON within the Italian speaking community. EWON presented information to Italian social and pensioner groups around the Sydney, Wollongong and Newcastle areas. Coordinators of these groups reported that the information was a valuable resource to assist them in informing community members experiencing problems with their provider.

Community stalls

Throughout the last six months EWON has held information stalls and presented information sessions at the following venues:



Western Sydney Carnivale

Investigator's Tip

Hot water Leaks & Your Bill



Karen Sharpe

Customers often ring EWON to dispute higher than normal electricity or gas bills. Sometimes an EWON investigation indicates that a leak in the customer's hot water system, pipes or taps has contributed to the high bill.

Homeowners can arrange for a plumber to repair the leak to reduce further costs. Tenants can ask their landlord or real estate agent to arrange repairs. It is recommended that tenants record details of this contact.

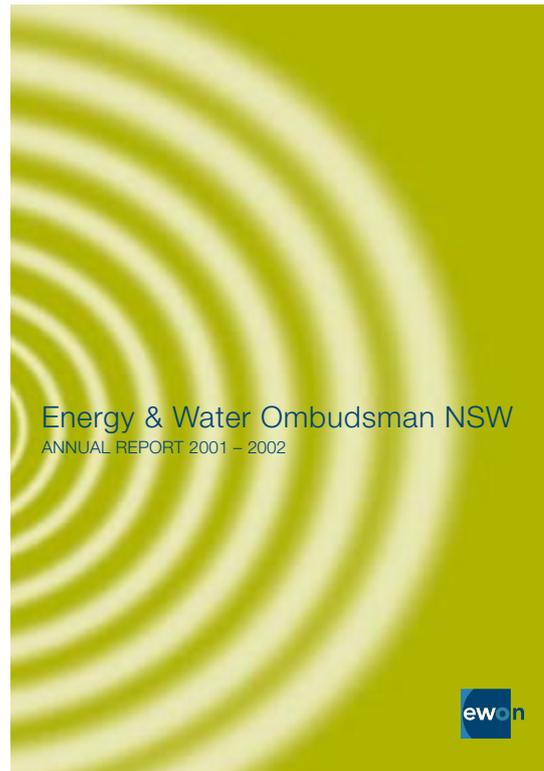
If a tenant encounters problems getting their landlord to organise repairs, they can contact their local Tenancy Advice & Advocacy Service (TAAS) for assistance. For your local TAAS office contact the Tenants' Union on 02 9247 3813.

TAAS can assist by:

- *advise tenants their rights in regard to repairs*
- *contacting the landlord about the repairs*
- *providing advice on, or advocating for, compensation if the delay in repairs has caused an increase to electricity or gas bills.*

Remember to:

- *repair leaks to hot water systems as soon as you notice them*
- *keep records of contacts you make with your landlord about leaks*
- *contact your local TAAS for help if you are unable to resolve an issue with your landlord or real estate agent.*



The 2001-2002 Annual Report released on 21 November 2002 is now available. It features a separate case studies section that provides details on the types of issues EWON deals with and how we work to resolve matters. The 4971 customer contacts in 2001-2002 is a 15% increase over the previous year. The report shows that the largest proportion of complaints concern utility billing, at 66% of all matters finalised.

This year, the report also includes features on our work to improve access and awareness in the community and how we have worked with utility providers on customer service and consumer issues in the industry.

A copy of our annual report is available in the publications section of our website www.ewon.com.au or contact us on 1800 246 545.

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