

A photograph of two workers in safety vests and hard hats standing on a large roof covered in solar panels. The sun is low in the sky, creating long shadows and a warm, golden light. The background shows a hazy landscape with some industrial structures.

EWON's Consultative Council Meeting

Tuesday 2 May 2023



Energy & Water
Ombudsman NSW
Free, fair and independent



ACKNOWLEDGEMENT OF COUNTRY

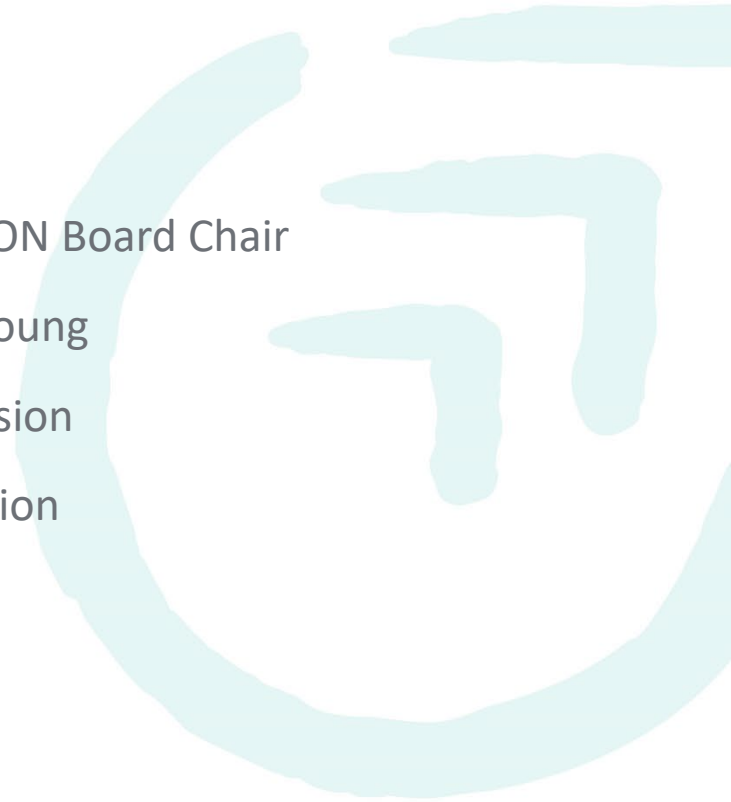
I acknowledge the **Gadigal** people of the **Eora nation**, the Traditional custodians of the land on which I live and currently work. I also acknowledge all **First Nations** peoples of the lands where Forum attendees are meeting on today.

I recognise their connection to land, waters, and culture and pay my respect to their Elders past, present and emerging.



> Agenda

- 10.00am – 10.10am** Welcome, Tony Crawford, EWON Board Chair
- 10.10am – 10.30am** Ombudsman update, Janine Young
- 10.30am – 11.00am** Peak industry group panel session
- 11.45am – 11.30pm** Questions and general discussion
- 11.30pm – 12.30pm** Light lunch served





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Ombudsman update

Janine Young
Ombudsman



➤ Current environment

- Default Market Offer increase – 23% from July
- Housing affordability – interest rate and rental increases
- Increased cost of living pressures
- Customers need to know they can access our assistance – now, perhaps more than ever.





> AER Customer Vulnerability Strategy

Five core objectives underpinned by 14 key actions:

1. **Improve identification of vulnerability**
2. **Reduce complexity and enhance accessibility** for energy consumers
3. **Strengthen protections** for consumers facing payment difficulty
4. Use the **consumer voice and lived experience** to inform regulatory design and change
5. Balance affordability and consumer protections by **minimising the overall cost to serve.**

Action 15

- **Advocate for sector-wide 'game changer' reforms**



➤ Game changing reforms

AER recently released *Towards Energy Equity – a strategy for an inclusive energy market, focused on:*

- Improving affordability
- Increasing customer participation
- Supporting customers experiencing payment difficulties
- Ensuring customers' voices are heard in sector reforms

Representing EWON, EWOV, EWOQ, EWOSA, ACT & Tas. State Ombudsman, I am contributing to the AER's work to identify potential "game changer" solutions and reforms which support customers experiencing, or at risk of experiencing, vulnerability.

A photograph of two workers in safety gear standing on a roof covered in solar panels, with their shadows cast long on the panels. The image has a teal overlay.

Strategic objective: Best practice dispute resolution

We're expecting complaint volumes to increase soon

- Complaints are 22% above FY22 – but they are not yet trending significantly upwards
- Drivers:
 - Increased cost of living and energy prices
 - Post-flood complaints started after bills arrived
 - Out of jurisdiction complaints – solar, batteries, virtual power plants

➤ Affordability complaints are evidencing consumer impact

From March 2022 to March 2023:



38% of complaints received were related to affordability issues, compared to 33% last year



42% increase in **payment difficulties** complaints



51% increase in **high bill** complaints



41% increase in **credit collection** complaints

> We're prepared for an increase

- **Increased automation and streamlined processes:** new dashboards for improved workflow management, increased email synchronisation between mailboxes and our complaint systems.
- **Dedicated line for Aboriginal and Torres Straight Islander customers** who choose to self-identify.
- **Improved customer messaging** regarding complaint process next steps and timeframes.
- **Increased frequency of discussions with providers** about individual complaints, complaints trends and potential systemic issue insights.
- **Enhanced customer satisfaction survey program**, with streamlined survey format and quarterly agreed areas of focus and action plan.

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Strategic objective: Influential policy contribution

Systemic issues

- affordability and customers at risk of experiencing vulnerability
- consumer issues in a changing energy market
- new energy services and business models

Strategic project

- expanding jurisdiction – is EWON fit for purpose for future energy consumers?

Submissions

14 submissions to date this financial year

➤ Evolving External Dispute Resolution : Energy Transition

Our Progress – working with EWOQ, EWOSA & EWOV

- All agreed – our jurisdictions enable resolution of many ‘new energy’ related complaints.
- Membership may expand in the future to capture business entities entering this market.
- Consumer protection gaps will need regulator and state government actions.

Stakeholder engagement continues:



Regulators

- AER
- AEMC
- Clean Energy Regulator



Industry

- Members
- Clean Energy Council
- Energy Charter CEO Council
- New Energy Tech Consumer Code (NETCC)



Government

- NSW Department of Planning, Industry & Environment
 - Environment, Energy & Science
 - Water
- NSW Department of Customer Service
- Energy National Cabinet Reform Committee

> NSW Government embedded network strategy

IPART review will recommend:

- appropriate price protections for customers supplied electricity, gas or hot or chilled water through an embedded network
- whether the NSW Government should prohibit the establishment of new hot and chilled water embedded networks.



Continued reform is essential

Supply of hot water to NSW apartments should be simple, well-regulated and offer residents the same consumer protections as their gas and electricity supply.

➤ Residential (Land Lease) Communities Act

Need for reform

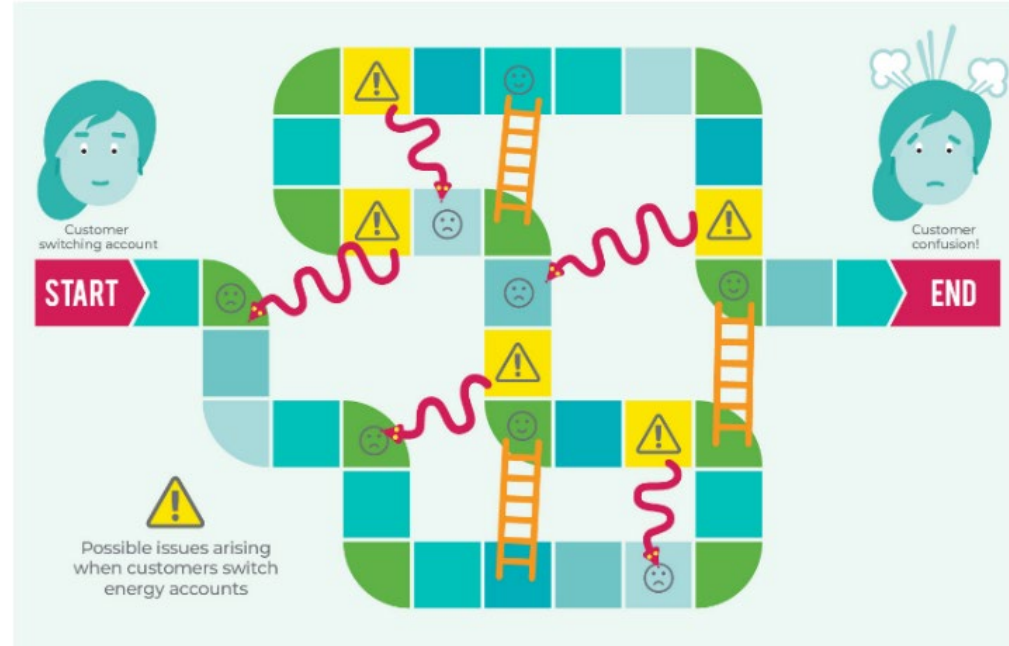
- In 2018 a court case established that the Residential (Land Lease) Communities Act relating to energy selling needed reform
- NSW Fair Trading consultation
- EWON invited to comment on advanced draft of the bill in 2022
- The bill was not presented to parliament before the election
- EWON will work to ensure issue gains traction with the new government, and reform progresses.



➤ Latest Spotlight On report

Challenges in the new world of switching energy providers

- Unexpected consequences emerging from 'two-day switching'
- Customers confused, unhappy with unexpected bills they don't understand and frustrated the process wasn't clearly explained
- Stakeholder engagement plan to engage with and leverage industry knowledge to address these issues





Strategic objective:
Valued membership



380

EWON Members



291

Exempt entities



1,100

Individual sites in NSW



93,000+

residential customers



> New funding model

Overview

Total fees

15%

Fixed fees

85%

Variable fees

User pays principle



Equity and Fairness



Transparency and Efficiency



Consistency and Predictability



Simplicity and Affordability

Joining fee – No change from current state.
New Members pay upon joining EWON.

Fixed fees

Lights on fees = 6%

Office lease, Electricity, IT, Cyber

Ombudsman services fees = 9%

Dispute resolution, Systemic issues,
Policy, Outreach and awareness

Industry sector allocation for FY24:

- Energy retail 58%
- Energy network 30%
- Water 10%
- Exempt/WICA 2%

**New customer number bandwidths
for smaller members.**

Variable fees

There are three major changes
to variable fees:



Cost reflective fee schedule



Members billed quarterly
in arrears on actual
resolved complaints



EWON Board determines
treatment of surplus/
deficit

➤ Member IDR / EWON EDR promotion



Increased awareness of support options

- Internal and External Dispute Resolution Awareness Joint EWO initiative
- Member brochure on how to raise awareness of IDR and EDR amongst customers
- Working with members to change or enhance their current processes

AER Better Bills Guideline – V2 (Jan 2023)

- Ensuring bills are accessible and include EWON's contact details
- Retailers to comply by 30 September





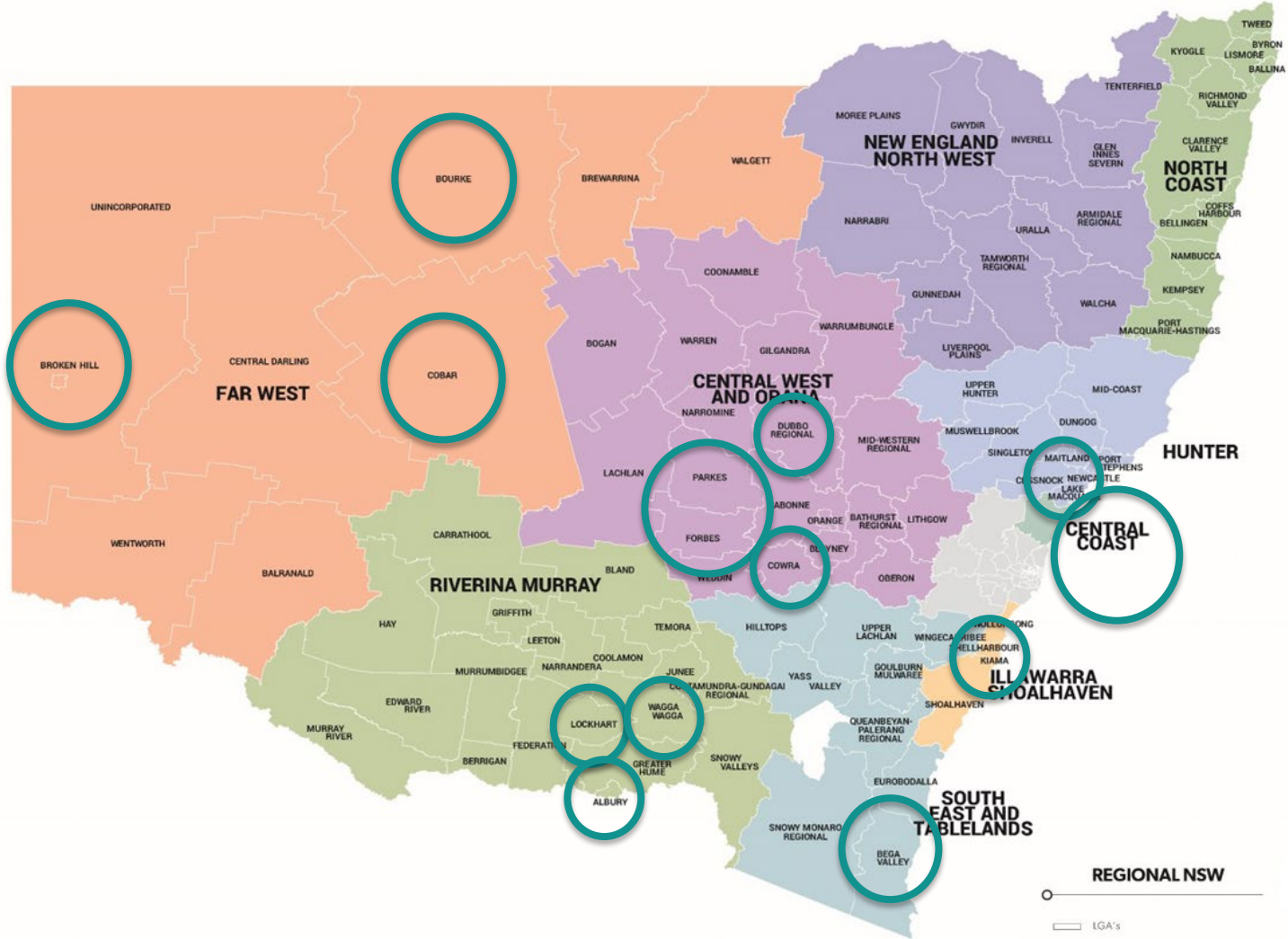
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Strategic objective: Expanded awareness

Our new approach

- Strategic focus on event location, type and time of year
- Consideration of external environment, including flood recovery, drought, bush fires
- EWON's new approach to data analysis enables more accurate mapping and broader evaluation of events
- 2023 awareness campaign to increase EWON's profile ahead of each outreach event



UNINCORPORATED

BROKEN HILL

BOURKE

COBAR

WENTWORTH

CENTRAL DARLING

FAR WEST

BALRANALD

RIVERINA MURRAY

LOCKHART

WAGGA WAGGA

ALBURY

MURRAY RIVER

EDWARD RIVER

BERRIGAN

FEDERATION

GREATER HUME

SNOWY VALLEYS

SNOWY MONARO REGIONAL

EUROBODALLA

SOUTH EAST AND TABLELANDS

BEGA VALLEY

WALGETT

BREWARRINA

COONAMBLE

BOGAN

WARREN

GILGANDRA

NARRABRI

WARWUMBUNGLE

LACHLAN

PARKES

FORBES

WEDGIN

OPANGE

OPABONE

DUVINEY

COWRA

ODERON

NEW ENGLAND NORTH WEST

MOREE PLAINS

CWYDIR

INVERELL

GLEN INNES SEVERN

NARRABRI

URALLA

TAMWORTH REGIONAL

GUNNEDAH

WARWUMBUNGLE

LIVERPOOL PLAINS

UPPER HUNTER

MID-WESTERN REGIONAL

MUSWELLBROOK

SINGLETON

MAITLAND

PORT STEPHENS

CISNOCK LAKE MACCUM

HUNTER

CLARENCE VALLEY

NORTH COAST

ARMIDALE REGIONAL

WALCHA

KEMPSEY

PORT MACQUARIE-HASTINGS

MID-COAST

DUNGOO

ILLAWARRA SHOALHAVEN

HOLLINGWONG

WINGECARRIBEE

HELLHARBOR

KIAMA

SHOALHAVEN

QUEANBEYAN-PALERANG REGIONAL

EUROBODALLA

BYRON

LISMORE

BALLINA

TWEED

KYOOGLE

RICHMOND VALLEY

CLARENCE VALLEY

COFFS HARBOUR

BELLINGEN

NAMBUCCA

➤ Embedded Networks awareness campaign with AER

80% of complaints to EWON raised by residents living in embedded networks were about billing concerns in 2021/2022

- AER partnership / co-branded campaign launched Nov 23
- Fact sheets, posters, social media tiles – English, Arabic, Chinese (simplified and traditional), Vietnamese, Nepalese, Korean



Living in an apartment complex?

Whether you rent or own
EWON can help with your energy problems.

Freecall 1800 246 545
ewon.com.au

 Energy & Water Ombudsman NSW
 AUSTRALIAN ENERGY REGULATOR

The image shows a young woman with long dark hair and glasses, wearing a white t-shirt, looking at her smartphone. The background is a modern apartment building.



Living in an embedded network?

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The image shows an older woman with short hair and glasses, wearing a light-colored sweater, gesturing with her hand. The background is a modern apartment building.

> Questions?





Energy & Water
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