

*Resolving your electricity, gas & water complaints. Independently.*

About this report

EWOV's Annual Report is prepared and distributed in accordance with the Ombudsman's responsibility under the *EWOV Charter* and the principle of 'accountability' in the *Benchmarks for Industry-Based Customer Dispute Resolution Schemes* (the 'National Benchmarks').

**Our mission**

**We provide** *independent advice, information and referral regarding energy and water services.*

**We receive,** *investigate and facilitate the resolution of complaints involving consumers of energy and water services in Victoria and scheme participants.*

**We identify,** *and where appropriate redress, systemic issues and refer these to energy and water companies and regulators.*

**We work** *with customer groups, industry and regulators to drive ongoing customer service improvement and to prevent complaints.*

**Our guiding principles**

**Independence:** *complaint resolution not advocacy*

**Access:** *readily accessible to individual customers*

**Equity:** *fairness to all parties*

**Quality:** *highest professional standards*

**Effectiveness:** *high calibre people, supported by training and technology*

**Efficiency:** *optimal use of resources*

**Community awareness:** *foster community awareness*

**Linkages:** *effective links and working relationships*

**National Benchmarks**

*EWOV complies with the Benchmarks for Industry-Based Customer Dispute Resolution Schemes published in 1997 by the Commonwealth Department of Industry, Science and Tourism. These National Benchmarks focus on the principles of accessibility, independence, fairness, accountability, efficiency and effectiveness.*

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# 2008–2009 Highlights

## Biggest year so far

In thinking about the environment in which EWOV worked, the words busy, challenging and unrelenting come to mind — in thinking about how we worked, the words responsive, innovative and resilient stand out ...

**Ombudsman's report pages 4 – 6**

## Complaint trends

In 2008-09, cases overall increased 52%, from 25,413 to 38,533 — within this, complaints increased 58%, from 22,903 to 36,171. The trend to more complaints has been evident across all three industries, but most significant in electricity and gas ...

**EWOV: the numbers page 7**

## Behind the numbers

How we performed, how the companies performed, the customers who sought our assistance, the outcomes achieved for them ...

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## Behind the issues

What customers were concerned about, the major issues, the systemic issues ...

**EWOV: the issues pages 17 – 21**

## Beyond the complaints

Our work on policy, community engagement and publications ...

**EWOV: at work pages 26 – 29**

## Case studies

The stories behind some of the residential and business complaints we resolved ...

**Electricity pages 34 – 35**

**Gas pages 40 – 41**

**Water pages 46 – 47**

GAS KLEENHEAT  
RIGIN ENERGY LPG POWERGAS  
PAGAS AGL SALES  
AUSTRALIAN POWER & GAS  
ENERGY AUSTRALIA  
RIGIN ENERGY RED ENERGY  
MPLY ENERGY TRUE ENERGY  
CTORIA ELECTRICITY CITY WEST WATER  
OUTH EAST WATER YARRA VALLEY WATER  
ELBOURNE WATER BARWON WATER  
ENTRAL HIGHLANDS WATER  
OLIBAN WATER  
ST GIPPSLAND WATER  
PPSLAND WATER  
OUTBURN VALLEY WATER GRAMPIANS  
WIMMERA MALLEE WATER  
IVER MURRAY WATER NORTH EAST WATER  
OUTH GIPPSLAND WATER WANNON WATER  
ESTERN WATER WESTERNPORT WATER  
OUTBURN-MURRAY WATER  
GRAMPIANS WIMMERA MALLEE WATER  
IVER MURRAY WATER  
OUTHERN RURAL WATER  
GL SALES AURORA ENERGY

# Statement of governance

Energy and Water Ombudsman Limited (Victoria) (EWOV Limited) is a company limited by guarantee. It is legally separate from, and independent of, the energy and water companies and government.

The EWOV Board reflects EWOV's independence in its equal representation of consumer and industry representatives and independent Chairperson.

In accordance with the EWOV Limited *Constitution* and EWOV *Charter*, the company has established the EWOV external dispute resolution scheme and appointed an Ombudsman with the power to receive, investigate and facilitate the resolution of consumers' electricity, gas and water complaints.

Being a member of EWOV Limited and an EWOV scheme participant enables:

- holders of Victorian electricity retail, distribution and transmission licences, gas retail and distribution licences, and metropolitan water retail licences, to satisfy licence conditions requiring them to enter a dispute resolution scheme approved by the Essential Services Commission
- Melbourne Water Corporation and regional, rural urban and rural water corporations to satisfy direct legislative obligations
- LPG retailers to meet the requirements of a voluntary, but enforceable, LPG industry code.

# Chairperson's report

We were only a month into the 2008-09 year when it became clear to the EWOV Board that the budget we had approved for the scheme would be quite inadequate.

This situation, brought on by another major increase in cases, would prove very challenging for the Board — as we sought to ensure our scheme was well resourced and able to continue to meet its high standards.

Acting quickly, the Board worked with EWOV management to review and revise the 2008-09 budget in August 2008. As it turned out, we found it necessary to do that all over again in October 2008. Thank you to all Board members for the clarity of thought and good understanding of EWOV operations that you were able to bring to some complex discussions and major decisions.

The Ombudsman and her team worked assiduously to continue delivering the levels of service the Board expects of them. At the same time, they did what they could to help the companies generating the most complaints turn that situation around.

I know that, over the last decade, the Ombudsman has seen several major events emerge from companies' management of internal systems changes. Given the availability of historical information, it is notable that these systemic events, with their accompanying drop in industry customer service standards, still take place.

The complaints EWOV handles are a rich source of data and information. Companies planning major internal changes are strongly encouraged to avail themselves of this information to help minimise the impacts on their customers.

Given our experience of 2008-09, the Board and the Ombudsman spent considerable time on the preparation of the 2009-10 budget. A significant budgetary increase over 2008-09 has brought home to scheme participants the consequences for them all, of a few companies driving up EWOV costs. It has also raised questions about whether the current EWOV funding model fairly and equitably drives these costs home to those who generate the most complaints.

As a result, in May 2009, the Board decided to engage an independent consultant to review EWOV's charging model to ensure its suitability going forward. We expect to receive the results of this review in December 2009.

In July 2008, the Board farewelled Karen Lowe of TRUenergy after almost two years' service. In August 2008, we welcomed David McNeil of AGL, as the new electricity retail industry representative and, in October 2008, EWOV's Business Manager, Christopher See, as the new Company Secretary.

Finally, while the Board worked diligently on some major decisions during the year, it was the Ombudsman and the EWOV staff who ultimately ensured the scheme continued to provide the high level of service it is known for. On behalf of the Board, thank you for your hard work and dedication to the job.



**Hon. Tony Staley AO**

Chairperson  
EWOV Board



# Ombudsman's report

In 2008-09, the independent external dispute resolution services of Ombudsmen were called upon more than ever before — the value of having an Ombudsman scheme was clear and acknowledged.

## Record cases all round

EWOV handled a 52% increase in cases, from 25,413 to 38,533 — and, within this, a 58% increase in complaints, from 22,903 to 36,171. This made it our biggest year so far. Only two years ago, we were cautiously welcoming an apparent trend towards case stabilisation — how wrong we were.

The scenario of record cases played out around Australia — within other energy and water and industry-based Ombudsman schemes and the offices of Parliamentary Ombudsmen.

In thinking about the environment in which EWOV worked, the words busy, challenging and unrelenting come to mind — in thinking about how we worked, the words responsive, innovative and resilient stand out.



## One thing leads to another ... and another

Complaints for nine companies increased by more than 50% — within this, the complaints of three second tier energy companies were up by more than 200%, largely due to their expanding operations in the Victorian market.

One large energy company drove the biggest increase in our caseloads — as it continued to recover from a major systems upgrade in 2007-08. The upgrade affected the company's billing, customer service and transfer functions badly and these effects continued into 2008-09. Unable to get their complaints resolved internally, its customers contacted us.

Many of the customers who contacted us reported already trying at least twice to resolve their complaint, without success. Many said they'd had no response or a delayed response from their company. Many felt their complaint wasn't being taken seriously.

Having to pick up and resolve so many complaints — which should have been resolved by the companies themselves — placed an enormous burden on EWOV's staff, operations and finances.

As the flood of complaints hit us — and we struggled to deal with our unexpectedly high caseloads — we were in danger of affecting the resolution times for all complaints.



## Maintaining our own standards

To help us deal with the case volumes, we streamlined our processes and looked for effective, but speedier, ways of doing things. We pursue a clear goal of continuous improvement in all aspects of our work. We set up an internal innovation working group and we commissioned an independent review of our case handling policies and processes.

We continued a referral process we'd introduced on an interim basis in mid-June 2007. Customers whose complaint qualified for an investigation by us — because they'd already had two contacts with their company — were offered the option of going back to a higher-level contact in the company, with the assurance of a telephone call from the company within 24 hours.

In 2008-09, 60% of customers (10,946) took this option up — it eased the pressure on us, gave companies another opportunity to rebuild their customer relationships and, given our high caseloads, resolved the problem for many customers much more quickly than if we'd taken the complaint for investigation. Importantly for customers, it also prevented a backlog of complaints in our office.

The graph below illustrates how many more complaint investigations we would have faced, if these customers hadn't chosen to be referred to their company. We calculate it saved EWOV taking on more than 40 additional Conciliators — at a cost of several million dollars.

In April 2009, the EWOV Board approved the process permanently — with customer choice and ongoing surveys of customer satisfaction continuing to be the underlying tests of its effectiveness.

We planned and implemented other process initiatives too — a new case charging model, new case categories to help stakeholders understand more easily the different stages of our process, a complaint complexity rating within our case management system to better prioritise complex complaints, and streamlined and more automated workflow and case upgrade processes.

We looked to make sure we had the right people with the right skills and training in the right EWOV roles. This led to greater staff specialisation — in areas such as complex case management and administrative work. We also continued to deliver leadership training to our middle management team — empowering them to address issues as they arose, positively and effectively. Despite workload pressures, our staff turnover halved and we're confident the retention rate will continue to improve.

## Learning the lessons

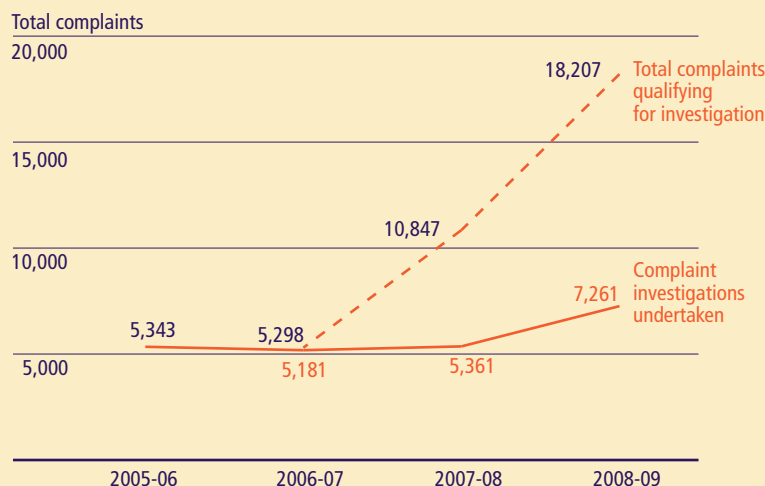
2008-09 wasn't the first time we'd had to cope with the flow-on effects of a major external event. Given there have been several instances over the past decade, it's surprising that the learnings from these previous events were not better integrated in companies to prevent further problems. I sincerely hope we don't find ourselves in a similar position in the future.

Generally, we say to companies planning major internal changes:

- however many problems you plan for — expect more
- however long you think they will take to fix — expect longer
- your contact centre effectiveness will be reduced significantly the day you go live — new systems take a long time to bed down
- service recovery must be your top priority — with your 'fixes' closely monitored to ensure they're not leading to further problems.

For our part, we'll continue to work with the companies participating in our scheme to help them bring about service and internal dispute resolution (IDR) improvements. As well as monthly reports on cases and issues, training sessions for individual companies and the regular scheme participant conference, we've now introduced online complaint handling modules aimed at improving the skills of the companies' frontline staff.

**Fig 1: The impact of customers choosing to be referred**



EWOV received 7,261 complaints for investigation in 2008-09 — but it would have been 18,207, if 10,946 customers hadn't chosen to give the company a final chance to resolve the matter.

## Working in the broader community

Building community awareness of EWOV continued to be a high priority. We redesigned our website, ran our second hardship conference and worked on improving access for culturally and linguistically diverse customers. We also developed a kit for state parliamentarians. You can read more on page 29.

## Moving towards national energy regulation

The year brought some major developments in regulatory matters — especially the transition to national energy regulation.

In January 2009, the Victorian Government removed all regulatory oversight of residential standing tariffs for electricity and gas. The changes followed the assessment by the Australian Energy Market Commission that competition is effective in the Victorian electricity and gas industries. Significant changes to Victoria's *Energy Retail Code* also came into effect — after a review by the Essential Services Commission (ESC).

At the same time, regulatory responsibility for Victoria's energy distribution sector (electricity poles and wires and gas pipes) passed from the ESC to the Australian Energy Regulator (AER). The AER will conduct all future distribution price reviews, while the ESC continues to regulate aspects of retail energy, focusing on compliance, performance monitoring, reporting and complaints.

Over the year, the Ministerial Council on Energy Standing Committee of Officials released versions of the proposed *National Energy Customer Framework*. We made several substantial submissions on the proposed framework and other aspects of national regulation. There's more about our submissions on page 28.

## Working with other Ombudsman schemes and offices

Through EWOV's membership of the Australia & New Zealand Energy and Water Ombudsman Network (ANZEWOV), we achieved further consistencies in case handling policy and procedure across energy and water Ombudsman schemes around Australia. We also contributed to joint ANZEWOV submissions on national energy regulation.

We maintained our active participation in the Australian and New Zealand Ombudsman Association (ANZOA). ANZOA is the peak body for Ombudsmen in Australia and New Zealand. Among other things, it acts as a network for consultation and discussion among Ombudsman schemes/offices on things we have in common, even where our responsibilities differ. My role as ANZOA Chair continued and EWOV staff benefited from their involvement in specialist public relations and communications, learning and development, information technology, first contact and human resources ANZOA interest groups.

## Thank you

To the dedicated and talented EWOV team — in many ways, your achievements during such a difficult year were remarkable — I am enormously proud of you, of what we did and how we did it.

To the EWOV Board — I can't overstate the importance of knowing we had your full support — in particular, your focus on ensuring EWOV was properly resourced to maintain its high standards of service to both customers and scheme participants.



**Fiona McLeod**

Energy and Water Ombudsman (Victoria)



# EWOV: the numbers

In 2008-09, cases overall increased 52%, from 25,413 to 38,533.

Within this, complaints increased 58%, from 22,903 to 36,171.

Enquiries decreased by 6%, from 2,506 to 2,362.

**Fig 2: Complaint trends by company**

	2005-06	2006-07	2007-08	2008-09
Energy				
Water				
LPG				
AGL Sales *	2,966	2,877	8,346	15,470
AGL Sales Queensland #	0	0	0	0
Aurora Energy	0	0	3	3
Australian Power & Gas *	0	3	180	620
Barwon Water	34	64	62	75
Central Highlands Water	31	17	31	28
CitiPower	64	67	59	74
City West Water	141	266	337	280
Click Energy	0	0	25	22
Coliban Water	23	30	39	24
Country Energy	169	164	185	247
Dodo Power & Gas	0	0	0	0
East Gippsland Water	12	17	13	15
Elgas	37	37	52	52
Energy One	0	1	1	1
EnergyAustralia *	0	0	1	203
Envestra	37	27	51	45
Gippsland Water	41	19	29	30
Goulburn Valley Water	20	16	32	33
Goulburn-Murray Water	23	47	43	47
Grampians Wimmera Mallee Water	40	38	32	40
Integral Energy	0	1	4	7
Jackgreen	31	63	41	72
Jemena ~	137	126	179	138
Kleenheat	12	38	32	52
Lower Murray Water	9	6	39	20
Melbourne Water	17	14	33	51
Momentum Energy	48	155	110	53
Multinet Gas	64	41	71	118
National Grid (Basslink)	0	0	0	0
Neighbourhood Energy	0	2	131	796
North East Water	9	13	16	23
Origin Energy *	3,560	3,794	4,999	5,998
Origin Energy LPG	6	8	12	2
Powercor Australia	278	253	240	334
Powerdirect	361	389	301	239
Powerdirect Australia (AGL)	1	0	0	0
Powergas	1	2	0	1
Red Energy *	216	282	476	914
Simply Energy *	988	1,030	1,557	1,776
South East Water	150	146	164	219
South Gippsland Water	7	17	8	11
Southern Rural Water	17	27	15	8
SP AusNet (electricity)	613	311	420	457
SP AusNet (natural gas)	3	9	9	6
Sun Retail °	2	0	0	0
Supagas	0	2	2	1
TRUenergy *	2,570	2,132	2,151	3,458
United Energy Distribution	194	183	284	441
Victoria Electricity *	340	1,017	1,407	2,514
Wannon Water	32	18	27	47
Western Water	23	27	26	46
Westernport Water	19	20	14	25
Yarra Valley Water	149	144	236	283

## NOTES:

Figure excludes 2,362 enquiries—but includes complaints referred to the company.

\* Where a company retails both electricity and gas, its complaint numbers are combined as energy.

# AGL Sales Queensland was formerly Sun Gas Retail.

° Sun Retail was formerly ENERGEX Retail.

~ Jemena was formerly Alinta AE.

**Fig 3: Complaint trends by industry**

	Total	Electricity	Natural gas	LPG	Dual fuel	Water
2008-09	<b>36,171</b>	24,580	9,862	113	263	1,353
2007-08	<b>22,903</b>	15,419	5,758	103	373	1,250
2006-07	<b>14,165</b>	9,667	3,068	92	352	986
2005-06	<b>13,517</b>	9,577	2,820	56	265	799

## NOTE:

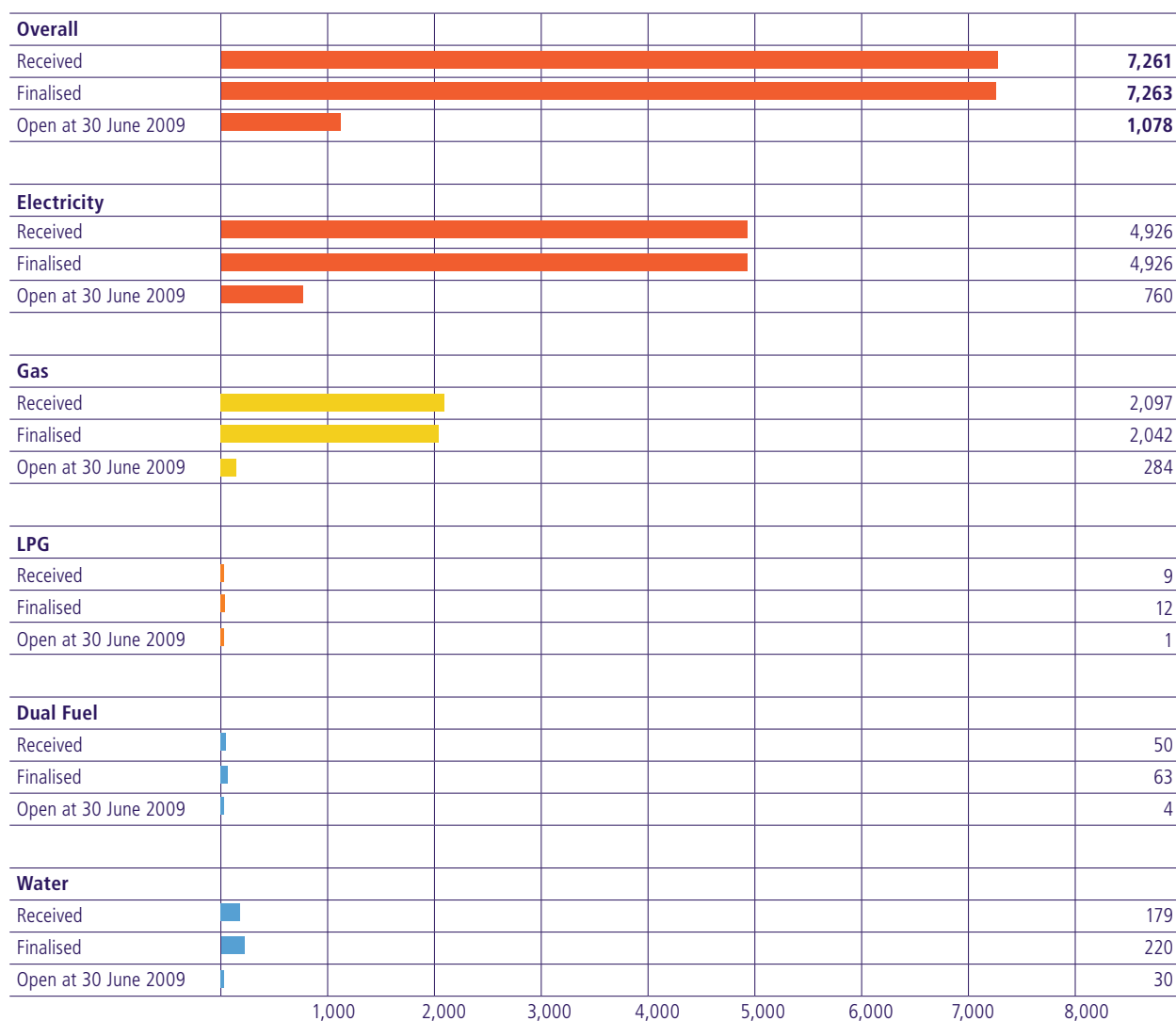
Figure excludes 2,362 enquiries—but includes complaints referred to the company.

# EWOV: the numbers continued

## Some measures of EWOV's performance

We work to a stringent set of targets for resolving different kinds of complaints — in particular, time periods. In spite of greatly increased numbers of complaints, our average time to resolve complaints has remained consistent over recent years.

**Fig 4: Investigated complaints received and finalised in 2008-09**

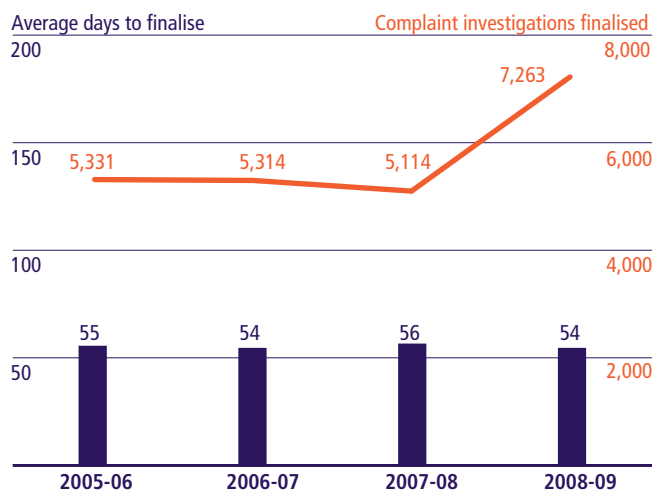


**NOTE:**

Complaints finalised includes a number of complaints received prior to 1 July 2008.

We also received 2,362 enquiries. For more about how we handled these, see Fig 16 on page 16.

**Fig 5: Tracking finalised complaint investigations**

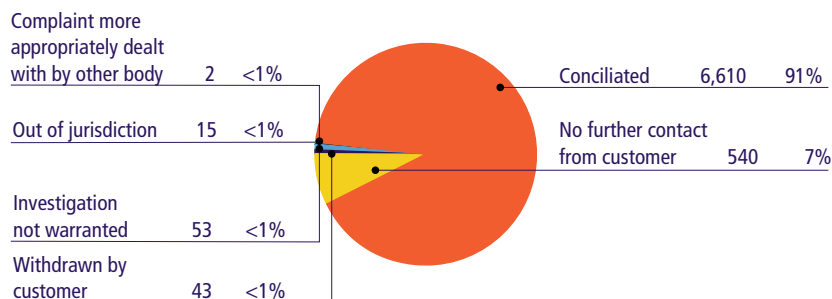


We kept our average days to resolve complaints at 54 — in spite of a big increase in the number of complaints received for investigation.

**Fig 6: Time taken to finalise complaint investigations**

		%
Within 28 days	2,887	40
Within 60 days	5,220	72
Within 90 days	6,151	85
Above 90 days	1,112	15
<b>Total</b>	<b>7,263</b>	

**Fig 7: Outcomes from complaint investigations**



NOTE:

Percentages throughout this report have been rounded to the nearest whole number and may not add up to 100..

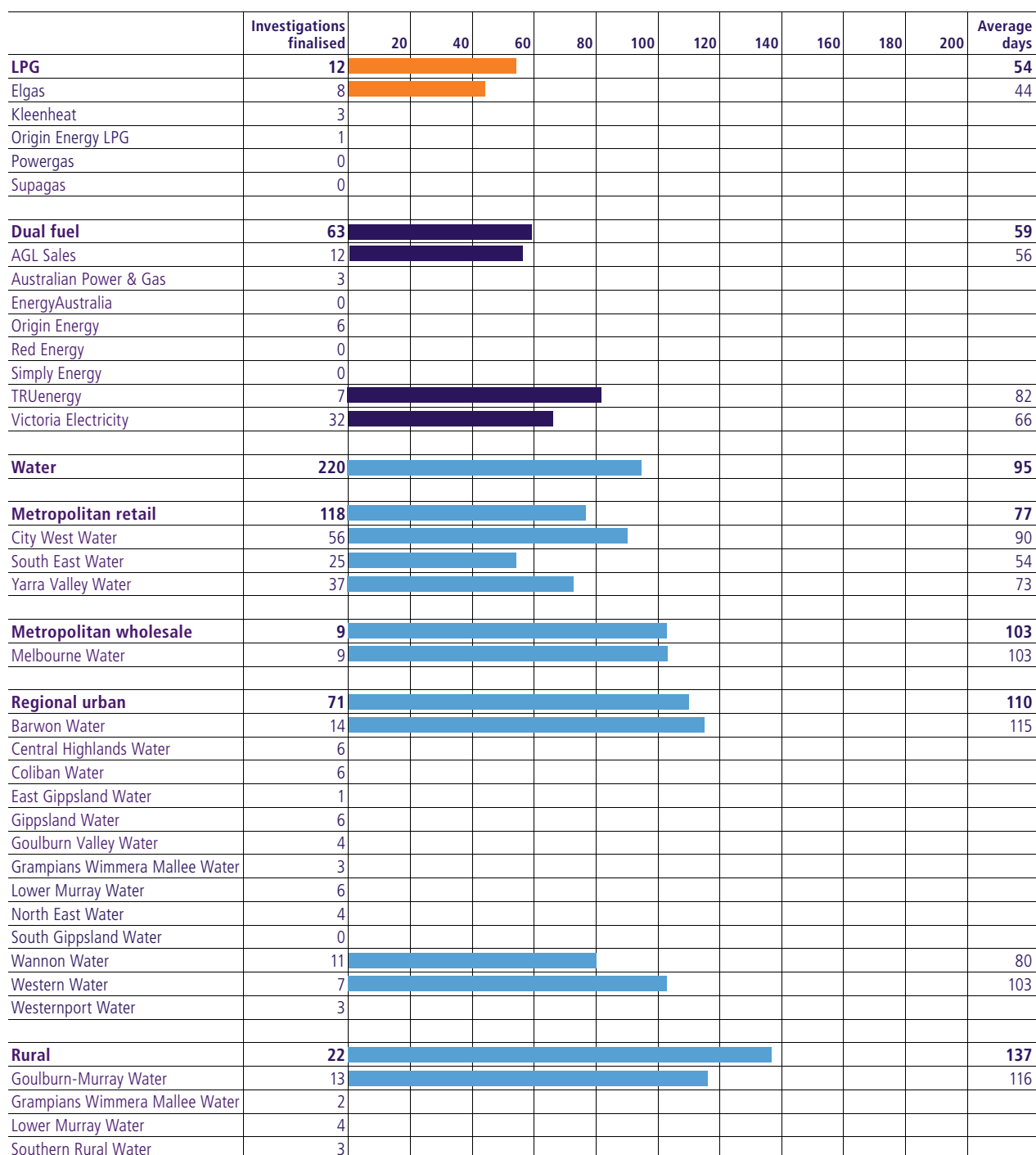
# EWOV: the numbers continued

## Some measures of company performance

Fig 8: Complaint investigations finalised and average days to close

	Investigations finalised	20	40	60	80	100	120	140	160	180	200	Average days
<b>Overall</b>	<b>7,263</b>											<b>54</b>
<b>Energy</b>	<b>7,043</b>											<b>53</b>
<b>Electricity</b>	<b>4,926</b>											<b>55</b>
<b>Electricity retail</b>	<b>4,728</b>											<b>54</b>
AGL Sales	2,450											52
Aurora Energy	0											
Australian Power & Gas	83											43
Click Energy	6											20
Country Energy	11											32
Dodo Power & Gas	0											
EnergyAustralia	3											
EnergyOne	0											
Integral Energy	1											
Jackgreen	9											50
Momentum Energy	19											57
Neighbourhood Energy	81											21
Origin Energy	931											60
Powerdirect	64											53
Powerdirect Australia	0											
Red Energy	118											68
Simply Energy	235											50
Sun Retail	0											
TRUenergy	448											60
Victoria Electricity	268											54
<b>Electricity distribution</b>	<b>197</b>											<b>72</b>
CitiPower	10											68
Jemena (formerly Alinta AE)	24											85
Powercor Australia	54											78
SP AusNet	43											74
United Energy Distribution	66											61
<b>Electricity transmission</b>	<b>1</b>											
National Grid (Basslink)	0											
SP AusNet	1											
<b>Gas</b>	<b>2,042</b>											<b>47</b>
<b>Gas retail</b>	<b>2,013</b>											<b>46</b>
AGL Sales	1,284											42
AGL Sales (Queensland)	0											
Australian Power & Gas	33											38
EnergyAustralia	5											22
Origin Energy	325											55
Red Energy	26											50
Simply Energy	74											46
TRUenergy	164											57
Victoria Electricity	102											50
<b>Gas distribution</b>	<b>29</b>											<b>79</b>
Envestra	6											
Multinet Gas	14											100
SP AusNet	9											81

**Fig 8: Complaint investigations finalised and average days to close continued**



**NOTES:**

This list shows only complaints investigated by EWOV.

Some of the complaints which were investigated and finalised were received prior to July 2008.

Averages have not been shown for companies with fewer than 7 complaints.

One complaint that takes a long time to resolve can affect the average—especially where the number of complaints is small.

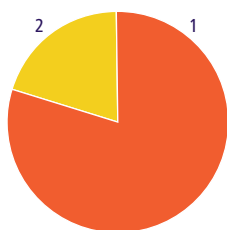
Complaint complexity contributes to the time taken to finalise an investigation—our seeking of technical or legal advice and delays in customer action/replies may also have an effect.

Investigation finalisation times may also be affected by factors internal to the company, such as the time required for company field testing and site inspections and its resourcing for complaint handling.

# EWOV: the numbers continued

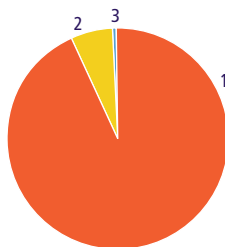
## Who were our customers?

**Fig 9: Customers by location**



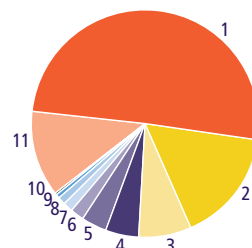
1	Metropolitan Victoria	80%
2	Regional/Rural Victoria	20%

**Fig 11: Customers by sector**



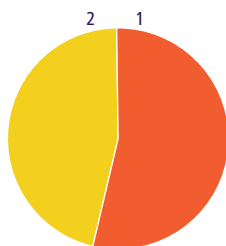
1	Residential	94%
2	Business	6%
3	Government/Not for profit	<1%

**Fig 13: How customers found out about us**



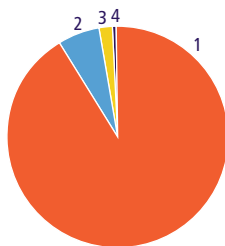
1	Own knowledge	19,571	51%
2	From their energy or water company	6,174	16%
3	Word of mouth	2,858	7%
4	Our community outreach	1,892	5%
5	Government/MP	1,303	3%
6	Financial counsellor/ community organisation	838	2%
7	Other organisation	509	1%
8	Media	391	1%
9	Regulator	211	< 1%
10	Other Ombudsman	108	< 1%
11	Not disclosed	4,678	12%
<b>Total</b>		<b>38,533</b>	

**Fig 10: Customers by gender**



1	Female	54%
2	Male	46%

**Fig 12: How customers contacted us**



1	Telephone	92%
2	Email/website	6%
3	Written/fax	2%
4	In person	<1%

**Fig 14: Why customers came to us**

Lack of faith in company's ability to resolve	7,895	20%
Didn't know who else to call	6,328	16%
Wanted to clarify rights/seek independent advice	5,046	13%
Complaint not being taken seriously by company	3,763	10%
Failed resolution of previous case	2,992	8%
Wanted immediate action	2,869	7%
Unhappy with outcome from company	2,367	6%
No or delayed response from company	1,464	4%
Saw EWOV's 1800 number on bill	1,288	3%
Wanted to report an issue to EWOV	984	3%
Not disclosed	892	2%
Unfair response from company	793	2%
Unable to access company call centre/real person/on hold too long	513	1%
Not provided with requested information	442	1%
Told to call EWOV by person I spoke to at company	216	<1%
Told to contact EWOV by another retailer	216	<1%
Told to call EWOV by another agency	161	<1%
Company refused to escalate call to team leader/manager	128	<1%
Company unhelpful when English is not first language	95	<1%
Rude customer service	81	<1%
<b>Total</b>	<b>38,533</b>	



## What was their experience?

Surveying customers about how they were assisted — either by us or by their company — is important to our goal of continuous improvement. Some of this information is gathered on an ongoing basis — some through specific-purpose surveys. Below are examples from 2008-09.

### Contacting the company

Each customer contacting us with a complaint is asked why they contacted us, what happened when they contacted their company — or why they didn't contact their company — and how many contacts they'd had with the company before coming to us.

In 2008-09, 59% of customers told us they'd spoken with their company up to twice. 14% said they'd contacted their company 6 or more times — 6% said 10 or more times.

As to why they'd contacted EWOV, 20% said they lacked faith in the company's ability to resolve the matter, 13% wanted independent advice about their rights, and 10% felt their complaint was not being taken seriously. A further 4% said they'd had no response, or a delayed response, from the company.

We compile this information into a monthly report for each company. Our rationale is that if companies can understand the reasons their customers are seeking our help, they can address these issues — improving their customer service and reducing their EWOV cases.

### Referred to the company

It's EWOV's general policy that, where the customer hasn't spoken with the company at all, we refer them back to its contact centre.

We survey a sample of those customers each year, to see how that referral process worked for them.

58% of the customers we surveyed in 2009 said their complaint was resolved by the company after referral from us (down 19% from 2008).

44% came back to us for assistance when their complaint wasn't resolved (up 6% from 2008).

60% said they'd ring the company's call centre next time, rather than contact us — but this was significantly down from the 92% who said that in 2008. Energy retail customers were most likely to ring us, rather than their company.

Not surprisingly, where the complaint was resolved, the customer was more likely to say they'd contact their company first (70%). Where the complaint wasn't resolved, this fell to 58%.

These results show fewer complaints were resolved by companies following referral and more customers had to wait for resolution. There's been an evident fall in customer confidence in company processes over the past year — with more customers likely to ring us, rather than their company, in future.

We've reminded companies of the need to ensure their first contact with any customer works for them — not against them. We've suggested a review of contact centre processes — to ensure they encourage resolution with a 'right first time' focus.

### Referred back to a higher-level in the company

Under EWOV's 'refer to higher-level' policy, where a customer has had one contact with their company, we arrange for a higher-level representative from the company to contact the customer within 24 hours.

Each year we survey a sample of these customers also — again, to see how that process worked for them.

2008-09 survey results show a 95% satisfaction rate overall with the 'refer to higher-level' process.

On whether the company contacted the customer within the required 24 hours, 79% of customers said their company did (up 3% from 2008). 80% of those not contacted within 24 hours were with the largest energy companies.

On whether their complaint was resolved, 78% said it was (up 3% from May 2008). On resolution within the required timeframe of 21 days, 94% said it was resolved in this timeframe — similar to the May 2008 results.

On what customers said they'd do next time they had a complaint, 58% (down from 67%) said they'd contact their company. Where the complaint was resolved, this increased to 68%. 33% (up from 23%) said they'd contact us.

One of the aims of the 'refer to higher-level' process is to help re-establish the relationship between the company and their customer. To make the process work — and regain customer confidence — the company needs to be approaching each complaint individually and pro-actively.

These results indicate that isn't always happening. We've reminded the companies that it's essential they have enough staff to deal with the complaints being referred to them from EWOV.

# EWOV: the numbers continued

## Where did our customers come from?

Fig 15: EWOV cases received from residential customers by Council/Shire

Council/Shire area	map no.	Population 2008-09*	Residential cases 2008-09 <sup>^</sup>	Residential cases per 1,000 population		
				2008-09	2007-08	2006-07
Alpine S	57	12,690	54	4.26	3.89	2.15
Ararat RC	62	11,752	65	5.49	3.17	3.85
Ballarat C	41	91,787	65	0.71	0.22	3.00
Banyule C	11	121,409	1,373	11.31	6.56	2.71
Bass Coast S	38	28,802	185	6.41	3.49	3.85
Baw Baw S	47	40,114	253	6.31	3.66	4.23
Bayside C	16	94,618	913	9.64	5.29	2.47
Benalla & Mansfield	46	21,712	124	5.71	3.20	2.97
Boroondara C	3	165,393	672	4.06	3.18	2.80
Brimbank C	17	181,115	1,075	5.94	3.70	2.99
Buloke S	64	7,051	27	3.83	2.98	3.47
Campaspe S	54	38,339	229	5.96	4.05	3.58
Cardinia S	37	64,310	297	4.62	2.95	2.10
Casey C	28	238,336	1,019	4.28	2.60	2.08
Central Goldfields S	52	12,766	88	6.92	5.03	3.89
Colac Otway S	49	21,448	142	6.62	3.45	3.80
Corangamite S	50	17,270	77	4.46	2.79	3.32
Darebin C	10	137,360	1,247	9.08	5.18	3.96
East Gippsland S	70	42,742	269	6.28	3.34	3.46
Frankston C	29	125,728	1,254	9.97	6.30	3.53
Gannawarra S	65	11,630	63	5.42	4.04	4.05
Glen Eira C	15	133,807	1,242	9.28	5.96	3.33
Glenelg S	71	20,871	116	5.56	4.79	3.77
Golden Plains S	40	17,681	82	4.62	3.29	2.62
Greater Bendigo C	44	100,054	528	5.28	3.65	3.66
Greater Dandenong C	20	135,243	910	6.73	4.33	2.30
Greater Geelong C	32	211,841	1,275	6.02	3.84	3.56
Greater Shepparton C	55	61,014	374	6.13	4.25	4.13
Hepburn S	42	14,489	122	8.43	5.67	3.81
Hindmarsh S	75	6,179	22	3.56	1.94	3.17
Hobsons Bay C	6	86,121	532	6.18	4.38	2.83
Horsham RC	74	19,648	69	3.51	2.43	3.01
Hume C	24	162,260	1,241	7.65	4.12	2.45
Indigo S	67	15,710	72	4.58	2.52	2.22
Kingston C	21	143,727	1,123	7.81	5.21	2.71
Knox C	19	153,988	771	5.01	3.04	2.04
Latrobe C	59	73,982	430	5.81	3.80	3.31
Loddon S	53	8,073	70	8.71	6.81	5.47
Macedon Ranges S	34	40,939	253	6.18	3.57	3.60
Manningham C	12	116,983	807	6.89	6.14	2.48
Maribyrnong C	7	69,825	641	9.18	5.81	4.52
Maroondah C	18	104,297	553	5.30	3.57	2.84
Melbourne C	1	89,759	690	7.69	6.11	7.39
Melton S	23	92,465	528	5.71	3.98	2.54
Mildura RC	77	53,122	282	5.30	4.05	3.01
Mitchell S	35	33,374	167	5.00	3.33	2.85
Moir S	66	28,752	174	6.03	3.44	2.99
Monash C	14	172,740	1,218	7.05	4.69	2.30
Moonee Valley C	8	108,909	1,031	9.46	5.31	3.38
Moorabool S	33	27,247	180	6.61	4.51	4.71
Moreland C	9	145,900	942	6.46	4.30	3.21
Mornington Peninsula S	30	145,356	1,473	10.13	6.02	3.78
Mount Alexander S	43	18,116	164	9.05	4.65	3.94
Moyne S	61	16,405	87	5.27	3.17	3.78
Murrindindi S	36	14,369	65	4.51	2.11	1.52
Nillumbik S	26	63,181	239	3.79	2.02	1.72
Northern Grampians S	63	12,322	36	2.88	1.79	3.70
Port Phillip C	5	93,752	815	8.69	6.17	4.23
Pyrenees S	51	6,800	49	7.21	4.58	5.17
Queenscliffe B	31	3,256	20	6.14	2.52	3.07
South Gippsland S	48	27,165	164	6.02	3.13	3.09
Southern Grampians S	72	17,451	91	5.19	3.18	3.09
Stonnington C	4	97,711	489	5.00	4.02	3.15
Strathbogie S	45	9,855	55	5.53	2.77	2.35
Surf Coast S	39	24,442	83	3.40	3.66	3.53
Swan Hill RC	78	21,765	122	5.61	4.33	4.69
Towong S	69	6,273	28	4.38	4.16	1.93
Wangaratta RC	56	28,117	182	6.46	4.14	2.72
Warrnambool C	60	32,712	179	5.46	3.53	3.96
Wellington S	58	42,576	213	5.00	2.93	3.30
West Wimmera S	73	4,597	13	2.83	3.93	4.53
Whitehorse C	13	153,407	954	6.22	4.85	2.15
Whittlesea C	25	139,250	438	3.15	2.28	1.63
Wodonga RC	68	35,064	164	4.66	3.85	1.75
Wyndham C	22	132,793	547	4.12	3.60	2.69
Yarra C	2	76,402	436	5.70	4.25	3.98
Yarra Ranges S	27	146,886	725	4.94	3.50	2.70
Yarriambiack S	76	7,658	42	5.48	2.74	4.15
33,798 <sup>#</sup>						

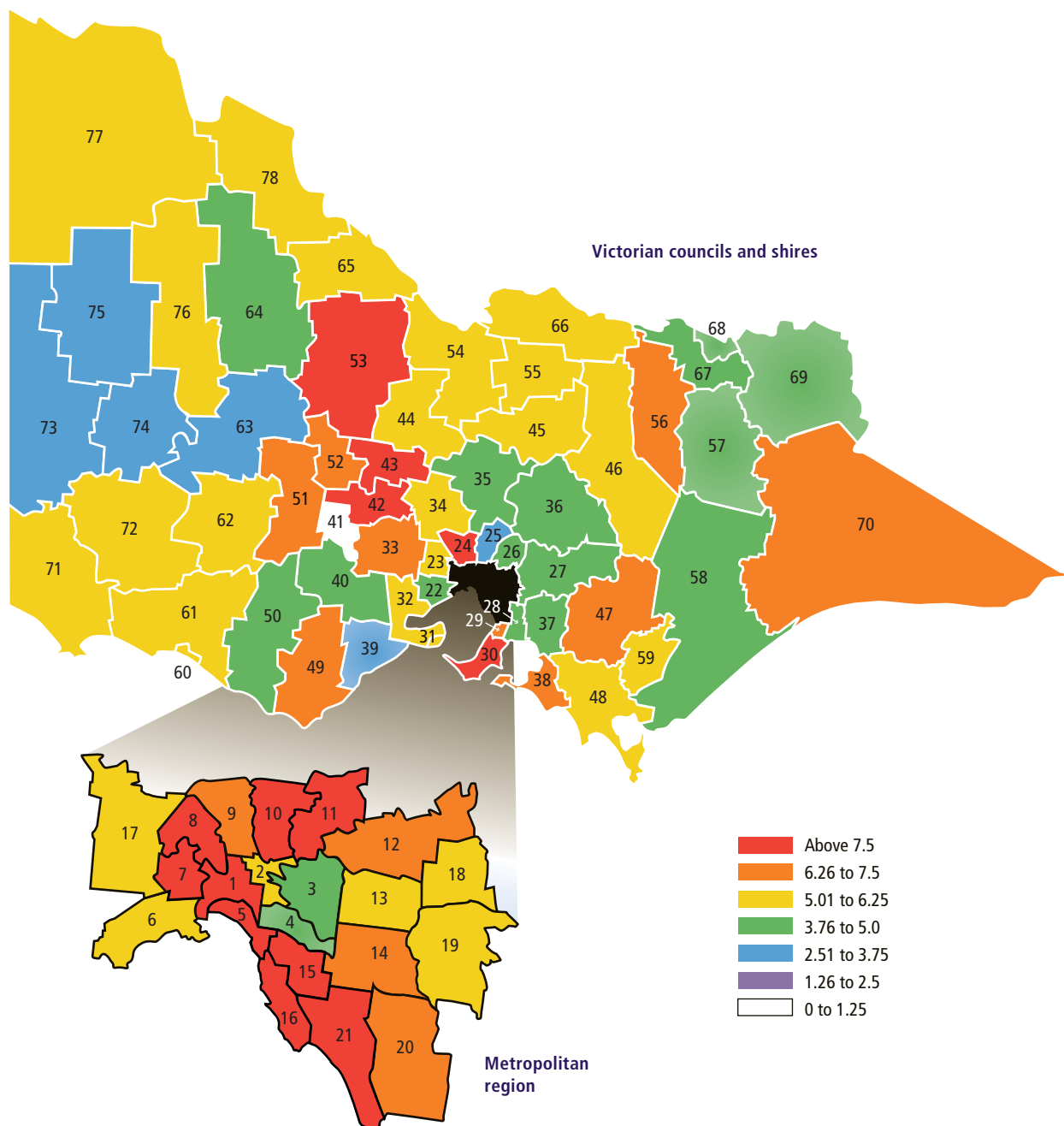
### NOTES:

# Excludes residential cases where the customer didn't disclose a Victorian suburb/postcode or was from interstate or overseas, as well as non-residential cases.

\* Populations for 2008/09 and 2007/08 based on Australian Bureau of Statistics data.

Populations for 2006/07 and 2005/06 based on [www.livein victoria.vic.gov.au](http://www.livein victoria.vic.gov.au) data.

<sup>^</sup> Cases allocated to Council/Shire areas based on the suburb/postcode. Where a suburb/postcode bridges more than one Council/Shire, cases have been divided across those Councils/Shires. The sum of cases for each Council/Shire has then been rounded to the nearest whole number.



# EWOV: the numbers continued

## What was achieved for customers?

We handle each enquiry and complaint on a case-by-case basis. The outcomes achieved for customers can vary widely, depending on the circumstances of the case.

**Fig 16: Case outcomes and customer redress**

We responded to 2,362 enquiries, providing information and/or a referral		We finalised 36,173 complaints	
1,073 enquiries (45%) provided with general information and referred to companies		27,920 complaints were referred to companies or elsewhere	7,263 complaint investigations were finalised
676 enquiries (29%) provided general information		7,758 complaints (27%) referred to company contact centres	6,610 complaints (91%) were conciliated
258 enquiries (11%) referred to a Regulator		19,477 complaints (68%) referred to higher-level company contacts *	Redress to customers:
145 enquiries (6%) referred to another Ombudsman		221 complaints (<1%) referred to a Regulator	211 written apologies
81 enquiries (3%) referred to Government		219 complaints (<1%) referred to another Ombudsman	\$1,556,312 in billing adjustments
129 enquiries (5%) referred to other bodies		115 complaints (<1%) referred to Government	\$474,619 in recognition of customer service issues
		130 complaints (<1%) referred to other bodies	\$168,727 in debt reductions/waivers
		990 complaints did not require referral or investigation **	\$78,044 in waived fees
			\$9,794 in guaranteed service level payments
			1,884 payment plans negotiated
			540 complaints (7%) closed on the basis of no further contact from the customer
			53 complaints (<1%) where further investigation wasn't warranted
			43 complaints (<1%) were withdrawn by customer
			15 Complaints (<1%) found to be out of jurisdiction
			2 Complaints (<1%) more appropriately dealt with by another body
			No Binding Decisions

### NOTES:

\* 10,946 of the complaints referred back to a higher-level company contact would normally have been investigated, but for an interim process of offering customers a final opportunity for direct resolution, if they agreed.

\*\* Some customers wish to register their complaint with us, e.g. about energy marketing/switching, but don't seek referral or investigation.

Percentages are rounded to the nearest whole number.

Some of the complaints which were investigated and finalised were received prior to July 2008.

# EWOV: the issues

## What were customers' concerns?

Fig 17: Common customer concerns

	Number of issues	10%	20%	30%	40%	50%	% of all issues raised
<b>Billing</b>	<b>28,796</b>						<b>45</b>
Error	5,025						8
High	4,601						7
Delay	4,019						6
<b>Customer Service</b>	<b>11,004</b>						<b>17</b>
Failure to Respond	5,479						8
Poor Service	2,373						4
Failure to Consult/Inform	1,282						2
<b>Transfer</b>	<b>8,858</b>						<b>14</b>
Contract Terms	2,096						3
Without Consent	2,062						3
Site Ownership	1,301						2
<b>Credit</b>	<b>7,804</b>						<b>12</b>
Payment Difficulties	3,154						5
Disconnection/Restriction	2,401						4
Collection	2,239						3
<b>Marketing</b>	<b>2,669</b>						<b>4</b>
Misleading	1,348						2
Pressure Sales	545						< 1
Information	435						< 1
<b>Provision</b>	<b>2,230</b>						<b>3</b>
Existing Connection	1,206						2
New Connection	755						1
Disconnection/Restriction	268						< 1
<b>Supply</b>	<b>1,600</b>						<b>2</b>
Off Supply - Unplanned	927						1
Variation	173						< 1
Off Supply - Planned	156						< 1
<b>Land</b>	<b>551</b>						<b>&lt; 1</b>
Network Assets	242						< 1
Other	214						< 1
Easement	58						< 1
<b>General Enquiry</b>	<b>1,113</b>						<b>2</b>
Energy/Water	784						1
Non Energy/Water	329						< 1
<b>Total number of issues raised with EWOV</b>	<b>64,625</b>						

### Quick guide to EWOV issues categories

Billing	billing and payment processes
Customer service	service received or not received
Transfer	switching an account to a new energy retailer
Credit	unpaid bills
Marketing	how energy retailers go about winning new customers
Provision	connection of a property to the energy or water network
Supply	physical delivery of the energy or water service
Land	effect on property of company activities or network assets

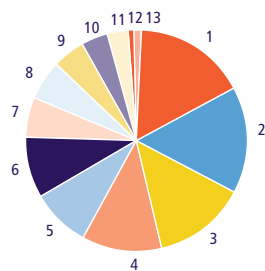
There's more about our issues categories on our website ([www.ewov.com.au](http://www.ewov.com.au)), under 'Got a Problem?'

# EWOV: the issues continued

## What were the major issues?

### Billing (45%)

Fig 18: Billing issues



1 Error	5,025	17%
2 High	4,601	16%
3 Delay	4,019	14%
4 Meter	3,339	12%
5 Backbill	2,484	9%
6 Other	2,457	9%
7 Estimation	1,728	6%
8 Fees and Charges	1,640	6%
9 Tariff	1,392	5%
10 Refund	1,075	4%
11 Concession/Rebate	1,004	3%
12 Format	19	<1%
13 Price of LPG	13	<1%
<b>Total</b>	<b>28,796</b>	

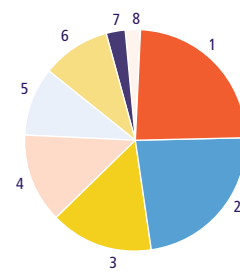
Overall, in line with previous years, billing was the largest single issue. For energy customers, it was the retail aspects of high bills, delays and billing errors. For water customers, it was high bills, general billing issues and the application of fees and charges.

### Customer Service (17%)

Every customer with an investigated complaint has been unable to resolve that matter directly with the company — suggesting poor customer service. Most customers are concerned about their original issue more than the customer service issue. However, we record a customer service issue — as well as the original issue — where a customer hasn't received a response or has made repeated attempts to resolve the issue, or where undertakings haven't been followed through by the company.

### Transfer (14%)

Fig 19: Transfer issues



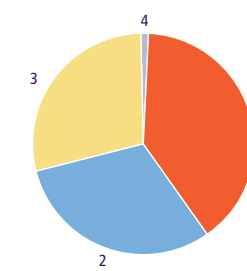
1 Contract Terms	2,096	24%
2 Without Consent	2,062	23%
3 Site Ownership	1,301	15%
4 Billing	1,119	13%
5 Cooling Off Rights	923	10%
6 Delay	913	10%
7 In Error	304	3%
8 Objection	140	2%
<b>Total</b>	<b>8,858</b>	

Transfer is the process of switching an account from one energy retailer to another. Customers were most concerned about contract terms and the transfer of their account to a new retailer without their consent.

The issue of transfer is closely related to that of marketing — the most common marketing sub-issue was misleading behaviour.

### Credit (12%)

Fig 20: Credit issues



1 Payment Difficulties	3,154	40%
2 Disconnection/Restriction	2,401	31%
3 Collection	2,239	29%
4 Deliveries Stopped (LPG)	10	<1%
<b>Total</b>	<b>7,804</b>	

Credit issues relate to customers' capacity to pay their bills and stay on supply — 40% were about payment difficulties.

We find a payment plan is usually the best way to achieve a sustainable outcome in credit and billing cases involving payment difficulties — 26% of all finalised investigations involved a payment plan.

29% of credit issues were about debt collection — we can investigate this issue, even where the debt has been outsourced to a debt collection agency.

At 8.5% of all sub-issues raised by customers, company failure to respond was the largest — above billing errors (7.8%) and high bills (7.1%).

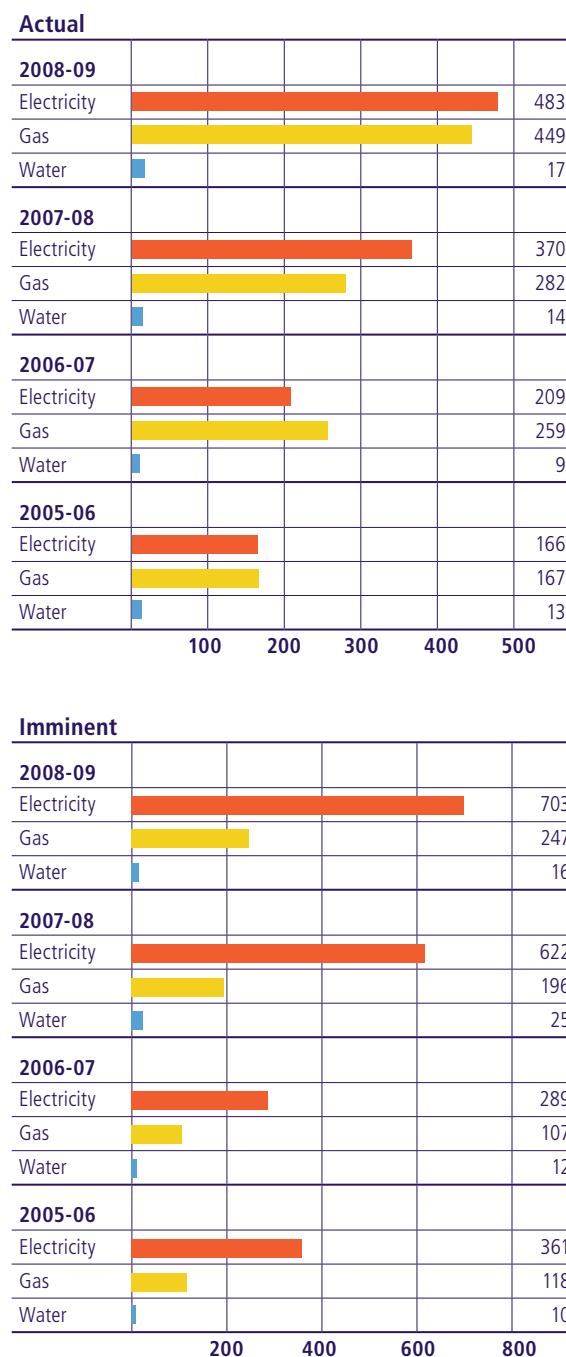


## Credit-related disconnection and restriction

Credit-related energy disconnection and water restriction made up 31% of credit issues. We closely monitor and report on this issue for our own case handling purposes, and also because of continuing interest in the information by consumer groups, regulators and government agencies.

In 53% of the energy disconnection complaints we investigated — where the customer's retailer had disconnected the customer — the retailer agreed to make a wrongful disconnection payment.

**Fig 21: Credit-related disconnection/restriction cases**



# EWOV: the issues continued

## What were the systemic issues?

While EWOV has been set up to conciliate individual complaints, we have a responsibility to identify systemic issues and potential compliance issues — and, as appropriate, report these to the companies concerned and relevant regulatory authorities.

### Definition

A systemic issue may be defined as — but is not limited to — one or more of (1) an issue, (2) a problem or (3) change in member policy or practice that does affect, or has the potential to affect, a number of customers. It may be caused by a range of things in isolation or together. These include — but aren't limited to — a system change, an alteration in performance levels, a policy or procedure change, lack of policy/procedure, lack of clear regulatory guidelines, regulatory non-compliance, the conduct of a company's employee, agent, servant, officer or contractor, and the action of a stakeholder (e.g. a legislative/regulatory change which is misunderstood/wrongly applied).

This definition is drawn from those used by the Australian Securities & Investments Commission (ASIC), other Ombudsman schemes, current thinking on best practice, and the *Benchmarks for Industry-Based Customer Dispute Resolution Schemes*.

Systemic issues can adversely affect large numbers of customers and/or particular customer groups, sometimes on an ongoing basis. While some customers contact us, others don't. By being proactive, we can work with companies and regulators to bring about redress and reduce possible wider impact — leading to more efficient industry practices and fewer complaints.

### Our role

In energy retail, we identify systemic issues and report them to the Essential Services Commission (ESC) for investigation and any subsequent action — the ESC has a legislative mandate to investigate and obtain redress for affected customers. In energy distribution, we refer any identified systemic issues to the Australian Energy Regulator (AER).

In water, we not only identify systemic issues, we investigate them and seek redress for affected customers — we then report these outcomes to the Department of Sustainability and Environment.

### Systemic issues in 2008-09

Incorrect calculation of Service to Property charges (SI/2008/43)

Marketing to an embedded network retirement village (SI/2008/46)

Hardship form required detailed and personal information (SI/2008/48)

EWOV's information incorrectly printed on retailer's transfer form (SI/2008/49)

Failed resolution of complaints due to billing system error (SI/2008/51)

Confirmation of sale information not sent within required timeframe (SI/2008/55)

Long telephone hold times (SI/2008/57)

Public holidays not accounted for in billing cycles (SI/2008/68)

Locating refundable advances paid prior to privatisation (SI/2008/70)

Overcharge due to rounding up of network tariffs (SI/2008/76)

Incorrect solar offsets applied (SI/2008/94)

Refundable advances inappropriately requested (SI/2008/98)

Misleading marketing conduct (SI/2008/103)

Full rebate for poor performance by distributor not passed through by retailer (SI/2009/1)

Inconsistent information about connection to a sewerage system (SI/2009/8)

Delays in processing refund cheques (SI/2009/11)

## A closer look

### Hardship form required detailed and personal information (SI/2008/48)

We were contacted by a customer concerned by the information a retailer was seeking on its hardship form — detailed, private information about expenses, income and debt, some of which may not be necessary to assess financial hardship. Contacted by us, the retailer said it was working towards a new form — and would use the phone more to obtain hardship information. The retailer has since released its new form — it doesn't ask for as much information, looking instead at the underlying issues.

### Locating refundable advances paid prior to privatisation (SI/2008/70)

Customers who paid refundable advances to the Gas and Fuel Corporation or the State Electricity Commission prior to privatisation weren't able to work out where their payment had gone. We established that, where money remains unclaimed for over 12 months, under the *Unclaimed Money Act 2008*, retailers place a notice in the Victorian Government Gazette — if the money is not claimed, they transfer the money to the Victorian Government's State Revenue Office. Affected customers can apply to the State Revenue Office to reclaim their money.

### Overcharge due to rounding up of network tariffs (SI/2008/76)

Some customers were overcharged when their tariffs were rounded up. When we raised the issue with the retailer, it found that its system had automatically rounded up certain customers. The retailer isolated and manually changed the accounts of all affected customers. It also organised a system upgrade to avoid the same thing happening again.

### Refundable advances inappropriately requested (SI/2008/98)

A retailer changed its policy, requiring new customers to provide either a refundable advance or a direct debit arrangement if they didn't have a utility credit rating. Section 8.1 of the *Energy Retail Code* outlines the limited circumstances when retailers can seek a refundable advance (also called a security deposit). The code also provides that customers must be made aware of all applicable fees and charges before they sign up with a new retailer. After we discussed the matter, the retailer agreed to amend its requirements. The identification of this issue has been validated by an ESC audit.

### Misleading marketing conduct (SI/2008/103)

One retailer's sales representative gave potential customers the impression they were calling from the customer's existing retailer. Then, at the end of the phone call, they told the customers their future bills would come from a different retailer. When this was brought to the attention of the retailer, it made significant improvements to its marketing practices — closure of a telemarketing centre, major changes to its internal processes, increased monitoring of sales representatives and more training, more frequently.

You'll find more information about how 2008-09 systemic issues were addressed on our website ([www.ewov.com.au](http://www.ewov.com.au)).

EL GAS KLEEN  
ORIGIN ENERGY LPG POWER  
SUPAGAS AGL S  
AUSTRALIAN POWER &  
ENERGYAUSTR  
ORIGIN ENERGY RED EN  
SIMPLY ENERGY TRUEN  
VICTORIA ELECTRICITY CITY WEST WA  
SOUTH EAST WATER YARRA VALLEY WA  
MELBOURNE WATER BARWON WA  
CENTRAL HIGHLANDS W  
COLIBAN WA  
EAST GIPPSLAND W  
GOULBURN VALLEY WATER GRAMPIANS W  
WIMMERA MA  
LOWER MURRAY WATER NORTH  
SOUTH GIPPSLAND WATER WANNON WATER VI  
WESTERN WATER WESTERNPORT W  
GOULBURN-MU  
GRAMPIANS WIMMERA MALLEE W  
LOWER MURRAY WAT  
SOUTHERN RURAL W  
AGL SALES AURORA EN

# EWOV people

## The Board

Meeting every two months, the Board is responsible for the business affairs and property of EWOV Limited — corporate governance, approval of budgets, risk management, strategic planning and ensuring the Ombudsman's independence.



The Hon. Tony Staley AO

Carolyn Bond

Neil Brennan

Richard Gross

### The Hon. Tony Staley AO

#### **Chairperson**

*appointed 30 November 1998*

Educated in law and political science, Tony Staley is a former Commonwealth Government Minister. Made an Officer of the Order of Australia in January 2007, he is also Chairman of the internet regulator, auDA, the Cooperative Research Centres Association of Australia and the Board of Advice, Partners in Performance International.

The EWOV Board has an independent Chairperson, four consumer directors nominated by the Essential Services Commission and four industry directors (two electricity, one gas and one water) elected by the companies which are EWOV scheme participants.

### Carolyn Bond

#### **Consumer Director**

*appointed 27 June 2007*

Currently the co-CEO of the Consumer Action Law Centre, Carolyn Bond has worked in the consumer advocacy field for over 20 years. She represents the consumer interest on a range of bodies and is a past Chair of the Consumers' Federation of Australia.

### Neil Brennan

#### **Industry Director**

*appointed 22 August 2002*

Neil Brennan is the Managing Director of Central Highlands Water. He has over 25 years experience in the water industry, 15 years as Chief Executive/Managing Director. Neil is Chairman, Goldfields Superpipe Joint Venture Company, a Director of the Northern Victorian Irrigation Renewal Project and a Past President of the Institute of Water Administration.

### Richard Gross

#### **Industry Director**

*appointed 14 December 2001*

Richard Gross is General Manager Regulation for CitiPower Pty and Powercor Australia Ltd. With extensive experience in network revenue/pricing, financial planning and analysis, Richard was a member of the original Electricity Industry Ombudsman (Victoria) Council.

David Headberry

David McNeil

Karen Moses

John Mumford

Mark O'Brien



### David Headberry

#### **Consumer Director**

*appointed 20 June 2002*

David Headberry is Managing Director of Headberry Partners P/L, which specialises in assisting energy consumers secure low-cost, reliable, energy supplies and providing consumer input to government and regulatory reviews and investigations on energy supply issues. A qualified engineer, he is a long-time advocate for consumers on energy matters.

### David McNeil

#### **Industry Director**

*appointed 21 August 2008*

General Manager Retail Operations for AGL Energy Limited, David McNeil has over 30 years experience in the energy industry. He is an industry representative on the Retail Market Executive Committee and the Information Exchange Committee. He also serves on the Board of the Energy Industry Ombudsman South Australia and co-chairs AGL's Customer Council.

### Karen Moses

#### **Industry Director**

*appointed 20 October 2005*

Karen Moses has over 27 years experience in the energy industry. Currently Executive Director, Finance and Strategy for Origin, she is also a Director of Origin Energy Limited, the Australian Energy Market Operator Limited and Contact Energy Limited in New Zealand.

### John Mumford

#### **Consumer Director**

*appointed 30 June 2004*

John Mumford is a financial counsellor at Bass Coast Regional Health in Wonthaggi. He has a strong background in grassroots consumer advocacy, specialising in issues that affect rural consumers.

### Mark O'Brien

#### **Consumer Director**

*appointed 30 June 2004*

Mark O'Brien has worked in tenancy advice and advocacy, in both paid and unpaid capacities, since 1987. CEO of the Tenants Union of Victoria, he previously worked in government and the construction industry as a civil and structural draftsman.

### Christopher See

#### **Company Secretary**

*21 October 2008 to 30 June 2009*

# EWOV people continued

## The staff (at 30 June 2009)

Ombudsman: **Fiona McLeod**

→ Executive Assistant: **Toni Warren**

Deputy Ombudsman: **Janine Young**

- Executive Assistant: **Sonja Raymond**
- Learning and Development Officer: **Tricia Lester**
- IT Consultant: Outsourced
- Legal Consultant: Outsourced
- Information Services Co-ordinator: **Steve Yates**
- IT Support Officer: **Jennie Cruz**

Manager Operations: **Vanessa Raso**

Manager Public Affairs and Policy: **Frances Wood**

- Policy and Research Officer: **Tanja Stephan**
- Stakeholder Relations Officer: Vacant at 30/6/2009
- Stakeholder Communications Officer: Vacant at 30/6/2009
- Public Affairs Consultant: Outsourced

Business Manager: **Christopher See**

- Administration Manager: **Elicia Withers**
- Administration Support Officer: **Amea Walker**
- Administration Support Officer: **Casey Jenkins**
- Administration Support Officer: **Connie Fragale**
- Administration Support Officer: **Terleetha Kruger**

Human Resources Manager: Vacant at 30/6/09

Enquiry  
Team Manager  
**Lynette Liberti**

Enquiry Officers  
**Alex Gray**  
**Allister Gammie**  
**Angie Girginis**  
**Carli Zentveld**  
**Gabriela Chrusciel**  
**Hanh Duong**  
**Kellie Adam**  
**Leisha Gill**  
**Maria Callejo**  
**Maria Gasparro**  
**Marney Kinsella**  
**Nicole Gee**  
**Wayne Lowe**

Conciliation  
Team Manager  
**Matthew Chable**

Complex  
Case Manager  
**Tamara Abraham**

Conciliators  
**Amber Cassidy**  
**Brod Jackson**  
**Clare Quinn**  
**Jim Flanagan**  
**Justin Stokes**  
**Nicholas Butcher**  
**Nicki Constable**  
**Susan Lees**  
**Teng Seng**



Conciliation  
Team Manager  
**Mandy Wilkins**

Complex  
Case Manager  
**Vicki Krokos**

Conciliators  
**Cliff Scutt**  
**Colleen Eccles**  
**Jane Davey**  
**Janet Vaeau**  
**Jeff Smith**  
**Kristina Schmieg**  
**Natalie Horwood**  
**Ricky Hewton**  
**Zac Stamos**

Conciliation  
Team Manager  
**Marcela Mandarin**

Complex  
Case Manager  
**Belinda Crivelli**

Conciliators  
**Andrew Musgrave**  
**Andrew Sawle**  
**Andriana Georgievski**  
**Christie Gurner**  
**Claire O'Dea**  
**Gabbi Dalsasso**  
**Jenna Condon**  
**Mansoor Shamsi**  
**Nazih Raffoul**

Conciliation  
Team Manager  
**Jane Edwards**

Complex  
Case Manager  
**Jackie Wise**

Conciliators  
**Arthur Moshis**  
**Chris Stuart-Walker**  
**Daniela Brueckner**  
**Fiona Clarke**  
**Hannah Druce**  
**Jimmy Russell**  
**Penny Fletcher**  
**Todd McDonald**  
**William Smith**

## Quick guide to EWOV job descriptions

### Ombudsman

Responsible for the overall performance of the scheme, its day-to-day operation and the effective and efficient investigation and resolution of customer complaints

### Deputy Ombudsman

Responsible for strategic direction of Conciliation, learning and development and IT

### Manager Public Affairs and Policy

Leads the public affairs, policy, research and stakeholder engagement functions

### Business Manager

Responsible for business, finance and administration

### Manager Operations

Manages the day-to-day case handling functions and their effectiveness

### Human Resources Manager

Responsible for human resources

### Conciliation Team Managers

Day-to-day management of a team of Conciliators and a Complex Case Manager

### Enquiry Team Manager

Day-to-day management of a team of Enquiry Officers

### Information Services Co-ordinator

Responsible for the operation and ongoing development of information systems

### Learning and Development Officer

Develops and supports learning and development activities

### IT Support Officer

Day-to-day running of IT systems and implementation of IT solutions

### Stakeholder Relations Officer

Responsible for stakeholder relations and engagement

### Policy and Research Officer

Responsible for research and policy development, externally and internally

### Stakeholder Communications Officer

Plans and implements an annual programme of communications for stakeholders

### Complex Case Managers

Focus on difficult and protracted cases requiring high level management

### Conciliators

Investigate and resolve cases from start to finish

### Enquiry Officers

Provide information and internal and external referrals for customers

### Executive Assistants

Provide executive and project support

### Administration Manager

Leads the Administration Team

### Administration Support Officers

Provide administrative support to EWOV

# EWOV at work

## Dispute resolution

As well as investigating and facilitating the resolution of complaints, we provide customers with independent advice, information and referral.

### What we can deal with

While our services are available to everyone, we mainly assist residential and small business customers.

We can help with complaints about most aspects of their relationship with their energy or water company — provision and supply of the energy or water service, failure to provide or supply the service, bills, billing and payment arrangements, credit and payment services, supply disconnection and restriction, refundable advances, land and property.

You can read more about the things we can and can't handle in the 'Got a problem?' section of our website ([www.ewov.com.au](http://www.ewov.com.au)).

### Our case types

Case is an overall term for all matters customers contact us about. Each case is registered and classified as either an enquiry or a complaint, based on how the customer presents it.

An enquiry is a request from a customer for general information.

A complaint is an expression of dissatisfaction regarding a policy, practice or customer service performance of an energy or water company — where a response or resolution is explicitly or implicitly expected.

In 2008-09, we finalised 7,263 complaint investigations.  
91% of these were conciliated.

For other outcomes, see figure 16 on page 16.

### Our complaint categories

We classify complaints according to whether the customer has already contacted their company and whether the matter falls within our jurisdiction. A complaint can be referred to a scheme participant or investigated — this depends on the number of contacts between the company and the customer by the time the customer comes to EWOV, and the customer's wishes. From 1 July 2009, our categories changed (see page 49).

In 2008-09, we used the following complaint categories:

- *complaint received for investigation* — complaint was unresolved after two or more contacts between the customer and their company — we investigated it
- *complaint referred to higher-level contact* — complaint was unresolved after one contact by the customer with the contact centre — we referred them to a higher-level contact at the company
- *investigated complaint as RHL* — the customer had spoken to the company two or more times, but was prepared to make a final attempt at direct resolution — we referred the complaint to the company's higher level
- *complaint referred to company* — the customer hadn't spoken with the company at all — we referred them back to the contact centre
- *complaint referred elsewhere* — for example, to a regulator, another Ombudsman, government or other body
- *other complaints* — the customer wanted to register their complaint issue with EWOV, but didn't want it investigated or referred.

In 2008-09, 10,946 customers chose to go back to the company for a final attempt at direct resolution.

### Our issue categories

We use 9 first level issues categories — Billing, Credit, Customer Service, Land, Marketing, Provision, Supply, Transfer and General Enquiry. These are broken into sub-issues to describe the complaint in more detail — e.g. a billing case may be about a meter (second level) related to a reading (third level).

### Our approach to dispute resolution

We work informally, rather than legalistically, using alternative dispute resolution (ADR) methods. Because our processes are external to the companies, our work is often also described as external dispute resolution (EDR).

Our services are free to customers and give them an alternative to formal legal proceedings.

Before we accept a complaint for investigation, the company must have had a reasonable opportunity to resolve it through its internal dispute resolution (IDR) process — that usually means at least two contacts by the customer with the company.

For those customers who contact us without having gone through their company's IDR process, we provide information, guidance and advice as part of our referral process.

Most complaints are lodged over the phone, but customers can reach us by post, fax, email and online as well — they can also authorise someone to act on their behalf.

We use services to help those with speech or hearing impairments — or whose first language isn't English.

In 2008-09, billing made up 45% of all issues customers raised with us.

Our focus is on conciliation — often over the phone — with the customer and the company agreeing on an outcome and what needs to be done to achieve it.

We uncover the facts and help the customer and the company better understand the issues and each other's point of view — this is particularly important where the relationship between them has broken down and will benefit with assistance in rebuilding.

Our investigation is thorough and impartial. We arrive at an independent view of what happened — taking account of what's fair and reasonable, good industry practice and current law.

If, in the end, the complaint can't be conciliated, the Ombudsman has the power to make a decision. This decision is binding on the company, if the customer accepts it. Otherwise, the customer may choose to take action in another forum, such as a court.

The last time the Ombudsman had to make a Binding Decision was in 2003.

## Helping companies do better

Clearly, the primary responsibility for responding to customer enquiries and resolving customer complaints rests with the energy and water companies, not EWOV.

However, because dispute resolution is our core business, we're in a good position to help the companies participating in our scheme improve their customer service — to prevent complaints in the first place and deliver better internal dispute resolution (IDR) to their customers when complaints do arise.

By surveying the customers who contact us, we're able to identify where particular service improvements are needed. For example, a survey of customers who'd chosen to go back to their company, rather than have their complaint investigated by us, showed 11% of them weren't contacted within 24 hours as required by this process — we were able to use this with the companies concerned to emphasise the importance of prompt contact.

To help build the skills of company staff, we run complaint handling training for energy and water companies and have now introduced online customer service training modules.



# EWOV at work continued

## Policy

Codes, guidelines, rules, regulations and legislation all come into play in our dispute resolution processes. It's important we're right up-to-date.



### Monitoring developments

One of the roles of EWOV's policy team is to monitor external developments — helping us identify and prepare for issues likely to affect customers and companies and, therefore, our case receipt.

This team also prepares reports on trends in EWOV cases — for use internally and for formal presentation, in particular to individual companies and regulators.

Briefings are undertaken for other EWOV staff — the Conciliation team especially — and our knowledge base is maintained.

Important in our policy work is effective co-operation between us and EWOV's regulatory, industry, government and community stakeholders.

All of this means we're able to provide constructive input to public policy dialogue — some of our 2008-09 contributions are outlined below.

### Reports & submissions

#### Electricity interval meters

Interval meters record electricity usage in half hour intervals — over the next four years, all Victorian residential and business customers will have an interval meter installed, as part of the Victorian Government's meter rollout programme. We strongly believe informed customers will be vital to success of this rollout.

We welcomed and responded to a critical analysis of the benefits and detriments of the new 'smart' technology, commissioned by the Ministerial Council on Energy Standing Committee of Officials. In our response, we noted an increase in credit-related complaints to EWOV, as household budgets have become tighter — with more complaint outcomes involving a payment plan. We expressed concern about how some aspects of the interval meter rollout — potential tariff re-assignments, pass-through costs and increasing prices

for consumers — may affect customers already experiencing payment difficulties. We recommended a stronger policy focus on affordability and payment assistance.

#### Energy marketing & transfer

We continued to provide six-monthly reports on marketing and transfer activity to regulators and energy retailers — as well as ad hoc reports. We've been pleased to see a greater focus on marketing issues among regulators — especially where marketing is directed towards vulnerable customers, such as newly arrived migrants.

#### National energy regulation

Several of our 15 public submissions to regulatory and government authorities related to the work being done on national energy regulation by the Ministerial Council on Energy Standing Committee of Officials. Overall, the first exposure draft of the *National Energy Customer Framework* was pleasing — many of the protections currently in place for customers in Victoria are being retained. However, we've identified some areas where improvements are needed — including disincentives for wrongful disconnection and a mechanism for quickly and easily dealing with low value voltage variation claims.

#### Estimated bills – water meters inaccessible

We were approached by a representative of high-rise building residents who were receiving estimated water bills — because their water meters had been located in inaccessible places such as the ceilings of car parks or the ceiling cavity of individual apartments. We wrote to the Minister for Planning about this unacceptable building practice. He undertook to have the Plumbing Industry Commission develop guidance for the industry on it — and suggested that affected residents lodge complaints with the Commission.



## Community

We continue with a multi-faceted programme of community outreach — providing a wide range of information in different formats to consumers and their representatives.

### Hardship conference

We ran our second hardship conference in March 2009 — a sell-out, it attracted a mix of company, consumer, community, regulatory and government participants. Within the theme *Hardship – Where are we on the journey?*, we looked at how much had changed over the eight years since our first hardship conference in late 2001.

Although hardship programmes have become standard, many challenges remain — particularly as energy and water become more expensive in response to environmental developments. The conference looked at hardship issues from both general and personal perspectives.



### [www.ewov.com.au](http://www.ewov.com.au)

In April 2009, after consultation with customer representatives, we launched a new look EWOV website. We plan to use the new platform to expand the ways we communicate with energy and water customers and the community generally.

### Print

We released two six-monthly *Resolution* newsletters — each with up-to-date information on energy and water cases, issues and case trends.

We expanded our range of fact sheets to include:

- Water licensing and EWOV — helps customers decide where to lodge a complaint about water licensing
- Info for Members of Parliament and Electorate Officers — helps parliamentarians and electorate officers understand when and how to contact EWOV
- Estimated bills and meter access — explains when and why bills may be based on estimated meter readings.

### Connect

We distributed four issues of *EWOV Connect*, our quarterly electronic newsletter for community, welfare and health service workers — our aim is to provide them with resources to draw on when helping clients with energy and water issues.



### Community presentations

Understanding the difficulties often faced by customers whose English is limited, in 2008-09 we focused on raising awareness of EWOV among culturally and linguistically diverse consumers.

We factored this in as we travelled regionally and within Melbourne, partnering with community agencies and peak bodies to make presentations to community groups.

Energy marketing was a commonly requested topic. For example, the Footscray Community Legal Centre organised a workshop for the African community living in Melbourne's west — our presentation was aimed at helping customers from this community understand the workings of the energy and water industries in Australia, in particular energy contractual arrangements.

We held an energy marketing workshop for staff at the Spectrum Migrant Resource Centre in Preston — a resource centre, which helps migrants and refugees across a range of communities — Iraqi, Lebanese, Chinese, Vietnamese, Sudanese and Somali.

Another energy marketing workshop was run in conjunction with the Ethnic Council of Shepparton and District and attended by members of the local Iraqi community.

We continued to take part in the *Koories – Know Your Rights* programme led by the Indigenous Consumers Unit of Consumer Affairs Victoria. This programme aims to improve access to government services for Indigenous Victorians.

With other schemes in the Australian and New Zealand Ombudsman Association (ANZOA), we presented information on external dispute resolution services during Tertiary Orientation Weeks.

At the other end of the age spectrum, we briefed welfare workers who help veterans in Department of Veterans' Affairs centres across Victoria — about hardship programmes, the rules around disconnection and how we can assist.

# Electricity

25,969 cases, up 54%

24,580 complaints, up 59%

## Investigated complaints

4,926 received, 4,926 finalised

## Most common issues

45% billing, 17% customer service, 14% transfer

## Cases by sector

90% retail, 5% distribution

At 30 June 2009, 22 retailers, 5 distributors and 2 transmission companies were electricity participants in the EWOV scheme.

All Victorian electricity customers can choose their electricity retailer.

Customers can't choose their electricity distributor, because each of the five distributors owns the 'poles and wires' network in a specific part of the state.

GAS KLEENHEAT ORIGIN ENERGY LPG  
POWERGAS SUPAGAS AGL SALES  
AUSTRALIAN POWER & GAS  
ENERGY AUSTRALIA ORIGIN ENERGY  
ED ENERGY SIMPLY ENERGY TRUENERGY  
TORIA ELECTRICITY CITY WEST WATER  
OUTH EAST WATER YARRA VALLEY WATER  
ELBOURNE WATER BARWON WATER  
NTRAL HIGHLANDS WATER  
OLIBAN WATER EAST GIPPSLAND WATER  
PPSLAND WATER GOULBURN VALLEY WATER  
RAMPIANS WIMMERA MALLEE WATER  
OWER MURRAY WATER NORTH EAST WATER  
OUTH GIPPSLAND WATER WANNON WATER  
ESTERN WATER WESTERNPORT WATER  
OULBURN-MURRAY WATER  
AMPIANS WIMMERA MALLEE WATER  
OWER MURRAY WATER  
OUTHERN RURAL WATER  
EL SALES AURORA ENERGY  
AUSTRALIAN POWER & GAS  
ICK ENERGY COUNTRY ENERGY  
ODO POWER & GAS ENERGY AUSTRALIA  
ENERGY ONE INTEGRAL ENERGY



Fig 22: Electricity cases EWOV received and finalised in 2008-09

		Overall cases		Enquiries	Total complaints	Complaints				complaint investigations finalised
		2008-09	2007-08			complaints referred elsewhere	complaints referred to company	complaints referred to higher-level contact**	complaints received for investigation	
RETAIL	customer bandwidths^									
AGL Sales	■■■	10,304	5,964	241	10,063	280	1,866	5,459	2,458	2,450
Aurora Energy	■	4	3	1	3	1	0	1	1	1
Australian Power & Gas	■	455	171	32	423	14	118	212	79	83
Click Energy	■	22	29	0	22	1	8	5	8	6
Country Energy	■	266	226	19	247	19	70	143	15	11
Dodo Power & Gas	■	1	0	1	0	0	0	0	0	0
EnergyAustralia	■	157	1	14	143	27	41	70	5	3
Energy One	■	1	1	0	1	0	1	0	0	0
Integral Energy	■	7	5	0	7	3	1	2	1	1
Jackgreen	■	72	47	0	72	6	16	35	15	9
Momentum Energy	■	55	116	2	53	1	14	25	13	19
Neighbourhood Energy	■	829	145	33	796	77	129	506	84	81
Origin Energy	■■■	4,437	4,027	198	4,239	151	956	2,266	866	931
Powerdirect	■	248	326	9	239	4	71	104	60	64
Powerdirect Australia (AGL)	■	0	0	0	0	0	0	0	0	0
Red Energy	■	745	471	27	718	34	149	413	122	118
Simply Energy	■	1,337	912	40	1,297	60	239	749	249	235
Sun Retail	■	0	0	0	0	0	0	0	0	0
TRUenergy	■■■	2,580	1,504	86	2,494	102	514	1,411	467	448
Victoria Electricity	■■	1,878	1,046	71	1,807	73	468	971	295	268
Total retail		23,398	14,994	774	22,624	853	4,661	12,372	4,738	4,728
DISTRIBUTION	% customers~									
CitiPower	(12%)	80	65	6	74	5	27	35	7	10
Jemena (formerly Alinta AE)	(12%)	150	196	12	138	3	39	76	20	24
Powercor Australia	(27%)	342	263	8	334	23	110	150	51	54
SP AusNet	(24%)	397	346	20	377	19	111	201	46	43
United Energy Distribution	(25%)	456	296	15	441	18	142	218	63	66
Total distribution		1,425	1,166	61	1,364	68	429	680	187	197
TRANSMISSION										
National Grid (Basslink)		0	0	0	0	0	0	0	0	0
SP AusNet		6	9	0	6	0	1	4	1	1
Total transmission		6	9	0	6	0	1	4	1	1
Non company specific		1,140	659	554	586	305	281	-	-	
ELECTRICITY TOTALS		25,969	16,828	1,389	24,580	1,226	5,372	13,056	4,926	4,926

NOTES:

Some of the complaints which were investigated and finalised were received prior to July 2008.

Not all EWOV scheme participants are currently active in the Victorian market.

784 electricity investigations were upgraded to Level 2 during the year and 224 investigations were upgraded to Level 3.

\*\* 7,399 of the 13,056 electricity complaints referred back to a higher-level contact would normally have been investigated, but for an interim process of offering customers a final opportunity for direct resolution, if they agreed.

Retailers engaged in marketing activities take the view that their marketing may have an impact on their case numbers from time to time.

^ Customer bandwidths: ■ denotes less than 250,000 customers at 30 June 2009; ■■ 250,001 - 500,000 customers; ■■■ 500,001 - 750,000 customers;

■■■■ 750,001 - 1,000,000 customers. This is based on information provided to EWOV by each retailer.

~ Electricity distributors' customer shares are based on 2007 customer numbers in the ESC's *Electricity Distribution Businesses - Comparative Performance Report 2007* (October 2008).

# Electricity continued

**Fig 23: How electricity cases are trending**

	2005-06	2006-07	2007-08	2008-09
<b>Electricity overall</b>	12,633	11,904	16,828	25,969
<b>Electricity retail</b>	10,214	10,236	14,994	23,398
<b>Electricity distribution</b>	1,423	1,089	1,166	1,425
<b>Electricity transmission</b>	3	11	9	6

## Drilling down on trends in electricity cases

Over the past year, electricity cases increased 54% overall (from 16,828 to 25,969) — within this, complaints increased 59% (from 15,422 to 24,580).

There was a 22% increase in electricity distribution cases (from 1,166 to 1,425) — and distribution complaints were up 26% (from 1,079 to 1,364) — supply issues, such as outages, were up 51% (from 821 to 1,240).

However, it was electricity retail increases driving our record case numbers — retail cases increased 56% overall (from 14,994 to 23,398) — retail complaints were up 61% (from 14,069 to 22,624).

One large electricity retailer accounted for more than 40% of the cases, experiencing increases of over 100% across most issues — a fall in service delivery following a major IT system upgrade was the main contributing factor.

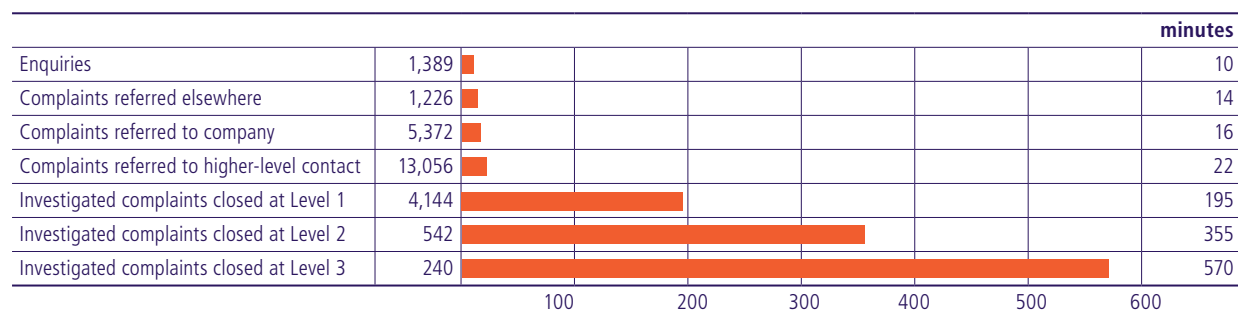
Electricity billing issues increased 88% (from 10,628 to 19,968) — often linked to billing systems problems.

Transfer issues increased 98% (from 2,999 to 5,933) — often due to customer concerns about contracts holding them to termination fees and transfer of accounts without the customer's consent.

Credit issues increased 75% (from 2,870 to 5,009) — the most common sub-issue was payment difficulties.

Marketing issues increased 139% (from 881 to 2,105) — mainly due to allegations of misleading marketing by sales representatives.

**Fig 24: Time we spent, on average, on each type of electricity case**



**Fig 25: How we handled electricity enquiries**

		%
Provided general information and referred to company	743	53
Provided general information	468	34
Referred to a Regulator	93	7
Referred to another Ombudsman	30	2
Referred to Government/MP	26	2
Referred elsewhere	29	2
<b>Total</b>	<b>1,389</b>	

**Fig 26: Electricity customers who contacted us**

		%
Residential	23,890	92
Business	1,973	8
Not-for-profit	77	< 1
Government	29	< 1
<b>Total</b>	<b>25,969</b>	

**Fig 27: The issues they raised**

		%
Billing	19,968	45
Customer Service	7,440	17
Transfer	5,933	14
Credit	5,009	11
Marketing	2,105	5
Provision	1,394	3
Supply	1,240	3
General Enquiry	542	1
Land	256	< 1
<b>Total</b>	<b>43,887</b>	

# Electricity continued

## Case studies<sup>1</sup>

C/2008/14075

### Seeking an independent explanation

Mr C's business received a bill of around \$4,000 at the beginning of 2008. In 2007, his bills were between \$600 and \$800.

When he contacted his retailer, Mr C was told the billing was accurate — that it just appeared to be high compared with his 2007 bills, which had been undercharged due to meter reading errors. A meter test by the retailer confirmed the meter was operating to Australian standards. Not satisfied with this response, Mr C rang EWOV.

Contacted by us, the retailer advised Mr C had been undercharged by \$10,621 in 2007. It confirmed that the 2008 bills reflected the business' actual usage. It also said it hadn't backbilled Mr C for the undercharge — and, to resolve the matter, would be prepared not to.

In investigating Mr C's complaint, we reviewed billing and metering data provided by the retailer. According to his bills, Mr C's business was using around 150 kWh a day.

We arranged for an electrician to check the business' equipment was operating correctly and to assess the load capacity (wattage). A conservative usage audit confirmed the business could use 150 kWh of electricity, with only 60% of its equipment operating for three hours and 20 minutes a day. Based on this assessment, we told Mr C his billing may be accurate.

When Mr C remained unconvinced about the usage, we asked him to complete a more detailed energy audit form. We then reassessed his business' usage based on Mr C's own assessment of his equipment and daily usage patterns. This confirmed usage of around 150 kWh a day.

While Mr C agreed that his overall usage of 150 kWh a day was correct, he asserted

that his retailer hadn't been billing his peak and off-peak usage correctly.

Further information from Mr C identified the appliances using off-peak power (between 11pm and 7am) were using an average of 50 – 55 kWh a day. We cross-referenced this with the retailer's billing records and were able to confirm Mr C's assessment of his peak and off-peak usage matched the off-peak amount on bills issued by his retailer. This information was provided to Mr C.

We advised Mr C of our assessment that his retailer's offer not to backbill him for 2007 charges was made in good faith — the retailer was entitled to backbill, because the business' usage of over 40 MWh a year put it outside the limitations on backbilling in the *Energy Retail Code*.

Mr C agreed that his 2008 billing appeared to be accurate — and, now understanding the load capacity of his business, also agreed he should have detected something was wrong when his 2007 bills were so low. He was satisfied with his complaint being finalised on the basis that his retailer wouldn't pursue him for the 2007 undercharges of \$10,621.

**Our detailed investigation provided this customer with independent evidence that his recent billing was correct — and that he was fortunate not to have faced a large backbill. If the retailer had clearly explained the billing discrepancies to him, a complaint to EWOV may have been averted.**

C/2009/3966

### Inconvenienced by missed appointments

After contacting her retailer about changing the name on her account, Ms Y began to receive estimated bills for two meter numbers that didn't match the meter at her property. She eventually located the meters at the back of her property,

but they weren't connected — it turned out that they'd been de-energised by the State Electricity Commission some 20 years earlier, but not abolished nor deleted from the billing system.

Ms Y rang her retailer about the bills. She was told it would arrange a meter reading to confirm there had been no usage at the meters, after which it would be able to close the accounts. No one turned up for either of two agreed appointments. Ms Y rang the retailer to work out why. She said she was told the distributor's field officer 'probably attended' her property but 'probably left because he couldn't get access'. Frustrated at having waited at home for some eight hours each day, Ms Y called EWOV.

The retailer told us it was unsure why the inactive meters were re-energised and why the appointments it made with the distributor were missed. It said the estimated bills were in the name of 'The Occupier', so Ms Y wouldn't be held responsible for them. It confirmed the only way to resolve the matter would be to have a field officer go out to complete final reads and de-energisation.

We reviewed the information provided by the retailer and asked it to seek further information from the distributor. It turned out that the distributor didn't have an account for the inactive meters — it said this explained why the appointments raised by the retailer were never 'picked up'.

At our request, the retailer asked the distributor to create an account — a new appointment date was then set for final reads and de-energisation. Reassured that the distributor would now turn up, Ms Y was willing to make another appointment.

The meters were read and de-energised the same day. The retailer confirmed the accounts were closed with no amounts outstanding. It credited Ms Y's usual account with \$150 in recognition of the inconvenience caused. Ms Y was satisfied with this outcome.

<sup>1</sup> Case studies demonstrate the range of electricity complaints received and the outcomes achieved through EWOV investigation. The initials used have no relevance to the name of the actual customer in each case.

This complaint was as much about customer service as it was about bills. If the retailer had adequately investigated Ms Y's concerns, instead of brushing them off, it may have identified the real reason for the 'no show' by the distributor without EWOV intervention.

C/2008/21414

## Losses when supply stays off

An upgrade to a cable connection outside of Mr J's small business was needed to meet Victorian Government compliance requirements. Mr J and the local distributor agreed the work would be undertaken at 3pm on a Saturday to minimise business interruptions.

On the day, Mr J's manager closed the business at 3pm as scheduled and left — without consulting the workmen onsite, or Mr J, about reconnection of the business' electricity supply. The next day, Mr J realised the power hadn't been restored. When he rang the distributor, he was told the crew hadn't been able to reconnect supply without access to the meter.

Mr J said the written notice he received didn't state how long the works would take — and the crew didn't introduce themselves on the day or explain any requirements for access to the meter or the premises.

He said he knew his electricity supply would be disconnected temporarily while the work was completed — but understood it be for one or two hours only. He said he wasn't told the distributor would need access to reconnect supply at the meter.

Mr J lost around \$6,000 in stock — the business had ten refrigeration units storing dairy and other food products. He sought compensation from the company — on the basis that he wasn't notified adequately of the meter access requirements for restoring his

supply. He was referred to a higher level representative, who apologised and suggested he submit a claim.

The acknowledgement letter from the company denied his claim — on the basis that there'd been no fault on the part of the distributor. Mr J sought an internal review of the decision by the distributor — the same conclusion was reached.

It was suggested that Mr J should claim through his business insurance. He did this, but the claim was denied — because the failure of the electricity supply was planned.

Contacted by EWOV, the distributor said Mr J had been notified of the disconnection several times and it had accommodated his business needs by shifting the works to a Saturday. However, it couldn't produce any phone recordings or other proof of conversations or discussions about the meter and property access requirements.

As part of our investigation, we contacted other electricity distributors to help us understand industry practice in this type of situation — they considered the customer had contributed to the situation, so only a modest proportion of his claim should be paid.

In resolution of the complaint, the distributor apologised and offered Mr J a customer service payment of \$1,492. We believed this was fair and reasonable, given the opportunity to consult the workmen on the day wasn't taken up.

While not achieving the full amount he claimed, Mr J was satisfied with this outcome.

**This case highlights how situations with the potential to cause serious financial detriment to customers can be avoided by confirming details in writing. For their part, customers should take an active interest in works that affect their property.**

C/2008/18117

## Meter mix-up means no bills

Ms H called us when her retailer didn't follow through on a promise to investigate her concern — she believed she was being billed for the wrong meter and she hadn't received a bill for some time.

The retailer confirmed to us that Ms H had been billed for the wrong meter since July 2006 — but they hadn't been made aware of the cross-metering issue until September 2007. It confirmed Ms H's multiple contacts to try to resolve the matter and that it hadn't kept her informed about progress. It also acknowledged the billing delay.

We undertook a National Metering Identifier (NMI) search through the customer's distributor to confirm the meter number Ms H was being billed for. We confirmed this to the retailer and requested that it arrange for the Market Settlement and Transfer Solution (MSATS) records to be updated to ensure the correct meter number was attached to Ms H's property. MSATS is the cross-industry database.

The retailer confirmed it had corrected the error and all future bills sent to Ms H would be for her correct meter. It cancelled all bills issued since July 2006 and credited all payments Ms H had made on them. It reissued Ms H's bills based on the correct meter reading data. Once this had occurred, Ms H's account had a credit balance of \$998.17, which was sent to her as a cheque. Ms H was satisfied with this outcome.

**This case illustrates that customers can easily be billed for an incorrect meter based on the information the distributor holds. Customers should check their bills to ensure the meter number on the bill matches the number on their meter.**

# Gas

10,314 cases, up 64%

9,975 complaints, up 70%

## Investigated complaints

2,106 received, 2,054 finalised

## Most common issues

42% billing, 18% customer service, 16% transfer

## Cases by sector

94% natural gas retail,

3% natural gas distribution, 1% LPG

At 30 June 2009, 10 natural gas retailers, 4 natural gas distributors and 5 liquefied petroleum gas (LPG) retailers were gas participants in the EWOV scheme.

All Victorians can choose their natural gas retailer. They can't choose their natural gas distributor, because the distributors each own the network of pipes in a specific part of the state.

Customers using LPG at home, or in their business, can choose to purchase it from LPG retailers or resellers operating in their area. Our jurisdiction extends to LPG retailers only.

WERGAS SUPAGAS AGL SALES  
AUSTRALIAN POWER & GAS  
ENERGY AUSTRALIA ORIGIN ENERGY  
D ENERGY SIMPLY ENERGY TRUE ENERGY  
TORIA ELECTRICITY CITY WEST WATER  
SOUTH EAST WATER YARRA VALLEY WATER  
ELBOURNE WATER BARWON WATER  
CENTRAL HIGHLANDS WATER  
OLIBAN WATER EAST GIPPSLAND WATER  
PPSLAND WATER GOULBURN VALLEY WATER  
CAMPIANS WIMMERA MALLEE WATER  
OWER MURRAY WATER NORTH EAST WATER  
SOUTH GIPPSLAND WATER WANNON WATER  
ESTERN WATER WESTERNPORT WATER  
GOULBURN-MURRAY WATER  
CAMPIANS WIMMERA MALLEE WATER  
OWER MURRAY WATER  
OUTHERN RURAL WATER  
EL SALES AURORA ENERGY  
AUSTRALIAN POWER & GAS CLICK ENERGY  
OUNTRY ENERGY DODO POWER & GAS  
ERGY AUSTRALIA ENERGY ONE INTEGRAL ENERGY  
CKGREEN MOMENTUM ENERGY  
IGHBOURHOOD ENERGY

Fig 28: Gas cases EWOV received and finalised in 2008-09

		Overall cases		Enquiries	Total complaints	Complaints				complaint investigations finalised
		2008-09	2007-08			complaints referred elsewhere	complaints referred to company	complaints referred to higher-level contact**	complaints received for investigation	
NATURAL GAS RETAIL	customer bandwidths^									
AGL Sales	■■■	5,467	2,611	98	5,369	111	842	3,102	1,314	1,284
AGL Sales (Queensland)	■	0	0	0	0	0	0	0	0	0
Australian Power & Gas	■	194	24	5	189	6	32	114	37	33
EnergyAustralia	■	63	0	4	59	1	21	30	7	5
Origin Energy	■■■	1,806	1,386	64	1,742	52	397	982	311	325
Red Energy	■	194	36	6	188	7	32	120	29	26
Simply Energy	■	479	758	8	471	12	95	279	85	74
TRUenergy	■■	943	671	16	927	27	186	542	172	164
Victoria Electricity	■	580	281	17	563	18	116	311	118	102
Total retail		9,726	5,767	218	9,508	234	1,721	5,480	2,073	2,013
NATURAL GAS DISTRIBUTION	% customers~									
Envestra	(30%)	50	56	5	45	1	18	20	6	6
Multinet Gas	(38%)	127	85	9	118	7	39	60	12	14
SP AusNet	(31%)	86	110	6	80	2	20	52	6	9
Total distribution		263	251	20	243	10	77	132	24	29
NON COMPANY SPECIFIC										
Natural gas		187	127	76	111	49	62	-	-	-
LPG		13	9	8	5	3	2	-	-	-
LPG (RETAILER SPECIFIC)										
Elgas		57	63	5	52	3	8	34	7	8
Kleenheat		63	45	11	52	0	29	21	2	3
Origin Energy LPG		2	12	0	2	0	1	1	0	1
Powergas		1	1	0	1	0	0	1	0	0
Supagas		2	3	1	1	1	0	0	0	0
Total LPG (retailer specific)		125	124	17	108	4	38	57	9	12
GAS TOTALS		10,314	6,278	339	9,975	300	1,900	5,669	2,106	2,054

NOTES:

Some of the complaints which were investigated and finalised were received prior to July 2008.

Not all EWOV scheme participants are currently active in the Victorian market.

285 gas investigations were upgraded to Level 2 during the year and 65 investigations were upgraded to Level 3.

\*\*3,204 of the 5,669 gas complaints referred back to a higher-level contact would normally have been investigated, but for an interim process of offering customers a final opportunity for direct resolution, if they agreed.

Retailers engaged in marketing activities take the view that their marketing may have an impact on their case numbers from time to time.

^ Customer bandwidths: ■ denotes less than 250,000 customers at 30 June 2009; ■■ 250,001 - 500,000 customers; ■■■ 500,001 - 750,000 customers. This is based on information provided to EWOV by each natural gas retailer. LPG customer numbers are not currently available.

~ Natural gas distributors' customer shares are based on 2007 customer numbers in the ESC's *Gas Distribution Businesses - Comparative Performance Report 2007* (October 2008).

# Gas continued

**Fig 29: How gas cases are trending**

	2005-06	2006-07	2007-08	2008-09
<b>Gas overall</b>	3,529	3,888	6,278	10,314
<b>Natural gas retail</b>	3,097	3,456	5,767	9,726
<b>Natural gas distribution</b>	205	129	251	263
<b>LPG</b>	89	149	124	125

## Drilling down on trends in gas cases

Over the past year, gas cases increased 64% overall (from 6,278 to 10,314) — within this, complaints increased 70% (from 5,862 to 9,975).

There was a 5% increase in natural gas distribution cases (from 251 to 263) — and distribution complaints were up 8% (from 225 to 243).

In LPG, there was a 1 case increase (from 124 to 125).

As in electricity, it was natural gas retail increases driving the record EWOV case numbers — retail cases increased 69% overall (from 5,767 to 9,726) — retail complaints were up 74% (from 5,480 to 9,508).

One large natural gas retailer accounted for over 50% of gas retail cases — most of its issues increased by over 150%. The main contributing factor was a fall in service delivery following a major IT system upgrade.

Overall, billing issues increased 95% (from 3,815 to 7,432) — often linked to billing systems problems.

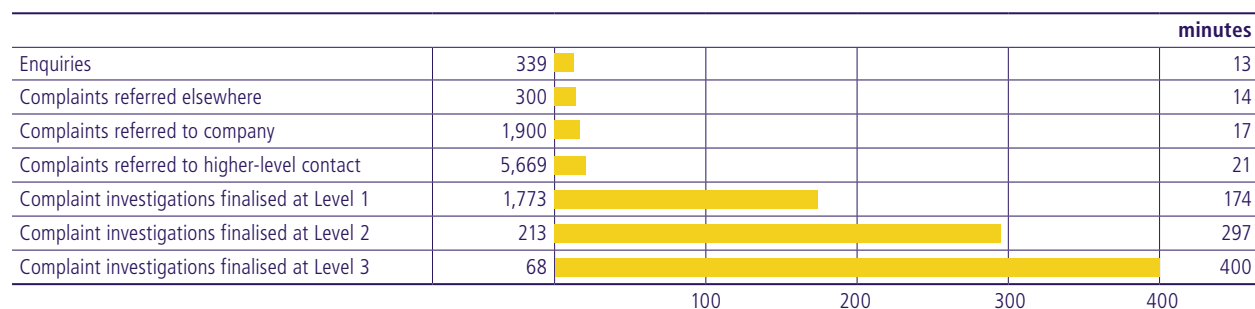
Transfer issues increased 121% (from 1,284 to 2,835) — the most common sub-issues were transfer without consent, contract terms and site ownership.

Credit issues increased 133% (from 1,099 to 2,557) — most commonly to do with payment difficulties and disconnection.

Marketing issues increased 244% (from 147 to 505) — mainly due to misleading marketing.



**Fig 30: Time we spent, on average, on each type of gas case**



**Fig 31: How we handled gas enquiries**

		%
Provided general information and referred to company	203	60
Provided general information	104	31
Referred to a Regulator	18	5
Referred to another Ombudsman	3	< 1
Referred to Government/MP	5	1
Referred elsewhere	6	2
<b>Total</b>	<b>339</b>	

**Fig 32: Gas customers who contacted us**

		%
Residential	10,065	98
Business	224	2
Not-for-profit	17	< 1
Government	8	< 1
<b>Total</b>	<b>10,314</b>	

**Fig 33: The issues they raised**

		%
Billing	7,432	42
Customer Service	3,179	18
Transfer	2,835	16
Credit	2,557	15
Provision	700	4
Marketing	505	3
Supply	133	< 1
General Enquiry	79	< 1
Land	74	< 1
<b>Total</b>	<b>17,494</b>	

# Gas continued

## Case studies<sup>2</sup>

G/2008/8900

### Digging into high bills

Ms K was concerned about a sharp increase in her business' bills over the past six months. Her bills had essentially doubled, with no changes in appliances or operating hours.

Having met with resistance when she contacted her gas retailer to discuss the issue — basically being told the billing was accurate and she'd need to pay — Ms K rang EWOV.

When we contacted the retailer to discuss Ms K's complaint, we were told the billing was accurate. The retailer couldn't explain the increased bills, but said the meter had been tested some 18 months earlier as part of a previous EWOV complaint and no fault had been found.

To be sure about the meter, we had it tested again — it was found to be operating to Australian Standards.

We asked Ms K to engage a plumber to inspect the premises and provide us with a report — the plumber found no problems.

At this point, we arranged for our own plumber to inspect the premises, test Ms K's appliances and undertake an energy audit. It turned out that water was leaking from a pipe connected to the gas hot water unit — as a result, the hot water unit was running continuously.

Ms K was very happy with the outcome of our investigation — and with a \$100 customer service payment in recognition of the retailer's lack of investigation.

**In the absence of other explanations, customers commonly put high bills down to company errors. A company focused on good customer service will help its customers identify the cause, whether that's on its part or otherwise.**

G/2008/7116

### Stalemate over damaged pipe

Mr P has a fire service water supply pipe to his property. It burst after the gas distributor undertook works close by in the street. When the water company told him it was his responsibility to repair the pipe, Mr P called a plumber who excavated the area.

The plumber found the PVC gas pipe was almost touching the cast iron water pipe at a 90 degree angle and the water pipe had a hole with no rust — as a result there wasn't the required 150mm clearance between the two pipes.

The plumber repaired the water pipe by putting a sleeve on it, but advised Mr P that it wasn't the best possible repair — he couldn't put the sleeve in the best position because of the gas pipe. He charged Mr P \$1,650 for the work.

Mr P said that, initially, the gas company told him a PVC pipe couldn't damage a cast iron water pipe and that ground movement and water flow were responsible for the pipes being so close together — although it did concede that the gas work in the area could have contributed to the damage. It advised him it would pay for the temporary repair, but not undertake more permanent repairs.

Mr P brought the issue to EWOV. As a result of our investigation, the gas company said it would consider the matter of a more permanent repair if Mr P provided two quotes. Mr P did that, but the company rejected both quotes — one because it included road diversion fees — the other because it was for replacement of the gas pipe, not its repair.

After further negotiation by us, the matter was resolved when the company raised the gas pipe and placed the sleeve on the water pipe at the best position. It also refunded Mr P the \$1,650 he'd paid his plumber.

**Given the company conceded its work was probably the cause of the damage and that the clearance requirement, for whatever reason, was not met, it shouldn't have been hard to resolve this complaint — however, it was open for seven months before agreement was reached.**

G/2008/8200

### Inaction adds to distress

At the end of 2007, Ms D's house burned down. Even though she told the retailer she couldn't live in the house, she continued to receive bills, which were clearly estimated as the house was unliveable.

Ms D had several contacts with the retailer, each time being told someone would investigate and place a hold on her account. 10 months after the fire, she was still being told a block would be placed on the account.

11 months after the fire, Ms D was called by a collection agency working on behalf of her retailer. She said not being able to resolve the billing issue with the retailer added to the distress she was already in.

Once we became involved, the retailer apologised to Ms D and credited her account with \$111.15 — \$100 in recognition of customer service issues and a final bill of \$11.15.

It cancelled the gas bills and removed charges of \$719.24 from her account.

**Failure to follow through on agreed actions — multiple times — is simply very poor customer service. In this case, it not only added to customer distress, it led to an EWOV investigation and unnecessary costs for the retailer concerned.**

<sup>2</sup> Case studies demonstrate the range of gas complaints received and the outcomes achieved through EWOV investigation. The initials used have no relevance to the name of the actual customer in each case.

## Contact efforts inadequate

Mr F said his gas supply was disconnected without warning. He said he wasn't aware of any arrears and when he rang his gas retailer, he was told that, for safety reasons, supply couldn't be connected until he was able to be onsite — as a result his supply wasn't reconnected until six days later.

Contacted by us, the retailer said Mr F's supply was disconnected for non payment of \$390.39. It said it had sent Mr F all required notifications — and had left a message on his mobile phone informing him he needed to call about the arrears on his account.

When we put this to Mr F he said his mobile phone didn't have a message service and so it was impossible that the retailer left a message.

We sought proof from the retailer about how it had contacted Mr F and how it used its best endeavours to contact him prior to the disconnection.

When the company checked it concluded that the file notes on Mr F's account — to the effect that a message had been left on his phone — were wrong. It seemed that one attempt had been made to call him, but he didn't answer.

At this point, the retailer agreed that Mr F was eligible for a wrongful disconnection payment. It calculated this at \$1,557.29 — it covered his arrears and left his account in credit, which the retailer refunded by cheque. Not surprisingly, Mr F was very satisfied with the outcome of our investigation.

This case shows the consequences of a retailer not following the disconnection procedures that apply in Victoria. It also highlights why it's important for companies to keep accurate records and monitor internal processes to ensure regulations are followed.

EL GAS KLEEN  
ORIGIN ENERGY LPG POWER  
SUPAGAS AGL S  
AUSTRALIAN POWER &  
ENERGYAUSTR  
ORIGIN ENERGY RED EN  
SIMPLY ENERGY TRUEN  
VICTORIA ELECTRICITY CITY WEST WA  
SOUTH EAST WATER YARRA VALLEY W  
MELBOURNE WATER BARWON WA  
CENTRAL HIGHLANDS W  
EAST GIPPSLAND W  
GIPPSLAND W  
GOULBURN VALLEY WATER GRAMPIANS W  
WIMMERA MA  
LOWER MURRAY WATER NORTH  
SOUTH GIPPSLAND WATER WANNON WATER W  
WESTERN WATER WESTERNPORT W  
GOULBURN-MU  
GRAMPIANS WIMMERA MALLEE W  
LOWER MURRAY WAT  
SOUTHERN RURAL W  
AGL SALES AURORA EN

# Water

1,539 cases, down 1%

1,353 complaints, up 8%

## Investigated complaints

179 received, 220 finalised

## Most common issues

51% billing, 12% customer service,  
10% supply, 10% land

## Cases by sector

57% metro retail, 4% metro wholesale,  
27% regional urban, 6% rural

At 30 June 2009, 3 metropolitan retailers, 1 metropolitan wholesaler, 11 regional urban water corporations, 2 rural water corporations and 2 rural urban water corporations were water participants in the EWOV scheme.

Victoria's water companies are state government-owned corporations. They operate in five sectors. All, except the metropolitan wholesaler, have both retail/billing and distribution/supply functions.

GAS KLEENHEAT ORIGIN ENERGY LPG  
POWERGAS SUPAGAS AGL SALES  
AUSTRALIAN POWER & GAS  
ENERGY AUSTRALIA ORIGIN ENERGY  
ED ENERGY SIMPLY ENERGY TRUENERGY  
CTORIA ELECTRICITY CITY WEST WATER  
OUTH EAST WATER YARRA VALLEY WATER  
ELBOURNE WATER BARWON WATER  
NTRAL HIGHLANDS WATER  
OLIBAN WATER EAST GIPPSLAND WATER  
PPSLAND WATER GOULBURN VALLEY WATER  
RAMPIANS WIMMERA MALLEE WATER  
OWER MURRAY WATER NORTH EAST WATER  
OUTH GIPPSLAND WATER WANNON WATER  
ESTERN WATER WESTERNPORT WATER  
GULBURN-MURRAY WATER  
RAMPIANS WIMMERA MALLEE WATER  
OWER MURRAY WATER  
OUTHERN RURAL WATER  
GL SALES AURORA ENERGY  
AUSTRALIAN POWER & GAS  
ICK ENERGY COUNTRY ENERGY  
ODO POWER & GAS ENERGY AUSTRALIA  
ERGYONE INTEGRAL ENERGY

**Fig 34: Water cases EWOV received and finalised in 2008-09**

		Total cases		Enquiries	Total complaints	Complaints				complaint investigations finalised
		2008-09	2007-08			complaints referred elsewhere	complaints referred to company	complaints referred to higher-level contact**	complaints received for investigation	
METROPOLITAN RETAIL sector share										
City West Water	(20%)	314	380	34	280	23	95	123	39	56
South East Water	(39%)	240	190	21	219	16	69	110	24	25
Yarra Valley Water	(41%)	318	334	35	283	28	95	122	38	37
Total metropolitan retail water		872	904	90	782	67	259	355	101	118
METROPOLITAN WHOLESALE										
Melbourne Water		59	41	8	51	9	17	17	8	9
REGIONAL URBAN										
Barwon Water	(21%)	81	72	6	75	3	30	33	9	14
Central Highlands Water	(10%)	32	37	4	28	3	7	14	4	6
Coliban Water	(11%)	26	46	2	24	1	9	11	3	6
East Gippsland Water	(3%)	17	17	2	15	2	5	7	1	1
Gippsland Water	(10%)	33	37	3	30	2	6	17	5	6
Goulburn Valley Water	(9%)	41	40	8	33	2	11	15	5	4
Grampians Wimmera Mallee Water	(5%)	13	20	1	12	3	4	4	1	3
Lower Murray Water	(5%)	13	28	0	13	0	3	7	3	6
North East Water	(7%)	24	22	1	23	1	8	11	3	4
South Gippsland Water	(3%)	13	10	2	11	1	4	5	1	0
Wannon Water	(6%)	47	29	0	47	2	9	26	10	11
Western Water	(8%)	50	36	4	46	1	17	21	7	7
Westernport Water	(2%)	31	16	6	25	3	6	14	2	3
Total regional urban water		421	410	39	382	24	119	185	54	71
RURAL										
Goulburn-Murray Water	(55%)	50	44	3	47	6	16	15	10	13
Grampians Wimmera Mallee Water	(13%)	30	14	2	28	5	8	12	3	2
Lower Murray Water*	(12%)	9	23	2	7	0	2	3	2	4
Southern Rural Water	(21%)	9	16	1	8	1	2	4	1	3
Total rural water		98	97	8	90	12	28	34	16	22
Non company specific		89	110	41	48	28	20			
WATER TOTALS		1,539	1,562	186	1,353	140	443	591	179	220

**NOTES:**

Some of the complaints which were investigated and finalised were received prior to July 2008.

11 water investigations were upgraded to Level 2 during the year and 1 investigation was upgraded to Level 3.

\* Includes 2007-08 cases registered against First Mildura Irrigation Trust (FMIT). FMIT was abolished on 1 September 2008. Its customer base was passed on to Lower Murray Water.

\*\* 263 of the 591 water complaints referred back to a higher-level contact would normally have been investigated, but for an interim process of offering customers a final opportunity for direct resolution, if they agreed.

Urban water companies' sector shares are based on the water customer numbers in the ESC's *Water Performance Report 2007-08* (April 2009).

Rural water companies' sector shares are based on customer numbers provided by the Victorian Water Industry Association.

# Water continued

**Fig 35: How water cases are trending**

	2005-06	2006-07	2007-08	2008-09
<b>Water overall</b>	1,304	1,483	1,562	1,539
<b>Metropolitan retail</b>	676	791	904	872
<b>Metropolitan wholesale</b>	24	20	41	59
<b>Regional urban</b>	455	414	410	421
<b>Rural</b>	68	110	97	98

## Drilling down on trends in water cases

Over the past year, water cases fell 1% overall (from 1,562 to 1,539) — within this, complaints increased 8% (from 1,250 to 1,353).

Metropolitan retail cases fell 4% overall (from 904 to 872) — metro retail complaints were up 6% (from 737 to 782).

Metropolitan wholesale cases increased 44% overall (from 41 to 59) — metro wholesale complaints were up 55% (from 33 to 51).

Regional urban cases increased 3% overall (from 410 to 421) — regional urban complaints were up 13% (from 339 to 382).

Rural cases increased by 1% overall (from 97 to 98) — rural complaints fell 4% (from 94 to 90).

Billing issues increased 27% (from 849 to 1,076) — mainly due to questioning of aspects of higher bills by metropolitan retail customers.

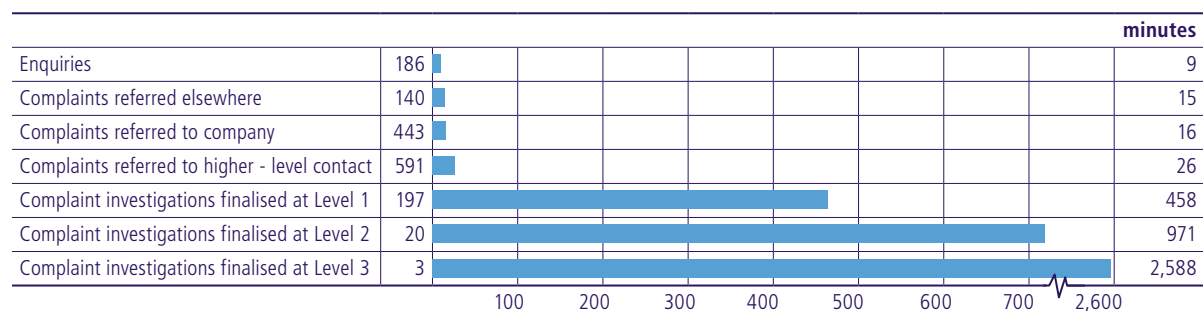
Provision issues increased 14% (from 108 to 123) — mainly due to metering issues raised by metropolitan retail customers.

Credit issues remained the same at 153.

Land issues fell 23% (from 277 to 213).

Supply issues fell 13% (from 253 to 219).

**Fig 36: Time spent, on average, on each type of water case**



**Fig 37: How we handled water enquiries**

		%
Provided general information and referred to company	119	64
Provided general information	40	22
Referred to a Regulator	4	2
Referred to Government/MP	10	5
Referred elsewhere	13	7
<b>Total</b>	<b>186</b>	

**Fig 38: Water customers who contacted us**

		%
Residential	1,416	92
Business	119	8
Government	3	< 1
Not-for-profit	1	< 1
<b>Total</b>	<b>1,539</b>	

**Fig 39: The issues they raised**

		%
Billing	1,076	51
Customer Service	244	12
Supply	219	10
Land	213	10
Credit	153	7
Provision	123	6
General Enquiry	79	4
<b>Total</b>	<b>2,107</b>	



# Water continued

## Case studies<sup>3</sup>

W/2009/251

### Balancing competing interests

Mr N complained that his water provider hadn't consulted him before putting a gate at the end of his property. The property is at the corner of two streets — an easement of about 3 metres runs at the back of it. Other subdivision residents frequently used the easement as a shortcut to other places in the area.

Mr N's property isn't fenced — after the gate was installed, people started crossing his garden bed as a shortcut — causing damage to his property.

Mr N said he found out about the gate from his neighbour, who'd requested it for security reasons. While he acknowledged the neighbour's security concerns, he didn't think the fence resolved the issue — it just moved it to his property.

Mr N believed he should have been given reasonable opportunity to discuss solutions that would have met the needs of all parties. On top of this, a key to the gate had been given to his neighbour, but not him.

The water company confirmed the gate had been installed after his neighbour expressed security concerns. It apologised for not consulting him, but noted that he hadn't asked for it to be removed. The water company also advised that neither it, nor its contractors, attached or installed a lock on the gate — it offered to remove it if Mr N requested that formally.

Our investigation of Mr N's complaint showed he was hesitant to seek removal of the gate, as he didn't want to aggravate his neighbour or others within the subdivision. We investigated some alternatives. Mr N wanted to take some more time to research and consider these options.

We also arranged for a representative of the water company to speak with Mr N directly about removing the locks and possible removal of the gate.

Mr N was satisfied with the water company's response to his complaint.

**EWOV was able to bring about discussion between Mr N and his company but, as this case shows, balancing the wishes of individual customers and the community isn't always easy or straightforward.**

W/2008/1550

### Sandy soil hid water loss

Because Mr V's holiday house was rarely occupied, water use was usually minimal. In late 2008, he received a water bill of more than \$10,000 — for usage of 5.5 megalitres. Mr V said there had been no prior warning of any water problems at the property.

Urgent investigations revealed a water pipe had corroded — as the water was being discharged into the sandy soil, there was no surface evidence of it. As the leak was below the property's garden tap, Mr V was responsible for fixing it. Urgent repairs were undertaken.

The water company initially offered Mr V a \$1,000 account credit and time to pay. Further representations resulted in the company offering to bill the usage at the lowest tariff — this reduced the bill by a further \$3,470. The total credit was \$4,470 — 44% off the original account.

In contacting EWOV, Mr V advised that the water company had been pleasant and co-operative to deal with — but he wanted an independent assessment of whether the credit offered was fair and reasonable under the circumstances.

Responding to our investigation, the water company advised that the leak was exceptional — few leaks had such a significant financial impact.

We considered the undetected leaks

policies of other water companies—and concluded there was not consistent treatment of this issue. In this case, the water company's own policy provided a waiver of 50% of the additional usage, but imposed a limit of \$500 on the credit.

The complaint was resolved when Mr V accepted the water company's offer to waive 50% of the billed usage and give him extra time to pay. Mr V was satisfied with this outcome.

**Customers are responsible for maintaining the water pipes on their property. From a company perspective, application of internal policies should include review of exceptional circumstances — and, where appropriate, a flexible approach.**

W/2009/57

### Home handyman repairs at fault

Ms L believed the water supply in her area had been deteriorating over time. She believed this was resulting in bleaching of her family's clothing — to the extent that she had to replace items. She also had concerns about health consequences of the water quality for her family. She said other residents in the town had expressed concerns also.

She said the water company assured her the water was tested on a regular basis and complied with the required guidelines. It suggested ways she could improve the drinking quality of the water. Still concerned, Ms L contacted EWOV.

The water company provided EWOV results of recent water tests — these showed the water supply complied with all health parameters, although it failed some of the aesthetic parameters — despite a mild chlorine odour, the water was safe to drink. It suggested ways Ms L could improve the quality of the drinking water easily and cost effectively. It also

<sup>3</sup> Case studies demonstrate the range of water complaints received and the outcomes achieved through EWOV investigation. The initials used have no relevance to the name of the actual customer in each case.

advised that, for bleaching to occur in clothing, the PH and free chlorine levels would need to be much higher than the testing showed them to be.

We engaged an independent group to repeat the testing of Ms L's water supply and a sample from common town property. The results showed the water supply — at both Ms L's property and the common area — met the drinking water guidelines. It showed room for some aesthetic improvements but the levels were not high enough to cause bleaching.

However, the results showed high copper and lead readings in Ms L's laundry water sample — these weren't evident in the water supplied to the property. Further discussions revealed her husband had changed the piping in the laundry some six months earlier — and it appeared he may have used lead-based welding material. We suggested she engage a licensed plumber to check and, if necessary, replace the laundry piping.

Ms L appreciated the thorough investigation and was satisfied with the results — though she still expressed some concerns about the general decline of water quality within the town.

Water quality can be an emotive issue. In this case, the damage to the customer's clothes was caused by the repairs undertaken by her husband — an unexpected result that highlights the value of engaging professional tradesmen.

W/2009/6

## Disputed responsibility for repair

The same day Ms M rang to report sewage flooding under her house and decking, the water company sent a clearance crew out. It sent another crew 9 days later, when the problem wasn't resolved.

When closed circuit television (CCTV) footage of the house connection branch was viewed, it showed damage to Ms M's boundary trap — which could cause further blockages. She was told she'd need to contact an independent plumber to arrange its repair. Ms M disputed this.

As part of our investigation, we arranged an on-site meeting attended by the water company and the customer, as well as EWOV — and another CCTV inspection. This led to a better understanding of the issues all round and agreement that Ms M was indeed responsible for the repairs.

In recognition of the delay before the second crew visit, the water company sent Ms M a cheque for \$250. It provided her with contact details for independent plumbers — it also offered to discuss the footage from the two CCTV inspections with the plumber she chose. Ms M was satisfied with this outcome.

Often, an on-site meeting of the parties — independently facilitated — can quickly resolve difficult issues which may otherwise escalate further.

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SUPAGAS AGL SA  
AUSTRALIAN POWER & G  
ENERGYAUSTRA  
ORIGIN ENERGY RED ENER  
SIMPLY ENERGY TRUENER  
VICTORIA ELECTRICITY CITY WEST WA  
SOUTH EAST WATER YARRA VALLEY WA  
MELBOURNE WATER BARWON WA  
CENTRAL HIGHLANDS WATER  
EAST GIPPSLAND WATER  
GOULBURN VALLEY WATER GRAMP  
WIMMERA MALLEE WATER  
LOWER MURRAY WATER NORTH EAST WATER  
SOUTH GIPPSLAND WATER WANNON WA  
WESTERN WATER WESTERNPORT WA  
GOULBURN-MURRAY WATER  
GRAMPIANS WIMMERA MALLEE WA  
SOUTHERN RURAL WA  
AGL SALES AURORA ENER

# Scheme participants

(at 30 June 2009)

## ELECTRICITY RETAILERS

AGL Sales Pty Ltd  
Aurora Energy Pty Ltd  
Australian Power & Gas Pty Ltd  
CitiPower Pty #  
Click Energy Pty Ltd  
Country Energy  
Dodo Power & Gas Pty Ltd  
EnergyAustralia  
Energy One  
Integral Energy Australia  
Jackgreen (International) Pty Ltd  
Momentum Energy Pty Ltd  
Neighbourhood Energy Pty Ltd  
Origin Energy Electricity Limited  
Powerdirect Pty Ltd (AGL)  
Powerdirect Australia Pty Ltd  
Red Energy Pty Ltd  
Simply Energy  
SPI AusNet (SPI Electricity Pty Ltd)  
Sun Retail Pty Ltd (an Origin company)  
TRUenergy Pty Ltd (SPI Retail Pty Ltd)  
Victoria Electricity Pty Ltd

## ELECTRICITY DISTRIBUTORS

Jemena Electricity Networks (VIC) Ltd  
(previously known as Alinta AE Ltd)  
CitiPower Pty  
Powercor Australia Limited  
SP AusNet (SPI Electricity Pty Ltd)  
United Energy Pty Ltd (Alinta Asset Management)

## ELECTRICITY TRANSMISSION COMPANIES

National Grid Australia Pty Ltd (Basslink Pty Ltd)  
SP AusNet (SPI PowerNet)

## NATURAL GAS RETAILERS

AGL Sales Pty Ltd  
AGL Sales (Queensland) Pty Ltd  
Australian Power & Gas Pty Ltd  
EnergyAustralia  
Origin Energy Retail Ltd  
Origin Energy (Vic) Pty Ltd  
Red Energy Pty Ltd  
Simply Energy  
TRUenergy Pty Ltd (SPI Retail Pty Ltd)  
Victoria Electricity Pty Ltd

## NATURAL GAS DISTRIBUTORS

Envestra Limited  
Multinet Gas (Alinta)  
SP AusNet (SPI Networks (Gas) Pty Ltd)  
Vic Gas Distribution Pty Ltd

## LPG (LIQUEFIED PETROLEUM GAS) RETAILERS

Elgas Limited  
Origin Energy Retail Ltd  
Powergas Pty Ltd  
Supagas Pty Ltd  
Wesfarmers Kleenheat Gas Pty Ltd

## METROPOLITAN WATER RETAILERS

City West Water Limited  
South East Water Limited  
Yarra Valley Water Limited

## METROPOLITAN WATER WHOLESALER

Melbourne Water Corporation

## REGIONAL URBAN WATER CORPORATIONS

Barwon Region Water Corporation  
Central Gippsland Region Water Corporation Ø  
Central Highlands Region Water Corporation  
Coliban Region Water Corporation  
East Gippsland Region Water Corporation  
Goulburn Valley Region Water Corporation  
North East Region Water Corporation  
South Gippsland Region Water Corporation  
Wannon Region Water Corporation  
Western Region Water Corporation  
Westernport Region Water Corporation

## RURAL URBAN WATER CORPORATIONS

Grampians Wimmera Mallee Water Corporation  
Lower Murray Urban and Rural Water Corporation<sup>+</sup>

## RURAL WATER CORPORATIONS

Goulburn-Murray Rural Water Corporation  
Gippsland and Southern Rural Water Corporation

### NOTES

# CitiPower remains a retail scheme participant of EWOV, although Origin Energy acquired its retail business in 2002.

Ø Central Gippsland Region Water Corporation is commonly known as Gippsland Water.

+ On 19 August 2008, the Minister for Water gazetted determinations abolishing First Mildura Irrigation Trust and appointing Lower Murray Water to take over its powers, functions and duties.

# Looking ahead

We're constantly adapting to EWOV's changing operating environment — here are some early 2009-10 developments.

## New case types

Since 1 July 2009, we've been using six new complaint categories:

- Unassisted Referral
- Assisted Referral
- Stage One
- Stage Two
- Stage Three
- Final Stage

The new categories better reflect our costs, especially for Assisted Referrals and Stage One complaints. You'll find an explanation of each category on our website ([www.ewov.com.au](http://www.ewov.com.au)), under 'How we handle cases'.

## Stage One

Stage One complaints are investigated complaints which we and the company agree can be resolved quickly. They're half the cost to the company of a Stage Two complaint. In September 2009, we set up a specialist team to focus on Stage One complaints. Stages 2/3 are complaints unresolved at Stage One.

## Final Stage

Stage Four complaints are the ones that have resisted resolution. Now, we'll be treating these complaints as if they're going through to a Binding Decision — but we'll be pleased if they resolve before that final step.

## Scheme participant conference

May 2010 will see our third scheme participant conference. Continuing on from the success of the first two, this conference will offer strategies for improving companies' internal dispute resolution (IDR), networking opportunities and news of dispute resolution developments across the world.

## New approach to community outreach

We're changing the focus of our outreach activities — from building awareness of EWOV to building customer capacity — providing tools and information to help customers resolve their complaints directly with their companies. This accompanies our shift towards using more multimedia, reducing our reliance on printed materials.

## EWOV itself

To respond to the challenge of record case numbers, we've moved to greater specialisation — with two Enquiry Officer teams, an Administration team, more Complex Case Managers and subject matter experts.

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LOWER MURRAY WATER  
SOUTHERN RURAL WATE  
AGL SALES AURORA ENER

# Financial Statements

## Income Statement

For the year ended 30 June 2009

	2009 \$	2008 \$
<b>Revenue</b>	<b>8,281,684</b>	6,015,900
Employee benefits expense	(5,760,195)	(4,284,629)
Depreciation and amortisation expense	(243,550)	(168,121)
Loss on disposal of plant and equipment	(2,879)	0
Rental expense	(394,148)	(355,700)
Administration expenses	(865,142)	(782,575)
Consultancy expenses	(456,661)	(387,586)
Marketing expenses	(108,298)	(216,587)
Training & development	(122,442)	(136,517)
Surplus/(loss) before income tax expense	<b>328,369</b>	(315,815)
Income tax expense	<b>0</b>	0
Surplus/(loss) attributable to members of the entity	<b>328,369</b>	(315,815)

# Financial Statements continued

## Balance Sheet

As at 30 June 2009

	2009 \$	2008 \$
<b>Current Assets</b>		
Cash and cash equivalents	4,948,623	1,357,424
Trade and other receivables	9,273	2,640
Other	44,007	62,357
<b>Total Current Assets</b>	<b>5,001,903</b>	<b>1,422,421</b>
<b>Non-Current Assets</b>		
Plant and equipment	845,360	493,550
<b>Total Non-Current Assets</b>	<b>845,360</b>	<b>493,550</b>
<b>Total Assets</b>	<b>5,847,263*</b>	<b>1,915,971</b>
<b>Current Liabilities</b>		
Trade and other payables	4,234,460	698,711
Provisions	316,607	311,466
<b>Total Current Liabilities</b>	<b>4,551,067*</b>	<b>1,010,177</b>
<b>Non-Current Liabilities</b>		
Provisions	62,032	0
<b>Total Non-Current Liabilities</b>	<b>62,032</b>	<b>0</b>
<b>Total Liabilities</b>	<b>4,613,099*</b>	<b>1,010,177</b>
<b>Net Assets</b>	<b>1,234,164</b>	<b>905,794</b>
<b>Members' Equity</b>		
Retained earnings	1,234,164	905,794
<b>Total Members' Equity</b>	<b>1,234,164</b>	<b>905,794</b>

NOTE:

\* The change in total assets and liabilities of EWOV, in comparison to the previous year, is due to a timing issue — part of the 2009/2010 annual levy was received in late June 2009, rather than in early July 2009.

# Financial Statements continued

## Cashflow Statement

For the year ended 30 June 2009

	2009 \$	2008 \$
<b>Cash Flows from Operating Activities</b>		
Levy receipts from Members (inclusive of goods and services tax)	12,516,412	6,677,420
Payments to suppliers and employees (inclusive of goods and services tax)	(8,488,011)	(6,627,738)
Interest received	161,037	72,811
<b>Net cash (outflow)/inflow from operating activities</b>	<b>4,189,438</b>	<b>122,493</b>
<b>Cash Flows from Investing Activities</b>		
Payments for plant and equipment	(598,239)	(166,727)
<b>Net cash outflow from investing activities</b>	<b>(598,239)</b>	<b>(166,727)</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>3,591,199</b>	<b>(44,234)</b>
<b>Cash and cash equivalents at the beginning of the Financial Year</b>	<b>1,357,424</b>	<b>1,401,658</b>
<b>Cash and cash equivalents at the end of the Financial Year</b>	<b>4,948,623</b>	<b>1,357,424</b>



## Acronyms used in this report

ADR – alternative dispute resolution

AER – Australian Energy Regulator

ANZEON – Australia & New Zealand  
Energy and Water Ombudsman Network

ANZOA – Australian and New Zealand  
Ombudsman Association

ASIC – Australian Securities &  
Investments Commission

CAV – Consumer Affairs Victoria

CCTV – closed circuit television

EDR – external dispute resolution

ESC – Essential Services Commission

EWON – Energy & Water Ombudsman NSW

IDR – internal dispute resolution

LPG – Liquefied Petroleum Gas  
(also known as bottled gas)

MSATS – Market Settlement and  
Transfer Solution

NMI - National Metering Identifier

WDP – Wrongful disconnection payment

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## CONTACTING EWOV

EWOV can help if you have a problem with an electricity, gas or water company which you can't resolve directly with that company. Our services are free and available to everyone.

Calls from restricted phone services — ring 12550 (Telstra reverse charges) and ask for (03) 9649 7599 — EWOV will accept the reverse charges and the call cost.

Calls from mobile phones may attract charges — we can ring you back

Freecall:	1800 500 509
Freefax:	1800 500 549
Interpreter service:	131 450
National Relay Service:	133 677
Email:	<a href="mailto:ewovinfo@ewov.com.au">ewovinfo@ewov.com.au</a>
Website:	<a href="http://www.ewov.com.au">www.ewov.com.au</a>
Postal address:	GPO Box 469 Melbourne 3001



**Energy and Water  
Ombudsman (Victoria)**

*Resolving your electricity, gas & water complaints. Independently.*

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