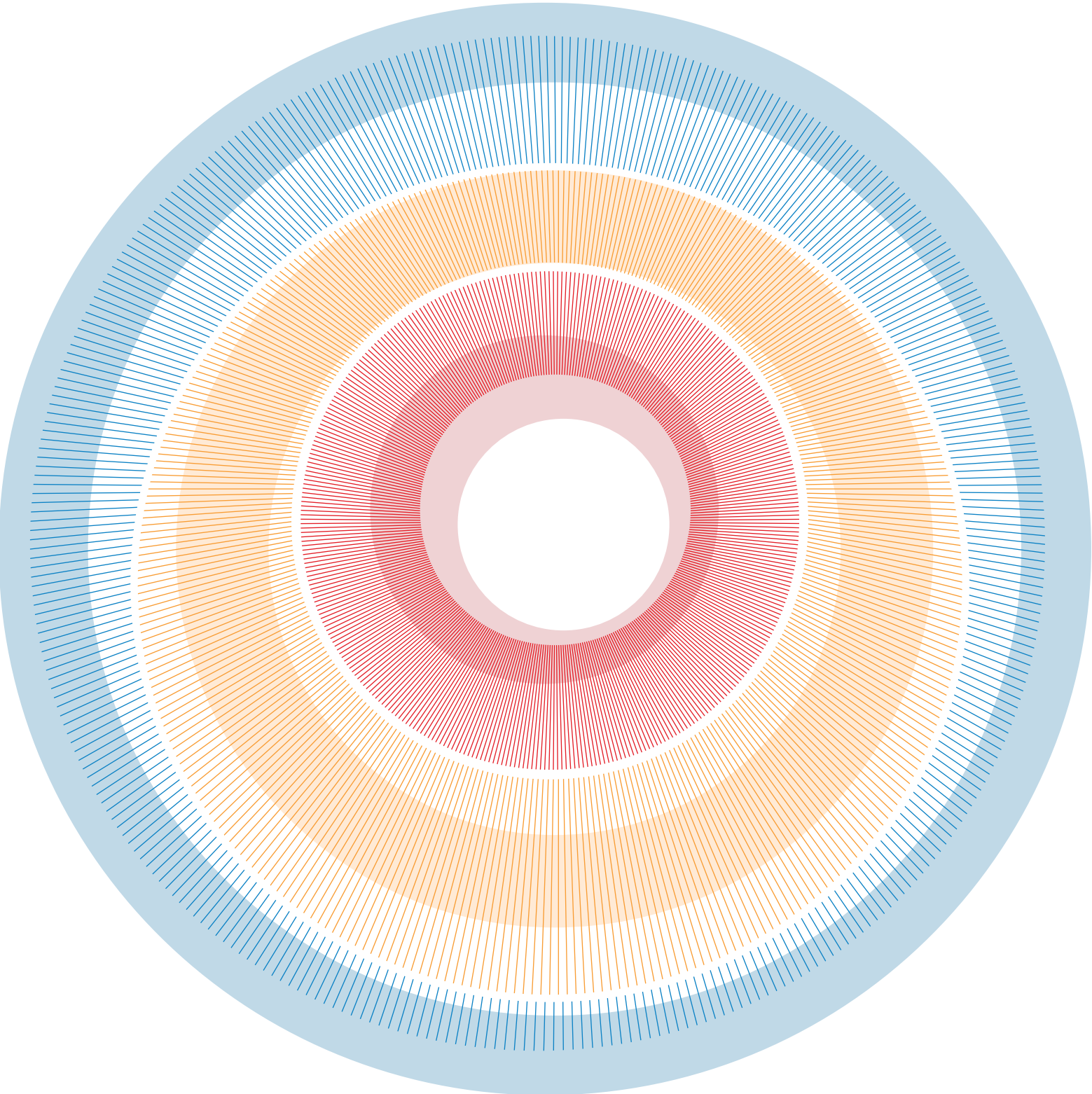


EWOV 2017
ANNUAL REPORT



ENERGY AND WATER
OMBUDSMAN
Victoria **Listen Assist Resolve**

IN OUR 2016-17 REPORT

About EWOV	1
2016-17 snapshots	2
Governance	4
From the Ombudsman	6
Community roadshow	9
Our performance	10
Our 2016-17 casework	16
Issues trends overview	24
Billing issues and trends	26
Credit issues and trends	28
Provision issues and trends	32
Transfer issues and trends	33
Supply issues and trends	34
Land issues and trends	35
Marketing issues and trends	36
Customer Service issues and trends	37
Systemic issues	38
EWOV'S scheme participants	40
Electricity	42
Gas	48
Water	53
Financial statements	58

Our purpose

To independently and efficiently resolve disputes between customers and energy and water companies in Victoria and reduce their occurrence

Our goal

To be a fair, impartial and highly respected dispute resolution service

Our values

Independence, access, equity, quality, effectiveness, efficiency, community awareness, linkages

Data note

This report reflects data for the year 1 July 2016 to 30 June 2017, run at 3 July 2017. Percentages are rounded to the nearest whole number, so may not always total to 100%.

Reporting responsibilities

EWOV's Annual Report is prepared and distributed in accordance with the Ombudsman's responsibilities under the *EWOV Charter and the Benchmarks for Industry-Based Customer Dispute Resolution (CDR Benchmarks)*.

More on our website

The online version of this report at ewov.com.au presents visualisations and graphical representations of the cases EWOV received in 2016-17.

Fair, free, impartial, independent dispute resolution

The Energy and Water Ombudsman (Victoria) (EWOV) is an external dispute resolution (EDR) scheme. Our role is to resolve disputes fairly and impartially. Our services are free to customers.

EWOV operates independently on an industry-based Ombudsman model. It was set up in late 1995 as Australia's first electricity Ombudsman, expanding to gas in 1999 and water in 2001.

The framework for EWOV's operation is drawn from the *EWOV Charter*, the *EWOV Limited Constitution*, licence conditions for the electricity and gas industries, relevant water legislation, the liquefied petroleum gas (LPG) industry code and the *Benchmarks for Industry-based Customer Dispute Resolution (CDR Benchmarks)*.

EWOV has the power to deal with most issues that arise between energy and water customers and companies. Around 40% of the complaints we receive are about bills. But we also deal with complaints about connecting to an energy or water service, supply of the energy or water, affordability, disconnection, restriction, marketing of energy offers, switching energy retailers, metering, vegetation management and land access.

EWOV specialises in customer dispute resolution using alternative dispute resolution processes. We assess complaints on a case-by-case basis, and consider relevant industry codes, good industry practice and the law, to reach fair and reasonable outcomes. We don't take sides.

EWOV is not a government body or an industry regulator, but it is important that we maintain good working relationships with the bodies that have those closely-related roles and responsibilities. By doing so we extend the value of our dispute resolution work beyond the individual complaints — to drive customer service improvements, to prevent complaints arising in the first place, and to fulfil our broader community awareness, public reporting and systemic issues responsibilities.

By 30 June 2017, we had helped resolve 620,224 cases lodged by Victorian electricity, gas and water customers.



EWOV operates independently on an industry-based Ombudsman model. It was set up in late 1995 as Australia's first electricity Ombudsman, expanding to gas in 1999 and water in 2001.

Cynthia Gebert
Energy and Water Ombudsman (Victoria)

2016-17 SNAPSHOTS

Case highlights

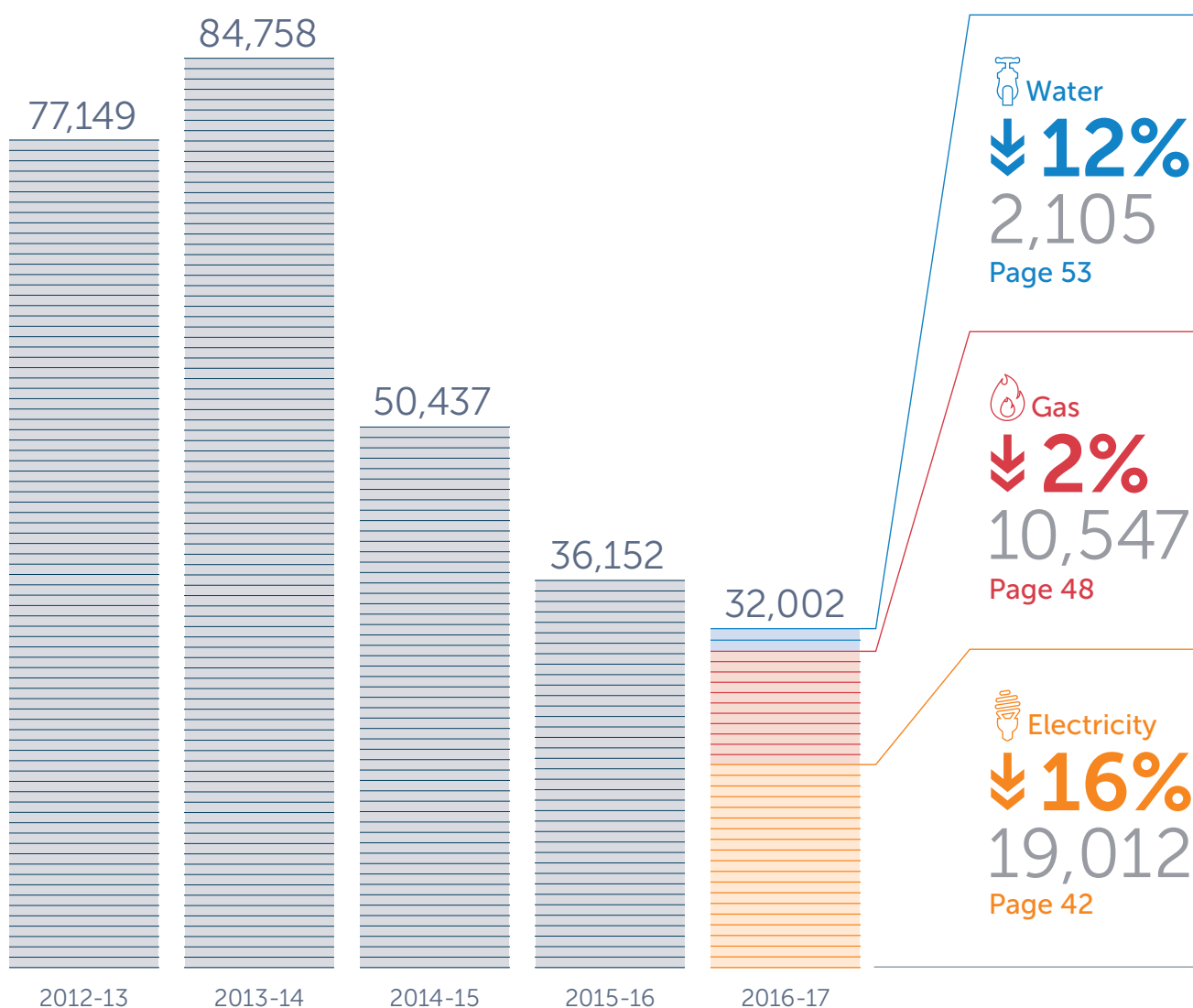
Cases
32,002
↓ 11%

Enquiries
1,538
↓ 8%

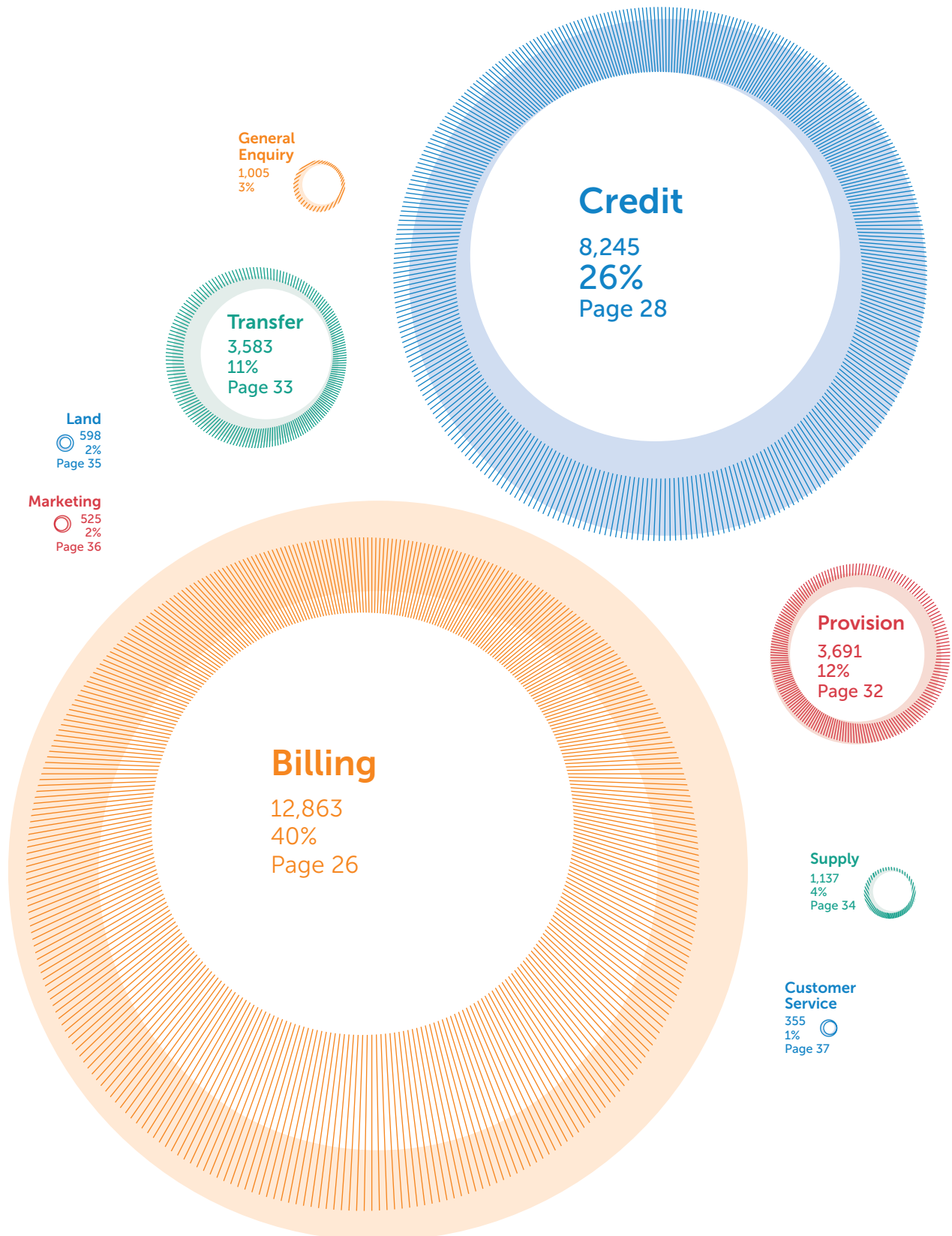
Complaints
30,464
↓ 12%

5 year history

By industry



By issue



Chairman's message

EWOV has worked through challenging times to deliver another year of strong performance and service improvements. However, the scheme continues in a landscape of constant change, a situation we share with the other energy and water Ombudsman schemes across Australia.

Our strategic challenges include unpredictable caseloads, energy price rises, affordability issues, uncertainty around energy policy and the associated regulatory framework, the emergence of different business models, and technology developments. Also looming is the jurisdictional extension to embedded networks which, in EWOV's case, would introduce (as scheme participants) potentially thousands of entities that are presently exempt from holding a retail energy licence. The Board is particularly conscious of the potential impact of expansion of this magnitude on EWOV's operations, and is supporting the Ombudsman's participation in consultations with key stakeholders.

As EWOV Limited's Chairman, one of my aims has been to explore possibilities for greater co-operation with other energy and water Ombudsman schemes. Clearly, we have much in common with respect to our roles and the thorny issues on our agendas. Looking to explore some higher-level issues that might guide the way we tackle the problems we are all facing, early in 2017, the Ombudsman and I travelled to Adelaide to meet with our counterparts from New South Wales and South Australia.

It was a valuable meeting, albeit one which highlighted that, whilst there is a mood for greater co-operation amongst the schemes, the extent to which this can be reasonably achieved is constrained by respective state legislations. For now, cognisant of our differences, we agreed to focus

on three areas — how we might 'benchmark' ourselves, what we might do to entrench idea-sharing, and how we determine the suitability of mooted new scheme participants. We departed in strong agreement to share our thinking and our protocols, while adapting them to our own circumstances.

Notwithstanding environmental challenges and operating uncertainty, the Board is confident that the EWOV scheme is being well run. Key performance indicators set by the Board have been met and there has been positive feedback from staff, customer and scheme participant surveying. During the year, we marked Cynthia's ten years of service to EWOV, five of those as Ombudsman. In doing so, the Board took the opportunity to thank her for an open and intelligent approach, observing the respect accorded to her by EWOV's stakeholders.

Following appointment by the Essential Services Commission (ESC), Ronda Held (COTA Victoria) joined us as a consumer director in July 2016. The ESC also advised us of the reappointments of Gavin Dufty (St Vincent de Paul Society) and Gerard Brody (Consumer Action Law Centre) for three-year terms.

The EWOV Board is a high performing and collaborative team. I extend my appreciation to all directors for their strong commitment to Board duties and their focus on the long-term success of the EWOV scheme.



Paul Sheahan AM

Chairman, EWOV Limited

Two levels of administration are crucial to EWOV's independence — the EWOV Limited Board and the Ombudsman.

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

The nine-person EWOV Limited Board consists of an independent Chairman, four consumer directors nominated by Victoria's Essential Services Commission and four energy/water industry directors elected by EWOV Limited's industry members.

The Board is responsible for the business affairs and property of the company, including corporate governance, approval of budgets, risk management, strategic planning and ensuring the Ombudsman's independence.

The Board also appoints the Ombudsman, who is responsible for the day-to-day operation of the EWOV dispute resolution scheme.

EWOV Limited Board



Paul Sheahan AM
Chairman,
appointed November 2014



Neil Brennan
[Western Water](#)
Industry Director,
appointed August 2002



Jonathan Briskin
[Origin Energy](#)
Industry Director,
appointed August 2014



Gerard Brody
[Consumer Action Law Centre](#)
Consumer Director,
appointed August 2014



Gavin Dufty
[St Vincent de Paul Society](#)
Consumer Director,
appointed August 2013



Eugenio (Gino) Fragapane
[AGL Energy](#)
Industry Director,
appointed August 2015



Peter Gartlan
[Financial and Consumer Rights Council](#)
Consumer Director,
appointed July 2012



Claire Hamilton
[AusNet Services](#)
Industry Director,
appointed December 2011



Ronda Held
[COTA Victoria](#)
Consumer Director,
appointed July 2016

Company Secretary

Christopher See, EWOV, appointed October 2008

Reflections on 2016-17

While EWOV primarily exists to resolve complaints, it doesn't operate in a dispute resolution 'bubble'. Driven by the experiences of customers using energy and water services, our work is underpinned by the interrelatedness of energy and water as essential services, growing community concern about affordability and customer vulnerability, policy and regulatory uncertainty, and industry transformation and technology-driven innovation. In a changing, complex and challenging operating environment, we continue to focus on delivering an effective, efficient, fair and independent dispute resolution service.

Stabilising of case volumes

Relative to the steep falls of recent years, it appears that EWOV's case volumes may have stabilised. We registered 32,002 cases in 2016-17, down 11% from 36,152 cases in 2015-16. Overall electricity, gas and water cases were all down. Improved company internal dispute resolution (IDR) continues to be the key driver behind the falls, enabling EWOV to shift back to its intended role as an office of last resort.

Dealing with the challenge of affordability

For the fourth year running, the credit issue of 'disconnection/restriction' topped the list of customer concerns. It was closely followed by 'high bill'. So, despite overall case falls, affordability continues to loom large. We find ourselves dealing with a high proportion of complex affordability complaints, many of them lodged by customers in vulnerable situations. These complaints are ending up at EWOV because direct negotiation between customers and companies hasn't been able to deliver an outcome that works for both parties.

Affordability complaints often involve very high arrears and significant capacity to pay issues. Commonly, we find the customer has previously agreed to a payment plan that they really can't afford in their current circumstances. Some people have had several failed payment plans and threats of disconnection. Some have already been assisted through the company's hardship program, but they didn't keep up the agreed payments or the level of contact required for ongoing assistance through that program, so they're no longer receiving that assistance. Investigation of these complaints is very challenging and time-consuming — for us, for the customer, and for the company.

Keeping customers engaged in the resolution process

Given customers contact EWOV because they need help, it may sound strange that it's often a challenge for us to keep them engaged in our resolution process — even where the customer identifies as being in financial difficulty and facing actual or imminent supply disconnection. But that's the reality.

In 2016-17, 40% of 'affordability' Investigations — those involving the credit issues of disconnection/restriction and payment difficulties — were closed as No Further Investigation (NFI), because the customer dropped out of the process. This was up from 26% of Investigations closed as NFI four years ago.

Conscious of this trend, we've been working on better and clear communication with customers about the value of staying in touch. At the point of their first EWOV contact, we talk about how the dispute resolution process can help them with more than resolution of their complaint, the additional advice we can give about rights and responsibilities, and how we can refer them to appropriate support services. We're making it easier for them to stay in touch with us in a way that suits them. When they call us at peak times, they can now choose to be called back rather than wait in a call queue. We're using text messaging more where we can't reach them by phone.

It's clear that many customers don't know where to go for support or assistance with their financial situation. Sometimes EWOV is the first organisation they've spoken to about it. We're taking the opportunity this presents to provide local and accessible appropriate referrals for them to financial/consumer support agencies and other Ombudsman/dispute resolution offices. We're also working with other Ombudsman offices to develop some common forms for use across our offices, so the customer has to provide say, their statement of financial position, once only. These are small steps, but ones that can make a big difference for customers who are already in stressful circumstances.

While EWOV's purpose is fundamentally one of independent dispute resolution, we also have important aligned responsibilities — to publish information about energy and water complaints, to identify and report systemic issues, and to work collaboratively to drive customer service improvements and help prevent complaints.

Adapting how we work to our changing caseloads

We can't control the volume or complexity of the complaints EWOV receives, and each of these factors is a key driver of scheme costs. What we can do is to build enough flexibility into our operations to enable us to respond appropriately and maintain our productivity, no matter what comes through the door. Reviewing and adjusting our systems and processes to the types of complaints customers are lodging with us at any time is an ongoing challenge.

To this end, we recently discontinued Real Time Resolution (RTR), a process we introduced in 2011-12 to deal with a very high volume of relatively straight-forward complaints and a growing complaints backlog. It was a very successful initiative to help us address failed Assisted Referrals, and in our 2011-12 Annual Report we reported on its positive impact. Since 2013-14, however, our use of RTR had steadily declined. This was largely because the billing systems implementation problems driving those complaint volumes had been addressed by the companies concerned. We've now reverted to our earlier practice of opening an Investigation, where a complaint can't be promptly managed through Assisted Referral.

Providing guidance through 'position statements'

Since early 2015, we've used 'position statements' to provide guidance on EWOV's general approach to the resolution of certain types of complaints. Originally written with energy and water companies in mind, these are now on our website as guidance to customers, their representatives and other interested stakeholders. Each position statement draws on EWOV's complaint handling experience, to outline information we regard as relevant to a fair and reasonable resolution of particular complaints. Commonly, this includes current and relevant laws and codes, previous case history and good industry practice in relation to the same kind of issue. Position statements are guides. They aren't intended to be definitive or prescriptive. Our use of them doesn't affect our consideration of each complaint on its merits, to arrive at an outcome that takes account of the particular circumstances.

EWOV's Position Statements

- 1 Meter access and estimated billing
- 2 Credit collection and default listing
- 3 Compensation for damage and loss following voltage variation
- 4 Compensation for damage and loss following electricity outage
- 5 Payment difficulties and hardship – energy retail
- 6 Payment difficulties and hardship – urban water businesses
- 7 Family violence

Working collaboratively on family violence issues

Early in 2017, we published our seventh position statement. It outlines EWOV's approach to handling cases where family violence (including economic or financial abuse) may be, or is known to be, a factor. Utility debt is recognised as a key contributor to the accumulation of household debt and financial insecurity for persons (in most cases, women) experiencing family violence. It is also recognised that someone in this situation may not be able to engage with us, or with their energy or water company, in the same way as other customers do.

The position statement broadly outlines our approach to the issues, scenarios and consequences which often arise where family violence is a factor.

In March 2016, the Victorian Royal Commission into Family Violence published an extensive report. One of the report recommendations highlighted the importance of EWOV, and other Ombudsman offices, publicising the availability of our dispute resolution processes, given we play an essential role in resolving disputes between utility service providers and consumers where financial security is at risk.

Recognising the value of having key stakeholders involved in the discussion, in August 2016, we joined with WEstjustice to co-host a roundtable of representatives from energy and water companies, family violence community agencies, consumer groups, government agencies and regulators. Our aim was to explore opportunities for collaboration on initiatives to help restore financial security for family violence victims and minimise complaints. The actions agreed by participants included training for company staff across all areas/levels, policies that take account of family violence situations, and building knowledge of assistance available through family violence, legal and financial counselling organisations.

To help build awareness of EWOV's role and services, we also completed a mail-out through Domestic Violence Victoria to a list of 24 Victorian organisations which work with victims of family violence.

Considering a new jurisdiction

While 'embedded network' may not yet be a familiar term, its application will be. Many tenants and other residents receive their electricity service through an embedded network. The owner of their apartment building, retirement village, caravan park or shopping centre buys electricity from an energy retailer and sells it on to them. In these situations, the owner of the embedded network is known as an 'exempt entity' because they don't need to hold an electricity licence. This means that customers in this situation don't have the same protections as customers who buy from licensed electricity retailers, they may find it hard to buy electricity in the competitive market, and they don't have access to EWOV for dispute resolution.

This situation may be about to change. The Victorian Government is considering possible changes to the General Exemption Order, which exempts some sellers of electricity from the requirement to hold a licence. Proposed changes include requiring certain exempt sellers to be a member of an Ombudsman scheme. If implemented, this would vastly increase the number and type of companies that are required to join EWOV. Similar issues are being

considered nationally. We've been working closely with the other energy and water Ombudsman schemes to ensure that, to the extent possible, there's consistency in how we deal with the changes to funding models, governance and operations which may be required. One of our early priorities would be working with new scheme participants to build their understanding of dispute resolution in the energy and water industries. At the same time, we'd be seeking to raise awareness among customers within embedded networks of their rights and responsibilities.

Saying thanks

So yes, it was another challenging year, one which clearly highlighted that EWOV doesn't operate in a dispute resolution 'bubble'.

Thank you to my colleagues in the Ombudsman community who, through the Australia & New Zealand Energy and Water Ombudsman Network (ANZEWO) and the Australian and New Zealand Ombudsman Association (ANZOA), provided opportunities for sharing of experience and collaboration on common approaches.

Thank you to the members of the EWOV Board for your support and advice.

Most importantly, thank you to my team for maintaining your professionalism, engagement, flexibility and performance as we worked our way through some interesting times and issues.

I know we are well-placed to manage the uncertainty of EWOV's operating environment and the challenges that 2017-18 is certain to bring.



Cynthia Gebert
Energy and Water Ombudsman (Victoria)

Hitting the road to spread the word

160
organisations

548
financial
counsellors and
community workers

186
new *Connect*
subscribers

The headlines

- Between October 2016 and June 2017, our Community Roadshow reached **160** organisations — 118 with a visit and 42 with EWOV information packs. Many of these organisations helped us spread the word about EWOV even further.
- We met with **548** financial counsellors, community workers, volunteers, legal advisors, disability assistants and citizen advice employees.
- We signed up **186** new subscribers to *EWOV Connect*, our e-newsletter for community workers and financial counsellors.
- Online, we used Twitter, Facebook and LinkedIn to help us spread the word about the roadshow.

We set out to

- Reach people in vulnerable communities.
- Expand and strengthen EWOV's community networks.
- Showcase and distribute new community resources and materials.
- Improve the reach of *EWOV Connect*.
- Provide opportunities for people in regional and rural communities to talk to us face-to-face.

Through community networks, we reached

- People on low incomes.
- Senior citizens.
- People with disabilities and their carers.
- Non-English speaking older migrants.
- New migrants and refugees.
- Indigenous communities.
- Family violence support groups.
- Prisoners.

We learnt that

- Energy affordability is a huge concern.
- People want more information about how to read their bills; about their hardship entitlements; about backbilling and equal time to pay rules; about disconnection rules and the Wrongful Disconnection Payment (WDP); about payment plans; about how to get the best energy deals and where to look for them.
- There are shortcomings in the practices of some energy and water companies when it comes to checking whether customers are receiving concessions they're entitled to, payment plans, information and forms for a Utility Relief Grant, the best available tariff, easy access to hardship teams and programs.
- EWOV's materials are hitting the mark, with requests for more of them to be translated into other languages.



OUR PERFORMANCE

Our focus remained on maintaining an appropriate balance between the accessibility, efficiency, fairness and independence of EWOV's processes, while ensuring the flexibility and responsiveness of its operating model.

The Board asked the EWOV Senior Leadership Team to continue to focus on six specific areas:

- Operating Model
- Industry Relationships
- Customer and Community Engagement
- Policy and Influence
- Systems and Data Analysis
- Human Capability

Operating model

Overall goal

To provide efficient, effective, fair and independent dispute resolution services to energy and water customers and scheme participants

Success measures

- Meet or exceed key performance indicators by 30 June 2017
- Meet cost per case outlined in 2016-17 budget

The specific case handling key performance indicators (KPIs) reported to the EWOV Limited Board in 2016-17 focused on the efficiency, sustainability, fairness and independence of EWOV's processes. We met or exceeded all but one of these KPIs.

- Accessible and efficient service to customers contacting EWOV via the 1800 number
 - » Our target was 80% of calls answered within 30 seconds. We achieved 85%.
- Timely and sustainable resolution of straightforward cases
 - » Our target was closure of more than 90% of Stage 1 Investigations within 28 days. We achieved 92%.
 - » Our target was 85% of cases closed through Stage 1 Investigations not reopened. We achieved 98%.
- Effectiveness and efficiency in handling all Investigations
 - » Our target was an average of 60 days to close Investigations (Stage 2 and above). We achieved this.
 - » Our target was over 98% of cases closed within 180 days. We achieved 97%.
 - » Our target was 97% of Investigations not reopened. We achieved 98%.

We brought EWOV's costs in at \$9.3m, \$1.7m (16%) under the budget of \$11.0m, with costs lower across all departments. The main savings were in human resources.

Based on our surveying of customers who used EWOV's service, we achieved a 79% rating of 'excellent or good', against 80% in 2015-16. 81% of respondents thought we had handled their complaint in an independent way (as for 2015-16) and 81% thought we had handled their complaint fairly (up from 80% in 2015-16). Our Net Promoter Score was 70, against 71 in 2015-16.

Across the different complaint stages, the 'excellent or good' ratings were:

- Unassisted Referral 76% (up from 75%)
- Assisted Referral 81% (down from 83%)

- Real Time Resolution 83% (up from 81%)
- Investigation 65% (down from 68%).

We implemented an amended quality assurance framework, which more effectively links to our competency framework. Well accepted across the office, it has been supplemented by further development of the coaching capability of team managers and co-ordinators.

In July 2016, we implemented a user-pays charging structure for Wrongful Disconnection Payment (WDP) assessments. This has improved the equity of cost recovery and incentivised retailers to provide timely and high-quality responses. The average time EWOV spends on WDP assessments has fallen. Fewer WDP assessments require multiple responses to provide the information we need for our assessment. The cost of our time is now carried by the retailers who provide poor quality or delayed WDP responses.

We acted on the recommendations of our 2015-16 review into why customers don't stay in contact with EWOV, focusing on:

- improved written and phone communication
- improved engagement with external agencies for appropriate and effective referrals
- building our knowledge of external referral pathways and information sources
- working with other external dispute resolution schemes to make it easier for customers and their representatives to engage with us, particularly on issues related to credit.

We undertook further analysis of the sustainability of payment plans and outcomes achieved through EWOV Investigations. This prompted process refinement, identified staff coaching opportunities, and influenced our engagement with external stakeholders.

Through refining case handling workflows in Resolve, we achieved better data capture, better user experience, greater case handling consistency, and productivity improvements.

Industry relationships

Overall goal

To foster effective, collaborative relationships and drive continued customer service improvement by the energy and water industry

Success measures

- Improved levels of scheme participant satisfaction relative to 2015-16
- Ongoing engagement with EWOV's industry-specific resources as demonstrated through readership and feedback relative to 2015-16

Our Process Advisory Committee met twice, providing valuable input to several of EWOV initiatives.

We simplified the Resolve data capture process to better support the systematic capture of feedback that we need to improve our case handling.

We launched a new scheme participant extranet to very positive feedback. It provides improved access to monthly data reports, process and procedure documents, EWOV contacts and other critical information about working with us to resolve complaints and improve customer service.

We redesigned our quarterly scheme participant publication, *Res Online / Scheme Participant Supplement* (ROSPS), to coincide with the new extranet. The publication EDM was sent to 465 scheme participant contacts, receiving an open rate of 32%, up significantly from the 9% for the November 2016 EDM. In surveying of scheme participants on our extranet performance, ROSPS was rated 9 out of 10. The extranet as a whole was rated 9 out of 10 across criteria of access to data, contacts, case handling policies and ROSPS.

We developed a new report, delivered fortnightly via the extranet, to update scheme participants on the status of their cases.

We ran a forum as part of the 2016 Annual General Meeting to create an opportunity for direct engagement with senior scheme participant representatives around specific issues.

We reinforced EWOV's impartiality with case studies of complaints we closed on a merits basis.

We worked closely with the scheme participants with higher case volumes and/or more complex complaints, to improve customer service and minimise the occurrence of complaints. Our General Manager Operations met regularly with a number of scheme participant contacts to sustain this focus on effective working relationships. Case clarification meetings and scheme participant focus days continued to improve our case handling efficiency and effectiveness, and that of scheme participants.

We delivered company-specific training to build understanding of EWOV processes and complaint handling.

We met with scheme participant CEOs and senior staff to discuss working relationships and upcoming challenges. Feedback about EWOV was positive. Price rises, affordability, and policy and regulatory uncertainty were common themes.

OUR PERFORMANCE

Customer and community engagement

Overall goal

To advance the accessibility and awareness of EWOV

Success measures

- Ongoing community agency participation with a view to improving an understanding of EWOV's role and process
- Sustained high levels of customer satisfaction and positive community agency feedback

Through our Community Roadshow, we made contact with community agencies working with new migrants and refugees, non-English speaking older migrants, senior citizens, Indigenous communities, people on low incomes, family violence support groups, people with disabilities and their carers, and prisoners. We visited 118 organisations across Victoria, exceeding the goal of visiting 100 organisations. We engaged with 548 community workers. We provided more than 40 information packs to other organisations as part of the roadshow. We also offered Bill Power Days, where customers and/or their representatives could schedule a one-on-one meeting with one of our Conciliators.

We developed a revised strategy to improve the effectiveness of our community outreach for implementation in 2017-18.

We launched a new EWOV website. It met budget and includes all the critical accessibility criteria. In our October to December 2016 customer satisfaction survey, the website received an overall satisfaction rating of 89%.

We provided leadership within the broader Ombudsman community on Search Engine Optimisation (SEO) as a critical component of raising awareness. Improvements made as a result of our SEO strategy include keyword searching and inclusion, link optimisation, building new links, strengthening social media output, and ensuring a continuing stream of new content for the web.

We translated our six most popular fact sheets into more languages — Arabic, Chinese (simplified), Dinka, Farsi and Vietnamese. We selected these languages based on frequency of requests for telephone translation services and informal surveying of community organisations about their clients' most common language needs. EWOV now offers some translated resources in 32 different languages.

Release of our 2016 Annual Report achieved wide-ranging coverage across major metropolitan and regional news outlets. We used the Community Roadshow to build regional media coverage. The Morning Tea with the Ombudsman as part of Seniors Festival received coverage in *The Senior* publication, and led to a regular interview spot with the community radio station, *Golden Days Radio*.

We adopted a more strategic approach to the use of Twitter, Facebook and LinkedIn, distributing monthly updates through the social media channel best suited to the audience for that update. EWOV's social media followers increased as a result.

Policy and influence

Overall goal

To be a respected provider of high quality, independent information, analysis and advice about the customer experience of the energy and water industries

Success measures

- Stakeholder feedback indicates that EWOV's information is valued
- Ongoing and sustained engagement with EWOV's publications

We provided 28 tailored responses to data requests from regulators, government departments, customer advocate groups and the media — up from 25 in 2015-16 and a good indicator of the value placed on EWOV's data.

We made 13 submissions to various policy and regulatory processes, ensuring that the complaint experience of the energy and water industries was available to inform these processes.

We participated in regulatory working groups, liaised with regulators and made relevant submissions based on our casework. Our participation in the Essential Services Commission's *Payment Difficulties Framework* consultation, and the ability to bring our case handling insights to the consultation process, was particularly important.

We improved EWOV's information sharing relationship with Consumer Affairs Victoria (CAV).

With the Energy & Water Ombudsman NSW (EWON) and Energy & Water Ombudsman South Australia (EWOSA), we commissioned the *Consumer access to external dispute resolution in a changing energy market* research paper to inform policy and regulatory thinking.

Readership of EWOV's publications — *Res Online*, *Connect*, *Affordability Report* — was strong.

The EDM open rate for *Res Online* improved across each quarterly release throughout the year, indicating ongoing and strengthening engagement with the high level information about EWOV circulated in the EDM.

Interest in the quarterly *Affordability Report* was consistent through the year, with a strong EDM open rate and improved total page views.

Connect, our e-newsletter for community workers and financial counsellors, moved from quarterly to six-monthly. Its readership increased, and the open rate of the EDM, the click-throughs to the publication and the number of hits on the *Connect* webpage all improved. We also used the Community Roadshow to build our distribution list.

We incorporated the *Solar and Smart Meter Report* into *Res Online*, due to the overall reduction in volume of these cases (approximately 77% over three years) and the effective end of the Smart Meter roll out in 2014-15.

OUR PERFORMANCE

Systems and data analysis

Overall goal

To deliver robust and capable information technology and data solutions to support EWOV's goals

We exceeded minimum working day availability of 99.5% uptime for our telephony environment (99.78%), Resolve case management system (100%) and email application (100%) availability.

Our March 2017 'vulnerability test' delivered favourable results, with only 11 vulnerabilities found, and only one of those high and none critical. All of these holes were identified through traditional means of hacking, with none identified through social engineering (now forms over 95% of all exploits). Overall, this was an excellent result for EWOV.

Success measures

- Key business systems are functioning 99.5% of the time during EWOV's operating hours
- Timely and effective analysis of complaint trends

The majority of these low level vulnerabilities have now been addressed. An additional layer of protection (Sophos Intercept-X) has been implemented to further enhance EWOV's security.

We focused on how to more effectively use the data available from the new telephony system we implemented last year. A highly effective spreadsheet-based reporting model (that can be readily extracted from the telephony system) was developed. We have started to migrate this reporting into the Tableau model, a large and complex task that will roll into 2017-18.

Human capability

Overall goal

To maintain an agile, engaged and high performing workforce

75% of staff took part in the staff survey using the Gallup® Q12 tool. The overall rating of 3.92 out of 5 was a good result given the amount of organisational change at EWOV over the past year. EWOV is in the 25th – 49th percentile as ranked in the Gallup® overall database.

We completed salary benchmarking and a review of performance appraisal processes.

We designed and delivered an innovative learning and organisational capability program, focused on enabling our staff to continue to deliver requisite services and respond to stakeholder expectations and external and internal challenges as they arise.

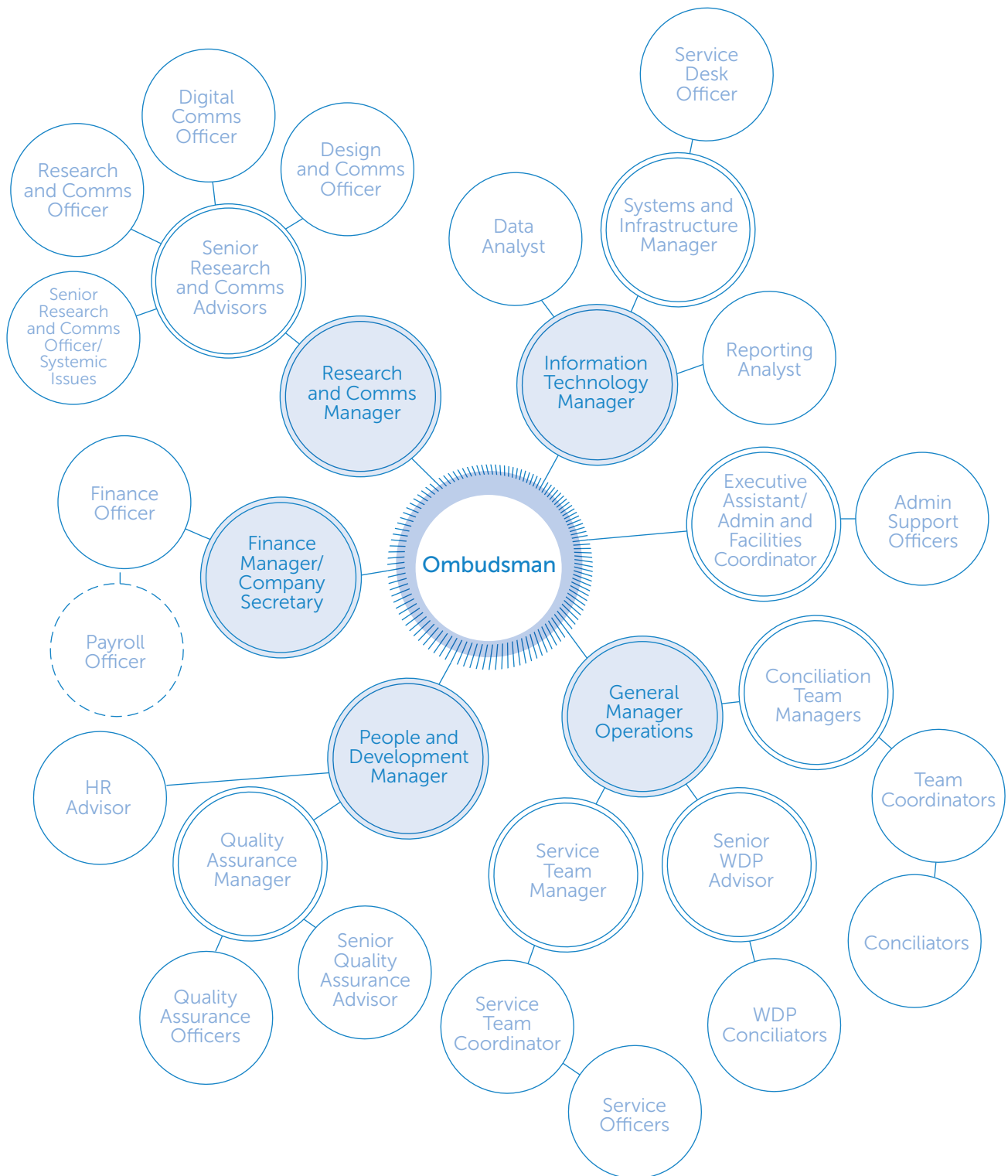
Success measures

- 2016-17 staff survey results improve upon previous years

We completed a succession planning review to assess EWOV's future needs, evaluate our current workforce skills and capabilities and identify any gaps. A Succession Planning Development Program was developed.

We used our Emerald City intranet as an effective central internal communications vehicle.

EWOV's organisational structure



OUR 2016-17 CASEWORK

Cases, customers, contacts



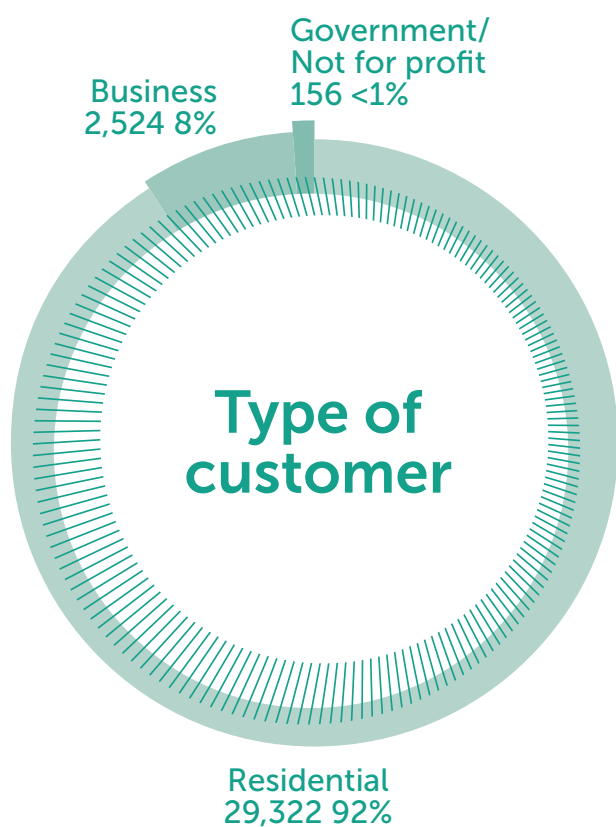
71%

Metropolitan
Melbourne



29%

Regional/rural



OUR 2016-17 CASEWORK

By case type

1,538
cases registered as enquiries
↓8%
from 2015-16

30,464
cases registered as complaints
↓12%
from 2015-16

Cases by industry

19,012
electricity
↓16%
from 2015-16

10,547
gas
↓2%
from 2015-16

2,105
water
↓12%
from 2015-16

70
dual fuel
↓33%
from 2015-16

268
other industries
↓12%
from 2015-16

Total cases

32,002
cases
↓11%
from 2015-16

Top 5 sub-issues

1. Energy disconnection/
water restriction
2. High bill
3. Debt collection/
credit default listing
4. Existing
connection
5. Billing
error

The customers

29,322 cases were lodged by residential customers (92%), 2,524 cases by business customers (8%) and 156 cases by not-for-profit/government customers (<1%). Four years ago, the split was residential 93%, business 6% and not-for-profit/government <1%.

74% of customers made contact by phone, and 25% by email or through our website. Four years ago, the split was phone contact 80% and email/website contact 19%.

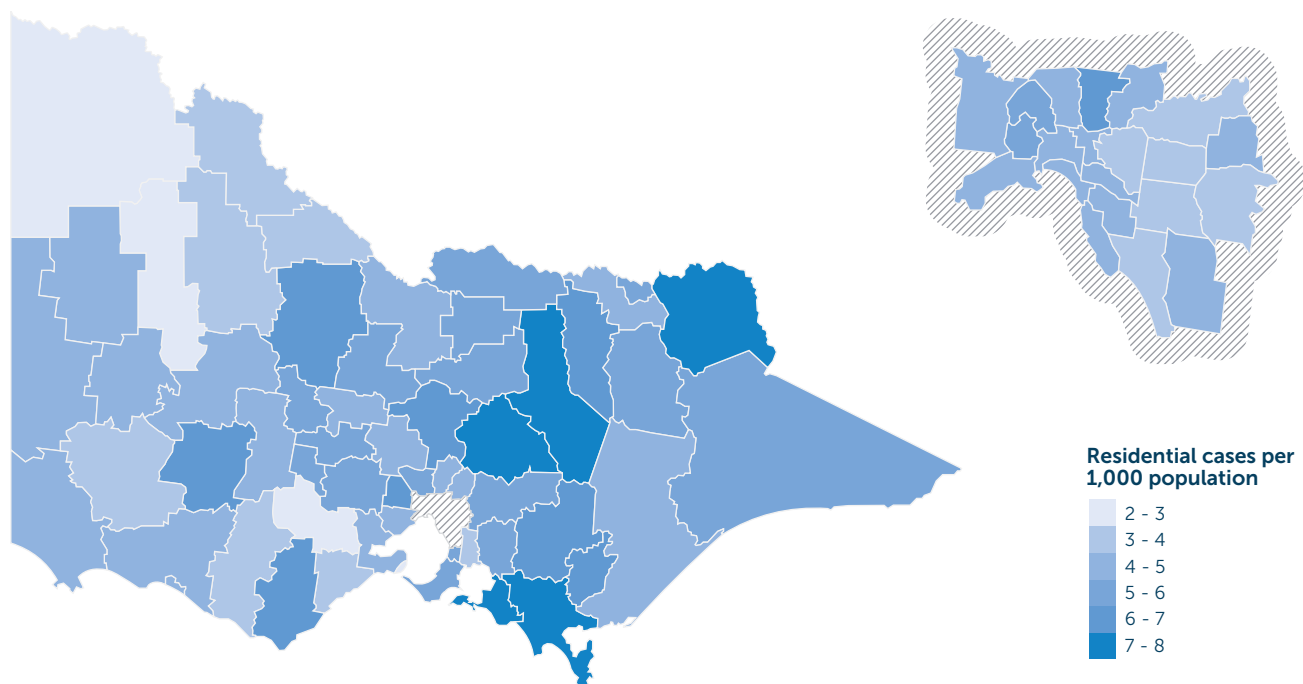
71% of customers were from metropolitan Melbourne and 29% were from regional and rural Victoria. Four years ago, the split was metropolitan 73% and regional/rural 27%.

The parts of Victoria with the highest rates of EWOV cases (residential customers, energy and water combined) per 1,000 of population were South Gippsland Shire, Bass Coast Shire, Murrindindi Shire, and Benalla and Mansfield Shire.

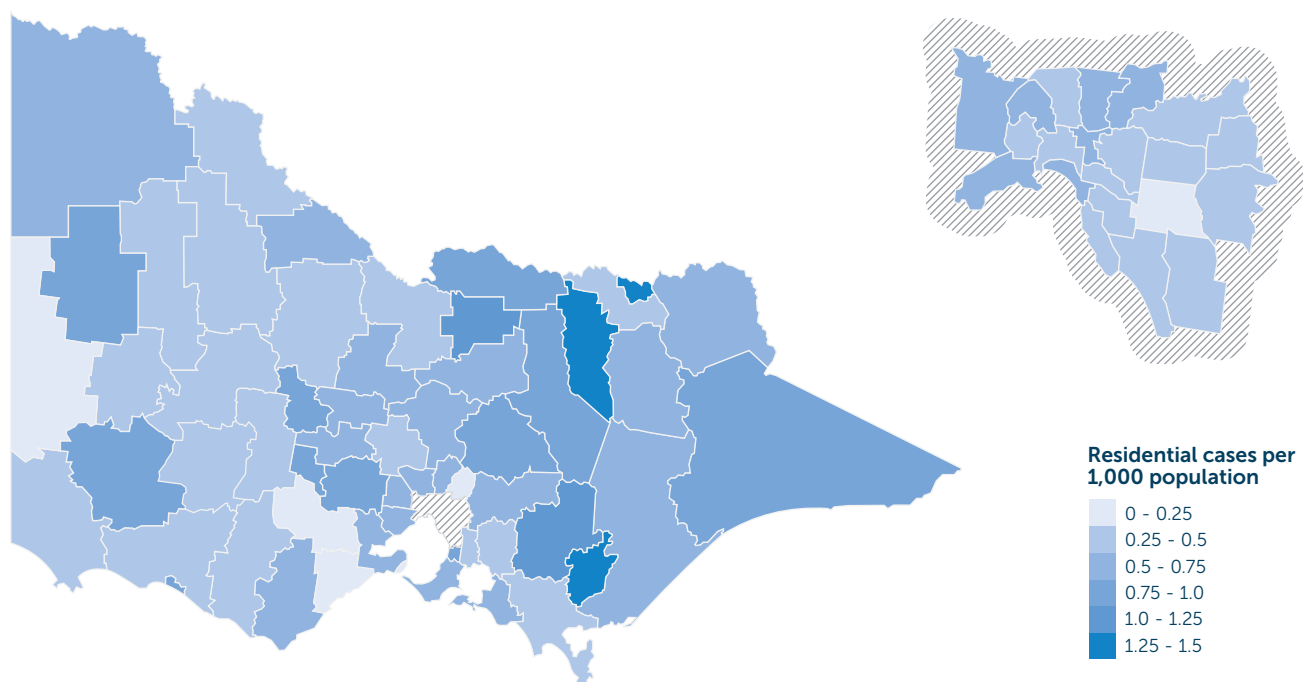
The maps on pages 18 and 19 provide more information on 'hot spots' around Victoria for EWOV cases overall, energy disconnection/water restriction cases, credit collection cases and high bill cases.

OUR 2016-17 CASEWORK

The cases EWOV received from residential customers by council/shire

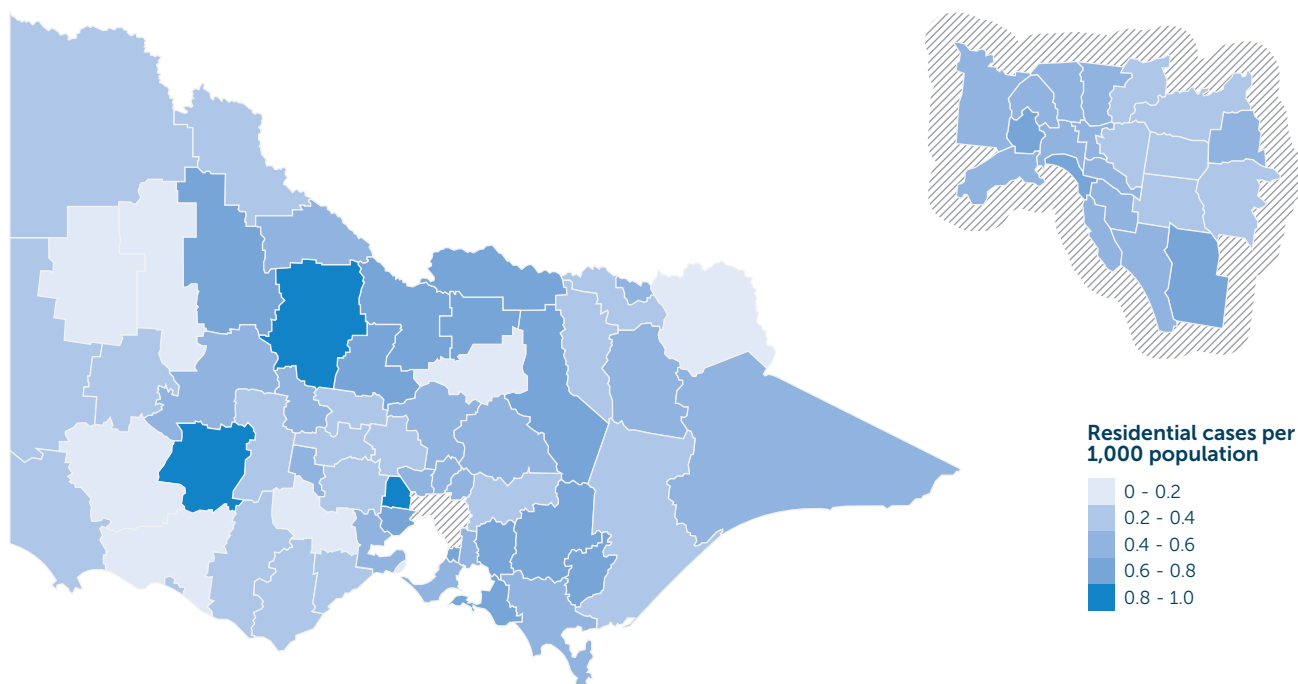


The energy disconnection/water restriction cases EWOV received from residential customers by council/shire

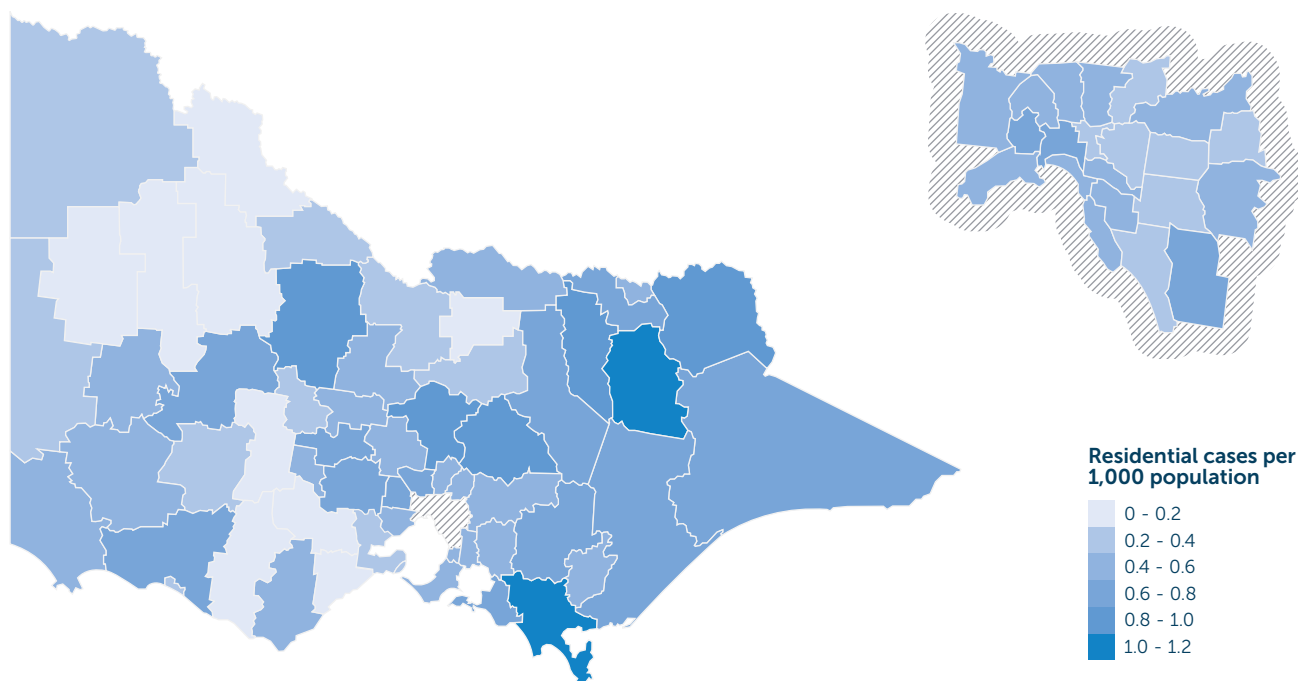


OUR 2016-17 CASEWORK

The debt collection/credit default listing cases EWOV received from residential customers by council/shire



The high bill cases EWOV received from residential customers by council/shire



OUR 2016-17 CASEWORK

EWOV's dispute resolution process

Informal, based on the principles of alternative dispute resolution (ADR)

EWOV's work is often described as external dispute resolution (EDR), because our process is independent of and external to the companies participating in our scheme (the scheme participants). Essentially, we look to uncover the facts to help the customer and their company better understand the issues and each other's point of view. We work towards agreement on a resolution and what needs to be done to achieve it. This outcome may be achieved directly between the customer and the company, or it may be conciliated by us.

Enquiry

In 2016-17, we assisted with 1,538 enquiries.

Where we could, we provided the information ourselves. Where we couldn't, we provided the customer with contact information for the most appropriate office.

Unassisted Referral

In 2016-17, we registered 4,719 complaints as Unassisted Referrals — 2,993 electricity, 1,275 gas, 5 dual fuel and 446 water.

We refer a customer back to their company's contact centre, where they contact us before the company.

Assisted Referral

In 2016-17, we registered 20,214 complaints as Assisted Referrals — 11,762 electricity, 7,119 gas, 50 dual fuel and 1,283 water.

Where a customer has spoken with their company, but the complaint remains unresolved, we register it as an Assisted Referral and facilitate contact with the customer by a higher-level contact within the company. We make the referral after providing the customer with some information about their rights and responsibilities, relevant to their complaint. We also make sure they know that they can return to EWOV if the Assisted Referral doesn't resolve the complaint for them. Assisted Referral provides an opportunity for the company to reconnect with their customer. Undertaken effectively by the company, it can build goodwill and customer confidence in the company's capacity to resolve any future problems.

Real Time Resolution

In 2016-17, we registered 579 complaints at Real Time Resolution (RTR) — 331 electricity, 227 gas, 2 dual fuel and 19 water.

EWOV introduced the RTR process in 2011-12 to help us deal with very high volumes of relatively straight-forward complaints, which the companies were unable to handle effectively through their internal dispute resolution processes. The RTR Team received failed Assisted Referrals — from customers who returned to EWOV still dissatisfied with the company's response to their complaint — and worked by phone to negotiate a fair and reasonable resolution, usually within 24 hours. RTR was introduced to deal with a problem EWOV is no longer facing. In early 2017, it was discontinued.

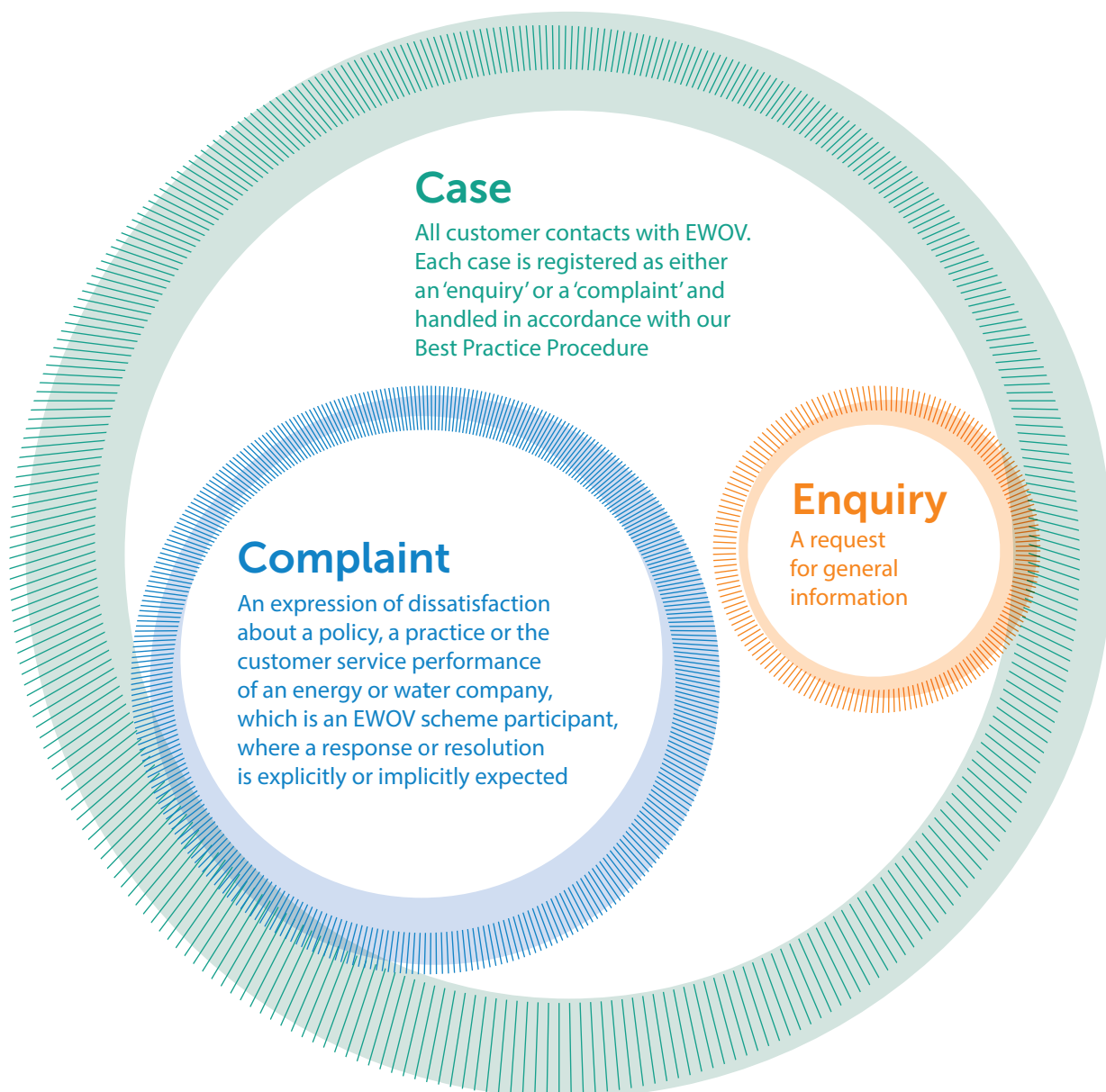
Investigation

In 2016-17, we registered 4,952 Investigations — 2,939 electricity, 1,748 gas, 13 dual fuel and 252 water.

We open an Investigation where Assisted Referral doesn't resolve a customer's complaint. We may also move directly to an Investigation (bypassing Assisted Referral) where the complaint is complex and unlikely to be resolved by referral, where the customer's circumstances reflect EWOV's *Vulnerable and Disadvantaged Customer Policy and Procedure*, and/or where an energy or water company requests an Investigation.

Binding Decision

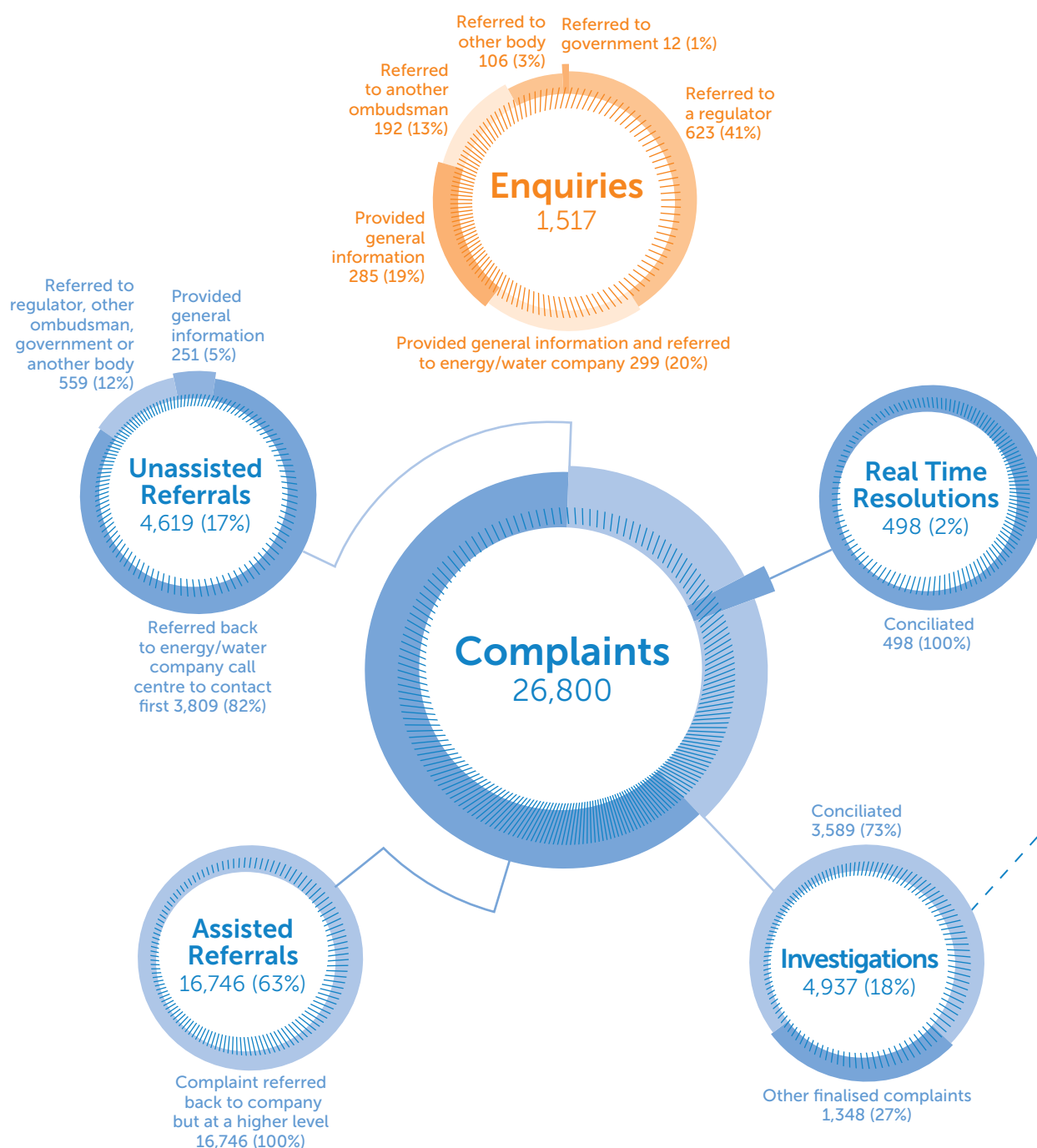
If a complaint goes through the process of Investigation without a resolution being achieved, the Ombudsman has the power to close the complaint if it's assessed that further investigation isn't warranted, or to make a Binding Decision. Where the Ombudsman makes a Binding Decision, the decision is binding on the company if the customer accepts it. Alternatively, the customer may choose to take action in another forum, such as a court. It hasn't been necessary for the Ombudsman to make a Binding Decision since 2003.



OUR 2016-17 CASEWORK

Cases finalised

We finalised 28,317 cases

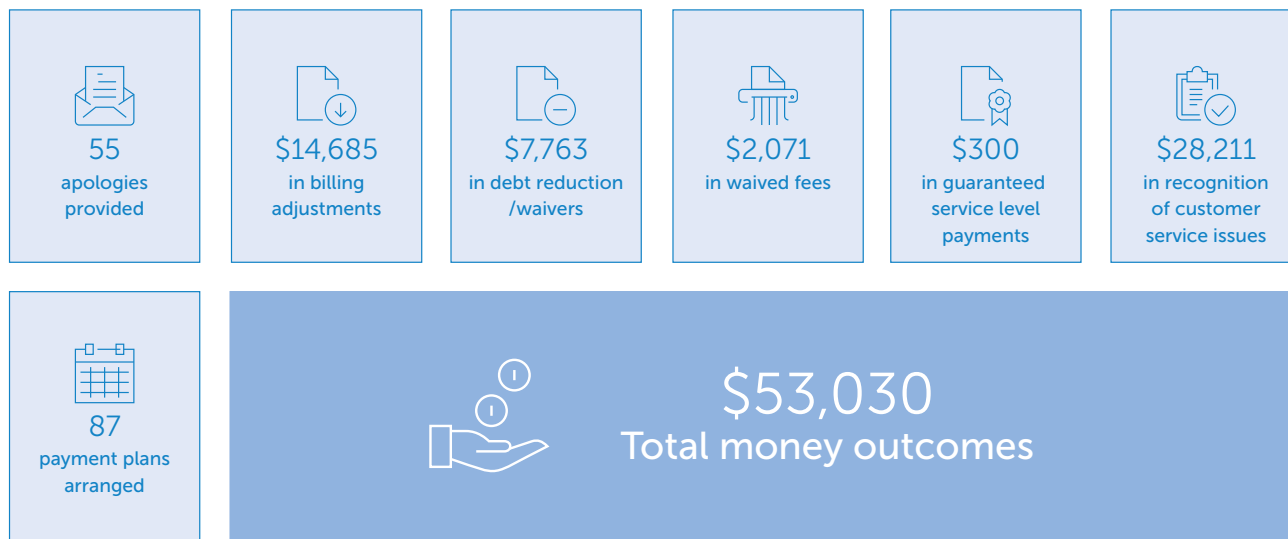


Other finalised complaints closed with these outcomes:

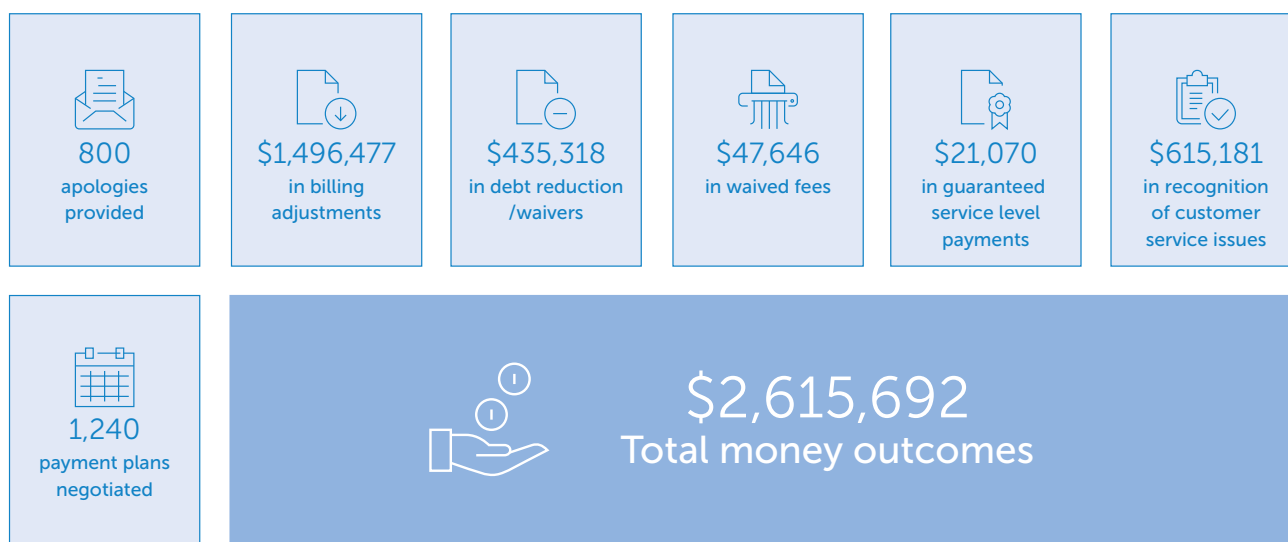
Closed due to customer non-participation	1,239 (92%)
Withdrawn by the customer	49 (4%)
Out of EWOV's jurisdiction	35 (3%)
Fair offer put forward to customer	15 (1%)
Further investigation was not warranted	6 (<1%)
More appropriately dealt with by another body	4 (<1%)

OUR 2016-17 CASEWORK

Real Time Resolution outcomes



Investigation outcomes

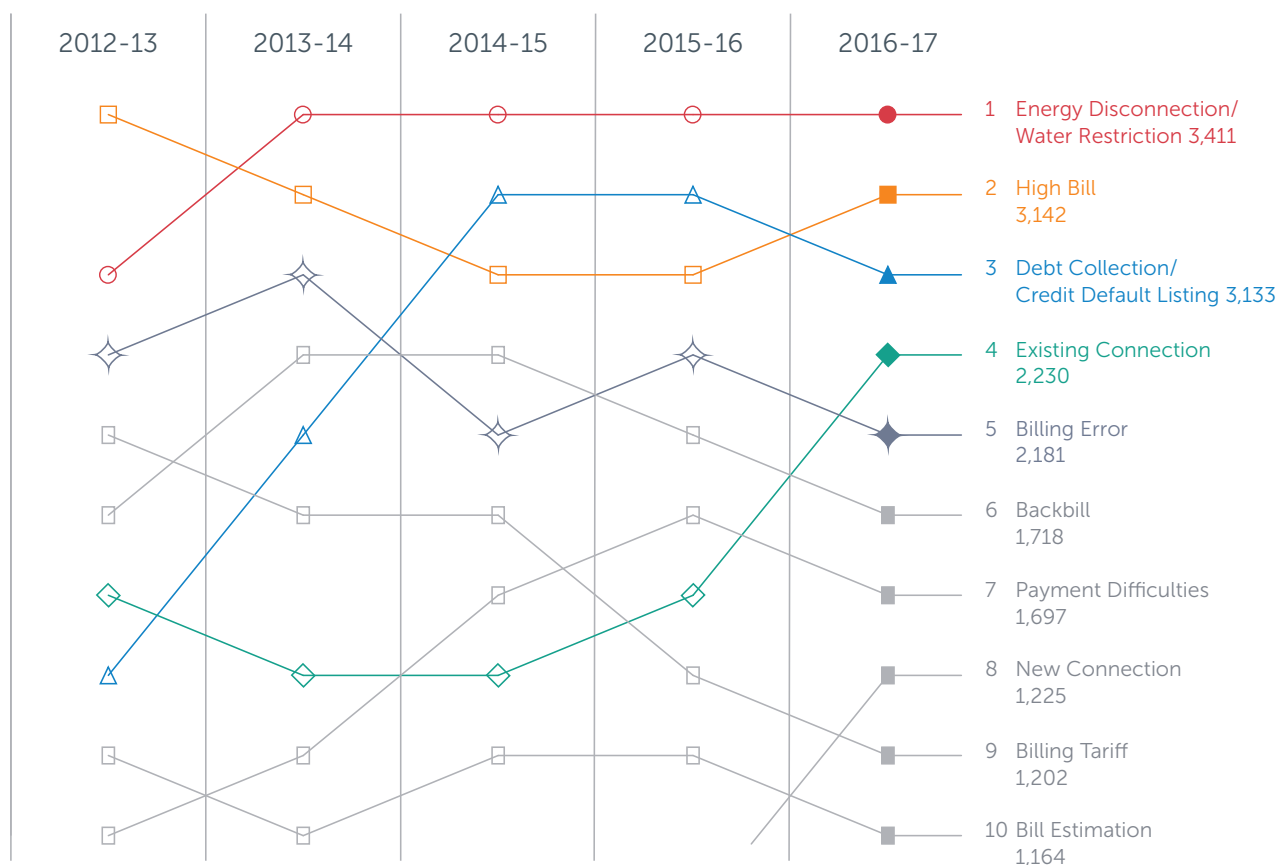


NOTE:

The number of cases finalised by EWOV is always lower than the number of cases received. This is because an unresolved complaint may progress through several stages of EWOV receipt and escalation. The outcomes data for finalised cases reflects the stage at which the final outcome was achieved.

ISSUES TRENDS OVERVIEW

Top issues ranked over 5 years



EWOV categorises complaints in nine high level issues categories.

Based on the customer's statement, we sometimes register two or more issues for the one case – for example, transfer of an electricity account in error, resulting in supply disconnection. A customer may also have issues with two different companies at the same time. During the life of a complaint, we may re-categorise the initial case issue as more information comes to light about the actual nature of the complaint.

Billing
Credit
Provision
Supply
Land
Transfer
Marketing
Customer Service
General Enquiry

Shifting EWOV caseloads

Billing

40% of caseload in 2016-17

↓ from 41%
in 2015-16

↓ from 53%
4 years ago

Billing cases
at 9-year low

Credit

26% of caseload in 2016-17

↓ from 30%
in 2015-16

↑ from 16%
4 years ago

Energy
disconnection
is the top issue
for the 4th year

Provision

12% of caseload in 2016-17

↑ from 8%
in 2015-16

↑ from 7%
4 years ago

Transfer

11% of caseload in 2016-17

11%
in line with
in 2015-16

↓ from 15%
4 years ago

Supply

4% of caseload in 2016-17

↑ from 3%
in 2015-16

↑ from 2%
4 years ago

Land

2% of caseload in 2016-17

↑ from 1%
in 2015-16

↑ from <1%
4 years ago

Marketing

2% of caseload in 2016-17

↑ from 1%
in 2015-16

2%
in line with
4 years ago

Customer Service

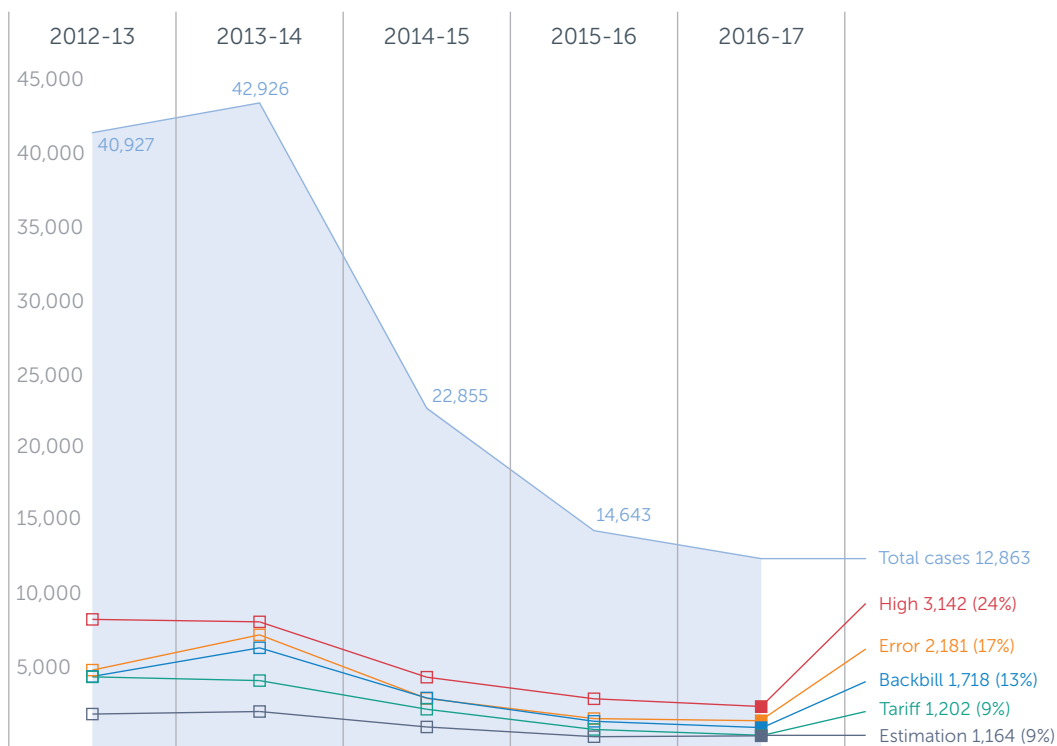
1% of caseload in 2016-17

1%
in line with
in 2015-16

↑ from <1%
4 years ago

BILLING ISSUES AND TRENDS

Billing



Generating and sending bills, and payment processes

EWOV received 12,863 billing cases in 2016-17, 12% fewer than in 2015-16.

Against 2015-16, 'tariff' cases fell 25%, 'backbill' cases fell 20% and 'high bill' cases fell 14%.

57% of billing cases were lodged by electricity customers, 34% by gas customers and 9% by water customers.

'High bill' remained the most common issue of complaint, across all three industries.

As the map on page 19 shows, the parts of Victoria with the highest rates of high bill cases (residential customers) were Alpine Shire and South Gippsland Shire.

On industry issues watch

- A 38% increase in gas cases about 'backbills'
- A 25% increase in gas cases about 'fees and charges'
- A 24% increase in gas cases about 'estimation', after an 11% increase last year

Case study: Undisclosed overcharging of elderly customer

Cross metering, billing error; imminent disconnection (2016/17527)

After an elderly relative passed away, Mr J became concerned that she had been billed for the gas consumption at her neighbour's unit rather than her own. The meter reading data the gas retailer provided to him led Mr J to suspect a cross-metering issue. To do his own check, he turned the gas at the unit off. Three months later, he received a 'To the occupier' notice from the gas retailer. It asked the occupant of the unit to make contact to discuss who was responsible for the gas being used. When Mr J rang, the retailer told him it would have to contact the local gas distributor to resolve the issue. Two weeks later, he received a disconnection warning. In August 2016, he sought EWOV's help.

We registered the complaint as an Assisted Referral and facilitated contact with Mr J by a higher-level contact within the gas retailer. When Mr J and the gas retailer continued to disagree on the problem and how it should be addressed, we opened an Investigation.

As part of our Investigation, we reviewed copies of the property's bills, contact notes, account reconciliation, and data for the meters at both properties.

The gas retailer's further investigations through the gas distributor confirmed a cross-metering issue which went back to 21 October 2013 when the meters were first installed. A meter exchange in February 2016 had corrected the error. Mr J's suspicions that his elderly relative had been billed on the wrong meter from October 2013 to early 2016 were confirmed.

The metering was addressed and the retailer's and distributor's records amended. It was calculated that Mr J's relative had been overcharged \$285.91. This amount, plus a customer service credit of \$150 for the inconvenience caused, was reimbursed to his relative's bank account.

The complaint was closed on this basis.

Case study: Customer puts high bills down to Smart Meter

Eliminating possible causes; customer understanding of appliance usage (2016/19271)

Following the upgrading of Ms Y's power supply from single-phase to two-phase and the installation of a Smart Meter, her electricity bills almost doubled. She said her electricity retailer maintained the billing was correct. Ms Y said she hadn't changed her usage patterns. She attributed the increase to a fault with the Smart Meter.

Unable to resolve her billing concerns, Ms Y contacted EWOV seeking a review of all bills and an explanation for the large unexpected increase. We registered the complaint as an Assisted Referral and facilitated contact with Ms Y by a higher-level contact within her electricity retailer. When this didn't deliver a resolution, we opened an Investigation. Ms Y continued to dispute the information provided by her retailer, saying that she'd occupied the property for over four years and her quarterly bills had averaged \$450.

Responding to our Investigation, the electricity retailer said Ms Y had been billed on actual meter readings. It agreed the usage had increased since the new meter was installed, but said the meter had passed all meter tests. It provided us with a copy of the meter test results.

The retailer said that, from March 2012 to August 2013, Ms Y's bills were quite consistent. In August 2013, she had an interval meter installed at the property. In June 2015, it received advice that she'd requested a meter upgrade, which was completed in July 2015. The retailer said that, from its experience, a customer typically requests an upgrade of their existing supply to deal with changes at their property (e.g. renovations or additional appliances).

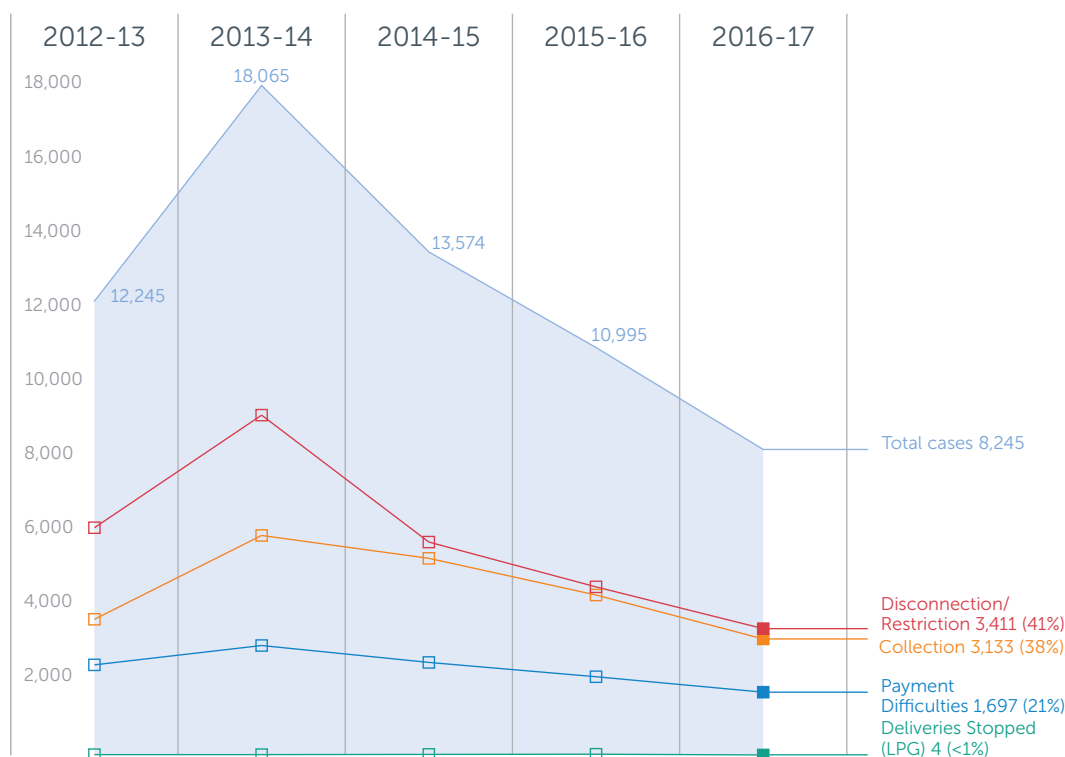
As part of our Investigation, we reviewed Ms Y's bills, the reconciliation of her account, the meter test report, and interval meter readings. We confirmed that the retailer had completed a meter test which showed the meter was operating to Australian Standards. We also completed a home energy audit. This found that Ms Y's property had the capacity to use the amount of electricity recorded by the meter.

Ms Y accepted EWOV's independent review and our conclusion that the retailer had billed her accurately. She arranged for the installation of a check-meter to monitor her usage going forward. She advised that she didn't need a payment plan and would pay the balance by the due date.

The complaint was closed on this basis.

CREDIT ISSUES AND TRENDS

Credit



Unpaid bills and the action taken by companies to collect arrears

EWOV received 8,245 credit cases in 2016-17, 25% fewer than in 2015-16.

Against 2015-16, 'collection' cases fell 27%, 'disconnection/restriction' cases fell 25%, and 'payment difficulties' cases fell 20%.

61% of credit cases were lodged by electricity customers, 34% by gas customers and 4% by water customers.

For electricity and water customers, 'collection' (debt collection agency activity and credit default listings related to account arrears), was the most common credit issue. For gas customers, it was 'disconnection' (account arrears).

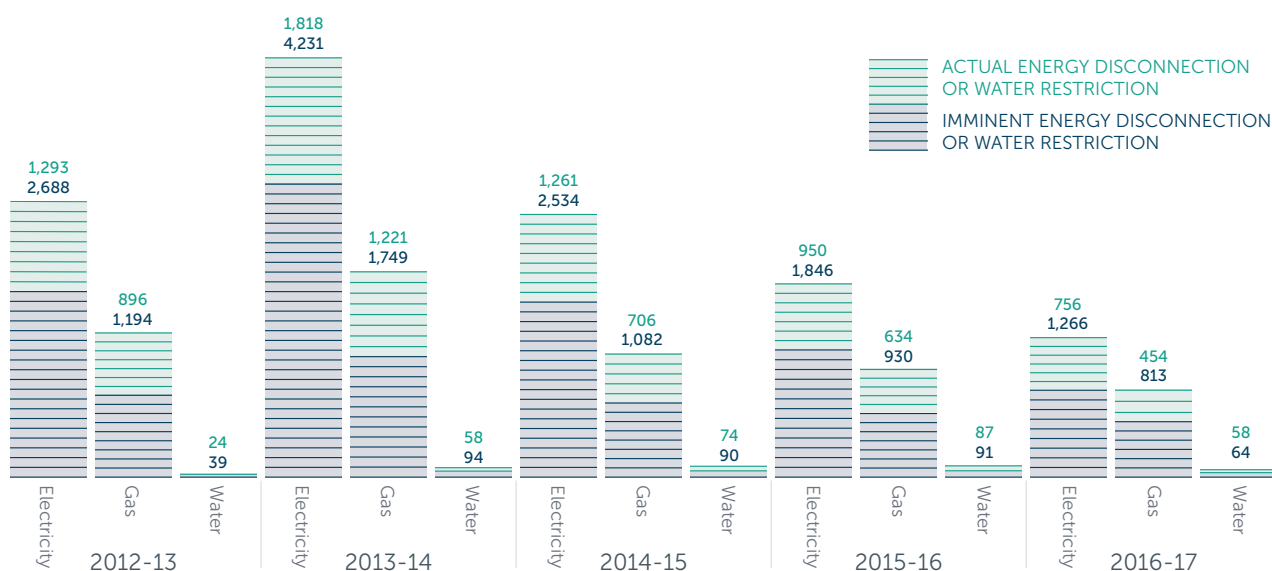
The parts of Victoria with the highest rates of energy disconnection/water restriction cases (residential customers) were Wodonga Council, Latrobe Council and Wangaratta Council. The highest rates of collection cases (residential customers) were in Melton Shire, Ararat Council and Loddon Shire. See pages 18 and 19 for maps.

The average arrears in the residential credit complaints we investigated was \$2,521. We helped negotiate 1,327 payment plans.

EWOV's investigative approach to 'affordability' issues

The credit complaints that EWOV investigates are typically complex, especially where they involve issues of affordability and hardship. Often a customer will have high arrears and their electricity and/or gas will have been (or be about to be) disconnected. Sometimes, they're at risk of having their water restricted. Often they're having trouble paying other household bills too. When investigating these cases we aim for a consistent, sustainable outcome for both the customer and company. Our approach is set out in EWOV's *'Payment Difficulties and Hardship'* position statements, one for energy and water. Through our continuing use of a dedicated credit team, with an emphasis on phone-based conciliation, we have improved our approach to resolution of complex affordability cases. We have also built our specialist knowledge and capacity to provide expert advice on these issues. We draw on this expertise to work with retailers towards outcomes that are fair, reasonable and sustainable.

Credit-related actual and imminent energy disconnection and water restriction cases



Case study: Long-term affordability issues (1)

Over \$6,000 in arrears; financial assessment; energy audit; limited capacity to reduce usage; public housing (2016/15937)

A case worker called EWOV on Ms F's behalf. Ms F was facing disconnection of her electricity and gas for over \$6,000 in arrears, which had been accumulating since 2012. The case worker said that Ms F had been on a retailer hardship program for two years from 2013, but the \$30 a fortnight plan was never going to pay off her arrears. She'd also received two Utility Relief Grants since 2012. The case worker had been helping Ms F understand her winter energy usage and she was arranging an energy audit. She suggested that the arrears be waived and Ms F be allowed to transfer to another retailer for a fresh start. If that wasn't possible, she suggested Ms F be allowed to continue her existing payment plan of \$60 a fortnight for gas and electricity combined. She said the retailer wouldn't agree to continue the \$60 a fortnight payment plan because, with Ms F's usage unchanged, she would fall further into debt. The retailer maintained that her usage needed to be reduced.

In line with EWOV's *Vulnerable and Disadvantaged Customer Policy and Procedure*, Ms F's complaint went straight to an Investigation. Our Investigation confirmed that Ms F's dual fuel account had been billed correctly on actual meter readings. All concessions for which she was eligible had been applied. Centrepay arrangements were in place, and she'd last received a Utility Relief Grant in September 2015.

Responding to our Investigation, and with Ms F's arrears standing at \$6,247.12, the retailer offered a payment plan of \$361.05 a fortnight, which it said would cover its estimate of future billing and clear the arrears within 12 months. If Ms F wished to switch to another retailer, it would offer her a 6-month payment plan to clear the final balance.

Given the extent of the arrears, EWOV's independent financial assessor undertook a financial assessment. Ms F and two teenage children had occupied the three-bedroom public housing home for nine years. She was receiving Centrelink payments and rent assistance. Her appliances had recently been checked by a technician and found to be operating properly. The conclusion was that, with Ms F's limited income, her energy use needed to reduce to bring it closer to an affordable level. It was recommended that Ms F go onto a payment plan of \$80 a fortnight, increasing to \$100 a fortnight after an estimated three months.

We also had EWOV's technical advisor do an energy audit to help Ms F understand how she could reduce her consumption in line with her capacity to pay. Overall, the household's electricity consumption was assessed as relatively modest and with very few appliances only minor changes could be made. However, Ms F was a high user of the clothes dryer and ducted heating and this could be addressed.

Taking these independent assessments into account, the energy retailer agreed to a payment arrangement of \$100 a fortnight under its hardship program, starting from January 2017 and reviewed after three months.

The complaint was closed on this basis.

Case study: Long-term affordability issues (2)

Over \$11,000 in arrears; financial assessment; usage changes; inefficient appliances; public housing (2016/26277 and 2016/26280)

Ms N estimated she owed over \$4,000 for electricity and over \$6,000 for gas. She hadn't paid anything to either account since February 2016. She said she was seeking financial counselling help because her income was limited. She wanted her energy retailer to agree to a payment plan of \$20 a fortnight until her financial circumstances changed.

Ms N contacted EWOV after her electricity and gas were disconnected. We arranged for supply to be restored the same day and, in line with EWOV's *Vulnerable and Disadvantaged Customer Policy and Procedure*, we moved directly to an Investigation.

When we reviewed Ms N's payment history, we found that her most recent payment plans for electricity were agreed in July 2014 (\$65 a fortnight for electricity and \$80 a fortnight for gas) and December 2015 (\$70 a fortnight for electricity and \$90 a fortnight for gas). She'd received a \$500 Utility Relief Grant for gas in December 2014. While she'd been sent the application form for a grant in 2016, no grant amount had been applied to her electricity account. We found that the billing of both accounts was correct and based on actual meter readings. All concessions for which Ms N was eligible had been applied.

Given the extent of Ms N's arrears, we arranged for EWOV's independent financial assessor to conduct a financial assessment. This revealed that Ms N was living in public housing in a domestic violence situation and receiving no rent assistance. She was supporting her young-adult child, gaining support and guidance from community organisations, and actively engaged with a financial counsellor. The assessment highlighted some areas of lifestyle which could be reviewed to improve her financial circumstances, but this would be a slow process and may still not be achievable given the home dynamics. Ms N was on a Newstart allowance and about to commence part-time employment. Until then, she didn't have enough funds to support her day-to-day living expenses. The financial assessment recommended a payment plan of \$60 a fortnight for electricity and \$50 a fortnight for gas, with increment increases to bring payments in line with affordability.

Important to the outcome of our Investigation was that Ms N maintain contact with her financial counsellor. The retailer also provided her with a designated contact person and included her in its hardship program.

After a \$200 retailer credit to each of her accounts, Ms N still owed \$4,898.01 for electricity and \$7,054.43 for gas. The retailer calculated that her gas usage was averaging \$87.33 a fortnight and her electricity \$63.31 a fortnight. On this basis, it offered Ms N payment plans of \$50 a fortnight for gas and \$60 a fortnight for electricity. Each of these plans would be reviewed after six months. The long-term aim was for Ms N to manage and pay for her usage, while also reducing her arrears.

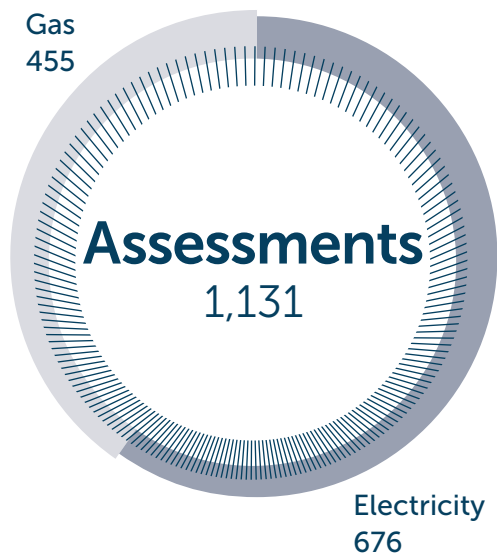
Responding to our investigation of whether disconnection of Ms N's electricity was wrongful, the electricity retailer made a wrongful disconnection payment (WDP) of \$57.29 without admission of a regulatory breach, for the three hours she was without supply. It was found that her gas hadn't actually been disconnected, so no payment applied.

The complaints were closed on this basis.

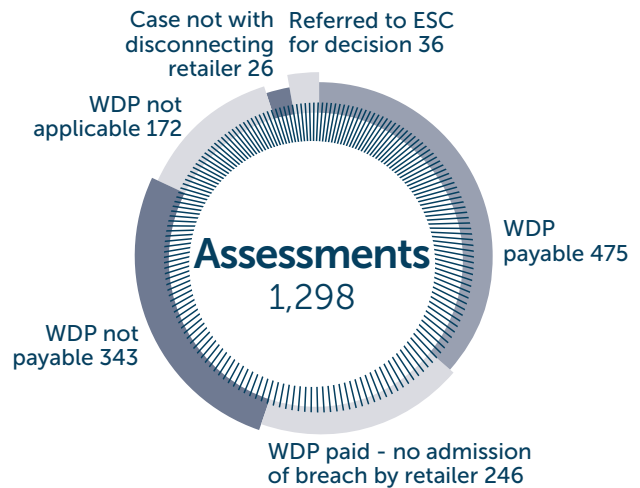
Tracking Wrongful Disconnection Payments

In 2016-17, EWOV made 1,298 assessments of whether an energy retailer complied with the terms and conditions of its contract with the customer, and the requirements of the *Energy Retail Code* before disconnecting supply. A Wrongful Disconnection Payment (WDP) is payable by the energy retailer to the customer when it does not comply with these requirements. The payment is \$500 a day (or part thereof), capped at \$3,500 if the customer doesn't make contact with the retailer within 14 days.

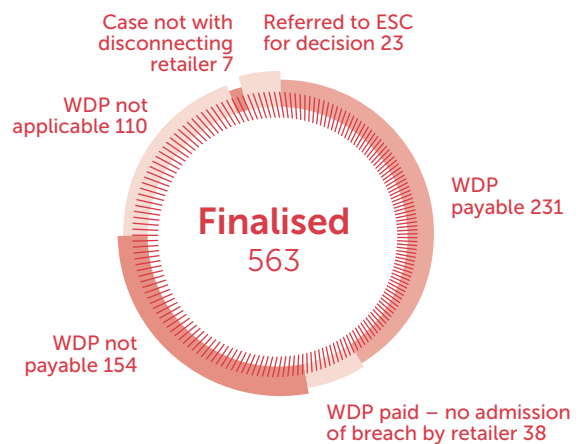
WDP assessments received



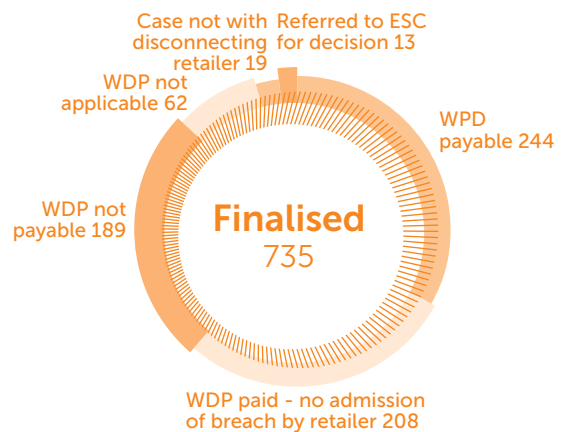
WDP outcomes



Gas outcomes



Electricity outcomes



PROVISION ISSUES AND TRENDS

Provision

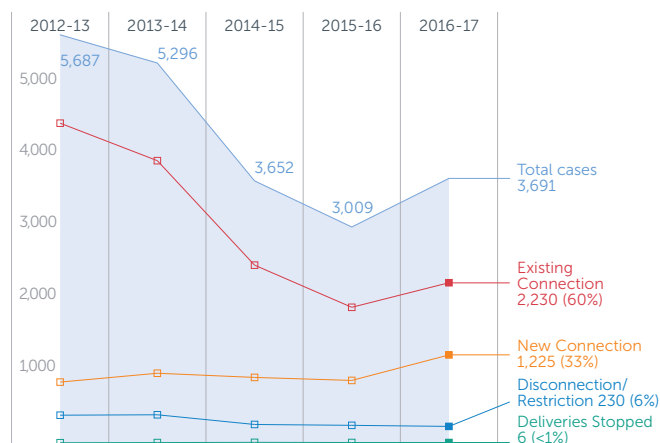
The connection of a property to the energy or water network

EWOV received 3,691 provision cases in 2016-17, 23% more than in 2015-16.

Against 2015-16, 'new connection' cases were up 41% and 'existing connection' cases were up 18%.

60% of provision cases were lodged by electricity customers, 36% by gas customers and 4% by water customers. Electricity provision cases were up 28% and gas cases were up 19%. Water provision cases were down 11%.

'Existing connection' was the most common issue of provision complaint across all three industries.



Case study: Paperwork pain and building delays

Connection delay; paperwork issues; good industry practice (2016/14843 and 2016/20124)

Ms E was in the process of building three townhouses on a block. One townhouse was already completed. In May 2016, application was made for a gas connection for one of the two remaining townhouses. The workers sent out to do the job said that, because there was already a townhouse on the block, the job had to change and that this would require new paperwork. Ms E didn't understand this, saying her builder ticked the multiple dwellings box on the form the gas retailer provided. She said the gas retailer had since resubmitted her connection request, but had told her it would take a further 40 days to complete the connection. She said she'd asked for the job to be done urgently, but there seemed to be no sense of urgency. Given it would be four months since the original application, she felt the delay was unfair.

We initially registered the complaint as an Assisted Referral and facilitated contact with Ms E by a higher-level contact within her gas retailer. When this didn't deliver a resolution, we opened an Investigation.

Responding to our Investigation, the gas retailer said that the form submitted by Ms E's builder didn't indicate the number of units to be connected, or whether the units were already past lock-up stage. It said an email request for this information had been sent to Ms E the same day. The retailer advised that the process of connection was quite complex and, from its review, it believed it was in regular contact with the distributor and Ms E and hadn't delayed the connection.

The *Gas Distribution System Code* states that new gas connections should be completed within 20 business days. We reviewed all customer contact notes for the property

On industry issues watch

- An 80% increase in electricity cases about 'new connections'
- A 21% increase in gas cases about 'new connections'
- An 18% increase in electricity cases about an 'existing connection'
- An 18% increase in gas cases about an 'existing connection'
- A 17% increase in water cases about an 'existing connection'

address. This included contacts from both Ms E and her builder. We created a timeline of when the customer and her builder applied for the gas connection and provided information, when the retailer received and actioned the service order request, and what steps the distributor took to make sure the new connections took place. Our Investigation established that the customer and her builder provided the requested information in a timely manner.

Dissatisfied with progress towards resolving the complaint, we opened a second Investigation against the distributor directly. We also sought industry practice advice from other gas distributors. All advised that, with Ms E's type of property, the installation should have been completed within 10 business days.

Ms E's gas retailer apologised for the inconvenience caused. It waived the two connection fees, totalling \$1,532.60 and provided a customer service credit of \$671.50 to Ms E's bank account.

The complaint was closed on this basis.

Transfer

Switching an electricity or gas account to a new energy retailer

EWOV received 3,583 transfer cases in 2016-17, 8% fewer than in 2015-16.

Against 2015-16, 'contract terms' cases fell 19%, 'delay' cases fell 16% and 'site ownership' cases fell 11%.

62% of transfer cases were lodged by electricity customers and 38% by gas customers.

For electricity customers, 'contract terms' was the most common issue, followed by 'site ownership'.

For gas customers, it was 'site ownership', followed by 'delay'.

Case study: Delayed switch back to own retailer

Telemarketing; transfer without consent; delay in transfer back (2016/15206)

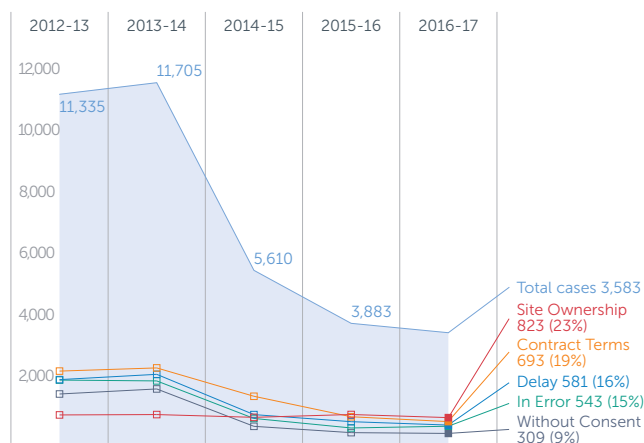
Called by a telemarketer for an electricity retailer, Ms J agreed to receive reading material, but didn't consent to signing up with the retailer. She later received its 'welcome pack'. She said she complained to the retailer and was told her account would be switched back to her own retailer relatively quickly. Despite numerous contacts, this didn't happen. The retailer also sent her two bills, which she refused to pay.

We registered the complaint as an Assisted Referral and facilitated contact with Ms J by a higher-level contact within the retailer. Ms J returned to EWOV dissatisfied that, while the retailer said it would switch her account back and waive the \$120 bill, it also said this would take four months.

Responding to the Investigation we opened into Ms J's complaint, the retailer advised that her account would be switched back within the month. We checked the national electricity database to ensure this process had been started.

It apologised to Ms J for the transfer of her account without her consent. She was switched back to her own retailer and all billing by the second retailer was reversed. Ms J was satisfied with this outcome.

The complaint was closed on this basis.



On industry issues watch

- A 16% increase in electricity cases about 'billing'
- A 15% increase in electricity cases about 'cooling-off rights'

SUPPLY ISSUES AND TRENDS

Supply

The physical delivery of the energy or water service

EWOV received 1,137 cases about supply in 2016-17, 11% more than in 2015-16.

Against 2015-16, 'quality' cases were up 41%, 'off supply – unplanned' cases were up 34%, and 'off supply – planned' cases were down 20%.

64% of supply cases were lodged by electricity customers, 24% by gas customers and 12% by water customers.

'Off supply – unplanned' was the most common issue of supply complaint among electricity and gas customers. In electricity, it was followed by 'off supply – planned'. In gas, it was followed by 'quality'. Among water customers, 'quality' and 'sewer/stormwater overflow/blockage' were jointly the most common issues.

EWOV usually receives more supply cases in times of severe weather. Several storm events in Victoria between September 2016 and December 2016 contributed to the 34% increase in unplanned outages ('off supply – unplanned'). Storm water in gas pipes may also have contributed to a 56% increase in gas cases about supply 'quality'.

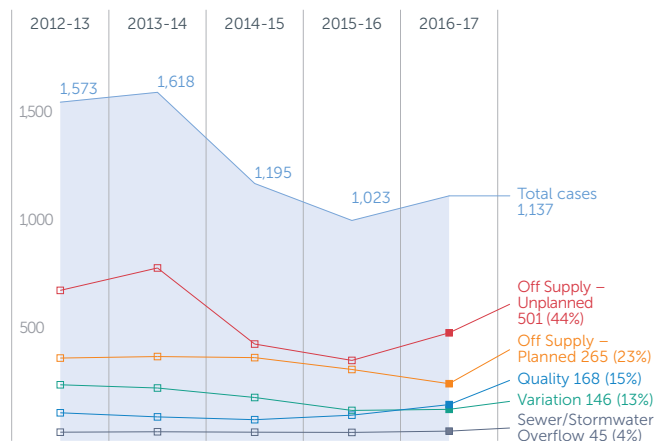
Case study: The practicalities of bad weather events

Extended period off supply; bad weather event; substantiation of loss (2016/24710)

During a bad weather event in October 2016, Ms G was without electricity for three days. Over this period, she rang her electricity distributor several times to find out when the power would be restored. Each time she was told it would be back on soon, but it wasn't. Ms G said she lost food due to the outage, but her claim for \$180 was rejected. She maintained that, had she been given a more realistic timeframe, she'd have taken steps to prevent the food from spoiling. She was also dissatisfied when she was told that any compensation for loss would be dealt with under the Guaranteed Service Level (GSL) framework.

We registered the complaint as an Assisted Referral and facilitated contact with Ms G by a higher-level contact within the electricity distributor. When this didn't resolve her concerns, we opened an Investigation.

Responding to our Investigation of Ms G's complaint, the electricity distributor said that extreme weather and windstorm events had severely affected large areas of its network area. Tens of thousands of customers were without power for extended periods while crews and additional resources worked to restore supply. The distributor advised that Guaranteed



On industry issues watch

- A 56% increase in gas cases about 'quality'
- A 53% increase in gas cases about 'off supply – planned'
- A 15% increase in water cases about 'sewer/stormwater overflow/blockage'
- A 10% increase in water cases about 'quality'

Service Level (GSL) payments for 2016 would be calculated and finalised in early 2017. GSL payments must be made by a distributor to a customer if the distributor doesn't meet a Guaranteed Service Level as outlined in the *Electricity Distribution Code*. It said that preliminary calculations indicated that Ms G may be eligible for up to \$360.

We reviewed the customer contact notes, off-supply history of the cause of electricity interruptions and the duration of these. We also reviewed Ms G's claim, noting that it wasn't substantiated with any documentation, such as photos or receipts of the perished food.

The distributor apologised to Ms G for the poor communication in relation to restoration times. It offered to provide her with a letter, should she wish to make a claim for the loss of food through her home contents insurer.

Ms G accepted the outcome of our Investigation and that she may be eligible for a GSL payment.

The complaint was closed on this basis.

Land

The effect of company activities or network assets on a customer's property

EWOV received 598 cases about land in 2016-17, 15% more than in 2015-16.

Against 2015-16, 'easement' cases were up 52% and 'network assets' cases were up 3%.

39% of land cases were lodged by electricity customers, 21% by gas customers and 40% by water customers.

'Network assets' was the most common issue across all three industries.

Land is the only issues category where water customers lodged more complaints than electricity or gas customers. This reflects a high number of complaints from water customers about water infrastructure failures (pipes, drains, sewers) and damage to property by the maintenance crews sent out to fix the problems.

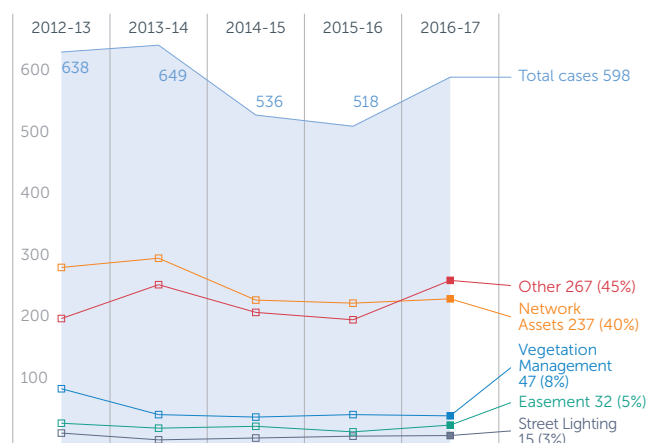
Case study: Run-around on responsibility for burst water pipes

Property damage; disputed responsibility (2016/20503)

Ms A claimed that her water corporation's repeated efforts since 2007 to fix four water blowouts/burst pipes had caused major damage to her brick fence. She cited incidents in September 2007 and December 2013, and two more pipe bursts within four days in July 2016. Ms A said cracks started to appear on the brickwork of the fence after the first incident in 2007. She also said an engineer's report showed that the storm water drain under her nature strip was damaged when the water corporation's heavy vehicle drove over it.

In September 2016, we registered Ms A's complaint as an Assisted Referral and facilitated contact with her by a higher-level contact within the water corporation. Despite multiple contacts between Ms A, the water corporation and its liability claims company, a resolution couldn't be reached.

In December 2016, while not accepting liability, the water corporation offered Ms A compensation of \$11,800.80 for the damage to her fence. But there was no mention of the storm water pipe repair. Ms A said she didn't accept the offer because no one would accept responsibility for repair of the damaged storm water pipe. The water corporation referred her to the council. The council representative who came out to her property said the stormwater drain wasn't its asset. It sent her back to the water corporation. The water corporation told her that, if the council wouldn't repair the drain, she'd have to pay for the repairs herself.



On industry issues watch

- A 44% increase in water cases about 'easement'
- A 55% increase in gas cases about 'network assets'

Ms A maintained that the drain wasn't hers and she shouldn't have to pay to repair damage caused by the water corporation. She said that, through December 2016 and January 2017, she pursued a resolution with the water corporation without success. In mid-February 2017, she received two notices from the water corporation about water mains works, which were about to start in her street. She contacted the water corporation to suggest that, if the water corporation was doing works in her street anyway, it may be able to repair the storm water pipe at the same time.

Soon after we opened an Investigation into the complaint, the water corporation advised that it would repair the storm water drain (without fees) within seven days. Ms A accepted the offer of compensation for her fence.

The complaint was closed on this basis.

MARKETING ISSUES AND TRENDS

Marketing

How electricity and gas retailers go about gaining new customers

EWOV received 525 cases about marketing in 2016-17, 8% more than in 2015-16.

Against 2015-16, 'pressure sales' cases were up 20% and 'misleading' cases were up 14%.

85% of marketing cases were lodged by electricity customers and 14% by gas customers.

'Misleading' marketing remained the most common issue of complaint, across both industries. It was followed by 'pressure sales'.

In 2016-17, 36% of marketing cases were about door-to-door sales, 48% about phone sales and 17% about other sales methods (such as shopping centre kiosks). Four years ago, the split was door-to-door 69%, phone 27% and other 4%.

Case study: Rang the bell then walked right in

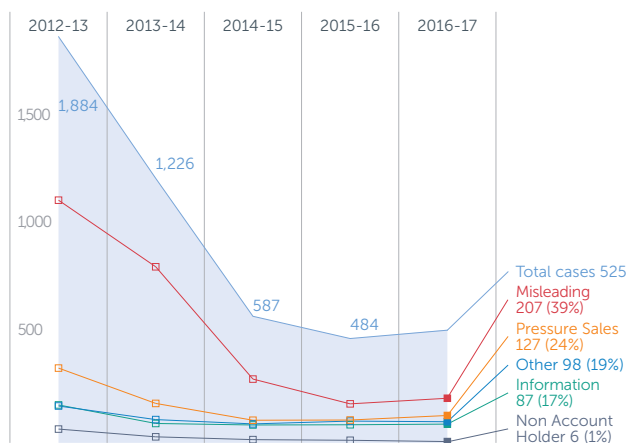
An elderly householder said an electricity sales representative unlocked her fly screen door and walked into her house as she was making her way to the front door. He said he was coming in to 'read the meter'. When the householder insisted he leave, he named an electricity retailer. She said he didn't appear to believe he'd done anything wrong. She insisted again that he leave her home. The householder went to the police, but they were unable to help. She said she didn't feel comfortable complaining to the retailer. 2016/22305

Case study: Higher rates than what was quoted

The customer agreed to sign with an online electricity retailer on rates he'd been offered in telemarketing. The welcome pack he received listed higher rates than those quoted. He cancelled the transfer. 2016/14667

Case study: From the government

The householder said a door-to-door sales representative led him to believe she was from the government. She didn't mention being from an electricity retailer. She told the householder he was paying too much for electricity. 2016/16346



On industry issues watch

- A 16% increase in electricity cases about marketing being 'misleading'
- An 18% increase in electricity cases about 'pressure sales'
- A 21% increase in gas cases about 'pressure sales'

Case study: We want to send someone out to check your meter

The householder said she received a phone call saying that the electricity company wanted to send someone out to check her meter. She said she had trouble understanding the person. She asked him whether he was trying to get her to switch retailer. She said he ended the call shortly after. Later in the month, she received two more calls that she believed were from the same person. 2016/24072

Case study: Just checking for price rise mistakes

A door-to-door marketer with the name of an electricity retailer on her uniform said she was there to check whether the house was one in the area which mistakenly had a price rise. The home owner said she wasn't interested in changing retailer. She said the salesperson said she wasn't there to get her to change company; rather there was an issue for everyone in the network area and she just wanted to check whether it was one of the households eligible to have its electricity rates go back down. The home owner didn't believe this and refused the request to show her bills or name her retailer. 2016/18393

CUSTOMER SERVICE ISSUES AND TRENDS

Customer Service

The level of service received or not received

Customer service issues feature in almost all EWOV cases, but we received 355 cases specifically about customer service in 2016-17. This was 13% fewer than in 2015-16.

Against 2015-16, 'privacy' cases fell 20% and 'poor service' cases fell 19%.

63% of customer service cases were lodged by electricity customers, 30% by gas customers and 6% by water customers.

'Poor service' and 'privacy', in that order, were the issues that electricity customers most commonly complained about. For gas customers, 'poor service' was the joint most common issue together with 'incorrect advice/information'. For water customers, it was 'privacy', followed by 'poor service'.

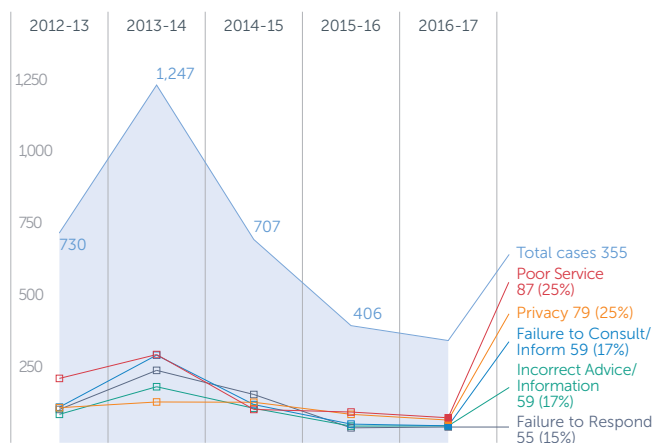
Case study: It starts with keeping appointments

Disconnection; error in metering database (2016/2996)

Mr C complained that his electricity distributor missed a two-hour appointment window, scheduled to discuss a metering issue within his block of flats. When there was no contact from the distributor, Mr C rang to find out what had happened. He was told the representative had knocked on his door at 8.50am. He disputed this, saying he'd been at home the whole time. Despite a discussion with a supervisor about the missed appointment, Mr C's concerns weren't addressed.

In late November 2016, after his neighbour moved out, Mr C's electricity was disconnected. Ringing to find out why, he was told it was due to an error in the national electricity database, the Market Transfer and Settlement Solution (MSATS). He was told reconnection wasn't possible until the distributor received a service order from a retailer.

Mr C rang EWOV. While he was discussing his complaint with us, his electricity was restored. We registered the complaint as an Assisted Referral and facilitated contact with him by a higher-level contact within the electricity distributor.



When this didn't resolve the complaint, we opened an Investigation. As part of our Investigation, we checked records of Mr C's address, meter number and the National Metering Identifier (NMI) details in MSATS. We confirmed that the NMI for Mr C's flat was linked to another unit in his building.

Responding to our Investigation, the electricity distributor said that in March 2016 it had inspected the meters and updated the retailer billing rights. While the other meters at the property were updated correctly, the meter for Mr C's flat wasn't. This had since been corrected and MSATS updated. It offered to waive the meter inspection fee and the disconnection and reconnection fees, and provide Mr C with a customer service payment of \$100.

We discussed this response with Mr C, who remained dissatisfied and frustrated with the distributor's service. However, assured that MSATS had been updated correctly, he accepted the distributor's apology, offer of a cheque payment of \$135, and waiver of any associated fees.

The complaint was closed on this basis.

SYSTEMIC ISSUES

EWOV's role

Under the *EWOV Charter*, we have a responsibility to identify potential systemic issues and, as appropriate, report these to the companies concerned and to industry regulators.

We provide regular systemic issues reports to the EWOV Limited Board. We also report systemic issues in our external publications, without naming the company.

We identify systemic issues through the cases EWOV receives and the complaints we investigate. Sometimes a scheme participant lets us know about a potential systemic issue it has identified.

In water, EWOV's role is to identify, investigate and seek redress for all affected customers and report the outcomes to the Department of Environment, Land, Water and Planning.

In energy, we identify and report systemic issues to the Essential Services Commission (ESC) for its investigation and subsequent actions. *The Energy Amendment (Consumer Protections) Act 2015*, which took effect on 1 January 2016, clarified the systemic issues roles of both the ESC and EWOV. In brief, where we believe a potential systemic issue exists and it hasn't been appropriately remediated by the energy company — or we haven't been able to obtain a formal response from the company — we must formally refer the potential issue to the ESC for its investigation. We must also provide the ESC with all information relevant to the matter. Having received EWOV's referral of a potentially systemic issue, the ESC must notify the Minister for Energy, Environment and Climate Change, providing a copy of the referral and outlining the action it intends to take and the timeframe for the action. Once the timeframe lapses, the ESC must report back to the Minister on the action it has taken. The Minister may direct the ESC to provide this report to EWOV.

EWOV's *'Systemic Issue Policy'* (July 2017) explains our role and processes in detail. It's available on our website.

Energy issues identified as systemic and closed in 2016-17

- Misleading energy marketing tactics SI/2016/6
- Planned electricity outages on days of total fire ban SI/2016/45
- Gas supply interruptions when water entered gas mains SI/2016/64
- Gas service to property charges billed after years of no billing SI/2016/29
- Application of pay-on-time discounts and concessions SI/2016/31
- No date of issue on reminder notices SI/2015/56
- Unusually short electricity billing periods SI/2016/58
- Solar customers wrongly told their feed-in tariff was ending SI/2016/77
- Overcharging due to incorrect setting of demand charges SI/2016/52
- Supply disconnection after incorrect pay-by date on bills SI/2016/44
- Stepped gas usage thresholds not applied correctly SI/2016/1
- Mixed messages for customers about tariff changes SI/2016/51
- Incorrect solar usage and export information SI/2016/69
- Energy marketing breaches SI/2016/39
- Disconnection of 'unknown' gas customers SI/2016/62
- Calculation of the Annual Electricity Concession SI/2016/46
- Missing 'pay-by' date leads to disconnections SI/2015/38
- Discounts marketed generally, but not available to all gas customers SI/2016/12
- Billing display issues SI/2016/23
- Customers on payment plans didn't receive pay-on-time discounts SI/2016/57
- 12 days to pay rather than 13 SI/2016/67
- Generic meter numbers on energy bills SI/2017/6
- Disconnections after no due date on reminder notices SI/2017/15
- Old de-energisation error leads to loss of supply SI/2017/18

Water issues identified as systemic and closed in 2016-17

- Water charges billed wrongly SI/2016/56

Generic meter numbers on energy bills

Through our case handling, we identified an instance where a Dear Occupier bill listed what appeared to be a generic meter number that didn't match the customer's actual meter number. The energy retailer confirmed an issue that affected 74,955 residential and business customers across Victoria. It said a billing system fix implemented in April 2017 had resolved the problem. It said it had reported the issue to the ESC in its six-monthly compliance report. SI/2017/6

Misleading energy marketing tactics

48 cases received by EWOV highlighted customer concerns about telephone marketing of energy. These included how the energy retailer concerned had obtained their personal details, pressure sales techniques (including multiple phone calls) and the potentially misleading way its sales representatives discussed the customer's supply. The retailer advised us that it had implemented various training, quality assurance, compliance and sales changes to address rogue agents and potential issues with obtaining explicit informed consent from customers. SI/2016/6

Stepped gas usage thresholds not applied correctly

EWOV's case handling highlighted instances where an energy retailer didn't apply stepped gas usage thresholds in line with tariff descriptions. While the thresholds are calculated monthly, the tariff description states that usage thresholds will be stepped in accordance with the billing cycle, which is quarterly. We understand the issue affected some 25,943 concession card holders. The energy retailer said a total of \$20,591 was refunded to customers who were overcharged. To prevent the same thing happening again, the accounts would be migrated to a different billing platform. Once this was done, it would recheck to see whether any further refunds were owed. SI/2016/1

Gas service to property charges billed after years of no billing

A customer complained to EWOV about being billed for gas service to property charges, after years of not having to pay them because there was no gas usage recorded on the meter. Contacted by EWOV, the energy retailer confirmed a change of its billing process. Until September 2015, it had billed for distributor pass-through service to property charges only where an account had been set up in a customer's name. Its new process is to bill these charges to all connected properties, even if the property doesn't use any gas. SI/2016/29

Unusually short electricity billing periods

Through EWOV's case handling, we identified an instance where a customer received electricity bills for unusually short periods (e.g. two weeks). One of the customer's main concerns was that she had to pay two bills close together (albeit a smaller second bill). She was told by the energy retailer that the short billing period was due to a billing system correction. The retailer said that the unusually short billing periods were planned and action was taken to align all Victorian electricity customers' accounts with electricity distributor billing schedules. It also said the bills issued were correct and the short billing period issue was a once-off. EWOV understands some 31,000 customers were affected. Customers who complained were offered a payment extension. SI/2016/58

Water charges billed wrongly

We identified via a media article that a large number of water customers had been billed incorrectly for the annual Parks Charge and the \$100 Water Rebate. EWOV didn't receive any complaints from customers of the water corporation, but we understand 2,420 customers were affected. The water corporation advised us that it had identified affected customers and sent corrected bills with a letter of apology. Following the billing correction, some customers received an additional \$100 rebate. It attributed the incorrect billing to human error, saying some of the staff involved no longer work at the water corporation and re-training had been provided for those who do. It said payment extensions were provided for customers who needed them and billing system improvements and billing controls were implemented to help avoid similar issues in future. SI/2016/56

EWOV'S SCHEME PARTICIPANTS

A consolidated list

All energy and water companies operating in Victoria are required by licence and/or legislation to join an ombudsman scheme approved by the Essential Services Commission. That scheme is EWOV. At 30 June 2017, 87 electricity, gas and water companies were members of EWOV Limited. Some of these companies trade under the same name.

Electricity retailers

- 1st Energy
- AusNet Services
- AGL Sales¹
- Alinta Energy
- Blue NRG
- Click Energy
- Commander Power²
- CovaU
- Diamond Energy
- Dodo Power & Gas³
- EnergyAustralia
- EnergyAustralia (Yallourn)
- ERM Power Retail
- Flow Power⁴
- GloBird Energy
- Lumo Energy Australia
- Macquarie Bank Limited
- Momentum Energy

- Neighbourhood Energy
- Next Business Energy
- Online Power & Gas
- Onsite Energy Solutions
- Origin Energy⁵
- Pacific Hydro Retail
- People Energy
- Powerdirect
- Powershop Australia
- QEnergy
- Red Energy
- Simply Energy
- Stanwell Corporation
- Sumo Power⁶
- WINconnect

Electricity distributors

- AusNet Services
- CitiPower
- Jemena Electricity Networks (Vic)
- Powercor Australia
- United Energy Distribution

Electricity transmission companies

- AusNet Services
- Basslink

¹ Two electricity retail members of EWOV Limited trade as AGL Sales — AGL Sales Pty Ltd and AGL Sales (Queensland Electricity) Pty Limited

² Commander Power is a trading name of M2 Energy Pty Ltd

³ Dodo Power & Gas is a trading name of M2 Energy Pty Ltd

⁴ Progressive Green Pty Ltd joined EWOV Limited as an electricity retail member on 13 October 2016. It trades as Flow Power

⁵ Three electricity retail members of EWOV Limited trade as Origin Energy — Country Energy, Origin Energy Electricity Ltd and Sun Retail Pty Ltd

⁶ Sumo Power is the trading name of SparQ Pty Ltd

Natural gas retailers

- AGL Sales⁷
- Alinta Energy
- Click Energy
- CovaU
- Dodo Power & Gas⁸
- EnergyAustralia
- Lumo Energy Australia
- Momentum Energy
- Origin Energy⁹
- Powershop Australia¹⁰
- Red Energy
- Simply Energy
- Sumo Power¹¹
- TAS Gas Retail Pty Ltd¹²

Natural gas distributors

- AusNet Services
- Australian Gas Networks¹³
- Enwave Victorian Networks¹⁴
- Multinet Gas Vic

Liquefied petroleum gas (LPG) retailers

- Elgas
- Origin Energy LPG¹⁵
- Supagas

Metropolitan water retailers

- City West Water Corporation
- South East Water Corporation
- Yarra Valley Water Corporation

Metropolitan water wholesaler

- Melbourne Water Corporation

Regional urban water corporations

- Barwon Region Water Corporation
- Central Gippsland Region Water Corporation¹⁶
- 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 water corporations

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

Rural urban water corporations

- Grampians Wimmera Mallee Water Corporation
- Lower Murray Urban and Rural Water Corporation

⁷ Two gas retail members of EWOV Limited trade as AGL Sales — AGL Sales Pty Ltd and AGL Sales (Queensland) Pty Ltd

⁸ Dodo Power & Gas is a trading name of M2 Energy Pty Ltd

⁹ Two gas retail members of EWOV Limited trade as Origin Energy — Origin Energy (Vic) Pty Ltd and Origin Energy Retail Ltd

¹⁰ Powershop Australia Pty Ltd joined EWOV as a gas retail member on 13 April 2017

¹¹ Sumo Power joined EWOV Limited as a gas retail member on 9 February 2017

¹² TAS Gas Retail Pty Ltd joined EWOV Limited as a gas retail member on 9 February 2017

¹³ Two gas distribution members of EWOV Limited trade as Australian Gas Networks — Australian Gas Networks Limited and Australian Gas Networks (Vic) Limited

¹⁴ Enwave Victorian Networks (formerly Brookfield Regional Networks (Victoria) Pty Ltd) joined EWOV Limited as a gas distribution member on 9 February 2017

¹⁵ Two LPG members of EWOV Limited trade as Origin Energy LPG — Origin Energy LPG Limited and Origin Energy Retail Ltd

¹⁶ Central Gippsland Region Water Corporation is commonly known as Gippsland Water



2016-17

5 year case trends

Cases

↓ **16%**
19,012



Complaints

↓ **16%**
18,025

Enquiries

↓ **7%**
987

Investigations

↓ **18%**
2,939

Investigations finalised

↓ **21%**
2,959

Residential cases

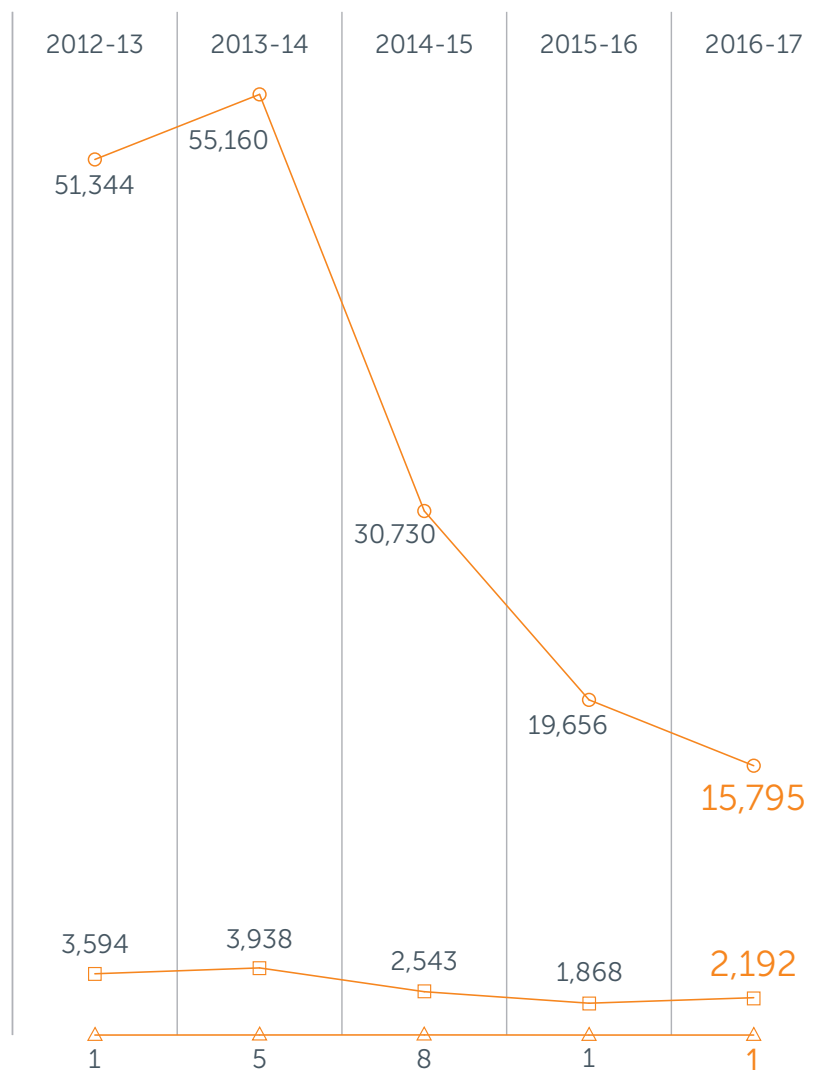
16,992
(89%)

Business cases

1,920
(10%)

Government/
not for profit cases

100
(1%)

Electricity
retail↓ **20%**Electricity
distribution↑ **17%**Electricity
transmission→ **no
change**

At 30 June 2017, 43 electricity companies were EWOV scheme participants — 36 electricity retailers, 5 electricity distributors and 2 electricity transmission companies.

There are just over 2.7 million electricity customers in Victoria.¹⁷ They can choose their electricity retailer. They 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.

Operating within the National Energy Market, Victoria's electricity industry is privately owned and independently regulated.

¹⁷ Victorian Energy Market Report: 2015-16 (November 2016), Essential Services Commission Victoria

By issue

	Main Issue	Number	Sub Issue	Number
38%	Billing	7,269	High	1,504
			Error	1,319
			Tariff	1,132
			Backbill	906
			Fees and Charges	447
			Estimation	397
			Concession/Rebate	371
			Refund	297
			Meter	257
			Other	250
			Delay	239
			Format	150
27%	Credit	5,066	Collection	2,082
			Disconnection	2,022
			Payment Difficulties	962
	Transfer	2,215	Contract Terms	512
			Site Ownership	409
			In Error	365
			Delay	282
			Without Consent	241
			Billing	184
			Cooling-off Rights	149
			Objection	73
	Provision	2,214	Existing Connection	1,387
			New Connection	677
			Disconnection	150
12%	Supply	733	Off Supply – Unplanned	367
			Off Supply – Planned	232
			Variation	123
			Quality	11
			Sustainability Initiatives	0
12%	General Enquiry	615	Energy	615
	Marketing	447	Misleading	177
			Pressure Sales	107
			Other	86
			Information	71
12%	Land	231	Non Account Holder	6
			Network Assets	111
			Other	65
			Vegetation Management	38
			Street Lighting	15
			Easement	2
4%	Customer Service	222	Poor Service	57
3%			Privacy	54
2%			Failure to Consult/Inform	42
1%			Failure to Respond	31
1%			Incorrect Advice/Information	30
			Poor/Unprofessional Attitude	8

Electricity cases we received in 2016-17

		OVERALL CASES		ENQUIRIES	COMPLAINTS				TOTAL COMPLAINTS
		2016-17	2015-16		Unassisted Referrals	Assisted Referrals	Real Time Resolutions	Investigations	
RETAIL^		Customer share							
1st Energy	<1%	79	1	10	24	40	0	5	69
AGL Sales	22%	3,048	4,013	37	408	1,873	61	669	3,011
Alinta Energy	3%	1,114	628	7	119	779	29	180	1,107
Blue NRG	<1%	31	23	1	3	18	0	9	30
Click Energy	1%	257	243	3	48	173	3	30	254
Commander Power	2%*	27	15	0	6	17	0	4	27
CovaU	<1%	23	27	0	3	12	1	7	23
Diamond Energy	<1%	17	11	0	0	16	0	1	17
Dodo Power & Gas	2%*	248	309	4	39	177	6	22	244
EnergyAustralia	20%	3,020	4,303	46	440	1,947	63	524	2,974
EnergyAustralia (Yallourn)	<1%	2	3	1	0	1	0	0	1
ERM Power Retail	<1%	12	6	1	1	10	0	0	11
Flow Power	<1%	0	–	0	0	0	0	0	0
GloBird Energy	<1%	42	17	0	10	28	0	4	42
GoEnergy	<1%	0	4	0	0	0	0	0	0
Lumo Energy	8%	1,207	1,455	14	183	790	23	197	1,193
Macquarie Bank Limited	<1%	0	0	0	0	0	0	0	0
Momentum Energy	2%	344	590	13	55	216	7	53	331
Neighbourhood Energy	<1%	4	21	1	0	3	0	0	3
Next Business Energy	<1%	17	2	1	6	10	0	0	16
Online Power & Gas	<1%	161	111	5	23	107	2	24	156
Onsite Energy Solutions	<1%	0	0	0	0	0	0	0	0
Origin Energy	20%	2,419	3,711	33	374	1,603	27	382	2,386
Pacific Hydro Retail	<1%	12	2	1	5	6	0	0	11
People Energy	<1%	177	205	2	25	133	1	16	175
Powerdirect	1%	802	890	2	76	505	52	167	800
Powershop Australia	2%	151	65	3	38	104	1	5	148
QEnergy	<1%	34	66	0	5	25	0	4	34
Red Energy	9%	761	828	16	142	500	4	99	745
Simply Energy	8%	1,554	2,040	15	235	1,061	14	229	1,539
Stanwell Corporation	<1%	0	0	0	0	0	0	0	0
Sumo Power	<1%	232	67	5	55	156	4	12	227
WINconnect Pty Ltd	<1%	0	0	0	0	0	0	0	0
Total retail		15,795	19,656	221	2,323	10,310	298	2,643	15,574
DISTRIBUTION~									
AusNet Services	25%	725	657	9	157	453	13	93	716
CitiPower	12%	171	144	2	28	117	3	21	169
Jemena Electricity Networks (Vic)	12%	268	246	1	39	186	5	37	267
Powercor Australia	28%	325	317	10	74	192	1	48	315
United Energy Distribution	24%	703	504	5	87	503	11	97	698
Total distribution		2,192	1,868	27	385	1,451	33	296	2,165
TRANSMISSION									
AusNet Services		1	1	0	0	1	0	0	1
Basslink		0	0	0	0	0	0	0	0
Total transmission		1	1	0	0	1	0	0	1
NON COMPANY SPECIFIC									
Non company specific		1,024	1,104	739	285	0	0	0	285
ELECTRICITY TOTALS		19,012	22,629	987	2,993	11,762	331	2,939	18,025

[^] Electricity retailers' residential customer shares are based on the *Essential Services Commission's Victorian Energy Market Report 2015-16* (November 2016)

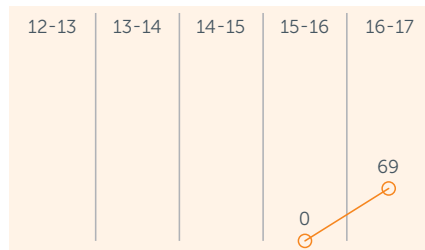
* The residential customer share is the total share for M2 Energy Pty Ltd, which trades as both Dodo Power & Gas and Commander Power

[~] Electricity distributors' customer shares are based on the *Australian Energy Regulator's Electricity Distributors 2011-13 Performance Report* (June 2015)

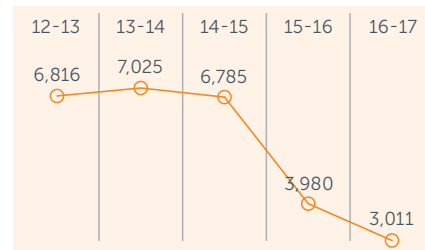
Complaint receipt trends for electricity companies – past 5 years

Electricity retail

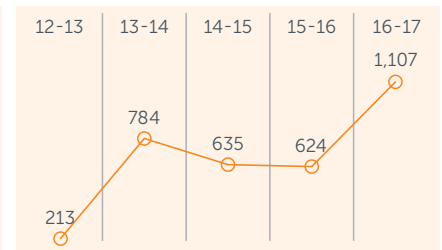
1st Energy Pty



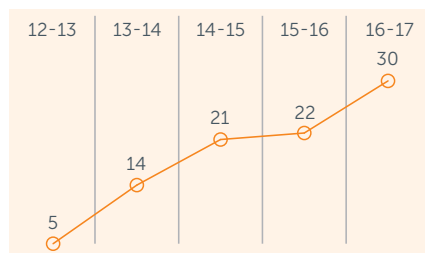
AGL Sales



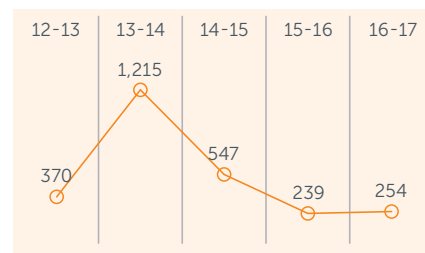
Alinta Energy



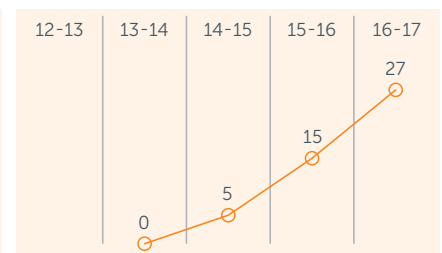
Blue NRG



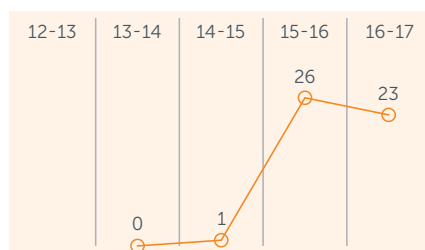
Click Energy



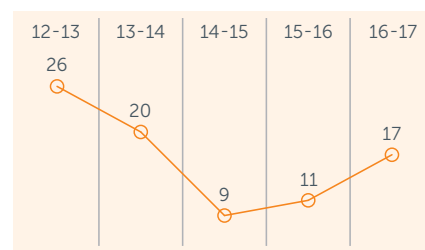
Commander Power



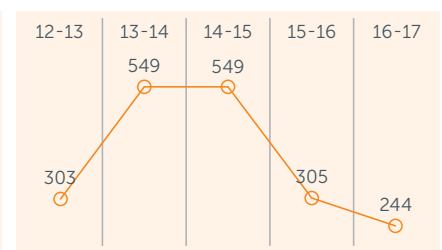
CovaU



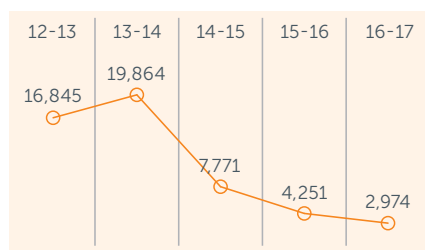
Diamond Energy



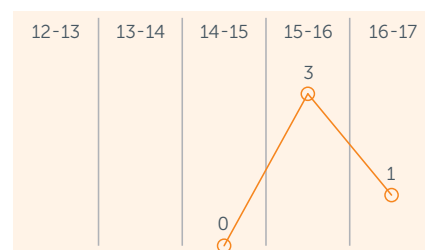
Dodo Power & Gas



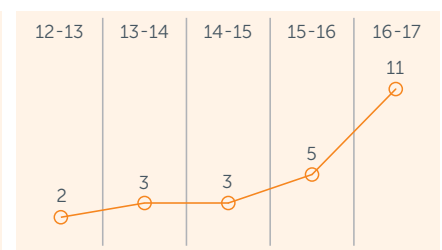
EnergyAustralia



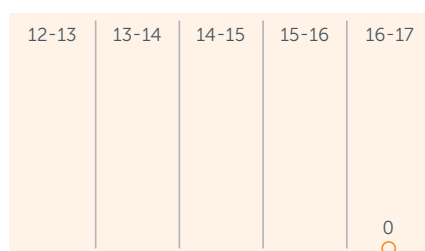
EnergyAustralia (Yallourn)



ERM Power Retail



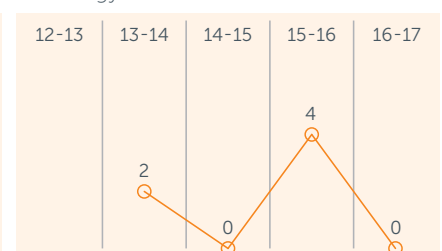
Flow Power



GloBird Energy



GoEnergy

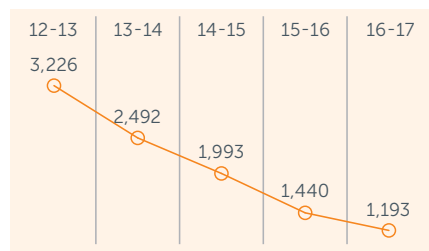




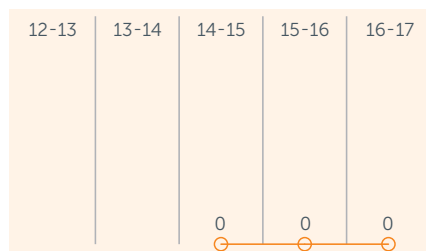
Complaint receipt trends for electricity companies – past 5 years

Electricity retail

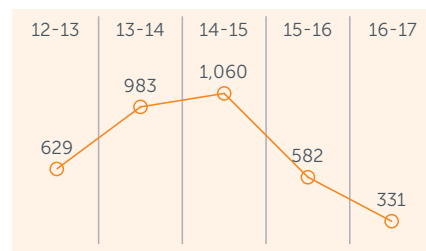
Lumo Energy



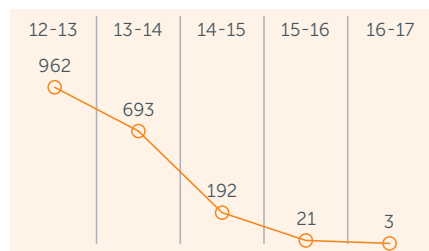
Macquarie Group



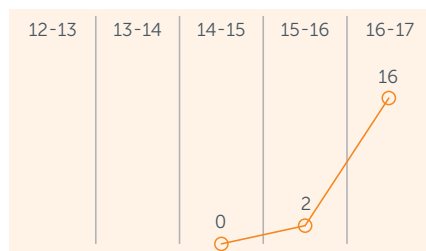
Momentum Energy



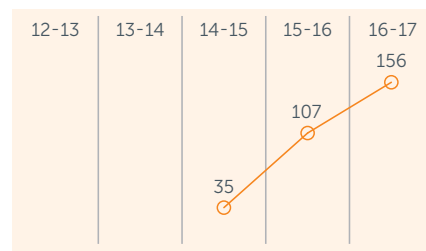
Neighbourhood Energy



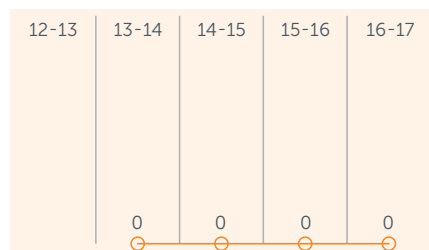
Next Business Energy



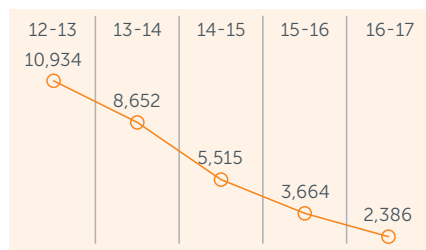
Online Power & Gas



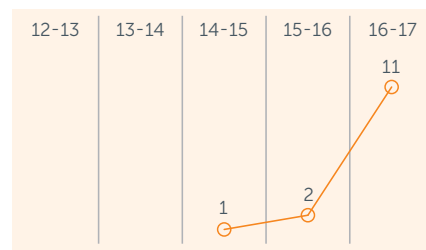
Onsite Energy Solutions



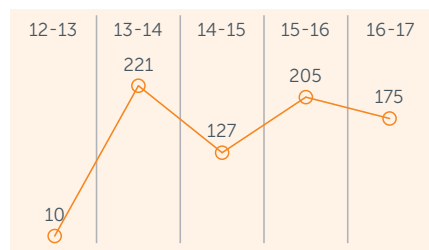
Origin Energy



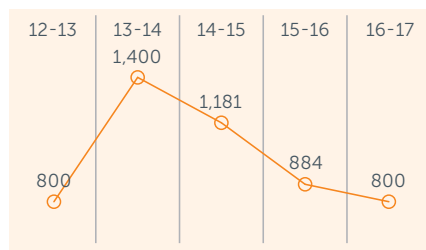
Pacific Hydro Retail



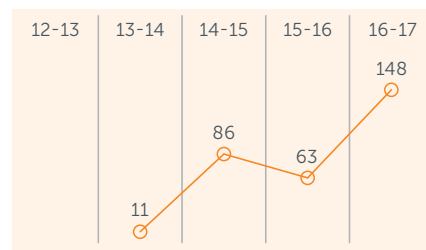
People Energy



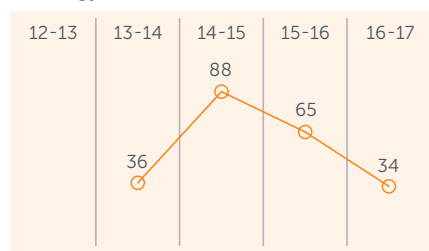
Powerdirect



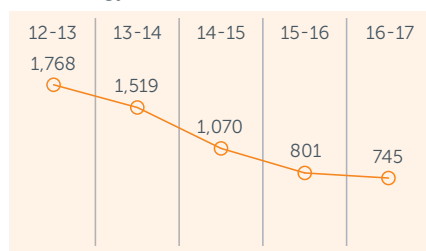
Powershop Australia



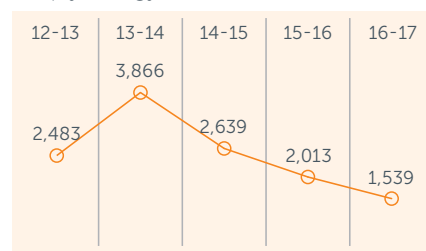
QEnergy



Red Energy



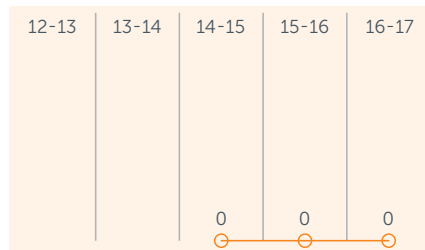
Simply Energy



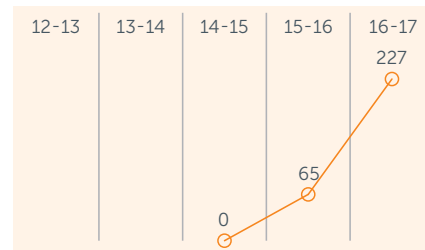
Complaint receipt trends for electricity companies – past 5 years

Electricity retail

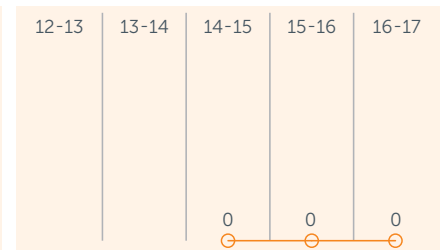
Stanwell Corporation



Sumo Power

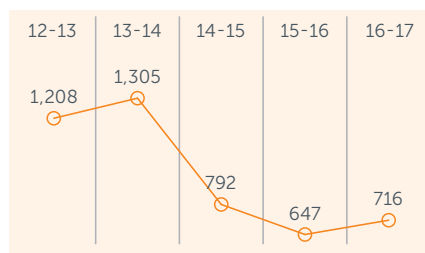


WINconnect

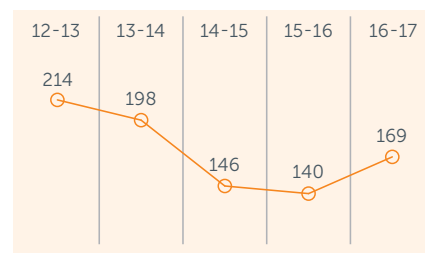


Electricity distribution

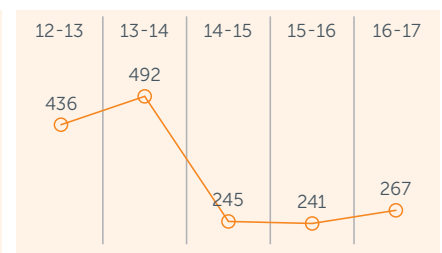
AusNet Services



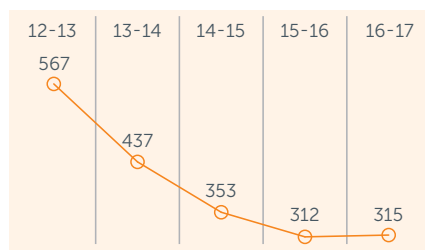
CitiPower



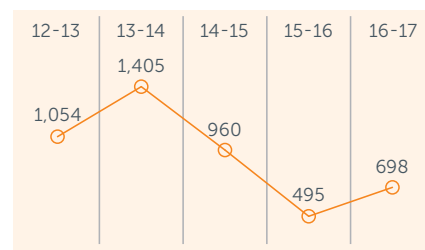
Jemena Electricity Networks (Vic)



Powercor Australia

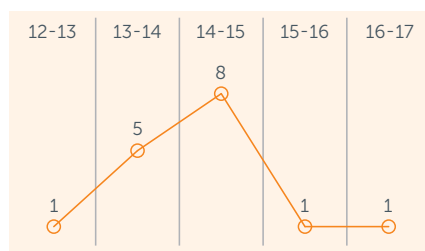


United Energy Distribution

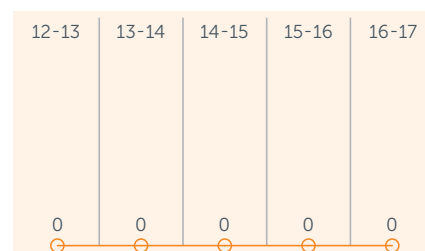


Electricity transmission

AusNet Services



Basslink



2016-17

5 year case trends

Cases

↓ **2%**
10,547



Complaints

↓ **2%**
10,369

Enquiries

→ **no change**
178

Investigations

↓ **<1%**
1,748

Investigations finalised

↓ **5%**
1,713

Residential cases

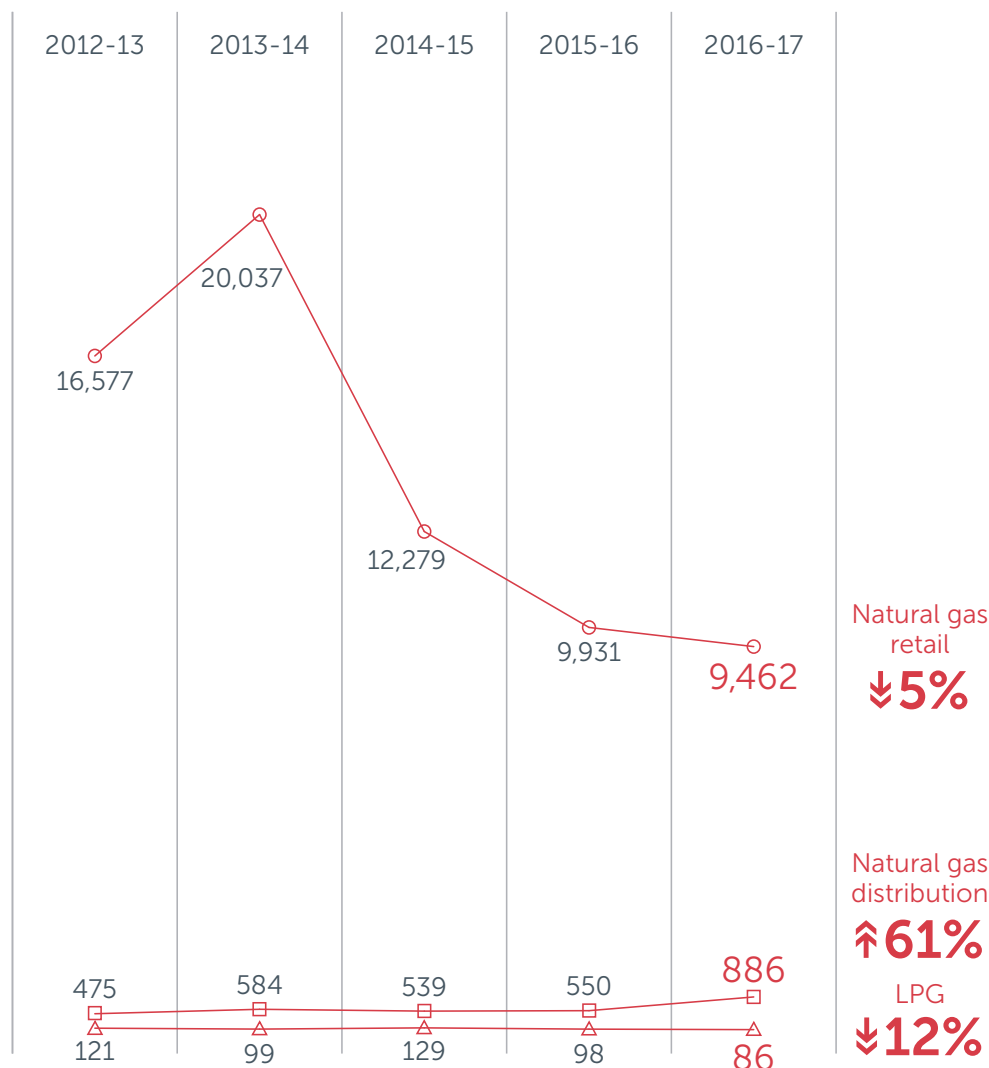
10,098
(96%)

Business cases

411
(4%)

Government/
not for profit cases

38
(<1%)



At 30 June 2017, 25 gas companies were EWOV scheme participants —16 natural gas retailers, 5 natural gas distributors and 4 liquefied petroleum gas (LPG) retailers.

There are just over 1.9 million gas customers in Victoria.¹⁸ Natural gas customers can choose their retailer. They can't choose their distributor, because each of the four natural gas distributors owns a network of pipes in a specific part of the state. Customers using LPG at home, or in their business, have choice of LPG retailers or resellers operating in their area.

Operating within the National Energy Market, Victoria's natural gas industry is privately owned and independently regulated.

¹⁸ Victorian Energy Market Report: 2015-16 (November 2016), Essential Services Commission Victoria

By issue

	Main Issue	Number	Sub Issue	Number
42%	Billing	4,385	High	1,083
			Estimation	743
			Error	724
			Backbill	718
			Fees and Charges	252
			Concession/Rebate	195
			Meter	185
			Refund	143
			Delay	138
			Other	93
			Tariff	64
			Format	46
			Price of LPG	1
27%	Credit	2,809	Disconnection	1,267
			Collection	894
			Payment Difficulties	644
			Deliveries Stopped	4
	Transfer	1,365	Site Ownership	414
			Delay	299
			Contract Terms	179
			In Error	178
			Billing	116
			Without Consent	67
			Objection	58
			Cooling-off Rights	54
13%	Provision	1,326	Existing Connection	733
			New Connection	509
			Disconnection	78
			Deliveries Stopped	6
	Supply	272	Off Supply – Unplanned	113
13%	Land	126	Quality	112
			Off Supply – Planned	29
			Variation	18
			Sustainability Initiatives	0
			Other	72
3%	Customer Service	105	Network Assets	45
			Easement	7
			Vegetation Management	2
			Cylinder (LPG)	0
			Incorrect Advice/Information	24
3%	General Enquiry	84	Poor Service	24
			Failure to Respond	23
			Failure to Consult/Inform	14
			Privacy	14
			Poor/Unprofessional Attitude	6
3%	Marketing	75	Energy	84
			Misleading	30
			Pressure Sales	17
			Information	16
			Other	12
3%			Non Account Holder	0

Gas cases we received in 2016-17

		OVERALL CASES		ENQUIRIES	COMPLAINTS				TOTAL COMPLAINTS
		2016-17	2015-16		Unassisted Referrals	Assisted Referrals	Real Time Resolutions	Investigations	
NATURAL GAS RETAIL^		Customer share							
AGL Sales	27%	2,349	2,611	15	245	1,525	54	510	2,334
Alinta Energy	2%	603	289	1	66	432	16	88	602
Click Energy	1%	155	79	2	21	121	3	8	153
CovaU	<1%	3	4	0	0	3	0	0	3
Dodo Power & Gas	2%	141	191	2	14	106	7	12	139
EnergyAustralia	22%	1,991	2,056	17	248	1,327	49	350	1,974
Lumo Energy	8%	977	871	10	83	674	20	190	967
Momentum Energy	1%	131	82	1	27	89	1	13	130
Origin Energy	20%	1,700	2,252	10	172	1,222	29	267	1,690
Powershop	<1%	0	–	0	0	0	0	0	0
Red Energy	7%	489	423	4	60	351	9	65	485
Simply Energy	8%	922	1,073	2	113	666	14	127	920
Sumo Power	<1%	1	–	0	1	0	0	0	1
Tas Gas Retail	<1%	0	–	0	0	0	0	0	0
Total natural gas retail		9,462	9,931	64	1,050	6,516	202	1,630	9,398
NATURAL GAS DISTRIBUTION~									
AusNet Services	33%	186	125	12	28	116	5	25	174
Australian Gas Networks	31%	247	181	17	76	128	9	17	230
Enwave Victorian Networks	–	0	–	0	0	0	0	0	0
Multinet Gas	36%	453	244	11	62	306	10	64	442
Total natural gas distribution		886	550	40	166	550	24	106	846
LPG									
Elgas		58	69	3	13	36	1	5	55
Origin Energy LPG		26	21	0	4	15	0	7	26
Supagas		2	8	0	0	2	0	0	2
Total LPG		86	98	3	17	53	1	12	83
NON COMPANY SPECIFIC									
Natural gas		112	129	71	41	0	0	0	41
LPG		1	7	0	1	0	0	0	1
GAS TOTALS		10,547	10,715	178	1,275	7,119	227	1,748	10,369

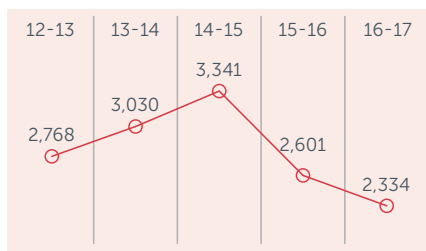
[^] Gas retailers' residential customer shares are based on the *Essential Services Commission's Victorian Energy Market Report 2015-16* (November 2016)

[~] Gas distributors' customer shares are based on the *Australian Energy Regulator's Victorian Gas Distribution Businesses – Comparative Performance Report 2012* (February 2014)

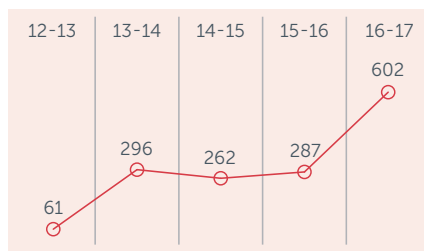
Complaint receipt trends for gas companies – past 5 years

Natural gas retail

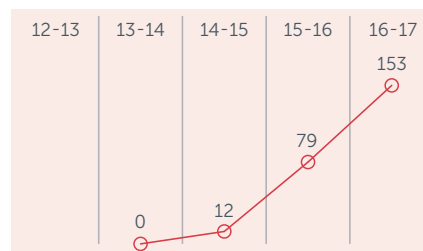
AGL Sales



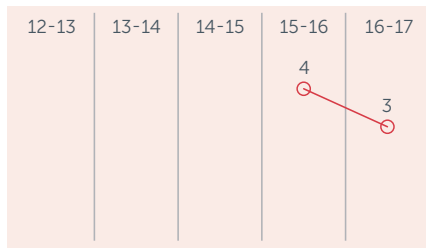
Alinta Energy



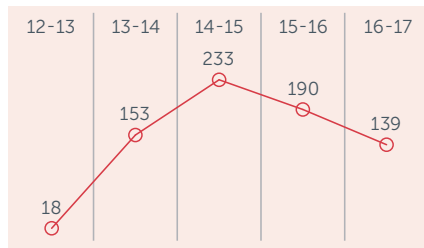
Click Energy



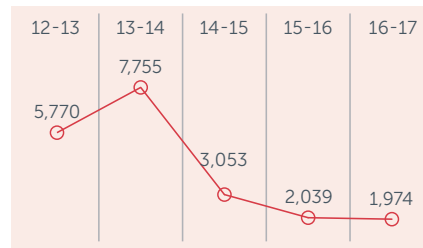
CovaU



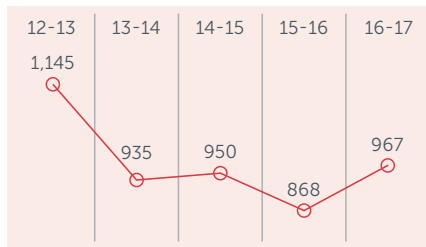
Dodo Power & Gas



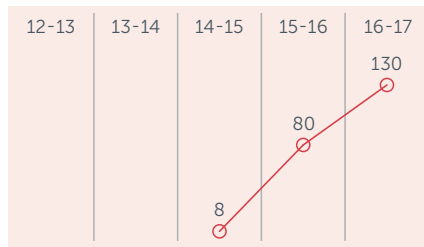
EnergyAustralia



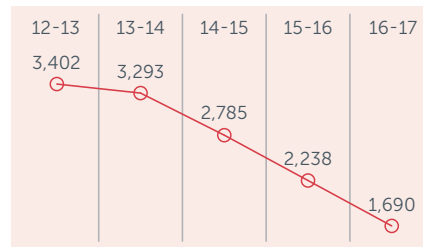
Lumo Energy



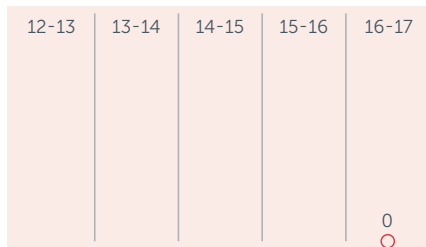
Momentum Energy



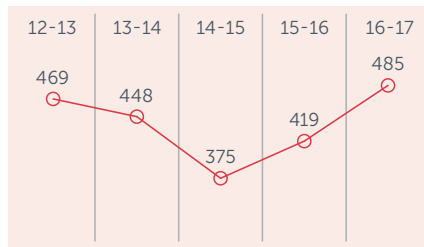
Origin Energy



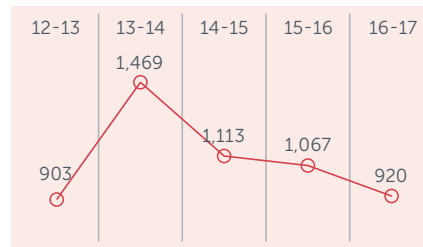
Powershop



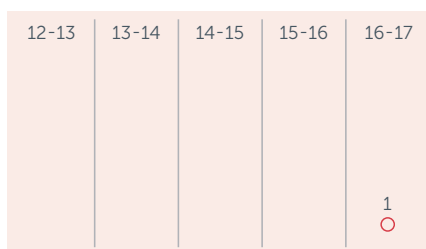
Red Energy



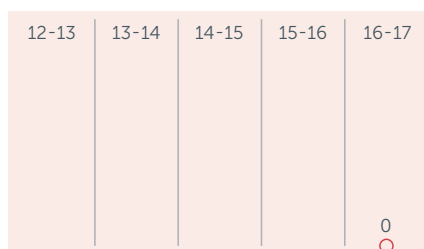
Simply Energy



Sumo Power



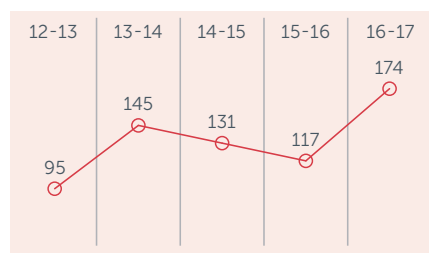
Tas Gas Retail



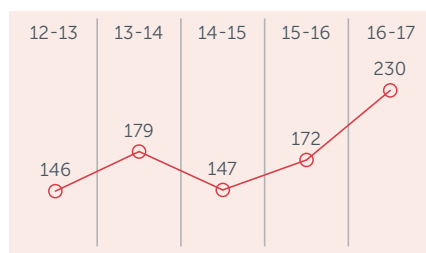
Complaint receipt trends for gas companies – past 5 years

Natural gas distribution

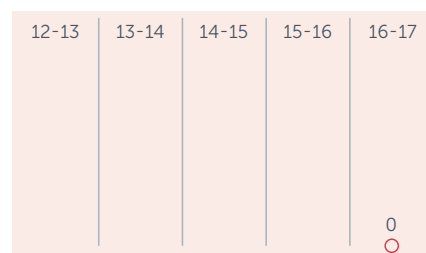
AusNet Services



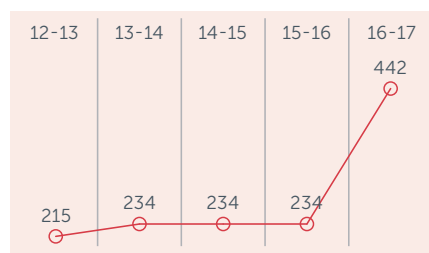
Australian Gas Networks



Enwave Victorian Networks

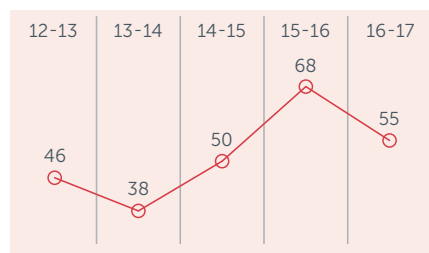


Multinet Gas

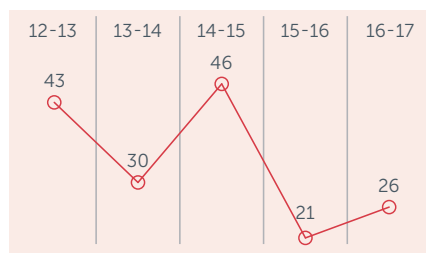


LPG

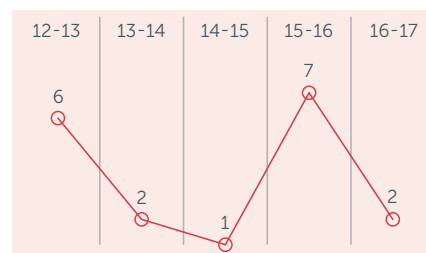
Elgas



Origin Energy LPG



Supagas



2016-17

5 year case trends

Cases

↓ **12%**
2,105


Complaints

↓ **12%**
2,000

Enquiries

↓ **9%**
105

Investigations

↑ **6%**
252

Investigations
finalised

↑ **10%**
253

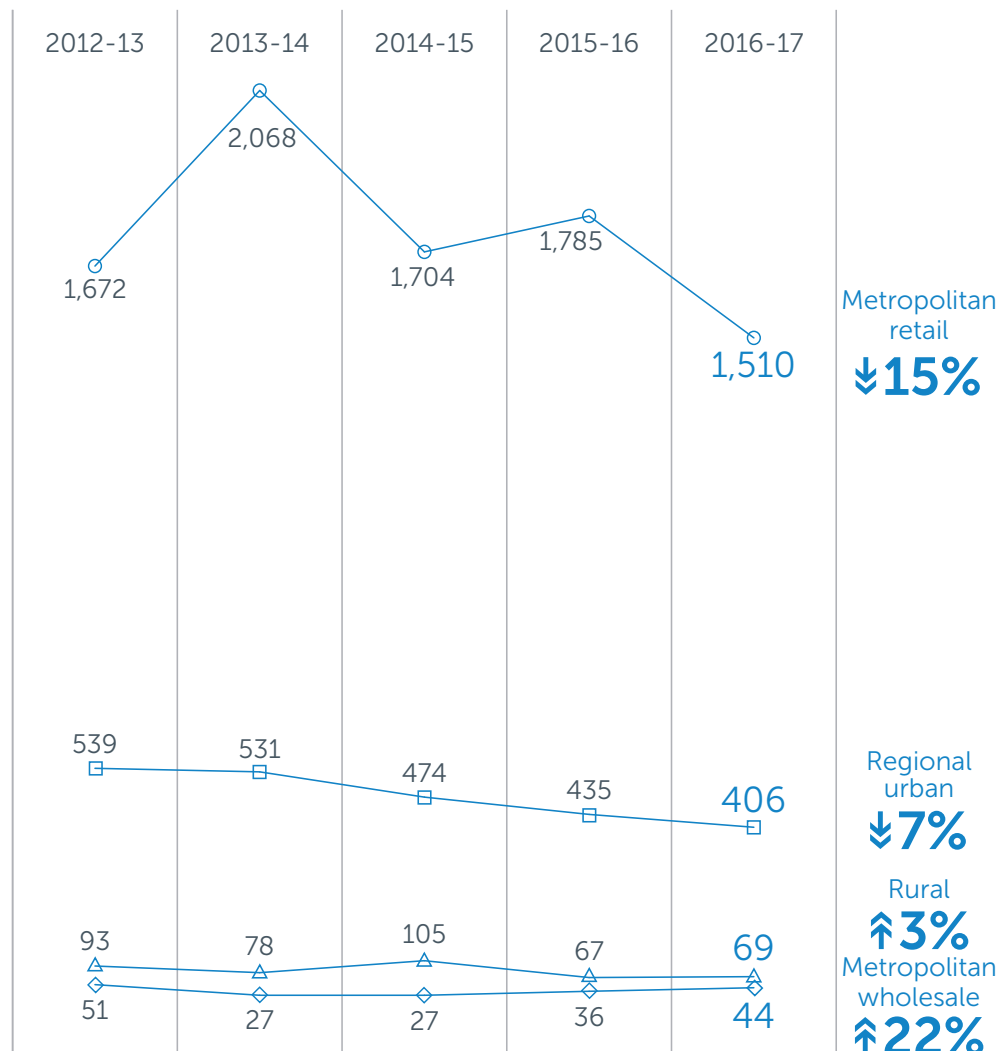
Residential cases

1,904
(90%)

Business cases

184
(9%)

Government/
not for profit cases

17
(1%)


At 30 June 2017, 19 water corporations were EWOV scheme participants — 3 metropolitan retailers, 1 metropolitan wholesaler, 11 regional urban water corporations, 2 rural water corporations and 2 rural urban water corporations.

These are State-owned water corporations constituted under the *Water Act 1989*. They service over 2.6 million¹⁹ residential and business customers, providing water supply, sewage and trade waste disposal and treatment, water delivery for irrigation and domestic and stock purposes, drainage and salinity mitigation services. Some of them also manage bulk water storages and designated recreational areas throughout Victoria.

¹⁹ *Water Performance Report: Performance of Victorian Urban Water and Sewerage Businesses 2015-16* (December 2016), Essential Services Commission Victoria

By issue

	Main Issue	Number	Sub Issue	Number
56%	Billing	1,178	High Fees and Charges	549
			Error	186
			Backbill	124
			Other	94
			Refund	55
			Concession/Rebate	38
			Format	33
			Meter	28
			Estimation	24
			Delay	21
			Tariff	20
				6
	Credit	332	Collection	135
			Restriction	122
			Payment Difficulties	75
	Land	240	Other	129
			Network Assets	81
			Easement	23
			Vegetation Management	7
	Provision	149	Existing Connection	108
			New Connection	39
			Restriction	2
16%	Supply	132	Quality	45
			Sewer/Stormwater Overflow	
			Blockage	45
			Off Supply – Unplanned	21
			Water Licensing	11
			Variation	5
			Off Supply – Planned	4
			Water Restrictions	1
			Sustainability Initiatives	0
11%	General Enquiry	52	Water	52
7%	Customer Service	22	Privacy	9
			Poor Service	4
			Failure to Consult/Inform	3
6%			Incorrect Advice/Information	3
			Poor/Unprofessional Attitude	2
2%			Failure to Respond	1
1%				

Water cases we received in 2016-17

		OVERALL CASES		ENQUIRIES	COMPLAINTS				TOTAL COMPLAINTS
		2016-17	2015-16		Unassisted Referrals	Assisted Referrals	Real Time Resolutions	Investigations	
METROPOLITAN RETAIL^	Customer share								
City West Water Corporation	22%	488	562	19	93	336	3	37	469
South East Water Corporation	38%	457	598	9	108	285	4	51	448
Yarra Valley Water Corporation	40%	565	625	7	95	365	5	93	558
Total metropolitan retail water		1,510	1,785	35	296	986	12	181	1,475
METROPOLITAN WHOLESALE									
Melbourne Water Corporation		44	36	0	5	26	0	13	44
REGIONAL URBAN									
Barwon Region Water Corporation	22%	56	67	1	15	34	0	6	55
Central Gippsland Region Water Corporation	10%	30	39	0	5	22	0	3	30
Central Highlands Region Water Corporation	10%	58	42	1	15	31	4	7	57
Coliban Region Water Corporation	11%	54	77	1	8	31	0	14	53
East Gippsland Region Water Corporation	3%	9	12	0	5	4	0	0	9
Goulburn Valley Region Water Corporation	8%	29	32	2	4	18	0	5	27
Grampians Wimmera Mallee Water Corporation	5%	18	23	0	3	12	1	2	18
Lower Murray Urban and Rural Water Corporation	5%	11	15	0	3	6	0	2	11
North East Region Water Corporation	7%	24	36	1	5	14	0	4	23
South Gippsland Region Water Corporation	3%	11	9	0	4	6	0	1	11
Wannon Region Water Corporation	6%	38	23	3	17	17	0	1	35
Western Region Water Corporation	9%	55	56	0	17	34	0	4	55
Westernport Region Water Corporation	2%	14	4	1	5	6	1	1	13
Total regional urban water		407	435	10	106	235	6	50	397
RURAL~									
Gippsland Southern Rural Water Corporation	16%	15	11	1	7	5	0	2	14
Goulburn-Murray Rural Water Corporation	52%	39	45	4	4	26	0	5	35
Grampians Wimmera Mallee Water Corporation	19%	12	4	0	5	5	1	1	12
Lower Murray Urban and Rural Water Corporation	13%	2	7	0	2	0	0	0	2
Total rural water		68	67	5	18	36	1	8	63
NON COMPANY SPECIFIC									
Non company specific		76	75	55	21	0	0	0	21
TOTALS		2,105	2,398	105	446	1,283	19	252	2,000

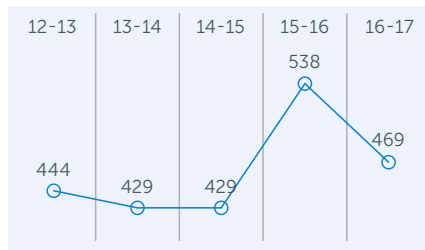
[^] Metropolitan retail and regional urban water corporations' sector shares are based on customer numbers in the *Essential Services Commission's Water Performance Report – Performance of Victorian urban water and sewerage businesses 2015-16* (December 2016)

[~] Rural water corporations' sector shares are based on the National Water Commission's *National Performance Report 2012-13: rural water service providers* (April 2014)

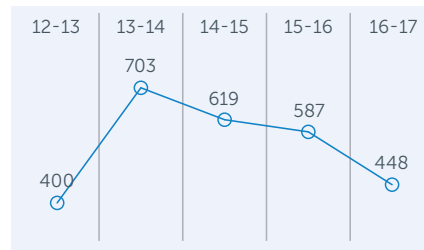
Complaint receipt trends for water corporations – past 5 years

Metropolitan retail

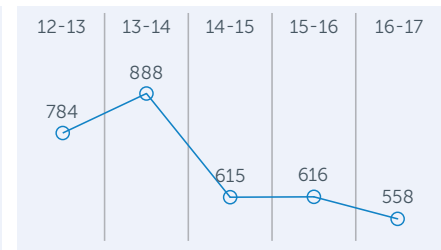
City West Water Corporation



South East Water Corporation

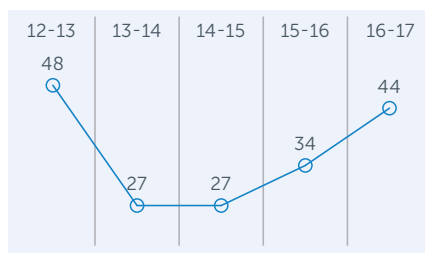


Yarra Valley Water Corporation



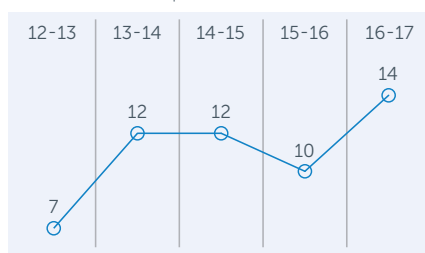
Metropolitan wholesale

Melbourne Water Corporation

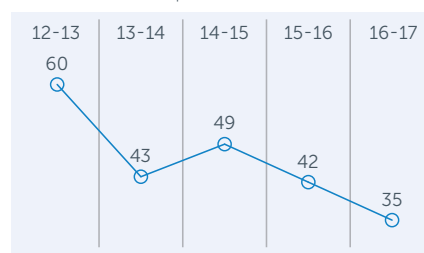


Rural

Gippsland Southern
Rural Water Corporation

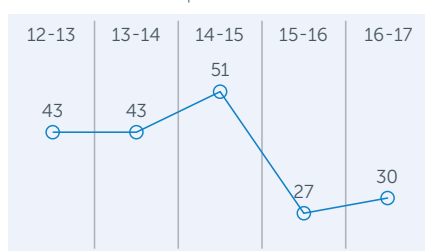


Goulburn-Murray
Rural Water Corporation

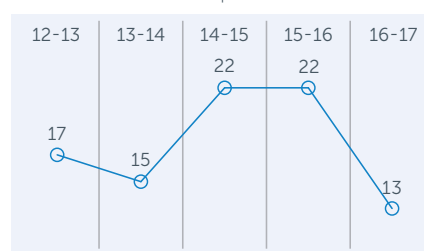


Rural urban

Grampians Wimmera
Mallee Water Corporation



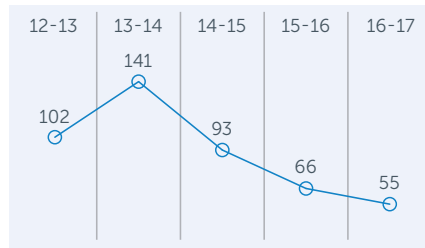
Lower Murray Urban
and Rural Water Corporation



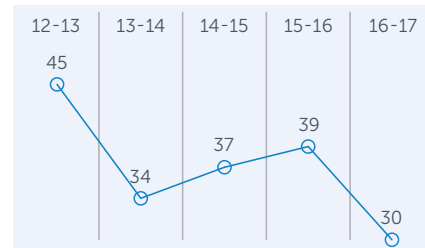
Complaint receipt trends for water corporations – past 5 years

Regional urban

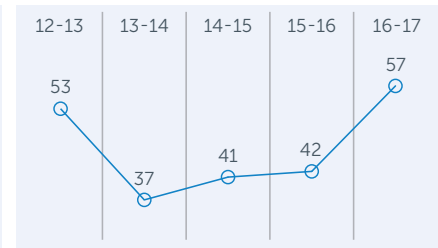
Barwon Region Water Corporation



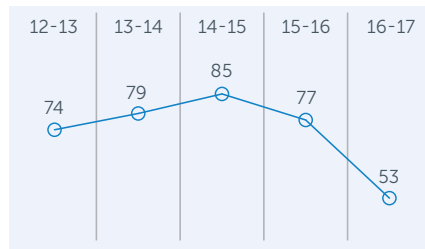
Central Gippsland Region Water Corporation



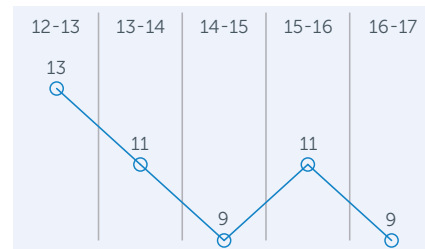
Central Highlands Region Water Corporation



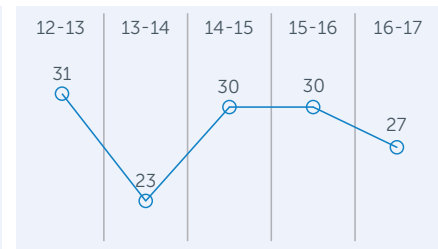
Coliban Region Water Corporation



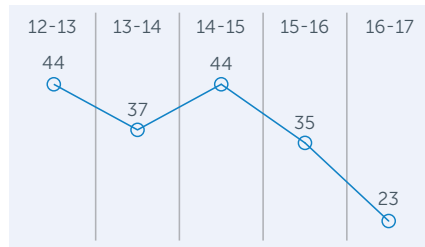
East Gippsland Region Water Corporation



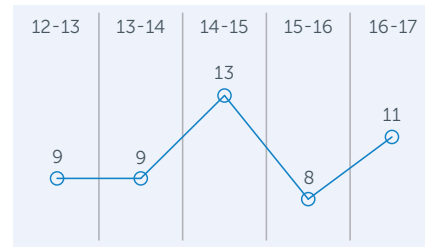
Goulburn Valley Region Water Corporation



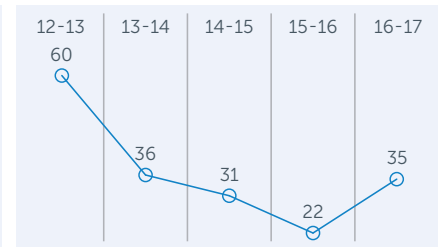
North East Region Water Corporation



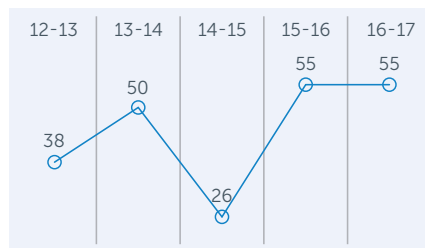
South Gippsland Region Water Corporation



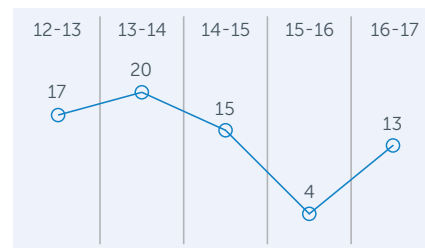
Wannon Region Water Corporation



Western Region Water Corporation



Westernport Region Water Corporation



FINANCIAL STATEMENTS

Income Statement

For the year ended 30 June 2017

	2017 \$	2016 \$
Revenue	7,322,785	10,040,674
Employee benefits expense	(6,506,186)	(8,784,640)
Depreciation and amortisation expense	(205,070)	(265,057)
Loss on disposal of plant and equipment	–	(15,823)
Rental expense	(1,213,697)	(1,363,217)
Administration expenses	(604,829)	(678,885)
Consultancy expenses	(167,962)	(176,585)
Research and communication expenses	(203,103)	(217,856)
Training and development	(138,119)	(179,398)
Office lease make good obligations	(33,600)	(33,600)
Loss before income tax expense	(1,749,781)	(1,674,387)
Income tax expense	–	–
Total Comprehensive Loss for the year	(1,749,781)	(1,674,387)

FINANCIAL STATEMENTS

Balance Sheet

As at 30 June 2017

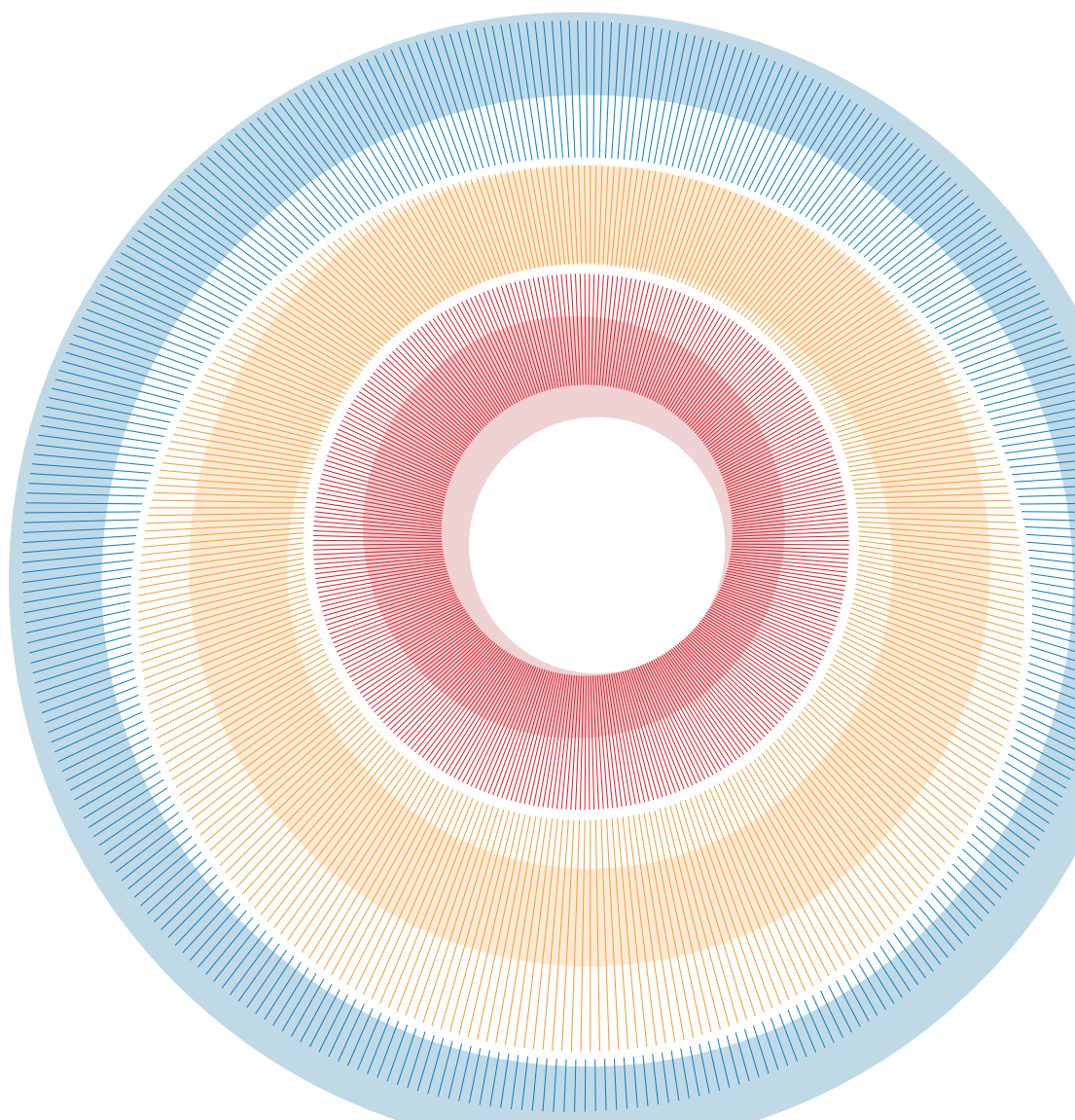
	2017 \$	2016 \$
Current Assets		
Cash and cash equivalents	5,443,458	6,840,914
Other	110,994	236,489
Total Current Assets	5,554,452	7,077,403
Non-Current Assets		
Plant and equipment	604,702	570,172
Total Non-Current Assets	604,702	570,172
Total Assets	6,159,154	7,647,575
Current Liabilities		
Trade and other payables	731,690	462,624
Provisions	1,083,635	1,063,713
Total Current Liabilities	1,815,325	1,526,337
Non-Current Liabilities		
Provisions	356,660	384,288
Total Non-Current Liabilities	356,660	384,288
Total Liabilities	2,171,985	1,910,625
Net Assets	3,987,169	5,736,950
Members' Equity		
Retained earnings	3,987,169	5,736,950
Total Members' Equity	3,987,169	5,736,950

FINANCIAL STATEMENTS

Cashflow Statement

For the year ended 30 June 2017

	2017 \$	2016 \$
Cash Flows from Operating Activities		
Levy receipts from Members (inclusive of goods and services tax)	8,182,593	10,857,643
Payments to suppliers and employees (inclusive of goods and services tax)	(9,489,232)	(12,888,440)
Interest received and other income	148,784	196,556
Net cash used in operating activities	(1,157,855)	(1,834,241)
Cash Flows from Investing Activities		
Payments for plant and equipment	(239,601)	(379,411)
Net cash used in investing activities	(239,601)	(379,411)
Net decrease in cash and cash equivalents	(1,397,456)	(2,213,652)
Cash and cash equivalents at the beginning of the Financial Year	6,840,914	9,054,566
Cash and cash equivalents at the end of the Financial Year	5,443,458	6,840,914



How to contact EWOV

We 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.

Phone us

1800 500 509 (free call)

Calls from mobile phones may attract charges.

We can ring you back.

If calling from a restricted phone service, ring 12550 (Telstra reverse charges) and ask for (03) 8672 4460.

We will accept the reverse charges and the call cost.

Interpreter service: 131 450

National Relay Service: 133 677

Use the complaint form on our website

ewov.com.au

Write to us

GPO Box 469 Melbourne 3001

Email us

ewovinfo@ewov.com.au

Fax us

1800 500 549 (free fax)



@ewov



facebook.com/EWOV1



linkedin.com