

Energy and Water Ombudsman (Victoria)
2006 Annual Report



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Our vision

To be a responsive, innovative and dynamic organisation, which is recognised for excellence.

The principles that guide how we work

- **Independence:** complaint resolution not advocacy
- **Access:** readily accessible to individual customers
- **Equity:** fairness to all parties
- **Quality:** highest professional standards
- **Effectiveness:** high calibre people, supported by training and technology
- **Efficiency:** optimal use of resources
- **Community awareness:** foster community awareness
- **Linkages:** effective links and working relationships

We operate according to national benchmarks

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

Our office opened in 1996.

We receive, investigate and facilitate the resolution of energy and water complaints.

We provide independent advice, information and referral.

We identify systemic issues and refer them to providers and regulators.

We work with customer groups and industry to achieve customer service excellence.

This year we handled 17,763 electricity, gas and water cases.

The first 10 years

- February 1995 → Regulators, consumers and industry discuss independent dispute resolution options
- June 1995 → Local electricity businesses announce an industry-based Ombudsman scheme
- August 1995 → Company registered as Electricity Industry Ombudsman (Victoria) (EIOV)
 - EIOV Board and EIOV Council meet for the first time
- October 1995 → Ombudsman commences
- February 1996 → EIOV opens to limited service
- May 1996 → EIOV opens to full service (electricity retailers and distributors)
- July 1998 → First independent electricity retailer joins
- November 1998 → EIOV's Board and Council merge
- March 1999 → Natural gas retailers join
 - Name changes to Energy Industry Ombudsman (Victoria)
- April 2001 → Water providers join
 - Name changes to Energy and Water Ombudsman (Victoria) (EWOV)
- December 2001 → Natural gas distributors join
- July 2005 → First liquefied petroleum gas (LPG) cases received
- May 2006 → EWOV marks 10 years of full service

The first issue of *Resolution*, our six-monthly newsletter, was released in July 1996.

We've recently released *Resolution 22*.

The first four Binding Decisions were made in December 1996.

Three were about power surges. 36 Binding Decisions have been made in all, on matters as diverse as backbilling, disconnection, vegetation management near powerlines and electro-magnetic fields.

We official
Industry O
in March 1

The Ombudsman commenced in October 1995.

The Electricity Industry Ombudsman (Victoria) (EIOV) opened for full service in May 1996, with four staff.

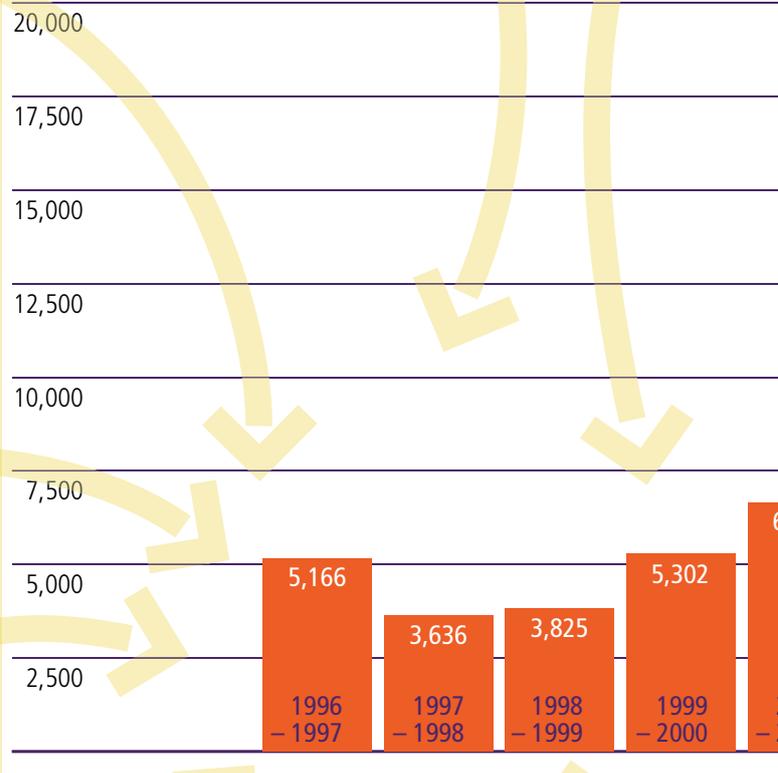
At 30 June 2006, there were more than 40 EWOV staff.

In year one of full service, we received 5,166 cases, all electricity. Billing was the most common issue.

In 2004/05, cases peaked at 19,157. In 2005/06, we handled 17,763 cases, 71% electricity.

Billing is still the most common issue for each industry.

1 10 year case history



Our first regional visit was undertaken in November 1996.

This year we made four regional and three metropolitan visits.

In June 1998, a scheme participant challenged three of the Ombudsman's Binding Decisions in the Supreme Court of Victoria. In August 1999, the judge found in EIOV's favour.

lly became the Energy
ombudsman (Victoria)
1999 (still EIOV).

Following the introduction
of electricity Full Retail
Competition (FRC) in January
2002, cases increased 37%.
In 2005/06, 16% of our issues
were about retail competition.

December 2004 saw the
introduction of the State
Government's wrongful
disconnection payment (WDP)
legislation. EWOV's energy
disconnection cases fell and,
to date, those falls have been
sustained.



Since July 2005, we've handled
liquefied petroleum gas (LPG)
cases.

To 30 June 2006, 102 LPG cases
had been received.

In April 2001, EIOV became
EWOV, the Energy and Water
Ombudsman (Victoria).

24 water providers joined,
taking scheme participation
to 46. At 30 June 2006, there
were 64 scheme participants.

Natural gas FRC came in from
October 2002. We introduced
the dual fuel case type in
January 2003 to provide for
cases about energy retailers'
dual fuel (electricity and gas)
products.

Snapshot of the 2005/06 year

- **EWOV reached its 10 year milestone**
special feature on pages 2, 4 and 5
- **17,763 cases, down 7% from 19,157 last year**
see page 27 for cases & common issues
- **5,347 complaints received for full investigation**
how we handled cases on page 28
- **Success with strategies to manage caseloads**
discussed by the Ombudsman on page 8
- **5,333 complaints fully investigated and closed**
key performance indicators page 28 onwards
- **\$1,921,927 in redress to customers**
see page 28 for details
- **Internal dispute resolution initiatives**
more information on page 9
- **18 submissions on energy and water issues**
listed on page 18
- **Systemic issues identified**
see pages 20 and 21 for issues and impacts



Fold out
for further
information

6 Message from the Chairperson

During 2005, as part of the ongoing process of reviewing EWOV's performance, independent reviewers were engaged to survey 240 EWOV stakeholders, drawn from energy and water providers, regulators, government departments and consumer groups. The results of this Stakeholder Survey were presented to the EWOV Board in August 2005, and reported on in *Resolution 21* which was released in April 2006.

The Stakeholder Survey provided the Board and the Ombudsman with some very positive feedback, giving us confidence that we are providing an extremely high quality service which is meeting stakeholder expectations. We were also very pleased with the response rate of over 50% — indicative of stakeholders' clear interest in the scheme's performance.

As is usually the case with surveys of this nature, the Stakeholder Survey also identified some opportunities for improvement, in particular in three aspects of the scheme's work — that EWOV is sometimes seen to act as a consumer advocate, that EWOV's case upgrade policy can be applied inconsistently, and that EWOV's role in relation to systemic issues is unclear.

Taking a typically proactive approach, the Ombudsman suggested to the Board that one-on-one meetings with the CEOs of all EWOV scheme participants might be the most effective way to discuss the Stakeholder Survey results and draw out the issues. Since there are 45 CEOs across Australia running the 64 companies and authorities participating in the scheme, making contact in this way was a major undertaking for the Ombudsman.

After six months of travelling and meetings, this initiative is almost complete. The results are giving the Board comfort that the opportunities for improvement identified in the Stakeholder Survey are not major or widespread concerns, and that any residual issues are robustly addressed by the goals and tasks in EWOV's 2006/07 Strategic Plan. As well, the CEOs have given the Ombudsman very useful feedback on other initiatives we might undertake.

This year also marked the scheme's 10th anniversary. In May 2006, a very diverse group of EWOV stakeholders came together to celebrate this milestone. An inclusive, reflective and often heart-warming event showcased EWOV's achievements and challenges. It was clear to all present that EWOV is a scheme in which all of its stakeholders can, and do, take justifiable pride.

Also during the year, the EWOV Board farewelled and sincerely thanked one of its longer serving Directors — Caryle Demarte of TRUenergy who was on the Board for six years. Karen Moses of Origin Energy joined us as a Director from October 2005.

In closing, thank you to my fellow Directors — Richard Gross, Chris Field, Neil Brennan, David Headberry, Sandy Canale, John Mumford, Mark O'Brien, and now Karen Moses, for your part in ensuring EWOV's independence and effectiveness. Thank you also to our very professional and dedicated Ombudsman, Fiona McLeod, and her EWOV team. You all do us proud.



The Hon. Tony Staley
EWOV Chairperson

It's always interesting to think about what makes one year stand out from another.

New jurisdiction?

A significant increase, or fall, in cases?

An industry development?

An organisational restructure?

A major review?

In its time, EWOV has seen all of these.



This year, as well as looking back at 2005/06, I write this report reflecting on EWOV's first ten years. It's been quite a journey — one that has seen us:

- create a 'one stop shop' for Victorian energy and water customers
- work hard at independently investigating and resolving cases in a fair and reasonable manner
- handle over 97,000 cases within very good timeframes
- take action to prevent complaints
- identify significant systemic and trend issues for industry to address
- contribute significantly to regulatory, government and industry policy development
- work closely with stakeholders to bring about best practice customer service in the Victorian energy and water industries
- help Victorian customers become more aware of their rights and responsibilities in relation to energy and water issues.

These achievements are the result of the commitment, enthusiasm and hard work of the many people who have worked with us — resolving complaints; participating on Boards, Councils and committees; and advising, guiding and arguing with us to ensure that EWOV is always striving to become a better organisation.

For my part, the past ten years have been:

- satisfying — growing an organisation from one person to more than 40, with all the organisational dynamics and management challenges such growth brings
- challenging and rewarding — developing effective stakeholder relationships
- intellectually stimulating — thinking about complaints and how to resolve them
- exciting — watching the Victorian energy industry change from the State Electricity Commission of Victoria (SECV) and Gas & Fuel Corporation into major private sector companies, and the water industry streamline and focus further on customer service and standards
- fascinating — getting to know the LPG industry which has historically been both public and private sector.

It's been extremely satisfying to be part of an organisation that provides such a valuable service — this is really why each of us who works at EWOV is here. On that note, my sincere thanks go to the dedicated, hardworking EWOV staff — present and past — who have approached each day with enthusiasm, skill and optimism.

A fall in cases overall

Our overall cases fell 7% this year and that's a good sign — especially since the scheme has weathered successive annual increases of 39%, 13%, 37% and 33%. It's been the experience of some other dispute resolution schemes that, at the ten year mark, cases seem to plateau, so I'm cautiously optimistic that this fall can be sustained.

Enquiries, complaints referred to providers' contact centres and complaints referred to providers' higher level contacts all fell. These are noteworthy results, with reasonably significant resource implications.

Receiving fewer simple cases also left us more time for the complex matters an Ombudsman's office is expected to be handling. And, more time to deal with a 5% (258 cases) increase in complaints received for full investigation.

Investigated complaints about metering, estimated bills, and getting the power on to an existing property all increased significantly.

Categories showing a significant fall in investigated complaints were high bills, erroneous transfers, and imminent and actual energy disconnection.

We also adopted new case terminology during the year — this is explained on page 25.

Managing complaint caseloads

In another pleasing development, it became clear that steps we'd been taking to address EWOV's rising caseloads were starting to take effect.

These included:

- restructuring of the EWOV team to introduce three Conciliation teams from January 2005 and four from June 2005
- regular complaint review meetings with energy retailers and distributors — energy complaints having been a major contributor to our rising caseloads

- internal dispute resolution workshops for staff of scheme participants
- other training sessions for scheme participants, at our office or theirs — including refresher training in case handling processes
- promoting to scheme participants the benefits of using the ‘facilitated conciliation’ process to resolve non-complex complaints within 5 days
- focusing on reducing aged complaints
- ongoing close monitoring of case receipt rates, particularly of complaints, to ensure that our staffing levels are maintained in accordance with case activity
- improved internal reporting capability, which enables us to more effectively review how well we’re achieving our key performance indicators.

Our initiatives in this respect are ongoing.

Internal dispute resolution initiatives

Two indicators of the effectiveness of providers’ internal dispute resolution (IDR) processes are the number and nature of cases lodged against them with the independent external dispute resolution body.

For some time, we’ve been concerned that EWOV has been dealing with enquiries and relatively straightforward cases which could, and should, have been handled by scheme participants themselves.

To understand this trend and help providers address it, we’ve:

- continued to gather specific information from customers lodging cases with us
- continued to compile this information into general and provider-specific reports and send it to scheme participants monthly
- undertaken research into scheme participants’ IDR policies and processes
- introduced IDR workshops for staff of scheme participants
- hosted a major IDR conference featuring speakers from Australia and overseas.

These initiatives were well received by scheme participants. We also believe they contributed to the overall fall in cases.

Contributions to policy reviews

Each year, we respond to consultation opportunities and requests for EWOV’s perspective on energy and water issues. While this year was no different in that respect, two of our contributions stood out.

The first was our contribution to the Victorian Government’s *Committee of Inquiry into Financial Hardship of Energy Consumers*. We drew on our cases and research of the past few years to provide the Committee with some valuable input — when the State Government’s response to the Committee’s Report was released, we could see our input reflected in the outcomes.

We also made a substantial contribution to the Essential Services Commission’s (ESC’s) review of its operating procedure in relation to the wrongful disconnection payment. Working with the procedure day-to-day gave us a unique insight into how it might be streamlined and improved. Again, when the ESC released its revised procedure, our input was reflected.

A lot of effort goes into analysing our case data to contribute to policy development. Outcomes of this nature reaffirm the importance of this aspect of EWOV’s work. You can read about our policy and research contributions on pages 18 and 19.

New scheme participants

This year, we welcomed seven providers to the scheme — two energy retailers (EA-IPR Retail Partnership and Jackgreen), and five LPG (liquefied petroleum gas) retailers (Elgas, Kleenheat, Origin Energy, Powergas and Supagas). You’ll find a full list of EWOV scheme participants at 30 June 2006 on page 14.

Year one of LPG

We also handled our first LPG cases. To date, cases remain lower than projected. Interestingly, billing has emerged as the most common issue — in line with case trends in electricity, natural gas, dual fuel and water.

10

The Ombudsman reflects

Stakeholder Survey

Earlier in this report, EWOV's Chairperson, Tony Staley, discusses the independent review of external stakeholders EWOV commissioned in 2005. Overall, the survey results provided a very positive reinforcement of how we go about our dispute resolution role. They were reported in *Resolution 21*, which issued in April 2006 and is available on our website — www.ewov.com.au.

Meetings with stakeholders

I travelled quite extensively during the year. In part, that was due to my desire to stay actively involved in EWOV's visits programme. It's very important that the Ombudsman is in touch with the views of local customers of energy and water services, as well as those of energy and water service providers.

The survey of EWOV's external stakeholders also raised some matters which would obviously benefit from face-to-face discussion. So, with the support of the Board, I travelled within Victoria and interstate, to meet with the CEOs of all providers in our scheme. Although time-consuming, this was a very enlightening and useful exercise all round.

Systemic issues

One of the items I discussed with CEOs was EWOV's role in relation to systemic issues. It was apparent from the Stakeholder Survey results that some providers were unclear about this aspect of our work. We have a responsibility to identify systemic issues and refer these to energy and water providers and regulators. Redress for affected customers is also discussed with providers and regulators.

We've put a lot of work into considering how we approach systemic issues and that work is continuing. You'll find a report on systemic issues on pages 20 and 21.

New Annual Report features

During the year, we reviewed and enhanced our public reporting. As a result, this Annual Report has more trend graphs. It also includes maps showing where in Victoria cases came from and bandwidths which help put energy retailers' customer numbers in perspective.

British Energy Ombudsman initiative

In late 2005, I was invited by energywatch to go to London to advise key stakeholders about a best practice Energy Ombudsman scheme based on EWOV. energywatch is Great Britain's electricity and gas watchdog, set up in November 2000 through the *Utility Act 2000*, to protect and promote the interests of all gas and electricity customers. The Government is currently considering how best to provide independent dispute resolution to energy customers. It's hoped that further information on this will be available by the end of 2006.



Fiona McLeod
Energy and Water Ombudsman (Victoria)

EWOV Limited is a company limited by guarantee. Its principal activity is to receive, investigate and facilitate the resolution of customer complaints in relation to electricity, gas and water services.

Constitution and Charter

The company operates in accordance with the Energy and Water Ombudsman (Victoria) Limited *Constitution* and *Charter*, and observes the roles, functions, powers and obligations set out in these documents.

Participation in the EWOV scheme allows electricity, gas and water licensees, water authorities and LPG retailers to satisfy relevant licence conditions, legislative requirements or industry code requirements. At 30 June 2006, there were 64 scheme participants, as listed on page 14.

In May 2006, EWOV's *Constitution* and *Charter* were both amended to include an 'ad hoc' jurisdiction. This will allow other electricity, gas and water providers — such as those providing reticulated LPG — to join the scheme by agreement, as 'Contracting Participants'.

Jurisdiction

While available to all customers, EWOV was essentially set up to assist residential and small business customers.

We're able to handle most of the issues which arise between customers and their electricity, gas and water providers, including:

- the provision and supply of, or failure to provide or supply, electricity, gas or water services
- billing
- credit and payment services
- disconnections and restrictions
- bills, and billing and payment arrangements
- refundable advances (security deposits)
- land and land access, including vegetation management issues.

We can also investigate:

- matters raised with the scheme by the Essential Services Commission
- matters referred to us by a scheme participant, with the consent of the customer
- the concerns of third parties directly affected by the activities of a scheme participant (where the provider's activity affects someone who is not their customer — such as the marketing of electricity or gas to the general public, vegetation management or network augmentation).

Funding

The funding for EWOV comes from its scheme participants. There is no charge to the customers who use our services — in line with the *National Benchmarks for Industry-Based Customer Dispute Resolution Schemes*.

Providers pay a fixed fee to join EWOV — a start up levy which covers joining costs and contributes to the scheme's establishment costs, which were originally funded by the founding electricity companies.

In addition, scheme participants pay an annual levy to fund EWOV's operations. This is made up of a fixed fee to cover participation costs, and a variable fee based on each participant's share of cases handled. The 'user pays' nature of the variable fee gives providers a financial incentive to reduce their EWOV cases, by resolving customer issues within their internal dispute resolution processes.

The Board has an independent Chairperson, four community/consumer directors nominated by the Essential Services Commission and four industry directors elected by the scheme participants.

Responsibilities

Meeting every two months, the Board is primarily responsible for the business affairs and property of EWOV. This includes corporate governance, the setting of budgets, risk management, strategic planning, and financial and major policy matters.

There are four Board sub-committees — Finance and Budget, Remuneration, Constitution and Rules, and Annual Report.

Chairperson

Hon. Tony Staley, appointed 30 November 1998

Educated in law and political science, Tony Staley is a former Minister in the Commonwealth Government. He is also Chairman of the Council of the Telecommunications Industry Ombudsman, the National Museum of Australia and a number of other organisations.

Directors — industry

Neil Brennan, appointed 22 August 2002

The Chief Executive Officer of Central Highlands Water, Neil Brennan has been employed in the Victorian water industry since 1986. He was previously Western Water's CEO. He has also served as President of the Institute of Water Administration.

Sandro Canale, appointed 26 August 2004

General Manager External Affairs, Retail and Merchant Energy with Australian Gas Light Company (AGL), Sandro Canale has held senior management positions in Customer Services, Regulation, Corporate Affairs and Property. He is also a Director on the Board of the Energy and Water Ombudsman NSW and a former Director on the Board of the Energy Industry Ombudsman South Australia.

Richard Gross, appointed 14 December 2001

A member of the original EIOV Council, Richard Gross is General Manager Regulation, CitiPower Pty and Powercor Australia Ltd. He has extensive experience in network revenue/pricing, financial planning and analysis.



Karen Moses, appointed 20 October 2005

Karen Moses has over 20 years experience in the energy industry gained in both Australia and overseas. Her current position is Chief Operating Officer, Australia for Origin Energy Limited. She holds a number of directorships within the Origin Energy group and is a Director of the Victorian Energy Networks Corporation (VENCorp), the Centre for Engineering Leadership and Management, and Contact Energy Limited in New Zealand.

Directors — community/consumer

Chris Field, appointed 23 April 2001

Chris Field is a Member of the Economic Regulation Authority, the independent regulator of the Western Australian gas, electricity, rail and water industries.

He is an Adjunct Professor at La Trobe University and Chair of the Consumer Utilities Advocacy Centre, Victoria. His former roles include Chair, Australian Consumers Association, and Executive Director, Consumer Law Centre Victoria.

David Headberry, appointed 20 June 2002

An active advocate for customers on energy matters for nearly ten years, David Headberry is a qualified engineer. He is Managing Director of Headberry Partners P/L, which specialises in assisting energy customers secure low-cost, reliable energy supplies in all Australian states.

John Mumford, appointed 30 June 2004

John Mumford is a Financial Counsellor at Bass Coast Regional Health in Wonthaggi, Victoria. With a strong background in grassroots consumer advocacy specialising in rural issues, he is also a Director of the Consumer Utilities Advocacy Centre, Victoria, and the Consumer Law Centre Victoria.

Mark O'Brien, appointed 30 June 2004

The Co-ordinator then CEO of the Tenants Union of Victoria since 1996, Mark O'Brien has worked in tenancy advice and advocacy in both a paid and unpaid capacity since 1987. Prior to this, he worked in government and the construction industry as a civil and structural draftsman.

Company Secretary

Steve Morris, Business Manager EWOV, appointed 9 October 2000.

Scheme participants

(at 30 June 2006)

There were 64 participants in the EWOV scheme at 30 June 2006: 27 electricity, 17 natural gas and LPG (liquefied petroleum gas) and 20 water. Some two-thirds were private companies and one-third government businesses.

Electricity

Retailers

ActewAGL Retail Ltd
AGL Electricity Ltd
AGL Sales Pty Ltd*
Aurora Energy Pty Ltd
CitiPower Pty#
Country Energy
EA-IPR Retail Partnership
ENERGEX Retail Pty Ltd
EnergyAustralia
Ergon Energy Pty Ltd
Integral Energy Australia
International Power (Retail) Pty Ltd
Jackgreen International Pty Ltd
Momentum Energy Pty Ltd
Origin Energy Electricity Ltd#
Powerdirect
Red Energy Ltd
SP AusNet (SPI Electricity Pty Ltd)
TRUenergy Pty Ltd
Victoria Electricity Pty Ltd

Distributors

AGL Electricity Ltd
CitiPower Pty
Powercor Australia Ltd
SP AusNet (SPI Electricity Pty Ltd)
United Energy Ltd (Alinta)

Transmission companies

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

Gas

Natural gas retailers

AGL Sales Pty Ltd*
EA-IPR Retail Partnership
ENERGEX Retail Pty Ltd
EnergyAustralia
Origin Energy Retail Ltd
Origin Energy Vic Pty Ltd
TRUenergy Pty Ltd
Victoria Electricity Pty Ltd

Natural gas distributors

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

LPG retailers^

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

Water

Metropolitan Retailers

City West Water Ltd
South East Water Ltd
Yarra Valley Water Ltd

Metropolitan Wholesaler

Melbourne Water Corporation

Regional Urban Water Authorities

Barwon Region Water Authority
Central Gippsland Region Water Authority^o
Central Highlands Region Water Authority
Coliban Region Water Authority
East Gippsland Region Water Authority
Goulburn Valley Region Water Authority
North East Region Water Authority
South Gippsland Region Water Authority
Wannon Region Water Authority+
Western Region Water Authority
Westernport Region Water Authority

Rural Water Authorities

First Mildura Irrigation Trust
Goulburn-Murray Rural Water Authority
Gippsland and Southern Rural Water Authority

Rural Urban Water Authorities

Grampians Wimmera Mallee Water
Lower Murray Urban and Rural Water Authority

NOTES:

* In January 2006, AGL Victoria was renamed AGL Sales.

CitiPower remains an EWOV retail member, although Origin Energy acquired its retail electricity business in 2002.

^ EWOV's jurisdiction does not extend to LPG resellers.

o Commonly known as Gippsland Water

+ On 1 July 2005, Glenelg Region Water Authority, Portland Coast Region Water Authority and South West Water Authority merged to become Wannon Region Water Authority.

For the most current list of EWOV scheme participants, see our website (www.ewov.com.au).

The Ombudsman, General Manager Operations, Manager Public Affairs and Policy, and Business Manager make up the EWOV management team.

Ombudsman

The **Ombudsman**, appointed by the Board, is responsible for EWOV's day-to-day operation. The roles of the Ombudsman and the Board are complementary, with the Ombudsman attending Board meetings.

Public Affairs and Policy

The **Manager Public Affairs and Policy** manages EWOV's public affairs, policy and research, and community liaison functions.

The **Policy and Research Officer** is responsible for research and policy development for EWOV, both internally and externally.

The **Community Liaison Administrator** helps plan and implement EWOV's programme of community activities.

Administration

The **Business Manager** is responsible for the scheme's administration, finance and human resource systems.

The **Executive Assistant to the Ombudsman**, **Executive Assistant to the General Manager Operations** and **Administration Assistant** provide executive and project support.

The **Conciliation Team Assistant** provides administrative support to the Conciliation/Enquiry Officer Teams.

Operations

The **General Manager Operations** manages EWOV's case handling functions, including quality assurance, data integrity, learning and development, legal and information technology. This role supports the Ombudsman in developing and implementing EWOV's strategic direction.

The **Manager Operations** is responsible for the day-to-day management of the case handling function of the Conciliation area, including management of the Conciliation Team Co-ordinators and the Complex Case Managers.

Each **Conciliation Team Co-ordinator** is responsible for the supervision and day-to-day management of a team of Conciliators and Enquiry Officers, as well as for the direct management of a small case load.

Complex Case Managers focus on any particularly protracted or difficult matters that require high level case management. They also deal with wrongful disconnection, systemic issues and aged cases.

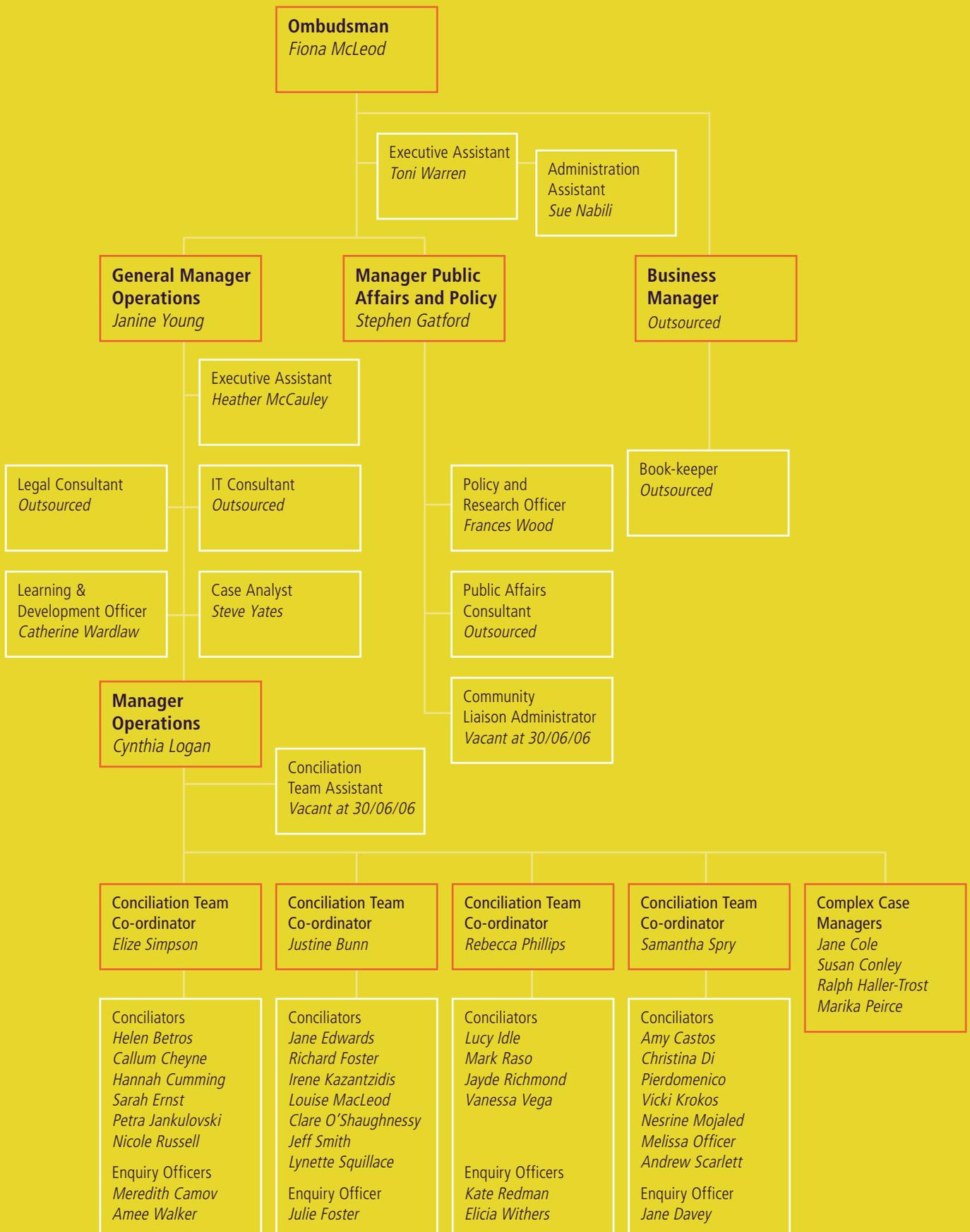
Conciliators investigate and resolve individual cases, with an emphasis on facilitating outcomes with which both parties agree. Most complaints are handled by the same Conciliator from start to finish.

Enquiry Officers handle the receipt and processing of enquiries, mostly by phone. They provide information and referrals for customers, including referral to Conciliators where they have assessed that to be appropriate.

The **Case Analyst** analyses cases for systemic and trend issues, undertakes case audits to ensure quality assurance processes are maintained, and provides case data for reports.

The **Learning and Development Officer** develops and supports EWOV's learning and development activities, ensuring a strategic approach to this area.

2 Organisational chart (at 30 June 2006)





EWOV's policy and research work is multi-faceted. We're positioned to understand and reflect customer concerns about energy and water services.

We're also privy to providers' responses to customer concerns. We use our case handling experience to contribute to the work of regulators, governments, industry, community organisations and other Ombudsman services. It also informs our internal policy making processes.

Public submissions

On consultation papers and investigations of the Essential Services Commission

- *Draft Decision regarding the Publication of Price and Service Information by Energy Retailers* (July 2005)
- *Energy Retailer of Last Resort - Draft Decision* (August 2005)
- *Electricity Distribution Price Review 2006-10 Draft Decision* (August 2005)
- *Draft Decision - Energy Retail Code - Technical Amendments - Bulk Hot Water and Bills based on Interval Meter Data* (September 2005)
- *Draft Decision - Disclosure of Price and Service Information by Energy Retailers - Disclosure in Writing* (November 2005)
- *End-to-End Project: Issues Paper* (November 2005)
- *Proposed Revisions to the Electricity Distribution Code* (December 2005)
- *Review of the Interim Operating Procedure - Compensation for Wrongful Disconnection and Draft Decision* (3 EWOV submissions — in December 2005, February 2006 and May 2006)

- *Draft Decision in relation to the Review of the Interim Operating Procedure (IOP) - Compensation for Wrongful Disconnection* (May 2006)
- *Investigation into the performance of electricity distributors' call centres during wide-scale emergency situations* (May 2006)

On national, interstate and overseas developments

- the Ministerial Council on Energy's (MCE's) 2005 Public Consultation on a *National Framework for Energy Distribution and Retail Regulation* (January 2006)
- the Australia & New Zealand Energy and Water Ombudsman Network (ANZEWO) submission on the *National Energy Retail Performance Indicators released by the Utility Regulators Forum* (April 2006)
- the ANZEWO submission on Consultation Paper No. 3: *Electricity Full Retail Competition - Proposed Policy Positions released by the Queensland Government* (April 2006)
- the UK Dept of Trade & Industry's January 2006 paper, *Consultation on consumer representation and redress* (April 2006)

On customers experiencing financial hardship

- 2 further submissions to the Victorian Government's *Committee of Inquiry into Financial Hardship of Energy Consumers* (July 2005 and August 2005)

All of EWOV's public submissions are available on our website (www.ewov.com.au), under 'Responses to regulatory authorities'.

Financial hardship – energy customers

For some time now, EWOV has contributed to community discussion on how, and to what extent, energy and water customers facing financial hardship can and should be assisted. In mid-2005, we made three submissions to the Victorian State Government's *Committee of Inquiry into Financial Hardship of Energy Consumers*.

In responding to the Committee's Report which was released on 30 May 2006, the State Government took the step of publishing an *Energy Consumer Hardship Policy Statement*, recognising that energy is an essential service — and access to it essential for social participation and an adequate standard of living.

The State Government also announced:

- monitoring, auditing and public reporting of energy retailers' compliance with 'best practice hardship policies' by the Essential Services Commission
- extension and expansion of the Utility Relief Grant Scheme, with \$4 million over two years allocated for this
- retention of its December 2004 wrongful disconnection payment legislation
- allocation of \$600,000 over two years for the training of accredited specialist energy counsellors
- a requirement for AGL, Origin Energy and TRUenergy, as the local energy retailers, to allocate \$8 for each of their safety net customers over two years towards pilot programmes and to enhance energy customer hardship initiatives
- the establishment of an Energy Hardship Policy Working Group to help implement the Committee's recommendations.

Wrongful disconnection payment – energy customers

The State Government introduced the wrongful disconnection payment legislation in December 2004. It applies to energy disconnections, on or after 8 December 2004, where the electricity or natural gas retailer has failed to comply with the terms and conditions of its contract with the customer.

The ESC issued an *Interim Operating Procedure – Compensation for Wrongful Disconnection (IOP)* as a guide to the wrongful disconnection compensation obligations under the legislation. During the year, it reviewed that procedure.

In all, EWOV made three submissions to the review. These are available on our website, under 'Responses to regulatory authorities'. The ESC published the updated *Operating Procedure – Compensation for wrongful disconnection* in June 2006, effective immediately. It's also on our website, under 'Publications'.

Marketing – energy retailers

2005/06 saw new and existing retailers undertake significant marketing initiatives. 5% of our cases this year were about marketing — that is, energy retailers' sales or advertising activities.

In these cases, customers most commonly complained about:

- aggressive or high-pressure sales tactics
- finding they'd been switched to another electricity and/or gas provider without their consent
- salespersons making incorrect representations, such as:
 - 'the retailer I'm representing is affiliated with your present retailer'
 - 'your present retailer is going out of business'
 - 'we're part of/working with the government'
- quoted prices or savings not matching the prices or savings in the contract they later received
- some telephone salespersons apparently refusing to provide information unless the customer agreed to switch.

We provided reports on these issues to the energy retailers concerned, and to the ESC, Consumer Affairs Victoria and the Australian Competition and Consumer Commission.

EWOV's work includes the identification and referral of systemic issues. Redress for affected customers is discussed with providers and regulators.

What makes an issue systemic?

A systemic issue is (1) an issue, (2) a problem, or (3) a change in the policy or practice of an energy or water provider, which affects — or has the potential to affect — a number of customers.

By identifying and addressing systemic issues early, their impact on customers and providers can be lessened. The number of complaints, and the time it takes to resolve them, can also be reduced.

Here's a sample of systemic issues from 2005/06.

SI/2005/49

Estimated 12,000 to 13,000 electricity customers overcharged

Customers of one electricity retailer were overcharged when the retailer's billing system failed to apply the Winter Energy Concession to the entire bill of eligible customers. The concession was applied to the usage component of the bill only. As a result, an estimated 12,000 to 13,000 customers were overcharged, for the period May 2005 to October 2005. EWOV identified the issue through one case received in September 2005.

Both the retailer and EWOV advised the Essential Services Commission (ESC) of the issue.

To address the problem, the retailer audited the accounts of its affected customers and applied the remaining portion of the concession. It also tried to contact an estimated 2,000 affected account holders who had since closed their accounts — by writing to their last known address and asking them to make contact with it. The minimum refund was \$10, even where the amount due was less than that. Higher adjustments were made as required. The average impact was around \$20. The retailer also sent each customer a letter of apology.

SI/2006/5

Energy customers on payment plans received disconnection notices

Due to a system error, gas and electricity customers of one energy retailer were sent disconnection notices, even though they were on payment plans. The issue was identified by EWOV in February 2006, when we received two complaints. It potentially affected all customers of this retailer who were on payment plans.

Both the retailer and EWOV advised the ESC of the issue.

The retailer addressed the problem when it updated its information technology systems in July 2006. In the interim, it used manual workarounds to prevent a reoccurrence.

SI/2006/8

Almost 1,000 electricity customers undercharged

Customers with more than supply point were undercharged when billed for one supply point only. Some 998 customers were affected. EWOV received two complaints in January 2006 and one in April 2006. The issue also affected some customers in South Australia.

EWOV advised the ESC of the issue.

The electricity retailer sent a letter of apology to the affected customers, waived 50% of their arrears and offered a customer service payment, where appropriate. Where the customer needed more time to pay, a payment plan was offered.

SI/2006/20

Estimated 125,000 energy customers unable to track their usage

Customers of one energy retailer were placed on a new billing system when they transferred to a new contract. However, their historical usage information wasn't carried over to the new system, or the bills generated by the new system.

As a result, when an estimated 125,000 customers received their bills, they weren't able to compare their current and previous usage. The *Energy Retail Code* requires customers' historical usage to be shown on their bills.

The issue was identified by EWOV from a complaint received in March 2006. The retailer advised the ESC of the issue, as did EWOV. It addressed the problem with a billing system solution in June 2006.

SI/2006/26

Printing error affects 300 water customers

Instead of a letter asking them to clarify their pension details, some 300 customers of one water retailer received 'Final Notices' requiring payment. The problem was compounded when the amount shown in the notice was based on each customer's pension card number e.g. \$52,123,456.00.

The retailer informed EWOV about the issue. We also received two cases in June 2006. The retailer undertook to contact each affected customer by mail and telephone, to explain the issue. It also made a \$25 payment to each of them in recognition of poor customer service. EWOV advised the ESC of the issue. It also received media attention.

SI/2006/27

Ongoing outages on one electricity feeder

Customers of one electricity distributor complained about ongoing outages. They also involved their local State and Federal Members of Parliament. EWOV's attention was drawn to the issue through 13 cases received between April 2006 and June 2006. The number of affected customers is not known, but the problem was restricted to customers on a specific electricity feeder. The distributor located the fault (a cracked insulator) and fixed it. It also upgraded a transformer and other equipment. EWOV advised the ESC of the issue.

SI/2006/38

Energy customers refused direct refunds

Customers of one energy retailer were unable to obtain direct refunds to their credit cards in cases where they overpaid their bill in error. The issue was identified from three complaints received by EWOV between April 2006 and June 2006.

The number of affected customers is unknown. However, the retailer advised that it had recently issued a small number of cheque refunds. In addition, a small number of customers had queried transactions through their financial institutions and the transactions had been reversed by the financial institution.

Since the retailer estimated that several hundred to several thousand credit card payments were processed daily from customers who used the IVR (interactive voice response) credit card payment system, the potential existed for significant customer impact.

As a result of our identification of the issue, the retailer has changed its business practice to enable refunds by reversal of IVR credit card transactions back to a customer's credit card. It thanked EWOV for our contribution to this improvement, saying, "The accounts and the Ombudsman cases provided a strong basis for a business case which has been successful in changing the process."

EWOV advised the ESC of the issue.

See also case study C/2006/5850 on page 40.

SI/2006/35

Billing delays for some 44,000 energy customers

In June/July 2006, customers of one energy retailer experienced significant billing delays. The retailer informed EWOV of the issue and the number of affected customers:

- 7,000 customers – unbilled for at least 270 days
- 14,000 customers – unbilled for 180-270 days
- 23,000 customers – unbilled 96-180 days

Some of these customers had provided their details to the energy retailer when they moved into their property; others had not. EWOV and the energy retailer advised the ESC of the issue. The energy retailer advised that it had appointed a dedicated manager to oversee the backbilling of these accounts.

We undertake a range of activities aimed at building awareness of EWOV's role and services.

Visits programme

This year, EWOV staff travelled to Frankston, Geelong, Colac, Bendigo, Horsham, Mildura, Broadmeadows, Preston, Dandenong and Shepparton, meeting with representatives of customers, the local community and energy and water providers.

Projects

Office of Housing and utilities

We've been working with the Victorian Office of Housing (OoH) on energy and water issues affecting customers living in public housing. We set up direct points of contact with OoH regional managers for advice and assistance to us on individual complaints. We also scheduled meetings with local OoH staff during our regional, rural and metropolitan visits. Through this work, we've been able to identify particular issues affecting customers in public housing in relation to billing, supply disconnection and restriction and energy efficiency. Our work with the OoH is ongoing.

Transitional housing and utilities

Through this project, we've been focussing on energy and water issues faced by transitional housing tenants and managing organisations. Transitional housing is short term accommodation used to bridge the gap between homelessness and permanent housing. The energy and water services may be in the name of the tenant, or in the name of the housing owner/agency. We've been working with housing managers to identify issues that arise in each situation and suggest solutions.

Youth postcard

Earlier this year, and working with 10 other Ombudsman schemes, we undertook a joint campaign to spread the word about what we do.

The campaign, conducted via free postcards, has been targeted at young people, but the message is relevant to everyone: *You have a right to complain*. All of the schemes taking part in the project are members of the Australian and New Zealand Ombudsman Association (ANZOA). For more information see www.anzoa.com.au.

Website

A range of information is easily accessible to stakeholders through our website. There's an up-to-date list of EWOV scheme participants (with links to their own websites), information about how we handle cases, case studies, and copies of our fact sheets, publications and public submissions. During the year, we added a page about using energy and water, with links to sources of information customers can go to for advice on conserving energy and water and better managing their bills.



Publications

Resolution

We produced and distributed two issues of our six-monthly newsletter. *Resolution* reports on cases received and the most common issues raised by customers. This information is presented overall and by industry, industry sector and individual scheme participant. *Resolution Bulletin* is a quick-read, two-page summary of each issue of *Resolution*. Both are available on our website, under 'Publications'.

EWOV Link

We produced and distributed four issues of *EWOV Link*, our quarterly electronic newsletter for scheme participants. It provides data on cases, case trends and common issues, as well as suggestions for improving providers' internal dispute resolution. It also provides updates on EWOV's policies and procedures.

EWOV Connect

We produced and distributed the first issues of *EWOV Connect*, a quarterly electronic newsletter for community sector representatives. Our aim is to provide energy and water resources and information to help community, welfare and health service providers in their work with clients.

Fact sheets

We use the fact sheet format to present useful, easy to read, information about particular energy or water issues or developments, mainly for use by customers.

The following fact sheets were revised, updated and re-issued during the year. They're all available in hard copy and on our website, under 'Publications':

- *Choosing an Energy Retailer*, to help residential and small business customers who are thinking of changing energy retailer, or who are contacted by an energy sales representative about changing retailer
- *High electricity, natural gas and water bills*, to help customers who receive an unusually high bill or series of bills, or whose consumption jumps and stays high, work out why that has happened and address the cause/s
- *EWOV and LPG*, which explains EWOV's role in handling LPG cases and provides information on the *Victorian LPG Retail Code*.

Eight principles guide EWOV's work: independence, access, equity, quality, effectiveness, efficiency, community awareness and linkages.

Our scheme also complies with the *National Benchmarks for Industry-Based Customer Dispute Resolution Schemes*.

- independence** We deal in complaint resolution, not advocacy. Issues are resolved on a fair and reasonable basis, with staff not acting on behalf of, or advocating for, any of the parties. Our independence is reflected in the EWOV Board with its independent Chair and equal numbers of industry and consumer Directors.
- access** Our scheme is free to individual customers. It's easy to contact us. Cases can be lodged by phone, fax, email, letter, or using an online complaint form on our website. The website also includes general information about our services, in 14 languages other than English.
- equity** Our processes ensure fairness to all parties. We deal first and foremost in what is fair and reasonable. We also consider good industry practice and current law. Each party puts their case — they are kept advised of the case being made by the other party and given the opportunity to respond.
- quality** We work to the highest professional standards. Our focus is on providing excellent customer service and delivering conciliated outcomes, efficiently and effectively. We are always looking for ways to improve.
- effectiveness** Our staff are high calibre people, trained in alternative dispute resolution methods. Where a conciliated outcome cannot be reached, the Ombudsman has the power to make a decision which is binding on the scheme participant.
- efficiency** Our processes facilitate speedy resolution, without compromising quality. We deal only with matters within our jurisdiction, referring other issues to relevant bodies or mechanisms. We keep detailed case records and undertake data analysis to track case trends. We report potential compliance and systemic issues to providers, and as necessary, to relevant regulators. We set key performance indicators and regularly review our performance against these — internally and with the EWOV Board.
- community awareness** We undertake a range of activities, aimed at building community awareness of our services. Supplementing these, scheme participants must tell their customers about EWOV as part of their internal dispute resolution processes and include EWOV contact information on all energy disconnection/water restriction warnings, and on at least one bill/statement each year.
- linkages** We work on maintaining positive and effective working relationships with our external stakeholders. We're actively involved in external committees and working groups. We also hold community presentations and regular meetings with key stakeholders.

Our complaint investigation procedures are informal, rather than legalistic. We consider the wider context of each complaint: what is fair and reasonable, good industry practice and current law.

Case investigation

We focus on conciliation — where the parties agree on the outcome, as well as on any future action each may be required to carry out. At all times, our aim is to establish an objective view of what has happened. This helps the parties better understand the issues, as well as each other's point of view. It also increases the likelihood that they will reach an agreement they are each satisfied with.

Where a case remains unresolved after detailed investigation and negotiation, the Ombudsman reviews it and may make a Binding Decision. This is binding on the scheme participant, but not on the customer, who can elect to take action in another forum, such as a court. Where a customer rejects the Ombudsman's Decision, the scheme participant is released from its terms.

The Ombudsman also has the discretion to discontinue an investigation where a case has insufficient merit.

Case terminology

'Case' is the term we use to describe all matters EWOV deals with. Cases are received as either enquiries or complaints.

An 'enquiry' is a request from a customer for general information (e.g. about relevant codes or guidelines) or a matter that is referred to another agency (e.g. if it is outside EWOV's jurisdiction). Some enquiries are referred back to providers (e.g. a customer may contact EWOV for the names of the energy and water providers at their new property).

A 'complaint' is an expression of dissatisfaction regarding a policy, practice or customer service performance of an energy or water provider which is a participant in the EWOV scheme, where a response or resolution is explicitly or implicitly expected.

There are three types of complaints:

- 'complaints referred to provider' — where the customer has not yet spoken with their provider about their complaint, we generally refer them back to the provider's contact centre
- 'complaints referred to higher-level contact' — where the customer has spoken once with someone at their provider's contact centre about their complaint, but it remains unresolved, we usually refer them to a higher-level contact at the provider
- 'complaints received for full investigation' — we fully investigate complaints which remain unresolved following two or more contacts between the customer and the provider.

There are also three levels of complaints received for full investigation, each with an increased cost implication for the scheme participant. Generally, if a complaint isn't resolved within the required timeframe, it's upgraded to the next level.

Issues categories

EWOV allocates all cases to appropriate categories.

We use eight 'first level' issues categories — Billing, Credit, Customer Service, Land, Provision, Retail Competition, Supply and General Enquiry. Each of these has 'second level' and, in some cases, 'third level' sub-issues, which describe customer concerns in more detail.

For example, a Billing case may be further described as being about a backbill (second level) and further about an error (third level). A Credit case may be further described as being about a payment plan (second level) under a smoothpay arrangement (third level).

Dispute resolution terms

Alternative Dispute Resolution

Alternative dispute resolution (ADR) is an umbrella term used to describe various ways of resolving disputes quickly and effectively, without the need for a court hearing. ADR methodologies, including mediation, arbitration, conciliation, negotiation and expert evaluation, can be useful in all sorts of disputes.

The last 15 years have seen alternative dispute resolution schemes set up in specific areas or industries to handle disputes more efficiently. EWOV is one such scheme. Providers can also incorporate ADR methodologies into their own processes.

ADR offers time and cost savings, confidentiality, convenience and flexibility of process. It also offers good scope for understanding the concerns of each party and for creative solutions. In this way, it can contribute significantly to the preservation of the customer/provider relationship.

Internal Dispute Resolution

Internal dispute resolution (IDR) refers to providers' own complaint handling processes. All EWOV scheme participants are required to have IDR procedures in place to handle customer complaints, including escalation procedures for disputes which cannot be resolved at the front-line.

External Dispute Resolution

External dispute resolution (EDR) refers to avenues available to customers to resolve disputes outside of their provider's operations. These include:

- industry-based ADR schemes, such as EWOV
- statutory Ombudsman offices
- Consumer Affairs and Fair Trading agencies
- tribunals
- engagement of a solicitor
- court action
- media involvement.

Cases

- 17,763 **cases overall**, down 7% from 19,157 last year
The fall follows previous annual increases of 39%, 13%, 37% and 33%
- 71% **electricity** — 12,636 cases (down 6% from 13,489)
- 19% **natural gas** — 3,426 cases (down 12% from 3,883)
- 1% **LPG** — 102 cases (in EWOV's first year of taking LPG cases)
- 2% **dual fuel** — 296 cases (down 44% from 529)
- 7% **water** — 1,303 cases (up 4% from 1,256)

Most common issues

- 43% **Billing** — covers all aspects of the billing process, from meter reading, application of tariffs and bill formats through to errors, delays, high bills, and fees and charges
- 18% **Credit** — to do with bill payment, payment options and plans, collection of arrears, and billing-related disconnection or restriction of supply
- 11% **Transfer** — the process of transferring from one energy retailer to another, including transfer errors and contract terms & conditions
- 8% **Provision** — anything to do with a service provider's assets, such as pipes, meters, wires, and pole cabling (may also include customers' assets, such as private electric lines)
- 6% **Supply** — covers planned or unplanned outages, and the quality or reliability of energy or water supply
- 5% **Marketing** — concerns an energy retailer's sales or advertising activities

3 How did EWOV handle cases in 2005/06?



How did customers contact us?

- 95% of all cases were lodged by phone
- 3% were lodged by email or via our website
- 2% were written or faxed.

Residential customers or business customers?

- 92% of all cases were lodged by residential customers
- 8% of all cases were lodged by business customers.

How were cases spread across Victoria?

Taking residential populations into account, the parts of Victoria which had the highest rates of energy and water complaints were:

- City of Melbourne
- Hepburn Shire
- Hindmarsh Shire
- Bass Coast Shire
- Loddon Shire

The Department of Sustainability and Environment's *Melbourne Atlas* (2006) identifies the Mornington Peninsula, Maribyrnong, Darebin, Moreland, Frankston and Greater Dandenong as the local government areas with the lowest estimated median weekly household incomes in 2004. In these areas — apart from Moreland — the rate of energy and water cases to EWOV in 2005/06 was higher than average.

See maps and data in Figure 6 on page 30.

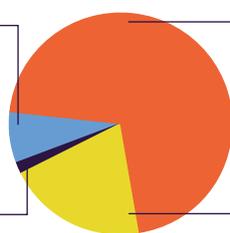
4 By industry, which customers contacted EWOV?

Water

Business	99	(8%)
Not for profit	4	(<1%)
Government	10	(1%)
Residential	1,190	(91%)
Total	1,303	

Dual fuel

Business	1	(<1%)
Not for profit	0	(0%)
Government	0	(0%)
Residential	295	(100%)
Total	296	



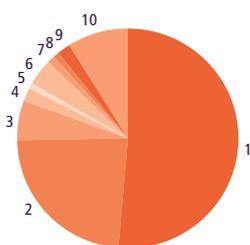
Electricity

Business	1,194	(9%)
Not for profit	34	(<1%)
Government	54	(<1%)
Residential	11,354	(90%)
Total	12,636	

Gas (Natural & LPG)

Business	95	(3%)
Not for profit	2	(<1%)
Government	7	(<1%)
Residential	3,424	(97%)
Total	3,528	

5 How did customers find out about EWOV?



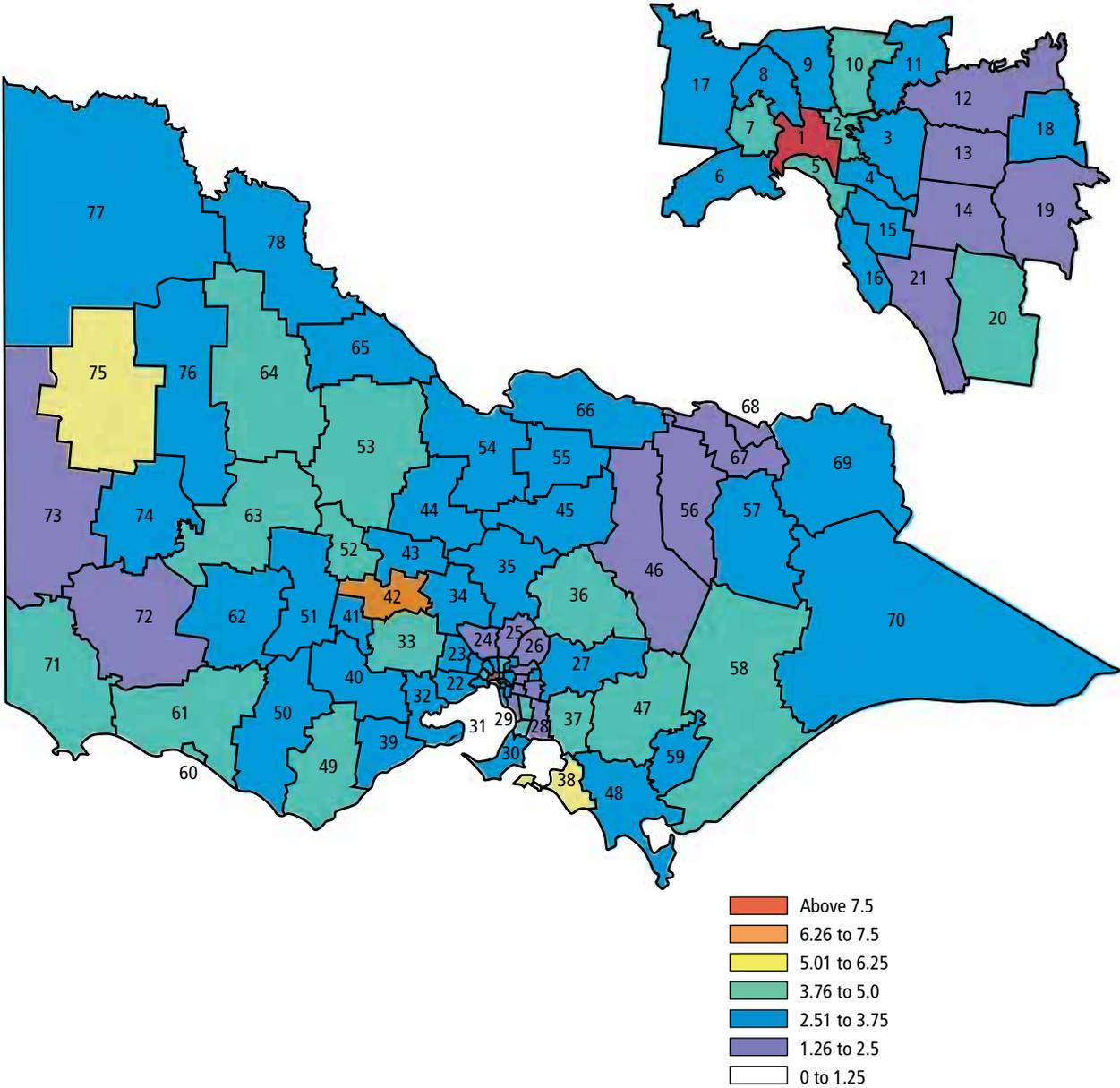
		%
1. Own knowledge	9,345	53
2. Information via a scheme participant	4,216	24
3. Word of mouth	1,152	6
4. Financial Counsellor/Community organisation	410	2
5. Regulator	103	1
6. Government/MP	629	4
7. Media	73	<1
8. Other Ombudsman	15	<1
9. Community outreach	292	2
10. Other	1,528	9
Total	17,763	100

6 How many energy and water cases were received in each Shire/Council across Victoria?

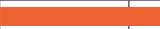
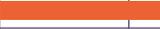
Shire/Council area	# on map	Population*	Total residential cases 2005/06 [^]	Residential cases per 1,000 population	Shire/Council area	# on map	Population*	Total residential cases 2005/06 [^]	Residential cases per 1,000 population
City of Melbourne	1	53,986	459	8.50	Macedon Ranges Shire	34	38,384	124	3.23
Hepburn Shire	42	14,564	91	6.27	City of Bayside	16	83,584	270	3.22
Hindmarsh Shire	75	6,275	36	5.74	Rural City of Horsham	74	18,706	60	3.21
Bass Coast Shire	38	26,774	142	5.28	Mitchell Shire	35	29,314	93	3.17
Loddon Shire	53	8,574	43	5.00	City of Latrobe	59	70,554	221	3.13
City of Port Phillip	5	81,849	402	4.91	City of Moonee Valley	8	110,511	344	3.11
Moynes Shire	61	15,826	73	4.61	Rural City of Mildura	77	50,460	154	3.05
City of Frankston	29	110,179	475	4.31	City of Moreland	9	136,894	417	3.05
City of Maribyrnong	7	59,406	255	4.29	East Gippsland Shire	70	39,804	120	3.00
City of Yarra	2	70,128	296	4.22	City of Brimbank	17	162,931	484	2.97
Baw Baw Shire	47	36,831	155	4.21	City of Stonnington	4	87,412	258	2.95
Northern Grampians Shire	63	13,023	54	4.17	Rural City of Ararat	62	11,751	34	2.89
City of Darebin	10	127,882	533	4.17	City of Maroondah	18	96,461	276	2.86
Murrindindi Shire	36	13,109	54	4.14	City of Hobsons Bay	6	80,120	229	2.86
Buloke Shire	64	7,260	29	3.99	City of Boroondara	3	148,532	412	2.77
City of Greater Dandenong	20	83,584	332	3.97	Yarriambiack Shire	76	8,236	23	2.73
Colac-Otway Shire	49	20,089	79	3.95	City of Banyule	11	113,696	299	2.63
Wellington Shire	58	41,374	161	3.88	Corangamite Shire	50	17,537	46	2.61
Moorabool Shire	33	25,412	98	3.86	Golden Plains Shire	40	14,319	37	2.61
City of Warrnambool	60	30,115	115	3.82	City of Kingston	21	128,171	318	2.48
Central Goldfields Shire	52	13,131	50	3.81	Rural City of Wangaratta	56	26,683	66	2.45
Cardinia Shire	37	45,305	172	3.80	City of Knox	19	141,408	347	2.45
Glenelg Shire	71	20,346	77	3.76	Rural City of Benalla and Mansfield Shire	46	21,081	52	2.44
Alpine Shire	57	13,213	50	3.75	City of Monash	14	155,061	378	2.44
Mornington Peninsula Shire	30	124,891	466	3.73	Indigo Shire	67	14,891	36	2.42
Campaspe Shire	54	36,737	133	3.62	City of Hume	24	152,342	367	2.41
City of Glen Eira	15	123,000	445	3.62	City of Manningham	12	107,079	256	2.39
City of Greater Geelong	32	200,067	711	3.55	City of Casey	28	175,505	405	2.31
Moira Shire	66	26,977	95	3.50	City of Whitehorse	13	139,549	319	2.29
Towong Shire	69	6,286	22	3.50	Borough of Queenscliffe	31	3,078	7	2.27
Gannawarra Shire	65	12,008	42	3.50	City of Wodonga	68	33,191	71	2.14
Pyrenees Shire	51	6,606	23	3.48	City of Whittlesea	25	113,784	242	2.13
City of Ballarat	41	84,846	290	3.41	Southern Grampians Shire	72	17,070	35	2.07
City of Greater Bendigo	44	91,831	309	3.37	Nilumbik Shire	26	58,160	109	1.87
Mount Alexander Shire	43	17,168	58	3.36	West Wimmera Shire	73	4,834	8	1.65
Rural City of Swan Hill	78	21,442	72	3.36					
City of Greater Shepparton	55	59,016	198	3.36					
South Gippsland Shire	48	26,373	88	3.34					
Strathbogie Shire	45	9,641	32	3.32					
Surf Coast Shire	39	19,629	65	3.31					
Melton Shire	23	51,685	170	3.28					
Yarra Ranges Shire	27	137,113	449	3.27					
City of Wyndham	22	99,611	323	3.24					
					Overall		4,704,255	15,133	3.22

* Populations based on www.liveinvictoria.vic.gov.au

[^] Cases allocated to Shires/Councils based on the suburb/postcode. Where a suburb/postcode bridges more than one Shire/Council, cases have been divided across those Shires/Councils. The sum of cases for each Shire/Council has then been rounded to the nearest whole number. Excludes 1,130 residential cases where the customer did not disclose a Victorian suburb/postcode.



7 At 30 June 2006, what was the status of all complaints EWOV had received for full investigation?

Overall							
Received						5,347	
Closed*						5,333	
Open at 30 June 2006						852	
Electricity							
Received						3,815	
Closed*						3,798	
Open at 30 June 2006						633	
Gas							
Received						1,158	
Closed*						1,142	
Open at 30 June 2006						161	
Dual fuel							
Received						116	
Closed*						134	
Open at 30 June 2006						8	
Water							
Received						258	
Closed*						259	
Open at 30 June 2006						50	
		1,000	2,000	3,000	4,000	5,000	6,000

NOTE: Complaints closed includes a number of complaints received prior to 1 July 2005.

8 How have EWOV cases trended over the last few years?

	Total	Electricity	Natural gas	LPG*	Dual fuel	Water
2005-06	17,763	12,636	3,426	102	296	1,303
2004-05	19,157	13,489	3,883	-	529	1,256
2003-04	13,768	9,628	2,769	-	235	1,136
2002-03	12,194	8,815	2,333	-	56	990

NOTE: EWOV began receiving LPG cases in July 2005.

Disconnection/restriction cases

On 8 December 2004, the State Government introduced the wrongful disconnection payment (WDP) legislation. The WDP has applied to energy disconnections on or after this date, where the electricity or natural gas retailer failed to comply with the terms and conditions of its contract with the customer. We believe this payment has been the main driver behind the significant falls in energy disconnection cases between 2004/05 and 2005/06.

In 2005/06, energy retailers agreed to make a wrongful disconnection payment in 80 of the complaints EWOV investigated.

Trends in actual and imminent cases

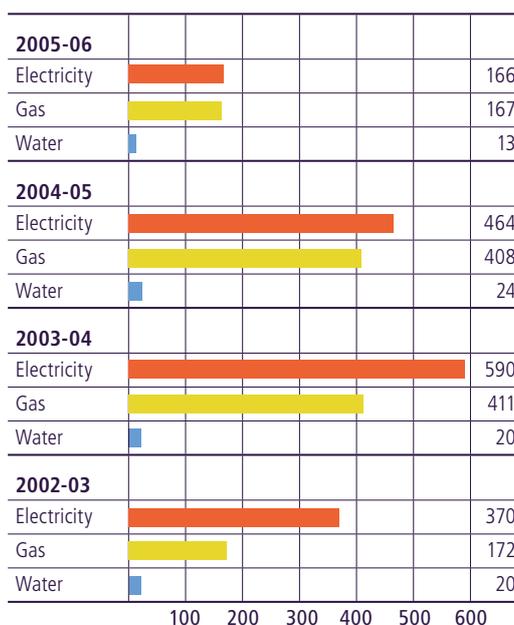
We use two sub-categories for energy disconnection and water restriction cases — ‘actual’ and ‘imminent’. Actual means the customer was already off supply when they contacted EWOV. Imminent means the customer was facing disconnection or restriction, and had most likely received a warning notice to that effect.

From 2004/05 to 2005/06, total cases about actual disconnection and restriction fell 61%, from 896 to 346:

- cases about actual disconnection of electricity fell 64%, from 464 to 166
- cases about actual disconnection of natural gas fell 59%, from 408 to 167
- cases about actual restriction of water fell from 24 to 13.

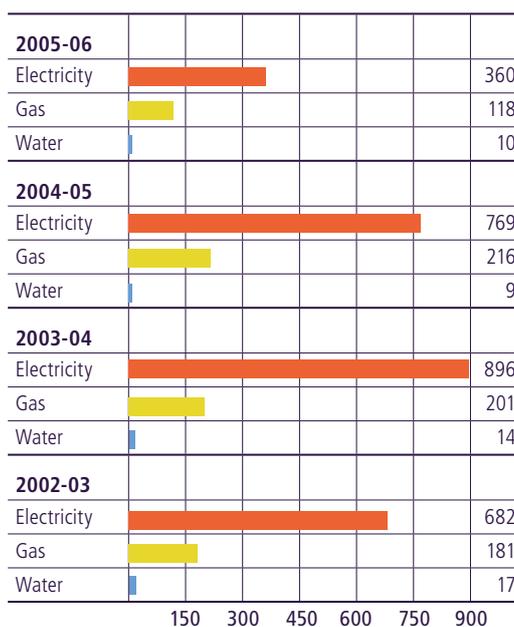
Figures 9 and 10 show trends over the past four years in both actual and imminent disconnection and restriction cases.

9 How have actual disconnection/restriction cases trended?



NOTE: Dual fuel cases are registered against the fuel disconnected.

10 How have imminent disconnection/restriction cases trended?



NOTE: Dual fuel cases are registered against the fuel disconnected.

Retail competition

All Victorian customers are able to choose their electricity, natural gas or dual fuel retailer. All electricity customers have had choice since January 2002. All natural gas customers have had choice since October 2002.

At 30 June 2006, there were 10 electricity retailers marketing to residential and small business customers in Victoria. Five of these retailers also sold natural gas.

During 2005/06, 812,865 Victorian customers switched energy retailer — there were 507,455 electricity transfers and 305,410 natural gas transfers. Compared with 2004/05, this was up 12%, from a total of 722,925.

We continue to see a loose correlation between switching activity and the number of cases EWOV receives about retail competition issues.

Most common retail competition issues

- Transfer
 - 26% error, down from 43%
 - 20% contract terms & conditions, up from 10%
 - 16% information, up from 12%
- Marketing
 - 37% door-to-door sales, down from 55%
 - 37% phone sales, up from 28%

11 What were the most common transfer issues?

Error	557
Contract (terms & conditions)	419
Information	339
Delay	319
Billing	265
Disconnection	108
Cooling off rights	92
Offer	27
Objection	17
Total	2,143

12 What were the most common marketing issues?

Door-to-door sales	389
Phone sales	387
Information	125
Written offer	70
Other sale	53
Advertising	31
Total	1,055

EWOV has received **electricity** cases since it opened for full service in May 1996. At 30 June 2006, there were 27 EWOV electricity providers participating in the EWOV scheme: 20 retailers, 5 distributors and 2 transmission companies.

All Victorian customers have had choice of retailer since January 2002. There are 3 local retailers with an obligation to offer to sell electricity to customers in their local areas. They can also sell electricity to customers in other areas, in competition with the local retailer and other independent retailers.

Customers cannot choose their electricity distributor, because each distributor owns the poles and wires network in a specific geographical area.

2005/06 electricity cases

- 12,636 **electricity cases overall**, down 6% from 13,489
3,045 enquiries (24%) and 9,591 complaints (76%)
- 10,216 **electricity retail cases**, down 9% from 11,250
1,844 enquiries (18%) and 8,372 complaints (82%)
- 1,424 **electricity distribution cases**, up 6% from 1,346
208 enquiries (15%) and 1,216 complaints (85%)
- 3 **electricity transmission cases**, down 2 cases from 5
3 complaints

13 How many electricity cases did EWOV receive and finalise in 2005/06?

		OVERALL CASES		ENQUIRIES	COMPLAINTS					
		2005 - 2006	2004 - 2005			complaints referred to provider	complaints referred to higher-level contact	complaints received for full investigation	total complaints received	full investigations finalised
RETAIL	customer bandwidths^	%								
ActewAGL Retail	♣	0	0%	0	0	0	0	0	0	
AGL Sales *	♣♣♣	2,575	25%	3,151	496	435	773	871	2,079	853
Aurora Energy	♣	1	0%	0	1	0	0	0	0	0
Country Energy	♣	227	2%	302	58	45	89	35	169	35
ENERGEX Retail	♣	6	0%	12	4	1	1	0	2	0
EA-IPR Retail Partnership**	♣	794	8%	753	143	117	285	249	651	249
Ergon Energy	♣	1	0%	1	0	0	0	1	1	1
Integral Energy	♣	1	0%	0	1	0	0	0	0	0
Jackgreen #	♣	38	0%	0	6	4	18	10	32	7
Momentum Energy	♣	63	1%	4	14	18	25	6	49	3
Origin Energy	♣♣♣♣	3,541	35%	4,094	718	565	1,032	1,226	2,823	1,251
Powerdirect	♣	411	4%	568	49	67	124	171	362	190
Red Energy	♣	281	3%	85	64	52	101	64	217	43
TRUenergy	♣♣♣	1,947	19%	2,141	225	347	632	743	1,722	741
Victoria Electricity	♣	330	3%	139	65	56	139	70	265	66
Total retail		10,216		11,250	1,844	1,707	3,219	3,446	8,372	3,439
DISTRIBUTION	% customers	%								
AGL Electricity	12%	167	12%	223	28	36	67	36	139	36
CitiPower	12%	83	6%	87	18	21	25	19	65	17
Powercor Australia	27%	331	23%	355	53	94	107	77	278	81
SP AusNet	24%	624	44%	480	84	140	215	185	540	176
United Energy (Alinta)	26%	219	15%	201	25	68	74	52	194	48
Total distribution		1,424		1,346	208	359	488	369	1,216	358
TRANSMISSION										
National Grid (Basslink)		0		0	0	0	0	0	0	0
SP AusNet (SPL PowerNet)		3		5	0	0	3	0	3	1
Total transmission		3		5	0	0	3	0	3	1
NON INDUSTRY RELATED / NON PROVIDER SPECIFIC										
Non industry related		171		227	171					
Non provider specific		822		661	822					
ELECTRICITY TOTALS		12,636		13,489	3,045	2,066	3,710	3,815	9,591	3,798

NOTES:

Reflects data run at 24 July 2006.

* In January 2006, AGL Victoria was renamed AGL Sales.

** EA-IPR Retail Partnership's pre-July 2005 cases relate to EnergyAustralia.

Jackgreen joined EWOV on 27 September 2005.

^ Customer bandwidths: ♣ denotes less than 250,000 customers at 30 June 2006; ♣♣ 250,001 - 500,000 customers; ♣♣♣ 500,001 - 750,000 customers;

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

~ Electricity distributors' customer shares are based on 2004 customer numbers in the ESC's *Electricity Distribution Businesses Comparative Performance Report covering 2004* (published July 2005).

Some of the complaints which were fully investigated and finalised were received prior to July 2005.

Non industry related: the customer is complaining about a different industry, e.g. they have contacted EWOV about a high telephone bill.

Non provider specific: the customer's query concerns the electricity industry, but doesn't relate to a specific EWOV scheme participant, e.g. 'how many electricity companies are there?'

14 How are electricity cases trending? What issues arise most commonly?

Case trends

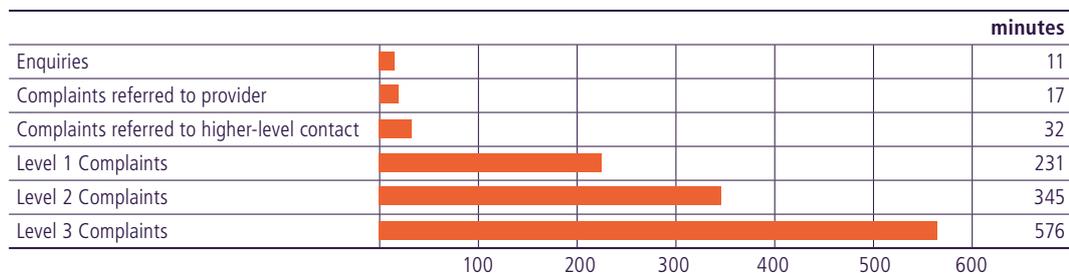
	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006
Overall	8,815	9,625	13,489	12,636
Retail	7,022	8,013	11,250	10,216
Distribution	1,275	1,025	1,346	1,424
Transmission	5	6	5	3

Most common issues

Overall (total of 14,402 issues)					%
Retail Competition > Transfer			1,501		10
Billing > High			1,232		9
Credit > Arrears			821		6
Retail Competition > Marketing			820		6
Billing > Backbill			720		5
Retail (total of 11,860 issues)					%
Retail Competition > Transfer			1,453		12
Billing > High			1,214		10
Credit > Arrears			807		7
Retail Competition > Marketing			779		7
Billing > Backbill			706		6
Distribution (total of 1,531 issues)					%
Supply > Unplanned Outage			383		25
Provision > New			220		14
Provision > In-Place/Existing			197		13
Supply > Voltage Variation			147		10
Land > Pole Cabling			119		8
Transmission (total of 4 issues)					%
Land > Transmission Towers			3		75
Land > Easement			1		25

NOTE: Some cases raise more than one issue.

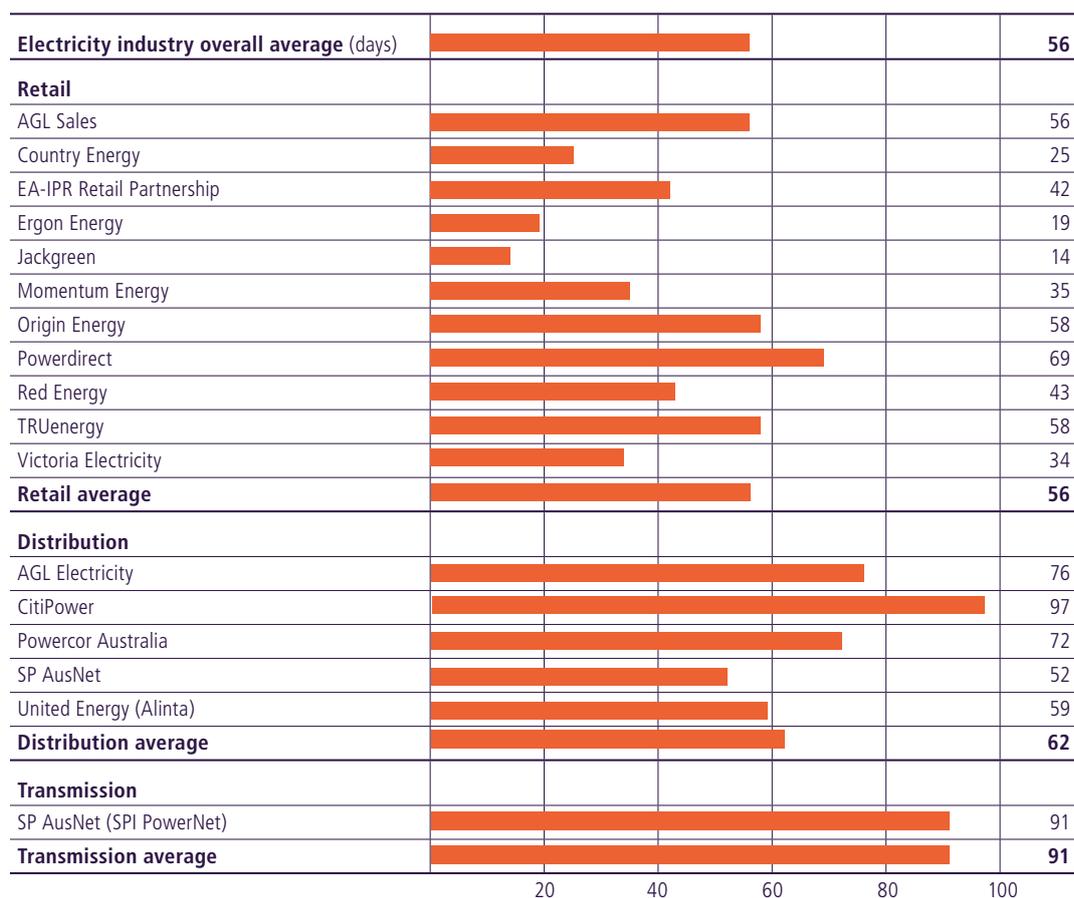
15 On average, how quickly did EWOV close electricity cases?



16 How did EWOV finalise electricity enquiries?

		%
Provided general information and referred to provider	1,486	49
Provided general information	940	31
Referred to a Regulator	179	6
Referred to another Ombudsman	157	5
Referred to Government / MP	113	4
Referred elsewhere	170	6
Total	3,045	100

17 On average, how many days did it take to close the electricity complaints EWOV fully investigated?



NOTES:

List excludes scheme participants for whom no full investigations were finalised by EWOV in 2005-06.

Some of the complaints which were fully investigated and finalised were received prior to July 2005.

Case complexity contributes to the time taken to close a case. EWOV's seeking of technical or legal advice and delays in customer action/replies may also have an effect.

Case closure times may also be affected by factors internal to the electricity provider, such as the time required for field testing and site inspections, and its resourcing for complaint handling.

18 How many electricity complaints were fully investigated and closed within 28, 60 and 90 days?

	%
Within 28 days	41
Within 60 days	68
Within 90 days	81
More than 90 days	19

C/2006/5850

Refusal to refund customer's overpayment

In paying her electricity bill by credit card over the phone, Ms U mistakenly paid \$850.75, instead of \$85.70. She contacted her electricity retailer, asking for the overpayment to be refunded to her, but wasn't able to achieve this. Dissatisfied with the retailer's response, she contacted EWOV.

Responding to our investigation of Ms U's complaint, the retailer said it was not company policy to provide refunds for overpayments paid by a credit card. It said Ms U should contact her financial institution to ask for the payment to be cancelled. She could then pay the correct amount of \$85.70.

As it was a substantial overpayment, and Ms U was anxious to have the amount refunded to her, EWOV investigated further. We asked the retailer whether it considered its policy in relation to this kind of overpayment to be fair and reasonable.

The policy was reviewed by the retailer's senior management. As a result, the retailer advised that it had changed its process to enable refunds to be paid to customers in these circumstances. It also refunded Ms U's overpayment in full.

EWOV has a role in identifying potential systemic issues in the cases it receives and alerting retailers and regulators to these. Early identification and addressing of issues minimises their potential to affect more customers and thus generate more complaints. You can read about EWOV's role in relation to systemic issues on pages 20 and 21.

C/2005/7919

Potential safety issues from multiple points of supply

Mr P owned a block of land. An old house located on the land already had an electricity supply. Mr P developed the rest of the block by building a new structure as an extension to the old house.

He asked for two additional electricity supplies to service the new structure, on the basis that it was to be used as two separate occupancies. The electricity distributor initially rejected the application, on the basis that its policy was to have no more than one connection per title, unless a separate council approval had been obtained for each new occupancy/structure.

The distributor was also concerned that the design of the new structure created safety issues — wiring could potentially cross over between different parts of the structure and/or the original house. In emergency situations, this might make it difficult to de-energise the correct property.

The distributor was further concerned that, without a council-approved property address, the different parts of the development and the house may not be distinguishable from each other — it felt that in an emergency situation, correct identification was crucial.

After a detailed review, the distributor agreed to provide Mr P with the two additional points of supply he had asked for. This was subject to Mr P's providing confirmation that there was no cross wiring and that the properties could be accurately distinguished from one another. This proposal by the distributor was reviewed and endorsed by the Essential Services Commission and Energy Safe Victoria. Mr P objected to this, on the basis that he'd already provided the distributor with adequate details.

Mr P and the distributor were unable to agree on a resolution. It was, therefore, left to EWOV to assess the merits of the complaint and the distributor's proposed resolution. Our assessment was that the distributor's proposal represented a fair and reasonable response to Mr P's issues. The case was closed on the basis that no further investigation was warranted.

The building of multiple occupancy structures can cause difficulties for both customers and distributors. This case also illustrates how changes in development trends can raise new challenges in the context of established connection policies and guidelines.

NOTE:

Case studies are provided to demonstrate the range of complaints received, and the outcomes achieved through EWOV investigation. Initials used have no relevance to the name of the actual customer who lodged the complaint.

C/2006/5159

Sales representative allows customer's brother to sign to switch

Mr G didn't recall signing a contract with a particular electricity retailer. However, when he contacted the retailer, it produced a signed contract — in his name, but signed by his brother. Mr G wanted an immediate transfer back to his original retailer. The retailer said he'd be transferred back at the end of the current three month billing cycle and he'd be charged for that three months usage. Unhappy with this outcome, Mr G rang EWOV.

Responding to our investigation, the retailer said the behaviour of its sales representative in allowing Mr G's brother to sign on his behalf, wasn't in line with its training or marketing practices. It said it was investigating the incident further. In line with Mr G's request, it cancelled the contract immediately, and arranged for Mr G's account to be retrospectively transferred back to his original retailer. It also apologised and sent him \$30 in recognition of poor customer service.

EWOV maintains that an energy retailer should be required to obtain the express authority of the account holder before any other person, including a close relative, is able to enter into an energy contract for a property.

C/2006/6327

Unauthorised direct debit from customer's bank account

Ms Y's electricity retailer had sent her a \$945.20 backbill for usage from December 2004 to March 2006. The accompanying letter stated that the full amount would be direct debited from her bank account.

Ms Y said that, on receiving the letter, she contacted the retailer to advise she wouldn't agree to the direct debit — as an alternative, she negotiated an instalment plan of \$90 a month. Twelve days later, \$945.20 was taken from her bank account. When Ms Y contacted the retailer about this, she was assured it would be refunded. This didn't happen.

When EWOV investigated Ms Y's complaint, we found that the direct debit withdrawal had been made without her authorisation. The retailer had also backbilled for longer than the 12 months allowed under the *Electricity Retail Code* (which applied as the contract in this case was entered into prior to 2005).

The complaint was resolved to Ms Y's satisfaction, when the retailer:

- credited Ms Y's electricity account with \$359.58 (the amount it had backbilled in excess of the permissible 12 months)
- refunded the \$945.20 taken from her bank account
- re-established her payment plan of \$90 a month
- made one monthly payment of \$90 on her behalf — in recognition of the inconvenience she had been caused.

This case highlights a number of important issues. In the first place, in issuing a backbill for a period longer than was allowed under the applicable Code, the retailer was overcharging the customer. In addition, as customers have a right to equal time to pay when retailers do issue backbills, this customer had 12 months to pay the bill — the retailer wasn't allowed to seek full payment straight away. It's also important that providers have the appropriate authority in place before making a direct debit from a customer's bank account.

EWOV has received natural **gas** cases since March 1999 and LPG (liquefied petroleum gas, or bottled gas) cases since July 2005. At 30 June 2006, there were 17 gas providers participating in the EWOV scheme: 8 natural gas retailers, 4 natural gas distributors and 5 LPG retailers.

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

Victorian customers have been able to choose their natural gas retailer since October 2002. There are 3 local retailers with an obligation to offer to sell gas to customers in their local areas. They can also sell gas to customers in other areas, in competition with the local retailer and other independent retailers.

Customers cannot choose their natural gas distributor, because each distributor owns the pipes network in a specific geographical area.

2005/06 gas cases

- **3,528 gas cases overall**, down 9% from 3,883
655 enquiries (19%) and 2,873 complaints (81%)
- **3,096 natural gas retail cases**, down 14% from 3,569
458 enquiries (15%) and 2,638 complaints (85%)
- **205 natural gas distribution cases**, up 21% from 169
28 enquiries (14%) and 177 complaints (86%)
- **102 LPG cases**, in EWOV's first year of dealing with LPG
44 enquiries (43%) and 58 complaints (57%)

19 How many gas cases did EWOV receive and finalise in 2005/06?

	OVERALL CASES		ENQUIRIES	COMPLAINTS						
	2005 - 2006	2004 - 2005		complaints referred to provider	complaints referred to higher-level contact	complaints received for full investigation	total complaints received	full investigations finalised		
NATURAL GAS RETAIL	customer bandwidths [^]	%								
AGL Sales *	☺☺☺	1,060 34%	1,150	182	189	322	367	878	363	
ENERGEX	☹	0 0%	2	0	0	0	0	0	0	
EA-IPR Retail Partnership	☹	346 11%	456	29	39	140	138	317	136	
Origin Energy	☺☺☺	910 29%	925	176	163	317	254	734	261	
TRUenergy	☺☺	719 23%	1,033	68	99	261	291	651	297	
Victoria Electricity	☹	61 2%	3	3	7	28	23	58	18	
Total		3,096	3,569	458	497	1,068	1,073	2,638	1,075	
NATURAL GAS DISTRIBUTION	% customers	%								
Envestra	30%	42 20%	29	5	7	16	14	37	14	
Multinet Gas	39%	72 35%	66	8	9	33	22	64	15	
SP AusNet	31%	91 44%	74	15	8	35	33	76	26	
Total		205	169	28	24	84	69	177	55	
NON INDUSTRY RELATED / NON PROVIDER SPECIFIC										
Non industry related		19	30	19						
Non provider specific		106	115	106						
Total natural gas		3,426	3,883	611	521	1,152	1,142	2,815	1,130	
LIQUEFIED PETROLEUM GAS (LPG) (commenced July 2005)										
Total LPG		102	-	44	24	18	16	58	12	
GAS TOTALS		3,528	3,883	655	545	1,170	1,158	2,873	1,142	

NOTES:

Reflects data run at 24 July 2006.

* In January 2006, AGL Victoria was renamed AGL Sales.

** EA-IPR Retail Partnership's pre-July 2005 cases relate to EnergyAustralia.

[^] Customer bandwidths: ☹ denotes less than 250,000 customers at 30 June 2006; ☺☺250,001 - 500,000 customers; ☺☺☺500,001 - 750,000 customers.

This is based on information provided to EWOV by each retailer.

~ Natural gas distributors' customer shares are based on 2004 customer numbers in the ESC's *Gas Distribution Businesses Comparative Performance Report covering 2004* (published July 2005).

EWOV has been receiving LPG cases since 1 July 2005. Reporting on individual LPG retailers will commence in *Resolution 23*, covering the period July to December 2006.

Some of the complaints which were fully investigated and finalised were received prior to July 2005.

Non industry related: the customer is complaining about a different industry, e.g. they have contacted EWOV about a high telephone bill.

Non provider specific: the customer's query concerns the gas industry, but doesn't relate to a specific EWOV scheme participant, e.g. 'who regulates the gas companies?'

20 How are gas cases trending? What issues arise most commonly?

Case trends

	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006
Overall	2,333	2,769	3,883	3,528
Natural gas retail	2,015	2,508	3,569	3,096
Natural gas distribution	177	150	169	205
LPG	-	-	-	102

Most common issues

Overall (total of 3,892 issues)		%
Retail Competition > Transfer	580	15
Billing > High	297	8
Credit > Disconnection	289	7
Credit > Arrears	278	7
Billing > Backbill	183	5
Natural gas retail (total of 3,540 issues)		%
Retail Competition > Transfer	570	16
Billing > High	293	8
Credit > Disconnection	287	8
Credit > Arrears	275	8
Billing > Backbill	180	5
Natural gas distribution (total of 223 issues)		%
Land > Pipes (Gas)	43	19
Provision > In-Place/Existing	39	17
Provision > New	33	15
Supply > Unplanned Interruption/Restriction	17	8
Land > Damage	16	7
Supply > Quality	16	7
LPG (total of 107 issues)		%
Billing > Price of LPG	19	18
Billing > Fees & Charges	12	11
Billing > Tariff	11	10
Billing > Error	9	8
Credit > Deliveries Stopped	7	7

NOTE: Some cases raise more than one issue.

21 On average, how quickly did EWOV close gas cases?

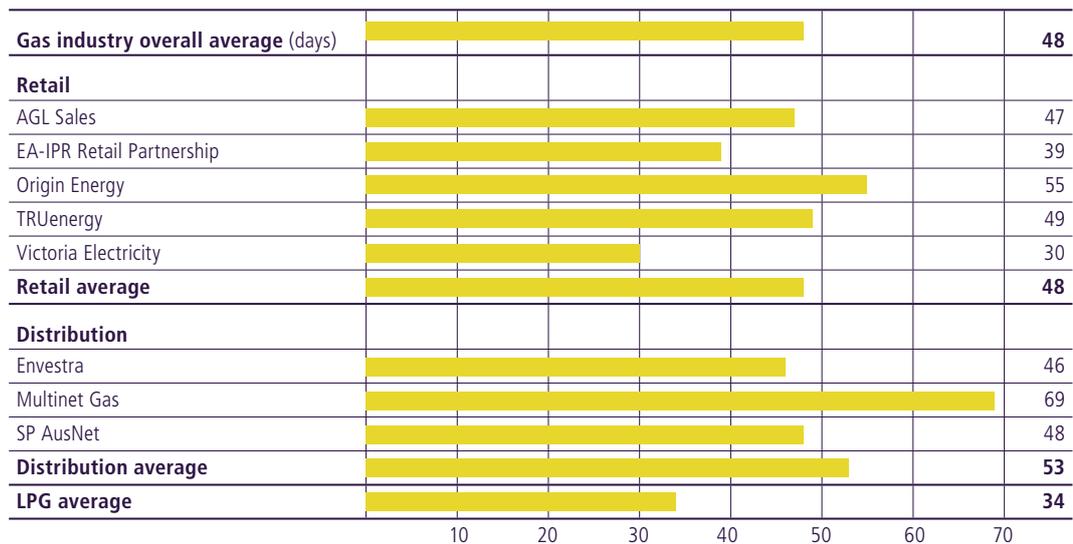


NOTE: No level 3 gas complaints were closed.

22 How did EWOV finalise gas enquiries?

		%
Provided general information and referred to provider	361	55
Provided general information	177	27
Referred to a Regulator	35	5
Referred to another Ombudsman	12	2
Referred to Government / MP	37	6
Referred elsewhere	33	5
Total	655	100

23 On average, how many days did it take to close the gas complaints EWOV fully investigated?



NOTES:

List excludes scheme participants for whom no full investigations were finalised by EWOV in 2005-06.

Some of the complaints which were fully investigated and finalised were received prior to July 2005.

Case complexity contributes to the time taken to close a case. EWOV's seeking of technical or legal advice and delays in customer action/replies may also have an effect.

Case closure times may also be affected by factors internal to the gas provider, such as the time taken for field testing and site inspections, and its resourcing for complaint handling.

24 How many gas complaints were fully investigated and closed within 28, 60 and 90 days?

	%
Within 28 days	46
Within 60 days	75
Within 90 days	86
More than 90 days	14

G/2006/1171

Billing dispute complicated by meter replacement

Mr L disputed part of his natural gas bill after his retailer issued, cancelled and re-issued several bills for the same period, following an initial billing delay.

The first invoice was issued in late August 2003 for the period March 2003 to May 2003. When Mr L received the bill in early September 2003, he checked the meter readings on it against his meter. They were different so he called his retailer. The retailer re-billed him on a pro rata basis using his September 2003 meter reading. It then issued several replacement bills. The final one, issued in late May 2004, was about \$300 higher than the others. Based on his meter reads, Mr L disputed this bill and was prepared to pay the lesser amount only.

EWOV's investigation showed that the May 2004 bill was actually correct. What neither party had previously realised was that Mr L's meter had been replaced five days before the August 2003 bill had been printed. This meant that, although he had given his retailer correct meter readings for September 2003, those readings were from his new meter. As they did not include the gas usage recorded on the old meter, they couldn't provide an accurate basis to pro rata his previous usage. This wasn't spotted at the time and it took the retailer until late May 2004 to issue a final and correct bill. The difference was \$310.80 which was recorded as arrears.

Although the retailer was entitled to bill Mr L for the additional \$310.80 for the March 2003 to May 2003 period, it acknowledged the length of time it had taken to understand and explain what had occurred. It also acknowledged that its business relationship with the gas distributor should have meant it knew about the changes to the metering at Mr L's property. In light of this, it agreed to waive the arrears in full.

This case highlights the importance of effective business-to-business arrangements between retailers and distributors and how individual customers can be affected when these do not work well. It's also a good example of several things happening at the same time — the late bill, the meter replacement and the customer's own reading — and combining to complicate a billing issue.

G/2005/1425

Address confusion leads to disconnection and reconnection delay

When Ms C arranged for finalisation of her natural gas account, she asked that an account be set up for her new property — a new house on land recently amalgamated into a single-occupancy block.

Although Ms C received no further correspondence from the retailer, she returned home one day to find her gas supply had been disconnected. When she tried to arrange reconnection, she was told the distributor didn't recognise her address. Still off supply the next day, Ms C rang the retailer and was told her supply would be reconnected within the hour. This didn't happen. Ringing the retailer again, she was told the distributor was still unable to locate the street address provided — even though it had been able to find it to disconnect the gas.

In responding to EWOV's investigation, the gas retailer advised there were different addresses for the property in its system and the distributor's system. The retailer also stated that, at the time of disconnection, it believed the address it had listed was a valid property — it had sent out notices prior to the disconnection and had received no returned mail.

Our investigation also showed that, in addition to the address being listed differently in the distributor's system, the builder had had an account in his name. When he finalised this account, the retailer issued occupier letters. These didn't reach Ms C because of the address confusion and the gas was disconnected. The disconnection wasn't found to be 'wrongful' for the purpose of the 'wrongful disconnection payment' because the retailer had, in this case, reasonably relied on the address details in its system and sent occupier notifications.

In resolution of the case, the retailer credited Ms C's account with \$150 for the inconvenience she'd been caused. Ms C was satisfied with this outcome.

Confusion and frustration can result when the address details held by retailers and distributors are different.

NOTE: Case studies are provided to demonstrate the range of complaints received, and the outcomes achieved through EWOV investigation. Initials used have no relevance to the name of the actual customer who lodged the complaint.

G/2006/1272

Concern about contract signed by a minor

Ms S (a financial counsellor) contacted EWOV on behalf of her client Mr Q. She was dissatisfied that a natural gas retailer had billed Mr Q for usage at a transitional housing facility while he was 16 years of age.

Ms S believed that, in light of his age and circumstances at the time, Mr Q hadn't been in a position to provide his explicit informed consent to an energy market contract over the phone. Mr Q had also been contacted by a debt collection agency about arrears of \$395.16 on the account.

EWOV's investigation took into account relevant laws and codes. The Code of Practice for Marketing Retail Energy in Victoria provides that, where an adult lives at the property, the onus is on the retailer to show that a person under 18 (a 'minor') is the appropriate authorised consumer to enter into the contract. In this case, it was unclear whether a person aged 18 or over had been at the site when Mr Q entered into the contract.

EWOV also noted that young people in transitional housing are sometimes in a vulnerable position, and may be poorly placed to negotiate with an energy retailer, or understand the full implications of a market contract.

In light of EWOV's investigation, the energy retailer agreed to waive the outstanding \$395.16. It also withdrew all associated collection activity.

This case highlights the importance of energy retailers being aware of the laws and codes relevant to their activities, and ensuring their sales representatives act in accordance with these.

L/2005/4

Billing delays lead to confusion and arrears

Ms T said she'd received a \$762 bill from her LPG retailer and had made a payment of \$800. Soon after, she received another bill for \$1,087. She said the retailer reassured her that the second bill was sent before it received her \$800 payment, so she only owed \$287. She said she was told it was six weeks behind in issuing its bills.

Ms T relied on bottled gas for cooking, heating and hot water. When she rang to order more, she was told she now owed \$459, which would have to be paid first. She knew she owed \$287, but not \$459. She said she asked for \$50 of gas and a payment plan for the arrears, but the retailer wouldn't agree to either.

While we were investigating Ms T's complaint, she advised that she'd gone to another retailer to buy her gas. She was, however, still worried about the arrears with the other retailer. The complaint was resolved when that retailer agreed to a payment arrangement of \$50 a fortnight until the arrears were paid in full. Ms T was satisfied with this outcome.

When dealing with account arrears, it's important that providers consider a customer's capacity to pay, as well as the circumstances leading to the arrears.

EWOV introduced the **dual fuel** case type in January 2003. It provides for equitable case handling charges, clear and fair reporting of issues arising from the marketing of dual fuel, and efficient case handling.

Dual fuel refers to cases where the customer's complaint isn't specifically related to either electricity or natural gas. A customer may, for example, be complaining about the general conduct of a salesperson selling a dual fuel (electricity and natural gas) contract.

Where a customer has a dual fuel contract, but their issue is specific to either electricity or natural gas, we take the case as electricity or natural gas, not a dual fuel.

At 30 June 2006, there were 5 energy retailers marketing dual fuel in Victoria.

2005/06 dual fuel cases

→ 296 **dual fuel** cases, down 44% from 529
32 enquiries (11%) and 264 complaints (89%)

25 How many dual fuel cases did EWOV receive and finalise in 2005/06?

	OVERALL CASES		ENQUIRIES	COMPLAINTS					
	2005-2006	2004-2005		complaints referred to provider	complaints referred to higher-level contact	complaints received for full investigation	total complaints received	full investigations finalised	
DUAL FUEL	%								
AGL Sales *	21	7%	48	4	3	7	7	17	6
EA-IPR Retail Partnership **	29	10%	74	8	5	11	5	21	8
Origin Energy	8	3%	11	1	0	4	3	7	1
TRUenergy	217	73%	392	15	30	76	96	202	114
Victoria Electricity	20	7%	0	3	1	11	5	17	5
Non provider specific	1		4	1					
TOTALS	296		529	32	39	109	116	264	134

NOTES:

Reflects data run at 24 July 2006

* In January 2006, AGL Victoria was renamed AGL Sales.

** EA-IPR Retail Partnership's pre-July 2005 cases relate to EnergyAustralia.

Some of the complaints which were fully investigated and finalised were received prior to July 2005.

26 How are dual fuel cases trending? What issues arise most commonly?

Trends

	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006
Dual fuel cases	56	238	529	296

Most common issues

Overall (total of 363 issues)	%	
Retail Competition > Transfer	62	17
Retail Competition > Marketing	61	17
Credit > Arrears	52	14
Billing > Format	25	7
Credit > Payment Plan	24	7

NOTE: Some cases raise more than one issue.

27 On average, how quickly did EWOV close dual fuel cases?

	minutes
Enquiries	12
Complaints referred to provider	14
Complaints referred to higher-level contact	29
Level 1 Complaints	213
Level 2 Complaints	166
Level 3 Complaints	194

28 How did EWOV finalise dual fuel enquiries?

		%
Provided general information and referred to provider	20	63
Provided general information	10	31
Referred to another Ombudsman	2	6
Total	32	100

29 On average, how many days did it take to close the dual fuel complaints EWOV fully investigated?

Dual fuel overall average (days)		
AGL Sales	36	
EA-IPR Retail Partnership	47	
Origin Energy	5	
TRUenergy	54	
Victoria Electricity	29	
	10	20
	30	40
	50	60

NOTES:

List excludes scheme participants for whom no full investigations were finalised by EWOV in 2005-06.

Some of the complaints which were fully investigated and finalised were received prior to July 2005.

Case complexity contributes to the time taken to close a case. EWOV's seeking of technical or legal advice and delays in customer action/replies may also have an effect.

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

30 How many dual fuel complaints were fully investigated and closed within 28, 60 and 90 days?

	%
Within 28 days	40
Within 60 days	71
Within 90 days	82
More than 90 days	18

F/2006/7

Unexpected arrears from underquoting of instalments

Ms J had been on a dual fuel plan with her retailer for two years when she decided to switch to another retailer. When she cancelled her existing plan, her retailer invoiced for outstanding balances on her gas and electricity accounts. Ms J said she was surprised, because she'd met all of her monthly payments. She also observed that her monthly payments had increased over time, despite the fact that her usage hadn't. She was worried she'd been billed incorrectly. She didn't think she owed anything further and wanted the retailer to waive the outstanding balances.

In responding to EWOV's investigation of the complaint, the retailer advised that the monthly instalment amounts in Ms J's plan were underquoted when the plan was set up. Her monthly payments had been increased over time to cover both her usage and the arrears which had accrued because of the underquoting. It advised that it had already credited Ms J's account quite substantially, in recognition of the inconvenience the underquoting had caused.

To resolve the matter, the retailer offered to waive \$944 representing half the outstanding balances, including arrears for usage after the dual fuel plan was cancelled. Ms J accepted the offer and entered into a payment arrangement of \$100 a month.

This case highlights the value of recognising the individual circumstances of each complaint. It's important that both customers and providers review bill smoothing arrangements regularly to prevent the accumulation of arrears. Communication at the commencement of a smoothpay plan is also important to ensure that customers understand their monthly instalments may not cover all their usage costs.

F/2006/40

Problems when contract terms aren't understood

Mr W's energy retailer had increased the monthly payments on his dual fuel account, even though he'd been paying the agreed amounts. He said the retailer told him the increase was necessary because his payments weren't covering his electricity usage. Mr W was concerned about this apparent shortfall. He also told EWOV that he'd been unaware he was signing a three year contract. He wanted the contract cancelled without the application of termination fees.

EWOV's investigation of Mr W's concerns found that his monthly gas payments were higher than necessary, but his monthly electricity payments needed to increase. It was also found that he may not have been explicitly informed that he was entering into a three year contract, with a fee for early termination.

The energy retailer recognised Mr W's concerns and released him from the contract without a termination fee. It also separated his gas and electricity accounts and issued him with separate bills for each fuel, to prevent any future difficulties.

Some customers have difficulty understanding dual fuel billing and how it differs from that for single fuel contracts. Providers should ensure customers are fully aware of the terms of any contract they are entering into, and of any fees for early cancellation.

NOTE: Case studies are provided to demonstrate the range of complaints received, and the outcomes achieved through EWOV investigation. Initials used have no relevance to the name of the actual customer who lodged the complaint.

EWOV has received **water** cases since April 2001. At 30 June 2006, there were 20 water providers participating in the EWOV scheme.

The water providers operate in five sectors — 3 metropolitan retailers, 1 metropolitan wholesaler, 11 regional urban water authorities, 3 rural water authorities and 2 rural urban water authorities.

With the exception of the metropolitan wholesaler, each water provider has both retail/billing and distribution/supply functions.

2005/06 water cases

- 1,303 **water cases overall**, up 4% from 1,256
502 enquiries (39%) and 801 complaints (61%)
- 675 **metropolitan retail water cases**, down 3 cases from 678
234 enquiries (35%) and 441 complaints (65%)
- 24 **metropolitan wholesale water cases**, up 4 cases from 20
7 enquiries (29%) and 17 complaints (71%)
- 455 **regional urban water cases**, up 27% from 357
164 enquiries (36%) and 291 complaints (64%)
- 68 **rural water cases**, down 33% from 101
16 enquiries (24%) and 52 complaints (76%)
- 69 **rural urban water cases**, up 28% from 54
20 enquiries (29%) and 49 complaints (71%)

31 How many water cases did EWOV receive and finalise in 2005/06?

	OVERALL CASES		ENQUIRIES	COMPLAINTS					
	2005-2006	2004-2005		complaints referred to provider	complaints referred to higher-level contact	complaints received for full investigation	total complaints received	full investigations finalised	
METROPOLITAN RETAIL (sector share)	%								
City West Water (20%)	228	34%	167	87	50	46	45	141	44
South East Water (39%)	229	34%	185	79	46	56	48	150	47
Yarra Valley Water (41%)	218	32%	326	68	35	61	54	150	56
Total metropolitan retail water	675		678	234	131	163	147	441	147
METROPOLITAN WHOLESALE									
Melbourne Water	24		20	7	7	5	5	17	5
REGIONAL URBAN (sector share)	%								
Barwon Water (21%)	48	11%	28	14	12	10	12	34	12
Central Highlands Water (10%)	47	10%	25	16	11	14	6	31	7
Coliban Water (11%)	35	8%	57	12	6	7	10	23	10
East Gippsland Water (3%)	20	4%	12	8	4	5	3	12	3
Gippsland Water (10%)	89	20%	41	47	16	19	7	42	7
Goulburn Valley Water (9%)	22	5%	26	2	9	5	6	20	5
Grampians Wimmera Mallee Water # (5%)	45	10%	19	13	14	12	6	32	4
Lower Murray Water # (5%)	11	2%	10	4	3	3	1	7	0
North East Water (7%)	18	4%	28	9	2	5	2	9	3
South Gippsland Water (3%)	10	2%	23	3	3	4	0	7	1
Wannon Water * (6%)	42	9%	36	10	11	9	12	32	14
Western Water (8%)	41	9%	24	18	6	7	10	23	8
Westernport Water (2%)	27	6%	28	8	7	8	4	19	7
Total regional urban water	455		357	164	104	108	79	291	81
RURAL (sector share)	%								
First Mildura Irrigation Trust (5%)	3	4%	8	2	1	0	0	1	0
Goulburn-Murray Water (55%)	33	49%	44	9	2	8	14	24	13
Grampians Wimmera Mallee Water # (13%)	10	15%	11	2	3	2	3	8	2
Lower Murray Water # (7%)	3	4%	14	1	0	0	2	2	3
Southern Rural Water (21%)	19	28%	24	2	7	2	8	17	8
Total rural water	68		101	16	13	12	27	52	26
NON INDUSTRY RELATED / NON PROVIDER SPECIFIC									
Non industry related	10		20	10					
Non provider specific	71		80	71					
TOTALS	1,303		1,256	502	255	288	258	801	259

NOTES:

Reflects data run at 24 July 2006

* Wannon Water was formed on 1 July 2005 from the merger of Glenelg Water, Portland Coast Water and South West Water.

Grampians Wimmera Mallee Water and Lower Murray Water are rural urban water authorities. Their urban and rural cases have been separated in this figure for sector share purposes.

Water providers' sector shares are based on customer numbers provided to EWOV in January 2006 by the Victorian Water Industry Association.

Some of the complaints which were fully investigated and finalised were received prior to July 2005.

Non industry related: the customer is complaining about a different industry, e.g. they have contacted EWOV about a high telephone bill.

Non provider specific: the customer's query concerns the water industry, but doesn't relate to a specific EWOV scheme participant, e.g. 'who regulates the water industry?'

32 How are water cases trending? What issues arise most commonly?

Case trends

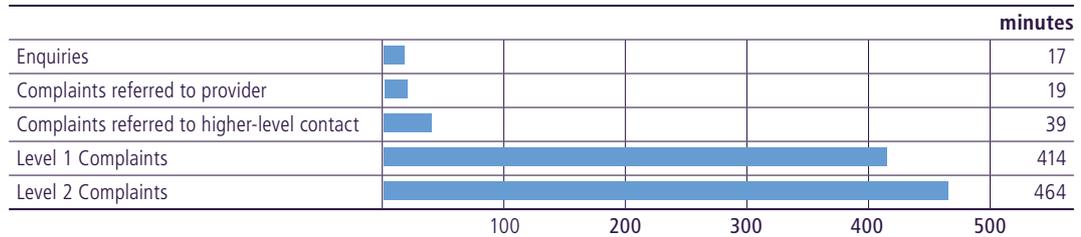
	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006
Overall	990	1,136	1,256	1,303
Metropolitan retail	525	599	678	675
Metropolitan wholesale	16	73	20	24
Regional urban	309	327	357	455
Rural	96	72	101	68
Rural urban	40	60	54	69

Most common issues

Overall (total of 1,432 issues)					%
Billing > Fees & Charges				182	13
Land > Pipes/Channels/Drains/Dams				157	11
Billing > High				134	9
Provision > New				79	6
Credit > Arrears				62	4
Metropolitan retail (total of 748 issues)					%
Land > Pipes/Channels/Drains/Dams				93	12
Billing > High				82	11
Billing > Fees & Charges				75	10
Credit > Arrears				37	5
Supply > Sewerage/Drains/Catchment				37	5
Metropolitan wholesale (total of 25 issues)					%
Land > Pipes/Channels/Drains/Dams				8	32
Supply > Sewerage/Drains/Catchment				4	16
Land > Easement				3	12
Regional urban (total of 499 issues)					%
Billing > Fees & Charges				88	18
Billing > High				47	9
Provision > New				47	9
Land > Pipes/Channels/Drains/Dams				43	9
Supply > Quality				23	5
Rural (total of 76 issues)					%
Billing > Fees & Charges				13	17
Supply > Licensing				12	16
Land > Pipes/Channels/Drains/Dams				6	8
Provision > New				6	8
Supply > Irrigation				5	7
Rural urban (total of 76 issues)					%
Provision > New				18	24
Billing > Fees & Charges				15	20
Billing > High				9	12
Billing > Tariff				4	5
Credit > Arrears				4	5
Supply > Quality				4	5

NOTE: Some cases raise more than one issue.

33 On average, how quickly did EWOV close water cases?



34 How did EWOV finalise water enquiries?

Finalisation Method	Count	%
Provided general information and referred to provider	248	49
Provided general information	118	24
Referred to a Regulator	26	5
Referred to another Ombudsman	11	2
Referred to Government / MP	56	11
Referred elsewhere	43	9
Total	502	100

35 How many water complaints were fully investigated and closed within 28, 60 and 90 days?

Timeframe	%
Within 28 days	29
Within 60 days	55
Within 90 days	73
More than 90 days	27

36 On average, how many days did it take to close the water complaints EWOV fully investigated?

Water industry overall average (days)		78
Metropolitan retail		
City West Water		63
South East Water		53
Yarra Valley Water		58
Metropolitan retail average		58
Metropolitan wholesale		
Melbourne Water		104
Regional urban		
Barwon Water		54
Central Highlands Water		82
Coliban Water		65
East Gippsland Water		67
Gippsland Water		92
Goulburn Valley Water		36
Grampians Wimmera Mallee Water #		81
North East Water		45
South Gippsland Water		141
Wannon Water		78
Western Water		140
Westernport Water		227
Regional urban average		90
Rural		
Goulburn Murray Water		144
Grampians Wimmera Mallee Water #		77
Lower Murray Water #		199
Southern Rural Water		144
Rural average		145

NOTES:

Grampians Wimmera Mallee Water and Lower Murray Water are rural urban water authorities. Their urban and rural complaints have been separated in this figure for sector share purposes.

List excludes scheme participants for whom no full investigations were finalised by EWOV in 2005-06.

Some of the complaints which were fully investigated and finalised were received prior to July 2005.

Case complexity contributes to the time taken to close a case. EWOV's seeking of technical or legal advice and delays in customer action/replies may also have an effect.

Case closure times may also be affected by factors internal to the water provider, such as the time taken for field testing and site inspections, and its resourcing for complaint handling.

W/2005/946

Assurances sought about extent of water use

Mr W, a farmer, was concerned that his water authority wasn't doing enough to prevent his neighbour improperly diverting water from the creek abutting his property. He was also concerned that the authority had recently announced it would consider applications for licences to use water from the creek. Mr W wanted a greater commitment from the water authority to users of the creek, to ensure water use was adequately monitored and no one took more than their fair share.

In responding to EWOV's investigation of Mr W's complaint, the water authority said not all of the water taken from the creek was subject to licence. This was because a number of landowners along the creek, including Mr W, had a private right to the water. The authority also advised that all licences issued would be subject to conditions limiting water diversions.

After some months of negotiating between Mr W and the water authority, EWOV was able to facilitate a mutually acceptable outcome. Mr W was provided with more detailed information about the rights of users along the creek. The water authority agreed to write to landowners within 14 days to ensure they understood their rights and obligations in relation to use of the creek water. It also provided Mr W with a senior contact, should any of his issues about stream-flow monitoring and supervision of the creek remain unresolved after discussions with the local diversion inspector.

This case highlights the need for providers to provide customers with timely and thorough responses to reasonable requests for information and take appropriate action.

W/2006/108

Resistance to installing a grease trap

Mr and Mrs D opened a small café at leased premises in late 2004. Shortly afterwards, their water retailer contacted them about installing a grease trap. The customers didn't believe they should have to do this, because the food for their business was brought onto the premises, not prepared on-site. In addition, their plumber had told them there was nowhere to install a grease trap because of the structure of the building.

Mr and Mrs D struck an agreement with the water retailer that they wouldn't need to install a grease trap, provided they served all meals and coffee using paper plates and cups. When the retailer discovered they'd reverted to using china cups and plates, it insisted they install one. It also said there would be cost implications if they didn't do so.

EWOV arranged an on-site meeting between the parties to discuss the options. The water retailer acknowledged the limitations at the site, but believed it was still possible to install a grease trap. It also explained why it was necessary.

As the lease for the café was almost up, Mr and Mrs D agreed to abide by the original terms of their agreement with the water retailer. They undertook to speak with their landlord about a grease trap, when they negotiated their new lease. The complaint was resolved on this basis.

An on-site face-to-face meeting facilitated by an independent third party (in this case, EWOV) can be a highly effective means of drawing out the issues within a complaint and arriving at a workable solution.

NOTE: Case studies are provided to demonstrate the range of complaints received, and the outcomes achieved through EWOV investigation. Initials used have no relevance to the name of the actual customer who lodged the complaint.

W/2005/993

Disputed bills were legitimate

Mr T was dissatisfied that his water retailer continued to send him bills for a property he owned, but no longer occupied.

In June 2002, he moved out of the property and paid the final bill. He leased it out to tenants, but continued to receive bills in his name. Mr T advised that he'd contacted the water retailer several times, saying he didn't believe he was responsible for the charges. However, the retailer had maintained that he was, and eventually transferred an outstanding amount of almost \$250 to a credit collection agency.

Our investigation of Mr T's concerns found that the water retailer was correctly billing him for the drainage and parks charge and the water and sewerage service charges. We confirmed to Mr T that, under section 22 of the *Water Industry Act 1994*, the property owner is responsible for all service charges in relation to a separately metered property — water usage and sewage disposal charges are the responsibility of the tenant.

Mr T provided the water retailer with his current postal address, to ensure that he received all ongoing bills in a timely fashion. A payment arrangement was also set up to help him pay the arrears. Mr T was satisfied with this outcome.

This case highlights the importance of providing customers with information which genuinely addresses their concerns. Had the water retailer done this at contact centre level, there would have been no need for him to phone EWOV.

W/2006/435

Lodging a claim for sewer spill damage

Mr B contacted EWOV about a dispute with his water authority over a claim for damages caused by a sewer spill. He said the damage occurred when the water authority was clearing a blocked sewer which serviced a number of properties — a backflow of wastewater entered his home via his toilet. The water authority arranged for the spill to be cleaned up and told Mr B to contact his insurer.

The assessor from Mr B's insurer estimated the necessary repairs at around \$2,000, including carpet replacement and painting. Mr B decided to seek compensation directly from the water authority rather than through his insurer, as he didn't want to incur an excess or lose his no claim bonus. When the water authority declined to compensate him directly, Mr B contacted EWOV.

In investigating Mr B's complaint, we researched water industry best practice in relation to sewer maintenance and relevant legal issues.

Our research suggested that the water authority had an adequate system of sewer maintenance and, therefore, the spill hadn't been caused by negligence on its part. However, based on the relevant legislation, a court would most likely find the water authority liable for the cost of the repairs. Ultimately, it was up to Mr B to choose whether to claim via his insurance company or his water authority.

On the basis of this research, the water provider offered Mr B \$1,800 in settlement of his claim. Mr B accepted this offer.

EWOV takes a range of factors into consideration when making a decision as to what is fair and reasonable, including current laws and codes, good industry practice, the level of service provided and the actions of both parties.

Income statement

For the year ended 30 June 2006

	2006	2005
	\$	\$
Revenue	5,829,460	4,386,069
Employee benefits expense	(3,413,016)	(2,841,079)
Depreciation and amortisation expense	(144,663)	(141,471)
Rental expense	(383,250)	(350,836)
Administration expenses	(666,784)	(623,825)
Consultancy expenses	(367,423)	(371,276)
Marketing expenses	(151,211)	(107,698)
Training & development	(67,810)	(75,050)
Other expenses	(35)	(3,567)
Profit/(loss) before income tax expense	635,268	(128,733)
Income tax expense	-	-
Profit/(loss) attributable to members of the entity	635,268	(128,733)

Balance sheet

As at 30 June 2006

	2006	2005
	\$	\$
Current Assets		
Cash and cash equivalents	1,408,692	622,001
Trade and other receivables	23,595	27,722
Other	39,399	31,631
Total Current Assets	1,471,686	681,354
Non-Current Assets		
Plant and equipment	392,427	306,183
Total Non-Current Assets	392,427	306,183
Total Assets	1,864,113	987,537
Current Liabilities		
Trade and other payables	533,966	355,491
Provisions	121,600	94,768
Total Current Liabilities	655,566	450,259
Non-Current Liabilities		
Provisions	108,699	72,698
Total Non-Current Liabilities	108,699	72,698
Total Liabilities	764,265	522,957
Net Assets	1,099,848	464,580
Members' Equity		
Retained earnings	1,099,848	464,580
Total Members' Equity	1,099,848	464,580

Cashflow statement

For the year ended 30 June 2006

	2006	2005
	\$	\$
Cash Flows from Operating Activities		
Levy receipts from Members (inclusive of goods and services tax)	6,308,648	4,317,975
Payments to suppliers and employees (inclusive of goods and services tax)	(5,385,375)	(4,588,647)
Interest received	94,325	52,858
Net cash (outflow)/inflow from operating activities	1,017,598	(217,814)
Cash Flows from Investing Activities		
Payments for plant and equipment	(230,907)	(139,543)
Net cash outflow from investing activities	(230,907)	(139,543)
Net Decrease in Cash Held	786,691	(357,357)
Cash and cash equivalents at the beginning of the Financial Year	622,001	979,358
Cash and cash equivalents at the end of the Financial Year	1,408,692	622,001

Acronyms used in this report

ACCC – Australian Competition and Consumer Commission

ADR – Alternative Dispute Resolution

ANZEWON – Australia & New Zealand Energy and Water Ombudsman Network

ANZOA – Australian and New Zealand Ombudsman Association

CAV – Consumer Affairs Victoria

EDR – External Dispute Resolution

EIOV – Electricity Industry Ombudsman (Victoria) and then, Energy Industry Ombudsman (Victoria)

ESC – Essential Services Commission

EWOV – Energy and Water Ombudsman (Victoria)

FRC – Full Retail Competition

IDR – Internal Dispute Resolution

IVR – Interactive Voice Response

KPI – Key Performance Indicator

LPG – Liquefied Petroleum Gas, also known as bottled gas

MCE – Ministerial Council on Energy

NEMMCO – National Electricity Market Management Company

OoH – Office of Housing

VENCorp – Victorian Energy Networks Corporation

WDP – Wrongful disconnection payment

How you can contact EWOV

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

Freecall: 1800 500 509

Calls from restricted phone services — ring 12550 (Telstra reverse charges) and quote (03) 9649 7599 — EWOV will accept the reverse charges and the call cost. Calls from mobile phones may attract charges — we can ring you back.

Freefax: 1800 500 549

Interpreter service: 131 450

National Relay Service: 133 677

Email: ewovinfo@ewov.com.au

Website: www.ewov.com.au

Postal address: GPO Box 469 Melbourne 3001

ABN: 57 070 516 175



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Ombudsman (Victoria)**

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