

Energy and Water Ombudsman (Victoria)
2010 Annual Report



we promote
and protect our
independence

excellence
positive, friendly and approachable

integrity

excellence

we promote
and protect our
independence

We are impartial
and empathetic.

quality

We have high standards,
and actively seek ways
to improve.

fairness

in our dealings
and approach

fairness

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We are impartial
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integrity

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

Contents

About EWOV: Who we are and what we do	1
Our biggest year: A snapshot of how 2009-10 unfolded for us	2
From the Chair: The Hon. Tony Staley gives the Board perspective	4
Ombudsman's report: Fiona McLeod reflects and looks ahead	5
The Board: Directors and governance framework	8
Our performance: How we worked on the priority areas	10
EWOV scheme participants: The EWOV Limited Participants	17
Customers, cases, issues: The people who sought our assistance, the cases and the trends, the underlying issues, the emerging issues, the systemic issues	18
Electricity: In more detail, the electricity cases and trends	38
Gas: In more detail, the gas cases and trends	42
Water: In more detail, the water cases and trends	46
Financial statements	50

Our guiding principles

Independence: complaint resolution not advocacy

Access: readily accessible to individual customers

Equity: fairness to all parties

Quality: highest professional standards

Effectiveness: high calibre people, supported by training and technology

Efficiency: optimal use of resources

Community awareness: foster community awareness

Linkages: effective links and working relationships

Our mission

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

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

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

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

Our vision

EWOV is acknowledged as one of Australia's most effective industry-based Ombudsman schemes. Our vision is to ensure we continue to effectively and efficiently resolve and prevent complaints, achieving fair and reasonable outcomes, having regard to good industry practice and the law. We are a responsive, innovative and dynamic organisation, driven by strong cultural values and a dedicated, professional team.

About EWOV

Who we are and what we do

The Energy and Water Ombudsman (Victoria) (EWOV) is an external dispute resolution scheme, operating on an independent industry-based Ombudsman model. Set up in late 1995 as the Electricity Industry Ombudsman (Victoria), it was Australia's first Energy Ombudsman scheme.

We use alternative dispute resolution processes to resolve disputes between electricity, gas and water customers and their companies, informally and speedily. Our aim is to achieve fair and reasonable outcomes, having regard to good industry practice and the law.

Our dispute resolution services are free to customers. From February 1996 to June 2010, we handled just over 226,000 energy and water cases, mainly residential.

We assist with most issues that arise between customers and their energy and water companies — the provision and supply of a service, the failure to provide or supply a service, billing, credit, payment arrangements, disconnection and restriction, refundable advances, poles, wires, pipes, vegetation management and access to land.

We track cases and issues to put information about energy and water issues into the public arena and to identify systemic problems, for referral to industry regulators and the energy and water companies.

We provide independent advice, information and referral on energy and water issues.

We work with energy and water companies, regulators and consumer groups to drive customer service improvements and help prevent complaints.

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

About this report

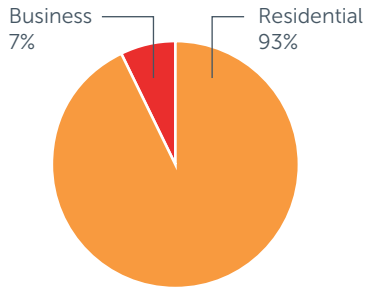
EWOV's Annual Report is prepared and distributed in accordance with the Ombudsman's responsibility under the *EWOV Charter* and the *National Benchmarks*.

The design of this year's Annual Report reflects EWOV's Cultural Values, set out in full on our website.

Our biggest year

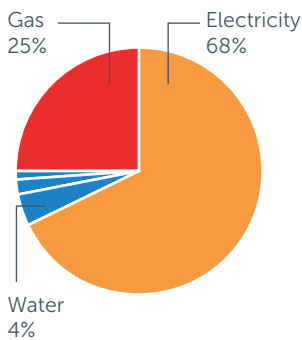
A snapshot of how 2009-10 unfolded for us

We received 42,505 cases — 10% more than in 2008-09 and 139% more than five years ago. 4,075 cases (10%) were enquiries and 38,430 cases (90%) were complaints.



93% of cases came from residential customers, whose most common issues were billing errors, high bills, payment difficulties, poor customer service and disconnection/restriction of supply.

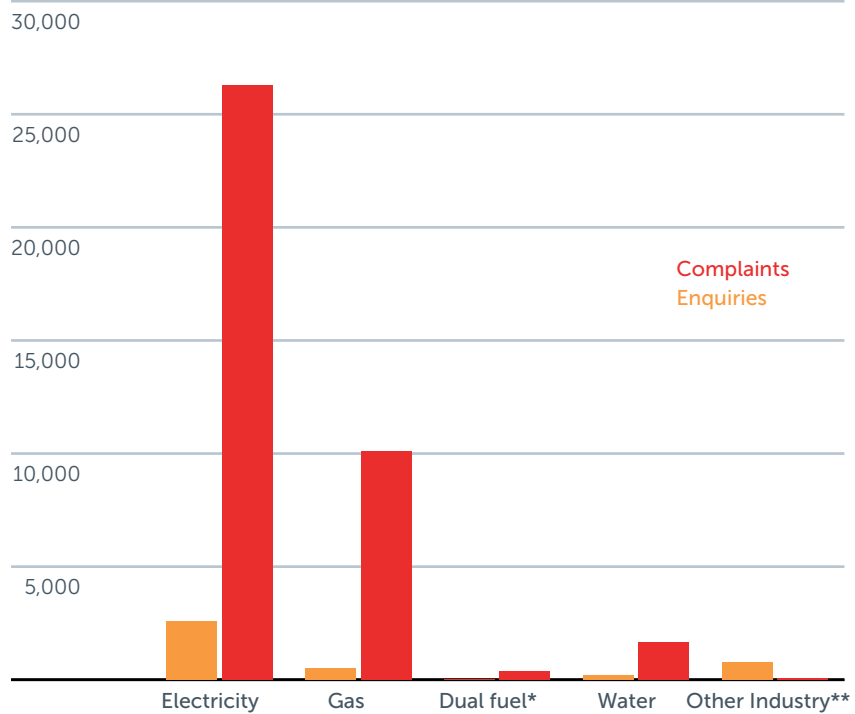
7% of cases came from business customers, most commonly about backbills, billing errors, estimated bills, high bills and metering.



By industry, 68% of cases were about electricity, 25% gas, 1% dual fuel, 4% water and 2% other industry**.

Fig 1: All cases received by EWOV in 2009-10

	Cases	Enquiries	Complaints
Total	42,505	4,075	38,430
Electricity	28,843	2,575	26,268
Gas	10,594	498	10,096
Dual fuel*	360	3	357
Water	1,876	221	1,655
Other Industry**	832	778	54



* Energy cases which aren't specifically related to either electricity or gas, e.g. the conduct of a salesperson selling a contract for both fuels.

** Cases about issues not related to energy or water, which we redirected to the correct scheme, department or agency, e.g. a telecommunications complaint.

The 38,430 complaints we received were up 6% from 2008-09, and up 184% from five years ago.

14,658 customers, whose complaint qualified for an investigation by us, chose to give their company another chance for direct resolution — up 5% from 2008-09.

There's more on page 10 about how this process, introduced in mid-2007, is helping us manage our caseloads and reconnecting energy and water companies with their customers.

We finalised and closed 7,780 complaint investigations — 7% more than in 2008-09, and 49% more than five years ago.

Many of our cases (disconnection, high bills, credit, arrears, payment plans) pointed to increasing customer financial hardship. Credit became our second most common issues category.

Cases about actual energy disconnection were up 54%.

Cases about imminent energy disconnection were up 15%.

We helped negotiate 2,473 payment plans — 31% more than in 2008-09, and 141% more than four years ago, when we first began to collate this information. For more about the issue of financial hardship, see page 33.

We achieved \$5,678,379 in redress for customers.

One complaint saw 214 residents of a multi-purpose complex refunded a total of \$304,257.65 by their water company — a systemic issue which may have wider implications (see page 36).

Another resulted in a billing adjustment of some \$2,457,000 for one business customer, whose usage had been calculated at four times more than it should have been, due to a systems error.

These two extraordinary amounts aside, redress was still up 28% from the year before. There's more information on customer redress on page 12.

The increase in cases brought the need for more staff. We successfully managed a 23% increase in staff, refit our office twice to accommodate everyone, built our knowledge and skills to deal with some complex emerging complaint areas and brought the year in under budget.



Just a quick note to advise that my account with [company] has been satisfactorily resolved. I only wish that personnel at [company] could have taken the initiative to deal with the matter, in this manner, earlier.



For a matter that has dragged on for more than 6 months, it has taken you one week to resolve.



Thank you for your involvement, without which the problem would have continued to fester, without resolution, as it has done for more than four months. A pity things have to go so far, but they seem to have to!



I would like to extend my thanks and gratitude for the assistance I have received in the successful resolution of my energy complaint. I was treated both with respect and dignity by [EWOV team member] who has kept me well informed during the process which was dealt with promptly and resolved quickly. I don't know what I would have done without this assistance.



I certainly appreciate your intervention in this case. I find it difficult that [company] could not have resolved the issues in a less obstructionist manner, thereby eliminating the need to contact your office for assistance.



From the Chair

The Hon. Tony Staley gives the Board perspective

Reflecting on a year which delivered EWOV's highest number of cases ever, my first thoughts go to acknowledging and thanking the impressive EWOV team.

Successive annual case increases have placed high demands on EWOV. The responsive, flexible and innovative approaches adopted by the Ombudsman and her staff ensured that, through 2009-10, our scheme continued to deliver the high quality of service for which it has become known. At the same time, the EWOV team achieved all the key performance indicators the Board set for it at the beginning of the year.

A surplus of \$2.7 million was returned to the EWOV Limited Participants (that is, to all the energy and water companies participating in the EWOV scheme) at year end. While cases did reach a record level, it was lower than the projection underpinning the 2009-10 budget approved by the Board. We are very aware though, that some traditional complaint drivers may well re-emerge in 2010-11 – such as company system upgrades, and the ongoing rollout of new energy metering. Of the returned surplus, \$1.3 million will also be needed for the move to new premises in the second half of 2010.

The Board's major 2009-10 project was the review of our annual levy process. Historically a variable annual levy has been allocated to each scheme participant, based on its relative share of the complaints mix of the preceding year. Feedback to the Board was that this approach may not be sending appropriate signals quickly enough to the companies whose complaints are increasing, that they need to be working on customer service issues.

In August 2009, the Board engaged an independent consultant to review the existing charging model and make recommendations. In September/October 2009, the EWOV Limited Participants were surveyed, together with other stakeholders. Preliminary findings were presented to the Board in December 2009 and February 2010. In March 2010, the Participants were consulted again.

The Board made its final recommendations at its April 2010 meeting, with these approved by the Participants at the EWOV Limited General Meeting in May 2010. The Board listened closely to the Participants on this issue and we were pleased to be able to respond with a well-received solution.

We have now introduced a 'true up' (retrospective) adjustment of the variable annual levy, taking into account each company's actual complaints level and mix. In May 2010, all scheme participants received an invoice for 2010-11, estimated by looking back at the period 1 May 2009 – 30 April 2010 and assuming the same case profile for the next 12 months. In August 2010, they received a 'true-up' of what actually transpired during the previous year and, based on that, a refund or a further invoice. They are also now being provided with quarterly information on their complaint levels and mix and potential financial impact of that. This 'user pays' approach will provide stronger incentives to scheme participants to improve their internal dispute resolution processes – resulting, we hope, in fewer complaints to EWOV. It also reduces cross-subsidies between companies. Importantly, it is cost neutral for our scheme.

My thanks go to the EWOV Directors for their positive, informed and active participation through this review process and, indeed, right throughout another remarkable year.



Hon Tony Staley AO

Chairperson, EWOV Board

Ombudsman's report

Fiona McLeod reflects and looks ahead

2009-10 was our hardest year ever, with our highest number of cases ever.

Looking back

We prepared EWOV's 2009-10 strategic plan in the context of three successive large annual case increases — 38,533 cases in 2008-09, up 52% from 25,413 in 2007-08, up 39% from 18,280 in 2006-07. Given our external operating environment, there was no indication 2009-10 would be much different.

Several energy and water companies were planning new billing systems and infrastructure changes; the State Government was preparing to roll out smart meters; the global financial crisis was having an ongoing effect on many households; electricity, gas and water prices were set to go up; national energy regulation was moving along; and water-related issues were on the rise as a result of the continuing drought and pipeline projects — given all of these factors, we projected a total of 54,000 cases.

As it turned out, the anticipated new billing systems were deferred to 2010-11 and, while the smart meter rollout was implemented, connectivity delays and a State Government moratorium on the introduction of time-of-use tariffs deferred some of the projected effect on our cases.

In the end, 2009-10 delivered us 42,505 cases — our highest number ever — up 10% on 2008-09 and up 139% from five years ago.

38,430 of these were complaints — again our highest number ever — up 6% on 2008-09 and up 184% from five years ago.

The other 4,075 cases were enquiries — up 73% from the year before — with more people contacting us for information about emerging issues, such as smart meters and solar. This unusually high increase in enquiries is particularly noteworthy. With the technologies of a developing energy market delivering new and complex technical issues, it's a major benefit that our scheme is able to deliver a preventative value-add service, which provides customers with information and advice and equips them to handle their own issues. Our doing this also saves costs for scheme participants.

To handle the volume of cases, we continued our work to review and adapt our processes and our organisational responsibilities, making further productivity improvements through process streamlining and system changes.

We made permanent the process of offering customers the choice of a referral to a higher level contact at their company — even though, because they'd already had at least two contacts, their complaint qualified for an investigation by us. This delivered benefits all round — we prevented a backlog of complaints and saved the cost of some 80 extra Conciliators we'd have needed to investigate them; customers received speedier, direct resolution; and companies had further opportunities to reconnect with their customers and save on EWOV investigations.

We also introduced a new 'Stage One' process and team — focused on resolving easy-to-fix complaints within 14 days and charging scheme participants a lower fee based on speedy case resolution.



We continued to work with energy and water companies to drive improvements in their internal dispute resolution and in customer service generally. The ongoing problems in these areas — evidenced by our high caseloads — are of concern to us and, as we know only too well, are of great concern to customers.

New complaint issues, especially from emerging energy technologies such as smart meters and solar, presented particular challenges. We had to build our knowledge and expertise quickly in some complex areas — this will stand us in good stead though, as complaints about these issues are expected to increase.

Having recruited new staff, we had to find room for them all. Office space became an issue, with staff working under difficult circumstances — in fact, we were so short of space that we had to move staff into the boardroom and all of our meeting rooms. Thankfully, the EWOV Directors recognised this situation couldn't be sustained and authorised us to negotiate a move to new premises, scheduled for the second half of 2010.

A rapid 23% growth in personnel took us into a different operational space too — one which demanded a more sophisticated approach to human resources. Working with expert advisers, we embarked on an in-depth and strategic review of our remuneration model — examining our organisational roles, the work streams, the opportunities for specialisation and career paths, how we reward and recognise our staff, and the importance we place on learning and development. This work will come to fruition over the coming year and promises to deliver some exciting developments.

Even though we didn't experience quite the 2009-10 growth we'd expected, it was still an extremely challenging year for us. That said, we finished the year in good shape with a highly motivated and committed EWOV team, which blends knowledge and experience with new skills and ideas.

Our 2009-10 Strategic Plan set out goals and key performance indicators in six specific areas — Customer Service, Reach/Influence, Human Resources, Innovation, Finance and Scheme Participant Management — there's more about how we achieved these under 'Our performance' on pages 10 to 16.

Looking ahead

Despite all the work we do to point energy and water companies to actions they can take to improve their customer service — and all the training we run for companies to help them improve their internal dispute resolution (IDR) — the complaints lodged with us by their customers show many companies still aren't doing a good enough job. Ongoing systems problems, the enormity and scope of some businesses, the number of customers to be served — these are all contributing to service delivery problems.

We're now referring 80% of complaints to companies for them to resolve properly and directly with their customers. We refer back in two categories — Unassisted Referral and Assisted Referral.

We provide an Unassisted Referral in cases where the customer hasn't contacted the company before coming to us — after providing them with an overview of their rights and responsibilities, we refer them to the company's contact centre. However, our June 2010 surveying of customers provided with an Unassisted Referral showed customer satisfaction with this process down to 90% from 94% in 2009 — of particular concern, was that 17% of customers (up from 7% in 2009) said their issue was still in process with the company some two months after being referred. This trend will be closely monitored over the next year.

The focus must be on companies getting it right for their customers.

On the other hand, our June 2010 surveying of customers provided with an Assisted Referral, through the process I outlined earlier, showed customer satisfaction levels of 94%. Importantly, there's also been a significant improvement in customer willingness to deal directly with their company on any future problems.

We'll continue to refer back in both of these managed ways — assisting directly with the handover, monitoring customer satisfaction with the referral process, and providing feedback to the companies so they can improve their own processes. The focus must be on companies getting it right for their customers.

Some emerging customer issues are posing particular challenges. Amongst these is the re-emergence of unrequested energy disconnection. Reports published by the Essential Services Commission (ESC) show that in 2008-09, 9,591 Victorian customers had their electricity disconnected (108% more than in 2005-06) and 10,077 customers had their gas disconnected (132% more than in 2005-06). When we compiled this Annual Report, the ESC's 2009-10 data on unrequested disconnections hadn't been published, but, given trends in EWOV disconnection cases, we think it likely that unrequested electricity and gas disconnections have increased again.

Credit is now our second highest issues category after Billing. In 2009-10, our cases about credit-related disconnection of electricity supply (actual and imminent) were up 26% from the year before (and up 183% from five years ago) and our cases about credit-related disconnection of gas supply (actual and imminent) were up 49% from the year before (and up 263% from five years ago). People who may have been coping previously have found themselves needing our help, or the help of a welfare agency or financial counsellor, to sort out affordable payment arrangements.

While we know there will always be customers who really need our help, we also think there's a growing need for customers who have the capacity to do so, to take up their authority and handle their complaints themselves. With technology changing the way the energy and water industries operate, it's important customers keep up — taking some time to find out about new solar and smart metering technologies, to understand how best to manage usage to avoid problems of high bills, and to work out how to compare offers and choose energy offers that suit their needs. We'll continue to develop tools and information to help customers resolve problems directly and we'll make this information available through more channels, using multimedia.

We're increasingly being told by regulators, the energy and water industries and the public, that they want new and more timely information and trend data from us — about what's happening to energy and water customers, what companies are doing and not doing, and what solutions may be needed. To this end, we're putting in place a new Research and Communications team with the skills to add value to the numbers — to analyse our case data more quickly and in a way that will enable us to identify, and stakeholders to act on, problem areas.

Our internal focus will be on structuring EWOV to continue to provide good service in a demanding environment — making sure we have the right people in the right jobs, supported by the right working environment. We'll be placing greater focus on structure, pay, benefits, rewards, recognition, training, career paths and retention — the last of these is especially important given the work we're putting into all of the other aspects.

I look forward confidently, knowing that we're striving for continuous improvement, that we're focused on service and innovation, and that we're doing our very best to meet the expectations of all of our stakeholders.

Thank you

Thank you to the Hon. Tony Staley and the EWOV Directors for your support over the last twelve months. We had some very challenging decisions to make and we appreciated the direction and advice you provided.

Special thanks go to the fantastic and hard-working EWOV team — your attitude, skills and dedication underpin everything we do and reflect in our 2009-10 achievements.

In closing, I'd like to mention my former Deputy Ombudsman, Janine Young, who is now the Public Transport Ombudsman (Victoria). Janine joined EWOV as Manager Operations in September 2003, was promoted to General Manager Operations in January 2004 and became Deputy Ombudsman in mid-2005. With us for seven years, she was a major part of many EWOV projects and initiatives. As the Chair of the Australian and New Zealand Ombudsman Association (ANZOA), I am delighted her skills have stayed within the Ombudsman sector.



Fiona McLeod

Energy and Water Ombudsman
(Victoria)

You may have noticed that we freshened up the EWOV 'brand' a bit after 15 years and ahead of our move to new premises. 'Listen, Assist, Resolve' highlights the key skills we bring to the work we do with, and for, all of our stakeholders.

The Board

Directors and governance framework

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



The Hon. Tony Staley AO



Carolyn Bond



Neil Brennan



Richard Gross



David Headberry



David McNeil



Karen Moses



John Mumford



Mark O'Brien

**The Hon. Tony Staley AO
Chairperson**

appointed 30 November 1998

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

**Carolyn Bond
Consumer Director**

appointed 27 June 2007

Co-Chief Executive Officer of the Consumer Action Law Centre, Carolyn Bond brings to the Board over 20 years experience working in the consumer advocacy field. A past Chair of the Consumers' Federation of Australia, she represents consumer interests on a range of bodies.

**Neil Brennan
Industry Director**

appointed 22 August 2002

Managing Director, Central Highlands Water, Neil Brennan has over 25 years experience in the water industry. A Past President of the Institute of Water Administration, he is also a Director of the Goldfields Superpipe Joint Venture Company and a Director of the Northern Victorian Irrigation Renewal Project.

Alternate: Stephen Bird, Chief Executive Officer, Victorian Water Industry Association

**Richard Gross
Industry Director**

appointed 14 December 2001

Richard Gross is General Manager Regulation for Powercor Australia Ltd. A member of the original Electricity Industry Ombudsman (Victoria) Council, he brings to the Board extensive experience in network revenue/pricing, financial planning and analysis.

**David Headberry
Consumer Director**

appointed 20 June 2002

David Headberry is Managing Director, Headberry Partners P/L, which specialises in assisting energy customers secure low-cost, reliable, energy supplies and providing customer input to government and regulatory reviews and investigations on energy supply issues. A qualified engineer, he is also the Public Officer for Major Energy Users Inc, a national group which represents the views of energy consumers.

**David McNeil
Industry Director**

appointed 21 August 2008

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

**Karen Moses
Industry Director**

appointed 20 October 2005

Karen Moses, Origin Energy's Executive Director – Finance and Strategy, brings to the Board over 28 years experience in the energy industry. She is a Director of Origin Energy Limited, the Australian Energy Market Operator Limited and Contact Energy Limited in New Zealand.

Alternate: Christina Wilson, Retail Executive – Operations & Quality, Origin Energy

**John Mumford
Consumer Director**

appointed 30 June 2004

John Mumford is a financial counsellor at Bass Coast Regional Health in Wonthaggi. He brings to the Board a strong background in grassroots consumer advocacy, specialising in issues affecting rural consumers.

**Mark O'Brien
Consumer Director**

appointed 30 June 2004

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

**Christopher See
Company Secretary**

appointed 21 October 2008

EWOV Limited is a company limited by guarantee.

The principal activity of the company is to receive, investigate and facilitate the resolution of customer complaints about electricity, gas and water services. The company is legally separate from, and independent of, the energy and water companies and government. This independence is reflected in the EWOV Board, with an independent Chairperson, four Consumer Directors nominated by the Essential Services Commission, and four Industry Directors elected by the energy and water companies which are EWOV Limited Participants.

The Board, established in accordance with the *EWOV Limited Constitution* and the *EWOV Charter*, is responsible for the business affairs and property of the company, including corporate governance, the setting of budgets, risk management, strategic planning and ensuring the Ombudsman's independence. The Ombudsman is responsible for the day-to-day operation of the EWOV external dispute resolution scheme.

Our performance

How we worked on the priority areas

With cases reaching new record levels, it was essential for us to continue to look for ways to streamline our processes, without compromising effectiveness. With a clear goal of continuous improvement in all aspects of our work, we focused on six specific areas of Customer Service, Innovation, Finance, Reach/Influence, Human Resources and Scheme Participants.

Customer Service

Our goal is to provide quality service to energy and water customers contacting EWOV.

By appointing a full time Quality Assurance Manager in August 2009, we were able to strengthen our quality assurance processes and increase the number of monthly quality assessments across the Conciliation team.

For less complex investigated complaints, we put in place a Stage One team and process to maximise the percentage of investigations which could be resolved within 14 days. 2,969 complaints were resolved at Stage One, rather than progressing to a full investigation. This generated good and quicker customer service outcomes for customers and a \$1.5 million reduction in case costs for scheme participants.

We reduced our average days to finalise and close investigated complaints to 49.6 days, from 53.7 days the year before. Figure 3 tracks trends in our closure of complaint investigations over the past five years. As Figures 4 and 5 show, in 2009-10, we closed 86% of investigations within 90 days (up from 85% the year before) and conciliated 89% of investigations (down from 91%).

As Figure 6 shows, our conciliation processes delivered \$5,678,379 to customers from energy and water companies – in billing adjustments, fee waivers, customer service payments, guaranteed service level payments and debt reductions/waivers.

An independent customer satisfaction survey of customers, whose complaint we investigated, showed 69% satisfied with the outcome and 80% satisfied with our process.

We set case closure key performance indicators (KPIs) by industry sector and met them all, despite a challenging period balancing increased volumes of complaints with limited resources. We also met all aged complaint KPIs.

Customers often tell us they've contacted EWOV because unsuccessful attempts to resolve the problem directly with their company have left them feeling disconnected and unheard. Our Assisted Referral process helps put companies and customers back in touch with each other, with a view to achieving direct resolution. Reassured that someone in a position to do something about it would phone them about their complaint by close of business the next business day, and provided by us with information about their rights and responsibilities, 14,658 customers chose to be referred back to a higher level contact within their company. That represented another 14,658 opportunities for companies to rebuild relationships with customers.

Our monitoring of customer satisfaction with the Assisted Referral process shows customer satisfaction levels of 94% and, importantly, a significant improvement in customer willingness to deal directly with their company on any future problems.

The willingness of customers to take up an Assisted Referral also prevented a backlog of complaints within EWOV. Figure 2 illustrates how many more complaint investigations we would have needed to undertake, if these customers hadn't chosen to do this.

Through the Australia & New Zealand Energy and Water Ombudsman Network (ANZEWO), we continued to work towards consistency in case handling policies and procedures across our schemes.

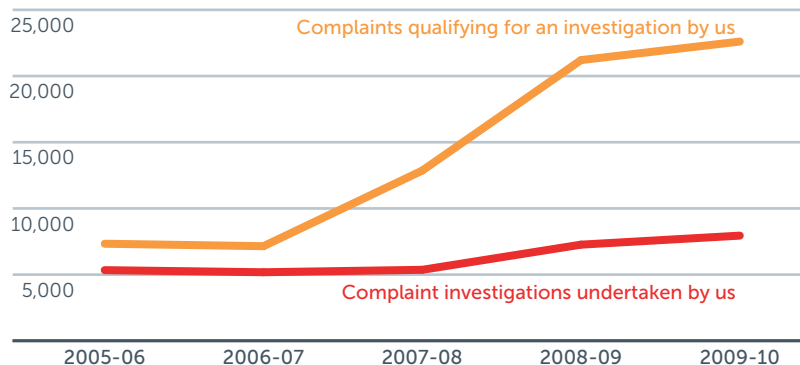


Apart from the very helpful Customer Service person, other people we spoke to at [company] simply were not interested and stated quite firmly that it wasn't [company's] problem. It would be a pity if other people are given the same run around; surely it's either their responsibility or not? Once again, thank you for your speedy response to our concern and it was a relief to know you were there to assist if it became necessary.



Fig 2: Impact of customers choosing to be referred back to their company

We undertook 7,946 complaint investigations in 2009-10. However, it would have been 22,604 investigations, if 14,658 customers hadn't chosen to give their company a final opportunity to resolve their complaint.



	Complaint investigations undertaken by us	Complaints qualifying for an investigation by us
2005-06	5,339	7,334
2006-07	5,181	7,149
2007-08	5,364	12,859
2008-09	7,265	21,205
2009-10	7,946	22,604

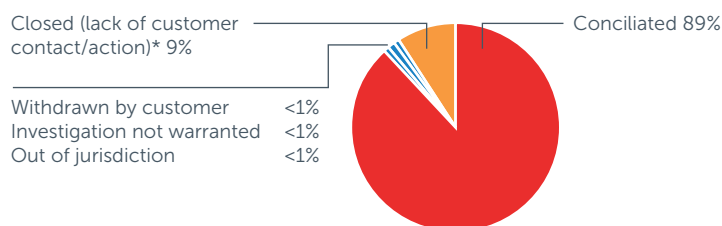
Fig 3: Tracking finalised complaint investigations

We finalised and closed 7,780 of the 7,946 complaint investigations undertaken. It took us an average of 49.6 days to finalise and close each investigation, down from 53.7 days the year before.



	Complaint investigations finalised by us	Average days to finalise investigations
2005-06	5,235	55
2006-07	5,314	54
2007-08	5,117	56
2008-09	7,267	54
2009-10	7,780	50

Fig 4: Outcomes from complaint investigations



*For example, a customer not taking part in EWOV's conciliation process, including not taking up a referral to a financial counsellor for an assessment of the customer's capacity to pay.

Fig 5: Time taken to finalise complaint investigations

	Number	%
Within 28 days	3,357	43
Within 60 days	5,576	72
Within 90 days	6,665	86
More than 90 days	1,115	14
Total	7,780	

Our performance continued

Fig 6: Case outcomes and customer redress

We responded to 4,075 enquiries, providing information and/or a referral

1,857 enquiries (46%)

provided general information and referred to provider

1,209 enquiries (30%)

provided general information

454 enquiries (11%)

referred to a Regulator

211 enquiries (5%)

referred to another Ombudsman

161 enquiries (4%)

referred to Government

14 enquiries (5%)

referred to other bodies

We finalised 38,261 complaints

30,481 complaints were referred to companies or elsewhere

8,771 complaints (29%)

referred to company contact centres

19,593 complaints (64%)

referred to higher-level company contacts *

261 complaints (<1%)

referred to a Regulator

203 complaints (<1%)

referred to another Ombudsman

226 complaints (<1%)

referred to Government

188 complaints (<1%)

referred to other bodies

1,239 other complaints

did not require referral or investigation**

7,780 complaint investigations were finalised

6,945 complaints (89%)

were conciliated

Redress to customers:

3,583 written apologies

\$4,704,136 in billing adjustments

\$587,322 in recognition of customer service issues

\$291,012 in debt reductions/waivers

\$82,116 in waived fees

\$13,793 in guaranteed service level payments

2,473 payment plans negotiated

732 complaints (9%)

closed due to lack of customer contact/action#

50 complaints (<1%)

withdrawn by customers

38 complaints (<1%)

where further investigation was not warranted

15 complaints (<1%)

found to be out of jurisdiction

No Binding Decisions

* 14,658 of the complaints referred back to a higher-level company contact qualified for an EWOV investigation, but the customer chose to give the company another chance for direct resolution.

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

For example, a customer not taking part in EWOV's conciliation process, including not taking up a referral to a financial counsellor for an assessment of the customer's capacity to pay. Percentages are rounded to the nearest whole number.

Innovation

Our goal is to pursue continuous improvement of all aspects of EWOV operations.

Led by an Innovation Working Group, all staff were encouraged to suggest ways we could streamline our case handling policies and processes for greater efficiency, without compromising effectiveness – and they did.

For example, a single resolution letter for both customers and companies delivered an annual saving of the equivalent of one full-time Conciliator. Introducing direct email capability from our case management system to the companies saved 5 minutes per Assisted Referral, the annual equivalent of two full-time Intake Officers. A revised quality assurance process for letter checking saved the equivalent of half a full time administration officer.

Implementation of 45 day and 75 day automated case review actions helped Conciliators and Conciliation Team Managers focus on critically analysing the progress of investigations.

We designated some staff as 'subject matter experts' across key complaint handling areas – water, interval meters, solar, LPG, distribution, hardship and the wrongful disconnection payment.

A one point interactive voice recognition (IVR) system now allows customers limited direct access to Conciliation staff – giving Intake Officers more time to focus on responding to customer enquiries and complaints.

Our new billing model includes an electronic interface between our case management system and accounts invoicing – saving several days a year in finance administration tasks.

Creating our own information sheets and training documents for staff, helped ensure our upgrade to Office 2007 was cost-effective and well executed.

Finance

Our goal is to soundly manage scheme resources, balancing efficiencies with effectiveness.

We brought EWOV's 2009-10 costs in at \$10,131,000 – \$2,600,205 (20%) below the budget of \$12,730,889. This reduction was primarily driven by process improvements, as well as 23% fewer cases than projected and our move to new premises being delayed until late 2010.

We planned and implemented a smooth transition to the new annual funding model – accommodating a new 'true up' mechanism for all scheme participants.

We developed a new full-time finance role to appropriately resource our payroll and accounting functions.

Reach/Influence

Our goals are to:

- **build customer capability for handling their own complaints**
- **provide effective input into public policy dialogue**
- **maintain effective stakeholder relationships.**

We moved our focus from building customer awareness to building customer capability to handle utility issues.

Website enhancements delivered a 24% increase in the number of unique visitors between August 2009 and June 2010. Having investigated a range of digital media tools, we're now set to introduce a range of new communication methods in 2010-11 – including RSS feeds from our website, ewov.mobi (mobile website) and live streaming of the 2010 Annual Report briefing.

We extended our African Communities Engagement Project to settlement and community workers in Footscray, Coburg, Preston and Shepparton. We met with regional community agencies in Warrnambool, Ballarat, Bendigo and Kinglake.

We participated in university O-week activities around Victoria. We took part in other community events, such as the Salvation Army's Anti-Poverty Week event in Frankston and presentations to Chinese community groups around Melbourne.

Through our quarterly community agency newsletter, *EWOV Connect*, we continued to assist community, welfare and health service workers with resources they could draw on when helping clients with energy and water issues.

We reported publicly on EWOV cases and trends in our mid-year newsletter, *Resolution 28*, released in May 2010. It's available on our website, www.ewov.com.au, under Publications.

We made 18 public submissions to key areas of regulatory and government policy debate. Most of these were to the Essential Services Commission, on a range of issues, including the wrongful disconnection payment and smart meters. We made a substantial submission to the Ministerial Council on Energy in response to the second exposure draft of the National Energy Customer Framework (NECF). We also made four submissions to the Australian Energy Regulator (AER) on its regulatory role under the NECF. All of these submissions are also available on our website, under Policy & Research.

Our 2010 consumer awareness survey showed that awareness of EWOV among Victorians remains stable at 56% and up substantially on 49% in 2007.

Our performance continued

Human Resources

Our goal is to maintain a stimulating and healthy workplace.

As we grew 23%, we refit the existing office space (twice) to accommodate everyone, trying to minimise disruption to our work. We took the matter of office space up with the Board and gained agreement to seek new premises, which we moved into in November 2010.

Even though space posed an ongoing challenge, we worked hard to maintain a healthy workplace in other ways – evidenced by staff survey results which produced a ‘leadership’ rating of 82.6%, a ‘working as a team’ rating of 88.9%, and a ‘communication’ rating of 87.3%.

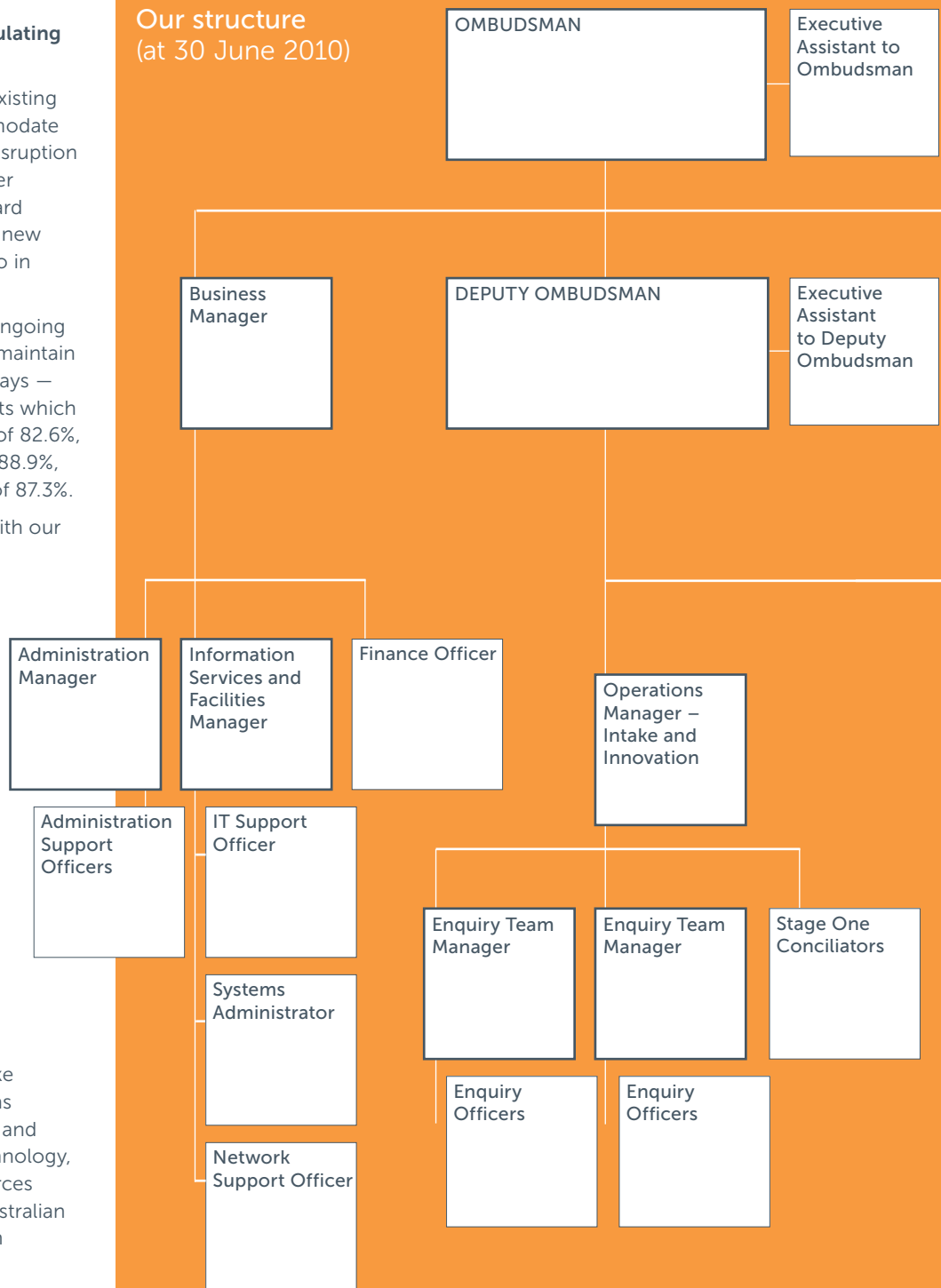
We improved staff retention, with our staff turnover of 15.8% down from 17% year before.

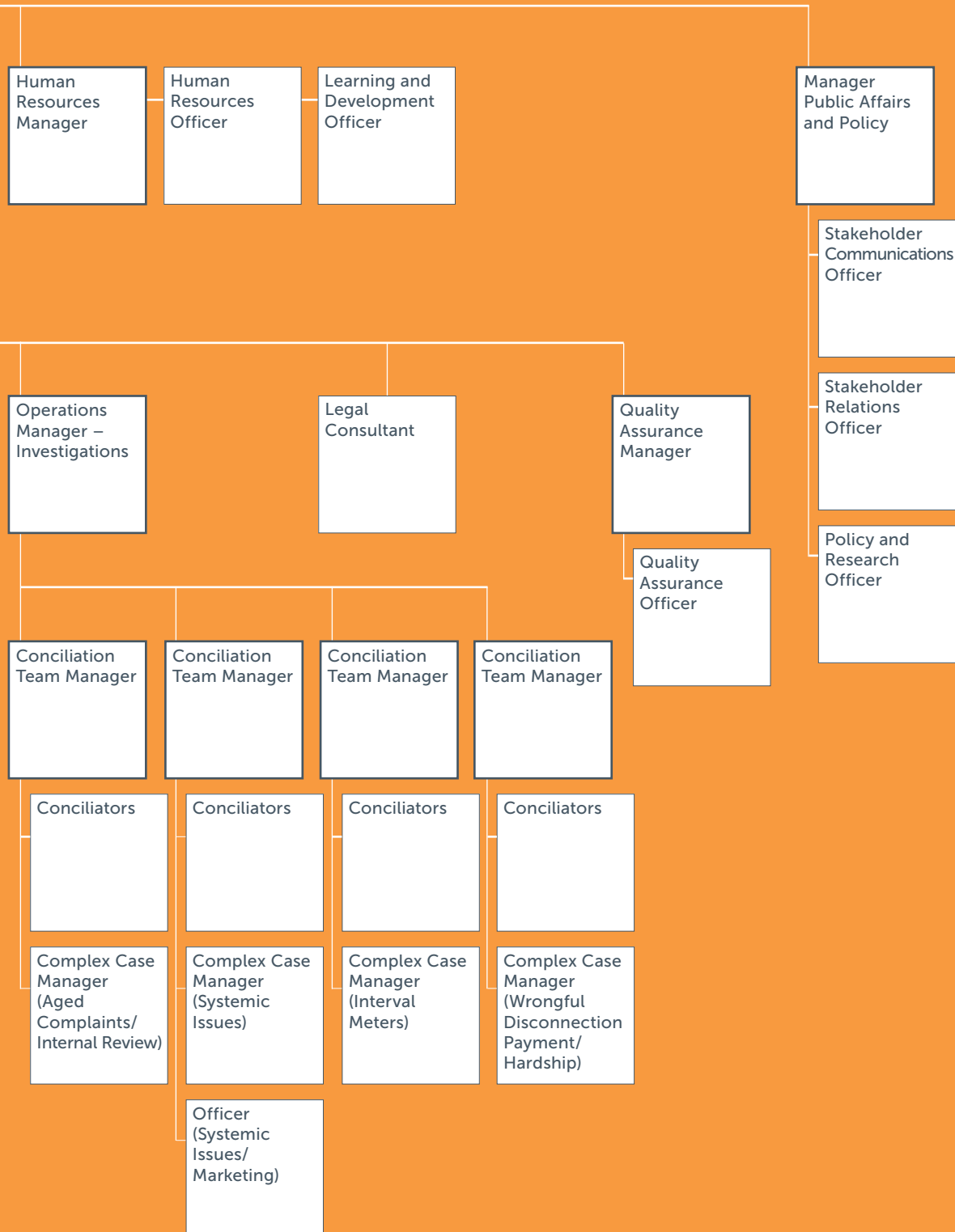
We implemented strategies to address the gaps identified in the 2009 staff satisfaction survey. In particular, our remuneration model was reviewed – from 2010-11, staff performance will be recognised more effectively, especially where several staff are employed in the same role.

We continued to deliver high quality skills and technical staff training – 43 training sessions, 10 more than in the previous year.

We encouraged our staff to take part in specialist public relations and communications, learning and development, information technology, first contact and human resources interest groups through the Australian and New Zealand Ombudsman Association (ANZOA).

Our structure
(at 30 June 2010)





Our performance continued

In May 2010, we ran our third conference for the energy and water companies which are our scheme participants, to great feedback on both content and speakers.



Made me think about team structure to support improved complaint management.



Reconfirmed importance of call quality and frontline complaints handling.



Provided motivation, real life examples of how basic customer service principles and going back to basics is the first step to improving the customer experience. I have a better understanding of the reports available through EWOV to assist with change/process improvement.



Scheme Participants

Our goal is to maintain effective scheme participant relationships and drive continued customer service improvement.

Taking on board the advice of a scheme participant working group, we improved our monthly reporting on each company's cases and the information available on our extranet.

We developed a new 'Right First Time Response' course, which we ran 21 times, for a total of 253 company staff. The content is aimed at improving the quality of responses to EWOV complaints — in turn, reducing resolution timeframes.

We scheduled monthly case review meetings for the companies generating the most complaints. Based on some excellent outcomes for customers, the companies and us, this is now an established part of our process.

We aligned EWOV Conciliation Team Managers with Team Managers from the major energy retailers' complaint teams to create central points for advice and issue escalation.

This strategy improved the working relationships between us and proved particularly beneficial for complaint progression for companies generating high volumes of complaints.

We facilitated 22 scheme participant training sessions, involving 283 company staff, on case handling and topics specific to industry sectors. We also ran 10 complaint handling workshops, independently facilitated and attended by 158 company staff.

We distributed four issues of *EWOV Link*, our electronic newsletter for the staff in the companies who work most closely with us on dispute resolution. It's aimed at building their understanding of the principles and processes underpinning our work, and keeping them up-to-date with the issues customers are raising with us and what we think they should be doing to address them.

EWOV scheme participants

EWOV Limited Participants (at 30 June 2010)

21 electricity retailers

AGL Sales Pty Ltd
Aurora Energy Pty Ltd
Australian Power & Gas Pty Ltd
CitiPower Pty #
Click Energy Pty Ltd
Country Energy
Dodo Power & Gas Pty Ltd
EnergyAustralia
Integral Energy Australia
Jackgreen International Pty Ltd**
Momentum Energy Pty Ltd
Neighbourhood Energy Pty Ltd
Origin Energy Electricity Limited
Powerdirect
Powerdirect Australia Pty Ltd
Red Energy Ltd
Simply Energy
SP AusNet
Sun Retail Pty Ltd [an Origin company]
TRUenergy Pty Ltd
Victoria Electricity Pty Ltd +

5 electricity distributors

CitiPower Pty
Jemena Electricity Networks
[Alinta AE Ltd]
Powercor Australia Limited
SP AusNet
United Energy Vic

2 electricity transmission companies

Basslink
SP AusNet

10 natural gas retailers

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

4 natural gas distributors

Envestra Limited
Multinet Gas Vic
SP AusNet
Vic Gas Distribution Pty Ltd

5 liquefied petroleum gas (LPG) retailers

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

3 metropolitan water retailers

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

1 metropolitan water wholesaler

Melbourne Water

11 regional urban water corporations

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

2 rural water corporations

Goulburn-Murray Rural Water
Gippsland and Southern Rural Water

2 rural urban water corporations

Grampians Wimmera Mallee Water
Lower Murray Urban and Rural Water

NOTES

CitiPower remains an EWOV Limited Retail Participant although Origin Energy acquired its retail electricity business in 2002.

* Central Gippsland Region Water is commonly known as Gippsland Water.

** Jackgreen went into voluntary administration on 18 December 2009. Its customers were transferred to default retailers from midnight that night.

+ Since 5 July 2010, Victoria Electricity Pty Ltd has been known as Lumo Energy Australia Pty Ltd.

Customers, cases, issues

The people who sought our assistance, the cases and the trends, the underlying issues, the emerging issues, the systemic issues

The people who sought our assistance

In 2009-10, we assisted 42,505 energy and water customers, up 10% from 38,533. 52% were female and 48% male, reflecting a 2% shift to contact by men. 93% were residential customers and 7% were business customers, reflecting a 1% shift to contact by businesses. 76% were from metropolitan Melbourne and 24% from regional and rural Victoria, reflecting a 4% shift to contact by customers in regional and rural locations.

Figure 12 tracks trends in cases received from residential customers in each Council and Shire area across Victoria over the past three years. In 2009-10, the parts of Victoria with the highest rates of residential EWOV cases (energy and water cases combined) per 1,000 of population were Mount Alexander Shire, City of Banyule and Hepburn Shire.

We make it easy for customers to contact us. 92% of customers made their enquiry or complaint by phone, 6% by email or through our website, and 2% wrote or faxed. These percentages were in line with those for the previous year.

As to why they contacted EWOV, 29% said they contacted us because they were dissatisfied with the outcome of their contact with their energy or water company, 18% said they were referred to us or they preferred to contact us, 15% said they lacked faith in their company's ability to resolve their problem and 10% said they didn't know who else to call. These results point to the need for companies to improve their own processes for listening to customers who have problems and resolving those problems speedily, effectively and fairly.

“ Thank you for your professional and courteous response to my complaint in respect to [company]. The matter would not have been raised with your organisation if [company] had shown some empathy for a valued customer.

“ I am very happy that the matter has been resolved and I finally feel 'heard'.

“ All this could have been resolved 10 weeks ago by [company] with an ounce of common sense.



Fig 7: Customers by gender

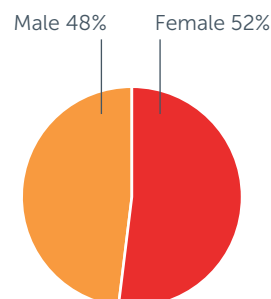


Fig 8: Customers by sector

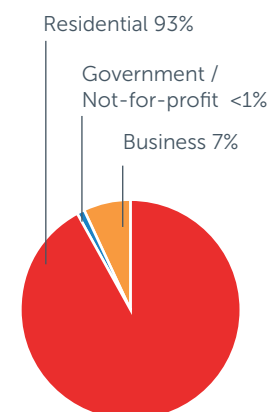


Fig 9: How customers contacted us

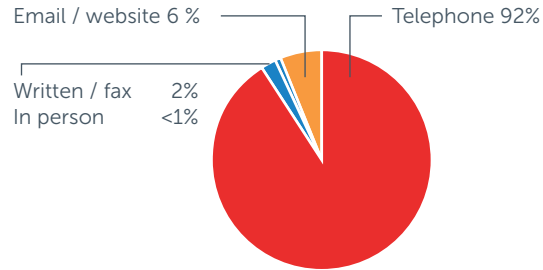


Fig 10: How customers said they found out about us

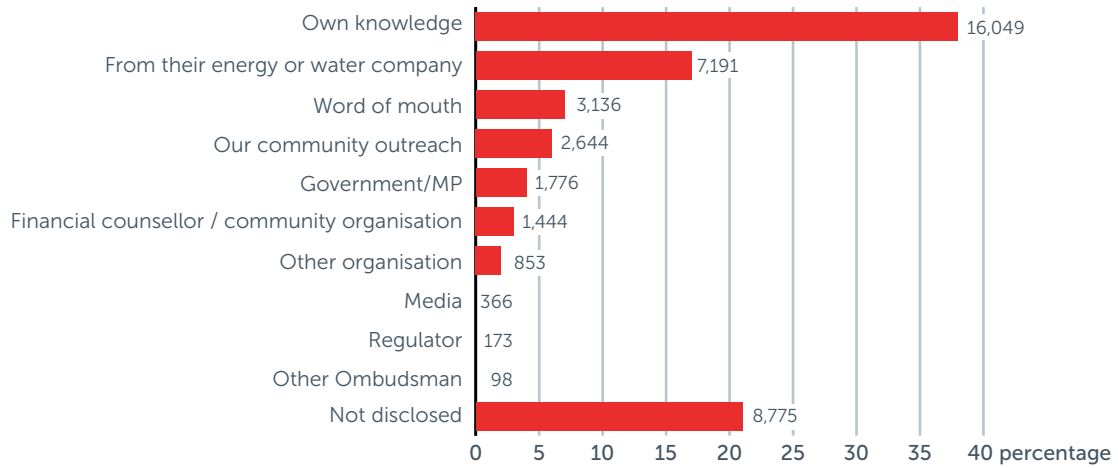
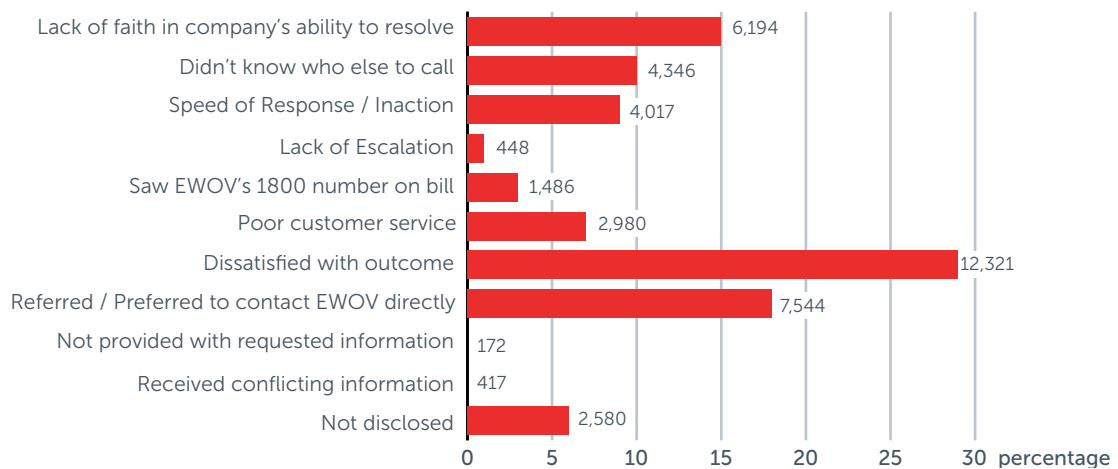


Fig 11: Why customers came to us



Customers, cases, issues continued

The people who sought our assistance, the cases and the trends, the underlying issues, the emerging issues, the systemic issues

Fig 12: EWOV cases received from residential customers by Council/Shire

Council/Shire area	map no.	Population 2009-10	Residential cases 2009-10	Residential cases per 1,000 population		
				2009-10	2008-09	2007-08
Alpine S	57	12,690	88	6.90	4.26	3.89
Ararat RC	62	11,752	99	8.42	5.49	3.17
Ballarat C	41	91,787	69	0.75	0.71	0.22
Banyule C	11	121,409	1,521	12.53	11.31	6.56
Bass Coast S	38	28,802	228	7.90	6.41	3.49
Baw Baw S	47	40,114	325	8.10	6.31	3.66
Bayside C	16	94,618	705	7.45	9.64	5.29
Benalla & Mansfield	46	21,712	193	8.89	5.71	3.20
Boroondara C	3	165,393	787	4.76	4.06	3.18
Brimbank C	17	181,115	1,135	6.26	5.94	3.70
Buloke S	64	7,051	45	6.36	3.83	2.98
Campaspe S	54	38,339	326	8.50	5.96	4.05
Cardinia S	37	64,310	351	5.46	4.62	2.95
Casey C	28	238,336	1,279	5.37	4.28	2.60
Central Goldfields S	52	12,766	116	9.07	6.92	5.03
Colac Otway S	49	21,448	153	7.11	6.62	3.45
Corangamite S	50	17,270	88	5.07	4.46	2.79
Darebin C	10	137,360	1,275	9.28	9.08	5.18
East Gippsland S	70	42,742	281	6.56	6.28	3.34
Frankston C	29	125,728	1,292	10.28	9.97	6.30
Gannawarra S	65	11,630	91	7.78	5.42	4.04
Glen Eira C	15	133,807	1,054	7.88	9.28	5.96
Glenelg S	71	20,871	146	6.97	5.56	4.79
Golden Plains S	40	17,681	101	5.70	4.62	3.29
Greater Bendigo C	44	100,054	820	8.19	5.28	3.65
Greater Dandenong C	20	135,243	840	6.21	6.73	4.33
Greater Geelong C	32	211,841	1,469	6.93	6.02	3.84
Greater Shepparton C	55	61,014	542	8.88	6.13	4.25
Hepburn S	42	14,489	163	11.26	8.43	5.67
Hindmarsh S	75	6,179	39	6.31	3.56	1.94
Hobsons Bay C	6	86,121	545	6.33	6.18	4.38
Horsham RC	74	19,648	138	7.00	3.51	2.43
Hume C	24	162,260	1,180	7.27	7.65	4.12
Indigo S	67	15,710	91	5.76	4.58	2.52
Kingston C	21	143,727	958	6.66	7.81	5.21
Knox C	19	153,988	783	5.08	5.01	3.04
Latrobe C	59	73,982	574	7.76	5.81	3.80
Loddon S	53	8,073	62	7.66	8.71	6.81
Macedon Ranges S	34	40,939	315	7.69	6.18	3.57
Manningham C	12	116,983	721	6.16	6.89	6.14
Maribyrnong C	7	69,825	535	7.67	9.18	5.81
Maroondah C	18	104,297	636	6.10	5.30	3.57
Melbourne C	1	89,759	697	7.76	7.69	6.11
Melton S	23	92,465	649	7.02	5.71	3.98
Mildura RC	77	53,122	282	5.31	5.30	4.05
Mitchell S	35	33,374	250	7.49	5.00	3.33
Moirā S	66	28,752	211	7.32	6.03	3.44
Monash C	14	172,740	1,091	6.31	7.05	4.69
Moonee Valley C	8	108,909	933	8.57	9.46	5.31
Moorabool S	33	27,247	233	8.56	6.61	4.51
Moreland C	9	145,900	979	6.71	6.46	4.30
Mornington Peninsula S	30	145,356	1,481	10.19	10.13	6.02
Mount Alexander S	43	18,116	315	17.40	9.05	4.65
Moyne S	61	16,405	108	6.55	5.27	3.17
Murrindindi S	36	14,369	96	6.69	4.51	2.11
Nillumbik S	26	63,181	246	3.89	3.79	2.02
Northern Grampians S	63	12,322	43	3.47	2.88	1.79
Port Phillip C	5	93,752	784	8.36	8.69	6.17
Pyrenees S	51	6,800	51	7.48	7.21	4.58
Queenscliffe B	31	3,256	14	4.30	6.14	2.52
South Gippsland S	48	27,165	202	7.45	6.02	3.13
Southern Grampians S	72	17,451	120	6.88	5.19	3.18
Stonnington C	4	97,711	577	5.90	5.00	4.02
Strathbogie S	45	9,855	60	6.04	5.53	2.77
Surf Coast S	39	24,442	153	6.24	3.40	3.66
Swan Hill RC	78	21,765	114	5.24	5.61	4.33
Towong S	69	6,273	31	4.86	4.38	4.16
Wangaratta RC	56	28,117	201	7.13	6.46	4.14
Warrnambool C	60	32,712	235	7.17	5.46	3.53
Wellington S	58	42,576	301	7.07	5.00	2.93
West Wimmera S	73	4,597	19	4.13	2.83	3.93
Whitehorse C	13	153,407	953	6.21	6.22	4.85
Whittlesea C	25	139,250	600	4.31	3.15	2.28
Wodonga RC	68	35,064	226	6.45	4.66	3.85
Wyndham C	22	132,793	831	6.25	4.12	3.60
Yarra C	2	76,402	410	5.36	5.70	4.25
Yarra Ranges S	27	146,886	889	6.05	4.94	3.50
Yarriambiack S	76	7,658	55	7.18	5.48	2.74

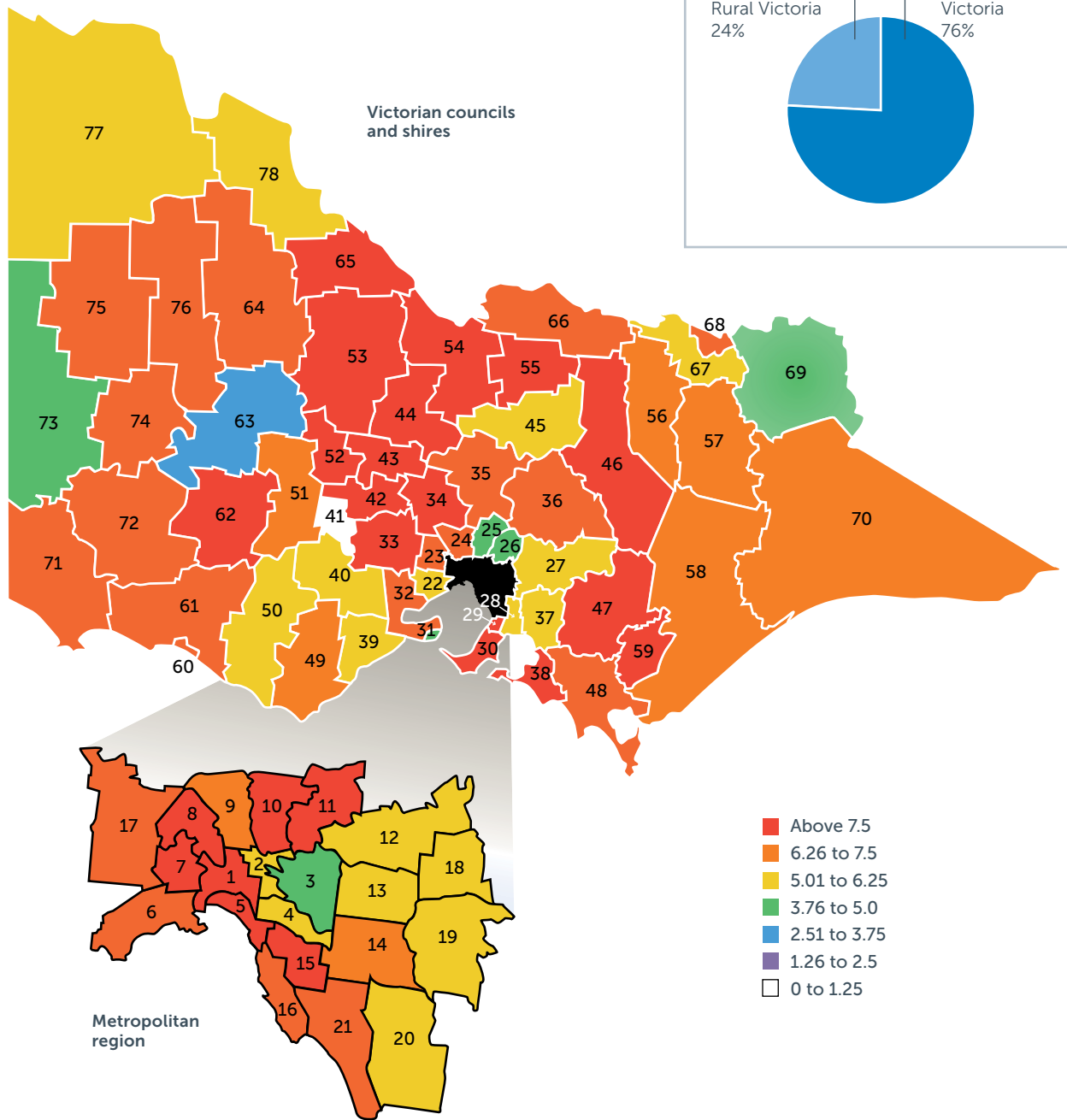
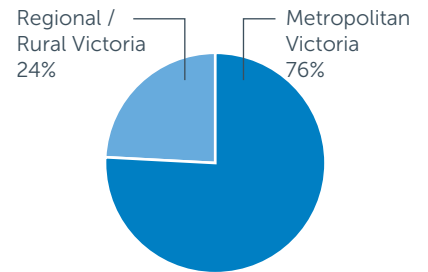
NOTES:

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

* Populations for 2009/10, 2008/09 and 2007/08 based on Australian Bureau of Statistics data.

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

Fig 13: Customers by location



Customers, cases, issues continued

The people who sought our assistance, **the cases and the trends**, the underlying issues, the emerging issues, the systemic issues

The cases and the trends

We use the overall term 'case' for all customer contacts with EWOV. Each case is registered and classified as either an enquiry (a request for information) or a complaint (an expression of dissatisfaction).

When a customer contacts us with an enquiry, we provide them with general information and, in just over half of cases, we also refer them to their energy or water company. Sometimes we refer them to another body, such as a regulator or a government department. In 2009-10, we assisted 4,075 people with enquiries. Importantly, and of note, 63% of them were asking about electricity matters, with many seeking information about the rollout of smart meters and solar installations.

In 2009-10, customers lodged 38,430 complaints with us, up 6% from 36,170 in 2008-09.

Complaint categories

We define a complaint as an expression of dissatisfaction regarding a policy, practice or customer service performance of an energy or water company, where a response or resolution is explicitly or implicitly expected. A complaint may be referred back to the company or investigated, depending on the number of contacts already made and the customer's wishes.

- **Unassisted Referral:** After providing an overview of the customer's rights and responsibilities, we refer the customer to their energy or water company's contact centre (this is because the customer has had no prior contact with the company).
- **Assisted Referral:** After providing an overview of the customer's rights and responsibilities, we refer the customer to a higher level contact within their energy or water company (this is because the customer has had only one prior contact with the company or, having had more than one contact, they have chosen to give the company a final opportunity for direct resolution at a higher level rather than an investigation by us).

- **Stage One:** These complaints are resolved within fourteen days through negotiation between us and the energy or water company's complaints team.
- **Stage Two:** These complaints are fully investigated by us.
- **Stage Three:** These are investigated complaints which have been upgraded from Stage Two, due to lack of resolution at that stage.
- **Final Stage:** These are investigated complaints which have been upgraded from Stage Three, due to lack of resolution at that stage. If a conciliated outcome is not achieved within 60 days, the complaint is referred to the Ombudsman for binding decision, or closed if we assess that further investigation is not warranted. It hasn't been necessary for the Ombudsman to make a Binding Decision since 2003.

Figure 14 shows complaint trends overall and by industry for the past five years. Comparing complaints received in 2005-06 with those in 2009-10, there's been a 184% increase.

The individual company graphs in Figure 15 track trends in their EWOV complaints for the past five years.

How we resolve complaints

Using alternative dispute resolution (ADR) methods, our processes are informal, rather than legalistic. Because we are independent and external to the companies participating in our scheme, our work is often described as external dispute resolution (EDR).

Before we accept a complaint for investigation, the company must have had a reasonable opportunity to resolve it through its own internal dispute resolution (IDR) process — this generally means the customer must have made at least two attempts to resolve it directly with the company.



A two minute phone call in response to this Assisted Referral resolved the matter.



It looks like the situation is resolved satisfactorily. It only took a short time once they actually tried to answer my questions. It is a pity that you needed to be involved, but thank you for your help.



We aim for a conciliated outcome, with the customer and the company agreeing on a resolution and what needs to be done to achieve it. We uncover the facts, helping both parties better understand the issues and each other's point of view — this is particularly important where the relationship between them has broken down and would benefit from rebuilding. Among our resolution tools, we find site visits and conciliation conferences — independently facilitated by us and attended by the customer and the company — particularly useful.

In arriving at an independent view of what happened, we take account of what's fair and reasonable, good industry practice and current law. If, in the end, the complaint can't be conciliated, the Ombudsman has the power to make a decision. This decision is binding on the company, if the customer accepts it. Otherwise, the customer may choose to take action in another forum, such as a court.

Onsite meeting facilitated by EWOV resolves long-running power pole dispute

Mr P lived in an area with a mix of residential and commercial premises, and next door to a warehouse. Large delivery vehicles had been coming in contact with the power pole supplying his house. He said he'd had to pay some \$950 in repairs to the point where the lines connected with his house. He'd tried to claim this from the local electricity distributor but he was told to contact his insurance company.

While Mr P wanted the line moved, it had been in place for over 25 years. The distributor said it was clearly visible and located to support a range of local infrastructure.

With no resolution in sight, we arranged an onsite meeting. This brought a good outcome. The distributor realised that the lines needed to be raised to meet electric line clearance regulations and said it would address that. It acknowledged that, although the pole was originally installed in an appropriate position, changes to the street and the types of vehicles using it, meant it was now more susceptible to impact from certain vehicles.

The distributor concluded that relocation of the pole would be the best outcome for affected parties, while ensuring the long term safety of its assets. It agreed to move the pole, to the location discussed during the site visit, within 3 months. Mr P was pleased with this outcome.

(C/2010/466)

Fig 14: Complaint trends by industry

	Total	Electricity	Natural gas	LPG	Dual fuel	Water	Other Industry*
2009-10	38,430	26,268	10,003	93	357	1,655	54
2008-09	36,169	24,578	9,862	113	263	1,353	0
2007-08	22,903	15,419	5,758	103	373	1,250	0
2006-07	14,165	9,667	3,068	92	352	986	0
2005-06	13,516	9,577	2,819	56	265	799	0

*Prior to 2009–10, complaints about other industries were recorded as enquiries.

Customers, cases, issues continued

The people who sought our assistance, **the cases and the trends**, the underlying issues, the emerging issues, the systemic issues

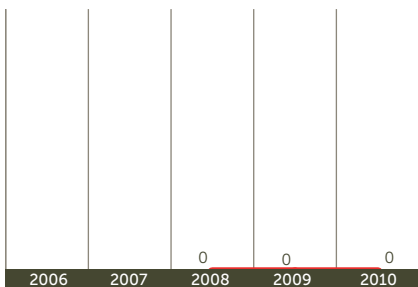
Fig 15: Complaint trends by company – 5 years of data



*Where a company retails both electricity and gas, its complaint numbers are combined as 'energy' and include dual fuel complaints.

¹Click Energy joined EWOV in May 2007.

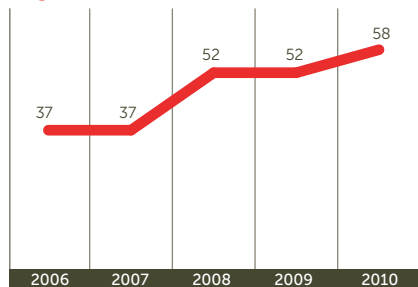
Dodo Power & Gas²



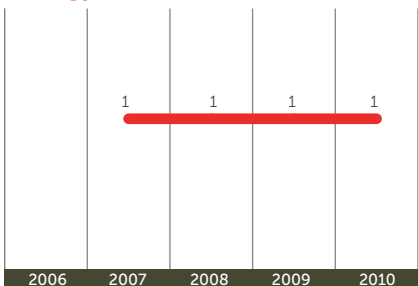
East Gippsland Water



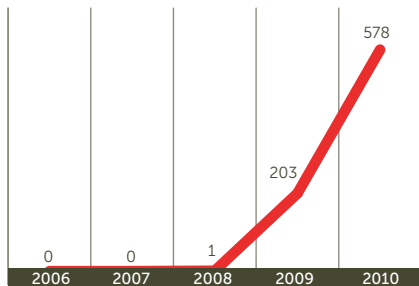
Elgas



Energy One



EnergyAustralia*³



Envestra



Gippsland Water



Goulburn-Murray Water



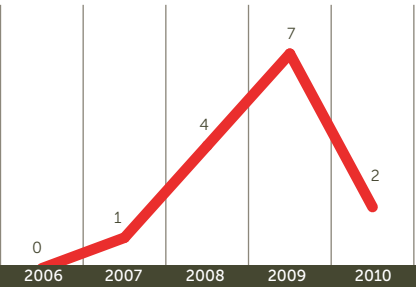
Goulburn Valley Water



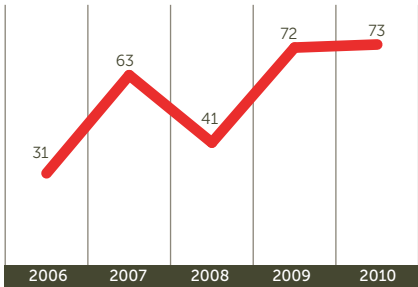
Grampians Wimmera Mallee Water



Integral Energy



Jackgreen⁴



*Where a company retails both electricity and gas, its complaint numbers are combined as 'energy' and include dual fuel complaints.

² Dodo Power & Gas joined EWOV in December 2007.

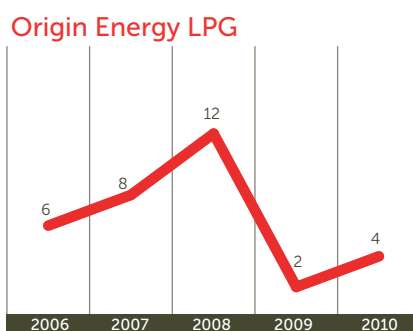
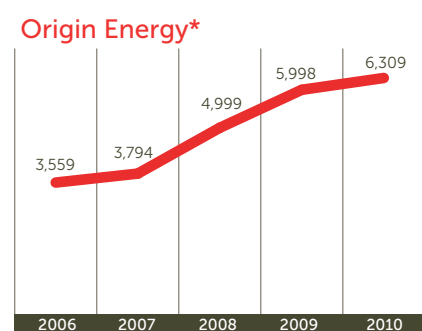
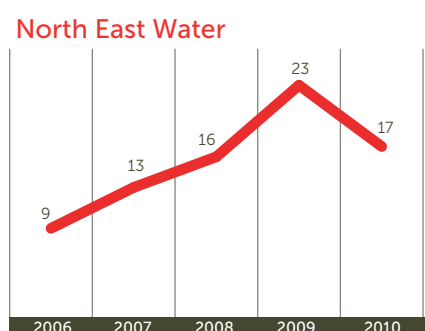
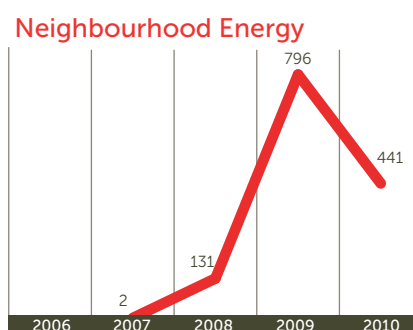
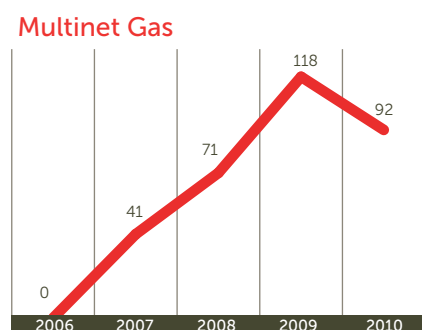
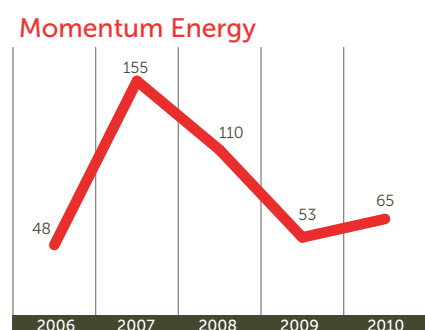
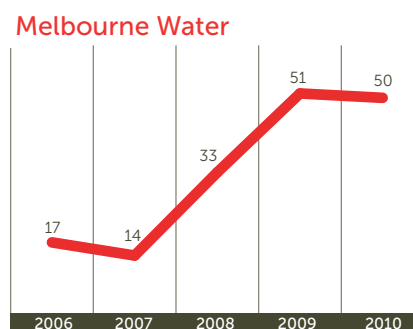
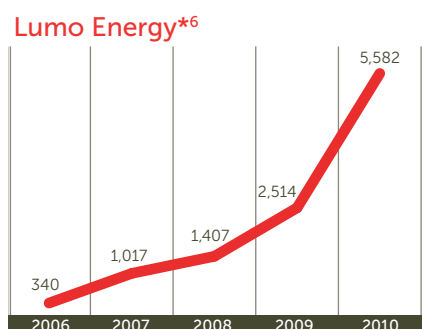
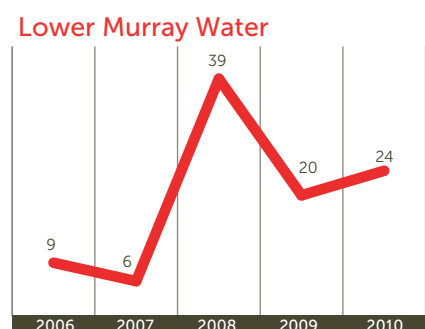
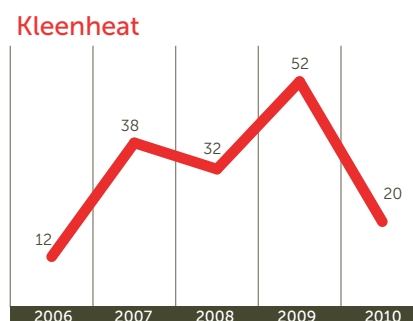
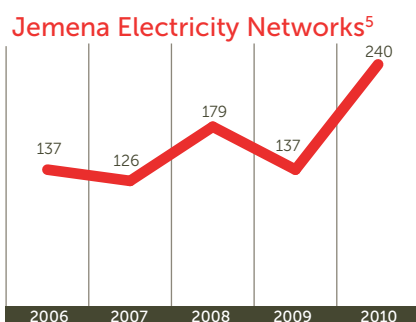
³ EnergyAustralia re-entered the Victorian market in May 2008, retailing electricity to residential and small business customers.

⁴ Jackgreen went into voluntary administration on 18/12/2009. Its customers were transferred to default retailers from midnight that night.

Customers, cases, issues continued

The people who sought our assistance, the cases and the trends, the underlying issues, the emerging issues, the systemic issues

Fig 15: Complaint trends by company – 5 years of data continued

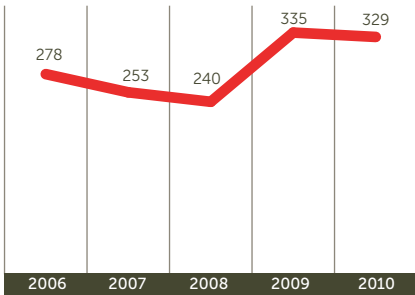


* Where a company retails both electricity and gas, its complaint numbers are combined as 'energy' and include dual fuel complaints.

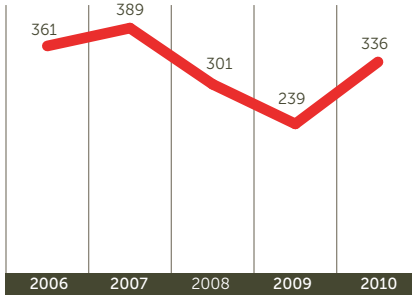
⁵ Jemena was formerly Alinta AE.

⁶ Lumo Energy was formerly known as Victoria Electricity.

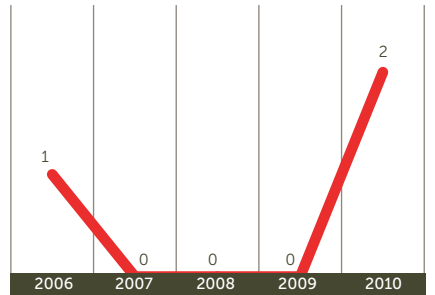
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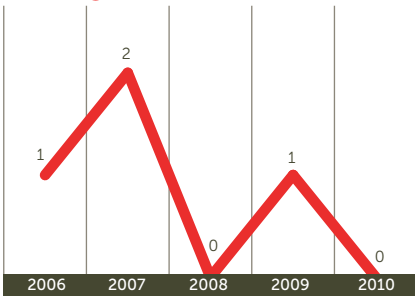
Powerdirect



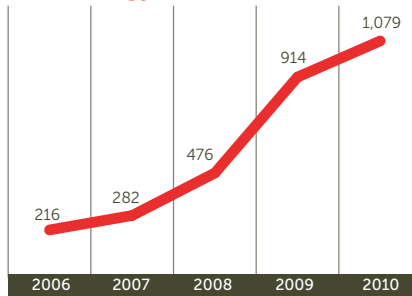
Powerdirect Australia



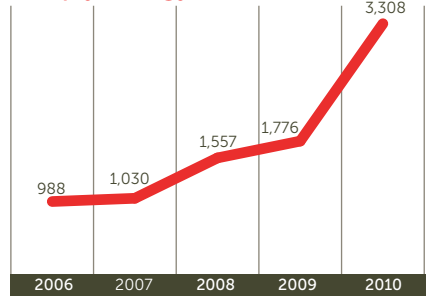
Powergas



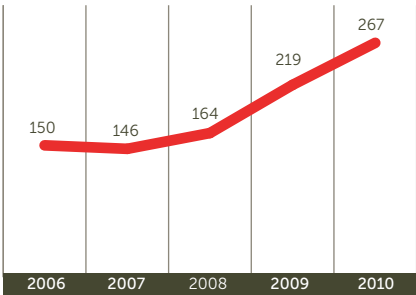
Red Energy*



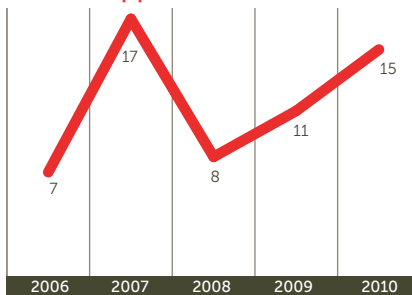
Simply Energy*



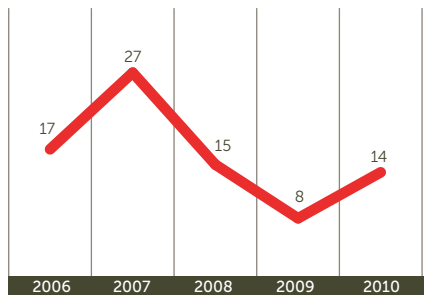
South East Water



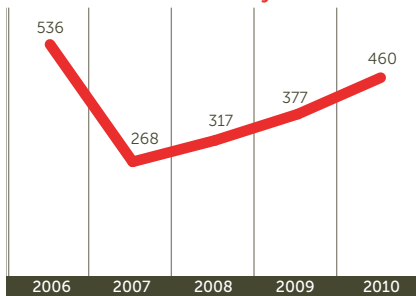
South Gippsland Water



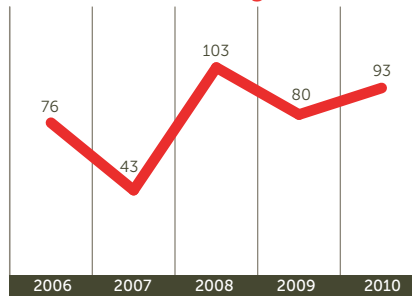
Southern Rural Water



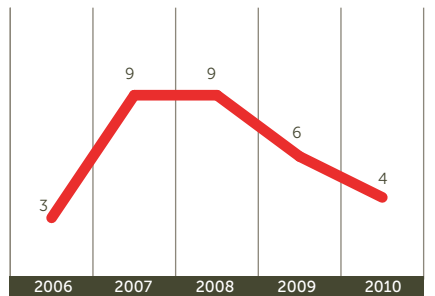
SP AusNet (electricity)



SP AusNet (natural gas)



SP AusNet (transmission)

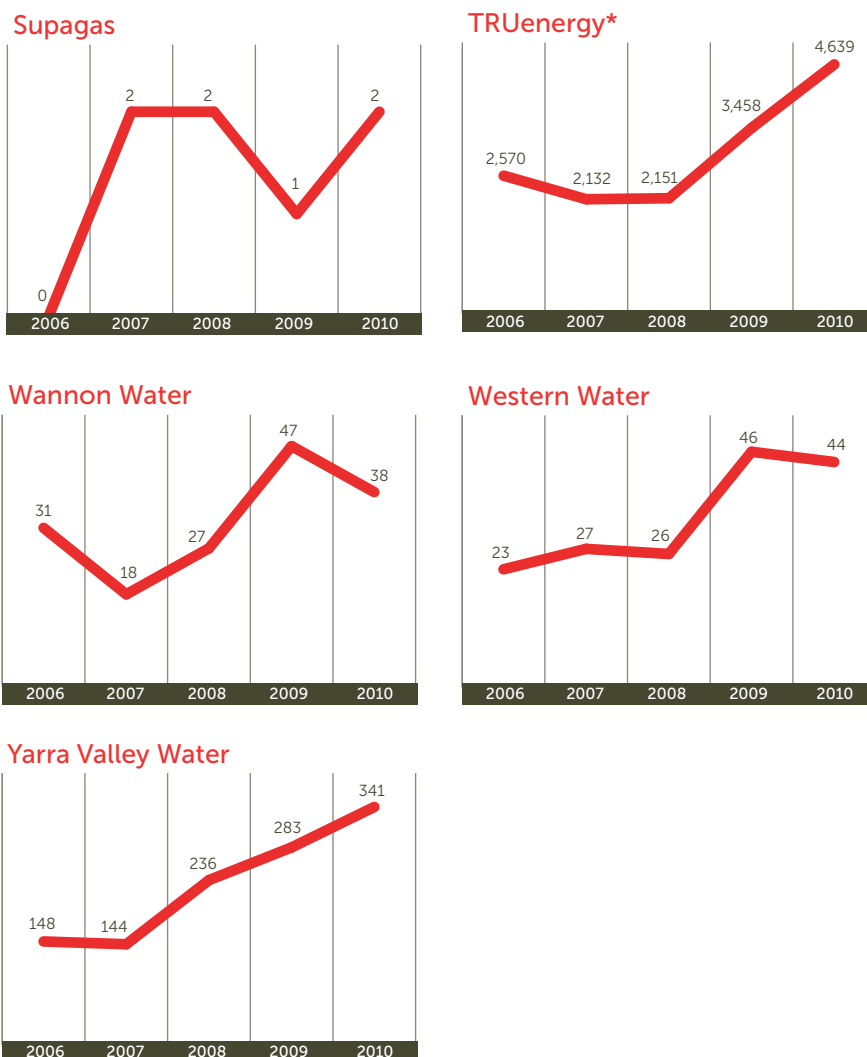


*Where a company retails both electricity and gas, its complaint numbers are combined as 'energy' and include dual fuel complaints.

Customers, cases, issues continued

The people who sought our assistance, **the cases and the trends**, the underlying issues, the emerging issues, the systemic issues

Fig 15: Complaint trends by company – 5 years of data continued



*Where a company retails both electricity and gas, its complaint numbers are combined as 'energy' and include dual fuel complaints.

⁸ Jemena is the prime contractor for United Energy Distribution.

Fig 16: Complaint investigations finalised and average days to close

	Investigations finalised	Average days to close		Investigations finalised	Average days to close
OVERALL	7,780	50	DUAL FUEL	70	31
ENERGY	7,540	49	Australian Power & Gas	1	10
ELECTRICITY	5,235	52	Lumo Energy #	59	27
Electricity retail	5,042	51	Simply Energy	1	9
AGL Sales	2,030	55	TRUenergy	9	58
Australian Power & Gas	128	41	WATER	240	61
Click Energy	13	62	Metropolitan retail	142	65
Country Energy	26	56	City West Water	45	88
EnergyAustralia	35	28	South East Water	42	50
Jackgreen *	10	80	Yarra Valley Water	55	59
Lumo Energy #	694	45	Metropolitan wholesale	8	45
Momentum Energy	14	39	Melbourne Water	8	45
Neighbourhood Energy	81	45	Regional urban	69	53
Origin Energy	785	55	Barwon Water	15	38
Powerdirect	74	52	Central Highlands Water	5	56
Red Energy	126	55	Coliban Water	9	34
Simply Energy	413	44	East Gippsland Water	1	61
TRUenergy	613	48	Gippsland Water	6	44
Electricity distribution	193	64	Goulburn Valley Water	8	80
CitiPower	10	56	Grampians Wimmera Mallee Water	4	64
Jemena Electricity Networks	27	63	Lower Murray Water	3	50
Powercor Australia	42	78	North East Water	2	80
SP AusNet	68	50	South Gippsland Water	4	71
United Energy Distribution	46	75	Wannon Water	7	27
GAS	2,219	44	Western Water	4	106
Gas retail	2,191	44	Westernport Water	1	60
AGL Sales	977	44	Rural	21	67
Australian Power & Gas	74	27	Goulburn-Murray Water	11	62
EnergyAustralia	13	32	Grampians Wimmera Mallee Water	6	103
Lumo Energy #	362	44	Lower Murray Water	2	26
Origin Energy	295	52	Southern Rural Water	2	31
Red Energy	35	50			
Simply Energy	189	37			
TRUenergy	246	43			
Gas distribution	28	42			
Envestra	1	17			
Multinet Gas	12	53			
SP AusNet	15	36			
LPG	16	61			
Elgas	15	63			
Kleenheat	1	29			

NOTES:

* Jackgreen went into voluntary administration on 18 December 2009. Its customers were transferred to default retailers from midnight that night.

Lumo Energy was formerly known as Victoria Electricity.

This list shows only complaints investigated by EWOV—companies with no investigated complaints are not included.

Some of the complaints which were investigated and finalised were received prior to July 2009.

Averages have not been shown for companies with fewer than 5 complaints.

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

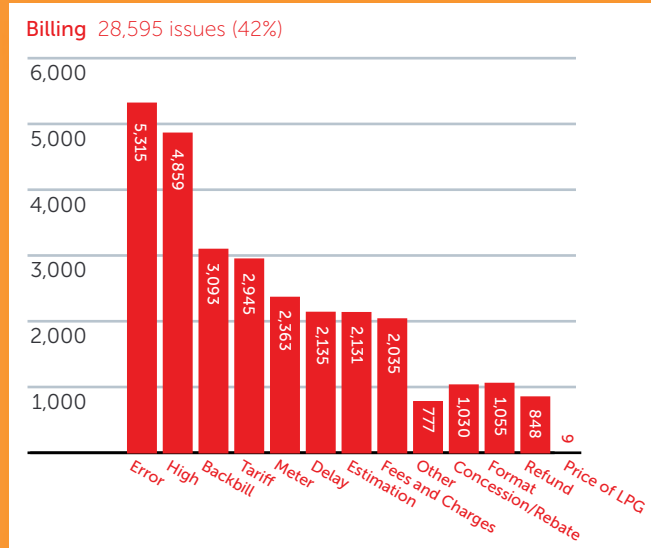
Complaint complexity contributes to the time taken to finalise an investigation—our seeking of technical or legal advice and delays in customer action/replies may also have an effect.

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

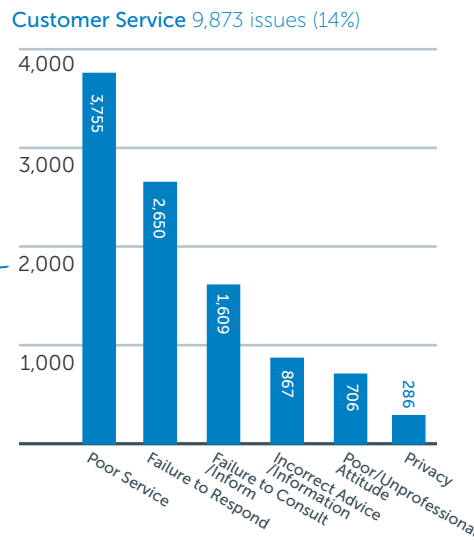
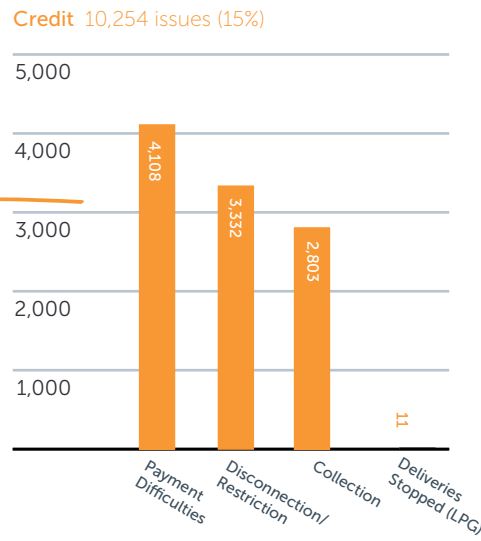
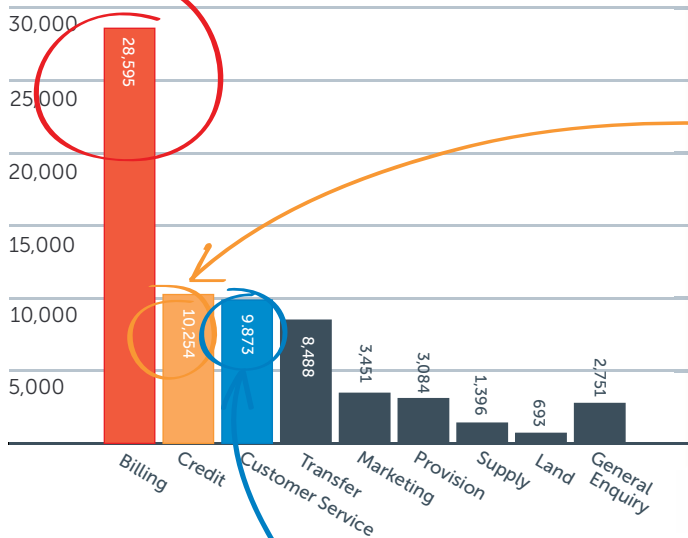
Customers, cases, issues continued

The people who sought our assistance, the cases and the trends, the underlying issues, the emerging issues, the systemic issues

Fig 17: All issues raised by customers who contacted EWOV



The 42,505 cases raised 68,585 issues in the following categories



The underlying issues

Billing (42%)

Billing continued to be the largest single issue of customer complaint – although, at 42% of all issues, it was down from 45% the year before. The top Billing issues for both electricity and gas customers were high bills and billing errors. For water customers, it was fees and charges (particularly non-usage service, sewage disposal and parks charges) and high bills.

Credit (15%)

Our Credit category is about the capacity of a customer to pay their bills and stay on supply. In 2009-10, 15% of all the issues customers raised with us were about credit – up from 12% the year before. We believe the elevation of Credit to our second most common issue after Billing to be a clear indicator of growing customer financial hardship.

At 40%, the most common Credit issue was that of payment difficulties. In cases involving payment difficulties, we usually find a payment plan is the best way to achieve a sustainable outcome. In 2009-10, we helped arrange 2,473 payment plans, up from 1,884 and 1,027 in previous years.

33% of Credit issues were related to disconnection or restriction of supply for payment arrears, up from 31% the year before. The complaint was most commonly about the disconnection of electricity or gas. Figure 18 on page 33 shows trends in cases about credit-related actual and imminent disconnection and restriction of supply.

In 42% of the energy disconnection complaints we investigated, energy retailers agreed to make a wrongful disconnection payment (WDP). Because we're seeing an increasing number of complaints where a payment should have been made by the company without our intervention, we have some concerns about energy retailers' capacity to meet their WDP obligations*.

* Under State legislation enacted in December 2004, electricity and gas retailers operating in Victoria are required to make a wrongful disconnection payment (WDP) to customers whose electricity and/or gas supply has been disconnected contrary to the provisions of the *Energy Retail Code*.

Customer Service (14%)

While all complaints are essentially an expression of dissatisfaction with some aspect of a company's service, some customers want to complain about specific service aspects. In this category, customers most commonly complained about poor service – such as not getting a proper explanation when they asked for one, being told something would happen and it didn't, being provided with conflicting information, and contacting the company several times without a resolution to their problem.

Quick guide to EWOV's issues categories

We use nine first level issues categories. These are broken into sub-issues to describe the complaint in more detail – e.g. a billing case may be about a high bill (second level) related to an estimated meter reading (third level).

Billing – billing and payment processes

Credit – unpaid bills

Customer Service – service received or not received

Land – effect on property of company activities or network assets

Marketing – how energy retailers go about winning new customers

Provision – connection of a property to the energy or water network

Supply – physical delivery of the energy or water service

Transfer – switching an account to a new energy retailer



I am pleased to tell you that an arrangement has been made with [company]. They have decreased the amount I have to pay. My bill is now \$369 and can be paid off at \$30 a fortnight which is fine. I would like to thank EWOV for assisting me. It had been a stressful situation and I felt helpless and alone. I really appreciate what you have done.



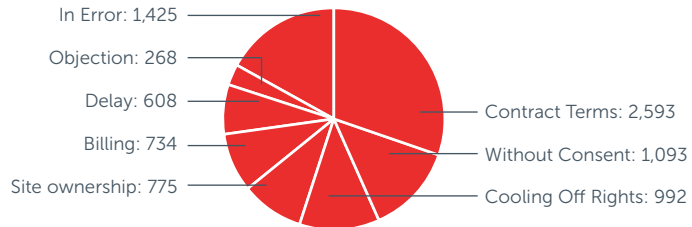
Customers, cases, issues continued

The people who sought our assistance, the cases and the trends, the underlying issues, the emerging issues, the systemic issues

Fig 17: continued

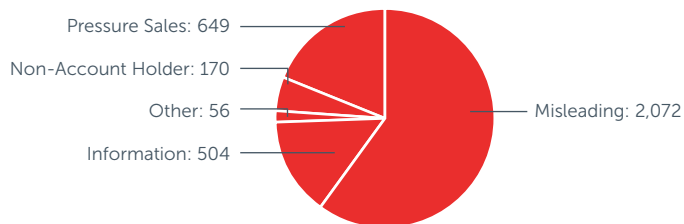
Transfer issues (12%)

Total 8,488



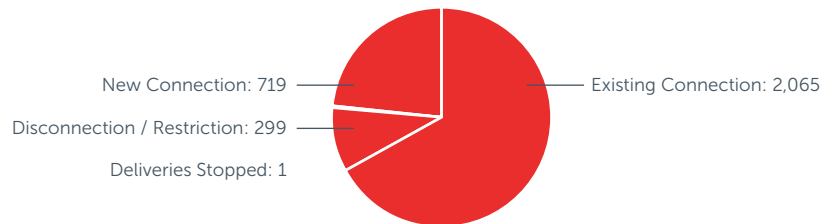
Marketing issues (5%)

Total 3,451



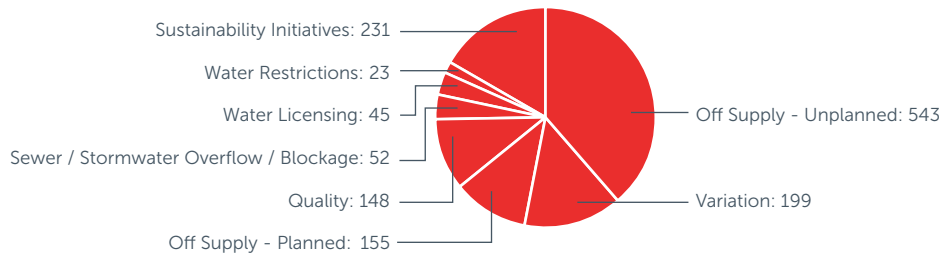
Provision issues (4%)

Total 3,084



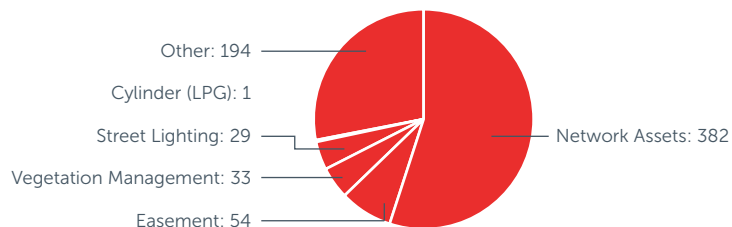
Supply issues (2%)

Total 1,396



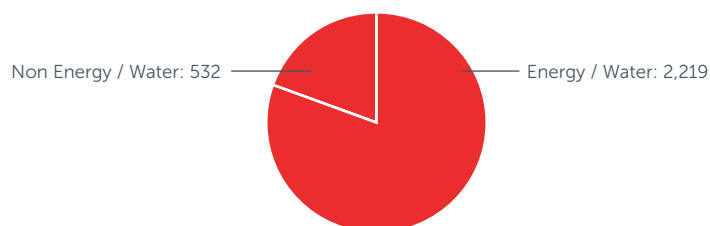
Land issues (1%)

Total 693



General enquiries (4%)

Total 2,751



The emerging issues

Customer financial hardship

Many EWOV cases involve customer financial hardship, though that's not always how the customer presents the problem. It might be reflected in the high bill they can't afford to pay, or their inability to negotiate an affordable payment plan, or the actual or imminent (threatened) disconnection or restriction of their supply.

Our case trends point to increasing financial hardship. In 2009-10, customers raised 28% more issues about payment difficulties than in 2008-09. We helped negotiate 2,473 payment plans, 31% more than in 2008-09 and 143% more than four years ago, when we first began to collate this information.

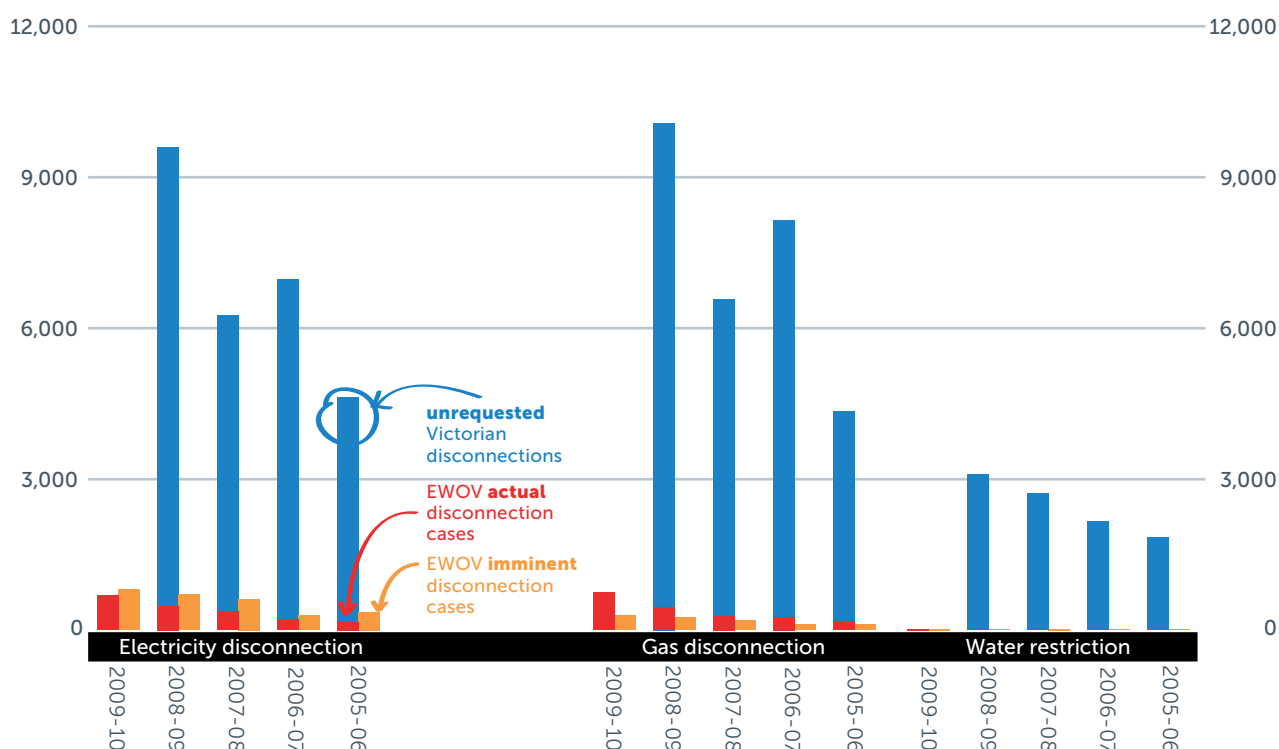
EWOV cases about the actual disconnection of energy supply were up 330% from five years ago, and between January 2010 and June 2010, they increased by 143%.

We're also seeing more electricity and gas disconnection cases where a 'wrongful disconnection payment' (explained on page 31) should have been made — raising questions of whether retailers are following all the steps they should before disconnection, such as identifying customers experiencing hardship and assessing capacity to pay.

Figure 18 tracks our cases about actual and imminent disconnection and restriction against the Essential Services Commission's (ESC's) published data for unrequested electricity and gas disconnections and water restrictions, which for the most part have been rising since 2005-06. It also shows that, for the past three years, unrequested gas disconnections have been higher than unrequested electricity disconnections — financial counsellors routinely report that low income customers often let their gas supply be disconnected over summer, seeking reconnection for winter.

EWOV has a strong policy and procedure framework for identifying and assisting customers in financial hardship. Disconnection or restriction for non-payment cannot occur where a customer has a complaint with us. We aim for a fair and reasonable, sustainable outcome — a payment plan/incentive plan within the customer's capacity to pay, recommendation of Centrepay, a financial counselling assessment/ onsite energy audit at no cost to customer, inclusion in their retailer's hardship program, and provision of energy efficiency advice. We provide good industry practice advice during investigations to assist retailers to refine their own hardship processes. We've held two hardship conferences attended by company, community, regulatory and government representatives. We highlight disconnection and other case trends in our meetings with industry regulators. We take opportunities to comment on regulatory processes in relation to hardship policies. Customer financial hardship is a difficult issue for everyone involved and we expect it to be an ongoing challenge.

Fig 18 Tracking EWOV's credit-related actual and imminent energy disconnection and water restriction cases against unrequested disconnections and restrictions by energy and water companies



The data on unrequested electricity and gas disconnections and water restrictions in Figure 18 has been published in the Essential Services Commission's (ESC's) Comparative Performance Reports. The corresponding ESC data for 2009-10 has not been published yet.

Customers, cases, issues continued

The people who sought our assistance, the cases and the trends, the underlying issues, **the emerging issues**, the systemic issues

Solar

With solar power being promoted widely, we received a range of solar-related enquiries and complaints in 2009-10 — 1,924 cases, of which we investigated 402. The other customers were either provided with general information and/or referral to another agency (e.g. Consumer Affairs Victoria, where it was about a solar installation company), or they were referred back to their energy retailer for further assistance.

It soon became clear to us that some customers had unrealistic expectations of the bill reductions they could expect and the credits they'd be offered for the solar electricity they generated — especially those who'd installed a small (1kW) solar photovoltaic (PV) system. Concerned that some installers were over-selling the benefits, we and other Energy Ombudsman schemes alerted regulators to what we believed was an emerging solar marketing issue.

In August 2010, the Australian Competition and Consumer Commission (ACCC) announced that two retailers of solar panel systems, one in Victoria and one in Queensland, had amended their marketing campaigns in response to ACCC concerns that representations in their advertisements were likely to mislead or deceive consumers.

The ACCC said these claims included that:

- consumers could 'wipe out' household electricity bills by installing a 1.5kW solar panel system, when a system of that size is not likely to generate sufficient electricity to eliminate an average household's electricity costs
- the solar systems were available at heavily discounted prices, when they had never been sold at the higher prices or recommended retail prices advertised
- the discounts were only available during limited sale periods, when the systems were always available at discount prices.

Customers raising solar issues complained to us about poor customer service — including electricity retailers' frontline staff not understanding solar installations, the billing process around them, and/or the Victorian Government's premium feed-in tariff. They also raised a range of billing problems — no feed-in or buyback credits noted on their bills, solar generation charged rather than credited, higher than expected bills after installation of their solar PV system, billing delays, billing errors, additional charges on their bill, delays and other

problems with the installation of the solar-capable meter, and solar tariff issues (mainly related to the lack of feed-in tariffs).

We've also noticed that, with smart meters now being installed more widely, some customers are confused about the two meter types. The solar-capable meter required for a solar installation isn't a smart meter — customers installing a solar-capable meter will eventually have that meter replaced with a smart meter, after all the existing basic meters have been changed over.

Recently, customers have been raising issues about meter installation delays and the premium feed-in tariff assigned to their account.

As explained on the Feed-in Tariffs page of the Department of Primary Industries' website:

"Victoria's premium feed-in tariff offers Victorians with small-scale solar PV systems of up to five kilowatts in size a guaranteed minimum credit of at least 60 cents per kilowatt hour for excess electricity fed back into the grid at any time of the day or year. The premium solar feed-in tariff started on 1 November 2009 and is available to customers signed up under the scheme for the next 15 years. The scheme will be capped at a total capacity of 100 megawatts of solar power across the state, which means once this limit is reached new customers will not be able to sign up. All Victorian electricity retailers with more than 5,000 customers must offer a premium feed-in tariff for solar. But retailers may offer different packages or terms and conditions. We suggest customers check the details of any individual offers before signing up."

One customer's efforts to get onto a premium feed-in tariff

Mr B contacted his retailer, before 1 November 2009, asking for a premium feed-in tariff. After following up twice, he was told his next bill would show the buyback credits—it didn't, so he didn't pay it. When he received a disconnection warning notice, he rang EWOV. The retailer told us it would contact Mr B's distributor to get the tariff updated. It estimated Mr B would receive a bill with the correct tariff and the credits within 10 business days. It took a month and follow-up by us, but he eventually did. The retailer had backdated the tariff to 1 November 2009, but Mr B disputed its calculated adjustment of \$416.79. EWOV's calculations confirmed those of the retailer. The retailer also sent Mr B a written apology and credited his account with a customer service payment of \$55.

(C/2010/5734)

Smart meters

It's expected that, by 2013, every household in Victoria will have an advanced interval meter – commonly known as a smart meter. Since July 2009, electricity distributors have been installing smart meters across the state, as part of the Victorian Government's meter rollout. These meters record electricity consumption in 30 minute intervals.

The publicity around the smart meter rollout, combined with customers receiving their first bills after having their smart meter installed, saw us working to build EWOV's capability to assist with, and investigate, a range of related and often complex customer enquiries and complaints.

We received 943 smart meter cases in 2009-10 and we investigated 86 of these. The other customers were provided with general information and, depending on the nature of their complaint, referred to the Australian Energy Regulator, the Victorian Department of Primary Industries, their local Member of Parliament or their electricity company.

While there's quite a lot of information around from government, electricity distributors, electricity retailers, and through the media, many customers contacting us seemed confused about what was happening.

Early on, customers were saying they didn't want a new meter, or complained about extra charges as part of the cost recovery process of the meter rollout, and poor service and information from retailers. More recently, as customers have received their first bills after the meter changeover, complaints have been about higher than expected bills, tariff changes and meter charges.

To assist customers, we've prepared a smart meters fact sheet, available in the Publications section of our website. We've also suggested that electricity retailers make sure their own frontline staff are well equipped to provide customers with good information about smart meters and the rollout.

We're advising customers to record the reading on their meter before it's exchanged for a smart meter – this customer's experience is a good example of why that can be important.

Ms P's electricity bills were usually \$150 to \$180. After a smart meter was installed in December 2009, her February 2010 bill was \$374.06. Ms P said her usage wasn't any different from usual. She also said the meter reading she'd obtained before the old meter was removed was different to the final read on the bill she received. While Ms P's retailer said the new smart meter was operating correctly, it didn't address her concerns about the meter readings. Responding to our investigation of Ms P's unresolved complaint, the retailer said that the reading taken when the old meter was removed was correct.

A photograph of the final read was obtained from the distributor. A review of it showed the meter's dials had been read incorrectly. As a result, Ms P had been charged for an extra 1,000 kWh. The retailer sent her a replacement bill for \$181.27. It also credited her account with \$50 in recognition of the error.

(C/2010/6273)

Customers, cases, issues continued

The people who sought our assistance, the cases and the trends, the underlying issues, the emerging issues, **the systemic issues**

The systemic issues

Our role

EWOV has a responsibility to identify systemic issues and potential compliance issues and, as appropriate, report these to relevant companies and regulators. Systemic issues can adversely affect large numbers of customers and/or particular customer groups, sometimes on an ongoing basis. Some customers contact us, but others don't. By being proactive about reporting potentially systemic issues, we can work with companies and regulators to bring about redress, reduce possible wider impact and minimise complaints.

Our role with respect to energy-related systemic issues is to identify them and report them to the relevant regulator for investigation and subsequent action. Until June 2011, this is the Essential Services Commission. It is due to be the Australian Energy Regulator from July 2011. Our role with respect to water-related systemic issues is to identify, investigate and seek redress for all affected customers and report the outcomes to the Victorian Department of Sustainability and Environment.

How we define an issue as systemic

An issue, problem or change in company policy or practice that affects, or has the potential to affect, a number of customers. The issue may be caused by, but is not limited to, one or more of the following: a system change, an alteration in performance levels (i.e. quality of supply, access to call centre), a policy or procedure change, a lack of policy/procedure, a lack of clear regulatory guidelines, regulatory non-compliance, the conduct of an energy or water provider's employee, agent, servant, officer or contractor or the action of a stakeholder (e.g. legislative or regulatory change leading to misunderstanding or misapplication of the change).

Systemic issues we investigated in 2009-10

- Concession details lost in the system (SI/2008/82)
- Refundable advances sought before other options (SI/2008/98)
- Double charging of climate saver rates (SI/2009/28)
- Merchant fee charged on standing offer (SI/2009/30)
- No way to work out basis of bill (SI/2009/32)
- Disconnection warning notices issued with incorrect dates (SI/2009/43)
- Merchant fee incorrectly applied (SI/2009/44)
- Disconnection notices showed wrong EWOV phone number (SI/2009/64)
- Administration fee on bills for standard solar contracts (SI/2009/67 and SI/2009/71)
- Billing delays for manually read interval meter (MRIM) customers (SI/2009/73)
- Apportioning water bills within large developments (SI/2009/45)
- High gas bills when multipliers were wrongly applied to bulk hot water meter readings (SI/2010/3)
- Climate saver rates not billed (SI/2010/7)
- Nominated financial institution accounts direct debited earlier than scheduled (SI/2010/5)
- EWOV phone number on South Australian bills (SI/2010/10)
- Manually read interval meter (MRIM) customers billed on time-of-use tariff regardless of prior tariff structure (SI/2010/16)
- Disconnection activity following arrears transferred between accounts (SI/2010/20)
- Programming issues with select PFIT (premium feed-in tariff) meters (SI/2009/23)

A closer look

For 10 years residential customers paid for all water used in the complex

A complaint was lodged with us from a residential owner in a large complex of residences, commercial premises, parking spaces and common property, which was subject to four owners' corporations.

Until mid-2000, each of the 214 residences had been individually metered and billed. After a failure of remote meter reading equipment, the metering set-up had been changed to two meters only.

Since July 2000, each residence in the development had received a bill for the same share of the development's total water use, but commercial properties hadn't been billed.

Following our investigation of this complaint, the water company agreed to make refunds to the affected residential customers.

We undertook a separate investigation with the water company on the potential systemic implications of the complaint for other complexes. We also informed the Department of Sustainability and Environment about our findings and raised the issue with the other metropolitan water companies.

(SI/2009/45)

You'll find a full case study of the complaint which led to our identification of this systemic issue on page 49.

Nominated bank accounts direct debited earlier than scheduled

We found that 496 customers had their nominated accounts direct debited earlier than they should have been. When we contacted the energy retailer, it said this had been an isolated event, and it was in the process of contacting the affected customers by phone or letter to advise them of the error and offer a refund by either funds transfer or cheque. It also said that the accounts of customers who weren't able to be reached were noted, such that next time they made contact with the retailer they'd be directed to someone who would advise them of the error. The retailer also agreed to refund bank dishonour fees incurred by the customers (up to \$100).

(SI/2010/5)

Administration fee on bills for standard solar contracts

We identified that some customers receiving solar bills had been charged a \$25 administration fee for their solar premium feed-in contracts.

The electricity retailer said it had taken a business decision to charge \$25 per billing cycle and that this was clearly stated in the contract terms and conditions.

We also identified that customers of another retailer had received solar bills that included a \$7.15 administration fee for their standard solar feed-in contracts.

That retailer said it had taken a business decision to apply the charge, this was clearly in its terms and conditions, and customers were specifically advised of the fee during the sign-up procedure.

We drew both of these administrative fees to the attention of the Department of Primary Industries.

The retailer originally charging \$25 dropped the fee to \$10 from May 2010.

The ESC reviewed the terms and conditions of the second retailer and found the \$7.15 fee to be fair and able to be charged.

(SI/2009/67 and SI/2009/71)

Disconnection activity following arrears transferred between accounts

We identified customers whose supply had been disconnected, or who had been subjected to disconnection activity, after arrears from a closed account were transferred to an active account.

The customer whose complaint alerted us to this practice had both her gas and electricity accounts with one retailer.

She switched her gas account to another retailer. While she continued to make payments towards the active electricity account, arrears on her closed gas account weren't paid.

Unable to recover the gas arrears, the retailer transferred them to the customer's electricity account and eventually disconnected her electricity supply because of the overdue gas arrears.

This is in breach of the *Energy Retail Code* and resulted in a wrongful disconnection payment to the customer of \$58,002.60.

The retailer advised that it had conducted training for staff who action requests relating to the manual transfer of arrears between gas and electricity accounts of the same customer — to make them aware that they couldn't do this without the customer's consent.

(SI/2010/20)

Electricity

In more detail, the electricity cases and trends

Case study – A kilo of difference: watt hours billed as kilowatt hours

28,843 customers contacted us for assistance with electricity issues, 11% more than in 2008-09.

92% were residential and 8% business.

We received 26,268 electricity complaints, 7% more than in 2008-09.

We investigated 5,361 electricity complaints, 9% more than in 2008-09.

44% of the issues raised by electricity customers were about Billing, with high bills and billing errors topping the list. Customer Service followed at 15%, particularly poor service. Credit issues followed at 14%.

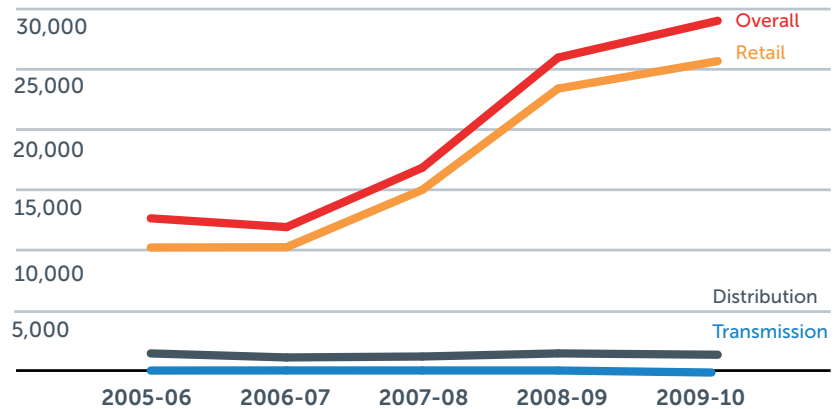
Because Credit issues are essentially about customer capacity to pay bills and stay on supply, its elevation into the top three electricity issues is of concern. In 2005-06, after the introduction of the wrongful disconnection payment in December 2004, we received 166 electricity cases about actual disconnection and 361 about imminent disconnection. In 2009-10, five years later, actual disconnection cases were up 314% to 688 and cases about imminent disconnection were up 146% to 806. In the first six months of 2010, cases about actual disconnection doubled. We believe this reflects two trends – increasing customer financial hardship

and decisions by some retailers to recover debt by disconnection action, where they may not have done so in the past. Customer financial hardship linked to energy disconnection is a re-emerging issue. We discuss it further on page 33.

Technology is certainly changing the way the electricity industry operates. 2009-10 saw the start of the rollout of smart meters to residential customers across Victoria. All households are expected to have one by 2013. Already customers are contacting us, seeking information about these meters and with complaints about higher than expected bills, tariff changes and meter charges. Solar installations are being promoted widely and some customers who've installed them are raising a range of billing problems in particular. These emerging issues are explored in more detail on page 34.

At 30 June 2010, 21 retailers, 5 distributors and 2 transmission companies were electricity participants in the EWOV scheme. All Victorian electricity customers can choose their electricity retailer. Customers can't choose their electricity distributor, because each of the five distributors owns the 'poles and wires' network in a specific part of the state.

Fig 19: Trends in electricity cases



	2005-06	2006-07	2007-08	2008-09	2009-10
Overall	12,633	11,904	16,828	25,968	28,843
Retail	10,214	10,236	14,994	23,398	25,535
Distribution	1,423	1,089	1,166	1,423	1,463
Transmission	3	11	9	6	4

Fig 20: Electricity cases received and finalised in 2009-10

	CUSTOMERS	OVERALL CASES		ENQUIRIES	TOTAL COMPLAINTS	COMPLAINTS			
		2009-10	2008-09			investigated complaints	assisted referrals	unassisted referrals	complaint investigations finalised
RETAIL									
	bandwidth ^								
AGL Sales	☺☺☺	7,418	10,304	228	7,190	1,970	3,536	1,684	2,030
Aurora Energy	☺	5	4	2	3	0	0	3	0
Australian Power & Gas	☺	826	455	58	768	136	411	221	128
Click Energy	☺	35	22	2	33	11	14	8	13
Country Energy	☺	183	266	9	174	26	92	56	26
Dodo Power & Gas	☺	0	1	0	0	0	0	0	0
EnergyAustralia	☺	434	157	36	398	37	223	138	35
Energy One	☺	1	1	0	1	0	0	1	0
Integral Energy	☺	4	7	2	2	0	0	2	0
Jackgreen *	☺	86	72	13	73	3	11	59	10
Lumo Energy #	☺	3,873	1,878	142	3,731	770	2,070	891	694
Momentum Energy	☺	71	55	6	65	15	29	21	14
Neighbourhood Energy	☺	455	829	14	441	91	234	116	81
Origin Energy	☺☺☺	5,044	4,437	333	4,711	812	2,572	1,327	785
Powerdirect	☺	358	248	22	336	84	165	87	74
Powerdirect Australia	☺	2	0	0	2	0	0	2	0
Red Energy	☺	869	745	45	824	149	416	259	126
Simply Energy	☺	2,412	1,337	106	2,306	408	1,366	532	413
Sun Retail (Origin)	☺	0	0	0	0	0	0	0	0
TRUenergy	☺☺☺	3,459	2,580	170	3,289	653	1,683	953	613
TOTAL RETAIL		25,535	23,398	1,188	24,347	5,165	12,822	6,360	5,042
DISTRIBUTION									
	per cent ~								
CitiPower	12%	94	79	5	89	12	29	48	10
Jemena Electricity Networks	12%	250	149	10	240	25	117	98	27
Powercor Australia	27%	340	343	11	329	44	129	156	42
SP AusNet	24%	478	397	18	460	70	190	200	68
United Energy Distribution **	25%	301	455	15	286	45	132	109	46
TOTAL DISTRIBUTION		1,463	1,423	59	1,404	196	597	611	193
TRANSMISSION									
Basslink		0	0	0	0	0	0	0	0
SP AusNet		4	6	0	4	0	2	2	0
TOTAL TRANSMISSION		4	6	0	4	0	2	2	0
NON COMPANY SPECIFIC									
Non company specific		1,841	1,141	1,328	513	0	0	513	
ELECTRICITY TOTALS		28,843	25,968	2,575	26,268	5,361	13,421	7,486	5,235

NOTES:

Some of the complaints which were investigated and finalised were received prior to July 2009.

134 electricity investigations were upgraded to Stage 2 during the year, 595 were upgraded to Stage 3 and 137 were upgraded to Final Stage.

* Jackgreen went into voluntary administration on 18 December 2009. Its customers were transferred to default retailers from midnight that night.

Lumo Energy was formerly known as Victoria Electricity.

**Jemena is the prime contractor for United Energy Distribution.

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

^ Customer bandwidths: ☺ denotes less than 250,000 customers at 30 June 2010; ☺☺ 250,001 - 500,000 customers; ☺☺☺ 500,001 - 750,000 customers.

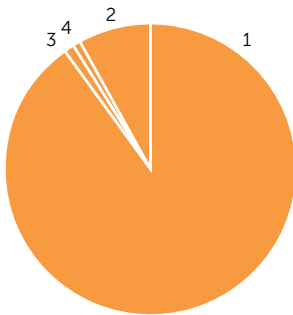
This is based on information provided to EWOV by each retailer.

~ Electricity distributors' customer shares are based on 2008 customer numbers in the Australian Energy Regulator's (AER's) *Victorian Electricity Distribution Businesses - Comparative Performance Report 2008* (November 2009).

Fig 21: Time we spent, on average, on each type of electricity case

	number of cases	minutes
Enquiry	2,575	10
Unassisted referral	7,485	18
Assisted referral	13,421	24
Stage 1 complaint	1,896	125
Stage 2 complaint	2,749	282
Stage 3 complaint	470	447
Final Stage complaint	120	726

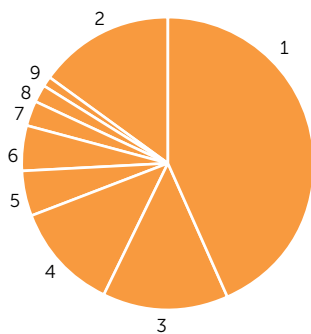
Fig 22: Electricity customers who contacted us



	number of customers	%
1 Residential	26,445	92
2 Business	2,330	8
3 Not-for-profit	55	< 1
4 Government	13	< 1
Total	28,843	

Fig 23: Issues electricity customers raised

The 28,843 electricity cases raised 46,935 issues



	number of issues	%
1 Billing	20,543	44
2 Customer service	6,892	15
3 Credit	6,501	14
4 Transfer	5,408	12
5 Marketing	2,411	5
6 Provision	2,220	5
7 General enquiry	1,587	3
8 Supply	1,023	2
9 Land	350	< 1
Total	46,935	

CASE STUDY

A kilo of difference: watt hours billed as kilowatt hours

The experience of this customer highlights how easily a high bill can be generated and how hard it can be to sort out why it's high.

The issue

Mr F received a \$7,000 bill for electricity to a shed where he was running only a mini bar fridge. The shed had no lights and was used for storing furniture. After having electricity connected to the shed in October 2008, he received his first bill in July 2009 – \$7,000 for some seven months from October 2008 to mid-May 2009. His next bill was \$50, for the three months from mid-May 2009 to mid-August 2009. Mr F thought the bills were based on estimated meter readings.

The investigation

The retailer insisted Mr F's bill was correct and went to some lengths to demonstrate that. It advised that its bills were based on high quality actual consumption data provided by the local electricity distributor. It provided an account reconciliation. It confirmed Mr F had a manually read interval meter (MRIM), that he was being billed for the correct meter number, and that he was on its "Residential Weekend Saver" tariff which accommodated off peak. It said its billing was in accordance with the *Energy Retail Code*. It also noted that Mr F's usage had spiked on a number of days in late 2008 and early 2009, but could find no explanation for this.

A meter test undertaken at Mr F's cost showed there was no fault with the meter, but the reading taken at that time showed usage of 140 kilowatt hours (kWh). This contrasted with the first bill Mr F received, which showed usage of 26,000 kWh.

Pending its receipt of a file of information from the metering data provider, the retailer offered Mr F a 12 month payment plan to pay the outstanding \$7,188.58 off, in monthly instalments of \$599.04.

Once received, the retailer provided the file to us, noting that it reflected actual data obtained from the interval meter, showed unusual spikes of consumption which it speculated were due to appliance usage or faults, and confirmed its billing of Mr F's usage.

We used the data in this file to recalculate Mr F's bill arriving at a much lower amount. We also identified that the metering data provider usage data was in watt hours, not kilowatt hours. We put it to the retailer that it had billed Mr F's watt hours usage as kilowatt hours usage.

The retailer subsequently confirmed our finding. It advised that the basis of its billing was kilowatt hours. Data the distributor sent to it in watts should have been automatically converted through the retailer's computer system into kilowatts. In Mr F's case, a system fault meant it wasn't. The retailer said it hadn't encountered the problem before and it was seeking a solution.

The outcome

The complaint was resolved when the retailer apologised and confirmed it had billed Mr F incorrectly. It provided him with a revised bill and full account reconciliation. It waived \$201.81 in meter reading and meter testing fees he'd been charged and applied a \$50 customer service credit to his account. This left a balance of \$223.40 which, in line with the backbilling provisions of the *Energy Retail Code*, Mr F was given nine months to pay.

(C/2009/25632)

Gas

In more detail, the gas cases and trends

Case study – Beware: meters don't all record usage the same way

10,594 customers contacted us for assistance with gas issues, 3% more than in 2008-09.

98% were residential and 2% business.

We received 10,096 gas complaints, 1% more than in 2008-09.

We investigated 2,255 gas complaints, 7% more than in 2008-09.

37% of the issues raised by gas customers were about Billing, with billing errors and high bills topping the list. Billing issues fell 12% though, after a 95% increase in 2008-09.

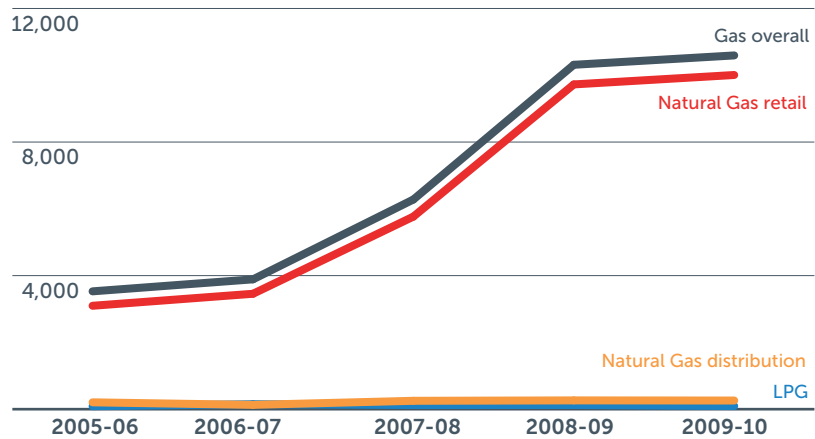
Credit issues followed at 20% of all issues — these are essentially about a customer's capacity to pay their gas bills and stay on supply. The elevation of Credit to the second most common gas issue raises concerns. In 2005-06 (after the introduction of the wrongful disconnection payment in December 2004), we received 167 gas cases about actual disconnection and 118 about imminent disconnection.

In full year 2009-10, five years later, actual disconnection cases were up 346% to 744 and cases about imminent disconnection were up 146% to 290. Customer financial hardship linked to energy disconnection is a re-emerging issue and we discuss it further on page 33.

17% of the issues raised by gas customers were about Transfer, which is the process of switching gas retailer. Customers raising Transfer issues most commonly complained about contract terms and transfer in error.

At 30 June 2010, 10 natural gas retailers, 4 natural gas distributors and 5 liquefied petroleum gas (LPG) retailers were gas participants in the EWOV scheme. All Victorians can choose their natural gas retailer. They can't choose their natural gas distributor, because the distributors each own the network of pipes in a specific part of the state. Customers using LPG at home, or in their business, can choose to purchase it from LPG retailers or resellers operating in their area. Our jurisdiction extends only to LPG retailers.

Fig 24: Trends in gas cases



	2005-06	2006-07	2007-08	2008-09	2009-10
Overall	3,529	3,888	6,278	10,314	10,594
Natural gas retail	3,097	3,456	5,767	9,726	10,008
Natural gas distribution	205	129	251	263	259
LPG	89	149	124	125	93

Fig 25: Gas cases received and finalised in 2009-10

	CUSTOMERS	OVERALL CASES		ENQUIRIES	TOTAL COMPLAINTS	COMPLAINTS			
		2009-10	2008-09			investigated complaints	assisted referrals	unassisted referrals	complaint investigations finalised
RETAIL									
	bandwidth ^								
AGL Sales	☺☺	3,497	5,467	60	3,437	946	1,734	757	977
AGL Sales Qld	☺	0	0	0	0	0	0	0	0
Australian Power & Gas	☺	390	194	10	380	76	222	82	74
EnergyAustralia	☺	178	63	4	174	12	111	51	13
Lumo Energy #	☺	1,604	580	28	1,576	391	882	303	362
Origin Energy	☺☺☺	1,688	1,806	91	1,597	302	875	420	295
Red Energy	☺	260	194	7	253	45	137	71	35
Simply Energy	☺	1,023	479	30	993	188	592	213	189
TRUenergy	☺☺☺	1,368	943	58	1,310	249	699	362	246
TOTAL NATURAL GAS RETAIL		10,008	9,726	288	9,720	2,209	5,252	2,259	2,191
NATURAL GAS DISTRIBUTION									
	per cent ~								
Envestra	31%	58	50	14	44	2	22	20	1
Multinet Gas	38%	101	86	9	92	13	42	37	12
SP AusNet	32%	100	127	7	93	15	36	42	15
TOTAL NATURAL GAS DISTRIBUTION		259	263	30	229	30	100	99	28
NON COMPANY SPECIFIC									
Natural gas		222	187	168	54	0	0	54	
LPG		12	13	3	9	0	0	9	
LPG (RETAILER SPECIFIC)									
Elgas		64	57	6	58	15	17	26	15
Kleenheat		22	63	2	20	1	8	11	1
Origin Energy LPG		5	2	1	4	0	3	1	0
Powergas		0	1	0	0	0	0	0	0
Supagas		2	2	0	2	0	0	2	0
TOTAL LPG (RETAILER SPECIFIC)		93	125	9	84	16	28	40	16
GAS TOTALS		10,594	10,314	498	10,096	2,255	5,380	2,461	2,235

NOTES:

Some of the complaints which were investigated and finalised were received prior to July 2009.

53 gas investigations were upgraded to Stage 2 during the year, 219 Investigations were upgraded to Stage 3 and 49 were upgraded to Final Stage.

Lumo Energy was formerly known as Victoria Electricity.

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

^ Customer bandwidths: ☺ denotes less than 250,000 customers at 30 June 2010; ☺☺ 250,001 - 500,000 customers; ☺☺☺ 500,001 - 750,000 customers.

This is based on information provided to EWOV by each natural gas retailer. LPG customer numbers are not currently available.

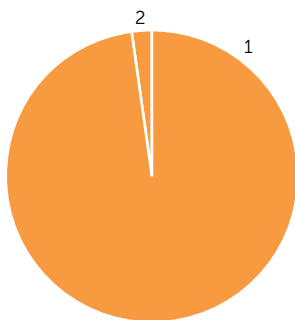
~ Natural gas distributors' customer shares are based on 2008 customer numbers in the Australian Energy Regulator's (AER's) *Victorian Gas Distribution Businesses – Comparative Performance Report 2008* (May 2010).

Percentages are rounded to the nearest whole number and may not add to 100%.

Fig 26: Time we spent, on average, on each type of gas case

	number of cases	minutes
Enquiry	498	11
Unassisted referral	2,461	19
Assisted referral	5,379	24
Stage 1 complaint	956	117
Stage 2 complaint	1,074	244
Stage 3 complaint	160	374
Final Stage complaint	45	482

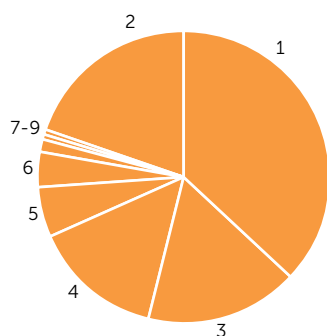
Fig 27: Gas customers who contacted us



	number of customers	%
1 Residential	10,337	98
2 Business	245	2
3 Not-for-profit	9	< 1
4 Government	3	< 1
Total	10,594	

Fig 28: Issues gas customers raised

The 10,594 gas cases raised 17,589 issues



	number of issues	%
1 Billing	6,542	37
2 Credit	3,440	20
3 Transfer	2,942	17
4 Customer service	2,567	15
5 Marketing	971	6
6 Provision	700	4
7 General enquiry	217	1
8 Supply	123	< 1
9 Land	87	< 1
Total	17,589	

CASE STUDY

Beware: meters don't all record usage the same way

There are several types of meters and they don't all work the same way — the unit displayed on the meter dial (or face) isn't always a one-to-one representation of the energy or water used at the property. Customers who receive a significantly higher bill after a meter is exchanged should ask their retailer to check whether a 'multiplier' is, or was, being applied — and whether that is being done correctly.

The issue

Ms J's bulk hot water bills were around \$30, so she was very surprised to receive a May – July 2009 bill for \$571.52 and a July – September 2009 bill for \$323.

Ms J lives in a high rise government flat, with her hot water supplied through a central bulk hot water system heated by gas. A water meter measures the amount of hot water used by her flat. The gas retailer then sets a 'price' on that hot water by reference to the cost of the gas used to heat the water.

In January 2010, after Ms J received a disconnection warning notice seeking payment of some \$416 within 24 hours, she contacted EWOV. She said the most she could afford to pay would be about \$20 a fortnight.

When she contacted us, Ms J said she'd tried several times to resolve the issue of her unexpectedly high bills with her gas retailer. She said that, at one point, the retailer told her it would check the meters in her building, but this didn't happen.

The investigation

Contacted by us, Ms J's retailer agreed that the bills were unusually high. It also detected that the increase occurred after the bulk hot water meter was exchanged in May 2009. The retailer arranged a meter test.

Based on our experience of meter exchanges leading to high bills, we suspected the meter exchange may have caused a problem. We asked the retailer whether it was applying an incorrect multiplier to the water meter reads.

The retailer looked into this aspect and found it had continued to apply a multiplier to the reads taken from the new water meter, when this was no longer necessary. The old meter had measured a tenth of the water actually used, so Ms J's meter readings needed to be multiplied by 10 to work out her actual usage. As the new bulk hot water meter installed in May 2009 measured her actual one-to-one usage in litres, the meter readings no longer needed to be multiplied by 10 to calculate her water use.

The outcome

The retailer apologised to Ms J, re-issued her bills and applied a customer service credit of \$45.58, leaving her account with a nil balance.

As Ms J lives in a multi-unit Department of Housing dwelling, this issue may have affected many more customers. We're having discussions with the retailer concerned about the potential systemic implications.

(G/2010/266)

Water

In more detail, the water cases and trends

Case study – Over \$300,000 refunded to over 200 residential customers

1,876 customers contacted us for assistance with water issues, 22% more than in 2008-09.

90% were residential and 9% business.

We received 1,655 water complaints, 22% more than in 2008-09.

Complaints about rural water companies increased 81% from 90 to 163. Metropolitan complaints were up 18% and regional urban complaints were up 26%.

We investigated 255 water complaints. While complaint investigations are low in comparison with those for electricity and gas, they were up 42% from 2008-09.

At 30 June 2010, 3 metropolitan retailers, 1 metropolitan wholesaler, 11 regional urban water corporations, 2 rural water corporations and 2 rural urban water corporations were water participants in the EWOV scheme. Victoria's water companies are state government-owned corporations. They operate in five sectors. All, except the metropolitan wholesaler, have both retail/billing and distribution/supply functions.

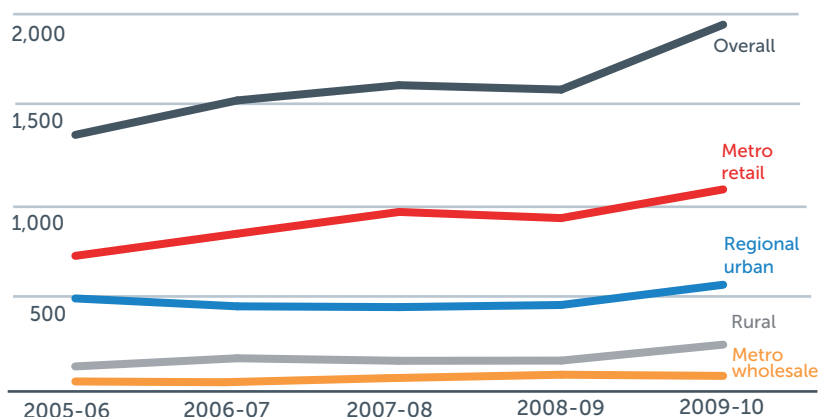
49% of the issues raised by water customers were about Billing. For metropolitan water customers, it was high bills. For customers in regional and rural areas, it was fees and charges (particularly non-usage service and sewage disposal charges).

The issues of Customer Service, Land and Supply all followed at 10% each.

While the issue of Credit ranked fifth overall in water, and our cases about restriction of water supply remain low (see Figure 18 on page 33), it's noteworthy that water credit issues increased 52%.

Payment difficulties among water customers are becoming more evident – though, in our experience, water companies are generally better than energy companies at providing assistance to customers facing financial hardship.

Fig 29: Trends in water cases



	2005-06	2006-07	2007-08	2008-09	2009-10
Overall	1,304	1,483	1,562	1,539	1,876
Metropolitan retail	676	791	904	872	1,021
Metropolitan wholesale	24	20	41	59	53
Regional urban	455	414	410	421	526
Rural	68	110	97	98	180

Fig 30: Water cases received and finalised in 2009-10

	CUSTOMERS	OVERALL CASES		ENQUIRIES	TOTAL COMPLAINTS	COMPLAINTS			
		2009-10	2008-09			investigated complaints	assisted referrals	unassisted referrals	complaint investigations finalised
METROPOLITAN RETAIL (sector share)									
City West Water	20%	354	314	43	311	44	95	172	45
South East Water	39%	298	240	31	267	41	104	122	42
Yarra Valley Water	41%	369	318	28	341	55	146	140	55
TOTAL METROPOLITAN RETAIL		1,021	872	102	919	140	345	434	142
METROPOLITAN WHOLESALE									
Melbourne Water		53	59	3	50	12	15	23	8
REGIONAL URBAN									
Barwon Water	21%	88	81	9	79	16	18	45	15
Central Highlands Water	10%	50	32	2	48	6	19	23	5
Coliban Water	11%	55	26	4	51	9	22	20	9
East Gippsland Water	3%	14	17	1	13	2	5	6	1
Gippsland Water	10%	70	33	1	69	8	29	32	6
Goulburn Valley Water	9%	54	41	9	45	6	12	27	8
Grampians Wimmera Mallee Water	5%	20	13	0	20	6	7	7	4
Lower Murray Water	5%	15	13	1	14	3	2	9	3
North East Water	7%	21	24	4	17	3	5	9	2
South Gippsland Water	3%	16	13	1	15	3	3	9	4
Wannon Water	7%	44	47	6	38	8	19	11	7
Western Water	8%	48	50	4	44	3	18	23	4
Westernport Water	2%	31	31	3	28	2	10	16	1
TOTAL REGIONAL URBAN WATER		526	421	45	481	75	169	237	69
RURAL									
Goulburn-Murray Water	55%	106	50	7	99	16	39	44	11
Grampians Wimmera Mallee Water	13%	48	30	8	40	7	14	19	6
Lower Murray Water	12%	11	9	1	10	2	2	6	2
Southern Rural Water	21%	15	9	1	14	3	5	6	2
TOTAL RURAL WATER		180	98	17	163	28	60	75	21
NON COMPANY SPECIFIC									
Non company specific		96	89	54	42	0	0	42	
TOTALS		1,876	1,539	221	1,655	255	589	811	240

NOTES:

Some of the complaints which were investigated and finalised were received prior to July 2009.

1 water investigation was upgraded to Stage 2 during the year, 14 were upgraded to Stage 3 and none were upgraded to Final Stage.

Urban water companies' sector shares are based on the water customer numbers in the Essential Services Commission's (ESC's) *Water Performance Report – Performance of Urban Water and Sewerage Businesses 2008-09* (April 2010).

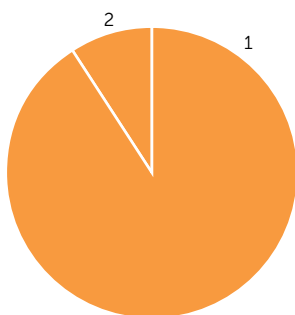
Rural water companies' sector shares are based on customer numbers provided by each company.

Percentages are rounded to the nearest whole number and may not add to 100%.

Fig 31: Time we spent, on average, on each type of water case

	number of cases	minutes
Enquiry	221	12
Unassisted referral	811	21
Assisted referral	589	28
Stage 1 complaint	76	141
Stage 2 complaint	151	410
Stage 3 complaint	13	901
Final Stage complaint	0	N/A

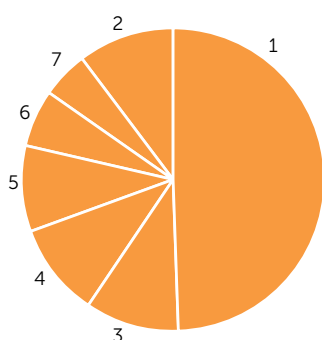
Fig 32: Water customers who contacted us



	number of customers	%
1 Residential	1,682	90
2 Business	177	9
3 Not-for-profit	15	< 1
4 Government	2	< 1
Total	1,876	

Fig 33: Issues water customers raised

The 1,876 water cases raised 2,598 issues



	number of issues	%
1 Billing	1,281	49
2 Customer service	272	10
3 Land	256	10
4 Supply	250	10
5 Credit	233	9
6 Provision	164	6
7 General enquiry	142	5
Total	2,598	

CASE STUDY

Over \$300,000 refunded to over 200 residential customers

This complaint affected customers in a multi-purpose complex. For 10 years, one group of customers had been carrying the water costs of the whole complex. In this case, the total conciliated value was \$304,257.65, excluding any refunds to former residents. As noted on page 36, this complaint also raised systemic issues.

The issue

Mr V represented one of four owners' corporations in a large complex of residences, commercial premises, parking spaces and common property. His owners' corporation of 214 residential units had overarching management rights of all lots and common property. He said that each apartment used to be billed separately based on its own remotely read meter. In 2000, the remotely read meter system failed and the owners decided not to replace it, nor repair it.

Since July 2000, each residential apartment had been billed an equal share of all water used in the complex. Water bills for residents increased, while commercial properties weren't billed. Mr V said the water company couldn't tell him who had authorised the change in billing. It suggested he install a check meter to calculate the residential/commercial usage mix and, based on this, occupants would be re-billed. Mr V did this, calculating that the commercial properties used about 50% of all water. When he sent the information to the water company, he was told it couldn't re-bill or change the billing arrangements.

The investigation

The water company said it had apportioned usage in line with Section 24(2) (a) of the *Water Industry Act 1994* (Vic) (the Act), which states: "Instead of requiring an owners' corporation to pay a water usage charge or sewage disposal charge, a licensee may apportion the amount for which the owners' corporation would otherwise be liable between the lots affected by it, on the basis of the number of lots affected by it."

It said it believed it could bill evenly between the affected lots, following a 'written directive' requesting it to do so — in this case an owner's corporation letter received in July 2000 — but couldn't produce a copy of that letter.

We reviewed the provisions for apportionment of water consumption under Sections 24 (1), (2) and (3) of the Act and identified three billing options:

- bill each lot according to lot liability (as stated on the subdivision plans)
- bill each lot an equal share of the total usage
- bill total usage to the owners' corporation.

Our investigation concluded that the water company hadn't complied with any of these options, so hadn't complied with the Act. We also found no scope in the Act to 'mix and match' billing methods based on 'written directives' from customers — particularly where the directive didn't include all affected lots.

Having arrived at our view, we met with representatives of the water company, including its in-house legal counsel. The company disputed our interpretation of the Act but, after careful consideration, agreed that the method of bill-splitting dating back to July 2000 was incorrect.

While it was important to address the incorrect billing since July 2000, it was also important to set an approach for future billing. We arranged a site visit attended by company and customer representatives to better understand the situation.

It turned out that separating the usage of the individual lots between the four owners' corporations wasn't possible. Under section 24(7) of the Act, a water company may treat one of the owners' corporations as being the only owners' corporation for the subdivision and bill that owners' corporation for all water usage. That owners' corporation then apportions the amount between all the lots in the subdivision. As the owners' corporation Mr V represented was the only one which managed all lots and common property, the most straightforward option was for it to be selected for the purposes of billing, as under section 24(7) (a).

However, this was a matter for the four owners' corporations. Mr V said it would be discussed at the next General Meeting, with the water company to be advised where future bills should be directed

The outcome

The water company refunded existing residents all overcharges between July 2000 and February 2010 — all up, 201 residents had been overcharged \$301,863.02, while 13 residents had been undercharged \$2,394.63. The overcharges were credited back to residents' accounts according to how long they had lived there. The undercharges weren't pursued. All residents were sent an explanatory letter, reviewed by us. Mr V was very satisfied with the outcome of our investigation.

(W/2009/1064)

Financial statements

Statement of Comprehensive Income

For the year ended 30 June 2010

	2010	2009
	\$	\$
Revenue	11,963,669	8,281,684
Employee benefits expense	(6,893,010)	(5,760,195)
Depreciation and amortisation expense	(573,934)	(243,550)
Loss on disposal of plant and equipment	(949)	(2,879)
Rental expense	(393,537)	(394,148)
Administration expenses	(850,738)	(865,142)
Consultancy expenses	(555,068)	(456,661)
Marketing expenses	(83,110)	(108,298)
Training & development	(263,414)	(122,442)
Office lease make good obligations	(200,000)	-
Bad debts written off	(10,411)	-
Surplus before income tax expense	2,139,498	328,369
Income tax expense	-	-
Surplus for the year	2,139,498	328,369
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	2,139,498	328,369

Statement of Financial Position

As at 30 June 2010

	2010 \$	2009 \$
Current Assets		
Cash and cash equivalents	8,834,196	4,948,623
Trade and other receivables	7,370	9,273
Other	80,879	44,007
Total Current Assets	8,922,445	5,001,903
Non-Current Assets		
Plant and equipment	656,468	845,360
Total Non-Current Assets	656,468	845,360
Total Assets	9,578,913	5,847,263
Current Liabilities		
Trade and other payables	5,447,088	4,234,460
Provisions	663,367	316,607
Total Current Liabilities	6,110,455	4,551,067
Non-Current Liabilities		
Provisions	94,796	62,032
Total Non- Current Liabilities	94,796	62,032
Total Liabilities	6,205,251	4,613,099
Net Assets	3,373,662	1,234,164
Members' Equity		
Retained surplus	3,373,662	1,234,164
Total Members' Equity	3,373,662	1,234,164

Financial Statements continued

Statement of Cash Flows

For the year ended 30 June 2010

	2010	2009
	\$	\$
Cash Flows from Operating Activities		
Levy receipts from Members (inclusive of goods and services tax)	13,533,517	12,516,412
Payments to suppliers and employees (inclusive of goods and services tax)	(9,544,699)	(8,488,011)
Interest received and other income	282,746	161,037
Net cash inflow from operating activities	4,271,564	4,189,438
Cash Flows from Investing Activities		
Payments for plant and equipment	(386,545)	(598,239)
Proceeds from sale of assets	554	-
Net cash outflow from investing activities	(385,991)	(598,239)
Net increase in cash and cash equivalents	3,885,573	3,591,199
Cash and cash equivalents at the beginning of the Financial Year	4,948,623	1,357,424
Cash and cash equivalents at the end of the Financial Year	8,834,196	4,948,623

Acronyms used in this report

ACCC – Australian Competition and Consumer Commission

ADR – alternative dispute resolution

AER – Australian Energy Regulator

ANZEWO – Australia & New Zealand Energy and Water Ombudsman Network

ANZOA – Australian and New Zealand Ombudsman Association

CAV – Consumer Affairs Victoria

EDR – external dispute resolution

ESC – Essential Services Commission

EWOV – Energy and Water Ombudsman (Victoria)

IDR – internal dispute resolution

KPI – key performance indicator

LPG – liquefied petroleum gas (also known as bottled gas)

MRIM – manually read interval meters

WDP – wrongful disconnection payment



integrity

excellence

quality

We are impartial and empathetic.

We have high standards, and actively seek ways to improve.

we promote and protect our independence

fairness
in our dealings and approach

excellence

Contacting us

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

For calls from restricted phone services — ring 12550 (Telstra reverse charges) and ask for (03) 8672 4450 — EWOV will accept the reverse charges and the call cost. Calls from mobile phones may attract charges — we can ring you back.

Freecall:	1800 500 509
Freefax:	1800 500 549
Interpreter service:	131 450
National Relay Service:	133 677
Email:	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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