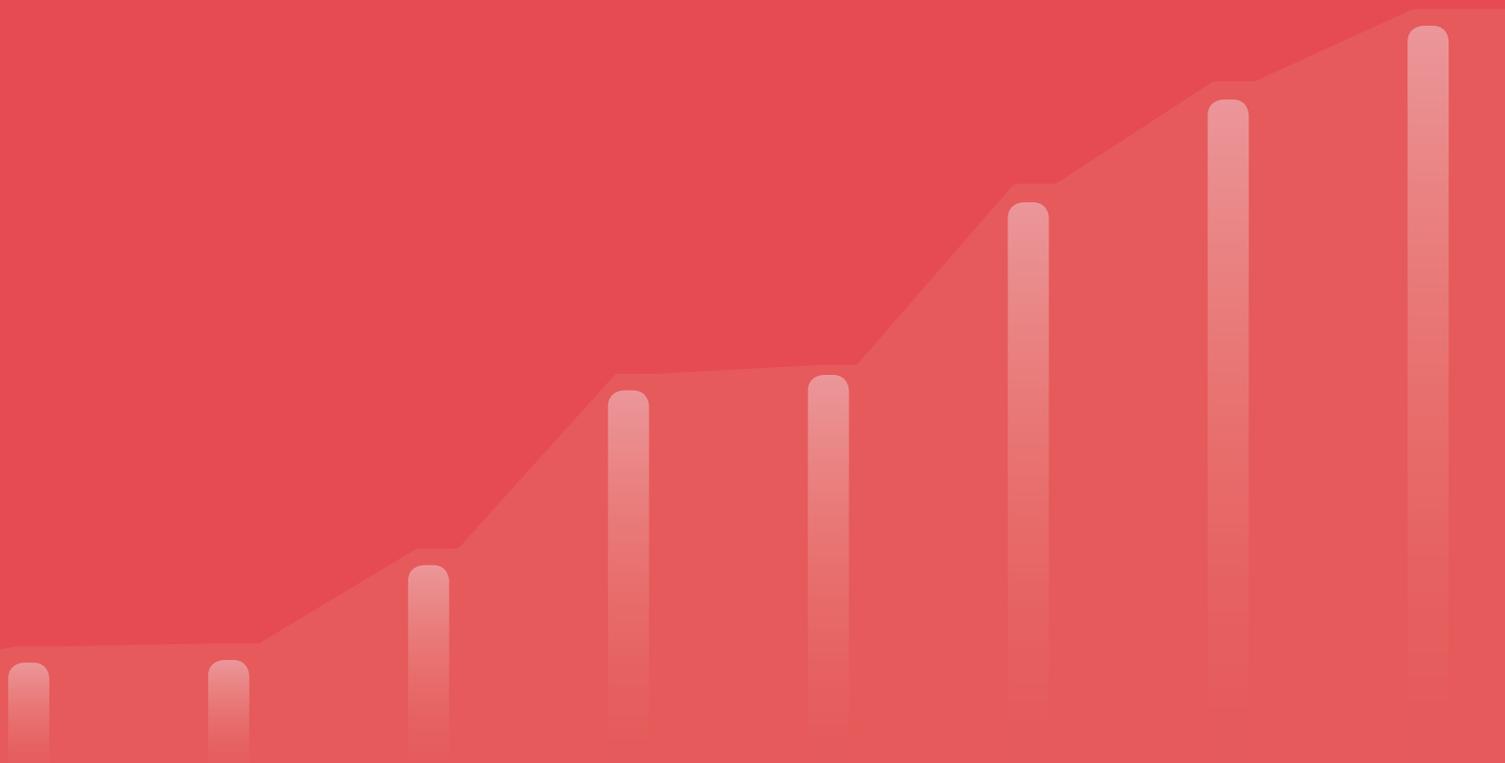


EWOV ANNUAL REPORT

2014



ENERGY AND WATER
OMBUDSMAN
Victoria Listen Assist Resolve

Who we are, what we do

The Energy and Water Ombudsman (Victoria) (EWOV) is an external dispute resolution scheme, set up in late 1995 as Australia's first electricity Ombudsman. Operating on an industry-based Ombudsman model, EWOV is completely independent of its industry, consumer, government and regulatory stakeholders.

We deal with most sources of disagreement between customers and energy and water companies — including the provision and supply of a service, the failure to provide or supply a service, billing, credit, payment arrangements, disconnection and restriction, marketing, transfer, poles, wires, pipes, meters, vegetation management and land. To 30 June 2014, we had handled over 500,000 cases from energy and water customers, mostly residential.

Using alternative dispute resolution processes, we work to achieve efficient and fair resolution of complaints as early as possible. We don't take sides and our staff aren't advocates. Our role is to reach fair and reasonable outcomes, having regard to good industry practice and the law.

From the cases we receive, we identify potential systemic issues and, as appropriate, report these to the relevant energy or water company and industry regulator. We put information about energy and water complaints, issues and trends into the public arena. 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 (National Benchmarks)* 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.

Our guiding principles

Independence: impartial complaint resolution, not advocacy

Access: ready access for individual consumers

Equity: fairness to all parties

Quality: highest professional standards

Effectiveness: high calibre people, supported by training and technology

Efficiency: optimal resource use

Community awareness: community awareness building

Linkages: effective stakeholder links and working relationships

Our vision

EWOV will provide a wholly impartial and highly esteemed dispute resolution service for Victorian energy and water consumers and our scheme participants. The strength of our stakeholder relationships is paramount and our scheme will be respected by customers, energy and water companies, consumer groups, regulators and government. We will be an employer of choice.

Our mission

We will achieve our vision by:

- persistently maintaining our independence and high professional standards
- living our cultural values
- continually evolving as an organisation to implement the most effective and efficient processes
- continuously benchmarking our performance against world's best practice
- ensuring consumer awareness of their rights and responsibilities
- enhancing customer capability and knowledge
- remaining vigilant of, and responsive to, changes within the industry landscape for any impact on EWOV
- assisting energy and water companies to generate the sustainable resolution of complaints
- recognising that our staff remain the heart of our scheme and providing them with support, encouragement and the environment to succeed.

About this report

This *Annual Report*, for the financial year 1 July 2013 – 30 June 2014, is prepared and distributed in accordance with the Ombudsman's responsibilities under the *EWOV Charter* and the *National Benchmarks*.

Guide to this year's report

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Snapshots of 2013-14

The cases

CASES RECEIVED OVER TIME



84,758

cases

up 10% from 2012-13

82,164

complaints

up 10% from 2012-13

2,594

Enquiries

up 11 cases from 2012-13

18,065

credit cases

up 48% from 2012-13

42,926

billing cases

up 5% from 2012-13



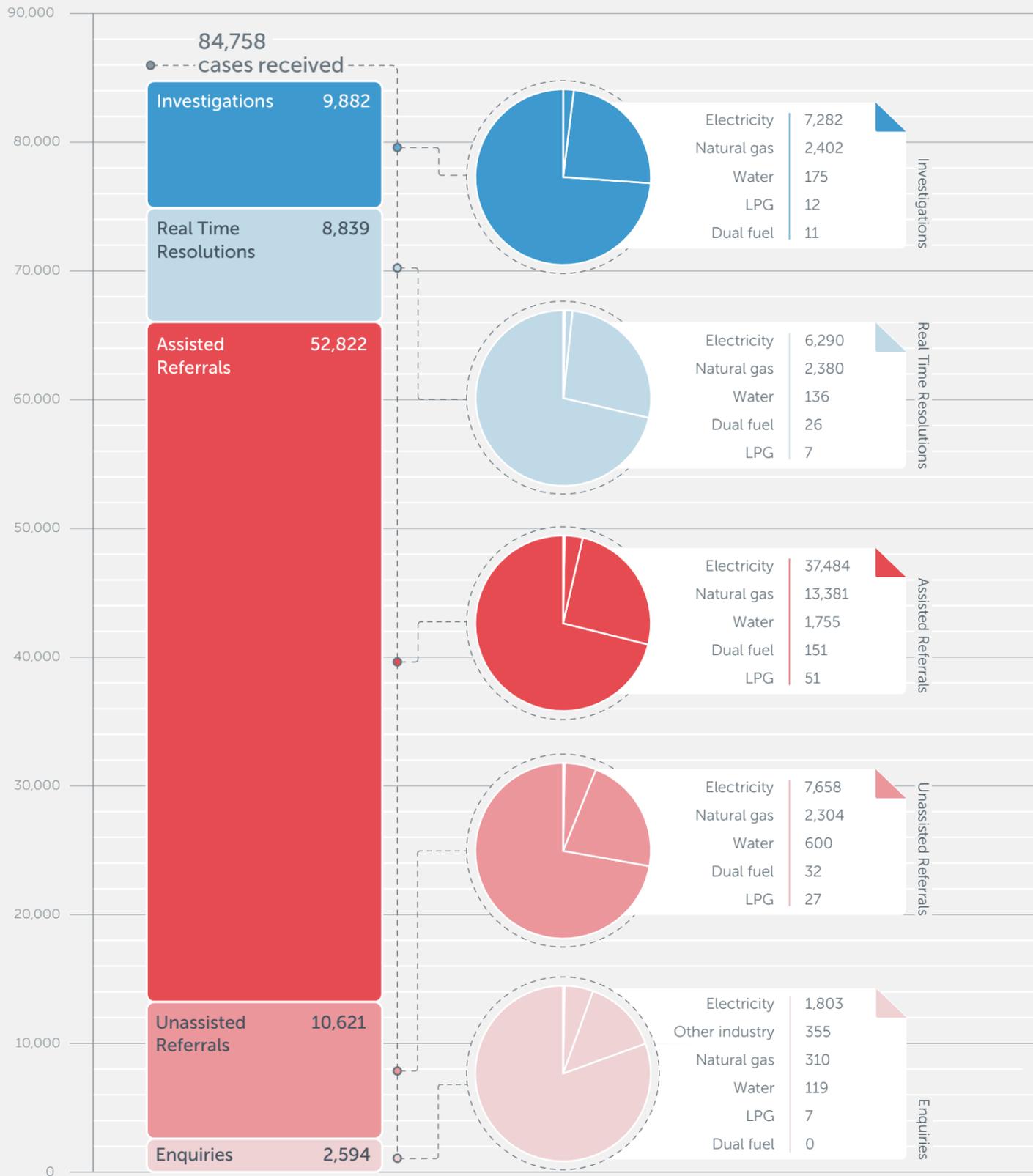
We handled 84,758 cases – 339 on average every working day.

Scan here using your smart phone to view an interactive version of this graph

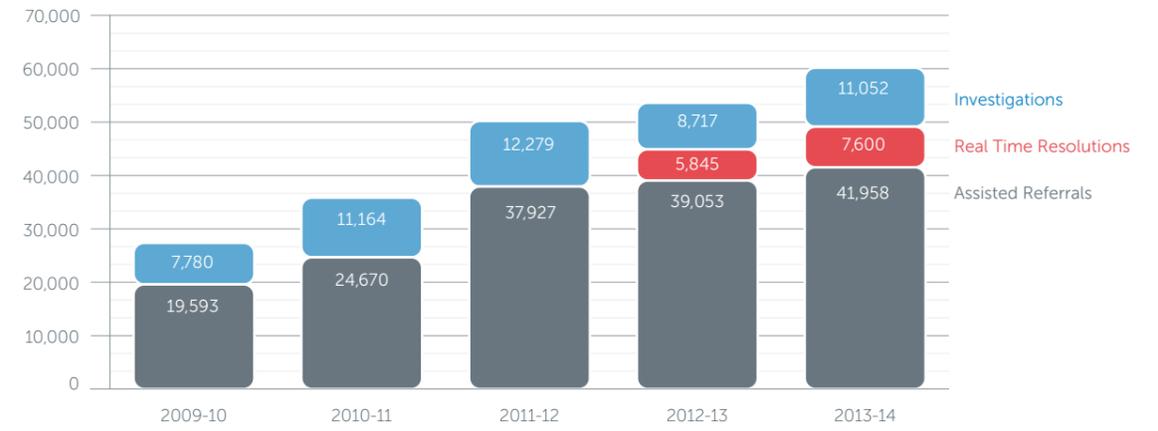


The cases continued

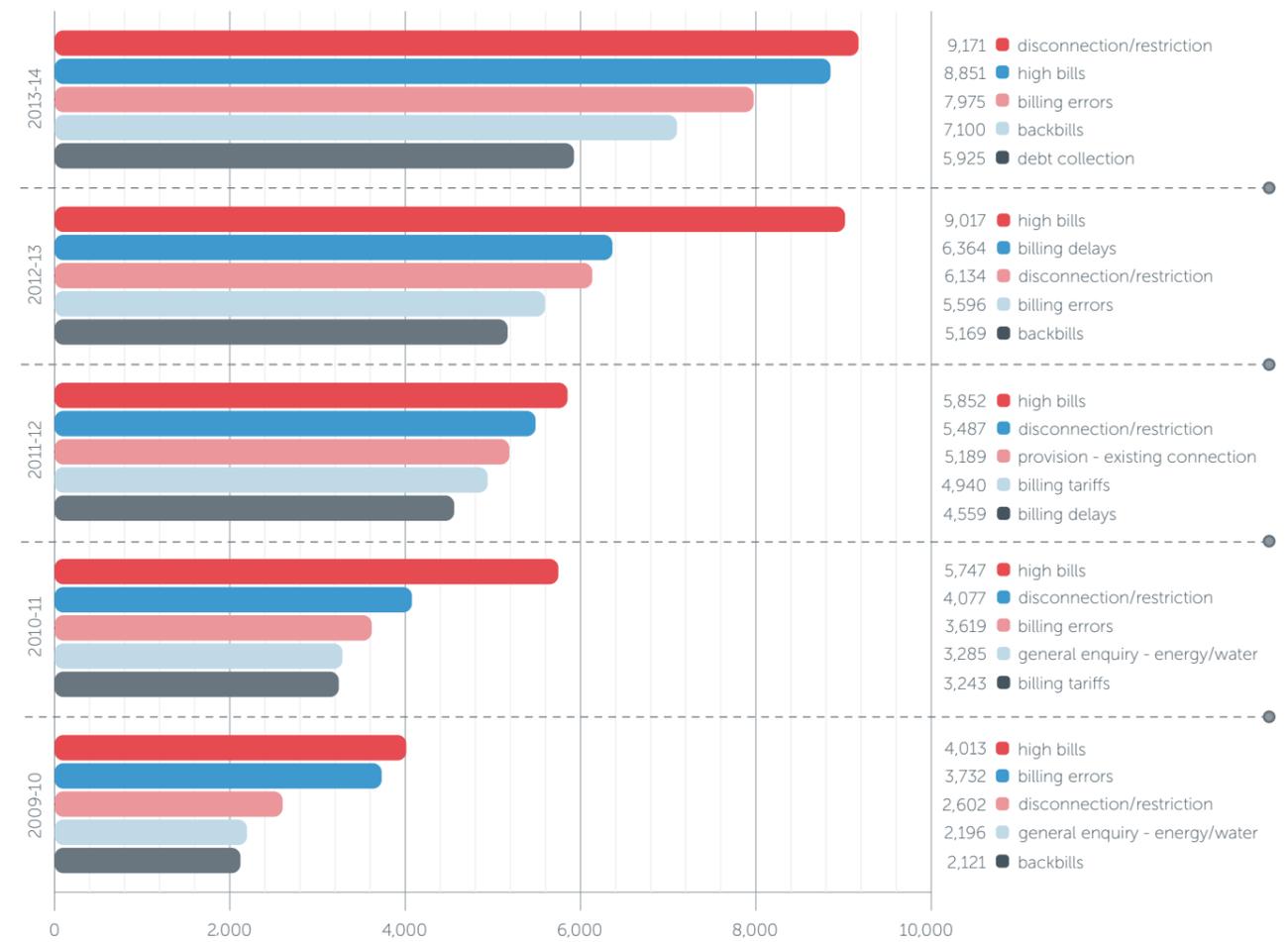
WHICH INDUSTRY, WHICH PROCESS 2013-14



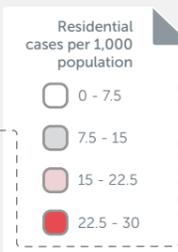
CLOSURES BY CASE TYPE



TOP 5 ISSUES OVER TIME

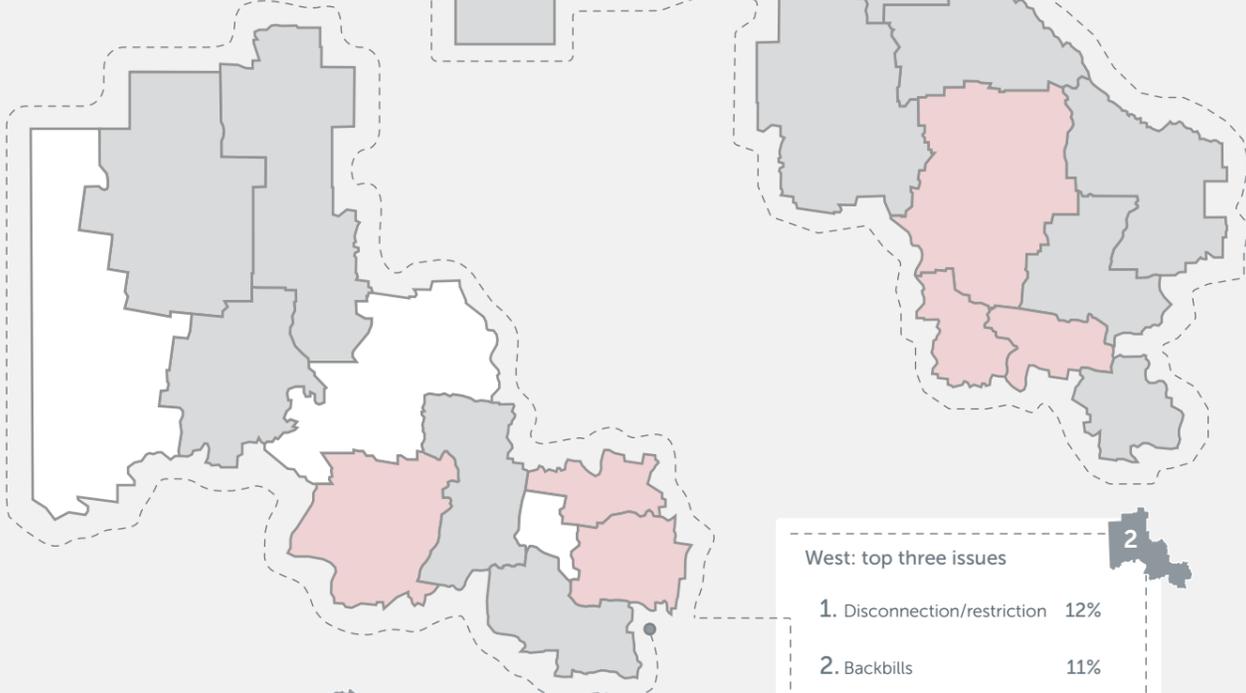


The hot spots



North West: top three issues

| | |
|------------------------------|-----|
| 1. Disconnection/restriction | 14% |
| 2. High bills | 11% |
| 3. Billing errors | 10% |

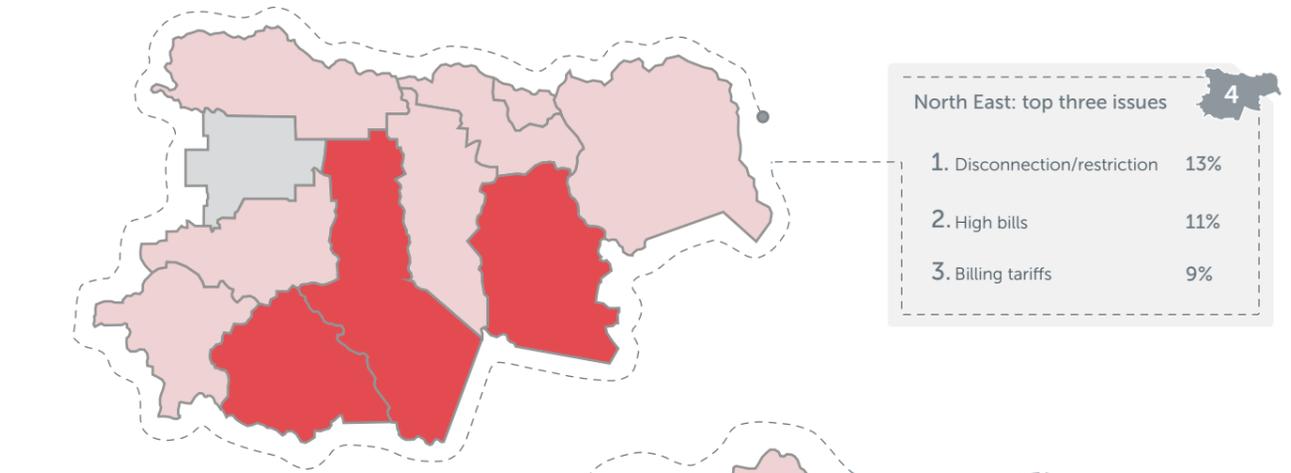
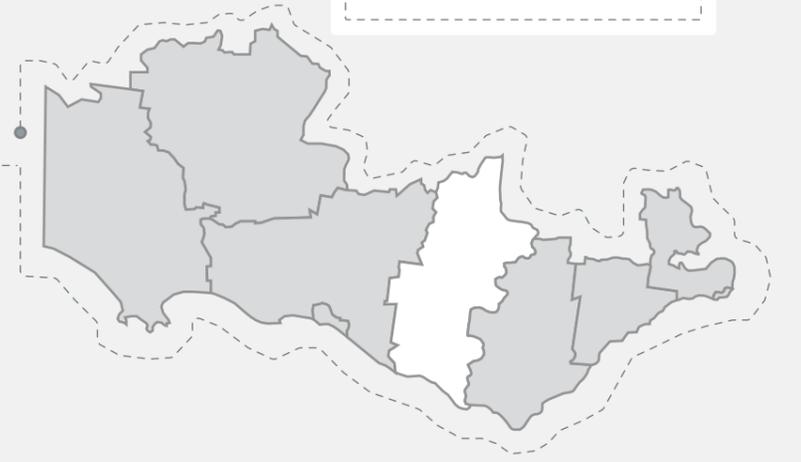


West: top three issues

| | |
|------------------------------|-----|
| 1. Disconnection/restriction | 12% |
| 2. Backbills | 11% |
| 3. High bills | 10% |

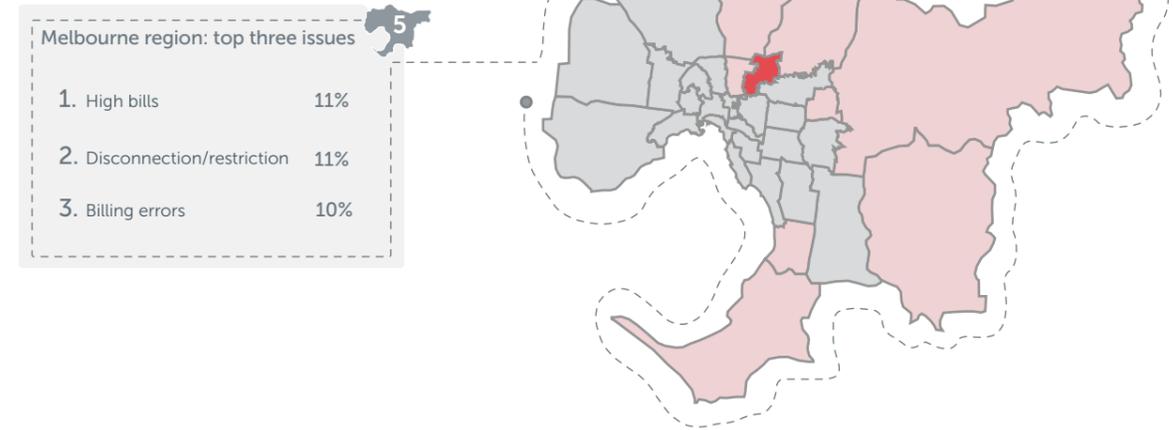
South West: top three issues

| | |
|------------------------------|-----|
| 1. Disconnection/restriction | 13% |
| 2. Backbills | 10% |
| 3. Billing errors | 10% |



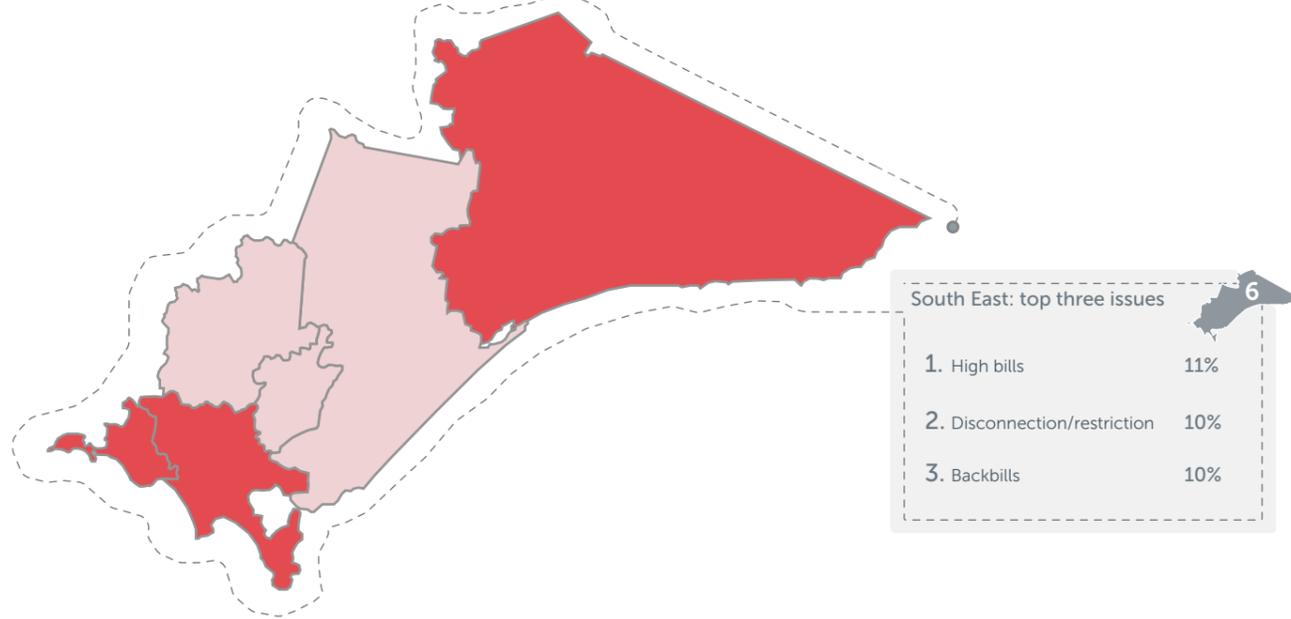
North East: top three issues

| | |
|------------------------------|-----|
| 1. Disconnection/restriction | 13% |
| 2. High bills | 11% |
| 3. Billing tariffs | 9% |



Melbourne region: top three issues

| | |
|------------------------------|-----|
| 1. High bills | 11% |
| 2. Disconnection/restriction | 11% |
| 3. Billing errors | 10% |



South East: top three issues

| | |
|------------------------------|-----|
| 1. High bills | 11% |
| 2. Disconnection/restriction | 10% |
| 3. Backbills | 10% |

Scan here using your smart phone to view an interactive version of this map

The Chairperson reflects

In June 2014, the EWOV Board welcomed the findings of the most recent review of the EWOV scheme against the *Benchmarks for Industry-Based Customer Dispute Resolution Schemes (National Benchmarks)*.

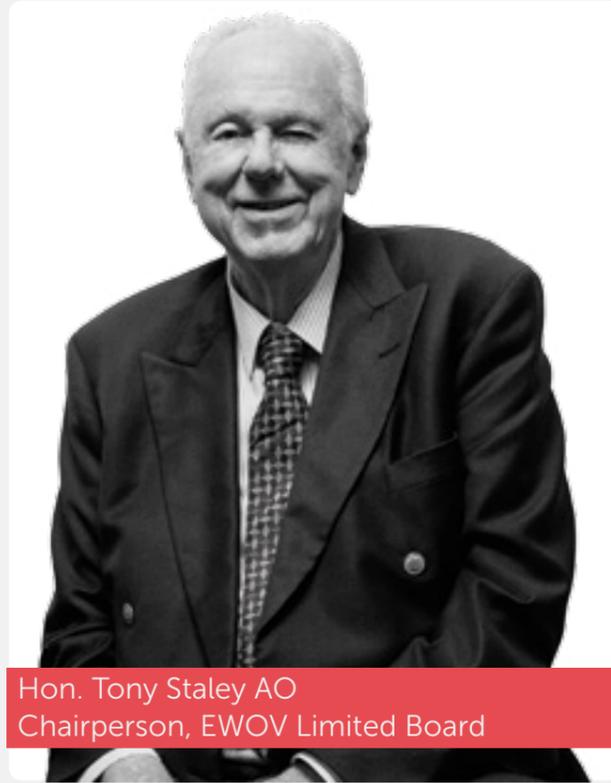
The Board was particularly pleased that the independent review found EWOV to be a highly successful and professionally run external dispute resolution scheme and the recommendations made by the reviewers reflected a need for subtle shifts in balance, rather than significant change.

Established in 1995 as the Electricity Industry Ombudsman (Victoria) (EIOV), EWOV was a pioneering scheme for changing industries. In my first *Annual Report* message at the end of 1998-99, I spoke about how the energy industry – electricity as well as gas, and not just in Victoria but throughout Australia – was changing in a way that was exciting and intensely challenging. I observed that, even in those early days, EIOV was meeting the needs and expectations of the community and I predicted its future would be a very positive one indeed.

This has certainly proven to be the case. Amid a seemingly ever-changing utilities landscape and increasing complexity of the issues facing energy and water companies and their customers, EWOV has met its challenges and established itself as a trusted source of independent information and access to justice for Victoria's energy and water customers.

I will step down as Chairperson at the end of 2014, after an immensely satisfying 16 years. During that time, I have worked with more than 30 directors and have been impressed, consistently, with the commitment and acumen they have brought to the role. Indeed, one of the EWOV Board's hallmarks and greatest strengths is its model of equal representation of consumer and industry directors. In particular, I have been grateful for so much willingness by directors to share their experience of the issues facing both customers and industry for the benefit of the scheme.

During 2013-14, there were three Board changes. We welcomed Gavin Dufty, St Vincent de Paul Society Victoria's Manager of Policy Research as a new consumer director. Gavin has over 20 years' experience in the community welfare sector, much of that working on utilities issues. We farewelled and sincerely thanked long-time consumer director, David Headberry of Headberry Partners after 11 years of service and industry director, Christina Wilson of Origin Energy after three years.



Hon. Tony Staley AO
Chairperson, EWOV Limited Board



... a highly successful and professionally run external dispute resolution scheme.

The excellent results of the 2013 independent review strongly reflect the dedication and hard work of the whole EWOV team and the calibre of EWOV's leadership, present and past. It is the

Ombudsman and the Management Team who steer EWOV day-to-day and carry the responsibility for maintaining the quality of its dispute resolution services and working relationships. I have been fortunate to work with two highly professional Ombudsmen in Cynthia Gebert and her predecessor, Fiona McLeod. I congratulate them, and the staff who have worked alongside them, for having built EWOV into one of Australia's leading external dispute resolution schemes.

Hon. Tony Staley AO
Chairperson, EWOV Limited Board

How the Ombudsman saw the year

Over the years, EWOV has evolved its services to make sure it provides Victorians with the best dispute resolution service possible. In 2013-14, we passed the 500,000 cases milestone, registered a record 84,758 cases and dealt with more energy and water affordability complaints than ever before.

Help for over half a million Victorians

In late May 2014, we registered EWOV's 500,000th case – a significant milestone, but one which we reflected on, more than celebrated. That so many customers have sought our help certainly highlights the value of EWOV as an accessible source of independent advice and dispute resolution assistance. On the other hand, it's important to remember that most of the Victorians behind that headline number contacted us for help because they had an unresolved complaint with their electricity, gas or water company. We certainly don't wish to find ourselves hurtling towards the one million cases mark.

For the record, our first case in early 1996 was an enquiry from an electricity customer seeking information about the causes of power surges and associated electricity company and customer responsibilities. Our 500,000th case was a natural gas complaint from a customer in rural Victoria who was concerned that the gas meter at her property wasn't being read, and was questioning the actions her gas retailer was asking her to take to provide access when that had not previously been a problem. The complaint was registered and resolved as an Assisted Referral, after the customer was contacted by a higher level contact within her gas retailer.



More than ever before, we found our investigative resources being drawn into assisting customers with affordability concerns.

Record complaints about affordability

We registered 84,758 cases in 2013-14 – 339 every working day and 10% more than in 2012-13. Credit cases stood out with a year-on-year 48% increase. Given this case category – with its sub-issues of supply disconnection/restriction, collection of debt and payment difficulties – is about the capacity of customers to pay their bills and stay on supply, to have 18,065 customers contacting us for help with a credit issue is of concern and a strong indicator of the growing issue of energy and water affordability.

As energy retailers in particular tightened their debt collection practices, and price increases rolled out across the energy and water industries, more than ever before we found our investigative resources drawn into assisting customers with



Cynthia Gebert
Energy and Water Ombudsman (Victoria)

affordability concerns. Credit cases increased to 21% of all EWOV cases, from 16% in 2012-13. On average, every working day of 2013-14, we registered 72 credit cases and, for the first time, a credit issue – disconnection/restriction of supply – topped the complaints list, moving high bills to number two.

In a promising development, energy disconnection cases to EWOV (imminent and actual disconnection) fell 25% in the last quarter of 2013-14 against those for the third quarter of 2013-14. The number of Investigations into possible wrongful disconnection of energy supply also fell – down 33% on those for the third quarter. It remains to be seen whether these falls mark the beginning of a reversal of trends.

Because affordability issues are inherent in credit complaints, they are often very complex, requiring investigation by us rather than resolution through our other processes. If the growth in credit cases continues, it will challenge our resources and processes even more than it already has.

Our case handling experience shows us that there is still a major need for greater understanding, early intervention and creative customer-focused approaches to energy and water affordability issues. We'll continue to work collaboratively with industry, government, regulators and the community sector to help address the challenges that affordability issues present for all of us.

You can read more about the credit issues raised by energy and water customers with EWOV during 2013-14, including case studies on pages 23 – 26.

Greater flexibility of processes and resources

Over the past two years, we've adapted and refined our processes, procedures and work practices, to ensure we're providing quality and value for both customers and companies. The indicators are that we're on track and meeting our goals.

At the frontline, the Inbound Service Team (formerly Intake Team) focused on flexibility of processes and resources, consistent and appropriate analysis of customer concerns, and delivery of strong levels of service and accuracy. A multi-functional Service and Resolution Team of highly experienced frontline staff, who are also trained in phone-based conciliation, now bridges the Inbound Service and Real Time Resolution functions. Its introduction has markedly increased our frontline flexibility, coverage and responsiveness.

At Assisted Referral, we introduced new fact sheets to help customers understand the process. For energy and water companies, we clarified timeframes and expectations. We also introduced periodic assessments of the fairness of the resolutions achieved through this process. Pleasingly, the Assisted Referral success rate increased from 72% in 2012-13 to 80% in 2013-14, with customer surveying showing an 81% (good/excellent) satisfaction rating.

Real Time Resolution continued to demonstrate its value as a means of managing complaints in a timely and fair manner without the need for an Investigation. Following the positive feedback about this process from customers and companies, we introduced a second Real Time Resolution Team. We also introduced better reporting around the process. We improved the Real Time Resolution success rate from 82% in 2012-13 to 86% in 2013-14, and achieved a satisfaction rating of 79% (good/excellent) from the customers whose complaints were resolved at this stage.

A well-received roadshow led by our General Manager Operations helped us build awareness among company staff of the effectiveness of the Assisted Referral and Real Time Resolution processes. At the same time it enabled us to gather and address industry feedback about process changes, discuss complaint trends and upcoming challenges, and explore how complaints could be reduced.

Freed up by Real Time Resolution to focus on investigating the more complex complaints, our Investigations team was able to successfully address an Investigations backlog. From September 2013, we consistently closed more Investigations than we opened.

Customer satisfaction

Easy access — supported by complaint handling processes that are easy to understand, informative, impartial and speedy — has always been an EWOV priority. Quarterly online and annual phone surveying of customers who've had contact with us helps us stay on track. These surveys focus on EWOV's guiding principles of effectiveness, community awareness and access, quality and efficiency of service, independence and equity.

In 2013-14 we achieved a Net Promoter Score of 71 — the result of 82% of survey respondents saying they would recommend EWOV to a family member or friend who had an unresolved energy or water complaint. Customers rated EWOV's fairness at 83% (up from 73%) and our independence at 82% (up from 76%). Other pleasing results included an 88% (good/excellent) rating on ease of making an enquiry/complaint and a 78% (good/excellent) rating on satisfaction with the way EWOV handled the enquiry/complaint.

In large part, these results reflect our focus on training and support — to enable staff to respond appropriately and effectively in an environment where we know that most people who contact us are looking to make a complaint.

Staff engagement

With over 130 people working in the EWOV team, effective internal communications are particularly important. By introducing a new 'Emerald City' intranet in December 2013, we achieved a speedy and dramatic increase in staff engagement and a vibrant new hub for internal communications.

The annual staff survey attracted a high participation rate of just under 87%. The overall outcome was a much-improved employee engagement score of 78%, up from 58% the year before and considerably higher than the 'Australian and New Zealand Not for Profit' engagement score benchmark of 56%. The strong improvements across all staff teams highlighted the strength of the Management Team, the great work they do and the positive energy they generate.

Naturally we're very pleased with the improvements — the challenge for us is to continue to build on them.

Independent review confirms EWOV is meeting benchmarks

In June 2014, we received the findings of the December 2013 independent review of EWOV's operations against the *National Benchmarks*. The review, undertaken by Cameron Ralph Navigator, concluded that EWOV is meeting all six benchmarks of accessibility, independence, fairness, accountability, efficiency and effectiveness, and is a professionally run scheme in which staff are highly engaged with their work and committed to continuous improvement.

The Management Team has provided the EWOV Board with advice about how we plan to address the recommendations made by the reviewers over the coming year. Actions will include the establishment of a Community Consultation Group; exploration of methods to more systematically capture and track feedback about our case handling to ensure we're managing the balance between process efficiency, fairness and independence; and a research paper on the effectiveness of company internal dispute resolution processes to help us understand where there may be opportunities for EWOV to work with the companies to prevent complaints arising.

The year ahead

Having moved from an annual planning process, we now have a rolling three-year plan which lays the foundation for a phased and considered approach to the uncertainties and challenges facing EWOV. The plan maintains the focus on an appropriate balance between processes that are accessible, efficient, fair and independent and an operating model that's flexible and responsive. It also supports our ongoing collaboration with EWOV's key stakeholders in industry, government, community groups and the Ombudsman community.

Thank you

In a governance milestone, Tony Staley, Chairperson of the EWOV Limited Board, will step down in the coming months. Appointed to the role of Chairperson in late 1998, Tony has been one of our scheme's strongest supporters and a highly valued mentor to its Ombudsmen. I thank him for his always professional approach and unwavering confidence in EWOV and its work.

And a very special thank you to the EWOV staff — the talented and enthusiastic people at the heart of our scheme who believe in EWOV's vision, live its values and make everything happen day-to-day. It's a testament to their professionalism and engagement that EWOV has delivered a strong performance in another challenging year.



Cynthia Gebert
Energy and Water Ombudsman (Victoria)

The Board's role

Independence underpins EWOV's governance structure

Two levels of administration are crucial to the maintenance of EWOV's independence – the Board and the Ombudsman. The Board of Energy and Water Ombudsman (Victoria) Limited (EWOV Limited) oversees the operations of the EWOV dispute resolution scheme. The Ombudsman has responsibility for the day-to-day operation of the scheme and resolution of individual complaints.

With an independent Chairperson, four consumer directors nominated by Victoria's Essential Services Commission and four energy/water industry directors elected by EWOV Limited's industry members, the composition of the Board reflects the independence of the EWOV scheme.

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



Hon. Tony Staley



Carolyn Bond



Neil Brennan



Gavin Dufty



Peter Gartlan



Claire Hamilton



David Headberry



Josephine Monger



Christina Wilson

The directors of EWOV Limited

Hon. Tony Staley AO

Chairperson, appointed 30 November 1998

Tony Staley is also Chairman of the internet regulator, auDA, the Cooperative Research Centres Association of Australia and the Victorian Disability Advisory Council. A former Commonwealth Government Minister, Tony is educated in law and political science. He was made an Officer of the Order of Australia in January 2007.

Carolyn Bond AO

Consumer Director, appointed 27 June 2007

Carolyn Bond brings over 20 years' experience working in the consumer advocacy field, most recently as co-CEO of the Consumer Action Law Centre. She represents consumer interests on a range of bodies. In January 2013, Carolyn was made an Officer of the Order of Australia.

Neil Brennan

Industry Director, appointed 22 August 2002

Neil Brennan is Managing Director of Western Water. He is also chair of the Victorian Water Industry's Intelligent Water Networks Steering Group. He has over 30 years' experience in the water industry, including having served as President of the Institute of Water Administration.

Gavin Dufty

Consumer Director, appointed 23 August 2013

Gavin Dufty is Manager of Policy Research for the St Vincent de Paul Society, Victoria. With over 20 years' experience in the community welfare sector, he is active as a consumer representative on a number of industry and government bodies.

Peter Gartlan

Consumer Director, appointed 1 July 2012

Peter Gartlan is Executive Officer of the Financial and Consumer Rights Council, the peak body for financial counsellors in Victoria. He also sits on the board of the Consumer Action Law Centre. Peter is a former consumer representative on the General Insurance Code Compliance Committee and a former director of Insurance Brokers Disputes Limited.

Claire Hamilton

Industry Director, appointed 1 December 2011

Clare Hamilton is General Manager, Risk and Assurance, for energy transmission and distribution business SP AusNet. A member of the Executive Leadership Team, she is responsible for improving operations by leading enterprise risk management and providing an independent assurance service. A chartered accountant, Claire brings over 16 years' experience in the energy industry.

David Headberry

Consumer Director, 20 June 2002 – 30 June 2014

A qualified engineer, 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. He is also the Public Officer for Major Energy Users Inc, a national group representing the views of major energy consumers. David is a member of the Australian Energy Regulator's Consumer Challenge Panel.

Josephine Monger

Industry Director, appointed 14 June 2012

Head of Digital & Customer Experience at AGL Sales, Josephine Monger has over 15 years in the retail energy industry. Prior to joining AGL she worked in management consulting, with a focus on designing and delivering IT and business transformation programs for large energy companies across Australia, the UK and Europe. She also serves on the Board of the Energy & Water Ombudsman NSW.

Christina Wilson

Industry Director, 10 February 2011– 23 May 2014

As a Group Manager in Energy Markets for Origin Energy, Christina Wilson has most recently overseen risk and regulatory compliance across that division. Previously, as Retail Executive – Customer Sales and Operations, Christina led Origin Energy's consumer facing business for three and a half years and through its Transformation Program. A chemical engineer by profession, Christina joined Origin Energy in 2009 from senior roles in the financial services and retail sectors.

Christopher See

Company Secretary, appointed 21 October 2008

Our case work

We made it easy for customers to contact us

While customer surveying continues to show high awareness of EWOV, we need to stay up-to-date with changing customer preferences and demographics to make sure it's easy for customers to contact us, however they choose to do so.

In 2013-14, 79% of customers still contacted us by phone – although that was down from 92% in 2009-10. On the increase was customer use of email and online forms – up from 6% in 2009-10 to 20% in 2013-14. And whereas in 2009-10 only 2% of customers lodged their complaint through our online lodgement form, in 2013-14, it was up to 12%.

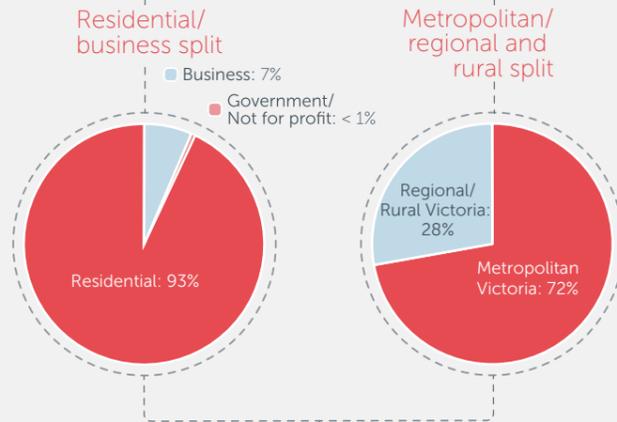
General use of our website also continues to grow, especially evident since it was upgraded in 2012. In 2013-14, we recorded 168,535 visits, with a growing number of people accessing the site from their mobile devices.

Working with these contact trends, we used search engine optimisation to make the website even easier to find, improved our online complaint form, made the basic EWOV fact sheet available in more languages, and built EWOV's social media presence. We achieved a rating of 82% (good/excellent) from customer surveying on how easy the website is to understand.

The easy contact focus was not all electronic though. Customer surveying shows that many customers, including public housing tenants, older people and migrants, still don't have internet access at home. So, traditional access to EWOV through 1800 free phone and free fax numbers, interpreter services and the National Relay Service remained very important. Where a customer was ringing on a mobile phone, we offered to ring them back. Where they were ringing from a restricted phone service, they were able to ring Telstra reverse charges and we accepted the call cost.

In 2013-14, we achieved an overall customer satisfaction rating of 88% (good/excellent) on both ease of contacting EWOV and ease of making an enquiry or a complaint.

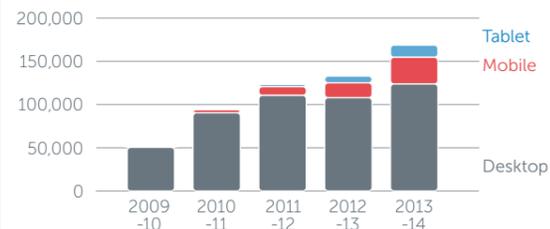
CUSTOMER PROFILE BREAKDOWN



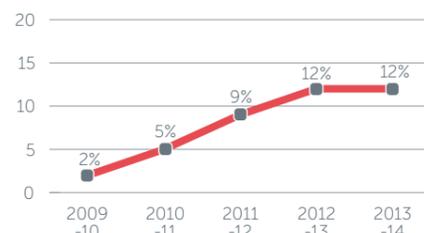
How they made contact



WEB TRAFFIC BY DEVICE



WEB COMPLAINT FORMS RECEIVED



We balanced speedy and informal with fair and reasonable

EWOV's approach to dispute resolution is informal, based on the principles of alternative dispute resolution (ADR), and focused on co-operation rather than confrontation.

Our dispute resolution stages and processes are designed to bring about speedy, fair and reasonable outcomes for both customers and companies.

In our contact with energy and water companies during 2013-14, we promoted the value of providing us with good quality information, quickly, to reduce the need for complaint escalation. We offered our experience of sustainable resolution. We acted as a sounding board for testing creative customer-focused resolutions. We encouraged companies to take the initiative to set up face-to-face meetings with us to help work through complex complaints, and to work out ways to overcome 'resolution blockers' – for example, speeding the resolution of a billing complaint by enabling us to speak with the billing team. We also encouraged company representatives to focus on the issue of complaint, not judge the customer or their circumstances.

In many cases, after we helped re-establish the lines of communication between a customer and their company, the customer finally felt listened to and better informed, so a resolution by agreement was able to be achieved. This is evidenced by the high success rates of the Assisted Referral and Real Time Resolution processes.

It's important that customers and companies (and the community generally) understand that EWOV is completely independent – we don't take sides and our staff aren't advocates. We work impartially to help the parties to the dispute reach an agreed outcome. In assessing customer concerns and company responses during the year, we drew on the 14 equally important principles EWOV uses for assessing 'fair and reasonable'. This established process continued to help us ensure we addressed everything relevant to a complaint in an impartial way – particularly important where there was a gap between what the customer and the company each thought was fair and reasonable and what they were each willing to accept.

Fast facts: EWOV's fair and reasonable principles

- Laws/regulations (e.g. minimum standards)
- Current good industry practice
- Company policies and their application
- Technical advice
- Customer service performance (either negative or positive)
- Legal advice
- Special customer circumstances
- What the ordinary person in the street would think is fair
- Interviews with relevant others
- Other case results over previous years
- Any previous Binding Decisions
- Other industry practice
- Manager's view of the case
- Peers' views of the case

We focused on early resolution

Sometimes the company hadn't had an opportunity to address the customer's concerns

Giving companies the opportunity to resolve complaints through their internal dispute resolution processes before the independent body becomes involved is a fundamental part of the external dispute resolution process. However, some customers still contact EWOV first. Sometimes this is by mistake. Other times they're looking for independent advice about their situation before they pursue the complaint. While we don't become involved in resolving the complaint at this stage, we do play an important role in information provision – how to contact their company, what they should have at hand when they do and, relating to the concerns they have raised, clarification of their rights and responsibilities and those of their company. In a process we call **Unassisted Referral** we then refer them back to the company's contact/call centre.

As the process flow chart on pages 18 and 19 shows, in 2013-14, 9,693 complaints to EWOV were closed at Unassisted Referral.

Sometimes the customer needed to be put in touch with someone more senior in the company

Where customers contact us after trying to resolve their complaint directly without success, we put them in direct contact with a higher level resolution officer within their company.

This **Assisted Referral** gives the company the opportunity to contact the customer directly, within a set timeframe, to resolve the complaint. With its potential to bring about early direct resolution, Assisted Referral is generally a positive experience for both customers and companies. But, because the success of Assisted Referral rests largely on the quality of each company's response, we regularly survey customers to assess how well it is working in practice. Undertaken effectively, the process of Assisted Referral reduces the number of complaints escalated to Real Time Resolution and Investigation.

During the year we implemented a number of changes recommended in an independent review of the Assisted Referral process. These included introducing a specific email fact sheet for customers, better information for companies (including clarification of timeframes and expectations), periodic review of the fairness of how companies dealt with Assisted Referrals, and better recognition of customers whose complaint or circumstances warranted bypassing Assisted Referral for a more hands-on approach by us.

Fast facts: our case categories

EWOV uses the term **case** to cover all contacts customers have with us. Each case is registered as either a 'complaint' or an 'enquiry' and handled in accordance with our Best Practice Procedures. A **complaint** is an expression of dissatisfaction regarding a policy, a practice or the customer service performance of an energy or water company, which is an EWOV scheme participant, where a response or resolution is explicitly or implicitly expected. We receive and resolve complaints at five stages – Unassisted Referral, Assisted Referral, Real Time Resolution, Investigation, Binding Decision. An **enquiry** is a customer's request for general information (e.g. about the Smart Meter rollout). This information may be provided by us or the customer may be referred to another agency.

In 2013-14, 41,958 complaints to EWOV were resolved and closed at the level of Assisted Referral. We improved the Assisted Referral success rate to 80% (from 72% in 2012-13) and achieved a good/excellent customer satisfaction rating of 81%.

Where the customer and the company still couldn't agree, we negotiated between them

Despite the resolution opportunity the Assisted Referral process offers, not all complaints referred back to companies in this way result in resolution. Some customers return to us dissatisfied with what their company has proposed. This is where our **Real Time Resolution** Team steps in. Its Conciliators negotiate directly between the customer and the company to arrive at an agreed, fair and reasonable outcome, usually within 24 hours.

Building on positive feedback from both customers and companies, we introduced

a second Real Time Resolution Team in August 2013. We also extended the Real Time Resolution function to less complex complaints, freeing up the Investigations Team to focus on the higher number of more complex ones.

In 2013-14, 7,600 complaints to EWOV were resolved and closed through Real Time Resolution. We improved the Real Time Resolution success rate to 86% (from 82% in 2012-13) and achieved a good/excellent customer satisfaction rating of 79%.

Outcomes from the complaints we resolved through Real Time Resolution in 2013-14:

- 927 payment plans negotiated.
- \$745,871 achieved in redress for customers:
 - \$231,061 in billing adjustments
 - \$365,007 in recognition of customer service issues
 - \$106,657 in debt reductions/waivers
 - \$22,777 in waived fees
 - \$20,369 in guaranteed service level payments.

Sometimes an Investigation was the best way forward

Complaint complexity is one of the main reasons that we open an Investigation, sometimes at the request of the company. We may also decide to bypass the Assisted Referral and Real Time Resolution processes if we assess a customer as particularly vulnerable or having special circumstances. And, as successful as Real Time Resolution is proving, it doesn't work in all cases.

Billing and credit complaints continued to be the primary drivers of Investigations – high bills, billing delays, payment difficulties and actual disconnection of energy supply – with a growing proportion of complex complaints, especially around credit issues.

In 2013-14, 11,052 complaints were resolved and closed after an EWOV Investigation, with the following outcomes:

- 5,874 apologies provided to customers.
- 3,643 payment plans negotiated.
- \$5,564,638 achieved in redress for customers:
 - \$2,245,315 in billing adjustments
 - \$2,257,658 in recognition of customer service issues
 - \$558,490 in debt reductions/waivers
 - \$209,305 in waived fees
 - \$293,870 in guaranteed service level payments.

If all else failed, the Ombudsman could make a Binding Decision

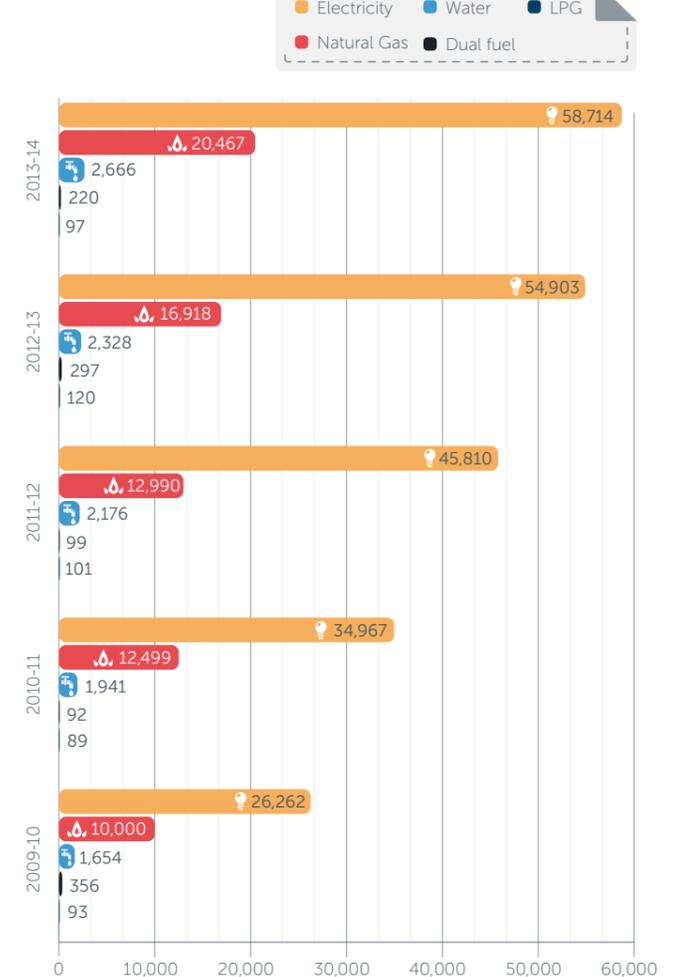
Where an agreement can't be reached between the company and the customer, we'll make a fair and reasonable assessment to determine the merits of the case. If the customer or the company doesn't agree with our assessment, the complaint will either be closed on the basis that no further investigation is warranted or a Binding Decision may be made by the Ombudsman. A Binding Decision is binding on the company if the customer chooses to accept it, but the customer has the

option of not accepting it in favour of taking action in another forum, such as a court. It wasn't necessary for the Ombudsman to make any Binding Decisions in 2014.

Fast facts: customer satisfaction

Quarterly customer surveying shows that the vast majority of customers with less complex complaints who used EWOV's Assisted Referral or Real Time Resolution process were happy with the speedy resolution achieved.

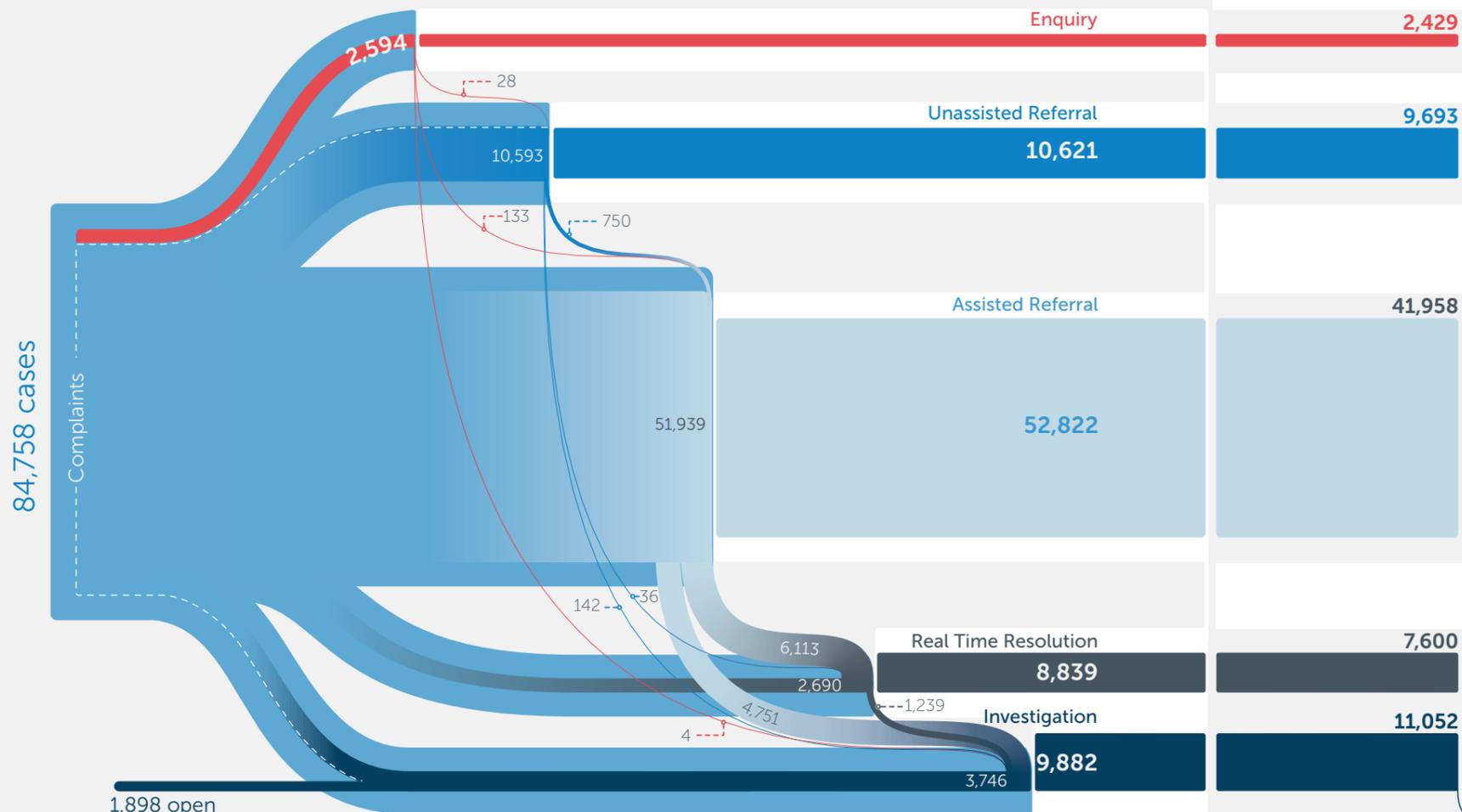
COMPLAINTS RECEIVED – OVERALL AND BY INDUSTRY, PAST 5 YEARS



How the 84,758 cases were received and resolved

While EWOV's processes are designed to encourage speedy resolution of complaints, some cases escalate through successive complaint stages before a resolution is achieved. This diagram shows the 2013-14 flow of cases through EWOV's processes and the pathways to different complaint levels. For example, when an Assisted Referral didn't resolve the customer's complaint and they returned to EWOV, the complaint was dealt with in one of two ways – if we assessed a quick resolution was possible, we handled it at Real Time Resolution. If the issues or customer circumstances were more complex, we opened an Investigation.

PROCESS FLOW CHART



Outcomes

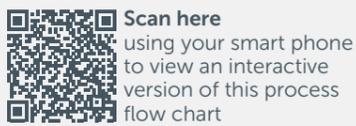
- 404 enquiries (17%) provided general information and referred to energy/water companies
- 682 enquiries (28%) provided general information
- 790 enquiries (33%) referred to a Regulator
- 92 enquiries (4%) referred to Government
- 168 enquiries (7%) referred to other bodies
- 293 enquiries (12%) referred to another Ombudsman

- 7,749 complaints (80%) referred to the energy/water companies contact centres
- 48 complaints (<1%) provided general information
- 283 complaints (3%) referred to a Regulator
- 310 complaints (3%) referred to another Ombudsman
- 122 complaints (1%) referred to Government
- 149 complaints (2%) referred to other bodies
- 1,032 complaints (11%) did not require referral or investigation

41,958 complaints referred to a higher level contact at the energy/water company

- 7,600 complaints conciliated, with redress to customers of
- \$231,061 in billing adjustments
 - \$365,007 in recognition of customer service issues
 - \$106,657 in debt reduction/waivers
 - \$22,777 in waived fees
 - \$20,369 in guaranteed service level payments
 - 927 payment plans negotiated

- 11,052 (13%) complaints finalised, with redress to customers of
- 5,874 apologies provided
 - \$2,245,315 in billing adjustments
 - \$2,257,658 in recognition of customer service issues
 - \$558,490 in debt reduction/waivers
 - \$209,305 in waived fees
 - \$293,870 in guaranteed service level payments
 - 3,643 payment plans negotiated
 - 2,006 complaints (18%) were closed due to non-participation by the customer
 - 76 complaints (<1%) were withdrawn by the customer
 - 25 complaints (<1%) were found to be more appropriately dealt with by another body
 - 16 complaints (<1%) closed on the basis that further investigation was not warranted



We took a flexible approach

A flexible case handling model allows us to respond swiftly to increases in case volumes and adjust resourcing where case volumes fall.

At several points during 2013-14, case increases really stretched us. We responded with a number of targeted process and resourcing initiatives. One of our main aims was staff competency across a series of skill sets to allow for operational fluidity.

We introduced a new multi-functional Service and Resolution Team, with experienced staff trained to cover both the enquiries and referrals functions of Inbound Service and the phone-based conciliation function of Real Time Resolution. Staff from this new team can move between both areas in response to unpredicted case volumes. This has delivered us the 'any time' flexibility we aimed for as part of our overall operational strategy to ensure that 20% of staff are skilled to work up a level if that's needed.

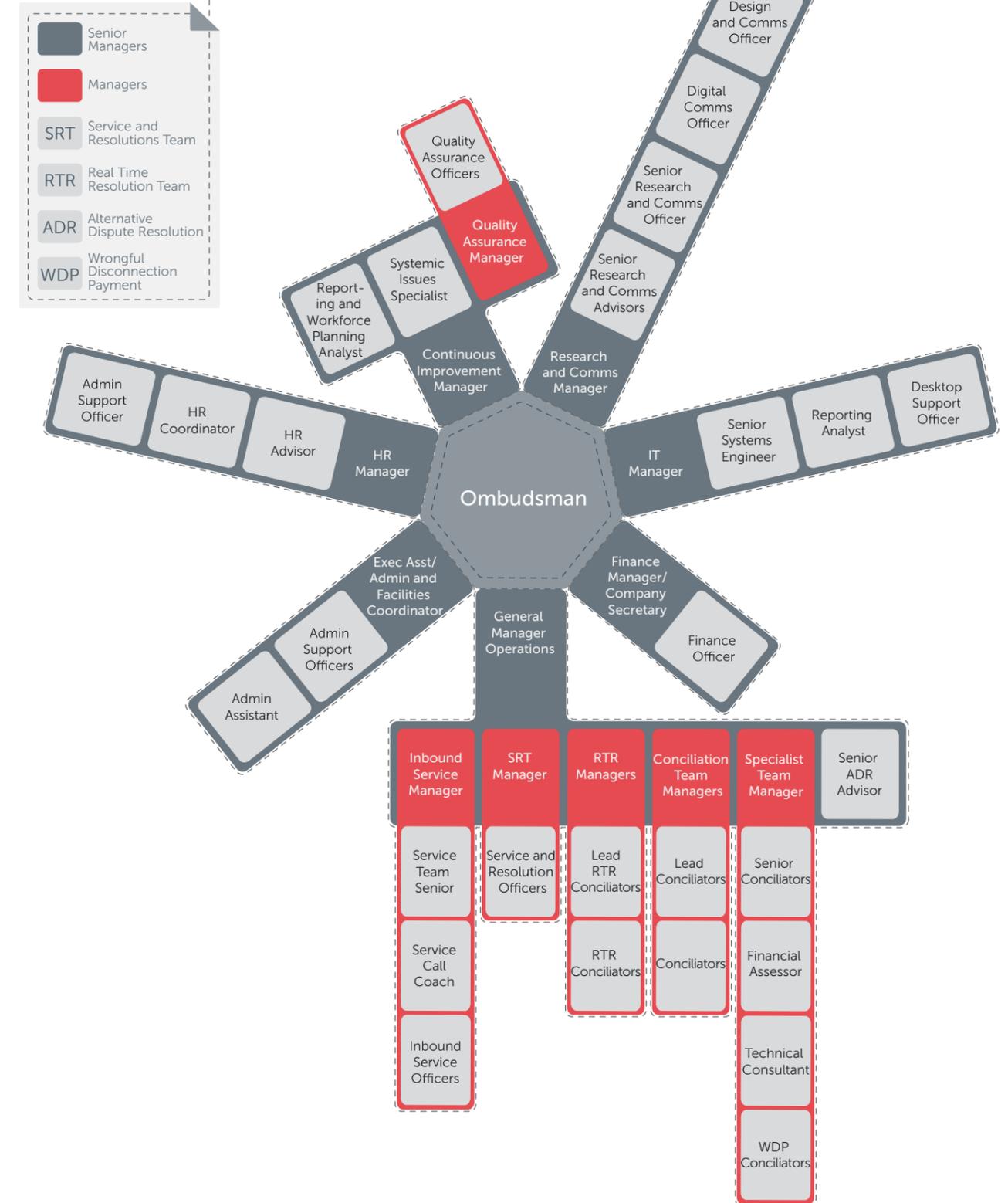
The Service and Resolution Team has brought the added benefit of being a development path through which Inbound Service staff can become Conciliators. Its introduction was part of a larger retention strategy aimed at developing staff who have the capability to work on any aspect of the end-to-end case handling process (especially Inbound Service). This means that when career opportunities arise internally, staff are already familiar with many of the processes.

In another staffing initiative, we entered a secondment arrangement with the Telecommunications Industry Ombudsman, which saw four staff from that office working with EWOV for six months. These staff brought with them particular experience in dealing with customer complaints about credit issues, which we put to good use as credit cases hit record levels during the year. In a similar initiative, an EWOV staff member was seconded to the Public Transport Ombudsman, Victoria for a period during the year.

When it came to recruitment, we actively sought people from different industry sectors and people with experience in other Ombudsman schemes.

Improved induction and coaching methods enabled us to help new staff become familiar with EWOV's policies and procedures quickly and effectively.

Our organisation

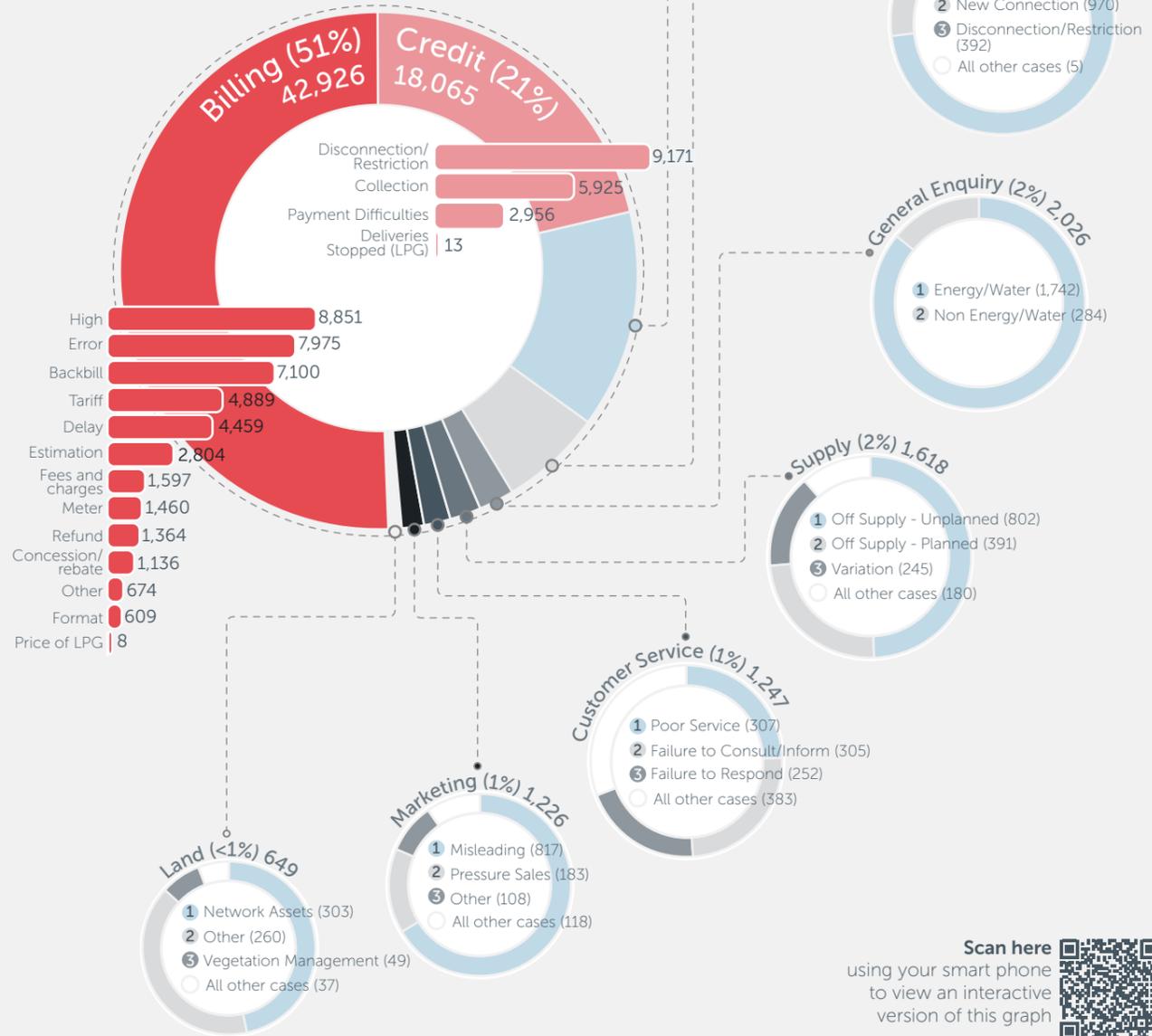


The issues customers complained about

Issues overview

| | |
|------------------|--|
| BILLING | bills and payment processes |
| CREDIT | unpaid bills and the action taken to collect arrears |
| TRANSFER | switching an account to a new energy retailer |
| PROVISION | the connection of a property to the energy or water network |
| MARKETING | how energy retailers go about winning new customers |
| SUPPLY | the physical delivery of the energy or water service |
| CUSTOMER SERVICE | service received or not received |
| LAND | the effect on property of company activities or network assets |

THE MAIN ISSUES CUSTOMERS RAISED WITH US



Scan here using your smart phone to view an interactive version of this graph

The credit issues

Affordability in the spotlight

With its sub-issues of disconnection/restriction of supply, collection of debt and payment difficulties, this case category is essentially about the capacity of customers to pay bills and stay on supply.

In 2013-14, a record 18,065 customers raised credit as their main issue – 48% more than in 2012-13 and 207% more than four years ago. Of these, 67% were electricity customers and 31% were gas customers.

The main driver for the increase in credit cases was greater focus by energy retailers on recovering aged debt and resolving long-term issues of poor payment history or non-payment of bills.

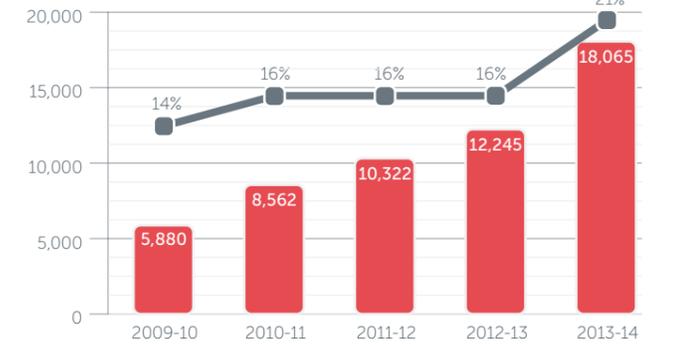
As a proportion of all EWOV cases, credit increased to 21%, from 16% in 2012-13. More than one in five EWOV cases was about credit and on average we registered 72 credit cases every working day.

For the first time, the credit sub-issue of disconnection/restriction replaced high bill as the top complaint issue overall.

While a greater number of credit complaints went through to investigation because of their complexity, 66% were still able to be resolved as Assisted Referrals or Real Time Resolutions. For us this highlighted that, had the customer been provided with information which addressed their concerns or put in touch with someone in the company who could help them, their complaint may have been resolved without any need for EWOV to become involved. Our case records show that 78% of customers with credit-related issues had made two or more attempts at direct resolution with their company before contacting EWOV and 31% had made five or more direct attempts.

The fourth quarter of 2013-14 saw a 18% fall in credit cases, against those for the third quarter. We will be tracking this welcome reversal of trend through 2014-15.

TRENDS IN CREDIT CASES % issues no. of customers



Credit accounted for more than one in five EWOV cases in 2013-14.

Collection of debt

A record 5,925 customers raised collection of debt (arrears) as their main issue of complaint, 62% more customers than in 2012-13.

By industry, 4,107 collection cases were lodged by electricity customers (up 59% from 2012-13), 1,628 by gas customers (up 73%), 161 by water customers (up 33%) and 29 by customers on dual fuel (electricity and gas) contracts.

Fast facts: Policy on vulnerable and disadvantaged customers

In assisting customers with affordability problems, we were guided by EWOV's *Vulnerable and Disadvantaged Customer Policy and Procedure*. We also drew on the skills and experience of the Conciliators on our team who specialise in financial hardship, an in-house independent financial assessor and a technical consultant who was able to undertake onsite energy audits.

Payment difficulties

A record 2,956 customers raised payment difficulties as their main issue of complaint, 21% more customers than in 2012-13.

By industry, 1,939 payment difficulties cases were lodged by electricity customers (up 21% from 2012-13), 918 by gas customers (up 27%), 79 by water customers (up 13%) and 20 by customers on dual fuel (electricity and gas) contracts.

Energy disconnection for non-payment

A record 9,171 customers raised credit-related disconnection/restriction as their main issue of complaint, 50% more customers than in 2012-13.

By industry, 6,049 credit-related disconnection/restriction cases were lodged by electricity customers (up 52% from 2012-13), 2,970 by gas customers (up 42%) and 152 by water customers (up 141%).

On average, every working day, we registered 37 cases about the imminent (threatened) or actual disconnection of energy for non-payment. A greater number of the energy disconnection complaints we received went to Investigation because of their complexity, largely due to issues around the customer's capacity to pay.

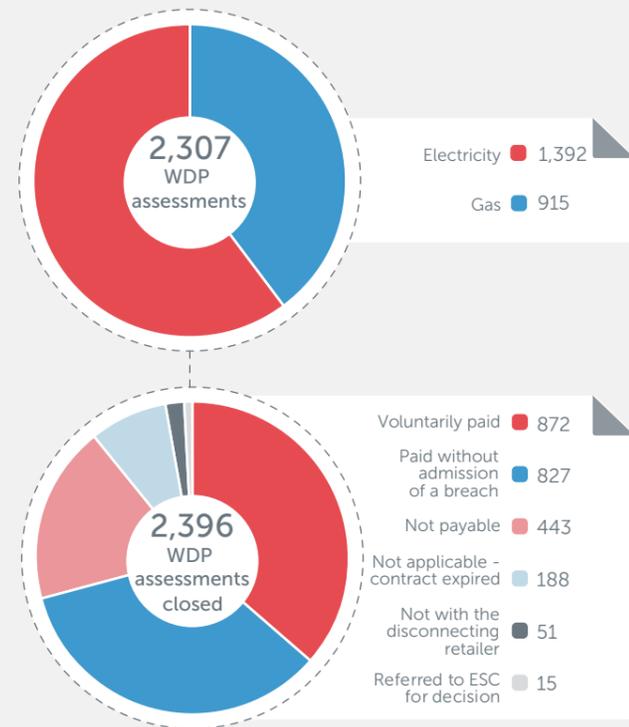
A common complaint from customers was about the amount their energy retailer wanted them to pay before their supply could be reconnected – sometimes as high as 75% to 100% of the arrears. Customers often told us they were presented with an unaffordable payment plan. Some said they offered to pay more than they could afford, just to get their supply reconnected – but even then the retailer rejected their offer, seeking a higher percentage of arrears or full payment.

In a late year development, energy disconnection cases fell in the April to June 2014 quarter. While we cautiously welcomed this development, there was no clear single driver for it. In reporting quarterly case trends in the most recent issue of EWOV's *Res Online*, we assessed the fall as likely to be due to a combination of things – in 2013, a number of smaller energy retailers completed large scale reviews of arrears, which may

have increased EWOV cases for the earlier quarters of 2013-14; in the first part of 2014, one large energy retailer wasn't completing disconnections for non-payment; and retailers using debt collection processes, rather than threatening or completing energy disconnections.

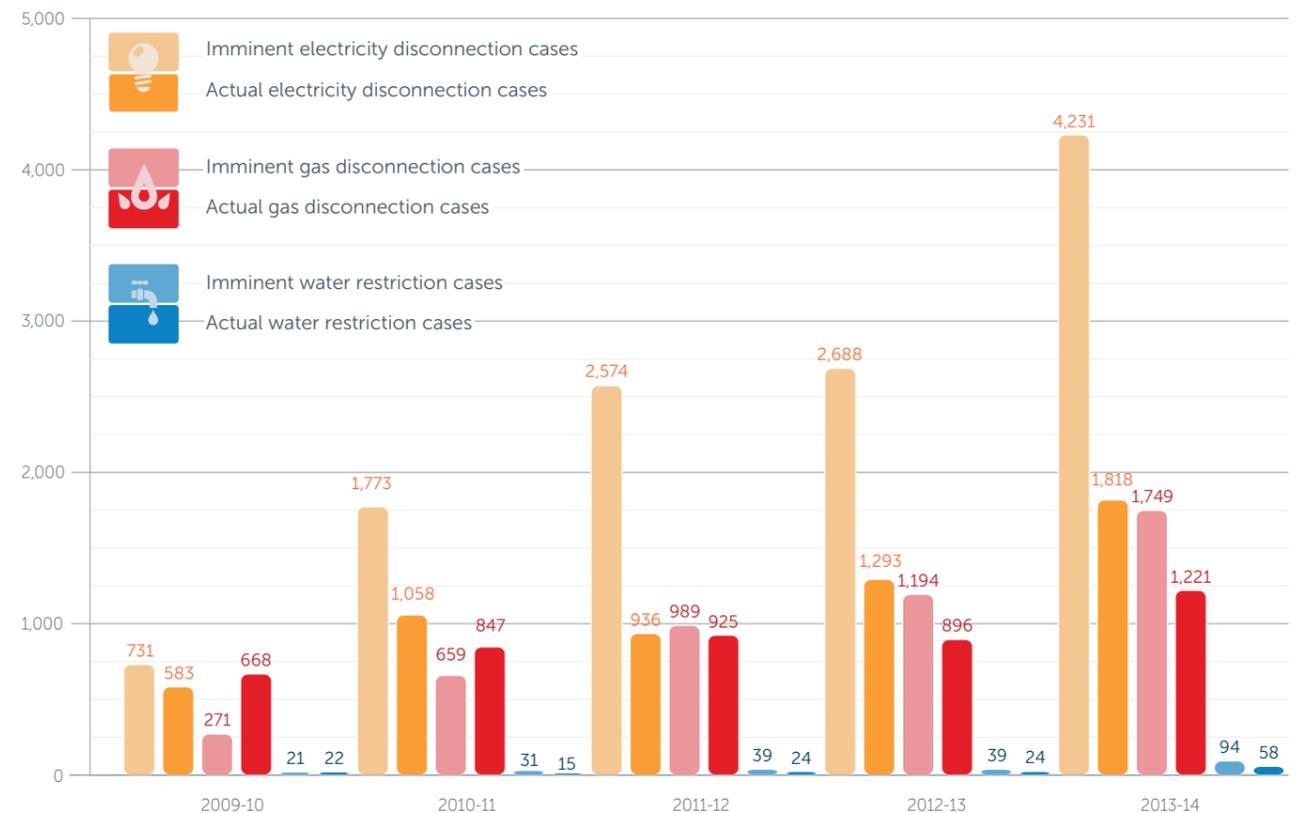
We opened 2,307 Investigations into possible wrongful disconnection of energy supply, 37% more than in 2012-13 and 234% more than four years ago. In this context, 'wrongful' means the energy retailer didn't comply with the terms and conditions of its contract with the customer – and in particular with the requirements set out in the *Energy Retail Code* – in disconnecting supply. In 71% of the Investigations we finalised, the energy retailer made a wrongful disconnection payment to its customer voluntarily, or made it without admission of a Code breach.

WRONGFUL DISCONNECTION PAYMENT (WDP) OUTCOMES



On average every working day of 2013-14 we received 37 cases about imminent (threatened) or actual energy disconnection for non-payment.

CREDIT-RELATED ACTUAL AND IMMINENT ENERGY DISCONNECTION AND WATER RESTRICTION CASES





A credit case study — supply disconnection

Customer in financial difficulty pretended to leave the home to avoid paying gas bills

The customer rang EWOV the day after her gas supply was disconnected because her retailer wanted \$200 to reconnect. She said she didn't know how much she owed because she hadn't received a bill or a disconnection notice. Responding to our Investigation, the retailer said the customer had set the gas account up, but hadn't paid the two quarterly bills sent to her. Then she closed the account saying she was moving out. The retailer sent a final bill for \$642.99 (\$182.36 in new charges and \$460.63 of arrears). This wasn't paid and phone calls went unanswered, so the retailer referred the debt to its collection agency. When gas use at the property was detected after the date the customer said she was moving out, the retailer created a 'dear occupier' account and sent letters to the property asking the occupant to set up an account. Four bills were issued for the 'dear occupier' account for usage between September 2013 and February 2014. When no contact was made and no payments were received, the retailer disconnected supply.

When we raised all of this with the customer, she admitted she hadn't moved out and wasn't intending to. She accepted responsibility for the usage and arrears, but said she could pay only \$50 a fortnight. The retailer stopped the debt collection action and waived the reconnection fee. It also retrospectively applied concession entitlements for the period of the 'dear occupier' billing. This left arrears of \$883.88. It agreed to a payment plan of \$50 a fortnight, for an initial three-month period and it accepted the customer into its hardship program. We helped the customer better understand her gas usage and gave her contact details for financial counselling and energy audit assistance. Our separate Investigation of whether the disconnection was wrongful found the process complied with the *Energy Retail Code*. On that basis, and because there was no contract between the customer and the retailer at the time of disconnection, a payment for wrongful disconnection didn't apply. 2014/8647



A credit case study — debt collection

Fighting collection action on a disputed electricity bill

In 2012, the customer disputed a high electricity bill which she believed was based on the wrong meter. She said she subsequently moved out of the property, without hearing any more about it. In early 2014, she received a letter from a debt collection agency acting for the electricity retailer, seeking \$1,433.79 plus legal/collection fees of \$200. She said she hadn't been contacted about the debt and when she rang about the collection action the retailer insisted the bill was correct.

Responding to our Investigation, the retailer said the customer's account was opened in April 2012 and closed in December 2012, when she moved out. At that time, she owed \$1,433.79, having made one payment only of \$112. The retailer acknowledged she'd been disputing her billing. It said it had received no response to a cross-meter service order it had raised with the local distributor.

When we contacted the distributor, it confirmed that the customer had raised her metering concerns in September 2012. It said its investigation at that time found that readings for the customer's meter and that of her neighbour had been mixed up.

When we showed the distributor's advice to the retailer, it accepted the customer was wrongly billed for a neighbour's usage. It offered to waive 50% of the debt, but the customer wouldn't accept the offer. The retailer asked us to obtain the meter read data for the correct meter from the distributor, so it could compare the customer's actual usage with her billed usage. We reminded the retailer that the *Energy Retail Code* limits backbilling of undercharges to 12 months and more time than that had passed since the customer's account was closed.

The retailer recalled the debt from collection activity and confirmed the customer hadn't been default-listed. It apologised to her, waived the \$1,433.79 and refunded the \$112 she'd paid. The customer was satisfied with this outcome and the complaint was closed on this basis. 2014/1417

The billing issues

51% of all cases were about billing

Even though 2013-14 saw more customers than ever before seeking EWOV's help with affordability issues, billing didn't take a back seat — it remained our biggest issues category overall.

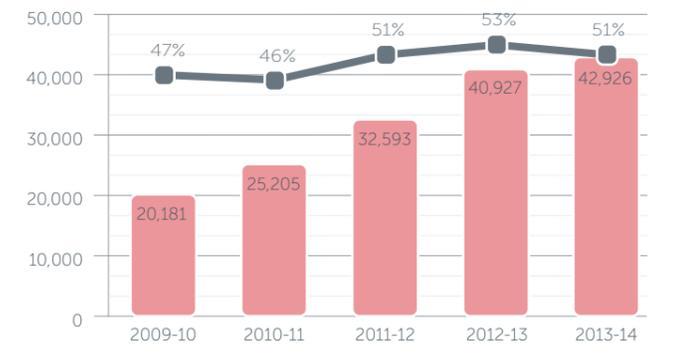
42,926 customers raised billing as their main issue of complaint, 5% more customers than in 2012-13. Most commonly these customers were concerned about high bills, errors, backbills, tariffs and delays.

Contributing most significantly to the 2013-14 increase were the billing system implementation problems encountered by one large energy retailer, which continued into the first half of 2013-14. These problems delivered us a surge in cases, stretching our resources and affecting our performance, as well as the retailer's own. While this wasn't the first time EWOV's operations had been adversely affected in this way, it highlighted once again how important it is that energy and water companies provide us with early and accurate information about the anticipated impacts of significant changes within their business to help us plan for any increase in case volumes.

When we looked into the billing complaints, we often found related credit issues or systemic billing issues. Similarly, many of the credit complaints (especially those about imminent or threatened energy disconnection) highlighted inter-related billing and credit issues — including not being able to pay a large backbill but also disputing its accuracy, billing problems after switching retailer, being confused about which retailer was supposed to be billing them, and receiving 'dear occupier' notices from a retailer they didn't recognise as theirs.

In a late year development, the fourth quarter of 2013-14 saw a 24% fall in billing cases, against those for the third quarter.

TRENDS IN BILLING CASES % issues no. of customers





An electricity billing case study

Customer led to believe his solar generation was covering all of his usage

For 18 months after he installed a solar system, the customer's electricity bills all showed a credit balance. This built up to almost \$4,000. He then received a backbill of \$2,529.22, showing his average daily usage as double that of the year before. The customer didn't understand this as his living arrangements hadn't changed. When his retailer suggested a faulty appliance, he had an electrician check them, but no faults were found. At this point, the retailer advised that the backbill was for a period when his solar generation was recorded, but his electricity usage wasn't. As a result, the customer had been grossly undercharged. Dissatisfied, he sought a \$1,000 reduction of the back bill. When the retailer wouldn't agree, he contacted EWOV.

Contacted by us, the retailer requested we open an Investigation. It explained that none of the customer's usage had been billed since the installation of a Smart Meter in May 2012. It said the back bill was capped at nine months to meet the undercharging provisions of clause 6.2 of the *Energy Retail Code* and included a credit of \$100 as a goodwill gesture. It said it had offered the customer extra time to pay the balance of \$2,429.22. It didn't think his request for \$1,000 credit was fair and reasonable.

From the documentation we requested, we confirmed that the customer's usage had been wrongly recorded as solar generation. As a result, his quarterly bills showed large credits. We reviewed meter data we received from the distributor, comparing it with the billing information from the retailer. We found the retailer hadn't applied clause 6.2 of the *Energy Retail Code* correctly when it issued the back bill, so we arranged for the customer's whole account to be reviewed and rebilled. As a result, a further \$2,934.54 was credited and another smaller billing error was fixed. The retailer apologised to the customer. After all adjustments and credits, the customer owed \$200, which he agreed to pay. 2014/1225



A gas billing case study

10 years of paying for her neighbour's gas

In March 2013, the customer realised the meter number at her property didn't match the meter number on her older gas bills. She said that when she raised this with her gas retailer it opened a new account for her, telling her to disregard the old one. Despite this, the customer was concerned that she'd been paying the wrong gas bill for some time. Unable to achieve a full billing review by dealing with her gas retailer directly, she contacted EWOV. We registered the complaint as an Assisted Referral, but the retailer didn't contact the customer within the required timeframe. Due to the potential complexity of the issue, we escalated the complaint to an Investigation.

The gas retailer said the gas Meter Installation Reference Number (MIRN) database showed it was billing for the correct meter. But, because the meter number the customer quoted from her old bills was different, it agreed to check with the local gas distributor.

Pending the retailer's further response, we reviewed the customer's bills, payments and relevant customer contact notes over the life of her gas account. We also made our own enquiries of the distributor. We found that an earlier review by the distributor showed the customer's meter and that of her neighbour had been mixed up. This was corrected by the distributor in July 2012. The distributor also corrected this in the national database and advised the retailer.

Our Investigation found that the customer was being billed for the correct meter, but for some 10 years to July 2012, she'd been paying for her neighbour's usage. The gas retailer confirmed the error.

After credits and adjustments were applied, and the limits on undercharging under clause 6.2 of the *Energy Retail Code* were taken into account, the customer's account was \$12,581.84 in credit. The retailer paid this amount to her nominated bank account. The customer was satisfied with this outcome. 2013/35369



A water billing case study

Disputing responsibility for high water bills

The customer received two water bills showing his usage as three to four times higher than usual. Despite several contacts with his water corporation, he remained dissatisfied. We initially registered the complaint as an Assisted Referral. Unable to resolve the complaint directly, the water corporation requested we open an Investigation.

The water corporation said two tests showed the meter was operating within Australian standards. It couldn't find a reason for the high bills and suggested the customer keep a usage diary. It believed the billed charges should stand.

We reviewed the water corporation's actions and the tests and found them to be in order, with the customer given the results. Our review of the customer's usage and billing didn't reveal any reason for the high bill or anything to suggest a billing error.

During a site visit, we helped the customer understand how to read his bill and meter, how to monitor his usage, and how to test for leaks. Our testing that day showed a small leak of about 1.5 litres an hour somewhere on the customer's property. We couldn't find the leak though, and neither could he, so we suggested he engage a plumber.

After further discussion, the water corporation agreed to apply the *Unexplained High Usage and Undetected Leak Allowance* for the two periods of higher than expected bills. It calculated the cost of the unexplained water usage over these billing periods as \$819.07, which it agreed to credit to the customer's account.

Having done this, the water corporation also advised the customer to have a plumber check the pipes on the property, because this credit wouldn't be applied again for the same issue. The customer accepted this outcome and that he needed to address the leak, and agreed to pay the balance of his account. 2014/10542

The systemic issues

Identification of systemic issues gives EWOV the opportunity to alert the company concerned, help bring about a timely and efficient solution, and reduce the potential for the issue to affect more customers. Our reporting of systemic issues brings a greater level of transparency to industry practices, helping to drive customer service improvements and minimise future complaints.

What makes an issue systemic?

EWOV defines a 'systemic' issue as an issue, problem or change in company policy or practice that affects, or has the potential to affect, a number of customers. Causes of systemic issues include:

- system changes
- alterations in performance levels, such as quality of supply or call centre access
- policy or procedure changes
- lack of policy or procedure
- lack of clear regulatory guidelines
- regulatory non-compliance
- the conduct of an energy or water company's employee, agent, servant, officer or contractor, such as a door-to-door marketer
- stakeholder action, such as a legislative or regulatory change leading to misunderstanding or misapplication of the change.

Our systemic issues identification and reporting responsibilities are underpinned by EWOV's *Charter and Constitution*, our regulatory memoranda of understanding and reporting protocols, and the *National Benchmarks*. Our definition draws on those used by the Australian Securities and Investments Commission (ASIC) and other Ombudsman schemes, current best practice thinking and the *National Benchmarks*.

Identification, registration, investigation, referral, reports

We identify systemic issues through our case receipt and advice from stakeholders, including the energy and water companies, regulators and consumer groups. Where a complaint is identified as having a systemic aspect, our Systemic Issues Specialist registers the issue, checks for similar complaints and establishes the likelihood of the issue actually being systemic. This process is separate from the resolution of a particular customer's complaint.

We then contact the energy or water company – which may or may not be aware of the problem. Often this will result in

the issue being addressed without any further action on our part. Where the company doesn't take timely or appropriate action, or where we assess the issue as significant, we may also refer the issue to the industry regulator for investigation.

Our energy and water systemic issues responsibilities differ. In water, we investigate and seek redress for affected

customers, providing a report to the Department of Environment and Primary Industries on the outcome and whether the water corporation has co-operated with us to resolve the issue appropriately. In energy, we refer the issue to Victoria's Essential Services Commission, which has the regulatory oversight.

As well as reporting to relevant regulators, we provide the EWOV Limited Board and the energy and water companies with de-identified reports. We also publish de-identified summaries in each quarterly issue of *Res Online*, each *Annual Report* and on the EWOV website. Internally, systemic issues updates are provided to our staff in training sessions and case reports.



Fast facts: Our systemic issues role

EWOV is not the regulator of the energy or water industries in Victoria, so it is not our role to decide breaches and penalties applicable to companies. We do, however, have a systemic issues role in each industry.

Energy issues identified as systemic and closed in 2013-14

- Multiple duplicate invoices issued to customers SI/2012/119
- Customers transferred from the Standard Feed-in Tariff (SFIT) to the Feed-in Tariff (FiT) without prior knowledge or consent SI/2013/49
- Inconsistent, reissued, cancelled and delayed bulk hot water billing at a large complex of apartments, including community housing SI/2013/47
- Difficulties with approval of claims following an electricity supply incident in late January 2013 SI/2013/43
- Energy retailer failure to action cooling-off requests SI/2013/56
- Loss and damage and inaccurate supply restoration times after a sustained electricity outage in early July 2013 SI/2013/54
- Customers billed on an incorrect tariff after energy retailer's billing system upgrade SI/2013/15
- Reminder and disconnection warning notices to energy customers who hadn't received the original bills because of billing delays SI/2013/34
- Payment arrangement cancelled and debt collection activity threatened SI/2013/36
- Billing system limitations meant Standard Feed-in Tariff (SFIT) customers couldn't get credits owed SI/2013/57
- Application of concessions to solar accounts SI/2013/66
- Mobile read devices gathering data in watt hours rather than kilowatt hours SI/2013/68
- Automated phone call messages sent in wrong order SI/2013/70
- Incorrect timeframes in disconnection notices for non-payment SI/2012/125
- Double-billing of energy charges SI/2013/84
- Billing data generated, but bills couldn't be printed or sent SI/2013/101
- Delayed billing due to system changes SI/2014/1
- Misleading door-to-door marketing behaviour SI/2013/78
- Disconnection service orders for non-payment raised against duplicate accounts SI/2014/3
- Disconnection notices issued with incorrect early timeframes SI/2013/5
- Supply problems due to overloaded transformer SI/2014/18
- Amount sought on disconnection notice insufficient to prevent disconnection SI/2014/17
- Application of prompt payment discounts to solar accounts SI/2013/30

- Transfer of energy accounts without customer consent SI/2013/41
- Incorrect tariff allocation SI/2013/79
- Incorrect pay-by date on disconnection notices SI/2013/4
- Billing at incorrect frequencies after installation of Smart Meter SI/2013/98
- Disconnection notices sent to incorrect addresses SI/2013/85
- Incorrect application of additional retail charges SI/2013/64
- Time-of-Day pricing incorrectly allocated at meter exchange SI/2013/99
- Billing delayed because concession discounts couldn't be applied accurately SI/2014/27
- Customers moved off dedicated load tariff without warning SI/2014/35
- Delay in issuing solar meter data SI/2014/14
- Wrong date on disconnection notices SI/2014/5
- Mismatch between meter readings on bills and consumption data SI/2013/105
- Service to property charges incorrect on consecutive bills SI/2014/22
- Off-schedule Smart Meter billing SI/2013/61
- Potentially misleading marketing promotion SI/2014/9
- Payment arrangements limited to direct debit SI/2014/26
- Confusing solar tariff offer SI/2014/25
- Application of backbilling provisions to bulk hot water accounts SI/2013/63

Water issues identified as systemic and closed in 2013-14

- Concession discount underpaid after billing miscalculation SI/2013/75
- Billing not accurately reflecting payments and balances SI/2013/71
- Debt collection agent contact before billing due date SI/2013/93

Our broader work

We contributed to public policy processes

The aggregated information from EWOV cases provides unique insights into energy and water issues and trends and the experiences of customers. We draw on it to inform the consultation and working group processes of regulatory, government and community agencies.

Among the 2013-14 energy consultations

On increasing the payment for wrongful energy disconnection

In January 2014, the Victorian Department of State Development, Business and Innovation announced a consultation on a range of energy retail and distribution reforms. One of the suggestions canvassed was increasing the payment for wrongful energy disconnection from \$250 a day to \$500 a day. We provided data and observations from our experience of investigating complaints about wrongful disconnection. Having done so, we suggested a more effective way of reducing disconnections may be to require energy companies to improve their disconnection and credit-related processes. We also commented on proposals around fixed term contracts, backbilling and energy efficiency audits.

Switching energy retailer

In December 2013, the Australian Energy Market Commission (AEMC) consulted on issues relating to electricity customer switching. We drew on EWOV's regular public reports about transfer (switching) cases, to highlight how issues of transfer error, delay and objection affect customers. We also responded to some aspects of the AEMC's subsequent options paper — including proposals to reduce the maximum prospective timeframe for customer transfer requests from 65 to 21 business days, allow transfers on the basis of estimated reads, require the National Metering Identifier to be on all small customer meters, and strengthen retailer obligations to co-ordinate to resolve erroneous transfers in a timely way.

Customer access to their consumption information

In our contribution to the AEMC's May 2014 consultation on customer access to information about their energy consumption, we highlighted issues from stand-alone data access complaints to EWOV (often billing-related). We also provided information on problems customers told us they experienced after the installation of a Smart Meter — including loss of consumption information from bills.

Where an energy retailer fails

An AEMC national energy market financial resilience report, published in July 2013, proposed a special administration regime in the event a large energy retailer collapses. We highlighted the key operational role that EWOV and other Energy Ombudsmen have in this type of situation — managing a significant increase in customer contacts, helping achieve a smooth transition for affected customers and dealing with jurisdictional matters. We also drew the AEMC's attention to the important matters the Energy & Water Ombudsman NSW raised in its September 2010 report into the failure of energy retailer, Jackgreen.

Protections for customers of alternative energy sellers

Agreeing that customers of alternative energy sellers should have protections consistent with those that other customers have under *National Energy Retail Law*, we welcomed the AER's consideration in November 2013 of related matters — such as small customer access to flexible payment options, adherence to energy marketing requirements and disconnection/reconnection obligations. We believe alternative sellers should have effective internal dispute resolution procedures and their customers should have access to a free and independent EDR scheme. But we also noted that EWOV had no plan to extend its jurisdiction to include these sellers.

Among the 2013-14 water consultations

Measuring the effect of additional hardship allowances

In October 2013, the Essential Services Commission (ESC) consulted on measuring the effect of additional financial hardship allowances. Drawing on our experience of assisting thousands of customers facing financial difficulty, we highlighted the value of discussions with financial counsellors, regular reporting by water corporations directly to the ESC, and surveys of customer awareness of and experience with available financial support programs. We noted that our case handling also highlighted how important it is for water corporations to invest in training their frontline staff to be able to respond effectively when customers facing financial difficulties make contact.

Improving and streamlining Victoria's water law

When, in February and March 2014, the Office of Living Victoria consulted on changes to Victoria's water law, we highlighted a number of areas as opportunities for improvement — including owners' and tenants' liability for fees and charges, third party receipt of bills, Service to Property and Service Availability Charges and publication of fees and charges.

We helped build customer capability

Knowing that well-informed customers have a better chance of resolving their own complaints directly, we continue to take opportunities to equip customers with information about their rights and responsibilities and advice on how to make complaints.

Resourcing individuals

When a customer first contacts EWOV, one of our Inbound Service Officers explains how our scheme works. We reinforce this in writing in our initial correspondence with the customer. We take time to discuss their concern to help them understand their rights and responsibilities and those of their energy or water company, supporting this with basic fact sheet information. Not only does this build their understanding of the broader context of the issue they're raising, it helps us address any incorrect or unrealistic understandings, which may (or may have already) impeded direct resolution between them and their company.

With customer and company surveying highlighting the potential of the Assisted Referral and Real Time Resolution processes to bring about early direct resolution, we made greater use of fact sheets to help customers understand these processes. We also gave customers useful information particular to their issue of complaint, to help them resolve the matter directly with their company.

One of the purposes of the EWOV website is to facilitate easy 'in your own time' access for individual customers to a wide range of information — from rights and responsibilities to understanding some of the more complex aspects of water and energy services. During the year, we looked for ways to improve its 'self-service' aspects.

Closed captioning in over 70 languages for our online customer videos has made their easy-to-understand content — on topics such as making a complaint, addressing high bills, getting help with payment problems, energy marketing rules, common water issues, energy disconnection/water restriction and how to assess solar as a suitable option — available to many more Victorians. We translated our basic energy and water fact sheet into 29 languages. Each week we added a case study on a common issue of complaint and each month we added a 'hot topic'. We also used infographics to improve the quality of our online reports and publications.

Resourcing through the community sector

We continued to use EWOV's strong linkages to community agencies and consumer organisations to help us build capability, particularly among disadvantaged and vulnerable customers.

EWOV Connect, our quarterly newsletter for workers in community, welfare and health service agencies, gained further readership after we redesigned it for better readability. This publication presents practical and current information in a straightforward way. It's a regular, reliable resource that community workers can draw on to assist clients who present with electricity, gas and water issues.

One of the purposes of the EWOV website is to facilitate easy 'in your own time' access for individual customers to a wide range of information.

A new community agency pack draws together EWOV's most popular fact sheets, as well as our simple 'Helping you with energy and water' and 'How we help' brochures, which explain energy and water basics and

our dispute resolution process. It also includes resources from community organisations and government — on topics such as saving energy around the home, billing, door-to-door marketing and hardship assistance. Each pack includes some information in different community languages.

All of this work was underpinned by our participation in events run by metropolitan, regional and rural community groups — including 'Bring Your Bills' days run to assist vulnerable consumers and a NAIDOC Week event, where we were able to engage with representatives from Indigenous communities.

We also introduced regular EWOV Open Days where financial counsellors, emergency relief workers and others came into our office for a practical, hands-on experience and a look behind the scenes.

How we performed against our goals

Six specific areas of strategic focus underpinned EWOV's 2013-14 strategic plan — customer service, scheme participants, communications, human resources, innovation and finance. Here's a summary of our goals in each of those areas and how we performed against them.

Customer Service

We maintained our focus on providing quality service to energy and water customers contacting EWOV.

By implementing changes recommended by a review of the Assisted Referral and Real Time Resolution processes, we increased the Assisted Referral success rate from 72% in 2012-13 to 80% in 2013-14, and the Real Time Resolution success rate from 82% in 2012-13 to 86% in 2013-14.

From September 2013, we consistently closed more Investigations than we received, effectively addressing both a complaint backlog from 2012-13 and high complaint receipt in the first five months of 2013-14.

Our 2013-14 quarterly phone and online surveys showed that 75% of customers said they had a good or excellent experience with the way EWOV handled their complaint. How customers rated their EWOV experience by case type is shown in the table on page 35.

We significantly improved customer ratings of EWOV's fairness (from 73% in 2012-13 to 83% in 2013-14) and independence (from 76% in 2012-13 to 82% in 2013-14).

Through further refinement of processes and restructuring of operational teams, we delivered key efficiency gains and a refund of \$1,000,000 to the companies participating in the EWOV scheme.

The recommendations of the *National Benchmarks Review* were for 'subtle shifts in balance' rather than wholesale change — a clear recognition of our effectiveness in maintaining an appropriate level of tension between quality and efficiency in our dispute resolution service.

Scheme participants

We maintained our focus on fostering effective relationships and working with the energy and water companies to drive customer service improvements by them.

We rebuilt EWOV's extranet to increase its relevance and usefulness to the energy and water companies, expand company representatives' access to it and improve secure exchange of information.

In water, and with the agreement of the water corporations, we introduced data sharing for greater transparency and improved complaint handling.

We developed position statements to provide guidance on how we approach complaint issues, taking into account the relevant laws and codes, good industry practice and other aspects we consider in reaching a fair and reasonable outcome.

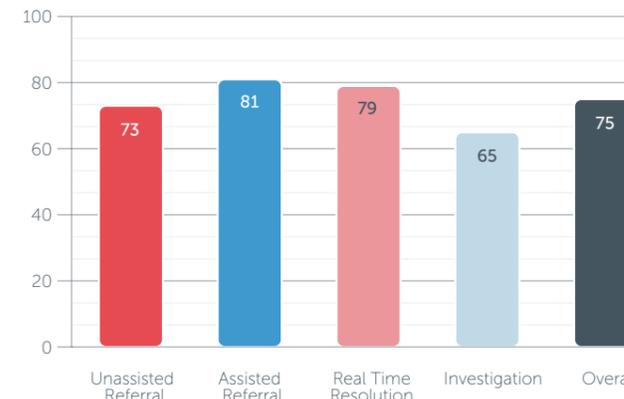
We ran targeted workshops to improve the effectiveness of company complaint handling, particularly around the Assisted Referral and Real Time Resolution processes.

More company staff working on EWOV complaints took up the opportunity to come into our office to discuss complaints with us face-to-face.

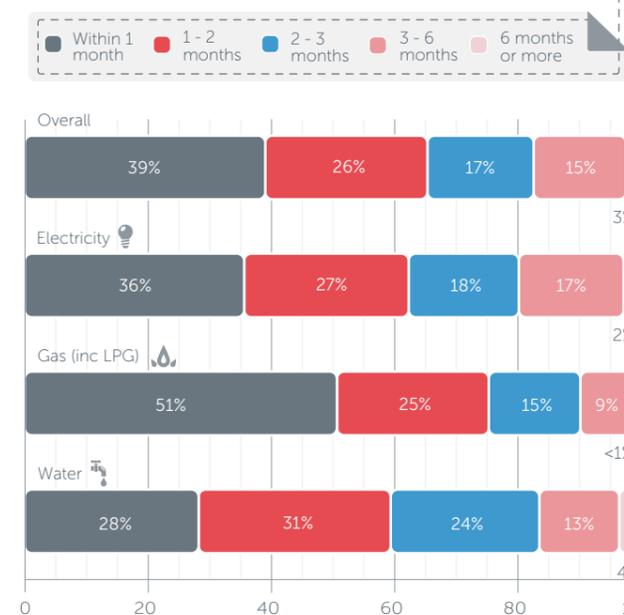
We ran periodic forums where we discussed complaint handling processes and initiatives, such as the development of position statements.

We continued to deliver monthly training sessions and independently-facilitated complaint handling workshops for company staff.

CUSTOMER SATISFACTION SURVEY RESULTS (%)



HOW LONG INVESTIGATIONS TOOK TO RESOLVE (%)



Communications

We focused on:

- increasing our ability to assist vulnerable energy and water customers
- enabling and fostering a high standard of internal communications
- advancing EWOV's reputation with external stakeholders.

We reviewed our external communications materials and delivery mechanisms to enhance the accessibility of these services.

We introduced subtitles to our online videos in over 70 languages and translated EWOV's basic fact sheet into 29 languages.

Very positive feedback on *Res Online* and *EWOV Connect* from a variety of community, industry and government stakeholders reaffirmed the relevance and usefulness of these publications. Greater use of infographics in both publications improved their readability.

EWOV's accessibility overall was rated highly in the *National Benchmarks Review* — in particular the quality of our external materials.

We developed a community agency pack designed to support community organisations and consumer representatives in their work with clients presenting with energy and water issues.

We ran six EWOV Open Days for workers in community agencies.

Internal communications received a 72% approval rating in the 2013-14 staff survey, up from 55% in 2012-13. Ongoing improvements and staff uptake saw our Emerald City intranet become the primary mechanism for communication among the EWOV team.

Human resources

We focused on maintaining an engaged, vibrant and high performing workforce.

In the annual staff survey, our engagement score increased 20% relative to 2012-13, reaching 78%. Engagement levels of managers increased significantly, leading to a strong increase in results across all teams.

We revised our Learning and Development Program to include regular 'Toolbox Talks', to build industry knowledge among staff and support high quality complaint handling and outcomes.

We developed a Competency Framework to better define the behaviours, skills and knowledge required of EWOV employees and we mapped our revised Learning and Development Program to that new framework.

We commenced the implementation of a Learning Management System to provide smoother administration of staff learning opportunities.

We commenced work on a Performance Appraisal module as part of our new Human Resources Information System – linking our Learning Management System and further integrating our Competency Framework, Learning and Development program and performance management policy and practice.

Innovation

We focused on continuous improvement involving a blend of incremental change and project-based work.

We improved the reporting we offer to energy and water companies, particularly around customisation of reports for further value-add and additional information about their complaint handling and complaint trends.

Having identified a need for further structure and discipline in the planning of EWOV projects, as well as enhanced project management and change management structure, we applied this to a range of projects including the *National Benchmarks Review* and the implementation of the outcomes of the Assisted Referral/Real Time Resolution Review.

Having explored the feasibility of direct access to our case management system (Resolve) for energy and water companies, we determined that while the technology exists, there would be insufficient benefit to them due primarily to the duplication of effort.

Finance

We focused on responsible management of scheme resources, balancing efficiencies with effectiveness.

We brought EWOV's total costs in at \$15.3 million, 9% under budget. This result was mainly due to savings in human resources (\$890,000), administration (\$307,000), support services (\$158,000) and capital costs (\$175,000).

We achieved a 10% reduction in the average cost per case.

By industry

Consolidated list of industry participants

All energy and water companies operating in Victoria are required by licence and/or legislation to join an Ombudsman scheme approved by the Essential Services Commission. That scheme is EWOV. At 30 June 2014, EWOV Limited had 75 electricity, gas and water companies as its members. Some of these companies trade under the same name.

27 electricity retailers

- AGL Sales¹
- Alinta Energy
- Aurora Energy
- Australian Power & Gas
- Blue NRG
- Click Energy
- Diamond Energy
- Dodo Power & Gas
- EnergyAustralia²
- ERM Power Retail
- Go Energy
- Lumo Energy Australia
- Momentum Energy
- Neighbourhood Energy
- Origin Energy³
- Pacific Hydro Retail
- People Energy
- Powerdirect
- Powershop Australia
- QEnergy⁴
- Red Energy
- Simply Energy
- SP AusNet

5 electricity distributors

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

2 electricity transmission companies

- Basslink
- SP AusNet (SPL PowerNet Pty Ltd)

13 natural gas retailers

- AGL Sales⁵
- Alinta Energy
- Australian Power & Gas
- Dodo Power & Gas
- EnergyAustralia⁶
- Lumo Energy Australia
- Momentum Energy⁷
- Origin Energy⁸
- Red Energy
- Simply Energy

4 natural gas distributors

- Envestra⁹
- Multinet Gas Vic
- SP AusNet

5 liquefied petroleum gas (LPG) retailers

- Elgas
- Kleenheat
- Origin Energy LPG¹⁰
- Supagas

3 metropolitan water retailers

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

1 metropolitan water wholesaler

- Melbourne Water Corporation

11 regional urban water corporations

- Barwon Region Water Corporation
- Central Gippsland Region Water Corporation¹¹
- Central Highlands Region Water Corporation
- Coliban Region Water Corporation
- East Gippsland Region Water Corporation
- Goulburn Valley Region Water Corporation
- North East Region Water Corporation
- South Gippsland Region Water Corporation
- Wannon Region Water Corporation
- Western Region Water Corporation
- Westernport Region Water Corporation

2 rural water corporations

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

2 rural urban water corporations

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

NOTES

1. Two electricity retail members of EWOV Limited trade as AGL Sales – AGL Sales Pty Ltd and AGL Sales (Queensland Electricity) Pty Limited
2. Two electricity retail members of EWOV Limited trade as EnergyAustralia – EnergyAustralia (formerly TRUenergy) and EnergyAustralia (Ausgrid)
3. Three electricity retail members of EWOV Limited trade as Origin Energy – Country Energy, Origin Energy Electricity Ltd and Sun Retail Pty Ltd
4. QEnergy joined EWOV Limited as an electricity retail member on 23 August 2013
5. Two gas retail members of EWOV Limited trade as AGL Sales – AGL Sales Pty Ltd and AGL Sales (Queensland) Pty Ltd
6. Two gas retail members of EWOV Limited trade as EnergyAustralia – EnergyAustralia (formerly TRUenergy) and EnergyAustralia (Ausgrid)
7. Momentum Energy joined EWOV Limited as a gas retail member on 14 February 2014
8. Two gas retail members of EWOV Limited trade as Origin Energy – Origin Energy (Vic) Pty Ltd and Origin Energy Retail Ltd
9. Two gas distribution members of EWOV Limited trade as Envestra – Envestra Limited and Vic Gas Distribution Pty Ltd
10. Two LPG members of EWOV Limited trade as Origin Energy LPG – Powergas and Origin Energy Retail Ltd
11. Central Gippsland Regional Water Corporation is commonly known as Gippsland Water

By industry: Electricity

2013-14 cases overall

CASE TYPES



MAIN ISSUES



BY INDUSTRY SECTOR



60,517 cases
up 7% from 2012-13

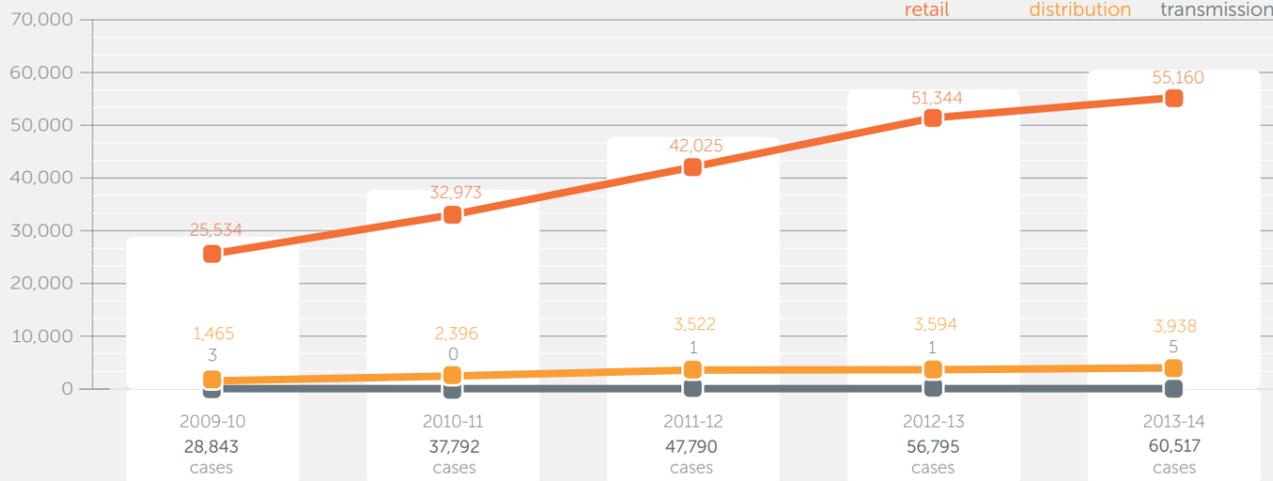
58,714 complaints
up 7% from 2012-13

1,803 Enquiries
down 5% from 2012-13

7,282 Investigations
down 3% from 2012-13

8,256 Investigations finalised
up 28% from 2012-13

TRENDS IN ELECTRICITY CASES



Note: The overall cases for each year also includes a number of cases which were non-industry specific.

At 30 June 2014, 27 retailers, five distributors and two transmission companies were electricity participants in the EWOV scheme.

There are just over 2.68 million electricity customers in Victoria. These customers can choose their retailer. They can't choose their distributor, because each of the five electricity distributors owns the 'poles and wires' network in a specific part of the state.

The electricity industry in Victoria is privately owned, independently regulated and operates within the National Energy Market.

Read more

The credit issues page 23

The billing issues page 27

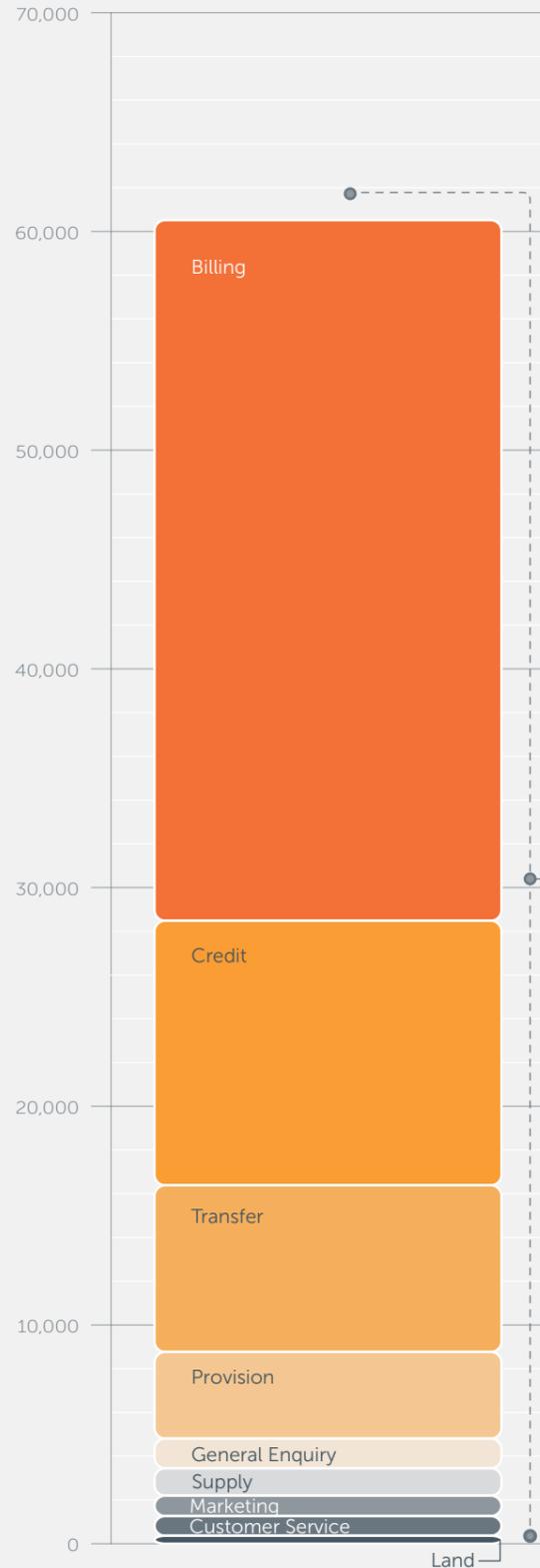
ELECTRICITY CASES WE RECEIVED IN 2013-14

| | | OVERALL CASES | | ENQUIRIES | COMPLAINTS | | | | TOTAL COMPLAINTS |
|--------------------------------------|-------|---------------|---------------|--------------|----------------------|--------------------|-----------------------|----------------|------------------|
| | | 2013-14 | 2012-13 | | Unassisted Referrals | Assisted Referrals | Real Time Resolutions | Investigations | |
| RETAIL (customer bandwidth ^) | | | | | | | | | |
| AGL Sales | 🔦🔦🔦🔦🔦 | 7,112 | 6,949 | 87 | 841 | 4,353 | 697 | 1,134 | 7,025 |
| Alinta Energy | 🔦 | 806 | 232 | 22 | 106 | 514 | 67 | 97 | 784 |
| Aurora Energy | 🔦 | 6 | 3 | 2 | 3 | 1 | 0 | 0 | 4 |
| Australian Power & Gas | 🔦🔦 | 3,428 | 2,566 | 38 | 368 | 979 | 1,062 | 981 | 3,390 |
| Blue NRG | 🔦 | 14 | 5 | 0 | 4 | 10 | 0 | 0 | 14 |
| Click Energy | 🔦 | 1,228 | 384 | 13 | 140 | 764 | 129 | 182 | 1,215 |
| Diamond Energy | 🔦 | 24 | 27 | 4 | 6 | 13 | 1 | 0 | 20 |
| Dodo Power & Gas | 🔦 | 556 | 311 | 7 | 78 | 396 | 41 | 34 | 549 |
| EnergyAustralia (Ausgrid) | 🔦 | 1,658 | 2,278 | 27 | 245 | 1,019 | 168 | 199 | 1,631 |
| EnergyAustralia (formerly TRUenergy) | 🔦🔦🔦🔦🔦 | 20,047 | 17,018 | 183 | 2,026 | 13,430 | 2,407 | 2,001 | 19,864 |
| ERM Power Retail | 🔦 | 3 | 2 | 0 | 0 | 3 | 0 | 0 | 3 |
| Go Energy | 🔦 | 3 | 0 | 1 | 1 | 1 | 0 | 0 | 2 |
| Integral Energy Australia | 🔦 | 0 | 35 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lumo Energy | 🔦🔦 | 2,516 | 3,286 | 24 | 327 | 1,739 | 178 | 248 | 2,492 |
| Momentum Energy | 🔦 | 1,000 | 640 | 17 | 142 | 636 | 73 | 132 | 983 |
| Neighbourhood Energy | 🔦 | 698 | 981 | 5 | 72 | 446 | 48 | 127 | 693 |
| Origin Energy | 🔦🔦🔦🔦🔦 | 8,782 | 11,063 | 130 | 1,078 | 5,848 | 632 | 1,094 | 8,652 |
| Origin Energy (Country Energy) | 🔦 | 125 | 418 | 3 | 18 | 73 | 13 | 18 | 122 |
| People Energy | 🔦 | 223 | 13 | 2 | 39 | 161 | 15 | 6 | 221 |
| Powerdirect | 🔦 | 1,422 | 811 | 22 | 163 | 859 | 126 | 252 | 1,400 |
| Powerdirect Australia (AGL) | 🔦 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Powershop Australia | 🔦 | 13 | 0 | 2 | 4 | 7 | 0 | 0 | 11 |
| QEnergy | 🔦 | 39 | - | 3 | 14 | 20 | 1 | 1 | 36 |
| Red Energy | 🔦🔦 | 1,540 | 1,804 | 21 | 240 | 1,034 | 118 | 127 | 1,519 |
| Simply Energy | 🔦🔦 | 3,917 | 2,515 | 51 | 532 | 2,805 | 261 | 268 | 3,866 |
| Total retail | | 55,160 | 51,344 | 664 | 6,447 | 35,111 | 6,037 | 6,901 | 54,496 |
| DISTRIBUTION (% customers ~) | | | | | | | | | |
| CitiPower Pty | 12% | 208 | 224 | 10 | 66 | 96 | 8 | 28 | 198 |
| Jemena Electricity Networks (Vic) | 12% | 514 | 455 | 22 | 93 | 326 | 26 | 47 | 492 |
| Powercor Australia | 27% | 452 | 582 | 15 | 141 | 210 | 18 | 68 | 437 |
| SP AusNet | 24% | 1,339 | 1,251 | 34 | 294 | 832 | 98 | 81 | 1,305 |
| United Energy Distribution | 25% | 1,425 | 1,082 | 20 | 243 | 903 | 103 | 156 | 1,405 |
| Total distribution | | 3,938 | 3,594 | 101 | 837 | 2,367 | 253 | 380 | 3,837 |
| TRANSMISSION | | | | | | | | | |
| Basslink | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SP AusNet (SPI PowerNet Pty Ltd) | | 5 | 1 | 0 | 2 | 2 | 0 | 1 | 5 |
| Total transmission | | 5 | 1 | 0 | 2 | 2 | 0 | 1 | 5 |
| NON COMPANY SPECIFIC | | | | | | | | | |
| Non company specific | | 1,414 | 1,856 | 1,038 | 372 | 4 | 0 | 0 | 376 |
| ELECTRICITY TOTALS | | 60,517 | 56,795 | 1,803 | 7,658 | 37,484 | 6,290 | 7,282 | 58,714 |

NOTES

Pacific Hydro Retail and SP Ausnet are electricity retail scheme participants without cases registered for the 2013/14 year
 Integral Energy is no longer an EWOV scheme participant, but registered EWOV cases in 2012-13
 Go Energy joined EWOV as an electricity retail participant on 14 June 2012
 Powershop Australia joined EWOV as an electricity retail participant on 14 June 2012
 QEnergy joined EWOV as an electricity retail participant on 23 August 2013
 521 electricity Investigations were upgraded to Stage 2 during the year, 1,224 were upgraded to Stage 3 and 369 were upgraded to Final Stage
 ^ Customer bandwidth: 🔦 denotes up to 100,000 customers at 30 June 2013 based on the Essential Services Commission's *Energy Retailers Comparative Performance Report Pricing 2012 - 2013* (December 2013)
 ~ Electricity distributors' customer shares are based on 2010 customer numbers in the Australian Energy Regulator (AER)'s *Victorian Electricity Distribution Businesses - Comparative Performance Report 2010* (May 2012)

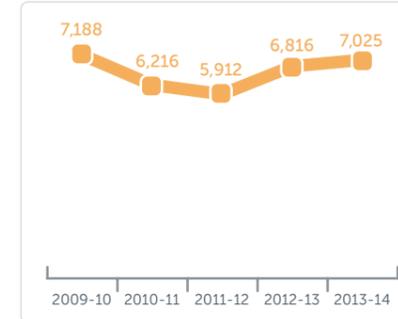
ISSUES RAISED BY ELECTRICITY CUSTOMERS



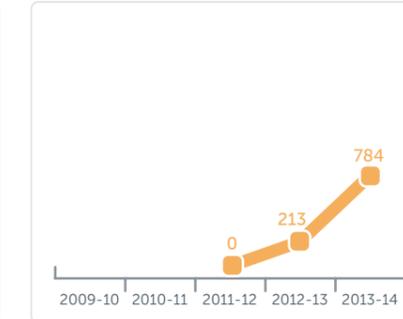
| ISSUE | NUMBER |
|-------------------------------------|---------------|
| Total | 60,517 |
| Billing issues (53%) | 32,034 |
| High | 5,982 |
| Back bill | 5,643 |
| Error | 5,350 |
| Tariff | 4,766 |
| Delay | 3,532 |
| Estimation | 2,080 |
| Meter | 1,059 |
| Fees and Charges | 1,017 |
| Refund | 963 |
| Concession/Rebate | 748 |
| Other | 455 |
| Format | 439 |
| Credit issues (20%) | 12,095 |
| Disconnection | 6,049 |
| Collection | 4,107 |
| Payment Difficulties | 1,939 |
| Transfer issues (13%) | 7,620 |
| Contract Terms | 1,788 |
| Delay | 1,320 |
| In Error | 1,296 |
| Without Consent | 1,218 |
| Billing | 766 |
| Site Ownership | 484 |
| Cooling-off Rights | 444 |
| Objection | 304 |
| Provision issues (7%) | 3,962 |
| Existing Connection | 3,184 |
| New Connection | 501 |
| Disconnection | 277 |
| General Enquiry (2%) | 1,356 |
| Energy/Water | 1,356 |
| Supply issues (2%) | 1,252 |
| Off Supply - Unplanned | 663 |
| Off Supply - Planned | 365 |
| Variation | 215 |
| Sustainability Initiatives | 0 |
| Quality | 9 |
| Marketing issues (2%) | 934 |
| Misleading | 602 |
| Pressure Sales | 144 |
| Other | 94 |
| Information | 72 |
| Non Account Holder | 22 |
| Customer Service issues (1%) | 899 |
| Poor Service | 228 |
| Failure to Consult/Inform | 228 |
| Failure to Respond | 184 |
| Incorrect Advice/Information | 133 |
| Privacy | 101 |
| Poor/Unprofessional Attitude | 25 |
| Land issues (<1%) | 365 |
| Network Assets | 179 |
| Other | 126 |
| Vegetation Management | 46 |
| Street Lighting | 8 |
| Easement | 6 |

Electricity retail

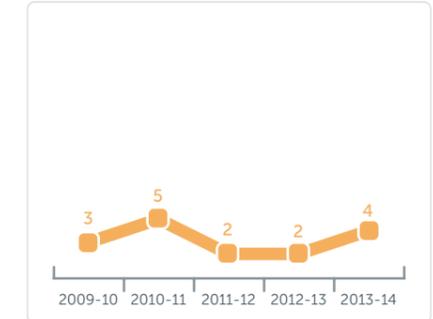
AGL Sales



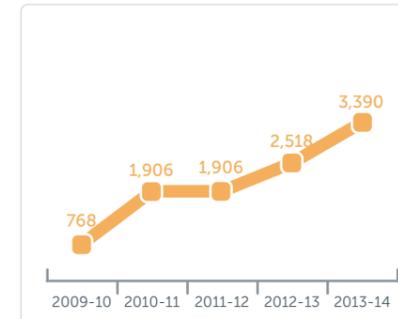
Alinta Energy



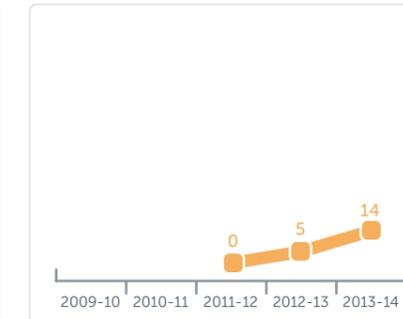
Aurora Energy



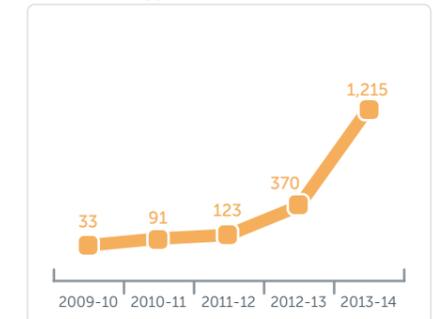
Australian Power & Gas



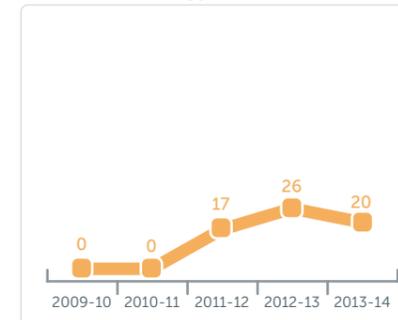
Blue NRG



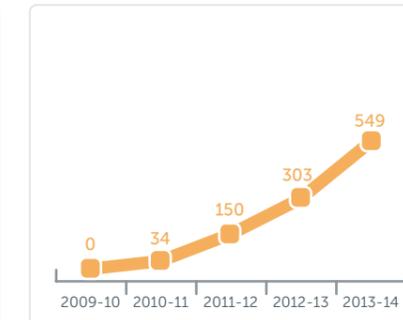
Click Energy



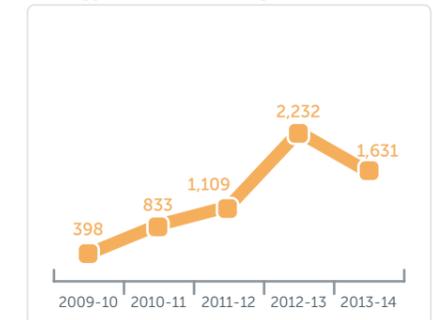
Diamond Energy



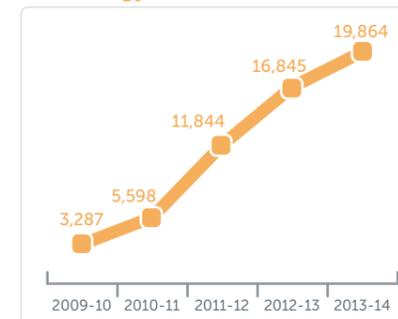
Dodo Power & Gas



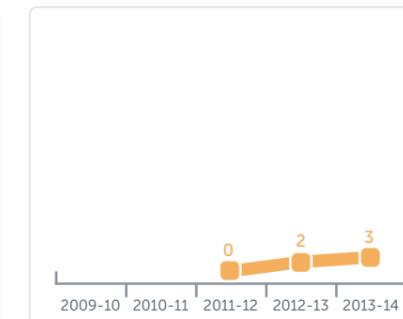
EnergyAustralia (Ausgrid)



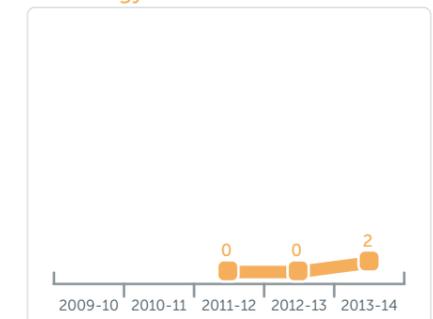
EnergyAustralia (formerly TRUenergy)



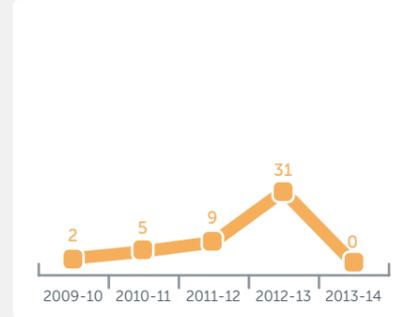
ERM Power Retail



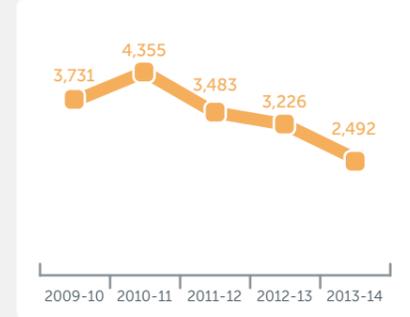
Go Energy



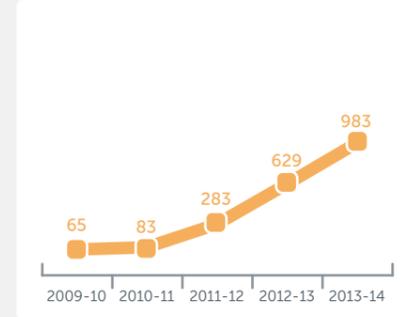
Integral Energy



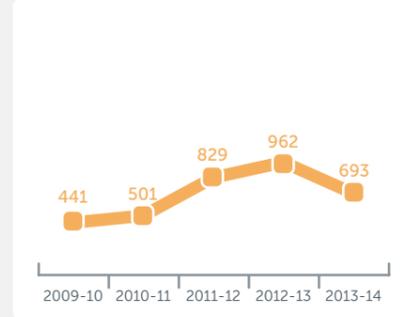
Lumo Energy



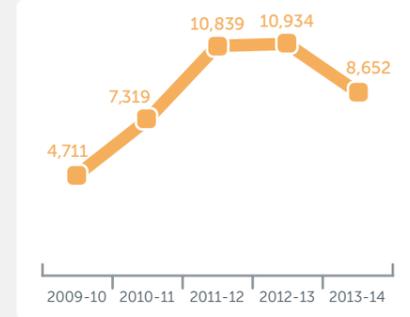
Momentum Energy



Neighbourhood Energy



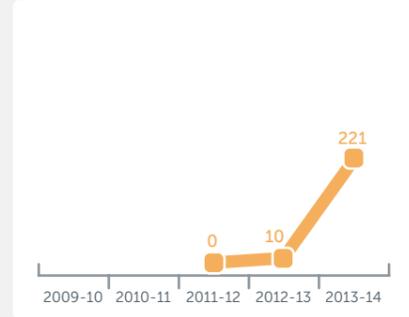
Origin Energy



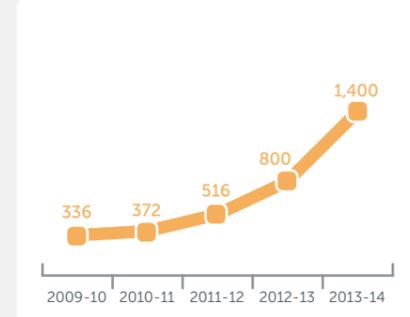
Origin Energy (Country Energy)



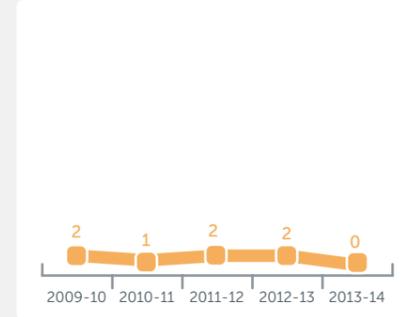
People Energy



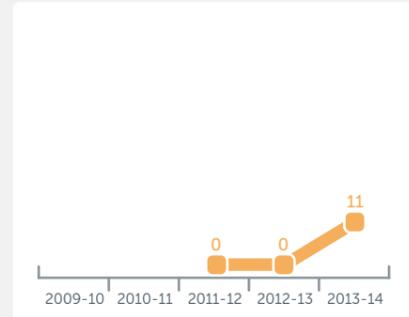
Powerdirect



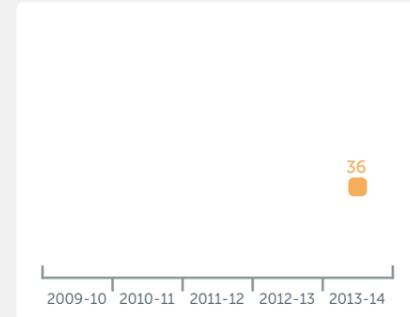
Powerdirect Australia (AGL)



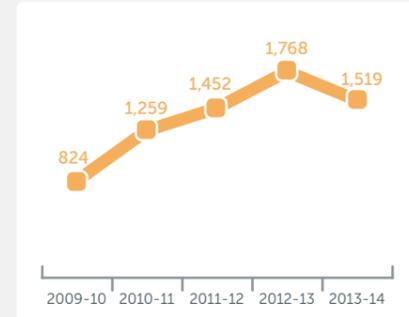
Powershop Australia



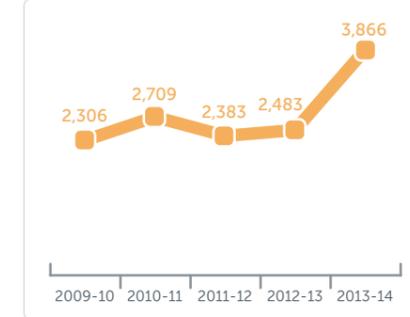
QEnergy



Red Energy



Simply Energy

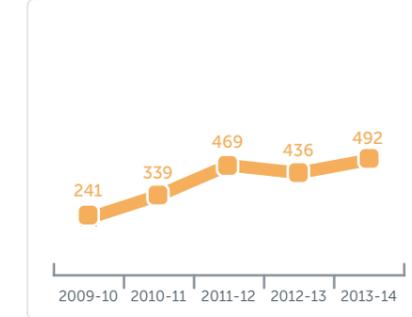


Electricity distribution

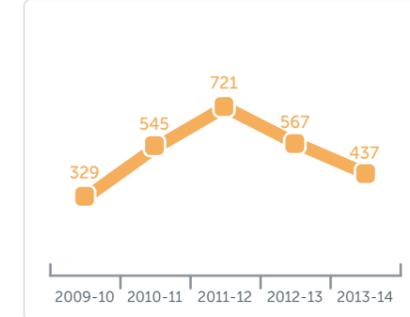
CitiPower Pty



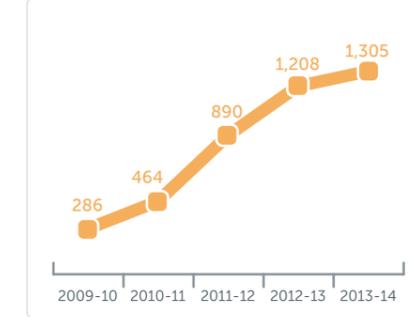
Jemena Electricity Networks (Vic)



Powercor Australia



SP AusNet

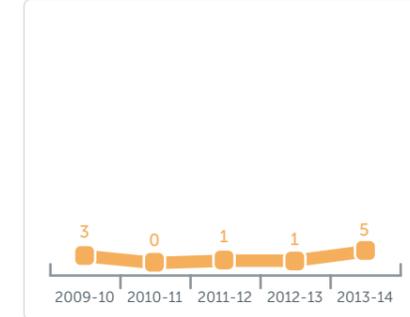


United Energy Distribution

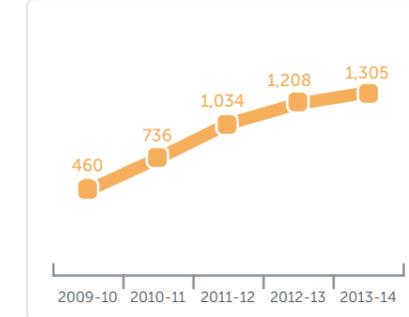


Electricity transmission

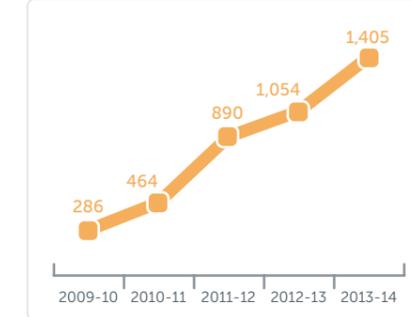
SP AusNet (SPI PowerNet Pty Ltd)



SP AusNet



United Energy Distribution

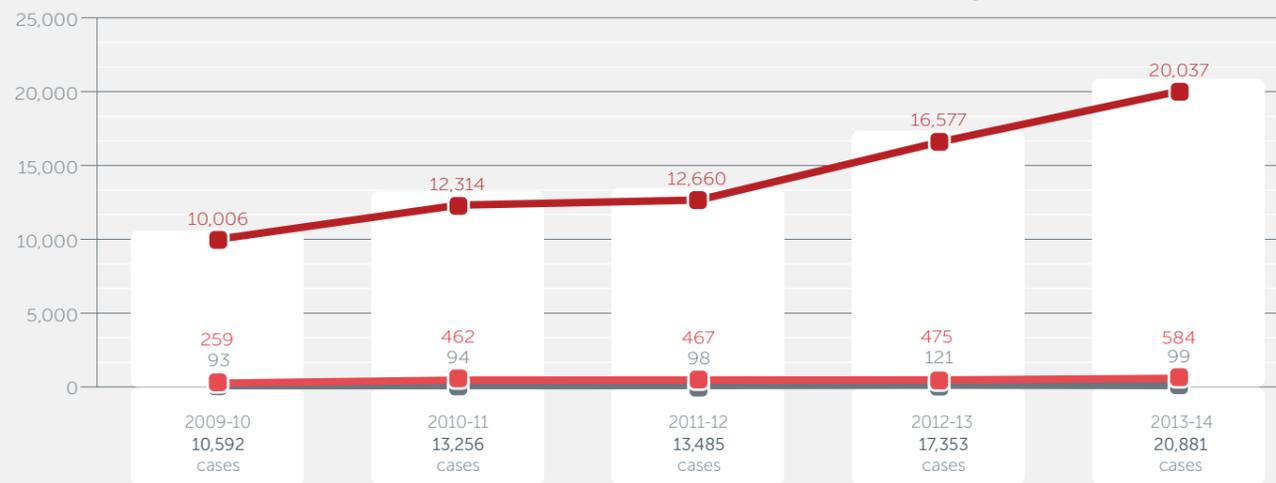


By industry: Gas

2013-14 cases overall



TRENDS IN GAS CASES



Note: The overall cases for each year also includes a number of cases which were non-industry specific.

At 30 June 2014, 13 natural gas retailers, four natural gas distributors and five liquefied petroleum gas (LPG) retailers were gas participants in the EWOV scheme.

There are almost 1.95 million natural gas customers in Victoria. These customers can choose their retailer. They can't choose their distributor, because each of the four natural gas distributors owns a network of pipes in a specific part of the state.

Customers using LPG at home, or in their business, can choose to purchase it from LPG retailers or resellers operating in their area. EWOV's jurisdiction extends to LPG retailers only. The natural gas industry in Victoria is privately owned, independently regulated and operates within the National Energy Market.

[Read more](#)

The credit issues page 23

The billing issues page 27

GAS CASES WE RECEIVED IN 2013-14

| | OVERALL CASES | | ENQUIRIES | COMPLAINTS | | | | TOTAL COMPLAINTS | |
|--|---------------|---------------|------------|----------------------|--------------------|-----------------------|----------------|------------------|-----|
| | 2013-14 | 2012-13 | | Unassisted Referrals | Assisted Referrals | Real Time Resolutions | Investigations | | |
| NATURAL GAS RETAIL (customer bandwidth ^) | | | | | | | | | |
| AGL Sales | 3,065 | 2,806 | 35 | 324 | 2,055 | 270 | 381 | 3,030 | |
| Alinta Energy | 299 | 64 | 3 | 36 | 192 | 23 | 45 | 296 | |
| Australian Power & Gas | 1,859 | 1,166 | 13 | 205 | 502 | 568 | 571 | 1,846 | |
| Dodo Power & Gas | 155 | 18 | 2 | 22 | 119 | 5 | 7 | 153 | |
| EnergyAustralia (Ausgrid) | 616 | 691 | 8 | 71 | 398 | 63 | 76 | 608 | |
| EnergyAustralia (formerly TRUenergy) | 7,816 | 5,830 | 61 | 736 | 5,424 | 986 | 609 | 7,755 | |
| Lumo Energy | 951 | 1,164 | 16 | 127 | 631 | 71 | 106 | 935 | |
| Momentum Energy | 0 | - | 0 | 0 | 0 | 0 | 0 | 0 | |
| Origin Energy | 3,335 | 3,440 | 42 | 352 | 2,304 | 212 | 425 | 3,293 | |
| Red Energy | 453 | 477 | 5 | 67 | 305 | 32 | 44 | 448 | |
| Simply Energy | 1,488 | 921 | 19 | 163 | 1,089 | 111 | 106 | 1,469 | |
| Total natural gas retail | 20,037 | 16,577 | 204 | 2,103 | 13,019 | 2,341 | 2,370 | 19,833 | |
| NATURAL GAS DISTRIBUTION (% customers ~) | | | | | | | | | |
| Envestra | 31% | 191 | 150 | 12 | 49 | 112 | 15 | 3 | 179 |
| Multinet Gas | 36% | 240 | 226 | 6 | 49 | 146 | 15 | 24 | 234 |
| SP AusNet | 33% | 153 | 99 | 8 | 27 | 104 | 9 | 5 | 145 |
| Total natural gas distribution | 584 | 475 | 26 | 125 | 362 | 39 | 32 | 558 | |
| NON COMPANY SPECIFIC | | | | | | | | | |
| Natural gas | 156 | 173 | 80 | 76 | 0 | 0 | 0 | 76 | |
| LPG | 5 | 7 | 4 | 1 | 0 | 0 | 0 | 1 | |
| LPG (RETAILER SPECIFIC) | | | | | | | | | |
| Elgas | 40 | 49 | 2 | 6 | 22 | 4 | 6 | 38 | |
| Kleenheat | 27 | 22 | 1 | 10 | 13 | 1 | 2 | 26 | |
| Origin Energy LPG | 30 | 43 | 0 | 9 | 15 | 2 | 4 | 30 | |
| Supagas | 2 | 7 | 0 | 1 | 1 | 0 | 0 | 2 | |
| Total LPG (retailer specific) | 99 | 121 | 3 | 26 | 51 | 7 | 12 | 96 | |
| GAS TOTALS | 20,881 | 17,353 | 317 | 2,331 | 13,432 | 2,387 | 2,414 | 20,564 | |

NOTES

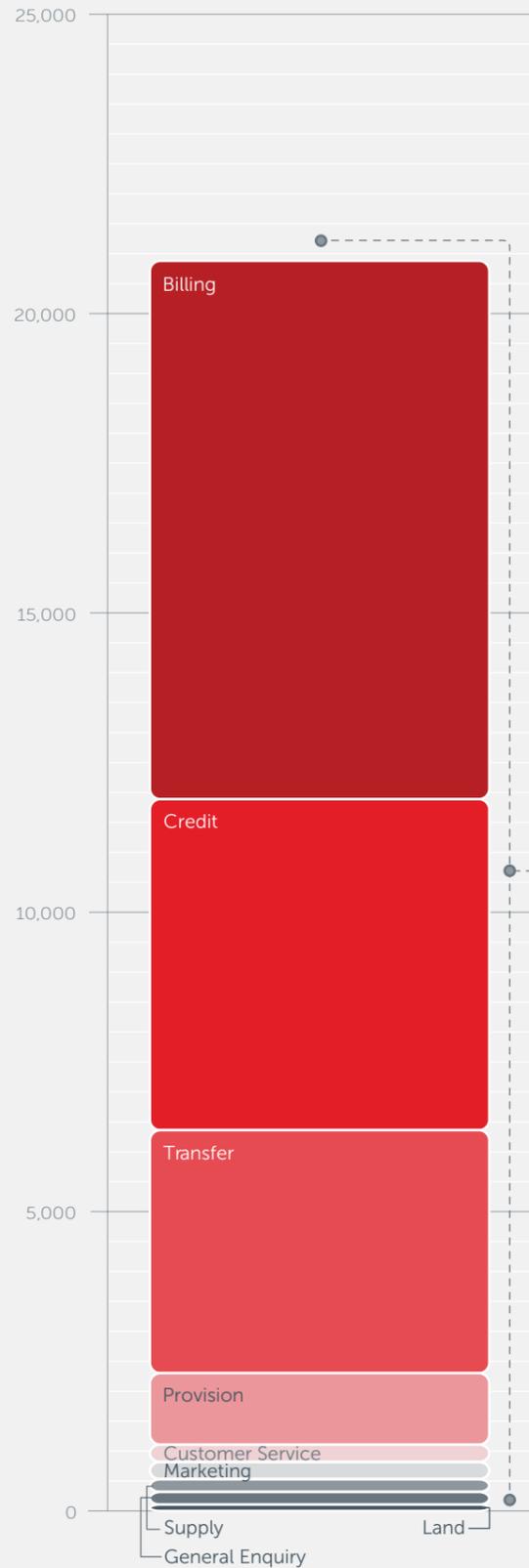
Momentum Energy joined EWOV as a gas retail participant on 14 February 2014

121 gas Investigations were upgraded to Stage 2 during the year, 239 were upgraded to Stage 3 and 83 were upgraded to Final Stage

^ Customer bandwidth: ^ denotes up to 100,000 customers at 30 June 2013 based on the Essential Services Commission's *Energy Retailers Comparative Performance Report Pricing 2012 - 2013* (December 2013)

~ Natural gas distributors' customer shares are based on 2012 customer numbers in the Australian Energy Regulator (AER)'s *Victorian Gas Distribution Businesses - Comparative Performance Report 2012* (February 2014)

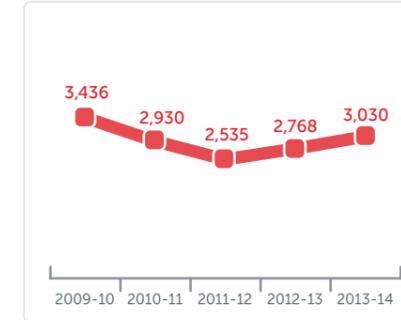
ISSUES RAISED BY GAS CUSTOMERS



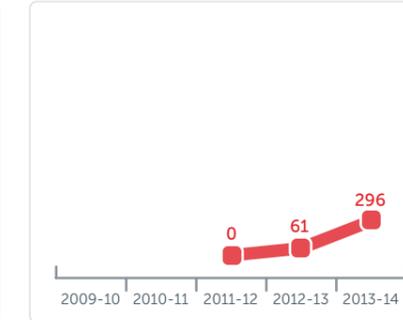
| ISSUE | NUMBER |
|-------------------------------------|--------------|
| Total | 20,881 |
| Billing issues (43%) | 8,992 |
| Error | 2,405 |
| High | 1,951 |
| Back bill | 1,332 |
| Delay | 892 |
| Estimation | 686 |
| Meter | 368 |
| Refund | 344 |
| Concession/Rebate | 332 |
| Fees and Charges | 289 |
| Other | 163 |
| Format | 141 |
| Tariff | 81 |
| Price of LPG | 8 |
| Credit issues (26%) | 5,529 |
| Disconnection | 2,970 |
| Collection | 1,628 |
| Payment Difficulties | 918 |
| Deliveries Stopped | 13 |
| Transfer issues (19%) | 4,059 |
| Delay | 907 |
| In Error | 716 |
| Contract Terms | 635 |
| Without Consent | 535 |
| Billing | 476 |
| Site Ownership | 438 |
| Cooling-off Rights | 181 |
| Objection | 171 |
| Provision issues (6%) | 1,194 |
| Existing Connection | 676 |
| New Connection | 406 |
| Disconnection/Restriction | 107 |
| Deliveries Stopped | 5 |
| Customer Service issues (1%) | 289 |
| Poor Service | 75 |
| Failure to Consult/Inform | 62 |
| Failure to Respond | 56 |
| Incorrect Advice/Information | 47 |
| Privacy | 35 |
| Poor/Unprofessional Attitude | 14 |
| Marketing issues (1%) | 288 |
| Misleading | 213 |
| Pressure Sales | 38 |
| Information | 17 |
| Other | 14 |
| Non Account Holder | 6 |
| Supply issues (1%) | 214 |
| Off Supply - Unplanned | 114 |
| Quality | 56 |
| Variation | 25 |
| Off Supply - Planned | 19 |
| Sustainability Initiatives | 0 |
| General Enquiry (1%) | 211 |
| Energy/Water | 211 |
| Land issues (<1%) | 105 |
| Network Assets | 50 |
| Other | 47 |
| Easement | 4 |
| Cylinder (LPG) | 2 |
| Vegetation Management | 2 |

COMPLAINT RECEIPT TRENDS FOR GAS COMPANIES – PAST 5 YEARS

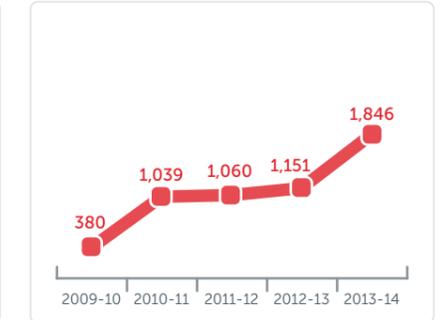
Natural gas retail
AGL Sales



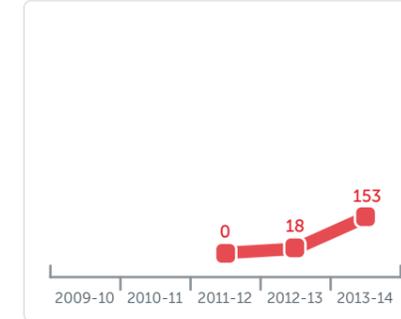
Alinta Energy



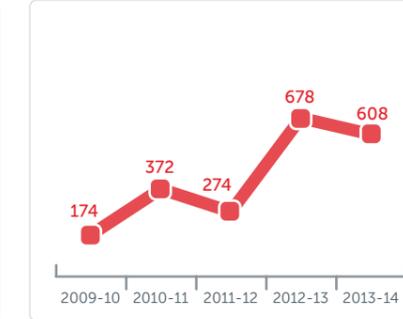
Australian Power & Gas



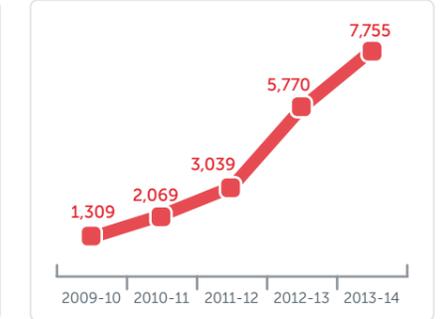
Dodo Power & Gas



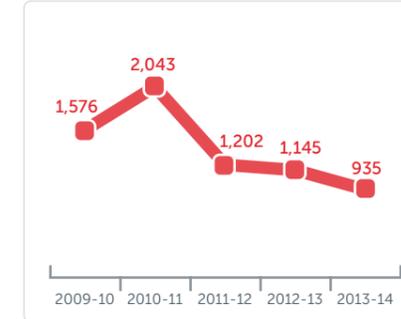
EnergyAustralia (Ausgrid)



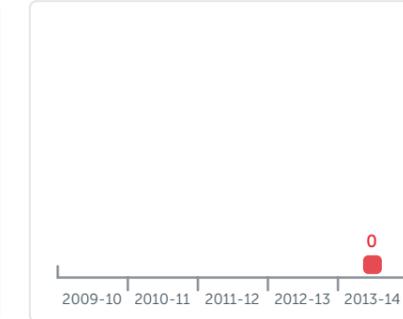
EnergyAustralia (formerly TRUenergy)



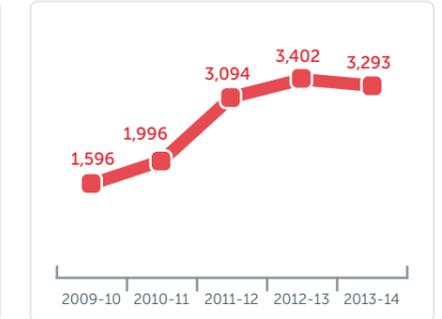
Lumo Energy



Momentum Energy



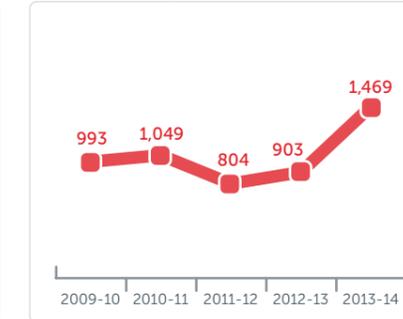
Origin Energy



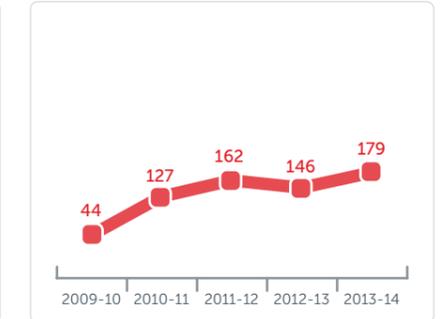
Red Energy



Simply Energy

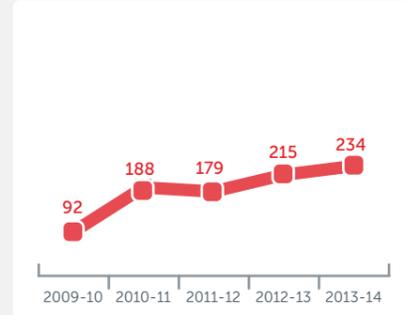


Natural gas distribution
Envestra

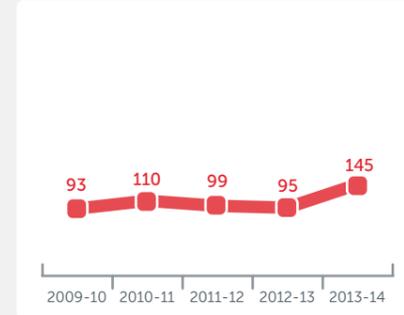


By industry: Water

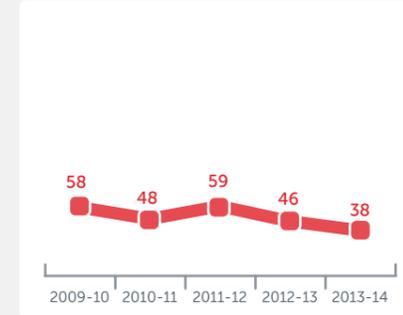
Multinet Gas



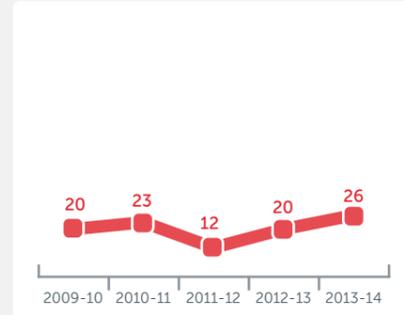
SP AusNet



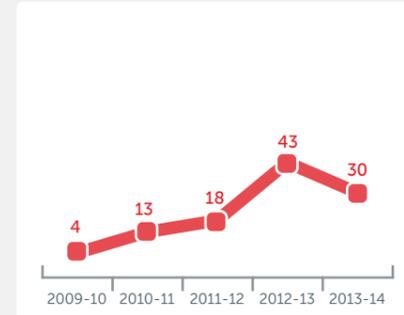
LPG
Elgas



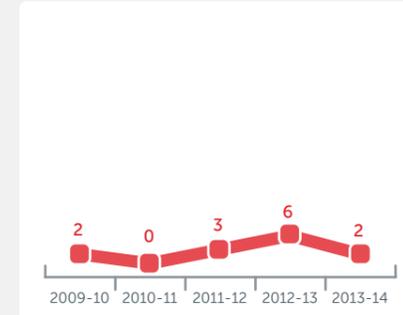
Kleenheat



Origin Energy LPG

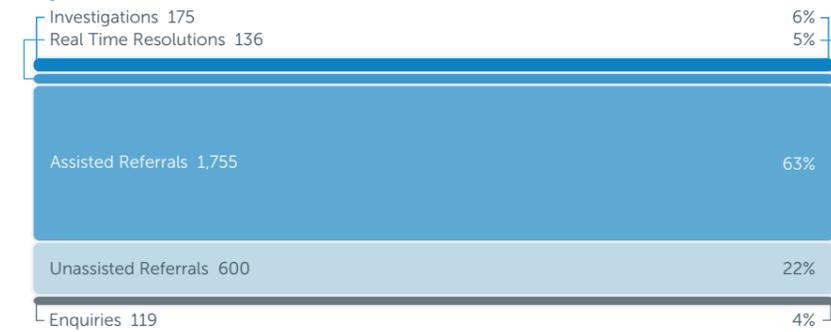


Supagas



2013-14 cases overall

CASE TYPES



2,785
cases
up 14% from 2012-13

2,666
complaints
up 15% from 2012-13

119
Enquiries
up 11% from 2012-13

175
Investigations
down 18% from 2012-13

170
Investigations finalised
down 14% from 2012-13

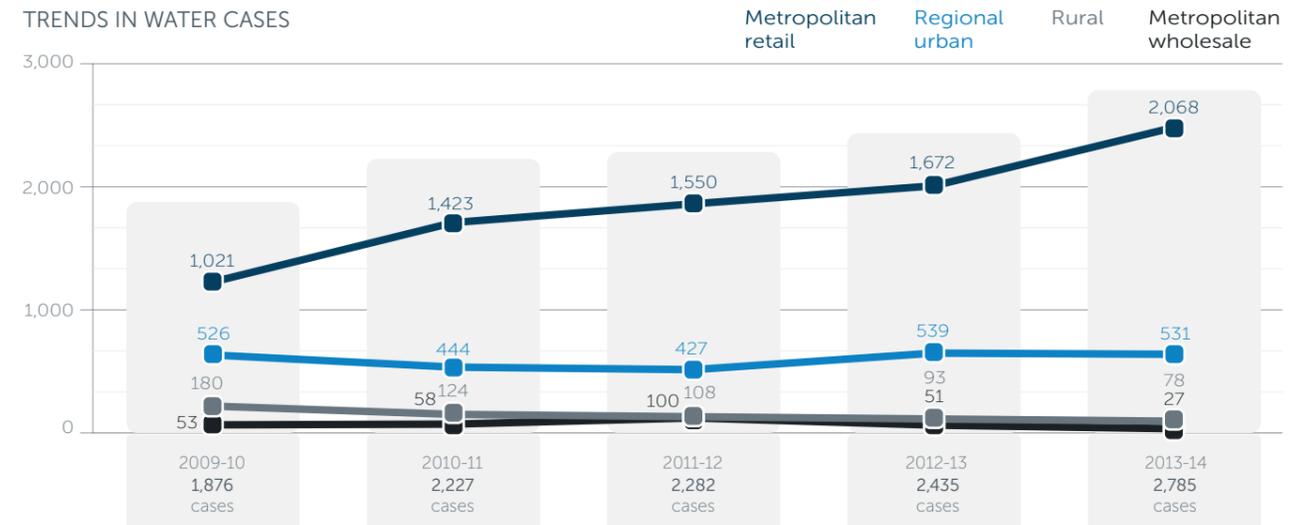
MAIN ISSUES



BY INDUSTRY SECTOR



TRENDS IN WATER CASES



Note: The overall cases for each year also includes a number of cases which were non-industry specific.

At 30 June 2014, three metropolitan retailers, one metropolitan wholesaler, eleven regional urban water corporations, two rural water corporations and two rural urban water corporations were water participants in the EWOV scheme.

Victoria's water sector is made up of 19 water corporations constituted under the Water Act 1989. Collectively they service 2.5 million residential and business customers. All are State-owned water corporations which provide a range of water services to customers within their service areas – water supply,

sewage and trade waste disposal and treatment, water delivery for irrigation and domestic and stock purposes, drainage and salinity mitigation services. Some of them also manage bulk water storages and designated recreational areas throughout Victoria.

Read more

The credit issues page 23

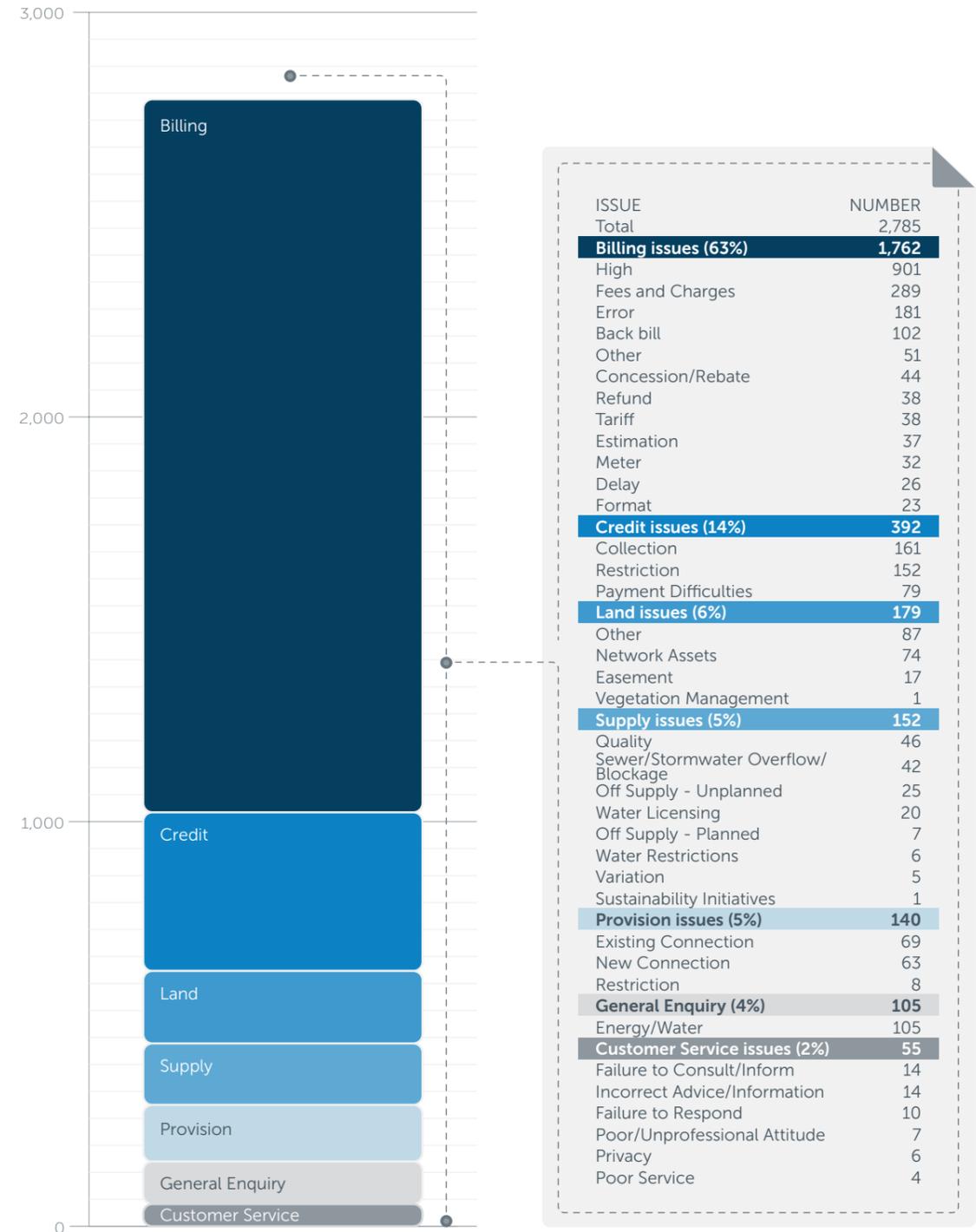
The billing issues page 27

WATER CASES WE RECEIVED IN 2013-14

| | OVERALL CASES | | ENQUIRIES | COMPLAINTS | | | | TOTAL COMPLAINTS |
|---|---------------|--------------|------------|----------------------|--------------------|-----------------------|----------------|------------------|
| | 2013-14 | 2012-13 | | Unassisted Referrals | Assisted Referrals | Real Time Resolutions | Investigations | |
| METROPOLITAN RETAIL (SECTOR SHARE ^) | | | | | | | | |
| City West Water (22%) | 439 | 455 | 10 | 118 | 280 | 13 | 18 | 429 |
| South East Water (38%) | 715 | 415 | 12 | 146 | 457 | 53 | 47 | 703 |
| Yarra Valley Water (40%) | 914 | 802 | 26 | 158 | 629 | 48 | 53 | 888 |
| Total metropolitan retail water | 2,068 | 1,672 | 48 | 422 | 1,366 | 114 | 118 | 2,020 |
| METROPOLITAN WHOLESALE | | | | | | | | |
| Melbourne Water | 27 | 51 | 0 | 8 | 16 | 0 | 3 | 27 |
| REGIONAL URBAN (SECTOR SHARE) | | | | | | | | |
| Barwon Region Water (22%) | 149 | 108 | 8 | 40 | 89 | 5 | 7 | 141 |
| Central Gippsland Region Water (10%) | 35 | 45 | 1 | 8 | 22 | 2 | 2 | 34 |
| Central Highlands Region Water (10%) | 38 | 54 | 1 | 6 | 24 | 0 | 7 | 37 |
| Coliban Region Water Corporation (11%) | 80 | 77 | 1 | 13 | 53 | 3 | 10 | 79 |
| East Gippsland Region Water (3%) | 13 | 13 | 2 | 3 | 7 | 0 | 1 | 11 |
| Goulburn Valley Region Water (8%) | 24 | 32 | 1 | 7 | 14 | 1 | 1 | 23 |
| Grampians Wimmera Mallee Water (5%) | 29 | 26 | 1 | 5 | 19 | 2 | 2 | 28 |
| Lower Murray Urban and Rural Water (5%) | 7 | 10 | 0 | 0 | 5 | 0 | 2 | 7 |
| North East Region Water (7%) | 37 | 47 | 0 | 6 | 22 | 2 | 7 | 37 |
| South Gippsland Region Water (3%) | 10 | 10 | 1 | 2 | 6 | 1 | 0 | 9 |
| Wannon Region Water (6%) | 36 | 60 | 0 | 14 | 20 | 1 | 1 | 36 |
| Western Region Water (8%) | 52 | 40 | 2 | 15 | 31 | 2 | 2 | 50 |
| Westernport Region Water (2%) | 21 | 17 | 1 | 7 | 10 | 0 | 3 | 20 |
| Total regional urban water | 531 | 539 | 19 | 126 | 322 | 19 | 45 | 512 |
| RURAL (SECTOR SHARE ~) | | | | | | | | |
| Gippsland Southern Rural Water (16%) | 12 | 8 | 0 | 2 | 8 | 1 | 1 | 12 |
| Goulburn-Murray Rural Water (52%) | 43 | 61 | 0 | 5 | 29 | 2 | 7 | 43 |
| Grampians Wimmera Mallee Water (19%) | 15 | 17 | 0 | 5 | 10 | 0 | 0 | 15 |
| Lower Murray Urban and Rural Water (13%) | 8 | 7 | 0 | 3 | 4 | 0 | 1 | 8 |
| Total rural water | 78 | 93 | 0 | 15 | 51 | 3 | 9 | 78 |
| NON COMPANY SPECIFIC | | | | | | | | |
| Non company specific | 81 | 80 | 52 | 29 | 0 | 0 | 0 | 29 |
| TOTALS | 2,785 | 2,435 | 119 | 600 | 1,755 | 136 | 175 | 2,666 |

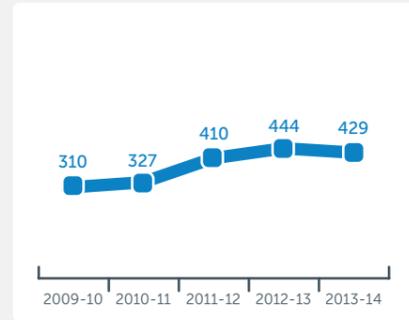
NOTES
 Three water Investigations were upgraded to stage 2 during the year, 4 were upgraded to stage 3 and there were no investigations upgraded to final stage
 ^ Water corporations' sector shares are based on customer numbers in the ESC's Performance Report 2012-13 - Metropolitan and regional water businesses (December 2013)
 ~ Rural water corporations' sector shares are based on the National Water Commission's National Performance Report 2012-13: rural water service providers (April 2014)

ISSUES RAISED BY WATER CUSTOMERS

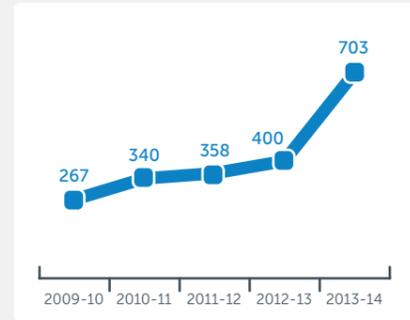


Metropolitan retail

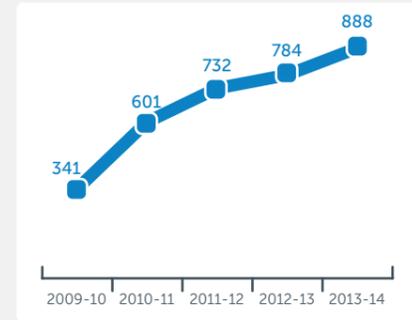
City West Water



South East Water

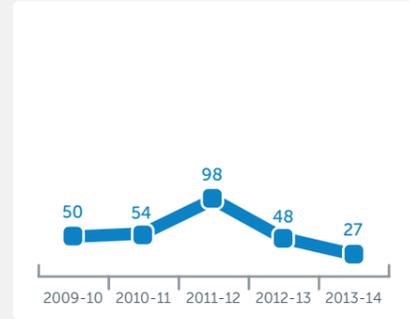


Yarra Valley Water



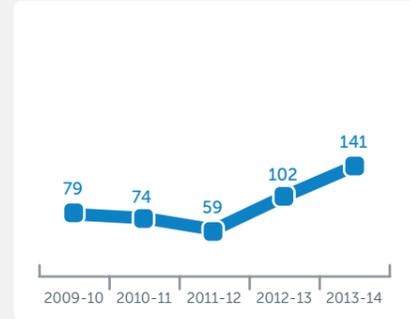
Metropolitan wholesale

Melbourne Water

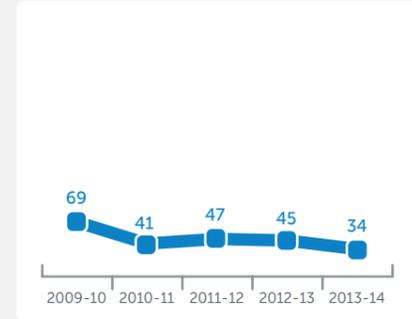


Regional urban

Barwon Region Water



Central Gippsland Region Water



Central Highlands Region Water



Coliban Region Water



East Gippsland Region Water



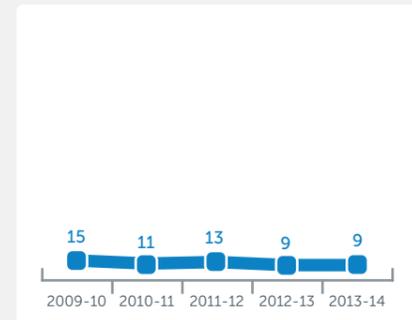
Goulburn Valley Region Water



North East Region Water



South Gippsland Region Water



Wannon Region Water



Western Region Water

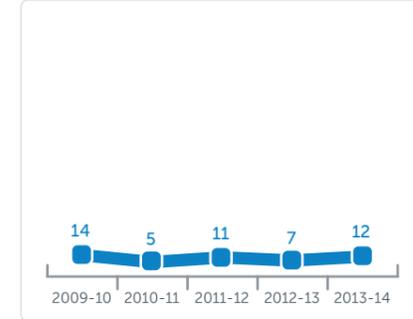


Westernport Region Water

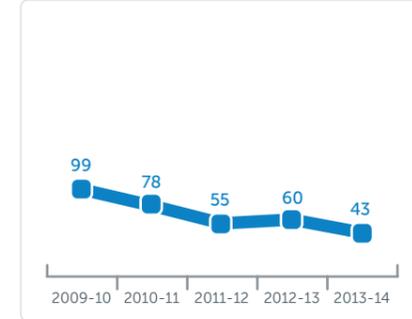


Rural

Gippsland Southern Rural Water

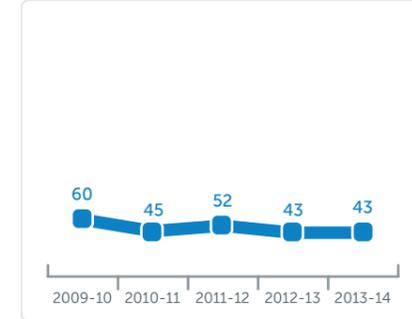


Goulburn-Murray Rural Water



Rural urban

Grampians Wimmera Mallee Water



Lower Murray Urban and Rural Water



Financials

Income Statement

For the year ended 30 June 2014

| | 2014 | 2013 |
|--|----------------|------------------|
| | \$ | \$ |
| Revenue | 15,660,235 | 15,075,903 |
| Employee benefits expense | (11,370,140) | (9,838,490) |
| Depreciation and amortisation expense | (370,936) | (389,764) |
| Loss on disposal of plant and equipment | (4,457) | (11,929) |
| Rental expense | (1,254,418) | (1,207,318) |
| Administration expenses | (1,230,035) | (967,026) |
| Consultancy expenses | (411,381) | (475,632) |
| Marketing expenses | (194,548) | (177,542) |
| Training and development | (245,089) | (184,837) |
| Office lease make good obligations | (33,600) | (33,600) |
| Surplus before income tax expense | 545,631 | 1,789,765 |
| Income tax expense | - | - |
| Total Comprehensive Income for the year | 545,631 | 1,789,765 |

Balance Sheet

As at 30 June 2014

| | 2014 | 2013 |
|--------------------------------------|-------------------|------------------|
| | \$ | \$ |
| Current Assets | | |
| Cash and cash equivalents | 9,297,979 | 8,589,020 |
| Trade and other receivables | 4,624 | 1,000 |
| Other | 56,761 | 232,091 |
| Total Current Assets | 9,359,364 | 8,822,111 |
| Non-Current Assets | | |
| Plant and equipment | 776,477 | 996,744 |
| Total Non-Current Assets | 776,477 | 996,744 |
| Total Assets | 10,135,841 | 9,818,855 |
| Current Liabilities | | |
| Trade and other payables | 1,914,175 | 2,483,568 |
| Provisions | 851,632 | 620,791 |
| Total Current Liabilities | 2,765,807 | 3,104,359 |
| Non-Current Liabilities | | |
| Provisions | 522,787 | 412,880 |
| Total Non-Current Liabilities | 522,787 | 412,880 |
| Total Liabilities | 3,288,594 | 3,517,239 |
| Net Assets | 6,847,247 | 6,301,616 |
| Members' Equity | | |
| Retained earnings | 6,847,247 | 6,301,616 |
| Total Members' Equity | 6,847,247 | 6,301,616 |

Statement of Cash Flows

For the year ended 30 June 2014

| | 2014 | 2013 |
|---|------------------|------------------|
| | \$ | \$ |
| Cash Flows from Operating Activities | | |
| Levy receipts from Members (inclusive of goods and services tax) | 16,096,419 | 15,970,528 |
| Payments to suppliers and employees (inclusive of goods and services tax) | (15,586,430) | (14,557,347) |
| Interest received | 354,097 | 355,859 |
| Net cash (outflow)/inflow from operating activities | 864,086 | 1,769,040 |
| Cash Flows from Investing Activities | | |
| Payments for plant and equipment | (155,427) | (206,723) |
| Proceeds from sale of assets | 300 | - |
| Net cash outflow from investing activities | (155,127) | (206,723) |
| Net Decrease in Cash Held | 708,959 | 1,562,317 |
| Cash and cash equivalents at the beginning of the Financial Year | 8,589,020 | 7,026,703 |
| Cash and cash equivalents at the end of the Financial Year | 9,297,979 | 8,589,020 |

How to contact EWOV

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

Phone us

1800 500 509 (free call)
Calls from mobile phones may attract charges. We can ring you back.

If calling from a restricted phone service, ring 12550 (Telstra reverse charges) and ask for (03) 8672 4460. We will accept the reverse charges and the call cost.

Interpreter service: 131 450
National Relay Service:
133 677

Write to us

GPO Box 469 Melbourne
3001

Email us

ewovinfo@ewov.com.au

Use the forms on our website

www.ewov.com.au

Fax us

1800 500 549 (free fax)

ABN: 57 070 516 175

