

**Energy and Water Ombudsman
Western Australia**

Annual Report 2013-14

About this Report

This report describes the functions and operations of the Energy Industry Ombudsman (Western Australia) Limited and, from 1 January 2014, the Energy and Water Ombudsman (Western Australia) Limited, for the year ending 30 June 2014.

It is available in print and electronic viewing format to optimise accessibility and ease of navigation. It can also be made available in alternative formats to meet the needs of people with a disability. Requests should be directed to the Communications Manager at (08) 9220 7555 or mail@ombudsman.wa.gov.au.

Requests to reproduce any content from this report should be directed to the Communications Manager. Content must not be altered in any way and Energy and Water Ombudsman Western Australia must be acknowledged appropriately.

Contact Details

Energy and Water Ombudsman Western Australia

2nd Floor, Albert Facey House, 469 Wellington Street, PERTH WA 6000
PO Box Z5386, St Georges Terrace, PERTH WA 6831

Telephone: (08) 9220 7588 or 1800 754 004 (free call)

Translating and Interpreter Service 131 450 (for people who need an interpreter)

National Relay Service 133 677 or 1800 555 727 (for people with voice or hearing impairments)

Facsimile: (08) 9220 7599 or 1800 611 279

Email: energyandwater@ombudsman.wa.gov.au

Web: www.ombudsman.wa.gov.au/energyandwater

First published by Energy and Water Ombudsman (Western Australia) Limited in November 2014. This report was written, designed and converted for electronic viewing in-house.

ACN: 109 054 426

Contents

| | |
|--|-----------|
| Chairman's Overview | 5 |
| Energy and Water Ombudsman's Report | 7 |
| Highlights for 2013-14 | 9 |
| About Us..... | 12 |
| Our Role..... | 12 |
| Structure and Governance..... | 13 |
| Our Services | 16 |
| Strategies to Achieve Our Objectives..... | 17 |
| Our Complaint Resolution Process | 17 |
| Our Work in 2013-14 | 20 |
| Complaints and Enquiries Received | 20 |
| Complaints Finalised..... | 22 |
| Issues Raised in Complaints | 23 |
| Disconnections | 32 |
| Investigated Complaints | 36 |
| Stakeholder Liaison and Access to Services | 44 |
| Stakeholder Liaison | 44 |
| Access to Services | 46 |
| Company Particulars and Financial Statements..... | 52 |
| Company Particulars as at 30 June 2014..... | 52 |
| Independent Audit Opinion | 54 |
| Statement of Comprehensive Income | 57 |
| Detailed Balance Sheet | 58 |
| Statement of Changes in Equity..... | 59 |
| Cash Flow Statement | 59 |

This page has been intentionally left blank.

Chairman's Overview

Chairman's Overview

I have pleasure to present the tenth Annual Report of the Energy and Water Ombudsman (Western Australia) Limited, the preceding titles being the Gas Industry Ombudsman (WA) Ltd in 2004-05, the Energy Industry Ombudsman (WA) Ltd from 2005 to 2013 and the Energy and Water Ombudsman (WA) Ltd from 1 January 2014.



The Board

From 1 January 2014, the Board comprised seven directors, an independent chairman, three customer representative directors, a gas industry representative director, an electricity industry representative director and a water industry representative director.

In November 2013 Ms Irina Cattalini was appointed as a Customer Representative Director and Mr Riley Nelson was appointed as the Water Industry Representative Director.

The Board held five meetings during the year, as well as receiving complaint statistics and financial reports on a monthly basis.

The Company

With the addition of the water jurisdiction, we welcomed 20 new Members during the year, with a further 11 water licensees eligible to become Members. A list of the Members of the Company is included in the Company Particulars section of the report.

Customer Complaints

The Board has a service agreement with the Energy and Water Ombudsman who operates the Energy and Water Ombudsman Scheme. The Board is not involved in the handling of customer complaints. The Energy and Water Ombudsman provides a report to each meeting of the Board outlining the number of complaints received and resolved in the gas, electricity and water sectors.

In the year ending 30 June 2014 there were a total of 2,629 complaints received consisting of 274 gas complaints, 2,161 electricity complaints and 194 water complaints (from January to June 2014).

In the previous year the numbers were 268 gas complaints and 3,112 electricity complaints. Whilst the number of gas complaints remains relatively constant, it is pleasing to note a 31% decrease in the number of electricity complaints.

Further details of complaints are contained in the Energy and Water Ombudsman's Annual Report, which follows.

Water Industry Joining the Energy Ombudsman Scheme

The Energy Ombudsman expanded to become the Energy and Water Ombudsman on 1 January 2014 and the Board changes have already been referred to above. The

Chairman's Overview

significant changes to procedures at the office of the Energy and Water Ombudsman were undertaken with a high level of cohesion and professionalism.

Review of the Energy Ombudsman Scheme

Under the legislation governing the Energy Ombudsman Scheme (**the Scheme**), the Board reviews the Scheme every five years to consider the appropriateness, scope and effectiveness of the Scheme. The review involves consultation with the persons or bodies with an interest in the Scheme and assesses the Scheme against its legislative objectives. The Board then provides a report on the review to the Economic Regulation Authority (**the ERA**).

The 2013 Review assessed the Scheme against the following evaluation criteria:

- The Scheme's legislative objectives;
- The *Benchmarks for Industry-Based Customer Dispute Resolution Schemes* (**National Benchmarks**), which establish key practices in the areas of Accessibility, Independence, Fairness, Accountability and Efficiency and Effectiveness; and
- The outcomes of the 2008 Review of the Scheme.

The review of the Scheme was undertaken by staff of the office of the Western Australian Ombudsman who were not involved in the operation of the Scheme.

Feedback on the Scheme was obtained through surveys or interviews, and invitations for written submissions, from a range of stakeholders including Members and people who had made a complaint to the Energy Ombudsman.

The Energy Ombudsman was found to be generally performing at a high to very high standard. The Energy Ombudsman achieved the Scheme's legislative objectives, met the standards set out in the National Benchmarks and implemented the recommendations made as part of the 2008 Review.

The Board submitted a report on the review to the ERA and will give further consideration to the matters raised in the course of the review.

Appreciation

I would like to record my thanks to my fellow Directors for their commitment to the successful operation of the Board during the past year. I would also like to thank the Energy and Water Ombudsman and his staff for their efforts in resolving complaints so efficiently in this tenth year of operation of the Scheme.

The Energy and Water Ombudsman's Report, the Company Particulars, the Independent Audit Opinion and the audited Financial Statements for the Company for 2013-14 follow.



Paul Wilmot
CHAIRMAN

Energy and Water Ombudsman's Report

It gives me great pleasure to present the 2013-14 Annual Report of the Western Australian Energy and Water Ombudsman.

From 1 January 2014, the Energy Ombudsman became the Energy and Water Ombudsman and, as well as handling energy complaints, our Office now handles water complaints.

The primary function of the Energy and Water Ombudsman is to investigate and resolve complaints about energy and water services in Western Australia. In 2013-14, we received 2,629 complaints, including 2,161 electricity complaints and 274 gas complaints. For the first six months of 2014, we received 194 water complaints. Billing and credit continue to be the main issues raised in both electricity and gas complaints and billing is the main issue raised in water complaints.

Significantly, this year there was a 22% decrease in complaints compared to 2012-13.

The Energy and Water Ombudsman is strongly committed to the timely resolution of complaints. This year, we closed 83% of complaints within 10 business days. The timely resolution of complaints is facilitated by the cooperative approach of member companies for which I record my appreciation.

The Energy and Water Ombudsman is also strongly committed to effective liaison with stakeholders and ensuring our services are highly accessible to electricity, gas and water consumers. This year we have continued to liaise with key stakeholders including electricity, gas and water providers, the Economic Regulation Authority, other regulators and other Energy and Water Ombudsmen. We have also undertaken a range of activities to ensure access to our services for members of the public, including those living and working in regional Western Australia and Aboriginal Western Australians through our Regional Awareness and Accessibility Program. This year the Program conducted regional visits to Kununurra and Wyndham in the East Kimberley region.

I take this opportunity to express my sincere appreciation to the Board of the Energy and Water Ombudsman for the work that they undertake and in particular the Chairman, Paul Wilmot. The Board ensures that the governance of the Energy and Water Ombudsman is of the high standard that consumers are entitled to expect.



Energy and Water Ombudsman's Report

Finally, the work of the Energy and Water Ombudsman is undertaken by a highly skilled and dedicated group of staff, including Deputy Energy and Water Ombudsman, Mary White and Director, Energy and Water, Marcus Claridge.

I take this opportunity to thank each staff member for their contribution to ensuring high quality, cost effective and timely access to justice for Western Australian electricity, gas and water consumers.

A handwritten signature in black ink, appearing to be 'C. Field', written in a cursive style.

Chris Field
ENERGY AND WATER OMBUDSMAN

Highlights for 2013-14

Commencement of the Water Services Ombudsman Scheme

- Following the passage of the *Water Services Act 2012*, the existing Energy Ombudsman Western Australia expanded to become the Energy and Water Ombudsman Western Australia on 1 January 2014.

Complaint Numbers

- In 2013-14, there were 2,629 complaints received representing a 22% decrease from 2012-13.
- Complaints comprised:
 - 2,161 electricity complaints (31% decrease);
 - 274 gas complaints (2% increase); and
 - 194 water complaints (from 1 January to 30 June 2014).

Timeliness

- 82% of electricity complaints, 93% of gas complaints, 86% of water complaints and 83% of all complaints were closed within 10 business days of receiving the complaint.

Issues Raised

- Concerns about billing and credit are the main issues raised in complaints with these issues identified in 77% of complaints received (55% for billing and 22% for credit). Of these:
 - High bills and alleged errors are the most common reasons for billing complaints; and
 - Payment of arrears and debt collection are the most common reasons for credit complaints.

Liaison and Access

- Effective relationships with key stakeholders and access to our services have been maintained this year through:
 - Continuous liaison and communication with Energy and Water Ombudsman Scheme member organisations, regulators and industry-based Ombudsmen; and
 - Ensuring ongoing access to Ombudsman services for residential and small use customers, and community groups who may represent them, including through regional visits to Kununurra and Wyndham in the East Kimberley.

This page has been intentionally left blank.

About Us

- **Our Role**
- **Structure and Governance**
- **Our Services**
- **Strategies to Achieve Our Objectives**
- **Our Complaint Resolution Process**

About Us

Our Role

The Energy and Water Ombudsman

The Energy and Water Ombudsman Western Australia is an independent, impartial body that investigates and resolves complaints about electricity, gas and water services providers.

Mission and Principles

MISSION

To receive, investigate and facilitate the resolution of complaints about electricity, gas and water service providers who are Members of the Energy and Water Ombudsman Scheme.

The Energy and Water Ombudsman is founded on the **PRINCIPLES** of

Independence

Access

Effectiveness

Natural Justice

Equity

Community Awareness

The Role of the Energy and Water Ombudsman

The role of the Energy and Water Ombudsman is principally to do three things:

- Investigate and resolve complaints about a Member of the Energy and Water Ombudsman Scheme (**Member**);
- From complaints, to identify systemic and emerging issues, as well as monitor the outcomes of complaints and report these issues and outcomes to the Economic Regulation Authority (**ERA**) and in other relevant forums; and
- Undertake outreach, education, liaison and other activities to ensure awareness and accessibility to the Energy and Water Ombudsman, particularly for under-represented Western Australians (in terms of complaints to the Energy and Water Ombudsman compared to representation in the general population).

About Us

Structure and Governance

Background of the Energy and Water Ombudsman

The Gas Industry Ombudsman Scheme was established on 31 May 2004 and the Electricity Ombudsman Scheme was established on 22 September 2005. At that time the two schemes were combined under the title of Energy Ombudsman. When the Water Services Ombudsman Scheme commenced on 1 January 2014, the existing Energy Ombudsman expanded to become the Energy and Water Ombudsman.

The Board

The Board of Energy and Water Ombudsman (Western Australia) Limited (**the Board**) is the governing body of the Energy and Water Ombudsman. It comprises seven directors: an independent chair, three customer representative directors, a gas industry representative director, an electricity industry representative director and a water industry representative director. Details of the membership, responsibilities and operations of the Board are documented in the *Energy and Water Ombudsman Constitution November 2013 (Constitution)* and the *Charter of the Energy and Water Ombudsman November 2013 (Charter)*.

The Board in 2013-14

Chairman:

Paul Wilmot

Directors

- Customer Representative: Wayne Mann
- Customer Representative: Judith McGowan
- Customer Representative: Irina Cattalini (Appointed 23/12/2013)
- Gas Industry Representative: Ray Myles
- Electricity Industry Representative: Simon Thackray
- Water Industry Representative: Riley Nelson (Appointed 23/12/2013)

Alternative Directors

- Gas Industry Representative: Justin Scotchbrook
- Electricity Industry Representative: Margaret Pyrchla
- Water Industry Representative: Karen Willis (Appointed 15/01/2014)

About Us

Members of the Energy and Water Ombudsman Scheme

The Members of the Energy and Water Ombudsman Scheme as at 30 June 2014 are listed below.

Gas Industry Members – 30 June 2014

| | |
|---|--|
| Alinta Sales Pty Ltd | ATCO Gas Australia |
| Electricity Generation and Retail Corporation (Synergy) | Esperance Gas Distribution Company Pty Ltd |
| Esperance Power Station Pty Ltd | Wesfarmers Kleenheat Gas Pty Ltd |

Electricity Industry Members – 30 June 2014

| | |
|--|---|
| Alinta Sales Pty Ltd | Electricity Generation and Retail Corporation (Synergy) |
| Electricity Networks Corporation (Western Power) | Horizon Power |
| Perth Energy Pty Ltd | Rottnest Island Authority |

Water Industry Members – 30 June 2014

| | |
|------------------------------------|---|
| Bunbury Water Corporation - Aqwest | Busselton Water Corporation |
| City of Kalgoorlie-Boulder | Gascoyne Water Cooperative |
| Hamersley Iron Pty Ltd | Harvey Water (South West Irrigation Management Cooperative) |
| Shire of Brookton | Shire of Dalwallinu |
| Shire of Dumbleyung | Shire of Gnowangerup |
| Shire of Goomalling | Shire of Kent |
| Shire of Koorda | Shire of Lake Grace |
| Shire of Moora | Shire of Morawa |
| Shire of Ravensthorpe | Shire of Wickepin |
| Shire of Yilgarn | Water Corporation |

A further 11 water licensees are eligible to become Members of the Scheme.

The Energy and Water Ombudsman

The Western Australian Ombudsman, Chris Field, performs the functions of the Energy and Water Ombudsman under a service agreement with the Board. The Energy and Water Ombudsman is not affiliated with any electricity, gas or water providers or consumer organisations and therefore acts impartially in the investigation and resolution of complaints.

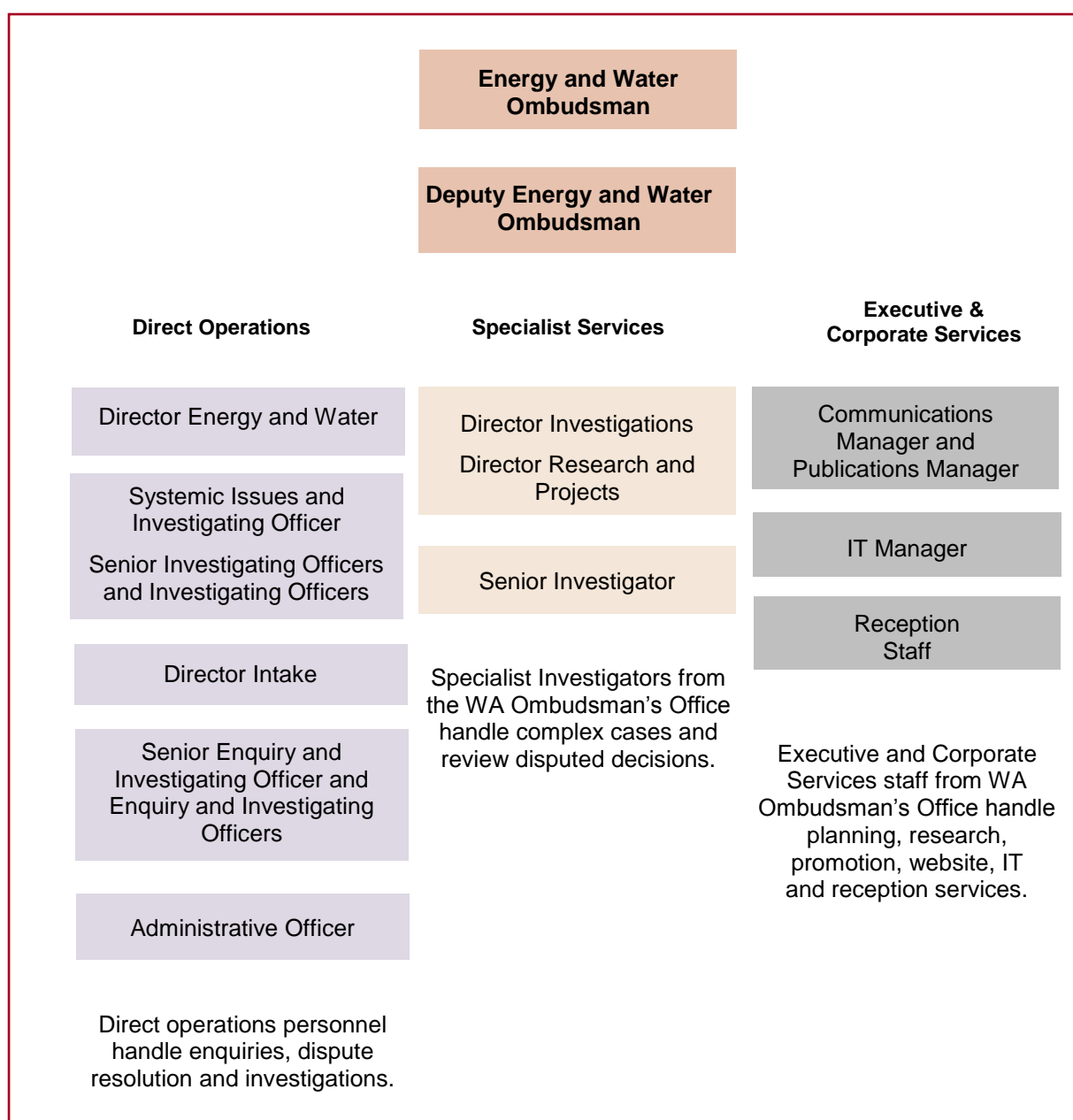
The Energy and Water Ombudsman utilises the governance structures of the Western Australian Ombudsman, including an Audit and Risk Management Committee.

About Us

Operational Structure

The office of the Energy and Water Ombudsman (**Office**) is located within the office of the Western Australian Ombudsman. This provides the opportunity to achieve significant benefits through scale and scope economies that would not be available to a small stand-alone Energy and Water Ombudsman scheme such as the Energy and Water Ombudsman. It also creates the opportunity for improved quality service delivery through the highly developed, specialised expertise existing in the office of the Western Australian Ombudsman.

At 30 June 2014, the Energy and Water Ombudsman was comprised of 14.2 full time equivalent employees reporting to the Western Australian Ombudsman in his role as Energy and Water Ombudsman. The structure of the Office is shown below.



About Us

Direct operational dispute resolution services are provided by a team of staff reporting through the Deputy Energy and Water Ombudsman to the Western Australian Ombudsman in his role as Energy and Water Ombudsman. Complex investigations, as well as the review of complaints, can be provided through senior investigating staff of the Western Australian Ombudsman's office. Other services, including communications and information technology, are provided through the Executive and Corporate Services Division of the Western Australian Ombudsman.

Our Services

The Energy and Water Ombudsman receives, investigates and resolves complaints and disputes from residential and small business customers about their electricity, gas or water provider. The following table describes matters that the Ombudsman can and cannot investigate.

| Matters the Energy and Water Ombudsman CAN Investigate | Matters the Energy and Water Ombudsman CANNOT Investigate |
|---|---|
| <ul style="list-style-type: none">• Provision or supply of services as required by a licence or agreement under legislation;• Billing, the administration of credit and payment services and the recovery of debts;• Disconnection and restriction of supply, and refundable advances;• Payments for breaches of prescribed electricity and water service standards;• Marketing of gas, electricity or water for sale;• A Member's exercise of its powers in relation to land, neighbouring land or property;• Complaints and disputes relating to a Member or an agent referred by a Member or agent; and• Complaints by a person affected by the provision of a water service. | <ul style="list-style-type: none">• The setting of prices or tariffs or determining price structures;• Commercial activities outside the scope of the electricity, gas or water service licence;• The content of Government policies;• Complaints under consideration by any court or tribunal, or previously considered by these bodies;• Events beyond the reasonable control of a Member; and• Actions taken by a Member in compliance with a direction or notice received by the Member. |

The Energy and Water Ombudsman also liaises closely with Scheme Member companies in order to achieve effective dispute resolution, and with the community to provide effective access to our services.

Strategies to Achieve Our Objectives

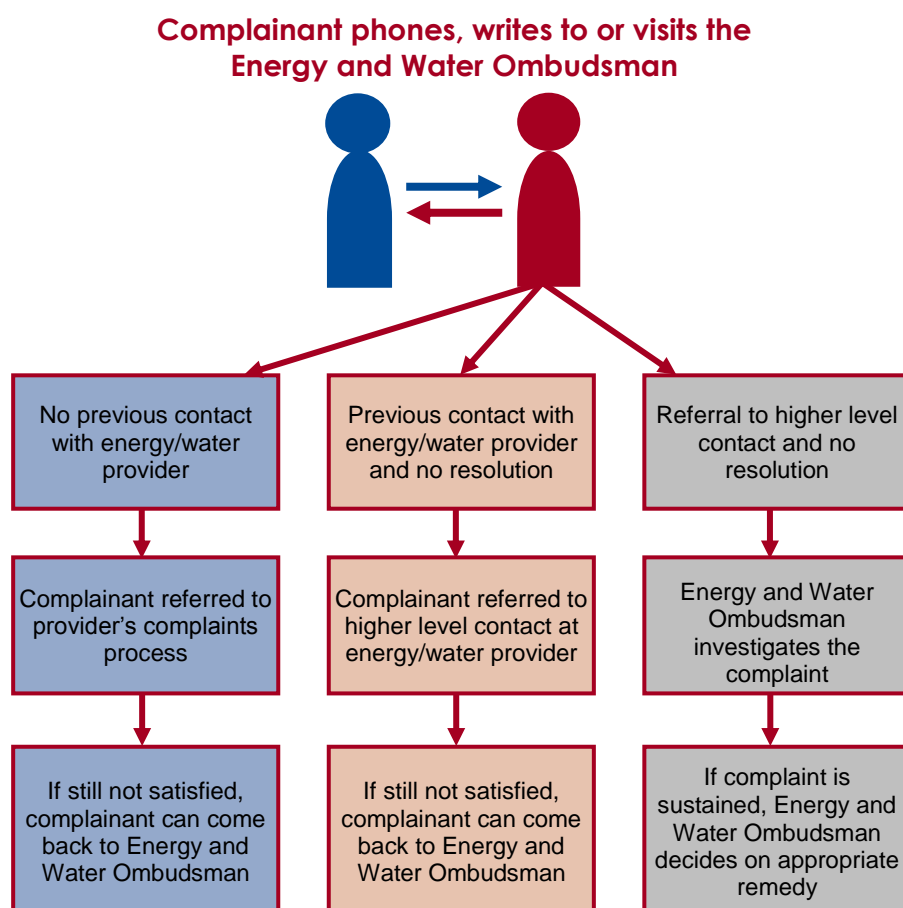
During 2013-14, we focused on achieving the following key priorities:

- Resolving complaints about electricity, gas and water services providers in the most timely, effective and cost efficient manner possible;
- Ensuring appropriate consumer awareness of, and access to, the Energy and Water Ombudsman; and
- Continuing to foster and develop stakeholder relations.

Our Complaint Resolution Process

Consistent with other industry ombudsman schemes, the Energy and Water Ombudsman has a focus on the resolution of complaints by the electricity, gas or water services provider and asks people making a complaint to try to resolve the matter with the provider first. The Energy and Water Ombudsman investigates complaints that remain unresolved after referral to a higher level contact with the electricity, gas or water provider.

When resolving complaints the Energy and Water Ombudsman pursues them in a fair, reasonable, just, informal and expeditious manner, having regard to the law and licences, industry codes, deemed contracts and good industry practice applicable to the relevant Member. A summary of the process for handling complaints is shown below.



This page has been intentionally left blank.

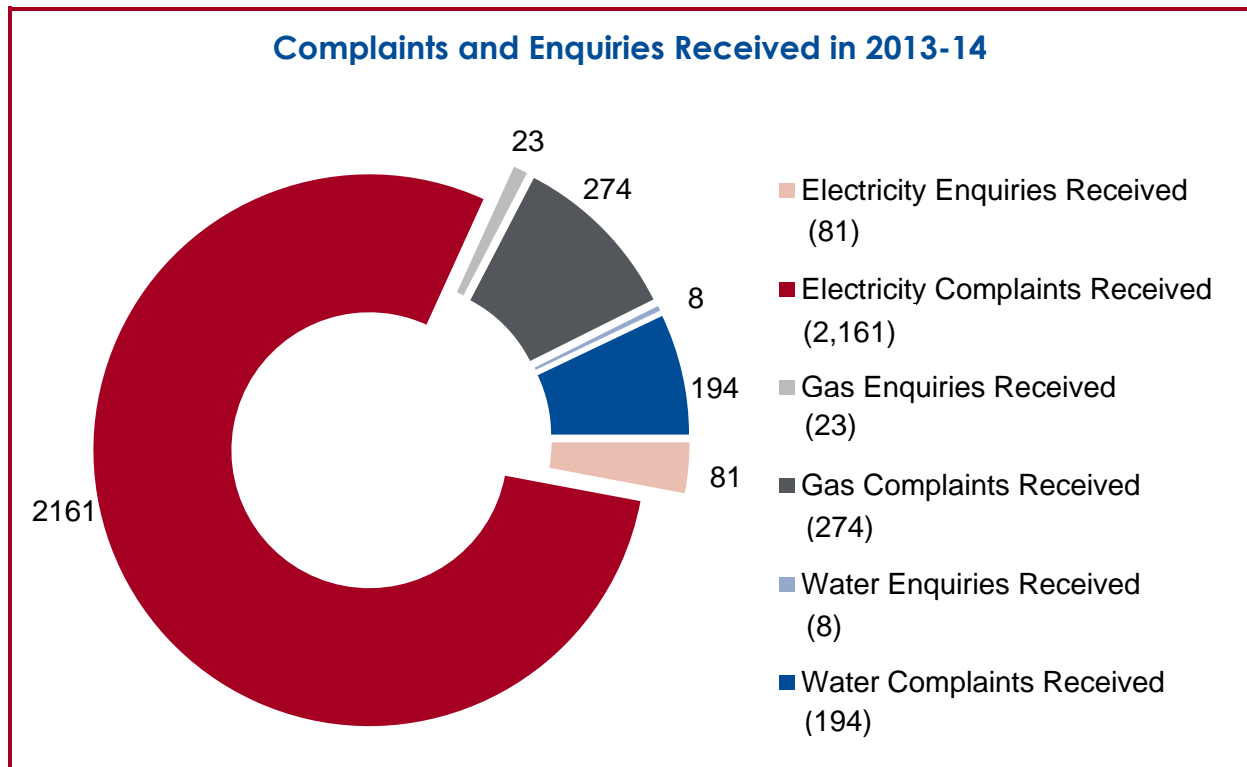
Our Work in 2013-14

- **Complaints and Enquiries Received**
- **Complaints Finalised**
- **Issues Raised in Complaints**
- **Disconnections**
- **Investigated Complaints**

Our Work in 2013-14

Complaints and Enquiries Received

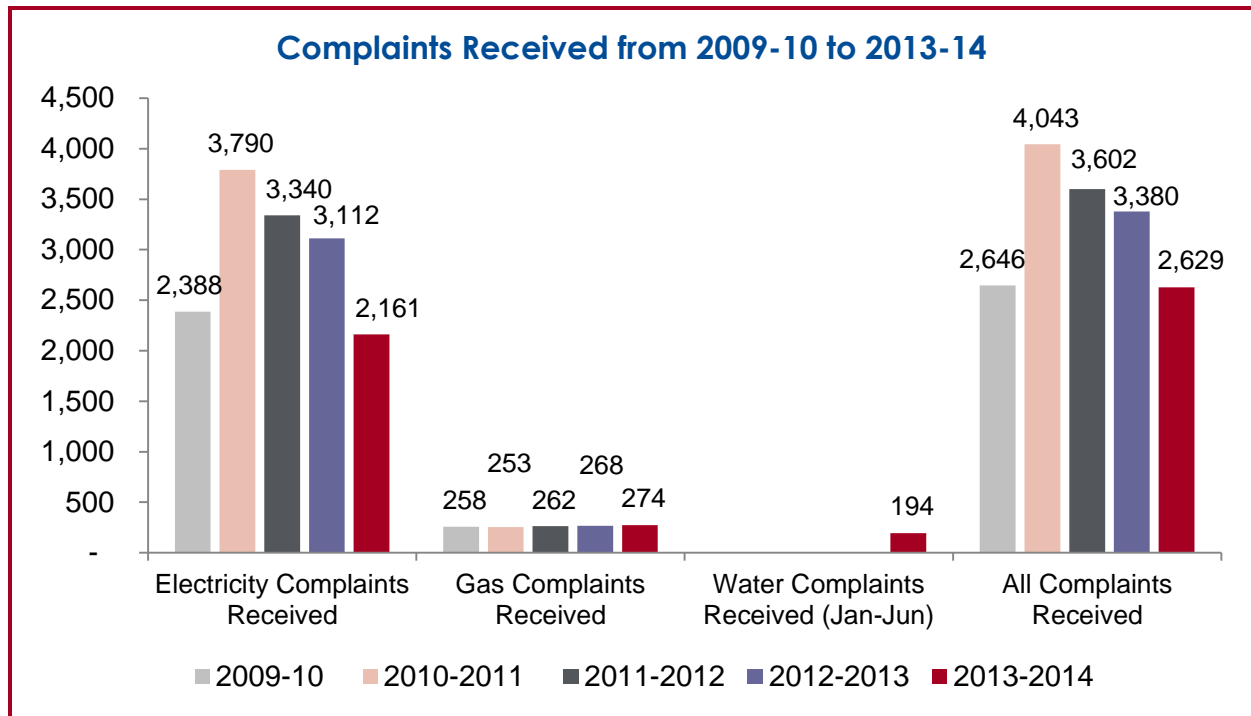
Over the twelve month period from 1 July 2013 to 30 June 2014, the Energy and Water Ombudsman received 2,629 complaints and closed 2,642 complaints. In addition 112 enquiries were received. The following chart shows the breakdown of complaints and enquiries received for gas, electricity and water in 2013-14.



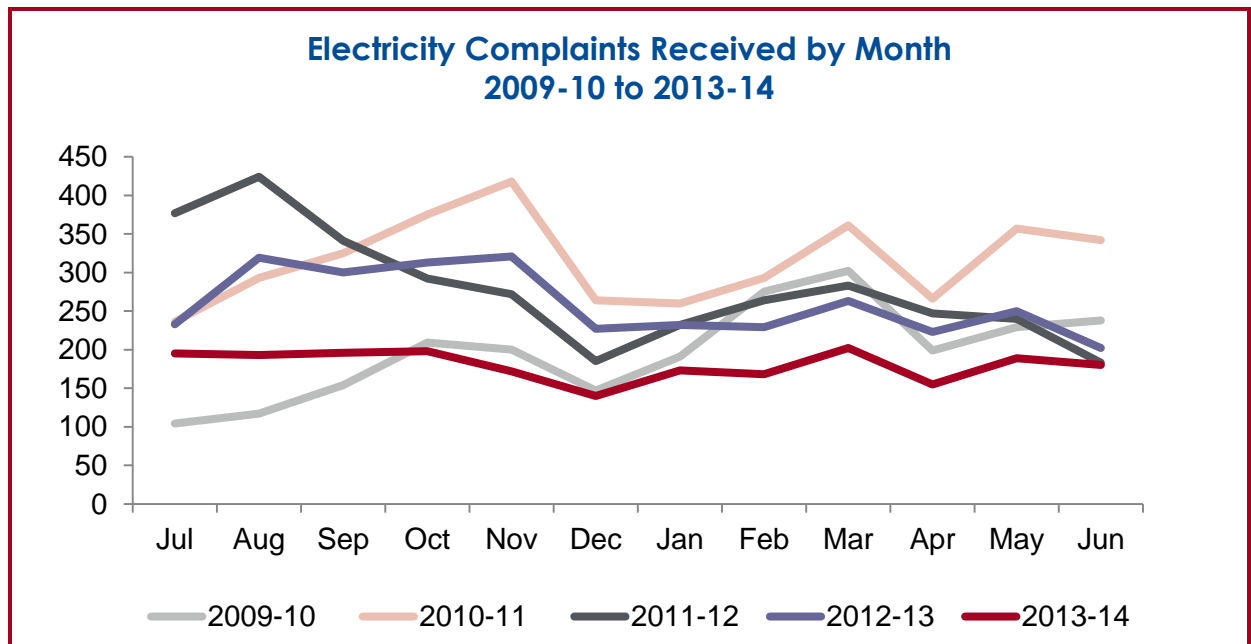
Trends in Complaint Numbers

Overall complaints have decreased by 22% in 2013-14 including a 31% decrease in electricity complaint numbers this year as shown in the following chart. Gas numbers have remained relatively steady.

Our Work in 2013-14



Further details of the trends in electricity complaints over the last five years are shown in the following chart. After a significant increase in electricity complaints in 2009-10 and 2010-11, there has been a significant decrease over the past three years, including a 31% decrease in 2013-14.



Our Work in 2013-14

Complaints Finalised

Complaints are finalised through resolution by the electricity, gas or water provider where possible and, if the matter cannot be resolved at that level, the complaint is investigated. The complaint stages and action taken by the Energy and Water Ombudsman at each stage are shown below.

Stage 1 Complaints The person has not yet contacted the electricity, gas or water provider. The customer is referred to the relevant provider.

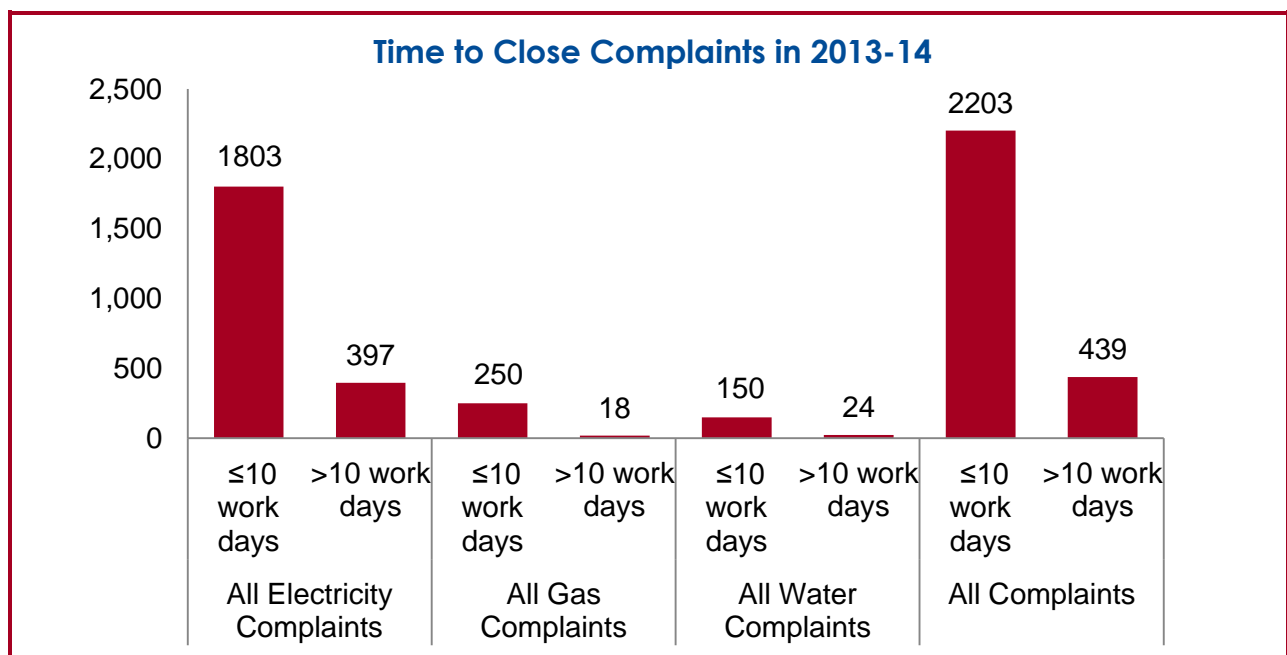
Stage 2 Complaints The person has had at least one contact with their electricity, gas or water provider (such as contact to the call centre) but the complaint has not been resolved. The Energy and Water Ombudsman refers the complaint to a 'higher level' officer for resolution within 10 business days.

Investigated Complaints If a complaint remains unresolved after it has been referred to a 'higher level' officer at the relevant provider, the matter is investigated by the Energy and Water Ombudsman.

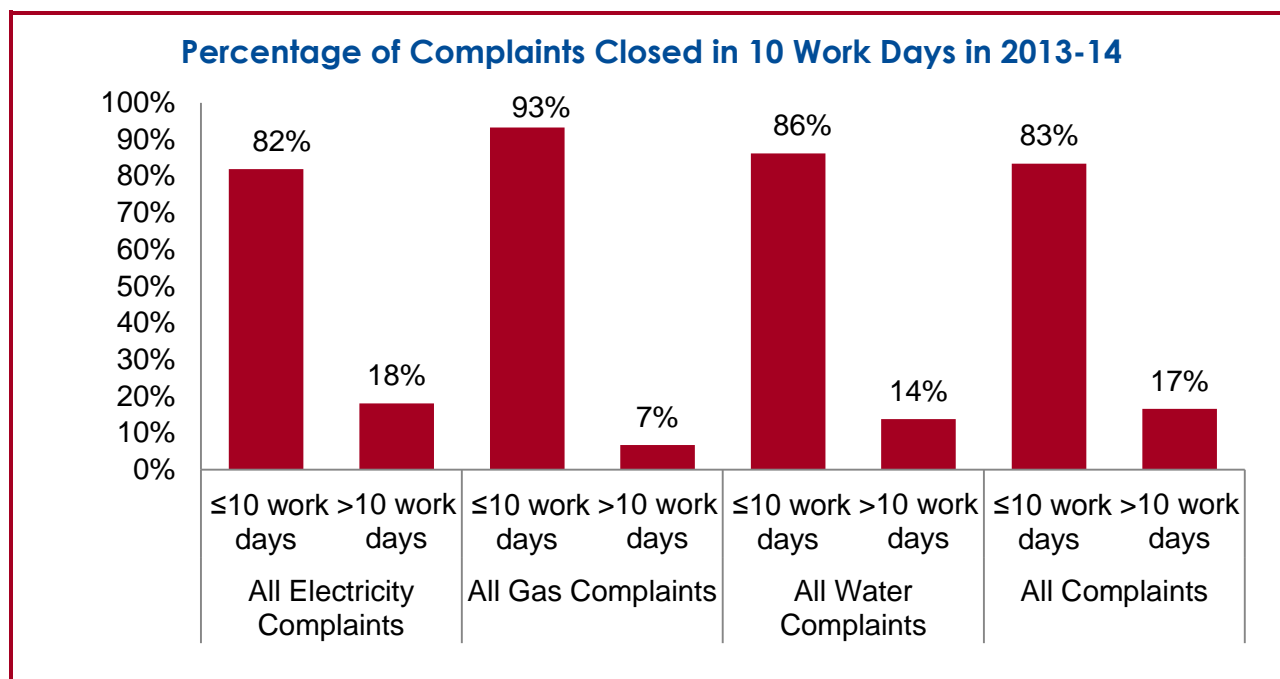
In 2013-14, there were 2,642 complaints closed, comprising 2,200 electricity complaints, 268 gas complaints and 174 water complaints (from 1 January 2014 to 30 June 2014).

Timeliness of Complaint Handling

The Energy and Water Ombudsman has maintained its high levels of timeliness in 2013-14 with 82% of electricity complaints, 93% of gas complaints, 86% of water complaints and 83% of all complaints being finalised within 10 business days. The following charts show the timeframes for resolving electricity, gas and water complaints in 2013-14.



Our Work in 2013-14



Issues Raised in Complaints

Issues raised in electricity, gas and water complaints fall into the following categories:

| | |
|---|---|
| Billing | Complaints about bills including alleged errors and disputes over meter readings and fees and charges. |
| Credit | Complaints about payment arrangements, debt collection issues and payment difficulties. |
| Customer Service | Complaints about alleged poor customer service. |
| Supply | Complaints about the quality and reliability of supply of electricity, gas or water. |
| Provision | Complaints about connection issues. |
| Land | Complaints about the way a Scheme Member has exercised its powers in relation to land. |
| Service Standard Payments | Complaints about regulated payments for poor service. |
| Transfer | Complaints about transfers from one supplier to another. |
| Marketing | Complaints about the marketing activities of Scheme Members. |
| Drainage, Irrigation or Sewerage | Complaints about the supply of drainage, irrigation or sewerage. |
| General | Complaints not covered by other categories, including complaints by a person affected by a water service. |

Our Work in 2013-14

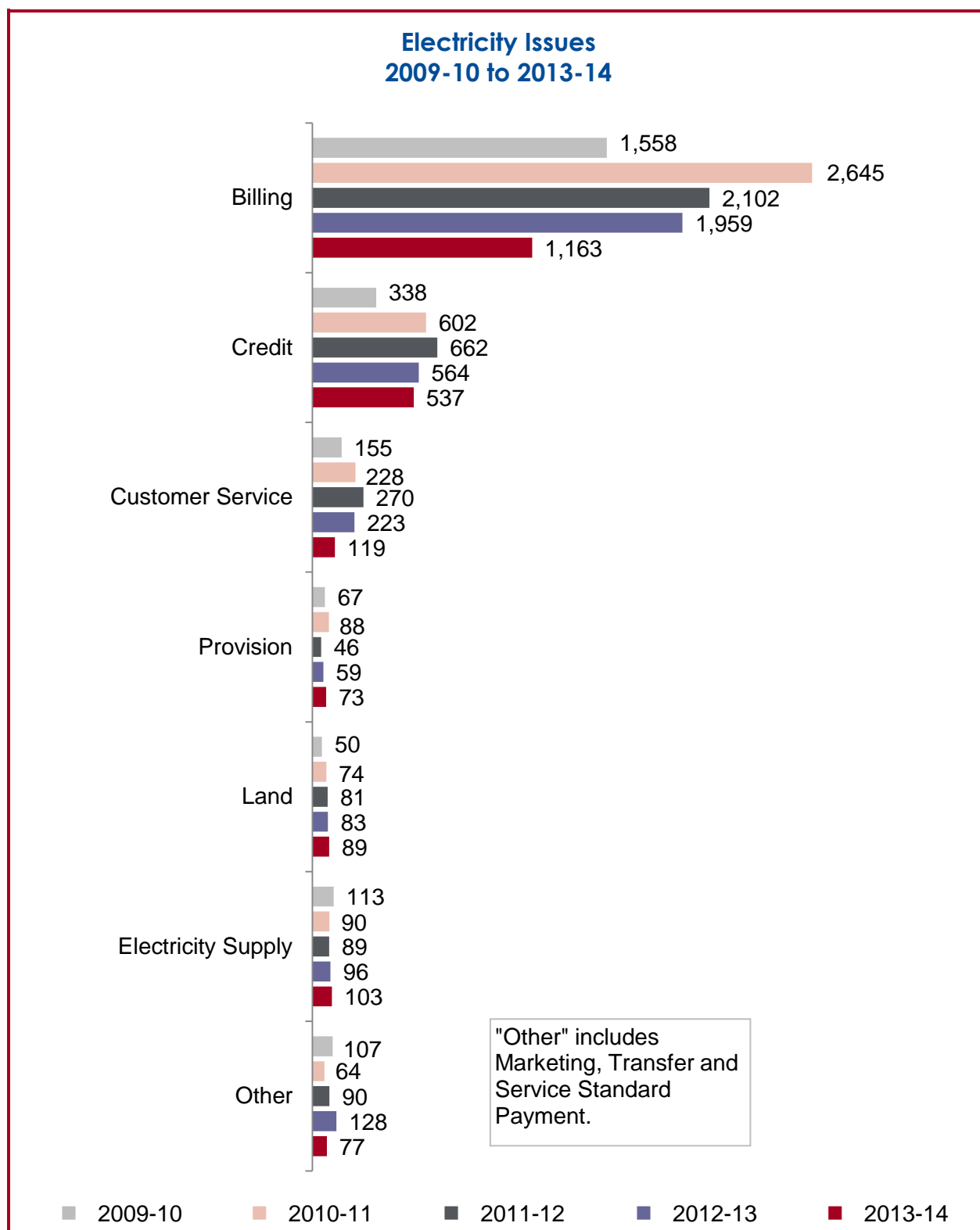
Most Common Issues Raised

As for previous years, during 2013-14, billing remains the most common issue raised for electricity, gas and water complaints. Billing issues were raised in 55% of complaints received (54% of electricity complaints, 61% of gas complaints and 66% of water complaints). The decrease in electricity complaints during the year has been primarily in the area of billing. For electricity complaints, there was a 41% decrease in billing issues in 2013-14 compared to 2012-13.

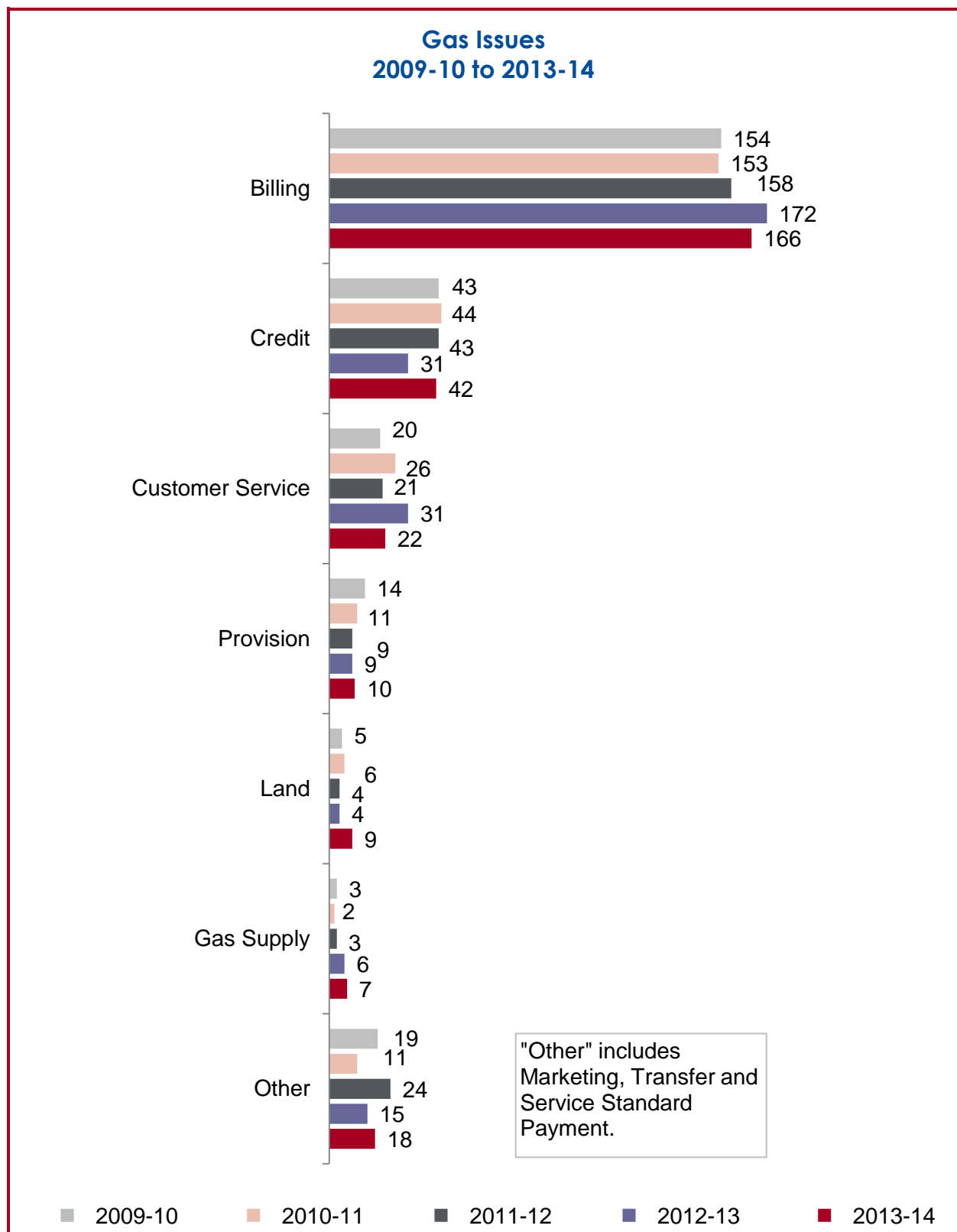
Credit is also a common issue for energy complaints, and credit issues were raised in 25% of electricity complaints and 15% of gas complaints.

The following charts show the trends in issues raised in complaints over the last five years. "Other" includes Marketing, Transfer and Service Standard Payment and complaints by a person affected by a water service.

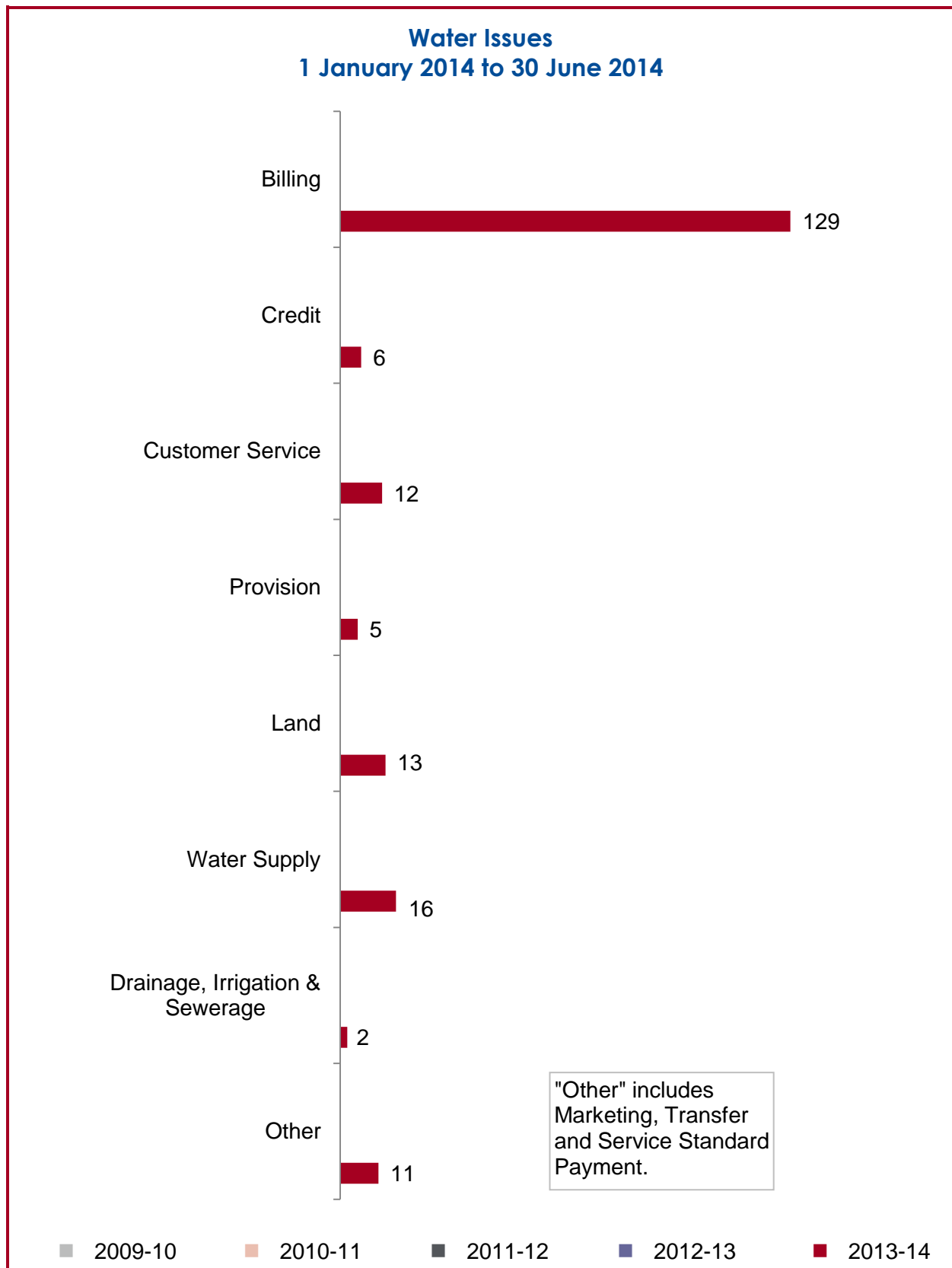
Our Work in 2013-14



Our Work in 2013-14



Our Work in 2013-14



Our Work in 2013-14

Reasons for Billing and Credit Complaints

Complaints about billing and credit issues may be made for a range of reasons. The main types of billing and credit issues are:

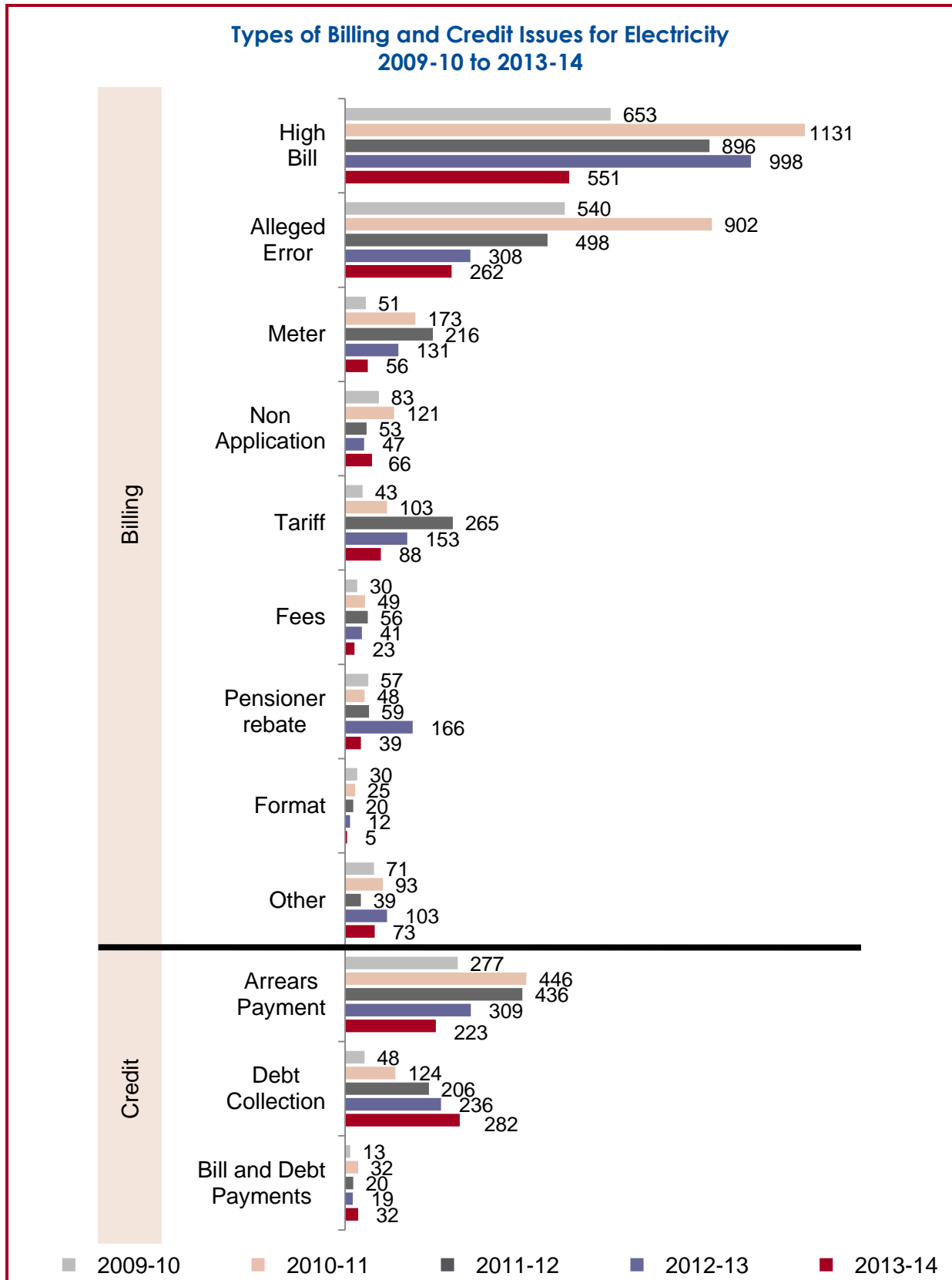
| Types of Billing Issues | |
|-------------------------------|---|
| High Bill | Bill higher than expected. |
| Alleged Error | Alleged billing errors. |
| Meter | Metering issues. |
| Non Application | Disconnections due to the customer not applying for an account. |
| Tariff | Incorrect rates or lack of information about tariffs. |
| Fees | Fees and charges. |
| Pensioner Rebate | Rebate has not been applied or has been incorrectly applied. |
| Format | Format or lack of adequate information on bill. |
| Other | Includes backbills, GST, historical debt, payment periods and security deposit. |
| Types of Credit Issues | |
| Arrears | Credit arrears. |
| Debt Collection | Credit rating or debt collection issues. |
| Bill and Debt Payments | Customer has received a high bill and has difficulty in payment, has difficulty paying debts or problems with payment arrangements. |

For electricity, gas and water complaints, the main reasons for billing complaints are high bills and alleged errors. For gas and water complaints, fees are another key reason for billing complaints.

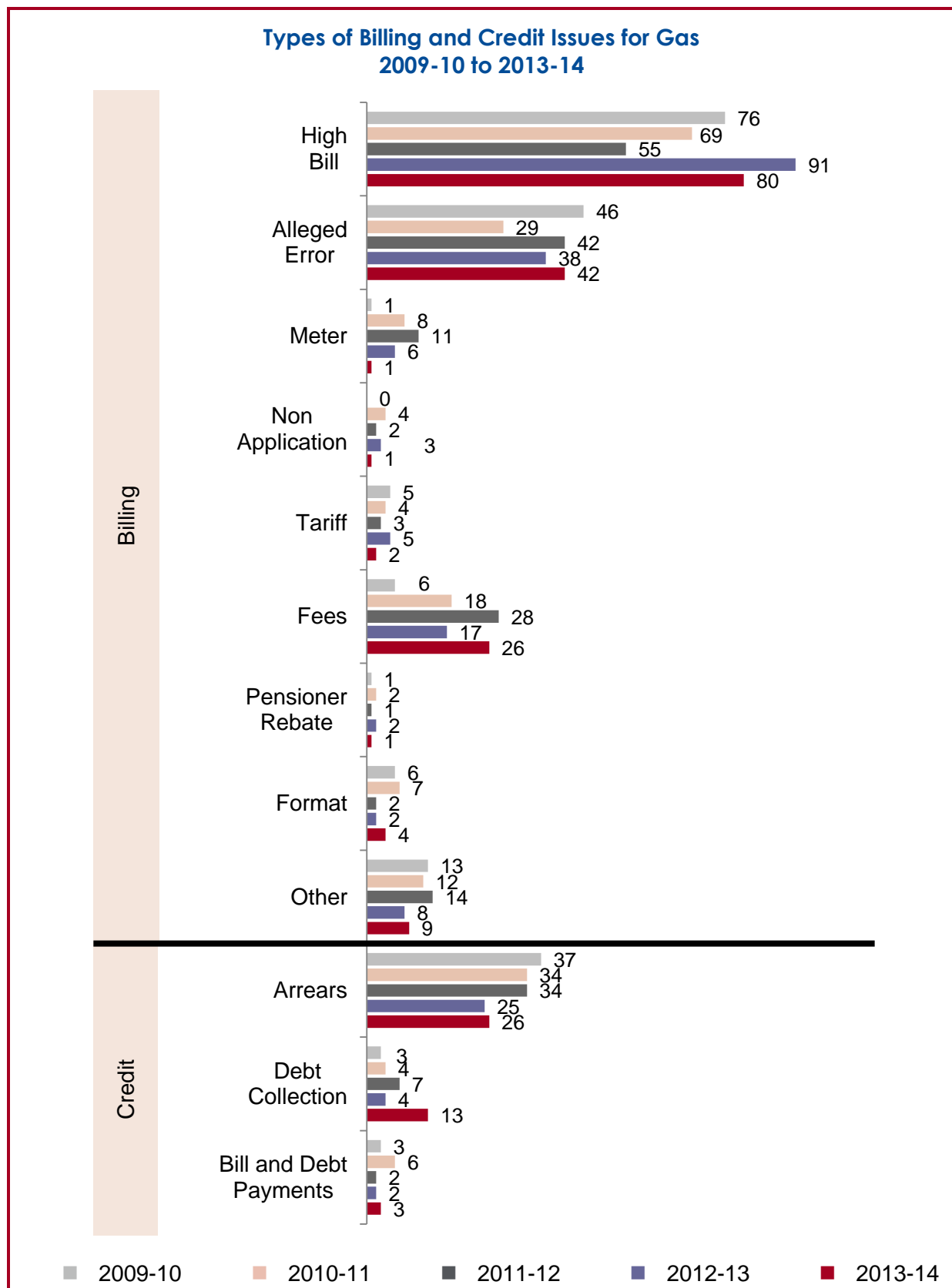
For both electricity and gas, the main reason for credit complaints is payment of arrears and debt collection.

Our Work in 2013-14

The trends over the last five years in the different types of billing and credit issues are shown in the following charts.

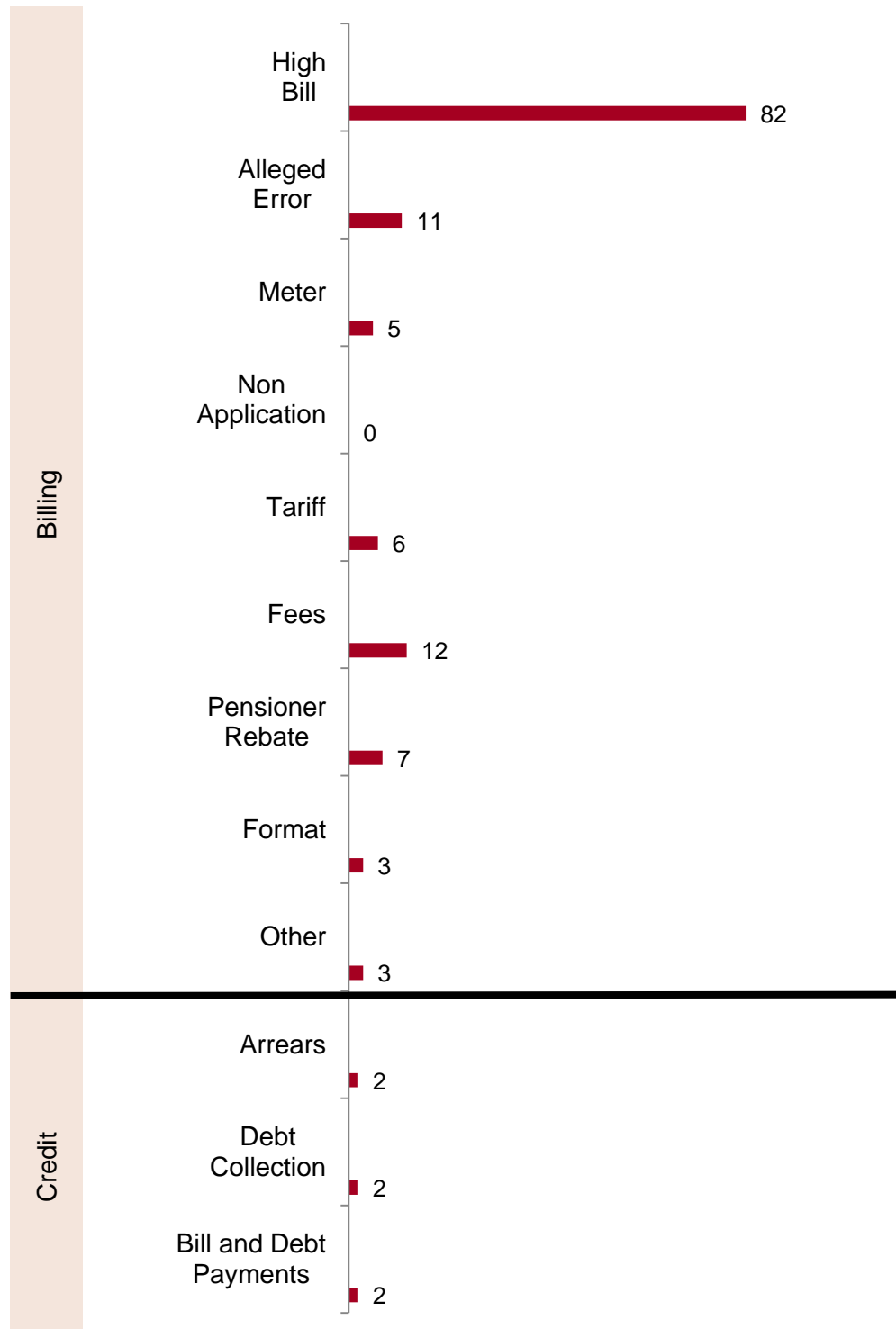


Our Work in 2013-14



Our Work in 2013-14

Types of Billing and Credit Issues for Water
1 January 2014 to 30 June 2014



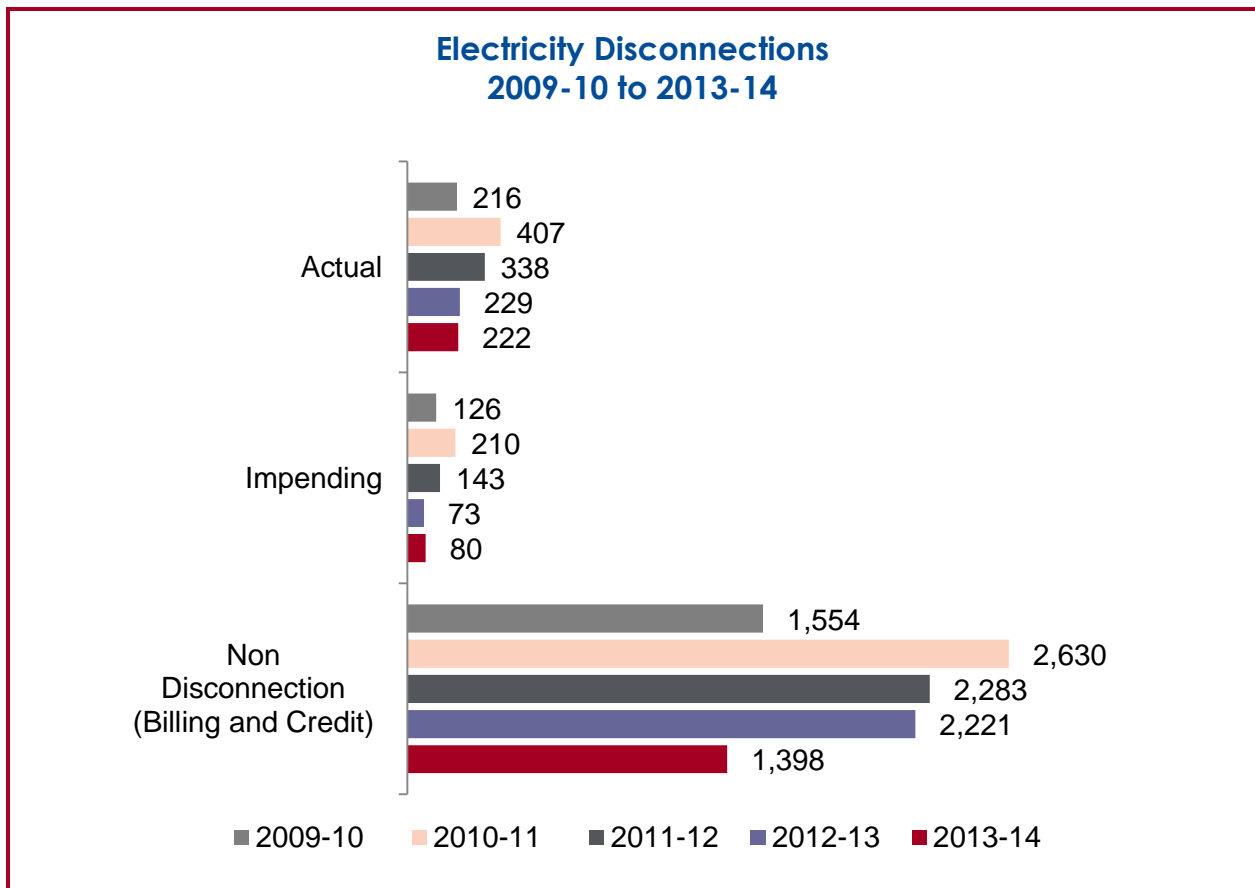
Disconnections

Gas and electricity retailers sometimes disconnect supply when a customer has failed to pay their bill or has not applied for an account when they take up a new residence. Before disconnecting, a reminder notice and then a disconnection warning should be sent. Complaints about reminder notices and disconnection warnings are recorded by the Energy and Water Ombudsman as impending disconnections. Complaints about a disconnection that has already occurred are recorded as actual disconnections. Water providers typically restrict a service rather than disconnect.

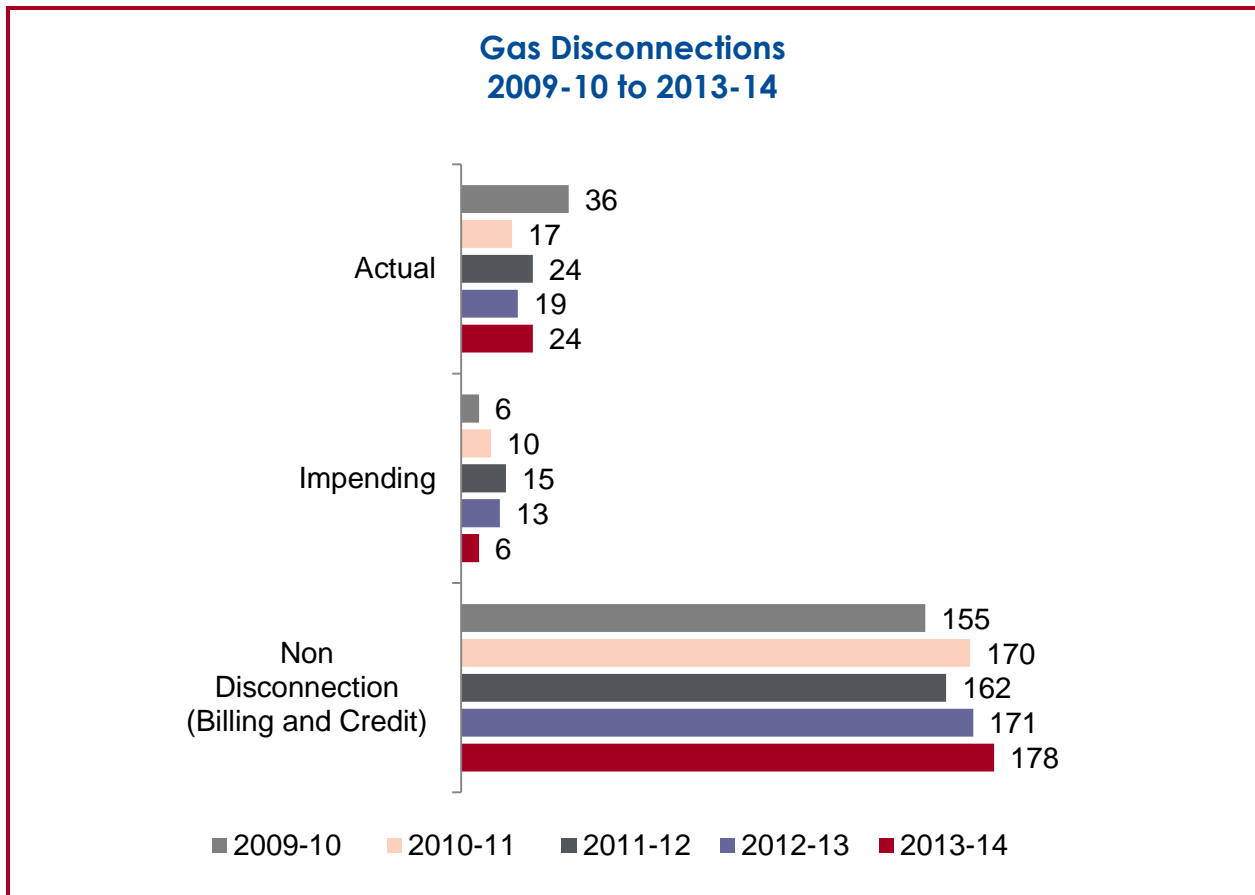
During 2013-14, there were:

- 1,700 electricity complaints involving billing and credit issues and, of these, 222 involved actual disconnection and 80 involved an impending disconnection;
- 208 gas complaints involving billing and credit issues and, of these, 24 involved actual disconnection and 6 involved an impending disconnection; and
- There were no cases recorded involving water restrictions.

The following charts show trends in electricity billing and credit issues involving, and not involving, disconnections. For electricity there was a decrease in complaints about both actual and impending disconnections in 2012-13, which has been maintained in 2013-14. For gas, complaints about disconnections remain similar to previous years.



Our Work in 2013-14



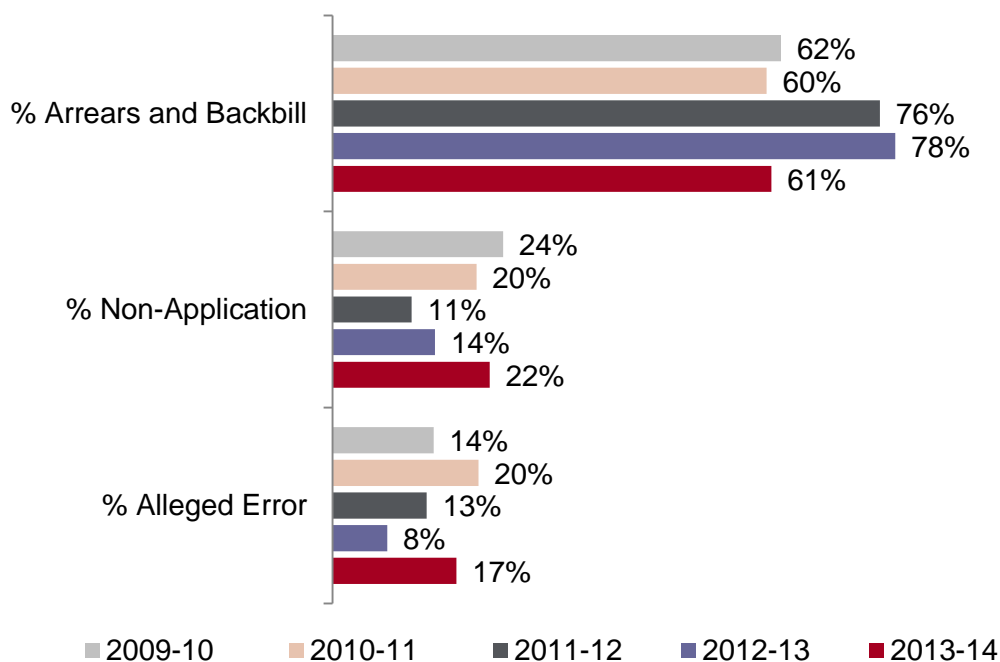
Actual or impending disconnections can occur for the following reasons.

| Reasons for Disconnection | |
|------------------------------|--|
| Arrears and Backbills | Customer has not paid their bill or a backbill for a previous period. |
| Alleged Error | Customer claims that they have been, or are about to be, disconnected due to an alleged error by the retailer. |
| Non Application | The customer has moved into or acquired a property and not applied to their retailer for an account to be established. |

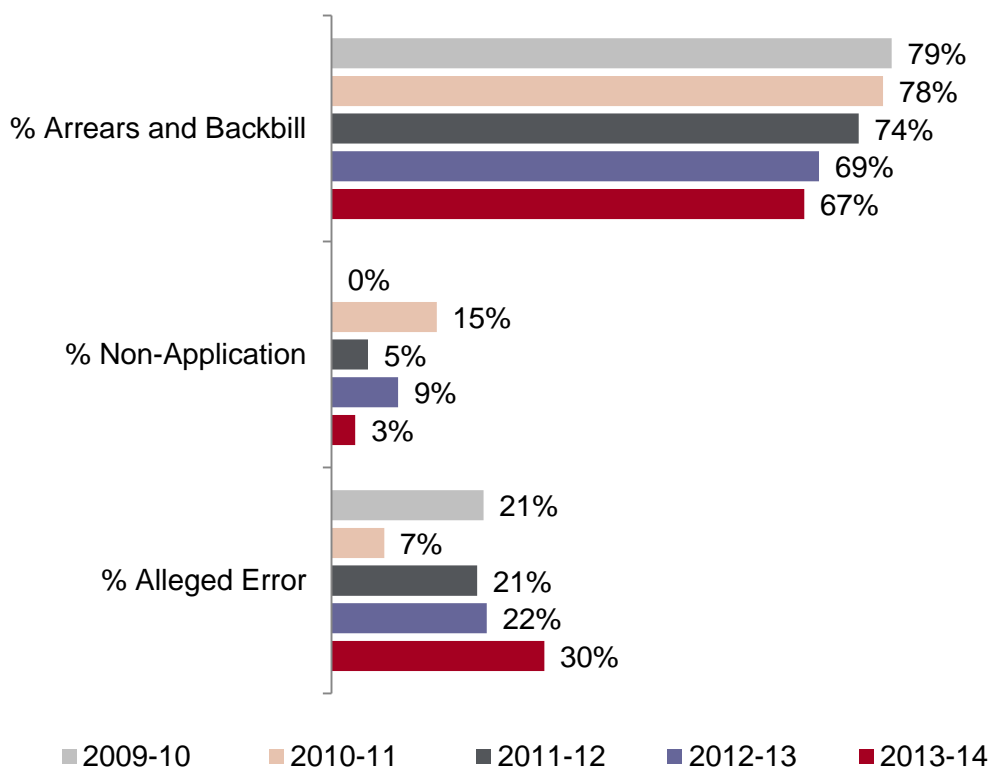
For both electricity and gas, most complaints received about disconnections relate to arrears in bill payments. The following charts show the trends in the reasons for all disconnections (actual and impending) over the last five years.

Our Work in 2013-14

Electricity Disconnections 2009-10 to 2013-14



Gas Disconnections 2009-10 to 2013-14



The following case studies illustrate the issues raised in complaints about disconnections.

Case Study

Manageable payment arrangements enable reconnection

A small business contacted the Energy and Water Ombudsman after being disconnected for non-payment of their electricity bill. Due to its location, the business was a 'self-read' customer who was required to read their meter and send the reading to the Distributor to enable billing to occur. The customer claimed that they had not received bills for a period of time, despite reading the meter and submitting their 'self-read' cards as normal. They had then received a high 'catch up' bill. The customer indicated the business had experienced a downturn in trade over the same period of time, making payment of the arrears difficult.

The Retailer initially requested an upfront payment to reconnect the business, but the sum requested was beyond the customer's immediate capacity to pay. Following the involvement of the Energy and Water Ombudsman, the matter was resolved by reconnection of the customer following the negotiation of a smaller upfront sum and a payment arrangement that was manageable for the customer.

Case Study

Ombudsman's investigation avoids disconnection

A customer received a bill from their Retailer, which included consumption charges transferred from their previous residential property. The customer claimed to have closed the previous account and that the consumption was by a subsequent occupant of the property. The Retailer disputed this, and had informed the customer they would be disconnected if the transferred amount was not paid.

The customer contacted the Energy and Water Ombudsman. An investigation, which included reviewing independent records, supported the customer's claim that the account had been closed correctly. Following the Ombudsman's involvement the Retailer waived the transferred charges and the disconnection was avoided.

Our Work in 2013-14

Investigated Complaints

The Energy and Water Ombudsman refers complaints to the electricity, gas or water services provider to resolve the matter in the first instance and most complaints are resolved directly between the customer and the provider. If the customer does not consider the matter is resolved they can bring their complaint back to the Energy and Water Ombudsman for investigation.

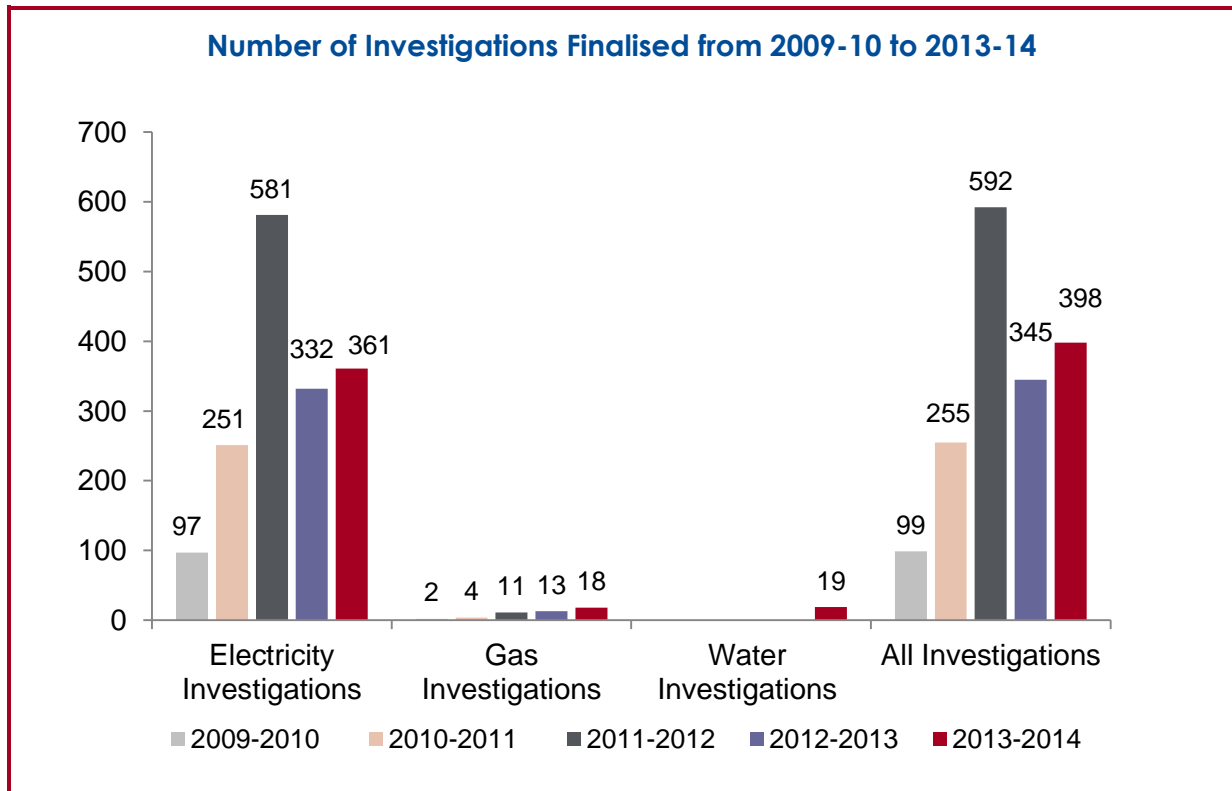
Resolution Through Further Referral

In some complaints, where there is the potential for an early resolution, the Energy and Water Ombudsman may ask the customer to give their provider a final opportunity to resolve the complaint. The customer and the provider are informed that, if the matter is not resolved in a reasonable timeframe, the customer can bring it back to the Energy and Water Ombudsman and it will be investigated.

Investigations Finalised

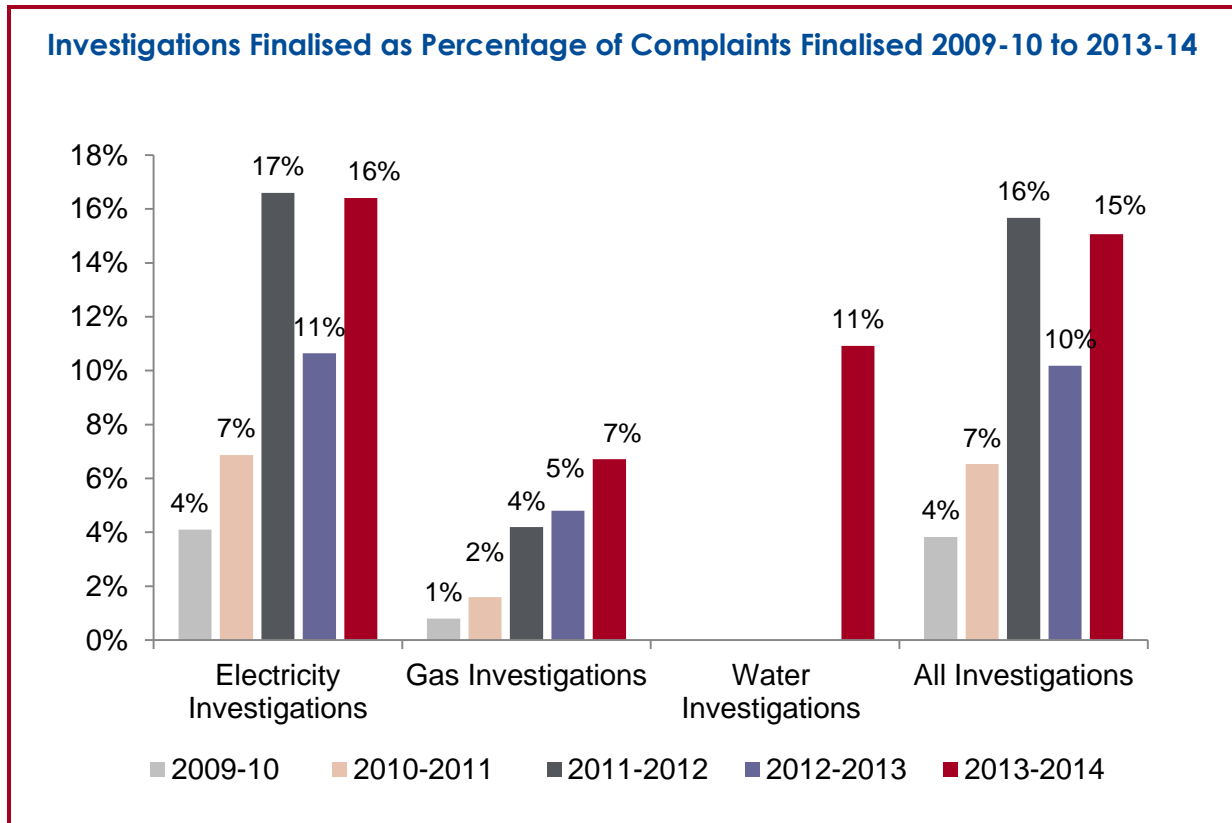
There were 361 investigated electricity complaints, 18 investigated gas complaints and 19 investigated water complaints finalised during 2013-14.

As shown in the following chart, the number of investigated electricity complaints has increased by 9% following a significant decline in 2012-13.



Our Work in 2013-14

There has been an increase in the proportion of complaints finalised after an investigation in 2013-14 compared to 2012-13, as shown in the following chart.



Outcomes of Investigated Complaints

Complaints that proceed to investigation may be finalised for the following reasons:

- The Energy and Water Ombudsman facilitates a resolution;
- Investigation of the matter shows that it is out of jurisdiction;
- The investigation shows the complaint is not sustained;
- The investigation shows the matter is sustained and the Energy and Water Ombudsman makes a binding determination including an appropriate remedy; or
- Further investigation is not warranted for a range of reasons.

For most investigated complaints the investigation ceases because:

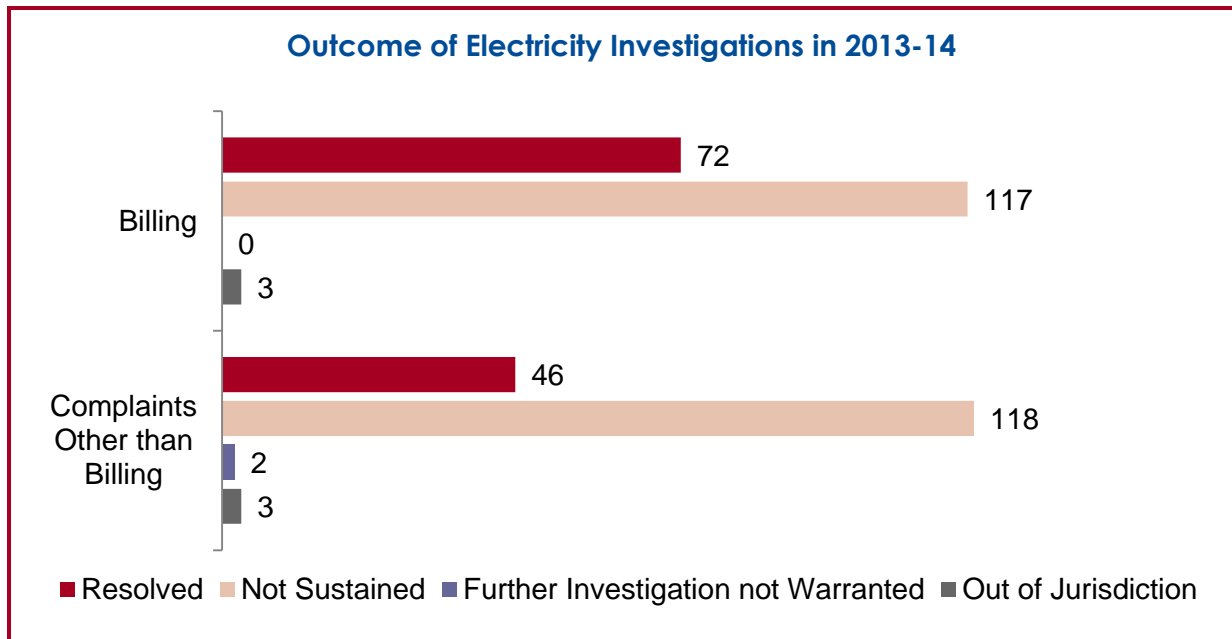
- The Energy and Water Ombudsman investigating officer is able to facilitate a resolution between the customer and their electricity or gas provider. This occurred in 127 (32%) of the 398 investigations finalised in 2013-14; or
- The investigation shows the complaint is not sustained. This occurred in 260 (65%) of the 398 investigations finalised in 2013-14.

Our Work in 2013-14

Smaller proportions of complaints were finalised because they were found, during the investigation, to be out of jurisdiction or further investigation was not warranted. There were no binding determinations by the Energy and Water Ombudsman in the 2013-14 reporting period.

Outcomes of Investigated Electricity Complaints

The following chart shows the outcomes of the investigated electricity complaints finalised in 2013-14 broken down by the issue of the complaint.



Outcomes of Investigated Gas Complaints

The outcomes of the 18 investigated gas complaints were that eight complaints were resolved and 10 complaints were not sustained.

Outcomes of Investigated Water Complaints

The outcomes of the 19 investigated water complaints for the period 1 January 2014 to 30 June 2014 were that one complaint was resolved, 15 complaints were not sustained and three complaints were out of jurisdiction.

Resolutions Offered for Investigated Complaints

Electricity, gas and water providers may offer a range of actions to resolve a complaint including reducing bills, correcting or removing credit listings, providing the complainant with more time to pay, or providing compensation, an explanation or an apology. Bills may be reduced for a variety of reasons including correction of errors (for example, payment of rebate entitlements). Compensation may be paid where a customer has suffered a loss or damage due to the actions of their electricity, gas or water provider.

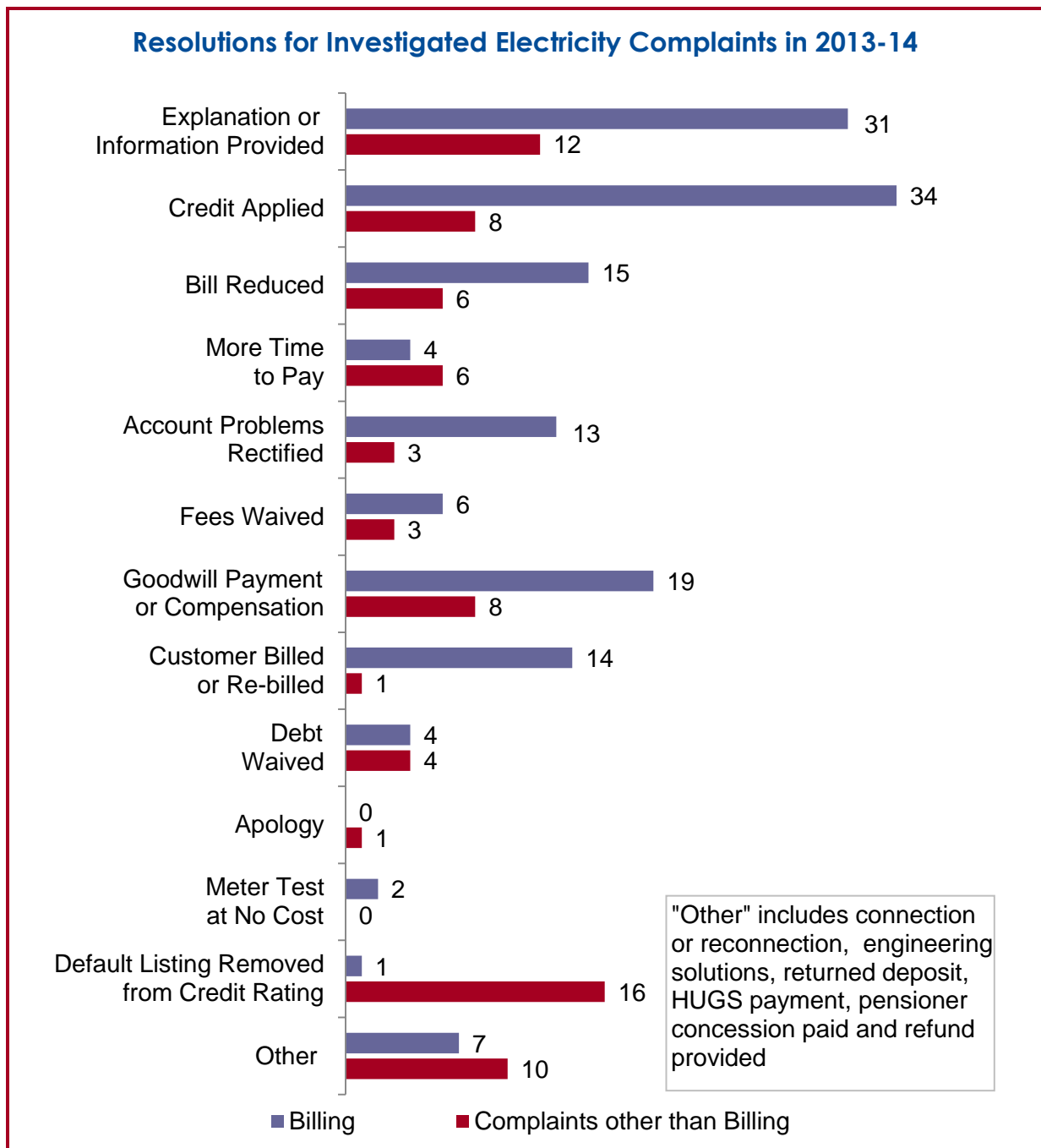
Our Work in 2013-14

Resolutions Offered for Investigated Electricity Complaints

In 2013-14, 228 actions were offered by electricity providers to resolve the 118 investigated electricity complaints that were resolved during the year.

The number of actions undertaken is higher than the number of complaints resolved as there is often more than one action taken by the provider to resolve the complaint. For example, the retailer may reduce the bill and offer an apology.

The following chart provides the breakdown of the actions offered to resolve investigated complaints for billing complaints and complaints about other issues.



Our Work in 2013-14

Resolutions Offered for Investigated Gas Complaints

There were 15 actions offered by gas providers for the eight investigated gas complaints that were resolved in 2013-14.

Resolutions Offered for Investigated Water Complaints

There were two actions offered by water providers for the one investigated water complaint that was resolved in 2013-14.

The following case studies illustrate the resolutions offered by providers.



Ombudsman involvement reduces bill

A customer complained about a high bill and the matter was investigated by the Energy and Water Ombudsman.

The investigation confirmed that the customer had been issued with a large bill as a result of the Distributor providing the Retailer with an actual meter reading after supplying a number of estimated reads, which were lower than the actual consumption. The large 'catch-up' bill was for actual consumption that had not previously been charged due to the low 'estimated' bills. Actual meter readings are required to be undertaken by the Distributor once a year but for this customer the time between actual meter readings by the Distributor was over 18 months.

Following the Ombudsman's involvement, the Retailer recalculated the bill to recover the undercharged consumption for only the previous 12 months and waived the undercharged consumption prior to that. In addition, the Retailer allowed the customer to pay the 'catch-up' bill over 12 months with all future bills to be paid by the due date.

Case Study

Ombudsman investigation assists property purchasers

A property owner complained that they were not made aware, prior to purchasing a piece of land, that the property was a 'beneficiary lot', and that they would be liable for additional expenses to connect to a water supply. A beneficiary lot is a piece of land which does not yet have a water or wastewater supply connection, even though there is a mains supply adjacent to the property. The owner is required to pay to have a connection installed.

The investigation confirmed that the water provider had, in fact, provided information regarding the requirement to pay the additional costs to the property owner and their Settlement Agent. As a result of the investigation, however, the water provider reviewed and amended its correspondence to make the information more prominent.

Our Work in 2013-14

This page has been intentionally left blank.

Stakeholder Liaison and Access to Services

- **Stakeholder Liaison**
- **Access to Services**

Stakeholder Liaison and Access to Services

Effective engagement with key stakeholder groups is essential to the achievement of effective complaint resolution, increased awareness of the services provided by the Office and identification and addressing of systemic issues. The Office does this through:

- Continuous liaison and communication with key stakeholders including Member organisations (electricity, gas or water providers), regulators and industry-based Ombudsmen; and
- Ensuring ongoing access to its services for residential and small use customers, and community groups who represent them.

In early 2010, the Ombudsman presented to the Board a communications strategy developed to formalise the stakeholder liaison and access activities being undertaken by the Office. The strategy commenced in 2010-11 and has continued throughout 2013-14. These activities were carried out to enhance the promotion of, and access to, the Energy and Water Ombudsman by key stakeholders. Further details about these activities are detailed in this section.

Stakeholder Liaison

The Office regularly liaises with a number of key stakeholders. This continuous communication and feedback process allows the Office to better understand relevant industry issues and to encourage best practice and leadership in dispute resolution.

Member Organisations

In order to achieve effective dispute resolution, the Office liaises closely with the Scheme Member organisations. The Office was involved in regular meetings with Members as outlined below:

- In July and September 2013 and January and May 2014, the Energy and Water Ombudsman met with the Chief Executive Officer of Synergy. Energy and Water Ombudsman staff also had regular liaison with Synergy throughout the year to discuss ongoing liaison and the resolution of complaints;
- In October 2013 and June 2014, the Energy and Water Ombudsman met with the Chief Executive Officer of Western Power. Energy and Water Ombudsman staff also met with Western Power regarding ongoing liaison and the resolution of complaints;
- In September 2013 and January 2014 Energy and Water Ombudsman staff met with Horizon Power regarding ongoing liaison and the resolution of complaints;
- In December 2013, the Energy and Water Ombudsman met with the Chief Executive Officer and senior staff of the Water Corporation. Energy and Water Ombudsman staff also had regular liaison with the Water Corporation throughout

Stakeholder Liaison and Access to Services

the year to discuss the implementation of the Water Services Ombudsman Scheme as well as ongoing liaison and the resolution of complaints; and

- In March 2014, the Deputy Energy and Water Ombudsman and Director Energy and Water consulted with senior representatives from Synergy, Water Corporation, Western Power, Alinta Energy and Horizon Power, on the proposed Energy and Water Ombudsman Budget for 2014-15.

The Economic Regulation Authority

During 2013-14 the Office continued its regular interaction with the industry regulator, the Economic Regulation Authority (**ERA**). The Office was involved with meetings and liaison with the ERA as outlined below:

- The Deputy Energy and Water Ombudsman and senior Energy and Water Ombudsman staff attended meetings with the ERA's Consumer Consultative Committee in September and December 2013 and March and June 2014. The Consumer Consultative Committee meets quarterly to provide comment to the ERA on issues affecting consumers that fall within the ERA's jurisdiction;
- The Deputy Energy and Water Ombudsman and Director Energy and Water attended liaison meetings with senior staff of the ERA in August and November 2013 and February and May 2014;
- The Energy and Water Ombudsman met with the Chairman of the ERA in September 2013 and in March 2014; and
- In May 2014, the Deputy Energy and Water Ombudsman, and Director Energy and Water, attended the Water Utility Regulator's Forum arranged by the ERA, and presented a paper titled: *The role of the Energy and Water Ombudsman and issues facing water customers*.

Stakeholder Liaison in Relation to the Expansion of the Scheme to become the Energy and Water Ombudsman

From 1 January 2014, the Energy Ombudsman Scheme expanded to become the Energy and Water Ombudsman. In preparation for this change, and building upon liaison activities undertaken in the previous financial year:

- Senior Energy and Water Ombudsman staff met with staff from the ERA and Department of Water on several occasions;
- The Deputy Energy and Water Ombudsman and Director Energy and Water met with senior representatives of the Water Corporation, Busselton Water Corporation and Bunbury Water Corporation (Aqwest) to discuss the Water Services Ombudsman Scheme in November 2013; and
- The Deputy Energy and Water Ombudsman made a presentation, titled *The Water Services Ombudsman Scheme*, to the ERA's Consumer Consultative Committee quarterly meeting in December 2013.

Stakeholder Liaison and Access to Services

Industry Ombudsmen

Liaison and collaboration with other industry-based Ombudsmen provides an opportunity for the Office to benchmark its performance and stakeholder communication activities against other similar agencies, and to identify areas for improvement through the experience of others. A summary of the liaison with these industry bodies is outlined below:

- The Energy and Water Ombudsman attended the Australia and New Zealand Energy and Water Ombudsman Network (**ANZEWON**) meeting in Melbourne in November 2013, and attended a meeting via teleconference in May 2014. ANZEWON provides a forum for utility industry Ombudsmen in Australia and New Zealand to enhance effectiveness, efficiency and appropriate consistency of complaint handling across the jurisdictions. Members are able to share appropriate information and jointly consider emerging consumer issues;
- The Director Energy and Water participated in regular teleconferences with ANZEWON throughout 2013-14. The focus of these discussions was to share appropriate information and insights on systemic issues in complaints in the energy and water industries; and
- The Energy and Water Ombudsman attended the Australian and New Zealand Ombudsman Association (**ANZOA**) Strategic Planning Session, followed by the ANZOA Annual General Meeting and Executive Committee meeting in Melbourne in November 2013; and, via teleconference, a Members Meeting in August 2013 and an Executive Committee meeting in February 2014. In April 2014, the Energy and Water Ombudsman and Deputy Energy and Water Ombudsman attended, and variously chaired and presented at, the ANZOA 4th Biennial Conference in Wellington, New Zealand. ANZOA is a peak group for Parliamentary and industry-based Ombudsmen in Australia and New Zealand. It acts as a network for consultation and discussion for Ombudsmen on matters of interest, concern or common experience.

Access to Services

Community Awareness and Accessibility

The Office continued to utilise various communication methods to ensure access to its services for the community, including:

- In October 2013, Energy and Water Ombudsman staff provided a stall, with information on the Energy and Water Ombudsman, at the Financial Counsellors' Association of Western Australia's 2013 conference; and
- In 2013-14 the Office continued the Regional Awareness and Accessibility Program (**the Program**), with visits to Kununurra and Wyndham in the East Kimberley region in November 2013.

The Program is an important way for the Energy and Water Ombudsman to raise awareness of, and access to, its services for regional and Aboriginal Western

Stakeholder Liaison and Access to Services

Australians. Energy and Water Ombudsman information sheets are distributed and Ombudsman staff deal with enquiries and complaints about the electricity, gas and water services providers during complaint clinics which form part of regional visits.

Speeches and Presentations

Throughout the year Energy and Water Ombudsman staff delivered presentations on the role of the Energy and Water Ombudsman and how the Ombudsman may be able to assist members of the local community.

‘Ask the Ombudsman’ on Nightline

The Office continues to provide access to its services through the Energy and Water Ombudsman’s regular appearances on Radio 6PR’s *Nightline* program. Listeners who have complaints about electricity, gas or water providers or want to make other enquiries about the Energy and Water Ombudsman jurisdiction can call in and speak with the Energy and Water Ombudsman live on the air. The segment also allows the Office to communicate key messages about the Energy and Water Ombudsman jurisdictions and the outcomes that can be achieved for members of the public. The Energy and Water Ombudsman appeared on the ‘Ask the Ombudsman’ segment in September and December 2013, and March and June 2014.

Energy and Water Ombudsman Website

The [Energy and Water Ombudsman website](#) provides a wide range of information and resources for members of the public on the complaint handling process provided by the Office.

The website content and functionality are continually reviewed and improved to ensure there is maximum accessibility to all members of the diverse Western Australian community. The site provides information in a wide range of [community languages](#).

Links to Energy and Water Ombudsman publications and useful links to external websites are used throughout. The site also features an online form for complainants to use to lodge a complaint. The site can be accessed at www.ombudsman.wa.gov.au/energyandwater.

Stakeholder Liaison and Access to Services



Energy and Water Ombudsman Western Australia
Free, independent and fair dispute resolution

[Site Map](#) | [Accessibility](#) | [Contact us](#) | [Legal notices](#)
 Search:

Text size [A](#) [A](#) [A](#) [Print](#)

Welcome to the Energy and Water Ombudsman website

The Energy and Water Ombudsman receives and resolves complaints about electricity, gas and water services providers. Our services are free.

The Energy and Water Ombudsman is [Chris Field](#).



Do you have a complaint?

If you are a residential or small business electricity or gas customer and you have a complaint, first try to resolve it with your electricity or gas provider. Anyone can make a complaint about a water service provider. If you have a complaint about a water service provider, contact them first to try and resolve it.

If your complaint is still unresolved, you may contact the Energy and Water Ombudsman for assistance. See [Make a complaint](#) for more information.

Community Languages

Click on the links below to view our Information Sheet in community languages.

| | | | |
|------------|------------------|---|---------------------|
| አማርኛ | العربية |  | Interpreter 131 450 |
| 中文简体 | 中文繁體 | | |
| فارسی | دري | | |
| हिंदी | 日本語 | | |
| Hrvatski | Bahasa Indonesia | Melayu Kokos | |
| Српски | Espanol | Soomaali | |
| Tiếng Việt | Italiano | | |

Latest News & Information

[New water jurisdiction commenced 1 January 2014](#)
[Energy Ombudsman Annual Report 2012-13](#)
[Energy and Water Ombudsman - Information for complainants](#)
[Who you can complain about](#)



Free, independent, and informal resolution of complaints about WA electricity, gas and water services providers

Publications

The Energy and Water Ombudsman provides publications to assist complainants to understand the role of the Energy and Water Ombudsman and the Energy and Water Ombudsman's complaint process.

The Energy and Water Ombudsman's complaint forms and information sheets are translated into 15 community languages to ensure accessibility for people from culturally and linguistically diverse backgrounds. The translated forms and information feature on the website and are available in hard copy on request.



Western Australian Ombudsman Newsletter

Two editions of the Western Australian Ombudsman Newsletter were issued in relation to the period 2013-14. The Newsletter is a key publication used by the Office to communicate information to stakeholders about the Office's performance and activities.

The December 2013 edition featured an article titled: '*Energy Ombudsman – Year in Brief 2012-13*'. Statistics concerning the number and type of complaints received for the past year were discussed, and timeliness in actioning these complaints was highlighted. The article went on to note how the Energy Ombudsman had liaised with key stakeholders, including:

- Energy Ombudsman Scheme Members, the Economic Regulation Authority and other regulators and industry-based Ombudsmen; and
- Ensuring ongoing access to Ombudsman services for the public, and community groups who may represent them.

The July 2014 edition featured an article titled: '*New water services jurisdiction commenced 1 January 2014*'. The article discussed what the Energy and Water Ombudsman can and cannot investigate; who can complain and where to find more information.

This page has been intentionally left blank.

Company Particulars and Financial Statements

- **Company Particulars as at 30 June 2014**
- **Independent Audit Opinion**
- **Statement of Comprehensive Income**
- **Detailed Balance Sheet**
- **Statement of Changes in Equity**
- **Cashflow Statement**

Company Particulars and Financial Statements

Company Particulars and Financial Statements

Company Particulars as at 30 June 2014

| Energy and Water Ombudsman (Western Australia) Limited ACN 109 054 426 | |
|--|---|
| Registered address | c/- Kennerlys Ground Floor, 24 Outram Street West Perth WA 6005 |
| Postal address | c/- Kennerlys PO Box 1125 West Perth WA 6872 |
| Board | <p>Chairman: Paul Wilmot</p> <p>Directors</p> <p>Customer Representative: Wayne Mann</p> <p>Customer Representative: Judith McGowan</p> <p>Customer Representative: Irina Cattalini (Appointed 23/12/2013)</p> <p>Gas Industry Representative: Ray Myles</p> <p>Electricity Industry Representative: Simon Thackray</p> <p>Water Industry Representative: Riley Nelson (Appointed 23/12/2013)</p> <p>Alternative Directors</p> <p>Gas Industry Representative: Justin Scotchbrook</p> <p>Electricity Industry Representative: Margaret Pyrchla</p> <p>Water Industry Representative: Karen Willis (Appointed 15/01/2014)</p> |
| Company Secretary | Leendert Johan Ouwendyk |
| Accountants | Kennerlys PO Box 1125 West Perth WA 6872 |
| Auditor | Shakespeare Partners, Chartered Accountants PO Box 1257 West Perth WA 6872 |

Company Particulars and Financial Statements

Energy and Water Ombudsman (Western Australia) Limited ACN 109 054 426

Members

Gas Industry

Alinta Sales Pty Ltd
 ATCO Gas Australia
 Electricity Generation and Retail Corporation (Synergy)
 Esperance Gas Distribution Company Pty Ltd
 Esperance Power Station Pty Ltd
 Wesfarmers Kleenheat Gas Pty Ltd

Electricity Industry

Alinta Sales Pty Ltd
 Electricity Networks Corporation (Western Power)
 Electricity Generation and Retail Corporation (Synergy)
 Horizon Power
 Perth Energy Pty Ltd
 Rottnest Island Authority

Water Industry

Busselton Water Corporation
 Bunbury Water Corporation - Aqwest
 City of Kalgoorlie-Boulder
 Gascoyne Water Cooperative
 Hamersley Iron Pty Ltd
 Harvey Water (South West Irrigation Management Cooperative)
 Shire of Brookton
 Shire of Dalwallinu
 Shire of Dumbleyung
 Shire of Gnowangerup
 Shire of Goomalling
 Shire of Kent
 Shire of Koorda
 Shire of Lake Grace
 Shire of Moora
 Shire of Morawa
 Shire of Ravensthorpe
 Shire of Wickpin
 Shire of Yilgarn
 Water Corporation

Independent Audit Opinion



SHAKESPEARE PARTNERS
CHARTERED ACCOUNTANTS

TOTAL
BUSINESS
SOLUTIONS

47 Outram Street West Perth WA 6005 | PO Box 1257 West Perth WA 6872 | Tel: 9321 2111 | Fax: 9321 2050 | info@shakes.com.au | www.shakes.com.au | ABN: 99 858 551 508

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO DIRECTORS OF
ENERGY AND WATER OMBUDSMAN (WA) LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been no contraventions of:

- a. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- b. any applicable code of professional conduct in relation to the audit.

SHAKESPEARE PARTNERS
Chartered Accountants

Leigh-Anne Meyerowitz
Auditor Registration Number: 279757
8th September 2014

Liability limited by a scheme approved under Professional Standards Legislation
Alan Shakespeare CA • Stephen Thompson CA • Leigh-Anne Meyerowitz CA • Stuart MacKinnon CA



SHAKESPEARE PARTNERS
CHARTERED ACCOUNTANTS

TOTAL
BUSINESS
SOLUTIONS

47 Outram Street West Perth WA 6005 | PO Box 1257 West Perth WA 6872 | Tel: 9321 2111 | Fax: 9321 2050 | info@shakes.com.au | www.shakes.com.au | ABN: 99 858 551 508

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENERGY AND WATER OMBUDSMAN (WA) LTD

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Energy and Water Ombudsman (WA) Ltd, which comprises the statement of financial position as at 30 June 2014, and statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been provided to the directors as at the date of this auditor's report was made.

Auditor's Opinion

In our opinion the financial report of Energy and Water Ombudsman (WA) Ltd is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

Liability limited by a scheme approved under Professional Standards Legislation

Alan Shakespeare CA • Stephen Thompson CA • Leigh-Anne Meyerowitz CA • Stuart MacKinnon CA



Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

SHAKESPEARE PARTNERS
Chartered Accountants

A blue ink signature of Leigh-Anne Meyerowitz.

Leigh-Anne Meyerowitz
Auditor Number: 279757
S.A. September 2014

Company Particulars and Financial Statements

Statement of Comprehensive Income For the Year Ended 30 June 2014

| | 2014 \$ | 2013 \$ |
|--|------------------|------------------|
| Income | | |
| Complaint/Dispute Revenue | 2,787,517 | 2,626,680 |
| Total income | 2,787,517 | 2,626,680 |
| Expenses | | |
| Accountancy | 28,512 | 23,088 |
| Bank Charges | 4 | - |
| Dispute / Complaint Costs | 2,452,492 | 2,349,680 |
| Directors Fees | 62,964 | 48,512 |
| Fees and Charges | 366 | 70 |
| Filing Fees | 44 | 43 |
| Insurance | 7,850 | 7,592 |
| Recruitment representative fees | - | 6,468 |
| Professional Fees | 19,911 | 9,670 |
| Superannuation | 5,824 | 4,366 |
| Travel | - | 4,936 |
| Total expenses | 2,577,968 | 2,454,425 |
| Profit from Ordinary Activities before income tax | 209,549 | 172,255 |
| Income Tax Expense | 62,864 | 51,677 |
| Profit from Ordinary Activities after income tax | 146,685 | 120,578 |

Company Particulars and Financial Statements

Detailed Balance Sheet

As at 30 June 2014

| | 2014 \$ | 2013 \$ |
|---------------------------------------|----------------|----------------|
| Current Assets | | |
| Cash Assets (Cash at Bank) | 302,281 | 264,230 |
| | 302,281 | 264,230 |
| Receivables | | |
| Trade Debtors | 87,903 | - |
| | 87,903 | - |
| Current Tax Assets | | |
| Tax Recoverable | - | 8,473 |
| GST Receivable | 53,933 | 989 |
| | 53,933 | 9,462 |
| Other | | |
| Prepayments | 1,973 | 1,931 |
| | 1,973 | 1,931 |
| Total Current Assets | 446,090 | 275,623 |
| Total Assets | 446,090 | 275,623 |
| Current Liabilities | | |
| Trade Creditors | 2,201 | 2,116 |
| | 2,201 | 2,116 |
| Current Tax Liabilities | | |
| Tax Payable | 9,525 | - |
| PAYG Withholding Payable | 4,173 | 1,456 |
| ATO PAYG Instalment Payable | 24,907 | 13,452 |
| | 38,605 | 14,908 |
| Total Current Liabilities | 40,806 | 17,024 |
| Total Liabilities | 40,806 | 17,024 |
| Net Assets | 405,284 | 258,599 |
| Equity | | |
| Retained profits/(accumulated losses) | 405,284 | 258,599 |
| Total Equity | 405,284 | 258,599 |

Company Particulars and Financial Statements

Statement of Changes in Equity For the Year Ended 30 June 2014

| | Retained surplus/ accumulated deficits \$ | Total \$ |
|--|---|----------------|
| Balance at 1 July 2012 | 138,021 | 138,021 |
| Profit for the year | 120,578 | 120,578 |
| Balance at 30 June 2013 | 258,599 | 258,599 |
| Balance at 1 July 2013 | | |
| Profit for the year | 146,685 | 146,685 |
| Total comprehensive income for the year | 146,685 | 146,685 |
| Balance at 30 June 2014 | 405,284 | 405,284 |

Cash Flow Statement

For the Year Ended 30 June 2014

| | 2014 \$ | 2013 \$ |
|--|---------------------------|----------------|
| | Inflows/(Outflows) | |
| Cash flows from operating activities | | |
| Receipts from Members | 2,646,671 | 2,626,616 |
| Payments to suppliers and employees | (2,608,620) | (2,558,866) |
| Net cash provided by/(used in) operating activities | 38,051 | 67,750 |
| Cash flows from investing activities | | |
| Net cash provided by/(used in) investing activities | - | - |
| Cash flows from financing activities | | |
| Net cash provided by/(used in) financing activities | - | - |
| Net increase/(decrease) in cash and cash equivalents | 38,051 | 67,750 |
| Cash and cash equivalents at 1 July 2013 | 264,230 | 196,480 |
| Effect of exchange rate fluctuations on cash held | | |
| Cash and cash equivalents at 30 June 2014 | 302,281 | 264,230 |

This page has been intentionally left blank.

Energy and Water Ombudsman Western Australia
Free, independent and fair dispute resolution

