



Energy and Water Ombudsman Western Australia

Annual Report 2015-16

About this Report

This report describes the functions and operations of the Energy and Water Ombudsman (Western Australia) Limited, for the year ending 30 June 2016.

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Chairperson's Overview

It is with pleasure that I present the twelfth Annual Report of the Energy and Water Ombudsman (Western Australia) Limited (**the Company**).

The Board

The Board comprises seven directors: an independent chairperson, three customer representative directors, a gas industry representative director, an electricity industry representative director and a water services industry representative director.

In October 2015, Ms Catherine Ferrari was appointed the Water Services Industry Representative Director following the resignation of Mr Riley Nelson in September 2015 and, in September 2015, Ms Sally McMahon resigned as the Gas Industry Representative Alternate Director, with the position being filled by Mr Simon Byrne in February 2016.



The Board held four Board Meetings, two General Meetings and a Budget Committee Meeting during the year, as well as receiving complaint statistics and financial reports on a monthly basis.

The Company

During the year, we welcomed two new electricity Members and one new water services Member. A total of 15 small local government water services providers ceased to be Members of the Company, as they were granted a class exemption by the Minister for Water from section 5(1) of the *Water Services Act 2012*. As at 30 June 2016 there were 29 Members of the Company and a list of these Members is included in the Company Particulars section of the report.

Customer Complaints

The Board has a service agreement with the Western Australian Ombudsman who undertakes the role of the Energy and Water Ombudsman. The Board oversees the Energy and Water Ombudsman Scheme, but is not involved in the resolution of individual complaints. The Energy and Water Ombudsman provides a report to each meeting of the Board regarding the work of the Energy and Water Ombudsman.

Appreciation

I would like to record my thanks to my fellow Directors for their commitment to the successful operation of the Board during 2015-16. I would also like to thank the Energy and Water Ombudsman and his staff for their efforts in resolving complaints so efficiently in this twelfth year of operation of the Scheme.

Chairperson's Overview

The Energy and Water Ombudsman's Report, the Company Particulars, the Independent Audit Opinion and the audited Financial Statements for the Company for 2015-16 follow.

A handwritten signature in blue ink, appearing to read 'M. Henneveld'.

Menno Henneveld
CHAIRPERSON

Energy and Water Ombudsman's Report

I am very pleased to present the 2015-16 Annual Report of the Western Australian Energy and Water Ombudsman.

The Energy and Water Ombudsman investigates and resolves complaints about energy and water services in Western Australia. In 2015-16, we received 1,907 complaints, 13% less than last year, comprised of 1,386 electricity complaints, 252 gas complaints and 269 water complaints. We provided highly timely resolution of these complaints, closing 90% 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.



To ensure that we continue to provide high quality and cost effective investigation and resolution of complaints, 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 our services are as accessible as possible 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 the Pilbara and Kimberley regions.

I take this opportunity to express my sincere appreciation to the Board of the Energy and Water Ombudsman for their work in providing oversight to the Energy and Water Ombudsman Scheme.

I also take this opportunity to thank each staff member of the Energy and Water Ombudsman, and in particular, Deputy Energy and Water Ombudsman, Mary White, and Director, Energy and Water, Marcus Claridge, for their ongoing outstanding 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 'Chris Field', written over a light blue grid background.

Chris Field
ENERGY AND WATER OMBUDSMAN

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Highlights for 2015-16

Complaint Numbers

- In 2015-16, there were 1,907 complaints received representing a 13% decrease from 2014-15.
- Complaints comprised:
 - 1,386 electricity complaints (14% decrease);
 - 252 gas complaints (9% decrease); and
 - 269 water complaints (7% decrease).

Timeliness

- 89% of electricity complaints, 96% of gas complaints, 89% of water complaints and 90% 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 72% of complaints received (43% for billing and 29% 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 the Energy and Water Ombudsman services for residential and small use customers, and community groups who may represent them, including through regional visits to the Pilbara and Kimberley regions.

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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 services 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 of, and access 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).

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 2015-16

Chairperson:	Paul Wilmot (Resigned 03/08/2015) Menno Henneveld (Appointed 04/08/2015)
Directors	
• Customer Representative:	Wayne Mann
• Customer Representative:	Judith McGowan
• Customer Representative:	Irina Cattalini
• Gas Industry Representative:	Ray Myles
• Electricity Industry Representative:	Colin Smith
• Water Industry Representative:	Riley Nelson (Resigned 11/09/2015) Catherine Ferrari (Appointed 28/10/2015)
Alternative Directors	
• Gas Industry Representative:	Sally McMahon (Resigned 11/09/2015) Simon Byrne (Appointed 24/02/2016)
• Electricity Industry Representative:	Margaret Pyrchla
• Water Industry Representative:	Karen Willis

About Us

Members of the Energy and Water Ombudsman Scheme

The Members of the Energy and Water Ombudsman Scheme as at 30 June 2016 are listed below.

Gas Industry Members – 30 June 2016

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

Electricity Industry Members – 30 June 2016

- AER Retail Pty Ltd
- Amanda Energy Pty Ltd
- Electricity Generation and Retail Corporation (Synergy)
- Regional Power Corporation (Horizon Power)
- Rottnest Island Authority
- Alinta Sales Pty Ltd
- A-Star Electricity Pty Ltd
- Electricity Networks Corporation (Western Power)
- Perth Energy Pty Ltd
- Wesfarmers Kleenheat Gas Pty Ltd

Water Industry Members – 30 June 2016

- Aquasol Pty Ltd
- Busselton Water Corporation
- Gascoyne Water Cooperative
- Moama Lifestyle Villages Pty Ltd
- Preston Valley Irrigation Cooperative
- Rottnest Island Authority
- Shire of Gnowangerup
- Shire of Morawa
- Water Corporation
- Bunbury Water Corporation (Aqwest)
- City of Kalgoorlie-Boulder
- Hamersley Iron Pty Ltd
- Ord Irrigation Cooperative
- Robe River Mining Co Pty Ltd
- Shire of Dumbleyung
- Shire of Lake Grace
- South West Irrigation Management Cooperative Limited (Harvey Water)

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.

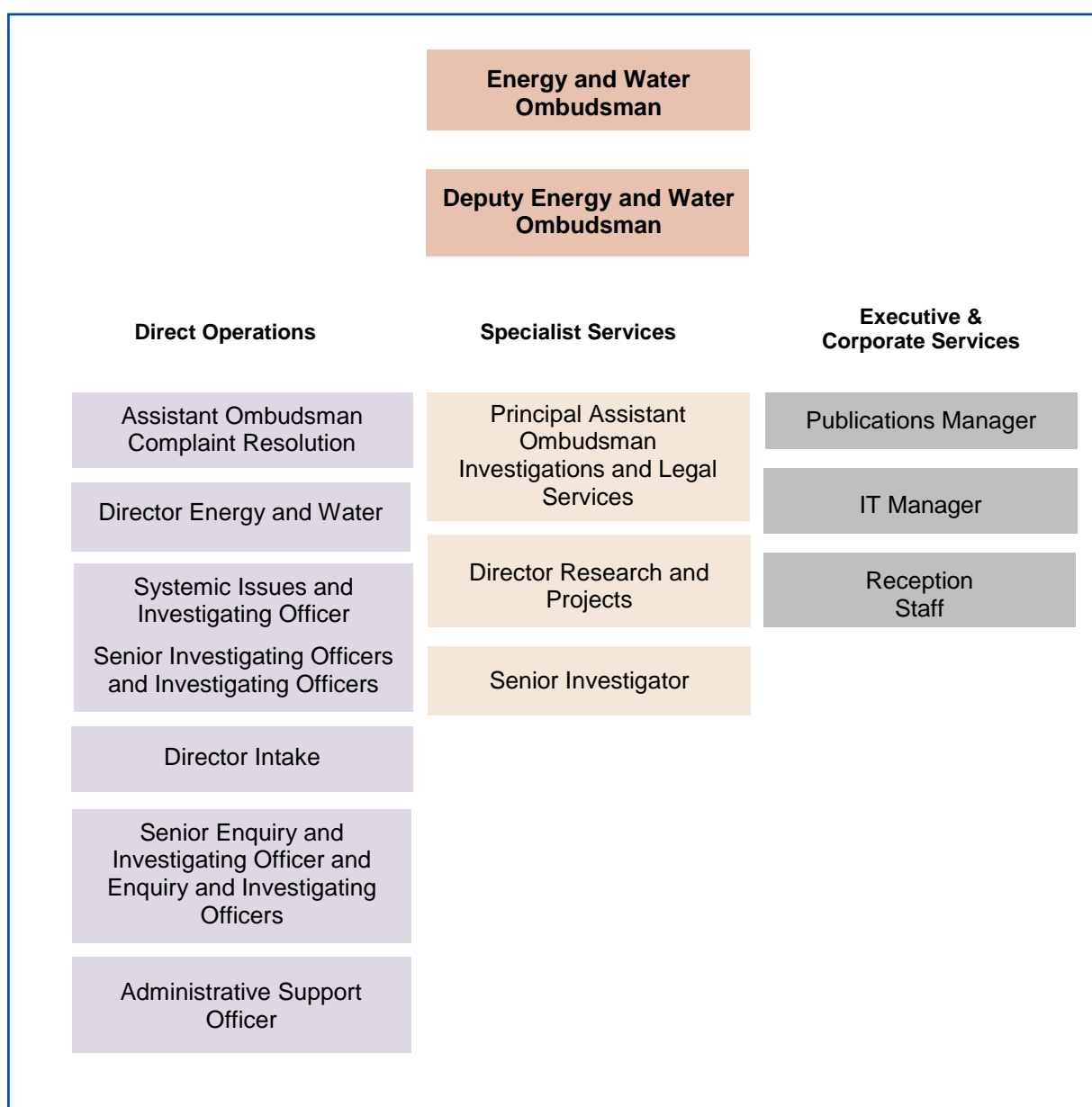
The Energy and Water Ombudsman utilises the governance structures of the Western Australian Ombudsman, including an Audit and Risk Management Committee.

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. 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 2016, the Energy and Water Ombudsman was comprised of 10.5 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 services provider. The following table describes matters that the Energy and Water 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; and• Complaints under consideration by, or previously considered by, any court or tribunal or the Ombudsman considers should be dealt with by a court or tribunal.

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

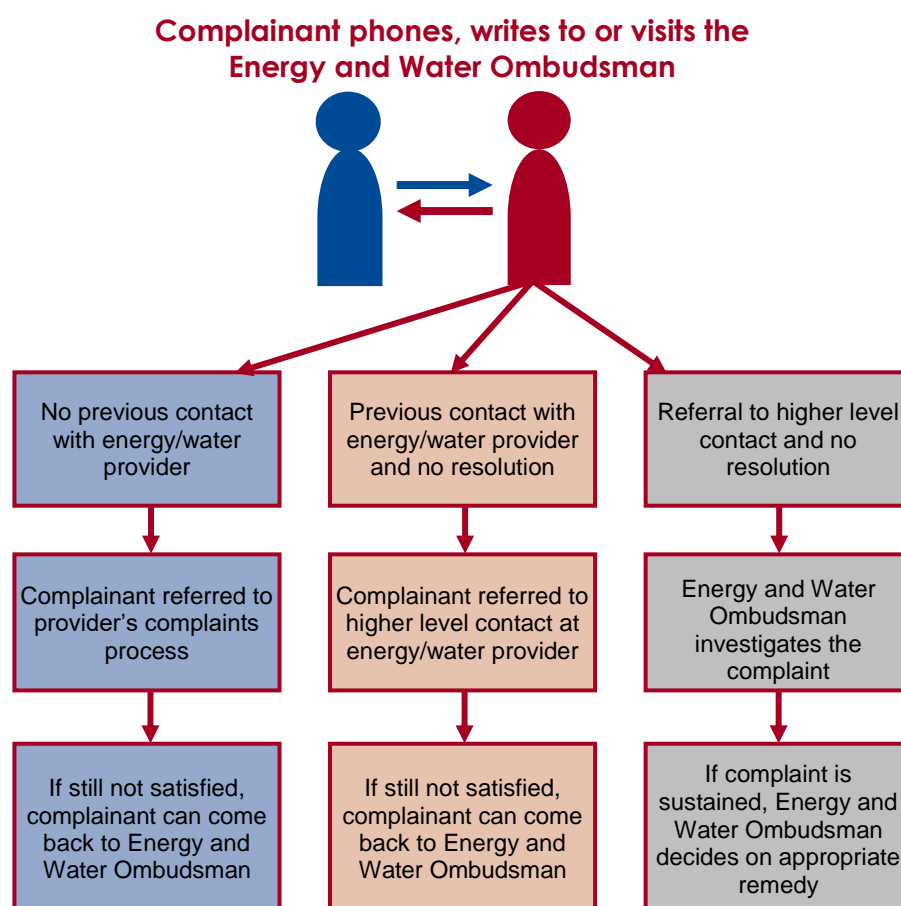
During 2015-16, we focused on achieving the following key priorities:

- 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.



About Us

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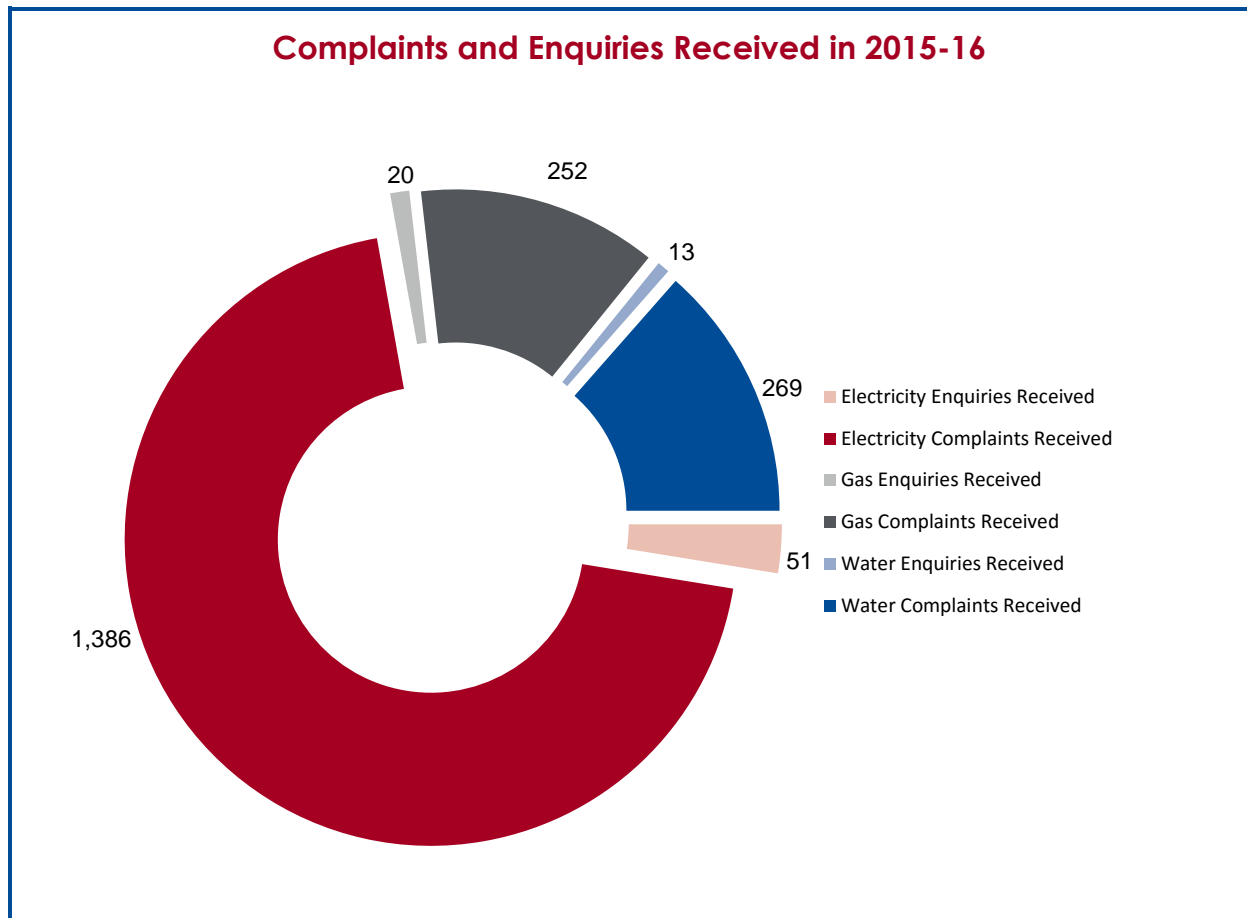
Our Work in 2015-16

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

Our Work in 2015-16

Complaints and Enquiries Received

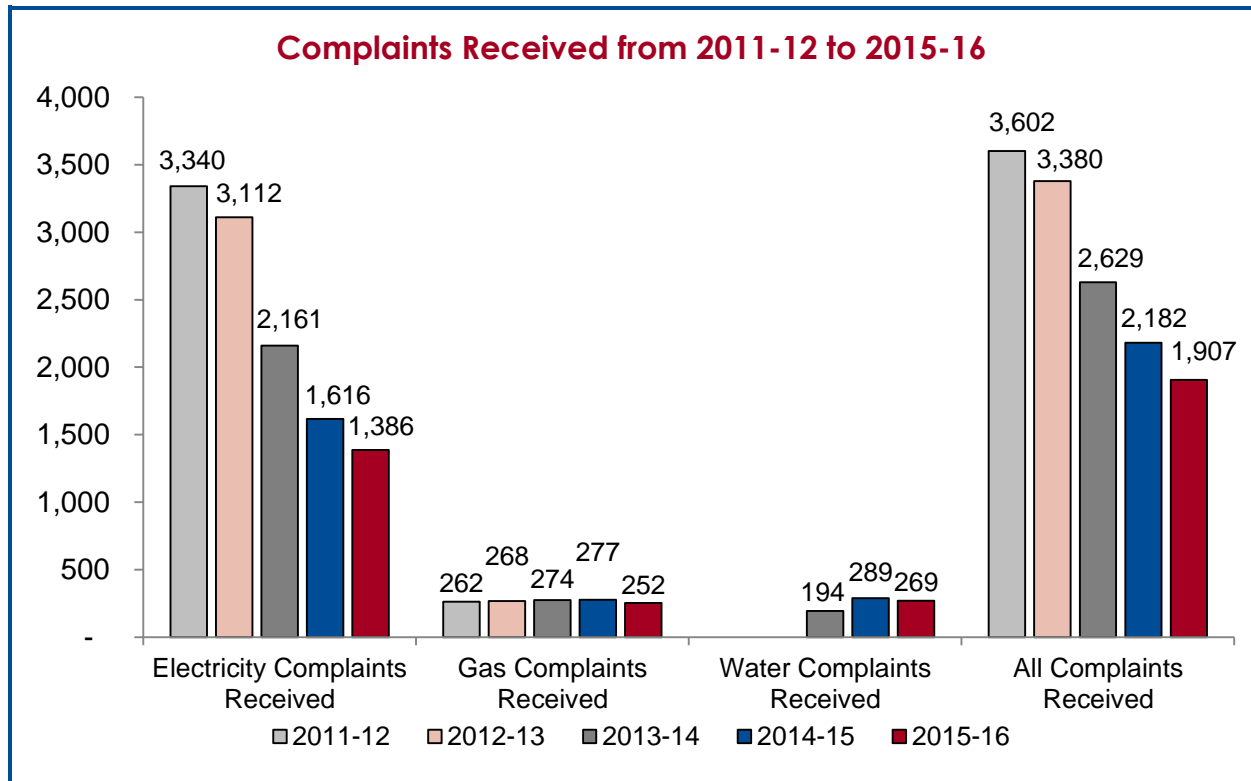
Over the 12 month period from 1 July 2015 to 30 June 2016, the Energy and Water Ombudsman received 1,907 complaints and closed 1,885 complaints. In addition 84 enquiries were received. The following chart shows the breakdown of complaints and enquiries received for gas, electricity and water in 2015-16.



Trends in Complaint Numbers

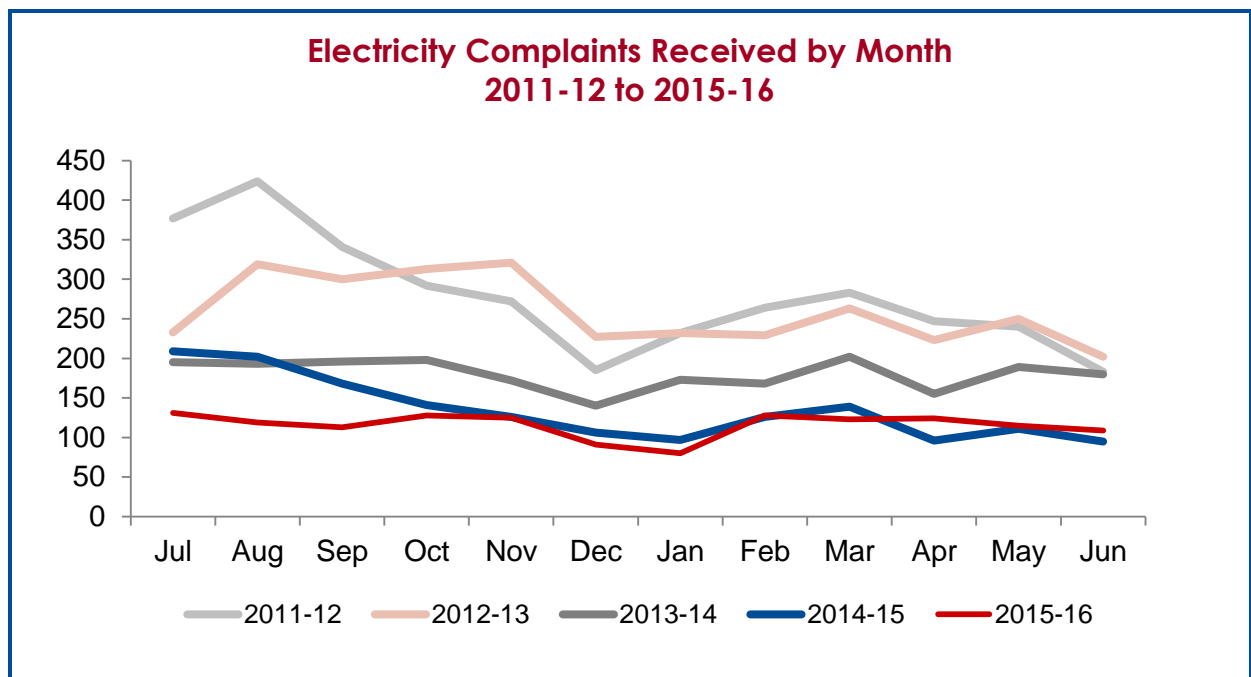
Overall complaints have decreased by 13% in 2015-16 including a 14% decrease in electricity complaint numbers, a 9% decrease in gas complaint numbers and a further 7% decrease in water complaints.

Our Work in 2015-16



NOTE: The water jurisdiction commenced on 1 January 2014. Accordingly, water complaints in 2013-14 represent a six month period, not a full year.

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 five years, including a 31% decrease in 2013-14, a further 25% decrease in 2014-15 and a further 14% decrease in 2015-16.



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 person 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.

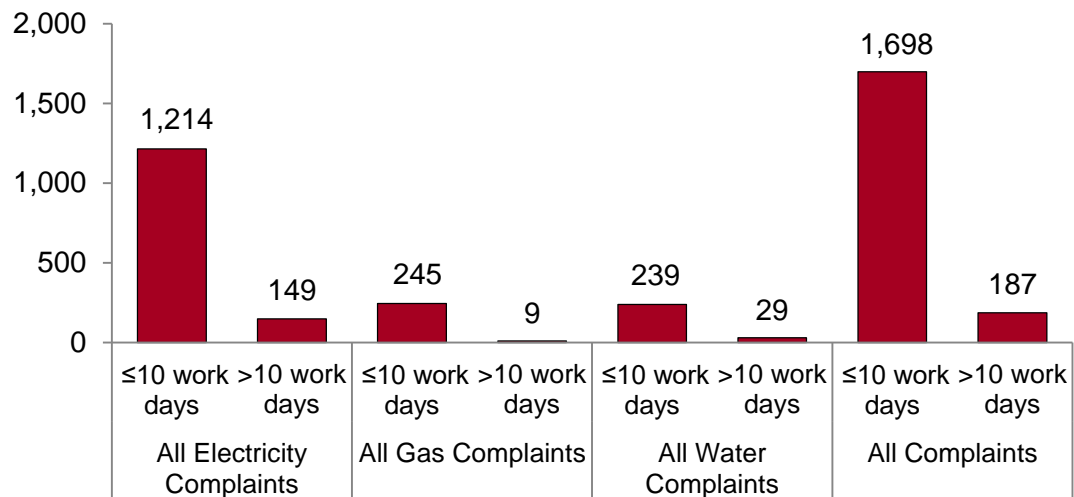
In 2015-16, there were 1,885 complaints closed, comprising 1,363 electricity complaints, 254 gas complaints and 268 water complaints.

Timeliness of Complaint Handling

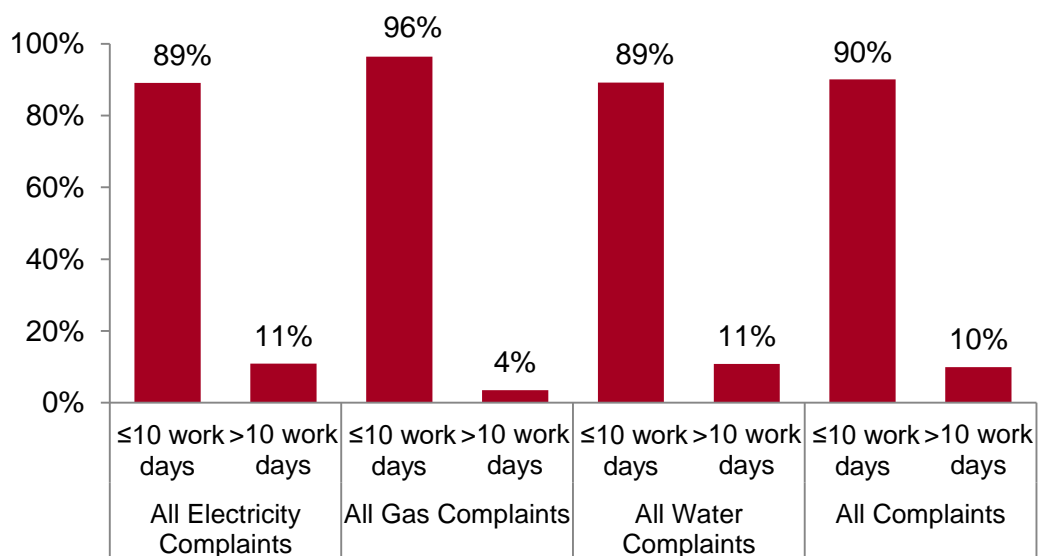
The Energy and Water Ombudsman has maintained its high levels of timeliness in 2015-16 with 89% of electricity complaints, 96% of gas complaints, 89% of water complaints and 90% of all complaints being finalised within 10 business days. The following charts show the timeframes for resolving electricity, gas and water complaints in 2015-16.

Our Work in 2015-16

Time to Close Complaints in 2015-16



Percentage of Complaints Closed in 10 Work Days in 2015-16



Our Work in 2015-16

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.

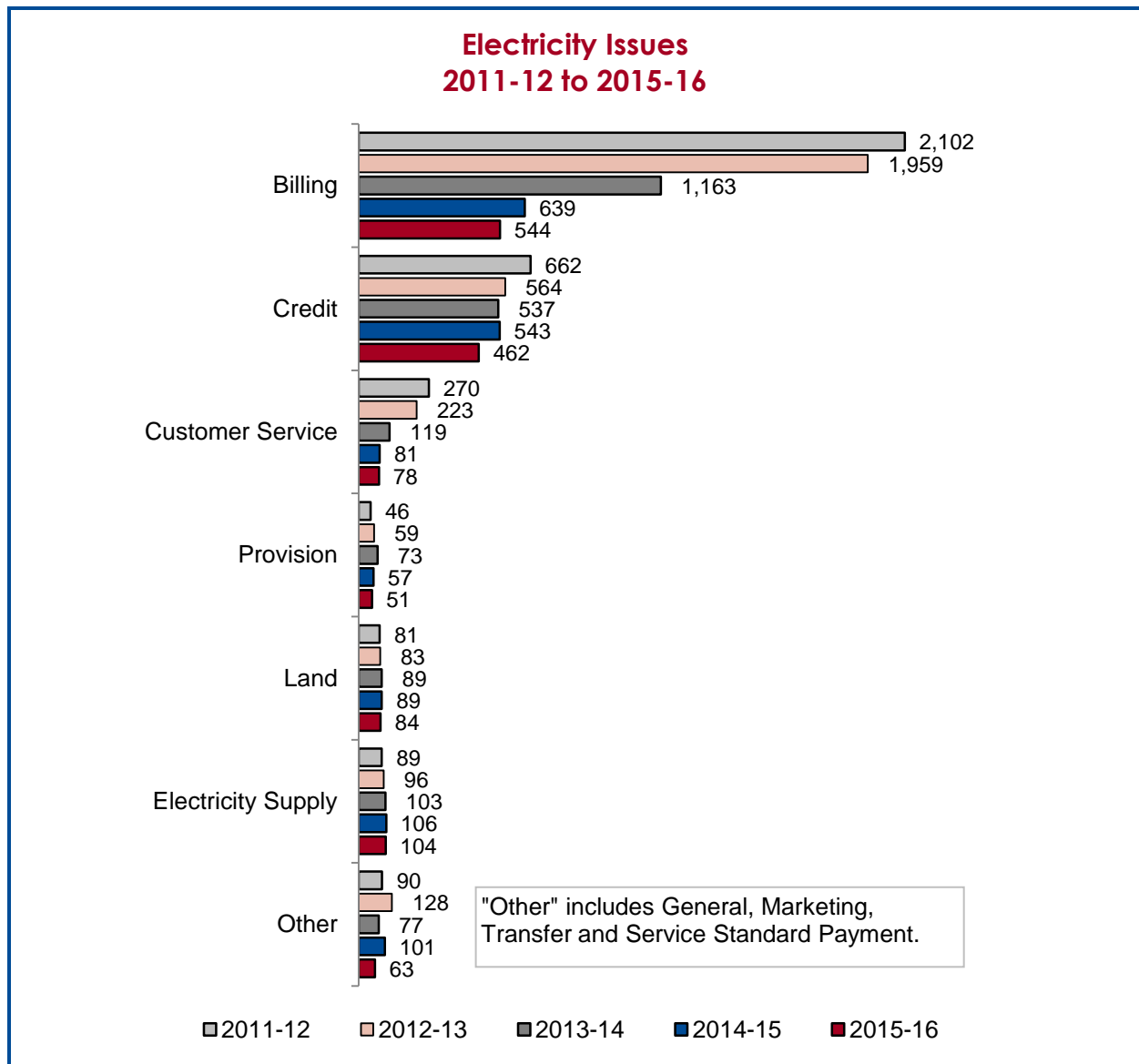
Our Work in 2015-16

Most Common Issues Raised

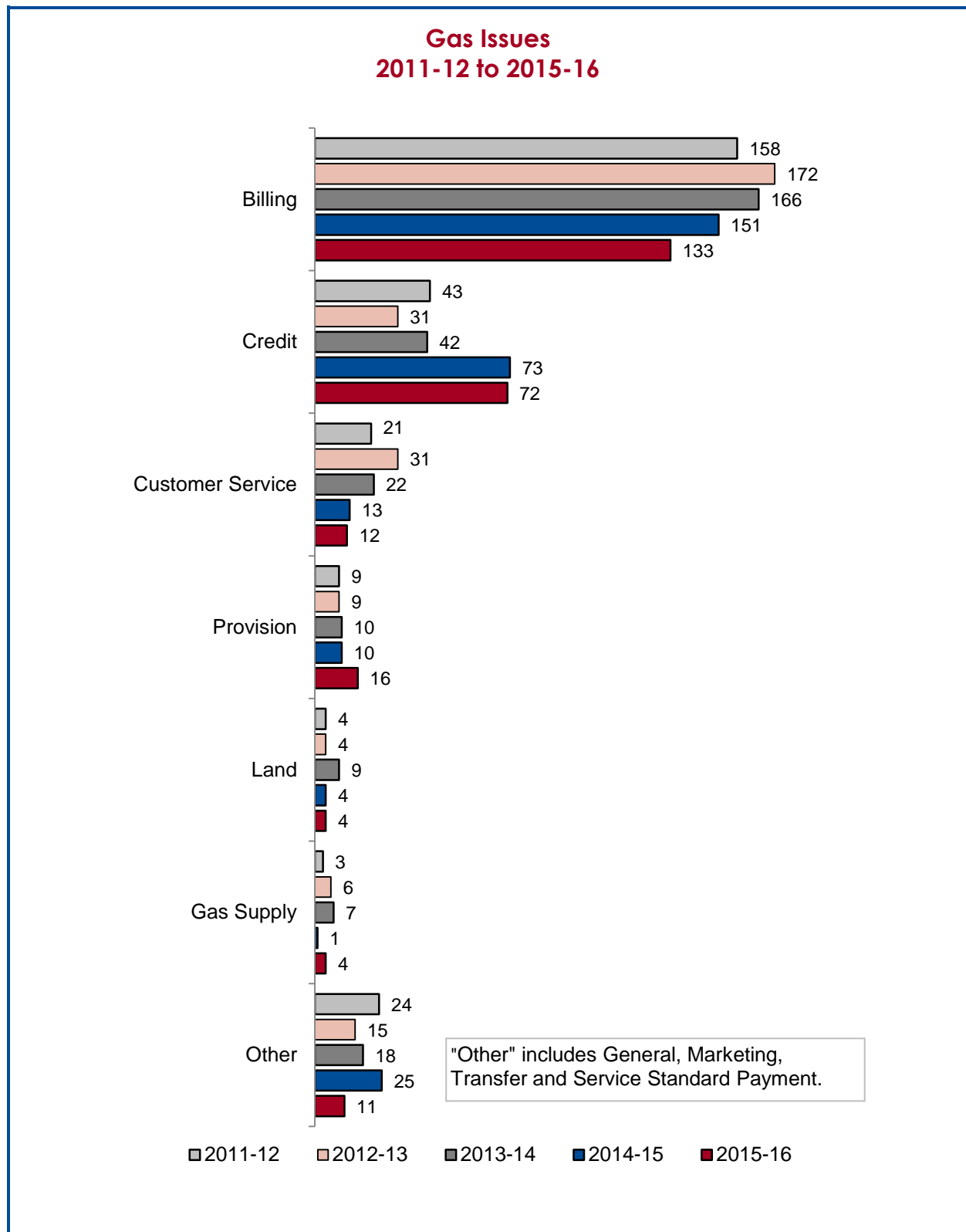
As for previous years, during 2015-16, billing remains the most common issue raised for electricity, gas and water complaints. Billing issues were raised in 43% of complaints received (39% of electricity complaints, 53% of gas complaints and 53% of water complaints). During the year there has been a decrease in billing complaints of 15% for electricity, 12% for gas and 15% for water.

Credit is also a common issue for energy complaints, and credit issues were raised in 33% of electricity complaints and 29% of gas complaints.

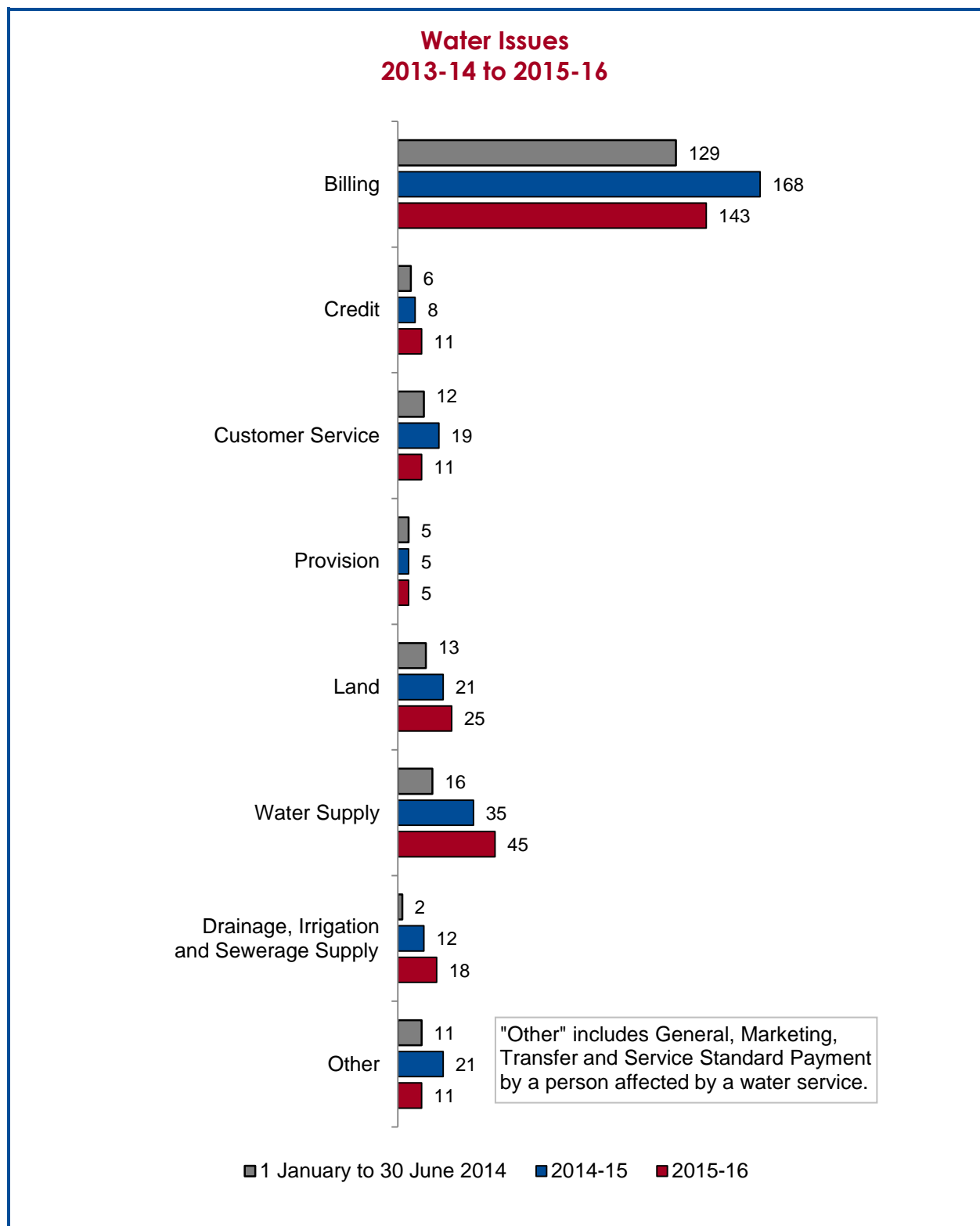
The following charts show the trends in issues raised in complaints over the last five years. "Other" includes Marketing, Transfer and Service Standard Payment and complaints by a person affected by a water service.



Our Work in 2015-16



Our Work in 2015-16



NOTE: The water jurisdiction commenced on 1 January 2014. Accordingly, water complaints in 2013-14 represent a six month period, not a full year.

Our Work in 2015-16

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:

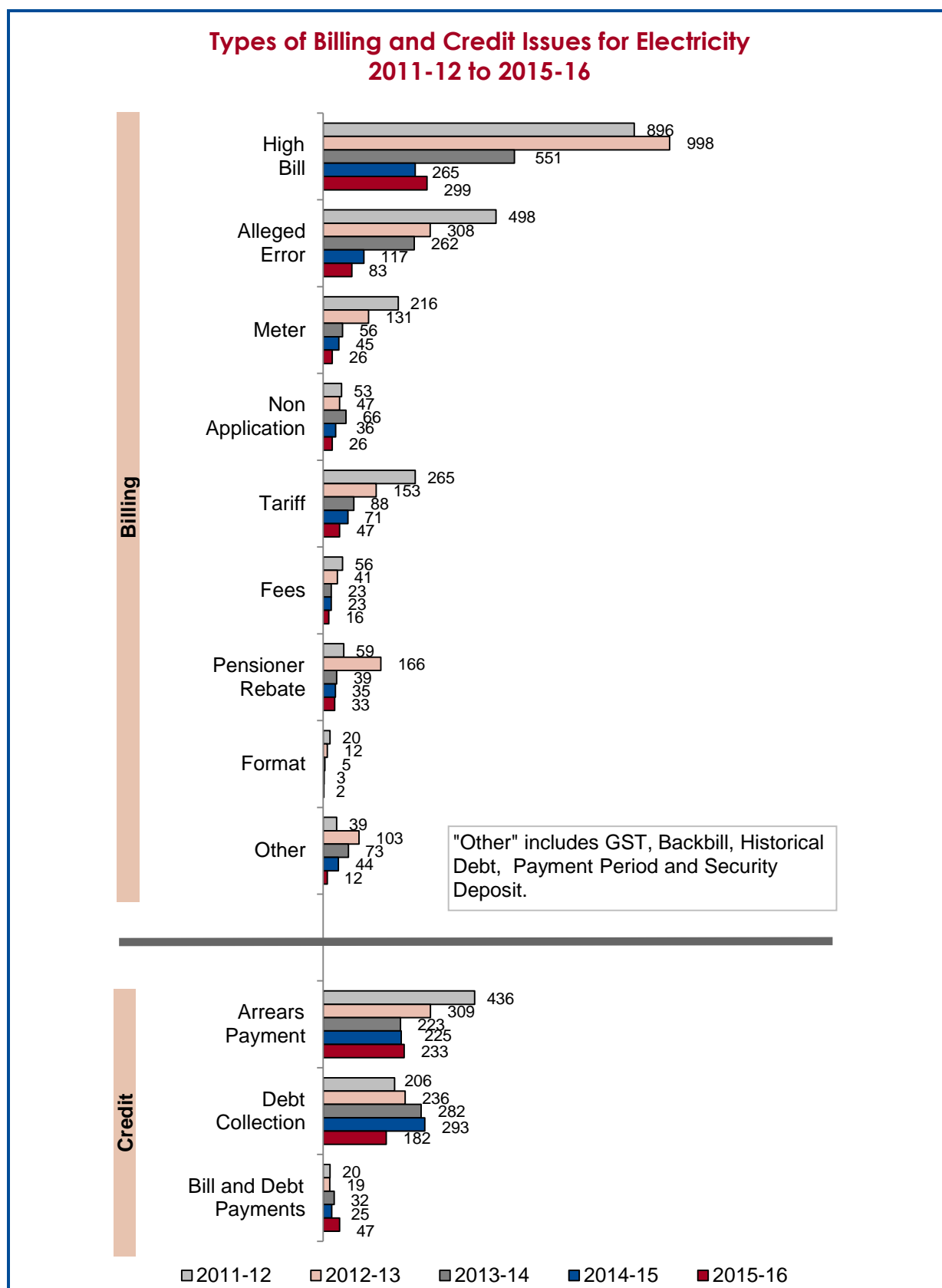
Types of Billing Issues	
High Bill	Bill higher than expected.
Alleged Error	Alleged billing errors.
Meter	Metering issues.
Non Application	Disconnections due to the customer not applying for an account.
Tariff	Incorrect rates or lack of information about tariffs.
Fees	Fees and charges.
Pensioner Rebate	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.

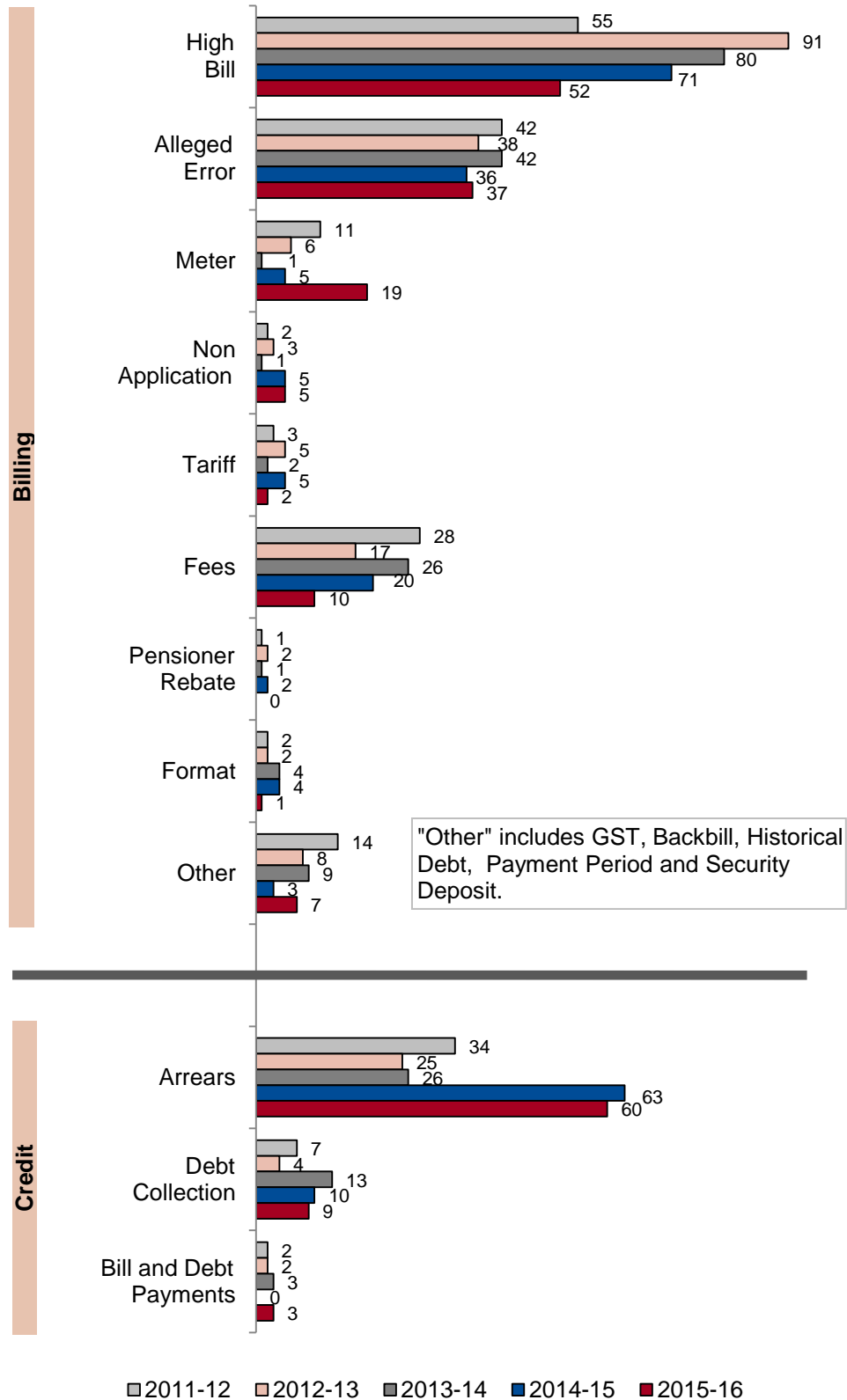
Our Work in 2015-16

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

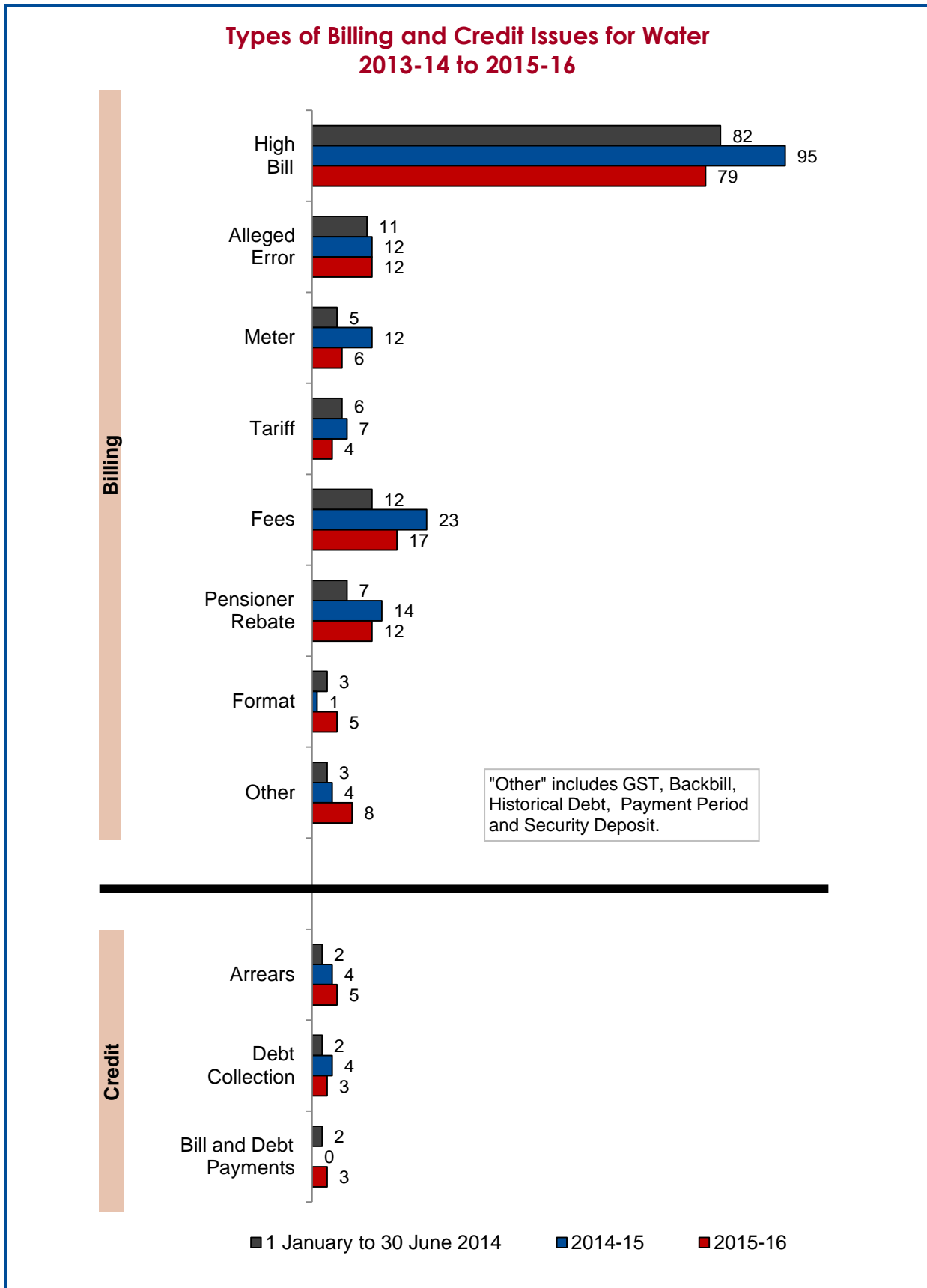


Our Work in 2015-16

Types of Billing and Credit Issues for Gas 2011-12 to 2015-16



Our Work in 2015-16



NOTE: The water jurisdiction commenced on 1 January 2014. Accordingly, water complaints in 2013-14 represent a six month period, not a full year.

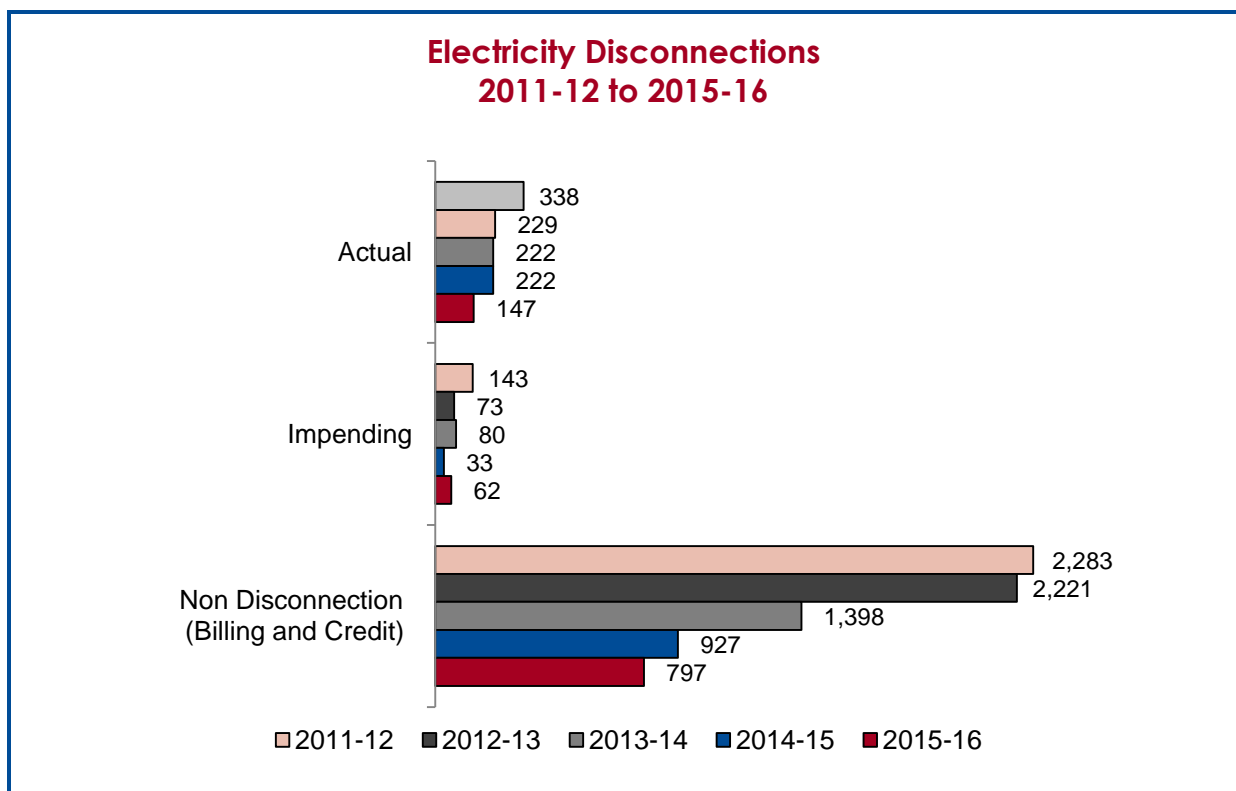
Disconnections

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.

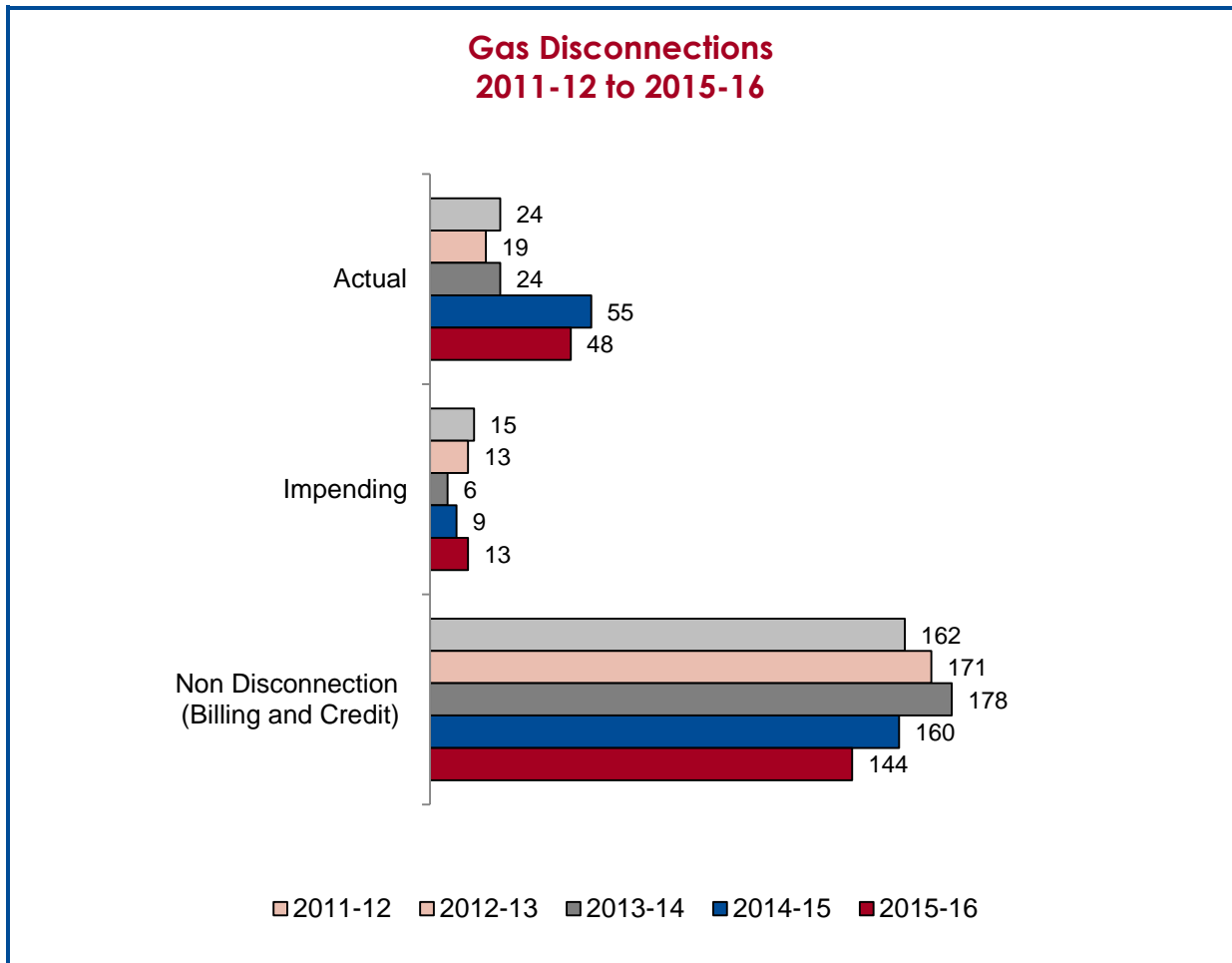
During 2015-16, there were:

- 1,006 electricity complaints involving billing and credit issues and, of these, 147 involved actual disconnection and 62 involved an impending disconnection;
- 205 gas complaints involving billing and credit issues and, of these, 48 involved actual disconnection and 13 involved an impending disconnection; and
- 154 water complaints involving billing and credit issues, none of which related to water restriction or disconnection.

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 actual disconnections in 2012-13, which was maintained in 2013-14 and 2014-15. There has been a further decrease in complaints about actual disconnections in 2015-16.



Our Work in 2015-16



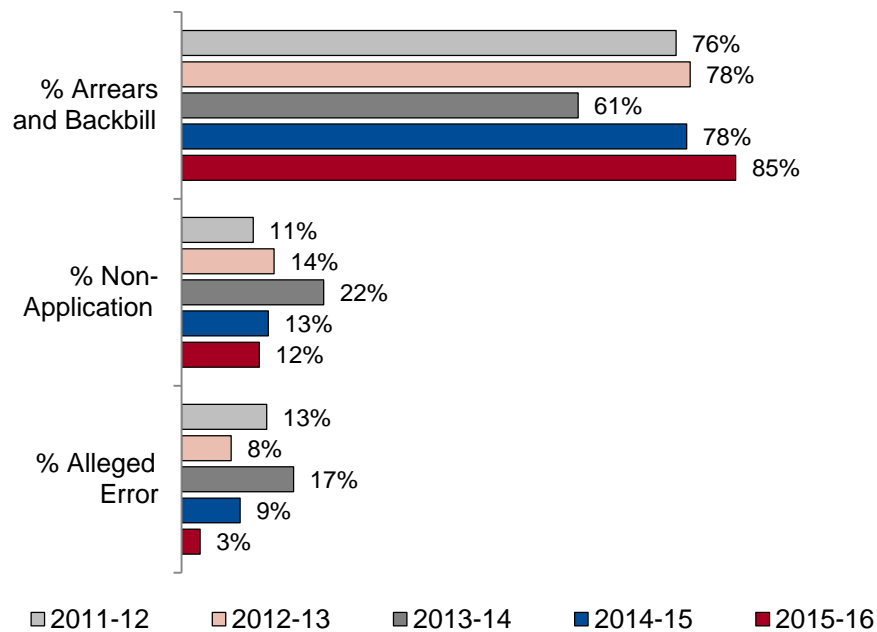
Actual or impending disconnections can occur for the following reasons:

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.

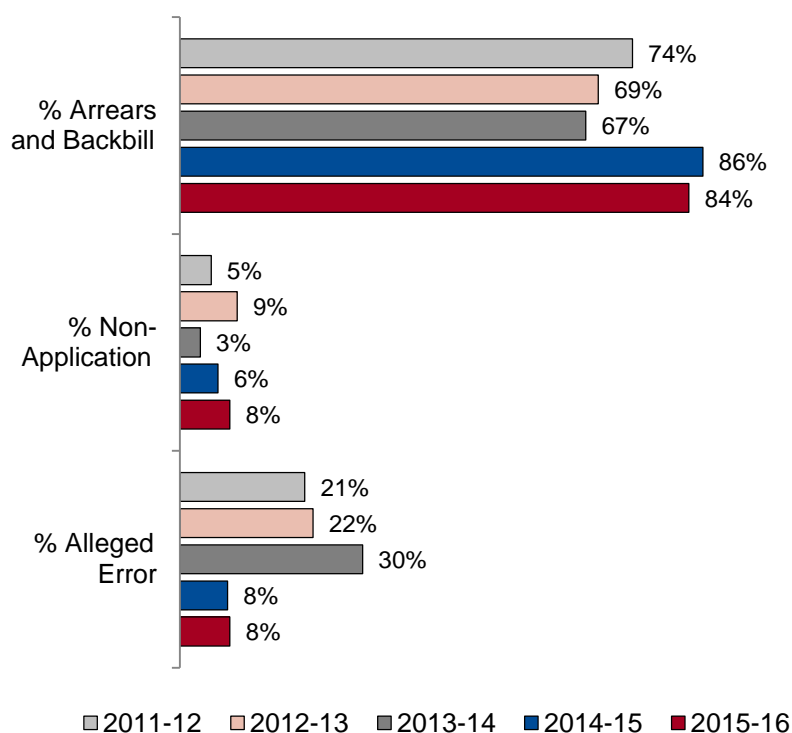
For both electricity and gas, most complaints received about disconnections relate to arrears in bill payments. The following charts show the trends in the reasons for all disconnections (actual and impending) over the last five years.

Our Work in 2015-16

Electricity Disconnections 2011-12 to 2015-16



Gas Disconnections 2011-12 to 2015-16



The following case study illustrates the issues raised in complaints about disconnections.

Case Study

Energy and Water Ombudsman assists in keeping customer connected

A customer was informed by their Retailer that their service would be disconnected as they had not been meeting the payment arrangements, agreed with their Retailer, to repay a previous debt. The customer complained that they were unable to meet the payment arrangements due to significant financial difficulties, including personal illness and having to provide full-time care for a child. They had received a hardship assistance grant, but were still unable to meet the agreed payments.

Following an investigation by the Energy and Water Ombudsman, the Retailer offered the customer a reduced payment plan to repay the debt and prevent the disconnection.

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

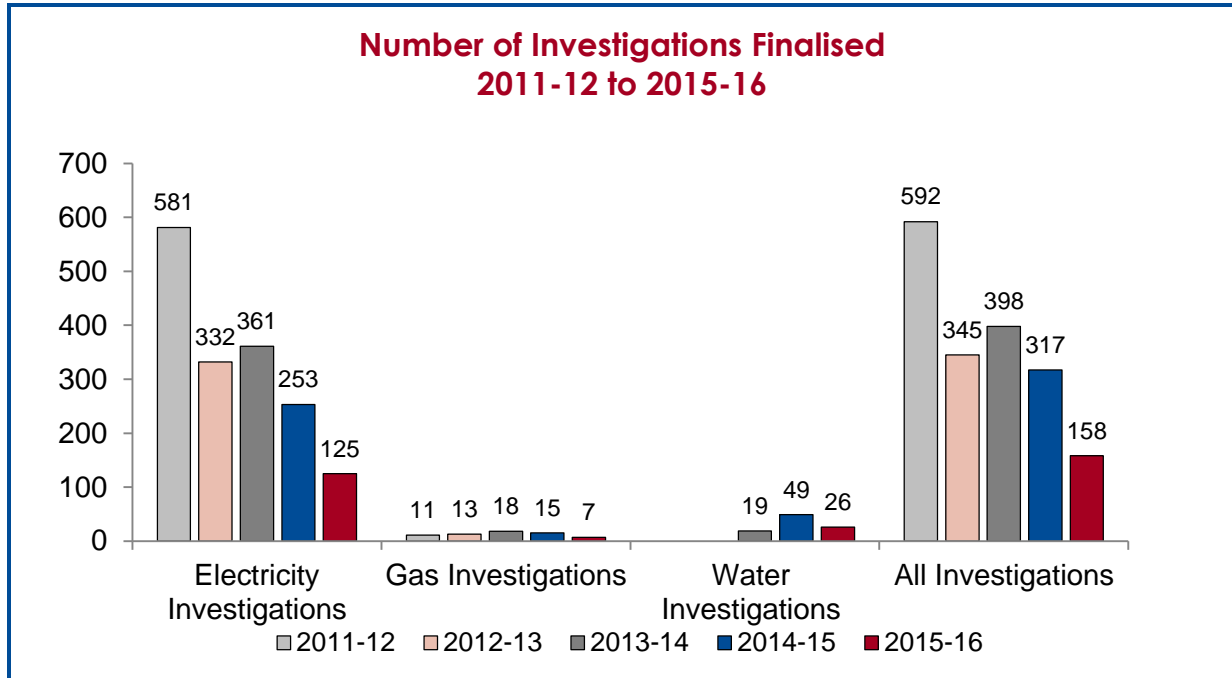
In some complaints, where there is the potential for an early resolution, the Energy and Water Ombudsman may ask the customer to give their provider a final opportunity to resolve the complaint. The customer and the provider are informed that, if the matter is not resolved in a reasonable timeframe,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

Investigations Finalised

There were 125 investigated electricity complaints, 7 investigated gas complaints and 26 investigated water complaints finalised during 2015-16.

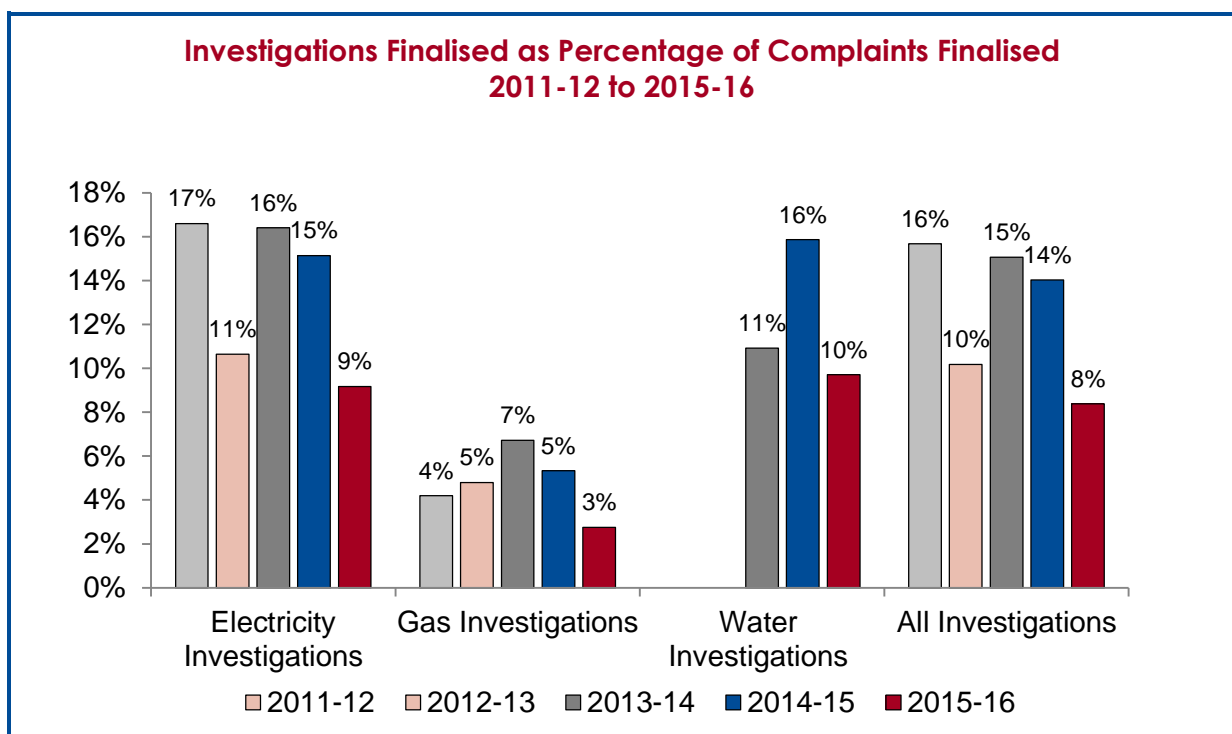
Our Work in 2015-16

As shown in the following chart, consistent with a decline in electricity, gas and water complaints received, the number of investigated complaints in 2015-16 has decreased compared to 2014-15.



NOTE: The water jurisdiction commenced on 1 January 2014. Accordingly, water investigations finalised in 2013-14 represent a six month period, not a full year.

There has been a decrease in the proportion of complaints finalised after an investigation in 2015-16 compared to 2014-15, 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:

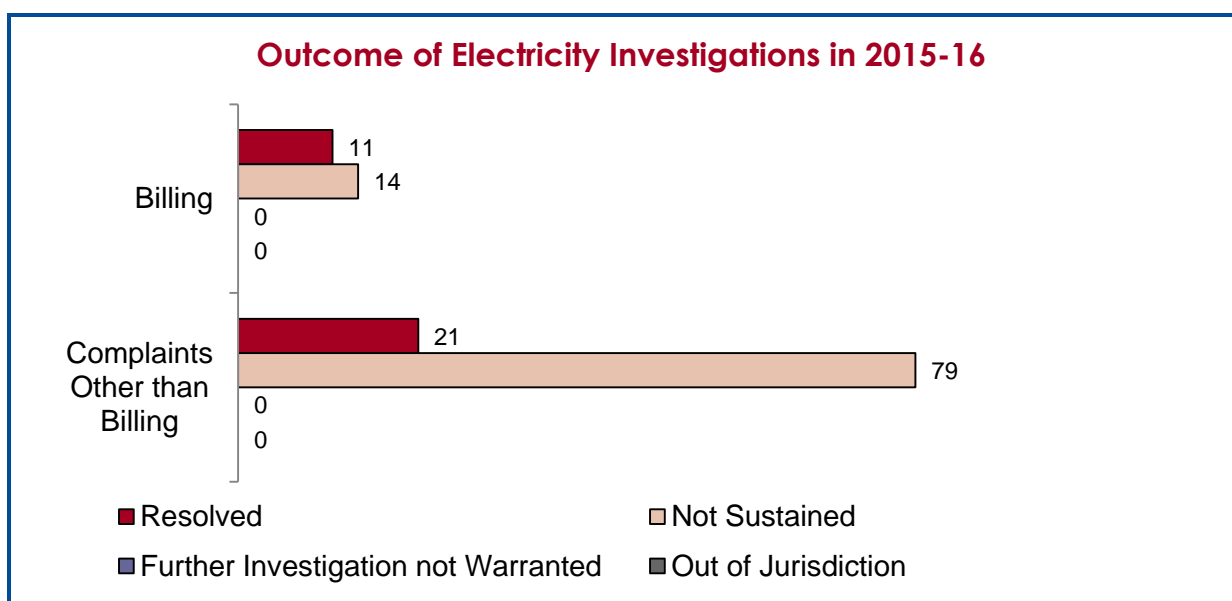
- The Energy and Water Ombudsman investigating officer is able to facilitate a resolution between the customer and their electricity, gas or water provider. This occurred in 41 (26%) of the 158 investigations finalised in 2015-16; or
- The investigation shows the complaint is not sustained. This occurred in 116 (73%) of the 158 investigations finalised in 2015-16.

Smaller proportions of complaints are finalised because they are found, during the investigation, to be out of jurisdiction or further investigation is not warranted. In 2015-16 there was one complaint found to be out of jurisdiction.

There were no binding determinations by the Energy and Water Ombudsman in the 2015-16 reporting period.

Outcomes of Investigated Electricity Complaints

The following chart shows the outcomes of the investigated electricity complaints finalised in 2015-16 broken down by the issue of the complaint.



Our Work in 2015-16

Outcomes of Investigated Gas Complaints

The outcomes of the seven investigated gas complaints were that two complaints were resolved and five complaints were not sustained.

Outcomes of Investigated Water Complaints

The outcomes of the 26 investigated water complaints were that seven complaints were resolved, 18 complaints were not sustained and one complaint was out of jurisdiction.

Resolutions 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.

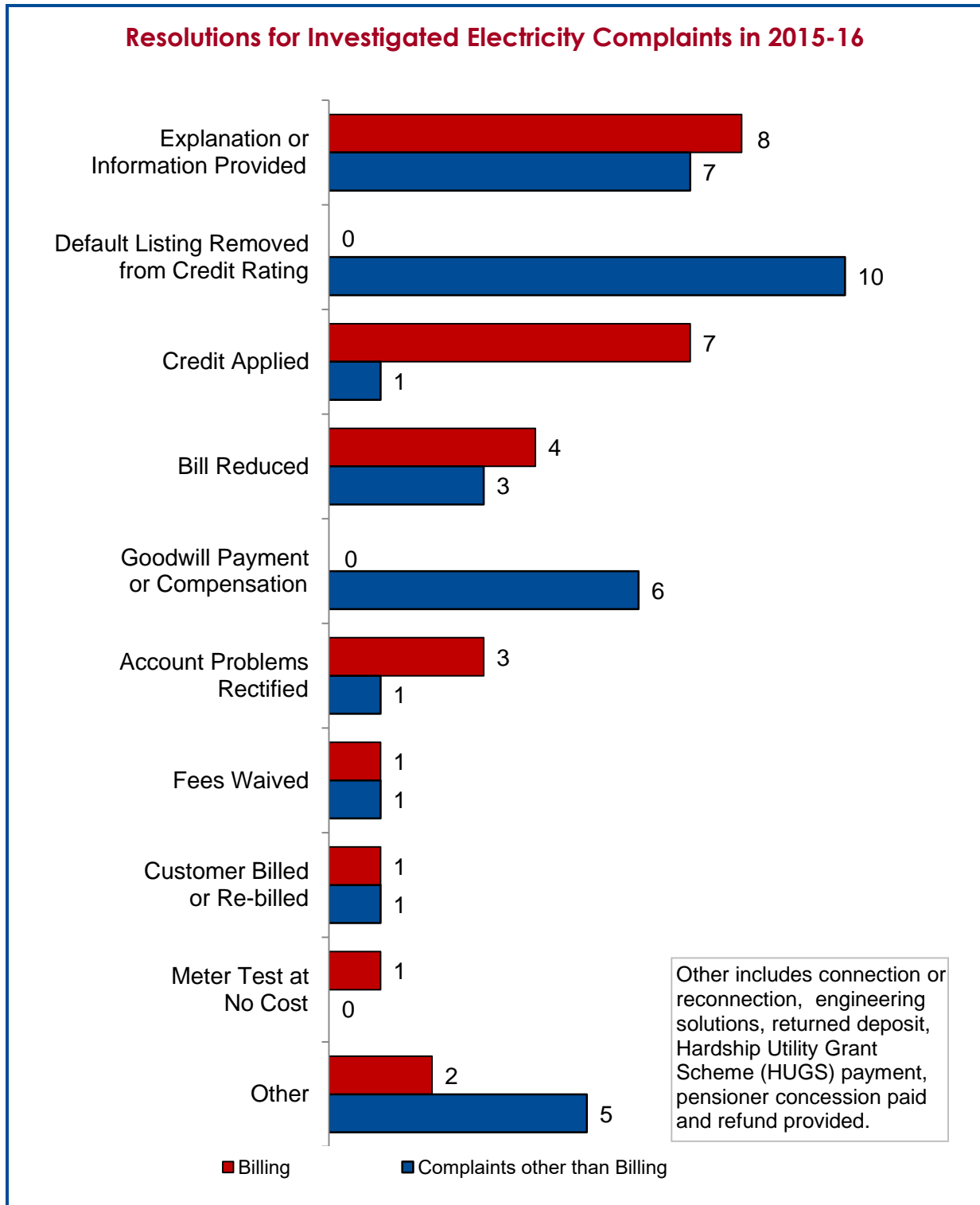
Resolutions for Investigated Electricity Complaints

In 2015-16, there were 62 actions offered by electricity providers to resolve the 32 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.

Our Work in 2015-16

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 2015-16

Resolutions for Investigated Gas Complaints

There were seven actions offered by gas providers for the seven investigated gas complaints that were resolved in 2015-16, including:

- Explanation or information provided;
- Credit applied;
- Bill reduced;
- Goodwill payment or compensation; and
- Account problems rectified.

Resolutions for Investigated Water Complaints

There were nine actions offered by water providers for the 26 investigated water complaints that were resolved in 2015-16, including:

- Explanation or information provided;
- Debt waived or a credit applied;
- Goodwill payment or compensation;
- Fees waived;
- Bill reduced; and
- Customer billed or rebilled.

The following case studies illustrate the resolutions offered by providers.



Energy and Water Ombudsman involvement leads to removal of credit listing

A customer complained about a Retailer listing a default on the customer's credit record for unpaid bills relating to energy usage at a previous address.

The investigation by the Energy and Water Ombudsman revealed that the customer had not properly closed their account at their previous address, but had later provided the Retailer with their new address. After being notified of the new address, the Retailer sent notices about the impending default listing to the old address.

Following the involvement of the Energy and Water Ombudsman, the Retailer asked the credit reporting body to remove the default listing from the customer's credit record, as it had not notified the customer of the impending default listing at their updated address.

Case Study

Bill for damaged water meter waived

A customer noticed that their water meter was leaking, and contacted their Water Provider. The Water Provider formed the view that the meter had been hit by a vehicle, replaced the meter and billed the customer for the work. The customer complained that they had not caused the damage to the meter and should not be billed for the meter's replacement.

Following the investigation by the Energy and Water Ombudsman, which included an on-site visit, the Water Provider, in the particular circumstances of the case, waived the bill for the replacement meter.

Our Work in 2015-16

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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 November 2014, the Energy and Water Ombudsman presented to the Board a reviewed and revised Communications Strategy 2015-19. This strategy identifies activities designed 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 2015, and March, April and June 2016, 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 October and December 2015, the Energy and Water Ombudsman met with the Chairperson of Synergy as well as the Chief Executive Officer of Synergy in November 2015 and March 2016. Energy and Water Ombudsman staff also met with Synergy throughout the year regarding ongoing liaison and the resolution of complaints;
- Energy and Water Ombudsman staff met with Horizon Power regarding ongoing liaison and the resolution of complaints;
- In September 2015, the Director of Energy and Water met with Aqwest regarding ongoing liaison and the resolution of complaints;

Stakeholder Liaison and Access to Services

- In September 2015, the Director of Energy and Water met with Busselton Water regarding ongoing liaison and the resolution of complaints;
- In October 2015, the Energy and Water Ombudsman met with the Chief Executive Officer of the Water Corporation. Energy and Water Ombudsman staff also had regular liaison with the Water Corporation throughout the year regarding ongoing liaison and the resolution of complaints; and
- In March 2016, the Deputy Energy and Water Ombudsman and Director Energy and Water consulted with senior representatives from Synergy, Water Corporation, Western Power, Alinta, Kleenheat Gas and Horizon Power, on the proposed Energy and Water Ombudsman Budget for 2016-17.

The Economic Regulation Authority

During 2015-16, 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:

- In September and December 2015 and March and June 2016, the Director Energy and Water attended meetings with the ERA's Consumer Consultative Committee. The Consumer Consultative Committee meets quarterly to provide comment to the ERA on issues affecting consumers that fall within the ERA's jurisdiction; and
- In August and November 2015 and February and June 2016, the Director Energy and Water attended liaison meetings with senior staff of the ERA.

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:

- In July 2015, the Energy and Water Ombudsman attended, and participated in, the Energy and Resources Stakeholder Discussion session of the Council of Australian Governments Energy Council Meeting;
- In October 2015, the Energy and Water Ombudsman met with the Electricity and Gas Complaints Commissioner, New Zealand, via teleconference;
- The Energy and Water Ombudsman attended the Australia and New Zealand Energy and Water Ombudsman Network (**ANZEWON**) meetings via teleconference in November 2015 and May 2016. 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;

Stakeholder Liaison and Access to Services

- The Director Energy and Water participated in regular teleconferences with ANZEWON throughout 2015-16. 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**) Annual General Meeting and joint Members meeting via teleconference in November 2015, and a Joint Executive Committee and Members meetings in Melbourne in May 2016. In May 2016, the Energy and Water Ombudsman, the Deputy Energy and Water Ombudsman and the Director Energy and Water also attended the 2016 Biennial ANZOA Conference: *The Ombudsman in Australia and New Zealand: one model; many applications* in Melbourne. During the conference, the Energy and Water Ombudsman chaired a session titled: *The continuous rise of the rules of natural justice*. The Director Energy and Water has also attended ANZOA interest groups from time to time. 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 2015, 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 2014 conference: *Fundamentals of the Future*. During the conference, the Director Energy and Water gave a presentation as part of the session: *The Ombudsmen are in the House*;
- In November 2015, Energy and Water Ombudsman staff attended *Homeless Connect* and provided information on the Energy and Water Ombudsman;
- In May 2016, the Director Energy and Water attended the National Financial Counselling Australia Conference: *A Wealth of Ideas*. The Director Energy and Water also provided a stall, with information on the Energy and Water Ombudsman, for the delegates; and
- In 2015-16 the Office continued the Regional Awareness and Accessibility Program (**the Program**), with visits to the Pilbara and Kimberley regions in June 2016.

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 Australians. Energy and Water Ombudsman information sheets are distributed and Energy and Water Ombudsman staff deal with enquiries and complaints

Stakeholder Liaison and Access to Services

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 Energy and Water Ombudsman may be able to assist members of the local community. In October 2015, the Director Energy and Water and staff representatives met with visiting interns from the Ombudsman Republik Indonesia and provided a briefing on the Energy and Water Ombudsman Western Australia.

‘Ask the Ombudsman’ on Nightline

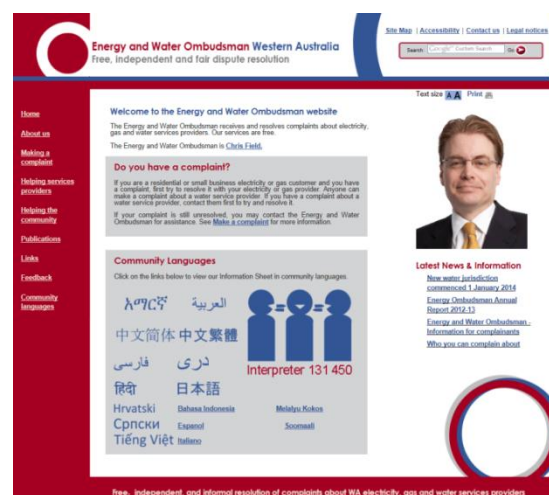
The Office continues to provide access to its services through the Energy and Water Ombudsman’s regular appearances on Radio 6PR’s *Nightline* program. Listeners who have complaints about electricity, gas or water providers or want to make other enquiries about the Energy and Water Ombudsman jurisdiction 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 August and November 2015, and May 2016.

Energy and Water Ombudsman Website

The [Energy and Water Ombudsman website](http://www.ombudsman.wa.gov.au/energyandwater) 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.



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.



Company Particulars and Financial Statements

- **Company Particulars as at 30 June 2016**
- **Independent Audit Opinion**
- **Statement of Profit or Loss and Other Comprehensive Income**
- **Statement of Financial Position**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**

Company Particulars and Financial Statements

Company Particulars as at 30 June 2016

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>Chairperson: Paul Wilmot (Resigned 03/08/2015) Menno Henneveld (Appointed 04/08/2015)</p> <p>Directors</p> <p>Customer Representative: Wayne Mann Customer Representative: Judith McGowan Customer Representative: Irina Cattalini Gas Industry Representative: Ray Myles Electricity Industry Representative: Colin Smith Water Industry Representative: Riley Nelson (Resigned 11/09/2015) Catherine Ferrari (Appointed 28/10/2015)</p> <p>Alternative Directors</p> <p>Gas Industry Representative: Sally McMahon (Resigned 11/09/2015) Simon Byrne (Appointed 24/02/2016) Electricity Industry Representative: Margaret Pyrchla Water Industry Representative: Karen Willis</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

AER Retail Pty Ltd
 Alinta Sales Pty Ltd
 Amanda Energy Pty Ltd
 A-Star Electricity Pty Ltd
 Electricity Generation and Retail Corporation (Synergy)
 Electricity Networks Corporation (Western Power)
 Regional Power Corporation (Horizon Power)
 Perth Energy Pty Ltd
 Rottnest Island Authority
 Wesfarmers Kleenheat Gas Pty Ltd

Water Industry

Aquasol Pty Ltd
 Bunbury Water Corporation (Aqwest)
 Busselton Water Corporation
 City of Kalgoorlie-Boulder
 Gascoyne Water Cooperative
 Hamersley Iron Pty Ltd
 Moama Lifestyle Villages Pty Ltd
 Ord Irrigation Cooperative
 Preston Valley Irrigation Cooperative
 Robe River Mining Co Pty Ltd
 Rottnest Island Authority
 Shire of Dumbleyung
 Shire of Gnowangerup
 Shire of Lake Grace
 Shire of Morawa
 South West Irrigation Management Cooperative Ltd (Harvey Water)
 Water Corporation

Independent Audit Opinion



**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 2016 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

A handwritten signature in black ink, appearing to read 'Leigh-Anne Meyerowitz', written over a horizontal line.

Leigh-Anne Meyerowitz
Auditor Registration Number: 279757
20 October 2016

DIRECTORS: Leigh-Anne Meyerowitz CA | Stephen Thompson CA

Shakespeare Partners (Audit) Pty Ltd | ABN 67604460568
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Liability limited by a scheme approved under Professional Standards Legislation





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 2016, 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.

DIRECTORS: Leigh-Anne Meyerowitz CA | Stephen Thompson CA

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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:

- a. giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

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 (AUDIT) PTY LTD
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Leigh-Anne Meyerowitz', with a horizontal line drawn underneath it.

Leigh-Anne Meyerowitz
Auditor Number: 279757
20 October 2016

DIRECTORS: Leigh-Anne Meyerowitz CA | Stephen Thompson CA

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Company Particulars and Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

Energy and Water Ombudsman (WA) Ltd
For the year ended 30 June 2016

	2016 \$	2015 \$
Income		
Complaint/Dispute Revenue	2,239,525	2,589,905
Interest Income	7,383	2,195
Total Income	2,246,908	2,592,100
Total Income	2,246,908	2,592,100
Expenses		
Accounting Expense	28,440	27,612
Bank Fees	10	34
Directors Fees	74,183	72,196
Dispute Costs	1,953,775	2,301,422
Filing Fee	46	45
General Expenses	75	-
Insurance	7,318	7,726
Professional fees	16,320	21,310
Statutory Review Fees	34,332	37,000
Superannuation	7,047	6,859
Total Expenses	2,121,545	2,474,204
Profit/(Loss) before Taxation	125,363	117,896
Income Tax Expense		
Income Tax Expense	47,909	35,369
Total Income Tax Expense	47,909	35,369
Net Profit After Tax	77,455	82,527

Company Particulars and Financial Statements

Statement of Financial Position

Energy and Water Ombudsman (WA) Ltd

As at 30 June 2016

	30 JUN 2016 \$	30 JUN 2015 \$
Assets		
Current Assets		
Cash at Bank	564,676	170,411
Term Deposit	-	300,000
Trade Debtors	74,190	6,533
Prepayments	1,800	1,918
Income Tax Payable	-	23,964
GST Payable	-	5,038
Total Current Assets	640,666	507,863
Total Assets	640,666	507,863
Liabilities		
Current Liabilities		
Trade Creditors	2,607	2,531
Scheme review cost accrual	34,332	-
Current Tax Liabilities		
GST Payable	6,058	-
Income Tax Payable	18,290	-
PAYG Withholdings Payable	7,358	4,550
PAYG Instalment Payable	6,756	12,972
Total Current Tax Liabilities	38,462	17,522
Total Current Liabilities	75,401	20,053
Total Liabilities	75,401	20,053
Net Assets	565,265	487,810
Equity		
Retained Earnings	565,265	487,810
Total Equity	565,265	487,810

Statement of Changes in Equity

Energy and Water Ombudsman (WA) Ltd
For the year ended 30 June 2016

	Retained surplus Accumulated deficits \$	Total \$
Balance at 1 July 2014	405,283	405,283
Profit for the Period	82,527	82,527
Balance at 30 June 2015	487,810	487,810
Balance at 1 July 2015		
Profit for the Period	77,455	77,455
Total comprehensive income for the year	77,455	77,455
Balance at 30 June 2016	565,265	565,265

Company Particulars and Financial Statements

Statement of Cash Flows

Energy and Water Ombudsman (WA) Ltd
For the year ended 30 June 2016

	2016 \$	2015 \$
Cash flows from operating activities		
Receipts from Members	2,414,564	2,967,514
Interest income	7,383	2,195
Payments to suppliers and employees	(2,315,811)	(2,720,786)
Income tax paid	(11,871)	(80,793)
Net cash provided by/(used in) operating activities	94,265	168,130
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	94,265	168,130
Cash and cash equivalents at 1 July 2015	470,411	302,281
Cash and cash equivalents at 30 June 2016	564,676	470,411

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

