

An **independent** body established to investigate and **resolve disputes** between customers and electricity and gas companies in South Australia

independent dispute resolution

2011
annual report



**Energy Industry
Ombudsman SA**

MULTI-LANGUAGE ADVICE

FACT SHEET 6

PROBLEMS WITH YOUR ELECTRICITY OR GAS PROVIDER IN SOUTH AUSTRALIA?

The Energy Industry Ombudsman can help. The Ombudsman can investigate and resolve disputes between customers and electricity and gas companies. An independent, free service available to domestic and business customers. Contact the Energy Industry Ombudsman SA on free call 1800 665 565.

For an interpreter phone 131 450

BOSNIAN

Da li imate problema sa snabdjevačem struje ili plina u Južnoj Australiji?

Ombudsman SA za energentsku industriju Vam može pomoći. Ombudsman može ispitati i riješiti sporove između korisnika i kompanija za struju i plin.

Nezavisna, besplatna usluga je na raspolaganju korisnicima u domaćinstvima i biznisima.

Kontaktirajte Ombudsman SA za energentsku industriju : Besplatan poziv: 1800 665 565

Tumačka služba: 131 450

ARABIC

هل لديكم مشكلة مع الشركة المزودة للكهرباء أو الغاز في جنوب أستراليا؟

إن بإمكان المحقق العام في شؤون صناعة الطاقة في جنوب أستراليا أي Energy Industry Ombudsman SA تقديم المساعدة. يستطيع المحقق العام أن يحقق في النزاع الحاصل بين المستهلكين وشركات الكهرباء والغاز وأن يجد لها حلولاً.

تتوفر خدمة مستقلة مجانية للزبائن سكان المنازل أو أصحاب المصالح التجارية.

إتصلوا هاتفياً بالمحقق العام في شؤون صناعة الطاقة في جنوب أستراليا على الرقم المجاني: 1800 665 565

للاستعانة بمترجم 131 450

CHINESE

你与南澳州的电力或煤气供应公司之间是否有什么问题？

南澳能源事务冤情调查官可以帮助你。冤情调查官可以就电力或煤气公司与其用户之间所产生的纠纷进行调查并予以解决。

居家及商业用户均可获得免费且独立的服务。

请联系南澳能源事务冤情调查官：免费电话 1800 665 565

传译员 131 450



Energy Industry
Ombudsman SA



free independent
complaint resolution

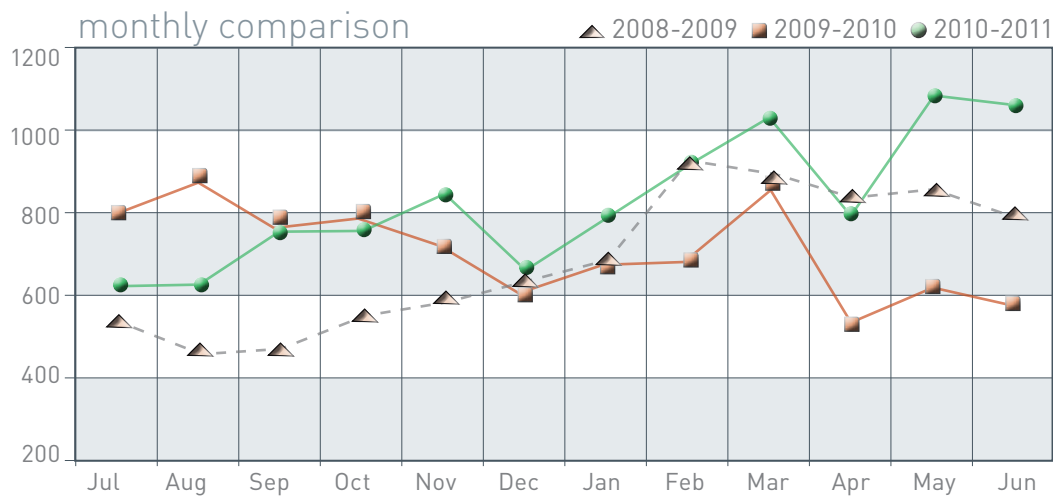
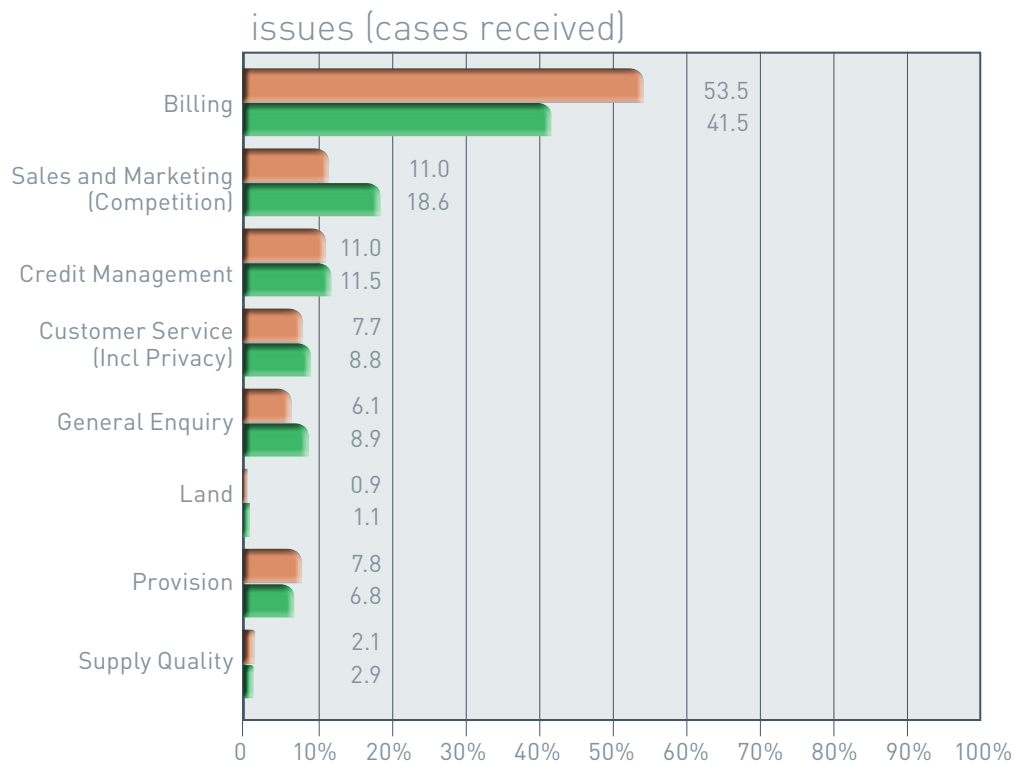
contents

| | |
|--------------------------|-------|
| overview 2010-11 | 4 |
| our role | 6 |
| the board | 7 |
| members | 11 |
| chairman's report | 12 |
| ombudsman's report | 15 |
| case studies | 22-29 |
| member systemic issues | 23 |
| case management report | 30 |
| case finalisation levels | 32 |
| contact statistics | 38 |
| financials | 41 |

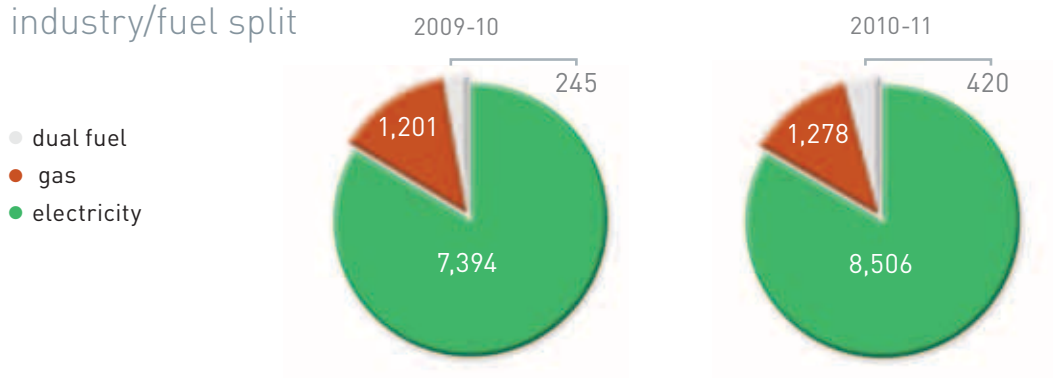
overview 2010-11

cases received

Energy Industry Ombudsman (SA) Ltd (EIOSA) received 10,204 cases in 2010-11 compared to 8,840 cases in 2009-10, an increase of 15.4 per cent.

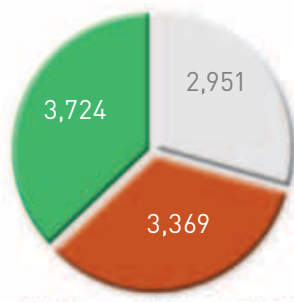


industry/fuel split

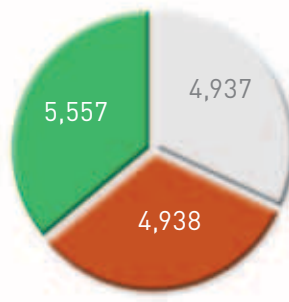


level of contact

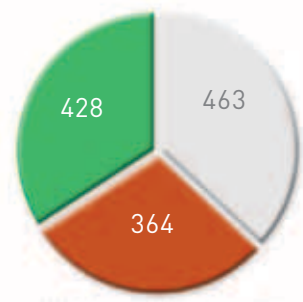
Enquiry & Refer to Customer Service



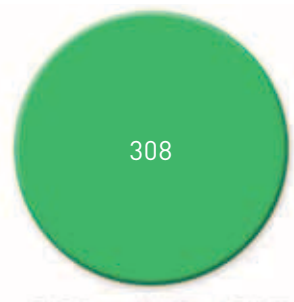
Refer to Higher Level



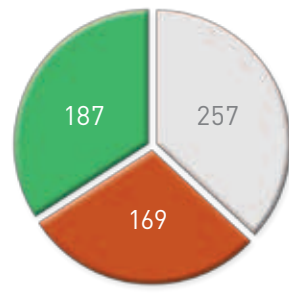
Consultation



Facilitation



Investigation



● 2008-09
● 2009-10
● 2010-11

description of case levels

enquiry

An enquiry is a request for information, rather than an expression of dissatisfaction. If a person with a complaint has not contacted the relevant energy company before contacting EIOSA, the contact will be recorded as an enquiry and the customer asked to contact the company's customer services area.

refer to customer service (rcs)

A refer to customer service (RCS) case is where a complaint (expression of dissatisfaction) is made against an energy company where the complainant has not raised the matter with the company in the first instance. The complainant is referred back to the energy company's customer services area.

refer to higher level (rhl)

If a complaint has been raised with an energy company's customer services area, then the matter will be referred by EIOSA to the company's higher-level contact staff in an effort to resolve the matter.

consultation

A consultation complaint occurs when a customer is without a gas or electricity supply. Cases include customer disconnections (or when disconnection is imminent) for non-payment of accounts.

facilitation

Prior to an investigation of a case, for straightforward matters EIOSA may facilitate a resolution between the complainant and the energy company.

investigation

If a complaint has been referred to a higher-level contact in an energy company but remains unresolved, EIOSA will investigate and attempt to negotiate an outcome.

The Energy Industry Ombudsman (SA) Ltd (EIOSA) is an independent body established to investigate and resolve disputes between customers and electricity and gas companies in South Australia.

mission statement

To facilitate the prompt resolution of complaints and disputes between consumers of electricity and gas services and members of the Scheme by providing a free, independent, accessible, fair and informal service to consumers.

guiding principles

- We will deal with complaints in a fair, just, informal and expeditious manner.
- We will act independently while maintaining good working relationships with members and other stakeholders.
- We will be accessible to electricity and gas consumers in SA and will ensure there are no barriers to access such as geographic location, language, physical or mental capability, or financial status.
- The service will be free to consumers.
- We will make effective use of technology to assist in quality complaint handling, referral and reporting.
- We will foster effective links with members, other complaint handling bodies, government agencies, and consumer and community organisations.

what we do

Customers can approach EIOSA about a range of matters including:

- connection, supply and sale of electricity and gas by a member company
- disconnection of supply
- billing disputes
- administration of credit and payment services
- security deposits
- the impact on land or other property of actions by a member company
- the conduct of member companies' employees, servants, officers, contractors or agents
- any other matters referred by a member company by agreement with the Ombudsman and the person/s affected.

Generally customer issues are resolved by negotiation. However, the Ombudsman may resolve a complaint by making a determination that is binding on the member company, including by:

- directing the company to provide electricity or gas services
- directing the company to amend, or not impose, a charge for a service
- directing the company to supply goods or services that are the subject of the complaint or undertake any corrective action, or other work, to resolve the complaint
- directing a company to do, not to do, or cease doing an act
- making a determination that the company pay compensation to the complainant.

The Ombudsman can make determinations up to a value of \$20,000 or up to \$50,000 with the consent of the member company.

what we do not do

The functions of EIOSA do not extend to areas such as:

- the setting of prices and tariffs
- commercial activities outside the scope of the member's licence
- the content of government policies, legislation, licences and codes
- matters before a court, tribunal or arbitrator
- customer contributions to the cost of capital works
- disputes between member companies.

how we do it

- We will generally require that customers take up their complaint with the electricity or gas company in the first instance so that complaints can be resolved as quickly and as close to the source as possible, unless it is difficult for the customer to do so because of factors such as age, language or disability.
- Where we refer a customer back to their electricity or gas company, we will ask them to contact us if they have not been able to resolve disputes directly and are not satisfied with the company's response.
- We will keep customers informed of the progress of our investigation.
- We will be as helpful as possible to people who contact the office, whether or not we are able to assist them directly. If we cannot help, we will try to find someone who can.
- We will provide interpreter, translator or other assistance to customers who have difficulties communicating with us.

our
role

our
role

guiding principle

accountability

we will keep accurate records of our contact with people. We will produce an Annual Report of our activities.

The Board of Directors comprises three industry directors elected by Scheme members, three consumer directors nominated by the Essential Service Commission of SA (ESCOSA) and an independent chairperson.

chairman

William Cossey AM *(appointed March 2009)*

Semi-retired; formerly State Courts Administrator; Chair, People's Choice Credit Union; Deputy Chair, Elderly Citizens Homes (ECH); Member, SA Government Social Inclusion Board; Chair, Board of Management, Don Dunstan Foundation; President, Tennis SA; Director, Tennis Australia; Director, East Waste; Council Member, University of South Australia

directors

Peter Bicknell *(appointed 27 February 2009)* Chair, UnitingCare Australia; Chair, UnitingCare Wesley Port Adelaide Inc; Chair, Portway Housing Association Inc; Chair, Adelaide Brighton Cement Community Liaison Group

Susan Filby *(appointed 18 May 2006)* General Manager Customer Relations, ETSA Utilities

Nazzareno La Gamba *(appointed 29 April 2009)* Retail Executive Strategic Director, Origin Energy

David McNeil *(appointed 25 February 2008, resigned 20 May 2011)* Formerly General Manager, Retail Operations, AGL Retail Energy Ltd

Kaylene Matthias *(appointed 27 February 2009)* General Manager, Rural Financial Counselling Service SA; Chair, Regional Development Australia, Yorke and Mid North Board; Member, SA Water Consultative Council; Member, Regional Communities Consultative Council

Kim Thomas *(appointed 25 May 2011)* National Operations Manager – Customer Services, AGL

Rodney Williams *(appointed 24 October 2007)* Former Director, Competition Policy, SA Department of Premier and Cabinet

company secretary

Pia Beach, FCIS, Barrister (np)

corporate governance

As an unlisted public company, the Energy Industry Ombudsman (SA) Limited does not have an obligation to produce or publish a Corporate Governance Statement. However, the Board of Directors believes that good corporate governance contributes long-term value to stakeholders, and is therefore committed to enhancing corporate values and culture and continuous improvement in governance. The Directors agreed during the 2010-2011 year that a Corporate Governance Statement be produced, and published on the Company's website and in the Annual Report. This corporate governance statement sets out the key elements of the Company's governance framework and practices.

corporate governance statement

The Energy Industry Ombudsman (SA) Limited is a public company limited by guarantee, incorporated under the Corporations Act 2001 (Cth). The Board of Directors is committed to achieving and demonstrating the highest standards of corporate governance. The Company's corporate governance framework has been developed in accordance with the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council, as far as they apply to the Company. The Board continues to review the framework and practices to ensure they meet the interests of the Members.

The Board has primary responsibility for the formal administration of the Company, policy matters, oversight of the Scheme's operation and maintaining the independence of the Ombudsman. The Ombudsman has responsibility for the day-to-day operation of the Scheme and the resolution of individual complaints. These roles are complementary and, generally, the Ombudsman will attend Board meetings as an observer and an advisor as appropriate.

A description of the Company's main corporate governance practices is set out opposite.

1. the board of directors

The Company is governed by a Board whose principal source and rules of governance include:

- The Constitution and Charter;
- The Board Charter;
- Terms and Reference of the Board Committees; and
- Board Policy statements.

board composition

The composition of the Board is determined by the Company's Constitution. The Board consist of seven Directors and comprises:

- two Directors elected by Electricity Members and one Director elected by Gas Members ("Industry Directors");
- three persons nominated by the Essential Services Commission of South Australia (ESCOSA) to represent customers of electricity and gas services or public interest groups relevant to such services ("Independent Directors"); and
- an independent Chair.

The current Directors of the Company are:

Mr P Bicknell, *Independent Director*

Ms S Filby, *Electricity Industry Director (ETSA)*

Mr N La Gamba, *Gas Industry Director (Origin)*

Ms K Matthias, *Independent Director*

Ms K Thomas, *Electricity Industry Director (AGL)*

Mr R Williams, *Independent Director*

board skills

In appointing Directors, as far as the structure of the Scheme allows, the appropriate mix and balance of skills available is taken into account.

independent chair

The Directors appoint, with the approval of ESCOSA, a person to be the independent Chair of the Board for a term of three years. The Chair is eligible for reappointment for a subsequent term of three years.

the chair of any meeting has a deliberative vote, but does not have a casting vote on any matter.

Mr Bill Cossey AM was appointed the Chair in March 2009, replacing Professor Keith Hancock, who retired at that time.

term of office

The Company's Constitution specifies that no Director who is elected is to hold office for a period in excess of three years, or until the third annual general meeting following the Director's election, whichever is the longer, without submitting himself or herself for re-election.

The Directors nominated by ESCOSA and appointed by the Directors hold office for a term of three years, and they are eligible to be nominated and appointed again for a subsequent term or terms.

board processes

The Board currently holds 11 meetings per year, with additional meetings called as necessary to address any specific significant matters that arise.

conflict of interest

Directors must advise the Board, on an ongoing basis, of any personal interest that could potentially conflict with those of the Company.

A Director is not counted in the quorum of a Board meeting considering any contract or proposed contract in which he or she has an interest, and is not entitled to vote on the matter. The details are recorded in the minutes of the meeting.

chair and ombudsman (chief executive officer)

The Chair is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the Board's relationship with the Company's management team.

The Ombudsman is responsible for the day-to-day operation of the Scheme, implementing company strategies and policies and the resolution of individual complaints.

Mr Sandy Canale was appointed the Ombudsman and Chief Executive Officer in December 2007, following the retirement of the inaugural Ombudsman and Chief Executive Officer, Mr Nick Hakof.

company secretary

The Board appoints a Company Secretary for such term and upon such terms and conditions as the Board thinks fit.

The Company Secretary is accountable to, and reports directly to, the Board, through the Chairman, on all governance matters. All Directors have direct access to, and may seek information from, the Company Secretary, to assist them in carrying out their duties as Directors.

Mrs Pia Beach, FCIS, Barrister (np), was appointed the Company Secretary in March 2000.

independent professional advice

Directors may obtain independent professional advice at the Company's expense, on matters relevant to the Company's affairs to assist them in carrying out their duties as Directors, subject to providing prior notice to the Chair. Copy of any advice received by a Director may be made available to other members of the Board.

corporate reporting

The Ombudsman and the Business Services and Investigations Manager are required to make the following certifications to the Board:

- That the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards.
- That the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

board performance assessment

The Board has a policy relating to the importance of reviewing its own performance and that of its Committees on an ongoing basis. As a result, the Chair may hold individual discussions with each Director to discuss their performance.

The initial timing for a Board Review will be in 2011.

2. board committees

The Company's Constitution provides for the Board to appoint, from time to time, a committee known as the Budget Committee, comprising an equal number of Industry Directors and Independent Directors, not including the Chair of the Board.

In addition to the Budget Committee, the Board will establish such other Committees as it deems appropriate. Membership of Committees comprises of Directors and Officers of the Company and such other persons as the Board determines. The Board may delegate any of its powers and/or functions (except powers conferred and duties imposed on the Directors by law which are incapable of delegation) to a Committee or an Officer of the Company.

The Board has established Committees as set out below. The role and responsibilities of these Committees are detailed in formal Charters.

budget committee

The Budget Committee formulates, for each Financial Year, a proposed Annual Funding Figure for the Company in a proposed Budget in consultation with the Ombudsman, and submits this to the Board at a time determined by the Board before the commencement of that Financial Year. The terms of reference of the Budget Committee are set out in the Budget Committee Charter adopted by the Board.

The Members of the Budget Committee are:

Ms Sue Filby (Chair)

Mr Peter Bicknell

Mr Bill Cossey attends Budget Committee meetings as an observer.

remuneration committee

The Remuneration Committee reviews the Directors' fees and the Ombudsman's remuneration annually. The terms of reference of the Remuneration Committee are set out in the Remuneration Committee Charter adopted by the Board.

The members of the Remuneration Committee are:

Mr Bill Cossey (Chair)

Ms Sue Filby

Ms Kay Matthias

3. conduct and ethics

expectations of directors

The Board has adopted a policy to clarify the reasonable expectations of the Directors' actions, attitudes and behaviours. These expectations apply to both Industry and Independent Directors. The policy also sets out duties and responsibilities of Directors, in addition to, and to complement those prescribed by Corporations Act 2001 (Cth).

code of conduct

The Board has adopted a code of conduct that details the conduct and behaviour it expects from the employees of the Company in the performance of their duties. All employees are expected to perform their duties with professionalism, efficiency, fairness, impartiality, honesty and sensitivity.

4. risk management

risk management plan

A Risk Management Plan is in place to assist the Company in achieving its risk management objectives – to ensure protection against financial loss, to ensure legal and regulatory obligations are satisfied, and to ensure that business opportunities and risks are identified, properly managed, and appropriately monitored by the Board. However, the Board recognises that no cost-effective internal control framework will preclude all errors and irregularities.

The Risk Management Team assists the Board in ensuring compliance with internal controls and risk management plans by regularly reviewing the effectiveness of the compliance and control systems, and reports to the Board quarterly.

5. communication with members and the holding of general meetings

The Board encourages full participation of members at general meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the members as single resolutions. It is current practice that proxy forms are issued to all eligible members with the notice of general meetings.

Members are required to vote on the Annual Funding figure for the Company, the aggregate remuneration of Directors and changes to the Company's Constitution. Copies of the Constitution are available to any member who requests it and from the Company's website (www.eiosa.com.au).

Other means of communication with members include:

- the Annual Report, which is available to all members and at the Company's website
- the Financial Report, which is posted to all members
- stakeholder meetings with the Ombudsman.

Feedback from members is also regularly sought through various surveys and informal feedback opportunities.

EIOSA Members

Electricity Members

AGL Sales (Queensland Electricity) Pty Ltd
AGL Sales Pty Ltd
AGL South Australia Pty Ltd
Aurora Energy Pty Ltd
Diamond Energy Pty Ltd
ElectraNet Pty Ltd (Electricity Transmission)
Essential Energy (formerly Country Energy)
ETSA Utilities (Electricity Distribution)
Flinders Power Partnership
Lumo Energy (SA) Pty Ltd
Momentum Energy Pty Ltd
Murraylink Transmission Company
(Electricity Transmission)

Origin Energy Electricity Ltd
Powerdirect Pty Ltd
Red Energy Pty Ltd
Simply Energy
TRUenergy Pty Ltd

Gas Members

AGL South Australia Pty Ltd
Envestra Ltd (Gas Distribution)
Origin Energy Retail Ltd
Simply Energy
TRUenergy Pty Ltd

I am pleased to provide this report for the 2010-11 year.

Throughout the year the Board met each month (with the exception of January 2011) and discharged its governance obligations with enthusiasm and goodwill. In addition, the Board met with members in May to approve the Budget and again in November at an Annual General Meeting as prescribed by the Company's Constitution.

There was only one change to Board membership during the year. David McNeil was replaced as an industry nominee by Kim Thomas after serving just over three years on the Board. David made a significant contribution to the Board during his time as a Director – always positive and always encouraging improvements in the governance and management of the scheme.

David's commitment to our work involved travelling from Melbourne each month for Board meetings. I thank him for his contribution and wish him every success in his future career. I also warmly welcome Kim and very much look forward to her contribution to the Board.

As reported last year, the Board released its own Strategic Plan in April 2010. This year was largely spent ensuring that the key elements of that Plan were progressed. In particular, the Board agreed on a set of Key Performance Indicators, which it uses to assess the health of the scheme. In addition, the Board now devotes a considerable amount of time at each Board meeting to discussing societal and industry trends which are likely to impact on the short- and long-term workload of the scheme. These discussions aim to alert management to possible trends so that there can be a level of preparedness for them and an avoidance of unhelpful knee-jerk reaction. The Board has been delighted with the acceptance by management of the value of these discussions.

As mentioned in last year's report, refinement of the Strategic Plan will occur over time. Already the Board has identified that it needs an additional focus in the reporting to it of enquiry and complaint trends. That focus will enable the Board to understand more fully the motivation of complainants and enquirers and will be in addition to already received information about the subject matter of the enquiry or complaint.

The Ombudsman's scheme stands as a last resort for customers dissatisfied with responses from scheme members to enquiries and complaints. By understanding more comprehensively why so many people are dissatisfied with members' responses, the Board hopes to assist members to deal more effectively with the customer concerns in the first place, thereby reducing the pressure on – and cost of – the scheme. The Board has identified that this will require an upgraded case management and information system and was pleased that members saw fit to increase their funding of the scheme over a two year period at the May General Meeting to enable a new system to be acquired.

Whilst referring to the funding of the scheme, I reported last year that members had approved a new funding model effective July 1, 2010. The new arrangements, which are based primarily on the members' usage of the scheme and on case fees indicative of the level of involvement the scheme has with each case, have been closely monitored during the year. Although one year's evidence is insufficient to determine any long-term trends, it appears that the objectives of the new funding model are being met. The financial health of the company has been maintained during the implementation of the new funding model.

During the year momentum slowly built for the possible inclusion of the water industry in the South Australian scheme (as currently occurs in similar schemes interstate) and the Board continued planning for this possibility. With the office accommodation already severely constrained, the Board approved relocation to larger premises in the same building. I am pleased to report that the relocation occurred in October 2010 with almost no disruption to service and at a cost slightly lower than budget.

As is required by the scheme's Charter, the Board commissioned an independent evaluation of the scheme during the year. Conducted by Harrison Research, the evaluation sought feedback from a wide range of stakeholders. The results, which are expanded upon later in this report, demonstrate an extremely high level of satisfaction with the work of the Ombudsman and his staff. This reflects great credit on the organisation and its people, but there is still a need for a greater understanding within the community of the existence of the scheme.



Throughout the year, the Board maintained a sound working relationship with the Essential Services Commission of South Australia and has maintained the practice of meeting formally with Dr Pat Walsh, the Executive Chairperson, at one Board meeting per year. This is in addition to numerous informal contacts. Dr Walsh stepped down during the year as Chief Executive Officer whilst continuing as non-Executive Chairperson. On behalf of the Board I thank Dr Walsh for his continued guidance and support and look forward to continuing the relationship with him and the new Chief Executive Officer, Dr Paul Kerin.

In conclusion I place on record my sincere thanks to my fellow Board members for their continued support and enthusiastic contribution to the work of the Board. I thank all scheme members for their willing support of the Board and the changes implemented during the year and for their cooperation with the Ombudsman and the staff of the office on a day-to-day basis.

Finally, I thank the Ombudsman, Sandy Canale, and the staff of the Ombudsman's Office for their outstanding work in the resolution of customer enquiries and complaints in the face of an ever-increasing workload. As mentioned above, the positive results from the independent evaluation are a credit to the dedication and service orientation of the Ombudsman and all staff.

Bill Cossey AM

Chairman



board members from left to right:

Rodney Williams • Peter Bicknell • Bill Cossey [Chairman] • Kaylene Matthias • Susan Filby • Nazzareno La Gamba • Kim Thomas



The Energy Industry Ombudsman team involved in a knowledge sharing session



activity

The upward trend in case volumes experienced over the past few years continued into 2010-11 with 10,204 new cases received by EIOSA, a 15.4 per cent increase over the previous financial year.

The increase is significant because, unlike in the past few years, it is not directly attributed to any major system change by the member energy companies. Processes for managing photovoltaic customers, increased sales and marketing activity and service quality have challenged some industry members and these areas have been the subject of increased contacts to EIOSA. The impact of increasing energy prices coupled with other financial burdens that consumers may be facing has also contributed to an increase in the number of high bill complaints received.

Of interest is a 10.5 per cent (or 496 cases) decline in the overall billing category, particularly in the cases of arrears or no bills, which is pleasing. This is largely reflective of several retailers that embarked on system changes in the past few years now stabilising their billing functions. However, all other categories experienced increases.

In summary, increases were experienced in the following categories:

- Sales and Marketing (Competition) (up 927 or 95.6 per cent)
- Credit Management (up 200 or 20.6 per cent)
- Customer Service (up 221 or 32.5 per cent)
- General Enquiries (up 368 or 68.5 per cent)
- Land (up 31 or 37.8 per cent)
- Provision (up 4 or 0.6 per cent), and
- Supply Quality (up 109 or 59.6 per cent)

Detailed commentary and statistics can be found in the Case Management section on page 30.

Notwithstanding the reduction in billing cases, which are down from 53.5 per cent (4,730) last year, this category accounted for 41.5 per cent (4,234) of all cases received and continued to be the largest category of cases within the office. The main contributor to this category was high bill complaints, with consumers expressing concern at the receipt of a higher than expected account that they believed was inaccurate or had not been adequately explained to them.

Complaints concerning sales and marketing activities (competition) made up the next most significant category, representing 18.6 per cent (1,897) of cases – up from 11 per cent (970) last financial year. This increase is concerning, as 25 per cent of the cases related to market conduct by sales agents and 62.5 per cent concerned transfers in error or without the explicit informed consent of the parties, which contravenes the Energy Retail Code. Whilst the companies took appropriate action to address these matters when raised by this office, these matters can cause distress to the impacted consumers and will be closely monitored to ensure improvement in processes by the energy retailers going forward.

The increase in the general enquiries category is predominately related to consumers seeking independent advice on matters before deciding whether to pursue the issue further. These matters include photovoltaic, back billing and sales and marketing activity.

Supply quality matters were generally related to storm activity during the year and the subsequent Guaranteed Service Level payments by ETSA Utilities.

Whilst 36.5 per cent of the cases received by EIOSA were resolved or dealt with at the 'enquiry' level, the remainder required the office to refer complaints or concerns to higher level authorities within the energy companies, or required an independent investigation by EIOSA.

EIOSA's knowledge base developed from the complaints raised by consumers enables it to identify matters that are, or have the potential to become, systemic. By identifying these matters early, energy companies have the opportunity to take corrective action and minimise the impact on consumers. Identification of these matters also provides the energy companies with information which can assist to improve their service performance. The systemic issues identified during 2010-11 are reported on page 23.

Staff numbers increased by two during the year and, despite a general increase in complexity of the matters managed, resolution times marginally improved when compared with last financial year.

(NOTE: the South Australian energy market comprises about 820,000 electricity customers and 400,000 gas customers potentially falling within the jurisdiction of the Scheme).

scheme review

The Constitution of EIOSA requires that a review of the Scheme be undertaken at least every five years, with the first review completed in 2006. The reviews assist in the development of strategies for the continued operation and improvement of EIOSA.

The reviews must be conducted in consultation with interested parties, including groups representing customers of electricity and gas services and community groups representing public interest issues relevant to such services.

In February 2011, EIOSA engaged the services of Harrison Research to carry out the second review in an objective, independent and confidential manner.

1. review process

The review comprised four components:

1.1 internal and external stakeholders

Harrison Research conducted structured and confidential interviews with 19 internal stakeholders and 15 external stakeholders. The internal stakeholders included Board Directors and senior staff from EIOSA's active members. The external stakeholders included representatives from a range of community service organisations, the regulatory bodies, Essential Services Commission of South Australia, Australian Energy Regulator, Office of the Technical Regulator and Government organisations Consumer and Business Affairs, Department of Families and Communities and Department for Transport, Energy and Infrastructure.

1.2 customer survey

The consultants advised that a sample of 400 customers who had used the services of EIOSA would provide a credible statistical sample. Approximately 850 energy consumers were contacted in writing seeking their involvement in the survey and were assured of confidentiality. This approach resulted in the sample size being achieved and an agreed survey questionnaire was used to capture the data.

1.3 omnibus survey

Interviews were conducted with 500 members of the general public based on randomised sampling of Adelaide metropolitan (75 per cent) and regional (25 per cent) population in order to ascertain their awareness of EIOSA.

1.4 staff survey

All EIOSA staff members were given the opportunity to provide their perceptions of how customers evaluate the service they receive. The survey was hosted on the Harrison Research website and staff members were sent individual links.

2. conclusions

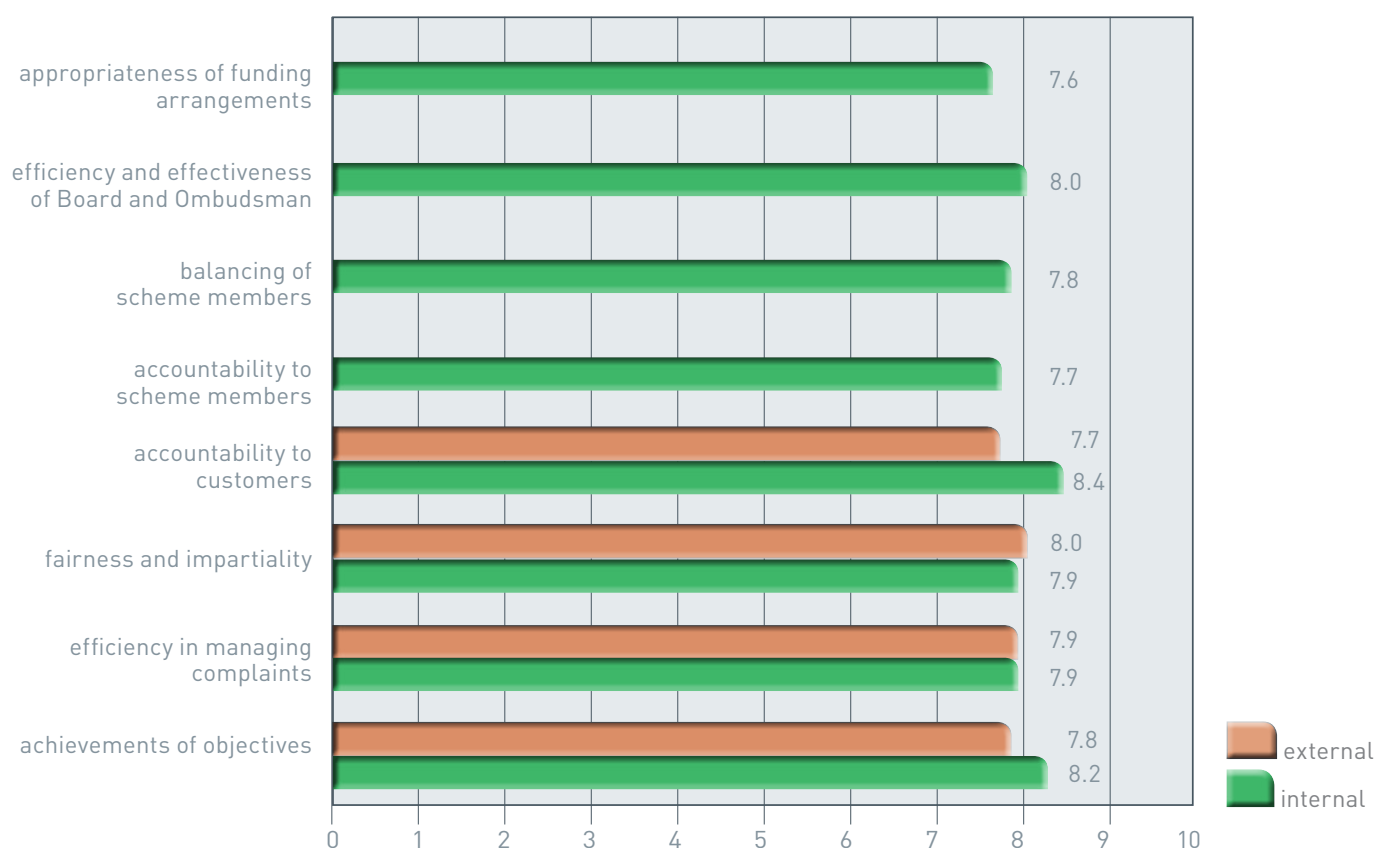
The results of the review were quite positive across all groups surveyed and are reasonably consistent with the 2006 survey.

2.1 internal and external stakeholders

Overall, the consultants reported that 'the vast majority of stakeholders were very satisfied with regard to the key issues discussed and no specific concerns were raised'. In terms of upcoming industry changes such as the move to the National Energy Customer Framework and possible inclusion of the water industry into the scheme, these changes were seen as positive, with the only concern being around ensuring that adequate resourcing is in place.

Accessibility of EIOSA is rated very highly by most of the stakeholders and all are generally content with the current funding and governance arrangements, the cooperation between the Board and the Ombudsman, and the independence of the Ombudsman.

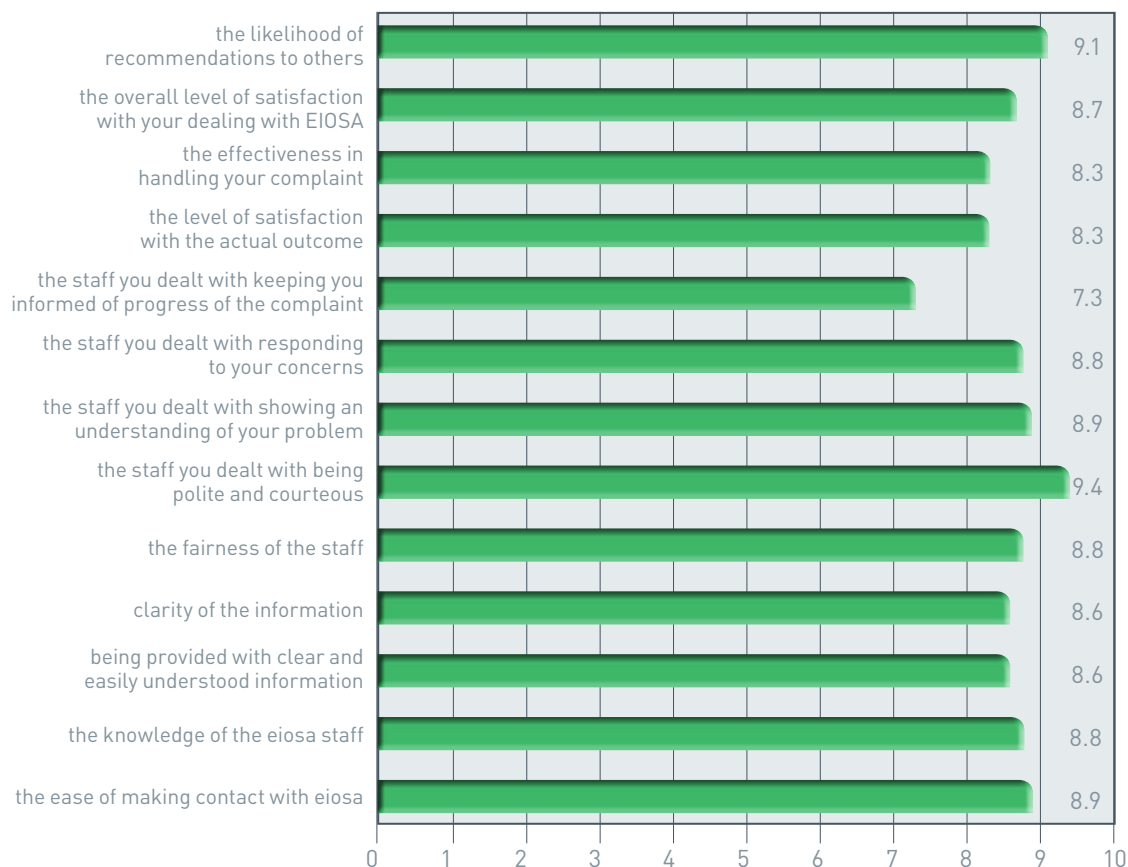
The chart below summarises the average rating given on each of the key issues discussed with stakeholders as part of the interview process.



2.2 customer survey

In this part of the review respondents were asked to rate their level of satisfaction with key aspects of the complaint process on a scale of 1 to 10 where 10 is very satisfied and 1 is not satisfied at all.

Harrison Research reported that overall the vast majority of customers were very satisfied with their interaction with EIOSA, with some of the highest mean scores they had encountered in their work recorded.



2.3 omnibus satisfaction survey

Total awareness and recognition of EIOSA in the general public survey is at 45 per cent, which is virtually unchanged from the previous scheme review. These results were complemented by a further 9 per cent of respondents who indicated that they would approach an Ombudsman if they were experiencing difficulties, suggesting that up to 63 per cent of those surveyed would find EIOSA if necessary.

2.4 staff survey

EIOSA staff were asked a range of questions on their understanding about customers' expectations and perceptions of the service provided by EIOSA. The results below suggest a solid understanding about the expectations of customers.



3. recommendations

Whilst there is a high level of satisfaction with the scheme across all groups, several recommendations have been made by the consultants to assist with the continual improvement of EIOSA. These recommendations include:

- a focus on making customers aware of the timeframe involved in the complaint handling process and providing an understanding of the other party's position
- continual targeting of information to improve connections with non-English speaking and culturally diverse communities and the elderly
- ensuring adequate resourcing to maintain the current high levels of service as EIOSA transitions to the National Energy Customer Framework and if the water industry becomes part of the scheme
- continuing to participate in and foster industry dialogue to encourage industry to deliver improved services to their customers.

These recommendations have been included in the EIOSA 2011-12 Business Plan for actioning.

operational review

A process review of EIOSA's work flows was undertaken during the year. Integrated Business and Management Solutions were engaged to conduct the independent review, which involved an examination of work practices and procedures, efficiency of work flows, use of technology and opportunities for improvement.

Whilst no significant deficiencies were identified, a number of opportunities aimed at continually improving the operation will be implemented in the 2011-12 year. One area of focus will be determining the future technology requirements that will underpin the operation in case management and reporting. Our current case management system is over ten years old and is due for replacement so further optimisation of case management can occur with improved functionality for analytical reporting purposes.

Over the past 10 years EIOSA has developed a solid database of complaint information and statistics on the categories and issues of cases managed. During the year focus was placed on understanding the reasons why customers required the intervention of this office to resolve their complaint. Over time a broader understanding of the drivers that led to the complaint being escalated, coupled with the reason for the service failure, may lead to the collation of useful information that could be shared with regulatory bodies and energy companies. This information may assist to improve the quality of service provided to consumers and minimise the need for the complaint to be escalated to an external body like EIOSA.

national energy customer framework

The development of a single national framework for regulating the sale and supply of gas and electricity to retail customers continues to progress with the passing of the Retail Law in the South Australian Parliament on 9 March 2011.

The Ministerial Council on Energy has agreed that the jurisdictions would work towards a 1 July 2012 start date for the new law, rules and regulations.

EIOSA is taking the necessary steps to ensure that it is prepared for the changes when they occur.

new funding model

On 1 July 2010, EIOSA adopted a new funding model based on a 'user pays' business model. The model has three components: a fixed component based on customer numbers, a contribution to fixed costs and the balance on case handling fees.

The new arrangement has been well received by members and aims to place a greater focus on energy companies resolving complaints direct with their customers without EIOSA's involvement and managing cases at lower levels and more expeditiously.

water industry

The South Australian Government continues to progress its reforms to the water industry with the introduction of the Water Industry Bill 2011 into State Parliament expected early in the new financial year.

The proposed Bill seeks to appoint the Essential Services Commission of South Australia as the independent regulator for urban and regional water and sewerage services. It is expected that the legislation will also allow for an independent Water Industry Ombudsman along with other consumer protections. We understand that the expansion of EIOSA to incorporate the water industry (as has occurred in other jurisdictions) is contemplated.

Planning is well underway to ensure EIOSA is prepared for the changes if, and when, they occur.

community awareness

Community support agencies provide a valuable link in assisting EIOSA to promote its services to a broad range of consumers and, in particular, low income and disadvantaged households.

During the year the Ombudsman met with a number of service agencies to provide updates on case trends and emerging issues. These discussions are also useful in understanding current community concerns impacting on energy users.

guiding principle

effectiveness

we will ensure that we focus on the mission of the scheme to facilitate the resolution of complaints

meeting with members

Maintaining regular contact with member companies, in particular those with large customer bases, is important to ensure EIOSA is informed of matters that may materialise into consumer issues. These discussions assist in developing mitigation strategies where changes are proposed based on EIOSA's comprehensive experience on possible impacts.

Meetings are also held on a regular basis with those companies generating most complaints to review progress towards resolution in a timely fashion and consider suitable negotiated outcomes. This has proved quite successful in assisting to clear the increased volumes experienced during the year within a reasonable timeframe.

media

The Ombudsman responded to a number of media enquiries and participated in media interviews relating to energy sales and marketing, credit management, billing, customer services and scheme activity during the year.

human resources

The increase in case volumes necessitated the employment of two additional Investigation Officers during the year. As at 30 June 2011, the office comprised 14 employees (13.1 full time equivalents)

The move to new accommodation was completed on schedule and to budget in October 2010. The new work environment has provided staff with modern facilities that encourage greater interaction between team members.

A focus on continual learning, an updated intranet site and an improved review and performance process have been areas of attention during the year.

In May 2011, the Board approved the provision of trauma insurance to eligible staff. This cover provides payment of an agreed sum in cases where employees are suffering a defined critical illness.

I extend my thanks and appreciation to the dedicated and hard working EIOSA team who have endured a challenging year and still delivered quality, highly valued, dispute resolution services to SA consumers.

members of eiosa

As at 30 June 2011, EIOSA had 22 members, consisting of 17 electricity members and five gas members. Diamond Energy and AGL Sales joined the scheme during the year. See page 11 for details.

the board

The support and guidance of the Board is truly appreciated and I extend my thanks to the Chairman and Directors.

فاتورة عالية

إتصلت السيدة (أ) بمكتب (EIOSA) وأفادت أنها استلمت من شركة الكهرباء فواتير ذات قيمة أعلى مما كانت تتوقعه بعد انتقالها إلى مسكن جديد، على الرغم من أنها استعملت نفس الأدوات الكهربائية لنفس المدة الزمنية التي كانت تستخدمها في مسكنها السابق. أحال مكتب (EIOSA) قضيتها على شركة الكهرباء التي تتعامل معها، وقامت الشركة بإجراء فحص على العداد. تبين من الفحص أن العداد كان يسجل استخداماتها للكهرباء بصورة دقيقة. لم يتمكن مكتب (EIOSA) من إيجاد أي خطأ في الفاتورة، وتم الإقتراح على أن تقوم السيدة (أ) بمراجعة عملية استخدامها لأدواتها الكهربائية، وأن تستعين ربما بخدمات أحد الكهربائيين للتحقق من وجود أي خلل فيها.



بإمكان مكتب EIOSA المساعدة. خدمة مستقلة لتسوية الشكاوى.

EIOSA can help. An independent complaint resolution service.

high bill

Mrs A contacted EIOSA and explained that she had received higher than expected bills from her electricity company after moving in, despite using the same appliances for the same amount of time as at her previous address. EIOSA referred the matter to her electricity company, which arranged for the meter to be tested. The test found the meter was recording her usage accurately. EIOSA was unable to find any billing faults and it was suggested that Mrs A review her appliance use and perhaps engage an electrician to check for faults.

member systemic issues

The primary role of EIOSA is to resolve complaints about electricity and gas services that cannot be resolved by customers and the relevant energy companies.

However, EIOSA also plays an important role in identifying systemic issues; that is, issues or changes in policy and/or practices by a member company that affect, or have the potential to affect, a number of customers. EIOSA's independent contact with customers enables us to identify and report relevant matters to members and ESCOSA and to facilitate early corrective action.

A summary of the key systemic issues that impacted individual members during the year is provided below.

incorrect contact details for eiosa

The Energy Retail Code requires that reminder notices warning of imminent disconnection include the contact details for EIOSA. On the South Australian notices of one energy retailer contact details for an interstate scheme were provided. The retailer remedied the problem as soon as it was brought to its attention by EIOSA.

wrong rate changes

A retailer wrote to a number of South Australian photovoltaic customers informing them of a rate change that was applicable to another jurisdiction. Upon becoming aware of the error the retailer wrote to the affected customers and corrected the information.

late gsl payments

The electricity distributor is required, under certain circumstances, to make automatic guaranteed service level payments to consumers who are affected by power interruptions that exceed prescribed periods defined in the Electricity Distribution Code. These payments should be made within three months of the event occurring. A number of payments were not made within the period but following contact by EIOSA the distributor promptly rectified the matter.

solar feed-in credit

The electricity distributor is required to forward to the retailer a credit for each unit of electricity that a photovoltaic customer returns to the grid. Electricity retailers are obligated to pass through the incentive payment to the customer as a credit on the bill. As a result of a system problem a number of customers of one retailer did not receive the incentive payment. On becoming aware of the problem, the retailer corrected the problem and re-issued bills to impacted customers.

incorrect feed-in graph

Due to a system error, one retailer's graphical information on bills illustrating the amount of energy returned to grid was incorrectly calculated. The error did not impact on the accuracy of the accounting on the bill. The retailer took steps to correct the graph on becoming aware of the problem.

energy concession error

The energy concession passed through to customers by one retailer was not increased at the start of the financial year. As a result a number of recipients continued to receive the old amount. EIOSA raised the matter with the retailer who corrected the problem and also made a goodwill payment to impacted customers for the inconvenience caused.

misaligned tariffs


As a result of consumer complaints a retailer undertook a review of the tariff structures used to calculate its customer bills. The review concluded that a number of customers were undercharged whilst another group was overcharged on certain product codes. The retailer proposed to write to all impacted customers advising of the error and proposing a resolution for future bills.

application of gst

The GST was incorrectly under-calculated on the invoices of approximately 1,150 photovoltaic customers by an energy retailer. On becoming aware of the problem the matter was rectified and the retailer elected not to recover the undercharged amount from their customers.

kusoma gharama kwa makadirio

Bibi M alianza biashara ndogo ndogo za mali yake ambayo ilisababisha kuongezeka kwa matumizi ya umeme. Yeye alipata akaunti ya makadirio ya robo mbili ya mwaka na bili katika robo iliyofuatazo ambayo ni pamoja na kuongezeka kwa matumizi ya robo zote tatu. Yeye hakuwa na furaha na alifikiri kuwa kuna tatizo la mita. Wagawaji wa umeme walipanga kwenda kusoma mita kuangalia na kupima kama iko vizuri na wakakuta kuwa haina tatizo. Bibi M bado hakuwa na furaha na angeweza kubadilisha matumizi yake kama angejua kuwa bili itakuwa ya juu. Chini ya sharia ya matumizi wa umeme, wateja wanaweza kupokea bili ambazo zimebalishwa gharama mpaka kwa miezi 12 ukianzia na bili ya hivi karibuni. Mteja alilazimika kulipa gharama za nyongeza karibia \$10,000



EIOSA inaweza kusaidia. Shirika la huduma linalojitegemea la Malalamiko

EIOSA can help. An independent complaint resolution service.

estimated reads

Mrs M started a small business at her property, which resulted in increased electricity use. She received estimated accounts for two quarters and a bill in the following quarter which included the increased usage for all three quarters. She was not happy and thought there was a problem with the meter. The retailer arranged for the meter reading to be checked and for the meter to be tested and both were found to be accurate. Mrs M was still not happy and felt she could have changed her usage if she had known that the bills were so high. Under the Energy Retail Code, customers can receive bills that have amended usage following estimates for up to 12 months' usage from the most recent meter read. The customer was liable for the additional usage, approximately \$10,000.

guiding principle

accessibility

we will be easy to contact by all electricity and gas consumers in South Australia and our services to them will be free.

vegetation clearance

Mr Z advised EIOSA that his electricity supply was not reliable due to vegetation touching powerlines and his foothills home experienced a high number of outages. He expressed his concerns that the practice of the electricity distributor to only trim the gum trees near powerlines every three years was not often enough to ensure branches and foliage were kept clear from the lines. As Mr Z had been in touch with the distributor and was not satisfied with the reply, we agreed to investigate. The electricity distributor confirmed its compliance with the Electricity Act and Native Vegetation Act to trim trees in non-bushfire risk areas every three years within specified clearance zones. These stipulate that vegetation is to be trimmed from around the powerlines to ensure no part of the vegetation or regrowth will come into contact with powerlines, including by bending in the wind. Events such as vegetation breaking off and blowing into the lines is not covered. The distributor explained that all the outages experienced by Mr Z were caused by vegetation from outside the prescribed clearance zone contacting the powerlines during storms and most were from well outside the clearance zone. The distributor advised it had installed insulation on high voltage lines at several problematic areas and this had reduced the number of outages. Mr Z was advised that the distributor was liable to pay a Guaranteed Service Level payment when there were ten or more power interruptions in any one financial year. Mr Z was not entitled to any payment at that time as there had not been ten interruptions.

gas heating value

Mr Q was concerned about high gas bills for his property and initially contacted his energy company. It confirmed it had billed him for the wrong property and arranged to transfer the correct account so they could bill him. When the energy company did not provide new bills and the account reconciliation statement it had promised, Mr Q contacted EIOSA. The matter was referred to the energy company at a higher level and the bills and statement were issued. However, when Mr Q received the revised bills he noticed the figure for the Heating Value, which is used to calculate the number of MJs (megajoules), was different to that on the original bills so he contacted us again. Upon checking with the gas distributor and the energy company, we found the energy company had incorrectly recorded the address in its system and the original bills were actually for an address in another suburb. The gas distributor advised that the Heating Value was based on the quality of gas available in a specific area and it was different between suburbs. Mr Q and EIOSA were satisfied with the explanation.

incorrect transfer and meter installation

Mr B contacted EIOSA after he received a final bill from his chosen electricity retailer (Retailer A) and then a man came to his house and installed a new 'smart' electricity meter he had not requested. Mr B contacted Retailer A to ask why his account had been closed and was told he had been transferred to Retailer B. Mr B advised he had not requested this.

An EIOSA investigation revealed he had been transferred to Retailer B, which had included his property in a marketing campaign to install new 'smart' electricity meters. This installation automatically replaced Mr B's previous electricity meter and meant his chosen retailer (Retailer A) was unable to bill him as it had previously.

Investigations by Retailer B revealed it had incorrectly signed Mr B up to its campaign, thinking his property was for another customer. It then contacted Mr B, apologised, and arranged for Ministerial approval, as is required, to remove its 'smart' meter and have a 'basic' meter installed again. Once this process was completed, EIOSA assisted Mr B further by facilitating the transfer of his account back to his retailer of choice. Mr B was not charged for electricity consumed while he had the incorrect meter installed and he was very thankful for the assistance.

compteur défectueux

M. L a contacté EIOSA au sujet des factures d'électricité extrêmement élevées qu'il avait contestées précédemment avec son détaillant. EIOSA a renvoyé l'affaire à un plus haut niveau avec son détaillant qui s'est organisé pour faire vérifier le compteur. Le compteur s'est avéré défectueux et a été remplacé. Une lecture du nouveau compteur a été obtenue un mois plus tard et a été utilisée pour changer les lectures fournies précédemment pour l'ancien compteur. Le détaillant a émis des factures modifiées et le compte du client était créditeur. Le client était satisfait du résultat



EIOSA peut vous aider. Un service indépendant de résolution des plaintes.

EIOSA can help. An independent complaint resolution service.

faulty meter

Mr L contacted EIOSA in relation to very high electricity bills that he had previously disputed with his retailer. EIOSA referred the matter to a higher level with his retailer, which arranged for the meter to be tested. The meter was found to be faulty, and was replaced. A meter reading was obtained on the new meter a month later and this was used to amend the meter readings provided previously for the old meter. The retailer issued amended bills and the customer's account was in credit. The customer was satisfied with this outcome.

guiding principle

fairness

we will ensure that we focus on the mission of the scheme to facilitate the resolution of complaints

cross-metering – gas

Ms S advised she moved into her address three years ago and arranged with her retailer to install a gas meter on site. She received her bills and noticed she was being charged for an incorrect gas meter number. Upon checking with her retailer it was confirmed it was billing for a different gas meter. The customer then started to receive gas bills 'to the occupier' from another company for yet another gas meter number. She then received more bills from her retailer with two different meter numbers. As the customer was unable to resolve the situation with either company she requested EIOSA's help. We were able to unravel a 'cross-metering' situation and, with the help of the gas distribution company, to determine which retailer should be billing her gas supply. Ms S was very happy that EIOSA was able to fix the situation for her without any more stress.

cross metering – electricity

Mrs G had received high electricity bills since the installation of a second meter three years before when she had subdivided her property. She believed she had been paying the bills for the other property as the occupant used electricity consistently throughout the day, while she was hardly ever home.

After her electricity retailer told her the billing was correct and offered no further assistance she contacted EIOSA and we arranged for a consultant from a higher-level area within the retailer company to contact her.

The retailer arranged for ETSA Utilities to conduct a meter inspection at the property and cross-metering was confirmed. The issue was resolved and the retailer reissued Mrs G's bills from the meter installation date. This resulted in a credit of \$1,349.72. The retailer advised EIOSA that Mrs G had expressed dissatisfaction regarding this advice, as she believed her account should be in credit by over \$3,000, and that she intended to contact EIOSA. To date we have not been contacted regarding further assistance.

meter abolition

Mr E contacted EIOSA very distressed because the gas meter had been removed from his newly purchased rental property without his authorisation, leaving his tenants without gas. The gas distributor had informed him that a gas retailer had instructed them to abolish the meter.

Mr E reported that the distributor had advised it could not use the same inlet to reconnect the service and he was required to engage a gasfitter. He did not believe he should be responsible for payment of the costs associated with the reconnection or for the arrangements he had made for temporary hot water at the property.

We arranged for a consultant from a higher-level area within the retailer to contact Mr E to address his concerns. The retailer acknowledged the meter abolishment request had been raised in error but said it could not assist Mr E with the reconnection of the service as his tenants had arranged for their gas to be connected with a different retailer. It agreed, however, to reimburse Mr E for all expenses incurred to restore gas supply to the property.

We contacted the distributor and liaised with Mr E to arrange a suitable time to restore the gas supply to the property. He arranged for a gasfitter to complete the required works. The gas supply was restored, Mr E provided tax invoices for the associated expenses incurred and the retailer arranged reimbursement.

electricity disconnection in error

EIOSA was contacted by a representative of a government department who had been approached by Mrs T. Her electricity had been disconnected for seven days while she was away and she had returned to the stench of meat and other perishables rotting. Mrs T had not received bills for over two years from her chosen retailer. However she was paying towards a payment plan and wasn't worried because she was making the payments. In the months preceding the disconnection, Mrs T asked her retailer why she had not received a bill. She was advised that she was no longer a customer of theirs and the officer advised her not to worry as they would look into this and get back to her. She received no further information from her retailer.

EIOSA established that another retailer had taken over Mrs T's account in error, with bills for her usage being sent to another person at another address.

As the actions of both retailers resulted in the disconnection for Mrs T, both agreed to compensate her for her losses. Her chosen retailer gave a customer service gesture of \$400 to replace food which had been lost, and the other retailer agreed to waive all bills which had been sent to the wrong property. These totalled \$3,022.00.

transfer without consent

Mrs H was referred to EIOSA by Consumer and Business Services. She was being billed for electricity by her retailer (Retailer A) until another retailer commenced billing her without her authorisation.

Mrs H advised that she had received a marketing call at her home from the other retailer (Retailer B), who had asked if she was happy with her current electricity supplier. She had told them that she was not interested in anything and had hung up. A representative also had knocked on her door and she had asked them to go away. Mrs H then had contacted her energy company and arranged for the account to be transferred back.

Some months later, when Mrs H had not received a bill from Retailer A, she realised Retailer B had become her energy company again without authorisation. She was furious and lodged an online complaint with EIOSA as she was dissatisfied with the marketing practices of Retailer B and wanted them to stop taking over her electricity supply.

EIOSA referred the complaint to a high-level contact at Retailer B. Mrs H was contacted within two business days and Retailer B immediately apologised for its error and returned Mrs H's account to Retailer A. Mrs H was happy with EIOSA's assistance and satisfied with the outcome.

back billing

Mr W advised EIOSA that he had a manufacturing business and had transferred to a new electricity retailer 18 months before. His electricity bills had been very low but after questioning this he was told by the retailer that they were correct. However, some time later he received a back bill totalling \$53,000.

Following EIOSA involvement, it was identified that the energy company was billing Mr W's business based on the wrong contract rates. It agreed to reduce the back-billed amount by \$20,000 and provide an extension of 18 months to pay the outstanding balance. While customers using in excess of 160 MWh (megawatt hours) of electricity are not offered protection under the Energy Retailer Code, EIOSA was able to help. Mr W was satisfied with the outcome.

guiding principle

Independence

we will be even-handed in what we do and what we decide.

solar panels

Mr K advised EIOSA that his solar panels had been incorrectly installed on his house roof, not on his shed roof as requested, and he had been required to pay an extra \$4,000 to have them relocated. He was not happy and wanted his electricity retailer to reimburse him. The company that sold the panels was also an energy retailer. Mr K wrote to the company but had no reply. EIOSA explained to Mr K that it has no jurisdiction over matters relating to the installation of a product/appliance, including solar panels, but put him in touch with a higher-level contact within the energy retailer. We also explained that if he did not receive a satisfactory response he should contact Consumer and Business Services, which may be able to assist him further. The energy retailer arranged for the manager of its solar department to address Mr K's concerns.

incorrect meter reads

Ms J contacted EIOSA very distressed about incorrect electricity meter readings on the bills she had received from her retailer for the past year. She explained that she had a five-dial meter but the readings provided on her bill suggested she had a six-dial meter. She raised the issue with her retailer on a number of occasions, and the account was amended to reflect the correct readings. However she was left with a large back bill to pay.

EIOSA investigated and found that the retailer had back billed for the previous twelve months, as it was entitled to do under the Energy Retail Code. However, the meter readings were not amended correctly, and a further adjustment was made to credit the consumption that related to periods older than twelve months. The retailer also provided a customer service gesture to acknowledge the inconvenience caused. The retailer offered Ms J a suitable payment plan over twelve months, as required under the Code. She was satisfied with the outcome.

final read error

Mr R contacted EIOSA in relation to a high bill disputed with his electricity retailer for a period of time he was regularly away from the property. He had a solar system installed in December 2010, and the import/export meter was installed in January 2011. As he had the solar system connected and was generating electricity during the interim period, he disputed the final reading obtained when the old meter was removed.

EIOSA investigated and found that the meter reading had actually registered negative consumption for the period up until the old meter was removed, and an estimated reading was provided which was higher than the actual reading in January 2011. As a negative reading cannot be supplied for billing, the final meter reading for the old meter was amended to be the same as the previous actual reading obtained in December 2010. The amended meter readings were provided to the retailer, and it subsequently issued an amended bill that was significantly lower than the original bill. The customer was satisfied with the outcome.

case management

overview

EIOSA received 10,204 cases in 2010-11, an increase of 1,364 cases (15.4 per cent) from the previous year. The main increase was experienced in the Marketing & Transfer issues (927 cases or 95.6 per cent increase) associated with competitive activity in the energy retail markets. There were also increases in General Enquiries (368 cases or 68.5%) and Supply Quality issues (109 cases or 59.6%)

Billing issues provided the most number of cases handled (4,234 cases or 41.49 per cent of the total number of cases). However there was a 10.5 per cent decrease (-496 cases) in the number of Billing cases received in 2010-11 compared to 2009-10.

issues received

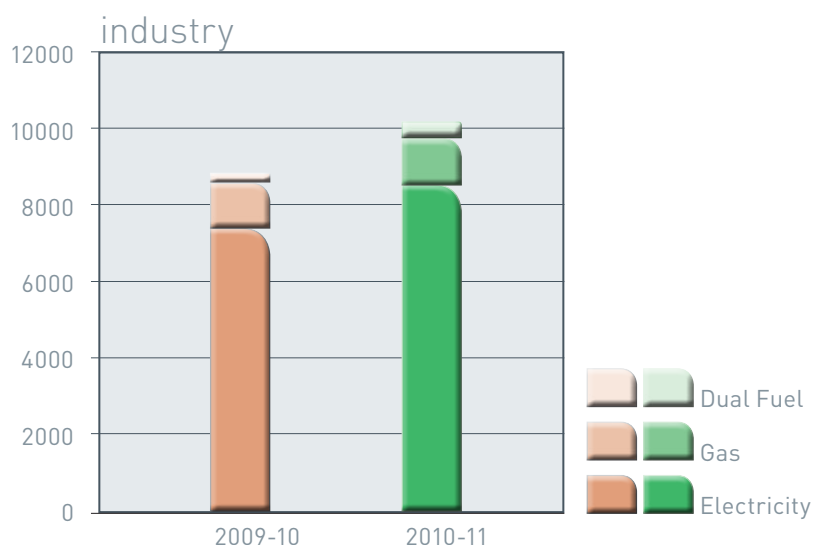
The table below provides details of the cases received and compares activity with the previous reporting period.

| Issues (Cases Received) | 2009-10 | | 2010-11 | | Difference | |
|-------------------------------------|-------------|---------------|--------------|---------------|-------------|--------------|
| | no. | % | no. | % | no. | % |
| Billing | 4730 | 53.5% | 4234 | 41.5% | -496 | -10.5% |
| Competition (Sales & Marketing) | 970 | 11.0% | 1897 | 18.6% | 927 | 95.6% |
| Credit Management | 969 | 11.0% | 1169 | 11.5% | 200 | 20.6% |
| Customer Service (Incl Privacy) | 679 | 7.7% | 900 | 8.8% | 221 | 32.5% |
| General Enquiry | 537 | 6.1% | 905 | 8.9% | 368 | 68.5% |
| Land | 82 | 0.9% | 113 | 1.1% | 31 | 37.8% |
| Provision | 690 | 7.8% | 694 | 6.8% | 4 | 0.6% |
| Supply Quality | 183 | 2.1% | 292 | 2.9% | 109 | 59.6% |
| TOTAL | 8840 | 100.0% | 10204 | 100.0% | 1364 | 15.4% |

industry

Electricity issues comprised 83.4 per cent (83.6 per cent in 2009-10) of the cases handled by the scheme, with gas accounting for 12.5 per cent (13.6 per cent in 2009-10) and dual fuel issues (mostly contract and marketing issues) comprising 4.1 per cent (2.8 per cent in 2009-10). The table below illustrates activity by industry/fuel.

Dual Fuel is where the case relates to both Electricity and Gas.



The difference between enquiries and complaints

A case represents a contact to EIOSA and can be handled as an 'enquiry' or a 'complaint'. There were 10,081 cases handled (closed) in 2010-11.

An 'enquiry' is a request for information or service. A complaint is an expression of dissatisfaction with an energy company that is a member of EIOSA.

enquiries

Many enquiries involve the provision of information and/or advice. Typically an investigation officer will provide information on industry codes and regulations that may apply to the customer's issues. If the issue is outside the jurisdiction of EIOSA we endeavour to provide the customer with details of appropriate referral points. The provision of timely and accurate information is an important component of EIOSA's role.

EIOSA handled 2,376 cases at the enquiry level, 23.6 per cent of the total cases handled in 2010-11.

complaint – refer to customer services (rcs)

If a person with a complaint has not contacted the energy company prior to contacting EIOSA, the contact with EIOSA will be recorded as a Refer to Customer Services (RCS) complaint and the customer asked to contact the company's customer service section. It is a requirement of EIOSA's Charter that the company has had an opportunity to consider the complaint.

The RCS case level was introduced in 2010-11. Previously cases where the complainant had not contacted the energy company were classified as Enquiries.

EIOSA handled 1,345 cases at the RCS level, 13.3 per cent of the total cases handled in 2010-11.

complaint – refer to higher level (rhl)

If a customer has been unable to resolve a complaint with an energy company, EIOSA accepts the issue as a complaint. If the customer's contact has been at the company call-centre level only, EIOSA will refer the complaint to the company's higher-level dispute resolution area under our Refer to Higher Level policy.

This policy is similar to other industry ombudsman schemes and provides the company with an opportunity to resolve the customer's complaint at a more senior level. Exceptions to this RHL policy include complaints about disconnections that are imminent or have already taken place.

Customers are advised that if they are not satisfied with the resolution or the time taken to resolve their complaints they should contact EIOSA again.

EIOSA does not close a RHL case until advised by the company that the complaint has been resolved. In this way EIOSA maintains a 'watching brief' over the resolution. Again, as detailed above, if the customer advises EIOSA that he or she is not satisfied with the outcome, the case is upgraded as an investigation.

EIOSA handled 5,455 RHL cases, comprising 54.1 per cent of the contacts, in 2010-11.

complaint – consultation

A 'consultation' complaint emanates from a customer who is without gas or electricity supply. Cases include situations where customers have been disconnected (or disconnection is imminent) for non-payment of accounts.

EIOSA handled 426 Consultation cases, comprising 4.2 per cent of the contacts, in 2010-11.

complaint – facilitation

Prior to an investigation of a case, for straightforward matters EIOSA may facilitate a resolution between the complainant and the energy company.

The complainant is provided with written details of the outcome of a Facilitated case.

EIOSA handled 275 Facilitation cases, comprising 2.7 per cent of the contacts, in 2010-11.

complaint – investigation

When a case has been accepted for investigation, the member company is asked to provide information to assist the investigation. This may include details such as the customer's billing history, previous contacts between the member and the customer relevant to the complaint, cause of any outage, and whether informed consent was given as part of a market contract. If the customer has supporting information, we ask that this also be provided.

Where appropriate, EIOSA may also obtain independent technical or legal advice or seek the opinion of a regulatory body such as the Essential Services Commission of South Australia or the Office of the Technical Regulator.

Investigations will normally also include reviews of whether the requirements and provisions of the relevant energy codes and regulations have been met.

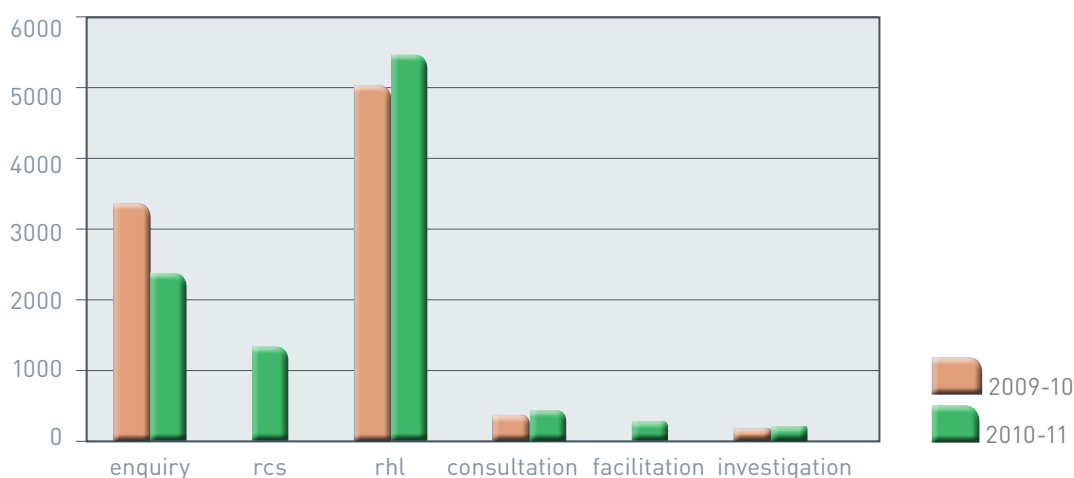
EIOSA's aim is to establish an objective and independent view of the issues and to negotiate fair and reasonable outcomes.

EIOSA handled 204 Investigations, comprising 2.0 per cent of the contacts, in 2010-11.

case finalisation

case finalisation levels 2010-11

During 2010-11 cases to EIOSA were finalised at the following levels:



If you combine the Enquiry and Refer to Customer Services (RCS) categories for 2010-11 there was a total of 3721 Enquiry/RCS cases, an increase of 348 (10.3 per cent) compared to the previous year.

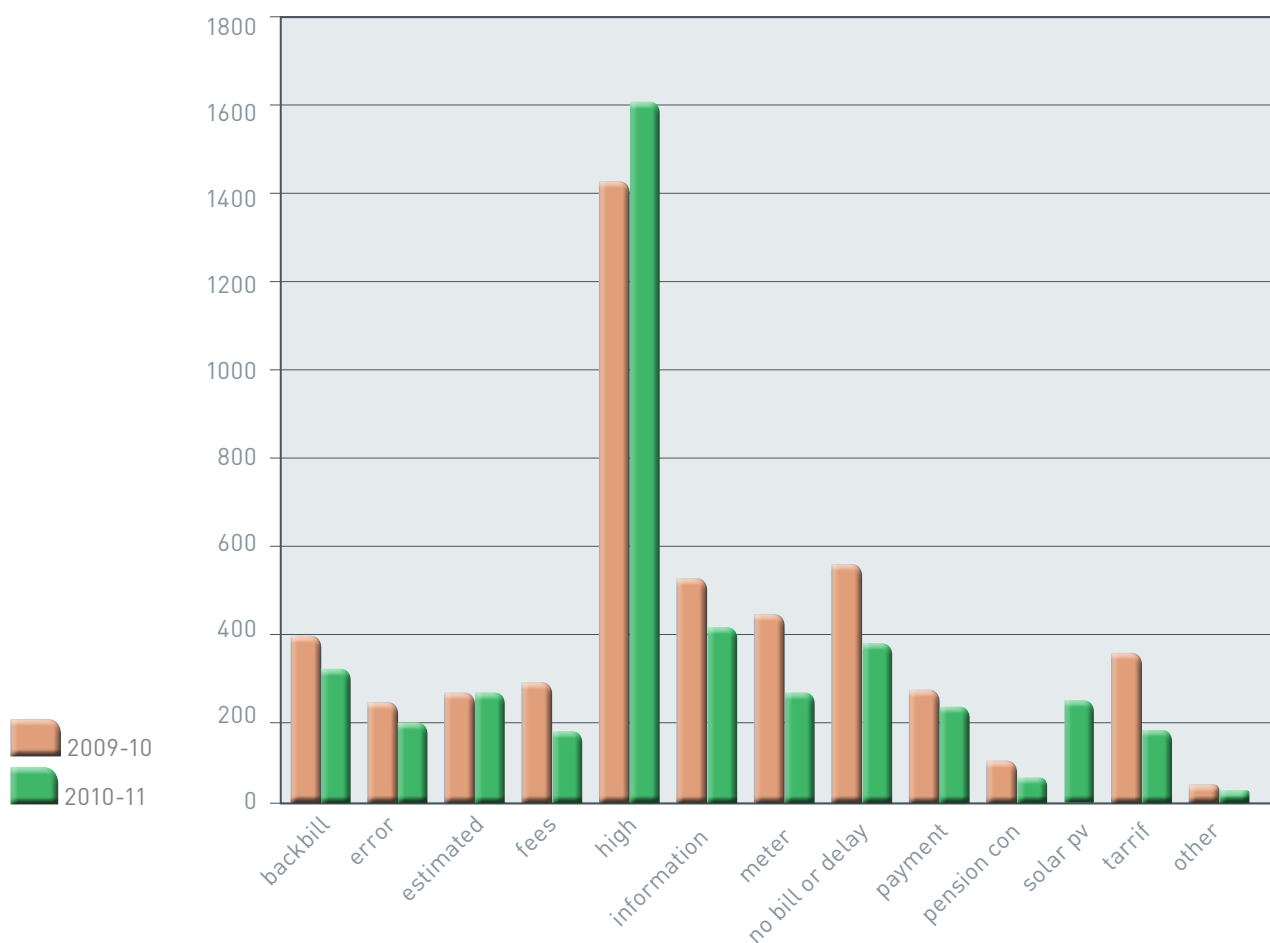
issues

The types of issues that were finalised in 2010-11 compared to 2009-10 are outlined in the following table.

| Issues (Cases Finalised) | 2009-10 | | 2010-11 | | Difference | |
|---|-------------|---------------|--------------|---------------|-------------|--------------|
| | No. | % | No. | % | No. | % |
| Billing | 4807 | 53.6% | 4222 | 41.9% | -585 | -12.2% |
| Competition (Sales & Marketing) | 1007 | 11.2% | 1803 | 17.9% | 796 | 79.0% |
| Credit Management | 973 | 10.8% | 1173 | 11.6% | 200 | 20.6% |
| Customer Service (Including Privacy) | 666 | 7.4% | 912 | 9.0% | 246 | 36.9% |
| General Enquiry | 543 | 6.1% | 898 | 8.9% | 355 | 65.4% |
| Land | 83 | 0.9% | 113 | 1.1% | 30 | 36.1% |
| Provision | 705 | 7.9% | 671 | 6.7% | -34 | -4.8% |
| Supply Quality | 188 | 2.1% | 289 | 2.9% | 101 | 53.7% |
| TOTAL | 8972 | 100.0% | 10081 | 100.0% | 1109 | 12.4% |

billing

In common with other similar Ombudsman schemes, billing issues continue to be the largest issue category, with the 4,222 cases representing 41.9 per cent of total caseload. Last year the 4,807 billing cases represented 53.6 per cent of the total number of cases finalised.



case finalisation

There was a 12.5% increase in the number of High Bill cases, the most common billing sub-issue. Offsetting this increase were decreases in the number of Back Bill (-20.8 per cent) and No Bill or Delay cases (-33 per cent).

credit management - disconnections

The number of disconnection and imminent disconnection cases increased from 390 in 2009-10 to 521 in 2010-11. While disconnections and imminent disconnections remain a relatively small component of the credit management category, these cases are of importance and are continually monitored for changes.

The chart and tables below detail the number of disconnection cases finalised between 2009-10 and 2010-11.

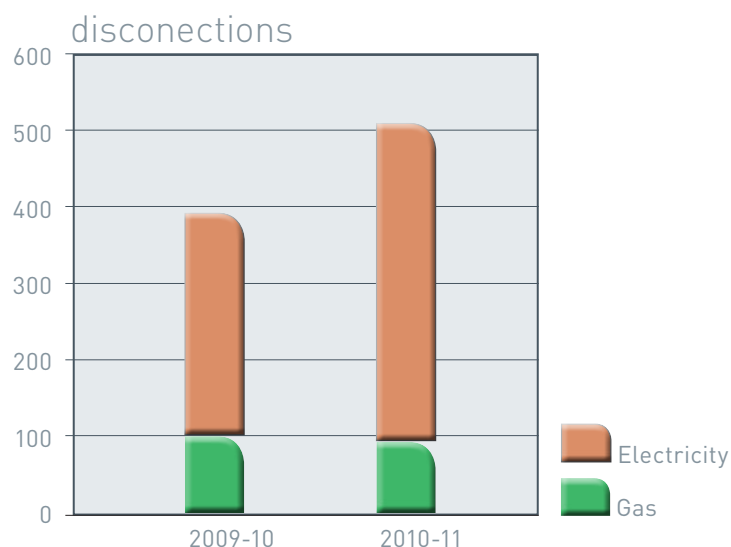
| Year | Number | Disconnections as % of Billing and Credit Cases | Disconnections as % of Total Cases |
|---------|--------|---|------------------------------------|
| 2009-10 | 390 | 6.7 | 4.3 |
| 2010-11 | 521 | 9.7 | 5.2 |

disconnection by industry/fuel

| Industry/Fuel | Actual | Imminent | TOTAL |
|---------------|--------|----------|-------|
| Elect & Dual | 286 | 150 | 436 |
| Gas | 73 | 12 | 85 |
| TOTAL | 359 | 162 | 521 |

yearly comparison

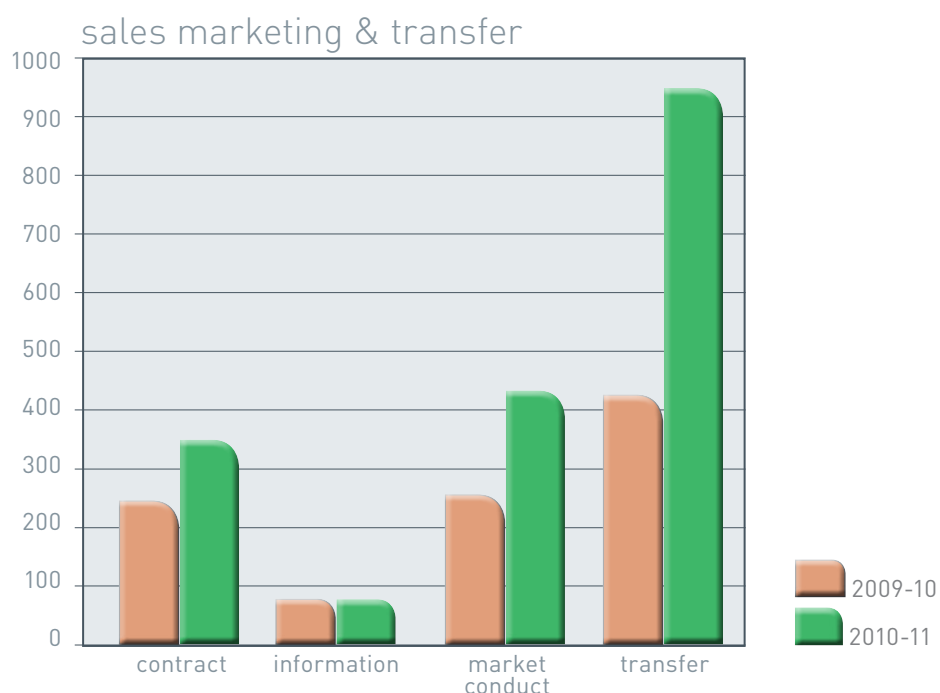
| YEAR | Gas | Elect & Dual | TOTAL |
|---------|---------|--------------|--------|
| 2009-10 | 103 | 287 | 390 |
| 2010-11 | 85 | 436 | 521 |
| Diff | -18 | 149 | 131 |
| % Diff | -17.48% | 51.92% | 33.59% |



sales marketing & transfer

Finalised Sales & Marketing (competition-related) cases increased by 796 (79 per cent) from 2009-10. There were large increases in the number of complaints about market conduct (68.4 per cent) and transfers (delays in transfer and the wrong connection transferred) (121.4 per cent).

| SUB-ISSUE | 2009-10 | 2010-11 | Difference | % Change |
|----------------|---------|---------|------------|----------|
| Contract | 245 | 350 | 105 | 42.9% |
| Information | 81 | 81 | 0 | 0.0% |
| Market Conduct | 256 | 431 | 175 | 68.4% |
| Transfer | 425 | 941 | 516 | 121.4% |
| TOTAL | 1007 | 1803 | 796 | 79.0% |



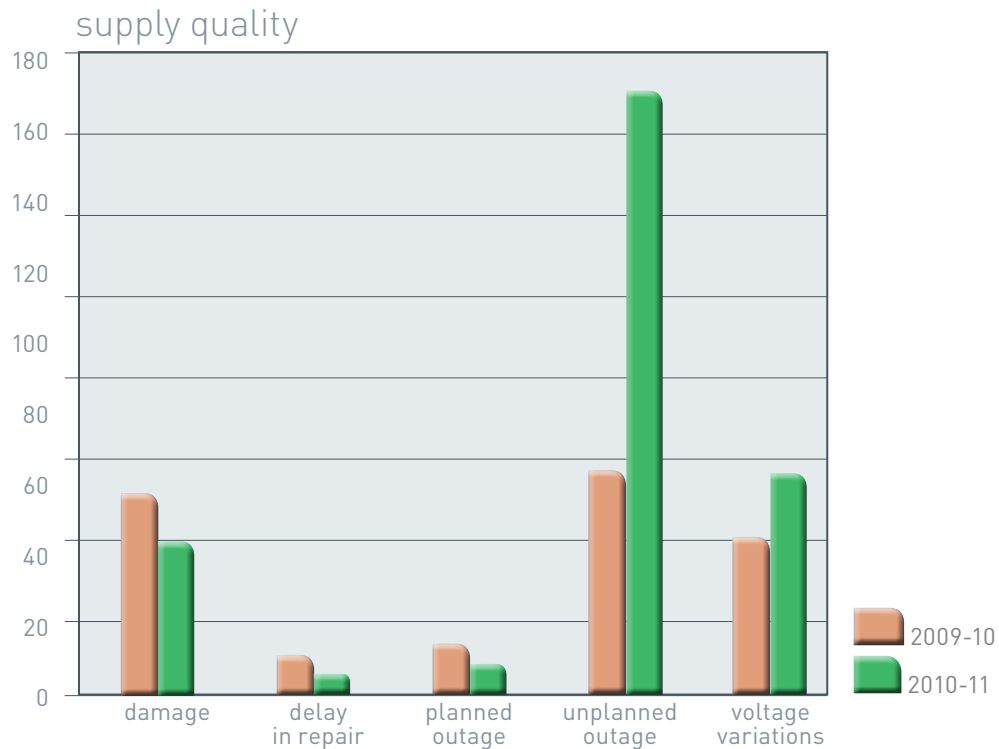
supply quality

EIOSA finalised 289 supply quality cases during 2010-11 compared to 188 in the previous year, an increase of 101 (53.7 per cent).

Two major storms (severe weather incidents) during the year resulted in a significant number of customers being without electricity for a protracted period. Complaints were in regard to the duration of the outages and the application of Guaranteed Service Level payments.

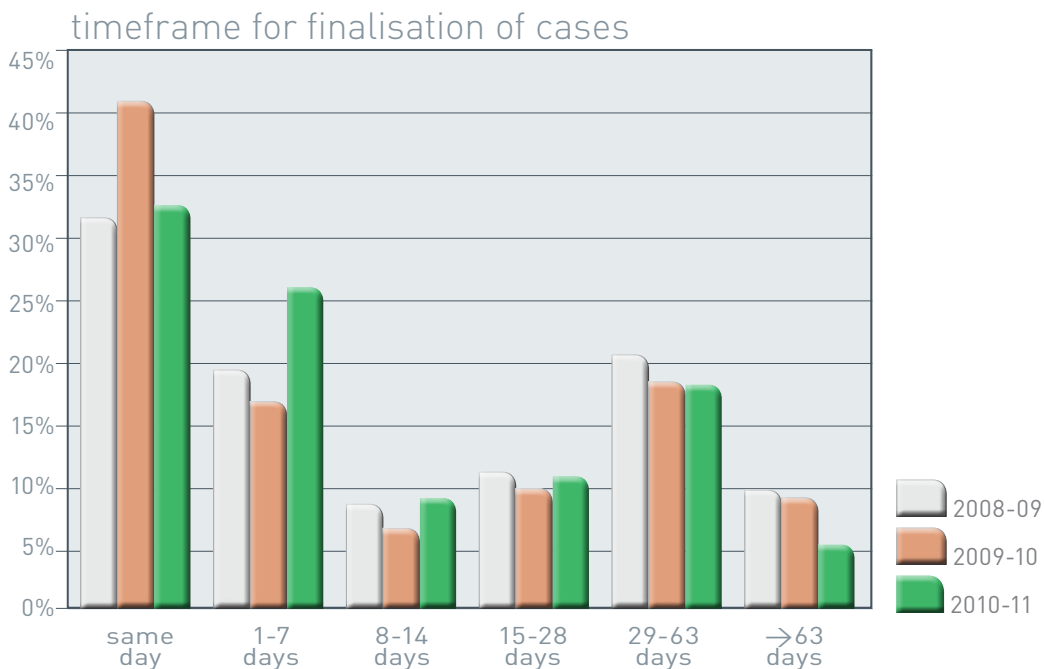
| SUB-ISSUE | 2009-10 | 2010-11 | DIFF | % Change |
|--------------------|---------|---------|------|----------|
| Damage | 56 | 43 | -13 | -23.2% |
| Delay in Repair | 11 | 6 | -5 | -45.5% |
| Planned Outage | 14 | 9 | -5 | -35.7% |
| Unplanned Outage | 63 | 169 | 106 | 168.3% |
| Voltage Variations | 44 | 62 | 18 | 40.9% |
| TOTAL | 188 | 289 | 101 | 53.7% |

case finalisation



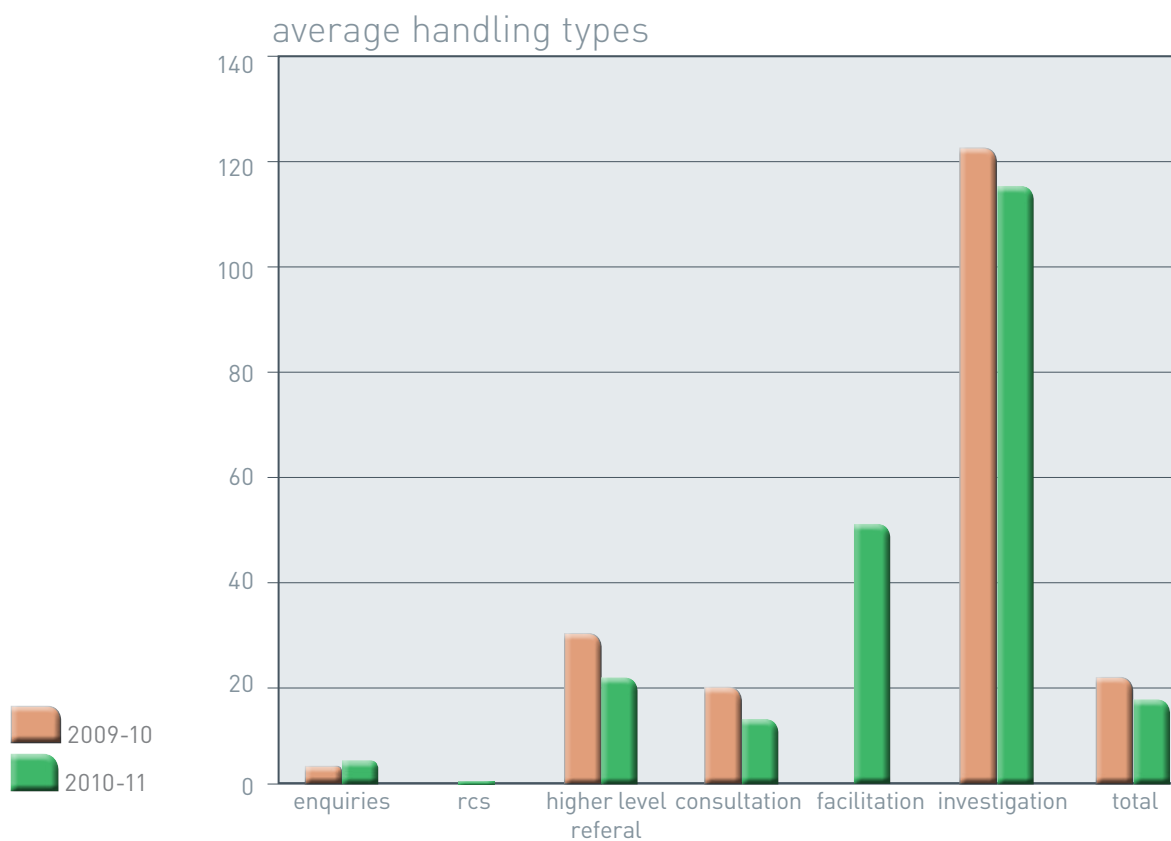
timeframe for finalisation of cases

Despite the continuing high case volumes, there has been a decrease in the proportion of cases over 63 days old at finalisation.



average handling times

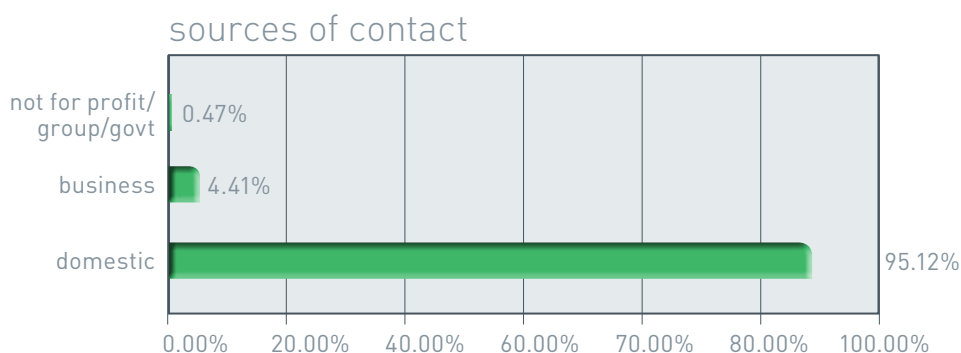
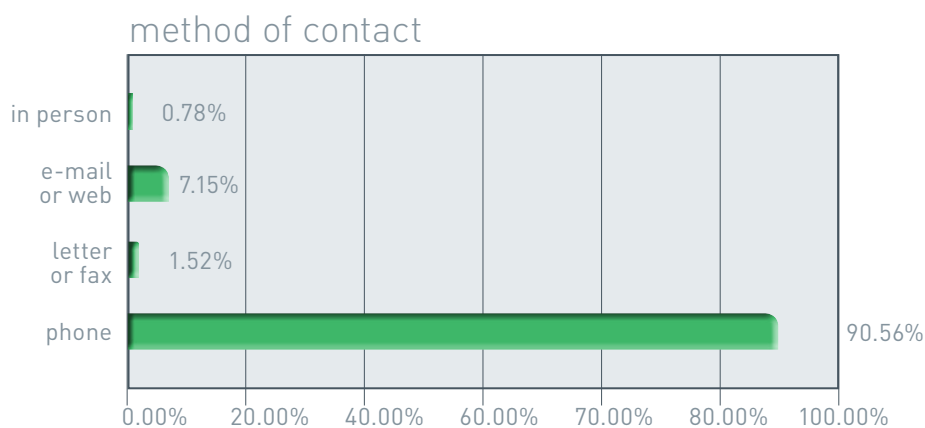
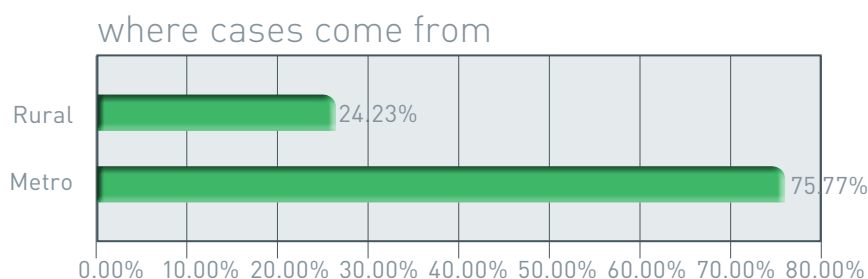
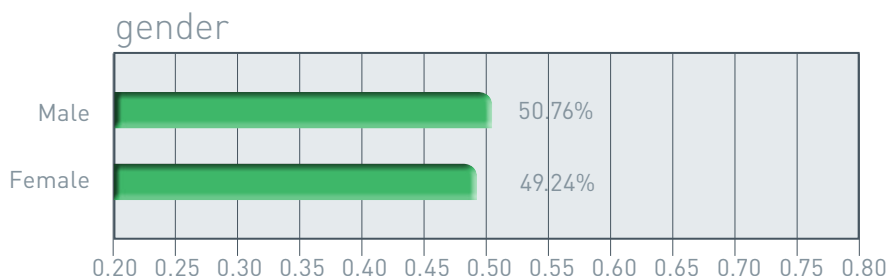
The introduction of the two new case handling levels – Refer to Customer Service (RCS) and Facilitations – had an overall positive impact on average handling times for 2010-11.



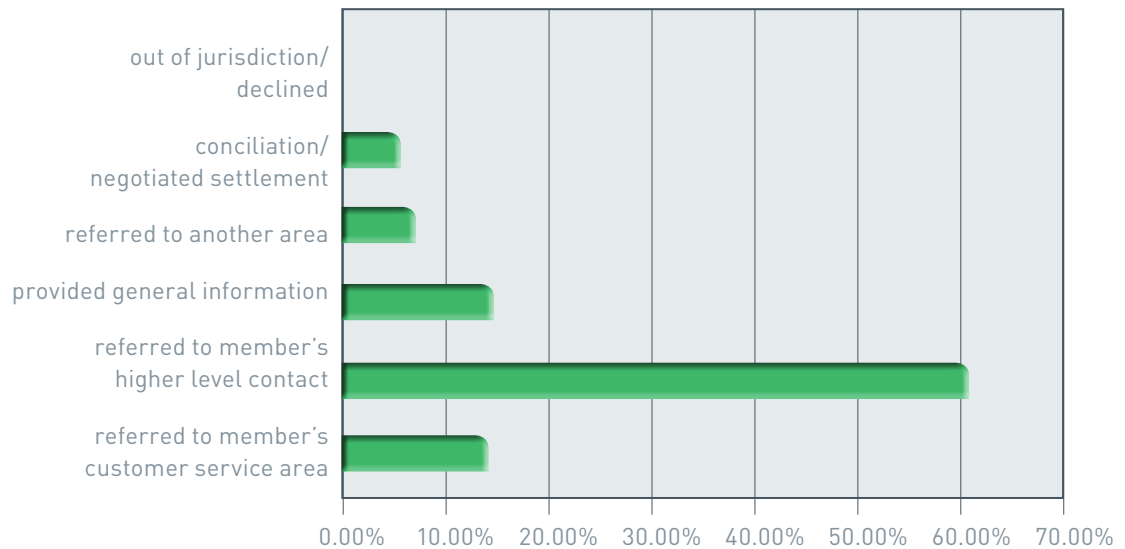
contact statistics 2010-11

Around 820,000 electricity customers and 400,000 gas customers potentially fall within the jurisdiction of the scheme.

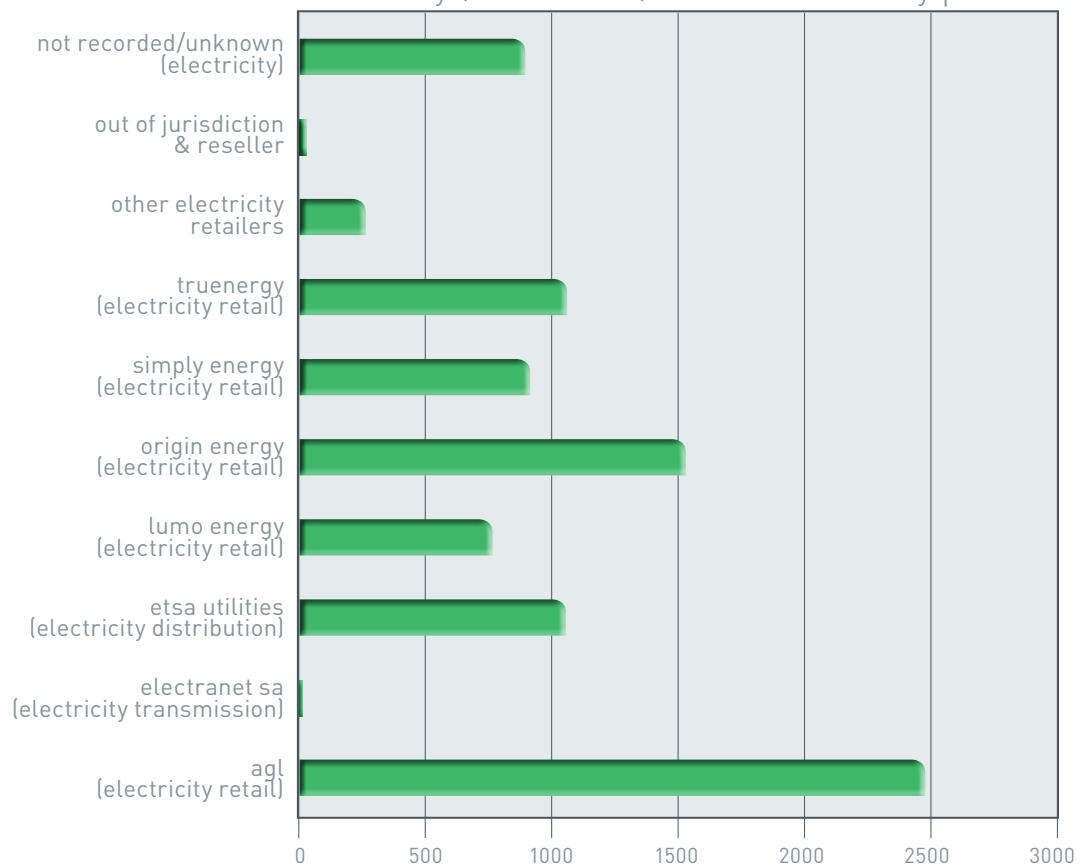
The following tables provide EIOSA contact statistics for the 2010-11 year.



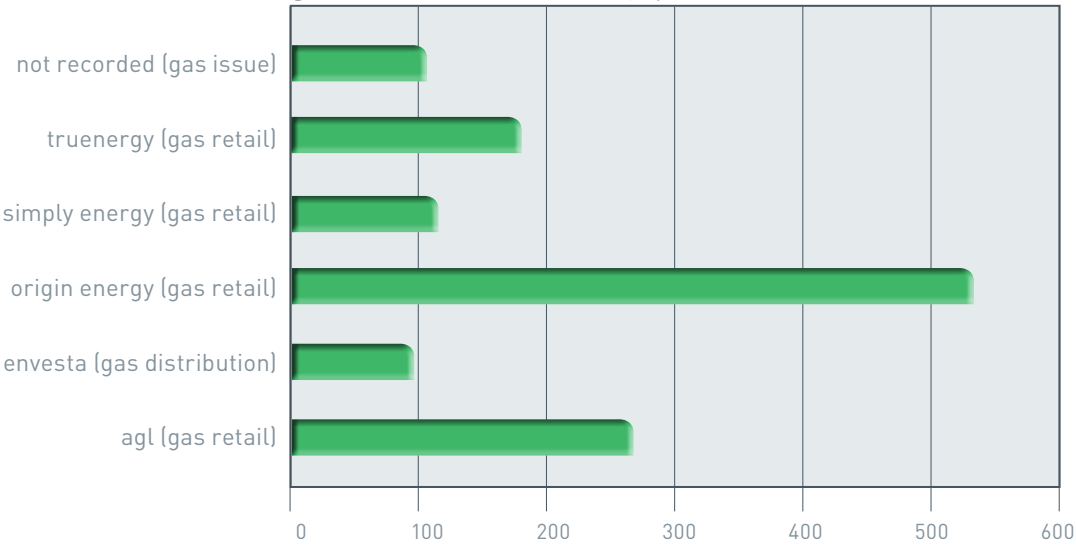
how eiosa dealt with cases



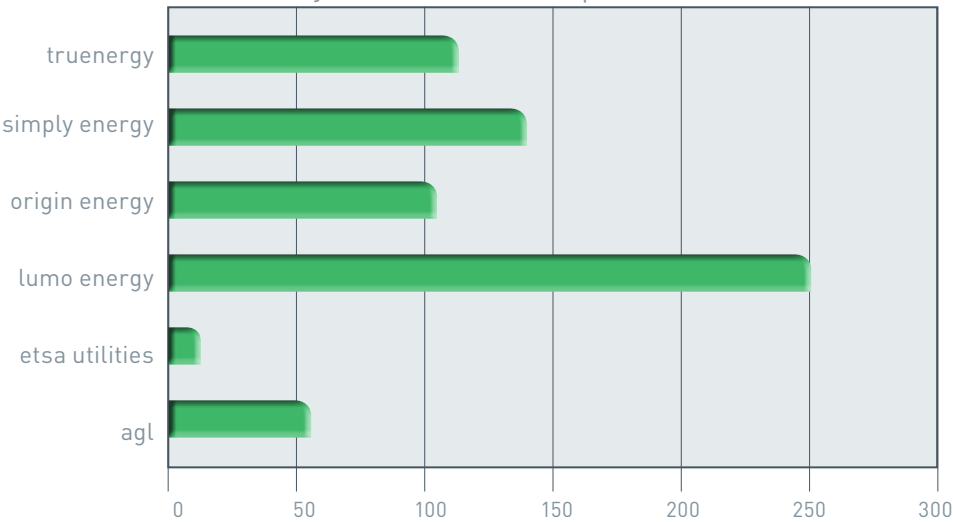
electricity (& dual fuel) cases received by provider



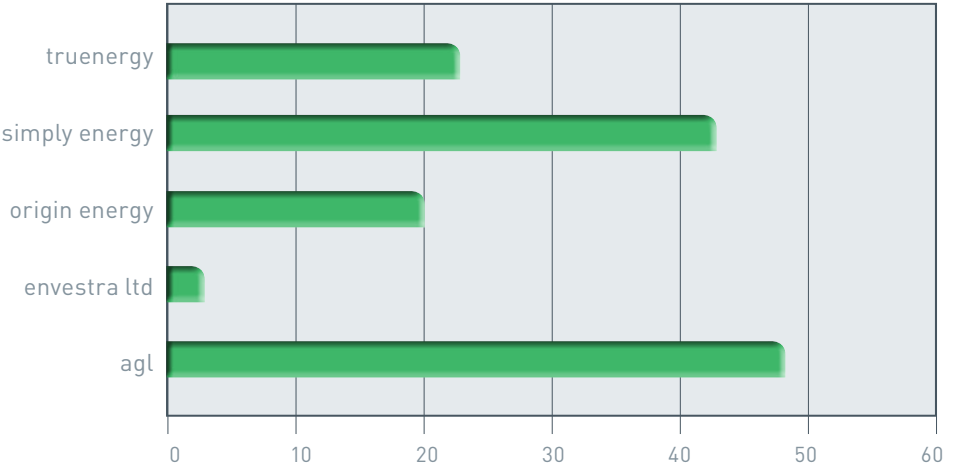
gas cases received by provider



electricity (& dual) cases per 10,000 customers



gas cases per 10,000 customers



STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2011

| | 2011 | 2010 |
|-----------------------------------|------------------|-----------|
| | \$ | \$ |
| Revenues from ordinary activities | 2,044,638 | 1,645,216 |
| Expenses from ordinary activities | 1,613,890 | 1,420,850 |
| Profit for the year | 430,748 | 224,366 |
| Other comprehensive income | - | - |
| Total comprehensive income | 430,748 | 224,366 |

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

CURRENT ASSETS

| | | |
|-----------------------------|----------------|---------|
| Cash and cash equivalents | 594,878 | 657,425 |
| Trade and other receivables | 350,962 | 115,878 |
| Other | - | 209,043 |

| | | |
|-----------------------------|----------------|----------------|
| TOTAL CURRENT ASSETS | 945,840 | 982,346 |
|-----------------------------|----------------|----------------|

NON CURRENT ASSETS

| | | |
|-------------------------------|----------------|---------|
| Property, plant and equipment | 506,763 | 104,976 |
| Rent Bond receivable | 17,100 | 17,100 |

| | | |
|---------------------------------|----------------|----------------|
| TOTAL NON CURRENT ASSETS | 523,863 | 122,076 |
|---------------------------------|----------------|----------------|

| | | |
|---------------------|------------------|------------------|
| TOTAL ASSETS | 1,469,703 | 1,104,422 |
|---------------------|------------------|------------------|

CURRENT LIABILITIES

| | | |
|--------------------------|----------------|---------|
| Trade and other payables | 78,099 | 91,464 |
| Provisions | 101,519 | 489,576 |
| Other | 285,231 | 34,276 |
| Office fitout incentive | 85,000 | - |

| | | |
|----------------------------------|----------------|----------------|
| TOTAL CURRENT LIABILITIES | 549,849 | 615,316 |
|----------------------------------|----------------|----------------|

| | | |
|--------------------------|----------------|----------------|
| TOTAL LIABILITIES | 549,849 | 615,316 |
|--------------------------|----------------|----------------|

| | | |
|-------------------|----------------|----------------|
| NET ASSETS | 919,854 | 489,106 |
|-------------------|----------------|----------------|

EQUITY

| | | |
|---------------------|---------|---------|
| Accumulated surplus | 919,854 | 489,106 |
|---------------------|---------|---------|

| | | |
|---------------------|----------------|----------------|
| TOTAL EQUITY | 919,854 | 489,106 |
|---------------------|----------------|----------------|

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2011

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|--|-------------|-------------|
| Payments received from members (inclusive of GST) | 2,457,404 | 1,730,721 |
| Interest received | 17,892 | 12,917 |
| Payments to suppliers and employees (inclusive of GST) | (2,115,857) | (1,451,582) |
| Interest paid | - | - |
| Net cash flows from operating activities | 359,439 | 292,056 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|---|-----------|----------|
| Purchase of property, plant and equipment | (421,987) | (30,647) |
| Loss on disposal of plant & equipment | - | - |
| Net cash flows from investing activities | (402,761) | (30,647) |
| Net increase/(decrease) in cash held | (62,548) | 261,409 |
| Cash at beginning of year | 657,425 | 396,016 |

| | | |
|----------------------------|----------------|----------------|
| CASH AT END OF YEAR | 594,878 | 657,425 |
|----------------------------|----------------|----------------|

MULTI-LANGUAGE ADVICE

FACT SHEET 6

CROATIAN

Problemi s vašim dobavljačem električne struje ili plina u Južnoj Australiji?
Parlamentarni zaštitnik prava građana za energetske industrije Južne Australije (Energy Industry Ombudsman SA) može pomoći. Parlamentarni zaštitnik (Ombudsman) može istraživati i rješavati sporove između stranaka i kompanija za električnu struju i plin.

Nezavisna, besplatna služba je na raspolaganju domaćinstvima i poslovnim strankama.

Kontaktirajte Parlamentarnog zaštitnika prava građana za energetske industrije Južne Australije (Energy Industry Ombudsman SA): Besplatan poziv 1800 665 565

Tumač 131 450

GREEK

Έχετε προβλήματα με την παροχή ηλεκτρισμού ή φωταερίου στη ΝΑ;

Ο Δημόσιος Διαιτητής (Ombudsman) για Ζητήματα Ενέργειας της ΝΑ μπορεί να σας βοηθήσει. Ο Δημόσιος Διαιτητής ερευνά και λύνει διαφωνίες μεταξύ πελατών και εταιρειών παραγωγής ηλεκτρισμού και φωταερίου.

Η υπηρεσία προσφέρεται δωρεάν εξ ίσου σε ιδιώτες και επιχειρηματίες.

Τηλεφωνήστε χωρίς χρέωση στον Δημόσιο Διαιτητή (Ombudsman) για Ζητήματα Ενέργειας στο Τηλ. 1800 665 565

Για την υπηρεσία διερμηνέων Τηλ. 131 450

ITALIAN

Ha problemi con la ditta che le fornisce l'elettricità o il gas in Sud Australia?

L'Ombudsman per l'Industria dell'Energia SA può aiutare. L'ombudsman può investigare e risolvere dispute tra clienti e le ditte che forniscono elettricità e gas.

Un servizio indipendente e gratuito è disponibile per clienti di uso domestico e commerciale.

Contatti l'Ombudsman per l'Industria dell'Energia SA: chiamata gratis 1800 665 565

Per un interprete 131 450



Energy Industry
Ombudsman SA



free independent
complaint resolution

MULTI-LANGUAGE ADVICE

FACT SHEET 6

PERSIAN

آیا با تامین کننده برق یا گاز خود در استرالیا جنوبی مشکلی دارید؟
ایست صنعت انرژی در استرالیا جنوبی میتواند بشما کمک مسئول رسیدگی به شکایات
شکایات میتواند درباره اختلافات میان مصرف کنندگان و کند. مسئول رسیدگی به
شرکتهای برق و گاز تحقیق کرده و آنها را برطرف سازد.
این سرویس مستقل و رایگان میباشد و در دسترس مصرف کنندگان خفگی و تجاری قرار
دارد.
لطفا با مسئول رسیدگی به شکایات صنعت انرژی در استرالیا جنوبی با شماره تلفن
رایگان: 1800 665 565
تماس برقرار کنید

450 131 مترجم

POLISH

Problemy z dostawcą elektryczności, lub gazu w Australii Południowej?

Rzecznik d/s Energetyki (The Energy Industry Ombudsman SA) może pomóc.

Rzecznik może prowadzić dochodzenia i rozstrzygać spory pomiędzy klientami a firmami dostarczającymi energię elektryczną i gaz.

Niezależna, bezpłatna pomoc dostępna dla prywatnych klientów oraz dla przedsiębiorstw.

Proszę się skontaktować z: Energy Industry Ombudsman SA: Freecall 1800 665 565

Tłumacze: 131 450

RUSSIAN

У Вас проблемы с поставщиком электричества или газа в Южной Австралии?

Вам может помочь организация «Энерджи индастри омбудсмен эсэй» (The Energy Industry Ombudsman SA). Она может изучить и разрешить споры между клиентами и компаниями по электро и газоснабжению.

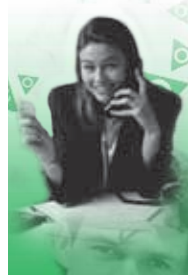
Это независимая и бесплатная услуга, которой могут воспользоваться местные потребители, а также предприятия и организации.

Вы можете позвонить в организацию «Энерджи индастри омбудсмен эсэй» по бесплатному телефону: 1800 665 565

Заказ переводчика по телефону 131 450



Energy Industry
Ombudsman SA



free independent
complaint resolution

An **independent** body established to investigate and **resolve disputes** between customers and electricity and gas companies in South Australia

inde pend ent resolution

This Annual Report has been printed on a paper stock from managed forests and produced using a digital printing process.



**Energy Industry
Ombudsman SA**

ENERGY INDUSTRY OMBUDSMAN (SA) LTD
ABN 11 089 791 604
GPO Box 2947
Adelaide SA 5001

Free call 1800 665 565 • Free fax 1800 665 165
contact@eiosa.com.au • www.eiosa.com.au