



**energy & water
OMBUDSMAN S A**

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

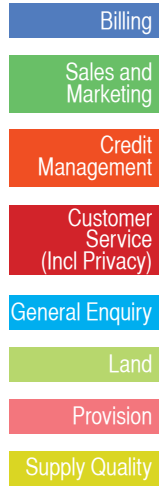
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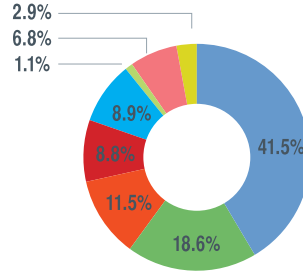
CASES RECEIVED

Energy and Water Ombudsman (SA) Limited received 14,493 cases in 2011-12 compared with 10,204 in 2010-11, an increase of 42%.

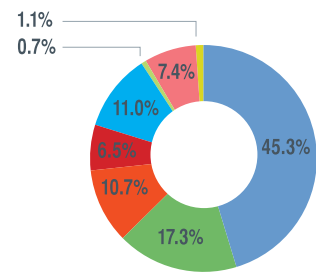
Case Issue Types (Received)



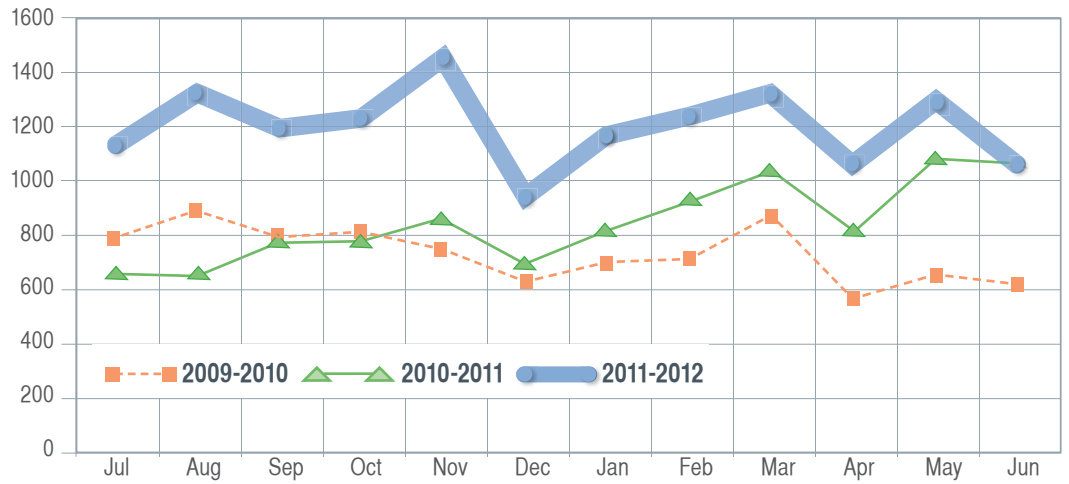
Case Issues 2010-11



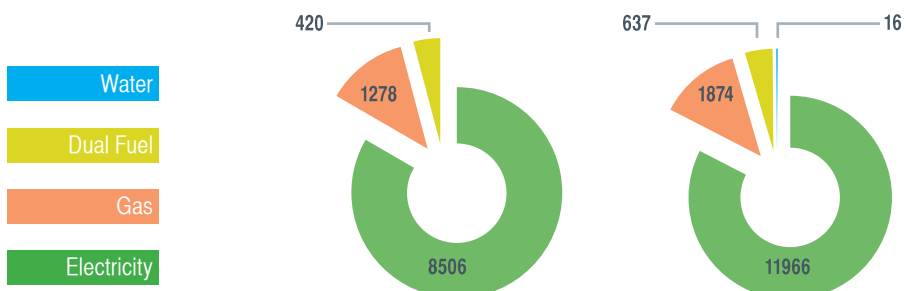
Case Issues 2011-12



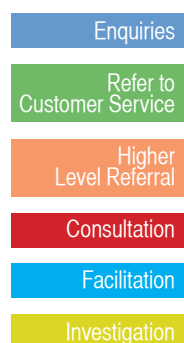
Year-to-Year Comparison of Cases Received



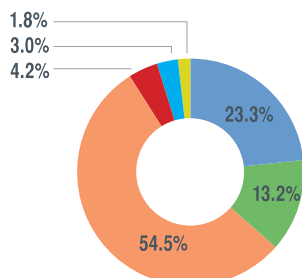
Industry/Fuel Split



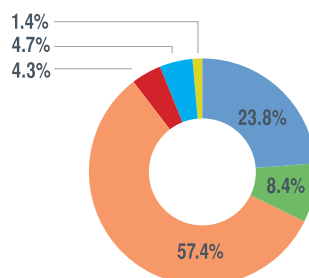
Level of Contact (Received)



Level of Contact 2010-11



Level of Contact 2011-12



DESCRIPTION OF CASE LEVELS

Enquiry

An enquiry is a request for information or assistance that can be dealt with quickly. It is not an expression of dissatisfaction.

Refer to Customer Service (RCS)

A Refer to Customer Service (RCS) case is a complaint (expression of dissatisfaction) about an energy or water supplier that has not been raised with the company in the first instance. The complainant is referred back to the energy or water supplier's customer service area.

Refer to Higher Level (RHL)

If a complaint has been raised with an energy or water supplier's customer services area, we will refer the matter to the supplier's higher-level contact staff in an effort to resolve the matter.

Consultation

A consultation complaint occurs when a customer is without energy or water supply or such a situation is imminent. Cases include disconnections or restrictions for non-payment of accounts.

Facilitation

In straightforward cases, prior to investigation we may facilitate a resolution between the complainant and the energy or water supplier.

Investigation

If a complaint has been referred to a higher-level contact with an energy or water supplier but remains unresolved, we will investigate and attempt to negotiate an outcome.

SCHEME COVERAGE

The jurisdiction of the Scheme extends to about 834,000 electricity customers, 411,000 gas customers and 725,000 water customers.

OUR ROLE

The Energy and Water Ombudsman (SA) Limited ("the Scheme") is an independent body established to investigate and resolve disputes between customers and energy and water suppliers in South Australia.

MISSION STATEMENT

To facilitate the prompt resolution of complaints and disputes between consumers of energy and water 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 energy and water consumers in SA and will ensure there are no barriers to access, including 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 us about a range of matters including:

- Connection, supply and sale of energy or water by a member company
- Disconnection or restriction 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 members' employees, servants, officers, contractors or agents
- Any other matters referred by a member by agreement with the Ombudsman and the person/s affected.

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

- Directing the member to provide energy or water services
- Directing the member to amend, or not impose, a charge for a service
- Directing the member 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 member to do, not to do, or cease doing an act
- Making a determination that the member 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.

What We Do Not Do

Our functions 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 Work

- We generally require that customers take up their complaint with the energy or water supplier in the first instance so 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 energy or water supplier, 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.

The Board

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

Chairman

William Cossey AM (*appointed 23 March 2009*)

Chair, People's Choice Credit Union; Chair, Board of Management, Don Dunstan Foundation; President, Tennis SA; Director, East Waste; Council Member, University of South Australia; Director, Adelaide Benevolent Society

Directors

Peter Bicknell (*appointed 28 February 2009*)

Chair, Uniting Care Australia; Chair, Uniting Care Wesley Port Adelaide Inc; Chair, Portway Housing Association Inc; Chair, Adelaide Brighton Cement Community Liaison Group; Chair, Owens Illinois Community Consultation Group; Chair, Owens Illinois Community Consultation Group; Chair, Penrice Osborne Community Consultation Group; Commissioner, National Mental Health Commission; Chair, Port Adelaide Renewal Steering Committee

Wendy Eyre (*appointed 1 August 2012*)

Formerly Legal Counsel, Energy Division, Department of Transport, Energy and Infrastructure

Susan Filby (*appointed 18 May 2006*)

General Manager Customer Relations, SA Power Networks

Nazzareno La Gamba (*appointed 29 April 2009*)

General Manager, Marketing & Customer Innovations, Origin Energy

Kaylene Matthias (*appointed 28 February 2009*)

General Manager, Rural Business Support; Chair, Regional Development Australia, Yorke and Mid North; Committee Member, Rural Media SA; Member, Regional Communities Consultative Council

Kim Thomas (*appointed 25 May 2011*)

National Operations Manager – Customer Services, AGL

Neil White (*appointed 1 August 2012*)

Head of Customer Services, SA Water; Director, Autism SA

Rodney Williams (*appointed 24 October 2007*)

Former Director, Competition Policy, SA Department of Premier and Cabinet

Company Secretary

Pia Bentick, FCIS, Barrister (np)

OUR MEMBERS

Electricity Members (as at 30 June 2012)

AGL Sales (Queensland Electricity) Pty Ltd
AGL Sales Pty Ltd
AGL South Australia Pty Ltd
Alinta Energy Retail Sales Pty Ltd
Aurora Energy Pty Ltd
Country Energy
Diamond Energy Pty Ltd
ElectraNet Pty Ltd (Electricity Transmission)
ERM Power Retail Pty Ltd
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
SA Power Networks (Electricity Distribution)
Sanctuary Energy Pty Ltd
Simply Energy
TRUenergy Pty Ltd

Gas Members

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

Water Members

South Australian Water Corporation

“By better understanding 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...”



Bill Cossey – Chairman



Board Members from left to right:

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

I am pleased to provide this report for the 2011-12 year.

Throughout the year the Board met each month (with the exception of January 2012) and discharged its governance obligations with enthusiasm and goodwill. In addition, the Board met with members in May to approve the budget and in November at an Annual General Meeting as prescribed by the company's Constitution. There was no change to Board membership during the year.

Early in the financial year, the Board commissioned an externally facilitated review of its own performance. This involved an independent survey of Scheme members and other stakeholders as well as a survey of Board members. Although there are always opportunities for improvement, the review concluded that the Board is functioning well. The Board is committed to further reviews of its performance at regular intervals in future.

During the year the Board devoted a considerable amount of time at each Board meeting to discussing societal and industry trends that are likely to impact on the short- and long-term workload of the Scheme. These discussions aim to alert management to trends and prepare them to respond quickly and appropriately. The Board has been delighted with management's acceptance of the value of these discussions. At the time of writing, the Board was preparing for a strategic thinking session that would lead to the release of a revised Strategic Plan later in 2012-13. Without wishing to pre-empt the outcome of this process, it remains of concern to the Board that community awareness of the existence of all energy industry ombudsman schemes remains at about 50%.

As mentioned in last year's report, the Board is keen to improve the reporting of enquiries and complaints, with an emphasis on trend information and the motivation of the users of the ombudsman's scheme.

The Scheme stands as a last resort for customers dissatisfied with responses from Scheme members to enquiries and complaints. By better understanding 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. This will require an upgraded complaints management system, and with member support the process of identifying an upgraded system was substantially progressed. I anticipate a decision early in 2012-13, with implementation to follow quite quickly.

Even with the more limited data currently available, the Board closely monitored enquiry and complaint levels, rates of resolution and feedback from users of the Scheme obtained from regular surveys. This was partly to ensure a high level of customer service and partly to assess the impact of the new funding model implemented on 1 July 2010. The new arrangements are based primarily on member usage

of the Scheme and on case fees indicative of the level of involvement the Scheme has with each case. Now that we have two years of data under this funding model, it appears that the objectives of the model are being met. The financial health of the company has been maintained.

During the year momentum continued for the possible inclusion of the water industry in the South Australian Scheme (as is the case in several other states) and the Board continued planning for this possibility. Late in 2011-12, the South Australian Parliament passed relevant legislation and SA Water voluntarily joined in advance of its legal obligation. This will lead to the appointment of two additional Board members (one nominated by SA Water and another independent member) early in 2012-13.

Throughout the year, the Board maintained a sound working relationship with the Essential Services Commission of South Australia (ESCOSA) and continued the practice of meeting formally with its Chief Executive, Dr Paul Kerin, at one Board meeting per year. This is in addition to numerous informal contacts. On behalf of the Board I thank Dr Kerin for his continued guidance and support, continuing the very strong relationship developed by his predecessor (and now ESCOSA Chair), Dr Pat Walsh. The Ombudsman is required to alert ESCOSA to all apparent systemic issues encountered through dealing with individual complaints. ESCOSA then has the responsibility of confirming whether the matters raised are of a systemic nature and, if so, to require Scheme members to take corrective action. The Board has been delighted with ESCOSA's responsiveness in dealing with these matters.

In conclusion I place on record my sincere thanks to my fellow Board members for their continued support and enthusiasm. I thank all Scheme members for their willing support of the Board and for their cooperation with the Ombudsman and the staff of the office on a day-to-day basis. This cooperation was very evident late in the year when the Ombudsman successfully called on members to apply some dedicated effort to reducing the number of unresolved complaints.

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. The positive response from users of the Scheme in regular surveys is a credit to the dedication and service orientation of the Ombudsman and all staff.

Bill Cossey AM
Chairman

“Our experience has been that the retailers have been responsive to customers in hardship and assisted with affordable payment plans when contacted by us.”



Sandy Canale – Ombudsman



The Energy and Water Ombudsman team working within regional communities

I am delighted to present my first report following the expansion of the Scheme to include the water industry late last year.

There is no doubt the 2011-12 financial year presented significant challenges, with the case volume escalating 42% on the previous year. This is a concern, considering that cases increased 15.4% in the previous financial year. In total, 14,493 new cases were received in 2011-12, compared with 10,204 in 2010-11. A significant contributor to this increase was the number of problems one large energy retailer encountered resolving customer issues following a conversion of its customer information system.

Many other customers contacted us because they were not served well when they first contacted their energy supplier, and it is disappointing that we have to deal with so many matters that could easily be resolved by the provider at the first contact. While there is no doubt that the complexity of disputes continues to grow due to the nature of the energy industry, companies could do much more to train their customer service staff to deal with these matters appropriately and in a reasonable time frame.

Billing matters accounted for 45.3 % of all cases received and again was the largest category. The main contributor was high bill complaints, with consumers expressing concern at the receipt of a higher than expected account they believed was inaccurate or had not been adequately explained to them.

Matters relating to credit management activities increased by 32.8%. Affordability issues have steadily increased and the recent gas and electricity price changes will place further pressure on households already struggling with other cost demands. Our experience has been that the retailers have been responsive to customers in hardship and assisted with affordable payment plans when contacted by us. Early identification of customers in hardship remains challenging and we appreciate the work of financial counsellors and other community workers who assist us in ensuring that people facing payment difficulties or imminent disconnection have their cases appropriately dealt with by the retailers.

Complaints concerning sales and marketing activities accounted for 17.3 % of cases. Issues relating to contracting, market conduct and transfers mainly drove the increase in this category. While the move to self regulation by Industry earlier in the year led to some improvement in the latter part of the financial year, it is disturbing that we continue to receive complaints about door-to-door sales practices by a small number of agents. We will continue to work with the retailers and relevant regulatory bodies in an endeavour to improve the work practices of sales and marketing staff.

The number of consumers contacting our office for general independent advice increased by 76.6 %. Matters relating to photovoltaics made up 38% of contacts, as consumers sought guidance on the appropriate body to contact to resolve their matter. Often these discussions helped prevent

matters escalating to complaints or assisted customers to resolve matters directly with the supplier.

Pleasingly, two categories experienced reductions in complaint numbers. The first was supply quality, which fell 46.2% as a result of a drop in unplanned outages. The second was land related matters, which declined by 12.4% due to a reduction in matters relating to network infrastructure and easements.

Around a third (32.3 %) of all cases received by the Scheme were resolved or dealt with at the 'enquiry' and 'refer to customer service' levels. The remainder required intervention by this office and referral of complaints or concerns to higher level authorities within the energy or water suppliers, or an independent investigation.

The growing demand for our services has caused us to reflect on the way we operate to ensure we continue to deliver high value, efficient services for all our stakeholders. As such, the Board approved the engagement of LimeBridge Australia in May to assist us to conduct a thorough review of our procedures and processes. This work will continue into the new financial year and, when concluded, will result in more streamlined and consistent ways of operating. There has been a very high level of employee engagement throughout the review and I am confident that all stakeholders will benefit from the changes.

In early 2012, the South Australian Parliament passed the Water Industry Act 2012. The Act appoints ESCOSA as the independent regulator for urban and regional water and sewer services and for the establishment of consumer protections, including access to an independent Water Industry Ombudsman. The Scheme has been nominated to assume this role and, following approval by the members of the Company, changed its name to Energy and Water Ombudsman (SA) Limited on 7 December 2011 to reflect its expanded role. In preparation for the changes, the largest provider of water and sewerage services in the state, SA Water, joined the Scheme in a voluntary capacity on 19 December 2011. We welcome SA Water as a member and thank it for its cooperation in establishing the necessary structures to manage consumer complaints referred by the Scheme. The Board has also expanded in August 2012, to include representation from the water industry and an independent Director representing consumers.

We have also commenced preparations for the expected changes resulting from South Australia implementing the National Energy Customer Framework. The original implementation was expected on 1 July 2012 but has now been delayed until 2012-13.

Our current accommodation was nearing capacity and the Board approved the leasing of additional space in an adjoining tenancy. Fit-out commenced in early June and was completed in August 2012.

The Scheme's current complaints management system is no longer able to satisfy all business requirements and extensive work was undertaken during the year to evaluate suitable replacements. A decision will be made in the first quarter of 2012-13 and it is expected that a new system will be operative in early 2013.

We also updated our website and fact sheets during the year with a focus on providing information that could help consumers to resolve complaints directly with their energy or water supplier. Wherever possible we encourage the resolution of matters without our intervention.

WORKING WITH STAKEHOLDERS AND COMMUNITY

Increasing consumer awareness of the Scheme and ensuring accessibility for all in the community is integral to our success.

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

During the year we met with a number of service agencies to provide updates on case trends and emerging issues. These discussions were also useful in understanding current community concerns impacting on energy users and in providing general education on key issues to prevent problems from arising.

We also presented at a number of forums held by Uniting Care, Salvation Army, Anglicare, Kildonnann, Centacare and HESS financial counsellors.

We continued to promote our services to regional consumers and visited a number of support agencies and communities in Mount Gambier, Port Pirie, Port Augusta and Whyalla during the year. Media interviews were conducted in several locations.

MEETING WITH MEMBERS

Our aim is to maintain effective relations with members and drive continued customer service improvements. Regular discussions with the members helps in understanding key issues and assists in developing mitigation strategies where changes are proposed based on our comprehensive experience on possible impacts. Our ultimate goal is to work with members to prevent complaints arising in the first place. We intend to work with members in 2012-13 to find ways to reduce known complaint drivers.

Meetings are also held on a regular basis with those members 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.

REGULATOR RELATIONSHIP

The Electricity and Gas Acts require ESCOSA to include a licence condition for electricity transmission, retail and distribution entities and for gas distribution and retail entities to participate in an Ombudsman Scheme, the terms and conditions of which are approved by ESCOSA. The new Water Industry Act has similar licence provisions. Energy and Water Ombudsman (SA) Limited is the approved Scheme in South Australia.

ESCOSA also has other important responsibilities under the Scheme's Constitution and Charter, including the nomination of the independent Directors and approval of the appointment of the Chair. The relationship between the Scheme and ESCOSA is therefore important and it is pleasing that it is positive and professional.

I am a member of ESCOSA's Consumer Advisory Committee and meet regularly with the CEO of ESCOSA, Dr Paul Kerin, and senior staff to discuss consumer issues, systemic matters and complaint trends.

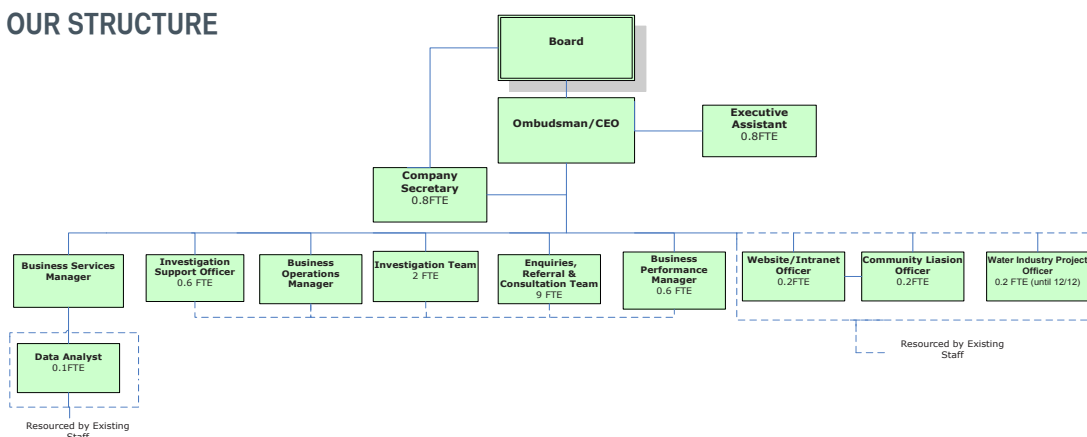
Bi-monthly meetings have also been held with staff of the Australian Energy Regulator (AER) in preparation for the transfer of certain energy regulatory functions under the National Energy Customer Framework to the AER.

MEDIA

During the year I responded to a number of media enquiries and participated in media interviews relating to the expansion of the Scheme to include SA Water, energy sales and marketing, credit management, billing, customer services and general Scheme activity. These discussions also included information for consumers on how to avoid particular issues and how to address concerns when they arise.

The media also play a valuable role in increasing knowledge of the Scheme and their assistance in referring consumers to us is acknowledged.

OUR STRUCTURE



HUMAN RESOURCES

A number of structural changes occurred during the year to meet the demands of the increasing volume of contacts to our office. The aim was to use staff skills and experience more effectively, providing greater support for the team with daily activities and for longer term planning.

The office comprised 18 employees (17.2 full time equivalents). The current structure is provided above.

Further staff training and development in a range of technical and customer services areas followed the review of our operations and procedures during the year. Staff industry knowledge is continuously developed, and includes visits to electricity, gas and water plant sites.

Work Health and Safety

The Company is strongly committed to the health and safety of its employees and strives to maintain a workplace free of injuries, encourages the wellbeing of our employees and promotes the protection of the environment.

Work Health and Safety is a focus at each regular team meeting. Additionally, ergonomic assessments and health checks are conducted annually, and the Company encourages staff participation in various health and wellbeing activities, such as the Corporate Cup. Recycling and responsible use of energy are also encouraged.

There were no injuries or lost time due to injuries during the financial year.

Gender Diversity

The Company has a commitment to gender diversity, demonstrated by high female participation at all levels of the organisation, including among management and the Board of Directors.

Staff Commitment

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

MEMBERS OF THE SCHEME

As at 30 June 2012, the Scheme had 20 electricity members, 6 gas members and 1 water member.

Alinta Energy Retail Sales Pty Ltd joined as an electricity and gas member on 27 July 2011, Sanctuary Energy Pty Ltd joined as an electricity member on 31 August 2011, and ERM Power Retail Pty Ltd joined as an electricity member on 27 June 2012. Country Energy electricity membership was ceased on 7 September 2012. SA Water voluntarily joined as the first water member on 19 December 2011.

See page 5 for details.

THE BOARD

I acknowledge the support I have received from the Board during this challenging year and particularly value the support and counsel of the Chairman, Mr Bill Cossey AM.

Sandy Canale

Energy and Water Ombudsman

SYSTEMIC ISSUES

How we define a systemic issue

A systemic issue is one that has the potential to affect a number of consumers. The issue may arise from an energy or water supplier's policy or practices or their application and may be caused by a range of matters in isolation or together. These include, but are not limited to, a system change, a policy or procedure change, lack of regulatory compliance or the conduct of an energy or water supplier's employee or agent or contractor.

Our role

We have a responsibility to identify systemic issues and potential compliance issues and, as appropriate, notify the relevant member and regulatory body or responsible authority. Once an issue is identified, we will notify the member and provide it with relevant information to assist it to address the matter and minimise the impact on consumers. We continue to work with the member and regulatory body to ensure that the matter is appropriately addressed. Where there has been a breach or violation of a legislative code or licence, it is the responsibility of the regulatory body or responsible authority to seek redress with the member. We do not possess any punitive powers.

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

- Failure to advise that consumption was based on estimate (July 2011)
- Incorrect calculation of gas supply charges (July 2011)
- Concession details lost in computer system (July 2011)
- Energy price disclosure statement not provided (July 2011)
- Direct debits higher than agreed amounts (July 2011)
- Incorrect estimate period information displayed on account (September 2011)
- Incorrect consumption details provided (January 2012)
- Next scheduled read date incorrect on bills (February 2012)
- Delay in issuing photovoltaic accounts (May 2012)
- Prompt payment discount not being applied to photovoltaic customers in credit (May 2012)

REDUCED SOLAR PV FEED-IN TARIFF DUE TO SUPPLIER ERROR

Scenario

Ms W installed her solar PV system in December 2011 and arranged for the electrician to submit the necessary paperwork to her supplier, who in turn needed to provide it to the distributor by the end of January to ensure she would qualify for the Solar Feed-In Tariff (FiT) of 44c/kWh. However, when she contacted the supplier in late February she was told she was not eligible because the paperwork had not been provided to the distributor in time.

Complaint

Ms W expressed dissatisfaction that despite her best efforts she would miss out on the 44c FiT for the remainder of the legislated period (16 years to 2028).

Outcome

Our investigation revealed that the supplier had received the application before the deadline but had neglected to submit it to the distributor. The supplier agreed to apply a manual credit to Ms W's account each year for the solar export.

DELAY IN INSTALLATION OF SOLAR PV METERING

Scenario

Mr C lives in a remote area. He installed his solar PV system in June 2011 and asked his distributor to install a solar import/export meter but was told this could not happen until September. When he objected because he would miss out on three months' worth of solar export and credits, he was told the delays were caused by the high demand for solar installations.

Complaint

Mr C felt he was being discriminated against because of his location and asked the distributor to review its position. We advised him that customers are entitled to a basic connection within a prescribed timeframe but that distributors are only required to augment the network to benefit a single customer (such as in this situation) when they have the resources and crew available.

Outcome

We referred the enquiry to a higher level and asked the distribution company to contact Mr C to discuss the situation. Mr C subsequently contacted us to say that he was satisfied with the explanation he had received. The distributor also was able to find an earlier appointment time for his meter exchange.

HIGH BILLS

Scenario

Mr P moved into a newly built property in November 2011. He received his first bill in February and felt \$800 was reasonable for a family of five using a range of appliances. His next bill in August was for \$2800, and when he queried this he was told that it covered two billing periods – \$1200 for Feb-May and \$1600 for May-Aug – because a system error had prevented a bill being issued in May. Mr P found the delay inconvenient and was offered a 6-month payment plan to pay the debt.

Complaint

Irrespective of the billing cycle, Mr P was concerned that his quarterly bills had risen from \$800 to \$1200 to \$1600 and felt that the meter may be faulty or have been read incorrectly.

Outcome

We asked the distributor to check the meter and a subsequent investigation showed it was operating within allowable tolerances and that all three readings were correct. We advised Mr P of this and told him that, because of seasonal differences, reliable usage comparisons could only be made between the same billing periods in different years. We suggested that he monitor his usage and obtain advice about the energy efficiency of his appliances.

ESTIMATED BILLS

Scenario

Ms O was shocked when she received a \$10,000 bill in December 2011 for electricity consumption at her pizza bar, because her previous bills had been for about \$300 a quarter. Her supplier explained that her bills had been estimates only for the previous four years because they had not been able to access her meter. Ms O was distressed because she had not realised there were access issues. However, the supplier told her they had sent her letters about the issue, and that her accounts had clearly stated that they were estimates only.

Complaint

Ms O asked for our help, as she was concerned that she would not be able to pay the debt. She claimed to have no recollection of seeing the bill messages or receiving any letters.

Outcome

Our requested meter checks confirmed the accuracy of the meter and the readings. However, our subsequent investigation determined that neither the supplier nor the distributor could demonstrate that they had met their obligations to use 'best endeavours' to obtain actual readings. In accordance with regulatory requirements, the outstanding balance was reduced to reflect only one year's undercharging instead of four. Ms O was relieved. We reminded her of her obligation to ensure clear access to her meter and provided information about the realistic energy consumption levels for a business such as hers.

TRANSFER IN ERROR

Scenario

When Ms E didn't receive her normal quarterly gas bill her supplier told her the account had been closed, and an exit fee charged, following a transfer request from a competitor. She said that she had not authorised the change and wanted them to transfer the account back. The supplier replied that it could not do this retrospectively and that she would have to pay the other supplier for the current quarter's supply, but it would try to transfer her back from the next reading. Ms E was forced to contact the distribution company to find out the name of the supplier who had transferred her account in error. However, the supplier subsequently advised that it did not have her details registered and could not do anything to help her.

Complaint

Ms E was confused by the conflicting information and sought our assistance.

Outcome

Our investigation confirmed that the competitor had transferred the gas meter number for Ms E's address in error. We arranged for the transfer to be reversed and for the original supplier to re-open her account and reverse the exit fee. Ms E was happy with the outcome.

SALES AND MARKETING

Scenario

Mr S agreed to change energy suppliers in December 2011 after a door-to-door marketer offered him a 9% discount on both his gas and electricity accounts. However, when he received his first bills in March both were higher than from his previous supplier and it did not appear that any discount had been applied. When he asked the supplier why he had not been billed according to his contract he was told that the company was just following the 'government rate increases' and that he had agreed to the terms and conditions that it could vary the rates. Mr S replied that the terms and conditions stipulated that the rates could only be varied by written notice to him, which he had not received.

Complaint

Mr S was not satisfied with the response from the supplier and sought our assistance.

Outcome

We referred the complaint to a higher level at the supplier, who confirmed that it had not notified Mr S of the rate change as required by the contract. The company reduced his rates and offered to waive the exit fees should he decide to leave.

CROSS METERING

Scenario

Mr M moved into his newly built townhouse and opened his energy and water accounts by providing the respective suppliers with his address (lot and street numbers) and meter numbers. When his first electricity bill was much higher than expected for one person living alone, his supplier advised him that the bill was based on a meter reading and that it must be the appliances he is using.

Complaint

Mr M did not accept this response. He told us that the property was newly built over a demolished larger sub-divided block on a corner.

Outcome

We suspected the bill was based on an incorrect meter number and this was confirmed by our investigation. It is likely the distribution company or the electrician incorrectly labelled the meters in the communal meter box. This resulted in Mr M being billed for the electricity used by a family of five in an adjoining property with a pool. Mr M was pleased with the outcome. We suggested he monitor his water and gas bills to ensure the same issue did not re-occur.

PAYMENT DIFFICULTIES

Scenario

When serious illness forced Ms M to leave her job, she spent most of her time at home and her combined electricity and gas bills increased from \$300 to \$900 per quarter. At the time she had no income or family support, was not yet eligible for a pension, and could only afford \$100 per month towards her energy debt. When she explained this to her supplier she was simply told that she must pay \$300 per month or she would be disconnected. Given her fragile emotional and physical state Ms M did not feel able to negotiate further and when she could not pay both her gas and electricity were disconnected.

Complaint

Ms M sought our assistance in getting reconnected and negotiating an extended payment plan.

Outcome

We contacted the supplier's hardship team and arranged reconnection and an extended affordable payment plan. Ms M was grateful for our help and said she was embarrassed to have found herself in the situation.

DAMAGE CLAIM**Scenario**

Mr M's home lost power during a storm soon after he heard a noise and noticed a tree falling and sparks coming from overhead power lines across the road. Power was restored the next morning after a crew from the distributor repaired a transformer near his house and all of his electrical equipment ran normally except for this TV, which he had been watching until the power failed, and his laptop. A repairer told him both were damaged beyond repair, possibly due to a power surge. When Mr M sought compensation the distributor advised him to submit a claim, but subsequently told him the claim was denied because they could not have stopped lightning from striking the transformer and thus had not been negligent. They also advised that if there had been a power surge it should have damaged his meter, and there was no evidence of any damage.

Complaint

Mr M was dissatisfied with this outcome and asked us to investigate.

DAMAGE CLAIM cont.**Outcome**

Our investigation supported the distributor's position. The distributor was also able to demonstrate that its maintenance of the network was in accordance with technical regulator's requirements (vegetation clearance zones, tree trimming, patrolling of lines etc). The distributor paid Mr M a credit for his loss of supply, in line with its guaranteed service level requirements, and suggested he contact his insurance company to make a claim. Mr M later advised that his insurer had paid his claim in full and he was satisfied, although still concerned that others may not be aware of the 'negligence or bad faith' regulations.

**UNPLANNED
ELECTRICITY OUTAGE****Scenario**

In the middle of the day in early January 2012 Mr V noticed that he had lost power but neighbours in an adjoining street had not. The distributor advised that power was sometimes disconnected during heatwaves to reduce the risk of bushfires, in accordance with legislation.

Complaint

Concerned about the risk if many of his elderly neighbours were without power, Mr V requested an infrastructure upgrade to prevent this type of situation from occurring and contacted us to register his concern.

Outcome

We referred the matter to a higher-level contact within the distributor who explained in detail to Mr V the layout of its distribution network and the need to disconnect the power in extreme situations to ensure community safety. The distributor confirmed that all infrastructure had been performing correctly at the time of the unplanned interruption and an upgrade was not required.

WATER LEAK**Scenario**

In early 2012 a plumber advised Mr N to inform his water distributor that a pipe between the mains and the meter on his property was at risk of rupturing and causing property damage. Mr N did so immediately but a crew did not attend and after contacting the distributor several more times he was advised it had no record of the original job.

Complaint

Mr N contacted us to express his concern that the leak appeared to be getting worse and that the distributor appeared not to be responding.

Outcome

The distributor advised us that the job was possibly delayed because it had been classified as a 'low' priority. Mr N later advised it was repaired several months after it was reported. He was satisfied when this occurred but remained concerned that it had taken so long. He believed the delay might have been even greater without our involvement.

CASE MANAGEMENT

Overview

We received 14,493 cases in 2011-12, an increase of 4,289 (42%) on the previous year. Billing issues showed the highest increase (55.1%), but there were reductions in both Land and Supply Quality issues. The 76.6% increase in General Enquiries was significant, indicating more consumers are seeking information. For the same period we closed (finalised) 14,382 cases, which compares with 10,081 cases closed in 2010-11.

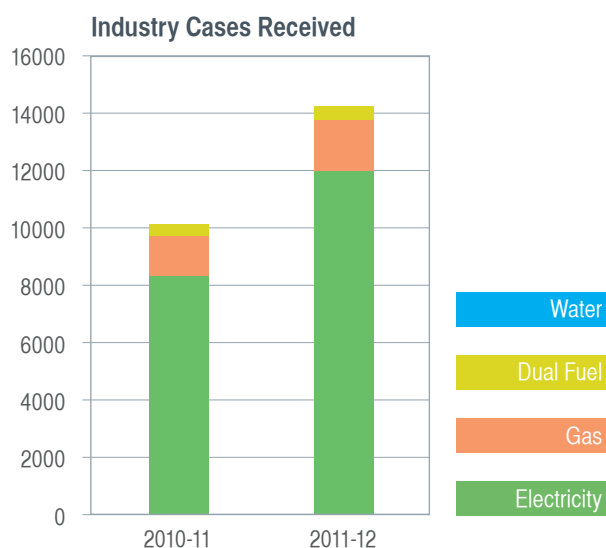
Issues Received

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

Issues (Cases Received)	2010-11	% Total	2011-12	% Total	Difference
Billing	4,234	41.5%	6,565	45.3%	55.1%
Sales and Marketing	1,897	18.6%	2,507	17.3%	32.2%
Credit Management	1,169	11.5%	1,552	10.7%	32.8%
Customer Service (Incl Privacy)	900	8.8%	942	6.5%	4.7%
General Enquiry	905	8.9%	1,598	11.0%	76.6%
Land	113	1.1%	99	0.7%	-12.4%
Provision	694	6.8%	1,073	7.4%	54.6%
Supply Quality	292	2.9%	157	1.1%	-46.2%
TOTAL	10,204	100.0%	14,493	100.0%	42.0%

Industry

Electricity issues comprised 82.6% of the cases handled (83.4 % in 2010-11), gas 12.9% (12.5 %), dual fuel (mostly contract and marketing issues) 4.4% (4.1 %), and water 0.1% (0%). The chart below illustrates activities by industry. Dual fuel is where a case relates to both electricity and gas.



The Difference Between Enquiries and Complaints

A case is a contact with us and can be handled as an 'Enquiry' or a 'Complaint'. There were 14,382 cases handled (closed) in 2011-12.

An 'enquiry' is a request for information or assistance. A complaint is an expression of dissatisfaction with an energy or water supplier that is a member of the Scheme.

Enquiries

The provision of timely and accurate information is an important component of our role. Typically an investigation officer will provide information on industry codes and regulations that may apply to a customer's issue. If the issue is outside the jurisdiction of the Scheme we endeavour to provide appropriate referral points.

We handled 3,462 cases at the Enquiry level in 2011-12, representing 24.1% of the total.

Complaint – Refer to Customer Service (RCS)

Under our Charter, an energy or water supplier must have the opportunity to consider a complaint before we do. If this has not occurred, the contact with us is recorded as a Refer to Customer Service (RCS) complaint and the customer is asked to contact the supplier's customer service section. This case level was introduced in 2010-11. Previously such cases were classified as Enquiries.

We handled 1,221 cases at the RCS level in 2011-12, representing 8.5% of the total.

Complaint – Refer To Higher Level (RHL)

If a customer has been unable to resolve an issue with an energy or water supplier, we accept the issue as a complaint. If the customer's contact has been at the member's call-centre level only, we will refer the complaint to the member'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 member 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 us again.

We do not close a RHL case until advised by the member that the complaint has been resolved. In this way we maintain a 'watching brief' over the resolution. If the customer advises us that he or she is not satisfied with the outcome, the case is upgraded to a Facilitation or an Investigation.

We handled 8,204 RHL cases in 2011-12, representing 57% of the total.

Complaint – Consultation

A consultation complaint occurs when a customer is without energy or water supply. Cases include customer disconnections or restrictions to water supply for non-payment of accounts.

We handled 625 Consultation cases in 2011-12, representing 4.3% of the total.

Complaint – Facilitation

Prior to an investigation of a case, in straightforward matters we may facilitate a resolution between the complainant and the energy or water supplier. The complainant is provided with written details of the outcome of a Facilitated case.

We handled 648 Facilitation cases in 2011-12, representing 4.5% of the total.

Complaint – Investigation

When a case has been accepted for investigation, the member 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, we may also obtain independent technical or legal advice or seek the opinion of a regulatory body such as ESCOSA or the Office of the Technical Regulator.

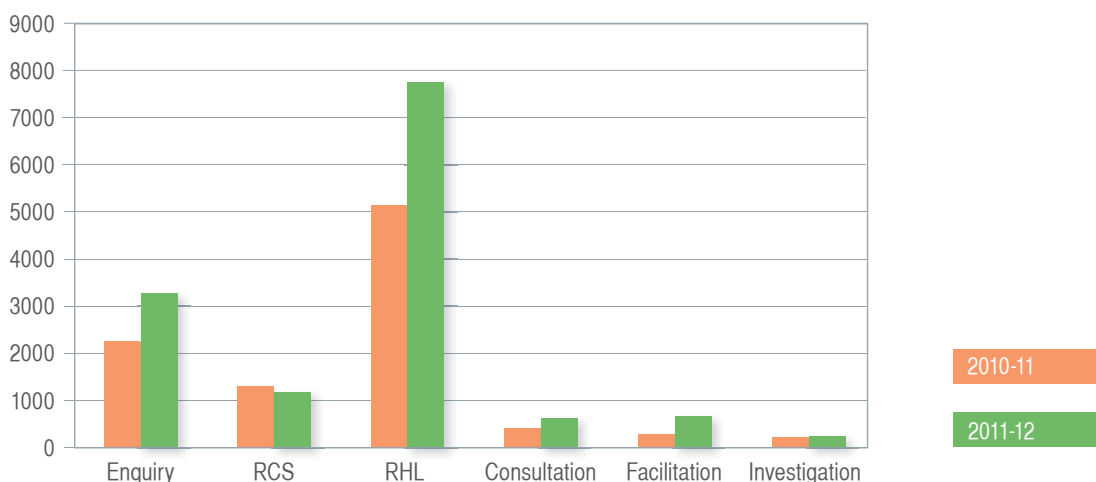
Investigations will normally also include reviews of whether the requirements and provisions of the relevant energy codes and regulations have been met.

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

We handled 222 Investigations in 2011-12, representing 1.5 % of the total.

CASE FINALISATION LEVELS 2011-12

During 2011-12, cases were finalised at the following levels.



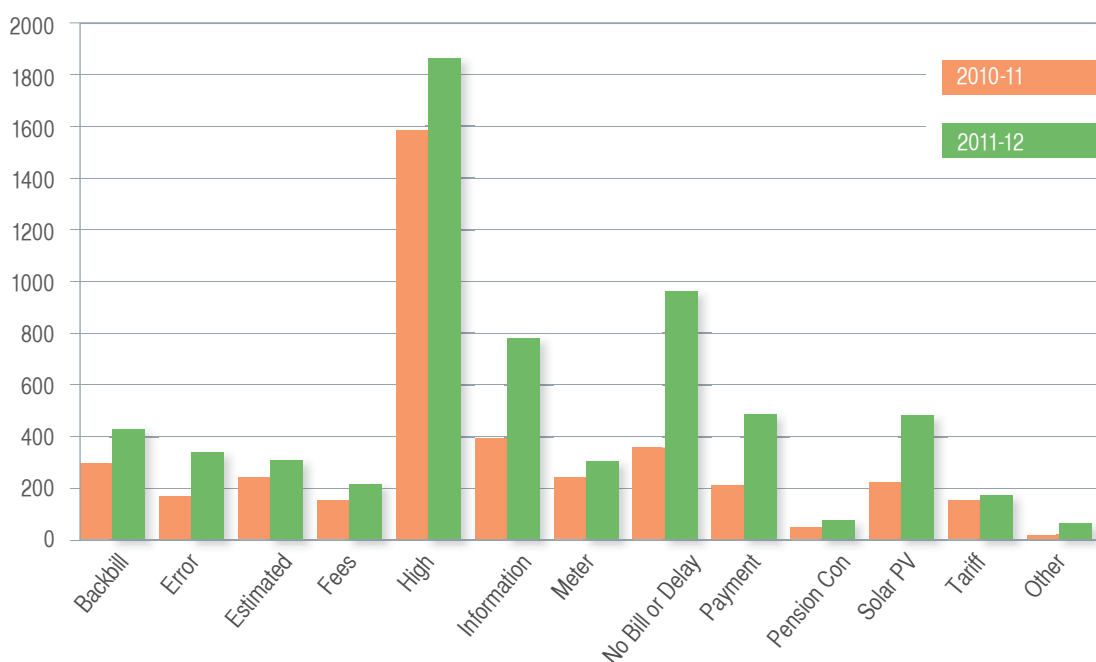
Issues

The types of issues finalised in 2011-12 compared with 2010-11 are outlined in the following table.

Issues (Cases finalised)	2010-11		2011-12		Difference	
	No.	%	No.	%	No.	%
Billing	4,222	41.9%	6,455	44.9%	2,233	52.9%
Sales and Marketing	1,803	17.9%	2,537	17.6%	734	40.7%
Credit Management	1,173	11.6%	1,564	10.9%	391	33.3%
Customer Service (Incl Privacy)	912	9.0%	941	6.5%	29	3.2%
General Enquiry	898	8.9%	1,540	10.7%	642	71.5%
Land	113	1.1%	99	0.7%	-14	-12.4%
Provision	671	6.7%	1,088	7.6%	417	62.1%
Supply Quality	289	2.9%	158	1.1%	-131	-45.3%
TOTAL	10,081	100.0%	14,382	100.0%	4,301	42.7%

Billing

In common with similar ombudsman schemes, billing issues continue to be the largest issue category, with the 6,455 cases representing 44.9% of the total caseload. In the previous year the 4,222 billing cases represented 41.9% of the total number finalised. There was a 17.5% increase in the number of high bill cases, the most common billing sub-issue.



Credit Management - Disconnections

The number of disconnection and imminent disconnection cases increased from 521 in 2010-11 to 637 in 2011-12. While such cases remain a relatively small component of the credit management category, they are important and are continually monitored for changes.

While water supply is not disconnected for credit management matters, it may be restricted. There was one actual restriction to water supply in the reporting year.

The chart and tables below detail the number of disconnection/restriction cases finalised between 2010-11 and 2011-12.

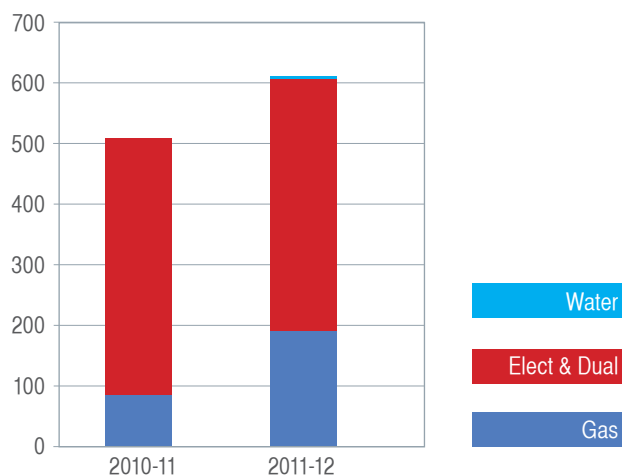
Year	Number	Disconnections as % of Billing and Credit Cases	Disconnections as % of Total Cases
2010-11	521	9.7	5.2
2011-12	637	7.9	4.4

Disconnection by Industry/Fuel

Industry/Fuel	Actual	Imminent	Total
Elect & Dual	317	158	475
Gas	123	38	161
Water (Restriction)	1	0	1
TOTAL	441	196	637

Yearly Comparison

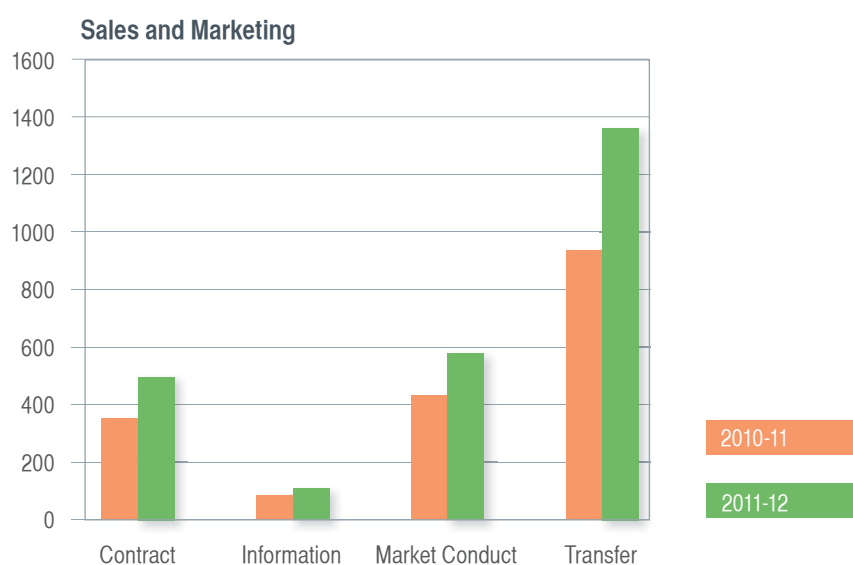
Year	Gas	Elect & Dual	Water	TOTAL
2010-11	85	436	0	521
2011-12	196	440	1	637
Difference	111	4	1	116
% Difference	130.6%	0.9%	100.0%	22.3%



Sales and Marketing

Finalised Sales and Marketing cases increased by 734 (40.7%) from 2010-11. There were large increases in the number of complaints about market conduct (33.6%) and transfers (delays in transfer and the wrong connection transferred) (44.7%).

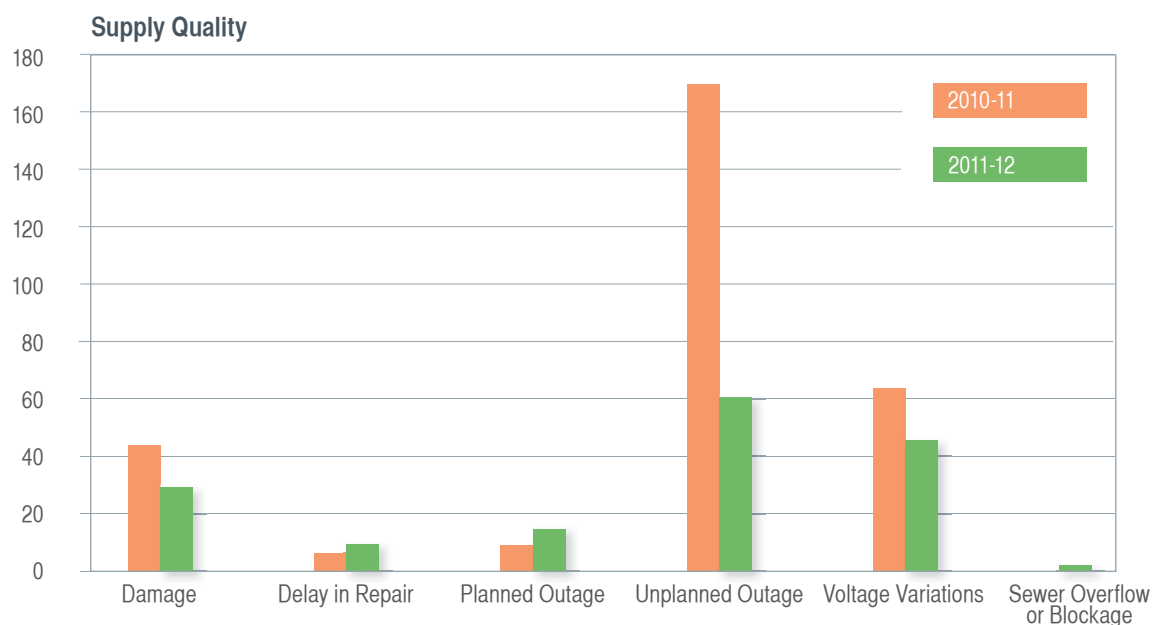
SUB-ISSUE	2010-11	2011-12	Difference	% Difference
Contract	350	496	146	41.7%
Information (Incl Tariff)	81	103	22	27.2%
Market Conduct	431	576	145	33.6%
Transfer	941	1,362	421	44.7%
TOTAL	1,803	2,537	734	40.7%



Supply Quality

We finalised 158 supply quality cases during 2011-12 compared with 289 in the previous year, a pleasing reduction of 131 cases (45.3%). The reason for the reduction was lower numbers of complaints relating to damages in infrastructure and easement, unplanned outage and voltage variations.

SUB-ISSUE	2010-11	2011-12	Difference	% Difference
Damage	43	29	-14	-32.6%
Delay in Repair	6	9	3	50.0%
Planned Outage	9	14	5	55.6%
Unplanned Outage	169	60	-109	-64.5%
Voltage Variations	62	45	-17	-27.4%
Sewer Overflow or Blockage	0	1	1	N/A
TOTAL	289	158	-131	-45.3%



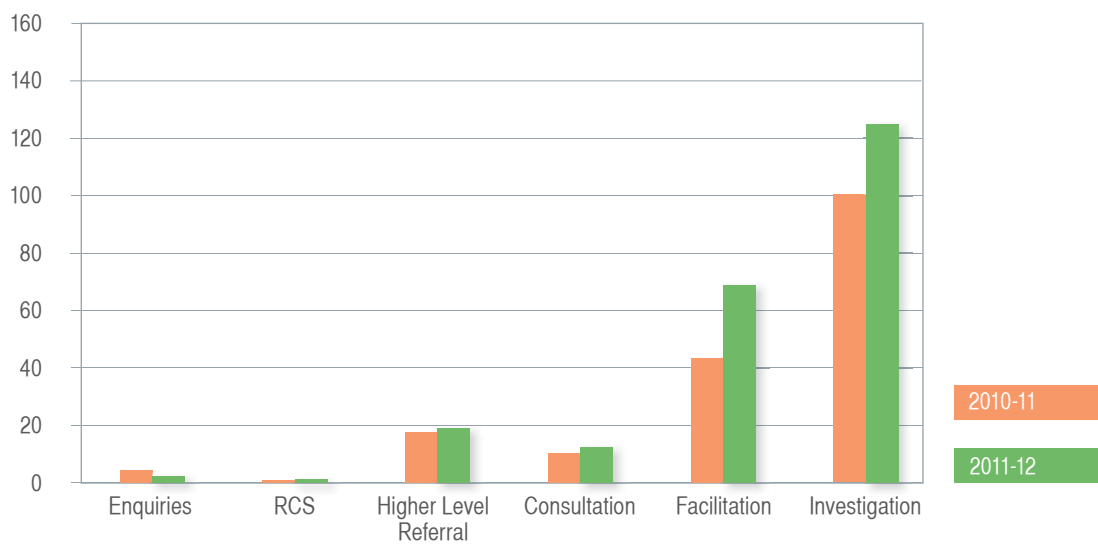
Finalisation of Cases Within Specified Timeframe

Case finalisation timeframes in 2011-12 were generally consistent with those in 2010-11.

Cases Finalised	2010-11	2011-12	Difference
Within one day	35.4%	31.7%	-3.7%
Within 30 days	80.4%	81.1%	0.7%
Within 60 days	95.6%	94.6%	-1.0%
Within 90 days	98.4%	98.0%	-0.4%
Beyond 90 days	1.6%	2.0%	0.4%

Average Time (Days) to Finalise Within Case Levels

The increased complexity of matters resulted in slightly longer timeframes to complete facilitations and investigations than in the previous financial year.

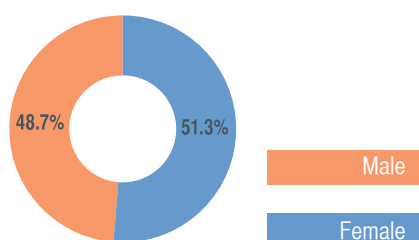


CONTACT STATISTICS 2011-12

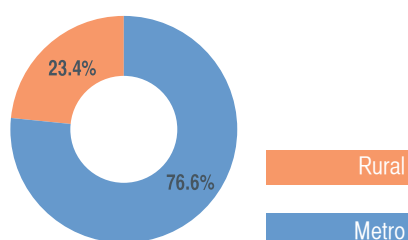
Around 834,000 electricity customers, 411,000 gas customers and 725,000 water customers potentially fall within the jurisdiction of the Scheme.

The following charts provide the Scheme contact statistics for the 2011-12 year.

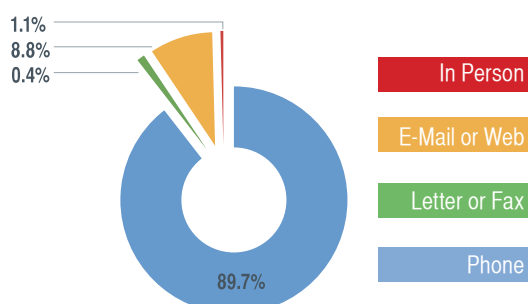
Gender



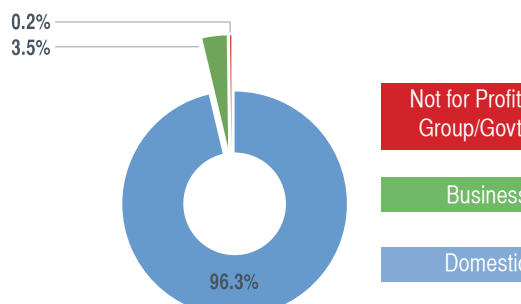
Where Cases Come From



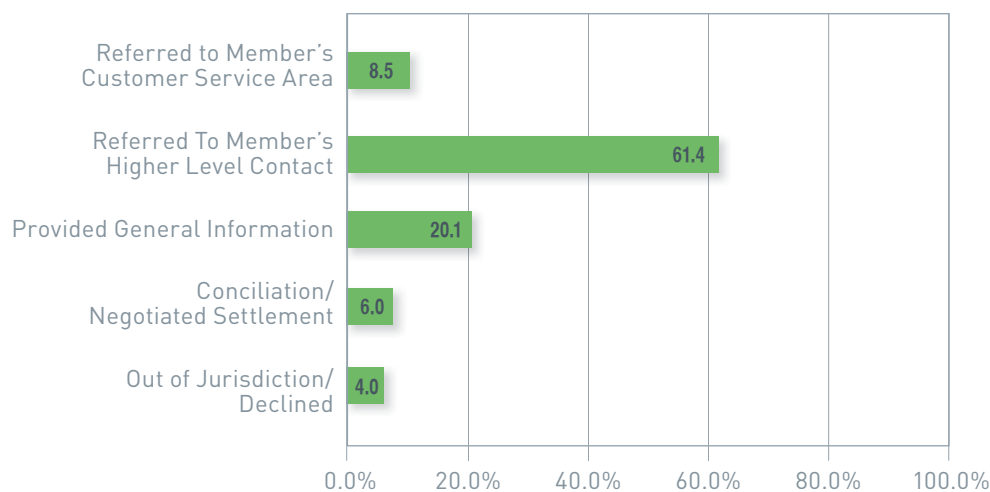
Methods of Contacts



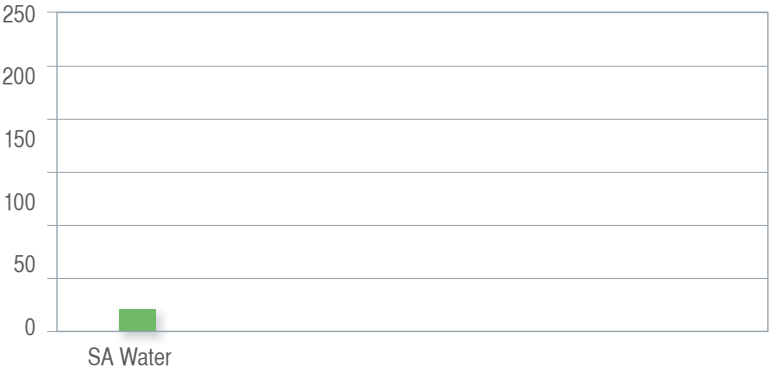
Source of Contacts



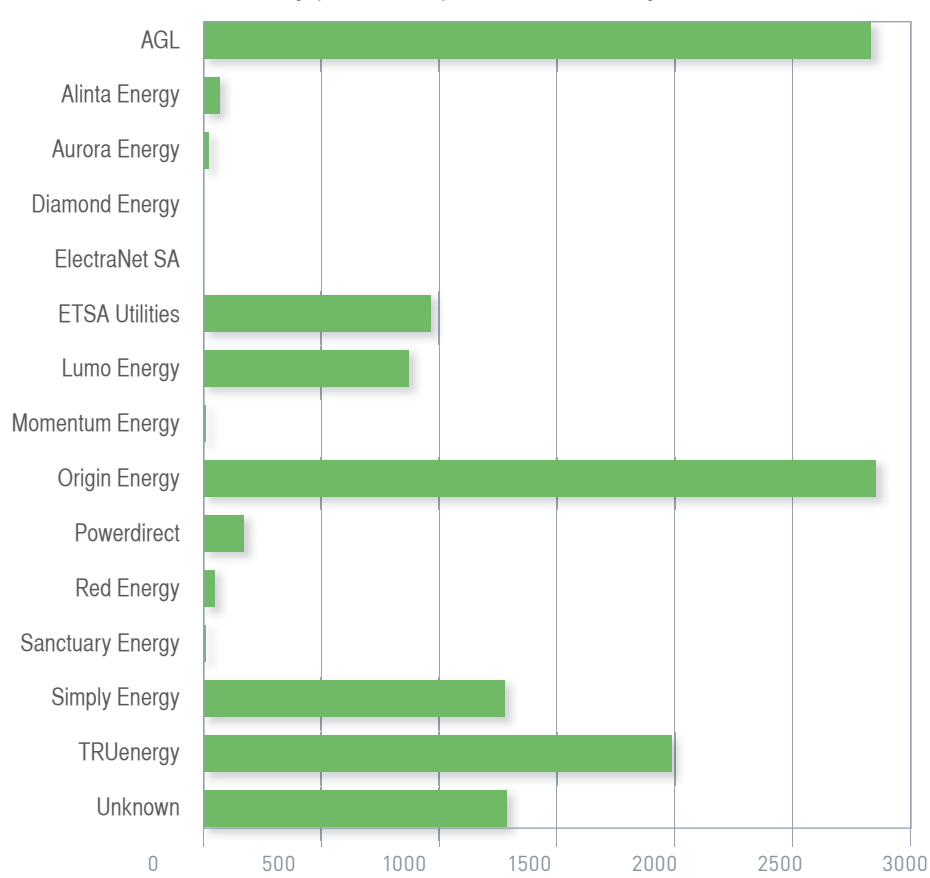
How the Scheme Dealt with Cases



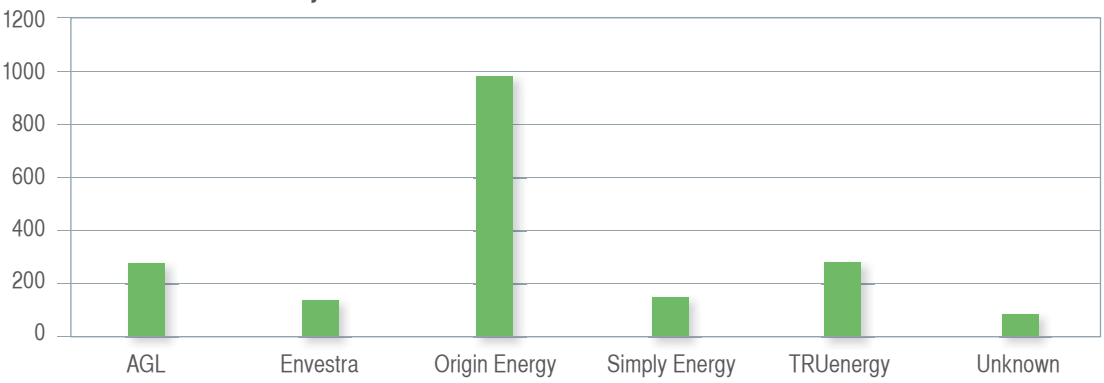
Water Cases Received By Provider



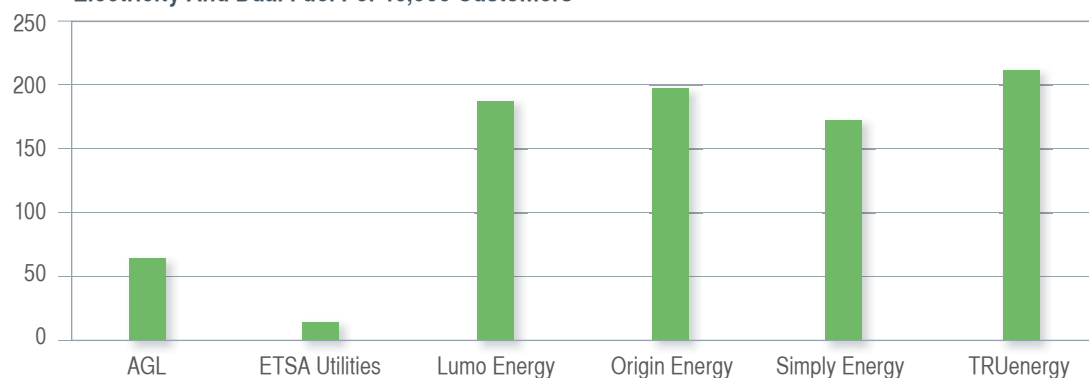
Electricity (& Dual Fuel) Cases Received By Provider



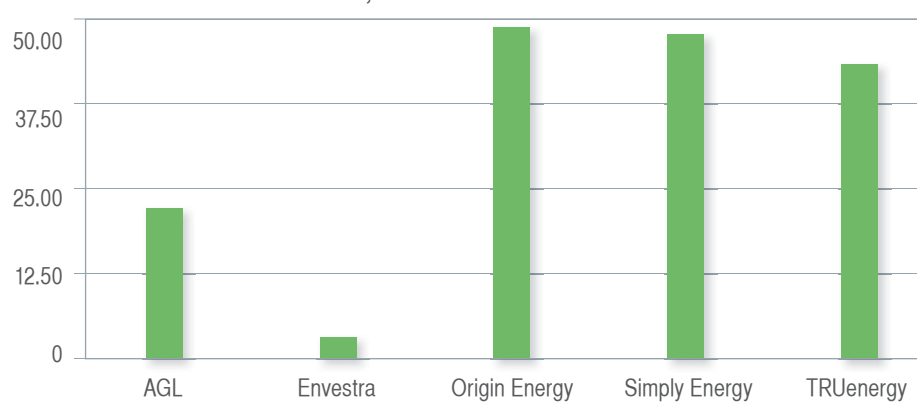
Gas Cases Received By Provider



Electricity And Dual Fuel Per 10,000 Customers



Gas Cases Received Per 10,000 Customers



Members with fewer than 100 contacts in 2011-12 (Alinta Energy, Aurora Energy, Diamond Energy, Electranet SA, Momentum Energy, Red Energy, Sanctuary Energy and SA Water) have been omitted from the per 10,000 customer tables.

CORPORATE GOVERNANCE STATEMENT

The Energy and Water Ombudsman (SA) Limited is a public company limited by guarantee, incorporated under the Corporations Act 2001 (Cth). The Board of Directors are 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 below.

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 consists of nine Directors and comprises:

- two Directors elected by Electricity Members, one Director elected by Gas Members and one Director elected by Water Members ("Industry Directors");
- four persons nominated by the Essential Services Commission of South Australia ("ESCOSA") to represent customers of electricity, gas and water 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 W Eyre, Independent Director
- Ms S Filby, Electricity Industry Director (SA Power Networks)
- Mr N La Gamba, Gas Industry Director (Origin)
- Ms K Matthias, Independent Director
- Ms K Thomas, Electricity Industry Director (AGL)
- Mr N White, Water Industry Director (SA Water)
- 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.

Gender Diversity

The Company has a strong commitment to gender diversity, demonstrated by high female participation at all levels of the organisation, and including among management and the Board of Directors.

Currently half of the Board of Directors are female (plus male Chair), more than half of the management team are female, and 7 out of 11 Investigation Officers are female. In addition we have two female administrative staff. This gives us an overall percentage of 59% female and 41% male.

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 or terms 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 the 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

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 in December 2007, following the retirement of the inaugural Ombudsman 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 Bentick, 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, the Business Services Manager and the Company Secretary are required to make a financial reporting certification to the Board with regard to the integrity of the financial statements of the company, risk management and internal compliance in respect of each financial year.

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 first Board Review was conducted in 2011. Board Performance will be reviewed biennially.

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. Other committees may be established from time to time for specific purposes.

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 that business opportunities and risks are identified and 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 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.ewosa.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; and
- Stakeholder meetings with the Ombudsman.

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

STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Revenues from ordinary activities	3,041,252	2,044,638
Expenses from ordinary activities	2,006,117	1,613,890
Profit for the year	1,035,135	430,748
Other comprehensive income	-	-
Total comprehensive income	1,035,135	430,748

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

CURRENT ASSETS

Cash and cash equivalents	1,489,968	594,878
Trade and other receivables	576,298	350,962
Other	160,202	-

TOTAL CURRENT ASSETS	2,226,468	945,840
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NON CURRENT ASSETS

Property, plant and equipment	450,547	506,763
Rent bond receivable	17,100	17,100

TOTAL NON CURRENT ASSETS	467,647	523,863
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TOTAL ASSETS	2,694,115	1,469,703
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STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
CURRENT LIABILITIES		
Trade and other payables	208,951	78,099
Provisions	70,998	101,519
Other	394,177	285,231
Office fitout incentive	65,000	85,000
TOTAL CURRENT LIABILITIES	739,126	549,849
TOTAL LIABILITIES	739,126	549,849
NET ASSETS	1,954,989	919,854
EQUITY		
Accumulated surplus	1,954,989	919,854
TOTAL EQUITY	1,954,989	919,854

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Payments received from members (inclusive of GST)	3,036,480	2,457,404
Interest received	31,472	17,892
Payments to suppliers and employees (inclusive of GST)	(2,109,474)	(2,115,857)
Interest paid	-	-
Net cash flows from operating activities	958,478	359,439

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(63,388)	(421,987)
Net cash flows from investing activities	(63,388)	(421,987)
Net increase/(decrease) in cash held	895,090	(62,548)
Cash at beginning of year	594,878	657,425

CASH AT END OF YEAR	1,489,968	594,878
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- a free, independent, accessible, fair and informal service.

Three small inset images showing people using water services: a person at a water meter, a person using a shower, and a person using a toilet.

Choosing an Energy Retailer

What should you consider when choosing the best energy retailer for your business? Our David H. Johnson, a leading energy expert, shares his top 10 tips for choosing an energy retailer.

- choosing a retailer that is financially sound
- choosing a retailer that is environmentally responsible
- choosing an energy retailer that is customer focused
- choosing an energy retailer that is innovative

Energy Retailers

Energy retailers are entities that sell gas or electricity to businesses. They are not the same as energy producers, who generate the electricity or gas. Energy retailers are responsible for the delivery of the energy to the business. They are also responsible for the billing and customer service. When you choose an energy retailer, you are choosing a partner who will be responsible for the delivery of the energy to your business.

Comparing offers from Retailers

Since businesses typically use energy either to generate electricity or to heat or cool buildings, they are often able to negotiate a better rate than residential customers. This is because businesses are able to purchase energy in larger quantities and are able to negotiate better terms. When you compare offers from different retailers, you should consider the following factors:

• **Price:** The price of the energy is the most important factor. However, you should also consider the quality of the energy and the reliability of the retailer.

• **Service:** The quality of the service is also an important factor. You should consider the retailer's reputation for customer service and the quality of the energy delivered.

Reading your Retailer Contract

When you choose an energy retailer, you will need to sign a contract. This contract will outline the terms of the agreement, including the price of the energy, the quality of the energy, and the reliability of the retailer. You should read the contract carefully before signing it.

All energy retailers will offer you a contract. However, not all contracts are created equal. You should read the contract carefully before signing it.

There are two types of energy contracts: fixed-price contracts and variable-price contracts. Fixed-price contracts are the most common type of energy contract.

Fixed-price contracts are contracts in which the price of the energy is fixed for a certain period of time. This type of contract is the most common type of energy contract.

Variable-price contracts are contracts in which the price of the energy varies with the market price of the energy. This type of contract is less common than fixed-price contracts.

When you choose an energy retailer, you should consider the type of contract you want. Fixed-price contracts are the most common type of energy contract, but variable-price contracts may be a better choice for some businesses.

Pricing and Discounts

When you choose an energy retailer, you should consider the pricing and discounts offered. Some retailers offer discounts to businesses that use energy in large quantities or that use energy for a long period of time.

Some retailers also offer discounts to businesses that use energy for a long period of time. This type of discount is called a "volume discount" and is a common way for retailers to attract new customers.

When you choose an energy retailer, you should consider the pricing and discounts offered. This will help you choose the best energy retailer for your business.

Some retailers offer discounts to businesses that use energy in large quantities or that use energy for a long period of time. This type of discount is called a "volume discount" and is a common way for retailers to attract new customers.

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Energy Retailer Marketing Styles

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at energy retailers. The following are the most common types of energy retailers and their marketing styles.

Energy Retailers and Their Marketing Styles

Read the list below to learn more about the different types of energy retailers and their marketing styles.

Energy Retailers and Their Marketing Styles

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
Energy Retailers and Their Marketing Styles

Energy Retailers and Their Marketing Styles

Energy Retailers and Their Marketing Styles


Energy Retailers and Their Marketing Styles

Energy Retailers and Their Marketing Styles


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Measuring Your Electrical Usage

This fact sheet describes the information provided by your electric meter and how to use the meter to monitor and control your electricity consumption.

Measuring how much electricity you use

How much electricity you use depends on the number of electrical devices you use and the amount of time they are running. To find out how much electricity you use, you need to know the amount of electricity that flows into your home. This is measured by your electric meter. The meter measures the amount of electricity that flows into your home and the amount of electricity that flows out of your home. The meter also measures the amount of electricity that flows into your home and the amount of electricity that flows out of your home.

Mechanical meters

1. Turn on the meter, and set the meter to 0.

2. Turn on the meter and let it run for 1 hour.

3. Read the meter and note the number of revolutions the meter has made.

4. Divide the number of revolutions by the number of hours the meter has been running to find the number of revolutions per hour.

5. Multiply the number of revolutions per hour by the number of hours the meter has been running to find the total number of revolutions.

6. Divide the total number of revolutions by the number of revolutions per hour to find the number of hours the meter has been running.

The number of revolutions per hour

The number of revolutions per hour is the number of revolutions the meter has made in one hour. This is measured by the meter and is used to calculate the amount of electricity that flows into your home.

Examples of electrical meters

1. Turn on the meter, and set the meter to 0.

2. Turn on the meter and let it run for 1 hour.

3. Read the meter and note the number of revolutions the meter has made.

4. Divide the number of revolutions by the number of hours the meter has been running to find the number of revolutions per hour.

5. Multiply the number of revolutions per hour by the number of hours the meter has been running to find the total number of revolutions.

6. Divide the total number of revolutions by the number of revolutions per hour to find the number of hours the meter has been running.



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Energy and Water Ombudsman (SA) Limited
ABN 11 089 791 604
GPO Box 2947
Adelaide SA 5001
Free Call: 1800 665 565
Free Fax: 1800 665 165
Email: contact@ewosa.com.au
www.ewosa.com.au