

2016-17 annual report

WHO WE ARE

Origins

Energy and water services are essential services to the community; they are not considered optional. For that reason, independent energy and water Ombudsman offices exist across Australia to deal with issues that arise between the industry and customers.

The Energy and Water Ombudsman (SA) Limited — also known as the Energy and Water Ombudsman's Office — is the approved independent scheme in South Australia.

Role

We facilitate the prompt resolution of complaints and disputes between consumers of energy, water and sewerage services and the providers of those services by providing a free, independent, accessible, fair and informal service to consumers.

Principles

The principles that guide our activities are:

- dealing with complaints in a fair, just, informal and expeditious manner
- acting independently, while maintaining good working relationships with Members and other stakeholders
- being accessible to energy and water consumers in South Australia and ensuring there are no barriers to access, such as geographic location, language, physical or mental capability or financial status
- providing a free service to consumers
- making effective use of technology to assist in quality complaint handling, referral and reporting
- fostering effective links with Members, other complaint handling bodies, government agencies and consumer and community organisations.

The Scheme

The Energy and Water Ombudsman Scheme originated from the privatisation of the South Australian electricity industry in 1999. A licence condition was imposed on all entities providing electricity services to participate in an independent scheme to ensure fair practice and effective dispute resolution between the electricity providers and their customers. The scheme was subsequently expanded to include consumers of gas and water services.

The industry

Our Members are the electricity and gas distribution, transmission and retail entities and water and sewerage service providers (a list of current Members can be found on page 29).

What we do

Customers can contact us about a range of matters including:

- connection, supply and sale of energy or water services by a Member
- 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
- the conduct of Members' employees, servants, officers, contractors or agents
- complaints about acts or practices of Members that may be an interference with the privacy of an individual under the Privacy Act 1988
- any other matters referred by a Member by agreement with the Ombudsman and the person/s affected.

Our services and complaint resolution processes are explained in the body of this report, as is the way we have undertaken those tasks in the past financial year.

What we don't do

Our functions do not extend across all areas. We do not cover:

- the setting of prices and tariffs
- commercial activities outside the scope of a Member's authorisation/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 Members.

Our approach

Our approach to dispute resolution is collegiate, not adversarial; we put a lot of emphasis on working with our Members to help them solve problems.

We want to find solutions that not only deal with a single problem, but also minimise future complaints and help Members build more responsive and robust complaint handling systems.

It is important to remember that the Scheme is not a court; it is a way of bringing parties together and solving problems through shared negotiation.

We are not an advocacy service for customers or for the energy and water service providers who are Members of the Scheme.

We are an independent service that can investigate and resolve disputes between electricity, gas and water service providers and distributors and their customers.

AT A GLANCE	2	
BOARD MEMBERS	4	
CHAIR'S REPORT	5	
OMBUDSMAN'S REPORT	7	
OVERVIEW OF PERFORMANCE	9	
CASE MANAGEMENT	17	
CONTACT STATISTICS	21	
SYSTEMIC ISSUES	25	
OUR ORGANISATION	26	
OUR STRUCTURE	26	
MANAGEMENT TEAM	26	
OUR BOARD	28	
OUR MEMBERS	29	
CORPORATE GOVERNANCE STATEMENT	30	
FINANCIAL STATEMENTS	34	
CASE STUDIES	16,24,37	

CASES RECEIVED



8,828 [10% \(\nsigma 2015 - 16]

CASES RESOLVED



8,960 [9% **v** 2015 - 16] INCLUDES OPEN CASES FROM 2015-16

CASES BY INDUSTRY







72% [= 2015-16] 21% [2% \triangle 2015-16] 6% [2% ∇ 2015-16]

[OTHER 1% = 2015 - 16]

TIME TO RESOLVE CASES

 $[87\% \leq 30 \text{ DAYS}]$

 $[95\% \le 60 \text{ DAYS}]$

 $[98\% \leq 90 \text{ DAYS}]$

[2% > 90 DAYS]

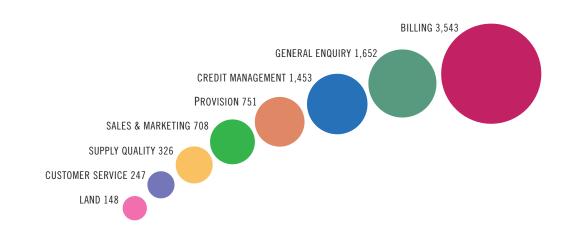
CUSTOMER SERVICE SURVEY



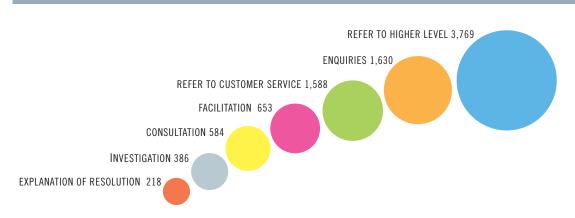
95% [3% **2**015-16] **CUSTOMER SATISFACTION**

94% [2% **2**015-16] CUSTOMER LIKELY TO RECOMMEND

CASES RECEIVED BY ISSUE TYPE



CASES RECEIVED BY LEVEL



CONTACT METHOD



80% [1% 2015-16]



18% [1% 2015-16]



10/0 [=2015-16]



% CASES RECEIVED BY REGION

RURAL SOUTH AUSTRALIA





METROPOLITAN ADELAIDE

10/0 [= 2015-16] 20% [1% 2015-16] 80% [1% 2015-16]



Peter Bicknell CHAIR



Geoff Barton Industry Director



Jessie Byrne Consumer Director



Margaret Cross Consumer Director



Wendy Eyre Consumer Director



Patrick Makinson Industry Director



Kay Matthias Consumer Director



Kerry Rowlands Industry Director



Anthony Sinclair Industry Director



Peter Bicknell Chair

It is 18 years since the creation of the Scheme in 1999 and we have seen substantial change in that time as technology, economics and social issues have taken us forward.

Energy and water markets are undergoing significant transformation, with greater reliance on technology and the provision of more supply options for customers. The generation mix for energy is also changing, with implications for networks and energy markets. The challenge is to balance the potential of change with the need for sustainable, essential services for all.

The Board is very pleased with how the Ombudsman's Office has managed the inherent tensions in the water and energy industries that are rapidly changing. Consumer and Member feedback shows the Scheme has an integrity and reputation for impartiality, successful dispute resolution and effective engagement across all stakeholder groups.

It has been a turbulent year in the broader Australian energy sector, and the Ombudsman's Office has navigated 2016-17 competently, while maintaining the Scheme's proven independence and fairness.

I was delighted to host a meeting of Chairs and Energy and Water Ombudsmen from Victoria, New South Wales and Queensland during the year. We took the opportunity to reflect on market changes and how our respective Schemes can continue to work collaboratively to ensure consumer protections and access to independent dispute resolution services remains integral to all we do. We intend to meet annually following the success of these discussions.

The Board continued with its program of inviting key stakeholders of the Scheme to its meetings and providing direct feedback on the performance of the Scheme and key initiatives under way in their operations that have an impact on the Scheme. This year, the emphasis was on retailers' hardship programs, which enabled the Board to engage in discussion and to gain a greater understanding of the assistance available to vulnerable customers.

Discussion at Board meetings has covered a wide range of business and social issues. While the technology available to the industry is bringing with it many improvements to processes and service, the Board is equally concerned to ensure consumer rights and access to the Scheme remain key outcomes.

Another of the shifts we have seen is the response in the community to reliability, particularly in the case of weather disruption. We are an energy-reliant society and the constant use of technology to stay in touch, spread information, conduct business and live fulfilling lives has meant that community expectations relating to reliability of service have evolved to the point where service is truly becoming essential.

In terms of outcomes of the Scheme, we again saw a lower number of complaints than in previous years. At the same time, the Ombudsman's Office is dealing with more complex cases. This is taken as a positive — it means that the Scheme is supporting consumers and the Scheme Members are in a better position to deal with complaints via their own resolution processes swiftly and fairly, without recourse to the Ombudsman by either party.

This also has contributed to the ability of the Ombudsman and his staff to put more effort into cases that have multiple, complex issues at play and which have the opportunity to highlight the systemic causal issues that are a key aspect of the Scheme's Charter.

The Board maintained a sound working relationship during the year with the two key regulatory bodies, the Australian Energy Regulator and the Essential Services Commission of South Australia. We are grateful to both bodies for their guidance and support.

The Board met seven times and discharged its governance obligations with enthusiasm and goodwill. In addition, we met with Members in May to approve the budget for 2017-18 and in November at the Annual General Meeting as prescribed by the Company's Constitution.

In March, the Board participated in an externally facilitated strategic planning session, leading to a refresh of the strategic plan. The main amendments to the plan focus on two linked areas: ensuring that the Scheme is equipped and prepared to meet the changes occurring in energy and water markets; and guaranteeing consumer protections are not diluted as energy and water markets are transformed.

During the year the Board also conducted an external review of its performance, which indicated high levels of stakeholder satisfaction.

There was one change to the Board's membership during the year. Kim Thomas resigned in December 2016, after serving as an Electricity Industry Director since May 2011. Anthony Sinclair was appointed on 19 December 2016 to complete Kim's term. On behalf of the Board, I thank Kim for her valuable contribution.

My current term as Independent Chair will expire early next year and I am pleased that the Board has decided to reappoint me for a further three-year term effective from the expiry of the current term. I'm truly excited about the opportunity to continue to work with the Board and the Ombudsman to develop the Scheme for the benefit of all South Australians.

One of the prime responsibilities of the Board is to appoint the Ombudsman/Chief Executive Officer and to review his performance. Sandy Canale's current five-year term is due to expire at the end this calendar year. After an intensive review of his performance, the Board had no hesitation in offering him a five-year extension, as provided in his employment contract, and was delighted that he accepted.

It was with great sadness that I informed the Board late in the financial year that our former Chair, Bill Cossey AM was seriously ill. Bill subsequently passed away. He was a much-admired Chair who made a significant contribution to the Scheme. His friendship, wisdom and leadership will be missed by many.

I would like, in closing, to thank my fellow Board members for their encouragement, support and ideas in what I saw as a year of strong consolidation. Thank you also to the Members whose support of the Scheme enables the delivery of positive outcomes daily.

The Ombudsman and his staff are again to be congratulated on their effective work. The Board is pleased with the customer, stakeholder and industry recognition of the Ombudsman's Office as an entity that delivers fair and impartial outcomes for all parties.

Peter Bicknell

Chair



Sandy Canale Ombudsman

An Ombudsman's Office has two main tasks: ensuring individuals have access to a robust, independent and demonstrably fair means of resolving complaints; and helping the industry become aware of, and respond to, service patterns that contribute to a sustainable, viable and healthy energy and water sector. These are interdependent roles. Together, they give us a narrative that helps us deal with highly-individual, very contemporary problems while at the same time we look to what the future is bringing.

Increasingly, our Members are conducting their businesses across jurisdictions with new products and services and with the greater application of technology. This has meant we are becoming more aligned with, and responsive to, national trends and developments, while at the same time needing to maintain a focus on delivering a fair and independent service to our community, state and local stakeholders.

I am pleased that we have been able to continue delivering a quality service to both the South Australian community and the Scheme's Members. This is borne out by our regular surveys, which continue to show high awareness of the organisation's role and effectiveness amongst Members and consumers.

We could not have achieved these results without the support of the industry, which has again this year shown itself willing to further develop the customer service and dispute resolution systems necessary to engender community and customer confidence.

Complaint numbers have, once again, reduced in most areas. This is positive news and indicates that our Members have been more effective in addressing and resolving their customer issues. We received a total of 8,828 cases throughout 2016-17, a decline of 10% from the previous financial year. This now looks like a solid trend, indicating Members are continuing to improve their internal systems and to deal with less complex complaints early and successfully — before they escalate and require the Ombudsman's Office to become involved.

The other side of this coin is that we are still seeing significant numbers of complaints that are resistant to solution due to their complexity or seriousness. Many of these relate to hardship and financial problems – often systemic and ongoing for individuals and families. While the problems as presented to us are about energy and water services – something we can work to resolve – the broader causal issues that keep some people on an indebtedness merry-go-round are more complex and often outside our Charter. Hardship has multiple threads of pressure and counter-pressure. Solutions often go far beyond a single bill or a short-term inconvenience.

As our reliance on technology increases, so does the dependence on energy continuity for all people in the community. In recent decades, access to reliable energy services has become a critical facet of contemporary societal participation.

Complex cases require greater effort and resource allocation. In striving to provide a high-quality service that meets the needs of all stakeholders, this year we have focused on the development of our own service infrastructure — that is, the skills, equipment, training and systems our people need to do the best job they can.

We have increased the strength of our quality assurance processes: our data gathering, analytics, knowledge and consistency in responses to both consumers and Members. This has helped us identify and remove gaps in the way

we manage enquiries and complaints. It has also enabled us to build a dependable and transparent process for stakeholders, so that everyone has greater confidence in the dispute resolution service we offer. Improving the Office's capacity to routinely deliver high-quality outcomes means fewer surprises, less frustration and greater clarity for all concerned.

The quality assurance process generates useful comparable data and intelligence that is provided in reports to Members. By being more transparent and reliable in our own decision-making, we can reduce uncertainty and give our stakeholders a strong sense that the Ombudsman's Office is both fair and independent.

We have recently appointed a full-time Business Intelligence manager, a new role that is tasked with ensuring we have the necessary intelligence, knowledge and information to plan for the long term as energy and water markets evolve.

During the year, we participated in a number of events informing community workers, customers and other stakeholders on market developments, understanding bills and contracts, and how to access assistance if required. Our program has included working with culturally and linguistically diverse communities. Many of these have been a major learning experience for us, as they remind us that cultural sensitivity and community interaction are factors in access and affordability.

Regional activities have included attendance at field days, community radio promotion and Q&A sessions, plus participation in the Utilities Literacy Program and in community-based welfare networks.

We thank community groups, stakeholders and media for the valuable assistance they provide the Scheme in helping to promote awareness of the Scheme to those in the community that need our services.

We continue to participate in discussions with relevant bodies to ensure that the consumer protection framework and access to an independent dispute resolution body remains strong and viable as changes occur in energy and water markets.

To that end, I acknowledge and appreciate the collegiate work with other Ombudsmen in the Australian and New Zealand and Energy and Water Ombudsman Network (ANZEWON). ANZEWON provides a valuable forum to learn and share information across jurisdictions, to improve complaint handling processes and to debate emerging trends and technologies.

The next 12 months are likely to challenge the Scheme as new structures and technologies play a greater role in the energy and water sectors. Also, the outcomes of numerous reviews will start coming into effect. The Scheme is well placed to evolve and adapt to the challenges ahead, while remaining a vital aspect of the consumer protection framework in South Australia.

I acknowledge and appreciate the professionalism and commitment shown by my staff in continuing to provide an independent dispute resolution service to customers and Members of the Scheme in such a changing environment.

Finally, I would like to express my appreciation for the continued support and guidance that the Board has provided to me and the Scheme. In particular, I express my thanks to the Chair, Peter Bicknell, for the wise counsel he provides me.

Sandy Canale

Ombudsman

CASES RECEIVED: YEARLY AND MONTHLY TREND

The volume of cases received increased progressively since the Scheme started its operations in 2000 to a peak of 21,130 in 2012-13, but has since decreased steadily. In 2016-17, 8,828 cases were received, a 10% reduction compared to 2015-16. The continued reduction is encouraging as it indicates that our Members have been more effective in addressing and resolving issues directly with their customers.

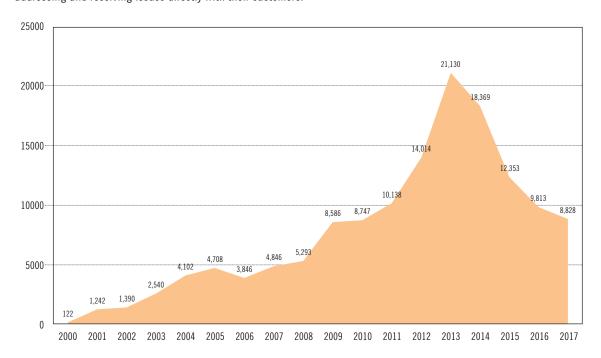


Fig 1. Number of complaints received by year

The chart below shows monthly patterns for complaints received during 2016-17 and the previous two financial years.



Fig. 2. Number of complaints received monthly

MAJOR COMPLAINT TYPES RECEIVED

Excluding General Enquiries (1,652 cases), most of which were not complaints, the three top complaint issues in 2016-17 were Billing (3,543), Credit Management (1,453) and Sales and Marketing (708).

While the number of cases declined overall, the volume of Provision (751 cases) and Supply Quality (326 cases) increased this year on the back of the power outages across the state during the year. Customer Service (247 cases) and Land (148 cases) also saw increases from last year.

The chart below shows the number of complaints received by issue for 2016-17 and the previous year.

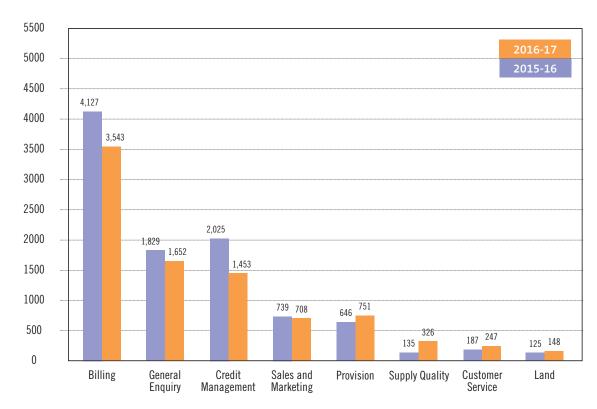


Fig 3. Cases received by issue type

CASES RECEIVED BY INDUSTRY

In 2016-17, electricity issues made up 72% of total cases received, gas 21%, water 6% and non- energy/water 1%. These numbers were relatively consistent with the previous year.

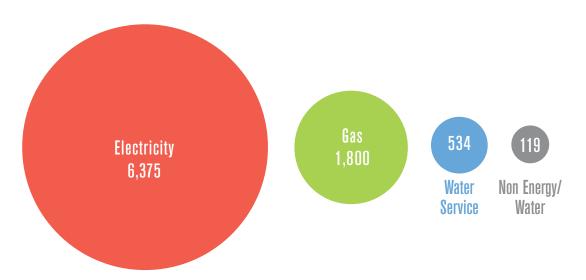


Fig 4. Cases received by industry sector, 2016-17

Billing

Similar to other ombudsman schemes, Billing continues to be the largest issue category dealt with by our Office. During the year, the number of cases received for all Billing sub-issues declined except for Meter Billing, Pension Concession and Tariff Billing which increased by 38 (11%), 23 (34%) and 8 (12%), respectively. This is reflected in the chart below, which compares 2016-17 with the previous year.

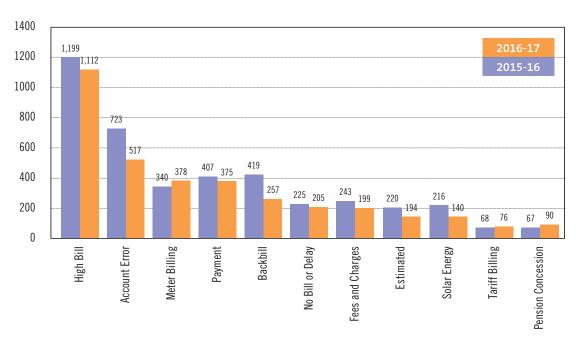


Fig 5. Billing complaints by type

Credit Management and Financial Hardship

We received 1,453 Credit Management cases, making it the second most significant complaint category. However, there were 572 fewer cases than in the previous year, a 28% decrease.

As shown in the chart below, compared with the previous year there were significant declines for all sub-issues except Disconnection, which increased by 13 cases (2%).

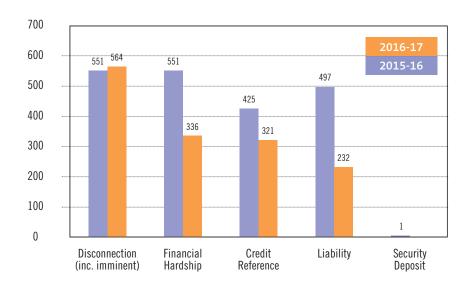
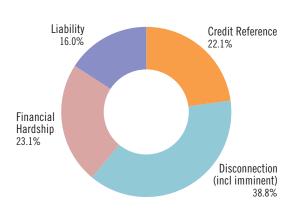


Fig 6. Credit Management complaints by type

The two charts below show the number of Credit Management complaints received in 2016-17 by complaint type and by industry sector.



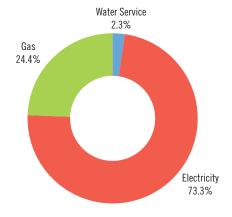


Fig 7. Credit Management complaints by type, 2016-17

Fig 8. Credit Management complaints by Industry sector, 2016-17

Credit Management – Disconnections (including imminent)

Disconnections increased by 13 cases (2%) on the previous year, as shown below. Disconnection complaints represented 39% of all Credit Management complaints. Note that while water supply is not disconnected for credit management matters, it may be restricted.

We will continue to monitor disconnection case levels over the next financial year to identify and address significant disconnection issues promptly.

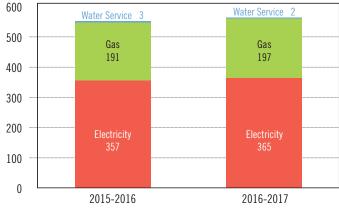


Fig 9. Disconnection complaints by industry sector and year

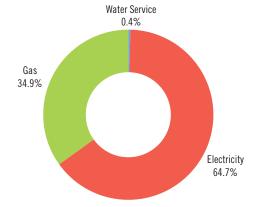


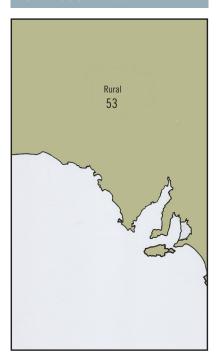
Fig 10. Disconnection complaints by industry sector, 2016-17

Credit Management — Financial Hardship, Rural and Metropolitan Areas

There were 215 fewer Financial Hardship cases than in the previous year (a 39% decrease), but this remained the second highest sub-issue for Credit Management. The reduction may indicate that more customers were able to access hardship programs offered by service providers.

Below is a graphical representation of Financial Hardships cases across Rural and Metropolitan areas.

RURAL SOUTH AUSTRALIA



METROPOLITAN ADELAIDE North 137 Central & Hills 24 South 74

Fig 11. Financial Hardship cases: rural and metropolitan South Australia

Adelaide North continues to be the most affected by Financial Hardship cases, with 41% of the total (137 cases, or three per 10,000 people). Adelaide South is second with 22% (74 cases, or two per 10,000 people).

Our Office has been closely monitoring the development of cases in all areas of our jurisdiction and working closely with Members to address issues as promptly as we can.

The table below shows a detailed breakdown of the Financial Hardship data for 2016-17 and the previous year.

	2015-16			2016-17				
	Population	Number of cases	% of Total Hardship Cases	Cases per 10,000 people	Population	Number of cases	% of Total Hardship Cases	Cases per 10,000 people
Adelaide - North	423,914	235	43%	6	429,050	137	41%	3
Adelaide - Central and Hills	298,380	43	8%	1	300,183	24	7%	1
Adelaide - West	233,568	65	12%	3	234,291	41	12%	2
Adelaide - South	361,121	109	20%	3	362,830	74	22%	2
Rural	381,890	94	17%	2	381,781	53	16%	1
No Address	n/a	5	1%	n/a	n/a	7	2%	n/a
Grand Total	1,698,873	551	100%	3	1,708,135	336	100%	2

Table 1. Financial hardship data by rural and metropolitan areas

Sales and Marketing

We received 708 Sales and Marketing cases during the year, making it the third most significant complaint category. However, the number of cases fell, and we believe this was in large part due to the actions taken by the Australian Energy Regulator and the Australian Competition and Consumer Commission.

Reductions were achieved in Transfer and Market Conduct sub-issues, but Contract sub-issues increased by 19 cases (11%).

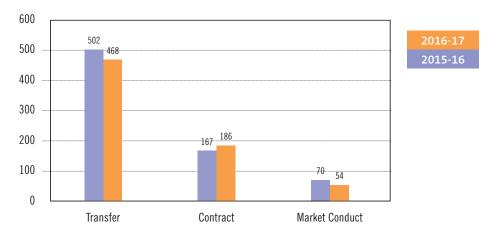


Fig 12. Sales and Marketing cases

Sales and Marketing - Transfer Issues

Complaints associated with transfers of customers from one service provider to another are important indicators of how well the energy market is performing.

The chart below shows the breakdown of sub-issues recorded. Compared to the previous year, Delay in Transfer and No Longer Wants Transfer categories increased slightly but the others decreased or remained the same.

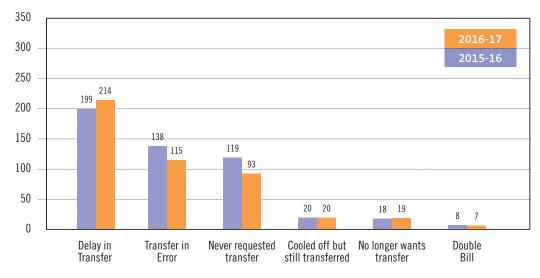


Fig 13. Sub-issues – transfer complaints

Supply Quality

Supply Quality cases increased significantly by 191 (141%) due to increases in Unplanned Outage and Voltage Variations as a result of the blackouts during the year.

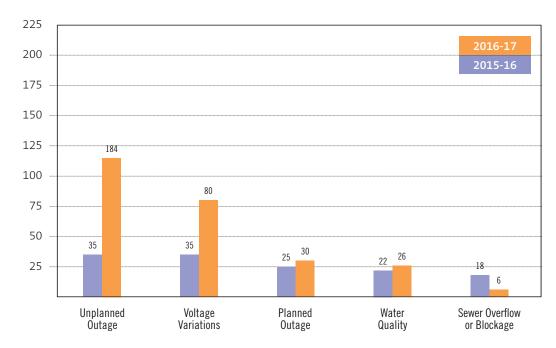


Fig 14. Supply quality complaints

TITLE/SUBJECT: Overcharge due to tariff change

UTILITY: Electricity



FLECTRIC**IT**

SCENARIO:

When Mr D purchased a solar system for his business site, the installer did not tell him that the new system would change his network tariff to include a demand tariff and increased charges by his supplier.

Mr D's supplier was notified of the tariff change but had difficulty billing the account correctly, resulting in an overcharge to Mr D

As the supplier could not provide a timeframe for fixing the problem, it suggested that Mr D transfer his account to a different supplier.

During our investigation into the supplier's inability to correctly bill Mr D, it became clear that the supplier could not, to Mr D's benefit, add the additional network charges to the bill.

COMPLAINT:

Mr D was not happy as he had been overcharged for nine months and his supplier could not confirm when it could fix the bills. He wanted his supplier to correct the situation.

Mr D arranged to transfer to a different supplier while his complaint was being progressed.

OUTCOME:

We found that Mr D had been overcharged because his solar export was being billed as import. In addition, he had not received the applicable solar export Feed-in Tariff (FiT) credits. Initially, the supplier could not fix the problem, so a calculated credit was agreed as a reasonable resolution. We verified the calculation against the distributor's meter data and the credit was applied to Mr D's account.

Shortly after, the supplier confirmed it had overcome part of the billing issue and could fix the overcharge. It reissued the bills to correct the previous overcharge and missing credits.

As a gesture of goodwill, the supplier left the previously applied credit on Mr D's account. The supplier could not apply the demand charges, which was to Mr D's benefit.

TITLE/SUBJECT: Overcharge, increase in rates

UTILITY: Electricity



SCENARIO:

Ms O's supplier increased the rates on her business account after she accepted a new agreement. She was notified of the increase on the bill after it took effect. She thought the supplier should have notified her in advance of the increase to give her time to 'shop around'. While Ms O was disputing her bills, she did not make any payments.

COMPLAINT:

Ms 0 wanted her supplier to:

- apply a credit equal to the difference between the increased rates and the rates she originally accepted
- apply pay-on-time discounts that she missed while she was disputing the bills
- grant a payment extension for the arrears.

OUTCOME:

The supplier's terms and conditions stated that notice of price movements would be reflected on the bill issued directly after the change. As this was consistent with what the supplier had done, we found that it did not need to provide an adjustment.

The terms and conditions also set out that the pay-on-time discount would only apply if the bills were paid on time. Ms O had made no payments while she was disputing the bills, so the discount did not need to be applied. However, as a gesture of goodwill the supplier applied all missed pay-on-time discounts. It also granted a payment extension.

THE DIFFERENCE BETWEEN ENQUIRIES AND COMPLAINTS

A *case* is a contact with us, registered and classified as either an 'enquiry' or a 'complaint'.

An **enquiry** is a request for information or assistance, where we do our best to provide the most appropriate response. On occasions, we refer an enquiry to another body, such as a regulator or a government department.

A *complaint* is an expression of dissatisfaction with a Member (an energy or water service supplier) regarding a policy, practice or customer service performance. We endeavour to provide a response or a resolution to the complaint using one of various means, such as conciliation or investigation.

In 2016-17, 18% of cases received (1,630) were enquiries and 82% (7,198) were complaints.

Enquiries

The provision of timely and accurate information is an important component of our role.

Typically, one of our Investigation Officers will provide information on industry codes and regulations that may apply to a customer's issue or will explain the details of a bill to customers.

If the issue is outside the jurisdiction of the Scheme, we endeavour to provide appropriate referral points.

Complaints

We have seven complaint categories:

- Refer to Customer Service
- Refer to Higher Level
- Explanation of Resolution
- Consultation
- Facilitation
- Investigation
- Determination

In 2016-17, case volume decreased in all categories except Refer to Customer Service (RCS) and Investigation. The increase in RCS cases was driven mainly by more enquiries about high bills and supply provision and quality issues.

Refer to Customer Service

Under our Charter, an energy or water service 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 his or her supplier.

Before doing this, we provide the customer with an overview of their rights and responsibilities.

We received 1,588 cases at the RCS level in 2016-17, representing 18% of the total.

Refer to Higher Level

If a customer has been unable to resolve an issue with an energy or water service supplier, we accept the issue as a complaint.

If the customer has contacted the Member, we will refer the complaint to the Member's higher-level dispute resolution area under our Refer to Higher Level (RHL) policy. The 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 the policy include complaints about disconnections that are imminent or have already taken place, which are fast-tracked.

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

We do not close a RHL case until the Member has advised us 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 or the case is not resolved within the prescribed timeframe, the case may be upgraded to a Facilitation or an Investigation.

We received 3,769 RHL cases in 2016-17, representing 43% of the total.

Explanation of Resolution

A case is classified as Explanation of Resolution where the customer is dissatisfied with the resolution provided by the Member, even though we consider it to be fair and reasonable. In this instance, we provide an explanation and any relevant information to the customer regarding the basis on which the resolution is considered to be fair and reasonable.

We received 218 Explanation of Resolution cases in 2016-17, representing 2% of the total.

Consultation

A Consultation complaint occurs when a customer is without energy or water supply. This includes customer disconnections or restrictions to water supply for non- payment of accounts.

We received 584 Consultation cases in 2016-17, representing 7% of the total.

Facilitation

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

We received 653 Facilitation cases in 2016-17, representing 7% of the total.

Investigation

When a case has been accepted for Investigation, the Member is asked to provide information to assist. This may include details such as the customer's billing history, previous contacts between the Member and the customer relevant to the complaint, the cause of any outage, or 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 Australian Energy Regulator, 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 and water 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 received 386 Investigations in 2016-17, representing 4% of the total.

Determination

At the completion of an investigation, and in the absence of a conciliated settlement of a complaint, the Ombudsman can resolve a complaint by making a Determination on the matter.

All matters handled by the Scheme were resolved at other levels during 2016-17, negating the need for any Determinations.

The following sections report performance in three broad areas:

- Cases received type, time and resolution pathway
- Cases resolved type, time and performance indicators
- Contact information demographic and Member information

CASES RECEIVED - TYPE, TIME AND RESOLUTION

In 2016-17, we received 8,828 enquiries and complaints, as shown by type in the chart below.

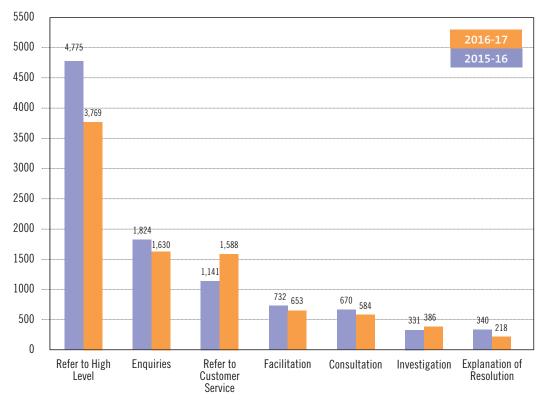


Fig 15. Cases received

CASES RESOLVED

The following charts show cases resolved by our staff during 2016-17 compared with the previous year. Note that there may be differences with the previous chart which showed complaints received. Not all complaints are resolved in the year they are received.

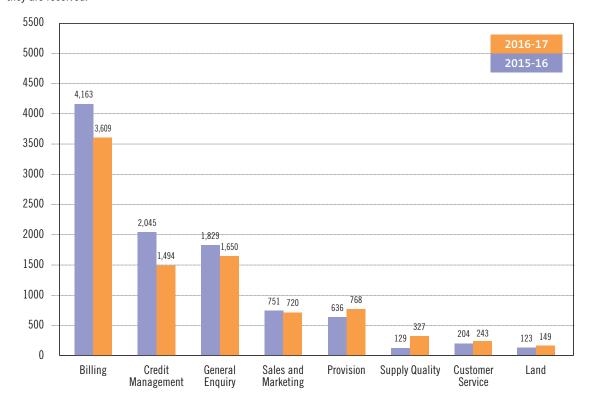


Fig 16. Cases resolved, by type

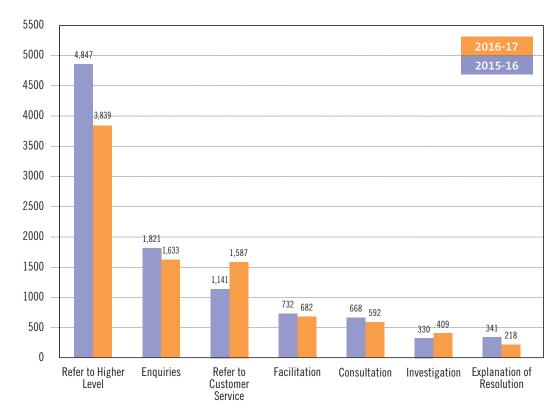


Fig 17. Cases resolved, by level

Resolution of cases within timeframes

Timeframe	2015-16	2016-17
Within 30 days	87%	87%
Within 60 days	95%	95%
Within 90 days	97%	98%
Over 90	3%	2%

Time taken by case level

	Average time (calendar days)			
Case level	2015-16	2016-17		
Investigation	104.9	83.2		
Facilitation	45.7	43.0		
Refer to Higher Level	22.5	15.3		
Consultation	10.7	11.7		
Explanation of Resolution	5.4	3.9		
Enquiries	1.5	1.1		
Refer back to Scheme Member	0.2	0.3		

GENDER of CONTACTING PERSON



49% [2% 2015-16]



51% [2% **A** 2015-16]

SOURCE of CONTACT



95% [1% **A** 2015-16]



5% [1% **2**015-16]

METHOD of CONTACT



80% [1% 2015-16]



18% [1% 2015-16]



10/0 [=2015-16]



10/0 [=2015-16]

NUMBER of CUSTOMERS by INDUSTRY

Gas 425,271

Water 794,461

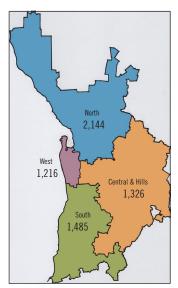
Electricity 847,173

CASES RECEIVED by REGION

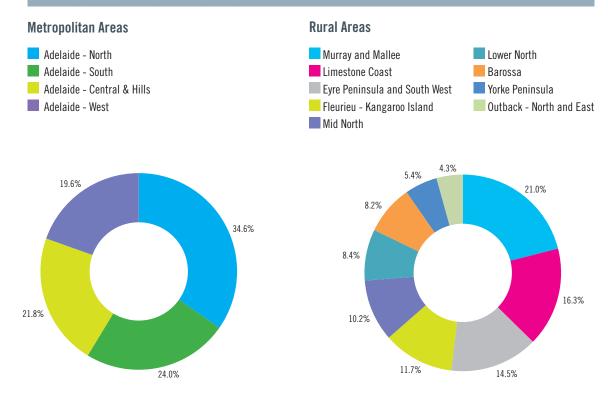
RURAL SOUTH AUSTRALIA 20%



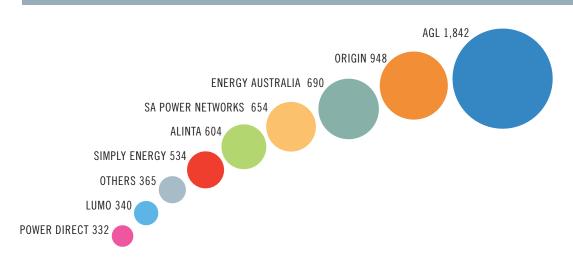
METROPOLITAN ADELAIDE 80%



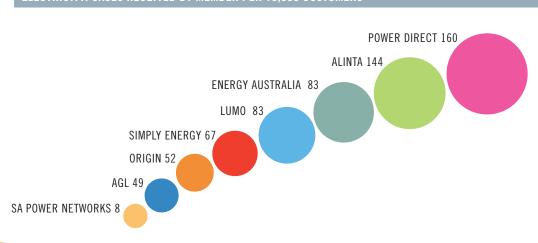
WHERE CASES CAME FROM - PERCENTAGE PER AREA



ELECTRICITY: CASES RECEIVED BY MEMBER

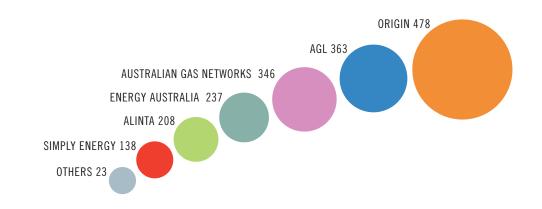


ELECTRICITY: CASES RECEIVED BY MEMBER PER 10,000 CUSTOMERS

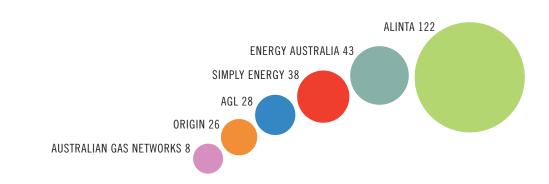


CONTACT STATISTI

GAS CASES RECEIVED BY MEMBER



GAS CASES RECEIVED BY MEMBER PER 10,000 CUSTOMERS



WATER CASES RECEIVED BY MEMBER

WATER CASES RECEIVED PER 10,000 CUSTOMERS





TITLE/SUBJECT: Undercharging

UTILITY: Electricity



SCENARIO:

Shortly before moving out of her address, Ms B received a large back-bill for electricity use. The service provider advised her that she had not previously been charged for this consumption.

COMPLAINT:

Ms B disputed the bill, and that the service provider could recover charges that had not previously been billed to her.

OUTCOME:

Our review confirmed that due to its error the service provider had not charged peak use for about 12 months from the account establishment date. It issued a back-bill in November 2016, with charges dating back to October 2015. In line with its obligations, the service provider applied a credit of just over \$1,800 to ensure it was not recovering charges backdated more than nine months.

Our review confirmed that Ms B had been correctly billed based on actual meter reads and that there had been notably high power consumption. In recognition of this, the service provider also provided a customer service credit of \$240 and the balance was reduced to \$5,000.

The service provider offered various options for repayment, including a 20% reduction if the balance was paid within 30 days, a payment plan over nine months, or a transfer of the balance to the customer's new account for a hardship arrangement.

While the remaining balance was large, we found that Ms B had been billed for electricity she had used and was offered reasonable payment options.

TITLE/SUBJECT: Transfer issue

UTILITY: Gas



GAS

SCENARIO:

Ms M moved into an existing property at the start of January 2016 and signed up with her chosen service provider. Her gas supply was disconnected in July 2016 and was reconnected the next day. Her service provider had signed her up to her neighbour's gas connection in error.

COMPLAINT:

The customer was concerned that:

- her gas supply had been disconnected without warning
- she had been charged for another customer's gas use (recorded at a different property, on a meter that did not supply her home).

OUTCOME:

As a resolution, the service provider:

- arranged for reconnection of the gas supply on the same day that the supply was disconnected in error
- cancelled all bills issued to the customer in error
- arranged for the distributor to update the property address, which had been listed incorrectly and had contributed to the errors
- established an account for the correct property and meter
- issued back-bills for eight months for the correct property, as the rules permit
- applied customer payments from the incorrect account to the back-billing for the correct account
- as a gesture of goodwill, applied a \$1,000 credit that cleared the remaining charges and left a credit balance of \$452.35
- offered to either refund the credit or deduct the credit from future bills as the customer wished.

HOW WE DEFINE A SYSTEMIC ISSUE

A systemic issue is one that has the potential to affect a number of customers. It may arise from an energy or water provider'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 service supplier's employee or agent or contractor.

OUR ROLE

We have a responsibility to identify and record systemic issues and potential compliance issues and, as appropriate, notify the relevant provider and regulatory body or responsible authority.

Once an issue is identified, we will give the provider relevant information to help it address the matter and minimise the impact on customers. We continue to work with the provider and the regulatory body to ensure that the matter is appropriately addressed.

Where there has been a breach of a legislative code or licence, it is the responsibility of the regulatory body or responsible authority to seek redress with the provider. We do not possess any punitive powers.

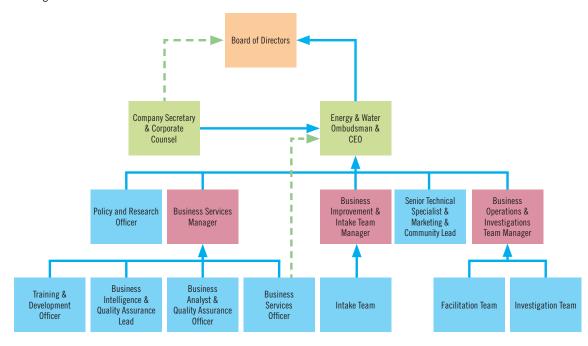
SYSTEMIC ISSUES IDENTIFIED

We identified and resolved the following systemic issues during the year.

- Energy supplier was unable to bill customers with network demand charges.
- Customers were billed with supply charges after disconnection of meter.
- Customers received SMS overdue warnings if bill smoothing payments were made before due date.
- Failure to limit recovery of amounts undercharged to nine months before the date the customer was notified of the electricity undercharge.
- Gas supply charge passed through to customer but no customer contract or consumption.

OUR STRUCTURE

The organisational structure as at 30 June was as follows:



Management team

The management team as at 30 June was as follows:

- Sandy Canale, Energy and Water Ombudsman and CEO
- Pia Bentick, Company Secretary and Corporate Counsel
- Re Ouano, Business Services Manager
- Brian Humble, Business Operations and Investigations Team Manager
- Kelly Wagner, Business Improvement and Intake Team Manager
- Vi Nguyen, Executive Officer, Projects



The management team, left to right: Kelly Wagner, Re Ouano, Sandy Canale, Vi Nguyen, Brian Humble, Pia Bentick

People and culture

We are determined to pay special attention to the wellbeing of our staff. Our work can be highly stressful at times, so it is important that we provide appropriate conditions, support and systems to enable people to excel at their tasks in assisting customers and Members.

Company policies that support individual wellbeing include:

- Work Health and Safety Policy
- Personal and Physical Security Directive
- No Smoking, Drug and Alcohol Use Directives
- Anti-Bullying Policy.

During the year we concentrated on improving staff engagement and induction processes and building attractive and satisfying career paths for all people.

We have developed our Human Resource policies to ensure that we can identify the right people, care for them and help them thrive professionally, personally and emotionally.

The process has involved skills development, competency assessments and the creation of personal development plans for all staff, linking in to our training program, which has been boosted by the appointment of a full-time Training and Development Officer.

Work Health and Safety

The organisation is strongly committed to the health and safety of its employees, striving to maintain a workplace free from injuries, encouraging personal wellbeing and promoting the protection of the environment.

Work health and safety is a standing agenda item at each regular team meeting. Additionally, ergonomic assessments, voluntary health checks and flu shots are conducted annually and the organisation encourages staff participation in various health and wellbeing activities.

Workplace safety inspections are conducted quarterly. The First Aid kit is restocked quarterly or as necessary and all electrical equipment is tested and tagged annually.

An Employee Assistance Program provides staff and their immediate family members with support and free counselling for work and personal matters. Trauma and Life Cover insurance is provided for all eligible employees. Free flu vaccinations are provided annually.

Tool Box Talks are arranged regularly for staff on topics that include resilience, wellbeing and mindfulness. In addition, we conduct regular social events and provide kitchen and break-out areas, showers, and lunch time exercise and stretching options.

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

Gender diversity

We have a strong commitment to gender diversity. As at 30 June, we had a 50:50 gender split across the Company. Significantly, two-thirds of the Board and half of the management team were female.

OUR BOARD

The Board comprises four Industry Directors elected by Scheme Members, four Consumer Directors nominated by the Essential Services Commission (of South Australia) (the Commission) and an independent Chair.

Independent Chair

Peter Bicknell BA, M Soc Admin, JP (appointed 23 March 2015) Chair, Uniting Care Australia; Chair, Portway Housing Association Inc.; Chair, Owens Illinois Community Consultation Group

Directors

- Mr P Bicknell, Independent Chair
- Mr G Barton, Gas Industry Director (Australian Gas Networks)
- Ms J Byrne, Consumer Director
- Ms M Cross, Consumer Director
- Ms W Eyre, Consumer Director
- Mr P Makinson, Electricity Industry Director (SA Power Networks)
- Ms K Matthias, Consumer Director
- Ms K Rowlands, Water Industry Director (SA Water)
- Mr A Sinclair, Electricity Industry Director (AGL)

Secretary

Pia Bentick, Company Secretary & Corporate Counsel

OUR MEMBERS

Electricity Members

AGL Sales (Queensland Electricity) Pty Ltd

AGL Sales Pty Ltd

AGL South Australia Pty Ltd

Alinta Energy Retail Sales Pty Ltd

Blue NRG Pty Ltd

Click Energy Pty Ltd

Diamond Energy Pty Ltd

Dodo Power & Gas

ElectraNet Pty Ltd

EnergyAustralia

Energy Locals Pty Ltd

ERM Power Retail Pty Ltd

Lumo Energy (SA) Pty Ltd

Momentum Energy Pty Ltd

Murraylink Transmission Partnership

Next Business Energy Pty Ltd

Origin Energy Electricity Ltd

People Energy Pty Ltd

Powerdirect Pty Ltd

QEnergy Limited

Red Energy Pty Ltd

SA Power Networks

Sanctuary Energy Pty Ltd

Savant Energy Power Networks Pty Ltd

Simply Energy

Tango Energy Pty Ltd

WINconnect Pty Ltd

Gas Members

AGL South Australia Pty Ltd

Alinta Energy Retail Sales Pty Ltd

Australian Gas Networks Limited

EnergyAustralia

Origin Energy Retail Ltd

Savant Energy Power Networks Pty Ltd

Simply Energy

WINconnect Pty Ltd

Water Members

Alano Utilities Pty Ltd

Alexandrina Council

City of Charles Sturt

District Council of Mount Barker

FB Pipeline Pty Ltd

South Australian Water Corporation

The Barossa Council

Water Utilities Pty Ltd

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement is reviewed annually. The current Statement was approved by the Board on 22 February 2017.

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 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 below.

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 of Reference of the Board Committees
- 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) (the Commission) to represent customers of electricity, gas and water services or public interest groups relevant to such services ("Consumer Directors")
- An independent Chair

The current Directors of the Company are:

- Mr P Bicknell, Independent Chair
- Mr G Barton, Gas Industry Director (Australian Gas Networks)
- Ms J Byrne, Consumer Director
- Ms M Cross, Consumer Director
- Ms W Eyre, Consumer Director
- Mr P Makinson, Electricity Industry Director (SA Power Networks)
- Ms K Matthias, Consumer Director
- Ms K Rowlands, Water Industry Director (SA Water)
- Mr A Sinclair, Electricity Industry Director (AGL)

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 and appropriate checks are undertaken before appointing a person a director.

An induction program for new directors is in place, and appropriate professional development opportunities are provided to develop and maintain the skills and knowledge needed to perform their role as directors effectively where necessary.

Gender Diversity

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

As at 30 June, two-thirds of the Board were female, half of the management team were female, and the rest of the staff were 10 male and 7 female members. The overall percentage across the Company, including Board members, was 50% female and 50% male.

Independent Chair

The Directors appoint, with the approval of the Commission, a person to be the independent Chair of the Board for a term of three years. The Chair is eligible for reappointment for 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, re-appointed in 2012 and retired in March 2015. Mr Peter Bicknell, BA, M Soc Admin, JP, was appointed as the independent Chair with effect from 22 March 2015.

Written Agreements

The Company establishes written agreements with each director setting out the terms of their appointment. These include Deeds of Access and Indemnity, which contain the arrangements which the Company and the Director have made concerning indemnities, insurance, Company records and confidentiality, and letters of appointment setting out details of directors' fees, committees on which they may serve and their roles and responsibilities and expectations of them.

Term of Office

The Company's Constitution specifies that no director who is elected is to hold office for 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 Commission and appointed by the Directors hold office for a term of up to three years, and they are eligible to be nominated and appointed again for subsequent term or terms. However, no director appointed by the Commission, nor the independent Chair, can serve more than nine consecutive years as a director.

Board Processes

The Board currently holds six formal meetings per year, with additional meetings called as necessary to address 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. No director is perceived to have any personal conflicts of interest by virtue of their employment by a Member of the Company.

It is accepted that the potential for conflict of interest is inherent in the structure of the Company, and that there may be circumstances where a director needs to abstain from voting on matters they may feel conflicted with.

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 the 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 and was re-appointed in December 2012 for a term of five years.

Company Secretary

The Board appoints a Company Secretary for such term and upon such terms and conditions as the Board thinks fit. The appointment of the Company Secretary is formally resolved by the Board in accordance with section 204D of the Corporations Act.

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

Ms Pia Bentick, FCIS, FGIA, Barrister (np), was appointed the Company Secretary in March 2000, and is also the Corporate Counsel and a member of the senior management team.

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, or any reporting period if so required by the Board.

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 an internal assessment, the Chair will hold individual discussions with each Director to discuss their performance every other year.

The first external Board Review was conducted in 2016. Board Performance will be formally assessed biennially where deemed appropriate in the circumstances.

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 or Consumer Directors.

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:

- Mr Patrick Makinson, Chair, Industry Director
- Mr Peter Bicknell, Independent Chair
- Ms Margaret Cross, Consumer Director
- Ms Kerry Rowlands, Industry Director.

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 Peter Bicknell (Chair)
- Mr Geoffrev Barton
- Ms Wendy Eyre
- Ms Kay Matthias.

CONDUCT AND ETHICS

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.

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 Senior 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.

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 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 Members on request from the Company Secretary or 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
- Stakeholder meetings with the Ombudsman and regular meetings with the operational staff at the operational levels.

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Revenue from ordinary activities	3,347,134	3,319,839
EXPENSES FROM ORDINARY ACTIVITIES:		
Accounting and audit fee	44,360	41,800
Depreciation	161,227	177,208
Employee benefit	1,950,819	1,774,839
Rental	136,468	123,864
Total other expenses	787,941	448,210
Income tax expense	-	-
Surplus / (deficit) for the year	266,319	753,918
carpiae, (action, for the year		
Total comprehensive income for the year	266,319	753,918

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	2017 \$	2016 \$
CURRENT ASSETS	Ψ	*
Cash and cash equivalents	1,484,596	1,201,509
Trade and other receivables	83,562	176,829
Other current assets	245,929	182,919
Other financial assets	1,897,212	1,845,859
TOTAL CURRENT ASSETS	3,711,299	3,407,116
NON CURRENT ASSETS		
Property, plant and equipment	417,345	335,633
TOTAL NON CURRENT ASSETS	417,345	335,633
TOTAL ASSETS	4,128,644	3,742,749
CURRENT LIABILITIES		
Trade and other payables	183,160	120,646
Employee benefits	192,765	173,887
Other current liabilities	86,638	48,867
Office fitout incentive	6,500	8,500
TOTAL CURRENT LIABILITIES	469,063	351,900
NON CURRENT LIABILITIES		
Employee benefits	34,879	32,466
TOTAL NON CURRENT LIABILITIES	34,879	32,466
TOTAL LIABILITIES	503,942 ———	384,366
NET ASSETS	3,624,702	3,358,383
EQUITY		
Accumulated surplus	3,624,702	3,358,383
TOTAL EQUITY	3,624,702	3,358,383

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members	3,608,797	3,629,415
(inclusive of goods and services tax)		
Payments to suppliers and employees	(3,101,664)	(3,004,764)
(inclusive of goods and services tax)		
Interest received	-	13,440
Net cash inflow from operating activities	507,133	638,091
see		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	133	-
Purchase of property, plant and equipment	(247,475)	(27,845)
Proceeds from other financial assets	3,488,087	2,707,065
Payments for other financial assets	(3,539,439)	(3,148,161)
Interest received	74,648	64,230
Not and an extension of the state of the sta	(004.040)	(404.711)
Net cash outflow from investing activities	(224,046)	(404,711)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net increase in cash and cash equivalents	283,087	233,380
Cash and cash equivalents at the beginning of year	1,201,509	968,129
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,484,596	1,201,509

TITLE/SUBJECT: Stepped Tariff dispute

UTILITY: Electricity

SCENARIO:



Ms N received a bill that was higher than she had expected at \$1,765 (or \$1,428 if paid before the due date). She believed the bill was incorrect as she thought she had been charged double the usage and twice the number of steps as set up in her agreement with the service provider.

COMPLAINT:

Ms N was seeking a review of the bill for accuracy and a reduction of the bill. She considered that the bill was not consistent with historical use.

OUTCOME:

Our review confirmed that the customer had been billed based on actual reads from her meter. The reads confirmed that the household power use had been a lot higher during the 93-day billing period than in previous periods.

There had been a price increase during the billing period, which was notified on the same bill. To implement the price increase, the bill was split into two periods (31 days before the price increase, and 62 days after the increase). Adding to the complexity, the customer's agreement with the service provider allowed for a set amount of units per day, chargeable at different tariffs for several steps as consumption increased. The bill showed charges for step 1 before and after the increase, charges for step 2 before and after the increase, and so on.

The period of higher use was over winter, indicating seasonal and appliance use.

While there were no errors in the billing, the service provided previously missed pay-on-time discounts to assist with a balance reduction and offered an extension of time to pay.

2016-17 annual report

