



# Annual Report 2007-08



energy ombudsman  
WESTERN AUSTRALIA

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# Energy Industry Ombudsman (Western Australia) Limited

## Chairman's Overview

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I have pleasure to present the fourth Annual Report of the Energy Industry Ombudsman (Western Australia) Limited.

### **The Board**

The Board comprises five directors: an independent chairman, two consumer representative directors, a gas industry representative director and an electricity industry representative director.

In accordance with Clause 12 of the Company's constitution, Consumer Representative Director Ricki Smith retired prior to last year's Annual General Meeting and was subsequently re-elected.

In December 2007, following the change of ownership of Alinta Limited, Donald MacKenzie resigned as the Director on the Board representing the gas industry. Donald had been a Director on the Board from its inception in May 2004 and his contribution to the operation of the Board was very much appreciated.

At its meeting held on 15 January 2008, the Board appointed Ray Myles, Customer Services Manager, Alinta, as the replacement Director representing the gas industry.

There were four Board meetings held during the year. In addition, the Board reviewed the complaints statistics and financial accounts on a monthly basis.

### **The Company**

A list of the Members of the Company follow. The changes during the year were that BRW Power Generation (Esperance) Pty Ltd changed its name to WorleyParsons Asset Management Pty Ltd; Electricity Retail Corporation (Synergy) and Origin Energy Retail Limited were accepted as Members of the Gas Industry Scheme, and Griffin Energy Sales Pty Ltd was accepted as a Member of the Electricity Industry Scheme.

### **Customer complaints**

The Board does not become involved in day-to-day management of customer complaints – that is the role of the Ombudsman, with whom the Board has a service agreement. However, the Ombudsman provides a report to each meeting of the Board and gives the Board details of the number of complaints received and resolved, in both the gas and electricity sectors, on a monthly basis.

In the twelve months ended 30 June 2008 there were 140 complaints received concerning gas-related matters and 953 complaints received concerning electricity-related matters. These numbers were down 19 per cent and 7 per cent respectively on last year.

## Chairman's Overview (cont'd)

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The Board notes that the number of complaints received for both gas and electricity are considered to be low. Furthermore, the speed and efficiency whereby these complaints are resolved by the Ombudsman, with good cooperation by Members, continues to be of a high order.

Further details of the nature of both gas and electricity complaints are contained in the Ombudsman's Annual Report, which follows.

### Water Industry Ombudsman

In the Board's 2005-06 Annual Report, I reported that officers of the Department of the Premier and Cabinet had briefed the Board in relation to a proposal to expand the jurisdiction of the Company to include the State's water services industry. Following a decision to create an independent Water Ombudsman, a Steering Committee has been appointed to implement the Water Ombudsman and I have been appointed to the Committee to represent the Company's interests.

### Appreciation

I would like to record my thanks to my fellow Directors for their commitment and contribution to the successful operation of the Board during the past year. I would also like to thank the Ombudsman and his staff for their efforts in this fourth year of operation of the scheme. It is pleasing to note both the relatively low number of customer complaints received and how efficiently the Ombudsman and his staff resolved them with ongoing good support from energy providers.



**Paul Wilmot**  
CHAIRMAN

# Profit and Loss Statement

For the year ended 30 June 2008

	2007-08 \$	2006-07 \$
<b>Income</b>		
Recoupment of Expenditure	641,628	560,310
<b>Expenditure</b>		
Accountancy Fees	17,004	17,004
Bank Charges	80	85
Computer Costs	55,000	15,000
Dispute / Complaint Costs	498,194	440,201
Directors' Fees	44,098	42,000
Filing Fees	40	40
Insurance	6,946	7,144
Professional Fees	4,450	4,500
Printing & Stationery	0	-
Superannuation Contributions	3,969	3,780
Travelling Expenses	9,812	20,460
Legal Costs	2,035	10,096
	641,628	560,310
<b>NET PROFIT / LOSS</b>	-	-

# Balance Sheet

As at 30 June 2008

	2007-08 \$	2006-07 \$
<b>Current Assets</b>		
Cash Assets	12,492	20,378
Receivables (Trade Debtors)	15,632	65,671
GST Clearing	16,762	6,560
<b>TOTAL CURRENT ASSETS</b>	44,886	92,609
<b>TOTAL ASSETS</b>	44,886	92,609
<b>Current Liabilities</b>		
Annual Levies Refundable	41,323	88,495
Trade Creditors	1,559	3,157
PAYG Withholding	2,004	956
<b>TOTAL CURRENT LIABILITIES</b>	44,886	92,609
<b>TOTAL LIABILITIES</b>	44,886	92,609
<b>NET ASSETS</b>	-	-

# Independent Audit Report



## INDEPENDENT AUDIT REPORT

To the members of Energy Industry Ombudsman (WA) Ltd

We have audited the attached financial report, being a special purpose financial report of Energy Industry Ombudsman (WA) Ltd for the year ended 30 June 2008, which includes the balance sheet, profit and loss and notes to the accounts. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the company's constitution and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to members. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Energy Industry Ombudsman (WA) Ltd as at 30 June 2008 and the results of its operations and its cash flows for the year then ended.

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

Leigh-Anne Meyerowitz  
Partner  
**SHAKESPEARE PARTNERS**  
Chartered Accountants

15.09.2008

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Liability limited by a scheme approved under Professional Standards Legislation

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

# Company Particulars as at 30 June 2008

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## Energy Industry Ombudsman (Western Australia) Limited

ACN 109 054 426

### Registered address

c/- Kennerlys  
Ground Floor 24 Outram Street  
West Perth WA

### Postal address

c/- Kennerlys  
PO Box 1125  
West Perth WA 6872

### Gas industry members

AlintaGas Networks Pty Ltd  
Alinta Sales Pty Ltd  
Electricity Retail Corporation (Synergy)  
Origin Energy Retail Limited  
WorleyParsons Asset Management Pty Ltd  
Wesfarmers Kleenheat Gas Pty Ltd

### Electricity industry members

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

### Board

Paul Wilmot	- Chairman
Alex Errington	- Director (Consumer Representative)
Ricki Smith	- Director (Consumer Representative)
Ray Myles	- Director (Gas Industry Representative)
Trevor James	- Director (Electricity Industry Representative)
Justin Scotchbrook	- Alternate Director for Ray Myles
Andrew Gaspar	- Alternate Director for Trevor James

### Company Secretary

Alex Errington

### Accountants

Kennerlys, Certified Practising Accountants  
PO Box 1125 West Perth WA 6872

### Auditor

Shakespeare Partners, Chartered Accountants  
PO Box 1257 West Perth WA 6872

# Our Mission

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The mission of the Energy Ombudsman is to receive, investigate and facilitate the resolution of complaints and disputes between consumers of electricity and gas services in Western Australia and members of the Electricity Ombudsman and Gas Industry Ombudsman Schemes. The mission is founded on principles of independence, natural justice, access, equity, effectiveness and community awareness.

## Contact Details

<b>Telephone</b>	(08) 9220 7588
<b>Freecall</b>	1800 754 004
<b>Interpreter</b>	131 450
<b>National Relay Service</b>	1800 555 727
<b>Fax</b>	(08) 9220 7599
<b>Freefax</b>	1800 611 279
<b>Email</b>	<a href="mailto:energy@ombudsman.wa.gov.au">energy@ombudsman.wa.gov.au</a>
<b>Website</b>	<a href="http://www.ombudsman.wa.gov.au/energy">www.ombudsman.wa.gov.au/energy</a>
<b>Postal address</b>	Energy Ombudsman Western Australia PO Box Z5386 St Georges Terrace PERTH WA 6831
<b>Office</b>	12th Floor, 44 St Georges Terrace Perth WA 6000
<b>Office Hours</b>	Monday to Friday, 8.30 am to 5.00 pm



# Energy Ombudsman's Report

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I am pleased to report that the Energy Ombudsman continued to achieve excellent results in 2007-2008.

The key results of the year were:

- We received 1,093 complaints:
  - 953 (87%) relating to electricity; and
  - 140 (13%) relating to gas;
- We resolved 1,085 (99%) of these complaints;
- We resolved 95 per cent of gas complaints and 96 per cent of electricity complaints within ten business days; and
- Billing remained the major issue of complaint, accounting for 51 per cent of electricity cases and 65 per cent of gas cases.



The outstanding resolution rates are a testament to the excellent working relationship the Energy Ombudsman enjoys with member companies as well as a credit to the staff of the Energy Ombudsman and the work of complaints personnel employed by energy companies.

The Chairman and Board Members provided valued guidance and support to the office of the Energy Ombudsman during the year and their contribution is greatly appreciated.

A handwritten signature in black ink, appearing to be 'C. Field'. The signature is stylized and written in a cursive-like font.

**Chris Field**  
ENERGY OMBUDSMAN

# Role of the Energy Ombudsman

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The Energy Ombudsman can investigate complaints about:

- the provision or supply of electricity or gas services to a customer;
- billing;
- the administration of credit and payment services for a particular customer;
- disconnection, restriction and refundable advances;
- the way in which a provider has exercised its powers in relation to land, neighbouring land or other property;
- recovery of debts owed or allegedly owed by customers, whether by providers or their Agents;
- service standard payments such as those provided for under the *Code of Conduct for the Supply of Electricity to Small Use Customers*; and
- marketing.

# Complaint Statistics - Electricity

Between 1 July 2007 and 30 June 2008 the Energy Ombudsman received 953 electricity complaints. Of all the electricity complaints finalised, 96 per cent were resolved within ten business days.

Figure 1 below shows the number of electricity complaints received and resolved in 2007-2008 by month.

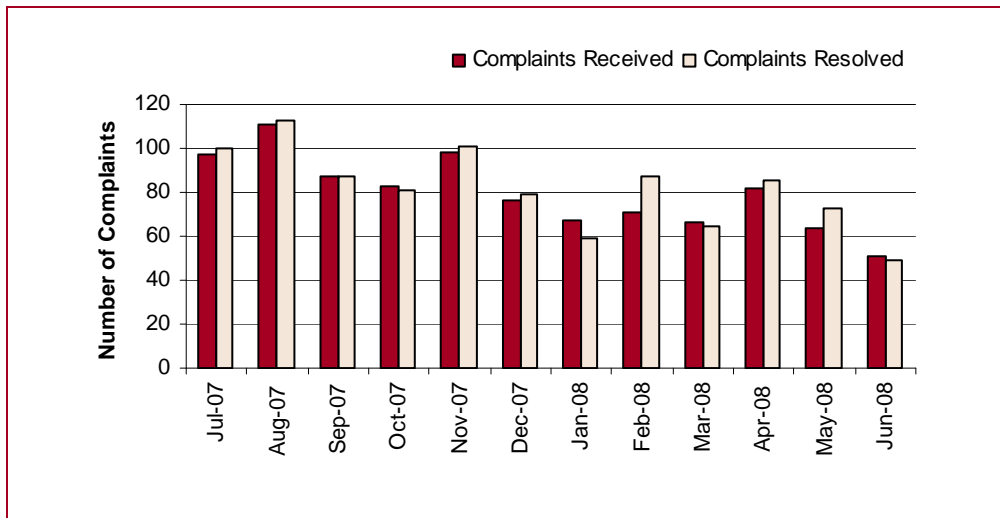


Figure 1: Electricity complaints received and resolved 2007-08

Figure 2 below shows at what stage electricity complaints were resolved by the Energy Ombudsman in 2007-2008.

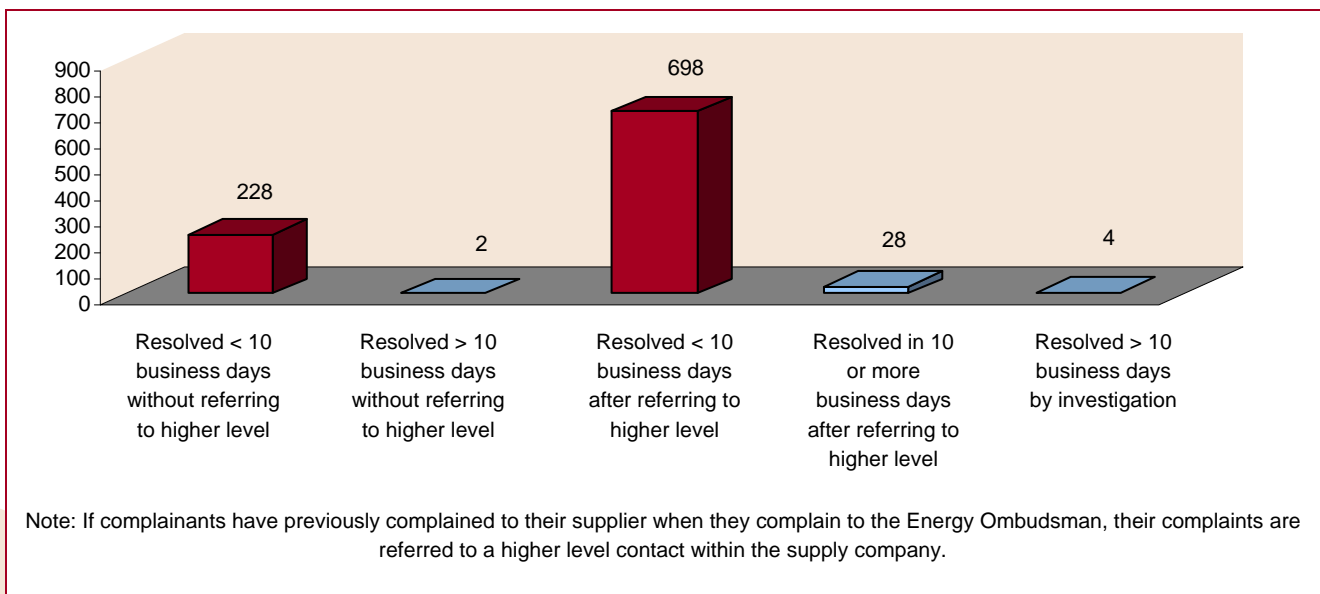


Figure 2: Stage at which electricity complaints were resolved 2007-08

## Complaint Statistics - Electricity (cont'd)

Figure 3 below shows the electricity complaints received for 2007-2008 by issue. Billing issues were the most prevalent, accounting for 51% of complaints received, followed by credit issues (16%).

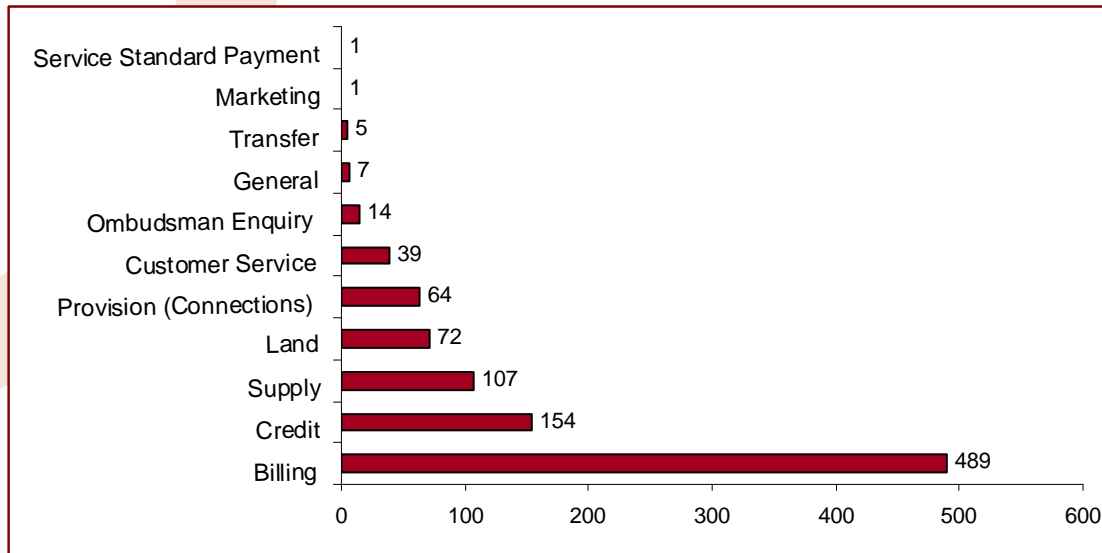


Figure 3: Electricity complaints received by issue 2007-08

Figure 4 below shows the sub-categories of electricity billing and credit issues for 2007-2008.

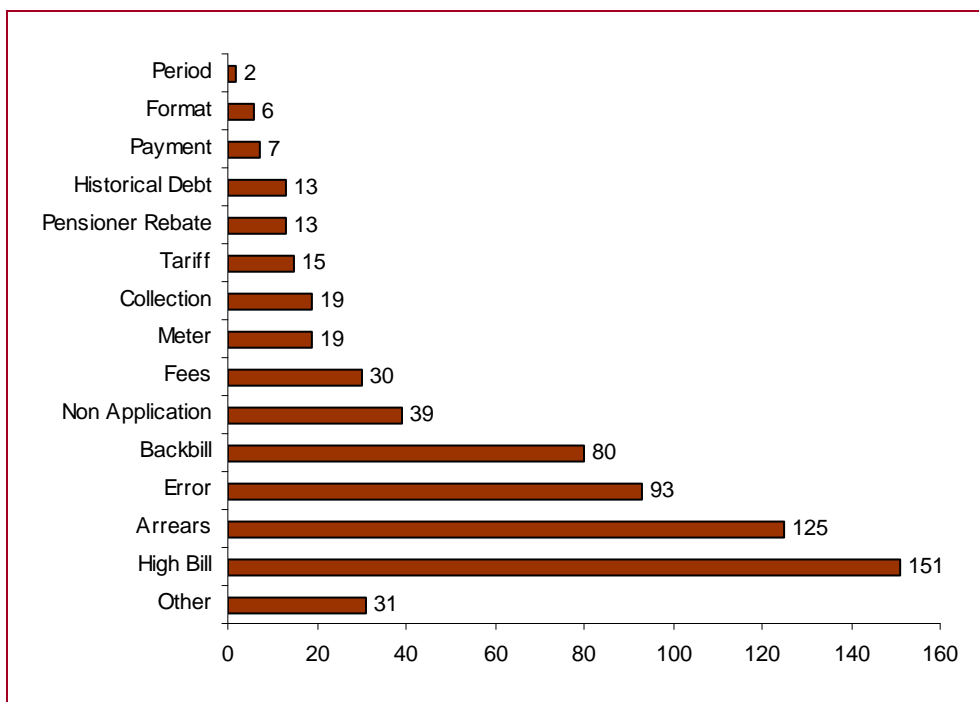


Figure 4: Electricity complaints received by sub-categories of electricity billing and credit issues 2007-08

## Complaint Statistics - Electricity (cont'd)

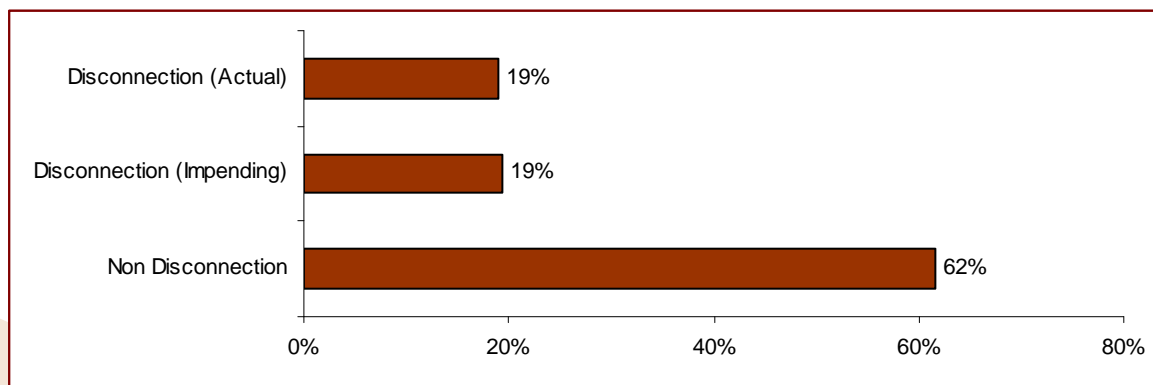
Electricity billing issues explained:

- **Period** - Length of billing cycle (too long or too short);
- **Format** - Format and layout of bill;
- **Historical Debt** - Debt relating to previous properties and statute-barred debt;
- **Pensioner Rebate** - Rebate has not been applied or has been incorrectly applied;
- **Tariff** - Incorrect rates or lack of information about tariffs;
- **Meter** - Metering issues;
- **Fees** - Fees and charges;
- **Non Application** – Actual or threatened disconnection due to customer not applying for an account;
- **Backbill** - Bills for previous periods;
- **Error** - Billing errors; and
- **High Bill** - Bill higher than expected.

Electricity credit issues explained:

- **Payment** - Complaints about installment plans;
- **Collection** - Credit rating or debt collection issues;
- **Arrears** - Credit arrears; and
- **High Bill** – Customer is experiencing difficulty in payment

Figure 5 below shows the percentages of electricity billing issues and credit issues for 2007-08 involving, and not involving, disconnections.



*Figure 5: Sub-categories of electricity billing and credit issues by percentage for 2007-08*

# Complaint Statistics - Gas

During the period 1 July 2007 to 30 June 2008, the Energy Ombudsman received 140 gas-related complaints. Of all the gas complaints finalised, 95 per cent were resolved within ten business days without the need for investigation.

Figure 6 below shows the number of gas complaints received and resolved in 2007-2008 by month.

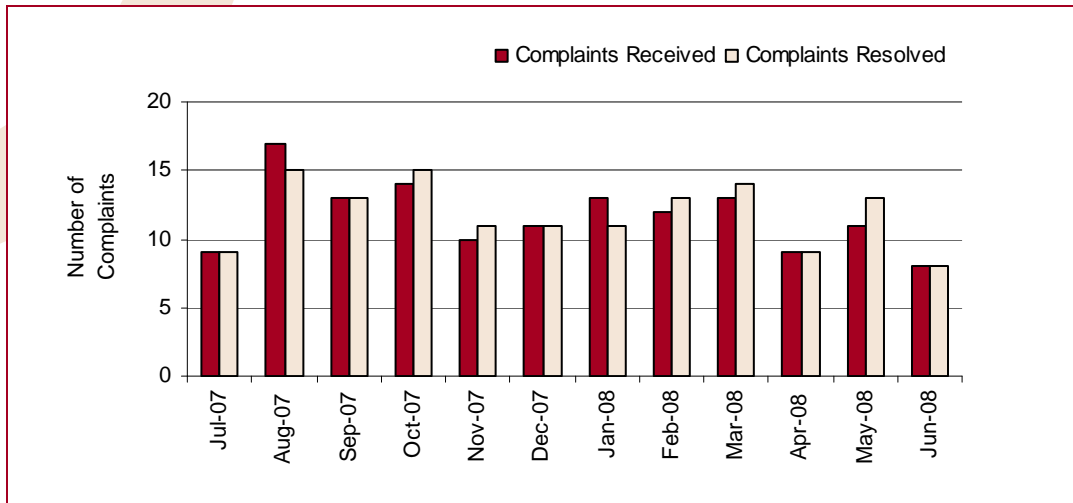


Figure 6: Gas complaints received and resolved 2007-08

Figure 7 below shows at what stage gas complaints were resolved by the Energy Ombudsman in 2007-2008.

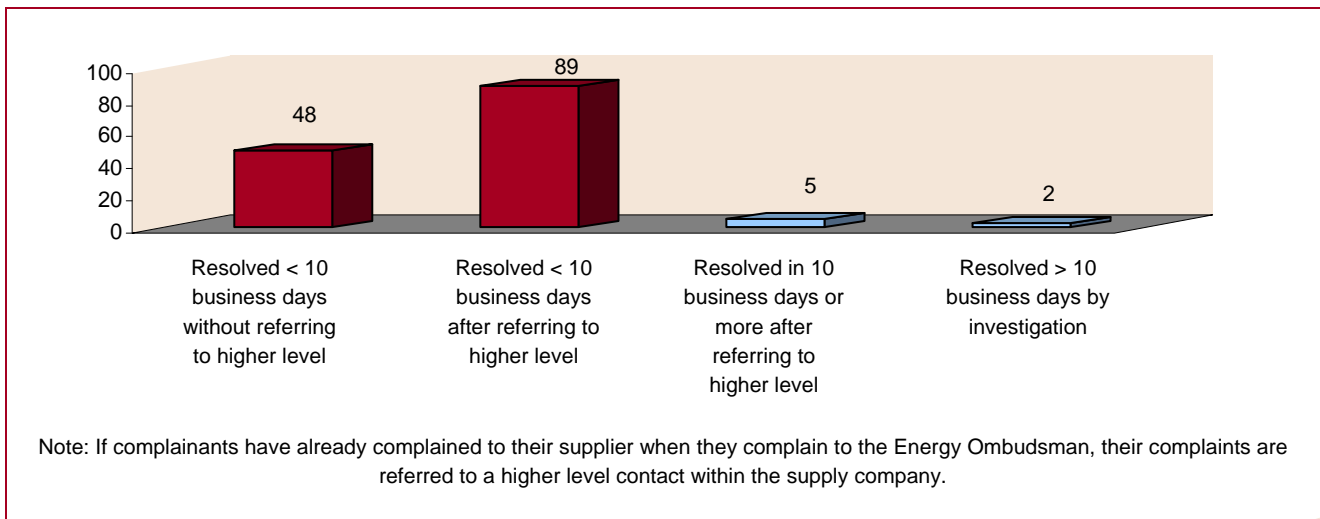
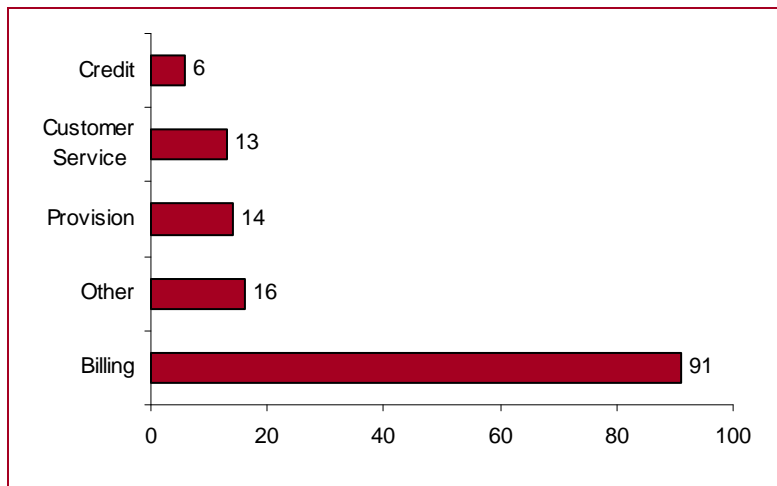


Figure 7: Stage at which gas complaints were resolved 2007-08

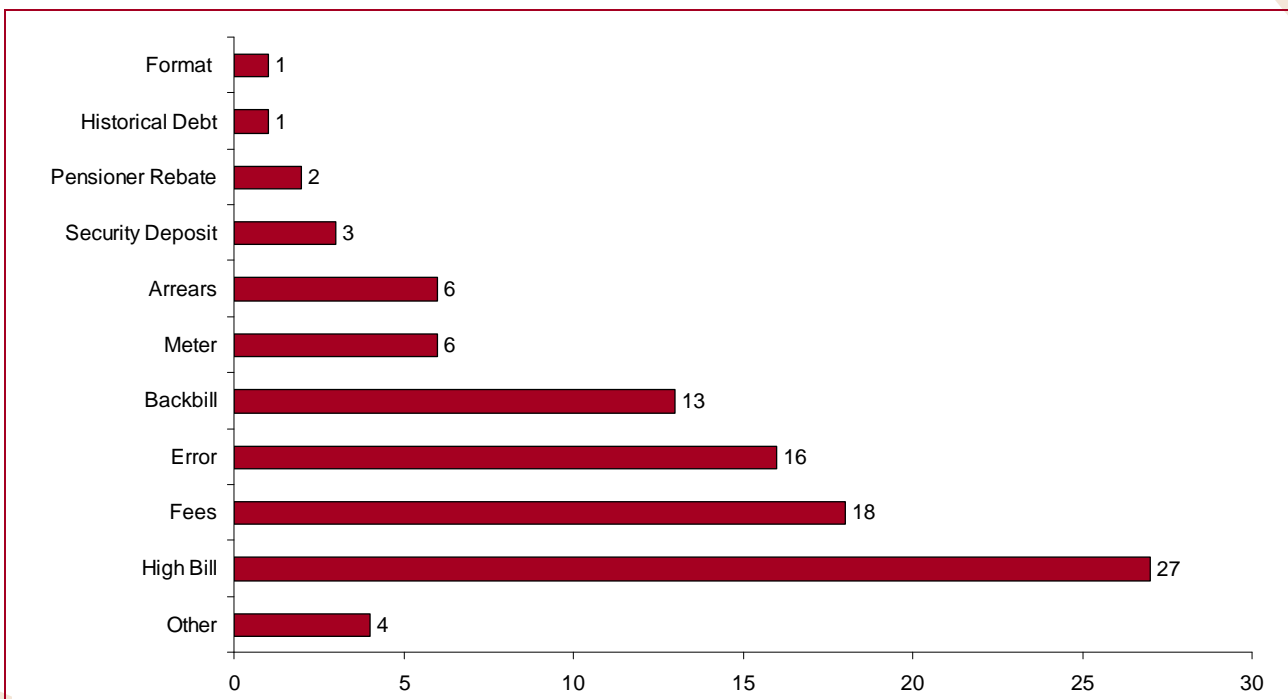
## Complaint Statistics - Gas (cont'd)

Figure 8 below shows the percentage of gas complaints received for 2007-2008 by issue. Billing issues were the most prevalent, accounting for 65 per cent of complaints received, followed by provision (connection) issues at 10 per cent.



*Figure 8: Gas complaints received by issue 2007-08*

Figure 9 below shows the sub-categories of gas billing and credit issues for 2007-2008 by percentage.



*Figure 9: Gas billing issues received by sub-categories 2007-08*

## Complaint Statistics - Gas (cont'd)

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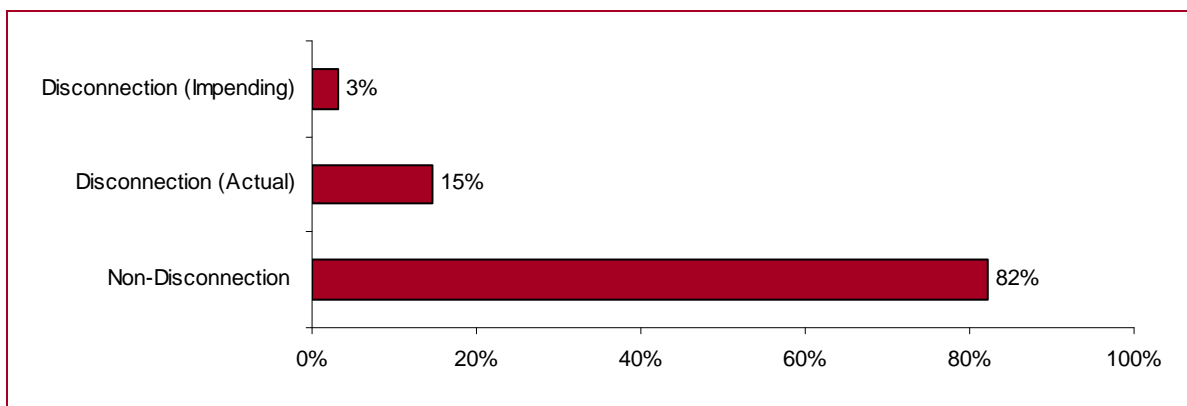
Gas billing issues explained:

- **Format** - Format and layout of bill;
- **Historical Debt** - Debt relating to previous properties and statute-barred debt;
- **Pensioner Rebate** - Rebate has not been applied or has been incorrectly applied;
- **Security Deposit** – Complaints about security deposits for new account holders;
- **Meter** - Metering issues;
- **Fees** - Fees and charges;
- **Backbill** - Bills for previous periods;
- **Error** - Billing errors; and
- **High Bill** - Bill higher than expected.

Gas credit issues explained:

- **Arrears** - Credit arrears; and
- **High Bill** – Customer is experiencing difficulty in payment

Figure 10 below shows the percentages of gas billing and credit issues for 2007-2008 involving, and not involving, disconnections.



*Figure 10: Sub-categories of gas billing and credit issues by percentage for 2007-08*



## Stakeholder Liaison

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Maintaining positive working relationships with members of the Energy Ombudsman scheme is critical. During the year we have met with members as necessary to ensure they understand how we operate and enable them to raise any concerns.

We have made presentations to numerous community support agencies and groups who are often called upon by consumers experiencing difficulties with their utility accounts.

We also maintained our ongoing liaison with the Economic Regulation Authority and the Office of Energy Safety.

## Australian and New Zealand Energy and Water Ombudsman Network

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The Energy Ombudsman WA is a member of the Australian and New Zealand Energy and Water Ombudsman Network (ANZEWON). This network provides a forum for utility industry Ombudsmen in Australia and New Zealand to ensure a consistent approach to complaint handling across the jurisdictions. Members are able to share information and jointly monitor and respond to emerging consumer issues. The Energy Ombudsman attended the ANZEWON meeting held in Sydney in February 2008 and participated in the October 2007 meeting (Wellington NZ) and the June 2008 meeting (Brisbane) by teleconference.

# Staff

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There are two staff dedicated to the Energy Ombudsman function as follows:

<b>Manager</b>	Wayne Mann
<b>Energy Investigating Officer</b>	Justin O'Malley

These two officers are complemented by enquiry, investigative and support staff from the State Ombudsman's Office as appropriate.

Strategic and corporate services are also provided by the State Ombudsman's Office.



