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Energy and Water Ombudsman Western Australia

About this Report

This report describes the functions and operations of the Energy and Water Ombudsman (Western Australia) Limited, for the year ending 30 June 2015.

It is available in print and electronic viewing format to optimise accessibility and ease of navigation. It can also be made available in alternative formats to meet the needs of people with a disability. Requests should be directed to the Publications Manager at (08) 9220 7555 or mail@ombudsman.wa.gov.au.

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Chairperson's Overview

I have pleasure to present the eleventh Annual Report of the Energy and Water Ombudsman (Western Australia) Limited.

I became Chairperson of the Board in August 2015 following the retirement of Mr Paul Wilmot, the inaugural Chairperson. Mr Wilmot was the Chairperson of the Board for over eleven years and guided the expansion of the scheme from the Gas Industry Ombudsman in 2004 to the Energy Ombudsman in 2005 and the Energy and Water Ombudsman in 2014. I would like to take this opportunity to express my appreciation for the leadership Mr Wilmot has provided to the Board in establishing the Scheme and its later expansion to include new jurisdictions.



The Board

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

In February 2015, Mr Colin Smith was appointed the Electricity Industry Representative Director following the resignation of Mr Simon Thackray in January 2015 and, in April 2015, Mr Justin Scotchbrook resigned as the Gas Industry Representative Alternate Director, with the position being filled by Ms Sally McMahon.

The Board held five meetings during the year, as well as receiving complaint statistics and financial reports on a monthly basis.

The Company

We welcomed 11 new water services Members and one new electricity Member during the year and as at 30 June 2015 there were 41 Members of the Company. A list of the Members is included in the Company Particulars section of the report.

Customer Complaints

The Board has a service agreement with the Western Australian Ombudsman who undertakes the role of the Energy and Water Ombudsman. The Board is not involved in the handling of customer complaints. The Energy and Water Ombudsman provides a report to each meeting of the Board outlining the number of complaints received and resolved in the gas, electricity and water sectors.

Appreciation

I would like to record my thanks to my fellow Directors for their commitment to the successful operation of the Board during 2014-15. I would also like to thank the Energy and Water Ombudsman and his staff for their efforts in resolving complaints so efficiently in this eleventh year of operation of the Scheme.

The Energy and Water Ombudsman's Report, the Company Particulars, the Independent Audit Opinion and the audited Financial Statements for the Company for 2014-15 follow.

Ch Hernend

Menno Henneveld CHAIRPERSON

Energy and Water Ombudsman's Report

It gives me great pleasure to present the 2014-15 Annual Report of the Western Australian Energy and Water Ombudsman.

The primary function of the Energy and Water Ombudsman is to investigate and resolve complaints about energy and water services in Western Australia. In 2014-15, we received 2,182 complaints, 17% less than last year, comprised of 1,616 electricity complaints, 277 gas complaints and 289 water complaints. Billing and credit continue to be the main issues raised in both electricity and gas complaints and billing is the main issue raised in water complaints.



The Energy and Water Ombudsman is a key access to justice mechanism for Western Australian electricity, gas and water consumers. As such, it is critical that we resolve complaints in a timely way. This year, we closed 84% of complaints within 10 business days. The timely resolution of complaints is facilitated by the cooperative approach of member companies for which I record my appreciation.

It is also critical that we provide high quality and cost effective resolution and that we are as accessible as possible to all Western Australian electricity, gas and water consumers. As a key component of achieving this, we have continued to liaise with key stakeholders including electricity, gas and water providers, the Economic Regulation Authority, other regulators and other Energy and Water Ombudsmen. We have also undertaken a range of activities to ensure access to our services for members of the public, including those living and working in regional Western Australia and Aboriginal Western Australians through our Regional Awareness and Accessibility Program. This year the Program conducted regional visits to Kalgoorlie-Boulder and Northam.

I take this opportunity to express my sincere appreciation to the Board of the Energy and Water Ombudsman. I record my particular thanks to Mr Paul Wilmot, inaugural Chairperson of the Energy and Water Ombudsman, who retired in August 2015, for his outstanding leadership of the governance of the Energy and Water Ombudsman over the past 11 years. I also warmly welcome Mr Menno Henneveld as Chairperson – Menno brings enourmous expertise and experience to his new role which will be of great benefit to the Board and the work of the Energy and Water Ombudsman.

The work of the Energy and Water Ombudsman is the result of the efforts of a highly skilled and dedicated staff team, including Deputy Energy and Water Ombudsman, Mary White and Director, Energy and Water, Marcus Claridge.

I take this opportunity to thank each staff member for their contribution to ensuring high quality, cost effective and timely access to justice for Western Australian electricity, gas and water consumers.

Chris Field ENERGY AND WATER OMBUDSMAN

Highlights for 2014-15

Complaint Numbers

- In 2014-15, there were 2,182 complaints received representing a 17% decrease from 2013-14.
- Complaints comprised:
 - 1,616 electricity complaints (25% decrease);
 - 277 gas complaints (1% increase); and
 - 289 water complaints in the first full year of operation for this jurisdiction.

Timeliness

 83% of electricity complaints, 94% of gas complaints, 80% of water complaints and 84% of all complaints were closed within 10 business days of receiving the complaint.

Issues Raised

- Concerns about billing and credit are the main issues raised in complaints with these issues identified in 73% of complaints received (44% for billing and 29% for credit). Of these:
 - High bills and alleged errors are the most common reasons for billing complaints; and
 - Payment of arrears and debt collection are the most common reasons for credit complaints.

Liaison and Access

- Effective relationships with key stakeholders and access to our services have been maintained this year through:
 - Continuous liaison and communication with Energy and Water Ombudsman Scheme member organisations, regulators and industry-based Ombudsmen; and
 - Ensuring ongoing access to the Energy and Water Ombudsman services for residential and small use customers, and community groups who may represent them, including through regional visits to Kalgoorlie-Boulder and Northam.

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- Our Role
- Structure and Governance
- Our Services
- Strategies to Achieve Our Objectives
- Our Complaint Resolution Process

About Us

Our Role

The Energy and Water Ombudsman

The Energy and Water Ombudsman Western Australia is an independent, impartial body that investigates and resolves complaints about electricity, gas and water services providers.

Mission and Principles

MISSION

To receive, investigate and facilitate the resolution of complaints about electricity, gas and water services providers who are Members of the Energy and Water Ombudsman Scheme.

The Energy and Water Ombudsman is founded on the PRINCIPLES of

Independence	Access	Effectiveness
Natural Justice	Equity	Community Awareness

The Role of the Energy and Water Ombudsman

The role of the Energy and Water Ombudsman is principally to do three things:

- Investigate and resolve complaints about a Member of the Energy and Water Ombudsman Scheme (Member);
- From complaints, to identify systemic and emerging issues, as well as monitor the outcomes of complaints and report these issues and outcomes to the Economic Regulation Authority (**ERA**) and in other relevant forums; and
- Undertake outreach, education, liaison and other activities to ensure awareness and accessibility to the Energy and Water Ombudsman, particularly for underrepresented Western Australians (in terms of complaints to the Energy and Water Ombudsman compared to representation in the general population).

Structure and Governance

Background of the Energy and Water Ombudsman

The Gas Industry Ombudsman Scheme was established on 31 May 2004 and the Electricity Ombudsman Scheme was established on 22 September 2005. At that time the two schemes were combined under the title of Energy Ombudsman. When the Water Services Ombudsman Scheme commenced on 1 January 2014, the existing Energy Ombudsman expanded to become the Energy and Water Ombudsman.

The Board

The Board of Energy and Water Ombudsman (Western Australia) Limited (**the Board**) is the governing body of the Energy and Water Ombudsman. It comprises seven directors: an independent chair, three customer representative directors, a gas industry representative director, an electricity industry representative director and a water industry representative director. Details of the membership, responsibilities and operations of the Board are documented in the *Energy and Water Ombudsman Constitution November 2013* (**Constitution**) and the *Charter of the Energy and Water Ombudsman Water Ombudsman November 2013* (**Charter**).

The Board in 2014-15		
Chairperson:	Paul Wilmot	
Directors		
Customer Representative:	Wayne Mann	
Customer Representative:	Judith McGowan	
Customer Representative:	Irina Cattalini	
Gas Industry Representative:	Ray Myles	
Electricity Industry Representative:	Simon Thackray (Resigned 12/01/2015)	
	Colin Smith (Appointed 25/02/2015)	
Water Industry Representative:	Riley Nelson	
Alternative Directors		
Gas Industry Representative:	Justin Scotchbrook (Resigned 22/04/2015)	
	Sally McMahon (Appointed 6/05/2015)	
Electricity Industry Representative:	Margaret Pyrchla	
Water Industry Representative:	Karen Willis	

Members of the Energy and Water Ombudsman Scheme

The Members of the Energy and Water Ombudsman Scheme as at 30 June 2015 are listed below.

 Gas Industry Members – 30 June 2015 Alinta Sales Pty Ltd Electricity Generation and Retail Corporation (Synergy) Esperance Power Station Pty Ltd 	 ATCO Gas Australia Esperance Gas Distribution Company Pty Ltd Wesfarmers Kleenheat Gas Pty Ltd
 Electricity Industry Members – 30 June 2015 Alinta Sales Pty Ltd Electricity Generation and Retail Corporation (Synergy) Horizon Power Rottnest Island Authority 	 A-Star Electricity Pty Ltd Electricity Networks Corporation (Western Power) Perth Energy Pty Ltd
 Water Industry Members – 30 June 2015 Aquasol Pty Ltd Busselton Water Corporation Gascoyne Water Cooperative Moama Lifestyle Villages Pty Ltd Preston Valley Irrigation Cooperative Shire of Brookton Shire of Dalwallinu Shire of Dowerin Shire of East Pilbara Shire of Kent 	 Bunbury Water Corporation (Aqwest) City of Kalgoorlie-Boulder Hamersley Iron Pty Ltd Ord Irrigation Cooperative Rottnest Island Authority Shire of Coolgardie Shire of Denmark Shire of Dumbleyung Shire of Gnowangerup Shire of Jerramungup Shire of Koorda
Shire of Lake GraceShire of MorawaShire of Victoria Plains	Shire of MooraShire of RavensthorpeShire of Wickepin

- Shire of Victoria Plains
- Shire of Yilgarn
- Water Corporation •

South West Irrigation Management Cooperative Limited (Harvey Water)

The Energy and Water Ombudsman

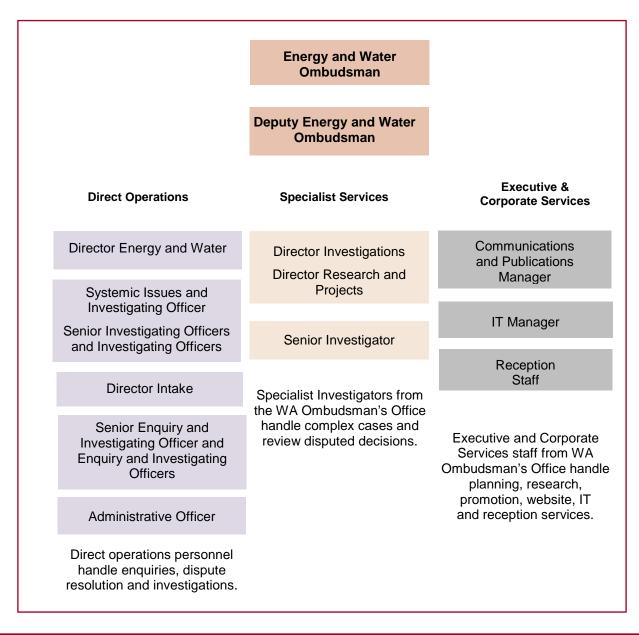
The Western Australian Ombudsman, Chris Field, performs the functions of the Energy and Water Ombudsman under a service agreement with the Board. The Energy and Water Ombudsman is not affiliated with any electricity, gas or water providers or consumer organisations and therefore acts impartially in the investigation and resolution of complaints.

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

Operational Structure

The office of the Energy and Water Ombudsman (**Office**) is located within the office of the Western Australian Ombudsman. This provides the opportunity to achieve significant benefits through scale and scope economies that would not be available to a small stand-alone Energy and Water Ombudsman Scheme. It also creates the opportunity for improved quality service delivery through the highly developed, specialised expertise existing in the office of the Western Australian Ombudsman.

At 30 June 2015, the Energy and Water Ombudsman was comprised of 13.4 full time equivalent employees reporting to the Western Australian Ombudsman in his role as Energy and Water Ombudsman. The structure of the Office is shown below.



Direct operational dispute resolution services are provided by a team of staff reporting through the Deputy Energy and Water Ombudsman to the Western Australian Ombudsman in his role as Energy and Water Ombudsman. Complex investigations, as well as the review of complaints, can be provided through senior investigating staff of the Western Australian Ombudsman's office. Other services, including communications and information technology, are provided through the Executive and Corporate Services Division of the Western Australian Ombudsman.

Our Services

The Energy and Water Ombudsman receives, investigates and resolves complaints and disputes from residential and small business customers about their electricity, gas or water services provider. The following table describes matters that the Energy and Water Ombudsman can and cannot investigate.

Matters the Energy and Water	Matters the Energy and Water
Ombudsman CAN Investigate	Ombudsman CANNOT Investigate
 Provision or supply of services a required by a licence or agreemer under legislation; Billing, the administration of credit an payment services and the recovery of debts; Disconnection and restriction of supply and refundable advances; Payments for breaches of prescribe electricity and water service standards; Marketing of gas, electricity or water for sale; A Member's exercise of its powers i relation to land, neighbouring land of property; Complaints and disputes relating to Member or an agent referred by Member or agent; and Complaints by a person affected by th provision of a water service. 	 determining price structures; Commercial activities outside the scope of the electricity, gas or water service licence; The content of Government policies; and Complaints under consideration by, or previously considered by, any court or tribunal or the Ombudsman considers should be dealt with by a court or tribunal.

The Energy and Water Ombudsman also liaises closely with Scheme Member companies in order to achieve effective dispute resolution, and with the community to provide effective access to our services.

Strategies to Achieve Our Objectives

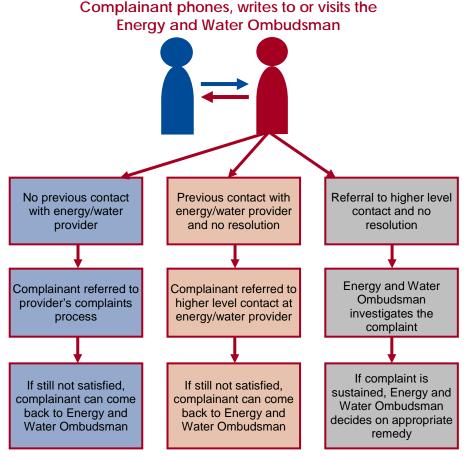
During 2014-15, we focused on achieving the following key priorities:

- Resolving complaints about electricity, gas and water services providers in the most timely, effective and cost efficient manner possible;
- Ensuring appropriate consumer awareness of, and access to, the Energy and Water Ombudsman; and
- Continuing to foster and develop stakeholder relations

Our Complaint Resolution Process

Consistent with other industry ombudsman schemes, the Energy and Water Ombudsman has a focus on the resolution of complaints by the electricity, gas or water services provider and asks people making a complaint to try to resolve the matter with the provider first. The Energy and Water Ombudsman investigates complaints that remain unresolved after referral to a higher level contact with the electricity, gas or water provider.

When resolving complaints the Energy and Water Ombudsman pursues them in a fair, reasonable, just, informal and expeditious manner, having regard to the law and licences, industry codes, deemed contracts and good industry practice applicable to the relevant Member. A summary of the process for handling complaints is shown below.

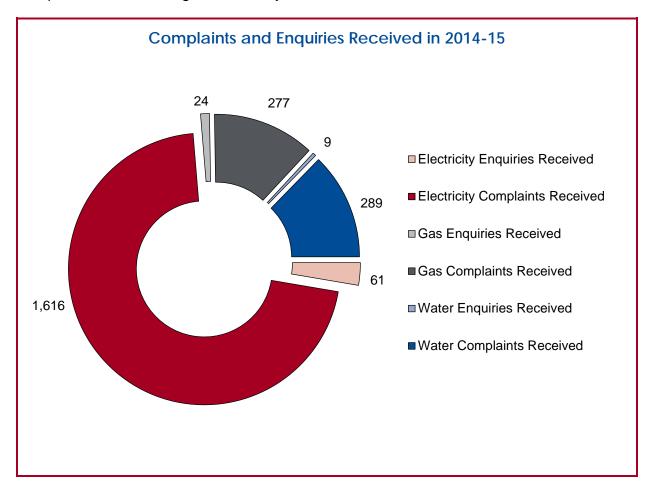


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- Complaints and Enquiries Received
- Complaints Finalised
- Issues Raised in Complaints
- Disconnections
- Investigated Complaints

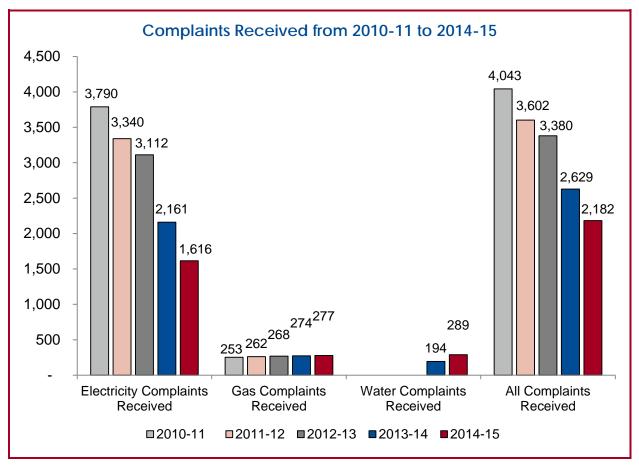
Complaints and Enquiries Received

Over the 12 month period from 1 July 2014 to 30 June 2015, the Energy and Water Ombudsman received 2,182 complaints and closed 2,261 complaints. In addition 94 enquiries were received. The following chart shows the breakdown of complaints and enquiries received for gas, electricity and water in 2014-15.



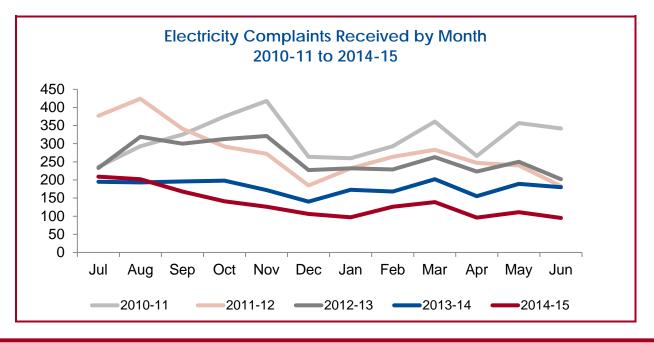
Trends in Complaint Numbers

Overall complaints have decreased by 17% in 2014-15 including a 25% decrease in electricity complaint numbers this year as shown in the following chart. Gas complaint numbers have remained relatively steady. For water complaints, 2014-15 was the first full year of the jurisdiction and cannot be directly compared to 2013-14 which only included water complaints for six months (from 1 January 2014 to 30 June 2014).



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

Further details of the trends in electricity complaints over the last five years are shown in the following chart. After a significant increase in electricity complaints in 2009-10 and 2010-11, there has been a significant decrease over the past four years, including a 31% decrease in 2013-14 and a further 25% decrease in 2014-15.



Complaints Finalised

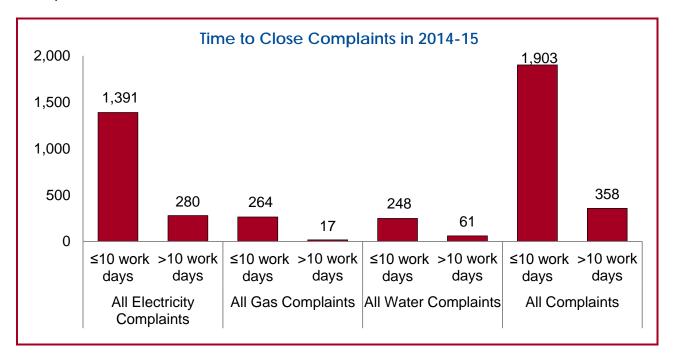
Complaints are finalised through resolution by the electricity, gas or water provider where possible and, if the matter cannot be resolved at that level, the complaint is investigated. The complaint stages and action taken by the Energy and Water Ombudsman at each stage are shown below.

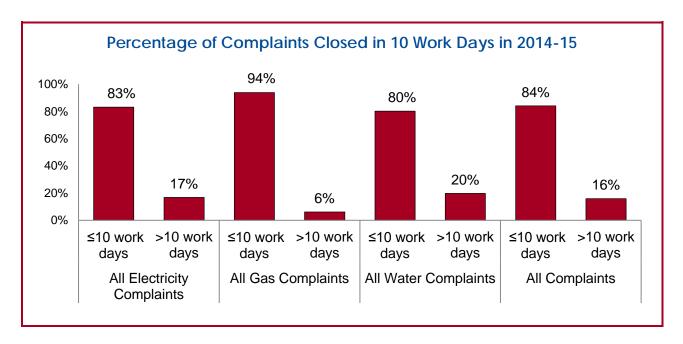
- **Stage 1 Complaints** The person has not yet contacted the electricity, gas or water provider. The customer is referred to the relevant provider.
- Stage 2 Complaints The person has had at least one contact with their electricity, gas or water provider (such as contact to the call centre) but the complaint has not been resolved. The Energy and Water Ombudsman refers the complaint to a 'higher level' officer for resolution within 10 business days.
- Investigated If a complaint remains unresolved after it has been referred to a 'higher level' officer at the relevant provider, the matter is investigated by the Energy and Water Ombudsman.

In 2014-15, there were 2,261 complaints closed, comprising 1,671 electricity complaints, 281 gas complaints and 309 water complaints.

Timeliness of Complaint Handling

The Energy and Water Ombudsman has maintained its high levels of timeliness in 2014-15 with 83% of electricity complaints, 94% of gas complaints, 80% of water complaints and 84% of all complaints being finalised within 10 business days. The following charts show the timeframes for resolving electricity, gas and water complaints in 2014-15.





Issues Raised in Complaints

Issues raised in electricity, gas and water complaints fall into the following categories:

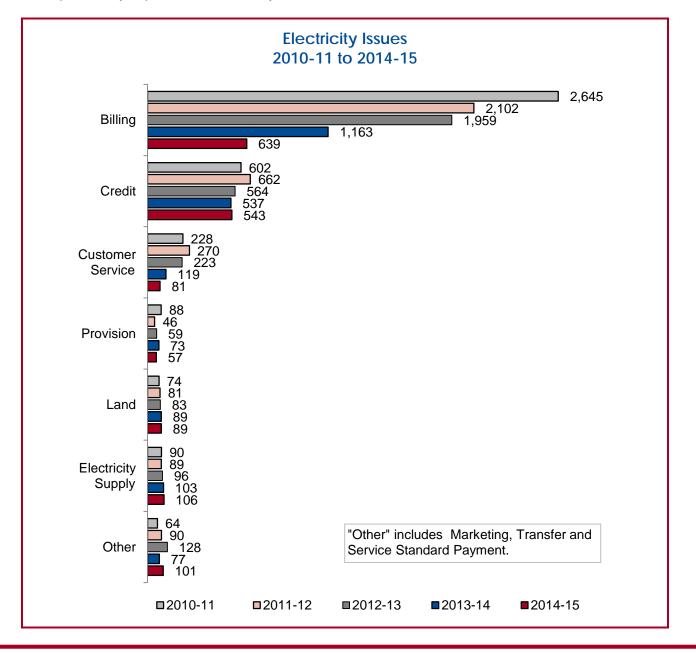
Billing	Complaints about bills including alleged errors and disputes over meter readings and fees and charges.
Credit	Complaints about payment arrangements, debt collection issues and payment difficulties.
Customer Service	Complaints about alleged poor customer service.
Supply	Complaints about the quality and reliability of supply of electricity, gas or water.
Provision	Complaints about connection issues.
Land	Complaints about the way a Scheme Member has exercised its powers in relation to land.
Service Standard Payments	Complaints about regulated payments for poor service.
Transfer	Complaints about transfers from one supplier to another.
Marketing	Complaints about the marketing activities of Scheme Members.
Drainage, Irrigation or Sewerage	Complaints about the supply of drainage, irrigation or sewerage.
General	Complaints not covered by other categories, including complaints by a person affected by a water service.

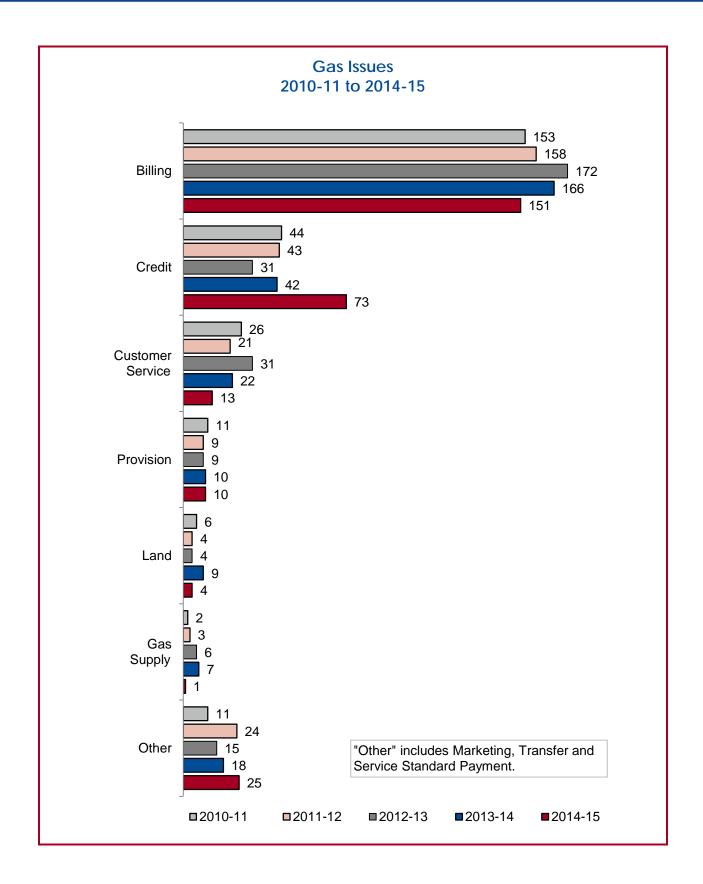
Most Common Issues Raised

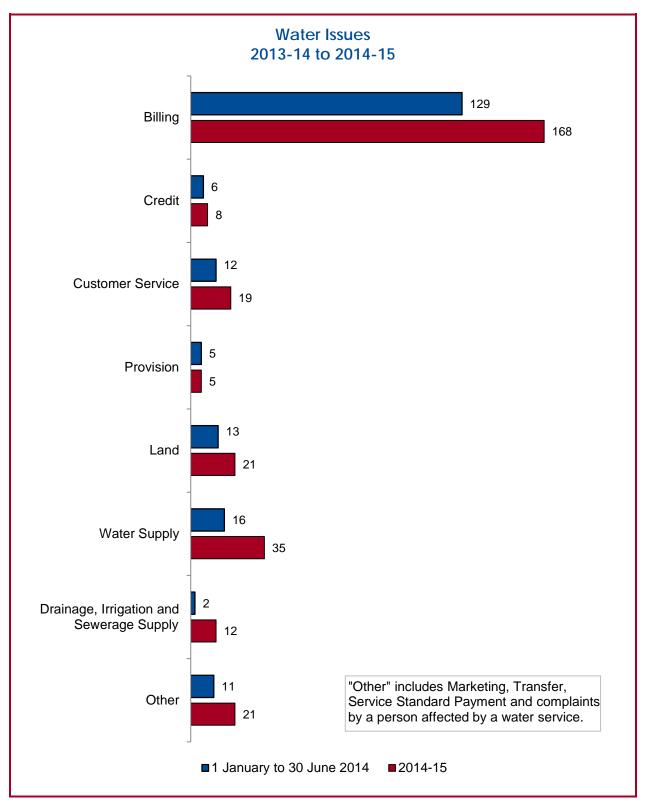
As for previous years, during 2014-15, billing remains the most common issue raised for electricity, gas and water complaints. Billing issues were raised in 44% of complaints received (40% of electricity complaints, 55% of gas complaints and 58% of water complaints). The decrease in electricity complaints during the year has been primarily in the area of billing. For electricity complaints, there was a 41% decrease in billing issues in 2014-15 compared to 2013-14.

Credit is also a common issue for energy complaints, and credit issues were raised in 34% of electricity complaints and 26% of gas complaints.

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







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

Reasons for Billing and Credit Complaints

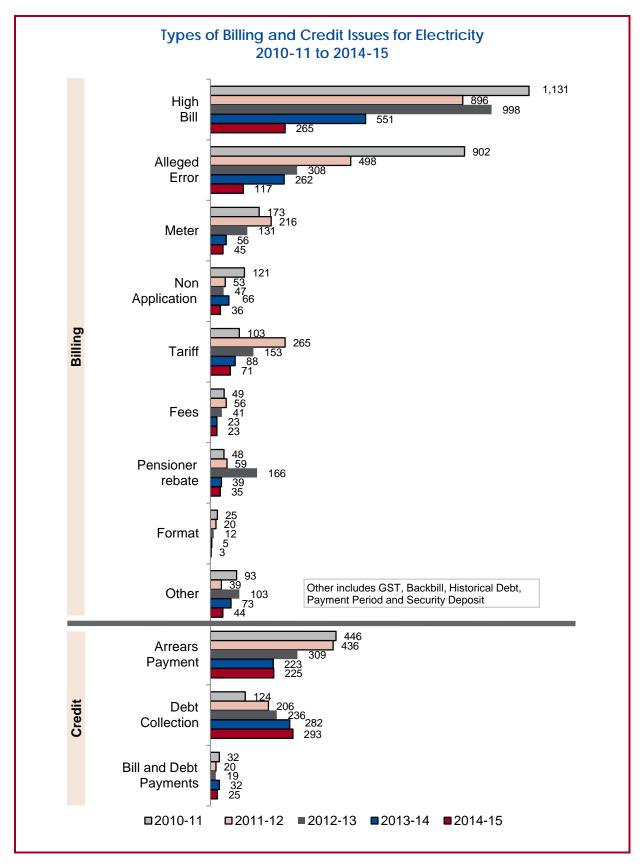
Complaints about billing and credit issues may be made for a range of reasons. The main types of billing and credit issues are:

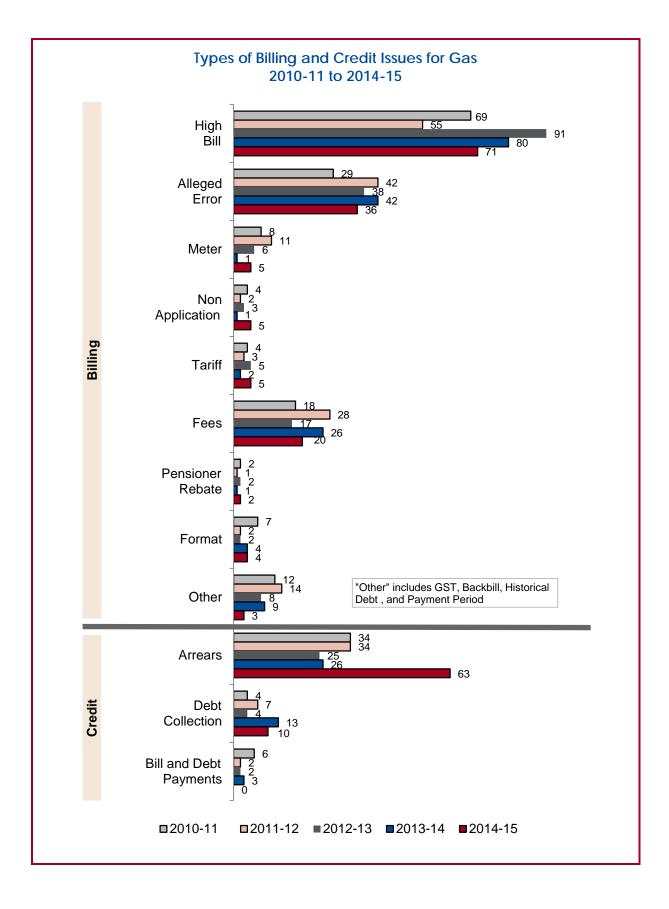
Types of Billing Issues		
High Bill	Bill higher than expected.	
Alleged Error	Alleged billing errors.	
Meter	Metering issues.	
Non Application	Disconnections due to the customer not applying for an account.	
Tariff	Incorrect rates or lack of information about tariffs.	
Fees	Fees and charges.	
Pensioner Rebate	Rebate has not been applied or has been incorrectly applied.	
Format	Format or lack of adequate information on bill.	
Other	Includes backbills, GST, historical debt, payment periods and security deposit.	
Types of Credit Is	Types of Credit Issues	
Arrears	Credit arrears.	
Debt Collection	Credit rating or debt collection issues.	
Bill and Debt Payments	Customer has received a high bill and has difficulty in payment, has difficulty paying debts or problems with payment arrangements.	

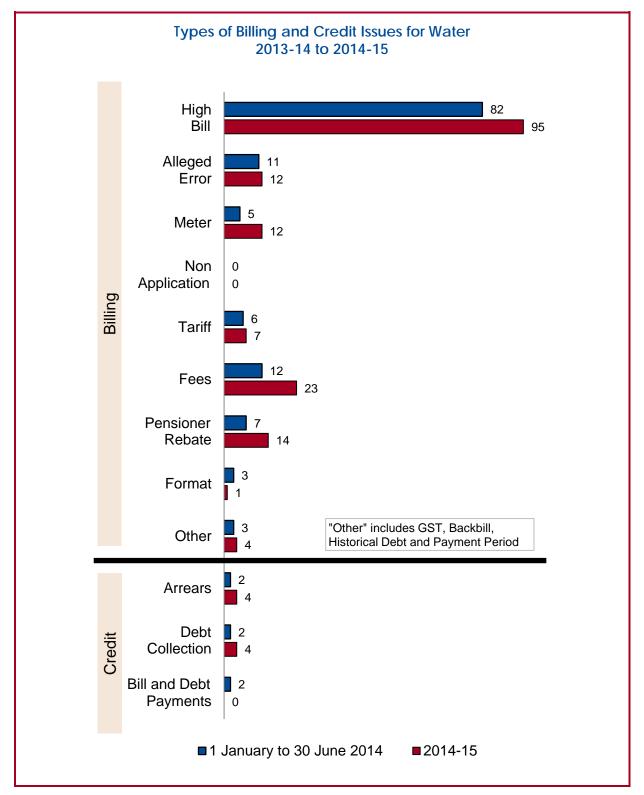
For electricity, gas and water complaints, the main reasons for billing complaints are high bills and alleged errors. For gas and water complaints, fees are another key reason for billing complaints.

For both electricity and gas, the main reason for credit complaints is payment of arrears and debt collection.

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







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

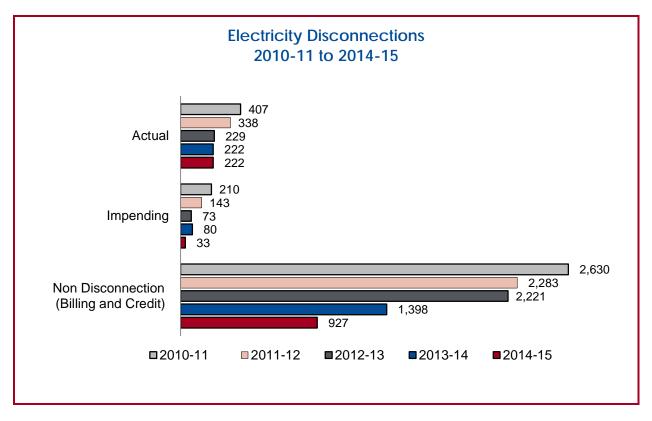
Disconnections

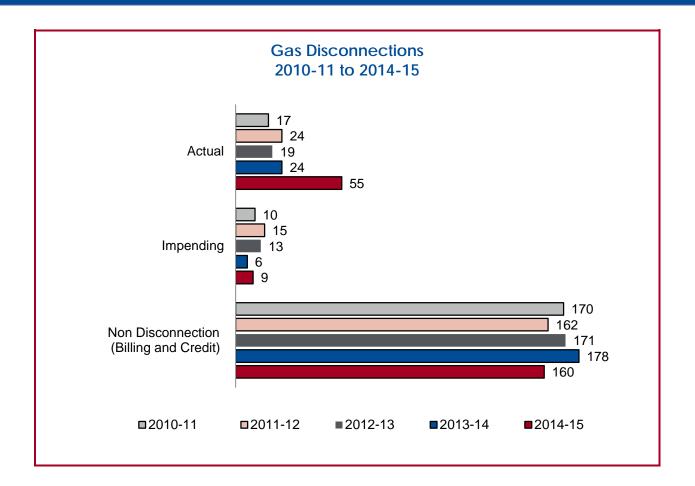
Gas and electricity retailers sometimes disconnect supply when a customer has failed to pay their bill or has not applied for an account when they take up a new residence. Before disconnecting, a reminder notice and then a disconnection warning should be sent. Complaints about reminder notices and disconnection warnings are recorded by the Energy and Water Ombudsman as impending disconnections. Complaints about a disconnection that has already occurred are recorded as actual disconnections. Water providers typically restrict a service rather than disconnect.

During 2014-15, there were:

- 1,182 electricity complaints involving billing and credit issues and, of these, 222 involved actual disconnection and 33 involved an impending disconnection;
- 224 gas complaints involving billing and credit issues and, of these, 55 involved actual disconnection and 9 involved an impending disconnection; and
- 176 water complaints involving billing and credit issues and, of these, 3 related to water restriction and 1 to water disconnection.

The following charts show trends in electricity billing and credit issues involving, and not involving, disconnections. For electricity there was a decrease in complaints about both actual and impending disconnections in 2012-13, which has been maintained in 2013-14 and 2014-15. For gas, complaints about disconnections have increased compared to previous years.

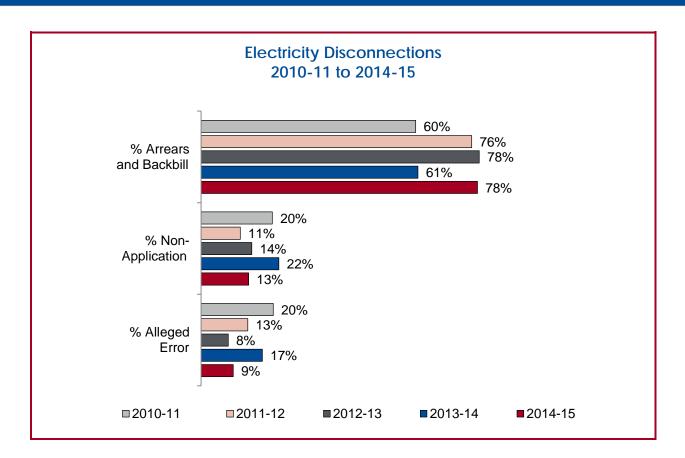


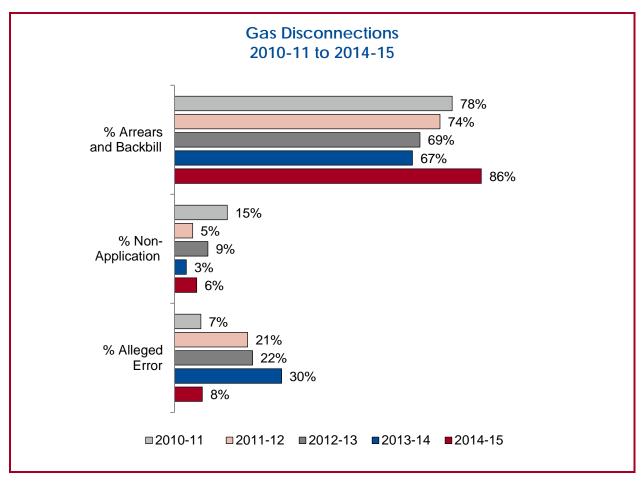


Actual or impending disconnections can occur for the following reasons:

Reasons for Disconnection	
Arrears and Backbills	Customer has not paid their bill or a backbill for a previous period.
Alleged Error	Customer claims that they have been, or are about to be, disconnected due to an alleged error by the retailer.
Non Application	The customer has moved into or acquired a property and not applied to their retailer for an account to be established.

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





The following case studies illustrate the issues raised in complaints about disconnections.



The Energy and Water Ombudsman assists in keeping customer connected

A customer received a large bill from their Retailer, which included high consumption due to a faulty appliance. The customer had a number of dependents and had recently lost their job. As a result, despite paying some installments, the customer was experiencing financial hardship and was at risk of disconnection for failing to pay fully for past consumption. To avoid disconnection, the customer was being asked to pay a lump sum, which was not within their current financial means.

Following the Energy and Water Ombudsman's involvement the Retailer agreed to a payment plan taking into account the customer's living expenses and capacity to pay. The retailer also agreed that, if the customer maintained the payments for a reasonable period of time, the Retailer would further assist in keeping the customer connected by partially crediting the customer's account.

Investigated Complaints

The Energy and Water Ombudsman refers complaints to the electricity, gas or water services provider to resolve the matter in the first instance and most complaints are resolved directly between the customer and the provider. If the customer does not consider the matter is resolved they can bring their complaint back to the Energy and Water Ombudsman for investigation.

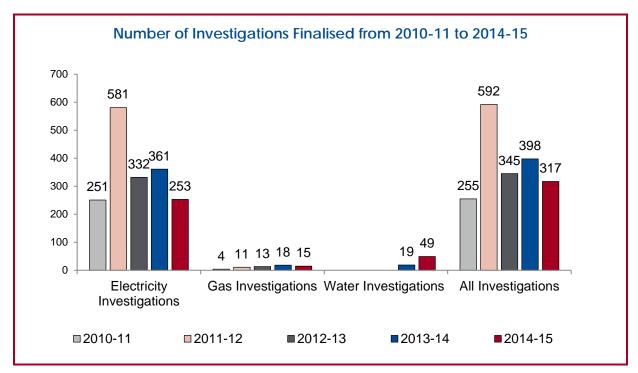
Resolution Through Further Referral

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

Investigations Finalised

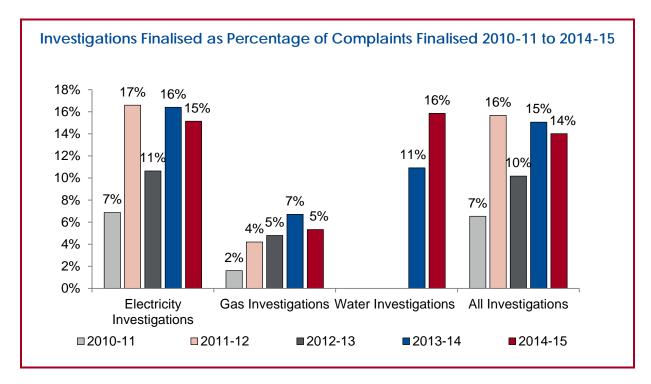
There were 253 investigated electricity complaints, 15 investigated gas complaints and 49 investigated water complaints finalised during 2014-15.

As shown in the following chart, consistent with a decline in electricity complaints received, the number of investigated electricity complaints in 2014-15 has decreased compared to 2013-14.



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

There has been a decrease in the proportion of complaints finalised after an investigation in 2014-15 compared to 2013-14, as shown in the following chart.



Outcomes of Investigated Complaints

Complaints that proceed to investigation may be finalised for the following reasons:

- The Energy and Water Ombudsman facilitates a resolution;
- Investigation of the matter shows that it is out of jurisdiction;
- The investigation shows the complaint is not sustained;
- The investigation shows the matter is sustained and the Energy and Water Ombudsman makes a binding determination including an appropriate remedy; or
- Further investigation is not warranted for a range of reasons.

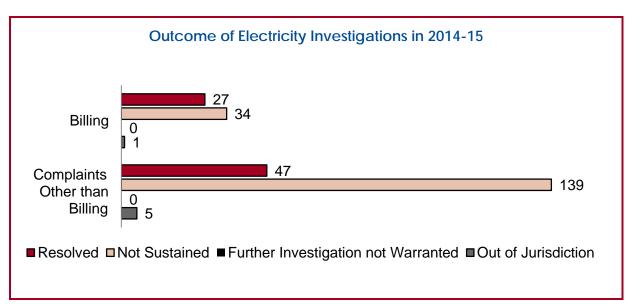
For most investigated complaints the investigation ceases because:

- The Energy and Water Ombudsman investigating officer is able to facilitate a resolution between the customer and their electricity, gas or water provider. This occurred in 85 (27%) of the 317 investigations finalised in 2014-15; or
- The investigation shows the complaint is not sustained. This occurred in 225 (71%) of the 317 investigations finalised in 2014-15.

Smaller proportions of complaints were finalised because they were found, during the investigation, to be out of jurisdiction or further investigation was not warranted.

There were no binding determinations by the Energy and Water Ombudsman in the 2014-15 reporting period.

Outcomes of Investigated Electricity Complaints



The following chart shows the outcomes of the investigated electricity complaints finalised in 2014-15 broken down by the issue of the complaint.

Outcomes of Investigated Gas Complaints

The outcomes of the 15 investigated gas complaints were that six complaints were resolved and nine complaints were not sustained.

Outcomes of Investigated Water Complaints

The outcomes of the 49 investigated water complaints were that five complaints were resolved, 43 complaints were not sustained and one complaint was out of jurisdiction.

Resolutions for Investigated Complaints

Electricity, gas and water providers may offer a range of actions to resolve a complaint including reducing bills, correcting or removing credit listings, providing the complainant with more time to pay, or providing compensation, an explanation or an apology. Bills may be reduced for a variety of reasons including correction of errors (for example, payment of rebate entitlements). Compensation may be paid where a customer has suffered a loss or damage due to the actions of their electricity, gas or water provider.

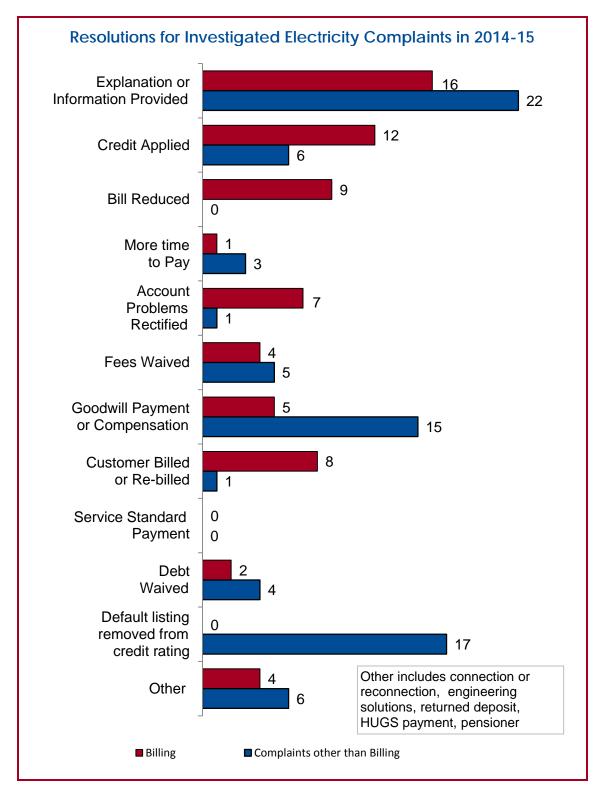
Resolutions for Investigated Electricity Complaints

In 2014-15, 148 actions were offered by electricity providers to resolve the 74 investigated electricity complaints that were resolved during the year.

The number of actions undertaken is higher than the number of complaints resolved as there is often more than one action taken by the provider to resolve the complaint. For example, the retailer may reduce the bill and offer an apology.

Our Work in 2014-15

The following chart provides the breakdown of the actions offered to resolve investigated complaints for billing complaints and complaints about other issues.



Resolutions for Investigated Gas Complaints

There were 14 actions offered by gas providers for the six investigated gas complaints that were resolved in 2014-15, including:

- Explanation or information provided;
- Fees or debt waived;
- Bills reduced, rectified or payment terms extended; and
- Goodwill payment or compensation.

Resolutions for Investigated Water Complaints

There were seven actions offered by water providers for the five investigated water complaint that were resolved in 2014-15, including:

- Explanation or information provided;
- Debt waived or a credit applied; and
- Goodwill payment or compensation.

The following case studies illustrate the resolutions offered by providers.



Energy and Water Ombudsman involvement leads to removal of credit listing

A customer complained that their credit listing, which had been referred by a Retailer to a credit reporting agency, was incorrect. The customer claimed not to have received notification from the Retailer about the debt and was concerned that this listing may affect their ability to obtain credit in the future. The customer had subsequently paid the debt, but the listing remained.

The investigation confirmed that the customer had been listed for failing to pay their final bill which had been based on an estimated meter read, as the meter had not been able to be read due to a locked gate at the property. The investigation also revealed that the final bill had been generated using an incorrect estimation method. When the correct estimation method was applied, the final bill was calculated to be less than the minimum threshold used by the Retailer for referral to a credit reporting agency. As a result, the listing was removed.



Infrastructure moved without cost to the owner

A property owner complained about the location of a water mains and valve, which they claimed was in a hazardous position and affected their development plans to install a driveway. The owner had been informed by the Provider that they would have to bear the cost of relocating the water service.

Following the involvement of the Energy and Water Ombudsman, which included an on-site visit attended by staff from the Energy and Water Ombudsman and engineers from the Provider to assess the situation, the Provider agreed that the water main would be lowered at their expense. Stakeholder Liaison and Access to Services

- Stakeholder Liaison
- Access to Services

Stakeholder Liaison and Access to Services

Effective engagement with key stakeholder groups is essential to the achievement of effective complaint resolution, increased awareness of the services provided by the Office and identification and addressing of systemic issues. The Office does this through:

- Continuous liaison and communication with key stakeholders including Member organisations (electricity, gas or water providers), regulators and industry-based Ombudsmen; and
- Ensuring ongoing access to its services for residential and small use customers, and community groups who represent them.

In November 2014, the Energy and Water Ombudsman presented to the Board a reviewed and revised Communications Strategy 2015-19. This strategy identifies activities designed to enhance the promotion of, and access to, the Energy and Water Ombudsman by key stakeholders. Further details about these activities are detailed in this section.

Stakeholder Liaison

The Office regularly liaises with a number of key stakeholders. This continuous communication and feedback process allows the Office to better understand relevant industry issues and to encourage best practice and leadership in dispute resolution.

Member Organisations

In order to achieve effective dispute resolution, the Office liaises closely with the Scheme Member organisations. The Office was involved in regular meetings with Members as outlined below:

- In August and November 2014 and April 2015, the Energy and Water Ombudsman met with the Chief Executive Officer of Synergy. Energy and Water Ombudsman staff also had regular liaison with Synergy throughout the year to discuss ongoing liaison and the resolution of complaints;
- In August and October 2014, the Energy and Water Ombudsman met with the Chief Executive Officer of Western Power. Energy and Water Ombudsman staff also met with Western Power regarding ongoing liaison and the resolution of complaints;
- In February and June 2015 Energy and Water Ombudsman staff met with Horizon Power regarding ongoing liaison and the resolution of complaints;
- In October 2014, the Energy and Water Ombudsman met with the Chairperson of the Water Corporation. Energy and Water Ombudsman staff also had regular liaison with the Water Corporation throughout the year to discuss the

implementation of the Water Services Ombudsman Scheme as well as ongoing liaison and the resolution of complaints;

- In December 2014, Energy and Water Ombudsman staff met with Alinta regarding ongoing liaison and the resolution of complaints;
- In February and March 2015, the Director of Energy and Water met with Kleenheat to discuss ongoing liaison and the resolution of complaints;
- In early 2015, the Director Energy and Water attended a number of Energy Retailer's Association of Australia Affordability Working Group meetings via teleconference; and
- In March 2015, the Deputy Energy and Water Ombudsman and Director Energy and Water consulted with senior representatives from Synergy, Water Corporation, Western Power, Alinta and Horizon Power, on the proposed Energy and Water Ombudsman Budget for 2015-16.

The Economic Regulation Authority

During 2014-15 the Office continued its regular interaction with the industry regulator, the Economic Regulation Authority (**ERA**). The Office was involved with meetings and liaison with the ERA as outlined below:

- In September and December 2014 and March and June 2015, the Deputy Energy and Water Ombudsman and/or senior Energy and Water Ombudsman staff attended meetings with the ERA's Consumer Consultative Committee. The Consumer Consultative Committee meets quarterly to provide comment to the ERA on issues affecting consumers that fall within the ERA's jurisdiction;
- In August and November 2014 and February and May 2015, the Deputy Energy and Water Ombudsman and Director Energy and Water attended liaison meetings with senior staff of the ERA;
- In November 2014, the Director Energy and Water attended the Energy Utility Regulator's Forum organised by the ERA and presented a paper titled *Complaint Resolution: Opportunities for improving timeliness and effectiveness*; and
- In May 2015, the Director Energy and Water, participated in the ERA Consumer Consultation Committee 2015 Biennial Seminar: *Digital Media and Social Engagement* at the Four Points by Sheraton.

Industry Ombudsmen

Liaison and collaboration with other industry-based Ombudsmen provides an opportunity for the Office to benchmark its performance and stakeholder communication activities against other similar agencies, and to identify areas for improvement through the experience of others. A summary of the liaison with these industry bodies is outlined below:

- The Energy and Water Ombudsman attended the Australia and New Zealand Energy and Water Ombudsman Network (**ANZEWON**) meeting via teleconference in November 2014. ANZEWON provides a forum for utility industry Ombudsmen in Australia and New Zealand to enhance effectiveness, efficiency and appropriate consistency of complaint handling across the jurisdictions. Members are able to share appropriate information and jointly consider emerging consumer issues;
- The Director Energy and Water participated in regular teleconferences with ANZEWON throughout 2014-15. The focus of these discussions was to share appropriate information and insights on systemic issues in complaints in the energy and water industries;
- The Energy and Water Ombudsman attended the Australian and New Zealand Ombudsman Association (ANZOA) Annual General Meeting and joint Members meeting and Executive Committee meeting via teleconference in November 2014, and a Members meetings via teleconference in May 2015. The Director Energy and Water has also attended ANZOA interest groups from time to time. ANZOA is a peak group for Parliamentary and industry-based Ombudsmen in Australia and New Zealand. It acts as a network for consultation and discussion for Ombudsmen on matters of interest, concern or common experience.

Access to Services

Community Awareness and Accessibility

The Office continued to utilise various communication methods to ensure access to its services for the community, including:

- In October 2014, Energy and Water Ombudsman staff provided a stall, with information on the Energy and Water Ombudsman, at the Financial Counsellors' Association of Western Australia's 2014 conference;
- In November 2014, the Deputy Energy and Water Ombudsman and Director Energy and Water consulted with the Western Australian Council of Social Service and the Financial Counsellors Association of Western Australia on the Energy and Water Ombudsman's communication strategy for 2015-19;
- In November 2014, Energy and Water Ombudsman staff attended *Homeless Connect* and provided information on the Energy and Water Ombudsman; and
- In 2014-15 the Office continued the Regional Awareness and Accessibility Program (**the Program**), with visits to Kalgoorlie-Boulder in August 2014 and Northam in May 2015.

The Program is an important way for the Energy and Water Ombudsman to raise awareness of, and access to, its services for regional and Aboriginal Western Australians. Energy and Water Ombudsman information sheets are distributed and Energy and Water Ombudsman staff deal with enquiries and complaints about the electricity, gas and water services providers during complaint clinics which form part of regional visits.

Speeches and Presentations

Throughout the year Energy and Water Ombudsman staff delivered presentations on the role of the Energy and Water Ombudsman and how the Energy and Water Ombudsman may be able to assist members of the local community.

'Ask the Ombudsman' on Nightline

The Office continues to provide access to its services through the Energy and Water Ombudsman's regular appearances on Radio 6PR's *Nightline* program. Listeners who have complaints about electricity, gas or water providers or want to make other enquiries about the Energy and Water Ombudsman jurisdiction can call in and speak with the Energy and Water Ombudsman live on the air. The segment also allows the Office to communicate key messages about the Energy and Water Ombudsman jurisdictions and the outcomes that can be achieved for members of the public. The Energy and Water Ombudsman appeared on the 'Ask the Ombudsman' segment in September 2014, and February and May 2015.

Energy and Water Ombudsman Website

The <u>Energy and Water Ombudsman website</u> provides a wide range of information and resources for members of the public on the complaint handling process provided by the Office.

The website content and functionality are continually reviewed and improved to ensure there is maximum accessibility to all members of the diverse Western Australian community. The site provides information in a wide range of <u>community</u> <u>languages</u>.

Links to Energy and Water Ombudsman publications and useful links to external websites are used throughout. The site also features an online form for complainants to use to lodge a complaint. The site can be accessed at www.ombudsman.wa.gov.au/energyandwater.



Publications

The Energy and Water Ombudsman provides publications to assist complainants to understand the role of the Energy and Water Ombudsman and the Energy and Water Ombudsman's complaint process.

The Energy and Water Ombudsman's complaint forms and information sheets are translated into 15 community languages to ensure accessibility for people from culturally and linguistically diverse backgrounds. The translated forms and information feature on the website and are available in hard copy on request.



Western Australian Ombudsman Newsletter

A Western Australian Ombudsman Newsletter was issued in relation to the period 2014-15. The Newsletter is a key publication used by the Office to communicate information to stakeholders about the Office's performance and activities.

The July 2014 edition featured an article titled: '*New water services jurisdiction commenced 1 January 2014*'. The article discussed what the Energy and Water Ombudsman can and cannot investigate; who can complain and where to find more information

Company Particulars and Financial Statements

- Company Particulars as at 30 June 2015
- Independent Audit Opinion
- Statement of Comprehensive Income
- Detailed Balance Sheet
- Statement of Changes in Equity
- Cashflow Statement

Company Particulars and Financial Statements

Company Particulars as at 30 June 2015

Energy and Water Ombudsman (Western Australia) Limited ACN 109 054 426		
Registered address	c/- Kennerlys Ground Floor, 24 Outram Street West Perth WA 6005	
Postal address	c/- Kennerlys PO Box 1125 West Perth WA 6872	
Board	Chairperson: Directors Customer Representative: Customer Representative: Customer Representative: Gas Industry Representative: Electricity Industry Representative: Water Industry Representative: Gas Industry Representative: Electricity Industry Representative: Water Industry Representative: Water Industry Representative:	Riley Nelson Sally McMahon (Appointed 06/05/2015)
Company Secretary	Leendert Johan Ouwendyk	
Accountants	Kennerlys PO Box 1125 West Perth WA 6872	
Auditor	Shakespeare Partners, Chartered A PO Box 1257 West Perth WA 6872	

Energy and Water Ombudsman (Western Australia) Limited ACN 109 054 426		
Members	Gas Industry	
	Alinta Sales Pty Ltd ATCO Gas Australia Electricity Generation and Retail Corporation (Synergy) Esperance Gas Distribution Company Pty Ltd Esperance Power Station Pty Ltd Wesfarmers Kleenheat Gas Pty Ltd	
	Electricity Industry	
	Alinta Sales Pty Ltd A-Star Electricity Pty Ltd Electricity Generation and Retail Corporation (Synergy) Electricity Networks Corporation (Western Power) Horizon Power Perth Energy Pty Ltd Rottnest Island Authority	
	Water Industry	
	Aquasol Pty Ltd Bunbury Water Corporation (Aqwest) Busselton Water Corporation City of Kalgoorlie-Boulder Gascoyne Water Cooperative Hamersley Iron Pty Ltd Moama Lifestyle Villages Pty Ltd Ord Irrigation Cooperative Preston Valley Irrigation Cooperative Rottnest Island Authority Shire of Brookton Shire of Brookton Shire of Coolgardie Shire of Dalwallinu Shire of Denmark Shire of Denmark Shire of Dumbleyung Shire of Dumbleyung Shire of Goomalling Shire of Goomalling Shire of Goomalling Shire of Kent Shire of Koorda Shire of Koorda Shire of Koorda Shire of Morawa Shire of Morawa Shire of Morawa Shire of Wickepin Shire of Wickepin Shire of Yilgarn	
	South West Irrigation Management Cooperative Ltd (Harvey Water) Water Corporation	

Independent Audit Opinion

	SHAKESPEARE CHARTERED ACCOUNTANTS
	AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO DIRECTORS OF ENERGY AND WATER OMBUDSMAN (WA) LTD
	lare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been ontraventions of:
a.	the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
b.	any applicable code of professional conduct in relation to the audit.
	KESPEARE PARTNERS tered Accountants
	tor Registration Number: 279757 agust 2015
DIRECTORS: I	Leigh-Anne Meyerowitz CA Stephen Thompson CA
Shakespeare F 47 Outram Str www.shakes.c	Partners (Audit) Pty Ltd ABN 67604460568 eet, West Perth, Western Australia 6005 PO Box 1257, West Perth, Western Australia 6872 com.au info@shakes.com.au Ph. +61 (08) 9321 2111 Fax. +61 (08) 9321 2050



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENERGY AND WATER OMBUDSMAN (WA) LTD

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Energy and Water Ombudsman (WA) Ltd, which comprises the statement of financial position as at 30 June 2015, and statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

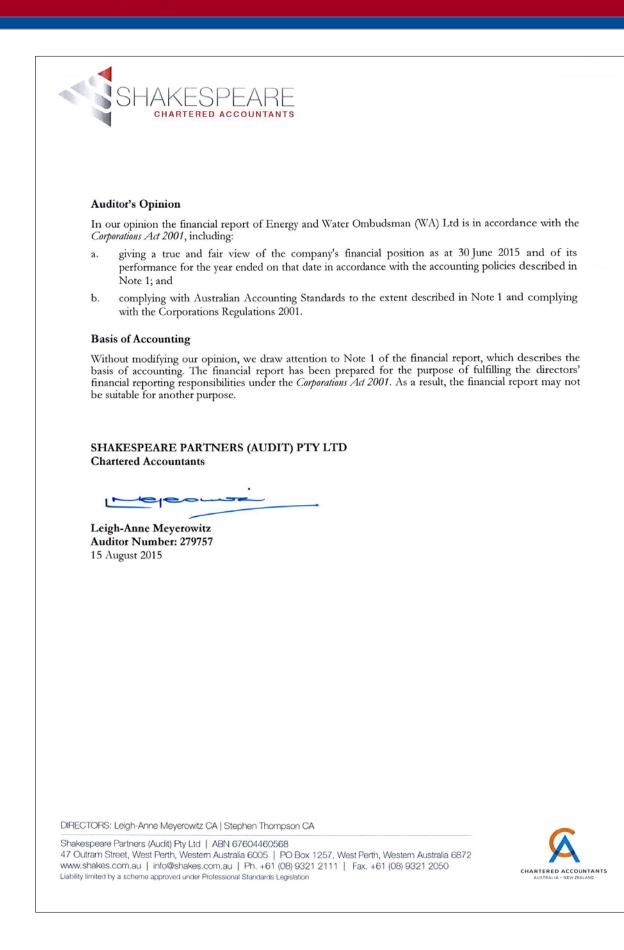
In conducting our audit, we have complied with the independence requirements of the *Corporations Act* 2001. We confirm that the independence declaration required by the *Corporations Act* 2001 would be in the same terms if it had been provided to the directors as at the date of this auditor's report was made.

DIRECTORS: Leigh-Anne Meyerowitz CA | Stephen Thompson CA

Shakespeare Partners (Audit) Pty Ltd | ABN 67604460568 47 Outram Street, West Perth, Western Australia 6005 | PO Box 1257, West Perth, Western Australia 6872 www.shakes.com.au | info@shakes.com.au | Ph. +61 (08) 9321 2111 | Fax. +61 (08) 9321 2050 Liability limited by a scheme approved under Professional Standards Legislation



Company Particulars and Financial Statements



Statement of Comprehensive Income

For the Year Ended 30 June 2015

	2015 \$	2014 \$
Income		
Complaint/Dispute Revenue	2,589,905	2,787,517
Interest Received	2,195	-
Total income	2,592,100	2,787,517
Expenses		
Accountancy	27,612	28,512
Bank Charges	34	4
Dispute / Complaint Costs	2,301,422	2,452,492
Directors Fees	72,196	62,964
Fees and Charges	-	366
Filing Fees	45	44
Insurance	7,726	7,850
Statutory Review Fees	37,000	-
Professional Fees	21,310	19,911
Superannuation	6,859	5,824
Total expenses	2,474,204	2,577,968
Profit from Ordinary Activities before income tax	117,896	209,549
Income Tax Expense	35,369	62,864
Profit from Ordinary Activities after income tax	82,527	146,685

Statement of Financial Position

As at 30 June 2015

	2015	2014
	\$	\$
Current Assets		
Cash Assets		
Cash at Bank	170,411	302,281
Term Deposit	300,000	
	470,411	302,281
Receivables		,-
Trade Debtors	6,533	87,903
	6,533	87,903
	0,000	07,903
Current Tax Assets		
GST Payable	5,038	53,933
Tax Recoverable	23,964	-
	29,002	53,933
Other		
Prepayments	1,918	1,973
	1,918	1,973
		-,
Total Current Assets	507,863	446,090
		,
Total Assets	507,863	446,090
		ŕ
Current Liabilities		
Payables		
Trade Creditors	2,531	2,201
	2,531	2,201
	2,331	2,201
Current Tax Liabilities		
Tax Payable	-	9,525
PAYG Withholding Payable	4,550	4,173
ATO PAYG Instalment Payable	12,972	24,907
	17,522	38,605
Total Current Liabilities	20,053	40,806
Total Liabilities	20,053	40,806
Net Assets	487,810	405,284
Equity		
Retained Profits/(Accumulated Losses)	487,810	405,284
Total Equity	487,810	405,284

Statement of Changes in Equity

For the Year Ended 30 June 2015

	Retained surplus/ accumulated deficits \$	Total \$
Balance at 1 July 2013	258,599	258,599
Profit for the year	146,685	146,685
Balance at 30 June 2014	405,284	405,284
Balance at 1 July 2014		
Profit for the year	82,527	82,527
Total comprehensive income for the year	82,527	82,527
Balance at 30 June 2015	487,810	487,810

Cash Flow Statement

For the Year Ended 30 June 2015

	2015 \$	2014 \$	
	Inflows/(Inflows/(Outflows)	
Cash flows from operating activities			
Receipts from Members	2,967,514	2,903,345*	
Interest received	2,195	-	
Payments to suppliers and employees	(2,720,786)	(2,823,410)*	
Income tax paid	(80,793)	(41,884)*	
Net cash provided by/(used in) operating activities	168,130	38,051	
Cash flows from investing activities			
Net cash provided by/(used in) investing activities	-	-	
Cash flows from financing activities			
Net cash provided by/(used in) financing activities	-	-	
Net increase/(decrease) in cash and cash equivalents	168,130	38,051	
Cash and cash equivalents at 1 July 2014	302,281	264,230	
Effect of exchange rate fluctuations on cash held	-	-	
Cash and cash equivalents at 30 June 2015	470,411	302,281	

* These figures have been restated to include GST and Income Tax Paid

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

