



## 2018 Statutory Review of Energy and Water Ombudsman (Western Australia)

Report  
August 2018

Quantum Management Consulting and Assurance

ABN 83 083 848 168 Liability limited by a scheme approved under Professional Services Legislation

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## Executive Summary

### Background

Electricity, gas and water providers in Western Australia are required by their licence conditions, issued by the Economic Regulation Authority (the Authority) to be members of an approved external dispute resolution scheme. The approved scheme in Western Australia is the Energy and Water Ombudsman Scheme. The Scheme consists of:

- A company limited by guarantee, Energy and Water Ombudsman (Western Australia) Limited, governed by a Board of Directors. The Board 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;
- Members of the Scheme, which are electricity, gas and water providers; and
- The office of the Energy and Water Ombudsman Western Australia (EWOWA), which receives, investigates, resolves, or facilitates the resolution of complaints and disputes between residential and small business customers and Members.

The Western Australian Ombudsman has entered into an agreement with the EWOWA Board to serve as the Energy and Water Ombudsman. The EWOWA utilises the Ombudsman's staff to run the scheme.

One of the legislative objectives of the Scheme is that “the Scheme will satisfy best practice benchmarks for schemes of a similar kind both in terms of its constitution and procedure and in terms of its day to day operations”. These benchmarks are the *Benchmarks for Industry-based Customer Dispute Resolution* (National Benchmarks) published by the Australian Government (The Treasury). The National Benchmarks establish key practices in the areas of:

- Accessibility;
- Independence;
- Fairness;
- Accountability;
- Efficiency; and
- Effectiveness.

Under the relevant regulations<sup>1</sup> and the EWOWA Constitution (clause 24), the Board must review the Scheme at least once every five years. The Scheme was reviewed in 2015 for water services only (2015 Water Review) and 2013 for gas and electricity (2013 Energy Review). This review is due by 30 September 2018 (2018 Review).

### Review Summary

The objectives of the 2018 Review were to:

1. Consult with all, or as many as practicable, of the persons and bodies, the Board considers have an interest in the Scheme;
2. Assess the Scheme against the objectives of the Scheme (as set out in relevant legislation), including an assessment against the National Benchmarks; and
3. Comprehensively consider the Charter and the Constitution in terms of their capacity as best practice governance documents to ensure that the objectives of the Scheme are being met including, if appropriate, whether any amendments should be considered by the Board to either the Charter or the Constitution<sup>2</sup>.

<sup>1</sup> Regulation 9, *Electricity Industry (Ombudsman Scheme) Regulations 2005*; regulation 8, *Energy Coordination (Ombudsman Scheme) Regulations 2004*; section 18(2), *Water Services Regulations 2013*.

<sup>2</sup> Section 28 of the Constitution provides that the Constitution may only be amended in accordance with the *Corporations Act 2001*, which requires a special resolution by members at a General Meeting. Further, as the legislation requires that the Authority approve any amendments to the Scheme, any changes to the Constitution that represent an amendment to the Scheme must also be approved by the Authority. Section 12 of the Charter provides that amendments to the Charter may be proposed, reviewed and either accepted or rejected by the members at a General Meeting and the Board must submit any amendments to the Charter that are accepted by members to the Authority for approval. After consultation with members, final authority for the approval of the Scheme and the Charter rests with the Authority.

The 2018 Review report is required to be provided to the Authority, as well as Members, and may be provided to the public by the Authority.

## **Conclusion**

The 2018 Review concluded that the Energy and Water Ombudsman (Western Australia) meets the *Benchmarks for Industry-based Customer Dispute Resolution Schemes* and better practices for corporate governance. There have been significant improvements since the 2015 Water Review and there is a high level of satisfaction of Members, complainants and consumer representatives with the Scheme and its operations.

The 2018 Review has identified further areas where continued improvements can be made to the EWOWA's operations.

## **Key Findings**

### ***Previous Review***

From the previous 2015 Water Review, 9 out of 12 recommendations have been implemented and 3 recommendations are in progress for implementation by December 2018. Those in progress relate to:

- When the opportunity presents to appoint new customer directors, EWOWA should endeavour to appoint people who work in the consumer advocacy field. The EWOWA has confirmed this will be part of the criteria, when the next elections are due in November 2018;
- Conducting surveys of complainants, consumer organisations and Members. This has commenced with this Review and will be continued after this Review; and
- Publishing statistics on complaints and trends. EWOWA is considering publishing information regarding systemic issues arising from complaints in its Annual Report and separately on the EWOWA website.

The findings in terms of the National Benchmarks are summarised below.

### ***Accessibility***

The EWOWA Scheme makes itself readily available to customers by promoting knowledge of its services, being easy to use and having no cost barriers. The following improvements were identified:

- The Scheme requires customers to contact their service provider (Member) with any complaint before they contact the EWOWA. This is also required by the relevant Codes of Conduct for energy and water providers. However, 74% of complainants surveyed responded that they had not been advised by their service provider that they could contact the EWOWA if not satisfied with the service provider's action on the complaint. Members should be reminded of this requirement.
- Our survey of consumer representatives noted that only 26% considered the EWOWA effectively promotes its existence which, whilst an improvement on the 2015 Water Review survey result of 5%, shows this is an area that needs further communication.
- The demographics of the complainant survey compared to the Western Australian population shows that several sectors, including middle-income households, people aged under 34 years and people with a disability, are under-represented in complaints to the EWOWA. This may be due to these sectors having fewer energy and water accounts but opportunities to improve awareness of these demographics should continue.
- The EWOWA website is integral to raising awareness and promoting EWOWA services and its importance will continue to increase over time. Our survey of complainants found 31% became aware of EWOWA through their own knowledge, followed by 25% from the Internet and 8% from the customer bill. Whilst the current website is easy to navigate and has relevant information, its layout and style does not enable users to quickly ascertain what they need to do to make a complaint. Compared with other States, there are a number of opportunities to improve the format, content and navigability of the website to

improve its appeal to users. The use of social media for promotion and awareness-building should also be considered.

### ***Independence***

Our surveys of Members, complainants and community representatives confirmed that all groups considered the decision-making process and administration of the Scheme are independent from Scheme members.

The independence is also supported by the composition of the Board including equal numbers of industry and consumer-representative Directors.

The 2018 Review concluded that the Scheme is appropriately funded by the Members with a funding model that is consistent with most of the other States. There were several submissions from Members about the fairness of the funding model and the transparency of the charging methodology. The annual budget and fees are advised to Members and guidance notes have been issued on the Funding Model and Substantial Breaches, including monetary settlements. EWOWA should re-issue this guidance and provide further guidance on the charging methodology for each Stage of complaints or investigations, and monetary settlements.

### ***Fairness***

The 2018 Review concluded that the procedures and decision-making of the Scheme are fair and seen to be fair.

Our surveys found that 76% of Members, 81% of consumer representatives and 90% of complainants considered the EWOWA's complaint handling processes to be fair.

Our surveys also found that 76% of Members, 93% of complainants and 100% of consumer representatives agree that complaints to EWOWA are kept confidential.

These results are at a satisfactory level but indicate there should be a continuing focus on conducting surveys of complainants, Members and consumer representatives, as planned by EWOWA.

We also reviewed a sample of 30 case files relating to complaints made to the EWOWA in 2017 (including complaints closed at each Stage and across different outcomes) to confirm the Key Practices for Industry-based Customer Dispute Resolution were applied and to form our own view of the fairness of the complaint handling process.

Overall, the review of case files concluded that the complaints handling and investigation processes are fair and well documented. EWOWA has made numerous improvements since the 2015 Water Review and there is now a comprehensive procedures framework with guidance notes, instructions and templates that is consistently applied and documented.

### ***Accountability***

The 2018 Review found that the EWOWA provides accountability and publicly reports about the Scheme through its website, Annual Report, reporting to Members, and reporting to the Authority and Economic Regulation Authority Consumer Consultative Committee (ERACCC). The website makes available to complainants and other interested parties, information about how to make a complaint, the types of complaints handled, the complaint handling process and case studies.

EWOWA also provides monthly reporting to Members about their complaints and staff have regular meetings with Members with high complaint volumes to provide feedback.

Feedback from Members in our survey and review of information provided by other States, indicated that EWOWA should provide further guidance on common types of complaints, and an annual overview of trends, themes and any systemic issues to enhance Member understanding of EWOWA's complaints handling.

### ***Efficiency***

The 2018 Review found that the Scheme operates efficiently by keeping track of complaints, ensuring complaints are dealt with by the appropriate process and regularly reviewing its performance.

The timeliness of resolving complaints is reasonably comparable to energy and water ombudsman schemes in other States. 80% of complainants surveyed and 71% of Members agreed their complaints were resolved in a timely manner.

Comparison of the average cost per complaint across States, showed that EWOWA's cost per complaint is comparable with the average cost for the larger States after taking into account their larger populations and volumes of complaints.

In 2017, there were 722 Stage 1 complaints (referral back to the Member) making up 29% of EWOWA's total complaints. Opportunities to reduce Stage 1 complaints can therefore deliver significant savings. Improvements to the website discussed in Accessibility above, could help to facilitate this.

### **Effectiveness**

The 2018 Review found that the Scheme is effective by having an appropriate and comprehensive jurisdiction and periodic independent reviews of its performance (i.e. this Review).

70% of Members surveyed agreed that the scope of the Scheme and the powers of EWOWA are clear and sufficient and only 5% disagreed (25% neither agreed or disagreed).

One area that can be improved is the understanding by Members that the Scheme allows for monetary settlements with only 52% aware of this, compared with 89% in the 2013 Energy Review. This should be part of the guidance notes issued to Members, as discussed above in Independence.

Overall, 75% of complainants surveyed, 70% of Members and 89% of consumer representatives were satisfied with the Scheme. Complainants' satisfaction with the EWOWA improved from the 2015 Water Review of 52% and was consistent with the 2013 Energy Review of 76%.

### **Governance of the Scheme**

The governance of the EWOWA was assessed by interviews of Directors, review of documentation, comparison with the better practices in the *Australian Standard AS 8000:2003 Corporate Governance* and comparison of the Constitution and Charter with other States of Australia.

The Constitutions of the energy and water ombudsman schemes in other States, except for Tasmania and Queensland, are broadly similar with a Board comprising an independent Chairperson and a mix of industry and consumer representative Directors, and similar governance processes. Their Constitutions and governance processes are based on the *Corporations Act 1989*.

Comparison of the Charter with other States found the Charters have many similarities with a few differences. It is not considered necessary to amend the EWOWA Charter for these differences.

Review of Member submissions on amendments to the Charter concluded that two amendments concerning the use and disclosure of confidential information and the transfer of complaints between a retailer and a distributor should be considered by the EWOWA Board. Refer Appendix C.

Interviews confirmed that the Directors are very satisfied with the structure and operations of the Board and the EWOWA with no major concerns raised.

Governance has improved with the completion of a written Board Charter, Board Governance Framework and Board Code of Conduct in February 2018. There are a few elements to be developed and implemented, being Board Risk Management Policy and Plan, Privacy Policy and Complaints Policy to formalise these policies.

We reviewed the reports being provided to each quarterly meeting of the Board and noted the reports are very comprehensive. The 2018/19 Business Plan and Budget also includes a set of Key Performance Indicators to be reported to the Board. It would be timely to conduct a review of the usefulness of the reports provided to the Board to determine whether some of the detailed reporting is still required by Directors.

Overall, the 2018 Review concluded that there is an effective governance framework in operation that can be further improved with the above policies being formalised.



## Recommendations

The 2018 Review made 18 recommendations, including 6 recommendations to continue actions either in progress from the 2015 Water Review or current initiatives, as follows:

### **Accessibility**

1. Members should be reminded to ensure dissatisfied customers are notified of their internal complaints process and that Members are required to notify complainants of their right to have the complaint referred to the EWOWA when a complaint has not been resolved internally in a manner acceptable to the customer.
2. *Continuing recommendation* - EWOWA should continue communicating with consumer representative groups via periodical (at least biannually) updates via email and annual mail outs of information packs. This could include an option for organisations to indicate their preferred method of communication and to “opt in” to printed material.
3. *Continuing recommendation* - EWOWA should continue to track demographic information and assess whether communication strategies targeted at “middle income households” (\$50,000 to \$100,000) should be one of the targeted demographics.
4. *Continuing recommendation* - EWOWA should continue awareness building initiatives with a focus in particular of raising awareness of consumer representative organisations who work with people with a disability and those under 34 years.
5. EWOWA should redesign the website with an engaging format, have the Freecall phone number and online complaint form link on the home page, increase the range and type of information such as fact sheets, topic pages and case studies, incorporate modern website features to simply and clearly outline the process for making a complaint to EWOWA.
6. EWOWA should consider utilising social media platforms for promotion and awareness building, taking into consideration the resources available in a small organisation.
7. Based on the outcome of recommendations 5 and 6, consideration should be given to ensuring the EWOWA annual budget includes provision for one-off funding for the refresh of the EWOWA website and ongoing funding for maintenance and updates of the website and regular promotion and monitoring on social media, to promote access to and understanding of the EWOWA's services.

### **Independence**

8. *Continuing recommendation* - As planned and to maintain a balanced Board, EWOWA Customer Representative Directors should be recruited by November 2018.
9. EWOWA should reissue the Funding Model and Substantial Breach Guidance Notes to Members.
10. EWOWA should develop and issue a Guidance Note to Members on the charging methodology, including estimated time and cost for each stage, escalation triggers and the level of service provided.

### **Fairness**

11. *Continuing recommendation* - As planned, EWOWA should introduce surveying of complainants, Members and consumer representative groups at least annually after the 2018 Review and report the results to the Board (and in the Annual Report).

### **Accountability**

12. EWOWA should publish guidance on common types of complaints to outline the approach taken for common types of complaints and publish these on its website.
13. EWOWA should annually report to Members on its initiatives to assist Members to resolve complaints internally in order to reduce complaints and investigations to EWOWA.
14. EWOWA should provide Members with an annual overview of trends, themes and any systemic issues reported to the ERA, and consider publishing information regarding

systemic issues arising from complaints in its Annual Report and separately on the EWOWA website.

15. EWOWA's website redesign should utilise opportunities to refer customers back to their service provider where they have not already raised a complaint with them.

**Effectiveness**

No recommendations.

**Governance of the Scheme**

16. The Board should further consider the proposed amendments to the EWOWA Charter, from Members, in relation to the use and disclosure of confidential information and the transfer of complaints between a retailer and a distributor.
17. *Continuing recommendation* - As planned in the Board Governance Framework issued in February 2018, the following policies need to be developed to formalise practices in these areas:
  - Board Risk Management Policy and Plan (including reporting to the Board);
  - Privacy Policy; and
  - Complaints Policy.
18. The Board should conduct a review of the usefulness of the existing reports provided to the Board with a view to focusing on the more strategic reporting and reducing the detailed reporting.

**QUANTUM MANAGEMENT CONSULTING & ASSURANCE**



**GEOFF WHITE**  
**DIRECTOR**

29 AUGUST 2018

## 1. Introduction

### 1.1 Background

Electricity, gas and water providers in Western Australia are required by their licence conditions, issued by the Economic Regulation Authority (**the Authority**), to be members of an approved external dispute resolution scheme. The approved scheme in Western Australia is the Energy and Water Ombudsman Scheme (**the Scheme**). The Scheme consists of:

- A company limited by guarantee, Energy and Water Ombudsman (Western Australia) Limited (**the company**), governed by a Board of Directors (**the Board**). The Board 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;
- Members of the Scheme, which are electricity, gas and water providers (**Members**); and
- The office of the Energy and Water Ombudsman Western Australia (**EWOWA**), which receives, investigates, resolves, or facilitates the resolution of complaints and disputes between residential and small business customers and members.

Pursuant to section 34 of the *Parliamentary Commissioner Act 1971*, the Western Australian Ombudsman has entered into an agreement with the EWOWA Board to serve as the Energy and Water Ombudsman (**the Ombudsman**). EWOWA utilises the Ombudsman's staff to run the Scheme.

The Scheme is governed by the relevant legislation<sup>3</sup> and in accordance with the *Charter of Energy and Water Ombudsman (Western Australia) Limited, November 2013 (the Charter)* and the *Energy and Water Ombudsman (Western Australia) Limited Constitution, November 2015 (the Constitution)*.

The legislative objectives of the Scheme are set out in the legislation<sup>4</sup> as listed in **Appendix A**.

One of the legislative objectives of the Scheme is that “the Scheme will satisfy best practice benchmarks for schemes of a similar kind both in terms of its constitution and procedure and in terms of its day to day operations”. These benchmarks are the *Benchmarks for Industry-based Customer Dispute Resolution* published by the Australian Government (The Treasury) in two parts: *Benchmarks for Industry-Based Customer Dispute Resolution: Principles and Purposes*; and *Key Practices for Industry-Based Customer Dispute Resolution – February 2015 (the National Benchmarks)*. Other energy and water ombudsmen in Australia typically assess their schemes against the National Benchmarks.

The National Benchmarks establish key practices in the areas of:

- Accessibility;
- Independence;
- Fairness;
- Accountability;
- Efficiency; and
- Effectiveness.

Under the relevant regulations<sup>5</sup> (**the Regulations**) and the EWOWA Constitution (clause 24), the Board must review the Scheme at least once every five years. The Scheme was reviewed in 2015 Water Review and 2013 Energy Review. This review is due by 30 September 2018.

<sup>3</sup> *Energy Coordination Act 1994; Electricity Industry Act 2004; Water Services Act 2012.*

<sup>4</sup> Schedule 2B, *Energy Coordination Act 1994*; Schedule 2, *Electricity Industry Act 2004*; section 66(2), *Water Services Act 2012.*

<sup>5</sup> Regulation 9, *Electricity Industry (Ombudsman Scheme) Regulations 2005*; regulation 8, *Energy Coordination (Ombudsman Scheme) Regulations 2004*; section 18(2), *Water Services Regulations 2013.*

## 1.2 Objectives

The objectives of the 2018 Review were to:

1. Consult with all, or as many as practicable, of the persons and bodies, the Board considers have an interest in the Scheme;
2. Assess the Scheme against the objectives of the Scheme (as set out in relevant legislation), including an assessment against the National Benchmarks; and
3. Comprehensively consider the Charter and the Constitution in terms of their capacity as best practice governance documents to ensure that the objectives of the Scheme are being met including, if appropriate, whether any amendments should be considered by the Board to either the Charter or the Constitution<sup>6</sup>.

The 2018 Review was required to provide a report to the Authority, as well as members, and may be provided to the public by the Authority.

## 1.3 Methodology

This Review has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

The 2018 Review included:

- a) Interviews with the Chair and Directors of the Board, and the Energy and Water Ombudsman, Deputy Energy and Water Ombudsman and Director Energy and Water;
- b) Review of the status of the recommendations from the 2015 Water Review (the 2015 Water Review report included review of the recommendations from the 2013 Energy Review);
- c) A survey of members of the Scheme (currently 32 members) and a call for, and consideration of any, written submissions from members of the Scheme;
- d) A telephone survey of a sample of non-government consumer organisations and other relevant stakeholder organisations (a sample of 58 stakeholders participated in the survey out of approximately 280 organisations);
- e) A telephone survey of a sample of complainants who made a complaint to the EWOWA in 2017 (a sample of 333 complainants participated in the survey out of approximately 2,500 complainants giving a confidence level of 95% with a margin of error of 5%);
- f) Review of the EWOWA's operations, including internal documents, public documents, website, and analysis of data and statistics relating to complaints handled by the EWOWA, including an assessment against the legislative objectives and the National Benchmarks;
- g) Review of a sample of 30 case files relating to complaints made to the EWOWA in 2017, including assessment against the legislative objectives and the National Benchmarks; and
- h) Consideration of the Scheme's governance arrangements including a review of the Charter and Constitution governing the Scheme, taking into account similar governance instruments for energy and water ombudsman schemes in other Australian jurisdictions; and consultation with members, Board members and senior EWOWA staff.

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<sup>6</sup> Section 28 of the Constitution provides that the Constitution may only be amended in accordance with the *Corporations Act 2001*, which requires a special resolution by members at a General Meeting. Further, as the legislation requires that the Authority approve any amendments to the Scheme, any changes to the Constitution that represent an amendment to the Scheme must also be approved by the Authority. Section 12 of the Charter provides that amendments to the Charter may be proposed, reviewed and either accepted or rejected by the members at a General Meeting and the Board must submit any amendments to the Charter that are accepted by members to the Authority for approval. After consultation with members, final authority for the approval of the Scheme and the Charter rests with the Authority.

## 1.4 Terminology

A reference in this report to a Member is to an energy or water services member of EWOWA.

This report refers to the Stages of the EWOWA dispute resolution process:

- Stage 1 Complaint – The complainant has not yet contacted their energy or water services provider and so a referral is provided to the Member.
- Stage 2 Complaint – The complainant has had at least one contact with their energy or water services provider but resolution has not been achieved and so a referral is made to a 'higher level' officer for resolution within 10 business days.
- Facilitated Resolution – EWOWA may attempt to facilitate a resolution between the customer and provider before commencing an investigation. The Member is allowed a further two days to try to resolve the complaint and EWOWA works with both the complainant and the Member to facilitate a resolution.
- Investigated Complaint – EWOWA obtains relevant documents from the Member and undertakes its own assessment of the merits of the complaint and what resolution is appropriate.

## 1.5 Acknowledgements

We appreciate the assistance of the EWOWA Board and staff, and the Members, community representatives and complainants who participated in our surveys.

## 2. Status of 2015 Water Review Recommendations

From the previous 2015 Review, 9 out of 12 recommendations have been implemented and 3 recommendations are in progress for implementation by December 2018. The status of the recommendations is provided below.

2015 Review Recommendation	Status at this Review
<p>1. EWOWA should work with its Members and the Authority to establish a new obligation on Members to disclose information about EWOWA on water bills including to determine a practical phase-in period for this.</p>	<p><b>Implemented</b></p> <p>The Review confirmed that Water Corporation has voluntarily included information about the EWOWA on its bills. This will become mandatory from 1 July 2018 when the revised Water Services Code of Conduct (Customer Service Standards) comes into force.</p>
<p>2. EWOWA should step up its awareness building efforts in 2016 -17 with a focus in particular of building awareness by consumer representative organisations who work with the most disadvantaged consumers. The budget should include part-time resources to develop a planned program of activity and to carry out the additional work, with the Board monitoring progress. At the conclusion of the program, there should be surveying of the target organisations to measure whether awareness building has been successful.</p>	<p><b>Implemented</b></p> <p>The Review confirmed that the EWOWA has increased its awareness building efforts, including developing a revised EWOWA Communications Strategy 2017-2021, budgeting in 2017/18 for additional resources to carry out this work, additional outreach to consumer organisations from November 2017 and surveying of awareness for reporting to the Board after the 2018 Statutory Review.</p>
<p>3. When the opportunity presents to appoint new customer directors, EWOWA should endeavour to appoint people who work in the consumer advocacy field.</p>	<p><b>In Progress</b></p> <p>One Customer Representative Director was re-elected unopposed in November 2017. Two Customer Representative Directors will need to be recruited by November 2018, as two incumbents are ineligible for re-election.</p> <p>EWOWA have advised that customer advocacy experience will be explicitly stated when seeking applications.</p> <p><i>Refer recommendation 8 (section 4.2)</i></p>
<p>4. EWOWA's budget for 2016/17 should increase the funding for Water Scheme research and projects to better equip EWOWA to carry out the ancillary functions that an external dispute resolution is expected to carry under the National Benchmarks. <i>Note 1</i></p>	<p><b>Implemented</b></p> <p>The EWOWA's 2017-18 budget included resources to carry out the additional work for awareness building and surveys. The 2018-19 budget continues to include ongoing funding for the 0.6 Full-Time Equivalent (FTE) staffing to implement the agreed action from the 2015 Review.</p>
<p>5. EWOWA should undertake regular surveying of Water Scheme complainants to monitor discontinuance rates at Stage 1 and Stage 2 by</p>	<p><b>In Progress</b></p>

2015 Review Recommendation	Status at this Review
<p>complainants who are dissatisfied with their complaint outcome. Ideally surveying would be undertaken every quarter either by telephoning a random selection of complainants whose complaints have been closed or by emailing a survey form. Trends should be analysed and reported to the Board.</p>	<p>The EWOWA has advised that surveying, including surveys of consumer organisations, complainants and members, will commence with the 2018 Statutory Review and periodically thereafter. The appropriate survey frequency and method will be identified in the first half of 2018.</p> <p><i>Refer recommendation 11 (section 5.1)</i></p>
<p>6. EWOWA should develop documented investigation procedures for the Water Scheme. Amongst other things, the procedures should address the following:</p> <ol style="list-style-type: none"> <li>Investigators should be required to ensure that the complainant is made aware of the Member's assertions in response to their complaint so that the complainant can provide further information as appropriate. Where the complaint raises complicated issues, we think it would be best practice for EWOWA to provide this information to the complainant in writing.</li> <li>For the most common types of complaints that arise, the procedures should set out lines of enquiry that may be appropriate – so as to ensure that investigations are thorough – and provide guidance as to how to deal with these complaints building upon EWOWA's experience to date.</li> <li>A standard format should be developed for closure letters to ensure that letters provide sufficient information to enable the parties to understand the reasons for the outcome and to build their confidence in the complaints handling process. A letter structure that includes the use of headings would assist reader comprehension.</li> <li>Guidance should be included as to how to classify the complaint outcome.</li> </ol>	<p><b>Implemented</b></p> <p>The EWOWA has brought together a range of operational procedures, guidelines and templates into the online Toolkit. Existing material has been reviewed and new material developed as part of this process. This includes:</p> <ul style="list-style-type: none"> <li>Existing procedures and lines of enquiry for common types of investigations have been collated and new guidance material developed.; and</li> <li>Guidance on how to classify the complaint outcome has been documented.</li> </ul> <p>Staff have been trained in the use of the Toolkit.</p> <p>Sample testing of cases in this Review confirmed that the documented investigation procedures are being applied.</p>
<p>7. For the Water Scheme, EWOWA should:</p> <ol style="list-style-type: none"> <li>Maintain a feedback register and provide regular reports to the Board as to issue trends and whether process or other changes are warranted in light of these trends; and</li> <li>Ensure that, where a complainant or Member requests an internal review of the way in which their complaint has been handled, the review is undertaken by a senior person who has not either been</li> </ol>	<p><b>Implemented</b></p> <p>The EWO has reviewed its process to capture and track requests for review and other post-closure correspondence and has also established an Excel register for feedback that does not relate to a complaint.</p> <p>EWO's delegations and procedures ensure that the review is undertaken by a senior investigator not involved in the handling of the complaint or its oversight.</p>

2015 Review Recommendation	Status at this Review
<p>directly involved or has overseen the handling of the complaint.</p>	<p>A report on reviews and their outcomes is included in the quarterly reports to the Board.</p>
<p>8. EWOWA should enhance public accountability by:</p> <ul style="list-style-type: none"> <li>a) developing a webpage that provides de-identified case studies that illustrate EWOWA's approach to common types of water complaints; and</li> <li>b) publishing on its website its quarterly reports to the Economic Regulation Authority Consumer Consultative Committee (ERACCC) with additional explanatory text for the wider audience.</li> </ul>	<p><b>In Progress</b></p> <p>The Review confirmed that a web page for case studies was developed and went live in 2017 with links from other relevant pages of the website.</p> <p>The EWOWA is considering publishing statistics similar to those provided in the ERACC reports, and a web page is being drafted for consideration.</p> <p><i>Refer recommendation 14 (section 6.2)</i></p>
<p>9. EWOWA should develop documented procedures to aid the identification, investigation, resolution and reporting of serious and systemic water issues. The procedures should include:</p> <ul style="list-style-type: none"> <li>a) a definition of serious and systemic issues with examples;</li> <li>b) the obligation of all EWOWA's complaints handling staff to be alert to possible serious or systemic issues;</li> <li>c) the escalation and registration of potentially serious or systemic issues;</li> <li>d) the investigation process for serious and systemic issues; and</li> <li>e) the reporting of serious and systemic issues.</li> </ul>	<p><b>Implemented</b></p> <p>The Review confirmed that the previous guidance on identifying and dealing with serious and systemic breaches of a code of conduct or licence condition has been collated and reviewed as recommended and is available to staff on the EWO Toolkit.</p>
<p>10. EWOWA's quarterly reporting to the Board should include data about the numbers and percentages of open water complaints that are aged – e.g. 1 to 2 months old, 2 to 3 months old, 3+ months old – with separate reporting according to the stage of the complaint – to enhance the capacity of the Board to monitor EWOWA's timeliness.</p>	<p><b>Implemented</b></p> <p>The EWOWA's Board Annual Overview for 2016-17 provided expanded detail about timeliness of Stage 1 and Stage 2 Complaints and complaints referred back by customers for investigation.</p> <p>In 2017-18, the quarterly reports to the Board also included expanded timeliness information which has taken into consideration these suggestions.</p>
<p>11. EWOWA should develop and publicly report against Water Scheme timeliness targets - e.g. the number and percentage of Stage 1 complaints closed within 1 business day, the number and percentage of Stage 2 complaints closed within 1 week and the number and percentage of investigated complaints closed within 2 months.</p>	<p><b>Implemented</b></p> <p>The EWOWA 2016-17 Annual Report included expanded timeliness information including the time to finalise Stage 1 and Stage 2 complaints and time to finalise matters referred back for investigation.</p> <p>In February 2018, the Board approved measures for timeliness for ongoing</p>



2015 Review Recommendation	Status at this Review
	reporting to the Board and in Annual Reports.
12. EWOWA should publish the 2015 Review report on its website in order to make the results of our review available to all stakeholders.	<p><b>Implemented</b></p> <p>The report was submitted to the Economic Regulation Authority (ERA) and the ERA has published the report on its website.</p>

*Note 1 - In the 2015 Review Report, 'ancillary functions' include 'research into who is using the Water Scheme so that awareness building efforts can be effectively targeted, regular outreach to community representatives to identify and implement awareness building initiatives, and surveying of complainants and members to understand their satisfaction with the Water Scheme and so ground continuous improvement initiatives.'*

### 3. Accessibility

The 2018 Review criteria based on the National Benchmarks for Industry-Based Customer Dispute Resolution and our observations and recommendations from this review are provided below.

#### **National Benchmark 1: Accessibility**

*Principle:* The scheme makes itself readily available to customers by promoting knowledge of its services, being easy to use and having no cost barriers.

*Purpose:* To promote customer access to the scheme on an equitable basis.

*Key practices:* Awareness/Promotion, Access, Cost, Staff Assistance, Use, Acceptance by Office, Non-adversarial approach, Legal or other Representation, Legal Proceedings.

#### **Objectives**

- The scheme will be accessible to customers.
- The scheme will operate expeditiously and without cost to customers.
- The scheme will satisfy best practice benchmarks for schemes of a similar kind, both in terms of its constitution and procedure and in terms of its day to day operations.

The EWOWA promotes its services through a range of mechanisms including the EWOWA website, publications and promotional material, distribution of information to consumer groups, participation in events in the metropolitan area and promotion and access in the regions through the Regional Awareness and Accessibility Program.

#### 3.1 Member Advice to Customers about the EWOWA

The Scheme requires customers to contact their service provider (Member) with any complaint before they contact the EWOWA. If the complainant contacts the EWOWA first, they will be referred back to the service provider who has 10 days to respond. Where a customer's complaint has not been resolved internally by the Member to the customer's satisfaction, the Member is required to inform the customer of their right to raise the complaint with EWOWA and provide EWOWA's phone number to the customer.

This is required by the relevant Codes of Conduct for energy and water providers as summarized below.

The current *Code of Conduct for the Supply of Electricity to Small Use Customers* from 1 July 2016 in Part 12, explains the obligations of a retailer or distributor include “when a complaint has not been resolved internally in a manner acceptable to a customer, advise the customer... (ii) that the customer has the right to raise the complaint with the electricity ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the electricity ombudsman.”

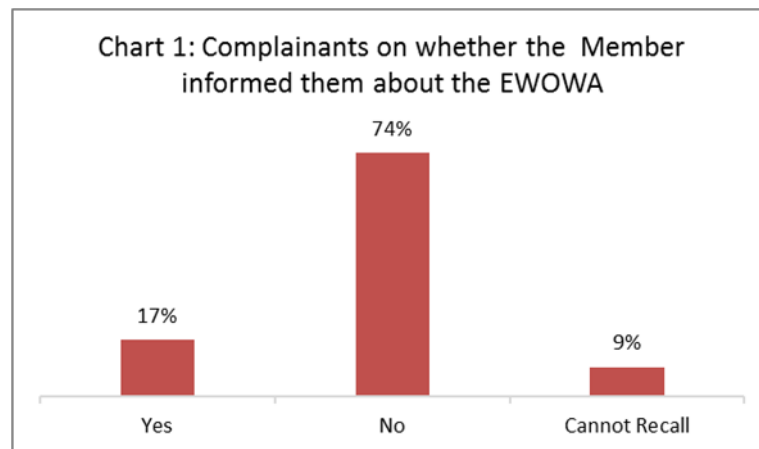
The current version of the *Compendium of Gas Customer Licence Obligations* from 1 January 2017 in Part 12, explains the obligations of the complaint handling process include “when a complaint has not been resolved internally in a manner acceptable to a customer, advise the customer... (ii) that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the gas ombudsman.”

The *Water Services Code of Conduct (Customer Service Standards) 2013* has recently been reviewed. It currently requires licensees to establish a complaints procedure that states “that a customer may, but does not have to, use the complaints procedure before or instead of the procedures under the Act;” and explains procedures under the Act mean “applying to the water services ombudsman under a scheme approved under section 65 in respect of the complaint (if any).” From 1 July 2018, the new Water Services Code will include a clause specifically stating the Licensee is required to advise the customer of the right to apply to the water services ombudsman

for review of their complaint. The new clause will state “when a licensee considers that a customer’s complaint has been resolved the licensee must —

- a) advise the customer accordingly; and
- b) inform the customer that the customer has a right to apply to the water services ombudsman under a scheme approved under section 65 for a review of the complaint; and
- c) provide a Freecall telephone number for the office of the water services ombudsman.”

Complainants surveyed who had contacted their service provider before contacting EWOWA were asked whether the service provider (Member) told them about the EWOWA. 17% advised their service provider told them about EWOWA, 74% said they did not and 9% could not recall (**Chart 1**). This result has declined since the 2013 Energy Review when 24% of customers surveyed advised their energy providers had advised them of the EWOWA.



At the investigation stage, 80% of complainants surveyed advised that the Member had not advised them of the EWOWA review being available at the time their complaint was made to the Member.

It is possible that some complainants may have been advised of their right to raise a complaint with EWOWA and forgotten. However, the survey results were supported by comments made by complainants, particularly of those who proceeded to facilitated resolution or investigation, who were adamant that the Member never told them about EWOWA.

**Recommendation 1: Members should be reminded to ensure dissatisfied customers are notified of their internal complaints process and that Members are required to notify complainants of their right to have the complaint referred to the EWOWA when a complaint has not been resolved internally in a manner acceptable to the customer.**

### 3.2 Members Promotion of EWOWA

Under the *Code of Conduct for the Supply of Electricity to Small Use Customers 2016*, the *Compendium of Gas Customer License Obligations* and the *Water Services Code of Conduct (from 1 July 2018)*, Members are required to:

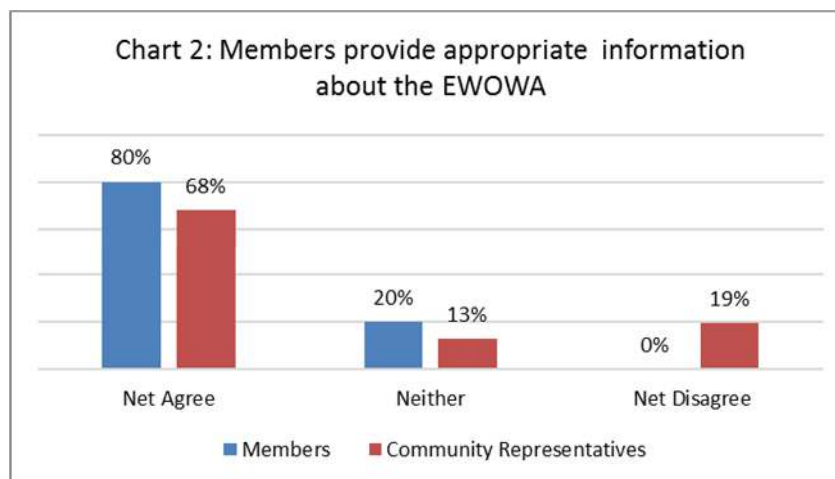
- Include the contact details of EWOWA on customers’ bills;
- Include the contact details of EWOWA on any disconnection notice;
- Give customers, on request, information that will assist them to make a complaint;
- Advise customers of the existence and operation of EWOWA following a bill review when the retailer is of the view the bill is correct; and

- Where a customer’s complaint has not been resolved internally by the Member to the customer’s satisfaction, inform the customer of their right to raise their complaint with EWOWA, and provide EWOWA’s Freecall phone number to the customer.

Our surveying of Members found they believe they provide customers with appropriate information about the EWOWA, particularly to customers who have made a complaint to the Member. 80% of Members surveyed agreed or strongly agreed that they provide appropriate information to complainants about the EWOWA (**Chart 2**). This contrasts with the views of complainants surveyed as discussed in section 3.1 above.

This Review confirmed that Members do promote EWOWA on their website. Of the 32 Members, 16 Members had a complaint made to EWOWA in 2017. Of these 16, all but one Member list EWOWA’s contact details on their website. This Member has a small customer base and only had one Stage 1 complaint made about them to EWOWA in 2017.

Community representative’s views supported the assertion that service providers provide customers with appropriate information about the EWOWA although 38% of stakeholder survey respondents felt they were unable to judge. Of the remaining respondents, 68% agreed or strongly agreed, 13% neither agreed nor disagreed and 19% disagreed or strongly disagreed (**Chart 2**).



### 3.3 Community Representatives Promotion of EWOWA

Community representatives have a key role in advising customers of EWOWA’s services and act as a complainant referral mechanism. Consumer organisations and legal or financial advice organisations are also an avenue for increasing accessibility for customers from low income brackets due to their higher exposure to these customers.

Our surveying of community representatives showed that 26% agreed that EWOWA is effectively promoting its existence. Whilst still low, this is a substantial improvement from the 2015 Water Review survey where only 5% of community representatives surveyed believed EWOWA was effectively promoting its existence.

Our surveying of community representatives found most became aware of EWOWA from information sent to their office by EWOWA, their own knowledge, their organisation’s contact or referral list or the Member of Parliament.

Community representatives were also asked how they think EWOWA can better communicate the availability of their services to them. Survey responses indicate that information sent to them by email works well, **more regular updates** were requested due to the turnover of staff and volume and diversity of issues dealt with and the mail out of an information pack with flyers or brochures that can be provided to the community and displayed in their offices would also enhance communication of EWOWA’s services. Comments showed a clear distinction in the communication preferences amongst organisations with approximately equal number of comments requesting the mail out of hard copy information as those citing the preference for emails.

EWOWA currently provides information packs on request and to community representative organisations in regional areas during Regional Awareness and Accessibility Program (RAAP) visits.

**Recommendation 2: EWOWA should continue communicating with consumer representative groups via periodical (at least biannually) updates via email and annual mail outs of information packs. This could include an option for organisations to indicate their preferred method of communication and to “opt in” to printed material.**

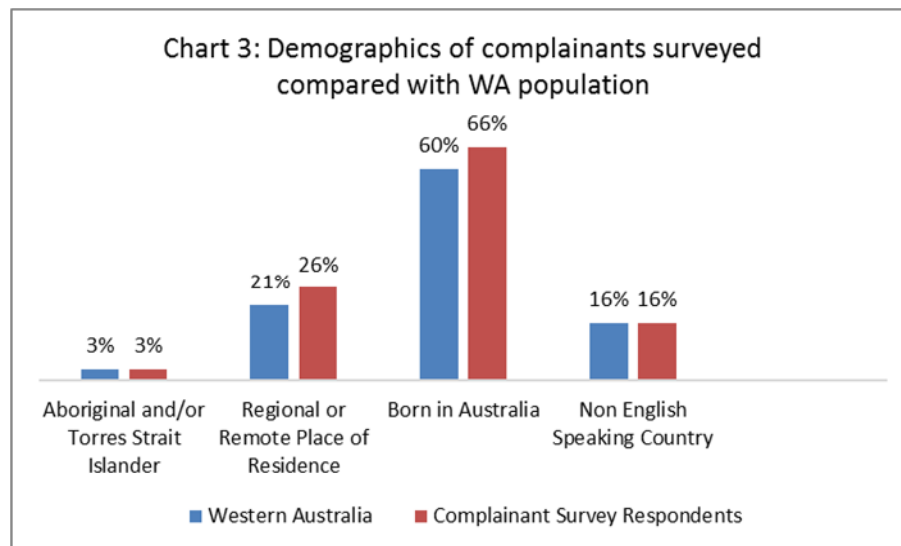
**(Also refer Recommendations 3 and 4)**

### 3.4 Demographic Comparison of Complainants Surveyed

Our complainant survey included demographic questions. We found survey respondents had a similar demographic profile to the Western Australian population generally, in a number of key areas:

- Place of residence (whether metropolitan or regional);
- Aboriginal status; and
- Country of birth (whether Australia, another English-speaking country or a non-English speaking country). **(Chart 3)**

This indicates that people from regional areas, Aboriginal people, and people from non-English speaking backgrounds are just as likely to use EWOWA’s services as other Western Australians.

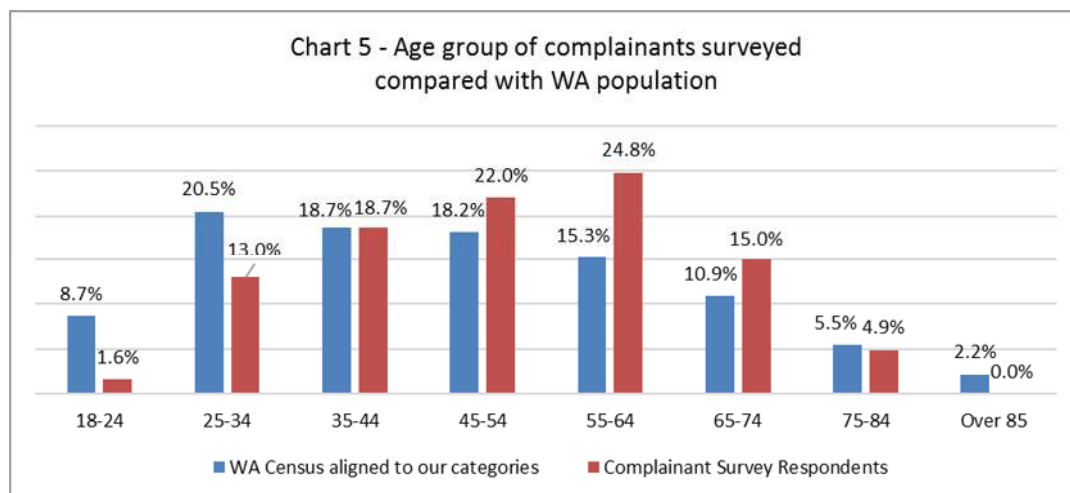
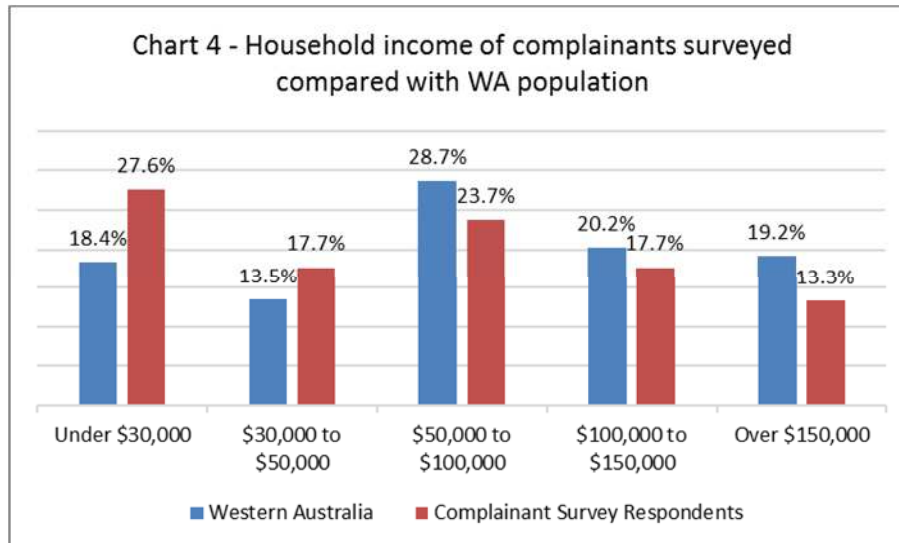


The demographic profile of complainants highlighted several areas that are different from the Western Australian population generally, as follows:

- Income – complainants in lower income brackets are over represented and \$50,000 to \$100,000 bracket and over \$150,000 are under-represented **(Chart 4)**;
- Disability – the proportion of complainants with a disability of 9.7% is lower than the proportion with a disability in the Western Australian population of 18.3% in a 2015 Water Review survey; and
- Age – whilst complainants in most age groups are generally representative of the Western Australian population, younger people (18 to 24 years of age and 25 to 34 years of age) are under-represented among people using EWOWA’s services **(Chart 5)**.

This may be due, in part, by a lower proportion of people with a disability and those under 34 years of age holding an electricity, gas or water account.

Nonetheless, opportunities to improve awareness and accessibility for these under-represented groups should continue.



EWOWA collects and reports to the Board on demographic information. However, the collection of information does not include individual or household income.

EWOWA uses the Socio-Economic Indexes for Area (SEIFA) Index of Relative Socio-economic Advantage and Disadvantage published by the Australian Bureau of Statistics (ABS). This index summarises information by postcode about the economic and social conditions of people and households within an area, including both relative advantage and disadvantage measures. The variables include household income, but also other variables such as level of education, employment status, occupation, number of bedrooms, whether households have a car and even whether people are separated or divorced.

Our surveying of complainants obtained both their postcode and their total household income per annum. We concluded that the SEIFA index is not a good indicator of the household income of complainants

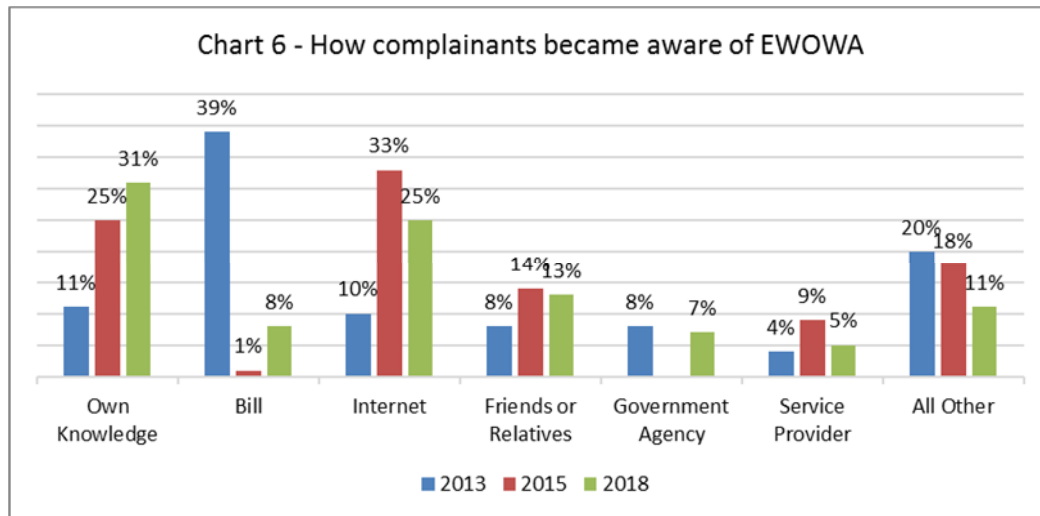
**Recommendation 3: EWOWA should continue to track demographic information and to assess whether communication strategies targeted at “middle income households” (\$50,000 to \$100,000) should be one of the targeted demographics.**

**Recommendation 4: EWOWA should continue awareness building initiatives with a focus in particular of raising awareness of consumer representative organisations who work with people with a disability and those under 34 years.**

### 3.5 EWOWA’s Website and Online Presence

The EWOWA website is integral to raising awareness and promoting EWOWA services and its importance will continue to increase over time.

Our survey of complainants found 31% became aware of EWO through their own knowledge, followed by 25% from the Internet and 8% from the customer bill. Since the 2013 Energy Review survey, reliance upon the customer bill has declined and awareness from the Internet has increased (Chart 6).



Our survey of Members found 86% believe the EWOWA website is helpful for people who have complaints about electricity, gas or water service providers.

The EWOWA website includes an information sheet, case studies, forms, speeches, annual reports and news. The information sheet has good information on the document but is very lengthy and not very appealing. The information sheet is available in 15 languages. Short case studies are available for both energy and water. They offer examples of the process and the outcome of a variety of different complaints. Available forms include the online complaint form which is two clicks from the home screen. There are three speeches available on the EWOWA website outlining what the EWO role is. However, the speeches are outdated (2011/12). The size of font and bulk of text makes the website less readable.

Overall, it is easy to see what EWOWA does, the process and history of the EWOWA. It is easy to make a complaint and easy to navigate and find relevant information on the website. However, the website lacks appeal, it looks outdated and unattractive with the size of text and layout making it less readable. The current content and format of EWOWA’s website meets the requirements of the Accessibility benchmark but could be made more effective with further enhancements.

Whilst the information is appropriate and the ability to navigate is not an issue its appeal to all users is lacking. This is particularly evident in comparison to the energy and water ombudsman websites

for other States. It is acknowledged that these schemes are much larger in terms of volume of complaint numbers; and the electricity, gas and water markets are deregulated.

We compared the EWOWA website with the websites of the energy and water ombudsman in New South Wales, Queensland, South Australia and Victoria and noted the following enhancements that EWOWA could consider:

- Numerous easy to find and informative fact sheets on a large variety of topics;
- Frequently asked questions pages with extensive coverage;
- Glossary of terms for those who may not comprehend the technical terms used throughout the website;
- Extensive case studies, customer stories, hot topics pages and videos on a variety of topics;
- Easy to find online complaint form, one click from the home screen;
- Websites available in 25 to 100 languages;
- A virtual chat window that pops up at the bottom of the screen allowing users to search and get assistance;
- Newsletters with the option to subscribe to keep up to date with industry news, programs, initiatives and changes; and
- The contact number and make a complaint button are on the home page and remain in the header or footer as readers navigate throughout the website.

Overall, the websites were appealing, easy to navigate through pages to find relevant information and look modern in their layout and colour scheme.

The Energy & Water Ombudsman South Australia (EWOSA) website clearly and simply sets out a 4-step process for complainants on the home page and at various places throughout the website. This includes:

- Know the complaint;
- Read our website & FAQs;
- Try to resolve; and
- Seek further assistance.

It is clear to users that they should follow this process and raise the complaint directly with the provider before submitting a complaint to the EWOSA. The website is user friendly and provides customers with ample information to make an adequate attempt to resolve the complaint with the provider in the first instance.

In addition to the websites, the New South Wales, Queensland and Victorian energy and water ombudsman use Facebook and Twitter social media platforms to raise awareness and promote the availability of their services. Establishing and maintaining a social media presence requires ongoing resources. We note the size of these schemes provide economies of scale that allow resources to be dedicated to social media promotion, which would be more difficult to accommodate given the size of EWOWA.

If the trend towards greater importance of social media continues as expected, the need to establish a social media presence will be unavoidable eventually. EWOWA may consider establishing a social media presence sooner rather than later as a useful tool to target specific audiences where funding allows.

As the Internet is the leading source of awareness of EWOWA's services (apart from prior knowledge), an engaging, informative and appealing website that clearly explains the requirements is an essential part of increasing awareness and promoting EWOWA's services and in turn increases the accessibility of the service. Whilst the current website is easy to navigate and has relevant information, its layout and style does not enable users to quickly ascertain what they need to do to make a complaint.



Website redesign incorporating some of the website features of other jurisdictions and expanding the quantity and type of information through fact sheets and case studies is recommended. We noted the website has been recently updated to include contact information on the right-hand panel of most pages with the exception of the home page. As a minimum, the Freecall phone number and online complaint form links should be on the home page to improve visibility and accessibility.

***Recommendation 5: EWOWA should redesign the website with an engaging format, have the Freecall phone number and online complaint form link on the home page, increase the range and type of information such as fact sheets, topic pages and case studies, incorporate modern website features to simply and clearly outline the process for making a complaint to EWOWA.***

***Recommendation 6: EWOWA should consider utilising social media platforms for promotion and awareness building, taking into consideration the resources available in a small organisation.***

***Recommendation 7: Based on the outcome of recommendations 5 and 6, consideration should be given to ensuring the EWOWA annual budget includes provision for one off funding for the refresh of the EWOWA website and ongoing funding for maintenance and updates of the website and regular promotion and monitoring on social media, to promote access to and understanding of the EWOWA's services.***

## 4. Independence

The 2018 Review criteria based on the National Benchmarks for Industry-Based Customer Dispute Resolution and our observations and recommendations from this review are provided below.

### National Benchmark 2: Independence

*Principle:* The decision-making process and administration of the scheme are independent from scheme members.

*Purpose:* To ensure that the processes and decisions of the scheme are objective and unbiased and are seen to be objective and unbiased.

*Key practices:* The Decision-maker, Staff, Overseeing Entity, Transparency, Funding, Terms of Reference.

#### Objectives

- The scheme will be appropriately funded by the licensees who are required to be members.
- The energy and water ombudsman will be able to operate independently of all licensees in performing his or her functions under the scheme.
- Membership of the scheme will:
  - Be accessible to all potential members; and
  - Provide appropriate representation for all members on the Board of the scheme.

The structure of the Scheme and its processes must ensure that EWOWA is, and is seen to be, an independent decision maker. In addition, the Scheme's funding arrangements must not affect EWOWA's independence.

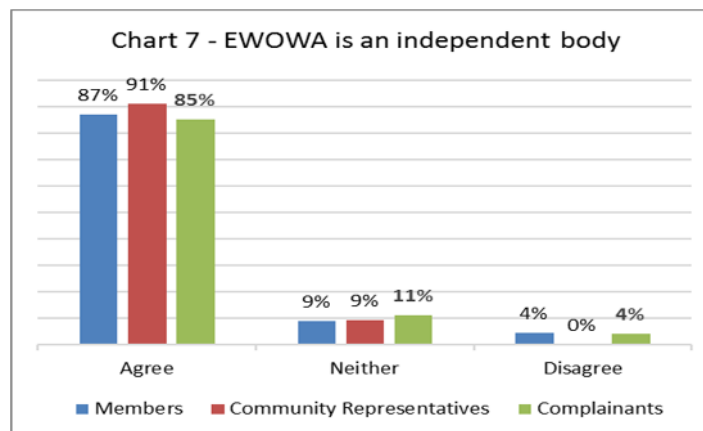
### 4.1 EWOWA's Independence

It is critical that the EWOWA's decision-making is seen to be and is in practice, impartial and independent of the Member and customer.

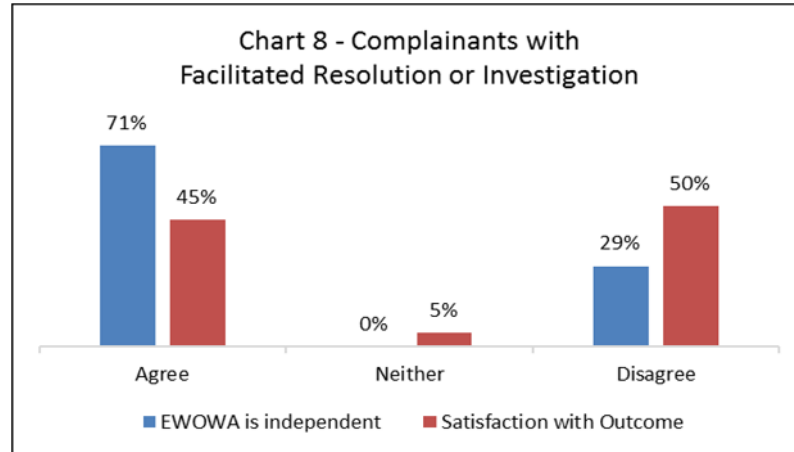
In this Review, our surveying of Members found 87% of those able to judge agreed that EWOWA is an independent body (**Chart 7**). Only one Member disagreed and two remained neutral. The Member that disagreed had only one complaint handled by EWOWA in 2017, has a small number of customers and did not provide any reason.

Our surveying of community representative groups found 91% of those able to judge agreed that EWOWA is an independent body. No respondents disagreed and two neither agreed nor disagreed (**Chart 7**).

Our surveying of complainants found 85% of those able to judge agreed that EWOWA is an independent body (**Chart 7**). Only 11% disagreed and 4% were neutral.



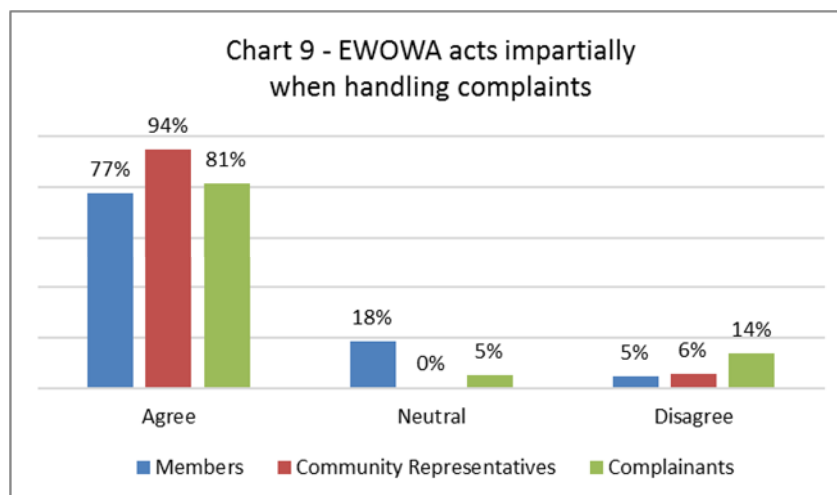
Interestingly, there is a significant decrease from 85% to 71% in the complainants' level of agreement that EWOWA is an independent body, when considering only respondents who had a Facilitated Resolution or Investigation of their complaint. This is likely to be influenced by those complainants who are dissatisfied with the outcome (50%) as can be seen in **Chart 8**.



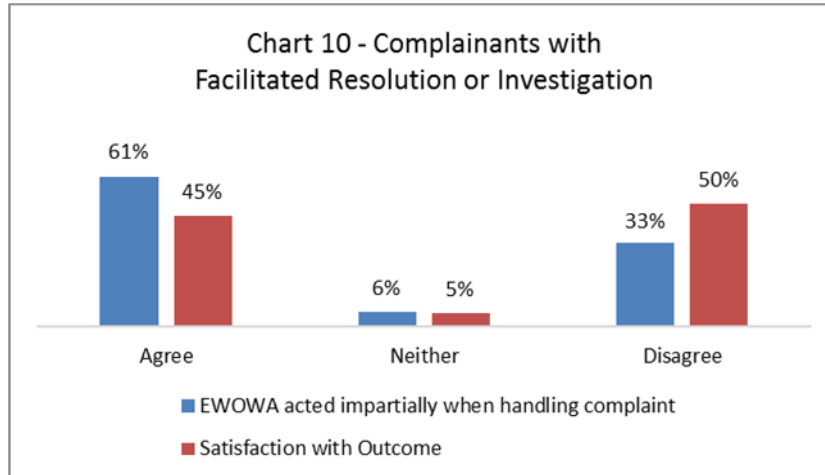
Members were also asked whether EWOWA acted impartially when handling their complaints. Of Members able to judge, 77% agreed or strongly agreed that EWOWA makes impartial decisions about electricity, gas and water complaints (**Chart 9**). One Member disagreed and four Members stated they neither agree nor disagree. The Member that did not agree, felt that EWOWA is biased towards the customer.

Of community representatives able to judge, 94% agreed or strongly agreed that EWOWA makes impartial decisions about complaints. Only one respondent disagreed (**Chart 9**).

Complainants were also asked whether EWOWA acted impartially when handling their complaint. 81 per cent of complainants surveyed agreed or strongly agreed that EWOWA acted impartially (**Chart 9**).



Again, there was a significant decrease from 81% to 61% in the level of agreement of complainants who had a Facilitated Resolution or Investigation of their complaint. Again, this is likely to be influenced by those complainants (50%) who are dissatisfied with the outcome as can be seen in **Chart 10**.



## 4.2 Board Composition

The Board, as the Board of the scheme, has overall responsibility for overseeing and administering the scheme's operations including maintaining the independence of the Energy and Water Ombudsman. The Board of the scheme must also provide equal representation of Members of the scheme and customers.

Our surveying of Members suggested a moderate level of understanding of the composition of the Board structure with 71% indicating they are aware that both consumer interests and the interests of electricity, gas and water service providers are represented on the Board. This is fairly consistent with the 2015 Water Review which found 67% of water members were aware of the Board's composition. However, lower levels of "unable to judge" responses in other Board composition questions indicate the awareness of Board composition amongst Members has increased since the 2015 Water Review.

80% of Members agreed that the Board has a balance of interests from consumers and industry. 80% of Members agreed that the Board's consumer representatives are capable of representing the viewpoints and concerns of consumers and consumer organisations. 81% of Members agreed that the Board's electricity, gas or water industry representatives are capable of representing the viewpoints and concerns of their members.

Our surveying of community representative groups found only 34% were aware that both consumer interests and the interests of electricity, gas and water service providers are represented on the Board. Although still low, this is an increase from 25% in the 2015 Water Review. 73% of community representative groups agreed that the Board's consumer representatives are capable of representing the viewpoints and concerns of consumers and consumer organisations. Consistently, 73% of community representative groups agreed that the Board's industry representatives are capable of representing the viewpoints and concerns of electricity, gas or water service companies.

The 2015 Water Review recommended that when the opportunity presents to appoint new customer directors, EWOWA should endeavour to appoint people who work in the consumer advocacy field. One Customer Representative Director who was eligible for re-election was re-elected in November 2017. There have been no new appointments since the 2015 Water Review. Two Customer Representative Directors will need to be recruited by November 2018, as two incumbents are ineligible for re-election. EWOWA have advised that customer advocacy experience will be explicitly stated when seeking applications.

***Recommendation 8: As planned and to maintain a balanced Board, EWOWA should seek customer advocacy experience when seeking applications for two Customer Representative Directors to be recruited by November 2018.***

### 4.3 Funding Arrangements

The funding arrangements must provide sufficient funding for EWOWA to manage its caseload and other functions. Arrangements should also be transparent and equitable to Members and where possible, provide an incentive to resolve complaints internally.

EWOWA uses estimates of the volume of complaints to predict staffing requirements and develop the annual budget. However, estimates are not used to calculate Member contributions.

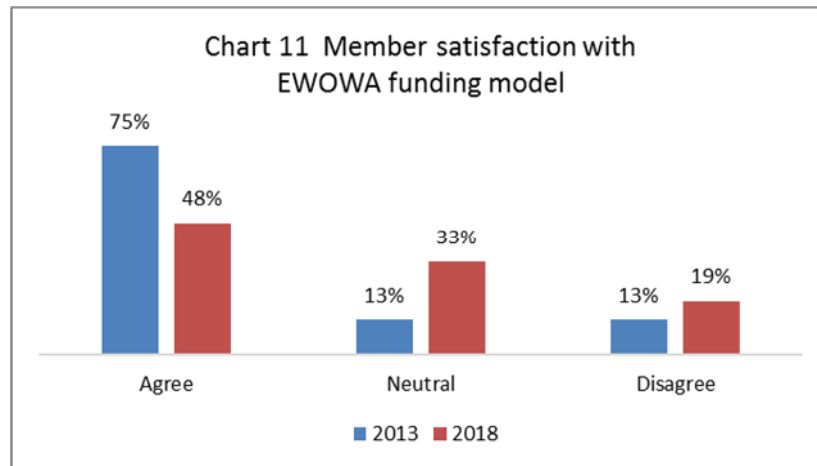
The contribution of each member towards EWOWA's dispute costs is calculated based on the complaints about the Member in the previous financial year. Complaints are weighted according to the relative amount of resources required to close the complaint. The dispute costs are apportioned between members based on the Members' weighted total of complaints. There is no adjustment for actual complaint numbers until the following year's budget is set.

All Members were invited to provide written submissions with any information they wish in addition to completing the survey. Two written submissions were received with one submission relevant to our consideration of EWOWA's funding arrangements. The submission explained that the Member believes EWOWA favours the customer and that it is unfair that the Member has to bear significantly high costs of complaints for a known outcome. The Member explained many of the complaints are similar in nature and that they do not believe the cost to the Member of an investigation for simple complaints is proportionate to the resources required to complete the investigation. The Member suggested that agreed Position Statements on common issues could be developed by the Member and EWOWA.

We have considered their submission. Dispute costs include reporting to the Board, the Economic Regulation Authority and Members, and promotion and community outreach which are fixed costs that are not directly linked to complaint numbers. Funding for these activities has increased over time. The Member's submission stated their experience has been that many similar complaints of a simple nature are made to EWOWA. This is in contrast to the general trend. Our Review found that generally, most straightforward complaints are now resolved by the Member, resulting in a higher proportion of investigated complaints being of a more complex nature. The funding model has five tiers of dispute costs including three stages of investigations.

Simple investigations are therefore resolved as Stage 1 investigations. Whilst we appreciate this Member's perspective, we concluded the existing model provides certainty for budgeting for all parties and the existing tiered structure does already distinguish between investigations of varying complexity. However, we do agree that EWOWA should publish guidance to outline the approach taken in handling particular types of complaints. The availability of such guidance would not avoid the need for an investigation with all complaints being judged on their individual merits. Refer to section 6.1 for further discussion on the publication of guidance.

Only 48% of Members (able to judge) agreed or strongly agreed that their organisation is satisfied with the funding model agreements. 19% disagreed and 33% stated they neither agree nor disagree. This is a significantly lower level of satisfaction than the 2013 Energy Review which found 75% of Members agreed or strongly agreed that members are satisfied with the funding model arrangements (**Chart 11**).



Member's added comments to the survey question in support of the funding model including "The user pay model works for us" and "As a business we are fully informed and aware of the budgetary and funding process via our Board representative."

Those who are not satisfied with the funding model felt that tiered limits are regressive for organisations with low customer numbers, higher level case costs are out of step with other energy and water ombudsman schemes and one Member commented "there is no incentive for the ombudsman to reduce complaints, therefore potentially building up numbers. Do not understand why a levy is applied in the invoice."

These comments were considered and our response is as follows:

- Apportioning costs based on complaint numbers for the Member from the previous year provides an incentive for Members to reduce the number of complaints to EWOWA by improving their customer service and internal dispute resolution processes. Any adjustment to dispute costs made for the size of the Member's customer base would dilute this incentive. Also, the resources required for each complaint is not less for smaller Members;
- New South Wales, Victoria, Queensland and South Australia's funding models all consider members' customer complaint volumes and the number of investigations (or time taken) in a user pays system;
- EWOWA has introduced initiatives in recent years to enhance resolution of complaints by Members and, as a result, reduce the number of complaints received by EWOWA and the number escalating to investigation; and
- Annual levies are charged to cover the operating costs of the EWOWA and are tiered based on customer numbers.

One Member submission considered there needed to be greater transparency on the charging methodology, including the estimated time for each category of complaint or investigation, how these are costed, the level of dispute resolution service expected to be provided and what is a "substantial breach".

EWOWA has previously issued a Guidance Note on the Funding Model and the charges for each stage of a complaint and a summary of the annual funding is provided to Members each year. However, this does not include details of how individual charges are calculated. We also note EWOWA has a Guidance Note on Substantial Breaches.

One particular issue noted in section 8.1 is that from our survey, only 52% of Members were aware that the scheme allows for monetary settlement of complaints by EWOWA up to a maximum of \$20,000 for an individual complaint or \$50,000 with the agreement of the Member. Of those Members who were not aware, 66% had complaints about them accepted by EWOWA in 2017. If Members were more aware of the maximum potential settlement amount from an investigation, this may lead to fewer complaints progressing to this Stage.

Potentially, this could reduce the cost of the Scheme to Members in the subsequent year if there are fewer complaints that go to the Facilitated Resolution or Investigation stage.

We concluded that EWOWA's funding model allows independence, includes an incentive to the Member to resolve complaints and provides certainty of funding and charges for the current year. However, there are still gaps in Members' understanding of the charging methodology.

***Recommendation 9: EWOWA should reissue the Funding Model and Substantial Breach Guidance Notes to Members.***

***Recommendation 10: EWOWA should develop and issue a Guidance Note to Members on the charging methodology, including estimated time and cost for each stage, escalation triggers and the level of service provided.***

## 5. Fairness

The 2018 Review criteria based on the National Benchmarks for Industry-Based Customer Dispute Resolution and our observations and recommendations from this review are provided below.

### National Benchmark 3: Fairness

*Principle:* The procedures and decision-making of the scheme are fair and seen to be fair.

*Purpose:* To ensure that the scheme performs its functions in a manner that is fair and seen to be fair.

*Key practices:* Final Determinations, Procedural Fairness, Provision of Information to the Decision-Maker, Confidentiality, Review of Decisions and Determinations.

#### Objectives

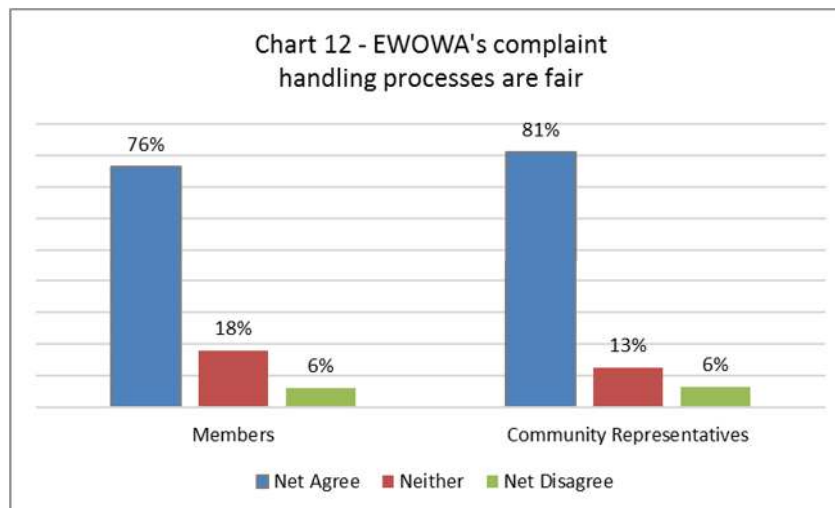
- The scheme has satisfactory arrangements in place to deal with all disputes and complaints referred to in section 11ZPZ (1) of the *Energy Coordination Act 1994*, section 92(1) of the *Electricity Industry Act 2004* and section 65(1) of the *Water Services Act 2012*.

We reviewed the scheme's complaints handling policies, procedures and practices and obtained feedback from complainants, Members and community representative groups to determine whether the Fairness principle and key practices are being met.

### 5.1 Procedural Fairness

The procedures and decision-making of the scheme should be fair and seen to be fair.

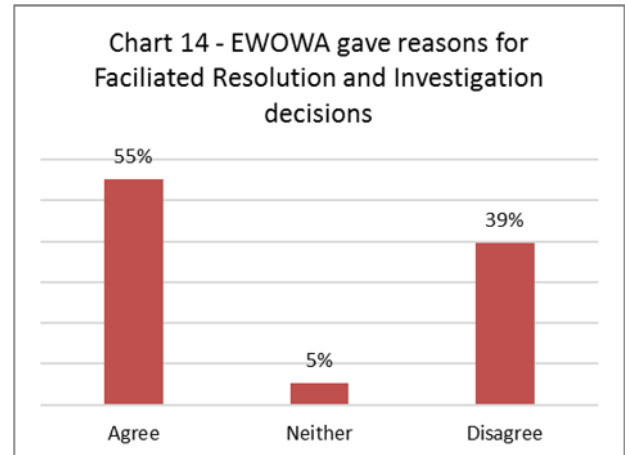
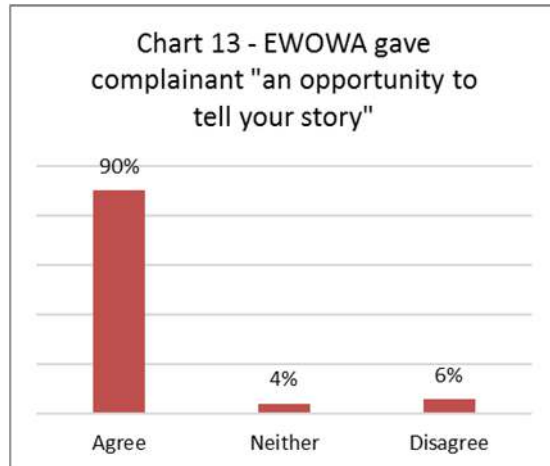
In this Review, Members and community representative groups were asked the extent to which they agree that EWOWA's complaint handling processes are fair (including procedural fairness being afforded to both parties). Of the Members able to judge, 76% agreed or strongly agreed that the complaint handling process is fair. Of the community representative groups able to judge, 81% agreed or strongly agreed that the complaint handling process is fair. Only one Member and one community representative group disagreed (**Chart 12**).



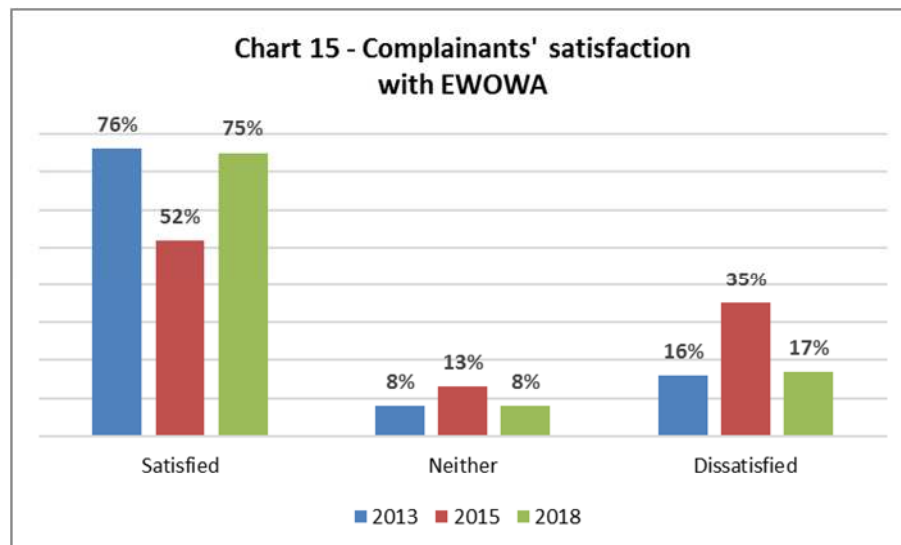


90% of complainants surveyed, agreed or strongly agreed that EWOWA gave them an opportunity to tell their side of the story (**Chart 13**).

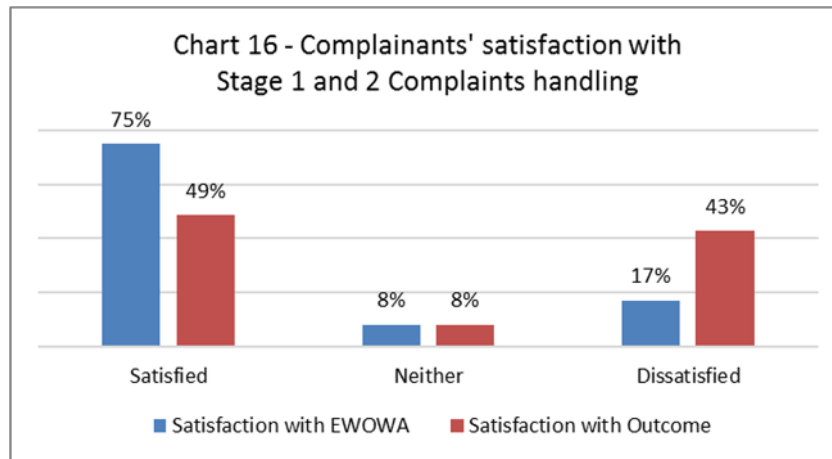
Of complainants who EWOWA facilitated a resolution for or investigated the complaint, 55% agreed or strongly agreed that EWOWA provided them with reasons for its decision (**Chart 14**). It is noted that the EWOWA is not required to give reasons where Facilitated Resolutions or Investigations are resolved and no decision (determination) is made.



We surveyed complainants' overall satisfaction with the service provided by EWOWA. 75% of complainants were satisfied with the service provided by the EWOWA. This satisfaction level is consistent with the 2013 Energy Review level of 76% and much better than the 2015 Water Review level of 52% (**Chart 15**).



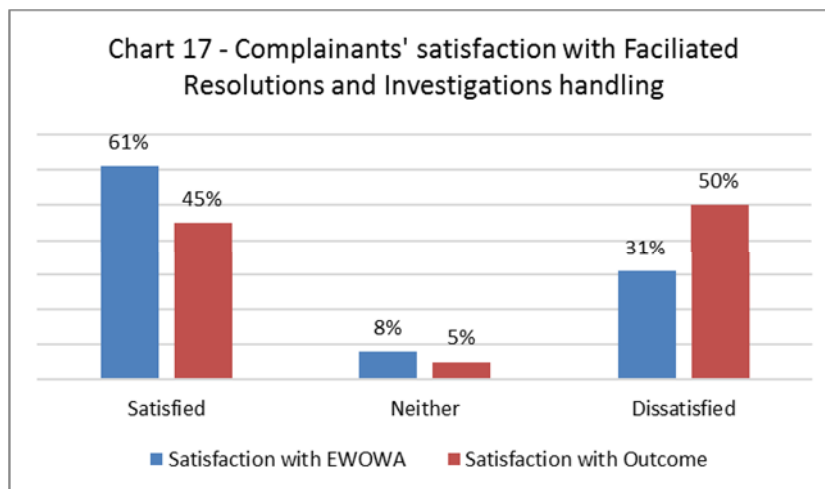
We then compared the overall satisfaction with the level of complainant satisfaction with the outcome achieved in their complaint (outcome achieved with their provider for Stage 1 and 2 complaints). We found 49% of Stage 1 and 2 complainants were satisfied, 8% were neutral and 43% were dissatisfied with the outcome achieved with their provider (**Chart 16**).



Stage 1 and 2 complainants who were dissatisfied with the outcome achieved were asked why they did not bring their complaint back to EWOWA. Over 80% of surveyed complainants were aware they had the option of reverting back to EWOWA. 9% advised that their service provider gave a reasonable explanation for its actions. 45% advised they did not bring their complaint back to EWOWA as they did not think they could get a better outcome.

Comparison to the 2015 Water Review is not precise, as the 2015 Water Review had a very small sample size and included 'other' as an option rather than our survey option 'the provider gave a reasonable explanation for its actions'. 65% of 2015 survey respondents advised they did not bring their complaint back to EWOWA as they did not think they could get a better outcome. While a true comparison cannot be made between the results, we can conclude from the reduction in respondents indicating they had lost hope of a better outcome, that levels of disillusionment with the complaints handling process appear to have improved and have at least not worsened.

For Facilitated Resolution and Investigation complainants, 45% were satisfied with the outcomes achieved, 5% were neutral and 50% were dissatisfied with the outcome achieved (**Chart 17**).



The 2015 Water Review recommended that EWOWA should undertake regular surveying of Water Scheme complainants to monitor discontinuance rates at Stage 1 and Stage 2 by complainants who are dissatisfied with their complaint outcome. Ideally surveying would be undertaken every quarter either by telephoning a random selection of complainants whose complaints have been closed or by emailing a survey form. Trends should be analysed and reported to the Board.

The EWOWA has advised that surveying, including surveys of consumer organisations, complainants and Members, will commence with this 2018 Statutory Review and periodically thereafter.

**Recommendation 11: As planned, EWOWA should do surveys of complainants, Members and consumer representative groups at least annually after the 2018 Review and report the results to the Board (and in the Annual Report).**

## 5.2 Complaint Handling Practices

We reviewed a sample of 30 case files relating to complaints made to the EWOWA in 2017 (including complaints closed at each Stage and across different outcomes) to confirm the Key Practices for Industry-based Customer Dispute Resolution were applied and to form our own view of the fairness of the complaint handling process. Our review of case files found:

- Staff explained to complainants how the process works, limits on it powers and the timelines;
- Staff assisted the complainant to make the complaint where they need assistance;
- The complainant was able to use a support person where required;
- The complaints handling process was fair and where the case was investigated there was a fair and reasonable outcome;
- Information is provided to both parties at the same time, including timely communication of progress;
- Both parties are told the case of the other party and can rebut information provided by each party;
- The office obtained from the Member all relevant information requested (or from a third party);
- The outcome classification is accurate;
- There is an independent review of decisions by another officer where necessary. Our sample did not include any cases that required a review of the decision. However, we noted one complex investigation that required the Director Energy and Water to consider the case and legal advice was obtained; and
- Complaints are within jurisdiction.

Our review identified two of the key practices were not applied as follows:

- A key practice requires both parties to be told of any decision in writing. EWOWA advises the complainant and the Member in writing in most instances.

A formal letter is used in cases which have found the Member to have acted in accordance with the applicable law and licence/ industry codes, deemed contracts and good industry practice, or the EWOWA considers that a reasonable offer has been made by the Member and the complainant will be informed in writing by the Ombudsman, if the Ombudsman makes a binding decision. In these situations, no decision was made that reasons would be required for.

For cases which have been resolved through a Facilitated Resolution, and Investigations where the complainant is happy with the outcome, staff may inform the complainant orally (with a clear file note of the discussion) or by email.

*This practice is consistent with the Scheme's Charter, efficient and does not go against the underlying principle and purpose of the fairness benchmark.*

- A key practice requires staff to advise complainants of their right to access other redress mechanisms at any stage if they are dissatisfied with any of the EWOWA's decisions or with the decision-maker's final determination.

EWOWA will refer the complainant to an alternative dispute resolution scheme where relevant. For example, the Office of the Information Commissioner for complaints relating to Freedom of

Information. In addition, EWOWA cannot accept complaints where EWOWA believes it should be dealt with by the court or a more appropriate body. We noted that complainants were not advised of their right to access other redress mechanisms in any of the cases we reviewed and a statement to this effect is not included in EWOWA's final letter to complainants. EWOWA does not advise complainants they can take their matter to court as it could be considered giving legal advice. We note that this key practice is more applicable in areas where there are further redress options other than legal proceedings and this is not the case for this Scheme.

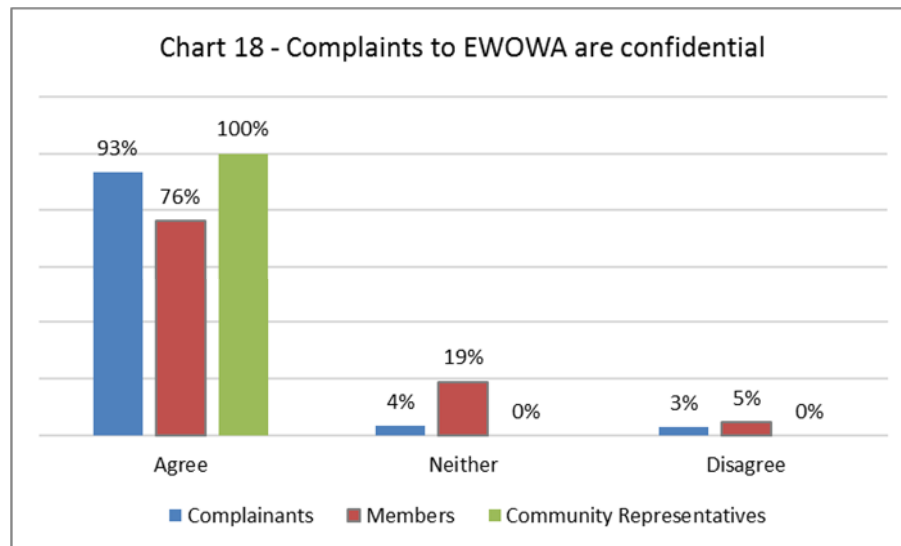
*Again, this practice does not go against the underlying principle and purpose of the fairness benchmark.*

Overall, our review of case files concluded that the complaints handling and investigation processes are fair and well documented. EWOWA has made numerous improvements since the 2015 Water Review and there is now a comprehensive procedures framework with guidance notes, instructions and templates that is consistently applied and documented.

### 5.3 Confidentiality

93% of complainants surveyed that were able to judge, agreed or strongly agreed that their complaint was kept confidential. 76% of Members agreed or strongly agreed that their complaint was kept confidential and 19% neither agreed or disagreed.

All community representative groups that were able to judge, agreed or strongly agreed that EWOWA complaints and how they are handled are confidential (**Chart 18**).



## 6. Accountability

The 2018 Review criteria based on the National Benchmarks for Industry-Based Customer Dispute Resolution and our observations and recommendations from this review are provided below.

### **National Benchmark 4: Accountability**

*Principle:* The scheme publicly accounts for its operations by publishing its final determinations and information about complaints and reporting any systemic problems to its members, policy agencies and regulators.

*Purpose:* To ensure public confidence in the scheme and allow assessment and improvement of its performance and that of scheme members.

*Key practices:* Procedures, Final Determinations, Responding to Complaints and Participating Organisations, Annual Report.

#### **Objectives**

- All licensees who are required to be members of the scheme –
  - Have agreed to be bound by decisions and directions of the Energy and Water Ombudsman under the scheme.
- The scheme will satisfy best practice benchmarks for schemes of a similar kind, both in terms of its constitution and procedure and in terms of its day to day operations.

The Scheme should publicly account for its operations by publishing its final determinations and information about complaints and reporting any systemic problems to its members, policy agencies and regulators.

The above principle changed from the previous 2015 Water Review which stated “*Principle: The scheme publicly accounts for its operations by publishing its determinations and information about complaints and highlighting any systemic industry problems*”.

The key practices were expanded from only Determinations and Reporting, to include Responding to Complaints and Participating Organisations, and Annual Report. There is now more emphasis on reporting any systemic themes and trends to Members, policy agencies and regulators.

### 6.1 Reporting

This Review found that the EWOWA provides accountability and publicly reports about the Scheme through its website, Annual Report, reporting to Members and reporting to the Authority and Economic Regulation Authority Consumer Consultative Committee (ERACCC). The website makes available to complainants and other interested parties, information about how to make a complaint, the types of complaints handled and the complaint handling process.

EWOWA has implemented the recommendation of the 2015 Water Review and case studies are now published on the EWOWA website. As per Recommendation 12 below, we recommend the amount and variety of case studies published is expanded which will further enhance public accountability.

EWOWA provides monthly reporting to Members about their complaints and staff have regular meetings with Members with high complaint volumes to provide feedback.

To date, EWOWA has not made any binding decisions. Members have accepted EWOWA's view where EWOWA believes a complaint should be resolved in favour of the complainant. If a binding decision or determination was made, EWOWA would publish the decision or determination on its website.

EWOWA's website includes its latest Annual Report in full and in easy access sections for download in PDF and HTML and prior year Annual Reports back to 2005/06. EWOWA's comprehensive Annual Report provides general information and statistical information about complaints to meet the annual reporting requirements of the accountability benchmark, with the exception of systemic problems arising from complaints. However, we noted the Annual Report

does explain the type of issues raised in complaints and provides statistical information on the most common types of complaints and five-year trends.

We asked Members and community representative groups the extent to which they agreed that the Annual Report is informative. Most community representative groups (60%) indicated they were unable to judge as they had not read the EWOWA Annual Report. 61% of those able to judge agreed that the EWOWA Annual Report is informative. 68% of Members agreed that the annual report is informative.

Feedback from one Member considered that the EWOWA should publish more “Position Statements” that have been agreed with the Member based on prior learnings and experience, to assist with the earlier resolution of common types of complaints. Position statements may be considered too legalistic and their availability would not take away the need for an investigation of complaints anyway. Guidance outlining the approach taken in handling particular types of complaints would provide some clarity as to how EWOWA considers that type of complaint without giving any presumption of a guaranteed outcome.

The Annual Overview provided to the EWOWA Board includes a section explaining EWOWA’s initiatives to provide opportunities for Members to resolve complaints, prior to customers coming to EWOWA and before they proceed to investigation by EWOWA. Reporting to Members on these initiatives, implemented as part of a continuous improvement program to achieve the highest quality, most timely complaint resolution at the lowest cost, would increase accountability and demonstrate EWOWA is responding to complainants and Members.

***Recommendation 12: EWOWA should publish guidance on common types of complaints to outline the approach taken for common types of complaints and publish these on its website.***

***Recommendation 13: EWOWA should annually report to Members on its initiatives to assist Members to resolve complaints internally and reduce complaints and investigations to EWOWA.***

## 6.2 Trends, Themes and Systemic Issues

EWOWA provides quarterly reports to the ERA and the ERACCC which include information in relation to serious and systemic issues. The Annual Overview provided to the EWOWA Board also provides an overview of systemic issues reported to the ERA.

EWOWA has a detailed guidance note on serious and systemic issues which covers defining, investigating and reporting serious and systemic issues internally and to the ERA.

The Ombudsman, Deputy Ombudsman and EWOWA staff have regular meetings with Members with high complaint volumes and monthly reports are provided to Members on their complaints. This process closes the feedback loop and allows Members to improve their customer service and internal dispute resolution processes from the insights gained by EWOWA. However, there is no formal reporting of serious and systemic issues to Members.

The 2015 Water Review recommendations in relation to accountability have been implemented with the exception of the publication of quarterly reports to the ERACCC on its website.

Other energy and water ombudsman schemes throughout Australia publicly report on systemic issues. Victoria and NSW include current trends and systemic issues in quarterly updates published on their websites and Queensland and South Australia publish information on systemic issues in their annual reports.

***Recommendation 14: EWOWA should provide Members with an annual overview of trends, themes and any systemic issues reported to the ERA, and consider publishing information regarding systemic issues arising from complaints in its Annual Report and separately on the EWOWA website.***

## 7. Efficiency

The 2018 Review criteria based on the National Benchmarks for Industry-Based Customer Dispute Resolution and our observations and recommendations from this review are provided below.

### **National Benchmark 5: Efficiency**

*Principle:* The scheme operates efficiently by keeping track of complaints, ensuring complaints are dealt with by the appropriate process or forum and regularly reviewing its performance.

*Purpose:* To give customers and scheme members confidence in the scheme and to ensure the scheme provides value for its funding.

*Key practices:* Appropriate Process or Forum, Timeliness, Tracking of Complaints, Monitoring and Professionalism.

#### **Objectives**

- The scheme has satisfactory arrangements in place to deal with all disputes and complaints referred to in section 92 (1) of the *Electricity Industry Act 2004*, section 11ZPZ (1) of the *Energy Coordination Act 1994* and section 65(1) of the *Water Services Act 2012*.
- Without limiting any other application of the scheme, the scheme will apply to all disputes and complaints referred to in section 92(1) of the *Electricity Industry Act 2004* and section 11ZPZ (1) of the *Energy Coordination Act 1994* and section 65(1) of the *Water Services Act 2012*.
- The scheme will operate expeditiously and without cost to customers.
- The scheme will satisfy best practice benchmarks for schemes of a similar kind, both in terms of its constitution and procedure and in terms of its day to day operations.
- The scheme will maintain the capacity of the Energy and Water Ombudsman, where appropriate, to refer disputes or complaints to other forums.

The scheme should operate efficiently by keeping track of complaints, ensuring complaints are dealt with by the appropriate process or forum and regularly reviewing its performance.

The key practices expanded from the previous 2015 Water Review which only stated Appropriate Process or Forum, Tracking of Complaints, and Monitoring to include Timeliness and Professionalism.

EWOWA uses its complaints management database to help track the progress of complaints. Complaints that are outside EWOWA's jurisdiction are referred to more appropriate bodies and processes are in place to ensure Members have the opportunity to resolve complaints internally in the first instance. EWOWA monitors its performance, reports complaint statistics and has established key performance indicators.

### 7.1 Timeliness

EWOWA's 2016-17 Annual Report states 86% of all complaints were finalised within 10 business days. More specifically, 97% of Stage 1 and Stage 2 complaints were finalised on the same working day they were received and over 99% by the end of the second work day.

Of matters for Facilitated Resolution or Investigation, over 66% were finalised within three months, with over half of these finalised within the first month, and over 93% were finalised within 6 months.

We compared EWOWA's timeliness with other energy and water ombudsman in Australia. We made the comparison whilst noting that some differences between the schemes affect timeliness. For example, the charters for both Victoria and WA require Members to be given 28 days to respond to EWOWA. In addition, we relied on publicly available information which did not clearly state whether time taken to resolve or finalise a complaint includes time between stages. For example,

a stage 2 complaint is received by EWOWA who refer the complainant back to the Member organisation. The complainant is advised to bring the complaint back to EWOWA if it is not adequately resolved in 10 business days. If the complainant does not bring the complaint back to EWOWA for 25 days this time is considered part of the timeframe in EWOWA's statistics however it is unclear that such time lapses are also included in the statistics of other states.

EWOWA's timeliness is reasonably comparable to other energy and water ombudsman schemes across Australia for complaints resolved or finalised within one month and resolved or finalised within 6 months (**Chart 19**). EWOWA has a lower percentage of complaints resolved or finalised within three months than all other States in our comparison. This shows that EWOWA needs to continue to monitor timeliness closely.

**Chart 19: Comparison of complaints resolution time by State**

Timeframe for resolution or finalisation of complaints in 2016/17	EWOWA	NSW	VIC	QLD	SA
Resolved or finalised within 1 month	88%	90%	92%* <sup>1</sup>	92*	87%
Resolved or finalised within 3 months	92%	96%	97% <sup>2</sup>	99%	98%
Resolved or finalised within 6 months	98%	99%	NA	100%	100%
Over 6 months	2%	1%	NA	NA	NA

\* 28 days

NA Statistics not available from public information.

<sup>1</sup> Stage 1 Investigations

<sup>2</sup> All investigations

Our surveying of complainants found that 80% agreed or strongly agreed that their complaint was dealt with within a reasonable timeframe. Complainants who had their complaint investigated by EWOWA were less likely to agree that their complaint was dealt with within a timely way.

71% of Members who were able to judge agreed that EWOWA resolves complaints in a timely way.

Our review of a sample of 30 case files relating to complaints made in 2017 considered whether the key practices for the efficiency benchmark were applied. We considered whether reasonable time limits were achieved for each process to facilitate speedy resolution without compromising quality decision making. We found five instances where reasonable time limits were not achieved.

Of these five instances:

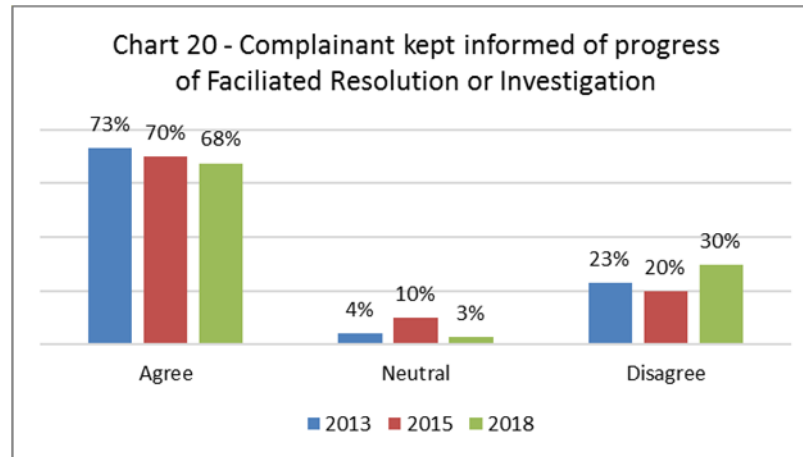
- One instance was an administrative oversight that had no effect on the complainant or Member;
- One instance was largely outside of EWOWA's control. The delays were not completely outside of EWOWA's control. However, it was a complex matter and expediting the matter may have compromised the thoroughness of the investigation; and
- Two instances were due to a delay between escalation to investigation and allocation to an investigating officer. These were at a time of a relatively high volume of investigations given the resources available.

We concluded that EWOWA's complaint handling practices generally strike the right balance between achieving timely outcomes and undertaking a thorough analysis of the complaint. However, at times of limited resources, timeliness is affected.

For complaints that were resolved through a Facilitated Resolution or Investigation, we asked the complainant whether they were kept informed about the progress of their complaint. 68% agreed or strongly agreed that they were kept informed. This was in line with the results of 2015 Water Review but less than the 73% that agreed in 2013 Energy Review. However, 30% of complainants disagreed that they were kept informed of progress which has increased from 20% in 2015, so it is an area that needs to be continually monitored (**Chart 20**). We note the differences in the reviews; this is the first review of both energy and water, whereas 2015 only considered water and 2013 only considered energy.



We noted that the volume of investigated complaints has increased in this time, putting pressure on keeping complainants informed of progress.

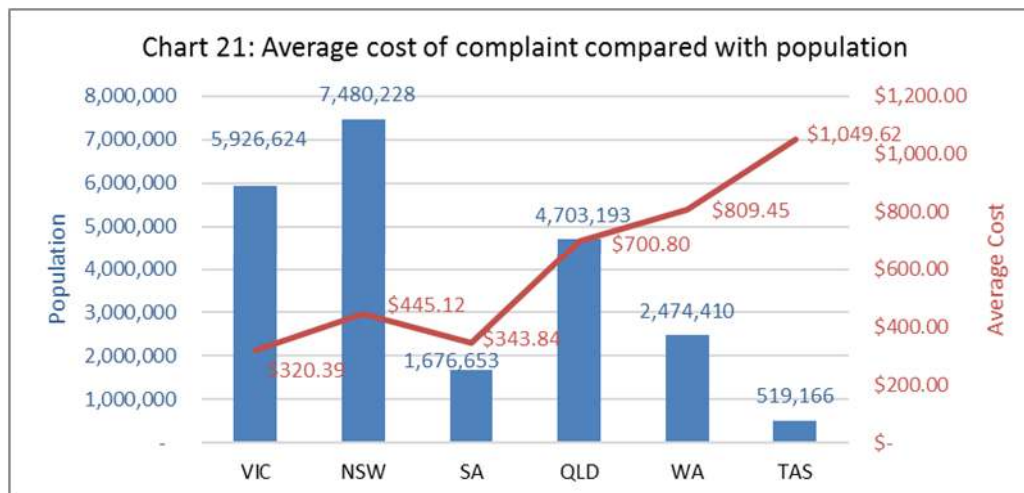


70% of Members agreed or strongly agreed that EWOWA keeps them informed about the progress of their complaint. Only one Member disagreed. The 2015 Water Review did not report the extent that complainants and Members felt they were kept informed. The results of our review showed an improvement from the 2013 Energy Review which reported only 50% of Members felt they were kept informed.

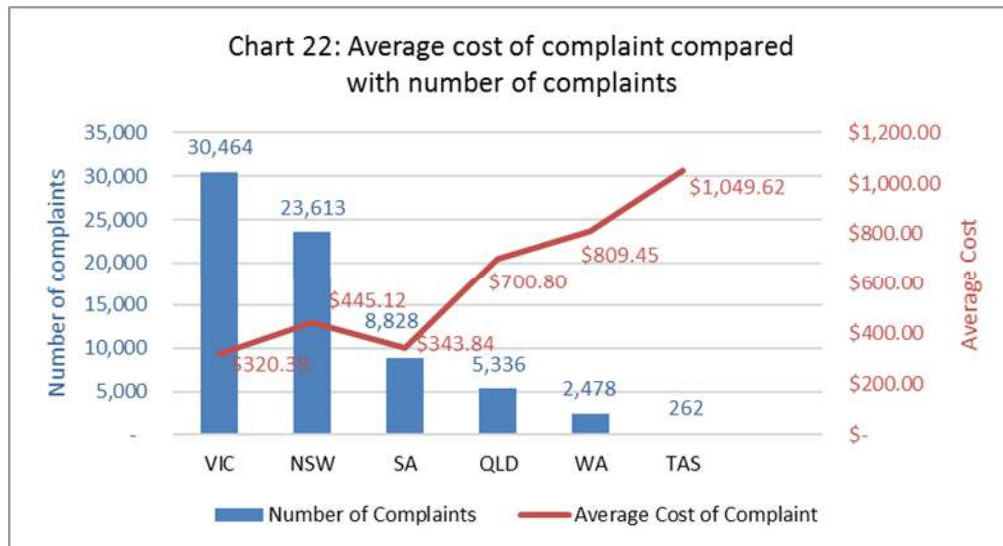
## 7.2 Cost Comparison

To form a view on EWOWA's cost efficiency we compared EWOWA's average cost per complaint with four other State energy and water ombudsman schemes in Australia. We considered cost per complaint and total number of complaints.

With the exception of South Australia (SA), there is a clear inverse correlation that would reflect the scale and scope of economies achievable in larger population States. Apart from SA, WA with the lowest population has the highest average cost per complaint of \$809.45 and NSW with the highest population has the lowest cost per complaint of \$445.12 (**Chart 21**)



We then compared the volume of complaints and average cost per complaint for each State. Again, with the exception of SA, there is a clear inverse correlation that would reflect the scale and scope economies achievable in larger population States (**Chart 22**).



Both comparisons show that EWOWA’s cost per complaint is comparable with the average cost for the larger States after taking into account their larger populations and volumes of complaints,

### 7.3 Initiatives by EWOWA to Reduce Complaints and Investigations

EWOWA has a continuous improvement program to achieve the highest quality, most timely complaint resolution at the lowest cost.

One initiative EWOWA has implemented in the past to reduce the number of complaints received by EWOWA was the introduction of an automated answering system. In 2013, an automated answering system was introduced to refer callers back to the Member in the first instance where they had not already attempted to resolve their complaint with the Member. This initiative coincided with a 22% decrease in complaints in 2013/14.

As per our findings on Accessibility in section 3, complainants become aware of the existence of EWOWA through the Internet more than any other source. As EWOWA’s website is often the first port of call prior to the complainant contacting EWOWA, opportunities to refer website visitors back to their provider in the first instance should be sought.

As an example, the South Australian Energy and Water Ombudsman (EWOSA) website prominently promotes a 4-step process for complainants, as discussed in section 3.3. Prior to entering the online complaint form, the website again advises readers to *“Please read and complete the following steps before accessing the complaint form below.”* This reinforcement on the website of the need to raise the complaint with the provider first, greatly increases the chances of complainants being aware of the process involved.

The EWOSA website maximises every opportunity to inform readers of the process. This approach could be considered somewhat overbearing and potentially impose a barrier to access for some people. The same result may be able to be achieved with a softer style so that readers are informed of the process without potentially deterring complainants making contact with EWOWA. The *“contact the electricity, gas or water services provider first”* wording on EWOWA’s *“how to make a complaint”* page could be included on the home page and the online complaint form page. The *“how to make a complaint”* section could also include links to Member’s websites.

In 2017, there were 722 Stage 1 complaints. Stage 1 complaints make up 29% of EWOWA’s total complaints. Opportunities to reduce Stage 1 complaints can therefore deliver significant savings.

**Recommendation 15: EWOWA's website redesign should utilise opportunities to refer customers back to their service provider where they have not already raised a complaint with them.**

#### 7.4 Referral Back to Members

Giving Members the opportunity to consider complaints first is outlined in the efficiency key practices which explains that EWOWA should only deal with complaints *“which have been considered, and not resolved to a person's satisfaction, by a participating organisation's internal dispute resolution mechanism”*.

Our surveying of Members asked whether they agree that EWOWA has processes to refer complaints back to the Members' organization, if they have not already been through their internal complaint resolution mechanisms.

84% of Members agreed or strongly agreed that processes are in place to refer complainants back to the Member.

Only one Member disagreed, commenting that complaints can be received from EWOWA which have not been made to the Member prior to speaking to the Ombudsman. They stated they understand EWOWA has to make a judgement on the information the customer provides and have no way of viewing Members' internal systems and whether the customer has actually made a complaint with the Member already.

The respondent's comments suggest the Member (or at least the representative completing the survey) is unaware of EWOWA's ability to rollback complaints to Stage 1 where the Member provides further information that the complainant has not made a complaint with the Member. This appears to be an isolated perception, nonetheless, EWOWA could consider reminding Members that EWOWA has the ability to reassess and amend complaint classifications where necessary.

Improvements to the website discussed in section 7.3 above, could help to facilitate this.

## 8. Effectiveness

The 2018 Review criteria based on the National Benchmarks for Industry-Based Customer Dispute Resolution and our observations and recommendations from this review are provided below.

### **National Benchmark 6: Effectiveness**

*Principle:* The scheme is effective by having an appropriate and comprehensive jurisdiction and periodic independent reviews of its performance.

*Purpose:* To promote customer confidence in the scheme and ensure that the scheme fulfils its role.

*Key practices:* Coverage, Systemic Problems, Scheme Performance, Internal Dispute Resolution Mechanisms, Compliance, Independent Review.

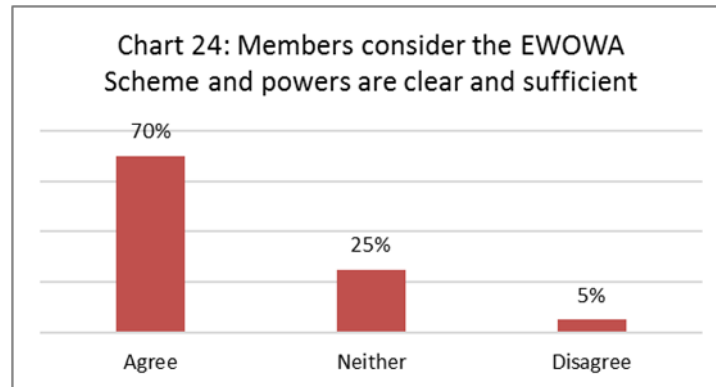
#### **Objectives**

- All licensees who are required to be members of the scheme –
  - Are members of the scheme;
  - Have agreed to be bound by decisions and directions of the Energy and Water Ombudsman under the scheme; and
  - As members, are so bound.
- The scheme has satisfactory arrangements in place to deal with all disputes and complaints referred to in section 92 (1) of the *Electricity Industry Act 2004*, section 11ZPZ (1) of the *Energy Coordination Act 1994* and section 65(1) of the *Water Services Act 2012*.
- Without limiting any other application of the scheme, the scheme will apply to all disputes and complaints referred to in section 92(1) of the *Electricity Industry Act 2004*, section 11ZPZ (1) of the *Energy Coordination Act 1994* and section 65(1) of the *Water Services Act 2012*.
- The scheme will provide for a monetary limit on claims covered by the scheme of an amount approved by the Economic Regulation Authority.
- The scheme will require the Energy and Water Ombudsman to inform the Economic Regulation Authority of substantial breaches of –
  - Any licence condition; or
  - The code of conduct under Part 6 of the *Electricity Industry Act 2004*, Part 2C of the *Energy Coordination Act 1994* or Part 2 of the *Water Services Act 2012* of which the ombudsman becomes aware.

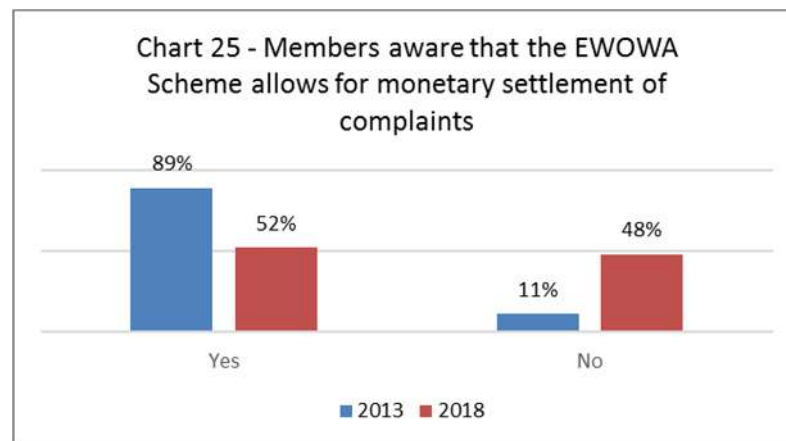
We obtained feedback from complainants, Members and community representative groups in relation to the scope and powers of the scheme as well as their overall impressions.

## 8.1 Scope and Powers

Our surveying of Members indicated that they generally see the scope of the scheme and the powers of EWOWA to be clear and sufficient. 70% of Members agreed or strongly agreed that the scope of the scheme and powers are clear and sufficient. Only one Member disagreed (**Chart 24**).



Only 52% of Members were aware that the scheme allows for monetary settlement of complaints. This was a decrease from the 2013 Energy Review where 89% of Members were aware that the scheme allowed for monetary settlement (**Chart 25**). Of the Members who were not aware the scheme allows for monetary settlement, 66% had complaints dealt with by EWOWA in 2017; this lack of awareness was not limited to Members with small customer bases and low complaint numbers.

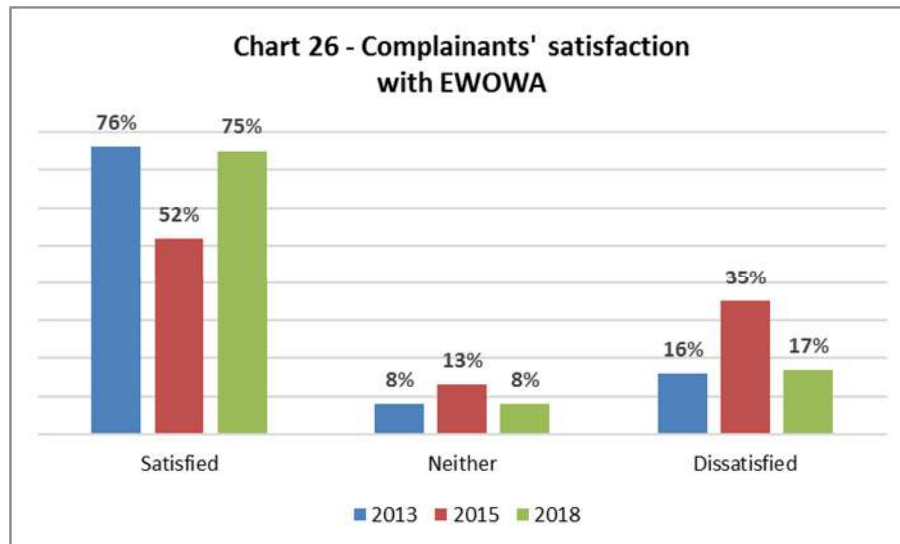


Of those respondents who were aware, 38% correctly identified the monetary limit of EWOWA's determinative powers. Only 33% of community representative groups were aware that the scheme allows for monetary settlement and none of those were able to correctly identify the monetary limit.

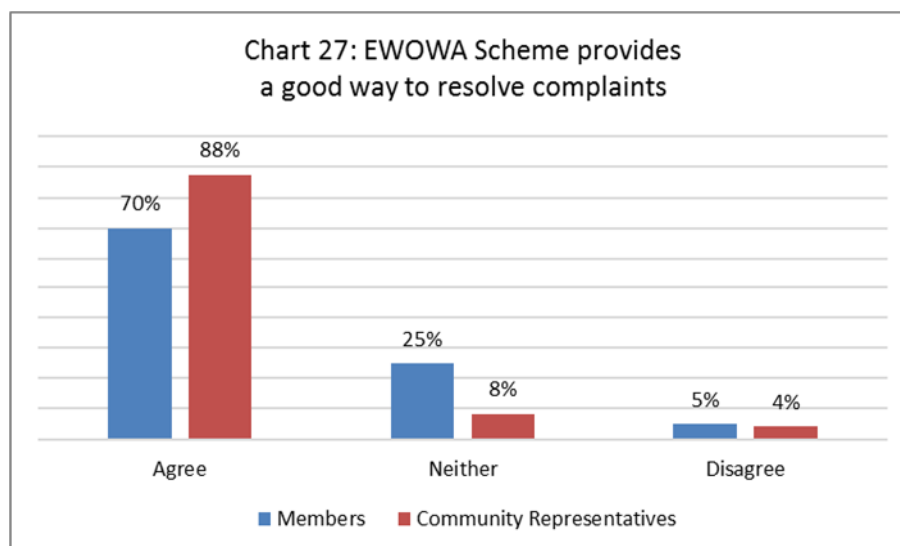
As noted in section 4.3, recommendation 8, the EWOWA should provide the Guidance Note – Funding Model for the Energy and Water Ombudsman to Members again. This could include guidance about the monetary settlement of complaints.

## 8.2 Overall Impressions

Overall, 75% of complainants were satisfied or very satisfied with the service provided by EWOWA. This satisfaction level is consistent with the 2013 Energy Review level of 76% and much better than the 2015 Water Review level of 52% (**Chart 26**).



Most community representative groups agreed that the Energy and Water Ombudsman Scheme provides a good way to resolve complaints. 70% of Members agreed or strongly agreed that the EWOWA scheme is a good way to resolve complaints. This has decreased since the 2013 Energy Review. Data for 2015 was not available from the 2015 Water Review (**Chart 27**). We note the differences in the scope of the reviews, this is the first review of both energy and water whereas 2013 only covered energy.



## 9. Governance of the Scheme

### Objectives

An additional objective of the 2018 Review was:

- To comprehensively consider the Charter and the Constitution in terms of their capacity as best practice governance documents to ensure that the objectives of the Scheme are being met including, if appropriate, whether any amendments should be considered by the Board to either the Charter or the Constitution.

This included review of the Charter and Constitution governing the Scheme, taking into account similar governance instruments for energy and water ombudsman schemes in other Australian jurisdictions; and consultation with Members, Board members and senior EWOWA staff.

We reviewed the Charter and Constitution of the Scheme, various Board Governance documents that have been produced in January 2018, constitutions of similar schemes in other States, surveyed Members, and interviewed Board members and senior EWOWA staff.

### 9.1 Constitution

The energy and water ombudsman is structured as a company limited by guarantee in New South Wales (NSW), Victoria (VIC), South Australia (SA), Western Australia (WA). In Queensland (QLD), the Office of the Energy and Water Ombudsman was established under the State legislation, *Energy and Water Ombudsman Act 2006*. The energy and water ombudsman in Tasmania is part of the Ombudsman's office.

The Constitutions of the energy and water ombudsman schemes in other States of Australia, except for Tasmania and Queensland, are broadly similar with a Board comprising an independent Chairperson and a mix of industry and consumer representative Directors, and similar governance processes. Their Constitutions and governance processes are based on the *Corporations Act 1989*.

The Constitutions all state that funding is by the Members (service providers that are part of the scheme). Where stated in the Constitution (all States except NSW), the Member fee generally comprises a joining levy, an annual fee based on customer numbers and a user pays method. The user pays method varies from being based on usage of the scheme in the previous year (WA and SA), as determined by the Board from time to time (NSW and VIC) or an advance fee based on the level of contact for the previous year adjusted every 6 months for actual contact numbers and actual expenditure (QLD). Our review of the funding method for EWOWA is discussed in section 4.3 above.

All Constitutions require reviews to be conducted of the schemes, usually at least every 5 years.

### 9.2 Charter

We reviewed the EWOWA Charter compared with other States (except for Tasmania) to identify any differences that may be considered whether any amendments should be made to the EWOWA Charter. (Refer **Appendix C**).

The Charters (except QLD which is a Service Charter designed for customers) are similar in respect of:

- Functions of the energy and water ombudsman;
- Time limitation of 12 months after the event to lodge the complaint;
- Jurisdiction limits are stated;
- Member must consider the complaint before the energy and water ombudsman;
- May make "binding decisions", generally up to \$20,000 for an individual complaint or \$50,000 with the consent of all parties;

- Confidential information of a third party does not have to be provided by a Member if reasonable efforts of the Member have not obtained the consent of the third party;
- Business Plans, Annual Funding Figures and Budgets to be prepared; and
- To promote the scheme to community groups.

The main differences identified were:

- **Maximum time for Member to respond to notification of a complaint** - This varies from 28 days (WA and VIC) to within the timeframe specified by the ombudsman (NSW), reasonable time limits to avoid undue delay in dealing with the complaint (SA) or not stated (QLD). The timeliness of EWOWA's complaints handling is reviewed in section 7.1 above which found that the timeliness of resolving complaints is consistent with the performance of other States and generally complainants (80%) and Members (71%) are satisfied with these results. We don't consider the Charter should be amended from a clearly defined maximum number of days.
- **Provide advice to Members on systemic issues and improvements in complaint handling processes** – Only NSW states this as a clause in their Charter, although other States may publish this information. We consider the EWOWA Charter does not need to specifically state this but it would be useful to provide this information. Refer section 6.2 above.
- **Complaints right to take legal proceedings whilst the complaint is being investigated or resolved** – Only NSW specifically state that legal action cannot be taken against the Member before the earlier of 90 days or the date the complaint is closed or resolved. We consider the EWOWA Charter does not need to specifically state this condition as the Scheme is not intended to restrict a complainant's right to take alternative action.

#### Member Submissions on the Charter

The survey of Members requested any input on amendments to the Charter of the Scheme. Two Members provided written submissions with the following suggestions:

- the maximum monetary amount EWOWA has jurisdiction over when making a direction in relation to a complaint that is one of several complaints arising from one or series of contemporaneous events - section 8.1 (a) should be applied to the total number of complaints rather than an individual complaint (**Monetary Cap Amendment**).

The EWOWA Charter clause is consistent with other States that have a monetary cap for individual complaints. EWOWA's legal advice on amendment was that there are procedural and legal issues in making a binding determination involving multiple complainants and did not support the amendment.

- the legal principles EWOWA must take into account when making a direction in relation to a complaint - sections 7.1 and 8.4 should be stated (**Observation of Legal Principles Amendment**).

EWOWA's legal advice on this amendment was that such an amendment raised policy and legal issues and did not support the amendment.

- the Members' requirements to provide and the Ombudsman's requirements to hold sensitive and confidential, material during the course of an investigation - section 7.1(c) should be further defined (**Confidentiality Amendment**).

EWOWA's legal advice on this amendment concluded that the proposed amendment raised some "practical difficulties" and suggested an alternative clause to limit the use and disclosure of confidential and identifying information, similar to the confidentiality provisions for the Ombudsman WA in the *Parliamentary Commissioner Act 1971*.

- the Charter should be amended to require EWOWA to refer a complaint from a retailer to a distributor (and vice versa) when a complaint is referred to a retailer that does not relate to its functions similar to clause 12.4 of the *Code of Conduct for the Supply of Electricity to Small Use Customers 2016*. A common example is when a customer disputes a bill because the meter data is based on an estimated reading by the distributor, yet it is typically the retailer who is required to respond and fund the complaint cost (**Retailer and Distributor Amendment**).



From our review of the above suggested amendments (and we do not provide legal advice), the amendments concerning Confidentiality, and Retailer and Distributor should be further considered by the Board for amendment of the EWOWA Charter.

***Recommendation 16: The Board should further consider the proposed amendments to the EWOWA Charter, from Members, in relation to the use and disclosure of confidential information and the transfer of complaints between a retailer and a distributor.***

### 9.3 Governance Framework

The governance of EWOWA was assessed by interviews of Directors, review of documentation and comparison with the better practices in the Australian Standard AS 8000:2003 *Corporate Governance*.

Interviews confirmed that the Directors are very satisfied with the structure and operations of the Board and the EWOWA with no major concerns raised.

Governance has improved with the completion of a written Board Charter, Board Governance Framework and Board Code of Conduct in February 2018. Our review confirmed these documents are consistent with AS 8000:2003. Refer Checklist in **Appendix B**.

The Governance Framework comprises:

- Legislative framework;
- Constitution and Charter;
- Board Charter setting out the roles and responsibilities of the Board;
- Board Code of Conduct signed by each Board member;
- Services Agreement between the EWOWA and the Ombudsman (Western Australia);
- National Benchmarks for Customer Dispute Resolution Schemes;
- Annual financial audit;
- Statutory Review at least every 5 years;
- Policies including Conflicts of Interest, Gifts, Benefits and Hospitality and other policies to be developed (Risk Management, Privacy and Complaints).

As noted in the Board Governance Framework, some elements of the Framework are still to be developed and implemented, including:

- Board Risk Management Policy and Plan;
- Privacy Policy; and
- Complaints Policy.

Overall, the 2018 Review concluded that there is an effective governance framework in operation that can be further improved with the above policies being formalised.

***Recommendation 17: As planned in the Board Governance Framework issued in February 2018, the following policies need to be developed to formalise practices in these areas:***

- ***Board Risk Management Policy and Plan (including reporting to the Board;***
- ***Privacy Policy; and***
- ***Complaints Policy.***

## 9.4 Board Reporting

We reviewed the reports being provided to each quarterly meeting of the Board and noted the reports are very comprehensive. The Ombudsman and the Deputy Ombudsman attend each Board meeting and provided explanations as required. Some are strategic (e.g. Annual Report, Annual Overview, Budget and Business Plan). Over time, the reports have been added to with broader statistical reports supplementing the previous detailed reports.

The 2018/19 Business Plan and Budget also includes a set of Key Performance Indicators (KPI) to be reported to the Board.

Some Directors considered the reporting could be more strategic (and more efficient) with less detailed information provided. Some examples, we noted are:

- There is a 16-page Statistics Report for the quarter that comprises statistics with no commentary.
- The 3-page Financial Report shows actual/budget figures only with no commentary on the variances and any action required.

It would be timely to conduct a review of the usefulness of the reports provided to the Board to determine whether some of the detailed reporting is still required by Directors.

***Recommendation 18: The Board should conduct a review of the usefulness of the existing reports provided to the Board with a view to focusing on the more strategic reporting and reducing the detailed reporting.***

## Appendix A - Objectives of the Energy and Water Ombudsman Scheme

The collated objectives of the Scheme referred to in section 11ZQ of the *Energy Coordination Act 1994*, section 93 of the *Electricity Industry Act 2004* and Section 66(2) of the *Water Services Act 2012* are that:

Legislative Obligation	Section of Report
a) all licensees who are required to be members of the scheme — <ul style="list-style-type: none"> <li>(i) are members of the scheme;</li> <li>(ii) have agreed to be bound by decisions and directions of the ombudsman under the scheme; and</li> <li>(iii) as members, are so bound;</li> </ul>	6 & 8
b) the scheme will be appropriately funded by the licensees who are required to be members;	4
c) the scheme has satisfactory arrangements in place to deal with all disputes and complaints referred to in section 11ZPZ (1) of the <i>Energy Coordination Act 1994</i> ; section 92(1) of the <i>Electricity Industry Act 2004</i> and section 65(1) of the <i>Water Services Act 2012</i> ;	5,7 & 8
d) the ombudsman will be able to operate independently of all licensees in performing his or her functions under the scheme;	4
e) the scheme will be accessible to customers under the <i>Energy Coordination Act 1994</i> and the <i>Electricity Industry Act 2004</i> and complainants under the <i>Water Services Act 2012</i> ;	3
f) membership of the scheme will — <ul style="list-style-type: none"> <li>(i) be accessible to all potential members; and</li> <li>(ii) provide appropriate representation for all members on the Board of the scheme;</li> </ul>	4
g) without limiting any other application of the scheme, the scheme will apply to all disputes and complaints referred to in section 11ZPZ (1) of the <i>Energy Coordination Act 1994</i> ; section 92(1) of the <i>Electricity Industry Act 2004</i> ;	7 & 8
h) the scheme will operate expeditiously and without cost to customers;	3 & 7
i) the scheme will satisfy best practice benchmarks for schemes of a similar kind, both in terms of its constitution and procedure and in terms of its day to day operations;	3,6 & 7
j) the scheme will provide for a monetary limit on claims covered by the scheme of an amount or amounts approved by the Authority;	8
k) the scheme will maintain the capacity of the ombudsman, where appropriate, to refer disputes or complaints to other forums; and	7
l) the scheme will require the ombudsman to inform the Authority of substantial breaches of — <ul style="list-style-type: none"> <li>(i) any licence condition; or</li> <li>o (ii) The code of conduct under Part 6 of the <i>Electricity Industry Act 2004</i>, Part 2C of the <i>Energy Coordination Act 1994</i> or Part 2 of the <i>Water Services Act 2012</i> of which the ombudsman becomes aware.</li> </ul>	8

## Appendix B – AS8000:2003 Corporate Governance

No.	AS 8000-2003 – Corporate Governance	EWOWA conforms? Y=Yes, N=No
<b>1.0</b>	<b>Structural Elements</b>	
1.1	Commitment to governance by Directors and staff	Y
1.2	Governance Policy including Board charter, meeting protocol, delegations, appointments and Code of Conduct	Y
1.3	Board is responsible for good governance	Y
1.4	Continuous improvement in governance performance	Y
<b>2.0</b>	<b>Operational Elements</b>	
2.1	Identification of governance issues specific to the entity's operations	Y
2.2	Operating procedures for governance to ensure compliance with laws, standards, etc. are integrated into day-to-day procedures	Y
2.3	There is a process for dealing with governance breaches.	Y
2.4	Records are kept in accordance with legislative requirements.	Y
	<b>Internal reporting should be sharply focused and reflect the overall strategy and defined objectives of the entity, and include:</b>	
2.5	<ul style="list-style-type: none"> <li>Ongoing process of managing risks</li> </ul>	Y <i>Being formalised – refer Recommendation 17.</i>
2.6	<ul style="list-style-type: none"> <li>Adequate system of internal control and independent reporting of any weaknesses</li> </ul>	Y
2.7	<ul style="list-style-type: none"> <li>Systemic governance problems are reported to those with the authority to correct them.</li> </ul>	Y
<b>3.0</b>	<b>Maintenance Elements</b>	
3.1	Appropriate education and training on corporate governance for Directors and senior management (including induction training and on-going training).	Y
3.2	Culture of good governance that is promoted by the Board and senior management,	Y
3.3	Strategy to continually monitor and evaluate elements of the governance system.	Y
3.4	Regular review of the elements of good corporate governance.	Y
3.5	Periodic evaluation of the Board and individual Directors against pre-established criteria.	Y Statutory Reviews
3.6	Appropriate liaison is maintained with stakeholders, professional associations and other bodies so the entity is aware of current problem areas and best governance practices.	Y
<b>4.0</b>	<b>Role, Power and Responsibilities of the Board</b>	
4.1	Directors exercise independence of judgment on all matters.	Y
4.2	Governance Policy specifies a director's rights, obligations and restrictions in dealing with management and stakeholders.	Y
4.3	The Governance Policy should specify the role and powers of the chairman, individual directors and the Secretariat/General Manager.	Y
	<b>The Board responsibilities include:</b>	
4.4	<ul style="list-style-type: none"> <li>Strategic direction of the organisation</li> </ul>	Y
4.5	<ul style="list-style-type: none"> <li>Review and approval of corporate strategy and annual plans</li> </ul>	Y
4.6	<ul style="list-style-type: none"> <li>Approval of key performance indicators and review of actual performance</li> </ul>	Y From 2018/19
4.7	<ul style="list-style-type: none"> <li>Approval of budgets and work plans and review of actual performance</li> </ul>	Y
4.8	<ul style="list-style-type: none"> <li>Ensure compliance with laws</li> </ul>	Y
4.9	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	Y
4.10	<ul style="list-style-type: none"> <li>Policies on key issues are in place and followed</li> </ul>	Y

No.	AS 8000-2003 – Corporate Governance	EWOWA conforms? Y=Yes, N=No
4.11	<ul style="list-style-type: none"> <li>Board adopts the most effective structure to assist the governance process</li> </ul>	Y
4.12	<ul style="list-style-type: none"> <li>Delegations of authority are formalised and their application is reported to the Board.</li> </ul>	Y
4.13	<ul style="list-style-type: none"> <li>Social and environmental obligations</li> </ul>	Y
4.14	<ul style="list-style-type: none"> <li>Appoint the General Manager and evaluate his performance.</li> </ul>	Y
4.15	The majority of members are independent of the management team.	Y
4.16	Chairperson should be independent of the management team.	Y
4.17	Conflict of interest protocols for the Board	Y
4.18	Directors are involved in the development of the Agenda for meetings.	Y
4.19	Confidentiality of discussions	Y
4.20	Directors should consider meeting separately from the General Manager and executive members periodically.	Y
4.21	Director appointment processes and decisions should be recorded and maintained.	Y
4.22	The Board should collectively have appropriate skills and experience to properly fulfil its responsibilities.	Y
4.23	There is a written Code of Conduct for Directors	Y
4.24	Adherence to the Code of Conduct for Directors is periodically evaluated.	Y Statutory Reviews
4.25	Board to meet regularly and be given adequate notice of meetings. Schedule of dates agreed in advance.	Y
4.26	Agenda items are supported by explanatory papers.	Y
4.27	Minutes of meetings are accurate, timely and authorised.	Y
4.28	An Audit Committee with a documented charter exists and meets on a regular basis.	No Dealt with by Board. (Accepted)
<b>5.0</b>	<b>Disclosure and Transparency Obligations</b>	
5.1	Annual report provides material information on the entity	Y
5.2	Chief Financial Officer statements and sign off in annual report	Y
5.2	External audit conducted	Y
5.3	Stakeholders are able to participate in decisions that may affect them.	Y
5.4	Performance-enhancing mechanisms for stakeholder participation	Y
5.5	Whistle-blowing policy	Y Ombudsman WA policy

## Appendix C – Comparison of EWOWA Charter with Other States

	Energy and Water Ombudsman Western Australia (EWOWA)	Energy and Water Ombudsman NSW (EWON)	Energy and Water Ombudsman Victoria (EWOV)	Energy and Water Ombudsman Queensland (EWOQ)	Energy and Water Ombudsman South Australia (EWOSA)
<b>CHARTER</b>	<b>Amended November 2013</b>	<b>Amended November 2016</b>	<b>Issued May 2006</b>	<b>Amended November 2016</b>	<b>Amended November 2013</b>
<b>Functions (in brief)</b>	To investigate and deal with the resolution of complaints and disputes of the types described in the energy and water legislation.	To handle complaints, promote EWON and encourage and provide advice to Members on good complaint-handling practices.	Receive, investigate and facilitate the resolution of complaints.	To provide the people of Queensland with a timely, effective, independent and just way of resolving disputes with their energy and water suppliers.	Receive, investigate and facilitate the resolution of complaints, and provide information on good complaint-handling practices.
<b>Time limitation stated?</b>	Must have arisen from events known to the complainant less than 1 year prior to the complaint being lodged (or accepted under Ombudsman's discretion).	Must have arisen from events known to the complainant less than 12 months prior to the complaint being lodged (or accepted under Ombudsman's discretion).	Must have arisen from events known to the complainant less than 1 year prior to the complaint being lodged (or accepted under Ombudsman's discretion).	Not stated in Charter	Must have arisen from events known to the complainant less than 1 year prior to the complaint being lodged (or accepted under Ombudsman's discretion).
<b>Jurisdiction limits stated?</b>	Yes	Yes	Yes	Not stated in Charter	Yes
<b>Member must consider complaint before EWO?</b>	Yes	Yes	Yes	Yes	Yes
<b>Maximum time for Member to respond to notification of a complaint?</b>	28 days	Within the timeframe specified by EWON (no maximum stated).	28 days	Not stated in Charter	Reasonable time limits to avoid undue delay in dealing with the complaint.
<b>EWO may make "Binding Decisions"?</b>	Yes, determination for an individual complaint up to \$20,000 or with consent of all parties, \$50,000.	Yes, determination for an individual complaint up to \$50,000 or larger amount agreed by the Member).	Yes, determination for an individual complaint up to \$20,000 or with consent of all parties, \$50,000.	Not stated in Charter	Yes, determination for an individual complaint up to \$20,000 or with consent of all parties, \$50,000.

Continued.....

	Energy and Water Ombudsman Western Australia (EWOWA)	Energy and Water Ombudsman NSW (EWON)	Energy and Water Ombudsman Victoria (EWOV)	Energy and Water Ombudsman Queensland (EWOQ)	Energy and Water Ombudsman South Australia (EWOSA)
<b>Confidentiality provisions?</b>	Confidential information of a third party does not have to be provided by a Member, if reasonable efforts of the Member have not obtained the third party's consent. Also, to operate in accordance with the Privacy Act 1988 and the Ombudsman WA's duties.	Confidential information of a third party does not have to be provided by a Member, if reasonable efforts of the Member have not obtained the third party's consent.	Confidential information of a third party does not have to be provided by a Member, if reasonable efforts of the Member have not obtained the third party's consent.	Privacy complaints may be referred to the Office of the Australian Information Commissioner.	Confidential information of a third party does not have to be provided by a Member, if reasonable efforts of the Member have not obtained the third party's consent.
<b>Business Plans, Annual Funding Figures and Budgets to be prepared?</b>	Yes	Yes	Yes	Not stated in Charter	Yes
<b>Promote the Scheme to community groups?</b>	Yes- general promotion of the Scheme.	Yes	Yes	Not stated in Charter	Yes, liaising with Office of Consumer and Business Interests.
<b>Provide advice to Members on systemic issues and improvements in complaints handling processes?</b>	Not stated in Charter	EWON must identify possible systemic issues (occurring from a Member or group of Members), refer to Member for remedial action and obtain a report and monitor until a reasonable outcome is achieved.	Not stated in Charter.	Not stated in Charter	Not stated in Charter
<b>Complainants' right to take legal proceedings?</b>	Not stated in Charter	If a complaint is made to EWON, complainant may not take legal action against the Member before the earlier of 90 days or the date the complaint is closed or resolved by EWON.	Not stated in Charter.	Not stated in Charter	Not stated in Charter
	<i>Note: Tasmania's EWO is part of the Ombudsman's office and has not been included in the above analysis.</i>				

END OF REPORT