



22 December 2010

Australian Energy Regulator
Attn: Mr Tom Leuner
General Manager Markets Branch
GPO Box 520
Melbourne VIC 3001

By email: AERInquiry@aer.gov.au

Dear Mr Leuner

Re: The Australian Energy Regulator (AER)'s Position Paper on AER Retail Market Performance Reporting

Thank you for the opportunity to provide further comment on the AER's Position Paper on *Retail Market Performance Reporting* (the Position Paper). As stated in our previous comments on the AER's Issues Paper on *Retail Market Performance*, the Energy and Water Ombudsman (Victoria) (EWOV) notes that performance reports provide valuable information for stakeholders, including ombudsman schemes, as they assist in identifying trends and issues that may impact on complaint numbers. Based on our case handling experience, EWOV provides additional comments, which also address further discussions during the stakeholder forum held 26 November 2010.

Data Interpretation

During this forum we noted that retailers continue to raise concerns about the different ways the requested data can be interpreted. As previously suggested and to address such concerns, the AER could produce a mock report outlining how the data will be reported on.

Frequency of reporting

We note that some stakeholders find the frequency of quarterly performance reports too onerous. EWOV however supports quarterly reporting on all indicators as this provides for a

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timely overview of how the market is performing and also facilitates the identification of seasonal trends.

Retail market activities review

3.6 Concessions

EWOV notes that recording concession numbers to be a useful indicator, as will be recording the number of residential customers using Centrepay. These indicators will provide important information about the proportion of concession card holders among each retailer's customers, including customers in hardship programs. It may also encourage other market participants to reconsider offering Centrepay as an option of payment.

3.10 Complaints

EWOV supports the reporting on different categories of complaints, and again puts forward that an additional customer service complaint category would be a meaningful source of information.

During the forum 26 November 2010 concerns were raised regarding the accuracy of Ombudsman data, and whether this was a true reflection of cases investigated. EWOV notes that members of the Australian and New Zealand Energy Ombudsman Network (ANZWEON) are committed to registering issues consistently. EWOV further notes that an Ombudsman case can involve more than one issue, which in turn reduces the cost to industry given the current allocating of cases not issues. Should the AER seek further clarification on how Ombudsman schemes register cases and issues, EWOV is happy to provide detail on its registration processes.

Hardship program indicators

4.7 Customers exiting hardship programs

EWOV welcomes the inclusion of this indicator to collect information about the reasons why customers are exiting a hardship program (e.g. non-compliance, successful completion or transfer). This information can assist in determining how effective a retailer has been in communicating and engaging with customers.

EWOV notes from previous stakeholder submissions and comments made during the recent forum that the definition of 'successful completion' and 'exit by agreement' from a hardship program may vary. EWOV foresees circumstances where a hardship program customer may be unable to maintain their payment plan including ongoing usage. As they may have limited options to improve their capacity to pay, they may agree to their removal from the hardship program. EWOV questions whether such circumstances should be covered under 'exit by agreement'. We suggest the AER provide further clarity on 'exit by agreement'.

4.8 Disconnection, and subsequent reconnection, of customers previously on hardship programs

EWOV understands that the purpose of this indicator is to show the long-term effectiveness of hardship programs. We therefore support its inclusion, acknowledging retailers' concerns that they have limited control over a customer's ongoing behavioural change, as circumstances may change 12 months after completion of a hardship program. EWOV however maintains its view that this indicator will still provide valuable information regarding the effectiveness of hardship programs, which should also assist customers in managing ongoing consumption after they have exited the program.

4.9 Assistance provided through hardship programs

EWOV agrees with the AER that it is important to collect details about the assistance retailers offer to customers experiencing hardship. We note that mindful interpretation of the results is necessary given the differences in retailer size and their ability to provide comparative levels of support to customers.

We trust the above comments are helpful. Should you require further information or have any queries, please contact Belinda Crivelli, Senior Research and Communications Officer, on (03) 9672 4460 or at Belinda.Crivelli@ewov.com.au.

Yours sincerely



Fiona McLeod
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