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**Electricity Ombudsman staff at  
June 30, 2000**

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Senior Investigation Officer

Trish Barron  
Investigation Officer

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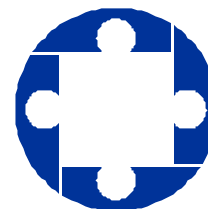
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helpful, as well as giving an insight into what this office is all about.

## Foreword

It is with very great pleasure that I present this, my second Annual Report.

The year for the reporting period 1999/2000 was our first full year of operation. It has been a year of continued learning and most definitely a year of consolidating and defining the role of the Electricity Ombudsman in Tasmania. I was fortunate enough to have been a founding member of the National Electricity Ombudsman Network (NEON) and as a member am privy to knowledge and expertise that is invaluable in our every day handling of electricity complaints. However, Tasmania's situation, is unique as it often is.

To get things in perspective, we have to go back into recent history, the passing by State Parliament of the *Electricity Ombudsman Act* in 1998. It was also in 1998 that the former Hydro Electric Corporation was split into three separate entities. First, a new Hydro Electric Corporation responsible only for power generation and which owns the dams and generators. Second, Transend Networks who are responsible for distributing high voltage power from the dams and generators, and who own infrastructure such as pylons and sub-stations. Third, is Aurora Energy whose responsibilities involve supplying and selling electricity to residential, commercial and industrial customers. It's Aurora, of course, that most of us have contact with and against whom the majority of complaints are received by this office.

Each matter that the Ombudsman investigates is looked at on a case by case basis. We are not in the business of setting precedents, our job is to seek outcomes that are fair and reasonable, not just for the complainant but also for the company against who the complaint is being made.

I believe that as we have evolved as an organisation, we have succeeded in finding that balance of fairness and reasonableness. However, I also believe that the investigations carried out by this office will continue to identify, highlight and ultimately result in improved business practices and the creation of better quality goods and services for customers.

I firmly believe that the review agency I am responsible for is an important contribution to the principles of social justice in Tasmania. I am determined to see that the service we provide is available to every Tasmanian, wherever they are and wherever they are. The investigation of complaints through the Electricity Ombudsman provides a process that is quick, free of charge and which avoids the adversarial system of the traditional courts.

I believe it is also an important role of this office, not only to be proactive in identifying systemic issues but to be directly involved with the Electricity Regulator and the electricity entity in researching ways and means to address these issues.

I am very much aware of the needs of the disadvantaged in our community when it comes to the essential service of energy for the basic needs for survival, food and warmth. I believe that the forum on "Electricity and the Battler" began what I hope to be a continuing exercise among stakeholders in the electricity industry into acknowledging the problem and finding ways to answer this very real need.

Because the roles of my officers and those of a number of other people are so important to the work of the Electricity Ombudsman, in bringing this second annual report I have broken with tradition somewhat and endeavoured to introduce them in a more humanistic way by the inclusion of staff and key stakeholder profiles. Today's business world is often accused of being "faceless". As you read the brief profiles produced, I believe you'll find what they have to say is interesting and

## What we can do under the Electricity Ombudsman Act 1998

The Tasmanian Electricity Ombudsman is the industry ombudsman for the electricity industry covering electricity entities, being entities licensed to carry out operations in the electricity supply industry under the Electricity Supply Industry Act 1995.

### The rationale

The emergence of the Electricity Ombudsman scheme follows a number of similar dispute resolution schemes set up since 1990 to provide a cost-free, effective and relatively quick means of resolving complaints about the products or services provided by an industry. Customer dispute schemes play a vital role as an alternative to expensive legal action for both consumers and industry.

The emergence of such schemes is also due in part to the increasing recognition of the value of effective industry self-regulation. Properly operating schemes which emphasise the value of consultative and conciliatory resolution between all stakeholders serve the valuable role of a neighbourly industry to ascertain the problems faced by their customers and to take steps to rectify them, negating or at least minimising the need for external intervention.

Such schemes are also promoted as making good business sense. Across various sectors the operation of these schemes have resulted in improved business practices and the creation of better quality goods and services for customers.

Unlike a traditional ombudsman scheme, the Electricity Ombudsman has (like its counterparts in South Australia, Victoria and New South Wales) a power to make awards and register agreements between parties, together with a mandate to identify and review systemic issues arising out of complaints. Its formal functions are found in section 5 of the *Electricity Ombudsman Act 1998* which provides that:

1. The Ombudsman has the following functions:
  - a) to receive, investigate and resolve complaints;
  - b) to make awards and register agreements as awards under Part 4 of the Act which binds the Crown in right of Tasmania and, so far as the legislative power of Parliament permits, in all its other capacities;
  - c) to identify and review issues arising out of complaints;
  - d) to assist electricity entities to develop procedures to resolve complaints;
  - e) to perform any other functions imposed on the Ombudsman by this Act;
  - f) to perform any other prescribed functions.
2. The Ombudsman has power to do all things necessary or convenient to be done in connection with the performance and exercise of his or her functions and powers under the Act.
3. In performing and exercising his or her functions and powers, the Ombudsman must act independently, impartially and in the public interest.

### Guiding Principles

The mission of the Electricity Ombudsman is to receive, investigate and facilitate the resolution of complaints and disputes between consumers of electricity in Tasmania and their supplier.

The Electricity Ombudsman's mission is founded on the principles of:

- *Independence*

The office of the Electricity Ombudsman is an instrument of independent complaint resolution not advocacy. The Electricity Ombudsman Scheme acts independently whilst maintaining good working relationships with members and other interested stakeholders (eg consumer organisations).

- *Access*

The office of the Electricity Ombudsman is readily accessible to individual customers of electricity services regardless of their ethnicity, language skill, physical or mental abilities or geographical location.

- *Equity*

The fundamental principle which the office of the Electricity Ombudsman applies in resolving enquiries/cases is that of fairness to all parties thus ensuring a just, economical, informal and speedy resolution

within an environment of privacy and confidentiality.

- *Effectiveness*

The office of the Electricity Ombudsman is to be staffed by high calibre people, sensitive to consumer issues, and equipped to make optimal use of technology to receive and resolve enquiries, complaints and disputes in an economical and timely manner.

- *Community awareness*

The office of the Electricity Ombudsman fosters the development of community awareness of its function and develops a public profile in keeping with the status and role of the organisation.

- *Linkages*

The office of the Electricity Ombudsman fosters effective links and working relationships with relevant organisations (including members, other regulatory bodies and Ombudsman and consumer representative bodies), and acts as a referral source for electricity consumers, referring consumers to the appropriate agency or members.

### How Complaints Are Handled

Members of the public can approach the Electricity Ombudsman's office in various ways. They may telephone, visit in person, write, fax or e-mail their complaint.

The majority of complaints to the Electricity Ombudsman are received by telephone. In this way, complaints can be handled in an informal and expeditious manner. In addition to our investigators at the office at 99 Bathurst Street, there is an office in Launceston staffed by a full-time senior investigator who acts as a first point of contact for the Electricity

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Ombudsman in the north of the state. Interviews are available by appointment to discuss complaints with any of the officers if desired.

Regardless of how an approach is made, the first step is always to determine whether the approach is relevant to the important role of complaint handling. Relevant approaches can be broadly classified as either enquiries or complaints.

### **What sort of determinations or awards can be made?**

An award may require the electricity entity to do one or more of the following:

- a) pay compensation to the amount determined by the Electricity Ombudsman. The total value of an award must not exceed \$20,000 except where the electricity entity otherwise agrees; or \$50,000 if the entity has agreed to the total value exceeding \$20,000;
- b) provide goods or services to the complainant;
- c) amend or waive a charge for a service provided to the complainant;
- d) undertake corrective work
- e) correct, delete from or add to any record kept in respect of the complainant by the electricity entity; do or refrain from or stop doing any other act.

In a case where an award is made, a copy of the Award is sent to the complainant and the entity. The complainant must reply to the Ombudsman, within 21 days, the agreement of the Award - failure to do so will automatically mean consent. The Ombudsman then gives notice in writing to the complainant, and the entity and the Award takes effect on the day the entity receives this written notice.

## Complaint Statistics

During the period 1 July 1999 and 30 June 2000, the office received 423 new complaints. This compared with 364 during the previous year representing an increase of 16%.

**Table 1: Number of Complaints active in period 1 July 1999 to 30 June 2000**

<b>Brought forward from previous period</b>	<b>24</b>
<b>Opened in Period</b>	<b>423</b>
<b>Closed in Period</b>	<b>425</b>
<b>Opened &amp; Closed in Period</b>	<b>404</b>
<b>Carried Forward (Still Open)</b>	<b>20</b>

Please note that the Launceston Office was opened in July 1999. Senior Investigator Tony Byard runs the office and handles electricity, health and general Ombudsman complaints. A total of 16 electricity complaints were dealt with during the period bringing the combined total for the north and south to 439 complaints.

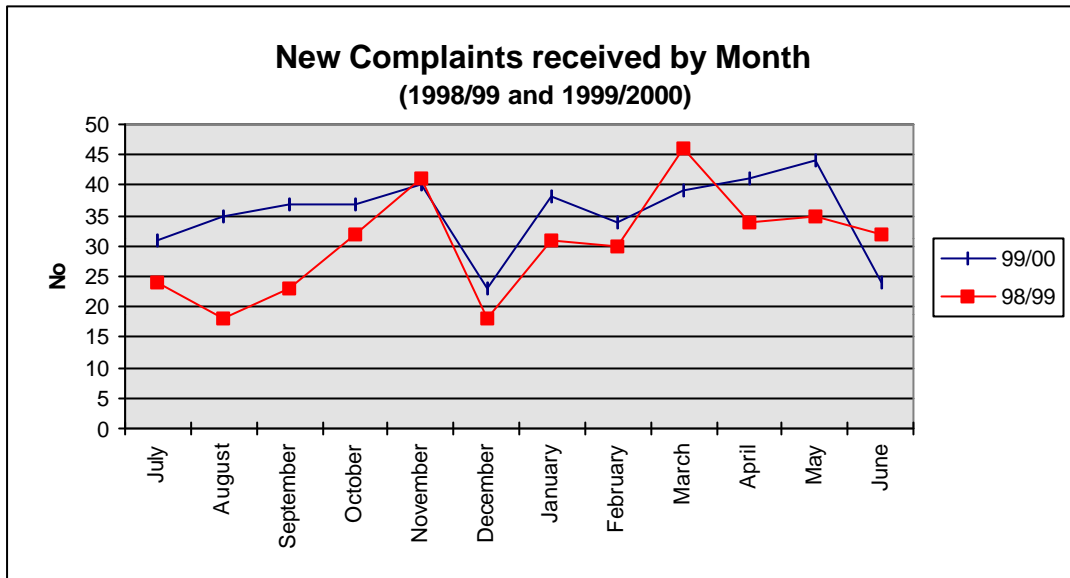
Of the 16 complaints handled by the Launceston office, 10 were related to billing, 4 to provision, 1 to supply, and 1 complaint which was referred to the Regulator.

Part way through the year, the Office implemented a new case management system that stores much more information about a complaint than was previously available. Because the old system was in use for most of the year in the Launceston office, it was not possible to include the data in the following detailed format.

The trend of the number of complaints opened per month remains consistent with the first year of operation, with a drop in the number of complaints received during December due to the reduced working days, and the Christmas period.

**Table 2: Number of New Complaints per Month**

Month	98/99	99/00
July	24	31
August	18	35
September	23	37
October	32	37
November	41	40
December	18	23
January	31	38
February	30	34
March	46	39
April	34	41
May	35	44
June	32	24
<b>TOTAL:</b>	<b>364</b>	<b>423</b>



**Figure 1: New Complaints received by Month for the first and second years of operation.**

There was in general a greater number of complaints received in the Office's second year of operation due to the increased awareness of the office. (Please see Community Awareness p.18)

### Information Not Recorded

Note that part way through the year, the Office implemented a new case management system that stores much more information about a complaint than was previously available. In many of the following charts and tables there are a large proportion of cases falling into the 'Not Recorded' category. This is due to missing information from old cases transferred to the new system.

### Complexity of Complaints

In the process of handling complaints, they are categorised by their complexity. The definitions for each level of complexity are as follows:

**Enquiry:** A complaint which is within jurisdiction, but does not require any further action (eg enquiry on function of office or best way to deal with complaint). Enquiries are usually dealt with in one phone call. Note that people who have not yet contacted the relevant entity are referred back to that entity and are not counted as an enquiry.

**Simple:** A complaint which is resolved within 5 working days and relates to simple issues. An example is a customer who has been refused re-connection until he pays an amount in arrears. After discussions with Aurora, the customer may be offered an easier payment arrangement.

**Intermediate:** Complaints where the issue is not easily resolved. The issue may be a complex or there may be extra information to obtain. Usually resolved within 15 working days.

**Complex:** Complaints involving a high level of technical or specialist information. Often neither party is prepared to negotiate, or it is difficult to find an appropriate resolution. Often formal recommendations for action are made by the Electricity Ombudsman to the electricity entity at this stage.

**Dispute:** A complaint where there is little chance of resolution through negotiated outcome. An example of a dispute could be a surge liability claim where the electricity entity denies all liability. These complaints may end with a formal determination.

As is expected, the majority of complaints were received about Aurora Energy - the only retail and distribution company in Tasmania. The majority of complaints were Simple in complexity which is reflected in the large number of billing complaints received (Please see Issues section p.13).

**Table 3: Number of Complaints per Entity by Complexity.**

Entity	Enquiry	Simple	Inter- mediate	Comple x	Dispute	(blank)	Grand Total	
Aurora Energy Pty Ltd		126	257	27	1	0	9	420
Hydro Electric Corporation		0	1	0	0	0	0	1
Transend Networks		1	0	0	0	1	0	2

<b>Grand Total</b>	<b>127</b>	<b>258</b>	<b>27</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>423</b>
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There remains a number of Complex and Dispute complaints that were opened last financial year and are still open, consequently they do not appear in these figures.

### Issues of Complaints

As was found in the previous year of operation; and is generally recorded by other Electricity Industry Ombudsmen throughout Australia, the majority of complaints are received about billing (62%).

Up to three issues are recorded per complaint. Figure 2 represents only the first listed (or Primary) Issue for those complaints with an issue recorded. The second most popular issue was Provision of electricity - including items such as Connection, Disconnection and Poles and wires.

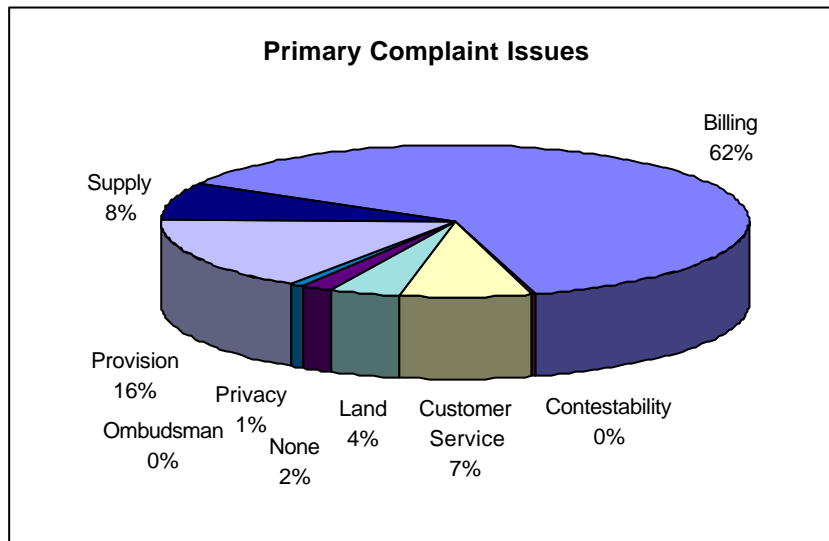


Figure 2: Primary Issue of Complaints.

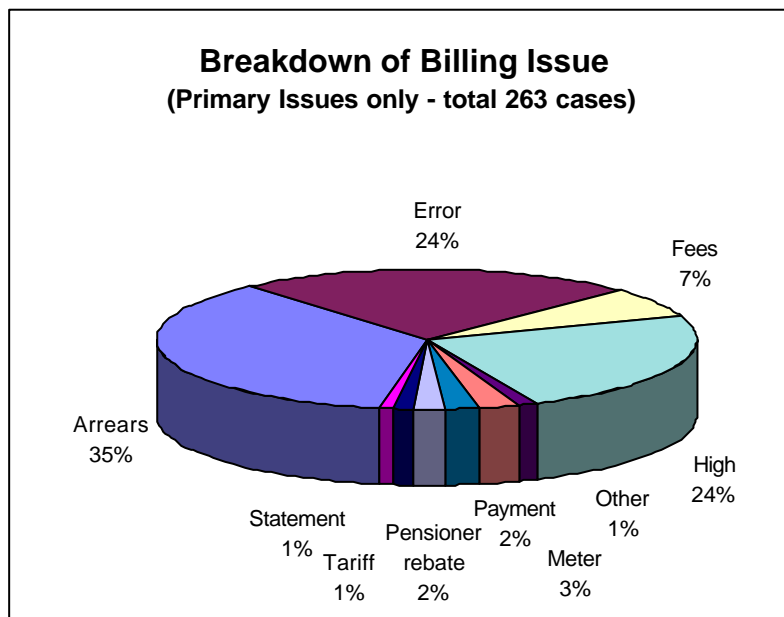


Figure 3: Breakdown of the Billing Issue



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## Billing - Company Inflexibility?

It is a disturbing fact that 47% of Aurora's customers do not pay their bills by the due date. This is regrettable, however it is a concern to this office that in seeking to administer policy and practice in regard to credit and the recovering of monies, there is the very real danger that Aurora lose the flexibility of making extraordinary decisions in specific cases. This has been discussed at some length with the company and this office will continue to monitor the situation. The following cases are examples of this.

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Mr W was threatened with disconnection at his residential address which was not in arrears because he owed monies for electricity consumed at his fishing shack. Mr W was unemployed and as well as keeping his residential payment up to date had been making regular payments of \$20 per fortnight on the arrears owing on his shack. We discussed the matter with the company, pointing out that Mr W had been making a concerted effort to reduce his debt on a regular basis and had every intention of paying the amount in full. We believed it was neither fair nor reasonable to disconnect his residence in this instance.

The company informed us they would not disconnect and agreed to allow Mr W to continue with his \$20 payments per fortnight until the debt was cleared.

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Ms R continually struggled to pay her electricity accounts and had been disconnected for three weeks. She wanted to go on a Pay As You Go meter and asked if she could use the security being held by Aurora to help clear her arrears. Ms R approached our office because the company would not allow her to do this.

We discussed this with the company, who subsequently agreed that the security would be used to clear the debt on the understanding that Ms R pay the difference of \$53. She agreed to this and a Pay As You Go meter was arranged.

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Mr C approached the Ombudsman because he had been disconnected for arrears and believed he was being unfairly treated. He explained that he did not receive his normal quarterly account but an account for a period of six months. He realised he should have been aware that he had consumed electricity during that six months and would need to pay for it. However, when the account did arrive it took him by surprise, particularly when he had only a few weeks to pay it in full. Since the disconnection, Mr C had managed to pay three quarters of the arrears in question but the company refused to reconnect until the amount had been paid in full as Mr C had a history of non payment.

After discussion with our office, the company agreed to reconnect Mr C provided he was willing to agree to a payment plan.

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**Table 4: Primary Issues for all complaints received by Entity.**

No			Entity				
Issue-L1	Issue-L2	Issue-L3	Aurora Energy Pty Ltd	Hydro Electric Corporation	Transend Networks	Grand Total	
<b>Billing</b>	Arrears	Difficulty in payment	20	0	0	20	
		Disconnection	63	0	0	63	
		Error	9	1	0	10	
		(blank)	1	0	0	1	
	<i>Arrears Total</i>			93	1	0	94
	Error	Credit		3	0	0	3
		Debt transfer		12	0	0	12
		Direct debit		6	0	0	6
		Disconnection		4	0	0	4
		EasyPay		12	0	0	12
		Fees		1	0	0	1
		No bill		10	0	0	10
		Other		14	0	0	14
		Pay As You Go		1	0	0	1
		Statements		1	0	0	1
	<i>Error Total</i>			64	0	0	64
	Fees	Connection		2	0	0	2
		Late fees / Interest fees		4	0	0	4
		Other		9	0	0	9
		Reconnection		1	0	0	1
		Service & Meter Charges		2	0	0	2
	<i>Fees Total</i>			18	0	0	18
	High	Difficulty in payment		1	0	0	1
		Disputed		43	0	0	43
		EasyPay		1	0	0	1
		Estimated		17	0	0	17
	<i>High Total</i>			62	0	0	62
	Hydro Heat	(blank)		1	0	0	1
	<i>Hydro Heat Total</i>			1	0	0	1
	Meter	Accuracy		2	0	0	2
		Misread		1	0	0	1
Not read			1	0	0	1	
Pay As You Go			1	0	0	1	
Separation			1	0	0	1	
Timeclock			1	0	0	1	
<i>Meter Total</i>			7	0	0	7	
Payment	Installment rate		2	0	0	2	
	Payment Plan		3	0	0	3	
<i>Payment Total</i>			5	0	0	5	
Pensioner rebate	Error		3	0	0	3	
	Information		2	0	0	2	
<i>Pensioner rebate Total</i>			5	0	0	5	
Period	(blank)		1	0	0	1	
<i>Period Total</i>			1	0	0	1	
Security deposit	Refund		1	0	0	1	
<i>Security deposit Total</i>			1	0	0	1	
Statement	EasyPay		2	0	0	2	

		Information	1	0	0	1	
	<i>Statement Total</i>		3	0	0	3	
	Tariff	Incorrect Rate	1	0	0	1	
	<i>Tariff Total</i>		2	0	0	2	
<b>Billing Total</b>			<b>262</b>	<b>1</b>	<b>0</b>	<b>263</b>	
<b>Contest-ability</b>	Information	Eligibility	1	0	0	1	
	<i>Information Total</i>		1	0	0	1	
<b>Contestability Total</b>			<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	
<b>Customer Service</b>	Contractor	Faults	2	0	0	2	
		Other	3	0	0	3	
	<i>Contractor Total</i>		5	0	0	5	
	Failure to respond	(blank)	8	0	0	8	
	<i>Failure to respond Total</i>		8	0	0	8	
	Information	Incorrect	4	0	0	4	
	<i>Information Total</i>		4	0	0	4	
	Information / Consultation	(blank)	9	0	0	9	
	<i>Information / Consultation Total</i>		9	0	0	9	
	Poor attitude	(blank)	3	0	0	3	
	<i>Poor attitude Total</i>		3	0	0	3	
	Reduced service	(blank)	2	0	0	2	
	<i>Reduced service Total</i>		2	0	0	2	
<b>Customer Service Total</b>			<b>31</b>	<b>0</b>	<b>0</b>	<b>31</b>	
<b>Land</b>	Damage	Property	2	0	0	2	
	<i>Damage Total</i>		2	0	0	2	
	Existing easement	Access		1	0	0	1
		Use		1	0	0	1
	<i>Existing easement Total</i>		2	0	0	2	
	General environment	(blank)	1	0	0	1	
	<i>General environment Total</i>		1	0	0	1	
	Meter	Access		1	0	0	1
		Placement		3	0	0	3
	<i>Meter Total</i>		4	0	0	4	
	New easement	Compensation		1	0	0	1
		Placement		1	0	0	1
	<i>New easement Total</i>		2	0	0	2	
	Tree trimming / clearing	(blank)	5	0	0	5	
<i>Tree trimming / clearing Total</i>		5	0	0	5		
<b>Land Total</b>			<b>16</b>	<b>0</b>	<b>0</b>	<b>16</b>	
<b>None</b>	None	(blank)	6	0	1	7	
	<i>None Total</i>		6	0	1	7	
<b>None Total</b>			<b>6</b>	<b>0</b>	<b>1</b>	<b>7</b>	
<b>Ombudsman</b>	Information	General	1	0	0	1	
	<i>Information Total</i>		1	0	0	1	
<b>Ombudsman Total</b>			<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	

<b>Privacy</b>	Connection in false name	(blank)	1	0	0	1
	<i>Connection in false name Total</i>		<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>
	Details released	(blank)	1	0	0	1
	<i>Details released Total</i>		<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>
	Nuisance	(blank)	1	0	0	1
	<i>Nuisance Total</i>		<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>
<b>Privacy Total</b>			<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Provision</b>	Connection	Authorisation	5	0	0	5
		Capital contribution	1	0	0	1
		Delay	12	0	0	12
		Information	2	0	0	2
		Other costs	4	0	0	4
		Reconnection	1	0	0	1
		<i>Connection Total</i>		<i>25</i>	<i>0</i>	<i>0</i>
	Disconnection	Error	2	0	0	2
		Other (non bill)	2	0	0	2
		Supply / defect	2	0	0	2
		(blank)	5	0	0	5
	<i>Disconnection Total</i>		<i>11</i>	<i>0</i>	<i>0</i>	<i>11</i>
	Poles and wires	Contract / Authorisation	1	0	0	1
		Cost	5	0	0	5
		Maintenance	1	0	0	1
		Placement	7	0	0	7
		Private Lines	9	0	0	9
		Safety	3	0	0	3
		Timeliness	4	0	0	4
		(blank)	1	0	0	1
Poles and wires Total		31	0	0	31	
<b>Provision Total</b>			<b>67</b>	<b>0</b>	<b>0</b>	<b>67</b>
<b>Supply</b>	Damage	Cust Equip failure	6	0	1	7
		Dist Sys Failure	1	0	0	1
		Third Party	1	0	0	1
		Unknown Cause	6	0	0	6
	<i>Damage Total</i>		<i>14</i>	<i>0</i>	<i>1</i>	<i>15</i>
	Outage (planned)	Duration	3	0	0	3
		(blank)	1	0	0	1
	<i>Outage (planned) Total</i>		<i>4</i>	<i>0</i>	<i>0</i>	<i>4</i>
	Outage (unplanned)	Duration	1	0	0	1
		Frequency	8	0	0	8
	<i>Outage(unplanned) Total</i>		<i>9</i>	<i>0</i>	<i>0</i>	<i>9</i>
	Quality	RFI	2	0	0	2
Variations(voltage)		4	0	0	4	
<i>Quality Total</i>		<i>6</i>	<i>0</i>	<i>0</i>	<i>6</i>	
<b>Supply Total</b>			<b>33</b>	<b>0</b>	<b>1</b>	<b>34</b>
<b>Grand Total</b>			<b>420</b>	<b>1</b>	<b>2</b>	<b>423</b>

Figure 4 shows a difference from last financial year when the most complained about issue was Billing-High-Disputed. This year that issue was secondary after Billing-Arrears-Disconnection.

## The Issues

### Billing

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A total of 262 billing complaints were received. There was a significant shift in the trend of billing complaints compared with last year where the number of customers complaining about disconnection were higher than those who disputed high accounts.

There was a definite feeling by many 'battlers' in the community that electricity is an essential service and no-one has the right to deny them the service. Many people experiencing payment difficulties and who owe substantial arrears often comment along the lines of - "but I have 3 young children, I can't afford to pay what Aurora are asking. They can't leave me without power....." This trend was noticed early in the year and subsequently the Electricity and the Battler public forum was organised (please see p. 32 for details).

One of the problems in investigating payment difficulties is deciding where to draw the line. The rights and obligations of both the customer and the company must be considered. The customer has a right to be treated fairly and to be offered a range of flexible payment options. The question is, how flexible is reasonable taking into account the company's obligation to remain economically viable? The matter is compounded by the fact that it is very difficult to establish whether a customer is genuine or is deliberately trying to avoid payment from the end of telephone line. We plan to discuss the issue with Aurora in the coming year to attempt to find the best solution for all parties.

## Case Summary

### Realistic Payment Plan

Ms S rang this office because she was having difficulty paying not only her electricity accounts but also other bills. She advised that she had given the bailiff \$450 and he had assured her this would go towards her electricity account. However, only part of this payment was used for the electricity debt. Ms S was sent a disconnection notice giving her so many days to pay her arrears. She rang the company in an effort to make an arrangement. The company requested \$200 upfront and then a payment plan. She explained that she had just paid \$130 and that was all she could possibly manage until her next pay.

This office then pointed out to the company that the customer was making an effort to pay and that she was willing to commit to regular payments in an effort to reduce the debt and perhaps an arrangement could be worked out that was more suitable to Ms S.

The company then agreed to allow Ms S to make fortnightly payments of \$80 with the stipulation that she ring through to the credit office with the receipt number each time she made such a payment. Should she default on any of these payments, disconnection would then occur.

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### Customer Service

A total of 31 complaints were received relating to customer service. The highest categories were for information/consultation (9) and failure to respond (8). Lack of communication with customers from the Network Division was noticed and raised with Aurora management during the year. Aurora have advised they have set up a co-ordination team called the Sales and Service Group to implement a new supply process to be effected 1 July 2000. We are keen to monitor the effectiveness of the new process.

### Land

16 complaints were related to land issues. The most notable were concerned with lack of consultation by Aurora's contractors with land owners regarding lopping of trees as opposed to trimming. The Office of the Electricity Regulator is working on a new policy and guidelines to address problems in this area.

### Provision

67 complaints relating to provision of supply were received. 31 of which related to private poles (please see p.31 & p. 33 for more information)

12 complaints related to delays in connection times. Once again, lack of communication from Aurora was a significant issue for the complainant.

### Supply

33 complaints relating to supply quality were received. 14 complaints related to damaged equipment, 4 for planned and 9 unplanned outages, and 6 for supply quality. It has been noted that in some cases there may be an issue for compensation for the customer who experiences delays in rectifying supply quality problems. This office will be addressing the issue with Aurora in the coming year.

## Case Summary - To be or not to be responsible?

Mr and Mrs S contacted the Ombudsman after they had attempted to claim costs of \$80.00 from the company for the services of an electrician and the company denied liability.

On the evening in question, the customers' off peak contactor attempted to commence its evening cycle, instead emitting a loud, alarming noise as it struggled to do so. Lights dimmed, the range hood ran through a cycle of heat and light alarms, smoke detectors began to squeak and the house security system started beeping. Mr & Mrs S tried unsuccessfully to call the company's emergency number, but the line was constantly busy so they called an electrician. After a short description of the scenario, he believed the situation should be regarded as potentially critical until he could make an on-site assessment and advised Mr and Mrs S to vacate the premises. On his arrival he tested the voltage and in the space of ten minutes it went from 79 to 45 to 0 volts.

Mr and Mrs S complained in writing to the company and had heard nothing after three weeks. They then began telephoning, having to explain the situation each time they called. They were assured that messages were passed on, but still received no contact. It was only when they requested the Ombudsman's number that their call was transferred to the appropriate officer and later a letter was received denying liability.

The company confirmed that a high voltage fuse had blown on the transformer supplying Mr and Mrs S, but were unable to explain what caused the protective device to operate. We found that there were no adverse weather conditions on that evening and no reports of accidents or incidents to the Police in that particular area.

Mr & Mrs S's contactor or electrical equipment was not damaged that evening and they believed this was due to calling the electrician and the invaluable advice he had given. They believed as they had been unable to access the emergency number, any information or advice the company may have had for them was unavailable as they had not been able to get through.

After the Ombudsman's intervention, the company agreed to credit the customer's account with \$30 as provided for under its Customer Charter and to provide a further ex-gratia payment of \$30 in the interests of maintaining good customer relations and because of the poor level of service. Mr and Mrs S were happy to accept this.

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### Top 13 Issues (All levels)

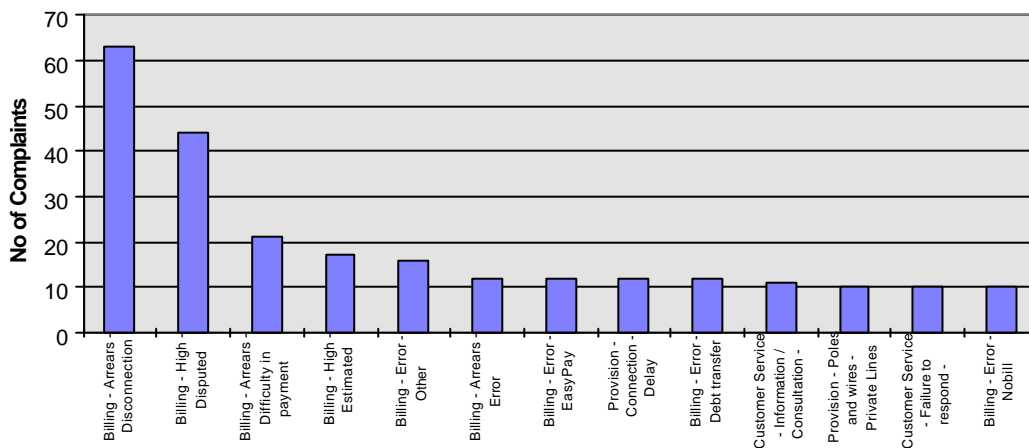
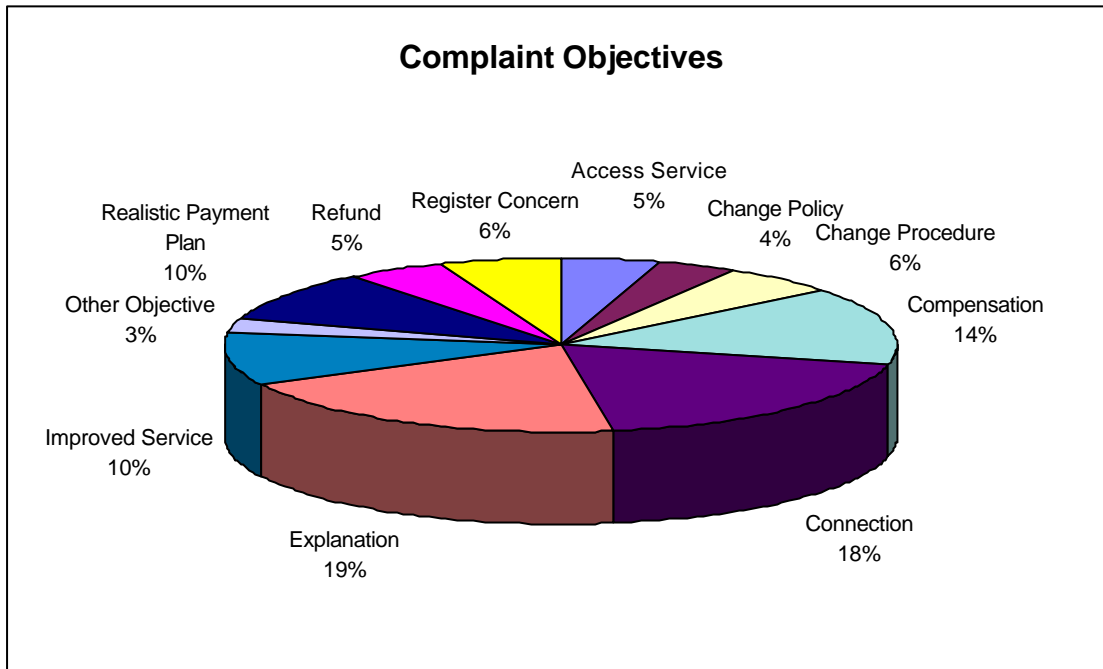


Figure 4: Shows the top 13 issues combining all issues listed for a complaint (maximum of 3 issues per complaint).

### Objectives of People making a complaint

Figure 5 gives the breakdown of why people made a complaint to the Ombudsman. Many people purely require an explanation of their situation; while others want connection.



**Figure 5: What was the person’s objective in making the complaint?  
Note that the chart shows only objectives recorded for 105 complaints with objective information recorded.**

### Closure Reasons

The closure reasons listed in Table 3 relate directly to the Electricity Ombudsman Act 1998 which specify situations in which a complaint may be dismissed. Apart from those cases transferred from the old information system that had no closure reason recorded, the highest closure classification was Complaint Resolved, followed by Explanation Given.

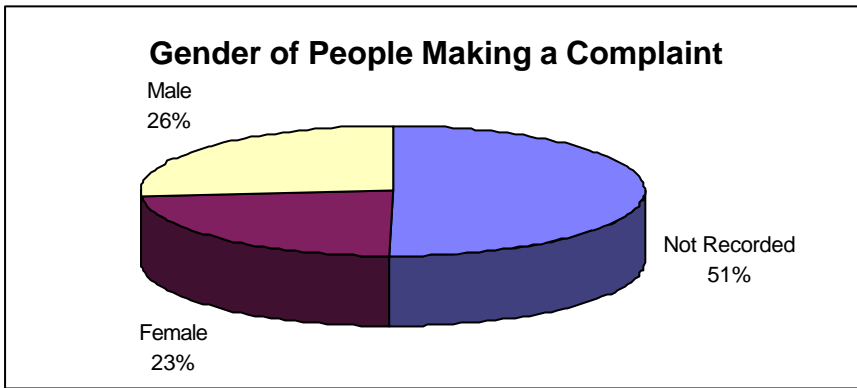
**Table 5: Closure Reason for all cases opened during period. (Note some cases remain Open)**

| Closure Reason                               | Total      | Enquiry    | Simple     | Inter-mediate | Complex  | Dispute  | Blank    |
|----------------------------------------------|------------|------------|------------|---------------|----------|----------|----------|
| No Reason Recorded                           | 182        | 61         | 109        | 11            | 0        | 0        | 1        |
| Enquiry Only                                 | 57         | 47         | 5          | 0             | 0        | 0        | 5        |
| Explanation Given; No further action         | 69         | 4          | 60         | 5             | 0        | 0        | 0        |
| Complaint Resolved                           | 72         | 4          | 58         | 9             | 0        | 0        | 1        |
| 10.1 (b) Dismissed - referred to regulator   | 1          | 0          | 1          | 0             | 0        | 0        | 0        |
| 10.1 (c) i. Dismissed - lacks substance      | 14         | 1          | 13         | 0             | 0        | 0        | 0        |
| Dismissed - dealt with by others             | 5          | 1          | 3          | 0             | 0        | 0        | 1        |
| ii. Dismissed - frivolous, not in good faith | 2          | 1          | 1          | 0             | 0        | 0        | 0        |
| iii. Dismissed - older than 2 years          | 1          | 0          | 1          | 0             | 0        | 0        | 0        |
| Still Open                                   | 20         | 6          | 10         | 2             | 1        | 1        | 0        |
| <b>Grand Total</b>                           | <b>423</b> | <b>125</b> | <b>261</b> | <b>27</b>     | <b>1</b> | <b>1</b> | <b>8</b> |

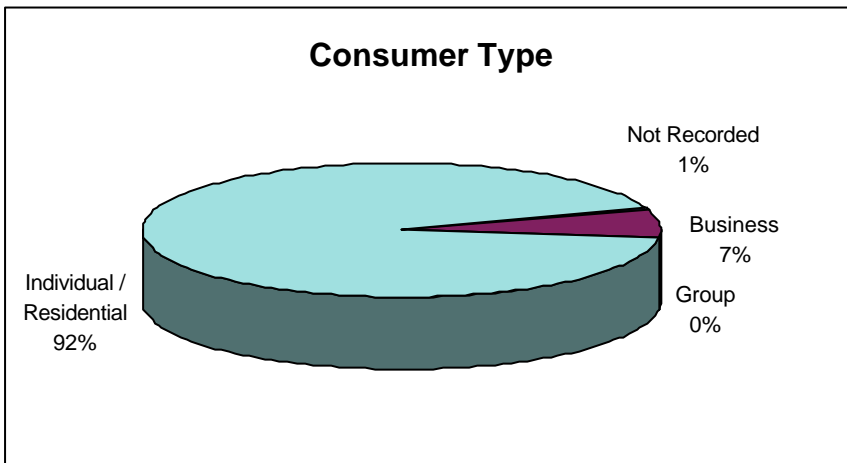
As may be seen in the above table, one complaint relating to Aurora’s method of applying GST was referred to the Electricity Regulator. Following investigation it was decided that the logistics of changing the method did not justify the trivial benefit to customers.

### Demographics

The following charts map the demographics of people who make a complaint to the Electricity Ombudsman’s Office.



**Figure 6: Gender of People Complaining. Total number of complaints = 423.**



**Figure 7: Consumer Type: whether the person making the complaint is an Individual or a Business. Total number of complaints = 423.**

**Table 6: Complainant Type - What is the relationship between the person making the complaint and the person receiving the service? Most of the time, it is the consumer themselves complaining.**

| Complainant Type               | No         |
|--------------------------------|------------|
| Not Recorded                   | 201        |
| Consumer                       | 206        |
| Parent or guardian of a child. | 3          |
| Person appointed by the user.  | 13         |
| <b>TOTAL</b>                   | <b>423</b> |



## Postcode Distribution of Complaints

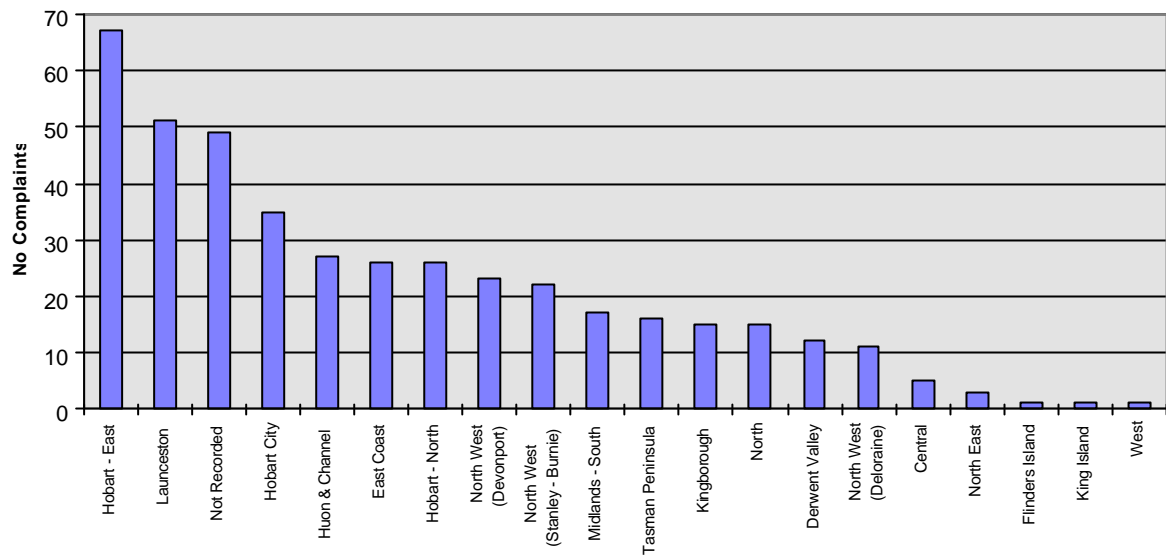


Figure 8: Statewide Distribution of Complaints by Postcode.

## Community Awareness

The Service provided by the Electricity Ombudsman is regularly advertised on Radio.

As part of our ongoing community awareness activities, the Commonwealth Ombudsman delegate (Andrew Westmorland) and Martyn Carnes met with the General Managers of 10 Councils throughout the year

The exercise was very useful in spreading the word about the services of the Electricity Ombudsman to Council staff and their ratepayers. Brochures were left with each Council for display in their reception areas. In addition, more detailed information was left for staff to allow them to refer ratepayers experiencing problems with electricity issues to this office.

We received a warm welcome from each of the Councils. Offers were made by all Councils for the Electricity Ombudsman to submit short articles for inclusion in their newsletters and/or community service directories. The Derwent Valley Council offered to send out our fliers with rates notices.

The ten Councils visited are listed as follows:

Southern Midlands Council  
Northern Midlands Council  
Meander Valley Council  
Glenorchy City Council  
Brighton City Council  
Derwent Valley Council  
Hobart City Council  
Kingborough Council  
Huon Valley Council  
Clarence City Council

## National Links

### National Electricity Ombudsman Network (NEON)

To ensure the currency of this scheme and its consistency with similar industry schemes in the electricity or energy industry interstate, Tasmania was a founding member of the National Electricity Ombudsman Network (NEON). This scheme, which currently comprises:

Energy Ombudsman Victoria (EIOV)  
Energy & Water Ombudsman NSW (EWON)  
Electricity Industry Ombudsman SA (EIOS)  
Tasmanian Electricity Ombudsman (TEO)

will shortly be joined by Western Australia whose government is presently preparing for an energy ombudsman scheme.

In March 1999 a protocol was agreed upon and signed by the Electricity Ombudsman in Tasmania and the Energy Industry Ombudsmen in Victoria and New South Wales. This is a working protocol set up to establish ongoing support to assist consumers of electricity and gas services in each state. This relationship will also ensure information exchange as well as practical assistance of help wherever possible. It is intended in the future to co-operatively undertake selected consumer education programs and also a link-up of web sites to facilitate ease of access to maximise the opportunities for effective consumer redress.

The Electricity Ombudsmen from Victoria, New South Wales, Tasmania and more recently South Australia meet quarterly to

brief each other on their binding decisions and to ensure standards of consistency and quality in decision making. As part of the quarterly meetings, forums on current issues are held such as the recently successful "Electricity and the Battler" public forum aimed at developing solutions for disadvantaged electricity customers experiencing difficulties in paying power bills.

NEON are in the process of developing a national database of electricity complaints so that common issues being encountered around Australia can be identified.

### Energy Industry Ombudsman NSW (EION) adds water and becomes Energy and Water Ombudsman NSW (EWON)

In December 1999 the Sydney Water Board became members of the NSW scheme widening jurisdiction to investigate complaints regarding water supply. This has also widened EWON's range of stakeholders. Major Agencies now include Department of Health, the Environment Protection Authority, and the Water Regulator.

There is a strong National trend towards the evolution of existing Energy Ombudsman Schemes into an Essential Services Ombudsman. The schemes will cover electricity, gas and water.

## Future Directions

We have just begun advocating the expansion of the current scheme to encompass gas entities. The scheme operates in an identical fashion to the schemes running in Victoria and in New South Wales, and shortly in South Australia. The only difference between the three schemes is the way in which they were established. In the case of NSW and Victoria, the schemes operate as a condition of licensing of electricity entities (and now gas and water in NSW).

Recognising that there is a place for an appropriate scheme of self regulation in terms of the handling of complaints according to an appropriate standard, there is a growing number of industries which have of recent years established their own Ombudsman scheme. The most well known schemes are the Banking Ombudsman Scheme and the Telecommunications Ombudsman Scheme.

Each entrant as a condition of license meets a proportion of the annual operating cost of having an electricity or energy ombudsman available for the community. The whole thrust of the scheme is that, since they are industry funded, there remains an incentive on the part of industries to ensure that they not only establish appropriate complaints management systems (including effective training and re-skilling of employees), but also maintain a proficient resolution system with the result that their annual costs of being members of the scheme are fairly minimal.

The schemes offer significant benefits to both energy entities and their customers in providing an independent review mechanism, ensuring best practice in Australia's competitive energy market.

## Professional Development

Investigation officers must be supported through effective training and, where appropriate, mentoring and coaching.

Through the NEON association the Electricity Ombudsman has participated in professional development with investigation staff from Victoria and New South Wales looking at similar systems of operations, principles for making determinations and other matters of common interest. Appropriate transfers of staff between jurisdictions is proposed for professional development purposes.

The scheme should always be viewed as proactive, not reactive. Given that in other areas an unusually high percentage (in the region of 70%) of all complaints received have a communication breakdown as either the primary or high secondary cause, my office has embarked on a streamlined professional development program which offers staff from entities skilling in complaint management; customer service; communication skills; conciliation; investigation skills.

I am pleased to report that electricity entities have embraced the courses as an adjunct to their own professional development programs, and it is my intention to prepare an application for Commonwealth industry grant monies to measure the ongoing effect, during a period of three years, of communication skills training. Entities will be offered the opportunity to participate in both the initial training and the ongoing evaluation.

It is not intended to limit this professional development opportunity to middle management only. Those who serve at the frontline of organisations in a customer service capacity can benefit from such training and accordingly it is proposed to mix or provide separate opportunities at three levels of an organisation.

In November 1999, the National Energy Ombudsman Network (NEON) held its first Investigations Staff meeting. Investigators from Tasmania, New South Wales and Victoria met in Melbourne over a two day period to discuss generic complaint types and the different ways each office may address them. The types of complaints discussed were high bills; problems with supply such as high or low voltage variations, spikes, surges and outages; and land issues. There was also a general swapping of ideas on the use of experts, policy development and outreach work, identifying systemic issues and what issues to take into consideration when making a binding decision.

An ongoing information and expertise swapping is envisaged between the three offices involved and a further meeting will be arranged for later this year which will also include the South Australian Electricity Ombudsman's office.

In March the EOT investigators attended the Ombudsman "Investigation Skills" course. This was particularly helpful as the course had an in-depth session on interview techniques and skills with a mock interview and interactive discussion and participation in this.

In June, investigators attended a course on Conciliation Skills given by persons from Victoria with extensive experience in facilitating conciliation conferences. This skill is invaluable in the event the Ombudsman has a case with a possibility for an outcome through conciliation.

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## NEON Investigator's Forum

On 18-19 November 1999 the National Energy Ombudsman Network (NEON) hosted a conference/workshop of investigation officers from throughout the country in Melbourne. The forum was invaluable in formulating a network of information and ideas to enable a consistent approach to complaints resolution within the national electricity industry.

While there are obvious differences in the electricity industry as a whole between the different states particularly in the number of service providers and degree of privatisation, there is a significant commonality of issues experienced nation wide.

This is illustrated by the topics on the agenda which was as follows:

- High bill cases; software and audit processes.
- Supply cases; burden of proof, liability.
- Disputes involving land issues & neighbours.
- Case categorisation.
- Use of experts: lawyers, loss adjustors, engineers.
- How to identify systemic issues.
- What to take into account when drafting a binding decision for the Ombudsman.
- When should a case be 'no further investigated' rather than going to a binding decision.
- Policy development and outreach work.
- Development of an e-mail network for investigations staff.
- Professional development for investigations staff, and secondments and 'job swaps' between Energy Ombudsman offices.

Complaints regarding high electricity bills were common throughout the jurisdictions. New South Wales (EWON) reported that 80% of the complaints they received related to high bills. They have developed an energy audit which they send to the complainant to be completed and returned for analysis. EWON have also developed software to analyse complainants electricity usage.

Aurora also use software to analyse customers electricity usage in relation to high bill queries, which they have kindly provided for use by Tasmanian investigations staff. Both EWON and Victoria (EIOV) employ consultants to perform energy audits. The cost of the audits are borne by the electricity companies.

EIOV reported on how they use a wide range of consultants in their investigations as follows:

- Electrical engineers
- Meteorologists
- University academics (eg. Re effects of lighting)
- Environmental Protection Authority (Re effects of noise)
- Electromagnetic field (EMF) experts (eg. Re protection of computers)
- Legal advisors
- Arboriculturalists (eg. Tree debris on power lines)
- Surveyors
- Home energy auditors
- Loss Assessors
- TVI television interference experts
- Financial counsellors (free services)
- Psychiatrists (for difficult customers)
- Termite experts.

It was interesting to note that Victoria's Electricity Regulator arbitrates disputes involving land issues.

## Staff Profiles

### Damon Thomas - Electricity Ombudsman

There's not a motto on the wall. No things that point the way, or give clues to show what makes the man, or his Office, the way they are. Only later, on reflection, is it clear that there is a common thread. There is something they all share – Damon Thomas, his staff, and those other people he engages whose life–skills, know–how, expertise and experience combine to make the Office of the Electricity Ombudsman work the way it does.

The thread that links them, through the stamp of Damon's leadership, is a shared sense of purpose. None of them actually uses the word. But it's the common denominator for people living lives made better by their work.

Their sense of purpose is captured in these half–familiar lines from years ago –

- for the cause that lacks assistance  
for the wrong that needs resistance  
for the future in the distance  
and the good that we can do.

Joined in that kind of common purpose, it would be easy to become open advocates for the people who turn to them. But Damon Thomas will have none of that. He says that, although it has always been clear that his Office should be pro-active, that does not mean it should become an advocacy centre. Because if the Ombudsman is to be credible with all stakeholders, he must be – and be seen by all to be – genuinely independent.

It is a central part of Damon Thomas' style as Ombudsman that the Office he runs should be the protector of a good system and that he should earn, and retain, the confidence of electricity consumers and providers, the Regulator and Parliament alike.

From the start, he made a conscious effort to show the industry that with him as the Electricity Ombudsman they were not facing a zealot. His effort was matched by the quality and commonsense of each of the top people involved with the Ombudsman, the CEOs of the three entities and the Electricity Regulator, each of whom has played a significant part in making the processes work cooperatively.

He also moved quickly to make his Office known and accepted in the wider population by carrying the message into the community through group meetings and through radio advertising.

The legislation establishing the Electricity Ombudsman gives him the power to make awards – awards that require an electricity entity to provide goods or services, alter charges or pay compensation. Again, Damon Thomas made known very quickly that a process of clarity and transparency would characterise any and every determination. Yet another early initiative was to hold a number of forums, whenever the National Electricity Ombudsman Association meets in Tasmania. Called 'forums for battlers', they aim to help low–income people and disadvantaged groups get an adequate and reliable power supply at an appropriate cost.

As well, the Office provides an energy audit – using a software program to help people with high power bills to appreciate why and how they have consumed more than they anticipated.

In parallel with these initiatives, the Ombudsman does, of course, seek to resolve complaints. Problems arising from

power surges, lopped trees, and damaged equipment and, frequently, electricity accounts.

Recognising that 70% of the complaints he gets result from communication breakdown, Damon Thomas has made it a core policy that consumer complaints should be investigated **after** the industry entities have had the opportunity themselves to respond. His objective, always, is to conciliate and negotiate towards an outcome that leaves both consumer and supplier satisfied.

He believes that any problem between human individuals and human institutions requires great and sensitive care. Because the expectation of the complainant is that they've done everything right and that the big monster power company has done them a wrong. For their part, the power companies are keen to be, and remain, good corporate citizens. But they have to operate commercially. And because that is seen to be in the public interest, there are almost competing public interests.

This feel for balance, fairness and justice underpins and underlines the sense of high purpose that is the outstanding impression of the way Damon Thomas has led the people in the Office of the Electricity Ombudsman to work. A visitor leaves believing that the good he and his people can do bodes well for the future in the distance, those causes that lack assistance, and the wrongs that need resistance.

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### Martyn Carnes - Senior Investigation Officer

It's easy, before you meet someone called 'Senior Investigator' for the Electricity Ombudsman to imagine him as being rather stony faced and flinty eyed. Easy, also, to picture him as someone made tough by the nature of the job. Equally easy, as well, to assume that he has a police or private investigator background.

All of that is wrong. Martyn Carnes is neither stony faced nor flinty eyed. He was not trained in detection. And he began his professional life as an art teacher. He'd become Administration Manager for the State Prisons before he joined the Ombudsman's Office in July 1999.

He volunteers the information that when he was appointed, he knew 'absolutely nothing' about the role and responsibilities of the Electricity Ombudsman – and not much more about electricity itself. But the Electricity Ombudsman Act 1998 can be read, and readily absorbed. And so can books about electricity.

What can't be so readily learned is what must have played a big part in his appointment. Which is that he seems to be one of those relatively rare people who are able to bring a special blend of judgment and insight to his dealings with people and issues alike.

He needs a lot of both – and balance, too, in his daily work. He talks about the astounding fact that 46% of Tasmanians do not pay their electricity accounts on time. Not surprisingly, in this situation, he not only handles unresolved complaints by consumers against Aurora – but with issues on the other side of that problem, arising from non, or slow, payment.

Martyn says that, in any given month, he deals with about a dozen people who are 'swinging the lead'. By which he means people, often women, who ring to tearfully explain that they can't pay their electricity bills because they live on a pension,

are in the country or outer areas, have sick children and no car to travel to town. But who, when he goes to see them face to face, have a new four-wheel vehicle in the driveway, a well-furnished home and other physical evidence of a reasonable income. Evidence that revives memories of the old saying that people ought not to investigate things from words, but words from things.

Issues surrounding accounts loom so large in Martyn's life that, if you ask him what the best and the worst things are about his job, he doesn't hesitate.

The best thing is when he is able to negotiate a scheme of payment on behalf of a person he judges has a genuine case for deferred payment. The worst thing is when people who have defaulted repeatedly on their accounts have their power disconnected. He finds it particularly stressful knowing that this happens – though he recognises that almost invariably people who are disconnected manage, somehow, somewhere, to get money to be reconnected.

Speaking more generally, Martyn says that Tasmania is alone, among the States, in not having an emergency relief assistance scheme for people in genuine difficulties with their energy accounts. The absence of such a scheme is an added spur to a particular interest of his, which is the development of new forms of credit policy. He believes that the advent of new energy suppliers may prove to be a spur to reformed credit policies.

Meeting, as he does, on a three-weekly basis with Aurora representatives, Martyn Carnes believes there is a good cooperative spirit between the two – to the benefit of consumers.

As well as his work as Senior Investigator, Martyn manages the office and is involved in budget development for the Ombudsman, prepares reports and statistics and plays a major role in promoting community awareness of the part the newly-established Office of the Electricity Ombudsman can play within the Tasmanian community.

Asked if, as he moves into his second year in the job, he is happy in the service of the Ombudsman, he gives an unequivocal yes. He emerges a Senior Investigator who seems wedded to the view that, to create harmony, he must investigate discord.

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## Trish Barron - Investigation Officer

*Fairness is the greatest thing – fairness matters most*

Her job title is Investigator. A title that can carry the image of a hard, no-nonsense person, getting to the bottom of things, without too many by-your-leaves.

In Trish Barron's case, that image and the reality are quite different. She's not like that all.

Persistent, thorough and clear-minded, yes. But not hard – at least not in the tough policewoman way of television series.

What stands out most is her commitment to fairness. You can imagine her saying that fairness is the greatest thing – fairness matters most.

Being fair means using different skills. Listening intently is one. She says that often when people ring, they are angry and frustrated. In no mood for niceties or interruptions. She's

learned to let complainants talk. Learned that it helps, at first, just to listen.

Listening largely without comment at the outset, gets much of the emotion out of the way, and gives her the chance to tease out details and background that often lie beneath the emotion.

Because she believes so strongly in fairness, she is patient – and tries to convey a willingness to give time to each complainant, no matter how busy she may be. She thinks the time it takes to get all the facts and the total picture is time properly and effectively spent.

Asked how she developed the capacity to listen quite so attentively, to be so patient, to have so much dedication to being fair, she says, unexpectedly, 'from being a mum'. Not from a manual of investigative practice, or as the result of some high-powered seminar, but from the daily realities of family life.

It's disconcerting, initially, to hear such an honest answer. Preconceptions about 'investigators' lead to the assumption that her techniques were acquired from professionals, rather than being learned from life.

A visitor finds the effect of what she says about her attitude to her job is greatly re-assuring. She manages, quietly and almost self-deprecatingly to prove that she really means what she says about her approach to her work.

Other things serve to reinforce the impact of what she says. First, is the impression she conveys of really meaning it when she says that she has always found people interesting, has always been comfortable in personal interaction.

A further example of what she's like flows from the answer she gives to a rather obvious question – does the daily contact with people who are angry, disgruntled, and have something to complain about, leave her soured about human nature?

It turns out to be not like that at all. She says that most people who complain, even if their complaint turns out to be not well founded, do so in good faith. Angry, abusive they may sometimes be. But almost always they genuinely believe there's been an injustice. So that, so far from her daily dealings with agitated people making her cynical about human nature, she says she understands, and very often sympathises with, complainants.

That's not to say that she's a soft touch. To the contrary: to be fair is to be neutral. She does not, at all, portray herself as a crusader for the common man, out to find flaws in an uncaring bureaucracy.

Her stance comes across as one of benign neutrality. Bundled together with those other qualities of patience, persistence, thoroughness and a genuine feeling for another person's distress, a visitor leaves with the feeling that, with every complaint Trish Barron handles, there's the promise that fairness matters most.

## CONSULTANTS

### Arthur Masters - Energy Consultant

Arthur Masters makes his living finding facts. He has spent years of his professional life testing, trying and thinking about electrical facts. In fact – if you pardon the pun – Arthur leaves

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the impression that there aren't many professional pleasures to beat unearthing a good hard fact.

In his time at the old Hydro, he was trained and cut his teeth in the specialist area of the efficiency testing of electrical equipment. He came to know as much as anyone about the applications of electrical equipment in domestic, commercial and industrial settings. And his knowledge goes way beyond this, to include mechanical, hydraulic and vibration equipment as well.

Armed with this invaluable experience and know-how, he established Independent Energy Advisory Services. His clients, large and small, domestic and business, turn to him for advice and guidance when faced with problems that defy the normal solutions.

This is at the core of his relationship with the Electricity Ombudsman. He says that his role has been to uncover the facts that haven't emerged from information obtained either from a complainant or the energy suppliers. But his view is, always, that facts don't cease to exist just because they are hidden.

Arthur gives the example of a person concerned about the weekly cost of electricity and the ambiguous information he was getting about a pay-as-you-go meter.

The amount of money being spent was approximately \$100.00 a fortnight on electrical energy, and the meter didn't assist in identifying which equipment was consuming energy at that level.

In questioning the accuracy of the meter, it was found that the method of calculating the costs was not the method initially agreed to – and the complainant then asked for reimbursement of money, on the grounds that he was being charged too much. The reimbursement sought was for a reasonable sum.

Arthur Masters says when he became involved, he identified that there had not only been problems with the meter, but he also questioned the method of determining the reimbursement to the customer, based on inaccuracies in the meter.

He came to three conclusions: first, that the reimbursement sum should be double; second, that the reasons for the high electricity consumption should be identified to the customer and, third, that it be put to the customer that the heating system he had installed was inappropriate to his lifestyle.

Arthur Masters says that in such cases he feels a dual responsibility. Foremost, of course, to provide the Ombudsman with his assessment of the problem, and recommend a solution. But also to give the consumer information and advice about alternatives more suited to his lifestyle.

Arthur says his method is to examine exhaustively each path of an electricity problem, from the equipment actually using the power to the consumer's account.

Based on over 20 years experience, he says that 95% of the complaints he has examined in domestic buildings relate to heating appliances. Quite frequently, customers who complain simply do not realise that it is the length of time that heating equipment is used that is creating the problem. By no means always, he says, does fault lie with Aurora.

It is his practice to learn from consumers details of their lifestyle. This has unearthed instances of families using electronic entertainment equipment for up to 18 hours a day over an extended period, and then being surprised and angry when they receive a large account.

Asked if he's faced many cases in which consumers are discovered attempting to 'beat the system', Arthur Masters gives a reassuring negative. In over 20 years, he says there have

been virtually no cases of consumers who set out to cheat the energy supplier. A statistic he finds reassuring for what it says about human nature. And reinforces his belief that fact-finding is more profitable than fault finding.

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## Greg Luck - Technical Advisor

He was 17, and at school, when it all began. He tells how he went into a schoolroom, chatting to one of his mates. There was a light globe hanging down. It had broken away, but was still going. Being, he says, a typical 17-year-old, with no knowledge or even interest in electricity, he casually pushed it up a couple of times while he was talking.

The light exploded. There were flames, a large pop, a big cloud of black smoke and two startled schoolboys. And that incident, he says, is what started it. There and then, the idea of electricity as a force so grabbed his imagination that he decided he wanted to be an electrician.

A short time later, an apprentice job came up. He applied, got it, and has spent his life working with electricity for the 25 years since that single event in a schoolroom. He's never regretted his choice. He joined the old Hydro and spent 15 years carrying out inspections involving him in checking and overseeing electrical work performed in a great many domestic and commercial settings.

In 1995 he left what is now Aurora and established the Tasmanian Electrical Security Company, undertaking a broad range of electrical work for an equally broad range of clients. When the Electricity Ombudsman was set up, it was decided that the nature and range of complaints

called for Investigators who were similarly broadly based. Thus it was that the Investigators appointed were not, themselves, electricians. Nothing too unusual in that – football umpires don't kick footballs, either – but they make judgments – and sometimes crucial judgments, at football matches.

Clearly, however, in dealing with many complaints, the Electricity Ombudsman needed an independent source of expert electrical information and advice. An advertisement attracted Greg Luck, who now works on a case-by-case basis where the Ombudsman needs his expertise. One of his early assignments being to provide a grounding in electricity to the Investigators, so that they have a knowledge and understanding of the basics.

Greg has now been involved with 40 or 50 cases for the Ombudsman. Some are straightforward, and his work takes only a short time. Others can be very complex and involve one and sometimes more on-site inspections and examinations together with highly-technical reports.

He clearly has a deep commitment to the investigative work he carries out for the Ombudsman. And that commitment is joined by an almost equally strong sense of the value of his investigative work as a means whereby justice is done – justice for the consumer and Aurora.

Talking of his work, he speaks about electricity as such. You can't, he says, use it, or hear it or smell it – and it has characteristics that obviously fascinate him. So much so that a listener is sent back to the dictionary to find the definition of this force that is so much a part of Greg Luck's life, and which sits at the heart of the Electricity Ombudsman's work.



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Two definitions are listed – first, that electricity means ‘the manifestation of a form of energy associated with the separation or movement of charged particles, as electrons or protons’. And, second, that electricity means ‘a feeling of excitement’.

You sense that Greg Luck’s life has been fulfilled by electricity in both of those meanings – ever since he tried to push that light cord into the ceiling when he was at school.

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## Roger Mason - Network Consultant

Roger Mason literally grew up on the back of a Hydro line truck. His father joined the old Hydro in 1938 and retired as the Kingston District Manager in 1976 after being associated with the early electrification of the South Arm, Huon and Channel areas in Southern Tasmania. In Roger’s early years, the Hydro line truck parked in the driveway of the family home was a constant feature, and it is hence no surprise that Roger followed his father into the same profession.

Having joined the Rural Distribution Branch as a cadet electrical engineer in 1958, Roger undertook extensive field training around the state while completing his studies, and was appointed as an electrical engineer in the Rural Division in 1964.

Over the next 34 years Roger worked in various facets of electrical distribution with the Hydro, apart from 2 years spent with the Electricity Commission of Papua New Guinea as the Assistant Electrical Investigations Engineer. For the majority of the years spent in the Hydro, Roger was closely associated with the customer service activities including construction, maintenance and operation of the distribution network, particularly in the rural environment.

It was during these years that Roger developed a close link with the Hydro’s customers and an understanding of their needs and issues, whether it was to do with new power supplies, interruptions to existing supplies, tree cutting problems, maintenance of private lines, payment of accounts or queries on high electricity accounts.

## Key Stakeholders

### NORM McILFATRICK [CEO - Aurora]

Writing in *Fortune* magazine in September 1994, business administrator and economist Warren Bennis asserted that there is a clear distinction between leaders and managers. Leaders, he saw as ‘people who do the right things’. Managers, by contrast, are ‘people who do things right’. A distinction he described as ‘profound’.

While his dictum had its supporters, others see it as neat word-play, part right, perhaps, but open to the challenge that many leaders do things right. And just as many managers do the right things.

There’s the further objection that some people are demonstrably, both leaders and managers - and some of them, Norm McIlfratrick included, do the right things right.

Evidence? Well, examine the potentials for abrasion in the relationship between the Electricity Ombudsman and Aurora Energy.

Always prepared to take on new challenges, Roger lead a Hydro team that assisted in the reconstruction work at Darwin following Cyclone Tracy in 1975 and worked with the then HEC Enterprises Corporation on proposals for the Asian Development Bank. One of these involved visiting the small kingdom of Bhutan as part of a proposal for providing technical assistance in the development of the electricity supply capabilities.

In the 1990’s Roger worked with the project teams and consultants involved in the restructuring of the old HEC into separate business units and the re-engineering of the business processes in the new Network Business Unit.

Roger left the old Hydro in 1998 prior to the creation of the new electricity distribution company that is Aurora, and since then has provided services from his small consultancy business R & CM Power.

It is through this long association with customer power supply issues that Roger has been able to add value to the Office of the Electricity Ombudsman, particularly in relation to the cases regarding ownership of private power lines and associated responsibilities.

There are around 270,000 power poles in the electricity supply system, including those classified as privately owned. Disputes arise over ownership and associated maintenance costs, and historical records and maintenance histories are not always available to clearly resolve issues. Roger’s background knowledge of the formal (and sometimes informal) practices has enabled him to provide independent advice to officers in the Ombudsman’s Office for assessment of queries.

In May 2000 Roger prepared a Background Paper for this office (in consultation with Aurora), titled – History and Issues Arising From Private Power Lines in the Electricity Distribution Environment in Tasmania.

This paper is the first time that an attempt has been made to document the history of private pole management and the issues that continue to arise. It also acknowledges the considerable effort being made on the part of Aurora to review private pole management practices, and to set up a new comprehensive pole management data base.

Aurora has many more than a million interactions with its community each year. To begin with, four times a year, they send out 250,000 accounts. That exercise alone opens possibilities for hundreds of errors, mistakes and conflicts. In addition, Aurora lops trees, mends lines, reads meters and a score more things that can lead to complaints.

And yet, from those million plus interactions, about 0.4% only, result in customer complaints. And of the total complaints Aurora received in 1999/2000, only 6.5% found their way to the Ombudsman.

On any assessment, figures like this point to a chief manager, and his support people, doing a lot of things right.

What about doing the right things? Well, Aurora, with internal complaints resolution processes that produce excellent results, could have viewed an Electricity Ombudsman as a necessary evil – or worse.

But Norm McIlfratrick doesn’t see it like that. Instead, he views the Ombudsman as a part of the competitive framework within which Aurora needs to operate. The Ombudsman, he says, is an important part of the value chain for customer delivery, and a safety net for customers. And, as CEO, he has taken a conscious decision to liaise and cooperate with the Ombudsman rather than be a barrier to him in doing his job.

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Indeed, says Norm McIlfratrick, any approach other than cooperation would have led him to feel that he was not achieving one of his own objectives, which is to be a good corporate citizen in the Tasmanian community. For him, being a good corporate citizen means recognising that customers won't always see eye-to-eye with an organisation such as Aurora. And quite often situations will arise in which a big organisation is seen to be pitted against the small consumer.

In those cases, he says, the Ombudsman has a role to represent and facilitate a fair outcome for the customer. Moreover, having decided both to be and be seen to be, a good corporate citizen, taking an adversarial stance with the Ombudsman would be quite inappropriate.

All of which must surely fit Bennis' criterion for leaders as 'people who do the right things' – even when the CEO adds that his policy of cooperation doesn't always extend to agreeing with everything the Electricity Ombudsman says! But he accepts him as the umpire – and sledging umpires isn't in his lexicon.

### **NEVILLE HORDER [Business Administration Manager - Aurora]**

When he was married, briefly, to Marilyn Monroe, the baseball player Joe Di Maggio once said 'it's no fun being married to an electric light'.

Before speaking with Aurora Energy's Neville Horder, it was not hard to imagine that he might say something the same about his job. Because as Business Administration Manager, he is the first point of contact for the Electricity Ombudsman's Investigators seeking to resolve complaints – most of which involve Aurora.

Neville is also the person who has an involvement with many responses to complaints that originate directly to Aurora through that entity's own Customer Service Centre and Customer Feed Back line.

He explains that, while he is not the Complaints Manager, he is responsible for the management of complaints. A task that involves him, with his support staff, in making sure that answers to complainants, whether made directly or through the Electricity Ombudsman, are accurate and complete, and properly reflect Aurora's practice and policies.

But, talking about his role and work, Neville Horder doesn't echo the rather dismal assessment of his marriage that Joe Di Maggio gave. To the contrary, Neville points to Aurora's major achievements in complaints resolution. He says that Aurora sends out 250,000 accounts, four times a year. 'And each one,' he notes, 'is a potential complaint'. In fact, of the more than a million interactions with the community, only one percent result in complaints.

He paints the picture of an organisation that is facing, in very positive ways, the challenge that complaints can represent.

He points to the series of escalation points that serve to ensure that staff who initially take complaints can refer upwards should they realise that the complexity of the complaint calls for more details and senior examination.

Neville speaks of the Customer Charter, which sets out a number of Customer Service Standards that Aurora undertakes to reach, and commitments made to customers. A Charter that makes it clear that Aurora will itself listen carefully and courteously and respond promptly to feedback and complaints about its service.

Norm McIlfratrick emphasises that, despite the excellent resolution record Aurora's own complaints processes deliver, and the commitment to actively assisting the Ombudsman with complaints that do get through to him, his objective is to do better still. If this can be achieved over time and if the relationship holds fast in the face of some future major crisis, then that will mean the scheme is working well. That there is openness between Aurora and the Ombudsman signals the development, already, of a mature relationship.

For the future, he sees it as important to get the right level of regulation and safety net protection for customers without overdoing it. The benefit has to be commensurate with the cost and there's a need to avoid building in a regulatory framework that sets too high a cost on the customer without giving a compensating benefit. He would be happy to pursue this, together with the Ombudsman.

All of which makes the Bennis aphorism about leaders, managers and doing right things right seem even more open to debate.

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Neville Horder says that both Aurora and the Electricity Ombudsman believe that complaints should preferably be made to Aurora first. The vast majority of complaints can be – and are – quickly resolved to the satisfaction of the customer by Aurora itself.

The fact that only a relatively small number of complainants feel they must take their complaint to the Ombudsman is a tribute both to Aurora's systems and the Ombudsman's own wish not to become involved until approaches to Aurora are exhausted.

As complaints are made to the Ombudsman, Neville Horder meets regularly with investigators Martyn Carnes and Trish Barron. Each believes that a good working relationship has developed between them. Indeed, after speaking to each of these people with a responsibility for handling complaints, an observer is readily convinced that the time and energy they all put into the resolution of complaints presents good value for money. Not solely because, together, they provide the community with an effective, efficient means of ventilating complaints. But because complaints can, and do, lead to beneficial changes in the overall service to customers. And when that happens, there's a triple win-win-win situation, in which customers, Aurora and the Electricity Ombudsman alike all benefit.

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### **CRAIG HENDERSON [Director - Office of the Electricity Regulator]**

The American statesman Thomas Jefferson said that communities should 'regulate their own pursuits of industry and improvement'. Many people since have used his words and his ideas to buttress their case for self-regulation, often ignoring the words Jefferson added, in a significant caveat. They were that 'a wise and frugal government should first restrain men from injuring one another'.

Perhaps our Government had the need to protect some people from other people in mind when Parliament passed the Electricity Supply Industry Act 1995, which established the Tasmanian Industry Regulator.

Craig Henderson, of the Electricity Regulator's Office, says that, under the legislation, a significant part of the Electricity Regulator's responsibilities relates to the protection of consumers. And that this brings his Office into a close, continuing and complementary relationship with the Electricity



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Ombudsman. So much so that the Regulator and the Ombudsman have signed a Memorandum of Understanding, setting out the bounds of their respective responsibilities, and providing an agreed basis for their relationship.

Craig Henderson explains that the Ombudsman and the Regulator have both a formal, statutory relationship relating both to the Ombudsman's costs and apportionment of his budget against the electricity entities, together with a requirement for liaison in identifying and dealing with systemic issues that arise in the electricity industry.

It is the administrative, practical dimensions to the Ombudsman/Regulator relationship that offer the potential for an adversarial relationship. And not only between the Ombudsman and the Regulator, but the three separate entities – and especially Aurora – that emerged in July 1998, when the old Hydro Electric Corporation was disaggregated.

The Electricity Regulator strongly believes that his Office, the Electricity Ombudsman and Aurora should actively avoid adversarial relationships and that there should be instead a tripartite relationship with shared interests being the delivery of appropriate outcomes for customers.

The influence of the individual leaders – through their stature, their professional competence, personal styles and approach in a policy sense – has played a particularly important part in delivering processes that work to ensure that consumers are well served. To the extent that the leaders have jointly put consumer interests above other considerations, Tasmanians are entitled to be satisfied that, so far at least, Jefferson's caveat has been observed.

Outlining details of the relationship between the Regulator and the Electricity Ombudsman, Craig Henderson says that the Ombudsman provides the Regulator with quarterly reports, while the Ombudsman has observer status – as does Aurora – on the Regulator's Customer Consultative Committee. This Committee meets at 6–8 week intervals and provides regular input to the Regulator from customer groups.

Craig makes it clear that the Electricity Ombudsman is not subordinate to the Electricity Regulator. The Ombudsman's responsibilities and accountability are to Parliament, rather than to a Minister, although there is opinion in the Regulator's Office that believes this could be varied.

Discussing possible future trends, Craig Henderson suggests that the current position could change in the coming 3–4 years. Pointing out that new energy suppliers are on the horizon and that this, combined with the fact that the Ombudsman's funding is sourced from the entities, and thus impacts on their bottom lines, makes it possible to imagine that a more rivalless approach may well develop.

For the present, it seems clear that the Ombudsman, the Regulator, Aurora, the other entities and, not least, customers are net beneficiaries in the early years of implementation of the reforms of the 1990s.

The Tasmanian community may hope that leaders in the State's electricity industry will continue to adopt the approach of Woodrow Wilson, one of Thomas Jefferson's successors, who believed that 'the highest and best form of efficiency is the cooperation of free people'.

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### **Jane Hutchison [Financial Counsellor - Anglicare]**

She has worked for years for social justice. She's been with Anglicare for over seven years and before that she was a housing outreach worker for Colony 47.

Her position with Anglicare is Financial Counsellor – a job that brings her into daily contact with low income and disadvantaged people who have money problems. Often, power bills are at the centre of people's difficulties. She says that, before the Electricity Ombudsman's Office was established, she would be speaking 'constantly' with Aurora staff on behalf of her clients. She is quick to add that, lacking the legislation and clout of the Ombudsman, she was seldom as successful. Now she regularly passes clients on to Ombudsman staff with whom, she says, she has a very close and effective working relationship.

Asked about her other tasks, she speaks of helping people with basic budgetary principles, making sure that they know about, and receive, their entitlements and providing a wide range of tips and advice for keeping heads above the budgetary water.

It is not easy. People on pensions and benefits live, she says, at a subsistence level. Which means that even a quite small unexpected expense can wreck the most carefully-framed domestic budget.

There may have been, years ago, a 'do-gooder' naivete in her approach. That has long been replaced by a calm realism. Which isn't, at all, to say that the passion has faded. No one wants to live life on a low income, she declares, and no one should. And if it's suggested that some of her clients may smoke a little too much, or gamble, she responds firmly that there is almost always an underlying reason. And, she adds, statistics show that financial struggle is a predominant cause of marital breakdown, which invariably makes life tougher, for both partners.

About 40% of her clients are in extreme straits when they turn to her. Three-quarters of all the clients she sees are women, often with children, caught in a poverty trap from which there frequently seems no prospect of release.

Reaction to the half-life of low income leads, in her experience, either to defiance or despair. But what she's seen and heard over the years hasn't changed her own essentially positive view of human nature. She believes that most people are fundamentally decent and honest, whatever their situation, and she almost never has to deal with people deliberately out to cheat the system.

She returns to the help she's had from the advent of the Electricity Ombudsman and sees it as a bright new chapter of hope for many people she's previously been unable to help. Now, she says, I know I can pass those clients whose problems centre on light and power to Ombudsman people who will, above all, respect those clients, whatever their circumstances.

She has given her working life to helping those in need and in persuading others to help them. It's a life that is reflected by Lawrence of Arabia. Writing in his *Seven Pillars of Wisdom* he said, 'I cared for you, so I drew these tides of men into my hands, to earn you freedom'. Jane Hutchison spends her days trying to draw support for the people who come to her – and for the same reason.

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## **A Necessary Warning to Customers**

During the course of several investigations, it became apparent that there was a potential for unwarranted and unnecessary disconnections.

When customers make a payment at the Post Office or Service Tasmania, there is often a delay of several days before the credit shows on the Aurora accounting system. Potentially, a

customer may be disconnected even if he or she has paid an amount outstanding on their account..

Our office investigated one such incident and the Ombudsman was concerned that this should not occur in the future. He contacted the Electricity Regulator, who agreed about the potential for unnecessary disconnections and requested that the company, in liaison with our office come up with some suitable words of warning to customers to contact the Credit Office with their receipt number once a payment had been made. It is intended that this warning to customers be on the pending disconnection notice.

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## Case Summary - Reasonable Notice?

Mr M returned home from holiday to find that Aurora's contractors had felled some blackwood trees under wires crossing his land. Mr M had nurtured these trees for many years in order to stabilise a creek bed and the trees themselves were of great sentimental value to him and his family. He was upset because he had not been contacted about this and could not understand why some trees on his land had been lopped but the blackwoods had been felled. He was also unhappy about the mess left on his land after the tree felling.

Mr M approached the Ombudsman after being offered an \$100 voucher by the contractors to replace the trees, after he had complained to them.

Investigation found that the contractors had asked a near neighbour about ownership of the land. This neighbour advised them incorrectly but when the person in question had been approached by the contractors, he gave them permission to fell the trees without visiting the site.

Current legislation gives Aurora the right to enter private land to carry out any work which is deemed necessary in the interests of safety. However, the legislation also states that "reasonable notice" must be given to the occupier of the said land. The contractors believed they were giving reasonable notice, but it was unfortunately to the wrong person.

In the absence of suitable records concerning land ownership, this office believed that asking a neighbour was not a safe method of ascertaining ownership and recommended that Aurora pay enough compensation to enable Mr M to replant suitable trees, fence the area to keep cattle away and remove all debris from the area. Aurora agreed and the case was closed.

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## Private Poles and Wires

Following the fatal accident in 1998 when a condemned private pole fell on a woman on Bruny Island, Aurora have begun a statewide identification program of all private poles and a review of all aspects of its private pole management.

Up until the 1960s, hand written Pole Record Books were kept. In the 60s and 70s a pole card system was introduced to replace the cumbersome books. These records were not uniformly maintained, to the point where the pole card data statewide could not be taken as reliable. The continuous process of restructuring of the Hydro since the early 1990s has added to the problems of maintaining accurate and accessible records and late in 1999 a decision was made to start afresh and move to a new GIS database which would record all poles

in the system both private and Aurora along with their global position.

This statewide program of identification being carried out by Aurora has meant that our office has received a number of complaints from customers who were unaware that the extension on their property was a private line. The complaint numbers have been relatively low. However, the number we have received identified a need for this office to gain an understanding of the issues involved in identifying private lines so that we may be able to make a decision based on what is fair and reasonable. To this end, we commissioned one of our consultants, Mr Roger Mason to draft a background paper entitled *History and Issues arising from private power lines in the electricity distribution environment in Tasmania*.

The background paper is merely an attempt to bring together all the many facets of pole ownership and the history leading up to present day and is not by any means intended to be a representation of the views of this office. This office will continue to investigate matters of complaint on a case by case basis and no resolution of any matter can be construed as setting a precedent.

The paper was written in cooperation with Aurora network staff, whom we thank for their helpfulness and the hours they made available to Roger Mason. Aurora will themselves be preparing a substantial paper for their board and the Electricity Regulator later this year on the risks, responsibility and issues associated with clarity of asset ownership of private poles and are willing for Roger Mason to review and assess this document.

The Regulator is also concerned to ensure that the private poles issue is correctly addressed in the future. He is currently drafting legislation that will cover installation of future private lines, ensuring that the responsibilities of both the owner and the entity are clear cut. The Lands Department was approached with the suggestion that land titles could record any private poles. This was not acceptable but they are willing to provide access to maps of private poles to be prepared by Aurora, and it will then be the owner or new owner's responsibility to check this against the Title.

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## Thankyou

We would like to thank Aurora, Transend and the Hydro for their willingness to meet with my officers to discuss the various matters of complaint to this office. The cooperation of the company representatives with whom we have had to deal as we have sought information, has made our job that much easier.

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## Case Summary - Meter Mix-up

Mr & Mrs T operate a business at what was once a staff house used by the Hydro when constructing a Power Development Scheme. It came to the attention of Mr & Mrs T that because of the way the premises had originally been metered, any hot water they used in one of their wings was being metered on the light and power tariff and this was causing them continual financial disadvantage. They had been unable to resolve this problem to their satisfaction and approached the Ombudsman for assistance.

Quotes obtained showed that to move the meters would cost in the vicinity of \$46,000 and the Hydro, understandably, was not willing to take this option. They were however, prepared to make wiring changes within the wing to relocate the power supply of the hot water cylinders from the power tariff to the hot water tariff that was currently feeding the other wings.

Mr and Mrs T were very suspicious about this offer, so this office met with Aurora to obtain a technical understanding of how the metering system currently worked and whether the proposed re-wiring would prove to be a safe and satisfactory resolution of the problem. A meeting was then held with the Hydro, who maintained that according to the lease signed by their tenants, they were not responsible for major works on the property, but that as good corporate citizens were prepared to assist Mr and Mrs T in this instance and pay for the re-wiring.

At the conclusion of these meetings, this office was happy that the work the Hydro had offered to carry out was a fair and a reasonable offer and would indeed satisfactorily resolve the complaint. The Ombudsman then advised Mr and Mrs T accordingly. The complainants agreed to accept the offer and the complaint was closed.

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## Electricity and the Battler

A very high percentage of complaints to this office are from complainants who are continually in the position of being unable to consistently pay for their electricity usage and because of this, have been disconnected or are threatened with disconnection. This is a self-perpetuating cycle of disconnection, re-connection, extra fees for reconnection - more arrears often leading to further disconnections.

Sometimes this cycle is caused by mismanagement of funds, sometimes it is caused by customers using their funds for other purposes. However, there are bona fide cases that no matter how experienced at stretching the budget, just do not have sufficient funds to pay for the essential service of electricity, along with the other necessities of life.

On 18 February 2000 this office facilitated a forum to enable all stakeholders to meet in an informal and fairly relaxed way to candidly discuss this problem and what may be done in the future to assist people in this situation. Welfare agencies, the Electricity Regulator, Aurora Energy and Energy Industry Ombudsmen from Victoria, New South Wales and South Australia attended.

The Forum was a success in that it brought the relevant stakeholders together and consolidated the fact that there is definitely a problem for low income individuals/families in affording this essential service, particularly in Tasmania where we are more dependent than some other states solely on electricity and our colder winter climate can make electricity even more essential for the sole purpose of survival and general health. As a direct result of the Forum, some very positive outcomes have been put in place. The Electricity

Ombudsman arranged a meeting between Anglicare, Aurora, the Regulator and this office to begin discussions about a No Interest Loan Scheme (NILS) such as those available in Victoria and which were discussed at the forum. Anglicare are to undertake a special study on an appropriate scheme for Tasmania and to lobby for corporate support for half the funding towards such a scheme with the balance being provided by Aurora.

The Electricity Ombudsman also arranged a meeting to begin a liaison between Aurora and Housing Tasmania. At that meeting both parties agreed to work together on a draft paper that would focus on:

- Improving the energy efficiency of houses for existing public housing tenants by the installation of energy efficient electric heating. Explore the possibility of a subsidisation scheme.
- Discounted incentives to convert older public housing targeted for sale to energy efficient status.
- Increasing the flexibility of electric heating to suit the needs of a wider range of tenants.
- Exploring the possibility of obtaining Commonwealth funding as a part of the Federal Government's Greenhouse Strategy.

The Electricity Ombudsman would like to thank and commend Aurora for their willingness to participate in these various projects in an effort to be part of the solution to the problem.

However, this office would like to see more flexibility on the part of the Credit management staff of Aurora for those customers who have been identified without any doubt to be in the bracket of those referred to above. We would like to see a move towards the more unusual payment plan, eg one that will not necessarily ensure a full return to the company, but more one that takes into consideration the customer's ability to make that repayment. This would make more sense than the continual disconnection and reconnection cycle that puts the customer even further behind in arrears and which is so cost-prohibitive to Aurora itself.

A corporate acceptance that some of the money is better than none of the money may be the way to go in some of the more desperate cases.

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## Case Summary - Disconnected

Ms M was disconnected for non payment of arrears. She rang the company who said she must pay at least \$350 off the debt of \$550 before they would consider reconnection. She advised that the most she could manage was \$250 and the balance within a fortnight. However, given the customer's poor payment record, the company were not prepared to accept this.

Ms M then rang this office. After checking Ms M's credit history, we concurred with the company in their assessment of Ms M's credit history. However, as Ms M had offered to pay almost half of the amount in arrears, in line with the company's reconnection policy, we asked them to reconsider.

The company did reconsider and reconnected Ms M after she had provided proof of payment. She was advised however, that should she fail to make payment on the balance owing, she would be disconnected without any prior warning.

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## Case Summary - Who Should Pay?

Ms C rang our office because some time ago she had made arrangement with the company to direct debit her bank account for a regular payment towards her electricity account. She advised that it had been working very well for some time until just recently when the direct debit began to be taken out a day earlier than normal. It was the day before her payday meaning her balance was often not able to cover the debit, thus accruing a bank charge of \$35.

We asked the company to check on the original direct debit form to see if the day stipulated had been a Thursday or a Wednesday. The company reported back that it was a Thursday and admitted that the error was on their part. They promised to ensure that it would only be taken out on the Thursday in future and reimbursed Ms C the \$70 bank fees.

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## Thankyou

We would like to thank the Electricity Regulator and his staff for their invaluable assistance and co-operation over the past year.

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## Inequity for the customer - High voltage private lines

Following an enquiry to our office and subsequent discussions with Aurora, it became obvious that there is an inequity for customers who need to install private lines for supply of electricity. If a customer requires a low voltage private line, he is able to negotiate with any person wishing to connect to that private line a reasonable contribution towards his original outlay. Further, if maintenance of the line is required in the future such as replacement of poles, he is able to negotiate with any person connected to that line a percentage towards these costs.

In the case of a high voltage private line, although it is considered to be a private line and therefore the responsibility of the customer to meet any costs towards installing the line, once the line is completed it becomes part of the Aurora infrastructure. The customer also pays an amount in the capital contribution towards any future maintenance that may be necessary. Should any other person require to be connected to that line, they may do so with no requirement whatsoever to contribute towards the customer's original outlay or pay any amount towards future maintenance.

Further, at the cost of the original customer, Aurora now have an infrastructure which they can now offer to any future customer.

We believe that this is indeed inequitable and have advised the Electricity Regulator of this. We have requested that he take this into consideration when drafting the legislation on private poles and wires.

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## The Complainants have their say

### Tony's Story

It began just after last Christmas. It was then that Tony's clothing store computer system collapsed, including modem, two hard drives and a backup.

After doing all he could himself to revive his system, he arranged for a technician to diagnose and fix the problem. Tony chose a reputable professional for this work – a person who does contract work for a number of organisations, including Aurora. Both he and the technician spent more than 15 hours working on the problem, which had a major adverse impact on his business. It was a situation he describes as very stressful because the reason for the equipment collapse eluded them.

In the end, there appeared to be no other explanation for the failures but a power surge – a diagnosis that was backed up by store lights flickering during the same day.

Tony decided to put his complaint, in writing, to Aurora, which he did in early January. He sought compensation of \$2,019 for equipment and the technician's labour charge – a claim based on the charge to him of 15 hours at \$45.00 an hour – a rate Tony says was much lower than the technician's usual rate. His claim was only for the rate he was charged himself. He made no claim for his own time.

As he recounts it, Aurora's only response was to send him a letter denying any liability – on the grounds that 'no other fault or incident occurred in your area'.

There the matter might have ended. But, quite by chance, Tony heard an advertisement on commercial radio saying that, if consumers had a problem relating to electricity and damaged equipment, they should first contact their power supplier. But that, if the difficulty could not be resolved, complaints could be sent to the Electricity Ombudsman's Office.

Encouraged by what he'd heard, he rang the Ombudsman's Office and told his story. This led to a visit by an Investigator and a colleague, who thoroughly examined his damaged equipment and the details of his complaint.

Tony readily acknowledges that he's not an electrical expert, but as he understands it, the Ombudsman's Investigator reached the view that the damage to his equipment was not caused by a power surge, but a progressive build up of voltage that burned out the surge protectors.

While the technicalities of the case may not be completely clear, Tony says that the Ombudsman's intervention led to three much appreciated outcomes. First, he received \$2,000 from Aurora. Next, his claim was dealt with quickly and thoroughly. Third, and he says in some ways most importantly, the Ombudsman's Office staff discussed his complaint with him directly, personally and thoroughly. That was very different from the supplier who, he notes, 'didn't even ring me up to discuss the problem'.

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### Penny's Story

Penny and partner John were renting in Bellerive. They'd bought a block of land in Kettering. The lease on the rented

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house was coming to an end, and they planned to live in a caravan while their house in Kettering was being built.

On the Friday before the weekend they were to leave, they rang to arrange for the power in Bellerive to be cut off. They were told this couldn't be done till Monday. Penny says they agreed with this, because they weren't finally leaving till Sunday.

All went according to plan, apart from their not receiving a last account for the Bellerive house. Penny says they were not unduly concerned because they knew the bill would only be for a small sum, as the preceding bill had recently been paid. When, however, they account arrived some time later, it was for \$120.00 – a sum greatly in excess of their expectation. Questioned about the quantum, Aurora said Penny and John had failed to arrange for the power to be cut off. John disputed this. And was told there was no record of any cut off call. He responded by explaining about the Friday call, and being told the power couldn't be cut off till Monday. He also asked the call centre lady to consult her Supervisor. The Aurora lady went away and returned saying she had spoken to two Supervisors, and both said they had to pay the account. John said they did not intend to pay and would pursue the matter.

It was at that point, having had experience some time earlier with the Banking Ombudsman, that they rang the Office of the Electricity Ombudsman. Not, they say, because of the money, but because of the principle.

Penny then contacted the Ombudsman's Office, and was asked if they could prove their move on the day they claimed. They could. They had a removalists' receipt – and they had their furniture in storage, with proof of the date.

Armed with this proof, the Ombudsman's investigator went back to Aurora. And returned to Penny and John soon afterwards with the proposal that they pay \$38.00 of the \$120.00.

That seemed fair. The deal was done. End of story. Except that Penny says the story isn't quite over, not without adding that the investigator's dealing of the matter was human, practical, down to earth and efficient. 'We can't,' she says, 'speak too highly of them'.

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## Leonie's Story

Leonie and her partner own land on the north west coast. Their problem began when Aurora carried out a site inspection and found a power line connected to a tree. Not long afterwards Leonie received a letter, saying that the power line would have to be fixed to a pole and that she and her partner would have to pay the costs involved.

Leonie says she and her partner accepted entirely that the power line couldn't continue to be connected to a tree. But they felt it was not right that they should be forced to pay to correct a situation which must have been approved in the past, either by Aurora or, more likely, by the old Hydro. Their argument was that they had inherited the arrangement, had tried to find both who had put the line there and who had approved its being on the tree. They had been unable to get that information.

They put their case to Aurora who, she says, said that their records did not go back further than 10 years and that they had no record relating either to who connected the line or who approved it. The situation reached an impasse, with Leonie and her partner unwilling to pay and Aurora saying that they should – and that if they did not get the work done, their power would be disconnected. With overseas visitors, that was a prospect that threatened to be more disruptive than usual.

As it happens, Leonie has done a legal course. And one of the things she learned was that there is now an Electricity Ombudsman in Tasmania. Seeing it as a last resort, she rang the Ombudsman's Office and told her story. A month later, Aurora wrote to say the work would be done, at their expense.

Now the pole is in place – as a private pole – Leonie and her partner readily accept that they are responsible for its future maintenance 'it's just that we didn't think it was our cost to start with because it was approved by someone'.

Two strong feelings stay with Leonie and her partner as a result of the experience. First, they say that the presence of an Electricity Ombudsman gives them peace of mind, knowing that there is someone independent to turn to. And, second, she says that, while her legal course led to her being aware of the Ombudsman's Office, many of their friends didn't know of its existence. 'I don't know how they can do it,' she says, 'but it would be good if more people knew what we knew when it was needed'.

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## Donna's Story

Donna's story is about eight trees and a mistake. The trees – three mature, original gums and five blackwood trees – were mistakenly chopped down by a contractor, working for Aurora.

For Donna, the trees on her property were hers, and were precious. They were a last area of original bush. They gave shelter to a cared-about colony of ringtail possums. They formed a divide between her property and a friendly neighbour's. And she gave no one permission to enter her property to destroy the trees.

She says she has spent hours of time talking to workmen, the supervisor of the contracting company, the manager, Aurora officers and Martyn Carnes in the Ombudsman's Office.

The outcome has been that new, young trees, to the value of \$345.00, have been planted. And that she has received a further \$200.00 in compensation for her commercial lost time.

What she has not received, she says, is any compensation for what cannot be restored – perhaps not ever, certainly not for many years. And that is the aesthetic value of the way her mature trees looked before they were destroyed. Taking with them the enjoyment of an environment she has nurtured and enjoyed for the 26 years she and her family have lived at the property.

In essence, she wants relief for what she has loved and lost. And for the lasting pain she feels every time she drives past those stumps at the end of her driveway.

Perhaps what she wants is too much. Perhaps, in the end, nothing can be quite enough.

Donna's is a story in progress.

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## Case Summary - Can a computer be wrong?

Mrs M was convinced that a mistake had been made on her accounts and that there were several payments she had made which were not accounted for. She tried to resolve this unsuccessfully with the company who advised that they had

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investigated her complaint and found nothing amiss. They advised her to obtain copies of cheques she believed were not accounted for and they would look at the matter again. As this was an expensive option for Mrs M she preferred to approach the Ombudsman. She supplied copies of accounts, receipts etc dating back to 1996.

After a very detailed check of these against the Aurora accounting system, an amount of \$200 could not be accounted for. After further investigation by the company, it was found that upon transfer from the old CIS system to the new Frontline accounting system, a credit amount of \$200 had inadvertently been missed.

The company then credited Mrs W with the missing \$200.

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## Electricity Ombudsman Budget - 30 June 2000

### Year to Date Actual vs Estimate as at 30 June 2000

|                       | Annual Estimate   | Monthly Estimate | YTD Estimate      | YTD Actual        | YTD Variance     |
|-----------------------|-------------------|------------------|-------------------|-------------------|------------------|
| <b>Expenses</b>       |                   |                  |                   |                   |                  |
| Employee Related      | \$ 165,917        | \$ 13,826        | \$ 176,000        | \$ 173,605        | \$ 2,395         |
| Fuel Light & Power    | \$ 1,500          | \$ 125           | \$ 1,500          | \$ 1,575          | -\$ 75           |
| Administration        | \$ 104,100        | \$ 8,675         | \$ 104,100        | \$ 80,307         | \$ 23,793        |
| Other Expenses        | \$ 11,000         | \$ 18,000        | \$ 11,000         | \$ 6,827          | \$ 4,173         |
| <b>TOTAL EXPENSES</b> | <b>\$ 282,517</b> | <b>\$ 23,543</b> | <b>\$ 282,517</b> | <b>\$ 262,314</b> | <b>\$ 20,203</b> |
| <b>Revenue</b>        |                   |                  |                   |                   |                  |
| Aurora                | \$ 197,762        | \$ 16,480        | \$ 197,762        | \$ 197,762        | \$ -             |
| Hydro                 | \$ 28,252         | \$ 2,354         | \$ 28,252         | \$ 28,252         | \$ -             |
| Transend              | \$ 56,503         | \$ 4,709         | \$ 56,503         | \$ 56,503         | \$ -             |
| <b>TOTAL REVENUE</b>  | <b>\$ 282,517</b> | <b>\$ 23,543</b> | <b>\$ 282,517</b> | <b>\$ 282,517</b> | <b>\$ -</b>      |

### Well and Truly In The Black

As may be seen in the table above, the budget as at 30 June 2000 was \$20,203 underspent. However, due to Department of Justice accounting procedures a number of accounts relating to the 99/2000 financial year were not paid totalling \$11,000. Consequently the final figure was \$9,203 underspent. This amount was refunded to the electricity entities by reducing the amount of the first invoice for 2000/2001 on the basis of this years proportional split derived by the number of complaints per entity.

The reason the budget was underspent is two fold. A high quality colour printer was leased to allow in house production of Annual Reports and brochures (saving around \$5,000). Secondly, a lower than expected use of consultants was evident, particularly in the first half of the year.

In comparison, the extensive use of consultants by our colleagues interstate was evidenced during the National Investigation Officers forum held in Melbourne in November 1999. (Please see p 20 for details)

The concept that Investigation Officers cannot be expert in specialised technical areas was adopted by this office for the second half of the year which saw

the addition of 2 new consultants (please see consultant profiles p. 24 of this report). This is a trend that is bound to continue.

The 99/2000 salary budget provided for the following staff:

|                              |      |
|------------------------------|------|
| Ombudsman                    | 0.33 |
| Senior Investigation Officer | 0.80 |
| Investigation Officer        | 1.0  |

Admin Support 0.33

Total FTE 2.46

Cost effective advertising and community awareness was undertaken in the form of radio advertising, joint presentations to community service organisations with the Electricity Regulator's Office and Anglicare, and visits to Councils statewide. (Please see p. 18 for more details).