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Foreword

This is my first Annual Report as the Electricity Ombudsman for Tasmania. Reforms within the Tasmanian electricity industry have seen the disaggregation of the Hydro Electric Corporation into three separate Government owned companies or entities. Each entity faces the challenges of operating with a new business focus as a monopoly in a regulated environment that demands much greater accountability to stakeholders.

The Electricity Ombudsman plays an important role in aligning the rights and obligations of electricity customers with industry service delivery and encouraging best practice in the Tasmanian electricity supply industry. I am particularly concerned to ensure that each electricity entity maintains complaint resolution processes that are efficient, and conform to the principles of administrative fairness and natural justice being current state of the art in complaints resolution. I am encouraged by the work that the entities are doing in this area in terms of both technical performance and the allocation and training of staff.

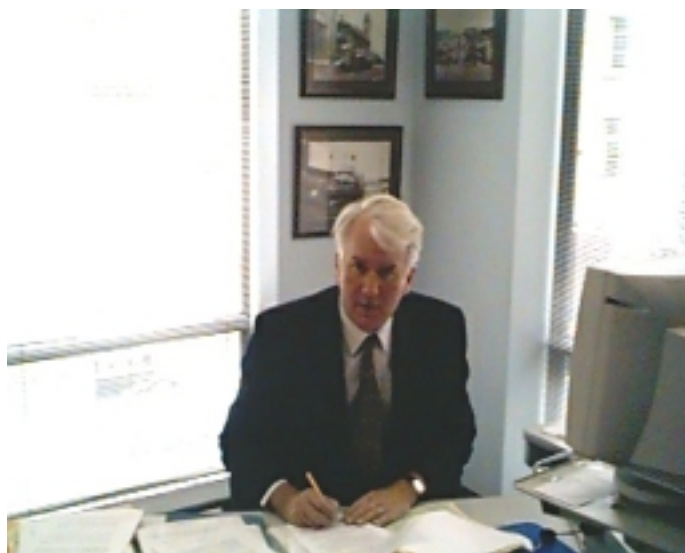
The Office of the Electricity Ombudsman operates in a manner that is designed to be as informal as possible. The Office's complaints resolution process conforms to national benchmarks for industry based customer dispute resolution schemes. The complaints resolution process adopted by the Office offers an inexpensive, flexible and speedy alternative to litigation elsewhere. Unlike the legal system, decisions are not bound by precedent. Rather they are made objectively based on the information given on a case by case basis with outcomes based on the principle of social justice.

In addition to complaint resolution the Office plays an important proactive role within the electricity supply industry. Analysis of complaint statistics and feedback from the community highlight industry service delivery problem areas. This information is used to recommend reforms for industry practice and provides useful feedback to the Electricity Regulator on industry performance.

The proactive role also encompasses ensuring the community is aware of its rights and obligations following the disaggregation of the Hydro Electric Corporation and other reforms within the electricity supply industry. The Electricity Ombudsman role adds significant value to the electricity supply industry as an independent, impartial and accessible review body. It is both responsible and responsive in ensuring the integrity of processes adopted by electricity entities in the supply of electricity within Tasmania. This type of review agency, being a free service to the public funded by the industry, represents an important contribution to the principles of social justice and the accessibility of the service to all without favour, ensures equity and access to all the community avoiding in many instances the necessity for a recourse to the traditional court process customarily associated with delays, costs and an adversarial system.



I am delighted to be the inaugural Electricity Ombudsman and am committed to assisting this office reach its full potential as an effective review body within the Tasmanian electricity supply industry. I look forward to continuing to assist electricity suppliers and their customers align their expectations in ensuring best practice in service delivery and complaints resolution for Tasmanian electricity users.



Damon Thomas
Electricity Ombudsman



CHAPTER 1

Background

On 1 July 1998 the Hydro Electric Corporation was disaggregated into 3 separate Government owned commercial organisations. The **Hydro Electric Corporation** is now only responsible for power generation through the State's hydro electric scheme and owns the dams and generators. **Transend Networks Pty Ltd** is responsible for the distribution of high voltage power from the dams and generators and own infrastructure such as pylons and sub-stations. **Aurora Energy Pty Ltd** is responsible for the retail and supply of electricity from the sub-stations to industrial commercial and residential customers.

Prior to disaggregation responsibility for the protection of consumer interests in relation to electricity was vested in the Office of the Electricity Regulator. Following a review of options available to persons dealing with electricity entities over complaints they have been unable to directly resolve, the Regulator discovered the only recourse available was through the civil courts, the State Ombudsman or the Office of Consumer Affairs. In particular, the only way a complainant could seek compensation was through the courts.

From a review of dispute resolution schemes operating for other industries, the Regulator concluded that there was significant scope for an industry ombudsman scheme for Tasmania's electricity supply industry. Parliament determined that the State Ombudsman was to be given the role of Electricity Ombudsman. This was done in recognition of the existing experience of his office in operating an ombudsman scheme.

In providing an alternative recourse to compensation awarded by civil courts, and in recognition of the growing success of similar bodies interstate, Parliament agreed that the Electricity Ombudsman should have the power to make awards. An award may require an electricity entity to provide goods or services, alter charges or pay compensation. It was also agreed that the Electricity Ombudsman would be provided with the discretion as to whether to investigate a complaint, refer the complaint to another body, or dismiss the complaint as vexatious or frivolous.

It was decided by Parliament that the dispute resolution scheme would be funded by the electricity industry. Each of the three electricity entities currently holding licences would fund the scheme directly proportional to the number of complaints brought against each entity. It was thought that this would provide the entities with an incentive to improve their performance at handling complaints in the first instance.



CHAPTER 2

The Electricity Ombudsman Act 1998

The *Electricity Ombudsman Act 1998* received Royal Assent on 19 June 1998 and came into force on the same date. The Act provides for the making, investigation and resolution of complaints regarding services provided by electricity entities. Apart from the legal Ombudsman, the Electricity Ombudsman is the only industry based Ombudsman scheme under Tasmanian law.

The Functions of the Electricity Ombudsman:

- **To receive, investigate and resolve complaints about electricity entities.**
The complaints may be about any service the electricity company provides to consumers including billing and charging issues; transmission and distribution issues like surges or voltage variance; and negligent advice, misrepresentation, or poor customer service.
- **To make awards and register agreements between parties.**
The Electricity Ombudsman has a determinative power to make monetary or other awards against an electricity entity. Tasmanian legislation provides for a determination with an award of up to \$20,000 and, with the approval of the entity concerned, an award of up to \$50,000 may be made. The Electricity Ombudsman may also order an entity to waive charges, provide services or to take or refrain from taking an action which will ensure a fair outcome in all circumstances.
- **To identify and review systemic issues arising out of complaints.**
A significant proportion of the role of the Electricity Ombudsman is to identify issues that appear to be occurring repeatedly. The resolution of these problems may simply involve re-emphasis of an existing policy or procedure; or it may involve considerable behaviour or policy change. *The ultimate aim is to ensure customers are dealt with in a fair and reasonable manner, and that their rights and responsibilities are communicated and well understood.*
- **To assist electricity entities to develop procedures to resolve complaints.**
In addition to complaints resolution, the Act prescribes a pro active function. This includes the identification and review of issues arising out of complaints. For example, there may be a significant number of complaints claiming erroneous or conflicting advice given to customers. Investigations may find internal communication problems within an entity's operations. The Electricity Ombudsman must also be pro active in assisting entities to develop procedures to resolve complaints.



Dismissing Complaints

The Electricity Ombudsman must dismiss a complaint if:

- The complaint lacks substance; or
- The complaint is frivolous, vexatious or was not made in good faith; or
- The complainant became aware of the circumstances that gave rise to the complaint more than 2 years before the complaint was made; or
- The complainant has been given reasonable explanations and information and there would be no benefit in further entertaining the complaint; or
- The complaint has been resolved; or
- Court proceedings which relate to the subject matter of the complaint have been commenced; or
- All of the issues arising out of the subject matter of the complaint have been adjudicated upon or otherwise dealt with by the Regulator or a court, a tribunal, a board or another person under a law of Tasmania, the Commonwealth, a Territory of the Commonwealth or another State; and
- Must investigate the complaint in any other case.

The Act requires the Electricity Ombudsman to provide a mechanism for complaint resolution that is accessible, low cost, fast and informal. Electricity customers are now provided with support to enable complaints to be investigated in an efficient non-adversarial manner. As a review body the Electricity Ombudsman's office is impartial and acts in the public interest and our role is to provide:

1. *Accessibility* - The scheme makes itself readily available to complainants by promoting knowledge of its existence, being easy to use and having no cost barriers.
2. *Independence* - The decision making process and administration of the scheme are independent from scheme members.
3. *Fairness* - The scheme produces decisions which are fair and seen to be fair by observing the principles of procedural fairness, by making decisions on the information before it and by having specific criteria upon which its decisions are based.
4. *Accountability* - The scheme publicly accounts for its operations by publishing its determinations and information about complaints and highlighting any systemic industry problems.
5. *Efficiency* - The scheme operates efficiently by keeping track of complaints, ensuring complaints are dealt with by the appropriate process or forum and regularly reviewing its performance.
6. *Effectiveness* - The scheme is effective by having appropriate and comprehensive terms of reference and periodic independent reviews of its performance.



CHAPTER 3

Operations of the Electricity Ombudsman

How We Handle Complaints

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 or meet investigation officers on regional visits.

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 investigator in Launceston at 3 Wellington Street who acts as a first point of contact for the Electricity 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 is an enquiry?

An enquiry is a request for information or advice. Responding to an enquiry may involve providing information relating to the services and jurisdiction of the Electricity Ombudsman, advice regarding the administrative procedures of electricity entities and/or referrals to the Electricity Regulator and other review organisations.

Some examples of enquiries are:

“Who should I complain to if my landlord won't connect a pay as you go meter?”

“Does the Electricity Ombudsman investigate complaints about the work of electrical contractors?”

“How much notice do Aurora need to give before they disconnect my power?”

Enquiries are dealt with on the spot wherever possible. Often the enquiry will be straightforward and there will be no need to conduct any research to answer the question posed.

While enquiries are relatively simple and speedy to deal with, they are an important indicator of office workload and records must be kept of the volume of enquiries received.



What is a complaint?

A complaint can be broadly defined as a grievance, or an expression of dissatisfaction with an electricity entity's policies, procedures, charges, employees, agents, quality of service or products sold or provided.

Complaints are categorised according to their complexity and the time taken to reach a resolution. The categories are simple, intermediate, complex and dispute. Definitions of each category are provided in Chapter 4 under complaint statistics.

Initial Analysis

In the first instance, we ensure that the complainant has taken the matter up with the entity concerned and then we do an assessment on the telephone to determine whether the Ombudsman dismisses the complaint or continues. If the complaint is dismissed at this stage, a valid reason must be given to the complainant.

When it has been established that a complaint has been received, a period of initial analysis begins. It is essential to remember that the main objective is to assist the complainant to achieve the best possible outcome for their situation, without compromising the Electricity Ombudsman's impartiality or independence and without acting as an advocate or representative for the complainant.

Complainants are given a realistic outline of the complaint process and assisted to identify possible outcomes in broad terms. The Investigation Officer also discusses with the complainant whether referrals to other agencies or review bodies would be appropriate, or whether better remedies might be available through alternative actions.

All complaints received undergo some type of initial analysis, even those simple complaints where the entire process between opening and closing the complaint is less than a day.

Steps undertaken during initial analysis include:

- clarifying which electricity entity is being complained about, and if the complaint is within jurisdiction
- analysing all the information provided to determine whether a complaint should be accepted for investigation by the Electricity Ombudsman or if some other course of action should be followed such as referral elsewhere
- assessing whether further information is required from the complainant before a decision can be made to accept the complaint
- ensuring that the issues involved in the complaint are correctly understood
- perusing the information held about the issues or entity complained about, such as legislation, policy manuals, information on programs and procedures etc.



If the investigator decides that the Ombudsman may handle the complaint, preliminary enquiries are made and further relevant information is obtained. An assessment is then done to determine whether to continue. Our goal is to ensure that action taken by entities is fair and reasonable and that the principles of natural justice are upheld. If there is insufficient evidence to support the complainant's allegations, then a complaint will be closed with a written report to both the complainant and the entity.

If however, the evidence suggests the complainant has been dealt with unfairly by an electricity provider, the Ombudsman will continue the investigation to its logical conclusion where a recommendation, agreement, or award will be made. A report on the findings is then sent to the complainant and the entity concerned and any other stakeholder the Ombudsman deems appropriate.

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
- f) 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.



Case Example 1

Power Surges Damage Equipment

Mr & Mrs W experienced a number of power surges which caused damage to computers and other electrical appliances over a period of some months. The electricity entity denied all responsibility citing bird strikes to power cables as the most probable cause.

Following an extensive investigation by this office and advice from our technical adviser, several faults on the behalf of the electricity entity were uncovered. Trees had not been trimmed near the wires, there were no possum guards on the poles in the area, power lines were earthing out to nearby telephone cables. The Electricity Ombudsman then involved the Chief Electrical Inspector's office and the Electricity Regulator's office and extensive collaboration began between the three offices, the outcome being a list of technical recommendations that were marked as either "urgent" or "medium" priority.

The electricity entity finally made an ex gratia payment equating to 50% of the damaged equipment and is continuing to carry out the technical recommendations which were the conclusions of the co-operative efforts of the Ombudsman, the Electricity Regulator and the Chief Electrical Inspector to prevent future re-occurrences.

Case Example 2

An Unexpected Bill

Mr P sold his property (formerly a car yard) to a local council in October 1997. Through his secretary, Mr P requested disconnection in late September 1997. However, when an account for the next quarter was received Mr P's secretary telephoned the electricity entity to ask how there could be an account when she had advised them to disconnect power in September. She also asked how the meter could have been read after the sale to the council because the gates to the yard were locked. The electricity entity advised that they had estimated the account. Mr P's secretary again asked for the power to be disconnected.

Meanwhile both Mr P and the council were unaware that security lighting at the car yard was still in operation because the power was not disconnected until August 1998. Mr P received an account for \$1052 which he refused to pay because the electricity entity had not disconnected power when requested.

The electricity entity finally waived all fees and reduced the amount owing by \$580. Mr P felt this was fair and reasonable as he did acknowledge some use of power before the request for disconnection.



Case Example 3

Long wait for a connection

Mr B, an electrical contractor had heard nothing from the company over a period of a month after submitting his preliminary papers for connection to electricity supply on behalf of his business client. His attempts to gain information were not very successful and then he was told it would take another six weeks. With his client moving into his new business premises within the week, he asked for temporary supply, again meeting with little success. This office then contacted the company and the matter was quickly resolved, with temporary power connected that week and permanent supply guaranteed within four weeks.

Principles for determinations

Determinations will always be independent. Principles which will be taken into account and which will assist with consistency of decision making at a national level are as follows:

- Determinations are not legal precedents and cannot be applied in any other case.
- We look at what is fair and reasonable in the circumstances of each case, good industry practice, and the law.
- The determination process should follow principles of natural justice, eg equal opportunity for all parties to put forward their views and to have their views fully considered.
- Decisions should comply with national benchmarks for industry based ombudsman schemes.
- There must be some merit to the complainant's claim to proceed to determination stage. Where there is not considered to be sufficient merit, matters will be finalised through the Electricity Ombudsman's discretion not to investigate further.
- We must have regard to what the complainant and electricity entity want, but in the end determinations represent what the Electricity Ombudsman believes is fair and reasonable in the circumstances.
- There needs to be some substantiation by customers of their claims for compensation for damage.
- In appropriate cases the Electricity Ombudsman needs to consider any lack of action by the complainant to mitigate against loss or damage. Eg failure to install an uninterruptable power supply system for small businesses reliant on continual power supply. This may mean consideration of a discount in compensation for some cases.



- The *Trade Practices Act 1994* aims to return consumers to the same position they were in prior to any damage being sustained. This should be considered in determination decisions, ie new for old or depreciation.
- Determinations will generally relate to a company as an entity rather than individual staff within a company.

These principles are continually applied across the three jurisdictions which currently have Electricity Ombudsmen - New South Wales, Victoria and Tasmania. This co-ordinated approach attracts industry and was positively commented upon by delegates at the 1999 National Power Conference in Melbourne.

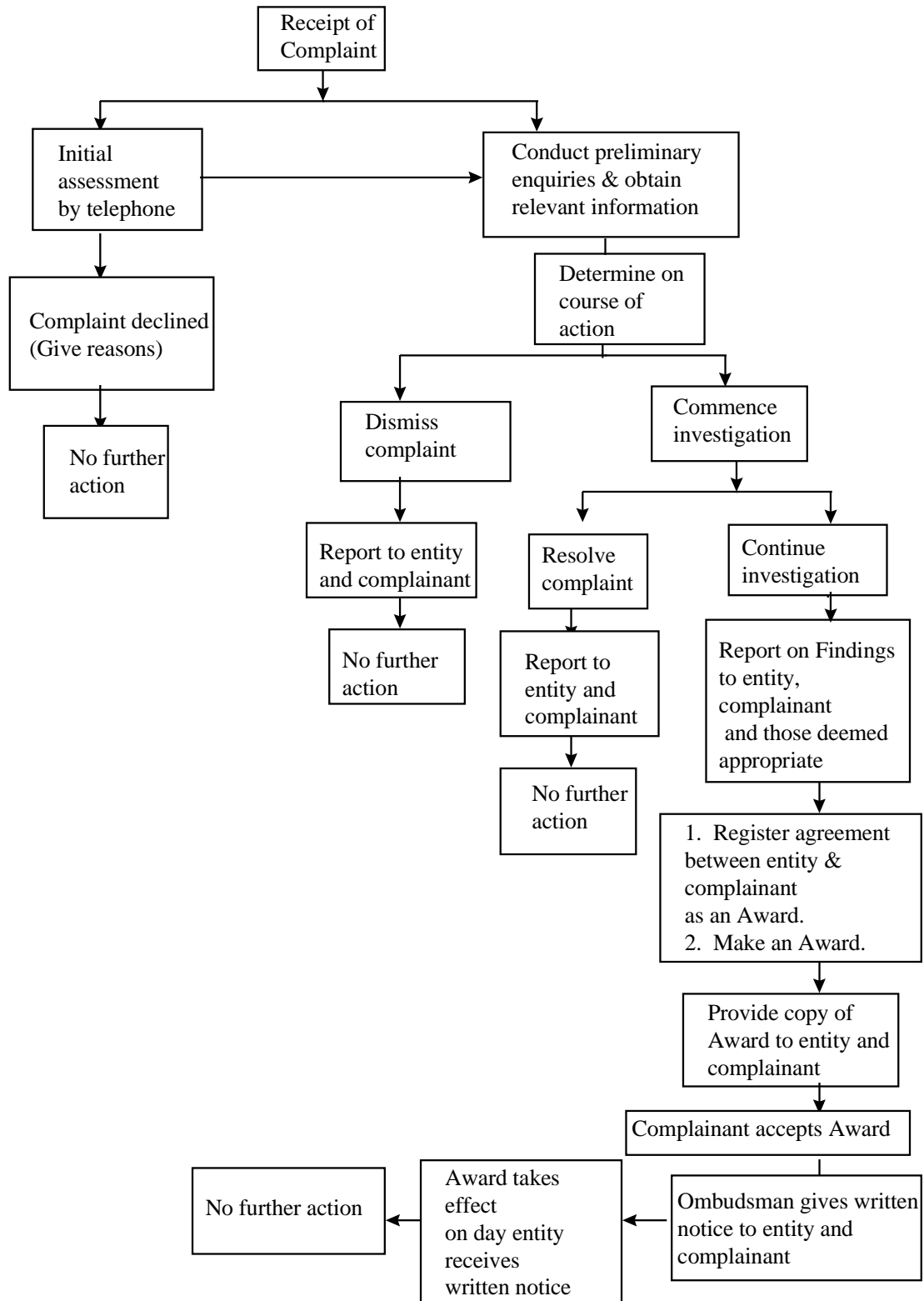


Electricity Ombudsman Staff

From left: Trish Barron (*Assistant Investigation Officer*) Martyn Carnes (*Senior Investigation Officer*) Damon Thomas (*Electricity Ombudsman*) Karen Adams (*Electricity Ombudsman - Personal Assistant*)
 Front: Carol Hutton (*Electricity Ombudsman - Receptionist*)



The following flowchart illustrates the complaint handling procedure:



CHAPTER 4

Complaint Statistics

Categories of Complaints

The following are explanations of the complaint categories used by the Electricity Ombudsman's office since its establishment in July 1998.

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

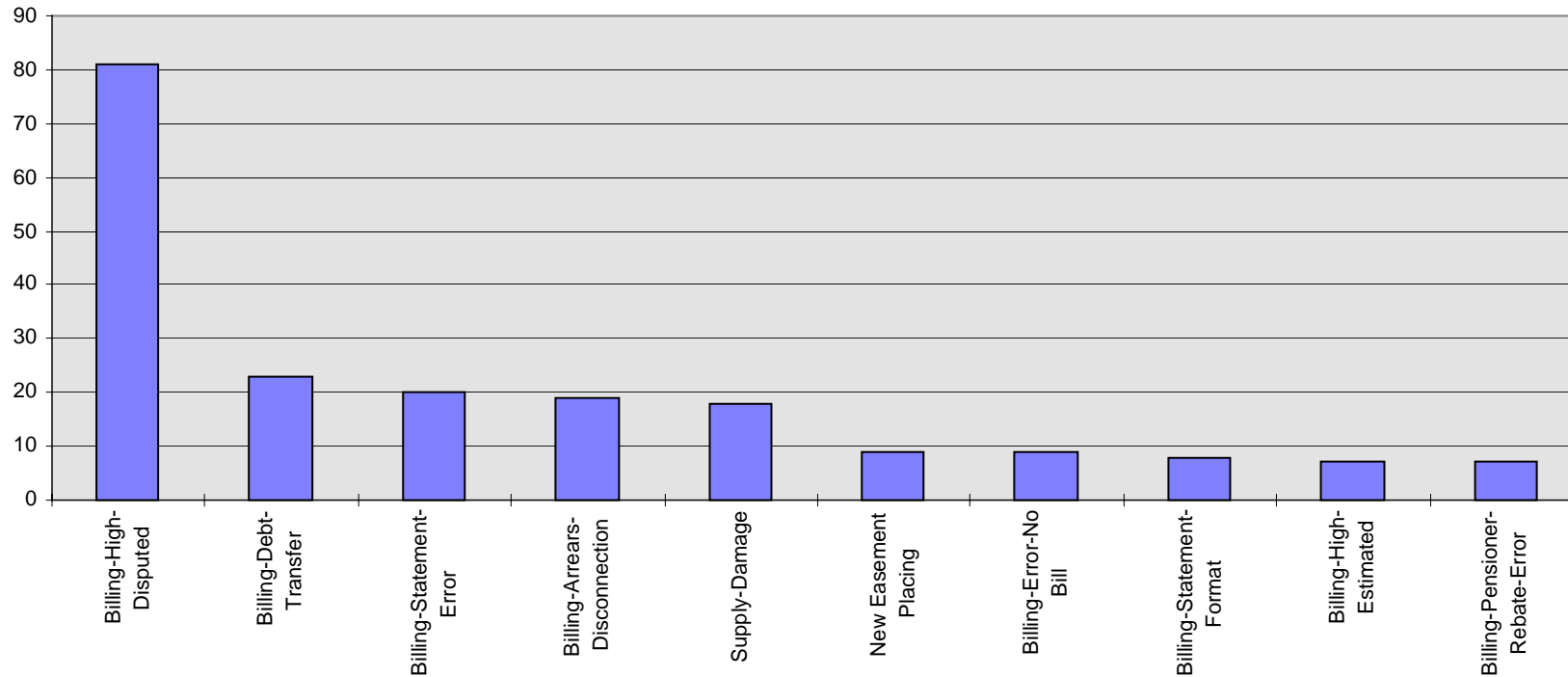
Complaints involving a high level of technical or specialist information. Often neither party is prepared to negotiate, or it is difficult to find an appropriate resolution. Often formal recommendations for action are made by the Electricity Ombudsman to the electricity entity at this stage.

Dispute

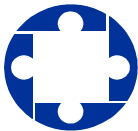
A complaint where there is little chance of resolution through negotiated outcome. An example of a dispute could be a surge liability claim where the electricity entity denies all liability. These complaints may end with a formal determination.



10 Most Common Issues 1998/99

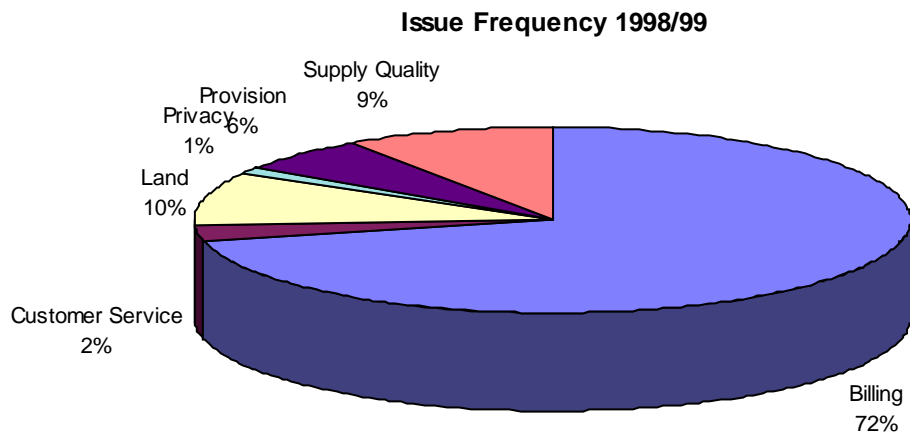


A total of 364 complaints were received for the period 1 July 1998 to 30 June 1999. With the exception of 2 complaints, all complaints were against Aurora. The majority of complaints (72%) were related to billing. There were 11 complaints received in the 3 month period prior to the opening of the office which are included in the July figures.



Primary Issue *	Data	Aurora					Transend		Grand Total
		Enquiry	Simple	Inter-mediate	Complex	Dispute	Complex	Dispute	
Billing	No %	49 18.85%	177 68.08%	27 10.38%	5 1.92%	2 0.77%	0 0.00%	0 0.00%	260 72%
Customer Service	No %	2 22.22%	7 77.78%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	10 3%
Land	No %	9 26.47%	16 47.06%	5 14.71%	2 5.88%	0 0.00%	1 2.86%	1 2.86%	34 10%
Privacy	No %	1 25.00%	3 75.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	4 1%
Provision	No %	3 13.04%	14 60.87%	3 13.04%	3 13.04%	0 0.00%	0 0.00%	0 0.00%	23 6%
Supply Quality	No %	8 23.53%	10 29.41%	3 8.82%	1 2.94%	12 35.29%	0 0.00%	0 0.00%	34 9%
Total No		72	235	39	11	14	1	1	364
Total %		19.78%	62.36%	10.44%	3.02%	3.85%	0.27%	0.27%	100.00%

- Please note a total of 3 separate issues may be mentioned in a single complaint. The primary issue is what the complainant sees as most important.



Billing 72%

Simple billing complaints and enquiries (particularly high bills) constitute the majority of complaints by far. Many of these complaints are difficult to resolve because it is hard to verify the frequency and extent of appliance/power use by complainants.

Bills may appear high for a number of reasons:

- The account may have been estimated (high) and will be adjusted at the next meter reading.
- There was an error in the meter reading. While this is possible it does not occur very often.
- The meters were faulty. Meters when tested are found to be accurate in 98% of cases. This is why the electricity provider (Aurora) charge a fee of \$35 to test the meter unless it is found to be defective.
- The most common reason for high power bills is that the customer is using more power. Quite often complainants forget that they used items such as portable fan heaters, water beds, clothes driers etc. particularly if they have visitors staying at their residence.

- **Security Deposits**

The office had a number of complaints about security deposits during the year. One customer had been refused refund of a security deposit when the regulations clearly say that security must be refunded after two years. These regulations will not come into effect until 8 October 2000 There was slight discrepancy over whether Aurora staff were following the Electricity Supply Industry (Tariff Customers) Regulations intently, or still relying on the 'spirit' of the old bylaws. Analysis of Aurora's credit policy relating to security deposits is being carried out with assistance from the Regulator's Office.

- **Easy Pay Bills**

The experience of this office is that the Easy Pay facility is of great help for customers who have trouble paying substantial quarterly bills. Easy Pay involves estimating a customer's annual usage and charging monthly instalments which are normally a direct debit from the customer's bank account. The complaints received by this office are due to the complexity of analysing statements, particularly if the facility has been terminated mid-way through a year.

Aurora are reviewing the function of Easy Pay and are developing a brochure to explain the system.



- **Pay As You Go Meters**

Pay As You Go Meters have been trialed in a number of suburbs in both Northern and Southern Tasmania. This office has received few complaints about these meters. Of the complaints received, one was questioning why it had taken so long to be installed; a number have queried the tariff structure which is based on cheaper electricity during an 'off peak' period in the middle of the night, but were happy to pay different rates rather than go back to a conventional meter and billing cycle.

- **Payment Plans**

This office is still receiving low numbers of complaints relating to payment plans, deposits required to reconnect power, and other such credit issues. It appears that Aurora staff are now dealing more appropriately with requests for further credit, as the number of complaints received this calendar year has dropped markedly. This may also be a reflection of the number of people not paying their bills over the Christmas period.

Land 10% and Provision 6%

This office has dealt with a number of complex complaints relating to arrangements made for poles and wires to be erected. It appears there may be a need for more stringent control on contractors and their responsibilities in dealing with the customer. Many of these complaints could have been avoided with adequate (or restricted, in some cases) communication between contractors, the customer and the project manager. This office has had discussions with relevant Aurora staff over the existing and proposed policies regarding this area. The problems with private pole provision and maintenance are in many instances historic. It is important to recognise that arrangements with landowners for supply of poles to be erected on private land have varied over the years. I am concerned to build up a body of knowledge on the treatment of private pole provision over the last twenty or so years as the contractual arrangements whether express or implied for that service will in many cases, have a direct bearing when customers seek a replacement for or maintenance of existing facilities. The rights and responsibilities of owners who seek a private line service where transmission has first to occur across adjoining lands in either public or private ownership, will also be reviewed.

Supply Quality 9%

We have received a number of complaints (9) related to surges or voltage variance. Many of these cases are seeking compensation for damaged goods due to power surges. Some of these appear to be the result of factors 'outside of Aurora's control'. The Electricity Ombudsman and Aurora's legal representative have had discussions about liability in such cases taking into account the views of the Australian Competition and Consumer Commission, and the Electricity Supply Association of Australia and other Australian electricity companies. As yet there has been no agreement on how these cases (both existing and future) will be dealt with.



However it is expected that we will adopt a similar approach to the Energy Industry Ombudsman Victoria (EIOV) where each case is handled on its own merits. A Federal court case between the Electricity Supply Association of Australia (ESSA) and the Australian Competition and Consumer Commission (ACCC) has been registered to attempt to decide whether electricity suppliers should be liable for damages caused by power surges and brown outs. Basically the ACCC is arguing that suppliers should be liable for damage to appliances and equipment on the grounds that electricity is a good under the Trade Practices Act 1994, and as such should reach the customer in good condition. The case is expected to take up to 2 years to resolve. In the meantime however, EIOV are making awards and directing electricity suppliers to pay compensation on a case by case basis where the supplier is found to be negligent in supplying electricity in good condition for use by the customer.

Customer Service 2%

Customer Service is an area that this office is keen to monitor. It is difficult for us to keep statistics about the customer service in different parts of Aurora, however there have been a number of complaints about the customer service in the credit area. This is to be expected to some degree because of the nature of refusing credit to customers. There have also been a number of incidents when staff in the call centre have allegedly refused to transfer a customer to a more senior officer, or to a relevant section of the organisation.

Audit / Performance analysis of Aurora, Transend, Hydro complaint handling processes

An important part of the role of the Electricity Ombudsman under the Act is to identify and review issues arising out of complaints and to assist electricity entities to develop procedures to resolve complaints. On disaggregation, each of the new electricity entities adapted the existing complaints management system, which had up until that time, been administered within the Hydro Electric Corporation. The system was in fact well developed and yet following disaggregation and the inevitable shifting of personnel across the several entities, it became evident that appropriate linkages of new personnel and complaint handling systems needed to occur to meet the new entities' individual needs. The introduction of the Aurora Call Centre and the gradual phasing out of Customer Service Centres (which had become the main customer interface of the Hydro Electric Corporation) along with the physical relocation of staff, all impacted upon the entities, bringing new challenges. For example, the Call Centre which handles the bulk of customer contact through electronic means is quite separate from that part of Aurora which deals with aspects of credit payments and that group is itself separate from the Aurora management team. Whilst physical separation alone may not be altogether critical, the changes occurred simultaneously requiring unavoidable adaptability.



The licensing requirements of the Electricity Regulator imposed upon each entity presented issues which required the close attention of the entities encompassing procedural and human resource issues. Furthermore, ongoing training has been recognised as a priority as each entity consolidates its position in the new market place. Entities continue to be impacted by national standards for Quality Assurance in complaint handling and monitoring of their adherence to those standards are necessary.

The Electricity Ombudsman is in a unique position to assist in the process. Its membership in the National Electricity Ombudsman Network (NEON) places it in a position of knowledge in respect to similar Quality Assurance competency testing in Victoria and New South Wales (and shortly South Australia). The availability also of the Ombudsman's own Professional Development Program which emphasises, through the accreditation modules, the importance of appropriate action both within and without organisations, adds to this competency. It is recognised that this office may not have on hand all the technical assistance it needs to complete such an audit given that issues of this type are bound to arise during the course of any audit. There are a number of ways in which this can be addressed. The Ombudsman could contract in that additional technical expertise as part of a team approach to the project. Alternatively, the entities could commission such an audit following Terms of Reference which are discussed and ultimately agreed by the Electricity Regulator and the Electricity Ombudsman. The Electricity Ombudsman can then provide an audit role of the probity and integrity of the underlying review.

The Electricity Ombudsman has had initial discussions with the Chief Executive Officer of Aurora, Mr McIlfrick with a view to determining appropriate Terms of Reference for an industry audit of Aurora's compliance with national standards and will conduct similar discussions with the other two entities in the near future.

It remains imperative that the development of the Terms of Reference include the Electricity Regulator and become a consensual and collaborative process as the expectations of customers remain high particularly with the developments in technology.

Privacy 1%

Only 3 complaints were received relating to privacy issues. 2 complaints involved details released by Aurora staff to others. The 3rd complaint related to a connection in a false name.

Dismissed Complaints

There was only one complaint dismissed during the first year of operation. This was because the complaint related to an incident that was more than 2 years old as per *the Electricity Ombudsman Act 1998*.



Complaints referred to Courts

There were no complaints referred to the legal system during the first year of operation.

Complaints Withdrawn

There were no complaints withdrawn during the first year of operation.

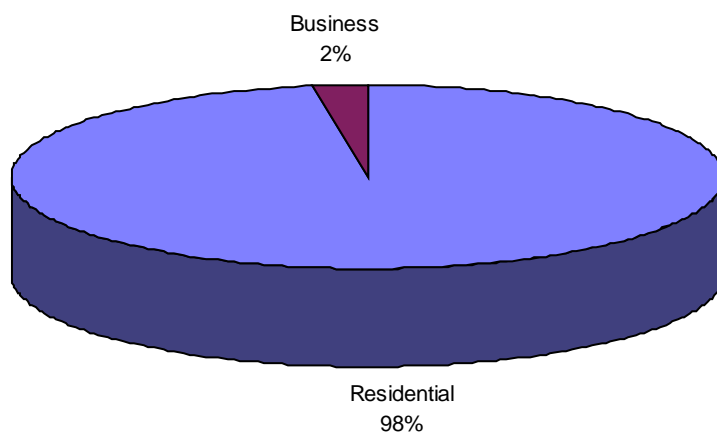
Complaints referred to the Regulator & Other Bodies

One complaint was referred to the Office of the Electricity Regulator regarding Aurora's Authorised Contractor's Scheme. However the Regulator sought information from Aurora and determined that he did not have jurisdiction in the matter. The complaint was subsequently handled by the Electricity Ombudsman.

Complaint Demographics

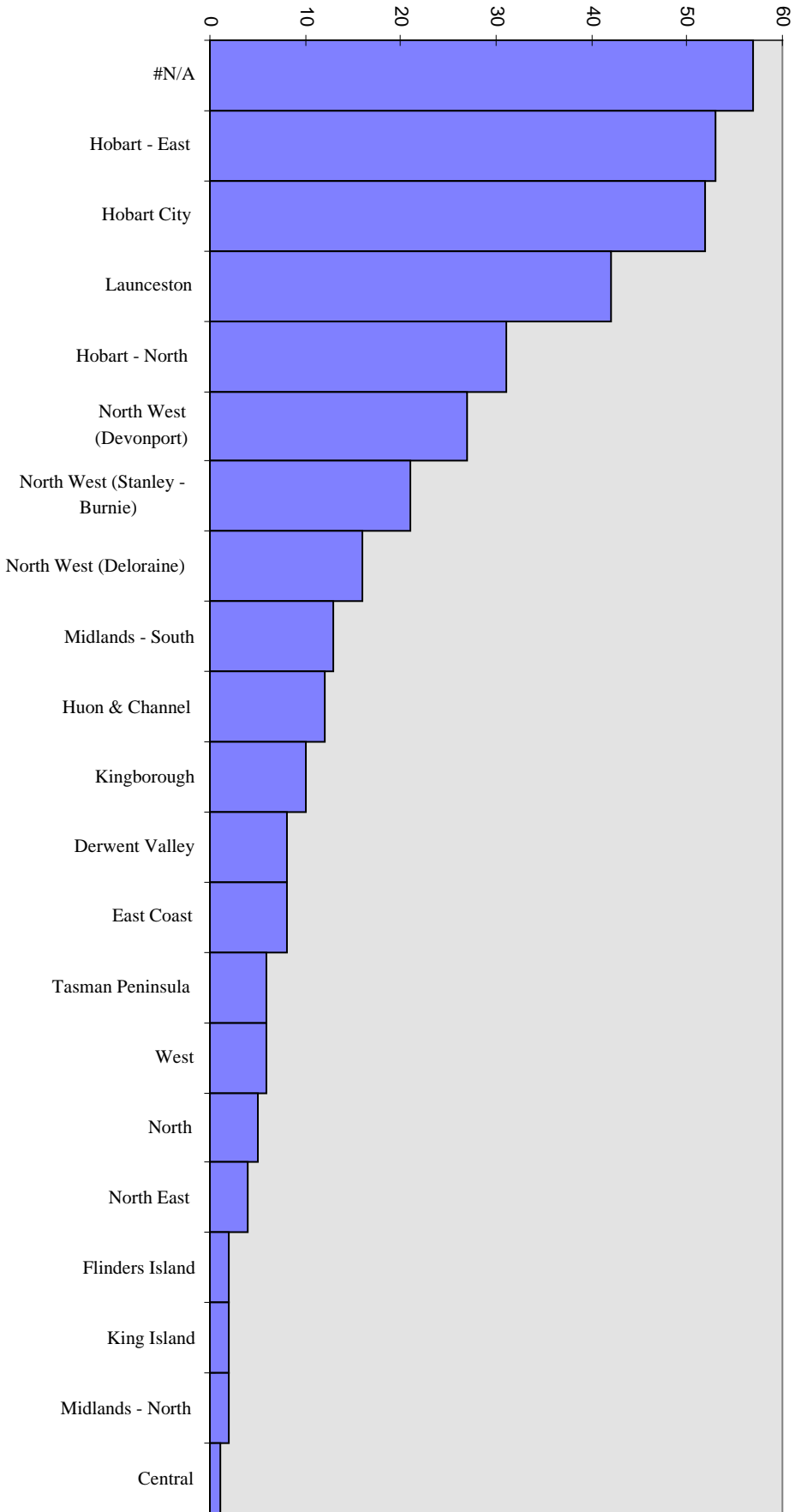
As may be seen in the chart below, only 2% of complaints received were from business customers. The lower number of complaints from business customers may result from the fact that business customers often negotiate contracts with Aurora where service delivery criteria is stated more specifically than residential customers who are subject to Aurora's standard tariff agreement.

Complaints from Residential vs Business Customers



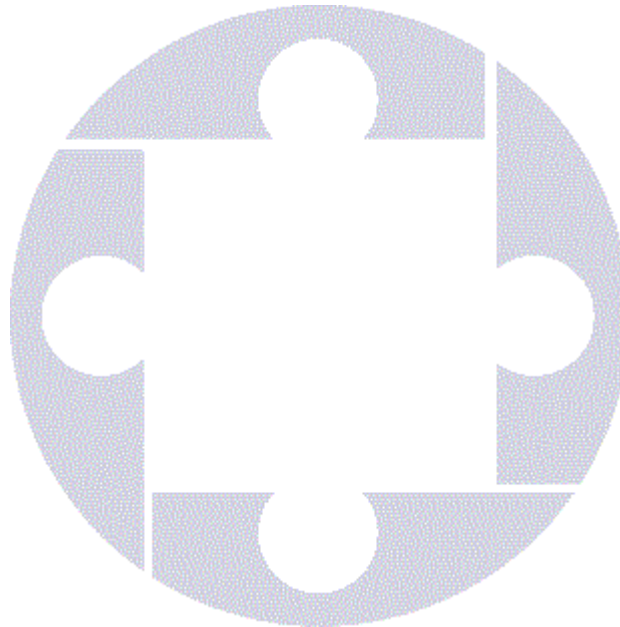
Notwithstanding the above, during 1999/2000 as part of our on going community awareness activities we plan to distribute information to organisations who act as 'gate keepers' for business complaints. This includes organisations such as the Tasmanian Chamber of Commerce and Industry and the Tasmanian Farmers and Graziers Association.





The following table illustrates the volume and status of complaints handled on a monthly basis during the first year of operation:

	Opened In Month	Closed But Not Opened In Month	Opened Before & Closed After Month	Active
July	13	0	8	21
August	18	4	7	29
September	23	5	8	36
October	32	8	11	51
November	41	6	15	62
December	18	10	12	40
January	31	10	8	49
February	30	11	6	47
March	46	9	3	58
April	34	3	7	44
May	35	11	8	54
June	32	14	4	50



CHAPTER 5

Measures to improve accountability, access and effectiveness

External Service Issues

The Professional Development Program for Entities

The professional development program offered by the Ombudsman began when it was realised that a significant number of complaints to this office could have been resolved at the point of service. Instead, they progressed to the stage where complainants felt it necessary to contact the Office of the Electricity Ombudsman.

The program was designed to provide support to electricity entity staff to build on their expertise to handle complaints effectively. This would enable complaints to be resolved more quickly at the point of service and provide information to improve the quality of service delivery. The skills and expertise gained also being intended to make it possible for staff to better represent themselves in their own organisation and to ensure wherever practicable that complaints units possess a sufficient delegation to resolve complaints without extensive further referrals. This also means that the resources of the Electricity Ombudsman can be more appropriately used for complex, serious or major matters.

The principles supporting the establishment of the professional development program to strengthen complaint management skills at the service delivery level include:

- viewing service delivery from the service users perspective as well as from the technical aspects of quality service delivery;
- providing frontline staff with the knowledge, skills and techniques to handle complaints effectively;
- developing communication skills and techniques appropriate to the needs of customers and the services offered;
- encouraging feedback from customers in identifying issues of concern and suggestions for service improvement;
- using the information gained from customers to improve service delivery; and
- supporting managers to put in place formal and on-going continuous complaint improvement systems and processes.

The Ombudsman's office ran a number of courses ranging from complaint handling procedures for frontline staff to conciliation courses required for more complex dispute resolution. Aurora, Transend and Hydro were offered places in these courses free of charge. The Electricity Ombudsman Act 1998 requires that this office assist entities in their complaint handling processes.



Three Aurora staff have attended conciliation courses. These courses are invaluable to employees dealing with disgruntled customers; the conciliation course being of specific value to those officers out in the field negotiating with customers about placement of poles, and also for use in internal complaint resolution, and the resolution of complex and/or serious complaints from customers.

By providing professional development support to assist complaints resolution at the point of service, the quality of the relationship between the service user and provider can often be maintained or enhanced.

Similarly, the prevention and early resolution of complaints can assist to decrease the stress and costs associated with a complaint from both the user and the service provider.

Presentation to Banking / Telecommunication Ombudsman

In February 1999, the Electricity Ombudsman made presentations to groups in Launceston and Hobart along with representatives from the banking, telecommunications and insurance industry ombudsman offices. The presentation was to a variety of people from industry, welfare and consumer backgrounds. The presentations were successful and we were able to clarify awareness and functional issues.

Statewide Visitation Program

Public Awareness - *A Focus on Getting the Message Out*

In October, the Royal Hobart Show was a venue for an information stall for the function of the Electricity Ombudsman and the office also shared a site at Agfest (a large agricultural and craft field day in the north of the State) in early May of this year. Our aim being to encourage increased awareness of the existence and function of the office among the community from all areas of Tasmania.

In February, the Electricity Ombudsman made presentations to groups in Launceston and Hobart along with representatives from the banking, telecommunications and insurance industry ombudsman offices. The presentation was made to a variety of people from industry, welfare and consumer backgrounds. The presentations were very successful and we were able to clarify awareness and functional issues for participants.

Awareness sessions were held with Anglicare and Tascos and several intrastate trips were taken to raise public awareness of the function of the Electricity Ombudsman. The Electricity Ombudsman had an independent stall at the official launch of Aurora Energy Pty Ltd in November of 1998.



Regular advertisements on HOFM radio and limited Television advertising on Southern Cross were also used throughout the year to spread the message as widely as possible.

Future public awareness

Now that the office has been operating for a full year, it is intended to shift the focus somewhat to taking a more proactive role in ensuring that members of the public are aware of the Electricity Ombudsman. This will entail working with the local Councils and community organisations to hold sessions with different community groups in an informal way and to be on hand to answer any questions that the general public may have. We are keen to encourage links with other service organisations such as Anglicare and City Mission. In addition to referrals from our office, we encourage Aurora to refer financially disadvantaged customers to Anglicare's financial counselling service. The independence of the Ombudsman allows dialogue with industry, regulators, government, community and consumers.

We also plan to make information available through Service Tasmania shops and websites, the development of our own website where complaints may be lodged electronically, and displays containing brochures and information at local council offices.

Internal Service Issues

Benchmarking

Benchmarks for Industry Based Customer Dispute Resolution Schemes released by Senator the Hon. Chris Ellison Minister for Customs and Consumer Affairs in August 1997 is used by the Office of the Electricity Ombudsman as the benchmark for complaint handling. This has the dual benefit of ensuring national quality and consistency, and it also compliments the functions of the Electricity Ombudsman as stated in the Act. It also provides a benchmark for electricity entities to enhance the customer/provider relationship.

Benchmarks are currently being developed for the Office of the Ombudsman which will be applied to the Electricity Ombudsman. The benchmarks are being formulated in alignment with other Ombudsman throughout Australia to ensure national consistency.

Audit / Performance analysis of Aurora, Transend, Hydro complaint handling processes

The Electricity Ombudsman's office has offered to perform an audit on the electricity entities' complaints handling processes. This will enable the companies to identify areas for improvement and measure their processes against some national benchmarks for complaint handling.



The benchmarks encourage an informal and inquisitorial style of dispute resolution rather than a formal or adversarial style. Emphasis is placed on early resolution of complaints by consensus.

BENCHMARK 1

ACCESSIBILITY

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

BENCHMARK 2

INDEPENDENCE

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

BENCHMARK 3

FAIRNESS

To ensure that the decisions of the scheme are fair and are seen to be fair.

BENCHMARK 4

ACCOUNTABILITY

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

BENCHMARK 5

EFFICIENCY

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

BENCHMARK 6

EFFECTIVENESS

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



Development of Investigation Manuals

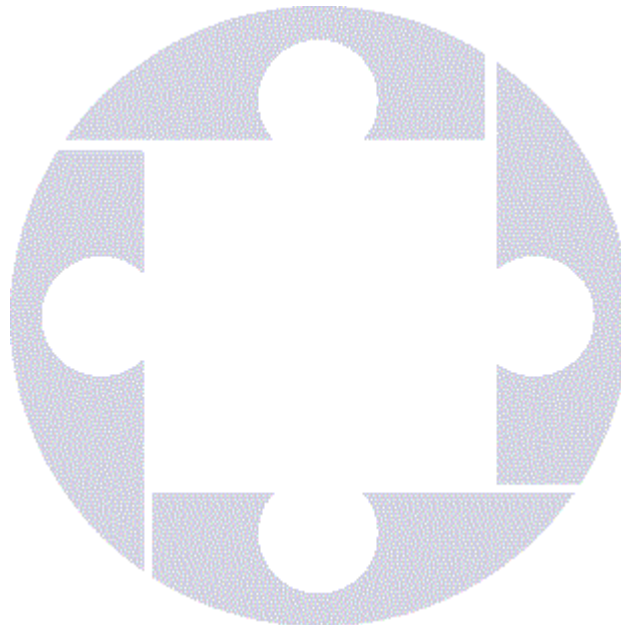
Manuals containing guidelines for investigation officers were developed for the Office of the Electricity Ombudsman. The manuals are useful as a reference tool and induction for new employees. They contain a wide range of information on the functions of the office and guidelines for investigation and complaints handling.

Internet

With ever increasing access to the internet by the community, the development of a website for the Office of the Electricity Ombudsman is essential. Plans are underway to train Electricity Ombudsman staff in web page development. This will allow the site to be customised and updated on an ongoing basis more effectively whilst keeping costs to a minimum.

It is planned to facilitate the electronic lodgement of complaints via the website and to keep electricity customers informed of their rights and obligations under Tasmanian legislation.

It is also planned to link this web-site with Service Tasmania to enable us to reach a wider section of the community.



Developing a Precedent Information Database

New Database (Raemoc)

National Electricity Ombudsman Information Collaboration - data & trends

A group has been established between the 3 electricity ombudsman offices to create a national database of electricity complaints. The purpose of this database is to establish an equivalent basis of comparatives.

Background

Raemoc v3 is an Access 97 database compatible with Windows 95, 98 and NT. It was originally developed in Access 2.0 by the ACT Health Complaints Commission.

The system has been expanded and enhanced to cater for complaint handling for:

- Health Complaints
- Ombudsman
- Electricity Ombudsman
- Agency in-house complaint handling (suitable for government departments, hospitals, schools - any organisation wishing to monitor and obtain valuable information from complaints)

The development process has included heavy involvement with investigation officers with an emphasis on creating a system is that it is easy to use and intuitive to the investigation process.

The aims of the system are:

- To aid investigation officers in time management of their cases
- To improve control, accountability and robustness in the complaint handling process
- To assist managers in the allocation of cases, and monitoring of workload and performance
- To provide a comprehensive records management function
- To provide sophisticated reporting and statistical functions

Overview of the system structure (Ombudsman)

To log a new case, information is stored about

- the *Aggrieved Person* (person who received the service);
- the *Complainant* (person who makes the complaint - may be different to the Aggrieved person eg, lawyer, relative, guardian);
- the *Agency* (about which the complaint is received).

Also stored are the *issues* involved in the case and the *objectives* that the aggrieved person wishes to gain from making the complaint. When the complaint is closed, the actual *outcome* of the case is compared with the initial objectives.



A case is made up of a complaint with a series of *actions* made on it by officers. Examples of actions are:

- Moving a case to a new stage
- Phone calls (incoming & outgoing)
- Correspondence (incoming & outgoing)
- Meetings, research, reports, etc

Raemoc assists officers by providing a *Case Diary* which shows all the cases scheduled for action on any particular day, and a *To Do List*.

There is also a list of *Related Cases* which allows officers to view other cases about the same issue, or the same agency, complainant and/or provider. The office can also flag cases to add to lists of cases for the Annual Report, cases for a special project, or precedent cases.

Benefits of Raemoc v3

- Implement and track performance indicators and benchmarks for your office
- Improves the use of effective time management in handling cases... avoids losing track of cases.
- Increases the ability of management to obtain information from the system - many of the reporting functions are built in and easy to use.
- Easy for case officers to use and very useful in day-to-day investigation work
- The database administrator in your office can update field values and change reports or templates easily without the need to call in external help
- Easy to maintain (advanced knowledge of Access is widely available among IT departments) - There will also be a maintenance agreement and help desk contact with the developer.
- Easy to obtain ad hoc reports from - anyone with basic knowledge of Access queries can obtain valuable reports and statistics.
- Is a relational database built with separate modules - This means it is simple to customise the system to suit your needs.

The database is a valuable tool for in-house complaint handling (suitable for Government Departments, hospitals, schools or any organisation wishing to monitor and use valuable information from complaints.

For further information Contact:

Bridget Hiller
Ombudsman's Office (Tas)
GPO Box 960K, Hobart, Tas 7001
Phone: (03) 6233 8972
Fax: (03) 6233 8966
Email: bridget.hiller@justice.tas.gov.au



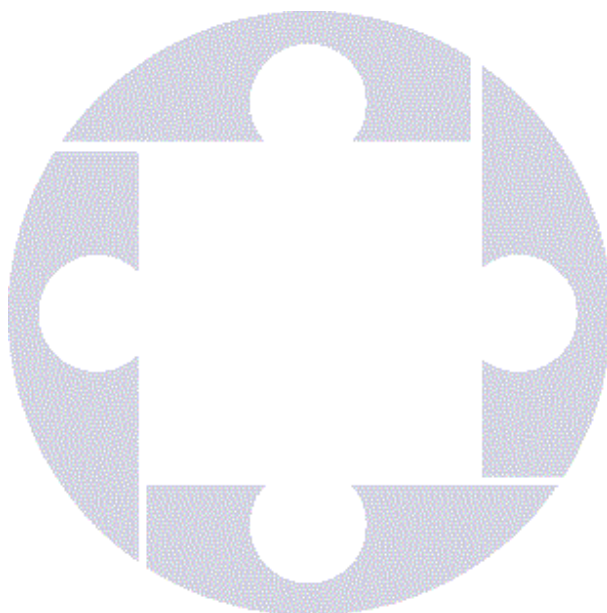
Staff Professional Development

It is an initiative of this office to provide fortnightly sessions when representatives from different agencies are invited to come and speak to staff. These are quite informal sessions involving a 30 - 45 minute talk on the aims and objectives of the agency involved, ending with a time for questions or informal discussion. These have proved most beneficial in widening the knowledge base of staff and fostering communications and positive exchanges of information. To date, in the Electricity area we have been pleased to welcome, Brent D'Alton, Distribution Operation Manager, Network Division of Aurora Energy and John Hammersley, the Chief Electrical Inspector.

Staff Training - Investigation Skills Workshop, Site Visits

Staff of the Electricity Ombudsman are continuing ongoing training, which has included site visits with our technical advisor, Mr Greg Luck. Earlier this year, staff were taken all around the Hobart area and shown the practical outworkings behind the supply of electricity - sites included the Transend substation at New Town, the ongoing development of the Rokeby industrial area

In several weeks time, staff will be meeting with investigation officers from the Energy Industry Ombudsmen offices in New South Wales and Victoria to gain further knowledge and consolidate a consistent approach to complaint handling within the national electricity supply industry.



CHAPTER 6

National Electricity Ombudsman Network (NEON)

There is at present an Ombudsman in both Victoria and New South Wales (known as the Energy Industry Ombudsmen). In March 1999 a protocol was agreed upon and signed by the Electricity Ombudsman in Tasmania and the Energy Industry Ombudsmen in both of these States. 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 whenever 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 Ombudsmen from the three States have been meeting quarterly since August 1998 to brief each other on their binding decisions and to ensure standards of consistency and quality in decision making. NEON are in the process of developing a national database of electricity complaints so that common issues being encountered around Australia can be identified.

NEON Seminar

On Monday 8 February 1999, the Hon Paul Lennon MHA, Deputy Premier and Minister for Infrastructure Energy and Resources opened the first National Electricity Ombudsman Network Seminar in Hobart at Salamanca Inn. The Seminar was entitled *Electricity Regulation and Oversight...help or hindrance?* and presentations were given by the Electricity Supply Authority of Australia, the Electricity Regulator, the Energy Industry Ombudsman of Victoria and New South Wales, Australian Competition and Consumer Commission, Energy Planning and Conservation, Aurora Energy Pty Ltd, Transend Networks and Anglicare.

The main aim of seminars such as this is to ensure consistent decisions are made, and consistent data is collected across all states, to enable benchmarking against a national standard. The value of such conferences to the local electricity entities is also significant, as it emphasises that the problems that are occurring are being handled in a way that is consistent throughout the nation. Based on its success, another national seminar will be held in 2000.

Year 2000 - National NEON Conference

Another National Electricity Ombudsman Network national conference will be held in 2000. Based on the success of the event in February 1999, the main aim of conferences such as this is to ensure consistent decisions are made, and consistent data is collected across all states, to enable benchmarking against a national standard. The value of such conferences to the local electricity entities is also great, as it emphasises that the problems that are occurring are being handled in a way that is consistent throughout the nation.



Chapter 7

Power Surges

An important issue that has arisen in the first year of the Electricity Ombudsman is that of Surges. As this issue is being tested in the Federal Court it is likely to be ongoing. The Electricity Ombudsmen are not directly involved in this action but are interested in the outcome, particularly as it will represent an independent arbiters determination on who will bear the risk of damage through surges.

The Electricity Ombudsmen have, as a group, determined to treat each case involving a claim attributable to a surge in the electricity supply, on a case by case basis, taking into account the responsibilities of both parties viz the electricity entity and the consumer. The next Annual Report and certainly ongoing quarterly reports will continue to address more definitively this issue as the legal basis becomes clearer. In the meantime, however it is worthwhile that the view of the Electricity Supply Association of Australia and that of the respondent to the Federal Court Action, the Australian Competition and Consumer Commission (ACCC) be recorded.

View of the ACCC

“The ACCC notes that the Electricity Supply Association of Australia (ESAA) has issued a press release denying that power companies are liable to compensate consumers for damage caused to appliances and other property by defects in the power supply.

The Commission is disappointed at the customer unfriendly response of the ESAA, said Professor Allan Fels, Chairman, ACCC. The ESAA is responding on behalf of suppliers who are more concerned with their own interests than those of consumers, unlike suppliers in a more competitive industry. It needs to be remembered ordinary consumers have no choice of electricity supplier.

It appears that ESAA misunderstands both the undertaking given by Energy Australia and the conduct that triggered the ACCC investigation. Energy Australia has not disputed that they may have misled customers when they advised them that, *so far as the law allows, Energy Australia is not liable for any loss of damage that you suffer because of the electricity or services you get under [the Customer Supply] contract.* Such statements lead consumers to think that they have no rights under the Trade Practices Act -it is unlawful to mislead consumers about their rights.

The ACCC has solid legal opinions that the implied warranty provisions of the Trade Practices Act apply to the supply of electricity to consumers. The key issue is that electricity suppliers owe the same obligations to consumers as do suppliers of any other good or service. While there may be other legal opinions, the Commission believes that the application of these important consumer protections rests on firm ground.



The Commission welcomes the consumer friendly attitude which has been adopted by Energy Australia and expects that consumers will demand that other suppliers match Energy Australia's commitment."

View of the Electricity Supply Association of Australia Limited (ESAA)

"The electricity supply sector has obtained seven legal opinions, including four from leading QCs, stating that the ACCC is wrong in law to suggest that electricity businesses should be liable for damage caused by power surges beyond their control.

The sector's peak body, the ESAA has presented opinions to the ACCC underscoring that the clear weight of legal advice is against the Commission's view. The seven legal opinions provided to the electricity supply sector disagree with the ACCC legal opinion that the occurrence of a power surge which is not the fault of an electricity distributor nevertheless involves a breach of the contractual conditions implied by section 71 of the Trade Practices Act.

In addition, the Federal Government has received legal advice from its Chief General Counsel which agrees with the advice received by the electricity supply sector. ESAA's legal advice is that the only logical conclusions a court could reach are that:

- electricity is supplied with the risk of power surges caused by factors beyond the control of the supplier, and
- there can be no breach of the implied conditions of merchantable quality as a result of a power surge beyond the control of an electricity distributor or retailer.

ESAA believes the ACCC should approach the issue of loss and damage caused by power surges with the understanding that electricity customers could sustain significant long term increased costs through the imposition of an onerous new regulatory environment, said ESAA Managing Director, Mr Keith Orchison.

Electricity businesses are liable for power surges that result from their own negligence and may be liable for power surges caused by equipment failure in some circumstances. However, they should not be liable for power surges that are the consequences of acts of God, acts of negligence of other parties, or are otherwise outside their control. That is what the electricity sector and Federal Government legal opinions have confirmed, Mr Orchison said.

In the meantime, the electricity supply section will continue to work with its customers to provide information and education about ways in which customers can guard against power supply interruptions including power surges."



Chapter 8

Other Activities during the first year of office

In July 1998 the office of the Electricity Ombudsman was officially opened. Pamphlets with contact details were printed and placed in various community organisations, awareness sessions were held statewide and media advertising was commenced.

Establishing Protocols with Stakeholders

Memorandum of Understanding (Regulator)

The Offices of the Electricity Regulator and the Electricity Ombudsman have a synergic relationship in promoting best practice within the Tasmanian electricity industry.

Complementary to the functions of the Electricity Ombudsman, the Electricity Regulator exercises his powers under the *Electricity Supply Industry Act 1995*. His functions are to:

- promote efficiency and competition in the electricity supply industry;
- establish and maintain a safe and efficient system of electricity generation, transmission, distribution and supply;
- establish and enforce proper standards of safety, security, reliability and quality in the electricity supply industry; and
- protect the interests of consumers of electricity.

Apart from his determinative powers the Electricity Ombudsman may only make recommendations regarding compliance to rules and regulations. The Regulator in contrast has the power to enforce compliance by electricity entities and electrical contractors. He also oversees electricity tariff increases.

A Memorandum of Understanding with the Electricity Regulator's office has been established which provides a framework for co-operative information sharing between the offices.

Meetings

The Electricity Ombudsman has regular meetings with the Electricity Regulator and Aurora. This ensures that communication between the three bodies is maintained and where appropriate offices can work together towards similar goals.



Joint Launch

On 26 November, 1998 the Electricity Ombudsman held a joint launch in conjunction with the Tasmanian Electricity Regulator. The two offices were officially launched by the Minister for Infrastructure, Energy and Resources, the Hon Paul Lennon MHA and both Andrew Reeves, Electricity Regulator and Damon Thomas, Electricity Ombudsman spoke of the benefits to consumers in having impartial regulation and oversight of the state's electricity entities.

Thank/Acknowledge

My team and I would like to extend a warm and sincere thankyou to our interstate colleagues in the Office of the Energy Industry Ombudsman Victoria (EIOV) and the Energy Industry Ombudsman New South Wales (EION). Their advice and information sharing were invaluable in the setting up of the Tasmanian Office.

Thankyou to the Electricity Regulator and his staff for their on-going advice and sharing of information.

I would also like to thank the electricity entities and in particular Aurora and their staff for their continuing co-operation in striving to meet industry best practice in service delivery and complaint resolution throughout the year. In the first year of disaggregation which has seen a huge cultural and business focus shift for electricity entities, feedback from the community indicates that on-going improvements are occurring within the Tasmanian electricity supply industry.

A special acknowledgement of thanks to Richard Bevan, CEO of Transend, Geoff Willis, CEO of the Hydro Electric Corporation, Norm McIlfattrick, present CEO of Aurora and Robert Kimber, who during this reporting period was the Acting CEO of Aurora.

Thanks also to Anne Reed and the Minister's Office for help and assistance in the establishment of our office during its early initial phase..

Newsletter

The Electricity Ombudsman plans to produce a quarterly newsletter. This will be available to general consumers and will provide a range of information which will be of value in educating the public about electricity issues and also raise the awareness of the office. Topics to include:-

- Power Surges - ACCC / ESAA battle
- Electricity Ombudsman's Function
- Electricity Regulator's Function
- How to keep your electricity bills down

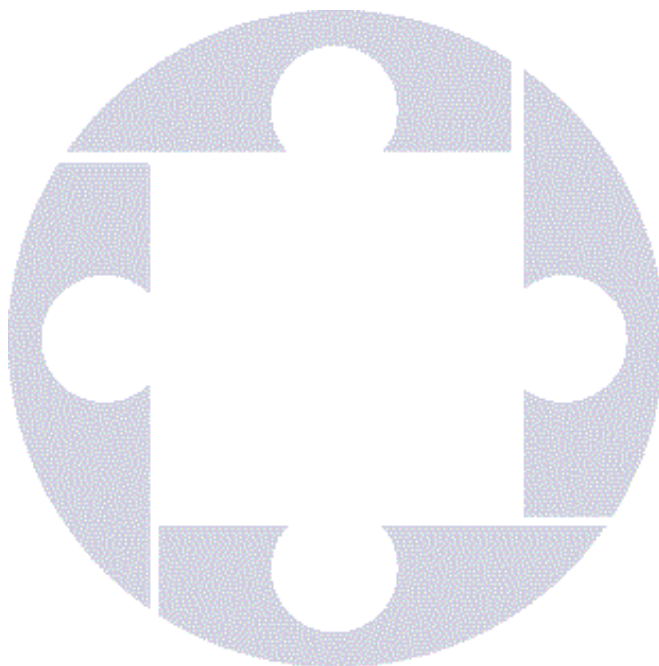


Development of Power Audit software

A common complaint is one of high bills. It is very difficult, especially with the disappearance of Aurora customer service centres, to determine and explain to customers what the cause of their high bill may be, and what avenues are available to them to once their meters have been checked.

Aurora are in the process of loading an audit function into their web page. This is designed to enable a customer (or an Electricity Ombudsman officer) to enter in the size of their house, what form of heating, how many showers per day, etc. It will then calculate an estimated usage figure which the customer can compare with their bill.

The Victorian Electricity Ombudsman's office has similar software installed in their office. The Tasmanian Electricity Ombudsman will assess the usefulness of Aurora's web site, and may also install a version in it's office after assessing the value of any alternative system in place in the other Electricity Ombudsman's offices.



Electricity Ombudsman Funding

Budget 1 July 1998 to 30 June 1999

Year to Date Actual vs Estimate as at 30 June 1999

	Annual Estimate	Monthly Estimate	YTD Actual	YTD Variance
Expenses				
Employee Related	\$ 128,244	\$ 10,687	\$ 170,136	-\$ 41,892
Fuel Light & Power	\$ 2,165	\$ 180	\$ 1,211	\$ 954
Administration	\$ 78,915	\$ 6,576	\$ 57,323	\$ 21,592
Other Expenses	\$ 39,196	\$ 3,266	\$ 16,259	\$ 22,937
TOTAL EXPENSES	\$ 248,520	\$ 20,710	\$ 244,929	\$ 3,591
Revenue				
Aurora	\$ 173,964	\$ 14,497	\$ 173,964	
Hydro	\$ 24,852	\$ 2,071	\$ 24,852	
Transend	\$ 49,704	\$ 4,142	\$ 49,704	
TOTAL REVENUE	\$ 248,520	\$ 20,710	\$ 248,520	
Non-Current Assets	\$ 8,000	\$ 667	\$ 3,156	-\$ 4,844
BALANCE C/F				\$ 3,591

It is anticipated that future funding will be based on the volume and complexity of complaints handled for each electricity entity on a pro rata basis. However, as there were no precedents for the first year of operation, the Electricity Regulator agreed with the Electricity Ombudsman that each entity would pay a pro rata contribution as follows:

Entity	HEC	Transend	Aurora
Funding	10% \$24,852	20% \$49,704	70% \$173,964

