



ENERGY RETAILERS COMPARATIVE PERFORMANCE REPORT – CUSTOMER SERVICE

2011-12

December 2012

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OVERVIEW

This 2011-12 comparative performance report continues the Commission's regular oversight and reporting of the Victorian energy retail market. It complements the *Energy retailers comparative report —pricing 2011-12* and reports on how well retailers treat their customers, particularly by helping financially vulnerable customers stay connected to essential services.

This report has highlighted some areas of concern for the Commission. The data suggests that retailers are increasingly resorting to disconnection for non-payment, rather than financial assistance to stay connected. Fifty per cent of disconnected customers are reconnected within 7 days, yet there is no increase in hardship program participation or payment plans. In fact there was a slight decline in the number of hardship participants in 2011-12. Further to this, customer service performance is declining and complaints to retailers remain at record highs for the second year running.

The Commission plans to consult with industry and community groups to assess what barriers exist between customers and the financial assistance that retailers can provide. It is important that more customers can access these programs as the results show that financial outcomes improve and customers are more likely to stay connected when they are assessed as requiring financial assistance.



DISCONNECTIONS AND HARDSHIP

This year retail energy companies were more vigorous in disconnecting customers who did not pay their bills and were not in financial hardship. The statewide disconnection rate significantly increased this year to 1 per 100 residential electricity customers, up from 0.77 in 2010-11 (a 33 per cent increase). The disconnection rate for gas customers also increased; retailers reported 1.1 disconnections per 100 gas customers, up from 0.74 in 2010-11 (a 50 per cent increase). This brings disconnections close to historically high levels and high by interstate comparison.

This approach to non-payment appears to be effective from the retailer's viewpoint. Fifty per cent of disconnected customers were able to be reconnected within 7 days, showing these customers are able to make outstanding payments and be reconnected. However, the Commission is concerned that the energy companies may not be proactively assessing customers experiencing payment difficulties, particularly as half of the disconnected customers remained so for more than 7 days. Many of these customers may need to be in a hardship program or on a payment plan to enable them to stay connected. This is supported by the hardship data for 2011-12. Hardship program participation and budget instalment plans remained steady this year; we would expect these figures to rise, following the increase in disconnections

We intend consulting with industry and community groups to determine if there are any barriers impeding customers' access to financial hardship programs. Planned audits in 2012-13 will also concentrate on the effectiveness of hardship assessment processes followed by the Energy retailers.

CALL CENTRE PERFORMANCE AND CUSTOMER COMPLAINTS

Despite minor improvements in 2011-12, energy retailers continue to demonstrate poor customer service. Call centre results show the average wait time to speak to an operator was 107 seconds, up from 101 in 2011-12 and 8 per cent of calls were abandoned before being forwarded to the operator. Comparisons with the Victorian water sector show wait time to speak to an operator was 71 seconds, 36 seconds less than the energy wait time. Similarly, the water sector reported 74 per cent of calls were answered within 30 seconds, compared to 64 per cent for the energy sector.



Customer complaints reported by retailers for electricity were also high in 2011-12; complaints rose to 4.7 complaints per 100 customers from 4.1 in 2010-11 and have more than doubled since 2009-10. Gas related complaints were significantly fewer than electricity complaints, at 1.5 per 100 customers, up from 1.1 in 2010-11 again representing a significant increase.

The Commission compared complaints reported by retailers with the number of complaints recorded against the retailer by the Energy and Water Ombudsman (Victoria) (EWOV). Examining both data sets identifies systemic issues with complaints; a high number of retailer recorded complaints combined with a high number of complaints investigated by EWOV can be a clear indicator of poor complaint resolution by a retailer. Conversely, higher numbers of complaints recorded by retailers, with minimal EWOV complaints, indicates an effective complaint handling process. While there was an 8 per cent decline in EWOV investigated complaints in 2011-12, the complaints to EWOV were still 44 per cent higher than two years ago, indicating there is much room for improvement.

The Commission will use its 2012-13 audit program to assess retailers' customer service standards and will look at what steps can be taken to help improve service to Victorian customers.



1. ABOUT OUR REPORT

1.1 ABOUT THIS REPORT

The Essential Services Commission (the Commission) has reported on the performance of Victorian energy retailers since the mid-1990s. These reports bring transparency to the performance of the energy retailers. By focusing on indicators that show how retailers operate and treat their customers, we can better understand how the Victorian competitive market. The reports enable trend analysis over time and a comparison of how well the retailers provide services to their customers.

We give particular attention to how retailers deal with their more vulnerable customers, such as those experiencing short or long term difficulties with paying their bills. These customers are often less confident in negotiating their options and rights with their energy retailer. We particularly monitor the assistance retailers provide to ensure these customers stay connected to supply.

In a separate report, *Energy retailers comparative performance report—pricing 2011-12*, we outline the standing and market offer products available to Victorian consumers. That report presents electricity and gas costs over time, and compares retailers' tariffs in each distribution zone in the state. The report can be downloaded from our website (www.esc.vic.gov.au).



1.2 WHAT THE REPORT COVERS

This report provides information on the following areas of performance in the Victorian gas and electricity market:

- Chapter 2, '**Financial hardship**', evaluates the effectiveness of retailers' programs and payment plans in assisting customers in financial hardship, as well as state funded relief grants and concessions available to assist those customers.
- Chapter 3, '**Disconnections**', examines the credit management policies of retailers by the rates of disconnection and reconnection of customers for non-payment of bills, particularly for customers with financial difficulties.
- Chapter 4, '**Call centre performance and complaints**', considers customers' satisfaction with the retail service through retailers' accessibility and responsiveness to customer enquiries and complaints.

The *Electricity Industry Act 2000 (Vic)* (the Electricity Act) and the *Gas Industry Act 2001 (Vic)* (the Gas Act) require energy retailers to comply with service standards and procedures. These service standards and procedures are set out primarily in regulatory instruments, including the Energy Retail Code and the Code of Conduct for Marketing Retail Energy in Victoria. The performance indicators address key obligations under these regulatory instruments, and the retailers must report against these indicators in accordance with the Information specification (service performance) for Victorian energy retailers. These documents are available on our website (www.esc.vic.gov.au).

We primarily collected the data in this report from energy retailers. Additional data are from the Energy and Water Ombudsman (Victoria) (EWOV) and the Department of Human Services (DHS). We supplement the call centre performance information reported by retailers with independent market research by Customer Service Benchmarking Australia (CSBA).

Before publishing this report, we circulated it to all retailers for comment. We added their comments where appropriate.



1.3 AUDIT RESULTS AND FUTURE REPORTING

In 2010-11, the Commission audited a selection of performance indicators for data quality and compliance with the Energy Retail Code and the Information Specification (service performance) for Victorian energy retailers. Audit results showed varied performance by retailers across the assessed indicators. Many unsatisfactory audits were a result of data being collated by manual processes and human interaction with the data. Other more systemic issues identified included retailers setting incorrect parameters for specific indicators.

In the 2010-11 customer service report we signaled our intention to re-audit retailers who provided specific unsatisfactory results and we said that we would not publish data that was noncompliant in this report. Unfortunately, Victoria's deferral to transition to the National Energy Customer Framework (NECF) has prevented us from completing the re-audits. In 2013 we intend aligning our indicators to that of the Australian Energy Regulator (AER) and reviewing the performance reporting framework and indicator definitions to make it easier for retailers to provide accurate data to us. We intend consulting with industry on performance indicators in early 2013 and then plan to audit retailers by the end of the 2012-13 financial year.

We note that historical and current 2011-12 data may not be 100 per cent accurate and reliable, as in the past some retailers have failed audit requirements and have not resubmitted data for this report. However we believe that maintaining the historical analysis is useful and should still be relevant to interested parties and consumers.

Further information on auditing and compliance will be available in the compliance report 2011-12—due December 2012. This document will be available on our website (www.esc.vic.gov.au).



1.4 ENERGY MARKETS

The Victorian Government deregulated energy prices for all customers from 1 January 2009. All retailers now set their own retail prices. Victoria has 27 licensed retailers, of which 18 were active in the energy market for residential and business customers in 2011-12. Some of these retailers have a long history in the previously franchised market (the 'local' retailers: AGL, Origin Energy and TRUenergy), while others entered the market after it opened to competition. Seven retailers either had fewer than 1000 customers each at 30 June 2012, or sell to mainly large business customers (table 1.2).

MARKET CHANGES

2010-11

Origin Energy and TRUenergy purchased the retail business and existing customer base of Country Energy and EnergyAustralia respectively on 1 March 2011. Country Energy data are no longer reported separately as this data is now consolidated into Origin Energy performance data. TRUenergy continues to sell electricity under the brand name EnergyAustralia, so this report shows data for EnergyAustralia, but the customer numbers are shown as TRUenergy customers. Historical data remain in the report for EnergyAustralia and Country Energy when appropriate.

2012

In August 2012 TRUenergy changed its name to EnergyAustralia; it is reported as TRUenergy for this report.



ELECTRICITY MARKET SHARE

Table 1.1 breaks down average residential and business customer numbers in the Victorian electricity market. It also shows the per cent change in market share from 2010-11. Of the 29 retail electricity licences in Victoria, 19 retailers are active in the market and sell electricity to 2.67 million customers. Seven retailers either had fewer than 1000 customers each at 30 June 2012, or sell to mainly large business customers (table 1.2).

TABLE 1.1 AVERAGE CUSTOMER NUMBERS—ELECTRICITY
2011-12

Retailer	Residential	Business	Total	Change in market share from 2010-11
AGL	554 593	81 182	635 775	-1.5
Australian Power & Gas	116 904	0	116 904	0.7
Click Energy	6 611	703	7 314	0.1
Dodo Power & Gas	13 503	0	13 503	0.4
Lumo Energy	173 689	20 641	194 330	0.0
Momentum Energy	6 011	28 799	34 810	0.6
Neighborhood Energy	69 495	0	69 495	1.2
Origin Energy	549 605	91 070	640 675	0.4
Other ^a	866	1 923	2 789	0.1
Powerdirect	14 974	24 258	39 232	0.1
Red Energy	160 295	5 304	165 599	0.3
Simply Energy	97 952	10 368	108 320	-0.8
TRUenergy	568 216	62 035	630 251	3.1
All retailers	2 332 714	326 283	2 658 997	—

Note: EnergyAustralia customers are reported as TRUenergy customers. ^a See table 1.2. — Not applicable.



TABLE 1.2 AVERAGE CUSTOMER NUMBERS—ELECTRICITY, OTHER RETAILERS
2011-12

Retailer	Residential	Business	Total
AGL Sales (Old Elec)	0	12	12
Alinta Energy	378	0	378
Aurora Energy	0	254	254
Diamond Energy	488	63	551
ERM Power Retail	0	683	683
Sun Retail	0	21	21
TRUenergy Yallorn	0	890	890
All retailers	866	1 923	2 789

Note: Market share change is not shown for retailers with fewer than 1000 customers.

Table 1.1 shows:

- TRUenergy increased its market share by 3.1 per cent, reflecting it acquired EnergyAustralia's customer base on 1 March 2011.
- A similar trend was expected for Origin Energy's customer numbers after it acquired Country Energy's customer base on 1 March 2011. Country Energy represented 1.9 per cent of the market in 2010-11; however Origin Energy's market share increased on average by 0.4 per cent in 2011-12.
- Simply Energy and AGL also reported decreases in market share.

GAS MARKET SHARE

Table 1.3 breaks down average residential and business customer numbers in the Victorian gas market. It also shows the percentage change in market share since 2010-11. Of the 16 retail gas licences in Victoria, eight retailers are active in the market and sell gas to 1.87 million customers.



TABLE 1.3 AVERAGE CUSTOMER NUMBERS—GAS
2011-12

Retailer	Residential	Business	Total	Change in market share from 2010-11
AGL Sales	492 110	14 624	506 734	-0.1
Aurora Energy	0	5	5	—
Australian Power & Gas	101 235	0	101 235	1.3
Lumo	127 527	2 083	129 611	0.3
Origin Energy	423 771	12 795	436 566	-3.8
Red Energy	94 388	1 302	95 690	0.7
Simply Energy	82 667	1 456	84 123	-0.4
TRUenergy	495 332	19 778	515 110	4.7
All retailers	1 817 030	52 043	1 869 073	—

Note: Market share change is not shown for retailers with fewer than 1000 customers. EnergyAustralia customers are reported as TRUenergy customers. — Not applicable.

Table 1.3 shows TRUenergy and Australian Power & Gas reported the largest market share increase in 2011-12, by 4.7 per cent and 1.3 per cent respectively.

Overall, gas customer numbers decreased in 2011-12 because Origin Energy overestimated customer numbers in the years before 2011-12. This reflected two issues:

- they included serviced hot water meters (for bulk hot water)-which are not a separate customer
- they included inactive customer accounts with outstanding debts.

These issues were rectified and Origin Energy's 2011-12 data is now accurate.

Overall, Origin Energy's residential gas customers fell by 3.9 per cent in 2011-12.

Detailed information on market share can be found in the *Energy retailers comparative performance report-pricing 2011-12* (available at www.esc.vic.gov.au)



2 FINANCIAL ASSISTANCE

WHAT WE FOUND

Of all residential electricity and gas consumers in 2011-12, 18 879 (or 0.46 per cent) accessed retailers' financial hardship programs. This was down on the 2010-11 figure of 20 319 (or 0.52 per cent). Fewer customers who had previously participated in a hardship program were disconnected in 2011-12 than in the previous year; 884 customers were disconnected in 2011-12, down from 1159 in 2010-11.

The average days of participation in the hardship programs increased from 419 to 504 days in 2011-12, or almost three months longer than the average for the previous year. Of those customers who exited the program during the year, 48 per cent left because they did not comply with the program's requirements, down from 53 per cent in 2010-11 and 57 per cent in 2009-10. Of all customers on hardship programs, 4.7 per cent were disconnected (down one percentage point in 2010-11), and 28 per cent of those customers were reconnected within seven days.

The number of electricity grants the Department of Human Services (DHS) approved under the Utility Relief Grant Scheme remained steady in 2011-12. The total value of grants for electricity customers was \$5.17 million. Total government expenditure on concessions increased in 2011-12 by 26 per cent, up to \$204 million from \$161 million in 2010-11.

The number of budget instalment plans remained relatively steady over the past four years for both the gas and electricity businesses at 4.4 per 100 customers for electricity and 4.2 per 100 customers for gas.



2.1 WHY REPORT THESE INDICATORS?

Victorian energy retailers must assist customers to stay connected to electricity and gas supply by offering payment assistance, hardship programs and access to government concessions and grants. Some initiatives reported here are governed by legislative and regulatory requirements, while others are specific programs and assistance retailers voluntarily offer to their customers. The initiatives include:

- payment programs (budget instalment plans) to assist customers with short or long term financial difficulties
- Victorian government energy concessions and financial grants to help low income individuals and families pay their energy bills
- energy field audits to ascertain energy consumption patterns.

The indicators in this section give information on how well the retailers helped customers via their financial hardship programs and budget instalment plans. Information is also provided on the government funded concessions and grants.

On 3 May 2011 the Home Wise program ceased operating. A new rebate scheme for energy efficient appliances for low income households, run by the Department of Sustainability and Environment, will be covered in this report from 2012-13 (go to www.resourcesmart.vic.gov.au for details of this rebate).

2.2 RETAILERS' FINANCIAL HARDSHIP PROGRAMS

Overall participation remained steady in retailers hardship programs in 2011-12, despite a rise in the number of electricity disconnections reported this year.

Table 2.1 shows the industry-wide data the Commission collected for 2011-12, and compares the performance with 2010-11 and 2009-10. The 2011-12 financial hardship program data show:

- Program participation fell by 1440 participants from 20 319 in 2010-11. A total of 0.46 per cent of residential customers for gas and electricity participated in the program in 2011-12, down from 0.52 per cent in 2010-11.
- On average, there are approximately 11 191 customers in a hardship program every month. Of these 75 per cent are concession card holders, virtually unchanged from 2010-11 and 2009-10.



- The number of customers referred by a third party continued to decrease in 2011-12 down to 1180 from 1877 in 2009-10.
- The number of customers denied access to a retailer's hardship program continued to fall in 2011-12, down to 414 from 1185 in 2009-10, an overall decrease of 65 per cent over 2 years.
- The time customers spent in a hardship program increased to an average of 504 days-up 85 days (or almost three months) from the average time in 2010-11.
- The proportion of participants who left the programs because they did not comply with the terms fell to 48 per cent, down from 53 per cent in 2010-11 and 57 per cent in 2009-10. This means 52 per cent of participants exited the programs in agreement with the retailer.
- The average debt on entry to a hardship program increased in 2011-12, up to \$919 from \$630 in the previous year. Debt on exit remained similar in 2011-12 to previous years.
- Retailers disconnected 4.7 per cent of customers who participated in the programs-down one percentage point on the previous year.
- Reconnections of customers who were previously on a hardship program increased to 403 customers-up from 322 in 2010-11.
- The number of appliances provided under a hardship program increased to 580 from 513 in 2011-12 (including light globes).
- Only four retailers undertook energy field audits, down from seven in 2010-11; retailers provided 917 energy audits at no cost to the customer.

Overall these data suggest once a customer is classified by the retailer as experiencing payment issues or hardship, they are supported to pay their bills and their outcome improves. More customers were accepted into hardship programs, they stayed longer and were disconnected less frequently than in previous years.

However disconnections are increasing and overall participation in hardship programs stalled. This may suggest retailers are not classifying customers with payment issues or hardship characteristics early enough, but could also reflect customers' reluctance to engage with the retailer. The responsibility to stay connected is a shared one. Customers must inform retailers if they have payment issues and they need assistance. Retailers are obliged to offer assistance to help customers stay connected.



Individual retailer performance and audit results varied over the last two years for these indicators, and we advise care when making assumptions about overall averages. Appendix A contains individual retailers' reported data.

TABLE 2.1 FINANCIAL HARDSHIP PROGRAMS—SUMMARY
Electricity and gas retailers, 2009-10 to 2011-12

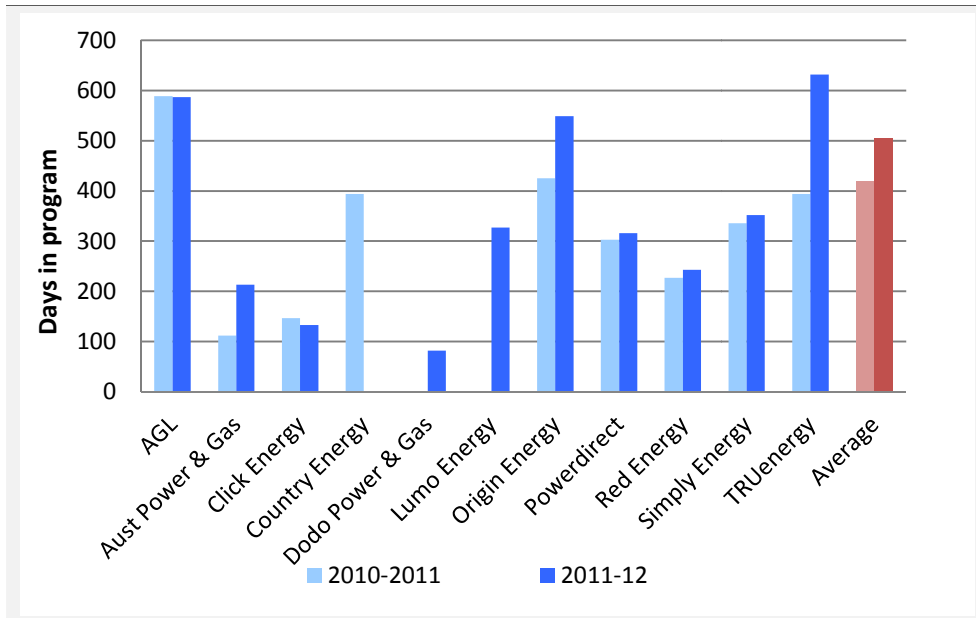
	2009-10	2010-11	2011-12
Hardship program participants (total)	24 122	20 319	18 879
Hardship program participants for whom program access was sought by a third party	1 877	1 365	1 180
Hardship program participants who were concession cardholders (monthly average) ^a	10 356	8 568	8 000
Customers denied access to a retailer's hardship program during the period	1 185	485	414
Average debt of new entrants to a hardship program	606	630	919
Average debt on exit from a hardship program	683	732	715
Average length of participation for customers in a hardship program (days)	356	419	504
Participants exiting a hardship program by agreement with the retailer	4 243	4 302	3 806
Hardship program participants excluded for not complying with requirements	5 652	4 790	3 577
Disconnections of previous hardship program participants within 12 months	642	1 159	884
Reconnections of previous hardship program participants within 12 months	202	322	403
Energy field audits provided at no cost to customer	1 175	976	917
Energy field audits provided at part cost to customer	0	0	0
Average cost contributed by customers when partial contribution required	0	0	0
Appliances provided under a hardship program	191	513 ^b	580 ^b

Note: Lumo Energy is not included for 2009-10 and 2010-11. Historical data are updated to reflect this exclusion. Note: Neighbourhood Energy could not provide accurate 2011-12 hardship data and are excluded from the summary table. ^a Monthly average of participants in the program ^b This number includes light globes, which were not included in the 2009-10 number.



The time participants spent in a financial hardship program varied greatly across retailers in 2011-12. It ranged from 82 days (Dodo Power & Gas) to 632 days (TRUenergy) (figure 2.1).

FIGURE 2.1 FINANCIAL HARDSHIP PROGRAMS—AVERAGE LENGTH OF PARTICIPATION
Electricity and gas, 2009-10 to 2011-12



ENERGY FIELD AUDITS AND REPLACEMENT APPLIANCES

To help low income consumers reduce their energy costs, retailers' financial hardship policies must allow for auditing customers' electricity use and for providing replacement appliances when appropriate. This mostly occurs when the customer has an appliance that contributes to their accumulating debt. Helping customers pay for an appliance is a cost effective way to minimise debt escalation.

Field audits of customers' electricity use can be wholly or partly at the retailer's expense. Table 2.2 shows four retailers undertook 917 energy field audits in 2011-12, down from 7 retailers completing 976 in 2010-11. AGL undertook the most audits (583) and Origin Energy provided 261. Conversely, TRUenergy went from conducting 79 energy audits in 2009-10 to none in 2010-11 and 11 in 2011-12. Simply Energy provided 62 audits this year. No energy audits were conducted at any cost to the consumer. The data suggests to us that this initiative needs to be assessed for effectiveness as the number of retailers participating has steadily declined over the last three years, we will complete an assessment in 2012-13.



One retailer (AGL) provided 574 replacement appliances or equipment for customers in 2011-12. This is a large increase from 191 in 2009-10, mainly because AGL included light globes in data after 2009-10. Future reports will ensure this indicator only includes appliances, not small energy saving devices such as light globes or stand-by power controllers.



TABLE 2.2 ENERGY FIELD AUDITS AND REPLACEMENT APPLIANCES
Electricity and gas, 2009-10 to 2011-12

Retailer	Energy Field Audits			Replacement Appliances		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
AGL	632	563	583	187	510 ^a	574 ^a
Australian Power & Gas	7	6	0	0	0	0
Click Energy	0	0	0	0	0	0
Country Energy	0	2	0	0	0	0
Dodo Power & Gas	—	—	0	—	—	0
EnergyAustralia	2	8	0	0	0	0
Lumo Energy	—	—	0	—	—	0
Momentum	0	0	0	0	0	0
Neighbourhood Energy	1	0	0	0	0	0
Origin	448	316	261	2	0	6
Powerdirect	1	3	0	0	0	0
Red Energy	3	0	0	0	0	0
Simply Energy	2	78	62	0	0	0
TRUenergy	79	0	11	2	3	0
TOTAL	1 175	976	917	191	513	580

Note: Lumo Energy is not included for 2009-10 and 2010-11. Historical data are updated to reflect this exclusion. Neighbourhood Energy could not provide accurate 2011-12 hardship data and are excluded from the summary table. ^a This number includes light globes, which were not included in the 2009-10 number. — Not applicable.

2.3 VICTORIAN GOVERNMENT FINANCIAL ASSISTANCE

The Victorian Government operates programs to improve the affordability of essential services for low income individuals and families in Victoria, including energy concessions and the Utility Relief Grant Scheme. All retailers must help customers gain access to the programs, which DHS administers. This section outlines the amount of financial assistance provided.



CONCESSIONS

Table 2.3 shows the total government expenditure on energy concessions for 2008-09 to 2011-12, as reported by DHS. Expenditure on energy concessions for low income customers increased significantly in 2010-11 and continued to do so in 2011-12. Annual energy concessions for electricity rose by \$44.7 million, while annual gas concessions fell by \$5.1 million. The off-peak concession rose by \$900 000 and the service to property charge concession rose to levels seen in 2009-10 after a fall in 2010-11.

The large increase in concessions expenditure reflects, in part, a change to the energy concession criteria; the winter energy concession, which was available from March to November each year, became an annual concession on 1 March 2011. This change increased costs by \$22 million in 2010-11 and almost \$40 million in 2011-12. The balance of the increase in spending reflects ongoing increases in the demand for concessions and significant increases in the prices to which concessions are applied.

TABLE 2.3 TOTAL EXPENDITURE ON CONCESSIONS
Electricity and gas, 2008-09 to 2011-12

Concession	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m
Off-peak concession (electricity)	5.9	7.5	7.6	8.5
Service to property charge concession (electricity)	2.6	5.8	3.5	5.6
Annual energy concession (electricity)	55.1 ^a	55.5	90.7 ^b	135.4
Annual energy concession (gas)	44.8	44.7	59.3 ^b	54.2
TOTAL	108.4	113.5	161.1	203.7

^a Adjustments to previous financial years for electricity suppliers are included. ^b Includes extension to the winter energy concession from 1 March 2011 (now the annual energy concession).

Data source: DHS



UTILITY RELIEF GRANT SCHEME

The Utility Relief Grant Scheme provides financial assistance to low income customers experiencing difficulties paying their utility bill and who may be at risk of disconnection. Energy retailers initiate the process by sending an application form to the customer and by supplying their billing information to DHS. The customers send the completed application to DHS, which then assesses the information.

Tables 2.4 and 2.5 show scheme details for 2011-12:

- the number of electricity grants approved by DHS remained steady in 2011-12. The total value of grants for electricity customers was \$5.17 million. The average grant was \$434, similar to 2010-11 figure of \$429. Overall, 89 per cent of applications were approved.
- similarly, the number of approved gas grants remained steady; the total value of grants for gas customers was \$3 million in 2011-12. The average grant of \$400, up slightly from \$395 in 2010-11. Overall, 88 per cent of applications were approved.
- of 37 009 electricity and gas applications initiated by retailers, only 22 172 customers (60 per cent) subsequently submitted their applications to DHS for approval—a decrease of 4 per cent from the proportion in 2010-11.

Overall this data shows that once the application is lodged 88 per cent are approved by DHS. What is interesting is that only 60 per cent of customers given the forms by the retailer actually lodge them with DHS. This could be due to retailers providing forms when they are not applicable to the customer or that the forms themselves may be difficult to complete and hence customers who should get assistance cannot lodge them for assessment.



TABLE 2.4 UTILITY RELIEF GRANTS—ELECTRICITY
2011-12

Retailer	Customers provided with grant forms (no.)	Applications sent to DHS by customers (no.)	Grants approved (no.)	Average grant amount (\$)
AGL	6 112	3 550	3 110	419
Australian Power & Gas	2 687	1 655	1 406	429
Click Energy	57	27	22	456
Country Energy ^a	172	108	107	435
Dodo Power & Gas	10	6	4	481
Energy Australia	380	311	290	436
Lumo Energy	1 311	962	932	458
Momentum	19	14	9	461
Neighbourhood Energy	410	234	184	456
Origin Energy	3 702	2 322	2 129	442
Powerdirect	102	58	54	444
Red Energy	1 833	1 093	969	428
Simply Energy	1 298	812	716	441
TRUenergy	3 894	2 283	1 991	439
ALL RETAILERS	21 987	13 435	11 923	434

^a Country Energy data is reported separately to Origin Energy.

Data source: DHS



TABLE 2.5 UTILITY RELIEF GRANTS—GAS
2011-12

Retailer	Customers provided with grant forms (no.)	Applications sent to DHS by customers (no.)	Grants approved (no.)	Average grant amount (\$)
AGL	5 120	2 803	2 436	391
Australian Power & Gas	1 990	1 183	971	400
EnergyAustralia	301	238	216	383
Lumo Energy	924	660	653	441
Origin Energy	2 169	1 318	1 196	399
Red Energy	812	486	442	392
Simply Energy	904	531	480	401
TRUenergy	2 802	1 518	1 305	404
ALL RETAILERS	15 022	8 737	7 699	400

Data source: DHS

2.4 BUDGET INSTALMENT PLANS

Retailers must offer a budget instalment plan to residential customers experiencing difficulties paying their bills. This plan allows a customer to pay by regular instalments, so they can reduce debt over a specified time. Theoretically, this indicator does not include customers who choose budget instalment plans to smooth incoming bills—where the monthly payments ensure the customer will not have large quarterly bills to pay during the year. However, some retailers reported difficulties separating customers using the payment plans for hardship from those using them for convenience. The Commission accepts it is not always possible to distinguish between the two groups and allow all data to be reported.



The number of budget instalment plans remained relatively steady over the past four years for both the gas and electricity businesses. Tables 2.6 and 2.7 show the following details:

- for electricity, the number of budget instalment plans per 100 customers was similar in 2011-12, at 4.40 customers on a plan, compared with 4.61 customers in 2010-11. Gas results declined slightly at 4.18 per 100 customers in 2011-12, compared with 4.69 per 100 customers in 2010-11.
- Simply Energy and Origin Energy reported steady use of budget instalment plans in 2011-12, both remaining the highest for electricity and gas and well above the Victorian average.
- conversely, TRUenergy reduced its use of budget instalment plans, down to 31 232 plans for electricity (from 35 526 plans in 2010-11) and 27 194 plans for gas (from 29 816 plans in 2010-11), although it was still above average for both electricity and gas.



TABLE 2.6 BUDGET INSTALMENT PLANS—RESIDENTIAL ELECTRICITY
2008-09 to 2011-12

Retailer	Average no. budget instalment plan customers per month	Budget instalment plans per 100 customers			
		2011-12	2008-09	2009-10	2010-11
AGL ^a	13 529	na	na	2.66	2.44
Australian Power & Gas	3 036	1.59	2.50	2.74	2.60
Click Energy	54	0.45	0.62	0.80	0.82
Country Energy ^b	0	1.06	1.17	1.71	—
Dodo Power & Gas	1	0	0	0	0
EnergyAustralia ^b	0	0.12	0.67	0.45	—
Lumo Energy	5 448	1.51	2.98	2.44	3.14
Momentum	7	0.13	0.42	0.52	0.12
Neighbourhood Energy	621	0.23	0.30	1.20	0.89
Origin Energy	37 058	5.32	6.08	6.53	6.74
Powerdirect	69	0.01	0.13	0.34	0.46
Red Energy	5 326	2.16	2.10	2.92	3.32
Simply Energy	6 216	0.35	4.08	6.32	6.35
TRUenergy	31 232	8.56	8.05	7.42	5.50
ELECTRICITY TOTAL	102 597	4.84	5.28	4.61	4.40

^a AGL data has been resubmitted from 2010-11, data prior to this has been removed ^b Origin Energy acquired Country Energy, and TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12. — Not applicable. Na Not available



TABLE 2.7 BUDGET INSTALMENT PLANS—RESIDENTIAL GAS
2007-08 to 2011-12

Retailer	Average no. budget instalment plan customers per month	Budget instalment plans per 100 customers			
		2011-12	2008-09	2009-10	2010-11
AGL ^a	8 229	—	—	1.92	1.67
Australian Power & Gas	1 935	1.07	1.81	1.71	1.91
EnergyAustralia ^b	—	0.09	0.69	0.45	—
Lumo Energy	4 507	1.75	3.43	2.48	3.53
Origin Energy	26 866	5.59	5.82	5.67	6.34
Red Energy	2 566	0.82	1.37	2.14	2.72
Simply Energy	4 703	0.29	3.63	5.85	5.69
TRUenergy	27 194	8.22	7.72	7.12	5.49
GAS TOTAL	76 000	5.36	5.63	4.69	4.18

a AGL data has been resubmitted from 2010-11, data prior to this has been removed b TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12.

— Not applicable. Na Not available



3 DISCONNECTIONS AND RECONNECTIONS

WHAT WE FOUND

Electricity disconnections increased by 33 per cent in 2011-12, to 1.02 per 100 customers. In total, 23 805 electricity customers were disconnected for non-payment (up from 17 871 in 2010-11). Gas disconnections increased in 2011-12, up to 1.13 per 100 customers from 0.74 per 100 customers in 2011-12. In total, 20 483 gas customers were disconnected in 2011-12.

Neighbourhood Energy, Simply Energy, Click Energy and Australian Power & Gas significantly contributed to the increased electricity disconnections, reporting the highest number of disconnections per 100 customers of all the retailers. Neighbourhood Energy disconnected 2.38 per 100 customers, Simply Energy disconnected 2.07 per 100 customers, Australian Power & Gas disconnected 1.94 per 100 customers, and Click Energy disconnected 1.85 per 100 customers. Although Origin Energy showed the greatest improvement in 2011-12, this may have been because it suspended disconnections during system upgrades.

The number of customers disconnected and then reconnected at the same address remained similar in 2011-12, at almost 50 per cent of all disconnections. The increase in disconnections for both gas and electricity may indicate retailers are increasingly turning to disconnection to resolve payment issues. The corresponding high rate of reconnections at the same address within seven days indicates these are not customers who are “skipping” or moving from the residence, but rather customers who may be struggling to pay their bills. It is possible retailers are not proactively identifying and offering enough support to customers experiencing hardship and who may need to be in a hardship program or on a payment plan. It may also be that customers are ignoring retailers’ efforts to engage them, leaving disconnection as the only option remaining for unpaid accounts.

For gas, Australian Power & Gas and Simply Energy reported the poorest performance. Both increased gas disconnections in 2011-12, reporting 2.33 and 2.07 disconnections per 100 customers respectively.



3.1 WHY REPORT THESE INDICATORS?

Disconnecting customers who continually fail to pay outstanding accounts should be a last resort for retailers. Retailers must help customers avoid disconnection by assessing them for their hardship programs, offering them reasonable payment plans and government assistance, and providing access to financial counsellors and energy efficiency advice.

A key indicator of the success of this assistance is the number of customers disconnected and reconnected in the same name at the same address. These reconnections often indicate customers who may be struggling with their payments, rather than 'skippers' (those who leave the address without paying their accounts). However, not all customers who are disconnected are financially distressed, and more detailed data about disconnected and reconnected customers provides insights into those who may be experiencing hardship—namely:

- customers previously on a budget instalment plan
- concession card holders
- customers disconnected on at least one other occasion during the previous 24 months.

Comparing Victoria's disconnection data against historical trends and other jurisdictions also helps compare the performance of the energy retailers.



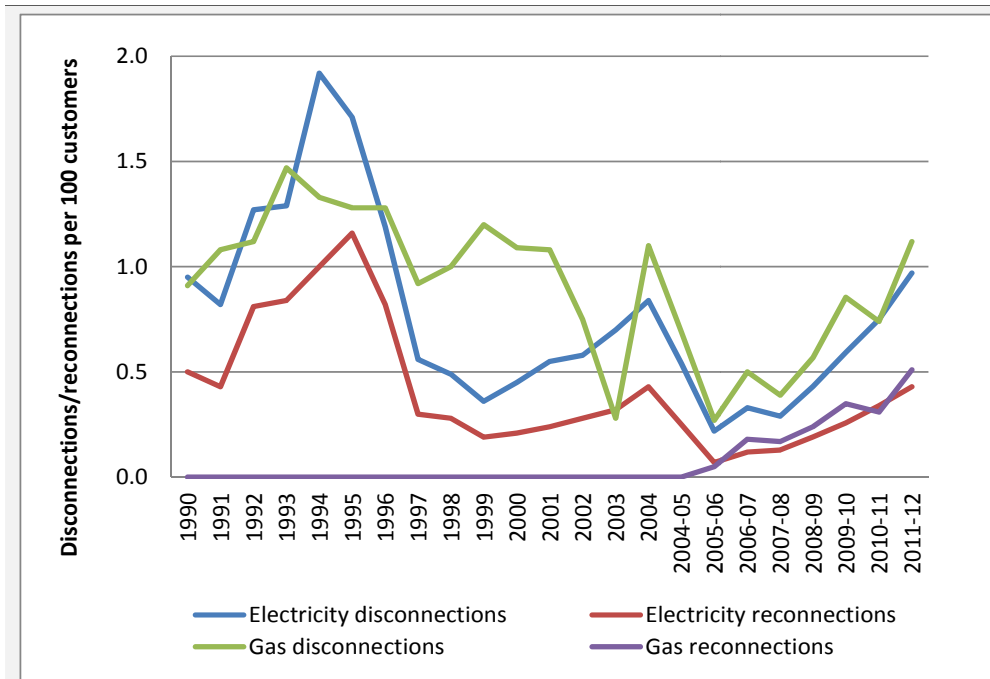
3.2 COMPARING DISCONNECTIONS OVER TIME AND ACROSS JURISDICTIONS

This section provides disconnection and reconnection rates for all electricity and gas customers, to show the long term performance of the industry in both the public and private sectors. Table 3.1 details disconnection rates for the past five years, while figure 3.1 shows disconnection and reconnection levels since 1990 for both electricity and gas.

TABLE 3.1 RESIDENTIAL ELECTRICITY AND GAS DISCONNECTIONS
2007-08 to 2011-12

	2007-08	2008-09	2009-10	2010-11	2011-12
Electricity disconnections	6 249	9 598	13 486	17 871	23 805
Per cent of customers	0.29	0.43	0.59	0.77	1.02
Gas disconnections	6 581	10 077	15 473	13 741	20 483
Per cent of customers	0.39	0.57	0.85	0.74	1.13

FIGURE 3.1 DISCONNECTIONS AND RECONNECTIONS—ELECTRICITY AND GAS
1990 to 2011-12 residential and business



Note: Gas reconnection data commenced in 2004-05.



Disconnections and reconnections increased significantly for electricity and gas customers in 2011-12. Gas disconnection rates also increased in 2011-12, after a slight fall in 2010-11.

The rate of residential electricity disconnection in Victoria in 2011-12 was 1.02 per 100 customers. Compared with disconnection rates in other jurisdictions (based on the available data), Victoria although not the highest, was still higher at the upper end of range reported. South Australia reported the highest disconnection rate at 1.35 per 100 customers. Western Australia was steady at approximately 0.9 per 100 customers. Queensland reported a slight decrease, but was still one of the highest at 1.16 per 100 customers. Tasmania recorded a very low disconnection rate in 2011-12 because Aurora Energy suspended disconnections for non-payment between October 2011 and June 2012.

TABLE 3.2 RESIDENTIAL ELECTRICITY DISCONNECTIONS, BY JURISDICTION
Per 100 customers

Jurisdiction	2007-08	2008-09	2009-10	2010-11	2011-12
Victoria	0.29	0.43	0.59	0.77	1.02
New South Wales	0.6	0.6	0.6	0.61	na
ACT	0.43	0.27	0.56	0.26	na
South Australia	0.85	0.87	0.66	1.01	1.35
Queensland	1.13	na	0.9	1.22	1.16
Tasmania	0.39	0.45	0.59	0.51	0.08
Western Australia	0.77	0.55	0.39	0.9	0.87

Note: Queensland may be marginally higher than reported, because the small market customer numbers include both small residential and small business customers. **na** Not available.

Data sources: Independent Pricing and Regulatory Tribunal (IPART), Independent Competition and Regulatory Commission (ICRC), Essential Services Commission of South Australia (ESCOSA), Department of Employment Economic Development and Innovation (DEEDI), Office of the Tasmanian Economic Regulator (OTTER), Economic Regulation Authority (ERA).



3.3 DISCONNECTIONS AND RECONNECTIONS IN 2011-12

This section presents rates of disconnection and reconnection in the same name and address for Victorian residential electricity and gas customers in 2011-12. It also compares these rates with retailers' 2010-11 performance and looks at average trends in disconnection and reconnection of customers who exhibit indications of financial distress.

Overall tables 3.3 and 3.4 show:

- the statewide disconnection rate increased this year to 1 per 100 residential electricity customers, up from 0.77 in 2010-11. Almost 24 000 customers were disconnected in 2011-12 (up 33 per cent from 2010-11).
- the disconnection rate for gas customers also increased this year; retailers reported 1.1 disconnections per 100 gas customers, up from 0.74 in 2010-11. This is a 50 per cent increase for gas customers and represents just over 20 000 customers.
- almost half of all disconnected customers for both electricity and gas were reconnected again within seven days at the same address and with the same name in 2011-12, similar to the result for 2010-11.

The increased disconnections for both gas and electricity suggest retailers are increasingly using disconnection to resolve payment issues. The corresponding high rate of reconnections at the same address within seven days indicates that these are not customers who are "skipping" or moving from the residence, rather customers who may be struggling to pay their bills. It is possible retailers may not be sufficiently identifying and supporting customers experiencing hardship and who may need to be in a hardship program or on a payment plan, increasingly though it looks like customer engagement may be playing a role as well.



In January 2012 the Commission wrote to specific retailers to comment on individual disconnection rates seen in 2010-11. The retailers cited increasing customer disengagement as the main reason for higher disconnections. They stated more customers refuse to engage with them and they therefore cannot assess them for assistance. One retailer noted disconnection is sometimes the only way to engage a customer and assess them for payment plans or a hardship program. We understand that some financial counsellors have noted that it isn't until disconnection that their clients start to actively engage. Some retailers also noted they often suspend disconnections when changing processes or systems (such as billing systems) to ensure no one is wrongfully disconnected, resulting in decreases.

TABLE 3.3 DISCONNECTIONS—RESIDENTIAL ELECTRICITY
2010-11 to 2011-12

Retailer	Total disconnections		Disconnections		Reconnections in the same name within seven days		Customers previously on a budget instalment plan		Customers with multiple disconnections within 24 months		Concession card holders	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
			per 100 customers		% of disconnections		% of disconnections		% of disconnections		% of disconnections	
AGL	6 090	9 640	1.04	1.74	48	56	43	38	10	16	16	17
Australian Power & Gas	2 318	2 263	2.41	1.94	57	54	42	31	18	13	18	32
Click Energy	44	122	1.28	1.85	32	61	23	35	7	32	14	24
Country Energy ^a	222	—	0.50	—	42	—	18	—	5	—	20	—
EnergyAustralia ^a	44	—	0.07	—	39	—	5	—	0	—	5	—
Lumo Energy	985	1 219	0.57	0.70	43	29	21	27	9	9	30	19
Momentum Energy ^b	8	28	0.36	0.47	—	—	—	—	—	—	—	—
Neighbourhood Energy	347	1 655	0.95	2.38	62	11	39	60	73	40	35	43
Origin Energy	2 627	1 882	0.49	0.34	29	13	35	24	7	7	13	14
Powerdirect ^b	14	22	0.10	0.15	—	—	—	—	—	—	—	—
Red Energy	1 830	2 318	1.22	1.45	50	44	23	28	13	15	32	29
Simply Energy	2 456	2 032	2.13	2.07	57	59	26	32	10	18	17	17
TRUenergy	886	2 624	0.19	0.46	37	45	47	23	22	9	24	27
ELECTRICITY TOTAL	17 871	23 805	0.77	1.02	47	46	36	34	12	16	19	22

^a Origin Energy acquired Country Energy, and TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12. ^b Retailers with fewer than 30 disconnections do not have percentage data reported. — Not applicable.

TABLE 3.4 DISCONNECTIONS—RESIDENTIAL GAS
2010-11 to 2011-12

Retailer	Disconnections		Reconnections in the same name within seven days		Customers previously on a budget instalment plan		Customers with multiple disconnections within 24 months		Concession card holders		Concession card holders	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
			per 100 customers		% of disconnections		% of disconnections		% of disconnections		% of disconnections	
AGL	3 095	8 096	0.62	1.65	9	16	43	43	9	16	18	21
Australian Power & Gas	1 818	2 354	2.29	2.33	17	13	40	29	17	13	20	32
EnergyAustralia ^{ab}	10	—	0.02	—	—	—	—	—	—	—	—	—
Lumo Energy	1 838	1 913	1.47	1.50	41	18	25	39	41	18	34	20
Origin Energy	3 228	1 588	0.64	0.37	28	21	35	23	28	21	9	16
Red Energy	1 127	1 524	1.34	1.61	18	21	19	33	18	21	37	39
Simply Energy	1 697	1 708	1.84	2.07	9	14	21	26	9	14	14	13
TRUenergy	928	3 300	0.22	0.67	19	12	39	27	19	12	32	37
GAS TOTAL	13 741	20 483	0.74	1.13	20	16	33	35	20	16	20	25

^a Retailers with fewer than 30 disconnections do not have percentage data reported. ^b TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12. — Not applicable.

TABLE 3.5 RECONNECTIONS—RESIDENTIAL ELECTRICITY
2010-11 to 2011-12

Retailer	Total reconnections		Reconnections		Reconnected customers previously on a budget instalment plan		Customers with multiple reconnections within 24 months		Concession card holders	
	2010-11	2011-12	per 100 customers		% of reconnections		% of reconnections		% of reconnections	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
AGL	2 921	5 364	0.50	0.97	40	47	9	19	14	19
Australian Power & Gas	1 328	1 232	1.38	1.05	52	38	21	15	20	37
Click Energy ^a	14	74	0.41	1.12	—	39	—	14	—	23
Country Energy ^b	94	—	0.21	—	21	—	13	—	23	—
EnergyAustralia ^{ab}	17	—	0.03	—	—	—	—	—	—	—
Lumo Energy	428	354	0.25	0.20	34	44	13	12	35	22
Momentum Energy ^a	2	8	0.09	0.13	—	—	—	—	—	—
Neighbourhood Energy	216	181	0.59	0.26	51	41	76	3	40	36
Origin Energy	773	252	0.14	0.05	9	10	12	17	16	19
Powerdirect ^a	1	6	0.01	0.04	—	—	—	—	—	—
Red Energy	910	1 011	0.61	0.63	29	34	13	16	34	32
Simply Energy	1 392	1 202	1.21	1.23	29	38	10	18	21	20
TRUenergy	327	1 185	0.07	0.21	65	17	32	9	33	33
ELECTRICITY TOTAL	8 423	10 869	0.37	0.47	37	39	15	17	21	24

^a Retailers with fewer than 30 reconnections do not have percentage data reported. ^b Origin Energy acquired Country Energy, and TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12. — Not applicable.

TABLE 3.6 RECONNECTIONS—RESIDENTIAL GAS
2010-11 to 2011-12

Retailer	Total reconnections		Reconnections		Reconnected customers previously on a budget instalment plan		Customers with multiple reconnections within 24 months		Concession card holders	
	2010-11	2011-12	per 100 customers		% of reconnections		% of reconnections		% of reconnections	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
AGL	1 476	4 002	0.29	0.81	29	51	6	19	11	25
Australian Power & Gas	1 068	1 323	1.35	1.31	50	39	18	14	23	39
EnergyAustralia ^{ab}	3	—	0.01	—	—	—	—	—	—	—
Lumo Energy	803	516	0.64	0.40	32	57	27	21	57	24
Origin Energy	1 035	652	0.20	0.15	85	37	27	24	22	48
Red Energy	438	473	0.52	0.50	29	41	18	19	41	40
Simply Energy	698	764	0.76	0.92	31	36	8	15	21	18
TRUenergy	338	1 579	0.08	0.32	56	19	30	15	38	43
GAS TOTAL	5 859	9 309	0.31	0.51	45	42	17	18	26	32

^a Retailers with fewer than 30 reconnections do not have percentage data reported. ^b TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12. — Not applicable.



We further analysed the data to better understand whether retailers disconnected their customers in financial difficulties.

WHO IS DISCONNECTED?

This section looks at whether customers who may be experiencing payment difficulties are disconnected. These customers include:

- customers previously on a budget instalment plan
- customers disconnected multiple times
- concession card holders.

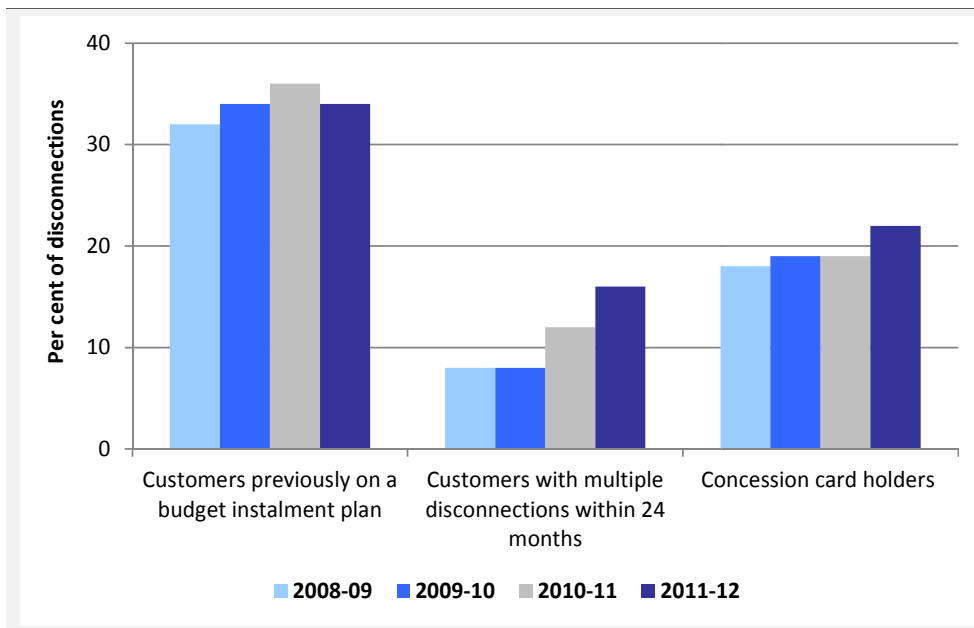
There was little change in the overall proportions of disconnected customers experiencing payment difficulties in the last four years. Two of the three key indicators for both electricity and gas varied by less than 4 per cent from 2008-09 results. That is, the total number of customers being disconnected is increasing, but the number of customers being disconnected who exhibit payment difficulties is not increasing. This may indicate retailers are using disconnection and reconnection rather than financial assistance (such as payment plans or access to hardship programs) when customers do not pay their bills.

This is supported by increasing numbers of electricity customers being disconnected multiple times within 24 months, and the high rate of reconnections within seven days (which is around 50 per cent for both electricity and gas customers). Interestingly, these results did not coincide with any increase in payment plans or hardship participation (see chapter 2). The cycle of disconnection/ reconnection continues to escalate. And, as noted above, retailers suggested disconnections are often the only means for engaging with customers with unpaid accounts.

Individual retailer results are presented in tables 3.3 and 3.4 and average data is presented in figures 3.2 and 3.3.



FIGURE 3.2 ELECTRICITY DISCONNECTIONS FOR CUSTOMERS WITH PAYMENT DIFFICULTIES
2008-09 to 2011-12



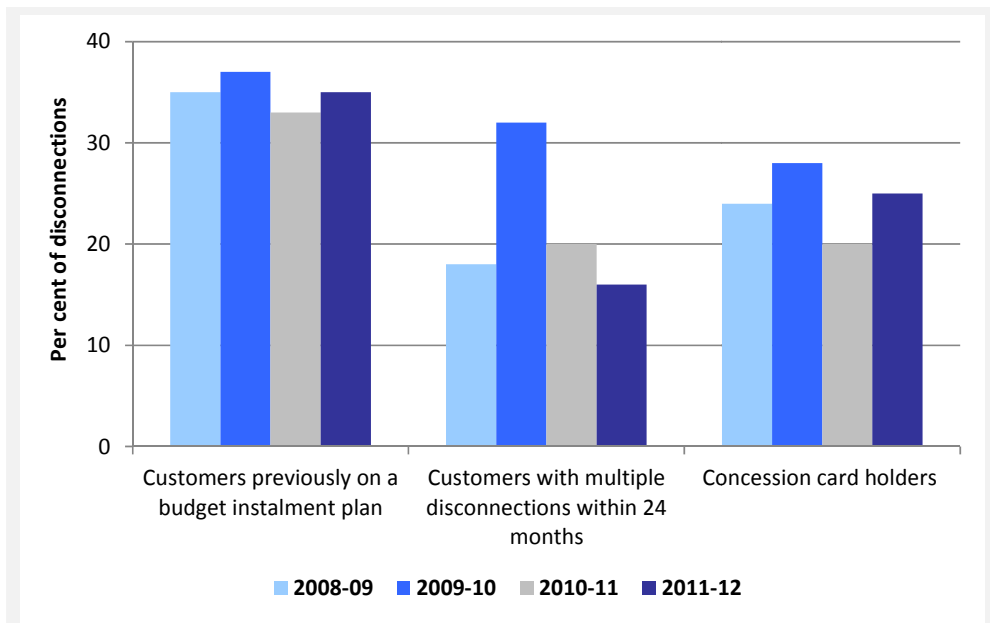
Tables 3.3 and 3.4 and figure 3.6 show the following results:

- the proportion of disconnected electricity customers previously on a budget instalment plan decreased slightly in 2011-12, but remained within a 4 per cent range over the last four years.
- increasing numbers of electricity customers were disconnected more than once over 24 months-up to 16 per cent of all disconnections in 2011-12 from 12 per cent in 2010-11, and double the result in 2008-09. This is the only indicator of hardship that showed a significant increase in the last four years.
- disconnections of concession card electricity customers remained steady over the four years and represented 22 per cent of all electricity disconnections in 2011-12.
- gas disconnections of customers previously on a budget instalment plan increased slightly, from 33 per cent in 2010-11 to 35 per cent in 2011-12. However, the current rate is the same as four years ago, reflecting minimal change over time.



- multiple gas disconnections within 12 months decreased significantly—down to 16 per cent in 2011-12 from 20 per cent in 2010-11 and 32 per cent in 2009-10. This is contrary to the results for electricity where disconnections increased steadily over the last four years.
- disconnections of concession card customers increased from 20 per cent of gas disconnections in 2010-11 to 25 per cent in 2011-12. Overall, the rate is similar to that seen in 2008-09 and is slightly higher than the electricity rate of 22 per cent.

FIGURE 3.3 GAS DISCONNECTIONS FOR CUSTOMERS WITH PAYMENT DIFFICULTIES
2008-09 to 2011-12





WHO IS RECONNECTED IN THE SAME NAME?

Almost half (46 per cent) of electricity customers who were disconnected were reconnected in the same name and at the same address in 2011-12. Gas customers recorded a similar proportion (45 per cent).

Tables 3.5 and 3.6 show the following for reconnections in 2011-12:

- electricity reconnections increased from 0.37 per 100 customers in 2010-11 to 0.47 in 2011-12. Similarly, gas reconnections rose to 0.51 per 100 customers, up from 0.31 in the previous year. This continues the trend that approximately half of all disconnected customers are reconnected within seven days at the same address and in the same name.
- the percentage of reconnected customers who were previously on a budget instalment plan increased slightly for electricity (from 37 per cent to 39 per cent) and decreased for gas (from 45 per cent to 42 per cent).
- multiple reconnections of customers were similar this year, rising 2 percentage points to 17 per cent for electricity, and rising 1 percentage point to 18 per cent for gas.
- the percentage of concession card holders reconnected in the same name fell slightly for electricity, from 24 per cent to 21 per cent.
- reconnections of concession card electricity customers rose 3 percentage points to 24 per cent. Reconnections of concession card gas customers rose 6 percentage points to 32 per cent.

These data support the finding the proportion of reconnected customers with financial hardship indicators is not increasing even though the total number of reconnections is.



WHO STANDS OUT?

Industry-wide data suggest retailers may not be sufficiently identifying and assisting customers with financial difficulties. This section presents data for individual retailers.

For electricity:

- Click Energy's performance worsened in 2011-12. It reported 1.85 disconnections per 100 customers; of those, 61 per cent were reconnected within seven days. Further, all three financial indicators were above average for disconnections. This may indicate Click Energy is not moving customers to its hardship program quickly enough, especially since a large proportion were already on a payment plan or disconnected and reconnected. In January 2012 Click Energy increased monitoring and review of disconnections. The number of participants in their hardship program increased in 2011-12, indicating this may be having an effect.
- Neighbourhood Energy also reported a high disconnection rate (2.38 per 100 customers). It also reported a low reconnection rate, perhaps signifying it is targeting the correct customers to disconnect. However, the proportion of customers disconnected who exhibited financial hardship was above average for all three areas. In January 2012 Neighbourhood Energy cited procedural changes and granting operational control to Alinta Energy resulted in a spike in disconnections for 2011-12, and debt management was specifically targeted within this time frame. Neighbourhood Energy could not provide accurate and reliable hardship data this financial year, so we cannot compare the increase in disconnections with hardship participation.
- Simply Energy also had a high disconnection rate (2.07 per 100 customers), although this was a slight improvement on the 2010-11 figure of 2.13. Reconnections were also high at 59 per cent and the number of customers with multiple disconnections and reconnections within 24 months was above average. Simply Energy commented in January 2012 the high disconnection rate in 2010-11 was caused by a backlog of unprocessed disconnections, but this was not reflected in the 2011-12 result.



- AGL and Australian Power & Gas also reported above average disconnections rates. Both retailers commented in January 2012 that declining customer engagement is the main reason for the increase in disconnections seen in 2010-11. AGL also commented that recently improved reporting capabilities disconnection data provided in 2010 was understated
- Origin Energy reported a decrease in rates of disconnection and reconnections in 2011-12. Origin commented this reflected changes to their billing systems in Victoria from September 2011 to February 2012. During this period of change it suspended disconnection for non-payment activity across the majority of accounts to ensure billing processes were fully stabilised; it expects disconnections to return to 2010-11 levels in the next reporting period.
- TRUenergy also reported low rates of disconnection in 2011-12, although TRUenergy had above average results for disconnecting and reconnecting concession card holders.

For gas:

- Following the trend from 2010-11, Australian Power & Gas reported the highest disconnection rate at 2.33 per 100 customers in 2011-12. It reconnected 56 per cent of these customers within seven days and had above average results for disconnecting/reconnecting concession card holders. As for electricity, Australian Power & Gas cited lower customer engagement for the rise in gas connections.
- Simply Energy also recorded a high gas disconnection rate (2.07 per 100 customers) although the reconnection rate was average at 45 per cent. Its financial difficulty indicators were below average.
- Origin Energy continued its performance trend in gas with 0.37 per 100 customers disconnected in 2011-12; of these 41 per cent were reconnected. It was below average for most financial hardship disconnection and reconnection indicators. As for electricity, Origin noted suspended disconnections caused this drop in disconnections in 2011-12.



THE COMMISSION'S VIEW

Overall, the Commission is concerned about retailers implementing hardship policies. In 2010 we asked retailers for assurance that all customers identified as experiencing financial hardship have opportunities to participate in retailers' hardship programs. Despite these assurances being given, electricity disconnections continued to rise in 2010-11 and 2011-12; gas disconnections also increased after a small decline last year. These findings may reflect several factors:

- increases in the cost of living-The Victorian Government's increased spending on the energy concession; spending rose by 42 per cent in 2010-11 and 26 per cent in 2011-12).
- increases in prices of electricity and gas during 2011-12-residential electricity prices increased 10 per cent and gas 6 per cent (see the Energy retailers comparative performance report-pricing 2011-12, available to download at www.esc.vic.gov.au).
- retailers' hardship programs and other assistance for customers with financial difficulties may not work as efficiently as they could to identify these customers.
- customer disengagement may also contribute to the increase-disconnection may be the only way to initiate communication with a customer over unpaid accounts.
- alternatively retailers may simply disconnect more often when a customer cannot pay.



We accept in most cases customers entering a hardship program receive equitable access to all aspects of that program and the results seen in chapter 2 support this. However, the Commission plans to consult with industry and community groups about whether there are any barriers impeding customers' access to financial hardship programs.

DISCONNECTIONS AND RECONNECTIONS—BUSINESS

This section compares disconnection and reconnection rates in the same name for business electricity and gas customers in 2011-12. It also compares these rates with retailers' 2010-11 performance.

Tables 3.7 and 3.8 show the following for 2011-12:

- the electricity disconnection rate for businesses increased remained steady in 2011-12-0.63 per 100 customers, up from 0.57 in 2010-11. Simply Energy reported the highest electricity disconnection rate (2.35 per 100 customers, up from 2.29 in 2010-11), while Powerdirect and TRUenergy reported low disconnection rates at 0.21 and 0.38 per 100 customers respectively.
- business gas customers recorded an increased disconnection rate in 2011-12- up to 0.81 per 100 customers from 0.66 in 2010-11.
- the reconnection rate for businesses followed a trend similar to that for disconnections, with electricity reconnections remaining stable at 0.15 per 100 customers and gas reconnections increasing to 0.31 from 0.23 per 100 customers in the previous year.



TABLE 3.7 DISCONNECTIONS AND RECONNECTIONS—BUSINESS ELECTRICITY
2010-11 to 2011-12

Retailer	Total disconnections	Disconnections per 100 customers		Total reconnections	Reconnections per 100 customers	
	2011-12	2010-11	2011-12	2011-12	2010-11	2011-12
AGL	763	0.90	0.94	216	0.20	0.27
Click Energy	8	0.22	1.14	4	0.00	0.57
Lumo Energy	233	0.67	1.13	45	0.21	0.22
Momentum	92	0.15	0.32	31	0.01	0.11
Origin Energy	386	0.55	0.42	26	0.06	0.03
Powerdirect	52	0.19	0.21	11	0.02	0.05
Red Energy	60	1.01	1.13	13	0.29	0.25
Simply Energy	244	2.29	2.35	68	0.95	0.66
TRUenergy	233	0.14	0.38	88	0.04	0.14
ELECTRICITY TOTAL	2 071	0.57	0.63	502	0.13	0.15

TABLE 3.8 DISCONNECTIONS AND RECONNECTIONS—BUSINESS GAS
2010-11 to 2011-12

Retailer	Total disconnections	Disconnections per 100 customers		Total reconnections	Reconnections per 100 customers	
	2011-12	2010-11	2011-12	2011-12	2010-11	2011-12
AGL	212	0.75	1.45	73	0.25	0.50
Lumo Energy	49	2.91	2.35	17	0.70	0.82
Origin Energy	34	0.60	0.27	25	0.19	0.20
Red Energy	7	0.15	0.54	1	0.15	0.08
Simply Energy	41	2.59	2.82	12	1.10	0.82
TRUenergy	80	0.27	0.40	35	0.15	0.18
GAS TOTAL	423	0.66	0.81	163	0.23	0.31



4 CALL CENTRE PERFORMANCE AND COMPLAINTS

WHAT WE FOUND

Call centre results suggest a general decline in the customer service provided by energy retailers. The average wait time to speak to an operator was 107 seconds, up from 1.1 in 2010-11. The number of abandoned calls was 8 per cent of calls forwarded to the operator. However, the proportion of calls answered within 30 seconds rose from 59 per cent of calls to an account line in 2010-11 to 64 per cent in 2011-12, returning to levels seen in 2009-10.

Independent research shows the overall call centre performance of the energy industry remained stable in 2011-12, on par with, or better than, the national energy sector average in many customer service areas. Retailers' handling of calls from customers with payment difficulties declined slightly in 2011-12; the best practice manner for payment difficulty calls (72 per cent) was slightly lower than that of non-payment difficulty calls (76 per cent).

Customer complaints reported by the electricity retailers rose slightly in 2011-12, up to 4.7 complaints per 100 customers from 4.1 in 2010-11. This figure steadied after almost doubling between 2009-10 and 2010-11. The majority of complaints related to billing issues, with Dodo Power & Gas reporting the highest complaint rate per customer. Lumo Energy continued to report high complaint numbers—although it improved on 2010-11 results. Gas related complaints were significantly less than electricity complaints, at 1.5 per 100 customers, up from 1.1 in 2010-11.

The Commission compared complaints reported by retailers with the number of complaints recorded against the retailer by the Energy and Water Ombudsman (Victoria) (EWOV). Examining both data sets identifies systemic issues with complaints; a high number of retailer recorded complaints combined with a high number of complaints investigated by EWOV can be a fairer indicator of poor complaint resolution by a retailer.

Continued next page



WHAT WE FOUND (CONT)

The number of complaints received for full investigation by EWOV decreased in 2011-12, down 8 per cent on 2010-11 to 10 301 complaints, this follows a 56 per cent increase in the previous year. EWOV investigated 0.29 electricity complaints per 100 residential and business customers in 2011-12, slightly lower than the previous year at 0.31 per 100 customers.

4.2 WHY REPORT THESE INDICATORS?

We assess retailers' data for call centre performance and service delivery trends in the competitive market to provide information to customers about business responsiveness and efficiency. These data are reported by the retailers. We also commission independent researchers to monitor the retailers' call centres to assess general measures such as call connection time, greeting quality, operator manner and enquiry resolution. More specifically, they assess how retailer call centres respond to customers with payment difficulties.

We also monitor the number and types of complaints recorded by energy retailers and the EWOV, to measure complaint trends over time for both the industry and individual retailers. Complaints data are separated into four sections:

- marketing complaints—a complaint associated with a retailer's actions in seeking to sign up a customer for a market contract
- billing/credit complaints—a complaint about overcharging, prices, payment terms and methods, and debt recovery practices
- transfer complaints—a complaint associated with the financial responsibility for a customer transferred to a market contract with either an existing or a new retailer
- other complaints—a complaint about the quality and timeliness of retail service other than a marketing, billing or transfer complaint. Examples include poor service, privacy considerations, failure to respond to complaints, and health and safety issues.



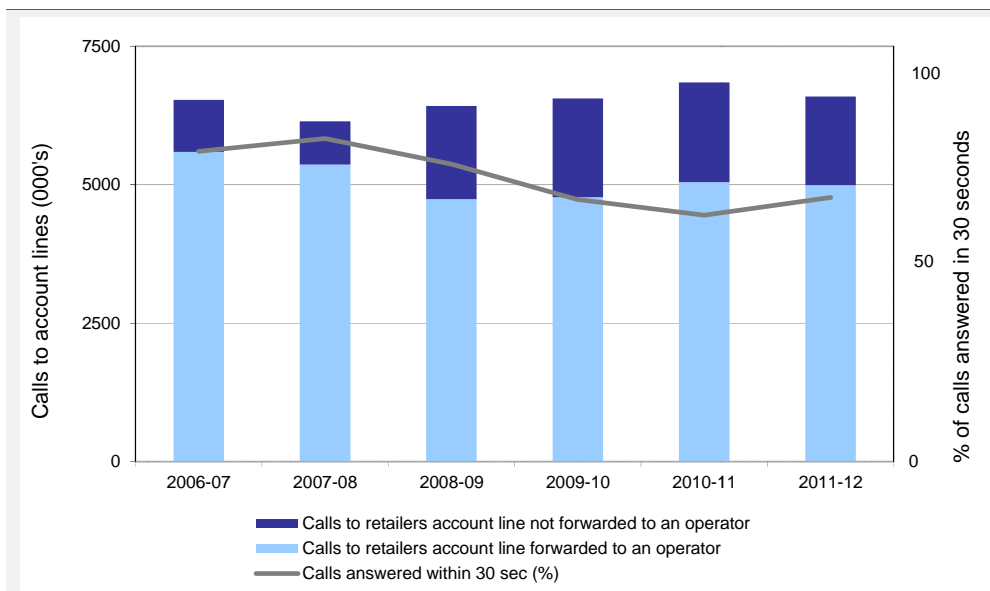
4.3 CALL CENTRE PERFORMANCE

This section reports on the performance of retailer call centres, including the total number of calls to electricity and gas account lines (phone lines), the number of calls forwarded to an operator, and the proportion of these calls answered by an operator within 30 seconds.

Figure 4.1 shows the following for 2011-12:

- calls to the retailers fell by 1 per cent to 4.99 million, down from 5.05 million in 2010-11
- the proportion of calls answered by an operator within 30 seconds improved this year, up by 4 per cent to 64 per cent in 2011-12, after a five year low in 2010-11.

FIGURE 4.1 CALL CENTRE PERFORMANCE—ELECTRICITY AND GAS
2007-08 to 2011-12



Note: The EnergyAustralia component of TRUenergy's data is not included because it can only report national data.



We also assessed the average wait time to speak with an operator, and the number of calls abandoned while waiting for an operator to take a call (tables 4.1 and 4.2):

- customers who abandoned their call while waiting for an operator to respond remained steady in 2011-12; 422 801 customers abandoned calls, down slightly from 426 664 customers in 2010-11. This represents 8.5 per cent of all calls to retailer account lines, the same as the previous year.
- AGL and Origin Energy answered the lowest proportion of calls within 30 seconds, both responding below the state average. However, AGL improved in all service areas from 2010 11.
- the average time consumers spent waiting for an operator was 107 second—6 seconds longer than the average wait in the previous year (a 6 per cent increase)
- Origin Energy, Powerdirect and TRUenergy Energy recorded the longest average call waiting times, with TRUenergy more than double the state average.
- all other retailers reported average wait times below the industry average.
- TRUenergy (13 per cent) and Origin Energy (17 per cent) reported the highest percentage of abandoned calls to an operator.
- Red Energy improved its service levels in 2011-12 across all areas, responding to 66 per cent of calls within 30 seconds, up from 44 per cent in the previous year; it also decreased wait times by 80 seconds to below the state average. Neighbourhood Energy also improved its service levels in 2011-12.

Overall, these results show a decline in the call centre customer service provided by energy retailers to their customers. Comparisons with the Victorian water sector indicate energy sectors performance was poor. Wait time to speak to an operator was 71 seconds for the water sector, 36 seconds less than the energy wait time. Similarly, the water sector reported 74 per cent of calls were answered within 30 seconds, compared to 64 per cent for the energy sector.



TABLE 4.1 CALLS FORWARDED TO OPERATOR, AND ANSWERED WITHIN 30 SECONDS
Electricity and gas, 2010-11 to 2011-12

Retailer	Calls to account line forwarded to an operator		Calls forwarded to an operator answered within 30 seconds (% of calls to operator)	
	2010-11	2011-12	2010-11	2011-12
AGL	1 142 592	1 168 305	36	56
Australian Power & Gas	421 707	466 690	74	77
Click Energy ^a	17 763	33,029	86	82
Country Energy ^b	87 114	—	79	—
Diamond Energy	918	3 065	100	100
Dodo Power & Gas	17 798	76 563	91	94
Lumo Energy	750 467	590 745	78	71
Momentum	40 067	67 985	46	65
Neighbourhood Energy	117 158	197 638	49	66
Origin Energy	947 071	798 102	56	54
Powerdirect	44 914	58 963	70	64
Red Energy	415 529	447 905	42	66
Simply Energy	322 281	247 545	74	84
TRUenergy ^c	721 784	833 918	69	58
TOTAL	5 047 163	4 990 453	59	64

^a Click Energy cannot separate National call data – data is included as it is below 1 per cent of all calls.

^b Origin Energy acquired Country Energy on 1 March 2011. Data are reported separately for 2010-11.

^c The EnergyAustralia component of TRUenergy's data is not included as it can only report national data and it is greater than one per cent of all calls. — Not applicable.



TABLE 4.2 CALL HANDLING PERFORMANCE—ELECTRICITY AND GAS
2010-11 to 2011-12

Retailer	Calls Abandoned (% of calls to Operator)		Average Wait Time (seconds)	
	2010-11	2011-12	2010-11	2011-12
AGL	9	5	152	90
Australian Power & Gas	4	2	41	22
Click Energy ^a	2	1	17	15
Country Energy ^b	2	—	21	—
Diamond Energy	1	0	30	0
Dodo Power & Gas	2	1	13	4
Lumo Energy	5	7	31	48
Momentum	5	11	30	67
Neighbourhood Energy	14	8	123	88
Origin Energy	15	17	160	144
Powerdirect	5	8	83	146
Red Energy	13	5	137	57
Simply Energy	3	3	50	57
TRUenergy ^c	5	13	67	242
AVERAGE	8	8	101	107

^a Click Energy cannot separate National call data—data are included because they are below 1 per cent of all calls. ^b Origin Energy acquired Country Energy on 1 March 2011. Data are reported separately for 2010-11. ^c The EnergyAustralia component of TRUenergy's data is not included because it can only report national data and it is greater than one per cent of all calls. — Not applicable.



4.4 INDEPENDENT CALL CENTRE MONITORING

Eleven Victorian energy retailers participated in four quarterly independent mystery shopper surveys in 2011-12 to measure call centre performance. Customer Service Benchmarking Australia (CSBA) made 1012 calls to 11 retailers; 574 calls related to hardship issues. The results are compared with results for all researched energy companies in Australia, and for selected companies representing the airline, banking, insurance and telecommunication industries. The complete report is available on our website (www.esc.vic.gov.au).

CALL CENTRE SERVICE

The CSBA data show the following for 2011-12:

- the average time to connect to an agent for a Victorian energy retailer was 86 seconds. This was 8 seconds quicker than in 2010-11 (94 seconds) and 2 seconds faster than the 2011-12 national energy sector average (88 seconds). This measure is calculated differently from the results supplied by the retailers (table 4.2), because the CSBA researcher includes the time the automated system takes to pick up the call.
- Momentum Energy was the fastest answering Victorian energy company (taking 57 seconds), while Origin Energy was the slowest (105 seconds), although it improved from 2010-11 (141 seconds).
- sixty seven per cent of calls were answered within 30 seconds, which was up 7 percentage points from 60 per cent in 2010-11. This proportion is consistent with the retailers' reported data (table 4.1) and consistent with the national average for the energy sector.
- Victorian energy retailers continued to greet their customers in a friendly manner (94 per cent, slightly above the national energy sector at 92 per cent). Best practice agent manner remained consistent at 74 per cent (compared with 73 per cent in 2010-11). This result aligns with the national energy sector (74 per cent). AGL (88 per cent) was the top performer, while Dodo Power & Gas (56 per cent) was the lowest performer.

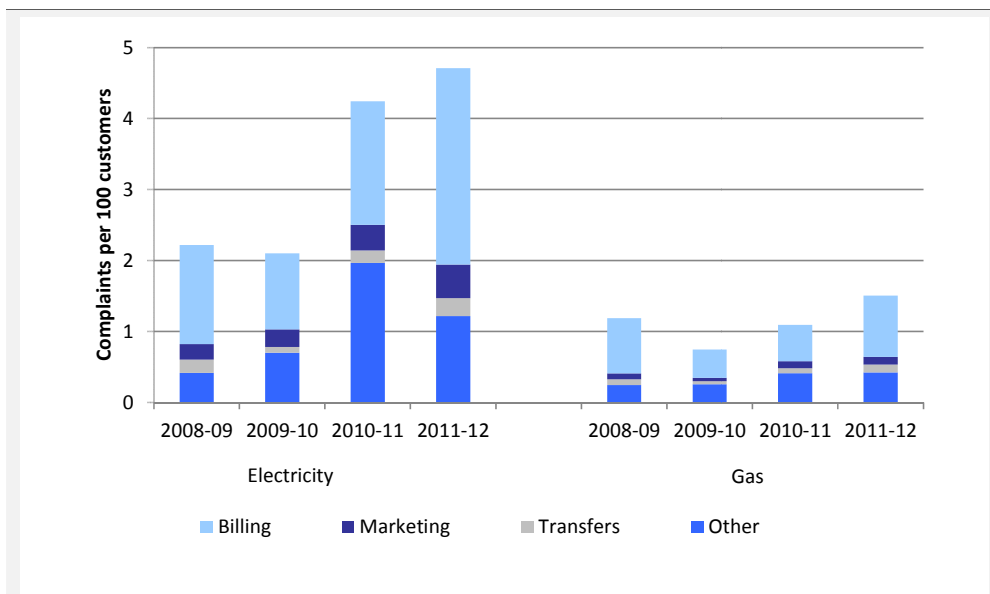


- the enquiry handling skills index of the Victorian energy retailers was stable at 79 per cent, and in line with the national energy sector result. The lowest performing Victorian retailer was Lumo Energy (69 per cent), while AGL was the best performer (87 per cent).
- retailers' handling of calls from customers with payment difficulties declined slightly in 2011-12. The best practice manner for payment difficulty calls (72 per cent) was slightly lower than that of non-payment difficulty calls (76 per cent).

4.5 CUSTOMER COMPLAINTS

Electricity and gas complaints both rose slightly from the levels in 2010-11. Figure 4.2 shows complaints reported by the electricity retailers increased, up to 4.7 per 100 customers from 4.1 per 100 in 2010-11. Complaints reported by gas retailers increased to 1.5 per 100 customers from 1.1 in 2010-11.

FIGURE 4.2 COMPLAINTS—ELECTRICITY AND GAS
2008-09 to 2010-11



Note: The EnergyAustralia component of TRUenergy's data is not included because it can only report national data.



Tables 4.3 and 4.4, and figures 4.3 and 4.4 detail complaints performance for each energy retailer. The overall number and rate of electricity complaints rose in 2011-12, compared with 2010-11. Total electricity complaints increased from 111 047 to 125 170—up 13 per cent, stabilising from the 105 per cent increase the previous year. Over 50 per cent of electricity complaints came from two retailers—AGL and Lumo Energy, while for gas, AGL and Origin Energy accounted for more than 50 per cent of all complaints.

Overall, the electricity and gas data show the following for 2011-12:

- the majority of electricity complaints related to billing complaints (59 per cent), followed by other complaints (26 per cent), marketing complaints (10 per cent) and transfer complaints (the remaining 5 per cent). This result reverses a large spike in other complaints in 2010-11, which may reflect retailers allocated complaints better in 2011-12.
- Lumo Energy reported 16 electricity complaints for every 100 customers—one of the highest reported this year, although it is down from 26 in 2011-12. It also improved its complaints allocation, lowering other complaints to 4.5 per 100 customers from 17 in 2010-11.
- Dodo Power & Gas reported the highest proportion of complaints per 100 customers (41 per 100 customers) in 2011-12. Dodo Power & Gas commented it has a high standard of complaint allocation and it records all expressions of dissatisfaction as a complaint, resulting in higher numbers reported.
- Momentum Energy reported a marked increase in complaints per 100 customers, up to 3.7 from 0.3 in 2010-11, perhaps reflecting the increase in market presence in 2011-12. AGL also reported a 36 per cent increase in 2011-12, up to 5.4 complaints per 100 customers.
- the majority of gas complaints related to billing (57 per cent), followed by other complaints (28 per cent). Marketing complaints and transfer complaints made up the rest (7 per cent each).
- gas complaints rose by 37 per cent, following a 50 per cent increase in 2010-11. Lumo Energy, TRUenergy and Red Energy all increased the total number of gas complaints by over 100 per cent in 2011-12.



The varied results seen in this data is of concern to us, the retailers seem to define complaints differently when they should follow the definitions in the *Information Specification (service performance) for Victorian Energy retailers, December 2008* and the Australian Standard for Complaint Handling— AS-ISO-10002-2006 (available at www.standards.org.au). We will consult with retailers in early 2013 to ensure the indicators have clear and concise definitions.

With the trend to higher complaint numbers continuing in 2011-12, we looked at retailers' comments received in January and November 2012 for explanations. The retailers suggested that many of them have focused on complaint capture and allocation over the past two years, resulting in more recorded complaints. They noted the increase in solar customers also contributed to complaint numbers, especially for retailers specialising in solar installation. They also cited increases in the cost of living, increased bill complexity, concerns about door-to-door marketing and smart meters as contributing factors.

TABLE 4.3 COMPLAINTS, BY RETAILER—ELECTRICITY
2010-11 to 2011-12

Retailer	Complaints billing		Complaints transfers		Complaints marketing		Complaints other		Complaints total	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
AGL	12 831	17 567	982	1 762	1 793	2 511	9 488	12 183	25 094	34 023
Australian Power & Gas	2 241	1 257	819	423	897	463	485	188	4 442	2331
Click Energy	103	93	8	9	11	15	106	77	228	194
Country Energy ^a	159	—	16	—	3	—	32	—	210	—
Diamond Energy	0	19	0	7	0	0	0	6	0	32
Dodo Power & Gas	164	3 909	104	640	24	208	66	805	358	5 562
EnergyAustralia ^a	597	—	186	—	667	—	104	—	1 554	—
Lumo Energy	13 111	18 750	898	1 347	1 539	2 720	33 235	8 676	48 783	31 493
Momentum	31	763	10	243	2	3	5	288	48	1 297
Neighbourhood Energy	565	416	325	205	1 773	2 666	454	572	3 117	3 859
Origin Energy	6 353	12 415	696	571	930	674	3 599	4 073	11 578	17 733
Powerdirect	280	355	25	21	39	39	567	147	911	562
Red Energy	1 810	3 485	198	415	636	960	512	1 802	3 156	6 662
Simply Energy	1 039	632	73	29	884	943	1 114	704	3 110	2 308
TRUenergy	6 227	13 823	319	1 092	251	1 435	1 661	2 764	8 458	19 114
ELECTRICITY TOTAL	45 511	73 484	4 659	6 764	9 449	12 637	51 428	32 285	111 047	125 170

^a Origin Energy acquired Country Energy, and TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12. — Not applicable

TABLE 4.4 COMPLAINTS, BY RETAILER—GAS
2010-11 to 2011-12

Retailer	Complaints billing		Complaints transfers		Complaints marketing		Complaints other		Complaints total	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
AGL	4 335	4 430	433	602	308	326	3 853	2 766	8 929	8 124
Australian Power & Gas	0	156	0	74	0	10	0	38	0	278
Lumo Energy	857	2,301	74	267	25	298	889	1 018	1 845	3 884
Origin Energy	2 204	5 097	450	357	434	221	1 252	2 029	4 340	7 704
Red Energy	394	905	84	139	101	110	181	479	760	1 633
Simply Energy	532	397	78	21	770	610	892	503	2 272	1 531
TRUenergy	1 342	2 831	178	559	67	485	740	1 103	2 327	4 978
GAS TOTAL	9 664	16 117	1 297	2 019	1 705	2 060	7 807	7 936	20 473	28 132



FIGURE 4.3 COMPLAINTS TO RETAILERS—ELECTRICITY
2011-12

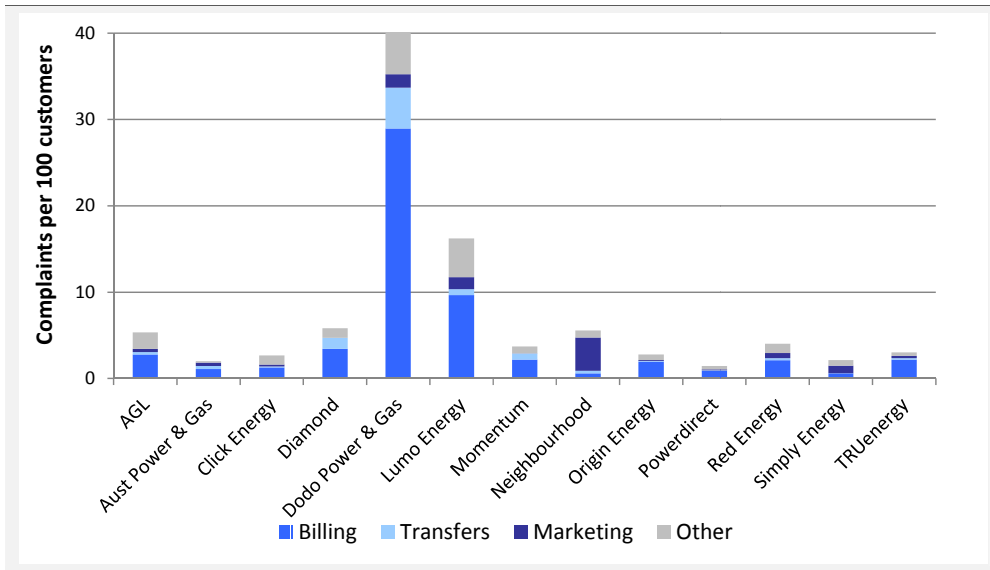
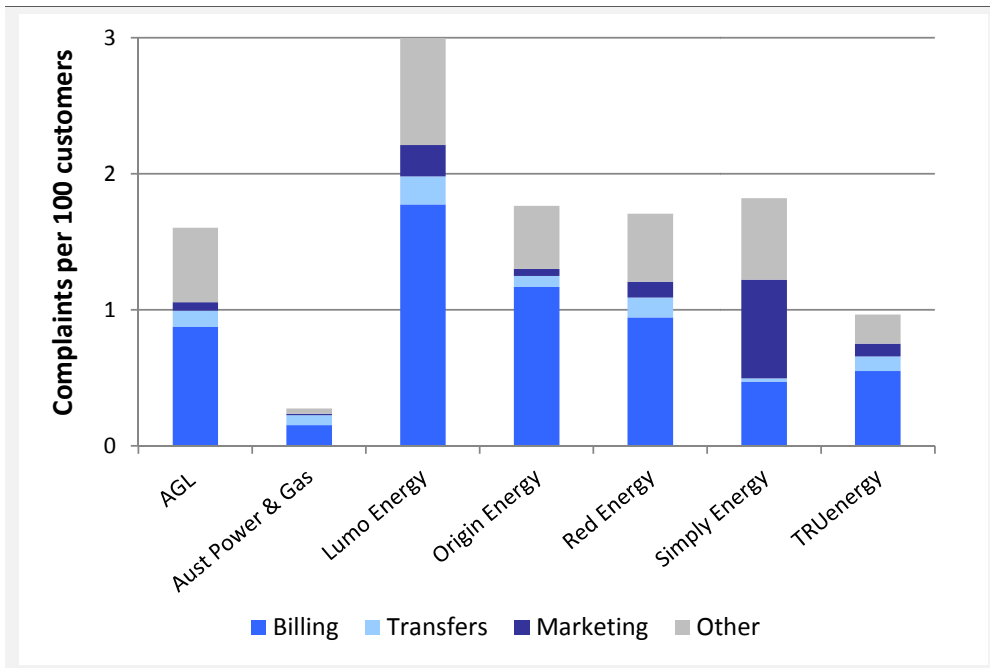


FIGURE 4.4 COMPLAINTS TO RETAILERS—GAS
2011-12





ENERGY AND WATER OMBUDSMAN (VICTORIA)

Complaints classification can vary with the customer service team, the manager or the system to record the complaint in the first place, so we also examine EWOV complaints data. This data reflects the number of complaints received for full investigation by EWOV and is a good indication of how well retailers resolve customer complaints. We look at the data for trend analysis and to see if it correlates with what the retailers reported in 2011-12 (tables 4.3 and 4.4).

Examining both data sets identifies systemic issues with complaints—a high number of reported complaints is not always a bad thing, particularly if a retailer resolves complaints effectively. A high number of complaints combined with a high number of complaints investigated by EWOV can be a fairer indicator of poor complaint resolution by a retailer.

Tables 4.5 and 4.6 show:

- EWOV reported an 8 per cent decrease in the total number of complaints investigated (down to 10 301 compared with 11 203 in 2010-11). This follows a 56 per cent increase from 2009-10 to 2010-11.
- energy affordability complaints reported by EWOV decreased by over 50 per cent in 2011-12, following a large increase in 2010-11. Other complaints reported for full investigation by EWOV increased dramatically, over 250 per cent. This was not reflected in the retailers' data, where other complaints decreased significantly this year after a large increase in 2010-11.
- EWOV investigated 0.29 electricity complaints per 100 residential and business customers in 2011-12, slightly lower than the previous year at 0.31 per 100 customers.
- the most electricity complaints per 100 customers was reported for Simply Energy at 0.45 per 100 customers, although this was better the previous year (0.57 per 100 customers).
- other retailers with above average results were Australian Power & Gas and TRUenergy, both recording 0.33 per 100 customers.
- Dodo Power & Gas had 10 electricity complaints investigated in 2011-12, whereas the retailer's own data showed a high proportion of complaints per 100 customers (at just over 40 per 100 customers). This may indicate that Dodo Power & Gas resolves complaints effectively before they are escalated to EWOV.



- Lumo Energy had fewer complaints investigated at EWOV than in previous years, falling over 50 per cent in 2011-12, although it was still one of the highest in 2011-12. Click Energy also improved, with the number of complaints per customer falling to 0.19 from 0.53 in 2010-11.
- EWOV investigated 2609 gas and dual fuel complaints in 2011-12, an increase of 472 from the previous year. Complaints per customer rose from 0.11 in 2010-11 to 0.14 in 2011-12.
- Simply Energy and Australian Power & Gas recorded the highest ratio of complaints per 100 customers (0.22 and 0.21 respectively).

TABLE 4.5 COMPLAINTS RECEIVED FOR FULL INVESTIGATION BY EWOV
2010-11 to 2011-12

Retailer	Affordability			Other retail			Total complaints		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Electricity									
AGL	1 562	1 514	540	345	205	691	1 907	1 719	1231
Aurora Energy	0	0	0	0	0	0	0	0	0
Australian Power & Gas	62	461	103	69	44	285	131	505	388
Click Energy	9	26	8	1	2	6	10	28	14
Country Energy ^a	17	36	—	7	7	—	24	43	—
Diamond Energy	—	—	1	—	—	0	—	—	1
Dodo Power & Gas	—	0	4	—	1	6	—	1	10
EnergyAustralia ^a	10	105	—	26	15	—	36	120	—
Integral Energy	0	0	0	0	0	1	0	0	1
Lumo Energy	502	1 078	143	247	142	451	749	1 220	594
Momentum Energy	10	12	16	4	5	29	14	17	45
Neighbourhood Energy	54	72	23	34	14	83	88	86	106
Origin Energy	593	1 409	896	176	279	1539	769	1 688	1985
Powerdirect	64	86	35	19	39	41	83	115	76
Red Energy	110	232	98	34	31	151	144	263	249
Simply Energy	236	632	197	152	97	286	388	729	483
TRUenergy	504	1 125	1096	113	467	955	617	1 592	2051
Electricity total	3 736	6 788	3160	1 227	1 338	4524	4 963	8 126	7684

Continued next page

TABLE 4.5 CONTINUED

Retailer	Affordability			Other retail			Total complaints		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Gas									
AGL	753	708	342	173	60	239	926	768	581
Australian Power & Gas	25	239	76	49	14	140	74	253	216
EnergyAustralia ^a	2	49	—	10	3	—	12	52	—
Lumo Energy	272	541	95	111	64	161	383	605	256
Origin Energy	224	444	299	56	34	380	280	478	679
Red Energy	33	76	44	12	6	33	45	82	77
Simply Energy	104	255	98	76	21	87	180	276	185
TRUenergy	184	475	295	53	56	320	237	531	612
Gas totals	1 597	2 787	1249	540	258	1360	2 137	3 045	2609
Dual fuel									
AGL	0	0	0	0	0	0	0	0	0
Australian Power & Gas	0	0	0	1	0	0	1	0	0
Lumo Energy	42	30	3	23	0	2	65	30	5
Origin Energy	0	0	0	0	0	0	0	0	0
Red Energy	0	0	0	0	0	0	0	0	0
Simply Energy	0	0	0	1	0	0	1	0	0
TRUenergy	7	2	2	2	0	1	9	2	3
Dual fuel total	49	32	5	27	0	3	76	32	8
ENERGY TOTAL	5 382	9 607	4414	1 794	1596	5887	7 176	11 203	10301

^a Origin Energy acquired Country Energy, and TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12. — Not applicable.

Data source: EWOV.



TABLE 4.6 COMPLAINTS RECEIVED FOR FULL INVESTIGATION BY EWOV, ELECTRICITY AND GAS 2010-11 to 2011-12

Retailers	Total EWOV complaints		EWOV complaints per 100 customers	
	2010-11	2011-12	2010-11	2011-12
Electricity				
AGL Sales	1 719	1 231	0.26	0.19
Aurora Energy	0	0	0.00	0.00
Australian Power & Gas	505	388	0.53	0.33
Click Energy	28	14	0.72	0.19
Country Energy	43	—	0.08	—
Diamond Energy	—	1	—	0.18
Dodo Power & Gas	1	10	0.05	0.07
EnergyAustralia	120	—	0.17	—
Lumo Energy	1 220	594	0.64	0.31
Momentum	17	45	0.09	0.13
Neighbourhood Energy	86	106	0.24	0.15
Origin	1 688	1 985	0.27	0.31
Powerdirect	115	76	0.31	0.19
Red Energy	263	249	0.17	0.15
Simply Energy	729	483	0.57	0.45
TRUenergy	1 592	2 051	0.30	0.33
Total	8 126	7 684	0.31	0.29
Gas				
AGL Sales	768	581	0.15	0.11
Australian Power & Gas	253	216	0.32	0.21
EnergyAustralia	52	—	0.09	—
Lumo	605	261	0.48	0.20
Origin Energy	478	679	0.09	0.16
Red Energy	82	77	0.10	0.08
Simply Energy	276	185	0.29	0.22
TRUenergy	531	615	0.12	0.12
Total	2 137	2 617	0.11	0.14

Note: Dual fuel complaints are included in gas figures. Origin Energy acquired Country Energy, and TRUenergy acquired EnergyAustralia on 1 March 2011. Data are reported together from 2011-12. — Not applicable.

Data source: EWOV.



APPENDIX A – HARDSHIP DATA BY RETAILER

HARDSHIP DATA, BY RETAILER



TABLE A.1 AGL AND AUSTRALIAN POWER & GAS

	AGL			Australian Power & Gas		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Hardship program participants	6 305	4 763	3 373	24	156	937
Hardship program participants for whom program access was sought by a third party	90	44	15	0	1	0
Hardship program participants who are concession cardholders	3 501	2 896	2 431	9	39	427
Customers denied access to a retailer's hardship program during the period	971	140	34	0	0	2
Average debt of new entrants to a hardship program	458	623	466	1 107	731	1 071
Average debt on exit from a hardship program	426	706	661	1 100	0	972
Average length of participation for customers in a hardship program	501	587	587	429	83	213
Participants exiting a hardship program by agreement with the retailer	791	452	219	0	0	196
Hardship program participants excluded for not complying with requirements	1 423	1 091	429	1	0	0
Disconnections of previous hardship program participants within 12 months	90	286	346	0	0	0
Reconnections of previous hardship program participants within 12 months	12	87	199	0	0	0
Energy field audits provided at no cost to customer	632	563	655	7	6	0
Energy field audits provided at partial cost to customer	0	0	0	0	0	0
Average cost contributed by customers when partial contribution required	0	0	0	0	0	0
Appliances provided under a hardship program	187	510	574	0	0	0

— Not applicable.



TABLE A.2 CLICK ENERGY AND DODO POWER & GAS

	Click Energy			Dodo Power & Gas ^a		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Hardship program participants	36	49	100			16
Hardship program participants for whom program access was sought by a third party	1	0	0			0
Hardship program participants who are concession cardholders	3	12	23			2
Customers denied access to a retailer's hardship program during the period	0	0	0			0
Average debt of new entrants to a hardship program	1 091	1 132	380			705
Average debt on exit from a hardship program	1 881	1 337	378			1 575
Average length of participation for customers in a hardship program	272	156	133			82
Participants exiting a hardship program by agreement with the retailer	1	5	36			4
Hardship program participants excluded for not complying with requirements	5	8	15			0
Disconnections of previous hardship program participants within 12 months	3	6	11			0
Reconnections of previous hardship program participants within 12 months	2	0	5			0
Energy field audits provided at no cost to customer	0	0	0			0
Energy field audits provided at partial cost to customer	0	0	0			0
Average cost contributed by customers when partial contribution required	0	0	0			0
Appliances provided under a hardship program	0	0	0			0

^a 2011-12 is the first year Dodo Power & Gas reported hardship data. — Not applicable.



TABLE A.3 LUMO ENERGY AND MOMENTUM ENERGY

	Lumo Energy ^a			Momentum Energy		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Hardship program participants			361	—	1	3
Hardship program participants for whom program access was sought by a third party			4	—	0	0
Hardship program participants who are concession cardholders			155	—	0	2
Customers denied access to a retailer's hardship program during the period			0	—	0	0
Average debt of new entrants to a hardship program			962	—	0	1 533
Average debt on exit from a hardship program			973	—	0	0
Average length of participation for customers in a hardship program			327	—	0	0
Participants exiting a hardship program by agreement with the retailer			36	—	0	0
Hardship program participants excluded for not complying with requirements			111	—	0	0
Disconnections of previous hardship program participants within 12 months			2	—	0	0
Reconnections of previous hardship program participants within 12 months			1	—	0	0
Energy field audits provided at no cost to customer			0	—	0	0
Energy field audits provided at partial cost to customer			0	—	0	0
Average cost contributed by customers when partial contribution required			0	—	0	0
Appliances provided under a hardship program			0	—	0	0

^a Lumo Energy data before 2011-12 did not pass audit requirements and is not published in this report.
 — Not applicable.



TABLE A.4 NEIGHBOURHOOD ENERGY AND ORIGIN ENERGY

	Neighbourhood Energy ^a			Origin Energy		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Hardship program participants	245	347		6 713	6 418	6 334
Hardship program participants for whom program access was sought by a third party	11	20		727	726	780
Hardship program participants who are concession cardholders	58	99		3 133	2 737	2 846
Customers denied access to a retailer's hardship program during the period	0	0		0	0	0
Average debt of new entrants to a hardship program	1 175	924		523	549	567
Average debt on exit from a hardship program	920	909		580	660	105
Average length of participation for customers in a hardship program	37	204		416	425	549
Participants exiting a hardship program by agreement with the retailer	0	62		1 280	1 045	707
Hardship program participants excluded for not complying with requirements	106	156		1 862	1 619	833
Disconnections of previous hardship program participants within 12 months	9	9		332	640	180
Reconnections of previous hardship program participants within 12 months	4	6		69	135	31
Energy field audits provided at no cost to customer	1	0		448	316	261
Energy field audits provided at partial cost to customer	0	0		0	0	0
Average cost contributed by customers when partial contribution required	0	0		0	0	0
Appliances provided under a hardship program	0	0		2	0	6

^a Neighbourhood Energy could not supply accurate and reliable hardship data for 2011-12. na Not available.



TABLE A.5 POWERDIRECT AND RED ENERGY

	Powerdirect			Red Energy		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Hardship program participants	88	43	31	804	1 093	1 360
Hardship program participants for whom program access was sought by a third party	10	1	0	41	51	51
Hardship program participants who are concession cardholders	24	18	10	220	370	394
Customers denied access to a retailer's hardship program during the period	0	2	0	0	0	1
Average debt of new entrants to a hardship program	1 423	2 307	2 319	627	569	499
Average debt on exit from a hardship program	1 958	3 100	2 883	546	801	529
Average length of participation for customers in a hardship program	256	305	316	284	228	243
Participants exiting a hardship program by agreement with the retailer	10	1	7	211	185	398
Hardship program participants excluded for not complying with requirements	13	22	13	235	359	548
Disconnections of previous hardship program participants within 12 months	0	0	0	37	117	154
Reconnections of previous hardship program participants within 12 months	0	0	0	18	38	49
Energy field audits provided at no cost to customer	1	3	0	3	0	0
Energy field audits provided at partial cost to customer	0	0	0	0	0	0
Average cost contributed by customers when partial contribution required	0	0	0	0	0	0
Appliances provided under a hardship program	0	0	0	0	0	0



TABLE A.6 SIMPLY ENERGY AND TRUENERGY

	Simply Energy			TRUenergy		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Hardship program participants	1 475	2 000	2 286	7 319	4 247	4 078
Hardship program participants for whom program access was sought by a third party	67	89	100	895	363	230
Hardship program participants who are concession cardholders	234	380	337	3 087	1 765	1 371
Customers denied access to a retailer's hardship program during the period	172	341	352	0	0	25
Average debt of new entrants to a hardship program	999	742	920	604	569	1 520
Average debt on exit from a hardship program	718	1 140	988	1 046	676	981
Average length of participation for customers in a hardship program	422	336	352	189	392	632
Participants exiting a hardship program by agreement with the retailer	144	562	785	1 328	1 562	1 418
Hardship program participants excluded for not complying with requirements	492	232	753	1 227	1 033	875
Disconnections of previous hardship program participants within 12 months	21	41	111	150	59	80
Reconnections of previous hardship program participants within 12 months	16	16	60	81	40	58
Energy field audits provided at no cost to customer	2	78	62	79	0	11
Energy field audits provided at partial cost to customer	0	0	0	0	0	0
Average cost contributed by customers when partial contribution required	0	0	0	0	0	0
Appliances provided under a hardship program	0	0	0	2	3	0

na Not available.

