



Energy Industry
Ombudsman SA

STRATEGIC PLAN

2010 - 2013

An independent, free service available to domestic and business customers.



STRATEGIC PLAN 2010 - 2013

OUR PURPOSE

Energy Industry Ombudsman (SA) Ltd (EIOSA) is an independent body established to investigate and resolve disputes that arise between customers and electricity and gas companies in South Australia.

OUR VISION

To be recognised as being effective, efficient and fair in our approach to resolving energy disputes that fall within jurisdiction.

OUR VALUES

We are:

- Independent
- Accessible
- Informal
- Just
- Fair
- Professional
- Respectful to each other

<p>WHAT WE DO</p>	<p>Customers can approach EIOSA about a range of matters including:</p> <ul style="list-style-type: none"> • connection, supply and sale of electricity and gas by a member company • disconnection of supply • billing disputes • administration of credit and payment services • security deposits • the impact on land or other property due to actions by a member company • the conduct of member companies' employees, servants, officers, contractors or agents • any other matters referred by a member company by agreement with the Ombudsman and the person/s affected.
	<p>Generally, customer issues are resolved by negotiation. However, the Ombudsman may resolve a complaint by making a determination that is binding on the member company, including by:</p> <ul style="list-style-type: none"> • directing the company to provide electricity or gas services • directing the company to amend, or not impose, a charge for a service • directing the company to supply goods or services that are the subject of the complaint or undertake any corrective action, or other work, to resolve the complaint • directing a company to do, not to do, or cease doing an act • making a determination that the company pay compensation to the complainant. <p>The Ombudsman can make determinations up to a value of \$20,000 or up to \$50,000 with the consent of the member company.</p>

<p>WHAT WE DO NOT DO</p>	<p>The functions of EIOSA do not extend to areas such as:</p> <ul style="list-style-type: none"> • the setting of prices and tariffs • commercial activities outside the scope of the member's licence • the content of government policies, legislation, licences and codes • matters before a court, tribunal or arbitrator • customer contributions to the cost of capital works • disputes between member companies.
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FOUNDING ELECTRICITY MEMBERS	AGL South Australia Pty Ltd ETSA Utilities ElectraNet Pty Ltd
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JOINING ELECTRICITY DISTRIBUTOR MEMBER	Australian Pipeline Trust (formerly Murraylink Transmission Partnership)
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JOINING ELECTRICITY RETAILER MEMBERS	AGL Sales (Queensland Electricity) Pty Ltd (formerly Ergon Energy) Aurora Energy Pty Ltd Country Energy Flinders Power Partnership Momentum Energy Pty Ltd Origin Energy Electricity Ltd Powerdirect Pty Ltd Red Energy Pty Ltd Simply Energy South Australia Electricity Pty Ltd TRUenergy
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FOUNDING GAS MEMBERS	Origin Energy Retail Ltd Envestra Ltd
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JOINING GAS RETAILER MEMBERS	AGL South Australia Pty Ltd Simply Energy TRUenergy
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BACKGROUND

EIOSA came into existence in January 2000 as part of a suite of changes introduced with privatisation of the energy industry in South Australia.

Retailer competition for small electricity consumers (annual consumption less than 160 mWh) commenced in South Australia in 1 January 2003 and for gas consumers on 28 July 2004. The development of competitive electricity and gas retail markets for small customers in South Australia has been one of the most significant energy reform achievements over the past decade. Residential and small business customers are now able to choose from a variety of price/service combinations offered by competing energy retailers.

Since the introduction of retail competition in South Australia, the demand for EIOSA services has continued to grow, peaking in the 2008/09 year at 8,608 contacts (a 63% increase over the previous year). Whilst the increase last financial year can largely be attributed to one of the retailers changing their billing system, increases were recorded by most member companies. Consumer awareness of EIOSA's role in assisting to facilitate the resolution of complaints with their gas and electricity companies also continues to grow and this is also driving demand for our services.

Significant energy market reforms are in the pipeline. These changes include the development of the national framework for regulation of the energy supply industry, with the Australian Energy Regulator assuming responsibility for the economic regulation of electricity and gas distribution networks in South Australia. Over time further regulatory functions currently performed by the Essential Services Commission of SA (ESCOSA) will transfer to the national framework including consumer protection for retail customers.

EIOSA has an obligation to report identified systemic issues to ESCOSA who will consider the appropriate course of action to be taken with the member company as part of its ongoing compliance monitoring of the industry. Early identification of systemic issues has the potential to minimise the impact of problems on consumers and EIOSA.

State Governments operating in the national electricity market have committed to retaining energy (and water) Ombudsman Schemes as State based functions for the foreseeable period. Suggestions have also been made that water complaints in South Australia could be handled by EIOSA as part of the SA Government's reform agenda of the water industry.

Other major national developments in relation to, and in particular, climate change policy response measures, such as the Commonwealth Government's proposed Carbon Pollution Reduction Scheme, will undoubtedly have a material impact, at least for a transitional period, on energy prices.

These issues and the continued growth in community awareness about their right and opportunity to challenge/question the way that businesses go about their tasks will no doubt also have an impact on the services of EIOSA.

In the context of these and other challenges, this Strategic Plan sets out the key objectives and priorities of EIOSA that will ensure it continues to meet the expectations of all its stakeholders into the future.

KEY RESULT AREAS

1. IMPROVED COMPLAINTS HANDLING

OBJECTIVE

CONTINUALLY IMPROVE THE MANAGEMENT OF COMPLAINTS THAT FALL WITHIN JURISDICTION

STRATEGIES

- 1.1 Effectively manage complaints in accordance with Scheme Charter and Constitution
- 1.2 Continually monitor trends in complaint numbers and type, our resolution performance and the responsiveness of member companies to our requests
- 1.3 Monitor industry trends and changes to legislation and codes and ensure staff skill sets are maintained
- 1.4 Ensure reporting of identified systemic issues to ESCOSA and obtain feedback from ESCOSA on actions taken
- 1.5 Analyse data from contacts and surveys of complainants for underlying causes which can help in the identification of areas for improvement
- 1.6 Proactively encourage members embarking on customer related business changes to consult with the Ombudsman on strategies to minimise impact on consumers and EIOSA and provide performance feedback
- 1.7 Monitor Government policy on management of water and sewer complaints and consider implications for EIOSA

KEY PERFORMANCE INDICATORS

- 1.1 Customer satisfaction with EIOSA handling of case (survey of 50 customers monthly)
- 1.2 Timely notification to Member and ESCOSA of identified systemic issues.
- 1.3 Improved controllable handling time for cases (timely upgrades and customer replies)

2. SCHEME EFFECTIVENESS

OBJECTIVE

ENSURE THAT CONFIDENCE IN THE SCHEME IS MAINTAINED BY EFFECTIVE COMMUNICATION WITH CONSUMERS, INDUSTRY AND REPRESENTATIVE BODIES

STRATEGIES

- 2.1 Undertake a review of the scheme in accordance with the requirements of clause 23 of the EIOSA Constitution
- 2.2 Maintain working relationships with similar interstate ombudsman schemes either individually or through association networks
- 2.3 Ensure that the new Member induction program is continually reviewed and communicated as necessary
- 2.4 Ensure that effective and targeted information is provided to the community on the services provided by the scheme
- 2.5 Foster effective links with members, consumers, other complaint handling bodies, government agencies and consumer and community representative organisations.
- 2.6 Engage and influence national changes that may impact on Ombudsman schemes.

KEY PERFORMANCE INDICATORS

- 2.1 Quarterly customer survey of components of customer satisfaction (ie willingness to advertise/refer- net promoter score)
- 2.2 Scheme Review survey results (all stakeholders)

3. ORGANISATIONAL CAPABILITY

OBJECTIVE

CAPABLE AND RESPONSIVE ORGANISATION THAT IS ABLE TO MEET THE CHALLENGES AHEAD

STRATEGIES

- 3.1 Use trends in complaint handling data to identify successes and opportunities for improvement
- 3.2 Manage complaints in line with the Benchmarks for Industry Based Customer Resolution Schemes
- 3.3 Undertake an independent review of internal complaints handling processes
- 3.4 Implement effective systems that improve business performance and deliver appropriate management data
- 3.5 Foster a culture of continuous improvement, technical excellence and quality service including continual development of the skills of the Board and staff
- 3.6 Ensure that the Organisation is resourced adequately with appropriately skilled staff to meet current and future industry challenges/changes
- 3.7 Prepare the Organisation for the potential management of water and sewer complaints

KEY PERFORMANCE INDICATORS

- 3.1 Annual Member satisfaction survey
- 3.2 Annual survey of staff satisfaction and confidence in Scheme

4. GOOD GOVERNANCE AND MANAGEMENT

OBJECTIVE

ENSURE BEST PRACTICE GOVERNANCE AND MANAGEMENT

STRATEGIES

- 4.1 Ensure that members of the Board have the opportunity for learning and professional development to build on their skills to help meet the future challenges of the Scheme
- 4.2 Continually review and develop the skills of the Board to meet emerging issues
- 4.3 Monitor the new charging system for members and be prepared to fine tune it in line with operating experience
- 4.4 Ensure on-going development and management of the risk framework. Conduct periodic reviews in conjunction with the company auditors
- 4.5 Ensure a best practice approach to financial management
- 4.6 Undertake annual performance reviews of the CEO and Board
- 4.7 Set a leadership example of mutual respect and a cohesive team culture
- 4.8 Systematic development and review of policies and procedures
- 4.9 Maintain the organisation's Charter, Constitution and values
- 4.10 Ensure a working relationship is maintained with key stakeholders
- 4.11 Conduct an annual review of this plan ensuring that it is focused on strategic issues.

KEY PERFORMANCE INDICATORS

- 4.1 Biennial externally facilitated review of board performance measured against AICD Governance standards
- 4.2 Progress towards accepted best practise guidelines as promulgated by AICD