

2015 Independent Review

Water Services Ombudsman WA

**Report to the Board of Energy and Water
Ombudsman (Western Australia) Limited**

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I. INTRODUCTION

I.1. Nature of Review

The Water Services Ombudsman Scheme (Water Scheme) commenced on 1 January 2014 and currently has 32 Members. The scheme is operated by the Energy and Water Ombudsman (Western Australia) Limited (EWOWA) which also has responsibility for resolving gas and electricity complaints. It has engaged the Western Australian Ombudsman as the Energy and Water Ombudsman and utilises his staff to run the scheme.

This review is required by Regulation 18 of the Water Services Regulations to be before 31 December 2015. Our review of documents, processes and complaints and our surveying of stakeholders were completed by that date. Consistent with Regulation 18, a copy of our Review Report will be provided to the Economic Regulation Authority and each Member.

This review is occurring not long after the 2013 Energy Review and so the Project Brief expressed the Board's desire for regard to be made to the 2013 Energy Review Report without duplication of that review.

Cameronralph Navigator is a Melbourne based consultancy that over the past 14 years has conducted 16 independent reviews of external complaints handling schemes and has undertaken consultancy projects for two other energy and water ombudsman schemes in Australia.

I.2. Water services complaints

Water complaints need to be viewed in the context of the Western Australia environment. Western Australia is a dry State where water conservation is an imperative. For this reason, water rates are set by the Government and are stepped according to consumption. Discounts apply for disadvantaged consumers.

The Government-owned Water Corporation is the principal supplier of water and waste water services, supplying more than 2 million people across Western Australia. There are two other water companies that supply quite limited geographic regions. The majority of other water licensees are local government authorities that provide sewage services. Thus the structure of the water industry is very different from the electricity and gas industry.

There are other important differences as between water and energy complaints. In the case of water, the responsibility for payment of the bill vests with the land and so for a tenanted property the water services provider is able to have recourse to the landowner for the tenant's usage. Also, in practice water services providers do not disconnect the service where payment is not made, rather the water flow is slowed. Energy providers do, of course, disconnect supply, although regulatory constraints on this right apply.

In this context, it is unsurprising that water complaint levels are much lower than energy complaints, with 194 water complaints in the first 6 months of the scheme and 289 water complaints in the 12 months until 30 June 2015. 61% of complaints have been about billing, with supply being the next most common issue raised in complaints, accounting for 11% of water complaints to EWOWA.

2. EXECUTIVE SUMMARY

2.1. Overview

Our review found that EWOWA is meeting the legislative objectives for the Water Scheme and the Benchmarks for Industry-Based Dispute Resolution Schemes February 2015 (the National Benchmarks). The scheme is operated well. Complaint outcomes and timeframes are appropriate. EWOWA is working well with stakeholders, whilst maintaining its independence and impartiality.

As is always the case with these reviews, some improvement opportunities have been identified that are discussed in the next section.

2.2. Key Issues

Consistent with our scope, our recommendations relate to EWOWA only insofar as the Water Scheme is concerned. Our key recommendations follow the following themes:

a) Increase effort building awareness of the Water Scheme

As a new scheme with small complaint volumes in a geographically large State, it is very difficult to build awareness of the scheme in a cost-effective way. Some very good awareness building initiatives are already in place. But we think that more is required to reach the most disadvantaged consumers who may not at present be finding their way to the scheme.

Our discussions with community organisations suggest that they would be prepared to allow EWOWA to use their communication channels to build awareness of the Water Scheme – and we are suggesting that EWOWA resource work as to this. Other recommendations include that EWOWA work with its Members to increase the prominence they give to the Water Scheme.

b) Strengthen internal procedures and Board oversight of the Water Scheme

As a small scheme, we accept that EWOWA is able to have a centralised management supervision framework that makes comprehensive procedural documentation less crucial. However, we have identified a few areas where we think that internal procedures and Board oversight of the Water Scheme could usefully be strengthened.

c) Increase Water Scheme's research and special project capacity and commitment

It is important that an external dispute resolution scheme undertakes regular surveying to target and assess the effectiveness of its awareness building and to understand the perspectives of users of the scheme and enhance its complaint handling process. To collect meaningful information and effectively identify trends, this work needs to be sustained over time and viewed and resourced as a core activity. We recommend that research and special project capacity is resourced and developed.

d) Strengthen public accountability in relation to the Water Scheme

EWOWA's website and particularly its informative Annual Report provides a strong cornerstone for public accountability. We recommend a couple of ways in which public accountability in relation to the Water Scheme could be further strengthened.

3. REVIEW APPROACH

3.1. Review Scope

The Project Brief specifies that the review of the Water Scheme is to include:

1. An assessment of the Water Scheme against the legislative objectives as required by Clause 24 of the Constitution; and
2. An assessment of the Water Scheme against the National Benchmarks having regard to and not duplicating the 2013 Energy Review.

The legislative objectives include an express obligation “to satisfy best practice benchmarks for schemes of a similar kind, both in terms of its constitution and procedure and in terms of its day to day operations” (section 66(2)(h)). Other, more specific objectives overlap with the National Benchmarks. Accordingly, as for the 2013 Energy Review, we have chosen to report our findings under the six National Benchmarks: Accessibility, Independence, Fairness, Accountability, Efficiency and Effectiveness. At the close of each Chapter, we have a table that identifies the relevant specific legislative objectives and provides summary comments against these.

3.2. Work program

Our work program included:

- analysis of relevant EWOWA website materials and other documents;
- analysis of data and statistics relating to water complaints;
- interviews with the Chair and Directors of EWOWA and key staff;
- review of 20 closed complaints;
- telephone survey of 69 customers who had brought their complaints to EWOWA;
- telephone survey of 9 Water Services Members;
- telephone survey of 20 non-government organisations and other stakeholders; and
- discussions with EWOWA Management to clarify issues and discuss our findings.

3.3. Terminology

A reference in this Report to a Member is to a Water Services Member of EWOWA.

This Report refers to the Stages of the EWOWA dispute resolution process:

- Stage 1 Complaint – The complainant has not yet contacted their water services provider and so a referral is provided
- Stage 2 Complaints – The complainant has had at least one contact with their water services provider but resolution has not been achieved and so a referral is made to a ‘higher level’ officer for resolution within 10 business days

- Investigated Complaints – EWOWA obtains relevant documents from the Member and undertakes its own assessment of the merits of the complaint and what resolution is appropriate.

3.4. Acknowledgements

Our thanks go to EWOWA staff for their assistance and organisation and to Members, community representatives and complainants who participated in our surveying.

4. ACCESSIBILITY

The office makes itself readily available to customers by promoting knowledge of its existence, being easy to use and having no cost barriers.

4.1. Introduction

The 2013 Energy Review (which we have been asked to have regard to and not duplicate) looked in detail at the ways in which the scheme is seeking to raise awareness of its role. In particular, the review report canvassed:

- Promotion by energy companies consistent with their statutory obligations;
- Promotion of EWOWA's services directly to customers through website information, telephone directory listing, Regional outreach visits (usually two per year), periodic media coverage and occasional presentations to community groups;
- EWOWA's promotion to stakeholder bodies that might operate as a complainant referral mechanism ie peak bodies, consumer organisations, legal or financial advice organisations and the local offices of Members of Parliament;
- EWOWA's strategies to improve access for minority and disadvantaged groups;
- The demographic profile of EWOWA complainants as compared with Western Australians generally; and
- Stakeholder views as to the quality of the scheme's information and assistance.

The review report found, and we agree, that the scheme provides an accessible service that meets the Benchmark. The review report noted that although, pleasingly, complainants to the ombudsman's office appear to include an overrepresentation of energy providers' customers who are in the low income bracket, interviews with stakeholder bodies pointed to the need for continuing targeted awareness raising activities.

Building upon the 2013 Energy Review Report, our focus has been on whether EWOWA's Members are succeeding in making complainants aware of the scheme and what EWOWA has done to raise awareness of its new water jurisdiction and to respond to the 2013 Energy Review Report.

4.2. Members' promoting of EWOWA

4.2.1. Stakeholder views

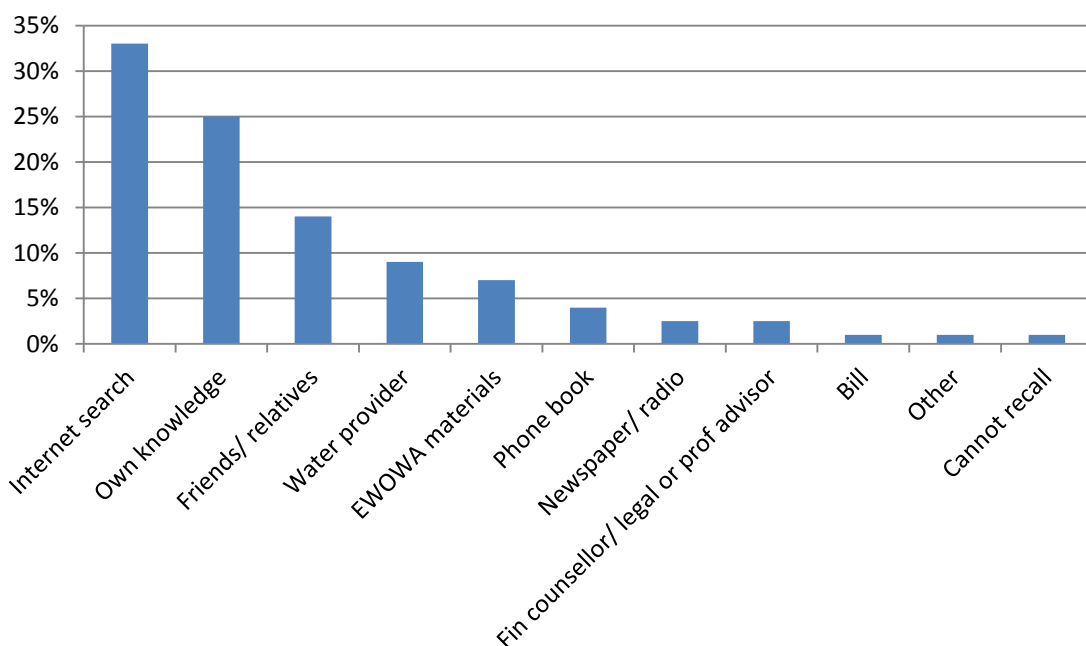
Our surveying of EWOWA's Members suggested that they are aware of their obligation to advise complainants about the existence of EWOWA and believe that they are doing this.

Figure 1 – Member provision of information about EWOWA to customers

Survey Question 4: To what extent do you agree that your organisation provides customers with appropriate information about the Energy and Water Ombudsman particularly to customers who have made a complaint to your organisation (n = 9)	
Strongly agree	44%
Agree	33%
Neutral	22%
Disagree	0%
Strongly disagree	0%

However, our surveying of complainants found that only 9% recalled being advised by their water services provider about EWOWA.

Figure 2 – Complainant survey: source of complainant awareness of EWOWA (n=69)



4.2.2. Findings

In our reviews of other schemes, we have found that complainants often do not recall being advised of the existence of the external dispute resolution scheme that they are entitled to access – and yet documentary evidence will show that this information has been provided. Having said that, our survey did find a lower percentage of complainants attributing their knowledge of EWOWA to their water provider, than we would have expected to see. This points to the need for information about EWOWA to be provided by Members on more than one occasion.

In the case of water companies in Western Australia, there is no obligation to provide information about EWOWA on water bills. We understand that system issues can pose

difficulties where amendments are sought to be made to disclosures in bills. Nevertheless we think that bill disclosure would be worthwhile and that EWOWA should work with water companies in consultation with the Economic Regulation Authority to see what time period would be practical within which this additional disclosure could be provided. Other external dispute resolution schemes with which we have worked have used their membership agreement as the vehicle for imposing this type of requirement on members.

Recommendation I

EWOWA should work with its Members and the Economic Regulation Authority to establish a new obligation on Members to disclose information about EWOWA on water bills including to determine a practical phase-in period for this.

4.3. EWOWA's promoting of its new water jurisdiction

4.3.1. EWOWA's awareness building

During the last two years, EWOWA has continued with the program of awareness building activities that were described in the 2013 Energy Review Report. This has included Regional presentations and outreach to community representatives who may help consumers find their way to the scheme.

EWOWA's participation in the Economic Regulation Authority's Consumer Consultative Committee has been a particularly effective way of connecting regularly with consumer representative bodies. This Committee includes representatives of the Financial Counsellor's Association of WA, WA Council of Social Service, Property Council of Australia (WA), Chamber of Commerce and Industry of WA, WA Local Government Association, Pastoralists & Graziers Association of WA (Inc), Chamber of Minerals and Energy of WA (Inc), WA Farmers Federation and Department of Commerce.

4.3.2. Stakeholder views

Our surveying of EWOWA's Members shows that they mostly believe that EWOWA is effectively promoting its existence.

Figure 3 – Member views as to effectiveness of EWOWA awareness building

Survey Question 5: To what extent do you agree that the Energy and Water Ombudsman effectively promotes its complaint system in the broader community (n = 9)	
Strongly agree	44%
Agree	35%
Neutral	22%
Disagree	0%
Strongly disagree	0%

On the other hand, 40% of the 20 community representatives we surveyed were unaware of the water jurisdiction (4 Member of Parliament offices and 4 other community representative bodies). Not surprisingly, therefore, there was a widespread view on the part of surveyed

community representatives that EWOWA is not doing enough to promote its water jurisdiction.

Figure 4 – Community representatives' views as to effectiveness of EWOWA awareness building

Survey Question 5: To what extent do you agree that the Energy and Water Ombudsman effectively promotes its complaint system in the broader community? (n = 20)			
	Member of Parliament Offices	Other community representative bodies	Total %
Strongly agree	0	0	0%
Agree	0	1	5%
Neutral	1	2	15%
Disagree	2	6	40%
Strongly disagree	2	4	30%
Unable to judge	2	0	10%

4.3.3. Findings

Given that the water jurisdiction is quite new, it is perhaps not surprising that we found a lower level of awareness of EWOWA's water jurisdiction amongst community representatives than the 2013 Energy Review Report found in relation to its energy jurisdiction. One consumer representative made a direct comparison telling us that "the energy ombudsman has a higher profile than the water ombudsman has".

Notwithstanding this low level of awareness by those who often assist complainants to find their way to an external dispute resolution scheme, 74% of the complainants we surveyed reported that they had found it easy to find the contact details of EWOWA. In particular, significant numbers of complainants are using the internet to successfully find their way to EWOWA (see Figure 2 in paragraph 4.2).

For this reason, our concern about accessibility is primarily in relation to the most disadvantaged consumers. Here we note that a couple of community representatives who work with these consumers told us that their constituents struggle with high water bills more so than with energy bills.

In light of this, we think that it is important that in 2016/2017 EWOWA steps up its efforts to promote awareness of its water jurisdiction particularly to disadvantaged consumers. Community stakeholders that we surveyed suggested a range of activities that might assist including providing them with pamphlets about EWOWA for public display in their offices, connecting with the Aboriginal Lands Trust, linking into the Office of Multicultural Interests' communications to non-governmental agencies and ethnic groups, providing information to Southern Communities Advocacy Legal and Education Services Inc. for it to include in its newsletter, a mail out of information to the offices of Members of Parliament, checking that EWOWA is on referral lists eg Legal Aid's list of organisations to which it makes referral. We think that the 2016/17 budget should resource work with community organisations in this way and that the Board should monitor the implementation of a planned program of activity with repeat community representative surveying in 18 months' time to measure success.

Recommendation 2

EWOWA should step up its awareness building efforts in 2016/17 with a focus in particular of building awareness by consumer representative organisations who work with the most disadvantaged consumers. The budget should include part-time resources to develop a planned program of activity and to carry out the additional work, with the Board monitoring progress. At the conclusion of the program, there should be surveying of the target organisations to measure whether awareness building has been successful.

4.4. Relevant legislative objectives

Reference	Accessibility legislative objectives	Comments
s67(2)(e)	The scheme will be accessible to complainants	EWOWA is a free service. It has a freecall 1800 number. Contact methods and language and disability assistance are described in the 2013 Energy Review Report. EWOWA's website provides guidance materials for complainants. Other issues pertaining to accessibility are discussed in paragraphs 4.1 to 4.3.

5. INDEPENDENCE

The decision-making process and administration of the office are independent from participating organisations.

5.1. Introduction

The 2013 Energy Review set out:

- EWOWA's Board structure with its independent Chair and equal numbers of industry and customer representatives;
- The provisions in the EWOWA's Constitution and Charter that protect the independence of the Ombudsman;
- Stakeholder views as to the independence and impartiality of EWOWA's complaints handling; and
- Funding arrangements – these need to support the scheme's independence.

The Energy Review Report found high levels of confidence in EWOWA's independence on the part of customers, members and community representatives.

Consistent with the findings of the 2013 Energy Review, our work and views provided by stakeholders demonstrated that EWOWA operates the Water Scheme with independence and impartiality thereby meeting the Benchmark. Some issues were, however, raised as to the composition of the Board and in relation to the funding arrangements.

5.2. Board composition

EWOWA's Board is comprised of 7 directors. The Chair is required to be an independent person. There are 3 industry directors representing respectively the electricity, gas and water industries. There are also 3 customer representative directors – one who works as a consumer advocate, one who was previously an employee of the Western Australian Ombudsman where he was the director in charge of energy complaints, and one who is a lawyer with tribunal experience who taught in the Curtin Business School and has also undertaken work for the Minister for Consumer Affairs.

5.2.1. Stakeholder views

Our surveying of Members suggested a moderate level of understanding of the composition of the Board structure with 6 of the 9 surveyed Members aware that the Board included both consumer and industry representatives and general satisfaction with the Board composition.

Figure 5 – Members’ views as to EWOWA Board composition

	Survey Question 21: To what extent do you agree that the Board’s water representative is capable of representing the viewpoints and concerns of water services members (n = 9)	Survey Question 22: To what extent do you agree that the Board has a balance of interests from consumers and industry (n = 9)
Strongly agree	11%	11%
Agree	11%	22%
Neutral	11%	11%
Disagree	0%	11%
Strongly disagree	0%	0%
Unable to judge	67%	45%

On the other hand, there was a much poorer level of understanding of the composition of the Board structure amongst community representatives with only 5 of the 20 surveyed representatives aware that the Board included both consumer and industry representatives. In view of this lack of knowledge, very few felt able to comment about whether the Board customer representatives were capable of representing the viewpoints and concerns of consumers and consumer organisations. There were, however, a couple of consumer representatives who commented with regret that the Board only has one director who has ‘coal-face’ consumer experience.

5.2.2. Findings

We think that it would be worthwhile for the Board to have at least two directors whose ‘day job’ provides regular contact with consumer representatives and preferably who have themselves worked as a customer advocate. We recognise that this may be difficult given the funding constraints applicable to the consumer movement in Western Australia. However, experience of this type would help the Board to understand how best to raise awareness of the scheme in the interests of disadvantaged consumers.

Recommendation 3

When the opportunity presents to appoint new customer directors, EWOWA should endeavour to appoint people who work in the consumer advocacy field.

5.3. Resourcing

The Independence Benchmark requires EWOWA to have sufficient funding to manage its caseload and other relevant functions.

5.3.1. Stakeholder views

It was apparent from our interviews with the smaller Members of EWOWA (the shire councils that provide sewage services possibly for as few as one hundred households) that they are very concerned about scheme cost efficiency and would be unhappy if annual levies were

increased. Some community representatives on the other hand would like to see EWOWA resourcing more research to enhance awareness of the scheme and to monitor accessibility.

5.3.2. Findings

From interviews with EWOWA's Board, it is apparent that the Board has been very focused on the efficiency of operations and keeping costs down. This is of course a very important part of the Board's role.

However, a focus on containing the costs of complaints handling should not spill over to a reluctance to resource ancillary functions that are properly part of EWOWA's role, including research into who is using the Water Scheme so that awareness building efforts can be effectively targeted, regular outreach to community representatives to identify and implement awareness building initiatives, and surveying of complainants and members to understand their satisfaction with the Water Scheme and so ground continuous improvement initiatives. We would like to see the 2016/17 budget containing resourcing for these initiatives.

Recommendation 4

EWOWA's budget for 2016/17 should increase the funding for Water Scheme research and projects to better equip EWOWA to carry out the ancillary functions that an external dispute resolution is expected to carry out under the National Benchmarks.

5.4. Relevant legislative objectives

Reference	Independence legislative objectives	Comments
s66(2)(b)	The scheme will be appropriately funded by the licensees who are required to be members	We discuss EWOWA's funding in paragraph 5.3.
s66(2)(d)	The water services ombudsman will be able to operate independently of all licensees in performing his or her functions under the scheme	The 2013 Energy Review Report sets out the Constitution provisions to ensure the Ombudsman's independence and notes the independence advantages that arise from the engagement of the Western Australian Ombudsman.
s66(2)(f)	Membership of the scheme will be accessible to all potential members and provide appropriate representation for all members on the governing body of the scheme	The Constitution provides that all water services licence holders are eligible to apply to be a member of the scheme. The Board composition is discussed at paragraph 5.2.

6. FAIRNESS

The procedures and decision-making of the office are fair and seen to be fair.

6.1. Introduction

We looked in some detail at the Water Scheme's various complaints handling stages and found practices to be fair and outcomes to be appropriate, thereby meeting the Benchmark. Some opportunities for enhancement were identified.

6.2. Further opportunity for Member resolution

As do all external dispute resolution schemes, EWOWA checks that a complainant has previously sought to resolve their complaint with the Member and if not, provides contact details for the Member so the complainant can do this - called a Stage 1 complaint.

The next stage, if the customer has already been to the Member at least once with their complaint, is for EWOWA to refer the complaint to a higher level within the Member's complaints handling process – called a Stage 2 complaint. The Member has 2 business days to contact the complainant and 10 business days to try and resolve the complaint.

For neither a Stage 1 complaint nor a Stage 2 complaint does EWOWA become involved in the conciliation process. Nor is the result of the complaint reported through to EWOWA at either stage.

EWOWA's fees operate, however, as some incentive for the Member to resolve the complaint. This is because in the following year, the Member's share of the funding of EWOWA is calculated according to the Member's number of complaints and the stage of EWOWA's complaints handling process at which the Members' complaints were resolved.

Figure 6 – Complaint charges for 2015-6

	Charges
Stage 1 Complaints	\$230.02
Stage 2 Complaints	\$690.05
Investigation Stage 1	\$3,450.27
Investigation Stage 2	\$13,801.09
Investigation Stage 3	\$19,321.53

6.2.1. Stakeholder views

Members clearly value these extra opportunities to try and resolve complaints quickly and at little cost so far as EWOWA fees are concerned. We were told by Members with experience of EWOWA complaint investigations that this experience is informing and improving their early resolution efforts – ie. achieving the feedback loop that external dispute resolution is intended to create.

On the other hand, some interviewed community representatives would like research as to the fairness and quality of complaints handling at this early stage of the process.

6.2.2. Findings

We tested complainant satisfaction with the early resolution complaints handling as part of our surveying.

Figure 7 - Customer Satisfaction – Stage 1 complaints and Stage 2 complaints

	Stage 1 complaints (n= 23)			Stage 2 complaints (n=27)		
	Satisfied	Neutral	Dissatisfied	Satisfied	Neutral	Dissatisfied
Survey Question 16: How satisfied were you with the service provided by EWOWA?	48%	17%	35%	66%	4%	30%
Survey Question 17: How satisfied were you with the outcome achieved in your complaint?	35%	22%	44%	48%	4%	48%

In view of the higher level of satisfaction with EWOWA's service for Stage 2 complaints as compared with Stage 1 complaints, it would seem that complainants value the process whereby their complaint is referred to a person at a higher level within the water services organisation.

Whilst there is always a relationship between satisfaction with outcome and satisfaction with process, it is evident that at least some complainants are making the distinction between process and outcome and valuing the former, even if disappointed with the outcome.

In the case of complainants whose complaints were resolved at Stage 1 or Stage 2 but who were dissatisfied with the outcome achieved, we asked them why they did not revert to EWOWA and take their complaint further. Here our sample size was small and so the results are at best only indicative. We were, however, pleased that the surveyed complainants were aware that they had the option of reverting to EWOWA.

Figure 8 – Dissatisfied Stage 1 and Stage 2 complainants: reasons for accepting outcome

Survey Question 17: If you were dissatisfied with the outcome, why did you not bring your complaint back to EWOWA?		
	Stage 1 complaints (n= 10)	Stage 2 complaints (n=13)
Did not know this was an option	10%	0%
Lost hope of better outcome	50%	77%
Lost interest/ no time	40%	15%
Other	0%	8%

As we have commented when reviewing other external dispute resolution schemes, it is important to view with caution data about why dissatisfied complainants do not continue to pursue their complaint. A decision to discontinue a complaint can be symptomatic of

disillusion with the complaints handling process, disillusion that may have nothing to do with the merits of the complaint. But it is also possible that a complainant does not continue with a complaint because the complainant's expectations have been appropriately managed.

At this stage, we are not alarmed by the discontinuance rates that we found in our surveying. It is, however, important that EWOWA monitors discontinuance trends by undertaking regular surveying. Surveying should check whether complainants understand that they are able to bring their complaint back to EWOWA for investigation. If surveying identifies any increasing trend to discontinue a complaint notwithstanding dissatisfaction with the outcome, the reasons for this will need to be analysed to determine if this is of concern and whether any mitigating action is required.

Recommendation 5

EWOWA should undertake regular surveying of Water Scheme complainants to monitor discontinuance rates at Stage 1 and Stage 2 by complainants who are dissatisfied with their complaint outcome. Ideally surveying would be undertaken every quarter either by telephoning a random selection of complainants whose complaints have been closed or by emailing a survey form. Trends should be analysed and reported to the Board.

6.3. Investigation process

6.3.1. Process

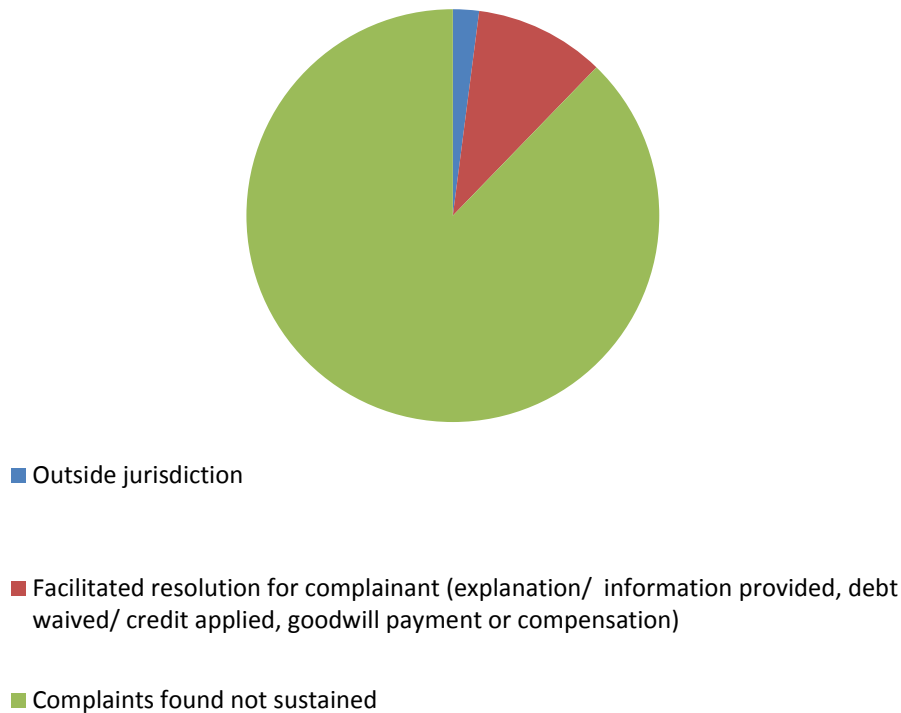
If the complaint does not resolve at the Stage 2 level, the complainant is advised that it will progress to investigation. This phase begins by EWOWA referring the complaint to the Member, at a higher level again within its organisation, and giving the Member 2 business days to resolve the complaint. If the Member wishes to take advantage of this opportunity, the Member's proposed resolution is offered to the complainant through EWOWA's investigation team. This provides the investigator with an opportunity to actively conciliate the complaint including to manage the complainant's expectations. If the complaint resolves in this way, the Member's charge for complaints for the following year reflects the complaint as a Stage 2 complaint rather than an investigated complaint.

If the complaint does not resolve through this process, the Member is asked to provide an outline of the Member's response to the complaint and relevant documents, for example, correspondence with the complainant, invoices and applicable policy documents. The Member has 28 days to provide the requested material. The complainant is informed that an investigation has begun and is also asked to provide relevant information. Follow up enquiries may be made in response to the information provided by the parties.

When EWOWA considers it is in a position to form a view about the complaint, it will typically write to the complainant giving reasons. This letter will summarise the information provided by the Member: the Member's documents are not typically provided to the complainant.

EWOWA's experience has been that only a small percentage of Water Scheme complaints proceed to an investigation. In 2014/15, there were 310 complaints that were finalised and only 49 of these were investigated. The outcomes of those 49 complaints are shown in the following table.

Figure 9 – Outcomes of 49 investigated complaints in 2014-5



6.3.2. Stakeholder views

There are only a few of EWOWA's Members that have had complaints that have proceeded to an investigation. As a result, most of the Members we surveyed were not able to express a view to us about the investigation process.

In the case of the Members with experience of the investigation stage, we were told that they value the final opportunity to resolve complaints that is provided at the start of the investigation stage and confirmed that significant numbers of complaints do resolve as a result of this process.

One Member expressed the view that EWOWA should not investigate all complaints that have failed to resolve through the early resolution processes but rather should only investigate meritorious complaints. Whilst the couple of Members with experience of an investigation were generally satisfied with the investigations process, one Member expressed concern about a practice they had experienced – EWOWA seeking information from another State water ombudsman as to their approach to complaints of the type in issue and adopting that other State's approach.

The surveyed community representatives generally had no practical experience of EWOWA investigations and so were not able to express a view about the investigation process.

Less than half the surveyed complainants whose complaint had been investigated were satisfied with EWOWA's service. Comments were made by complainants that they were unhappy with the outcome of their complaint, the Ombudsman should have more scope to obtain outcomes for consumers, the Member was not empathetic, their complaint did not get anywhere, the process had been a waste of time. On the other hand, there was general satisfaction with the level of knowledge and expertise of EWOWA staff, the opportunity provided to them to give

their perspective about the complaint and EWOWA's provision of updating information during the life of the investigation. It was also generally acknowledged that EWOWA provided reasons for its decision.

Figure 10 - Customer Satisfaction – Investigated complaints (n = 19)

	Very Satisfied	Satisfied	Neutral/ Unable to judge	Dissatisfied	Very Dissatisfied
Survey Question 6: Do you consider that EWOWA staff had sufficient knowledge and expertise to handle your complaint?	16%	47%	16%	16%	5%
Survey Question 10: Did EWOWA staff give you an opportunity to provide your side of the story?	37%	58%	5%	0%	0%
Survey Question 11: Did EWOWA give you reasons for its decisions?	10%	42%	16%	21%	10%
Survey Question 14: Were you kept informed about the progress of your investigation?	10%	58%	10%	10%	10%
Survey Question 15: How satisfied were you with the service provided by EWOWA?	16%	21%	21%	21%	21%

6.3.3. Findings

We reviewed 10 randomly selected investigated complaints to form our own view of the fairness of the investigation process. There was evidence of thorough investigation of some complaints: a couple of complaints where EWOWA undertook a site investigation or met with the Member to discuss the issues. In the course of one complaint, EWOWA sought the Energy and Water Ombudsman Victoria's advice as to how it would handle a similar complaint. We think that this kind of sharing of experience between State ombudsman offices is sensible and promotes fair outcomes.

It was also evident from our sample that EWOWA establishes and maintains good telephone contact with both the complainant and the Member, both as a way of exploring the issues and keeping the parties apprised of developments. Generally, but not in all cases where the complaint was found not to be sustained, EWOWA telephoned the complainant to advise this outcome. A closure letter was then sent to confirm the outcome – typically one or two pages in length.

We did, however, identify some improvement opportunities.

a) Procedural fairness

We think that Water Scheme complainants should be provided with an opportunity to respond to the Member's assertions before EWOWA decides the complaint and EWOWA's records should evidence that this has occurred. There are a number of ways in which EWOWA can meet this procedural fairness obligation.

- (i) EWOWA can provide complainants with a copy of the Member's documentation and response to the complaint.

In none of the reviewed complaints did EWOWA provide the complainant with any of the Member's documents – although we understand from EWOWA management that this may occur where test results are provided by the Member.

- (ii) EWOWA can write to the complainant summarising the Member's response and invite the complainant to respond to the Member's assertions either in writing or by telephone.

Again this approach was not taken in any of the reviewed complaints.

- (iii) EWOWA can use its telephone contact with the complainant to explain the Member's assertions and obtain the complainant's response. Where this approach is taken, we think a detailed file note should evidence this.

In the case of the reviewed complaints, it was usually clear that there had been telephone contact with the complainant, but file notes did not make it clear what had been canvassed in telephone conversations. This opens EWOWA to the possibility of criticism that it has not provided the complainant with an opportunity to respond to the Member's assertions – an issue that was in fact raised, in the case of one reviewed complaint, where the complainant asked for an internal review after EWOWA's closure letter.

b) Investigation thoroughness

We observed some unevenness in the thoroughness of investigation. Whilst, as noted earlier, there were some complaints where the issues had clearly been closely analysed and well pursued, there were some complaints where the file did not record all of the enquiries that we think were relevant to make. After discussions with EWOWA management, we think that this may in part be a record keeping issue.

c) Process consistency

There were some files where the process as described to us by EWOWA management did not appear to have been followed. In particular, there was a complaint where, contrary to what we understand is meant to be the usual practice, EWOWA did not provide a letter explaining the resolution – rather it was left to the Member to do this. As mentioned earlier, there were also complaints where it appeared that the complainant had not been telephoned to foreshadow the closure letter being sent.

d) Closure letters

We think that there is scope to improve EWOWA's closure letters. Whilst some provide a thorough explanation of the reasons for EWOWA's view of the complaint, there were some that were too brief. From the letters we read, it appeared that headings are not typically employed to structure the letter and make it easier for the complainant to read. Other external dispute resolution schemes with which we have worked utilise a standard format for their closure letters that requires narration of the complainant's assertions, the Member's response, the issues at stake and then the scheme's view in relation to those issues.

e) Outcome classification

There were a couple of files where the recorded outcome classification did not appear to be correct. For example, there was one file that was classified as out of jurisdiction although EWOWA decided that the matter was in fact within jurisdiction but it was not progressed because the complainant failed to respond to EWOWA's contact attempts.

We have seen at other ombudsman offices how difficult it is to consistently apply outcome classifications. To maximise the integrity of data, it is best practice to document classification definitions and ensure that staff training encompasses this and stresses the importance of applying outcome classifications correctly.

We think that these problems are in part because EWOWA does not currently have documented investigation procedures for the Water Scheme. In saying this, we are not suggesting that EWOWA management have left investigative staff bereft of all guidance. At the time of the inception of the water jurisdiction, EWOWA management internally distributed a series of emails designed to assist staff with water complaints and instructed that these were to be filed by each person in a dedicated email inbox titled "Water Ombudsman". For example, a guidance note was developed in February 2014 in relation to sewage – wastewater complaints and another in May 2014 in relation to water quality complaints. But these emails are not a substitute for a procedures document that is centrally maintained, comprehensive and clearly structured by process step.

We suggest this although we understand that EWOWA's small size permits centralised oversight of complaints and that this is some substitute for documented investigation procedures. We also understand that EWOWA has had a low volume of staff turnover. Nevertheless, we think that the volume of complaints and importance of EWOWA's work is such that documented procedures should be developed. As well as aiding consistency, the process of developing documented investigation procedures would provide an opportunity for EWOWA to reflect about and enhance its approach to procedural fairness and record keeping, to determine the types of lines of enquiry that may be relevant for various types of complaints and to enhance its closure letters. The type of documentation that we envisage is in line with the Intake Team Reference Book for Dealing with Complaints.

Recommendation 6

EWOWA should develop documented investigation procedures for the Water Scheme. Amongst other things, the procedures should address the following:

- **Investigators should be required to ensure that the complainant is made aware of the Member's assertions in response to their complaint so that the complainant can provide further information as appropriate. Where the complaint raises complicated issues, we think it would be best practice for EWOWA to provide this information to the complainant in writing.**
- **For the most common types of complaints that arise, the procedures should set out lines of enquiry that may be appropriate – so as to ensure that investigations are thorough – and provide guidance as to how to deal with these complaints building upon EWOWA's experience to date.**
- **A standard format should be developed for closure letters to ensure that letters provide sufficient information to enable the parties to understand the reasons for the outcome and to build their confidence in the complaints handling process. A letter structure that includes the use of headings would assist reader comprehension.**
- **Guidance should be included as to how to classify the complaint outcome.**

6.4. Complaints about EWOWA and its resolution decisions

EWOWA's website includes a page that invites feedback and suggestions and a page that offers complainants, who are dissatisfied with EWOWA's decision, an opportunity to have the handling of their complaint reviewed by a senior officer not involved in the original investigation. EWOWA's website states that an internal review can lead to improvements in EWOWA's processes or, in appropriate cases, the reconsideration of EWOWA's decision.

6.4.1. Findings

We commend EWOWA's encouragement of feedback and preparedness to review its decisions. EWOWA's practices would be further strengthened if it maintained a feedback register. This is best practice that other ombudsman schemes are finding enables trend analysis and reporting and assists in identifying process, training, supervision or other improvement opportunities.

We reviewed one file where an internal review was conducted at the complainant's request. It was apparent that the complainant's reasons for their dissatisfaction were carefully considered and a fulsome response provided to the complainant in a timely manner. We are concerned, however, that the review was undertaken by the manager who oversights investigations. Whilst we recognise the difficulty of segregating duties fully in a small office, we think it would be preferable to have a more independent review of the way in which the complaint had been handled.

Recommendation 7

For the Water Scheme, EWOWA should:

- a) **Maintain a feedback register and provide regular reports to the Board as to issue trends and whether process or other changes are warranted in light of these trends; and**
- b) **Ensure that, where a complainant or Member requests an internal review of the way in which their complaint has been handled, the review is undertaken by a senior person who has not either been directly involved or has overseen the handling of the complaint.**

6.5. Relevant legislative objectives

Reference	Fairness legislative objectives	Comments
s66(2)(d)	The scheme has satisfactory arrangements in place to deal with all disputes and complaints referred to in s65(1)	EWOWA's Charter requires complaints to be handled in a fair, reasonable, just, informal and expeditious manner having regard to law and licences, industry codes deemed contract and relevant good industry practice. See also paragraphs 6.1 to 6.4.

7. ACCOUNTABILITY

The office publicly accounts for its operations by publishing its final determinations and information about complaints and reporting any systemic problems to its participating organisations, policy agencies and regulators.

7.1. Accountability in relation to operations

There are a few dimensions to EWOWA's public reporting about the Water Scheme:

- a) EWOWA's website provides information about its operations including its Annual Report.

EWOWA's informative Annual Report provides a strong cornerstone for public accountability, consistent with the Benchmark. Other website material is primarily directed to providing information about how to complain and the types of complaints with which EWOWA can deal, rather than providing insight as to the likely results for complaints of various types.

EWOWA has not made any binding decisions in relation to water complaints (so far Members have been prepared to accede to EWOWA's view where EWOWA considers the complaint should be resolved in favour of the complainant) but if EWOWA were to make a binding decision we understand that this would be published on its website.

- b) EWOWA provides monthly reporting to Members about their complaints.

When speaking with Members, we heard no concerns from them about this reporting.

- c) EWOWA provides a report to each quarterly meeting of the Economic Regulation Authority Consultative Committee (composition of this committee is set out at paragraph 4.3.1 of our report).

The report includes a Complaints Statistics Report and analysis of trends as well as information about systemic and emerging issues and the outcome of investigations. Committee members clearly find this report very informative and useful.

7.1.1. Findings

The absence from the public domain of binding decisions creates an information gap that other energy and water ombudsman offices fill by publishing a range of case studies on their website – something that we think can be helpful for Members and complainants alike.

EWOWA has case studies in its Annual Report (last year there was one in relation to an energy disconnection and one in relation to credit reporting) - surveyed Members and community representatives who had read EWOWA's Annual Report confirmed that they found the Annual Report informative. The Annual Report is, however, a less accessible way of providing case studies than a dedicated webpage. In our view, website case studies would

enhance understanding of EWOWA's approach – with consequent efficiency as well as accountability gains.

We think that accountability would also be enhanced if EWOWA publishes on its website its quarterly reports to the Economic Regulation Authority Consultative Committee (with additional explanatory text as appropriate for the wider audience). This would have the effect of making this information available to Members, community representatives and complainants alike.

Recommendation 8

EWOWA should enhance public accountability by:

- a) **developing a webpage that provides de-identified case studies that illustrate EWOWA's approach to common types of water complaints; and**
- b) **publishing on its website its quarterly reports to the Economic Regulation Authority Consumer Consultative Committee (with additional explanatory text as appropriate for the wider audience).**

7.2. Serious and systemic issues

EWOWA provides the Economic Regulation Authority with a quarterly report including in relation to serious and systemic issues arising from complaints made to it. The report is also provided to EWOWA's Board.

Thus far, no serious or systemic issues in relation to water complaints have been reported.

7.2.1. Findings

EWOWA does not have internal staff procedures to guide the process of identifying, escalating, investigating and resolving possible serious and systemic water issues. Rather we understand that EWOWA relies upon its centralised oversight of complaints to identify serious or systemic water issues, with the Director, Energy and Water undertaking the analysis each quarter, reporting through to the Deputy Ombudsman. For each large Member, the Deputy Ombudsman meets quarterly with a senior representative, which provides an opportunity to discuss these types of issues.

Our primary concern here is that this process could mean that repeat issues raised at the pre-investigation stages are not recognised as potentially systemic issues. Moreover this process creates a dependency on a couple of individuals in a way that could mean that learning is lost if those individuals depart EWOWA. We think that EWOWA should formalise its approach by developing documented procedures and creating a register of potentially serious and systemic issues. The documented procedures should make it clear that all EWOWA complaints handling staff are responsible for assisting in the identification of potentially serious and systemic issues. Training should be undertaken to ensure a good understanding of the procedures and expectations of staff.

Recommendation 9

EWOWA should develop documented procedures to aid the identification, investigation, resolution and reporting of serious and systemic water issues. The procedures should include:

- a) a definition of serious and systemic issues with examples;
- b) the obligation of all **EWOWA's** complaints handling staff to be alert to possible serious or systemic issues;
- c) the escalation and registration of potentially serious or systemic issues;
- d) the investigation process for serious and systemic issues; and
- e) the reporting of serious and systemic issues.

7.3. Relevant legislative objectives

s66(2)(k)	The scheme will require the water services ombudsman to inform the Economic Regulation Authority of substantial breaches of any licence condition of which the ombudsman becomes aware	See discussion at paragraph 7.2 in relation to serious and systemic issues.
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8. EFFICIENCY

The office operates efficiently by keeping track of complaints, ensuring complaints are dealt with by the appropriate process or forum, and regularly reviewing its performance.

8.1. Dispute resolution timeframes

EWOWA provided us with the following information in relation to complaints closed in 2014-15.

Figure 11 – Timeframes for water cases complaints closed in 2014-15 (for Stage 2 and investigated complaints, timeframe is from the return of the complaint to EWOWA).

Closed:	Stage 1 complaints	Stage 2 complaints	Investigated complaints
Same day	98%	100%	0%
Less than 4 weeks	2%	0%	18%
4 weeks to 3 months	0%	0%	49%
3 to 6 months	0%	0%	33%

8.1.1. Stakeholder views

During the course of our surveying, we heard no complaint from Members as to EWOWA's timeliness in resolving complaints - although it must be acknowledged that most surveyed Members did not feel in a position to judge this issue.

Surveyed complainants were also generally satisfied with EWOWA's timeframes.

Figure 12 – Complainant satisfaction with EWOWA timeframes

Survey Question 13: Do you agree that your complaint was dealt with within a reasonable timeframe?			
	Stage 1 complaints (n=23)	Stage 2 complaints (n=27)	Investigated complaints (n=19)
Strongly agree	4%	11%	5%
Agree	65%	74%	58%
Neither agree nor disagree	13%	4%	10%
Disagree	9%	11%	10%
Strongly disagree	4%	0%	10%
Unable to judge	4%	0%	5%

8.1.2. Findings

EWOWA's Water Scheme timeframes are in line with what we have seen at other water ombudsman offices and in our view are reasonable and meet the Benchmark. Having said that,

it is important that an ombudsman office keeps a watchful eye on complaints that have become prolonged and does not allow the ‘tail’ to become overly extended – something that often quickly happens where complaint numbers increase or office resources decline, placing the office under stress. We are satisfied that this oversight is occurring by EWOWA management.

However, given that timeliness is vitally important for alternative dispute resolution, we think that the Board should also oversee this. At the moment, the Board’s quarterly reports provide information about the percentage of complaints resolved within 10 days – but nothing about the number of old complaints that remain open. Information about this would enhance the Board’s capacity to oversee EWOWA’s water complaints.

Recommendation 10

EWOWA’s quarterly reporting to the Board should include data about the numbers and percentages of open water complaints that are aged - eg. 1 to 2 months old, 2 to 3 months old, 3+ months old – with separate reporting according to the stage of the complaint – to enhance the capacity of the Board to monitor EWOWA’s timeliness.

We also think that EWOWA should be publicly accountable for Water Scheme timeframes and should develop and report against timeliness key performance indicators. At the moment, EWOWA’s Annual Report provides information about the percentage of complaints closed within 10 business days but does not compare its performance with timeliness targets.

Recommendation 11

EWOWA should develop and publicly report against Water Scheme timeliness targets eg the number and percentage of Stage 1 complaints closed within 1 business day, the number and percentage of Stage 2 complaints closed within 1 week and the number and percentage of investigated complaints closed within 2 months.

8.2. Internal efficiency

Given that water complaints are handled by EWOWA in an integrated way with energy complaints, EWOWA’s data does not permit us to examine internal efficiency in relation to water complaints only – ie. as separate from energy complaints. As a result, our comments in this part of our report are about EWOWA generally.

8.2.1. Findings

It was apparent from our interviews with EWOWA’s directors that the Board has been focused on internal efficiency and is pleased to see EWOWA’s reduced budget for 2015/16 given the reducing number of complaints.

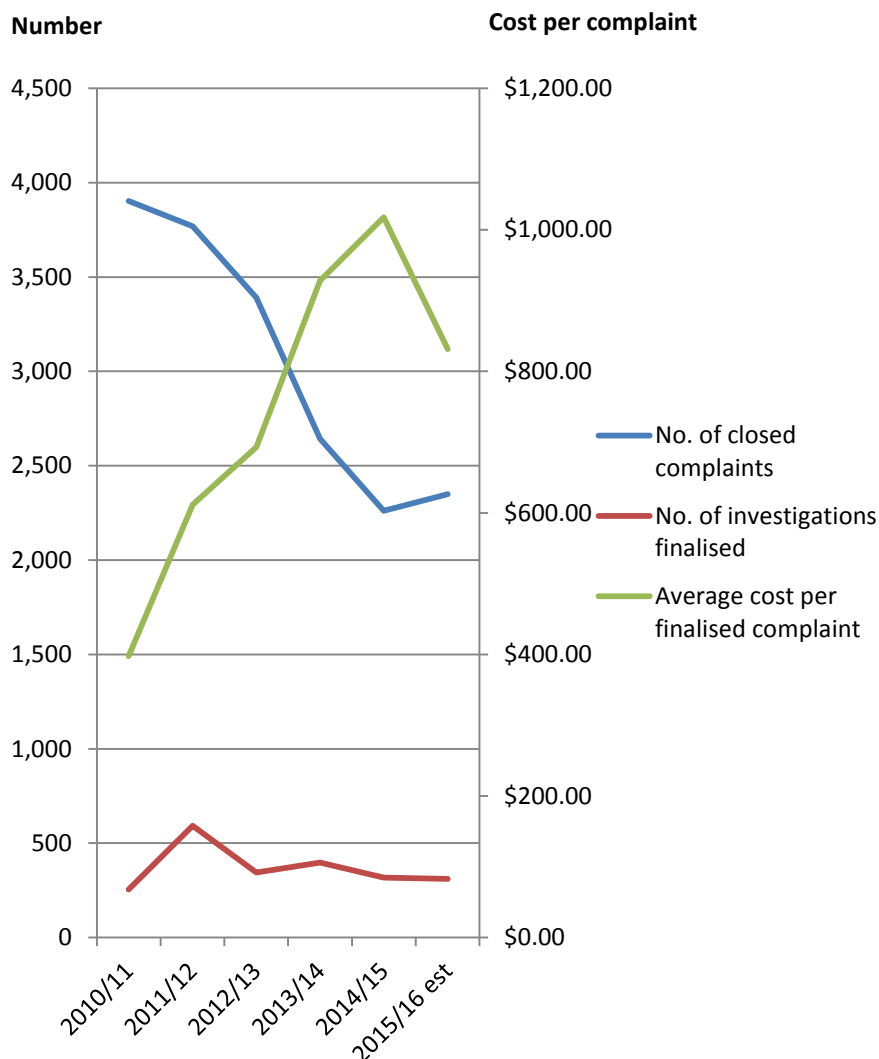
To form our own view of EWOWA’s internal efficiency, we sought to compare EWOWA’s cost per complaint with that of other energy and water ombudsman schemes in Australia. Whilst publicly available information does not make this an easy task, it is apparent that EWOWA’s cost per complaint is considerably higher than for New South Wales and Victoria. This is, however, to be expected given that complaint volumes are much higher in those States, making efficiencies possible on a per-complaint basis.

We also looked at EWOWA's trend information in relation to average cost per complaint – but here too comparisons need to be made taking into account the context. As the 2013 Energy Review Report points out, the context includes changes in the proportion of investigated complaints (this jumped from 6.5% of total complaints in 2010/11 to 15.7% in 2011/12, dropped to 10.17% in 2012/12, before steadying to 13% to 15% in more recent years).

So far as the increase in average cost for 2013/14 and again in 2014/15, the context includes:

- The commencement of the Water Scheme and inevitable establishment costs as a consequence;
- The Energy Review Report in late 2013 recommended increased efforts to improve awareness of the scheme – with inevitably cost implications;
- It is not possible to reduce costs proportionately with decline in complaint numbers – so a decline in complaint numbers over the last 3 years would be expected to result in an increased average cost per complaint.

Figure 13 – Number of complaints and average cost per complaint



Our discussions with EWOWA management and the Board suggest that there is continuing close attention to internal cost control and we commend that.

8.3. Relevant legislative objectives

Reference	Efficiency legislative objectives	Comments
s66(2)(g)	The scheme will operate expeditiously and without cost to customers	EWOWA provides a complaints handling service that is free for complainants. EWOWA has a comprehensive case management system that captures developments in relation to disputes. EWOWA's timeframes and internal efficiency are discussed at paragraphs 8.1 and 8.2.

9. EFFECTIVENESS

The office is effective by having an appropriate and comprehensive jurisdiction and periodic independent reviews of its performance.

9.1. Jurisdictional Coverage and Monetary Limit

Consistent with the Effectiveness Benchmark, EWOWA's Charter gives it broad jurisdiction to consider complaints about the provision or supply of Members' water services and ancillary matters. A complaint may be made by any person affected by the provision of a water service. As for other water ombudsman schemes in Australia, EWOWA's jurisdiction does not include such matters as the setting of prices or tariffs, complaints relating to commercial activities, the content of Government policies or matters under consideration or that the Ombudsman considers are better considered by a court or tribunal events.

EWOWA has jurisdiction up to the amount of \$20,000 (or \$50,000 with the consent of the Member).

9.1.1. Findings

During our review, we heard no complaint from Members, complainants or community representatives as to the scope of EWOWA's jurisdiction.

We understand from EWOWA that there have been a couple of matters where works have been undertaken by Member that cost in the order of \$10,000 to \$15,000 but there have been no complaints where EWOWA's monetary cap has proved to be a limiting factor. At this stage, there is no empirical basis for increasing the monetary limit. The appropriateness of the monetary limit should, however, be reconsidered at the time of the next review to determine whether at the least a CPI increase would be appropriate.

9.2. Independent reviews

Consistent with the Effectiveness Benchmark, EWOWA has shown a commitment to regular review with the Energy Review occurring in 2013 which was conducted by the Parliamentary Ombudsman's Office (by internal staff not involved in the operation of the energy scheme) and now our fully independent Water Scheme review.

We note that the *Key Practices for Industry-based Customer Dispute Resolution*, a document that provides supporting guidance in relation to the National Benchmarks, states that the results of an independent review should be made available to relevant stakeholders. The Energy Review Report was not made publicly available. But we think that our review report should be released publicly so that the results of our review become available to survey participants and other interested persons.

Recommendation 12

EWOWA should publish our review report on its website in order to make the results of our review available to all stakeholders.

9.3. Relevant legislative objectives

Reference	Effectiveness legislative objectives	Comments
s66(2)(a)	<p>All licensees who are required to be members of the scheme –</p> <ul style="list-style-type: none"> (i) are members of the scheme; and (ii) have agreed to be bound by decisions and directions of the water services ombudsman under the scheme; and (iii) as members are bound in that way 	<p>At the commencement of the scheme, EWOWA followed up all licensees to ensure that they became members of the scheme.</p> <p>The Economic Regulation Authority notifies EWOWA if there is a new licensee that is required to be a member of the scheme. EWOWA proactively follows this up.</p> <p>Section 8 of the Charter gives the Ombudsman the power to make decisions and directions that are binding on the Member if accepted by the complainant.</p> <p>Clause 9.3 of EWOWA's Constitution enables the Board to expel a Member if the Member does not comply with EWOWA's Constitution, the Charter or any rules, regulations or by-laws. Procedural fairness must be accorded before expulsion takes place.</p>
s66(2)(i)	The scheme will provide for a monetary limit on claims covered by the scheme of an amount or amounts approved by the Authority	EWOWA's monetary compensation cap of \$20,000 (or \$50,000 where the Member consents) has been approved by the Economic Regulation Authority.
s66(2)(j)	The scheme will maintain the capacity of the water services ombudsman, where appropriate, to refer disputes or complaints to other fora	Where appropriate, EWOWA refers Water Scheme complainants to other fora including Department of Commerce, Consumer Affairs Department, Parliamentary Ombudsman WA and other ombudsman offices.

10. FINDINGS AND RECOMMENDATIONS

Our review found that EWOWA is meeting the legislative objectives for the Water Scheme and the National Benchmarks. The scheme is operated well. Complaint outcomes and timeframes are appropriate. EWOWA is working well with stakeholders, whilst maintaining its independence and impartiality.

Consistent with our scope, our recommendations relate to EWOWA only insofar as the Water Scheme is concerned. This section lists our Recommendations loosely grouped under the themes explained in paragraph 2.2. For ease of reference to the supporting text, they retain the number given to them in the body of the Report – which in some cases will not be in number order.

10.1. Increase effort building awareness of the Water Scheme

Recommendation 1

EWOWA should work with its Members and the Economic Regulation Authority to establish a new obligation on Members to disclose information about EWOWA on water bills including to determine a practical phase-in period for this.

Recommendation 2

EWOWA should step up its awareness building efforts in 2016/17 with a focus in particular of building awareness by consumer representative organisations who work with the most disadvantaged consumers. The budget should include part-time resources to develop a planned program of activity and to carry out the additional work, with the Board monitoring progress. At the conclusion of the program, there should be surveying of the target organisations to measure whether awareness building has been successful.

Recommendation 3

When the opportunity presents to appoint new customer directors, EWOWA should endeavour to appoint people who work in the consumer advocacy field.

10.2. Strengthen internal procedures and Board oversight

Recommendation 6

EWOWA should develop documented investigation procedures for the Water Scheme. Amongst other things, the procedures should address the following:

- Investigators should be required to ensure that the complainant is made aware of the Member's assertions in response to their complaint so that the complainant can provide further information as appropriate. Where the complaint raises complicated issues, we think it would be best practice for **EWOWA** to provide this information to the complainant in writing.
- For the most common types of complaints that arise, the procedures should set out lines of enquiry that may be appropriate – so as to ensure that investigations are thorough – and provide guidance as to how to deal with these complaints building upon **EWOWA**'s experience to date.
- A standard format should be developed for closure letters to ensure that letters provide sufficient information to enable the parties to understand the reasons for the outcome and to build their confidence in the complaints handling process. A letter structure that includes the use of headings would assist reader comprehension.
- Guidance should be included as to how to classify the complaint outcome.

Recommendation 9

EWOWA should develop documented procedures to aid the identification, investigation, resolution and reporting of serious and systemic water issues. The procedures should include:

- a) a definition of serious and systemic issues with examples;
- b) the obligation of all **EWOWA**'s complaints handling staff to be alert to possible serious or systemic issues;
- c) the escalation and registration of potentially serious or systemic issues;
- d) the investigation process for serious and systemic issues; and
- e) the reporting of serious and systemic issues.

Recommendation 7

For the Water Scheme, EWOWA should:

- a) Maintain a feedback register and provide regular reports to the Board as to issue trends and whether process or other changes are warranted in light of these trends; and
- b) Ensure that, where a complainant or Member requests an internal review of the way in which their complaint has been handled, the review is undertaken by a senior person who has not either been directly involved or has overseen the handling of the complaint.

Recommendation 10

EWOWA's quarterly reporting to the Board should include data about the numbers and percentages of open water complaints that are aged – eg. 1 to 2 months old, 2 to 3 months old, 3+ months old – with separate reporting according to the stage of the complaint – to enhance the capacity of the Board to monitor EWOWA's timeliness.

10.3. Increase research and special project capacity and commitment

Recommendation 4

EWOWA's budget for 2016/17 should increase the funding for Water Scheme research and projects to better equip EWOWA to carry out the ancillary functions that an external dispute resolution is expected to carry under the National Benchmarks.

Recommendation 5

EWOWA should undertake regular surveying of Water Scheme complainants to monitor discontinuance rates at Stage 1 and Stage 2 by complainants who are dissatisfied with their complaint outcome. Ideally surveying would be undertaken every quarter either by telephoning a random selection of complainants whose complaints have been closed or by emailing a survey form. Trends should be analysed and reported to the Board.

10.4. Strengthen public accountability

Recommendation 8

EWOWA should enhance public accountability by:

- a) developing a webpage that provides de-identified case studies that illustrate EWOWA's approach to common types of water complaints; and
- b) publishing on its website its quarterly reports to the Economic Regulation Authority Consumer Consultative Committee (with additional explanatory text as appropriate for the wider audience).

Recommendation 11

EWOWA should develop and publicly report against Water Scheme timeliness targets - eg. the number and percentage of Stage 1 complaints closed within 1 business day, the number and percentage of Stage 2 complaints closed within 1 week and the number and percentage of investigated complaints closed within 2 months.

Recommendation 12

EWOWA should publish our review report on its website in order to make the results of our review available to all stakeholders.