

NSW gas information paper no 1/2008

Gas retail businesses' performance against customer service indicators

For the period 1 July 2005 to 30 June 2007

Introduction

This information paper discusses the level of customer service provided by gas retailers in NSW. It is the first in a series of information papers published by the Independent Pricing and Regulatory Tribunal of NSW (IPART), which aims to ensure that all stakeholders, including customers, have ready access to information about gas retail businesses. When equivalent data is released by gas retailers in South Australia and Victoria, IPART intends to release an updated version of this paper with further analysis and interstate comparisons.

The NSW gas market is still dominated by AGL Retail Energy, which supplies 74 per cent of small retail gas customers. However, AGL's market share has fallen and new gas retailers have successfully entered the market¹ and are offering competitive gas contracts across a wide area of NSW (where gas is connected).

Under the current regulatory regime, all gas retailers licensed to operate in NSW are required to report annually on a set of customer service indicators that provide some indication of the accessibility and affordability of gas services, and customers' satisfaction with the quality of service they receive. IPART monitors and assesses the retailers' performance against these indicators, and compares this with their past performance. However, as this is only the second year in which it has been mandatory for gas retailers to provide this information to IPART, only two years of data are available for comparative purposes.

The section below provides an overview of gas retailers' reported performance for the period 1 July 2006 to 30 June 2007 against the following indicators:

- ▼ disconnections due to non-payment of bills and reconnections in the same name
- ▼ use of alternative payment methods by customers having difficulty paying bills

¹ As at 30 June 2007, eight gas retailers were actively supplying small retail customers within NSW.

- ▼ number of security deposits being held by retailers at 30 June, and held longer than 12 months (residential customers) or 24 months (non-residential customers)
- ▼ call centre responsiveness
- ▼ customer complaints.

The subsequent sections discuss their performance against each indicator in more detail.

Overview of gas retailers' performance

IPART analysed all licensed gas retailers' current and historical data in line with its own records to identify trends and to compare the retailers' performance. This analysis indicated that:

- ▼ The rate of gas disconnections for non-payment of bills by residential small retail customers increased to 2.3 per cent in 2006/07, compared to 2.1 per cent in 2005/06. AGL disconnected 2.8 per cent of its customers in 2006/07, compared with 2.5 per cent the previous year. ActewAGL disconnected 4.7 per cent of its customers, which was the same as the previous year.
- ▼ The percentage of NSW small retail residential gas customers who were disconnected due to non-payment of bills in 2006/07 (2.3 per cent) was significantly higher than the equivalent percentage of NSW small retail residential electricity customers (0.7 per cent). It was also significantly higher than the rate of gas disconnections in Victoria (0.5 per cent) and South Australia (0.86 per cent)².
- ▼ IPART notes that in 2007, the NSW government has taken action to reduce the level of energy supply disconnections. Effective from 1 July 2007, the government has introduced a requirement for all electricity and gas retailers to offer affordable payment plans to their customers before they take any disconnection action. IPART expects that this new requirement will reduce the gas disconnection rate in future years.
- ▼ In the absence of this new requirement, the percentage of NSW small retail residential gas customers using instalment plans increased to 0.8 per cent in 2006/07 (compared to 0.6 per cent in 2005/06), while the percentage using Centrelink's Centrepay remained constant at 0.5 per cent. In IPART's view, this level of usage is disappointingly low. It may also help to explain the high disconnection rate in 2006/07, as the use of instalment plans and Centrepay can assist some customers in paying their bills and avoiding disconnection. The government's new initiative in this area is therefore welcomed.
- ▼ Gas retailers' call centre performance declined in 2006/07. The percentage of calls abandoned or dropped out was 6.5 per cent in 2006/07, compared with 4.4 per cent in 2005/06. The percentage of calls answered by an operator within 30 seconds was 60.6 per cent, down from 68.8 per cent in 2005/06. The retailers attribute their lower performance levels in this area to an increase in call volumes, staffing difficulties, and implementation problems with new technology.
- ▼ The percentage of customers who complained to their retailer fell to 0.3 per cent in 2006/07 compared with 0.4 per cent in 2005/06. Of the complaints made, 74 per cent related to billing, and only 3 per cent related to marketing (compared to 9 per cent in 2005/06). The remaining 23 per cent related to 'other' matters.

² IPART notes that in Victoria and South Australia, the level of disconnections for non-payment may be influenced by matters such as climate, regulations and compensation for wrongful disconnection.

When looking at the data on each customer service indicator presented in the sections below, it is important to note that for some indicators, retailers that recorded zero, or near zero, for an indicator have been omitted from the graphs to simplify the presentation. However, this data is included in Appendix 1, which lists all data reported.

Disconnections due to non-payment of bills

IPART is concerned about the high number of disconnections of small retail residential gas customers due to non-payment of bills. This number increased by 15 per cent in 2006/07, taking the percentage of customers disconnected due to non-payment from 2.1 to 2.3 per cent. By way of comparison, in Victoria in 2006/07, the equivalent rate for gas disconnections was only 0.5 per cent³ and in South Australia it was only 0.86 per cent⁴. The percentage of gas disconnections in NSW is also much higher than that in the electricity market in NSW, where the rate of disconnection due to non-payment of bills among residential small retail customers is only 0.7 per cent.

In contrast, the number of disconnections due to non-payment of bills among non-residential customers remained very low in 2006/07.

Table 1 Total residential and non-residential disconnections for non-payment of bills in NSW

Type of Customer	2005/06	2006/07
Residential	19,781	22,707
As a percentage of residential customers	2.1	2.3
Non residential	44	27
As a percentage of non-residential customers	0.2	0.1

In response to a significant increase in the electricity disconnection rate in 2004/05, the Minister for Energy established a disconnections working group. As a consequence of this group's work, the government amended the *Electricity Supply (General) Regulation 2001* and the *Gas Supply (Natural Gas Competition) Regulation 2001*. The new regulations, which became effective on 1 July 2007, require all gas and electricity retail suppliers to operate a payment plan in respect of those customers facing financial difficulties, and to offer this plan to customers before taking action to discontinue their energy supply.

Disconnection of essential services is expensive for both the consumer and the provider. It also creates further hardship for customers already facing financial difficulties. As a consequence, most energy retailers have adopted, or are in the process of adopting, hardship policies to better protect and assist vulnerable customers who are having difficulties paying their bills.

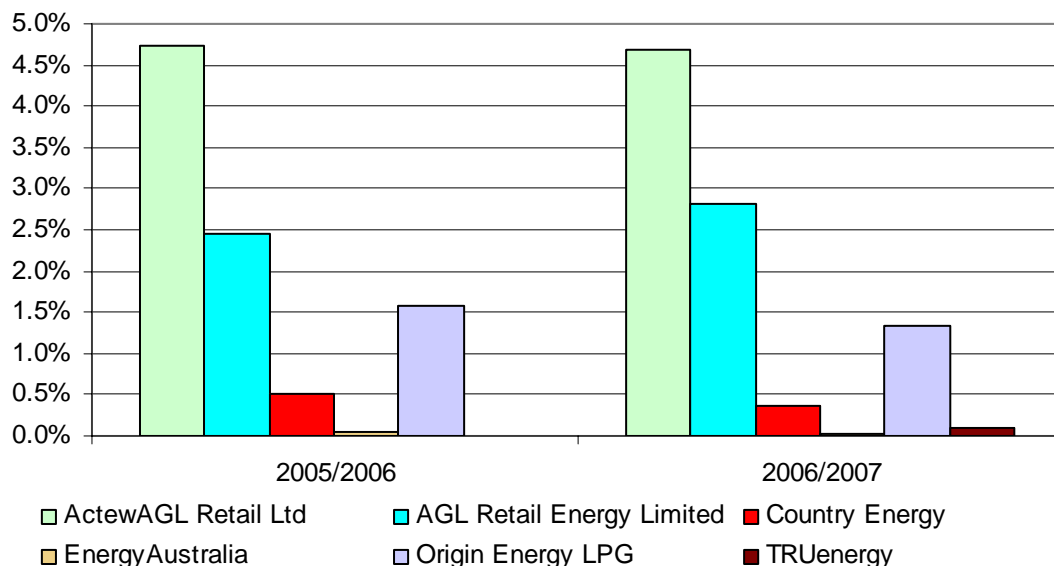
IPART anticipates that the combined effect of the new regulations and retailers' recently introduced hardship policies will lead to a reduction in the disconnection rate.

³ Essential Services Commission. *Energy retail businesses comparative performance report for the 2006-07 financial year*, 19 December 2007, p 37. However, it should be noted that in Victoria, retailers have to pay compensation for wrongful disconnection.

⁴ Essential Services Commission of South Australia. *2006/07 annual performance report: performance of South Australian energy retail market*, November 2007, p 55.

Figures 1 and 2 show the number of disconnections for non-payment of bills for each retail supplier as a percentage of its total residential and non-residential customers (its disconnection rate).

Figure 1 Residential disconnections for non-payment of bills in NSW by retailer

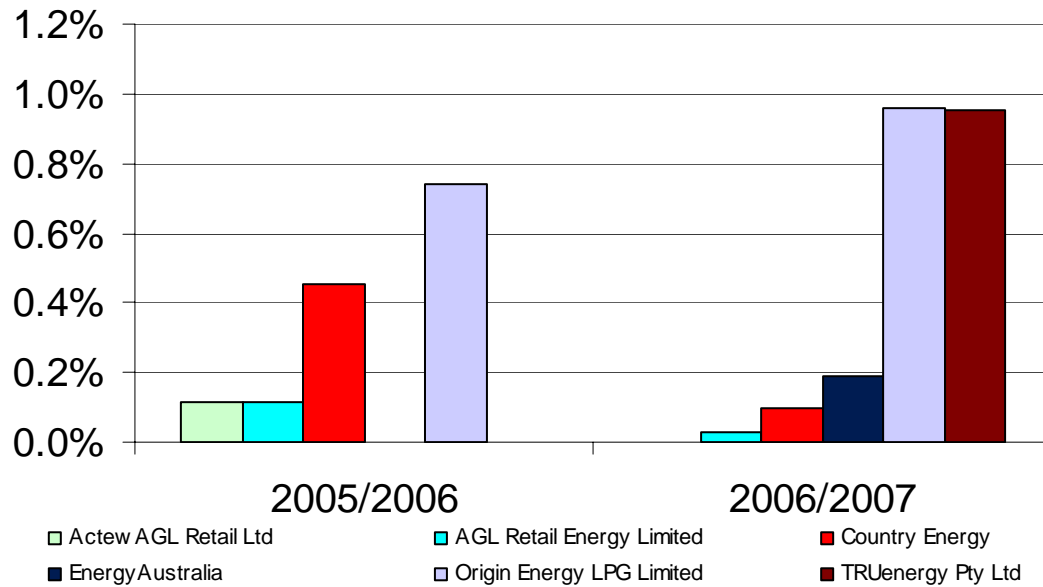


ActewAGL disconnected 4.7 per cent of its residential gas customer base for non-payment of bills in 2006/07, as it did in 2005/06. This disconnection rate is twice as high as the state average of 2.3 per cent, which is itself high. When asked to comment, ActewAGL responded that its disconnection rate was at an appropriate level. It makes every effort to assist customers in hardship and only disconnects as a last resort. It trains its staff to assist with hardship calls and appropriate customers are referred to its 'Staying Connected' hardship program. ActewAGL further asserts that its systems and processes for disconnection are compliant with regulations. However, IPART encourages ActewAGL to further examine its hardship program.

AGL Retail Energy disconnected 2.8 per cent of its customer base in 2006/07 for non-payment of bills. This is slightly higher than its disconnection rate in 2005/06 (2.5 per cent) and significantly higher than the disconnection rate among its electricity small retail customers (only 0.4 per cent in 2006/07). AGL advised IPART that it has launched a 'Staying Connected' national hardship program, which it developed in consultation with its customer council (which includes consumer representatives from a range of organisations). Customers referred to the program are protected from disconnection and collection action, and are provided with support options such as individual and flexible payment arrangements, advice on saving energy, and referrals to support services.

In IPART's view the government's new regulation should reduce energy supply disconnection rates. However, greater focus may also be required by ActewAGL and AGL Retail Energy on further enhancing their hardship policies.

Figure 2 Non-residential disconnections for non-payment of bills in NSW by retailer

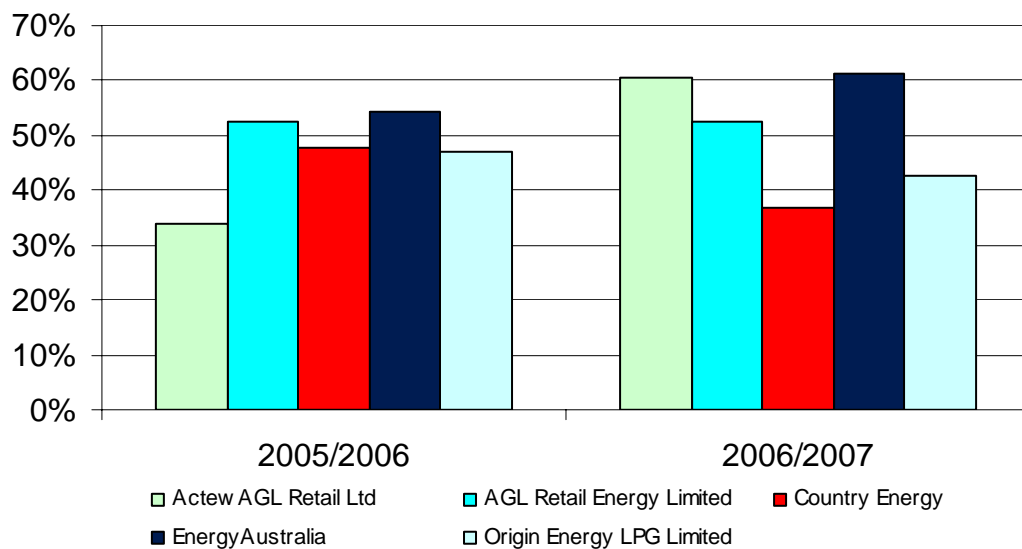


The disconnection rates among non-residential customers are much lower than among residential customers. There were only 27 such disconnections in 2006/07 in NSW, representing just 0.1 per cent of all non-residential small retail gas customers.

Reconnections in the same name

Figures 3 and 4 show the percentage of residential and non-residential small retail gas customers disconnected for non-payment of bills in NSW whose supply was subsequently reconnected in the same name.

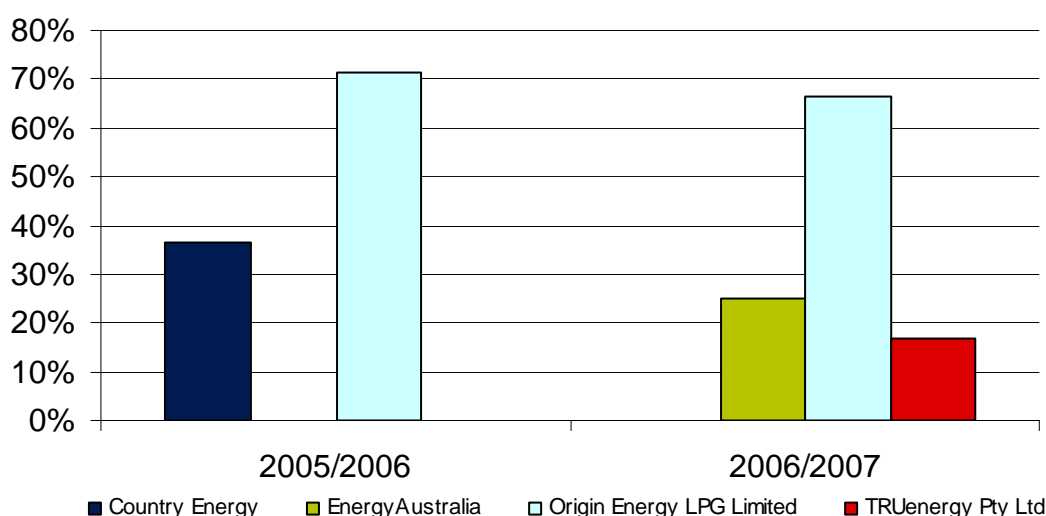
Figure 3 Percentage of NSW residential customers disconnected for non-payment of bills whose supply was reconnected in same name



The overall NSW percentage of residential small retail customers disconnected and then reconnected in the same name has remained relatively constant, increasing from 51.3 per cent in 2005/6 to 51.4 per cent in 2006/07.

IPART believes that this affordability indicator should be amended to make it consistent with data collected in Victoria and South Australia, where the 'reconnected in the same name' indicator is limited to reconnections that occur within seven days of disconnection. IPART considers that such an amendment would make the indicator more useful, and would allow the performance of NSW retailers to be compared with that of retailers in other jurisdictions. IPART intends to raise this matter with the government⁵.

Figure 4 Percentage of non-residential customers disconnected for non-payment of bills whose supply was reconnected in same name



Use of alternative payment methods

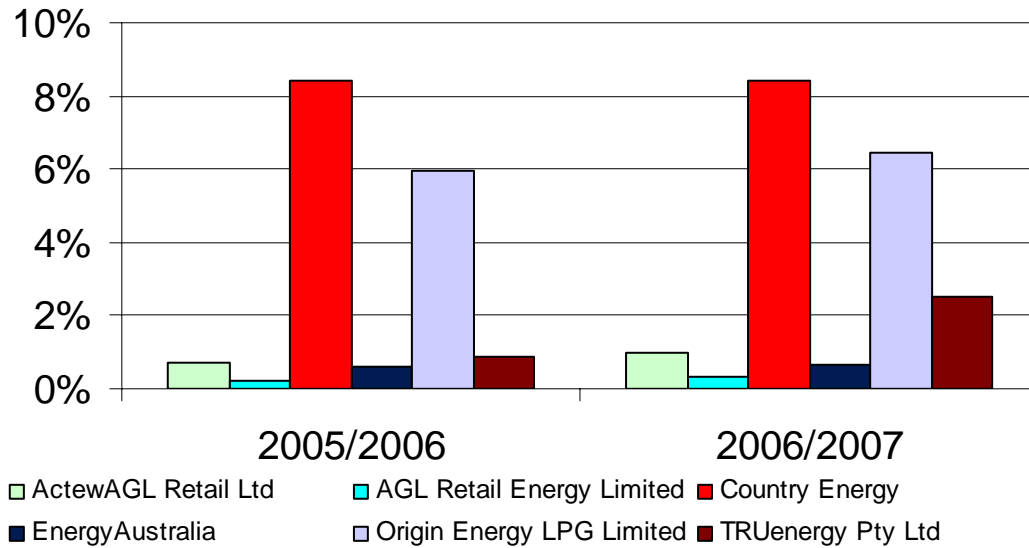
To varying degrees, all retailers in NSW offer assistance to customers who are having difficulty paying their gas bills. The assistance measures include giving customers the option of paying bills in instalments, extending the due date on their bills, protecting customers from disconnection while they participate in hardship programs, referring them to a financial relief agency or financial counsellor, and checking their meter for accuracy.

During 2006/07, most retailer suppliers' policy was to offer customers experiencing financial hardship the option of using a payment instalment plan. These plans make it possible for customers to pay their outstanding accounts over time and manage their consumption better. As a result, they can help retailers to reduce their disconnections rate. From 1 July 2007, the *Gas Supply (Natural Gas Retail Competition) Amendment Regulation 2007* has required that all retailers offer payment instalment plans to customers facing financial difficulties prior to taking any disconnection action.

Figure 5 shows the proportion of each retail supplier's residential small retail customer base paying off outstanding accounts under an instalment plan in 2005/06 and 2006/07.

⁵ Performance indicators are not set by IPART but are established by the Minister for Energy.

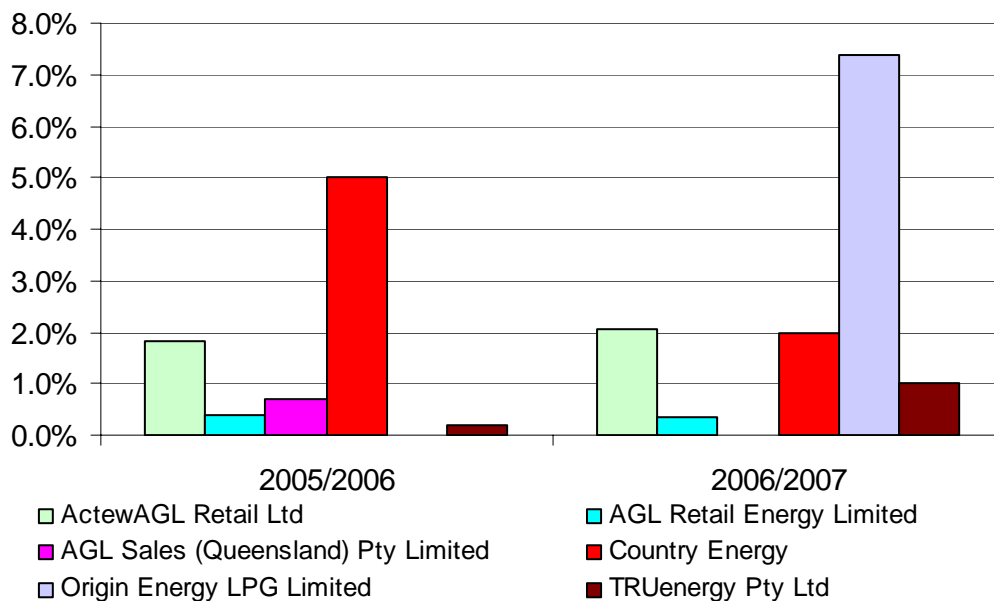
Figure 5 Percentage of NSW residential small retail customers using instalment plans



The percentage of residential small retail customers using instalment plans in 2006/07 was 0.8 per cent, which is only a slight increase since 2005/06 (0.6 per cent). Most retail suppliers – other than Country Energy, Origin Energy and to a lesser degree TRUenergy – have a very low percentage of customers on instalment plans, which suggests they have not been actively offering these plans. IPART anticipates that the percentage of customers using instalment plans will increase in future years, as result of the *Gas Supply (Natural Gas Retail Competition) Amendment Regulation 2007*.

Figure 6 shows the proportion of small retail customers using Centrelink's Centrepay bill payment facility in 2005/06 and 2006/07.

Figure 6 Percentage of NSW customers using Centrelink's Centrepay



Centrepay is a free service that allows Centrelink clients to pay for essential living expenses (such as electricity, gas, water and rent) through a direct bill payment facility before their Centrelink payment is deposited in their bank account. By encouraging customers who are having difficulty paying their gas bills to use Centrepay, retailers are providing customers with an option that can help them manage and budget for their bills and thus avoid disconnection.

The number of customers using Centrelink's Centrepay has increased by 23 per cent in 2006/07, indicating increased awareness of this service by some retailers and their customers. However, the overall use of Centrelink's Centrepay bill payment facility is low – only 0.5 per cent of NSW gas customers used this facility in 2006/07. Origin Energy LPG Limited had the highest proportion of customers using Centrepay (7.4 per cent). AGL Retail Energy, the largest retailer in NSW, had only 0.4 per cent of customers using Centrepay in 2006/07, the same percentage as in 2005/06.

Security deposits held

Figures 7 and 9 show the percentages of NSW residential and non-residential small retail gas customers respectively who had security deposits held by their retailer on 30 June 2007 compared to the percentages for the previous year. Figures 8 and 10 show the percentages of security deposits from residential customers held longer than 12 months, and from non-residential customers held longer than 24 months.⁶

Almost 85 per cent of the NSW residential customers of AGL Sales (Queensland) had a security deposit held by the retailer in 2006/07, compared with the average of only 5.9 per cent of all NSW residential customers. AGL advised the high proportion of its customers with security deposits held is a legacy from the previous owner of the company, Powerdirect Australia. As the retailer has only a very small number of customers in NSW (based in the Tweed Heads region), its performance data have been excluded from Figures 7 to 10.

IPART notes that, unlike electricity, there is no enforceable requirement for security deposits to be refunded⁷.

⁶ These indicators do not reflect the total number of security deposits required to secure connection or reconnection to supply within the period as they do not include those deposits held during the period but released prior to 30 June.

⁷ In electricity, a customer supplied under a standard form customer supply contract may be required to pay a security deposit under IPART's current electricity retail pricing determination. This security deposit is limited to 1.5 times the average bill for customers paying bills quarterly and must be refunded after 12 months of on-time bill payment for residential customers and after 24 months of on-time bill payment for business customers.

Figure 7 Percentage of NSW residential customers who had security deposits held by their retailer on 30 June

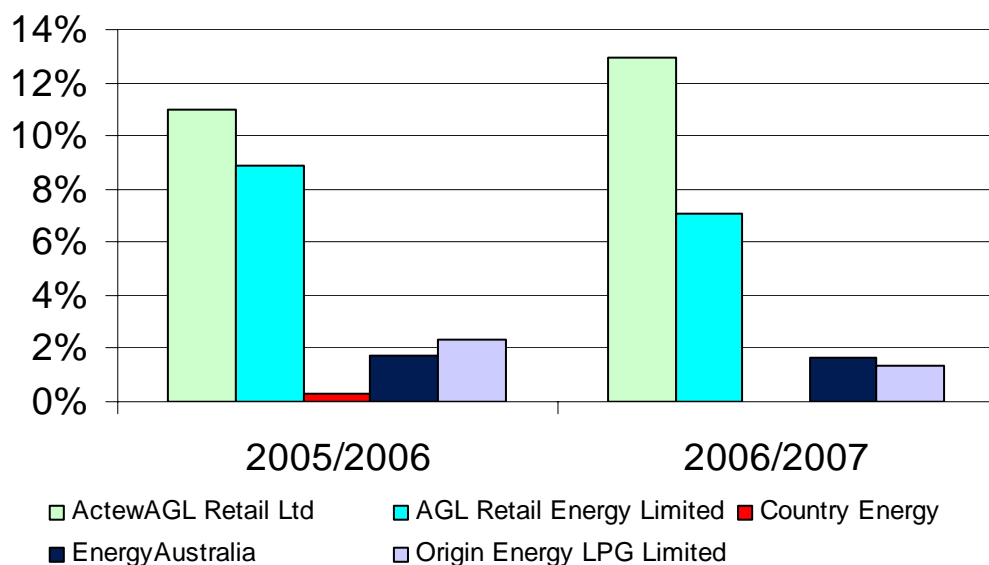
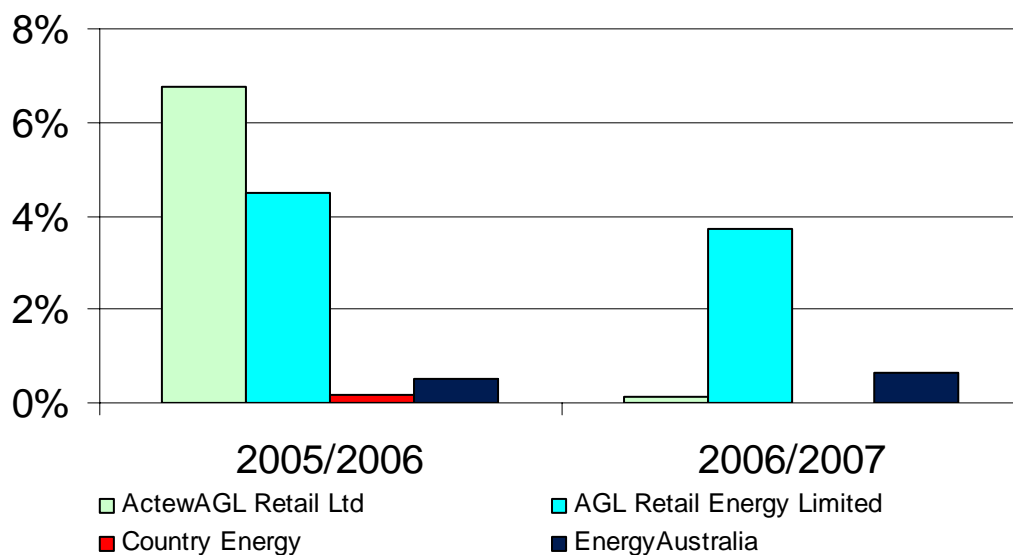


Figure 8 Percentage of security deposits from residential small retail customers held by retailers for longer than 12 months



The number of residential small retail gas customers who had security deposits held by their retailer fell from 7.6 per cent in 2005/06 to 5.9 per cent in 2006/07. The proportion of these customers whose deposits were held longer than 12 months declined for all retailers except EnergyAustralia.

Figure 9 Percentage of non-residential small retail customers who had security deposits held by their retailer on 30 June

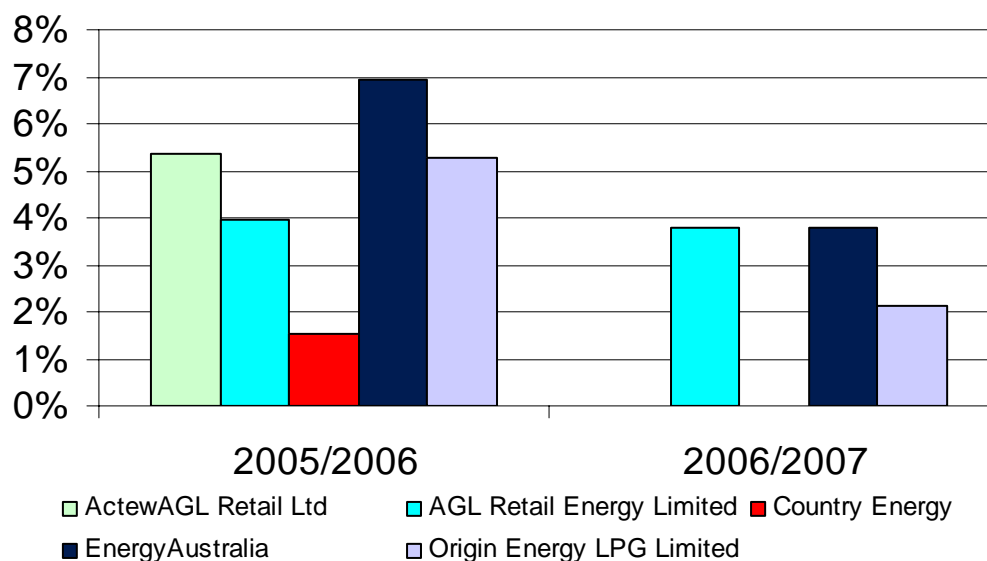
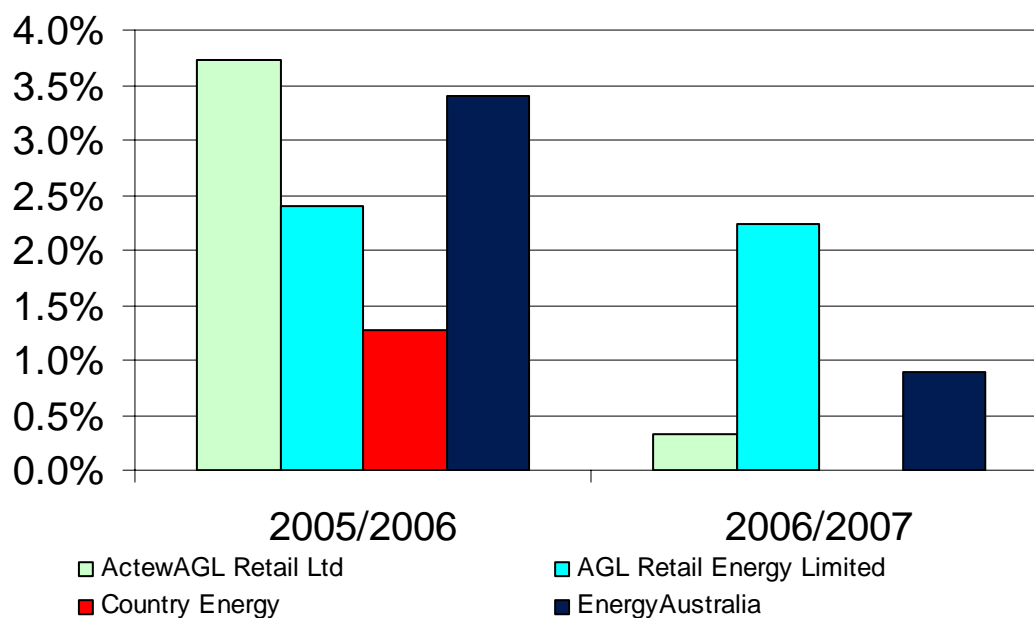


Figure 10 Percentage of security deposits from non-residential small retail customers held by retailers for longer than 24 months



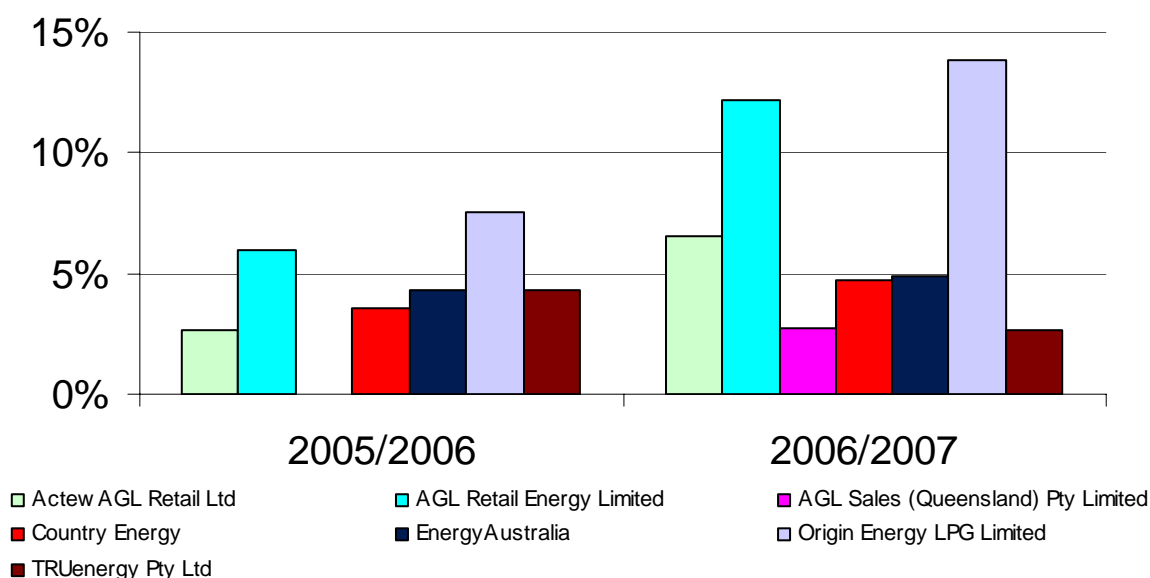
The proportion of non-residential small retail gas customers who had security deposits held fell for all retailers in 2006/07, as did the proportion of these customers whose deposits were held longer than 24 months.

Call centre responsiveness

Under clause 49 and Schedule 1, Part 2, clause 14(2) of the *Gas Supply (Natural Gas Retail Competition) Regulation 2001*, all gas retailers are required to provide a telephone service that operates during business hours to which a person can be connected for not more than the price of a local telephone call. This telephone service must be able to receive notice of, and give information about, a customer's bills and customer connections arranged by the supplier.⁸

Figures 11 and 12 show the percentage of calls to retailers' telephone services that were abandoned or dropped out before being answered by a human operator, and the percentage that were answered by a human operator within 30 seconds. These data include calls to complaint and enquiry lines, including lines that are initially answered by an automated interactive voice response (IVR) system that makes provision for the caller to be transferred to a human operator. Where this is the case, the data include calls answered within 30 seconds of the caller selecting the option to be transferred to a human operator.

Figure 11 Percentage of calls that were abandoned or dropped out before being answered by a human operator

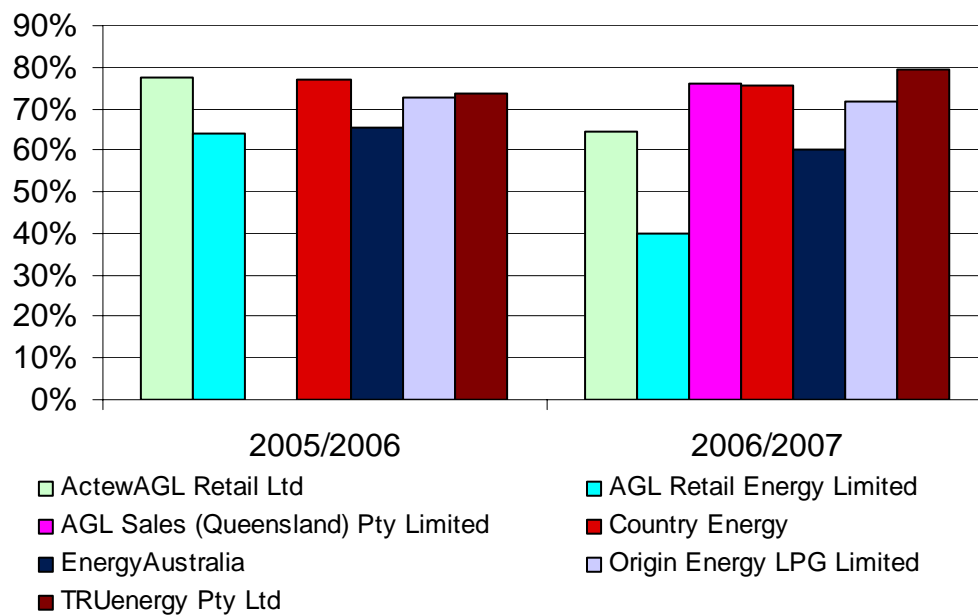


The average percentage of calls that were abandoned or dropped out in NSW increased from 4.4 per cent in 2005/06 to 6.5 per cent in 2006/07. However, for Origin Energy, this percentage increased from 7.6 per cent in 2005/06 to 13.8 per cent in 2006/07 – more than twice the NSW average. Origin advised IPART that it attributes this increase to limited seating capacity for additional staff and further automation of its IVR system causing an increase in enquiries.

For AGL Retail Energy, the percentage of calls that were abandoned or dropped out before being answered by an operator increased from 6.0 per cent in 2005/06 to 12.2 per cent in 2006/07. AGL attributed this to the implementation of a new telephony system, staffing difficulties and a higher overall call volume.

⁸ These requirements are guaranteed customer service standards.

Figure 12 Percentage of calls answered by a human operator within 30 seconds



Only 60.6 per cent of calls were answered by an operator within 30 seconds in 2006/07, compared to 68.8 per cent in 2005/06. For AGL Retail Energy, the percentage of calls answered by an operator within 30 seconds fell significantly from 64.2 per cent in 2005/06 to 39.7 per cent in 2006/07. Again, AGL attributed this to the implementation of a new telephony system, staffing difficulties and a higher overall call volume. It also advised that it has now recruited additional staff and formed a partnership with an outsourcing agency to manage peaks in call volumes.

Customer complaints

Table 2 shows the total number of customer complaints about retail supply matters in NSW. These complaints are measured as the number of customers who have contacted the retailer to express their dissatisfaction with some aspect of their retailer's service and are seeking a resolution. This indicator includes customer complaints to the retailer about retail supply matters and its failure to observe its procedures, but does not include complaints made about the retailer to any other body.

Table 2 Number of small retail customer complaints about retail supply matters in NSW

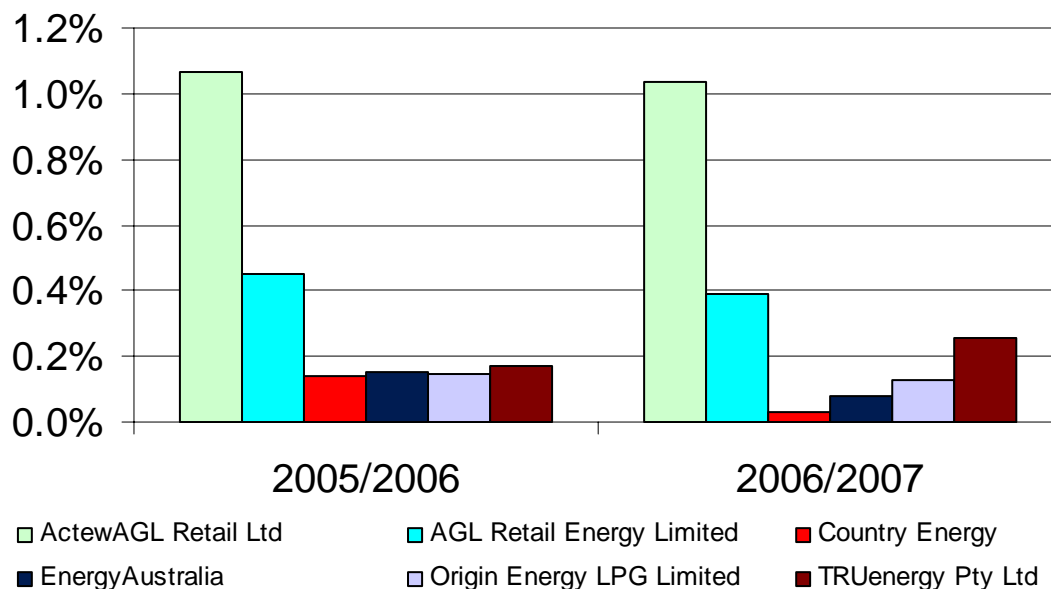
	2005/06	2006/07
Number of complaints related to marketing	362	117
Number of complaints related to billing	3,136	2,507
Number of complaints related to "other" matters	492	776
Total number of complaints	3,990	3,400
Total complaints as a percentage of customers	0.4%	0.3%

The number of customer complaints about retail supply matters reported by retailers to IPART decreased by 14.8 per cent between 2005/06 and 2006/07. When expressed as a percentage of all NSW small retail customers, the number of customer who made complaints fell from 0.4 per cent in 2005/06 to 0.3 per cent in 2006/07.

In 2005/06, 9 per cent of total customers complaints were related to marketing. This proportion dropped to 3 per cent in 2006/07. Nearly three-quarters of customer complaints in 2006/07 related to billing, with most of the rest related to 'other' matters.⁹

Figure 13 shows the customer complaints received by individual retailers as a percentage of their total number of small retail customers.

Figure 13 Customer complaints as a percentage of total small retail customers



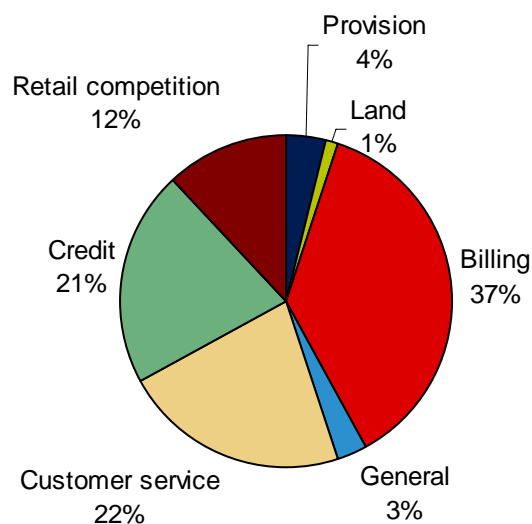
For most retailers, the number of complaints they received, and this number as a percentage of their total customers, decreased in 2006/07. ActewAGL reported the highest percentage of customers making complaints in 2006/07: 1.0 per cent, compared to 1.1 per cent 2005/06.

In contrast, the 2006/07 annual report of the Energy and Water Ombudsman of NSW (EWON) reported a 13 per cent increase in the total number of complaints it received compared to the previous year. However, it should be noted that complaints to EWON include electricity and water as well as gas.

The breakdown of complaints about gas retailers made to EWON and reported in its 2006/07 annual report is shown in Figure 14.

⁹ 'Other' complaints could include various issues such as contracts not being provided to customers or not containing certain required items, customer notifications or supply issues.

Figure 14 Types of gas complaints reported to EWON 2006/07¹⁰



It should be noted that EWON categorises customer complaints in a different way to the data reported by the gas retailers to IPART. Also, the complaints made to EWON represent only a small subset of the complaints made to the suppliers themselves.

¹⁰ *Annual report 06/07. Energy & Water Ombudsman NSW*

APPENDIX 1 RETAILER CUSTOMER SERVICE PERFORMANCE DATA, 2005/2006 TO 2006/2007

Percentage Residential Small Retail Customers Disconnected for non-payment of bills		
	2005/06	2006/07
ActewAGL	4.7%	4.7%
AGL Retail Energy	2.5%	2.8%
Country Energy	0.5%	0.4%
Origin Energy LPG	1.6%	1.3%
Total	2.1%	2.3%

Percentage Non-Residential Small Retail Customers Disconnected for non-payment of bills		
	2005/06	2006/07
ActewAGL	0.1%	0.0%
AGL Retail Energy	0.1%	0.0%
Country Energy	0.5%	0.1%
EnergyAustralia	0.0%	0.2%
Origin Energy LPG	0.7%	1.0%
TRUenergy	0.0%	1.0%
Total	0.2%	0.1%

Percentage residential small retail customers disconnected whose supply was reconnected in the same name		
	2005/06	2006/07
ActewAGL	33.8%	60.4%
AGL Retail Energy	52.5%	52.6%
Country Energy	47.7%	36.8%
EnergyAustralia	54.2%	61.1%
Origin Energy LPG	46.9%	42.7%
Total	51.4%	51.3%

Percentage non-residential small retail customers disconnected whose supply was reconnected in the same name		
	2005/06	2006/07
ActewAGL	0.0%	0.0%
AGL Retail Energy	0.0%	0.0%
Country Energy	36.4%	0.0%
EnergyAustralia	0.0%	25.0%
Origin Energy LPG	71.4%	66.7%
TRUenergy	0.0%	16.7%
Total	20.5%	29.6%

Percentage of residential small retail customers using instalment plans as at 30 June		
	2005/06	2006/07
ActewAGL	0.7%	1.0%
AGL Retail Energy	0.2%	0.3%
Country Energy	8.4%	8.4%
EnergyAustralia	0.6%	0.7%
Origin Energy LPG	6.0%	6.5%
TRUenergy	0.9%	2.5%
Total	0.6%	0.8%

Percentage of residential small retail customers using Centrepay as at 30 June		
	2005/06	2006/07
ActewAGL	1.8%	2.1%
AGL Retail Energy	0.4%	0.4%
AGL Sales (Queensland)	0.7%	0.0%
Country Energy	5.0%	2.0%
Origin Energy LPG	0.0%	7.4%
TRUenergy	0.2%	1.0%
Total	0.5%	0.5%

Percentage of residential small retail customer security deposits held as at 30 June		
	2005/06	2006/07
ActewAGL	11.0%	12.9%
AGL Retail Energy	8.9%	7.1%
Country Energy	0.3%	0.0%
EnergyAustralia	1.7%	1.7%
Origin Energy LPG	2.4%	1.3%
Total	7.6%	5.9%

Percentage of residential small retail customer security deposits held for longer than 12 months		
	2005/06	2006/07
ActewAGL	6.8%	0.1%
AGL Retail Energy	4.5%	3.7%
Country Energy	0.2%	0.0%
EnergyAustralia	0.5%	0.7%
Total	3.8%	2.9%

Percentage of non-residential small retail customer security deposits held as at June 30		
	2005/06	2006/07
ActewAGL	5.4%	0.0%
AGL Retail Energy	3.9%	3.8%
Country Energy	1.5%	0.0%
EnergyAustralia	6.9%	3.8%
Origin Energy LPG	5.3%	2.1%
Total	4.2%	3.3%

Percentage of non-residential small retail customer security deposits held for longer than 24 months		
	2005/06	2006/07
ActewAGL	3.7%	0.3%
AGL Retail Energy	2.4%	2.2%
Country Energy	1.3%	0.0%
EnergyAustralia	3.4%	0.9%
Total	2.5%	1.8%

Percentage of calls abandoned or dropped out		
	2005/06	2006/07
ActewAGL	2.6%	6.5%
AGL Retail Energy	6.0%	12.2%
AGL Sales (Queensland)	0.0%	2.8%
Country Energy	3.6%	4.7%
EnergyAustralia	4.3%	4.9%
Origin Energy LPG	7.6%	13.8%
TRUenergy	4.3%	2.6%
Total	4.4%	6.5%

Percentage of calls answered by a human operator within 30 seconds		
	2005/06	2006/07
ActewAGL	77.5%	64.4%
AGL Retail Energy	64.2%	39.7%
AGL Sales (Queensland)	0.0%	76.3%
Country Energy	77.1%	75.7%
EnergyAustralia	65.4%	60.0%
Origin Energy LPG	72.9%	71.6%
TRUenergy	73.8%	79.3%
Total	68.8%	60.6%

Total percentage of complaints from small retail customers about retail supply matters		
	2005/06	2006/07
ActewAGL	1.1%	1.0%
AGL Retail Energy	0.5%	0.4%
Country Energy	0.1%	0.0%
EnergyAustralia	0.2%	0.1%
Origin Energy LPG	0.1%	0.1%
TRUenergy	0.2%	0.3%
Total	0.4%	0.3%

Percentage of customer complaints by type		
	2005/06	2006/07
Billing complaints	78.6%	73.7%
Marketing complaints	9.1%	3.4%
'Other' complaints	12.3%	22.8%
Total	100.0%	100.0%

Gas Retail – Total Numbers (All Performance Indicators)		
	2005/06	2006/07
Number of small retail customers as at 30 June.	982,355	1,016,286
Number of residential small retail customers.	954,783	986,637
Number of non-residential small retail customers.	27,572	29,649
Number of calls made to telephone service.	4,115,414	4,218,086
Number of calls abandoned or dropped out.	181,638	272,601
Number of calls answered within 30 seconds.	2,832,889	2,556,736
Number of residential small retail disconnections.	19,781	22,707
Number of non-residential small retail disconnections.	44	27
Number residential small retail customers disconnected then reconnected.	10,168	11,641
Number non-residential small retail customers disconnected then reconnected.	9	8
Total number of complaints from small retail customers about retail supply matters.	3,990	3,400
Number of complaints about billing.	3,136	2,507
Number of complaints about marketing	362	117
Number of complaints about other matters.	492	776
Number of residential small retail security deposits as at 30 June.	72,464	58,533
Number of residential security deposits held for longer than 12 months.	36,003	28,529
Number of non-residential small retail security deposits as at 30 June.	1149	964
Number of non-residential security deposits held for longer than 24 months.	682	533
Number of residential small retail customers using instalment plans as at 30 June.	5,842	7,803
Number of residential small retail customers using Centrepay as at 30 June.	4,406	5,420

APPENDIX 2 NOTES AND DEFINITIONS

1. Customers

'Customer' means the person in whose name a gas account is held under one supply contract.

'Small retail customer' means a customer whose gas consumption in NSW is no more than 1,000 gigajoules per year.

'Residential small retail customer' means a small retail customer who uses their premises primarily for residential purposes.

'Non-residential small retail customer' means a small retail customer who uses their premises primarily for non-residential purposes.

The customer statistics collected here will be used in conjunction with the other statistics in this schedule to derive operating measures (eg, percentages or numbers per 1,000). The customer numbers themselves will not be published without the licence holder's permission.

2. Telephone service for account inquiries

Only retailers who supplied small retail customers during the period are asked to report on their telephone service for account inquiries. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

The resulting measures that may be used in IPART's compliance report are:

- ▼ Percentage of calls answered within 30 seconds.
- ▼ Percentage of calls that dropped out or were abandoned by the caller.

These measures are based upon a guaranteed customer service standard established under clause 49 and Schedule 1, Part 2, clause 14(2) of the *Gas Supply (Natural Gas Retail Competition) Regulation 2001*. A supply contract between a retail supplier and a small retail customer must require a supplier to provide a telephone service that operates during business hours on which a person can be connected for not less than the price of a local telephone call and that can receive notice of, and give information concerning, customer's bills and customer connection services arranged by the supplier. An automated answering service satisfies this requirement only if it makes provision for the transfer of calls to a human operator.

3. Supply discontinuance

Only retailers who supplied small retail customers during the period are asked to report on supply discontinuances. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column. Each instance that supply is discontinued for failing to pay an amount due to the licence holder must be reported, including discontinuing supply to vacant premises. For example, if a customer's supply has been discontinued twice in the reporting year, two supply discontinuances must be reported.

The resulting measures that may be used in IPART's compliance report are:

- ▼ Proportion of residential small retail customers whose supply was discontinued during the year for failing to pay an amount due.
- ▼ Proportion of non-residential small retail customers whose supply was discontinued during the year for failing to pay an amount due.
- ▼ Number and proportion of small retail customers whose supply was discontinued during the year at a prohibited time or on a prohibited day for failing to pay an amount due.

4. Supply recontinuance

Only retailers who supplied small retail customers during the period are asked to report on supply recontinuances. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

The resulting measures that may be used in the IPART's compliance report are:

- ▼ Proportion of residential small retail customers whose supply was recontinued in the same name after being discontinued during the year for failing to pay an amount due.
- ▼ Proportion of non-residential small retail customers whose supply was recontinued in the same name after being discontinued for failing to pay an amount due.

5. Complaints

Only retailers who supplied small retail customers during the period are asked to report on customer complaints. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

'Complaint' means a written or verbal expression of dissatisfaction about an action, a proposed action, or a failure to act by a licence holder, its employees, agents or contractors. This includes failure by a licence holder to observe its published or agreed practices or procedures. It does not include a complaint made about the licence holder to any other body.

The complaint sub-categories (ie 'billing', 'marketing' and 'other matters') are to be reported using the Energy and Water Ombudsman NSW's methodology for allocating issues into categories.

Marketing has been added as a complaint sub-category from 2004/05. This data is collected to assist in monitoring the competitive retail market.

The following measures that may be published by IPART:

- ▼ Proportion of residential small retail customers that complained about retail supply matters.
- ▼ Proportion of non-residential small retail customers that complained about retail supply matters.
- ▼ Percentage of complaints from residential small retail customers that were related to billing, marketing and other matters.
- ▼ Percentage of complaints from non-residential small retail customers that were related to billing, marketing and other matters.

IPART will seek information from EWON on the number of small retail customers who took their complaint about a retailer's service to EWON.

6. Security deposits

Only retailers who supplied small retail customers during the period are asked to report on security deposits. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

The resulting measures that may be used in IPART's compliance report are:

- ▼ Percentage of residential small retail customers that lodged security deposits.
- ▼ Percentage of non-residential small retail customers that lodged security deposits.
- ▼ Average dollar value of security deposits held from residential small retail customers.
- ▼ Average dollar value of security deposits held from non-residential small retail customers.

- ▼ Number and percentage of security deposits held from residential and non-residential small retail customers that have been held for longer than 12 months and 24 months respectively.

7. Payment methods

Only retailers who supplied small retail customers during the period are asked to report on payment methods. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

Direct debits from a customer's bank account are to include direct debits from any financial institution, including a customer's credit card.

Retailers should note this statistic is likely to be amended from the 2006/07 reporting year to require retailers to report the number of residential small retail direct debit customers who defaulted on direct debit payments. This amendment is consistent with operating statistics reported in other jurisdictions and is a better indicator of financial hardship than the statistic currently reported.

The resulting measures that may be used in IPART's compliance report are:

- ▼ Percentage of residential small retail customers using direct debit arrangements to pay their bills.
- ▼ Percentage of residential small retail customers paying off billing arrears under an instalment payment plan.
- ▼ Percentage of residential small retail customers using Centrelink's Centrepay bill payment facility.