

23 March 2012

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By email: engagement@ipart.nsw.gov.au

Thank you for the opportunity to comment on the *Discussion Paper: IPART Customer engagement on prices for monopoly services, February 2012*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON continues to support the work IPART is doing to identify ways IPART and the regulated businesses can improve customer engagement in price reviews. EWON is aware that a number of strategies have already been used, including consumer research, customer surveys, willingness-to-pay surveys and customer panels, but we encourage any initiatives to develop new ways of engaging with households.

EWON is being contacted by an increasing number of customers who are struggling to manage their utility bills. There is also an increased focus by the media on utility issues and pricing of essential services. Many customers are confused or unsure about the range of products on offer and their contractual arrangements with their retailer.

In this context it is crucial for regulators and the regulated businesses to have effective communication and engagement with their customers, especially small retail customers and small businesses, that effectively feed into the determining of prices via the price review process. EWON would also suggest that data and information from stakeholders such as the energy ombudsmen provides valuable information to regulated businesses and IPART about customer issues.

EWON supports the view that IPART does not plan to advocate any particular engagement option and it seems reasonable that:

“it is the responsibility of the regulated businesses to choose options that fit their particular circumstances and to ensure their customer engagement is robust, cost effective and relevant to decisions on service levels and prices”¹.

Whichever customer engagement strategies are undertaken it is critical that the methodologies can be independently assessed by IPART and any limitations identified. We reiterate a comment in our last submission on this issue:

While a process which requires that regulated businesses consult with customers prior to submitting price increases seems straightforward, the capacity of IPART to formally assess such exercises is important.²

EWON agrees that the use of new media (digital and social) can improve communication with the public and reach households. We however advocate a blended/combination approach using new media, as well as more traditional face to face and research based techniques.

We note that IPART will be releasing a *Draft Report* later this year and there will be further opportunity to comment at this time.

If you would like to discuss this matter further, please contact me or Emma Keene, Manager Policy & Projects on 8218 5225.

Yours sincerely



Clare Petre
Energy & Water Ombudsman NSW

¹ Discussion Paper: IPART Customer engagement on prices for monopoly services, Feb 2012 pg 2

² EWON submission to IPART on Customer Engagement Project, Sept 2011, pg 2