OURYEAR REVIEW

And the first statements

ELECTRICITY RETAIL INDICATORS 2013-2014

synergy

Electricity Retail Corporation trading as Synergy.



GOT AN ENQUIRY?

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CHIEF EXECUTIVE'S FOREWORD

Synergy experienced a significant year of change in 2013-14 with the creation of a merged business from the former Verve Energy and Synergy on 1 January 2014. It was pleasing to note as far as our small use customers (the subject of this report) were concerned the merger was seamless. Through our 'Customer Focus Program', we have continued to build customer satisfaction by strengthening our customer service under our new corporate entity.

Over the last 12 months we hove completed significant advancements in systems, technology and training to help improve our customer's experience reflected through improved customer satisfaction scores and reduced customer complaints.

Synergy is highly regulated in relation to small use customer supply. We recognise the intent behind such regulation is to provide baseline customer service however, in some cases overly prescriptive regulation can have the unintended effect of focusing on process to the detriment of customer service. We note that of the 30 current electricity retail licences only 6 (or 20%) supply small use customers suggesting the regulatory costs for this tranche of customers is significantly high. Synergy's compliance philosophy is underpinned by customer care. If we take care in the tasks we perform on behalf of our customers then customer satisfaction will not only improve but also our compliance performance. It is therefore, pleasing to report over the last 12 months Synergy has once again seen improvement in the timeliness of issuing bills, reduced customer complaints to us, and the Energy Ombudsman.

Synergy also over the course of the year implemented a new collections strategy, which reduced active residential/small to medium enterprise debt outstanding for more than 90 days. In last year's 'year in review' we foreshadowed the small use customer disconnection rate was unsustainably low and would increase during 2013-14 and this unfortunately has proven to be the case. For Synergy disconnection is a last resort and we are affected in the knowledge that our actions will have an impact on our customers.

However, we must act commercially responsibly on behalf of the state government and Western Australian taxpayers. Integral to our new collections strategy is communicating with customers who may be experiencing financial hardship sooner whilst the debt is more manageable from a customer's perspective. In addition we are contacting customers more often so those customers who need access to our various assistance measures are identified earlier.

We once again recognise and appreciate the good working relat ionship we have with the Western Australian Energy Ombudsman and the Economic Regulation Authority in terms of our performance in delivering mandated customer service standards, a number of which are detailed in this report. We also highly value the continued input and assistance Synergy has received over the year from consumer association s such as the Financial Counsellors' Association of Western Australia and the Western Australian Council of Social Services in assisting us to develop effective programs for customers experiencing payment difficulties and financial hardship.

In the 2014-15 year ahead we expect to see a continued trend by small use customers to transact digitally, manage their electricity consumption and seek ways to reduce their costs, specifically through technology and energy efficiency appliances. Synergy is excited and well placed to serve our customers in a rapidly changing energy market.

Jason Waters CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

Synergy is the largest West Australian energy retailer and we're a state owned corporation. We pride ourselves on being very transparent with the things we get up to, and that's why we've produced this publication. We have a range of electricity responsibilities and obligations that are unique and don't apply to other retailers. These include:

- Concession administration.
- Mandated renewable energy buyback.
- Obligations to offer to supply electricity to franchise and contestable small use customers.
- Regulated electricity tariffs, fees and charges.

For regulatory purposes, Synergy gathers a range of electricity retail performance indicators as follows:

- Affordability and access customer complaints compensation payments.
- Call centre performance.

- Customer accounts.
- Pre-payment meters.

Due to the regulated electricity services across our small use electricity customer base within the SWIS, we record and share our key metrics for the financial year. These also help us see where we are improving and where we might need to improve further. Key metrics in 2013-14 were:

- Synergy's residential complaints fell by 26% to 2,694, the lowest level since 2009.
- Energy Ombudsman complaints reduced by 17% to 1,336 building upon the 29% reduction in 2012-13.
- The number of telephone calls to Synergy decreased by 8% to 1.1 million.
- First-call resolution increased by 10% on the previous financial year.
- The percentage of telephone calls responded by an operator within 30 seconds increased from 80% to 82%.
- The average time it took before a call was

operator answered decreased from 23 seconds to 18 seconds.

- The percentage of telephone calls that were unanswered fell from 2.1% to 1%.
- The total number of residential customer accounts assessed as experiencing payment difficulty or financial hardship and thus requiring a payment extension fell by 8% to 80,264.
- The total number of residential customer accounts assessed as experiencing payment difficulty or financial hardship and thus requiring an instalment plan increased by 11% to 32,190.
- Synergy issued more than 99% of its bills within prescribed time periods.
- Residential customer disconnections increased by 28% to 8,103. Small use business customer disconnections increased by 26% to 565.





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2013-2014 THE YEAR IN REVIEW

We're WA's largest energy retailer, procuring and selling electricity and gas to customers throughout the SWIS. We handle energy procurement, marketing, sales and customer services (this includes billing and payment processing as well as educating our consumers on energy efficiency). At 30 June 2014, Synergy had just over a million small use customer accounts. We issued about six million bills, gave out concessions to more than 265,000 customers, purchased electricity from 141,000 renewable energy buyback customers and supplied energy to 60% of the homes and businesses in the SWIS. What a year.

Due to excess electricity supply, we've seen increased retail activity in the contestable small use customer market. This has encouraged migration from contestable tariffs toward contract arrangements that we developed to retain customers.

Our customer focus program has been instrumental in delivering improved levels of service with pretty significant increases in Synergy's net promoter score and more importantly, we've had fewer customer complaints. Over the last 12 months we developed our digital strategy, improved the online transaction capabilities and launched our new phone system, Syntel.

With Syntel we seamlessly introduced a new generation phone system on 1 September 2014. Its rollout happened without reductions in grade of service or net promoter score, which was no mean feat. The benefits of the new system include clearer conversations, reduced wait times through self-service functionality and smoother internal transfers. As well as greater analytics so opportunities for customer improvement can be identified faster, including real time quality assurance. We saw a very decent uptake of residential solar photovoltaic systems. With approximately 2,000 customers installing solar panels each month, it was a retail market feature for 2013/14. At years end we had about 141.347 residential Renewable Energy Buyback Scheme (REBS) customers with a combined installed capacity in excess of 386MW² – an approximate 20% increase on the previous year.

kWh per account



¹Annual household electricity consumption has declined by 13 % (or 5,360 kWh per annum) since 2009-10.² Total REBS installed capacity based on inverter size as at June 2014.

Industry forecasts see the solar take-up trend continuing with 750-1400MW of new capacity possibly added by 2020. Increased capacity coupled with battery storage, new retail market models and reduced electricity consumption are game changers for traditional retailers.

Synergy implemented retail tariff increases in July 2013, July 2014 and September 2014 affecting mare than 970,000 small use customer accounts. The last change in September 2014 reflected the removal of the carbon charge, which saw residential electricity prices in the SWIS fall by 8%.

Affordability

Even though there was a 3% decline in consumption over the last 12 months, the cost of electricity has remained an issue for residential and business customers. Although electricity represents a relatively small proportion of Western Australian household budgets, those who have not benefited from the rise of average income have been disproportionally impacted by electricity price increases since 2009. This has been made worse by significant increases in housing and rental prices.



With a steady increase in the rate of customers experiencing financial hardship, we realised the need for a community hardship and engagement framework (CHEF). We developed the framework because we have a social responsibility to the community who are less advantaged than others. We wanted to gain a greater understanding of current and emerging issues affecting our customers' ability to pay. Synergy consulted with a culturally diverse range of people from community and consumer groups to get valuable feedback on the current hardship policy. Over 80 people were involved in discussions on how community groups can work together to achieve mutually acceptable outcomes.

Part of helping customers manage financial hardship, is offering education around energy efficiency. The members of our Home Energy Saver Scheme (HESS) provided extensive training to Synergy staff during the year to make sure we communicated a consistent energy saving message to our customers. We referred customers experiencing financial hardship and high consumption rates to the HESS program before the Government terminated it in June 2014. Of course we offered rebates and concessions to help affordability, yet we put a strong emphasis on education to help reduce nonessential consumption. In 2013-14, Synergy helped customers manage price increases by:

- Greater customer contact at lower debt levels to encourage earlier customer intervention via better utilisation of technology such as a predictive dialler and SMS automated messaging via the telephony system.
- Providing customers with additional time to pay.
- Implementing concession increases in line with state government policy.
- Managing and promoting hardship programs such as the Hardship Utility Grant Scheme and Synergy's internal hardship programs including Power Assist, Keeping Connected and the Power on Payment Plan (POPP).

Residential customer disconnections increased by 28% to 8,103. Small use business customer disconnections increased by 26% to 565. In an attempt to avoid customer disconnection, over the corresponding period in 2013/14 Synergy issued approximately:

- 1,200,000 reminder notices
- 580,000 SMS notifications
- 290,000 disconnection notices
- 160,000 outbound collection calls
- 47,500 disconnection warning cards

In addition, Synergy's retail operations responded to approximately 310 inbound hardship and financial counsellor calls each day. Synergy reported in the 2012-13 year in review, its small use disconnection rate was unsustainably low and would increase in 2013 -14 as Synergy increased activities to recover outstanding debt. Synergy's new collections strategy has been successful in reducing outstanding debt. A cornerstone of the strategy is earlier identification of debt as well as significantly increased customer contact by a range of means (telephone, sms etc). Although the residential disconnection rate has increased the amount of the debt is becoming more manageable and more customers are getting in contact with us sooner.

The disconnection warning card letter metric is indicative of Synergy's attempts to keep customers connected. This card is often the final step in the collections process before disconnection occurs.

Despite extensive customer notifications, disconnection is too often the only trigger point for some customers to contact Synergy. Our experience is still that some customers are ignoring the collection notices and not paying their electricity bills with the expectation that disconnection will not take place until well into the future, if at all.

Our evidence is based on the large number of customers who move out of premises without paying Synergy or advising of the circumstances, plus those customers who pay some or all of their debt relatively quickly after disconnection. Synergy genuinely views disconnection as a last resort measure. For example, in June 2014 Synergy disconnected on overage only 8% of all customers in accordance with Code of Conduct procedures who met internal disconnection thresholds.

In 2013-14 Synergy's strategy and focus on its customers experiencing financial difficulty aimed to:

- Engage with hardship customers to identify high energy use through the hardship assessment process and provide high level solutions to reduce consumption.
- Raise awareness for hardship customers of the direct impact their electricity consumption has on their bill.
- Assist customers to not incur further energy debts by undertaking a more appropriate payment pattern consistent with their energy usage.
- Increase the number of proactive customer contacts.
- Ensure customers who did not adhere to a payment arrangement/extension were followed up in a timely manner.
- Encourage the customer to make contact and discuss their outstanding account.

These activities will again be the focus of our attention in 2014-15 with respect to residential customer affordability.

Complaints

Synergy's customer service has once again significantly improved in 2013-14, reflected by a 26% decrease in residential complaints over the year and a 17% reduction in Energy Ombudsman complaints. Synergy's residential complaints have reduced from 13,403 in 2010-11 to 2,694 in 2013-14 a decrease of about 500%.

Telephone call management

During 2013-14 Synergy's overall telephone call management performance substantially increased reflecting improved customer service:

- The number of telephone colis to Synergy decreased by 8% to 1.1 million.
- First-call resolution has increased by 10% on the previous financial year.
- The percentage of telephone calls responded to by an operator within 30 seconds increased from 80% to 82%.
- The average time it takes before a call is operator answered decreased by from 23 seconds to 18 seconds.
- The percentage of telephone calls that were unanswered fell from 2.1% to 1%.



AFFORDABILITY AND ACCESS

Disconnection

Energy plays an important role in people's lives. That's why we take disconnection very seriously and only use it as a last resort. Of course we'd rather the customer calls us first to discuss their options regarding debt payment, however, around 95% of disconnections occur after a customer has two or more bills that are unpaid, or owes more than \$500.

The state government provides a level of assistance to help improve the affordability of electricity to residential customers in SWIS, but this is often overlooked. In 2013-14 the state government budgeted Tariff Adjustment Payment was over \$493 million.

On average, Synergy writes off approximately \$1 million a month in debt largely due to customers leaving a premise without paying or notifying Synergy. Unfortunately when Synergy doesn't recover payment for electricity used by its customers, the losses need to be absorbed by the retailer, the state government or all electricity customers.

Our hardship arrangements

Potential improvement to internal processes

A review of our customer support processes was completed in 2013/14. Synergy's customer support function also continued to measure customer satisfaction using a customer satisfaction index (net promoter score) in 2013/14. Basically this index gives consumers and financial counsellors the opportunity to provide immediate feedback about the service experience Synergy provided. We've also implemented a Customer Focus Program to help us translate the feedback into actionable business improvements.

Training and development

We're continually training so we can effectively respond to customers from diverse backgrounds. We work to develop empathy and understanding of hardship situations and seek better ways to communicate with customers experiencing financial hardship. Synergy engaged with the Financial Counsellors Association of Western Australia (FCAWA) in 2014 to provide specialised hardship identification training for Synergy Customer Support team members who assist distressed callers. The training offered enhancement of skills to compassionately and professionally assist hardship customers.

Education and energy efficiency solutions Synergy has contributed to the 2014 FCAWA conference and expo, by providing resources and expertise to support the financial counsellors of Western Australia. We also awarded the FCAWA counsellor of the year, to recognise the combined efforts of Synergy and the counsellors in meeting our customers' needs.

In 2014, we improved our website to offer consumers more energy efficiency tools. We also used our marketing collateral to enhance customer experience and understanding of consumption and the costs associated with energy use.

Accessibility for people with disabilities and non-English speaking customers

Synergy attended National Aborigines and Islands Day Observance Committee (NAIDOC) in 2014, to work in collaboration with community groups to reach sections of the community disadvantaged by a lack of access to information on how to save energy in the home.

Initiatives have also been implemented to identify options for improving communication and raising awareness of services and support, in a format accessible by non-English speaking customers.

A program in conjunction with the Department for Child Protection, for example, was developed to reduce the time taken for eligible customers to receive assistance from the Hardship Utility Grant Scheme (HUGS). This was implemented through an online HUGS application facility on the Department for Child Protection's website. The program aimed to ensure the number of customers genuinely needing assistance can access it. Our Customer Support Team processed higher volumes of online HUGS applications and spoke with customers with an outstanding balance of less than \$1000.00 increased from \$558.82 the previous year.

Additional benefits have been maintained with the ongoing use of the 'priority' dedicated inbound telephone line for the sole use of Financial Counsellors contacting Customer Support officers.

To help Synergy customers who are also Centrelink clients, the two organisations worked together to streamline application processes and forms. The result was the introduction of the 'Centrepay' reference number onto all Synergy invoices to ensure completing a Centrepay application form was made easier. Looking to the future, Synergy's proposals to reduce the risk of customer disconnection for non-payment in 2014-15 include:

- Encouraging all customers to make contact with Synergy as early as possible in the collections cycle to discuss available payment options.
- Increasing the number of contact points to encourage customer responses combined with permitting a larger number of payment options.
- Increasing the awareness of financial hardship and levels of authority for Synergy's contact centre staff to refer customers to financial counsellors for assistance.
- Working collaboratively with external customer assistance agencies including financial counsellors and emergency relief officers to find payment options that best match a customer's capacity to pay in an ever changing environment.
- Educating customers about their energy consumption use and how this affects their bill.
- Engaging hardship customers to identify high energy use through the hardship assessment process and providing solutions to reduce consumption.
- Identifying ways in which HUGS can be enhanced to provide greater customer accessibility and quicker payment.

• Assisting customers to ovoid further energy debt by undertaking a payment arrangement plan more consistent with their energy usage patterns.

Customer assistance programs

Synergy has a range of payment initiatives, options and assistance programs to help customers experiencing payment difficulties and financial hardship. These include:

- Financial hardship policy developed in consultation with consumer representative organisations including WACOSS, FCAWA, Anglicare and Financial Counsellors. The policy outlines how Synergy will assist customers experiencing difficulties in paying their accounts including extended time to pay (fee free), referral to a financial counsellor or emergency relief officer, moratoriums to allow time for customers to seek further assistance, energy consumption advice and consideration of the waiving of fees, charges and outstanding debts.
- Keeping Connected program specialised one-on-one assistance for customers assessed as experiencing severe hardship including 'long-term' payment plans and real time monitoring of customers consumption rates (approximately 340 current participants).
- Power On Payment Plan waiving of part or all of a customer's outstanding debt to assist customers in extreme hardship to

assist in a port payment allowing time for a customer to seek further assistance or to incentivise 1 reward participation in a payment plan.

- Power Assist Synergy provided \$150,000 for 2014/15 for hardship assistance payments. The program is overseen by WACOSS and managed by St Vincent de Paul (WA).
- Disconnection moratoriums Synergy suspends disconnection for extended periods over the Christmas, New Year and Easter periods including areas impacted by natural disasters.
- Dedicated telephone line prioritized inbound line for financial counsellors and emergency relief officers to specialist customer support officers trained in assisting customers experiencing financial hardship.

Synergy's customer service representatives are now authorised to grant payment extensions to customers up to two weeks after the next scheduled meter read (typically 60 days between meter reads) which can constitute a payment extension of up to 74 days.

In 2013-14 Synergy's Customer Support team received 200-300 inbound calls a day with a further increase of tasks created since 2012-2013 to assist customers. For example, the Customer Support team calls back 200 customers a day to discuss their accounts and create an appropriate payment plan reflecting the customer's capacity to pay wherever possible. On average, each call duration is approximately 20 minutes. During this time, Synergy's staff will endeavour to obtain information regarding the customer's basic living needs, electricity consumption habits, number and type of electrical appliances and other data. This information and discussion is then used to assist the customer enter into realistic payment arrangements, and educate them about their electricity use and how their consumption affects their bill.

Providing hardship customers with a payment amnesty is another tool Synergy has used regularly when assessing a customer as experiencing financial hardship. Where eligible, a Synergy Customer Support officer will grant a customer with an overdue account 15 business days to contact a financial counsellor and arrange a meeting about payment.

If the customer attends the meeting Synergy will then allow a further 15 business days for the customer to arrange payment/discuss options and other arrangements as required. During this time all collections activity is suspended. Synergy will further consider extending a moratorium period should the customer be unable to meet with a financial counsellor within the initial period.

Customers who are in severe financial hardship can be eligible for the Keeping

Connected program. Customer support can offer realistic payment plans and work in close partnership with the customer to eliminate their debt and establish positive payment habits and consumption usage patterns.

Customer service representatives have extensive guidelines to allow them to extend payment terms for customers finding it difficult to pay their accounts on time, as well as guidelines on the financial hardship assessments and referral process.

Synergy's customer support officers regularly attend training on hardship to ensure they are familiar with the processes and requirements around the management of customers in hardship. In addition, a random sample of customer support officers' calls to these customers is reviewed daily to ensure compliance and service quality. In addition to the above, Synergy plays a pivotal role in the administration, management and promotion of its own initiatives as well as state government electricity consumer assistance schemes including:

- Administration of state government concessions and energy rebates including CoLA, dependent child rebate, account establishment fee waivers, air conditioning subsidy, caravan park and park home subsidy. The value of these rebates and subsidies in 2012-13 was more than \$59 million.
- Administration of HUGS on behalf of the state government. From July 2012 –June 2013 HUGS grants to the value of \$5 million were provided to 14,000 customers, bringing the total value of approved grants to more than \$14 million since the commencement of HUGS in August 2008.
- Synergy's 'Power on' payment program where hardship customers who maintain their regular payment plan repayments, are recognised by Synergy, with financial contributions made to each eligible customer's electricity bill.

Reconnection

In 2013-14 the number of residential customers reconnected at the same supply address and in the same name following disconnection within seven days of disconnection increased by 24% compared with the previous year.

Residential and business customers

Table 1 - Affordability and access: residential customers

RESIDENTIAL AFFORDABILITY	2013-14 AMOUNT	% OF TOTAL ACCOUNTS		
The total number and percentage of its residential customer accounts:	913,200	100%		
Comment: Synergy's residential customer accounts increased by 2.1% over	the year.			
The total number and percentage of residential customer	3,720	0.41%		
accounts issued with a bill outside the prescribed timeframes due	5,035	0.55%		
to the actions of the: • retailer • distributor • customer	0	0%		
Comment: Synergy's unbilled accounts due to its actions or actions by Western Power are at historically low levels. Synergy's on time billing performance with respect to the 6 million bills it issued in 2013-14 to all customers was 99%.				
The total number and percentage of residential customers subject to regulated instalment plan.	32,190	4%		
Comment: The total number of residential customer accounts assessed as experiencing payment difficulty or financial hardship and thus requiring an instalment plan increased by 11% compared to the previous year reflecting increased affordability pressure and Synergy's new collections strategy which provides for greater customer contact earlier in a customer's arrears cycle.				
The total number and percentage of residential customers who have been granted additional time to pay a bill under regulated requirements.	80,264	9%		
Comment: The total number of residential customer accounts assessed as experiencing payment difficulty or financial hardship and thus requiring a payment extension reduced by 8% compared to 2012-13 in part due to the increased number customer referrals to financial counsellors and on-line Hardship Utility Grant Scheme (HUGS) applications submitted by Synergy's officers on behalf of its residential customers experiencing hardship.				
The total number and percentage of residential customers who have been placed on a shortened billing cycle.	0	0%		

RESIDENTIAL AFFORDABILITY	2013-14 AMOUNT	% OF TOTAL ACCOUNTS	RESIDENTIAL AFFORDABILITY	2013-14 Amount	% OF TOTAL ACCOUNTS
The total number and percentage of residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 for failure to pay a bill.	8,103	1%	Total number of and percentage of residential customer accounts Synergy requested Western Power to reconnect in accordance with regulated requirements at the same supply address and in the same name within 7 days of requesting the residential	5,280	65%
Comment: Residential customer disconnections increased by 28% compar Increased residential disconnections were primarily due to additional resour review and follow up on long-term debtors as well as enhancements to Syne firstly identify and then prioritise high risk debtors whilst ensuring there were obligations. The new collections strategy also provides for greater customer arrears cycle.	rcing being mac rgy's collectior e no breaches t	de available to n strategy to to Synergy's	customer account to be disconnected. Comment: This amount increased by 31% compared to 2012-13. The ratio of disconnections was 65% in 2013-14. However, caution needs to be exercised as it does not indicate 35% of customers remained disconnected after 7 day	l when conside /s but reflects t	ring this metric hat many
The total number and percentage of residential customers who have been disconnected that were previously the subject of an instalment plan.	2,559	31.58%	customers either leave the premises without paying their debt or remain at a account established in another person's name such as a partner. This is esp where Synergy has prioritised attention on customers with multiple overdue premises were either vacant at the time supply was disconnected or a new o yet to make an account application.	ecially relevant debts and fou	in 2013-14 nd that many
Comment: The number of residential customers disconnected that had a p by 17% compared to 2012-13. The increase was in part due to an increase in requesting additional time to pay, Synergy following up on customers not ad payment plan consistent with Synergy's new collection strategy and increas follow-up overdue accounts. The new collections strategy also provides for g earlier in a customer's arrears cycle.	the number of Ihering to their ed resourcing t	customers agreed to review and	Total number of and percentage of residential customer accounts that Synergy requested to be reconnected under regulated requirements but were not reconnected within the prescribed timeframe by Western Power.	20	0.2%
Total number of and percentage of residential customer accounts disconnected under the Code's requirements at the same supply	1,284	16%	Comment: This metric reflects Western Power's performance in reconnecti regulated timeframes. Western Power in the same period the previous year r outside of required timeframes reflecting improved network operator perfor	reconnected 66	customers
address on at least one other occasion during 2013-14 or 2012-13. Comment: Customers disconnected at the same address increased by 10% year. In part this was due to the increase in residential disconnections and the	ne new collectio	ons strategy that	The total number and percentage of residential customers who have been reconnected pursuant to regulated timeframes who were previously the subject of an instalment plan.	2,388	30%
identifies and prioritises customers in a timely manner for further action. Th provides for greater customer contact earlier in a customer's arrears cycle.	e new collectio	ons strategy also	Comment: This metric increased by around 20% in 2013-14 and reflects inc Synergy during 2013-14.	reased collecti	ons activity by
The total number of and percentage of residential customers who have been disconnected whilst the subject of a concession.	2,237	28%	Total number of and percentage of residential customer accounts that have been reconnected pursuant to regulatory requirements	1,006	12%
Comment: This increased by 21% compared to the previous year. The increase disconnected whilst the subject of a concession is primarily due to an increasenhanced collection strategy to review and determine a follow up action when unpaid. The new collections strategy also provides for greater customer con-	ise in resourcin en the account	g and an has remained	one or more times during 2013-14 or 2012-13. Comment: This metric remained relatively constant to the previous year (1,	033).	

arrears cycle.

RESIDENTIAL AFFORDABILITY	2013-14 AMOUNT	% OF TOTAL ACCOUNTS
The total number and percentage of residential customers who have been reconnected pursuant to regulatory requirements and who, immediately prior to disconnection, were the subject of a concession.	1,626	22%
Comment: There was a 11% increase in this reconnection metric in 2013-14. to an enhancement to Synergy's new collections strategy, additional resource review and action overdue accounts and improved identification and prioritis accounts.	es being made	e available to
The total number of and percentage of residential customers who have lodged security deposits in relation to the residential	0	0%
customer account.		·
Comment: No change from the previous year. (Synergy currently does not residential customers.)	require securit	y deposits from
Comment: No change from the previous year. (Synergy currently does not	require securit 5,707	0.62%

Table 2 - Affordability and access: business customers

BUSINESS AFFORDABILITY	2013-14 AMOUNT	% OF TOTAL ACCOUNTS
The total number and percentage of business customer accounts.	99,408	100%
The total number and percentage of business customer accounts that have been issued with a bill outside of prescribed timeframes.	3,720	0.41%
Comment: Synergy's unbilled accounts due to its actions or actions of West low levels. Synergy's billing on time performance with respect to the 6 millior customers in 2013-14 was 99%.		-
The total number and percentage of business customer accounts that are subject to a regulated instalment plan.	1,013	1%
Comment: The number of business customers the subject of an instalment compared to the previous year.	plan increased	l by 12%
The total number and percentage of business customer accounts that have been granted additional time to pay a bill under regulated requirements.	5,158	5%
Comment: The number of business customers requesting additional time to to 2011-12.	o pay decrease	d by 40% since
The total number and percentage of business customer accounts that have been placed on a shortened billing cycle under regulated requirements.	0	0%
Comment: No change from the previous year.		
The total number and percentage of business customer accounts that have been disconnected in accordance with regulated requirements for failure to pay a bill.	565	0.6%
Comment: Business disconnections increased by 26% in 2013-14 compared however, it should be noted this has occurred from a relatively small base.	d to the previou	us year (450)

BUSINESS AFFORDABILITY	2013-14 AMOUNT	% OF TOTAL ACCOUNTS
Total number and percentage of business customer accounts that Synergy requested Western Power to reconnect pursuant to regulated requirements at the same supply address and in the same name within 7 days of requesting the business customer account to be disconnected.	256	45%
Comment: This amount increased significantly compared to 2012-13 (193) I this has occurred from a relatively small base. The ratio of reconnections to a in 2013-14. Caution needs to be exercised when considering this metric as it business customers remained disconnected after 7 days but reflects many b particular premises.	disconnections does not indica	was 45% ate 55% of
Total number and percentage of business customer accounts requested to be reconnected pursuant to regulated requirements that were not reconnected within the prescribed timeframe by Western Power.	6	0.1%
Comment: Only a nominal number of customers were not reconnected by V with required timeframes.	Vestern Power	in accordance
The total number and percentage of business customer accounts that have lodged security deposits in relation to the business customer account.	0	0%
Comment: No change from the previous year.		
The total number and percentage of business customer accounts that have had direct debit plans terminated.	206	0.21%
Comment: This amount increased significantly compared to last year's figure the increase has occurred from a relatively small base.	re of 169 recog	nising however,

BUSINESS AFFORDABILITY	2013-14 AMOUNT	% OF TOTAL ACCOUNTS
The actions Synergy undertook and the responses from Western Po obtain metering data where the Synergy has issued a bill to a reside outside of regulated time frames.		
Synergy generates daily unbilled account reports. Accounts over 90 days are to rectify and bill these customers. The standard operating procedures for un reviewed and updated. Additionally (SAP) system change requests have bee the reporting process and SAP system enhancement. Synergy is negotiating level agreement with Western Power to ensure energy data is delivered for se shorter time frame.	nbilled account n implemented g a new meterii	ts has been d to streamline ng service

Customer complaints

Customer complaints typically centred on billing issues and credit management activities, but also included issues outside of Synergy's control such as estimated meter readings and associated high adjusted accounts. Synergy continues to work closely with Western Power with regard to customers' estimated meter readings to ensure that the number of customers requiring these readings reduces over time.

A significant number of initiatives have been introduced over the last 12 months which have contributed to a reduction in Synergy's complaint volumes, namely:

- System and process changes introduced to reduce unbilled accounts greater than 90 days.
- Proactively contacting customers earlier regarding overdue debt and identifying those customers in financial hardship to be able to provide assistance and prevent disconnection.
- Implementation of many system changes to improve process, system and customer experience including web enhancements and improvement in service levels for online requests.

- Improved service levels across all our operational teams as well as improved service levels by Western Power.
- Increase in training and communication to all our staff and emphasis on the impacts for customers when Synergy does not adhere to its processes.
- A real focus across the business to resolve customers' enquiries during the first point of contact.

Synergy's service quality team has also placed significant emphasis on reducing the number of complaints raised with the Energy Ombudsman over the 2013-14 financial year. The complaints team worked closely with the Energy Ombudsman's office to develop a stronger working relationship and new initiatives. As a result of these efforts, the 2013-14 reporting period saw Energy Ombudsman complaints reduced by 17% to 1,336 building upon the 29% reduction in 2012-13.

Table 3 - Residential and business customer complaints

CUSTOMER COMPLAINTS	2013-14 AMOUNT
Residential complaints as specified by regulated requirements.	2,694
Comment: Synergy's residential complaints fell by 49% in 2012-13 and 26% in 2013-14. (Re complaints in 2010-11, 2011-12 and 2012-13 were 13,403, 7,145 and 3,635 respectively.)	sidential
Business complaints as specified by regulated requirements.	349
Comment: Synergy's business complaints fell by 64% and 18% in 2012-13 and 2013-14 resp (Business complaints in 2010-11, 2011-12 and 2012-13 were 1,865, 1,182 and 425 respectively)	2
Billing/credit complaints	
Residential.	2,391
Business.	301
Comment: Synergy's residential and business billing complaints fell by 22% and 23% in 202 respectively.	13-14
Transfer complaints	
Residential.	24
Business.	7
Comment: Synergy's residential and business transfer complaints increased by 100% respective from a small base.	ectively but
Marketing complaints	
Residential.	227
Business.	34
Comment: Synergy's residential and business marketing complaints fell by 54% and 62% in respectively.	n 2013-14
Other complaints	
Residential.	52
Business.	7
Comment: Synergy's residential and business other complaints fell by 42% and 50% in 201 respectively.	3-14

CUSTOMER COMPLAINTS	2013-14 AMOUNT
The percentage of complaints from residential customers concluded within 15 bus and 20 business days.	iness days
15 days.	94%
20 days.	94%
The percentage of complaints from business customers concluded within 15 busin and 20 business days.	iess days
15 days.	90%
20 days.	90%

Compensation payments

During the reporting year:

- 12 payments were made by Synergy to small use customers for failure by Synergy or Western Power to reconnect a customer within regulated timeframes. The average value of the payment was approximately \$178 compared with \$102 the previous year.
- 51 payments were made by Synergy to small use customers for wrongful

disconnection by Synergy or Western Power. The average value of the payment was approximately \$133 compared with an average payment of \$284 the previous year.

In addition to the required service standard payments, Synergy makes voluntary goodwill payments to customers in instances where Synergy considers it did not provide services to its usual high standard.

COMPENSATION PAYMENTS	2013-14 AMOUNT	2013-14 TOTAL		
Late reconnection.	12	\$2,136		
Comment: Service standard payments were relatively unchanged from 2011-12 (16).				
Wrongful disconnections.	51	\$6,800		
Comment: Service standard payments increased by 11 in 2013-14.				
Delays in responding to queries or complaints.	4	\$100		
Comment: Service standard payments for this matter are typically very low.				

Table 4 – Compensation payments

Contact Centre performance

Synergy is pleased to report significant improvement in its contact centre performance in 2013-14, which is attributed to:

- Increased customer service and process training for staff.
- Focus on first contact resolution resulting in improved customer satisfaction and reduction in customer call backs.
- A number of system and process changes being implemented throughout the year, making it easier and more efficient for contact centre operators, reducing both call volumes and handling times.
- Improved forecasting and scheduling of staff to ensure the right resources are available at the right time to meet call demand and service levels.

Customer accounts

 Table 6 – Customer accounts

DESCRIPTION	2013-14 AMOUNT
Residential accounts held by contestable customers.	315
Residential accounts held by non-contestable customers.	912,885
Comment: Total residential small use customer accounts increased by 2.1% in 2013-14.	
Total number of business customer accounts held by contestable customers.	6,767
Total number of business customer accounts held by non-contestable customers.	92,641
Comment: Total business small use customers increased by approximately 1,000 (or 1%) in 2	2013-14.

DESCRIPTION	2013-14 AMOUNT	2013-14 %
The total number of telephone calls to a contact centre of the retailer.	1,132,395	100%
Comment: The number of telephone calls to Synergy once again reduced by 2013-14 reflecting further improvements in customer service. There has bee since 2011-12.		
The number and percentage of telephone calls to a contact centre answered by an operator within 30 seconds.	926,020	82%
Comment: The volume of telephone calls answered within 30 seconds decre	eased by 5.2%	in 2013-14.
The average duration (in seconds) before a call is answered by a contact centre operator.	17.8	NA
Comment: The average duration (in seconds) before a call is answered by an in 2012-13 and 22% in 2013-14 respectively.	n operator dec	reased by 34%
The percentage of calls that were unanswered.	12,541	1%
Comment: The percentage of telephone calls that were unanswered fell from 2013-14.	n 3% in 2011-12	2 to 1% in

Table 5 – Contact centre performance

Pre-payment meters

Synergy arranged installation and operation of a small number of pre-payment metres at the Ninga Mia Aboriginal community in the Goldfields in response to community requests in 2009-2010. As at 30 June 2013 Synergy had 16 small use pre-payment customers. Community feedback on the use of the prepayment metres continues to be positive.

Table 7 – Pre-payment meters

PRE-PAYMENT METERS	2013-14 AMOUNT	2013-14 %
The total number of pre-payment meter customers:	16	100%
Comment: The number of Synergy pre-payment meter customers at the Ni (Kalgoorlie) decreased by 1 in 2013-14.	nga Mia aborig	inal community
The total number and percentage of pre-payment meter customer complaints.	0	0%
The total number of pre-payment meter customers who have reverted to a standard meter within three months of the later date of either (a) the installation of the pre-payment meter or (b) the date that the customer agrees to enter into a pre-payment meter contract.	0	0%
Total number of pre-payment meter customers who have reverted to a standard meter in the three month period immediately following the expiry of the period referred to in subclause 13.7(1)(f) – the later date of either (a) the installation of the pre- payment meter or (b) the date that the customer agrees to enter into a pre-payment meter contract.	0	0%
Total number of pre-payment meter customers who have reverted to a standard meter.	0	0%
The number of pre-payment meter customers who have informed the retailer that the customer is experiencing payment difficulties or financial hardship.	0	0%

PRE-PAYMENT METERS	2013-14 AMOUNT	2013-14 %
The number of instances where a pre-payment meter customer has been disconnected.	0	NA
The number of instances where a pre-payment meter customer has not received electricity other than being disconnected.	0	NA
The number of pre-payment meter customers who the retailer identifies have been disconnected two or more times in any one month period for longer than 120 minutes on each occasion.	0	0%
Total number of complaints relating to a pre-payment meter customer.	0	NA
Total number and percentage of complaints relating to a pre- payment meter customer concluded within 15 business days.		NA
Total number and percentage of complaints relating to a pre- payment meter customer concluded within 20 business days.		NA



2014-2015

In November 2014 Synergy released its new corporate vision and organisational values. Our vision of:

"In a charging world, we strive to be the first choice for energy, trusted to provide homes and businesses with innovative and effective products and services for today and tomorrow",

reflects the traditional retailer model has changed in terms of customer needs and new technologies.

Synergy's focus in 2014/15 is to reduce our costs and identify new markets and revenue opportunities. Cornerstone to this is our three strategic pillars of:

• Customer innovation – understanding our customers and creating profitable energy solutions while building and reinforcing our distinctive brand.

- Drive efficiency Understanding and managing our cost base and invest in areas that deliver maximum returns.
- Balance risk and return –Through informed decision making we will optimise our portfolio and improve our overall performance.

To deliver these strategic outcomes Synergy has developed and implemented a new set of organisational values under the banner "I Act" which represents our four key values of innovation, accountability, collaboration and trust. We exist because of our customers and our values reflect what our customers can expect from us.

In 2014-15 Synergy will be seeking to further build upon its improved customer service by focussing on digital solutions.

Notable Synergy retail business activities planned and underway for during 2014-15 include:

- Reduced electricity consumption and excess capacity will require Synergy to better manage its energy portfolio.
- Continuing to work closely with network operator, Western Power, to further enhance the delivery of network services including connections and reconnections for the benefit of our customers.
- Prioritising self-service channels thereby empowering customers to transact through their choice of channels at a time convenient to them.





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