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20 January 2012

Dr Ron Ben-David
Chairperson
Essential Services Commission
Level 1, 35 Spring St
Melbourne Vic 3001

Dear Dr Ben-David

RE: Performance Indicators for Customer Service

I am writing in response to your letter of 9 December 2011.

Dodo Power & Gas was surprised to receive your letter regarding the Commission's concerns about the level of internal complaints that we reported for the 2010/11 year. The views expressed in this letter have been raised with Commission staff previously, and questions about the purpose of reporting internal complaints is a subject that we understand has existed for a very long time.

We hold the view that internal complaint reporting mechanisms exist to capture and resolve customer dissatisfaction at first point of contact. This means customers have less reason to contact us again, let alone escalate their complaint to an external body for resolution.

With this in mind, our internal complaints recording system is one that we believe is easy to use and encourages staff to record *all* customer enquiries as internal complaints.

Additionally, we believe that the Commission must balance any view of internal complaint handling data in conjunction with complaint data provided by external dispute resolution agencies. Clearly an effective internal complaint handling system will directly influence the number of complaints being referred to an Ombudsman for resolution. In particular, we would like to highlight to the Commission that **only one complaint was recorded against Dodo Power & Gas for 2010/11 reporting period by the Ombudsman.**

We believe that this is reflective of our effective complaint resolution processes as Dodo Power & Gas includes detailed references to the (jurisdictional) Energy Ombudsman in our initial contract summary, terms and charter. In addition our bills include a reference to our complaint handling process and the contact details for the Ombudsman.

Accordingly, given the low number of complaints received by the Ombudsman, we do not intend to undertake corrective actions to reduce the level of internal complaints we record, as we believe it is effective process for resolving complaints.

It is in this regard that we wish to raise our concern with the way the Commission conducted its analysis of internal complaints. In particular, we believe that the Commission analysis of internal complaints mistakenly uses the average number of customers divided by the actual complaints

received in ascertaining Dodo's performance indicator for customer service. As our customer base has seen an exponential growth during the later part of the Commissions reporting year, the average number of complaints per 100 customers has been heavily distorted by this rapid growth, resulting in a seemingly high performance indicator of 19.4.

We believe that if the Commission used the average number of complaints and against the average number of customers, the resulting performance indicator would more appropriately indicate the results of our customer service. Using our suggested performance metric, our level of complaints per 100 customers would be 1.61 rather than 19.4, well below the state average.

As a final note, we firmly believe that the internal complaints systems performance indicator, whilst subject to the Australian Standard, is highly subjective in interpretation and application, and the results will therefore vary significantly between retailers, making comparison problematic. Accordingly, we submit that the Commission should only use those complaints recorded by the Ombudsman as an indicator of complaint performance given that the Ombudsman provides a single, consistent and independent process for defining the complaints activity of all energy retailers in Victoria.

We hope that following a review of the purpose and data behind this performance indicator, and in light of our demonstrated performance in this area as reported by the Energy and Water Ombudsman, you will understand why we have taken no further action in regards to the performance indicator for recording internal customer complaints.

If you would like to discuss this matter further, please do not hesitate to contact Mr Andrew Mair on 1300 44 36 36.

Kind regards



Mr Boris Rozenvasser
General Manager
Dodo Power & Gas