Select Committee on Electricity Supply, Demand and Prices in NSW

Supplementary Questions to Origin Energy

1. Does Origin Energy have a policy regarding the use of telemarketing to attract new customers? If so, please provide details.

In NSW Origin does not use outbound telemarketing to attract new customers with the exception of our winback program. These calls are made to customers who recently left Origin (within the last twelve months) to make them an offer to return to Origin.

2. Are there consistent guidelines followed by Origin Energy call centre staff that determine the service offers made to potential customers during targeted or 'cold' calls? How are these offers determined?

Origin does not make targeted or 'cold' calls to customers in NSW, for calls made as part of the winback program there are consistent guidelines for call centre staff for the product offers that are made. The offers are housed on Origin's internal 'Knowledge Hub' with the details of each product scripted to ensure full disclosure and transparency to customers.

These guidelines are supported by Origin's Quality Assurance team which monitors a sample of calls from each consultant each month and provide feedback on Regulatory & Compliance which includes how the product was offered.

In terms of how offers are determined, these are tailored to each individual customer's needs. All contact centre staff are trained and coached on our 'Connect' program which guides how consultants determine an appropriate solution for the customer. This involves asking open questions to identify needs and then identifying an appropriate product to offer.

3. At what time of day does most of Origin Energy's telemarketing activity take place? Are certain demographics (in particular the elderly) targeted at certain times of day?

All of Origin's win back activity is done between 9am and 7pm (Mon-Fri) or 9am and 5pm on Saturdays. There is no targeting done by demographic (including elderly customers) by Origin.

4. Can Origin Energy guarantee that their retail marketing practices, in particularly telemarketing, do not unfairly target the elderly?

Origin can guarantee that there is no unfair targeting of elderly customers through win back activity. Also, all consultants are trained during induction on 'Code of Conduct' and 'Australian Consumer Law' modules which cover off expectations on how to handle vulnerable & elderly customers. All consultants complete the 'Australian Consumer Law' refresher annually post their induction. Team Leaders of consultants in the contact centre also complete thorough 'Competition & Consumer Protection' training every twelve months which also covers off expectations around vulnerable customers.

5. What is the mechanism for returning over-recovered network costs to consumers?
    a. Why are networks not obliged to provide consumers with a cash refund in the event they over-recover from their customers in any given period?

This question is best addressed by the network businesses and the AER but we are happy to set out the process as Origin sees it. Each year, distribution networks are required to lodge annual network tariffs to the AER for approval. Once approved, the network tariffs are passed through to the retailers who in turn pass the charges through to customers.

To the extent that the network's forecast sales volume differs from the actual sales volume there will be a difference between what the distribution network was allowed to recover (the revenue cap) and what they actually recovered. To ensure that the distribution network only recovers their efficient costs (ie the revenue cap), the AER applies what is termed an unders and overs account.

The unders and overs account reflects the difference in annual revenue between what the distribution business was allowed to recover and what they actually recovered. The balance of this account is added to or taken off future revenue allowances to make certain the revenue cap is achieved. Generally, the balance of the unders and overs account is adjusted for in full at the first opportunity. However, when the account exceeds certain limits (tolerance limits), the adjustment may be made over two or more years to minimise the price impact.

In other words, if a distribution business recovers too much revenue in any given year, its future revenue cap will be lower to offset this amount, and vice versa. This adjustment mechanism is undertaken as part of the AER's annual approval of network tariffs before network tariffs are approved and passed on to retailers and customers.