

*Esperance Power Station Pty Ltd*



**WorleyParsons  
Asset Management**

# FINANCIAL HARDSHIP POLICY

## Esperance Residential Gas Customers

C9906c28 Rev 4

# Financial Hardship Policy

## Background

WorleyParsons Asset Management Pty Ltd (WPAM) values its relationship with its customers and recognises that at times there may be instances when our residential customers, through no fault of their own, may be struggling to pay their gas bills.

This Financial Hardship Policy outlines the minimum standards we will adopt in dealing with residential customers who are experiencing genuine difficulties meeting repayments or experiencing hardship. The Policy is designed to assist customers in meeting their financial obligations to WPAM.

The Policy is available to WPAM residential gas customers in Esperance and is freely available through the following:

- By contacting us directly by phone (08 9072 1422) or mail (PO Box 2392, Esperance WA 6450).
- On our web site ([www.esperance-energy.com.au](http://www.esperance-energy.com.au)).
- For non-English speaking customers access to this policy can be gained through the Telephone Interpreter Service on 13 14 50.

If you are in a situation of genuine financial hardship and cannot pay your gas bill please contact us urgently so that we can do our best to help you.

## Definition

Financial hardship is defined in the Gas Customer Code as a state of **more than immediate financial disadvantage** which results when a residential customer is unable to pay an outstanding amount as required by a retailer without affecting the ability to meet the basic living needs of the residential customer or a dependant of the residential customer.

Basic living needs are defined in the Gas Customer Code 2008 to include:

- Rent or mortgage;
- Other utilities (e.g. electricity, phone and water);
- Food and groceries;
- Transport (including petrol and car expenses);
- Childcare and school fees;
- Clothing;
- Medical and dental expenses; and

- Other similar unforeseeable circumstances arising as a result of events beyond the control of the residential customer.

Financial hardship is generally highlighted under the following circumstances:

- Where you tell us you are experiencing difficulty paying your bill, or
- Where your payment history suggests difficulties with historical debt payments, or
- Where your independent financial counsellor tells us that you are having problems paying your gas bill due to financial hardship

Payment difficulties is defined in the Gas Customer Code as a state of **immediate financial disadvantage** that results in a residential customer being unable to pay an outstanding amount as required by a retailer by reason of a change in personal circumstances.

## Our customer values and hardship policy

We recognise that for a whole variety of reasons you might find yourself in times of genuine financial hardship and unable to pay your gas bills.

Our hardship policy is in place to ensure that by working with you and/or your financial counsellor or support agencies, we can find solutions that are fair, equitable, effective and sustainable in effectively managing your gas accounts.

Depending on your needs, WPAM may provide assistance to you by:

- Personalised payment plans (including more time to pay)
- Access to payment facilities
- Assistance with government programs and grants
- Referral to financial counselling services
- Protection from discontinuance of supply

## Our approach

WPAM is committed to:

- Treating you respectfully, sensitively and without judgement
- Allowing you to have your case individually considered and ensuring your circumstances are kept confidential
- Working with you and /or a financial counsellor engaged by you in determining a suitable periodical payment plan
- Allowing you to renegotiate the amount of your instalment plan if there is a change in your circumstances

We have an even-handed equitable approach to assisting you if you experience financial hardship. We also recognise that your situation may well be different to others we have experienced.

Some situations are short-term, and others are longer-term. With a shorter-term situation we may be able to help you with a payment plan. With a longer-term situation we will work with you to provide a range of options that will provide a more sustainable approach.

In all cases, communication between us is critical. If you are suffering financial hardship which is affecting your ability to pay your gas bills it is very important to tell us as soon as possible. We can address it with you in a way best suited to your circumstances.

## Eligibility for hardship assistance

The Economic Regulation Authority's 'Financial Hardship Policy Guidelines' list the following criteria for determining financial hardship which may be caused by (but is not limited to) sustained incidence of one or more of the factors listed below:

- Loss of the customer's or family member's primary income;
- Spousal separation or divorce;
- Physical and mental health issues;
- Loss of a spouse or a loved one;
- Chronically ill child;
- Domestic violence;
- Budget management issues associated with a low income; and
- Other unforeseen factors which will affect the customer's capacity to pay, such as a reduction in income or an increase in non-discretionary expenditure.

Where the customer directly contacts WPAM or have been referred by a financial counsellor regarding their financial difficulties in relation to an outstanding bill payment, WPAM will make an immediate assessment as to whether the customer can be categorised as experiencing 'payment difficulties' or 'financial hardship'. WPAM will communicate to the customer on the outcome of the assessment.

WPAM will consider the customer's financial situation in assessing their ability to meet the overall costs of their basic living needs. Basic living needs are defined in the Gas Customer Code to include:

- Rent or mortgage;
- Other utilities (e.g. electricity, phone and water);
- Food and groceries;
- Transport (including petrol and car expenses);
- Childcare and school fees;
- Clothing; and
- Medical and dental expenses

WPAM acknowledges that the above listed circumstances are not exhaustive and will be considerate of each individual's circumstances on a case by case basis and with the utmost confidentiality.

The eligibility for the financial hardship policy program is subject to the following demonstrations of willingness to pay:

- Consistently making part payments towards your account;
- Contacting WPAM early when experiencing payment difficulties; and
- Making genuine attempts to maintain payment plans.

### **Early identification of potential hardship issues**

Customers are referred to the Hardship Policy assistance via a number of avenues, either internally (via our Customer Administration Officer) or externally via a financial counsellor or social welfare/community organisation.

Early identification indicators from our records may be:

- You are not paying all or part of your gas bill on an ongoing basis
- You have broken an agreed instalment plan
- Your independent financial counsellor contacts us, with your authority, and tells us that you are experiencing financial hardship and unable to pay your gas bill
- You advise us that you have problems paying your gas bill

WPAM welcomes early approaches by customers experiencing financial hardship so that this policy can be implemented.

There are several options which can be taken to alleviate financial burdens arising from your use of gas.

### **Contact us early**

Please contact us on (08) 9072 1422 before the next payment date if you cannot make the next gas bill payment.

### **Negotiation of Alternative Payment Arrangements**

In addition to the account holder, the following parties may negotiate/renegeotiate alternative payment arrangements with WPAM:

- A co-occupant listed on the customer's account; and/or
- A relevant consumer representative organisation; and/or
- An authorised third party.

### **Payment arrangement options**

WPAM is committed to helping customers experiencing financial hardship better manage their gas account.

Customers identified as experiencing financial hardship will be offered access to one of the following payment arrangements:

- Additional time to pay; and/or
- Other arrangements; and/or
- Instalment Payment Plan.

In offering an instalment payment plan or other arrangement to a customer or in accepting an instalment plan or arrangement proposed by a relevant consumer representative organisation, WPAM will offer the following:

- Where the residential customer has been assessed as being in financial hardship the bill prior to the assessment being made will have all late payment fees deducted from the bill.
- We will offer an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill to pay arrears (including any disconnection and reconnection charges), and is permitted to continue consumption. We will review the progress on your plan for such situations as and when supply trends are different to previously estimated, and agree with you any plan changes required to meet the outcome needed.
- If you would like to make payments in advance of your next bill we can easily arrange this for you.
- Customised payment instalment plans that accommodate particular customer circumstances. In agreeing to an instalment plan with you, we will agree on the period of the plan, the amount of the instalments (reflecting your consumption needs and your capacity to pay), the number of instalments, and details of the method of instalment calculation.
- We will refer customers in financial hardship to other support agencies and schemes, when appropriate. WPAM will not disconnect customers due to non-payment if they are entering into a payment plan or while they are on a payment plan and have made consistent payments as part of that plan.

WPAM recognise that, due to seasonal fluctuations in the customer's gas usage, it will use reasonable care to allow for these fluctuations in the customer's instalment payment plan during the period of the payment.

The customer may request for their bill to be redirected at no charge to a third party for the instalment payment plan. WPAM will assess the suitability of the third party for such an arrangement.

With regards to alternative payment options offered, WPAM will consider the payment plans proposed by the customer's financial councillor once an individual consultation has been undertaken and taking into account the customer's capacity to pay.

a) **Centrepay Payment Plan**

For recipients of Centrelink benefits, we are a Centrepay registered company and we will assist with an application for Centrepay deductions where your approved payment amount is made direct from Centrelink to us. Customers can arrange this by phoning Centrelink or by completing a Centrepay deduction form and this service is at no cost to the customer.

Recipients of Centrelink benefits who initiate a Centrepay arrangement will have the overdue notice fee(s) that have been applied to the most recent account waived.

Visit Centrelink website [www.centrelink.gov.au](http://www.centrelink.gov.au) or call 131202 to find out more information about Centrepay.

b) **Hardship Utility Grant Scheme (HUGS)**

The Hardship Utility Grant Scheme (HUGS) commenced on the 4<sup>th</sup> August 2008 as part of the State Government's commitment to improve the delivery of essential utility services to individuals and families experiencing financial and/or social disadvantage. The Scheme provides financial assistance to people in genuine personal and/or financial hardship to pay their utility accounts so as to avoid being disconnected or restricted from supply.

For a person to be considered eligible to apply for a grant the customer must be referred to a HUGS registered financial counsellor.

The referral process can take place under the following circumstances:

- Utility Referral: Utility identifies possible genuine cases of hardship and refers these customers to their local or nearest financial counselling service for a grant application.
- Customer Self Referral: Customers experiencing hardship contact the utilities to enquire about the eligibility for a HUGS grant. If considered eligible, a customer will be referred by the utility to a financial counselling service.
- Third Party Agency Referral: Government and non-government agencies such as government departments, financial counsellors, emergency relief providers and social workers etc may also assist by:
  - Asking prospective applicants to contact the utilities to enquire about their eligibility for a HUGS grant; or
  - Contacting the utilities on behalf of these people to enquire about their eligibility for a HUGS grant.

The contact for eligibility to the above Scheme is:

Escare Financial Counselling Service  
Esperance Lotteries House  
Forrest Street, Esperance 6450

Tel. (08) 9071 3101  
Fax. (08) 9071 7193  
Email: [Peta@escare.org.au](mailto:Peta@escare.org.au)  
Website: <http://www.escare.org.au/finance.html>

## **Payment Incentives, Debt Waiver and Request for Temporary Suspension of Action**

*Payment incentives* will be considered where a customer has demonstrated:

- a) They are willing to implement consumption reduction advice and have taken reasonable steps to reduce consumption.
- b) They can meet their payment obligations for three consecutive weekly/fortnightly payments by the due date on their hardship plans and are willing to and have sought financial counselling as and when required.

In such cases, we will waive all fees for the current outstanding debt as an incentive.

However, for customers assessed as experiencing financial hardship, WPAM will waive all overdue notice, reconnection or dishonour fees that relate to the customers current account. Each customer's circumstances will be reviewed on a case by case basis when considering whether to reduce and/or waive an outstanding debt.

*Debt Waiver* will be considered if a request is received from a customer or a relevant consumer representative organisation for a reduction of a customer's fees and charges. As a measure of goodwill where a customer has demonstrated good faith and it is considered unlikely that the existing debt will be recovered at any time in the future due to the customer's individual circumstances, a recommendation may be made for a partial or full debt waiver.

*Request for Temporary Suspension of Action* will be considered if a request is received from a customer or a relevant consumer representative organisation for a temporary suspension of action involving either a supply disconnection or debt recovery. WPAM will suspend all disconnection or debt recovery actions even though formal arrangements have yet to be entered into with the customer.

The minimum term for this temporary suspension will be 15 business days. WPAM will reasonably consider requests for an extension to payment of outstanding debts or an extension of temporary suspension of action.

### **Debt Recovery**

We appreciate the stress that debt collection can cause a customer. For this reason, all actions related to debt recovery, such as notices, telephone calls, disconnection requests and legal action, are suspended while Customers participate in the financial



hardship program. Customers will still receive their accounts so that they are aware of their consumption.

WPAM's debt recovery guidelines are outlined in Appendix 1.

## **Payment options**

We offer the following bill payment options:

- By mail using cheque or credit card
- By direct debit from a cheque, savings or credit card account
- EFTPOS
- By paying in person at our Esperance office
- By direct deduction through Centrepay for Centrelink customers

## **Disconnection an absolute last resort**

We will attempt to make both written and verbal contact with you on at least three occasions if you do not pay your gas bill.

We will genuinely encourage you, if you break a payment plan, to discuss another plan or utilise other resources to help you.

If we contact you at what would normally be the disconnection of supply stage, we will make it clear to you that we will not disconnect your supply earlier than 5 business days after receipt of the disconnection notice.

We will always seek to negotiate an outcome with you rather than leave you without gas. Disconnection is our absolute last resort, and we would consider it only after we have exhausted all other reasonable avenues.

At all stages we will use our best endeavours to contact you to establish a hardship arrangement if you fail to pay our bill when it is due, because of genuine financial hardship.

## **Continuation of your gas supply**

Whilst you are participating as agreed in a payment plan your gas supply will not be disconnected and no debt collection action will be commenced on your gas account with us.

## **Staff Training**

WPAM will ensure our officers are trained to deal sensitively with customers experiencing financial hardship and able to provide general information on energy efficiency. We will protect your privacy at all times in accordance with the Privacy Act. We will also ensure that you are fully informed of your rights and obligations

under the terms of your contract, including your rights and obligations under this hardship policy.

In particular, our Customer Service Officer (CSO) and all new staff are required to be conversant with WPAM's obligations with respect to the temporary suspension of actions, assistance to be offered, alternative payment arrangements, consideration of a reduction in fees, charges and debt, and provision of information. Additionally, the CSO will be trained to also understand the WPAM's broader hardship policy, processes and procedures.

We have consulted with key consumer representative organisations, such as ESCARE and HUGS, in the consideration of a suitable hardship training package. The hardship training is fully supported by management as is demonstrated by these consultations.

Our training programme will address key cultural and social issues for significant customer groups, help the CSO develop communication skills for engaging with customers in financial hardship, and provide information on HUGS, Centrelink and CentrePay benefits and budgeting. A key outcome of this training is to have staffs that are able to recognise the wider issues involved with hardship such as social exclusion, marginalisation and stereotyping.

## **Policy Review and Communication**

This Hardship Policy shall be reviewed and updated on an annual basis to reflect relevant Authority developments and in consultation with the Financial Counsellor of ESCARE Inc in Esperance and HUGS.

It will be communicated via our website and referred to in our Customer Charter and mentioned by our Customer Service Officer should a customer advise of payment difficulties.

## APPENDIX 1

The following outlines WPAM's debt recovery process:

### **Customer Account**

Day 1 -	Bill issued - 12 business days to pay
Day 17 -	Reminder Notice issued – 14 business days
Day 37 -	Disconnection Warning issue – 10 business days
Day 52 -	Final Notice issued – 5 business days
Day 59 -	Disconnection

### General Notes:

- a) If at any time during this process contact is made with the customer, WPAM will work through the customer's situation with them and may encourage them to consult with a relevant consumer representative organisation if this may be of assistance.
- b) Where debt recovery actions are necessary, WPAM will use collection agencies that comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission.