



Continuous Energy Program (Incorporating Hardship Policy)

**Residential Gas Customers
March 2013**



Document Control Sheet

Version No	Issue Date	Nature of Amendment
1.0	December 2007	New Documented Policy
2.0	September 2008	Minor updates and amendments to new policy
3.0	November 2008	WACOSS input based on 'Electricity Hardship Policy
4.0	June 2009	Inclusion of: <ul style="list-style-type: none"> ○ Definitions section ○ Payment Difficulties ○ HUGS ○ State Government Energy Rebate Scheme
5.0	September 2009	Inclusion of: <ul style="list-style-type: none"> ○ WACOSS Recommendations ○ FCAWA Recommendations ○ Program Options ○ Payment Difficulties & Financial Hardship
6.0	December 2010	Updates to: <ul style="list-style-type: none"> ○ Moratorium ○ WACOSS Recommendations ○ FCAWA Recommendations ○ Financial Counselling Helpline Recommendations ○ Jacaranda Community Centre Recommendations ○ List of Financial Counsellors ○ Debt Recovery Guidelines
7.0	April 2011	○ Amendments to reflect ERA feedback
7.1	June 2011	○ Further amendments to reflect ERA feedback
7.2	December 2011	○ Annual Review
8.0	December 2012	○ Annual Review (incorporating CRO consultative workshop feedback)

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TABLE OF CONTENTS

1. Overview	3
Access to the Policy	3
2. Payment Difficulties and Financial Hardship	4
3. Continuous Energy Program	5
Initial Assessment	5
Assessment Process	5
Temporary Suspension of Disconnection and Debt Recovery Procedures	7
4. Consumer Representative Organisations	8
5. Program Options	9
Payment Difficulties	9
Financial Hardship	10
Payment Options	11
Change of Circumstances	11
Who May Negotiate Alternative Payment Arrangements?	12
6. Customer Rights & Responsibilities	13
Customer Rights	13
Customer Responsibilities	13
7. Concessions, Grants and Assistance Schemes	14
The Hardship Utility Grant Scheme	14
State Government Energy Rebate Scheme	14
8. Disconnection and Reconnection	15
Disconnection of Energy Supply	15
Reconnection of Energy Supply	15
9. Employee Training and Development	16
10. Debt Recovery	18
11. Complaint Handling Process	19
12. Energy Efficiency	20
13. Review	20
Definitions	21



1. Overview

Alinta Energy values its relationship with its customers and recognises that there may be instances where individual customers experience payment difficulties or financial hardship, as a result of which the customer may be unable to pay an outstanding amount as ordinarily required by us.

Our existing processes encourage customers experiencing difficulty in paying their bill to contact us on 13 13 58 as soon as possible in order to discuss an appropriate solution to avoid the risk of disconnection.

Our Continuous Energy Program (**CEP**) incorporates the Financial Hardship Policy required under clause 6.10 of the *Compendium of Gas Customer Licence Obligations* (**Compendium**) and is designed to assist customers in meeting their financial obligations.

The CEP is available to small use residential gas customers (consuming not more than 1 terajoule, or approximately \$26,500 of gas per year) that are assessed as experiencing payment difficulties or financial hardship.

Access to the Policy

Copies of this policy are provided to consumer representative organisations (**CRO**) and relevant stakeholders.

A copy of this policy may also be obtained free of charge by:

Phone: 9210 2001

Online: <http://alintaenergy.com.au/WA/My-House/My-Account/Your-rights-and-obligations/Hardship-policy>

Email: customer.services@alintaenergy.com.au

For non-English speaking customers access to this policy can be gained through the Telephone Interpreter Service on 13 14 50.

For customers who are hearing impaired, they can contact us via the Telephone Typewriter (TTY) National Relay Service on 13 36 77.



2. Payment Difficulties and Financial Hardship

The following definitions of payment difficulties and financial hardship are used. These definitions are drawn from the *Compendium* and the *Gas Marketing Code of Conduct*.

Payment difficulties are defined 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.

A change in personal circumstances includes, but is not limited to:

- sudden and unexpected disability, illness of or injury to the residential customer or a dependant of the residential customer;
- loss of or damage to property of the residential customer; or
- other similar unforeseeable circumstances arising as a result of events beyond the control of the residential customer.

Financial hardship is defined as a state of more than immediate financial disadvantage which results in a residential customer being 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.

The criteria for determining financial hardship may be caused by (but is not limited to) sustained incidence of one or more of the factors listed below, as provided in the 'Financial Hardship Policy Guidelines' released by the Economic Regulation Authority (**ERA**):

- 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 resulting in a customer's capacity to pay, such as a reduction in income or an increase in non-discretionary expenditure.



3. Continuous Energy Program

The CEP is available to residential gas customers who are assessed as experiencing payment difficulties or financial hardship, and as a result are unable to pay a bill or an outstanding amount as ordinarily required by our standard credit management process.

The CEP team is trained to assist customers experiencing payment difficulties or financial hardship and will refer such customers to a CRO and or financial counsellor for further assistance and advice. We undertake to treat customers that are experiencing payment difficulties or financial hardship sensitively and respectfully.

As part of our standard credit management process notices to customers outline options are available to assist customers experiencing payment difficulties. We will always attempt to contact a customer should there be outstanding bill payments owing prior to disconnection. Once contact with the customer has been made, we will make the CEP available to assist customers assessed as experiencing payment difficulties or financial hardship.

Initial Assessment

The CEP assessment process may be initiated by the customer contacting us directly, by an authorised CRO advising us that a customer is experiencing payment difficulties or financial hardship or by the customer through an authorised third party.

The customer must provide verbal or written confirmation that a third party is authorised to act on their behalf.

The direct line to our CEP Team is (08) 9210 2001.

Assessment Process

Where the customer directly contacts us and indicates that they are experiencing financial difficulties in relation to an outstanding bill payment, after establishing the customers personal circumstances, we will make an immediate assessment as to whether the customer is experiencing 'payment difficulties' or 'financial hardship'. Where requested, we will advise the customer of the details of the assessment it carried out, an overview of which is provided below.

If information provided by the customer indicates that the customer is unable to pay a bill or an outstanding amount in accordance with our standard credit management process due to immediate financial disadvantage, the customer will be assessed as experiencing payment difficulties.



Alternatively, information provided by the customer may indicate that they are experiencing financial hardship. Our customer representatives are trained to be able to make an immediate assessment regarding financial hardship.

When considering a customer's ability to pay, we will consider the customer's financial situation and their ability to meet the overall costs of their basic living needs.

Basic living needs are defined in the *Compendium* 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.

Given the range of expenses incurred by customers for basic living needs, we will rely on the assessment of a CRO when determining how to assist the customer, including through alternative payment arrangements, a reduction in fees, charges and debt and payment in advance.

If a customer does not wish to consult a CRO, we will work directly with the customer to assist and determine which payment arrangements might be most appropriate to meet any outstanding payment obligations and support payment for future gas consumption.

In order to assess whether a customer is experiencing payment difficulties or to make a preliminary assessment that the customer is experiencing financial hardship, we may also request information on:

- Employment status
- Dynamic of household / number of dependants
- Capacity to pay
- How much the customer can afford to pay
- Other financial commitments

Any other personal information that may be provided by the customer will also be taken into account as part of the assessment.



If information provided by the customer indicates that:

- the customer is unable to pay a bill or an outstanding amount in accordance with our standard credit management process due to immediate financial disadvantage; **and**
- it appears that the customer will be unable to pay an outstanding amount to us without affecting their ability to meet basic living needs,

the customer will be assessed as experiencing financial hardship.

The assessment process is outlined in Appendix 1.

Temporary Suspension of Disconnection and Debt Recovery Procedures

Where a customer is assessed as experiencing financial hardship or a relevant consumer representative organisation, or an authorised third party, notifies us that the customer is experiencing payment problems we will temporarily suspend any disconnection and debt recovery procedures that may have been initiated against the customer.

The length of the temporary suspension will be for at least 15 business days to allow customers time to meet with the relevant consumer representative organisation.



4. Consumer Representative Organisations

Customers who need one-on-one assistance will be given the option of contacting a relevant consumer representative organisation. The various consumer representative organisations provide an important service to the community as they can provide financial counselling, as well as support or guidance that is not necessarily limited to financial matters. We acknowledge the expertise of these organisations in this area and as part of our standard practice will refer customers to these organisations when this level of support is required.

Most financial counselling services are situated within a community or church organisation or a local government authority. They are not linked with moneylenders and provide a free service. A contact list of financial counsellors can be found at www.financialcounsellors.org.

Where a customer is unable to meet face-to-face with a financial counsellor, they will be provided with the 'Financial Counselling Helpline 1800 007 007' which will be able to provide a similar service.

We work in conjunction with consumer representative organisations and other relevant stakeholders, to ensure that our policies are best able to meet the needs of customers experiencing payment difficulties or financial hardship. We meet and discuss issues related to financial hardship with these organisations through regular meetings, workshops and forums.

The development of this policy has been undertaken through regular communication with the peak consumer representative organisations in Western Australia and relevant stakeholders. The CEP Team has a direct telephone number (08) 9210 2001 which is provided to financial counsellors and consumer representative organisations.



5. Program Options

Customers that are eligible to participate in our CEP have access to one of several options depending on whether they are assessed as experiencing payment difficulties or financial hardship. These options are discussed in more detail below.

Payment Difficulties

Customers that are assessed by us as experiencing payment difficulties will be offered access to alternative interest-free and fee-free payment arrangements including:

- additional time to pay; and/or
- other arrangements; and/or
- an instalment payment plan.

For residential customers facing a state of immediate financial disadvantage, we will temporarily suspend any disconnection and debt recovery procedures.

In offering an instalment payment plan or other arrangement to a customer or, in the case of financial hardship (refer below), in accepting an instalment payment plan or other arrangement proposed by a relevant consumer representative organisation, we will:

- make the offer or accept the proposal taking into account information about the residential customer's usage needs and capacity to pay when determining the period of the plan and calculating the amount of the instalments;
- ensure the instalment payment plan or other arrangement specifies the period of the plan, the number of instalments, how the amount of the instalments is calculated (including the amount of the instalments which will pay the residential customer's arrears (if any) and estimated consumption during the period of the plan;
- ensure that the instalment payment plan or other arrangement specifies that due to seasonal fluctuations in the residential customer's usage, paying in instalments may result in the residential customer being in credit or debit during the period of the plan;
- have in place fair and reasonable procedures to address payment difficulties a residential customer may face while on the plan or other arrangement; and
- make provision for recalculation of the amount of the instalments where the difference between the residential customer's estimated consumption and actual consumption may result in the residential customer being significantly in credit or debit at the end of the period of the plan or payment arrangement.



We will not automatically reduce charges or waive fees, including overdue notice, reconnection or dishonour fees, for customers assessed as experiencing payment difficulties, however we will take into account specific circumstances and make such a determination if considered warranted to further assist a customer.

Financial Hardship

Customers that are assessed by a relevant consumer representative organisation as experiencing financial hardship will be offered access to the alternative payment options outlined above.

In offering alternative payment options, we generally rely on the payment plans proposed by a customer's financial counsellor once an individual consultation has been undertaken, as this is informed by an independent assessment of their financial situation, taking into account the customer's capacity to pay.

Where the customer enters into an alternative payment arrangement, we encourage payment via a number of suitable options to the customer including Centrepay where applicable. Further information on the range of payment options is provided below.

Reduction and/or waiver of fees, charges and debt

For customers assessed as experiencing financial hardship, we will waive all overdue notice, reconnection or dishonour fees that relate to the customers **current** account.

We will review each customer's circumstances on a case by case basis when considering whether to reduce and/or waive an outstanding debt. However, generally we will waive debt in cases of:

- death;
- spousal separation; and
- domestic violence.

We will consider debt reduction and/or waiver for other extenuating circumstances. These are reviewed by senior management, on a case-by-case basis and the manner in which the fees, charges or debt is processed will be via account reversal or credit adjustment. The AlintaCare fund is also available to provide additional assistance to customers and effectively represents a form of debt reduction and/or waiver.

We will treat each customer's situation on a case by case basis and consider all available options to assist the customer in meeting their financial obligations. We will work cooperatively with the customer or their representative with the aim of providing them with a framework where suitable



arrangements can be agreed which will enable the customer to meet their obligations while maintaining gas supply.

Customers who enter into an instalment payment plan paying via direct debit, Centrepay or Income Management through Centrelink will have no overdue notice, reconnection or dishonour fees applied to their account. Where we have applied a dishonour fee on the customer's account, this will be waived.

Payment Options

We offer the following payment methods for residential customers:

- in person at Australia Post outlets;
- by cheque via mail;
- Centrepay or Income Management (refer to Centrelink); and
- electronically and by telephone using either a debit or credit card.

All of our electronic payment arrangements comply with the *Electronic Funds Transfer Code of Conduct*.

We will accept payment in advance from customers, and any advance payment will be credited to a customer's account. We will not credit any interest to amounts that may be paid in advance.

Change of Circumstances

Customers are encouraged to contact us should their circumstances change. This ensures the initial alternative payment arrangement is not terminated or cancelled prematurely. We will also contact customers who have missed a payment, prior to terminating or cancelling an instalment payment plan.

Customers participating in the CEP who were unable to maintain their arrangement or a subsequent renegotiated arrangement may benefit by being placed on a (monthly) shortened billing cycle if considered appropriate.

The customer will be returned to our standard quarterly billing cycle when three (3) consecutive bills on the shortened billing cycle have been paid by their respective due dates.

If in the preceding twelve (12) months, the customer has had two arrangements under the CEP cancelled due to non-payment, the CEP Team Leader must be satisfied that the customer is committed and able to comply with the new arrangement. Where a customer requests changes to



the initial payment plan due to a change in their circumstances, such changes will not be considered to be 'cancellations'.

Who May Negotiate Alternative Payment Arrangements?

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

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



6. Customer Rights & Responsibilities

Customer Rights

Customers managed under the CEP and maintain their agreement with us will be guaranteed continuous energy. Additional customer rights applicable include to:

- have their energy account redirected to a third person;
- be advised of the alternative arrangement options to suit their circumstances;
- be offered an additional extension or renegotiate a payment arrangement;
- negotiate a payment arrangement using a Telephone Typewriter (TTY) National Relay Service;
- use of the Interpreter Service (13 14 50) at no cost;
- request large print accounts;
- receive assistance via the bill reading service;
- interest-free and fee-free arrangements in some circumstances;
- the provision of billing data for the previous two years free of charge (you may also request billing data for the period prior to this time subject to a reasonable charge);
- escalate a complaint where they are not satisfied with a decision by an Alinta Energy representative and if they remain unsatisfied, contact the Energy Ombudsman; and
- receive information regarding concessions, grants and assistance schemes.

Customer Responsibilities

- Customers should contact us or a relevant consumer representative organisation if they are unable to pay their account by the due date.
- When a customer is not able to maintain an alternative payment arrangement, they are encouraged to contact us to discuss their change of circumstances. We can consider options and renegotiate the payment arrangement providing there is sufficient information from the customer regarding their change in circumstances.
- Customers on an alternative payment arrangement must give us at least 3 business days notice if they intend to vacate the premises.



7. Concessions, Grants and Assistance Schemes

The Hardship Utility Grant Scheme

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

HUGS is administered by the Department for Child Protection (**DCP**). For a person to be considered eligible to apply for a grant, the customer can be assessed by us, the DCP or a HUGS Registered Financial Counselling Service as experiencing financial hardship.

We can assess customers for HUGS grant only in certain circumstances. This will expedite the receipt of a HUGS payment for overdue accounts and provide a faster resolution for a customer experiencing financial hardship. Applicants applying for a HUGS grant through us will also be referred to a financial counselling service for further assistance and advice.

State Government Energy Rebate Scheme

The State Government provides an energy subsidy to people who are financially disadvantaged. The subsidy is intended to assist with the costs of buying energy of all types (electricity, gas, fuel oil, wood, etc). However, for administrative simplicity, the subsidy is paid through Synergy and Horizon Power and will appear on a customer's electricity account.

AlintaCare

Alinta Energy currently funds the AlintaCare scheme with an annual contribution that is reviewed each year. These funds are made available to consumer representative organisations (including financial counsellors) to assist customers that are assessed by those organisations as being in payment difficulties or financial hardship in relation to their Alinta Energy accounts. Funding of the AlintaCare scheme effectively represents a form of debt reduction and/or waiver of fees, charges and debt.



8. Disconnection and Reconnection

Disconnection of Energy Supply

Customers who participate in the CEP and adhere to agreed payment arrangements will not be at risk of disconnection.

Where a customer defaults on their arrangement and no effort is made to contact us to request a review of their circumstances or renegotiate the arrangement (based on a change of circumstances), we will attempt to contact the customer prior to terminating or cancelling the arrangement and commencing normal debt recover procedures.

Reconnection of Energy Supply

If the gas is reconnected as a result of the customer participating in the CEP, the reconnection fee will be waived.



9. Employee Training and Development

Our call centre staff, Customer Service Representatives, CEP Team and Field Service Officers (collectively our customer service staff), participate in specific training on our CEP and matters related to payment difficulties and financial hardship.

Staff who participate in the training programs are made aware of our obligations including:

- assessing whether a customer is experiencing payment difficulties or financial hardship;
- temporary suspension of credit actions;
- assessment for the eligibility of HUGS;
- referral to relevant consumer representative organisations;
- providing alternative arrangements; and
- consideration of reducing fees and charges.

Training provides our customer service staff with a sound understanding of how cultural and social circumstances can impact a customer's financial situation. The objective is to assist in developing their communication skills to better engage with customers who may be experiencing financial hardship and to ensure that customers are treated with sensitivity and respect.

All customer service staff participate in hardship training and refresher training as part of our annual training and development schedule. Training is determined by (but not limited to) call monitoring performance, up-skilling and refresher schedules, individual requests and customer feedback. In 2012 training relating to payment difficulties, financial hardship, HUGs and high accounts was delivered. This year training courses were provided to representatives during April, June, July, September and October.

Our relationship and consultation with relevant stakeholders and CROs assists us as part of our ongoing review of employee training and development and the provision of assistance to customers experiencing payment difficulties or financial hardship.

Hardship training is endorsed by senior management, demonstrated by the Manager Customer Services providing an introduction to each session. The commitment from our management reinforces the importance of this training both for Alinta Energy Representatives and customers.

This training provides staff with an appreciation of the situation customers can find themselves in. An explanation of financial hardship is discussed in order to provide an understanding of poverty, social exclusion, myths of people on welfare and the causes and consequences of financial hardship. One of the outcomes of this training is to have staff recognise the wider issues involved with hardship such as social exclusion and stereotypical thinking.



This training results in staff respecting the sensitive nature that surrounds various issues that our customers face, and as such, treating each individual's circumstances on a case by case basis and with the utmost confidentiality.



10. Debt Recovery

We understand the sensitive issues that impact customers in relation to debt related matters and recognise that there may be instances where individual customers experience payment difficulties or financial hardship resulting in them being unable to pay an outstanding amount.

We provide information in relation to payment difficulties/financial hardship in the following ways:

- Bill messages
- Bill inserts (magazines)
- Overdue notices
- Customer Charter
- Website

We are committed to assisting customers experiencing payment difficulties or financial hardship by offering alternative arrangements in order to avoid the gas supply being disconnected.

Our process for recovery of debt ensures customers are provided with the opportunity to engage with us to manage their situation accordingly.

Our standard credit management and debt recovery process is outlined in Appendix 2.



11. Complaint Handling Process

Our complaint handling process has been developed in accordance with the Australian Standard on Complaints Handling AS ISO 10002-2006 and our licence and legislative obligations.

Complaints will be responded to immediately during the initial conversation. If we are unable to resolve the complaint in the first instance, it will be escalated and responded to within 7 business days of receiving the escalated complaint, or sooner, depending upon the urgency of the matter.

All complaints regarding the CEP can be directed to 9210 2001 in the first instance and will then be escalated to the appropriate person.

Customers dissatisfied with any aspect of our products or services can have their say by contacting us by:

- Phone:** 1800 677 945 (free call from a land line)
* Normal charges apply for calls initiated from a mobile phone
- Mail:** Alinta Energy
Attention: Customer Complaints
Locked Bag 55
Perth BC WA 6849
- Fax:** 1800 651 161 (free fax)
- Email:** customer.complaints@alintaenergy.com.au

Where a customer is not satisfied with the resolution of their complaint and would like the matter escalated further, they may contact the Energy Ombudsman, an independent external dispute resolution body which receives, investigates and facilitates the resolution of complaints from residential and small business customers about their electricity or gas provider. There is no charge for this service.

Energy Ombudsman Western Australia

- Phone:** 1800 754 004 or 08 9220 7588
- Mail:** PO Box Z5386
St Georges Terrace
Perth WA 6831
- Email:** energy@ombudsman.wa.gov.au
- Fax:** (08) 9220 7599 or 1800 611 279



12. Energy Efficiency

We can provide customers with information regarding energy efficiency tips for a variety of appliances and show how these savings can be achieved during both winter and summer. For more information, visit our website or call us on 13 13 58.

13. Review

Our CEP is reviewed annually and in consultation with relevant stakeholders. We will consult with relevant stakeholders on the process for the periodic review of this program ahead of each annual review.

The initial review was conducted in 2009 in consultation with WACOSS, FCAWA and Jacaranda Community Centre who were all provided with a copy of the CEP for circulation, review and comment from their respective associates and members. This consultation was conducted in writing and by telephone. Our responses to the respective organisations individual comments/recommendations included how their feedback would be incorporated into the revised policy.

As part of the annual review of the CEP, ongoing consultation as outlined above is undertaken with these organisations and other relevant stakeholders each year.

We will actively monitor further opportunities for improvement to enhance the overall results that this program delivers.

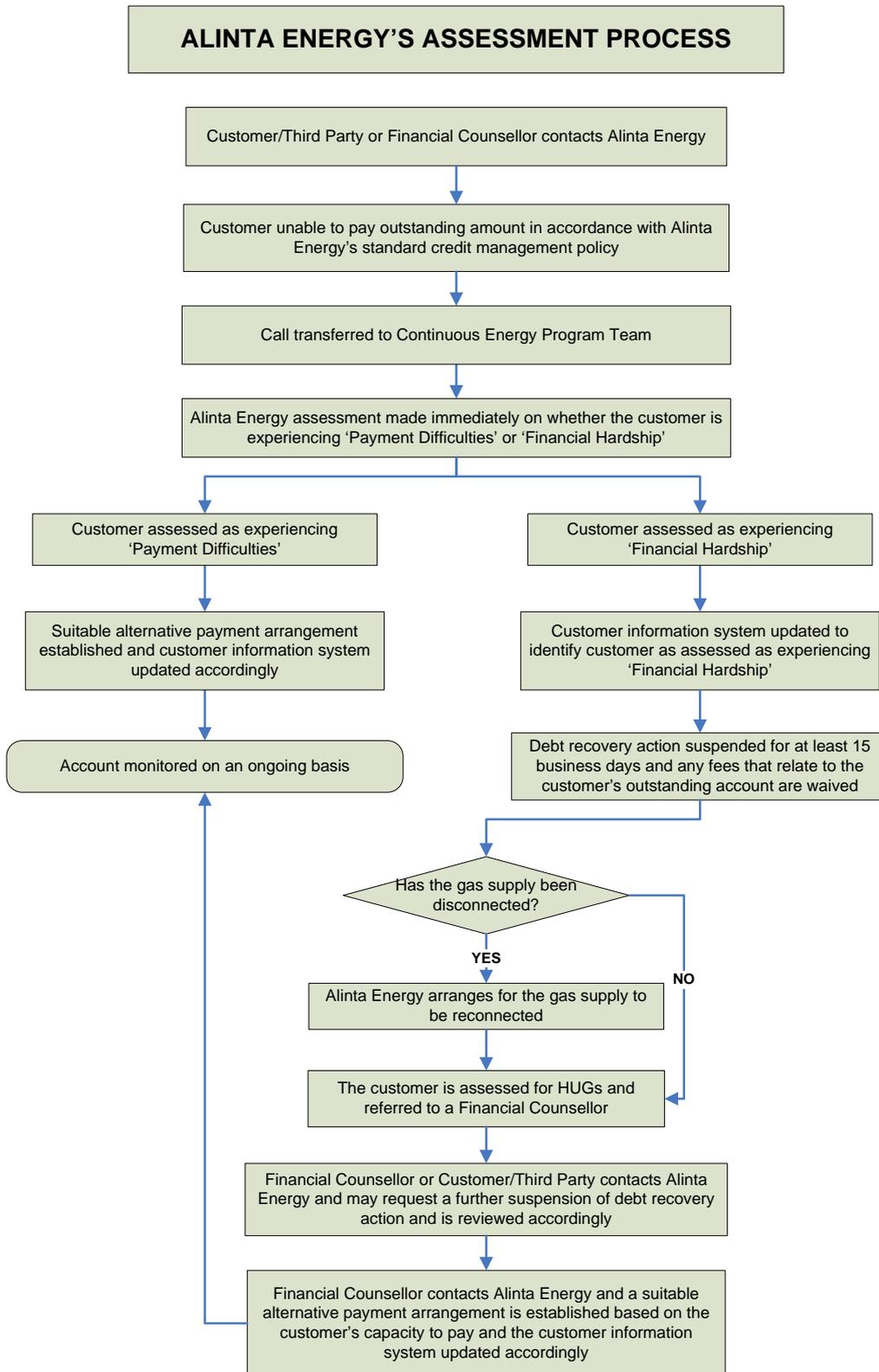


Definitions

CEP	Continuous Energy Program
Consumer Representative Organisation	A consumer representative organisation may be a government or non-government agency such as government departments, financial counsellors, emergency relief providers or social workers and other related stakeholders.
DCP	Department for Child Protection
FCAWA	Financial Counsellors Association of Western Australia
HUGS	Hardship Utility Grant Scheme
WACOSS	Western Australian Council of Social Service



Appendix 1 – Assessment Process





Appendix 2 – Credit Management and Debt Recovery Process

The following outlines our standard credit management process. All days mentioned relate to business days:

Active Account

Day 1	Bill issued - 12 days to pay
Day 17	Reminder Notice issued
Day 25	Disconnection Warning issue
Day 40	Field Visit (if applicable)
Day 50	Disconnection

If at any time during this process contact is made with the customer, we will work through their situation with them. Additionally we may encourage them to consult with a relevant consumer representative organisation if we consider this may provide the customer with further assistance. The customer bill and notices also encourages customers to contact Alinta Energy if they are experiencing payment difficulties and/or financial hardship.

Final Account – account closed at request of customer

Day 1	Final Bill issued – 12 days to pay
Day 17	Final Reminder Notice issued
Day 22	Legal Action Notice issued
Day 36	Debt referred to mercantile collection agency

We utilise the services of debt collection agencies to recover overdue debts. These agencies must comply with the *Debt collection guideline for collectors and creditors*: joint publication by the Australian Competition and Consumer Commission and Australian Securities Investment Commission.

Accounts that have been closed at the request of a customer or Alinta Energy and have outstanding balances are referred to debt collection agencies. If an account has been referred to a debt collection agency and a customer is willing to acknowledge responsibility for the consumption of gas with the intention of making payment, the debt will be recalled from the debt collection agency, the customer's account will be reinstated and a new payment arrangement will be negotiated with the customer.