

Assessment of the Alinta Sales Pty Ltd Financial Hardship Policy

25 August 2011

Economic Regulation Authority

WESTERN AUSTRALIA

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For further information, contact:

Economic Regulation Authority
Perth, Western Australia
Phone: (08) 9213 1900

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BACKGROUND

In 2009 the Authority approved the *Compendium of Gas Customer Licence Obligations (Gas Customer Code)* (**Compendium**) as a new schedule in all gas trading (**retail**) licences. The Compendium largely mirrors the *Code of Conduct for the Supply of Electricity to Small Use Customers*, thereby ensuring that conduct requirements across the energy industry are generally consistent. Compliance with the Compendium is mandatory and is a condition of every retail and distribution licence.

Part 6 of the Compendium addresses payment difficulties and financial hardship. Amongst other things, Part 6 requires retailers to develop a financial hardship policy (**policy**) for residential customers. Clause 6.10(2) specifies the minimum contents of a financial hardship policy (**policy**).

The Authority published *Financial Hardship Policy Guidelines* (**Guidelines**) in 2008 to provide retailers with additional guidance regarding good practice in the establishment and operation of these policies. The Guidelines are not a mandatory compliance requirement. There are 27 guidelines which cover good practice in policy areas such as:

- staff training;
- identification and engagement with customers in financial hardship;
- flexible payment arrangements;
- engagement with financial counsellors and consumer representative organisations; and
- transparency and accessibility.

The Compendium was amended in 2010 to require retailers to review their policies annually, have regard to the Guidelines when undertaking the review, and submit the reviewed policy to the Authority to enable the Authority to conduct and publish an assessment of the policy.

In 2010 the Authority also undertook public consultation on the Guidelines to ensure that industry and consumer representative organisations had an opportunity to review the Guidelines prior to the Guidelines being used for the purpose of assessment. A number of minor changes were made as a result of this review. A copy of the Guidelines is available on the Authority's website.

The Guidelines require energy retailers to submit their reviewed policy to the Authority by 31 December each year for assessment. The Guidelines also state that the Authority will endeavour to issue an assessment every second year, unless there are significant changes to the policy, in which case an assessment will be issued annually.

Alinta Sales Pty Ltd (**Alinta Sales**) is the largest gas trading licensee in Western Australia with over 600,000 residential customers.

Alinta Sales also hold an electricity retail licence but are precluded from retailing electricity to customers consuming less than 50MWh per annum. Alinta Sales do not have any residential electricity customers and therefore do not have to produce a policy for electricity customers.

Alinta Sales provided a copy of their policy (**Attachment 1**) before the deadline of 31 December 2010.

ASSESSMENT

It is important to note that the Authority issues an assessment of a retailer's policy and not an approval. Retailers are able to operate their policy regardless of the assessment by the Authority.

If the Authority identified possible Compendium non-compliance during the course of the assessment and this was not rectified by the retailer prior to the assessment being concluded, the Authority may determine that it is necessary to further investigate this possible non-compliance.

Compendium Compliance

The Authority reviewed the policy against the mandatory requirements of Part 6 of the Compendium.

Feedback was provided to Alinta Sales regarding the need to:

- Clarify that Alinta Sales itself will conduct the financial hardship assessment within three days of the customer contacting them, rather than relying on a financial counsellor to undertake the assessment (clause 6.1).
- Include a statement confirming that Alinta Sales will advise a residential customer, on request, of the details of the assessment carried out (clause 6.1(3)).
- Specify the guidelines that will assist the retailer in identifying residential customers who are experiencing financial hardship (clause 6.10(2)(d)(ii)).
- Confirm that the policy must not count 'revisions' of agreed payment plans as 'cancellations' when assessing a customer's ongoing compliance with agreed arrangements (clause 6.4(4)).
- Clarify arrangements and circumstances where payment in advance applies (clause 6.9(1) and (2)).
- Consider, in each case, a reduction and/or waiver of fees, charges and debt (clause 6.10(2)(d)(iv)).

Following receipt of the Authority's feedback, Alinta Sales submitted a final draft of the policy. It is the Authority's assessment that the Alinta Sales policy is now compliant with the Compendium requirements.

Guidelines

The Authority reviewed the policy against the Guidelines. The Guidelines represent good practice but are not mandatory.

After reviewing the first draft of the policy, feedback was provided to Alinta Sales regarding consistency with the following guidelines:

- Eligibility criteria and processes for early identification of hardship (guideline 4.2.1 and guideline 4.2.6).
- Involvement of financial counsellors in setting payment plans or the consideration of financial counsellor's assessments (guideline 4.3.1 and guideline 4.3.4).
- Provision of payment incentives (guideline 4.3.6).
- Definition of a process for the early identification or appropriate referral of customers in financial hardship (guideline 4.4.2).
- Memorandums of understanding or inter-agency protocols between Alinta Sales and consumer representative organisations (guideline 4.4.5).
- Promotion and availability of the policy at no cost and in a range of forms (guideline 4.5.2 and guideline 4.5.3).

As a result of the feedback provided a number of improvements have been made. Those guidelines that have not yet been addressed include:

- Provision of payment incentives (guideline 4.3.6).
- Definition of a process for the early identification or appropriate referral of customers in financial hardship (guideline 4.4.2).
- Memorandums of understanding or inter-agency protocols between Alinta Sales and consumer representative organisations (guideline 4.4.5).

With regard to the above guidelines Alinta Sales has stated that they:

- Support customers via existing debt assistance programs and consider each situation on a case by case basis.
- Have procedures in place for early referral once contact is made by the customer, a financial counsellor, or via the disconnection process.
- Have existing relationships with relevant consumer representative organisations and intend to discuss with stakeholders formalising these relationships prior to the next annual review.

Conclusion

Alinta Sales submitted their policy in a timely manner and assisted the Authority in undertaking the assessment by providing comprehensive information about the review of the policy.

Feedback was provided regarding compliance with a small number of Compendium requirements and consistency with the Guidelines. As a result a number of improvements were made to the policy.

Alinta Sales policy complies with the Compendium and, with the exceptions outlined above, is consistent with the Guidelines.

The Authority notes that this is an assessment of the written policy document and is not an examination of the application, implementation or adherence to the policy by Alinta Sales.

LYNDON ROWE
CHAIRMAN

APPENDIX

Appendix 1: Alinta Sales Financial Hardship Policy



Alinta Sales Pty Ltd

Continuous Energy Program
(Incorporating Hardship Policy)

Residential Gas Customers

June 2011

Document Control Sheet

Record of Issues

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"> o Definitions section o Payment Difficulties o HUGS o State Government Energy Rebate Scheme
5.0	September 2009	Inclusion of: <ul style="list-style-type: none"> o WACOSS Recommendations o FCAWA Recommendations o Program Options o Payment Difficulties & Financial Hardship
6.0	December 2010	Updates to: <ul style="list-style-type: none"> o Moratorium o WACOSS Recommendations o FCAWA Recommendations o Financial Counselling Hotline Recommendations o Jacaranda Community Centre Recommendations o List of Financial Counsellors o Debt Recovery Guidelines
7.0	April 2011	o Amendments to reflect ERA feedback
7.1	June 2011	o Further amendments to reflect ERA feedback

Contact for Enquiries and Proposed Changes

Name: Mark Harris
Team Leader, Credit Management
Alinta Sales Pty Ltd
Phone: 9486 3517

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1. Overview

Alinta 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 Alinta.

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

Alinta's Continuous Energy Program incorporates the Financial Hardship Policy required under clause 6.10 of the Gas Customer Code and is designed to assist customers in meeting their financial obligations to Alinta.

The Continuous Energy Program 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 Alinta's Continuous Energy Program incorporates the Financial Hardship Policy will be provided to relevant consumer representative organisations, including financial counsellors (refer Appendix 2).

A copy of this policy may also be obtained by:

- Phone 9210 2001
- Alinta's website at <http://www.alinta.net.au/home/your-account/customer-rights.php>
- Email customer.services@alinta.net.au
- For non-English speaking customers access to this policy can be gained through the Telephone Interpreter Service on 13 14 50

2. Continuous Energy Program

Alinta's Continuous Energy Program is available to residential gas customers that are assessed as experiencing payment difficulties or financial hardship, as a result of which the customer is unable to pay a bill or an outstanding amount as ordinarily required by Alinta's standard credit management policy.

Alinta's Continuous Energy Program Team is trained to assist customers experiencing payment difficulties or financial hardship and will refer customers in financial hardship to a relevant consumer representative organisation to determine if the customer is eligible to be managed under the Continuous Energy Program. Alinta undertakes to treat customers that are experiencing payment difficulties or financial hardship sensitively and respectfully.

As part of Alinta's credit management process we provide notices to customers outlining the options available for customers experiencing payment difficulties, and will attempt to contact customers should there be outstanding bill payments prior to any disconnection. Once contact with the customer has been made, Alinta will make the Continuous Energy Program available to assist those customers assessed as experiencing payment difficulties or financial hardship.

Initiation

The Continuous Energy Program assessment process may be initiated either by the customer direct to Alinta, or by a relevant consumer representative organisation, or by the customer through an authorised third party.

A relevant consumer representative organisation may be a government or non-government agency such as government departments, financial counsellors, emergency relief providers or social workers. An authorised third party may be a family member or person nominated by the customer. The customer must provide verbal or written confirmation that the nominated third party is authorised to act on their behalf.

The direct line to Alinta's Continuous Energy Program Team is 9210 2001.

For the purposes of Alinta's Continuous Energy Program, the following definitions of payment difficulties and financial hardship are used. These definitions are drawn from the *Compendium of Gas Customer Licence Obligations*, which together with the *Gas Marketing Code of Conduct*, is also known as the Gas Customer Code.

Definitions

- Payment difficulties are 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.

A change in personal circumstances is defined in the Gas Customer Code to include:

- 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 in the Gas Customer Code 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.

Assessment

Where the customer directly contacts Alinta and indicates that they are experiencing financial difficulties in relation to an outstanding bill payment, after establishing the customers personal circumstances, Alinta will make an immediate assessment as to whether the customer can be categorised as experiencing 'payment difficulties' or 'financial hardship'. Where requested, Alinta 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 Alinta's standard credit management policy due to immediate financial disadvantage, the customer will be assessed as experiencing payment difficulties.

Such a situation is most likely to arise as a result of a change in the customer's personal circumstances that affect his or her income and hence his or her ability to pay a bill or an outstanding amount in the short term.

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

Financial Hardship

In conjunction with the 'Financial Hardship Policy Guidelines' released by the Economic Regulation Authority, 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:

- 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.

When considering a customer's ability to pay, Alinta 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 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

In order to assess whether a customer is experiencing payment difficulties or to make a preliminary assessment that the customer is experiencing financial hardship, the following information on their personal circumstances will be requested by Alinta.

- Employment status
- Income
- 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 by Alinta.

If information provided by the customer indicates that:

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

the customer will be assessed as experiencing financial hardship.

Where Alinta assesses a customer as experiencing financial hardship, the customer will also be referred to a relevant consumer representative organisation for further assistance. This is because in order to be eligible for the Government's Hardship Utility Grants Scheme and Hardship Efficiency Program, a second assessment of financial hardship needs to be undertaken by an approved financial councillor (refer to section 6).

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

If the customer does not wish to consult a consumer representative organisation to assist in determining which payment arrangements might be most appropriate to meet the customer's outstanding bill and support payment for future gas consumption, Alinta will work directly with the customer to determine a suitable payment arrangement.

Temporary Suspension of Disconnection and Debt Recovery Procedures (Moratorium)

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

The length of the temporary suspension (moratorium) will be for a period of 15 business days, but may be extended if requested by the customer, where a consumer representative organisation requires more time to assess the customer's capacity to pay.

Alinta's assessment process is outlined in Appendix 1.

3. 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 advice, as well as support or guidance that is not necessarily limited to financial matters. Alinta acknowledges the expertise of these organisations in this area and as part of its standard practise 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 is provided in Appendix 2.

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

Alinta works in conjunction with a number of community and consumer representative organisations to ensure that its policies are best able to meet the needs of customers assessed as experiencing financial hardship. The development of Alinta's hardship policies has been undertaken through regular communication with the peak consumer representative organisations in Western Australia.

For example, Alinta has existing relationships with consumer representative organisations such as WACOSS, FCAWA, Financial Counselling Hotline, Tenants Advisory Services and DCP. Alinta meets and discusses issues of financial hardship with these organisations through regular meetings, workshops and forums.

4. Program Options

Customers that are eligible to participate in Alinta's Continuous Energy Program 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 Alinta as experiencing payment difficulties will be offered access to one of the following three alternative interest-free and fee-free payment arrangements:

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

For residential customers facing a state of immediate financial disadvantage, Alinta 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, Alinta 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.

Alinta will not automatically reduce charges or waive fees, including overdue notice, reconnection or dishonour fees, for customers assessed as experiencing payment difficulties, however will take into account specific circumstances and make such a determination if considered warranted in further assisting the 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, Alinta generally relies on the payment plans proposed by the customer's financial councillor 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 arrangement, Alinta encourages 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, Alinta will waive all overdue notice, reconnection or dishonour fees that relate to the customers **current** account.

Alinta 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 Alinta will waive debt in cases of:

- Death
- Spousal separation
- Domestic Violence

Debt reduction and/or waiver may also be considered in other extenuating circumstances, and will be considered by senior Alinta staff on a case-by-case basis on information provided to Alinta.

Alinta 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 with their Alinta accounts. Funding of the AlintaCare scheme effectively represents a form of debt reduction and/or forgiveness.

Alinta 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 will have no overdue notice, reconnection or dishonour fees applied to their account. Where Alinta has applied a dishonour fee on the customer's account, this will be waived.

Payment options

Alinta offers the following payment methods for residential customers:

- in person at Australia Post outlets;
- by cheque via mail;
- Centrepay; and
- electronically and by telephone using either a debit or credit card.

All of Alinta's electronic payment arrangements comply with the Electronic Funds Transfer Code of Conduct.

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

Change of Circumstances

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

Customers participating in the Continuous Energy Program 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 Alinta's 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 Continuous Energy Program cancelled due to non-payment, the Continuous Energy Program 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 Alinta:

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

5. Customer Rights & Responsibilities

Customer Rights

- Customers managed under the Continuous Energy Program who maintain their agreement with Alinta will be guaranteed continuous energy.
- Customers have the right 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).
- Use of the Interpreter Service (13 14 50) at no cost to the customer.
- Request large print accounts.
- Receive assistance via the bill reading service.
- Interest-free and fee-free arrangements.
- Billing data for the previous two [2] years (you may also request billing data for the period prior to this time subject to a reasonable charge).
- Where a customer is not satisfied with a decision by an Alinta representative, they are entitled to raise a complaint to a higher level. If, after raising the complaint to a higher level, the customer is not satisfied with Alinta's handling of the complaint, Alinta will provide information on how to contact the gas industry ombudsman.
- Be given the contact details of the Office of Energy who can provide information on how to reduce their energy consumption levels.
- Receive information regarding government concessions and assistance programs.
- Receive information regarding appliance efficiency and in-home optimisation tips.

Customer Responsibilities

- Customers should contact Alinta or a relevant consumer representative organisation if they are unable to pay their gas account by the due date.
- When a customer is not able to maintain the payment arrangement, they are encouraged to contact Alinta to discuss their change of circumstances. Alinta can consider renegotiating the payment arrangement providing there is sufficient information from the customer regarding their change in circumstances.

NB: Alinta will monitor all payment arrangements on a regular basis. Alinta will also attempt to contact customers who have missed a payment prior to terminating or cancelling a payment arrangement.

- Customers on an arrangement must give Alinta at least 3 business days notice when the customer intends to vacate the premises.

6. Government Assistance Schemes

The Hardship Utility Grant Scheme (HUGS)

The Hardship Utility Grant Scheme (HUGS) commenced on 4 August 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 must be assessed by a DCP and HUGS Registered Financial Counselling Service as experiencing financial hardship.

The Hardship Efficiency Program (HEP)

The Hardship Efficiency Program (HEP) is a Government hardship assistance program that complements the Hardship Utility Grants Scheme (HUGS). HEP helps customers in hardship to increase energy efficiency within their home through a combination of energy smart advice and education and appliance upgrades.

The HEP program is available to those persons assessed by a DCP and HUGS Registered Financial Counselling Service as experiencing financial hardship.

State Government Energy Rebate Scheme

The State 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.

7. Disconnection and Reconnection

Disconnection of Energy Supply

Customers who participate in the Continuous Energy Program and who adhere to agreed arrangements will not be at risk of disconnection. If the gas is reconnected as a result of the customer participating in the Program, the reconnection fee will be waived.

Where a customer defaults on their arrangement and no effort is made to contact Alinta to request a review of their circumstances or renegotiate the arrangement (based on a change of circumstances), Alinta will then attempt to contact the customer prior to terminating or cancelling the arrangement.

Reconnection of Energy Supply

Customers who default on an arrangement under the Continuous Energy Program will revert to Alinta's standard credit management policy for the reconnection of their gas supply. Customers who later contact Alinta where further extenuating circumstances exist, may have their arrangement options reviewed and renegotiated.

8. Employee Training and Development

All Alinta's Customer Service Representatives (CSRs) and Field Service Officers (FSOs) participate in training programs that focus on Alinta's Continuous Energy Program incorporating financial hardship.

Alinta's Training Coordinator and Team Leader Credit Management have consulted with key consumer representative organisations, such as WACOSS and the Office of Multicultural Interests, to develop both internal and external hardship training packages.

CSRs are made aware of Alinta's obligations in relation to:

- Assessing whether a customer is experiencing payment difficulties or financial hardship
- Temporary suspension of credit actions
- Referral to relevant consumer representative organisations
- Providing alternative arrangements
- Consideration of reducing fees and charges

All CSRs and FSOs are being (and will be) trained to provide them with a sound understanding of how key cultural and social issues can impact on Alinta's customers and their financial situation. The objective is to assist in developing employees' communication skills for engaging with customers experiencing financial hardship and to ensure that customers are treated sensitively and respectfully.

All CSRs and FSOs are to participate in periodic hardship refresher programs as part of Alinta's annual training schedule. Alinta will consult with key consumer representative organisations as part of the ongoing review of employee training and development in relation to financial hardship. These refresher programs provide a forum to discuss changes and reviews that occur relating to hardship as well as revisiting the major elements affecting customers in financial hardship.

CSRs are also educated to provide energy saving tips to customers in relation to their consumption of gas to assist in reducing the amount of their future bills.

Hardship training is endorsed by senior management demonstrated by Alinta's Manager Customer Services providing an introduction to each session. The commitment from Alinta's management reinforces the importance of this training both for Alinta's staff 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 who 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.

9. Debt Recovery Guidelines

Alinta understands 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.

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

Alinta's process for recovery of debt ensures customers are provided with the opportunity to engage with Alinta to manage their situation accordingly.

Alinta's debt recovery guidelines are outlined in Appendix 3

10. Complaint Handling Process

Definition of a Complaint

A customer complaint is any expression of dissatisfaction made to Alinta related to its products or services, or the complaints-handling process itself where a response or resolution is explicitly or implicitly expected.

Alinta's Complaints Handling Process

Alinta's complaint handling process has been developed in accordance with the Australian Standard on Complaints Handling AS ISO 10002-2006 and the Gas Customer Code 2008.

All complaints are escalated to the appropriate person at Alinta. Complaints will be responded to immediately during the initial conversation. If Alinta is 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 Continuous Energy Program can be directed to 9210 2001 in the first instance and then escalated to the appropriate person.

Customers dissatisfied with any aspect of Alinta's products or services can have their say by contacting us: -

- **Telephone** Alinta on 1800 677 945 (free call from a land line). Normal charges apply for calls initiated from a mobile phone.
- **Mailing to:**
Alinta
Attention: Customer Complaints
Locked Bag 55,
Perth BC WA 6849
- **Faxing** to free fax 1800 651 161
- **E-mailing** to customer.complaints@alinta.net.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 provides mediation, conciliation and arbitration services to resolve customer disputes. There is no charge for this service.

- **External Dispute Resolution Agency**
Energy Ombudsman
Level 12, 44 St George's Terrace, Perth
Free call number: 1800 754 004

11. Energy Efficiency

Alinta 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 www.alinta.net.au/home/environmental-solutions/top-tips.php or ring us on 13 13 58.

Energy Smart Line

The 'Energy Smart Line' provides advice and information on energy use, appliance selection, running costs and best-practice energy management. For more information, ring the 'Energy Smart Line' on 1300 658 158.

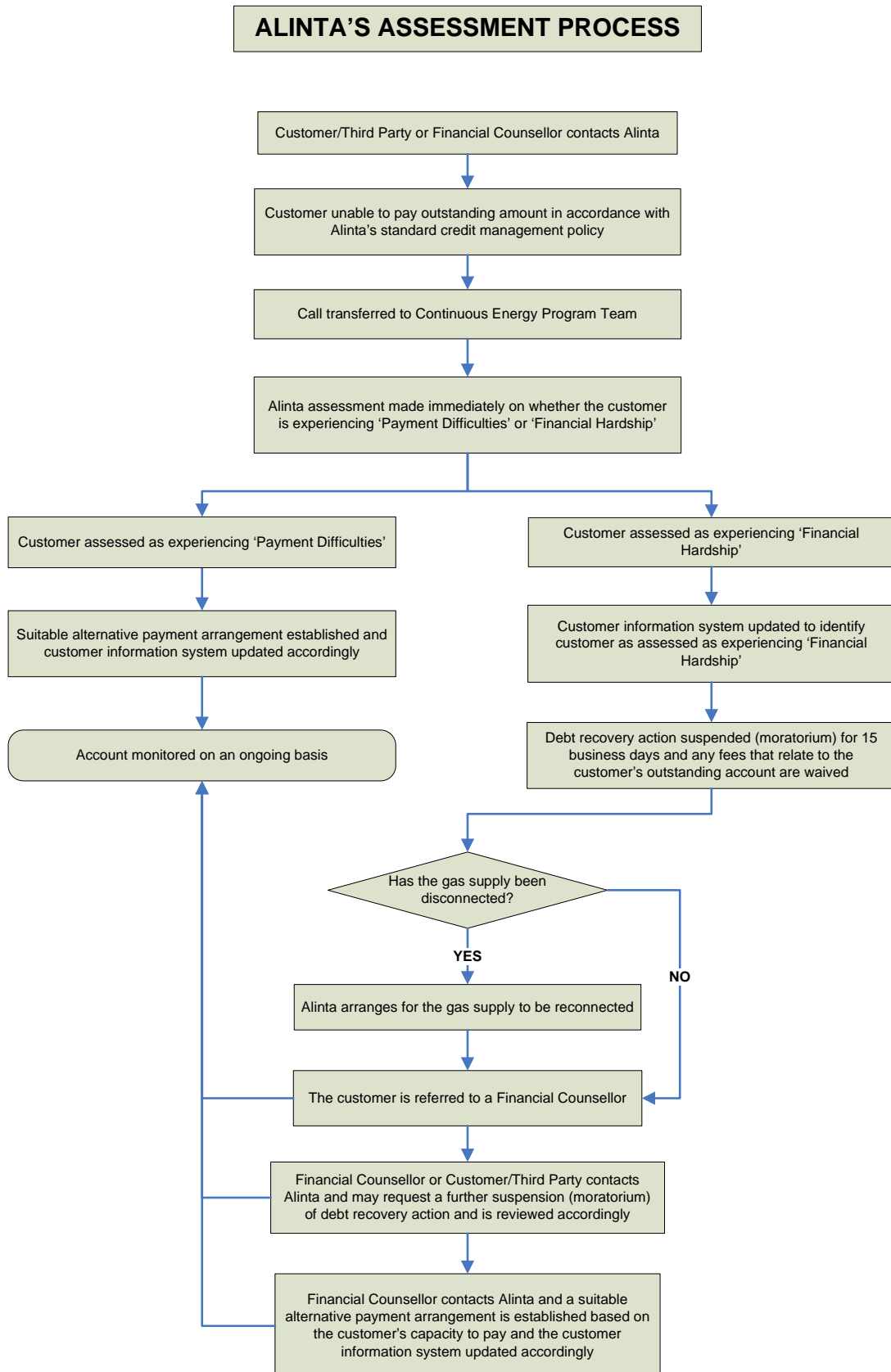
12. Review

Alinta's Continuous Energy Program is reviewed annually and in consultation with relevant consumer representative organisations. Alinta will consult with relevant consumer representative organisations on the process for the periodic review of financial hardship policies ahead of each annual review.

The initial review of the Continuous Energy Program in December 2010 has assisted Alinta in determining the effectiveness of the Program, including the benefits to customers and the benefits and costs to the business.

Alinta will establish targets to monitor further opportunities to be gained by enhancing and improving on the overall results that this Program delivers.

Appendix 1 – Alinta’s Assessment Process



Appendix 2 – List of Financial Counsellors

Organisation	Address	Suburb	Phone
Angliare WA - Manjimup	Community Centre, Cnr Mount and Rose Street	Manjimup WA 6258	9777-1945
Anglicare WA - Albany	St John's Anglicare Centre, 44 Collie Street	Albany WA 6330	9845-6666
Anglicare WA - Armadale	Church Cafe, 108 Jull Street	Armadale WA 6112	9525-4180
Anglicare WA - Balga	30 Balga Avenue	Bunbury WA	9247-9705
Anglicare WA - Bunbury	15 Molloy Street	Bunbury WA 6230	9792-1900
Anglicare WA - Busselton	St Marys Anglican Centre, 119-121 Queen Street	Busselton WA 6280	9754-1858
Anglicare WA - Byford	St Aiden's Community Centre, Cnr Mary & Clifton Str	Byford WA 6122	9525-4180
Anglicare WA - Collie	Collie Community House, Cnr Lefroy & Forrest Strs	Collie WA 6225	9734-4490
Anglicare WA - Denmark	Centre for Sustainable Living, South Coast Hwy	Denmark WA 6333	9851-2611
Anglicare WA - Katanning	Shop 13 - Rear Central Arcade, 100 Clive Street	Katanning WA 6317	9821-1304
Anglicare WA - Mandurah	Lotteries House, 7 Anzac Place	Mandurah WA 6210	9581-0581
Anglicare WA - Mount Barker	1/59 Lowood Rd	Mount Barker WA 6324	9851-2611
Anglicare WA - Port Kennedy	Port Kennedy Family Activity Centre, Clipper Drive	Port Kennedy WA 6172	9581-0512
Anglicare WA - Rockingham	St Nicholas Community Centre, 14 Council Avenue	Rockingham WA 6168	9528-0717
Blue Sky Community Group	PO Box 110	Bassandean WA 6056	9376-9999
Boogalarri Community House (Inc)	82 Langford Ave	Langford WA 6147	9350-6236
Broome Community House	Cnr Frederick Street & Weld Street	Broome WA 6725	9193-6425
Carnarvon Family Support Service Inc	PO Box 898	Carnarvon WA 6701	9941-1251
Centacare Family Services	PO Box 666	Exmouth WA 6707	9949-2225
Centrecare	456 Hay Street	Perth WA 6000	9325-6644
Centrecare Incorporated	PO Box 10500	Kalgoorlie WA 6430	9091-1833
City of Fremantle Community Legal Centre	PO Box 807	Fremantle WA 6959	9432-9791
City of Joondalup	PO Box 21	Joondalup WA 6919	9400-4213
City of Melville Civic Centre	10 Almondbury Road	Ardross WA 6153	9364-0666
City of Stirling	21 Cedric Street	Stirling WA 6021	9245-3741
City of Wanneroo	Locked Bag 1	Wanneroo WA 6946	9404-5606
Cockburn Financial Counselling Service	90 Cordelia Avenue	Coolbellup WA 6163	9411-3850
Cockburn Financial Counselling Service	1 Lombe Gardens	Atwell WA 6164	9414-6302
Communicare Inc	28 Cecil Avenue,	Cannington WA 6107	9251-5777
Communicare Inc	Unit 1-3 36-40 Commerce Ave	Armadale WA 6112	9399-7977
Escare	PO Box 850	Esperance WA 6450	9071-7278
FCAWA - Hotline	33 Moore Street	East Perth WA 6004	1800 007 007
FinUcare Financial Counselling	PO Box 329	Mandurah WA 6210	9581-1281
Foothills Information & Referral Service	35 Edinburgh Road	Forrestfield WA 6058	9359-1253
Geraldton Resource Centre	PO Box 159	Geraldton WA 6530	9964-3533
Goldfields Community Legal Centre Inc	PO Box 150	Kalgoorlie WA 6430	9021-1888
Gosnells Community Legal Centre Inc	PO Box 226	Gosnells WA 6990	9398-1455
Gowrie Community Centre	275 Abernethy Road	Cloverdale WA 6105	9478-7514

Organisation	Address	Suburb	Phone
Jacaranda Community Centre	PO Box 142	Cloverdale WA 6895	9477-4346
Joongari House/Wyndham Family Support Inc.	PO Box 174	Wyndham WA 6740	9161-1383
Jungarni-Jutiya Alcohol Action Centre	PO Box 222	Halls Creek WA 6770	9168-6168
Kimberley Community Legal Service	PO Box 622	Kununurra WA 6743	9169-3100
Kuwinywardu Aboriginal Resource Unit (KARU)	PO Box 908	Carnarvon WA 6701	9941-4448
Marra Worra Worra Aboriginal Corporation	PO Box 35	Fitzroy Crossing WA 6765	9191-5089
Midland Information & Debts & Legal Advocacy Services	PO BOX 5002, Centrepont Post Office	Midland WA 6056	9274-5244
Mission Australia	91 Berwick Street	Victoria Park WA 6004	9470-4080
Narrogin Youth Support Association	PO Box 28	Narrogin WA 6312	9881-1363
Ngunga Women's Group	PO Box 642	Derby WA 6728	9193 1455
Pilbara Community Legal Service	PO Box 1	Newman WA 6753	9177-8708
Pilbara Community Legal Service	PO Box 269	Roebourne WA 6720	9182-1169
Pilbara Community Legal Service	PO Box 2506	South Hedland WA 6722	9140-1613
Pilbara Community Legal Service	PO Box 132	Karratha WA 6714	9185-5899
Red Cross WA	150 Gilmore Avenue	Kwinana WA 6167	9419-4039
Share & Care Community Services Group	PO Box 365	Northam WA 6401	9622-2828
Southcare Inc.	54 Bickley Crescent	Manning WA 6152	9450-6233
St Vincent De Paul Society (WA) Inc	PO Box 473	Belmont WA 6984	9475-5421
St Vincent De Paul Society (WA) Inc	PO Box 418	Mandurah WA 6210	9581-3167
St Vincent De Paul Society (WA) Inc	2 Bayley Road	Woodbridge WA 6041	9374-3209
St Vincent De Paul Society (WA) Inc	PO Box 521	Busselton WA 6280	9752-4010
St. Nicholas Port Kennedy/Rockingham Financial Counselling Service	PO Box 1015	Rockingham WA 6968	9528-0702
Sussex Street Community Law Service Inc	Locked Bag 2	East Vic Park WA 6981	6253-9500
The Salvation Army (WA)	PO Box 194	Kalgoorlie WA	9021-2615
The Salvation Army (WA)	PO Box 1162	Morley WA 6943	9279-4500
The Salvation Army (WA)	PO Box 8183 Perth Business Centre	PERTH WA 6849	9260-9599
The Salvation Army (WA)	PO BOX 139	Rockingham WA 6168	9595-1004
The Salvation Army Balga Corps & Community Services	PO Box 2607	Warwick WA 6024	9349-7488
The Salvation Army Community Support Services	333 William Street	Perth WA 6000	9296-9813
The Spiers Centre Inc	2 Albatross Court	Heathridge WA 6027	9402-3631

Organisation	Address	Suburb	Phone
Uniting Church Frontier Services Murchison Financial Advocacy	PO Box 524	Meekatharra WA 6642	9980-1901
UnitingCare West	Unit 7/4 Cantonment Street	Fremantle WA 6160	9335-8898
UnitingCare West - Creditcare Perth	GPO Box B74	Perth WA 6838	9220-1288
Victory Life Community Services	PO Box 20	Osborne Park WA 6017	9202-7111
Youth Legal Service	138 Murray Street	Perth WA 6000	9202-1688

Appendix 3 – Credit Management Policy

The following outlines Alinta's standard credit management policy. 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, Alinta 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.

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

Alinta utilises the services of Baycorp and Dun & Bradstreet as collection agencies to recover overdue debts. These agencies must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission. Only accounts that have been closed at the request of the customer or Alinta are referred to collection agencies.

If an account has been referred to a mercantile collection agency and the customer is willing to acknowledge responsibility for the consumption of gas with the intention of making payment, the debt will be recalled from the collection agency, the customer's account will be reinstated and Alinta will enter into a fresh arrangement with the customer.