

*Esperance Power Station Pty Ltd*



Esperance  
Gas Distribution Company

## FINANCIAL HARDSHIP POLICY

### Esperance Residential Gas Customers

C9906d43 Rev 1



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# Financial Hardship Policy

## 1. Introduction

### 1.1 Purpose

Esperance Gas Distribution Company Pty Ltd (EGDC) 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. Our Hardship Policy identifies and assists vulnerable customers to manage their energy usage.

### 1.2 Objective

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 EGDC.

The Policy is available to EGDC 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](http://www.esperance-energy.com)).
- For non-English speaking customers access to this policy can be gained through the Telephone Interpreter Service on 13 14 50.

The Policy can be made available in large print upon request.

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.

## 2. What is hardship?

Financial hardship is defined in the Energy Codes 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".

Basic living needs are defined in the Energy Codes 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.

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 Energy Codes as a state of **immediate financial disadvantage** that result in a residential customer being unable to pay an outstanding amount as required by a retailer by reason of a change in personal circumstances.

### **3. 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, EGDC 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.

### **4. Customer's Rights and Obligations**

EGDC 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 you and 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.

EGDC considers the following as customer obligations:

- To contact EGDC when experiencing a change in circumstance
- To contact EGDC when unable to make payments according to the agreed payment plan
- To stay in touch with our EGDC team

## **5. Eligibility for hardship assistance**

### **5.1 Criteria for 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 or other family member;
- 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 EGDC or have been referred by a financial counsellor regarding their financial difficulties in relation to an outstanding bill payment, EGDC will make an immediate assessment as to whether the customer can be categorised as experiencing 'payment difficulties' or 'financial hardship'. EGDC will communicate to the customer on the outcome of the assessment.

## 5.2 Identifying Hardship

EGDC encourages customers who are struggling financially to contact us either personally or through a third party, such as a financial counsellor or a welfare agency.

We understand some customers may feel uncomfortable discussing their financial problems, therefore, we also employ strategies to assist in identifying vulnerable customers. Our strategies include using credit cycles designed to alert staff to a poor payment history and a pattern of government assistance grants.

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

## 5.3 Assessing Capacity and Willingness to Pay

When we are assessing capacity to pay, we take into account a customer's ability to maintain a minimum standard of living and we measure a customer's income against other financial commitments and basic living expenses. We take into account any arrears owing and the customer's expected energy consumption over a 12-month period. We also measure a customer's capacity to pay against their energy usage, and employ strategies to help customers reduce their usage if it is unsustainable. We will take into consideration a financial counsellor's statements about a customer's capacity to pay.

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 EGDC early when experiencing payment difficulties; and
- Making genuine attempts to maintain payment plans.

## 5.4 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.

The customer may request for their bill to be redirected at no charge to a third party. An assessment will be undertaken regarding the suitability of the third party for such an arrangement.

## **5.5 Limitations on Assistance**

EGDC's goal for customers experiencing hardship is to help them with their gas needs and to provide support through our hardship assistance programs. It is not our policy to provide income support.

## **5.6 Contact us Early for Assistance**

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

## **5.7 Negotiations of Alternative Payment Arrangement**

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

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

## **5.8 Hardship Assistance Plans**

EGDC is committed to working together with customers to establish payment plans that are flexible, affordable and sustainable. We will discuss all payment options outlining their advantages and disadvantages, thereby allowing customers to make informed decisions.

We are able to provide further details of assistance available upon request.

### **5.8.1 Flexible Payment Arrangements**

Flexible payment arrangements are short-term extensions granted when a customer advises they can't pay their current account on time. These extended payment arrangements are usually offered to customers experiencing short-term financial difficulty as a result of an unexpected but short-term change in income and/or expenditure.

Payment extensions/arrangements allow the customer the flexibility to pay-off the account in either a lump sum or instalments prior to the next bill being issued. For example, customers can make payments at an amount they choose (minimum payment amount is \$10) on a date they decide. We encourage customers to make payments that at the least will cover their usage.

### **5.8.2 EGDC Instalment Plan**

We offer interest free instalment plans to individual customers, which may include options to pay in advance if the customer chooses.

The EGDC Instalment Plan is a structured payment plan designed to encourage customers to budget for the cost of their energy use and any accumulated arrears over a 12-month period. This will assist them to manage the peaks of their energy use, taking into account their capacity to pay. Customers can pay for their annual energy use in equal instalments either fortnightly or monthly.

### **5.8.3 Payment plan using CentrePay and HUGS**

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

#### **a) Centrepay**

Customers who receive benefits or allowances from Centrelink are eligible to use Centrepay as a bill-paying service. You can make advanced payments using Centrepay and is a free direct bill-paying service offered to customers receiving Centrelink payments. Centrepay automatically deducts payments of no less than \$10 from a customer's benefits to pay their energy bill. There is no cost to customers to use Centrepay, and they can halt deductions at any time by contacting Centrelink. Further information can be obtained from Centrelink at [www.centrelink.gov.au](http://www.centrelink.gov.au) or by phoning 1800 050 004.

#### **b) Hardship Utility Government Scheme (HUGS)**

The Scheme provides financial assistance to people in WA who are in acute financial hardship and at risk of having their utility service disconnected. The applicant must be:

- A residential customer
- Be assessed by the utility provider according to their financial hardship policy as experiencing financial hardship.
- Utility providers can submit a HUGS application after a payment arrangement has been entered into for 180 days from the first bill issue date that triggered the repayment plan.
- Be unable to pay for a current total account balance, or have been disconnected or restricted from supply.
- Not have an outstanding amount less than \$300 or in excess of \$1750 (south of 26th parallel) or \$2500 (north).
- Agree to a payment plan before a HUGS grant is offered
- Be an account holder as defined by the person legally responsible for the bill.

For approved concession card holders who are considered eligible to apply for a grant, EGDC will assess and submit applications to the HUGS Service Centre (HSC) which is funded by the Department of Communities. Non concession card holders will be referred to HSC for financial assessment and recommendation. Approved concession cards are:

- Pensioner Concession Card
- Commonwealth Seniors Health Card
- Health Care Card
- Department of Veterans' Affairs (DVA) Card

EGDC will advise customers of the status of their HUGS applications. In circumstances where customers have complex financial difficulties, a referral will be facilitated to a registered Financial Counsellor. HSC may recommend that the applicant attends Financial Counselling because they have other financial concerns, beyond their utility payment issues. The HSC Financial Support Worker can discuss with the applicant options for them to make an appointment with a Financial Counsellor. These options may include:

- An appointment with a phone based Financial Counsellor within the HSC.
- A face to face appointment with a Financial Counsellor through a facilitated booking.
- Contact information for local Financial Counselling Services provided to enable them to contact the Service directly (refer Section 6).

The HSC Financial Support Worker will then advise the customer whether a HUGS grant is to be recommended and provide reasons why if it is not recommended.

The Service Centre's number is 1300 484792/1300 HUGSWA and opening hours (7am to 7pm Monday to Friday).

## **5.9 Monitoring and Reviewing Payment Plans**

EGDC will review a payment plan if informed by a customer or financial counsellor that a customer's circumstances have changed. We recognize that not all customers will phone if they are in further financial difficulty, and our staff will contact each customer at least once every three months to confirm their payment plan continues to be appropriate and affordable.

If a customer is paying less than their usage and accumulating debt, EGDC will monitor the customer's account and make contact more frequently. EGDC encourage customers to make payments that, at the very least, cover their usage.

## **5.10 Late Payment Fees and Security Deposits**

Customers will not be charged late payment fees, and security deposits will not be requested.

## 5.11 Debt Waiver

Partial or full debt waiver may 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, due to the customer's personal circumstances.

## 5.12 Disconnection

At EGDC, disconnection only occurs as a last resort, however, we will not disconnect any residential customer while they are actively participating in our hardship program.

## 5.13 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.

Customers may incur additional fees if a debt collection agency is used for debt recovery actions.

## 5.14 Non Compliance with Agreements

Customers who do not adhere to agreed payment plans will be contacted and managed in accordance with regulatory obligations under the WA Energy Codes.

# 6. Financial Counselling Contacts

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>

The financial counsellor is available between 9.00am and 4.00pm, Monday to Friday

or

Financial Counselling Helpline 1800 007 007 or 08 93251617

Website: <http://www.financialcounsellors.org>

## 7. Enquiries and Complaints

If you have an enquiry or complaint, you can contact us by:

- ☞ Calling us on (08) 9072 1422 and we will try to resolve it straight away.
- ☞ Mailing to PO Box 2392 Esperance WA, 6450.
- ☞ Faxing to (08) 9072 1433.

If you call us with an enquiry or complaint we will try to resolve it over the telephone. If we are unable to, we will call you back at an agreed time with an answer or give you the name and phone number of a person who will help you.

Alternatively or in addition, if you write to us with an enquiry or complaint we will review your enquiry or complaint and respond to you in writing within 20 business days. It is our aim to settle any concerns quickly and as fairly as possible.

If you are unhappy with the response you receive from your first point of contact (whether over the telephone or by written enquiry or complaint), you may have your enquiry or complaint reviewed at a higher level. This process elevates your enquiry or complaint through to the appropriate senior staff.

If following review and written response from one of our senior staff you are still not satisfied, you may contact the Energy and Water Ombudsman (EWO), for further review. The office of the EWO can be contacted by the following means:

- ☞ In person: 2<sup>nd</sup> floor, Albert Facey House, 469 Wellington St Perth WA 6000
- ☞ Mail: PO Box Z5386, St Georges Terrace Perth WA 6831
- ☞ Telephone: (08) 9220 7588
- ☞ Toll Free: 1800 754 004 (from landlines)
- ☞ Email: [energyandwater@ombudsman.wa.gov.au](mailto:energyandwater@ombudsman.wa.gov.au)
- ☞ Freefax: 1800 611 279
- ☞ Fax: (08) 9220 7599

The EWO can investigate and resolve disputes between you and us. It is an independent service available without charge to domestic and business customers.

## 8. For Customers with Special Needs

Call 13 14 50  (24 hours a day) for telephone interpreter service for language other than English.

For customers with hearing difficulties or a speech impairment please contact us via the National Relay Service:

- a) 1300 555 727 (Speak and Listen) for persons with a speech impairment.
- b) TTY users phone 133 677 and ask for 9072 1422.