



1st Energy

# National Hardship Policy

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| <b>Endorsed by</b>   | Managing Director                 |
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## 1 Introduction

### 1.1 Purpose

At 1st Energy, we understand that from time-to-time customers experience financial hardship and may need additional assistance and flexibility. Our Hardship Policy identifies and assists vulnerable customers to manage their energy usage and costs.

### 1.2 Objective

Energy is an essential service for residential customers, and 1st Energy believes financial hardship should not preclude customers from energy supply if they are willing to pay their bills but require some payment flexibility. This policy supports our customers to support themselves.

We have a proactive prevention and intervention approach to hardship.

Our intervention strategies intend to respectfully and compassionately support our customers once they have been identified as in financial hardship. Our hardship program will:

1. Treat customers with sensitivity and empathy
2. Ensure payment arrangements are fair, flexible and affordable
3. Review agreements regularly
4. Provide access to financial counsellors
5. Disseminate information about government grants and concessions
6. Disseminate information on up-to-date energy efficiency practice
7. Offer energy auditing services
8. Maintain strong relationships with community stakeholders
9. Provide ongoing training for our staff

## 2 What is Hardship?

1st Energy defines hardship as customers who are willing to meet their financial obligations, but do not have the financial capacity to do so. In this policy we differentiate between two types of customer hardship: short- and long-term hardship.

### 2.1 Short-term Hardship

Customers experiencing short-term hardship are undergoing a sudden change in circumstance, which has resulted in temporary financial difficulty. These customers generally require flexibility and temporary assistance, such as an extension of time to pay, or flexible payment arrangements.

### 2.2 Long-term Hardship

Customers experiencing long-term hardship are generally on low and/or fixed incomes such as pensions or allowances. Hardship may have resulted from a combination of low income and a change in circumstances or an unforeseen event, and may require a more formalised case management approach and additional assistance over a longer period.

### **3 Equitable Access and Transparency**

1st Energy is committed to equitable access to our Hardship Policy. Our policy is transparent and applied consistently.

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

1st Energy's Customer Service team will inform customers entering our hardship program of their rights and obligations.

1st Energy considers the following as customer rights:

1. To be treated sensitively
2. To negotiate an affordable payment plan
3. To renegotiate instalment payments
4. To receive information on grants and concessions
5. To receive information on financial counsellors
6. To receive information on efficient energy use
7. To not be disconnected whilst actively participating in the hardship program

1st Energy's considers the following as customer obligations:

1. To contact 1st Energy when experiencing a change in circumstance
2. To contact 1st Energy when unable to make payments according to the agreed payment plan
3. To stay in touch with our Customer Service team

### **5 Hardship Program**

1st Energy approaches hardship with sensitivity and flexibility. We treat our customers as individuals, recognising that each customer has a distinct set of circumstances, and responds differently to the multitude of stresses that result in hardship.

We employ proactive intervention strategies to identify customers in hardship and we respond with flexible payment options, and information on grants and Centrepay. Our customers are directed to other avenues of support such as financial counsellors and community groups, and may be offered a home energy audit at no cost to them. While participating in the program, our customers' financial plans are reviewed regularly.

In 1st Energy's hardship program, customers who make agreements are protected from further credit and collection activity while they adhere to the agreement. We will advise customers in writing at the commencement of this agreement what the terms of the agreement are and what will happen should they not adhere to the agreement. 1st Energy will not disconnect any residential customer while they are actively participating in our hardship program.

#### **5.1 Identifying Hardship**

1st Energy 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. Training our staff to empathetically respond to customer needs and promoting our hardship program on our website and by sending hardship information to our customers.

## 5.2 Early Response to Hardship

Once a customer has been identified as in hardship, 1st Energy's early response is as follows:

1. The customer will be referred to the Customer Service team; ;
2. A case manager will be assigned and the customer will be contacted within 24 hours of referral to the Customer Service team;
3. The customer will be contacted by their case manager, who will review the appropriateness of the customer's market retail contract;
4. The case manager will advise the customer of the following assistance:
  - payment plans
  - government grants
  - Centrepay
  - assistance options
  - financial counsellors
  - energy efficiency information
  - home energy audits
5. The customer will be sent a letter confirming their entry into the hardship program.

## 5.3 Limitations on Assistance

1st Energy's goal for customers experiencing hardship is to help them with their energy needs and to provide support through our hardship assistance programs. It is not our policy to provide income support.

## 5.4 Assessing Capacity to Pay

1st Energy establishes reasonable and manageable payment agreements. 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.



## 5.5 Reviewing Market Retail Contracts

The customer's case manager will review the appropriateness of a customer's market retail contract upon entry into our hardship program. Our staff will discuss the range of retail offers and contracts available, and will bear in mind:

- Cost effectiveness
- Any dedicated off-peak appliances
- Previous tariff (including network charge)
- Overall power usage
- Previous bills (if available)
- Other relevant information provided by the customer

The market retail contract review will be conducted at no cost to the customer and there will be no charge for transferring or terminating the customer's previous retail contract.

## 5.6 Hardship Assistance Plans

1st Energy 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.

### 5.6.1 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 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 will cover their usage.

### 5.6.2 1st Energy Instalment Plan

1st Energy 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.

## 5.7 Assistance in Instalment Plan Participation

In exceptional circumstances, 1st Energy will assist customers to maintain their participation in the hardship program. We will consider matching state government grants with energy credits, or we may waive a portion

of the debt. For more information, contact our Customer Service team on:

- NSW customers phone TBC
- VIC, SA and QLD customers phone TBC

### **5.7.1 Exceptional Circumstances**

1st Energy will consider waiving debt if a customer meets one of the following criteria:

- A customer is suffering severe hardship or a major personal crisis has occurred beyond the customer's control, such as the death of a spouse or a significant health or medical problem. 1st Energy may need supporting evidence.
- 1st Energy believes a customer will have little chance to reduce the debt without assistance.

### **5.8 Centrepay**

Customers who receive benefits or allowances from Centrelink are eligible to use Centrepay as a bill-paying service. 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.

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

1st Energy will review a payment plan if informed by a customer or financial counsellor that a customer's circumstances have changed. We recognise not all customers will phone if they are in further financial difficulty, and our staff will contact each customer at least once every six months to confirm their payment plan continues to be appropriate and affordable.

If a customer is paying less than their usage and accumulating debt, our staff will monitor the customer's account and make contact more frequently. We 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 Disconnection**

At 1st Energy, disconnection only occurs as a last resort, however, we will not disconnect any residential customer while they are actively participating in our hardship program.

### **5.12 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 National Energy Customer Framework (NECF) and Victorian hardship framework.

### 5.13 Exiting Hardship Plans

Customers who graduate from our hardship program will be returned to normal billing cycles.

Customers who choose to change retailer will be removed from the hardship program.

Customers who fail to adhere to their payment plan agreement will be removed from the hardship program.

### 5.14 Customers Not Eligible for the Hardship Program

Customers who are not in financial hardship or who are not willing to meet their financial obligations are not eligible for entry into our hardship program.

## 6 Energy Efficiency

Wise, efficient energy use will reduce a hardship customer's bill, alleviating some of their financial burden.

Many customers are unaware of the modifications they can make around their house or to their energy consumption behaviour, which will save money.

Staff in 1st Energy's Contact Centre is trained to identify customers with energy consumption difficulties and can give customers advice about simple strategies to reduce their energy use.

Information provided to customers over the phone is supported by an energy efficiency kit, which contains simple tools to allow customers to undertake their own home energy assessments.

Further energy efficiency information can be found on 1st Energy's website at [www.1stEnergy.com.au](http://www.1stEnergy.com.au).

### 6.1 Energy Auditing

Energy-consumption auditing pinpoints energy wastage from building structures, old appliances and/or the habits of householders. Fixing draughty rooms and altering habits can save customers money.

1st Energy offers a home auditing service, in states where there is a regulatory requirement, free-of-charge, to customers in our hardship program who meet any of the following criteria:

- Unexplained, higher-than-average energy consumption on their bills
- A customer or a financial counsellor expresses concern about the energy efficiency of the customer's home and/or appliances
- The Customer Service team thinks a customer might benefit from an energy audit.

Auditors will provide customers with advice about efficient energy use and information about grants, concessions, rebates and capital goods assistance programs.

### 6.2 Appliance Assistance

1st Energy operates a capital goods replacement program, in states where there is a regulatory requirement, for customers in our hardship program. Our energy auditors assess the efficiency of customer's capital goods while they are conducting in-home energy-use audits. An auditor can recommend an appliance be replaced if it is contributing to higher-than-usual energy consumption. Once a recommendation has been made by an auditor, our Customer Service team will consider offering the following:

- Referral to a government grants scheme
- Referral to a microfinance No Interest Loans Scheme (NILS)
- Assisted purchase of energy efficient appliances through a third-party supplier

In exceptional circumstances, we will consider replacing a customer's appliance if it is responsible for high and unaffordable energy bills.

Our energy auditor can also proffer energy efficient light globes and draft-proofing products at no cost to the customer.

## 7 Concessions, Grants and Support

### 7.1 Government Concessions and Grants

1st Energy's Customer Welfare team and Home Auditors will inform customers experiencing hardship about government concessions, grants, rebates and capital goods assistance programs.

#### 7.1.1 NSW

NSW customers can access the following grants and rebates:

- NSW Low Income Household Rebate
- Life Support Rebates
- Medical Energy Rebate
- Energy Accounts Payment Assistance (EAPA)

For further information, visit [www.trade.nsw.gov.au](http://www.trade.nsw.gov.au).

#### 7.1.3 Queensland

Queensland customers can access the following concessions and assistance:

- Electricity Concession
- Reticulated Natural Gas
- Electricity Life Support Concession Scheme
- Medical Cooling and Heating Electricity Concession
- Home Energy Emergency Assistance (HEAA)
- Seniors Electricity and Gas Rebates

For further information, phone 13 74 68 or visit [www.communities.qld.gov.au](http://www.communities.qld.gov.au).

#### 7.1.4 South Australia

South Australian customers can access the following rebates and concessions:

- Energy Concession
- Emergency Financial Assistance
- Residential Parks Residents Concession
- Electricity Transfer Rebate
- Medical Heating and Cooling Concession

For further information, visit [www.dcsi.sa.gov.au](http://www.dcsi.sa.gov.au) or phone 1800 307 758.

#### 7.1.6 Victoria

Victorian customers can access the following grants and concessions:

- Annual Electricity Concession
- Winter Energy Concession
- Off-Peak Concession
- Service to Property Charge Concession
- Electricity Transfer Fee Waiver
- Life Support Machine Electricity Concession
- Medical Cooling Concession
- Group Homes Winter Energy Concession
- Homewise: Appliance and Infrastructure Grant
- Utility Relief Grant Scheme (URGS)

For further information, visit [www.dhs.vic.gov.au](http://www.dhs.vic.gov.au) or phone 1800 658 521.

## 7.2 Other Support

At times, customers in the 1st Energy hardship program will divulge personal information about issues impacting on their lives that make it difficult for them to achieve financial security. With the customer's consent, our Customer Service team will refer them to appropriate organisations, professionals and community groups, including: drug and alcohol counsellors, domestic violence counsellors, mental health support groups etc. In referring customers to third parties, we will respect a customer's privacy and will only disclose information that will best assist our customers. We will take reasonable steps to ensure that these third parties are bound by privacy and confidentiality obligations in relation to our customer's personal information.

## 8 Financial Counselling Services

As consuming energy is generally not the cause of financial austerity, customers experiencing hardship are often beset with multiple competing debts. Financial counsellors can assist customers to manage their finances more effectively, and can represent the customer in discussions with 1st Energy.

1st Energy refers customers to accredited financial counselling agencies, who offer their services at no cost to the customer.

Financial counsellors can contact 1st Energy's Customer Service team directly from:

- 8.30am to 4.30pm Monday to Friday on TBC for NSW customers
- 8am to 5pm Monday to Friday on TBC for VIC, SA and QLD customers

## 9 Communicating with Customers in Hardship

As part of 1st Energy's early response to identifying customers undergoing financial difficulties, we send pamphlets on our hardship program to customers who have not paid their energy bills on time and have been sent reminder letters.

1st Energy communicates information to customers about hardship assistance options, including their rights and obligations, via phone calls, letters, emails, pamphlets, home audits, our web site and/or through community visits and seminars.

Letters are sent to customers in Customer Service:

- When a customer enters the program
- When a customer's account is reviewed
- When there is a change in agreed payment plan or a change in energy use
- When there is a late payment or no payment

Case managers in our Customer Service team phone, text message and write to customers in the hardship program who have failed to meet their payment plan agreement. Customers participating in our hardship program are obliged to communicate with their case manager or risk removal from the program.

### 9.1 Culturally and Linguistically Diverse Backgrounds

1st Energy is committed to providing services to people from culturally and linguistically diverse backgrounds, and to provide access to our hardship program. We will work with community organisations to provide resources and bilingual training in efficient energy use for people from non-English-speaking households.

If a customer has difficulty with English, an interpreter service is available, at no cost to the customer, on TBC.

### 9.3 Literacy

1st Energy recognises that a disproportionate number of customers experiencing financial difficulty also struggle with literacy. 1st Energy is committed to providing energy efficiency resources for customers with literacy issues.

## 10 Training

### 10.1 Staff

1st Energy educates our staff to identify and work empathetically and non-judgmentally with customers in hardship. Our training covers issues relating to financial hardship, identification and referral processes and protocols, and respectful communication with customers. We provide ongoing refresher training.

## 10.2 Community

1st Energy will forge strong ties with the community. In partnership with community groups, we will conduct train-the-trainer sessions to share our energy efficiency knowledge and to encourage community groups to share this information with their membership.

## 11 Metering

### 11.1 Pre-payment Meters

In states where 1st Energy operates pre-payment meters (PPMs), we encourage customers with PPMs to let us know if they are experiencing financial hardship and we will change their meter to a standard meter, at no cost to the customer. We monitor customers who regularly disconnect from their PPM, and we offer assistance, including providing information about government grants and financial counsellors. We also offer to change their meter to a standard meter, at no cost to the customer.

We will remove the PPM of any 1st Energy customer on life support and replace it with a standard meter, at no cost to the customer.

### 11.2 Smart Meters

In states with Smart Meters, 1st Energy abides by its regulatory obligations with regards to billing information, metering standards, data handling and privacy.

1st Energy will inform its hardship customers about tariff changes and efficient energy use.

No customer actively participating in our hardship program will be disconnected. We will not remotely disconnect customers identified as experiencing financial hardship but not yet participating in the hardship program until we have contacted the customer and explained all options. The customer will have five business days to accept a payment agreement in our hardship program.

Once a customer has entered into our hardship program, all conditions outlined in this policy apply including monitoring and reviewing a customer's energy-use behaviours to ensure they are on the most appropriate tariff.

Smart meters will not be used as a credit management tool.

#### 11.2.1 Victoria

In Victoria, 1st Energy will inform its customers about tariff changes at least 20 business days prior to the date of effect.

## 12 Reporting

1st Energy will report to all relevant government licensing agencies on agreed hardship assistance performance indicators.

## 13 Complaints

1st Energy works to resolve complaints at a customer's first point of contact. If this is not possible, it will be escalated to the Customer Resolutions team. To make a complaint, customers can contact 1st Energy's Customer Service team on 1300 426 594 between 8.30m and 6.00pm AEST weekdays.

Customers who are unhappy with the outcome of the enquiry into their complaint can contact their state Energy Ombudsman, an independent, free service.

## 14 Privacy

1st Energy is committed to respecting the privacy and protecting the personal information of our customers in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles.

Full details of 1st Energy's Privacy Policy can be accessed at [www.1st Energy.com.au](http://www.1st Energy.com.au)

## 15 Contact Details

Customers experiencing hardship can contact 1st Energy's Customer Service team on 1300 426 594 between 8.30m and 6.00pm AEST weekdays.

A copy of 1st Energy's Hardship Policy can be downloaded from [www.1st Energy.com.au](http://www.1st Energy.com.au). Alternatively, a free copy can be posted upon request by contacting 1st Energy.

## 16 Document Control

| Version No. | Version Date | Author             | Nature of amendment                |
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| 1.0         | 05 June 2015 | Compliance Manager | Initial Issue                      |
| 1.1         | April 2018   | Head of Regs & Com | Role changes, updated contact info |
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