

Company Policy

CUSTOMER & STAKEHOLDER MANAGEMENT	Document No. : CECP0008.03 Amendment No. : 0 Approved By : Deputy CEO Approval Date : 28/08/2015 Review Date : 28/08/2018
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CECP0008.03 FINANCIAL HARDSHIP

1.0 POLICY STATEMENT

Essential Energy recognises that there are members of the community that experience financial stress or hardship. Those members require assistance and support in order to meet their obligation to make payment for the cost of maintenance work carried out by Essential Energy.

2.0 PURPOSE

To provide guidelines for the identification, assessment and management of persons experiencing financial stress or hardship, who are unable to pay for maintenance work carried out by Essential Energy including work carried out in accordance with Division 2A of the *Electricity Supply Act 1995*.

Essential Energy recognises that electricity is an essential service and this policy seeks to minimise the instances of disconnections from the network and protect public safety, in instances where a customer may be unable to fund works for which they are responsible.

3.0 REFERENCES

Internal

Company Policy (Governance) - Sub-delegation of Authority by the Chief Executive Officer – CECP0001.02

External

Electricity Supply Act, 1995 (NSW)

Electricity Supply Amendment (Bush Fire Hazard Reduction) Bill 2014

Guidance on AER approval of customer hardship policies (AER) May 2011

National Energy Customer Framework (NECF)

4.0 DEFINITIONS

Document control

Employees who work with printed copies of documents must check the BMS regularly to monitor version control. Documents are considered “UNCONTROLLED IF PRINTED”, as indicated in the footer.

Financial hardship

A person who experiences difficulties in connection with payment of the costs of maintenance works carried out by Essential Energy.

Financial stress

Individuals who may not identify as experiencing something as extreme as financial hardship but whose circumstances place them in a vulnerable position in connection with payment of the costs of maintenance works carried out by Essential Energy.

Residential customer

Customers charged at both domestic load and controlled load tariffs rates.

Review date

The review date displayed in the header of the document is the future date for review of a document. The default period is three years from the date of approval. However, a review may be mandated at any time where a need is identified due to changes in legislation, organisational changes, restructures, occurrence of an incident or changes in technology or work practice.

5.0 KEY REQUIREMENTS**5.1 Type of work**

Maintenance Work can include but is not limited to trimming or removal of vegetation, repair of fault or defect on Essential Energy's assets or on private land where it could become a potential cause of bushfire or other major safety incident.

5.2 Identification of financial hardship

An individual is identified as being in financial stress or hardship when they are willing to meet a financial obligations, but do not have the capacity to do so as a result of financial difficulties or the size and unexpectedness of the payment amount required.

The financial obligations associated with maintenance work are likely to be single transactions of a reasonable value. There is no regular payment history of the customers or individuals, to which these costs are liable, that is likely to provide any insight to their capacity to pay. As a result, self-identification of a customer or individual as being in financial stress or hardship is likely to be the most prevalent way in which Essential Energy is able to identify financial stress or hardship.

Essential Energy will respond to self-identification by customers or individuals in a professional and non- judgemental way. To assist customers or individuals to self-identify as being in financial stress or hardship and therefore eligible for support or assistance, Essential Energy has defined the following factors as indicators that could be self-assessed. The customer or individual may be experiencing one or more of these factors:

- reliance on government assistance or Centrelink payments eg pension;
- unemployed;
- medical illness or mental health of the customer/individual or a dependant, affecting their capacity to pay;
- physical or intellectual disability of the customer/individual or dependant affecting their capacity to pay;
- death in the family affecting capacity to pay;
- change in the family unit affecting capacity to pay;
- current and long term financial situation may be vulnerable;
- experiencing domestic violence;
- sudden loss of income or substantial reduction in income;
- involved in legal proceedings; or
- natural calamity such as fire, flood or storm damage.

In addition to traditional indicators of hardship the amount of the payment required and unexpectedness of the value compared to the individual's capacity to pay may also warrant consideration that financial stress or hardship exists.

Essential Energy seeks to address hardship early and the methods by which Essential Energy encourage those customers/ individuals that are in financial stress or hardship to self-identify, include:

- information regarding the Financial Hardship Policy is referenced in the notification documentation to customers regarding private line maintenance work;
- information regarding the Financial Hardship Policy is referenced in the notification of cost of damage to the network to the liable party;
- Financial Hardship policy is published on Essential Energy's website; and
- employees who address queries from customers/ individuals that have received either network defect rectification or damages notices are skilled in identifying potential financial hardship.

5.3 Support to customers in hardship

Once customers or individuals have been identified as being in financial stress or hardship, Essential Energy will provide access to meaningful and appropriate assistance based on the customers' individual circumstances which may include any of the following:

5.3.1 Flexible payment options

Essential Energy will negotiate and agree interest free payment plans for persons allowing them to pay off outstanding debts/ damages amount over an agreed period of time.

When developing a payment plan, Essential Energy recognises the need for such payment plans to be managed individually, requiring negotiation and flexibility. When assessing a person's capacity to pay, Essential Energy will take into consideration the amount of the debt, the ability for the debtor to make repayments based on their individual circumstances and basic living costs. The health and wellbeing of the customer and their dependents will be considered in payment plan negotiations.

In some circumstances a customer will be unable to make any payment and consideration will be given to writing off the debt.

5.4 Customers' rights and obligations

5.3.1 Customers' rights

- To be treated in a respectful and professional manner.
- Confidentiality is maintained at all times.
- To have options, information and support clearly explained.
- To be protected from debt recovery or legal action while meeting agreed arrangements.

5.3.2 Customers' obligations

- To acknowledge the debt and obligation to repay.
- To provide Essential Energy any reasonable evidence, as requested, to assist with the assessment of financial hardship and capacity to pay.
- To advise Essential Energy if contact details or financial circumstances materially change.

- To notify Essential Energy if unable to meet agreed payments or terms.
- To acknowledge that Essential Energy may need to proceed with maintenance work to address risk before a hardship ruling has been finalised.

5.5 Supply disconnection

Essential Energy only disconnects supply as a last resort in order to protect public safety or when all other remedies under this policy have been exhausted. A customer may elect to the company to disconnect supply rather than maintain the aerial consumers main.

If a person is deemed to be in financial hardship, Essential Energy will seek agreement of a payment plan with the person after proceeding to rectify the defect in order to “make safe”, and not disconnect supply.

5.6 Financial control & reporting

All agreed payment plans will be recorded and monitored regularly by Essential Energy.

In establishing agreements for flexible payment options it is expected that all parties will act in good faith. Where there is a lack of cooperation or good faith negotiations, Essential Energy reserves its lawful rights to recover the debt owed.

5.7 Complaint resolution

If a person is not satisfied with the assessment of financial hardship they may request a review or make a complaint in accordance with Essential Energy’s Standard Complaint and Dispute Resolution Procedure which may be found on Essential Energy’s website.

6.0 ACTIONS TO ACHIEVE IMPLEMENTATION OF THIS POLICY

- Development or revision of procedures to ensure operational compliance to this policy.
- Communication of policy to all impacted areas.
- Development of relevant branch procedures and workplace instructions to supplement this policy.
- Establish, publish and maintain the Financial Hardship policy on our website.
- Provide where appropriate information related to government concession programs and agencies for referring customers.

7.0 AUTHORITIES AND RESPONSIBILITIES

Deputy Chief Executive Officer has the authority and responsibility for approving this policy.

General Manager Customer & Corporate Services has the authority and responsibility for:

- ensuring a robust and efficient hardship management framework is developed and maintained;
- ensuring adequate resources are provided to manage hardship functions; and
- ensuring there are appropriate systems in place to meet these requirements.

Manager Customer Service has the authority and responsibility for implementing this policy and the ongoing improvements.

Customer Advocacy Manager has the authority and responsibility for:

- implementing this policy;
- overseeing the development of a procedural framework underpinning this policy;
- on-going monitoring of the effectiveness of this policy;
- acting as the referral point for cases to be considered for hardship; and
- assessing financial hardship cases and making recommendation for debt write off where required.

Accounts Receivable Manager has the authority and responsibility for authorising and processing debt write off in accordance with Company Policy (Governance) - Sub-delegation of Authority by the Chief Executive Officer – CECP0001.02.

8.0 DOCUMENT CONTROL

Content Coordinator : Manager Customer Service

Distribution Coordinator : GRC Process Coordinator