



**SAVANT ENERGY POWER NETWORKS
HARDSHIP POLICY
1 JUNE 2015**

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1 INTRODUCTION

1.1 Purpose

At SEPN, 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 SEPN 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. We will champion intelligent prevention strategies that educate our customers in the wise use of energy.

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

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

2 WHAT IS HARDSHIP?

SEPN 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.

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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

SEPN is committed to equitable access to our Hardship Policy. Our policy is transparent and applied consistently.

4 CUSTOMER'S RIGHTS AND OBLIGATIONS

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

SEPN considers the following as customer rights:

- To be treated sensitively
- To negotiate an affordable payment plan
- To renegotiate instalment payments
- To receive information on grants and concessions
- To receive information on financial counsellors
- To receive information on efficient energy use
- To not be disconnected whilst actively participating in the hardship program

SEPN considers the following as customer obligations:

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

5 HARDSHIP PROGRAM

SEPN 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 SEPN's hardship program, customers who make agreements are protected from further credit and collection activity while they adhere to the agreement. We will advise

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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. SEPN will not disconnect any residential customer while they are actively participating in our hardship program.

5.1 Identifying Hardship

SEPN 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. Our staffs are trained to pose questions designed to invite customers to admit hardship. We also send hardship information to all customers to foster awareness of the program.

5.2 Early Response to Hardship

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

- A manager will be assigned and the customer will be contacted within 24 hours of identification of hardship
- The customer will be contacted by the manager, who will review the appropriateness of the customer's market retail contract
- The manager will advise the customer of the following assistance:
 - ❖ payment plans
 - ❖ government grants
 - ❖ Centrepay
 - ❖ assistance options
 - ❖ financial counsellors
 - ❖ energy efficiency information
 - ❖ home energy audits
- The customer will be sent a letter confirming their entry into the hardship program

5.3 Limitations on Assistance

SEPN'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

SEPN 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

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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

An SEPN 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

Any customer who receives Centrelink benefits will be transferred to a contract that allows payment via Centrepay.

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

SEPN 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 at the least will cover their usage.

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5.6.2 SEPN Instalment Plan

SEPN 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 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 or by phoning 1800 050 004.

5.8 Monitoring and Reviewing Payment Plans

SEPN 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 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, 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.

5.9 Late Payment Fees and Security Deposits

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

5.10 Disconnection

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

5.11 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).

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5.12 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.

5.13 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 at SEPN are trained to identify customers with energy consumption difficulties and can give customers advice about simple strategies to reduce their energy use.

Further energy efficiency information can be found on SEPN's website at www.sepn.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.

SEPN 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 SEPN 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.

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7 CONCESSIONS, GRANTS AND SUPPORT

7.1 Government Concessions and Grants

SEPN will inform customers experiencing hardship about government concessions, grants and rebates.

7.1.1 ACT

For information on ACT grants and concessions visit www.concessions.act.gov.au and www.grants.act.gov.au.

For information about the ACT Civil and Administrative Tribunal's debt waiver initiative, visit www.acat.act.gov.au.

7.1.2 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.

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.

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 or phone 1800 307 758.

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7.1.5 Tasmania

Tasmanian customers can access the following grants and concessions:

- Electricity Concession
- Heating Allowance
- Life Support Machine Rebate

For further information, visit www.concessions.tas.gov.au.

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 or phone 1800 658 521.

7.2 Other Support

At times, customers in the SEPN 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 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 SEPN.

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

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Financial counsellors can contact SEPN on (08) 7009 4555

- 9am to 5.00pm Monday to Friday

9 COMMUNICATING WITH CUSTOMERS IN HARDSHIP

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

SEPN communicates information to customers about hardship assistance options, including their rights and obligations, via phone calls, letters, emails, pamphlets, home audits and our website.

Letters are sent to SEPN customers:

- 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

SEPN managers call 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 an SEPN manager or risk removal from the program.

9.1 Indigenous Australians

SEPN recognises that Indigenous Australians prefer to communicate person-to-person. We will build relationships with community elders, and in partnership we will work to inform community members about efficient energy use.

9.2 Culturally and Linguistically Diverse Backgrounds

SEPN 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.

9.3 Literacy

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

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10 TRAINING

10.1 Staff

SEPN educates our staff to identify and work empathetically and non-judgementally 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

SEPN 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 Smart Meters

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

SEPN 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.

12 REPORTING

SEPN will report to all relevant government licensing agencies on agreed hardship assistance performance indicators.

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13 COMPLAINTS

SEPN works to resolve complaints at a customer's first point of contact. If this is not possible, it will be escalated to the SEPN Management team. To make a complaint, customers can phone.

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

SEPN is committed to respecting the privacy and protecting the personal information of our customers in accordance with the *Privacy Act 1988* (Cth) and the National Privacy Principles.

Full details of SEPN's *Privacy Policy* can be accessed at www.sepn.com.au.

15 CONTACT DETAILS

Customers experiencing hardship can contact SEPN on (08) 7009 4555:

- from 9am to 5.00pm Monday to Friday

A copy of SEPN's *Hardship Policy* can be downloaded from www.sepn.com.au. Alternatively, a free copy can be posted upon request by contacting SEPN.