



## Stay Connected (financial hardship) Policy

### Corporate Stay Connected (financial hardship) Policy

Power and Water Corporation provides power, water and sewerage services across the Northern Territory. Power and Water recognises that there are people living in the community who may have difficulties affording essential services such as power and water. The objective of this policy is to assist domestic consumers in times of hardship and provide them with support to resume regular payment for services used.

Power and Water understands that at times domestic consumers may encounter temporary or ongoing financial hardship due to a number of circumstances including unemployment or significant reduction in income, ill health and/or disability. Power and Water is committed to assisting these customers fairly and appropriately whilst operating within commercial guidelines.

#### Introduction

The Stay Connected Policy outlines the minimum standards Power and Water will adopt in relation to dealing with domestic consumers who are experiencing financial hardship. Procedures, work instructions and staff training are in place to ensure this policy is adhered to.

Power and Water aims to treat all customers with dignity and respect by creating a non-judgemental environment to encourage customers to contact us if they require additional support.

Power and Water aims to work with customers to align energy and water consumption with affordability. We provide advice to customers on practical measures to reduce the amount of electricity and water they consume, thereby reducing their power and water bills.

Power and Water offers customers a range of payment methods such as front counter services, post, call centre and credit card phone payment, internet payment, automatic payroll, Centrelink, direct debit facilities and BPAY.

As a last resort electricity supply may be disconnected and/or water supply restricted. Prior to this Power and Water will make all reasonable efforts to work with the customer to resolve the situation prior to disconnection/restriction.

## 1 Definition of a Stay Connected Customer

- 1.1 A 'Stay Connected Customer' is someone who is experiencing financial hardship whose intention is to pay, but who does not have the financial capacity to make the required payments within the timeframe set out in Power and Water's payment terms.

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- 1.2 There are two types of Stay Connected Customers; long term and temporary. These two types of Stay Connected Customers may have different characteristics and may require different levels and types of assistance.
- 1.3 Long-term Stay Connected Customers are generally those with low or fixed incomes and may require ongoing assistance which will be reviewed at twelve monthly intervals. This is proposed by way of a joint relationship to reduce consumption and manage bills.
- 1.4 Temporary Stay Connected Customers are those who may have experienced a sudden change in living circumstances such as ill health, unemployment, a death in the family, a loss arising from an accident, or some other temporary financial difficulty.
- 1.5 Temporary factors causing customer financial hardship include:
- Unexpected one-off expense;
  - Temporary reduction in income, e.g. a period of illness.
- 1.6 A customer can be identified as a Stay Connected Customer either by advising Power and Water of self assessment, an internal Power and Water assessment process or by referral from an independent accredited financial counsellor. Whichever assessment takes place, our credit management staff will consider the following indicators when determining a customer's eligibility to be treated as a Stay Connected Customer:
- a) Whether the customer is eligible for Government funded concessions (eg pensioner, carer).
  - b) The customer requests information about alternative payment arrangements.
  - c) The customer's payment history indicates that they have had difficulty paying a Power and Water account in the past.
  - d) Customer's Power and Water payment history suggests difficulty in adhering to standard repayment plans.
  - e) The customer has had a sudden change of circumstances that adversely affects their finances.
  - f) The customer, through self assessment has identified their position regarding affordability and has advised Power and Water.
  - g) The customer may have a low level of income, be unemployed and/or live alone.
  - h) Customer has previously sought and received voucher assistance to pay Power and Water accounts.
  - i) Customer is seeing a financial adviser and/or engaged with advocate agency.
- 1.7 Although the above list may be an indicator of hardship, each customer will be managed in accordance with their individual circumstances with the final decision in the identification process being the responsibility of Power and Water. Status enquiries shall be directed to Power and Water's Retail Credit Management Unit.

## 2 Rights of Customers

2.1 Each Customer has the right to:

- a) be treated sensitively and with respect on a case by case basis and have their circumstances kept confidential;
- b) receive information about alternative payment arrangements;
- c) on becoming a Power and Water customer, be advised of the Department of Health and Families' Pensioner and Carer Concession Scheme,
- d) be advised of welfare agencies/emergency relief, Power and Water's Stay Connected Program and (if available) other internal and Government programs;
- e) propose an amount the customer can reasonably afford to pay on an arrangement plan to demonstrate commitment to reduce the existing debt;
- f) choose from various payment methods offered by Power and Water in accordance with the customer's circumstances and capacity to pay and to receive written confirmation of the agreed alternative payment arrangement;
- g) request renegotiation to Power and Water of the amount of their arrangement if there is a change in their circumstances;
- h) receive referral advice to financial counselling services;
- i) receive, at no cost to the customer, a language interpreter service as requested;
- j) be shielded from legal action and additional debt recovery costs while they continue to make payments according to the current agreed payment arrangement;
- k) access water and energy consumption conservation information to assist in reducing consumption;
- l) have the account suppressed from credit action during identification of hardship process;
- m) not have water supply restricted or electricity supply disconnected as long as they have agreed and are abiding to a payment arrangement; and
- n) be advised of an electricity prepaid meter as an option to manage affordability in line with consumption.

## Credit Management of Stay Connected Customers

3.1 To be eligible to participate in the Power and Water Stay Connected Program the customer must meet the following minimum eligibility criteria:

- Domestic customer current account is in arrears.
- Demonstrates a willingness to pay by agreeing to a repayment plan.

3.2 Each identified Stay Connected Customer (either temporary or long term) will be dealt with sensitively on a case by case basis and subject to the following guidelines:

- a) The customer should be asked to nominate an amount he or she can afford to pay without defaulting on any arrangement plan. This amount can be negotiated between the customer and Power and Water as deemed reasonable.
- b) If the customer is unable to agree to a payment arrangement the customer can be advised to seek financial counselling to negotiate fair and reasonable payment plans at fair and reasonable instalment intervals. For example - commit to an amount to meet current consumption plus an amount to meet any outstanding debt.
- c) A moratorium will be placed on debt recovery pending the establishment of an agreed payment arrangement.
- d) Power and Water may accept payment amounts from customers below the standard payment range guidelines for outstanding arrears.
- e) Referral advice to independent financial counselling service can be offered, at no charge to the customer if they are experiencing financial distress.
- f) Power and Water will work with Northern Territory based advocate agencies to coordinate financial assistance and ensure changes and opportunities in services available in the sector are updated regularly.
- g) Power and Water will continue to develop working relationships with representatives from community and welfare based organisations to assist disadvantaged customers.
- h) Power and Water will endeavour to educate customers to reduce their energy consumption.
- i) Power and Water will confirm details of payment arrangements in writing to the customer within 10 business days and offer a choice of payment methods in accordance with the customer's capacity to pay.
- j) Customers have the right to contact Power and Water to discuss a renegotiation of the amount of their arrangement if there is a further change in their circumstances.
- k) Legal action, water supply restriction, electricity supply disconnection and additional debt recovery costs will not be instituted against customers who meet the criteria to be treated as Stay Connected Customers, continue to make payments according to an agreed schedule and advise Power and Water immediately of a change in circumstances.
- l) If the customer fails to meet the agreed payment arrangement instalments and does not actively work with Power and Water to address the situation by advising Power and Water of changes in circumstances and/or reducing consumption, they will be advised in writing that standard credit follow up processes will be implemented and the Stay Connected Program will cease to apply.

## **Proactive Provision of Information**

- 4.1 Power and Water will be proactive in providing customers with timely information regarding payment assistance, including details of new initiatives and schemes; and

an invitation to contact Power and Water to discuss alternative payment arrangements on notices/requests for payment.

- 4.2 A Northern Territory Government interpreter service is available free of charge to customers from non English speaking backgrounds.
- 4.3 Customers are advised about their right to lodge a complaint through the Power and Water complaint handling process on the Power and Water website.
- 4.4 Customers have access to information detailing Power and Water's Stay Connected Policy on the Power and Water website.
- 4.5 Customers will be assisted with advice about energy and water saving measures to bring consumption in line with affordability on the Power and Water website.
- 4.6 Power and Water assisted referrals may be offered to customers for energy and water audits to assist in determining how much their home uses and how to reduce electricity and water consumption, which will assist in reducing Power and Water bills.
- 4.7 Power and Water may subsidise the installation of pay-as-you-go meters as an alternative metering arrangement for customers in difficulties (subject to suitability of location and land owner's consent).

## **5. Customer Responsibilities**

- 5.1 Customers must keep in touch and inform Power and Water of any changes to their circumstances.
- 5.2 Customers must demonstrate a willingness to pay their bills by:
  - a) making payments towards their account;
  - b) contacting Power and Water prior to due date when experiencing payment difficulties;
  - c) attempting to make payments or maintain plans; and/or
  - d) seeking financial advice from a financial counsellor.
- 5.3 If eligibility continues to be met then a customer will eventually leave the Stay Connected assisted scheme once their agreed regular payment amount reaches the minimum under a standard Power and Water arrangement.
- 5.4 If a customer breaches a payment arrangement, support through the program will be withdrawn. The customer will be informed in writing and default into the mainstream collection process. Power and Water's 'time-to-pay' arrangement is an automated process which recognises payments not made by the agreed date(s). When a payment is not made by the agreed date(s) the system automatically notifies Power and Water that payment arrangement has been breached.
- 5.5 Be prepared to increase payments over time and according to circumstances as consumption and level of arrears dictate.

- 5.6 If a customer breaks any of the conditions of the Power and Water Stay Connected Program (and is therefore at risk of removal from the scheme) Power and Water will attempt to contact the customer by letter in order to allow the customer time (14 days from date of breach) to remedy any breach.
- 5.7 If the customer breaks the scheme conditions on two or more separate occasions within a 12-month period, Power and Water may immediately remove the customer from the Stay Connected program without prior warning.
- 5.8 All customers removed from the program will be advised in writing.
- 5.9 Customers are advised to allow three working days for process of electronic and Australia Post payments.
- 5.10 A customer shall not remain on the Stay Connected program if they do not participate and work with Power and Water to align their usage with their capacity to pay.

## **6 Corporate Responsibility for Stay Connected Customers**

- 6.1 Power and Water will ensure appropriate procedures, work instructions and staff training are in place and maintained to ensure Stay Connected Customers are dealt with in a sensitive manner according to the guidelines so that favourable outcomes are achieved for customers and Power and Water.
- 6.2 Power and Water will do everything possible to make it possible for customers to make contact by including providing accessible opening hours, an 1800 number and via Power and Water's website.
- 6.3 Power and Water will ensure that there are appropriate escalation procedures documented to deal with customer complaints regarding the Stay Connected Policy.
- 6.4 The General Manager Retail is responsible for the strategic direction, operation and management of the Corporation's Stay Connected Policy and programs.
- 6.5 Power and Water and their contracted collection agencies, will ensure contact staff are trained to deal sensitively with Stay Connected Customers and are informed about:
  - a) Government funded concession schemes.
  - b) Legislative responsibilities (eg Customer Contracts/Charters, *Trade Practices Act*, Office of Fair Trading, Ombudsman for the Northern Territory).
  - c) Power and Water's Stay Connected Policy, procedures and work instructions, including delegated authorities to renegotiate Stay Connected arrangements.
  - d) Programs that support customers in financial difficulty.
- 6.6 Staff will receive ongoing support on a range of social and community issues to assist in the understanding of issues that low income and vulnerable customers face to encourage a supportive and appropriate level of service provision.

## **7 Stay Connected e-vouchers (electronic vouchers) – Agencies**

- 7.1 Power and Water will provide funding credit to Northern Territory advocate agencies and financial counselling service providers, a predetermined value each financial year to assist domestic consumers experiencing hardship. The funding is allocated in the form of e-vouchers and prepaid meter tokens.
- 7.2 Nominated providers of emergency relief will determine eligibility and distribute the funding on behalf of Power and Water under an electronic voucher system to domestic customers who are experiencing financially difficult circumstances and are not able to pay their Power and Water bills. Customers may seek assistance, advice and assessment by a community welfare agency. In some circumstances, it may be appropriate for Power and Water to refer customers facing financial difficulties to participating agencies for assistance.
- 7.3 Participating agencies have the discretion to issue electronic vouchers that may only be applied as a bill adjustment against a domestic Power and Water account. Applicants residing outside of Australia are not eligible.
- 7.4 The participating agency must assess the customer as genuinely experiencing a financial crisis and having difficulty paying their current domestic Power and Water account. Applicants should be assessed in the same way their needs are assessed for other assistance, such as emergency relief/cash, food, clothes and relief from other utility bills. It is expected in the majority of cases, such a crisis will stem from causes such as:
- A lack of or decrease in income or significant unavoidable expenses.
  - Family circumstances such as a death, desertion, accident or natural disaster such as flood or drought, resulting in unexpected expenses.
- 7.5 Power and Water e-vouchers are not transferable. The e-voucher can only be used to help pay the customer's current domestic Power and Water account and only to the customer to whom they were approved. Power and Water e-vouchers must only be issued for Power and Water accounts for domestic (home) consumption and fixed daily charges for electricity, water and sewerage services.
- 7.6 Where disconnection has taken place or is imminent, the participating agency must contact Power and Water (with customer consent) on 1800 245 092 and ask for transfer to credit management to determine if Power and Water stay connected e-vouchers can be applied in order to reconnect the service and seek a Power and Water approval reference number.
- 7.7 If the debt is unable to be resolved, other options such as Power and Water's Credit Management of Stay Connected Customers may be discussed with Power and Water.
- 7.8 The amount of e-voucher assistance issued is to be determined by assessing the customer's needs in accordance with the agency's normal case management procedures. However the total value of the voucher funding cannot be used to put a customer account in credit. No change or refunds will be provided to customers by Power and Water where an account is in credit by e-voucher payment.
- 7.9 It is expected that, wherever possible, the customer makes some financial contribution to settle the account. The purpose of the e-voucher system is to assist financially disadvantaged people in a crisis situation. It is not intended that the e-

vouchers be used as ongoing income support. Preferably the customer should pay the balance of the Power and Water bill in full after taking into account the Stay Connected funding issued against the account.

- 7.10 Power and Water respects the independence of the agency's assessment.
- 7.11 As far as possible, agencies should manage the distribution of funding evenly throughout the year. e-vouchers are only valid for issue during a financial year and written confirmation must be provided to Power and Water by participating agencies within 3 days (36 hours) of notification of a transaction approval reference number.
- 7.12 Power and Water reserves the right to disallow e-vouchers at the discretion of the General Manager Retail. e-vouchers may be disallowed by Power and Water where electronic vouchers are:
- provided by more than one agency; and/or
  - provided for payment of charges other than consumption, connection and related charges for electricity and water.

e-vouchers will not be accepted by Power and Water for payment of charges such as meter replacement, revenue protection, recovery fees, and/or sundry items which may or may not be related to illegal activity.

- 7.13 Agency checklist for written confirmation of e-voucher payment:
- Customer(s) name
  - Power and Water customer identification number
  - Power and Water Stay Connected e-voucher approval reference number
  - Date of issue of e-voucher
  - Total amount of e- voucher funding (in whole dollar amounts not to exceed amount owing)
  - Name of agency
  - Agency contact number
  - Authoriser's name, email address and phone number/s

Participating Agencies are required to keep records of funded assistance to clients which is required to be completed and retained for return to Power and Water by 04 July each year for audit purposes.

## **8 Stay Connected e-voucher System - Customers**

- 8.1 An original Power and Water bill or notice should be provided by the customer to the agency. The bill or notice must be in personal name(s).
- 8.2 e-vouchers will not be issued for a commercial account.
- 8.3. Power and Water e-vouchers will only be credited direct to a domestic customer Power and Water account. They will not be honoured by agents or debt collection companies.

- 8.4 e-vouchers are credited only against the customer number and name agreed per the Power and Water issued approval reference number.
- 8.5 No change or refunds will be given where e-voucher credit exceeds the amount due.
- 8.6 e-vouchers cannot be used to put an account in credit and must be issued in whole dollar amounts
- 8.7 e-vouchers can be deemed not valid if confirmed (written) advice is not received by Power and Water from the participating agency within 3 working days (36 hours) of the issue of a Power and Water approval reference number.