



TRUenergy NSW Hardship Customer Charter



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1 PURPOSE

TRUenergy has provided a supportive and empathetic response to customers in hardship throughout our history as an energy retailer. We recognise that customers may experience some form of financial hardship during their lives and may need additional assistance and flexibility to ensure access to a secure and reliable energy supply.

Historically, we have been a leader in offering customers experiencing energy hardship the opportunity to engage with us and to work together in managing energy use and costs. At all levels of the TRUenergy organisation, we have held a philosophy and practice of disconnecting customers only as a last resort. Additionally, we have consistently gone beyond all relevant state based Energy regulatory and/or Code requirements to assist customers experiencing financial hardship.

TRUenergy was a member of the Debt Spiral Prevention program convened by the Committee of Melbourne. The group finalised Guiding Principles¹ to assist utility retailers manage customers experiencing financial hardship in paying their utility bills. In general, the Guiding Principles are:

- To assist customers experiencing financial hardship to manage their payments for the supply of energy or water so as to ensure they remain connected to supply;
- To create an informative, respectful and engaging environment where customers requiring support can identify themselves to retailers;
- To utilise relevant industry and community expertise with respect to hardship.

A range of specialists in the energy, water and social welfare sectors have developed the Guiding Principles. TRUenergy was involved in the construction of and is signatory to the Guiding Principles and these principles underpin our hardship program.

The TRUenergy Hardship Policy forms a fundamental basis in the way we manage customers and our business. It is a core part of our work culture and business planning. We operate in this way because we believe that while we supply energy to our community, we are also an integral part of that community. Further information is available in TRUenergy's 2006 Social and Environment Report, http://www.truenergy.com.au/downloads/TRUenergy_HSEC2006.pdf.

¹ *Supporting Utility Customers Experiencing Financial Hardship*, Guiding Principles, Committee of Melbourne, 2006.

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Assisting customers who are in genuine need is also an important element of what TRUenergy aims to achieve as a supplier of an essential service.

2 OVERVIEW

The hardship program remains a central element of the TRUenergy's payment assistance and credit management process.

TRUenergy offers customers an environment to talk about any financial difficulty they may be experiencing. We also utilise a range of triggers for the early detection of customers who may be experiencing financial hardship.

Consultants at TRUenergy's front line, the Customer Interaction Centre (CIC) receive training in managing customers experiencing financial difficulties and are familiarised with the range of TRUenergy, government and community assistance programs available. CIC employees are trained to identify customers in hardship, the type of hardship (short term or long term) and either assist the customer develop an affordable payment arrangement or in more complicated situations refer the customer to TRUenergy's Customer Welfare team for more detailed assessment and possible case management.

TRUenergy's Customer Welfare team has been established within TRUenergy's customer relations and resolution area. The Customer Welfare team works with customers and their advocates to arrange a suitable payment plan, while identifying ways a customer may be able to save on their energy bills. At the core of our approach is respect for our customers, working in partnership to help reduce the pressure of energy costs on their household budgets and ultimately, help transition the customer back to our standard billing processes.

The Customer Welfare Team receives referrals from other customer contact areas within TRUenergy that may come into contact with customers experiencing severe financial hardship and who may benefit from ongoing case management assistance. External community agencies also refer customers to our specialist hardship team. Often the Customer Welfare team will work with community agencies to assist a customer in financial hardship.

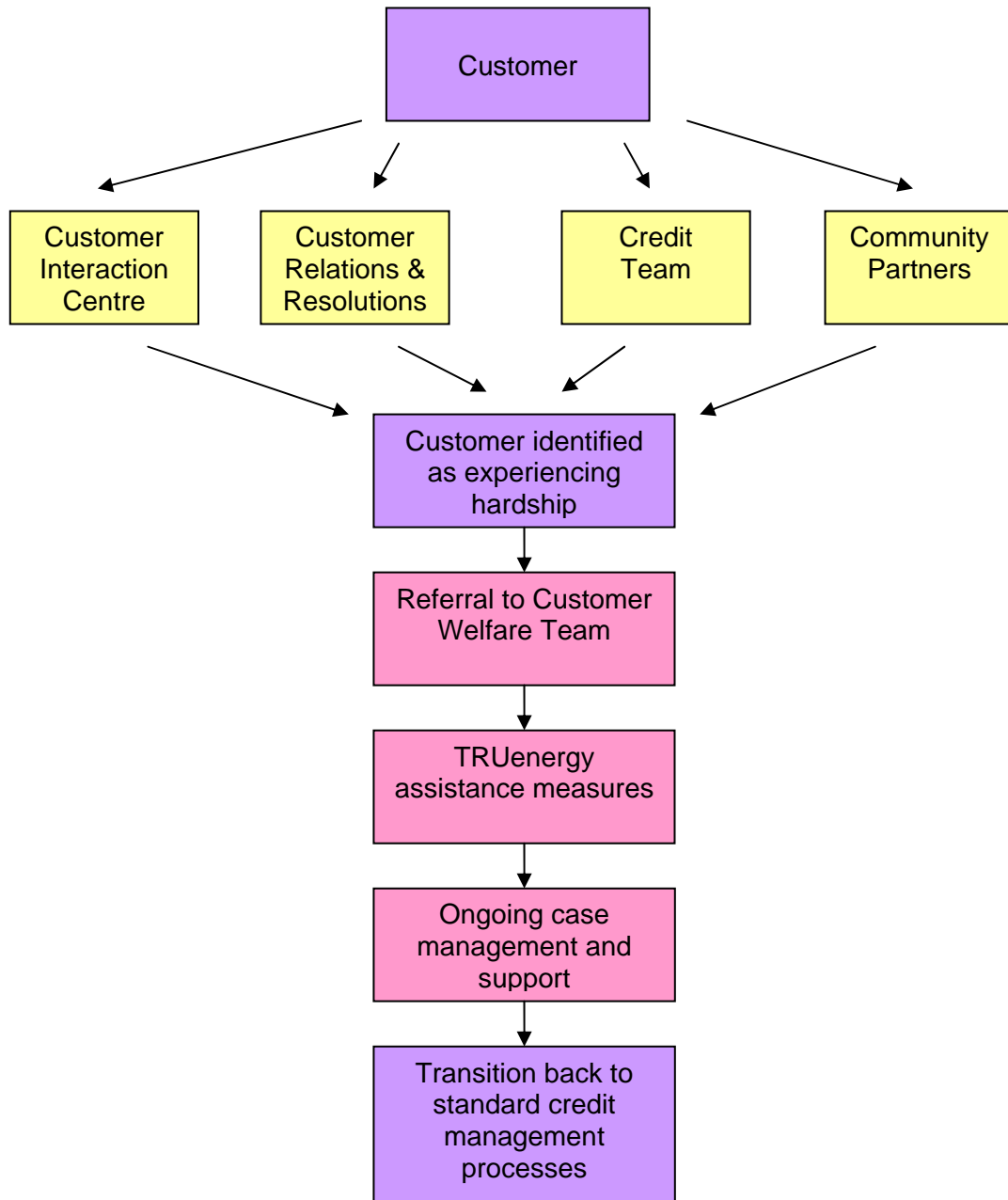
TRUenergy utilise a range of options to assist customers in financial hardship, including:

- A Customer Welfare team that provides individual case management
- Capacity to Pay assessments
- Flexible payment arrangements and instalment plans

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- Energy bill smoothing through our Dual Fuel product
- Telephone and on-line energy efficiency advice
- A variety of payment options, including Centrepay and direct debit
- Working in partnership with financial counsellors and utilising their experience to assist customers in hardship
- In line with respective state government debt assistance programs, providing access to various support and debt support programs
- Actively seeking to assist customers at risk of disconnection
- Targeted debt relief

2.1 Flow Chart: TRUenergy Hardship Program



3 HARDSHIP DEFINITION

TRUenergy define hardship as:

A genuine inability by a residential customer to pay energy bills due to low income, vulnerability, illness, unemployment or other reasonable cause.

4 TYPES OF FINANCIAL HARDSHIP

In assisting customers in hardship, we have observed that there are broadly two types of financial hardship:

- *short-term* or temporary;
- *long-term*.

4.1 Short Term Hardship

We consider short-term financial hardship when a customer has to manage a temporary change in financial circumstances.

Some examples include instances where a customer has:

- received a number of bills at the same time;
- incurred an unexpected or emergency one-off expense;
- suffered a temporary reduction in income (for example if in casual employment and hours are reduced); or
- become over-committed financially.

In these situations, customers are generally able to manage their financial situation when provided with flexibility in payment terms for their TRUenergy account.

4.2 Long Term Hardship

We consider long-term financial hardship when a customer has difficulty meeting the cost of their energy use on an ongoing basis.

Customers suffering long-term financial hardship may need a targeted and sustained solution to address the underlying causes of their financial difficulties.

5 TRUENERGY HARDSHIP ASSISTANCE PROGRAMS

Below is a detailed description of TRUenergy's hardship program based on the salient features of the NSW Government's Best Practice Hardship Model. As previously mentioned, TRUenergy were part of the Committee of Melbourne working group that developed the 'best practice' principles.

5.1 Communication

TRUenergy communicates information to customers about hardship assistance options, including their rights and obligations via a variety of means. These include:

- Telephone calls;
- Letters;
- Specialised pamphlets on our hardship program to all customers who have not responded to reminder letters;
- Financial counsellors and community workers;
- Community visits and seminars;
- Web-site; and
- TRUenergy's Customer Charter.

In all our contact, we treat the customer with respect and aim to build a relationship with the customer whereby we work together to ensure the customer maintains access to an affordable and reliable energy supply.

Customers that have not paid energy bills by their due date are sent letters which comply with regulatory standards and which include pamphlets on TRUenergy's Hardship program. These letters also provide details on local community financial counselling networks that are available to assist customers in financial hardship.

We also provide customers on a Budget EasyWay Payment Plan with a letter that details the agreed payment amount and the frequency of the payment.

5.2 Trained Employees

TRUenergy provides comprehensive and regular training on our hardship programs and initiatives to customer facing employees.

For customers involved in the specific case management of customers in hardship, we recruit based on natural skills and understanding of customers who may be experiencing energy financial hardship.

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This team is supported by ongoing training and seminars from internal and external groups with specialist understanding of hardship issues in the community.

Employees in TRUenergy's Customer Interaction Centre have clear processes in place for making referrals to the Credit and Customer Welfare teams and receive comprehensive training on the processes and on appropriate customer handling procedures. New retail employees are provided with an overview of TRUenergy's hardship policy as part of their induction program and ongoing refresher training is provided through an on-line hardship training module to ensure on-going awareness of current TRUenergy hardship processes and programs.

5.3 Energy Efficiency Advice

A core element of assistance provided to customers in energy hardship is based on reducing home energy consumption, without any loss of personal comfort.

We have found that making small changes to energy use around the home can make a big difference over time. Energy efficiency advice over the telephone is provided by our Customer welfare team. We also have a web-energy calculator on our web-site, <http://www.truenergy.com.au/Residential/EnergyCalculator.xhtml> that assists customers better understand how changing the use of their appliances will impact on their energy expenses. We also insert pamphlets in energy bills that customers receive prior to the winter period that provide customers with tips to reduce their energy costs during the winter period.

TRUenergy also refer customers to energy efficiency programs run by government. Some examples include:

- [Affordable Water & Energy Efficiency](#): A joint initiative of NCOSS & DEUS, this project trains social service providers to help their low-income clients take control of energy and water bills.
- [Sustainability Begins at Home](#): This comprehensive household sustainability project, an initiative of Wollongong City Council.
- [Earthwise](#) at Home: Hornsby Council operates a series of household sustainability workshops, encouraging attendees to bring their bills to the workshop to calculate and discuss their ratings.
- Energy Smart In-Home Audits: A number of Councils (Canterbury, Coffs Harbour, Ku-ring-gai, North Sydney, Penrith, Rockdale, Shellharbour) have delivered in-home energy audits to their residents.
- [EcoSmart Living](#): In partnership with seven Western Sydney councils, EcoSmart has delivered home energy and water audits.

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- [Energy Savings Fund](#): provides continued local focus on energy saving in local communities.

5.4 Financial Counselling & Community Support

TRUenergy recognises the important role played by financial counsellors and community groups in assisting customers in hardship and with other personal needs.

TRUenergy employees have details of a number of financial counsellors across the various States to make referrals wherever a customer is identified as being in financial hardship. Our Customer Welfare team also maintains up-to-date lists of programs related to a range of community issues and will refer customers to these groups where applicable and possible. Referral programs include:

- Drug and alcohol dependence
- Gambling addictions
- Domestic violence
- Mental Health issues
- Community Buying Services
- No Interest Loan programs (NILS)
- Government rebate programs (High efficiency gas heater rebate)

TRUenergy also ensures there is access to our specialist hardship team to those working with customers in hardship in the community. The Customer Welfare team members regularly engage with community and financial counsellor groups and inform them about updates to our hardship program.

5.5 Dispute Resolution Mechanism

TRUenergy provides customers with details of the availability of the Energy and Water Ombudsman's Office as required under the NSW Energy Regulations.

5.6 Affordability

We understand that customers on low incomes or those who may experience a change in financial circumstances will be vulnerable to energy related hardship. TRUenergy has in place a range of assistance options to assist customers in such circumstances:

- [Payment extensions](#)

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Payment arrangements are short term extensions established when the customer advises they can pay the account prior to the next account being issued but cannot pay the current account in full by the Due By Date. 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.

This arrangement is usually offered to customers that may experience short-term financial difficulty as a result of an unexpected but short-term change in income and/or expenditure.

- Flexi Easyway Plan

The Flexi Easyway does not require a set payment amount or date. Rather, it allows customers to make payments at an amount they choose and on a date they decide.

The expectation under this plan is that when a customer receives a bill, they pay the outstanding debt in full by the due date. This arrangement is usually offered to customers that experience inconsistent income and expenditure flows and would like to make payments on their energy accounts in periods which they are appropriate with their budget circumstances. It also allows these customers the opportunity to reduce the impact of receiving a lumpy electricity and gas bill every quarter or two-months respectively.

- Budget Easyway

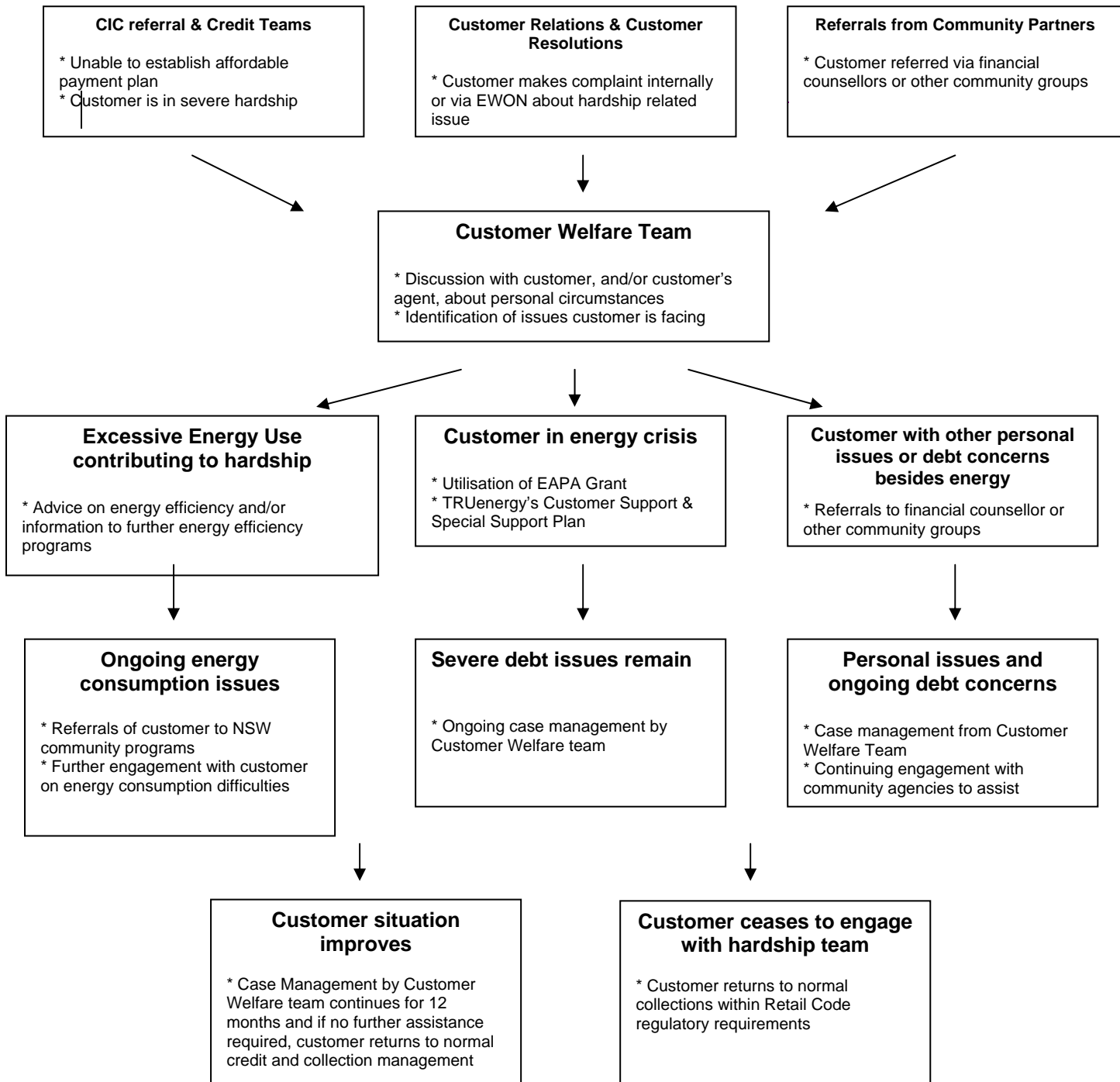
A Budget Easyway plan is a more structured payment plan. Payments are made by customers at agreed amounts and on agreed days either monthly or fortnightly. The Budget Easyway plan can be established Generally for a minimum of 2 months but ordinarily for a 12 month period. Easyway plans are not established for longer than a 1-year period.

The Budget Easyway plan is designed generally to assist customers to budget for the cost of their energy use and any accumulated arrears over a 12 month period to assist them to manage the peaks and lows of their energy use, taking into account their capacity to pay and other regulatory requirements.

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5.7 Flexibility of Options

TRUenergy utilise a process of referring customers to the appropriate areas to ensure they receive tailored solutions to their particular circumstances.



5.8 Review and Monitoring

We undertake regular reviews into the effectiveness of our hardship program.

Ensuring we offer effective support to customers in hardship is a core goal and as part of this, we seek input into the effectiveness of our programs from the community and stakeholders.

6 GOVERNMENT ASSISTANCE OPTIONS

6.1 Energy Accounts Payment Assistance (EAPA)

The Energy Accounts Payment Assistance (EAPA) scheme provides benefit to customers who are in financial difficulty. TRUenergy refers customers experiencing financial difficulty to agencies who are able to provide access to the vouchers along with financial counselling and budgeting advice.

6.2 Concessions Scheme

The NSW government provides assistance to customers under the NSW concessions program. The annual concession of \$112 is provided to customers who are permanent concession card holders.

7 SUSPENSION OF COLLECTION ACTION

Customers who participate in TRUenergy's hardship program and stick to an agreed plan are protected from standard credit and collection action.

If a customer does not adhere to a payment agreement or commitment made with the Customer Welfare team, TRUenergy endeavour to re-engage with the customer before consideration is given to reinstating credit and collection activity.

Customers will always be contacted and managed in compliance with all regulatory requirements.

8 EARLY DETECTION OF CUSTOMERS IN HARSHIP

8.1 Helping Customers Self Identify

TRUenergy offers customers an environment to talk about their personal circumstances and any financial difficulty they may be experiencing.

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While this is a challenge for any high volume customer focussed environment, we believe we are meeting the challenge of this need. To assist customers to self-identify, we provide the following:

- We aim to promote an environment where customers feel comfortable in making contact to discuss their circumstances as early as possible.
- Send friendly reminders to customers requesting they contact us if they are having difficulty paying their bill
- Ask customers sensitive, open-ended but straight forward questions when we are speaking with them about any energy hardship they are facing
- Support our front-line customer facing employees with a well trained and empathetic credit management and specialist hardship team

8.2 TRUenergy's early detection of customers in hardship

While the overall aim of our program is for customers to self-identify when they are experiencing energy hardship, we acknowledge that customers may feel embarrassed or uncomfortable in disclosing/discussing their financial difficulties. It is for this reason as well as for practical purposes that TRUenergy utilises a range of triggers for the early detection of customers who may be experiencing financial hardship.

A core part of TRUenergy's identification and management of customers in hardship is the Credit management team. The credit team receives training in issues relating to hardship and how to manage customers experiencing payment difficulty. This includes making referrals to the Customer Welfare team.

TRUenergy utilise a range of other processes to identify customers who may be experiencing energy hardship. These include:

- A clear referral process is in place to ensure customers can be transferred to our Customer Welfare team.
- Training of Credit team members in identifying customers in hardship and management options available including referral to the Customer Welfare team
- Telephoning customers who have broken a payment arrangement or instalment plan and which may be experiencing financial difficulty
- Sending 'sms' reminders to customers who have an overdue account
- Contacting customers who have outstanding debt and assisting them with our full range of assistance options
- Placing our hardship policy and information on our hardship program on our website

9 DEBT FORGIVENESS

Targeted debt relief can play a useful role as part of a holistic approach to managing a customer's financial hardship. Our targeted debt relief program aims to assist customers to regain control of their financial situation, and to combine relief with energy efficiency training and financial management advice.

The aim of this debt waiver program is to provide targeted and effective debt forgiveness that genuinely assists customers in need while also contributing to long-term behavioural change. The program operates on three levels:

9.1 Customer Support Plan

Customers, or their representatives, may apply for a Customer Support Plan, which provides financial assistance to those who have suffered financial hardship.

Customers who have received assistance under the State Government EAPA in the past 12 months and still owe more than \$500 may be eligible for help under the Customer Support Plan.

We will supplement the grant provided under the EAPA Program by providing an additional 25% of the amount of the grant if:

- more than 27% of a customer's total household income is spent on rent/mortgage; or
- more than 5% of a customer's total household income is spent on utilities, excluding telephones.

This will be provided as credit on the customer's account (the minimum payment under this plan is \$100).

9.2 Special Support Plan

We will consider waiving a portion of the customer's debt if they meet 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. We may need to see supporting evidence.
- We believe that the customer will have little chance to reduce the debt without assistance.

10 LIMITATIONS ON ASSISTANCE

Our goal for customers experiencing hardship is to help them with their energy needs and to provide targeted support through our hardship assistance programs. It is not our policy to provide ongoing income support.

We recognise that, in some cases, customers will need a period of additional flexibility and support from the range of community, government and retailer programs before they can manage the usual costs of their energy use. In order to assist customers to achieve an ongoing and sustainable position, we will utilise our full range of assistance programs to empower our customers in order for them to gain active control over their energy accounts.