

Perpetual Energy Financial Hardship Policy

1.0 Document Information

Internal Use Only

2.0 Introduction

2.1 Background

Perpetual Energy recognizes that there are many reasons why members of the community may experience hardship.

Managing financial hardship is a shared responsibility and Perpetual Energy has a part to play while also ensuring that it has the funds to continue operation servicing all its customers.

2.2 Purpose

The purpose of this policy is to provide a framework for financial relief to individuals and small business who need assistance due to financial hardship so that all applications are treated consistently, sensitively, and confidentially while ensuring that other customers are not disadvantaged by the granting of inappropriate relief.

For residential customers, disconnection due to non-payment of bills is only considered as a last resort.

2.3 Scope

This policy applies to all monies owed to Perpetual Energy, except financial penalties being applied under clause 7 of the Gas Supply Contract.

The scope of this policy therefore includes gas rates, retail margins, network or transmission charges, energy advisor fees or other gas related charges.

This policy only applies to customers in Victoria, a separate financial hardship policy is maintained by Perpetual Energy for customers in other states.

To the extent this policy is inconsistent with other current Perpetual Energy policies, the provisions of this policy shall apply.

2.4 Date of Effect

This policy is implemented as of the date of acceptance by the Commission.

2.5 Provision of information to customers

A copy of the approved policy will be available from our website www.perpetualenergy.com.au

This policy will be made available to any residential customer who requests to be sent a copy, along with information about:

- The assistance available under section 3.3 of this Policy;
- Approaches to lowering energy costs; and
- Government and non-government assistance that may be available to help with meeting energy costs.

3.0 Policy

3.1 Hardship and Identifying Hardship

Financial hardship may arise for many reasons including illness, unemployment, divorce/separation or cash flow problems.

What is usually not considered to constitute financial hardship as a ground for assistance under this policy is where the financial hardship arises from financial over commitment; an own decision (for example, resignation) or imprisonment.

A person is considered to be in financial hardship when they would be unable to provide food, accommodation, clothing, medical treatment, education or other basic necessities for themselves, their family or their dependents.

A business is considered to be in financial hardship when facing closure, disconnection of utilities, repossession of a vehicle necessary to the operation of the business or imminent legal action for non-payment of debts.

To establish financial hardship under this policy, the person or business must also show that the financial hardship is capable of remedy if payment arrangements were to change.

Through the monitoring of payment cycles and demonstrated patterns of payments being received from bill to bill, our Accounts team aims to identify potential cases of financial hardship proactively and seek to remedy the issues before getting into arrears.

3.2 Principles

To ensure the financial hardship offered to one customer does not unduly disadvantage other customers, Perpetual Energy will not waive in whole or part any rate, levy, charge, special rate or special charge.

Relief under this policy for financial hardship is therefore limited to waiver of interest and legal fees on overdue payments, a deferment, a payment arrangement or other forms of assistance described in Section 3.3 of this Policy.

Where property or business ownership changes, all overdue rates and charges must be fully paid at settlement.

Perpetual Energy may decline to consider an application for relief due to financial hardship where the applicant has defaulted under a payment arrangement within the last year.

A deferment or payment arrangement under this policy will cease to have effect in the following circumstances (except where other sections of this Policy apply to Residential Customers):

- information requested by Perpetual Energy is not provided within 30 days of the request being made;
- the applicant provides any information to Perpetual Energy which is false or misleading;
- the applicant defaults on the arrangement;
- the circumstances giving rise to the financial hardship no longer exist; or
- in the case of a person, the applicant is deceased or declared bankrupt or in the case of business enters into administration or liquidation.

When considering an application for Financial Hardship from a residential customer, Perpetual Energy will give regard to:

- The essential nature of gas supply;
- Community expectations that as a licensed retailer, Perpetual Energy will work with residential customers to manage present and future gas usage and associated financial obligations;
- Community expectations that the gas supply will not be disconnected solely because of the customer's inability to pay for the gas supply; and
- That gas supply to the premises should only be disconnected as a last resort.

Perpetual Energy will:

- In any dealing with an affected customer who is receiving, or is entitled to receive, assistance pursuant to Part 7 (Assistance for customers affected by family violence) of the Energy Retail Code of Practice, take into account the particular circumstances of that affected customer;
- In any dealing with a residential customer under, or in connection with, Division 2 of Part 6 of the Energy Retail Code of Practice, take into account all of the circumstances of the residential customer of which they are aware and, having regard to those circumstances, act fairly and reasonably;
- At all times when it is relevant to do so, including on being contacted by a residential customer, give the residential customer in a timely manner clear and unambiguous information about the assistance available under Part 6 of the Energy Retail Code of Practice;
- In a timely manner provide, or use its best endeavours to provide, a residential customer who is entitled to receive assistance under Part 6 of the Energy Retail Code of Practice with that assistance;
- Give a residential customer who is receiving, or is entitled to receive, assistance under Part 6 of the Energy Retail Code of Practice clear information about how to access other assistance provided by government or community service providers for which the residential customer is or may be eligible;
- Work cooperatively with any government or non-government service, including the energy ombudsman, providing support to a residential customer who is receiving assistance under Part 6 of the Energy Retail Code of Practice to ensure that the assistance being provided by Perpetual Energy compliments, and is provided in a coordinated way with, that support; and
- In relation to a residential customer who is receiving, or is entitled to receive, assistance under Part 6 of the Energy Retail Code of Practice, comply with any relevant guideline published by the Essential Services Commission relating to residential customers in particular payment difficulty.

3.3 Applications

A person or business can apply to access relief for financial hardship by sending an email to AP@perpetualenergy.com.au including the details of the circumstances preventing that person or business from meeting their financial obligations to Perpetual Energy.

3.3.1 Waiver of interest and/or legal fees

Interest and legal costs may be waived where financial hardship is established.

3.3.2 Deferment

Where a person or business is unable to commit to regular payments, a deferral will be considered.

A deferral is only permitted for one year up to a maximum of three years, with a new application being required to be submitted and assessed each year.

Deferment may be allowed only in relation to part of the debt if in all the circumstances the applicant can afford to pay a portion of the amount due.

3.3.3 Payment arrangement

The proposed payments must be regular (e.g. fortnightly, monthly).

If the payment arrangement is complete within the same financial year in respect of which the rates are levied, no interest will be charged.

3.3.4 Standard assistance for residential customers

To assist its residential customers from getting into arrears, Perpetual Energy offers the following types of Standard Assistance:

- Making payments of an equal amount over a specified period;
- Options for making payments at different intervals; or
- Extending by a specified period the pay-by date for a bill for at least one billing cycle in any 12 month period.

3.3.5 Tailored assistance for residential customers

To assist residential customers who are in arrears on their gas bills, Perpetual Energy offers the following forms of assistance:

- a) Repayment of arrears over not more than two years by payments at regular intervals of up to one month;
- b) Advice about payment options that would enable a residential customer to repay their arrears over not more than two years;
- c) Specific advice about the likely cost of a residential customer's future energy use and how this cost may be lowered;
- d) Specific advice about any government and non-government assistance (including Utility Relief Grants and energy concessions) available to help a residential customer meet their energy costs;
- e) Practical assistance to help a customer that may be eligible for a Utility Relief Grant, including by:
 - i. completing the online application form over the phone and lodging the form online on behalf of the residential customer, unless the residential customer requests otherwise; or

- ii. if Perpetual Energy is unable to complete and lodge a Utility Relief Grant application form over the phone, Perpetual Energy completing the application form to the extent possible and sending to the residential customer with instructions on how to complete the remainder of the form and lodge that form;
- f) Practical assistance to help a residential customer lower their energy costs including, but not limited to:
 - i. the tariff that is most likely to minimise the residential customer's energy costs, based on the our knowledge of the residential customer's pattern of energy use and payment history;
 - ii. practical assistance to help the residential customer reduce their use of energy, based on the residential customer's pattern of energy use and on the circumstances of where the residential customer lives, provided there is scope for action to be taken for that purpose; and
 - iii. information about how the residential customer is progressing towards lowering their energy costs given at sufficient intervals for the residential customer to be able to adequately assess that progress; and
- g) An initial period of at least six months during which:
 - i. repayment of the residential customer's arrears is put on hold; or
 - ii. the residential customer pays less than the full cost of their on-going energy use while working to lower that cost;

A residential customer is entitled, at the very least, to the assistance mentioned in 3.3.5 (a) to (d), while continuing to pay the full cost of their on-going energy use.

A residential customer is entitled, at the very least, to the assistance mentioned in 3.3.5(c) to (g) if they cannot pay the full cost of their on-going energy use.

Perpetual Energy may extend the assistance mentioned in 3.3.5(g) for a further period or periods if the extension would assist the residential customer to continue to lower the cost of their energy use.

A residential customer who has exercised an entitlement to the assistance mentioned in 3.3.5(g) may, at the end of the period during which that assistance is provided (including that period as extended), exercise an entitlement mentioned in 3.3.5(a) to (d).

A residential customer who has not paid a bill by its due date and who contacts the retailer is entitled to be given the information about the assistance described above. A residential customer who has not paid a bill by its due date and is in arrears more than \$55 (inclusive of GST) is entitled to be contacted by Perpetual Energy within 21 business days after the due date, and be given the information about the assistance described above. After providing the residential customer with this information, Perpetual Energy must allow the customer at least 6 business days to consider the information provided and request further information or decide on a payment proposal. Nothing in this section limits the means by which information is made available to customers under Section 138 of the Energy Retail Code of Practice.

Perpetual Energy *must* accept a payment proposal put forward by a residential customer in arrears if the following conditions are met. The proposal must:

- Provides for the making of payments of equal amounts at regular intervals of up to one month;
- Would result in the residential customer's arrears being fully paid in no more than two years after the first payment;
- Provides for payments for energy use being made together with payments to reduce arrears; and
- Is based on a reasonable forecast of the residential customer's energy use over the next 12 months.

Perpetual Energy *may* accept a payment proposal put forward by a residential customer in arrears if the proposal:

- Provides for payments of different amounts at different intervals;
- Would result in the arrears being fully paid by a date later than two years after the first payment; and
- Provides for payments for energy use being made separately from payments for arrears.

Once a payment proposal is accepted by Perpetual Energy, the customer must be given a written schedule of payments showing:

- The total number of payments to be made to pay the arrears amount;
- The period over which the payments are to be made;
- The date by which each payment must be made; and
- The amount of each payment

If a residential customer receiving assistance under this section fails to make a payment by the date on which it was payable, Perpetual Energy must contact the residential customer to discuss their putting forward a revised proposal under this section.

If a residential customer whose repayment of arrears on hold as per section 3.3.5(g) and the customer fails to make a payment towards the cost of their ongoing energy use by its due date, the customer must be contact to discuss varying the amount payable, or the frequency of those payments, or both, to give the customer more time to lower their energy costs.

If a residential customer is not meeting their responsibility to implement practical assistance referred to in 3.3.5(f)(ii) provided by Perpetual Energy, the residential customer must be contacted and worked with to identify an implementation timeframe, consistent with the objective of giving residential customers who are in arrears an entitlement to minimum standards of flexible and practicable assistance that makes it easier for them to pay for their on-going energy use, repay their arrears and lower their energy costs.

Assistance will continue to be provided under this section to a residential customer unless:

- After Perpetual Energy has contacted the customer regarding non-payment according to the payment arrangement, the residential customer has refused or failed to take reasonable action towards paying for their on-going energy use and repaying their arrears;
- After Perpetual Energy has contacted the customer regarding non-payment for their ongoing energy use, the residential customer has refused or failed to take reasonable action towards making payments towards the cost of their on-going energy use; or
- The residential customer is no longer facing payment difficulties.

If a residential customer fails to pay a bill by its pay-by date, or by any extended pay-by date that Perpetual Energy has offered as standard assistance, and receives tailored assistance in respect of that bill, and:

- The residential customer later clears the arrears in respect of that bill; or
- Perpetual Energy later becomes entitled to withdraw tailored assistance to the residential customer under clause 132(1) of the Energy Retail Code of Practice.

Perpetual Energy will not subsequently recover the amount of any pay-on-time discount in respect of that bill or any other bill whose pay-by date occurred while the residential customer was continuing to receive tailored assistance.

[3.3.6 Other types of assistance](#)

Other forms of assistance which may be offered as part of this Financial Hardship Policy in cases where Financial Hardship has been established include:

- Flexible payment options for payment of gas bills;
- Provision for the auditing of a domestic customer's gas usage (wholly or partly at the expense of Perpetual Energy); or
- Flexible options for the purchase or supply of replacement gas appliances designed for domestic use from the licensee or a third party nominated by the licensee.

[3.4 Assessment](#)

Any application for relief due to financial hardship will be considered confidentially and objectively based on the information provided by the applicant.

Provided all requested information has been received, an applicant will be advised of the decision in writing within 14 days of receiving the application.

Where a person or business is dissatisfied with the outcome of their application, the person or business may ask the Chief Executive Officer to review the decision by email. The Chief Executive Officer will determine the appeal within 14 days from receipt of the email.

[3.5 Penalty Interest Charges](#)

Unless otherwise required by law or as provided for in a payment arrangement under this policy, interest is charged on all overdue amounts at the interest rate specified under section 2 of the Penalty Interest Rates Act 1983.

3.6 Debt Recovery

Debt recovery actions will not commence or will not continue when a deferral or payment arrangement is in place.

Debt of a residential customer who is in arrears will not be sold or otherwise disposed of where:

- They are receiving assistance according to Section 3.3; or
- Within 10 business days after the residential customer has been disconnected from their energy supply as a last resort due to non-payment.

Any debt of a residential customer will be sold or disposed of according to the guideline “Debt collection guideline: for collectors and creditors” jointly published by the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission.

Perpetual Energy reserves the right to waive any fee, charge or amount of arrears for a residential customer at their discretion.

3.7 Supply capacity control product

Perpetual Energy must not offer a supply capacity control product to a residential customer for any credit management purpose.

3.8 Payment by Centrepay

If a residential customer is applying for or on a standard retail contract, Perpetual Energy must allow the residential customer to use Centrepay as a payment option.

If the residential customer is on a market retail contract and Centrepay is available as a payment option under that contract, Perpetual Energy must allow the residential customer to use Centrepay as a payment option.

If the residential customer is on a market retail contract and Centrepay is not available as a payment option under that contract, Perpetual Energy must undertake a review of the market retail contract.

If, as a result of this review, an alternative customer retail contract is considered to be more appropriate, Perpetual Energy must transfer the residential customer to that alternative contract, where Perpetual Energy has obtained the customer’s explicit informed consent.

Any alternative customer retail contract offered to a residential customer must make Centrepay available as a payment option.

If, as a result of the review, there is no alternative customer retail contract considered to be more appropriate, Perpetual Energy must make Centrepay available as a payment option under the residential customer’s existing market retail contract.

Perpetual Energy must not charge the residential customer for the review, for any transfer to an alternative customer retail contract or any early termination charge or other penalty for the early termination of the residential customer’s previous customer retail contract.

4.0 Accountability and Responsibility

Accountability and responsibility for this policy is outlined below.

Chief Executive Officer

Overall responsibility for compliance with this policy.

Overall responsibility for enforcing accountability.

Overall responsibility for providing resources.

Overall responsibility for performance monitoring.

Compliance Manager

Develop frameworks and procedures in compliance with this policy.

Enforce responsibilities to achieve compliance with frameworks and procedures.

Provide appropriate resources for the execution of the frameworks and procedures.

Employees, Contractors and Volunteers

Participate where required in the development of frameworks and procedures in compliance with this policy.

Comply with frameworks and procedures developed to achieve compliance with this policy.

This policy complies with the Victorian Charter of Human Rights and Responsibilities.

5.0 Evaluation and Review

This policy will be reviewed at the request of Perpetual Energy, in the event of significant change in the Executive team, significant changes to legislation applicable to the subject matter of the policy or, in any other case, at least bi-annually.