



# [COVAU HARDSHIP POLICY]

[At CovaU, 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.]



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## Objective

Energy is an essential service, and CovaU believes financial hardship should not preclude customers from energy supply if they are willing to pay their bills but require some help and 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 and the wider community 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

## What is Hardship?

CovaU 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-term and long-term hardship.

### Short-term Hardship

Customers experiencing short-term hardship are undergoing an unexpected and temporary change in circumstance, which has resulted in short-term financial difficulty. These customers generally require flexibility and temporary assistance, such as a payment extension, or flexible payment arrangements.

### Long-term Hardship

Long-term hardship may be a result of a combination of low income and a change in circumstances or an unforeseen event, and may require a more formalized case management approach and additional assistance over a longer period.

## Equitable Access and Transparency

CovaU is committed to equitable access to our Hardship Policy. Our policy is transparent and applied consistently. Our hardship policy is available to all CovaU residential customers who are willing but unable to pay any outstanding arrears through traditional payment options.



A copy of our policy is available on our website and information on our hardship program is further promoted to community agencies and financial counsellors to increase awareness of our program.

## **Hardship Program**

CovaU approaches hardship with sensitivity and flexibility. We treat our customers as individuals, recognizing that each customer has a distinct set of circumstances, and responds differently to the multitude of stresses that can result from hardship.

We employ proactive intervention strategies to identify customers in hardship and we respond with flexible payment options, and information on grants, concessions and payment options. 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 CovaU's hardship program, customers who make agreements are protected from further credit and collection activity while they adhere to the agreement. We will advise customers in writing at the commencement of this agreement of any terms and conditions that relate to our hardship policy.

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

## **Identifying Hardship**

CovaU encourages customers who are experiencing financial difficulties to contact us either directly or through a third party, such as a financial counsellor or a community agency.

To really identify what the problem may be, we require customers to tell us about their individual circumstances, and what is causing their difficulty in paying their bills. In some circumstances we may ask for a customer to provide some verification on this.

We also understand some customers may feel uncomfortable discussing their financial situation. Therefore, we also employ strategies to assist in identifying vulnerable customers.

We are vigilant in our monitoring of our customers payment history for late payments or unpaid bills, and take note of customers who have reoccurring patterns of government assistance payments or payment extensions.



CovaU customer service team is specifically trained to identify payment histories or call patterns that may indicate a customer is experiencing hardship. Our hardship specialists will work with our customers to find the best solution to their needs by contacting them and gathering information regarding their circumstances.

When a payment is not received a reminder notice is sent, in line with our regulatory obligations. All reminders notices contain information about our hardship program and encourages customers to contact us for more information on the program.

Any disconnection notices that are issued include a brochure on our hardship program.

### **Early Response to Hardship**

Where CovaU identifies a customer as being in financial hardship by means other than directly from a customer or an authorized party, CovaU will:

- Refer the customer details to the Hardship Team
- Assign the account to a hardship specialist who will:
  - Review the customer's payment history
  - Review the customer's market retail agreement and tariff
  - Review the customer's consumption history
  - Contact the customer to identify the appropriate level of assistance required if any

The hardship team will advise customers of the following assistance options that are available to customers experiencing hardship:

- Payment Extensions
- Payment Plans
- Government Grants/Centrepay
- Assistance/Concession Options
- Financial Counsellors
- Energy Efficiency Information
- Home Energy Audits

The hardship team will help identify which assistance services if any may be most appropriate to a customer's situation.

### **Limitations on Assistance**

CovaU's goal for customers experiencing hardship is to help them with their energy needs and to provide support through our hardship program. Our hardship program has been developed to help our customers who are actively trying to do the right thing by paying for the services that they receive. Our hardship program is not



available to customers in debt due to fraudulent activity, or to those who have been dishonest in claiming hardship circumstances.

It is not our policy to provide income support.

## **Our Commitments**

All CovaU customers entering into our hardship program can expect to

- Be treated fairly and compassionately
- Negotiate an affordable payment plan
- Receive information:
  - on grants and concessions
  - on financial counsellors
  - on efficient energy use
- Not be disconnected whilst actively participating in the hardship program
- Be excluded from our standard debt collection process
- Be provided with a copy of this hardship policy upon request free of charge

In return CovaU expects that customers on a hardship plan will:

- Work with us towards sustainable energy usage and repaying their energy account debt
- Make agreed upon payments
- Contact CovaU in the event they are unable to make an agreed payment
- Inform CovaU when circumstances change

Customers who do not keep to these commitments may be removed from the program, which will result with them being subject to normal terms and conditions regarding debt collection and disconnection processes. This is a step that we would rather not have to take, so it is vital that customers keep in contact with us if they are experiencing any further hardship or change in circumstances.

Customers who have been removed from the hardship program due to non-payment (non-payment status is applied where more than one payment has been missed) can be placed on a second hardship program without question. However, if customers on a second hardship program in a 12 month period stops making payments (misses more than one payment) for this second hardship program without consulting us, they may no longer be eligible to join a third program unless they can provide reasonable assurances that they will meet all payment obligations.

Customers who are utilising a payment plan to manage their energy costs must make all agreed to payments or payment plans will be cancelled due to non-payment (non-payment status is applied where more than one payment has been missed). Customers can arrange a second payment plan arrangement without question. However, if a second payment plan is cancelled due to non-payment



within a 12 month period, they may be removed from the hardship program and considered no longer eligible for our hardship program unless they can provide reasonable assurances that they will meet all payment obligations.

## **How can the hardship program help?**

### **Reviewing Market Retail Agreements**

The CovaU team will review the appropriateness of a customer's market retail agreement upon entry into our hardship program. Our staff will discuss the range of retail offers and agreements available, and recommend the most appropriate tariff available to the customer bearing in mind:

- Cost effectiveness
- Any dedicated off-peak appliances
- The customer's current and previous tariffs (including network charges)
- Agreement terms and conditions

The CovaU team will also review:

- Overall power usage
- Previous bills (if available)
- Other relevant information provided by the customer

CovaU is committed to helping our customers experiencing hardship to successfully complete the hardship program without delay and will continue to monitor consumption and usage patterns of customers participating in the hardship program to ensure that customers remain on the most appropriate tariff and will recommend further tariff changes if necessary.

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.

Customers who receive Centrelink benefits may be transferred to a contract that allows payment via Centrepay.

### **Hardship Assistance Plans**

CovaU 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 an informed decision.





## **Flexible Payment Arrangements**

Flexible payment arrangements may be offered to customers experiencing either short-term or long-term hardship.

**Payment Extensions** 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 their financial circumstance. Payment extensions/arrangements allow the customer the flexibility to pay-off the account in either a lump sum or by instalments prior to the next bill being issued.

**Payment Plan Extensions** are payments that include current usage and overdue amounts and are paid off in instalments over a longer period of time, further reducing the instalment amounts compared to our standard payment plans.

**Incentive Payments** are discretionary one-off account credits that may be provided by CovaU to reduce the amount owing on an account and to further encourage payments.

**Rolling Balance:** In certain circumstances, we are able to offer short term relief to assist customers in managing the cost of their current bill. We will do this by allowing a customer to pay an affordable amount of their current bill and then roll the remaining balance into their next bill. The customer will be placed on a short-term payment plan (single billing period) and will be required to make instalment payments towards their energy costs for this period to reduce the risk of the customer requiring further assistance once this period is ended.

## **CovaU Instalment Plan**

CovaU 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 of monthly, fortnightly or weekly.

## **Centrepay**

Customers who receive benefits or allowances from Centrelink are eligible to use Centrepay as a payment method. 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](http://www.centrelink.gov.au) or by phoning 1800 050 004.



## **Monitoring and Reviewing Payment Plans**

CovaU will review a payment plan if informed by a customer or an authorized third party that a customer's circumstances have changed. We recognize not all customers will phone if they are experiencing further financial difficulty. Our staff will endeavor to maintain contact with our hardship customers who may not have contacted us to ensure that the agreed payments continue to be appropriate and affordable.

Our staff will monitor usage of customers in our hardship program, If a customer is paying less than their usage and accumulating debt, we will be in contact to discuss their energy consumption and may suggest the customer partake in a home energy audit to help identify where they can save energy.

## **Late Payment Fees and Security Deposits**

Customers actively participating in our hardship program will not be charged late payment fees where they otherwise may apply, and security deposits will not be requested.

Late payment fees do not apply to Victorian customers.

## **Disconnection**

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

## **Shortened Collection Cycles**

At CovaU, shortened collection cycles may be used where a customer has not entered the hardship program but have received 2 reminder notices, and a warning that they may be placed on a shortened collection cycle if payment is not received by the expressed date. Further non-payment could result in disconnection without further notice. A customer will remain on a shortened collection until payments are received in full for 3 consecutive bills.

Customers on our hardship program will not be placed on a shortened collection cycle.

## **Exiting the Hardship Program**

Customers who no longer require assistance from our hardship program will be returned to a normal customer status and will be subject to all their agreements standard terms and conditions.

Customers who choose to change retailer will be removed from the hardship program.



Customers will be removed from the hardship program if they fail to make payments as per their hardship agreement.

Customers who fail to adhere to their payment plan agreement will be removed from the hardship program.

### **Re-Entering Hardship Plans**

Customers who have completed our hardship program and find that they still require assistance from the hardship program can contact the CovaU team to discuss what options are available to them and where necessary re-enter the hardship program. There is no limit on how many times a person can access this program if they have successfully met the obligations of the program.

Customers who are removed from the program due to failure to adhere to their payment plan agreement, yet still require the assistance of our hardship program will need to contact the hardship team to re-enter the program and may be subject to further terms and conditions.

### **Customers Not Eligible for the Hardship Program**

Customers who are not experiencing financial hardship or who are not willing to meet their financial obligations are not eligible for entry into our hardship program.

### **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 home or to their energy consumption behavior, to help save money.

CovaU has a team in place to assist customers with strategies to improve their energy efficiency. Where a program is required by a local instrument, CovaU will assist customers with strategies to improve their energy efficiency under the local instrument applicable to the customer.

The CovaU team is trained to identify customers with energy consumption issues and can give customers advice about simple strategies to reduce their energy use to improve their energy efficiency that are most appropriate for their circumstances.

Further energy efficiency information can be found on CovaU's website at [www.covau.com.au](http://www.covau.com.au).

### **Energy Auditing**

Energy-consumption auditing pinpoints energy wastage from building structures, old appliances and/or the habits of householders. For example, fixing air leaks or



draughty rooms and sources of heat transmission, installation of energy efficient lights and altering habits can save customers money.

Our specialists will conduct an initial over the phone audit with customers at a time convenient to the customer. This will include a detailed audit of appliances and usage to help identify if there are any cost effective options available to assist the customer reduce their energy costs.

Based on the information provided by the customer and historical information on consumption and patterns, our specialist will offer advice on how to improve energy efficiency in the home. If there is any unexplained usage or an indication that there may be a faulty appliance within the home, it may be necessary to arrange a home audit by an Energy Auditor. Energy Auditors may also be suggested if consumption increases while a customer is using the hardship program.

Home audits are completed for our hardship customers at either no or a reduced cost (depending on their location) if there is a clear indication of excessive or unusual consumption within the home and debt is high. A thorough high bill investigation will be conducted before determining if an Energy Audit is required.

Customers will be advised on what a home energy audit could reveal about their current energy consumption and provided an audit report recommending the appropriate changes that could be made to the household to improve energy consumption. Implementing the report action plan or recommendations may assist customers to achieve increased energy savings and lower their energy bills, improved home comfort and air quality, better health and safety and reduced energy emissions.

If payment is required to complete a home audit, CovaU will obtain the customer's verbal agreement to the charges and discuss available payment options prior to scheduling the home audit. CovaU will pay any initial costs incurred for the home audit and pass through agreed charges to the customer as a detailed goods and services charge on their next bill or as per their preferred payment option.

For NSW customers, CovaU offers advice on how customers can complete a home energy audit and where to locate their closest energy auditing kits from.

### **Appliance Replacement**

If a faulty appliance is identified to be causing high energy consumption while speaking with customers or during a home audit visit, our hardship specialists will refer customers to Government welfare agencies who will be able to assist in replacing or repairing their appliance/s.



Each case will be managed individually and further assistance may be required for customers experiencing long term hardship. CovaU can also help customers source an affordable replacement or repair for faulty appliances through a third party.

### **Government Assistance and Rebates**

CovaU's hardship team will inform customers experiencing hardship about Government concessions, grants and rebates that may be available to them.

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](http://www.trade.nsw.gov.au).

VIC customers can access the following grants and rebates:

- Annual Electricity Concession
- Winter Gas Concession
- Service to Property Charge Concession
- Non-Mains Energy Concession
- Medical Cooling Concession
- Controlled Load Electricity Concession
- Life Support Concession
- Excess Electricity Concession
- Excess Gas Concession
- Utility Relief Grant Scheme

For further information, visit [www.dhs.vic.gov.au](http://www.dhs.vic.gov.au)

### **Financial Counselling Services**

As consuming energy is generally not the cause of financial difficulty, 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 CovaU.

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

Financial counsellors can contact CovaU's Customer Service team directly on 1300 026 828 (1300 0COVAU) 8.30am to 6:00pm Monday to Friday.



## **Communicating with Customers in Hardship**

As part of CovaU's early response to identifying customers undergoing financial difficulties, CovaU will send pamphlets on our hardship program to customers who are being sent a reminder notice.

Customers who are participating in our hardship program will receive communication by CovaU by standard and or electronic mail when:

- Customer enters the program
- Customers account has been reviewed
- There is a change in agreed payment plan or a change in energy use
- When there is a late payment or no payment

The CovaU team will communicate with customers via phone and mail for any failed agreed payments.

Customers participating in our hardship program are obliged to communicate with the CovaU team or risk removal from the program.

## **Staff Training**

All CovaU staff complete comprehensive training and refresher programs to help understand and implement this policy. CovaU staff are provided training on how to help identify and engage customers who may require the help of our hardship program in an empathetic and understanding manner.

## **Smart Meters**

For customers with Smart Metering installed CovaU abides by the regulatory obligations with regards to billing information, metering standards, data handling and privacy.

CovaU will inform its hardship customers about tariff changes and efficient energy use and 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.



## Reporting

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

## Complaints

Covau works to resolve complaints upon a customer's first point of contact. If this is not possible, it will be escalated to the Customer Resolution team. To make a complaint, customers can phone 1300 026 828.

Customers who are unhappy with the outcome of the enquiry into their complaint can contact the relevant state Energy Ombudsman which is an independent, free service.

Energy and Water Ombudsman NSW 1800 246 545

[www.ewon.com.au](http://www.ewon.com.au)

Energy and Water Ombudsman Victoria 1800 500 509

[www.ewov.com.au](http://www.ewov.com.au)

Energy and Water Ombudsman Queensland 1800 662 837

[www.ewoq.com.au](http://www.ewoq.com.au)

## Privacy

Covau 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 Covau's Privacy Policy can be accessed at [www.covau.com.au](http://www.covau.com.au)

## Contact Details

### Covau Pty Ltd

Address: PO Box 5577 West Chatswood NSW 1515

Email: [support@covau.com.au](mailto:support@covau.com.au)

Enquiries and Payments: 1300 026 828 (1300 0COVAU)

Fax 1300 997 331

Web: [www.covau.com.au](http://www.covau.com.au)

## Interpreter Services

Phone: 131 450

## National Relay Service

TTY: 133 677

Speak & Listen: 1300 555 727

SMS: 0423 677 767