

- Aurora will use dedicated and specifically trained customer service employees in working with identified vulnerable customers and customers at risk of defaulting on payment. Management together with these customer service representatives will ensure effective working relationships are in place with representatives of the welfare sector to ensure customer outcomes are well balanced and consistent across the organisations. Aurora will work towards accessing suitably qualified community and welfare based organisations, skilled in community service training, as part of its training approach.
- Aurora will cross reference its database and look for customers who may have a history of poor payment practice combined with increasing energy consumption. It will contact these customers to note the increasing consumption and ensure they are aware of the energy advisory services and various discounts that may be available.
- Only as a last resort will electricity supply be disconnected to Aurora's customers. In addition to the regulatory process, reflected in Aurora's Credit Policy, Aurora will make a site visit to each premise prior to disconnecting any customer in an endeavour to discuss and resolve the situation in person prior to any disconnection.

Aurora meets its obligations specified in legislation and regulation by:

- Promotion of state based concessions, including the Pensioner Concession and the concession for holders of Commonwealth Health Care Cards. Aurora will promote discounts, rebates and grants which are available through other bodies, and endeavour to ensure customers are aware of all such benefits.
- Debt Reduction Arrangements - Where customers experience short term or temporary financial constraints Aurora will continue to be flexible in granting extensions of time for payment. Debt Reduction Arrangements are able to be freely negotiated between the customer and Aurora. In arranging a DRA Aurora will consider the customers' billing cycle and liaise with the customer to provide a DRA which will assist them to meet their billing obligations.
- Payment Plans - Where financial constraints may be more medium or longer term Aurora will continue to establish Payment Plans which enable a customer to manage payment for any debt as well as costs for ongoing electricity consumption on a smoothed periodic basis. Payment Plans can be freely negotiated between the customer and Aurora for a period of up to two years and over. Options exist which enable the customer to renegotiate payment plans should

circumstances change during the payment plan period. This may include a moratorium on payments for a defined period whilst other unforeseen circumstances prevail (eg unemployment, ill health).

- Financial Counselling – In instances where a customer provides information to Aurora that indicates the customer may be in a situation, or at risk of being in a situation, of financial hardship Aurora will refer these customers to financial counselling service providers. Aurora will continue to work with the customer and financial counsellor in addressing hardship issues.

Other ways we're helping:

- Funds will be made available to enable financial counsellors / emergency relief providers to allocate relief to customers assessed as being in hardship on a basis of addressing individual needs. Support may be required for short term relief, eg a voucher or direct account payment to provide electricity for a week, or a more substantial contribution to assist in breaking the cycle of incapacity to pay. All direct financial support will be allocated and distributed independently from Aurora via welfare related agencies. Funding will include adoption of a voucher or similar system covering both tariff customers and APAYG installations.
- Aurora recognises the value of, and uses, the information provided through research by a number of community and welfare groups. Aurora is committed to working closely with these groups and will provide support and input where appropriate.
- Aurora was instrumental in funding the research and development of the No Interest Loans Scheme, assisting with the securing of funds from Government and non-Government sources, and providing funds to underwrite the cost of the loan pool.
- In addition to other payments identified in this document, Aurora has committed to provide direct financial support for the No Interest Loans Scheme pool, and will also continue to make available the services of an experienced manager to assist the NILS Board with financial strategy and management for the program until 2007.

If you'd like to discuss any aspect of Aurora's hardship policy please call us on 1300 139 301.

AURORA'S HARDSHIP POLICY

Assisting customers in need



Developed in close consultation with Anglicare, TasCOSS and the Salvation Army



PURPOSE

Aurora recognises that electricity is an essential service necessary for people to be able to participate in the society in which they live. Aurora also recognises that there are people living in relative poverty who can't always afford the basic necessities of life such as food, clothing, accommodation and energy for heating, lighting and cooking. In addition to social exclusion, going without electricity can lead to serious health issues.

Aurora Energy recognises that energy customers can experience ongoing financial hardship or temporary difficulties through a number of circumstances. It is Aurora's desire to assist these customers fairly and appropriately.

AURORA IN THE COMMUNITY

Since its establishment as a new company in 1998, Aurora has recognised its community responsibilities and has been transparent in setting strategies and measuring progress and success. It has specific objectives, reflected in its balanced scorecard approach to business management, focussed on:

- Applying high ethical standards to business behaviour and improving the quality of life for Tasmanians
- Engaging the community
- Understanding community expectations
- Developing a model of corporate citizenship and role modelling ethical behaviour across the business

Aurora understands that some of its customers experience financial hardship and is committed to providing a range of fair and appropriate options for these customers. Underpinning these options is a philosophy that focuses on active prevention of hardship.

Where hardship occurs Aurora's objective is to interrupt the cycle of indebtedness, avoid disconnection and legal action, and work with customers to enable them to pay via arrangements that better suit their income and expenditure.

This policy describes the strategies that have been introduced, and those under development, to ensure a range of fair and appropriate options are available

HARDSHIP POLICY – THE KEY POINTS

Aurora has for some time gone beyond its regulated requirements in a number of areas to support customers who experience difficulty in paying their accounts. This policy captures both current and planned strategies dealing with hardship.

The key functions of Aurora's Hardship Policy are to:

- Articulate the community and customer objectives
- Outline strategies to be employed to achieve these objectives
- Describe how Aurora works with customers in hardship

Aurora's Hardship Policy has been developed over a number of years in close consultation with welfare organisations including Anglicare, TasCOSS and the Salvation Army.

The aim is to provide the context within which Aurora will work with customers in times of hardship.

The policy:

- Reflects Aurora's understanding that some customers experience hardship and describes the commitment to providing a range of fair and appropriate options for these customers
- Reflects a philosophy of active prevention of hardship, and where hardship occurs seeks to interrupt the cycle of indebtedness and disconnection
- Sets out key principles of conduct describing how Aurora's employees will work with customers
- Details a number of Aurora strategies to assist in identification of customers in hardship and work with customers in hardship, including:
 - Provision of debt reduction arrangements and payment plans
 - Promotion of EasyPay (levelised and regular payments on an electricity account)
 - Promotion of discounts and rebates provided by others, including the State Government's Pensioner concession and the Health Care Card holder concession
 - Provision of funds to enable welfare agencies to provide direct financial relief to those in hardship, including a suitable arrangement for Aurora Pay As You Go (APAYG) customers
 - Work with the community sector to optimise financial counselling referencing
 - Aurora working with the community sector on related research.
 - Making information available regarding the Policy and its strategies
 - Database analysis to detect customers with potential hardship vulnerability
 - Training of specialist customer service representatives working with customers in hardship

- Making available a suitable range of receipting channels
- Provision of energy efficiency advice

It is stressed that solutions to eliminating hardship are much broader in scope than the electricity sector can provide and hence a broader policy response by government may be necessary. However it is considered that Aurora can make a difference and the policy aims to reflect Aurora's contribution.

SCOPE

This policy covers the sale of electricity to residential customers, and includes customers on scheduled tariffs and APAYG.

The policy should be read in conjunction with Aurora's Credit Policy, which defines the details of our credit process and procedures including terms of payment, payment by installments and when security for payment is required. The hardship policy defines how Aurora will seek to identify and work with customers in hardship, closely related to credit management. The Hardship Policy and Credit Policy documents will be consistent.

The policy will be reviewed periodically to ensure it remains sensitive to our customers' needs and remains an effective and practical policy.

PRINCIPLES OF CONDUCT

In fulfilling its purpose, Aurora's people will adhere to the following principles of conduct:

- Support – we will provide practical and targeted support to customers in need
- Consistency – we will apply this policy consistently
- Fairness – we will exercise fairness in our dealings and negotiations
- Courtesy – we will be courteous in our dealings
- Non-judgmental – we will be non-judgmental in our attitude
- Privacy – we will ensure all personal information relating to our customers remains confidential and secure from unauthorised access
- Empowerment – we will empower our customers by informing them of their rights and obligations and by assisting them in managing their electricity accounts
- Consultation – we will consult with all of our stakeholders and maintain continuing dialogue with them.

STRATEGIES

Aurora aims to make electricity affordable and accessible to all members of the community. We need to focus on people at risk of not being able to pay their accounts to mitigate against some members of the community having restricted access to a range of products and services which others in the community can essentially take for granted.

Many factors may impact on or result in hardship; ill health, disability or death of a family member, unemployment, loss of income or low income. Aurora's response takes all this into account.

The mix of responses to hardship issues in the community applies good or best practice in the industry, as well as properly responding to regulatory requirements.

Under the best practice heading, Aurora's policy provides for:

- Energy Efficiency Advice – Aurora's customer service staff are trained enabling them to provide basic energy efficiency advice to customers. Aurora also has access to external experts providing advice in this area and will continue to provide advice and use external experts where the need is identified. In cases of financial hardship Aurora funds the provision of this service.
- Broad range of receipting channels – a broad range of receipting channels will continue to be maintained to ensure payment of accounts with little or no inconvenience. Receipting agents will continue to be highly accessible with respect to location and availability. Specifically Aurora's relationship with Centrelink will continue and CentrePay will continue to be a receipting option.
- EasyPay – Aurora has established and makes available a levelised billing product called EasyPay. EasyPay is available to all customers with a 12 month consumption history and works by calculating periodic (eg fortnightly) payments of equal amount for the duration of the year. The customer knows in advance what their level of payment is with 'unders' and 'overs' accounted for in the subsequent year's levelised calculation. This in effect creates a shorter billing cycle for customers.
- Information relating to Aurora's hardship and credit policies will be promoted, accessible and readily available so that any customer in hardship will know what support is available to them from Aurora. In all relevant communications Aurora will convey empathy and encourage the customer to contact Aurora should they experience, or be likely to experience, payment difficulties.