

Mr David Leith
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Sent electronically to publicsubmissions@erawa.com.au

27th September 2013

Dear Mr Leith

RE: Comment on the draft Financial Hardship Policy Guidelines for Water Services

Western Australian
Council of Social Service Inc.
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The Council welcomes the opportunity to comment on the draft Financial Hardship Policy Guidelines for Water Services. This expands upon the work that the Council has been a part of to bring the Water Services Code to fruition as a member of the working group that helped developed the code.

We have included some suggestions where we believe Financial Hardship Policy Guidelines for Water Services can be improved, and have comments on the following:

- Concerns around the need to notify the tenants land owner and the impact this may have on the electricity and gas sectors
- Concerns around when a water service provider contacts an authorised representative
- A licence is required to stop debt collection action is an absolute
- Water service provider's must make their financial hardship policy available online and that hardcopies must be provided to a customer on request and at no charge
- Comments on the proposed template

The Council is of the opinion that significant work on these guidelines is needed to bring them into line with, and provide comparable levels of protection to similar guidelines under the electricity and gas consumer codes.

Should you have any queries in relation to this submission or any other matters please do not hesitate to contact Chris Twomey, Director of Social Policy on (08) 9420 7222 or email chris@wacoss.org.au.

Yours Sincerely

Irina Cattalini
CEO

WACOSS Comment on the draft Financial Hardship Policy Guidelines for Water Services

October 2013



wacoss

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Council of Social Service Inc

*Ways to make
a difference*

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Concerns around the need to notify the tenants land owner and the impact this may have on the electricity and gas sectors

Notification to land owner

In the event the customer is not the owner of the land (e.g. a tenant), the licensee must ensure that the owner is aware of the proposed payment arrangement prior to the customer entering into the arrangement.²⁹ The licensee should be mindful of its privacy obligations when providing information to the owner of the land.

The Council believes that this requirement undermines the objective of the hardship policy and in some instances reduces the likelihood that a tenant will communicate with a water service provider and inform them of their true financial position if they were of the view that their landlord will become aware of their financial circumstances. While water services are unique in that the property owner is legally obliged to service the water use costs, while the tenant is responsible for how much water is consumed, allowing such a requirement will in many instances will dissuade tenants from contacting their water service provider. This requirement also has the potential to undermine the financial hardship arrangements in place in the electricity and gas sectors as some tenants might think that the same requirements to divulge information to their landlords could also apply to these sectors in addition to the water services sector.

While this is currently a requirement in the code and therefore should be included in these guidelines, the Council hopes that the water services industry soon recognises the need to alter this requirement and that changes are made to the Code accordingly.

In addition the guidelines states “While stating that a licensee should be mindful of its privacy obligations”, there is no guidance within the guide as to what is appropriate to divulge to property owners. It may be prudent to provide some examples as to what is and is not appropriate to ensure that water services are aware as to what information they are allowed to divulge.

Furthermore, it should be clearly stated to water service providers that they need to inform the affected tenant about this requirement. The tenant should be clearly aware of what information the water service provider plans to share with their landlord and seek permission from the tenant for this to be passed on with the tenants exploit informed consent.

Concerns around when a water service provider contacts an authorised representative

Licensee to monitor any payment arrangement

The Authority recommends that a licensee monitor a customer's adherence to any payment arrangement, for the benefit of both parties. If the customer does not adhere to the terms of the arrangement, and does not contact the licensee to re-negotiate, the licensee should make reasonable efforts to contact the customer or authorised representative (e.g. financial counsellor) before taking further action.³⁰

Customers who have had two payment plans cancelled because of non-payment do not have to be offered another payment plan.³¹

The above paragraph might need reframing so that it is clear that water service providers attempt to contact the customer first and failing that then the customer's authorised representative, unless the customer has instructed the water service provider to contact the authorised representative first.

Perhaps the above paragraph could read something to the effect of:

If the customer does not adhere to the terms of the arrangement, and does not contact the licensee to re-negotiate, the licensee in the first instance should make reasonable efforts to contact the customer, if after reasonable efforts contact with the customer can still not be made then the licensee should then make reasonable efforts to contact the customer's authorised representative, unless instructed otherwise by the customer.

A licence is required to stop debt collection action is an absolute

5.3 Debt collection

Suspension of debt collection

A licensee must not commence or continue proceedings to recover a debt if the customer is:

- complying with a payment plan or other arrangement, or
- being assessed as being in financial hardship.³⁶

A licensee should ensure that no debt collection occurs in these circumstances. The onus should not be on the customer to request or initiate suspension of debt recovery.

The above two sentences reads that it is not a requirement, but rather a recommendation. The dictionary meaning of should (for the context that this is written in) is “expressing a polite request”.¹ Within the Water Services Code of Conduct it states that “A licensee must not commence or continue proceedings to recover a debt from a customer”² when complying with a payment plan or other arrangement, or being assessed as being in financial hardship. As this is an absolute requirement the term should, should be replaced with must as is written in the Code in the first of two sentences in question. The second sentence may be deleted altogether or rewritten to state that the onus is not on the customer to request or initiate suspension of debt recovery.

Water service provider’s must make their financial hardship policy available online and that hardcopies must be provided to a customer on request and at no charge

Availability & accessibility

It is important that customers in financial hardship are aware of their rights and responsibilities. A licensee should therefore actively promote its hardship policy to customers, financial counsellors and other appropriate agencies.

In addition, a licensee must ensure that its hardship policy is publicly available.⁴⁷ This should be at no cost and in a range of formats.

Interpreter services for non-English speaking people and communications technology for the hearing and sight impaired should be made available so that all customers may familiarise themselves with the policy.

A hardship policy should further be written in clear, simple and concise language and be presented in a way that is easy to understand.

The term publicly available in the Water Services Code of Conduct (Customer Service Standards) 2013 means that —

- a) any person may view the document on, and download the document from, the licensee’s website; and
- b) a hard copy of the document is provided to a customer on request and at no charge;³

Clause 26 (5) of Water Services Code of Conduct (Customer Service Standards) 2013 states that ‘the financial hardship policy must be publicly available’.⁴

¹ [Oxford University Press](#), 2013

² [Water Services Code of Conduct \(Customer Service Standards\) 2013](#), pages 14 & 15

³ [Water Services Code of Conduct \(Customer Service Standards\) 2013](#) page 4

⁴ [Water Services Code of Conduct \(Customer Service Standards\) 2013](#) page 13

With this in mind the Council considers that the guide should be more explicit in that the guidance to water service provider's states that they must make their financial hardship policy available online and that hardcopies must be provided to a customer on request and at no charge, in addition to interpreter services for services for non-English speaking people and communications technology for the hearing and sight impaired as required under Part 7 clause 36 of the Code⁵.

Comments on the proposed template

In the template it states 'We do not have to offer you a payment plan if you have had two payment plans cancelled because of non-payment.'⁶ It should be noted within the template that a payment plan does not need to be offered if two have been cancelled due to non-payment two times within the previous 12 months, not just if two have two payment plans cancelled due to non-payment.

The template also states that 'Paying by direct debit or Centrepay may help you manage your bills more easily as you will receive smaller bills more regularly.'⁷ Paying by direct debit or Centrepay may help account holders pay their bills more easily as they pay their water service costs in instalments, but they will not receive smaller bills more regularly unless they are on a shortened billing cycle.

The Council noticed that the TTY and TIS details are on the back page of the template. The Council recommends that the TTY and TIS details be on the front cover of the policy so that non-English speaking people and the hearing and sight impaired become aware of the contact details of the water service provider when they first see the policy.

⁵ [Water Services Code of Conduct \(Customer Service Standards\) 2013](#) page 18

⁶ Appendix C – Template Financial Hardship Policy for Local Government Authorities

⁷ Appendix C – Template Financial Hardship Policy for Local Government Authorities