



Shire of Lake Grace

Financial Hardship Policy for Water Services

February 2014

Shire of Lake Grace

08 9890 2500

TTY - National Relay Service 1800 555 727

TIS - Translating and Interpreting Service 131 450

1 Purpose

This Financial Hardship Policy outlines how Shire of Lake Grace (“we”) will assist a residential customer (“you”) who cannot pay a rate notice because of financial hardship.

Our policy applies only to the **water services portion** of your rate notice.¹ Residential tenants who have agreed with the land owner to receive a rate notice are also covered by this policy.

If you are also having difficulty paying other charges on your rate notice or if you are a commercial customer, we encourage you to still talk to us.

We are committed to working with you to find an appropriate payment solution that works for both you and us. We understand that it can be difficult to ask for support, and will treat you sensitively and respectfully.

2 What is financial hardship?

You will be considered to be in financial hardship if paying the water services portion of your rate notice will affect your ability to meet your basic living needs² – in short, if you have the intention but not the financial capacity to pay.

Financial hardship may, for example, be caused by:

- loss of your or a family member’s primary income;
- spousal separation or divorce;
- loss of a spouse or loved-one;
- physical or mental health issues;
- a chronically ill child;
- budget management issues associated with a low income; and
- other unforeseen factors affecting your capacity to pay, such as a reduction in income or an increase in non-discretionary spending.

3 Identifying customers in financial hardship

If you think you may be in financial hardship we encourage you to contact us as soon as possible. You may ask your financial counsellor to contact us on your behalf.

We will assess within three business days whether we consider you to be in financial hardship. If we cannot make our assessment within three business days, we will refer you to a financial counsellor for assessment.

¹ This is because the *Water Services Code of Conduct (Customer Service Standards) 2013* and our water licence only require us to have a hardship policy for any water services we provide to residential customers.

² Clause 19 of the *Water Services Code of Conduct (Customer Service Standards) 2013* defines financial hardship as “being in an ongoing state of financial disadvantage in which the customer’s ability to meet the basic living needs of the customer or a dependant of the customer would be adversely affected if the customer were to pay an unpaid bill for a water service supplied in respect of the place used solely or primarily as the customer’s dwelling”.

As part of our assessment we will consider any information provided by you and, if applicable, your financial counsellor. We will also take into account any information we may have on your payment history.

As soon as we have made our assessment, we will advise you of the outcome.

4 Payment plans

If we determine that you are in financial hardship, we will offer you more time to pay the water services portion of your rate notice or a payment plan for this portion. We will not charge you any fees or interest as part of your extension or payment plan.

We will involve you and, if applicable, your financial counsellor in setting a payment plan. When setting the conditions of the plan, we will consider your capacity to pay and, if relevant, your usage needs.

If appropriate, we will review and revise your extension or payment plan.

We do not have to offer you a payment plan if you have had two payment plans cancelled because of non-payment.

If you are a tenant, we must make sure that the land owner is aware of us giving you an extension or entering into a payment plan with you before we do so. We can agree that you notify the land owner of the proposed extension or payment plan (and provide us with evidence that you have done so), or you can give us permission to notify the land owner.

5 Debt reduction and collection

If you are in financial hardship, we will consider reducing the amount you owe us.

We will also not commence or continue proceedings to recover your debt:

- while we are assessing whether or not you are in financial hardship; or
- if you are complying with your payment plan or another payment arrangement you have with us.

If you do not comply with your payment plan or other payment arrangement, we may commence debt recovery proceedings. When collecting your debt, we will comply with Part 2 of the ACCC and ASIC's *Debt collection guidelines for collectors and creditors*.

We may outsource your debt to a debt collection agency. Please be advised that additional fees may apply in this case. We will ensure that any debt collection agency we engage will comply with Part 2 of the ACCC and ASIC's *Debt collection guidelines for collectors and creditors*.

6 Useful information

- **Redirection of rate notice:** We will advise you of your right to have your rate notice redirected to another person free of charge if you are absent or ill.
- **Payment options:** You may pay your rate notice via the internet, by telephone, by credit card, in person, by mail, online banking, direct debit or via Centrepay.

For more information on your payment options, please refer to your rate notice.

- **Concessions and other financial relief and assistance:** You may be eligible for a concession for the water services portion of your rate notice. For more information on concessions please refer to your rate notice.
- **Financial counselling:** We will advise you of any financial counselling services or other organisations that may be available to you.

Financial counsellors offer free, independent information to help you take control of your financial situation.

The Financial Counsellors' Association of WA (FCAWA) can refer you to a financial counsellor in your area. Alternatively, you can call the FCAWA's Financial Counselling Helpline. The Helpline provides a free confidential service for all Western Australians with financial problems and queries.

The FCAWA's contact details are:

Financial Counsellors' Association of WA
Phone: (08) 9325 1617
Financial Counselling Helpline: 1800 007 007
Email: afm@financialcounsellors.org
Website: www.financialcounsellors.org

- **Fees and charges:** We will charge you for the water services we provide to you. We may charge you interest if you do not pay your rate notice by the due date.

A list of our fees and charges may be found at our website: www.lakegrace.wa.gov.au.

7 Complaints handling

If you have a complaint, please contact us first. Our contact details are included in section 9 below.

If you are not satisfied with the way we handle your complaint, you may refer your complaint to the Energy & Water Ombudsman. The Energy & Water Ombudsman will investigate your complaint and may mediate the dispute between you and us.

The Energy & Water Ombudsman's contact details are:

In Person: 2nd Floor, Albert Facey House, 469 Wellington Street, Perth WA 6000

By Post: PO Box Z5386, St Georges Terrace, Perth WA 6831, Phone: 08 9220 7588

Free Call: 1800 754 004

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8 Approval and review

Our policy was approved by the Economic Regulation Authority of WA.

We will review our policy at least every five years to ensure it remains up-to-date and relevant.

9 Our contact details

You can contact us at:

Address: 1 Bishop Street, Lake Grace, WA, 6353

Ph: 08 9890 2500.

Email: shire@lakegrace.wa.gov.au

Website: www.lakegrace.wa.gov.au

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16.4 FINANCIAL HARDSHIP POLICY FOR WATER SERVICES

Applicant: Shire of Lake Grace
File No. 0050
Attachments: 1. Financial Hardship Policy draft
2. Draft letter to ERA
Author: Mr John Bingham
Manager of Corporate Services
Disclosure of Interest: Nil
Date of Report: 13 February 2014
Senior Officer: Mr Neville Hale
Chief Executive Officer

Summary

This report provides details of a proposed Financial Hardship Policy now required as a licensee for water supply services under the Water Services Code of Conduct.

Background

On 18th November 2013 the *Water Services Code of Conduct (Customer Service Standards) 2013* took effect. It applies to persons who hold a license for water supply services, sewerage services, irrigation services and/or drainage services (licensees) and their customers. The purpose of the WSCC is to deal with the conduct of licensees in relation to customers and potential customers.

The WSCC requires applicable licensees to develop a financial hardship policy and it does not have effect unless it is approved by the Economic Regulation Authority. The policy applies to customers experiencing financial hardship and may also apply to customers experiencing payment difficulties. The policy needs to be written and be publicly available.

The policy content must include:

- Alternative payment arrangements
- Possible reduction of amount owing
- Debt reduction & collection
- Written information about rights & obligations
- Consultation with relevant financial counsellors
- Supporting information:
 - Training of staff
 - Customer identification
 - Complaints handling
 - Availability and accessibility

The Shire must ensure that its policy is approved by the Authority no later than 18 May 2014.

Legal Implications

Water Services Licensing Act 1995

Water Services Act 2012

Water Services Code of Conduct (Customer Services Standards) 2013

Policy Implications

The proposed Financial Hardship policy aims to ensure that all customers of the Shire's water services are entitled to the provision of those services in order to meet basic living needs.

In other words the Shire must not deprive a customer of water services if they were to not pay an unpaid bill for water services due to financial hardship. It is noteworthy that the Shire's water services is limited to the supply of sewerage services only in the town of Lake Grace.

Consultation

A consultation process has been undertaken with Narrogin Financial Counselling Service as is required by the policy guidelines.

Financial Implications

The Shire's cash-flow may be adversely affected by the policy.

Potential reduction in interest charges for late payments and delayed receipts will reduce cash-flows however it is too soon to determine to what extent. It is envisaged the impact will not be significant enough to have budgetary implications at this stage.

Strategic Implications

Social strategy S1.1 - Maintain and support the growth of services including health, education, housing for the aged and well presented communities.

Social strategy S2.3 - Provide a social environment that allows young families to feel supported and connected to their family and community.

Recommendation

That Council adopt the Financial Hardship policy for Water Services as drafted in Attachment 1.

Voting Requirements

Simple majority required.

Resolution

MOTION 11770

Moved Cr De Landgraft
Seconded Cr Clarke

1. That Council adopt the Financial Hardship policy for Water Services as drafted in Attachment 1.
2. The Policy Manual be updated accordingly.

MOTION CARRIED 7/0

REASON FOR CHANGE

Shire of Lake Grace Policy 1.1 requires that additions, deletions or alterations to Council Policy shall only be effected by specific Council resolution stating the proposed policy, and that the Manual be updated.