

Doc ID 1305214	Custodian Manager Customer Centre	Approved General Manager Customer and Community Group
Version Date 7 January 2014	Accountabilities Framework Level 1 Service Customer Level 2 Collect Revenue	Stakeholders Customer Centre Lead Team Credit Management Team Debt Council Western Australian Council of Social Service Financial Counsellors Association of Western Australia Economic Regulation Authority Residential Customers
Next Review Date 7 January 2016		

1 Policy Statement

We understand customers experiencing financial hardship may find it difficult to pay their account. We recognise we have an ongoing social obligation to ensure vulnerable customers are treated with fairness, integrity and compassion. We are committed to working with our customers to find an appropriate payment solution that is effective and sustainable.

2 Purpose

The purpose of this policy is to outline the minimum standards we apply to customers who do not have the capacity to pay their account due to financial hardship. It communicates our position and provides guidance to employees, customers and stakeholders. Our aim is that customers in genuine financial hardship:

- is to provide the maximum assistance where possible to customers who contact the corporation or who have been directly referred to us via financial counsellors
- engage with us allowing early identification;
- are treated with fairness, integrity and confidentiality;
- have a range of flexible payment options tailored to meet their individual needs;
- are encouraged and receive assistance to proactively manage their accounts;
- are provided with information and advice on concession eligibility, water efficiency and the relevant support programs available; and
- are protected from additional recovery costs, supply restriction and legal action.

This policy reinforces our commitment to manage debt effectively in line with our social responsibility.

3 Scope

The Financial Hardship Policy applies to residential customers who are experiencing financial hardship. It is:

- applied by staff in Credit Management who are responsible for the recovery of overdue debt;
- used as a reference by all employees and contractors of the Corporation who interact with customers with outstanding charges, and who suspect or have confirmed, that the customer is experiencing financial hardship; and
- is a guide for external stakeholders when assisting customers in financial hardship e.g. financial counsellors.

This policy does not apply to non-residential customers, tenants¹ or people having payment difficulties who are not in financial hardship². In recognition that these customers may also need support, our trained staff can offer advice and a range of flexible payment options to assist them.

¹ As a service to owners we will issue accounts to either the owner's agent or a tenant on request. However, this does not affect the owner's liability for charges.

² Our customer brochure 'Having difficulty paying your water charges?' outlines the extensive support we offer to customers experiencing payment difficulties and financial hardship.

4 Definitions

Customer	Residential owner-occupier
ERA	Economic Regulation Authority
FCAWA	Financial Counsellors Association of Western Australia
HUGS	Hardship Utility Grant Scheme
WACOSS	Western Australian Council of Social Service
Financial Hardship	A state of more than immediate financial disadvantage that results in a customer whose intention is to pay an outstanding amount, being unable to pay without affecting the ability to meet their or their dependant's basic living needs
Payment Difficulties	A state of immediate financial disadvantage that results in a customer being unable to pay an outstanding amount as required, due to a change in personal circumstances

5 Background

In 2008 the Corporation identified a need for proactively developing and implementing a financial hardship policy as increasing numbers of customers were experiencing payment difficulties. Whilst we were not regulated to do so, we demonstrated our commitment by exceeding regulatory requirements and meeting the needs of our customers.

As such, the two main drivers for this policy were to;

- Provide detailed information, greater transparency and increased accessibility to our customers, employees and stakeholders and to
- Support the "shared responsibility" policy model where utilities, the government and community groups all share the responsibility for assisting customers in financial hardship.

Since then, our ongoing engagement and consultation with various social sector agencies (FCAWA, WACOSS) has improved our awareness of customers' needs, and our ability in dealing with those in financial hardship. We understand we need to be socially responsible using best practice and we have enhanced our communications and processes to allow better engagement with our customers facing financial difficulty.

This policy has now been re written to comply with the ERA's Financial Hardship Policy Guidelines for Water Services (December 2013).

6 Compliance Implications

The Water Services Code of Conduct clause 26 requires that the Water Corporation:

- Must have a written policy in relation to financial hardship which is approved by the Authority
- The financial hardship policy must be publicly available

Benefits of having a robust Financial Hardship Policy in place:

- Effective engagement with customers facing hardship lowers the instance of default, which in turn lowers bad/doubtful debt.
- Improves the relationship we have with our customer base
- A reduction in the amount of aggravated customers
- Less distressing experiences for staff, allowing them to be more empowered to make decisions that result in better outcomes.

In addition to these requirements, a failure to clarify, review and maintain our financial hardship position may result in the following:

- Customer dissatisfaction/distress
- Difficulty in identifying customers in financial hardship
- Confusion and lack of understanding for our customers, employees and stakeholders
- Risk to our reputation (negative perception/press)
- Ineffective support of Government Assistance Programs
- Financial/Impost (having to make reactive changes)

7 Principles

Our Financial Hardship policy is based on six key principles.

- Enhanced communications to **identify and actively engage** customers in financial hardship.
- Flexible **payment arrangements** to meet our customer's needs.
- Specialised **training programs** to raise employee awareness and capability.
- Build and maintain **genuine relationships** with key stakeholders.
- Ensure our policy and processes are **transparent and accessible**.
- Demonstrated commitment to **best practice** and continuous improvement.

8 Application of the policy

The Receivables Manager is responsible for the strategic direction, operation and management of our hardship policy and associated programs. The Credit Management Team Leader is responsible for monitoring the effectiveness of the hardship policy and associated programs. All Credit Management employees are responsible for the application of the policy. All frontline customer service employees who assist customers having financial difficulties are required to be aware of this policy and the options available to assist them.

8.1 Identifying customers in financial hardship

A customer can be identified as being in financial hardship either by self-assessment, an internal assessment process or by an independent Financial Counsellor or other skilled consumer representative.

The following indicators are considered when determining whether a customer is in financial hardship.

- The customer requests information about alternative payment arrangements.
- The customer's payment history indicates they have had difficulty paying accounts in the past.

- The customer has had a change of circumstances that adversely affects their finances.
- The customer, through self-assessment, has identified their position regarding affordability.
- Eligibility for Government funded concessions.
- The customer is eligible or has previously applied (successfully or unsuccessfully) for the Government funded Hardship Utilities Grant Scheme.
- Advice received by an independent financial counsellor.
- Total income after tax (take home pay).
- The number of properties owned.
- The number of children or dependants involved.
- Current financial commitments including any existing debt.
- Medical conditions or disability impacting earning capacity.

Although the above list is an indicator of possible hardship, each customer is treated in accordance with their individual circumstances on a case by case basis.

8.2 Types of Hardship

Temporary financial hardship

Customers in temporary financial hardship are those who are experiencing financial difficulties due to a sudden and/or temporary change in circumstances that adversely affect their finances. These customers generally require flexibility and we can assist by offering an extension of time to pay or a payment arrangement. They may also qualify for HUGS. Financial Hardship may be caused by (but not limited to) sustained incidence of one or more of the factors listed below:

- received a number of bills at the same time;
- incurred an unexpected emergency or one-off expense;
- loss of the customer's or family member's primary income;
- spousal separation or divorce;
- physical and/or mental health issues or a chronically ill child;
- loss of a spouse or loved one;
- domestic violence
- budget management issues associated with a low income or;
- become over-committed financially.

Long term financial hardship

Long term hardship customers are generally those with low or fixed incomes who may require ongoing assistance. They may also qualify for the Water Assist Scheme. Based on the customer's individual circumstances, we may refer them for qualified advice from a free counselling service in order to assess their eligibility for the scheme.

8.3 Payment Plans

Each customer experiencing financial hardship will be treated with sensitivity and respect on a case-by-case basis and **has the right** to:

- Receive information and advice regarding the payment options and methods available.
- Receive information and advice on the Government funded Hardship Utility Grant Scheme.
- Receive information on our Financial Hardship Policy and Water Assist scheme.
- Choose from various alternative payment arrangements in accordance with their circumstances and capacity to pay. The customer's future water use needs will be taken into account when entering into a payment plan. At this time the customer may also receive water efficiency information that may assist in managing/reducing future water use.
- Receive information and advice on the Government funded Hardship Utility Grant Scheme.

- Payment plans will be reviewed each time a new bill is issued.
- An interest and fee exempt payment arrangement - as long as they are meeting their commitment to it
- Receive written confirmation of the agreed arrangement on request.
- Renegotiate the amount of their instalment if there is a change in circumstances. Future bills can be incorporated into the customer's payment plan providing they have the capacity to pay under their agreement. A renegotiation of the new amount will occur to ensure it is suitable to both parties.
- Be referred to a free counselling service to receive independent advice. We will involve the financial counsellors and the customer in setting up a suitable payment plan. During this time recovery action will cease pending the establishment of an agreed payment arrangement.
- Be advised of the amount of any historical debt and the basis of that debt.
- Be shielded from legal action, additional recovery costs and restriction of supply as long as they have agreed to an arrangement and are meeting their commitment to it.
- Be advised in writing that recovery action will continue if they fail to meet the agreed payment arrangement schedule and fail to actively work with us to address the situation.

8.4 Debt reduction and collection

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

8.5 Reducing and restoring your water flow

We will not reduce the rate of flow of your supply of drinking water in the following cases;

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

If you do not pay your bill by the due date, we may fit a device to your meter which reduce the flow of your drinking water. If we restrict the supply of water to you, we will provide a flow sufficient for health and hygiene purposes. We will restore the water supply when:

- the amount owing is paid; or
- you enter into a mutually agreed and suitable payment arrangement

8.6 Useful information

Redirection of bills – you can nominate to have the bill redirected at no charge to a third party or an alternative postal address

Payment Options - ongoing management of bills through regular deductions is available through Centrepay and Direct Debit. Other payment methods are available through internet, phone or post. For more information on payment methods please refer to your bill.

Concessions – You may be eligible for a concession if you hold a Pensioner or State Concession card, Commonwealth Seniors Health Card with a WA Seniors Card or a WA Seniors Card. Further information on eligibility criteria can be found on our website.

Financial relief – **Hardship Utilities Grant Scheme (HUGS)** is a State government scheme that provides assistance to people in financial hardship unable to pay their utility accounts. For eligibility criteria please contact us.

- **Water Assist Scheme** is designed for customers in financial hardship who require a greater level of assistance. This scheme can help you manage your water accounts Water assist is a regular and interest free payment arrangement where the Water Corporation will match any payment made by you, dollar for dollar. Based on your individual circumstances you may be eligible and we will work together to assess your eligibility.

Financial Counsellors – We will advise you of any financial counselling services or other organisations that may be available to you. Financial counsellors offer free, confidential and independent information to help you take control of your financial situation.

Alternatively, the Financial Counsellors' Association of WA (FCAWA) can refer you to a financial counsellor in your area, or you can call the FAWWA's helpline.

The FCAWA's contact details are:

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

Fees & Charges – Residential Fees & Charges information is readily available on our website on the following page <http://www.watercorporation.com.au/my-account/rates-and-charges>. Interest charges are raised on all overdue Service and Water use bills except accounts for registered concession card holders. Customers in financial hardship are not charged interest. The Water Corporation does not charge late payment fees.

8.7 Consultation with relevant consumer organisations

The Water Corporation consulted with the Western Australian Council of Social Service (WACOSS) and the Financial Counsellors Association of Western Australia (FCAWA) on the content of this hardship policy. A copy of this policy and covering letter was issued to these organisations with an invitation to comment and provide feedback.

We will also undertake the following to facilitate best practice and continuous improvement:

- Ongoing engagement at an industry level with relevant consumer representative organisations to improve our understanding of the complex issues surrounding financial hardship
- Willingness to work with financial counsellors and share information subject to privacy and customer consent requirements.
- This policy will be reviewed biennially to ensure it meets the needs of customers experiencing hardship. The review will incorporate the views and recommendations of our stakeholders.
- We will ensure procedures and work instructions are reviewed and maintained to ensure hardship customers are dealt with in a sensitive manner according to the guidelines set in this policy.

8.8 Additional information

Training of Staff

Frontline employees who assist customers having difficulty paying their outstanding charges are trained and are assessed for competency in relation to:

- The range of payment options and methods available.

- Our Financial Hardship Policy, procedures and work instructions including delegated authorities that relate to credit management practices.
- Government funded concession entitlements.
- Government and community programs/services available including:
 - Referrals to financial counsellors
 - Hardship Utility Grant Scheme
- Key cultural and social issues for significant customer groups and communication skills for engaging with customers in financial hardship.
- Water efficiency information and advice.
- The Water Assist scheme.

To ensure this process is maintained to the desired standard, staff performance is assessed through; monitoring of calls for Call Centre staff and qualitative audits.

Credit Management staff who case manage individuals experiencing financial hardship have comprehensive training on a range of social and community issues to improve their understanding of the issues that affect people in financial hardship. In addition we will:

- Engage with stakeholders in the development and review of training programs.
- Provide training to new staff and schedule refresher courses where appropriate.

9 The customer's commitment to us

We will do our best to assist customer's experiencing financial hardship. If you are experiencing financial hardship, we would like you to contact us as soon as possible to discuss your situation. We can offer you a payment plan, free of interest, over an extended period of time, if you agree and maintain the arrangement.

We also offer a range of schemes such as Water Assist and Hardship Utility Grant Scheme(HUGS) for customers who still can't seem to get ahead.

In return, **we ask** that the customer;

- Agree and maintain a suitable payment arrangement.
- Keep us informed of any changes in their circumstances.
- Contact us to request an alternative arrangement if they are having difficulty maintaining the agreed payment plan.
- Contact a financial counsellor or relevant consumer representative if requested. It is important to meet with a person from a relevant consumer representative organisation to discuss their financial situation and consider the options available.

10 Complaints handling

We will ensure that there are appropriate escalation procedures in place to deal with customer complaints regarding this policy.

If you have a complaint, please contact us first. Our contact details are included in section 13 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 contact details are:

Mail

Energy and Water Ombudsman Western Australia
PO Box Z5386
St Georges Terrace
Perth WA 6831

Phone

(08) 9220 7588 or 1800 754 004 (toll free for country callers)

Email

energyandwater@ombudsman.wa.gov.au

For further information on the Water Ombudsman complaint process and matters they can and cannot investigate please visit their [website](#).

11 Availability and accessibility

We will be proactive in providing potential hardship customers with timely, transparent and accessible information including:

- An invitation to contact us to discuss alternative payment arrangements on all accounts and recovery notices.
- Information about concessions eligibility, other government funded assistance programs such as the Hardship Utility Grant Scheme, flexible payment options, Water Assist Program, water efficiency and our hardship policy.
- Making the policy readily available to customers at no charge and in a range of formats.
- Provision of all customer information in alternative formats on request including large print, audiotape, computer disc, E-mail and Braille at no charge.
- Access to the Translation and Interpreting Service (TIS) to assist customers from non-English speaking backgrounds at no charge.
- Offering the use of the National Relay Service for people who have a hearing or speech impairment.
- Proactively promoting awareness of the financial hardship policy to customers, financial counsellors and key stakeholders.
- Maintaining a policy feedback mechanism.

12 Approval and review

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

This policy will be reviewed biennially to ensure it meets the needs of customers experiencing hardship. The review will incorporate the views and recommendations of our stakeholders.

We will ensure procedures and work instructions are reviewed and maintained to ensure hardship customers are dealt with in a sensitive manner according to the guidelines set in this policy.

13 Our contact details

You can contact us at:

Address: 240 Balcatta Road, Balcatta WA

Phone: 13 13 85 Account enquiries (8am-5pm weekdays)

Email: customer@watercorporation.com.au

Website: www.watercorporation.com.au

National Relay Service: 13 36 77 (for customers with hearing or speech difficulties)

TIS – Translating and Interpreter Service: To arrange an interpreter: call us on 13 13 85



14 Key References

Procedure

[Procedure for Debt Management](#)

Standards

[Recovery of Overdue Debt](#)

[Payment Difficulties and Debt Recovery Authorisations](#)

Work Instructions

[Establishing Payment Arrangements](#)

[Recovery of Property Debt Legal Action](#)

[Recovery of Property Debt Restrictions](#)

Public Documents

[Water Corporation of WA - Our promise to you](#)

Having difficulty paying your water charges? Customer brochure

Financial Hardship Policy (customer version)

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

Supporting Information

[Financial Hardship Policy Guidelines - ERA](#)

Document Revision History	
20 November 2008	New policy document
30 April 2013	Policy reviewed in line with the ERA's Financial Hardship Policy Guidelines(October 2012)
7 January 2014	Policy rewritten to comply with the ERA's Financial Hardship Policy Guidelines for Water Services(December 2013)
25 March 2014	Amended to incorporate ERA recommendations