



Financial hardship policy

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Financial hardship policy

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.

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 accounts due to financial hardship. It communicates our position and provides guidance to employees, customers and stakeholders. Our aim is that a customer in genuine financial hardship:

- Receives the maximum assistance possible once contacting us or having been directly referred to us via financial counsellors;
- will engage with us allowing early identification;
- Is treated with fairness, integrity and confidentiality;
- will have a range of flexible payment options tailored to meet their individual needs;
- Is encouraged and receives assistance to proactively manage their accounts;
- Is provided with information and advice on concession eligibility, water efficiency and the relevant support programs available; and
- Is 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.

Whilst the owner is liable for all charges for the property, we will extend the conditions of this policy to all customers as defined in the Water Services Code of Conduct (Customer Service Standards) 2013 with prior consent from the land owner. This includes tenants who are registered to receive water use bills as directed by the owner.

Scope

This 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
- A guide for external stakeholders when assisting customers in financial hardship e.g. financial counsellors.

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This policy does not apply to non-residential customers or people having payment difficulties who are not in financial hardship¹. 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.

Definitions

Customer	A "customer" is defined as – a) an owner of the land in respect of which the water services are provided; or b) an occupier of the land in respect of which the water services are provided
Financial Liability	Under Section 126 of the <i>Water Services Act 2012</i> , the land owner is liable for all charges
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 their 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

Background

In 2008 we 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 to meet 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

¹ Our customer brochure "Having difficulty paying your water charges?" outlines the options for financial assistance available to customers experiencing payment difficulties.

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- 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 (including FCAWA and 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 complies with the Water Services Code of Conduct (Customer Service Standards) 2013.

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.

The benefits of having a robust financial hardship policy in place include:

- 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 number 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).

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 customers' needs;
- Specialised **training programs** to raise employee awareness and capability;

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- 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.

Application of the policy

The Manager Customer Centre is responsible for the strategic direction, operation and management of our hardship policy and associated programs, including monitoring the effectiveness of the financial hardship policy. 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.

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 (HUGS);
- Advice received from 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.

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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;
- becoming financially over-committed.

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.

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 HUGS;
- 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;
- Payment plans being reviewed each time a new bill is issued;
- An interest and fee exempt payment arrangement as long as they meet 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;

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- Be referred to a free counselling service to receive independent advice. This will involve 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.

Tenants

Tenants experiencing payment difficulties can contact us directly to discuss your options and situation. We will negotiate a proposed payment plan with you and notify the land owner of the proposed plan on your behalf, as their consent is required for the plan to proceed. We can also provide you with assistance and information on ways to manage future water use bills.

Owners

On request, as a service to land owners, we will issue water use bills to either their nominated real estate agent or tenant. By authorising a tenant to receive water use bills, you also authorise us to discuss matters in relation to the water use bills directly with them. However, this does not affect your liability for the charges. Where the water use bill is sent to anyone other than the land owner and remains unpaid, formal recovery action will commence against the land owner. If you are having payment difficulties or financial hardship please contact us to make a suitable payment plan. If your tenant is registered with us to receive water use bills and contacts us to request a payment plan for water use charges, we will inform you of the proposed plan for your consent.

Debt reduction and collection

If you are in financial hardship, we will consider reducing the amount you owe to us. In addition, we will 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 Australian Competition and Consumer Commission and Australian Securities and Investments Commission's debt collection guidelines for collectors and creditors.

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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;
- If you are experiencing payment difficulties or financial hardship; or
- If you are a tenant in the property.

If you do not pay your bill by the due date, we may fit a device to your meter which reduces 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.

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 who are in financial hardship and 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 FWAWA's helpline:

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Phone: (08) 9325 1617

Helpline: 1800 007 007

Email: afm@financialcounsellors.org

Website: www.financialcounsellors.org

Fees and charges – residential fees and charges information is readily available on our website 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. We do not charge late payment fees.

Consultation with relevant consumer organisations

We 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 action 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.

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
 - HUGS
- Key cultural and social issues for significant customer groups and communication skills for engaging with customers in financial hardship;
- Water efficiency information and advice;

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- 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.

The customer's commitment to us

We will do our best to assist customers 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/arrangements such as Water Assist and may suggest HUGS for eligible customers who need additional help.

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 for a customer in Financial Hardship to meet with a person from a relevant consumer representative organisation to discuss their financial situation and consider the options available.

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 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:

Address: 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

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For further information on the Energy and Water Ombudsman complaint process and matters they can and cannot investigate please visit www.ewon.com.au

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 HUGS, 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, email and Braille at no charge;
- Access at no charge to the Translation and Interpreting Service (TIS) to assist customers from non-English speaking backgrounds;
- 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.

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 financial 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.

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)

Translating and Interpreter Service - to arrange an interpreter call us on 13 13 85.