

Decision – Approval of *Financial Hardship Policy Guidelines for Water Services*

2 December 2013

Economic Regulation Authority

 WESTERN AUSTRALIA

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Decision

1. The Authority has approved the *Financial Hardship Policy Guidelines for Water Services* (**Guidelines**) which provide guidance regarding the financial hardship provisions of the *Water Services Code of Conduct (Customer Service Standards) 2013* (**Code**).
2. The Guidelines will also be used by the Authority when it undertakes approval of financial hardship policies.

Background

3. The Code applies to persons who hold a licence for water supply services (drinking water only), sewerage services, irrigation services and/or drainage services and their customers.
4. Clause 26 of the Code requires licensees to have a written financial hardship policy, which does not have effect unless it is approved by the Authority.
5. The financial hardship policy must be in place within six months of the Code taking effect or, in the case of licences granted after this date, within six months of the grant of the licences. The Code took effect on 18 November 2013.
6. On 13 September 2013, the Authority released draft Guidelines for public comment. The period for comment closed on 1 October 2013. Two submissions were received, one from the Western Australian Council of Social Services (**WACOSS**) and one from Busselton Water.

Reasons

7. As a result of considering the submissions, the Authority has made a number of amendments to the draft Guidelines. These changes include:
 - Providing additional guidance to licensees in fulfilling the requirement to ensure that the owner of the land is aware of any payment plan entered into between the licensee and a customer who is not the owner of the land.
 - Clarifying the wording of the requirement that a licensee must not commence or continue proceedings to recover a debt from a customer under certain hardship circumstances.
 - Clarifying the actions licensees must take to make their hardship policies available to the public.
 - Removing the obligation on licensees to ensure that payment arrangements will not over- or under-commit customers. The matter of over- or under-commitment remains an important one in the Guidelines.
8. The Authority also noted the general comment by WACOSS that the Guidelines do not provide comparable levels of protection to similar guidelines under the electricity and gas consumer codes. The Authority acknowledged WACOSS's comment but noted the levels of protection provided to water customers are commensurate with the legislation. In addition, some of the protections available to energy customers

have been included in the Guidelines in reduced form. In other instances, the Guidelines expand upon the requirements of the Code to provide a level of protection comparable with the energy industries.

9. A copy of the Guidelines is available on the Authority's website.