

Decision to approve Water Corporation's amended financial hardship policy

20 May 2015

Economic Regulation Authority

WESTERN AUSTRALIA

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Decision

1. Pursuant to clause 26 of the *Water Services Code of Conduct (Customer Service Standards) 2013 (Water Code)*, the Economic Regulation Authority (**Authority**) has approved the amended financial hardship policy submitted by the Water Corporation on 27 March 2015.

Background

2. On 16 May 2014, the Authority approved the Water Corporation's hardship policy. The approval was based on the Water Corporation's advice that the hardship policy only applied to land owners, not tenants. The Water Corporation sought to exclude tenants from its hardship policy on the basis that the statutory liability for water charges lies, at all times, with the owner of the land.
3. The Water Corporation advised that it would revise its billing arrangements to meet both its statutory billing requirements and the requirements of its hardship policy.
4. On 11 December 2014, the Water Corporation submitted a revised version of its hardship policy. The revised hardship policy applied both to land owners and tenants. In relation to tenants experiencing payment difficulties or financial hardship, the amended hardship policy required tenants to advise their landlord of their inability to pay for water charges. The tenant then had to ask their landlord to contact the Water Corporation to set up an instalment plan on their behalf.
5. The Authority considered the Water Corporation's requirement for a tenant to seek the landlord's approval to enter into a payment plan to be inconsistent with clause 28(1) of the Water Code. This clause requires the licensee, in this case the Water Corporation, to ensure that the owner of the land is aware of any proposed payment plan or other arrangement. It does not require a tenant to contact the owner to seek their approval to enter into a payment plan with the Water Corporation.
6. On 27 January 2015, the Authority decided not to approve the Water Corporation's revised hardship and requested the Water Corporation to submit a further amended hardship policy.
7. On 27 March 2015, the Water Corporation submitted a further amended hardship policy for the Authority's approval. The amended hardship policy applies to both land owners and tenants.

Reasons

8. Under the amended hardship policy, tenants can negotiate a payment plan directly with the Water Corporation. The Water Corporation will then notify the land owner of the proposed plan and seek the land owner's consent to the plan.
9. The Authority considers that the Water Corporation's amended hardship policy addresses the inconsistencies identified by the Authority in its decision of 27 January 2015 and has decided to approve the amended hardship policy.

10. A copy of the Water Corporation's amended hardship policy is available on the Authority's website.
11. The Water Corporation must ensure their amended hardship policy is publicly available