

Water Industry Residential Hardship Guide

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VICTORIAN WATER
INDUSTRY ASSOCIATION INC.

"Innovation, Cooperation and Sustainability"

The Victorian Water Industry is aware that there are complex socio-economic factors in the communities that we serve, and acknowledges that some of our customers will experience some form of financial hardship from time to time.

This Industry Guide has been developed by the Victorian Water Industry to ensure a *minimum level of service* and respect is delivered to customers who are experiencing financial hardship.

More recently, the Industry Guide has been reviewed in light of the work undertaken by the Committee for Melbourne's Debt Spiral Prevention Project and the Essential Services Commission's (ESC's) Water Hardship Policy Review and Customer Code. The review centred on the four, broad components to an optimal hardship policy identified by both the above organisations, i.e. the provision of information, operating protocols and customer engagement, comprehensive staff training and an understanding of the importance of assisting customers in hardship to manage consumption and provide water efficiency advice, where relevant.

The Victorian Water Industry is committed to open, inclusive dialogue with key stakeholders including the ESC, Department of Human Services (DHS), Energy and Water Ombudsman, Victoria (EWOV), financial counsellors and other customer representative bodies to improve the mutual understanding of the complex issues involving hardship. The industry is also keen to develop realistic and innovative assistance programs for customers experiencing financial hardship.

This Industry Guide should be read in conjunction with the Customer Charters and policies of each individual Water Corporation.

Definition of Customer Experiencing Financial Hardship:

A customer experiencing financial hardship is someone who is identified either by themselves, the Water Corporation, or an independent accredited financial counsellor as having the intention but not the financial capacity to make required payments in accordance with the Water Corporation's payment terms.

The Victorian Water Industry believes that there are two types of financial hardship; long term and temporary. The water industry understands that, depending on the type of hardship being experienced, customers will have different needs and will require different solutions.

Customers that are considered in the long-term group of financial hardship are generally those with low or fixed incomes. These customers may require ongoing assistance.

Customers that may be considered to be in temporary financial hardship are those that have experienced a short term change in circumstances such as ill health, unemployment, separation, a death in the family, a loss arising from an accident, or some other temporary financial difficulty. These customers generally require flexibility and temporary assistance such as an extension of time to pay, a one off grant, or an alternative payment arrangement.

The degree of hardship will be determined by either an internal assessment process or by an external body e.g. an independent accredited financial counsellor. Where an internal assessment takes place to determine a customer's eligibility, consideration will be given to indicators including (but not limited exclusively to) whether:

- ◆ The customer is eligible for a Government funded concession (eg. Health Care Card, Social Security benefit, Pensioner);
- ◆ The customer is a tenant;
- ◆ The customer has previously applied for a Utility Relief Grant (irrespective of whether or not their application was successful);
- ◆ The customer's payment history indicates that they have had difficulty meeting their Water Corporation's bills in the past;
- ◆ The customer, through self assessment, has identified their position regarding their ability to pay;
- ◆ Their Water Corporation has other objective criteria as indicators of financial hardship.

Rights of Customers Experiencing Financial Hardship

Each customer experiencing financial hardship has the right to:

- ◆ Be treated sensitively on a case by case basis, and have their circumstances kept confidential;
- ◆ Receive information about alternative payment arrangements, the water corporation's Hardship Policy and government concessions, including the Utility Relief Grant Scheme (URGS);
- ◆ Nominate an amount he or she can afford to pay on an arrangement plan;
- ◆ Consider various payment methods, and receive written confirmation of the agreed payment arrangement within 14 days;
- ◆ Renegotiate the amount of their instalment if there is a change in their circumstance;
- ◆ Receive information about a free and independent financial counselling service from an accredited financial counsellor, if available;
- ◆ Receive a language interpreter service at no cost to the customer;
- ◆ Be shielded from legal action and additional debt recovery costs, whilst they continue to make payments according to an agreed schedule, or an agreed altered schedule of payments;
- ◆ Not have supply restricted as long as they have agreed to a payment arrangement and continue to make payments according to an agreed schedule.

Process

Each Water Corporation will have its own policies in relation to the management of customers experiencing financial hardship. However, Water Corporations have agreed that the following practices are a minimum that will be adopted. They will:

- ◆ Engage in discussion with a customer to determine the best option;

- ◆ Offer a range of payment options (consistent with a customer's capacity to pay), recognising that some customers have a short term financial hardship issue which may be resolved in the near to medium term future where others may require a different type of assistance for long term financial issues;
- ◆ Ensure written confirmation of any alternative payment method is sent to customers within ten (10) business days of an agreement being reached;
- ◆ Train staff dealing with customers in hardship to enable them to treat customers with sensitivity and without making value judgements;
- ◆ Suspend debt recovery processes while negotiating a suitable arrangement with a customer;
- ◆ Readily inform the customer about Government concessions and assistance programs (including URGS and SmartHomes schemes) that are available;
- ◆ Have the Water Corporation's Hardship Policy and other payment assistance information available to customers on request and also available on the web site;
- ◆ Refer the customer to any available free, independent and accredited financial counselling services;
- ◆ Not engage in legal action, restriction of water supply, and additional debt recovery actions against customers who meet the necessary criteria and who maintain an agreed arrangement;
- ◆ Provide information to customers that have been identified as experiencing financial hardship about how to reduce usage and improve water efficiency, referral to relevant government water efficiency programs, and invite them to seek further assistance from the Water Corporation in reducing water usage;
- ◆ Ensure that there are appropriate escalation procedures in place to deal with customer complaints regarding this Industry Guide;
- ◆ Customers will be advised about their right to lodge a complaint with a dispute resolution scheme (in Victoria, this scheme is the Energy and Water Ombudsman, Victoria scheme) if their affordability issue is not resolved with the Water Corporation;
- ◆ In the case of Regional Water Corporations, advise of any circumstances in which interest payments on outstanding amounts will be waived or suspended;
- ◆ Provide details of the circumstances in which the Hardship Policy will cease to apply;
- ◆ Provide for a review mechanism of the Hardship Policy and its associated procedures.

For this Industry Guide to be successful it requires the co-operation of both parties to maintain communication.