

NAME: Collections Policy

DATE ADOPTED: February 2011

Purpose

Western Water's vision is "To be a leading service provider working with our community towards a sustainable future." The aim of this policy is to receive this endorsement even from those customers who are indebted to Western Water. The Collections Policy will ensure that the needs of customers and Western Water are met and exceeded in the pursuit of arrears reduction in compliance with Board Policy, the Customer Service Charter and relevant legislation.

Policy

The Policy meets the requirements in the Customer Service Code issued by the Essential Services Commission (ESC) in October 2004 and Western Water's Customer Service Charter updated 1 July 2009.

The policy aims to:

- attain Western Water's aspirational goal to achieve the target for 90 day debt of $\leq 1.5\%$ of annual revenue for metered charges;
- ensure Western Water is in the top 5 Water Corporations for Debt Collection in the ESC Comparative Performance Reporting by June 2013;
- differentiate and manage "cannot pay" customers from "won't pay" customers

Collections Philosophy

Procedures adopted have an emphasis on early contact with the customer and their response to:

- clearing arrears quickly;
- committing to realistic and regular payments within a reasonable time frame;
- accepting tailored assistance when identified.

Customers will always be strongly encouraged to communicate with Western Water staff if unable to meet commitments. Follow up action by Credit Management staff take into consideration:

- the age of the debt;
- the account history;
- the customer's co-operation in accepting remedial solutions;
- Western Water's ability to provide assistance or referral.

Implementation

Western Water will create an environment where effective communication is established and nurtured between Western Water Staff and customers to achieve policy objectives for Debt Collection.

The Collection Policy will apply to:

- Meter and Service Charges (including Class A recycled water)
- Recycled Water Charges (Class B & C contract customers)
- Private Scheme Accounts
- Accounts Receivable.

If an account remains unpaid, any overdue balances greater than the threshold will be subject to Debt Recovery and Collection Processes outlined in Western Water's Collection Procedure.

To achieve policy objectives, Western Water will:

- Negotiate tailored instalment plans and arrangements with individual customers consistent with their capacity to pay regardless of their current account balance;
- Consider additional assistance for customers identified as experiencing financial hardship in accordance with Western Water's Customer Support Policy;
- Encourage customers to apply for Government Funded Assistance Programs;
- Refer customers to free, independent and accredited financial counselling;
- Consider restriction of a customer's water or recycled water supply for non-payment to re-establish communication between parties. Restriction of supply will be in accordance with legislative requirements;
- Exercise our right under the *Water Act 1989* (Section 276) or recycled water contracts to recover outstanding debts;
- Consider litigation once all reasonable measures to address outstanding accounts through the normal collection process have been exhausted to no avail;
- Consider registering the outstanding debt with a Credit Reference Agency which will affect a customers' credit rating.
- Consider the application of interest to arrears for non-residential customers as an incentive to encourage payment.

Decisions to apply tools that affect a customer's credit rating and / or the application of interest will be made by the agreement of two General Managers at the regular Credit Management meeting.

Application of other debt recovery tools outside of those contained in the Policy will be subject to a separate decision by the Board.

Related Policies & Procedures

Customer Charter

Hardship Policy

Quality Management System - Collection Procedures

Accountability for Implementation

General Manager, Customer and Community Relations

General Manager, Commercial Services

Manager, Customer and Information Services

Manager, Finance

Team Leader, Credit Management

Review Date

February 2014
