



**WESTERN WATER**

**HARDSHIP POLICY**

**May 2009**

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## **CONTENTS**

- 1** Introduction
- 2** Defining Hardship
- 3** Communication
- 4** Assistance Incentives and Programs
- 5** Comprehensive Staff Training
- 6** Efficiency Focus
- 7** Hardship Kits

## **1. Introduction**

Western Water recognises 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.

Our Hardship Policy has been developed to more transparently reflect its commitment to dealing with residential customers in Hardship including outlining the minimum standards we will follow.

Western Water will actively review this Hardship Policy and associated procedures on a bi-annual basis, to gain both expert opinion and constructive feedback to identify process improvements. Thus ensuring the policy is adequate to meet customer needs.

This Hardship Policy should be read in conjunction with Western Water's Customer Service Charter.

## **2. DEFINING HARDSHIP**

A customer in hardship is someone who is identified either by themselves, Western Water, or an independent accredited financial counsellor as having the intention but not the financial capacity to make the required payments within the timeframe set out in our payment terms.

There are two types of Hardship Customers, temporary and long term.

Temporary hardship customers are those who have experienced a sudden unforeseen change in living circumstances, a single event or short term resources shortfall from which they believe they can recover within 12 months. They generally require flexibility in payment terms such as an extension of time to pay, a one-off grant, or a payment arrangement

Long term hardship customers are generally those who are on a low or fixed income and may require assistance on an ongoing basis.

Both temporary and long term hardship customers often experience multiple social and economic circumstances simultaneously as shown in the following table.

Hardship	Social Factors	Economic Factors
<b>Temporary &lt;12 months</b>	Sudden illness Death in the Family Accident or injury Marriage breakdown Imprisonment Natural Disaster Tenant Concession Card holder	Civic compliance fines Fails to pay 2 consecutive bills Corporate collapse High Usage Reduced Income Unemployment Multiple bills at once Unexpected expense Inefficient appliances
<b>Long term &gt;12 months</b>	Family size Single parent household Concession Card Holder Disability Ill Health <ul style="list-style-type: none"> <li>• Medical condition</li> <li>• Depression</li> <li>• Mental illness</li> <li>• Suicidal</li> </ul> Addiction <ul style="list-style-type: none"> <li>• Gambling</li> <li>• Alcohol</li> <li>• Drugs</li> </ul> Domestic Violence Imprisonment	30% of income spent on accommodation and 10% on Utilities Owner Occupier - mortgagor Low Income Bankruptcy Multiple failed plans Previous URGS/Waiver Previous legal action Over committed financially Seeking Financial counselling

Western Water accepts what customers and/or Financial Counsellors state about capacity to pay in good faith.

A customer's eligibility to participate in the Western Water Hardship program is at the sole discretion of Western Water

The degree of hardship will be determined by either an internal assessment process or by an external body such as an independent accredited Financial Counsellor.

When assessing or reviewing a customer's eligibility to participate in the Hardship program the following will be considered:

- The customer advises Western Water of their improved circumstances.
- The customer's account is paid in full, within terms, for two consecutive billing cycles.
- Twelve months of temporary status has elapsed.
- If Hardship persists the customer will be reassessed and moved to long term if appropriate and advised accordingly.
- Western Water receives advice from Centrelink that the customer is no longer eligible to their particular benefit.

In the case where a Hardship customer fails to maintain a mutually agreed plan and telephone contact is not possible, a home visit will be considered as soon as practicable after the plan fails.

Western Water will work with its customers to find solutions that are fair, effective and sustainable offering instalment plans that are flexible and consistent with the customers' capacity to pay, regardless of their current balance.

All customers will be treated with dignity, sensitivity and respect without Western Water staff making or expressing value judgements.

### **Rights of Hardship Customers**

- Be treated respectfully, sensitively, and non judgementally.
- Have their cases individually considered and their circumstances kept confidential.
- Receive prompt information on alternative payment arrangements, Western Water's Hardship Policy and Government Assistance Schemes.
- Nominate the amount they can afford and the frequency of instalments of their preferred payment plan.
- Choose from various payment methods available and receive written confirmation of the agreed payment plan within 10 working days.
- Re-negotiate the amount of their instalment if there is change in their circumstances.
- Receive information about free independent and accredited financial counselling services.
- Receive a language interpreter service free.
- Avoid water supply restriction as long as they establish and maintain an agreed payment arrangement.
- 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.
- Speak with a person at Western Water who is familiar with their situation in order to re-negotiate their payment arrangement if a payment has been missed or is likely to be missed.
- Be advised about how to reduce consumption to assist in reducing future water use.
- Be advised about their right to lodge a complaint with the independent dispute resolution scheme (Energy and Water Ombudsman of Victoria) if their affordability issue is not resolved with Western Water.

### **Responsibilities of Hardship Customers**

- Advise Western Water of their financial hardship as soon as practicable.
- Be reasonable in their negotiations with Western Water staff in pursuit of a mutually acceptable outcome.
- Be honest and realistic in their assessment of their capacity to pay.
- Seek independent financial advice or representation where appropriate.
- Maintain any arranged payment plan and advise Western Water if they are unable to meet a scheduled payment.

### **3. COMMUNICATION**

Western Water will strive to succeed by focusing on positive respective language and a communication approach that encourages ongoing customer engagement.

#### **Involvement of Financial Counsellors**

Western Water is committed to open and meaningful dialogue with the region's accredited financial counsellors and meets with them on a half yearly basis. These meetings provide a forum to discuss Western Water's Collection and Hardship Policies and any other issues relevant to our mutual customers. This feedback and interaction is valuable to Western Water and helps ensure its policies address customers' needs.

#### **Access to Financial Hardship Policy**

Western Water's Hardship Policy will be made available on its website and by request,

#### **Interpreter Service**

A no charge interpreter service is available to customers from non English speaking backgrounds. This service is displayed on all Western Water service accounts.

#### **Partnership with Community**

Western Water has developed a network of community groups in each of the townships it services, known as Community Reference Groups (CRG) and an overall group with representatives from each CRG known as the Customer Advisory Group (CAG).

#### 4. ASSISTANCE INCENTIVES AND PROGRAMS

##### Payment Arrangements

Western Water promotes variety and flexibility with its payment plans as demonstrated in the attached table:

Agreements/Payment Plans		
Flexibility	Amount	<ul style="list-style-type: none"> <li>According to the account balance</li> <li>According to future projected bills/usage</li> <li>According to the customer's capacity to pay</li> </ul>
	Frequency	<ul style="list-style-type: none"> <li>Weekly</li> <li>Fortnightly</li> <li>Monthly</li> <li>Extensions</li> <li>Full amount according to terms</li> </ul>
	Options	<ul style="list-style-type: none"> <li>WW Easy Pay at any AustPost outlet</li> <li>AustPost Billpay by phone, internet or in person</li> <li>Direct Debit from a designated Bank Account</li> <li>Centrelink from any Centrelink benefit</li> <li>Bpay by credit card or internet</li> <li>Bill Express by phone or internet</li> <li>Mail – cheques and Money Orders (No Cash)</li> </ul>
	Access	<ul style="list-style-type: none"> <li>Personally over the counter</li> <li>By phone to 1300 650 422 Mon to Fri 7 to 7</li> </ul>

##### Western Water's Incentive Plans

Western Water incentive plans are provided to encourage customers to:

- Establish regular payment patterns
- Reduce their arrears
- Prevent future indebtedness
- Build and foster relationships of trust

Incentive plans include:

- Pay and Save**  
 Where a customer commits to making payments as agreed and on time Western Water matches payment/s.
- Audit Bonus**  
 A reduction of a customer's water usage charge where a customer agrees to and undergoes a water audit either under the Water Wise or Water Tight programs
- Utility Relief Grant Scheme (URGS) Supplementary Bonus**  
 Where a customer has been granted an URGS and the balance of the account is greater than \$500, Western Water will grant an additional waiver on the account in return for the customer committing to a payment plan.
- Household Size Relief Plan**  
 Flat Usage charge exclusive of RBT at the same rate applicable to Commercial customers.
- Waivers**  
 Waivers are considered on an individual basis for abandonments, owner onus leaks, vacated tenants, compassionate grounds and other cases that may be deemed necessary.

None of the above Western Water incentives will continue after arrears are cleared, resulting in an account balance going into credit.

To be eligible for inclusion in a Western Water incentive plan a customer must have been assessed as experiencing either temporary or long term Hardship.

If a customer fails to meet an agreed payment arrangement and does not actively work with Western Water to address the situation, the customer will be advised in writing that standard debt recovery processes will resume.

### **Home and Field Visits**

Western Water is committed to being pro-active in providing potential Hardship customers with information regarding payment assistance. This may involve home/field visits to customers to initiate communication and discuss concession entitlements, Government schemes, alternative payment arrangements or access to Western Water's initiatives such as WaterTight.

### **Government Assistance Schemes**

When customers are identified as experiencing Hardship, Western Water will offer these customers information regarding any current Authority or Government funded assistance program. This includes all of the following:

**Concessions** – these are available to holders of Pensioner Concession Cards, Health Care Cards or DVA Gold Cards.

**Utility Relief Grant Scheme** – assistance provided to low-income households suffering a short-term (within last 12 months), financial crisis who are unable to pay for a current utility account. Applicants must demonstrate one of the following three criteria:

- a substantial increase in usage that has resulted in a high water bill
- an unexpected expense on an essential item or
- a decrease in household income.

**Home Wise Grant** – assists households with the replacement or repair of an essential appliance or essential household infrastructure that is faulty and has failed within the last 12 months. Eligible customers are able to apply for two grants within a ten year period

**Water Wise Program** – a State government initiative aimed at reducing water bills for concession card holders by providing a free water audit and repair or replacement of inefficient water fittings.

**Water Smart Gardens & Homes Rebate (DSE)** – opportunity for customers to claim rebates on water saving products for the garden and home.

**Hardship Relief Grants for Sewerage Connection** – provides financial assistance to customers with a once-off grant toward the plumbing cost of connecting to a compulsory water and sewerage connection scheme.

**Carted and Non-Mains Water Rebate** – provides a flat annual rebate for those who spend at least \$120 each financial year on buying non-mains water, tank water and cartage costs.

### **Natural/Corporate Disasters**

Customer's who become the victims of either a natural disaster or corporate collapse, will automatically be granted an additional thirty (30) days to finalise or arrange payment of their account, including a tailored payment plan or access to Government Assistance Schemes, as appropriate.

### **Private Scheme Accounts**

Where a customer has multiple accounts with Western Water, that is both water and sewerage accounts and a private scheme account, Hardship will only be assessed on the water and sewerage account. Given that the four monthly instalment amounts on a private scheme account is \$26.66, private scheme accounts will be excluded from Hardship assessment.

### **Application of Interest to Overdue Accounts**

Western Water currently does not charge interest on overdue accounts for water and sewerage services, usage charges and private schemes.

## **5 COMPREHENSIVE STAFF TRAINING**

Western Water will ensure that the Customer Service team and Mercantile Agency staff are adequately trained to deal compassionately and sensitively with Hardship customers. Staff will be well informed about:

- Government Funded Schemes
- Western Water Hardship Policy and Procedures
- Customers legal rights and responsibilities eg: EWOV
- Industry's Code of Practice for Hardship Customers.

Ongoing training will be made available from internal and external sources, on a range of topics, to assist the Customer Service team understand the issues confronting Western Water's hardship customers and to ensure these customers are treated respectfully, non judgementally and confidentially.

This training will be provided by Independent Financial Counsellors and augmented by specialists from such areas as Gamblers Help, Odyssey House and Family Counselling.

Training will be provided on three levels:

- Awareness through the business Induction Program provided internally by the Credit Management Team.
- Comprehensive training for the Customer Service Team provided by external and independent accredited Financial Counsellors
- Specialist training for the Hardship Team provided by external specialist trainers from a range of hardship related service providers.

## **6 EFFICIENCY FOCUS**

An important element of Western Water's response to customers suffering financial hardship is to help them manage their water consumption. This will help customers control their water costs.

Western Water's Customer Service team will offer advice about water saving in and around the house and garden and send fact sheets "Saving Water in the Home and Garden" to help customers manage their water usage. Where a customer is eligible for the Smart Homes program, it will be offered.

If a property is recognised as recording abnormally high consumption for a particular billing period, the customer will be issued with a "High for History" letter. This letter advises the customer prior to their account being sent of the high consumption and expresses Western Water's concerns about a possible leak at the property. The letter also explains what action the customer needs to take to determine the extent of the leak.

### **Hardship Kits**

Western Water has developed several Hardship Kits which contain information and assistance relevant to the customer's individual needs and circumstances.