



RESIDENTIAL HARDSHIP POLICY

Version No: 1
File No: INT13-04610
Resolution No: R2013/08/282
Resolution Date: 16/08/2013
Review Date : June 2014

1. VERSION CONTROL

Version No.	Date of change	Person Responsible	Details of Change
1	16/08/2013	Sadie Warkotsch	Policy referred to Board for Resolution

2. AIM

This policy has been developed as an integral part of our Corporate Social Responsibility strategy and to ensure compliance with Section 5.4 of the Essential Service Commission Customer Service Code.

This policy details the practical payment and hardship assistance options available to Westernport Water residential customers experiencing financial hardship. The policy outlines the minimum standards we will adopt in relation to managing residential customers experiencing financial hardship, the rights of the residential customer and Westernport Water's obligations to residential customers experiencing financial hardship.

3. LEGISLATIVE REQUIREMENTS

Water Act 1989

4. REFERENCES

IN13-07974 Essential Services Commission - Customer Service Code
INT11-11087 Westernport Water Customer Charter
INT07-02285 Accounts and Collections Policy
INT04-00909 Information Privacy Policy

5. RESPONSIBLE OFFICER

General Manager - Customer Services is responsible for the management, development, communication and monitoring of the policy

6. APPROVING BODY

This policy has been approved by the Executive Management Team and the Board of Westernport Water

7. REVIEW DATE

This policy is to be reviewed annually or the date on which amendments are required.

Note : The review date is not a sunset provision. The policy will continue in operation until replaced by a subsequent version or rescinded.



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8. BACKGROUND

This policy has been developed following a review of our previous Hardship Policy, the Industry Guide on Residential Hardship Policy (developed by the Victorian Water Industry) and the Essential Services Commission Customer Service Code for Urban Water Businesses.

The Industry Guide included input from all water businesses and external stakeholders such as the office of the Energy and Water Ombudsman of Victoria, financial advisors and counsellors.

Westernport Water sought input from its Customer Consultative Panel and a local financial advisor and counsellor.

9. KEY DEFINITIONS

9.1 Definition of a customer Experiencing Financial Hardship

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

10. VALUES UNDERPINNING THE POLICY

Our Residential Hardship Policy is based on the following values:

- All customers are to be treated with dignity and respect;
- All customers are treated with sensitivity and without making value judgements;
- All customers are to be assisted to meet their financial commitments to us in a supportive environment; and
- By our actions we will not add to the customer's burden.

11. OUR POLICY

Westernport Water recognise that our customers may experience times of financial hardship due to changes beyond their control and do not have the capacity to pay their accounts. We also recognise we have a social obligation to ensure that these vulnerable customers are treated fairly.

Our objective is to work with the customer and assist them in arriving at an acceptable resolution. These customers will be treated with sensitivity and without making value judgements;



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This policy outlines and describes the variety of solutions available for customers experiencing financial hardship and how these customers are protected from debt recovery action.

Westernport Water will endeavour to seek information from the customer to determine:-

- their financial capacity to pay their accounts; and
- assistance that could be available to the customer from external sources.

The customer's individual circumstances and whether they are likely to be temporary or long-term hardship will assist us in determining the appropriate assistance options.

It is a challenge for Westernport Water to identify hardship as many customers do not make contact and many have issues we are not aware of. Hardship can only be properly identified once contact is made. Both parties are encouraged to maintain open communication.

11.1 Long-term and Temporary Financial Hardship

Westernport Water recognises two types of financial hardship – long term and temporary.

Westernport Water understands that, depending on the type of hardship being experienced, customers will have different needs and will require different solutions to these needs.

Customers who are considered to be in long-term financial hardship are generally those customers 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 sudden 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.

11.2 Identification of Hardship



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The identification of hardship will be determined by:-

- an internal assessment process
- self assessment by the customer
- an external body eg. An independent accredited Financial Counselor.

Where an internal assessment takes place to determine a customer's eligibility, Westernport Water has adopted an internal process that;

- Will determine a customer's eligibility using objective criteria as indicators of hardship;
- Is designed to make an early identification of a customer's hardship;

Consideration will be given to indicators, including (but not exclusively) the following:

- Low or fixed incomes;
- A sudden 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;
- The customer has identified their position regarding their ability to pay through self-assessment;
- Eligibility for a government funded concession (e.g. Health Care Card, Social Security benefit, etc.);
- Previous applications for a Utility Relief Grant (whether approved or not);
- Customer's status as a tenant;
- Customers' whose payment history indicates that they have had difficulty meeting our payment terms in the past;
- Other eligibility criteria may also be considered

11.3 Rights of Customers Experiencing Financial Hardship

Every customer experiencing financial hardship has the right to:-

- Be treated sensitively and have their circumstances kept confidential;
- Receive information about alternative, flexible payment arrangements, Government concessions and programs and Westernport Water's hardship Policy;
- Nominate a payment arrangement amount that is affordable, regardless if it is sufficient to cover the current usage and outstanding arrears;



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- Redirect the account to another person for payment provided that person has agreed in writing;
- Renegotiate the amount of their arrangement if there is a change in their personal circumstances;
- Choose from various payment methods in accordance with their circumstances and capacity to pay;
- Receive written confirmation of the agreed alternative payment arrangement within 10 business days of an agreement being reached;
- Receive, at no cost to the customer, timely and independent advice from an accredited financial counsellor;
- Receive, at no cost to the customer, a language interpreter service;
- Any customer on a concession will not incur any interest;
- Any customer not on a concession will not incur whilst they continue to make payments according to their agreed, flexible payment schedule;
- Be shielded from restriction of supply, legal action and additional debt recovery costs whilst the customer continues to make payments according to an agreed schedule, or an agreed altered schedule of payments;
- The ability to apply to the Board or its delegate, in writing, for a partial or total waiver of an outstanding amount in a “fresh start” approach.
- Be offered information about Westernport Water’s dispute resolution policy and their right to lodge a complaint with the office of the Energy and Water Ombudsman of Victoria (EWOV);
- Be provided information as to the circumstances in which the policy will cease to apply and how they would move back to the collection processes; and
- Be provided information as to the circumstances in which they would move back to mainstream billing and payments processes.

11.4 Minimum Service Standards

Westernport Water will ensure that as a minimum service standard to residential customers experiencing financial hardship, we will:

- Engage in discussion with a customer to determine the best option;
 - Offer a range of payment options 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;
 - Provide written confirmation of any alternative payment method (excluding short term payment extensions) to be sent to customers within ten (10) business days of an agreement being reached;
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- Provide for staff training about Westernport Water's policies and procedures to ensure customers in hardship are treated with sensitivity and without making value judgements;
- Suspend debt recovery processes while negotiating a suitable arrangement with a customer;
- Offer information and referral to government concession and assistance programs (including the Utility Relief Grant Scheme)
- Have available Westernport Water's Hardship Policy and other payment assistance information available at the customer's request;
- Offer information and referral to no-cost independent financial counsellors;
- Exempt customers in hardship from supply restriction, legal action, and additional debt recovery costs while payments are being maintained by the customer to Westernport Water, according to an agreed flexible payment plan or other payment schedule;
- Provide information to customers that have been identified as experiencing financial hardship about how to reduce water usage and available government water efficiency programs (including the Smart Homes program);
- Offer information about Westernport Water's dispute resolution policy, and the customer's right to lodge a complaint with EWOV and any other relevant external dispute resolution forums if their hardship claim is not resolved to their satisfaction by Westernport Water;
- Ensure appropriate escalation procedures are in place for any customer complaints regarding Westernport Water's Hardship Policy;
- Detail the circumstances in which Westernport Water's Hardship Policy will cease to apply to customers; and
- Provide a review mechanism of Westernport Water's Hardship Policy and its associated procedures.

11.5 Guaranteed Service Levels

The Essential Services Commission has established a hardship related guaranteed service level, which outlines the minimum reasonable endeavours that must be followed in respect to restrictions and legal action. Prior to commencing a restriction or legal action, these guidelines require Westernport Water or an authorised agent to:

- Issue a bill, reminder and final notice;
- Make at least two attempts to contact the customer by:-
 - phone on separate weekdays;
 - in person on separate weekdays; or



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- by letter sent by registered mail; and
- Make one further attempt to contact the customer in person.

Failure by Westernport Water to adhere to the “minimum reasonable endeavours” guidelines will result in a breach of the hardship related Guaranteed Service Level. In the event that a breach occurs, Westernport Water will apply a rebate of \$300 to the customer’s account.

11.6 Commitment

It is important to clearly communicate and make available our Hardship Policy to customers and their representatives. Our policy provides for a range of support for our customers that will include, but not be limited to, the following:

- The responsibilities for the management, development, communication and monitoring of this policy will be clearly defined in our position descriptions with appropriate performance indicators to ensure its effective implementation;
- Our customer service staff will receive training about this policy to ensure that customers in financial hardship are treated with sensitivity, case by case and have their circumstances kept confidential;
- We will provide information on this policy to all customers on a regular basis and upon request; and
- We will provide internal assessment processes to allow for the early identification of customers in financial hardship.

11.7 When Hardship Policy Ceases to Apply

The following action will only be implemented if a breakdown in arrangement with the customer occurs and Westernport Water is unsuccessful in their attempts to contact the customer or the customer is unwilling to re-negotiate or discuss an alternate option acceptable to both parties:

11.7.1 Reminder Notices

If a customer fails to pay by the required date stated on the invoice, Westernport Water will issue a reminder notice (in the same manner in which it sent the original invoice)

11.7.2 Warning Notices



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If a customer fails to pay by the required date stated on the reminder notice, Westernport Water will issue a warning notice (in the same manner in which it sent the original invoice)

The customer will then return to our normal collection process which may include restriction of supply and / or legal action.

12. CONCLUSION

We believe that by effectively managing our residential hardship customers we can achieve the following in the longer term:-

- Improved customer satisfaction
- Reduce debtor levels
- Reduce skipped debtors
- Reduce debt collection expenses
- Reduce other indirect costs to the community

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