

WATER INDUSTRY RESIDENTIAL HARDSHIP GUIDE

The 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 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.

The water industry is committed to open, inclusive dialog with the 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 Guide should be read in conjunction with the Customer Contract or Charter and policies of each individual water business.

Definition of Customer Experiencing Financial Hardship:

A customer experiencing financial hardship is someone whose intention is to pay, but who does not have the financial capacity to make the required payments within the timeframe set out in the water businesses' 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 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.

The degree of hardship will be determined by either an internal assessment process or by an external body eg. 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 exclusively) 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 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 the water business's accounts in the past;
- The customer, through self assessment has identified their position regarding their ability to pay;
- The water business 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 business'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.

Process

Each water business will have its own policies in relation to the management of customers experiencing difficulties. However water businesses 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 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;
- 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 that are available;
- Have this Guide and other payment assistance information available to customers;
- 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 continue to make payments according to an agreed schedule;
- Provide information to customers that have been identified as experiencing financial hardship about how to reduce consumption, and invite them to seek further assistance from the water business, in reducing water usage;
- Ensure that there are appropriate escalation procedures in place to deal with customer complaints regarding this code.
- 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 authority.

For this Guide to be successful it requires the cooperation of both parties to maintain communication. This Guide is based on the premise that it is mutually agreed.

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