The District Council of Ceduna **POLICY**	**FINANCIAL HARDSHIP – WATER SERVICES**	Policy #	4.10 / 2
		Issued:	January 2020
		Next review	January 2022

Category	Finance	**Classification:**	Public
First Issued:	20 November 2013	**Review Frequency:**	Bi-Annually
Legislation:	Water Industry Act 2012		
Relevant Policies:			
Related Procedures:			
Responsible Officer:	Coordinator Corporate & Business Services		
Adopted by Council :	20/1/15		

1 Purpose

The District Council of Ceduna is committed to assisting residential customers of water and sewerage services, who are experiencing financial hardship, to manage their payments in a manner that best suits the customer, and ensuring they remain connected to a retail service.

The purpose of this policy is to identify residential customers who are experiencing payment difficulties due to hardship, and assist those customers to better manage their bills on an ongoing basis.

This policy sets out:

- processes to identify residential customers experiencing payment difficulties due to hardship, including identification by us, self-identification by a residential customer, identification by an accredited financial counsellor, or welfare agency, and
- an outline of a range of processes or programs that we will use, or apply, to assist our customers who have been identified as experiencing payment difficulties.

2 Background

This policy is based on the customer hardship policy for minor and intermediate retailers, made by the Minister for Communities and Social Inclusion, pursuant to section 37 of the *Water Industry Act 2012*, under a delegation by the Minister for Water and the River Murray, with modification. The modifications contained in this policy have been approved by the Essential Services Commission of South Australia.

3 Definitions and interpretation

In this policy:

'accredited financial counsellor', in South Australia, means a person who holds a Diploma of Community Services (Financial Counselling), and who has worked at least 12 months as a financial counsellor under the supervision of the South Australian Financial Counsellors Association

'connection' means an agreed point of supply at which a **customer** receives a **retail service** from a supplier

'consumer' means a person supplied with **retail services** as a **consumer** or user of those services (as defined in the *Water Industry Act 2012*) *(Note: you may be a consumer by virtue of being a council ratepayer)*

'customer' means a person who owns land in relation to which a **retail service** is provided and includes:

- where the context requires, a person seeking the provision of a **retail service**, and
- in prescribed circumstances, a person supplied with **retail services** as a **consumer** or user of those services (without limiting the application of this definition to owners of land), and
- a person of a class declared by the **regulations** to be **customers**

(as defined in the *Water Industry Act 2012*) *(Note: you may be a **customer** by virtue of being a council ratepayer)*

'customer hardship policy' means this **policy** for **minor** and **intermediate retailers**, that has been adopted by the District Council of Ceduna, in accordance with section 37 of the *Water Industry Act 2012*

'financial counsellor' means accredited financial counsellor

'financial hardship' means a circumstance of experiencing a lack of financial means, that may be either ongoing or temporary, but does not include circumstances where a person chooses not to meet a liability for an unpaid debt

'hardship' means financial hardship

'hardship customer' means a **residential customer** who has been identified under, accepted into, or is eligible for assistance under **our hardship program**

'hardship program' means an agreement between **us** and a **hardship customer** for payment of outstanding sums due for **retail services**

'intermediate retailer' means a **retailer** that provides **retail services** to more than 500 but less than 50,000 **connections**

'minor retailer' means a **retailer** that provides **retail services** to less than 500 **connections our, us, we** means District Council of Ceduna

'policy' means this **customer hardship policy**

'regulations' means regulations under the *Water Industry Act 2012*

'residential customer' means a **customer** or **consumer** who is supplied with **retail services** for use at residential premises (as defined in the *Water Industry Act 2012*) *(Note: you may be a **residential customer** by virtue of being a council ratepayer)*

'retail service' means a service constituted by:

- the sale and supply of **water** to a person for use (and not for resale other than in prescribed circumstances (if any)) where the **water** is to be conveyed by a reticulated system, or
- the sale and supply of **sewerage services** for the removal of **sewage** *(including but not limited to community wastewater management systems)*

(even if the service is not actually used) but does not include any service, or any service of a class, excluded from the ambit of this definition by the **regulations** (as defined in the *Water Industry Act 2012*).

'retailer' means the holder of a licence issued by the Essential Services Commission of South Australia under the *Water Industry Act 2012*

'sewage' includes any form of waste that may be appropriately removed or dealt with through the use of a **sewerage service** (as defined in the *Water Industry Act 2012*)

'Sewerage service' means:

- a service constituted by the collection, storage, treatment or conveyance of **sewage** through the use of a reticulated system, or
- any other service, or any service of a class, brought within the ambit of this definition by the regulations (as defined in the *Water Industry Act 2012*) *(Note: sewerage service includes but not limited to community wastewater management systems)*

'water' includes rainwater, stormwater, desalinated water, recycled water and water that may include any material or impurities, but does not include **sewage** (as defined in the *Water Industry Act 2012*)

'water service' means:

- a service constituted by the collection, storage, production, treatment, conveyance, reticulation or supply of **water**, or
- any other service, or any service of a class, brought within the ambit of this definition by the regulations (as defined in the *Water Industry Act 2012*).

4 Identifying residential customers experiencing financial hardship

4.1 A residential customer experiencing financial hardship is someone who is identified by themselves, by us, by an accredited financial counsellor, or by a welfare agency as having the intention, but not the financial capacity, to make required payments in accordance with our payment terms.

4.2 There are two types of financial hardship: ongoing and temporary. Depending on the type of hardship being experienced, hardship customers will have different needs and will require different solutions.

4.3 Residential customers who are identified as experiencing ongoing hardship are generally those on low or fixed incomes. These customers may require ongoing assistance.

4.4 Residential customers who may be identified as experiencing temporary hardship are those who have experienced a short-term change in circumstances, such as serious illness, disability or death in the family, loss or change in income, separation, divorce or other family crisis, 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 or an alternative payment arrangement.

4.5 The extent of hardship will be determined by either our assessment process or by an external body, such as an accredited financial counsellor.

4.6 Where we assess a residential customer's eligibility for hardship assistance, we will consider indicators including (but not limited to) whether:

- the customer is on a Centrelink income and holds a Pensioner Concession Card or holds a Centrelink Low Income Health Care Card
- the customer is eligible for a South Australian Government concession
- the customer has been referred by an accredited financial counsellor or welfare agency
- the customer advises they have previously applied for emergency relief (irrespective of whether or not their application was successful)
- the customer's payment history indicates that they have had difficulty meeting their retail services bills in the past
- the customer, through self assessment, has identified their position regarding their ability to pay.

5 Assisting residential customers who are experiencing financial hardship

5.1 We will inform a residential customer of this customer hardship policy where:

- it appears to us that non-payment of a bill for retail services is due to the customer experiencing payment difficulties due to hardship, or
- we are proposing to install a flow restriction device.

5.2 Where a residential customer has been identified as experiencing financial hardship, we will offer the customer, as soon as is reasonably practicable, flexible and frequent payment options that have regard to the hardship

customer's usage, capacity to pay and current financial situation. These options will include the following:

- an interest and fee free payment plan that complies with clauses 28 to 32,
- Centrelink's Centrepay service (only where available), or
- other arrangement, under which the customer is given more time to pay a bill or to pay in arrears (including any disconnection or restriction charges),

recognising that some residential customers have a short-term financial hardship issue that may be resolved in the near to medium-term, where others may require a different type of assistance for ongoing financial issues.

5.3 We will not charge a residential customer a reconnection charge where that customer is experiencing financial hardship and should have been identified as eligible for this customer hardship policy, so long as the customer agrees to participate in our hardship program, upon reconnection.

5.4 We will engage in discussion with the hardship customer to determine a realistic payment option in line with the customer's capacity to pay.

5.5 We will work with a hardship customer's financial counsellor to determine the payment arrangement and instalment amount that best suits the customer and their individual circumstances.

5.6 Where a hardship customer's circumstances change, we will work with the customer, and their financial counsellor, to re-negotiate their payment arrangement.

5.7 We will not require a hardship customer to provide a security deposit.

5.8 We will not restrict a hardship customer's retail services if:

- the customer has agreed to a payment arrangement and continues to adhere to the terms of that arrangement, or
- we have failed to comply with the requirements of this customer hardship policy, or
- the customer's retail service is a community wastewater management system or other sewerage service.

5.9 We will also offer the hardship customer:

- where appropriate, information about the right to have a bill redirected to a third person, as long as that third person consents in writing to that redirection
- information about, and referral to, Commonwealth and South Australian Government concessions, rebates, grants and assistance programs
- information about, and referral to, accredited financial and other relevant counselling and support services, particularly where a customer is experiencing ongoing financial hardship.

5.10 Where a hardship customer requests information or a redirection of their bills, we will provide that information or redirection free of charge.

5.11 We will provide information to the hardship customer on how to reduce usage and improve water efficiency, which may include referral to relevant government water efficiency programs. This will be provided at no charge to the customer.

5.12 We will explain to the hardship customer how and when the customer will be returned to regular billing cycles (and collection), after they have successfully completed the hardship program.

5.13 We will also explain to the hardship customer that they will be removed from our hardship program, and be returned to our standard collection cycles, including debt recovery, should they cease to make payments according to the agreed payment arrangement or fail to contact us for a period of greater than 90 days.

5.14 We will not take any action to remove a customer from our hardship program until we have sent the customer a written notice, allowing them 10 working days from the date of the notice to contact us to re-negotiate their re-entry into the program.

6 Retail services provided by Councils

6.1 Council rates are made up of retail services (as defined in this policy) and non-retail services, for example refuse collection.

6.2 If you are a residential customer in receipt of a retail service provided by a council and you are experiencing financial hardship, then only the retail service element of the council rates will be subject to the terms of this hardship policy. All or any other sums that are due to the council for non-retail services may be dealt with under the council's existing hardship policies. The council may exercise its discretion to apply this hardship policy to other sums due.

7 Payment plans

7.1 Our payment plan for a hardship customer will be established having regard to:

- the customer's capacity to pay and current financial situation
- any arrears owing by the customer, and
- the customer's expected usage needs over the following 12 month period.

7.2 The payment plan will also include an offer for the hardship customer to pay for their retail services in advance or in arrears by instalment payments at a frequency agreed with the customer (e.g. weekly, fortnightly, monthly or as otherwise agreed with the customer).

7.3 Where a payment plan is offered to a hardship customer, we will inform the customer in writing, within 10 business days of an agreement being reached, of:

- the duration of the plan
- the amount of each instalment payable under the plan, the frequency of

instalments and the date by which each instalment must be paid
- if the customer is in arrears – the number of instalments to pay the arrears, and
- if the customer is to pay in advance – the basis on which instalments are calculated.

7.4 We will waive any fees for late payment of a bill for a hardship customer.

7.5 Where a hardship customer is seeking assistance in accordance with this policy, but has failed to fulfil their obligations under an existing hardship arrangement, we will require them to sign up for direct debit deductions or Centrepay (where available).

8 Debt recovery

8.1 We will suspend debt recovery processes while negotiating a suitable payment arrangement with a hardship customer.

8.2 We will not engage in legal action or commence proceedings for the recovery of a debt relating to a retail service for a hardship customer if:

- the customer has agreed to a payment arrangement and continues to adhere to the terms of that arrangement, or
- we have failed to comply with the requirements of this customer hardship policy.

9 Rights of residential customers experiencing financial hardship

9.1 Every residential customer experiencing financial hardship has the right to:

- Be treated respectfully on a case-by-case basis, and have their circumstances kept confidential.
- Receive information about alternative payment arrangements, this customer hardship policy, and government concessions, rebates, grants and assistance programs.
- Negotiate an amount they can afford to pay on a payment plan or other payment arrangement.
- Consider various payment methods, and receive written confirmation of the agreed payment arrangement within 10 business days.
- Renegotiate their payment arrangement if there is a change in their circumstances.
- Receive information about free and independent, accredited financial counselling services.
- 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 payment arrangement.
- Not have retail services restricted or disconnected as long as they have agreed to a payment arrangement and continue to make payments according to an agreed plan.

10 General provisions

10.1 We will ensure residential customers have equitable access to this customer hardship policy, and that this policy is applied consistently.

10.2 We will ensure appropriate training of staff dealing with residential customers in hardship to enable them to treat customers with respect and without making value judgements. Training will also assist staff in the early identification of hardship customers, with establishing payment plans based on a hardship customer's capacity to pay, and include processes for referral to an accredited financial counsellor or welfare agency for assistance.

10.3 This customer hardship policy is available on our website: www.ceduna.sa.gov.au .

10.4 We will also make a copy of this policy available to a customer, upon request, and at no charge to the customer, as soon as practicable following a request to do so.

10.5 This customer hardship policy does not limit or prevent us from waiving any fee, charge or amount of arrears for the provision of retail services to customers who are experiencing financial hardship.

11 Confidentiality

11.1 Any information disclosed by a customer is confidential and will not be used for any purpose other than the assessment of an application for assistance.

12 Complaints handling

12.1 Details of our customer complaints and dispute resolution process are available at our website: www.ceduna.sa.gov.au We will also make a copy of this process available to a residential customer, upon request, and at no charge to the customer.

12.2 A residential customer experiencing hardship has a right to have any complaint heard and addressed by us, and in the event that their complaint cannot be resolved, the right to escalate their complaint to the external dispute resolution body approved by the Essential Services Commission of South Australia.