



## HARDSHIP POLICY

First Approved	20 May 2013
Status	Mandatory ( <i>Water Industry Act 2012</i> )
Review Frequency	4 yearly or as required
Last Reviewed	16 March 2020 (Resolution Ref: ACM202052)
Next Review Due	March 2024
File Number	18.63.001 / PL202052
Responsible Division	Resources
Related Documents	Complaints Policy Complaints Handling Procedure Rating Policy Rate Rebate Policy Debt Recovery Policy Debt Recovery Operational Guidelines
Applicable Legislation	<i>Local Government Act 1999 s.182</i> <i>Water Industry Act 2012 s.37</i> <i>Ombudsman Act 1972</i>

### Introduction

Alexandrina Council is committed to assisting customers who are experiencing financial hardship, to manage their payments in a manner that best suits the customer, and ensuring they are serviced. 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 s.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.
- s.182 of the *Local Government Act 1999* permits a Council to partially or wholly remit rates or to postpone rates on the basis of hardship.

### Definitions

*accredited financial counsellor* - 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 service from a Alexandrina Council.

*consumer* - means a person supplied with 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 or entity who owns land in relation to which a service is provided and includes:

- where the context requires, a person seeking the provision of a service
- in prescribed circumstances, a person supplied with services as a consumer or user of those services (without limiting the application of this definition to owners of land)
- 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*).



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

*hardship customer* - means a customer who has been identified under, accepted into, or is eligible for assistance under our hardship program which is an agreement between Council and a hardship customer for payment of outstanding sums due for services.

*regulations* - means regulations under the *Water Industry Act 2012 and Local Government Act 1999*

*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
- the sale and supply of sewerage services for the removal of sewage (*including but not limited to community wastewater management systems*)
- supply of a service provided by Alexandrina Council (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
- 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
- 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*).

## Policy Objectives

The purpose of this Policy is to identify 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 customers experiencing payment difficulties due to hardship, including identification by Council, self-identification by a customer, identification by an accredited financial counsellor, or welfare agency
- 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.

### **Roles and Responsibilities**

*Council* - To provide a policy to assess hardship.

*Manager Finance* - Will ensure policy is reviewed as legislation is amended.

*Rates Officers* - Will liaise with the customer experiencing hardship.

### **Identifying Residential Customers Experiencing Financial Hardship**

A customer experiencing financial hardship is someone who is identified by themselves, by Council, 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.

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.

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

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.

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

Where Council assesses a customer's eligibility for hardship assistance, Council 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 rates and services bills in the past
- the customer, through self-assessment, has identified their position regarding their ability to pay.

### **Assisting Customers who are Experiencing Financial Hardship**

Council will inform a customer of this customer hardship policy where:

- it appears that non-payment of a bill for rates and services is due to the customer experiencing payment difficulties due to hardship
- Council is proposing to install a flow restriction device due to non-payment of a recycled water bill.

Where a customer has been identified as experiencing financial hardship, Council 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 the Payment Plans section (below)
- Centrelink's Centrepay service (only where available)
- 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 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.

Council will not charge a 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.

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

Council 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.

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

Council will not require a hardship customer to provide a security deposit.

Council will not restrict a hardship customer's services if:

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



Council 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.

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

Council 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.

Council 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.

Council 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 Council for a period of greater than 90 days.

Council 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 Council to re-negotiate their re-entry into the program.

### **Payment Plans**

Council's 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
- the customer's expected usage needs over the following 12 month period.

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

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



- if the customer is to pay in advance – the basis on which instalments are calculated.

Council will waive any fees for late payment of a bill for a hardship customer provided the terms of the payment agreement are being met.

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

### **Debt Recovery**

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

Council 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
- Council has failed to comply with the requirements of this customer hardship policy.

### **Rights of Customers Experiencing Financial Hardship**

Every 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 services restricted or disconnected as long as they have agreed to a payment arrangement and continue to make payments according to an agreed plan.

### **General Provisions**

Council will ensure customers have equitable access to this *Hardship Policy*, and that this policy is applied consistently.



Council will ensure appropriate training of staff dealing with 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.

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

### **Delegation**

The Council has delegated to its Chief Executive the necessary powers to make all decisions under or for the purposes of this Policy. The Chief Executive may further sub-delegate this power.

### **Confidentiality**

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.

### **Complaints Handling**

A customer experiencing hardship has a right to have any complaint heard and addressed by Council. Details of Council's customer complaints and dispute resolution policies and procedures are available at Council's website: [www.alexandrina.sa.gov.au](http://www.alexandrina.sa.gov.au). In the event that their complaint cannot be resolved by Council, customers have the right to escalate their complaint to the relevant Ombudsman. Further details can be found at [www.ombudsman.sa.gov.au](http://www.ombudsman.sa.gov.au) and [www.ewosa.com.au](http://www.ewosa.com.au).

### **Exclusions**

Where there is a commercial contract for the supply of service, the conditions within the contract will take precedence over this policy.

### **Further Information**

For further information on this Policy, please contact:

Finance Manager  
PO Box 21  
Goolwa SA 5251

Phone: (08)8555 7000  
Email: [alex@alexandrina.sa.gov.au](mailto:alex@alexandrina.sa.gov.au)

### **Availability of Policy**

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website [www.alexandrina.sa.gov.au](http://www.alexandrina.sa.gov.au). Copies will also be provided to interested members of the community upon payment of a fee in accordance with Council's Schedule of Fees and Charges.