



Business Services **Debt Management and Hardship Procedures**

December 2018



Contents

Debt Management Procedure

Overview	3
Rights and responsibilities	3
Billing and payment	4
Payment difficulties	4
Non payment	5
Actions relating to non-payment	6

Hardship Procedure

Overview	7
What is financial hardship?	7
Accessing financial hardship	7
Financial counselling	7

SRW customer enquiries

Email
srw@srw.com.au

Phone
1300 139 510

Website
www.srw.com.au

Debt Management Procedure

Overview

Purpose

The Debt Management Procedure sets out the rights and responsibilities of Southern Rural Water (SRW) and our customers in relation to the management of outstanding debt. The purpose of this procedure is to establish transparent, fair and equitable debt management principles for customers to support them in understanding our debt management approach.

Scope

This Procedure applies to the management of outstanding debt relating to customer's fixed and variable charges, sundry debtors, interest and miscellaneous charges. They have been developed to meet the requirements and standards of the Essential Services Commission (ESC) and the SRW Customer Charter.

Authority

The SRW Managing Director is responsible for the approval of this Procedure.

Amendments to the Procedure

The Procedure may be amended from time to time in accordance with the Customer Charter and/or to ensure compliance with our legislative or regulatory obligations.

Review period

The Procedure is reviewed annually, in conjunction with the annual review of the Customer Charter.

Other information

Further information can be found in the following documents which are available to download from our website:

- SRW Customer Charter
- Customer Charter summary.

SRW's and customers rights and responsibilities

SRW

These are the actions we will take that ensure we meet our rights and responsibilities for recovering debt.

We will:

- Engage in a genuine discussion with our customers to determine the best option for payment, recognising that some customers have short term financial issues which may be resolved in the near to medium term future where others may require a different type of approach for long term or ongoing financial issues
- Suspend formal debt recovery processes if a payment plan is established with a customer
- Inform the customer about the availability of Government pension concessions where applicable
- Provide this procedure and other payment assistance information to customers on request
- Provide contact details of an accredited financial counsellor on request
- In the case of a complaint regarding this procedure the customer will be advised about their right to lodge a complaint with the Energy and Water Ombudsman Victoria (EWOV).

Customer

Customers can expect to:

- Be advised about payment options and Government pensioner concessions
- Be offered a payment plan which they can reasonably afford and which productively reduces their debt
- Be treated respectfully and sensitively on a case by case basis and have their circumstances kept confidential
- Renegotiate the amount of a payment plan if there is a change in their circumstances
- Be advised about the availability of accredited financial counselling services
- Not be subjected to legal action and additional debt recovery costs, whilst they continue to make payments according to an agreed payment plan
- Speak with a SRW team member who is familiar with their situation in order to re-negotiate their payment plan if a payment has been missed or is likely to be missed
- Receive a copy of this procedure on request
- Be advised about their right to lodge a complaint with the Energy and Water Ombudsman Victoria (EWOV) if their debt payment issue is not resolved with SRW.

Debt Management Procedure

Billing and payments

General information

Each year we send annual fixed & usage and quarterly recycled water fixed & usage accounts.

Accounts are sent to the preferred mailing address nominated by customers, which may include an agent or other person authorised to act on their behalf. If a customer does not provide any particular instructions, we will issue the account to the address where service is provided or last known address.

The account sets out charges for different services and provides customers with important information including:

- The date the account has been issued and the billing period
- The billing address and account number
- The volume supplied and water usage amount
- The amount the customer is required to pay
- The date by which the account must be paid
- The interest rate that applies to late payment
- Payment options available
- Information about interpreter services offered
- Information on concessions available
- Information about how to contact us in relation to questions about the account.

Billing frequency

Fixed Charges Accounts are issued once per year, normally in October.

Usage Charges Accounts are issued at least annually but may be issued more frequently. These accounts are generally issued in July.

Recycled Water fixed & usage accounts are issued quarterly.

Payment methods

A range of payment methods are available, including payment by mail, payment at any Post Office, payment in person by cash, money order, credit card, or via B-Pay.

Payment options

A range of payment options are provided including:

- Payment in full
- Payment by four equal instalments
- Payment Arrangements

Payment difficulties

If a customer is experiencing difficulty paying their account, they can contact us to discuss alternative payment options. We will provide customers who are having payment difficulties or suffering financial hardship with information relating to programs to assist in the payment of their account on a case-by-case basis. This includes information on programs relating to:

- Payment plans
- Payment extensions
- Our hardship procedure.

Debt Management Procedure

Payment Plans

At any stage prior to the due date on their account, customers who foresee that they may have difficulty in paying their account may enter into a payment plan.

This arrangement allows for a payment schedule to be agreed which takes into account the individual needs of the customer and ensures the account is paid in full within the parameters of:

- Payment in full by 30 June of all overdue fixed component charges
- Payment in full by 20 December of all overdue Usage charges.

We are committed to working with customers to establish a payment plan which is productive and reasonable. We will outline the advantages and disadvantages of entering into a flexible payment plan to ensure customers are able to make an informed decision.

If a payment plan is agreed, we will confirm the details in writing within 10 business days and will:

- State the period over which the customer will pay the agreed amount
- Specify an amount to be paid in each period.

Customers can ask to re-negotiate their payment plan if their circumstances change.

If a payment plan is established, any outstanding amounts on the account will still incur interest. Payments will be applied to the debt that has been outstanding the longest.

SRW is not required to offer customers a payment plan if the customer has, in the past 12 months, had two payment plans cancelled due to non-payment - unless the customer provides a fair and reasonable assurance that they will comply with the plan.

Payment extension

We can offer short term payment extensions to customers if they require up to one extra month to pay an account. To arrange an extension, customers must contact us as soon as possible after receiving their account.

Non payment

We rely on our customers to pay their accounts on time. If an account is still outstanding after the due date, we will issue a reminder notice encouraging them to pay the account, or contact us to arrange a payment plan.

If the account remains unpaid by the due date the following process will apply:

Reminder notice

Once the due date has past a reminder notice will be issued for all outstanding balances and will include the following information:

- Notification that the account is overdue and must be paid
- A revised due date for payment providing an additional 10 business days
- Caution that, if legal action is taken, the customer may incur additional costs in relation to those actions
- The date from which interest may be applied on outstanding amounts, and the percentage interest rate that may be applied
- Any assistance that is available to customers, including contact information for Energy and Water Ombudsman Victoria (EWOV).

Final notice

If the account remains unpaid after the revised due date or the customer has not made contact and established a payment plan a Final notice will be issued for all outstanding balances and will include the following information:

- Notification that the account is overdue and must be paid for the customer to avoid suspension of their water supply and legal action
- A revised due date for payment providing an additional five business days
- Caution that, if legal action is taken, the customer may incur additional costs in relation to those actions
- The date from which interest may be applied on outstanding amounts, and the percentage interest rate that may be applied
- Any assistance that is available to customers, including contact information for Energy and Water Ombudsman Victoria (EWOV).

Debt Management Procedure

All reminder and final notices issued by SRW will contain all of the information contained on the original account with the exception of usage, previous accounts or past payments.

Actions relating to non-payment

Suspension of supply

We have the right to suspend a customer's water supply if:

- There are outstanding charges on their account, and
- More than 10 business days have elapsed since the issue of a Final Notice, and
- We have attempted to contact the customer about the non-payment.

Legal action

We may take legal action for non-payment if:

- We have complied with the steps in the clause Suspension of Supply, and
- We have notified the customer of the proposed suspension or legal action and the associated costs, and
- The customer has been offered a payment plan under the clause Payment Plans and has refused or failed to respond, and
- The customer has failed to comply with the payment agreement under a payment plan.

Limits on suspension and legal action

We will not initiate any actions relating to non-payment if:

- The amount owed is less than \$200, unless the customer has failed to pay consecutive accounts in full over a period of not less than 12 months
- A customer is eligible for and has lodged an application for a government funded concession and the application is outstanding
- The amount in dispute is subject to an unresolved complaint procedure
- It is a Friday, public holiday, weekend, day before a public holiday or after 3:00pm any day
- It is a day of Total Fire Ban declared by the Country Fire Authority in the area in which the property is located.

This does not restrict SRW's rights to pursue debt owed to it by a person who is no longer a customer.

Removal of suspension

We will restore a service that has been suspended within one business day of becoming aware that the reason for suspension no longer exists.

If a customer requires water supply following the removal of a suspension they will be subject to normal water ordering procedures.

Debt collection referral

Where SRW is unable to come to an arrangement with a customer following the previously mentioned process the account will be referred to a debt collection agency which has been engaged for collection purposes.

Additional costs

Additional costs incurred by SRW relating to unpaid accounts will be passed onto customers. These include:

- Interest on the overdue account (refer to www.srw.com.au for current interest rate)
- Legal costs awarded by a court in any successful recovery proceedings.

Interest and other charges

We may charge interest on outstanding amounts. Information about the basis for calculation of interest on overdue amounts is available by contacting us.

Landowners who cannot be contacted

If a debt exists and we are unable to make contact with the registered proprietor, SRW will determine whether action will be taken in the Magistrates' Court to obtain judgement that a caveat be placed on the land title relating to the payment of the debt. We will also make a determination as to whether action will be taken to remove the association between the land and any water entitlement.

Hardship Procedure

Overview

We are committed to supporting customers who are experiencing genuine financial hardship. We understand that there are complex factors which impact our customers and acknowledge that from time to time any customer can experience a period of financial hardship.

Our hardship procedure aims to strike a balance between providing customers experiencing genuine financial hardship with fair and equitable treatment, while meeting our obligations to our broader customer base to contain debt to appropriate levels.

Purpose

The Hardship Procedure sets out the rights and responsibilities of SRW, in relation to customers who are experiencing genuine financial hardship in paying their account.

This procedure aims to ensure that customers identified as experiencing genuine financial hardship are treated fairly and are protected from SRW's debt recovery actions while they continue to make payments according to an agreed schedule.

This procedure enables us to make determinations about financial hardship on an individual basis and negotiate tailored solutions for customers experiencing financial hardship.

Scope

This Procedure details information about the assistance we will provide to customers who are assessed as being in genuine financial hardship.

Authority

The SRW Managing Director is responsible for the approval of the Hardship Procedure.

Amendments to the Procedure

The Procedure may be amended by SRW from time to time in accordance with the Debt Management Procedure or Customer Charter and/or to ensure compliance with our legislative or regulatory obligations.

Review period

The Procedure is reviewed annually, in conjunction with the annual review of our Debt Management Procedure and/or Customer Charter.

What is 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 specified time.

Financial hardship may arise as a result of, or be identified as, a person experiencing:

- A sudden change in circumstances (unemployment, ill health, separation, a death in the family, a loss resulting from an accident)
- An ongoing illness
- Eligibility for a Government payment (for example, Centrelink benefits, etc) due to low income
- Ongoing impacts of a natural disaster (flood etc).

Financial hardship can be temporary or long-term. Depending on the type of hardship being experienced, customers may have different needs and require different solutions.

Accessing financial hardship

We will work with customers on an individual basis to determine the nature of their financial hardship. This assessment will include consideration of whether a customer is in receipt of government payments, the expected period of the hardship, the information provided by financial counselling services and a range of other matters.

Decisions about granting special arrangements on the basis of financial hardship are made on a case by case basis and must be approved by SRW's Chief Financial Officer.

Financial Counselling

We can refer customers to an independent financial counselling service. Financial counsellors are able to provide detailed information to customers about the rights and options available to them. Customers can access financial counsellors to discuss any financial matters that may be causing them difficulty or distress.