

Hardship Policy

This policy was adopted by Council on 22/06/2016

Preamble

This policy has been adopted in compliance with our requirements as a licenced water industry entity under the Water Industry Act 2012. In developing this policy it 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, however as Council's Community Wastewater Management Schemes (CWMS) are billed under the Local Government Act 1999 there was a need for some adjustments to the Minister's Hardship Policy to enable compliance under both pieces of legislation.

The modifications contained in this policy have been approved by the Essential Services Commission of South Australia. Under Council's Delegations Register, Instrument 9.12, the power to adopt the modified policy is delegated to the Chief Executive Officer.

While this hardship policy was developed to cover residential customers of a CWMS intermediate water retail service, the provisions contained in this policy will generally be applicable to hardship applications under the provisions of Chapter Ten of the Local Government Act 1999 - Rates and Charges.

The contents and commitments in this policy are not intended to be and should not be interpreted to be any more than a statement of Council's general position to facilitate assistance to customers in situations of genuine financial hardship wherever it is reasonable to do so.

Purpose

1. **City of Onkaparinga** is committed to assisting **residential customers of its CWMS services**, who are experiencing **financial hardship (as defined by this policy)**, to manage their payments in a manner that best suits the **customer**, and ensuring they remain connected to the **retail service**.
2. 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.
3. 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.

Background

4. **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.
5. **Residential customers of the City of Onkaparinga Community Wastewater Management Scheme (CWMS)** should be aware that this hardship policy only relates to debts incurred for the supply of the CWMS service. Any other debts owed to council under the Local Government Act may still be subject to fines, interest accrual and debt recovery mechanisms. We encourage customers to discuss any difficulties making payments with us as early as possible.

Definitions and interpretation

6. In this **policy words defined in this section have a specific meaning:**

accredited financial counsellor means in South Australia, 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 the CWMS intermediate **retail service**, that has been adopted by City of Onkaparinga in accordance with section 37 of the *Water Industry Act 2012*

CWMS means the City of Onkaparinga's Community Wastewater Management Schemes as governed by its Water Retail Licence under the Water Industry Act 2012.

financial counsellor means **accredited financial counsellor**

financial difficulty means a customer who may be identified as experiencing temporary difficulty making payments for the water retail service as a result of a short-term change in circumstances but are not considered to be experiencing financial hardship.

financial hardship means a circumstance of experiencing a lack of financial means on an ongoing basis but does not include circumstances where a person chooses not to meet a liability for an unpaid debt

hardship means **financial hardship** determined in accordance with this policy as an ongoing difficulty in making payments for the water **retail service**. It does not mean temporary difficulty in making payments for the water retail service due to a short term change in financial circumstances.

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 50000 **connections**

minor retailer means a **retailer** that provides **retail services** to less than 500 **connections**

our, us, we means City of Onkaparinga

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 **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*)

Identifying residential customers experiencing financial hardship

7. 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 ongoing financial capacity, to make required payments in accordance with our payment terms.
8. **Residential customers** who are identified as experiencing ongoing **hardship** are generally those on low or fixed incomes. These **customers** may require ongoing assistance.
9. **Residential customers** who may be identified as experiencing **financial difficulty** generally require flexibility and temporary assistance, such as an extension of time to pay or an alternative payment arrangement. These **customers** are not covered by this policy but are still afforded consumer protection under section 5.9 of the Water Industry Code for Minor and Intermediate Retailers. **Customers** identified as experiencing **financial difficulty** will be subject to the provisions of the Local Government Act 1999 for debt recovery.
10. All claims for and the extent of **hardship** will be determined by either our assessment process or by an external body, such as an **accredited financial counsellor**.
11. 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.

Assisting residential customers who are experiencing financial hardship

12. **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**.
13. 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 27 to 31,
 - 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),
14. **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.
15. **We** will engage in discussion with the **hardship customer** to determine a realistic payment option in line with the **customer's** capacity to pay.
16. **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.
17. Where a **hardship customer's** circumstances change, **we** will work with the **customer**, and their **financial counsellor**, to re-negotiate their payment arrangement.
18. **We** will not require a **hardship customer** to provide a security deposit.

19. **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.
20. **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**.
21. Where a **hardship customer** requests information or a redirection of their bills, **we will** provide that information or redirection free of charge.
22. **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**.
23. **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.
24. **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.

Retail services provided by Councils

25. Council rates are made up of **retail services** (as defined in this policy) and non-retail services, for example refuse collection.
26. As a **residential customer** in receipt of a **retail service** provided by the City of Onkaparinga, if 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 arrangements or as provided for by the Local Government Act 1999.*

Payment plans

27. **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.
28. 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**).
29. 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.
30. **We** will
 - remit/ waive any fees for late payment of a bill (for CWMS retail services) for a hardship customer during their participating in this hardship program, providing any hardship agreement is maintained and/or
 - Offer postponement of the bill for an agreed period prior to commencement of a hardship agreement payment plan
31. 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).

Debt recovery

32. **We** will suspend debt recovery processes while negotiating a suitable payment arrangement with a **hardship customer**.
33. **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**.

Rights of residential customers experiencing financial hardship

34. 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.

General provisions

35. **We** will ensure **residential customers** have equitable access to this **customer hardship policy**, and that this **policy** is applied consistently.
36. **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.
37. This **customer hardship policy** is available on our website:
www.onkaparingacity.com
38. **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.

39. 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**.
40. Without limiting the provisions of this policy, where service charges are imposed under Section 155 of the Local Government Act 1999, this policy does not limit or prevent councils from applying other legislative provisions of Chapter Ten of the Local Government Act 1999.

Confidentiality

41. 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

42. Details of **our** customer complaints and dispute resolution process are available at **our** website: www.onkaparingacity.com. **We** will also make a copy of this process available to a **residential customer**, upon request, and at no charge to the **customer**.
43. 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.

Attachments

Nil

References and relevant legislation

<i>Printed documents</i>	City of Onkaparinga, Rating Policy 2016-17 <ul style="list-style-type: none"> • Attachment 1 – Application for Remission of rates and/or fines • Attachment 2 – Application for Postponement of rates for seniors
<i>Legislation</i>	<i>Water Industry Act 2012</i> <i>Local Government Act 1999</i>
<i>Websites</i>	www.onkaparingacity.com

Contact Officer: Director Finance and Commercial

Approving authority: Chief Executive Officer - Mark Dowd

Next review: 1 June 2020

Timing of review: Review every 4 years

ECM number: ECM Set No 3580973

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