



Light
Regional
Council

Hardship Policy for Residential Customers of Minor and Intermediate Water Retailers (for application to CWMS Customers)

Reference Number:	Section 1 No. 10
Responsible Department:	Business and Finance
Related Policy/Procedure:	1.06 Rate Rebate Policy, 1.07 Debtor Management Policy 1.08 Rates Hardship Policy (excluding Water Policy requirements)
Date of Adoption:	25 August 2015
Current Review Date:	April 2021
Minute Reference:	AUD9.2.3/2021
Version Number:	Amendment No. 2
Applicable Legislation:	Section 37, Water Industry Act 2012 Sections 182, 182A and 270, Local Government Act 1999
Next Review Date:	April 2023
Review Frequency:	Biennially

1. Purpose

Light Regional Council is committed to assisting residential customers of its Community Wastewater Management Scheme (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, without modification.

3. Definitions and interpretation

In this policy:

in South Australia, **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

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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 Light Regional Council, 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 50000 connections

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

our, us, we means Light Regional Council

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 (refer to Clause 7 'Payment Plans),
- 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 make arrangements for direct debit deductions or other equivalent means, including Centrepay (if elected by the customer).

8. Debt recovery

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- 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.light.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

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.light.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.

13. Alignment to Local Government Act Hardship Provisions

Section 182 sets out the Local Government Act's provisions in regard to 'Hardship Policies'. Council's policy number **1.8 Rates hardship Policy (Excluding Water policy Requirements)** provides commentary on handling hardship applications made under that Act. This policy and the authority contained herein should be read in conjunction with the aforementioned policy.

14. Application Form

Applications for rate relief can be made using Council's "Application for Rate Relief Due To Hardship" form (Appendix A) and should be accompanied by the appropriate supporting documentation. Application forms can be downloaded from Council's website 'www.light.sa.gov.au' or can be obtained by contacting Council's Rates Officer on telephone 08 8525 3200.

15. Review of Decisions

Should a ratepayer (applicant) be dissatisfied with the outcome of an application lodged under this policy, the applicant is entitled to have the decision reviewed in accordance with section 270 'Procedures for review of decisions and requests for services' of the Local Government Act 1999.

The process is managed in accordance with Council's Policy Number 6.13 'Internal Review of Council Decision Procedure' which can be found on Council's website 'www.light.sa.gov.au' or by obtaining a hard copy of the policy from the Council free of charge.

16. Availability of Policy

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This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.light.sa.gov.au. Copies will also be provided to interested members of the community upon request free of charge.

Policy History

Adopted by Council at meeting held Tuesday, 25 August 2015 (No 5) Item AUD9.2.6/2015 Page 2015/273.

Amendment No. 1 adopted by Council at meeting held Tuesday, 23 May 2017, Item No 12.2.1 at page 2017/167

Amendment No 2: Policy adopted at Council Meeting held 27 April 2021, Minute Reference AUD9.2.3/2021, Page Reference 2021/90

APPENDIX A - APPLICATION FOR RATE RELIEF FOR RESIDENTIAL CUSTOMERS OF MINOR AND INTERMEDIATE WATER RETAILERS (for application to CWMS Customers)

Complete this form only if you are applying for a rate relief under section 182 of the Local Government Act 1999.

The information that you provide on and with this application is required to assist Council to assess your application for rate relief. Please note that the penalty for providing false or misleading information on this form is an offence under the Local Government Act 1999.

Assistance with completing this form?

If you require assistance to complete the application form, or want more information about rate relief, please contact Council's Rates Officer on telephone 08 8525 3200.

Lodging your application?

Once the application form is completed, either:

<u>Post to:</u> Light Regional Council PO Box 72 KAPUNDA SA 5373	<u>Deliver in person to:</u> Council office 93 Main Street KAPUNDA or, Council office 7 Hanson Street, FREELING	<u>Email to:</u> light@light.sa.gov.au
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Questions and Information Section

1. General Information

Please list the Assessment Number, valuation number and address of the property or properties for which you are applying for rate relief.

Assessment Number (4 digits)	Valuation Number (10 digits)	Property Address

2. Applicant's Details

Name: _____

Residential Address: _____

Postal Address: _____

Daytime Phone Number: _____

Email: _____

Is the property for which you are applying for rate relief (listed in Question 1) your principal place of residence?

- ☐ Yes (If so, what is the Assessment Number)
- ☐ No

3. Tick that which applies to you:

- ☐ I am the owner of the property listed at Question 1.
- ☐ I am the spouse of the owner of the property listed at Question 1.
- ☐ None of the above.

4. What is your employment status?

- ☐ Full Time.
- ☐ Permanent Part Time.
- ☐ Casual.
- ☐ Self Employed.

What is your profession?

- ☐ Unemployed.
- ☐ Retired.

5. Do you hold or have you applied for a State Government Concession?

- ☐ Yes
- ☐ No

6. How long have you owned the property listed at Question 1?

- ☐ Over 10 years.
- ☐ Over 3 years but less than 10 years.
- ☐ Less than 3 years.

7. How many dependents do you have?

- ☐ Spouse
- ☐ Children Number of Child dependents ☐

8. Please complete the following fortnightly **household** income and expenditure statement.

Expenses (fortnightly)		Income (fortnightly)	
Mortgage or Loan Payments	\$	Salary or Wages	\$
Food Shopping	\$	Pensions or Annuity Payments	\$
Petrol	\$	Other Government Payments	\$
Gas and Electricity	\$	Rental Income	\$
Water	\$	All Other Income	\$
Council Rates	\$		
Entertainment	\$		
All Other Expenditure	\$		
Total Fortnightly Expenses	\$	Total Fortnightly Income	\$
Net Fortnightly Income / Expenses (*Income <u>less</u> Expenses)			\$

Has the above financial information been verified as correct by a financial counsellor, bank manager, practising accountant or another person?

☐ Yes (If so, what is the person's name and position?

Name:

Position:

Contact detail:.....

☐ No

9. Please outline the reasons for your application. Attach a separate piece of paper if required.

Hardship Declaration

The following arrangements apply to the postponement or remission of rates under Hardship Circumstances.

Council may decide in granting approval or postponement of rates (by advising in writing at the commencement of postponement) to charge interest on the postponed amount. The interest rate which will apply is the cash advance rate in line with section 182(2) of the Local Government Act 1999. The interest will be applied to the total amount postponed on a monthly basis, compounded until the amount is paid.

Any postponed rates debt (including all charges and interest) is payable at the time of disposal or sale of the property, or when the postponement period is complete (whichever occurs first). However, the ratepayer has the discretion to pay all or part of the debt at any time before this.

If the application is approved, and a postponed rates debt applies to the property, the ratepayer must inform the Council in writing following the sale of the property.

Ratepayer Declaration

I understand the above arrangements apply to the postponement or remission of rates under hardship circumstances.

I declare that the information I have provided in this application is true and correct to the best of my knowledge.

I am prepared to attend an interview to discuss this application further if required.

Applicant's Name

Applicant's Signature

Date