

City of Kalgoorlie-Boulder

Policy DS-SWM-003

Financial Hardship Policy for Water Services

January 2019

City of Kalgoorlie-Boulder
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If you need an interpreter, please call the Translating and Interpreting Service (TIS National) on 131 450 and ask them to telephone the City of Kalgoorlie-Boulder on (08) 9021 9600. Our business hours are 8:00am to 5:00pm Monday to Friday.

If you are deaf, or have a hearing impairment or speech impairment, contact us through the National Relay Service www.relayservice.gov.au:

TTY users phone 133 677 then ask for 08 9021 9600
Speak and Listen users phone 1300 555 727 then ask for 08 9021 9600

This document is available in alternative formats (softcopy/online, hardcopy and large print) upon request; please contact our customer service for more details.

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1 Policy Statement

We understand ratepayers experiencing financial hardship may find it difficult to pay their rates account. We recognise we have an ongoing social obligation to ensure ratepayers are treated with fairness, integrity and compassion. We are committed to working with our ratepayers to find an appropriate payment solution that is effective and sustainable.

2 Purpose

This Financial Hardship Policy outlines how the City of Kalgoorlie-Boulder (“we”) will assist a residential ratepayer (“you”) who cannot pay certain part of their rate notice¹ because of financial hardship.

Our policy applies only to the sewerage area rates portion of your rate notice.²

If you are also having difficulty paying other charges on your rates notice, we encourage you to still talk to us.³

We are committed to working with you to find an appropriate payment arrangement that works for both you and us. We understand that it can be difficult to ask for support, and we will treat you sensitively and respectfully.

3 Scope

This Financial Hardship Policy applies to residential ratepayers who are experiencing financial hardship. It is:

- applied by staff in Debt Recovery who are responsible for the recovery of overdue rates accounts;
- used as a reference by all employees and contractors of the City of Kalgoorlie-Boulder who interacts with ratepayers with outstanding sewer charges, and who suspect or have confirmed, that the ratepayer is experiencing financial hardship; and
- a guide used for external stakeholders when assisting customers in financial hardship e.g. financial counsellors.

This policy does not apply to non-residential ratepayers or customers having payment difficulties. We acknowledge that temporary loss of a job is likely to cause payment difficulties, but not necessarily hardship. However, you should still contact the City for assistance. In recognition that these customers may also need support, our trained staff can offer advice and a range of flexible payment options to assist them.

4 Definitions

Customer

means a customer who uses the place in respect of which a water service is provided solely or primarily as the customer’s dwelling (as defined in the *Water Services Code of Conduct (Customer Service Standards) 2018*) (Note: you may be a residential, commercial or retail customer by virtue of being a council ratepayer).

¹ See the City of Kalgoorlie-Boulder’s *Financial Hardship Policy COPR-F-011* for other services

² This is because the *Water Services Code of Conduct (Customer Service Standards) 2018* and our water licence only require us to have a hardship policy for any wastewater water or sewerage services we provide to residential customers.

³ See the City of Kalgoorlie-Boulder’s *Financial Hardship Policy COPR-F-011* for other services

Financial liability	under section 126 of the Water Services Act 2012, the land owner is liable for all charges.
Financial hardship	a ratepayer (residential) experiencing financial hardship is someone who is identified by themselves, by the City, or 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 the City's payment terms.
Financial hardship payment arrangement	a payment agreement made with a customer (residential, consumer or retail) who is willing and has the intention to pay, but is unable to meet their repayments or existing financial obligations due to serious and/or exceptional hardship.
Payment difficulties	being in a state of financial disadvantage that is not likely to be ongoing and in which the customer is unable to pay an unpaid bill (as defined in the Water Code).
Wastewater (Sewage)	includes any form of waste that may be appropriately removed or dealt with through the use of a sewerage service.
Sewerage (wastewater) service	<p>means:</p> <ul style="list-style-type: none"> • 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. <p>(as defined in the <i>Water Services Act 2012</i>) (<i>Note: sewerage service includes but not limited to community wastewater management systems</i>).</p>
ERA	Economic Regulation Authority.
FCAWA	Financial Counsellors Association of Western Australia.
Recognised Financial Counselling Service	FCAWA is a recognised service that can refer applicants to a financial counsellor in their area. Alternatively, they can refer the applicant to the National Debt Helpline (Ph. 1800 007 007). The Helpline provides a free confidential service for all Western Australians with financial problems and queries.
Financial Counsellors	these are agencies that provide free and independent financial counselling and advocacy services to people in financial difficulty. They are generally community-based and non-government organisations funded by the government or community sector organisations such as welfare organisations. (as defined by ASIC).

5 What is Financial Hardship?

You will be considered to be in financial hardship, if paying the sewerage rates will affect your ability to meet your basic living needs⁴ – in short, if you have the intention but not the financial capacity to pay. The City is committed to providing additional support to assist you in meeting your legal commitments.

The City recognises there are two types of financial hardship i.e. temporary and ongoing.⁵ Depending on the type of hardship being experienced, you will have different needs and will require different solutions.

6 Identifying Customers in Financial Hardship

If you think you may be in financial hardship, we encourage you to contact us as soon as possible. You may ask your financial counsellor to contact us on your behalf.

We will assess within ten business days whether we consider you to be in financial hardship. If after ten days an assessment has not been made, we will refer you to a financial counsellor for assessment.

As part of our assessment we will consider any information provided by you and, if applicable, your financial counsellor. We will also take into account any information we may have on your payment history.

As soon as we have made our assessment, we will advise you of the outcome.

6.1 Financial Hardship

You are experiencing financial hardship if you are in:

*... an ongoing state of financial disadvantage in which the ability of a customer who is a residential customer to meet the basic living needs of the customer or a dependant of the customer would be adversely affected if the customer were to pay an unpaid bill.*⁶

You may require ongoing assistance such as alternative payment arrangements with an extension of time to pay; the waiving of interest and any associated administrative fees; and may also include a write-off of accrued interest and/or legal (refer to section 7 for full payment plans detail).

The City will consider all circumstances including, but not limited to, the following examples:

- a serious accident;
- sudden bereavement within a family;
- severe/life threatening illness or medical disability;
- an impact on a dependent or family member who has serious disability or health problem and who relies on the affected person for their financial support;
- marriage/partnership breakdown;
- prolonged imprisonment;

⁴ Clause 22 of the *Water Services Code of Conduct (Customer Service Standards) 2018* defines financial hardship as “means being in an ongoing state of financial disadvantage in which the ability of a customer to meet the basic living needs of the customer or a dependant of the customer would be adversely affected if the customer were to pay an unpaid bill”.

⁵ See *Council Policy CORP-F-011 Financial Hardship* for the City of Kalgoorlie-Boulder’s definition of temporary financial hardship and ongoing financial hardship (<https://www.ckb.wa.gov.au/Council/Corporate-Documents/Policies>)

⁶ Clause 22 of the Water Code

- business downturn;
- loss of primary income and/or other unforeseen factors affecting a customer's capacity to pay, such as a reduction in income or an increase in non-discretionary expenditure;
- temporary physical or mental incapacity;
- emergency event from natural disasters such as flood, bushfire, cyclone or earthquake;
- domestic violence; or
- any other matter considered acceptable by the Chief Executive Officer.

Note: temporary loss of a job is usually payment difficulties rather than financial hardship, but you should still contact the City for assistance.

7 Payment Plans

If we determine that you are in financial hardship, under the sewerage services portion of your rate notice we will offer you the following:

- more time to pay your account; or,
- a payment plan; and,
- suspend interest charges and administration fees whilst a payment plan is in place.

For ratepayers that have been assessed as experiencing "ongoing hardship", the City may refer the property to Council for their consideration, under a financial hardship report for write-off of accrued interest and/or legal fees. The format of the report to Council will include the following information:

- property's assessment number;
- description of the debt;
- amount outstanding (further broken down into rates and service charges categories);
- period of debt (e.g. 1 year, 2 years etc.); and
- reason/s for the write off/s.

The referral to Council is a requirement under section 6.47 of the Local Government Act 1995, which requires Council's absolute majority.

We will involve you and, if applicable, your financial counsellor in setting a payment plan. When setting the conditions of the plan, we will consider your capacity to pay, and if relevant, your consumption.

We will review your payment plan if you submit a request in writing. If our review indicates that you are unable to meet your obligations under the current plan, we will revise it. We will either extend the duration of the payment arrangement and/or reduce the periodic payment amount.

If you do not comply with your payment plan and fail to contact us to re-negotiate the terms, we will make all reasonable attempts to contact you to advise of our next course of action. We do not have to offer you a payment plan if you have had three payment plans cancelled because of non-payment or declined payments.

If you are an occupier of a property under a crown lease, we will notify the landowner (e.g. State of WA) advising them of our intention to provide you with an extension of time to pay or a payment plan before we formally accept your proposal.

8 Debt Reduction

8.1 Temporary Financial Hardship

If you have been assessed as experiencing temporary financial hardship, we will consider reducing the amount you owe us by way waiving penalty interest and administration fees whilst committing to a payment plan.

8.2 Ongoing Financial Hardship

If you have been assessed as experiencing ongoing financial hardship, we will consider reducing the amount you owe us by way of;

- waiving interest and administration fees charges whilst committing to a payment plan **and**
- requesting Council to consider a write-off interest and/or legal charges (absolute majority required).

9 Debt Collection

We will suspend our debt recovery processes whilst negotiating a suitable payment arrangement with you.

9.1 Payment Plans

We will not commence any legal proceedings to recover your debt if;

- you are being assessed as experiencing temporary or ongoing financial hardship,
- you have received an extension in time to pay, payment plan or another payment arrangement you have with us and
- you are complying with your extension in time to or payment plan.

9.2 Legal Proceedings

If legal proceedings have been commenced, these will be suspended for the following reasons;

- your financial hardship application is being reviewed and assessed,
- you have received an extension in time to pay, a payment plan or another payment arrangement you have with us,
- you are complying with your extension in time to or payment plan.

9.3 Non Compliance to Payment Plan

If you do not comply with your time to pay, payment plan or other payment arrangement, we may commence debt recovery proceedings as per Council's Policies i.e. CORP-F009 Debt Collection Policy.

Legal actions proceedings will be initiated or re-initiated, where your rates account will be referred to either;

- to our Debt Recovery Officer for its recovery **or**
- outsourced to an external Debt Collection Agency.

9.4 Legal Costs

All legal costs and expenses incurred in recovering outstanding rates and charges will be charged against the property in accordance with section the *Local Government Act 1995*.

When collecting your debt, we will comply with Part 2 of the Australian Competition and Consumer Commission (ACCC) and Australian Securities and Investments Commission (ASIC) Debt collection guidelines for collectors and creditors.

If due to an administrative error by us, and legal proceedings were inadvertently taken, we will take every measure to rectify your rates account. Any associated fees will be reversed and any entries that may appear on your credit history file (in regards to our error) will be cleared.

10 Additional information

10.1 Useful information

- **The City's Schedule of Fees and Charges** is located on the City's website- www.ckb.wa.gov.au.
- **Rates Notice:** You can choose to have your annual rates notice sent to you electronically (e-Rates) or by mail. To register for e-Rates you must subscribe via our website – www.ckb.wa.gov.au/My-Property/Rates/Subscribe-to-e-Rates.
- **Redirection of rate notice:** If you are absent or ill you can request to have your rates notices redirected to another person free of charge.
- **Payment Methods:** You may pay your rate notice by direct debit, Centrepay, BPAY, BPOINT, telephone, post or in person.

For more information on your payment options, please contact us on (08) 90219600 or mailbag@ckb.wa.gov.au or in person at our Administration Office 577 Hannan Street, Kalgoorlie or our Customer Service Centre Shop 8-10, 272 Hannan Street, Kalgoorlie.

- **Centrepay:** is only available to customers who receive Centrelink payments. Paying by Centrepay may help you manage your bills more easily as your bills will be paid through regular deductions.
- **Concessions:** The Office of State Revenue has a rebate scheme that provides concessions to pensioners and seniors on their local government rates charges, sewerage charges and emergency services levy. The concessions available are either a rebate on, or the deferment of, these charges (eligibility criteria must be met).

To receive a concession on your local government rates, sewer and emergency services levy, you must be on 1 July of the current financial year;

- own and occupy your property as your ordinary place of residence.

and

- be the holder of a valid:
 - Pensioner Concession Card; or
 - State Concession Card; or
 - Commonwealth Seniors Health Card together with a WA Seniors Card; or
 - WA Seniors Card.
- Register your entitlement with us in person or online with Water Corporation www.watercorporation.com.au/my-account/i-want-to/concessions.
- A pro-rata rebate may be available from the date of registration to Pensioners, and Seniors who become eligible after 1 July of the current financial year.

- If you have arrears outstanding on your property and you meet the eligibility criteria, you may be able to enter into a payment arrangement to pay the arrears and still be eligible for a rebate. We suggest you contact our Rates Team on (08) 90219654 to discuss your rates accounts.
- If your circumstances change, particularly with respect to your ownership or occupation of the property, or your eligibility, you must notify us on (08) 9021 9600 (8.30am-4.30pm weekdays) or the Water Corporation on 13 13 85 (8am-5pm weekdays). Your registration will be cancelled or amended, as appropriate.
- Payments received after the cut-off date 30 June, may result in the loss of your rebate and the full levied amount will become payable.
- **Financial Counselling:** We will advise you of any financial counselling services or other organisations that may be available to you.

Financial counsellors offer free, independent information to help you take control of your financial situation.

The Financial Counsellors' Association of WA (FCAWA) can refer you to a financial counsellor in your area.

Contact details are:

Financial Counsellors' Association of WA

Phone: 08 9325 1617

Email: admin@fcawa.org

Website: www.financialcounsellors.org

National Debt Helpline: 1800 007 007

Alternatively, you can call the National Debt Helpline 1800 007 007 or www.ndh.org.au. The Helpline provides a free confidential service that provides support if you are experiencing financial hardship.

- **Fees and charges:** We will charge you for the sewerage services we provide to you. If you do not pay your rate notice by its due date you will be charged penalty interest at a rate of 10% per annual (accruing daily). The penalty interest rate is set under section 6.15 of the Local Government Act 1995.

For additional information relating to the prescribed interest rate and payment terms, this can be found on the rear of your rates notice.

10.2 Training of Staff

Frontline employees who assist customers having difficulty paying their outstanding charges are trained and are assessed for competency in relation to:

- The range of payment options and methods available;
- Our Financial Hardship Policy, procedures and work instructions including delegated authorities that relate to debt recovery and credit management practices;
- Government funded concession entitlements;
- Government and community programs/services available including referrals to financial counsellors;

- Key cultural and social issues for significant customer groups and communication skills for engaging with ratepayers in financial hardship;

To ensure this process is maintained to the desired standard, staff performance is assessed through monitoring of calls for Customer Service staff and qualitative audits.

Debt Recovery staff who case manage individuals experiencing financial hardship have comprehensive training on a range of social and community issues to improve their understanding of the issues that affect people in financial hardship. In addition, we will:

- Engage with stakeholders in the development and review of training programs;
- Provide training to new staff and schedule refresher courses where appropriate.

10.3 The Customer's commitment to us

We will do our best to assist customers experiencing financial hardship. If you are experiencing financial hardship, we would like you to contact us as soon as possible to discuss your situation. We can offer you a payment plan over an extended period, if you agree and maintain the arrangement.

In return, we ask that the customer:

- agree and maintain a suitable payment arrangement;
- keep us informed of any changes in their circumstances;
- contact us to request an alternative arrangement if they are having difficulty maintaining the agreed payment plan; and
- contact a financial counsellor or relevant consumer representative if requested. It is important for a customer in Financial Hardship to meet with a person from a relevant consumer representative organisation to discuss their financial situation and consider the options available.

10.4 Availability and accessibility

We regularly promote our financial hardship policy to registered Financial Counsellors in Kalgoorlie-Boulder, and our customers through e-mail, newsletters, City's website, and public notice board.

Upon requests, our customer service officer can provide you with a copy of this policy in alternative format. This policy is also available on our website at <https://www.ckb.wa.gov.au/policies>.

11 Complaints Handling

The City is committed to solving issues as quickly as possible. If you have a complaint, please contact our Customer Service Team on (08) 9021 9600 or email mailbag@ckb.wa.gov.au or refer to the section 13 below.

Our complaints handling process is available on our website. The policy can be found at www.ckb.wa.gov.au/policies.

The complaints handling process is free of charge.

If you are not satisfied with the way we handle your complaint, you may refer your complaint to the Energy and Water Ombudsman. The Energy and Water Ombudsman will investigate your complaint and may mediate the dispute between you and us.

The Energy and Water Ombudsman's contact details are:

PO Box Z5386

St Georges Terrace, Perth WA 6831

Ph: 08 9220 7588

Freecall: 1800 754 004

TIS: Translating and Interpreting Service 131 450

TTY: National Relay Service 1800 555 727

Fax: 9220 7599

Email: energyandwater@ombudsman.wa.gov.au

Website: www.ombudsman.wa.gov.au/energyandwater

12 Approval and review

Our policy was approved by the Economic Regulation Authority.

We will review our policy at least every five years to ensure it remains up-to-date and relevant.

13 Our contact details

You can contact us at:

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14 Supporting and relevant documents

- Council Policy CORP-F-011 Financial Hardship (note: updated version is currently under review, once finalised it will be on the City's website)
- Council Policy CORP-F009 Debt Collection
- Water Services Operating License
- Water Services Act 2012
- Water Service Code of Conduct (Customer Service Standards) 2018 (Water Code)
- Health (Miscellaneous Provisions) Act 1911
- Public Health Act 2016
- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996
- Rates and Charges (Rebates and Deferments) Act 1992
- Financial Hardship Policy Guidelines for Water Services (Economic Regulation Authority)
- Energy and Water Ombudsman Western Australia



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