

# Debt Management and Hardship Policy

## Purpose

The Debt Management and Hardship Policy sets out the reasonable approach that Riverina Water will follow in response to overdue accounts and to recover outstanding payments; and how Riverina Water can support customers that are having difficulty paying their account.

As a local water utility, Riverina Water relies on payment of water accounts to ensure continuous service to the community; and that it is in the community interest to recover arrears and related interest, costs and expenses.

## Policy Statement

Riverina Water will seek to recover outstanding debts owed when reasonable efforts to support customers or sundry debtors to meet their obligations for payment have been exhausted.

Riverina Water will consider individual cases of genuine financial hardship and is committed to engaging with its customers to limit the unreasonable use of legal action in recovering arrears.

## Scope

This policy applies to all parties that owe monies to Riverina Water, including but not limited to water account holders, consumers, and sundry debtors.

## Definitions

Term	Meaning
External Debt Recovery Agent	An agency and/or law firm engaged by Riverina Water to recover amounts that are overdue.

Hardship	Difficulty in paying an account due to a change in circumstances (for example; loss of income, illness, loss from an accident, natural disaster or emergency, family violence).
Overdue bill/account	An account that has an amount that is unpaid after the due date specified on the issued bill.
Sundry Debtor	An account raised for goods or services provided separate to Council's potable water supply.
Water Flow Restriction "Restriction"	Water flow restriction involves reducing the maximum water supply to the property at the water meter, by inserting a flow restriction device. A small amount of water is supplied for health and hygiene purposes. Permitted under regulation 144 of the Local Government (General) Regulation 2005
Water Disconnection "Disconnection"	Disconnection involves stopping the supply of water to the property by removing or locking the meter or disconnecting the service from the main so that supply is no longer available. Permitted under regulation 144 of the Local Government (General) Regulation 2005

## Application of Policy

- 1.1 Riverina Water is committed to:
- Issuing accurate and timely bills
  - Always treating customers fairly and with courtesy
  - Providing options to ensure customers maintain access to essential water services for health and hygiene
  - Ensuring customers have access to payment assistance and other support options
- 1.2 Customers are required to:
- Pay their bills promptly within their account terms
  - Notify Riverina Water if they are unable to pay before the due date

- Agree and commit to a suitable payment plan, or other payment assistance
- Provide notification if their financial situation changes

## **2. Payment and debt management of water accounts**

- 2.1 Riverina Water issues water bills to property owners, unless it has previously been arranged in writing that accounts should be directed to managing agents or tenants.
- 2.2 Payment of water accounts is due four weeks from the date of account issue.
- 2.3 Customers should be aware that a water flow restrictor may be installed anytime from when an account is four weeks overdue.
- 2.4 Interest will be charged on water accounts at the current maximum rate set by the NSW Office of Local Government.
- 2.5 Riverina Water will engage with its customers in arrears to obtain payment to satisfy their account and prevent avoidable escalation of the debt recovery processes and the use of legal action.
- 2.6 When a water account is overdue and the customer has not made contact, Riverina Water will adhere to the following debt management process:
- If an account has not been paid by the due date, issue a final reminder notice
  - If the account remains unpaid, a restriction notice is issued at the property
  - Following this, water supply will be restricted and a notice of left at the property. A restrictor removal fee will be applied to the account in line with Riverina Water's Fees and Charges.
  - Riverina Water may provide its external debt recovery agent with details of outstanding accounts at any time
- 2.7 Once a water flow restrictor is installed, payment must be received in full before it is removed. This amount includes the fee payable for the removal of the restrictor as per Riverina Water's Fees & Charges.
- 2.8 Riverina Water will not restrict water supply where it is known that the resident is a registered kidney dialysis patient or has another medical condition requiring continuous access to unrestricted water supply.
- 2.9 Disconnection from the water supply network is at Riverina Water's discretion as a last resort. It may be used in situations including, but not limited to, meter tampering, or unauthorised removal or damage to a restrictor. Vacant properties with unpaid

accounts may be disconnected and left notice of disconnection following the same process above in lieu of restriction.

- 2.10 If the account remains unpaid, Riverina Water reserves the right to commence legal action. Riverina Water will recover legal costs and expenses incurred in the process of debt recovery where it is legally able to do so.
- 2.11 Riverina Water will not instigate legal action against any person who has evidenced genuine financial hardship and who is willing to enter into and comply with an affordable, approved payment arrangement.

### **3. Payment arrangements**

- 3.1 Customers can contact Riverina Water for payment assistance options; including a payment arrangement or a payment extension.
- 3.2 Payment arrangements will be entered into based on its affordability for the customer and if the arrangement can suitably service the debt.
- 3.3 If a customer fails to meet the terms of an agreed payment plan, Riverina Water may cancel the arrangement and proceed with other debt management options.
- 3.4 Riverina Water, at its discretion, may withdraw or require changes to the arrangement.
- 3.5 Riverina Water will not instigate legal action against any person who is complying with an affordable, approved payment arrangement.

### **4. Hardship**

- 4.1 Riverina Water recognises that any debt management procedures need to consider individual cases of genuine financial hardship.
- 4.2 Riverina Water recognises that hardship can arise from a temporary change in circumstances such as loss of income, illness, loss from an accident, natural disaster or emergency, family violence or financial impact due to externalities. Long term hardship can arise from the above or can relate to the challenge of managing living costs with a low or fixed income such as a pension.
- 4.3 Riverina Water is committed to engaging with its customers to limit the unreasonable use of legal action in recovering arrears. Riverina Water will not instigate legal action against any person who is currently experiencing evidenced genuine financial hardship.

- 4.4 As part of any application for payment relief under financial hardship the customer must confirm the nature of the hardship and the estimated time the hardship will be experienced. Evidence confirming the ratepayer's hardship status must accompany the application.
- 4.5 The Director Corporate Services will determine the appropriate payment relief that can be offered to a customer in proven financial hardship.
- 4.6 If the customer continues to experience hardship after the period agreed to in the original application, a new application must be made. In such circumstances Riverina Water may require up to date personal financial information to confirm the ratepayer's continuing hardship.
- 4.7 Riverina Water, at its discretion, may withdraw any hardship concession.

## **5. Support services**

Riverina Water will refer customers facing financial hardship to the following:

- Moneysmart.gov.au: <https://moneysmart.gov.au/managing-debt>
- Legal Aid NSW: <https://www.legalaid.nsw.gov.au/get-legal-help/find-a-service>
- Community legal centres NSW: <https://www.clcsw.org.au/find-legal-help>

## **6. Sundry debtors**

- 6.1 Payment of sundry debtor accounts is due two weeks from the date of invoice issue.
- 6.2 If an invoice has not been paid by the due date:
- A statement is sent at the end of the month
  - If the account remains unpaid, a final reminder notice is sent
  - If the account remains unpaid, Riverina Water reserves the right to suspend credit account and associated services and/or commence legal action, which may result in further charges being added to the customer's account

## **7. Making a complaint**

If customers believe that a bill is incorrect or there is an unresolved dispute with Riverina Water about a bill, they should contact Riverina Water in the first instance. If a customer feels that Riverina Water hasn't adequately responded, matters can be escalated to the Office of Local Government or the Ombudsman.

<b>Policy number</b>	<b>Policy 4.03</b>
Responsible area	Corporate Services
Approved by	Riverina Water Board Res 22/135
Approval date	24 August 2022
Legislation or related strategy	Local Government Act 1993 Local Government (General) Regulation 2021 Water Management Act 2000 Water Management (General) Regulation 2018
Documents associated with this policy	Office of Local Government Debt Management and Hardship Guidelines 2018 Undetected Water Leaks Assistance Policy
Policy history	First adopted 20 July 2014 Reviewed 18 March 2015 Reviewed 22 June 2016 Reviewed 22 June 2022, consolidating the previous Debt Recovery Policy and Water Billing Hardship Policy

Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed. This policy will be revised following the commencement of a new Board.

## **END OF POLICY STATEMENT**