



STAYING CONNECTED PROGRAM

Financial hardship policy

1. SCOPE

This policy applies to all Icon Water employees.

2. PURPOSE

2.1 Objective

Icon Water recognises that some residential customers may, at times, be unable to meet their utility payment obligations. The purpose of this policy is to guide Icon Water representatives in assisting these customers through the Staying Connected program so they remain connected to water services (primarily by working with them to put in place affordable payment plans).

Icon Water recognises that it provides essential services; therefore it strongly supports working in conjunction with customers and all relevant governing and consumer organisations to resolve and manage any issues that customers face as a result of financial hardship.

Icon Water aims to provide customers experiencing financial hardship with the tools to assess and resolve their situation, and encourages them to make early contact with Icon Water with a view of entering into an arrangement that takes into consideration individual needs and circumstances. Icon Water will work with the customer to enter into an arrangement that is both fair and equitable to all parties. This policy has been developed to guide how a customer's eligibility and payment options are assessed by Icon Water. A copy of this policy is available to customer upon request, at no cost.

2.2 Background

Icon Water understands that some customers may experience financial or other types of hardship. Icon Water's Staying Connected program is flexible and may apply to a range of individual and unique situations.

The key objective of Icon Water's Staying Connected program is to achieve an amicable arrangement where the customer and water utility are working towards one goal – to keep the customer connected through flexible and affordable payment plans.

Icon Water's Staying Connected program will be reviewed periodically to ensure it remains sensitive to the customer's needs and remains an effective policy in line with industry and regulatory standards and requirements. A structured and well managed program is of great benefit to Icon Water's disadvantaged and vulnerable customers.

In addition to the program being promoted through the Icon Water website, all accounts will contain notices urging customers experiencing difficulties to contact Icon Water at the earliest opportunity to discuss their situation.

It should be noted this policy has been reviewed and is supported by the ACT Civil and Administrative Tribunal (ACAT) and CARE Financial Counselling Services Inc.

3. POLICY

Approved corporate procedures in relation to financial hardship must be used and complied with by all Icon Water staff.

3.1 Differentiating between 'payment difficulties' and 'financial hardship'

Despite the fact that the definition 'hardship' can be inherently subjective and covers an array of situations, Icon Water defines 'payment difficulties' as:

- A state of immediate financial disadvantage that results in a residential customer being unable to pay an outstanding amount as required by an organisation by reason of a change in personal circumstances.
- A customer experiencing payment difficulties has the intention but not the capacity to pay an account. Payment difficulties can arise from a variety of situations, which may arise both gradually or suddenly, and occur over a relatively short period. For example, the theft of a wallet may cause a payment difficulty but would not in itself constitute financial hardship.

'Financial hardship' is defined as:

- A state of more than immediate financial disadvantage which results in a residential customer being unable to pay an outstanding amount as required by an organisation without affecting the ability to meet the basic living needs of the residential customer or a dependant of the residential customer.

Financial hardship may be caused by, but not limited to, one or more of the following factors:

- loss of the customer's or family member's primary income, unemployment/redundancy;
- relationship breakdown issues;
- physical and mental health issues;
- the loss of a spouse or a loved one;
- chronic illness of self or family member;
- budget management issues associated with low income;
- any other unforeseen factors resulting in a customer's capacity to pay such as a reduction in income or an increase in non-discretionary expenditure.

3.2 Identifying and engaging with customers in financial hardship

Icon Water will encourage customers to assess their own circumstances and make early contact when experiencing financial hardship. Icon Water will proactively strive to create an environment where customers feel empowered to do this. Accounts and reminder notices will encourage early contact to break the cycles of indebtedness, and allow Icon Water to work with the customer and individually tailor a solution to their personal situation.

Customers may be referred to the Staying Connected team via one of Icon Water's call centres, Credit Management team, Complaints team, the ACT Government or through the community sector.

Icon Water representatives will use the Financial Hardship Policy and procedures to ascertain the customer's eligibility for the program. Where a customer has been deemed eligible for the program, they will be asked if they would like to be referred to a representative in the Staying Connected team to discuss a solution. First contact staff must be trained on how to correctly execute the referral process.

Customer may have been previously unaware that they may qualify for rebates to assist them. A customer's eligibility for any rebates or government concessions will also be assessed and applied where appropriate.

3.3 Eligibility criteria

To be eligible to participate in the Staying Connected program, the customer must:

- have an outstanding debt which cannot be paid before the next billing cycle;
- be an active, residential customer or small business customer;
- be experiencing short or long term financial hardship
- must acknowledge their obligations and responsibilities under the program prior to being accepted. This may be done over the telephone, or in person with a financial hardship officer.

In addition, customers must demonstrate a willingness to pay their water accounts by:

- making part-payments, as agreed, towards their account;
- maintain communication with Icon Water, especially when experiencing payment difficulties;
- considering meeting with a financial counsellor (although this is not compulsory);
- customer who are abusive will not be assisted in the first instance.

3.4 Acceptance of applicant

Staying Connected program staff will determine a customer's eligibility for the program. In the event of a disagreement, the financial hardship manager will make the final decision and if appropriate or required, refer the customer to ACAT.

In addition, where appropriate or required, the customer may also contact the Icon Water internal complaints team. Further information regarding the Icon Water complaints process is available on the Icon Water website.

The Staying Connected team accepts customer referrals via telephone and email. Customers who are assessed over the telephone will be advised immediately of their eligibility for the program. Customer who are referred via email will be contacted within one business day. Once accepted a staying connected team member will explain the guidelines to the customer including their rights and responsibilities under the program. These include:

- making regular payments in accordance with the agreed payment arrangements;
- contacting Icon Water's Staying Connected team if there is a change of circumstances; and
- working together to close the gap between consumption and capacity to pay by accepting water saving advice.

This ultimately requires a 'willingness' by the customer to proactively work with the Staying Connected team and alert Icon Water as early as possible if there have been any changes that may adversely impact the initial agreement.

Icon Water will work closely with accredited financial counsellors. Where a letter of authorisation is provided, the Staying Connected team will communicate with a financial counsellor or other support worker who is advocating on behalf of a customer. Referrals to other Government and accredited social/welfare agencies may be made where appropriate.

If any customer does not demonstrate commitment to the program requirements, or does not cooperate with the Staying Connected team, they may be referred back to the normal credit and collection processes.

3.5 Flexible payment arrangements

Icon Water's objective is to support customers in hardship by offering flexible payment arrangements to suit individual situation, and create a supportive environment where the customer feels comfortable. Icon Water also recognises the need to align each customer's consumption with capacity to pay, always keeping in mind that a regular payment plan must be affordable to the customer.

Customers may be asked to nominate an affordable ongoing payment amount, which not only demonstrates a willingness to pay by the customer but also contributes to reducing the overall balance (despite the payments may be nominal). The customer may also be encouraged to increase repayments when they are in a position to do so.

Icon Water recognises that not all customers have the ability to pay water accounts in short periods of time. These customers would be more adequately catered for under long term payment plans. Importance is placed on not over-committing customers who may feel the need to offer more than they can afford for fear of disconnection.

When assessing a customer's capacity to pay as part of establishing a sustainable payment plan, the discussion may include:

- evaluating the customer's current situation;
- verifying if the customer is able to make a payment and how much they can afford to pay;
- the customer's current level of consumption;
- the total amount owing; and
- other information the customer may have regarding their capacity to pay, in line with privacy requirements.

Icon Water has a number of flexible payment methods available and will work with customers on the program to choose the payment method that best suits their needs. These payment methods include:

- Budget pay – where the customer specifies an amount to be paid by instalments then pays the balance owed by the due date.
- Even pay – the billing system calculates an average instalment for the customer to pay. The instalment is re-evaluated every six months.
- Centrepay – the customer specifies an amount to be paid and Centrelink send the monies direct to the customer's water account. All customers in receipt of Centrelink benefits are eligible to use this payment method. Centrepay can be organised through Centrelink by phone or online using my.gov.au. The Supplier Reference Number is 555 012 550 J and the twelve-digit account number is located on the top right hand side of the invoice.

- In addition, the customer can pay via instalments through myiconwater.com.au (self-service portal), Bpay, AustraliaPost and the Icon Water offices at 12 Hoskins Street, Mitchell.

Icon Water will take into consideration the input of consumer advocates. This includes acceptance of any income and expenditure statement that have been prepared with the assistance of a financial counsellor. Icon Water recognises the financial counsellors can assist customers with the development of a realistic budget and assess capacity to pay given the individual's overall financial situation.

It is Icon Water's goal to assist customers with establishing a sustainable payment plan, while working closely with the customer to identify strategies for eventually aligning consumption with capacity to pay. Details of how a payment plan is derived will be recorded in the customer's account. The plan must be clear and easily understood by authorised third party and treated as private and confidential in any other case.

Icon Water intends to reward participating customers who experience long term hardship who diligently make ongoing and regular payments as agreed. Once a customer has made five (5) consecutive payments, Icon Water proposes to credit the account with one equal instalment to the maximum value of \$50.

Customers on the program will not be subject to any additional charges such as late fees. They will not be disconnected whilst on the program. Interest will also be suspended.

It may not be possible for all customers to maintain an affordable level of consumption and payment arrangements within a defined period. As a result, there is no specified time limit for the program provided the agreed payment arrangement is being met.

3.6 Payment review

Icon Water will conduct regular reviews during the course of the payment plan. The Staying Connected team will liaise with customers to ensure that the plan remains appropriate for the individual's circumstances and ensure the plan is being followed.

Reviews will be conducted for the following reasons:

- If there have been missed payments;
- If there has been a variation in consumption;
- If the account is in credit; or
- If the account has been finalised.

Where it becomes apparent that a customer grossly cannot afford consumption, the Staying Connected team will refer the customer to ACAT.

3.7 Removing a customer from the program

The objective of the program is to case manage the customer to the point where they can manage their ongoing payments and maintain supply. This requires commitment and willingness from the customer. Icon Water considers this central to remaining on the program.

If a customer fails to make payments as agreed, the Staying Connected team will contact them via telephone and/or in writing to warn them that they may be removed from the program.

The Staying Connected team may also attempt to contact an authorised alternative contact (for example, the customer's financial counsellor) in order to prompt contact from the customer prior to them being removed from the program.

If there is no response from the customer after steps have been taken to contact them, they will be removed from the program. A letter will be sent informing them of this decision and advising them that the credit collection action will resume and they may face disconnection.

3.8 Accepting a repeat saying connected customer

Customers who have been previously removed from the Staying Connected program are not excluded from re-acceptance, but must meet eligibility criteria to be reconsidered.

Once the customer has been reassessed and is considered eligible for Icon Water's Staying Connected program they may, as a requisite of being accepted, be required to set up automatic payments from Centrepay or some other deduction program.

The customer must acknowledge their obligations and responsibilities under the program before being accepted. This may be done over the telephone, or in person.

3.9 Engaging with consumer representative organisations

Icon Water has internal and external engagement strategies designed to promote awareness of the program which relates to stakeholders including Icon Water staff, ACT Government departments and community organisations. Icon Water will keep these groups informed and engaged with the single purpose of amalgamating various objectives to achieve one goal – to better service the needs of customers in financial hardship.

Icon Water will provide timely responses (within two to five business days) to any information request from these organisations regarding the program.

3.10 Transparency and accessibility

The Staying Connected team will proactively promote awareness of Icon Water's Hardship Policy to customers, financial counsellors and other appropriate agencies through the Icon Water website, and other media. Interpreter services for non-English speakers and services for the hearing and sight impaired will also be available.

In addition, water accounts will contain notices urging customers experiencing difficulties to contact Icon Water at the earliest opportunity to discuss their situation.