

Submission on the draft amended

## **Financial Hardship Policy Guidelines for Water Services**

*18 May 2018*

The Western Australian Council of Social Service Inc. (WACOSS) welcomes the opportunity to make a submission on the Economic Regulation Authority's draft amended Financial Hardship Policy Guidelines for Water Services.

WACOSS is the peak body of community service organisations and individuals in Western Australia. WACOSS stands for an inclusive, just and equitable society. We advocate for social and economic change to improve the wellbeing of Western Australians and to strengthen the community services sector that supports them. WACOSS is part of a national network consisting of ACOSS and the State and Territory Councils of Social Service, who assist people on low incomes and experiencing disadvantage Australia wide.

### **Causes of Financial Hardship**

WACOSS would advocate for the inclusion of 'domestic and family violence' in the list of causes of financial hardship for residential customers on page 3 of the draft policy guidelines. While we note that the guidelines do say "may be caused by (but is not limited to)", we believe it is crucial for domestic and family violence to be explicitly included to ensure that both licensees and residential customers are aware of its role in causing financial hardship and the impact that it can have on a customer's ability to meet their basic living needs and pay their bills.

### **Tenants**

On page 3 of the draft policy guidelines, it states

A customer is the person to whom water services are provided, or who is entitled to the provision of those services.<sup>8</sup> This will generally be the owner of the land. It may also be an occupier (e.g. tenant) if the occupier has a direct contractual relationship with the licensee

We note that it would not be many residential tenants who have a direct contractual relationship with a water licensee, though they are significantly more likely to be in financial hardship.

Last year WACOSS compiled the income and expenditure data provided by the WA Financial Counselling Network of 265 households who sought the assistance of a not-for-profit community-based financial counselling service in the week of September 4, 2017. This data revealed the real-life living cost pressures being faced by households in our state experiencing financial hardship and stress and can be found in detail in the WACOSS [Cost of Living Report 2017](#).

From that research, we know that 57.4 per cent of people seeking financial counselling assistance were renters.

We are concerned that as a result of the lack of direct relationship between the water licensee and the majority of tenants a significant barrier for the application of the hardship guidelines to tenants in water hardship is created.

It is not clear how tenants will be made aware of their rights and responsibilities in relation to water hardship and how to apply for concessions to which they may be entitled.

While we recognise that this is likely a matter that would need to be directly addressed through the Water Code itself, we believe it is important that financial hardship for tenants is strongly recognised in the Financial Hardship Policy Guidelines for Water Services.

### **Internal Guidelines and Training**

Page 8 of the draft policy guidelines states that

Licensees should have internal guidelines that assist their staff in determining when a customer may be eligible for a reduction and/or waiver of fees, charges and debt

And on page 12 it states that

As a minimum, training should be provided on the licensee's obligations under the Water Code.

WACOSS is of the opinion that it would be desirable for the language here to be strengthened from 'should' to 'must' to remove any ambiguity as to a water licensees obligations.

### **Consumer Organisations and Representatives**

In several places through the policy guidelines it is stated that a licensee "must consult with relevant consumer organisations" with relation to the development and review of their hardship policies, as well as training. It is further suggested that, where applicable, licensees should consult with financial counsellors in setting payment arrangements.

Consumer representation in the hardship policy development and review processes is crucial, as is the role of financial counsellors in advocating on behalf of clients. We stress, however, that this does have resource implications and it is incumbent on government to ensure that there is sufficiently funded capacity to be to effectively engage with licensees and consumers.

If you would like to discuss this submission further, please feel free to contact the WACOSS Deputy CEO Dr Jennie Gray at [jennie@wacoss.org.au](mailto:jennie@wacoss.org.au) or 9420 7222.

Yours sincerely,



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