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# Water Billing Hardship Arrangements

**A report of interviews with financial counsellors,  
water customers and advocate organisations**

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**Appendix 1: Discussion Guide – Counsellors**

**Appendix 2: Discussion Guide – Customers**

**Appendix 3: Discussion Guide – Advocate Organisations**

A note to readers on the interpretation of Qualitative findings

In the results which follow the reader is reminded that qualitative research seeks to develop insight and direction rather than provide absolute measures.

Given the sample sizes, the special recruitment methods adopted and the objectives of the study, it should be understood that qualitative research work is exploratory in nature.

There are no statistical degrees of confidence in qualitative findings and they are not representative of the broader population.

Qualitative findings should therefore be viewed as a frame of reference and indicative in their nature.

## 1.0 EXECUTIVE SUMMARY

This research comprised face to face and telephone depth interviews with three groups – 15 financial counsellors, 5 advocate organisations, and 35 water customers identified as having been in some degree of financial hardship. The interviews addressed issues relating to financial hardship, particularly in relation to water bills. The geographical scope of the work was the four water company areas of South East Water, Yarra Valley Water, Western Water and City West Water. The report presents the views expressed by these respondents. These views are not necessarily those of Wallis or the Essential Services Commission.

Counsellors and advocates identified a wide range of reasons and underlying issues for hardship, and these were often confirmed by the accounts of customers. Underlying issues for hardship were diverse, and included low income and benefit dependence, unemployment, ill health, relationship breakdown, mental health issues, poor financial literacy or planning, poor housing and substance abuse. New Australians, including asylum seekers and refugees, and people with limited command of English, were also considered vulnerable, as were some aboriginal Victorians. Customer case histories often displayed a number of inter-related issues underlying hardship. Significant numbers of customers failed to access the support they need for a number of reasons, including lack of awareness, pride, and reaching such a state of stress that they are unable to deal with their difficulties.

The priority accorded to water bills varies. Counsellors tended to advise that customers should prioritise water bills alongside rent, other utilities and food, but this depended on individual circumstances. Customers tended to be less concerned about water bills than other utility bills, and a number of other debts, because bills were smaller, because water companies were more supportive if they had difficulty paying, and because the implications of non-payment were less severe (the severest sanction is limitation of supply, rather than being cut off entirely). Customers almost universally had difficulties in paying a number of bills, beyond their water bill. Typically these bills included housing (rent or mortgage), other utilities, credit cards and loans, and difficulty with living expenses such as food, medical bills, insurance and the costs of running a car. Advocates and counsellors offered mixed views on the impact of recent above inflation price rises for water. Some noted impacts on hardship for customers, whilst others indicated little evidence of greater difficulty, or that hardship policies were helping to mitigate the impact of price rises.

Based on the evidence from both counsellors and customers themselves, customer knowledge of hardship programs varied widely. This appeared to depend on a number of factors, including prior experience of hardship (and therefore engagement with the various agencies and programs which offer support), the advice that customers had received (and from whom they had received this advice), literacy, and access to the internet. Customers appeared to be most familiar with various payment plan options, including the use of CentrePay. Some were aware of the Utility Relief

Grant Scheme (URGS), particularly if they had used it, or had been advised to use it by counsellors or water companies. Whilst customer approval of URGS was high, many did not know of it, or failed to understand it properly, and advocates indicated that the application process should be simpler. EasyCard was also effective for some customers, but others struggled with organising and remembering regular payments at Post Offices. Many hardship customers appeared to have poor internet access or literacy. Neither counsellors or customers were as familiar with program brand names as they were with the programs themselves.

Most customers reported satisfaction with hardship programs, a reduction in stress and anxiety, greater control over their finances, and a reduction in debt as a result. There was wide approval across counsellors, advocates and customers for tailored packages of support which mixed affordable payment plans, grant applications and periodic waiving of some outstanding debt in response to maintaining regular and agreed levels of repayment. Advocates in particular supported the approach of trying to reduce and eliminate debt, and returning customers to mainstream billing, whilst maintaining customer agency over their finances.

All three respondent groups made a broadly positive assessment of the way that water companies addressed hardship issues. In particular, water companies were compared positively to other utilities in their approach to hardship. Water companies were commended for having a better understanding of hardship, treating customers with respect and compassion, seeking manageable and sustainable solutions which reflected customers' ability to pay, and continuity in client handling, supported by well-trained and capable staff in hardship teams. Advocate organisations were a little more critical, and whilst they commended water companies for considerable and continued progress, also identified significant further work which needed to be done, and variations in the effectiveness of companies on the issue of hardship.

There was mixed experience of intervention to reduce water consumption. Many customers had not had a great deal of advice on water saving, though some had had support to address major leakages. There were difficulties for customers in resolving who paid for remedial action to reduce consumption and fix leakages. Many could not afford these repairs, and could not get landlords to take action if they rented their home.

Where customers used financial counsellors, the majority still self-referred. Typically they approached counsellors because of other debts, not primarily their water bills. Counsellors made the distinction between positive referrals from water companies which tended to be supportive of the customer, and other referrals (often from other utilities) which were more about passing problems on. Some advocates questioned whether counsellor time and skills are being used effectively.

Collectively, counsellors, advocates and customers themselves provided a range of 'next step' suggestions for water company hardship support. These included making programs more widely known and easier to access, not least through broadening the

breadth and style of communications to customers, and targeting at risk groups and communities using tailored strategies. All groups appeared to favour more pro-active engagement to address difficulties more quickly, and earlier in the process, and there was support from advocates to further improve customer service at the first point of contact.

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## 2.0 APPROACH AND METHODOLOGY

### 2.1 OVERALL APPROACH

The research has comprised interviews with three groups of respondents:

- Financial counsellors;
- Water customers;
- Advocate organisations.

This report comprises the analysed material from interviews with fifteen counsellors, thirty-five water customers, and representatives of five advocate organisations.

Water customers interviewed as part of this research were sourced through two routes – in the early stages of the research primarily via financial counsellors (with the large majority of interviews in the Yarra Valley water company area being sourced through this route) and in the latter stages of the research, increasingly via the water companies themselves (though not Yarra Valley since the interviews in their area were secured via counsellor interviews). Water company customer referrals were secured either through water company hardship teams calling known hardship customers and asking them if they wished to participate (and then handing contacts on to Wallis to arrange interviews) or by mailing out an invitational flyer to customers, which required the customers themselves to make contact directly with Wallis. Both proved to be equally effective strategies. Most of the customers sourced through water companies had not had contact with financial counsellors.

It is important to recognise that the views expressed in this report are those of the respondents – counsellors, customers and advocates. They should not be read as the views of either Wallis or the Essential Services Commission, and their presentation in this report should not be considered to endorse, or not endorse, the views expressed. The aim of this report has been to identify, understand and present the views of respondents.

### 2.2 COUNSELLORS

Interviews were undertaken with fifteen financial counsellors from a number of agencies across metropolitan Melbourne and adjacent areas of regional Victoria. The interviewed counsellors all worked with customers of the four water companies operating in metropolitan Melbourne – South East Water, Yarra Valley Water, City West Water and Western Water. Interviews were largely delivered face-to-face through the last three weeks of May 2014, June 2014 and into early July 2014 (there was one telephone interview). Interviews followed a discussion guide agreed with the client, and which is appended to this report. Sometimes counsellors were interviewed singly, whilst in other situations they were interviewed together in pairs. Interviews ranged in length between 30 minutes and over an hour, depending on a number of



factors, including the time available for an interview, and the number of people present.

The employing counselling agencies were recompensed for the participation of their staff in these interviews, and for the subsequent help many agencies and staff provided in recruiting their own clients to take part in the next stages of this research. We are grateful for the help of the Financial and Consumer Rights Council, who identified to us the counselling organisations operating in each of the four water company areas, and the financial counselling organisations themselves, and their staff, who were supportive of this research.

Interviews were digitally recorded and analysed using an analysis grid in MS Excel to identify the key points emerging against each of the themes identified in the discussion guide. This report discusses the issues arising from these interviews, largely following the structure of the discussion guide. It begins by identifying the nature of clients in counselling, and their reasons for financial hardship, the knowledge of clients about the support measures available to them, the effectiveness of support measures, client experiences of hardship support, outcomes of hardship support measures, any variations in client experience, and any other comments offered by counsellors. Interviews focused specifically on issues relating to hardship support for water bill payment, but inevitably counsellors reported this in the context of often wider hardship issues involving other utilities and debts to other organisations, and made comparisons between the performance of water companies and other organisations with whom they deal on behalf of clients, particularly other utilities. Counsellors typically only had experience of one water company, but multiple utility providers.

### **2.3 WATER CUSTOMERS**

Interviews were also undertaken with thirty-five customers who had experience of hardship programs offered by water companies. Respondents were recruited through a number of financial counsellors across metropolitan Melbourne, and through the four water companies themselves. Respondents typically put themselves forward for interview having been given a recruitment flyer by a financial counsellor or from a water company mailing. The respondents were customers of the four water companies operating in metropolitan Melbourne – South East Water, Yarra Valley Water, City West Water, and Western Water.

The in-depth interviews with customers were conducted via telephone from early June to late September 2014. Interviews followed a discussion guide agreed with the client, and which is appended to this report. The typical duration of interviews was 20-30 minutes, though some were longer or shorter than this.

Customers were reimbursed for their time in participating in these interviews with a \$100 cheque sent out within a week of their participation. We are grateful to financial counsellors, and the four water companies, for their help in locating suitable

respondents. We would also like to express our thanks to all the customers who participated in the research, who often discussed with us very difficult personal and financial issues with honesty and good humour.

Interviews were digitally recorded and analysed using an analysis grid in MS Excel, to identify the key points emerging against each of the themes identified in the discussion guide. This report discusses the issues arising from these interviews, largely following the structure of the discussion guide. The report presents the findings in a series of sections:

- Sources of advice
- Priorities in bill payment
- Knowledge of hardship programs
- Customer experience
- Customer outcomes
- The role of financial counsellors
- Other comments

Though similar in some ways to the counsellor interviews previously conducted, with interviews focusing specifically on issues relating to hardship support for water bill payments, customers spoke about their difficulties with water bills in the context of broader hardship issues and often more pressing debt and repayment difficulties. Respondents were often in arrears to other utility companies and other organisations. In these discussions, comparisons were often drawn between their experiences dealing with their water companies and with other utilities.

## **2.4 ADVOCATE ORGANISATIONS**

To supplement interviews with financial counsellors, and with customers with experience of hardship, a series of interviews were also conducted with organisations which had detailed, often strategic knowledge and insight into the issues around hardship arrangements. Five such organisations were selected and interviewed – Good Shepherd Youth and Family Service, Kildonan Uniting Care, the Consumer Utilities Advocacy Centre (CUAC), the Consumer Action Law Centre (CALC) and AMES, an organisation which helps new and recently arrived refugees and migrants to settle in to Victoria. Interviews were undertaken face-to-face in the first half of July 2014. Interviews followed a discussion guide agreed with the client. For two organisations, interviews comprised two respondents (Kildonan, CUAC), and for the other three interviews, there was a single respondent. Respondents were senior people in each organisation, with a substantial grasp of the strategic role of their organisation, and the policy issues relating to hardship arrangements. Interviews ranged in length between 30 minutes and over an hour, depending on a number of factors, including the time available for an interview, and the number of people present.

Whilst this report does not identify comments and quotes to individual organisations and respondents, it was recognised that the nature of the organisations and interviews meant that some of the material was likely to be attributable to a particular organisation, even when reported without identification. Respondents were asked to identify any issues or comments that they considered sensitive, and to be treated as 'off the record', but this was not requested by any of the respondents. We are grateful for the participation of the respondents and their organisations, and the thoughtful insight provided.

Interviews were digitally recorded and analysed using an analysis grid in MS Excel to identify the key points emerging against each of the themes identified in the discussion guide. This report discusses the issues arising from these interviews, largely following the structure of the discussion guide. It begins by identifying the characteristics of people requiring support because of financial hardship, explores the underlying issues which might impact on hardship, the relative importance of water bills, the impact of above inflation price rises in water, awareness of and views about the effectiveness of support provided, suggested changes and improvements to the current hardship support arrangements, and customer experience of hardship support.

### 3.0 RESEARCH FINDINGS - COUNSELLORS

#### 3.1 CLIENT CHARACTERISTICS AND REASONS FOR HARDSHIP

Counsellors were keen to stress the diversity of their client base, and that clients in financial hardship covered a very broad range of situations and issues. Nevertheless, whilst answers varied in detail between localities (particularly the extent to which Culturally and Linguistically Diverse (CALD) communities were significant in the client base, and the nature and origin of those communities), many of the same issues were mentioned across all or most counsellors interviewed, and clients could be divided very broadly into two groups:

- People with long-term financial hardship issues, because of continued low or inadequate incomes, reliance on Centrelink payments, or chronic issues which caused or exacerbated hardship, such as disability, chronic ill health, addiction or mental health issues. Counsellors stressed that amongst this group were significant numbers of working poor, whose earned income was simply inadequate to sustain essentials such as rent, utilities, food and other basic outgoings;
- People who had encountered a crisis situation which had impacted their finances, perhaps loss of employment (sometimes only of one partner in a household), sudden ill health, or relationship breakdown.

One counsellor noted that the first of these groups often contained those who were effective budgeters, and people who were used to coping on often inadequate incomes, but where one event – a big bill for example – could push them into difficulty. In contrast, those encountering a crisis situation were often heavily committed financially, leaving them ill placed to continue to service substantial outgoings for mortgages, loans and credit cards if some or all of their income was removed.

In more detail, the range of issues contributing to financial hardship set out by counsellors included:

- Reliance on Centrelink payments such as Newstart;
- Unemployment – long term, or newly encountered after being self-sufficient;
- Pensioners, particularly those who are retired but are still paying a mortgage;
- Low or fixed incomes, including those working on low incomes;
- Casual or contract work with variable incomes, which makes budgeting difficult;
- Relationship breakdown, sometimes exacerbated by domestic violence, where the legal responsibility for the bills of the now fractured household is often unclear or disputed;
- Changes in family structure, with budgets stretched by the addition of children, often alongside one partner ceasing work, or reducing hours;

- Addictive behaviour, either related to substance abuse or gambling (those with gambling difficulties are often on-referred to Gamblers Help, who have specialist resources);
- Poor language or literacy skills, or poor budgeting skills (though many counsellors stressed that for many, a fundamental inadequacy of income was the root cause, however well clients tried to manage their money);
- Lack of understanding of Australian culture or billing systems, and sometimes a complete lack of awareness of the support available in times of financial hardship, which was particularly notable amongst new migrant and refugee communities;
- Transience, often associated with those new to Australia, with people sharing houses short term, and responsibility for bills often falling on one or two named individuals, often when there are others staying;
- Mental health issues, either as a result of the crisis situation in which people find themselves (this is often anxiety or depression, and can often be undiagnosed), or ongoing;
- Financial over-commitment (particularly to mortgage debt, loans and credit cards) leaving clients exposed to changes in circumstances;
- Negative equity on housing in some western suburbs due to falling housing prices;
- A lack of ability to communicate or travel, often exacerbated either by an isolated location or long term low incomes – clients rely on mobile phones without always having the money for credit, they lack internet access, and struggle to afford transport.

Many counsellors noted that clients arrived to talk to them in very difficult circumstances, often with multiple issues to resolve far beyond their financial circumstances, and sometimes having left their problems too long before addressing them. This is best illustrated by a series of quotes taken from our interviews:

*“When they come to us they are generally destitute, in very high debt, unable to cope with the pressure and unable to repay [their debts]. Many are in tears...by the time they come to us.”*

*“I’ve had people come in with boxes of unopened envelopes or those who give you an envelope at a time, all unopened...”*

*“They are usually at the final bill notice stage, they have had their heads in the sand and hope it goes away.”*

*“They have really hit rock bottom, they don’t bounce anymore.”*

One other important issue, with particular relevance to water bills, and to some degree to other utilities as well, was the willingness of landlords, both public and private, to address issues which might reduce consumption and hence bills. In the

case of water, this includes taking measures such as fitting water saving devices, from low flow shower heads to dual flush toilets and rainwater tanks, and addressing leaks and other repair issues. Likewise many homeowners are afraid to address high usage issues which may result from a leakage issue on their property, since they are unable to cope with the substantial bills for investigation or repair which may ensue.

One counsellor talked of the difficulties many tenants have in getting landlords to address repair issues relating to water use. This can be simply addressing issues such as leaks, dripping taps or other minor issues, to addressing wider issues which cause high water usage, such as single flush toilets, or hot water systems which are inefficient. Often landlords attempt repairs themselves rather than pay for a specialist, which may mean that repairs are ineffective, and may also mean there is no paper trail for claims, or to prove to water companies that a high bill was caused, for example, by a leak which has now been repaired.

### 3.2 THE PRIORITY ACCORDED TO WATER BILLS

Our interviews specifically addressed the priority accorded to water bills by clients in amongst other bills, debts and creditors. We explored both the priorities which were employed by clients, and reported to us by counsellors, and the priorities which were recommended by counsellors to clients.

The ideal order of priority, which was largely consistent across all counsellors, was that they advised dealing with essential items first – with food and shelter (rent or mortgage) being the first priorities. The second advised priority was typically the three utilities, electricity, gas and water, since as counsellors explained, this allowed clients to maintain basics like heat, the ability to cook food and to keep clean. Counsellors will tend to advise that all other debts should be dealt with only after these have been addressed, and will work with creditors and the client to establish a budget or plan to ensure that these bills are paid. At least one counsellor also noted that the priority of payment may depend on personal circumstances, since maintaining some payments may be beneficial to the wider financial situation – for example making provision for travel so that employment can be maintained. Some clients of counsellors are ‘judgement proof’ in that they have no assets that can be claimed by creditors such as loan companies or credit card companies, and hence the priority can be solely on ensuring that utility bills are paid and food is provided.

*“If they are judgement proof we won’t worry about credit cards – we will just get food on the table.”*

However, as counsellors acknowledge, there are many reasons why this priority order is not always followed. Some counsellors noted the significance of addiction issues, such that if a client has issues relating to substance abuse or gambling, then it is this which gets serviced before any bills. Likewise there is a similar pattern in relation to mental health issues, with clients acting irrationally in relation to spending priorities. Others also note that many clients have great difficulty budgeting or setting priorities,

such is their state of stress, distress or disarray – and that frequently it is difficult for clients even to begin to talk about their financial issues (this reflects comments above about the level of emotional distress that clients are in before they seek help, and the tendency to leave seeking help later than is ideal).

*“Priority? There is none. We have to get them to think what to do...”*

Several counsellors also noted that this idealised priority would also be distorted for many clients by the extent to which other creditors chased their debts, and, in their words, pestered clients for payment. In practice this often meant that clients paid some non-essential bills such as loan repayments or credit card bills ahead of shelter, food and utilities.

*“They tend to pay those who pester them most.”*

There is to some degree also a related tendency for clients to pay bills in priority of the consequences resulting from not paying them. This means not only that some non-essential bills are paid, as above, because the consequences of not doing so are continuing pressure to pay from some creditors, but also that some clients tend not to pay utility bills quickly because it is some time before there are consequences to doing this, or because they do not fully appreciate the risks of not doing so. As such, clients were sometimes:

*“Happy to let a bill go, to bulk up, if it’s a utility bill...when they get the disconnection notice it’s a different ball game – they begin to panic.”*

Again, it was noted by many counsellors that other utilities, notably electricity providers, tended to be more aggressive in pursuing clients than were water companies, and were more likely to cut supply than other utilities, particularly water. It was noted that because the risk of water disconnection was very low (the most severe action, in the most difficult situations, was that supply would be curtailed, and water companies would tend only to do this if they could not make contact with the client, and not under any circumstances if there was evidence of children in the household, likewise water would tend to be derestricted again after about a month), water bills tended to be accorded a lower priority than other utility bills, and sometimes a lower priority than almost all other bills. A number of counsellors hinted that in some cases, clients tended to play the system, feeling that in practice there was little significant consequence from non-payment of water bills.

*“So it usually means that water gets left ‘til last as everyone else is demanding money.”*

*“Water is always paid last – food, rent, car and all these get priority, the rest are all just bills.”*

Another aspect of this lower priority accorded to water bills is that water bills tend to be much less (in terms of the bottom line cost of the bill) than other utility bills (unless



there is a particular issue with very high use, an incorrect bill, or a major leak). This means that clients tend to worry more about the bigger bills, and amongst these the bigger utility bills, gas and electricity. Several counsellors noted the tendency for clients to disregard their water bill in consequence, because they would “*manage somehow*”. However, one counsellor indicated that:

*“Water used to be the smallest bill, now it’s not.”*

The counsellor went on to explain that whilst water bills are not the biggest bill that clients tend to face, they are now significant enough to require attention as part of a wider financial planning exercise for clients. Moreover, several counsellors noted that there were some cases where clients had sudden, large bills which they would struggle to pay. Sometimes these were explicable, and would be due to a leak, or in one example, curious behaviour due to severe mental illness, but in some cases, major increases in consumption would be inexplicable, and not obviously attributable to the activities of the householder, or to a physical cause such as a leak.

### **3.3 AWARENESS AND UNDERSTANDING OF SUPPORT MEASURES**

It was apparent that counsellors are largely familiar with the range of support measures that are available to their clients, and which they can use to help their clients. However, this is not always the case, and some counsellors appear less aware of the detail of hardship policy options offered by water companies. Counsellors acquire their knowledge of the support measures available to their clients from a number of sources – to some degree this is acquired through conferences run by the Financial and Consumer Rights Council (FCRC) and from other peak bodies, though this tends to lack detail. They also utilise word of mouth through their own personal networks of counsellors, but one of the primary methods for establishing what is available is through direct contact with the relevant water company in pursuit of issues on behalf of their clients. There is also sometimes direct contact with water companies, and one counsellor commended a recent forum run by Western Water specifically addressing their hardship programs, and commented that this was something which should happen more often. Others talked of a recent Financial Counselling Australia (FCA) conference, attended by both counsellors from many of the counselling organisations, and by utility companies, including water companies.

Counsellors can generally set out the main support programs and options offered to support clients in hardship with their water bills, though they are stronger in setting out the processes than in identifying the brand names for programs used by the water companies. They will tend to use generic terms rather than brands.

Counsellors report widely differing levels of knowledge and understanding amongst their clients. Some counsellors report that few clients know very much at all. They report clients arriving with counsellors with an almost total lack of awareness of the hardship programs that are available:



*“That’s why they come to us in the first place.”*

Others are more nuanced, and advise that some clients arrive with a degree of knowledge about programs – sometimes in general terms or in terms of strategies, and sometimes with a more detailed knowledge of programs gained either through prior experience of tackling hardship, or from their own research. Several counsellors underlined that the client group they tended to deal with were often the least informed and least able to cope, and that is why they sought counselling, with the inference that there were other clients who did not present because they had been able to undertake their own research and address their hardship issues from their own resources without needing intervention from a counsellor (and we address later the issue of clients who might need help, but do not seek it). In general terms, it seems, clients are most likely to know about and understand the URGS (Utility Relief Grant Scheme), payment plans, and broad existence of provisions for hardship.

There was a consistent finding that most clients self-present to counselling organisations, rather than being referred by other parties (particularly utilities and others to whom they are in arrears), though there was a common perception that referral of clients to counsellors by third parties such as utilities was increasing. This was understood both as some utilities and others ‘outsourcing’ the handling of hardship to specialist counselling organisations (rather than taking the time to work with their clients themselves), but also because many utilities understood that clients might benefit from the advice and support offered by a financial counsellor.

The referral relationship between utility hardship teams, particularly those in water companies, and counsellors, was discussed by several counsellors. In the best cases, usually with water companies, the hardship teams had begun the process both of addressing the immediate problem with their own debts, for example by setting up payment plans or initiating a URGS application, and encouraging the customer to seek support from a counselling organisation. In some cases in the process of this handover, hardship teams are also flagging to counsellors any other issues that they have picked up in the course of the conversation, thus giving the counsellor insight into other related personal, family or financial issues which may require support. Counsellors usually view such relationships as ‘positive referrals’, which they contrast with some of the referrals from other utilities (not water) which are often inappropriate and:

*“In the too hard basket and sent to us to fix up.”*

Counsellors set out a number of reasons why clients might not be well informed, or might need support and advocacy to address hardship issues:

- Clients are *“stressed and already in trouble”* by the time they present to counsellors – in effect their finances are already out of control and they have lost the will or the capability to deal with them (and we know from other parts of the discussions that clients often present with mental health issues, which can be

causative, or a symptom of their personal circumstances, of which hardship is one part);

- Some struggle with forms and official paperwork, and need counsellor support for this;
- Refugee and migrant communities may be struggling not only with language issues, but with a fundamental lack of understanding of both the culture and the processes and systems in Australia. Their experience is based on other countries, and they don't understand concepts such as hardship, or policy approaches such as payment plans. Some African and Middle Eastern communities were particularly identified as having these sorts of problems;
- As one counsellor explained it "*Some clients are able to act on their own behalf and some aren't*". Those who are in the latter category can include people with mental health issues, those who struggle to articulate themselves, people who are not fluent in English, and people who for one reason or another have seen their relationships with water company hardship teams break down, where tempers have been lost due to stress, confusion and fear. In these cases counsellors advocate on behalf of clients in the relationship with the water company.

Whilst client knowledge of hardship support programs varies widely and depends on the individual circumstances of the client, the discussion highlighted a number of common misunderstandings, misconceptions and difficulties relating to the programs:

- Some clients are familiar with the URGS, either because they have used this form of hardship support already, or because they have done some research of their own. However, counsellors report a common misconception in the community that the URGS is only available against one utility debt every two years, rather than being available for each utility separately – that is, a client thinks they can only claim URGS for electricity, or gas, or water, for example, whereas in the right circumstances they can apply for relief against all three in the same two year period;
- Some clients are eligible for Centrelink concessions on their bills, but the concession has not been applied, or has been removed because an expiry date has passed. Counsellors report many cases where the retrospective application of such a concession can on its own turn a significant debt into a credit, and where its application to future bills can make financial planning and budgeting for clients far more manageable. Clients are often not aware of needing to check that concessions have been applied, and the necessity to inform utilities that they are eligible. Such problems are exacerbated by language barriers, mental health issues, and even difficulties accessing a telephone to make calls to utilities (because households are often mobile dependent, calls are expensive, and credit has run out);
- Many clients use CentrePay, and counsellors commended the simplicity of being able to set up CentrePay for water bills over the phone. However, some are not

aware of this facility until advised, whilst others choose not to use it, or not to use it for all bills. Sometimes CentrePay will not be used for water bills because clients think the bills are small enough to cope with, and in other cases because clients hold the view that they don't really need to pay their water bill, and that they can get away without doing so because they have other financial priorities;

- Client knowledge of support options will vary widely, particularly dependent on their prior contact with hardship programs. Those who have some prior engagement tend to be better informed, whereas those who are encountering hardship for the first time are often not only unaware of the specific options and programs available, but even of the existence of hardship teams at water companies, and of financial counselling organisations.

Many clients are also reported to lack awareness of the various programs offered by water companies to tackle high usage, and potential associated faults such as leaks. Moreover, many clients are cautious about investigating potential problems such as a leak, because they fear unaffordable bills if a problem is found which requires major work. Whilst this is less of an issue for tenants, where the landlord is responsible for addressing faults, tenants are often stuck with what they have got, particularly if appliances are old and inefficient. In such circumstances, they may struggle to respond to issues which are the cause of a higher cost of living. Some counsellors reported only limited knowledge with which to advise their clients about water saving and efficiency measures, and felt they knew more about similar issues in connection with gas and electricity. One counsellor talked of their awareness of their local water company having a budget to fund repairs for hardship clients – for example to fix leaks or to address the replacement of old, inefficient technology such as single flush toilets.

Counsellors tended to report a degree of flexibility in the approach of water companies, depending upon the circumstances of clients. Typically companies will seek to establish a manageable payment plan (though notably, water companies tend to be more reasonable in their expectations of payments than are gas and electricity companies, and tend to work on the basis of what the customer can reasonably afford), and initiate a URGS application if appropriate, but counsellors also note a range of flexibilities, including holding off on any action if the customer is particularly distressed (until such time as they have had a chance to talk through their issues with the counsellor), putting bills on hold to maximise URGS benefit, and a whole range of options in relation to waivers, part-waivers, and linkages of waivers to establishment of regular payment activity. As one counsellor described the approach of the local water company:

*“They do look outside the box sometimes. It’s not cut and dried...they are trying to get the client to establish a good payment history and re-establish goodwill.”*

### 3.4 EFFECTIVENESS OF SUPPORT MEASURES

Counsellors all reported no difficulties in accessing hardship support services at their respective water companies. However, some counsellors flagged that clients often had difficulties in access simply because of their lack of awareness of the services available. One indicated that:

*“For me – sometimes URG is not always offered or discussed. I have to raise the possibility.”*

Another indicated that the issue for clients may be fear of the companies. People may have the knowledge to access support directly from the companies, but because they are stressed and struggling, and fear a negative reaction, they do not do so.

Likewise, counsellors had no difficulties in understanding the support available, and many indicated that clients had no problems in understanding either once they had programs explained to them by a counsellor. However, they noted that:

- Programs can be difficult to explain over the phone, particularly for people who are not financially literate – and a face-to-face discussion is necessary;
- Some of the brochures and leaflets provided by the companies for use by counsellors can be difficult or insufficient without further explanation, and this is particularly the case where clients have issues with literacy.

Some counsellors did suggest issues in finding out about some of the hardship support offered by water companies, particularly from the perspective of some of their clients. Some counsellors suggested that programs were not well publicised to clients, and that what information is available is on water company websites and in printed information which is not ideal for the client base, many of whom have language or literacy issues. One counsellor identified the difficulties which clients have around financial support to fix water leaks:

*“[Water company] give an allowance if there is a leak and bill is astronomical, but the tenant has to go to DHS to see if they can get a plumber so they can then get a deduction. It’s a convoluted way. Generally people do not understand the system.”*

However, other counsellors were positive about the work done by one particular water company to promote the support offered, including:

- Proactively contacting customers identified as having difficulties with payment and offering help;
- Referring customers to financial counsellors;
- Sending brochures;
- Providing water saving devices and visiting the homes of customers.

Counsellors were in agreement that most of the programs offered by water companies to support customers in hardship were accessible and effective. They identified that different programs were suitable for particular circumstances – for example that URGs were excellent where the client did not have huge arrears, and payment extensions were best used for one off emergencies rather than for tackling longer term issues.

There was particular support for CentrePay, since it ensured that their clients were able to make regular, affordable payments, whilst counsellors were also very positive about any programs which offered incentives to clients who engaged and stuck to payment arrangements, for example payment matching or the writing off of accrued debt if a client established a pattern of managing their current payments. Counsellors tended to like arrangements offered by some companies, which combined a number of strategies to move clients onto a more stable footing, first by ensuring that debts did not grow further, and then by tackling accrued arrears. This would typically involve an affordable payment plan, against which the client would be expected to maintain payment, associated often with a URGS application, and periodic payment matching (where the water company pays one instalment to the client's three or four), and debt waivers (usually after six months).

The main concern of counsellors in terms of communicating information about hardship programs was that assistance is not getting to those unable or unwilling to help themselves:

*“People are unaware they can get help and just stop opening their bills.  
People need to have someone go through things and explain things to them  
and guide them through.”*

Likewise at times of crisis clients can be difficult to contact, and since above all water companies seek some form of engagement in order to begin to address debts, this can be a significant issue. Typically:

*“When clients are struggling they don't even pick up the phone.”*

This occurs because clients are often being called regularly by other creditors. Likewise they can sometimes not open their mail because they are fearful of the accruing debts. This is why, even in extreme situations, water company staff try to visit households before taking the drastic step of supply restriction, since primarily they want to try and establish contact. Counsellors report that even at this late stage, some clients and customers do engage for the first time, and a solution can then be worked out.

One counsellor also suggested that staff in the hardship departments could work through the options with clients seeking support, to check, for example, if they receive Centrelink payments and are eligible for concessions, or whether they know about the URGS.

Counsellors offered a range of suggestions to improve client access and understanding. These included:

- Targeting specific CALD communities, particularly amongst refugee groups;
- They need to avoid reliance on information on bills, important as this is, since bills often do not get opened by those in the worst hardship;
- Work through intermediary organisations which reach into the community – for example community agencies, support services, health clinics and so on;
- Use a range of media beyond letters and bills to communicate information about hardship support.

One counsellor suggested that water companies may be fearful that promoting their hardship programs may generate demand that they could not meet:

*“They need to raise awareness but they are afraid they will open the flood gates.”*

### 3.5 CLIENT EXPERIENCE

Counsellors were asked to consider whether there were groups of clients or non-clients who weren't accessing the support that they needed. One of the most telling responses to this came from one counsellor who expressed real concern that many people do not seek, or get, the help that they need:

*“We only see the tip of the iceberg. Most people don't come to a financial counsellor, most people don't know how to get help with their bill.”*

Sometimes this was because clients didn't know that there were specialist hardship teams available to offer support, and were trying to keep going by borrowing from friends and family, and using credit cards to pay bills. Large bills can often arrive with customers without prior warning, as it is not always apparent that water company systems are adept at picking up bills which are substantially higher than the long term trend, and flagging a potential problem. However, it also appears that some water companies are now able to pick up some of these bills and take pro-active action directly with the customer to address them (typically these can arise from the emergence of a major leak during a billing period).

Beyond this general concern that very many people who needed support were not accessing it, counsellors identified a broad range of groups within the community, or sets of circumstances, where people may miss out on the support they need. These groups include:

- Older people who are embarrassed by their inability to pay their bills, or too proud to seek help, who may be asset rich but income poor and feel that they have always managed in the past. Another group identified as being at risk are widows



and widowers, where the deceased partner was the financial manager in the relationship, leaving the remaining partner unable to cope;

- People with mental health issues, including depression and anxiety. One counsellor described this group as often having their head in the sand, not opening their mail or answering calls, and with no concept of where to go or what to do. For such people, getting well is their priority, not paying their bills;
- Many people with substance abuse problems who display similar patterns of behaviour to those with mental illness, particularly agitation and being difficult to contact or engage;
- Those who have managed in the past, but due to a problem such as losing a job, they think they can continue to cope but are in fact getting into financial difficulty. Such people may often have difficulty accepting that they have a financial problem and are unable to take the first step to manage their issues;
- Groups of people who for various reasons aren't entitled to Centrelink support, such as New Zealand nationals;
- People in long term hardship, perhaps as a result of long term unemployment, whose limited income also means they struggle to afford transport or a mobile phone;
- Other groups of people including:
  - People with intellectual disabilities;
  - Indigenous people;
  - Young single parents without the life experience to manage their finances.

It was notable that in many counsellor interviews, the counsellors themselves had made very positive and unsolicited comments about their local water company long before they were directly questioned about their experience of the company. This reflects, broadly, the high regard in which the water companies are held in by financial counsellors, and in particular the comparison which is made between the service offered by water companies, compared with other utility companies. Electricity and gas utilities are, in comparison, criticised for having offshored their hardship departments, and for being far more ruthless and far less understanding of hardship in pursuing late payment and debts.

There was a notable consistency in comments from counsellors working with all four water companies, to the extent that many of the quotes offered below could have been made about any of the four companies – since they express sentiments common to nearly all counsellors, regardless of the company they worked with predominantly.

*“I've walked down there with clients and in 15 minutes we have something worked out.”*

*“They are one of the better ones – they’re approachable and they listen. They put a lot of effort into keeping and maintaining their team and they have contact with [counselling organisation] so they work closely with financial counsellors.”*

*“The [water company] hardship team are the most user-friendly on the planet. They look at people on an individual basis. They don’t say ‘you have to pay \$300 a fortnight or we will cut you off’ like the power and gas companies. They have a holistic approach and they understand what helps bring people back into line.”*

*“They understand people are struggling and they know what questions to ask, and not just keep asking people to pay all the time.”*

*“Absolutely fantastic to deal with...they understand hardship, that people get into this position for no fault of their own.”*

It was clear from the interviews with counsellors that water companies are, whilst not perfect, still regarded as a model of how best to address hardship. The principal reasons that water companies appear to be so highly regarded include:

- Being quick and efficient;
- Having well trained staff, with low levels of turnover, with whom counsellors in particular can establish effective working relationships;
- A thorough understanding of hardship, and in particular an approach which is not ‘vindictive or accusative’;
- Setting reasonable goals for getting clients back into credit, and in establishing reasonable levels for payment;
- A willingness to backdate errors, such as the application of concessions, for up to 24 months, rather than the 6-12 months offered by other utilities.

There was some discussion by counsellors as to whether this approach was helpful in getting their clients to pay their water bills. Whilst the majority view seemed to be that clients would be more willing to engage and approach water companies, whilst they might avoid other utilities because they would be given a hard time, at least one counsellor suggested another conclusion:

*“But this plays against them, if you ring up and they are nice – unlike the electric and the gas who send text messages threatening to cut you off, then that’s where you’re going to put your dollars.”*

The overwhelming view amongst counsellors is that their clients are treated with consideration and respect by water companies, though in the majority of cases, counsellors are acting as advocates for clients, and they assume clients are treated well because they do not hear otherwise, even over the course of many years.



However, one counselling organisation suggested that problem gamblers and people with poor English skills may be treated less well, whilst another counsellor did indicate a couple of negative comments from clients, but felt that the client themselves may have contributed to the poor experience:

*“But it depends on the approach they used. My gut feeling is that they [the client] weren’t very polite.”*

Similarly, counsellors were in broad agreement that water companies offered workable solutions to their clients, though it was stressed a number of times that issues would only get resolved if clients approached the water company and maintained communication. Providing the client engaged in this way, counsellors seemed confident that water companies would do a great deal to find solutions.

### 3.6 CLIENT OUTCOMES

The overall sentiment towards the outcomes of various support measures was positive, with a number of counsellors citing incentive-based programs such as payment matching as amongst the most encouraging. Other counsellors underscored the need for personalisation of support solutions to a client’s financial circumstances.

*“They are all effective solutions but need tailored options as all people are different. That’s why it’s important to have [the] water company understand hardship issues.”*

The outcomes of support measures to the clients vary because the effectiveness of solutions hinge on factors such as the cooperation and level of involvement of clients in the process, as well as the level of financial difficulty of the client.

*“Only effective if client buys into the plan...”*

Clients who face persistent income inadequacy will often present recurrently for support measures.

*“We have clients with inadequate income, so no matter how good the assistance...3-4 months down the track they will be back”.*

*“As long as bills aren’t in thousands, debt left too long, no income, then measures are effective in resolving problems.”*

The most effective solutions were the ones which had an immediate impact in alleviating the stresses and pressures to the client associated with payment problems. One-off reliefs such as the URGS, as well as payment plans and instalments, were thought to be amongst the most effective, particularly if instalments were established through CentrePay. However, in the view of one counsellor, there remains a risk that this takes responsibility for managing finances away from the client, with the risk that problems will recur because they have not learnt the skills to manage their own payments.

Pay and Save schemes were also favoured but are only suitable for those who have enough income to begin with.

*“Pay and save is good but only for those with money.”*

Counsellors were also asked to consider which aspects of hardship programs were less effective. The main issues reported were:

- For Utility Relief Grants the time taken for approval (up to 8-12 weeks), means that arrears problems can worsen in the interim;
- The time period for long term hardship payment plans is too short, at six months, and should extend to twelve months;
- Any action which requires improvements to plumbing (such as fixing major leaks, or water saving devices or appliances) is dependent upon the landlord or agent, or for home owners, on them being able to afford the required work – only occasionally will water companies themselves have discretionary funds to help with this;
- Water conservation audits and education about conservation can be effective, but require either home ownership (so that action is taken by the bill payer), or a co-operative landlord or managing agent, as well as a client who both understands the advice and is not intimidated by the water company;
- Plumbers sent out by water companies are generally effective in fixing leaks and providing basic advice, but sometimes fail to resolve major problems causing huge bills;
- Easy Card depends on clients going to the Post Office, which they can forget, thus breaking their payment agreements;
- Similarly, direct debit arrangements are only effective if money is in a client's account, and for some this does not synchronise with Centrelink payments;
- Payment extensions should only be used to address short term problems, and are not suitable for people in long term hardship. For those in longer term hardship, URGs work better;
- Behaviour change to reduce water use can be a challenge with some clients:

*“If you have someone with OCD and they want 30 minute showers, what can you do?”*

Some useful suggestions that were brought up by counsellors:

- It is crucial that clients are educated about paying bills, managing funds, and their options when they find themselves in hardship;
- Extend the reach of information about hardship programs past traditional communication media such as letters or bills in the mail;

- Encourage clients to adopt the use of CentrePay to pay their water bills;
- Allow more flexibility with the backdating of concessions, particularly to backdate unclaimed concessions further;
- Emphasise and promote those incentive-based schemes that encourage client compliance, such as payment matching and 'Pay and Save' that will enable companies to recoup at least some outstanding monies owed to them, as well as rewarding clients who try to do the right thing;
- Ensure that concessions are always applied to bills;  
*"I see many who don't have it and [water company] will only credit them back so far."*
- As well as checking on the application of concessions, check usage to see if it has changed, check the number of people in the household, and pro-actively target segments in the community such as high usage and large households, those behind with their bills, and those with unusual patterns or spikes in usage which may indicate problems, such as leaks;
- Do more to promote and raise awareness of various hardship schemes;
- Encourage collaboration with financial counsellors;
- Maintain and enhance the training of customer facing staff (not just the hardship specialists) to better understand and engage with the issues behind hardship and with clients facing hardship.

Counsellors were mostly unable to make comparisons between water companies about how they handled clients facing hardship, as counsellors are generally confined to dealing with clients of only one water company.

One counsellor, who was able to compare between two companies, did describe one of these companies as being more demanding, aggressive and persistent, taking a more 'business-like' approach with their assessments compared to the other company. The counsellor stated that his clients liken the first company to the gas and electricity companies<sup>1</sup>.

*"Lots of forms to fill in to prove hardship...have taken them to ombudsman a few times."*

*"They might have [program name] on their website and hardship programmes on offer, but you have to demand them."*

Another counsellor with limited experience of other companies indicated that her experience was that there was little difference, and that all tended to be supportive, though this experience of comparison was in a very specific situation where companies could be expected to be particularly sympathetic to the client group.

<sup>1</sup> This is not a positive comparison – electricity and gas companies are almost universally viewed as more aggressive in debt collection, and less sympathetic to hardship.

Counsellors were asked if the experiences of different types of clients differed when approaching water companies, but the majority of counsellors could not recall any such differential treatment. Mostly they assumed that clients were being treated equally and fairly, and that no group was subject to discrimination, harsh treatment or a lack of sympathy, compared to others. However some did express concern that problem gamblers might be treated less well than other groups, and that those with poor English language skills, or poor literacy skills, could have difficulty understanding hardship programs and thus accessing support. Similarly, with recent migrants, a lack of awareness of the Australian system may also make accessing assistance more difficult.

*“Problem gamblers are not assisted as well as others.”*

*“Those with language and literacy skills have difficulty understanding hardship ‘offers’ and accessing the companies.”*

Additionally, counsellors suggested that structurally, low income earners were at more of a disadvantage than those without earned income, since they are often ineligible for assistance or concessions.

*“More concessions to certain groups. Low income earners tend to miss out, just above concessions, but still on a low income. Not much they can do.”*

Another counsellor indicated that water companies might take a firmer line with clients who weren't telling the complete truth. In some cases this involved running a business which wasn't being declared to the water company (which in itself generated high water usage). Other clients would tend to tell only part of the story because they were concerned that their domestic arrangements might impact on benefit eligibility – for example, saying that they were not living with someone when they were.

*“A lot of our clients will ‘forget’ to tell us bits of information.”*

### 3.7 OTHER COMMENTS

Counsellors were asked to offer any other supplementary comments they had about hardship arrangements relating to water bill payment. These raised a number of issues:

- A number of comments commended the work of the water companies in addressing hardship, and working effectively with financial counsellors. There were positive comments relating to all four companies;

*“[Water company] have regular forums with financial counsellors and counsellors feedback the emerging issues.”*

*“[Water company] have good people who work with the counsellors and understand the individual’s situation.”*

- Water bills caused less concern than other sources of debt, both because bills were relatively modest and because water companies understand how to deal with hardship;

*“Sometimes I don’t see a water bill issue for six months and then we wait until the debt is \$500 and put it in as a Utility Relief Grant.”*

- Payment plans create incentives for people to pay their water bills as they acknowledge the difficult circumstances that clients find themselves in, establish loyalty and create a pattern of regular payments;

*“Payment plans [serve as an] incentive [for] people and recognise they’re in legitimate strife...a loyalty is created and a consistent pattern of paying is set up.”*

- One counsellor expressed concern about clients’ low and fixed incomes being unable to keep pace with the rising cost of utility bills. This emphasised the nature of utilities being basic necessities and underlined that clients are often relatively powerless – they can’t afford improvements that would reduce consumption, and they often fear managing agents, so that they do not ask for improvements because of concern about losing their tenancy;

*“Clients can’t afford to buy dual flush systems. Many are afraid of the estate agent. [They] feel inferior and bullied and think by asking they will risk their tenure.”*

- Another counsellor stressed the importance of checking for faults on properties and recommended interest-free capital works loans so that hardship clients could afford to have faults fixed;
- The same counsellor also stressed the importance of accurate billing – avoiding, for example, households being charged for waste water treatment even when not connected to mains sewers. Reviews of bills were recommended in areas where this is common;
- One water company sends out hardship applications with URGS applications, and providing this was not intrusive, this form of proactive engagement was commended.

## 4.0 RESEARCH FINDINGS – WATER CUSTOMERS

### 4.1 CUSTOMER SOURCES OF ADVICE AND ASSISTANCE

Customers' first source of contact in the event that they found themselves in difficulty with paying a water bill was typically their water company. Customers expected that their water company would have viable solutions or advice for them and their situation when they rang up. Sometimes customers themselves had some idea of the solution they sought, but in other cases, customers simply felt that they should approach the water company as the first point of contact, explain their difficulties, and then proceed from that point, generally trusting that the water company would be able to do something for them. Payment plans or instalments were most commonly mentioned as being the solutions expected to be offered by their respective water companies to assist them in overcoming their bill payment difficulties.

*“Ring them up and see if I can get a reduced payment. I’m on a pension at the moment.”*

*“Ring them and tell them, ask for an extension. They’re never pushy.”*

*“Ring up [water company] and explain my situation, because I am in financial hardship and am out of work.”*

However, though most customers approach water companies directly, and appear to do so with a reasonable degree of confidence that the company will address their hardship issues, it is notable that at least a couple of customers expressed a degree of reluctance to do so, whilst others appeared unwilling to be proactive (these were customers who had typically received support from financial counsellors). One respondent said that she would ‘try to handle things by herself’ before going to her water company, whilst another acknowledged that:

*“I didn’t want to tell my family or anybody, didn’t know where to go for help, didn’t want to ask for help until it got to the point where it was unmanageable.”*

One respondent explained the difficulty some people have in seeking support, whilst another talked about being advised to seek help by a friend, and then her first contact with the water company, explaining the sheer emotional relief she felt in finally getting some support:

*“If you’re honest, they’ll help you. Some people are very shy [and] they don’t want to admit they’ve got problems.”*

*“I spoke to a friend who said maybe you need to get some help to try and deal with it all...rang [water company], got onto a lovely lady by the name of [name] who was just so gorgeous. I was so upset and crying and she was so wonderful and supportive and fantastic. She sort of organised the payment plan for me and everything.”*

The use of online resources to find out information relating to the help available varied widely between different respondents. Some described in detail how they would use the internet to seek advice, others that they would prefer to get advice from companies, family or other organisations directly, but would see online research as a last resort, whilst several other respondents indicated that they barely had access to, or competence with, online resources at all. One respondent also explained that he was illiterate.

*“Older people like my mum or friends of my mum, they’ve got no idea about Internet or what help is available to them.”*

*“I’m illiterate, they have to explain to me very carefully, give me advice, where to go or what to do.”*

*“When it comes to computers I don’t have much idea...”*

Despite the prevalence of primary contact to water companies, respondents used a range of other sources of advice and information. Many of the respondents whose answers are analysed here were sourced via financial counsellors, so the involvement of financial counsellors is common. Many customers were made aware of the existence of a hardship department within their water company through prior advice from their financial counsellor. However, it is evident that for many customers not in contact with financial counsellors, the water company were the only organisation they approached about their water bill outside of personal contacts (though typically, they may also have been in contact with other utilities and organisations about other debts). Hence for many, the creditor organisations themselves were often their only source of financial advice about their debts. Some customers sought advice from Centrelink (though others acknowledged avoiding Centrelink), and other advice and family support organisations were also mentioned (Family First, St Vincent de Paul Society, Salvation Army, local community centres). For one respondent, a local, church based community advice centre offered a range of integrated services, and for another, their local council website and publications provided some important information:

*“Aside from the financial counsellor, the community centre [in location]...helped me out occasionally if I’m short, give me food and help me pay my bills.”*

*“For instance they can help with the setting up of payment plans, help stop you from being disconnected, help you organise CentrePay payment plans, negotiate with the company, give out food vouchers.”*

*“It was someone from [water company] recommended Centrelink and Centrelink debits.”*



*“Local council website and their quarterly little publication – 2-3 pages like a news leaflet...I see their water saving incentives and various water saving strategies...they’re very big on sustainability.”*

Solutions mentioned by respondents at this early stage of the discussion (before they were asked in more detail about the programs with which they were familiar) focused around instalment plans and other arrangements involving regular payments, but respondents also talked about grant applications and payment extensions.

*“They put me on a plan where I pay \$20 a fortnight and then they’ll also pay \$20 a fortnight – a payment matching kind of a thing which I didn’t know about.”*

It was also at this stage of the interview that many respondents explained their personal circumstances which had led to their financial difficulties. Their circumstances were diverse, ranging from serious health problems, loss of employment, relationship break up, being on low incomes or benefits for long periods, mental health issues, substance abuse, credit card debt, illiteracy, difficulties with financial management, poor housing, and recent migrants struggling to establish themselves. It was evident that in many cases, customers had a number of inter-related issues, and complex personal and financial issues to resolve.

*“I talked to them about my situation, only my son works, I’m still looking for work...my water was going up because how many times I told the owner and the agent about the leaking...”*

*“One thing led to another and then it became too much because I broke up with my partner.”*

*“I was ill for a while - that impacted on absolutely everything. I moved out of a property into this one that I am currently in, my ex was going to pay a whole heap of bills, but I got them. I rang [water company] to ask what can I do?”*

Due to the fact that the water bill was considered to be a ‘smaller’ bill in comparison to other utilities, many had decided to approach the water company directly about it, while others were put through to the water company via their financial counsellors who were dealing with other larger bill management issues on behalf of their clients.

## **4.2 THE PRIORITY ACCORDED TO WATER BILLS**

Consistent with the previous findings from interviews with financial counsellors, high on the list of priorities as reported by clients themselves were shelter (rent or mortgage) and food. This was then followed by the three main utilities, electricity, gas and water. Amongst the utilities, respondents typically prioritised electricity (often alongside gas) before water.



*“Rent first, then electricity and gas with the same company, and the water. I’ve got to have a roof over my head, and I need to have things functioning, and I’d like to come home and have a shower, and I’d like to have water...I need electricity and gas...they’re the basic functions you need every day. I just freak out if all of a sudden my power is out.”*

*“Rent first...we’ve been kicked out so many times, and this is the first time we haven’t had to leave after one year. That’s because I made it a real priority and kicked up a fuss about it.”*

*“Definitely the light and gas and water are the main things that you have got to have.”*

*“In particular electricity because power is required to keep the house running, and then water as there is a need to cook and clean with water.”*

*“Rent, electricity, gas, water, shopping, then the rest. These five main things are non-negotiable.”*

One respondent acknowledged that he paid on the basis of ‘whatever is more demanding’ because he was behind in everything and hadn’t worked for a long time. Others indicated that they paid in order of the date of bills, or as and when they arrive, hoping that bills didn’t all arrive at once, and if they did, that they would be able to cope. It is notable that this less structured approach tended to be more common amongst those who had not engaged with a financial counsellor, either because their financial difficulties were not so severe that they had felt the need for counselling, or because counsellors tended to encourage their clients to think more clearly about priorities.

*“There is no particular order, I pay according to the date.”*

*“Pay them as they arrive, and hopefully they don’t all arrive at once...but when the water bill and a big bill like car insurance rocks up at the same time, we will then have discussions about which one to pay first. Then we will have to decrease the priority of the water bill.”*

One respondent also identified that electricity has priority because they were, for her, particularly unyielding in their debt collection policies (her comments echoing those of a number of other customers in reflecting difficult relationships with gas and electricity providers):

*“Probably the power people come first because they’re really nasty and I’ve had lots of hassles with them and they haven’t got a qualm coming in and cutting your power off...you go through to their hardship and you explain your hardship, but that is not good enough. They still send somebody round to cut your power off, so I feel sort of obligated to pay them because they’re nasty.”*

This was echoed by another respondent, who also made a direct comparison with the approach of water companies, and a further respondent whose priorities were predicated on which organisations were most likely to cut their services off:

*“I find that electricity companies are really hard, if the payments are not made. With the water [companies] they kind of work with you.”*

*“If I don’t pay my electricity, gas, and Foxtel first before water, they will cut me off.”*

Another felt that all utilities were more lenient than a number of other creditors, and hence this person’s approach was to prioritise rent, food and credit card payments first, and then to pay utilities, with water having a lower priority than gas and electricity. One customer acknowledged the risk of disconnection with gas and electricity, but was also concerned about advice she had received that, ultimately, her water could also be disconnected. This led her to the conclusion that water was an equal priority with gas and electricity. Another customer took an entirely different view.

*“Gas and electricity are a little more important because it gets cut off. When I spoke to that original man years ago from the water company he did say that worst comes to the worst if you don’t pay your bills, your water can get cut off. But I kind of didn’t realise that...gas and electricity are priorities, but I grew to realise that water is also a priority.”*

*“My understanding is that you cannot have your water cut off. Therefore that will have to be the lowest priority.”*

Thus as emerges in the examples above, despite some similarities in the pattern of priorities, there were a range of different strategies employed by customers which varied from the norm of paying rent first and then the electricity, gas and water. Some respondents treated gas and electricity as largely the same (sometimes because they used the same supplier for both), whilst others had very different priorities for each, depending on how important each of them was to the running of their household.

One respondent rationalised giving water priority over electricity, by arguing that:

*“You can always light a candle or barbecue, except for the roof over my head, the water you need you have to have.”*

Several respondents rationalised their choices on the basis of meeting the needs of children, particularly if those children were sick or disabled. This guided the priorities they gave to particular elements of their household expenditure. One respondent said that in general her household bills were not difficult to pay, largely because she had instalment payments arranged through CentrePay, but that because her children attended special school, meeting the school fees was the most difficult bill to pay, followed by petrol and food. Another respondent argued that she had to prioritise

expenditure on maintaining her car ahead of other household bills at times, because she needed to maintain mobility in case of medical emergencies with her children (the respondent had children with a history of medical problems needing urgent treatment). Another emphasised the importance of maintaining household functions such as power and hot water because these were essential to providing for children:

*“My main priority is my kids. Anything that benefits them because I cannot run the washing machine or the hot water or anything without electricity.”*

*“But with the kids, it’s important to have electricity and gas, as they need to do their homework. But they also need water to drink and shower. Kids are like an unconscious priority.”*

However, for another respondent the absolute priority for her family was maintaining the tenancy on their house, and all other things came second to that. Similarly, another also prioritised paying the mortgage over everything else, and a further respondent prioritised the payment of a personal loan to the bank because she feared that falling behind with that would mean she would lose her house.

*“I’d rather cook over a fire and have cold showers than move again.”*

*“My main priority would be to pay the mortgage. I could sit here with no electricity coming in through the power lines, no water coming in through the tap, and still have a roof over my head. Then after that I’ll approach the utilities.”*

*“My personal loan with [bank] needs to be paid before anything, even before bills...if I don’t pay it the bank could put me into the hands of the collections and I would have to sell my house.”*

There were significant differences in the prioritisation of food expenditure. A number of customers took the view that paying their bills was ‘non-negotiable’, and that if anything essential was cut or reduced in priority, it would be food.

*“Rent and then utilities – food comes next I suppose.”*

*“[I] pay everything that needs to get paid (such as bills presented), and then the first thing to struggle is the stores in the fridge.”*

Water bills were also given a lower priority by some respondents because the bills were viewed as relatively modest and manageable. Thus whilst payments for rent and electricity needed to be planned and organised, water was sometimes treated more as an incidental expense, and for this reason was also given lower priority.

Within the ‘hierarchy’ of priorities, customers have clearly identified some bills and expenses to be of lesser importance, both in general and compared to water. These varied from person to person, but tended to be phone bills, internet bills, PayTV, credit cards, the running costs of cars, and other debts.

*“Some bills are less important such as haircuts, replacement make-up or even food (sometimes).”*

A number of respondents indicated that using regular payment plans – arranged directly with utility providers such as water companies or utilising Centrelink’s CentrePay process – helped to manage their bills, resolving conflicts in priorities, making bills easier to manage, and reducing concern about bills and debts.

*“My gas and electricity as well as water comes out of my bank account so basically before I get any money, I pay those bills first...it’s easier to pay them each week and then I know what I have left to budget for food and petrol and all that sort of stuff.”*

*“The [water] bill is not much, you can pay it off if you go on a payment plan, and you don’t notice the money drain/ impact as much.”*

*“Water is now going to come up top with [power company] because I’ve put a payment plan in, that’d be up there now every fortnight. The water gets paid, and the power bill gets paid, and then the rent.”*

*“Everything else is not as difficult as they are being put on CentrePay.”*

Whilst most respondents indicated that their water bill was less difficult to pay than rent, other utilities and a number of other commitments, one respondent noted that their water bill was the most difficult for them to pay, because of the size of their household:

*“The water is always the hardest – there are six of us in the household.”*

### **4.3 AWARENESS AND UNDERSTANDING OF SUPPORT MEASURES**

It is difficult to draw generalised conclusions about customer knowledge and understanding of the various support measures offered by water companies to address hardship. Knowledge tended to vary widely, in the awareness of programs, in understanding what they were, and in understanding eligibility and routes for access. Amongst the variety of support measures that hardship customers could draw on, individual respondents were only familiar with a limited number of measures. These are commonly the ones that they are presently using, or have had prior experience with either through water or for another utility.

Many had come to use or know of these plans through the recommendation of their financial counsellors, or through contacting their water company either directly themselves or through a financial counsellor. Simply because most customers used some form of payment plan, awareness tended to be highest for this sort of program. Those utilising payment plans were frequently very positive about them, indicating that they were allowing them to pay bills and manage their money effectively.

*“It’s too hard otherwise to pay the bills in one lump sum...I couldn’t pay that one big amount, so to pay it off was great.”*

*“Really helpful to me is weekly payments – being able to pay it each week helps me budget. If I know this is my mortgage, this is my gas and electricity, this is my essentials...because whatever happens afterwards happens [but] you’ve got to pay all those.”*

It was certainly evident that many of the brand names and descriptions for various interventions were not well known, even if the underlying concepts were broadly understood. Respondents often tried to interpolate between brand names and the types of program with which they were familiar:

*[Talking about Easy Pay] “Yes, I think it’s a payment plan you pay off fortnightly or monthly...they determine how much water you use over a six month period and then they break that up, they look at your history and how much you use and all that.”*

*[Talking about Smooth Pay] “Assume it means, like, taking an average of your bill and having it locked in over a period of time so that’s what it’s about.”*

It is apparent from the answers provided that some respondents had not heard of Utility Relief Grants (URGS), some had heard of them only recently, many of those who were aware of them misunderstood their coverage, particularly in relation to water bills, and did not know how to apply (or needed the intervention of a counsellor to do so). One respondent had heard of URGS, but understood that it was not something for which she was eligible:

*“Helps people who are more disadvantaged. Because I work permanent part time, I’m not on a pension card or disability or anything like that [I’m not eligible].”*

At least two respondents thought that URGS payments applied only to electricity and gas bills, and not to water bills as well. A couple of comments also indicate either that access to URGS tends to be initiated through counsellors (this relates to comments from counsellors and advocates that the process tends to be complex, and needs specialist intervention in many cases), or that the application process is not understood (and by inference may well be daunting to many applicants). Having said this, other respondents had substantial and detailed knowledge of URGS eligibility.

*“My financial counsellor recently helped me to apply for a relief grant, I heard about it a couple of years ago, and was aware of it at the time, but forgot about it by this stage.”*

*“The financial counsellor did say that I could apply for a URG, but I don’t know how to go about applying for one.”*

One respondent reported that asking for URGS when calling the water company got him transferred directly through to the hardship team, suggesting that mention of the grants program does act as a flag to front of house staff to direct a call to hardship.

*“I brought the government grants up, for hardship payments. As soon as I mentioned that, I was transferred straight to the department for that.”*

A number of respondents had effectively been introduced to existence of the URGS program, and their potential eligibility, through the direct, proactive intervention of their water company, who had contacted them seeking to resolve billing problems (in one case a large bill incoming which the customer was not yet aware of, and which was caused by a major leak). In these cases it appears that the water companies are using URGS as a way of addressing unusually high bills with which they know customers will struggle.

*“They rang me up three weeks ago to tell me about it [URGS]. The lady from [water company] suggested it. Prior to that I didn’t know about it.”*

In a couple of other cases, prior URGS use was noted by customers:

*“URGS for when you get a skyrocket bill. I know that you can only get that every two years. I’ve only used it twice but it’s been giving me a lot of relief knowing that I don’t have to keep trying to pay it off plus what I am using.”*

*“I’ve used URGS once for my electricity.”*

Comments about a range of other hardship program options were also offered. One respondent identified that they were aware of payment extensions, and had used them in the past, but would not presently use such a solution because their income was too unstable, and deferring payment might not be a sensible tactic. Other respondents were aware of various forms of payment matching and waiving of outstanding debts following consistent and regular payments.

*“They did take \$1400 off my bill because I haven’t missed a payment and have been so good with my payments.”*

*“They did pay some of my bill, resulting in a lesser bill.”*

One customer talked about the relative merits of Easyway (payments fortnightly in person at a post office or other participating shop) and CentrePay. She had previously used Easyway, but noted that if you missed payments or could not get to the shop or post office to pay, this can cause problems. Payments can be stopped, and there can then be a lot of paperwork to get the arrangement reinstated. In comparison, CentrePay means that payments are made directly without the customer needing to worry about taking action. Other customers were much more positive about Easyway, and one far preferred it to CentrePay because she strongly disliked Centrelink.



*"[I] was using Easyway fortnightly payments. They're great but...if you miss one or two payments, the payments will then be stopped, they'll give you the full bill to pay or you go through a hell of a lot of paperwork to get it reinstated...So now I don't use it anymore, I have it straight out of my pension, I don't see it, I don't notice it, but I do know that all my bills are paid."*

*"[The] Easyway card is fantastic – I can go to the post office to pay it straight away."*

*"My son just goes into the post office and makes the payment there. CentrePay is through Centrelink and I don't want to do it through Centrelink. I can't stand them...the less I have to deal with them the better."*

A number of respondents talked about energy audits and other similar home visits to help them in reducing usage or addressing apparent high usage. However, respondents were as likely to talk about audits relating to their electricity use as anything relating to water consumption. Several respondents had plumbers to visit their homes as a result of high consumption. One indicated that the water company had flagged a problem to them (despite the potential masking effect of a large household), another appeared to indicate that no problem had been located, despite there being a big bill, and a third talked of a recent visit to address problems.

*"But she went through the bill to check based on average water usage, and the fact that there's seven people living in the house, so she was the one who actually [recognised that]. She went through several things to look for, and then when I did get the plumber out here he confirmed, yes you do have a leak."*

*"A couple of weeks ago [water company] came in to look at the toilet problems and fix leaks."*

Other respondents talked of advice they were aware of about reducing water use, such as reducing the time they spent in the shower, and fixing dripping taps, so whilst respondents may not have had audits of their homes, they are sometimes aware of some of the general advice about reducing consumption, and hence the size of bills. One respondent talked of being given a \$500 grant to fix her toilet and leaking taps. Another talked of a 'water tight program' which encouraged customers to call a number provided in their bill.

*"I rang the number up, booked in a time for a plumber to come out and that was great – I did use it again. I've used the service twice."*

Most clients were not aware of grants for plumbers and leak fixing, and that some companies were able to send out a plumber directly. As a consequence, a number of clients who had encountered leaks and other problems had resorted to acquiring the services of plumbers and maintenance people of their own volition.

A number of respondents indicated awareness of concessions, and some indicated they were in receipt of concessions – some as seniors, others as carers.

The relative order of awareness and understanding for various programs and options appeared to be:

- Payment plans – most commonly aware and used;
- Instalments;
- Payment extensions;
- Relief grants (URGS);
- Assistance for Pensions and Concessions;
- Subsidies for Plumbers and maintenance (i.e. Leaks);
- Water efficiency advice;
- Home visits;
- Water efficiency audits;
- Payment matching (rarely cited); and
- Protection from recovery action (unheard of).

Amongst all programs, clients were least aware of the existence of ‘protection from recovery action’ measures. Our interviews with hardship customers thus far have recorded neither prompted awareness nor spontaneous recall of this particular measure.

#### 4.4 CLIENT EXPERIENCE

Clients’ experiences dealing with water companies were almost unanimously positive. This was further enhanced by the fact that many had experiences with other utility companies such as those dealing in electricity and gas that were, in comparison, rather more negative. Customers compared electricity and gas companies to ‘sharks’ while extolling the water companies; using contrasting adjectives such as ‘harsh’, ‘punishing’, ‘nasty’ for the former and ‘compassionate’, ‘genuine’, and ‘understanding’ for the latter.

*“They’re very considerate towards you, and they don’t want to cut your stuff off, and they don’t want to annoy you by ringing you every week to say ‘you owe this much, please pay’.”*

*“[Water company] staff were more than willing to negotiate and meet my sister halfway in coming to an agreement on an acceptable repayment...they were more than happy to put her onto the pay and save program again while she got this current bill under control.”*



*“They were lovely, sympathetic, empathetic, caring, they’re a great company...they don’t just think that just because you don’t have a job you’re a bludger and just don’t want to work...[Electricity company] were absolutely bullying me into trying to direct debit my account whereas [water company] didn’t do that at all. They asked what was the minimum payment I could pay, and they worked out \$15 a fortnight, and I’ve been paying that for two years now. Energy companies like [electricity company] and [electricity company] could learn from water companies like [water company], because people go through tough times in their lives.”*

The positive experience that customers reported when attempting to deal with issues of hardship and bill repayment with their water companies was also because they were offered what they felt were viable solutions with realistic rates of repayment and manageable schedules. Moreover, respondents felt that ‘someone cared’ and had a ‘real interest’ in taking care of their wellbeing, working with their circumstances and abilities to see them through the debt. Water companies were praised for their ‘understanding’ and for ‘hearing out’ their clients and their circumstances.

*“They seem there to help you and not to judge you.”*

*“No one was rude, they asked me for my opinion on the options of bill payments. The water company’s help was useful as the bill was building up and they asked what I was able to do next, and advised me to pay my bills with CentrePay.”*

*“They’re on your side. They want to help you”.*

*“They do understand, they understand your position.”*

*“Not only did they listen, they really cared, about me...about myself being able to pay the bills.”*

*“The hardship department made me feel that they understood how difficult the job market was and they didn’t make me feel guilty.”*

*“When I talk to them, they feel sorry for me. I apologise for not paying the high bill that I’ve got but I’m so worried about my water, because if my water cut off, how can we survive ourselves?”*

Customers reported that they were treated with dignity by their water company when speaking about their circumstances and difficulties with repaying their bills. Clients felt that they were given adequate respect, and were not judged or denigrated for their circumstances and their inability to cope financially. Customers’ level of regard for their water company was informed by the way they were being treated. Not being constantly ‘hounded’ for sums of money which they could not afford at once was important in forming this opinion of water companies. This treatment is often reported

to run contrary to their expectations, possibly as a result of having had vastly differing experiences with other companies.

*“Always with respect and they are very helpful.”*

Nevertheless, one customer did report a bad experience at the start of his interaction with his water company, and whilst this later improved (when, from his perspective, they understood he was ‘legitimate’) which involved difficult phone conversations and legal correspondence which he found intimidating.

*“I spoke to them, just had a go at them. They sent me this amazing letter, which is just their standard lawyer letter, really insensitive for someone who is actually going through legitimate claims for hardship – and then I had a go at them and I blasted them and then came to an agreement that both didn’t act appropriately. That was when they helped out and agreed to put it on a payment plan.”*

Customers often cited ‘personalised’ contact, as well as the ease with which direct contact with water company representatives could be established, as positive aspects of the relationship. This is particularly so because customers were able to contrast this experience with utility and other companies in relation to debt repayment. Customers also liked the shorter wait times before being able to speak with their water company’s hardship program team.

*“Whereas the water bill was directed to one person and one person only. And anytime I needed to reach her, I rang her four times in the two weeks and got directly through to her.”*

*“There have only been a few ladies so, they’re all on board, so you don’t necessarily have to speak to that one person, they all know what’s going on.”*

*“With electricity people, they bounce you from one to another, and you don’t know who you’d get. Whereas (with water) I was dealing with just that one person all the time where I felt more comfortable talking with him.”*

*“You’re not put on hold for ages, they’re pretty prompt in their service, they’re happy to accommodate your situation, and work something out for you.”*

*“That was good and it was with the same consultant every time.”*

*“Just the one customer care person and not be switched around to different departments...I’ve only had to deal with the one person from the beginning of the call to the close of the call, and that’s been great.”*

Customers liked the fact that representatives within the hardship program teams at the water companies seemed to understand individual circumstances, and took a personalised approach to their engagement and assistance with clients. It was noticeable how many customers mentioned a water company member of staff by

name during their interview, because a supportive personal relationship had been built up through the course of their interaction. In some circumstances, clients had explained that they received follow up calls, as well as home visits by the same hardship representatives that they had dealt with when lodging hardship issues. One customer reported a call which started with the water company trying to increase her payments, but then understanding that her circumstances were difficult, and instead supporting her with a URGS application.

*“He [water company hardship representative] used to come around and see me and try to fix things up and all that. Whereas I don’t think you’d get anyone from gas and electricity doing that.”*

*“They were good, they’d hear me out and gave me the options on what to do next.”*

*“With [staff first name] she was so calm, and because I didn’t know what to do, she guided me through it all and set up a payment plan. She was just lovely, they’re just an excellent company.”*

*“Then all of a sudden I got this phone call from them saying that the money I’m paying isn’t actually enough and she said could I pay some more if possible. I said I could pay a little bit more but not much and that’s when she suggested let’s see if we can get you some help through the Utility Relief Grant.”*

Hardship customers also appreciated that water companies were less likely to take punitive action when bills could not be paid immediately.

*“They’re really lovely people; they’re not just going to leave you without any water. They’re not drastic.”*

Customers valued the advice given by their water company. Most customers had found that the water companies were able to assist them, as well as provide appropriate advice about their situation and options.

*“I find that if you talk to them, they can help you.”*

*“I don’t feel as though I’m missing any information.”*

*“Advice was appropriate.”*

Overall, customers were often of the opinion that their water company had gone above and beyond their expectations in working with them.

*“When you explained the situation she went out of her way to come up with solutions without degrading me.”*

*“They’re very helpful in that they say ‘how about we look at this and see what’s going on’, whereas the other companies don’t.”*

## 4.5 CUSTOMER OUTCOMES

Customers reported positive outcomes from the solutions put in place to assist them in repaying their water bills. Amongst these the relief grants were rated as some of the most effective solutions in alleviating the stress of debt repayment.

*“The relief grant that they’ve given is massive. It’s a huge, huge help. Massive.”*

Many customers particularly appreciated the support they received in prioritising and budgeting, and in making payments structured and manageable. Payment plans and direct payments (through direct debit or CentrePay, for example) were thus particularly useful in helping customers to begin to gain control over their financial situation.

*“It does give you a way to go ‘right that’s paid and that’s going to direct debit’, that sort of thing when you have limited funds. And I found that they didn’t expect exorbitant payments; everything they did they calculated to the minimum that would suffice for that situation.”*

*“It’s helped keep my power going [as well], helping me being more on track as well, to get on top.”*

*“The solutions helped manage bills much better. [I] can see the bill accumulating before it comes in and I’ll do a budget on paper and realise I will make it with my income. This allows me to see where I’m going.”*

*“Instead of being overwhelmed when the bills come in, because I’m on a payment plan, I’m not freaking out...as long as you stick to the payment plan.”*

Customers felt that their water companies were willing to work with them and their situations to find the best outcome for both parties, within realistic expectations. Customers took the view that the water companies had a whole repertoire of solutions that would enable them to take care of the complexity of varying hardship circumstances. Their experience was one of being offered a range of solutions, which met their needs, and also a degree of persistence in finding the right solution for the individual. There was agreement that water companies had made it clear to them the types of assistance that were available, and details about how to access the best solution.

*“Just them giving me time to pay bills and allowing small payments. The Relief Grant Scheme is the cherry on the cake.”*

*“It’s helped us a lot. The bill was \$580, so that grant helped.”*

*“They gave me a part payment plan, and then gave me extensions to pay the other half if necessary, I explained to her that I was living off \$20 and she*

*understood that that wasn't going to work either. So she looked into it to try and find the best solution for everybody involved."*

*"I would say that they'd helped me as much as they could up to that extent that I was at."*

*"PowerPoint information. Like, this is what we offer first, and if it doesn't work, then we'll try this one, then we'll try this one, then we'll try this one!"*

*"Yes, she did, she put everything on a list for me, what to pay and all that, and I actually had money left in my bank after that which is something I never had before... A miracle for me!"*

The outcomes reported by clients were overwhelmingly positive, with a few making comments that they had incorporated the suggestions for assistance that the water companies had made and that they were making progress to more stable and sustainable financial positions. Nevertheless, one customer, who was very appreciative of the support received, which had helped her, also expressed something of the ongoing difficulties she faced, whilst another indicated that she now worried less about her water bills, but still had concerns elsewhere.

*"When you're experiencing hardship...it's like chasing your own tail. You're paying off your old bill, and you're paying off the new bill, and then the new bill is getting ready."*

*"I'm not worried about water. I worry now about rent and power."*

Likewise another customer took issue with the differing approaches of his water company (and in particular their hardship team) and their collections contractor. Whilst his situation was resolved positively, it was only after he expressed concern about the approach of the collections contractor that he was treated with greater understanding. He made the point (which is echoed by advocates elsewhere in the report) that water companies need to attempt a negotiated settlement first, before using tougher tactics, since this is likely to be a more productive and economic approach.

*"[Water company] wasn't pushy but their collections company was. They got nasty, that's why I went in there and I said, this is what happened in collections, and they're not very nice...And they said 'no worries, we'll get [staff name] to have a chat with you and she'll be able to help you out'. [Staff name] ended those phone calls and took my contract off them straight away...Instead of wasting their money and time down at the collections agency, they should get their people to help you...they should be ringing you up personally themselves saying 'what's going on mate, it's \$500', and see what your problem is rather than just getting their sharks out."*

Where customers had engaged with a financial counsellor, their overwhelming view was that the intervention of counsellors was very important to them in helping to regain some control over their finances. As well as the practical advice and support given by counsellors, customers recognised the value of counsellors in acting as intermediaries and advocates.

Having said this, it was notable from the accounts of customers that their approach to a counsellor was not motivated by the water billing debts, but by the debts to a range of other creditors, where the amounts owed were much larger, and the approach of the creditor to debt recovery was far less supportive than that adopted by water companies. Thus whilst respondents valued the role of counsellors intervening on their behalf, that intervention was much less a requirement for their dealings with water companies than it was for other creditor organisations.

*“[Referring to utilities in general] And I found that they belittle the individual, but I found that when they put the financial counsellor in front of it, the whole attitude changes... Whereas I didn’t have to do that with [water company], I just told them the situation and they treated me with the same respect they treated her [the financial counsellor].”*

*“When you have a financial counsellor calling up to represent you, all of a sudden the utilities company are more willing to yield.”*

*“Financial counsellor was not so important in helping to deal with the water company as it was easy to ring the water company up myself.”*

#### 4.6 OTHER COMMENTS

Clients were asked to contribute any additional thoughts on the advice and assistance available for people who had difficulty paying their bills. Common themes that featured were:

- Encouraging other customers to overcome hesitation in asking for help, and to seek the same support that they had found beneficial;
- Advising water companies to be more pro-active in intervention;
- Improving advertising and communication strategies relating to the types of hardship assistances available to customers – such as advertising about grants on bills.

Customers felt that water companies were in a position to resolve the difficulties of other customers, and hence they were keen to communicate their own positive experiences, and encourage others not to hesitate in contacting water companies if they had similar difficulties. Respondents were encouraged by the level of understanding and assistance that they received, and the practical and workable solutions which resulted.



*“People who are in a similar situation should check their budgets and try to come to some sort of agreement with the company because they will help you: ‘Get in touch with them if you’re having trouble’.”*

*“I wish everyone knew that there is help available when they are in times of hardship.”*

*“If people talk to the water company, the water company will refer them to other people who can help them. They will get pointed in the right direction and they will get help.”*

*“It’s human nature that when you’re not doing good you tend to be scared to talk about it and you try to avoid it but it’s not going to kill you or anything like that”.*

*“I’d suggest to ring them up!”*

It seems that positive experiences in their dealings with water companies relating to hardship issues may translate into positive attitudes about bill payment. Respondents seem inclined to reward the approach of water companies with a positive attitude towards bill payment.

*“More inclined to pay bills because of the way they speak to you as a human and not a number for a problem.”*

Customers were also concerned that they or others were not aware of the options available to assist in financial hardship. They felt that information about assistance programs of support was not readily available, or was not common knowledge, and thus not accessible to many of those who needed it most.

*“I wish everyone knew that there is help available when they are in times of hardship.”*

*“When you need help, you’d like to know where to go to for the help.”*

*“Until I actually spoke to the lady from [water company] I didn’t actually know what options were available.”*

*“Previously when I was quite ill, had I known about the grant it would have been fantastic.”*

*“They did mention all these things where they actually come to your house which I didn’t know about.”*

Some customers similarly reflected that they had often struggled with these issues for many years, without receiving the support they really required, though this was often as much a criticism of the policies of other utilities as it was of water companies.



*“Had to struggle for 8-10 years dealing with the water companies but they had never brought up that information to me.”*

*“Most of the utility companies aren’t very forthcoming with their information.”*

*“I had to come to them to say ‘I’m doing this, I know this, I want this’. It was never ‘you could do this’ or ‘you could do that’.”*

Customers were often keen for water companies to act earlier in identifying and addressing problems, and for them to act pro-actively. They sometimes recognised that earlier intervention would have prevented some of their difficulties, and that in some circumstances making customers aware of the help available would have been welcomed.

*“People like me often in our working world; don’t think that we’re eligible for a lot of things, so I guess for the mainstream society, so I think that that sort of information should be made aware.”*

*“The water company needs to let other organisations know how they can help and what they can help with.”*

*“It would be handy if once or twice a year they do a big mail out...outside of the bill cycle time, they send you some information, so everybody’s got something there rather than ringing them and panicking about it.”*

*“Targeting certain customers who aren’t so great at paying their bills, or having trouble of sorts. They obviously can tell which ones are which...getting someone to ring you up rather than ignoring the problem...maybe one to one talking with someone because if you speak to someone you can maybe try to get a solution.”*

The most common suggestion raised by clients, in terms of being made aware of hardship options, seems to be by way of advertising mailed out with their water bill:

*“They could say ‘please ring if you have difficulty’, let people know they can make progressive payments, and tell people that there is a hardship department they can talk to. [It] would make it less stressful for these people who have trouble paying their bills.”*

*“Some people would probably not have the know-how how to call and make these enquiries, but if they read something they might go ‘Oh! I might try that’, it might be better.”*

*“Well maybe when the bill’s sent out, maybe a little notice like ‘Have you ever thought of a payment plan?’ or like a little introduction ‘If you find it difficult to pay your bill, this is what you could do!’”*

*“Maybe have a pamphlet or something with how they can help you or something?”*

*“They’ve got to tell me, send me brochures, info, things in the mail.”*

*“They could possibly send or mail out some brochures about this scheme... Send emails, notifying people of things (relating to hardship options).”*

*“Maybe provide a pamphlet with info with a bill once a year.”*

*“More info could be on the bill and on their website.”*

*“This information with the payment difficulty direct line could be enclosed in an advert within a bill ie. ‘If you have difficulty paying bills, please call this number’.”*

Some other approaches recommended by customers to create awareness of support measures included:

- Regular checks and correspondence where required:

*“Mainly coming out and sitting down and saying ‘what have you been doing, and what’s wrong’.”*

*“Or maybe if they can see that I look like I’m in trouble with my water once again, to let me know what my options are, things like that.”*

- Water efficiency advice:

*“Tell me exactly what time I should be doing my washing, like what’s the off-peak hours.”*

- Direct access to hardship support:

*“Would be nice to have a direct number for customers who have difficulty with payments.”*

- More prominent advertising of payment options:

*“I think that they have got to put it out there that they can go on an Easy Way payment plan.”*

## 5.0 RESEARCH FINDINGS – ADVOCATE ORGANISATIONS

### 5.1 CHARACTERISTICS OF PEOPLE NEEDING SUPPORT FOR FINANCIAL HARDSHIP AND REASONS FOR HARDSHIP

As was the case with financial counsellors, organisations stressed the diversity of people who might need, or seek, support relating to the payment of their water bills, and confirmed that in nearly all cases, the water bill was one of a number of financial commitments related to hardship. Several respondents also stressed that many more people were encountering payment difficulties who could not be identified by a particular ‘flag’ (and did not easily fit into the expected groups of vulnerable consumers), and also that particular life events could push many people into financial hardship.

*“[People are] overstretched to begin with and then one other thing goes wrong.”*

*“We find that it could be anyone...some calamity has happened in their life.”*

*“The time will come when your life is touched by something completely outside your control.”*

One respondent made a strong case both to revisit the language used in considering these issues, suggesting even that the term ‘hardship’ may be unhelpful and limiting, and to broaden the scope of program coverage, since programs were designed to meet the needs of a small cohort at the ‘pointy end’ when they should be designed for ‘all of us’. In other words, that whilst most people, most of the time, are not vulnerable or at risk of financial hardship, circumstances could develop in the lives of most people that could render them vulnerable and in need of support.

*“Hardship has been hijacked as a term and means different things to different people, but vulnerability is much broader and much easier to understand...as people’s circumstances or their needs change, so should the support that is offered to them.”*

A wide range of circumstances and life events were set out by respondents which might make someone particularly vulnerable to financial stress. Particular concerns were expressed about a number of groups in the community:

- Single parent families, which could include people at risk from family violence or economic abuse, people whose income has reduced due to changes in welfare payments to single parents, who have limited ability to cut back on the use of utilities because they have children, and refugees designated as ‘women at risk’ (women who have arrived in the country without a partner, but who are often supporting children);

- CALD communities, particularly refugees and asylum seekers, who face a range of issues, including lack of understanding of the process or concept of water supply and billing, difficulties in communicating in English (one respondent noted that 15% of in home visits required an interpreter), often alongside literacy problems in their first language, transience in accommodation, and low incomes (associated with a range of issues including welfare payments at 80% of Centrelink rate for residents, restrictions on working, and reliance on informal work to supplement their income);
- People living in outer urban new estates, who have often taken on mortgages for large homes with substantial utility bills (which are also rising faster than inflation), already under mortgage stress and for whom even a small change in circumstances can push them towards financial hardship;
- Older people who try to cope by cutting back, even on essentials, who are often not recognised as being in difficulty because they pay their bills at the expense of hardship elsewhere, who often avoid seeking support because of pride, and who are most likely to have difficulties with trust and access relating to new communication technologies;
- Aboriginal Victorians, who frequently find it difficult to interact with utility companies, for a range of reasons – often companies have poor links into aboriginal communities, members of those communities have sometimes had poor experiences in the past with utility companies, and these relationship issues are then compounded by issues of literacy and poor access to information.

Other at risk groups identified include those reliant on Newstart payments (because of the low income this implies), people with disabilities (because they frequently face additional barriers and costs, and find access to mainstream information much more difficult), the working poor, and people with mental health issues. Life events such as injury, ill health (affecting adults or children in a household), loss of employment or income, mental illness, and relationship breakdown can also have the effect of moving people who were previously not at risk into positions of acute vulnerability.

## 5.2 UNDERLYING ISSUES

Respondents were asked to explore some of the key issues which might help to explain the nature and distribution of financial hardship, particularly in relation to water bills.

Two of the five respondents specifically raised issues around the cost of living, with a particular emphasis on housing costs, which was placing increasing pressure on many household budgets. Water bills were one part of this wider issue of increases in cost of living, and a contribution to individuals finding themselves in hardship. For refugees and asylum seekers, some of the underlying issues might also relate to the health effects of torture or trauma, meaning that individuals found it difficult to work,

could not learn effectively, and suffered from mental health problems, including depression.

Two other respondents addressed the question from a different perspective, identifying that at present, programs addressing hardship were often designed to alleviate long term hardship amongst low income households, and to prevent ‘scamming’ of the systems in place. A different approach was required which focused more on early intervention and prevention. Yarra Valley Water and Sydney Water were cited as two of the most innovative companies (not just amongst water companies, but amongst utilities more generally) taking a new approach to dealing with hardship. The critical parts of this approach were identified as effective handling of calls from customers at the first point of contact, assessing the circumstances of customers, including their ability to pay (so that repayments are set at an affordable level), and then through appropriate incentives (including the cancellation of debt as a response to established, regular payments), moving people back towards the mainstream. This approach recognises that it has to benefit the bottom line of the business, by being more effective in recovering debt than a punitive approach.

*“What does it cost us when people fall off payment plans, what does it cost us when we wipe debt...what is the benefit to us of this process rather than continuing tracking and seeking debt collection?”*

Punitive debt recovery strategies were also blamed for a culture of shame which surrounded hardship, meaning that many consumers were not comfortable in seeking help (in turn meaning that early intervention was more difficult). Likewise, this approach should seek to avoid lengthy, multiple contact call handling processes which are neither efficient from a business perspective, nor good for the people seeking support. It was also noted that an underlying issue was the functional illiteracy of many customers, meaning that they ignored, could not understand, or misunderstood many communications from utility companies. The language used in communication makes a significant difference to the success of that communication.

### 5.3 THE SIGNIFICANCE OF WATER BILLS

A number of respondents were aware of existing GA Research which had explored the prioritisation of various household bills, and had placed water bills, reportedly, as ninth most important. This concurred with the general view of all the organisations – that water bills were not generally the primary reason for debt or hardship, for consulting a counsellor, or indeed for stress or concern. The primary issues would always be the risk of losing a house, a car, or not being able to pay medical bills. Rather water bills, and particularly the debts due to unpaid water bills, are a secondary, contributory issue:

*“Another one of those factors contributing to an amalgam of stress – and there’s the water bill and I haven’t even got to that yet!”*

*“Usually not the catalyst for issues but the side product.”*

*“Water gets relegated to the bottom of the pile.”*

There were a number of reasons posited by organisational respondents to explain the relatively lower priority of water bills for customers:

- The water bill is relatively modest in scale compared to a number of other bills, including housing and other utilities;
- Water companies tend to be less demanding of customers, and more willing both to negotiate and accommodate than other utilities and telecoms providers;

*“The water bill is the one you can deal with...the company are willing to be accommodating.”*

- The consequences of non-payment are less severe for water bills than for a range of other debts and bills, such as electricity, gas and telecoms (hardship policies provided by telecoms providers were described by one respondent as ‘awful’). Water customers rarely have their supply curtailed (and never cut off entirely). Customers may be under more pressure to pay other creditors, with the threat of disconnection, court action or sheriffs.

It was also noted that customers had a distinctly different relationship with water businesses because they are geographic monopolies, which tends to elicit higher loyalty and an anticipation that water businesses are there to help them. In contrast, trust with energy retailers is much lower. This difference in the quality of relationship was also illustrated by an example from one respondent, describing how the ‘Arrange and Save’ program emerged from focus groups with customers some ten years ago. The respondent felt that such programs created behaviour change and loyalty:

*“Consumers said that ‘we want to pay them, but they want too much too quickly’.”*

#### 5.4 PRICE RISES

Respondent opinions on the impact of above inflation water price rises were mixed, with some noting that they were seeing greater difficulty with water bills as a result (one respondent noting that this was particularly evident in the last year, and amongst older customers). Others commented that the steps taken by water companies to manage hardship were so far ameliorating the impact of rising prices.

*“I’ve been saving water but still my bill is high.”*

*“Haven’t seen it play out that badly yet...haven’t seen an increase in complaints. Water companies have been particularly proactive.”*

There was concern raised by several respondents about the potential imposition of interest on bill arrears, which was generally viewed as counter-productive. However,



electricity and gas companies were seen to be substantially less supportive in resolving hardship issues, with high contributions to instalment plans and pressure to increase the size of instalments once plans were in place. This was cited as the reason that it was much more difficult for households in hardship to maintain a gas or electricity payment plan than a water payment plan, despite these plans largely being implemented for the same cohort of customers:

*“But they are the same people!”*

Another noted that this issue presently remained manageable because payments to water companies were based on the ability to pay – though this meant that residual debt could remain quite high, needing a response such as ‘arrange and save’ which ultimately waived residual debt. Rather than applying interest to this residual debt, opinion was that there should be greater focus on early identification and intervention. In turn this raised ethical questions about whose role it was to intervene, whether it was ethical to allow customers to build up debt before intervening, and the need to intervene in a supportive, rather than accusatory, manner.

## 5.5 AWARENESS AND EFFECTIVENESS OF SUPPORT

Respondents all had a great deal to say under this heading. Broadly, comments can be separated into two categories – support mechanisms which are seen as positive and effective, and remaining issues and difficulties.

Amongst the positive commentary:

- There is healthy competition between the water companies in genuinely looking for ways to reach vulnerable customers, alongside a commitment to provide a better quality of support to people in hardship. Companies are increasingly recognising that early intervention is good for their bottom line, that going straight to debt collection is not financially effective, that there are reputational issues at stake, and that there are costs to chasing debt that they need not incur.
- ‘Arrange and save’ in particular was commended as an excellent program, with a positive cost-benefit impact, 93-95% of customers involved paying on time, and most of them subsequently returning to mainstream billing.

*“Changing the relationship to one of respect and support, and enabling people to get to the position where they can manage their debt and understand how it’s compiled, and negotiate on their behalf to get a fair outcome.”*

- Companies are beginning to share good practice through the vulnerable customers’ task force.
- There is innovative work being done by some of the water companies. Yarra Valley’s Water Wise internet hub, and City West’s implementation of financial literacy training, were commended. The Yarra Valley website in particular was



identified as a ‘fantastic’ tool with the potential to be rolled out not only across the water industry, but also across other utility providers.

- Water companies are getting better at identifying people with difficulties, being proactive, and getting them onto hardship programs more quickly. They are using the data they have to get early messages out to people at risk.
- Companies are getting better at identifying people who are eligible for concessions on bills, where Centrelink have not always been good at identifying eligible customers.
- The water companies are area based, so they are well placed to develop relationships and build referral networks.
- Water companies tend to have well-trained and effective hardship staff, and have invested in the training both of their hardship specialists and the front line staff who first take calls. The critical development issue is to build understanding of issues with front line staff, so that they can direct enquiries through to hardship effectively.
- Water companies undertake a great deal of effective work in outreach to new migrant communities, talking directly to CALD groups through advocacy organisations.

The issues still in need of attention included:

- People with mental health issues and depression are still ‘falling through the cracks’ in the present systems.
- A number of agencies remain concerned with the scale and impact of economic abuse<sup>2</sup> within relationships.
- Amongst some CALD communities there is sometimes little understanding of contracts, or of what sits behind service delivery. Language barriers remain a significant issue for some customers. Many CALD communities (African background communities were particularly identified) struggle to negotiate the system, and other communities do not seek support because of cultural issues of shame and saving face.

*“Shame and face is particularly important...you don’t talk about issues or problems outside the home.”*

- There are issues around privacy in relation to the use of interpreters. Given the reluctance of many to talk about issues outside the home, using an interpreter who is a member of the same language community can be a significant barrier, and many customers from CALD communities prefer to use a family member, or a staff member from an advocacy organisation. Three-way conversations using

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<sup>2</sup> Economic abuse is defined in a fact sheet published jointly by Good Shepherd Youth and Family Service and Kildonan Uniting Care (see: [http://www.goodshepvic.org.au/Assets/Files/Economic\\_abuse\\_fact\\_sheet.pdf](http://www.goodshepvic.org.au/Assets/Files/Economic_abuse_fact_sheet.pdf)) as “a form of domestic and family violence involving behaviours that negatively affect a person’s finances and undermine their efforts to become economically independent”.

interpreters are difficult – there is no certainty that the translation in either direction is accurate, using a telephone translator means body language and gesture is missed, and many questions are difficult to translate because they use complex language. There may be value in training water company staff around the effective use of interpreters.

- Partnership with local government may help to identify some customers at risk, since they are also aware of households which are defaulting on rates payments.
- Those who do not or cannot use the Internet are a challenging group to reach.
- Who gets onto, or does not get onto, hardship programs is still often down to one to one relationships with people at call centres, and advocacy organisations often get a better hearing calling on behalf of customers than the customers do themselves. This is far more prevalent with energy utilities, but it is still an issue for water companies.
- Utility relief grants (URGs) are not as well promoted as they should be, and the application process and paperwork is daunting (*“repetitive and off putting”*). Most applicants need the help of a financial counsellor to submit an application.

*“It’s a really poor use of a financial counsellor’s time to be filling in forms.”*

## 5.6 ADVOCATED CHANGES

Advocacy organisations were asked specifically about the ‘next steps’ issues for water companies in addressing hardship. The key themes which emerged, and which to some degree had already been flagged in the discussions, were:

- Achieving earlier intervention, by targeting those at risk more effectively, and earlier;
- Putting incentive arrangements in place;
- Communicating hardship support more widely;
- Normalising vulnerability and letting go of the concept of ‘hardship’;
- Building relationships with CALD communities using targeted media strategies.

Water companies are already trying a number of strategies to better target and intervene with customers, including communicating through a very broad range of channels, such as banks, doctors, community organisations and schools (the latter noted as an effective way to reach vulnerable CALD families, since most with primary school children attend to pick up and drop off their children). It was suggested that attention should be given to training those in front-line response roles (such as social workers) in financial counselling and financial education, so that they are better able to intervene or direct clients to appropriate support services. There is also a role for the water companies themselves to use flags on their data which identify people who need to be contacted by phone for follow up.

According to a number of advocates, hardship assistance is often not well advertised, because there is a fear of 'opening the floodgates'. However, one respondent cited the recent experience of banks, who from the middle of last year have had a link from their website home pages clicking through to information about financial difficulty. Banks were reportedly 'scared' about the potential increases in demand for hardship support that might be driven by this initiative. The outcome of providing this information and making it prominent has been that many of their customers look at the information, but that this has not generated significant increases in requests for assistance. Rather, people are looking at the pages, learning about their rights, and moving on. When they do come through to ask for help, they are generally better informed. Other respondents commented more generally about the perceived fears of utility companies that hardship arrangements would be abused:

*"But it's unlikely that people will identify as being in difficulty when they are not, and if they do, who cares? The proportion will be so low that it is ridiculous."*

*"Still have a view that there are customers that won't pay rather than can't pay – I think that this distinction is too easily made in many cases, and I'm not sure how they make it."*

But comments also indicated that the concern of companies was already shifting from these fears, to concerns about the overall rising levels of debt, and the need to address this:

*"I think it's moved from floodgates to rising debt levels – that's their greatest fear, and how they are going to justify it to their boards."*

Another respondent advocated a fundamental rethinking of the approach to hardship, requiring a transformational approach which effectively 'let go' of the concept of hardship, and recognised that there is a broader group of people needing support – in effect 'normalising vulnerability'.

*"Normalising vulnerability, so that it's not something people are ashamed of or frightened of, that it's the bump in the road that we all experience, and how we can get up and get on."*

Building relationships with CALD communities is likely to require targeted use of ethnic media, recognising that different communities will need tailored strategies to reach them.

*"Get the right media forum for the right ethnic group...for the Chinese the written word is fine...for some of the other communities ethnic radio is the better forum...the smaller, community based ones."*

## 5.7 CUSTOMER EXPERIENCE

All of the advocacy organisations had much to say in commenting about the experience of customers in accessing hardship support.

Several respondents talked about how well embedded the culture around hardship, as opposed to debt collection, actually was in some businesses, but identifying that whilst advocacy organisations often had good relationships with hardship teams themselves, other parts of the organisation were still working with a ‘debt collection’ approach.

*“People in hardship teams work quite hard to get people supported...all the other layers in the financial arm trying to get their money back.”*

This related closely in the accounts of respondents to the importance accorded to skills and training, so that customers had a positive first call experience, and water companies could offer first or second point resolution of customer issues. Respondents were generally positive about the desire of water companies to continue to improve the way they treat hardship customers, in many respects driven by peer pressure amongst the companies. They also identified a greater need for training, for example in having respectful conversations and offering appropriate assistance.

*“How it is looked at at that first call is critical, and then the pathways after that.”*

*“It’s about that first or second point resolution, not always having to deal with someone about the same issue.”*

*“It’s taken a couple of phone calls to get to the appropriate area, to the hardship team.”*

This difficulty in effective first contact call handling is exacerbated because customers often do not know what they want or what they can get from hardship services (this reflects earlier comments about the value of providing information to customers, so that they are more likely to enter this first conversation with some information), do not express themselves well, do not always come to the point of the call, and are hampered by shame and guilt, and sometimes also by a lack of facility in English. For CALD customers in particular, there is a tendency to blame themselves:

*“In our client group their reaction is – it must be our fault.”*

Respondents identified a number of groups who they consider are sometimes subject to poorer treatment, or who have less satisfactory interactions with water companies around hardship. These included people who had a history of poor payment, CALD communities with limited ability in English, and other CALD communities that may suffer from a degree of unconscious racism or discrimination, including difficulties with understanding accents, and the pronunciation or spelling of names. This in itself may

be an issue for cultural awareness training, but may also diminish over time as Australia gets more familiar with newer migrant groups.

*“Some individuals with low levels of English often get treated as if they have low levels of intelligence as well.”*

*“People who haven’t paid their bills in the past are probably treated more harshly.”*

Having said this, respondents pointed out the positive comparison they made between water companies and other utility companies, indicating that other utilities were much harsher in the way that they treated hardship customers, with a model far more focused on debt collection, and with a lack of effective staff training to deal with customers effectively and positively. With electricity and gas companies, payment arrangements are often based on what is owed, rather than on the customer’s capacity to pay, as they are with water companies. It was thought that gas and electricity companies believed that if they were harder with customers, they would get more money. This approach was refuted by respondents here, who provided evidence that the approach taken by the water companies was not only more humane, but also more effective in recovering money owed and returning customers to mainstream forms of interaction and payment.

There was concern from some respondents that recent legislative changes, allowing water companies to charge interest on arrears, would change the nature of the relationship between water companies and their customers, away from the ‘compassionate’ model that had been developing. Likewise there was concern that some water companies were outsourcing their debt collection.

*“Every utility should own its own debt, it shouldn’t be outsourcing its debt.”*

Another expressed concern relating to the experience of customers was around the proper role of counsellors. In truth, this was a criticism of energy utilities rather than water companies, but reflected a wider concern, as well as offering a compliment to water companies and their approach to hardship. Many energy companies are effectively out-sourcing the work of managing hardship to financial counsellors, meaning that their own staff have little or no skills or resources relating to hardship. Meanwhile the proper role of counsellors – in education, policy advocacy and seeing the customer holistically – is diminished and they become no more than gateways to hardship programs.

Despite the generally positive appraisal of water companies, and the way they treated hardship customers, it is considered that there is still room for improvement. One respondent pointed out that in terms of treating customers with respect, only two of the four companies covering Greater Melbourne are yet at the necessary standard:

*“Of the four businesses you are talking about, in my opinion only two would make the grade.”*

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Addressing this still requires investment in staff training, support and coaching. In particular, companies should avoid inadvertently implementing processes which set people up for failure.

*“They’ll be told how much they have to pay a fortnight, they’ll be asked if they can afford it, and they’ll say yes, because that’s the only answer you can give.”*

The same respondent went on to underline that customers often do not want the debt to be waived (particularly if they are older), but rather that they want to pay, so that any help is notionally earned, not a gift. This is about working with customers in ways that do not diminish them and allows them to retain dignity and agency in the relationship.

*“How do you work with this person in a way that doesn’t diminish them?...Hardship translates as ‘I’m a bit of a loser and I can’t help myself’...that’s not what people mean, but that is how it translates.”*

*“When people design these programs it’s an approach of rescue...philosophically it’s the best intent but the application doesn’t cut it...not allowing someone to make informed decisions to the best of their ability, whatever that ability is.”*

## 6.0 CONCLUSIONS

Perhaps the most notable finding from this work is the very positive assessment of water companies in relation to the way that they address issues of hardship. Compared with almost all other organisations to which customers owe money, including other utility companies, water companies were commended by counsellors, customers and to some extent even by the advocate organisations for the way that they addressed hardship issues. In particular, counsellors and customers were very positive about the way in which water companies seemed to understand hardship, treated customers as people, looked for reasonable, manageable and sustainable solutions, and maintained a consistency in client handling which meant that both clients and counsellors dealt with the same member of staff. Advocate organisations were particularly mindful of the need to establish payment levels which related to ability to pay, not the amount owed, and saw this as the route to taking customers back to the mainstream. Instalment plans have a further benefit, in locking in priority of payments, so that key bills are paid, and customers know both that the bills are manageable, and that they will be paid – both aspects reduce stress and allow them to tackle other issues in their lives.

The staff in hardship departments were themselves commended for their knowledge and approach – which in part appeared to be a product of low levels of staff turnover and high levels of skill and experience which resulted (though one counsellor expressed concern about high levels of turnover and reductions in resources in the water company hardship team with which she dealt, and felt this may have reduced the collective level of skill and expertise in the team). Water companies were also commended for keeping both their call centres and hardship departments locally, rather than offshoring them as has happened with some other utility companies, to the detriment of customers in hardship. This positive appraisal seems to be shared across both counsellors and customers. There is evidence of continued progress by water companies in putting in place models of hardship support which are non-adversarial, flexible, and which view each case both on its merits, and holistically. Advocate organisations recognised that some companies were further along this road than others, but that all companies were moving in the direction of these types of hardship policy models.

Inevitably this praise was tempered by some comments on process, and in one case, direct criticism about one company which contradicted the general picture set out above. Likewise most counsellors, and advocate organisations, acknowledged that there were improvements to process which could prevent some instances of hardship (more rigorous application of concessions, effective regimes for checking and resolving large bills, encouragement of water saving measures), and others which could make resolving hardship easier (targeting issues which prevent access, such as language and cultural barriers, pro-active contact to particular groups of customers, engagement with financial counsellors, use of approaches which reward positive engagement from hardship clients, such as the use of payment matching, and a more



structured approach to identifying the hardship products which might be suitable for particular groups of customers). Nevertheless, the comments offered were generally constructive, and worked on the assumption of goodwill from the water companies.

Customers themselves seemed to support earlier intervention, and they themselves advocated to others in the same situation to approach water companies earlier, since they had developed (often strong) convictions that the hardship teams there were genuinely able and willing to help them. Indeed, many customers reported hardship teams going above and beyond their expectations – in one case a customer who was advised of her excessive bill by the water company before she herself was aware, with the hardship team at the company contacting her not only to advise her that there might be a problem (it was a significant leak) but also offering her a number of solutions which in effect resolved the problems that the excessive bill might have caused.

Advocate organisations particularly focused on the importance of improving the first contact experience, and of skilling call centre staff who take calls from customers to identify hardship customers and direct them quickly through to the specialist hardship teams. They noted that it was often the first contact which determined which customers got help, and which did not. Advocate organisations also advised the further re-engineering of processes so that they moved from models predicated on eliminating fraud, to ones built on the assumption of support. They also presented considerable evidence that there was a strong business case for a supportive rather than a punitive approach, and argued that the former is not only better for the customers, but also returns more money to the businesses themselves. Whilst most customers have had a positive contact experience, this is not always the case, with stress and fear sometimes causing difficulties. This was often a situation in which counsellors could intercede and broker solutions, though it was notable that in the one case of a customer encountered here where there had been such a breakdown of the relationship, the water company themselves appeared to have brokered a reconciliation which rebuilt the relationship and allowed a solution to be constructed for the customer.

Counsellors and advocate organisations underlined the diversity of types of people in hardship, and the causes which underpinned their hardship. This meant that there was no one size fits all solution for hardship customers, and counsellors reflected that in most cases, water companies recognised the need for flexibility, and for understanding the very different issues faced by customers in hardship. It was also notable in the accounts of customers that solutions were often different depending on circumstances, that customers often changed their approach according to experience, and that there was flexibility in arrangements.

Counsellors made useful comments about which hardship programs were most effective, and least effective, in particular circumstances, and these provided useful guidance to support effective targeting of programs, and, also potentially their

enhancement to better meet the needs of hardship customers. Customers themselves seemed to value payment plans and grants, but also commended schemes which undertook some form of payment matching. Advocate organisations were particularly supportive of schemes which worked on a payment matching basis, since they achieved a number of important outcomes – customers were moved back to the mainstream, they established patterns of regular payment, and because they were not necessarily required to meet all of the debt, repayment levels remained manageable, rather than punitive.

Whilst the study draws a broad distinction between those whose hardship is sustained and those who have encountered a crisis event from which they will, with support, recover, counsellors did underline that there were some of their clients who would always continue to struggle because their income was low and insufficient to meet their genuine needs, or because they had other ongoing needs. Moreover, they suspected that there were groups of clients who did not get the support they needed, or struggled to do so, because of a range of practical barriers, including mental health issues, stubborn pride, and barriers of language and communication. Some advocate organisations have further elaborated on the difficulties faced by some groups in the community, particularly CALD groups, and amongst them migrants and refugees from parts of Africa who face a wide range of additional barriers, which makes their access to support even more difficult. Counsellors stressed both the prevalence of (often undiagnosed) mental health issues amongst those in hardship, particularly depression and anxiety, and also the difficulties faced by customers with a range of other mental health issues, which can make their cases particularly complex and difficult to address.

Some advocate organisations were keen to move away from an approach which saw hardship support as applicable to a small group within the community, tailoring support rather to meet the needs of the broad community, at the points in their lives when they encountered difficulty and needed support. There was also a desire to reduce the stigma and shame associated with debt, and particularly in seeking support, since both were barriers to earlier intervention and behaviour change, both of which were desirable outcomes. Counsellors reported a number of case histories where the unwillingness to seek help, either through pride or lack of knowledge of the support which was available, had exacerbated the problems of people who were often not getting the support to which they were entitled.

Whilst there was much praise for the work to address arrears and help clients with debts, there was more mixed comment in relation to the support given to households in advice around bill and usage reduction (as well as tackling bills which are suddenly high). It appeared that there were a number of significant issues emerging here – first that the advice offered by plumbers sent to address issues was often effective for simpler issues (such as obvious leaks to taps and appliances) but could be less effective when the issues were more complex, second that addressing these issues required the positive engagement of landlords and/or managing agents (and tenants

were often afraid to press issues because they feared losing their lease, whilst landlords often attempted their own repairs, which could mean both that the repair was ineffective, and that there was no record of issues such as leaks to help explain high bills), and thirdly that homeowners often struggled to afford the necessary repairs or improvements. For the latter, various solutions involving grants and loans were suggested, which might form part of hardship packages. This was to some degree echoed in the anecdotes from customers, where there was a mixture of outcomes. Some reported significant support and successful intervention, whilst others had outstanding issues with large bills which were proving difficult to resolve. A number of counsellors reported cases where sudden high bills proved inexplicable, either from the behaviour of the customer, or as a result of a physical problem such as leakage, though they also acknowledged that some customers did not always provide the whole story.

Water bills were not the biggest problem that households in hardship faced. This was for a number of reasons. Water bills, though rising faster than inflation in recent years, and becoming in some cases a greater concern, were for most customers significantly smaller than most of their other major bills, such as rent or mortgage, gas and electricity, and were also probably less onerous than a number of other demands on their household budgets. As such, they tended to get put to the back of queue, because they were small enough to be 'sorted somehow'. Counsellors noted that customers sometimes did not even present their water bill as part of the problem, and had to be coaxed to consider it alongside their other major outgoings – and counsellors advised that it was considered as a priority, usually behind housing, and sometimes behind food, but alongside gas and electricity. This picture was largely corroborated by the customers themselves, and advocates largely concurred.

Water bills also sometimes fell in relative priority because the implications of non-payment were less severe than for the other utilities, rent, mortgage, and many other loans and debts which customers may have. Confronted with payments for an essential utility such as water, or payments which would stave off harassment or threats of court action and sheriffs, customers understandably sometimes dealt with the latter first, and let the water bill spin out. Customers also reported that if they had children, meeting the needs of those children - be that fees for special schools, or repairs to the family car so that sick children could always get to help quickly – took priority over other household bills. Moreover, counsellors reported that many customers for many reasons could not approach organised and rational solutions to their problems, and acted irrationally, because of addiction, mental health issues, or because they simply did not have the tools to manage their finances effectively. There were hints of this in some of the interviews with customers, some of whom reported addiction issues, complex personal circumstances, or simply difficulties in managing money.

Just as the circumstances of customers varied widely, so did their knowledge of the programs and solutions available to them. Counsellors reported a spectrum of

knowledge and awareness, and this was also very apparent amongst customers. It was also apparent that whilst customers were familiar with some of the concepts and types of support, they were not always familiar with the brand names of programs. At the higher end of this spectrum were customers who because of sustained living on low incomes, understood the tools available to them to manage their finances in a crisis, and also those customers who had the skills to do their own research into solutions and programs, with these typically being people who had previously coped well, perhaps on a good income, but had hit a crisis event. Nevertheless they still had the life skills to address many of the issues that faced them, even if they also needed support to negotiate unfamiliar territory.

Towards the other end of the spectrum, people who often have little knowledge of their options, were often people who for various reasons struggled to understand or communicate – and these could typically include new migrant communities, people whose facility in English was not good, people with literacy or numeracy problems, and people with little life experience on which to draw, such as young single parents trying to cope on their own for the first time. Some counsellors also noted that people entering hardship for the first time might have little knowledge on which to draw. Advocate organisations and counsellors expressed concerns about some new migrant communities, but also about people who did not have access to, or facility with, online resources. Again, talking to customers, it was often those without this access who seemed to struggle the most in terms of knowledge.

Counsellors identified a number of common misconceptions and other issues in relation to hardship programs – for example that URGS was only available for one utility every two years, not all three, and lack of awareness of eligibility for, or correct application of, concessions on bills. This was evident too when talking to customers. Advocate organisations were particularly concerned that the URGS application process was too complex, and effectively required support from a counsellor or other professional. They took the view that this was a waste of professional time, which could be better used. Nevertheless, URGS was widely applied, and many customers expressed considerable satisfaction and relief with the support and debt clearance which it provided. Many also indicated a desire to see URGS more widely promoted, and there were many examples of customers who were not aware of this program, or who felt they had become aware later than they would have wished. The reasons for clients engaging with, or not engaging with, CentrePay were instructive, with some avoiding the use of a facility which might help them manage their finances (often because of existing antipathy towards Centrelink, and the potential intrusion of an outside agency on their lives and finances). However, CentrePay was widely seen as a very effective program, and several customers identified it as being a useful and welcome part of their solution in managing finances.

Most customers still self-presented to counselling organisations, though counsellors noted a rising trend of customers being advised to seek counselling by third parties to whom they owed money – either because the third parties wanted to pass over the

task of addressing hardship to counsellors, or for more altruistic reasons, because they believed it was in their customers best interests, as well as their own. One counsellor drew a clear distinction between 'positive' referrals and 'inappropriate' referrals – the former were typical of the approach of many water companies and involved a shared responsibility for addressing the support of the client, whilst the latter reflected a handover of problems which the originating utility company was unwilling to address.

Counsellors were broadly in favour of the wider promotion of hardship programs to the community, and particularly for that communication to break beyond formal printed media such as advice on bills – since bills were often not read, or even opened, by those most at risk. Some water companies were commended for programs which sought to communicate proactively with vulnerable groups, but there was clearly a wish for more to be done of this nature. However, there was recognition that such activity may raise fears of 'opening the floodgates' and placing demands on hardship programs which could not be sustained. Customers were often almost evangelical about the value of promoting the hardship solutions offered by water companies to other people in similar circumstances, because their own experiences had often been extremely positive. Advocate organisations in particular addressed what they perceived to be the concerns of utility companies that wider promotion might overwhelm the present support structures. They gave examples, such as advice from banks, which suggested that such programs did not necessarily increase the volume of demand, but reassured many customers, and ensured that if they presented for support, they might well be better informed, and more able to articulate what they needed.

Finally, it is important to note that counsellors recognised that for some customers behaviour change is difficult, but was also one of the most important ways of properly addressing hardship. Advocates too were very keen to stress the importance and centrality of behaviour change, particularly behaviour change which maintained the dignity and agency of hardship customers. For their part, many customers appreciated the greater sense of control and the reduction in anxiety that was brought about by managing their finances more effectively. There was a recognition that water companies tended to respond effectively, providing that a customer was engaging with them (either directly or with the support of a counsellor) and continued to communicate. Both counsellors and customers reported that engagement tended to be a positive experience. Counsellors and advocates were very supportive of programs which encouraged or reinforced positive behaviour and behaviour change on behalf of customers – so that in the right circumstances customers could find ways of making regular payments, taking control of their finances, and feeling happier as a result. Water companies were encouraged to adopt, whenever possible, programs which rewarded positive behaviour change, and to work with customers in tackling their issues.

**Appendix 1:  
Discussion Guide  
– Counsellors**

# 4182 Essential Services Commission – Hardship Indicators Survey

## Discussion Guide - Counsellors

### Introduction

Explain research background and aims.

Set out why we are talking to counsellors, and their role in helping to recruit clients [if appropriate].

Reassure about confidentiality.

Explain reason for recording and secure consent to record. Reassure that all recordings are deleted at the end of the study. Recordings are only used for analysis by Wallis staff. They are not passed to or shared with any third parties, including ESC, clients, water companies.

### Client characteristics, behaviour

How would you describe or characterise the groups or types of people who require help paying their water bill because of financial hardship? Who are your clients and why are they in financial hardship? What other issues tend to accompany their difficulties in paying their water bills?

Where does payment of water bills rank in your clients' priorities? What is paid before the water bill? And in turn, what is paid after the water bill (ie. over what does the water bill have priority)? What are the key factors for clients in determining this order of priority for payment?

### Counsellor and client knowledge and awareness

What support measures are clients aware of to help them if they struggle to pay their water bills? How well informed are clients about this when they come to you? How well equipped are clients to access information about support? And how well equipped are they to access that support? How well do they understand the support which is available to them – both initially, and after you have talked them through it?

### Effectiveness of support measures

Are there some support measures which appear to be particularly:

- Difficult to access?
- Difficult to understand?
- Difficult to find out about?

And in contrast, which support measures are the most accessible and effective?

About what support measures, or parts of the support package relating to water bill payment, do your clients appear to need more, or most, advice, support or information? What could be done in practical terms to improve client access and understanding?



### **Client experience**

Are there clients, or other non-clients who are low income, vulnerable or otherwise in financial hardship, who fail to access the support they need? Why is this? Are there particular groups or types of people who do not access the support they need? Why do you think this is?

How would you describe the experience of your clients in accessing support measures to pay their water bill? Are they treated with consideration and respect? Are they offered workable solutions? How much input are they offered in working out a suitable solution?

### **Client outcomes**

Do the solutions put in place actually help clients to manage and/or reduce their levels of debt, or difficulties in payment? What are the most effective measures or approaches for helping clients to manage or reduce debt, or address difficulties in payment? And conversely, which measures are least effective, ineffective or even counter-productive?

What improvements or enhancements to current support measures (for people struggling to pay their water bills) would you suggest?

### **Variations in client experience**

Does the experience of clients depend on the water company concerned (ie. does the approach of water companies vary on these issues and if so how)?

How does the experience of different types of client differ, if at all? Are there some groups which receive more sympathetic treatment than others? Are there types of clients who are treated more harshly, or more firmly, by water companies? What do you understand to be the reasons or motivations behind these variations in treatment?

### **Final Comments**

Are there any other comments you want to add in relation to the hardship arrangements currently in place for water bill payments – about their effectiveness, reach, function or delivery, for example?

Thank interviewee, provide and record receipt of incentive payment, reassure about confidentiality of responses.

Determine counsellor's position in relation to recruiting clients for research, if not already known, establish progress, offer help or support if required (note any support or input required which requires action on return to the office).

**Appendix 2:  
Discussion Guide  
– Customers**

# 4182 Essential Services Commission – Hardship Indicators Survey

## Discussion Guide – Customers

### Introduction

Explain research background and aims.

Set out why we are talking to clients/customers (NB: this script presupposes interviewees have had some contact with hardship arrangements or hardship counselling relating to water bill payment).

Reassure about confidentiality.

Explain reason for recording and secure consent to record. Reassure that all recordings are deleted at the end of the study. Recordings are only used for analysis by Wallis staff. They are not passed to or shared with any third parties, including ESC, counsellors, water companies.

### Client knowledge and awareness – sources of advice

If you had difficulty paying your water bill, what would you do?

Who would you go to for assistance or advice? Where would you look for information about the sort of assistance or advice that might be available? What sort of assistance or advice do you know about? Who provides this assistance and advice?

Have you had any assistance or advice about paying your water bill? Was this from a person or organisation, or from a website or something printed?

If person or organisation: Who provided the advice? What did they tell you? Did the advice make sense? Did it assist you?

If a website, something printed (brochure, information sheet, newspaper, water bill etc.): Where did you find the information? What did it tell you? Did the advice make sense? Did it assist you?

### Client behaviour - priorities

Thinking about the bills you have – for rent or mortgage, for gas, electricity and water, paying off credit or loans and so on – which ones do you pay first? Are some more important than others? Are some less important? What sort of bills would you pay before your water bill? And what sorts of bills are less important than your water bill? Why (probe for reasons for this priority)?

If you had a number of bills to pay, how would you organise paying them? How would you choose which ones to pay first? What would you do about the ones you couldn't pay immediately? Which bills do you find hardest to pay?

### Awareness of support measures

Thinking about paying bills like gas, electricity or water, have you used or do you use any of the programs which aim to make bills easier to pay? What schemes have you heard of/are you aware of?

I'm thinking of things like...[use prompt list below]... have you heard of any of these? Have you used any of these?

- **South East** - payment plans or instalment plans, more time to pay (payment extension), an Easy Pay card, hardship relief or a one off payment, protection from recovery action ('special circumstances customer listing'), assistance for pensions and concessions, assistance with water efficiency or getting in a plumber to help find leaks?
- **Western** – pay and save (where regular payments on time can be matched by the water company), a bonus for reduced water use after an audit (a check on how you use water), grants or waivers (being let off paying some of your bill) if you agree to a payment plan, assistance if you have 6 or more people in your house, other assistance because of your personal circumstances, assistance for pensions and concessions?
- **Yarra Valley** – smooth pay (paying bills fortnightly or monthly), other affordable payment plans (arrange and save, easyway), payment extension (giving more time to pay), one off grants (government assistance such as Utility Relief Grant Scheme), home visits to discuss solutions, assistance with water efficiency or leaks within the home, assistance for pensions and concessions?
- **City West** – Easy way instalment payment options (regular instalments), flexi payment plan or bill smoothing (pay in advance as often as you like), time extensions (for some or all of the amount owed), re-direction of bills for someone else to pay, one off grants (government assistance such as Utility Relief Grant Scheme), assistance for pensions and concessions?

Anything else you know about, or have used (in terms of getting assistance or advice about bills, especially water bills, from your water company)?

(For any used or known) Which of these is most of use to you/helpful for you? And why?

Have you had assistance or advice from any other organisation (not your water company) about paying water bills, or other bills? Who was this from? What assistance or advice did they give you? How did this assistance, if at all?

### **Client experience**

How are you treated by your water company when you talk to them? And how about if you speak to them about difficulties paying a bill? Do they listen to you? Do they treat you with consideration and respect? Is their advice useful, helpful?

(If relevant) How important was it that you had some assistance from a financial counsellor? Why?

### **Client outcomes**

Do the solutions put in place actually assist you to manage your bills/debts better? What was most useful in assisting you? Was there anything that wasn't so helpful, or even made things more difficult?

Do you think your water company (the company who send you your water bills – remind respondent of company name if necessary) made it clear what sort of assistance was available to you in helping you to pay your water bills?

What improvements would you suggest to the ways that water companies assist people if they have difficulty with paying their bills? How can your water company do better in telling you the sort of assistance that is available?

**Final Comments**

Is there anything else you want to add about the assistance and advice that is available if you have difficulty paying your water bill?

Thank interviewee, provide and record receipt of incentive payment, reassure about confidentiality of responses.

**Appendix 3:  
Discussion Guide  
– Advocate  
Organisations**

# 4182 Essential Services Commission – Hardship Indicators Survey

## Discussion Guide – Advocate Organisations

### Introduction

Explain research background and aims.

Discuss confidentiality. Interviews can be confidential, but may be less effective as a result – advise non-confidential interviews (ie. on the record) but comments, attribution of some parts can be off the record.

Explain reason for recording and secure consent to record. Reassure that all recordings are deleted at the end of the study. Recordings are only used for analysis by Wallis staff. They are not passed to or shared with any third parties, including ESC, water companies.

### Customer characteristics and context

How would you describe or characterise the groups or types of people who require help paying their water bill because of financial hardship? Are there particular groups of people in the community who are particularly vulnerable or at risk? Why are they vulnerable/at risk?

Are there underlying issues or wider contextual issues which help us to understand the nature and distribution of financial hardship?

How significant is hardship/debt relating to **water bills** amongst the wider issues of debt, hardship and vulnerability faced by people in financial hardship? Why? Are water bills a major contributor, or not? Why is this? To what extent do customers tend to disregard or discount water debt because bills are relatively modest?

What has been the impact on hardship of 'inflation plus' rises in water prices over the past few years? How does this compare with other cost of living pressures, other utility bills?

### Effectiveness of support measures

What support programs/measures are you aware of which help customers in water hardship/experiencing financial difficulties in paying their water bills? How well informed do you believe water customers are about these various support programs? How well equipped are they to access this support?

Are there types or groups of customers who cannot/find it difficult to access the support that they need? What are the barriers to accessing support? Why is this?

Which support programs/approaches (offered by water companies to customers who may be vulnerable or experiencing financial hardship ) are most effective, and least effective? Why do they work well, or not work well? To what extent are particular programs/approaches suitable for some customers but not others?

Are there measures which are notably difficult to access, understand or find out about? And in contrast are there measures which are particularly effective or accessible?



Beyond what is already in place, what new measures, or adaptations to existing measures, would you advocate?

What can water companies themselves do to improve access to, effectiveness of and communication about, hardship support measures? How good are they in communicating about their hardship programs? Are they effective in reaching the groups in the community that they need to? Who is getting 'missed out' in this communication, and why?

### **Customer experience**

What do you know or understand about the way in which customers are treated by water companies when they seek to access hardship support? How does this compare with other utility companies with which hardship customers might come into contact?

Are customers treated with consideration and respect? Are they offered workable solutions? How well is the customer contact handled and managed? How much input are customers offered in working out a suitable solution – ie. how much agency do customers themselves have?

Can you offer any comment on the effectiveness of the strategy of water companies towards hardship support overall, and compared to other utilities, in terms of:

- Understanding and meeting the social and economic needs of customers?
- Recovering debt?
- Encouraging effective financial management by hardship customers?
- Improving the financial position of hardship customers?
- Helping hardship customers to get out of debt, and stay out of debt over the long term?

How significant are financial counsellors in this process? To what extent do customers need financial counsellors to arbitrate on their behalf with water companies? Why?

Does the experience of clients depend on the water company concerned (ie. does the approach of water companies vary on these issues and if so how)?

How does the experience of different types of customer differ, if at all? Are there some groups which receive more sympathetic treatment than others? Are there types of customers who are treated more harshly, or more firmly, by water companies? What do you understand to be the reasons or motivations behind these variations in treatment or attitude?

### **Final Comments**

Are there any other comments you want to add in relation to the hardship arrangements currently in place for water bill payments – about their effectiveness, reach, function or delivery, for example?

Thank interviewee, confirm arrangements for on the record/off the record comments.

Determine organisation's position in relation to recruiting clients for research using the flyer, offer help or support if required (note any support or input required which requires action on return to the office).