



## Submission to ESCoSA

# SA Water Regulatory Business Proposal 2016 - 2020

Prepared by the South Australian Financial Counsellors Association Inc.

November 25 2015

Contact Wendy Shirley [wendy@safca.org.au](mailto:wendy@safca.org.au) 0427 823 656

## SOUTH AUSTRALIAN FINANCIAL COUNSELLORS ASSOCIATION

Financial counsellors provide information, support and advocacy for people in financial difficulty. They offer their services free of charge to their clients and provide impartial, non-judgemental advice. Financial counsellors are at the coal face working with people in financial distress.

The South Australian Financial Counsellors' Association (SAFCA) is the peak body and accrediting agency for financial counsellors in South Australia. The Association is a not-for-profit incorporated organisation that has operated for over 20 years. SAFCA promotes excellence in client service through advocacy for people who are financially vulnerable and support to the financial counsellors who directly assist them.

SAFCA represents the 135 practising financial counsellors in South Australia. Our members are employed by some 20 not-for-profit organisations around metropolitan and regional South Australia. These agencies include Anglicare SA, Uniting Communities, The Salvation Army, Uniting Care Wesley Bowden (UCWB) and Centacare Country SA to name a few.

Financial counsellors play an integral role in negotiating hardship program applications for clients. It is common for clients to have attempted this themselves and to contact a financial counsellor only after they were unable to negotiate reasonable and sustainable payment plans.

Financial counselling services can include assistance in to consumers in negotiating debt repayments, dealing with the impacts of problem gambling, connecting consumers to utility and hardship programs and empowering consumers to self-advocate when dealing with creditors. Financial counsellors are professionals with an extensive knowledge of a range of areas of law and policy, including consumer credit law, debt enforcement practices, bankruptcy, industry hardship policies and eligibility for concessions. Financial counsellors play a vital role in supporting people with low to moderate incomes to manage the consequences of debt and the rising cost of living.

Clients experiencing financial difficulties usually present to our members with a variety of outstanding bills, of which an SA Water account is often one. This account is either sent directly from SA Water or, in the case of a rental property, from a landlord or property management agency. The financial counsellor works with the client to determine their financial position, identify priorities and suggest strategies for the management of outstanding debts. In doing so, the client is able to gain a clear picture of their financial situation and is relieved of the stress of sorting out the situation on their own. Payment plans are usually negotiated with credit providers and utility companies and the client gains better insight into the need to reduce consumption and address future bills as they arise. There are strong educative and behaviour changing elements to the service provided by financial counsellors.

SAFCA welcomes the opportunity to put forward our submission on the SA Water Regulatory Business proposal 2016 - 2020

## SAFCA SUBMISSION re SA WATER BUSINESS PROPOSAL

SAFCA has undertaken a survey of its members to seek their input into this submission. They have reported over the past few years that utility bills are increasingly adding to financial stress. A quarter of our members report that 60% of the clients they see have a water debt with either SA Water or a landlord, and most of those have had that debt for more than 12 months.

SAFCA notes the proposed price decrease for 2016 /17 and the 2.5% pa proposed increase for the following years. Whilst welcoming the decrease, we wish to point out that most people on low incomes and benefits do not receive an income increase of this amount, and water bills will be adding to their financial stress as the years progress.

In addition, using 2014 / 15 as the base year for these percentage increases when the price of water reflected the abnormally high expenditure due to the construction of the desalination plant, is unfair to consumers who have the right to expect that post construction should see charges decrease, not increase.

Financial Counsellors are pleased to hear that SA Water seeks to enhance its Customer Assist Program in the new regulatory period, and indeed we have met with the Hardship Team to suggest improvements. SA Water currently has some 3,000 clients on its hardship program, compared to approximately 10,000 on electricity hardship schemes. This difference is probably due to the disconnect between consumers who are tenants and who don't have the relationship directly with SA Water. Our members report a large percentage of their clients who are tenants having difficulties with access to their bills and to concessions.

Changes to the Tenancies Act last year allowed landlords to pass on all water usage and supply charge for leases entered into after March 1 2014. Whilst there is provision in the Act regarding the obligation of the landlord to provide a copy of the bill within three months of issue or 30 days if the tenant requests it, it is our experience that this in fact does not always happen, and tenants are not aware of their rights in this area. Tenants can be hit with 12 months of bills and given 7 days to pay. SAFCA would like to see the Act further amended in favour of tenants, allowing SA Water access to tenant addresses so that information on concessions through DCSI and access to hardship arrangements can be sent out. This could be through making it mandatory for landlords to supply details to SA Water (with consent from the tenant).

## SUMMARY

We urge ESCoSA to reject any increase to SA water charges based on the 2014 / 15 year in view of the current South Australian economic climate and the large number of consumers of this essential service already in financial stress.