



**WATER SERVICES
ASSOCIATION OF AUSTRALIA**

SUPPORTING CUSTOMERS IN DEBT

July 2024





Acknowledgement of Country

Water Services Association of Australia (WSAA) acknowledges Aboriginal and Torres Strait Islander people as Australia's First Peoples and as the traditional owners and custodians of Country throughout Australia. We recognise their continuing connection to land, waters and community and we pay our respects to Elders past and present.



WSAA acknowledges that water is core to life for Aboriginal and Torres Strait Islander peoples and is essential to their identities, cultures and livelihoods. Protecting and managing water is a custodial and intergenerational responsibility



About WSAA

Water Services Association of Australia (WSAA) is the peak body representing the water sector. Our members provide water and wastewater services to over 24 million customers in Australia and New Zealand and many of Australia's largest industrial and commercial enterprises.

Acknowledgements

This report has been produced by WSAA based on interviews and case studies with several water utilities and an energy retailer.

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Energy Australia and The Energy Charter for interviews and sharing better practices in the energy sector.

For more information

For more information, please contact Evelyn Rodrigues on evelyn.rodrigues@wsaa.asn.au .

Disclaimer

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Executive summary

The COVID-19 pandemic has been a catalyst for individuals and organisations to do things differently. One of the biggest mindset changes has been about how essential services approach customer debt.

During the pandemic, water businesses around the country refrained from punitive measures for non-payment of bills such as meter restrictors, late charges, or interest on overdue bills. Many water utilities saw a big increase in customer debt. The assumption was that non-payment was because a customer could not pay (as opposed to 'didn't want to pay').

Fast forward to 2022. Rather than returning to the pre-pandemic method of debt collection, several water utilities continued to focus their collection around communicating support offerings to encourage contact from the customers, rather than firm demands for payment. Behind this was the philosophy that for customers that cannot pay, 'hard and fast' demands will not result in payment of debt, but instead will make the situation worse for customers and discourage customer contact.

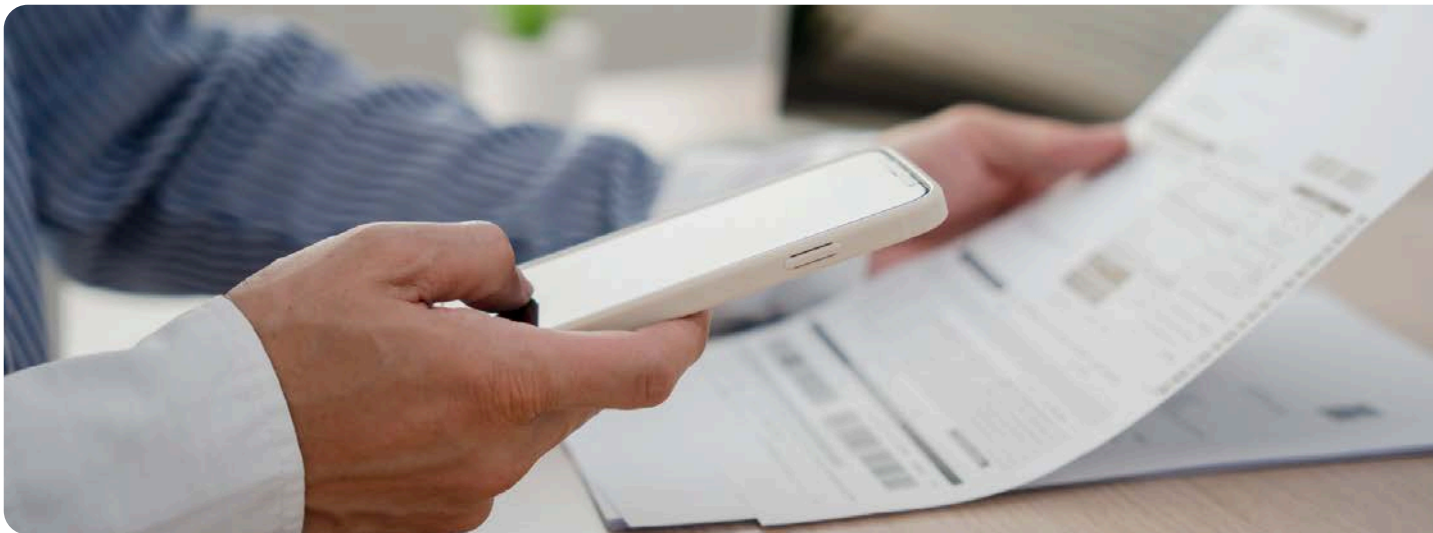
In 2023 we interviewed several water utilities who have embedded this different approach to customer debt.

The main objective is to drive contact and engagement and incentivise positive payment behaviours. The default assumption is that customers cannot pay their bill, instead of won't pay their bill.

Water utilities are continuing to learn. A balanced approach to debt collection is needed as even some customers who are struggling to pay will not engage unless there is a consequence for non-payment. A purely empathetic approach will not work for all customers – consequences and actions should be enforced for non-payment and continuing non-contact. Allowing debt to increase to a point where a customer has little hope of paying it back is irresponsible for a water utility and unfair to the customer. Water utilities are trialling different approaches to ensure they get the balance right between compassion and consequences. This paper shares case studies and more empathetic strategies for engaging with those that are struggling to pay.

The one thing that was clear from the case studies: Water utilities generally have adequate and flexible support offerings for customers, but the challenge is communicating and engaging with the customers that benefit from these offerings.





Through interviews, discussions and analysis of performance indicators we found some of the common characteristics of those organisations that have had some success:

A cultural shift in the organisation that comes from the top. The organisation prioritises supporting struggling customers recognises that it benefits the customers and the organisation.

Early identification of struggling customers through the use of data analysis (both internal and external): There were various levels of complexity but even fairly simple in-house analysis provided valuable insights on

- i. flags and identifiers of financial difficulty
- ii. an estimate of the numbers of customers that are likely to be struggling and,
- iii. where they are likely to be located.

The organisation leveraged the external ecosystem to build trust with struggling customers and encourage contact and access to available support. They developed relationships with trusted consumer advocates and other relevant stakeholders to raise awareness of, and build trust in their customer support offerings. In short, they relied on more than their own communication channels to 'get the message out'.

They **supported their frontline and contact centre employees** through ongoing training and raising awareness across the whole organisation.

They included **consumer advocates and those with lived experience in the review and design** of policies, processes, notices and communication material.

The **Key Performance Indicators (KPIs)** reflect success in identification and support of customers that are struggling to pay, or dealing with other difficult circumstances as opposed to just tracking the collection of debt.

These align with many of the 16 Principles outlined in [WSAA's Customer Support Better Practice Framework from 2021](#). The following sections explore each of the six areas through case studies and examples from the discussions with organisations.



Organisational culture

Aligns with Customer Support Better Practice Principles under organisational governance.

Why does the organisation prioritise support for struggling customers?

1. Risk: During COVID restrictors and disconnections (for electricity) were halted. When collection activities (and consequences for non-payment) restarted, organisations had to ensure that they had exhausted all avenues for contact and offered support to mitigate the risk of negatively impacting a customer experiencing vulnerability.

2. The status quo was no longer working. Customer debt was rising or remaining at high levels. Hunter Water found that they were not having any success with “hard and fast” demands, so shifted to more empathetic messaging for those with high levels of debt (Case Study 1). Energy Australia changed their disconnection process (for non-payment) to focus on engagement and the offering of support. This not only brought more customers into their hardship program, it also resulted in increased debt repayments.

3. Employee Well-being: The ongoing firm demands for payment were having a negative impact on staff well-being. Couching the conversations to “check-ins” as opposed to a demand for payment resulted in less confrontations and an improved psychological environment for employees.

4. Structural changes to teams: Hunter Water have both the collections and customer support team as one, their Customer Assistance team. The dual objectives of customer and business outcomes were reflected in the KPIs of the team. This not only removed silos but also led to more holistic thinking and strategies to reduce customer debt. In the first instance, the team is focused on identifying if support is required when engaging with customers in debt.

5. External advocacy: Sometimes the support of an external organisation is crucial for getting much-needed support from the organisational leadership. The Thriving Communities Australia (TCa) enable the important network between essential services, community sector and those with lived experience. However, the TCP’s ability to influence and advocate at senior levels of organisations and leverage the power of storytelling is often the crucial ingredient required to ignite change from the top down within an organisation.



Case Study 1

Shift to compassionate collection and engagement, Hunter Water

After the Covid pandemic, Hunter Water decided to rethink how they approached customers with high levels of debt. In the past, when customers with high levels of debt had not responded to reminders, they were sent a firm notice of intent to restrict the meter. Following this, a restrictor was installed by the meter maintenance contractor.

Hunter Water started with the assumption that customers that have reached this level of debt, are unlikely to have the money to pay and even a severe consequence is unlikely to result in contact. With this in mind, Hunter Water refreshed notices and scripting to encourage contact with phrases like “Checking in” as opposed to “collection of debt”. They aimed for a balance between a consequence (restriction of the meter) and an empathetic tone in their reminders that emphasised support was available. The rationale is that it is better to have contact with a customer who pays a little as opposed to no contact at all, with debt continuing to build against that account. Hunter Water found success with the following changes to their process:

- The main KPI with customers in debt was to initiate contact as opposed to collection of debt. Communications shifted to offers of support with the message. ‘Supporting you’.
- Shifting payment behaviours by encouraging struggling customers to sign up to Easy Pay (bill smoothing), to make smaller more regular payments and avoid having to pay lump sum amounts.
- On the same day they sent both an SMS and a mail notice with the intent to restrict the meter. Just this change resulted in 30% of these customers making contact within 2 days.
- Instead of sending out field staff, debt collectors or meter readers to carry out door knocks for customers with high debt and who had not responded to repeated payment reminders, they sent trained customer assistance employees. Importantly they can discuss support options. This resulted in an additional 30% success rate for the home visits. Hunter Water estimate that one day of field visits for 2FTE represents approximately \$90,000 to \$150,000 worth of debt.
- While resources are stretched for the small, specialised team, Hunter Water uses this as a leadership/learning opportunity with the second member of the team a manager or employee from another area of the business. The buddy initiative on home visits supports the team while raising awareness and empathy across the business for the customer, as well as support provided by Hunter Water. Hunter Water established new KPIs for their restriction process.

Hunter Water have measured success through the following metrics:

- Less restrictions (they are now doing half the restrictions compared to pre-COVID).
- Increase in the number of successful engagements (measured by customers included in the hardship program and support provided).
- How quickly restrictions are removed, and water restored.
- Success of home visit (measured by payment against the account, inclusion on payment plan or the assistance program)

Hunter Water also used input from consumer advocates to make amendments to their processes including research from the Public Interest Advocacy Centre (PIAC), local financial counsellor group and community sector organisations in their areas.

I just really appreciate the way I was made to feel. I felt like a human who was just having a rough time and not like a terrible person begging for something. I cannot express how grateful I am.

To ensure Hunter Water are bringing a customer centric design of support to their customers, they carry out ongoing research to gain a deeper understanding of the customer's experience when receiving bill support. These in depth interviews were conducted with customers who received assistance. The in-depth insights are used in future planning and to continually improve support.

Key findings:

- Customers are highly complimentary about the empathy and kindness of staff.
- High levels of satisfaction with the support received and Hunter Water in general.
- Customers feel the support provided is individual to them and not part of a wider program.
- Customer experiences were positive and did not differ by the amount or type of support the customer had received.

It was just such a nice experience when it really could have been awful. No one wants to miss a bill but I was made to feel like it was ok and it could have happened to anyone.



Early proactive identification of those struggling to pay

Aligns with Customer Support Better Practice Principles under organisational strategies, specifically 2.1



The sooner you can contact customers (or encourage them to contact their utility) the more likely any debt is minimal and manageable. There are two main ways water utilities do this

1 Targeted communication and campaigns

Opportunistic conversations during interactions

2

While different utilities have developed different models with various levels of sophistication, the common flags that may indicate that a customer is struggling to pay include:



Previous payment behaviour (missed payments, broken payment plan, extension requests, interest charge)



Complaint/ VOC data to flag accounts with recent issues that could be linked to affordability (sewer or private plumbing issues)



Frequent contact



High usage



Vulnerability code (concession etc)



Large recent bill

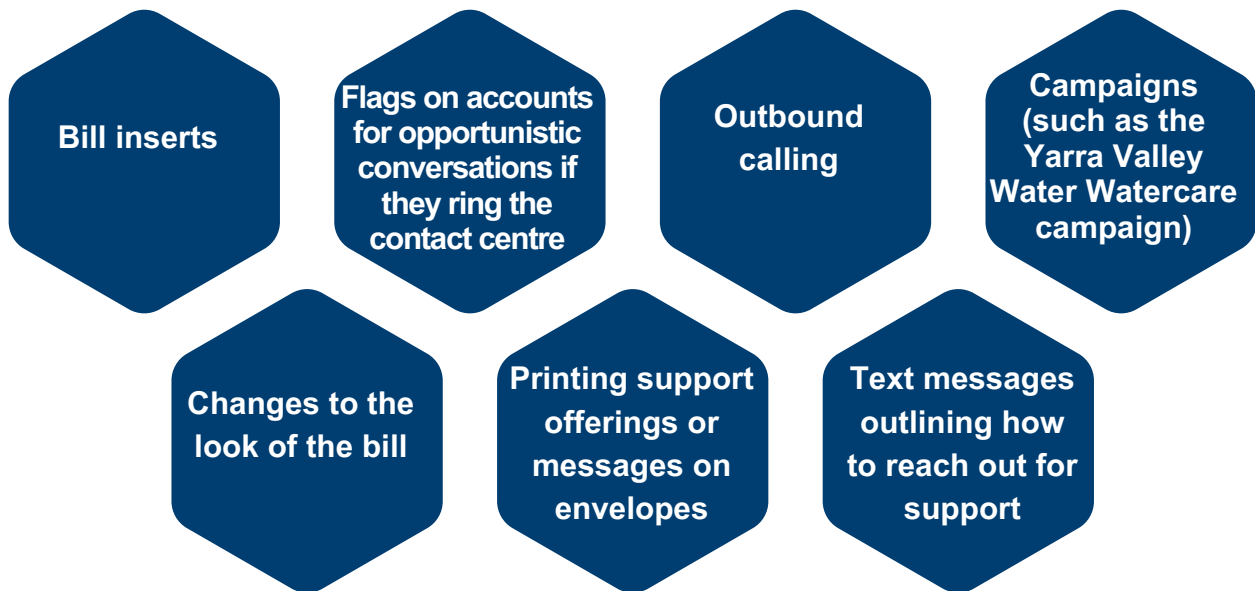


Low income area (external data)



Recent contact about bill

Utilities use both internal and external data to develop a model that can predict if a particular customer is likely to be in hardship. The model is used to proactively reach out to these customers using:



The models can also predict the expected number of customers that are likely to be in hardship. In the case of Yarra Valley Water, their model predicted three times the number that were currently in their hardship program. This assists with forward planning and resourcing for hardship programs (Case Study 2). Unitywater developed their model in-house (Case Study 3). It predicts the likelihood of a customer to be struggling to pay based on a combination of vulnerability flags and external demographic data.

Often those who struggle to pay may have a disability or temporarily be experiencing vulnerability. Hunter Water are designing an external promotional campaign to raise awareness of the support available to customers. The campaign considered access and visibility to different forms of vulnerability and disability. A refresh of the website and My Account self-service portal are also occurring to ensure accessibility for customers to manage their account and access information via the channel of their choice, no matter their ability.

Case Study 2

Using predictive model to improve awareness and access to support, Yarra Valley Water

We know that not enough people are aware or understand that they can get support with their water bills. Yarra Valley Water (YVW) delivers a range of engagement approaches to reach people who may be at risk of vulnerability or experience barriers to accessing support.

These are high-impact activities for specific audiences, however, given how widespread cost of living pressures are, YVW also needs options for reaching people at scale.

Over the last couple of years, YVW has run a marketing campaign to increase awareness of financial hardship assistance and encourage customers to engage with the available support. To inform how to reach the right customers at the right time with relevant messages, YVW worked with Experian to develop a predictive financial hardship model for residential customers.

Using an advanced model, the model draws on a combination of customer data held by YVW (including account information, payment behaviours, and concessions) and household information based on Experian proprietary insights and census data. Using advanced modelling, to understand the risk that customers may be experiencing hardship. Using what is known about customers in the Watercare program (i.e. those who are experiencing hardship and have sought payment support), the modelling identifies other customers who could be at risk of hardship. The model had a 97% predictive accuracy.

The model's top hardship predictors include:



Past payment plan broken



Active concession



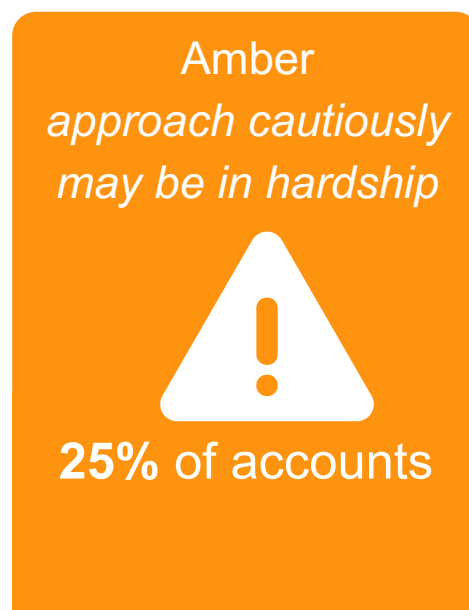
Bill shock (i.e. large recent bill but generally low bill)



Older customers

While not all factors have the same impact of predicting a customer's likelihood of being in hardship or needing the support of the WaterCare program, they are all important. One factor alone does not predict hardship; it is the combination of these main factors and the many secondary factors which allocates customers to a risk group.

The model identified three categories relating to hardship risk: those who are extremely likely to be in hardship and would immediately benefit from the Watercare program (red); those who may be in hardship or could find the Watercare program of use (amber), and those where the model suggests a high ability to pay bills (green). The model predicted three times the number of customers in the red segment than were currently in the YVW Watercare program (i.e. there was significant opportunity to grow the number of customers being helped by WaterCare).



These results helped YVW identify target audiences for marketing campaigns focussing on the red and amber segments. They also identified that parts of the green segment had indicators of hardship risk (e.g. living in a lower socio-economic suburb), who may still benefit from seeing marketing campaign messages. By understanding which customers needed to see WaterCare messages as a priority, it was possible to target advertising (especially social media and digital display) to the right audience.

YVW was also able to apply this lens in the campaign evaluation to understand how effective it was amongst audiences within the different segments. The evaluation confirmed that people within the red and amber segments responded more positively to the campaign.

The 2024 WaterCare campaign also targeted local government areas with a higher proportion of accounts within red and amber segments including Hume City Council and Whittlesea Council. The latest model completed at the end of 2023 showed a 10% growth in hardship among our customers, reflecting increased cost of living pressures.

Case Study 3

A data-driven approach to predicting customer vulnerability, Unitywater

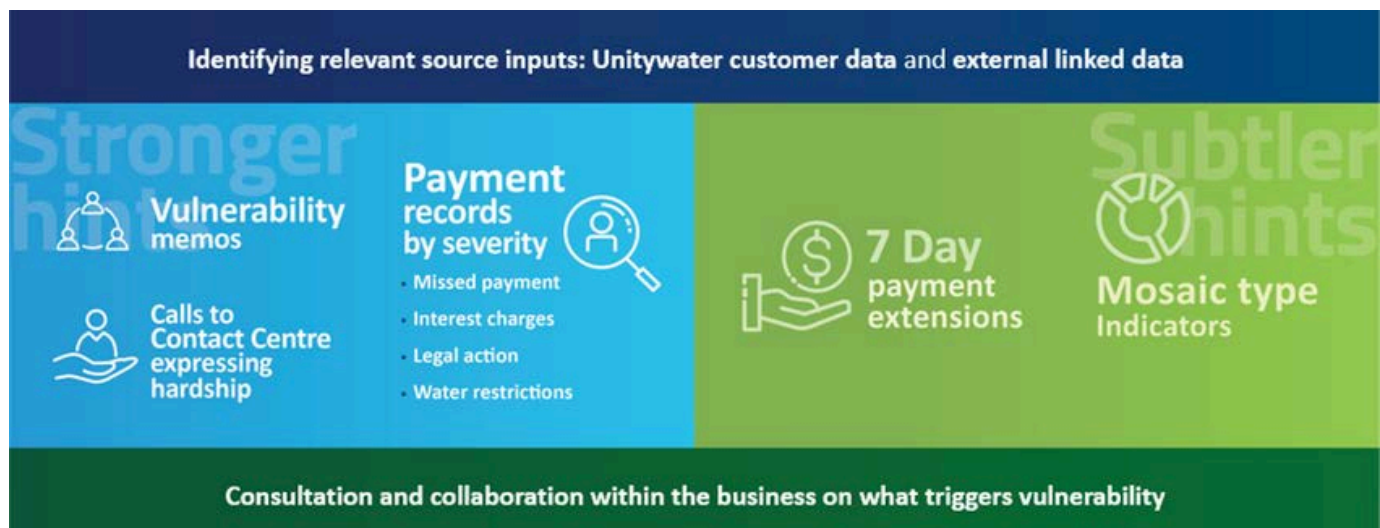
Unitywater wanted to proactively identify current and future customers who experience vulnerability. Proactive identification allows Unitywater to offer support and to prepare these customers for change including water and wastewater price changes and wider economic impacts.

Using existing Unitywater customer data as well as external linked data, Unitywater developed an in-house model that predicted whether a customer is likely to be experiencing vulnerability and therefore allowing for early identification and support.

Unitywater set out to answer the following:

- Who do we know is already experiencing vulnerability and who is not?
- Who has the potential to enter vulnerable circumstances?
- Who is most likely to be impacted by a price change?
- What are the trends in the take up of customer support?
- Who is not using support but could benefit from this, and therefore, who needs to know about it?

Unitywater consulted and collaborated within the business to understand what are the triggers that could result in vulnerable circumstances. Some of the flags were:



The Model

Unitywater developed a model based on severity and likelihood of falling into vulnerability.



Unitywater applied this model to their residential and non-residential customer accounts and developed a business tool that applied vulnerability classification to every account.

The model provided an estimate of the proportion of accounts likely to be experiencing vulnerability. The model could also be interrogated by customer variables, such as region and customer type, to understand which customers needed more support.



348k Unitywater water and sewerage customers (residential and non-residential) | 181k Moreton Bay | 140k Sunshine Coast | 27k Noosa

Applications of the Model

Unitywater are using their model to inform strategy, develop and target communications and for business process improvements, specifically:

- To identify problems and to design proactive response for debt management
- To inform pricing engagement and strategy
- To inform and develop customer support program needs
- For customer communications and interventions
 - Targeted direct communications (email versus postal billing method)
 - Target “at risk” customers to nudge support options
 - To segment by region, suburb, household type etc.
 - Identify customers for account management purposes.
- To monitor and track shifts in vulnerability classifications and impacts of customer support.

Examples where the model has been used include:

- Vulnerable customer campaign to support the price increase billing cycle
- Customer service uplift (easy access and refreshed scripts)
- Support Finder (an online tool to find the right support).

Unitywater have also identified further opportunities such as more detailed analytics for specific use cases and to automate tracking for shifts in vulnerability.





Stakeholder engagement and the use of trusted advocates

Aligns with Customer Support Better Practice Principles under sector and ecosystem.

Many customers do not know that support is available. The communication used by the water utility do not reach these customers due to low literacy, non-English speaking, disability, or illness. Some customers may hear the messages but have a low level of trust in organisations so will not seek support, choosing instead to ignore the bill. Successful engagement results from not just using a variety of communication channels to raise awareness of support but building partnerships with groups or organisations who already have a trusted relationship with your customers. Some case studies and examples are provided but there are some key takeaways in regard to how to make these successful:

Use modelling to identify what areas or customer segments have the highest levels of debt.

An effective partnership means identifying common goals and objectives.

Provide numerous opportunities to reach many different target customer segments.

Have metrics in place to evaluate the value of the interventions.

Identify other benefits that may be more difficult to quantify



Different organisations will prioritise different stakeholder groups. As an example, Hunter Water is well connected into over 40 local community service providers and other government services: including family and domestic violence centres, Aboriginal and Torres Strait Islander and disability services. Hunter Water are actively involved in working groups for events such as Hunter Homeless Connect Day, Hunter Disability Expo and Multicultural Expo, as well as partnering with other local services to bring face to face support into Local Government Areas (LGAs).

While it is important to measure the impact that these relationships may have on customer contact, harder to measure is the indirect benefit of increasing perceptions of trust and community reputation with these hard to reach customer segments. Case Study 4 provides an overview of Yarra Valley Water's relationship with stakeholders and the value it delivers to the community.

Case Study 4

Partnership with Whittlesea Community Connections, Yarra Valley Water



At Yarra Valley Water (YVW), data modelling indicates the highest levels of aged-debt and hardship exist in the northern region. Post-pandemic, meaningful face-to-face community outreach also needed an uplift. To get information about WaterCare (YVW's flagship program for customers experiencing vulnerability) to residents in these communities, YVW build trusted relationships with community organisations who support residents in these areas, with one of those being Whittlesea Community Connections (WCC).

YVW has been working with WCC on several initiatives over recent years, including the Wollert Community Farm (also in partnership with Melbourne Polytechnic and City of Whittlesea). WCC provide vital services to people experiencing vulnerability in their local community, so leveraging their expertise, and the strength in the existing partnership, they now work together to engage customers about support available from YVW.

Key activities YVW partnered with WCC on in 2023

- Food relief markets in early 2023. The pop up markets were delivered in partnership with the Whittlesea Emergency Relief Network and various local neighbourhood houses in the Whittlesea local government area. Community support services at the markets included financial counselling, legal, employment, family violence and community health services. In addition to exploring options like registering eligible concessions, applying for Utility Relief Grants, setting up payment extensions or plans with YVW, attendees could get assistance to apply for the \$250 Power Saving Bonus (a Victorian program) to save on energy costs.
- WCC provided guidance on YVW's WaterCare shopping centre activation approach in February 2023 and assisted with event promotion.
- From May 2023, YVW attend WCC's Food Collective fortnightly. The WCC Food Collective supports families experiencing financial hardship. A YVW hardship team member attends in person to assist customers during food relief program operating times, and WCC staff direct attendees to YVW to access support.
- A one-off sponsorship for a First Nations community health and wellbeing group called 'Mob Walks' led by a WCC employee. The group operates external to WCC and brings First Nations communities together to connect on Country.
- Invited to host a stall at a Refugee Week event - June 2023, also with City of Whittlesea.
- Monthly 'Fix It Friday' events since October 2023 hosted by Whittlesea Community House, along with other service providers. Invited along after attending WCC events.

KEY OUTCOMES

1279 customers attended **12 food relief markets**. YVW attended 3 markets and assisted around **66 people**.

Around **30 customers helped** through fortnightly attendance at Whittlesea Food Collective (dollar value of the concessions and grants applied is yet to be determined).

100 gift packs including WaterCare information were distributed to Mob Walks participants.

Around **1300 WaterBabies books and WaterCare support flyers** distributed through Whittlesea Maternal Child Health Clinics and the Whittlesea Show.

New opportunities are discussed at regular meetings with WCC CEO.



A customer example from a food relief market

A YVW hardship team member spoke with a customer who had been managing their bills through a SmoothPay arrangement. Their circumstances had changed and they indicated needing a little more support at the time. YVW was able to assist by adjusting the payment plan to something the customer was comfortable managing for the time being and referred them into the WaterCare Support Team. The relief provided to the customer in the moment was clear to the YVW team.

While the quantitative data and estimated dollar value of grants and concessions applied to accounts is critical, there is significant value in showing up and building trust with community organisations and residents. Similarly, quality over quantity is a good principle when it comes to conversations. Looking for events with the most attendees won't always guarantee high quality conversations and outcomes for customers. Good quality interactions should lead to word-of-mouth sharing among customers and organisations.

What's next?

In 2024, WCC will share WaterCare campaign messaging focused on driving concession registrations. WCC has provided advice for YVW's upcoming pop up events in libraries, targeting seniors groups and families attending story time in various languages. WCC is also planning a series of lunches partnering with YVW and other service providers to increase access to support for the community.



Bring Your Bill days are a strategy trialled by several water utilities. They have a multitude of benefits, particularly for regional areas. These are promoted by a trusted community sector organisation, provide a good experience for the customer in an environment where they feel supported and can speak to several essential providers at the same time. While they can be resource intensive, the Yarra Valley Water example in Case Study 5 shows they can be particularly effective when well targeted.

Case Study 5

Hume Council Bring Your Bill Day, June 2022, Yarra Valley Water

At a Bring Your Bill Day in Broadmeadows in 2022, Yarra Valley Water (YVW) engaged with 64 customers over a four-hour period. Through those interactions and logging detail within the accounts system, they reported just shy of \$2,000 backdated for customers who hadn't registered their eligible concessions. In addition, many customers they spoke to were likely eligible for a Utility Relief Grant and they estimated if all applications identified were approved, up to \$24,000 could be credited against accounts and reduce debt for those customers they spoke to.

Elements which contributed to the events success include:

- Partnering with a local council who led event promotion direct to already engaged residents, providing free lunch and interpreting services, inviting YVW along with other service providers.
- Communicating YVW support options alongside a team processing the Victorian \$250 Power Saving Bonus. Community members came and received support for both energy and water in the one place.
- Having a multilingual hardship support team member on the day. Due to the local demographic, many of the customers preferred to speak Assyrian and Arabic with the team member and this significantly increased engagement.



Building relationships with trusted advocates and those who have first-hand experience working with struggling customers is also important. Energy Australia and Water Corporation both highlighted the importance of visibility at relevant conferences such as those run by Financial Counsellors Australia (or their state branches). This allows them to hear from Financial Counsellors on how policies and practices of their organisation are impacting those in financial stress, while demonstrating a commitment to listening and improving.

Case Study 6 is a Sydney Water example that leverages their existing community and government relations programs to raise awareness through trusted advocates.

Case Study 6

Providing exceptional customer support through community advocacy, Sydney Water

Sydney Water has recently seen a large increase in customers seeking support in paying their water bill. Many of these customers are new homeowners, have only recently started paying a water bill and are unaware that financial support is available. As a result, Sydney Water are focussed on a) proactive, early identification of struggling customers, b) engagement with customers and trusted advocates to ensure that they raise awareness and feel comfortable contacting Sydney Water for support and c) ensuring that customers have a good experience when accessing support.

1. Proactive, early identification

Many utilities are analysing customer and demographic data to develop predication models for financial support. Sydney Water have used ABS and customer data to rank Local Government Areas (LGAs) by several factors:

- Average aged debt (water bill) per household
- Low household income
- Water consumption
- Number of members in the household

Their analysis has developed a prioritisation of LGAs to target their communication about their support programs. It also identified LGAs with a high proportion of renters and those from culturally and linguistically diverse (CALD) backgrounds. Sydney Water has separate flags to identify struggling customers who are tenants and flexible support arrangements even if there is no debt on the account.



2. Awareness raising and engagement

The Customer Care team work directly with trusted advocates at more than 60 community events to promote awareness.

- Renters are one of the most difficult to reach groups. Sydney Water has been liaising directly with Tenant Unions across the most at risk areas of Sydney to promote the type of support available.
- Culturally and linguistically diverse communities (CALD) are also a priority with hardship programs promoted through the P&C of schools, international student associations, migrant groups and highly trusted local community groups such as Anglicare and the Salvation Army.
- Visibility at relevant events such as the Disability Expo and Financial Counselling Association NSW Conference builds trust and allows advocates to become familiar with support and an opportunity for advocates to provide feedback on their experience of Sydney Water's support offerings and the experience of their clients.

Sydney Water also looked at how they can leverage their existing programs to raise awareness and reach out to those that need support:

- The Water Conservation team through their WaterFix residential program are engaging with many of the target customers as well as tenants when they conduct their in-home water audits and repair leaks. The team also raise awareness through pop-ups at high traffic areas like shopping centres, which are an excellent opportunity to also raise awareness and provide additional information on Sydney Water's customer support program in a familiar environment.
- The Education team are not only working with schools but also target NAIDOC days, Carers Day at Redfern, migrant support days at TAFE and local community centres, providing material, and further referral to the Customer Care team.
- The Government Relations team are promoting the support programs to the relevant local MPs and encouraging them to promote local Bring Your Own Bill days.



3. A good experience for those that seek support



- Customers who seek support are experiencing vulnerability. Sydney Water's customer care team are mainly ex-social workers. They are empowered to provide flexible support options and have experience in sensitive and compassionate conversations. These customers are more likely to seek support early and develop beneficial payment behaviours in the future. Sydney Water has improved its advocacy rating with an average of 94% over the last 12 months.
- An option of self service for support: Some customers are not comfortable talking to people to ask for support. Sydney Water provided an online option for the most straight-forward support options including two week bill extensions and payment plans.
- Customers don't have to tell their story over and over again: Sydney Water, along with Yarra Valley Water, South East Water, Greater Western Water and Coliban Water are a part of Thriving Communities Australia's One Stop One Story hub. The hub allows participating utilities to cross-refer customers experiencing family violence and hardship to other essential services (banks, water, energy, telecommunications) for support. This eliminates the barrier and trauma of customers having to tell their story repeatedly to receive support from service providers.

These objectives are reflected in the Key Performance Indicators that include Voice of Customer Satisfaction scores, number of PAS (payment assistance scheme) payments, and the number of customers on payment plans.



Build the capability in your organisation to support customers

Aligns with Customer Support Better Practice Principles under organisational capability specifically 3.2 and 3.4

Customer care teams, their managers and field teams as a minimum undergo specialised training particularly regarding customers who may be impacted by family violence and how to refer on for additional support. In addition to this, the organisations carried out additional training such as:

- Some customers who are struggling financially cannot face the mental stress of working out how to pay a bill. Expecting them to initiate engagement, even when support is promised is too much. Conversations should be approached with tact and compassion, at what is a very vulnerable time for many customers.
- Employees from the customer care team or contractors with training and expertise in communication (as opposed to debt collection agencies and meter readers) are used to carry out the door knock prior to an impending restriction or disconnection.
- Recognising signs that could indicate vulnerability including the intersection of financial stress and mental illness.
- Resilience and vicarious trauma training along with regular debriefs for contact centre and field visit employees and contractors.
- Training of employees with a specific lens of protecting customer safety and privacy. Most customers impacted by family and domestic violence are not flagged in water utility accounts. As such when providing sensitive information, all employees must be aware of the risk and potential consequences if that customer is impacted by family violence.





Design and review of policies and procedures

Aligns with Customer Support Better Practice Principles under organisational capability 3.1 and 3.3 as well as organisational strategies (2.2)

One of the most important things is the design of policies and procedures so that they protect and support customers instead of unintentionally creating barriers or in the worst cases even exacerbating harm to those experiencing vulnerability. The key factors were:

- **Include those with lived experience** in the review and design of policies, procedures and products from the beginning of the process. The Essential Services of Victoria provides various resources for businesses on how to include victim survivors of family violence in your design.
- Include **the philosophy of 'just believe'** in all policies relating to customer support. Remove eligibility requirements for evidence.
- Consider the **tone of communication** and ensure the use of Plain English. For example "just checking in to see if we can help you" as opposed to "contacting you about payment of your overdue bill". If mercantile agencies are used, then the same approach must be applied by the agencies. Research shows that the colour and font of reminder notices also impact emotional stress of the customer.
- **Make it easy to access support** such self-service to access a payment plan or bill extension (For example, a click here button on the website that takes you through to a payment extension).

- Join the One Stop One Story hub developed by the Thriving Communities Australia. It removes the barrier of a customer having to tell their story repeatedly to access support from each of their essential service providers.
- Ensure there is **sufficient time to consider options**, particularly for restriction notices. Customers at a vulnerable time will need more than 48 hours to process information and act. Hunter Water found that a pre-sms informing of impending restriction followed by a field visit two weeks later with restriction two weeks after that had a high success rate in engagement and/or payment.
- **Connect customers to agencies** that offer support. Include in notices referrals to agencies that can provide additional support (see example from the *Knock to Stay Connected* program in Appendix 1)
- **Incentivise and encourage good payment behaviour**. For example, when a customer keeps up with their payment plan, Hunter Water will reward this with a co-payment towards the debt. Hunter Water puts all their customers on Easy Pay/ bill smoothing payment plans to encourage customers to form good payment behaviours by making smaller, more regular payments.





Track and measure performance

Aligns with Customer Support Better Practice Principles under organisational governance (1.1, 1.3) and organisational strategies (2.3)

While organisations all look at aged customer debt, measuring the success of their strategies to support customers are equally important. The Customer Support Framework, section 5.3 provides examples of KPIs for the framework. Consistent measurement across organisations also allows tracking the performance of our sector, help to successful strategies and recognise when external factors may require changes in our strategies.



Sector Wide KPIs

Average Customer debt on entry to a hardship program or when support is accessed.

% of customers that pay by the due date

Average customer aged debt (as a % of revenue and as a \$ average per customer with aged debt)

Number of customers on the hardship program and payment plans

% of aged debt accounts on the hardship program

Awareness of customer support offered

Examples of internal KPIs

- Satisfaction (VOC) score (for those on the hardship/ support program)
- Number of customers on Easy Pay or bill smoothing arrangements
- % of customers that maintained payment plans
- Number of customers that successfully exited the hardship program or a payment plan
- VOC or customer satisfaction score for those that reached out for support.

Many water utilities use restrictors where there has been no payment on an account and all avenues to contact the customer have been exhausted (See Box 1). Some use restriction primarily as a way to drive collection but many recognise it may be an opportunity to engage and provide support for a customers in need and have reflected this in their KPIs for field visits.

- Success of field visit (inclusion into the hardship program, payment plan, part of full payment)
- Number of restrictions per month (lower indicates earlier interventions are successful)
- % of restrictions that are removed within 48hrs/1 week/ 2 weeks

Case Study 7

When is a disconnection or a restriction about engagement and not collection, The Energy Charter

Meter restrictors are considered the last resort for a customer that will not pay. The hypothesis was that for a very small number of customers, the threat of restriction or disconnection may be a necessary intervention that results in support, referral to a financial counsellor and stops escalation of debt.

However, disconnection or restriction can greatly exacerbate the situation of a customer experiencing vulnerability. As a result, water and energy companies have been looking at how to improve their procedures so that a restriction (or disconnection) notice drives engagement and results in support and does not put a customer in an even more vulnerable situation.

- When Water Corporation stopped restricting customers for non-payment, customer debt increased by 60%. Along with this, they saw referrals to financial counsellors significantly decrease signifying customer were not referred on to the support they needed.
- Research from Energy Australia shows that avoidance is the best option for customers that are struggling when there is no threat of disconnection.

The aim is to become a friendly 'squeaky wheel' and work with the customer instead of creating additional stress.

The Energy Charter has developed a voluntary code called "Knock to stay connected" which was developed with support from customer advocates and community organisations. The key principles of the code are customer centricity, employee safety, responsiveness, and sustainable support. Water utilities use many of the same concepts in their field visits:

- Design communication material to be supportive, provide details of how to access support both for payment options but also to other community support services (see Appendix 1).
- Provide enough time for the customer to process the information before they are required to act. 48 hours is not enough. One to two weeks is more appropriate for customers to process information and act.
- Ensure those conducting field visits are trained in recognising vulnerability, having dignified and respectful conversations that encourage engagement, are able to discuss and provide flexible options for support, and are able to refer onto community and specialist organisations that can provide further support.
- Ensure KPIs reflect engagement and not just collection. For example:
 - Engagement because of the visit
 - Impact on account debt
 - % of customers that made a payment that had previously never paid
 - \$ collected

“Our objective is to make it easier for the customer to contact us than to ignore us.”
- Energy Australia



Box 1

Energy Australia used the above measures to help evaluate their trial. The \$1.5 million investment in pilot trial resulted in \$23.5 million collected in revenue including from customers that had never previously paid. But equally important, they were able to improve engagement with a response from approximately 65% of customers (either through direct contact or a result of the material left under the door) and they were able to identify and support customers with 7% of these customers now captured in their hardship program. The success of the trial at Energy Australia resulted in it becoming business as usual after only 3 months. The “knock to stay connected” customers currently make up 1.7% of customers on their hardship program.

Click [here](#) to hear about case studies from Energy Australia and Essential Energy on their trial and outcomes of their Knock to Stay Connected program.



Appendices



You are not alone. Help is available.



Many people find it tough to make ends meet at times. If you are finding it hard to pay your energy bills, here is what you can do to stay connected and get the support you need to get back in control.

What should you do first?

Contact your energy retailer.

How can this help?

If you are having trouble paying your bills, contact your retailer and let them know. This will stop you from having your electricity disconnected. Your retailer is required to help you set up or change a payment plan. You can also ask to be put on a hardship plan, where you should be offered:

- flexible payment options
- help getting on a better energy plan (if applicable)
- tips to save energy
- information about what government supports are available.

What can you do next?

Contact an Energy Accounts Payment Assistance (EAPA) provider.

How can this help?

The EAPA scheme can give people having trouble paying their energy bills up to \$400 to help. You can find a nearby EAPA provider at www.energysaver.nsw.gov.au/media/1331/download

Use the ServiceNSW Cost of Living service.

How can this help?

The Cost of Living service can help you access the full range of rebates and assistance measures offered by the NSW Government. Phone 13 77 88, find the service online at: www.service.nsw.gov.au/campaign/cost-living or visit your closest Service NSW Centre.

Contact Energy and Water Ombudsman NSW (EWON).

How can this help?

If you have an issue with your electricity retailer that you can't resolve, EWON provides free and fair dispute resolution. Freecall 1800 246 545 or visit www.ewon.com.au

Speak to a financial counsellor on the National Debt Helpline.

How can this help?

The National Debt Helpline provides free and confidential financial advice to help you tackle any debt problems you might have. Contact the service on 1800 007 007 or visit www.ndh.org.au

You are not alone. Help is available.

What else can you do?

Sometimes people who are having trouble paying their bills are also dealing with other challenges. Whatever challenges you are facing, help is available.

Visit Ask Izzy at www.askizzy.org.au

How can this help?

AskIzzy can connect you with housing, a meal, money help, health and wellbeing services, family violence support, counselling and more. It is a great way to find a service near you to get the best help for your needs. You can access the service on some mobile phones even without credit or access to Wi-Fi.

Contact the Tenants Union NSW on (02) 8117 3700 or at www.tenants.org.au

How can this help?

The Tenant's Union can connect you to a local service for advice on your rights as a renter, how to resolve disputes with landlords, and how to get help to stay in your home.

Contact Link2home on 1800 152 152.

How can this help?

If you are worried about becoming homeless, Link2home can help work out what kind of help is needed and connect you with local services.

Contact the NSW Domestic Violence Line on 1800 65 64 63 or 1800 RESPECT (1800 737 732).

How can this help?

If you are experiencing family or domestic violence, these services can provide counselling, give you information about what you can do, and help you work out your options.

Contact LifeLine on 13 11 14, Beyond Blue on 1800 512 348, or the suicide call back service on 1300 659 467 www.headtohealth.gov.au

How can this help?

If you are feeling distressed, these services will listen to you, offer support, and help you connect with other services. You can also visit www.headtohealth.gov.au to find more resources to help you with your mental health and wellbeing.

Contact the Drug Info line on 1300 85 85 84.

How can this help?

This confidential service can give you information about alcohol or other drugs and help you work out how you can best support yourself or someone you're concerned about.

Contact Vinnies NSW on 13 18 12 or the Salvos at www.salvationarmy.org.au/need-help

How can this help?

These services can offer financial or material assistance such as food, clothing, or household goods and advice. They will also help you connect with other local supports and services.

Delivered in
partnership by:



St Vincent de Paul Society
NSW
good works



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For more information

For more information please contact Evelyn Rodrigues on evelyn.rodrigues@wsaa.asn.au .

