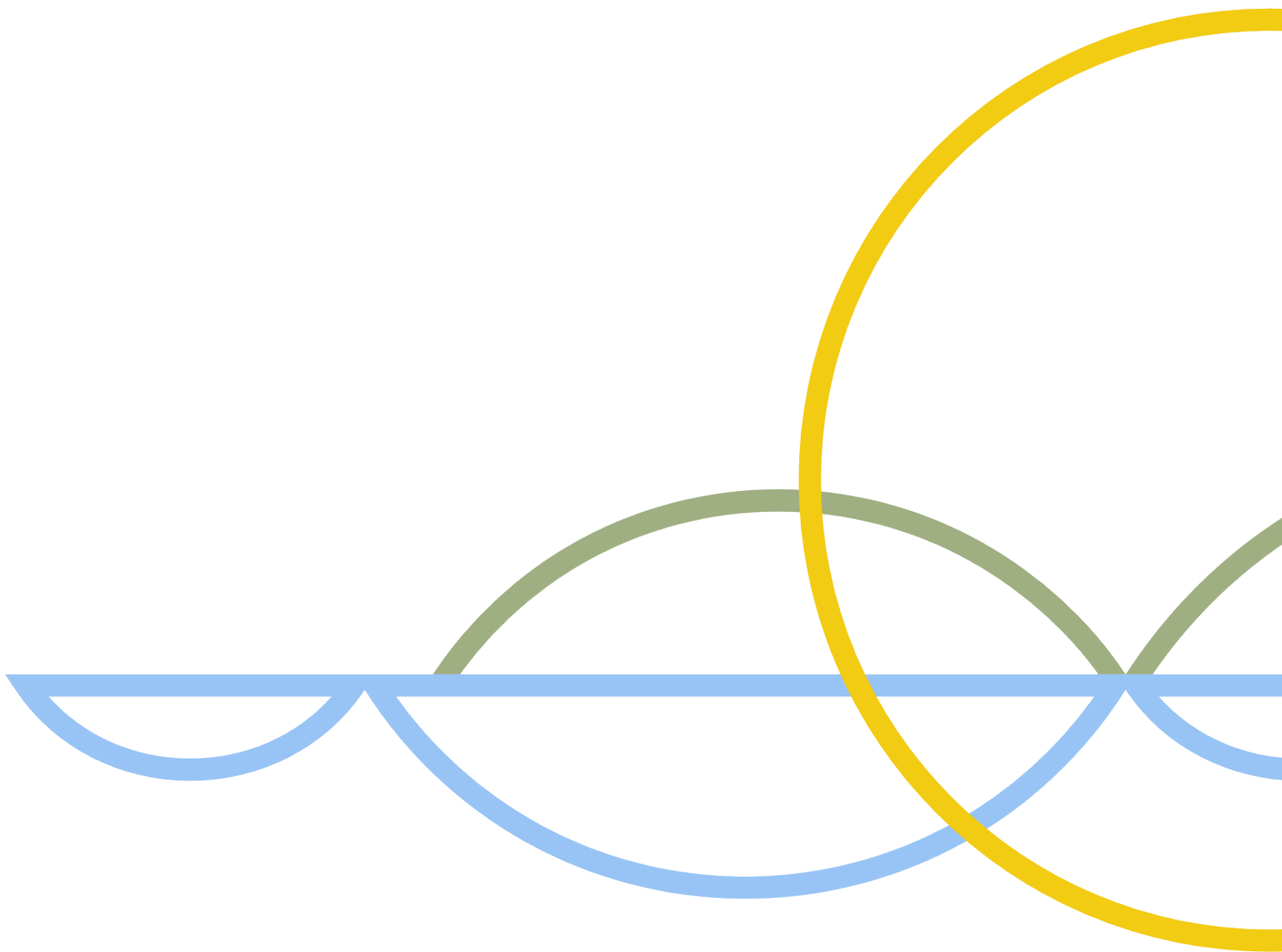


# Tiaki Wai Debtors Management & Hardship/Waivers Policy



## Document control

| Version | Version date | Changes                                            | SME | Approver        |
|---------|--------------|----------------------------------------------------|-----|-----------------|
| 1       | 01/07/2026   | New policy – approved and adopted by Board in June |     | Tiaki Wai Board |
|         |              |                                                    |     |                 |
|         |              |                                                    |     |                 |

## Review information

|                    |                 |
|--------------------|-----------------|
| Latest review date | 01/07/2026      |
| Next review date   | 01/07/2027      |
| Review cycle       | Annually        |
| Owner              | Tiaki Wai Board |

## Tiaki Wai disclaimer

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Drafting comment:

Transitional arrangement: This is written as a Tiaki Wai Policy, noting that Councils will be providing debt-collection services on behalf of Tiaki Wai as part of their overarching responsibility to manage the billing and collection processes for water services charges.

There are actions detailed in this Policy that will be completed by Councils until Tiaki Wai takes over full billing and receipting responsibilities. Specific transition comments have been incorporated to indicate that in some instances Councils will operate according to Council delivered transitional arrangements until Tiaki Wai can assume full responsibilities for the function. In those instances, the Council Transitional approach takes precedence.

Any invoicing completed in the Council's name for other specific water related charges will be managed under the Council's own debt management policies. Eg: Development Contributions and other specified charges.

## 1 Policy Statement

Tiaki Wai is the water service provider for the metropolitan Wellington area, delivering water services that are essential to the health and wellbeing of our communities and our environment. This Debtors Management, Hardship and Waivers Policy (the Policy) sets out clear, fair and transparent processes for the management and collection of overdue water services charges.

Our approach to the collection of water charges aims to ensure that Tiaki Wai will continue to be financially sustainable and able to continue its investment in the water services network, while also upholding the highest standards of social responsibility, respect for vulnerable customers and protection of community wellbeing. This Policy will be periodically reviewed to consider alternative approaches to debtor management and hardship support, including when circumstances change. In particular, this Policy may require review and amendment as a result of:

- the introduction of water metering, which may alter the approach to addressing hardship by supporting water conservation
- the introduction of the proposed ratepayer assistance scheme
- the introduction of economic regulation for water services through the Commerce Commission.

This Policy outlines the payment expectations, monitoring and actions associated with overdue payments, and escalation actions for those who are unwilling to pay. It explains how Tiaki Wai supports residential customers who cannot pay and sets out the types of assistance available, how customers can access support, and how Tiaki Wai will ensure assistance is fair, consistent and respectful.

Our aim is to help customers regain control of their payments in a way that protects wellbeing, while maintaining access to essential water services and supporting responsible financial stewardship.

## 2 Scope

This Policy applies to all customers of Tiaki Wai — residential, commercial and institutional - across Lower Hutt City, Porirua City, Upper Hutt City, and Wellington City, for the supply of drinking water, wastewater and stormwater services detailed in and invoiced under the Tiaki Wai Pricing Policy and schedule of Fees and Charges.

The application of the hardship aspect of this Policy is limited to charges to residential consumers who are legally responsible for Tiaki Wai water services charges. This includes landlords who are responsible for paying water services charges to Tiaki Wai for residential properties, noting there are aspects of the Policy not designed to support residential landlords.

### Residential Owner Occupiers

- Full hardship framework available.

### Residential Landlords

- Payment arrangements available.
- Waivers generally unavailable except in exceptional circumstances.

This Policy is intended to meet the requirements under Section 102 of the Local Government Water Services act 2025 of a requirement for a Waiver Policy.

## 3 Principles

1. **Fairness and respect:** Tiaki Wai will treat all customers with respect and understanding, recognising that water supply is an essential service. Debt-recovery actions taken by or on behalf of Tiaki Wai will be proportionate and non-discriminatory.
2. **Consistency and transparency:** The debt-collection process will be clear, consistent and communicated openly. Customers will be informed of payment due dates, consequences of non-payment and the support that will be made available at each step.
3. **Early engagement:** Early engagement will be encouraged for customers in arrears, with proactive reminders and support offered. The aim is to resolve payment issues early through payment arrangements/plans or referrals to assistance.

4. **Hardship support:** Tiaki Wai will develop flexible options for those in genuine hardship, to cater for individual circumstances, and will avoid punitive outcomes for customers who are genuinely unable to pay and will refer customers to support options from third parties.

Any consideration of water supply restriction would be subject to strict criteria and apply only as a last resort. If this occurs any action undertaken will differentiate between the customers of Tiaki Wai responsible for meeting the charge, and the consumers of the water services. Where there is a difference, actions in respect of addressing a customer's circumstances are expected to have no negative impact on a consumer. (Note: this is to ensure that in the situation that a landlord doesn't pay bill, we don't do anything detrimental to the occupiers of a residential property)

5. **Integrity and accountability:** All debt-recovery actions will comply with relevant laws and regulations. Any interest, penalties or third-party collection measures will be applied lawfully, supported by appropriate delegations and audit trails.
6. **Operational feasibility:** The Policy will align with system capabilities, minimising administrative complexity and risk of error.

### 3.1 Definitions

- **Arrears (overdue debt):** Any amount not paid by the **due date** stated on the bill. This includes all water charges, including Water supply, Wastewater, Stormwater and specified water-related fees and charges in the Tiaki Wai Pricing Policy Fees and Charges schedule, and any penalties added for late payment.
- **Hardship customer:** A customer (individual or household) experiencing **financial difficulty** in paying their water services bills as defined in the criteria in the Policy. This may be due to low income, sudden life events (e.g. job loss, illness) or other vulnerability. Hardship customers are typically eligible for special payment arrangements or referral for assistance under the Hardship approach detailed in this Policy.
- **Write-off:** A debt that is deemed **uncollectable** and removed from the accounts receivable ledger. Write-off does not absolve the debtor of liability; recovery may be pursued later if circumstances change, but the amount is no longer counted as an asset on the Tiaki Wai books.
- **Delegation (authority):** The level of authority given to Tiaki Wai or Council staff or management to approve certain actions (e.g. agreeing to a payment plan, waiving a fee or writing off a debt). This Policy will specify which roles can approve which actions, in line with Tiaki Wai Delegated Financial Authorities. Councils may have authorities specified in this document during the period of interim billing.
- **Financial hardship:** A customer is experiencing financial hardship when they are **unable to pay their Tiaki Wai fees and charges when due**, because of events outside their control and would usually be able to meet their obligations. These include but are not limited to:
  - sudden loss of income
  - illness or accident
  - unexpected essential expenses
  - family or personal crisis

- a change in the pricing structure or approach (including a shift to volumetric charging) by Tiaki Wai
- family violence or safety-related circumstances
- ratepayers with an approved rates postponement in place with the relevant Council.
- **GST:** All values referred to in this Policy should be read as GST inclusive, to reflect the actual total cash value of transactions.

## 4 Roles and Responsibilities

- **Board of Directors:** Approves the Debtors Management & Hardship Policy and any amendments. The Board receives regular reports on debt levels, arrears trends and Policy effectiveness. The Board ensures the Policy aligns with the strategic objectives of Tiaki Wai and stakeholder expectations.
- **Chief Executive and executive management:** Responsible for implementing this Policy. Management must ensure proper systems and resources are in place for billing, monitoring arrears, engaging with customers and escalating debt cases. They also set **key performance indicators (KPIs)** for debt management (e.g. collection rates, arrears aging) and report these to the Board. The Chief Financial Officer (CFO) or equivalent has oversight of credit control functions and may have delegated authority for write-offs up to a certain limit.
- **Customer/credit control team:** Handles day-to-day debt collection activities. This team issues invoices and reminders, negotiates payment arrangements, liaises with external debt-collection agencies and recommends accounts for write-off or legal action as per this Policy.
- **Customer service team:** Coordinates with customers who have advised of payment difficulties or potential financial hardship. They directly administer this Policy, pass on payment plan requests to the credit control team, and ensure vulnerable customers are identified and protected in the process. This team has authority to temporarily hold collection actions when a customer is seeking assistance or disputing a bill.
- **Tiaki Wai staff:** All staff who interact with customers (e.g. call centre, front counter staff) should be aware of this Policy. They have a role in the early identification of customers in financial hardship or disputes. Staff must also protect customer privacy during debt collection (in compliance with the Privacy Act 2020) and ensure any personal information used for debt recovery (e.g. sharing data with a collection agency) is handled lawfully.

## 5 Legal and Regulatory Compliance

- Tiaki Wai will comply with all relevant statutes, including the Local Government (Water Services) Act 2025, Fair Trading Act 1986, Credit Contracts and Consumer Finance Act 2003 and the Privacy Act 2020.
- All customer data will be managed in accordance with statutory privacy requirements and internal information security Policy.

- The Policy and procedures will be updated as laws, regulations and contract obligations evolve.

## 6 Invoicing and Payment Terms

- Invoices are issued according to the pre-existing (prior to July 2026) invoicing timelines applied by Councils. This involves a mix of:
  - monthly/bi-monthly to specific commercial customers for metered water
  - water service charges: quarterly to all active account holders for water, wastewater and (where applicable) stormwater services
  - ancillary services/charges: payable 20<sup>th</sup> of the month following invoice date, unless otherwise specified in the terms and conditions of specific items.
- Each invoice will specify:
  - total amount due
  - overdue amounts
  - due date
  - payment methods and options
  - customer service and hardship support contacts.
- Payment terms and late fee/interest Policy will be made explicit on all billing documentation.
- Account queries and adjustments: A customer who is responsible for paying an invoice is entitled to query the charges on their accounts and receive an explanation to confirm the validity of the charge. Where a charge is determined to be in error, an adjustment will be processed onto the customer's account, and if relevant, a refund will be provided if the incorrect charge has been paid by the customer.

Transition: While the Councils are the agent processing the invoicing and charging process, they will be responsible for responding to any account queries, processing adjustments and providing refunds where appropriate.

Any individual adjustment/refund > \$10,000 will be advised to Tiaki Wai for review and approval of the adjustment/refund before being processed onto the customer's account.

Processing of valid refunds through banking systems will apply the agreed thresholds where Councils can return funds to customers for up to \$10,000 per customer, or a \$50,000 payment batch.

## 7 Payment Options

- Tiaki Wai will provide payment options for both



- payment plans - making payments in advance of the due date
- payment arrangements – paying an overdue amount on an agreed arrangement basis.
- Tiaki Wai (including via council-based billing teams) offers the following payment methods:
  - direct debit
  - online banking
  - in-person at participating agencies (such as NZ Post) by cash and credit/debit card
  - an online payment portal (Payble) is expected to be available to all customers from 2027.
- Recurring payment arrangement by direct debit are available as stipulated on the direct debit forms.
- Customers may make part or full payments as agreed with the invoicing Council.
- Payment arrangements can be set up for any account with customer service staff, tailored to the customer's needs and budget. This links directly to the application of the hardship Policy, which will be a key consideration in the setup of payment arrangements.

## 7.1 Payment in advance

Payment options can be used to pay accounts in advance if that is the customer's preference.

## 7.2 Payment of arrears

Payment arrangements for overdue amounts are available. This section should be read alongside the Hardship section of this Policy (Section 9).

The expected periods by which payment arrangements are expected to clear debt are indicated in the table below.

| Scenario                           | Acceptable Arrangement Length | Notes                                       |
|------------------------------------|-------------------------------|---------------------------------------------|
| Small arrears (<\$1,000)           | <12 months                    | Must keep new charges current               |
| Moderate arrears (\$1,000–\$5,000) | <12-18 months                 | Direct debit is the required payment method |
| Large arrears (> \$5,000)          | <24 months                    |                                             |

- If any of the following are true, Tiaki Wai may deem the proposed arrangement unacceptable:
  - the repayment amount is too small or too slow, so the outstanding balance remains large and is unlikely to be cleared on a timely basis or the customer misses repayment instalments
  - the customer is unwilling to provide relevant information about their financial situation when required (in hardship cases)
  - the customer is deliberately refusing to pay (rather than hardship) or is using the arrangement to defer indefinitely without realistic view of settlement.

- The expected timeframes to clear debt noted in the above table set an objective assessment of acceptable payment windows, noting they are not definitive expectations. If a customer is unable to make payment arrangements that fit within the maximum timeframes, without compelling evidence to support an alternative approach under this Policy would result in the natural consequence of being referred to debt collection.
- Extensions of payment: A deferred payment for a period of time until full payment can be made later is available under the hardship section of this Policy.

Transition: Any payment timeframes proposed that are outside the repayment timeframes will be referred to Tiaki Wai Credit Control team to consider and approve the arrangement.

The process and contacts for escalation will be as agreed between Tiaki Wai and Councils in a process documented outside of the Policy document.

## 8 Hardship, Waivers and Assistance

Transition: Councils will be provided a standard reference document to provide customers information on available support from other agencies under Tier 1 of this Policy.

Councils will be expected to collect information as part of their debt management activities to support any hardship/payment arrangement requests, similar to and not beyond what they do for their own debtors.

Hardship requests beyond supply of information to customers and payment plans established in line with section 8 of this Policy will be passed across to Tiaki Wai for assessment and decision. The Council will be advised of the decision, will implement the agreed approach and will advise the customer.

### 8.1 Who this section of the Policy applies to

This Policy applies to residential consumers who are legally responsible for Tiaki Wai water services charges and are experiencing financial hardship.

The primary objective of the Tiaki Wai hardship framework is to support customers to remain current with ongoing water charges while addressing historic arrears in a sustainable and equitable manner.

Financial hardship may arise from a range of circumstances, such as loss of income, unexpected expenses, illness, changed household circumstances, family violence or a range of other circumstances. Tiaki Wai will respond sensitively and confidentially to hardship situations.

This Policy is intended to apply to all properties used for residential purposes, including rural residential. It does not apply to non-residential or commercial properties. Support options for these customers may be developed separately, and/or will be negotiated with these customers separately.

Customers will be removed from the hardship programme upon their request, or once their water charges arrears are settled with Tiaki Wai.

Tiaki Wai considers that a consumer is suffering financial hardship if:

- they are a Tiaki Wai customer
- the request relates to their principal place of residence
- the customer (or an independent consumer advocate, council, government agency or financial mentoring service) has advised Tiaki Wai that they are experiencing, or expect to experience difficulty in paying their water charges
- they have a willingness to pay their water charges and would do so if not for their financial hardship. Willingness to pay will be demonstrated through past attempts to contact Tiaki Wai regarding their water charges, or a history of making part or full payments towards their water charges or an agreed payment plan.

Tiaki Wai will also proactively monitor accounts to identify early signs of potential financial hardship and offer support where appropriate.

We may consider the following issues to be indicators of potential financial hardship, noting that the existence of any one of itself does not indicate hardship. They are factors which would suggest Tiaki Wai should consider if hardship is an underlying factor.

- The customer holds a community services card or is a pensioner and has overdue water charges or has particularly low water use.
- The customer has a history of regular payments but has missed two or more payments within a six month period.
- The customer has made only partial payments.
- The customer has previously entered into a payment plan or is not complying with a payment plan.
- The customer is regularly paying their water charges late.
- The customer's water use has dropped significantly.

## 8.2 Principles that guide our hardship approach

Tiaki Wai hardship support is guided by the following principles:

- **Respect** and dignity: All customers are treated fairly, respectfully and without judgement. Our staff will be trained to ensure that they are able to identify and respect vulnerable customers.
- **Early support:** We aim to engage early to prevent debt from becoming unmanageable.
- **Temporary hardship focus:** Our primary focus is on assisting customers experiencing short-term financial difficulty. Customers who face systemic or long-term financial hardship will first be referred to government and social services, who may be able to provide long-term targeted support.
- **Clear and accessible pathways:** We will endeavour to ensure that financial support options are easy to understand and simple to access.
- **Responsible and balanced:** Form of assistance must be feasible to ensure Tiaki Wai remains financially sustainable and targeted to those who need it most.

- **Confidentiality:** Personal information is treated with care and in accordance with statutory requirements.
- **Essential service continuity:** We recognise water services as essential to health and wellbeing. Our hardship approach seeks to manage debt in a way that supports continued access to essential services, while working with customers to resolve payment difficulties.
- **Context-based support:** We recognise that hardship may arise from temporary events, abnormal circumstances or longer-term vulnerability, and we will tailor our response to the nature and cause of the difficulty.
- **Proportionate and sustainable arrangements:** Assistance and repayment arrangements will be set at levels that are realistic, sustainable and do not cause further financial harm, recognising the customer's capacity to maintain ongoing charges.
- **Appropriate use of assistance tools:** Where available, assistance options such as payment arrangements or approved deferral schemes will be considered before waiver of charges, except in exceptional circumstances.
- Tiaki Wai will generally operate a trust-based approach and seek only information reasonably necessary to understand the customer's circumstances. We rely on what information the customer willingly and/or proactively discloses. If a customer is unwilling to provide some relevant information that evidences hardship, Tiaki Wai is not obligated to provide support.

## 8.3 Our support framework

Tiaki Wai provides three tiers of support for hardship. Assistance is always tailored to the customer's situation and focuses first on practical and non-financial solutions.

### Tier 1: Non-financial support (our primary response)

This is the focus of Tiaki Wai for supporting customers in hardship. We will not remove the initial obligation to pay, but we will support the customer to facilitate payment over time.

We may:

- help establish a **payment arrangement** in line with section 8 of this Policy that matches the customer's current financial situation. Where circumstances require, this may include agreement to pause repayments for an agreed period
- provide information on how to access guidance on **budgeting and money management**, including information on agencies who offer free financial mentoring services
- connect customers with **community or government support services**
- offer **extensions for payment** of water charges.

Customers receiving hardship support will not be charged late payment fees or penalties.

We will not require customers to have sought community, government or financial mentoring support to be considered for other forms of hardship support.

### Tier 2: Practical non-financial support to reduce avoidable costs

For the first one to three years of Tiaki Wai operation, most customers will be charged a **fixed charge**, meaning water use has limited impact on the amount they pay for most customers.

As volumetric (use-based) charging becomes available, Tiaki Wai may also offer practical support such as:

- advice on reducing household water use
- support to identify unusually high usage
- referrals for leak investigation or water efficiency support
- access to subsidised emergency plumbing repairs to reduce water charges (owner/occupiers only).

When these options are available, updated guidance will be provided on how to access the support as they become relevant to the customer's pricing structure.

If subsidised support for expenses is provided and the relevant property is sold within 12 months of the support being provided, Tiaki Wai reserves the right to full or partial reimbursement of the cost of the services provided.

### **Tier 3: Waivers of water charges**

Financial relief may be considered only after other support options have been explored and where:

- the customer has shown genuine willingness to engage
- the financial hardship is determined to be temporary
- the relief is necessary to prevent escalation or risk, or
- if a charge is deemed to be an incorrect or invalid due to an error or omission by Tiaki Wai, this will be adjusted noting it is not the application of hardship support.

Financial relief may include, where appropriate:

- one-off adjustments in exceptional circumstances
- short-term relief of specific charges, where justified, or
- temporary deferral of charges (for example subject to sale of property).

The provision of financial relief, in the form of full or partial waiver of water charges and fees, will be considered at the sole discretion of Tiaki Wai, having regard to the specific financial circumstances of the relevant customer.

Tiaki Wai does not provide ongoing subsidies, long-term waivers or regular/repeated debt write-offs.

### **Exceptional consumption and leak remissions**

Tiaki Wai recognises that customers may occasionally incur unusually high water charges due to unforeseen leaks, faults or abnormal consumption events that are outside the customer's reasonable control.

Where volumetric water charging applies, Tiaki Wai may, at its sole discretion, approve a full or partial waiver, or adjustment of charges where:

- a significant increase in water consumption has occurred due to a concealed leak, plumbing failure or other abnormal event

- the customer was not reasonably aware of the issue and could not reasonably have prevented the loss of water
- the fault has been repaired within a reasonable timeframe after being identified
- the customer provides evidence of the fault and repair if requested by Tiaki Wai
- the circumstances are considered exceptional and not part of an ongoing pattern of avoidable water loss.

In considering an application, Tiaki Wai may have regard to:

- the customer's normal historical water consumption
- the volume of water lost
- the nature and location of the fault
- whether the customer took reasonable steps to investigate and repair the fault
- whether the customer has previously received assistance for similar circumstances
- any other factors considered relevant by Tiaki Wai.

Any waiver may be calculated by reference to the customer's average historical consumption, with charges above that level being partially or fully waived.

Tiaki Wai may decline an application where:

- the leak or fault was known and not repaired within a reasonable timeframe
- the customer has failed to maintain plumbing or water infrastructure in a reasonable condition
- the customer has previously received repeated remissions for similar circumstances
- the customer is unable to provide reasonable evidence that an abnormal consumption event occurred.

The granting of a waiver or account adjustment under this section is discretionary and does not create an entitlement to future remissions.

## 8.4 Eligibility

To be eligible for hardship support, a customer must:

- be the **account holder** that is legally responsible for the water services account
- have their debt with Tiaki Wai (and not a landlord/property owner/property manager in the case of residential tenants)
- be experiencing **financial hardship**
- be **willing to engage** in payment discussions or budgeting support
- provide **reasonable information** to help Tiaki Wai assess the situation.

Previous access to hardship support or failure to adhere to previously established payment plans will not disqualify a customer from access to hardship support in the future, nor impact the ability to access future services

Tiaki Wai will consider flexible evidence requirements where family violence, health challenges or safety concerns make documentation difficult.

This Policy is primarily directed at owner occupiers requiring support, including retirees or low-income homeowners.

Support for landlords, or the holders of multiple properties as investments is limited to appropriate payment arrangements aspect of the Policy only.

## **8.5 How to apply**

Customers can apply for hardship support by contacting Tiaki Wai (or its agent) directly by phone or email.

Customers can be expected to provide:

- a brief explanation of their situation
- evidence of financial difficulty
- if relevant, confirmation of participation in budgeting or support services (noting this is not a requirement)
- information on water use if relevant, for customers on usage-based pricing (when introduced).

As part of our proactive monitoring, we may contact customers to determine whether they require hardship support, e.g. when the account is in arrears.

All information will be treated confidentially, with respect and dignity. We will treat all applications for hardship support sensitively and without judgement.

Language interpreters may be organised or arranged to support communications where necessary and at no cost to the customer.

## **8.6 How applications are assessed**

Applications are assessed by the Tiaki Wai credit control team, who will consider:

- the circumstances leading to the identified hardship, including the nature and duration of any financial stress
- the customer's willingness to engage constructively with Tiaki Wai, including in relation to potential hardship support
- any extenuating or sensitive circumstances, and specific hardship support that could be offered by other parties
- whether non-financial assistance has been explored
- the Tiaki Wai duty to manage charges fairly and responsibly.

Decisions will be communicated in writing. Payment plans will be confirmed within a reasonable timeframe.

# **9 Escalation Pathways and Use of Restriction**

## 9.1 Managing overdue accounts and last resort measures

Tiaki Wai will always attempt to work with customers constructively before taking any enforcement action. Restricting supply will be considered only:

- as a **last** resort, after a debt has been referred to debt collection
- after multiple attempts to engage
- when a customer is **unwilling** to pay.

Our priority is always to maintain access to essential water services for households facing hardship.

Any restriction of water services will only be undertaken where legally permitted and consistent with applicable legislation, public health requirements, regulatory obligations and any applicable service standards.

## 10 Referral to External Debt Collection

If an account remains overdue after 91 days and all internal escalation, hardship, and review processes are exhausted, Tiaki Wai may refer the water services or usage arrears, including any charges and fees to a contracted collection agency. Tiaki Wai will determine trigger points for referral to debt collection agencies and set out processes and procedures around this.

Agencies must comply with sector, legal and contractual requirements, treat customers equitably and respectfully, and maintain transparent dispute processes.

Tiaki Wai retains oversight for all externally managed accounts and is responsible for periodic quality and ethics review.

Transitional arrangement: The Councils will propose write-offs due to referral to debt collection agency to Tiaki Wai on a quarterly basis, on a single schedule detailing all proposed write-offs by customer. Tiaki Wai will review and approve the write-off in accordance with the Tiaki Wai Delegated Financial Authority.

After approval, Councils will process the write-offs in the billing systems, to remove the balance from the debtors ledger, transferring the balance to bad debt expenses.

Tiaki Wai will recognise this as an expense in the Tiaki Wai financial accounts.

Tiaki Wai will manage the referral and ongoing relationship with the Tiaki Wai Debt Collection agency.

## 11 Dispute Resolution

Any customer disputing the amount or validity of a debt may suspend collection while the issue is investigated.

[Utilities Disputes](#) (UDL) is the recommended first escalation point for customers who believe their concerns have not been addressed appropriately by Tiaki Wai.



UDL provides free and independent dispute resolution services, for electricity, gas, telecommunications and water complaints. UDL uses a wide range of dispute resolution techniques, including mediation and conciliation. If the parties cannot agree, UDL can issue a decision. Their services are free, fair and independent.

## 12 Communication and Customer Engagement

- Tiaki Wai is committed to clear, timely, and respectful communication with all customers.
- Ideal collection pathway: this is the proposed aim when Tiaki Wai assumes full responsibility for billing, payment collection and debt management.
  - a. Invoice issued.
  - b. Payment reminder via preferred channel at 14 days overdue.
  - c. Second reminder by letter, email, or phone at 21 days overdue, with details of debt, options for hardship help and potential penalties.
  - d. Further follow-up by credit control team at 28 days overdue.
  - e. Confirmation of overdue amounts detailed on future invoices issued.
  - f. Final warning letter at 60 days overdue with information on hardship process expectations and other escalation to agency collection.
  - g. External agency referral considered after 91 days overdue.

Transitional arrangement: Councils will adopt a follow-up approach according to their system capabilities, resourcing and collection philosophy.

- All written communications will be in plain English, with accessible style and contact details for support.

## 13 Late Fees and Penalties

Transitional arrangement: Late fees will not be applied by default, rather by exception at the direction of Tiaki Wai.

Councils are not required to configure systems to charge penalties if the system capability does not exist by default. Application of penalties will be completed by Councils manually on a case-by-case basis if required if Councils have that capability.

- Tiaki Wai reserves the right to charge late payment fees/penalties.
- If deemed appropriate, a late payment penalty of 3.5% of the amount outstanding will be applied.
- No penalty will be applied whilst the customer
  - has an agreed payment plan arrangement in place
  - is engaged with Tiaki Wai in discussions on setting of payment plans as part of the hardship section of this Policy.
- All fees, interest and charges will be reasonable, proportionate and disclosed to customers.
- Fees will not be compounded, and no penalty interest will be charged on hardship-supported payment plans.

## 14 Customer Data and Privacy

All information collected for debt management is used solely for legitimate billing, collection and support purposes, and handled in accordance with the Privacy Act 2020.

Customers may request access to, or correction of, their data.

Information will not be disclosed to third parties other than as required for debt collection, legal, or support team intervention, and always under appropriate confidentiality safeguards.

All information provided as part of a hardship application will be handled in accordance with Tiaki Wai privacy obligations. Sensitive information will be treated with the highest level of confidentiality.

## 15 Monitoring, Reporting, and Continuous Improvement

Transitional arrangement: Collections team to be defined as part of organisational design activities. Initially, the collection teams will be as defined by Councils as they are providing the service on behalf of Tiaki Wai until Tiaki Wai takes on full responsibility for the billing and collection services. In some cases, this may be the same as the billing team.

Whilst Councils are providing services, reporting expectations are limited to those that Councils can deliver without investing in new technologies, systems and processes beyond what has been established in the Interim Billing Solution scope.

Expectations on the proactive tracking of those in hardship or referrals to other agencies is limited to what the Councils currently capture.

As other regulatory requirements evolve, particularly Commerce Commission requirements, this Policy will be updated accordingly, noting that regardless of whether it is reflected in this Policy or not, all reporting requirements set by the Commerce Commission will look to be fulfilled.

Core accounting information to recognise the financial entries will be completed on a monthly basis.

In addition, the credit control team will provide at a minimum on a quarterly basis, reports to Tiaki Wai management, including the following metrics:

- percentage of overdue accounts and aged debt
- aged debt reporting
- payment plan arrangements
- bad debt write-offs
- collection agency referrals
- customer complaints (written or verbal if recorded in a system in a reportable fashion) and resolved disputes.

KPIs and standards are regularly reassessed in partnership with stakeholders, reflecting changes in law or industry best practice.

For the hardship aspects of the Policy, Tiaki Wai will regularly monitor how this Policy is applied to ensure it remains fair, effective and accessible. The Policy will be reviewed periodically and may be updated to reflect changes in customer needs, service delivery and pricing arrangements.

Tiaki Wai will report to the Board at least annually on the impact and effectiveness of its hardship Policy, including:

- the training provided to staff to ensure that matters relating to hardship or family violence are dealt with appropriately and sensitively
- how many applications have been made for hardship relief during the financial year
- how many customers were proactively identified as potentially facing hardship during the year
- how many customers were referred to social agencies or budget support agencies during the year
- how many customers were placed on a payment plan during the year
- how many customers were provided Tier 2 level support during the year
- how many customers were provided waivers or charge adjustments during the year and the total value of those waivers or adjustments
- how many (if any) service disconnections or restrictions were carried out during the year.

Tiaki Wai may aggregate information or withhold reporting on some or all of the above metrics if disclosure would otherwise impact the privacy of individuals.

## 16 Write-off and Delegation of Authority

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Tiaki Wai will sometimes need to write off debts that are not economical or feasible to collect. This section outlines when a debt might be written off and who can approve it.

## 16.1 When debts may be written off:

Typical reasons include:

- the debtor is **deceased** and has no estate or surviving liable party
- the debtor is **insolvent/bankrupt**, and no dividend is forthcoming (after the insolvency process is concluded)
- the debt is old and **statute-barred** (the legal time limit for collection has passed, meaning Tiaki Wai can no longer enforce it through courts)
- despite exhaustive efforts, the debt is deemed **unrecoverable** (e.g. customer cannot be traced or is in a situation of extreme hardship where pursuing the debt is counter-productive or against our social obligation)
- **settlement agreements:** Occasionally, Tiaki Wai might agree to write off a portion of a debt in a settlement (for example, forgiving penalties if the customer pays the principal, or as part of a hardship plan).

## 16.2 Delegated approval levels:

Write-offs shall be approved in accordance with the Tiaki Wai Delegated Financial Authorities Policy.

- All write-offs are to be reported to the Board/Board sub-committee (in summary form) either quarterly or at minimum annually, as part of financial reporting.
- **Documentation:** Every write-off decision will be documented with the reason and approval sign-off. The customer will be informed if appropriate (except in cases where they are uncontactable).

Transitional arrangement: All approvals of write-offs >\$100 will be approved by Tiaki Wai. Council billing teams will be able to write off small balances <\$100 that are uneconomic to follow up on, providing information to Tiaki Wai on what has been processed.

- **Recovery of written-off debts:** Even after write-off, Tiaki Wai may still accept payment or recover the debt if the opportunity arises (for example, if a customer whose debt was written off later comes into funds or applies for service again). Write-off is an accounting action and does not automatically mean the debt is forgiven from a legal standpoint; however, Tiaki Wai will typically not pursue a written-off debt unless new information comes to light.

- **Impact on customer:** If a debt is written off while the customer is still in residence and consuming services, Tiaki Wai will usually require them to go onto a **pre-payment** system or payment in advance to avoid further arrears, if available.

## 17 Related Policies

- Accounting Policy, specifically the provisioning for doubtful debts.
- Pricing Policy.
- Privacy Policy.

## 18 Policy Review timeline

This Debtors Management and Hardship Policy will be reviewed **at least every three years**, noting this may be reviewed at any time if considered appropriate. An out-of-cycle review could be required where there is a significant change in legislation, material changes to the Tiaki Wai operating model or delivery of water services, or other external factors that influence the assessment of hardship. In addition, if other means of support become available, for example the development of a potential community trust model for hardship support or the introduction of a ratepayer assistance scheme (which is available for Tiaki Wai customers), this Policy will require amendments to provide access to those support options.

The Board or relevant sub-committee of the Board will oversee the review process, seeking input from customer advocates or other stakeholders as needed. Any proposed changes to the Policy will be submitted to the Board for consideration and approval, after satisfying any required statutory consultation. Regular reviews will ensure the Policy remains up to date with best practice (e.g. new technology for customer engagement or new regulatory requirements) and continues to meet Tiaki Wai objectives of financial sustainability and customer fairness.