

Debt Management Procedure

31 March 2015



Murray Irrigation

Policy title:	Debt Management Procedure
Policy owner:	Executive Manager Finance
Date adopted:	
Scheduled review:	30 June 2016

Overview

Murray Irrigation supports our customers and will endeavour to offer assistance and payment options for customers experiencing genuine financial hardship.

We understand that every customer has unique circumstances and we will work with those in maintaining their account. Murray Irrigation will ensure that all customers are offered fair and balanced support and that all obligations to our customers are met.

Purpose

The purpose of this procedure is to implement fair and comprehensive debtor management, so as to enable Murray Irrigation to support and understand our customers in relation to the management of an outstanding debt.

Scope

This procedure applies to Murray Irrigation debtor accounts relating to fixed and variable charges for water supply, interest and miscellaneous charges - this excludes MILCast and PIOP accounts.

Authority

The Executive Manager Finance, in conjunction with the Chief Executive Officer, the Murray Irrigation Board of Directors and relevant Finance staff, is responsible for the approval of this procedure, and necessary amendments made upon annual review or as required.

Rights and responsibilities

Murray Irrigation

With regard to this procedure we will:

- Engage in a genuine discussion with our customers to determine the best option for payment, understanding that customers may be experiencing varied degrees of financial hardship.
- Endeavour to implement an individually tailored payment arrangement, mutually agreed upon by Murray Irrigation and the customer. This will be our preferred collection method before any formal debt recovery commences.
- Provide any information that may be advantageous to the customer in resolving their debt, including this procedure, upon request.
- Take on board any complaints regarding this procedure and consider them under review.

Customer

Customers can expect to:

- Be advised about suitable payment options that they can reasonably afford for their debt. As well as ongoing account management suggestions to prevent debt management troubles in the future.
- Be treated respectfully and sensitively on a case-by-case basis and have their circumstances kept confidential.
- Have any current payment arrangement reviewed, if there is a change in their circumstances.
- Not be subjected to legal action and additional debt recovery costs, whilst they continue to make payments within the terms of an agreed payment arrangement.
- Be responsible for promptly completing a Form 2 'Change of contact details' and submitting it to Murray Irrigation for account to reflect current contact details.

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Billing and payments

General information

Our water season runs from 1 July to 30 June each year. Invoices will contain fixed charges, and where water has been used, variable charges. Our pricing structure for fixed and variable fees is available on our website and can be provided upon request.

Each invoice will include the following information:

- The date the account has been issued and the billing period;
- The billing address and account number;
- The Landholding Reference Number (LRN) the charges relate to;
- The water usage amount, including deemed usage under specific agreements;
- The amount the customer is required to pay;
- The date by which the account must be paid;
- Payment methods available;
- Information about how to contact us in relation to questions about the account.

Billing frequency

During a water season there will be four quarterly invoices issued to customers, excluding those under a Domestic Supply Agreement who will be invoiced once per season (Q4).

Each quarter is as follows:

Quarter 1: 1 July to 30 September – Invoice issued end of October.

Quarter 2: 1 October to 31 December – Invoice issued end of January.

Quarter 3: 1 January to 31 March – Invoice issued end of April.

Quarter 4: 1 April to 30 June – Invoice issued end of July.

Payment methods

A range of payment methods are available, including cheque, BPay, direct deposit, cash or credit card (fees apply).

Discount

A five percent discount is offered to customers who make payment of the invoice within the discount period. Customers will only be eligible for this if all arrears are settled. This discount will not be extended and payment must be cleared with Murray Irrigation by close of business on the final day of the discount period.

Payment difficulties

If a customer is experiencing difficulty paying their account, they can contact us to discuss alternative payment options. Murray Irrigation will provide contact details for financial counsellors in the region to assist customers with managing their accounts. The financial counsellor will not be able to disclose any correspondence to Murray Irrigation unless otherwise authorised by the customer.

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Payment arrangements

If a customer foresees that they may have difficulty paying their account, they may contact Murray Irrigation prior to the due date to discuss a suitable payment arrangement. These arrangements are a formal contract between Murray Irrigation and the customer. Prior to entering into the contract, Murray Irrigation will discuss several factors with the customer including the duration of arrangement, past account history, payment amount and frequency, lump sum payments, and what to expect if the customer defaults on their arrangement.

The parameters of all arrangements will be:

- The arrangement may not extend over a period of more than two billing quarters.
- If at any time the arrears is paid in full, the arrangement will be terminated.
- Each payment due date may be extended for seven days with prior approval from Murray Irrigation based on the individual circumstances.
- The arrangement instalments will include accrued charges based on the customer's previous season's average usage.
- The arrangement does not allow the customer the benefit of the discount for any quarter invoices that are due within the arrangement period.

Murray Irrigation reserves the right to deny an application for payment arrangement if the customer has a failed payment arrangement within the previous 24 months, or does not supply reasonable assurance that they will be able to meet the requirements of a payment arrangement.

Payment extensions

Murray Irrigation can offer short term payment extensions, determined based on individual circumstances, to allow the customer an additional 30 days to make payment of the account. Customers should contact Murray Irrigation upon receiving their invoice if they will be unable to make payment by the due date.

Payment Instalments

Customers who are current with their account, can start contributing towards their future invoice with frequent instalments. Customers who wish to receive further advice regarding this can contact Murray Irrigation. We will provide the customer with an average instalment amount with varied frequency (weekly, fortnightly and monthly).

Non-payment and customer contact

Customers are expected to pay their accounts by the due date or make suitable arrangements, as agreed with Murray Irrigation. If a customer fails to communicate with Murray Irrigation where there is an overdue account, this will be considered as non-payment.

If an account is still outstanding by the due date, the following process will occur:

Reminder notice

If an account remains outstanding past the due date, interest will begin to accrue on the account. Once the account has been outstanding for 60 days from the date of issue of the invoice, Murray Irrigation will send a statement of account, and a reminder notice will be issued to the customer. From this point, the customer has until close of business on the final business day of the month to make payment of their account in full.

Customers may receive this notice despite making payment if:

- a) The discounted amount was paid and the customer was ineligible, therefore leaving the difference outstanding; or
- b) There are previous outstanding balances on the customer's account.

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Overdue notice

Failure to pay an account after receiving a reminder notice will generate an overdue notice being sent to the customer. The overdue notice will include a debt settlement pack that will provide options to the customer to assist with making payment of the account, including fact sheets for selling entitlements and contact details for financial consultants.

An overdue notice will advise the customer that their account has been placed on stop supply and if payment of the account is not made within 30 days, their account will be forwarded for legal action.

Legal action notice

Murray Irrigation will issue a notice of legal action to the customer if their account remains outstanding and no reasonable effort has been made to reduce the debt upon providing previous notices.

Suspension of collection

Where a customer is making a genuine attempt to reduce their debt through means of selling water, actively consulting with a financial counsellor or other, Murray Irrigation, at its sole discretion and considering the customer's previous credit history with the company, may suspend the collection process of the account. In order for this suspension to be approved, the customer must communicate with the Accounts Receivable Officer regarding their situation and actions towards paying their account.

If a customer does not appear to be making reasonable progress with clearing their debt, at Murray Irrigation's sole discretion, the collection process may commence.

Actions relating to non-payment

Stop supply – If a customer's account is placed on stop supply, this landholding will be unable to receive water to their outlets and will be prevented from placing orders for water delivery.

Notice delivery – Where a notice is provided to the customer, it will be delivered using the same method as invoice delivery. Murray Irrigation will consider the notice received by the customer when using current account details for delivery. It is the responsibility of the customer to update contact details with Murray Irrigation to ensure receipt of correspondence.

Legal action – Where Murray Irrigation has complied with all steps of this debt collection procedure and an account remains unpaid, legal action may commence. Using an external company to pursue the account for collection, all related fees incurred during this process will be passed onto the customer. An account must reach a zero balance before stop supply is removed.

Removal of stop supply – Murray Irrigation is granted one business day to remove the stop supply of a landholding where the account is current and eligible for access to water delivery.

Interest – Interest will be applied to accounts that remain outstanding after the due date. Interest charges will not incur interest, however an account that has interest outstanding will be considered overdue if it remains unpaid.

Payment terms and discounts

Upon invoice issue, the following occurs:

- < 30 days from invoice issue – account paid eligible for five percent discount
- > 60 days from invoice issue - Account due date, no discount allowed. Interest charges commence.
- > 90 days from invoice issue - Reminder notice.
- > 120 days from invoice issue - Overdue notice and Suspension of Supply applicable.
- > 150 days from invoice issue - Account sent for legal action.

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Murray Irrigation contact

Customers are encouraged to make contact with Murray Irrigation at any point they have queries or concerns regarding their account or this procedure. Customers who consider an account to be incorrect will remain responsible for the debt. Where a customer raises concerns regarding their account, Murray Irrigation commits to resolving the issue efficiently and the collection process will be suspended while there remains ongoing investigations into a customer account.

The first contact for a customer regarding their account for payments or queries, is the Accounts Receivable Officer who will maintain the standard of the debt management procedure. In the event that a customer is unhappy with this resolution, they reserve the right to speak with a member of finance management.

All customer enquiries via reception on T. 1300 138 265 or email info@murrayirrigation.com.au.