

Tasmanian Irrigation Pty Ltd Financial Hardship Policy

Background

Tasmanian Irrigation acknowledges that at times its customers ("irrigators") may experience times of unforeseen financial hardship due to circumstances outside of their control. This Financial Hardship Policy supports Tasmanian Irrigation's commitment to helping irrigators who have the intent but not the capacity to meet their financial obligations within the terms of their contract and/or invoice.

The aim of this policy is to apply fair and consistent approaches to the management of such situations for all parties.

Temporary Hardship

Sudden changes in circumstances may lead to short term (less than 12 month) financial difficulties. These changes might include ill health of an irrigator or member of their family, change in employment status or poor management of business cash flows.

In such instances an extension of time for payment ("extension of time") may be made for a maximum of 60 days beyond the terms of the invoice. Extensions over 60 days must be approved by the CEO, or their delegate, of Tasmanian Irrigation.

Alternative payment arrangements may be agreed to with a General Manager or the CEO of Tasmanian Irrigation however such arrangement will only be considered in exceptional circumstances, in Tasmanian Irrigation's absolute discretion.

The terms of any extension of time or alternative payment arrangement must be formally outlined in a letter from Tasmanian Irrigation to the irrigator. The letter must then be signed and returned by the irrigator to Tasmanian Irrigation as a record of the agreement. No extension of time or alternative payment arrangement will commence until the irrigator has agreed and officially accepted the terms of the letter in the manner set out above.

Where the debt relates to the payment of Water Entitlement Purchase Contract completion (including late fees), the water entitlements do not pass to the irrigator until full payment of the outstanding debt is received by Tasmanian Irrigation.

Long Term Hardship

Some changes in circumstances may lead to hardship which spans for more than a 12 month period.

Where there is long term inability to meet the financial obligations associated with the holding of a water entitlement then Tasmanian Irrigation may consider entering into a payment arrangement

with the irrigator. At that time Tasmanian Irrigation will consider what supporting documentation will be required to verify an irrigator's financial circumstances. The terms of any payment arrangement depend on the irrigator's individual circumstances. Examples of terms that may be negotiated include;

- An upfront part payment of part of the outstanding debt with the remainder to be paid by way of instalments;
- Minimum monthly repayment plans; or
- Extension of a repayment period.

Where an irrigator is unable to make payments for the principal amount which is outstanding, or if they are unable to meet ongoing obligations including annual charges, access to the irrigation water will cease (refer to Irrigation Right & Delivery Right Contracts, section 57 of the Irrigation Clauses Act 1973).

NOTE: Tasmanian Irrigation does not act as a water sales broker, however assistance is available if the irrigator wishes to sell or lease their water to another party. Free advertising for water trading is available on the Tasmanian Irrigation Water Trading Notice Board (<http://www.tasmanianirrigation.com.au/index.php/buy-trade-search>).

Identification of Financial Hardship

Irrigators who do not make payments within the terms of their invoices and/or contracts will receive a reminder from Tasmanian Irrigation either via telephone or letter. If no response is received by the date stipulated, a final written notice will be sent. If no response is received by the date stipulated in the final written notice, the debt will be recommended for lodgement with Tasmanian Collection Services as per the Accounts Receivable Policy.

Irrigators who are facing financial hardship must contact Tasmanian Irrigation as soon as possible so that it may consider the circumstances and to prevent the account being referred to the collections agency.

As noted above, Tasmanian Irrigation may require irrigators to provide evidence of their financial hardship. Any such information obtained for this reason will be kept secure in accordance with Tasmanian Irrigation's Privacy Policy which accords with the National Privacy Principles.

This Financial Hardship Policy will be available on the Tasmanian Irrigation website, and will also be provided to irrigators who have fallen behind in their obligations along with their initial reminder notice.

Expectations of those bound by Payment Arrangements & Extensions of Time

Irrigators who have in place a payment arrangement or extension of time can expect the following from Tasmanian Irrigation;

- Be treated sensitively and respectfully and without judgement;
- Have their information and arrangement details kept confidential;
- Receive confirmation of the arrangements in writing within 14 days;
- Be advised of the availability of accredited financial counselling services;
- Receive a copy of this policy upon request;
- Not have their water supply restricted or disconnected as long as they have agreed to/follow the terms of a payment arrangement or extension of time; and
- Be protected from legal action and debt recovery costs as long as they have agreed to/follow the terms of a payment arrangement or extension of time.

In turn, Tasmanian Irrigation expects the following from irrigators who have a payment arrangement or extension of time in place;

- Acknowledging the debt and your obligation to repay it by signing copy of the letter setting out the and returning it to Tasmanian Irrigation within 14 days of receipt;
- Provision of information relating to your financial situation so that Tasmanian Irrigation can accurately assess and monitor the repayment of the debt;
- Making repayments as agreed;
- Notifying Tasmanian Irrigation immediately of if you do not feel you can meet any of the instalments or terms so that the arrangement can be reviewed.

Accounting for part payments received

Where appropriate, part payment of overdue charges will be allocated in the following sequence:

1. Legal & external collection cost recovery
2. Interest or late fees on rates and charges
3. Arrears of rates and charges
4. Current rates and charges

How to contact Tasmanian Irrigation

Telephone: 03 6398 8433

Email: enquiries@tasirrigation.com.au

Mail: PO Box 84, EVANDALE TAS 7212

Internet: www.tasirrigation.com.au

Policy Approved

Date: 1/10/15

Chairman of the Board: 

ANNEXURE 1: Debt Management Process

This diagram is in accordance with the Tasmanian Irrigation Accounts Receivable Policy.

