

STANDARD

Interest Charges on Customer Accounts

NOVEMBER 2016

VERSION: 1.0

HUNTER WATER



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DOCUMENT INFORMATION

Version History

Version	Author	Sections Changed	Approved By	Date Approved
1.0	B Jones	ALL	Chief Customer Services Officer	04/11/2016

Summary of Changes in this Version

Section Title	Section No.	Change Summary
ALL	ALL	Original Release

Document Control

Document Owner	Group Manager Billing & Collections
Approvals	Chief Customer Service Officer
Related Documents	
Associated Regulations / Standards	
Published Document	Yes

1 PURPOSE

This standard outlines the application of interest charged by Hunter Water on overdue customer accounts.

2 SCOPE

This standard applies to customers who are issued accounts for water, sewer and/or stormwater charges in accordance with the Customer Contract.

3 KEY ELEMENT / REQUIREMENT

Most customers receive a bill from Hunter Water once every 4 months. Customers have 21 days from the date of issue of their account to make full payment.

3.1 When interest starts accruing on a customer account

If payment is not received by the due date of the bill Hunter Water interest charges will start to accrue until the outstanding amount has been paid in full.

3.2 Authority to apply interest

Hunter Water may apply interest to overdue accounts in accordance with the Customer Contract.

3.3 How the interest rate is set

Interest is charged on overdue account balances at a rate which is effective from 1 July each year. The interest rate is 4% above the cash rate last published by the Reserve Bank of Australia before 1 July of that year.

3.4 How interest is applied to overdue accounts

Interest will accrue on a daily basis on the account commencing from after the due date until the overdue amount is paid. The amount of overdue interest that has accrued is applied to the next bill.

Interest is calculated as simple interest. This means interest is not charged on interest charges.

3.5 When can interest be waived

If an account is in dispute then Hunter Water will not accrue interest on the disputed portion of the account until the matter has been resolved.

Interest charges are waived for residential customers that are receiving support due under Hunter Water's Account Assistance Program (AAP) for customers experiencing financial hardship. Interest charges are waived whilst the customer's complying with the requirements of the AAP, which includes meeting agreed scheduled payments.

Interest charges are not waived if a customer is granted a short payment extension and they are not part of the AAP.

4 DEFINITIONS, ACRONYMS & ABBREVIATIONS

Acronym or Abbreviation	Definition
Account Assistance Program (AAP)	Hunter Water's hardship program to assist customers who are experiencing financial difficulty