

# Media Release

**14 December 2010**

## **Low income water consumers doing it hard in rural and regional Victoria**

The Essential Services Commission's Water Performance Report for 2009-10, released today, highlights the huge equity issues that have crept into our water pricing framework. Rural and regional Victorians continue to face higher water and sewerage charges, paying on average \$213 more per year than people in metropolitan Melbourne.

If you live in Gippsland, you are probably paying double your counterpart in the western suburbs of Melbourne. The report shows that an average Gippsland Water customer faced charges of \$1049 for the year, compared to \$597 for customers of City West Water. The disparity still occurs if you are a concession card holder. The 50% concession discount on water and sewerage charges is capped at \$245, so cardholders in Gippsland Water's area would pay \$804 compared with \$352 in Melbourne's western suburbs.

Jo Benvenuti, Executive Officer of the Consumer Utilities Advocacy Centre, said that the report confirms feedback from local groups. "We've been hearing that many people in the area are struggling to pay for essential services like water, electricity and gas on top of their housing costs. That's not surprising when you consider that many of the areas with the highest prices are also socio-economically disadvantaged. For example, ABS figures show Latrobe City in Gippsland is among the most disadvantaged areas in Victoria."

The ESC report shows that there are more price increases to come. Regional urban consumers can expect increases of between 5% to 9% excluding CPI adjustments between 2010 and 2013. Metropolitan water consumers can also expect higher prices in 2011-12. City West Water and South East Water prices will increase by 10 per cent and Yarra Valley Water by 11 per cent.

"We're concerned that water businesses are not doing enough to help people with payment difficulties," said Jo Benvenuti. "Instalment plans are one way of helping people to manage their bills, but the rate of customers on instalment plans increased by only 0.1 per cent in the period. Worryingly, 3236 domestic consumers had their water restricted for non-payment, an increase of 7 per cent. 555 of those restricted were concession card holders. CUAC will be calling on the ESC to examine whether these consumers had been offered hardship plans in an effort to keep them on supply."

CUAC wants government, regulators and the community to start talking about these equity issues in water pricing and how they can be addressed. CUAC will host a water pricing forum in Melbourne on 28 February to help kick off the discussion ahead of the ESC's next water pricing review.

**For more information call Jo Benvenuti, Executive Officer, CUAC on 03 9639 7600.**