



MEDIA RELEASE

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Improved concessions and hardship programs will be the key if water price rises proceed

Improved access to water concessions and affordable payment plans will be paramount if the Essential Services Commission (ESC) proceeds with its draft decision to allow metropolitan water retailers to increase prices by up to 25 per cent from 1 July.

The Consumer Action Law Centre (Consumer Action) and Consumer Utilities Advocacy Centre (CUAC) welcomed the ESC's draft decision to scale back the water businesses' initial proposal to increase prices by over 30 per cent, but said the large price rise will still hit struggling households.

Gerard Brody, CEO of Consumer Action, said that the ESC has already identified some areas in which the water businesses can reduce their costs and therefore the size of the price increase passed through to consumers.

'Despite the scaling-back, these proposed price rises are significant. The cost of essential services disproportionately affect low-income households and, without proactive responses from Government and water retailers, many households may face restricted supply or increasingly unmanageable bills', said Mr Brody.

The consumer advocates also welcomed the ESC's instruction to Melbourne Water to re-submit its proposal after re-examining its options for recovery of desalination plant costs.

'Consumer groups welcome the prospect of consulting further with Melbourne Water about these options, and we hope that further savings can be made in this area in the ESC's final decision', said Mr Brody.

Consumer Action and CUAC also welcomed the ESC's proposal for water businesses to invest up to \$5 million to better support customers in hardship.

'We're pleased the ESC is prompting water retailers to invest in their hardship programs. Compared to other utilities such as energy companies or telecommunications firms, water retailers have historically been more proactive and supportive of customers in financial difficulty', said Jo Benvenuti, Executive Officer of CUAC.

'Given these price rises, further investment can ensure customers are provided with affordable payment plans and supported with government concessions and rebates. Water retailers should also review their customer contact centre resources and staff training procedures to make sure struggling households are identified and supported. We'd also encourage retailers to make information about free and independent financial counselling services available to customers,' said Ms Benvenuti.

The consumer advocates added their support to the Victorian Council of Social Services' call for a review of water concessions. 'Low income families can't afford to implement the water saving measures that many other households will use to offset this price increase. Offering an effective concession can make a world of difference to these households,' said Ms Benvenuti.

Australians struggling to pay their utility bills can access free, independent and confidential financial counselling by calling 1800 007 007.

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