

Media Release

30 October 2009

Regulator's report opens door to private operators in Victorian water sector

Consumer groups warn that the delivery of water services in Victoria could be radically changed, following the release of a report from the Essential Services Commission (ESC) today.

The State Government-commissioned report recommends changes that would give private operators vastly increased access to Victoria's water and sewerage infrastructure, from public dams to household meters.

The Consumer Action Law Centre, Victorian Council of Social Service (VCOSS) and Consumer Utilities Advocacy Centre (CUAC) are concerned that the Government has not properly assessed whether competition in the water sector through third party access will provide any benefits to the Victorian public. Nor has this plan been subject to effective public scrutiny of the risks and benefits involved in such a move.

"We are very concerned that these recommendations are being made in the absence of a clearly stated policy position from the Government," said Nicole Rich, Director - Policy & Campaigns of the Consumer Action Law Centre.

"There has been no analysis of the benefits and disadvantages of the proposed reforms, so there is no clear evidence that competition in water services would result in better outcomes for consumers. This report puts the how before the why."

"The current industry arrangements ensure that vulnerable and disadvantaged households can get equal access to essential water services. We are concerned that changes to the water industry, without proper debate and public scrutiny, could see these consumers lost in a race to the bottom," said Cath Smith, CEO of VCOSS.

While the ESC consulted on the Government's brief, Consumer Action, VCOSS and CUAC believe that the potentially radical changes recommended in the final report require full community consultation and broader public debate – particularly in relation to the recommendations that private operators be allowed access to public dams and reservoirs and to individual household meters.

"Water is protected in the Victorian Constitution for very good reasons. Water is not like any other commodity," said Jo Benvenuti, Executive Officer of the Consumer Utilities Advocacy Centre.

"Water policy involves issues of public health and environmental concerns, not to mention basic human rights. The public needs to have full confidence in its access to clean, safe drinking water and to safe, secure and affordable billing arrangements."

Media contacts: Eileen Kerrigan, Consumer Action Media and Communications Officer on 0413 299 567; Cath Smith, VCOSS Chief Executive Officer on 0421 350 643; Jo Benvenuti, CUAC Executive Officer on 03 9639 7600 or 0408 896 044