

# MEDIA RELEASE

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## CONSUMER GROUPS FEAR CITY WATER USERS WILL GET THE “SOUTH GIPPSLAND” TREATMENT UNDER UNIFIED WATER LAWS

Consumer groups are concerned that large water bill price rises for Melbournians will be combined with new unfair and punitive measures to pursue payment.

Janine Rayner, Senior Policy Officer at the Consumer Action Law Centre, says that under current legislation, only regional water authorities are able to charge interest on overdue amounts or secure unpaid bills against a customer's home, but the Government's promised moves to harmonise Victoria's water laws could subject Melbourne customers to the same treatment.

“We don't think *any* water authorities should have these powers. It is highly unlikely that anyone who can afford to pay is going to ignore their water bill and have their water supply restricted to a trickle. Charging interest on an overdue bill is the same as a late payment fee. It simply punishes customers who are already experiencing financial hardship and exacerbates their situation.”

“When Melbourne's metropolitan water businesses were corporatised during the 1990's, powers to charge interest were removed and since then it's only country customers who have been subject to these draconian penalties,” Ms Rayner said.

“While we welcome the introduction of a single Victorian water law, the Government has got it the wrong way around in relation to this power. They should take it from the regional authorities rather than giving it to the metropolitan ones. Melbourne households struggling with higher water bills risk being worse off if the Government fails to act decisively to remove these archaic provisions. The Government banned late payment fees on energy bills years ago and they should do the same for water.”

Ms Rayner used the example of South Gippsland Water to demonstrate the extent to which water debt collection powers could be used, in even minor matters.

“South Gippsland Water has applied penalty interest, or issued notices of legal action or restriction, on overdue amounts of less than \$20\*, despite the fact water authorities are generally prohibited from taking legal action or restricting water supply for overdue amounts under \$120,” Ms Rayner said.

“Last year South Gippsland Water provided some of the most expensive water services in the state. Its residential customers used close to the lowest average amounts of water in Victoria, yet received close to the highest average household bills. This makes it very hard for South Gippsland families to lower their water bills further.”

“If a customer is risking having their water supply limited over \$10 we think it should be obvious to any reasonable business that the customer may not have the financial resources to pay that bill. An offer of hardship arrangements, rather than levying additional charges or restricting supply, seems a more reasonable response.”

*\* Copies of notices available on request.*

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