



**Consumer Law Centre Victoria**



**MEDIA RELEASE – Embargoed until Sunday, 21 November 2004**

## **VICTORIANS CUT OFF FROM ELECTRICITY, GAS AND WATER BECAUSE THEY CAN'T AFFORD TO PAY**

Victorian households are being cut off from electricity, gas and water services purely because they cannot afford to pay their bill.

According to a landmark report by the Consumer Law Centre Victoria (CLCV) and the Consumer Utilities Advocacy Centre (CUAC), released today, this situation is unacceptable.

“Victorians should not have to go without electricity, gas or water simply because of a lack of finances,” said Nicole Rich, Supervising Solicitor, CLCV and co-writer of the report. “Electricity, gas and water are essential services and all Victorian households should have access to them at a price they can afford,” Ms Rich said.

“Even worse, when a customer is disconnected their whole family is disconnected as well, including their children,” Ms Rich said.

The report, *Access to Energy and Water in Victoria – A research report*, found that in some cases Victorian energy and water suppliers breached their legal obligations when disconnecting customers who were in genuine financial hardship.

“The rules about when energy and water suppliers can disconnect a customer who cannot pay are not always clear. Suppliers can use loopholes to get around their obligations to help customers having problems paying their bill,” said May Mauseth, Policy Officer, CUAC and co-writer of the report.

“Some Victorian households also have trouble keeping their energy or water bills low because they live in poor quality, inefficient housing that means they use more energy and water,” Ms Mauseth said.

The report argues that a range of measures need to be introduced to stop Victorian households from getting disconnected when they are in financial hardship, including:

- giving the Essential Services Commission (the regulator of the Victorian energy and water industries) the power to fine suppliers that breach their legal obligations;
- introducing a Basic Energy Account and Basic Water Account that guarantees energy or water services at an affordable price to Victorian households in financial hardship;
- forcing landlords to provide information to potential tenants about the likely costs of heating and cooling their rental property and running the appliances in the property;
- mandating minimum energy and water efficiency standards for private rental properties; and
- imposing an obligation on energy and water suppliers to adopt hardship policies for dealing with customers with payment problems, based on mandated minimum standards.

“Competition in the Victorian energy market has provided benefits to many Victorian households. Unfortunately, some Victorians are not getting their fair share of those benefits. The Victorian government and the Essential Services Commission are responsible for ensuring that all Victorians benefit fairly from the gains of the reforms to our energy market,” said Ms Rich.

“Energy and water suppliers must also accept responsibility for improving the affordability of electricity, gas and water services. They have the first contact with customers so they are in the best position to identify who might need help,” said Ms Mauseth.

**For further information contact:**

Consumer Law Centre Victoria:                      Nicole Rich                      9629 6300 or 0417 348 571

Consumer Utilities Advocacy Centre:              May Mauseth                      9639 7600 or 0403 983 817