

MEDIA RELEASE

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REGIONAL WATER CUSTOMERS ON THE DRIP FEED, SAYS CONSUMER ACTION

Consumer Action Law Centre has slammed a number of Victorian regional water businesses for unfairly restricting the water supply of consumers and initiating legal action in relation to small debts.

The 2006/07 Water Performance Report issued by the Essential Services Commission (ESC) this week showed:

- 2,125 domestic consumers (95% of them in regional Victoria) being restricted for non-payment, an increase of 15% from the previous year;
- 70% of Coliban Water's restrictions lasting more than 14 days;
- Five other regional water businesses having 30-40% of their restrictions lasting more than 14 days;
- 2,833 legal actions being initiated against Victorian consumers for non-payment (an increase of over 20% on the previous year); and
- Average debt levels for legal action and restrictions being low, often less than \$300.

The Report indicates Coliban Water and Goulburn Valley Water are the worst offenders.

"Access to water is a fundamental human right," said Consumer Action Director of Policy and Campaigns Gerard Brody, "And restricting water supply is not an appropriate way to engage consumers to pay their bills".

"That so many consumers are restricted from water for over 14 days is astounding" said Mr Brody, "it tells us that these water businesses are not addressing the needs of their customers, but rather penalising them and perhaps even endangering their health".

Mr Brody said that suing consumers for non-payment does not address consumers' debt problems but exacerbates them, as debt collection and other legal costs will be added to the bill.

"Over the last few years, the metropolitan water businesses have been leaders in credit management and addressing the needs of consumers who have difficulty paying for their water bills" said Consumer Action Director of Policy & Campaigns Gerard Brody, "it is not good enough that Victoria's regional consumers are getting a second best deal from the regional water businesses."

"With water prices set to increase dramatically from 1 July 2008, we wonder how many more consumers will be restricted from their basic human right", said Mr Brody.

Mr Brody called upon the government and the regulator, the ESC, to act urgently to ensure that regional water businesses lift their game on hardship and that consumers are being treated fairly. This must happen before price rises exacerbate an already worsening situation.

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