Essential Services Commission

Dear Sir/Madam

RE : Water Price Review, Water Plans – Issues Paper, December 2007

I would like to submit the following in response to the 2008 Water Price Review, Water Plans – Issues Paper December 2007.

The region includes Morwell and Moe which currently has unemployment at approximately 10%. Many areas in the Gippsland Water region are asset rich and income poor. The region has a number of people reliant on Government support and also has an ageing population also reliant on Government support and/or on very limited incomes. The Latrobe Valley was the hardest region hit by the National Competition Policy and is still recovering from the privatisation of the electricity industry.

I believe the Commission, Water Plan and Issues Paper has not met the objectives of the Essential Services Act 2001, Part 2, Section 8(I) in that it has failed to protect the longer term interests of Victorian consumers with regard to price. The proposed increases by Gippsland Water are excessive and one of the highest in Victoria. These increases are inconsistent with other increases across the State.

The Water Plan, Issues Paper and Commission has failed to meet the principles of the WIRO which states, "The WIRO states the price must: take into account the interests of customers, including low and vulnerable customers and."

The proposed increases are unfair, unjust and excessive. There is no incentive and/or reward for consumers to reduce their usage; this is out of line with community expectations.

I attended a community meeting arranged by Gippsland Water. In my opinion, there was not one person in the gallery who voiced their approval of the Water Plan. The gallery was deeply concerned at the proposed increases and capital expenditure proposed.

Further the Water Plan has an allocation of $45 million to supply Loch Sport with sewerage and water. Loch Sport is not in the Gippsland Water region. The customers of Gippsland Water should be required to pay for this capital expenditure.

Gippsland Water customers are paying for approximately 70% of the water and using approximately 30%. Industry is paying for 30% and using approximately 70% of the total water used. This is unfair and unjust. Given the electricity is of State significance, the cost of water should be bourn by all Victorians, not just Gippsland Water customers. I request the Essential Services Commission reviews this unfair system.

The cost of the Gippsland Water factory should be met in full by the State Government and/or the recipients/beneficiaries of the project. Gippsland Water residential/community/small to medium business customers should not be required to pay for this project as there is no benefit to these customers.

I believe the Gippsland Water Plan, in its current form will cause significant financial hardship on a substantial number of Gippsland Water customers and members of the community.

I look forward to your acknowledgement and encourage you to review the serious concerns I have raised.

Yours faithfully
Lisa Proctor

28/01/2008