



Urban Water Inquiry
Productivity Commission
LB2 Collins Street East
Melbourne VIC 8003

8 November 2010

Dear Commissioners

Re: Australia's Urban Water Sector

ACOSS is the national voice for the needs of people affected by poverty and inequality and the peak council for the community and social services sector in Australia. We are primarily concerned with families and individuals whose income is in the two lowest quintiles as reported by the Australian Bureau of Statistics. Through our members and the network of state and territory Councils of Social Service, we represent several thousand community and social service organisations.

We welcome the opportunity to contribute to your inquiry examining the case for microeconomic reform in Australia's urban water sector. We note though that while we are interested in the inquiry and its outcomes we do not have resources sufficient to the task of engaging as comprehensively as we would like.

ACOSS is interested in arrangements for the sourcing, delivery and sale of water primarily because the supply of potable water is an essential service for 'urban' households. We are of the view that water should be supplied reliably, equitably, affordably and sustainably. We are of the view that other vital water-related services including wastewater services should be provided in ways that are appropriate to circumstances and affordable for consumers.

Many community welfare services, from child care through aged care, are heavily reliant on affordable supplies of water and at risk from increasing prices for services essential to their operations. We understand 2.b. of the terms of reference (scope of inquiry) regarding 'impacts on governments, businesses and consumers' to extend to a consideration of impacts on not for profit organisations, particularly those that provide a range of services to low income and otherwise vulnerable or disadvantaged individuals and households.

We greatly appreciate the opportunity afforded by the Commission to participate in the stakeholder roundtable held in Sydney last week. We would certainly appreciate an opportunity to appear at one of your scheduled public hearings to discuss a range of concerns relevant to your terms of reference including:

- ensuring that analysis of costs and benefits is cognisant of consumer interests including the need for appropriate consumer protections in retail markets;



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- ensuring that consideration of 'opportunities for efficiency', particularly those that suggest the introduction or extension of 'competition' to 'markets', includes rigorous scrutiny, an analysis of all costs and benefits, and avoids ideological predisposition or optimism bias; and
- with regard to competition in particular and 'efficiency' more generally, we would be pleased to share our observations of reform of retail energy markets.

We wish you well for the task ahead and look forward to assisting as best as our resources permit. Please contact me should you have any questions on 02 9310 6200.

Yours sincerely,

Dr Cassandra Goldie
Chief Executive Officer
Australian Council of Social Service