



Our Ref: A3400030

10 December 2018

Dr Ron Ben-David
Chairman
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne VIC 3000

Dear Dr Ben-David

Draft Guidance on Price Submission for the period 2020 to 2024

Thank you for the opportunity to review and provide feedback on the Commission's draft guidance for Goulburn-Murray Water's (GMW) Price Submission due 15 November 2019. We note that the guidance is in two parts to reflect requirements of the Water Charge (Infrastructure) Rules (Cth.) and Water Industry Regulatory Order (Vic.), with the former dominating our range of services.

While we note the full PREMO incentive mechanism does not apply to GMW, we have commenced and are preparing our Submission on a basis as if those requirements were in place. We have been informally advised that the final guidance will include Board attestation that is absent from the draft. The advantages of a fast-track assessment and potential for revenue through a higher Weighted Average Cost of Capital may not be in place, but we see the essential need for effective customer engagement to drive us irrespective. In this regard, we are currently in the process of appointing an Executive Manager Strategic Engagement who will report directly to me regarding the engagement processes for our pricing submission. This person will further develop the excellent work carried out by KPMG and will stay within the organisation after the pricing submission to ensure that quality engagement and consultation practises are sustained.

We believe the guidance papers provide GMW with sufficient scope to cover that variety of reviews and reforms we are contemplating.

GMW is and continues to practice regular engagement with the Commission officers to ensure we are able to meet the information requirements that will enable the Commission to make a decision with as minimal supplementary assessment as possible.

Thank you again for your assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bill Jaboob".

Bill Jaboob
INTERIM MANAGING DIRECTOR