

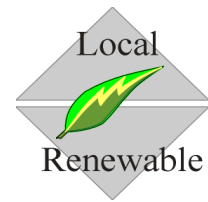
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PLAINS WATER LTD

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09 May 2008

The Commissioner
The Victorian Essential Services Commission
Level 2, 35 Spring Street
Melbourne
Victoria 3000

Dear Sir,

Re: Submissions to the 2008 Water Price Review – Draft Decision Volume II March 2008

Further to our submission to the Draft Decision released in December 2007, we would like to express our general approval of the overall decision of the Commission and the general direction of pricing policy embodied in the decision.

We noted in our earlier submission that our company has proposals for the development of recycled water infrastructure in Victoria to assist in meeting the substantial deficit in water infrastructure. In that context we noted we have some interaction with land developers whose views we note the Commission was seeking and which we were to some extent able to represent in that response, together with our own.

We can also say that our submission at this time, in addition to land developers, represents the views of the wider stakeholder base in the local community in the Geelong region, including local government.

There is a demand based need for water infrastructure, particularly recycled water infrastructure, to meet sustainability requirements well beyond that budgeted for by Barwon Water over the regulatory period. In particular, the demand is for high-value dual-water reticulation development in all of the new development estates. It will only be private sector capital and innovation that delivers that.

With regard to new customer contributions we would have preferred that Table 19 retained the prescribed contributions for recycled water at the same level as that for water and sewerage as indicated in the December 2007 Draft Report. We wish to continue to represent to land developers that the level of contributions for dual-reticulation should be as set out in the December Draft Decision.

Our major submission however, is for the need for a fair framework for access that complies with national competition regulation and the reforms required under National Water Initiative, to which Victoria is a signatory. While this is not strictly a matter for the Commission alone, the regulatory framework does have an impact on this and we wish to express our desire, and that of the wider community, for a framework that is fair, compliant and delivers sustainable outcomes.

Yours faithfully,

Michael Jones
Managing Director
Plains Water Ltd