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Dr Ron Ben- David
Chairperson
Essential Services Commission
Level 2, 35 Collins Street
MELBOURNE VIC 3000

Dear Dr Ben-David

GWMWater Response to Draft Report - Inquiry into an Access Regime for Water and Sewerage Infrastructure Services

Thank you for the opportunity to respond to the Inquiry into an Access Regime for Water and Sewerage Infrastructure Services draft report.

In response to this draft report GWMWater would like to reinforce the comments made in the original submission dated 14 April 2009. Since this time, GWMWater has participated in the development of the water industry response to your draft report prepared by VicWater. GWMWater fully supports the observations and representations made by VicWater in its response to the draft report.

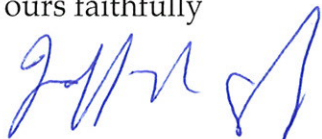
GWMWater welcomes any initiative that will present the opportunity to further promote economic efficiency in the water industry. The VicWater response has identified a number of areas where some doubt exists as to whether the initiatives identified will promote improved efficiency. It is the view of GWMWater that a well regulated natural monopoly can provide an efficient and effective service to consumers. The Victorian water industry has generally been active in involving the private sector in the provision of water and wastewater services where this can lead to more cost effective outcomes and this has certainly been the case at GWMWater. This can be supplemented by an effective framework for third party access to provide some certainty to both the industry and third parties.

The current system of regulation has successfully improved the operational performance and economic efficiency of the Victorian water industry. This has been evidenced through the results of annual ESC performance audits and the National Water Commissions performance report for 2007/08 indicating that Victoria has some of the lowest residential water bills in the country.

The complexity and potential implications of the draft recommendations put forward by the ESC in this report need careful consideration if these are to be developed in a consistent framework and deliver an effective regime.

GWMWater look forward to further participation in this process.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Jeff Rigby', with a stylized flourish at the end.

Jeff Rigby
Managing Director