

25 January 2024

Ms Naomi Menon
Director – Competition Exemption
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Dear Ms Menon

**RE: WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED APPLICATION
FOR AUTHORISATION AA1000657-1 – INTERESTED PARTY CONSULTATION**

I refer to the application for interim and final authorisation under section 88(1) of the *Competition and Consumer Act 2010* (Cth) dated 13 December 2023 and lodged by the Water Services Association of Australia (**WSAA**) (the **Application**). Terms used in the Application have been used consistently here.

The Water Corporation is a statutory corporation established under the *Water Corporations Act 1995* (WA) and is wholly owned by the Western Australian Government. The Water Corporation is the principal supplier of water, wastewater, bulk irrigation and drainage services throughout the state of Western Australia, with an asset base of \$37b (replacement value). Given its ownership, the Water Corporation is answerable to the Minister for Water in Western Australia, and ultimately, to the Western Australian public.

The Water Corporation supports the Application and believes that the Proposed Interim Conduct and Proposed Conduct is critical to ensure supply chain resilience in the water sector. This will ensure that clean drinking water can be provided to its customers notwithstanding supply chain disruption.

In particular, the Water Corporation supports the Application for the following reasons:

- (a) Water is a legally codified critical infrastructure sector, and the Water Corporation plays an essential role in ensuring that the Western Australian public has access to safe drinking water.
- (b) The Water Corporation relies heavily on the supply of liquified chlorine gas (**LCG**) in its treatment processes across Western Australia, and its assets have been designed and

constructed to accommodate LCG treatment. Moving to an alternative form of disinfectant treatment would be an extremely costly exercise and is not currently viewed as being a viable option.

- (c) The Water Corporation has itself identified that Ixom's current manufacturing and bottling facility in Laverton, Victoria, is the only such facility in Australia and therefore presents a sovereign risk to the safe continuity of supply of drinking water in Australia, a risk that has also been independently identified by the Australian national security agencies, and the manufacturers overseas owners (*Keppel Infrastructure Trust*) via the *Foreign Investment Review Board* application processes.
- (d) The Water Corporation has performed risk assessments in respect of its options to ensure diversity of supply. However, given the current LCG market, as described in the Application, this has been a difficult undertaking.
- (e) The Water Corporation believes:
 - (i) discussions between consumers of LCG; and
 - (ii) collective negotiations with LCG producers,are required to ensure that any potential secondary manufacturing and bottling facility has a sufficiently robust customer base to encourage investment.
- (f) The Proposed Interim Conduct and Proposed Conduct has the obvious public benefit of ensuring that a serious sovereign risk to the safe supply of drinking water in Australia could be remedied by the introduction of a new player in the LCG market, or exploration and development of contingent offshore supply chain options.
- (g) The Water Corporation does not believe that the Proposed Interim Conduct or the Proposed Conduct will result in public detriment as:
 - (i) the Water Corporation does not compete with any other water supplier;
 - (ii) there is presently only one market participant in the LCG manufacturing and distributing market in Australia, which means the Proposed Interim Conduct and the Proposed Conduct may result in competition benefits for the community, rather than any lessening of competition;
 - (iii) the Proposed Conduct will be overseen by the Commonwealth Government; and
 - (iv) the Proposed Conduct has the support of the Western Australia State Government.

The Water Corporation otherwise agrees and endorses the other considerations raised by WSAA in the Application. The Water Corporation will advise the ACCC immediately of any material change in the circumstances relating to its submission.

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Please feel free to contact me or the Water Corporation representative listed in the Application if you require further details.

Yours faithfully

A handwritten signature in black ink that reads "Dean Page". The signature is written in a cursive style with a long, sweeping flourish at the end.

Dean Page
CHIEF FINANCIAL OFFICER
WATER CORPORATION