

TW File: 14/1671

24 January 2014

Mr D Burgess
Director
Office of the Tasmanian Economic Regulator
GPO Box 770
Hobart TAS 7001


Dear Mr Burgess

Structure of License Fees

Thank you for your letter of 10 December 2013 requesting comment on the review of the Structure of License Fees and the associated consultation paper.

TasWater notes that the Regulator intends for OTTER's operating license costs to continue to be allocated on the basis of 'regulatory effort' applied in the water and sewerage industry.

TasWater supports this position and in doing so notes the following statements in the consultation paper that "...associated regulations, codes and guidelines for the sector have now been developed..." and "...the Regulator's role with respect to its administration of the regulatory framework has become more maintenance focussed".

TasWater looks forward to seeing a reduction in the operating license fee in the future to reflect reduced regulatory effort in these areas.

TasWater would also like to acknowledge the transparency in the component breakdown of the Economic Regulator's licence fee. TasWater would like to encourage other contributing parties to also follow this approach to assist understanding on the component breakdown of licence fees. TasWater will be writing separately to the Minister's Department to encourage the adoption of this approach.

If you wish to discuss these comments further, please contact Stewart Sharples, Department Manager Regulation and Pricing on 6237 8383 or via email at stewart.sharples@taswater.com.au.

Yours sincerely



Cam Crawford
General Manager Strategy and Stakeholder Management