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**ENERGY MARKETS &  
PROGRAMS DIVISION**

14 October 2015

**OFFICE OF THE  
TECHNICAL REGULATOR**

Mr Adam Wilson  
Chief Executive Officer  
Essential Services Commission of South Australia  
GPO Box 2605  
ADELAIDE SA 5001

GPO Box 320  
ADELAIDE SA 5001

Telephone: 08 8226 5500  
Facsimile: 08 8226 5866  
[www.sa.gov.au/otr](http://www.sa.gov.au/otr)

Dear Mr Wilson

**SA WATER REGULATORY DETERMINATION 2016: ADVICE ON SA WATER'S  
REGULATORY BUSINESS PROPOSAL TO MEET YOUR OBLIGATIONS**

Thank you for the opportunity to provide formal advice on matters relating to SA Water's Regulatory Business Proposal to meet the statutory obligations of the Technical Regulator detailed in your letter dated 6 October 2015.

It is understood that SA Water was asked by the Essential Services Commission of South Australia (the Commission) to liaise with relevant regulators during the preparation of the SA Water's Regulatory Business Proposal 2016 (RBP 2016). Although, there has been no formal engagement regarding the Technical Regulator's obligations in relation to the RBP 2016, the Office of the Technical Regulator and SA Water have been in regular communication. In particular, several meetings have occurred regarding the preparation of their safety, reliability, maintenance and technical management plan (SRMTMP), which is our primary regulatory requirement under the *Water Industry Act 2012* (the *Act*).

The RBP 2016 states that the Office of the Technical Regulator is responsible for monitoring technical standards for water and sewerage infrastructure, which is aligned with the Technical Regulator's role under the *Act*. To date, the Technical Regulator has not established any additional regulator obligations under the *Act*, and as a result SA Water has not been required to alter or change any existing practices or operations.

It is noted that the RBP 2016 includes statements regarding the increased Licence Fees being primarily attributed to the cost of functions transferred to the Office of the Technical Regulator from SA Water. We don't understand the basis for this statement and would request that it be reviewed and corrected.

Should you have any questions regarding this letter, please do not hesitate to call Niki Robinson, Manager Water and Sewerage Infrastructure on 08 8463 3209.

Yours sincerely,

**Rob Faunt**  
**Technical Regulator**