

EXPLANATORY STATEMENT

Jervis Bay Territory Acceptance Act 1915
Administration Ordinance 1990

Electricity Supply Fees Determination 2013 (Jervis Bay Territory)

The *Administration Ordinance 1990* was made pursuant to Subsection 4F(1) of the *Jervis Bay Territory Acceptance Act 1915* (the Act) which provides that the Governor-General may make Ordinances for the peace, order and good government of the Jervis Bay Territory (the Territory).

Subsection 3B(1) of the *Administration Ordinance 1990* enables the Minister responsible for Australia's Territories to determine fees for the provision of utilities and services provided by the Australian Government in the Territory. The Minister has delegated the power to determine fees for these utilities and services to specific official positions within the Department of Regional Australia, Local Government, Arts and Sport (the Department). The signatory of this Determination is such a delegate under the *Christmas Island, Cocos (Keeling) Islands, and Jervis Bay Territory Delegation Instrument 2012 (No 2)* dated 20 July 2012.

The purpose of this Determination is to set the electricity fees for the Jervis Bay Territory. These fees take into account Government policy to deliver services to Jervis Bay Territory residents at a standard and cost that are based on general parity with those charged by electricity retailers in the surrounding region as approved by state and national regulators, and recovery of some of the costs of electricity provision. The Territory does not have an economy of scale to enable full recovery of all the costs related to the provision of electricity.

Details of this Determination are set out in Attachment A.

This Determination revokes the *Electricity Supply Fees Determination 2012 (Jervis Bay Territory)*.

This Determination commences on 1 July 2013.

Consultation

The Department published a Jervis Bay Territory Community Bulletin (Bulletin), which was placed on the Department's Internet and posted to electricity account holders in the Territory. The Bulletin invited comment on the proposed *Electricity Supply Fees Determination 2013 (Jervis Bay Territory)*.

No submissions were received in response to the Bulletin.

Compatibility with Human Rights

The *Statement of Compatibility with Human Rights* is set out in Attachment B.

**DETAILS OF THE ELECTRICITY SUPPLY FEES DETERMINATION 2013
(JERVIS BAY TERRITORY)**

Details of the Determination are as follows:

Section 1 of the Determination provides that it may be cited as *Electricity Supply Fees Determination 2013*.

Section 2 provides that the Determination commences on 1 July 2013.

Section 3 provides for the revocation of the previous Electricity Supply Fee Determination.

Section 4 defines the terms used in the Determination.

Subsection 5.1 provides that Schedule 1 determines fees for the supply of electricity. The following outlines how these fees are set:

- Domestic fees, General Supply fees and domestic customer rebates are based on equivalent electricity supply charges and rebates in the surrounding NSW region as at December 2012. NSW electricity supply charges are determined by the NSW Independent Pricing and Regulatory Tribunal (IPART) and the Australian Energy Regulator.
- The Large Low Voltage (LV) industrial and 11kV time-of-use demand supply fees are calculated on the Department's electricity purchase costs and a margin to transport the electricity from the NSW-Jervis Bay Territory border using Australian Government infrastructure.

Subsections 5.2 and 5.3 provide for rebates to electricity fees. The basis of these rebates is as follows:

- Given the general parity of domestic electricity charges with those of the surrounding region, the rebates available to Jervis Bay Territory residents are similarly drawn from those offered in NSW. The rebates available in Jervis Bay Territory have been structured to meet known requirements of Territory residents.

Section 6 provides that Schedule 2 determines miscellaneous fees for the supply of electricity. The miscellaneous fees are based on recovery of direct costs incurred by the Department for services rendered under commercial contracts.

Section 7 provides the eligibility for 11 kilovolt time-of-use demand supply.

Section 8 provides the eligibility for LV industrial supply.

Section 9 provides for the period for payment.

Section 10 provides for action taken by the Department in the case of non-payment by the customer.

Section 11 provides for the requirement, use and refund of security deposits.

Jervis Bay Territory Electricity Fees (GST inclusive) comparison table:

When examining the Domestic and General Supply fees below, it is important to note that the 2013 *supply* fees achieve general parity with those charged by electricity providers in the region at the time that each Determination was/is made. By comparison, the services or *Other* fees relate to the recovery of direct contracted-service costs incurred by the Department.

Rate changes for LV Industrial and 11kV Time of Use Demand supplies reflect bulk electricity purchase cost reductions achieved through the new Department of Defence electricity supply contract with ERM Power Retail Pty Ltd.

Note: All fees listed are GST inclusive with the exception of security deposits which do not attract GST, refer Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.

Domestic supply

Item	Description	Cost Units	2012 Fee	2013 Fee.	Variance
1	System access	\$/day	0.65835	0.76054	16%
2	First 1167 kWh for a 60-day period	\$/kWh	0.24035	0.26675	11%
3	For the balance of all electricity supply	\$/kWh	0.26609	0.29821	12%

Domestic supply controlled off-peak

Item	Description		2012 Fee	2013 Fee	Variance
1	Off-peak access for off-peak 1	\$/day	0.05060	0.05192	3%
2	Off-peak 1 (up to 9 hours off-peak supply daily)	\$/kWh	0.08008	0.09317	16%
3	Off-peak access for off-peak 2	\$/day	0.05060	0.05192	3%
4	Off-peak 2 (up to 18 hours off-peak supply daily)	\$/kWh	0.12738	0.14509	14%

General supply

Item	Description	Cost Units	2012 Fee	2013 Fee	Variance
1	System access	\$/day	0.81037	0.94908	17%
2	1667 kWh for 60-day period	\$/kWh	0.22198	0.25025	13%
3	For the balance of all electricity supply	\$/kWh	0.24189	0.27170	12%

General supply controlled off-peak

Item	Description	Cost Units	2012 Fee	2013 Fee	Variance
1	Off-peak access for off-peak 1	\$/day	0.05060	0.05192	3%
2	Off-peak 1 (up to 9 hours off-peak supply daily)	\$/kWh	0.08008	0.09317	16%
3	Off-peak access for off-peak 2	\$/day	0.05060	0.05192	3%
4	Off-peak 2 (up to 18 hours off-peak supply daily)	\$/kWh	0.12738	0.14509	14%

Note: All fees listed are GST inclusive with the exception of security deposits which do not attract GST, refer Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.

LV industrial supply

Item	Description	Cost Units	2012 Fee	2013 Fee	Variance
1	For all electricity supply	\$/kWh	0.14432	0.19096	32%

11kV time-of-use demand supply

Item	Description		2012 Fee	2013 Fee	Variance
1	Monthly fee	\$/kVA	10.9461	11.7150	7%
2	For electricity supply during a peak period	\$/kWh	0.12749	0.17666	39%
3	For electricity supply during a shoulder period	\$/kWh	0.11726	0.16511	41%
4	For electricity supply during an off-peak period	\$/kWh	0.06435	0.09757	52%

Domestic Customer Rebates

Item	Description	Cost Units	2012 Rebate(\$)	2013 Rebate(\$)	Variance
1	Pensioner rebate	\$/day	0.55	0.59	7%
2	Life support or constant positive airway pressure respirators rebate	\$/day	0.83	0.83	0%

Note: All fees listed are GST inclusive with the exception of security deposits which do not attract GST, refer Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.

Connection of electricity supply — fees payable before connection

Item	Description	2012 Fee (\$)	2013 Fee (\$)	Variance
1	Security deposit — pensioners	100.00*	100.00*	0%
2	Security deposit — customers other than pensioners	200.00*	200.00*	0%
3	New account supply connection fee	66.00	66.00	0%

Note: * GST does not apply to security deposits, refer to Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999*

Other fees

Item	Description	2012 Fee (\$)	2013 Fee (\$)	Variance
1	Disconnection fee at the meter board	66	66	0%
2	Reconnection fee at the meter board	66	66	0%
3	Combined disconnection/reconnection fee — at the pole or distribution pillar	583	583	0%
4	Meter test requested by customer – charged per hour and minimum charge is for one hour	66 per hour	66 per hour	0%
5	Extraordinary meter reading due to no access	66	66	0%
6	Notice of disconnection delivery fee	14	14	0%
7	Each customer requested change of off-peak pricing option in excess of once in a 12-month period	66	66	0%

Note: All fees listed are GST inclusive with the exception of security deposits which do not attract GST, refer Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

Electricity Supply Fees Determination 2013

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This Legislative Instrument sets the electricity supply fees for the Jervis Bay Territory.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.