EXPLANATORY STATEMENT

*Jervis Bay Territory Acceptance Act 1915*

*Administration Ordinance 1990 (Jervis Bay Territory)*

# Electricity Supply Fees Determination 2014 (Jervis Bay Territory)

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

Subsection 3B(1) of the *Administration Ordinance 1990* enables the Minister responsible for Jervis Bay Territory 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 Commonwealth Department having responsibility for administration of Australian territories, currently the Department of Infrastructure and Regional Development (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 Territory.

These fees take into account the Australian Government policy objective that Territory residents have access to services that are similar to those provided in equivalent state communities and 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.

**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 2014 (Jervis Bay Territory).*

No submissions were received in response to the Bulletin.

**Compatibility with Human Rights**

This Determination, a 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.

This Legislative Instrument does not engage any of the applicable rights or freedoms. This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

**DETAILS OF THE ELECTRICITY SUPPLY FEES DETERMINATION 2014**

**(JERVIS BAY TERRITORY)**

Details of the Determination are as follows:

Section 1 titles the Determination.

Section 2 provides the date on which the Determination commences.

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 February 2014. 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 2014 *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, refer Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.

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| **Domestic supply** | |  |  |  |  |
| **Item** | **Description** | **Cost Units** | **2013 Fee** | **2014 Fee.** | **Variance** |
| 1 | System access | $/day | 0.76054 | 0.76868 | 1.1% |
| 2 | First 1750 kWh for a 90‑day period | $/kWh | 0.26675 | 0.27126 | 1.7% |
| 3 | For the balance of all electricity supply | $/kWh | 0.29821 | 0.30151 | 1.1% |
| **Domestic supply controlled off‑peak** | | |  |  |  |
| **Item** | **Description** |  | **2013 Fee** | **2014 Fee** | **Variance** |
| 1 | Off-peak access for off-peak 1 | $/day | 0.05192 | 0.05214 | 0.4% |
| 2 | Off‑peak 1 (up to 9 hours off‑peak supply daily) | $/kWh | 0.09317 | 0.09460 | 1.5% |
| 3 | Off-peak access for off-peak 2 | $/day | 0.05192 | 0.05214 | 0.4% |
| 4 | Off‑peak 2 (up to 18 hours off‑peak supply daily) | $/kWh | 0.14509 | 0.14696 | 1.3% |
| **General supply** | |  |  |  |  |
| **Item** | **Description** | **Cost Units** | **2013 Fee** | **2014 Fee** | **Variance** |
| 1 | System access | $/day | 0.94908 | 0.95777 | 0.9% |
| 2 | 2500 kWh for 90‑day period | $/kWh | 0.25025 | 0.25597 | 2.3% |
| 3 | For the balance of all electricity supply | $/kWh | 0.27170 | 0.27698 | 1.9% |
| **General supply controlled off‑peak** | | |  |  |  |
| **Item** | **Description** | **Cost Units** | **2013 Fee** | **2014 Fee** | **Variance** |
| 1 | Off-peak access for off-peak 1 | $/day | 0.05192 | 0.05214 | 0.4% |
| 2 | Off‑peak 1 (up to 9 hours off‑peak supply daily) | $/kWh | 0.09317 | 0.09460 | 1.5% |
| 3 | Off-peak access for off-peak 2 | $/day | 0.05192 | 0.05214 | 0.4% |
| 4 | Off‑peak 2 (up to 18 hours off‑peak supply daily) | $/kWh | 0.14509 | 0.14696 | 1.3% |

Note: All fees listed are GST inclusive, refer Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.

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| **LV industrial supply** | | |  | |  | |  | |  | |
| **Item** | | **Description** | **Cost Units** | | **2013 Fee** | | **2014 Fee** | | **Variance** | |
| 1 | | For all electricity supply | $/kWh | | 0.19096 | | 0.19337 | | 1.3% | |
| **11kV time‑of‑use demand supply** | | |  | |  | |  | |  | |
| **Item** | | **Description** |  | | **2013 Fee** | | **2014 Fee** | | **Variance** | |
| 1 | | Monthly fee | $/kVA | | 11.7150 | | 11.6400 | | -0.6% | |
| 2 | | For electricity supply during a peak period | $/kWh | | 0.17666 | | 0.18084 | | 2.4% | |
| 3 | | For electricity supply during a shoulder period | $/kWh | | 0.16511 | | 0.16926 | | 2.5% | |
| 4 | | For electricity supply during an off‑peak period | $/kWh | | 0.09757 | | 0.09792 | | 0.4% | |
| **Domestic Customer Rebates** | | |  | |  | |  | |  | |
| **Item** | | **Description** | **Cost Units** | | **2013 Rebate($)** | | **2014 Rebate($)** | | **Variance** | |
| 1 | | Pensioner rebate | $/day | | 0.59 | | 0.64 | | 8.5% | |
| 2 | | Life support or constant positive airway pressure respirators rebate | $/day | | 0.83 | | 0.83 | | 0% | |

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| Note: All fees listed are GST inclusive, 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**

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| --- | --- | --- | --- | --- |
| **Item** | **Description** | **2013 Fee ($)** | **2014 Fee ($)** | **Variance** |
| 1 | New account supply connection fee | 66.00 | 77.00 | 16.7% |

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| **Other fees** | |  |  |  |
| **Item** | **Description** | **2013 Fee ($)** | **2014 Fee ($)** | **Variance** |
| 1 | Disconnection fee at the meter board | 66 | 77 | 16.7% |
| 2 | Reconnection fee at the meter board | 66 | 77 | 16.7% |
| 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 | 77 per hour | 16.7% |
| 5 | Extraordinary meter reading due to no access | 66 | 77 | 16.7% |
| 6 | Notice of disconnection delivery fee | 14 | 16 | 14.3% |
| 7 | Each customer requested change of off‑peak pricing option in excess of once in a 12‑month period | 66 | 77 | 16.7% |

Note: All fees listed are GST inclusive, refer Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.