

EXPLANATORY STATEMENT

*Cocos (Keeling) Islands Act 1955
Utilities and Services Ordinance 1996*

Water and Sewerage Services Fees and Charges (Cocos (Keeling) Islands) Determination 2014 No 2No2

Section 3 of the *Utilities and Services Ordinance 1996* CKI (the Ordinance) authorises the Administrator to make provision for the supply and use of utilities and services in relation to, amongst other things, water and drainage and sewerage in the Territory. Section 4 of the Ordinance provides that the Administrator is to impose a fee for the provision to a person, or the use by a person, of such utilities and services.

To cater for the repeal of the Commonwealth Government's tax on carbon under the Clean Energy Act 2011 Cth the Water and Sewerage Services Fees and Charges (Cocos (Keeling) Islands) Determination 2014 No 2 (the Determination) amends fees and charges for water and wastewater charges on Cocos (Keeling) Islands and replaces the Water and Sewerage Services Fees and Charges Determination 2014.

It is government policy that wherever possible there should be parity between the prices charged in the Territory and those charged in Western Australia (WA). Generally charges for water and sewerage services are calculated based on whether the property is residential (which is defined as a private dwelling house, home unit, or flat and includes any yard, garden or outhouse), non-residential, government, exempt (i.e. charitable, on-profit and religious organisations) or vacant land.

In WA, fees and charges for water and sewerage services are set annually and aim for full cost recovery. Full cost recovery includes all costs, cost of depreciation plus a return on assets. However in recognition of some high cost, small customer base schemes, only partial cost recovery occurs.

The fees set in the Determination are similar to those rates and charges that apply in WA and these charges are considerably less than the cost of supply.

Schedule 1 Fixed Charge for Water

Residential - water

A fixed charge is imposed for the provision of water services and these charges decrease 1.2% in line with WA changes.

Non-residential – water

A fixed charge is imposed for the provision of water services to Commercial, Industrial and Government customers based on the size of the meter on the water supply and these charges decrease 1.2% in line with WA. The fixed charge for other customers decrease 1.2% in line with WA.

Schedule 2 – Fixed Charges for Sewerage

Residential - Wastewater

An annual service charge is applied to all residential properties based on the property's Gross Rental Value (GRV), which is supplied by the Valuer General. The fixed charge for sewerage is calculated by multiplying the GRV by a 'rate in the dollar' and is subject to a minimum and maximum charge. The minimum and maximum charges decrease 1.2% in line with WA.

A 'rate in the dollar' is calculated by estimating the cost to operate the scheme and includes such things as estimated operating costs, depreciation on assets and return on assets. For high 'rate in the dollar' schemes the rate is capped at 12 cents and Water Corporation calculates that Cocos (Keeling) Islands scheme is a high 'rate in the dollar' scheme.

There is no change to the maximum 'rate in the dollar' which is set at 12 cents in the dollar in line with WA.

Non-residential – wastewater

Charges for sewer align with equivalent charges in WA and the minimum and maximum charges decrease 1.2% in line with WA changes.

Schedule 3 – Quantity Charges

In accordance with 2008 WA Government reforms customers are encouraged to save water and quantity charges will continue to be adjusted to reflect the real cost of the cost of providing water in country areas.

Residential

Water consumption is calculated from regular meter readings and then multiplied by a charge per kilolitre according to the 'class' appropriate to the area. A 'class' of water use charge (1 to 5) applies to different towns across WA depending on the total cost to the Water Corporation of providing water from the local scheme.

To encourage the careful use of water, the charges are structured so that the price per kilolitre increases as more water is used. Each year Water Corporation reviews these costs and allocates a town or scheme to a 'class'. Where the costs change significantly, the town or scheme is moved up or down a class progressively until it reaches the appropriate class. Cocos residential properties remains at *Class 5 - Water use price north of the 26th parallel* and the Determination reflects these changes to the cents per kilolitre charged.

The Quantity Charge for residential customers decreases 1.2%.

Non-residential

In WA each scheme is classified according to the cost to operate the scheme. Towns are then classified and customers charged water consumption according to *Band 1-15 Non-residential water consumption rates*.

Due to the cost to operate the scheme Cocos (Keeling) Islands non-residential properties are classified *Band 13 Non-residential water rates* and these rates decrease 1.2%.

A quantity charge for sewer volume discharge applies throughout WA and encourages customers to look at ways to minimise discharge to sewer (e.g. water efficient appliances, dual flush toilets, low flow shower roses and taps, etc.)

Commercial, government or industrial discharge to sewer charge decreases 1.2%.

Schedule 4 – Building Application Fees

A standard decrease of 0.8%% is applied in line with changes to comparable WA fees and charges. There are no changes to Building Application fees for building plans for other than residential and multi-residential units (construct new building/alter existing building).

Schedule 5 – Other fees Discounts, Interest rates and additional charges

A 0.8% decrease is applied in line with comparable WA fees and charges.

Consultation

The delivery of water and sewerage service in Cocos (Keeling) Islands is provided under a service delivery arrangement with the Water Corporation of Western Australian. The fees and charges specified in this Determination were set in consultation with Water Corporation and are similar to those applying to country WA customers. In the same way as such charges are determined and set in WA and other Australian States, no other consultations were appropriate.

The Determination commences on 1 November 2014.

Approximate rates of decrease in the various fees from the previous Determination are described below:

	2014/15 + Carbon Tax	2014/15 - Carbon Tax	% Decrease
SCHEDULE 1 – FIXED CHARGES FOR WATER			
1 Residential	\$218.05	\$215.46	-1.2%
2 Commercial, Industrial (except as specified in item 6) and Government.			
15 or 20mm meter or un-metered (minimum)	\$218.05	\$215.46	-1.2%
25mm	\$340.70	\$336.66	-1.2%
30mm	\$490.58	\$484.76	-1.2%
35, 38 or 40mm	\$872.19	\$861.85	-1.2%
50mm	\$1,362.79	\$1,346.63	-1.2%
70, 75 or 80mm	\$3,488.75	\$3,447.38	-1.2%
100mm	\$5,451.17	\$5,386.53	-1.2%
140 or 150mm	\$12,265.13	\$12,119.69	-1.2%
3 Institutional/Public, Charitable Purposes, Local Government	Nil	Nil	Nil
4 Vacant land	\$218.05	\$215.46	-1.2%
5 Fire service	\$218.05	\$215.46	-1.2%
6 Strata-titled Commercial or Industrial property sharing a water service	\$218.05	\$215.46	-1.2%

Note - Additional connections will be charged at the same rates as above

SCHEDULE 2 – FIXED CHARGES FOR SEWERAGE**1 Residential**

Rate in the dollar per \$ of GRV	0.12	0.12	0.0%
Minimum annual charge	\$351.91	\$347.74	-1.2%
Maximum annual charge	\$876.86	\$866.46	-1.2%

2 Commercial or Industrial

First major fixture	\$818.43	\$808.73	-1.2%
Second major fixture	\$350.34	\$346.19	-1.2%
Third major fixture	\$467.86	\$462.31	-1.2%
Subsequent major fixture	\$508.77	\$502.74	-1.2%
Minimum Annual Charge	\$818.43	\$808.73	-1.2%

3 Vacant Land

Rate in the dollar per \$ GRV	0.12	0.12	0.0%
Minimum charge	\$231.57	\$228.82	-1.2%
Maximum annual charge (where held for future residential use)	\$876.86	\$866.46	-1.2%

4 Institutional/Public, Charitable Purposes or Local Government

First major fixture	\$219.89	\$217.28	-1.2%
Subsequent major fixture	\$96.75	\$95.60	-1.2%

5 Government

First major fixture	\$818.43	\$808.73	-1.2%
Second major fixture	\$350.34	\$346.19	-1.2%
Third major fixture	\$467.86	\$462.31	-1.2%
Subsequent major fixture	\$508.77	\$502.74	-1.2%

6 Strata-titled Commercial or Industrial sharing a major fixture

\$508.77	\$502.74	-1.2%
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SCHEDULE 3 – QUANTITY CHARGES**1 Residential or Vacant Land for Residential Purposes (water use)**

	\$/kL	\$/kL	
0 - 350kL (350kLs)	1.464	1.447	-1.2%
351 - 500kL (150kLs)	1.951	1.928	-1.2%
501 - 750kL (250kLs)	3.991	3.944	-1.2%
Over 750kL	6.862	6.781	-1.2%

2 Commercial, Industrial, Government or Vacant land not mentioned in item 1 (water use)

0 - 300kL	5.788	5.719	-1.2%
over 301kL	5.788	5.719	-1.2%

3 Institutional/Public (non-government schools, churches, community facilities etc) Charitable purposes or Local Government (water use)

0 - 300kL	2.083	2.058	-1.2%
over 301kL	2.083	2.058	-1.2%

4 Commercial, Government or Industrial discharge to sewer

0-200kL per property (allowance)	Nil	Nil	Nil
Over 200kL	3.0079	2.9722	-1.2%

The number of kilolitres is calculated by multiplying the water used by the discharge factor to determine discharge to sewer

SCHEDULE 4 – BUILDING APPLICATION FEES				
1	Building plans to construct a new residential building or alter an existing residential building (charge is for each residential unit).	\$120.86	\$119.90	-0.8%
2	Minor building fee for approval of an outbuilding to a single residential property, includes pools, garages and pergolas (in sewered areas only).	\$35.29	\$35.00	-0.8%
3	Building plans for multi-residential units	\$120.86	\$119.90	-0.8%
		/unit	/unit	
4	Building plans for other than residential and multi-residential units (construct new building/alter existing building) at a cost of:			
	Up to \$22,500 (sewered area only)	\$25.00	\$25.00	0.0%
	Over \$22,500 but not over \$200,000	\$85.00	\$85.00	0.0%
	\$200,001 but not over \$500,000	\$330.00	\$330.00	0.0%
	\$500,001 but not over \$1,000,000	\$550.00	\$550.00	0.0%
And where the cost exceeds \$1,000,000 —				
	First \$10,000,000	\$0.90 per \$1,000	\$0.90 per \$1,000	0.0%
	Over \$10,000,000 \$9,000 plus	\$0.25 per \$1,000	\$0.25 per \$1,000	0.0%
		Over \$10,000,000	Over \$10,000,000	

SCHEDULE 5 – OTHER FEES, DISCOUNTS, INTEREST RATES AND ADDITIONAL CHARGES

1	Relocation of service	Quoted cost	Quoted cost	
2	Water service disconnection or reconnection	Quoted cost	Quoted cost	
3	Special meter readings for change of ownership/tenancy -			
	Within 7 days	\$16.31	\$16.18	-0.8%
	Within 2 days	\$54.79	\$54.35	-0.8%
4	Advice of Sale Requests			
	Electronic advice – standard	\$43.30	\$42.95	-0.8%
	Electronic advice – urgent	\$81.67	\$81.02	-0.8%
	Manual advice – standard	\$74.28	\$73.69	-0.8%
	Manual advice – urgent	\$112.35	\$111.45	-0.8%
5	Meter Tests			
	20mm to 25mm meters	\$104.65	\$103.81	-0.8%
	Over 25mm meters	actual cost	actual cost	
6	Restoration of service after restriction			
	between 7:00am and 4:00pm any day except Saturday, Sunday and public holidays	\$149.80	\$148.61	-0.8%
	Any other time	\$238.03	\$236.14	-0.8%
7	Sewer connection charge	Quoted cost	Quoted cost	
8	Installation of sewer junction	Quoted cost	Quoted cost	

Statement of Compatibility with Human Rights

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

Water and Sewerage Services Fees and Charges Determination 2014 No 2

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 Bill/Legislative Instrument

The Legislative Instrument sets the annual fees and charges for water and sewerage services within the Territory of Christmas Island.

Human rights implications

Article 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) requires that Australia ensure the availability, adequacy and accessibility of food, water and housing for all people in Australia in providing an adequate standard of living.

The right to water also includes the protection against arbitrary and unlawful disconnection of water and access to a minimum amount of safe drinking water to sustain life and health.

The range and standard of services provided on the Indian Ocean Territories are similar to those provided in remote Australian communities with similar characteristics, particularly demographic characteristics or service provision needs, recognising any special needs of the Indian Ocean Territories.

Under a Service Delivery Arrangement with the Department, the Water Corporation of WA provides water and wastewater services to the communities of the non-governing Territory of Cocos (Keeling) Islands. The Water Corporation operates under the applied *Water Services Act 2012* (WA)(CKI) and maintains similar standards and conditions that apply to regional WA.

Water Services Act 2012 (WA)(CI), the applied Act, and the Water Services Code of Conduct (Customer Standards) 2013, the Code, protects the customer against the arbitrary and unlawful disconnection of water and provides customers with access to a minimum of 2.3 litres each minute of safe drinking water to sustain life and health.

Information about the applied Act and Code is publically available and provides for assistance to customers experiencing financial hardship and establishes procedures for dealing with complaints about water services.

The *Water and Sewerage Fees and Charges (CKI) Determination 2014 No 2* sets the annual fees and charges for water and sewerage services for the Cocos (Keeling) Islands Territory. As the *Water Services Act 2012* (WA)(CKI) and the Water Services Code of Conduct (Customer Standards) 2013 protect consumers, this Determination does not engage any applicable rights or freedoms and so is compatible with human rights as it does not raise any human rights issues.

Conclusion

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