

## EXPLANATORY STATEMENT

*Jervis Bay Territory Acceptance Act 1915*  
*Administration Ordinance 1990 (Jervis Bay Territory)*

### **Amended 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 the 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.

### **Carbon Tax Repeal**

This Determination has been prepared to meet the requirements of carbon tax repeal legislation. All new energy rates incorporate the removal of the carbon tax as of 1 July 2014. Rates that were set from 1 July 2014 by the previous *Electricity Supply Fee Determination 2014 (Jervis Bay Territory)* are revoked by this Determination.

Although this Determination takes effect before the date of registration, it meets the conditions of Section 12 of the *Legislative Instruments Act 2003*. No electricity account holder or person (other than the Commonwealth or an authority of the Commonwealth) will be disadvantaged as at the date of registration.

The Australian Government policy objective is that Territory residents have access to services that are similar to those provided in equivalent state communities in relation to electricity supply. This objective is achieved through fees based on general parity with those charged by electricity retailers in the surrounding region and recovery of some of the costs of electricity supply. 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 website and posted to electricity account holders in the Territory. The Bulletin invited comment on the proposed *Amended 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 AMENDED 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. NSW retail electricity supply charges are no longer determined by the NSW Independent Pricing and Regulatory Tribunal (IPART) and the Australian Energy Regulator. NSW small customer retail electricity rates are now subject to competitive market forces.

- Domestic fees and General Supply fees are based on a survey of market based electricity supply rates on offer from licenced electricity retailers in the surrounding NSW region on 20 October 2014. These rates were reviewed by the use of the Commonwealth Government website “Energy Made Easy”. Rates associated with competitive “no fixed term” offers on 20 October 2014 were considered. Domestic rates were set to match an Origin Energy offer. General supply rates were set to match an ERM offer.
- 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 by the NSW government. 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 amended 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 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*.

### Domestic supply

Item	Description	Cost Units	Original 2014 Fee	Amended 2014 Fee	Variance
1	System access	\$/day	0.76868	0.76868	0%
2	First 1750 kWh for a 90-day period	\$/kWh	0.27126	0.24981	-8%
3	For the balance of all electricity supply	\$/kWh	0.30151	0.25707	-15%

### Domestic supply controlled off-peak

Item	Description		Original 2014 Fee	Amended 2014 Fee	Variance
1	Off-peak access for off-peak 1	\$/day	0.05214	0.05214	0%
2	Off-peak 1 (up to 9 hours off-peak supply daily)	\$/kWh	0.09460	0.07403	-22%
3	Off-peak access for off-peak 2	\$/day	0.05214	0.05214	0%
4	Off-peak 2 (up to 18 hours off-peak supply daily)	\$/kWh	0.14696	0.12584	-14%

### General supply

Item	Description	Cost Units	Original 2014 Fee	Amended 2014 Fee	Variance
1	System access	\$/day	0.95777	0.71500	-25%
2	2500 kWh for 90-day period	\$/kWh	0.25597	0.21923	-14%
3	For the balance of all electricity supply	\$/kWh	0.27698	0.21923	-21%

### General supply controlled off-peak

Item	Description	Cost Units	Original 2014 Fee	Amended 2014 Fee	Variance
1	Off-peak access for off-peak 1	\$/day	0.05214	0.05214	0%
2	Off-peak 1 (up to 9 hours off-peak supply daily)	\$/kWh	0.09460	0.07403	-22%
3	Off-peak access for off-peak 2	\$/day	0.05214	0.05214	0%
4	Off-peak 2 (up to 18 hours off-peak supply daily)	\$/kWh	0.14696	0.12584	-14%

**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*.

## LV industrial supply

Item	Description	Cost Units	Original 2014 Fee	Amended 2014 Fee	Variance
1	For all electricity supply	\$/kWh	0.19337	0.14851	-23%

## 11kV time-of-use demand supply

Item	Description		Original 2014 Fee	Amended 2014 Fee	Variance
1	Monthly fee	\$/kVA	11.6400	11.0160	-5%
2	For electricity supply during a peak period	\$/kWh	0.18084	0.15936	-12%
3	For electricity supply during a shoulder period	\$/kWh	0.16926	0.15010	-11%
4	For electricity supply during an off-peak period	\$/kWh	0.09792	0.07202	-26%

## Domestic Customer Rebates

Item	Description	Cost Units	Original 2014 Rebate(\$)	Amended 2014 Rebate(\$)	Variance
1	Pensioner rebate	\$/day	0.64	0.64	0%
2	Life support or constant positive airway pressure respirators rebate	\$/day	0.83	0.83	0%

**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**

Item	Description	Original 2014 Fee (\$)	Amended 2014 Fee (\$)	Variance
1	New account supply connection fee	77.00	77.00	0%

**Other fees**

Item	Description	Original 2014 Fee (\$)	Amended 2014 Fee (\$)	Variance
1	Disconnection fee at the meter board	77	77	0%
2	Reconnection fee at the meter board	77	77	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	77 per hour	77 per hour	0%
5	Extraordinary meter reading due to no access	77	77	0%
6	Notice of disconnection delivery fee	16	16	0%
7	Each customer requested change of off-peak pricing option in excess of once in a 12-month period	77	77	0%

**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*.