

EXPLANATORY STATEMENT

Issued by the authority of the Administrator of the Territory of Christmas Island

Christmas Island Act 1958

Christmas Island Utilities and Services Ordinance 2016

Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2022 Measures No. 1) Determination 2022

Authority

Section 6 of the Christmas Island Utilities and Services Ordinance 2016 (the Ordinance) authorises the Administrator of Christmas Island to make provision for the supply and use of utilities and services about, amongst other things, water and sewerage on Christmas Island. Section 7 of the Ordinance provides that the Administrator may impose a fee for the provision of such utilities and services.

Purpose and Operation

The Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2022 Measures No. 1) Determination 2022 (Determination) amends the Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016 (the Principal Determination).

The Determination updates fees payable for the supply of water, sewerage and building application services on Christmas Island.

Impact and Effect

This Determination will not create any additional regulatory impact on consumers of these utilities and services.

The increases in fees outlined in this Determination have a minor financial impact on consumers in the form of a 2.5% increase for residential charges, 2.5% increase for non-residential charges, 2% increase for miscellaneous fees and charges, and a 12% increase in water flow reduction/restoration fees.

Basis for Determining Fees

It is Australian Government policy that, wherever possible, there should be parity in the cost of provision of state-type services on Christmas Island to those applied in a similar remote Australian mainland location. While the Australian Government aims for full cost recovery across its range of operations, it is acknowledged that for some locations this may not be achievable. Christmas Island is an area where recouped fees for water and sewerage are currently less than the cost of supply.

The Australian Government's contracted service provider is the Water Corporation, owned by the Western Australian (WA) Government, to deliver water and wastewater services for Christmas Island. This relationship is managed through a Service Delivery Arrangement (SDA) with the Australian Government. As part of the SDA, the Water Corporation provides advice in relation to the cost of providing water, sewerage and building application services to Christmas Island.

To achieve parity in cost of provision, the water, sewerage and building services application fees on Christmas Island are generally set by consideration of those charged by Water Corporation using the same methodology as it applies to regional towns in WA. This activity is guided by the Water Services (Water Corporations Charges) Regulations 2014 (WA).

The fee structure charged on Christmas Island does not include the GST component, because it is Australian Government policy not to charge GST in the Territory of Christmas Island.

Regulatory Impact Statement

The Office of Best Practice Regulation (OBPR) was consulted and considers the proposal is likely to have no more than minor regulatory impacts on business, community organisations or individuals. The OBPR advised that a Regulatory Impact Statement was not required (ID OBPR22-02326).

Conditions to be Satisfied

The Ordinance does not specify conditions that need to be satisfied before power to make the Determination may be exercised.

Consultation

There was no consultation with residents of Christmas Island because the Determination is administrative in nature and contributes to the ongoing cost of operating this service.

As the fees are determined based on the same methodology as is used for remote WA locations, it is considered that the expertise applied by the Water Corporation and the independent scrutiny of the WA Government is the most thorough process to adopt.

Water Corporation fees are reported annually in the WA State Budget - Budget Paper No. 3 Economic and Fiscal Outlook.

Following registration of the Ordinance on the Federal Register of Legislation, the Christmas Island community is informed of the charges for water, sewerage and building application services fees through a Community Bulletin issued by the Administrator of the Territory of Christmas Island.

Detailed Description of this Determination

Part 1 – Preliminary

Section 1 – Name

This section provides that the name of this Determination is the Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2022 Measures No. 1) Determination 2022.

Section 2 – Commencement

This section provides that this Determination is to commence on 1 July 2022.

Section 3 – Authority

This section provides that this Determination is made under paragraph 7(2)(a) of the *Christmas Island Utilities and Services Ordinance 2016*.

Schedules

This section contains the detail of any amendments to fees for the range of water related services.

Schedule 1 - Amendments

Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2022 Measures No. 1) Determination 2022

This schedule provides details of changes to the Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2022 Measures No. 1) Determination 2022.

Clause 1

Clause 1 amends subsection 6(2) of the Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016 by deleting "1 July 2021" and substituting "1 July 2022".

Schedule 1

Items 1, 2, 3, 4, 5 and 6 of the table shown at subclause 1(2) of Schedule 1 of the Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016 are repealed and are substituted with revised fees for the supply of water services.

Fixed fees for water are calculated based on the category of land to which that service is provided and, in the case of non-residential land, the size of the meter servicing that land. Section 5 of the Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016 defines these land categories.

Service charges help cover the cost of providing clean and safe drinking water in Christmas Island, taking away wastewater and disposing of it in a socially and environmentally friendly way.

Service charges are separate from water usage charges. Service charges are an annual charge, with the cost divided across bills for the year. The amount paid on each bill depends on the number of days within that billing period, as follows:

- 1 July to 30 August (62 days)
- 1 September to 31 October (61 days)
- 1 November to 31 December (61 days)
- 1 January to 28 February (59 days, or 60 days if a leap year)
- 1 March to 30 April (61 days)
- 1 May to 30 June (61 days)

Where a usage charge crosses two financial years (where rates are updated during the billing cycle), the customer is charged the fees payable at the commencement of the billing cycle, not the end.

Item 1 – Residential land

A fixed fee is imposed for the provision of water services and this fee increases 2.5% from \$268.98 to \$275.70.

Item 2 – Commercial land or industrial land (other than land mentioned in item 5), commercial/residential land, mining land, government land, or shipping (supply of water services to land for the purpose of water being taken on board a ship in a port).

This item lists the fixed fee imposed for the provision of water services for the following categories of land. The amount of that fee is in relation to the size of the pipe servicing that land. This fee increases 2.5% across the range of meter sizes as follows:

- (a) no meter or a 15 mm or 20 mm increases from \$285.82 to \$292.97
- (b) 25 mm increases from \$446.63 to \$457.80
- (c) 40 mm increases from \$1,143.37 to \$1,171.95
- (d) 50 mm increases from \$1,786.48 to \$1,831.14
- (e) 80 mm increases from \$4,573.40 to \$4,687.74
- (f) 100 mm increases from \$7,145.93 to \$7,324.58
- (g) 150 mm increases from \$16,078.34 to \$16,480.30

Item 3 – Institutional/public land, charitable purposes land or local government land
The fixed fee for water services to this land remains at Nil.

Item 4 – Vacant land

The fixed fee for this land with access to a water main or wastewater (sewer) main pay service charges even if there is no connection. This contributes to the cost of providing and maintaining essential services and increases 2.5% from \$268.98 to \$275.70.

Item 5 – Strata-titled commercial or industrial land, if sharing a water service
The fixed fee for this land increases 2.5% from \$285.82 to \$292.97.

Item 6 – Any land, for the supply of a fire service

Fire services may be required for some developments under the Building Code of Australia. Local shires are also responsible for ensuring that the appropriate fire protection design requirements are included in a building.

The fixed fee for a fire service increases 2.5% from \$285.82 to \$292.97.

Schedule 2

Items 1, 2, 3, 4, 5 and 6 are repealed in the table shown at Clause 1 of Schedule 2 of the Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016 and are updated in the table reflecting the revised fixed fees for the supply of sewerage services.

This schedule provides for the fixed fees for the supply of sewerage services to a range of land types. This is an annual charge that covers the cost of safely removing, treating and discharging the water that a household uses, including kitchen, laundry and toilet (wastewater). It also covers the cost of maintaining the pipe network that transports wastewater.

Item 1 – Residential land

A fixed fee is applied to residential land based on the Gross Rental Value (GRV). The GRV is established by the WA Valuer-General, Valuation Services, Landgate under the *Valuation of Land Act 1978* (WA)(CI). GRV is defined at Section 4(1) of the *Valuation of Land Act 1978* (WA)(CI). This fee increases 2.5% and the rate in the dollar increases from \$0.14908 to \$0.15281 per \$1 of GRV.

The minimum annual fee increases 2.5% from \$446.78 to \$457.95 and the maximum annual fee increases 2.5% from \$1,219.76 to \$1,250.25.

Item 2 – Commercial or industrial land (other than land mentioned in Item 6) or mining land
This fixed fee is subject a minimum annual fee or the number of fixtures. These fees increase 2.5% as follows:

- (a) First major fixture increases from \$1,072.88 to \$1,099.70.
- (b) Second major fixture increases from \$459.25 to \$470.73.
- (c) Third major fixture increases from \$613.32 to \$628.65.
- (d) Each subsequent major fixture increases from \$666.95 to \$683.62.
- (e) Minimum annual fee increases from \$1,072.88 to \$1,099.70.

Item 3 – Vacant land

The GRV rate in the dollar calculation in Item 1 applies to vacant land and to achieve an overall increase in revenue of 2.5% the rate in the dollar is adjusted from \$0.14908 to \$0.15281 per \$ of GRV.

The minimum fee and maximum fees increase 2.5%. The minimum fee increases from \$294.00 to \$301.35 and the maximum fee (if zoned for future residential use) increases from \$1,219.76 to \$1,250.25.

Item 4 – Institutional/public land, charitable purposes land or local government land
A fixed, per fixture fee applies to land in this category. This fee increases 2.5% and the fee for the first major fixture increases from \$288.25 to \$295.46. The fee for each subsequent major fixture increases from \$126.82 to \$129.99 per fixture.

Item 5 – Government land

A fixed, per fixture fee applies to land in this category. This fee increases 2.5% as follows:

- (a) First major fixture increases from \$1,072.88 to \$1,099.70
- (b) Second major fixture increases from \$459.25 to \$470.73
- (c) Third major fixture increases from \$613.32 to \$628.65
- (d) Each subsequent major fixture from \$666.95 to \$683.62

Item 6 – Strata-titled commercial or industrial land, if sharing a major fixture

A fixed fee applies to land in this category. This fee increases 2.5% from \$666.95 to \$683.62.

Schedule 3

Items 1, 2, 3, 4, 5, 6 and 7 in the table shown at Clause 1 of Schedule 3 of the *Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016* are repealed and substituted with items that reflect the revised quantity fees for the supply of water and sewerage services.

Customers are encouraged to save water and the quantity fee will continue to be adjusted to reflect the real cost of providing water. To encourage the careful use of water, the fees are structured so that the price per kilolitre increases as more water is used.

Item 1 – Residential land or Vacant land that has been zoned for residential purposes.
Water consumption used by a household is calculated from meter readings and then multiplied by an amount per kilolitre according to the water use fee 'Class' for a town or area. The 'Class' (1 to 5) is established according to cost of providing services to that location. The meter reading year ends in April when households revert to the lowest usage range.

Christmas Island residential properties remain at Class 5 – Water use price north of the 26th parallel as it appears in Schedule 3 of the Water Services (Water Corporation Charges) Regulations 2014 (WA).

The quantity fee per kilolitre for residential land increases 2.5% as per the following usage ranges:

- (a) 0kL - 350kL increases from \$1.859 to \$1.905 per kilolitre
- (b) 351kL – 500kL increases from \$2.477 to \$2.539 per kilolitre
- (c) 501kL – 750kL increases from \$5.497 to \$5.634 per kilolitre
- (d) Over 750kL increases from \$9.452 to \$9.688 per kilolitre

Item 2 – Commercial/Residential land

Schemes throughout WA are classified according to the cost of operating that scheme. Water consumption is charged according to non-residential classifications 1 to 15 Non-residential water consumption rates as outlined in Schedule 3 of the Water Services (Water Corporations Charges) Regulations 2014 (WA). The Christmas Island scheme remains at classification 15.

Water use quantities below 150 kilolitres increases 2.5% from \$1.859 to \$1.905 per kilolitre. Water usage quantities above 150 kilolitres increases 2.5% from \$8.995 to \$9.220 per kilolitre.

Item 3 – Vacant land not mentioned in item 1

The quantity fee for vacant land not mentioned in item 1 increases 2.5% from \$8.995 to \$9.220 per kilolitre of water used.

Item 4 – Government land

The quantity fee Government land increases 2.5% from \$8.995 to \$9.220 per kilolitre of water used.

Item 5 - Institutional/public land used for non-government schools, churches or community facilities, charitable purposes land or local government land. The quantity fee for the supply of water to this land type increases 2.5% from \$2.729 to \$2.797 per kilolitre of water used.

Item 6 – Commercial land, industrial land, mining land, or shipping (supply of water services to land for the purpose of water being taken on board a ship in port).

These land categories increase 2.5% from \$8.995 to \$9.220 per kilolitre of water used.

Item 7 – Commercial land, government land or industrial land - discharge to sewer

The quantity fee for sewer discharge volume applies and encourages customers to explore ways of minimising discharge to sewer (e.g. water efficient appliances, dual flush toilets, low flow shower roses and taps).

The quantity fee for sewer discharge volumes above 200 kilolitres increases 2.5% from \$3.942 to \$4.041 per kilolitre. The method of calculation for this fee is explained in clause 2 of Schedule 3 of the *Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016*.

Schedule 4

Item 3 – Special meter readings for change of owner or occupier

The fee for meter readings conducted within 7 days of receipt of request increases 2% from \$22.42 to \$22.87.

In cases where an urgent meter reading is required the fee for meter readings within 2 days of receipt of request, increases 2% from \$34.40 to \$35.09.

Item 4 – Advice of sale requests increases 2%

- (a) Advice – standard from \$30.71 to \$31.32
- (b) Advice – urgent from \$42.68 to \$43.53

Item 5 – Meter tests

The fee for the testing meters in (a) 20 mm to 25 mm meters increases 2% from \$117.51 to \$119.86.

Due to the variation of work involved in the testing of larger meters, the fee for testing of meters over 25 mm is the cost involved in the disconnection and sending for testing. Water Corporation will advise this fee on an individual basis.

Item 6 – Restoration of service after restriction

Following a service restriction, the fee to restore a service between 7 am and 4 pm on any day except Saturday, Sunday or a public holiday, increases 12% from \$182.73 to \$204.66. This pricing increase reflects the cost of providing the service.

The fee to restore services after restriction at any other time increases 12% from \$290.37 to \$325.21. This pricing increase reflects the cost of providing the service.

Schedule 5 – Fees for building application services

- (1) Supply of the building application service of dealing with a under section 82 of the *Water Services Act 2012* (WA)(CI) to construct or alter:
 - 1. A dwelling (other than a multi-residential dwelling) increases 2% from \$106.14 to \$108.26 per application
 - 2. A building (including a pool or garage) in the area associated with a dwelling that:
 - (a) is not a multi-residential dwelling; and
 - (b) is on land that is seweredincreases 2% from \$106.14 to \$108.26 per application
 - 3. A multi-residential dwelling increases 2% from \$194.13 to \$198.01 per application
 - 4. A building other than a building covered by items 1 to 3 increases 2% from \$249.15 to \$254.13 per application.
- (2) For the purposes of Item 2 of the Table, land is sewered if a wastewater inlet on the land is, connected to a sewer, or could be connected, if the owner or occupier of the land chose to.

Statement of Compatibility with Human Rights

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

Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2022 Measures No. 1) Determination 2022

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 Determination

The Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2022 Measures No. 1) Determination 2022 sets the annual fees for the provision of water and water related services to Christmas Island.

The Australian Government aims for full cost recovery across its range of operations. However, it is acknowledged that for some locations this may not be achievable. Christmas Island is an area where recouped fees are currently less than the cost of supply.

It is Australian Government policy that, wherever possible, there should be parity in the cost of provision of state-type services on Christmas Island with those applied in a similar remote Australian mainland location. This Determination reflects an increase of 2.5% increase for residential charges, 2.5% increase for non-residential charges, 2% increase for miscellaneous fees and charges, and a 12% increase in water flow reduction/restoration fees.

Human rights implications

The Declaration engages the right to an adequate standard of living.

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

The right to an adequate standard of living also requires Australia to ensure that there is sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses. This 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 Christmas Island are similar to those provided in remote Australian communities with similar characteristics, particularly demographic characteristics or service provision needs, recognising any special needs of this community.

Under a Service Delivery Arrangement with the Australian Government, the Water Corporation provides water and sewerage services to the Christmas Island community. The Water Corporation operates under the *Water Services Act 2012* (WA)(CI) and maintains similar standards and conditions that apply to regional WA.

The *Water Services Act 2012* (WA)(CI), and the Water Services Code of Conduct (Customer Service Standards) 2018 (WA)(CI), protect 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 *Water Services Act 2012* (WA)(CI), and the Water Services Code of Conduct (Customer Service Standards) 2018 (WA)(CI) is publically available and provides for assistance to customers experiencing financial hardship and establishes procedures for dealing with complaints about water services.

The Christmas Island Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2022 Measures No. 1) Determination 2022 sets the annual fees for the supply of water and sewerage services, and the supply of building application services on Christmas Island.

The annual fees are similar to fees in remote mainland communities. The increase in fees from last year are small in nature with a 2.5% increase for residential customers, and there are measures in place to protect consumers who are suffering financial hardship.

Accordingly, the Determination promotes the right to an adequate standard of living as it ensures that affordable water is provided on Christmas Island.

Conclusion

The Ordinance 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*.

Natasha Griggs, Administrator of the Territory of Christmas Island