

EXPLANATORY STATEMENT

Issued by the authority of the Administrator of the Territory of Cocos (Keeling) Islands

Cocos (Keeling) Islands Act 1955

Cocos (Keeling) Islands Utilities and Services Ordinance 2016

Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2024 Measures No. 1) Determination 2024

Authority

Section 6 of the Cocos (Keeling) Islands Utilities and Services Ordinance 2016 (the Ordinance) authorises the Administrator of the Territory of the Cocos (Keeling) Islands to make provision for the supply and use of utilities and services about, amongst other things, water and sewerage on the Cocos (Keeling) Islands. 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 Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2024 Measures No. 1) Determination 2024 (Determination) amends the Cocos (Keeling) Islands 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 the Cocos (Keeling) Islands.

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, 2.5% increase for miscellaneous fees and charges, and a 2.5% 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 the Cocos (Keeling) Islands 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. The Cocos (Keeling) Islands 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 Water Corporation, owned by the Western Australian (WA) Government, to deliver water and wastewater services for the Cocos (Keeling) Islands. This relationship is managed through a Service Delivery Arrangement (SDA) with the Australian Government. As part of the SDA, Water Corporation provides advice in relation to the cost of providing water, sewerage and building application services to the Cocos (Keeling) Islands.

To achieve parity in cost of provision, the water, sewerage and building services application fees on the Cocos (Keeling) Islands 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 the Cocos (Keeling) Islands does not include the GST component, because it is Australian Government policy not to charge GST in the Territory of the Cocos (Keeling) Islands.

Regulatory Impact Statement

The Office of Impact Analysis (OIA) has considered the regulatory amendments and agrees that they are minor and/or machinery in nature. Therefore, the OIA granted a standing exemption from the need to contact the OIA for its advice on whether the preparation of a Regulatory Impact Assessment is required for these proposals (OIA23-05816).

Conditions to be Satisfied

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

Consultation

There was no consultation with residents of the Cocos (Keeling) Islands 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 Determination on the Federal Register of Legislation, the Cocos (Keeling) Island community is informed of the charges for water, sewerage and building application services fees through a Community Bulletin issued by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Detailed Description of this Determination

Part 1 – Preliminary

Section 1 – Name

This section provides that the name of this Determination is the Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2024 Measures No. 1) Determination 2024.

Section 2 – Commencement

This section provides that this Determination is to commence on 1 July 2024.

Section 3 – Authority

This section provides that this Determination is made under paragraph 7(2)(a) of the Cocos (Keeling) Islands 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

Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2024 Measures No. 1) Determination 2024

This schedule provides details of changes to the Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016.

Part 2- Fees

Amends subsection 6(2) of the Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016 by deleting “1 July 2023” and substituting with “1 July 2024”.

Schedule 1

Items 1, 2, 3, 4, 5 and 6 of the table shown at subclause 1(2) of Schedule 1 of the Cocos (Keeling) Islands 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 Cocos (Keeling) Islands 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 the Cocos (Keeling) Islands, 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 \$282.59 to \$289.65.

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 \$300.29 to \$307.80.
- (b) 25 mm increases from \$469.25 to \$480.98.
- (c) 30 mm increases from \$675.66 to \$692.55.
- (d) 35 mm, 38 mm or 40 mm increases from \$1,201.25 to \$1,231.28.
- (e) 50 mm increases from \$1,876.92 to \$1,923.84.
- (f) 70 mm, 75 mm or 80 mm increases from \$4,804.93 to \$4,925.05.
- (g) 100 mm increases from \$7,507.69 to \$7,695.38.
- (h) 140 mm or 150 mm increases from \$16,892.31 to \$17,314.62.

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 \$282.59 to \$289.65.

Item 5 – Strata-titled commercial or industrial land, if sharing a water service

The fixed fee for this land increases 2.5% from \$300.29 to \$307.80.

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 \$300.29 to \$307.80.

Schedule 2

Items 1, 2, 3, 4, 5 and 6 in the table shown at Clause 1 of Schedule 2 of the Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016 are updated with new items 1, 2, 3, 4, 5 and 6 that reflects 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 for 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)(CKI). GRV is defined at Section 4(1) of the *Valuation of Land Act 1978* (WA)(CKI). This fee increases 2.5% and the rate in the dollar increases from \$0.13744 to \$0.14088 per \$1 of GRV.

The minimum annual fee increases 2.5% from \$469.40 to \$481.14 and the maximum annual fee increases 2.5% from \$1,281.51 to \$1,313.55.

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 \$1,127.19 to \$1,155.37
- (b) Second major fixture increases from \$482.50 to \$494.56.
- (c) Third major fixture increases from \$644.37 to \$660.48.
- (d) Each subsequent major fixture increases from \$700.71 to \$718.23.
- (e) Minimum annual fee increases from \$1,127.19 to \$1,155.37.

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 \$0.13744 to \$0.14088 per \$ of GRV.

The minimum fee and maximum fees increase 2.5%. The minimum fee increases from \$308.88 to \$316.60 and the maximum fee (if zoned for future residential use) increases from \$1,281.51 to \$1,313.55.

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 \$302.85 to \$310.42. The fee for each subsequent major fixture increases from \$133.24 to \$136.57 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 \$1,127.19 to \$1,155.37.
- (b) Second major fixture increases from \$482.50 to \$494.56.
- (c) Third major fixture increases from \$644.37 to \$660.48.
- (d) Each subsequent major fixture from \$700.71 to \$718.23.

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 \$700.71 to \$718.23.

Schedule 3

Items 1, 2, 3, 4, 5 and 6 in the table shown at Clause 1 of Schedule 3 of the Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016 are repealed and are substituted with items reflecting 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.

Cocos (Keeling) Islands 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 \$1.953 to \$2.002 per kilolitre.
- (b) 351kL – 500kL increases from \$2.602 to \$2.667 per kilolitre.
- (c) 501kL – 750kL increases from \$5.775 to \$5.919 per kilolitre.
- (d) Over 750kL increases from \$9.930 to \$10.178 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 as outlined in Schedule 3 of the Water Services (Water Corporations Charges) Regulations 2014 (WA).

The Cocos (Keeling) Islands scheme remains at non-residential classification 15.

Water use quantities below 150 kilolitres increases 2.5% from \$1.953 to \$2.002 per kilolitre.

Water usage quantities above 150 kilolitres increase 2.5% from \$9.451 to \$9.687 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 \$9.451 to \$9.687 per kilolitre of water used.

Item 4 - 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 \$2.867 to \$2.939 per kilolitre of water used.

Item 5 – 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 \$9.451 to \$9.687 per kilolitre of water used.

Item 6 – 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 \$4.142 to \$4.246 per kilolitre. The method of calculation for this fee is explained in clause 2 of Schedule 3 of the Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Determination 2016.

Schedule 4

Item 1 – Relocation of service

This will be charge based on actual/quoted cost.

Item 2 – Water service disconnection or reconnection

This will be charge based on actual/quoted cost.

Item 3 – Activating water supply connection

For activating a water supply connection to land, whether or not at the same time as installing the connection, the charge of \$204.93 increases by 2.5% to \$210.05.

Item 4 – Installing water supply connection

This will be charge based on actual/quoted cost.

Item 5 – Special meter readings for change of owner or occupier

The fee for meter readings conducted within 7-days of receipt of request increases 2.5% from \$23.44 to \$24.03.

In cases where an urgent meter reading is required the fee for meter readings within 2-days of receipt of request, increases 2.5% from \$35.97 to \$36.86.

Item 6 – Advice of sale requests

- (a) Advice – standard from \$32.11 to \$32.91 an increase of 2.5%.
- (b) Advice – urgent from \$44.62 to \$45.74 an increase of 2.5%.

Item 7 – Meter tests

The fee for the testing meters in (a) 20 mm to 25 mm meters increases 2.5% from \$122.86 to \$125.93.

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 8 – 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 2.5% from \$230.24 to \$236.00. This pricing increase reflects the cost of providing the service.

The fee to restore services after restriction at any other time increases 2.5% from \$365.86 to \$375.01. This pricing increase reflects the cost of providing the service.

Item 9 – Sewer connection

This is charged on actual/quoted cost.

Item 10 – Installation of sewer junction

This is charged on actual/quoted cost.

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)(CKI) to construct or alter:
 - 1. A dwelling (other than a multi-residential dwelling) increases 2.5% from \$110.97 to \$113.74 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 2.5% from \$110.97 to \$113.74 per application
 - 3. A multi-residential dwelling, increases 2.5% from \$202.96 to \$208.04 per application.
 - 4. A building other than a building covered by items 1 to 3, increases 2.5% from \$260.49 to \$267.00 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

Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2024 Measures No. 1) Determination 2024

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 Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2024 Measures No. 1) Determination 2024 sets the annual fees for the provision of water and water related services to the Cocos (Keeling) Islands.

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. The Cocos (Keeling) Islands are 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 the Cocos (Keeling) Islands 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
- 2.5% increase for miscellaneous fees and charges.

Water flow reduction/restoration fees have increased by 2.5% this year to provide cost-of-living assistance, which is less than last year's 12.5% increase.

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 the Cocos (Keeling) Islands 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 Cocos (Keeling) Islands.

Under a Service Delivery Arrangement with the Australian Government, Water Corporation provides water and sewerage services to the communities of the Cocos (Keeling) Islands. Water Corporation operates under the *Water Services Act 2012* (WA)(CKI) and maintains similar standards and conditions that apply to regional WA.

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

The Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Services Fees) Amendment (2024 Measures No. 1) Determination 2024 sets the annual fees for the supply of water and sewerage services, and the supply of building application services for the Cocos (Keeling) Islands.

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 in the Cocos (Keeling) Islands.

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*.

Farzian Zainal, Administrator of the Territory of Cocos (Keeling) Islands