

EXPLANATORY STATEMENT

Jervis Bay Territory Acceptance Act 1915
Administration Ordinance 1990

Electricity Supply Fees Determination 2012 (Jervis Bay Territory)

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

Subsection 3B(1) of the *Administration Ordinance 1990* enables the Minister responsible for Australia's Territories to determine fees for the provision of utilities and services provided by the Australian Government in Jervis Bay Territory. The Minister has delegated the power to determine fees for these utilities and services to specific official positions within the Department of Regional Australia, Local Government, Arts and Sport (the Department). The signatory of this Determination is such a delegate under the Territories Delegation Instrument made by the Minister on 8 March 2012.

The purpose of this Determination is to set the electricity fees for the Jervis Bay Territory. These fees take into account Government policy to deliver services to Jervis Bay Territory residents at a standard and cost that 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.

Details of this Determination are set out in Attachment A.

This Determination revokes the Electricity Supply Fees Determination 2011 (Jervis Bay Territory).

This Determination commences on 1 July 2012.

Consultation

The Department published in the Jervis Bay Territory Community Bulletin and the Department's Internet, a notice of the proposed increase in fees and an invitation to comment on the proposal. The Bulletin was posted to all electricity account holders in the Territory. It advised the availability of documentation supporting the fee increase such as a comparison of the new fees to fees in force at the time of consultation, and the draft Determination.

No submissions were received in response to the Bulletin.

Compatibility with Human Rights

The *Statement of Compatibility with Human Rights* is set out in Attachment B.

**DETAILS OF THE ELECTRICITY SUPPLY FEES DETERMINATION 2012
(JERVIS BAY TERRITORY)**

Details of the Determination are as follows:

Section 1 of the Determination provides that it may be cited as *Electricity Supply Fees Determination 2012*.

Section 2 provides that the Determination commences on 1 July 2012.

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 April 2012. 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 comparison table:

When examining the Domestic and General Supply fees below, it is important to note that the 2012 *access* and *supply* fees achieve general parity with those charged by electricity providers in the NSW 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 reductions for LV Industrial and 11kV Time of Use Demand supplies reflect bulk electricity purchase cost reductions achieved through the new Whole of Government contract in 2011-12.

All fees listed below are GST inclusive with the exception of security deposits which do not attract GST, refer Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.

Domestic supply

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
1	System access	0.572000 for each day	0.658350 for each day	15%
2	First 1167 kWh for a 60-day period	0.208230 for each kWh	0.240350 for each kWh	15%
3	For the balance of all electricity supply	0.230560 for each kWh	0.266090 for each kWh	15%

Domestic supply controlled off-peak

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
1	Off-peak access for off-peak 1	0.044000 for each day	0.050600 for each day	15%
2	Off-peak 1 (up to 9 hours off-peak supply daily)	0.069410 for each kWh	0.080080 for each kWh	15%
3	Off-peak access for off-peak 2	0.044000 for each day	0.050600 for each day	15%
4	Off-peak 2 (up to 18 hours off-peak supply daily)	0.110330 for each kWh	0.127380 for each kWh	15%

General supply

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
1	System access	0.704000 for each day	0.810370 for each day	15%
2	1667 kWh* for 60-day period	0.192280 for each kWh	0.221980 for each kWh	15%
3	For the balance of all electricity supply	0.209550 for each kWh	0.241890 for each kWh	15%

Note: * This threshold is now consistent with that employed by NSW commercial providers.

General supply controlled off-peak

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
1	Off-peak access for off-peak 1	0.044000 for each day	0.050600 for each day	15%
2	Off-peak 1 (up to 9 hours off-peak supply daily)	0.069410 for each kWh	0.080080 for each kWh	15%
3	Off-peak access for off-peak 2	0.044000 for each day	0.050600 for each day	15%
4	Off-peak 2 (up to 18 hours off-peak supply daily)	0.110330 for each kWh	0.127380 for each kWh	15%

LV industrial supply

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
1	For all electricity supply	0.160323 for each kWh	0.144320 for each kWh	-10%

11kV time-of-use demand supply

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
1	Monthly fee	9.6232 for each kVA	10.94610 for each kVA	14%
2	For electricity supply during a peak period	0.164498 for each kWh	0.127490 for each kWh	-22%
3	For electricity supply during a shoulder period	0.155074 for each kWh	0.117260 for each kWh	-24%
4	For electricity supply during an off-peak period	0.062104 for each kWh	0.064350 for each kWh	4%

Domestic Customer Rebates (calculated before the application of GST to remaining fees)

Item	Description	2011 Rebate(\$)	2012 Rebate(\$)	Variance
1	Pensioner rebate	0.397300 per day	0.547570 per day	38%
2	Life support or constant positive airway pressure respirators rebate *	0.830000 per day	0.830000 per day	0%

Note: * The life support or positive airway pressure (PAP) respirators rebate rate of \$0.83/day was applied in the Determination of Fees for Electricity Supply in the Jervis Bay Territory in 2007. The rate, as it now applies in NSW (refer <http://www.trade.nsw.gov.au/energy/customers/rebates/life-support-rebates-questions>), relates to the NSW Government's life support rebate rate for *oxygenators* and is higher than its \$0.32 rebate rate for *PAPs*. The 2012 Determination will retain the higher rate to ensure that any JBT electricity account holders requiring this rebate will not be disadvantaged.

Connection of electricity supply — fees payable before connection

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
1	Security deposit — pensioners	100.00*	100.00*	0%
2	Security deposit — customers other than pensioners	200.00*	200.00*	0%
3	New account supply connection fee	66.00	66.00	0%

Note: * GST does not apply to security deposits, refer to Section 99-1, *A New Tax System (Goods and Services Tax) Act 1999* and *GST Ruling 2006/2*.

Other fees

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
1	Combined disconnection/reconnection fee — at the meter board	132.00	132.00	0%
2	Combined disconnection/reconnection fee — at the pole or distribution pillar	495.00	583.00	18%
3	Meter test requested by customer – charged per hour and minimum charge is for one hour	66.00	66.00	0%
4	Extraordinary meter reading due to no access	66.00	66.00	0%

Item	Description	2011 Fee (\$)	2012 Fee (\$)	Variance
5	Notice of disconnection delivery fee	14.00	14.00	0%
6	Each customer requested change of off-peak pricing option in excess of once in a 12-month period	66.00	66.00	0%

Statement of Compatibility with Human Rights

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

Electricity Supply Fees Determination 2012

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 Legislative Instrument

This Legislative Instrument sets the electricity supply fees for the Jervis Bay Territory.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

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