

EXPLANATORY STATEMENT

Issued by the authority of the Administrator of Christmas Island

Christmas Island Act 1955
Christmas Island Utilities and Services Ordinance 2016

Christmas Island Utilities and Services (Electricity Supply and 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 the Territory of Christmas Island to make provision for the supply of utilities and services in relation to, among others, the supply of electricity on Christmas Island. Section 7 of the Ordinance provides that the Administrator may impose a fee for the provision of such utilities and services, determined through a legislative instrument.

Purpose and operation

The Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2022 Measures No. 1) Determination 2022 (the Amendment Determination) amends the Christmas Island Utilities and Services (Electricity Supply and Services Fees) Determination 2016 (the Principal Determination).

The Amendment Determination updates the Dependent Child Rebate which is a daily amount based on the number of dependent children listed on an eligible concession card.

The Dependent Child Rebate update was erroneously omitted in its entirety from the current Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2021 Measures No. 1) Determination 2021.

The retrospective commencement of the Dependent Child Rebate from to 1 January 2022 is sought, on the basis that this date aligns with the commencement of all other new fees set out in the Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2021 Measures No. 1) Determination 2021. As the rebate has the effect of ameliorating the fees charged for the supply and consumption of electricity for eligible consumers, this change is beneficial to the relevant persons. Necessary adjustments will be made to any relevant electricity accounts to ensure that these consumers receive due rebates.

Impact and effect

This Amendment Determination will not create any additional regulatory impact on consumers of electricity and related services.

Basis for determining fees

The Department of Infrastructure, Transport, Regional Development and Communications (the Department) is responsible for the generation, distribution and retail sale of electricity to Christmas Island consumers.

It is Australian Government policy that, wherever possible, there should be parity in cost of provision of state-type services on Christmas Island to those applied in similar remote Australian mainland locations. 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 a location where recouped fees for electricity are currently less than the cost of supply.

To achieve parity in cost of provision, the electricity supply and service fees on Christmas Island are generally set by consideration of those charged by Horizon Power, which is a Western Australian government-owned entity responsible for generation, distribution and retail sale of electricity to regional and remote consumers.

The fees charged by Horizon Power includes the consideration of the cost of service delivery ahead of their approval through the Western Australian Government's annual state budget process. The fee structure applied on Christmas Island does not include the GST component, because it Australian Government policy not to charge GST in the Territory of Christmas Island. The Dependent Child Rebate is set separately by the WA Office of State Revenue, and, consistent with the above, the amounts applied on Christmas Island do not include the GST component.

Regulation Impact Statement

The Office of Best Practice Regulation considers the proposal is likely to have no more than minor regulatory impacts on business, community organisations or individuals. In addition, it understands that the matter will not be considered by Cabinet, and so the preparation of a Regulation Impact Statement is not required.

Conditions to be satisfied

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

Consultation

There was no consultation with residents of Christmas Island as the Amendment Determination is administrative in nature and reflects the ongoing changes to the cost of operating this service. However, the community will be advised about the changes via a community newsletter when they are approved by the Administrator.

Details of the Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2022 Measures No. 1) Determination 2022

Section 1 – Name

This section provides that the name of this Amendment Determination is the Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2022 Measures No. 1) Determination 2022.

Section 2 – Commencement

This section provides that this Amendment Determination is to commence on 1 January 2022. This date aligns with the commencement of all other new fees set out in the Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2021 Measures No. 1) Determination 2021. The rebate will ameliorate fees charged for the supply and consumption of electricity for eligible consumers and be beneficial to the relevant persons.

Section 3 – Authority

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

Section 4 – Schedules

This section provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1 - Amendments

Christmas Island Utilities and Services (Electricity Supply and Services Fees) Determination 2016.

Schedule 1 - Amendments

Item 1 – Section 4 (paragraphs (a) and (b) of the definition of ***daily dependent child rebate amount***)

This item substitutes the amount 81.34 for the amount 79.70 listed in paragraphs (a) and (b) of the definition of ***daily dependent child rebate amount***. The substituted amount increases the daily dependent child rebate available for one dependent child.

Item 2 – Section 4 (paragraph (b) of the definition of ***daily dependent child rebate amount***)

This item substitutes the amount 21.32 for the amount 20.92 listed in paragraph (b) of the definition of ***daily dependent child rebate amount***. The substituted amount increases the daily dependent child rebate available for each additional dependent child.

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 (Electricity Supply and Services Fees) Amendment (2021 Measures No. 1) Determination 2021

This Disallowable 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 Disallowable Legislative Instrument

Section 6 of the Christmas Island Utilities and Services Ordinance 2016 (the Ordinance) authorises the Administrator of the Territory of Christmas Island to make provision for the supply of utilities and services in relation to, among others, the supply of electricity on Christmas Island. Section 7 of the Ordinance provides that the Administrator may impose a fee for the provision of such utilities and services, determined through a legislative instrument.

The Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2021 Measures No. 1) Determination 2021 amends the Christmas Island Utilities and Services (Electricity Supply and Services Fees) Determination 2016.

The Amendment Determination updates the fees payable for the supply of electricity and services related to electricity supply.

Impact and effect

This Amendment Determination will not create any additional regulatory impact on consumers of electricity and related services.

It is Australian Government policy that, wherever possible, there should be parity in cost of provision of state-type services on Christmas Island to those applied in similar remote Australian mainland locations. 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 a location where recouped fees for electricity are currently less than the cost of supply.

The fees charged on Christmas Island align to those charged by Horizon Power, a Western Australian government owned enterprise responsible for the supply of electrical services to isolated and regional areas across the state. This ensures the fees charged are similar to fees in comparable Western Australian communities.

The Amendment Determination inserts and updates the Dependent Child Rebate which is a daily amount based on the number of dependent children listed on an eligible concession card.

The Dependent Child Rebate section was erroneously omitted in its entirety from the current Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2021 Measures No. 1) Determination 2021.

The retrospective commencement of the Dependent Child Rebate to 1 January 2022 is sought, on the basis that this date aligns with the commencement of all other new fees set out in the Christmas Island Utilities and Services (Electricity Supply and Services Fees) Amendment (2021 Measures No. 1) Determination 2021. As the rebate has the effect of ameliorating the fees charged for the supply and consumption of electricity for eligible consumers, this change is beneficial to the relevant persons.

Human rights implications

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

Conclusion

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