

1991

AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE ASSEMBLY

WATER RATES (AMENDMENT) BILL 1991

EXPLANATORY MEMORANDUM

Circulated by Authority of

**Terry Connolly
Minister for Urban Services**

WATER RATES (AMENDMENT) BILL 1991

GENERAL OUTLINE

- 1 The Bill will amend the Water Rates Act 1959 by deleting references to 455 kilolitres as the prescribed quantity of water which can be used without incurring any charge for "excess water", and replacing them with references to "the basic water allowance." (The basic water allowance is the quantity of water which may be used on a metered property without the holder of the property lease incurring any charge apart from the basic water rates applicable to the property. If water consumption exceeds the basic water allowance, an "excess water" charge applies to each kilolitre used in excess of the allowance).
- 2 Through its relationship with the Electricity and Water (Amendment) Bill (No. 2) 1991, this Bill will permit the A.C.T. Electricity and Water Authority (ACTEW) to set the basic water allowance, by notice published in the Gazette.
- 3 The Bill will also amend Section 33A of the Water Rates Act 1959 so that water rates charges determined by ACTEW will apply, while the determination continues in force, to rates imposed in respect of the rating year specified by ACTEW in the relevant determination, and to each subsequent year.
- 4 The Bill will permit ACTEW determinations on water rates charges to be gazetted prior to the start of the financial year in respect of which they are to apply.

Financial impact

- 5 The amendment will enable ACTEW to reduce the basic water allowance from the current level of 455 kilolitres per year, to 350 kilolitres to encourage water conservation. Depending on water usage the change may result in additional revenue in the order of \$0.8 million in 1991-92 and \$2.2 million in a full year. There should also be modest financial benefits from reduced delays in levying rates and improved cash flow.

NOTES ON CLAUSES

Clause 1: Short title

The legislation may be referred to as the Water Rates (Amendment) Act 1991.

Clause 2: Commencement

The amendment will commence on the same day as the Electricity and Water (Amendment) Act (No. 2) 1991.

Clause 3: Principal Act

The "Principal Act" is the Water Rates Act 1959.

Clause 4: Interpretation

The term "basic water allowance" is added to the Water Rates Act 1959 and is given the same meaning as in the Electricity and Water Act 1988.

Clauses 5 to 10 Rates

These clauses delete from the specified paragraphs of the Water Rates Act 1959 references to 455 kilolitres and replace them with the term "the basic water allowance." These clauses remove the current legislative prescription of 455 kilolitres as what is, in effect, the basic water allowance, and clear the way for ACTEW to use its power to set the basic water allowance as created by the Electricity and Water (Amendment) Bill (No. 2) 1991.

Clause 11: Power of Minister to determine fees and charges

11(a): Section 33A of the Water Rates Act 1959 is amended to make a reference to "section 48" of the Electricity and Water Act 1988 more specific, by referring to "subsection 48(1)" of that Act.

11(b): Section 33A of the Water Rates Act 1959 is amended to specify that water rates set by a determination which remains in force, apply to the rating year specified in the determination and to each subsequent rating year.

11(c): Section 33A of the Water Rates Act 1959 is amended to provide that an excess water charge set by a determination which remains in force, applies from the start of the rating year specified in the determination.