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                  AUSTRALIAN CAPITAL TERRITORY

          WATER RATES (AMENDMENT) ORDINANCE 1981

          SEWERAGE RATES (AMENDMENT) ORDINANCE 1981

                  ORDINANCE NOS. 27 and 28

                  EXPLANATORY STATEMENT

          The Water Rates (Amendment) Ordinance 1981 and the Sewerage Rates (Amendment) Ordinance 1981 amend the Water Rates Ordinance 1959 and the Sewerage Rates Ordinance 1968 respectively by increasing the water and sewerage rates payable for the 1981/82 financial year.

          The water rates represent a 24% increase over the 1980/81 levels. This provides for full recovery of the cost of the water supply service after allowing for Commonwealth payment at the standard rate for water consumed by government agencies and after deferring notional debt servicing costs in respect of the unutilised portion of the Googong Dam. In respect of the deferred cost the method used in the Budget has assumed that interest on the deferred amount is not capitalised.

          The sewerage rates represent a 9% increase over the 1980/81 levels. They were calculated on the assumption that 50% of the operating and notional debt servicing costs of the Lower Molonglo Water Quality Control Centre were deleted.

          This level of Commonwealth contribution was previously accepted by the Ministers for Finance and the Capital Territory to produce a reasonable rate level having regard to the extensive cost of the very high standard of treatment required by the Commonwealth and the smaller than planned population available to pay for it. In addition, portion of the remaining notional debt servicing costs were deferred so that the costs of the unutilised portion of the plant are brought to account in subsequent years as the population available to pay for it increases. The Budget assumes that interest on the deferred amount is not capitalised.

Ord. No. 66/81

Ord. No. 63/81