

TASMANIA

**WATER AND SEWERAGE TASMANIA
(CONSEQUENTIAL AND TRANSITIONAL
PROVISIONS) BILL 2017**

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**WATER AND SEWERAGE TASMANIA
(CONSEQUENTIAL AND TRANSITIONAL
PROVISIONS) BILL 2017**

This Public Bill originated in the House of Assembly, and, having this day passed, is now ready for presentation to the Legislative Council for its concurrence.

SHANE DONNELLY, *Clerk of the House*
12 September 2017

*(Brought in by the Treasurer, the Honourable Peter Carl
Gutwein)*

A BILL FOR

An Act to amend various legislative instruments consequential on the enactment of the *Water and Sewerage Tasmania Act 2017*

Be it enacted by Her Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:

PART 1 – PRELIMINARY

1. Short title

This Act may be cited as the *Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017*.

2. Commencement

The provisions of this Act commence on a day or days to be proclaimed.

THIS BILL IS COGNATE WITH THE *WATER AND SEWERAGE TASMANIA BILL 2017*

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 3

Part 2 – Audit Act 2008 Amended

PART 2 – AUDIT ACT 2008 AMENDED

3. Principal Act

In this Part, the *Audit Act 2008** is referred to as the Principal Act.

4. Section 4 amended (Interpretation)

Section 4(1) of the Principal Act is amended by omitting paragraph (h) from the definition of *State entity*.

*No. 49 of 2008

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 3 – Civil Liability Act 2002 Amended

s. 5

PART 3 – CIVIL LIABILITY ACT 2002 AMENDED

5. Principal Act

In this Part, the *Civil Liability Act 2002** is referred to as the Principal Act.

6. Section 37 amended (Interpretation)

Section 37 of the Principal Act is amended by omitting paragraph (ea) from the definition of *public or other authority*.

*No. 54 of 2002

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 7

Part 4 – Land Use Planning and Approvals Act 1993 Amended

**PART 4 – LAND USE PLANNING AND APPROVALS
ACT 1993 AMENDED**

7. Principal Act

In this Part, the *Land Use Planning and Approvals Act 1993** is referred to as the Principal Act.

8. Section 60P amended (Panel may request information to be provided)

Section 60P(1)(f) of the Principal Act is amended by omitting “*Water and Sewerage Corporation Act 2012*” and substituting “*Water and Sewerage Tasmania Act 2017*”.

9. Section 60R amended (Notification and hearings in relation to project)

Section 60R(2)(c) of the Principal Act is amended by omitting “*Water and Sewerage Corporation Act 2012*” and substituting “*Water and Sewerage Tasmania Act 2017*”.

10. Section 60V amended (Process for determining conditions or restrictions to be imposed on special permits)

Section 60V(2)(d) of the Principal Act is amended by omitting “*Water and Sewerage*”

*No. 70 of 1993

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 4 – Land Use Planning and Approvals Act 1993 Amended

s. 11

Corporation Act 2012” and substituting “*Water and Sewerage Tasmania Act 2017*”.

11. Section 60X amended (Amendment, revocation and correction of special permits)

Section 60X(6)(a)(ii) of the Principal Act is amended by omitting “*Water and Sewerage Corporation Act 2012*” and substituting “*Water and Sewerage Tasmania Act 2017*”.

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 12

Part 5 – Tasmanian Planning Commission Act 1997 Amended

**PART 5 – TASMANIAN PLANNING COMMISSION
ACT 1997 AMENDED**

12. Principal Act

In this Part, the *Tasmanian Planning Commission Act 1997** is referred to as the Principal Act.

13. Section 5 amended (Constitution of Commission)

Section 5(1)(h) of the Principal Act is amended by omitting “*Water and Sewerage Corporation Act 2012*” and substituting “*Water and Sewerage Tasmania Act 2017*”.

14. Schedule 2 amended (Provisions with respect to appointment, constitution and membership of commission)

Clause 8(2)(h) of Schedule 2 to the Principal Act is amended by omitting “*Water and Sewerage Corporation Act 2012*” and substituting “*Water and Sewerage Tasmania Act 2017*”.

*No. 85 of 1997

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 6 – Tasmanian Public Finance Corporation Act 1985 Amended

s. 15

PART 6 – TASMANIAN PUBLIC FINANCE CORPORATION ACT 1985 AMENDED

15. Principal Act

In this Part, the *Tasmanian Public Finance Corporation Act 1985** is referred to as the Principal Act.

16. Section 3 amended (Interpretation)

Section 3(1) of the Principal Act is amended by omitting “*Water and Sewerage Corporation Act 2012*” from paragraph (d) of the definition of *participating authority* and substituting “*Water and Sewerage Tasmania Act 2017*”.

*No. 59 of 1985

*Water and Sewerage Tasmania (Consequential and Transitional
Provisions) Act 2017*
Act No. of

s. 17

Part 7 – Urban Drainage Act 2013 Amended

PART 7 – URBAN DRAINAGE ACT 2013 AMENDED

17. Principal Act

In this Part, the *Urban Drainage Act 2013** is referred to as the Principal Act.

18. Section 6 amended (Provision of stormwater services)

Section 6(5) of the Principal Act is amended by omitting “*Water and Sewerage Corporations Act 2012*” and substituting “*Water and Sewerage Tasmania Act 2017*”.

*No. 71 of 2013

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 8 – Water Management (Watercourse Authority Exemption) Order 2009 Amended **s. 19**

PART 8 – WATER MANAGEMENT (WATERCOURSE AUTHORITY EXEMPTION) ORDER 2009 AMENDED

19. Principal Order

In this Part, the *Water Management (Watercourse Authority Exemption) Order 2009** is referred to as the Principal Order.

20. Clause 4 amended (Exemption)

Clause 4(b) of the Principal Order is amended by omitting “*Water and Sewerage Corporation Act 2012*” and substituting “*Water and Sewerage Tasmania Act 2017*”.

*S.R. 2009, No. 6

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 21

Part 9 – Water Management Act 1999 Amended

**PART 9 – WATER MANAGEMENT ACT 1999
AMENDED**

21. Principal Act

In this Part, the *Water Management Act 1999** is referred to as the Principal Act.

22. Section 3 amended (Interpretation)

Section 3(1) of the Principal Act is amended by omitting paragraphs (g) and (h) from the definition of *water entity* and substituting:

- (g) a body registered under the *Cooperatives Act 1999* –

23. Section 166 amended (Application of Division to water entities)

Section 166(1)(f) of the Principal Act is amended by omitting “*Water and Sewerage Corporation Act 2012*” and substituting “*Water and Sewerage Tasmania Act 2017*”.

*No. 45 of 1999

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 10 – Water Management Regulations 2009 Amended

s. 24

**PART 10 – WATER MANAGEMENT REGULATIONS
2009 AMENDED**

24. Principal Regulations

In this Part, the *Water Management Regulations 2009** are referred to as the Principal Regulations.

25. Regulation 11 rescinded

Regulation 11 of the Principal Regulations is rescinded.

*S.R. 2009, No. 68

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 26 Part 11 – Water and Sewerage Industry (Community Service Obligation)
Act 2009 Amended

**PART 11 – WATER AND SEWERAGE INDUSTRY
(COMMUNITY SERVICE OBLIGATION) ACT 2009
AMENDED**

26. Principal Act

In this Part, the *Water and Sewerage Industry (Community Service Obligation) Act 2009** is referred to as the Principal Act.

27. Section 3 amended (Interpretation)

Section 3(1) of the Principal Act is amended by omitting “*Water and Sewerage Corporation Act 2012*” from the definition of *relevant regulated entity* and substituting “*Water and Sewerage Tasmania Act 2017*”.

*No. 41 of 2009

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 12 – Water and Sewerage Industry (Pricing and Related Matters)
Regulations 2011 Amended

s. 28

**PART 12 – WATER AND SEWERAGE INDUSTRY
(PRICING AND RELATED MATTERS)
REGULATIONS 2011 AMENDED**

28. Principal Regulations

In this Part, the *Water and Sewerage Industry (Pricing and Related Matters) Regulations 2011** are referred to as the Principal Regulations.

29. Regulation 3 amended (Interpretation)

Regulation 3 of the Principal Regulations is amended by omitting the definition of *price determination investigation* and substituting the following definition:

price and service plan investigation means an investigation for the purpose of gathering information that may be required by the Regulator in order to determine whether or not to approve a proposed price and service plan submitted to the Regulator under section 65 of the Act;

30. Part 2: Heading amended

Part 2 of the Principal Regulations is amended by omitting “**MATTERS IN RESPECT OF PRICE DETERMINATIONS**” from the

*S.R. 2011, No. 94

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 12 – Water and Sewerage Industry (Pricing and Related Matters)
Regulations 2011 Amended

s. 35

35. Regulation 21 amended (Miscellaneous fees and charges)

Regulation 21 of the Principal Regulations is amended by omitting “A price determination is to require a price and service plan to” and substituting “A price and service plan is to”.

36. Part 4: Heading amended

Part 4 of the Principal Regulations is amended by omitting “**PRICE DETERMINATION INVESTIGATIONS**” from the heading to that Part and substituting “**PRICE AND SERVICE PLAN INVESTIGATIONS**”.

37. Regulations 22 and 23 rescinded

Regulations 22 and 23 of the Principal Regulations are rescinded.

38. Regulation 24 amended (Price and service plan investigations)

Regulation 24 of the Principal Regulations is amended as follows:

- (a) by omitting from subregulation (1) “price determination investigation” and substituting “price and service plan investigation”;

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 39 Part 12 – Water and Sewerage Industry (Pricing and Related Matters)
 Regulations 2011 Amended

- (b) by omitting from subregulation (2) “price determination investigation” and substituting “price and service plan investigation”;
- (c) by omitting from subregulation (4) “price determination investigation” and substituting “price and service plan investigation”.

39. Regulation 25 amended (Hearings)

Regulation 25(1) of the Principal Regulations is amended by omitting “price determination investigation” and substituting “price and service plan investigation”.

40. Regulation 26 amended (Requiring persons to give evidence or provide documents)

Regulation 26(1) of the Principal Regulations is amended by omitting “price determination investigation” and substituting “price and service plan investigation”.

41. Regulation 27 amended (Use of documents and other information)

Regulation 27(1)(b) of the Principal Regulations is amended by omitting “price determination investigation” and substituting “price and service plan investigation”.

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 12 – Water and Sewerage Industry (Pricing and Related Matters)
Regulations 2011 Amended

s. 42

42. Regulation 28 rescinded

Regulation 28 of the Principal Regulations is rescinded.

43. Regulation 29 amended (Cost of price and service plan investigation)

Regulation 29 of the Principal Regulations is amended as follows:

- (a) by omitting from subregulation (1) “price determination investigation” and substituting “price and service plan investigation”;
- (b) by omitting from subregulation (2)(a) “price determination investigation” and substituting “price and service plan investigation”;
- (c) by omitting paragraph (b) from subregulation (2).

44. Regulation 32 rescinded

Regulation 32 of the Principal Regulations is rescinded.

*Water and Sewerage Tasmania (Consequential and Transitional
Provisions) Act 2017*
Act No. of

s. 45

Part 13 – Water and Sewerage Industry Act 2008 Amended

**PART 13 – WATER AND SEWERAGE INDUSTRY ACT
2008 AMENDED**

45. Principal Act

In this Part, the *Water and Sewerage Industry Act 2008** is referred to as the Principal Act.

46. Section 3 amended (Interpretation)

Section 3 of the Principal Act is amended as follows:

- (a) by inserting the following definition before the definition of *Agency*:

Acting Regulator means a person appointed under section 16 of the *Economic Regulator Act 2009*;

- (b) by inserting the following definition after the definition of *area of operations*:

Assistant Regulator means a person appointed under section 16A of the *Economic Regulator Act 2009*;

- (c) by omitting the definition of *Corporation* and substituting the following definitions:

*No. 13 of 2008

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 13 – Water and Sewerage Industry Act 2008 Amended

s. 46

Corporation has the same meaning as in the *Water and Sewerage Tasmania Act 2017*;

council-owned company has the same meaning as in the *Water and Sewerage Tasmania Act 2017*;

- (d) by omitting the definition of *first regulatory period*;
- (e) by omitting the definition of *interim licence*;
- (f) by inserting the following definition after the definition of *licence*:

maximum prices has the meaning it has in section 3B;

- (g) by inserting the following definition after the definition of *price and service plan*:

price control instrument means a price control instrument approved under section 68Q(4), as amended, if at all, by an amendment approved under section 68Q(4);

- (h) by inserting the following definitions after the definition of *price determination*:

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 46

Part 13 – Water and Sewerage Industry Act 2008 Amended

pricing investigation means a pricing investigation under Subdivision 4 of Division 5 of Part 4;

pricing order means a pricing order made under section 68N(1);

pricing principles means –

- (a) the pricing principles referred to in section 68; and
 - (b) any pricing principles prescribed in regulations;
- (i) by omitting the definition of *regulatory period*;
- (j) by omitting the definition of *serviced land* and substituting the following definition:

serviced land means –

- (a) land that is, in accordance with section 56U(1)(b), referred to in a price and service plan that is in force; and
- (b) land that a regulated entity will permit to be connected to the regulated entity's water infrastructure or sewerage

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infrastructure and that is included, in accordance with section 68ZB(2)(b), in the connection policy approved under section 68Y(2) in relation to the entity;

47. Section 3B inserted

After section 3A of the Principal Act, the following section is inserted in Part 1:

3B. Maximum prices

For the purposes of this Act, maximum prices may be expressed in one or more of the following terms:

- (a) maximum prices or the maximum rate of increase or the minimum rate of decrease in maximum prices;
- (b) average prices or average rates of increase or decrease in such average prices;
- (c) by reference to a general price index, the cost of production, revenue, a rate of return on assets or any other factor;

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s. 48

Part 13 – Water and Sewerage Industry Act 2008 Amended

- (d) by reference to quantity, location or period of supply of water services or sewerage services;
- (e) any other terms that the Regulator or the Minister, as the case requires, considers appropriate.

48. Section 12 amended (Functions of Regulator)

Section 12 of the Principal Act is amended as follows:

- (a) by inserting in paragraph (f) “, in accordance with this Act,” after “regulate”;
- (b) by omitting from paragraph (g) “price determinations and”;
- (c) by inserting the following paragraphs after paragraph (g):
 - (ga) to approve price and service plans in accordance with this Act; and
 - (gb) to approve policies in accordance with this Act; and

49. Section 13 amended (Powers of Regulator)

Section 13(2)(a) of the Principal Act is amended by omitting subparagraphs (i) and (ii) and substituting the following subparagraph:

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 13 – Water and Sewerage Industry Act 2008 Amended

s. 50

(i) for policies of regulated entities; and

50. Section 15 amended (Matters to which Regulator is to have regard)

Section 15 of the Principal Act is amended by omitting paragraph (d).

51. Section 37 amended (Conditions of licences)

Section 37(2) of the Principal Act is amended by inserting after paragraph (e) the following paragraphs:

- (ea) submit each proposed policy to the Regulator as required under section 68Y(1); and
- (eb) comply with each policy that is approved under section 68Y(2) or section 56TF in relation to the entity and the requirements of Division 5; and
- (ec) comply with each price and service plan, and price control instrument, that is in force in relation to the entity; and

52. Section 56J amended (Extensions to water infrastructure and sewerage infrastructure)

Section 56J of the Principal Act is amended as follows:

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 53

Part 13 – Water and Sewerage Industry Act 2008 Amended

- (a) by omitting from subsection (3) “its price and service plan approved by the Regulator under section 65” and substituting “the price and service plan that is approved under section 65 in relation to the entity and that is in force or the infrastructure extension and expansion policy that is approved under section 68Y(2) in relation to the entity and is in force”;
- (b) by omitting subsections (4) and (5).

53. Section 56TA amended (Interpretation)

Section 56TA of the Principal Act is amended as follows:

- (a) by inserting the following definition after the definition of *certificate for certifiable work (plumbing)*:

Director means the person appointed as Director of Building Control under section 15 of the *Building Act 2016*;

- (b) by omitting “made under section 56TF by the entity” from paragraph (a) of the definition of *excluded works* and substituting “prepared by the entity under section 56TF(1) and approved under section 56TF(2B)”;

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Act No. of

Part 13 – Water and Sewerage Industry Act 2008 Amended

s. 54

- (c) by omitting “made under section 56TF by the entity” from paragraph (b) of the definition of *excluded works* and substituting “prepared by the entity under section 56TF(1) and approved under section 56TF(2B)”.

54. Section 56TC amended (Certificates for certifiable work)

Section 56TC(5)(b) of the Principal Act is amended by omitting “under section 56U” and substituting “approved under section 68Y(2)”.

55. Section 56TF amended (Regulated entity may make policy for excluded works)

Section 56TF of the Principal Act is amended as follows:

- (a) by inserting the following subsections after subsection (2):
 - (2A) A regulated entity may submit to the Director a policy prepared by the entity for the purposes of subsection (1).
 - (2B) The Director may approve a policy submitted to him or her under subsection (2A).
 - (2C) The Director, by notice to a regulated entity, may require the

*Water and Sewerage Tasmania (Consequential and Transitional
Provisions) Act 2017*
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s. 55

Part 13 – Water and Sewerage Industry Act 2008 Amended

entity to do any one or more of the following:

- (a) review a policy that has been approved under subsection (2B) in relation to the entity;
- (b) prepare a policy under subsection (1) and submit the policy to the Director under subsection (2A) by a date specified in the notice;
- (c) amend a policy that has been submitted to the Director under subsection (2A) and submit the policy, as so amended, to the Director under that subsection.

(2D) A regulated entity must comply with a requirement imposed on the entity by a notice under subsection (2C).

- (b) by omitting from subsection (3) “prepared under subsection (1)” and substituting “approved under subsection (2B)”;
- (c) by omitting from subsection (4) “prepared under subsection (1)” and

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 13 – Water and Sewerage Industry Act 2008 Amended

s. 56

substituting “approved under
subsection (2B)”.

56. Section 56U amended (Connections)

Section 56U of the Principal Act is amended as follows:

- (a) by omitting from subsection (2) “its price and service plan approved by the Regulator under section 65” and substituting “the price and service plan that is approved under section 65 in relation to the entity and that is in force or the connection policy that is approved under section 68Y(2) in relation to the entity and that is in force”;
- (b) by omitting from subsection (3) “a price and service plan approved by the Regulator under section 65” and substituting “the price and service plan that is approved under section 65 in relation to the entity and that is in force or in the connections policy that is approved under section 68Y(2) in relation to the entity and that is in force”;
- (c) by omitting subsections (4) and (5).

57. Section 56ZPA inserted

After section 56ZP of the Principal Act, the following section is inserted in Subdivision 7:

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 58

Part 13 – Water and Sewerage Industry Act 2008 Amended

56ZPA. Transitional application of section 56ZP

On and from the day on which this section commences until section 23 of the *Water and Sewerage Tasmania Act 2017* commences, a reference in section 56ZP to the Corporation is to be taken to be a reference to the council-owned company.

58. Section 62 amended (Variation of customer contracts)

Section 62(8) of the Principal Act is amended by omitting “determination of the Regulator” and substituting “price and service plan that is approved under section 65 in relation to the entity and is in force or with a price control instrument”.

59. Part 4, Division 5, Subdivision 1: Heading inserted

Division 5 of Part 4 of the Principal Act is amended by inserting the following heading before section 63:

Subdivision 1 – Price regulation generally

60. Section 64 amended (Price regulation of regulated services)

Section 64(1) of the Principal Act is amended by inserting “, subject to this Act,” after “may”.

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

Part 13 – Water and Sewerage Industry Act 2008 Amended

s. 61

61. Part 4, Division 5, Subdivision 2: Heading inserted

Division 5 of Part 4 of the Principal Act is amended by inserting the following heading after section 64:

Subdivision 2 – Transitional pricing arrangements

62. Section 65 amended (Price and service plan)

Section 65 of the Principal Act is amended as follows:

(a) by inserting the following subsection after subsection (1):

(1A) The Regulator must not issue a notice under subsection (1) after 1 September 2017.

(b) by omitting subsections (5) and (6) and substituting the following subsections:

(5) The Regulator must approve a proposed price and service plan for a regulated entity if the Regulator is satisfied that the proposed price and service plan –

(a) complies with the requirements for a price and service plan as set out in guidelines, if any, issued under subsection (7); and

Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017
Act No. of

s. 62

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- (b) complies with the requirements of section 65B and any regulation under this Act in relation to pricing; and
- (c) if complied with by the Corporation, would not result in the Corporation failing to comply with its corporate plan; and
- (d) if complied with by the Corporation, would not result in the Corporation failing to comply with a direction given to it under the *Water and Sewerage Tasmania Act 2017*; and
- (e) if complied with by the Corporation, would not result in the Corporation failing to comply with its infrastructure investment plan in force under the *Water and Sewerage Tasmania Act 2017*; and
- (f) is in accordance with the pricing principles; and
- (g) complies with the requirements of the final report of the Regulator on

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the price and service plan investigation conducted in accordance with subsection (5A).

(5A) The Regulator must, before approving a proposed price and service plan under this section –

- (a) conduct, in accordance with regulations for the purposes of section 66(8), a price and service plan investigation in relation to the proposed price and service plan; and
- (b) issue a final report in relation to the results of the investigation.

(5B) In conducting a price and service plan investigation in relation to a proposed price and service plan, the Regulator must –

- (a) adopt an approach and methodology which the Regulator considers will best meet the objective of this Act; and
- (b) consider whether prices, terms and conditions, including developer charges, for water

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services and sewerage services, included in the proposed price and service plan are in accordance with section 65B and the pricing principles; and

(c) investigate –

(i) the operating expenses, and capital expenses, of the council-owned company; and

(ii) the estimates, of the operating expenses and capital expenses, of the Corporation that are in the proposed price and service plan; and

(d) investigate the financial sustainability of the Corporation during the period in which the proposed price and service plan is to be in force; and

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- (e) investigate the application to the Corporation of the pricing principles and the proposed policies in the proposed price and service plan; and
 - (f) consider any customer contract; and
 - (g) ensure that the proposed price and service plan takes into account and clearly articulates any trade-offs between costs and service standards.
- (6) The Regulator may, before approving the proposed price and service plan, require amendments to be made to it, including amendments to ensure that the proposed price and service plan –
- (a) complies with the requirements for a price and service plan as set out in guidelines issued under subsection (7); and
 - (b) complies with the requirements of section 65B and any regulations under this Act in relation to pricing; and

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- (c) if complied with by the Corporation, would not result in the Corporation failing to comply with its corporate plan; and
 - (d) if complied with by the Corporation, would not result in the Corporation failing to comply with a direction given to it under the *Water and Sewerage Tasmania Act 2017*; and
 - (e) if complied with by the Corporation, would not result in the Corporation failing to comply with its infrastructure investment plan in force under the *Water and Sewerage Tasmania Act 2017*; and
 - (f) is in accordance with the pricing principles.
- (6A) On and from the day on which the Corporation becomes a regulated entity, a price and service plan approved under this section after 1 July 2017, is, while the plan continues in force, to be taken to be the price and service plan approved in relation to that regulated entity.

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- (c) by omitting from subsection (7) “must issue guidelines” and substituting “may issue guidelines”;
- (d) by inserting the following subsection after subsection (8):
 - (8A) The guidelines referred to in subsection (7) are of no effect to the extent that –
 - (a) they are inconsistent with section 65B; or
 - (b) they include provisions relating to regulation 32 of the *Water and Sewerage Industry (Pricing and Related Matters) Regulations 2011*, as that regulation is in force immediately before section 36 of the *Water and Sewerage Tasmania (Consequential and Transitional Provisions) Act 2017* commences.
- (e) by inserting in subsection (9) “, which, in the case of a price and service plan approved after 1 July 2017, is the period on and from 1 July 2018 to and including 30 June 2021” after “period”;

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- (f) by inserting in subsection (10) “as amended, if at all, under section 65C” after “subsection (5)”;
- (g) by omitting subsections (12), (13) and (14).

63. Sections 65A, 65B and 65C inserted

After section 65 of the Principal Act, the following sections are inserted in Subdivision 2:

65A. Service charges

- (1) A price and service plan submitted by a regulated entity for approval under section 65 must include –
 - (a) a policy that sets out the circumstances in which the regulated entity will impose a service charge in relation to serviced land; and
 - (b) the amount of, or method of determining the amount of, the service charge, in relation to water infrastructure or sewerage infrastructure or water services or sewerage services.
- (2) A regulated entity may determine that a service charge applies in relation to water services or sewerage services to land referred to in subsection (1) if –

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- (a) a water service or sewerage service is provided through a connection to a pipe or sewer that is not owned by the regulated entity; or
 - (b) a water service or sewerage service is available through a regulated entity's water infrastructure or sewerage infrastructure but is not connected to a water system or sewerage system; or
 - (c) a water service or sewerage service is provided other than through a connection point.
- (3) The owner of any land to which –
- (a) a service charge applies under a price and service plan approved by the Regulator under section 65; and
 - (b) a service rate or service charge applies under section 93 or 94 of the *Local Government Act 1993*, immediately before the commencement of this Division –
- is liable for the payment of the service charge.

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- (4) A regulated entity may not charge a service charge under this section, unless notice is –
- (a) served on the owner of the land; and
 - (b) published in a newspaper circulating generally in the area in which the land is situated.
- (5) A regulated entity must cause a copy of the notice under subsection (4) to be available for inspection at its offices and on its website.
- (6) A notice under subsection (4) must –
- (a) define the locality to which it applies; and
 - (b) specify the services available; and
 - (c) generally identify the land to which the services are available; and
 - (d) fix a date on and from which the service charge will be payable, being a date not less than 3 months from the date of the notice.

65B. Prices to be included in price and service plan

- (1) In this section –

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fixed charge means a charge expressed to be –

- (a) a full fixed water target charge; or
- (b) a limited water supply target charge; or
- (c) a full fixed sewerage target charge; or
- (d) a fixed sewerage target charge;

standard price means a price, in relation to a water service or a sewerage service, that is –

- (a) contained in the schedule of fees and charges in the price and service plan for the years 2015-2018; and
- (b) specified, in that plan, to apply in relation to the 2017-2018 financial year; and
- (c) not designated in that plan as –
 - (i) a full fixed water target charge; or

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(ii) a limited water supply target charge; or

(iii) a full fixed sewerage target charge; or

(iv) a fixed sewerage target charge;

targeted price means a price, in relation to a water service or a sewerage service, that is –

(a) contained in the price and service plan for the years 2015-2018; and

(b) specified, in that plan, to apply in relation to the 2017-2018 financial year; and

(c) designated in that plan as –

(i) a full fixed water target charge; or

(ii) a limited water supply target charge; or

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- (iii) a full fixed sewerage target charge; or
 - (iv) a fixed sewerage target charge.
- (2) A price and service plan (the *relevant plan*) approved, after 1 July 2017, under section 65(5) must –
- (a) specify, for the first 12-month period in which the relevant plan is to be in force, a price, in relation to a water service, or a sewerage service, to which a standard price relates, that is equal to the standard price in relation to that service, increased by 2.75%; and
 - (b) specify, for each subsequent 12-month period in which the relevant plan is to be in force, a price, in relation to a water service, or a sewerage service, to which a standard price relates, that is equal to the price, in relation to that service, for the previous 12-month period, increased by 3.50%; and
 - (c) have the effect that the price, in relation to a water service or a sewerage service, that is included

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in the plan in accordance with paragraph (a) or (b) is chargeable to all customers, in relation to all properties in respect of which a charge in relation to a water service, or a sewerage service, respectively, may be imposed.

- (3) A price and service plan (the *relevant plan*) approved, after 1 July 2017, under section 65(5) must –
- (a) specify, for the first 12-month period in which the relevant plan is to be in force, a price, in relation to a water service, or a sewerage service, to which a targeted price relates, that is equal to the targeted price in relation to that service, increased by 2.75%; and
 - (b) specify, for each subsequent 12-month period in which the relevant plan is to be in force, a price, in relation to a water service, or a sewerage service, to which a targeted price relates, that is equal to the price, in relation to that service, for the previous 12-month period, increased by 3.50%; and
 - (c) have the effect that the price, in relation to a water service or a

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sewerage service, that is included in the plan in accordance with paragraph (a) or (b) is chargeable to a customer, in respect of a property, only if the targeted price was, in respect of the property, chargeable, in relation to the service, to the customer, for the 2017-2018 financial year.

- (4) A price and service plan (the *relevant plan*) approved, after 1 July 2017, under section 65(5) must specify, in relation to each 12-month period in which the relevant plan is to be in force, prices for fixed charges, specified in the plan, that are chargeable, to a customer, in respect of a property, if, under the price and service plan for the years 2015-2018, there was, for the 2017-2018 financial year, chargeable to the customer, in respect of the property –
- (a) a price for a fixed charge in relation to a water service in respect of that property; or
 - (b) a price for a fixed charge in relation to a sewerage service in respect of that property –

that was less than the targeted price for that service.

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- (5) The price for a fixed charge that is, under subsection (4), to be specified, in relation to a 12-month period, to be chargeable to a customer in respect of a property is –
- (a) if more than one fixed charge was, for the 2017-2018 financial year, chargeable to the customer in respect of the property – the relevant price for a fixed charge, in relation to the 12-month period, that is determined, under subsection (6), to be chargeable to the customer in respect of the property; or
 - (b) if only one fixed charge was, for the 2017-2018 financial year, chargeable to the customer in respect of the property – the relevant price for the fixed charge, in relation to the 12-month period, that is determined, under subsection (7), to be chargeable to the customer in respect of the property.
- (6) For the purposes of subsection (5)(a), the relevant price for a fixed charge, in relation to a 12-month period, that is chargeable to a customer in respect of a property is to be a price such that the total amount of all prices for fixed charges chargeable to the customer in respect of the property –

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- (a) is 7.5% or \$75 (whichever is the greater) more than the total amount of all prices for fixed charges chargeable to the customer in respect of the property in the previous 12-month period, unless paragraph (b) applies to the price; or
 - (b) if the total amount determined under paragraph (a) in relation to the customer in respect of the property would be more than the total amount (*the applicable total amount*) of all prices for fixed charges chargeable, to a customer in respect of a property to which subsection (3) applies, in the previous 12-month period – is the applicable total amount.
- (7) For the purposes of subsection (5)(b), the relevant price for the fixed charge, in relation to a 12-month period, that is chargeable to a customer in respect of a property –
- (a) is to be the price that is 7.5% or \$75 (whichever is the greater) more than the amount of the fixed charge chargeable to the customer, in respect of the property, in the previous 12-month period, unless

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paragraph (b) applies to the price;
or

- (b) if the total amount determined under paragraph (a) in relation to the customer in respect of the property would be more than the amount of the fixed charge (*the relevant fixed charge amount*), for the water service or sewerage service, as the case may be, that was chargeable to a customer in respect of a property to which subsection (3) applies, in the previous 12-month period – is to be the relevant fixed charge amount.

65C. Amendments of price and service plan

- (1) If the Regulator has, before 1 March 2019, provided under section 42 of the *Economic Regulator Act 2009* a report in relation to a prescribed body inquiry in relation to the Corporation, the Treasurer, by notice in the *Gazette*, may specify –
 - (a) one or more 12-month periods, being the second or third 12-month periods specified in a price and service plan approved under section 65(5) after 1 July 2017; and

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- (b) the rate of price increase for a 12-month period specified in the notice in accordance with paragraph (a).
- (2) If the Regulator has, after 1 March 2019 and before 1 March 2020, provided under section 42 of the *Economic Regulator Act 2009* a report in relation to a prescribed body inquiry in relation to the Corporation, the Treasurer, by notice in the *Gazette*, may specify –
 - (a) a 12-month period, being the third 12-month period specified in a price and service plan approved under section 65(5) after 1 July 2017; and
 - (b) the rate of price increase for the 12-month period specified in the notice in accordance with paragraph (a).
- (3) A notice under subsection (1) or (2) may not be published later than 2 months before the start of the first 12-month period to which a rate of price increase specified in the notice is to relate.
- (4) The Corporation must submit to the Regulator, within 30 days after a notice has been issued under subsection (1) or (2), a proposed amendment, to a price and service plan, that contains the prices,

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for each of the 12-month periods to which the notice relates, that –

- (a) were contained in the price and service plan approved under section 65(5) after 1 July 2017; and
 - (b) have been amended so as to reflect the rate of price increase, for that 12-month period, specified in the notice.
- (5) The Regulator must approve an amendment to a proposed price and service plan that is submitted to the Regulator under subsection (4), if the Regulator is satisfied that the price and service plan, as amended, will contain the prices, for each of the 12-month periods to which the notice relates, that –
- (a) were contained in the price and service plan approved under section 65(5) after 1 July 2017; and
 - (b) have been amended so as to reflect the rate of price increase, for the relevant 12-month period, specified in a notice under subsection (1) or (2).
- (6) The Regulator may, before approving under subsection (5) a proposed amendment to a price and service plan

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submitted to the Regulator under subsection (4), require amendments to be made to ensure that the price and service plan, as so amended, will comply with a notice under subsection (1) or (2).

- (7) The Regulator, by notice to the Corporation, may require the Corporation to submit to the Regulator a proposed amendment to a price and service plan so that the price and service plan, when amended in accordance with the proposed amendment, will reflect –
- (a) a corporate plan of the Corporation, or an infrastructure investment plan of the Corporation, under the *Water and Sewerage Tasmania Act 2017*; or
 - (b) a direction issued, under the *Water and Sewerage Tasmania Act 2017*, to the Corporation.
- (8) The Corporation may, or if directed to do so under subsection (7) must, submit to the Regulator a proposed amendment, to a price and service plan, so that the price and service plan, when amended in accordance with the proposed amendment, will reflect –
- (a) a corporate plan of the Corporation, or an infrastructure investment plan of the

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Corporation, under the *Water and Sewerage Tasmania Act 2017*; or

- (b) a direction issued, under the *Water and Sewerage Tasmania Act 2017*, to the Corporation.
- (9) The Regulator may approve a proposed amendment, to a price and service plan, that is submitted to the Regulator under subsection (8), but only if the Regulator is satisfied that –
- (a) if the price and service plan were not amended in accordance with the proposed amendment, the Corporation would fail to comply with its corporate plan, its infrastructure investment plan, or a direction issued to the Corporation, under the *Water and Sewerage Tasmania Act 2017*; and
 - (b) were the plan to be amended in accordance with the proposed amendment and submitted to the Regulator under section 65(1), the plan would be a plan that the Regulator must approve under section 65(5).
- (10) An amendment of a price and service plan approved under this section comes into effect on the day specified in the

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amendment as the day on which the amendment comes into effect.

64. Section 66 amended (Price determinations and regulations in relation to pricing policy investigation)

Section 66 of the Principal Act is amended as follows:

- (a) by omitting subsections (1), (2), (3), (4), (5), (6) and (7) and substituting the following subsections:
 - (1) The price determination, in relation to the council-owned company, made on 30 April 2015 under this section as in force on that date, continues in force until immediately before 1 July 2018.
 - (2) The Regulator must, until the price determination continued under subsection (1) ceases to have effect, publish, on the Regulator’s internet website, notice of the making of a price determination referred to in subsection (1), which notice must include –
 - (a) a brief description of the nature and effect of the price determination; and

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(b) details of how a copy of the price determination may be obtained from the Regulator.

(b) by omitting from subsection (8)(a) “price and pricing policies” and substituting “prices, and the policies,”.

65. Section 67 amended (General provisions relating to determinations)

Section 67 of the Principal Act is amended by inserting after subsection (9) the following subsections:

(10) The price determination in relation to the council-owned company, made on 30 April 2015 under this section as in force on that date, is, while the price determination remains in force, binding on the Corporation while it is a regulated entity.

(11) It is a condition of a licence held by the Corporation that it must comply with the price determination in relation to the council-owned company, made on 30 April 2015 under this section as in force on that date, while the price determination remains in force.

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66. Section 67A repealed

Section 67A of the Principal Act is repealed.

67. Part 4, Division 5, Subdivision 3: Heading inserted

Division 5 of Part 4 of the Principal Act is amended by inserting the following heading after section 67:

Subdivision 3 – Pricing principles

68. Section 68 amended (Pricing principles)

Section 68 of the Principal Act is amended as follows:

- (a) by omitting paragraph (d) from subsection (1);
- (b) by omitting subsection (1A).

69. Section 68AA repealed

Section 68AA of the Principal Act is repealed.

70. Part 4, Division 5, Subdivision 4: Heading inserted

Division 5 of Part 4 of the Principal Act is amended by inserting the following heading after section 68:

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Subdivision 4 – Pricing investigations

71. Section 68A substituted

Section 68A of the Principal Act is repealed and the following sections are substituted:

68A. Requirement to conduct pricing investigation

- (1) The Treasurer must, before 1 May 2020, require the Regulator, by notice in writing to the Regulator, to conduct, before that day, a pricing investigation in respect of the prices for water services and sewerage services provided by the Corporation.
- (2) At least 14 months before the expiration of a pricing order, the Treasurer is to require the Regulator, by notice in writing to the Regulator, to conduct a pricing investigation in respect of prices of the Corporation for water services and sewerage services.
- (3) The Treasurer, by written notice provided to the Regulator and the Corporation, may amend a requirement under subsection (1) or (2) if the Regulator has not made a final report in respect of the pricing investigation.
- (4) The Treasurer may only issue a requirement, or amend a requirement,

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under this section with the agreement of the Minister.

- (5) A requirement under this section –
- (a) is to contain the terms of reference for the pricing investigation; and
 - (b) may be made in respect of one or more water services, or sewerage services, provided by the Corporation; and
 - (c) may specify a contract, or a class of contracts, the terms, in relation to pricing, of which the Regulator is not to investigate or publish to any person.
- (6) The Regulator must comply with a requirement, or an amendment of a requirement, issued under this section.

68B. Terms of reference for pricing investigation

The terms of reference for a pricing investigation are to –

- (a) broadly define the functions and activities of the Corporation; and
- (b) specify the prices to be investigated; and
- (c) specify the day by which the Regulator is to provide a draft

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report in respect of the investigation; and

- (d) specify the day by which the Regulator is to provide his or her final report in respect of the investigation; and
- (e) require the Regulator to make a recommendation in relation to the maximum prices to be chargeable by the Corporation during the period for which any pricing order made as a result of the investigation will be in force; and
- (f) specify any matters, additional to the matters referred to in section 68H, that the Regulator must take into account when conducting the investigation.

68C. Regulator to give notice of pricing investigation

- (1) As soon as practicable after receiving a requirement under section 68A, the Regulator is to give notice of the pricing investigation –
 - (a) in writing provided to the Corporation; and
 - (b) in daily newspapers published and circulating generally in Tasmania or in such other manner

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as the Regulator considers appropriate.

- (2) A notice of a pricing investigation is to specify –
- (a) the purposes of the pricing investigation; and
 - (b) the period during which the pricing investigation is to be held; and
 - (c) the period during which, and the form in which, submissions may be made to the Regulator; and
 - (d) the matters that the Regulator would like submissions to address; and
 - (e) how copies of the terms of reference may be obtained.
- (3) If the Treasurer amends under section 68A(3) a requirement to conduct a pricing investigation, the Regulator is to give notice of the amendment under subsection (1) as if the amendment were a requirement.

68D. Conduct of pricing investigation

- (1) The Regulator is to conduct a pricing investigation in accordance with a

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requirement provided under section 68A and the terms of reference.

- (2) Subject to this Act, the Regulator may conduct a pricing investigation in such manner as the Regulator considers appropriate and, in particular, may at his or her discretion –
- (a) receive written and oral submissions; and
 - (b) consult with any person; and
 - (c) hold hearings and seminars; and
 - (d) conduct workshops; and
 - (e) determine whether any person wishing to appear before the Regulator may be represented by another person.
- (3) In conducting a pricing investigation, the Regulator is not bound by the rules of evidence but may inform himself or herself of any matter in the manner that the Regulator considers appropriate.

68E. Hearings

- (1) Before holding a hearing, the Regulator is to give reasonable notice of the hearing in daily newspapers published and circulating generally in Tasmania as the Regulator considers appropriate

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- (2) The notice of a hearing is to specify –
 - (a) the purpose of the hearing; and
 - (b) the time and place at which the hearing is to be held.
- (3) A hearing is to be held in public.
- (4) Despite subsection (3), if the Regulator is satisfied that it would be in the public interest to do so or that evidence to be presented is, or is likely to be, of a confidential or commercially sensitive nature, the Regulator is to –
 - (a) direct that a hearing or part of a hearing is to take place in private and give directions as to the persons who may be present; and
 - (b) give directions prohibiting or restricting the publication of evidence given or documents produced at the hearing.
- (5) A person must not contravene a direction given under subsection (4)(b).

Penalty: Fine not exceeding 100 penalty units or a term of imprisonment not exceeding 6 months, or both.

- (6) The *Right to Information Act 2009* does not apply in respect of –

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- (a) evidence and documents in respect of which a direction under subsection (4)(b) has been made; or
- (b) records of the giving or production of such evidence and documents.

68F. Requiring person to give evidence or provide document

- (1) For the purposes of a pricing investigation, the Regulator may require a person, by written notice provided to the person, to do any one or more of the following:
 - (a) attend before the Regulator and answer questions which, in the opinion of the Regulator, are relevant to the investigation;
 - (b) provide to the Regulator, in the manner specified in the notice, any document specified in the notice which is in the person's possession or control and which, in the opinion of the Regulator, is relevant to the investigation;
 - (c) provide to the Regulator, in the manner specified in the notice, any other information specified in the notice which, in the opinion

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of the Regulator, is relevant to the investigation.

- (2) A person who attends before the Regulator under a requirement referred to in subsection (1)(a) may, at the Regulator's discretion, be paid by the Regulator –
 - (a) the prescribed allowances and expenses; or
 - (b) if the regulations do not prescribe any allowances and expenses, such allowances and expenses as the Minister determines by notice published in the *Gazette*.
- (3) Despite subsection (1), the Regulator may not require a person –
 - (a) to answer a question, or provide information, if to do so would require the person to divulge information contained in or relating to a Cabinet record; or
 - (b) to provide to the Regulator a Cabinet record.
- (4) A notice under subsection (2)(b) is not a statutory rule.

68G. Use of documents or other information

- (1) The Regulator –

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- (a) may examine, take possession of, make copies of and take extracts from any document provided under a requirement referred to in section 68F(1)(b) or (c); and
 - (b) may retain that document for so long as is necessary for the purposes of the pricing investigation; and
 - (c) is to allow a person who would be entitled to inspect the document if it were not in the possession of the Regulator to inspect it, make a copy of it or take an extract from it at any reasonable time.
- (2) The Regulator may give directions prohibiting or restricting the publication of any answer, document or other information provided to the Regulator under a requirement referred to in section 68F(1), a part of any such answer, document or other information or a copy of or extract from any such answer, document, other information or part.
- (3) A person must not contravene a direction given under subsection (2).

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Penalty: Fine not exceeding 100 penalty units or a term of imprisonment not exceeding 6 months, or both.

- (4) The Regulator may make any answer, document or other information provided to the Regulator under a requirement referred to in section 68F(1), or part of any such answer, document or other information, available to any person as the Regulator considers appropriate except where –
- (a) a direction in respect of the answer, document, other information or part has been given under subsection (2) and its provision to that person would contravene the direction; or
 - (b) the answer, document, other information or part contains information which is exempt information under the *Right to Information Act 2009*.

68H. Matters to be considered in pricing investigation

In a pricing investigation, the Regulator is to consider the following matters:

- (a) the matters included in the terms of reference in relation to the pricing investigation;

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- (b) any relevant Ministerial direction that is in force;
- (c) the efficient and effective supply of water services and sewerage services by the Corporation and the efficient and effective performance of the functions of the Corporation;
- (d) compliance with customer service standards by the Corporation;
- (e) relevant health, public safety and environmental obligations of the Corporation;
- (f) the financial sustainability of the Corporation;
- (g) any interstate or international benchmarks that the Regulator thinks fit, for bodies that supply water services, and sewerage services, that are similar to the water services, and sewerage services, provided by the Corporation;
- (h) the effects of inflation;
- (i) forecasts of supply and forecasts of demand;
- (j) the Ministerial Charter of the Corporation under the

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Government Business Enterprises Act 1995;

- (k) the corporate plan of the Corporation under the *Government Business Enterprises Act 1995*;
- (l) the pricing principles;
- (m) each policy that is approved under section 68Y(2) in relation to the Corporation;
- (n) the effect, of the rate of change of prices, on customers of the Corporation;
- (o) the current infrastructure investment plan;
- (p) any customer contract;
- (q) any other matters considered by the Regulator to be relevant.

68I. Limitations on pricing investigations and reporting

- (1) The Regulator is not to investigate the terms of a contract, or the terms of a contract which is a member of a class of contracts, if that investigation is prohibited by the requirement to investigate under section 68A.

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- (2) Except as authorised or required by law, the Regulator, the Acting Regulator, an Assistant Regulator or a person who is, or whose services are, made available to the Regulator under section 17(1) or (2) of the *Economic Regulator Act 2009*, is not to publish or otherwise divulge a document, part of a document or other information that came into his or her possession as a result of the Regulator, Acting Regulator, Assistant Regulator or person performing or exercising his or her functions or powers if that document, part or information is or contains –
- (a) a contract or the terms of a contract referred to in subsection (1); or
 - (b) a contract or the terms of a contract if the Regulator was prohibited by this section from investigating the contract or terms at the time when the contract or terms came into the possession of the Regulator; or
 - (c) information which, if published, could cause damage to the commercial interests of the Corporation.
- (3) The *Right to Information Act 2009* does not apply in respect of –

- (a) a document, part of a document or information the publication of which is prohibited by subsection (2); and
- (b) records of the giving, production or obtaining of that document, part of a document or information.

68J. Offences

- (1) A person must not –
 - (a) fail to comply with a requirement made under section 68F(1); or
 - (b) provide to the Regulator, in relation to a pricing investigation, oral or written information, or a document, that the person knows or believes to be false or misleading in a material particular without informing the Regulator of that knowledge or belief; or
 - (c) hinder, obstruct or interfere with the Regulator, the Acting Regulator, an Assistant Regulator or any other person in the performance or exercise of his or her functions or powers under this Part; or

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- (d) take, or threaten to take, any action that detrimentally affects the employment of another person because that other person has assisted, is assisting or intends to assist the Regulator in a pricing investigation.

Penalty: Fine not exceeding 100 penalty units or a term of imprisonment not exceeding 6 months, or both.

- (2) Despite subsection (1), a person is not required to comply with a requirement made under section 68F(1) if to do so would tend to incriminate him or her.

68K. Draft report

- (1) The Regulator, at least 8 months before a pricing order that may result from the pricing investigation would be in force, is to –
 - (a) provide a copy of a draft report to –
 - (i) the Treasurer; and
 - (ii) the Minister; and
 - (iii) the Corporation; and
 - (b) make copies of the draft report available, free of charge, to the

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public, in the manner that the Regulator considers appropriate.

- (2) If a draft report is provided or made available to any person or body, the Regulator is to –
- (a) allow persons and bodies to whom it has been provided or made available to make submissions in respect of the report to the Regulator; and
 - (b) take any such submissions into consideration before making a final report.

68L. Final report

- (1) The Regulator, at least 4 months before a pricing order that may result from the investigation would be in force and no later than the day specified in the terms of reference, is to –
- (a) prepare a final report in respect of the pricing investigation; and
 - (b) provide a copy of that final report to –
 - (i) the Treasurer; and
 - (ii) the Minister; and
 - (iii) the Corporation.

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- (2) The final report is to –
 - (a) be consistent with this Act and the terms of reference; and
 - (b) make a recommendation in relation to the maximum prices chargeable by the Corporation during the period that any price control instrument that may result from the investigation would be in force.
- (3) Within 20 sitting-days after receiving a final report, the Treasurer is to lay a copy of the final report before each House of Parliament.
- (4) The Regulator is to ensure that copies of a final report are available, free of charge, to members of the public –
 - (a) as soon as practicable after it is laid before a House of Parliament; or
 - (b) if a copy of the final report cannot be laid before either House of Parliament within 30 days after it is received by the Treasurer because neither House is sitting, within that 30-day period.

68M. Costs of conducting pricing investigation

- (1) The Treasurer may, by notice to the Corporation, determine that the Corporation is liable for all or part of the reasonable expenses incurred by the Regulator arising from the conduct and reporting in respect of a pricing investigation, including the expenses incurred in making a final report available to the public.
- (2) The Corporation is liable for the amount of the expenses specified in a notice to the Corporation under subsection (1).
- (3) The Regulator may, in a court of competent jurisdiction, recover from the Corporation, as a debt due to the Regulator, the amount of expenses specified in a notice to the Corporation under subsection (1).

72. Part 4, Division 5, Subdivision 5: Heading inserted

Division 5 of Part 4 of the Principal Act is amended by inserting the following heading after section 68M:

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Subdivision 5 – Pricing orders and price control instruments

73. Sections 68N, 68O, 68P, 68Q and 68R inserted

After section 68M of the Principal Act, the following sections are inserted in Subdivision 5:

68N. Pricing order

- (1) After a final report in relation to a pricing investigation is provided to the Treasurer under section 68L(1) and not less than 2 months before the expiry of a pricing order, the Treasurer is to make a pricing order.
- (2) A pricing order is to specify the maximum prices that are to be charged by the Corporation during the period in which the order is in force.
- (3) The Treasurer is to consult with, and take into consideration the opinion of, the Minister, before making a pricing order.
- (4) The Treasurer, in making a pricing order, is to take into consideration the recommendations contained in the last pricing investigation made before the order is made.
- (5) A pricing order is to be consistent with the pricing principles.
- (6) A pricing order is not a statutory rule.

68O. Duration of pricing order

- (1) A pricing order takes effect on the 61st day after it is published in the *Gazette*.
- (2) A pricing order remains in force, unless it is sooner revoked, for the period, after the order takes effect, that is specified in the order, which period –
 - (a) in the case of the first pricing order made after the commencement of this section, is to be 4 years; and
 - (b) in any other case, is not to be more than 5 years.

68P. Amendment of pricing order

- (1) In this section –

excluded amount means –

- (a) an income tax, fringe benefits tax or capital gains tax; or
- (b) a tax, charge, levy, duty or imposition that replaces a tax referred to in paragraph (a); or
- (c) a fee or charge payable under this Act; or

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(d) an amount payable under a contract; or

(e) a fine or other penalty;

relevant tax means a tax, charge, levy, duty, or imposition, that –

(a) is directly attributable to the provision of water services or sewerage services; and

(b) in the opinion of the Treasurer, is not normally absorbed by business in a fully competitive market –

but does not include an excluded amount;

tax event, in relation to a pricing order, means –

(a) the imposition on the Corporation of an obligation to pay an amount which –

(i) it was not obligated to pay immediately before the pricing order was made; and

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- (ii) arises from the imposition of a relevant tax; or
- (b) a change in the manner in which, or the rate at which, a relevant tax is calculated, which change results in a change in an amount that the Corporation is required to pay (whether directly or by reason of an adjustment under a contract of an amount payable under that contract) in respect of relevant taxes, from the amount that the Corporation was so required to pay immediately before the pricing order was made; or
- (c) the removal of a relevant tax, which removal results in a change in an amount that the Corporation is required to pay (whether directly or by reason of an adjustment under a contract of an amount payable under that contract) from the amount

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the Corporation was so required to pay immediately before the pricing order was made.

- (2) The Treasurer may at any time amend a pricing order, even if a pricing investigation has not been conducted since the making of the pricing order.
- (3) Without limiting the circumstances in which the Treasurer may amend a pricing order, the Treasurer may amend a pricing order if the Treasurer is satisfied that –
 - (a) there has been a material change in the costs incurred by the Corporation as a result of complying with new or additional legislative requirements imposed on the Corporation after the pricing order was made; or
 - (b) there has been a tax event after the pricing order was made.
- (4) An amendment of a pricing order comes into effect 30 days after the day on which notice of the amendment is published in the *Gazette* or a later day specified in the amendment as the day on which the amendment comes into effect.
- (5) An amendment of a pricing order is not a statutory rule.

68Q. Price control instrument

- (1) Within the period of 30 days immediately after a pricing order in respect of water services or sewerage services, or both, is made, the Corporation is to –
 - (a) prepare a price control instrument specifying the prices to be charged on the day on which the pricing order takes effect and the period during which those prices will apply; and
 - (b) lodge with the Treasurer an application for the approval of the price control instrument, together with any supporting information that the Treasurer may require.
- (2) The Corporation is not to amend the price control instrument submitted to the Treasurer under subsection (1) and approved under subsection (4) unless it has the written approval of the Treasurer under subsection (4) to do so.
- (3) The Corporation may submit to the Treasurer an amendment of the price control instrument submitted to the Treasurer under subsection (1) and approved under subsection (4).
- (4) The Treasurer –

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- (a) is to approve the price control instrument submitted to the Treasurer under subsection (1), or an amendment of the instrument submitted to the Treasurer under subsection (3), if the Treasurer is satisfied that the prices as determined or amended would be consistent with the pricing order and all relevant policies that are approved under section 68Y(2) in relation to the Corporation; and
 - (b) is not to approve such an instrument or amendment unless the Treasurer is so satisfied.
- (5) The Treasurer must consult with the Minister before approving under subsection (4) a price control instrument submitted to the Treasurer under subsection (1) or an amendment of the instrument submitted to the Treasurer under subsection (3).
- (6) The Treasurer is to give notice of his or her approval, or disapproval, of the instrument or amendment under subsection (4) within 15 days after the Treasurer receives the application for approval.
- (7) A price control instrument that is approved under subsection (4), and an amendment of a price control instrument

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that is approved under subsection (4), come into effect on the day on which notice of the approval is given under subsection (6).

68R. Price control instrument does not authorise breach of contract

Nothing in a price control instrument is to be taken to permit the Corporation, in a contract, with a customer, that –

- (a) is in force immediately after the price control instrument is made; and
- (b) was in force before that instrument is made –

to charge prices in relation to the provision of water services or sewerage services, or to set terms or conditions for the provision of water services or sewerage services, that are inconsistent with the prices, and other terms and conditions, forming part of the contract.

74. Part 4, Divisions 5A and 5B inserted

After section 68R of the Principal Act, the following Divisions are inserted in Part 4:

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Division 5A – Charges

68S. Interpretation of Division 5A

In this Division –

connection charge means a charge calculated by reference to the costs that are associated with installing assets that are dedicated to the provision of a regulated service to a particular customer;

developer charge means a charge, in respect of a property to which a proposed new development relates, that relates to the installation, alteration or utilisation of assets by the regulated entity so as to enable the provision by the entity of regulated services for the purposes of the new development;

fixed charge means a charge, which is recurrent, for the provision of a regulated service to a customer, but does not include a variable charge;

service charge means a charge that is imposed in relation to water services or sewerage services to serviced land where –

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- (a) a water service or sewerage service is provided through a connection to a pipe or sewer that is not owned by the regulated entity; or
- (b) a water service or sewerage service is available through a regulated entity's water infrastructure or sewerage infrastructure but is not connected to a water system or sewerage system; or
- (c) a water service or sewerage service is provided other than through a connection point;

service introduction charge means a charge, in respect of a property, that relates to the installation, alteration or utilisation of assets by a regulated entity so as to enable the provision by the entity of a regulated service to the property, but does not include –

- (a) a connection charge; or
- (b) a fixed charge; or

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(c) a developer charge;

variable charge means a charge, for a regulated service, that varies according to the volume of the water delivered to, or sewage removed from, the property to which the charge relates.

68T. Service charges

- (1) A regulated entity may determine, in accordance with the regulated entity's service charges policy, that a service charge applies in relation to water services or sewerage services to serviced land.
- (2) The amount of a service charge determined under subsection (1) is to be the amount calculated in accordance with a determination, in a pricing order, of a service charge.
- (3) The owner of any land to which a service charge determined under subsection (1) applies is liable for the payment of the service charge.
- (4) A regulated entity may not determine that a service charge applies in relation to water services or sewerage services to serviced land, unless notice is –

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- (a) served on the owner of the land;
and
 - (b) published in a newspaper circulating generally in the area in which the land is situated.
- (5) A notice under subsection (4) must –
- (a) define the locality to which it applies; and
 - (b) specify the services available; and
 - (c) generally identify the land to which the services are available; and
 - (d) fix a date on and from which the service charge will be payable, being a date not less than 3 months from the date of the notice.
- (6) A regulated entity must cause a copy of the notice under subsection (4) to be available for inspection at its offices and on its website.
- (7) A regulated entity may not, otherwise than as permitted in accordance with this section, impose a service charge in respect of land.

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68U. Service introduction charges

- (1) A regulated entity may determine, in accordance with the service introduction charges policy that is approved under section 68Y(2) in relation to the entity, that a service introduction charge applies in relation to water services or sewerage services to serviced land.
- (2) The amount of a service introduction charge determined under subsection (1) is to be the amount determined in accordance with the service introduction charges policy that is approved under section 68Y(2) in relation to the entity.
- (3) A service introduction charge must not be imposed on a person in relation to land unless the person is an owner of the land.
- (4) A service introduction charge may be imposed on a person in addition to a fixed charge.
- (5) A regulated entity may not charge a service introduction charge in relation to water services or sewerage services to serviced land, unless notice is –
 - (a) served on the owner of the land;
and

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- (b) published in a newspaper circulating generally in the area in which the land is situated.
- (6) A notice under subsection (4) must –
- (a) define the locality to which it applies; and
 - (b) specify the services available; and
 - (c) generally identify the land to which the services are available; and
 - (d) fix a date on and from which the service charge will be payable, being a date not less than 3 months from the date of the notice.
- (7) A regulated entity must cause a copy of the notice under subsection (4) to be available for inspection at its offices and on its website.
- (8) A regulated entity may not, otherwise than as permitted in accordance with this section, impose a service introduction charge in respect of land.

68V. Developer charges

- (1) A regulated entity may determine, in accordance with the developer charges policy that is approved under

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section 68Y(2) in relation to the entity, that a developer charge applies in respect of a property to which a proposed new development relates.

- (2) The amount of a developer charge to be imposed by a regulated entity in respect of a property to which a proposed new development relates is to be –
 - (a) calculated in accordance with the developer charges policy that is approved under section 68Y(2) in relation to the entity; and
 - (b) sufficient to, but no higher than is necessary to, recoup the reasonable costs incurred by the entity in respect of the proposed new development.
- (3) A regulated entity may not, otherwise than as permitted in accordance with this section, impose a development charge in respect of a property to which a proposed new development relates.
- (4) The regulations may specify reasonable costs for the purposes of subsection (2).

68W. Trade waste charges

- (1) A regulated entity may determine, in accordance with the trade waste charges policy that is approved under

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section 68Y(2) in relation to the entity, that a trade waste charge applies in respect of serviced land.

- (2) The amount of a trade waste charge to be imposed by a regulated entity under subsection (1) in respect of serviced land is –
- (a) if there is a determination, in a pricing order, of a trade waste charge in relation to the category of trade waste, specified in the trade waste charges policy that is approved under section 68Y(2) in relation to the entity, that applies in relation to the serviced land – the relevant trade waste charge, calculated in accordance with the determination in the pricing order, in relation to the category of trade waste; or
 - (b) if there is no determination, in a pricing order, of a trade waste charge in relation to the category of trade waste, specified in the trade waste charges policy that is approved under section 68Y(2) in relation to the entity, that applies in relation to the serviced land – the relevant trade waste charge, calculated in accordance with the policy, in relation to the category of trade waste.

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- (3) A regulated entity may not, otherwise than as permitted in accordance with this section, impose a trade waste charge in respect of land.

68X. Strata title bodies corporate to give notice of creation of, or change in, entitlements

A body corporate in respect of a scheme must, within 30 days after –

- (a) a change in the general unit entitlement in relation to the scheme; or
- (b) the creation of, or a change in, a special unit entitlement in relation to the scheme, which entitlement relates to liability for charges for water use –

give notice, to the regulated entity in respect of the land, of the creation of, or a change in, a special unit entitlement in relation to the scheme, which entitlement relates to liability for charges for water use.

Penalty: Fine not exceeding 20 penalty units.

Division 5B – Policies of regulated entities

68Y. Policies to be submitted to Regulator for approval

- (1) A regulated entity must submit to the Regulator for approval –
 - (a) a proposed infrastructure extension and expansion policy that complies with the requirements of section 68ZB(1) in relation to an infrastructure extension and expansion policy; and
 - (b) a proposed connection policy that complies with the requirements of section 68ZB(2) in relation to a connection policy; and
 - (c) a proposed service charges policy that complies with the requirements of section 68ZB(3) in relation to a service charges policy; and
 - (d) a proposed service introduction charges policy that complies with the requirements of section 68ZB(4) in relation to a service introduction charges policy; and

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- (e) a proposed developer charges policy that complies with the requirements of section 68ZB(5) in relation to a developer charges policy; and
 - (f) a proposed trade waste charges policy that complies with the requirements of section 68ZB(6) in relation to a trade waste charges policy; and
 - (g) a proposed sub-metering policy that complies with the requirements of section 68ZB(7) in relation to a sub-metering policy; and
 - (h) a proposed sewerage charges policy that complies with the requirements of section 68ZB(8) in relation to a sewerage charges policy; and
 - (i) a proposed policy, in relation to a matter prescribed in regulations for the purpose of this subparagraph, that complies with the requirements of section 68ZB(9) in relation to the matter.
- (2) The Regulator must approve a proposed policy submitted under subsection (1) if the Regulator is satisfied that the policy

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complies with the requirements specified in section 68ZB in relation to such a policy.

- (3) The Regulator may, before approving under subsection (2) a proposed policy submitted under subsection (1) by a regulated entity, require, by notice to the regulated entity, the entity to make amendments to the proposed policy and to resubmit the proposed policy, as so amended, to the Regulator under subsection (1) before a day specified in the notice.
- (4) A regulated entity to which a notice is given under subsection (3) must, before the day specified in the notice, make amendments to the proposed policy and resubmit the proposed policy, as so amended, to the Regulator under subsection (1).
- (5) It is a condition of a regulated entity's licence that the entity must comply with any policy that is, in relation to the regulated entity, approved under subsection (2) and that is in force.
- (6) A regulated entity must publish on its website any policy that is, in relation to the regulated entity, approved under subsection (2) and that is in force.

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68Z. Review and amendment of policies

- (1) The Regulator may, by notice to a regulated entity, require the entity to review a policy approved under section 68Y(2) in relation to the entity and to submit to the Regulator a report in relation to the review by the day specified in the notice.
- (2) A regulated entity to which a notice is given under subsection (1) must submit to the Regulator a report in relation to a review of a policy to which the notice relates, by the day specified in the notice.
- (3) The Regulator may, by notice to a regulated entity, require the entity to submit to the Regulator, by a day specified in the notice, an amendment to a policy approved under section 68Y(2) in relation to the entity.
- (4) A regulated entity to which a notice is given under subsection (3) must submit to the Regulator, by the day specified in the notice, an amendment to a policy to which the notice relates.
- (5) The Regulator may approve an amendment to a policy submitted to the Regulator under subsection (4).
- (6) If the Regulator approves an amendment to a policy submitted to the Regulator under subsection (4), the policy, as so

amended, is to be taken to be approved under section 68Y(2).

68ZA. Guidelines for preparation of proposed policies

- (1) The Regulator may issue guidelines to a regulated entity for the preparation of a proposed policy.
- (2) The guidelines must –
 - (a) specify the requirements with which a regulated entity is to comply before submitting a proposed policy to the Regulator under section 68Y(1); and
 - (b) specify the process for the preparation and approval of a proposed policy, including the extent of public consultation and timelines and the subsequent publication of a policy that has been approved under section 68Y(2).

68ZB. Contents of policies

- (1) An infrastructure extension and expansion policy in relation to a regulated entity must specify –
 - (a) the circumstances in which it will extend and expand its water

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- infrastructure and sewerage infrastructure, including the circumstances in which it will extend or expand its water infrastructure or sewerage infrastructure at the request of a person; and
- (b) the terms and conditions that will apply to such an extension or expansion.
- (2) A connection policy in relation to a regulated entity must specify –
- (a) the circumstances in which the regulated entity will permit an owner of land to connect, or relocate or adjust a connection, to the regulated entity’s water infrastructure or sewerage infrastructure; and
- (b) a description of the land, whether identified by individual title or by locality, that it will permit to be connected to the regulated entity’s water infrastructure or sewerage infrastructure.
- (3) A service charges policy in relation to a regulated entity must specify –
- (a) the circumstances in which the regulated entity will impose a

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- service charge in relation to serviced land; and
- (b) the amount of, or method of determining the amount of, the service charge, in relation to water infrastructure or sewerage infrastructure or water services or sewerage services.
- (4) A service introduction charges policy in relation to a regulated entity must specify –
- (a) how service introduction charges are to be determined by the regulated entity; and
- (b) that an owner of a property to which a service introduction charge relates is permitted to pay the charge –
- (i) over a period of not less than 12 months; or
- (ii) at the owner’s request, over a period of less than 12 months; and
- (c) a requirement for the regulated entity to provide to a person, before a service introduction charge is imposed on the person, an estimate of the amount of that

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charge that may be imposed on the person; and

- (d) a requirement for the regulated entity to provide, to a person on whom a service introduction charge is imposed, information as to how the amount of the charge has been determined by the regulated entity.
- (5) A developer charges policy in relation to a regulated entity must specify –
- (a) the method by which the amount of a developer charge will be calculated by the regulated entity; and
 - (b) information that enables a person to calculate the amount of the developer charge estimated to be payable in respect of a proposed new development on a property in a region or location; and
 - (c) a requirement for the regulated entity to provide to a person who –
 - (i) proposes a new development in respect of a property; and
 - (ii) provides to the entity sufficient information, in

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relation to the proposals for the new development, to enable an estimate to be determined; and

- (iii) requests an estimate to be provided to the person –

an estimate of the amount of the developer charge that is to apply in respect of the property; and

- (d) a requirement for the regulated entity to provide to a person –

- (i) on whom a developer charge is imposed; and

- (ii) who requests the information to be provided to the person –

information as to how the amount of the charge has been determined by the regulated entity.

- (6) A trade waste charges policy in relation to a regulated entity must specify –

- (a) categories of trade waste; and

- (b) when a charge for the provision of trade waste services in relation to a category specified in the policy is to be imposed; and

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- (c) how a charge for a category of trade waste specified in the policy is to be calculated.
- (7) A sub-metering policy in relation to a regulated entity must specify –
 - (a) the circumstances in which the regulated entity will supply or install a main meter or a sub-meter, or both; and
 - (b) the requirements of the regulated entity in relation to the installation of sub-meters; and
 - (c) any billing arrangements that are to depend on whether a sub-meter is installed on land.
- (8) A sewerage charges policy in relation to a regulated entity must specify the classification to be applied to different types of customers to whom sewerage services may be provided.
- (9) A policy in relation to a matter prescribed for the purposes of section 68Y(1)(i) must contain the information, or provisions, prescribed in regulations as required to be contained in policies in relation to the matter.

68ZC. Transitional provisions in relation to policies

- (1) A policy approved under this Division does not apply in relation to a regulated entity if there is a price and service plan in force in relation to the entity.
- (2) A policy contained in a price and service plan, of a regulated entity, that is in force or that was, immediately before 1 July 2021, in force, is to be taken to be a policy approved under section 68Y(2) in relation to the regulated entity.
- (3) Subsection (2) applies in relation to a policy whether or not the policy complies with the requirements specified in section 68ZB in relation to such a policy.

75. Section 70 amended (State of the industry report)

Section 70(1A)(a) of the Principal Act is amended as follows:

- (a) by omitting from subparagraph (i) “3 months before a regulated entity is required under section 65 to submit a proposed price and service plan for regulated services provided by the regulated entity” and substituting “18 months before the day on which the first pricing order takes effect under section 68N”;

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(b) by inserting the following subparagraph after subparagraph (i):

(ia) not more than 18 months before a pricing order made under section 68N is to expire; and

76. Section 78 amended (Definitions used in this Part)

Section 78 of the Principal Act is amended by omitting paragraph (a) from the definition of *reviewable decision*.

77. Part 6 repealed

Part 6 of the Principal Act is repealed.

78. Section 105 amended (Offences by regulated entities)

Section 105 of the Principal Act is amended as follows:

- (a) by omitting from subsection (1) “the Corporation” and substituting “a regulated entity”;
- (b) by omitting from subsection (1) “Corporation” second occurring and substituting “regulated entity”;
- (c) by omitting from subsection (1) “Corporation” third occurring and substituting “regulated entity”;

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- (d) by omitting from subsection (1)(a) “Corporation” and substituting “regulated entity”;
 - (e) by omitting from subsection (1)(b) “Corporation” and substituting “regulated entity”;
 - (f) by omitting from subsection (1)(c) “Corporation’s” and substituting “regulated entity’s”;
 - (g) by omitting from subsection (2) “Corporation” and substituting “regulated entity”;
 - (h) by omitting from subsection (3) “Corporation’s” and substituting “regulated entity’s”;
 - (i) by omitting from subsection (3) “Corporation” and substituting “regulated entity”;
 - (j) by omitting from subsection (4) “Corporation” twice occurring and substituting “regulated entity”.

79. Section 108 amended (Regulator’s costs)

Section 108(1) of the Principal Act is amended by omitting paragraph (a) and substituting the following paragraph:

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- (a) approving policies submitted by the regulated entity for approval by the Regulator; and

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PART 14 – CONCLUDING PROVISION

80. Repeal of Act

This Act is repealed on the three hundred and sixty fifth day from the day on which all of the provisions of this Act commence.