

**WATER AND SEWERAGE INDUSTRY (CONSEQUENTIAL AND
TRANSITIONAL) AMENDMENT BILL 2009**

NOTES ON CLAUSES

- Clause 1 Short title.
- Clause 2 Fixes the date of commencement of the Act as being the day on which it receives Royal Assent.
- Clause 3 Refers to the *Water and Sewerage Industry (Consequential and Transitional) Act 2008* as the Principal Act.
- Clause 4 Repeals section 2 of the principal Act and inserts a new section 2.
- Subclause (1) fixes the date of commencement of the section as the day on which the *Water and Sewerage Industry (Consequential and Transitional) Amendment Bill 2009* commences.
- Subclause (2) fixes the date of commencement of section 3 and Schedule on a day to be proclaimed.
- Subclause (3) fixes the date of commencement of section 4 and Schedule 2 on a day to be proclaimed.
- Subclause (4) fixes the date of commencement of section 5 on a day to be proclaimed.
- Subclause (5) fixes the date of commencement of section 6 on a day to be proclaimed.
- Clause 5 Repeals section 3 of the principal Act and inserts a new section 3 to enable a provision of Schedule 1 to commence on a day to be proclaimed.
- Clause 6 Omits subsection (6) of section 5 of the Principal Act.
- Clause 7 Inserts a new section 6 in the Principal Act to provide for matters relating to charging in the transitional period, that being the period up to the time that a regulated entity enters into a customer contract with a customer.

The clauses will allow a council or bulk water authority to issue a notice to collect and recover a volumetric charge

after a person becomes a customer of a regulated entity if that charge was incurred prior to the person becoming a customer of the regulated entity.

The clauses will also allow a regulated entity to continue charging on the same basis that a customer was charged in 2008-09, in accordance with the provisions in the *Local Government Act 1993*, until that regulated entity enters into a customer contract with that customer.

Subsection (1) contains the following definitions applicable to the section:

- **local authority** which is defined to have the meaning given in the *Sewers and Drains Act 1954*;
- **local government amendments** which means the amendments to the Local Government Act specified in Schedule 1 of the Principal Act;
- **relevant authority** which is defined to mean a council, or a bulk water authority within the meaning of the *Water and Sewerage Corporations Act 2008*;
- **sewers amendments** which means the amendments to the Sewers and Drains Act specified in Schedule 1 of the Principal Act;
- **trade effluent charge** which means a charge, for carrying off and disposing of trade effluent, that was fixed and applied under Part X of the Sewers and Drains Act prior to the amendments to that Act prescribed in Schedule 1 taking effect;
- **trade effluent service** which is defined to mean a regulated service for which a trade effluent charge could have been imposed prior to the sewers amendments;
- **transitional period**, in relation to a customer of a regulated entity for a regulated service, is defined as the period commencing on the day on which the local government amendments take effect to the day on which the customer enters into a customer contract under section 60(2) or section 61 of the *Water and Sewerage Industry Act 2008* or ceases to be a customer of the entity;

- **transitional service charge** means an amount, calculated by reference to sections 94 or 94A of the Local Government Act for 2008-09, that a regulated entity may charge a customer for the transitional period.

Section 94 of the Local Government Act allows a council to make a separate service charge for a financial year, in addition to or instead of making a service rate under section 93 of the Act, for any or all of the services that the council supplies or makes available.

Section 94A of the Act allows a council, when making a general rate, to make a volumetric charge in respect of the volume of water supplied; and

- **transitional service rate** means an amount, calculated by reference to section 93 of the Local Government Act for 2008-09, that a regulated entity may charge a customer for the transitional period.

Section 93 of the Local Government Act allows a council to make a service rate for a financial year on rateable land for certain services, which includes water supply and sewage removal.

Subsection (2) states that, unless the contrary intention appears, or the expression is defined in subsection (1), an expression in section 6 has the same meaning as in the Water and Sewerage Industry Act.

Subsection (3) will allow a relevant authority to issue a notice to collect and recover a volumetric charge for water that was incurred prior to the date on which the amendments to the local government will take effect, which is when the person becomes a customer of a regulated entity and the power of a relevant authority to levy and recover volumetric charges in accordance with the Local Government Act will be removed.

Subsection (4) states that a local authority can recover, in accordance with Part X of the Sewers and Drains Act, charges incurred for carrying off and disposing of trade effluent up to the date on which the sewers and drains amendments take effect.

Subsection (5) establishes the basis for a regulated entity to charge and recover for regulated services provided in the transitional period.

Subsection (6) states that the chargeable amount under subsection (5) is equal to the total of the transitional service charge, if any, and the relevant proportion of the transitional service rate, if any. The subsection also states that the chargeable amount may be varied in accordance with subsection (9).

Subsection (7) requires that a transitional service rate be apportioned and charged on a daily basis.

Subsection (8) allows a regulated entity to continue to charge and recover for carrying off and disposing of trade effluent on the same basis as that provided in the Sewers and Drains Act, subject to any variation in accordance with subsection (9), in the transitional period.

Subsection (9) allows the chargeable amount, under subsections (6) or (8), for a billing period to be varied in accordance with an interim price order issued under the Water and Sewerage Industry Act.

Subsection (10) restricts variations made under subsection (8) to that portion of the billing period that arises after the making of an interim price order.