

Australian Capital Territory

Utilities (Energy industry levy – local regulatory costs) Determination 2015

Notifiable Instrument NI2015-564

made under the

Utilities Act 2000, section 54F (Local regulatory costs)

EXPLANATORY STATEMENT

Section 54F of the *Utilities Act 2000* requires the Levy Administrator, appointed under section 25N, to determine the amount of local regulatory costs to be applied to each industry sector. The *Utilities (Energy industry levy – local regulatory costs) Determination 2015* sets out these determinations.

The four energy industry sectors subject to the levy are electricity distribution, electricity supply, gas distribution and gas supply.

Local regulatory costs are made up of costs to the Territory of regulating safety, technical operations, consumer service and environmental behaviour for energy utility services and the costs of administration of the levy. The costs relate to the work of the:

- Independent Competition and Regulatory Commission (Commission);
- the technical regulator; and
- the ACT Civil and Administrative Tribunal (ACAT).

The Levy Administrator notes the increase in total regulatory costs estimated for 2015-16 on the actual costs for 2014-15. This increase in costs is attributable to an estimated increase in the volume of complex matters before the ACAT and technical regulation costs and associated work load for 2015-16. The Commission's actual and estimated costs remained relatively stable for the 2014-15 levy year and 2015-16 levy year.

During the 2014-15 Levy year, operational aspects of technical regulation was transferred to Access Canberra, with the Technical Regulator continuing to be the Director-General of the Environment and Planning Directorate. 2014-15 also saw the introduction of a new regulatory regime to be overseen by the Technical Regulator.

The Levy Administrator was assured by the Technical Regulator that the costs associated with the implementation of the new regulatory regime which, for the most

part, does not impact on the regulated entities that are the subject of the Energy Industry Levy are not being recovered through the levy. The Technical Regulator notes that the main driver for the increase in costs is work committed to prior to the move of technical regulation to Access Canberra. The Technical Regulator also confirms that the audit programme for 2015-16, which are included in the 2015-16 estimated costs, will deliver improved regulatory outcomes in the delivery of safe and reliable services to the Territory. The Levy Administrator notes the work done by staff of Access Canberra to stabilise estimation of costs through the development of a comprehensive work programme and other initiatives.