

Legislative Council—No 75

As introduced and read a first time, 18 July 2012

South Australia

**Essential Services Commission (Electricity, Gas,
Water and Sewerage Prices) Amendment Bill 2012**

A BILL FOR

An Act to amend the *Essential Services Commission Act 2002*.

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The Parliament of South Australia enacts as follows:

Part 1—Preliminary

1—Short title

This Act may be cited as the *Essential Services Commission (Electricity, Gas, Water and Sewerage Prices) Amendment Act 2012*.

5 2—Amendment provisions

In this Act, a provision under a heading referring to the amendment of a specified Act amends the Act so specified.

Part 2—Amendment of *Essential Services Commission Act 2002*

3—Insertion of section 26A

10 After section 26 insert:

26A—Parliament may disallow certain price determinations

- 15 (1) If the Commission makes a price determination in relation to a relevant essential service that involves a disallowable price increase, the Commission must, within 28 days after the making of the determination, deliver to the Minister a report that sets out the determination and the reasons for the determination.
- (2) The Minister must cause a copy of the report to be laid before both Houses of Parliament within 6 sitting days after receipt of the report.
- 20 (3) A House of Parliament may, pursuant to a notice of motion given in the House within 14 sitting days after the report is laid before the House under subsection (2), resolve to disallow the determination.
- (4) Notice of a resolution passed under subsection (3) must immediately be published in the Gazette.

5 (5) If a House of Parliament passes a resolution disallowing a price determination then the determination ceases to have effect (and the immediately preceding price determination will, from that time, apply until a fresh determination is made by the Commission under this Part).

(6) In this section—

Consumer Price Index means the Consumer Price Index (All groups index for Adelaide) published by the Australian Bureau of Statistics;

10 *disallowable price increase*, in relation to a price determination, means a price increase that results in the median charges for the service under the price determination (when compared with the median charges under the immediately preceding price determination) being more than double any increase in those charges that would have resulted from an indexed price increase;

15 *median charges*, in relation to a relevant essential service, means the charges determined by the Commission for the purposes of this section as representing the annual charges for the service for a residential customer with an average annual consumption level of the service;

20 *quarter 1*—subject to subsection (8), quarter 1 means the quarter that immediately precedes the quarter in which the immediately preceding price determination referred to in subsection (7) came into effect;

25 *quarter 2*—subject to subsection (8), quarter 2 means the quarter that immediately precedes the quarter in which the determination referred to in subsection (1) is to come into effect;

relevant essential service means any of the following essential services:

- 30 (a) electricity services;
(b) gas services;
(c) water services;
(d) sewerage services.

35 (7) For the purposes of the definition of *disallowable price increase* in subsection (6), the *indexed price increase* in relation to median charges is obtained by multiplying the relevant price under the immediately preceding price determination by a proportion obtained by dividing the Consumer Price Index for quarter 2 by the Consumer Price Index for quarter 1.

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- (8) For the purposes of the definitions of *quarter 1* and *quarter 2* in subsection (6), if an immediately preceding quarter ended on a day that falls within 30 days of the day on which the relevant price determination came into effect or is to come into effect (as the case may be), that immediately preceding quarter is not to be used to calculate the indexed price increase, and the quarter that immediately precedes that immediately preceding quarter is to be used instead.