

Rottnest Island Authority Substantiation Statement

Statement in accordance with Sec 60 FD (Carbon Tax Removal Substantiation Statement)

In response to the *Australian Competition & Consumer Commission's* (ACCC) letter issued on 5 August 2014 the Rottnest Island Authority (RIA) herewith provides the following statement to the ACCC in respect of its estimated cost savings that have been, are or will be directly or indirectly attributable to the carbon tax repeal or that have been, are being or will be passed on to each class of the RIA's customers.

The RIA has electricity customers, as defined by paragraph (2) (a) (i) of Sec 60 FD of the *Competition and Consumer Act 2010* (CCA) and the removal of the carbon tax will lead to an estimated approximate saving of \$76,000 or 7% which will be passed onto its customers during the 2014-15 financial year.

The RIA has also provided the attached information that substantiates its estimates in accordance with paragraph (2) (b) of Sec 60 FD.

The RIA does not have gas or SGG customers in line with paragraph (2)(a)(ii) and (iii) of Sec 60 FD of the CCA.

It is noted that the estimated savings are based on best available information provided to the RIA as of the date of this statement and these will be subject to changes which will be reflected in the Substantiation Notice which will be issued in accordance with section 60FA (2) of the CCA.

The content of the Substantiation Statement will be published on the RIA's website.

Approved on behalf of the RIA



Paolo Amaranti
Chief Executive Officer



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Impact on 2014/15 projected revenue of removing the increase in electricity unit price attributed to the carbon tax.

As part of the 2012/13 Fees & Charges process an increase of 11% was approved in the electricity unit price. This increase comprised:

1. Mainland tariff increase
2. Carbon tax impact

	2014/15 unrounded	2014/15 rounded APPROVED	Projected kW hours sold	2014/15 Gross Projected Revenue	NET Projected Revenue
Impact of carbon tax incorporated into the increase to 2014/15:					
Electricity per (kW) unit	0.45841224	\$ 0.46	2,700,000	1,237,713.05	1,125,193.68
Excluding the increase due to the introduction of the carbon tax:					
Electricity per (kW) unit	0.42743844	0.43	2,700,000	1,154,083.79	1,049,167.08
Difference in unit price		0.03		Carbon Tax Impact	-76,026.60