

Independent Competition and Regulatory Commission (Investigation into motor vehicle fuel prices in the ACT) Terms of Reference Determination 2019

Disallowable Instrument DI2019-18

Made under the *Independent Competition and Regulatory Commission Act 1997*, section 15 (nature of industry references) and section 16 (terms of industry reference)

1 Name of instrument

This instrument is the *Independent Competition and Regulatory Commission (Investigation into motor vehicle petrol prices in the ACT) Terms of Reference Determination 2019*.

2 Commencement

This instrument commences on the day after it is notified.

3 Industry reference for investigation (section 15)

I, Andrew Barr, Treasurer, pursuant to section 15(1)(e) of the *Independent Competition and Regulatory Commission Act 1997* (Act), provide an industry reference to the Independent Competition and Regulatory Commission (Commission) to undertake a factual analysis of automotive petrol prices and competition in the ACT.

4 Terms of reference (section 16)

Pursuant to section 16(1) of the Act, I specify the following terms of reference in relation to the conduct of the investigation:

(1) The Commission is to have regard to the following in its investigation:

- a. The average price of petrol in the ACT compared to Sydney, other capital cities and regional towns in proximity to the ACT;
- b. The average costs faced by ACT petrol suppliers compared to Sydney, other capital cities and regional towns in proximity to the ACT;
- c. The drivers of price differentials and how petrol prices are determined, including:

- i. business models and pricing behaviours of petrol suppliers; and
 - ii. the structure of the market.
 - d. The nature of costs faced by petrol suppliers in the ACT, including arrangements between petrol retailers and distributors, transport costs, and local taxes fees and charges;
 - e. Whether there is effective competition in the ACT petrol distribution and retail markets, taking into account:
 - i. the level of supplier concentration;
 - ii. barriers to market entry and the locations of petrol stations;
 - iii. any differences observed within the ACT market; and
 - iv. information available to consumers.
 - f. Any other matter the Commission considers relevant to the investigation.
- (2) The Commission is to provide a final report to the Treasurer setting out:
- a. the findings of the investigation; and
 - b. a summary of the data that has informed the findings of the investigation.
- (3) In undertaking the investigation the Commission is to:
- a. provide a draft report, undertake public consultation and consider submissions in accordance with the Act; and
 - b. conclude the investigation and provide the final report to the Treasurer by 28 June 2019.

Andrew Barr MLA

Treasurer

22 February 2019