

Australian Capital Territory

INDUSTRY REFERENCE FOR INVESTIGATION INTO FULL RETAIL CONTESTABILITY FOR ELECTRICITY

Disallowable instrument DI2001-346

EXPLANATORY STATEMENT

Section 16 of the *Independent Competition and Regulatory Commission Act 1997* (“the Act”) requires that a referring authority may, by instrument, determine terms of reference for an ICRC investigation.

The Treasurer, as the referring authority, has decided to issue the Independent Competition and Regulatory Commission (ICRC) with a reference to investigate the public benefit of the extension of full retail contestability (FRC) for electricity in the ACT.

Under Section 16 (3) of the Act, the instrument will be disallowable.

Under the terms of reference, the ICRC is tasked to identify and quantify the costs and benefits, both financial and non-financial, which would flow from an extension of full retail competition for electricity in the ACT to customers using 100 Megawatt/hours per annum or less. This encompasses both residential and small-business consumers. The review will include options for the ACT in relation to proceeding or not with FRC at this time.