

AUSTRALIAN CAPITAL TERRITORY

**INDEPENDENT COMPETITION AND REGULATORY
COMMISSION ACT 1997**

**REFERENCE FOR INVESTIGATION UNDER SECTION 15
AND
SPECIFIED REQUIREMENTS IN RELATION TO INVESTIGATION UNDER
SECTION 16**

INSTRUMENT NO. 69 OF 2001

EXPLANATORY STATEMENT

On 7 March 2001 the Legislative Assembly passed a motion moved by Mr D Rugendyke MLA, recommending that the Government issue the Independent Competition and Regulatory Commission (ICRC) a reference to investigate and advise the Assembly on matters relating to motor fuel prices in the ACT.

The instrument sets out the terms of reference recommended by the Legislative Assembly for an investigation by the ICRC into petrol prices within the ACT.

In undertaking the inquiry the ICRC is tasked to review previous inquiries such as the 1997 Legislative Assembly Report of the Select Committee on Petrol Pricing, and identify where any changes have occurred. The term of the inquiry has been set in such a way that the ICRC inquiry has minimal overlap with the current ACCC inquiry and for the ICRC's findings to contribute to the ACCC's national inquiry.

The ACCC inquiry will look into how price volatility can be controlled and whether the *Petroleum Products Pricing Amendment Act 2000* passed in Western Australia or similar reforms would provide a net benefit to the community. The ACCC inquiry report is expected in the 3rd quarter of 2001.

Given the ACCC inquiry and the ACCC's wider investigatory powers across the national fuel market, the ICRC is to have regard to the Government's view that reasonable costs for the inquiry ought not to exceed \$60,000.