

1998
THE LEGISLATIVE ASSEMBLY
FOR AUSTRALIAN CAPITAL TERRITORY

INDEPENDENT PRICING AND REGULATORY
COMMISSION ACT 1997

DECLARATION OF REGULATED INDUSTRY UNDER SECTION 4
AND
REFERENCE FOR INVESTIGATION UNDER SECTION 15
AND
SPECIFIED REQUIREMENTS IN RELATION TO INVESTIGATION UNDER
SECTION 16

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EXPLANATORY STATEMENT

Circulated by the authority of

Brendan Smyth
Minister for Urban Services

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Legislative Background

The Independent Pricing and Regulatory Commission Act 1997 provides for, among other things, the provision of price directions for “regulated industries”. The latter term is defined by the ACT to include an industry which has been declared by instrument, to be a regulated industry under subsection 4(1) of the Act.

Section 4 allows any Minister to declare, by instrument, an industry to be a regulated industry if he or she certifies that the industry involves the provision of services in the Territory in whole or in part by or on behalf of the Territory or a Territory Authority. Such an instrument is a disallowable instrument for the purposes of section 10 of the Subordinate Laws Act 1989.

Section 15 allows a referring authority (the relevant Minister in this case) to provide a reference in relation to prices for regulated services.

Section 16 allows the Minister, by instrument, to specify the requirements in relation to the conduct of an investigation or a report on an investigation by the Commission. Such an instrument is a disallowable instrument for the purposes of section 10 of the Subordinate Laws Act 1989.

This explanatory statement covers the matters set out in these three sections.

Matters relevant to Section 4

The document declares public transport bus services provided by ACTION in the Australian Capital Territory, to be a regulated industry.

Matters relevant to Section 15

The document refers to the Commission an investigation into the determination of prices for public transport bus services provided by ACTION in the Australian Capital Territory. In relation to the period of regulation, the Commission is required to develop a price for the period of one year commencing on 1 July 1999.

Matters relevant to Section 16

The document sets out a number of matters that are to be considered by the Commission when conducting its investigation.

The requirements are laid out in the terms of reference and include issues which need to be considered in addition to those matters specifically mentioned in subsection 20(2) of the Act. These requirements will allow the refinement of the costing of Community Service Obligations paid by the Government and to benchmark public transport services against a 'commercial price' specifically determined for the ACT by the Independent Pricing and Regulatory Commission.

The final report, covering prices for the period 1 July 1999 to 30 June 2000 is due in April 1999. The document also requires the Commission to provide a draft report. Consistent with the requirements of Section 18 of the Act, this draft will be a basis for public consultation. The draft report for this purpose is due in February 1999.