

1997
THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

INDEPENDENT PRICING AND REGULATORY
COMMISSION ACT 1997

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

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EXPLANATORY STATEMENT

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Trevor T Kaine MLA
Minister for Urban Services

EXPLANATORY STATEMENT

INDEPENDENT PRICING AND REGULATORY COMMISSION ACT 1997

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

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 engaged in the supply in the ACT of electricity, water and or sewerage services.

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.

The attached document covers the matters set out in these two sections.

Matters relevant to Section 15

The document refers to the Commission an investigation into charges for electricity, water and sewerage services supplied by ACTEW Corporation in the ACT. In relation to the period of regulation, the Commission is required to develop a medium term price path for a three year period commencing on 1 July 1998 by a two stage process. Consistent with the requirements of subsection 15(3) of the Act, the investigation is to consider all prices determined under section 48 of the *Energy and Water Act 1988*.

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.