

Australian Capital Territory

Independent Competition and Regulatory Commission (Notice of Acceptance) 2005 (No 1)

Notifiable instrument NI2005–406

made under the

Independent Competition and Regulatory Commission Act 1997, s19C (Acceptance of regulatory references – government-regulated activities), s19E (Terms of regulatory references) and s19H (Procedure for regulatory reference investigations)

TERMS OF REFERENCE

for an investigation into Capital Linen Service

Specified requirements in relation to investigation under section 19C:

Following a request from the Minister for Urban Services and pursuant to subsection 19C(1) of the Act, I specify the following requirements in relation to the conduct of the investigation:

The Independent Competition and Regulatory Commission (the Commission) will investigate whether Capital Linen Service (CLS), by reason of its government ownership, has a competitive advantage in respect of services it provides to the private sector. In reaching its conclusion, the Commission will consider and report on:

1. An assessment of the market(s) in which CLS operates and the extent to which it is in competition with private sector enterprises, including a consideration of any competitive advantages and/or disadvantages under which CLS operates.
2. The extent to which cross-subsidisation between market segments exists (for example, private versus public sector customers, health sector versus accommodation/restaurant linen customers).
3. Whether CLS undertakes any community service obligations (CSOs) and, if so, whether these CSOs are appropriately costed and transparently funded.
4. The extent to which CLS is complying with the full range of competitive neutrality principles as outlined in the Competition Principles Agreement relating to tax neutrality, borrowing neutrality and regulatory neutrality.
5. Reform option recommendations about the above matters which best achieve the objectives of clause 3 of the Competition Principles Agreement.

Specified requirements in relation to investigation under section 19E:

Pursuant to subsection 19E(1)(a) of the Act, I specify the following requirement in relation to the conduct of the investigation:

In undertaking the investigation, the Commission is to report on the matter no later than 23 December 2005.

Specified requirements in relation to investigation under section 19H:

Pursuant to subsection 19H(2)(a) of the Act, I specify the following requirement in relation to the conduct of the investigation:

In undertaking the investigation, the Commission is to request submissions from key interested parties and the wider public.

Paul Baxter
Senior Commissioner
for the Independent Competition and Regulatory Commission
21 October 2005