APPENDIX A: TERMS OF REFERENCE

Pursuant to subsection 15(1) of the Act, I refer to the Independent Competition and Regulatory Commission (the "Commission") the matter of an investigation into motor vehicle fuel, including petroleum, diesel and gas, prices in the ACT.

Specified Requirements in Relation to Investigation Under Section 16

Pursuant to subsection 16(1) of the Act, I specify the following requirements in relation to the conduct of the investigation:

The Commission is to have regard to the following in its report on the Inquiry:

(1) whether an efficient retail price for petroleum is being delivered in the ACT;
(2) whether there is a higher average cost of fuel in the ACT compared to other capital cities and neighbour Queanbeyan;
(3) whether there is efficient competition in the ACT distribution and retail sectors in the ACT;
(4) whether the fluctuation of ACT fuel prices, particularly prior to public service pay days and peak holiday periods, is indicative of a failure in the retail market that disadvantages consumers;
(5) the efficacy of the Petroleum Products Pricing Amendment Act 2000 passed in Western Australia and whether similar reforms would provide a net benefit to the community as a whole in the ACT;
(6) whether there are tied arrangements between retailers and distributors in the ACT fuel market that have the effect of restricting competition; and
(7) any other related matter.

In undertaking the inquiry, the Commission is to:

(i) conclude the Inquiry by 30 June 2001 and report as soon as practicable thereafter;
(ii) note the ACCC Inquiry and restrain (sic) from unnecessarily inquiring into those issues under reference to the ACCC;
(iii) focus the Inquiry to those changes that have occurred since previous Inquiries into the ACT motor vehicle fuel, including petroleum, diesel and gas, market;
(iv) have regard to the Government's view that the reasonable costs of the Inquiry ought not exceed $60,000; and
(v) have regard to the Inquiry report being advice to the Legislative Assembly.