

2014

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**INDEPENDENT COMPETITION AND REGULATORY COMMISSION
(WATER AND SEWERAGE PRICE DIRECTION) BILL 2014**

EXPLANATORY STATEMENT

**Presented by
Mr Andrew Barr MLA
Treasurer**

Independent Competition and Regulatory Commission (Water and Sewerage Price Direction) Bill 2014

Purpose of the Bill

The ACT Auditor-General, in her Performance Audit of the Water and Sewerage Pricing Process, released on 2 April 2014, concluded, on the basis of legal opinion, that the Independent Competition and Regulatory Commission's *Price Direction – Regulated Water and Sewerage Services 1 July 2013 to 30 June 2019, Report 6 of 2013, June 2013* may be invalid. This was due to the Auditor-General concluding that, based upon legal opinion, the Terms of Reference for the inquiry were insufficient.

The Government considers that the Terms of Reference and Price Direction are effective. However, in order to remove any doubt in relation to this issue, the *Independent Competition and Regulatory Commission (Water and Sewerage Price Direction) Bill 2014* (the Bill) confirms the validity of the Terms of Reference and Price Direction.

Detailed Explanation

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| Clause 1 | Name of Act
This clause provides that the name of the Act is the <i>Independent Competition and Regulatory Commission (Water and Sewerage Price Direction) Act 2014</i> |
| Clause 2 | Commencement
This clause provides that the Act will commence on the day after its notification. |
| Clause 3 | Notes
This clause provides that any notes within this Act are explanatory and not part of the Act. |
| Clause 4 | Meaning of Terms of Reference
This clause defines, for the purpose of this Act, <i>Terms of Reference</i> . |
| Clause 5 | Meaning of Water and Sewerage Price Direction.
This clause defines, for the purpose of this Act, <i>Water and Sewerage Price Direction</i> . |
| Clause 6 | Terms of Reference—effect
This clause confirms the validity of the Terms of Reference issued for the investigation undertaken by the Independent Competition and Regulatory Commission to determine the water and sewerage price direction. |
| Clause 7 | Water and sewerage price direction—effect
This clause confirms the validity of the Independent Competition and Regulator Commission's <i>Price Direction – Regulated Water and Sewerage Services 1 July 2013 to 30 June 2019, Report 6 of 2013, June 2013</i> . |

Clause 8 Industry panel review of water and sewerage price direction – regulatory period

This clause provides, in order to remove any doubt, guidance to the Industry Panel in relation to the regulatory period for the price direction. It confirms that the panel can determine the period in which a price direction is effective, irrespective of whether the decision made by the Industry Panel is to confirm the current price direction, or to substitute a new price direction.

In order to remove any doubt in relation to the Terms of Reference for the direction, this clause also states that the Industry Panel must not set a period in excess of six years for the regulatory period, without prior approval by the Minister.

Clause 9 Expiry of Act

This clause provides for the Act to expire 2 years after it commences.