



Minister for Small Business

Mr Rod Sims
Chairman
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

09 APR 2015

Dear ~~Mr Sims~~ ^{Rod},

I am writing to require the Australian Competition and Consumer Commission (ACCC) to hold a public inquiry into the competitiveness of wholesale gas prices and the structure of the upstream, processing, transportation, storage and marketing segments of the gas industry pursuant to subsection 95H(1) of the *Competition and Consumer Act 2010* (CCA).

I enclose a notice under subsection 95H(1) of the CCA identifying the matters the inquiry is to consider and when the inquiry is to be completed.

Given that policy responsibility for the wholesale gas industry resides with the Minister for Industry and Science, I ask that the ACCC liaise closely with the Minister's Department. The ACCC may wish to liaise with the Productivity Commission which has recently completed a self-initiated research project examining barriers to more efficient gas markets.

The final report is required to be submitted to the Government within 12 months of the receipt of the attached notice.

I have copied this letter to the Minister for Industry and Science.

Yours sincerely


BRUCE BILLSON

Enc.



COMMONWEALTH OF AUSTRALIA

COMPETITION AND CONSUMER ACT 2010

INQUIRY INTO COMPETITIVENESS OF THE WHOLESALE GAS INDUSTRY

I, Bruce Billson, Minister for Small Business, pursuant to subsection 95H(1) of the *Competition and Consumer Act 2010*, hereby require the Australian Competition and Consumer Commission to hold an inquiry into the competitiveness of wholesale gas prices and the structure of the upstream, processing, transportation, storage and marketing segments of the gas industry. The inquiry may include but not be limited to Victoria, New South Wales, Australian Capital Territory, South Australia, Queensland and Tasmania.

Matters to be taken into consideration in the inquiry shall include, but not be restricted to:

- the availability and competitiveness of offers to supply gas and the competitiveness and transparency of gas prices;
- the competitiveness of, access to, and any restrictions on market structures for gas production, gas processing and gas transportation;
- the significance of barriers to entry into the upstream production sector;
- the existence of, or potential for, anti-competitive behaviour and the impact of such behaviour on purchasers of gas; and
- transaction costs, information transparency including gas supply contractual terms and conditions, and other factors influencing the competitiveness of the markets.

This is not to be an inquiry in relation to supply by any particular person or persons. The inquiry should not consider competition in gas retail markets.

The inquiry is to be completed and a report submitted to me within 12 months of the receipt of this notice.

DATED THIS

8th

DAY OF

April

2015


BRUCE BILLSON

Minister for Small Business