

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates, 16 & 17 February 2005

Question: Add 17

Topic: ACCC – Movement of Retail Petrol Prices

Hansard Page: E33

Senator Lundy asked:

Can you, on notice, include the figures that you get from the regional centres, factoring them into that graph and then presenting that to the committee?

Answer:

The attached Chart 1 shows the average weekly price of unleaded petrol in the five major capital cities (Sydney, Melbourne, Brisbane, Adelaide and Perth) and the average weekly price of Mogas 95 Unleaded in Australian cents per litre for the period 19 September 2004 to 6 February 2005. Because of the lagged effect of changes in international prices on domestic petrol prices, Mogas 95 Unleaded prices were lagged by one week.

The chart indicates that the relationship between domestic retail prices in the five major capital cities and international prices, in general, holds when prices are going up as much as it does when prices are going down.

Chart 2 shows the average weekly petrol prices from all of the capital cities and country towns for which the ACCC collects petrol prices for the period 19 September 2004 to 6 February 2005.

- Because of the additional lag in country price movements compared with the five major metropolitan cities (due to the fact that fuel stocks are replenished less often in the country where less fuel is sold), the effect of changes in international prices on domestic petrol prices has been lagged by two weeks.
- The average weekly prices in the five major capital cities have been weighted by 60 per cent and the average weekly prices in the smaller capital cities and country towns have been weighted by 40 per cent. This reflects the greater consumption of petrol in the five major capital cities.

The chart indicates that the movement in average weekly domestic petrol prices in all of the capital cities and country towns is broadly consistent with movements in the average weekly price of Mogas 95 Unleaded in Australian cents per litre.

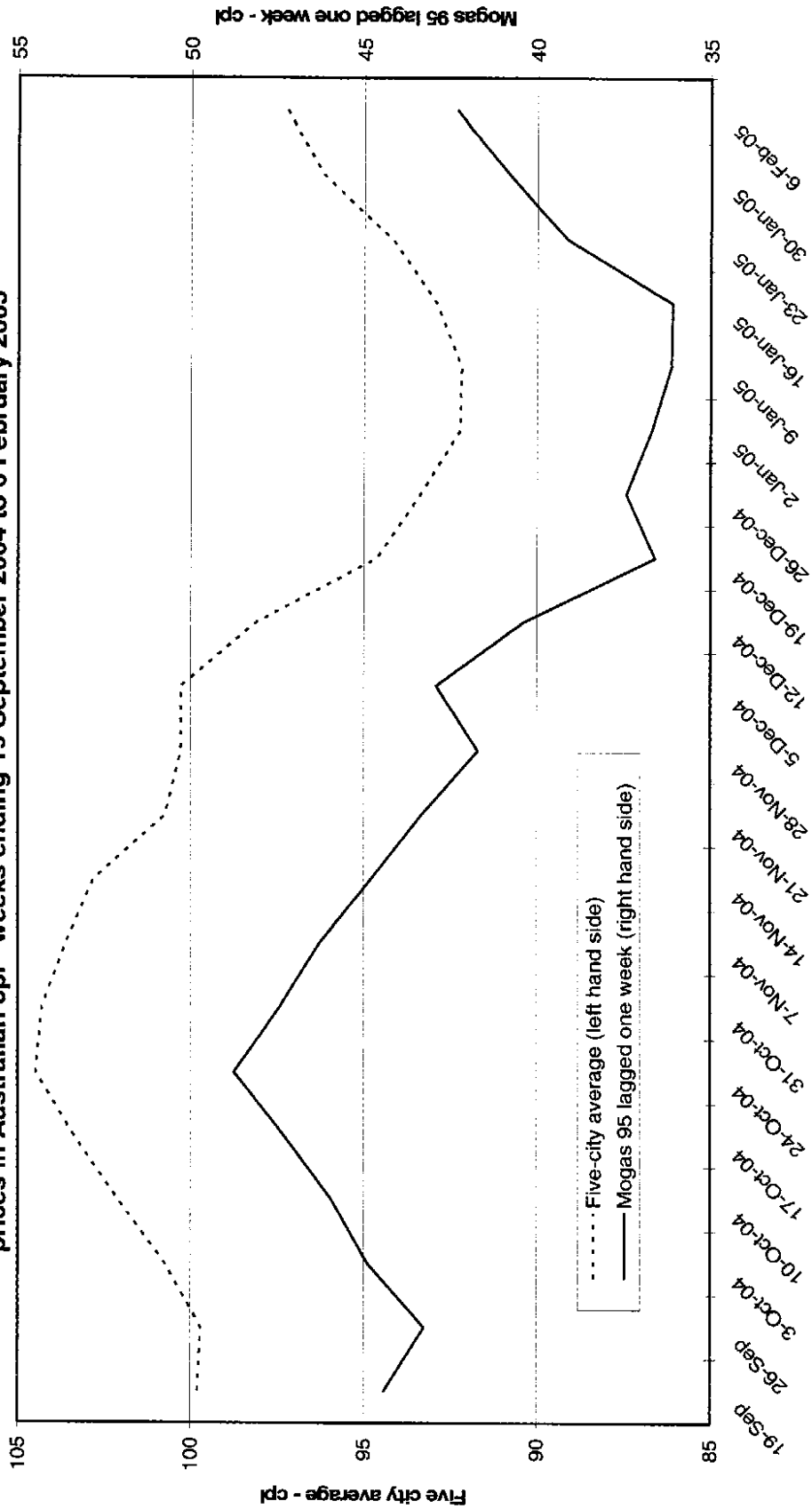
**Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE**

Treasury Portfolio

Additional Estimates, 16 & 17 February 2005

Chart 1

Average weekly unleaded petrol prices of the five major capital cities and average weekly Mogas 95 prices in Australian cpi - weeks ending 19 September 2004 to 6 February 2005



Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates, 16 & 17 February 2005

Chart 2

Average weekly unleaded petrol prices of all capital cities and country towns and average weekly Mogas 95 prices in Australian cpl - weeks ending 19 September 2004 to 6 February 2005

