

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 20-21 February 2008

Question: aet 50

Topic: Petrol Issue

Hansard Page: E129

Senator MURRAY asked:

Senator MURRAY—My question on notice is this. When you are examining the petrol issue, have you examined it from the context of tied houses using the example, for instance, of liquor stores and hotels and clubs, which were split away from that concept and became more competitive? I would like to know whether that is an aspect which is worthy of further examination.

Answer:

In 2007 the Australian Competition and Consumer Commission (ACCC) conducted a major inquiry into unleaded petrol prices. The issue of “tied houses” did not arise in that context.

However, at the retail level of the petrol industry there are some retailers who purchase fuel at wholesale from the refiner/marketers and sell the brand of that refiner/marketer and there are others who purchase fuel at wholesale from the refiner/marketers but sell their own brand of fuel. The report of the ACCC inquiry, *Petrol prices and Australian consumers: report of the ACCC inquiry into the price of unleaded petrol*, concluded that there is a significant degree of price competition at the retail level.