

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 31 May to 2 June 2005

Question: Bud 111

Topic: Publishing Petrol Pricing Information on ACCC Website
Hansard Page: E120

Senator Lundy asked:

Senator LUNDY—Thank you, Mr Samuels, for talking quickly. Doesn't this scrutiny of petrol pricing as a deterrent for collusion rise in the list of important activities undertaken to prevent anticompetitive behaviour? To that end, why won't the ACCC publish the full amount of information that I know you collect on city, metropolitan, regional and rural petrol prices on your web site to improve transparency of petrol pricing around the country? Why don't you publish it on your web site?

Mr Cassidy—Much of that information is obtained from commercial sources. We are restricted in the use we can make of it. That is the condition under which we get it.

Senator LUNDY—I understand that you do some of your own surveys as well. Why don't you put your own survey material on the web site to improve scrutiny of petrol pricing, particularly for regional areas?

Mr Cassidy—I think I am right in saying that all our information comes from commercial sources of one form or another. We do not have people out there doing our own surveys.

Senator LUNDY—Why can't you negotiate a commercial arrangement where you can put that information on your web site in the public interest?

Mr Cassidy—Maybe we could, but for the commercial businesses we get the information from, if you like, that is their business, that is their livelihood. If we publish all that information ourselves, that is going to destroy their business. So I suspect our chances of being able to negotiate that are fairly minimal.

Senator Lundy – I suggest then it would be a matter of policy for the government, and I put the same question to you, Minister, to take on notice.

Answer:

Currently the Australian Competition and Consumer Commission (ACCC) informally monitor petrol, diesel and auto LPG prices at around 4,000 sites across Australia. The ACCC can also conduct additional random monitoring in remote areas, and investigates complaints about price changes.

This price data is for the ACCC's own internal purposes, and assists the ACCC in its enforcement of the *Trade Practices Act 1974* if there is evidence of anti-competitive behaviour. However, the distribution of this material is limited due to contractual obligations, as the data is commercially sensitive.

The Australian Government considers that formal prices monitoring should only be applied in those markets which display monopoly characteristics and where competitive pressures are not sufficient to achieve efficient prices and protect consumers.

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This is because prices surveillance does not necessarily ensure lower prices and imposes considerable compliance costs on industry and administrative costs on governments, which in turn would be passed onto consumers and taxpayers.

The ACCC has consistently found that the retail fuel industry is competitive. Further, the ACCC report *Reducing Fuel Price Variability* in May 2002 recommended that the Government should not regulate to limit price cycles in petrol or diesel, due to the significant costs and likely higher average prices to consumers that would result from such measures.

However, the ACCC provides access (via links) to a range of publicly available petrol pricing information on their website to assist consumers. The following link, <http://www.accc.gov.au/content/index.phtml/itemId/348796/fromItemId/280309> provides access to the 'Petrol price cycles' web page which provides links to the following information on petrol prices in regional areas.

For example, information on:

- daily petrol prices on the ACCC website is provided by links including a link to the 'Shell' website, which provides daily petrol prices based on its sites at 300 rural and regional towns;
- weekly petrol prices on the ACCC website is provided by a link to the 'Australian Institute of Petroleum' website which has average weekly retail prices for unleaded petrol for 98 country towns throughout Australia (as well as the eight capital cities). These prices are based on information supplied by BP and Caltex. There are also charts showing movements in the weekly average price for the past 12 weeks in these towns; and
- monthly petrol prices on the ACCC website is provided by a link to the 'Australian Automobile Association' website which provides monthly data on petrol prices in 98 country towns throughout Australia. Historical data is available back to April 1998.