

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 3-5 June 2008

Question: bet 104

Topic: Perth – Lowest Petrol Prices

Hansard Page: E14

Senator Abetz asked:

Senator ABETZ—Can you then explain to me—and that is very helpful—as to why the ACCC put out a useless, irrelevant press release which says, on its second page, ‘Analysis of petrol pricing in a 9 am snapshot today shows the Coles Express sites have set the highest prices in four capital cities.’ If a day snapshot is irrelevant and useless, surely a snapshot at 9 am of only four sites is even more useless and irrelevant. So why would the ACCC in a media release seek to rely on such useless and irrelevant information?

Mr Cassidy—Because, lying behind that was two weeks of consistent data showing the same thing—that Coles was leading prices in four major capital cities.

Senator ABETZ—It says ‘today’.

Mr Cassidy—Yes, it says ‘today’. I am telling you that the analysis showed that they had been doing that for two weeks.

Mr Samuel—If you take note of the transcripts of all the media interviews that were given by Commissioner Walker and me following the issue of that media release, you would appreciate that the purpose of that release was to indicate that for a period of two weeks before Coles had been leading the price up—hiking the price, as we describe it—in a somewhat unusual fashion. They had been the price mover in a number of capital cities. It was to draw the attention of Australian motorists to just that.

Senator LUNDY—A bit of an own goal there.

Mr Samuel—I would also indicate that, if you as a motorist are going to take into account the 4c a litre discount offered by the shopper docket, you need to be aware that Coles was hiking the price up before any of their competitors during that two- to three-week period.

Senator ABETZ—That is another issue.

Senator LUNDY—That is zero, Senator Abetz.

Mr Cassidy—I hope I am not being unhelpful in saying this but, to throw another useless figure into the ring, over four of the last six months Perth has on average had the lowest prices.

Senator ABETZ—By how much?

Mr Cassidy—I could take that on notice and give you exact figures, but in four of the last six months Perth has had the lowest prices.

Senator ABETZ—Why do you have to take that on notice?

Mr Cassidy—Let me say I do not regard that as being a particularly useful figure either. We could sit here all day exchanging figures like that, which are not terribly useful, because of the volatility in petrol prices.

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Answer:

The ACCC compared average monthly unleaded petrol prices in Perth with the average monthly prices in the eastern capitals - Sydney, Melbourne and Adelaide - over the six month period December 2007 to May 2008 (Brisbane prices were excluded from the analysis because of the Queensland Government subsidy). On average over the six month period Perth prices were 0.5 cpl lower than prices in the eastern capitals.