

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 204
Topic: Petrol Retailer
Hansard Page: 101

Senator Xenophon asked:

Senator XENOPHON: I want to go to a complaint from a constituent. He does not want to be named or identified but he is a petrol retailer in a country town in South Australia. He says that the service station run by one of the supermarket chains in his town was selling petrol for a number of weeks between eight to 12 cents below the cost that he could buy it for at a wholesale level. That was causing him enormous harm. He was able to stay afloat by virtue of other operations—selling food and other things, non-petrol related—but he was bleeding. He had to reduce his prices below cost in order to try and compete with the major supermarket chain. He says that he referred this to his professional body, the MTA in South Australia, in November. This started in early October. He says that the MTA made a complaint, I understand, some time in November. There were subsequently newspaper reports not identifying him but about this town and about a petrol price war and a complaint being made. Things seemed to change a little for this major supermarket chain, but he was still struggling. He finally got a response from the ACCC on 31 March. He received a response after a complaint was made in November. He got a call from the ACCC. He subsequently received some correspondence. He was asked a number of questions about that. Do you think a time delay of three to four months for a person who found real difficulties with an eight to 12 cents reduction wholesale is a satisfactory timeframe? I know you cannot comment on the individual case because I have not specified it. But as a general principle, would you find that satisfactory?

Mr Samuel: Well, I would need to know more details about when the complaint was lodged.

Senator XENOPHON: I think it was lodged in November. Assume it was lodged in November.

Mr Samuel: Lodged with the ACCC or lodged with the MTA?

Senator XENOPHON: No. Lodged with the ACCC. That is my understanding.

Mr Cassidy: Senator, could we take that on notice, because I do not want to mislead you?

Senator XENOPHON: Sure.

Answer:

The ACCC received correspondence from the MTA-SA in December 2010. The ACCC wrote to MTA-SA within three days of receiving the correspondence to request further information to allow for the further assessment of the alleged conduct.

Since that time, the ACCC has been in ongoing contact with the MTA-SA and other interested parties in order to progress its enquiries, which are ongoing.