

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 22-23 October 2008

Question: sbt 23

Topic: FuelWatch

Hansard Page: Written

Senator Bushby asked:

1. What salary does the Petrol Commissioner receive?
2. Given the commissioner's admission that motorists are being slugged an extra 3c a litre more than what they should be, what is the ACCC doing about it?
3. Do the ACCC feel they have enough power to keep oil companies in line?

Answer:

1. The salary of the Petrol Commissioner, like those of all ACCC members, (and all public office holders), is set by the Remuneration Tribunal. From 1 July 2008, the base salary for an ACCC member was \$242,800 in a remuneration package of \$317,900.
2. In October 2008 Mr Joe Dimasi, then Executive General Manager, Regulatory Affairs Division, indicated that the ACCC had discovered a divergence between the Singapore Mogas 95 unleaded price and the price of retail unleaded petrol in Australia. The ACCC considers that this divergence was associated with a significant reduction in the price of Singapore Mogas 95 unleaded over a short period of time.

Letters were written to the Chief Executive Officers of the four refiner-marketers and the two major supermarket chains seeking comments and an explanation, and meetings were subsequently held with them.

It should be noted that since the divergence was identified in mid October, petrol prices have fallen by over 30 cents per litre in the five largest metropolitan cities.

3. Under the *Trade Practices Act 1974* the ACCC has wide ranging enforcement and information gathering powers that enable the ACCC to ensure competition in the petrol market prevails.