

## **Submission to the Senate Economics Legislation Committee Inquiry into the price of petrol in Australia**

**Submission relates to variations in the retail price of petrol at particular times.**

In Perth WA retail prices of unleaded petrol are characterised by cyclic variations in rise and fall.

During any "normal" period in Perth in recent times the average price at the bowsers has been around \$1.32 per litre.

But then, without warning, one of the major distributors (Caltex, BP, Shell, etc) will suddenly instigate a price hike of anywhere up to eleven cents per litre above the lowest outlet price available. Invariably the other majors will quickly follow, raising their prices to the same level or even higher.

Obviously the intent of these price surges is to catch motorists unaware and reap additional profits from captive buyers for as long as possible. Then, as sales eventually begin to slow in response to the higher prices, all the majors will start to lower their prices until they are again back down at "normal" prevailing competitive levels.

When the majors are challenged about these sudden price variations they invariably squeak about the vagaries of world oil prices and associated factors beyond their control. Yet it is particularly remarkable how these factors always seem to come into play and cause sharp increases in petrol prices just before long weekends and holiday periods in WA.

It is also remarkable that each of the majors can be seen to take a turn at initiating these upward price cycles. Thus it appears very much like a planned collusive process.

Submission from:

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