

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2015 - 2016

Department/Agency: Australian Competition and Consumer Commission

Question: AET 67

Topic: Inquiry into Armidale fuel prices

Reference: Hansard page no. 109 - 10 February 2016

Senator: Williams, John

Question:

Senator WILLIAMS: Mr Sims and group, thank you for being here. Mr Sims, I am not going near the poultry industry. I do not want to see egg on your face! In August last year you announced that Armadale in northern New South Wales would be the third marketplace to watch as far as fuel pricing goes. Over the Christmas-New Year break, there was a further outrage in Armadale when it was found that prices were up to 9c dearer than surrounding towns for unleaded petrol and between 11c and 19c dearer for diesel. The local member, Adam Marshall's, described them as rip-off merchants and price gougers. There is fear that travellers are not stopping to refuel in Armadale. If fuel is too dear, they go on to other towns, which loses business for the local businesses. How many submissions did you receive? What was the theme of those submissions when you put the spotlight on Armadale with your inquiry?

Mr Sims: I will ask Mr Cosgrave to answer that as well. Obviously, what we are doing with this regional study is asking the companies for all their price and cost information and tracking that back through the value chain so we can precisely understand what you are talking about. In terms of submissions we got—

Senator WILLIAMS: You will take it on notice?

Mr Sims: Yes, I am very happy to do that, Senator. The key part of the study—and I am sorry to drag this out—is that we are asking them, under compulsory information powers, to give us all their information so that we can fully understand what is going on.

Senator WILLIAMS: Wonderful.

Answer:

- (a) For the Australian Competition and Consumer Commission (ACCC) market study on the Armidale petrol market, the ACCC issued information requests to seven refiners, wholesalers and retailers under section 95ZK of the *Competition and Consumer Act 2010*.
- (b) The ACCC also had an online consultation hub through which any member of the community could provide comments or information to the ACCC for the market study.
- (c) Five responses were received.
- (d) The comments provided by the public expressed concern about high fuel prices in Armidale compared with nearby locations.