Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates – 25–26 February 2009

Question: aet 84

Topic: Profiteering on Petrol

Hansard Page: E22 (26 February 2009)

Senator FIELDING asked:

Senator FIELDING—Has the ACCC written to the oil companies in the last month on the issue of profiteering on petrol?

Mr Samuel—There have been communications with the oil companies over the past month in relation to a number of issues, but one specific issue that has arisen is that we have noted that the price spike that occurs as part of the weekly price cycle has had a greater amplitude than has been the case in the past. In normal price cycles the amplitude of the price spike from the low trough—normally on Tuesday or Wednesday—to the spike that occurs either late Wednesday or early Thursday has generally been of the order of about 10 or 11 cents. We have noticed that that price spike has moved out to about 14 to 15 cents per litre. Mr Dimasi has been communicating with the oil companies as to that. At the same time I might point out that while that price cycle has been occurring with a greater amplitude we have actually also noticed that in Perth the price cycle appears for sometime now to have disappeared, and there is no price cycle in Perth. The price is remaining relatively flat. And I think in Brisbane the price cycle appears to be flattening out as well; it does not have the degree of amplitude that we have seen in the other cities.

Senator FIELDING—Would you be able to table the letters that you have written to them so we can know what you have requested from them? I am not asking you to table what they have responded to, but can you table your letters so that we and the public will know what you are actually asking them and asking them to explain?

Mr Cassidy—We will obviously take that on notice, because we do not have the letters with us. My answer would be, probably yes, but we would need to have a look at the letters just in case there is reference back to, say, earlier correspondence which has confidential elements to it. But on the face of it I do not see why not, but let us take it on notice.

Answer:

Information on large spikes in retail prices at the end of price cycles was sought from petrol retailers on 30 January 2009 and 16 February 2009. Attached are copies of the letters that were sent to Woolworths. Identical letters were also sent to Coles Express, BP, Caltex, Mobil, United and 7-Eleven.