

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 3-5 June 2008

Question: bet 93

Topic: Fuel Watch – ACCC #4

Hansard Page: E96-E97

Senator Coonan asked:

Mr Murphy—Yes. We are doing other things, but we will look at it. Now that we have got it, we will look at it and talk to the ACCC about it again.

Senator COONAN—When did you receive it?

Mr Murphy—On 29 May.

Senator COONAN—Did you have any further consultation or conversations with the ACCC between the date when you originally asked them to test it and run it again to get greater clarity and 29 May, when you received your report in writing?

Ms Holdaway—Yes.

Mr Murphy—Yes.

Senator COONAN—When was that?

Ms Holdaway—I cannot give you a specific date. There were probably a number of phone calls and discussions that took place, certainly at my level. There were also meetings held between officers higher than me and the ACCC. I could not give you exact dates.

Mr French—But we could take that on notice if you want the dates.

Senator COONAN—I am very interested to know the dates. If I can have another run at this; I do want, as soon as possible, please, the date that you made the request of the ACCC to run the extra testing.

Mr Murphy—If we can hit a date. It was in discussions we pointed to questions about the original analysis, and in discussions these issues came up. But we will give you the date when that occurred. This is a dialogue going on over a period of time. It is not like we write a request for advice to the ACCC.

Senator COONAN—I absolutely appreciate that, but forgive me if I draw on my own experience for the moment. You as the lead department were busily engaged in preparing the cabinet submission for advice to government—

Mr Murphy—Yes.

Senator COONAN—on this and you did not have a resolution at the time or at least you had not seen this additional work that you had asked the ACCC to undertake prior to the cabinet decision.

Mr Murphy—But even when we prepared the cabinet—

Senator COONAN—Is that right?

Mr Murphy—Yes, this is additional work.

Senator COONAN—So—

Mr Murphy—But even without that work we recommended that the government adopt the Fuelwatch option.

Senator COONAN—Yes, I understand what you recommended.

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Mr Murphy—This work is helping to clarify things, but we would say the initial work was good enough for the government to make a decision on it.

Senator COONAN—Yes, except it was not good enough, as we now know, for the co-ordinating departments, the four other departments, including the Prime Minister's department.

Mr Murphy—They looked at the analysis themselves. They make their own calls. I do not know whether they looked at the econometric analysis.

Senator Sherry—Cabinet makes its decision based on a range of views and it did so.

Senator COONAN—I am not saying it does not.

Senator Sherry—It did.

Senator COONAN—I am really trying to ascertain when what is now said to be the definitive work by the ACCC was available to Treasury, and it obviously was not prior to the cabinet decision.

Senator Sherry—Hang on. They have agreed to take it on notice and find out. They are going to take it on notice, and we will get back to you with the date if we can.

Answer:

On 21 January 2008, the Treasury and the ACCC met to discuss the *2007 Report of the ACCC inquiry into the price of unleaded petrol*.

In February, there were further discussions over the phone and through email on the econometric analysis outlined in the Report.

The ACCC provided data files to Treasury on 11 and 13 February 2008, including the extra testing of the ACCC econometric analysis.