

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates 2008-09

2 June 2008

Question: **BR-7**
Topic: **Petrol and diesel price comparisons – pre tax**
Proof Hansard Page: **E76**

Senator Joyce asked:

Senator JOYCE—Is that by reason of our taxing regime or is that by reason of—
Mr Hartwell—Again, it is like petrol prices/diesel prices; there is a whole range of factors that will be relevant. Obviously international prices are one, but there is a whole range of other issues that will bear on that. It can be a result of the various taxes that might be applied at the petrol bowser or the diesel bowser. It can be a result of specific competition policy issues between various petroleum retailers in areas. It may depend also on the locale and the cost of distributing the product. There is a whole range of factors.

Senator JOYCE—If we take out government taxes, are our prices more competitive or less competitive than other OECD countries?

Mr Hartwell—I do not have that specifically in front of me, but I could get a table for you which could answer that question. I think that would be the case.

Answer:

International Energy Agency data shows that for the December quarter 2007, Australia's pre-tax petrol and diesel prices were less than the average pre-tax OECD price for the same period.

For example, in the table provided, Australia's pre-tax price for unleaded petrol (ULP) is 80.7 cents per litre (cpl), whereas the average OECD price for unleaded petrol is 84.4 cpl. Australia has the ninth lowest pre-tax ULP price out of the 30 OECD countries.

In relation to diesel, Australia's pre-tax price for diesel is 89.3 cpl, whereas the average OECD pre-tax price for diesel is 94.6 cpl. Australia has the fourth lowest pre-tax diesel price out of the 30 OECD countries.

Unleaded Petrol (ULP)	Local Currency/Litre			Exchange Rate	Australian Cents/Litre		
	Price	Tax	% Tax		Price=P	Tax=T	Price -Tax
Mexico	7.0447	0.9189	13.0	9.66909	72.9	9.5	63.4
Canada	1.02	0.319	31.3	0.8727	102.0	31.9	70.1
Sweden	11.893	7.439	62.5	5.71457	208.1	130.2	77.9
USA	0.814	0.105	12.9	0.8905	91.4	11.8	79.6
UK	1	0.652	65.2	0.43535	229.7	149.8	79.9
France *	1.309	0.817	62.4	0.61506	212.8	132.8	80.0
Finland *	1.318	0.825	62.6	0.61506	214.3	134.1	80.2
Germany *	1.37	0.874	63.8	0.61506	222.7	142.1	80.6
Australia	1.307	0.50	38.3		130.7	50.0	80.7
Austria *	1.186	0.682	57.5	0.61506	192.8	110.9	81.9
New Zealand	1.65	0.689	41.8	1.1662	141.5	59.1	82.4
Slovak Republic	38.89	21.71	55.8	20.61336	188.7	105.3	83.3
Ireland *	1.157	0.644	55.7	0.61506	188.1	104.7	83.4
Hungary	285.85	154.18	53.9	155.8635	183.4	98.9	84.5
Czech Republic	30.71	16.74	54.5	16.52336	185.9	101.3	84.5
Poland	4.355	2.432	55.8	2.25121	193.5	108.0	85.4
Spain *	1.07	0.543	50.7	0.61506	174.0	88.3	85.7
Denmark	9.978	6.026	60.4	4.58685	217.5	131.4	86.2
Korea	1598.73	890.22	55.7	820.9153	194.7	108.4	86.3
Portugal *	1.348	0.817	60.6	0.61506	219.2	132.8	86.3
Switzerland	1.75	0.859	49.1	1.02131	171.3	84.1	87.2
Luxembourg *	1.153	0.612	53.1	0.61506	187.5	99.5	88.0
Japan	150.3	61	40.6	100.8083	149.1	60.5	88.6
Italy *	1.341	0.788	58.8	0.61506	218.0	128.1	89.9
Netherlands *	1.487	0.924	62.1	0.61506	241.8	150.2	91.5
Norway	11.87	7.344	61.9	4.84434	245.0	151.6	93.4
Belgium *	1.45	0.874	60.3	0.61506	235.7	142.1	93.6
Turkey	2.976	1.816	61.0	1.06302	280.0	170.8	109.1
Greece			∞*				
Average			52.2		189.0	104.6	84.4

* European Union

∞ Not reporting

Diesel		Local Currency/Litre		% Tax	Exchange Rate	Australian Cents/Litre		
		Price	Tax			Price=P	Tax=T	P-T
Mexico	^	5.9066	0.7704	13.0	9.66909	61.1	8.0	53.1
USA		0.865	0.128	14.8	0.8905	97.1	14.4	82.8
UK		1.036	0.658	63.5	0.43535	238.0	151.1	86.8
Australia		1.401	0.508	36.3	1	140.1	50.8	89.3
Korea		1393.47	654.73	47.0	820.9153	169.7	79.8	90.0
New Zealand		1.185	0.135	11.4	1.1662	101.6	11.6	90.0
France	*	1.173	0.618	52.7	0.61506	190.7	100.5	90.2
Japan		128.3	36.7	28.6	100.8083	127.3	36.4	90.9
Ireland	*	1.128	0.564	50.0	0.61506	183.4	91.7	91.7
Canada	#	1.056	0.247	23.4	0.8727	121.0	28.3	92.7
Austria	*	1.149	0.577	50.2	0.61506	186.8	93.8	93.0
Slovak Republic		40.13	20.91	52.1	20.61336	194.7	101.4	93.2
Hungary		282.08	135.02	47.9	155.8635	181.0	86.6	94.4
Spain	*	1.027	0.444	43.2	0.61506	167.0	72.2	94.8
Finland	*	1.101	0.518	47.0	0.61506	179.0	84.2	94.8
Poland		4.063	1.924	47.4	2.25121	180.5	85.5	95.0
Switzerland		1.887	0.904	47.9	1.02131	184.8	88.5	96.2
Denmark		8.940	4.518	50.5	4.58685	194.9	98.5	96.4
Luxembourg	*	1.016	0.423	41.6	0.61506	165.2	68.8	96.4
Portugal	*	1.158	0.565	48.8	0.61506	188.3	91.9	96.4
Germany	*	1.27	0.673	53.0	0.61506	206.5	109.4	97.1
Sweden		11.605	6.041	52.1	5.71457	203.1	105.7	97.4
Czech Republic		31.06	14.91	48.0	16.52336	188.0	90.2	97.7
Netherlands	*	1.179	0.566	48.0	0.61506	191.7	92.0	99.7
Italy	*	1.248	0.631	50.6	0.61506	202.9	102.6	100.3
Belgium	*	1.185	0.524	44.2	0.61506	192.7	85.2	107.5
Turkey		2.465	1.21	49.1	1.06302	231.9	113.8	118.1
Norway		11.87	5.934	50.0	4.84434	245.0	122.5	122.5
Greece	∞*							
Average				43.3		175.5	80.9	94.6

* European Union

∞ Not reporting

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