

# MEDIA RELEASE

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## **ACCC ANALYSIS OF FUELWATCH UNCONVINCING: WA PRICE DECLINE ENTIRELY ATTRIBUTABLE TO INTRODUCTION OF COLES INTO PETROL MARKET, NOT FUELWATCH**

New research by the Institute of Public Affairs on petrol price data in Western Australia casts significant doubts on the Australian Competition and Consumer Commission's claim that the FuelWatch scheme has lowered petrol prices in Western Australia.

Professor Sinclair Davidson, a Senior Fellow with the Institute of Public Affairs used publicly available petrol price data to replicate the ACCC's methodology.

Professor Davidson found that the ACCC analysis was highly sensitive to the starting and end points of the time period under consideration. Minor changes to these start and end points reduce the statistical significance of FuelWatch on petrol prices.

Subsequent ACCC analysis, published on the 29<sup>th</sup> of May, is even more unsatisfying.

"The ACCC data has not been released to the public, nor have they been very clear as to what analysis has been done. The ACCC has been vague in reporting their econometric techniques and have simply published tables, expecting the public to accept their analysis on face value" said Professor Davidson.

"The ACCC analysis provides little support for the Federal Government's FuelWatch policy," Professor Davidson argued.

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*A critique of the ACCC analysis of the FuelWatch Scheme* can be downloaded at [www.ipa.org.au](http://www.ipa.org.au).

The data underlying the IPA analysis is available upon request.

### **For further information and comment:**

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