



Submission to the Senate Economic Committee's Inquiry into the National Fuelwatch Bills 2008

5 July 2008

Recommendation

Amend the proposed legislation to include a requirement, similar to Western Australia's, that retailers display fuel prices prominently but that it:

- Apply to all retailers not just those in designated rural locations included in the FuelWatch scheme, and
- Require all retailers to display the price of all fuels sold.

Background

The Queensland Consumers' Association (the Association) is the peak body for consumer groups in Queensland. The Association's members work in a voluntary capacity. The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups.

In Queensland, some retailers do not show on price boards the price of some fuels sold. This appears to occur mostly with diesel fuel. It results in serious information imbalance, lack of price transparency, and increased search costs for consumers which cause significant consumer detriment and reduced competition.

In Queensland, there appears to be no legal requirement for retailers to display prominently on price boards the price of all fuels sold. This appears to be the situation also in some other jurisdictions.

However, in Western Australia, retailers covered by the FuelWatch scheme in prescribed rural locations are required under section 6 of the Petroleum Products Pricing Regulations 2000 to display prices prominently on a price board.

The WA government's Fuel Watch website: www.fuelwatch.wa.gov.au describes the arrangements, objectives, and results as follows:

Price Boards

Under the [Petroleum Products Pricing Regulations 2000](#), non-metropolitan retailers within the FuelWatch boundaries are required to display their fuel prices on clearly legible roadside price boards. The rule was introduced to further encourage price transparency and competition in the regional areas. The increased competition has also helped to reduce the fuel price differential between metropolitan area and many regional towns.

Prices for at least three fuel types must be displayed, one of which must be unleaded petrol and or LPG autogas (if sold at that location). If the retailer sells fewer than three fuel types, they must display the prices for all the fuels sold.

Given that this requirement appears to be an important part of the WA FuelWatch scheme, the Association is surprised that the proposed legislation for a federal FuelWatch system does not appear to contain any similar requirement.

Such information will be very important for consumers who choose to use the information on prices from a federal FuelWatch system. For example, a consumer with price information from FuelWatch could approach a chosen retail outlet and find that the price of the required fuel is not shown on the price board. This will create uncertainty for the consumer who may as a result not make the planned purchase.

Such information is also critically important to consumers who may choose to not, or are unable to, use the FuelWatch system to plan their fuel purchases. It is particularly important for such consumers of the less popular fuels, for example diesel, since the problem is greatest with these fuels. The absence of prominently displayed information about any fuel price greatly reduces price transparency and increases search costs for such consumers.

Accordingly, we recommend that the proposed legislation should be amended to include a requirement, similar to Western Australia's, that retailers display fuel prices prominently but that it:

- Apply to all retailers not just those in designated rural locations included in the FuelWatch scheme, and
- Require all retailers to display the price of all fuels sold.

All retailers should be required to comply so that consumers in all locations can benefit and the prices of **all** fuels should be displayed so that consumers of all types of fuel can benefit.

Such provisions would accord with the RACQ's policy objective of ensuring that: *“the purchase prices of all fuels and products are clearly displayed or readily available to potential customers.”*