



17 September 2018

Fuel price reporting: Consultation RIS
Energy Division
Department of Natural Resources, Mines and Energy
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Email: fuelprices@dnreme.qld.gov.au

To: Energy Division

Re: Fuel price reporting: Consultation RIS

1. Introduction

1.1 The Motor Trades Association Queensland (MTA Queensland or the Association) responds to the Natural Resources, Mines and Energy Department's *Fuel price reporting: Consultation Regulatory Impact Statement* (the Consultation RIS). The MTA Queensland's viewpoints are submitted on behalf of its Service Station and Convenience Store Division (the Division).

1.2 The underlying reasonings for the Queensland Government's preparedness to act in relation to fuel price reporting with the intention of assisting Queensland motorists are acknowledged. It has been comprehensively reported that families are concerned with cost of living pressures; and that in all probability in excess of half of fuel retail sites in Queensland do not currently advise their fuel prices in a format available for third party fuel comparison apps and websites.

1.3 The Division has evaluated the content of the Consultation RIS, in particular the policy's objectives, the fuel reporting requirements and the impact of the policy's options. The Working Group comprising: the RACQ, the Australian Institute of Petroleum (AIP) and the Australasian Convenience and Petroleum Marketers Association (ACAPMA) established to assist in developing options for a new fuel price reporting system and to oversee its implementation, recommended that Option C complied most closely with the government's policy objectives and fuel pricing requirements:

Option C: *would require retailers to provide their pricing data in a specified format. Government would then facilitate aggregation of data for use by commercial service providers but would not itself provide a comparison service*

1.4 The Division's viewpoints in relation to the Consultation RIS are set out below.

Motor Trades Association Queensland

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2. Viewpoints

Two-year trial

2.1 The government has committed to a two-year trial of the fuel price reporting scheme to allow for an evaluation of the data collected on the impacts of increased price reporting on consumer awareness, consumer behaviour and fuel market dynamics. The results of the evaluation will inform future government decisions about whether to continue, amend or end the scheme.

2.2 This approach is supported, unlike the Biofuels Mandate which was introduced without apparent review.

Reporting

2.3 The Consultation RIS states that: 'retailers are to update prices at least once every 24 hours. If a price is not updated, the aggregator will remove the price from its provided dataset. This is consistent with international practice for fuel price publication, where prices expire at midnight or after 24 hours from the last price updated by a retailer.'

2.4 It is noted that penalties will apply for non-compliance. Specifically, on page 22, the Consultation RIS details that: 'To ensure the quality of the published data, the compliance and enforcement strategy will include penalties for not meeting the regulatory obligation to correctly report each price change of the price of fuel within 30 minutes of a change. The maximum penalty that can be applied by a regulation under the *Fair Trading Act 1989* is 20 penalty units. A penalty unit in Queensland is currently \$130.55. The total maximum penalty that will apply for each breach of an obligation will be \$2,611.'

2.5 Penalties apply for failure to report any fuel price change within 30 minutes of their change. Additionally, there is an overarching requirement on retailers to update prices in each 24 hours – even when there is no change to their prices during that period. The question must be asked: why should a small business fuel franchise retailer be burdened with the additional task of having to report no change in fuel prices every 24 hours?

2.6 There should be a default position in the system that if a price change is not reported the system automatically concludes that a price change has not occurred in the 24-hour time slot. The requirement to update at least once every 24 hours in line with international practice is excessive red tape placing unnecessary burdens on the limited resources of fuel retailers. Additionally, some fuel retail outlets close for 24-hour periods e.g. Sunday particularly in rural areas and this reporting regime would appear to be unwarranted.

2.7 The obligation to update fuel prices at least once every 24 hours should be deleted from the regulatory compliance regime.

The fuel price and related data to be reported could include

2.8 Attention is drawn to: points: (xi) position or title of primary contact person; (xii) mobile telephone number of the primary contact person; and (xiii) email address of primary contact person.

2.9 It seems that the private details of the primary contact person – the manager or dealer – would be posted on a public website detailing the person's private mobile and email address. This opens the possibility of a breach of privacy and the threat to personal safety particularly as fuel

retailing can be a 24/7 business and in many regional areas is owner or family operated. It is unreasonable to expose staff and dealers who are on call or working to intrusion by the public or the media to comment on fuel price dynamics or to bear the brunt of abusive comments.

2.10 Points (xi) position or title of primary contact person; (xii) mobile telephone number of the primary contact person; and (xiii) email address of primary contact person should be omitted from the trial and the regulations.

Compliance and enforcement strategies

2.11 The Consultation RIS states: 'The regulatory regime is proposed to commence in December 2018 and is intended to involve an education-focused approach to compliance for retailers for at least 3 months while fuel retailers adapt to reporting requirements and the aggregator deals with an increasing number of incoming data feeds. The benefits of fuel price reporting will start to be seen by Queenslanders from December, with retailers having three months to fully implement processes to report price changes to the aggregator.'

2.12 This approach is supported.

2.13 As indicated in 2.3 the penalty for failure to meet the regulatory obligation to correctly report each price change of the price of fuel with 30 minutes of a change is 20 penalty points or \$2,611 for each breach of an obligation. For a trial period, this penalty should be suspended. Any imperfect performance of the internet or digitisation reliability observed during the trial must be a factor to take into consideration in any penalty arrangements that apply should the system be implemented.

Working Group

2.14 It is disappointing that the Queensland Government has opted for two national fuel organisations and one local motoring group to form the Working Group. The MTA Queensland is the peak automotive organisation in the State and represents a large number of the state's fuel retailers. It is therefore a stakeholder with a direct interest in these matters.

2.15 The MTA Queensland therefore requests inclusion in the Working Group for the duration of the trial period and membership of the Consultation Group when the trial is completed as this would give greater balance in these forums by including Queensland's fuel retailers.

Conclusion

2.16 We would be pleased to provide further comment on any matters relevant to this Consultation RIS and submit clarifications or amplifications to any viewpoints raised.

3 Background

3.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland's automotive industry located in the State. There are some 15,500 automotive value chain businesses employing approximately 88,500 persons generating in excess of \$20 billion annually. It is an industrial association of employers incorporated pursuant to the *Fair Work Act 2009*. The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland's economic structure.

3.2 The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket phases of the motor trades industry through the MTA Institute - a registered training organisation. It is the largest automotive apprentice trainer in Queensland employing in excess of 35 trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald. The MTA Institute last financial year accredited courses to in excess of 1,600 apprentices and trainees.

Thank you for your deliberation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brett Dale'.

Dr Brett Dale DBA
Group Chief Executive Officer
MTA Queensland

A handwritten signature in black ink, appearing to read 'Kellie Dewar'.

Kellie Dewar
Deputy Group Chief Executive
MTA Queensland