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8 August 2018

Mr Stephen Bonnicks
Senior Policy Analyst
Department of Natural Resources, Mines and Energy
Level 7, 1 William Street
BRISBANE QLD 4000

Dear Mr Bonnicks

Consultation Regulatory Impact Statement: Fuel Price Reporting

Thank you for your inquiry of 1 August 2018, and further information provided on 7 August and 8 August 2018, seeking advice on the adequacy of the Fuel Price Reporting Consultation Regulatory Impact Statement (the Consultation RIS).

Background

The Department of Natural Resources, Mines and Energy (the Department) advises that the Queensland Government aims to ensure that motorists are provided with comprehensive fuel price comparison information so they are empowered to shop around and get the best possible deal. The Department notes that private fuel price comparison apps and websites exist but only account for approximately half of fuel retail sites in Queensland.

To close the information gaps for motorists in existing fuel price comparison products, the Queensland Government established a working group of industry stakeholders to assist developing options for a new fuel price reporting scheme. The working group included the Royal Automobile Club of Queensland (RACQ), the Australian Institute of Petroleum (AIP) and the Australasian Convenience and Petroleum Marketers Association (ACAPMA).

The following fuel price reporting options were considered by the working group:

- **Option A:** status quo (no additional reporting requirement and market response)
- **Option B:** require retailers to provide their pricing data in a specified format, in a publicly accessible location and rely on the market to collect data and provide as a service for motorists
- **Option C:** require retailers to provide their pricing data in a specified format, with Government facilitating the aggregation of data for use by commercial service providers but would not itself provide a comparison service
- **Option D:** require retailers to provide their pricing data in a specified format, with Government providing a comparison service as well as a data stream for competing services (similar to the scheme introduced in NSW).

The Consultation RIS considers the same options as the working group. The Department advises that option C, which was also the working group's preferred option, is the preferred option in the Consultation RIS because it will:



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- drive innovation in the validation and provision of data to motorists
- minimise the regulatory burden and cost to industry and government
- enable validation and data matching, which will provide safeguards against misleading price advertising, which could otherwise have negative impacts on motorists and market competition
- enable an efficient, data-driven approach to compliance necessary to give the scheme credibility and deliver maximum consumer benefit.

The Department is committed to a two-year trial of option C, which will inform future government decisions about whether to continue, amend or end the scheme.

The Department notes the regulatory regime is proposed to commence in December 2018 and is intended to involve an education-focussed approach to compliance for at least three months while fuel retailers adapt to reporting requirements and the aggregator deals with an increasing number of incoming data feeds.

Assessment

The Queensland Productivity Commission (the Commission) notes the Department has provided, in the Consultation RIS, a discussion of key considerations, including:

- an assessment of the different options against the policy objectives
- the impact on fuel retailers that do not currently report fuel prices including the differences in the impact across options
- the impact on government
- the implications for regional, remote and metropolitan Queensland (informed by a Griffith University study).

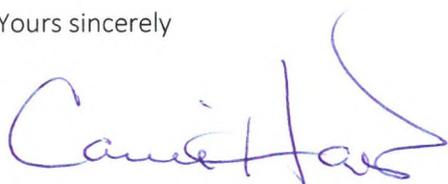
The Consultation RIS also discusses the views of the working group members and states the Department's conclusion of why Option C is the preferred option.

Given these points, the Commission considers the Consultation RIS is adequate for the purposes of public consultation.

Consistent with the Queensland Government Guide to Better Regulation (the Guidelines), the final Consultation RIS and this letter of adequacy will be published on the Commission's website once the Consultation RIS is approved for release. After consultation has concluded, a Decision RIS, incorporating the consideration of public comments, should be provided to the Commission for assessment before the matter is finally referred to Cabinet for decision.

Please contact Dominic O'Neill, Senior Analyst, on (07) 3015 5164 should you require any additional information or guidance in relation to the above comments or the Guidelines in general.

Yours sincerely



Carrie Haines
Team Leader