

Fair Trading (Fuel Price Reporting) Regulation 2018

Explanatory notes for SL 2018 No. 185

made under the

Fair Trading Act 1989

State Penalties Enforcement Act 1999

General Outline

Short title

Fair Trading (Fuel Price Reporting) Regulation 2018

Authorising law

Section 113 of the *Fair Trading Act 1989*

Section 165 of the *State Penalties Enforcement Act 1999*

Policy objectives and the reasons for them

The policy objective of the *Fair Trading (Fuel Price Reporting) Regulation 2018* (the Regulation) is to promote the interests of consumers by improving access to accurate, timely and comprehensive information about retail fuel prices.

Achievement of policy objectives

The Regulation will achieve its objective by establishing a mandatory fuel price reporting scheme in Queensland.

Under the Regulation, the commissioner for fair trading may ask the chief executive of the administering department for the *Liquid Fuel Supply Act 1984* (the energy chief executive) to establish and maintain an electronic aggregation system, for the purposes of receiving fuel price information under the Regulation and for publishing the information to the public.

The Regulation requires a responsible fuel retailer (as defined in section 3 of the Regulation) to enter particular information relating to retail fuel prices into the aggregation system within a prescribed period of time. The prescribed period is 30 minutes after a change is made to the normal fuel price on any fuel pump display for the fuel at the service station.

It is intended that fuel price information received by the aggregation system, established and maintained by the energy chief executive, will promote the interests of consumers by improving access to accurate, timely and comprehensive information about retail fuel prices.

The Regulation also amends the *State Penalties Enforcement Regulation 2014*, made under the *State Penalties Enforcement Act 1999*, to allow offences under the Regulation to be dealt with by way of infringement notice.

Consistency with policy objectives of authorising law

The Regulation is consistent with the policy objectives of the *Fair Trading Act 1989* (the Fair Trading Act).

The principal objective of the Fair Trading Act is to improve consumer wellbeing through consumer empowerment and protection, fostering effective competition and enabling the confident participation of consumers in markets in which both consumers and suppliers trade fairly (section 3 of the Fair Trading Act).

Establishing a mandatory fuel price reporting scheme through the Regulation is expected to empower motivated consumers to make more informed decisions about where to buy fuel by improving access to accurate, timely and comprehensive information about fuel prices.

Alternative ways of achieving policy objectives

Legislation is the most effective and practical way of ensuring consumers have improved access to accurate, timely and comprehensive information about retail fuel prices. In the absence of a mandatory fuel price reporting scheme, fuel price information available to consumers is likely to be inconsistent and incomplete, including in terms of its coverage of retail fuel sites.

Benefits and costs of implementation

The Regulation will benefit consumers by improving access to accurate, timely and comprehensive information about retail fuel prices. This will enable motivated consumers to make savings by identifying, and buying fuel from, the service station offering the least expensive fuel in the consumer's local area.

The Regulation introduces a relatively simple reporting scheme. The Regulation is not intended to significantly increase the burden for those entities already reporting fuel prices through existing voluntary services and arrangements. However, there are likely to be some implementation costs for responsible fuel retailers, especially those that do not currently report fuel price information.

Consistency with fundamental legislative principles

The Regulation is consistent with fundamental legislative principles.

Consultation

On 1 May 2018, the Minister for Natural Resources, Mines and Energy established a working group to assist in the development and implementation of a fuel price reporting scheme for Queensland. The Queensland Fuel Price Reporting Working Group, comprising representatives of industry and consumer associations, provided advice on the development and implementation of a fuel price reporting scheme.

Public consultation on the fuel price reporting scheme was undertaken through a Consultation Regulatory Impact Statement (RIS) process, which was open for submissions from 20 August 2018 until 17 September 2018. A Decision RIS was prepared in consultation with the Queensland Productivity Commission and will be published on the Commission's website.

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