

FAIR TRADING AMENDMENT (FUEL PRICE TRANSPARENCY) BILL 2016

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Bill introduced on motion by Mr Victor Dominello, read a first time and printed.**Second Reading****Mr VICTOR DOMINELLO** (Ryde—Minister for Innovation and Better Regulation) [5.08 p.m.]: I move:

That this bill be now read a second time.

The Fair Trading Amendment (Fuel Price Transparency) Bill 2016 brings the fuel price board product information standard established under the Fair Trading Act 1987 into the digital age and the twenty-first century. The fuel price board information standard was established under the fair trading legislation by the then Minister for Fair Trading, Mr Anthony Roberts, so that consumers were able to easily compare fuel prices at different service stations. This was done by requiring that the price of fuel was displayed so that it could be seen easily from the road and the price displayed was accurate.

Petrol is a non-discretionary product in our modern society. Consumers and families do not have the option simply not to consume fuel. That is why it is so important to ensure that consumers are informed, and therefore empowered, to make decisions to reduce cost of living pressures associated with this non-discretionary product. On 20 December 2015 I announced that the New South Wales Government would be establishing an online fuel price board that will require all service station operators to report their current retail fuel prices in real-time.

Since that announcement about three months ago new players have entered the market such as 7-Eleven's new fuel price app, United States company GasBuddy and Informed Sources through the NRMA's MotorMouth service. In Western Australia a similar system exists whereby fuel information is recorded and published on a daily basis. However, this information is only published once per day and is locked in the day before for a 24-hour period. The system proposed in this bill will allow for information to be shared within a very short time frame and will be updated whenever the petrol station's fuel boards are changed. This real-time time frame for sharing fuel data is innovative and the first of its kind in the country and possibly the world. It is why the NRMA endorsed this reform.

New technology in the twenty-first century makes it possible for information on fuel prices to be available to consumers from their phones or online. The current market players like those mentioned earlier are important, but crowdsourcing fuel data in New South Wales is still a model that is in its early stages, which means that there are data gaps in these platforms, namely, not all petrol stations are necessarily covered and the prices are not always contemporaneous. This legislation will provide a dataset that is mandatory, more reliable, has greater saturation and is authenticated by NSW Fair Trading. This legislation represents the next logical step in this process. All petrol stations will be required to provide their fuel price in real-time, meaning reliable information that captures the entire market—from big players like BP and Caltex to the corner store petrol station.

As I said before, this legislation is the first of its kind in Australia and possibly the world and will provide for an online fuel price board with mandatory reporting of fuel prices by all service stations in New South Wales. Consumers want to know where they can get the best deal on fuel. Service station operators want to reach customers and potential customers with current fuel price information and in the internet age this information has to be available online so it can be equally accessible to everyone in the market at the same time. Everyone I speak to about this says it is a great idea; it is a no-brainer. We have got standards about how fuel price information is displayed on the forecourt. This is a logical extension of that. When there is a price change at the bowser, we are simply asking that it also be recorded via an online portal. It is a simple change but one that will provide motorists with much greater visibility in the marketplace. There have been a number of endorsements already in relation to the proposed reform. For example, NRMA President Kyle Loades stated:

Let there be no doubt, the decision by the NSW Government to force all service stations in NSW to publish their prices online in real-time is a huge win for the state's drivers and something the NRMA has been fighting to deliver for years.

It will mean our members will be able to find, in real time, the cheapest petrol in their local suburb when they go to fill up.

Importantly, it will also mean the oil companies will no longer be able to share this crucial information among themselves while locking out the rest of the community.

Another endorsement came from NSW Council of Social Service Chief Executive Officer Tracy Howe, who stated:

This is a great initiative from the NSW Government that will have a real impact in terms of easing cost of living pressures.

Having access to petrol prices in real-time will empower motorists to make the best possible choice for their family and their budget. She continued:

Better informing consumers will also help realise the benefits of fuel retailer competition and force stations to sell petrol at more reasonable prices.

This might be the difference between having a decent family meal, paying the rent or affording the next energy bill.

Even the *Daily Telegraph* supports this policy reform. In its editorial of 24 February 2016 it stated:

One of the great frustrations of the digital age is that it is not universal. There are numerous gaps where various elements of society have yet to connect to the ease and immediacy of the digital era ...

Such a gap is evident in the non-availability of real-time information on petrol prices throughout New South Wales. Although it is the work of a moment to find through digital means the location of petrol stations, prices are not offered.

That's because petrol stations are still trapped in the ancient world of physical signage, where the only way to discover the price of unleaded is to actually be present at a petrol station.

This time-warp situation is set to end, thankfully, due to a new Government requirement that will compel service station owners to pass on their price changes to the Government within "five to ten minutes" of them being adjusted, which will then allow them to be immediately posted online. This long overdue breakthrough may also work to reduce petrol prices, because motorists will inevitably seek out bargain costs for fuel and therefore apply consumer pressure to more expensive outlets.

Alison Abdullah, a 20-year-old woman from Lugarno, is quoted in the *Daily Telegraph* on that day—

Mr Mark Coure: A lovely electorate.

Mr VICTOR DOMINELLO: Lugarno is a great suburb in the electorate of the member for Oatley. She

said:

I think it's (the app's) a great idea and I have told a few friends about that and we all think it's fantastic that there be some sort of regulatory process.

There will be three interfaces as part of this reform—an interface for service stations, a website for the data to be collected and stored and an interface for consumers. I can see that the member for Oatley and the member for Drummoyne are very enthused about this. I have no doubt they will be waving the banner.

Mr Mark Coure: I am excited.

Mr VICTOR DOMINELLO: The member for Oatley is indeed excited and the member for Drummoyne is jumping out of his skin, waiting for this reform. The service station interface will be free of charge for all service station operators to register and upload their price information onto the database. There are many examples across the New South Wales Government where people use data portals, which are then used publicly—such as the recently announced Online Rental Bonds Scheme, property valuation through Land and Property Information or even the use of real-time transport data.

In the case of real-time transport data, live traffic data has been made available under the Transport Data Exchange [TDX] program and the New South Wales Transport Data Exchange Licence Agreement. Developers and other interested parties can download this data for use in applications and smart phone enabled platforms. Initially the New South Wales Government provided a single application which allowed consumers to access this data. But since data was provided to the private sector, almost 10 applications have been developed that can now be downloaded such as TripView, Triptastic and TripGo. The database will be free of charge for consumers to search for fuel prices in their local area or elsewhere in the State. Making this sort of government data freely available is consistent with New South Wales government open data principles.

In the digital economy, open data is a driver of economic growth and innovation and supports the open government principles of transparency, participation, collaboration and innovation. The impact of ratings websites such as Urbanspoon, Canstar, OpenAgent, TripAdvisor and many others shows how the power of data can change the marketplace and affect trader behaviour. Consumers now rely on such data when making decisions and have become experienced at deciding how much weight to give data from different sources. In this case, making fuel price data freely available to third party software developers will also contribute to the New South Wales digital economy and promote the development of new businesses and industries.

The data provides consumers with valuable information that can guide purchasing decisions and hold businesses to account. It also provides businesses with an incentive to improve their performance and the satisfaction of their customers. There is already interest from a number of local and international software developers to access this information and make it more useful, more convenient and more valuable for users. These new apps might combine fuel price data with a mapping facility to show directions to the cheapest fuel available locally or along a specified route. They may also provide filter price information to meet individual preferences of the consumer—whether it is brand, fuel type or other products offered by the relevant service station.

For example, a motorist may want to find out which service stations in his or her local area sell ethanol-blended fuel or E10. Motorists would be able to select "E10 Fuel" in the app and see what stations around them sell E10 and at what price. Very likely, there will be apps that use the information in new ways we have not even thought of yet.

The changes outlined in this bill will also require changes to the associated regulations. I will continue to work with industry to ensure that the regulations are fit for purpose, enable better transparency in the marketplace and empower the consumer. As Minister for Innovation and Better Regulation I am pleased to lead on the Government's commitment to innovation through the Fair Trading Amendment (Fuel Price Transparency) Bill 2016. The initiative provides more transparency in the marketplace and, importantly, empowers the consumer to make informed choices. I commend the bill to the House.

Debate adjourned on motion by Mr Paul Lynch and set down as an order of the day for a future day.