



EXECUTIVE OFFICE

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23 Marcus Clarke Street  
Canberra ACT 2601  
GPO Box 3131  
Canberra ACT 2601  
tel: (02) 6243 1111  
www.accc.gov.au

Fuel Price Reporting: Consultation RIS  
Energy Division  
Department of Natural Resources, Mines and Energy  
PO Box 15456  
CITY EAST QLD 4002

Sent electronically: [fuelprices@dnrme.qld.gov.au](mailto:fuelprices@dnrme.qld.gov.au)

### **Fuel Price Reporting – Consultation RIS – Australian Competition and Consumer Commission**

The Australian Competition and Consumer Commission (ACCC) is pleased to make a submission to the Queensland Government's *Fuel Price Reporting Consultation Regulatory Impact Statement* (RIS).

The ACCC welcomes the introduction of a trial fuel price transparency scheme to operate across Queensland.

As the Queensland Government is aware, the ACCC supports fuel price transparency schemes which enable motorists to shop around and purchase petrol at relatively lower priced retail sites. To achieve this, it is essential that such schemes are comprehensive, accurate, timely and readily accessible to consumers.

At a high level, it appears that the policy objectives of the Queensland Government as outlined in the RIS envisage such a scheme in Queensland. The ACCC encourages the Queensland Government to develop a scheme that fulfils these objectives.

The ACCC understands that the Queensland Government will be initially trialling a scheme for a period of two years, and will evaluate the scheme to assess whether it meets the policy objectives in considering a longer term scheme. The ACCC will be watching the progress of the scheme with interest.

In the context of the preferred scheme as outlined in the RIS, however, the ACCC is concerned that the Queensland Government's preferred mandatory fuel price reporting scheme may create a market structure that is not in the best interests of consumers. The ACCC also has some questions about the intended operation of the scheme.

#### **Market structure**

The ACCC understands that the Queensland Government's preferred scheme is based on commercial parties undertaking all phases of providing near real-time fuel pricing data for use by motorists. In particular, a commercial data aggregator is to be appointed to collect, compile and validate real-time fuel price data. The aggregator would then disseminate the

real-time data to other commercial users (e.g. apps and websites), which would be relied upon to disseminate the fuel price data to motorists.

The ACCC appreciates that not all details regarding the operation of the proposed scheme have been finalised. However, the ACCC is concerned that the RIS contemplates the ability for the commercial data aggregator to also be a commercial user of the real-time fuel price data.

Under the proposed scheme, the aggregator would be the single provider of near real-time fuel price data to various commercial users. As it is understood from the detail in the RIS, allowing the aggregator to also be a user would effectively enable it to vertically integrate into related 'user' services, and give the aggregator an incentive to discriminate in favour of its own operations at the expense of other users. In addition, the scheme's intention to have all commercial users provide usage data back to the aggregator further exacerbates the ACCC's vertical integration concerns if the aggregator is also a user.

The ACCC is of the view that such a market structure would compromise the effectiveness of the fuel price reporting scheme to the detriment of Queensland motorists.

The ACCC has regularly expressed the view that it considers that vertical separation in related markets is the preferred market structure for both physical and digital assets with monopoly characteristics. The ACCC's position is that regulatory arrangements such as ring-fencing or functional separation of resources are an inferior option compared with complete vertical separation. Ring fencing arrangements do not remove the incentive for a business to discriminate, even though they may constrain its ability to do so.

Accordingly, the ACCC strongly encourages the Queensland Government when developing its fuel price reporting scheme to adopt a structure that is vertically separated and pro-competitive, rather than rely on any regulatory or ex-post initiatives.

The ACCC considers that this will not only ensure the integrity of the Queensland Government's preferred model, but will also work to produce the best outcomes for Queensland motorists.

### **Questions on the operation of the scheme**

The ACCC also has some questions regarding the proposed operation of the scheme, which are not clear from the material the ACCC has reviewed. For example, details around the process of validating the fuel price data as well as the intended arrangements between the commercial data aggregator and commercial users were not made clear in the RIS.

While acknowledging that some of these details are yet to be determined, the ACCC is interested to understand more about these aspects. This particularly relates to the terms under which the commercial aggregator would provide fuel price data to commercial users (including requirements on the aggregator to provide complete data) as well as if any requirements would apply to users in order to receive the data.

If you would like to discuss any aspects of this submission, please contact Mr Gary Dobinson on 03 9290 1884.

Yours sincerely



Rod Sims  
Chair