



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

**NATIONAL FUELWATCH
(EMPOWERING CONSUMERS) BILL 2008**

**NATIONAL FUELWATCH (EMPOWERING
CONSUMERS) (CONSEQUENTIAL
AMENDMENTS) BILL 2008**

Second Reading

SPEECH

Thursday, 5 June 2008

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Thursday, 5 June 2008
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Questioner
Speaker Bowen, Chris, MP

Source House
Proof No
Responder
Question No.

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (5.26 pm)—in reply—I do not propose to detain the House for long. I thank all members who have made a contribution to the very important debate on the National Fuelwatch (Empowering Consumers) Bill 2008 and the related bill. It has been a wide-ranging one. There were three reasons for the government to do this: firstly, to increase price information for consumers; secondly, as the ACCC has expressed, we have grave concerns about the competitiveness and the competition in the retail sector of petrol and the anticompetitive nature of the exchange of information between petrol stations; and, thirdly, the econometric modelling conducted by the ACCC, and which the Australian Treasury have indicated to the Senate estimates committee they are comfortable with and support, showed a modest downward pressure on prices. The first two reasons are by far the more important for doing this. If you had econometric modelling which showed no increase in the price of petrol, you would still do it. If it simply showed that there was no adverse impact, you would still do this because of the power it gives consumers. This levels the playing field. At the moment, the cards are stacked against Australian motorists. They do not know the movements in the price of fuel or when they are about to go up. They do not know where the cheapest fuel is. But the service stations swap information.

Today—and as I far as I know it is still going—for over eight hours the ACCC has been before a Senate estimates committee. Senators from the other side have done their best to blow holes in the ACCC's case. They have not laid a glove on it. They did not lay a glove on it last night in the four hours of Treasury testimony. The testimony stands for itself. The proposition put by honourable members opposite is: we have an ACCC and we have a Petrol Commissioner, who we should duly ignore; we should not give them the powers that they say they need to ensure competition in the Australian retail petrol market; we should not give them the capacity to give consumers more information; and we should not empower consumers to find out where the cheapest petrol they have available to them is. This is a modest measure which will help. As is always the case, other people have expressed this better than I can. We have been deluged with messages over the last week or so about Fuelwatch. Some have been in favour and some have been against. The vast majority have been in favour. I will share two with the House. These two explain better than I can why the government has embraced Fuelwatch. The first reads:

Dear Mr Rudd

I am an age pensioner and have used FuelWatch via my email address for several years. There's no doubt that I have saved hundreds of dollars in this period. Sometimes the savings can be up to 10c. The argument put up by Dr Nelson is rubbish.

Another reads:

Dear Mr Rudd

I have recently subscribed to FuelWatch here in Western Australia and have been watching the news about the possible introduction of Fuelwatch to other states. Having fuel prices available the day before allows for consumers to find the most convenient, lowest prices to them and to save money. I wholeheartedly support this.

Fuel prices vary by up to 13c a litre for petrol and 12c a litre for LPG, which I use, which for LPG is about 40 per cent price difference on the same day. I am so grateful for the FuelWatch scheme, as often the most expensive fuel is near me and the cheap one is far away. But I know, if I am going somewhere further from home the day before, all I do is check it out and go there, sometimes saving 14c a litre. Today I paid 58.2c in Highgate but in Fremantle it was 71.9c. That seems ludicrous to me that they're even allowed to be that far apart, but thankfully I can support the lower priced stations.

The Australian people are not silly. They know the cards are stacked against them. They know that they do not have the information they need. They know that service stations swap information. If I had a dollar for every time somebody in a taxi or somebody in my electorate has said to me, 'Surely there is collusion in the petrol market,' I would not have any problems because I would have plenty of money. As the Chairman of the ACCC said today before Senate estimates in sworn testimony, 'What we have at the moment is as close to collusion as you can get without it being illegal.' When the Chairman of the ACCC, who is appointed to represent consumers

and promote competition, has that view it is incumbent on the Australian government to seriously consider his recommendations. That is what we have done. This is one of several things that we are doing. I will not detain the House. We are criminalising cartel operations, strengthening section 46 and doing all sorts of things to promote competition. But this is an important step.

In conclusion, it is a matter of public record that Treasury staff have worked very hard on this matter. The Treasury staff who have assisted me in this have been the most dedicated and professional I have ever had the honour to be associated with. I put on record my thanks to all of them—and they know who they are. They have helped the government in implementing this very important policy over recent weeks and have been feeling the pressure in particular over recent days. I put on record my personal thanks to them for their sterling work. They are the most dedicated I could ever be associated with. I commend the bill to the House.

Question put:

That the words proposed to be omitted (**Mr Dutton's** amendment) stand part of the question.