

3 June 2008

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

**Second Reading**

**Mr BRADBURY (Lindsay) (12.49 p.m.)**—I rise to support the bill and to offer my objections to the amendment that has been moved by the member for Dickson and seconded by the member for Stirling. I thank the member for Stirling for his punctuality in being in the chamber when he was given the call but, unfortunately, whilst I commend his punctuality, his commitment to delivering the truth in this place has been somewhat compromised. A number of comments that he made are nothing short of misleading to the House. In particular I draw attention to his comments in relation to the position of the Royal Automobile Club of Western Australia and the comments of Mr David Moir, the spokesperson for that organisation. The member for Stirling was quick to point out a front-page article that appeared in the West Australian on 29 May with the headline ‘FuelWatch a dud, say RAC, bureaucrats’. What he did not point out was that in the West Australian the following day, 30 May, on page 6—sometimes corrections of this nature do not get the same prominence—was the following statement:

Yesterday’s front-page headline (FuelWatch is a dud, say RAC, bureaucrats) was misleading. The RAC supports FuelWatch and although it does not believe FuelWatch has led to lower prices in WA neither does it believe it has caused prices to rise. The RAC says it continues to back FuelWatch because it gives motorists the opportunity to compare prices in advance and to save more than \$250 a year if the information is used.

Far from being a criticism of the FuelWatch proposal, that sounds to me like a ringing endorsement. But perhaps in isolation those observing the debate may not be prepared to accept that on face value. So I go on to look at some of the other comments that Mr Moir has made in relation to whether or not this will have a positive impact on attacking anticompetitive effects. Mr Moir said:

It makes the retailers think very seriously about what price they’re going to sell fuel for tomorrow. They’re obliged under FuelWatch to hold that price for 24 hours, so they can’t play games with motorists by shuffling the price up and down on an hourly basis.

They cannot play games with motorists. It is interesting that, on the one hand, we have those on the other side who are suggesting that this is an evil attempt to fix prices. It is nothing of the sort. It is not about fixing prices; it is about attacking volatility in a market that is not delivering a fair go for consumers. That is in fact one of the key elements of the Fuelwatch proposal. There are two elements that are being addressed in this proposal. The first one is transparency and the second one is volatility.

In terms of the volatility argument, we have all experienced instances where we are driving along and we see petrol station attendants come out and change the price of petrol before our eyes. You will be driving down one side of the road and at the same time you are seeing the figures on the other side of the road being changed and the petrol price is being upped without any warning, notice or explanation. This is the volatility that concerns many people. One of the issues that many people in my electorate have raised with me over the years is their concern that something fishy is going on here—the fact that the prices keep going up and that when a service station on one side of the road puts the price up the service station on the other side of the road follows shortly after.

This is the sort of volatility that needs to be addressed because it does not give motorists a fair go. Can you imagine walking into a hamburger store to find that McDonald's and Hungry Jack's have got together and decided that, come six o'clock, come dinner time, they are going to whack up the price of a Big Mac or a Whopper? It would be extraordinary to think that that sort of volatility would enter into the equation in other marketplaces, but when it comes to petrol prices we are seeing an imperfect market. Those on the other side are saying that this is intervening in the marketplace unnecessarily. The reality is that the market is not delivering a fair go for motorists, and one of the reasons why it is not delivering a fair go is that the cards are stacked against them. Under the current situation the oil companies and the petrol retailers have access to information that the consumer, the motorist, does not have access to. This is a situation that gives rise to a marketplace where perfect information is not available. The information available to the consumer is not as widespread or as available as the information available to the retailer. In that context we end up having parallel pricing and, as a result of that, consumers are being duded.

No-one on the other side of the chamber has a proposal to address that issue. Under the Fuelwatch proposal, retailers will be required to indicate what their price will be for the following day. They do that at 2 pm, and by 4 pm those prices will be made available to consumers through a range of mechanisms, whether it be through the website, through SMS messages or even material that will be available to be downloaded to GPS navigation systems within a person's vehicle. This is an initiative that will deliver real assistance to the motorist in trying to hunt down the best possible price. We all have examples in our own lives—whether it be family, friends, television stations or radio programs—of everybody trying to ensure that consumers have the opportunity to share in that precious information of knowing where the cheapest prices are.

My wife will often drive home and tell me that she saw quite cheap petrol at a particular service station. On my next journey I will try to go past that station in order to fill up whilst the petrol is cheap. That would be something that would be replicated in every household in this country, because the more information we have the greater is our capacity to seek out cheaper prices. In the absence of this sort of information what are we meant to do? Are we meant to drive around, wasting more fuel and looking for the cheapest price? It is ludicrous. This is a proposal that will deliver important, valuable information to consumers so that they can find the cheapest petrol at the cheapest petrol stations at the cheapest times.

In terms of the implementation of the Fuelwatch proposal, once prices have been released at four o'clock, they will come into effect at 6 o'clock the following morning. Between 6 o'clock the following morning and the one following that those prices will remain the same. That means that, if you are driving home from work after four o'clock in the evening and you are aware of what the prices are and that they are going up the next day, you can go out and seek out cheaper prices that evening or, if you know the

prices are going to be cheaper, you can hold off and buy your fuel the following day. This is a practical measure that will allow motorists to improve their own financial situation by being able to seek out the best possible deals when it comes to petrol and to do so without having to run around in their car or rely upon often insufficient or inadequate information that is provided through informal sources. It is a great initiative, one that I wholeheartedly support.

There is the transparency issue. As I mentioned earlier, we have informed sources, on the one hand, that are providing the material to the retailers. Why can't we as consumers have access to that information? The suggestion that you should get rid of the requirement that prices be kept at one level for an entire day would ruin the scheme. If you went down that path, the Fuelwatch scheme would not be providing consumers with information that was worth pursuing. If consumers had no guarantee that the prices that were cited on the website or in the SMS were going to hold for a period of time, then you might as well not pass on that information. It is no different from the websites that are currently available—but I have to say that they do not deliver real benefits to motorists and fewer motorists use them than would otherwise be the case under Fuelwatch simply because of the lack of credible information that they provide.

I want to conclude by remarking on the criticism that the government has not taken into account the advice of the central economic agencies and other departments. It seems to me that it should be a given in our Westminster system of government that advice is provided by bureaucrats, and it is taken on board, but decisions ultimately are made by ministers and members of parliament, who are elected and accountable to the people. It seems to me a rather bizarre suggestion that all advice should be taken without any critical debate or discussion about that advice. If that were the case then there would not have needed to have been a change of government back in November last year; clearly the bureaucracy would be determining what goes on in this country. Fortunately that is not the case, and fortunately it is the case that our government and our cabinet have had a robust discussion about this particular initiative. I might say that there were plenty of key policy decisions taken on the other side when they were in government that were not even subjected to the scrutiny of cabinet discussion—the so-called \$10 billion water plan did not even go to cabinet. I would like to know what all of the departments would have said about that plan. We did not even see any coordinating comments on those because the matter did not even go to cabinet.

There was a robust process and in the end a decision has been taken that may be contrary to some of that advice, but that is what being in government is about: it is about exercising independent judgement and about making the hard decisions that are in the best interests of the people of this country. And that is why this decision has been taken. There is no doubt in my mind that it is a decision that is in the best interests of people in my electorate and the best interests of people right around this country. It will attack the unfair and unreasonable volatility of the petrol market as far as consumers are concerned and it will ensure greater transparency so that consumers at least have access to some of the information that those on the other side, the retailers, have. This is about balancing information and the equation within the marketplace so that consumers can get a fair go. In the end I am not surprised that those on the other side have come in here in defence of the big oil companies. But we are very happily in the corner of the consumer. That is why we support this initiative and that is why we support the Fuelwatch scheme.