

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mrs. Finocchiaro to the Treasurer

My Fuel NT

1. Why is the Government trying to do what private enterprise already does through four price comparison sites – comparethemarket.com.au, Motormouth, Petrol spy, fillmytank.com.au as well as the service price watch in the NT News, the daily price watch on commercial radio, Facebook and Apps on phones?

The MyFuel NT mandatory reporting scheme provides real time Territory-wide fuel price data. The comprehensiveness, quality and timeliness of this data was not available in the Territory prior to MyFuel NT. Other fuel comparison sites and private sector providers tend to rely on data sourced from users or on a voluntary basis from retailers which may not always be provided in a timely or accurate manner and which does not cover the Territory as a whole.

MyFuel NT enables Territory motorists and visitors to have confidence that the fuel prices and availability of fuel is in real time, to enable them to find their lowest local fuel price, and/or availability of fuel in regional and remote areas of the NT. The Territory has large remote regions, which makes it harder to capture fuel price data in those areas if the data is based on motorists providing the data.

A number of fuel price comparison sites also note they use fuel price information from government mandated public price reporting sources, such as NSW Fuel Check, WA Fuel Watch and MyFuel NT. MyFuel NT was always designed to enable private sector providers to provide innovative products and services through freely accessing MyFuel data. I also understand that the NT News and local radio stations across the Territory use MyFuel NT prices in their reporting.

Separately, the Queensland Government is commencing a 2-year trial of mandatory fuel price reporting across Queensland commencing on 1 December 2018, based on similar principles of fuel price transparency as NSW Fuel Check and MyFuel NT.

2. How did the Government come up with the \$250,000 per year ongoing costs figure?

The business case that formed part of the Government consideration and approval of the MyFuel NT scheme was developed by Northern Territory Consumer Affairs with input from Department of Corporate Information Services. The \$250 000 ongoing appropriation from 2017-18 is for administration of MyFuel NT and includes enforcement, communication and compliance activities (including one additional full time employee), as well as ongoing management and maintenance of information and communications technology systems (ICT).

As a comparison during the initial industry consultation for the MyFuel NT initiative, the Department of Treasury and Finance received submissions from data service providers and an ICT company. As you may be aware, one company highlighted that it could provide some of the required ICT systems, including a price reporting system and website, under a hosting arrangement that would involve an annual service fee. Estimates provided to the Department of Treasury and Finance include a cost to Government in excess of \$4 million over three years for the entire scheme. Further, another company noted that it could develop a simple website for around \$0.2 million, however; did not include consideration of the necessary price reporting system or database. These costs were exclusive of additional education, enforcement and compliance activities.

3. What action is the Government taking to achieve lower prices by supporting greater competition in the market as the ACCC report recommended?

The Government has implemented all six Australian Competition and Consumer Commission recommendations from its 2015 Darwin Petrol Market Report. One of these recommendations was to increase price transparency, which we have done through MyFuel NT. Similar fuel price transparency schemes currently apply in New South Wales and the Northern Territory, with Western Australia also having a long established public price reporting scheme. Queensland is commencing a 2-year trial of mandatory fuel price reporting across Queensland from 1 December 2018, based on similar principles of fuel price transparency.

The Territory has also banned the display of conditionally discounted prices on price boards to reduce confusion about what fuel price applies to them. The ban on displaying conditionally discounted prices is also in place in New South Wales, Queensland, Victoria and South Australia.