

5 August 2008

Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

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Fuelwatch Legislation

We refer to an invitation from the Senate Economics Committee, received yesterday, to attend Thursday's hearing of the Senate Inquiry into the National Fuelwatch (Empowering Consumers) Bill 2008; National Fuelwatch (Empowering Consumers) (Consequential Amendments) Bill 2008.

While we appreciate the invitation, given the short timeframe involved and my availability this week, we are unable to attend. However, we wish to put on record our thoughts on the Bill and some practical suggestions for amending the Bill that we hope the Committee considers.

Coles Express disagrees with the premise of the explanatory memorandum of the Government's Bill that there is a lack of price transparency at the retail level. The presence of monolithic obelisks or price boards at retail fuel sites, together with daily media reporting of price movements and numerous web sites dedicated to fuel price information demonstrate price awareness and transparency.

The fact that fuel is still sold in tenths of a cent per litre underlines motorists' awareness and sensitivity to fuel prices. On any given day, as a consequence of this price sensitivity and transparency, most motorists are generally able to quote the fuel price to within a cent a litre and the majority of them consequently buy their fuel at the lower price points of the fuel price cycle.

Coles Express submits to the Committee several simple and practical additions for inclusion in the legislation before parliament, to minimise the regulatory burden for those implementing and complying with the Fuelwatch scheme. These are:

- **One uniform national time for notification** of price changes to the ACCC – we suggest an *Eastern Standard Time (EST)* and its daylight saving equivalent. Operationally and for compliance purposes a uniform national time is critical for Coles Express whereas the actual time settled upon (assuming it is during business hours) is less critical.
- **Implementation time**, presently the WA Fuelwatch scheme has board price changes being implemented at 6 a.m. While this time is fine for Coles on a state-by-state basis, Coles Express strongly suggests that this implementation time allow for a 30 min changeover on price boards and pumps as it is practically impossible to manually change all of these simultaneously – i.e. exactly at 6 a.m.

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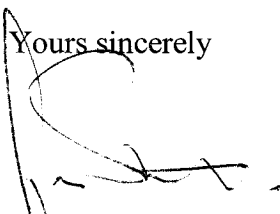
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Recently Coles Express was issued with a warning from Fuelwatch in WA for not having implemented this change by 6:01 a.m!! Apart from being an over zealous reaction to a complaint, it's unreasonable to have no practical flexibility for such a changeover given that retailers are not allowed by law to change the price before 6 a.m.

- **Client ID** or Retailer ID should be the same nationally and preferably the same as what the WA scheme currently uses for each retailer.
- **E10** or any ethanol-blended fuel is omitted from listed *motor fuel* in the legislation. We suggest that like diesel and biodiesel, ethanol blended ULP should be one of the listed *motor fuel* products.

Coles Express would also like confirmation that the Western Australian Fuelwatch scheme will cease to exist so that it will not be required to comply with two Fuelwatch schemes in tandem. Coles Express is happy to cooperate with the ACCC in the implementation of Fuelwatch and work with the Government in communicating these changes to Australian motorists. If we can be of assistance in this regard please contact Chris Mara in my office on (03) 98294141 or email: chris.mara@coles.com.au

Yours sincerely



Peter Short
General Manager