

MARGARET RIVER FUEL PRICES

Hon BARRY HOUSE to the minister representing the Minister for Consumer and Employment Protection:

- (1) Why is Margaret River not included in FuelWatch?
- (2) Is the minister aware, or concerned, that fuel prices in Margaret River are consistently 10c to 15c a litre higher than city prices and consistently higher than many other more isolated rural communities in WA?
- (3) Is the volume of fuel sold in a locality one criteria for consideration of whether a location appears on FuelWatch?
- (4) If not, why not?
- (5) Why are country fuel prices not displayed on metropolitan FuelWatch bulletins and vice versa to give the travelling public a better comparison of prices throughout the State?

Hon N.D. GRIFFITHS replied:

I thank the member for some notice of this question.

- (1) The townsite of Margaret River was not included when the FuelWatch boundaries were originally established, because it did not meet the criteria set by the previous Government for inclusion.
- (2) The Minister for Consumer and Employment Protection is very concerned about petrol prices in country Western Australia. In August 2001 a trial of mandatory signboards was introduced in Albany. That was subsequently extended, and all fuel retailers in the FuelWatch boundary have been required to display price boards since 23 December 2001. Mandatory price boards have been very successful in reducing fuel prices in these areas. For example, the difference between the average metropolitan price and the average price for the particular town has dropped by over 2c a litre in Albany, Bunbury, Capel, Carnarvon, Harvey and Kalgoorlie since price boards were introduced.

The minister will be releasing a discussion paper on the issue of capping retail fuel prices in major country centres of Western Australia in the coming weeks for full community and industry consultation. The minister expects that when implemented, price caps will also work to bring down fuel prices in the relevant areas. The 50-50 legislation is now in place and allows retailers whose contracts have been entered into, renewed or otherwise amended since 10 February 2001 to cease supplying one of their fuel products if they wish. They can then use the freed-up storage tank to purchase up to 50 per cent of their fuel supplies from someone other than their contracted supplier. These and other measures, either already in place or to be implemented, are all aimed at putting downward pressure on country fuel prices.
- (3) Volume sold is not used as a criterion for determining whether a townsite or locality is included within the FuelWatch boundaries.
- (4) The level of competition in an area, combined with its population, is considered to be a more valid measure of whether a townsite or locality should be included in FuelWatch. For example, there may be only one retailer in an area. That retailer may, as a result, sell a large volume of fuel, but if the retailer has no competition, inclusion in FuelWatch is not likely to have a significant impact on the prices they set. The Department of Consumer and Employment Protection, which administers FuelWatch, is considering reviewing the FuelWatch boundaries and may recommend that areas such as Margaret River be included in the boundary.
- (5) Channels Seven, Nine and GWN publish FuelWatch information on their nightly news bulletins as a free community service. The Government does not pay for the service. The minister is delighted that these television stations provide this information to the Western Australian public. Any decisions about which data they include in the bulletins are theirs to make. The minister expects that time constraints would play a large role in their decision to display only a range of metropolitan - in the case of Channels Seven and Nine - or country - in the case of GWN - prices.