

15 August 2012

Fair Trading Regulation 2012

NSW Fair Trading
Department of Finance and Services
PO Box 972
Parramatta
NSW 2124

Via email: policy@services.nsw.gov.au

See Distribution

Proposed Fair Trading Regulation 2012 and information on LPG availability

Dear Commissioner

I am writing to you concerning the proposed Fair Trading Regulation 2012, in particular draft Division 3 dealing with fuel price signs which is planned to commence on 1 September 2012.

LPG Australia is the national peak body which represents the bulk of the downstream alternative gaseous fuels industry which covers Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG). The industry comprises major companies and small to medium businesses in the alternative gaseous fuels supply chain; refiners, fuel marketers, equipment manufacturers, LPG vehicle converters, and the providers of services to the industry.

First, let me say that LPG Australia supports the New South Wales Government's efforts to reduce the costs of business regulation and improve the provision of information to consumers.

LPG Australia's would, however, be extremely concerned if the outcome of the new fuel price sign regulatory regime was the provision of less information to consumers. In particular, consumers of LPG used for transport (i.e. Autogas) would be greatly disadvantaged if Autogas ended up being forced off fuel price billboards due to mandating of which fuels should be displayed based on sales volumes since Autogas sales are much lower on most sites than petrol sales. Not only would Autogas consumers be disadvantaged by a lack of price information, but more significantly they would lose critical information about product availability. For example, 49 per cent of service stations in New South Wales do not sell Autogas and consumers of this fuel, who tend to travel more than consumers of other fuels, rely on fuel price billboards to tell them where Autogas is available in the course of their travels.

Information about the availability of Autogas is especially critical for drivers of mono-fuel LPG vehicles such as the recently released and locally designed Ford Eco LPi Falcons and Holden LPG Commodores. Running out of fuel for these vehicles is a tow-away event which is bad for the drivers of these vehicles as well as for the reputations of these Australian manufacturers. It also undermines bipartisan efforts by successive governments to encourage the take-up of alternative fuels.

More broadly, reduced information about Autogas availability would discourage the take-up of LPG vehicles. This in turn would deny many consumers, particularly those living in urban fringes and regional areas where public transport coverage is often poor and access to affordable private transport is critical, the affordability of Autogas which, on average over time, costs up to 50 per cent less at the bowser than petrol. It would also deny the community the lower CO2 emissions, improved urban air quality and increased energy security greater Autogas use offers.

If the New South Wales Government was to end up mandating which fuels appear on fuel price billboards, LPG Australia would prefer the recommendation of the Australasian Convenience and Petroleum Marketers Association (ACAPMA) that billboards show three broad categories of fuel, including gaseous fuel, than one that might effectively exclude Autogas.

That said, LPG Australia considers it would be beneficial for consumers and businesses if any changes to the regulation of fuel price billboards by the New South Wales Government were coordinated with current work by the Commonwealth, States and Territories to develop a national approach to fuel price board information. LPG Australia also considers it essential that industry be given sufficient time to implement any changes in this area.

Conclusion

Any changes to the fuel price sign regulatory regime in New South Wales that forced Autogas off fuel price billboards and reduced product availability information would significantly disadvantage existing Autogas consumers in the State as well as the broader community by discouraging the take-up of LPG vehicles.

Recommendations

LPG Australia recommends the New South Wales Government:

- a. does not change its fuel price sign regulatory regime in a way that effectively forces Autogas off fuel price billboards;
- b. coordinates its regulation of fuel price billboards with current work by the Commonwealth, States and Territories to develop a national approach to fuel price board information; and
- c. gives industry sufficient time to implement any changes to fuel price billboards.

My staff and I would welcome the opportunity to meet with you to discuss possible changes to the New South Wales Government's fuel price sign regulatory regime and likely impacts on Autogas consumers.

For your consideration.

Yours sincerely



Michael Carmody
Chief Executive Officer

Distribution:

NSW Fair Trading

For Information:

Premier of New South Wales

New South Wales Minister for Fair Trading

Australasian Convenience and Petroleum Marketers Association (ACAPMA)

Australian Automobile Association

LPG Australia Advisory Council Working Group – Road Map LPG Vehicles

LPG Australia Automotive Equipment Suppliers Technical Committee

LPG Australia State Representative – New South Wales

LPG Australia Secretariat