

# RAA Member Panel

## Changes to Fuel Price Information

RAA has long advocated on fuel price issues for its members by using the fuel price information from the retail fuel industry to display on its website. RAA would use this information to highlight price discrepancies and 'name and shame' retailers when necessary.

### Summary

#### Changes to the way fuel prices are published

In December 2015, the ACCC and most of the fuel industry's major retailers reached an agreement to provide motorists limited access to precise fuel prices in near-real time. As an unintended consequence of the ACCC agreements with the large fuel retailers, RAA's source of fuel price information for all fuel grades both in metropolitan and country SA has been adversely affected. This RAA Member Panel survey has assisted in identifying what is most important to our Members, informing our future discussions with the fuel industry and the ACCC.

#### Majority of motorists respond to RAA alerts of a price spike

When asked, 54 per cent of member panellists said they respond to RAA comments in the media of an impending spike (Adelaide 59 % vs Country 37%), while 44 per cent will check a website for fuel pricing.

#### New arrangements less transparent

With the ACCC's agreements now in place only seven per cent of panellists believe the ACCC agreements with the major fuel retailers has increased fuel price transparency while 60 per cent believe transparency has decreased.

#### Concern over reduced ability to find best prices

83 per cent of panellists were concerned RAA's ability to help them find the lowest fuel prices was adversely impacted. Nearly three quarters of respondents do not believe it is fair that motorist's access to near real-time fuel price information is limited, whilst the major fuel retailers have unlimited access. More than 90 per cent of panellists were concerned RAA will no longer be able to monitor retailer's behaviour and 'name and shame' them if needed.

#### Smart phone apps not always smart

Industry focus has been on the provision of a smart phone app based solution to provide near real-time fuel price information. However, 74 per cent of panellists believe it is important a website is available to see service station's actual fuel prices in near real-time. 63 per cent believe having fuel price smartphone apps will encourage motorists to use it whilst driving.

Providing near real-time fuel prices only through a smartphone app was considered discriminatory against motorists who don't have a smartphone or don't use apps by 77 per cent of panellists. And while 87 per cent of panellists have a mobile phone or smartphone only 66 per cent of smartphone owners use smartphone apps, with over half of respondents preferring to use a computer to find the cheapest fuel prices near them.

### **Panellists think new price map is not informative**

Currently motorists can access near real-time fuel price information on some websites, where service stations are displayed on a map as a marker. The marker's colours are based on where the service station's price falls within the map legend's 5 cent price bands. In RAA's experience, displaying prices using this method doesn't show the true savings motorists can generate by choosing one retailer over another. Evident of this, over half of panellists believe this method of showing approximate fuel prices, does not show consumers that they have variety of prices in the market. When RAA applied its preferred method of displaying the same prices, 66 per cent of panellists believed there was actually a choice.

### **Real-time prices - Fuel check system well supported**

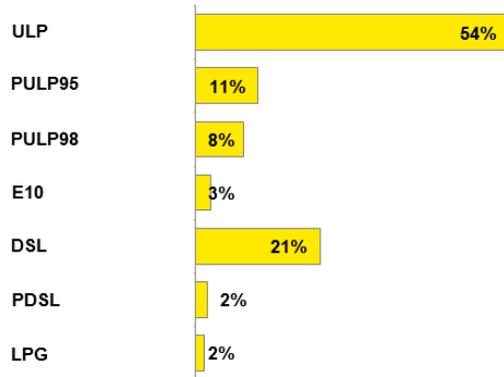
One solution to access real time fuel prices is for the South Australian Government to adopt the same system that was recently implemented in New South Wales called Fuel Check. Fuel Check mandates all fuel retailers submit their prices in real-time which is provided to the public. 97 per cent of panellists believe all RAA members should have access to the same type of system as Fuel Check (currently Broken Hill Members have access to Fuel Check) and accordingly 97 per cent also agree the South Australian Government should adopt the same initiative here.

### **Fuel price boards are not enough to find the best prices**

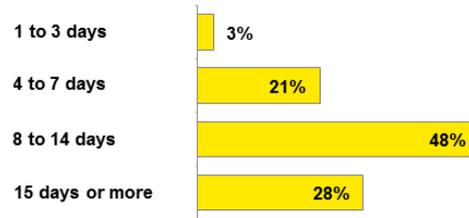
92 per cent of panellists disagree with Minister Rau's comments that service station's fuel price boards are sufficient to reassure a consumer they have purchased the cheapest fuel prices in the local area and 18 per cent of panellists would actually drive around more to find the best prices if this was the only indication available.

# Appendix: Key Results

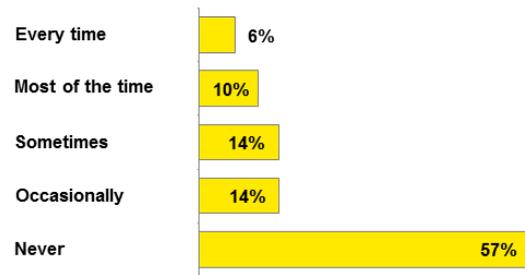
Which fuel type do you normally buy?



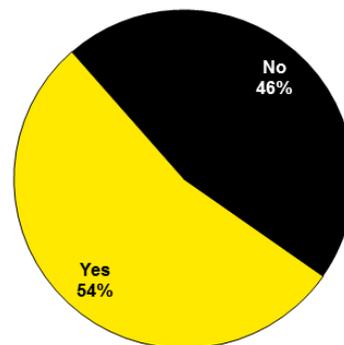
How often do you usually purchase fuel?



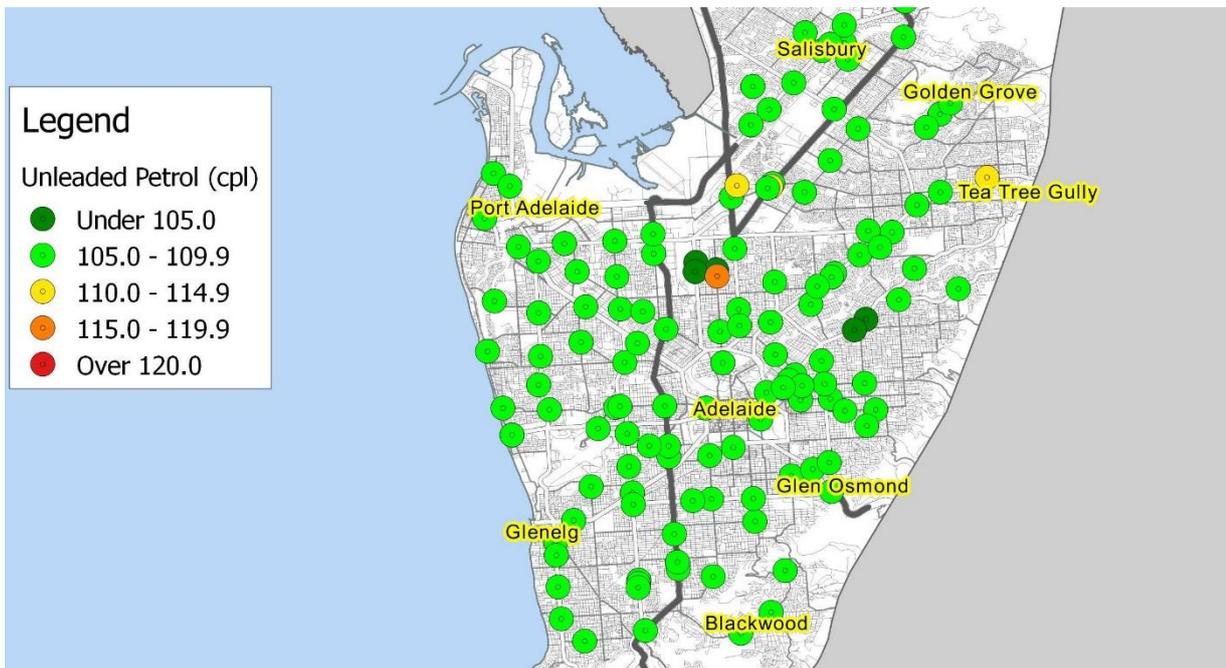
When you buy fuel, how often do you check a website (E.g. RAA) to find the lowest fuel prices?



Do you respond to any RAA comments in the media of an impending price spike?



The map below shows Adelaide petrol prices on 30 August 2016 displayed using a new method agreed to by the ACCC and the fuel industry. If you have to fill up today and saw this map, do you believe you have a choice on the price you paid for fuel?



Yes



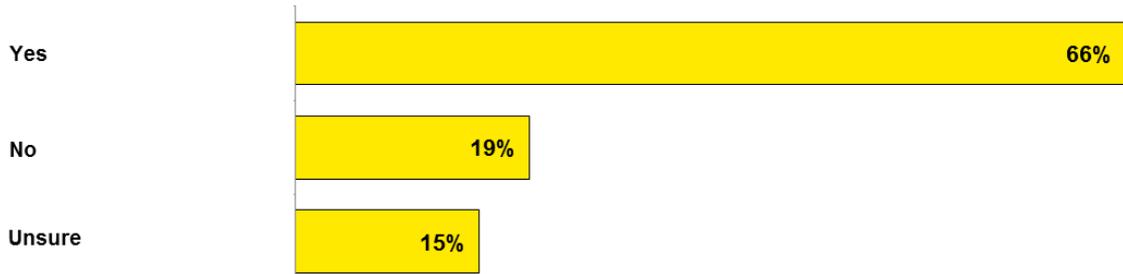
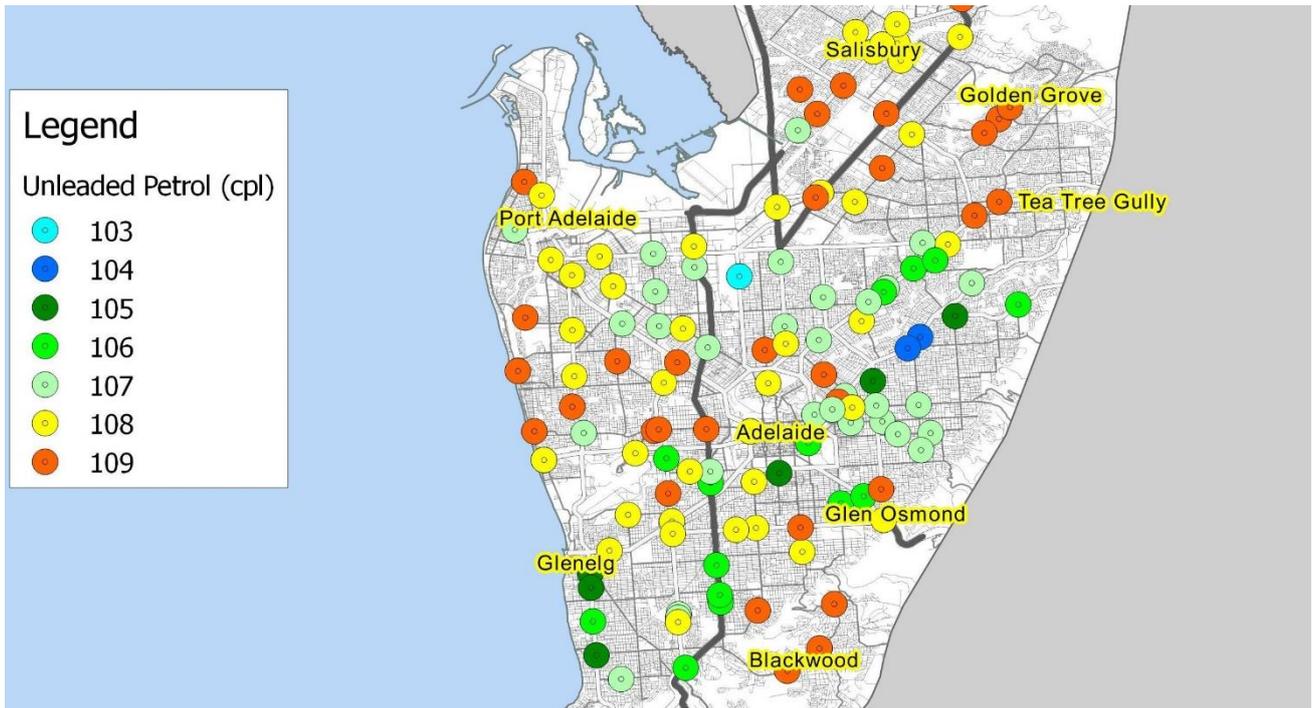
No



Unsure

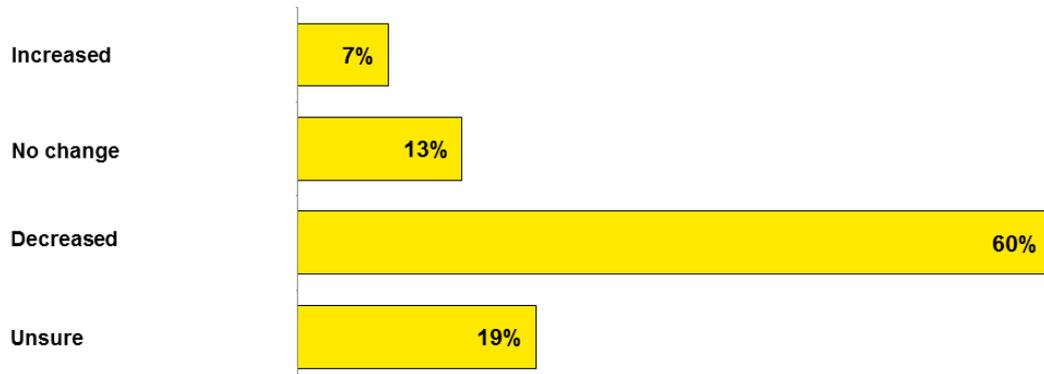


The map below shows the same Adelaide petrol prices on 30 August 2016, but instead uses a different method to display local price variations. If you have to fill up today and saw this map, do you believe you have a choice on the price you paid for fuel?

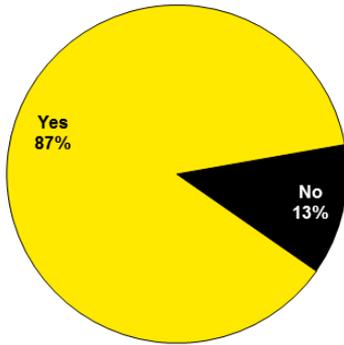


In December 2015 the ACCC reached an agreement with many of Australia's large fuel retailers to provide near real-time fuel prices to the public via smartphone apps. This agreement has forced RAA to no-longer provide service station's prices on its website from 17th September 2016.

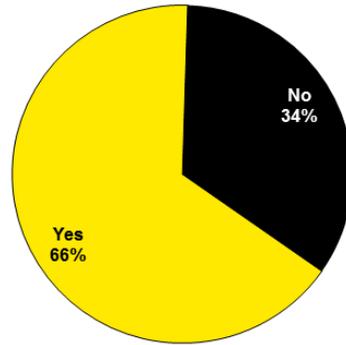
Do you believe the actions by the ACCC has increased or decreased fuel price transparency?



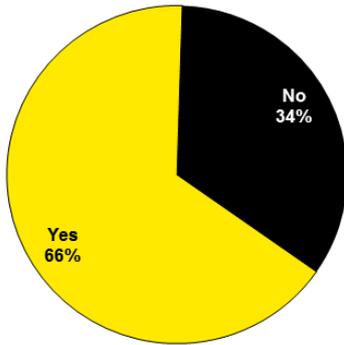
Do you have a mobile phone / smartphone?



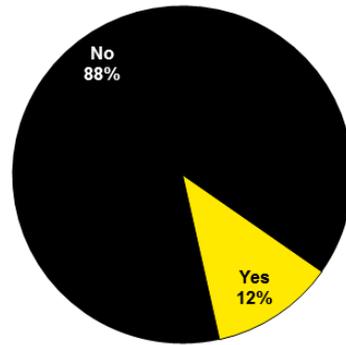
Do you use apps on your mobile phone / smartphone?



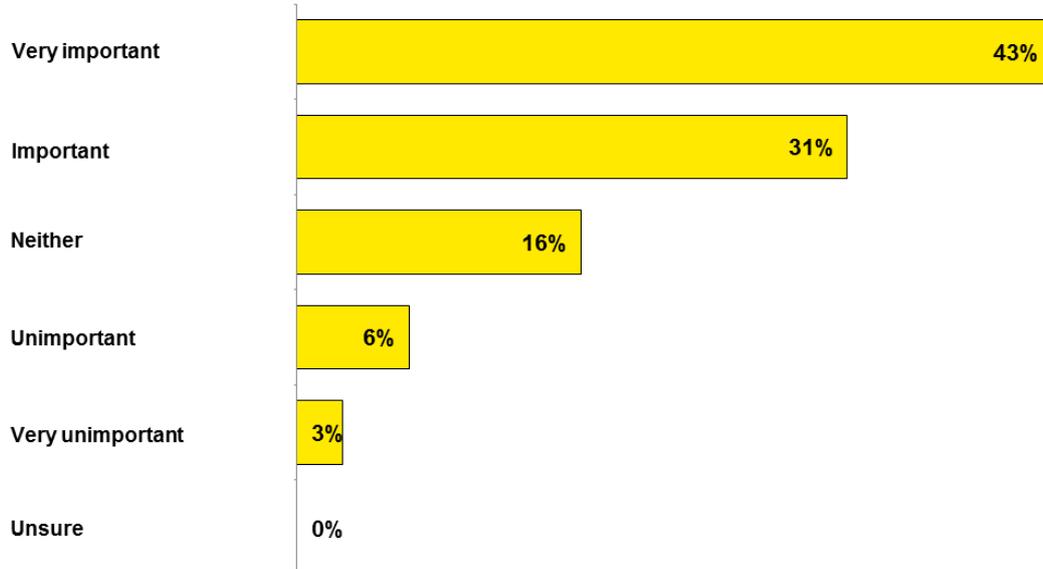
Do you access websites via your mobile phone / smartphone?



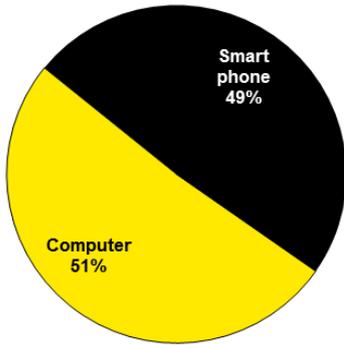
Do you currently use any smartphone apps to find the cheapest fuel prices?



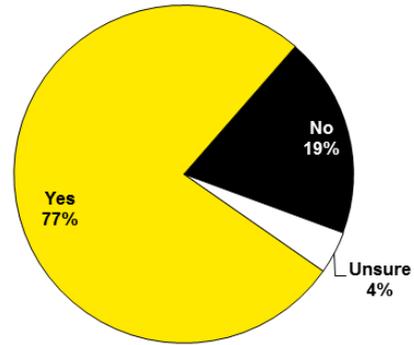
Currently there are no-longer any websites providing motorists specific service station prices sourced directly from fuel retailers. How important is it that a website is available so motorists can see service stations' near real-time fuel prices?



Would you most prefer to use a smartphone or a computer to find the cheapest fuel prices near you?

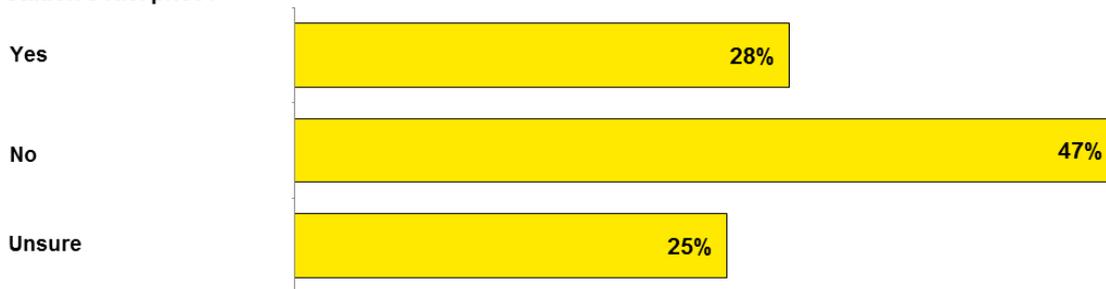


If near real-time fuel prices can only be viewed on a smartphone app, do you believe this discriminates against motorists that don't have a smartphone or use smartphone apps?

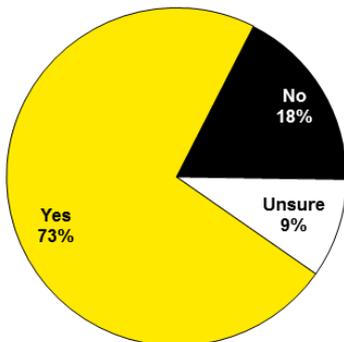


Motorists can access near real-time fuel prices at major fuel retailers in a smartphone app, but only when the app submits your mobile phone number and GPS coordinates.

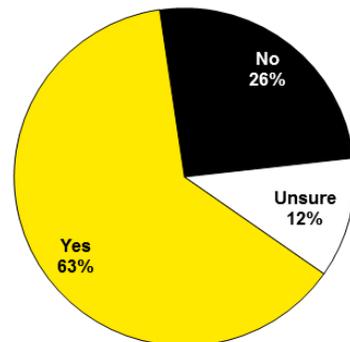
If RAA offered members a smartphone app with near real-time fuel prices, would you let RAA provide your phone's GPS coordinates and mobile phone number to a third party in exchange for seeing a service station's fuel price?



If fuel prices are made available in near real-time to motorists on a smartphone, do you expect the prices in the app and the actual pump prices at the service station to be exactly the same?



If fuel prices are only available via a smartphone app, do you believe this will encourage drivers to use their smartphone's when driving?

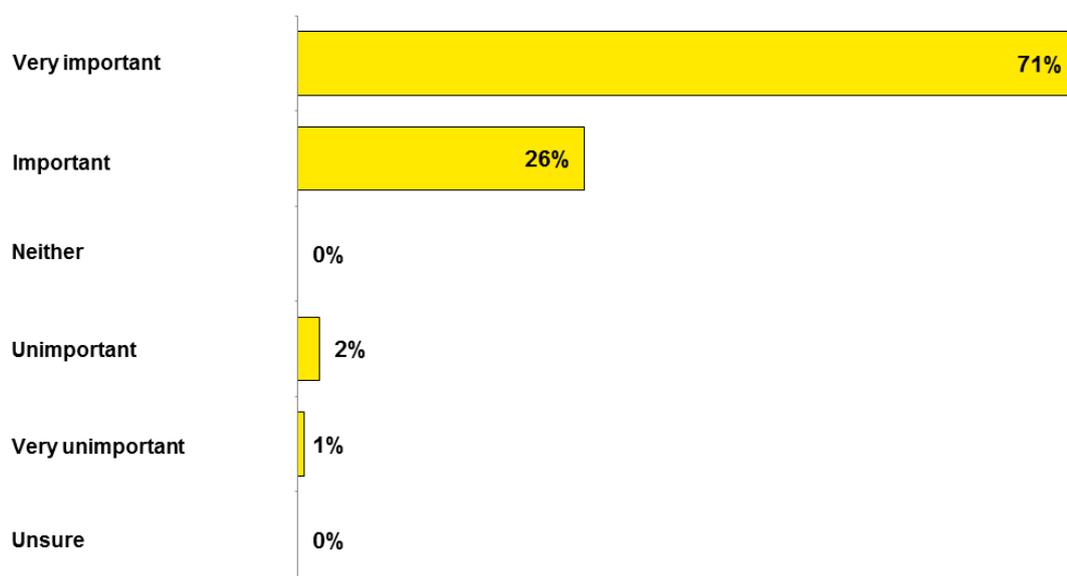


Motorists can only request to see a certain number of site specific prices weekly via a smartphone app as part of the ACCC's deal with the fuel industry.

Do you believe it's fair that motorists will be restricted to only see a certain number of site specific prices, but fuel retailers participating in the ACCC agreement will have unlimited access?

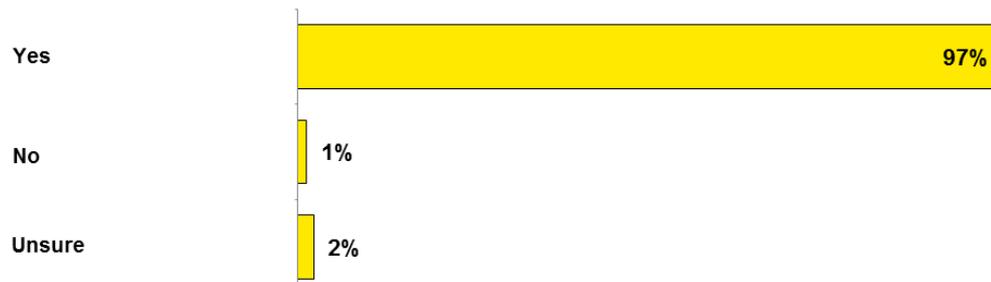


If RAA were able to provide near real-time fuel price information on a website or in a smartphone app, how important is it that the website or app includes the locations of the cheapest prices in the market?



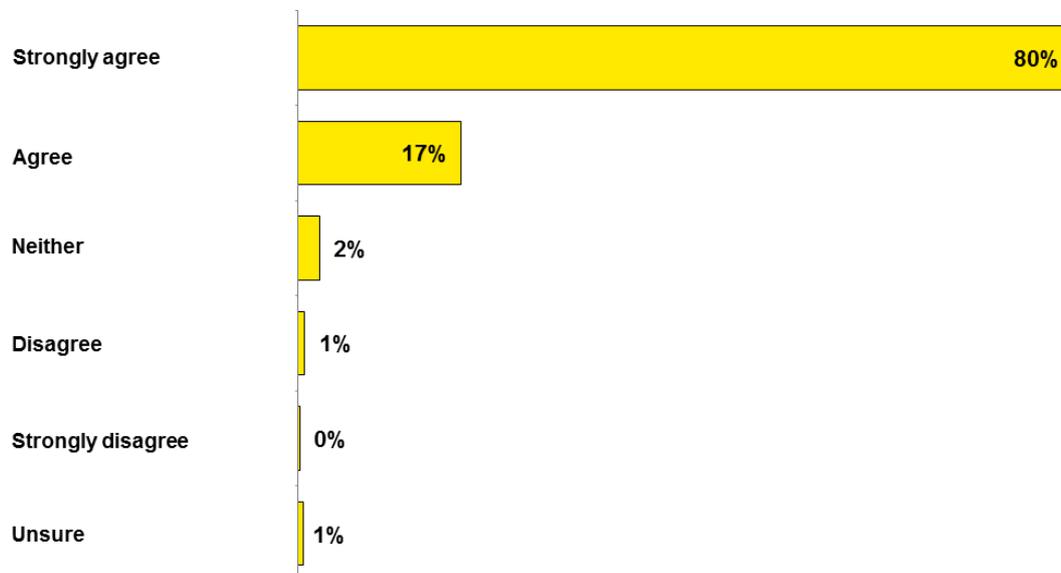
Currently RAA members in Broken Hill can see real-time fuel prices at any service station thanks to the NSW Government. It is allowing locals to see that neighbouring service stations can have a 7cpl price difference. If this system was introduced in Adelaide, it would allow motorists on occasion to see prices vary upto 40cpl amongst neighbouring service stations.

Do you believe all RAA members should have access to the same system to easily see where to find the lowest fuel prices?



The NSW Government launched a new initiative, forcing every retailer in NSW to provide their fuel prices to them in real-time. The NSW Government provides this information to motorists without any restrictions or cost.

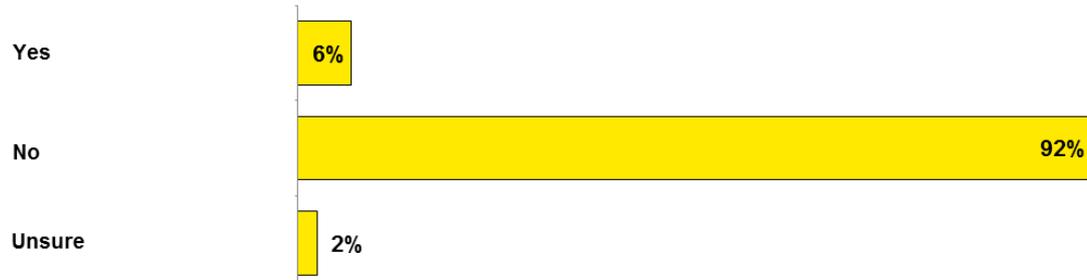
Do you agree or disagree that the South Australian Government should adopt the same initiative?



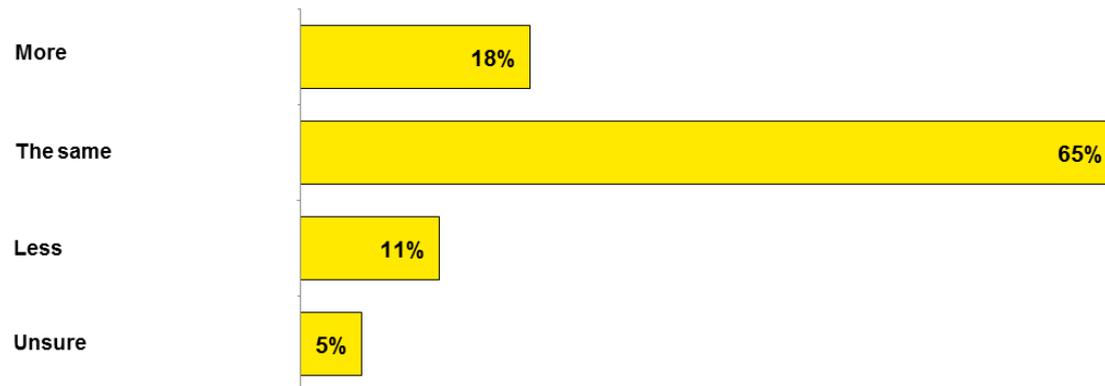
Recently South Australian Attorney-General John Rau was quoted as saying:

*"There is currently insufficient justification for the South Australian Government to mandate the disclosure of price information to a central agency given that it must be displayed at each petrol outlet." The Advertiser (15 April 2016)*

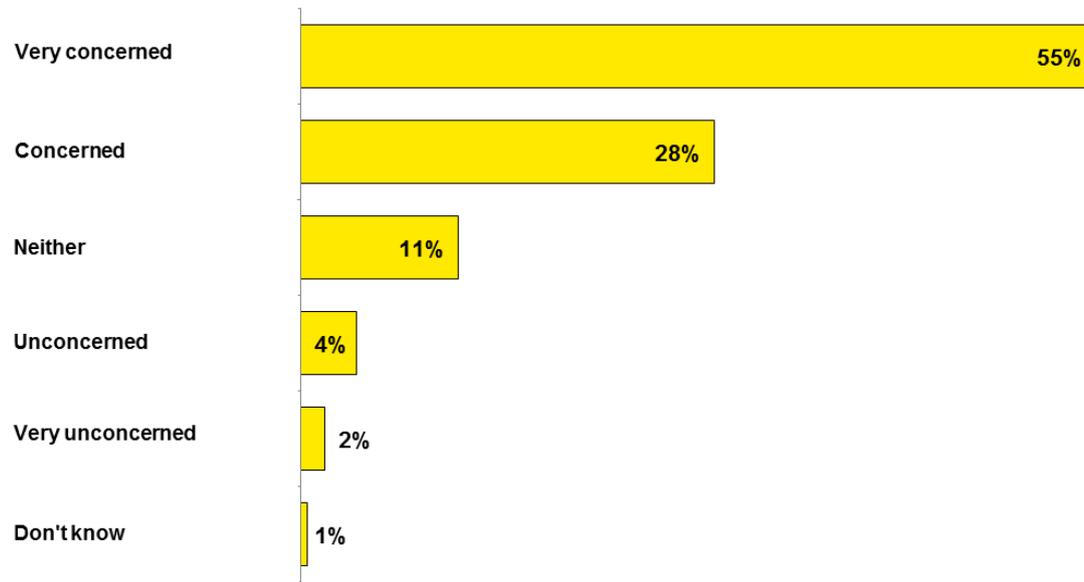
If most motorists can only see fuel prices via a service station's price board, do you believe this is sufficient information to reassure a consumer they have purchased the cheapest fuel prices locally?



If you could only figure out where the cheapest fuel prices were locally by driving around, would you drive more or less than you do now to find the lowest prices?



The ACCC's agreement with the major fuel retailers will reduce RAA's ability to inform motorists where to find prices upto 40cpl lower on occasions. How concerned are you that RAA will no longer be able to help you find the cheapest prices?



The ACCC's agreement with the major fuel retailers will reduce RAA's ability to warn the public of prices spikes of upto 40cpl at some service stations. RAA uses this information to 'name and shame' retailers responsible for poor pricing behaviour to keep them on their toes and help keep fuel prices as low as possible.

How concerned are you that RAA will no longer be able to monitor retailers' behaviour and 'name and shame' them if needed?

