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Title:

Press statement - Petrol Prices

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NOT TO BE RELEASED BEFORE 2 P.M., THURSDAY, 18th JUNE, 1970.

STATEMENT BY THE PREMIER

18th JUNE, 1970.

PETROL PRICES

The price increase in petrol has been forced on South Australia solely by the extraordinary gift which the Commonwealth Government has seen fit to make to Esso-B.H.P. in fixing the price of Gippsland Crude. It is impossible for South Australia to control this pricing.

The South Australian Government has been advised by the Prices Commissioner that the final price for Gippsland Crude, when it is reduced in September, is in his view too high by at least 25 cents per barrel. This price has placed a number of oil companies operating on the existing fixed price in difficulties and this was evident in March of this year when the previous Government was first apprised of the Commissioner's report. In April the L.C.L. Government informed the oil companies that they would not finalise the matter until the first week in June - the week after the election.

The Government is also concerned that part of the high cost of petrol has resulted from the expensive marketing methods used by the oil companies. The companies have again gone ahead with building extra service stations in South Australia when the Prices Commissioner considers that there are 40% too many for an economic servicing of the gallonage demanded. In addition to this, industrial pumps have been installed for small users where it is plainly quite uneconomic for the oil companies to service them.

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In order to ensure that there is in future a reasonable control of petrol reselling so that the public do not have forced upon them unreasonable costs for the marketing of petrol, I have invited the Oil Industry Council and the Automotive Chamber of Commerce to nominate representatives to a committee to be headed by the Prices Commissioner who will police agreements and arrangements for stopping further petrol station building, and ensure that existing advantages to business are maintained. Its aims will be to ensure that uneconomic practices, the destruction of useful property, and wasteful spending, are ended.

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