GOVERNMENT ACCEPTS FUEL PRICE INQUIRY RECOMMENDATIONS

Chief Minister, Clare Martin, today welcomed the independent fuel inquiry report handed down by Tom Parry and agreed to accept the report’s six recommendations.

Ms Martin said the inquiry was commissioned by the Government in February to have a detailed look at fuel prices across the Northern Territory.

“The report handed down by Tom Parry includes a detailed look at the factors influencing petrol prices and several recommendations for Government to consider,” she said.

The inquiry confirmed that our relatively small population and remoteness does lead to higher prices.

The inquiry also found that price changes in the Territory can lag behind other areas of Australia, which can happen in locations without a refinery. This can lead to periods where there is an inflated price discrepancy between the Territory and other regions.

Ms Martin said that her Government accepted the inquiry’s six recommendations. They are:

- Mandatory price boards at fuel outlets.
- Support the Australian Government in repealing the Sites and Franchise Acts.
- Territory Government to extend fuel price monitoring role and NT News to publish prices.
- Consider multiple fuel cards for Government vehicles rather than the current single tied system.
- Implement a consumer awareness program (perhaps via website).
- Refer instances of “unreasonably high” prices to the ACCC.

“The inquiry found increased awareness and scrutiny can help drive petrol prices down so we will expand our current Fuel Watch program to make it more comprehensive and cover a wider area,” she said.

“I am pleased the inquiry found that increased competition in Darwin was likely to drive prices down and indicated United Petroleum is looking at expanding their operations which would help reduce prices.

“We have seen in Katherine how an independent operator such as United can lead to cheaper petrol at the pump - hopefully we see the same in Darwin and other centres around the Territory.

“We also accepted the recommendation to consider multiple fuel cards in future tendering arrangements.”

The report found that the $55 million Vopak fuel terminal will have a positive effect on the potential entry of new competition. The NT Government is spending $28 million on associated infrastructure.

Ms Martin said Government spends approximately $4 million a year subsidising petrol 1.1c per litre.

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