Peter Chandler  
Deputy Chief Minister of the Northern Territory

**Fuel industry under pump for high Territory prices**

7 January 2015

The Country Liberals Government has written to Territory fuel retailers about the industry’s failures to pass on the benefits of the recent sharp declines in world oil prices.

The letter detailed concerns about the difference in fuel prices between the Territory and the rest of Australia was returning to the high levels observed prior to the Northern Territory Government’s Fuel Summit in October last year.

Acting Chief Minister Peter Chandler said Territorians are no fools, they will not cop this again from fuel retailers.

“In recent months, Tapis crude oil prices have declined sharply. However this has not flowed through to fuel retail prices in the Territory to the same extent as in other jurisdictions,” Mr Chandler said.

“As a result, the gap in fuel prices has returned to about 30 per litres, even higher at 55 cents in Alice Springs. Territorians consider these gaps to be unjustified.”

The Territory Government has also written to the Australian Competition and Consumer Commission (ACCC) requesting it use its greater powers to investigate fuel prices to lift the lid on the pricing of fuel in the Territory.

The Government has also tabled a tough new Fuel Price Disclosure Bill in Parliament which aims to increase transparency in fuel pricing. The draft Bill includes heavy penalties for failure to comply as well as wide ranging powers to force price information.

In the letter to fuel companies the prospect of pushing the bill through Parliament was raised.

“The government is yet to decide if the bill should proceed to legislation,” Mr Chandler said.

“We have asked the fuel industry to take immediate action to alleviate the situation by reducing fuel price margins in the Northern Territory and provide greater parity with other jurisdictions.”

Meanwhile the Government is continuing to assess strong expressions of interest received from established developers and fuel suppliers for the development of a discount fuel stop at Berrimah.
The Government has received four high quality expressions of interest for this 16 hectare piece of prime industrial land for a new fuel stop offering discounted petrol prices.

“We want to stimulate greater competition in the fuel market by offering this critical land adjacent to the high traffic intersection of Tiger Brennan Drive and Wishart Road for a new ‘Truck Central’ fuel station and associated transport industry service hub,” Mr Chandler said.

“The key condition for any successful proponent wanting to lease this prime land will be a commitment to be a price leader on fuel.”

Attached: Letter to fuel retailers and fuel price data

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Fuel Data
Letter to Retailers