



PRIME MINISTER

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INDUSTRY TALKS ON PETROL RETAILING

The Prime Minister, Malcolm Fraser, met with representatives of the Western Australian Automobile Chamber of Commerce in Perth yesterday.

The representatives of the Chamber raised with the Prime Minister the problems faced by service station proprietors, including price discrimination by wholesale suppliers, and the difficult contractual conditions under which they operate.

They claimed there was a process of vertical integration proceeding with the oil companies retailing direct through their own outlets at prices below the wholesale price charged to competing service stations.

The Prime Minister said that he understood the difficulties faced by small service stations in maintaining their position in the industry. He welcomed the view expressed by the Chamber representatives that they had common interest with the government in keeping the price of petrol to the consumer as low as possible.

After the next meeting of the Oil Industry Marketing Consultative Committee in December, the Government will bring together suppliers and retailers under the auspices of the Government to examine how more equitable distribution and marketing policies could be developed.

These discussions will examine the problems on a national basis.

That meeting will be asked to examine:

1. Whether Trade Practices Act should be varied to remedy
 - . alleged discriminatory pricing practices in the industry
 - . alleged discrimination inherent in terms and conditions of contracts between oil companies and lessees.
2. Action that might be appropriate in concert with States to prosecute a rationalisation programme.
3. Development of more equitable distribution and marketing policies following discussion of this matter by the Consultative Committee.

2.

The Government believes that the problems can be solved by agreement within the industry. However, if agreement is not reached, it should be understood by all the parties to the discussions that the Government can legislate to achieve a fair solution, although such legislation might require the cooperation of the States.
