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Title:

Press release: Dealer and Oil Company Relationships

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PRESS RELEASE FROM THE PREMIER, MR. DUNSTAN.

DEALER AND OIL COMPANY RELATIONSHIPS.

24.11.72

Mr. Dunstan announced new arrangements dealing with relations between service station proprietors and the oil industry. He indicated that an Arbitration and Fair Practices Committee would be established, and has communicated this information to the oil industry representatives who were called to a conference in the State Administration Centre today.

The Committee would comprise a Government nominee, a representative from the oil industry, a public accountant, a representative of the S.A. Automobile Chamber of Commerce and a Government legal adviser.

Mr. Dunstan indicated that the basis on which the Committee would operate would provide every new dealer with certain basic rights so that he would be aware what the conditions and financial arrangements would be during the full term of his agreement. It is proposed that there be a new standard term (3 years) and that "open" clauses would not be approved.

The oil industry would be requested to lodge a dealer's agreement and ancillary documents for consideration by the Committee, following which any amendments considered desirable, would be incorporated in a standard approved set of documents.

(It is anticipated that each new prospective dealer would be referred to the S.A. Automobile Chamber of Commerce for counselling on the agreement prior to it being signed).

Mr. Dunstan went on to say that he felt the new arrangements would provide adequate protection to the service station proprietor.

The Government has indicated that it will require a controlled reduction in the number of service station outlets in South Australia in order to improve the gallonage for the average dealer and to phase out uneconomic marketing practices. A further meeting has been arranged on this aspect.

In discussions with representatives of the oil industry, and taking into consideration the special circumstances currently involved by resellers in trading in South Australia the industry has agreed to assist by reducing the price of motor spirit to the reseller by $\frac{1}{2}$ ¢ per gallon as from Monday, 27th November, 1972.