

Petroleum Products (Terminal Gate Pricing) Bill

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EXPLANATORY MEMORANDUM

- Clause 1 sets out the purpose of the Bill. This is to require the determination of terminal gate prices for petroleum products and for other purposes.
- Clause 2 provides for the Act to come into operation on a proclaimed day.
- Clause 3 defines a number of terms used in the Bill.
- Clause 4 sets out a procedure for the Governor in Council to declare suppliers who will be required to determine terminal gate prices. It also provides for the Governor in Council to determine the classes of petroleum products to be subject to the determination of terminal gate prices.
- Clause 5 requires a declared supplier to determine terminal gate prices for declared classes of petroleum products sold or supplied by the supplier. This price can only be varied once a day. The price to be determined must include any discounts, rebates and price support provided by the declared supplier for the sale or supply of that class of petroleum products.
- Clause 6 requires a declared supplier to determine the temperature at which petroleum products are supplied. The declared supplier must also determine the volume of petroleum products supplied as if the products had been supplied at a temperature of 15°C.
- Clause 7 requires a declared supplier to make the current terminal gate price and the information determined under section 6 available to a distributor or retailer on request. The clause also requires a declared supplier to make available details of the costs of any optional services provided by the supplier. The clause also allows a declared supplier which owns a retail site for the sale of petroleum products to determine an additional amount

representing a return on its asset in that site to be paid by the retailer at that site for the supply of petroleum products of a declared class.

Clause 8 prohibits a declared supplier from selling or supplying petroleum products of a declared class to a distributor or retailer at a price other than the current terminal gate price for that class of petroleum products. It requires the price of a load to be determined on the basis of the volume determined under clause 6. It also requires loads to be supplied on a first come first served basis.