



## **GAS REGULATIONS STAY IN NOVA SCOTIA**

The Government of Nova Scotia has made the decision to retain petroleum product pricing regulations. The Gardner Pinfold two year study prepared for Service Nova Scotia and Municipal Relations indicated clearly that regulations were meeting their intended objectives. Retail prices have stabilized, retailer closeouts have dramatically reduced, and the motoring public now has the opportunity to predict price changes and make their purchasing decisions accordingly.

The report to Government makes thirteen recommendations and can be obtained in its entirety by visiting [http://www.gov.ns.ca/snsmr/petroleum/pdf/GasReview\\_11-2008.pdf](http://www.gov.ns.ca/snsmr/petroleum/pdf/GasReview_11-2008.pdf)

Those recommendations that have a significant impact upon retailers include:

- Zones and Differentials
- Promotions
- Margin Review
- Opting in/out of regulations
- Full Service Price Cap

The report points out that the regulations have lead to an average of 0.5 cents per litre additional costs as compared to prices before regulations. Based upon the annual provincial volume of gasoline sold, this amounts to some six million dollars and is essentially retailer margin.

The report also supports the fact that according to the weekly survey by M.J. Erwin & Associates, average gasoline price differences, excluding taxes, between Halifax and 60 Canadian cities have reversed directions. Instead of Halifax prices being consistently higher than the Canadian average since regulations they are consistently lower. This has proven to be extremely beneficial to the motoring public in Nova Scotia. In other words, retail prices in most major centres in Canada have risen higher and faster relative to those in Halifax since regulations were introduced.

RGDA Executive Director Graham Conrad states the 0.5 cents per litre additional cost to Nova Scotia motorists has helped shield against far greater price increases that occurred elsewhere in Canada and has therefore really paid off.

Conrad further states that “it was four years ago that the Association first approached the Provincial Government to review the serious challenges hundreds of retailers throughout the Province were facing in their attempts to remain viable. We are certainly glad it is over.

Retailers throughout the province, especially in rural areas, can now focus more on managing their businesses in a much improved economic and stable environment. After all, it is not as if there is a shortage of other major challenges retailers face trying to provide services and operate successful businesses”.

We look forward to the opportunity to work with SNSMR as they respond to the recommendations contained in the report.