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\$1.59 A LITRE – IS THIS A SIGN OF THINGS TO COME

The Daily Telegraph, Tuesday 12 April 2005

PETROL prices have hit a record high across the state, with residents of one town forced to pay \$1.59 a litre yesterday.

And analysts have warned the price is unlikely to drop below \$1 a litre anytime soon with crude prices as high as \$US58 a barrel last week.

The cost of unleaded petrol was at or near all-time records in most state capitals following increased demand in Asia and a crude oil price rise.

Pump prices hit \$1.16 a litre in Sydney, and even higher in rural areas.

But motorists at Manning Point on the North Coast were paying 50c a litre more than a Caltex service station just down the road at Taree, which charged \$1.10 a litre.

The NRMA said last night it believed the Manning Point General Store and Newsagency was charging a record price for fuel with its \$1.59-a-litre bowser charge.

OPEC has blamed the jump on market "fear factor".

NRMA vehicle policy adviser Jack Haley said high pump prices of up to \$1.16 a litre had been recorded across Sydney particularly in the north and east, but motorists could expect a drop as early as today as part of a weekly cycle.

Mr Haley said prices of \$1.16 were not surprising.

"It's a continuation of the same factors," he said. "Supply and demand of crude oil worldwide is always in the balance."

Mr Haley said higher prices were now expected on weekends and Sydney drivers should notice a decrease over the next two days.

"It's usually a weekly cycle," Mr Haley said.

"The lowest prices are on a Monday and a Tuesday. We should see a reduction tomorrow."

But prices in regional and rural areas would most likely stay the same due to lack of competition among retailers.

"Country prices tend to stay towards the higher end," Mr Haley said.

But it is no consolation for Manning Point residents.

Motoring groups last night warned the state and federal governments were powerless to act without evidence of competitors' collusion.

John Wood from the Manning Point General Store last night blamed the inflated bowser price on freight charges from fuel companies.

"From what we've heard, most of the locals understand exactly what the situation is," Mr Woods said. "We've got to buy the fuel, buy the equipment to maintain that and they understand why we charge that amount."

"We still pay exorbitant taxes although you have to cross two islands to get to us."