

## Petrol for \$3 a litre 'within a few years'

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March 05, 2008 02:55am

Article from: (<http://www.news.com.au/dailytelegraph/>)

Daily Telegraph

- Caltex says we're lucky we're not paying more
- Says petrol will be \$3 a litre within a decade
- Spokesman says strong Aussie dollar to blame

IT IS a petrol company's dream and every motorist's worst nightmare — fuel prices soaring to more than \$3 a litre.

As ridiculous and outrageous as it may seem, the country's biggest petrol company says it will happen, and believes Australians should think themselves lucky they aren't already paying more to fill up their tank.

The cover of the latest issue of Caltex's magazine *The Star* features a cover predicting some time in the next decade when prices are 334.9c per litre.

The publication, sent to employees, franchisees and resellers, includes a foreword from managing director

Des King saying prices in other countries were already more than \$2 a litre and consumers have had to adjust to these.

"We understand consumers may be upset about the prospect of long-term higher prices in Australia," Mr King writes. "However, it is a prospect we all have to face."

### 'No one likes it'

Mr King was unavailable for comment yesterday, but a Caltex spokesman said if Australia's exchange rate dropped back to 50c to the US dollar it could also contribute to price rises.

"Nobody likes to think of petrol prices going higher. The idea for the futuristic cover is we have to be thinking about the future of the industry," the spokesman said.

"It's not just about price — there are a range of other very important things to think about when we look at the oil industry. We can't just take it for granted."

Mr King believes prices will soar over the next few years as crude oil supplies dwindle and governments introduce charges on petrol emissions to combat climate change.

The cheapest petrol in Sydney yesterday — the cheapest day of the week — was 128.9c per litre at the United in Kogarah Bay.

Caltex believes higher crude oil costs, global refining capacity shortages, higher fuel quality standards and the introduction of carbon costs by the Government to address climate change will lead to further rises.

While ten years ago crude oil was \$US10 a barrel, recently it reached more than \$US100 a barrel.

The magazine said there was no collusion when it comes to pricing, but competitors watch each other closely and petrol prices can change quickly after only a week or so of discounting.

A BP spokesman refused to speculate on future petrol prices, but said Australian prices would be worse if the market was not as competitive as it is.

"We sympathise with motorists," the spokesman said.

"Petrol prices have increased significantly over the past few years. It's something that's hard to bear for families out there."

### International perspective

Petrol prices in Australia are the fourth lowest of developed countries.

In 2006, Mexico, the US and Canada were the only developed countries where petrol was cheaper.

Turkey, Norway, The Netherlands, Belgium and the UK were the highest, with prices the equivalent of more than 240c per litre.

An ACCC inquiry into petrol prices last year found no evidence of price fixing.