



## **RACHEL NOLAN MP**

### **Member for Ipswich**

Booval Professional Centre  
125 Brisbane Rd BOOVAL

PO Box 98  
BOOVAL Q 4304

Ph: 3202 3452  
Fax: 3202 4778

Email:  
[ipswich@parliament.qld.gov.au](mailto:ipswich@parliament.qld.gov.au)

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### **Shop at Independents: it's the only control over petrol prices we have**

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Member for Ipswich Rachel Nolan has reiterated her call for Ipswich motorists to shop strategically if they want to ensure competition in the retail petrol market into the future.

Her call comes after the RACQ shattered a popular urban myth stating categorically that there is no history of price rises at Easter.

“Petrol pricing is a strange issue in the community,” Ms Nolan said.

“There’s a lot of myth and rumour around it and in many ways that prevents people using clear information to shop strategically.

Ms Nolan said that the recent Petrol Price Inquiry, of which she was a member, brought a number of things to light. We know –

- There is a regular price cycle driven by competition which sees prices fluctuate from day to day
- The supermarkets are moving into the market in a big way, rocketing from nothing to control 55% of the market by volume since 1996
- Petrol prices are consistently higher in those parts of Australia that don’t have independent service stations (Darwin and Hobart).

Ms Nolan said that these undisputed facts added up to one thing; if consumers want to keep competition in the retail market in the long term we need to keep the independents in business.

“The risk here is that with motorists rushing to Coles and Woolworths to save on average \$1.60 in the short term, we are doing the independents out of business.

“It’s the independents who keep the big guys honest so people have to be a bit strategic about how they shop.

“It’s all very well to rush to Coles and Woolies to save \$1.60 today but it will be no good then complaining that there are no independents to keep prices down in five years time.

“You can see that around Ipswich with independents and family owned servos disappearing since the supermarkets got into petrol.

“Consumers need to be a bit strategic about this. As an individual you can’t control the world oil market but you can support local competition by buying from a locally owned little guy.

Ms Nolan said that the committee did not find there was any rocket science to petrol prices overall.

The petrol price has a number of components: the price of crude oil (which has multiplied six- fold in the last five years), the refiner margin, a retail margin of around 3 cents, the 38 cent federal excise, federal GST and then the State Government's 8 cent subsidy is taken off the top.

“Petrol prices have gone up in the last year because there's been a substantial jump in the world price of oil.

“All the informed opinion is that the world price of oil will continue to go up in the years ahead.

“That's why, as I've said before, motorists need to be thinking seriously about buying fuel efficient vehicles and governments need to be serious about public transport and preventing urban sprawl.”