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Tasmanian motorists urged to support cheap fuel

Tasmanian motorists are being urged to support fuel retailers that are offering prices below \$1.40 a litre, after weeks of continued high prices hitting hip pockets around the state.

RACT Group CEO Harvey Lennon said it was no secret Tasmanian motorists were paying too much for petrol, particularly in metropolitan centres around the state, and the outcry was growing.

“With the wholesale price currently below \$1.20 per litre, motorists should be buying unleaded fuel for less than \$1.40 a litre,” he said.

“This would allow for a reasonable profit margin for retailers as well as easing the burden on Tasmanian household budgets.

“As a general rule, we are seeing lower prices in regional areas, which indicates urban retailers are obtaining very high margins.

“We are receiving calls from motorists daily complaining about high fuel prices – it is time for the bigger retailers to act.”

Mr Lennon congratulated retailers, mostly independent operators, who were doing the fair thing and selling petrol at around \$1.34 per litre or less.

“Tasmanian motorists should support these retailers, which will increase competition in these areas and encourage other retailers, including United Petroleum which RACT has a strategic partnership with, to drop their prices in order to maintain their market share,” he said.

Mr Lennon said RACT had demonstrated significant support to United Petroleum under their partnership to offer members a price discount per litre of fuel purchased, but United and other major retailers needed to ensure their pricing reflected what was happening with the wholesale price.

“We have raised our concerns directly with United late last year about ensuring our members – and other motorists – are not paying too much for fuel,” he said. “More

recently, we have again raised our concerns with the Australian Competition and Consumer Commission (ACCC).

“Our members have shown great loyalty to United in the almost three years of our partnership, with members making more than 4.25 million transactions and saving more than \$9.6 million.

“This financial year to date alone, almost half of our members have used United stations, with an average of almost 16 transactions per user in that time period.

“Also since the partnership started in March 2016, United has opened 11 new sites in Tasmania, providing increased competition in key locations.

“We are asking United to repay this loyalty by leading the market towards more acceptable margins.

“We need United and other major retailers to do the right thing by Tasmanian motorists and charge what is a fair and reasonable price for petrol.”

Released by:

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