



# Media Release

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## RAC wants fair go for diesel motorists

Western Australian motorists are collectively paying almost \$1 million to diesel retailers every time the price of diesel fuel increases by one cent.

An analysis by RAC found that while petrol prices are reaching record lows, diesel pricing in WA remains at unreasonably inflated prices.

The \$1 million figure is based on the volume of diesel sold through fuel retailers in WA per month, which on average is approximately 90 million litres.

RAC found during January 2015, based on an average monthly wholesale price for diesel of 109.9cpl and an average Perth metro retail price of 135.2cpl, the retail margin on diesel was 25.3cpl on average.

However, over the same period, the average margin on unleaded petrol in Perth was 10.5cpl.

“The last time we saw average diesel wholesale prices of 109.9cpl was in October 2009, but back then diesel only averaged 122.4cpl at the pumps, so the margin was 12.5cpl. In recent weeks the average difference has been 25.3cpl,” RAC Manager Vehicles and Fuels Alex Forrest said.

“The question has to be asked, with wholesale prices back to where they were over five years ago, why is the margin on diesel more than 100 per cent fatter than it was then?”

“Diesel motorists feel that high diesel prices, inflated by wide retail margins, are being used to subsidise WA’s current cheap petrol prices.

“Motorists with petrol vehicles have been enjoying record six-year low petrol prices and we think those with diesel vehicles deserve a fair go too.

“RAC thinks that average diesel prices in Perth can afford to come down by at least 10cpl to around 118cpl, a reduction which on this week’s wholesale prices would leave retailers with a still-generous margin of approximately 10cpl.

“This would be more reasonable and would bring the average diesel margin back in line with that of petrol.

“Motorists with diesel vehicles should not be paying unfairly inflated prices for their fuel while those with petrol vehicles are enjoying these record lows.

“Diesel prices have come down since the beginning of 2014, but with wholesale prices as they currently are, they could afford to come down significantly further.”

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