



E N E R G Y Q U E S T

**MEDIA RELEASE**

Tuesday, 27 May 2008

**AUSTRALIAN MOTORISTS BUYING LESS PETROL  
AS RECORD PRICES TAKE THEIR TOLL**

Motorists are changing their petrol-buying habits in response to Australia's record petrol prices.

Analysis released today by energy economics group, EnergyQuest, shows that motorists are buying less petrol, and also switching to cheaper varieties of fuel.

However, sales of diesel fuel continue to grow strongly – driven by demand from business and truck owners, who have fewer alternatives for fuel or the ability to reduce the amount of travelling they do.

EnergyQuest today released research revealing that Australian petrol sales fell by 55.7 million litres (1.2%) in the three months to 31 March 2008, compared with the same period last year.

Unleaded petrol consumption dropped 4.4%, while sales of the more expensive premium unleaded decreased by 7.2%.

LPG sales increased 3.8%, while consumption of ethanol blends (generally cheaper than regular unleaded) grew by a massive 176%.

"There is no denying that record prices for petrol are causing Australian motorists to rapidly change their buying habits," EnergyQuest CEO, Dr Graeme Bethune, said.

"Our research shows motorists are doing what they can to manage their fuel costs, by driving less and using the cheapest fuels they can find," he said.

"Unfortunately motorists are soon going to have fewer cheaper alternatives.

"Current government policy is to introduce excise on LPG, ethanol, biodiesel, compressed natural gas (CNG) and liquefied natural gas (LNG) from 2011.

"The Rudd Government ought to consider keeping all alternative fuels excise free."

**Diesel demand remains strong**

Dr Bethune said that while petrol sales fell, diesel fuel consumption grew by 226.3 million litres (5.4%) in the March 2008 quarter, despite diesel prices being significantly higher than petrol.

"High diesel prices are particularly hurting the transport, resources and agricultural sectors and contributing to increases in inflation," Dr Bethune said.

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“Around 75% of diesel demand is from business and truck-owners who don’t have much scope to reduce trips or switch to alternative fuels,” he said.

“Higher diesel prices are a global phenomenon, reflecting strong Asian demand, the move to low sulphur diesel and tight refining capacity.”

### **Petroleum imports now over \$1 billion a month**

Despite the fall in petrol demand, total Australian fuel demand grew by 155.4 million litres during the same quarter, leading to a 20.7% surge in net imports of transport fuels to 10,221 million litres for the quarter.

The strong imports and higher oil prices resulted in a record quarterly petroleum trade deficit (notwithstanding LNG exports) of A\$3,236 million.

“Australia’s petroleum imports are now costing over \$1 billion a month,” Dr Bethune said.

The statistics used in the research are from the Australian Petroleum Statistics, compiled by the Department of Resources, Energy and Tourism, and the ABS Merchandise Trade Statistics.

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