

## **SERVICE STATION ASSOCIATION PTY LTD**

ABN: 44 000 030 688

### **PRESS RELEASE**

#### **“PETROL PRICES AND THE CARBON PRICE”**

The Service Station Association today predicted that retail petrol prices will have to rise when the Government's carbon reduction scheme comes into effect next year. While the SSA welcomed the Government's decision to specifically exclude petrol from the new carbon tax, it warned motorists that general input cost increases that will flow to service station operators as a result of the carbon reduction scheme will have to be passed on.

“Electricity is one of the biggest input costs faced by service stations and these costs are rising now and will continue to rise under carbon tax and under a future ETS,” said SSA President, Craig Glasby. “Delivery costs will also rise, not just on petrol but on all the goods we sell and they too will need to be passed on,” Glasby said. “At this stage, we have not had a chance to do our modelling to estimate the size of the increases, but we expect that to about 2 to 3 cpl.”

SSA members are always mindful of the impact of rising prices on household budgets and try to absorb any cost increase as much as they can. However, years of attacks by the supermarkets' aggressive pricing tactics have left independent service station operators with no reserves left to be able to absorb these extra costs.

“Independents will risk going out of business if the market does not allow these costs to be passed on and a further reduction in already depleted service station numbers is the last thing anyone wants,” warned Glasby, signalling that petrol price rises next year will be inevitable.

Authorised: Craig Glasby, President

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Contact: 0408 224007