

Member Panel report, Feb 2021: fuel prices



In February 2021, we surveyed our members to see how well they understand how fuel pricing works. 660 members responded: here's a summary of the findings along with an explanation of how fuel pricing actually works.

Survey finding: Close to half of members agree that petrol prices are always higher in the country than in the city and that petrol is typically cheaper where they live on certain days of the week.

RAA explanation: Petrol prices in Adelaide follow a price cycle - when prices trough, they are generally cheaper than in the country, but when prices peak, they are generally more expensive. The price cycle in Adelaide varies in length, meaning no day of the week is typically cheaper or more expensive.

Survey finding: 4 in 10 Greater Adelaide members agree that there is usually very little difference in price between different fuel retailers in their area.

RAA explanation: In the metropolitan area, there are often large price differences between fuel retailers in the same area - this difference can be as large as 50c/L when fuel prices spike. In regional SA, large price differences are less common.

Survey finding: Around a third of members agree that some brands of fuel are better quality and that all vehicles run better on premium fuel.

RAA explanation: Fuel brand makes little difference to fuel quality as most fuel comes from the same place. Premium fuel is unlikely to improve your vehicle's performance unless your vehicle is designed to run on it. Survey finding: A third of members agree that fuel discount vouchers are the best way to save money when buying fuel and a quarter agree that fuel price comparison websites and apps currently provide accurate and up-to-date information on fuel prices.

RAA explanation: Since prices can differ by as much as 50c/L between fuel stations, retailers offering fuel discount vouchers (typically of around 4c/L) may not work out the cheapest. Prior to the introduction of real-time fuel pricing in March 2021, SA motorists could access fuel price information through a range of fuel-comparison apps that relied on a mix of data from users, retailers and private companies. This information wasn't always accurate or up-to-date.

Survey finding: 4 in 10 Greater Adelaide members and 2 in 10 regional members believe that petrol prices fluctuate wildly (following no clear pattern).

RAA explanation: Petrol prices in Adelaide follow a cycle, increasing sharply and then gradually decreasing again, usually over an 11-20 day period. The price cycle is caused by changes to the mark-up charged by fuel retailers. Petrol prices in regional SA are fairly stable, with gradual increases or decreases over time in line with changes to the oil price.

We'd like to know your thoughts on key issues regarding motoring, road safety, travel and tourism. If you haven't already signed up for RAA's Member Panel, you can do so <u>here</u>.