

## 2005 petrol price rises left 200 hole in family budgets

Petrol price rises throughout 2005 left British families having to compensate for a 200\* hole in their budgets across the year, says the AA Motoring Trust. The average price of petrol for December was 87.7 pence per litre, more than eight pence higher than where it began the year.

At its peak in September, when the average price of petrol was 15.2 pence above the January starting level of 79.6 pence per litre, UK households with two car-owning adults were paying on average 33.39 per month more for their petrol. On 14 September the price reached an all-time high of 96.06 pence per litre.

For many families, the overall drain on their yearly funds has dwarfed the combined rise in other domestic and motoring bills:

- council tax on average up 47 for a Band D property\*\*
- provisional 2005 figures show a 25 increase in the average electricity bill\*\*\*
- provisional 2005 figures show a 50 increase in the average gas bill\*\*\*
- average water bills up by 29 in April 2005\*\*\*\*
- average comprehensive car insurance premiums rose 9.64\*\*\*\*\*
- average home buildings and contents insurance premiums fell by 3.48 and 0.01 respectively\*\*\*\*\*

The same households paid more in road fuel duty and VAT, between 64.6 and 74.1 per cent of the price of a litre of petrol, than in council tax. Whereas the average council tax for a Band D home was 1,214 in 2005, two adult drivers in the household paid on average 1,584 to the Chancellor in petrol taxes.

"This year has been the first since the fuel crisis of the 1970s that the effect of rising car fuel costs has literally hit home," says Ruth Bridger, petrol price analyst for The AA Motoring Trust. "The impact on inflation, high-street spending and other commercial activity as consumers cut back in other areas of family expenditure to compensate contributed to a general downturn in business.

"The cost of buying and maintaining a car may have dropped but many families separate those "capital" costs from their weekly budget. They react to what is left in their purses and wallets after they have filled up at the petrol station by trimming their expenditure elsewhere."

Bridger adds: "The idea that motorists could be forced to leave their cars at home by raising the price of petrol has been proven wrong, even with prices way above levels anyone imagined. Families still have to go to work, take the children to school, go shopping and all the other trips they need to do.

"However, with the price of petrol unlikely to dip back below 80 pence per litre again and volatile crude oil markets sensitive to any hint of interruption to stretched supply and refining, families are going to have to bend somewhat to new realities. Wising up to cleverer driving techniques and a smarter choice of car will allow the family budgets to stretch further than they did this summer."

### NOTES TO EDITORS:

The following shows the monthly petrol price averages during 2005, the difference compared to January, and the extra cost for a car consuming the UK average of 1318 litres per year (average mileage is 8,700 miles for a typical privately-owned car):

January 79.6 pence per litre  
February 80.5 +0.9 = 98.9 pence  
March 82.0 +2.4 = 263.6 pence  
April 86.0 +6.4 = 702.9 pence  
May 85.6 +6.0 = 659.0 pence  
June 85.6 +6.0 = 659.0 pence  
July 88.7 +9.1 = 999.5 pence  
August 91.0 +11.4 = 1252.1 pence  
September 94.8 +15.2 = 1669.5 pence  
October 94.5 +14.9 = 1636.5 pence  
November 90.7 +11.1 = 1219.2 pence  
December 87.7 +8.1 = 889.7 pence

**Total extra paid per car in 2005 = 100.50**

The following shows the monthly petrol price averages during 2005, the percentage taken in car fuel duty (47.1 pence per litre) and VAT, the tax taken per litre, and the tax taken per month for a car consuming the UK average of 1318 litres per year

(average mileage is 8,700 miles for a typical privately-owned car):

**January 79.6** pence per litre (74.1% tax = 58.98 pence per litre) 64.78 in tax per month

**February 80.5** (73.4% tax = 59.09 pence per litre) 64.90 in tax per month

**March 82.0** (72.3% tax = 59.29 pence per litre) 65.12 in tax per month

**April 86.0** (69.7% tax = 59.94 pence per litre) 65.83 in tax per month

**May 85.6** (69.9% tax = 59.83 pence per litre) 65.71 in tax per month

**June 85.6** (69.9% tax = 59.83 pence per litre) 65.71 in tax per month

**July 88.7** (68.0% tax = 60.32 pence per litre) 66.25 in tax per month

**August 91.0** (66.7% tax = 60.70 pence per litre) 66.67 in tax per month

**September 94.8** (64.6% tax = 61.24 pence per litre) 67.26 in tax per month

**October 94.5** (64.7% tax = 61.14 pence per litre) 67.15 in tax per month

**November 90.7** (66.8% tax = 60.59 pence per litre) 66.55 in tax per month

**December 87.7** (68.6% tax = 60.16 pence per litre) 66.08 in tax per month

**Total tax taken per car = 792.01**

Source: Office of the Deputy Prime Minister at:  
<http://www.odpm.gov.uk/index.asp?id=1136804>

Source: 2.2 Domestic electricity bills and 2.3 Domestic gas bills at:  
[http://www.dti.gov.uk/energy/inform/energy\\_prices/qep\\_sep05.pdf](http://www.dti.gov.uk/energy/inform/energy_prices/qep_sep05.pdf)

Source: Ofwat Water and Sewerage Bills 2005- 2006  
[Ofwat website](#)

\*\*\*\*\* Source: AA British Insurance Premium Index, Jan - Oct 2005.