

15 Key trends in Australia's petroleum industry

Key points

- After record average crude oil prices in 2011–12, evidence suggests that despite a weak global economy (and prospects of new additions to oil reserves), oil prices may remain higher over the longer term as a result of:
 - increasing demand, particularly from industrializing Asia
 - continuing depletion of low cost conventional sources of crude oil and
 - increasing use of more expensive less conventional sources of crude oil.
- The nature of the supply of petrol to Australia is undergoing changes as the local refining industry faces strong competition from larger, more modern refineries in the Asia-Pacific region. The recently announced refinery closures in Sydney are evidence of the challenges faced by Australia's refinery sector.
- Imports of petrol are set to increase further and are likely to contribute an increasing share of total petrol sales in line with the expansion of Australia's import infrastructure.
- Independent importers' ability to compete against established petrol companies has improved with greater range of supply options and access to import terminals.
- The refiner-wholesalers continue scaling back their presence in downstream operations while specialist retailers are consolidating their presence in Australia's evolving retail sector.
- Australia's experience with petrol prices has similarities with that of some other countries.

15.1 Industry trends

Key trends that have emerged in Australia's downstream petroleum industry in recent years are continuing to have a significant impact in all sectors of the industry.

The most significant trends affecting petrol markets include:

- rising prices of crude oil
- the impact on established refineries of new and large refineries in the Asian region
- the establishment/growth of independent importers with access to secure sources of refined petrol and to domestic markets for their imported fuel
- withdrawal of refiner-wholesalers from the retail sector and emergence of specialist petrol retailers
- integrated petrol companies refocussing away from downstream to upstream operations.

Australia's experience is not alone in this regard. Similar trends are affecting the structure of petroleum industries in other developed countries.

15.2 Crude oil: the outlook for costs, supply and prices

Costs and prices of petrol products in Australia, and around the world, are ultimately driven by changes in the price of crude oil. Chapter 4 describes the international context behind crude oil price movements over time and highlights the relatively steep increases in crude oil prices in recent years.

In 2011–12 the average annual price of Brent crude oil was USD 112 per barrel, the highest on record. This comes at the end of a rising trend over the past decade where, with the exception of the fallout in 2008–09 after the global financial crisis (GFC), average crude oil prices have increased steadily since 1999.¹⁶⁹

15.2.1 Production costs

While crude oil prices are influenced by a wide range of factors impacting on demand and supply conditions, one of the key factors is the cost of production.

All else equal, as the cost associated with the exploration and development of crude oil reserves increases, prices can be expected to rise. Although there are significant reserves of low-cost oil in easily accessible reservoirs, these are being steadily depleted and the discovery of additional low-cost resources is becoming increasingly scarce. This means that supplies are likely to continue to be supplemented by crude from unconventional sources, where oil extraction is more difficult and more costly.

Higher crude oil prices have improved the viability of unconventional sources which can only be accessed by the application of advanced technologies to discover and exploit oil deposits. The 2011 ACCC petrol monitoring report presented an oil production cost schedule based on estimates of the International Energy Agency (IEA)¹⁷⁰ showing that with the price of Brent at around USD 110 per barrel (as has been the case during most of 2012), a number of more advanced and costly production methods appear feasible (including extraction from very deep water, tar sands, bitumen, oil shales, enhanced oil recovery and coal/gas to oil conversions). Some of these sources of oil were discussed in chapter 4.

15.2.2 Advances in global crude oil supplies

Examples of unconventional sources of crude oil where commercial viability has improved in recent years include shale oil reserves in the US and the tar sand deposits in Canada.

In the US there has been significant capital invested in developing shale oil deposits, particularly in North Dakota and Texas. Growth in these areas has come relatively quickly, and to some extent, outpaced local infrastructure capabilities.

Although still under assessment in terms of their achievable output, reports suggest that these deposits, and the crude that may be extracted from them, may have the potential to affect the supply picture in the US.¹⁷¹ In part because of the contribution to crude oil supplies by shale oil deposits, US imports of crude oil have fallen from 60 per cent of total consumption in 2005 to about 45 per cent in

¹⁶⁹ In real terms, the price of crude oil has reached levels not seen for over 100 years. See *BP Statistical Review of World Energy*, June 2012, p. 15.

¹⁷⁰ ACCC, *Monitoring of the Australian Petroleum Industry*, December 2011, p. 363.

¹⁷¹ Oil and Gas Journal, *North American energy independence possible, House panel told*, 24 September 2012, pp. 24–5.

2011.¹⁷² Recent reports suggest that the growth in supply from oil shale reserves has the potential to continue to allow the US to reduce its reliance on imports.¹⁷³

Another potentially significant source of unconventional supplies of crude oil are tar sands. A prominent source of tar sand deposits is located in Alberta, Canada. These vast deposits make up about 98 per cent of Canada's oil reserves but have only recently become technically and economically recoverable. Depending on the method of extraction, the cost of oil sands production can range from around USD 40–100 per barrel, making production viable but still somewhat sensitive to oil price movements.¹⁷⁴

With tar sands production contributing over half of Canadian oil output in 2011 the US Energy Information Administration (US EIA) considers Canada's tar sands a significant contributor in supporting future oil supplies.¹⁷⁵

15.2.3 Future crude oil prices

Oil price forecasts are subjects to dramatic swings based on economic sentiment, hopes for technological breakthroughs, new discoveries and global and local geopolitical tension.

Members of OPEC reportedly consider USD 100 per barrel to be an 'acceptable' price of Brent crude oil in the current circumstances, and that any price higher is a reflection of market sentiment rather than fundamentals.¹⁷⁶

Data in table 4.2 in section 4.6 shows a range of projections for crude oil prices particularly looking towards the medium to long term. The US EIA and IEA predict oil prices continuing to rise towards USD 140 per barrel (at current prices) by 2035.

With continued global economic growth, particularly in energy intensive Asian economies as well as increased use of more costly and unconventional sources of oil, high prices are likely to persist.

15.3 Refining facing challenges

In the next few years Australia will reduce its domestic refining activities and concomitantly source an increasing proportion of its refined petrol through imports. The recent closure of Shell's Clyde refinery¹⁷⁷ and the announced closure of Caltex's Kurnell refinery¹⁷⁸ and review of Shell's Geelong refinery are evidence of a sector with an uncertain future.¹⁷⁹

The reduction of local refining capacity translates directly to an increased need for imported products, which will be facilitated by the planned conversion of the Clyde and Kurnell refineries into import terminals. Currently petrol imports account for around 20 per cent of sales and are likely to contribute an increasing share of Australia's future fuel supplies.

172 US Energy Information Administration, *Short-Term Energy Outlook*, September 2012, p. 5.

173 US Energy Information Administration, *Annual Energy Outlook 2012*, June 2012, p. 2.

174 US Energy Information Administration, *Country Analysis Brief: Canada*, September 2012, p. 3.

175 Ibid., p. 4.

176 Wall Street Journal, *Gulf OPEC producers want Brent at \$100/barrel*, 25 September 2012, at <http://www.marketwatch.com/story/gulf-opec-producers-want-brent-oil-at-100barrel-2012-09-25>

177 Shell media release, *Date of Clyde Conversion Confirmed*, 7 June 2012. See http://www.shell.com.au/home/content/aus/aboutshell/media_centre/news_and_media_releases/2012/date_for_clyde_conversion_07062012.html

178 Caltex ASX Media Release, *Caltex announces supply chain restructuring*, 26 July 2012, p. 1. See <http://www.caltex.com.au/LatestNews/Pages/NewsItem.aspx?ID=13315>

179 See Australian Financial Review: *Shell's Geelong refinery in doubt*, 18 September 2012, p 19; and *Competitiveness Key: Baillien*, 19 September 2012, p 4.

Refinery closures and the shift towards an increased reliance on petrol imports are closely linked to competitive pressures facing the global refining industry. Both Shell and Caltex noted that a major factor behind their decision to close their refinery facilities was the fierce competition from larger Asian refineries.¹⁸⁰

15.3.1 Competition from refineries overseas

For some time output from newly constructed large and complex refineries in a number of developing countries has led to surplus refining capacity in the Asia-Pacific region.

Asian refiners equipped to produce fuel to Australian standards are able to compete directly against Australian refineries. A number of Asian refineries are more efficient and larger than those in Australia, providing them with greater economies of scale and lower unit costs. In addition, some of the new Asian refineries are highly complex, meaning that they can process cheaper lower quality oil, offer lower prices and produce high-quality products.

Table 15.1 compares four Australian refineries against some of the larger refineries in the Asia-Pacific region. The table shows the year refining operations began, the complexity rating and the capacity of each refinery. Complexity is measured by the Nelson complexity index which provides insight into replacement costs and rates the ability of a refinery to add value to crude.¹⁸¹ A higher rating means the refinery can add greater value when processing a barrel of oil.

Table 15.1 Selected refineries in the Asia-Pacific region

Country	Refinery	Year operations began	Nelson complexity index	Capacity (bpd)	Status
Australia	Shell, Clyde	1926	n/a	86 000	Closed
	Caltex, Kurnell	1956	n/a	135 500	Announced to close
	BP, Kwinana	1955	7.6	143 000	
	BP, Bulwar Island	1965	7.3	102 000	
Singapore	Exxon Mobil Jurong	1965	n/a	605 000	
South Korea	S-Oil, Onsan	1980	n/a	580 000	
	GS-Caltex, Yeosu	1969	n/a	775 000	Expansions planned
	SK Energy, Ulsan	1964	n/a	840 000	
India	Reliance Jamnagar	1999	11.3	660 000	
	Reliance Jamnagar (expansion)	2008	14.0	580 000	

Source: Company websites

The Reliance complex in Jamnagar is the largest refining facility in the world and is capable of processing low-cost heavy and sour crudes to produce high-quality fuel products. South Korea has significant refining capacity and is expected to remain a leading refiner in the region, with significant exports to surrounding countries.¹⁸² Australian imports of petrol from South Korea have increased from 18 megalitres (ML) in 2007–08 to 676 ML in 2011–12.

¹⁸⁰ Shell media release, *Date of Clyde Conversion Confirmed*, 7 June 2012; op cit.

Caltex ASX Media Release, *Caltex announces supply chain restructuring*, 26 July 2012; op cit.

¹⁸¹ Reliance, see http://www.ril.com/html/business/types_refinery.html

¹⁸² US Energy Information Administration, *Country analysis brief, South Korea*, October 2011, p. 5.

In comparison, Australia's refineries are relatively small and aged. Even Australia's largest refinery, Kwinana, appears small compared with many of the large regional refineries and one of Australia's newer refineries, at Bulwer Island, is now over 45 years old. Also, it is possible that other operating and maintenance costs, such as labour and energy costs, are also higher in Australia than other countries in Asia.

Data presented in chapter 13 indicates in addition to losses on inventory holdings and foreign exchange transactions, refineries also faced an increase in conversion and operating costs (excluding crude oil purchases) of around \$400 million during 2011–12. With prices of refinery outputs set on the basis of import parity prices, which are in turn established with reference to international benchmark prices for refined petrol, Australian refiners have little scope to raise prices to cover domestic costs that are out of line with international best practice for refinery production.

While Australia's refineries have been maintained to high standards through new investment and refinery upgrades over time, recent decisions taken by Shell and Caltex indicate difficulties in justifying continued funding of these expenditures.

It is likely that the Australian refinery sector will continue to face a challenging future.

15.3.2 Shutdowns and rationalisation of refining assets

Data presented in chapter 13 illustrates the modest profitability of Australia's refining sector, particularly in the period following the GFC.

In addition to the Clyde and Kurnell closures, Shell has also been reported to have some doubt about the future of their Geelong refinery in the face of strong international competition and cheap shipping.¹⁸³ Shell reported that the future of the refinery is 'borderline' and may be impacted when the further capital investment is required to maintain reliability. As the Geelong refinery requires imports of crude to feed production, a switch to directly importing petrol is not a big jump, according to Shell, commenting that there is no structural reason to keep the facility operating.

Refineries in other OECD countries appear to be experiencing challenges with some facing a similar fate as those in Australia.

In the UK, the government has recently acknowledged that refineries are increasingly coming under competitive pressure from other refineries in Europe and across Asia.¹⁸⁴ In May 2012 administrators announced the closure of the Coryton refinery near London. It was subsequently announced that the facility will be converted into an import and storage terminal.

Refining assets in Japan are also under review with the decision to close Cosmo Oil's 140 000 barrels per day (b/d) Sakaide refinery in West Japan, again, due to competition from newer and more advanced refineries.¹⁸⁵

¹⁸³ See Australian Financial Review, *Shell's Geelong refinery in doubt*, 18 September 2012; op cit.

¹⁸⁴ Platts Oilgram News, *UK concedes refining sector is struggling to compete*, volume 90, number 122, 21 June 2012, p. 1.

¹⁸⁵ Platts Oilgram News, *Cosmo to shut 140,000 b/d Sakaide refinery in 2013*, volume 90, number 171, 29 August 2012, p. 3.

The longer-term rationalisation of refineries has been a common trend around the world for some time:

- In 1985 there were almost 200 refineries operating in the US. By the start of 2012 the number of operating US refineries had fallen to 134.¹⁸⁶
- The number of refineries across Europe has also fallen over time. In the UK, for example, of the 19 major refineries in 1975 only seven were operating in 2012.¹⁸⁷

15.4 The impact of independent importers and retailers

Another key trend which has been evident for some time is the evolving nature of the market structure and of industry players in Australia's downstream petroleum industry. There have been two key shifts in the industry:

- independent wholesalers have become more active importers of fuel in Australia as a result of improved access to terminal infrastructure and more overseas supplies of Australian standard fuel
- specialist retailers including the supermarkets have increased their presence in the retail sector.

15.4.1 Independent imports

A number of independent wholesalers have now become significant importers of petrol, making up around 30 per cent of total petrol imports in 2011–12. This has changed from a position in 2007–08 when independent wholesalers only imported about 5 per cent of total petrol imports. As noted, the increased availability of Australian-standard fuel from the Asia-Pacific region and improved access to import terminal infrastructure have been key factors underpinning the growth of independent imports into Australia.

Over the five years to 2011–12 there has been significant change in Australia's import terminal infrastructure. While traditionally most terminals have been owned and operated by the refiner-wholesalers, independents have been very active in this sector, accounting for almost all of the net growth in import terminal capacity and throughput since 2007–08. Chart 15.1 shows that independent import terminal capacity has grown by around 50 per cent while their throughput has increased by over 90 per cent.

Independents have invested in expanding capacity at key import terminals around Australia in recent years, including in Sydney (Vopak), and also refinery-pipeline terminals with import capacity, including in Brisbane (Neumann) and Perth (Coogee Chemicals).

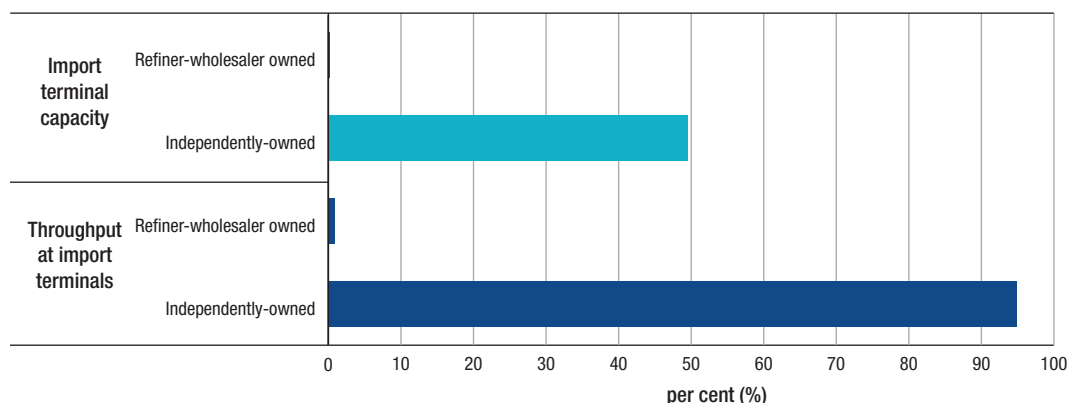
Construction of additional terminal infrastructure is also underway including Terminal Pty Ltd's 85 ML import terminal in Adelaide, and Stolthaven's import terminal in Newcastle estimated to hold about 54 ML of diesel.¹⁸⁸

¹⁸⁶ See US Energy Information Administration, at [http://www.eia.gov/dnav/pet/PET_PNP_CAP1_A_\(NA\)_800_COUNT_A.htm](http://www.eia.gov/dnav/pet/PET_PNP_CAP1_A_(NA)_800_COUNT_A.htm)

¹⁸⁷ United Kingdom Petroleum Industry Association (UKPIA), *UKPIA Statistical review 2012*, June 2012, p. 16.

¹⁸⁸ As noted in section 3.6.4 Caltex has a 25-year lease to use the Adelaide terminal, while Shell has signed a memorandum of understanding to use the Newcastle terminal.

Chart 15.1 Change in capacity and throughput of petrol at import terminals by type of owner: 2007–08 to 2011–12



Source: ACCC analysis based on data obtained from firms monitored through the ACCC's monitoring process

With a much greater presence in importing and access to terminal infrastructure, independents appear to be well placed to cater for the anticipated increase in imported fuel.

15.4.2 Retail

The most significant development in the retail sector in recent years has been the continued expansion of specialist retailers such as 7-Eleven and On The Run and the major supermarkets, Coles and Woolworths. These retailers contributed around 60 per cent of branded retail sales in 2011–12.

The expansion of these retailers has brought with it a greater focus on petrol sites combined with a convenience shopping experience. Numerous retail sites nationally now offer not only a selection of fuel or automobile related goods but also an on-site mini supermarket intending to provide motorists with a 'one stop shop' for both fuel and other grocery goods.

Profitability results discussed in chapter 14 indicate that sales of convenience and grocery products significantly contribute to retail earnings, with the margins on convenience products higher than those traditionally earned on fuel and related goods.

As with developments in the refinery sector, there is evidence that Australia's experience in the retail sector is not unique. For example, in the United Kingdom the number of supermarket-owned and operated retail petrol sites has continued to increase while several oil companies have exited the retail market with the result that the total number of retail petrol sites is in decline. According to the United Kingdom Petroleum Industry Association (UKPIA), in 2011 supermarkets owned 16 per cent of retail petrol sites but accounted for almost 39 per cent of retail sales.¹⁸⁹

15.4.3 Attractive returns upstream

One of the consequences of the deterioration of the outlook for refining and the successful entry of specialist retailers has been the move by many integrated companies away from downstream businesses in order to concentrate on the pursuit of more attractive returns in upstream activities.

¹⁸⁹ UKPIA, *UKPIA Statistical review 2012*, June 2012, pp. 33–4.

Data presented in previous ACCC monitoring reports has illustrated the difference in returns generated by integrated oil companies from upstream and downstream operations, with upstream operations clearly achieving consistently higher earnings and rates of return on assets.¹⁹⁰ As crude oil prices rise, production of crude, particularly from low-cost conventional sources, is increasingly profitable and returns from upstream activities become more attractive.

In addition to the recent closing of a refinery in Australia, Shell largely withdrew from petrol retailing in 2003 when it entered into an alliance with Coles Supermarkets. Mobil has had a similar strategy of downstream retrenchment. Mobil ceased refinery operations at Port Stanvac in Adelaide in 2003 and exited the retail market when its retail network was sold to 7-Eleven and On The Run in 2010.

Overseas, companies such as ConocoPhillips, BP and Royal Dutch Shell have already taken steps to streamline their operations. After announcing its intention to divide its upstream and downstream businesses last year, ConocoPhillips split its refineries, pipelines and chemicals division into a separate company in April 2012.¹⁹¹

Consistent with this trend, in January 2012, Exxon Mobil announced it was selling 99 per cent of its Japanese refining operations to a joint-venture partner and divesting its controlling interest in its Japanese subsidiary.¹⁹²

15.5 Australia's petrol pricing experience is not unique

Chapter 11 compares Australia's petrol pricing experience with that observed in five other developed countries, highlighting that the experience of motorists in other countries has similarities with the experience of Australian motorists. Evidence on the behaviour and composition of petrol prices in Australia, Canada, California (US), New Zealand, Germany and the UK indicates that in each country:

- petrol prices closely reflected movements in the relevant international benchmark prices for refined petrol in their respective regions
- changes in the value of currencies against the USD affected retail prices as international benchmark prices in all regions are determined in USD
- the cost of crude oil plus fuel taxes made up the majority of the price of petrol, though their specific contribution varies from country to country.

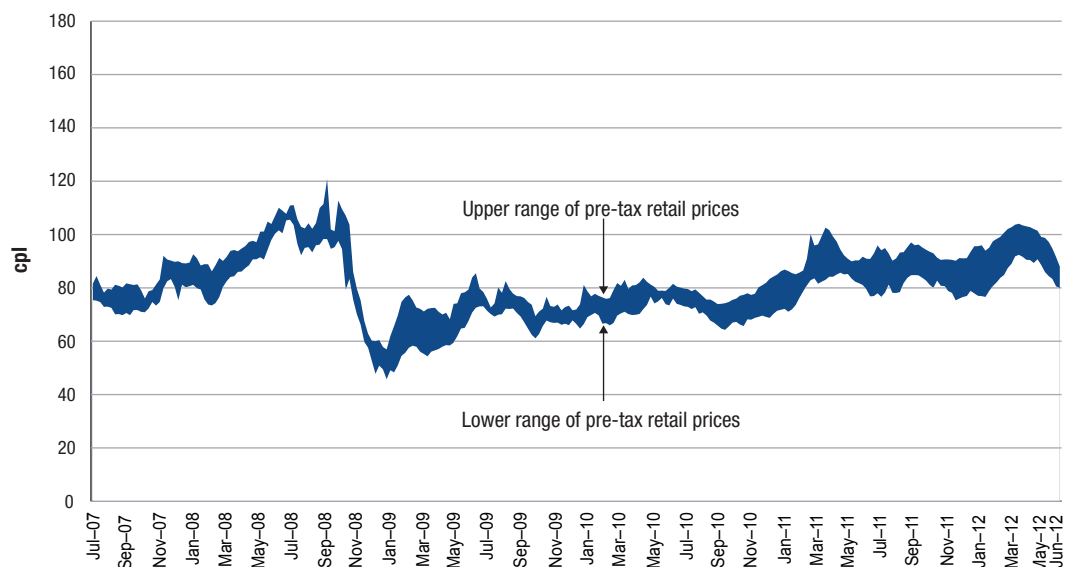
Once the impact of local taxes is excluded, retail petrol prices in each country track a similar path. Chart 15.2 shows how pre-tax petrol prices in Australia, Canada, California, New Zealand, Germany and the UK have ranged within a band over the five years to June 2012.

¹⁹⁰ ACCC, *Monitoring of the Australian Petroleum Industry*, December 2011, pp. 365–7.

¹⁹¹ Forbes, *As ConocoPhillips Spins Off Refining Assets, Think Twice Before Buying The New Phillips* 66, 30 April 2012, at <http://www.forbes.com/sites/christopherhelman/2012/04/30/as-conocophillips-spins-off-refining-assets-should-you-own-the-new-phillips-66/>

¹⁹² The Wall Street Journal, *Exxon Mobil to Unload Its Subsidiary in Japan*, 30 January 2012, at <http://online.wsj.com/article/SB10001424052970204740904577190232442544166.html>

Chart 15.2 Range of weekly retail petrol prices excluding taxes across Australia, Canada, California, New Zealand, Germany and the United Kingdom: July 2007 to June 2012



Source: Informed Sources, MJ Ervin, California Energy Commission, New Zealand Ministry of Economic Development, European Commission, RBA

The tendency for petrol prices to move in a regular cycle in the larger Australian cities has also been observed in a small number of overseas markets. Section 11.4 illustrates the day-to-day movements of petrol prices in Indianapolis and Montreal, two North American cities where petrol prices are shown to move in the familiar sawtooth pattern seen in Australia. Evidence of cyclical price movements has also been noted in Germany.¹⁹³

While the concept of petrol price cycles is not unique to the larger Australian cities, the characteristics of the price cycles occurring in Australia appear slightly different to other parts of the world in terms of the frequency and the amplitude of the cycles.

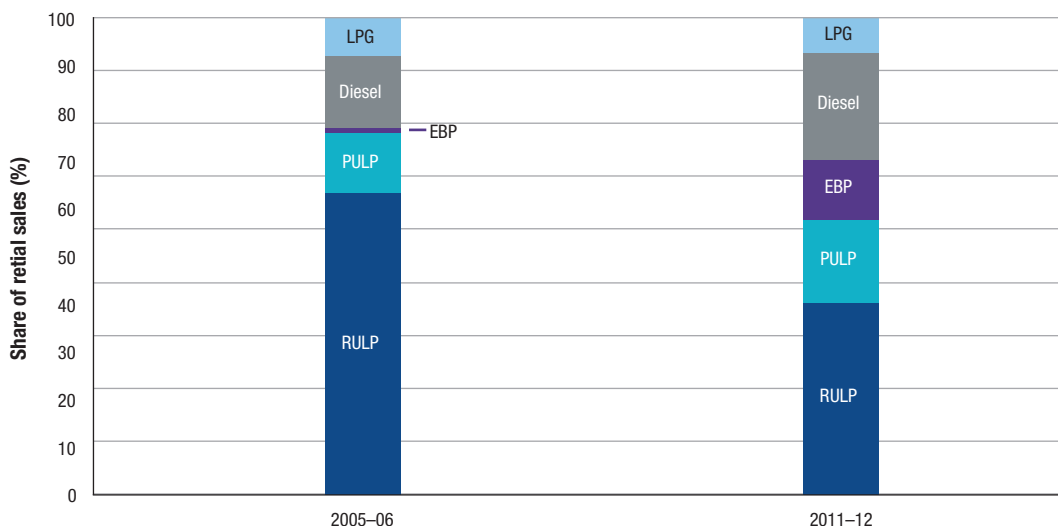
15.6 Australia's fuel mix

An interesting feature of petrol markets in Australia in the last several years has been the change in product mix in retail sales.

Chart 15.3 shows the stark change in Australia's retail fuel diet between 2005–06 and 2011–12. The share of regular unleaded petrol (RULP) has decreased from over 60 per cent to about 40 per cent in 2011–12. On the other hand sales of premium unleaded petrol (PULP), diesel and ethanol blended petrol (EBP) have become a greater proportion of the total market over the last few years.

¹⁹³ ACCC, *Monitoring of the Australian Petroleum Industry*, December 2011, pp. 247–8.

Chart 15.3 Australia's retail product mix: 2005–06 and 2011–12



Source: ACCC calculations based on data obtained from firms monitored through the ACCC's monitoring process

Two key factors that have contributed to this swing in product mix include the changing nature of the vehicle fleet and the NSW Government mandate on EBP sales.

- Australia's vehicle fleet has evolved from being predominantly powered by petrol to now include a greater proportion of vehicles taking diesel fuel. According to the Motor Vehicle Census conducted by the Australian Bureau of Statistics (ABS) the proportion of registered vehicles that use petrol has dropped from 89 per cent in 2001 to just over 81 per cent in 2012. This trend has gained momentum in recent years with the number of registered passenger vehicles using diesel more than doubling since 2007.¹⁹⁴
- The New South Wales Government's ethanol mandate is another factor affecting sales of EBP, RULP and PULP. Data in chapter 5 shows that a number of retail sites in Sydney have ceased selling RULP over the last five years, generally replacing it with E10. The NSW mandate has also contributed to the increased demand for PULP as some consumers switch fuels due to the lack of availability of RULP. The NSW ethanol mandate required 2 per cent of the total volume of petrol sold in NSW to be ethanol from October 2007. This had increased to 6 per cent by October 2011.

15.6.1 Alternative transport fuels

Developments in alternatives to conventional hydrocarbon fuels were discussed in detail in the 2010 ACCC petrol monitoring report.¹⁹⁵ These alternatives include natural gas, hydrogen, biofuels and electric powered vehicles.

To a large degree, consumer acceptance of alternative fuels hinges on the affordability of current transport arrangements and the extent that crude oil prices push up the price of petrol.

The IEA has been proactive in setting out steps to reduce the reliance on oil for transportation, with a longer term view to halving fuel used for road transport in under 40 years.¹⁹⁶

¹⁹⁴ ABS, *Motor Vehicle Census*, 9309.0, 31 January 2012, p. 6.

¹⁹⁵ ACCC, *Monitoring of the Australian Petroleum Industry*, December 2010, pp. 278–80.

¹⁹⁶ IEA, *IEA plots path to halving fuel used for road transport in under 40 years*, News release, 19 September 2012, at <http://www.iea.org/newsroomandevents/pressreleases/2012/september/name,31383,en.html>

15.7 Carbon pricing

On 1 July 2012 the Australian Government's price on carbon became effective. The carbon price would not apply to fuel purchased for passenger and light commercial vehicles.

Companies could potentially pass on the carbon price they are exposed to, although it appears to have had a negligible effect on retail prices.

15.8 Conclusions

The key trends that have shaped the industry over the last few years, and have continued in 2011–12, include:

- Record high average crude oil prices in 2011–12. Forecasts over the longer term suggests that despite a weaker global economy high oil prices are likely to persist due to depletions in conventional sources of crude and increased use of more costly unconventional sources.
- Supply of petrol to Australia is undergoing lasting change with the closure of the Clyde refinery in October 2012, and the announced closure of the Kurnell refinery in 2014. The refining industry is likely to continue to face strong competition from newer and larger refineries in the Asian region.
- With challenges in domestic refining, imports of petrol are set to contribute a greater proportion of petrol sales, underpinned by expansion of import infrastructure.
- Independent wholesalers have consolidated their position in the industry and have investments in import capabilities.
- Large oil companies all over the world have been scaling back their presence in downstream operations in light of more attractive returns from upstream operations.
- In Australia, specialist retailers such as 7-Eleven and On the Run are consolidating their presence in Australia's evolving retail sector.
- Australia's experience with petrol prices, with the price of crude oil and taxes making up the majority of retail prices and international benchmark prices and currency exchange rates driving changes in retail prices, has similarities with that of some other countries.
- The mix of fuels sold at the retail level has undergone significant change since 2005–06. PULP, diesel and EBP have all become much more important in Australia's fuel mix, as the share of RULP sold has fallen to contribute less than half of retail fuel sales.

