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Report on the Australian petroleum market —September quarter 2015

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Key messages

The ACCC's recent market study found extremely high retail profits in Darwin

The report on the Darwin petrol market was released on 23 November 2015, and is the first of the regional market studies to be released by the ACCC.

The report found that the increase in retail petrol margins in Darwin has imposed a significant cost on motorists. Prices in recent years were around 10 cents per litre (cpl) more than would be expected in a competitive market, adding around \$9 million per year to the petrol bill for Darwin motorists. Fuel retailers in Darwin made extremely high profits compared with other capital cities. In 2013–14 net profit per site was on average \$1.2 million, compared with between \$100 000 to \$200 000 in Adelaide.

Higher prices and profits in Darwin were clear evidence of weak retail competition.

Retail petrol prices decreased over the quarter

In the September quarter 2015 the average retail petrol price in the five largest cities (i.e. Sydney, Melbourne, Brisbane, Adelaide and Perth) was 133.2 cpl. This was 2.6 cpl lower than in the June quarter 2015 (135.8 cpl).

There were dramatic movements in retail petrol prices in the 12 months to September 2015. Between October 2014 and January 2015, monthly average prices fell by 34.6 cpl, from 143.8 cpl to 109.2 cpl. Prices then rebounded by 31.4 cpl to be at 140.6 cpl in June 2015, before decreasing in the September quarter. In September, monthly average retail petrol prices fell below 130 cpl for the first time since February 2015.

The decrease in the September quarter 2015 followed falls in international crude oil (Brent crude oil, or Brent) and refined petrol prices (Singapore Mogas 95 Unleaded, or Mogas 95) over the quarter:

- Monthly average Brent prices decreased from around USD 63 per barrel (Australian (A) 50 cpl) in June 2015 to around USD 48 per barrel (A 42 cpl) in September 2015—a decrease of USD 15 per barrel (A 8 cpl).
- Monthly average Mogas 95 prices decreased from around USD 84 per barrel (A 68 cpl) in June 2015 to around USD 65 per barrel (A 58 cpl) in September 2015—a decrease of USD 19 per barrel (A 10 cpl).

International prices in the September quarter 2015 were influenced by an increase in the supply of crude oil, and the anticipated increase in crude oil supply from Iran in early 2016 when United Nations sanctions against Iran are expected to be lifted.

The AUD–USD exchange rate also fell during this period, from around USD 0.77 in early July 2015 to around USD 0.70 at the end of September 2015. The decreasing exchange rate in recent times has led to higher prices at the pump. If the AUD–USD exchange rate had stayed at its highest level (USD 1.05) since January 2013, on average the retail petrol price in the September quarter 2015 would have been around 20 cpl lower.

Gross indicative retail differences increased

Gross indicative retail differences (GIRDs) are the difference between retail prices and published wholesale prices, or terminal gate prices (TGPs). They are indicative of the margins achieved by retailers on the sale of fuel, and may reflect overall retail profits.

In the September quarter 2015 retail petrol prices in the five largest cities did not fall as much as TGPs. As a result, quarterly average GIRDs increased to 11.8 cpl. This was the highest level since the ACCC began monitoring GIRDs in 2002. Quarterly average GIRDs were over 10 cpl in

all cities except Melbourne. Of the five largest cities, GIRDs were highest in Sydney (14.0 cpl) and Brisbane (13.9 cpl).

Over the longer term, GIRDs in the five largest cities have been on an upwards trend. They have increased the most in Perth, while GIRDs in Brisbane have consistently been higher than in the other major cities.

The differential between petrol prices in the larger cities and those in regional locations increased

In the December quarter 2014 report, the ACCC highlighted that retail petrol prices in many regional locations did not decrease to the same extent as prices in the five largest cities. The differential between average prices across all regional locations and average prices in the five largest cities reached a peak of 17.6 cpl in January 2015. By March 2015 the differential had decreased substantially to 1.9 cpl, and by June 2015 had fallen to 0.7 cpl.

Since June 2015, the differential has increased, reaching 5.3 cpl in September 2015 (an increase of 4.6 cpl).

Price movements in regional locations generally lag behind movements in the five largest cities. This is due in part to a lower volume of sales in these locations, and hence slower replenishment of fuel stocks by wholesalers and retailers. Furthermore, retail prices in some regional locations are “sticky”; that is, they are less responsive—both up and down—to movements in international prices. This can be due to a range of reasons, such as weak competition.

Petrol price cycles in Sydney have become more regular

As retail petrol prices fell significantly in the December quarter 2014, there was a long period in Sydney, Melbourne, Brisbane and Adelaide where price cycles did not occur. In the March quarter 2015 price cycles in these cities largely resumed.

Over the last two quarters, petrol price cycles in Sydney have increased in number and become more regular in duration. Between May and September 2015 price cycle durations in Sydney ranged from 13 to 16 days, with around half being exactly two weeks long. In recent months, a similar pattern has emerged in Adelaide, where price cycles have become more regular. However, the average durations of price cycles in Melbourne and Brisbane remain significantly longer and more variable than in Sydney and Adelaide.

1 Developments in the petroleum industry

1.1 Increase in fuel excise

The Australian Government announced in the 2014–15 Budget that it would reintroduce biannual indexation, by the Consumer Price Index, of excise and excise-equivalent customs duty for all fuels except aviation fuels. Under these arrangements excise is generally increased on 1 February and 1 August each year. The announced excise changes took effect from 10 November 2014.

On 1 August 2015 excise on petrol and diesel increased by 0.3 cpl to 39.2 cpl.

On 1 July 2015 excise on LPG increased by 2.5 cpl to 12.7 cpl, under arrangements introduced in 2011.¹ It increased by a further 0.1 cpl on 1 August 2015 to 12.8 cpl.

1.2 Queensland ethanol mandate

On 15 September 2015 the Queensland Government introduced draft legislation to set targets for the sale of ethanol-blended petrol and bio-based diesel in Queensland.² Amended legislation was passed by the Queensland Parliament on 1 December 2015.³

The *Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Act 2015* will impose a minimum requirement for bio-based fuel in Queensland, starting at:

- 3 per cent of total sales of regular unleaded petrol and bio-based regular petrol blends (such as E10)⁴
- 0.5 per cent of total sales of diesel and bio-based diesel blends from 1 January 2017.

Fuel retailers and wholesalers will be required to report on their sales volumes.⁵

1.3 Oilcode review

The Oilcode came into effect on 1 March 2007 as a prescribed industry code of conduct under the *Competition and Consumer Act 2010* (the Act). Its purpose is to regulate the conduct of suppliers, distributors and retailers in the downstream petroleum retail industry.

The Oilcode is scheduled to expire on 1 April 2017 and the Department of Industry and Science is conducting a review of the Oilcode. An Oilcode review options paper was released on 9 September 2015.⁶ The Department will recommend a policy option for the Oilcode in the final report, expected to be released by the end of 2015.

1 In December 2011 the rate of excise imposed on LPG was scheduled to increase in annual increments of 2.5 cpl (to a final rate of 12.5 cpl by 1 July 2015) under the Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011.

2 The Honourable Mark Bailey, Queensland Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply, *Ethanol mandate to boost clean energy sector jobs*, media statement, 15 September 2015, <http://statements.qld.gov.au/Statement/2015/9/15/ethanol-mandate-to-boost-clean-energy-sector-jobs>, accessed 26 October 2015.

3 The Honourable Mark Bailey, Queensland Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply, *Biofuels mandate powers sustainable future*, media statement, 1 December 2015, <http://statements.qld.gov.au/Statement/2015/12/1/biofuels-mandate-powers-sustainable-future>, accessed 4 December 2015.

4 Bio-based petrol means ethanol, or other renewable fuels which can be blended with regular unleaded petrol.

5 Queensland Government, *Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill 2015*, page 12, <http://www.legislation.qld.gov.au/Bills/55PDF/2015/LiquidFuelSupEBMAB15.pdf>, accessed 26 October 2015.

6 Department of Industry and Science, *Oilcode review – options paper*, <http://www.industry.gov.au/Energy/EnergySecurity/fuels/conventional/Documents/OilcodeReviewOptionsPaper.pdf>, accessed 26 October 2015.

2 ACCC activities

2.1 ACCC and the petrol industry

The main role of the ACCC is to enforce the Act across the Australian economy, which includes the fuel industry. The ACCC's activities under the Act include enforcement and compliance, mergers and acquisitions assessments, authorisations and notifications, and administration of the Oilcode.

The ACCC does not set wholesale or retail petrol prices in Australia. They are determined by the market.

2.2 Activities during the quarter

2.2.1 Announcement of third regional fuel market study in Armidale

On 3 August 2015 the ACCC announced that Armidale in northern New South Wales would be the location for the ACCC's third regional fuel market study.⁷

Armidale petrol prices are among the highest in New South Wales. The annual average petrol price in Armidale was 144.7 cpl in 2014–15, which was 10.6 cpl higher than the five largest cities. Furthermore, prices in Armidale have been noticeably higher than nearby locations in recent years.

The ACCC commenced its first regional market study in Darwin in March 2015 and its second study in Launceston in May 2015.

These studies are part of the petrol monitoring arrangements announced by the former Minister for Small Business, the Hon Bruce Billson MP, in December 2014. The in-depth regional market studies aim to explain each component of the prices paid at the bowser to understand why prices are higher in some regional locations.

2.3 Darwin petrol market study

On 23 November 2015 the ACCC released its first fuel market study, looking at the Darwin petrol market.⁸ It is based on extensive analysis of a large amount of data from the companies operating in Darwin obtained under the compulsory information gathering powers of the Act. The key points of the Darwin petrol report are provided in appendix A.

⁷ Australian Competition and Consumer Commission (2015), *ACCC announces third regional petrol market study in Armidale*, media release, 3 August 2015, <https://www.accc.gov.au/media-release/accc-announces-third-regional-petrol-market-study-in-armidale>, accessed 22 October 2015.

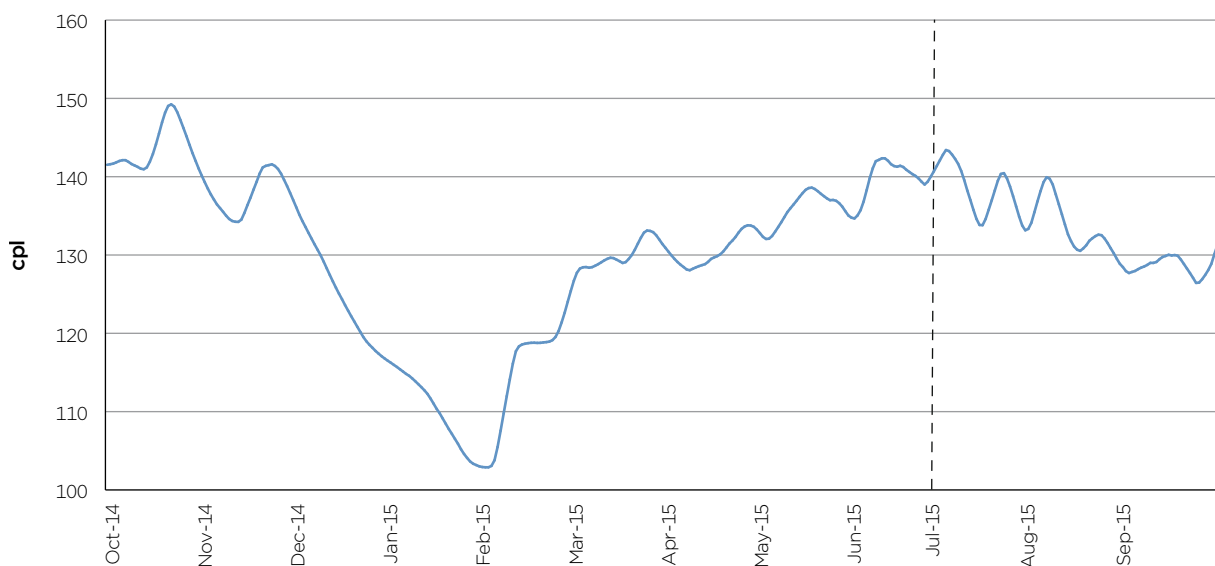
⁸ ACCC (2015), *ACCC releases report into the Darwin Petrol market*, media release, 23 November 2015, <http://www.accc.gov.au/media-release/accc-releases-report-into-the-darwin-petrol-market>, accessed 23 November 2015.

3 Retail petrol price movements—five largest cities

This chapter primarily focuses on petrol prices across the five largest cities.⁹ It also examines retail prices in the three smaller capital cities (Canberra, Hobart and Darwin). Petrol prices in regional locations across Australia are discussed in chapter 4.

3.1 Retail prices from October 2014 to September 2015

Chart 3.1 Seven-day rolling average retail petrol prices in the five largest cities: 1 October 2014 to 30 September 2015¹⁰



Source: ACCC calculations based on FUELtrac data.

Note: The area to the right of the dotted vertical line in this and subsequent charts represents the September quarter 2015.

Chart 3.1 shows that:

- retail petrol prices in the five largest cities peaked at around 149 cpl in late October 2014 and then declined over the next six months to a low of around 103 cpl in early February 2015
- retail prices subsequently increased to a peak of around 143 cpl in early July 2015, before declining to around 131 cpl at the end of September 2015.

In the September quarter 2015 the average retail petrol price in the five largest cities was 133.2 cpl. This was 2.6 cpl lower than in the June quarter 2015 (135.8 cpl).

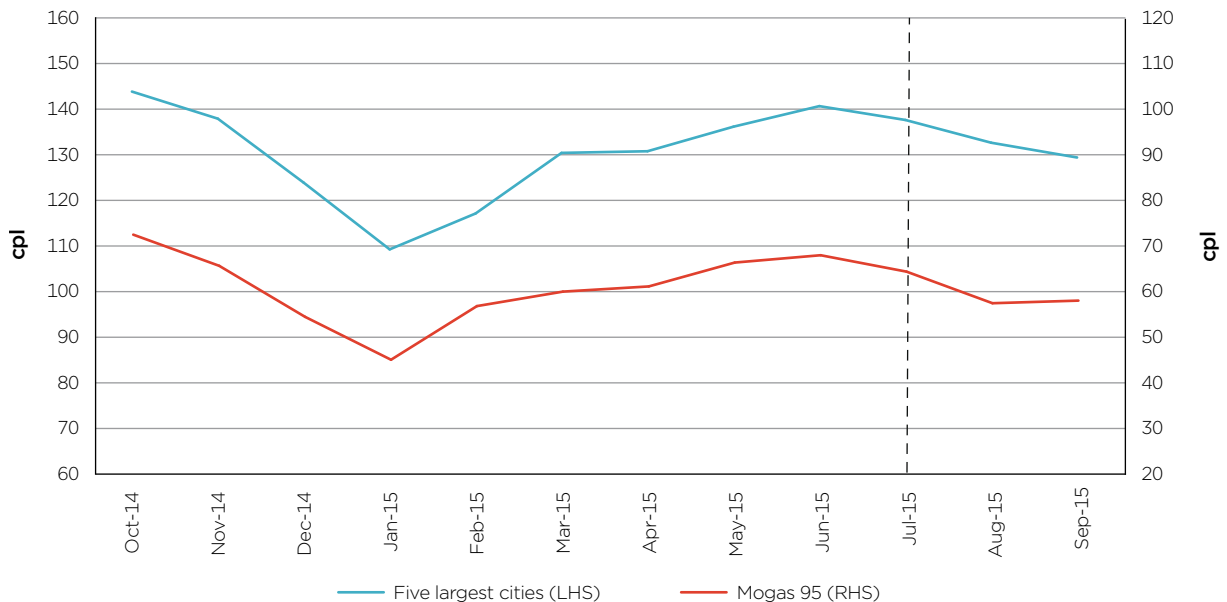
⁹ In this report references to petrol are to regular unleaded petrol (RULP) unless otherwise specified. From 1 July 2014 the average price for the five largest cities includes E10 prices instead of RULP prices for Sydney. From 1 July 2014 the ACCC has obtained its fuel price data from FUELtrac. Prior to that date it obtained data from Informed Sources.

¹⁰ A seven-day rolling average price is the average of the current day's price and prices on the six previous days. Traditionally, the ACCC has used a seven-day rolling average to smooth out the influence of petrol price cycles in the larger capital cities on price movements. This has been less effective in recent years because the duration of price cycles in most of the larger capital cities has become greater than seven days.

3.2 Retail prices compared with Mogas 95 prices

Retail petrol prices in Australia are primarily determined by international refined petrol prices. The relevant benchmark is the price of Singapore Mogas 95 Unleaded (Mogas 95).

Chart 3.2 Monthly average Mogas 95 prices and retail petrol prices in the five largest cities: October 2014 to September 2015



Source: ACCC calculations based on FUELtrac, Platts and RBA data.

Chart 3.2 shows that Mogas 95 prices decreased significantly between October 2014 and January 2015 to around 45 cpl before rebounding to around 68 cpl in June 2015. In the September quarter 2015 monthly average Mogas 95 prices decreased by around 10 cpl to 58 cpl in September 2015.

Retail petrol prices in the five largest cities followed movements in international refined petrol prices in the 12 months to September 2015. Monthly average prices decreased from 143.8 cpl in October 2014 to 109.2 cpl in January 2015—a decrease of 34.6 cpl. Prices then increased by 31.4 cpl to be at 140.6 cpl in June 2015. In the September quarter 2015 monthly average retail prices in the five largest cities decreased by 11.3 cpl to 129.3 cpl in September 2015.

3.3 Price cycles

Retail petrol prices in the five largest cities in Australia move in cycles. These price cycles generally do not occur in Canberra, Hobart and Darwin, or in most regional locations. Price cycles occur as a result of the pricing policies of fuel retailers and only occur at the retail level. Wholesale prices do not exhibit similar cyclical movements.

Table 3.1 Number of price cycles per quarter in the five largest cities: December quarter 2013 to September quarter 2015¹¹

	Sydney	Melbourne	Brisbane	Adelaide	Perth
Dec-13	5	5	5	5	13
Mar-14	6	6	6	7	13
Jun-14	4	4	4	5	13
Sep-14	3	3	3	3	13
12 months to Sep-14	18	18	18	20	52
Dec-14	2	1	2	2	13
Mar-15	3	3	2	1	13
Jun-15	5	4	4	5	13
Sep-15	7	3	5	5	13
12 months to Sep-15	17	11	13	13	52

Source: ACCC analysis based on FUELtrac and Informed Sources data.

Table 3.1 shows that:

- In the 12 months to September 2015 there was a decrease in the number of price cycles in the four eastern capital cities (i.e. Sydney, Melbourne, Brisbane and Adelaide), compared with the previous 12 months.
 - There were seven fewer price cycles in Melbourne and Adelaide, and five fewer price cycles in Brisbane. In contrast, in Sydney there was only one less price cycle.
- In the September quarter 2015 there were seven price cycles in Sydney, five price cycles in Brisbane and Adelaide, and three price cycles in Melbourne.
 - In comparison, there were three price cycles in each city in the September quarter 2014.

Over the last two quarters, petrol price cycles in Sydney have both increased in number and become more regular in duration. Between May and September 2015 price cycle durations in Sydney ranged from 13 to 16 days, with around half being exactly two weeks long.

Perth continued to have regular weekly price cycles over the 12 months to September 2015.

3.4 Gross indicative retail differences

Gross indicative retail differences (GIRDs) are calculated by subtracting average terminal gate prices (TGPs) from average retail petrol prices.

TGPs are the prices at which petrol can be purchased from wholesalers in the spot market and are posted on a regular basis on the websites of the major wholesalers and can be regarded as indicative wholesale prices. TGPs reflect the price of petrol only, and exclude other retail operating costs (such as branding, transportation, labour, etc.). While GIRDs should not be confused with actual retail profits, higher GIRDs may indicate higher retail profits.

Table 3.2 shows that in the five largest cities over the four quarters to September 2015:

- Average GIRDs increased by 1.3 cpl between the June quarter 2015 and the September quarter 2015—from 10.5 cpl to 11.8 cpl.
 - Quarterly average GIRDs increased in all cities.
- Average GIRDs in the September quarter 2015 were more than 10 cpl in all cities except Melbourne. They were highest in Sydney (14.0 cpl), followed by Brisbane (13.9 cpl), Perth (12.3 cpl), Adelaide (10.4 cpl) and Melbourne (8.3 cpl).
- GIRDs varied significantly over the period and across cities, ranging from a high of 14.0 cpl (in Sydney in the September quarter 2015) to a low of 4.5 cpl (in Adelaide in the March quarter 2015).

¹¹ The number of price cycles in a period is defined as the number of peaks that occurred in that period. From 1 July 2014, Sydney prices are E10 rather than RULP prices.

- In the 12 months to September 2015 average GIRDs in the five largest cities were 9.6 cpl, an increase of 1.5 cpl from the previous year.
 - Annual average GIRDs increased in all cities.

Table 3.2 Quarterly and annual average retail petrol prices, TGPs and GIRDs in the five largest cities: December quarter 2014 to September quarter 2015

Location	Quarter	Retail price cpl	TGP cpl	GIRD cpl
	Dec-14	135.1	125.7	9.4
	Mar-15	118.9	112.2	6.7
	Jun-15	135.8	125.3	10.5
	Sep-15	133.2	121.4	11.8
	Five largest cities	12 months to Sep-15	130.8	121.2
	Dec-14	133.9	124.2	9.7
	Mar-15	117.1	111.0	6.1
	Jun-15	135.1	123.9	11.2
	Sep-15	133.8	119.8	14.0
	Sydney	12 months to Sep-15	130.0	119.8
	Dec-14	132.2	126.1	6.1
	Mar-15	117.4	112.6	4.8
	Jun-15	133.8	125.6	8.2
	Sep-15	130.1	121.8	8.3
	Melbourne	12 months to Sep-15	128.4	121.6
	Dec-14	139.6	126.1	13.5
	Mar-15	122.0	112.6	9.4
	Jun-15	139.5	125.8	13.7
	Sep-15	136.1	122.2	13.9
	Brisbane	12 months to Sep-15	134.3	121.7
	Dec-14	133.2	125.3	7.2
	Mar-15	116.8	112.3	4.5
	Jun-15	135.7	125.5	10.2
	Sep-15	132.1	121.7	10.4
	Adelaide	12 months to Sep-15	129.5	121.4
	Dec-14	136.7	126.2	10.5
	Mar-15	121.2	112.6	8.6
	Jun-15	134.7	125.7	9.0
	Sep-15	133.8	121.5	12.3
	Perth	12 months to Sep-15	131.6	121.5

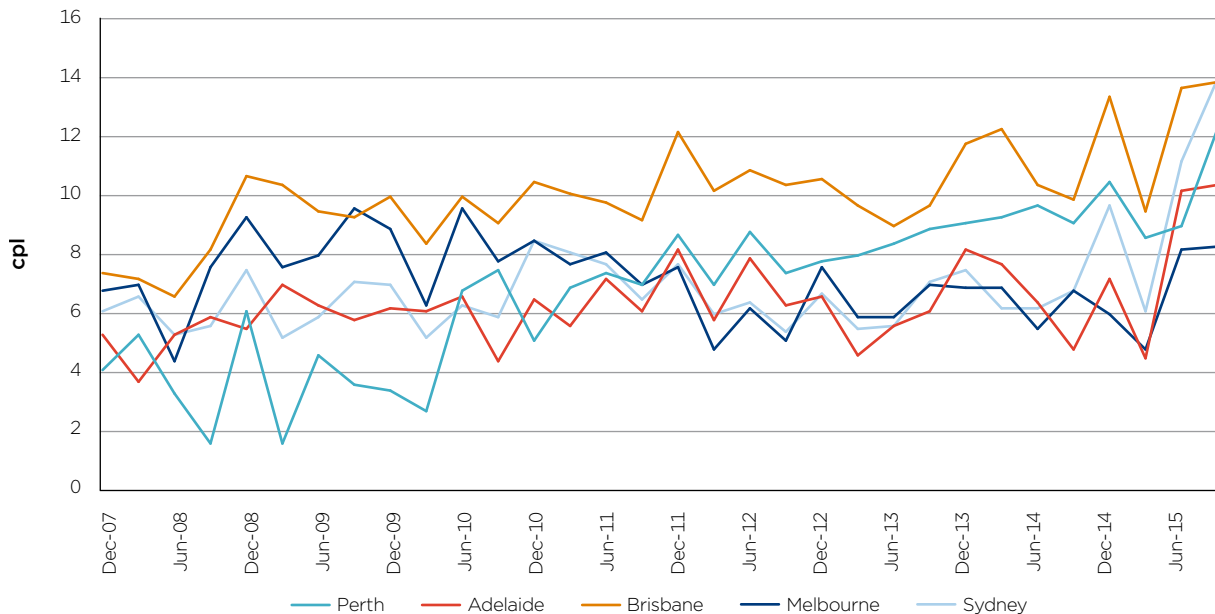
Source: ACCC calculations based on data from FUELtrac, Informed Sources, WA FuelWatch and information provided by the monitored companies.

3.4.1 GIRDs over the longer term

GIRDs in the five largest cities can vary significantly from one quarter to the next. However, they have been at historically high levels over the last two quarters.

Chart 3.3 shows quarterly average GIRDs in each of the five largest cities over the eight years to September quarter 2015.

Chart 3.3 Quarterly average GIRDs in the five largest cities: December quarter 2007 to September quarter 2015



Source: ACCC calculations based on data from FUELtrac, Informed Sources, WA FuelWatch and information provided by the monitored companies.

Notes: Prior to 1 July 2009 the Queensland Government provided a subsidy at the retail level of 8.4 cpl (around 9.2 cpl when GST is included). For analysis of GIRDs in Brisbane in this period, TGPs in Brisbane were reduced by 9.2 cpl to put wholesale and retail prices on a consistent basis. Across the five largest cities, this change reduced average TGPs by 1.8 cpl.

Prior to 1 July 2014 Sydney GIRDs are the difference between RULP retail prices and RULP TGPs. From 1 July 2014 Sydney GIRDs are the difference between E10 retail prices and E10 TGPs.

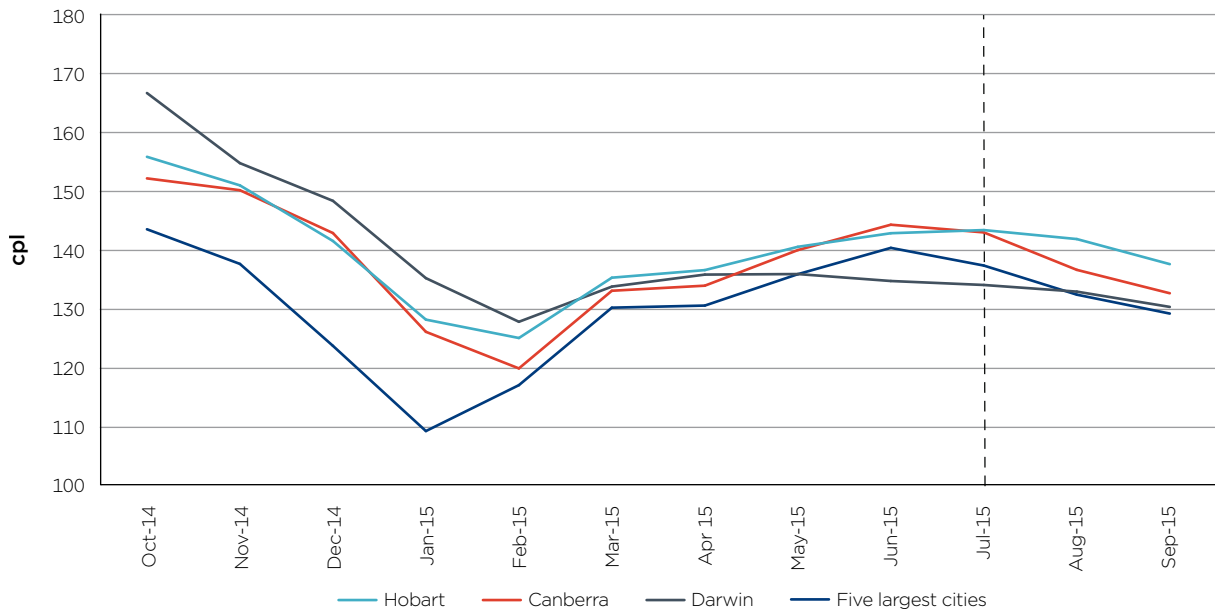
Chart 3.3 shows that in the five largest cities from December quarter 2007 to September quarter 2015:

- GIRDs have steadily increased over time
 - GIRDs in Perth increased most significantly over the period
- average GIRDs in the September quarter 2015 were at their highest level in all cities except Melbourne (sixth-highest quarter in the period)
- June and September quarters 2015 were the only quarters where average GIRDs across the five largest cities were over 10 cpl
 - the next highest was the December quarter 2014, when they were 9.4 cpl
- GIRDs in Brisbane were generally higher than in the other major cities
 - Brisbane had the highest GIRDs for every quarter except for the September quarter 2009 (when GIRDs in Melbourne were 0.3 cpl higher) and September quarter 2015 (when GIRDs in Sydney were 0.1 cpl higher).

The higher GIRDs in the five largest cities may suggest an increase in profits by petrol retailers in the September quarter 2015.

3.5 Prices in the three smaller capital cities

Chart 3.4 Monthly average retail petrol prices in Hobart, Canberra, Darwin and the five largest cities: October 2014 to September 2015



Source: ACCC calculations based on FUELtrac data.

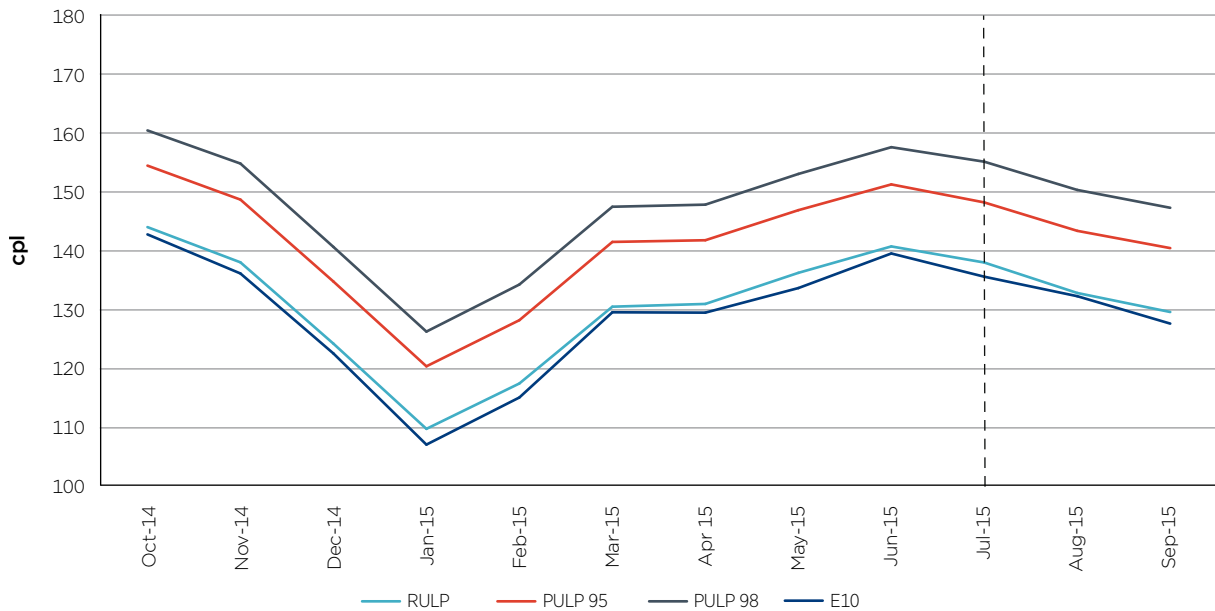
Chart 3.4 shows that over the 12 months to September 2015:

- monthly average retail petrol prices in Hobart and Canberra were always higher than those in the five largest cities
- monthly average retail petrol prices in Darwin were higher than those in the five largest cities for nine out of 12 months
 - they were equal to the five largest cities in May 2015 and lower than the five largest cities in June and July 2015
 - in the September quarter 2015 the quarterly average petrol price in Darwin was 132.6 cpl, which was 0.6 cpl lower than in the five largest cities (133.2 cpl).

3.6 Retail prices of the different petrol grades

Chart 3.5 shows that retail prices of the different grades of unleaded petrol—RULP, PULP 95 and 98, and E10—moved in a similar manner over the 12 months to September 2015.

Chart 3.5 Monthly average retail prices of RULP, PULP 95, PULP 98 and E10 in the five largest cities: October 2014 to September 2015



Source: ACCC calculations based on FUELtrac data.

In the 12 months to September 2015, the average price differential in the five largest cities between:

- RULP and PULP 95 was 10.7 cpl
- RULP and PULP 98 was 17.1 cpl
- E10 and RULP was 1.8 cpl.¹²

Retail prices of the different grades of petrol tend to move in a similar manner because they are all influenced by movements in the respective international refined petrol benchmark prices (which in turn predominantly move in line with changes in the price of crude oil).

However, the price differentials between the various types of petrol vary over time. For example, retailers will generally set the price of the PULP grades at a fixed premium to RULP. Premiums are adjusted from time to time reflecting changes in international benchmark differentials, local supply and demand conditions, and other factors.

¹² E10 prices are for Sydney, Melbourne and Brisbane only.

4 Retail price movements in regional locations

The ACCC monitors fuel prices in all capital cities and around 190 regional locations across Australia. These locations are identified in appendix B.

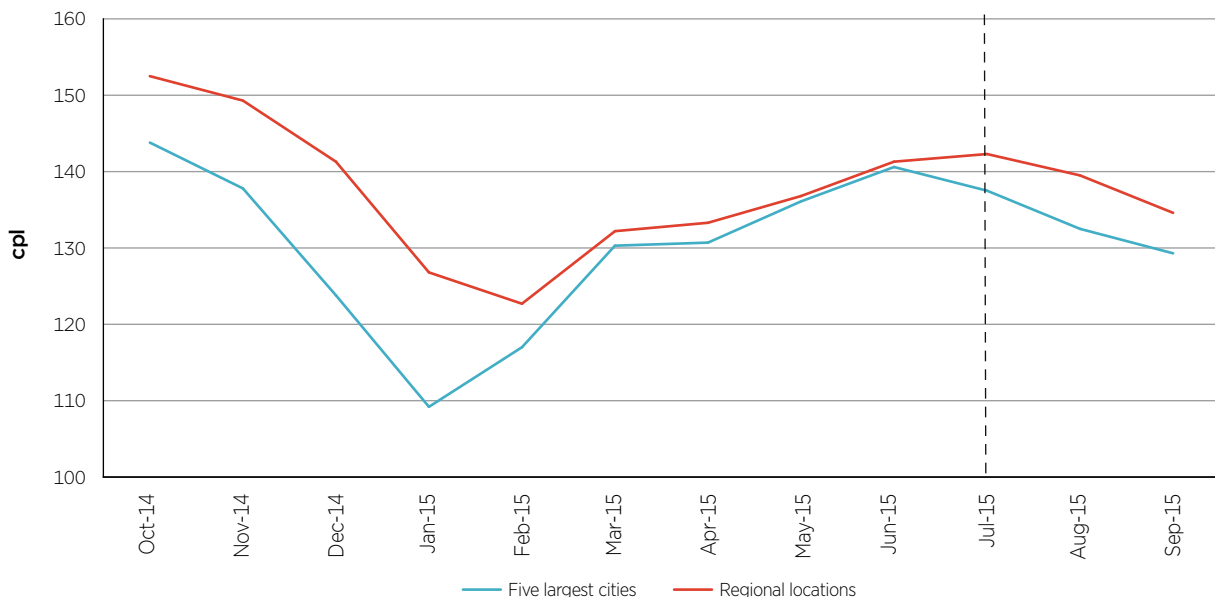
4.1 Influences on regional petrol prices

As in the five largest cities, movements in retail petrol prices in regional locations are largely driven by changes in international refined petrol prices and the AUD-USD exchange rate.

However, prices are generally higher in regional locations. A number of factors may contribute to these higher prices: a lower level of local competition; lower volumes of fuel sold; distance/location factors; and lower convenience store sales. The influence of these factors varies significantly from location to location. This means that there may be substantial differences in prices between specific regional locations.

4.2 Regional petrol prices

Chart 4.1 Monthly average retail petrol prices in regional locations in aggregate and the five largest cities: October 2014 to September 2015



Source: ACCC calculations based on FUELtrac data.

Chart 4.1 shows that monthly average prices in the five largest cities decreased by 11.3 cpl over the September quarter 2015, from 140.6 cpl in June 2015 to 129.3 cpl in September 2015. Prices in the regional locations in aggregate (regional prices) decreased by a smaller amount (6.7 cpl) over the same period—from 141.3 cpl in June 2015 to 134.6 cpl in September 2015.

The monthly average differential between regional prices and prices in the five largest cities increased in the September quarter 2015, from 0.7 cpl in June 2015 to 5.3 cpl in September 2015. However, it was significantly lower than the peak monthly differential of 17.6 cpl in January 2015.

While regional prices generally follow movements in international refined petrol prices, they often do not respond as quickly—both up and down—as prices in the five largest cities. This can be seen in chart 4.1. In February 2015 monthly average petrol prices in the five largest cities increased sharply in response to increases in international refined petrol prices, whereas monthly average regional prices continued to decrease. Likewise, in July 2015 monthly average petrol prices in the five largest cities decreased in response to falls in international prices, whereas monthly average regional prices did not decrease until the following month.

Further information on petrol price movements in the September quarter 2015 in all locations monitored by the ACCC is provided in appendix B.

4.3 Prices in each of the states and the Northern Territory

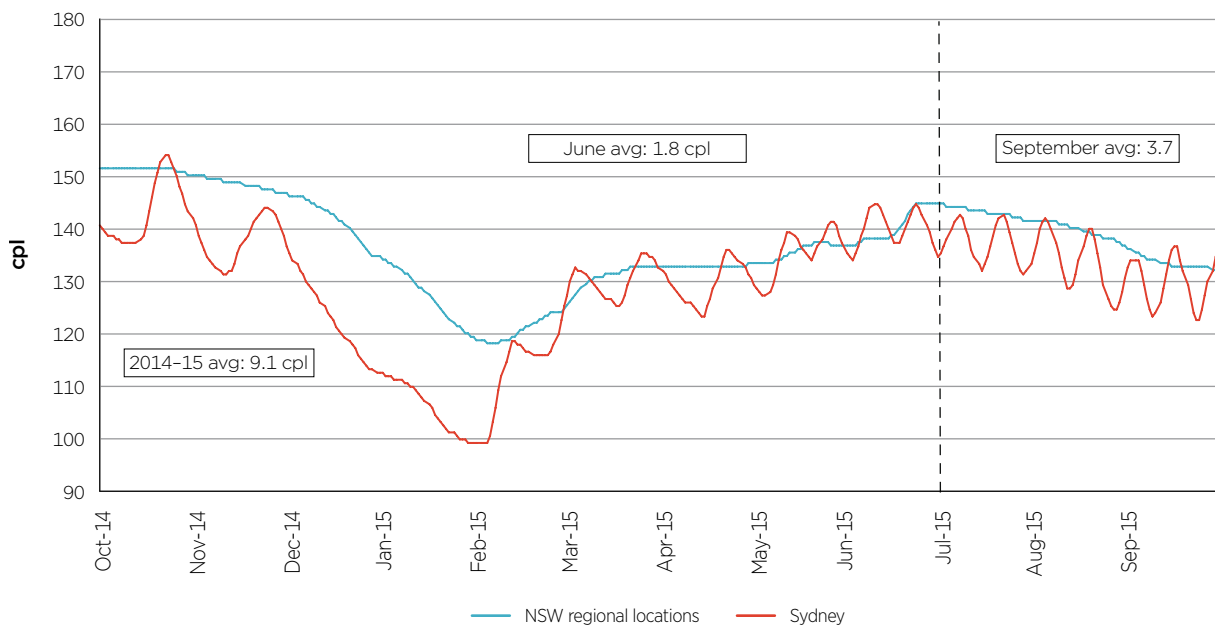
Charts 4.2 to 4.8 show seven-day rolling average retail petrol regional prices in each state and the Northern Territory, and in each capital city from 1 October 2014 to 30 September 2015.¹³ The charts also show the differential between regional prices and capital city prices in each state/territory for the months of June and September 2015 and for 2014-15.

The charts show that in a number of states, price comparisons between capital cities and regional locations are significantly influenced by price cycles in some capital cities over the short term.

In June 2015 average regional prices in Victoria, Queensland and South Australia were lower than the respective capital city price. However, by September 2015 average regional prices were higher than the respective capital city price in all states and the Northern Territory.

The differential was higher than the 2014-15 average in Queensland (by 0.8 cpl), Western Australia (by 0.5 cpl) and the Northern Territory (by 1.9 cpl).

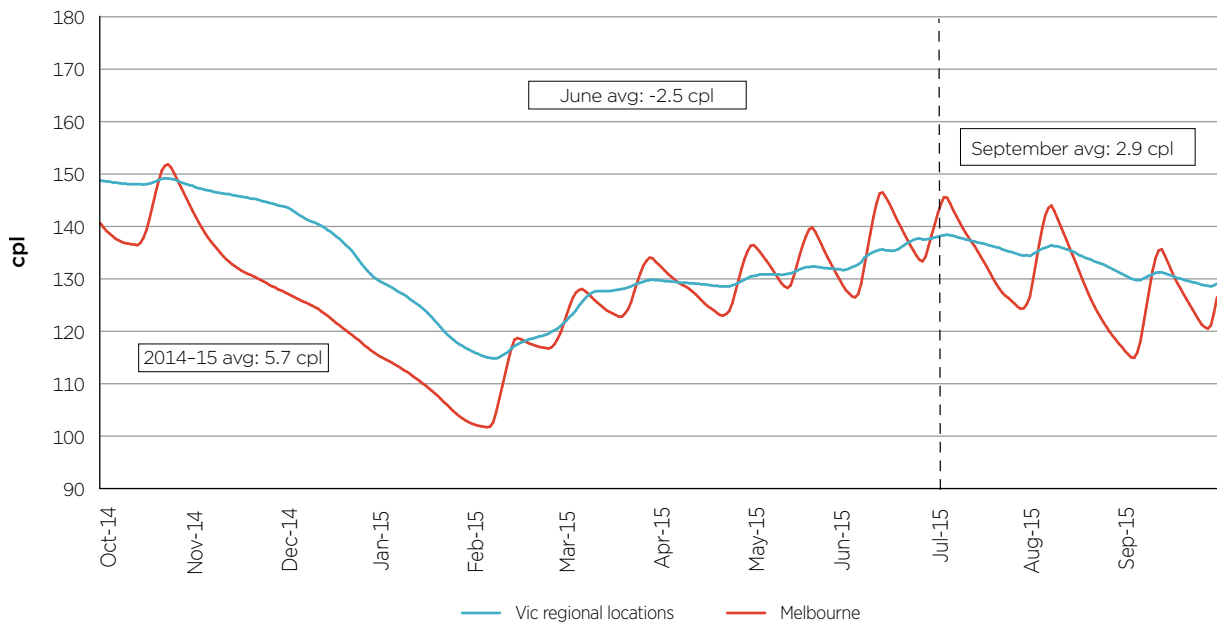
Chart 4.2 Seven-day rolling average petrol prices in Sydney and New South Wales regional locations: 1 October 2014 to 30 September 2015



Source: ACCC calculations based on FUELtrac data.

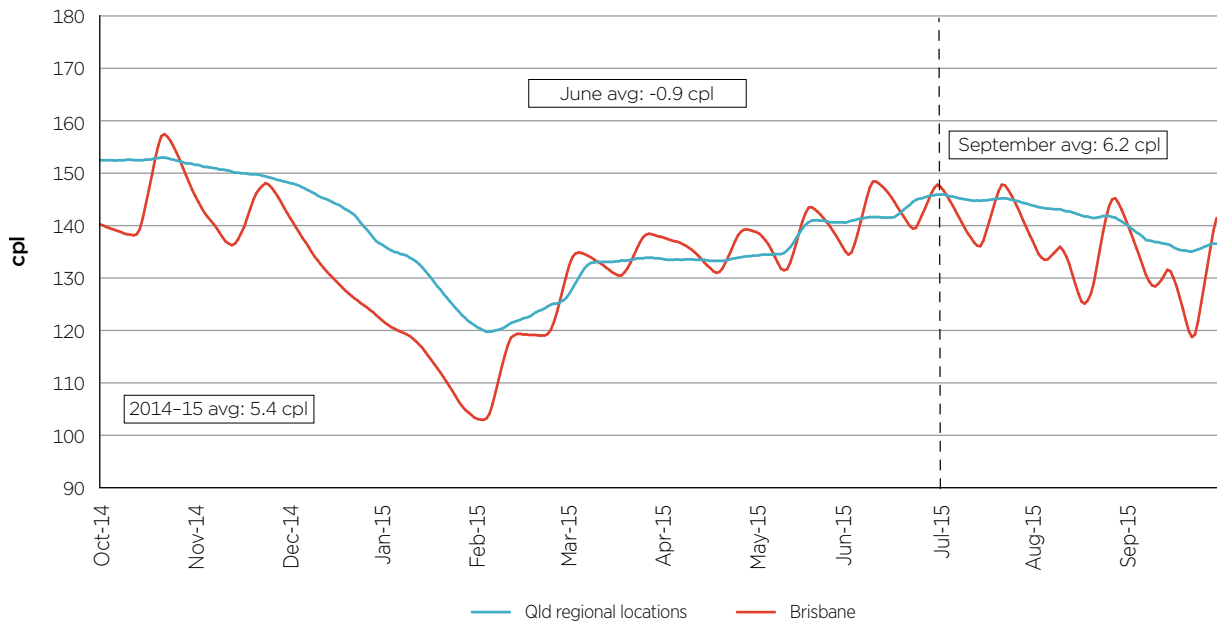
¹³ There are no prices available for locations in the Australian Capital Territory other than Canberra.

Chart 4.3 Seven-day rolling average petrol prices in Melbourne and Victorian regional locations: 1 October 2014 to 30 September 2015



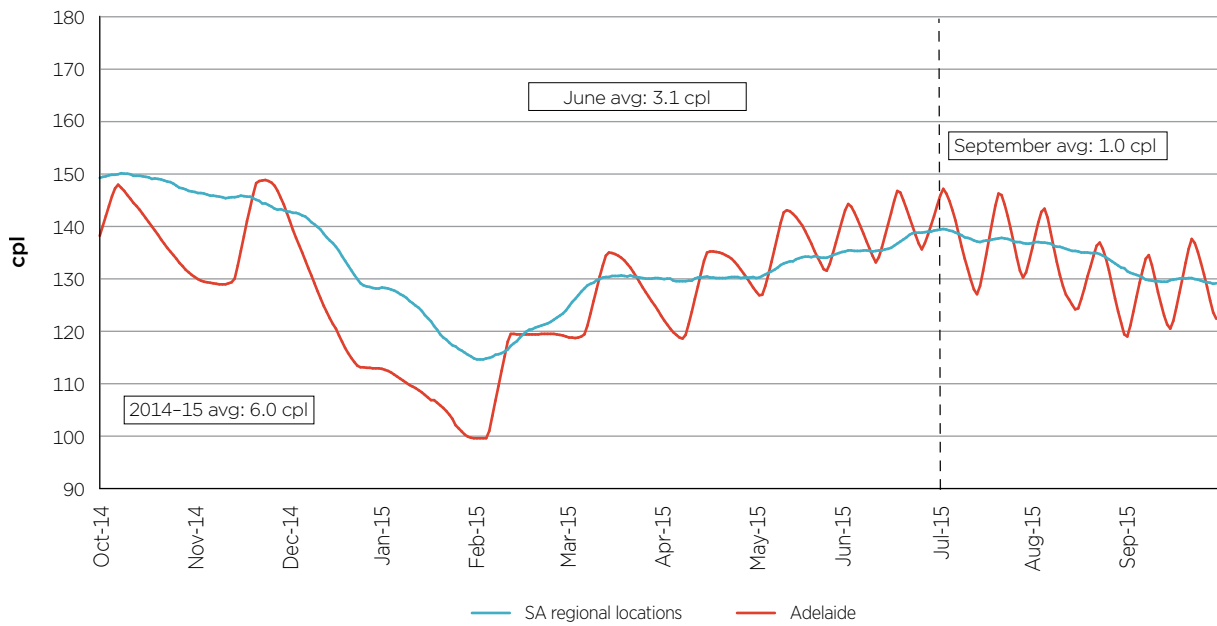
Source: ACCC calculations based on FUELtrac data.

Chart 4.4 Seven-day rolling average petrol prices in Brisbane and Queensland regional locations: 1 October 2014 to 30 September 2015



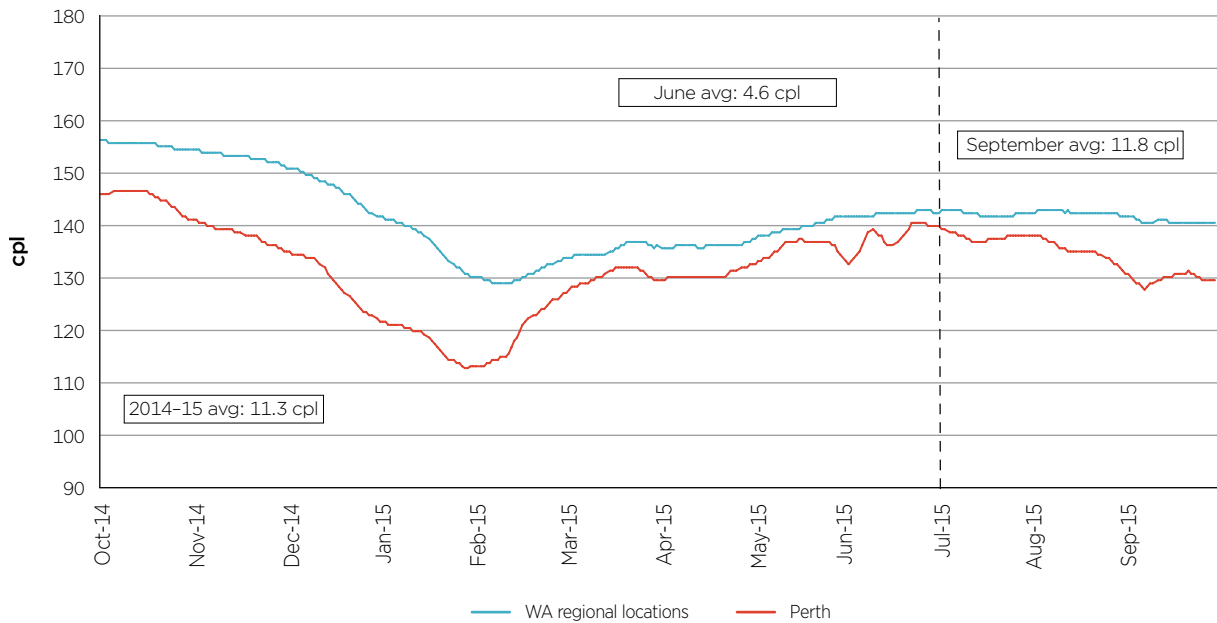
Source: ACCC calculations based on FUELtrac data.

Chart 4.5 Seven-day rolling average petrol prices in Adelaide and South Australian regional locations: 1 October 2014 to 30 September 2015



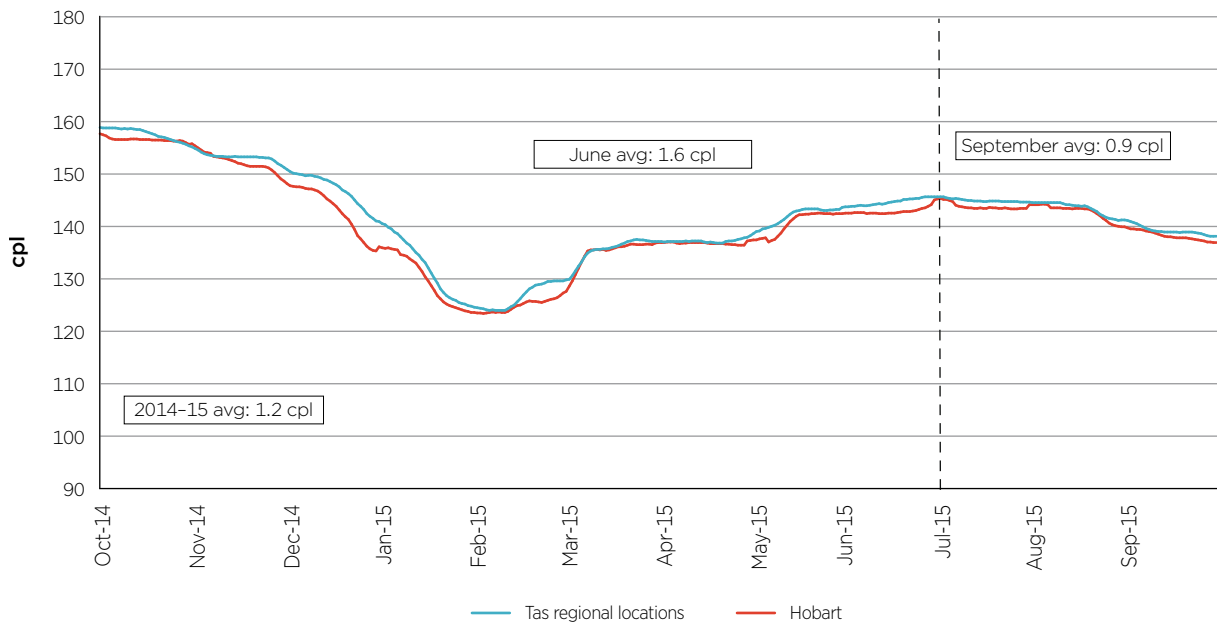
Source: ACCC calculations based on FUELtrac data.

Chart 4.6 Seven-day rolling average petrol prices in Perth and Western Australian regional locations: 1 October 2014 to 30 September 2015



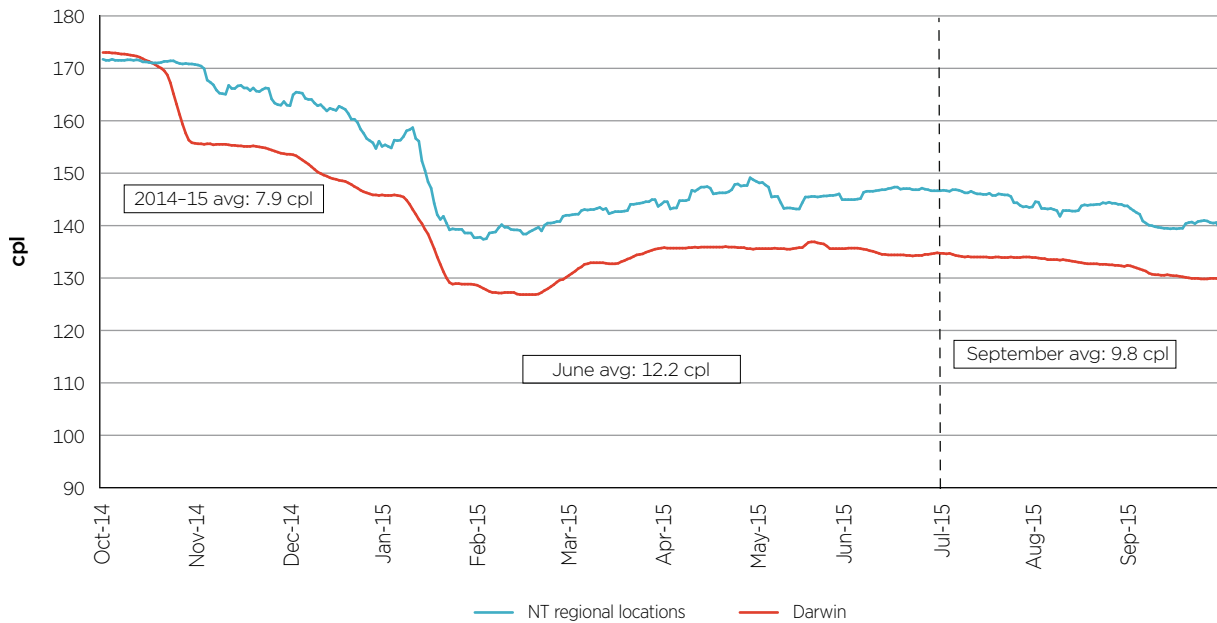
Source: ACCC calculations based on FUELtrac data.

Chart 4.7 Seven-day rolling average petrol prices in Hobart and Tasmanian regional locations: 1 October 2014 to 30 September 2015



Source: ACCC calculations based on FUELtrac data.

Chart 4.8 Seven-day rolling average petrol prices in Darwin and Northern Territory regional locations: 1 October 2014 to 30 September 2015



Source: ACCC calculations based on FUELtrac data.

5 International price movements

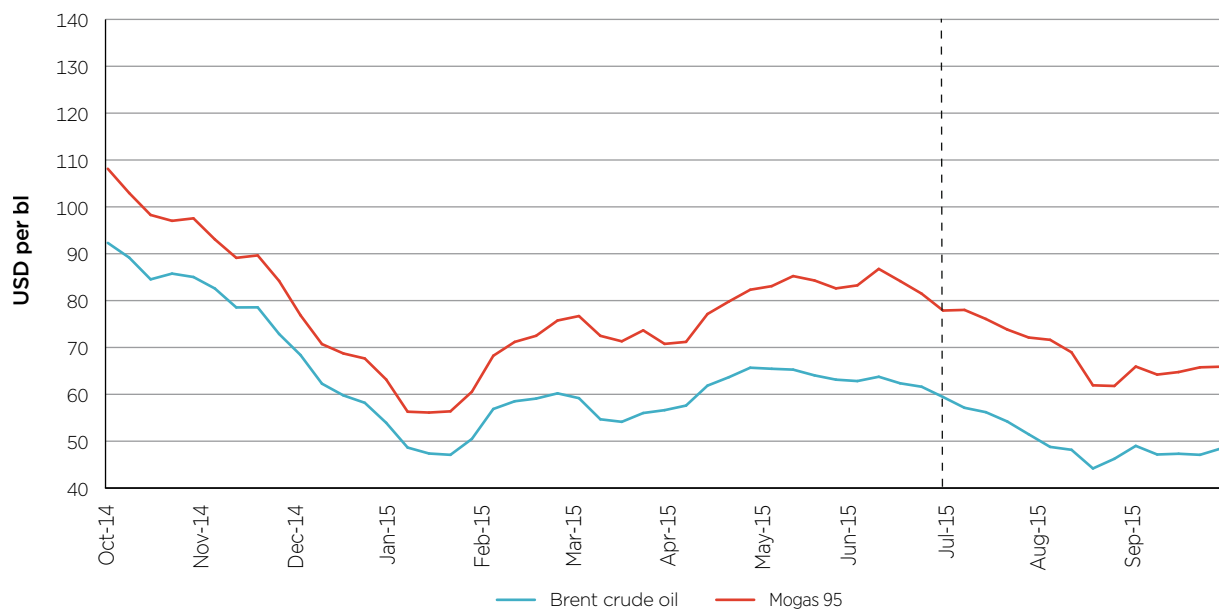
The main influences on retail petrol prices in Australia are the international price of refined petrol (which is influenced by the price of crude oil) and the AUD-USD exchange rate.

5.1 Crude oil and refined petrol

Crude oil prices are an important influence on movements in refined petrol prices around the world. There are a number of international benchmarks used for pricing crude oil, including West Texas Intermediate (WTI), Brent, Tapis and Dubai. The most widely used benchmark on global markets is Brent crude oil.

The relevant international benchmark price for petrol in Australia is the price of refined petrol in the Asia-Pacific region—Singapore Mogas 95 Unleaded (Mogas 95). This benchmark is used for pricing petrol in Australia due to Singapore being one of the most important trading and refining centres globally, and its proximity to Australia.

Chart 5.1 Weekly average Brent and Mogas 95 prices: 1 October 2014 to 30 September 2015



Source: ACCC calculations based on Platts data.

Chart 5.1 shows that weekly average Brent crude oil prices decreased from a high of around USD 92 per barrel in October 2014 to around USD 47 per barrel in mid-January 2015—a decrease of USD 45 per barrel or 49 per cent. Prices then steadily increased to around USD 65 per barrel in May 2015, before falling to USD 47 per barrel (28 per cent) at the end of September 2015.

The sharp decline in crude oil prices beginning in July 2014 was influenced by a number of factors, including: an increase in the global supply of crude oil; the decision by the Organization of the Petroleum Exporting Countries in November 2014 to not reduce output in response to falling crude oil prices; and reduced growth in demand. Prices decreased in the September quarter 2015 due to excess production in the Middle East and slower economic growth in China.

Mogas 95 prices followed a similar pattern to Brent crude oil prices. Weekly average Mogas 95 prices decreased from a high of around USD 108 per barrel in October 2014 before decreasing to around USD 55 per barrel by mid-January 2015. Prices subsequently increased by USD 31 per barrel (56 per cent) to around USD 87 per barrel in June 2015, before falling to USD 66 per barrel (24 per cent) at the end of September 2015.

In the September quarter 2015 the difference between Mogas 95 and Brent prices was on average USD 19 per barrel. The relatively high difference between refined petrol prices and crude

oil in the September quarter 2015 was due to increasing demand for refined petrol, particularly from the US and India.

In the September quarter 2015:

- Weekly average Brent crude oil prices decreased from around USD 61 per barrel (Australian (A) 50 cpl) at the start of July 2015 to around USD 47 per barrel (A 42 cpl) at the end of September 2015—a decrease of USD 14 per barrel (A 8 cpl).
 - Weekly average Brent crude oil prices reached a low of around USD 39 per barrel (A 34 cpl) in August, which was the lowest price in USD terms since February 2009.
- Weekly average Mogas 95 prices decreased from around USD 78 per barrel (A 65 cpl) at the start of July 2015 to around USD 66 per barrel (A 59 cpl) at the end of September 2015—a decrease of USD 12 per barrel (A 6 cpl).

5.2 AUD-USD exchange rate

The AUD-USD exchange rate is a significant determinant of Australian retail petrol prices because the international benchmark prices of refined petrol are bought and sold in United States dollars in global markets.

Chart 5.2 Daily AUD-USD exchange rates: 1 October 2014 to 30 September 2015



Source: Reserve Bank of Australia (RBA) data.

Note: Exchange rates are the daily RBA 4 pm closing rates. See: <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

Chart 5.2 shows that at the beginning of October 2014 the AUD-USD exchange rate was around USD 0.87. From early November 2014 it decreased significantly to a low of around USD 0.76 in early April 2015. The exchange rate increased to around USD 0.81 in mid-May, before decreasing to around USD 0.77 at the end of June 2015.

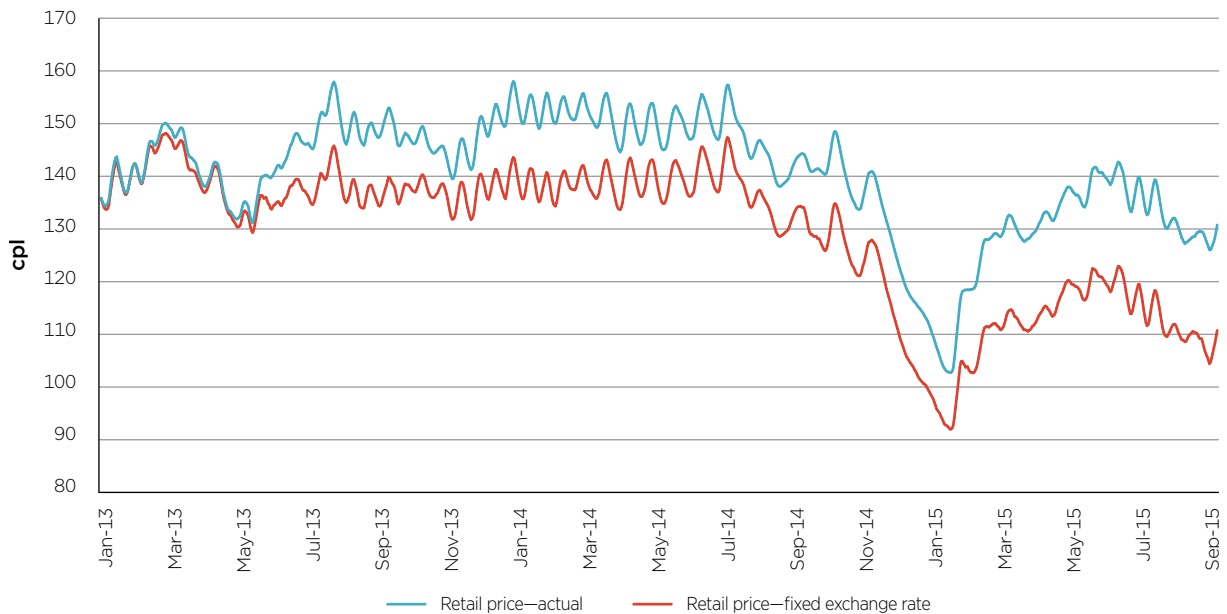
The average AUD-USD exchange rate in the September quarter 2015 was USD 0.73. This was USD 0.13 (15 per cent) lower than the average in the December quarter 2014 (USD 0.86).

Over the quarter the AUD-USD exchange rate decreased by around USD 0.07, from around USD 0.77 at the end of June 2015 to around USD 0.70 at the end of September 2015. As a result, retail petrol prices in Australia did not fall by as much as they would have if the AUD-USD had remained at a high level.

5.2.1 Effect of the exchange rate in recent years

Over the past two years the AUD-USD exchange rate has decreased leading to higher retail prices. Chart 5.3 shows that if the AUD-USD exchange rate had stayed at its highest level (USD 1.05) since January 2013, on average the retail petrol price in the September quarter 2015 would have been around 20 cpl lower.

Chart 5.3 Seven-day rolling average retail petrol prices in the five largest cities, actual and fixed exchange rates: 1 January 2013 to 30 September 2015



6 Diesel and LPG prices

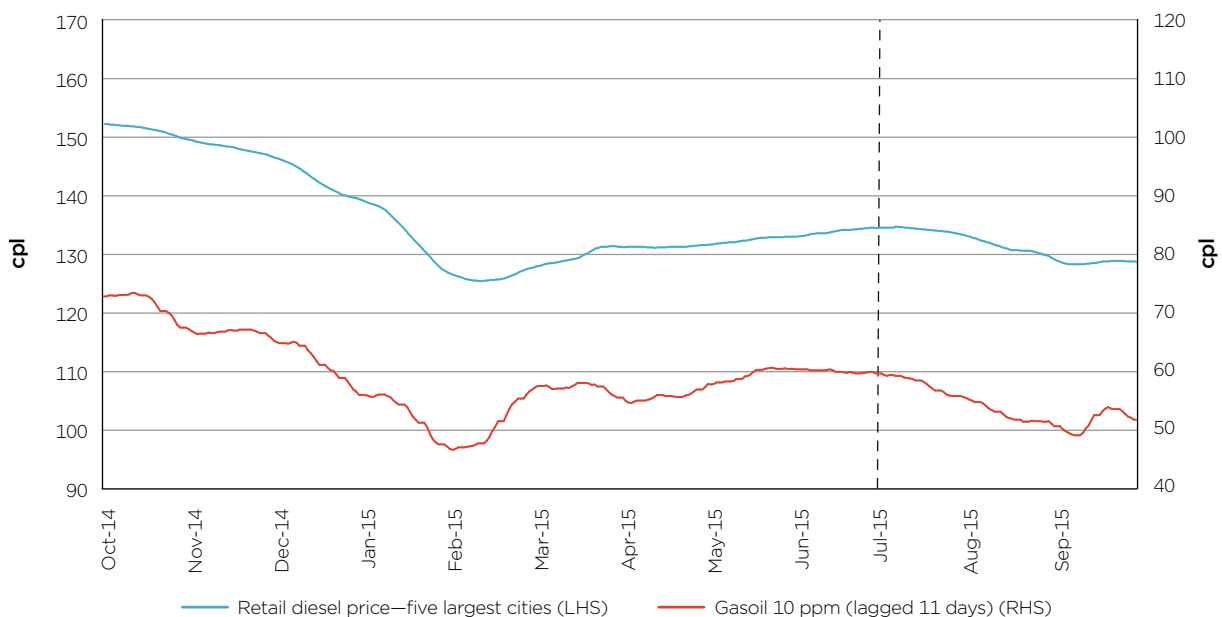
Retail prices of petrol, diesel and LPG generally move in line with their respective international benchmark prices, which are influenced by different supply and demand factors.

6.1 Diesel price movements

The appropriate international benchmark price for diesel is the price of Singapore Gasoil with 10 parts per million sulphur content (Gasoil 10 ppm). International demand for diesel is different from that for petrol, in part because of diesel's off-road, industrial and electricity generation uses. However, both petrol and diesel are refined from crude oil and their prices will tend to follow broadly similar movements over the long term.

In the short term, retail diesel prices in the five largest cities tend to be less responsive to movements in Gasoil 10 ppm prices, both up and down, than retail petrol prices are to movements in Mogas 95 prices. There are fewer passenger vehicles that use diesel than use petrol. Furthermore, diesel also tends to be used by less price-sensitive consumers than petrol (diesel use is high in European cars, SUVs, and commercial vehicles). Retail diesel prices tend to be less volatile and do not have price cycles.

Chart 6.1 Seven-day rolling average retail diesel prices in the five largest cities and Gasoil 10 ppm prices: 1 October 2014 to 30 September 2015



Source: ACCC calculations based on FUELtrac, Platts and RBA data.

Chart 6.1 shows that between October 2014 and September 2015 retail diesel prices in the five largest cities broadly followed movements in Gasoil 10 ppm prices.

Gasoil 10 ppm prices decreased from around 78 cpl in early October 2014 to around 54 cpl by the end of September 2015—a decrease of 24 cpl. Over the same period retail diesel prices also decreased by around 24 cpl—from around 152 cpl in early October 2014 to around 128 cpl at the end of September 2015.

In the September quarter 2015, Gasoil 10 ppm prices decreased by around 9 cpl, while retail diesel prices fell by around 6 cpl.

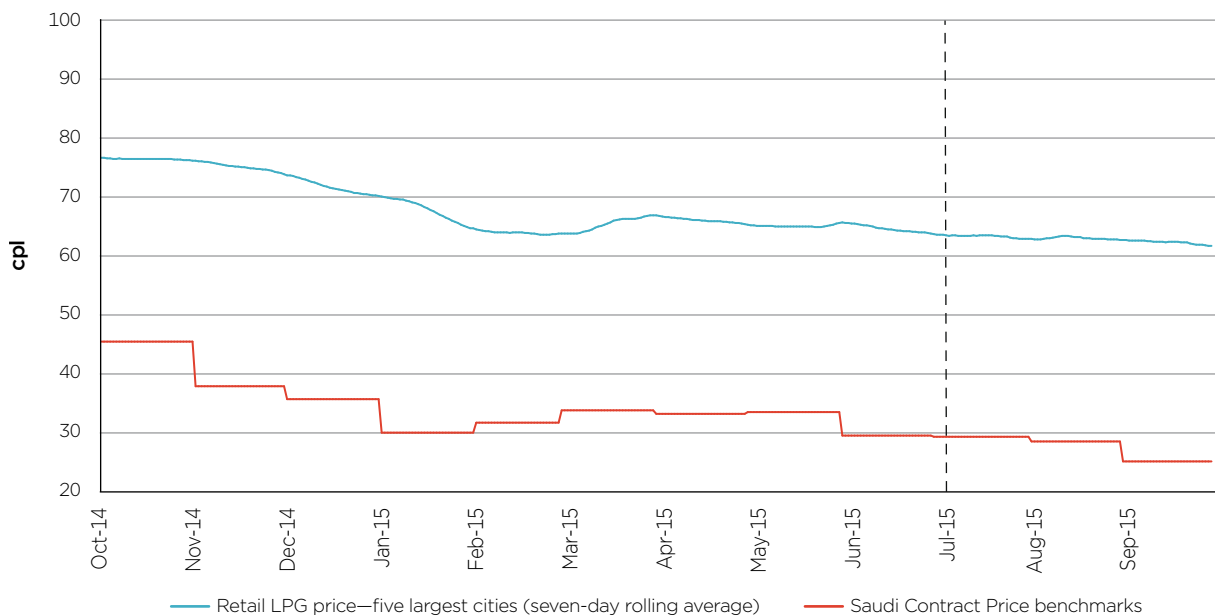
6.2 LPG price movements

The appropriate benchmarks for LPG are the Saudi Aramco Contract Prices for propane and butane (Saudi CP benchmarks). These prices only change once a month, at the start of each month. International LPG prices loosely move in line with international refined petrol or diesel prices.

As the Saudi CP benchmarks only change at the start of each month, the relationship between movements in the international benchmark prices and retail prices for LPG is somewhat different from petrol and diesel. Furthermore, international LPG prices are influenced by non-transport factors such as demand for heating, particularly in the northern hemisphere.

Australian retail LPG prices, like diesel prices, tend to be less volatile than petrol prices and do not have price cycles. LPG usage in Australia is significantly less than petrol and diesel usage, and there are fewer retailers of LPG, particularly outside Victoria (where around half of Australia's LPG usage occurs).

Chart 6.2 Seven-day rolling average retail LPG prices in the five largest cities and Saudi CP benchmarks: 1 October 2014 to 30 September 2015



Source: ACCC calculations based on FUELtrac, RBA and Gas Energy Australia data.

Like petrol and diesel prices, retail LPG prices decreased over the 12 months to September 2015.

Chart 6.2 shows that the Saudi CP benchmarks decreased by around 4 cpl in the September quarter 2015. In September 2015 the Saudi CP benchmarks were 24.8 cpl—this was the lowest price in Australian dollar terms since May 2004.

Over the quarter, retail LPG prices decreased by 2 cpl to around 62 cpl at the end of September 2015. Retail prices did not fall by as much as the Saudi CP benchmarks because the rate of excise increased by 2.5 cpl on 1 July 2015, and by a further 0.1 cpl on 1 August 2015.

Appendix A—Key points from the Darwin petrol market study

Petrol prices in Darwin were significantly higher than in other capital cities

Between 2000–01 and 2010–11 Darwin motorists paid on average around 10 cents per litre (cpl) more for petrol than motorists in the five largest cities (i.e. Sydney, Melbourne, Brisbane, Adelaide and Perth). In 2011–12 the price differential between Darwin and the five largest cities began to increase, and in the two-year period 2012–13 to 2013–14 the price differential averaged over 19 cpl. Similar trends and price differentials were observed for diesel sales in Darwin.

Petrol prices in Darwin relative to Katherine also increased between 2011–12 and 2013–14, and were on average around 5 cpl higher during that period, despite the smaller size of Katherine and its more remote location. Movements in petrol prices in Alice Springs and Tennant Creek were similar to those in Darwin during this period.

The decrease in the number of independents in the Darwin market in recent years combined with weak retail competition led to higher profits

Between 2007 and 2015, the reduction in the number of independent retail sites and the associated consolidation of the Darwin retail market meant that four retailers set prices for most of the petrol sold in Darwin.¹⁴

When Archer Capital became the major shareholder of Ausfuel in May 2010, it did not increase Ausfuel's market share but it did appear to change its behaviour. Subsequent to the Archer Capital acquisition, Ausfuel became the clear leader of petrol price increases in the Darwin market. At the same time there was a lack of retailers with a discounting strategy to win market share.

This combination of factors enabled petrol retailers in Darwin to increase their margins and profits at the expense of motorists.

Net profit per site in Darwin in 2013–14 was 10 times the Adelaide average

In 2013–14 (the latest financial year data available) net profit per site in Darwin was around \$1.2 million.¹⁵ This compares with Adelaide where net profit per site for most of the same companies in 2013–14 was between \$100 000 to \$200 000. Moreover, net profit per site in Darwin more than doubled between 2009–10 and 2013–14.

Looking at petrol only, and so ignoring convenience store sales, the retail net margin in Darwin in 2013–14 on a cents per litre basis was around 13 cpl, which was 11 cpl higher than in Adelaide.¹⁶

The high profits in Darwin compared with other cities, such as Adelaide, are reflected in the large difference between gross indicative retail differences (GIRDs) in Darwin and Adelaide. GIRDs are the difference between retail prices and published wholesale prices (or terminal gate prices (TGPs)). GIRDs are a broad indicator of gross retail margins.

In 2013–14 the annual average GIRD in Darwin was 24.2 cpl compared with 7.1 cpl in Adelaide. Higher operating costs explain some of the higher GIRDs in Darwin relative to Adelaide. However, the majority of the difference between retail petrol prices in Darwin and Adelaide was due to higher retail profit on petrol sold in Darwin.

On a per litre of fuel sold basis (i.e. all grades of petrol, diesel and automotive LPG), retail unit net profit in Darwin was around 20 cpl in 2013–14, compared with around 3 cpl across Australia.¹⁷

14 Independent retail sites are sites which (a) are not owned or operated by the major retailers, and (b) whose retail prices are not determined by the major retailers. These sites may or may not trade under a major brand (e.g. BP).

15 Net profit per site broadly equates to earnings before interest and tax, and does not take account of head office costs.

16 The net margin on petrol was calculated as the annual average retail petrol price less the annual average TGP, average operating costs allocated to petrol sales, and GST at the retail level.

17 Retail unit net profit is the net profit made by fuel retailers for each litre of fuel sold. It includes profit made on non-fuel products (such as convenience store sales) and takes account of head office costs.

The increase in Darwin margins has imposed a significant cost on motorists

The increase in GIRDs for petrol in Darwin between 2011–12 and 2013–14 was costly for Darwin motorists. During that period GIRDs in Darwin were around 11 cpl higher than in the previous seven years (averaging 9.5 cpl), adding around \$26 million to the petrol bill for Darwin motorists during those three years, or around \$9 million per year.

In the first nine months of 2015, GIRDs for petrol in Darwin have returned to close to their previous long-term average. This has reduced costs to motorists by around \$6 million for the nine-month period.

The Darwin petrol market is very concentrated

In 2013–14 four retailers—Puma Energy, Coles Express, Woolworths and United—set prices for 97 per cent of petrol sold in Darwin. Between February 2007 and May 2015, the proportion of independent retail petrol sites in Darwin decreased from 27 per cent to 8 per cent.

From mid-2010 a change occurred in the Darwin petrol market when Archer Capital became the major shareholder in Ausfuel. This was followed in March 2013 by Puma Energy's purchase of Ausfuel.

At the import and wholesale levels, the market is also relatively concentrated. Five companies—Puma Energy, Caltex, Viva Energy, United and BP—have capacity at the Vopak import terminal (which is the only terminal in Darwin).

Puma Energy has the largest market share at the wholesale and retail levels in Darwin, has considerable distribution operations and has access to its own import supply through its ties to Trafigura, one of the world's largest oil and mineral traders.

Higher margins and profits in Darwin are a result of weak retail competition

The ability of petrol retailers in Darwin to pass on more of the increases in TGPs than decreases in TGPs led to the significant growth in GIRDs from 2011 to October 2014. During that time only around 15 per cent of the decrease in TGPs was passed on by retailers, compared with around 35 per cent of the increase in TGPs. This reflects the absence of a sufficient number of retailers in Darwin willing to 'chase volumes' through discounting their prices.

The relatively weak retail competition in Darwin was due in part to the presence of a large player (Ausfuel and subsequently Puma Energy) that increased prices at its sites as a block. After Archer Capital became the major shareholder of Ausfuel in mid-2010, Ausfuel was the clear leader of petrol price increases in the Darwin market. This leadership was important to the increase in profits in petrol retailing in Darwin.

The pricing behaviour of Ausfuel and Puma Energy was accommodated by the pricing behaviours of Coles Express and Woolworths. Coles Express and Woolworths quickly followed price increases by Ausfuel and Puma Energy and typically did not lead retail fuel prices lower. Even though United's strategy is to typically price below the market, this did not have a major effect in the Darwin market and did not appear to drive prices lower. The small number of independents in Darwin did not disrupt the behaviour of the major retailers.

Pricing behaviours have changed substantially in recent months

Since the Northern Territory Fuel Summit in October 2014, and the ACCC announcement of the Darwin market study in March 2015, retail pricing behaviour in Darwin changed. The decrease in TGPs in late 2014 and early 2015 was more than fully passed through to retail prices. As a result, monthly average GIRDs decreased by 27.9 cpl over the nine-month period from October 2014 to June 2015.

Monthly average petrol prices in Darwin in June 2015 were 134.9 cpl, which was 5.7 cpl lower than in the five largest cities (140.6 cpl). This was the first time that monthly average Darwin prices were lower than in the five largest cities since the ACCC started to regularly collect Darwin prices in January 2000.

In September 2015 Darwin motorists paid on average just over 1 cpl more for petrol than motorists in the five largest cities.

Further entry has the potential to substantially increase competitive rivalry among fuel retailers

There are three major barriers to entry into fuel retailing in Darwin. They are:

- access to fuel on competitive terms
- access to suitable sites
- the risk associated with the long-term nature of investments in petrol.

While these barriers are substantial they are not insurmountable. Caltex opened two new retail sites in Darwin in the last two years and United is also looking to establish a new retail site. It is too early to gauge the effect of Caltex's entry on competition. In general, the effect on competition will crucially depend on the ability of the entrant to adopt a discounting strategy to win market share, and its willingness to do so. The ACCC notes the proposal by the Northern Territory Government to offer prime land for a retail petrol site to offer discounted prices.

Increased transparency and promotion of effective competition are the way forward

There are several steps that could be taken to increase transparency and promote effective competition in the Darwin market. These include:

- regular publication of GIRDs and benchmarking against other locations
- providing current retail prices to motorists
- regular reporting on market concentration
- continued monitoring by the ACCC of future merger activity in Darwin fuel markets
- promotion of effective new entrants into the market
- changing the Northern Territory Government's fuel supply arrangements.

Appendix B—Fuel price data

The ACCC monitors fuel prices in all capital cities and around 190 regional locations across Australia.¹⁸

Monthly average retail petrol prices for June and September 2015 and the change between the two are shown in table B1 below.¹⁹ It also shows the differential between average petrol prices in the five largest cities and in each regional location in September 2015 and in financial year 2014–15.

Table B1 Monthly average petrol prices in June and September 2015 and the city–country differential in September 2015 and 2014–15

Location	June 2015	September 2015	Change (Jun to Sep)	Differential Sep-15	Differential 2014–15
Sydney	140.1	130.1	-10.0		
Melbourne	139.3	127.6	-11.7		
Brisbane	144.6	130.6	-14.0		
Adelaide	140.6	129.0	-11.6		
Perth	138.2	129.3	-8.9		
Five largest cities	140.6	129.3	-11.3		
Hobart	143.1	137.8	-5.3	8.5	11.0
Canberra	144.5	132.8	-11.7	3.5	8.7
Darwin	134.9	130.4	-4.5	1.1	15.7
New South Wales					
Albury	138.3	130.9	-7.4	1.6	3.5
Armidale	143.0	140.1	-2.9	10.8	10.6
Ballina	138.1	135.9	-2.2	6.6	6.2
Batemans Bay	140.6	137.0	-3.6	7.7	
Bathurst	141.0	129.4	-11.6	0.1	4.9
Bega	146.2	140.1	-6.1	10.8	11.5
Broken Hill	144.4	141.7	-2.7	12.4	12.0
Bulahdelah		141.2		11.9	13.3
Buronga		134.9		5.6	
Casino	140.4	123.9	-16.5	-5.4	6.9
Central Coast	143.9	133.8	-10.1	4.5	6.8
Coffs Harbour	139.4	131.0	-8.4	1.7	8.1
Cooma	144.9	135.9	-9.0	6.6	10.6
Cootamundra	141.1	133.1	-8.0	3.8	8.2
Cowra	132.5	125.6	-6.9	-3.7	6.4
Deniliquin	141.6	134.6	-7.0	5.3	9.4
Dubbo	141.4	136.1	-5.3	6.8	5.0
Forbes	133.0	124.4	-8.6	-4.9	4.5

¹⁸ The number of regional locations monitored by the ACCC increased in July 2015 with the addition of the following 13 locations: Caboolture, Campbell Town, Charleville, Cloncurry, Coonabarabran, Cunnamulla, Eucla, Mansfield, Normanton, Oberon, Orbst, Weipa and Wonthaggi.

¹⁹ For a price to be included in the table there had to be a price observation on at least 75 per cent of days in the month/year. One location—Boulder—was excluded on the basis that insufficient data was available for both June and September 2015. Of the newly added regional locations, four—Coonabarabran, Normanton, Orbst and Weipa—did not have sufficient data for September 2015.

In June and September 2015 E10 prices instead of RULP prices are reported in Sydney, Cowra, Gilgandra, Glen Innes, Gunnedah, Mittagong, Ulladulla and Wellington.

The source for all prices in this appendix is ACCC calculations based on FUELtrac data.

Location	June 2015	September 2015	Change (Jun to Sep)	Differential Sep-15	Differential 2014-15
Forster	140.2	140.7	0.5	11.4	9.3
Gilgandra	140.6	140.9	0.3	11.6	
Glen Innes	136.6	126.6	-10.0	-2.7	
Goulburn	143.7	129.8	-13.9	0.5	2.5
Grafton	140.1	123.5	-16.6	-5.8	5.3
Griffith	141.7	134.1	-7.6	4.8	7.1
Gundagai	144.0	137.9	-6.1	8.6	8.7
Gunnedah	142.8	137.0	-5.8	7.7	
Hay	139.7	133.6	-6.1	4.3	6.6
Inverell	137.0	129.3	-7.7	0.0	6.2
Jerilderie	142.0	136.4	-5.6	7.1	7.9
Kempsey	140.2	134.6	-5.6	5.3	8.1
Leeton	138.3	133.7	-4.6	4.4	6.5
Lismore	138.3	131.1	-7.2	1.8	5.2
Lithgow	138.6	128.6	-10.0	-0.7	2.7
Merimbula	144.6	134.6	-10.0	5.3	10.5
Mittagong	142.9	132.7	-10.2	3.4	
Moama	130.9	128.9	-2.0	-0.4	4.5
Moree	143.3	134.6	-8.7	5.3	9.8
Moruya	144.0	133.4	-10.6	4.1	8.0
Moss Vale	148.3	144.9	-3.4	15.6	6.3
Mudgee	147.9	138.1	-9.8	8.8	10.2
Murwillumbah	144.6	142.1	-2.5	12.8	9.0
Muswellbrook	137.8	135.7	-2.1	6.4	3.8
Narrabri	145.1	136.2	-8.9	6.9	10.4
Newcastle	138.6	128.8	-9.8	-0.5	3.3
Nowra	142.8	127.9	-14.9	-1.4	6.5
Nyngan	148.1	134.4	-13.7	5.1	10.7
Oberon		137.2			
Orange	140.7	125.4	-15.3	-3.9	7.2
Parkes	141.5	131.1	-10.4	1.8	7.7
Port Macquarie	143.3	137.5	-5.8	8.2	11.2
Queanbeyan	144.9	129.1	-15.8	-0.2	7.4
Singleton	144.2	137.8	-6.4	8.5	8.7
Tamworth	142.0	138.3	-3.7	9.0	10.3
Taree	142.0	137.2	-4.8	7.9	8.1
Temora	139.6	130.1	-9.5	0.8	6.7
Tumut	144.8	137.3	-7.5	8.0	11.8
Tweed Heads South	144.8	126.5	-18.3	-2.8	4.6
Ulladulla	139.5	131.7	-7.8	2.4	
Wagga Wagga	139.7	132.0	-7.7	2.7	8.8
Wauchope	144.8	138.2	-6.6	8.9	10.8
Wellington	133.0	133.2	0.2	3.9	
West Wyalong	141.9	135.8	-6.1	6.5	
Wollongong	142.1	119.7	-22.4	-9.6	0.0

Location	June 2015	September 2015	Change (Jun to Sep)	Differential Sep-15	Differential 2014-15
Woolgoolga	141.5	134.8	-6.7	5.5	11.7
Yass	142.2	135.7	-6.5	6.4	7.2
Northern Territory					
Alice Springs	140.9	139.4	-1.5	10.1	24.7
Katherine	137.5	130.7	-6.8	1.4	14.1
Tennant Creek	162.7	152.1	-10.6	22.8	34.6
Queensland					
Atherton	144.9	142.8	-2.1	13.5	12.2
Ayr	132.7	118.5	-14.2	-10.8	2.7
Biloela	144.1	145.9	1.8	16.6	7.9
Blackall		145.3		16.0	
Blackwater	146.2	132.9	-13.3	3.6	11.4
Bowen	146.1	143.9	-2.2	14.6	10.5
Bundaberg	146.0	125.4	-20.6	-3.9	7.2
Caboolture		133.9		4.6	
Cairns	146.3	143.0	-3.3	13.7	12.3
Charleville		133.9		4.6	
Charters Towers	146.2	139.5	-6.7	10.2	10.7
Childers	142.9	130.5	-12.4	1.2	5.9
Cloncurry		152.7		23.4	
Cunnamulla		139.9		10.6	
Dalby	139.8	135.8	-4.0	6.5	7.5
Emerald	146.2	132.9	-13.3	3.6	11.0
Gladstone	145.0	132.9	-12.1	3.6	10.2
Gold Coast	143.6	132.0	-11.6	2.7	3.5
Goondiwindi	146.0	139.2	-6.8	9.9	9.9
Gympie	138.7	128.8	-9.9	-0.5	1.8
Hervey Bay	144.3	133.2	-11.1	3.9	5.6
Ingham	145.5	141.4	-4.1	12.1	9.8
Innisfail	141.1	142.9	1.8	13.6	10.9
Ipswich	145.0	128.6	-16.4	-0.7	
Kingaroy	142.1	136.8	-5.3	7.5	8.5
Longreach	148.5	143.9	-4.6	14.6	18.7
Mackay	146.0	137.8	-8.2	8.5	4.4
Mareeba	145.6	141.8	-3.8	12.5	12.6
Maryborough	139.2	129.8	-9.4	0.5	4.4
Miles		139.8		10.5	11.8
Moranbah	141.9	135.9	-6.0	6.6	12.4
Mt Isa	148.2	144.4	-3.8	15.1	16.3
Rockhampton	147.8	131.6	-16.2	2.3	10.2
Roma	144.9	140.7	-4.2	11.4	13.2
Sunshine Coast	141.1	131.6	-9.5	2.3	3.2
Toowoomba	138.6	138.7	0.1	9.4	5.0
Townsville	146.1	138.3	-7.8	9.0	7.0

Location	June 2015	September 2015	Change (Jun to Sep)	Differential Sep-15	Differential 2014-15
Tully	146.1	142.9	-3.2	13.6	11.8
Warwick	139.8	130.3	-9.5	1.0	4.1
Whitsunday	128.8	126.2	-2.6	-3.1	0.2
Yeppoon	147.1	131.5	-15.6	2.2	10.2
South Australia					
Bordertown	138.1	126.7	-11.4	-2.6	5.9
Ceduna	140.8	132.3	-8.5	3.0	10.4
Clare	138.3	129.4	-8.9	0.1	2.6
Cooper Pedy	154.8	149.8	-5.0	20.5	22.2
Gawler	141.4	130.7	-10.7	1.4	0.2
Kadina	137.8	128.9	-8.9	-0.4	2.9
Keith	140.3	132.5	-7.8	3.2	5.2
Loxton	137.0	122.9	-14.1	-6.4	2.7
Mt Gambier	136.2	129.9	-6.3	0.6	4.5
Murray Bridge	137.2	130.2	-7.0	0.9	2.8
Naracoorte	138.1	136.2	-1.9	6.9	5.0
Port Augusta	136.8	139.0	2.2	9.7	1.7
Port Lincoln	137.9	126.4	-11.5	-2.9	6.9
Port Pirie	137.0	129.5	-7.5	0.2	2.2
Renmark	130.2	119.3	-10.9	-10.0	1.8
Tailem Bend	136.5	129.7	-6.8	0.4	2.8
Victor Harbour	136.0	128.4	-7.6	-0.9	1.4
Whyalla	121.2	119.8	-1.4	-9.5	0.8
Tasmania					
Burnie	143.1	137.9	-5.2	8.6	11.6
Campbell Town		139.4		10.1	
Devonport	143.0	137.9	-5.1	8.6	11.3
Huonville	143.5	137.1	-6.4	7.8	11.6
Launceston	146.3	139.2	-7.1	9.9	13.1
New Norfolk	145.0	137.9	-7.1	8.6	14.1
Queenstown	149.6	142.4	-7.2	13.1	14.4
Smithton	148.6	142.6	-6.0	13.3	13.0
Sorell	141.8	137.0	-4.8	7.7	10.1
Ulverstone	143.2	137.3	-5.9	8.0	11.5
Wynyard	143.0	138.2	-4.8	8.9	12.0
Victoria					
Ararat	128.0	127.2	-0.8	-2.1	0.1
Bairnsdale	125.4	122.9	-2.5	-6.4	-2.2
Ballarat	127.2	123.1	-4.1	-6.2	-1.0
Benalla	138.8	135.0	-3.8	5.7	8.5
Bendigo	131.1	129.2	-1.9	-0.1	-2.9
Cobram	138.3	131.9	-6.4	2.6	5.3
Colac	137.7	130.5	-7.2	1.2	7.4
Corryong	146.3	137.3	-9.0	8.0	12.1
Echuca	131.9	129.3	-2.6	0.0	5.1

Location	June 2015	September 2015	Change (Jun to Sep)	Differential Sep-15	Differential 2014-15
Euroa	136.4	128.0	-8.4	-1.3	3.2
Geelong	139.4	125.6	-13.8	-3.7	-1.7
Hamilton	136.6	135.9	-0.7	6.6	7.6
Horsham	137.0	136.7	-0.3	7.4	8.7
Koo Wee Rup		126.3		-3.0	
Kyabram	137.0	129.0	-8.0	-0.3	4.9
Lakes Entrance	140.1	130.7	-9.4	1.4	8.6
Leongatha	141.4	132.9	-8.5	3.6	6.1
Mansfield		135.0		5.7	
Mildura	138.6	134.9	-3.7	5.6	5.8
Moe	140.3	124.6	-15.7	-4.7	4.3
Morwell	135.1	132.9	-2.2	3.6	5.0
Portland	140.0	132.7	-7.3	3.4	2.3
Sale	138.4	133.4	-5.0	4.1	3.5
Seymour	139.6	128.3	-11.3	-1.0	1.0
Shepparton	137.3	128.6	-8.7	-0.7	4.5
Swan Hill	139.7	136.9	-2.8	7.6	8.6
Traralgon	133.0	127.5	-5.5	-1.8	2.9
Wallan	138.7	126.9	-11.8	-2.4	-1.8
Wangaratta	133.8	128.1	-5.7	-1.2	3.0
Warrnambool	136.2	129.9	-6.3	0.6	0.9
Wonthaggi		132.9		3.6	
Wodonga	139.2	129.1	-10.1	-0.2	4.0
Yarrawonga	142.3	133.9	-8.4	4.6	7.3
Western Australia					
Albany	139.6	134.3	-5.3	5.0	7.0
Bridgetown	146.3	137.7	-8.6	8.4	12.4
Broome	143.1	150.3	7.2	21.0	18.5
Bunbury	139.2	136.3	-2.9	7.0	5.2
Busselton	138.1	134.7	-3.4	5.4	5.2
Carnarvon	149.1	154.2	5.1	24.9	23.7
Collie	142.1	138.9	-3.2	9.6	9.6
Dongara	152.5	146.9	-5.6	17.6	19.6
Esperance	138.8	138.0	-0.8	8.7	13.2
Eucla		159.7		30.4	
Geraldton	142.9	141.8	-1.1	12.5	10.5
Kalgoorlie	137.1	135.9	-1.2	6.6	8.1
Karratha	147.9	147.9	0.0	18.6	22.4
Manjimup	140.8	134.3	-6.5	5.0	9.4
Mount Barker		129.9		0.6	
Port Hedland	146.6	146.2	-0.4	16.9	21.1
Waroona		132.9		3.6	7.5