



AUSTRALIAN COMPETITION  
& CONSUMER COMMISSION

# Report on the Australian petroleum market

December quarter 2022

March 2023

Australian Competition and Consumer Commission  
23 Marcus Clarke Street, Canberra, Australian Capital Territory, 2601

© Commonwealth of Australia 2023

This work is copyright. In addition to any use permitted under the *Copyright Act 1968*, all material contained within this work is provided under a Creative Commons Attribution 3.0 Australia licence, with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration, diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright, but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website, as is the full legal code for the CC BY 3.0 AU licence.

Requests and inquiries concerning reproduction and rights should be addressed to the Director, Content and Digital Services, ACCC, GPO Box 3131, Canberra ACT 2601.

#### **Important notice**

The information in this publication is for general guidance only. It does not constitute legal or other professional advice, and should not be relied on as a statement of the law in any jurisdiction. Because it is intended only as a general guide, it may contain generalisations. You should obtain professional advice if you have any specific concern.

The ACCC has made every reasonable effort to provide current and accurate information, but it does not make any guarantees regarding the accuracy, currency or completeness of that information.

The ACCC obtains confidential proprietary data from Argus Media under licence, from which data the ACCC conducts and publishes its own calculations and forms its own opinions. Argus Media does not make or give any warranty, express or implied, as to the accuracy, currency, adequacy or completeness of its data and it shall not be liable for any loss or damage arising from any party's reliance on, or use of, the data provided or the ACCC's calculations.

Parties who wish to re-publish or otherwise use the information in this publication must check this information for currency and accuracy prior to publication. This should be done prior to each publication edition, as ACCC guidance and relevant transitional legislation frequently change. Any queries parties have should be addressed to the Director, Content and Digital Services, ACCC, GPO Box 3131, Canberra ACT 2601.

ACCC 03/23\_23-03

[www.accc.gov.au](http://www.accc.gov.au)

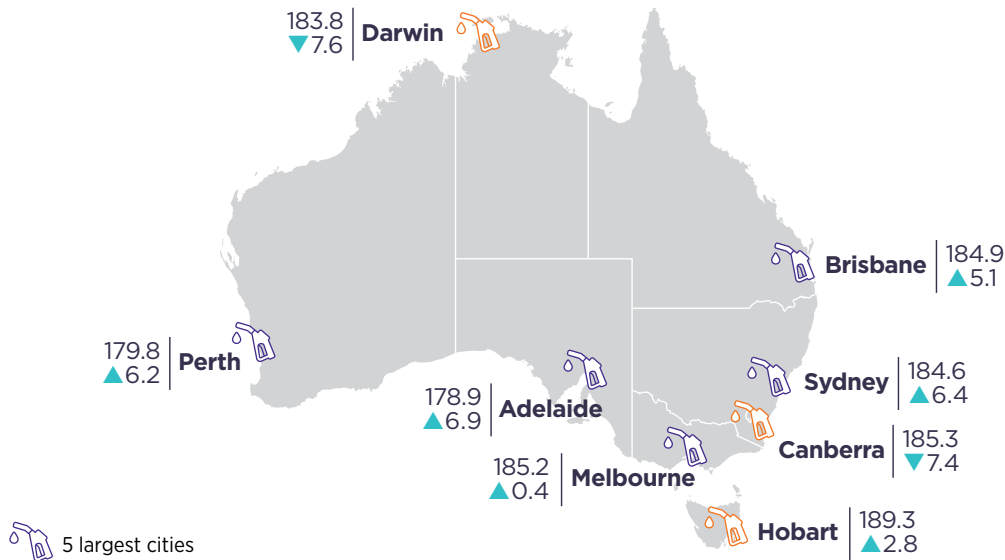
# Contents

<b>December quarter 2022 – Petrol snapshot</b>	<b>1</b>
<b>Key messages</b>	<b>2</b>
<b>1. Developments in the petroleum industry</b>	<b>10</b>
1.1 Fuel prices were a significant contributor to inflation	10
1.2 The Australian Government finalised the MSO arrangements	10
1.3 Fuel security payments were not paid in the September or December quarters 2022	10
1.4 The Australian Government consulted on fuel standards	11
1.5 Australia joined the G7 in a price cap on Russian oil	11
1.6 NSW FuelCheck expanded into the ACT	11
1.7 The FuelCheck app has been downloaded over 2.3 million times	12
1.8 The RAA SA fuel price app has been used 5.3 million times	12
1.9 The NT Government announced publication of historical fuel prices	12
1.10 The RACV partnered with EG for a 5.0 cpl discount to its members	12
1.11 OTR to acquire Puma-branded service stations in the NT	13
1.12 Mobil extended its supply agreement with 7-Eleven	13
1.13 NSW IPART announced a wholesale ethanol price for 2023	13
1.14 The NMI reported on compliance of retail fuel dispensers in 2021-22	14
1.15 There were a number of EV charging initiatives	14
<b>2. ACCC activities</b>	<b>17</b>
2.1 The ACCC monitors prices, costs and profits in the petroleum industry	17
2.2 The ACCC conducted monitoring and stakeholder liaison in the quarter	17
<b>3. Retail petrol price movements in the 5 largest cities</b>	<b>19</b>
3.1 Retail prices in the 5 largest cities increased	19
3.2 Price cycles in each of the 5 capital cities vary	20
3.3 The differential between PULP 95 and RULP prices decreased	22
<b>4. Components of petrol prices in the 5 largest cities</b>	<b>23</b>
4.1 Mogas 95 was the largest component of average retail petrol prices	23
4.2 Mogas 95 prices continued to decrease	24
4.3 The lower AUD-USD exchange rate put upward pressure on retail prices	25
4.4 Average GIRDs in the 5 largest cities were lower	25
4.5 Longer term average GIRDs were below pre-pandemic levels	28
4.6 Higher taxes were the main contributor to higher retail prices	29
<b>5. Retail petrol price movements in the smaller capital cities and in regional locations</b>	<b>31</b>
5.1 Retail prices in Canberra, Hobart and Darwin were higher than prices across the 5 largest cities	31
5.2 Average regional prices were higher than prices in the 5 largest cities for the fifth consecutive quarter	32
5.3 Regional prices were higher than capital city prices in all jurisdictions except Victoria in the quarter and in 2022	33

<b>6.</b>	<b>Crude oil and refined petrol price movements</b>	<b>36</b>
6.1	Crude oil and refined petrol prices decreased significantly	36
6.2	Refiner margins were significantly below the 10-year average	37
6.3	The OPEC cartel, COVID-19, conflict in Ukraine and increasing interest rates have been the main factors influencing crude oil prices in recent years	37
<b>7.</b>	<b>Retail diesel price movements in the 5 largest cities</b>	<b>40</b>
7.1	Retail diesel prices increased	40
7.2	Gasoil 10 ppm was the largest component of average diesel prices	41
7.3	Retail diesel prices were much higher than petrol prices	41
<b>Appendix A:</b>	<b>Petrol price data for monitored locations</b>	<b>44</b>
<b>Appendix B:</b>	<b>Petrol prices and GIRDs in regional market study locations</b>	<b>49</b>
<b>Appendix C:</b>	<b>Components of LPG prices</b>	<b>50</b>

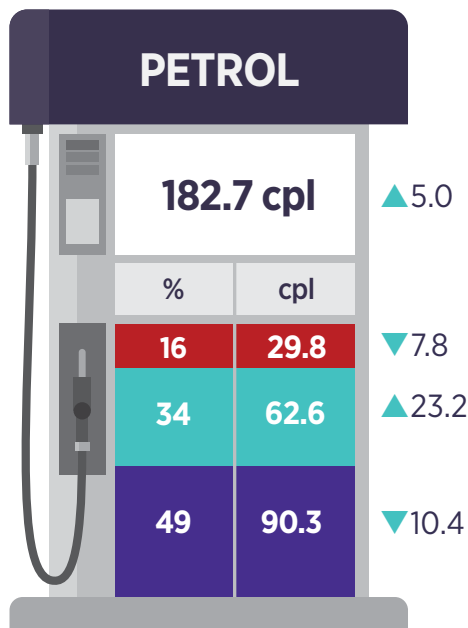
# December quarter 2022 - Petrol snapshot

## AVERAGE RETAIL PETROL PRICES



## COMPONENTS OF RETAIL PETROL PRICES

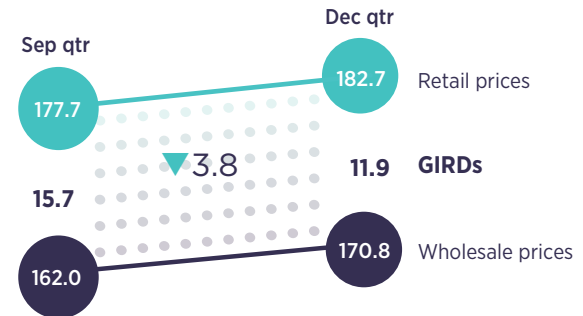
Breakdown of average petrol prices in the 5 largest cities.



- International cost of refined petrol (Mogas 95)
- Taxes (excise and GST)
- Other costs and margins (wholesale and retail)

## GROSS INDICATIVE RETAIL DIFFERENCES

GIRDs are the difference between average retail petrol prices and indicative wholesale prices in the 5 largest cities. They are a broad indicator of gross retail margins.



## DIFFERENCE BETWEEN CITY AND REGIONAL PRICES

The difference between average retail petrol prices in the 5 largest cities and average prices in over 190 regional locations.



Prices are shown in cents per litre (cpl). ▲▼ cpl change from previous quarter.

'Petrol' means regular unleaded petrol (RULP) in all capital cities.

The restoration of the full rate of fuel excise was only in effect for 2 days in the September quarter 2022. As a result, the impact of the restoration primarily occurred in the December quarter 2022.

Percentages in the components bowser do not sum to 100 due to rounding.

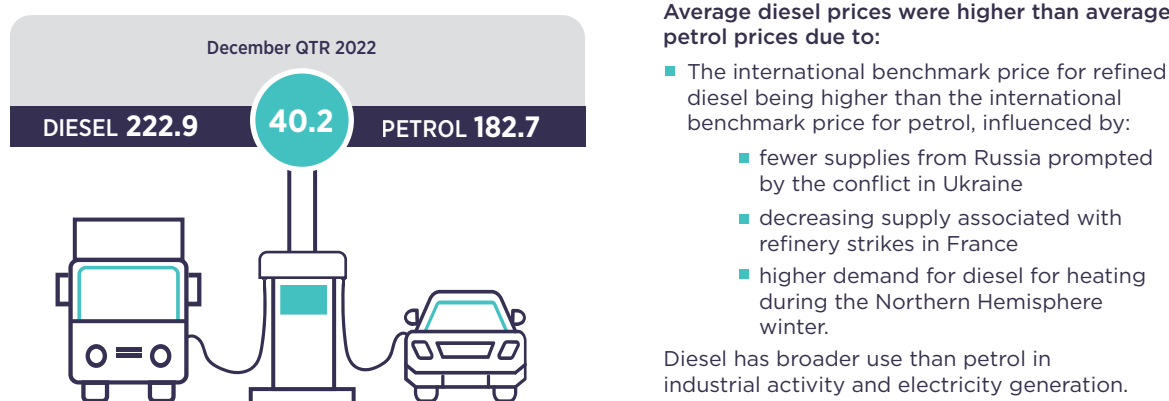
# Key messages

## Diesel prices were significantly higher than petrol prices in the quarter due to higher international refined diesel prices

Average retail diesel prices were over 40.0 cents per litre (cpl) higher than average retail petrol prices in the 5 largest cities (Sydney, Melbourne, Brisbane, Adelaide and Perth) in the December quarter 2022.<sup>1</sup>

The following figure shows the difference in these prices and the main contributing factors.

### Quarterly average retail diesel and petrol prices in the 5 largest cities and the difference between them: December quarter 2022 - cpl



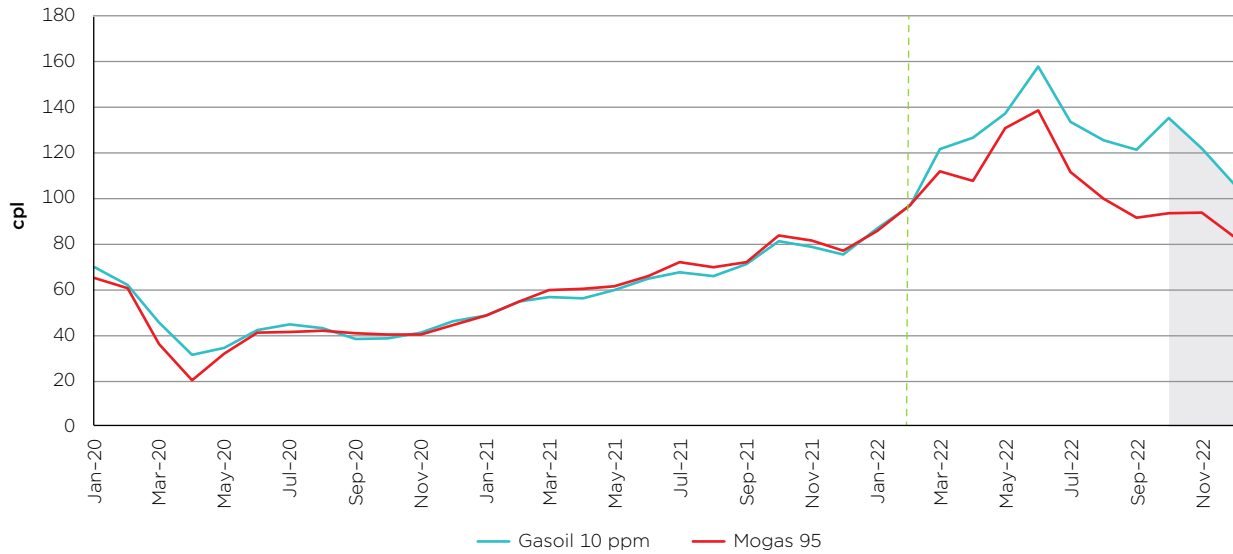
Source: ACCC calculations based on data from FUELtrac.

The price of Singapore Gasoil with 10 parts per million sulphur content (Gasoil 10 ppm) is the relevant international benchmark for the wholesale price of diesel in Australia and the price of Singapore Mogas 95 Unleaded (Mogas 95) is the relevant international benchmark for the wholesale price of petrol.

The following chart shows monthly average Gasoil 10 ppm prices and monthly average Mogas 95 prices in Australian cents per litre over the past 3 years.

<sup>1</sup> In this report, 'petrol' means regular unleaded petrol (RULP) unless otherwise specified.

## Monthly average Gasoil 10 ppm and Mogas 95 prices in nominal terms: January 2020 to December 2022 – cpl



Source: ACCC calculations based on data from Argus Media and the Reserve Bank of Australia (RBA).

Notes: The shaded area in the chart represents the December quarter 2022.  
The green dotted line indicates when the Russian invasion of Ukraine began (20 February 2022).

The chart shows that prior to the Russian invasion of Ukraine on 20 February 2022 Gasoil 10 ppm prices broadly moved in a similar manner to Mogas 95 prices. However, after that, Gasoil 10 ppm prices were significantly higher:

- In the December quarter 2022, average Gasoil 10 ppm prices were 121.2 cpl, which was 30.9 cpl higher than average Mogas 95 prices (90.3 cpl).
- In comparison, in the December quarter 2021, average Gasoil 10 ppm prices were 78.5 cpl, which was 2.4 cpl lower than average Mogas 95 prices (80.9 cpl).

Retail diesel prices in the 5 largest cities, unlike petrol prices, do not move in cycles. Diesel prices may not have price cycles because a large proportion of sales are to commercial users who purchase diesel on a contractual basis.

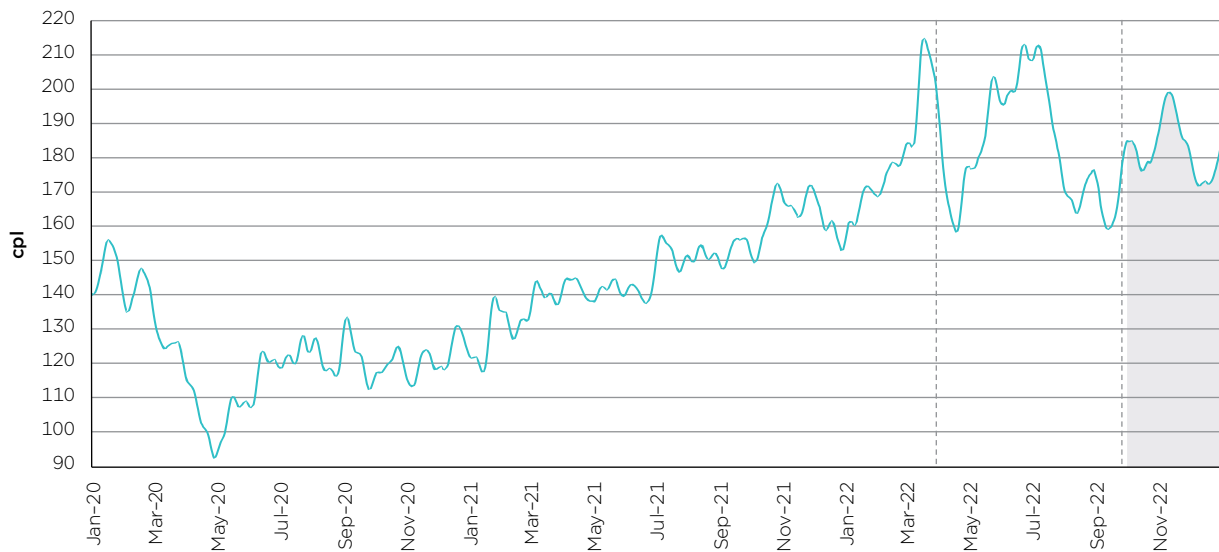
## Average retail petrol prices increased

In the December quarter 2022, average retail petrol prices in the 5 largest cities were 182.7 cpl, an increase of 5.0 cpl from the September quarter 2022 (177.7 cpl).

The following chart shows movements in 7-day rolling average retail petrol prices from 1 January 2020 to 31 December 2022.<sup>2</sup>

<sup>2</sup> A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days. Traditionally, the ACCC used a 7-day rolling average to smooth out the influence of petrol price cycles in the larger cities on retail price movements. This has been less effective in recent years because the duration of price cycles in most of the larger cities has become substantially greater than 7 days.

## Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 January 2020 to 31 December 2022 - cpl



Source: ACCC calculations based on data from FUELtrac.

Notes: The shaded area in the chart represents the December quarter 2022.

The 2 dotted lines indicate the cut in fuel excise from 30 March 2022 and the restoration of full excise from 29 September 2022.

A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days.

At the beginning of the December quarter 2022, 7-day rolling average retail petrol prices were 184.7 cpl. They reached a peak for the quarter of 199.3 cpl on 11 November 2022, influenced by the restoration of full excise in late September 2022. Prices then decreased sharply to a low of 171.7 cpl by mid-December 2022, influenced by decreasing international crude oil and refined petrol prices. Prices rose in the latter half of December 2022 and were 182.4 cpl at the end of the quarter.

## Restoration of full excise was the main contributor to the increase in retail petrol prices

On 29 March 2022, the Australian Government announced a temporary halving of the excise, and excise-equivalent customs duty rate, on petrol and diesel for 6 months. The measure commenced on 30 March 2022 and ended on 28 September 2022.

Petrol excise halved from 44.2 cpl to 22.1 cpl in March 2022. When the excise cut ceased from 29 September, the rate of excise increased from 23.0 cpl to 46.0 cpl.<sup>3</sup> ACCC monitoring found that average retail petrol prices in most locations increased by less than the expected amount from the excise restoration.<sup>4</sup>

<sup>3</sup> On 1 August 2022, the rate of excise for petrol and diesel was indexed according to movements in the Consumer Price Index and increased by 0.9 cpl, bringing the rate up to 23.0 cpl.

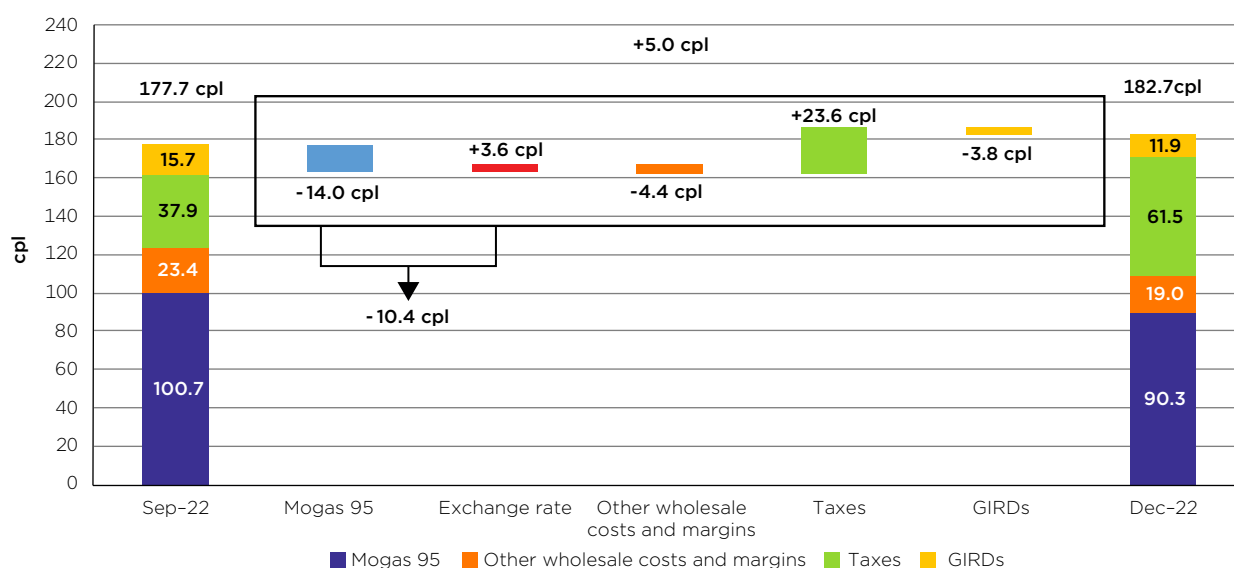
<sup>4</sup> See the ACCC's [Report on the Australian Petroleum Market September 2022](#).



The following chart shows the change in the components of average retail petrol prices in the 5 largest cities between the September and December quarters 2022. The components are:

- the international price of refined petrol (Mogas 95)
- the AUD–USD exchange rate (which has a significant influence on Australia’s retail petrol prices because international refined petrol is bought and sold in US dollars in global markets)
- taxes (excise and the GST)
- other wholesale costs and margins (which includes international shipping costs and other import costs, and wholesale costs and margins)
- retail costs and margins (represented by gross indicative retail differences (GIRDs)).<sup>5</sup>

### Changes in the components of average retail petrol prices in the 5 largest cities: September quarter 2022 to December quarter 2022



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, WA FuelWatch, the RBA and the Australian Taxation Office (ATO).

Notes: All prices are in Australian cents per litre. The taxes component includes fuel excise and wholesale GST. The small amount of retail GST is included in GIRDs rather than in taxes, to be consistent with GIRDs reported elsewhere in this report. As a result, the taxes component in this chart is different from the taxes component in 'December quarter 2022 – Petrol snapshot'. The rate of fuel excise was temporarily halved to 22.1 cpl between 30 March and 31 July 2022. After an increase due to indexation, the rate of fuel excise was 23.0 cpl between 1 August and 28 September 2022. Fuel excise was restored in full to 46.0 cpl from 29 September 2022.

The chart shows that the main contributor to the increase in average retail petrol prices in the December quarter 2022 was the increase in taxes following the restoration of the full rate of excise from 29 September 2022. However, the influence of higher excise on retail prices was considerably offset by lower Mogas 95 prices, GIRDs, and other wholesale costs and margins.

The tax component of average retail prices increased by 23.6 cpl in the December quarter 2022. The restoration of the full rate of fuel excise was only in effect for 2 days in the September quarter 2022. As a result, the impact of the restoration primarily occurred in the December quarter 2022. Compared with other developed countries, Australia’s retail petrol prices are relatively low due to a lower rate of taxation on fuel.

International refined petrol prices (which are influenced by international crude oil prices) and the AUD–USD exchange rate, largely determine retail petrol prices in Australia. The price of Singapore Mogas 95 Unleaded (Mogas 95) is the price of refined petrol in the Asia-Pacific region and is the relevant benchmark for the wholesale price of petrol in Australia. Quarterly average Mogas 95 prices in the December quarter 2022 were 90.3 cpl (a decrease of 10.4 cpl from the September quarter 2022).

<sup>5</sup> GIRDs are described on page 7.

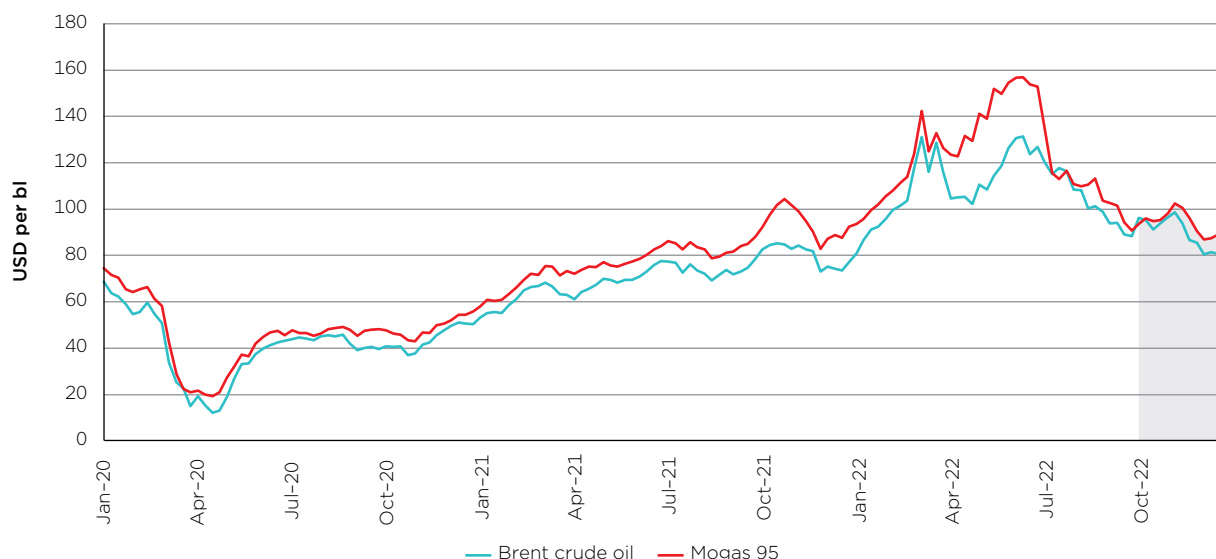
International refined petrol is bought and sold in US dollars, and a lower AUD–USD exchange rate makes it relatively more expensive in AUD terms. Excluding the effect of changes in the AUD–USD exchange rate (which decreased by US 2.7 cents on average over the quarter), Mogas 95 prices would have decreased by 14.0 cpl in the quarter. However, the decrease in the AUD–USD exchange rate partially offset the influence of the decrease in Mogas 95 prices by 3.6 cpl in Australian dollar terms. The net effect of movements in Mogas 95 prices and the AUD–USD exchange rate was that Mogas 95 prices in Australian cents per litre decreased by 10.4 cpl.

## Lower crude oil prices in the quarter reflected concerns about a global recession

In recent years, the major influences on crude oil prices have been agreements by the Organisation of the Petroleum Exporting Countries (OPEC) cartel and other crude oil producing countries (including Russia) to limit supply, the impact on demand of the COVID-19 pandemic, and geo-political events including the Russian invasion of Ukraine. These factors have generally led to increasing crude oil prices. However, in the September quarter 2022, Brent crude oil prices decreased substantially, and they continued to decrease in the December quarter 2022.

The following chart shows movements in weekly average Brent crude oil and Mogas 95 prices between January 2020 and December 2022.

**Weekly average Brent crude oil and Mogas 95 prices in nominal terms: January 2020 to December 2022**



Source: ACCC calculations based on data from Argus Media.

Note: The shaded area in the chart represents the December quarter 2022.

The key factors that influenced crude oil prices in the December quarter 2022 were:

- many central banks raised interest rates or signalled further interest rate increases, leading to concerns about a global recession and lower demand (which placed downward pressure on prices)
- a weaker USD against many currencies, reduction in global crude oil stocks and optimism over demand recovery in China (which placed upward pressure on prices).

# Average GIRDs for petrol decreased to below pre-pandemic levels

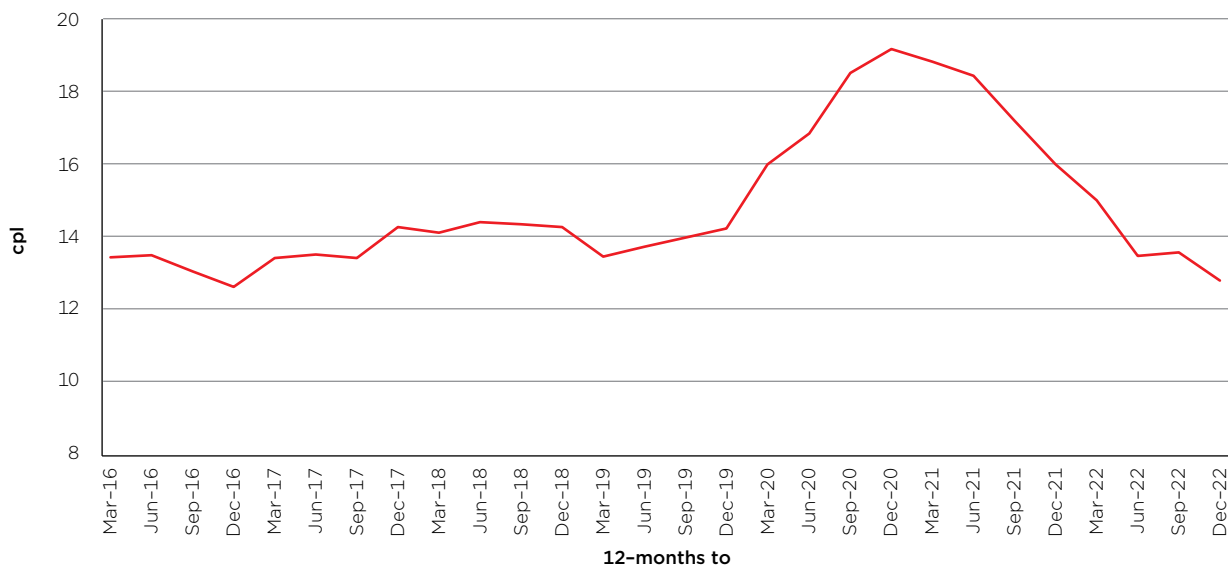
In the December quarter 2022, average GIRDs in the 5 largest cities were 11.9 cpl, a decrease of 3.8 cpl from the previous quarter (15.7 cpl).

GIRDs are a broad indicator of gross retail margins. The ACCC calculates GIRDs by subtracting average Terminal Gate Prices (TGPs) from average retail petrol prices. TGPs are prices that wholesalers charge for petrol in the spot market. The major wholesalers post these prices on their websites on a regular basis. Although few wholesale transactions occur at TGPs, they are indicative wholesale prices. TGPs, which vary across brands and cities, reflect the wholesale price of petrol only, and exclude other retail operating costs (such as freight, the cost of using a particular brand and other costs of doing business including rent, wages, and utility costs). As GIRDs are a broad indicator of gross retail margins, they should not be confused with actual retail profits, which are more closely related to net margins.

GIRDs reported by the ACCC are averages across the 5 largest cities over time. The level of prices, costs and profits vary significantly between retail operations and not all retail petrol sites will have these gross margins. Some will have higher gross margins, others lower. The ACCC's petrol market studies published between 2015 and 2017 found that actual profits per retail petrol site could vary considerably between retailers, with some retail sites making substantial profits and others making very little.

The following chart shows 12-month average GIRDs in **real** terms across the 5 largest cities, calculated at the end of each quarter over the last 7 years.<sup>6</sup>

**Twelve-month average GIRDs in the 5 largest cities in real terms: March 2016 to December 2022**



Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil, Viva Energy and WA FuelWatch, and Australian Bureau of Statistics (ABS), [6401.0 Consumer Price Index, Australia, December 2022](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 21 February 2023.

Note: **Real** values are shown in December 2022 dollars.

<sup>6</sup> This calculation uses average retail prices and average TGPs over 12-month periods to the end of each quarter.

The chart shows that across the 5 largest cities there was a substantial increase in **real** 12-month average GIRDs between December 2019 and December 2020 (of 4.8 cpl). In the year to December 2020, 12-month average GIRDs reached their highest level on record in both nominal and **real** terms (19.2 cpl), influenced by COVID-19 restrictions and petrol retailers experiencing lower sales volumes. Petrol retailing is a high-volume low-margin business with many fixed costs (such as rent and branding). This means that when sales volumes decline, the cost per unit of petrol will increase. As a result, in order to keep revenue to partially cover their fixed costs, some retailers very likely kept retail prices higher than they otherwise would.

Twelve-month average GIRDs have decreased by 6.4 cpl in **real** terms since December 2020 and were 12.8 cpl in the December quarter 2022, below pre-pandemic levels.

## Petrol prices in the smaller capital cities and regional locations on average were higher than prices in the 5 largest cities

In the December quarter 2022, average retail prices decreased in Canberra and Darwin by 7.4 cpl and 7.6 cpl, respectively. Average retail prices increased in Hobart by 2.8 cpl. Average retail prices in each of these cities were above the average price across the 5 largest cities (182.7 cpl).

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. In the December quarter 2022, average prices in regional locations in aggregate (regional prices) were 187.0 cpl, an increase of 0.1 cpl from the September quarter 2022. Regional prices were 4.3 cpl higher than average prices in the 5 largest cities. Quarterly average regional prices were higher than prices in the 5 largest cities for the fifth consecutive quarter.

## Fuel price transparency increased in 2 jurisdictions

The ACCC has long supported fuel price transparency schemes which can help consumers save money on fuel and promote retail competition.

In November 2022, the Australian Capital Territory (ACT) and New South Wales (NSW) Governments agreed to expand the NSW fuel price transparency scheme (FuelCheck) to include retail sites in the ACT as part of a 6-month pilot.

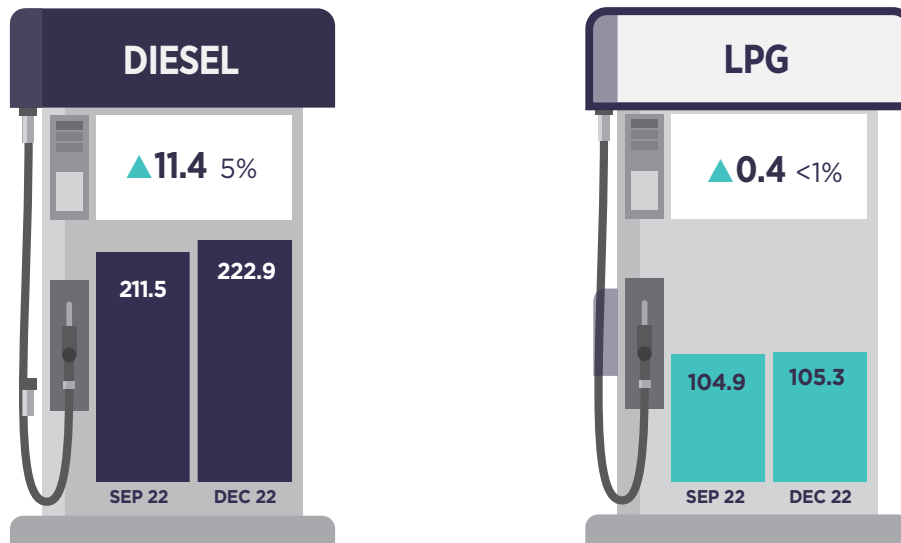
With this announcement, Victoria is the only jurisdiction in Australia without a real-time and comprehensive fuel price transparency scheme.

Also in November 2022, in the context of debating the fuel price disclosure bill in the Northern Territory (NT) Legislative Assembly, the Treasurer of the NT announced that the NT Government would begin publishing historical fuel price data. The Treasurer noted that this would make it clear to motorists which outlets have had the lowest retail prices over time and facilitate researcher, motoring and consumer organisations to undertake similar analysis.

Currently Western Australia, NSW and Queensland publish historical site-specific retail fuel price data.

## Diesel and LPG prices increased

The following figures show the change in quarterly average retail diesel and LPG prices in the 5 largest cities between the September and December quarters 2022.<sup>7</sup>



Source: ACCC calculations based on data from FUELtrac.

Notes: Prices shown are in cents per litre (cpl).

▲▼ cpl change from previous quarter.

## The Treasurer gave the ACCC a new monitoring Direction

On 14 December 2022, the Treasurer, the Hon Dr Jim Chalmers MP, issued a Direction to the Australian Competition and Consumer Commission (ACCC) to monitor the prices, costs and profits relating to the supply of petroleum products in the petroleum industry in Australia for a further 3 years.<sup>8</sup> The Direction, issued under section 95ZE of the *Competition and Consumer Act 2010* (CCA), took effect from 15 December 2022.

The Direction is in the same form as the previous Direction issued in December 2019. It requires the ACCC to report to the Treasurer at least once per quarter from 1 January 2023. The ACCC's reports will include regular quarterly reports on movements in prices in the capital cities and regional locations across Australia, and industry reports on specific topics.

<sup>7</sup> References to LPG in this report refer to automotive LPG. Chapter 7 shows the components of diesel prices in the quarter, and Appendix C shows the components of LPG prices.

<sup>8</sup> Australian Government, [Competition and Consumer \(Price Monitoring – Petroleum Fuels\) Direction 2022](#), Federal Register of Legislation.

# 1. Developments in the petroleum industry

## 1.1 Fuel prices were a significant contributor to inflation

In the December quarter 2022, the Consumer Price Index (CPI, a measure of inflation in the Australian economy) increased by 1.9%, which was marginally higher than in the September quarter 2022 (1.8%).<sup>9</sup> Automotive fuel prices increased by 2.2%. In calendar year 2022, the CPI increased by 7.8%, with automotive fuel increasing by 13.2%.

## 1.2 The Australian Government finalised the MSO arrangements

On 11 November 2022, the Minister for Climate Change and Energy, the Hon Chris Bowen MP, announced details of the operation of the Minimum Stockholding Obligation (MSO) from 1 July 2023.<sup>10</sup> The MSO is part of the fuel security package introduced in 2021.<sup>11</sup> The aim of the MSO is to improve domestic fuel reserves to ensure Australia has a reliable and available stockpile of fuel to protect consumers from major disruptions to supply.

The MSO applies to the 2 refineries in Geelong and Lytton and importers of refined fuels that meet certain volume thresholds.<sup>12</sup> They are required to hold the following baseline stocks:

- petrol – 24 days from 1 July 2023 (increasing to 27 days in 2024 for importers)
- diesel fuel – 20 days from 1 July 2023 (increasing to 32 in 2024 for importers)
- jet fuel – 24 days from 1 July 2023 (increasing to 27 days in 2024 for importers).

Other elements of the MSO announced by the Minister were:

- each regulated entity will have a specific obligation determined with reference to the national target and their own operations
- refiners and importers will be required to report stock levels fortnightly (which will become weekly from 1 July 2024)
- transitional arrangements will allow industry time to prepare for the full implementation of the scheme in 2024 and safeguard fuel supplies.

## 1.3 Fuel security payments were not paid in the September or December quarters 2022

Fuel security services payments to domestic refiners began on 1 July 2021, as part of the Fuel Security Package 2021–22.<sup>13</sup> They aim to secure Australia's long-term refining capabilities by paying refiners a production payment during loss-making periods. Payments are made to the participating refineries (Geelong and Lytton) between the following ranges: 0 cpl when the margin marker is at or above

---

9 Australian Bureau of Statistics, [Consumer Price Index, Australia, December Quarter 2022](#), accessed on 21 February 2023.

10 The Hon Chris Bowen MP, Minister for Climate Change and Energy, [Australia's fuel reserves boosted to strengthen resilience and supply](#), media release, 11 November 2022, accessed on 21 February 2023.

11 See: Australian Government, [Fuel Security Act 2021](#), Federal Register of Legislation.

12 The annual national import or production volumes that a refiner or importer must exceed in order to be subject to the MSO are 250ML for diesel and 200ML for petrol. These volumes capture approximately 98% of each product that enter the Australian market. See: [Explanatory statement Fuel Security \(Minimum Stockholding Obligation\) Rules 2022](#).

13 See ACCC, [Report on the Australian petroleum market - June quarter 2021](#), 14 September 2021, p 15.

\$10.20 per barrel and a maximum of 1.8 cpl when the marker drops to \$7.30 per barrel. The margin marker is calculated separately for each refinery.

There were no fuel security services payments made in the first 2 quarters of 2022–23.<sup>14</sup>

## 1.4 The Australian Government consulted on fuel standards

On 18 November 2022, the Australian Government released for consultation a draft Regulation Impact Statement (RIS) on fuel quality standards in Australia prepared by the Department of Climate Change, Energy, the Environment and Water (DCCEEW).<sup>15</sup> The draft RIS sought feedback on policy options to improve fuel quality to implement Euro 6d light vehicle noxious emissions standards. These standards decrease the amount of sulphur and aromatic hydrocarbons in petrol that are currently allowed by Australian fuel standards.

DCCEEW stated that improved fuel quality standards could lead to better air quality, improved health outcomes, ensuring that the latest and cleanest vehicle technology works as designed, and greater access to more efficient vehicles. DCCEEW is seeking to implement an option that would allow introduction of Euro 6d standards at the lowest cost to consumers and without compromising Australia's fuel security.

DCCEEW stated that its preferred option was to introduce a limit of 35% aromatic hydrocarbons for PULP 95 and to make no changes to the standards for RULP or PULP 98. The likely cost increase to consumers of this option was estimated to be very small (around 0.5 cpl). DCCEEW noted that the government had already committed to reduce the maximum concentration of sulphur to the Euro 6d standard in 2024.

Submissions closed on 16 December 2022.

## 1.5 Australia joined the G7 in a price cap on Russian oil

On 2 December 2022, G7 countries plus Australia agreed to a price cap of USD 60 per barrel of seaborne Russian-origin crude oil.<sup>16</sup> The price cap is designed to maintain a reliable supply of oil to the global market while reducing the revenue Russia earns from oil. This forms part of a suite of measures Australia has introduced to impose costs on Russia for its invasion of Ukraine.

## 1.6 NSW FuelCheck expanded into the ACT

On 4 November 2022, the ACT Government announced that, in collaboration with the NSW Government, it was introducing the NSW FuelCheck scheme to the ACT as part of a 6-month pilot.<sup>17</sup> The NSW FuelCheck website and app provide comprehensive information on fuel prices in NSW to consumers.

However, unlike operators of service stations in NSW which are required to register with FuelCheck, operators of service stations in the ACT can opt-in to provide real-time fuel pricing to FuelCheck.<sup>18</sup>

---

14 Department of Climate Change, Energy, the Environment and Water, [Fuel security services payment](#), accessed on 21 February 2023.

15 The Hon Chris Bowen MP, Minister for Climate Change and Energy, and the Hon Catherine King MP, Minister for Infrastructure, Transport, [Consultation opens for fuel quality standards](#), joint media release, 18 November 2022, accessed on 21 February 2023.

16 Department of Foreign Affairs, [Russia - Australia implements the G7 price cap on Russian oil](#), news, 7 December 2022, accessed on: 21 February 2023.

17 Tara Cheyne MLA, Minister for Business, and Shane Rattenbury MLA, Minister for Consumer Affairs and Minister for Energy, [FuelCheck now available in the ACT in a boost to Canberra motorists](#), joint media release, 4 November 2022, accessed on 21 February 2023.

18 See: NSW Government, Fair Trading, [Fuelcheck](#), and ACT Government, Fair Trading, [NSW FuelCheck trial](#), accessed on 21 February 2023.

The ACT Government said that it would be monitoring the operation of FuelCheck over the next 6 months to review its effectiveness in the ACT market.

It also noted that, during the trial, it would work with commercial electric vehicle (EV) charging operators to add EV charging stations to the FuelCheck pilot.

With the ACT Government's announcement, this leaves Victoria as the only jurisdiction without a real-time and comprehensive fuel price transparency scheme.

## 1.7 The FuelCheck app has been downloaded over 2.3 million times

On 19 December 2022, the NSW Government stated that the NSW FuelCheck app had been downloaded more than 2.3 million times.<sup>19</sup> This was an increase of around 100,000 downloads over 3 months.<sup>20</sup> It also noted that the FuelCheck website had received 23 million visits since it was launched in 2016.

## 1.8 The RAA SA fuel price app has been used 5.3 million times

On 19 October 2022, the Royal Automobile Association of South Australia (RAA SA) stated that there had been 5.3 million fuel price checks on its myRAA app since it was launched in March 2021.<sup>21</sup>

A survey of 600 myRAA app users in July 2021 found that motorists were saving an average of \$28.10 a month – or \$337.20 a year – by comparing prices charged at various service stations before filling up.

## 1.9 The NT Government announced publication of historical fuel prices

On 30 November 2022, in the context of debating the fuel price disclosure bill in the NT Legislative Assembly, the Treasurer of the NT, the Hon Eva Dina Lawler MLA, announced that the NT Government would be publishing historical fuel price data.<sup>22</sup> She noted that this would make it clear to motorists which outlets have had the lowest retail prices over time and facilitate researcher, motoring and consumer organisations to undertake similar analysis.

Currently Western Australia, NSW and Queensland publish historical site-specific retail fuel price data.

## 1.10 The RACV partnered with EG for a 5.0 cpl discount to its members

On 9 December 2022, the Royal Automotive Club of Victoria (RACV) announced it was partnering with EG Australia to offer RACV members a discount of 5.0 cpl at more than 540 participating EG Ampol fuel and convenience sites across Australia.<sup>23</sup> RACV members have access to the discount by downloading the offer from the RACV's discount fuel webpage.

---

19 Treasurer and Minister for Customer Service and Digital Government, [Servo savings: the cheapest stations to fill up these holidays](#), media release, 19 December 2022, accessed on 21 February 2023.

20 On 28 September 2022 Mr Dominello said that the FuelCheck app had been downloaded more than 2.2 million times. See: Treasurer and Minister for Customer Service and Digital Government, [App helps drivers save on petrol as fuel excise discount ends](#), media release, 28 September 2022, accessed on 21 February 2023.

21 RAA SA, [Pump up the savings as fuel excise bites](#), RAA Daily, 19 October 2022, accessed on 21 February 2023.

22 Legislative Assembly of the Northern Territory, [Draft Daily Hansard, Wednesday 30 November 2022](#), p 37, accessed on 21 February 2023.

23 RACV, [RACV & EG Australia delivering fuel savings for RACV Members](#), RACV News, accessed on 21 February 2023.



RACV members can combine the 5.0 cpl saving through RACV membership with a 4.0 cpl discount with a Woolworths Everyday Reward Card and an additional 4.0 cpl discount if they spend \$5 or more in-store at EG Ampol when they fill up.

## 1.11 OTR to acquire Puma-branded service stations in the NT

On 22 December 2022, OTR announced that it has entered into an agreement with Chevron Australia Downstream to acquire its company-operated Puma branded service stations in the NT and northern Western Australia.<sup>24</sup>

OTR is a South Australian fuel retailer operating over 170 petrol and convenience stores across Australia. The deal reportedly involves 17 Puma branded service stations.<sup>25</sup>

In addition, Mogas Regional, which is owned and operated by the Peregrine Corporation group, has entered into an agreement to acquire Directhaul Pty Ltd and related commercial supply and haulage business assets. Mogas Regional will own and manage Directhaul and work closely with Chevron Australia Downstream to distribute its products to customers in the NT.

The sale is expected to be completed by March 2023.

## 1.12 Mobil extended its supply agreement with 7-Eleven

On 18 October 2022, Mobil Oil Australia Pty Ltd (Mobil), a subsidiary of ExxonMobil Australia Pty Ltd, announced that it had signed an 11-year agreement extending the sale of Mobil fuels at 7-Eleven Australia's convenience stores.<sup>26</sup> The agreement builds on an initial long-term deal signed in 2014, and means that Mobil will remain the exclusive fuel supplier to 7-Eleven in Australia to at least 2033.

## 1.13 NSW IPART announced a wholesale ethanol price for 2023

On 21 December 2022, the Independent Pricing and Regulatory Tribunal (IPART) in NSW announced that it had determined a reasonable wholesale price for fuel ethanol from 1 January to 31 December 2023 of 167.2 cpl (excluding GST).<sup>27</sup> This was 17.9 cpl (around 12%) higher than the determined price for 2022 (149.3 cpl).

IPART stated that the increase was mostly due to the higher mill-gate price, and that the increase in mill-gate price and fuel costs is likely to continue with the war in Ukraine affecting agriculture and energy markets.

If producers sell wholesale ethanol for more than the reasonable wholesale price, fuel retailers can apply for an exemption from meeting the ethanol mandate in NSW. The mandate requires retailers to ensure that 6% of all fuel they sell is ethanol. IPART sets the ethanol price based on what it would cost retailers if they had to buy ethanol from overseas.

IPART also noted that in 2022 around 23% of fuel sold in the NSW retail market was E10.

---

24 OTR, [OTR enters agreement to acquire Puma service stations in the Northern Territory](#), 22 December 2022, accessed on 21 February 2023.

25 Petrol Plaza, [OTR to acquire 17 Puma stations as it enters Australia's Northern territory](#), News, 12 January 2023, accessed on 21 February 2023.

26 ExxonMobil, [Mobil quality fuel available at 7-Eleven through to 2033](#), 18 October 2022, accessed on 21 February 2023.

27 IPART, [Wholesale price for fuel ethanol from 1 January 2023](#), 21 December 2022, accessed on 21 February 2023.

## 1.14 The NMI reported on compliance of retail fuel dispensers in 2021-22

The National Measurement Institute (NMI) administers the *National Measurement Act 1960* and associated regulations to ensure that for trade purposes: measuring instruments are fit for purpose, measurements are made correctly, and representations about measurements are accurate. In December 2022, the NMI released its annual report on legal metrology compliance activities and outcomes in 2021-22.<sup>28</sup>

With respect to compliance of retail fuel dispensers it found that:

- of 3,970 fuel dispensers tested in 2021-22, 87 (2.2%) were delivering more fuel than indicated on the display to the benefit of consumers while 227 (5.7%) were delivering less fuel
- the vast majority of dispensers delivering less fuel to consumers were inaccurate in the range of one to 3 times the maximum permissible error of 0.3%. This equates to between 30 cents and 90 cents for every \$100 of fuel delivered. If applied to 5.7% of all fuel sales in 2021-22, this would amount to between \$9 million and \$29 million in aggregate detriment for the community
- of 264 fuel-related complaints received by the NMI in 2021-22, 35 (13.3%) were found to be justified when investigated.

NMI inspectors issue non-compliance notices whenever any breaches of trade measurement law are identified during trader audits. Available enforcement actions include warning letters, infringement notices with associated fines, enforceable undertakings, and referral to the Commonwealth Director of Public Prosecutions for injunction or potential prosecution.

In 2021-22 the NMI was also responsible for administering compliance with the *Fuel Quality Standards Act 2000*. Under this program, the NMI undertook sampling and testing to help maintain the integrity of liquid fuel composition throughout Australia.

In 2021-22 the NMI conducted 384 fuel quality audits and non-compliance was found at 20 sites (5.2%). Of these 20 sites, 19 fuel samples failed to conform to the fuel quality standards and 2 did not comply with the correct ethanol labelling requirements.

## 1.15 There were a number of EV charging initiatives

### The Australian Government supported a National EV Charging Network

On 25 October 2022, in the 2022-23 Budget, the Australian Government established the Driving the Nation fund to invest in cheaper and cleaner transport.<sup>29</sup> Funding included \$39.8 million over 5 years from 2022-23 to establish a National EV Charging Network to deliver 117 fast charging stations on highways across Australia, in partnership with the National Roads and Motorists' Association (NRMA).

### The NSW Government supported more fast charging bays for EVs

On 23 October 2022, the NSW Treasurer and Minister for Energy, Matt Kean, announced that the NSW Government was investing \$39.4 million in the first round of Fast Charging Grants to co-fund 86 new fast and ultra-fast EV charging stations.<sup>30</sup> The successful applicants were Ampol, bp, Evie Networks, Tesla, the NRMA and Zeus Renewables. All stations will be built over the next 24 months with a mix of highway and inner-city sites.

---

28 National Measurement Institute, [Legal Metrology Compliance in 2021-22](#), December 2022, accessed on 21 February 2023.

29 Australian Government, [Budget October 2022-23, Budget measures, Budget paper No 2](#), 25 October 2022, p 17, accessed on 21 February 2023.

30 Treasurer and Minister for Energy, [NSW supercharges EV rollout](#), media release, 23 October 2022, accessed on 21 February 2023.

The NSW Government has a target to add approximately 250 fast and ultra-fast charging stations in total across NSW, ensuring chargers are no more than 5 km apart in metropolitan areas and no more than 100 km apart on major roads and highways across NSW. The second round of co-funding is expected to open towards the end of 2023.

## The RAA SA commenced roll out of an EV charging network

On 23 December 2022, the RAA SA announced the rollout of SA's EV charging network, with construction underway at several site locations across metro and greater Adelaide.<sup>31</sup> The first batch of AC fast chargers were being installed at new sites in Marion, Woodside, West Lakes, Hahndorf, Mount Gambier, and the Adelaide CBD and were expected to be available for use by the end of January 2023.

These were the first of more than 140 planned charging sites being installed for SA's border-to-border EV charging network. The network will be a mix of AC (fast) and DC (rapid and ultra-rapid) charging sites, with at least 75% of the sites planned for regional SA.

The network is an initiative of the SA Government, which awarded the RAA SA a grant earlier in 2022 to establish an EV charging network in the state. The roll out is expected to be completed by early 2024.<sup>32</sup>

## bp launched its EV charging brand in Australia

On 16 November 2022, bp announced the launch of its global electrification brand in Australia with the opening of bp pulse fast charge points at bp Bayside at Brighton East in Melbourne.<sup>33</sup> The launch is the commencement of bp's ambitions for around 600 charge points in Australia. Sites at Diamond Creek in Victoria and Caboolture in Queensland also opened to the public.

---

31 RAA SA, [RAA breaks ground on South Australia's EV charging network](#), RAA Daily, 23 December 2022, accessed on 21 February 2023.

32 RAA SA, [First sites for SA's electric vehicle charging network to be announced soon](#), RAA Daily, 5 October, 2022, accessed on 21 February 2023.

33 bp Australia, [bp pulse electric vehicle charging goes live in Australia](#), 16 November 2022, accessed on 21 February 2023.

## EV charging availability has grown in recent years



Public EV charging availability has grown in Australia in recent years. In June 2022, there were 3,669 public charging stations across 2,147 locations in Australia, compared with 1,653 locations in August 2021.<sup>34</sup>

This growth is also reflected in the sale of EVs. In October 2022, 3.4% of all new cars sold in Australia in the preceding year were EVs. In 2021, only 2% of new cars sold were EVs.<sup>35</sup> However, despite the growth of EV sales and public charging availability, EVs currently account for a small proportion of the Australian car fleet.<sup>36</sup>

In 2022, 2 fuel retailers entered the EV charging market. Ampol launched its Ampcharge brand in August 2022 and currently has 5 charging locations.<sup>37</sup> As noted in section 1.15, bp launched bp pulse in November 2022 and currently has 8 charging locations.<sup>38</sup> Ampcharge and bp pulse currently offer EV charging for 69 cents/kWh<sup>39</sup> and 55 cents/kWh, respectively.<sup>40</sup> Assuming that it takes 18 kWh to travel 100 kilometres<sup>41</sup>, the average cost using an EV charge at Ampol and bp charging sites would be around \$11.16. This is just over half the estimated cost of travelling the same distance using petrol (around \$20.30).<sup>42</sup> If motorists charged their electric vehicles at home, then the difference in refuelling costs would be considerably larger.

34 Electric Vehicle Council, [State of Electric Vehicles](#), October 2022, p 14, accessed on 21 February 2023.

35 Electric Vehicle Council, [State of Electric Vehicles](#), October 2022, p 8, accessed on 21 February 2023.

36 Bureau of Infrastructure and Transport Research Economics, [Motor Vehicles, Australia January 2022 \(First Issue\)](#), October 2022, p 11, accessed on 21 February 2023.

37 Ampol, [AmpCharge](#), accessed on 21 February 2023.

38 bp, [Energising the future of mobility: Welcome to bp pulse](#), accessed on 21 February 2023.

39 The Driven, [‘Pretty steep:’ Ampol increases fast-charging prices for EV drivers by 15%](#), 7 February 2023, accessed on 21 February 2023.

40 bp, [FAQs](#), accessed on 21 February 2023.

41 Carbar, [What are the actual running costs of an EV?](#), 27 April 2022, accessed on 21 February 2023.

42 Based on estimated consumption of 11.1 litres per 100 kilometres (ABS, [Survey of Motor Vehicle Use, Australia 12 Months ended 30 June 2020](#), 21 December 2020, accessed on 21 February 2023), and an average petrol price in the 5 capital cities in the December 2022 quarter of 182.7 cpl.

## 2. ACCC activities

### 2.1 The ACCC monitors prices, costs and profits in the petroleum industry

The ACCC is an independent Commonwealth statutory agency that promotes competition, fair trading, and product safety for the benefit of consumers, businesses, and the Australian community. The primary responsibilities of the ACCC are to enforce compliance with the competition, consumer protection, fair trading and product safety provisions of the CCA, regulate national infrastructure and undertake market studies.

In addition to those primary responsibilities, in the petrol industry the ACCC monitors prices, costs and profits relating to the supply of petroleum products in Australia under a Direction from the Treasurer.<sup>43</sup>

On 14 December 2022, the Treasurer issued a new Direction to the ACCC to monitor the prices, costs and profits relating to the supply of petroleum products in the petroleum industry in Australia for a further 3 years.

The ACCC is also responsible for administration of the Oil Code.<sup>44</sup>

Market forces determine wholesale and retail petrol prices in Australia. The ACCC does not set prices in petrol markets and does not have the powers to do so. In the absence of anticompetitive conduct that is in breach of the CCA (such as price fixing with competitors), high petrol prices are not illegal.

The ACCC's petrol monitoring role is to assist consumers to navigate this complex industry. Through its petrol monitoring reports, industry reports and other information channels, the ACCC promotes transparency in the Australian petroleum industry and improved public awareness of the factors that determine retail petrol prices. ACCC monitoring can also shine a light on and place pressure on less competitive pricing.

### 2.2 The ACCC conducted monitoring and stakeholder liaison in the quarter

#### 2.2.1 Monitoring of the cut in fuel excise and its subsequent restoration

On 29 March 2022, the Australian Government temporarily halved the excise and excise-equivalent customs duty rate on petrol and diesel for 6 months. That period ended on 28 September 2022. The Australian Government announced that the ACCC would monitor the price behaviour of retailers both when the excise rate was cut and when it was subsequently restored. ACCC activities to undertake this task, and the findings of the monitoring, were outlined in past ACCC quarterly reports.<sup>45</sup>

Our monitoring identified a small number of regional locations that had petrol price increases larger than the restoration of excise and increases in wholesale prices due to international factors (that is, an overall increase of more than 35.0 cpl).<sup>46</sup> After analysing retail site-specific price data in these locations and considering other factors (including the impact of floods), we concluded that no further action was required.

---

43 See the [Competition and Consumer \(Price Monitoring – Petroleum Fuels\) Direction 2022](#).

44 The Oil Code is a prescribed mandatory industry code of conduct, the purpose of which is to regulate the conduct of suppliers, distributors, and retailers in the downstream petroleum industry.

45 See the [March 2022, June 2022, and September 2022 quarterly reports on the Australian petroleum industry](#).

46 This increase is based on the combined increase in wholesale prices due to the excise restoration (25.3 cpl) plus movements in Mogas 95 prices (around 10.0 cpl) up to 9 November 2022.

## 2.2.2 Fuel Consultative Committee

In November 2022, the ACCC hosted a meeting of the Fuel Consultative Committee (FCC), which comprises representatives from major fuel retailers, refiner-wholesalers, peak industry associations and motoring organisations. The FCC generally meets twice a year. The information and views shared at the meeting increase the ACCC's understanding of fuel industry issues and assist it in undertaking its roles related to competition and consumer protection in the fuel industry.

Topics discussed at the FCC meeting included: ACCC monitoring of the restoration of fuel excise, ACCC fuel price monitoring activities, EV charging infrastructure, the Australian Government's fuel security package, recent influences on metropolitan and regional fuel prices, and developments in fuel price transparency arrangements.

## 2.2.3 Other stakeholder engagement and communications activity

Figure 2.1 outlines ACCC fuel-related communications activity in the December quarter 2022.

**Figure 2.1: Fuel-related inquiries and ACCC webpage views – December quarter 2022**

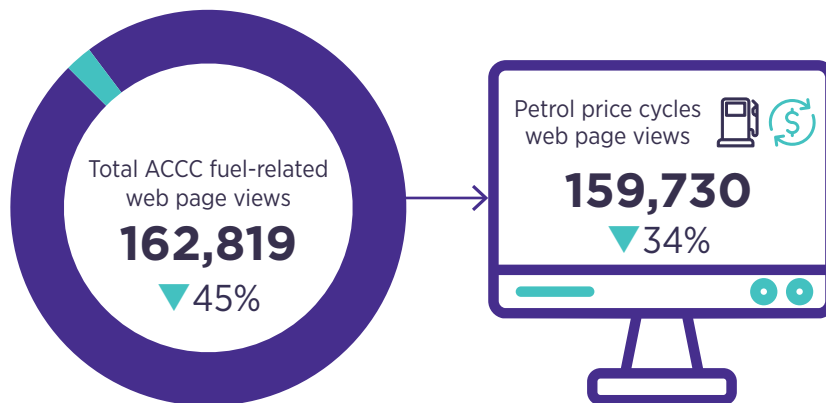


Responded to fuel-related correspondence and media enquiries on issues such as retail fuel prices, petrol price cycles, regional fuel prices, fuel price information and competition.



Fuel-related web pages were among the most viewed on the ACCC website.

### DECEMBER QUARTER 2022



Source: ACCC data.

Note: ▲▼ % change from previous quarter.

# 3. Retail petrol price movements in the 5 largest cities

This chapter focuses on petrol prices in the 5 largest cities (Sydney, Melbourne, Brisbane, Adelaide, and Perth). Chapter 5 analyses petrol prices in the smaller capital cities (Canberra, Hobart, and Darwin) and regional locations across Australia.<sup>47</sup>

## 3.1 Retail prices in the 5 largest cities increased

In the December quarter 2022, average retail petrol prices in the 5 largest cities were 182.7 cpl, an increase of 5.0 cpl from the September quarter 2022 (177.7 cpl).

Table 3.1 shows quarterly average retail prices in the December and September quarters 2022, and the change in each of the 5 largest cities.

**Table 3.1: Quarterly average retail petrol prices in each of the 5 largest cities: September quarter 2022 and December quarter 2022 – cpl**

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth	5 largest cities
Sep-22	178.2	184.8	179.8	172.0	173.6	177.7
Dec-22	184.6	185.2	184.9	178.9	179.8	182.7
<b>Change</b>	<b>6.4</b>	<b>0.4</b>	<b>5.1</b>	<b>6.9</b>	<b>6.2</b>	<b>5.0</b>

Source: ACCC calculations based on data from FUELtrac.

Table 3.1 shows that prices increased in all cities in the December quarter 2022, and that:

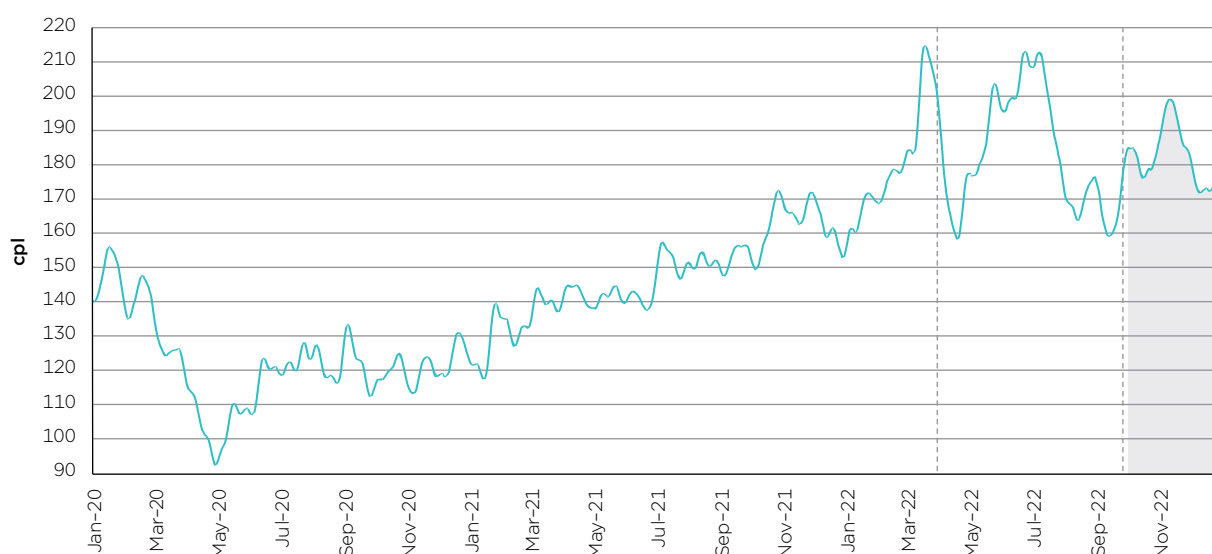
- Melbourne's average retail prices were the highest (185.2 cpl)
  - this is the second consecutive quarter when Melbourne had the highest retail prices among the 5 largest cities
- Adelaide's average retail prices were the lowest (178.9 cpl)
  - this was the seventh consecutive quarter when Adelaide had the lowest retail petrol prices
- prices increased the most in Adelaide (by 6.9 cpl) and the least in Melbourne (by 0.4 cpl).

Chart 3.1 shows that 7-day rolling average retail petrol prices in the 5 largest cities were at a record low on 29 April 2020 (92.4 cpl).<sup>48</sup> Prices began trending upwards from May 2020 before reaching a high of 214.9 cpl in March 2022. Prices then decreased sharply to a low of 158.2 cpl on 19 April 2022, largely due to the temporary cut in fuel excise in late March. From then, prices generally increased and reached a high of 213.3 cpl on 24 June 2022. Prices subsequently decreased sharply to a low of 159.2 cpl on 13 September 2022, before increasing to 183.6 cpl at the end of the September quarter 2022.

<sup>47</sup> In past quarterly reports, this chapter has included charts comparing RULP and premium unleaded petrol (PULP) prices in Australia with those in other countries in the Organisation for Economic Co-operation and Development. This information is publicly available from the DCCEE website at: [Australian Petroleum Statistics – Data Extract 2022](#), and from the Australian Institute of Petroleum's [Weekly Prices Reports](#).

<sup>48</sup> In **real** terms, they were the lowest recorded since the Prices Surveillance Authority began collecting comprehensive retail prices in all 5 cities in May 1991.

**Chart 3.1: Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 January 2020 to 31 December 2022**



Source: ACCC calculations based on data from FUELtrac.

Notes: The shaded area in the chart represents the December quarter 2022.

The 2 dotted lines indicate the cut in fuel excise from 30 March 2022 and the restoration of full excise from 29 September 2022.

A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days.

At the beginning of the December quarter 2022, 7-day rolling average retail petrol prices were 184.7 cpl. They reached a peak for the quarter of 199.3 cpl on 11 November 2022, influenced by the restoration of full excise in late September 2022. Prices then decreased sharply to a low of 171.7 cpl by mid-December 2022, influenced by decreasing international crude oil and refined petrol prices. Prices rose in the latter half of December 2022 and were 182.4 cpl at the end of the quarter.

## 3.2 Price cycles in each of the 5 capital cities vary

Price cycles (that is, the sudden, sharp increases in the price of petrol, followed by a gradual decline) are a prominent and longstanding feature of retail petrol prices in Australia's 5 largest cities. These price cycles do not occur in the smaller capital cities or in most regional locations. Price cycles are the result of pricing decisions made by some petrol retailers, and not all retailers participate in price cycles. They only occur at the retail level; wholesale prices do not exhibit similar cyclical movements.

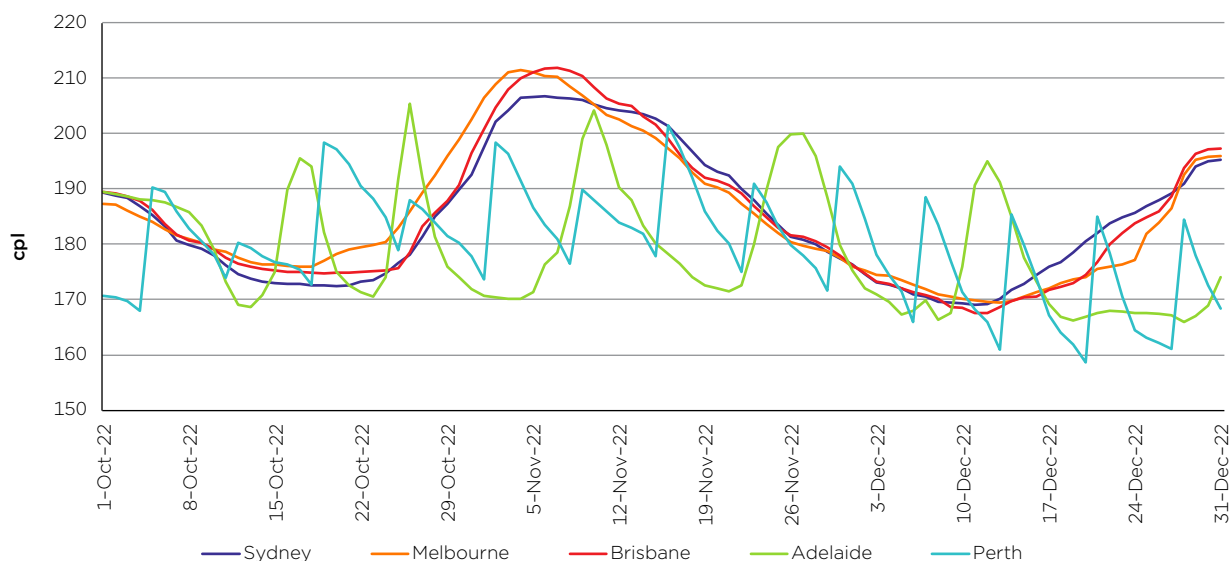
The ACCC released a report on petrol price cycles in Australia in December 2018.<sup>49</sup> The report noted that while motorists find price cycles frustrating, they could use price cycles to their advantage to make substantial savings across the year.

Chart 3.2 shows petrol price cycles in each of the 5 largest cities in the December quarter 2022.

<sup>49</sup> ACCC, [Petrol price cycles in Australia](#), 6 December 2018.



**Chart 3.2: Daily average retail petrol prices in the 5 largest cities: 1 October to 31 December 2022**



Source: ACCC calculations based on data from FUELtrac.

As shown in Chart 3.2, petrol price cycles vary among the 5 largest cities. They are also not static and change over time. Table 3.2 shows the change in price cycles in calendar year 2022.

**Table 3.2: Number of price cycles per quarter in the 5 largest cities: calendar year 2022**

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth
Mar-22	3	3	3	5	6
Jun-22	3	3	3	5	7
Sep-22	2	3	2	7	9
Dec-22	2	1	1	5	13
<b>2022</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>22</b>	<b>35</b>

Source: ACCC calculations based on data from FUELtrac.

Note: A price cycle occurs in a quarter if the peak of a price cycle takes place in that quarter.

In the December quarter 2022, Sydney had 2 price cycles, the same as the previous quarter. Melbourne and Brisbane each had 1 price cycle. For Melbourne, this was 2 less cycles than the previous quarter, and for Brisbane this was 1 less. Adelaide had 5 price cycles, 2 less than the previous quarter.

In calendar year 2022, the average duration of price cycles in Sydney, Melbourne and Brisbane was around 5 weeks, and in Adelaide it was just over 2 weeks.

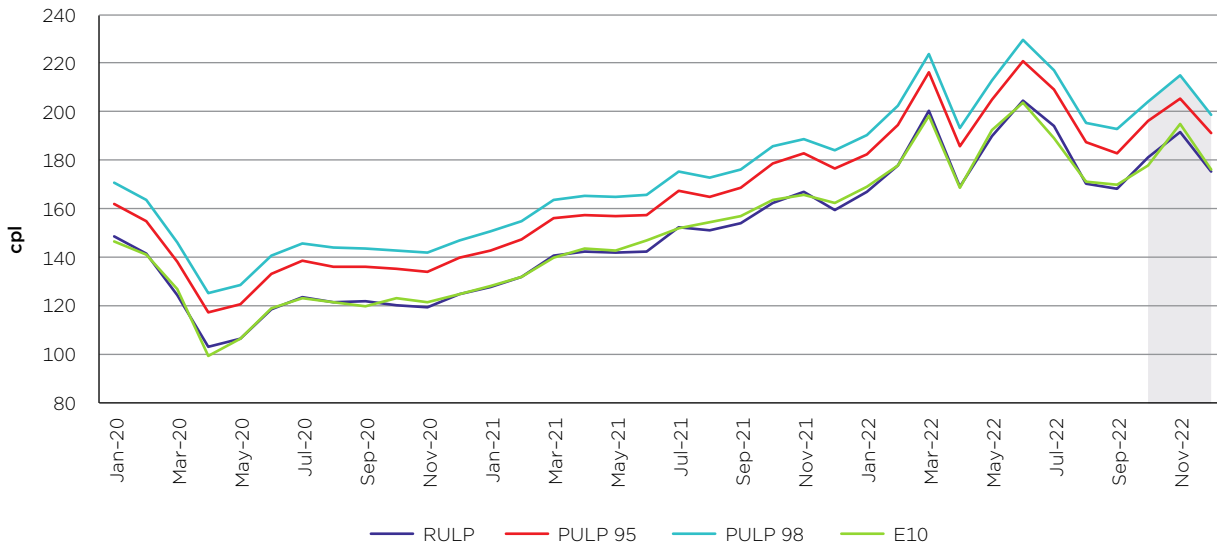
There were 13 price cycles in Perth in the December quarter 2022, 4 more than the previous quarter. In October 2021 price cycles in Perth changed from weekly to fortnightly. From late July 2022, they moved back to weekly price cycles. This change appears to have been driven by changes in retail pricing at Coles Express sites (at which Viva Energy sets retail prices).<sup>50</sup>

<sup>50</sup> This was analysed in detail in Appendix D in the [Report on the Australian petroleum market, September quarter 2022](#).

### 3.3 The differential between PULP 95 and RULP prices decreased

Chart 3.3 shows that retail prices of the main grades of unleaded petrol – RULP, premium unleaded petrol (PULP) 95, PULP 98, and E10 – all moved in a similar manner over the period from January 2020 to December 2022.<sup>51</sup>

**Chart 3.3: Monthly average retail prices of RULP, PULP 95, PULP 98 and E10 in the 5 largest cities in nominal terms: January 2020 to December 2022**



Source: ACCC calculations based on data from FUELtrac.

Note: The shaded area in the chart represents the December quarter 2022.

In the December quarter 2022, the average differential in the 5 largest cities between:

- RULP and PULP 95 prices was 14.9 cpl (a decrease of 0.6 cpl from the previous quarter)
- RULP and PULP 98 prices was 23.2 cpl (a decrease of 0.9 cpl)
- RULP and E10 was 0.3 cpl (an increase of 1.0 cpl).<sup>52</sup>

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

The ACCC noted in its 2020 industry report on the financial performance of the downstream petroleum industry that PULP 95 and PULP 98 had become more expensive relative to the retail price of RULP over time, and that PULP was significantly more profitable than other petrol products.<sup>53</sup>

Between 2009–10 and 2021–22, the annual average price differential in **real** terms (that is, 2021–22 dollars) between RULP and PULP 95 increased from 11.9 cpl to 15.7 cpl, an increase of 3.8 cpl. The annual average price differential between RULP and PULP 98 in **real** terms increased from 18.1 cpl to 23.3 cpl, an increase of 5.2 cpl.

A variety of factors influence higher average prices for PULP relative to RULP, including adjustments to specific international benchmarks and potentially changes in the quality of PULP products. However, the increases in PULP prices in recent years may be translating, at least in part, to higher profits on PULP.

51 E10 prices are for Sydney and Brisbane only. E10 is RULP with up to 10% ethanol.

52 Historically, E10 prices have generally been lower than RULP prices as seen in the September quarter 2022 when E10 prices were 0.7 cpl lower.

53 ACCC, *Financial performance of the Australian downstream petroleum industry 2002 to 2018*, 22 April 2020, pp 3–4.

## 4. Components of petrol prices in the 5 largest cities

There are 3 broad components of average retail petrol prices:

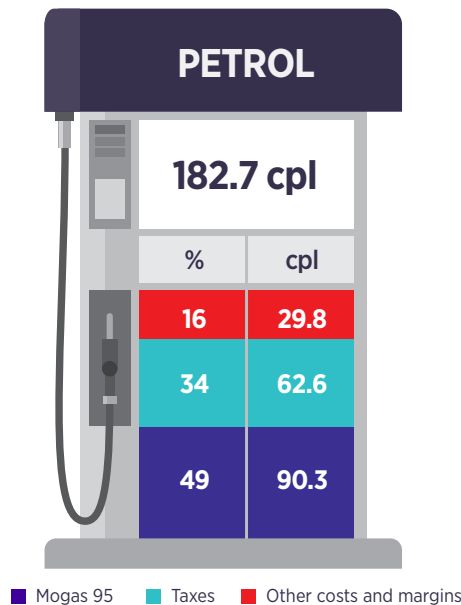
- the international price of refined petrol (Mogas 95)
- taxes (excise and GST)
- other costs and margins, at the wholesale and retail levels.

This chapter analyses these components in the December quarter 2022 and how they have changed over time.

### 4.1 Mogas 95 was the largest component of average retail petrol prices

Chart 4.1 shows the components of average retail petrol prices in the 5 largest cities in the December quarter 2022.<sup>54</sup>

**Chart 4.1: Components of average retail petrol prices in the 5 largest cities in the December quarter 2022**



Source: ACCC calculations based on data from FUELtrac, Argus Media, RBA and ATO.

Note: Percentages do not sum to 100 due to rounding.

The chart shows that the price of Mogas 95 was the largest component of average petrol prices in the December quarter 2022 (49%). The 2 largest components – Mogas 95 and taxes – accounted for 83% of average petrol prices. These components are largely outside the control of local petrol retailers.

In the December quarter 2022, as a proportion of average retail petrol prices:

- Mogas 95 decreased by 8 percentage points from the September quarter 2022
- taxes increased by 12 percentage points (reflecting the restoration of the full rate of fuel excise from 29 September 2022)
- other costs and margins decreased by 5 percentage points.

<sup>54</sup> Taxes include fuel excise, and both the wholesale and retail components of GST. On 30 March 2022, excise on petrol was halved for 6 months from 44.2 cpl to 22.1 cpl, and on 1 August 2022, excise increased by 0.9 cpl to 23.0 cpl. On 29 September 2022, excise was restored in full to 46.0 cpl.

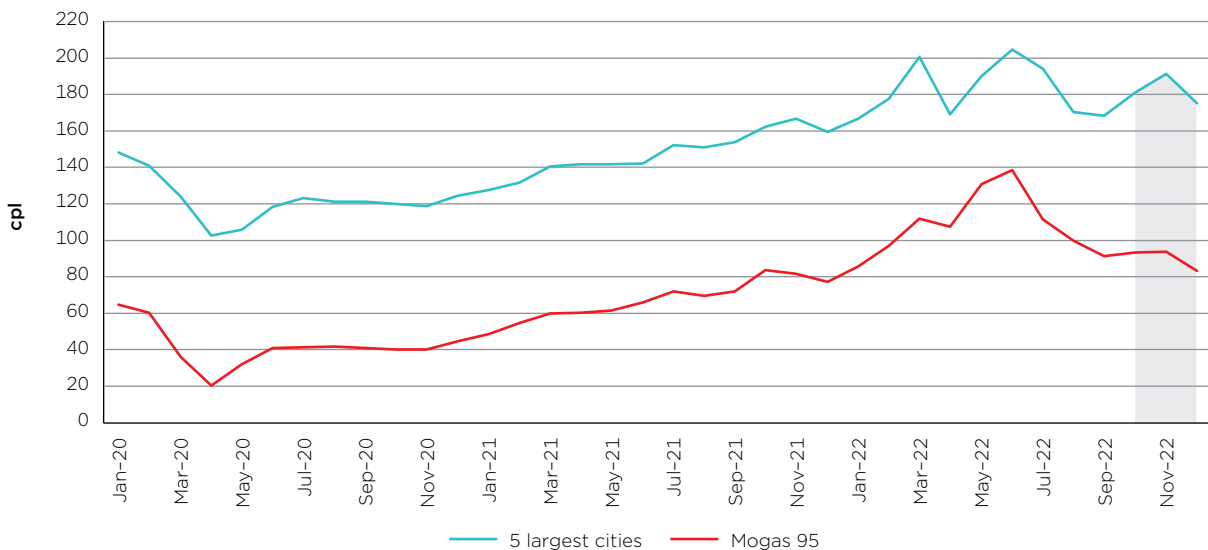
## 4.2 Mogas 95 prices continued to decrease

As Australia's local refining capacity cannot produce all Australia's fuel needs, refined petrol is imported to Australia from international markets. The price of refined petrol in the Asia-Pacific region is the relevant international benchmark price for the wholesale price of petrol in Australia. For RULP, it is the price of Singapore Mogas 95 Unleaded (Mogas 95). This benchmark is used for pricing petrol in Australia due to Australia's proximity to Singapore, which is one of the world's most important trading and refining centres.

The price of Mogas 95 is linked to the price of crude oil as crude oil is the major input into the production of refined petrol. Crude oil is an internationally traded commodity, and its price is determined by global demand and supply factors. When the world price of crude oil changes, it generally flows through into the price of refined petrol and then into retail petrol prices in Australia. Chapter 6 provides more details on movements in international crude oil and Mogas 95 prices.

Chart 4.2 shows monthly average Mogas 95 prices in Australian cents per litre, and monthly average retail petrol prices in the 5 largest cities, from January 2020 to December 2022. It shows that Mogas 95 prices and retail petrol prices in the 5 largest cities moved in a similar pattern over this period (apart from the decrease in retail prices in April 2022 reflecting the temporarily cut in fuel excise and the increase in October 2022 reflecting the restoration of the full rate of excise). This indicates that changes in the international price of refined petrol generally drive changes in domestic retail prices.

**Chart 4.2: Monthly average retail petrol prices in the 5 largest cities and Mogas 95 prices in nominal terms: January 2020 to December 2022**



Source: ACCC calculations based on data from FUELtrac, Argus Media and RBA.

Note: The shaded area in the chart represents the December quarter 2022.

In the December quarter 2022:

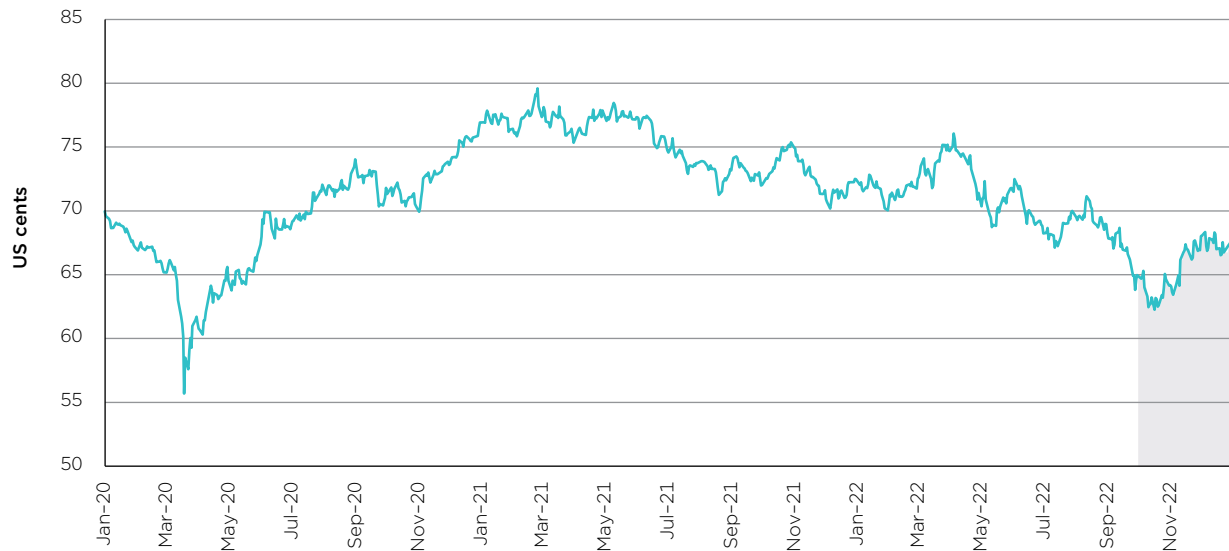
- monthly average Mogas 95 prices decreased from 91.6 cpl in September 2022 to 83.3 cpl in December 2022 (a decrease of 8.3 cpl or around 9%)
- monthly average retail petrol prices in the 5 largest cities increased from 168.3 cpl in September 2022 to 175.5 cpl in December 2022 (an increase of 7.2 cpl or around 4%)
- quarterly average Mogas 95 prices were 90.3 cpl (a decrease of 10.4 cpl from the September quarter 2022).

## 4.3 The lower AUD-USD exchange rate put upward pressure on retail prices

The AUD-USD exchange rate has a significant influence on Australia's retail petrol prices because international refined petrol is bought and sold in US dollars in global markets.

Chart 4.3 shows that the daily AUD-USD exchange rate varied significantly over the past 3 years, ranging from a low of US 56 cents in late March 2020 to a high of US 80 cents in late February 2021. The exchange rate has largely trended downwards since March 2021.

**Chart 4.3: Daily AUD-USD exchange rates in nominal terms: 2 January 2020 to 30 December 2022**



Source: RBA.

Notes: Exchange rates are the daily [RBA](#) 4.00 pm closing rates.

The shaded area in the chart represents the December quarter 2022.

In the December quarter 2022, the AUD-USD exchange rate largely ranged within a US 6 cent band between US 68 cents and US 62 cents. The quarterly average AUD-USD exchange rate was US 65.7 cents, a reduction of US 2.7 cents from the September quarter 2022.

When the AUD depreciates against the USD, it puts upward pressure on domestic retail petrol prices because refined petrol sold on international markets becomes relatively more expensive in AUD terms.

If the AUD-USD exchange rate had remained at the period high of US 80 cents in late February 2021, average retail petrol prices in Australia in the December quarter 2022 would have been around 17.5 cpl lower (everything else being equal). Conversely, if the AUD-USD exchange rate had been at the period low of US 56 cents in late March 2020, average retail petrol prices in Australia in the December quarter 2022 would have been around 17.7 cpl higher.

This indicates the significant impact that AUD-USD exchange rate changes have on Australian retail petrol prices.

## 4.4 Average GIRDs in the 5 largest cities were lower

Average GIRDs in the 5 largest cities (in aggregate) were 11.9 cpl in the December quarter 2022. This was 3.8 cpl lower than the previous quarter (15.7 cpl).

GIRDs are a broad indicator of gross retail margins (including both retail operating costs and profits), and were defined in detail in the key messages section. The GIRDs reported by the ACCC are averages across the 5 largest cities over time. The level of prices, costs and profits vary significantly between

retail operations and not all retail petrol sites will have these gross margins. Some will have higher gross margins, others lower. The ACCC petrol market studies found that actual profits per retail petrol site could vary considerably between retailers, with some retail sites making substantial profits and others making very little.

Table 4.1 shows quarterly average GIRDs in each of the 5 largest cities in calendar year 2022.

**Table 4.1: Quarterly average retail petrol prices, TGPs and GIRDs in the 5 largest cities: calendar year 2022 – cpl**

Location	Quarter	Retail prices cpl	TGPs cpl	GIRDs cpl
<b>5 largest cities</b>	Mar-22	181.9	168.5	13.4
	Jun-22	188.0	177.9	10.1
	Sep-22	177.7	162.0	15.7
	Dec-22	182.7	170.8	11.9
	<b>2022</b>	<b>182.6</b>	<b>169.8</b>	<b>12.8</b>
<b>Sydney</b>	Mar-22	182.7	168.8	13.9
	Jun-22	189.8	178.3	11.5
	Sep-22	178.2	163.3	14.9
	Dec-22	184.6	171.8	12.8
	<b>2022</b>	<b>183.8</b>	<b>170.5</b>	<b>13.3</b>
<b>Melbourne</b>	Mar-22	181.6	168.4	13.2
	Jun-22	189.3	178.1	11.2
	Sep-22	184.8	161.9	22.9
	Dec-22	185.2	170.6	14.6
	<b>2022</b>	<b>185.2</b>	<b>169.8</b>	<b>15.4</b>
<b>Brisbane</b>	Mar-22	184.6	168.1	16.5
	Jun-22	190.8	177.7	13.1
	Sep-22	179.8	161.8	18.0
	Dec-22	184.9	170.8	14.1
	<b>2022</b>	<b>185.0</b>	<b>169.6</b>	<b>15.4</b>
<b>Adelaide</b>	Mar-22	178.8	168.5	10.3
	Jun-22	184.0	178.1	5.9
	Sep-22	172.0	163.0	9.0
	Dec-22	178.9	172.1	6.8
	<b>2022</b>	<b>178.4</b>	<b>170.4</b>	<b>8.0</b>
<b>Perth</b>	Mar-22	181.7	168.8	12.9
	Jun-22	186.2	177.3	8.9
	Sep-22	173.6	160.0	13.6
	Dec-22	179.8	168.9	10.9
	<b>2022</b>	<b>180.3</b>	<b>168.7</b>	<b>11.6</b>

Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil, Viva Energy and WA FuelWatch.

The table shows that in calendar year 2022, quarterly average GIRDs:

- varied significantly over time and across cities, ranging from a high of 22.9 cpl (in Melbourne in the September quarter 2022) to a low of 5.9 cpl (in Adelaide in the June quarter 2022)
- were lowest in all cities in the June quarter 2022
- were highest in Sydney, Melbourne, Brisbane and Perth in the September quarter 2022, and in Adelaide in the March quarter 2022
- were consistently lower than average GIRDs across the 5 largest cities in Adelaide and consistently higher in Brisbane
- in the December quarter 2022, GIRDs were lowest in Adelaide (6.8 cpl) and highest in Melbourne (14.6 cpl).

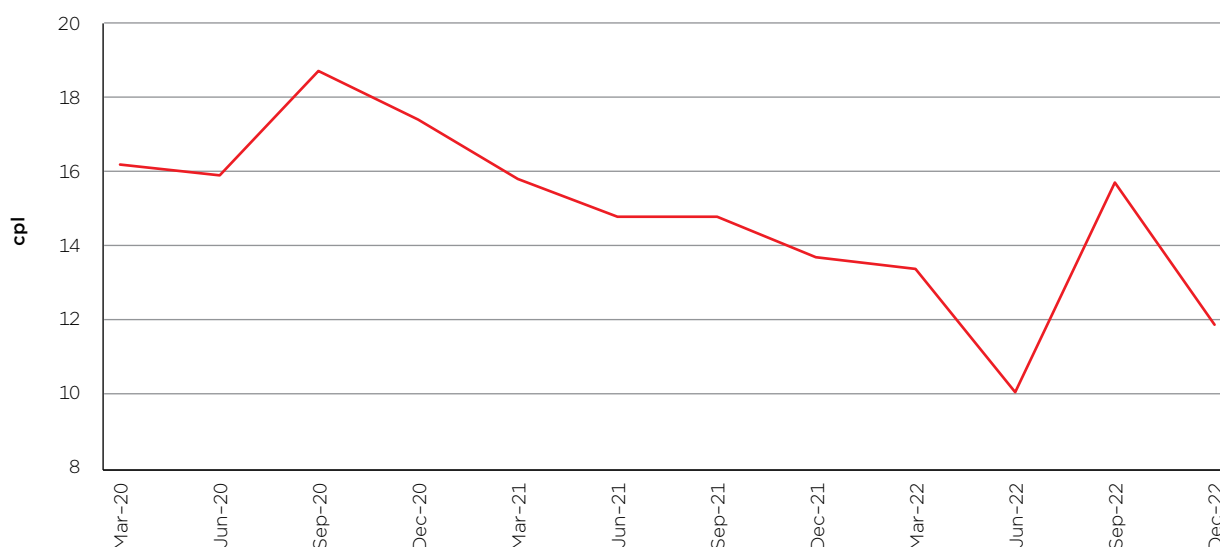
In calendar year 2022, GIRDs were lowest in Adelaide (8.0 cpl) and highest in Brisbane and Melbourne (15.4 cpl).

The comparatively lower GIRDs in Adelaide are the result of relatively lower retail petrol prices. These may have been influenced by greater fuel price transparency following the commencement of the South Australian Government’s fuel price transparency scheme in March 2021.

The comparatively higher GIRDs in Brisbane are the result of relatively higher retail prices. Previous ACCC research found that between 2009–10 to 2016–17, Brisbane motorists paid on average 3.3 cpl more for petrol than motorists in the other 4 largest cities.<sup>55</sup> The comparatively higher GIRDs in Melbourne in the September and December 2022 quarters appear to have been influenced by the timing of the Melbourne petrol price cycle.

Chart 4.4 shows quarterly average GIRDs in the 5 largest cities (in aggregate) in nominal terms over the past 3 years.

**Chart 4.4: Quarterly average GIRDs in the 5 largest cities in nominal terms: March quarter 2020 to December quarter 2022**



Source: ACCC calculations based on data from FUELtrac, the Australian Institute of Petroleum (AIP), Ampol, bp, Mobil, Viva Energy and WA FuelWatch.

<sup>55</sup> ACCC, *Report on the Brisbane petrol market*, 9 October 2017. The report found that the main factor influencing the higher prices in Brisbane was higher retail margins on petrol, which contributed to profits in Brisbane being significantly higher than the average across Australia. It also found that, compared with Sydney, retail pricing was less competitive in Brisbane, with retailers setting prices higher at the top and bottom of the price cycle than retailers in Sydney. Furthermore, Brisbane had fewer retail chains (4) that were effective and vigorous price competitors, while Sydney had 7.

The chart shows that quarterly average GIRDs in the 5 largest cities decreased in the December quarter 2022 after increasing in the previous quarter. This increase followed 7 consecutive quarters of decreasing GIRDs after a record high in the September quarter 2020 (18.7 cpl). Average GIRDs decreased to a low of 10.1 cpl in the June quarter 2022 and then increased to 15.7 cpl in the September quarter 2022.

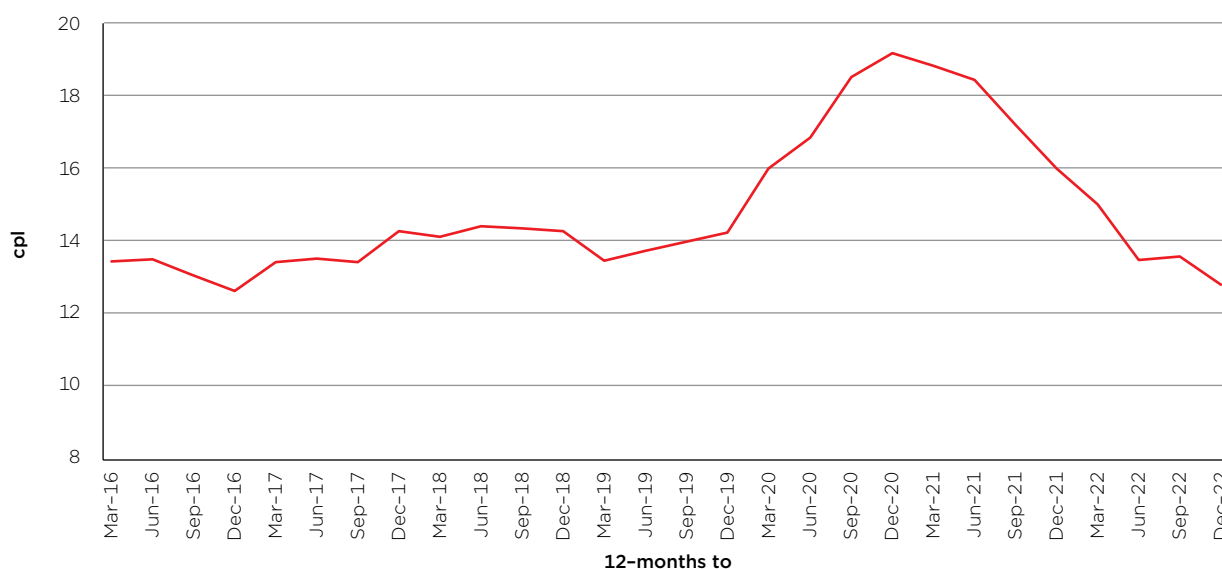
The chart also shows that GIRDs can be volatile on a quarterly basis. When TGPs increase by large amounts in a short period, lags between changes in TGPs and changes in retail prices often have the effect of reducing GIRDs in the short term. This may have influenced the lower GIRDs in the December quarter 2022, as the full rate of fuel excise (which directly impacts wholesale fuel prices) was restored from 29 September 2022. Conversely, when TGPs decrease by large amounts in a short period, these lags often have the effect of increasing GIRDs.

The effects of the lags between changes in TGPs and retail prices, and their impact on GIRDs, is less prevalent when GIRDs are considered over a longer period.

## 4.5 Longer term average GIRDs were below pre-pandemic levels

Chart 4.5 shows 12-month average GIRDs in **real** terms across the 5 largest cities, calculated at the end of each quarter over the past 7 years.<sup>56</sup>

**Chart 4.5: Twelve-month average GIRDs in the 5 largest cities in real terms: March 2016 to December 2022**



Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil, Viva Energy and WA FuelWatch, and ABS, [6401.0 Consumer Price Index, Australia, December 2022](#), Tables 1 and 2. *CPI: All Groups, Index Numbers and Percentage Changes*, accessed on 21 February 2022.

Note: **Real** values are shown in December 2022 dollars.

The chart shows that across the 5 largest cities there was a substantial increase in **real** 12-month average GIRDs between December 2019 and December 2020 (of 4.8 cpl). In the year to December 2020, 12-month average GIRDs reached their highest level on record in both nominal and **real** terms (19.2 cpl), influenced by COVID-19 restrictions and retailers experiencing lower sales volumes.<sup>57</sup> Petrol retailing is a high-volume low-margin business with many fixed costs (such as rent and branding). This means that when sales volumes decline, the cost per unit of petrol will increase. As a result, in order to keep revenue to partially cover their fixed costs, some retailers very likely kept retail prices higher than they otherwise would.

<sup>56</sup> This calculation uses average retail prices and average TGPs over 12-month periods to the end of each quarter.

<sup>57</sup> ACCC, [Quarterly report on the Australian petroleum market – March quarter 2022](#), 15 June 2022, pp 42-43.



Twelve-month average GIRDs have decreased by 6.4 cpl in **real** terms since December 2020 and were 12.8 cpl at the end of the December quarter 2022, below pre-pandemic levels. The chart shows that between March 2017 and December 2019, **real** 12-month average GIRDs were in a 0.9 cpl band between 13.2 cpl and 14.1 cpl.

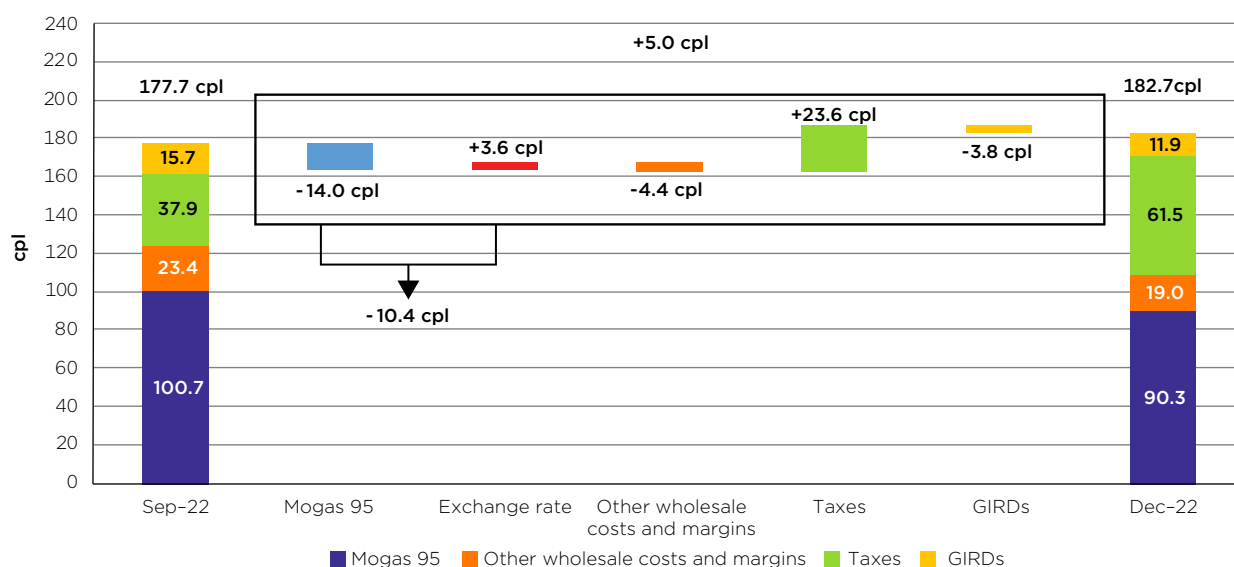
The ACCC analysed financial data provided by petrol companies on retail gross profits (that is, retail operating costs and net profits) from 2005–06 to 2017–18 to better understand the reasons for higher GIRDs over that period.<sup>58</sup> The analysis found that both retail operating costs and net profits on RULP increased during the period, and particularly between 2013–14 and 2016–17, suggesting that higher GIRDs had been influenced by increases in both operating costs and profits.<sup>59</sup>

## 4.6 Higher taxes were the main contributor to higher retail prices

Chart 4.6 shows the change in the components of average retail petrol prices in the 5 largest cities between the September quarter 2022 and December quarter 2022. The chart separates the other costs and margins component into:

- the retail component (represented by GIRDs)
- the other wholesale costs and margins component (which includes international shipping costs and import costs).

**Chart 4.6: Changes in the components of average retail petrol prices in the 5 largest cities: September quarter 2022 to December quarter 2022**



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, WA FuelWatch, RBA and ATO.

Notes: All prices are in Australian cents per litre.

The taxes component includes fuel excise and wholesale GST. The small amount of retail GST is included in GIRDs rather than in taxes, to be consistent with GIRDs reported elsewhere in this report. As a result, the taxes component in this chart is not the same as the taxes component in chart 4.1.

The rate of fuel excise was temporarily halved to 22.1 cpl between 30 March and 31 July 2022. After an increase due to indexation, the rate of fuel excise was 23.0 cpl between 1 August and 28 September 2022. Fuel excise was restored in full to 46.0 cpl from 29 September 2022.

58 ACCC, *Financial performance of the Australian downstream petroleum industry 2002 to 2018*, 22 April 2020, pp 34–36.

59 The analysis compared GIRDs (which are based on price data) with retail gross profit financial results on RULP (which are based on financial data). Both measures, although not directly comparable, showed a broadly similar upward trend over the longer term.

The chart shows that the main contributor to the increase in average retail petrol prices in the 5 largest cities in the December quarter 2022 (5.0 cpl) was the increase in taxes following the restoration of the full rate of fuel excise from 29 September 2022. However, the influence of higher fuel excise on retail prices was considerably offset by lower Mogas 95 prices, GIRDs, and other wholesale costs and margins.

The tax component of average retail prices increased by 23.6 cpl in the December quarter 2022. As the restoration of the full rate of fuel excise was only in effect for 2 days in the September quarter 2022, the full effect of the restoration occurred in the December quarter 2022. Compared with other developed countries, Australia's retail petrol prices are relatively low due to a lower rate of taxation on fuel.<sup>60</sup>

The AUD-USD exchange rate is a significant determinant of Australia's retail petrol prices because imported crude oil and international refined petrol (from which domestically refined petrol is priced) is bought and sold in US dollars in global markets. Excluding the effect of changes in the AUD-USD exchange rate (which decreased by US 2.7 cents on average over the quarter), Mogas 95 prices would have decreased by 14.0 cpl in the quarter. However, the decrease in the AUD-USD exchange rate partially offset the influence of the decrease in Mogas 95 prices by 3.6 cpl in Australian dollar terms. The net effect of movements in Mogas 95 prices and the AUD-USD exchange rate was that Mogas 95 prices in Australian cents per litre decreased by 10.4 cpl.

---

60 See: ACCC, [Report on the Australian petroleum market - September quarter 2022](#), pp 37-39.

## 5. Retail petrol price movements in the smaller capital cities and in regional locations

This chapter analyses petrol prices in the 3 smaller capital cities (Canberra, Hobart, and Darwin) and in regional locations. The ACCC monitors fuel prices in over 190 regional locations across Australia. Appendix A lists these locations.

### 5.1 Retail prices in Canberra, Hobart and Darwin were higher than prices across the 5 largest cities

In the December quarter 2022, average retail prices decreased in Canberra and Darwin (by 7.4 cpl and 7.6 cpl respectively) and increased in Hobart (by 2.8 cpl). Average retail prices in each of these cities were above the average price across the 5 largest cities.

Table 5.1 shows quarterly average retail prices in the September and December quarters 2022 in each of the 3 smaller capital cities and across the 5 largest cities. The table also shows the differential between quarterly average prices in each of the smaller capitals and the 5 largest cities.

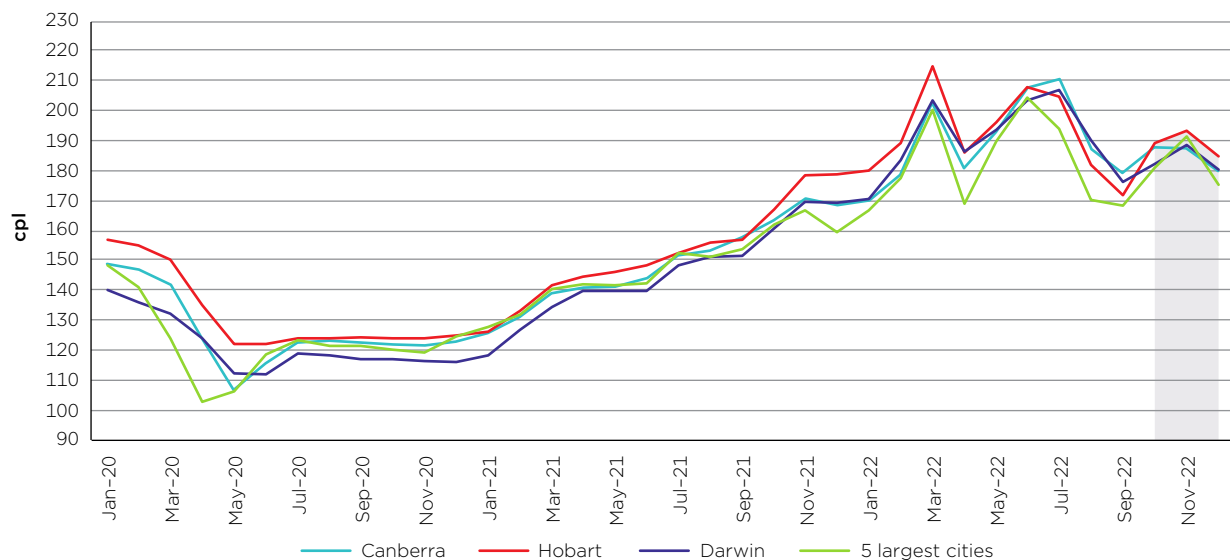
**Table 5.1: Quarterly average retail petrol prices in each of the smaller capital cities and the 5 largest cities: September and December quarters 2022 – cpl**

	Canberra	Hobart	Darwin	5 largest cities	Differential		
					Canberra	Hobart	Darwin
Sep-22	192.7	186.5	191.4	177.7	15.0	8.8	13.7
Dec-22	185.3	189.3	183.8	182.7	2.6	6.6	1.1
<b>Change</b>	<b>-7.4</b>	<b>2.8</b>	<b>-7.6</b>	<b>5.0</b>	<b>-12.4</b>	<b>-2.2</b>	<b>-12.6</b>

Source: ACCC calculations based on data from FUELtrac.

Chart 5.1 shows monthly average prices in each of the smaller capital cities and the 5 largest cities from January 2020 to December 2022.

**Chart 5.1: Monthly average retail petrol prices in Canberra, Hobart, Darwin and the 5 largest cities in nominal terms: January 2020 to December 2022**



Source: ACCC calculations based on data from FUELtrac.

Note: The shaded area in the chart represents the December quarter 2022.

The chart shows that in calendar year 2022, compared with prices in the 5 largest cities, monthly average retail prices were:

- higher in Canberra in all months except November 2022
- higher in Hobart in all months
- higher in Darwin in all months except June and November 2022.

## 5.2 Average regional prices were higher than prices in the 5 largest cities for the fifth consecutive quarter

In most parts of Australia, retail petrol prices have historically been higher in regional locations than in the 5 largest cities. Several factors may contribute to these higher prices, including:

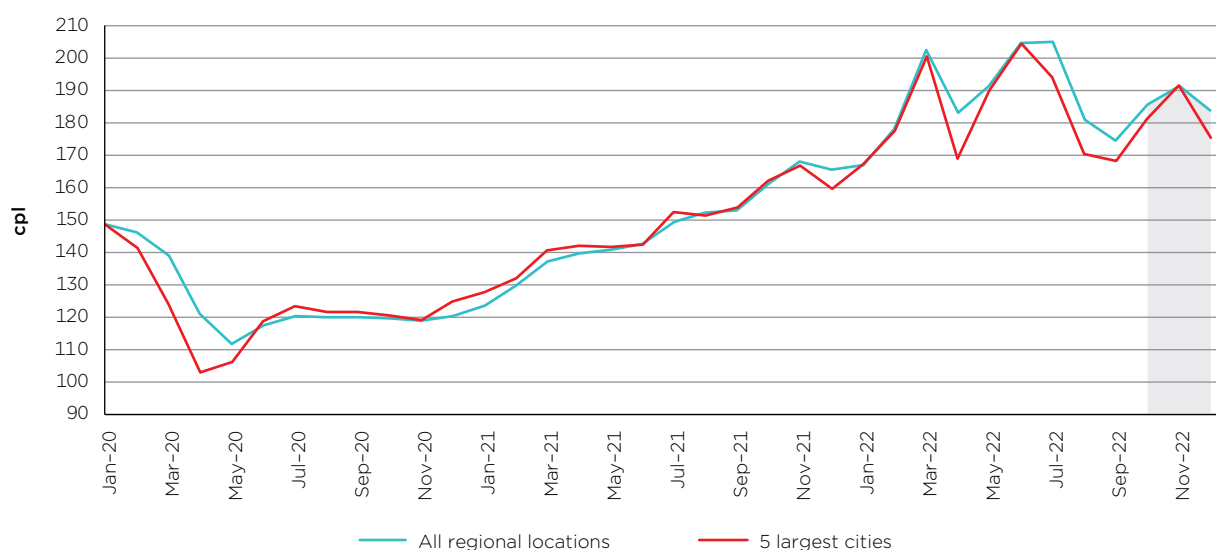
- a lower level of local competition
- lower volumes of fuel sold
- distance/location factors
- lower convenience store sales.

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.

Average prices in regional locations in aggregate (regional prices) were higher than average prices in the 5 largest cities in the past 5 quarters. Quarterly average regional prices were 4.3 cpl higher than average prices in the 5 largest cities in the December quarter 2022. Average regional prices in the quarter were 187.0 cpl (an increase of 0.1 cpl from the September 2022 quarter), while average prices in the 5 largest cities were 182.7 cpl (an increase of 5.0 cpl).

Chart 5.2 shows that in calendar year 2022, monthly average regional prices were higher than prices in the 5 largest cities in all months except January and November.

**Chart 5.2: Monthly average retail petrol prices in regional locations in aggregate and the 5 largest cities in nominal terms: January 2020 to December 2022**



Source: ACCC calculations based on data from FUELtrac.

Note: The shaded area in the chart represents the December quarter 2022.

In October 2022, monthly average regional prices were 185.8 cpl, an increase of 11.3 cpl from September 2022. Prices increased further in November 2022 to 191.4 cpl before decreasing to 183.9 cpl in December 2022.

In the December quarter 2022, average prices in 130 regional locations (representing around 68% of monitored locations) were higher than average prices in the 5 largest cities. In comparison, in the September quarter 2022, around 82% of monitored locations were higher.

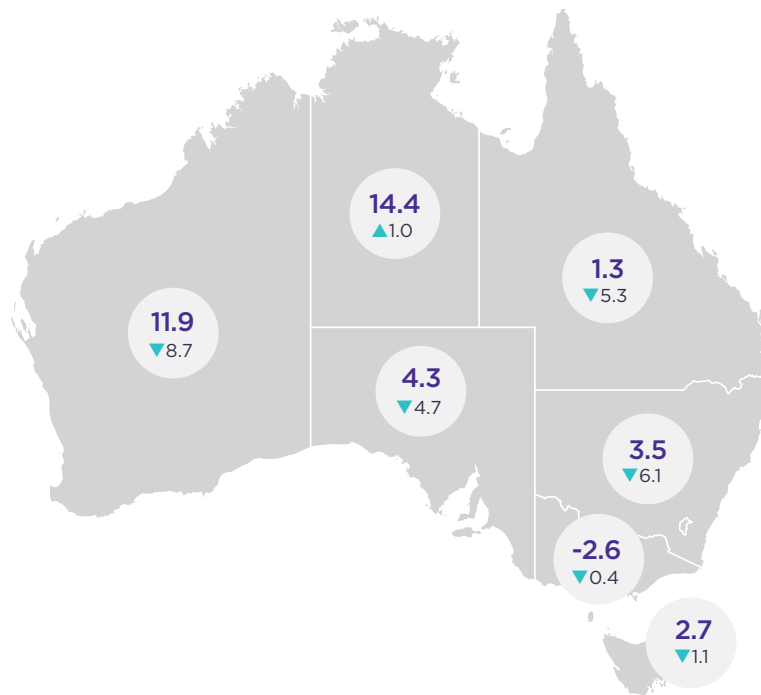
Appendix A has further information on petrol price movements in recent quarters and in calendar year 2022 in all locations the ACCC monitors.

### 5.3 Regional prices were higher than capital city prices in all jurisdictions except Victoria in the quarter and in 2022

Figure 5.1 shows the average differential between prices in regional locations in the states and the NT and their respective capital city in the December quarter 2022 and the change from the previous quarter.

The ACT is not shown because there are no prices available for locations in the ACT other than Canberra.

**Figure 5.1: Quarterly average differential between prices in regional locations in the states and the NT and their respective capital city: December quarter 2022 – cpl**



Source: ACCC calculations based on data from FUELtrac.

Notes: A positive number means that average regional prices were higher than average capital city prices and a negative number means that average regional prices were lower than average capital city prices.

There are no prices available for locations in the ACT other than Canberra.

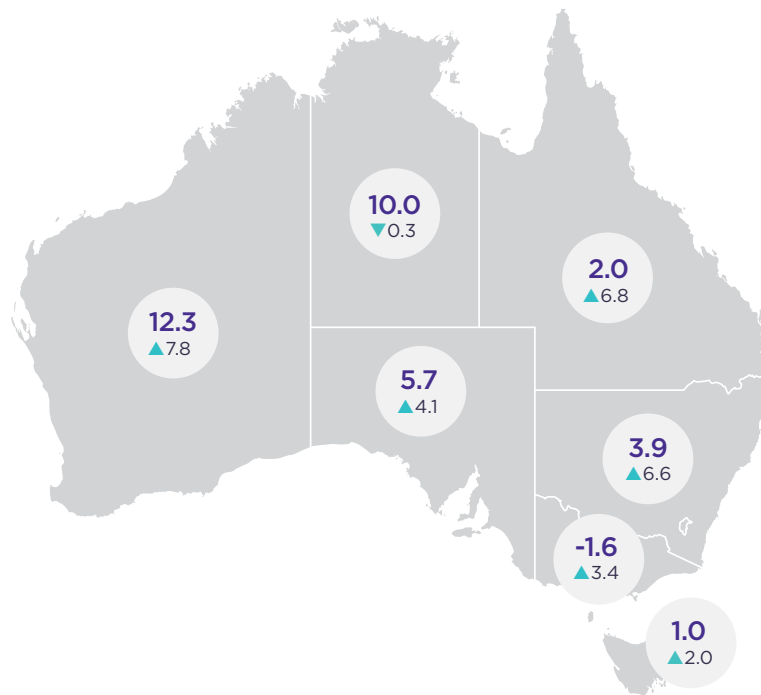
▲▼ cpl change from previous quarter.

Figure 5.1 shows that in the December quarter 2022:

- average regional prices were higher than their respective capital city prices in all jurisdictions except Victoria
- the differential ranged from regional prices being 2.6 cpl lower in Victoria to 14.4 cpl higher in the NT.

Figure 5.2 shows the average differential between prices in regional locations in the states and the NT and their respective capital city in calendar year 2022 and the change from calendar year 2021.

**Figure 5.2: Annual average differential between prices in regional locations in the states and the NT and their respective capital city: calendar year 2022 – cpl**



Source: ACCC calculations based on data from FUELtrac.

Notes: A positive number means that average regional prices were higher than average capital city prices and a negative number means that average regional prices were lower than average capital city prices.

There are no prices available for locations in the ACT other than Canberra.

▲▼ cpl change from previous year.

Figure 5.2 shows that in calendar year 2022:

- average regional prices were higher than their respective capital city prices in all jurisdictions except Victoria
- the differential ranged from regional prices being 1.6 cpl lower in Victoria to being 12.3 cpl higher in Western Australia
- compared with calendar year 2021, average prices in regional locations were relatively higher compared with their respective capital city in all jurisdictions except the NT.

The ACCC undertook 4 regional petrol market studies between 2015 and 2017. These studies examined petrol markets in Darwin, Launceston, Armidale, and Cairns. The ACCC has continued to monitor and report on petrol prices and GIRDs in these locations. Appendix B shows data on average retail petrol prices and GIRDs in each location.

## 6. Crude oil and refined petrol price movements

Movements in retail petrol prices in Australia are largely determined by movements in international refined petrol prices and the AUD–USD exchange rate.

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

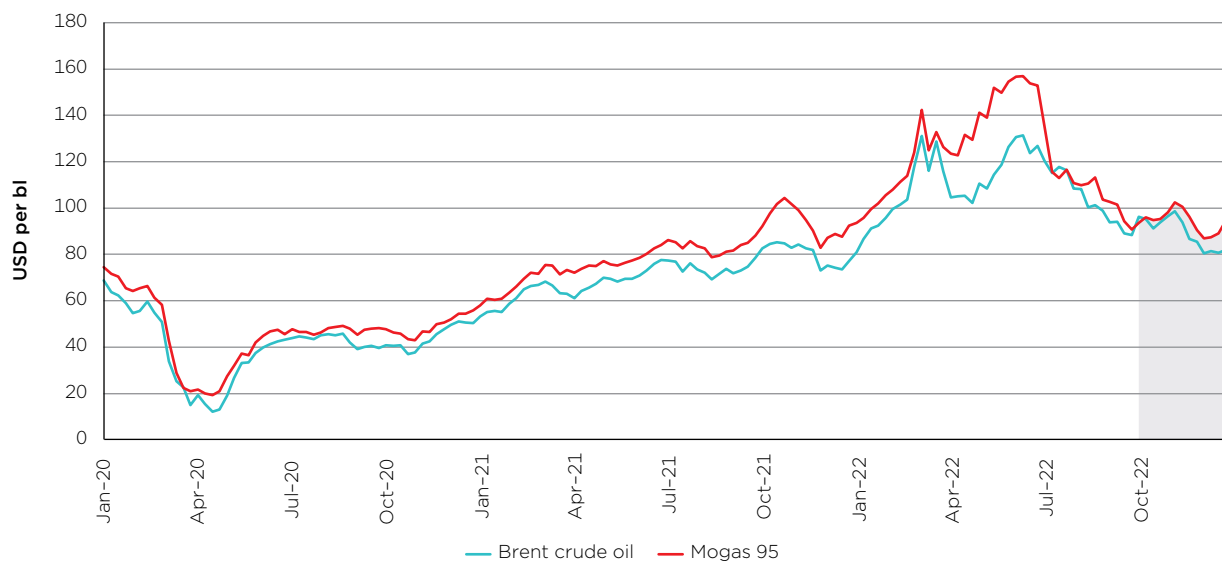
The price of Singapore Mogas 95 Unleaded (Mogas 95) is the relevant international benchmark price for determining RULP prices in Australia. This benchmark is used because of Australia's proximity to Singapore, one of the world's most important petroleum trading and refining centres.

Chapter 4 analysed movements in the AUD–USD exchange rate.

### 6.1 Crude oil and refined petrol prices decreased significantly

Chart 6.1 shows movements in weekly average Brent crude oil and Mogas 95 prices between January 2020 and December 2022.

**Chart 6.1: Weekly average Brent crude oil and Mogas 95 prices in nominal terms: January 2020 to December 2022**



Source: ACCC calculations based on data from Argus Media.

Note: The shaded area in the chart represents the December quarter 2022.

Weekly average Brent crude oil prices were around USD 69 per barrel at the beginning of January 2020 and decreased sharply to around USD 12 per barrel in late April 2020.<sup>61</sup> From May 2020 onwards and throughout 2021, they trended upwards reaching around USD 131 per barrel in the middle of March 2022. Weekly average Brent crude oil prices then fluctuated significantly, decreasing to around USD 102 per barrel in April 2022 before increasing to a peak of around USD 131 per barrel in late June 2022. Prices then decreased substantially to around USD 88 per barrel at the end of September 2022.

<sup>61</sup> Weekly average Brent crude oil prices were last at this level in early March 1999 (in nominal terms).



In the December quarter 2022, weekly average Brent crude oil prices increased to around USD 99 per barrel in mid-November 2022 before gradually decreasing to a low of USD 80 per barrel in early December 2022.

Weekly average Mogas 95 prices moved in a similar manner to Brent crude oil prices. Weekly average Mogas 95 prices were around USD 75 per barrel at the beginning of January 2020 and decreased sharply to around USD 19 per barrel in late April 2020.<sup>62</sup> They then increased sharply in May and June 2020, before trending upwards in the latter half of 2020 and throughout 2021, reaching a peak of around USD 142 per barrel in the middle of March 2022. After a small decrease, prices increased again, reaching a peak of around USD 157 per barrel in mid-June 2022. Prices then decreased substantially to around USD 91 per barrel by the end of September 2022.

In the December quarter 2022, weekly average Mogas 95 prices increased to around USD 102 per barrel in mid-November 2022 before gradually decreasing to a low of USD 87 per barrel in early December 2022. They subsequently increased to around USD 94 per barrel at the end of December 2022.

Quarterly average Brent crude oil and Mogas 95 prices were lower in the December quarter 2022 compared with the September quarter 2022:

- quarterly average Brent crude oil prices were around USD 90 per barrel (a decrease of USD 15 per barrel, or around 14%)
- quarterly average Mogas 95 prices were around USD 94 per barrel (a decrease of USD 15 per barrel, or around 14%).

## 6.2 Refiner margins were significantly below the 10-year average

The refiner margin is the difference between the price of refined petrol and the price of crude oil. In the December quarter 2022, the average refiner margin was USD 4.6 per barrel (around 4.4 cpl in Australian dollar terms), a decrease of USD 0.2 per barrel from the previous quarter (USD 4.8 per barrel). Due to a decrease in the AUD-USD exchange rate in the quarter, there was no change in the average refiner margin in Australian dollar terms.

The average refiner margin in the December quarter 2022 was significantly lower than the 10-year **real** average refiner margin (USD 12.8 per barrel, or AUD 10.3 cpl). This is after refiner margins were very high in the June quarter 2022.<sup>63</sup>

## 6.3 The OPEC cartel, COVID-19, conflict in Ukraine and increasing interest rates have been the main factors influencing crude oil prices in recent years

Four factors have largely influenced movements in crude oil prices since January 2020:

- agreements (and, at times, disagreements) made by the Organisation of the Petroleum Exporting Countries (OPEC) cartel, and some other crude oil producing countries including Russia (referred to as OPEC+), to cut production
- the influence of the COVID-19 pandemic on demand
- geo-political events including the Russian invasion of Ukraine
- concerns of recession as central banks around the world raised interest rates.

In the December quarter 2022, the key factors that influenced crude oil prices were:

- a weaker USD against many currencies, reduction in global crude oil stocks and optimism over demand recovery in China

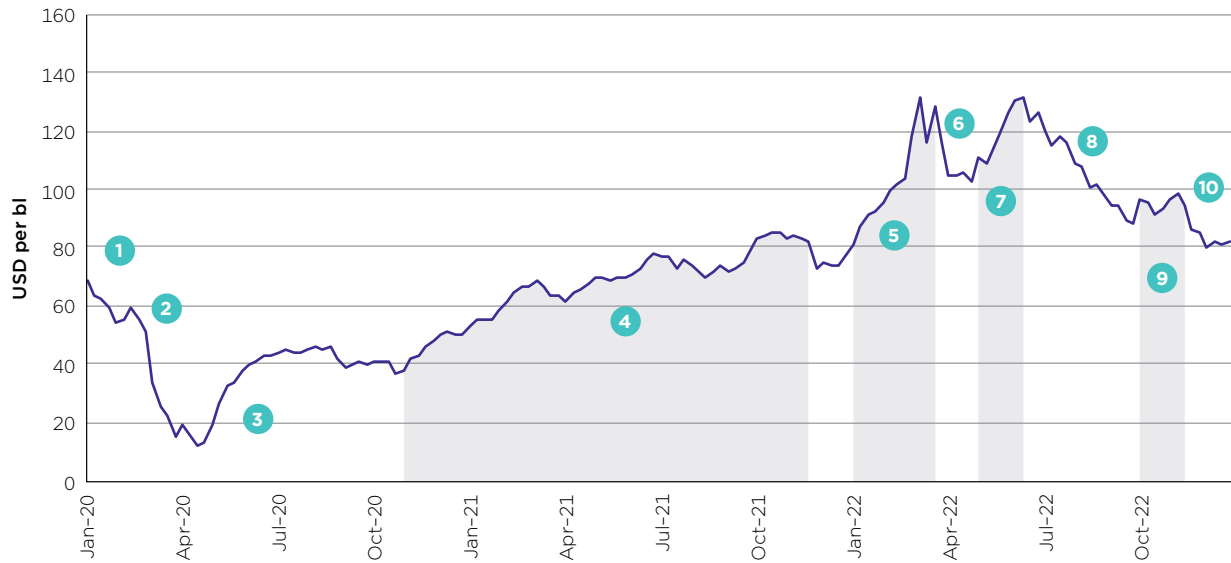
---

62 Weekly average Mogas 95 prices were last at this level in mid-June 1999 (in nominal terms).

63 See ACCC, [Report on the Australian petroleum market - June quarter 2022](#), 5 September 2022, p 63.

- many central banks raised interest rates or signalled further interest rate increases, leading to concerns about a global recession and lower demand.

**Figure 6.1: Key influences on crude oil prices since January 2020**



- |  |  |
|--|--|
|  | <p><b>1 January 2020</b></p> <p>World Health Organisation declared COVID-19 a Public Health Emergency of International Concern. Demand for crude oil and refined petrol products decreased significantly due to travel restrictions and reduction in economic activity.</p>  |
|  | <p><b>2 March 2020</b></p> <p>Crude oil prices fell as OPEC and other crude oil producing countries (OPEC+) failed to agree on production cuts. Saudi Arabia (the world's largest oil exporter) produced at full capacity and announced discounts in key markets, leading to a more than 30% drop in crude oil prices.</p>   |
|  | <p><b>3 April 2020</b></p> <p>Crude oil prices increased following agreement by OPEC+ to cut crude oil output in May and June 2020. Prices stabilised between June and October 2020.</p>   |
|  | <p><b>4 November 2020 to November 2021</b></p> <p>Crude oil prices steadily increased influenced by:</p> <ul style="list-style-type: none"> <li>recovering demand as economic activity increased</li> <li>on-going production cuts by OPEC+</li> <li>increased demand associated with cold weather</li> <li>the energy crisis associated with shortages of gas, coal and electricity in some countries in Europe and Asia, which increased demand for crude oil as an alternative source of energy.</li> </ul> |
|  | <p><b>5 January to March 2022</b></p> <p>Crude oil prices increased sharply due to:</p> <ul style="list-style-type: none"> <li>global shortages of crude oil as numerous countries banned the import of crude oil from Russia (a major supplier), after its invasion of Ukraine</li> <li>stronger demand from the easing of the global COVID-19 pandemic</li> <li>slower crude oil production growth.</li> </ul>   |
|  | <p><b>6 Late March 2022</b></p> <p>Crude oil prices decreased in late March influenced by the possibility of weakening demand due to rising COVID-19 cases and lockdowns in some parts of China, and the announced release by members of the International Energy Agency and the US of 240 million barrels from their stockpiles.</p>  |

**7****May to mid-June 2022**

Crude oil prices increased in May as reduction in Libya's crude oil output (due to escalating political unrest) tightened global supply (after buyers avoided Russian oil).

Crude oil prices increased further after the European Union imposed a ban on seaborne deliveries of Russian crude oil, phased in over 6 months.

**8****Late June to September 2022**

Crude oil prices decreased significantly as:

- many central banks raised interest rates, leading to concerns about a global recession and lower demand
- crude oil output from OPEC+ increased, including recovered production from Libya after reduced output earlier in 2022 due to political unrest.

**9****October to mid-November 2022**

Crude oil prices increased influenced by a weaker USD, reduction in global crude oil stocks and optimism over demand recovery in China.

**10****Late November to December 2022**

Crude oil prices trended downward after central banks in Europe and North America raised interest rates, or signalled further increases in interest rates, to combat inflation.

The information in figure 6.1 is derived from the following sources.<sup>64</sup>

**January 2020**

World Health Organisation, [Statement on the second meeting of the International Health Regulations \(2005\) Emergency Committee regarding the outbreak of novel coronavirus \(2019-nCoV\)](#), 30 January 2020.

**March 2020**

The World Bank, [Coping with a Dual Shock: COVID-19 and Oil Prices](#), Brief, 14 April 2020.

**April 2020**

Reuters, [OPEC April oil output surges to 13-month high before new cut deal](#), 1 May 2020.

**November 2020 to November 2021**

Reuters, [Oil settles up, marking seventh straight weekly gain](#), 18 December 2020.

Reuters, [Oil down 5% as rising OPEC+, Iranian output weighs](#), 5 April 2021.

International Energy Agency, [Oil Market Report – March 2021](#).

International Energy Agency, [Oil Market Report – October 2021](#).

**January to March 2022**

Reuters, [Russian oil trade in disarray over sanctions as prices blast through \\$100/bbl](#), 2 March 2022.

U.S. Energy Information Administration, [Crude oil prices rise above \\$100 per barrel after Russia's further invasion into Ukraine](#), 4 March 2022.

**Late March 2022**

Reuters, [Oil falls, posts nearly 5% weekly loss on growth concerns](#), 22 April 2022.

Reuters, [Oil prices edge lower in early trading](#), 11 April 2022.

Reuters, [Oil rises on tight supplies; trade choppy on demand worries](#), 18 April 2022.

**May to mid-June 2022**

Reuters, [Global stocks fall, U.S. yields rise as oil prices reach new highs](#), 31 May 2022.

Reuters, [Oil falls around 3% as investors eye U.S. Fed rate hikes](#), 23 June 2022.

**Late June to September 2022**

Reuters, [Analysis: Lower oil prices defy robust forecasts for global demand](#), 16 September 2022.

Reuters, [OPEC oil output in Sept hits highest since 2020 – survey](#), 30 September 2022.

**October to mid-November 2022**

Reuters, [Oil settles up \\$2 on tighter supply; OPEC+ talks limit gains](#), 30 November 2022.

International Energy Agency, [Oil Market Report – November 2022](#).

**Late November to December 2022**

Reuters, [Oil drops by over \\$2 per barrel, dogged by recession fears](#), 16 December 2022.

<sup>64</sup> All sources were accessed on 21 February 2023.

# 7. Retail diesel price movements in the 5 largest cities

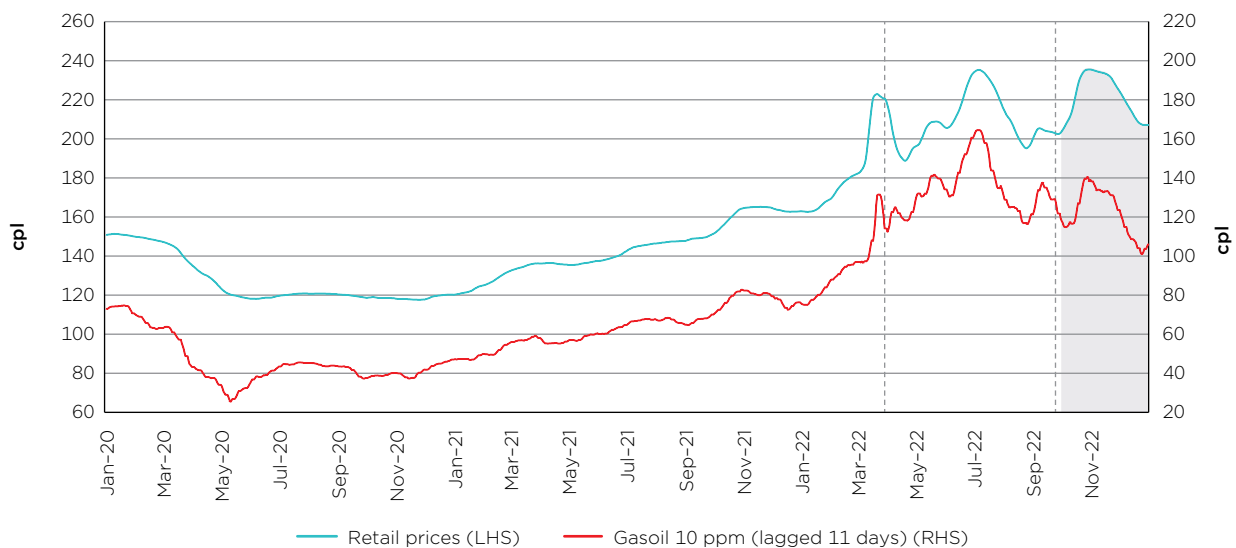
## 7.1 Retail diesel prices increased

Quarterly average retail diesel prices in the 5 largest cities were 222.9 cpl in the December quarter 2022, an increase of 11.4 cpl from the September quarter 2022 (211.5 cpl).

The price of Singapore Gasoil with 10 parts per million sulphur content (Gasoil 10 ppm) is the appropriate international benchmark for the wholesale price of diesel. 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 broadly tend to follow similar movements over the long term.

Chart 7.1 shows that 7-day rolling average retail diesel prices in the 5 largest cities broadly tracked Gasoil 10 ppm prices between 1 January 2020 and 31 December 2022.

**Chart 7.1: Seven-day rolling average retail diesel prices in the 5 largest cities and Gasoil 10 ppm prices in nominal terms: 1 January 2020 to 31 December 2022**



Source: ACCC calculations based on data from FUELtrac, Argus Media and RBA.

Notes: The shaded area in the chart represents the December quarter 2022.

The 2 dotted lines indicate the cut in fuel excise from 30 March 2022 and the restoration of full excise from 29 September 2022.

A 7-day rolling average price is the average of the current day’s price and prices on the 6 previous days.

Gasoil 10 ppm prices are lagged by 11 days as there is generally around a one- to 2-week lag between changes in international prices and changes in retail prices in the 5 largest cities.

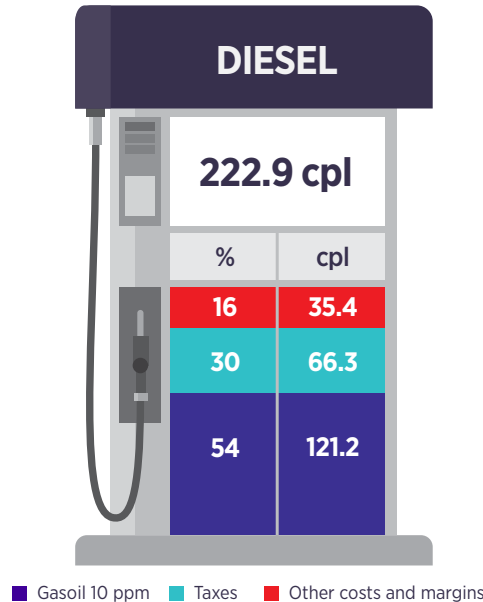
Seven-day rolling average retail diesel prices fluctuated during the December quarter 2022. Prices were 204.2 cpl at the beginning of the quarter, increased to a high of 236.1 cpl at the end of October 2022 and then subsequently decreased and ended the quarter at 207.5 cpl. Seven-day rolling average Gasoil 10 ppm prices in Australian cents per litre terms were 118.1 cpl at the beginning of the quarter and increased to a high of 140.7 cpl. They decreased significantly to 101.1 cpl in late December before ending the quarter at 106.1 cpl.

Quarterly average Gasoil 10 ppm prices in the December quarter 2022 in Australian cents per litre were 121.2 cpl, a decrease of 5.5 cpl from the September quarter 2022 (126.7 cpl).

## 7.2 Gasoil 10 ppm was the largest component of average diesel prices

Chart 7.2 shows the 3 broad components of average retail diesel prices in the 5 largest cities in the December quarter 2022.

**Chart 7.2: Components of average retail diesel prices in the 5 largest cities in the December quarter 2022**



Source: ACCC calculations based on data from FUELtrac, Argus Media, RBA and ATO.

The chart shows that in the December quarter 2022:

- Gasoil 10 ppm accounted for 54% of average diesel prices, a decrease of 6 percentage points from the September quarter 2022
- taxes accounted for 30% of average diesel prices, an increase of 10 percentage points (reflecting the restoration of full excise from 29 September 2022)<sup>65</sup>
- other costs and margins accounted for 16% of average diesel prices, a decrease of 4 percentage points.

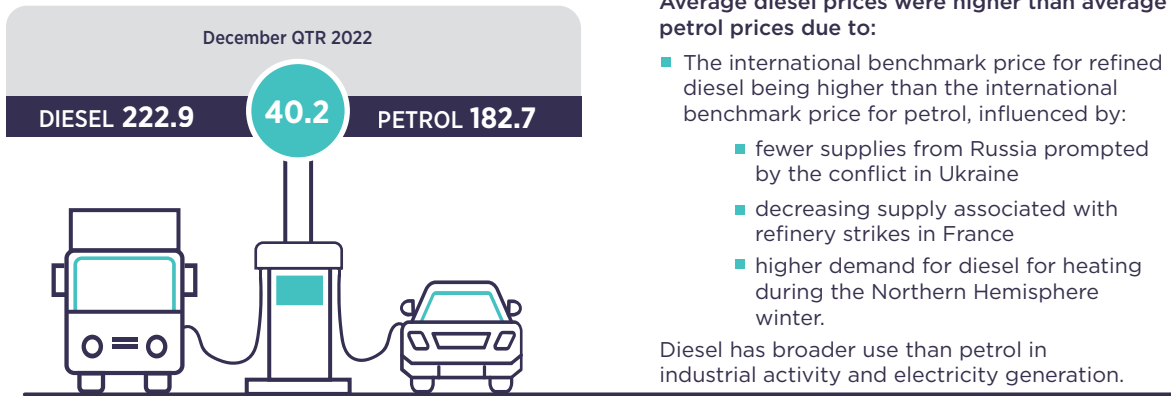
As with average retail petrol prices in the December quarter 2022, the international benchmark price accounted for the largest component of average retail diesel prices.

## 7.3 Retail diesel prices were much higher than petrol prices

Figure 7.1 shows quarterly average retail diesel and petrol prices in the 5 largest cities in the December quarter 2022, the difference between them (40.2 cpl), and key reasons for the difference. Different international benchmark prices drive retail diesel and petrol prices, and these benchmarks can be influenced by various factors.

<sup>65</sup> On 30 March 2022, excise on diesel was halved for 6 months from 44.2 cpl to 22.1 cpl, and on 1 August 2022, excise increased by 0.9 cpl to 23.0 cpl. On 29 September 2022, excise was restored in full to 46.0 cpl.

**Figure 7.1: Quarterly average retail diesel and petrol prices in the 5 largest cities and the difference between them: December quarter 2022 – cpl**



Source: ACCC calculations based on data from FUELtrac.

Chart 7.3 shows monthly average Gasoil 10 ppm prices and monthly average Mogas 95 prices (the relevant benchmark price for RULP) in Australian cents per litre over the past 3 years.

**Chart 7.3: Monthly average Gasoil 10 ppm and Mogas 95 prices in nominal terms: January 2020 to December 2022 – cpl**



Source: ACCC calculations based on data from Argus Media and RBA.

Notes: The shaded area in the chart represents the December quarter 2022.

The green dotted line indicates when the Russian invasion of Ukraine began (20 February 2022).

The chart shows that prior to the Russian invasion of Ukraine on 20 February 2022 Gasoil 10 ppm prices broadly moved in a similar manner to Mogas 95 prices. However, after that, Gasoil 10 ppm prices were significantly higher:

- In the December quarter 2022, average Gasoil 10 ppm prices were 121.2 cpl, which was 30.9 cpl higher than average Mogas 95 prices (90.3 cpl).
- In comparison, in the December quarter 2021, average Gasoil 10 ppm prices were 78.5 cpl, which was 2.4 cpl lower than average Mogas 95 prices (80.9 cpl).

Retail diesel prices in the 5 largest cities, unlike petrol prices, do not move in cycles. Diesel prices may not have price cycles because a large proportion of sales are to commercial users who purchase diesel on a contractual basis. According to the AIP, only around 25% of the diesel used in Australia is sold through retail outlets, and much of that is sold to account customers with very little sold to private customers.<sup>66</sup>

---

66 AIP, [Facts about diesel prices & the Australian fuel market](#), 2 May 2022, p 3, accessed on 21 February 2023.

# Appendix A: Petrol price data for monitored locations

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. Table A.1 shows quarterly average retail petrol prices in the September and December quarters 2022 and the change between the 2 quarters, in these locations.<sup>67</sup> It also shows the differential between average prices in each location and average prices across the 5 largest cities, and the location's capital city in the December quarter 2022, and in calendar year 2022.<sup>68</sup>

**Table A.1: Quarterly average petrol prices in the September quarter 2022 and the December quarter 2022, and differentials in the December quarter 2022 and calendar year 2022 – cpl**

Location	Sep-22	Dec-22	Change Sep-22 to Dec-22	Differential Dec-22		Differential 2022	
				5 largest cities	Capital city	5 largest cities	Capital city
Sydney	178.2	184.6	6.4				
Melbourne	184.8	185.2	0.4				
Brisbane	179.8	184.9	5.1				
Adelaide	172.0	178.9	6.9				
Perth	173.6	179.8	6.2				
<b>5 largest cities</b>	<b>177.7</b>	<b>182.7</b>	<b>5.0</b>				
Canberra	192.7	185.3	-7.4	2.6		6.5	
Hobart	186.5	189.3	2.8	6.6		9.4	
Darwin	191.4	183.8	-7.6	1.1		6.4	
<b>New South Wales</b>							
Albury	186.6	186.9	0.3	4.2	2.3	4.1	2.9
Armidale	188.9	185.6	-3.3	2.9	1.0	4.5	3.3
Ballina	191.4	189.7	-1.7	7.0	5.1	9.4	8.2
Batemans Bay	198.6	202.7	4.1	20.0	18.1	13.7	12.5
Bathurst	168.8	187.7	18.9	5.0	3.1	-3.2	-4.4
Bega	199.8	193.5	-6.3	10.8	8.9	10.9	9.7
Broken Hill	201.5	188.9	-12.6	6.2	4.3	9.7	8.5
Bulahdelah	186.9	197.8	10.9	15.1	13.2	9.5	8.3
Buronga	183.0	182.6	-0.4	-0.1	-2.0	2.0	0.8
Casino	194.2	184.2	-10.0	1.5	-0.4	5.3	4.1
Central Coast	177.6	188.5	10.9	5.8	3.9	2.5	1.3
Coffs Harbour	177.0	184.6	7.6	1.9	0.0	2.3	1.1
Cooma	197.6	190.8	-6.8	8.1	6.2	10.4	9.2
Coonabarabran	171.9	190.0	18.1	7.3	5.4	-0.7	-1.9
Cootamundra	190.2	183.7	-6.5	1.0	-0.9	4.3	3.1
Cowra	207.3	198.6	-8.7	15.9	14.0	18.7	17.5
Deniliquin	196.6	190.1	-6.5	7.4	5.5	9.9	8.7
Dubbo	193.9	191.7	-2.2	9.0	7.1	6.5	5.3
Forbes	201.4	200.6	-0.8	17.9	16.0	13.0	11.8
Forster	175.5	181.5	6.0	-1.2	-3.1	-4.3	-5.5

<sup>67</sup> The source for all prices in this appendix is ACCC calculations based on data from FUELtrac.

<sup>68</sup> Average RULP prices in calendar year 2022 across the 5 largest cities were 182.6 cpl. Average prices in each capital city were: Sydney - 183.8 cpl, Melbourne - 185.2 cpl, Brisbane - 185.0 cpl, Adelaide - 178.4 cpl, Perth - 180.3 cpl, Darwin - 189.0 cpl, Hobart - 192.0 cpl, and Canberra - 189.1 cpl.



Location	Sep-22	Dec-22	Change Sep-22 to Dec-22	Differential Dec-22		Differential 2022	
				5 largest cities	Capital city	5 largest cities	Capital city
Gilgandra	191.1	189.4	-1.7	6.7	4.8	6.6	5.4
Glen Innes	180.1	181.6	1.5	-1.1	-3.0	2.5	1.3
Goulburn	185.1	191.9	6.8	9.2	7.3	3.4	2.2
Grafton	192.4	188.9	-3.5	6.2	4.3	7.6	6.4
Griffith	182.7	183.0	0.3	0.3	-1.6	1.8	0.6
Gundagai	186.2	187.3	1.1	4.6	2.7	5.2	4.0
Gunnedah	180.0	179.7	-0.3	-3.0	-4.9	-1.4	-2.6
Hay	196.0	188.3	-7.7	5.6	3.7	8.8	7.6
Inverell	189.6	186.2	-3.4	3.5	1.6	5.3	4.1
Jerilderie	196.5	188.1	-8.4	5.4	3.5	8.3	7.1
Kempsey	171.1	180.4	9.3	-2.3	-4.2	-2.4	-3.6
Leeton	190.2	184.2	-6.0	1.5	-0.4	3.7	2.5
Lismore	197.0	189.1	-7.9	6.4	4.5	9.0	7.8
Lithgow	182.5	194.7	12.2	12.0	10.1	3.8	2.6
Merimbula	186.6	184.4	-2.2	1.7	-0.2	3.9	2.7
Mittagong	181.7	186.4	4.7	3.7	1.8	0.9	-0.3
Moama	186.9	183.1	-3.8	0.4	-1.5	2.3	1.1
Moree	190.3	186.5	-3.8	3.8	1.9	5.4	4.2
Moruya	183.3	182.8	-0.5	0.1	-1.8	1.8	0.6
Moss Vale	180.1	186.4	6.3	3.7	1.8	0.9	-0.3
Mudgee	205.0	201.0	-4.0	18.3	16.4	12.6	11.4
Murwillumbah	189.8	188.4	-1.4	5.7	3.8	10.2	9.0
Muswellbrook	175.5	180.7	5.2	-2.0	-3.9	-0.4	-1.6
Narrabri	196.9	192.0	-4.9	9.3	7.4	10.7	9.5
Newcastle	175.5	187.2	11.7	4.5	2.6	0.8	-0.4
Nowra	194.0	192.0	-2.0	9.3	7.4	6.6	5.4
Nyngan	190.0	189.6	-0.4	6.9	5.0	5.2	4.0
Oberon	174.3	177.1	2.8	-5.6	-7.5	-1.5	-2.7
Orange	189.3	194.5	5.2	11.8	9.9	4.2	3.0
Parkes	195.7	197.1	1.4	14.4	12.5	10.6	9.4
Port Macquarie	176.4	181.8	5.4	-0.9	-2.8	-1.2	-2.4
Queanbeyan	187.8	188.0	0.2	5.3	3.4	4.1	2.9
Singleton	186.5	183.5	-3.0	0.8	-1.1	5.3	4.1
Tamworth	179.7	183.4	3.7	0.7	-1.2	1.6	0.4
Taree	180.7	186.2	5.5	3.5	1.6	2.1	0.9
Temora	194.3	185.5	-8.8	2.8	0.9	6.2	5.0
Tumut	183.5	183.2	-0.3	0.5	-1.4	2.2	1.0
Tweed Heads South	193.9	187.9	-6.0	5.2	3.3	8.4	7.2
Ulladulla	196.7	192.7	-4.0	10.0	8.1	8.9	7.7
Wagga Wagga	178.8	181.9	3.1	-0.8	-2.7	0.4	-0.8
Wauchope	181.2	187.3	6.1	4.6	2.7	3.2	2.0
Wellington	189.8	189.5	-0.3	6.8	4.9	6.7	5.5
West Wyalong	195.1	185.3	-9.8	2.6	0.7	7.5	6.3
Wollongong	187.7	188.9	1.2	6.2	4.3	9.1	7.9
Woolgoolga	187.7	192.3	4.6	9.6	7.7	9.8	8.6
Yass	192.8	192.5	-0.3	9.8	7.9	11.3	10.1

Location	Sep-22	Dec-22	Change Sep-22 to Dec-22	Differential Dec-22		Differential 2022	
				5 largest cities	Capital city	5 largest cities	Capital city
<b>Northern Territory</b>							
Alice Springs	210.2	199.5	-10.7	16.8	15.7	19.2	12.8
Katherine	197.1	193.6	-3.5	10.9	9.8	9.7	3.3
Tennant Creek	207.1	201.6	-5.5	18.9	17.8	21.1	14.7
<b>Queensland</b>							
Atherton	187.2	184.3	-2.9	1.6	-0.6	4.2	1.8
Ayr	172.3	177.6	5.3	-5.1	-7.3	-4.7	-7.1
Biloela	186.7	184.3	-2.4	1.6	-0.6	2.6	0.2
Blackall	211.1	207.0	-4.1	24.3	22.1	23.4	21.0
Blackwater	185.2	194.2	9.0	11.5	9.3	2.0	-0.4
Bowen	180.3	178.0	-2.3	-4.7	-6.9	-0.8	-3.2
Bundaberg	172.5	177.1	4.6	-5.6	-7.8	-5.4	-7.8
Caboolture	179.9	186.3	6.4	3.6	1.4	3.4	1.0
Cairns	174.3	178.7	4.4	-4.0	-6.2	-1.2	-3.6
Charleville	206.2	198.1	-8.1	15.4	13.2	16.0	13.6
Charters Towers	185.6	183.9	-1.7	1.2	-1.0	4.2	1.8
Childers	179.5	180.9	1.4	-1.8	-4.0	1.0	-1.4
Cloncurry	221.1	213.7	-7.4	31.0	28.8	32.9	30.5
Cunnamulla	201.5	200.8	-0.7	18.1	15.9	20.4	18.0
Dalby	181.7	176.2	-5.5	-6.5	-8.7	-0.6	-3.0
Emerald	192.9	188.7	-4.2	6.0	3.8	8.3	5.9
Gladstone	175.8	179.4	3.6	-3.3	-5.5	-1.4	-3.8
Gold Coast	177.5	183.7	6.2	1.0	-1.2	2.2	-0.2
Goondiwindi	180.5	175.9	-4.6	-6.8	-9.0	-0.2	-2.6
Gympie	171.8	179.9	8.1	-2.8	-5.0	-4.0	-6.4
Hervey Bay	172.1	176.0	3.9	-6.7	-8.9	-4.2	-6.6
Ingham	182.1	181.6	-0.5	-1.1	-3.3	-0.1	-2.5
Innisfail	181.0	181.5	0.5	-1.2	-3.4	0.4	-2.0
Ipswich	182.5	187.6	5.1	4.9	2.7	5.1	2.7
Kingaroy	176.5	177.4	0.9	-5.3	-7.5	-3.2	-5.6
Longreach	219.0	222.2	3.2	39.5	37.3	27.7	25.3
Mackay	189.2	184.8	-4.4	2.1	-0.1	4.2	1.8
Mareeba	189.5	184.6	-4.9	1.9	-0.3	5.8	3.4
Maryborough	179.8	178.6	-1.2	-4.1	-6.3	-2.3	-4.7
Miles	174.4	176.5	2.1	-6.2	-8.4	-4.4	-6.8
Moranbah	191.8	180.1	-11.7	-2.6	-4.8	5.3	2.9
Mt Isa	214.3	207.8	-6.5	25.1	22.9	25.7	23.3
Normanton	207.7	200.6	-7.1	17.9	15.7	24.6	22.2
Rockhampton	176.8	180.3	3.5	-2.4	-4.6	-0.5	-2.9
Roma	180.4	178.2	-2.2	-4.5	-6.7	-1.6	-4.0
Sunshine Coast	178.1	184.1	6.0	1.4	-0.8	-0.4	-2.8
Toowoomba	175.6	183.1	7.5	0.4	-1.8	0.6	-1.8
Townsville	171.6	174.7	3.1	-8.0	-10.2	-4.5	-6.9
Tully	188.9	186.3	-2.6	3.6	1.4	5.6	3.2
Warwick	185.6	176.4	-9.2	-6.3	-8.5	-1.5	-3.9

Location	Sep-22	Dec-22	Change Sep-22 to Dec-22	Differential Dec-22		Differential 2022	
				5 largest cities	Capital city	5 largest cities	Capital city
Weipa	220.1	223.7	3.6	41.0	38.8	41.0	38.6
Whitsunday	176.6	174.1	-2.5	-8.6	-10.8	-5.0	-7.4
Yeppoon	176.3	179.4	3.1	-3.3	-5.5	-1.1	-3.5
<b>South Australia</b>							
Bordertown	181.0	181.3	0.3	-1.4	2.4	0.7	4.9
Ceduna	185.7	183.7	-2.0	1.0	4.8	4.3	8.5
Clare	177.9	180.3	2.4	-2.4	1.4	-0.2	4.0
Coober Pedy	220.6	217.5	-3.1	34.8	38.6	31.7	35.9
Gawler	174.0	180.2	6.2	-2.5	1.3	-1.8	2.4
Kadina	178.6	180.7	2.1	-2.0	1.8	0.0	4.2
Keith	177.5	180.1	2.6	-2.6	1.2	-1.0	3.2
Loxton	175.0	181.3	6.3	-1.4	2.4	-0.8	3.4
Mt Gambier	170.1	176.8	6.7	-5.9	-2.1	-5.3	-1.1
Murray Bridge	175.0	176.1	1.1	-6.6	-2.8	-5.9	-1.7
Naracoorte	179.0	183.0	4.0	0.3	4.1	1.9	6.1
Port Augusta	180.1	183.4	3.3	0.7	4.5	2.0	6.2
Port Lincoln	182.2	183.6	1.4	0.9	4.7	2.0	6.2
Port Pirie	177.7	181.2	3.5	-1.5	2.3	-0.6	3.6
Renmark	180.9	182.8	1.9	0.1	3.9	1.8	6.0
Tailem Bend	180.4	180.5	0.1	-2.2	1.6	-0.1	4.1
Victor Harbour	181.3	181.2	-0.1	-1.5	2.3	1.2	5.4
Whyalla	181.8	184.5	2.7	1.8	5.6	2.6	6.8
<b>Tasmania</b>							
Burnie	186.1	190.7	4.6	8.0	1.4	7.6	-1.8
Campbell Town	192.6	193.1	0.5	10.4	3.8	12.1	2.7
Devonport	191.5	190.7	-0.8	8.0	1.4	10.6	1.2
Huonville	185.7	189.6	3.9	6.9	0.3	8.2	-1.2
Launceston	192.3	188.9	-3.4	6.2	-0.4	10.2	0.8
New Norfolk	181.8	186.9	5.1	4.2	-2.4	5.0	-4.4
Queenstown	196.3	201.3	5.0	18.6	12.0	18.5	9.1
Smithton	193.4	193.9	0.5	11.2	4.6	10.4	1.0
Sorell	186.7	191.9	5.2	9.2	2.6	9.6	0.2
Ulverstone	192.5	193.4	0.9	10.7	4.1	11.8	2.4
Wynyard	194.3	191.1	-3.2	8.4	1.8	11.0	1.6
<b>Victoria</b>							
Ararat	192.8	186.0	-6.8	3.3	0.8	4.8	2.2
Bairnsdale	179.5	179.1	-0.4	-3.6	-6.1	-1.7	-4.3
Ballarat	181.2	177.9	-3.3	-4.8	-7.3	-1.3	-3.9
Benalla	181.4	179.7	-1.7	-3.0	-5.5	-0.6	-3.2
Bendigo	180.1	180.3	0.2	-2.4	-4.9	-0.4	-3.0
Cobram	184.3	186.3	2.0	3.6	1.1	4.3	1.7
Colac	188.9	178.2	-10.7	-4.5	-7.0	-0.4	-3.0
Corryong	186.9	191.5	4.6	8.8	6.3	8.1	5.5
Echuca	185.4	182.4	-3.0	-0.3	-2.8	1.5	-1.1
Euroa	184.1	183.6	-0.5	0.9	-1.6	2.8	0.2

Location	Sep-22	Dec-22	Change Sep-22 to Dec-22	Differential Dec-22		Differential 2022	
				5 largest cities	Capital city	5 largest cities	Capital city
Geelong	180.8	184.1	3.3	1.4	-1.1	-2.3	-4.9
Hamilton	169.4	172.8	3.4	-9.9	-12.4	-7.6	-10.2
Horsham	182.3	181.1	-1.2	-1.6	-4.1	1.4	-1.2
Koo Wee Rup	185.3	187.2	1.9	4.5	2.0	4.9	2.3
Kyabram	181.5	184.9	3.4	2.2	-0.3	0.5	-2.1
Lakes Entrance	181.0	180.2	-0.8	-2.5	-5.0	-0.9	-3.5
Leongatha	181.4	183.7	2.3	1.0	-1.5	1.9	-0.7
Mansfield	196.6	188.5	-8.1	5.8	3.3	8.6	6.0
Mildura	178.2	180.3	2.1	-2.4	-4.9	-1.4	-4.0
Moe	178.6	179.7	1.1	-3.0	-5.5	-1.6	-4.2
Morwell	178.2	178.5	0.3	-4.2	-6.7	-1.9	-4.5
Orbost	186.1	187.7	1.6	5.0	2.5	5.8	3.2
Portland	166.9	173.4	6.5	-9.3	-11.8	-7.6	-10.2
Sale	185.6	182.4	-3.2	-0.3	-2.8	1.7	-0.9
Seymour	177.7	183.4	5.7	0.7	-1.8	1.8	-0.8
Shepparton	176.4	183.0	6.6	0.3	-2.2	-1.0	-3.6
Swan Hill	189.4	185.0	-4.4	2.3	-0.2	3.0	0.4
Traralgon	180.0	181.5	1.5	-1.2	-3.7	0.2	-2.4
Wallan	182.6	185.3	2.7	2.6	0.1	3.1	0.5
Wangaratta	191.8	188.2	-3.6	5.5	3.0	5.1	2.5
Warrnambool	186.1	180.1	-6.0	-2.6	-5.1	-1.2	-3.8
Wodonga	172.0	179.7	7.7	-3.0	-5.5	-3.5	-6.1
Wonthaggi	183.1	186.0	2.9	3.3	0.8	3.3	0.7
Yarrawonga	193.4	187.0	-6.4	4.3	1.8	6.3	3.7
<b>Western Australia</b>							
Albany	187.0	180.7	-6.3	-2.0	0.9	1.8	4.1
Boulder	187.4	180.9	-6.5	-1.8	1.1	2.7	5.0
Bridgetown	183.1	185.1	2.0	2.4	5.3	3.7	6.0
Broome	241.6	237.9	-3.7	55.2	58.1	43.5	45.8
Bunbury	179.8	183.1	3.3	0.4	3.3	0.1	2.4
Busselton	186.2	183.5	-2.7	0.8	3.7	1.2	3.5
Carnarvon	203.5	196.3	-7.2	13.6	16.5	16.6	18.9
Collie	189.7	184.3	-5.4	1.6	4.5	3.6	5.9
Dongara	185.1	187.5	2.4	4.8	7.7	3.8	6.1
Esperance	201.3	192.3	-9.0	9.6	12.5	14.1	16.4
Geraldton	186.7	185.0	-1.7	2.3	5.2	4.1	6.4
Kalgoorlie	185.6	179.5	-6.1	-3.2	-0.3	1.2	3.5
Karratha	199.3	201.0	1.7	18.3	21.2	17.9	20.2
Manjimup	183.0	184.1	1.1	1.4	4.3	4.1	6.4
Mount Barker	189.4	183.3	-6.1	0.6	3.5	5.2	7.5
Port Hedland	210.4	211.8	1.4	29.1	32.0	23.7	26.0
Waroona	195.0	194.8	-0.2	12.1	15.0	10.4	12.7

# Appendix B: Petrol prices and GIRDs in regional market study locations

The ACCC undertook 4 regional petrol market studies between 2015 and 2017. These studies examined petrol markets in Darwin, Launceston, Armidale and Cairns. The ACCC has continued to monitor and report on petrol prices and GIRDs in these locations.

Table B.1 shows average retail petrol prices and GIRDs for each location, and a comparison with those in the 5 largest cities, in the December quarter 2022 as well as the change from the September quarter 2022.

**Table B.1: Quarterly average retail petrol prices and GIRDs in Darwin, Launceston, Armidale, Cairns and the 5 largest cities: December quarter 2022 - cpl**

	Darwin	Launceston	Armidale	Cairns	5 largest cities
<b>Retail prices</b>					
Average price: December quarter 2022	183.8	188.9	184.8	178.7	182.7
Change from September quarter 2022	-7.6	-3.4	-3.7	4.4	5.0
Difference from 5 largest cities: December quarter 2022	1.1	6.2	2.1	-4.0	-
Change from September quarter 2022	-12.6	-8.4	-8.7	-0.6	-
<b>GIRDs</b>					
Average GIRDs: December quarter 2022	10.2	12.8	12.9	5.3	11.9
Change from September quarter 2022	-17.1	-12.7	-13.3	-5.0	-3.8
Difference from 5 largest cities: December quarter 2022	-1.7	0.9	1.0	-6.6	-
Change from September quarter 2022	-13.3	-8.9	-9.5	-1.2	-

Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil, Viva Energy and WA FuelWatch.

Notes: All prices are for RULP except Armidale (which is E10).

Hobart TGPs are used as a proxy for TGPs in Launceston.

Sydney and Brisbane E10 TGPs are used as a proxy for Armidale TGPs.

In the December quarter 2022, compared with the 5 capital cities:

- average retail prices in Darwin were higher and average GIRDs were lower
- average retail prices and average GIRDs in Launceston and Armidale were higher
- average retail prices and average GIRDs in Cairns were lower.

Motorists in these locations can use the fuel price transparency schemes in each jurisdiction to identify the highest and lowest priced retail sites. Motorists in:

- Darwin can use the MyFuel NT website and app
- Launceston can use the FuelCheck TAS website and app
- Armidale can use the FuelCheck NSW website and app
- Cairns can access site-specific petrol price data made available by commercial websites and app providers under the Queensland fuel price reporting scheme.

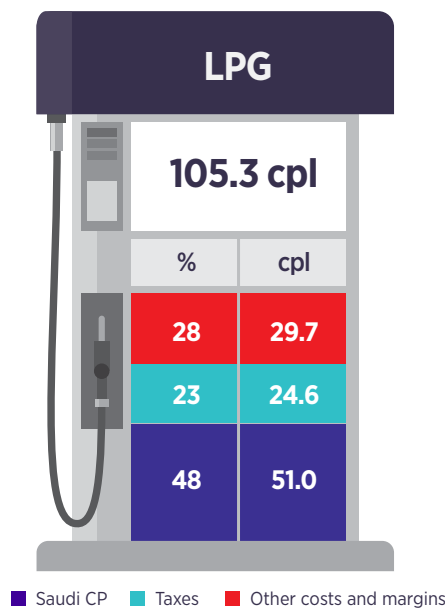
# Appendix C: Components of LPG prices

Quarterly average retail LPG prices in the 5 largest cities in the December quarter 2022 were 105.3 cpl, an increase of 0.4 cpl from the September quarter 2022 (104.9 cpl).

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

Chart C.1 shows the 3 broad components of average retail LPG prices in the 5 largest cities in the December quarter 2022.

**Chart C.1: Components of average retail LPG prices in the 5 largest cities in the December quarter 2022**



Source: ACCC calculations based on data from FUELtrac, Reuters, RBA and ATO.

Note: Percentages do not sum to 100 due to rounding.

In the December quarter 2022:

- taxes accounted for 23% of average retail LPG prices, an increase of 7 percentage points from the September quarter 2022<sup>69</sup>
- other costs and margins accounted for 28% of average retail LPG prices, a decrease of 5 percentage points
- the Saudi CP international benchmarks accounted for 48% of average retail LPG prices, a decrease of 3 percentage points.

Other costs and margins make up a relatively large proportion of the retail price for LPG compared with those for petrol and diesel because of the higher transportation and storage costs for LPG, and the lower rate of excise.

<sup>69</sup> On 30 March 2022, excise on LPG was halved for 6 months from 14.4 cpl to 7.2 cpl, and on 1 August 2022, excise increased by 0.3 cpl to 7.5 cpl. On 29 September 2022, excise was restored in full to 15.0 cpl.











AUSTRALIAN COMPETITION  
& CONSUMER COMMISSION

