

E10 petrol price monitoring – September 2007 quarterly report

Background

In August 2006 the Treasurer announced that the Australian Competition and Consumer Commission (ACCC) would extend its monitoring of fuel prices to include E10 petrol and provide a report on the price differential between E10 petrol and unleaded petrol on a quarterly basis.

This is the fourth E10 petrol price monitoring quarterly report and covers the three month period from July to September 2007.¹

E10 petrol is unleaded petrol which includes 10 per cent ethanol. The prices monitored in this report are for regular unleaded petrol (RULP) and regular E10 unleaded petrol (E10). It therefore excludes premium E10 petrol and E5 petrol.

In this report E10 petrol prices have been collected from various service stations in a particular location and compared with the RULP prices at those service stations.

There are currently over 800 service stations in Australia selling E10 petrol.

Summary

Across all of the locations reported in the E10 petrol price monitoring:

- in **July 2007** the monthly average price for E10 petrol was 2.9 cents per litre (cpl) lower than the average price for RULP;
- in **August 2007** the monthly average price for E10 petrol was 3.0 cpl lower than the average price for RULP;
- in **September 2007** the monthly average price for E10 petrol was 3.0 cpl lower than the average price for RULP.

As a result, on average over the **September quarter 2007** the average price for E10 petrol was 3.0 cpl lower than the average price for RULP. This is the same quarterly result as in the March and June quarters 2007.

¹ Previous E10 petrol price monitoring quarterly reports were released on 24 January, 11 May and 25 July 2007.

Price data

Table 1 shows, for the capital cities and regional towns across Australia in aggregate, average monthly prices for E10 petrol, RULP and the difference between the two prices for the three months July, August and September 2007.

Table 2 shows the same data for 28 locations across Australia. Seven new towns have been added to the locations included in the E10 petrol price monitoring report since the third report. These are: Bega, Casino, Gunnedah, Kempsey and Muswellbrook in New South Wales and Hervey Bay and Warwick in Queensland. Also added to the locations is Central Coast in New South Wales, comprises a number of towns including Gosford, Tuggerah, Woy Woy, Erina, Wyong, and Munmorah.

Methodological issues relating to the collection and reporting of this price data are outlined in [Attachment A](#).

Table 1: E10 petrol prices and regular unleaded petrol prices – July to September 2007 – broad aggregates

Location	Month	E10	RULP	Diff
		cpl	cpl	cpl
Capital cities	July 2007	118.6	121.4	2.8
	August 2007	115.0	118.0	3.0
	September 2007	115.9	118.9	3.0
	Average	116.5	119.4	2.9
Regional towns	July 2007	124.6	127.5	2.9
	August 2007	120.7	123.7	3.0
	September 2007	121.9	124.8	2.9
	Average	122.4	125.3	2.9

Source: ACCC and Informed Sources

Table 2: E10 petrol prices and regular unleaded petrol prices – July to September 2007 – specific locations

Location	Month	E10	RULP	Diff
		cpl	cpl	cpl
Capital cities				
Sydney*	July 2007	120.0	122.7	2.7
	August 2007	119.1	122.0	2.9
	September 2007	120.0	122.9	2.9
	Average	119.7	122.5	2.8
Melbourne	July 2007	122.3	125.9	3.6
	August 2007	117.3	121.0	3.7
	September 2007	118.0	121.7	3.7
	Average	119.2	122.9	3.7
Brisbane*	July 2007	115.7	118.4	2.7
	August 2007	111.0	114.0	3.0
	September 2007	112.1	114.9	2.8
	Average	112.9	115.8	2.8
Adelaide	July 2007	120.6	123.5	2.9
	August 2007	118.1	121.2	3.1
	September 2007	118.6	121.4	2.8
	Average	119.1	122.0	2.9
Canberra*	July 2007	123.8	126.8	3.0
	August 2007	122.4	125.4	3.0
	September 2007	122.4	125.4	3.0
	Average	122.9	125.9	3.0
New South Wales regional towns				
Armidale	July 2007	132.9	135.9	3.0
	August 2007	127.2	130.0	2.8
	September 2007	126.0	129.1	3.1
	Average	128.7	131.7	3.0
Bega	July 2007	na	na	na
	August 2007	128.0	132.3	4.3
	September 2007	127.9	131.9	4.0
	Average	128.0	132.1	4.2
Casino	July 2007	123.1	126.1	3.0
	August 2007	118.1	121.0	2.9
	September 2007	117.8	120.6	2.8
	Average	119.7	122.6	2.9

Location	Month	E10	RULP	Diff
		cpl	cpl	cpl
Central Coast*	July 2007	na	na	na
	August 2007	119.6	122.8	3.2
	September 2007	121.6	124.5	2.9
	Average	120.6	123.7	3.1
Dubbo	July 2007	132.7	135.7	3.0
	August 2007	128.3	131.4	3.1
	September 2007	126.8	129.8	3.0
	Average	129.3	132.3	3.0
Goulburn	July 2007	128.8	131.8	3.0
	August 2007	124.6	127.5	2.9
	September 2007	123.5	126.6	3.1
	Average	125.6	128.6	3.0
Grafton	July 2007	126.1	129.1	3.0
	August 2007	120.8	123.9	3.1
	September 2007	121.1	124.3	3.2
	Average	122.7	125.8	3.1
Gunnedah	July 2007	na	na	na
	August 2007	130.2	132.9	2.7
	September 2007	128.8	131.8	3.0
	Average	129.5	132.4	2.9
Kempsey	July 2007	131.8	134.7	2.9
	August 2007	129.0	132.0	3.0
	September 2007	127.1	129.9	2.8
	Average	129.3	132.2	2.9
Lismore	July 2007	123.7	126.7	3.0
	August 2007	118.2	121.1	2.9
	September 2007	118.1	121.1	3.0
	Average	120.0	123.0	3.0
Muswellbrook	July 2007	126.6	129.1	2.5
	August 2007	122.8	125.8	3.0
	September 2007	123.6	126.6	3.0
	Average	124.3	127.2	2.8
Newcastle*	July 2007	121.9	124.9	3.0
	August 2007	121.7	124.9	3.2
	September 2007	123.1	126.1	3.0
	Average	122.2	125.3	3.1

Location	Month	E10	RULP	Diff
		cpl	cpl	cpl
Tamworth	July 2007	131.7	134.6	2.9
	August 2007	129.3	132.2	2.9
	September 2007	127.2	130.2	3.0
	Average	129.4	132.3	2.9
Taree	July 2007	122.6	125.5	2.9
	August 2007	118.0	121.0	3.0
	September 2007	121.6	124.6	3.0
	Average	120.7	123.7	3.0
Wollongong	July 2007	124.4	127.5	3.1
	August 2007	121.4	124.3	2.9
	September 2007	122.5	125.6	3.1
	Average	122.8	125.8	3.0
Queensland regional towns				
Cairns	July 2007	124.5	127.5	3.0
	August 2007	120.7	123.7	3.0
	September 2007	119.3	122.3	3.0
	Average	121.5	124.5	3.0
Hervey Bay	July 2007	na	na	na
	August 2007	na	na	na
	September 2007	119.7	122.6	2.9
	Average	119.7	122.6	2.9
Mackay*	July 2007	122.7	125.7	3.0
	August 2007	115.8	118.8	3.0
	September 2007	118.5	121.6	3.1
	Average	119.0	122.0	3.0
Maryborough*	July 2007	120.6	123.1	2.5
	August 2007	117.6	119.8	2.2
	September 2007	116.4	119.1	2.7
	Average	118.2	120.7	2.5
Rockhampton	July 2007	123.6	126.5	2.9
	August 2007	119.6	122.4	2.8
	September 2007	119.1	122.0	2.9
	Average	120.8	123.6	2.9

Location	Month	E10	RULP	Diff
		cpl	cpl	cpl
Toowoomba*	July 2007	119.4	122.4	3.0
	August 2007	113.1	116.1	3.0
	September 2007	115.1	118.0	2.9
	Average	115.9	118.8	3.0
Townsville	July 2007	120.3	123.4	3.1
	August 2007	115.2	117.9	2.7
	September 2007	118.9	121.5	2.6
	Average	118.1	120.9	2.8
Warwick	July 2007	118.8	121.2	2.4
	August 2007	115.5	118.5	3.0
	September 2007	113.8	116.9	3.1
	Average	116.0	118.9	2.8

Source: ACCC and Informed Sources

* These towns have BP service stations and the average monthly prices for E10 petrol have been adjusted downwards by the ACCC to reflect the fact that consumers may be obtaining a discount of 3.0 cpl off the board price of E10 petrol through the use of a BP 'biorewards' card.

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Methodology

Coverage

- The ACCC obtains its petrol price data from Informed Sources.
- Informed Sources price monitoring involves sampling. Informed Sources currently monitors fuel prices at around 4,600 service stations in Australia. There are currently around 6,500 service stations in Australia. Therefore, the Informed Sources monitoring covers around 70 per cent of the total number of service stations. All of the capital cities and most of the major metropolitan towns are included in the monitoring programme, as are a representative sample of country towns.
- As at early October 2007 Informed Sources collected E10 petrol prices from around 600 service stations across Australia. Of this total, around 70 per cent of these service stations are included in the 28 locations covered in this report.
- Informed Sources collects E10 petrol price data from all states and the Northern Territory, except Western Australia where E10 petrol is not commercially available.
- The number of service stations selling E10 petrol (and their locations) included in this report is increasing over time.

Data collection

- Informed Sources obtains daily average E10 petrol and RULP prices for the 28 locations included in this report. The monthly averages are derived from the daily average prices.
- E10 petrol prices collected are for regular E10 unleaded petrol. They do not include premium E10 petrol (such as Boost 98 from United) or E5 petrol (such as Shell V-Power Racing).
- The daily E10 petrol price for these locations is the average price at service stations selling E10 petrol that are monitored by Informed Sources. The daily RULP price is the average price at those service stations. Therefore, the average RULP price for a particular location included in this report may be different from the overall average RULP price in that location.
- Locations are only included in the tables where Informed Sources obtains daily E10 petrol prices from two or more services stations in that location. This is to ensure the robustness of the price data.

- Daily price data is only included in the monthly average where both E10 petrol and RULP prices for that day are available.
- To derive a monthly average price, daily average prices need to be available for at least 14 days in that month.
- Informed Sources may exclude data from some service stations which sell E10 petrol in these locations where it has concerns about the robustness and accuracy of the E10 petrol or RULP price data.
- In Table 1 the average monthly price in the 'capital cities' aggregate is the average of all prices from service stations selling E10 petrol in the five capital cities; and similarly the average monthly price in the 'regional towns' aggregate is the average of all prices from service stations selling E10 petrol in the twenty-three regional towns in New South Wales and Queensland.
 - Note that some of the capital cities and regional towns receive state government subsidies at the retail level. As a result, these average monthly prices will not be typical for any particular capital city or regional town.

Adjustment for BP service stations

- E10 petrol at BP service stations is generally sold at the same price as RULP but consumers can receive a 3.0 cpl discount if they use a BP 'biorewards' card.
- Informed Sources collects the board price for E10 petrol, which will not include the 'biorewards' discount. This means that the price of E10 petrol collected by Informed Sources for BP service stations may not reflect the **actual** price paid by consumers for E10 petrol at these service stations.
- There are eight locations with BP service stations selling E10 petrol included in this report. They are: Sydney, Brisbane, Canberra, Central Coast, Newcastle, Mackay, Maryborough and Toowoomba.
- To take account of this issue, the ACCC has adjusted the average monthly E10 petrol price data in those towns on the assumption that the full 3.0 cpl discount is passed on at all BP service stations.
 - That is, the average monthly prices for E10 petrol in those towns were adjusted downwards by an amount of 3.0 cpl multiplied by the proportion of BP service stations selling E10 petrol monitored by Informed Sources in each town to the total number of service stations selling E10 petrol monitored by Informed Sources in the town.