



AUSTRALIAN COMPETITION  
& CONSUMER COMMISSION

# Independent chains generally have the lowest prices

**Report on petrol prices by major retailer in 2019  
and 2020**

June 2021

Australian Competition and Consumer Commission  
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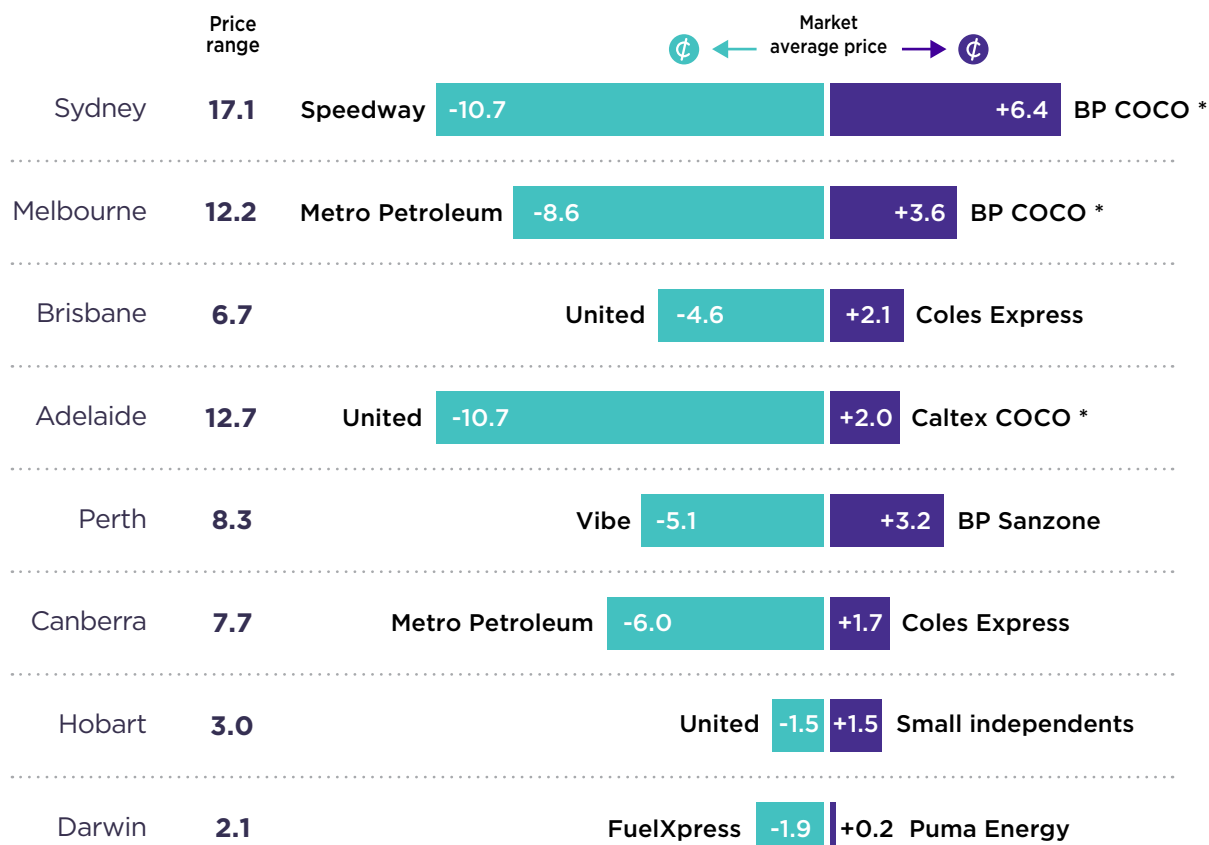
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# Petrol prices by major retailer in 2020

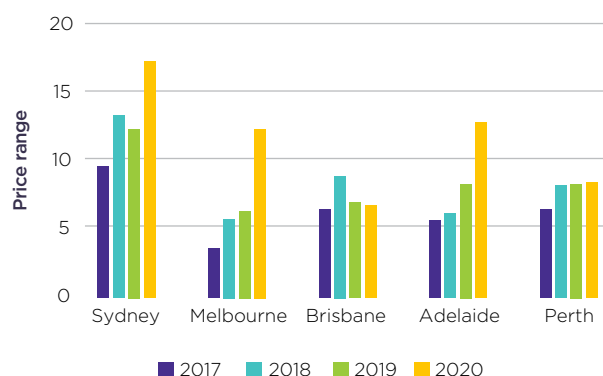
## LOWEST AND HIGHEST PRICED MAJOR RETAILERS

Annual average price difference from the market average price.



## RANGE IN PETROL PRICES OVER TIME

In the 5 largest cities the price range has generally increased.



## SAVINGS FROM SHOPPING AROUND

In 2020, a motorist switching from the highest to lowest priced petrol retailers could have made significant savings.\*\*

Sydney	\$445	Perth	\$216
Melbourne	\$317	Canberra	\$200
Brisbane	\$174	Hobart	\$78
Adelaide	\$330	Darwin	\$55



Prices are shown in cents per litre.

Petrol means regular unleaded petrol in all capital cities except Sydney, where E10 prices are used.

\* COCO means company-owned and company-operated retail sites and commission agent retail sites.

\*\* Indicative savings for a motorist filling up a 50 litre tank once a week throughout the year.

# Key messages

## The price of petrol is important to many motorists

The price of petrol is an important factor in a motorist's decision about where to buy petrol.<sup>1</sup> In a survey of fuel consumer attitudes in 2019, commissioned by the Australasian Convenience and Petroleum Marketers Association, 56% of consumers indicated that price had the biggest influence on their decision about where to buy fuel.<sup>2</sup>

There are other reasons why motorists may choose to go to one retail site instead of another. These include factors such as location, type of fuel sold, the ability to redeem discount vouchers or use a loyalty card, retail brand, convenience store, food and beverage offering (such as coffee) and the cleanliness of the retail site (including the bathrooms).

However, motorists that are primarily influenced by price in choosing where to buy petrol can find information about the petrol prices of the various major retailers helpful.<sup>3</sup>

The ACCC analysed annual average retail petrol prices in calendar years 2019 and 2020 to identify the highest and lowest priced major retailers of petrol (on average) in each capital city in Australia. Regular unleaded petrol (RULP) prices were analysed in all cities except Sydney, where E10 (i.e. RULP with up to 10% ethanol) prices were analysed.

Major retailers include: BP and Ampol (Caltex) company operated sites<sup>4</sup>, Coles Express, and independent chains that set their own retail prices (such as Woolworths/Euro Garages (EG) Group, 7-Eleven, United, Puma Energy, Metro Petroleum and Speedway). A 'small independents' category represents those retailers with only a few sites in a city or single retail site operators.

The brand of the retail site will not always reflect the owner or fuel price setter. For example, some independent chains use a BP or Caltex brand but set their own prices, as do some single site retail operators.

## Independent chains generally had the lowest prices in 2020

The following charts show the difference between each major retailer's annual average petrol price and the market annual average petrol price in each capital city in 2020. They also show the proportion of retail sites in the city for each major retailer as at 30 June 2019, which provides an indication of the significance of each major retailer's prices in the market.<sup>5</sup>

The charts indicate that in 2020:

- An independent chain was the lowest priced major retailer in all capital cities (United in Brisbane, Adelaide and Hobart, Metro Petroleum in Melbourne and Canberra, Speedway in Sydney, Vibe in Perth and FuelXpress in Darwin).

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1 In this report, references to petrol are to regular unleaded petrol (RULP) unless otherwise specified. Some caveats about the use of the average prices in this report are described in chapter 1.

2 Australasian Convenience and Petroleum Marketers Association, *2019 Monitor of Fuel Consumer Attitudes*, p. 13, at: <https://acapmag.com.au/wp-content/uploads/2019/11/ACAPMA-2019-National-Monitor-of-Fuel-Consumer-Attitudes-V1.0.pdf>, accessed on 28 May 2021.

3 A major retailer in the 5 largest capital cities (i.e. Sydney, Melbourne, Brisbane, Adelaide and Perth) is one that determines the retail price of petrol at 7 or more retail sites in that city. As there are a smaller number of retail sites in the smaller capitals (i.e. Canberra, Hobart and Darwin), a major retailer may have fewer than 7 retail sites.

4 BP- and Caltex-branded retail sites at which BP and Ampol set the price (i.e. company-owned and company-operated retail sites and commission agent retail sites) are referred to as COCO sites.

5 This proportion is indicative only. Retail prices are not available for all retail sites in each city and not all retail sites sell all grades of petrol (for example, some retail sites in Sydney do not sell E10).



- Refiner-marketers were the highest priced retailer in most capital cities (Coles Express in Brisbane and Canberra, BP COCO in Sydney and Melbourne and Caltex COCO in Adelaide).<sup>6</sup>
- In the other capital cities, the highest priced retailers were BP Sanzone (a BP-branded independent chain, in Perth), Puma Energy (in Darwin) and small independents (in Hobart).

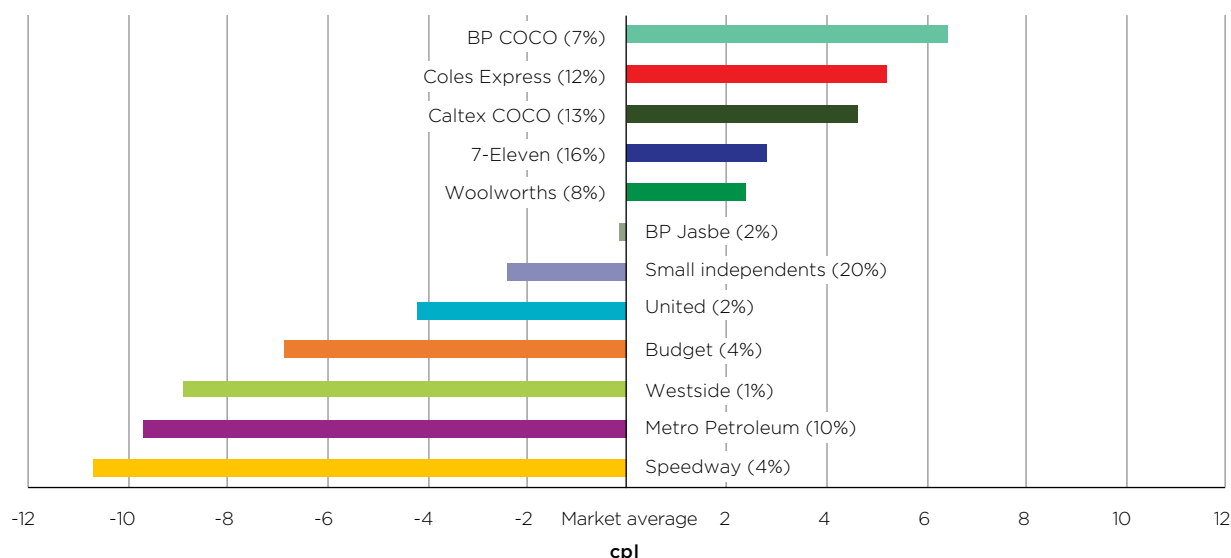
Low priced retailers, including many of the independent chains, compete vigorously on price and provide an important influence on the level of price competition across the cities.

There was significant variation between the highest and lowest average priced major retailer in most cities. The average range across the 5 largest capital cities was 11.4 cents per litre (cpl). The largest range was 17.1 cpl (in Sydney) and the smallest was 6.7 cpl (in Brisbane).

The range of prices between the major retailers dispel the myth held by some consumers that all petrol prices are the same.

## Sydney

### Difference between each major retailer's annual average petrol price and the market annual average petrol price in 2020



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: References to petrol in Sydney are to E10.

The numbers in brackets are the proportion of retail sites in Sydney for each major retailer as at 30 June 2019.

The proportions of retail sites shown in the chart do not total 100% due to rounding.

BP Jasbe is a BP-branded independent chain.

The savings available to motorists that shop around can add up. If a motorist in Sydney who bought petrol at the highest priced retailer (i.e. BP COCO) had instead bought it at the lowest priced retailer (i.e. Speedway), they could have saved themselves on average 17.1 cpl each time they filled up, or \$445 in 2020.<sup>7</sup>

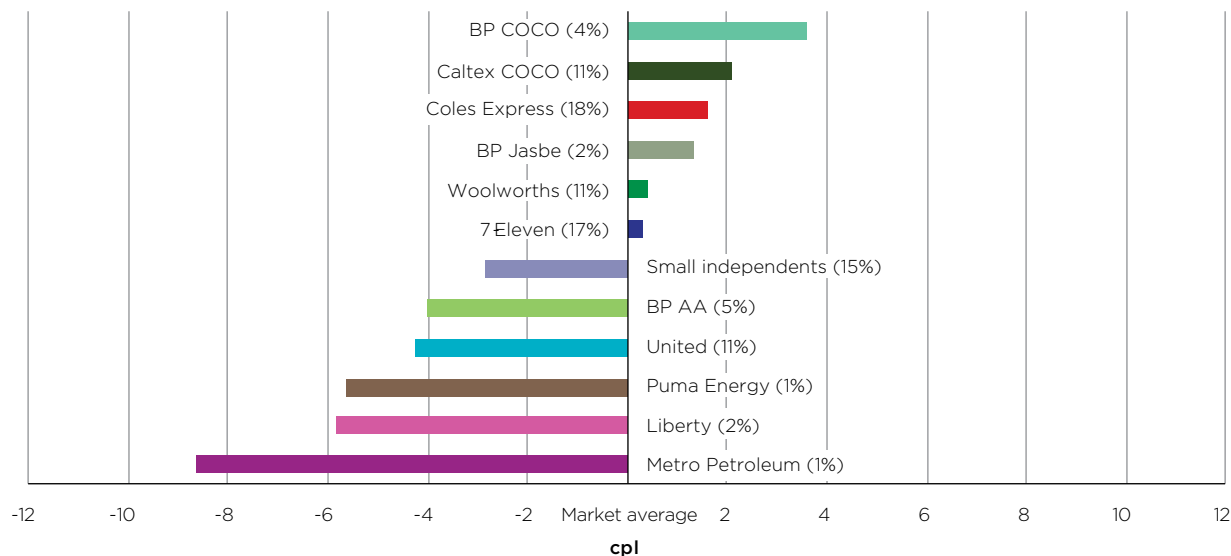
The chart shows that there were 6 independent chains in Sydney with average prices below the market average price (representing around a quarter of total retail sites).

<sup>6</sup> Refiner-marketers are those retailers that operate in the refining sector as well as the retailing sector of the petroleum industry. From March 2019 Coles Express has been essentially a refiner-marketer as Viva Energy refines the fuel which is sold at Coles Express sites, and also determines the retail price.

<sup>7</sup> Based on a motorist purchasing 50 litres of petrol once a week throughout the year. The ability of a motorist to make these savings would have been influenced by the location of the highest and lowest priced retailers, and the willingness of motorists to travel to obtain cheaper prices.

## Melbourne

Difference between each major retailer's annual average petrol price and the market annual average petrol price in 2020



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The numbers in brackets are the proportion of retail sites in Melbourne for each major retailer as at 30 June 2019. Prices were not available for Shell retail sites in Melbourne. Therefore, the proportions of retail sites shown in the chart do not total 100%.

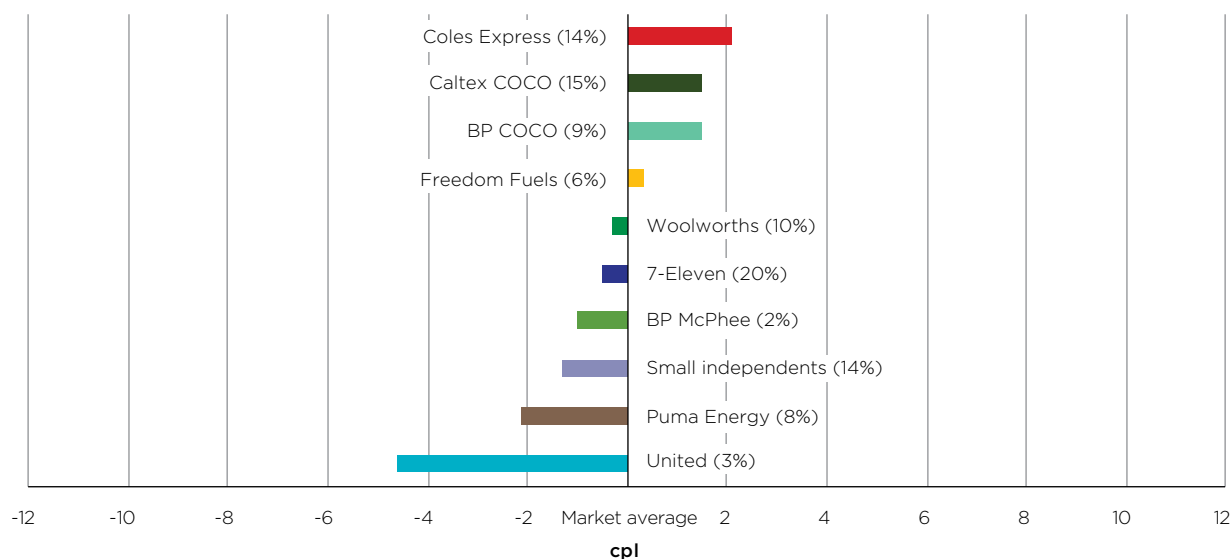
BP AA and BP Jasbe are BP-branded independent chains.

If a motorist in Melbourne who bought petrol at the highest priced retailer (i.e. BP COCO) had instead bought it the lowest priced retailer (i.e. Metro Petroleum), they could have saved themselves on average 12.2 cpl each time they filled up, or \$317 in 2020.

The chart shows that there were 5 independent chains in Melbourne with average prices below the market average price (representing around a fifth of total retail sites).

## Brisbane

**Difference between each major retailer's annual average petrol price and the market annual average petrol price in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The numbers in brackets are the proportion of retail sites in Brisbane for each major retailer as at 30 June 2019.

The proportions of retail sites shown in the chart do not total 100% due to rounding.

BP McPhee is a BP-branded independent chain.

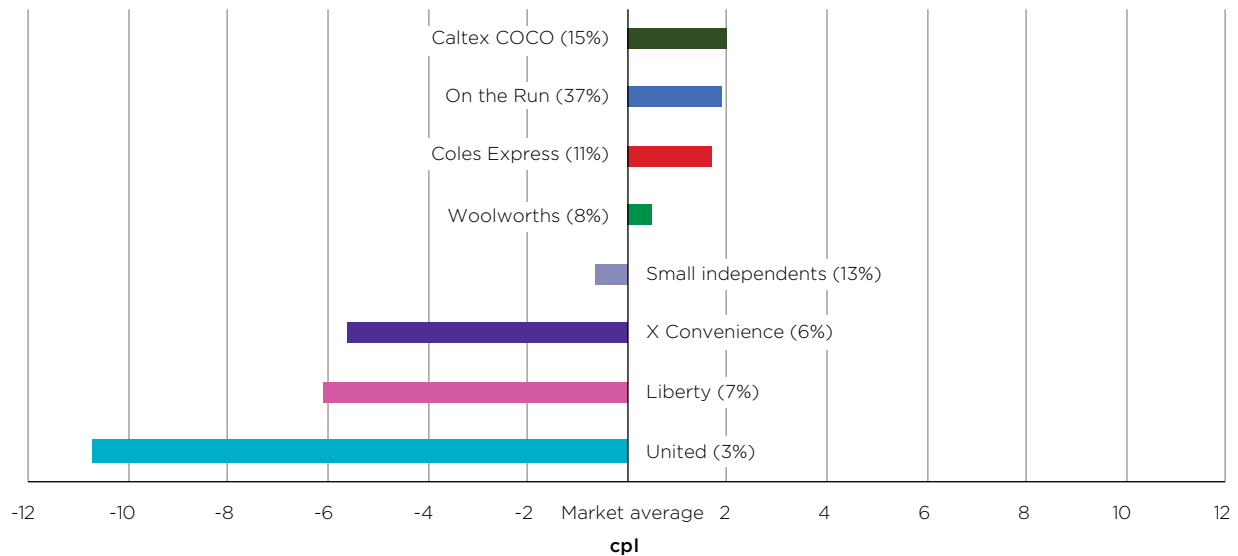
If a motorist in Brisbane who bought petrol at the highest priced retailer (i.e. Coles Express) had instead bought it at the lowest priced retailer (i.e. United), they could have saved themselves on average 6.7 cpl each time they filled up, or \$174 in 2020.

The chart shows that there were 5 independent chains in Brisbane with average prices below the market average price (representing around two-fifths of total retail sites).



## Adelaide

**Difference between each major retailer's annual average petrol price and the market annual average petrol price in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The numbers in brackets are the proportion of retail sites in Adelaide for each major retailer as at 30 June 2019.

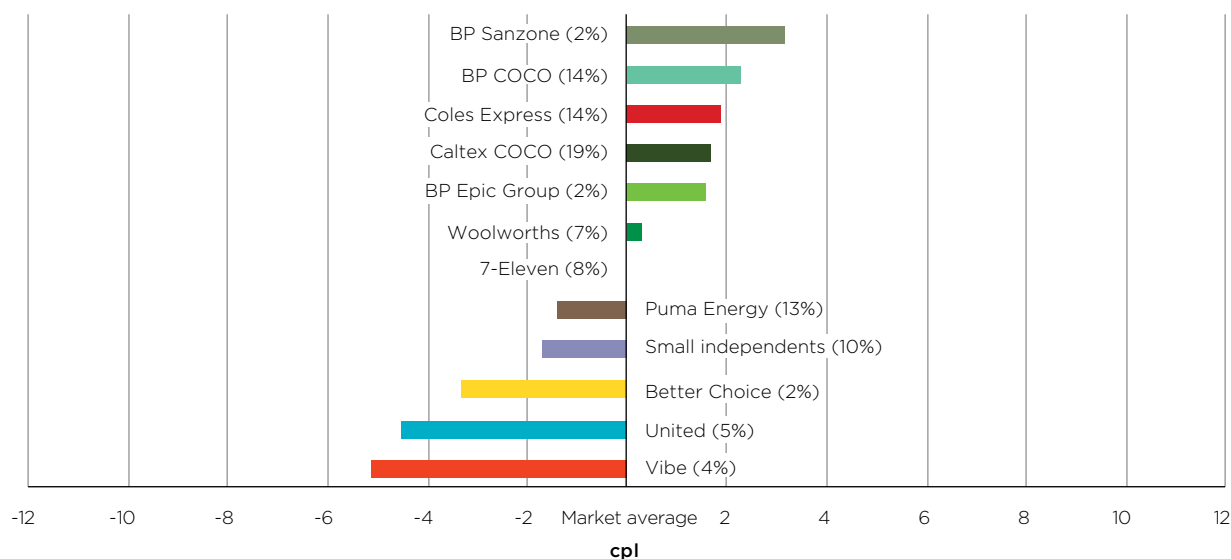
The small independents category includes the single BP COCO retail site in Adelaide.

If a motorist in Adelaide who bought petrol at the highest priced retailer (i.e. Caltex COCO) had instead bought it at the lowest priced retailer (i.e. United), they could have saved themselves on average 12.7 cpl each time they filled up, or \$330 in 2020.

The chart shows that there were 3 independent chains in Adelaide with average prices below the market average price (representing around a sixth of total retail sites).

## Perth

**Difference between each major retailer's annual average petrol price and the market annual average petrol price in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The numbers in brackets are the proportion of retail sites in Perth for each major retailer as at 30 June 2019.

BP Sanzone and BP Epic Group are BP-branded independent chains.

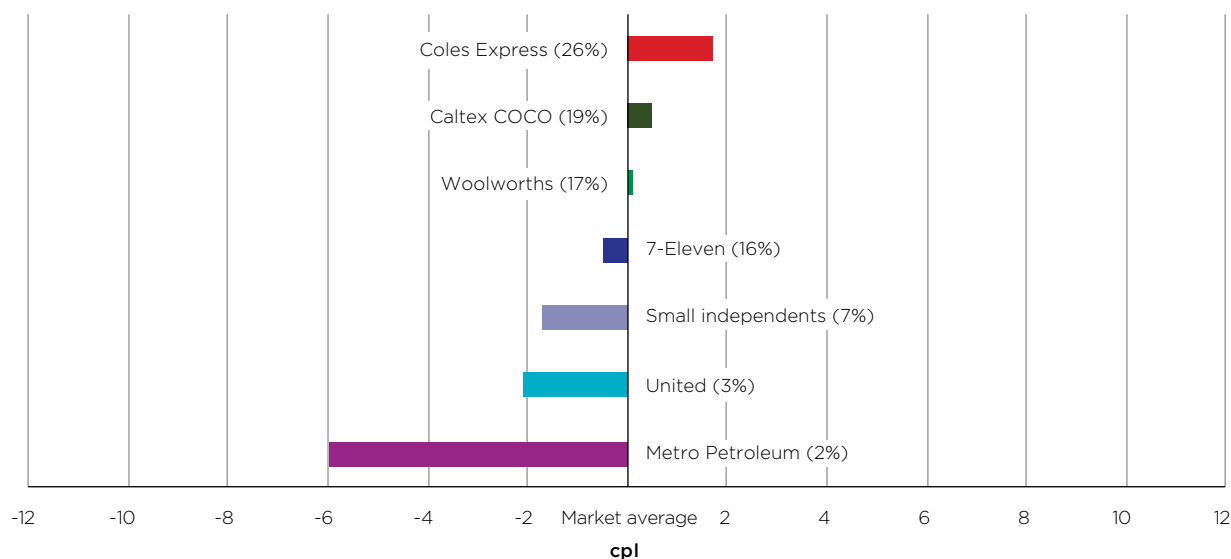
The average price for 7-Eleven was equal to the market average price.

If a motorist in Perth who bought petrol at the highest priced retailer (i.e. BP Sanzone) had instead bought it at the lowest priced retailer (i.e. Vibe), they could have saved themselves on average 8.3 cpl each time they filled up, or \$216 in 2020.

The chart shows that there were 4 independent chains in Perth with average prices below the market average price (representing around a quarter of total retail sites).

## Canberra

**Difference between each major retailer's annual average petrol price and the market annual average petrol price in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The numbers in brackets are the proportion of retail sites in Canberra for each major retailer as at 30 June 2019.

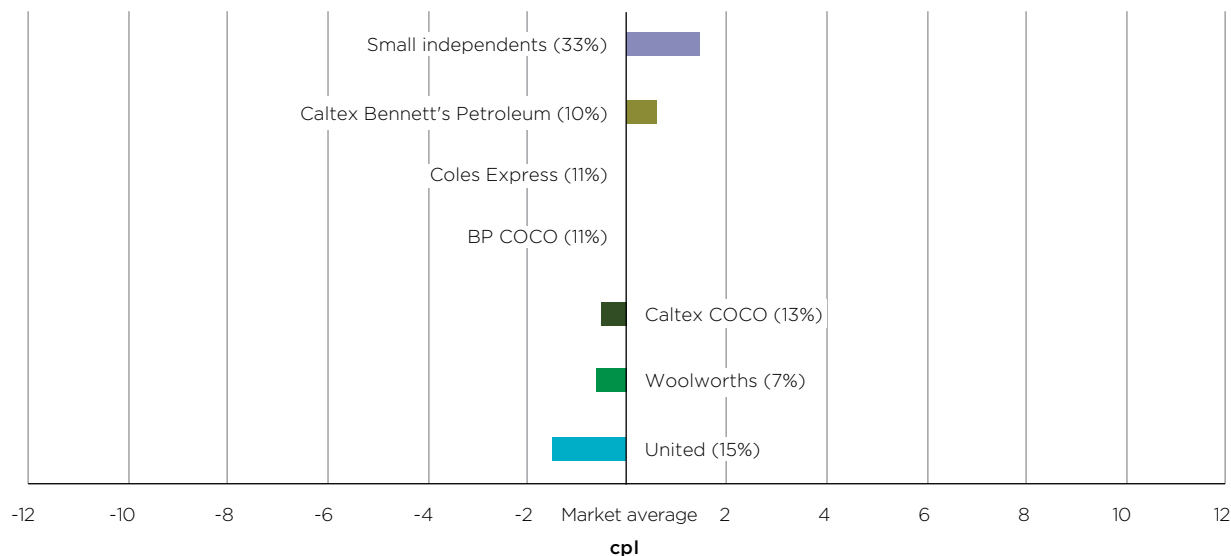
Prices were not available for BP-branded retail sites in Canberra, as they generally sell E10 rather than RULP. Prices were also not available for the small independents category. Therefore, the proportions of retail sites shown in the chart do not total 100%.

If a motorist in Canberra who bought petrol at the highest priced retailer (i.e. Coles Express) had instead bought it at the lowest priced retailer (i.e. Metro Petroleum), they could have saved themselves on average 7.7 cpl each time they filled up, or \$200 in 2020.

The chart shows that there were 3 independent chains in Canberra with average prices below the market average price (representing around a fifth of total retail sites).

## Hobart

Difference between each major retailer's annual average petrol price and the market annual average petrol price in 2020



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The numbers in brackets are the proportion of retail sites in Hobart for each major retailer as at 30 June 2019.

Caltex Bennett's Petroleum is a Caltex-branded independent chain.

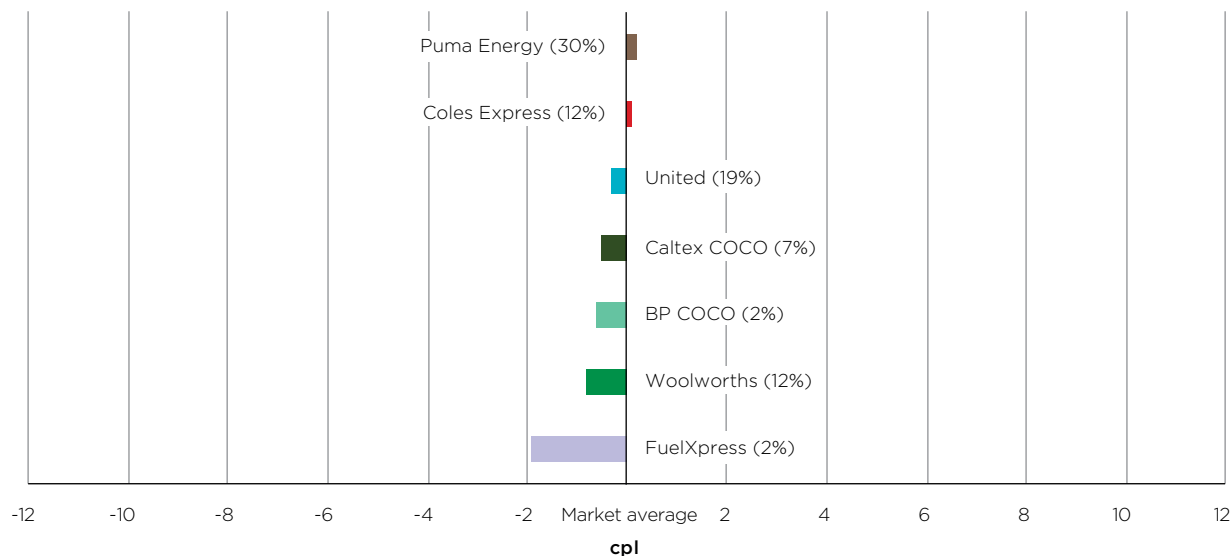
The average prices of Coles Express and BP COCO were equal to the market average.

If a motorist in Hobart who bought petrol at the highest priced retailer (i.e. a small independent retailer) had instead bought it at the lowest priced retailer (i.e. United), they could have saved themselves on average 3.0 cpl each time they filled up, or \$78 in 2020.

The chart shows that there were 2 independent chains in Hobart with average prices below the market average price (representing around a fifth of total retail sites).

## Darwin

### Difference between each major retailer's annual average petrol price and the market annual average petrol price in 2020



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The numbers in brackets are the proportion of retail sites in Darwin for each major retailer as at 30 June 2019.

Prices were not available for the small independents category. Therefore, the proportions of retail sites shown in the chart do not total 100%.

If a motorist in Darwin who bought petrol at the highest priced retailer (i.e. Puma Energy) had instead bought it at the lowest priced retailer (i.e. FuelXpress), they could have saved themselves on average 2.1 cpl each time they filled up, or \$55 in 2020.

The chart shows that there were 3 independent chains in Darwin with average prices below the market average price (representing around a third of total retail sites).

## Based on typical fuel use, motorists could have saved around \$485 million in 2020 simply by buying petrol at low-priced retailers

Motorists can make savings on petrol if they shop around and purchase it from lower priced retailers. Even if motorists in the 5 largest capital cities made a switch from buying petrol from a high-priced retailer (i.e. those with an average price above the market average price) to a low-priced retailer (i.e. those with an average price below the market average price), in aggregate they could have saved substantial amounts.

ACCC calculations indicate that savings from motorists across the 5 largest capital cities switching from high-priced retailers to low-priced retailers could have totalled around \$485 million in 2020. The total potential savings in 2020 could have been around \$216 million in Sydney, around \$147 million in Melbourne, around \$46 million in both Adelaide and Perth and around \$31 million in Brisbane.<sup>8</sup>

These calculations do not take account of the savings available to motorists who usually bought petrol from a low-priced retailer and switched to buy it from an even lower priced retailer. For example,

<sup>8</sup> These estimates are based on the following calculations and assumptions. The ACCC calculated the range between the average price of high-priced retailers and low-priced retailers in the 5 largest cities and estimated the number of unleaded petrol vehicles in each city using Australian Bureau of Statistics census and vehicle data. The ACCC assumed that: 50% of motorists purchased petrol at high-priced retailers; similar savings were available for all petrol grades; motorists purchased 50 litres of petrol each time they filled up; that one-third of motorists filled up once a week, one-third filled up once every 2 weeks and the remaining third filled up once every month.

motorists in Sydney that bought from BP Jasbe (which was 0.2 cpl lower than the market average price) who instead switched to Speedway (which was 10.7 cpl lower than the market average price).

These are illustrative savings over a full year based on typical fuel use. In 2020, demand for petrol decreased significantly in some jurisdictions due to restrictions on travel associated with the COVID-19 situation. Sales of RULP in Australia in 2020 were 14% lower than sales in 2019. While less petrol was purchased in 2020, these calculations indicate that motorists who shop around can save money on their petrol purchases.

The ACCC has also noted, in previous analysis, that motorists who time their purchases to avoid the peaks of the price cycles in the 5 largest capital cities can make substantial savings on petrol.<sup>9</sup>

## Information to help motorists save money is widely available

Motorists can use information about the relative average prices of the major retailers, in conjunction with other publicly available fuel price information, to help them make informed purchasing decisions. This includes real-time price data available through fuel price transparency schemes operating in NSW, WA, Queensland, the Northern Territory, SA and Tasmania.

A variety of fuel price websites and apps provide information to motorists about petrol prices, including:

- government websites and apps in WA, NSW, Tasmania and the NT
- motoring organisations' fuel price websites and apps (such as the NRMA, RACQ, RAA SA and RACT schemes)
- apps operated by fuel retailers (such as 7-Eleven and EG Group)
- commercial websites and apps (such as MotorMouth, Petrol Spy and EzySt).

Some fuel price websites and apps are more comprehensive and timely than others. The government schemes are the most comprehensive and up-to-date, whereas the commercial services may not include all of the lowest priced retail sites in some states. However, in jurisdictions where commercial services obtain their data via the government schemes, they can be as comprehensive and timely as the government websites and apps.

The use of fuel price websites and apps has increased in recent years. The ACAPMA 2019 consumer survey found that 19% of consumers in 2019 indicated that they use fuel price apps to find the best price (up from 8% in 2017) and 9% used fuel price websites.<sup>10</sup>

## The ACCC has championed greater fuel price transparency for consumers

Over the past 7 years, the ACCC has contributed significantly to the introduction of fuel price transparency schemes in Australia through its court action and policy advocacy.

In August 2014, the ACCC took court action against Informed Sources and several petrol retailers that subscribed to its Oil Price Watch service.<sup>11</sup> Informed Sources operates a petrol price information exchange service which allows for subscribing petrol retailers to exchange prices on a near real-time basis. The ACCC was concerned that this arrangement, which allowed for the highly frequent and private exchange of price information between petrol companies, had the effect or likely effect of substantially lessening competition for the retail sale of petrol. In December 2015, the ACCC

9 ACCC, *Petrol price cycles in Australia*, 6 December 2018, at: <https://www.accc.gov.au/publications/petrol-industry-reports/petrol-price-cycles-in-australia>.

10 ACAPMA, *2019 Monitor of Fuel Consumer Attitudes*, p. 20.

11 ACCC, *ACCC takes action against Informed Sources and petrol retailers for price information sharing*, media release, 20 August 2014, at: <https://www.accc.gov.au/media-release/accc-takes-action-against-informed-sources-and-petrol-retailers-for-price-information-sharing>.

resolved these proceedings with undertakings from Informed Sources and the petrol retailers.<sup>12</sup> The undertakings from Informed Sources stated that it would make the same fuel price information available to consumers as it does to its subscribers and provide data to third party app providers on reasonable commercial terms. In May 2016, MotorMouth (a subsidiary of Informed Sources) updated its app to provide motorists with access to near real-time petrol prices for the first time.

Around the same time as the resolution with Informed Sources and the petrol retailers, the NSW Government announced the introduction of a fuel price transparency scheme. In August 2016, FuelCheck – an online tool providing consumers with real-time fuel prices covering almost every retail site across NSW – commenced.

The improvements to the MotorMouth app and the introduction of FuelCheck in NSW improved the functioning of retail petrol markets by enabling motorists to more easily compare prices across retail sites and providing greater public scrutiny of the behaviour of petrol retailers.

Through its regional market studies – beginning with the report on Darwin in November 2015 – the ACCC has also been championing fuel price transparency as a way to introduce more competition into petrol markets.<sup>13</sup> In response to the ACCC's Darwin report, the NT government introduced the MyFuel NT fuel price transparency scheme in November 2017. The ACCC's Cairns regional market study and short report on Brisbane in 2017 both promoted a fuel price transparency scheme for Queensland. In December 2018, Queensland introduced a 2 year trial scheme, which was made permanent in December 2020.

The ACCC also advocated for fuel price transparency schemes in other jurisdictions, such as Tasmania and South Australia (which were introduced in 2020 and 2021 respectively).

## Over the past 4 years some independent chains were consistently the lowest priced retailers across the cities

Between 2017 and 2020, the lowest priced major retailer in each of the capital cities was one of the larger independent chains. Furthermore, in many cities the same independent chain was consistently the lowest. For instance:

- in all 4 years, Speedway was the lowest priced retailer in Sydney and United was the lowest in Brisbane
- in the 3 years between 2018 and 2020, United was lowest priced retailer in Hobart and FuelXpress was lowest in Darwin
- in 3 of the 4 years, United was the lowest priced retailer in Melbourne and Vibe was the lowest priced retailer in Perth.

In comparison, the highest priced retailer in each of the capital cities changed over the 4 years:

- In 2017 and 2018, Coles Express was almost exclusively the highest priced retailer in the capital cities. By 2020, it was the highest priced retailer in only 2 cities: Brisbane and Canberra.<sup>14</sup>
- In 2020, 6 different major retailers were the highest priced retailer. Apart from Coles Express, these were BP COCO, Caltex COCO, BP Sanzone, Puma Energy, and small independents.

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12 ACCC, *Petrol price information sharing proceedings resolved*, media release, 23 December 2015, at: <https://www.accc.gov.au/media-release/petrol-price-information-sharing-proceedings-resolved>.

13 The Chair of the ACCC outlined the ACCC's position on fuel price transparency in a speech to the Asia Pacific Fuel Industry Forum on 13 September 2017. See: *Fuel price transparency and retail industry competition*, at: <https://www.accc.gov.au/speech/fuel-price-transparency-and-retail-industry-competition>.

14 Coles Express was consistently the highest priced retailer in Brisbane between 2017 and 2020 and in Canberra between 2018 and 2020.



## The range between the highest priced and lowest priced major retailer has generally been increasing over time

Between 2017 and 2020, the range between the highest and lowest priced retailer trended upward in Sydney, Melbourne and Adelaide. In Perth, the range increased in 2018 and remained broadly stable in subsequent years, and in Brisbane the range remained stable apart from an increase in 2018.

The average range between the highest and lowest priced retailer across the 5 largest capital cities increased from 6.3 cpl in 2017 to 8.4 cpl in 2018. It remained the same in 2019 and increased to 11.4 cpl in 2020.

A possible influence on the increase in the range since 2017 is that retail petrol prices were more volatile in subsequent years, reflecting larger movements in the international price of refined petrol. For instance:

- in 2017 daily average petrol prices across the 5 largest capital cities varied from a low of 114.7 cpl to a high of 146.4 cpl (i.e. a variation of 31.7 cpl)
- in 2018 these average prices varied by 46.8 cpl, and in 2019 they varied by 49.8 cpl
- in 2020 average prices varied significantly more, by 71.1 cpl.

The decrease in petrol demand in 2020 associated with COVID-19 travel restrictions may also have been an influence.

The greater range of prices in 2020 meant that a motorist's decision to switch from a high priced retailer to a low priced retailer would mean greater savings in 2020 than in previous years.

## Prices at Coles Express and Woolworths retail sites were generally lower following the changes in price setter in 2019

The retail price setter at both Coles Express and Woolworths fuel retail sites changed in the first half of 2019. From 1 March 2019, Viva Energy began setting the price of fuel at Coles Express retail sites, with Coles Express becoming a commission agent. On 1 April 2019, EG Group completed its purchase of Woolworths' petrol business and commenced setting fuel prices at 540 previously Woolworths-owned retail sites.

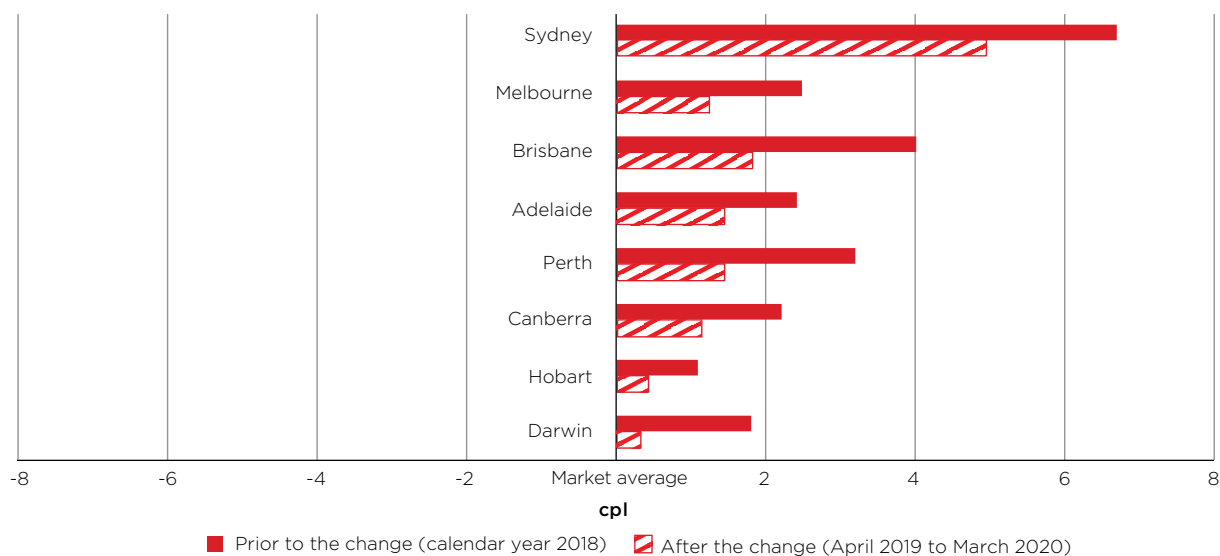
The ACCC examined how average retail petrol prices at Coles Express and Woolworths retail sites differed from market average prices in the 8 capital cities during:

- calendar year 2018, when Coles and Woolworths were setting petrol prices at their respective sites
- the 12-month period 1 April 2019 to 30 March 2020, which is after the change in price setter, when Viva Energy and EG Group were setting petrol prices.

## Coles Express

The following chart shows the difference between the average petrol price at Coles Express retail sites and the market average petrol price in the 8 capital cities for the 12-month periods prior to (i.e. calendar year 2018) and after (i.e. 1 April 2019 to 30 March 2020), the change in price setter from Coles to Viva Energy.

**Differences between the average petrol price at Coles Express retail sites and the market average petrol price in the capital cities prior to, and after, the change in price setter in 2019**



Source: ACCC calculations based on Informed Sources data.

Notes: E10 prices are used in Sydney. RULP prices are used in all other cities.

Hobart prices for 2018 are for the 6-month period April to September 2018.

The chart shows that average prices at Coles Express retail sites were lower in all capital cities when Viva Energy was setting petrol prices.<sup>15</sup> However, average prices at Coles Express retail sites remained higher than market average prices in all cities.

Across the 8 capital cities, the average price at Coles Express retail sites was on average 1.4 cpl lower when Viva Energy set the price of petrol, compared with when Coles Express set the price. When Coles Express set the price of petrol, the average price at Coles Express retail sites was on average 3.0 cpl higher than the market average price. When Viva Energy set the price of petrol, the average price at Coles Express retail sites was on average 1.6 cpl higher than the market average price.

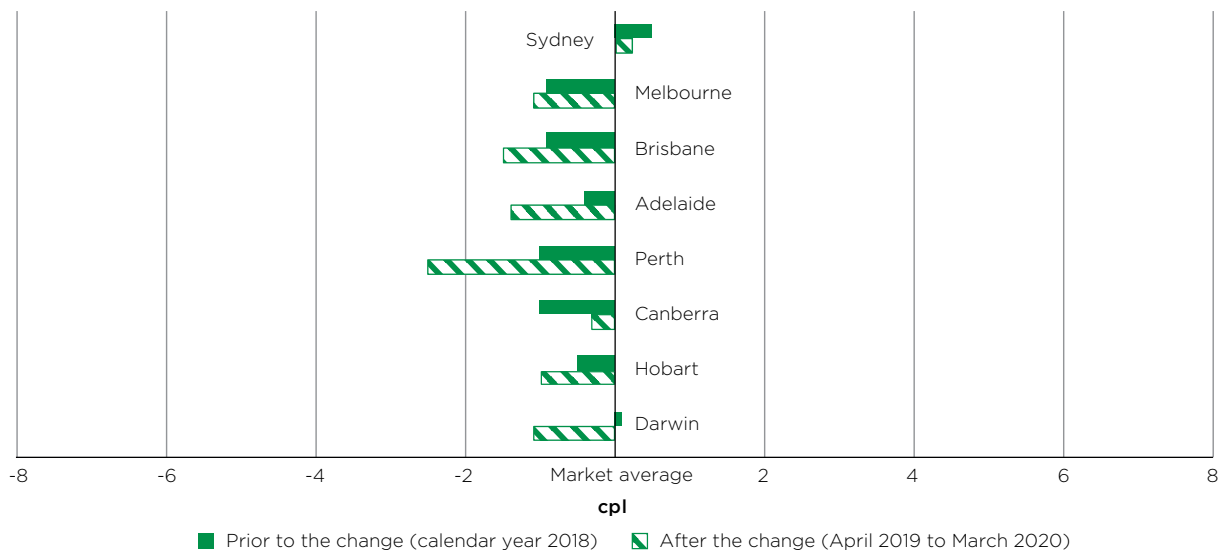
Across the 5 largest capital cities, the difference was larger. The average price at Coles Express retail sites was on average 1.7 cpl lower when Viva Energy set the price of petrol, compared with when Coles Express set the price.

<sup>15</sup> Lower relative retail prices at Coles Express sites had a positive effect on sales volumes. In its 2019 annual report, Viva Energy stated: 'As a result of a more competitive retail fuel pricing strategy, the Group returned fuel volumes through the Alliance network to growth in 2H2019 after an extended period of decline.' See Viva Energy Australia, *Annual Report 2019*, released on 18 March 2020, p. 13, at: <https://investor.vivaenergy.com.au/investor-centre/?page=asx-announcements>, accessed on 28 May 2021.

## Woolworths

The following chart shows the difference between the average petrol price at Woolworths retail sites and the market average petrol price in the 8 capital cities for the 12-month periods prior to (i.e. calendar year 2018), and after (i.e. 1 April 2019 to 30 March 2020), the change in price setter from Woolworths to EG Group.

**Differences between the average petrol price at Woolworths retail sites and the market average petrol price in the capital cities prior to, and after, the change in price setter in 2019**



Source: ACCC calculations based on Informed Sources data.

Notes: E10 prices are used in Sydney. RULP prices are used in all other cities.

Hobart prices in 2018 are for the 6-month period April to September 2018.

The chart shows that average prices at Woolworths retail sites were lower in all capital cities except Canberra, when EG Group was setting petrol prices. Average prices at Woolworths retail sites were lower than market average prices in all cities except Sydney.

Across the 8 capital cities, the average price at Woolworths retail sites was on average 0.6 cpl lower when EG set the price of petrol, compared with when Woolworths set the price. When Woolworths set the price of petrol, the average price at Woolworths retail sites was on average 0.5 cpl lower than the market average price. When EG Group set the price of petrol, the average price at Woolworths retail sites was on average 1.1 cpl lower than the market average price.

Across the 5 largest capital cities, the difference was larger. The average price at Woolworths retail sites was on average 0.8 cpl lower when EG Group set the price of petrol, compared with when Woolworths set the price.

## Petrol retailers are not the same

At 30 June 2020, there were around 7,700 retail fuel sites in Australia, which operate under a range of business models.<sup>16</sup> The variety of business models and ownership structures mean that there are different pricing strategies and offerings among retail sites, as well as different capital structures and cost bases.

For example, some retailers may consider that they have a 'premium brand', an attractive retail site, a good location and/or a superior convenience store, and set their retail prices higher to reflect these features. Other retailers may consider that they need to set prices below those of many of their local competitors to attract customers to their retail site. Some may have competitive prices to attract consumers into their convenience store where margins are often higher than on sales of fuel.

Some retailers may offer discounts to qualifying customers. Examples of these include shopper docket discount arrangements of the supermarket chains, discount arrangements between some major retailers and state motoring organisations, and discounts associated with fuel cards. These offers may also influence a retailer's pricing strategy.

When considering the average prices of the major retailers, these differences need to be borne in mind. Consumers should remember, however, that there are minimum standards for RULP that all retailers must adhere to, and RULP sold by an independent retailer is typically supplied by the same refinery or import terminal as that sold by a so called 'premium brand'.

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<sup>16</sup> From the Informed Sources NetWatch database.

# 1. Introduction

## 1.1 Background to this report

This analysis updates previous ACCC reports on petrol prices by major retailer in 2017 and 2018.<sup>17</sup>

There have been a couple of major changes to the petrol retailing sector in the last 2 years of significance to this report:

- From 1 March 2019, Viva Energy rather than Coles set the retail price of fuel at Coles Express retail sites.
- In April 2019, EG Group completed the purchase of Woolworths Group Limited's (Woolworths) petrol business. In this report, 'Woolworths sites' refers to those sites.
- In December 2019, Caltex Australia announced that it would transition its name to Ampol over 3 years, beginning in 2020.<sup>18</sup> This involves transitioning its full retail network to use the 'Ampol' brand. By the end of 2020, Caltex had re-branded 26 Ampol sites.<sup>19</sup> In this report, 'Caltex' is used to refer to Caltex sites (including those that have changed their brand to Ampol).

## 1.2 Price is important to many consumers

Information about the fuel prices of the various major retailers can assist consumers in deciding where to buy fuel.

The Australasian Convenience and Petroleum Marketers Association (ACAPMA) has commissioned surveys in recent years into consumer attitudes about fuel.<sup>20</sup> This research has indicated that the price of fuel is the most important factor in a consumer's decision about where to buy fuel.

The most recent ACAPMA survey (in 2019) found that 56% of consumers indicated that price had the biggest influence on their decision about where to buy fuel.<sup>21</sup> This was an increase of 8 percentage points from the previous survey in 2017.

Other factors influencing a consumer's decision about where to purchase fuel identified in the survey were: location of the service station; quality/type of fuel; ability to redeem supermarket fuel discount vouchers or use loyalty card; brand; ease of entry and exit; safety; opening hours; customer service; cleanliness; availability of prepared food and coffee; and availability of rest rooms.<sup>22</sup>

The survey also found that 87% of consumers always purchase from the same, or one of the same few, retail sites. However, 31% of consumers indicated that they generally choose a particular service station because it usually has lower prices.<sup>23</sup>

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17 ACCC, *Petrol prices are not the same: report on petrol prices by major retailer in 2017* (subsequently referred to as the 'ACCC's 2017 price report'), available at: <https://www.accc.gov.au/publications/petrol-industry-reports/petrol-prices-are-not-the-same-report-on-petrol-prices-by-major-retailer-in-2017>, and *Petrol prices vary significantly – report on petrol prices by major retailer in 2018* (subsequently referred to as the 'ACCC's 2018 price report'), available at: <https://www.accc.gov.au/publications/petrol-industry-reports/petrol-prices-vary-significantly-report-on-petrol-prices-by-major-retailer-in-2018>.

18 Caltex Australia, *Ampol is back! Iconic Australian fuel brand to return in 2020*, media release, 23 December 2019, at: <https://www.caltex.com.au/our-company/media-releases/ampol-is-back-in-2020>, accessed on 28 May 2021.

19 Ampol, *Annual Report 2020*, at: <https://www.ampol.com.au/about-ampol/investor-centre/annual-reports>, accessed on 28 May 2021.

20 ACAPMA, *2019 Monitor of Fuel Consumer Attitudes; 2017 Monitor of Fuel Consumer Attitudes*, at: <http://acapmag.com.au/wp-content/uploads/2017/11/ACAPMA-2017-National-Monitor-of-Fuel-Consumer-Attitudes-Report-V1.0.pdf>; and *National Monitor of Fuel Consumer Attitudes*, 2015, at: <https://acapmag.com.au/wp-content/uploads/2015/10/2015-National-Monitor-of-Fuel-Consumer-Attitudes-Results.pdf>, accessed on 28 May 2021.

21 *2019 Monitor of Fuel Consumer Attitudes*, p. 13.

22 *2019 Monitor of Fuel Consumer Attitudes*, p. 13.

23 *2019 Monitor of Fuel Consumer Attitudes*, pp. 14–15.

The results of these surveys suggest that many consumers are willing to seek out lower prices when buying fuel. Furthermore, the ACAPMA survey found that 19% of consumers in 2019 indicated that they use fuel price apps to find the best price (up from 8% in 2017) and 9% used fuel price websites.<sup>24</sup>

## 1.3 Business models and pricing strategies differ between fuel retailers

As at 30 June 2020, there were around 7,700 retail fuel sites operating in Australia.<sup>25</sup> Retail sites operate under a range of business models, including:

- company-owned and company-operated retail sites – i.e. sites at which the retailer owns the site and sets the retail fuel price
- commission agent retail sites – i.e. sites generally owned by a refiner-marketer or independent chain, which are operated by a third party that is generally compensated in the form of a commission based on the quantity of fuel sold
- franchise retail sites – i.e. sites where franchisees rent a site and source fuel from the franchisor and brand it accordingly
  - they may set their own price, or act as a commission agent for the franchisor.

Retail sites may be operated by refiner-marketers (BP and Ampol), supermarket chains (Coles Express) or large and small independent retailers (ranging from large chains, such as EG Group, 7-Eleven and United, to operators with only a few sites and single retail site operators).<sup>26</sup> In addition to selling fuel, many retail sites have a convenience store attached.

The variety of business models and ownership structures mean that there are different pricing strategies and offerings among retail sites, as well as different capital structures and cost bases.

For example, some retailers may consider that they have a ‘premium brand’, an attractive retail site, a good location or a superior convenience store, and set their retail prices higher to reflect these features. Other retailers may consider that they need to set prices below those of many of their local competitors to attract customers to their retail site. Some may have competitive prices to attract consumers into their convenience store, where margins are often higher than on sales of fuel.

These differences need to be borne in mind when considering the average fuel prices of the major retailers.

## 1.4 The brand does not always show who is setting fuel prices

While the brand of the retail site will often reflect the owner or fuel price setter of the retail site, this is not always the case.

A refiner-marketer retail site may be owned and operated by the refiner-marketer, and the refiner-marketer sets the retail price. Alternatively, the retail site may be owned and operated by an independent owner that sells fuel of a refiner-marketer under the refiner-marketer brand, but sets the price independently of the refiner-marketer. This independent owner may operate a number of retail sites or just one.

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24 2019 Monitor of Fuel Consumer Attitudes, p. 20.

25 From the Informed Sources NetWatch database.

26 From March 2019, Coles Express retail sites were operated by Coles, but retail prices were determined by Viva Energy. See chapter 4.

These different types of retailers are illustrated by looking at BP-branded retail sites in Melbourne. As at 30 June 2019, there were a total of 152 BP-branded retail sites. Of these:

- BP owned and operated 32 retail sites in Melbourne, at which it set the retail price of fuel
- an independent chain – BP AA – owned and operated a chain of 48 BP-branded retail sites in Melbourne, at which BP AA set the retail price of fuel
- another BP-branded independent chain – BP Jasbe – set the price of fuel at 18 retail sites
- there were a further 54 independent retail sites that sold BP-branded fuel, but which set the retail price independently of BP.

It is generally not possible for consumers to distinguish between these types of retail sites under the same brand, or determine which operator is setting the retail price. The same applies to some retail sites operated by other retailers and independent chains.

## 1.5 Price data used in this report

The ACCC obtained annual average retail prices in calendar years 2019 and 2020 by major retailer for RULP in Melbourne, Brisbane, Adelaide, Perth, Canberra, Hobart and Darwin, and for E10 in Sydney.

In previous reports the ACCC used E10 prices in Sydney instead of RULP because sales of E10 in Sydney in those years were generally higher than sales of RULP. While this may no longer be the case, E10 prices continue to be used for Sydney to enable like for like comparisons with previous reports.

This data has been analysed to identify the highest and lowest priced major retailer in each of the 8 capital cities.

For the purposes of this analysis, in the 5 largest capital cities, a major retailer is defined as a retailer that determines the retail price of petrol at 7 or more retail sites in the city.<sup>27</sup> In most cases, a major retailer will also own or operate these retail sites. However, this also includes commission agent and franchise retail sites (which are owned and/or operated by another entity, but at which the major retailer determines the retail price). The retail sites of non-major retailers are aggregated into the analysis in the ‘small independents’ category.

In the 3 smaller capitals, the requirement of a major retailer having to set the retail price of petrol at 7 or more retail sites does not apply. This is because such a requirement would result in a number of individual market participants being aggregated with other retailers and brands, rather than reporting on their respective prices (for example, as at 30 June 2019 there were 4 Woolworths retail sites in Hobart and 4 Caltex branded COCO sites in Darwin).

In the case of BP and Caltex branded retail sites, the ACCC has allocated these into 3 categories, based on information provided by each company. These 3 categories are:

- Company-owned and company-operated retail sites and commission agent retail sites (referred to as COCO). BP and Ampol set the price at these retail sites.
- BP- and Caltex-branded but independently operated chains. An independent operator sets the price of fuel (rather than BP or Ampol) at 7 or more of these BP- or Caltex-branded retail sites.
- Independent BP- and Caltex-branded retail sites. An independent operator sets the price of fuel (rather than BP or Ampol) at less than 7 of these BP- or Caltex-branded retail sites. These retail sites are included in the ‘small independents’ category.

Other methodological issues relating to the compilation of these average prices are described in the appendix.

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<sup>27</sup> This approach is similar to that used in the ACCC’s 2018 price report, but is slightly different from the approach taken in the ACCC’s 2017 price report, where a major retailer was defined as a retailer that determined the retail price of petrol at 10 or more retail sites in a city.



There are some caveats to be aware of:

- average prices are for many retail sites over time and across a city, and therefore should not be taken to infer the prices at any specific retail site
- for some retail sites prices were not available for all of 2019 or 2020
- all prices are board prices and do not take account of the various discount schemes (such as the shopper docket discount arrangements of the supermarket chains and other retailers, discount arrangements between some major retailers and state motoring organisations, and discounts associated with fuel cards).

It is also important to note that while a particular retailer may have an annual average price above the market average price, it does not mean they will have higher prices at all times. For example, while a retailer may have a higher price than the market average over a year, at any point in time its board price may be below the market average price.

Despite these caveats, average prices presented in this report provide useful information to consumers, which can help them decide where to buy petrol. At a minimum, they dispel the idea held by some consumers that all petrol prices are the same.

This analysis focused on the capital cities because they generally have a larger range of prices, and more retail sites, than regional locations across Australia. As a result, consumers in these cities may benefit most from this information.

## 2. Annual average petrol prices in 2020

This chapter analyses annual average prices of the major retailers in each of the capital cities in 2020. It also compares annual average prices of major retailers across the cities in which they operated.

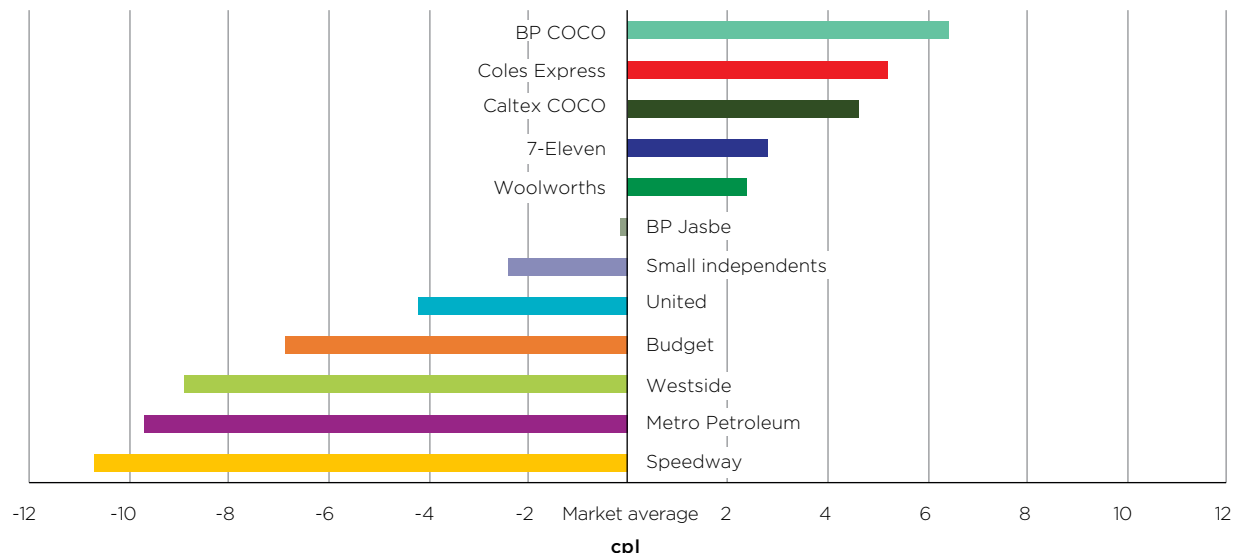
### 2.1 Capital cities

#### 2.1.1 Sydney

Chart 2.1 shows the difference between each major retailer's annual average retail E10 price and the market annual average E10 price in Sydney in 2020. The major retailers in Sydney are BP COCO, BP Jasbe (a BP-branded independent chain), Budget, Caltex COCO, Coles Express, Metro Petroleum, Speedway, United, Westside, Woolworths, 7-Eleven and a small independents category.<sup>28</sup>

There were 850 retail sites in Sydney selling fuel as at 30 June 2020. Chart 2.1 presents annual average E10 prices for 730 retail sites in Sydney (representing 86% of all retail sites).<sup>29</sup>

**Chart 2.1: Difference between each major retailer's annual average E10 price and the market annual average E10 price in Sydney in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: BP Jasbe is a BP-branded independent chain.

Chart 2.1 shows that in Sydney in 2020 the annual average price for:

- Speedway was the lowest, at 10.7 cpl below the market average price (121.4 cpl)
- BP COCO was the highest, at 6.4 cpl above the market average price
- Speedway, Metro Petroleum, Westside, Budget, United, BP Jasbe and the small independents category was below the market average price
- BP COCO, Coles Express, Caltex COCO, 7-Eleven and Woolworths was above the market average price.

The chart also shows that there was a range of 17.1 cpl between the lowest and the highest priced retailers.

<sup>28</sup> The small independents category in all capital cities comprises independently owned BP- and Caltex-branded retail sites and other independent retail sites.

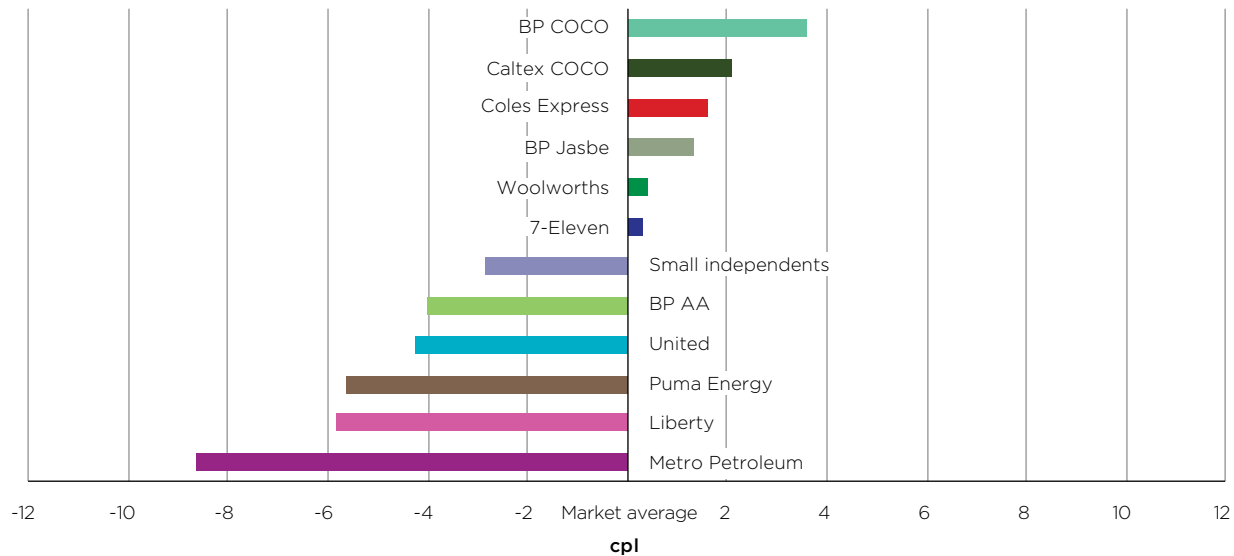
<sup>29</sup> Although there is an ethanol mandate in New South Wales, not all retail sites in Sydney sell E10.

## 2.1.2 Melbourne

Chart 2.2 shows the difference between each major retailer's annual average retail petrol price and the market annual average price in Melbourne in 2020. The major retailers in Melbourne are BP AA (a BP-branded independent chain), BP COCO, BP Jasbe (a BP-branded independent chain), Caltex COCO, Coles Express, Liberty, Metro Petroleum, Puma Energy, United, Woolworths, 7-Eleven and a small independents category.

There were 881 retail sites in Melbourne selling fuel as at 30 June 2020. Chart 2.2 presents annual average petrol prices for 700 retail sites in Melbourne (representing 79% of all retail sites).

**Chart 2.2: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Melbourne in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: BP AA and BP Jasbe are BP-branded independent chains.

Chart 2.2 shows that in Melbourne in 2020 the annual average price for:

- Metro Petroleum was the lowest, at 8.6 cpl below the market average price (125.3 cpl)
- BP COCO was the highest, at 3.6 cpl above the market average price
- Metro Petroleum, Liberty, Puma Energy, United, BP AA and the small independents category was below the market average price
- BP COCO, Caltex COCO, Coles Express, BP Jasbe, Woolworths and 7-Eleven was above the market average price.

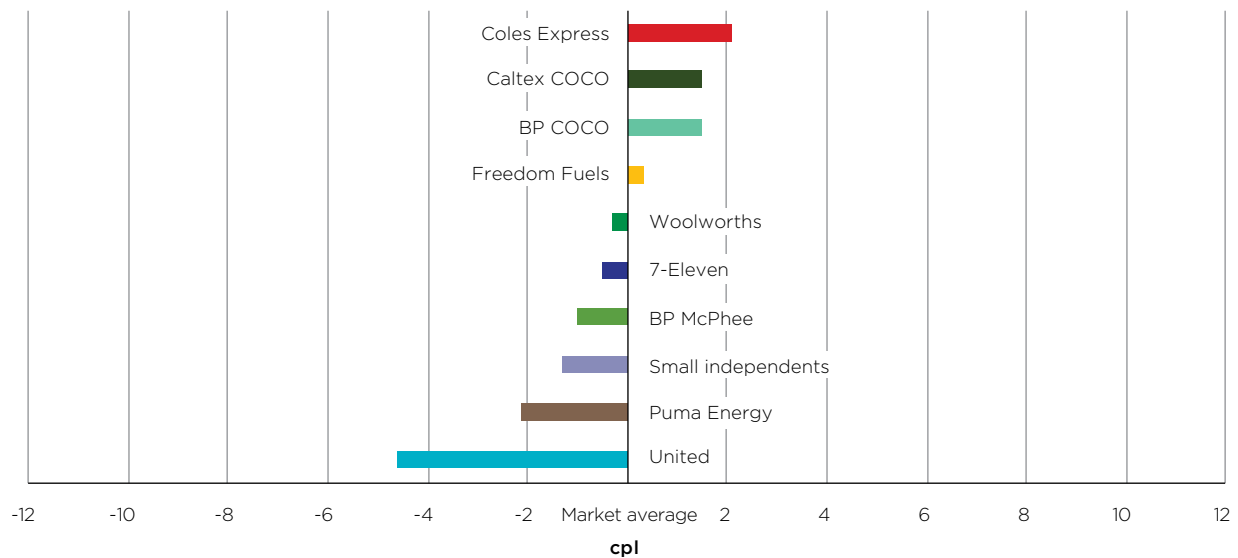
The chart also shows that there was a range of 12.2 cpl between the lowest and the highest priced retailers.

### 2.1.3 Brisbane

Chart 2.3 shows the difference between each major retailer's annual average retail petrol price and the market annual average price in Brisbane in 2020. The major retailers in Brisbane are BP COCO, BP McPhee (a BP-branded independent chain), Caltex COCO, Coles Express, Freedom Fuels, Puma Energy, United, Woolworths, 7-Eleven, and a small independents category.

There were 451 retail sites in Brisbane selling fuel as at 30 June 2020. Chart 2.3 presents annual average petrol prices for 420 retail sites in Brisbane (representing 93% of all retail sites).

**Chart 2.3: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Brisbane in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: BP McPhee is a BP-branded independent chain.

Chart 2.3 shows that in Brisbane in 2020 the annual average price for:

- United was the lowest, at 4.6 cpl below the market average price (125.8 cpl)
- Coles Express was the highest, at 2.1 cpl above the market average price
- United, Puma Energy, BP McPhee, 7-Eleven, Woolworths and the small independents category was below the market average price
- Coles Express, Caltex COCO, BP COCO and Freedom Fuels was above the market average price.

The chart also shows that there was a range of 6.7 cpl between the lowest and the highest priced retailers.

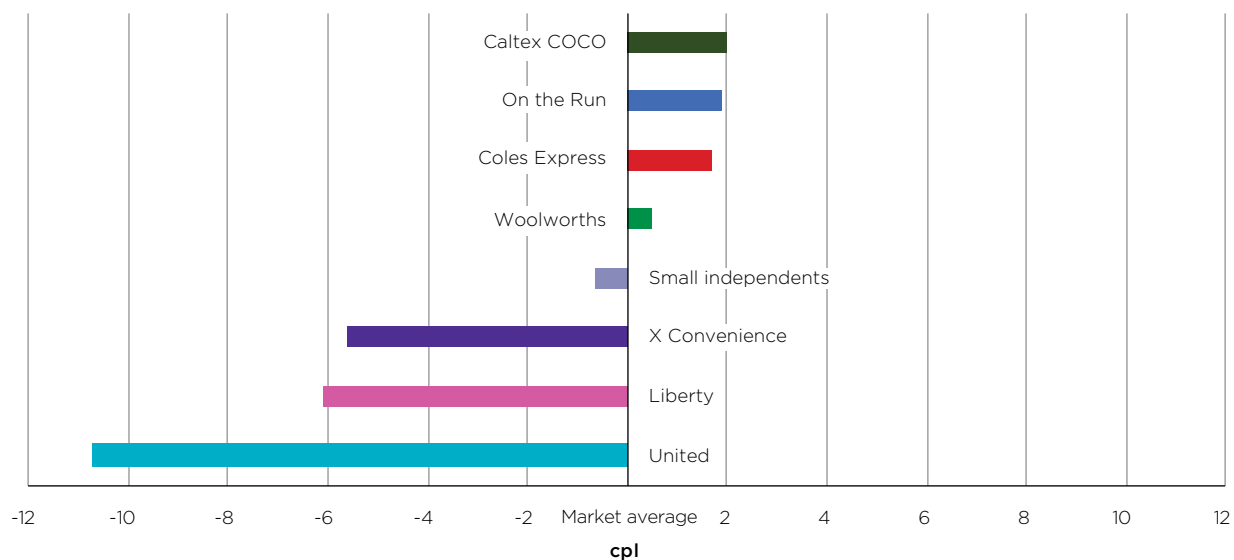
## 2.1.4 Adelaide

Chart 2.4 shows the difference between each major retailer's annual average retail petrol price and the market annual average price in Adelaide in 2020. The major retailers in Adelaide are Caltex COCO, Coles Express, Liberty, On the Run, United, Woolworths, X Convenience and a small independents category.

There is only one BP COCO retail site in Adelaide. As it does not meet the 7-site threshold for a major retailer, it has been included in the small independents category.

There were 290 retail sites in Adelaide selling fuel as at 30 June 2020. Chart 2.4 presents annual average petrol prices for 266 retail sites in Adelaide (representing 92% of all retail sites).

**Chart 2.4: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Adelaide in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: The small independents category includes the single BP COCO retail site in Adelaide.

Chart 2.4 shows that in Adelaide in 2020 the annual average price for:

- United was the lowest, at 10.7 cpl below the market average price (120.2 cpl)
- Caltex COCO was the highest, at 2.0 cpl above the market average price
- United, Liberty, X Convenience and the small independents category was below the market average price
- Caltex COCO, On the Run, Coles Express and Woolworths was above the market average price.

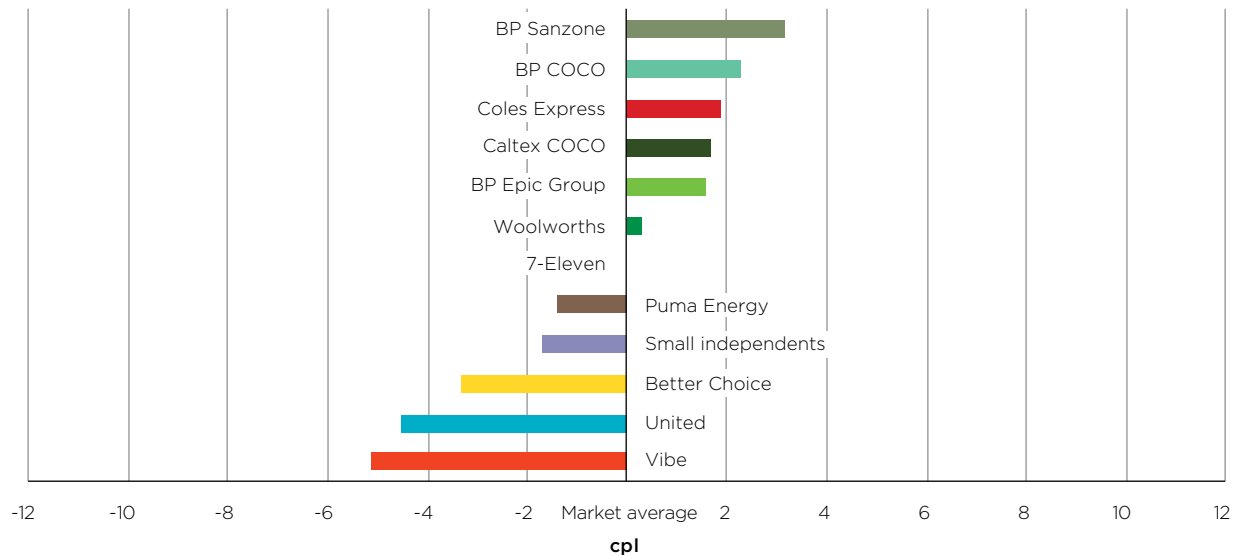
The chart also shows that there was a range of 12.7 cpl between the lowest and the highest priced retailers.

## 2.1.5 Perth

Chart 2.5 shows the difference between each major retailer's annual average retail petrol price and the market annual average price in Perth in 2020. The major retailers in Perth are Better Choice, BP COCO, BP Epic Group (a BP-branded independent chain), BP Sanzone (a BP-branded independent chain), Caltex COCO, Coles Express, Puma Energy, United, Vibe, Woolworths, 7-Eleven and a small independents category.

There were 434 retail sites in Perth selling fuel as at 30 June 2020. Chart 2.5 presents annual average petrol prices for 409 retail sites in Perth (representing 94% of all retail sites).

**Chart 2.5: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Perth in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The average price for 7-Eleven was equal to the market average price.

BP Sanzone and BP Epic Group are BP-branded independent chains.

Chart 2.5 shows that in Perth in 2020 the annual average price for:

- Vibe was the lowest, at 5.1 cpl below the market average price (119.1 cpl)
- BP Sanzone was the highest, at 3.2 cpl above the market average price
- Vibe, United, Better Choice, Puma Energy and the small independents category was below the market average price
- BP Sanzone, BP COCO, Coles Express, Caltex COCO, BP Epic Group and Woolworths was above the market average price
- 7-Eleven was equal to the market average price.

The chart also shows that there was a range of 8.3 cpl between the lowest and the highest priced retailers.

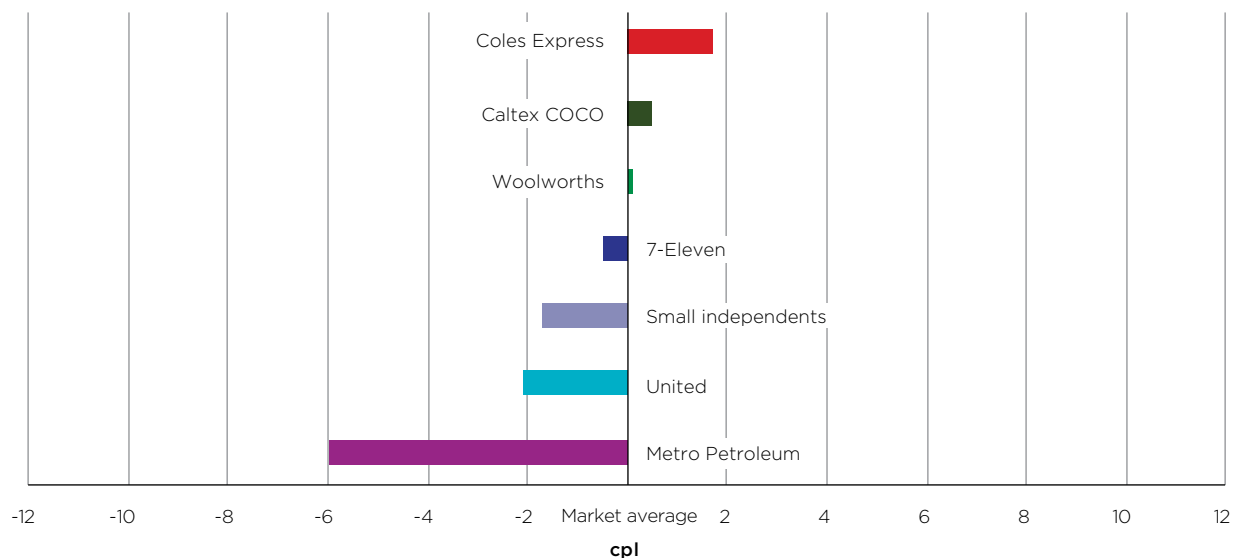
## 2.1.6 Canberra

Chart 2.6 shows the difference between each major retailer's annual average retail petrol price and the market annual average price in Canberra in 2020. The major retailers in Canberra are Caltex COCO, Coles Express, Metro Petroleum, United, Woolworths, 7-Eleven and a small independents category.

As noted in chapter 1, in the 5 largest capital cities, a major retailer is a retailer that determines the retail price of petrol at 7 or more retail sites in that city. This requirement does not apply for the smaller capital cities because this would result in a number of individual market participants being aggregated with other retailers and brands, rather than reporting on their respective prices.

There were 61 retail sites in Canberra selling fuel as at 30 June 2020. Chart 2.6 presents annual average petrol prices for 52 retail sites in Canberra (representing 85% of all retail sites).

**Chart 2.6: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Canberra in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: Prices were not available for BP-branded retail sites, as they generally sell E10 rather than RULP.

Chart 2.6 shows that in Canberra in 2020 the annual average price for:

- Metro Petroleum was the lowest, at 6.0 cpl below the market average price (125.5 cpl)
- Coles Express was the highest, at 1.7 cpl above the market average price
- Metro Petroleum, United, 7-Eleven and the small independents category was below the market average price
- Coles Express, Caltex COCO and Woolworths was above the market average price.

The chart also shows that there was a range of 7.7 cpl between the lowest and the highest priced retailers.



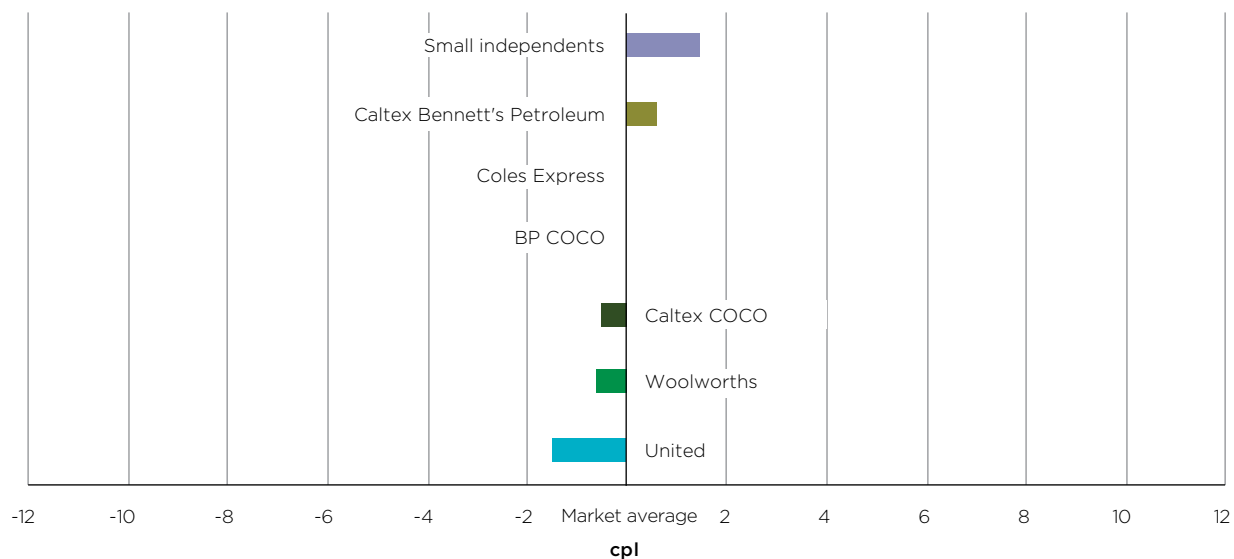
## 2.1.7 Hobart

Chart 2.7 shows the difference between each major retailer's annual average retail petrol price and the market annual average price in Hobart in 2020. The major retailers in Hobart are BP COCO, Caltex Bennett's Petroleum (a Caltex-branded independent chain), Caltex COCO, Coles Express, United, Woolworths and a small independents category.

As noted in section 2.1.6, the requirement of a major retailer in Hobart having to set the retail price of petrol at 7 or more retail sites does not apply.

There were 61 retail sites in Hobart selling fuel as at 30 June 2020. Chart 2.7 presents annual average petrol prices for 52 retail sites in Hobart (representing 85% of all retail sites).

**Chart 2.7: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Hobart in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The average prices for Coles Express and BP COCO were equal to the market average price.

Caltex Bennett's Petroleum is a Caltex-branded independent chain.

Chart 2.7 shows that in Hobart in 2020 the annual average price for:

- United was the lowest, at 1.5 cpl below the market average price (131.5 cpl)
- the small independents category was the highest, at 1.5 cpl above the market average price
- United, Woolworths and Caltex COCO was below the market average price
- Caltex Bennett's Petroleum and the small independents category was above the market average price.
- Coles Express and BP COCO was equal to the market average.

The chart also shows that there was a range of 3.0 cpl between the lowest and the highest priced retailers.

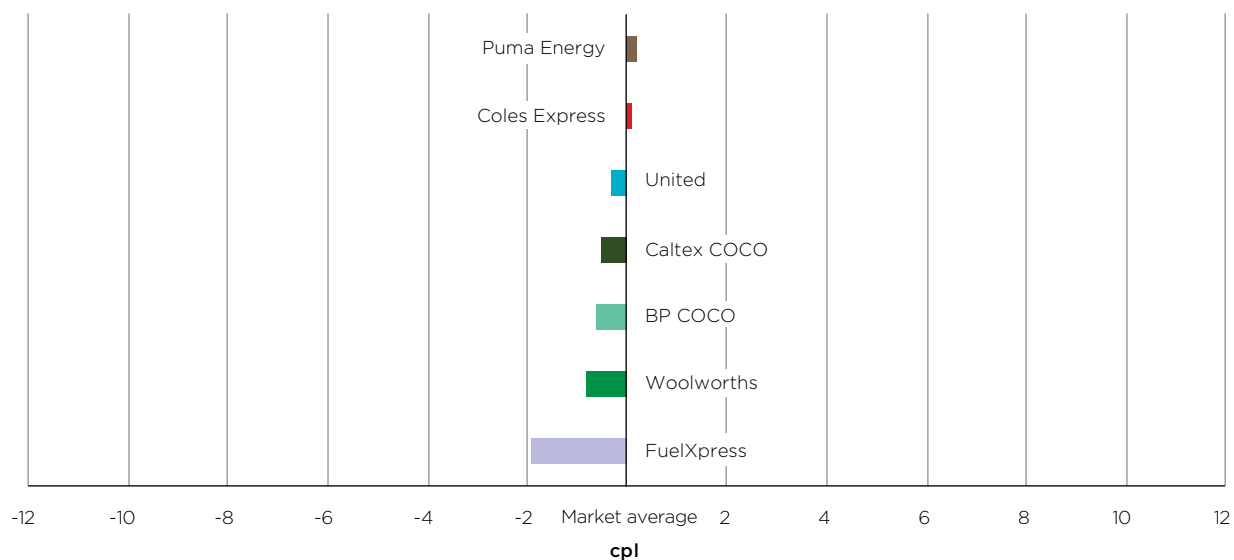
## 2.1.8 Darwin

Chart 2.8 shows the difference between each major retailer's annual average retail petrol price and the market annual average price in Darwin in 2020. The major retailers in Darwin are BP COCO, Caltex COCO, Coles Express, FuelXpress, Puma Energy, United and Woolworths.

As noted in section 2.1.6, the requirement of a major retailer in Darwin having to set the retail price of petrol at 7 or more retail sites does not apply.

There were 55 retail sites in Darwin selling fuel as at 30 June 2020. Chart 2.8 presents annual average petrol prices for 49 retail sites in Darwin (representing 89% of all retail sites).

**Chart 2.8: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Darwin in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: Prices were not available for the small independents category.

Chart 2.8 shows that in Darwin in 2020 the average price for:

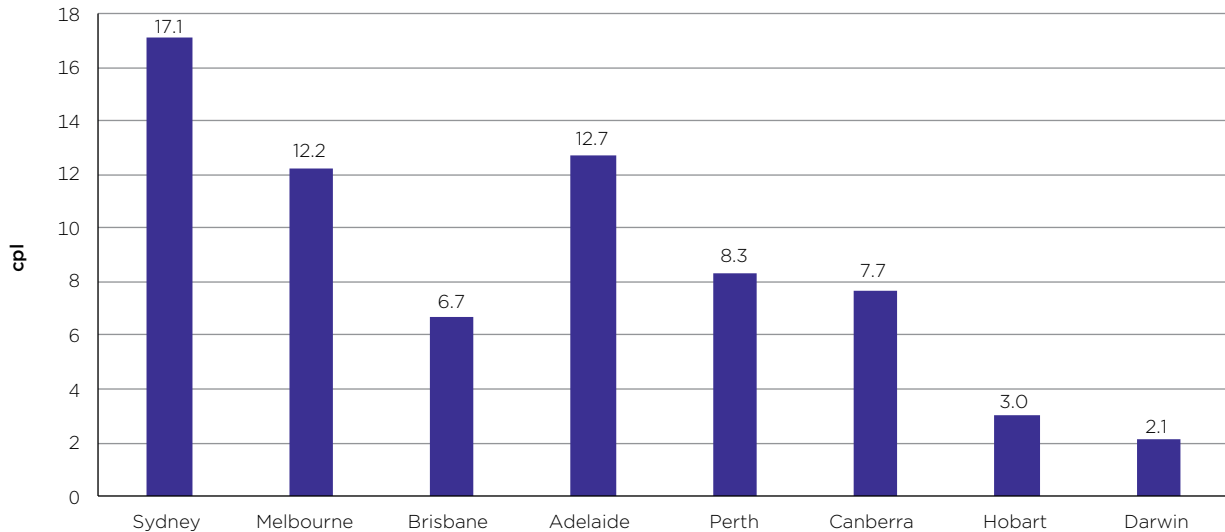
- FuelXpress was the lowest, at 1.9 cpl below the market average price (122.0 cpl)
- Puma Energy was the highest, at 0.2 cpl above the market average price
- FuelXpress, Woolworths, BP COCO, Caltex COCO and United was below the market average price
- Puma Energy and Coles Express was above the market average price.

The chart also shows that there was a range of 2.1 cpl between the lowest and the highest priced retailers.

## 2.1.9 The range of prices in the capital cities

Chart 2.9 shows that the range between the highest and lowest priced retailers in each of the capital cities varied substantially in 2020.

**Chart 2.9: Range between the highest priced and lowest priced major retailers in all capital cities in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Of the 5 largest capital cities, Sydney had the largest range between the highest and lowest priced retailers in 2020 (17.1 cpl) and Brisbane had the smallest (6.7 cpl). Of the smaller capitals, Canberra had the largest range between the highest and lowest priced retailers (7.7 cpl) and Darwin had the smallest (2.1 cpl).

A feature of Sydney is that there are multiple independent chains that compete vigorously on price (such as Speedway, Metro Petroleum, Budget and Westside). Previous analysis undertaken by the ACCC has shown that these retailers took longer to increase their prices during the price increase phase of the price cycle, and that the average peak price of these retailers was lower than other major retailers. The presence of these retailers in Sydney, and their associated influence on competition, is likely to have contributed to the significant range between the highest and lowest priced major retailers.

Darwin has also benefitted from price competition from independent chains (such as FuelXpress). While the range of prices in Darwin was the smallest of the capital cities in 2020, Darwin had relatively low average prices overall, indicating that a large range in prices is not necessarily indicative of a highly competitive market.<sup>30</sup>

<sup>30</sup> In 2020 the annual average price in Darwin (121.6 cpl) was lower than the annual average price across the 5 largest cities (122.6 cpl).

## 2.2 Comparison by major retailer

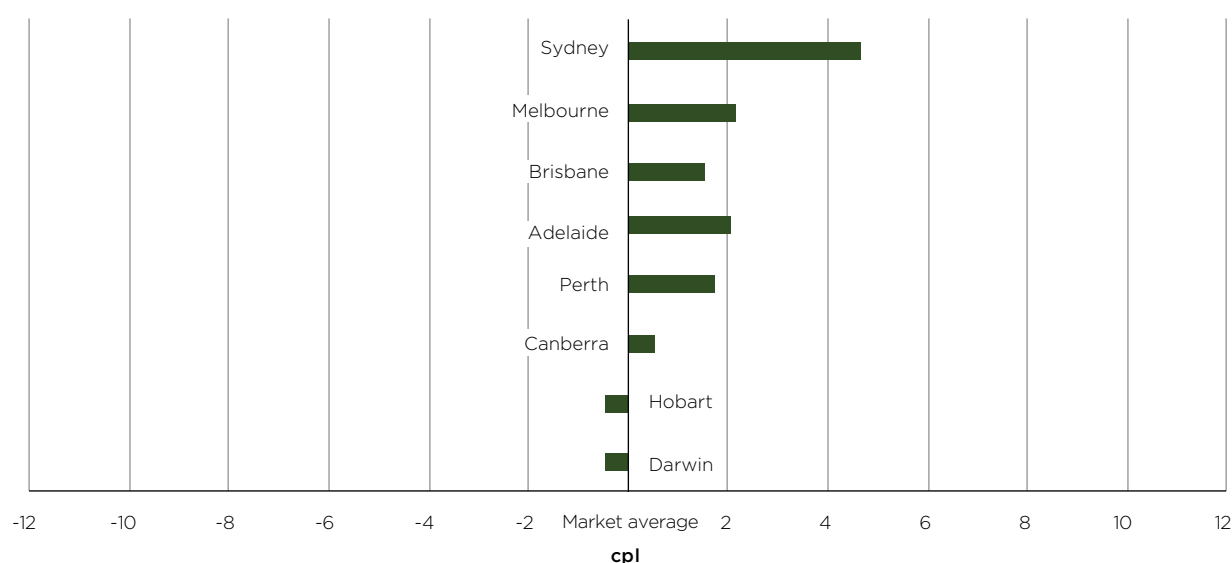
This section compares annual average prices of major retailers across the cities in which they operated in 2020.

Data is presented for major retailers that operated in 5 or more of the 8 capital cities. These are: Caltex COCO, Coles Express, Woolworths and United (which operated in all 8 cities), BP COCO (which operated in 6 cities) and 7-Eleven (which operated in 5 cities).<sup>31</sup> Data is also presented for the small independents category in the 5 largest capital cities, Canberra and Hobart.<sup>32</sup>

### 2.2.1 Caltex COCO

Chart 2.10 shows Caltex COCO's annual average prices, relative to market annual average prices, in the 8 capital cities in 2020.

**Chart 2.10: Difference between Caltex COCO's annual average petrol price and the market annual average petrol price in each of the capital cities in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

The chart shows that Caltex COCO's average prices were higher than the market average price in all of the 5 largest capital cities in 2020, ranging from a high of 4.6 cpl in Sydney to a low of 1.5 cpl in Brisbane. Caltex COCO's average prices were higher than the market average price in Canberra (0.5 cpl), and lower than the market average prices in Hobart (0.5 cpl) and Darwin (0.5 cpl).

On average across the 5 largest capital cities, Caltex COCO's average prices were 2.4 cpl higher than market average prices. On average across the 8 capital cities, Caltex COCO's average prices were 1.4 cpl higher than market average prices.

<sup>31</sup> Although there is one BP COCO site in Adelaide, it does not meet the threshold of 7 retail sites to be considered a major retailer in the 5 largest capital cities. The BP COCO sites in Canberra generally sell E10 and not RULP. 7-Eleven does not operate in Adelaide, Hobart or Darwin.

<sup>32</sup> Prices were not available for the small independents category in Darwin.

## 2.2.2 Coles Express

Chart 2.11 shows Coles Express' annual average prices, relative to market average prices, in the 8 capital cities in 2020.

**Chart 2.11: Difference between Coles Express' annual average petrol price and the market annual average petrol price in each of the capital cities in 2020**



Source: ACCC calculations based on Informed Sources data.

Note: The annual average price for Coles Express in Hobart was equal to the market average price.

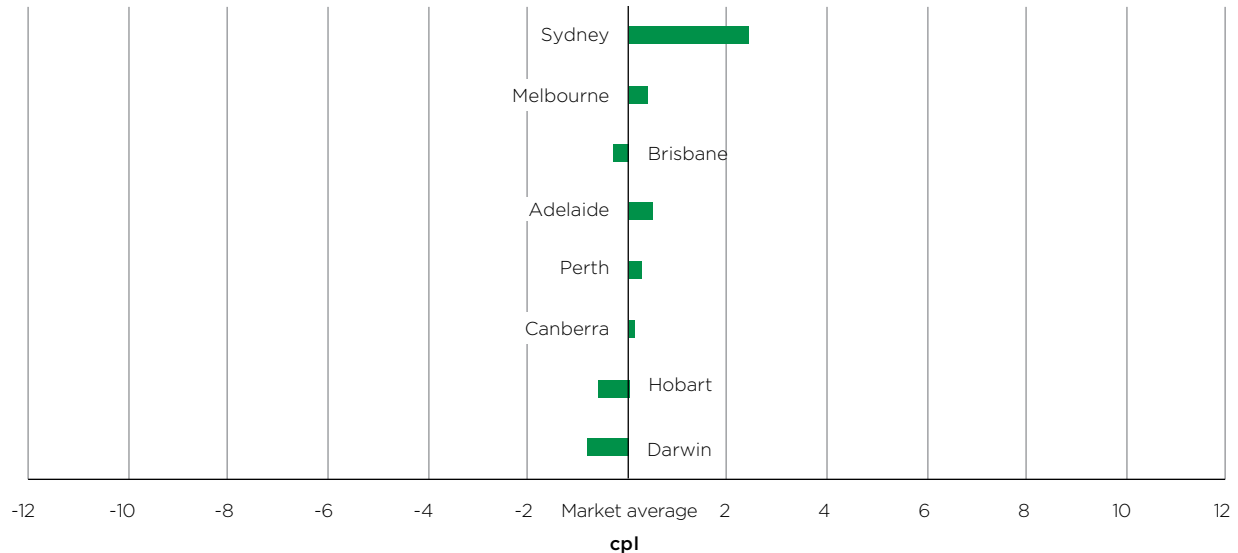
The chart shows that Coles Express' average prices were higher than the market average price in all capital cities except Hobart in 2020, ranging from a high of 5.2 cpl in Sydney to a low of 0.1 cpl in Darwin. Coles Express' average prices in Hobart were equal to the market average price.

On average across the 5 largest capital cities, Coles Express' average prices were 2.5 cpl higher than market average prices. On average across the 8 capital cities, Coles Express' average prices were 1.8 cpl higher than market average prices.

### 2.2.3 Woolworths

Chart 2.12 shows Woolworths annual average prices, relative to market average prices, in the 8 capital cities in 2020.

**Chart 2.12: Difference between Woolworths' annual average petrol price and the market annual average petrol price in each of the capital cities in 2020**



Source: ACCC calculations based on Informed Sources data.

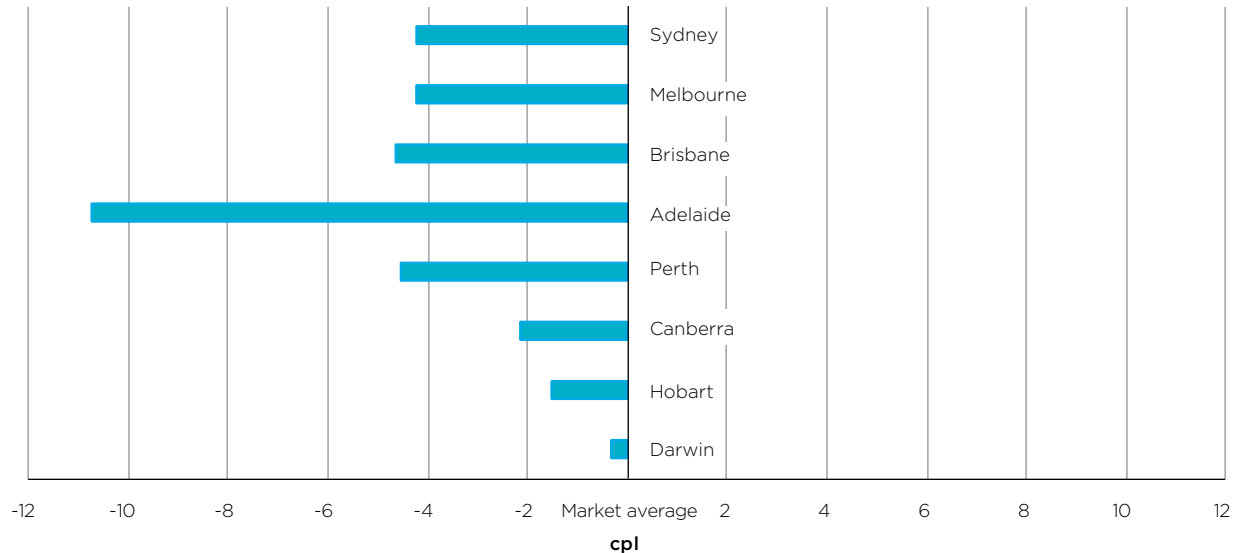
The chart shows that Woolworths' average prices were higher than market average prices in Sydney, Melbourne, Adelaide, Perth and Canberra in 2020, ranging from 2.4 cpl higher in Sydney to 0.1 cpl higher in Canberra. Woolworths' average prices were lower than market average prices in Brisbane (by 0.3 cpl), Hobart (by 0.6 cpl) and Darwin (by 0.8 cpl).

On average across the 5 largest capital cities, Woolworths' average prices were 0.7 cpl higher than market average prices. On average across the 8 capital cities, Woolworths' average prices were 0.3 cpl higher than market average prices.

## 2.2.4 United

Chart 2.13 shows United's annual average prices, relative to market average prices, in the 8 capital cities in 2020.

**Chart 2.13: Difference between United's annual average petrol price and the market annual average petrol price in each of the capital cities in 2020**



Source: ACCC calculations based on Informed Sources data.

The chart shows that United's average prices were lower than market average prices in all capital cities in 2020, ranging from 10.7 cpl lower in Adelaide to 0.3 cpl lower in Darwin.

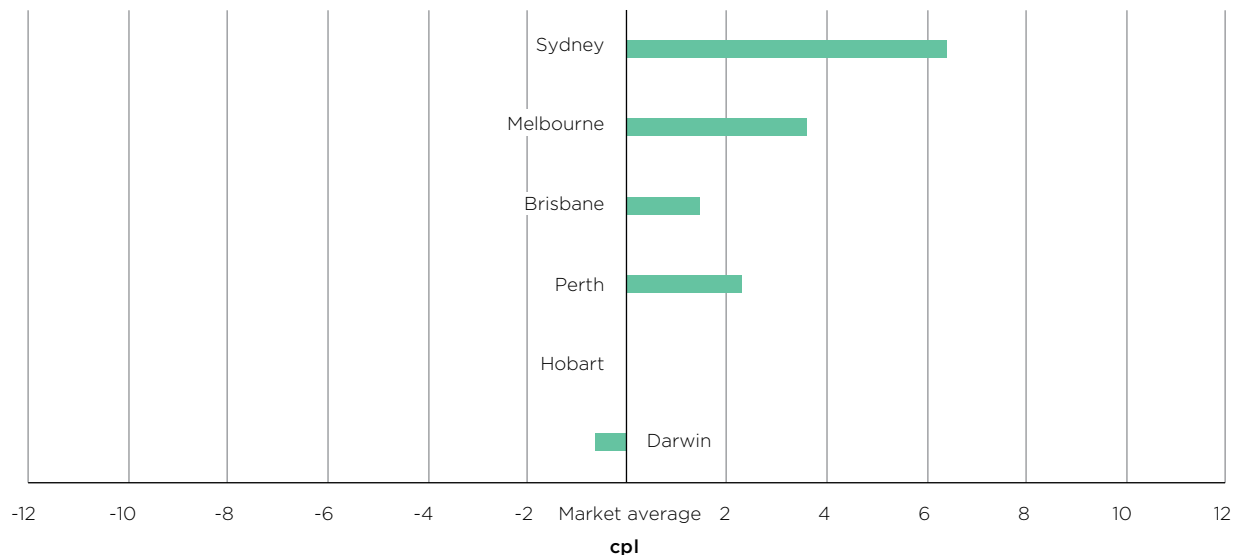
On average across the 5 largest capital cities, United's average prices were 5.6 cpl lower than market average prices. On average across the 8 capital cities, United's average prices were 4.0 cpl lower than market average prices.



## 2.2.5 BP COCO

Chart 2.14 shows BP COCO's annual average prices, relative to market average prices, in Sydney, Melbourne, Brisbane, Perth, Hobart and Darwin in 2020.

**Chart 2.14: Difference between BP COCO's annual average petrol price and the market annual average petrol price in Sydney, Melbourne, Brisbane, Perth, Hobart and Darwin in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: Although there is one BP COCO site in Adelaide, it does not meet the threshold of 7 retail sites to be considered a major retailer in the 5 largest capital cities. The BP COCO sites in Canberra generally sell E10 and not RULP.

The annual average price for BP COCO in Hobart was equal to the market average price.

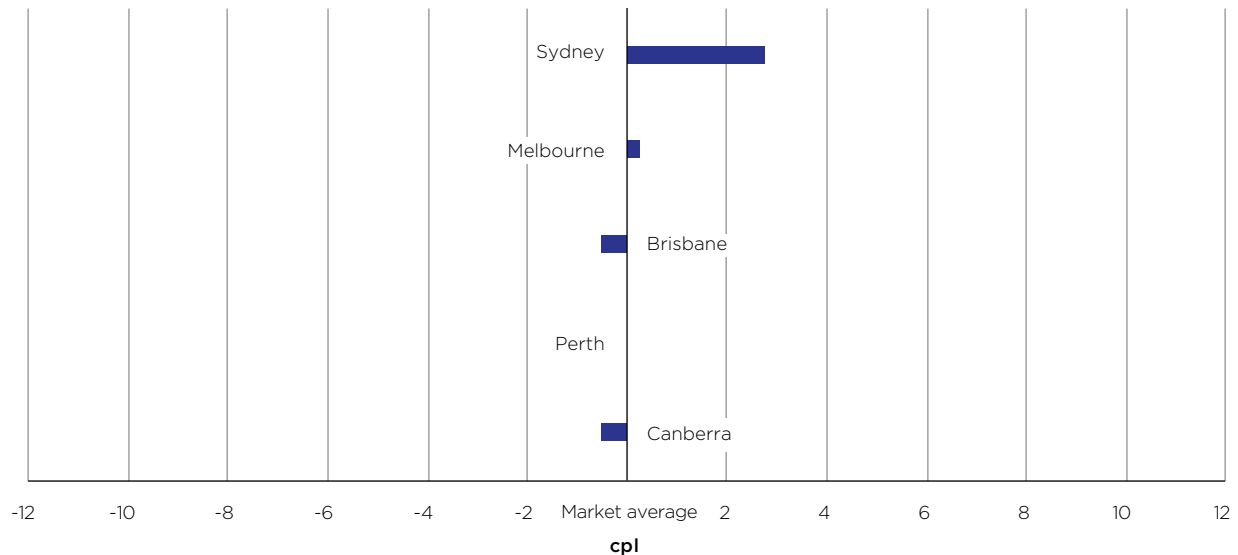
The chart shows that BP COCO's average prices were higher than market average prices in Sydney, Melbourne, Brisbane and Perth in 2020, and lower than the market average price in Darwin. BP COCO's prices ranged from 6.4 cpl above the market average price in Sydney, to 0.6 cpl below the market average in Darwin. BP COCO's average prices in Hobart were equal to the market average price.

On average across Sydney, Melbourne, Brisbane and Perth, BP COCO's average prices were 3.5 cpl above market average prices. On average across Sydney, Melbourne, Brisbane, Perth, Hobart and Darwin, BP COCO's average prices were 2.2 cpl higher than market average prices.

## 2.2.6 7-Eleven

Chart 2.15 shows 7-Eleven's annual average prices, relative to market average prices, in Sydney, Melbourne, Brisbane, Perth and Canberra in 2020.

**Chart 2.15: Difference between 7-Eleven's annual average petrol price and the market annual average petrol price in Sydney, Melbourne, Brisbane, Perth and Canberra in 2020**



Source: ACCC calculations based on Informed Sources data.

Notes: There were no 7-Eleven retail sites operating in Adelaide, Hobart or Darwin.

The annual average price for 7-Eleven in Perth was equal to the market average price.

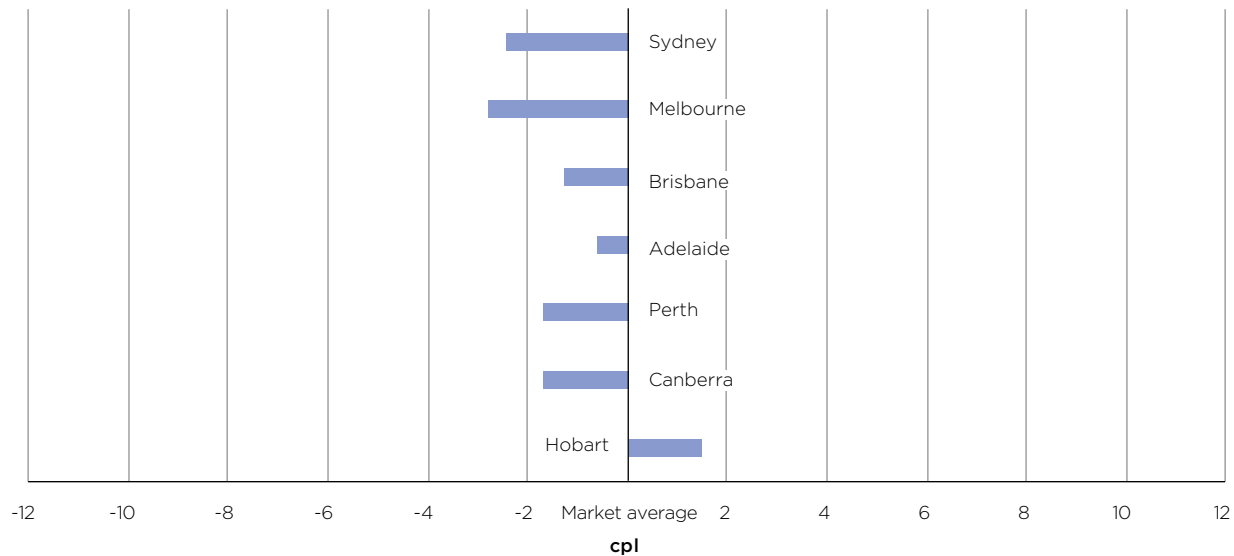
The chart shows that 7-Eleven's average prices were lower than market average prices in Brisbane (by 0.5 cpl) and Canberra (by 0.5 cpl) in 2020, and higher than market average prices in Sydney (by 2.8 cpl) and Melbourne (by 0.3). 7-Eleven's average prices in Perth were equal to the market average price.

On average across Sydney, Melbourne, Brisbane and Perth, 7-Eleven's average prices were 0.6 cpl above market average prices. On average across Sydney, Melbourne, Brisbane, Perth and Canberra, average prices for 7-Eleven were 0.4 cpl above market average prices.

## 2.2.7 Small independents

Chart 2.16 shows the small independents category's annual average prices, relative to market average prices, in the 5 largest capital cities, Canberra and Hobart in 2020.

**Chart 2.16: Difference between the small independents category's annual average petrol price and the market annual average petrol price in Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra and Hobart in 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: Prices for Darwin were not available.

Chart 2.16 shows that average prices for the small independents category were lower than market average prices in Sydney, Melbourne, Brisbane, Adelaide, Perth and Canberra in 2020. They ranged from 2.8 cpl below the market average price in Melbourne, to 0.6 cpl below the market average price in Adelaide. Average prices for the small independents category were above the market average price in Hobart (by 1.5 cpl).

On average, across the 5 largest capital cities, average prices for the small independents category were 1.8 cpl below market average prices.

## 2.3 Estimated savings in 2020 by shopping around

Motorists can make savings on petrol if they shop around and purchase it from lower priced retailers. Even if motorists in the 5 largest capital cities made a switch from buying petrol from a high-priced retailer (i.e. those with an average price above the market average price) to a low-priced retailer (i.e. those with an average price below the market average price), in aggregate they could have saved substantial amounts.

Savings from motorists across the 5 largest capital cities switching from high-priced retailers to low-priced retailers could have totalled around \$485 million in 2020. The total potential savings in 2020 could have been around \$216 million in Sydney, around \$147 million in Melbourne, around \$46 million in both Adelaide and Perth and around \$31 million in Brisbane.<sup>33</sup>

The savings would have been less in the smaller capital cities. The total potential savings in 2020 could have been around \$6 million in Canberra, around \$2 million in Hobart and \$0.4 million in Darwin.

<sup>33</sup> These estimates are based on the following calculations and assumptions. The ACCC calculated the range between the average price of high-priced retailers and low-priced retailers in the 5 largest cities and estimated the number of unleaded petrol vehicles in each city using Australian Bureau of Statistics census and vehicle data. The ACCC assumed that: 50% of motorists purchased petrol at high-priced retailers; similar savings were available for all petrol grades; motorists purchased 50 litres of petrol each time they filled up; that one-third of motorists filled up once a week, one-third filled up once every 2 weeks and the remaining third filled up once every month.

These calculations do not take account the savings available to motorists who usually bought petrol from a low-priced retailer and switched to buy it from an even lower priced retailer. For example, motorists in Sydney that bought from BP Jasbe (which was 0.2 cpl lower than the market average price) who instead could have switched to Speedway (which was 10.7 cpl lower than the market average price).

These are illustrative savings over a full year in normal circumstances. In 2020, demand for petrol decreased significantly due to restrictions on travel associated with the COVID-19 situation. Sales of RULP in Australia in 2020 were 14% lower than sales in 2019. While less petrol was purchased in 2020, these calculations indicate that motorists who shop around can save money on their petrol purchases.

## 3. Annual average petrol prices in 2019

This chapter analyses annual average prices of the major retailers in each of the capital cities in 2019. It also compares annual average prices of major retailers across the cities in which they operated.

Key changes in the prices of major retailers between 2019 and 2020 include:

- in most cities, the range between the highest and lowest priced retailer was lower in 2019 compared with 2020
  - the exceptions were Brisbane (where the range was broadly similar in both years) and Darwin (where the range was higher in 2019)
- in 2019, Coles Express was the highest priced retailer in 5 cities (Sydney, Brisbane, Adelaide, Canberra and Darwin), compared with only 2 cities (Brisbane and Canberra) in 2020
  - in 2020, BP COCO was the highest priced retailer in Sydney, Caltex COCO the highest in Adelaide, and Puma Energy the highest in Darwin
- in 2019, United was the lowest priced retailer in 5 cities (Melbourne, Brisbane, Adelaide, Perth and Hobart), compared with 3 cities (Brisbane, Adelaide and Hobart) in 2020
  - in 2020, Metro Petroleum was the lowest priced retailer in Melbourne, and Vibe was the lowest in Perth.

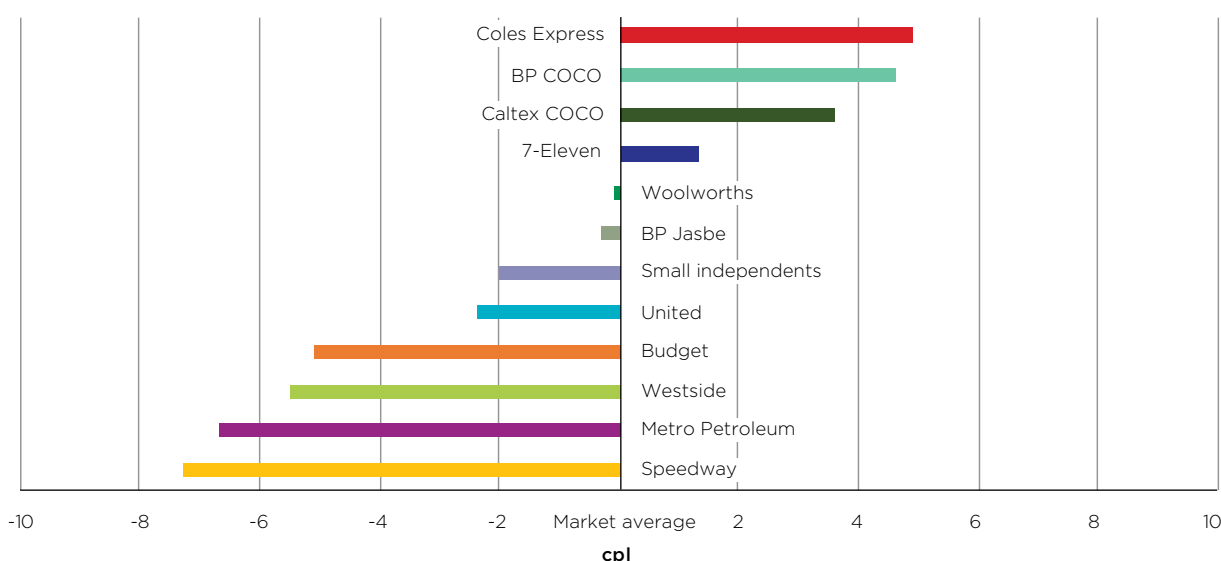
### 3.1 Capital cities

#### 3.1.1 Sydney

Chart 3.1 shows the difference between each major retailer's annual average retail E10 price and the market annual average E10 price in Sydney in 2019. The major retailers in Sydney are BP COCO, BP Jasbe, Budget, Caltex COCO, Coles Express, Metro Petroleum, Speedway, United, Westside, Woolworths, 7-Eleven and a small independents category.

There were 866 retail sites in Sydney selling fuel as at 30 June 2019. Chart 3.1 presents annual average E10 prices for 734 retail sites in Sydney (representing 85% of all retail sites).

**Chart 3.1: Difference between each major retailer's annual average E10 price and the market annual average E10 price in Sydney in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: BP Jasbe is a BP-branded independent chain.

Chart 3.1 shows that in Sydney in 2019 the annual average price for:

- Speedway was the lowest, at 7.3 cpl below the market average price (138.1 cpl)
- Coles Express was the highest, at 4.9 cpl above the market average price
- Speedway, Metro Petroleum, Westside, Budget, United, BP Jasbe, Woolworths and the small independents category was below the market average price
- Coles Express, BP COCO, Caltex COCO and 7-Eleven was above the market average price.

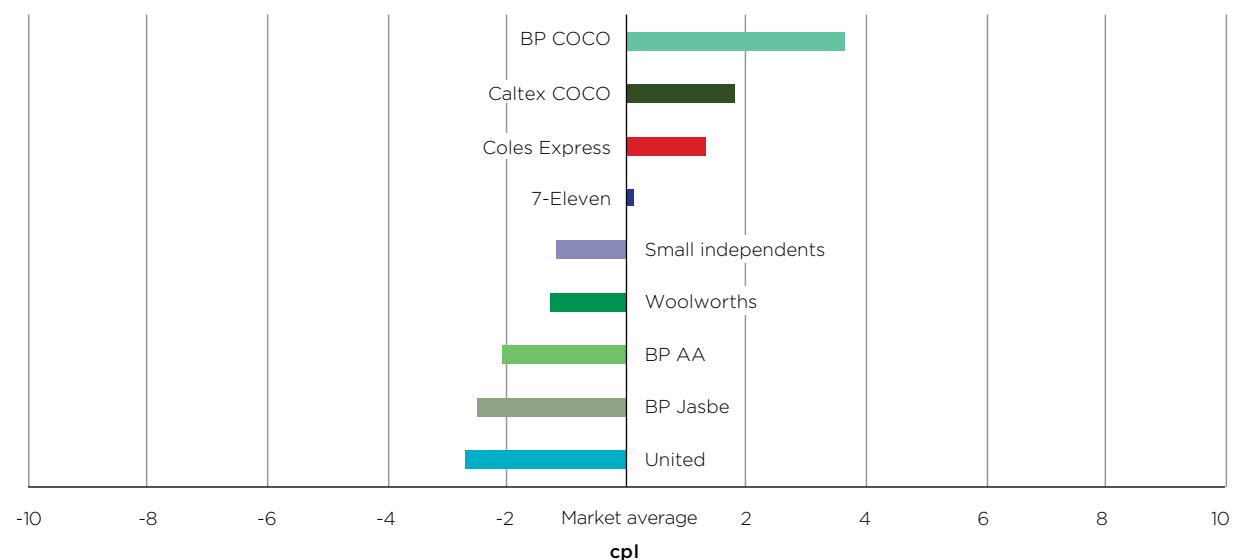
The chart also shows a range of 12.2 cpl between the lowest and the highest priced retailers.

### 3.1.2 Melbourne

Chart 3.2 shows the difference between each major retailer's annual average retail petrol price and the market annual average petrol price in Melbourne in 2019. The major retailers in Melbourne are BP AA, BP COCO, BP Jasbe, Caltex COCO, Coles Express, United, Woolworths, 7-Eleven and a small independents category.

There were 881 retail sites in Melbourne as at 30 June 2019. Chart 3.2 presents annual average petrol prices for 675 retail sites in Melbourne (representing 77% of all retail sites).

**Chart 3.2: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Melbourne in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: BP AA and BP Jasbe are BP-branded independent chains.

Chart 3.2 shows that in Melbourne in 2019 the annual average price for:

- United was the lowest, at 2.7 cpl below the market average price (141.9 cpl)
- BP COCO was the highest, at 3.6 cpl above the market average price
- United, BP Jasbe, BP AA, Woolworths and the small independents category was below the market average price
- BP COCO, Caltex COCO, Coles Express and 7-Eleven was above the market average price.

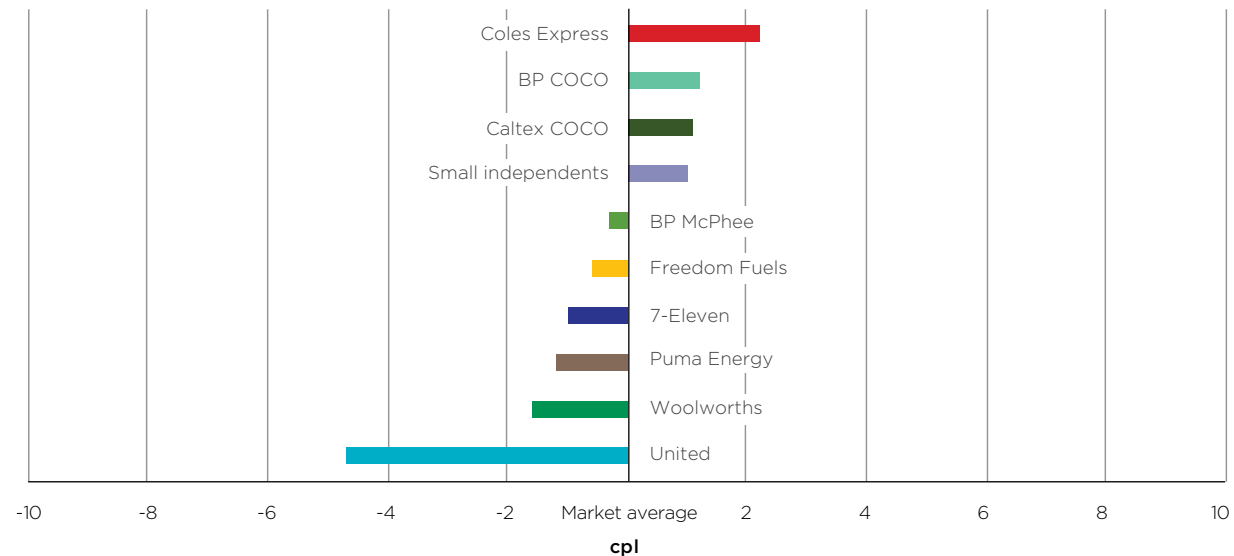
The chart also shows a range of 6.3 cpl between the lowest and the highest priced retailers.

### 3.1.3 Brisbane

Chart 3.3 shows the difference between each major retailer's annual average retail petrol price and the market annual average petrol price in Brisbane in 2019. The major retailers in Brisbane are BP COCO, BP McPhee, Caltex COCO, Coles Express, Freedom Fuels, Puma Energy, United, Woolworths, 7-Eleven, and a small independents category.

There were 441 retail sites in Brisbane as at 30 June 2019. Chart 3.3 presents annual average petrol prices for 405 retail sites in Brisbane (representing 92% of all retail sites).

**Chart 3.3: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Brisbane in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: BP McPhee is a BP-branded independent chain.

Chart 3.3 shows that in Brisbane in 2019 the annual average price for:

- United was the lowest, at 4.7 cpl below the market average price (143.6 cpl)
- Coles Express was the highest, at 2.2 cpl above the market average price
- United, Woolworths, Puma Energy, 7-Eleven, Freedom Fuels and BP McPhee was below the market average price
- Coles Express, BP COCO, Caltex COCO and the small independents category was above the market average price.

The chart also shows a range of 6.9 cpl between the lowest and the highest priced retailers.

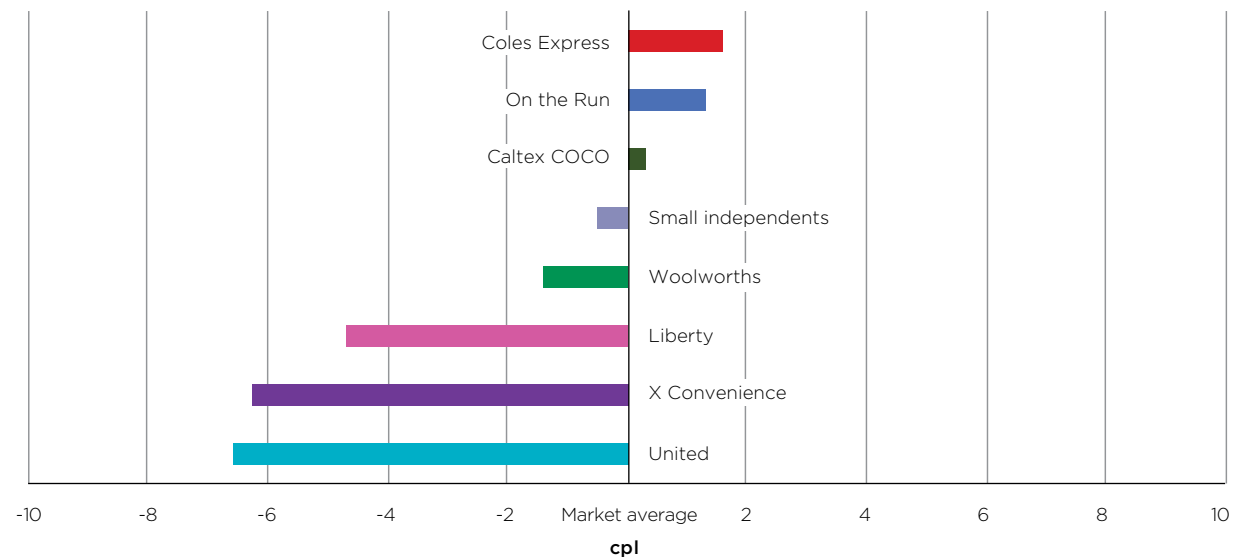
### 3.1.4 Adelaide

Chart 3.4 shows the difference between each major retailer's annual average retail petrol price and the market annual average petrol price in Adelaide in 2019. The major retailers in Adelaide are Caltex COCO, Coles Express, Liberty, On the Run, United, Woolworths, X Convenience and a small independents category.

There is only one BP COCO retail site in Adelaide. As it does not meet the 7-site threshold for a major retailer, it has been included in the small independents category.

There were 279 retail sites in Adelaide as at 30 June 2019. Chart 3.4 presents annual average petrol prices for 233 retail sites in Adelaide (representing 84% of all retail sites).

**Chart 3.4: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Adelaide in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: The small independents category includes the single BP COCO retail site in Adelaide.

Chart 3.4 shows that in Adelaide in 2019 the annual average price for:

- United was the lowest, at 6.6 cpl below the market average price (143.3 cpl)
- Coles Express was the highest, at 1.6 cpl above the market average price
- United, X Convenience, Liberty, Woolworths and the small independents category was below the market average price
- Coles Express, On the Run and Caltex COCO was above the market average price.

The chart also shows a range of 8.2 cpl between the lowest and the highest priced retailers.

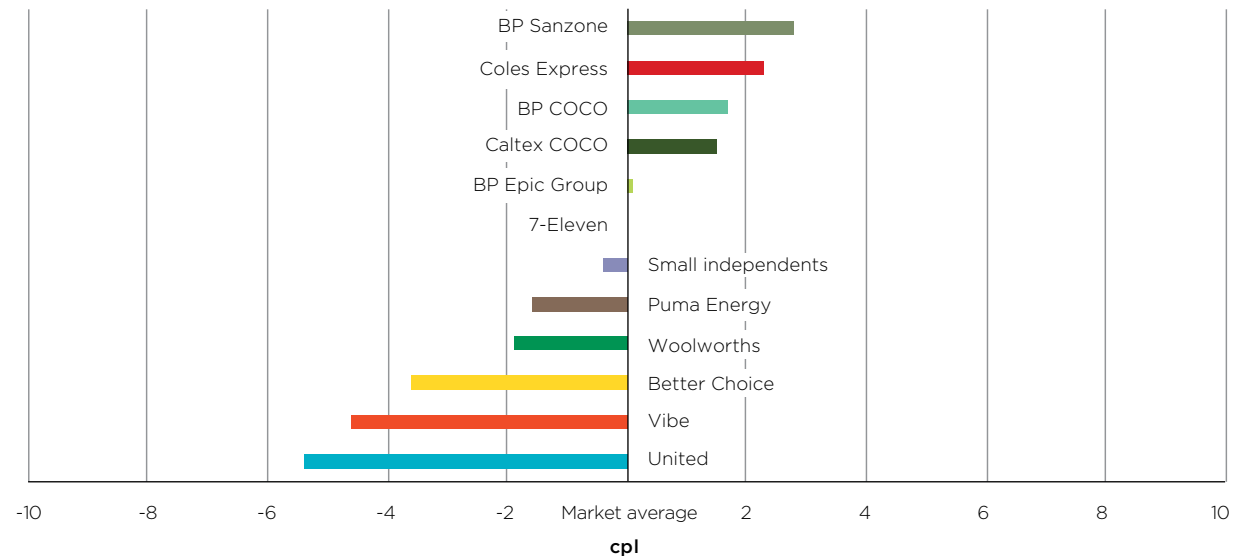


### 3.1.5 Perth

Chart 3.5 shows the difference between each major retailer's annual average retail petrol price and the market annual average petrol price in Perth in 2019. The major retailers in Perth are Better Choice, BP COCO, BP Epic Group, BP Sanzone, Caltex COCO, Coles Express, Puma Energy, United, Vibe, Woolworths, 7-Eleven and a small independents category.

There were 422 retail sites in Perth as at 30 June 2019. Chart 3.5 presents annual average petrol prices for 396 retail sites in Perth (representing 94% of all retail sites).

**Chart 3.5: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Perth in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The average price for 7-Eleven was equal to the market average price.

BP Sanzone and BP Epic Group are BP-branded independent chains.

Chart 3.5 shows that in Perth in 2019 the annual average price for:

- United was the lowest, at 5.4 cpl below the market average price (140.4 cpl)
- BP Sanzone was the highest, at 2.8 cpl above the market average price
- United, Vibe, Better Choice, Woolworths, Puma Energy and the small independents category was below the market average price
- BP Sanzone, Coles Express, BP COCO, Caltex COCO and BP Epic Group was above the market average price
- 7-Eleven was equal to the market average price.

The chart also shows a range of 8.2 cpl between the lowest and the highest priced retailers.

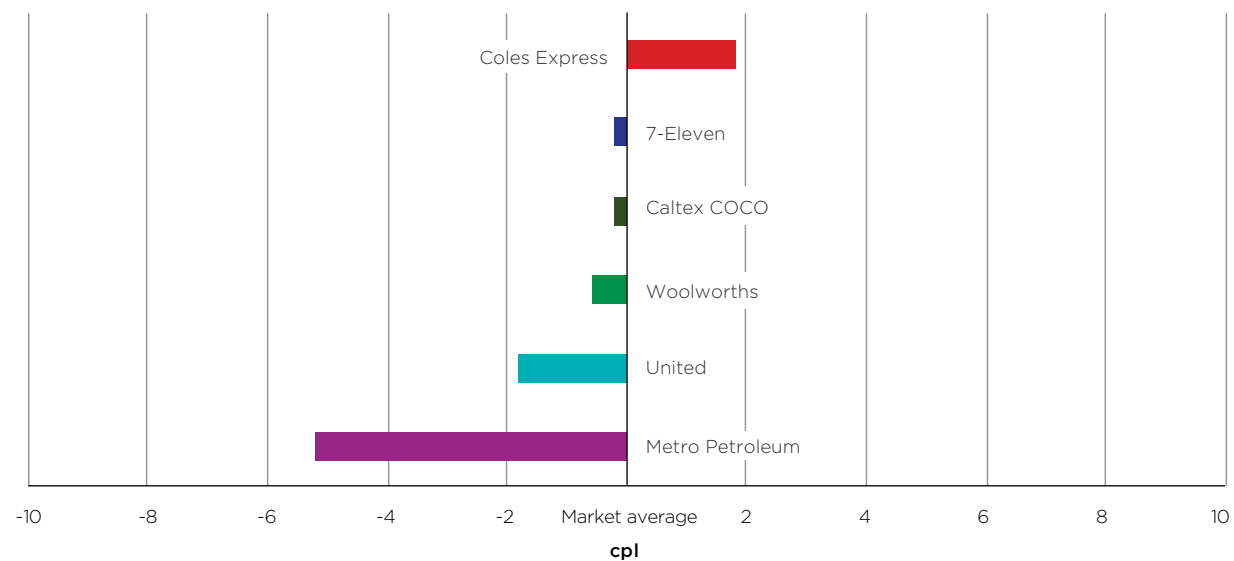
### 3.1.6 Canberra

Chart 3.6 shows the difference between each major retailer's annual average retail petrol price and the market annual average petrol price in Canberra in 2019. The major retailers in Canberra are Caltex COCO, Coles Express, Metro Petroleum, United, Woolworths and 7-Eleven. A price was not available for the small independents category.

As noted in section 2.1.6, the requirement of a major retailer in Canberra having to set the retail price of petrol at 7 or more retail sites does not apply.

There were 58 retail sites in Canberra as at 30 June 2019. Chart 3.6 presents annual average petrol prices for 47 retail sites in Canberra (representing 81% of all retail sites).

**Chart 3.6: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Canberra in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: Prices were not available for BP-branded retail sites, as they generally sell E10 rather than RULP.

Prices were not available for the small independents category.

Chart 3.6 shows that in Canberra in 2019 the annual average price for:

- Metro Petroleum was the lowest, at 5.2 cpl below the market average price (144.7 cpl)
- Coles Express was the highest, at 1.8 cpl above the market average price
- Metro Petroleum, United, Woolworths, 7-Eleven and Caltex COCO was below the market average price.

The chart also shows a range of 7.0 cpl between the lowest and the highest priced retailers.

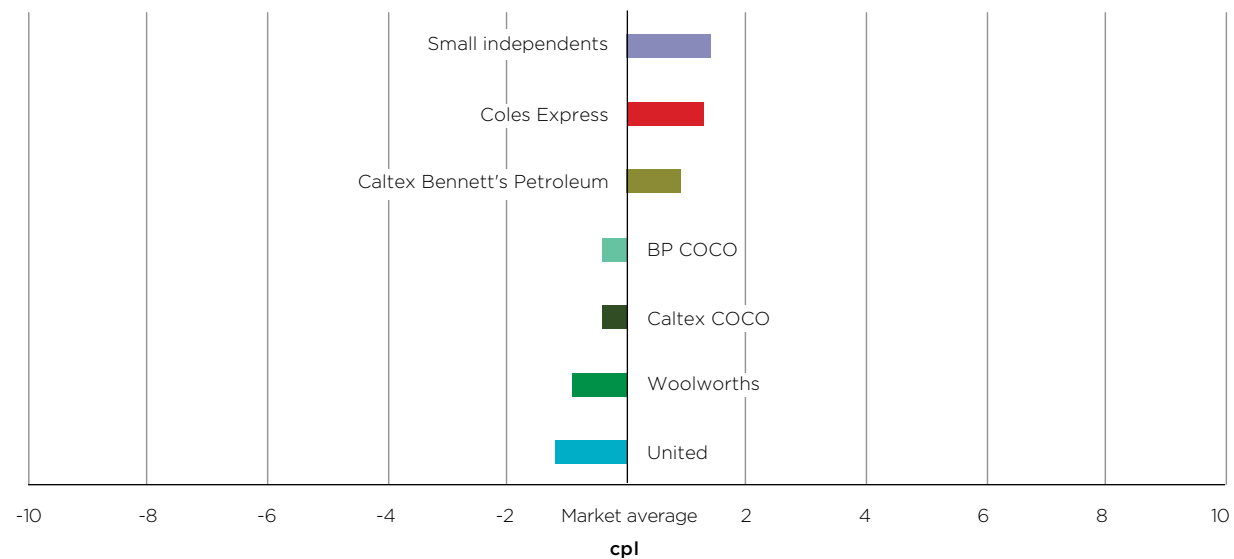
### 3.1.7 Hobart

Chart 3.7 shows the difference between each major retailer's annual average retail petrol price and the market average annual petrol price in Hobart in 2019. The major retailers in Hobart are BP COCO, Caltex Bennett's Petroleum, Caltex COCO, Coles Express, United, Woolworths and a small independents category.

As noted in section 2.1.6, the requirement of a major retailer in Hobart having to set the retail price of petrol at 7 or more retail sites does not apply.

There were 61 retail sites in Hobart as at 30 June 2019. Chart 3.7 presents annual average petrol prices for 46 retail sites in Hobart (representing 75% of all retail sites).

**Chart 3.7: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Hobart in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: Caltex Bennett's Petroleum is a Caltex-branded independent chain with 6 sites in Hobart.

Chart 3.7 shows that in Hobart in 2019 the annual average price for:

- United was the lowest, at 1.2 cpl below the market average price (150.8 cpl)
- the small independents category was the highest, at 1.4 cpl above the market average price
- United, Woolworths, Caltex COCO and BP COCO was below the market average price
- the small independents category, Caltex Bennett's Petroleum and Coles Express was above the market average price.

The chart also shows a range of 2.6 cpl between the lowest and the highest priced retailers.

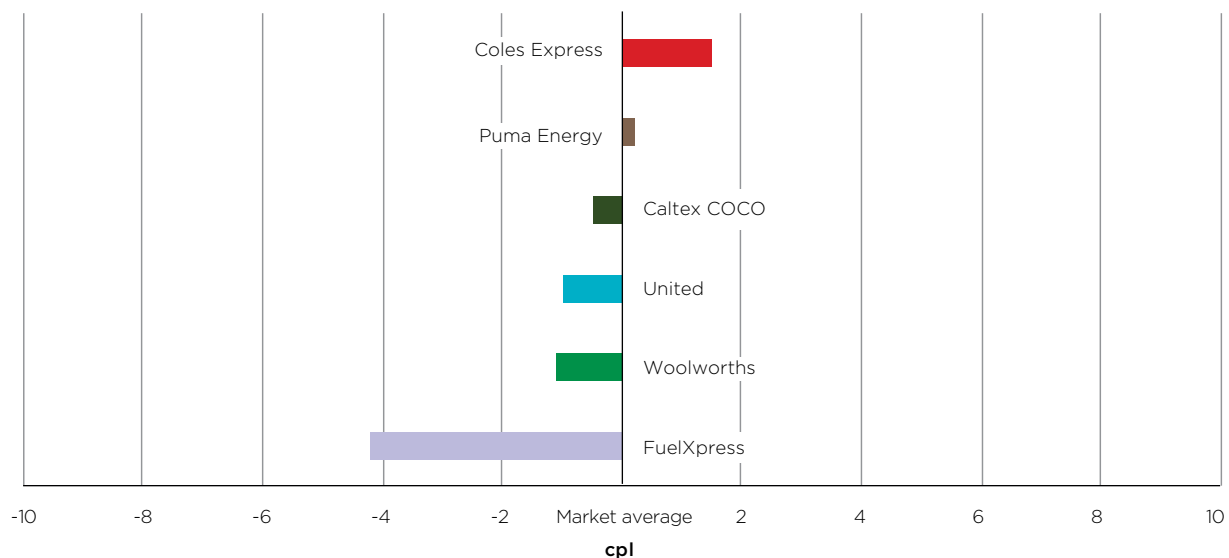
### 3.1.8 Darwin

Chart 3.8 shows the difference between each major retailer's annual average retail petrol price and the market annual average petrol price in Darwin in 2019. The major retailers in Darwin are Caltex COCO, Coles Express, FuelXpress, Puma Energy, United and Woolworths.

As noted in section 2.1.6, the requirement of a major retailer in Darwin having to set the retail price of petrol at 7 or more retail sites does not apply.

There were 57 retail sites in Darwin as at 30 June 2019. Chart 3.8 presents annual average petrol prices for 48 retail sites in Darwin (representing 84% of all retail sites).

**Chart 3.8: Difference between each major retailer's annual average petrol price and the market annual average petrol price in Darwin in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: Prices were not available for BP COCO and the small independents category.

Chart 3.8 shows that in Darwin in 2019 the average price for:

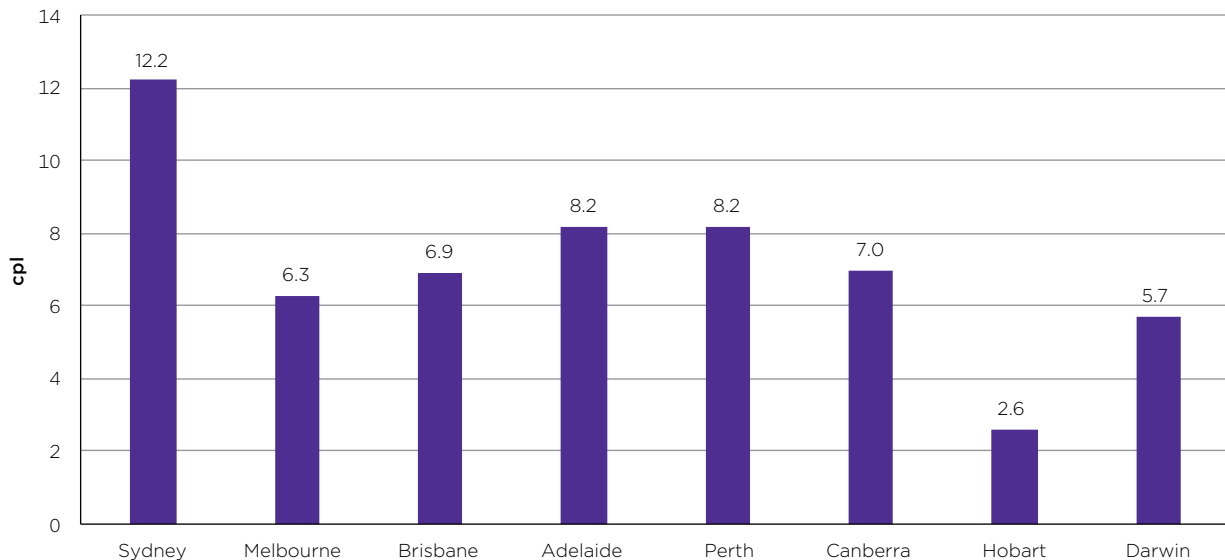
- FuelXpress was the lowest, at 4.2 cpl below the market average price (139.4 cpl)
- Coles Express was the highest, at 1.5 cpl above the market average price
- FuelXpress, Woolworths, United and Caltex COCO was below the market average price
- Coles Express and Puma Energy was above the market average price.

The chart also shows a range of 5.7 cpl between the lowest and the highest priced retailers.

### 3.1.9 The range of prices in the capital cities

The range between the highest and lowest priced retailers in each of the capital cities varied substantially in 2019, as shown in chart 3.9.

**Chart 3.9: Range between the highest priced and lowest priced major retailers in all capital cities in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Of the 5 largest capital cities, Sydney had the largest range between the highest and lowest priced retailers in 2019 (12.2 cpl) and Melbourne had the smallest (6.3 cpl). Of the smaller capitals, Canberra had the largest range between the highest and lowest priced retailers (7.0 cpl) and Hobart had the smallest (2.6 cpl).

## 3.2 Comparison by major retailer

This section compares annual average prices of major retailers across the cities in which they operated in 2019.

Data is presented for major retailers that operated in at least 5 or more of the 8 capital cities. These are: Caltex COCO, Coles Express, Woolworths and United (which operated in all 8 cities), and BP COCO and 7-Eleven (which operated in 5 cities).<sup>34</sup> Data is also presented for the small independents category for the 5 largest capital cities and Hobart.<sup>35</sup>

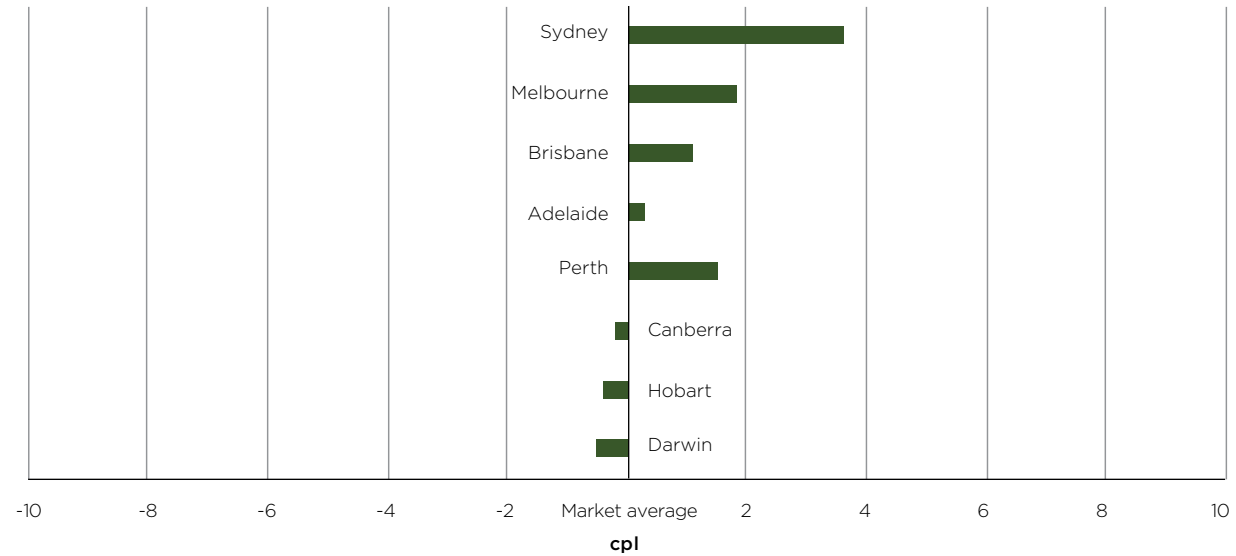
<sup>34</sup> Although there is one BP COCO site in Adelaide, it does not meet the threshold of 7 retail sites to be considered a major retailer in the 5 largest capital cities. The BP COCO sites in Canberra generally sell E10 and not RULP. Although there is one BP COCO site operating in Darwin, there was insufficient price data to include it in the analysis. 7-Eleven does not operate in Adelaide, Hobart or Darwin.

<sup>35</sup> Prices were not available for the small independents category in Canberra and Darwin.

### 3.2.1 Caltex COCO

Chart 3.10 shows Caltex COCO's annual average prices, relative to market annual average prices, in the 8 capital cities in 2019.

**Chart 3.10: Difference between Caltex COCO's annual average petrol price and the market annual average petrol price in each of the capital cities in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

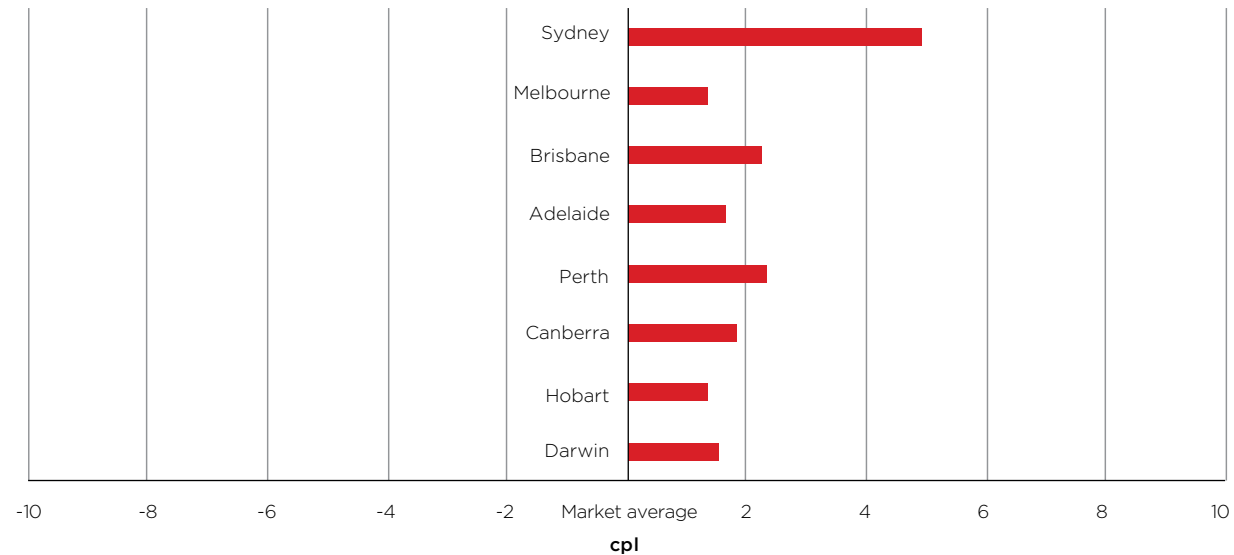
The chart shows that Caltex COCO's average prices were higher than the market average price in all of the 5 largest capital cities in 2019, ranging from a high of 3.6 cpl in Sydney to a low of 0.3 cpl in Adelaide. Caltex COCO's average prices were lower than market average prices in Canberra (0.2 cpl), Hobart (0.4 cpl) and Darwin (0.5 cpl).

On average across the 5 largest capital cities, Caltex COCO's average prices were 1.7 cpl higher than market average prices. On average across the 8 capital cities, Caltex COCO's average prices were 0.9 cpl higher than market average prices.

### 3.2.2 Coles Express

Chart 3.11 shows Coles Express' annual average prices, relative to market average prices, in the 8 capital cities in 2019.

**Chart 3.11: Difference between Coles Express' annual average petrol price and the market annual average petrol price in each of the capital cities in 2019**



Source: ACCC calculations based on Informed Sources data.

The chart shows that Coles Express' average prices were higher than the market average price in all capital cities in 2019, ranging from a high of 4.9 cpl in Sydney to a low of 1.3 cpl in Melbourne and Hobart.

On average across the 5 largest capital cities, Coles Express' average prices were 2.5 cpl higher than market average prices. On average across the 8 capital cities, Coles Express' average prices were 2.1 cpl higher than market average prices.

### 3.2.3 Woolworths

Chart 3.12 shows Woolworths annual average prices, relative to market average prices, in the 8 capital cities in 2019.

**Chart 3.12: Difference between Woolworths' annual average petrol price and the market annual average petrol price in each of the capital cities in 2019**



Source: ACCC calculations based on Informed Sources data.

The chart shows that Woolworths' average prices were lower than market average prices in all capital cities in 2019, ranging from 1.9 cpl lower in Perth to 0.1 cpl lower in Sydney.

On average across the 5 largest capital cities, Woolworths' average prices were 1.3 cpl lower than market average prices. On average across the 8 capital cities, Woolworths' average prices were 1.1 cpl lower than market average prices.



### 3.2.4 United

Chart 3.13 shows United's annual average prices, relative to market average prices, in the 8 capital cities in 2019.

**Chart 3.13: Difference between United's annual average petrol price and the market annual average petrol price in each of the capital cities in 2019**



Source: ACCC calculations based on Informed Sources data.

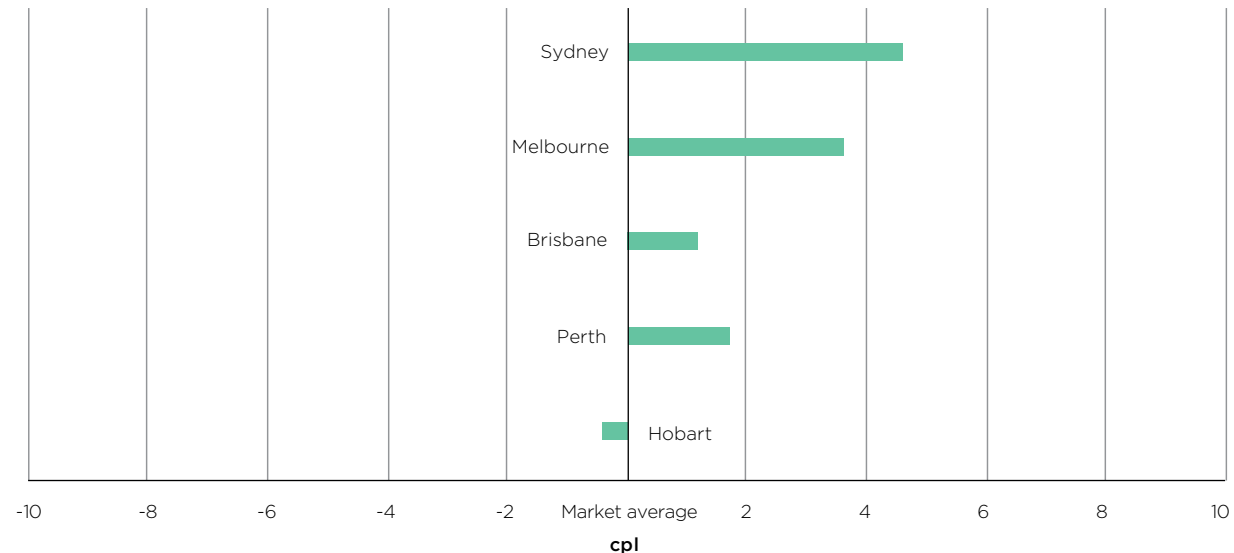
The chart shows that United's average prices were lower than market average prices in all capital cities in 2019, ranging from 6.6 cpl lower in Adelaide to 1.0 cpl lower in Darwin.

On average across the 5 largest capital cities, United's average prices were 4.4 cpl lower than market average prices. On average across the 8 capital cities, United's average prices were 3.2 cpl lower than market average prices.

### 3.2.5 BP COCO

Chart 3.14 shows BP COCO's annual average prices, relative to market average prices, in Sydney, Melbourne, Brisbane, Perth and Hobart in 2019.

**Chart 3.14: Difference between BP COCO's annual average petrol price and the market annual average petrol price in Sydney, Melbourne, Brisbane, Perth, and Hobart in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: Although there is one BP COCO site in Adelaide, it does not meet the threshold of 7 retail sites to be considered a major retailer in the 5 largest capital cities. The BP COCO sites in Canberra generally sell E10 and not RULP. Although there is one BP COCO site operating in Darwin, there was insufficient price data to include it in the analysis.

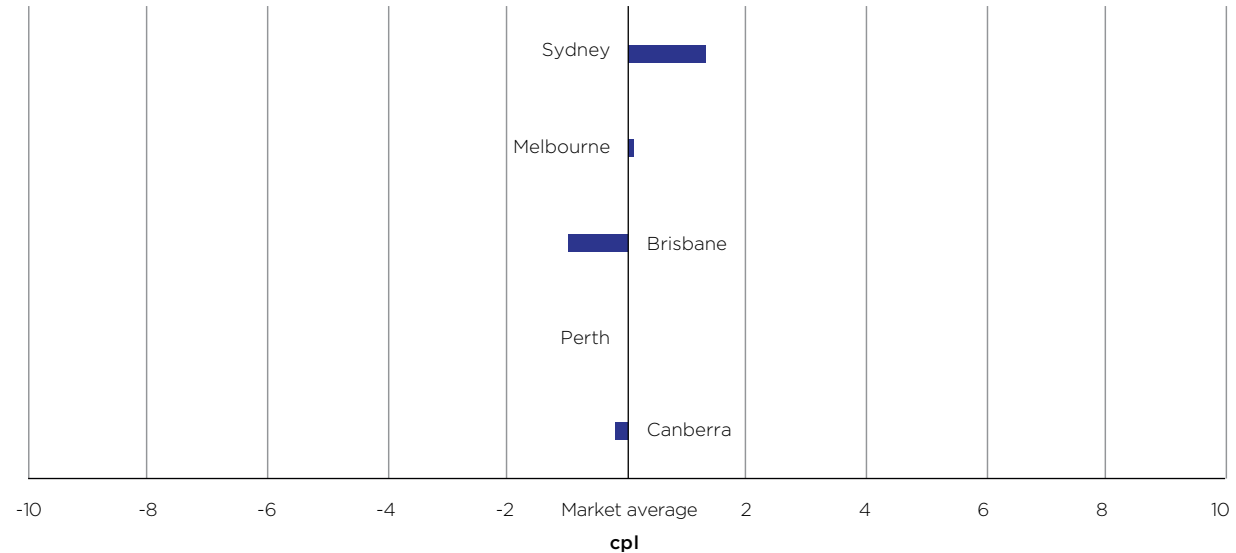
The chart shows that BP COCO's average prices were higher than market average prices in Sydney, Melbourne, Brisbane and Perth in 2019, and lower than the market average price in Hobart. BP COCO's prices ranged from 4.6 cpl above the market average price in Sydney, to 0.4 cpl below the market average in Hobart.

On average across Sydney, Melbourne, Brisbane and Perth, BP COCO's average prices were 2.8 cpl above market average prices. On average across Sydney, Melbourne, Brisbane, Perth and Hobart, BP COCO's average prices were 2.1 cpl higher than market average prices.

### 3.2.6 7-Eleven

Chart 3.15 shows 7-Eleven's annual average prices, relative to market average prices, in Sydney, Melbourne, Brisbane, Perth and Canberra in 2019.

**Chart 3.15: Difference between 7-Eleven's annual average petrol price and the market annual average petrol price in Sydney, Melbourne, Brisbane, Perth and Canberra in 2019**



Source: ACCC calculations based on Informed Sources data.

Notes: There are no 7-Eleven retail sites operating in Adelaide, Hobart or Darwin.

The annual average price for 7-Eleven in Perth was equal to the market average price.

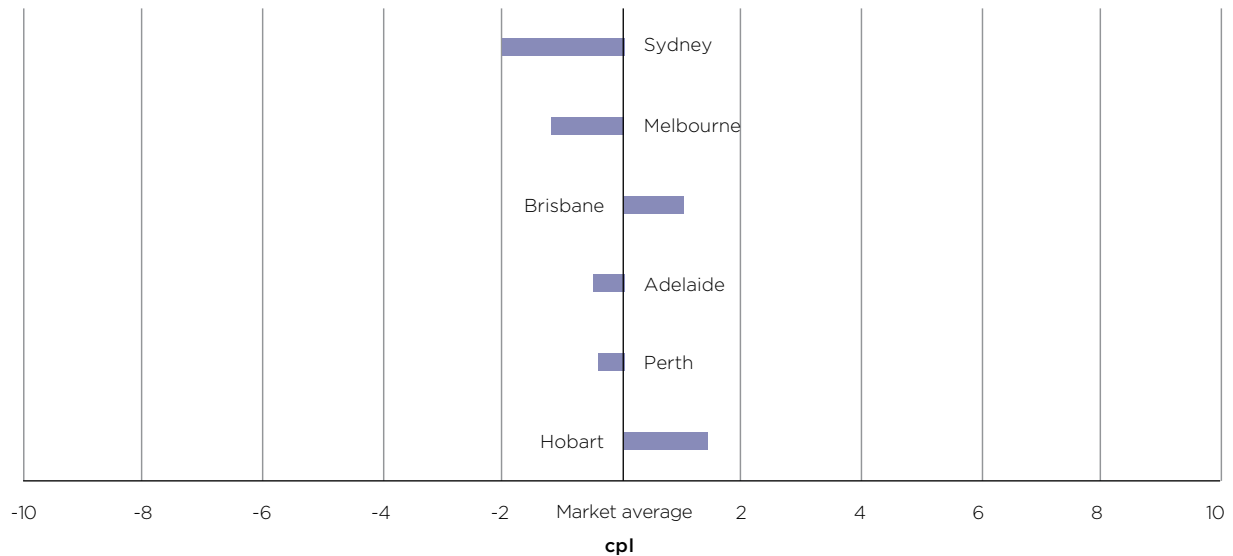
The chart shows that 7-Eleven's average prices were lower than market average prices in Brisbane (by 1.0 cpl) and Canberra (by 0.2 cpl) in 2019, and higher than market average prices in Sydney (by 1.3 cpl) and Melbourne (by 0.1). 7-Eleven's average prices in Perth were equal to the market average price.

On average across Sydney, Melbourne, Brisbane and Perth, 7-Eleven's average prices were 0.1 cpl above market average prices. On average across Sydney, Melbourne, Brisbane, Perth and Canberra, average prices for 7-Eleven were equal to market average prices.

### 3.2.7 Small independents

Chart 3.16 shows the small independents category's annual average prices, relative to market average prices, in the 5 largest capital cities and Hobart in 2019.

**Chart 3.16: Difference between the small independents category's annual average petrol price and the market annual average petrol price in Sydney, Melbourne, Brisbane, Adelaide, Perth and Hobart in 2019**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: Prices for Canberra and Darwin were not available.

Chart 3.16 shows that average prices for the small independents category were lower than market average prices in Sydney, Melbourne, Adelaide and Perth in 2019. They ranged from 2.0 cpl below the market average price in Sydney, to 0.4 cpl below the market average price in Perth. Average prices for the small independents category were above the market average price in Brisbane (by 1.0 cpl) and Hobart (by 1.4 cpl).

On average, across the 5 largest capital cities, average prices for the small independents category were 0.6 cpl below market average prices.

## 4. Prices at Coles Express and Woolworths retail sites were generally lower following changes in price setter in 2019

The retail price setter at both Coles Express and Woolworths fuel retail sites changed in the first half of 2019.

On 6 February 2019, Coles and Viva Energy announced an extension of, and changes to, their retail alliance meaning that from 1 March 2019, Viva Energy was the setter of the retail price of fuel at Coles Express retail sites, with Coles becoming a commission agent. Prior to that date, Coles set the retail price of fuel at Coles Express sites. Coles remains responsible for operating retail stores and providing convenience store offerings at Coles Express sites.<sup>36</sup>

Woolworths announced in late 2018 that it would sell its 540 Woolworths-owned retail fuel sites to EG Group. The completion of the sale was announced on 1 April 2019. Since then, EG Group has been setting the retail price of fuel at Woolworths retail sites. Prior to that date, Woolworths determined the retail price at these sites.

This chapter analyses the impact on retail prices at Coles Express and Woolworths retail sites following the change in price setter. It examines the extent to which the change in price setter led to a change in average retail petrol prices at Coles Express and Woolworths retail sites in each city, relative to the market average price.

Data on average retail petrol prices is presented for the following 12-month periods:

- calendar year 2018, when Coles and Woolworths were setting petrol prices at their respective sites, and
- the 12-month period 1 April 2019 to 30 March 2020, which is after the changes in price setter, when Viva Energy and EG Group were each setting petrol prices.<sup>37</sup>

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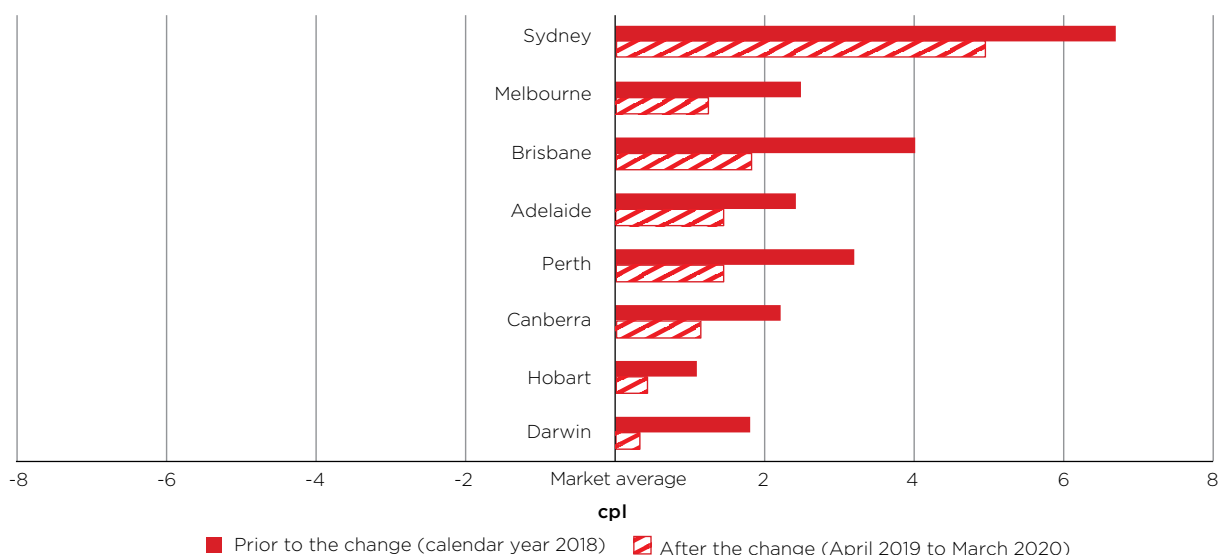
<sup>36</sup> More information about the changes at Coles Express and Woolworths retail sites is available in the ACCC's March quarter 2019 and June quarter 2019 reports on the Australian petroleum market, at: <https://www.accc.gov.au/publications/quarterly-reports-on-the-australian-petroleum-industry>.

<sup>37</sup> Data for 2018 is from the ACCC's 2018 price report.

## 4.1 Coles Express prices were lower relative to the market average price in all cities following the change in price setter

Chart 4.1 shows the difference between the average petrol price at Coles Express retail sites and the market average petrol price in the 8 capital cities for 12-month periods prior to (i.e. calendar year 2018) and after (i.e. 1 April 2019 to 30 March 2020), the change in price setter from Coles to Viva Energy.

**Chart 4.1: Differences between the average petrol price at Coles Express retail sites and the market average petrol price in the capital cities prior to, and after, the change in price setter in 2019**



Source: ACCC calculations based on Informed Sources data.

Notes: E10 prices are used in Sydney. RULP prices are used in all other cities.

Hobart prices for 2018 are for the 6-month period April to September 2018.

Chart 4.1 shows that average prices at Coles Express retail sites were lower in all capital cities when Viva Energy was setting petrol prices. However, average prices at Coles Express retail sites remained higher than market average prices in all cities.

Across the **8 capital cities**, the average price at Coles Express retail sites was on average 1.4 cpl lower when Viva Energy set the price of petrol, compared with when Coles Express set the price:

- when Coles Express set the price of petrol, the average price at Coles Express retail sites across the 8 capital cities was on average 3.0 cpl higher than the market average price
  - it ranged from a high of 6.7 cpl above the market average in Sydney, to a low of 1.1 cpl in Hobart
- when Viva Energy set the price of petrol, the average price at Coles Express retail sites across the 8 capital cities was on average 1.6 cpl higher than the market average price
  - it ranged from a high of 4.9 cpl above the market average in Sydney to a low of 0.3 cpl in Darwin.

Across the **5 largest capital cities**, the difference was larger. The average price at Coles Express retail sites was on average 1.7 cpl lower when Viva Energy set the price of petrol, compared with when Coles Express set the price:

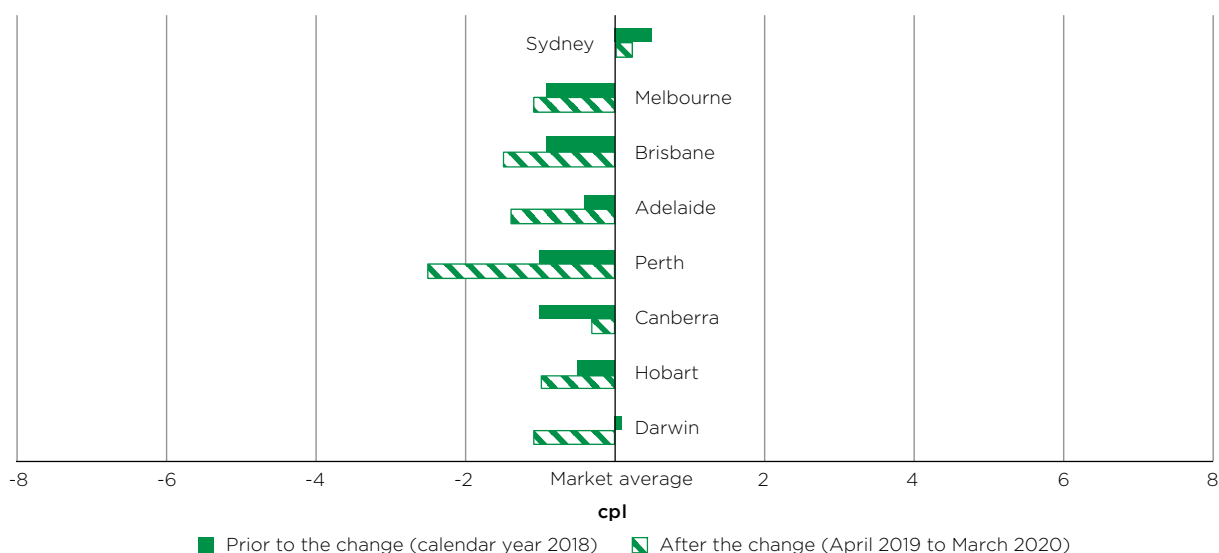
- when Coles Express set the price of petrol, the average price at Coles Express retail sites across the 5 largest capital cities was on average 3.8 cpl higher than the market average price
- when Viva Energy set the price of petrol, the average price at Coles Express retail sites across the 5 largest capital cities was on average 2.1 cpl higher than the market average price.

Across all capital cities, the change between the 2 periods was largest in Brisbane (2.2 cpl) and smallest in Hobart (0.7 cpl).

## 4.2 Woolworths prices relative to the market average price were lower in all cities except Canberra following the change in price setter

Chart 4.2 shows the difference between the average petrol price at Woolworths retail sites and the market average petrol price in the 8 capital cities for 12-month periods prior to (i.e. calendar year 2018), and after (i.e. 1 April 2019 to 30 March 2020), the change in price setter from Woolworths to EG Group.

**Chart 4.2: Differences between the average petrol price at Woolworths retail sites and the market average petrol price in the capital cities prior to, and after, the change in price setter in 2019**



Source: ACCC calculations based on Informed Sources data.

Notes: E10 prices are used in Sydney. RULP prices are used in all other cities.

Hobart prices for 2018 are for the 6-month period April to September 2018.

Chart 4.2 shows that average prices at Woolworths retail sites were lower in all capital cities except Canberra, when EG Group was setting petrol prices. Average prices at Woolworths retail sites were lower than market average prices in all cities except Sydney.

Across the **8 capital cities**, the average price at Woolworths retail sites was on average 0.6 cpl lower when EG Group set the price of petrol, compared with when Woolworths set the price:

- when Woolworths set the price of petrol, the average price at Woolworths retail sites across the 8 capital cities was on average 0.5 cpl lower than the market average price
  - Woolworths' prices were below the market average price in 6 cities, and above the market average price in 2 cities (Sydney and Darwin)
  - Woolworths' prices ranged from 1.0 cpl below the market average price in Perth and Canberra to 0.5 cpl above the market average price in Sydney
- when EG Group set the price of petrol, the average price at Woolworths retail sites across the 8 capital cities was on average 1.1 cpl lower than the market average price
  - prices at Woolworths retail sites were below the market average price in all cities, except Sydney
  - prices at Woolworths retail sites ranged from 2.5 cpl below the market average price in Perth to 0.2 cpl above the market average price in Sydney.

Across the **5 largest capital cities**, the difference was larger. The average price at Woolworths retail sites was on average 0.8 cpl lower when EG Group set the price of petrol, compared with when Woolworths set the price:

- when Woolworths set the price of petrol, the average price at Woolworths retail sites across the 5 largest capital cities was on average 0.5 cpl lower than the market average price
- when EG Group set the price of petrol, the average price at Woolworths retail sites across the 5 largest capital cities was on average 1.3 cpl lower than the market average price.

Across all capital cities the decrease between the 2 periods was largest in Perth (1.5 cpl) and smallest in Melbourne (0.2 cpl). In Canberra prices increased by 0.7 cpl between the 2 periods.



## 5. Trends over the past 4 years

The ACCC has been reporting on petrol prices by major retailer since 2017 in the 5 largest capital cities and since 2018 in the 3 smaller capital cities. This chapter looks at some trends in average prices over that period.

Significant changes have occurred in the Australian retail petrol market in this time including:

- EG Group purchasing Woolworths retail sites and subsequently setting retail prices at those sites since 1 April 2019
- Viva Energy setting the retail price of fuel at Coles Express retail sites since 1 March 2019
- the growth of independent chains in some cities (such as X Convenience in Adelaide, Metro Petroleums in Sydney and Melbourne and FuelXpress in Darwin)
- the introduction of fuel price transparency schemes in many states and territories.

### 5.1 The highest priced retailer across the cities used to be Coles Express but that has changed in recent years

Table 5.1 shows the highest priced major retailer in each capital city in the 4 years between 2017 and 2020.

**Table 5.1: Highest priced major retailer in each capital city – 2017 to 2020**

City	2017	2018	2019	2020
Sydney	Coles Express	Coles Express	Coles Express	BP COCO
Melbourne	Coles Express	Coles Express	BP COCO	BP COCO
Brisbane	Coles Express	Coles Express	Coles Express	Coles Express
Adelaide	Coles Express	Coles Express	Coles Express	Caltex COCO
Perth	Coles Express	Coles Express	BP Sanzone	BP Sanzone
Canberra	n/a	Coles Express	Coles Express	Coles Express
Hobart	n/a	Caltex Bennett's Petroleum	Small independents	Small independents
Darwin	n/a	Coles Express	Coles Express	Puma Energy

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: E10 prices are used in Sydney. RULP prices are used in all other cities.

Hobart prices for 2018 are for the 6-month period from April to September 2018.

The table shows that:

- Coles Express changed from being the highest priced retailer in most cities
  - Coles Express was the highest priced retailer in each of the 5 largest capital cities in both 2017 and 2018, but in 2020 it was the highest priced retailer only in Brisbane
  - however, Coles Express was consistently the highest priced retailer in Brisbane between 2017 and 2020 and in Canberra between 2018 and 2020
- the highest priced major retailer in each of the 5 largest capital cities was more varied in 2019 and even more so in 2020
  - BP COCO was the highest priced retailer in Melbourne in 2019 and 2020, and the highest priced retailer in Sydney in 2020
  - Caltex COCO was the highest priced retailer in Adelaide in 2020 and BP Sanzone was the highest

priced retailer in Perth for 2019 and 2020

- across the 8 cities, 6 different major retailers were the highest priced retailer in 2020 compared with only 2 in 2018.

## 5.2 Independent chains were consistently the lowest priced retailers across the cities

Table 5.2 shows the lowest priced major retailer in each capital city in the 4 years between 2017 and 2020.

**Table 5.2: Lowest priced major retailer in each capital city – 2017 to 2020**

City	2017	2018	2019	2020
Sydney	Speedway	Speedway	Speedway	Speedway
Melbourne	United	United	United	Metro Petroleum
Brisbane	United	United	United	United
Adelaide	Liberty	Liberty	United	United
Perth	Vibe	Vibe	United	Vibe
Canberra	n/a	United	Metro Petroleum	Metro Petroleum
Hobart	n/a	United	United	United
Darwin	n/a	FuelXpress	FuelXpress	FuelXpress

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: E10 prices are used in Sydney. RULP prices are used in all other cities.

Hobart prices for 2018 are for the 6-month period April to September 2018.

The table shows that there has been more consistency in the lowest priced retailers:

- in each year between 2017 and 2020, Speedway was the lowest priced retailer in Sydney and United was the lowest in Brisbane
- in each year between 2018 and 2020, United was lowest priced retailer in Hobart and FuelXpress was the lowest in Darwin
- in 3 of the 4 years United was the lowest priced retailer in Melbourne and Vibe was the lowest priced retailer in Perth
- across the 8 cities, 5 different major retailers were the lowest priced retailer in 2020, the same as in 2018.

## 5.3 The ranking of retailers varies over time

Tables 5.3 to 5.10 show the ranking of the major retailers from highest priced to lowest priced in each capital city in the 4 years between 2017 and 2020. Prices are only available for the 3 years between 2018 and 2020 in the 3 smaller capital cities.

**Table 5.3: Ranking of each major retailer in Sydney – 2017 to 2020**

	2017	2018	2019	2020
<b>Highest</b>	Coles Express	Coles Express	Coles Express	BP COCO
	BP COCO	BP COCO	BP COCO	Coles Express
	Caltex COCO	Caltex COCO	Caltex COCO	Caltex COCO
	BP Jasbe	BP Jasbe	7-Eleven	7-Eleven
	Woolworths	Woolworths		Woolworths
<b>Below market average</b>				
			Woolworths	
	7-Eleven	7-Eleven	BP Jasbe	BP Jasbe
	United	Small independents	Small independents	Small independents
	Small independents	United	United	United
	Westside	Westside	Budget	Budget
	Budget	Budget	Westside	Westside
	Metro Petroleum	Metro Petroleum	Metro Petroleum	Metro Petroleum
<b>Lowest</b>	Speedway	Speedway	Speedway	Speedway

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: E10 prices are used in Sydney.

Woolworth's average price was equal to the market average price in 2017.

Table 5.3 shows that:

- Coles Express, BP COCO and Caltex COCO were always above the market average
- Speedway, Metro Petroleum, Budget, Westside, United and the small independents category were always below the market average
- Woolworths was generally equal to or above the market average
- BP Jasbe and 7-Eleven were equally above and below the market average.

**Table 5.4: Ranking of each major retailer in Melbourne – 2017 to 2020**

	2017	2018	2019	2020
<b>Highest</b>	Coles Express	Coles Express	BP COCO	BP COCO
	BP COCO	BP COCO	Caltex COCO	Caltex COCO
	BP Jasbe	Caltex COCO	Coles Express	Coles Express
			7-Eleven	BP Jasbe
				Woolworths
				7-Eleven
<b>Below market average</b>				
	Caltex COCO	Small independents		Small independents
	Small independents	Woolworths	Small independents	BP AA
	BP AA	7-Eleven	Woolworths	United
	Woolworths	BP AA	BP AA	Puma Energy
	7-Eleven	BP Jasbe	BP Jasbe	Liberty
<b>Lowest</b>	United	United	United	Metro Petroleum

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Table 5.4 shows that:

- Coles Express and BP COCO were always above the market average
- United, BP AA and the small independents category were always below the market average
- Caltex COCO was generally above the market average
- Woolworths was generally below the market average
- BP Jasbe and 7-Eleven were equally above and below the market average.

**Table 5.5: Ranking of each major retailer in Brisbane – 2017 to 2020**

	2017	2018	2019	2020
<b>Highest</b>	Coles Express	Coles Express	Coles Express	Coles Express
	BP COCO	BP Prasad	BP COCO	Caltex COCO
	Freedom Fuels	BP COCO	Caltex COCO	BP COCO
	Caltex COCO	Caltex COCO	Small independents	Freedom Fuels
<b>Below market average</b>				
		Freedom Fuels	BP McPhee	Woolworths
	Small independents	Woolworths	Freedom Fuels	7-Eleven
	Woolworths	Small independents	7-Eleven	BP McPhee
	Puma Energy	7-Eleven	Puma Energy	Small independents
	7-Eleven	Puma Energy	Woolworths	Puma Energy
<b>Lowest</b>	United	United	United	United

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Table 5.5 shows that:

- Coles Express, BP COCO and Caltex COCO were always above the market average
- United, Puma Energy, 7-Eleven and Woolworths were always below the market average
- Freedom Fuels was equally above and below the market average.

**Table 5.6: Ranking of each major retailer in Adelaide – 2017 to 2020**

	2017	2018	2019	2020
<b>Highest</b>	Coles Express	Coles Express	Coles Express	Caltex COCO
	On the Run	Caltex COCO	On the Run	On the Run
	Caltex COCO	On the Run	Caltex COCO	Coles Express
		BP Agostino		Woolworths
<b>Below market average</b>				
			Small independents	
			Woolworths	Small independents
	Woolworths	Woolworths	Liberty	X Convenience
	Small independents	Small independents	X Convenience	Liberty
<b>Lowest</b>	Liberty	Liberty	United	United

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: Caltex COCO's average price was equal to the market average price in 2017.

BP Agostino's average price was equal to the market average price in 2018.

Table 5.6 shows that:

- Coles Express and On the Run were always above the market average, and Caltex COCO was always equal to or above the market average
- Liberty, and the small independents category were always below the market average
- Woolworths was generally below the market average.

**Table 5.7: Ranking of each major retailer in Perth – 2017 to 2020**

	2017	2018	2019	2020
<b>Highest</b>	Coles Express	Coles Express	BP Sanzone	BP Sanzone
	BP COCO	BP Sanzone	Coles Express	BP COCO
	Caltex COCO	BP COCO	BP COCO	Coles Express
	Puma Energy	Caltex COCO	Caltex COCO	Caltex COCO
		Small independents	BP Epic Group	BP Epic Group
			7-Eleven	Woolworths
				7-Eleven
<b>Below market average</b>				
		Puma Energy	Small independents	
	Small independents	Woolworths	Puma Energy	Puma Energy
	Woolworths	7-Eleven	Woolworths	Small independents
	7-Eleven	Better Choice	Better Choice	Better Choice
	United	United	Vibe	United
<b>Lowest</b>	Vibe	Vibe	United	Vibe

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: The average price for the small independents category was equal to the market average price in 2018.

7-Eleven's average price was equal to the market average price in 2019 and 2020.

Table 5.7 shows that:

- Coles Express, BP COCO and Caltex COCO were always above the market average
- BP Sanzone was always above the market average in the 3 years for which price data was available
- Vibe and United were always below the market average
- Better Choice was always below the market average in the 3 years for which price data was available
- Puma Energy, Woolworths and the small independents category were generally below the market average.

**Table 5.8: Ranking of each major retailer in Canberra – 2018 to 2020**

	2018	2019	2020
<b>Highest</b>	Coles Express	Coles Express	Coles Express
			Caltex COCO
			Woolworths
<b>Below market average</b>			
		7-Eleven	
	Caltex COCO	Caltex COCO	7-Eleven
	7-Eleven	Woolworths	Small independents
	Woolworths	United	United
<b>Lowest</b>	United	Metro Petroleum	Metro Petroleum

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Table 5.8 shows that:

- Coles Express was always above the market average
- United and 7-Eleven were always below the market average
- Caltex COCO was generally below the market average
- Metro Petroleum was below the market average in the 2 years for which price data was available.

**Table 5.9: Ranking of each major retailer in Hobart – 2018 to 2020**

	2018	2019	2020
<b>Highest</b>	Caltex Bennett's Petroleum	Small independents	Small independents
	Coles Express	Coles Express	Caltex Bennett's Petroleum
	Small independents	Caltex Bennett's Petroleum	Coles Express
	BP COCO		BP COCO
<b>Below market average</b>			
		BP COCO	
	Woolworths	Caltex COCO	Caltex COCO
	Caltex COCO	Woolworths	Woolworths
<b>Lowest</b>	United	United	United

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Notes: Coles Express and BP COCO's average price was equal to the market average price in 2020.

Hobart prices for 2018 are for the 6-month period April to September 2018.

Table 5.9 shows that:

- Caltex Bennett's Petroleum and the small independents category were always above the market average
- Coles Express was above the market average in 2018 and 2019 and equal to the market average in 2020
- BP COCO was generally above the market average
- United, Woolworths and Caltex COCO were always below the market average.

**Table 5.10: Ranking of each major retailer in Darwin – 2018 to 2020**

	2018	2019	2020
<b>Highest</b>	Coles Express	Coles Express	Puma Energy
	Caltex COCO	Puma Energy	Coles Express
	Puma Energy		
<b>Below market average</b>			
			United
		Caltex COCO	Caltex COCO
	Woolworths	United	BP COCO
	United	Woolworths	Woolworths
<b>Lowest</b>	FuelXpress	FuelXpress	FuelXpress

Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

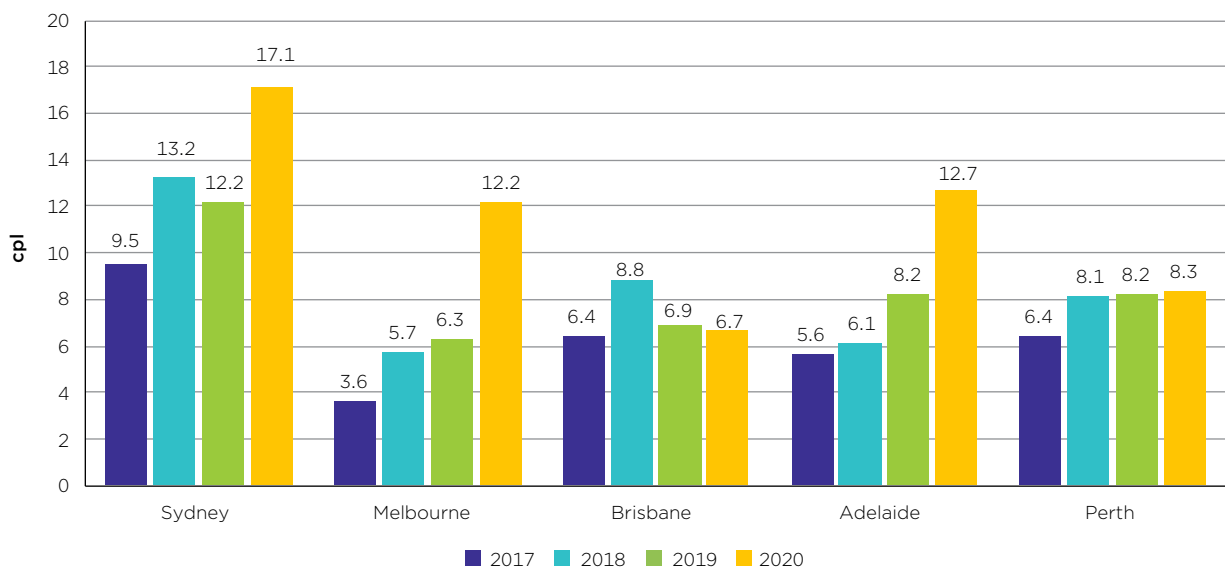
Table 5.10 shows that:

- Coles Express and Puma Energy were always above the market average
- FuelXpress, Woolworths and United were always below the market average
- Caltex COCO was generally below the market average.

## 5.4 The range between the highest priced and lowest priced major retailer has generally been increasing over time

Chart 5.1 shows the range between the highest priced and lowest priced major retailer in each of the 5 largest capital cities in the 4 years between 2017 and 2020.

**Chart 5.1: Range between the highest priced and lowest priced retailer in each of the 5 largest capital cities – 2017 to 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: E10 prices are used in Sydney. RULP prices are used in all other cities.



Between 2017 and 2020, the range between the highest and lowest priced retailer trended upward in Sydney, Melbourne and Adelaide. In Perth, the range increased in 2018 and remained broadly stable in subsequent years, and in Brisbane the range remained stable apart from an increase in 2018.

The average range between the highest and lowest priced retailer across the 5 largest capital cities increased from 6.3 cpl in 2017 to 8.4 cpl in 2018. It remained 8.4 cpl in 2019 and increased to 11.4 cpl in 2020.

A possible influence on the increase in the range since 2017 is that retail petrol prices were more volatile in the subsequent years, reflecting larger movements in the international price of refined petrol:

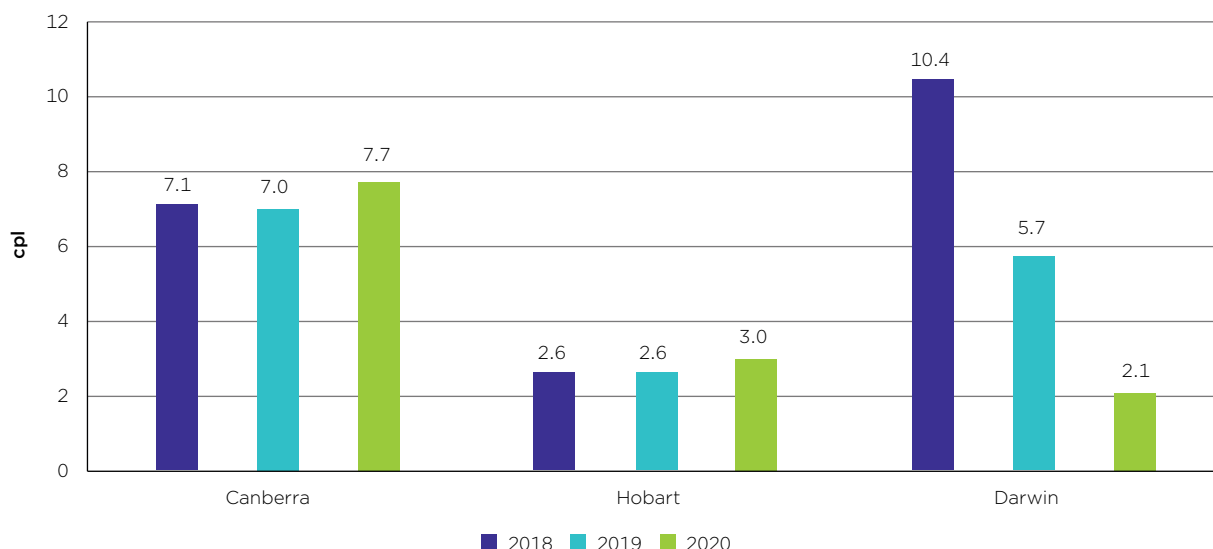
- in 2017, daily average petrol prices across the 5 largest capital cities varied from a low of 114.7 cpl to a high of 146.4 cpl (i.e. a range of 31.7 cpl)
- in 2018, the range increased by 15.1 cpl – daily average petrol prices across the 5 largest capital cities varied from a low of 114.5 cpl to a high of 161.3 cpl (i.e. a range of 46.8 cpl)
- in 2019, the range of prices (49.8 cpl) was similar to 2018
- however, in 2020 the range increased significantly – daily average petrol prices across the 5 largest capital cities varied from a low of 88.5 cpl to a high of 159.6 cpl (i.e. a range of 71.1 cpl).

The decrease in petrol demand in 2020 associated with the COVID-19 travel restrictions may also have been an influence.

Sydney had the largest range in all years. As noted in section 2.1.9, a feature of the Sydney fuel retailing market is that there are multiple independent chains that compete vigorously on price (such as Speedway, Metro Petroleum, Budget and Westside). The presence of these retailers in Sydney, and their associated influence on competition, is likely to have contributed to the significant range between the highest and lowest priced major retailers.

Chart 5.2 shows the range between the highest priced and lowest priced major retailer in Canberra, Hobart and Darwin in the 3 years between 2018 and 2020.

**Chart 5.2: Range between the highest priced and lowest priced retailer in Canberra, Hobart and Darwin – 2018 to 2020**



Source: ACCC calculations based on Informed Sources data and information provided by some major retailers.

Note: Hobart prices for 2018 are for the 6-month period April to September 2018.

The range in Darwin decreased from 10.4 cpl in 2018, to 5.7 cpl in 2019, and decreased further to 2.1 cpl in 2020. In Canberra and Hobart the ranges changed only marginally.

As noted in section 2.1.9, a large range in prices does not necessarily indicate a competitive market. Even though Darwin had the lowest range of prices in the 3 years 2018 to 2020, it also had relatively low annual average prices among the capital cities in 2019 and 2020.<sup>38</sup>

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<sup>38</sup> Annual average retail prices in Darwin were lower than those in Canberra, Hobart, Melbourne and the average across the 5 largest capital cities in 2019 and 2020. Annual average retail prices in Darwin were also lower than those in Adelaide and Perth in 2019 and Sydney E10 prices in 2020.

## 6. Major retailers in the capital cities

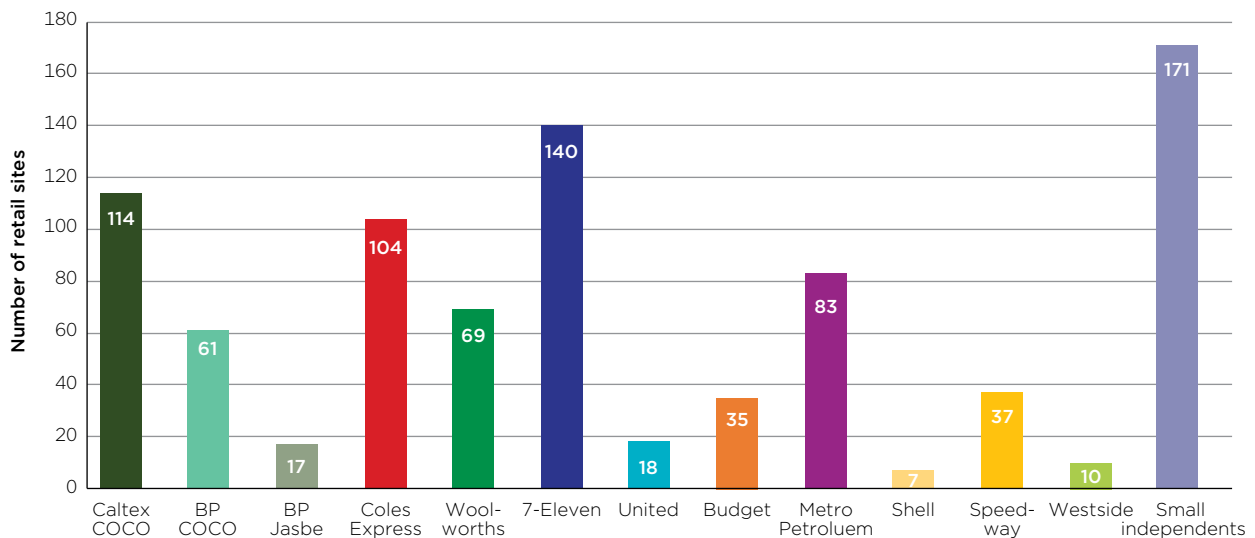
The ACCC has estimated the number of retail sites by major retailer in the 8 capital cities as at 30 June 2019, using the Informed Sources NetWatch database of retail sites and information provided to the ACCC by some of the major retailers.

The data in these charts provides an indication of the significance of each major retailer's prices. For example, in Sydney, while Speedway's annual average price was 7.3 cpl below the market average price in 2019, it had only 37 retail sites (around 4% of the total number of retail sites) as at 30 June 2019. In contrast, Coles Express' annual average price was 4.9 cpl above the market average price in 2019, and it had 104 retail sites (around 12%).

### 6.1 Sydney

As at 30 June 2019, there were 866 fuel retail sites in Sydney. Chart 6.1 shows the major retailers operating in Sydney. The 5 largest major retailers (7-Eleven, Caltex COCO, Coles Express, Metro Petroleum and Woolworths) accounted for around 59% of total retail sites in Sydney.

**Chart 6.1: Number of retail sites by major retailer in Sydney as at 30 June 2019**

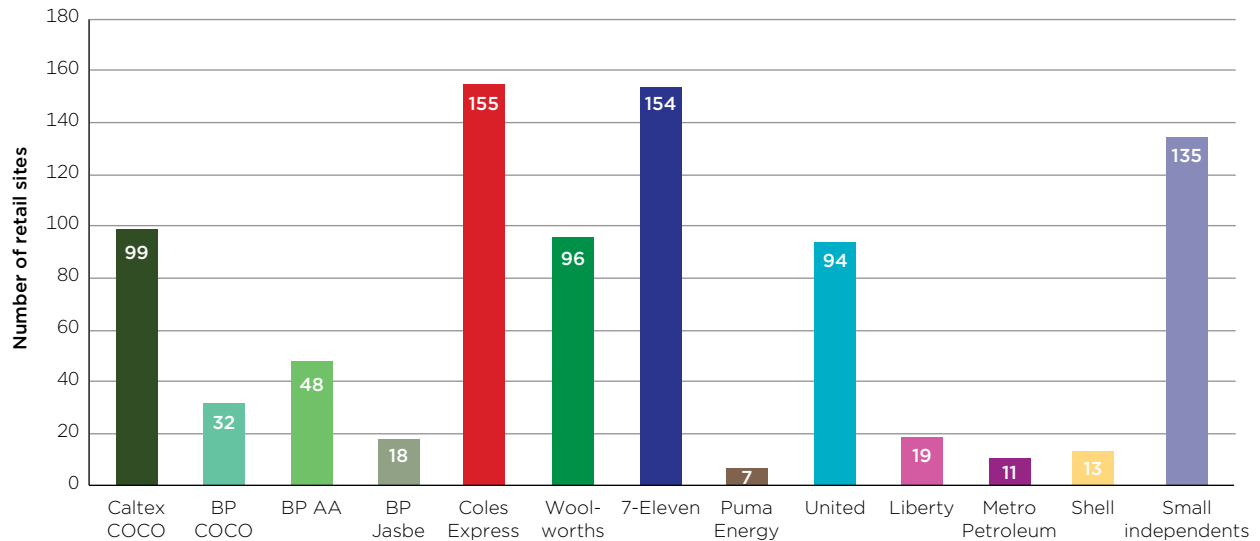


Source: ACCC calculations based on Informed Sources NetWatch data and information provided by some major retailers.

## 6.2 Melbourne

As at 30 June 2019, there were 881 fuel retail sites in Melbourne. Chart 6.2 shows the major retailers operating in Melbourne. The 5 largest major retailers (Coles Express, 7-Eleven, Caltex COCO, Woolworths and United) accounted for around 68% of total retail sites in Melbourne.

**Chart 6.2: Number of retail sites by major retailer in Melbourne as at 30 June 2019**

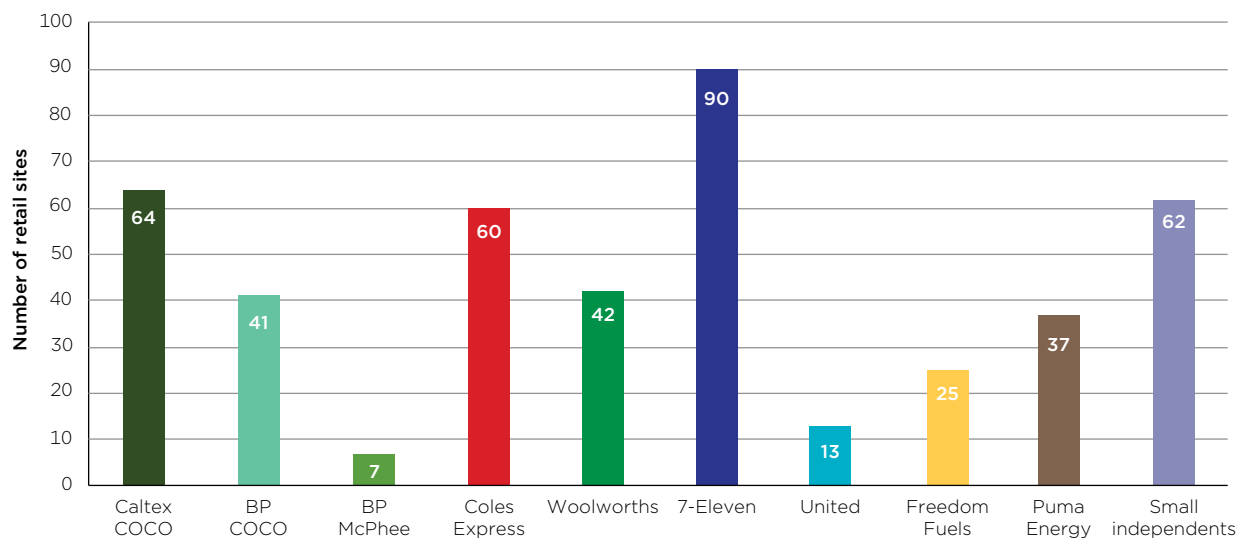


Source: ACCC calculations based on Informed Sources NetWatch data and information provided by some major retailers.

## 6.3 Brisbane

As at 30 June 2019, there were 441 fuel retail sites in Brisbane. Chart 6.3 shows the major retailers operating in Brisbane. The 5 largest major retailers (7-Eleven, Caltex COCO, Coles Express, Woolworths and BP COCO) accounted for around 67% of total retail sites in Brisbane.

**Chart 6.3: Number of retail sites by major retailer in Brisbane as at 30 June 2019**

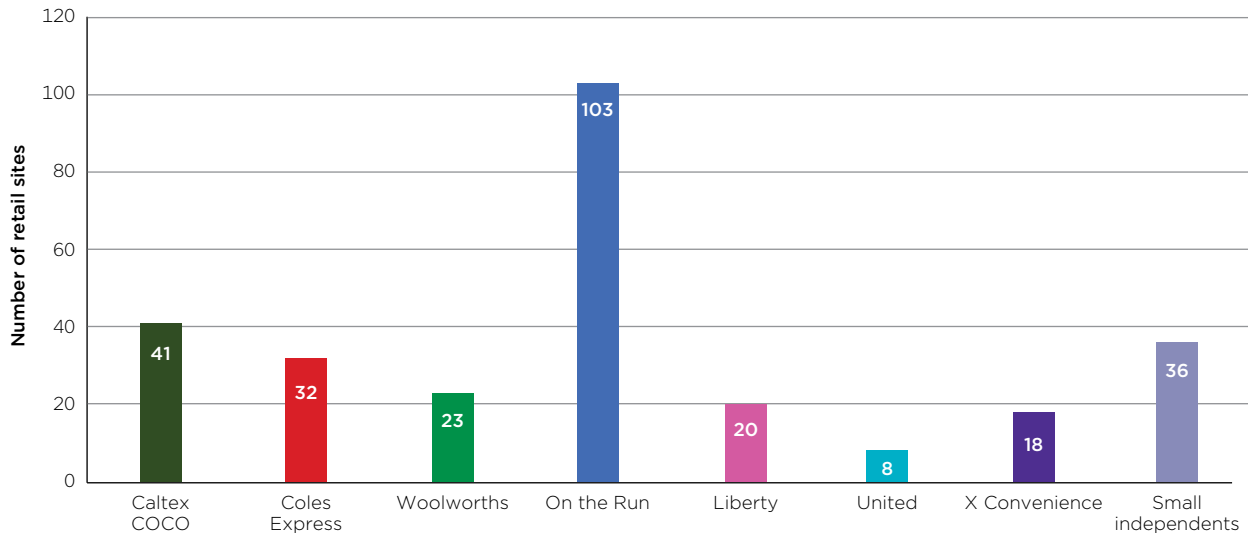


Source: ACCC calculations based on Informed Sources NetWatch data and information provided by some major retailers.

## 6.4 Adelaide

As at 30 June 2019, there were 281 fuel retail sites in Adelaide. Chart 6.4 shows the major retailers operating in Adelaide. The 5 largest major retailers (On The Run, Caltex COCO, Coles Express, Woolworths and Liberty) accounted for around 78% of total retail sites in Adelaide.

**Chart 6.4: Number of retail sites by major retailer in Adelaide as at 30 June 2019**

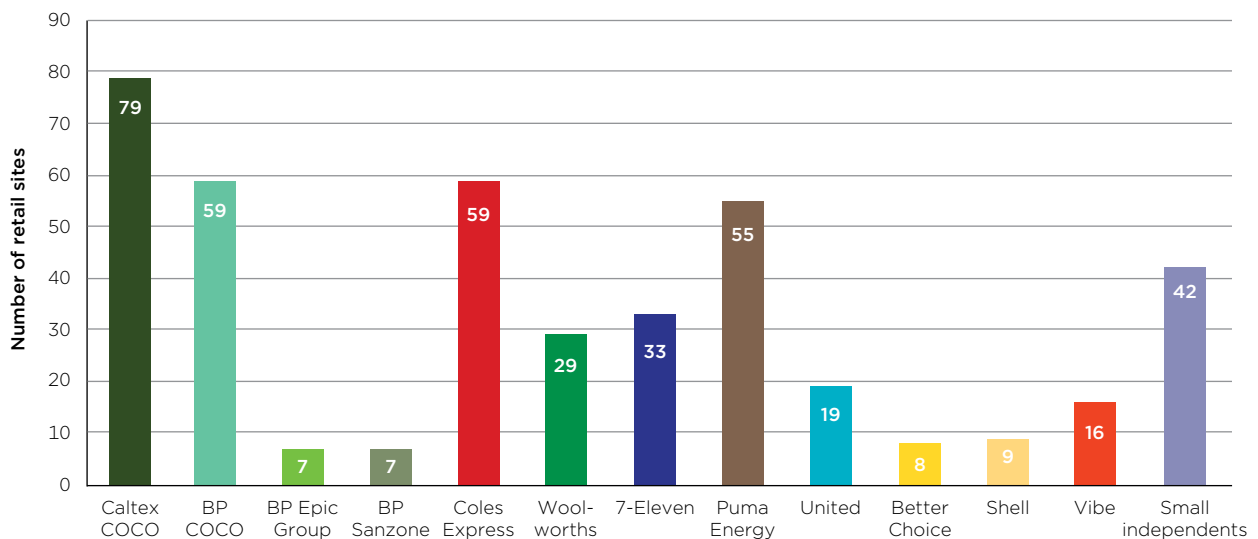


Source: ACCC calculations based on Informed Sources NetWatch data and information provided by some major retailers.

## 6.5 Perth

As at 30 June 2019, there were 422 fuel retail sites in Perth. Chart 6.5 shows the major retailers operating in Perth. The 5 largest major retailers (Caltex COCO, BP COCO, Coles Express, Puma Energy and 7-Eleven) accounted for around 68% of total retail sites in Perth.

**Chart 6.5: Number of retail sites by major retailer in Perth as at 30 June 2019**

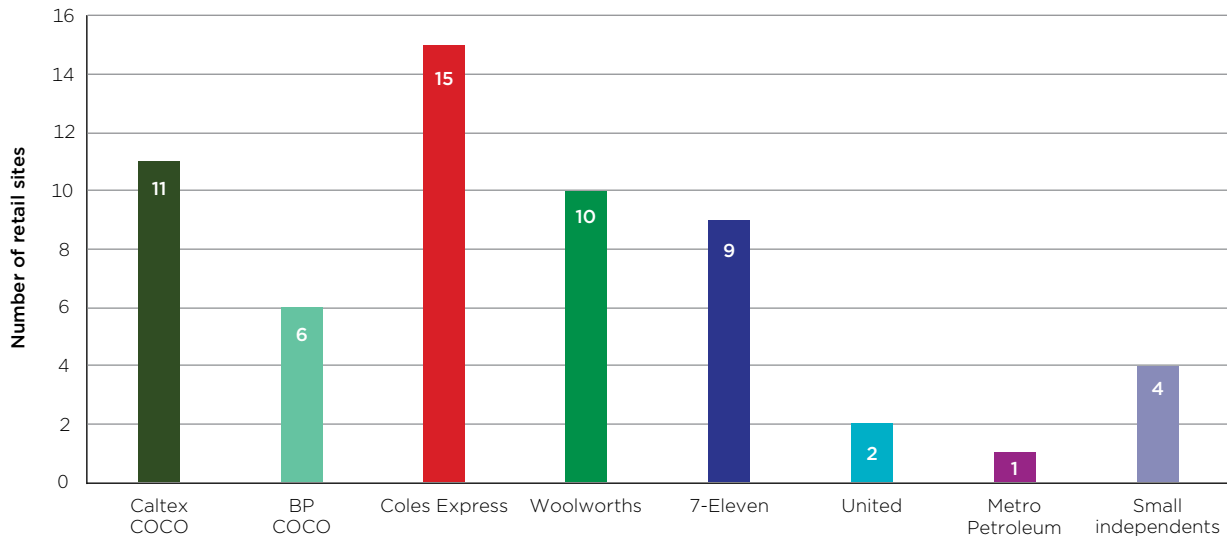


Source: ACCC calculations based on Informed Sources NetWatch data and information provided by some major retailers.

## 6.6 Canberra

As at 30 June 2019, there were 58 fuel retail sites in Canberra. Chart 6.6 shows the major retailers operating in Canberra. The 5 largest major retailers (Coles Express, Caltex COCO, Woolworths, 7-Eleven and BP COCO) accounted for around 88% of total retail sites in Canberra.

**Chart 6.6: Number of retail sites by major retailer in Canberra as at 30 June 2019**

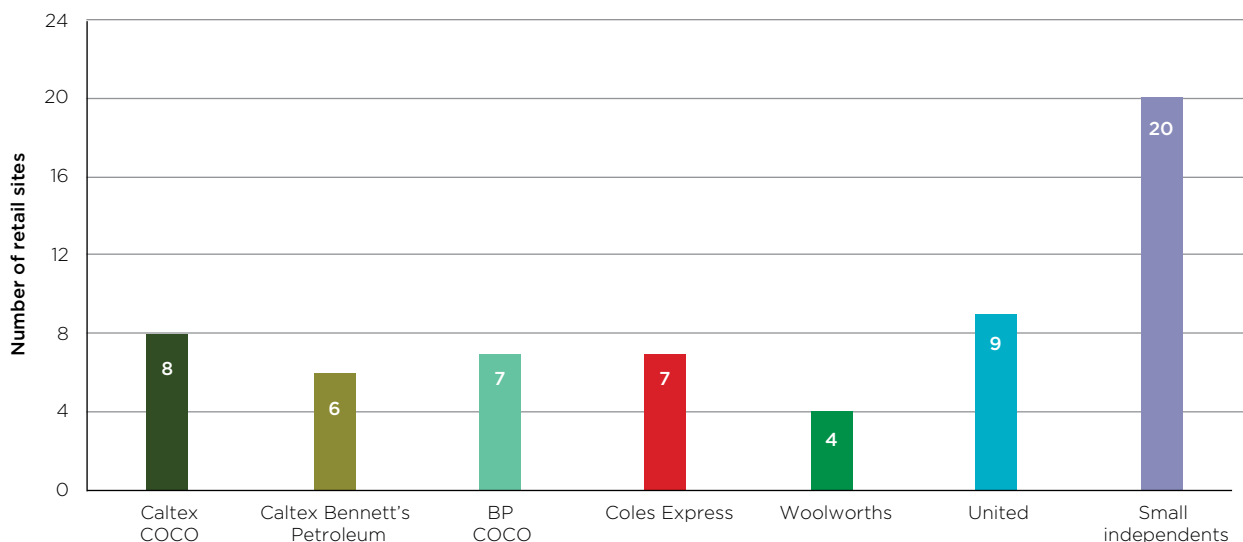


Source: ACCC calculations based on Informed Sources NetWatch data and information provided by some major retailers.

## 6.7 Hobart

As at 30 June 2019, there were 61 fuel retail sites in Hobart. Chart 6.7 shows the major retailers operating in Hobart. The 5 largest major retailers (United, Caltex COCO, BP COCO, Coles Express and Caltex Bennett's Petroleum) accounted for around 61% of total retail sites in Hobart.

**Chart 6.7: Number of retail sites by major retailer in Hobart as at 30 June 2019**

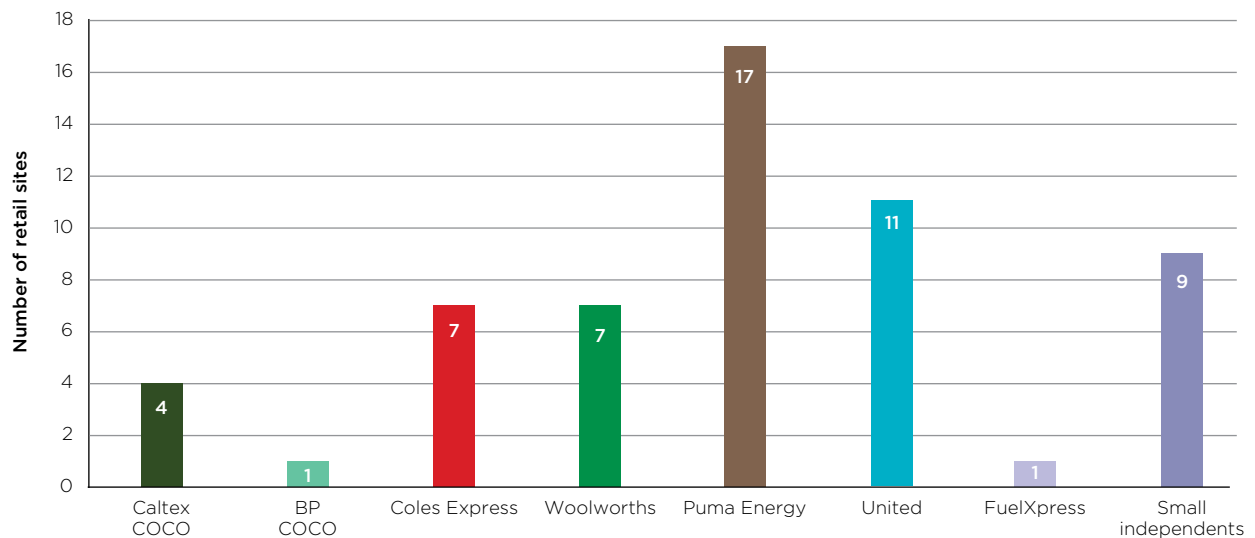


Source: ACCC calculations based on Informed Sources NetWatch data and information provided by some major retailers.

## 6.8 Darwin

As at 30 June 2019, there were 57 fuel retail sites in Darwin. Chart 6.8 shows the major retailers operating in Darwin. The 5 largest major retailers (Puma Energy, United, Coles Express, Woolworths and Caltex COCO) accounted for around 81% of total retail sites in Darwin.

**Chart 6.8: Number of retail sites by major retailer in Darwin as at 30 June 2019**



Source: ACCC calculations based on Informed Sources NetWatch data and information provided by some major retailers.

# Appendix: Background and methodology

## Background to ACCC monitoring

On 16 December 2019, the Treasurer issued a Direction to the ACCC to monitor the prices, costs and profits relating to the supply of petroleum products in the petroleum industry in Australia. The Direction, issued under section 95ZE of the *Competition and Consumer Act 2010* (Cth), commenced on 19 December 2019 and lasts for 3 years.

The ACCC's role is to assist consumers to navigate this complex industry. Under the Direction, the ACCC produces quarterly petrol monitoring reports focusing on price movements in the capital cities and over 190 regional locations across Australia. It also produces industry reports that focus on particular aspects of consumer interest in the fuel market in relation to prices, costs and profits. This is the second industry report prepared under the Direction.

## Methodology

This appendix outlines the methodology used to compile the average retail petrol price data for calendar years 2019 and 2020 in all capital cities.

The source for prices in this report is ACCC calculations based on Informed Sources data and information provided by some of the major retailers.

All prices are board prices and do not take account of the various discount schemes (such as the shopper docket discount arrangements of the supermarket chains and other retailers, discount arrangements between some major retailers and state motoring organisations, and discounts associated with fuel cards).

## Price data

The ACCC obtained annual average retail petrol prices by major brand in the 8 capital cities for calendar years 2019 and 2020 from Informed Sources. Prices were also obtained for other retail sites that had a price available, and these were included in a small independents category.

All prices are RULP prices except in Sydney, where E10 prices are used.

Informed Sources calculated prices as follows:

- daily average prices for each retail site were calculated
- these prices were used to calculate annual averages for each retail site
- these prices were then averaged to calculate an average price for each major brand.

For a retail site to be included in the annual averages, it generally had to have a price available for 85% of days across the year. This requirement was modified for the smaller capital cities, and for some brands, where price data would otherwise be unavailable.

Informed Sources obtains site-specific price data by various means, the main methods being:

- electronic transfer from specific retailers that participate in its Oil Price Watch service
- manual collection of prices by drivers
- collection of publicly available data from FuelWatch in Western Australia, FuelCheck in New South Wales and Tasmania, MyFuel NT in the Northern Territory and the fuel price transparency scheme in Queensland
- crowd sourcing.



Coles Express electronic pricing data was unavailable to Informed Sources for the period January to March 2019.

## Major retailer

In the 5 largest cities, a major retailer is defined as a retailer that determines the retail price of petrol at 7 or more retail sites in that city. In most cases, a major retailer will also own or operate these retail sites. However, this also includes commission agent and franchise retail sites (which are owned and/or operated by another entity, but at which the major retailer determines the retail price). The retail sites of non-major retailers are included in the analysis in the small independents category.

In the 3 smaller capital cities, the requirement of a major retailer having to set the retail price of petrol at 7 or more retail sites does not apply. This is because such a requirement would result in a number of individual market participants being aggregated with other retailers and brands, rather than reporting on their respective prices (for example, at 30 June 2019 there were 4 Woolworths retail sites in Hobart and 4 Caltex COCO sites in Darwin).

This approach was also used in the ACCC's 2018 price report.

## BP and Caltex branded retail sites

For BP and Caltex branded retail sites, the ACCC obtained site-specific annual average prices for each retail site. Each site was allocated into one of 3 categories, based on information from BP and Ampol:

- company owned and operated retail sites and commission agent retail sites
  - these are retail sites at which BP and Ampol set the retail price
  - these are referred to as COCO retail sites in the report
- BP- and Caltex-branded but independently operated chains (i.e. that operate 7 or more retail sites and set the price)
  - these include BP Jasbe in Sydney and Melbourne, BP AA in Melbourne, BP McPhee in Brisbane, BP Sanzone and BP Epic Group in Perth and Caltex Bennett's Petroleum in Hobart
- the remaining BP- and Caltex-branded retail sites were included in the small independents category in each city.

## Retail site data

Retail site data as at 30 June 2019 was derived using information from the Informed Sources NetWatch database. This was supplemented by information provided to the ACCC by BP and Ampol about price setters at their respective BP and Caltex branded retail sites in 2019.



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